CHARTER COMMUNICATIONS INC /MO/
Form S-1/A
November 14, 2005

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As filed with the Securities and Exchange Commission on November 14, 2005

Registration No. 333-128838

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

Form S-1

REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

Charter Communications, Inc.

(Exact name of registrant as specified in its Charter)

Delaware	4841	43-1857213
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

12405 POWERSCOURT DRIVE

ST. LOUIS, MISSOURI 63131
(314) 965-0555
(Address, including zip code, and telephone number, including area code, of registrant principal executive offices)

Paul E. Martin

Senior Vice President, Interim Chief Financial Officer, Principal Accounting Officer and Corporate Controller
12405 Powerscourt Drive
St. Louis, Missouri 63131
(314) 965-0555
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Dennis J. Friedman
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
(212) 351-4000

Jeremy W. Dickens
Brian A. Haskel
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
(212) 310-8000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 14, 2005

PROSPECTUS

122,830,000 Shares

Charter Communications, Inc.

Class A Common Stock

$ per share

The shares of our Class A common stock offered hereby are shares that we will loan to Citigroup Global Markets Limited, as borrower, through Citigroup Global Markets Inc., as agent, pursuant to a share lending agreement.

Our Class A common stock is quoted on the Nasdaq National Market under the symbol CHTR. The last reported sale price of our Class A common stock on the Nasdaq National Market on November 10, 2005 was $1.26 per share.

Investing in our Class A common stock involves risks. See Risk Factors beginning on page 12.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	$	$

Under the share lending agreement, we will receive a loan fee of $.001 for each share that we lend. We have been advised by Citigroup Global Markets Limited that it, or its affiliates, intend(s) to use the short sales of the shares of our Class A common stock offered pursuant to this prospectus to facilitate transactions by which investors in our 5.875% convertible senior notes due 2009 issued on November 22, 2004 will hedge their investments in the 5.875% convertible senior notes. See Share Lending Agreement and Underwriting on pages 185 and 190, respectively, of this prospectus. We will not receive any of the proceeds from the sale of the shares of Class A common stock in this offering.

THE SHARES OFFERED HEREBY ARE NOT BEING OFFERED TO, AND MAY NOT BE PURCHASED BY, ANY PERSON WHO HOLDS AN OPEN SHORT POSITION IN OUR CLASS A COMMON STOCK, ANY PERSON WHO IS PURCHASING THE SHARES ON BEHALF OF OR FOR THE ACCOUNT OF SUCH A PERSON OR ANY PERSON WHO HAS AN ARRANGEMENT OR UNDERSTANDING TO RESELL, LEND OR OTHERWISE TRANSFER (DIRECTLY OR INDIRECTLY) THE SHARES TO SUCH A PERSON. PURCHASERS IN THIS OFFERING WILL BE REQUIRED TO CERTIFY THE FOREGOING IN WRITING. SEE NOTICE TO INVESTORS ON PAGE ii OF THIS PROSPECTUS.

The shares of our Class A common stock are being offered on a best efforts basis. Best efforts means that Citigroup Global Markets Limited is not under any obligation to borrow and sell any of the shares offered hereby. Citigroup Global Markets Limited has informed us that it will use its best efforts to sell the shares offered pursuant to this prospectus, provided that it intends to borrow and sell the shares offered hereby only to the extent there is interest by investors in the 5.875% convertible senior notes in establishing hedge positions and there is corresponding demand by purchasers for the shares. Accordingly, there is no assurance that all or any portion of the shares offered hereby will be sold.

The offering will be at a fixed price and will not be conducted on a continuous or delayed basis. The offering will terminate on or before , 2005, and the underwriter expects to deliver the shares to purchasers on or about , 2005.

Citigroup

, 2005

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information that is different from that contained in this prospectus. We are offering to sell shares of our common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is complete and accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of shares.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of 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. Many of the forward-looking statements contained in this prospectus may be identified by the use of forward-looking words such as believe, expect, anticipate, should, planned, will, may, intend, estimated and potential, among others. Important factors tha results to differ materially from the forward-looking statements we make in this prospectus are set forth in this prospectus and in other reports or documents that we file from time to time with the Securities and Exchange Commission, or SEC, and include, but are not limited to:

- the availability, in general, of funds to meet interest payment obligations under our debt and to fund our operations and necessary capital expenditures, either through cash flows from operating activities, further borrowings or other sources and, in particular, our ability to be able to provide under applicable debt instruments, such funds (by dividend, investment or otherwise) to the applicable obligor of such debt;

- our ability to sustain and grow revenues and cash flows from operating activities by offering video, high-speed Internet, telephone and other services and to maintain and grow a stable customer base, particularly in the face of increasingly aggressive competition from other service providers;

- our ability to comply with all covenants in our indentures, bridge loan and credit facilities, any violation of which would result in a violation of the applicable facility or indenture and could trigger a default of other obligations under cross-default provisions;

- our ability to pay or refinance debt prior to or when it becomes due and/or to take advantage of market opportunities and market windows to refinance that debt in the capital markets, through new issuances, exchange offers or otherwise, including restructuring our balance sheet and leverage position;

- our ability to obtain programming at reasonable prices or to pass programming cost increases on to our customers;

- general business conditions, economic uncertainty or slowdown; and

- the effects of governmental regulation, including but not limited to local franchise authorities, on our business.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement.

ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 to register the sale of the securities covered by this prospectus. This prospectus, which forms part of that registration statement, does not contain all the information included in the registration statement. For further information about us and the securities described in this prospectus, you should refer to the registration statement and its exhibits.

Our Class A common stock is quoted on the Nasdaq National Market under the symbol CHTR. We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy at prescribed rates any document we file at the SEC s public reference room at Room 1200, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC s website at www.sec.gov.

NOTICE TO INVESTORS

The shares offered hereby are not being offered to, and may not be purchased by, any person who has an open short position in Charter s Class A common stock at the time of the sale, any person who is purchasing the shares on behalf of or for the account of such a person or any person who has an arrangement or understanding to resell, lend or otherwise transfer (directly or indirectly) the shares to such a person.

Each purchaser of Charter s Class A common stock in this offering must execute and deliver the Investor Acknowledgement set forth on Annex A hereto to Citigroup by facsimile to (646) 843-3922.

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SUMMARY

This summary contains a general discussion of our business, and summary financial information. It does not contain all the information that you should consider before making an investment decision regarding our Class A common stock. For a more complete understanding of an investment in our Class A common stock, you should read this entire prospectus. Unless otherwise noted, all business data in this summary is as of September 30, 2005.

Unless otherwise stated, the discussion in this prospectus of our business and operations includes the business and operations of Charter Communications, Inc. and its subsidiaries. Unless the context otherwise requires, the terms we, us and our refer to Charter Communications, Inc. and its direct and indirect subsidiaries on a consolidated basis. The term Charter refers to the issuer, Charter Communications, Inc.

Our Business

We are a broadband communications company operating in the United States, with approximately 6.17 million customers at September 30, 2005. Through our broadband network of coaxial and fiber optic cable, we offer our customers traditional cable video programming (analog and digital, which we refer to as video service), high-speed cable Internet access, advanced broadband cable services (such as video on demand (VOD), high definition television service, and interactive television) and, in some of our markets, we offer telephone service. See Business Products and Services for further description of these terms, including customers.

At September 30, 2005, we served approximately 5.91 million analog video customers, of which approximately 2.75 million were also digital video customers. We also served approximately 2.12 million high-speed Internet customers (including approximately 244,000 who received only high-speed Internet services). We also provided telephone service to approximately 89,900 customers as of that date.

Our principal executive offices are located at Charter Plaza, 12405 Powerscourt Drive, St. Louis, Missouri 63131. Our telephone number is (314) 965-0555 and we have a website accessible at www.charter.com. The information posted or linked on our website is not part of this prospectus and you should rely solely on the information contained in this prospectus and the related documents to which we refer herein when deciding to make an investment in our Class A common stock.

Strategy

Our principal financial goal is to maximize our return on invested capital. To do so, we will focus on increasing revenues, growing our customer base, improving customer retention and enhancing customer satisfaction by providing reliable, high-quality service offerings, superior customer service and attractive bundled offerings.

Specifically, in the near term, we are focusing on:

- improving the overall value to our customers of our service offerings, relative to pricing;
- developing more sophisticated customer care capabilities through investment in our customer care and marketing infrastructure, including targeted marketing capabilities;
- executing growth strategies for new services, including digital simulcast, VOD, telephone, and digital video recorder service (DVR);
- managing our operating costs by exercising discipline in capital and operational spending; and
- identifying opportunities to continue to improve our balance sheet and liquidity.

We have begun an internal operational improvement initiative aimed at helping us gain new customers and retain existing customers, which is focused on customer care, technical operations and sales. We intend to continue efforts to focus management attention on instilling a customer service oriented culture throughout the company and to give those areas of our operations priority of resources for staffing levels, training budgets and financial incentives for employee performance in those areas.

We believe that our high-speed Internet service will continue to provide a substantial portion of our revenue growth in the near future. We also plan to continue to expand our marketing of high-speed Internet service to the business community, which we believe has shown an increasing interest in high-speed Internet service and private network services. Additionally, we plan to continue to prepare additional markets for telephone launches in 2005.

We believe we offer our customers an excellent choice of services through a variety of bundled packages, particularly with respect to our digital video and high-speed Internet services, as well as telephone in certain markets. Our digital platform enables us to offer a significant number and variety of channels, and we offer customers the opportunity to choose among groups of channel offerings, including premium channels, and to combine selected programming with other services such as high-speed Internet, high definition television (in selected markets) and VOD (in selected markets).

We continue to pursue opportunities to improve our liquidity. Our efforts in this regard resulted in the completion of a number of transactions in 2004 and 2005, as follows:

- the October 2005, entry by CCO Holdings, LLC (CCO Holdings) and CCO Holdings Capital Corp., as guarantor thereunder, into a $600 million senior bridge loan agreement with various lenders;

- the September 2005 exchange by Charter Communications Holdings, LLC (Charter Holdings), CCH I, LLC (CCH I) and CCH I Holdings, LLC (CIH) of approximately $6.8 billion in total principal amount of outstanding debt securities of Charter Holdings in a private placement for new debt securities;

- the August 2005 sale by, our subsidiaries, CCO Holdings and CCO Holdings Capital Corp. of $300 million of 8 3/4% senior notes due 2013;

- the March and June 2005 issuance of $333 million of Charter Communications Operating, LLC (Charter Operating) notes in exchange for $346 million of Charter Holdings notes;

- the March and June 2005 repurchase of $131 million of our 4.75% convertible senior notes due 2006 leaving $25 million in principal amount outstanding;

- the March 2005 redemption of all of CC V Holdings, LLC s outstanding 11.875% senior discount notes due 2008 at a total cost of $122 million;

- the December 2004 sale by our subsidiaries, CCO Holdings and CCO Holdings Capital Corp. of $550 million of senior floating rate notes due 2010;

- the November 2004 sale of the $862.5 million of 5.875% convertible senior notes due 2009 and the December 2004 redemption of all of our outstanding 5.75% convertible senior notes due 2005 ($588 million principal amount);

- the April 2004 sale of $1.5 billion of senior second lien notes by our subsidiary, Charter Operating, together with the concurrent refinancing of its credit facilities; and

- the sale in the first half of 2004 of non-core cable systems for a total of $735 million, the proceeds of which were used to reduce indebtedness.

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Recent Events

CC VIII Settlement

As of October 31, 2005, acting through a Special Committee of Charter s Board of Directors, we settled our dispute with Paul G. Allen, Charter s controlling stockholder and Chairman of the Board, related to the ownership of a Charter subsidiary, CC VIII, LLC (CC VIII).

Under the terms of the settlement, Charter Investment, Inc. (CII), 100% owned by Mr. Allen, will retain 30% of the Class A preferred equity interests it previously held in CC VIII, subject to certain rights and restrictions concerning transfer. Of the other 70% of the CC VIII preferred interests, 7.4% has been transferred by CII to CCHC, LLC, (CCHC) a newly formed direct, wholly owned subsidiary of Charter Communications Holding Company, LLC (Charter Holdco) and the new direct parent of Charter Holdings in exchange for a subordinated exchangeable note issued to CII and the remaining 62.6% has been transferred by CII to Charter Holdco, in accordance with the terms of the settlement, for no additional monetary consideration. Charter Holdco contributed the 62.6% interest to CCHC. The note has an initial accreted value of $48.2 million accreting at 14%, compounded quarterly, with a 15-year maturity.

Also as part of the settlement, CC VIII issued approximately 49 million additional Class B units to CC V Holdings, LLC, the direct parent of CC VIII, in consideration for prior capital contributions to CC VIII by CC V Holdings, LLC in connection with a transaction that was unrelated to the dispute with CII. As a result of these transfers and issuances, Mr. Allen s pro rata share of the profits and losses of CC VIII is approximately 5.6%. See Certain Relationships and Related Transactions Transactions Arising Out of Our Organizational Structure and Mr. Allen s Investment in Charter and Its Subsidiaries Equity Put Rights CC VIII.

Repurchase of Convertible Redeemable Preferred Stock

In November 2005, Charter repurchased 484,908 shares of its Series A Convertible Redeemable Preferred Stock for an aggregate purchase price of approximately $29 million (or $60 per share). The shares had liquidation preference of approximately $48 million and had accrued but unpaid dividends of approximately $3 million resulting in a gain of approximately $22 million. Following the repurchase, 60,351 shares of preferred stock remained outstanding.

In connection with the repurchase, the holders of Preferred Stock consented to an amendment to the Certificate of Designation governing the Preferred Stock that will eliminate the quarterly dividends on all of the outstanding Preferred Stock and will provide that the liquidation preference for the remaining shares outstanding will be $105.4063 per share, which amount shall accrete from September 30, 2005 at an annual rate of 7.75%, compounded quarterly. Certain holders of Preferred Stock also released Charter from various threatened claims relating to their acquisition and ownership of the Preferred Stock, including threatened claims for breach of contract.

CCO Holdings Bridge Loan

In October 2005, CCO Holdings entered into a senior bridge loan agreement with JPMorgan Chase Bank, N.A., Credit Suisse, Cayman Islands Branch and Deutsche Bank AG Cayman Islands Branch (the Lenders) whereby the Lenders have committed to make loans to CCO Holdings in an aggregate amount of $600 million. CCO Holdings, subject to the satisfaction of certain conditions, may draw upon the facility between January 2, 2006 and September 29, 2006 and the loans will mature on the sixth anniversary of the first borrowing under the bridge loan. See Description of Certain Indebtedness CCO Holdings, LLC Notes and Bridge Loan.

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Charter Holdings, CCH I and CIH Exchange Offer

On September 28, 2005, Charter Holdings and its wholly owned subsidiaries, CCH I and CIH, completed the exchange of approximately $6.8 billion in total principal amount of outstanding debt securities of Charter Holdings in a private placement for new debt securities. Holders of Charter Holdings notes due in 2009 and 2010 exchanged $3.4 billion principal amount of notes for $2.9 billion principal amount of new 11% CCH I senior secured notes due 2015. Holders of Charter Holdings notes due 2011 and 2012 exchanged $845 million principal amount of notes for $662 million principal amount of 11% CCH I senior secured notes due 2015. In addition, holders of Charter Holdings notes due 2011 and 2012 exchanged $2.5 billion principal amount of notes for $2.5 billion principal amount of various series of new CIH notes. Each series of new CIH notes has the same stated interest rate and provisions for payment of cash interest as the series of old Charter Holdings notes for which such CIH notes were exchanged. In addition, the maturities for each series were extended three years.

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The Offering

Total shares of Class A common stock offered by us hereby	122,830,000 shares
Approximate number of shares of Class A common stock to be outstanding after the offering	471.4 million shares (including the shares offered hereby, 27.2 million shares issued on July 29, 2005 pursuant to the share lending agreement and 13.4 million shares issued on July 8, 2005 in connection with a litigation settlement)
Nasdaq National Market Symbol	CHTR

The shares of our Class A common stock offered hereby are shares that we will loan to Citigroup Global Markets Limited pursuant to a share lending agreement, dated as of November 22, 2004, which we refer to as the share lending agreement. Under the share lending agreement, we will receive a loan fee of $.001 per share. We will not receive any proceeds from this offering. See Share Lending Agreement and Underwriting.

THE SHARES OFFERED HEREBY ARE NOT BEING OFFERED TO, AND MAY NOT BE PURCHASED BY, ANY PERSON WHO HOLDS AN OPEN SHORT POSITION IN OUR CLASS A COMMON STOCK, ANY PERSON WHO IS PURCHASING THE SHARES ON BEHALF OF OR FOR THE ACCOUNT OF SUCH A PERSON OR ANY PERSON WHO HAS AN ARRANGEMENT OR UNDERSTANDING TO RESELL, LEND OR OTHERWISE TRANSFER (DIRECTLY OR INDIRECTLY) THE SHARES TO SUCH A PERSON.

PURCHASERS IN THE OFFERING WILL BE REQUIRED TO CERTIFY THE FOREGOING IN WRITING. SEE NOTICE TO INVESTORS ON PAGE ii AND FORM OF INVESTOR ACKNOWLEDGMENT ON PAGE A-1.

Risk Factors

Investing in our Class A common stock involves substantial risk. See the Risk Factors section of this prospectus for a description of certain of the risks you should consider before investing in our Class A common stock.

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Organizational Structure

The chart below sets forth the organizational structure of Charter and its principal direct and indirect subsidiaries. The equity ownership, voting percentages and indebtedness amounts shown below are approximations as of September 30, 2005 giving effect to the issuance of the shares offered hereby and the creation of CCHC and the settlement of the CC VIII dispute and do not give effect to any exercise, conversion or exchange of then outstanding options, preferred stock, convertible notes and other convertible or exchangeable securities.

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(1) Charter acts as the sole manager of Charter Holdco and its direct and indirect limited liability company subsidiaries. Charter s certificate of incorporation requires that its principal assets be securities of Charter Holdco, the terms of which mirror the terms of securities issued by Charter. See Description of Capital Stock and Membership Units.

(2) These membership units are held by Charter Investment, Inc. and Vulcan Cable III Inc., each of which is 100% owned by Paul G. Allen, our Chairman and controlling shareholder. They are exchangeable at any time on a one-for-one basis for shares of Charter Class A common stock.

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(3) The percentages shown in this table reflect the issuance of the 122.8 million shares of Class A common stock offered hereby as well as the 27.2 million shares of Class A common stock issued on July 29, 2005 and the corresponding issuance of an equal number of mirror membership units by Charter Holdco to Charter. However, for accounting purposes, Charter s common equity interest in Charter Holdco is 48%, and Paul G. Allen s ownership of Charter Holdco is 52%. These percentages exclude the 150 million mirror membership units issued or to be issued to Charter due to the required return of the issued mirror units upon return of the shares offered hereby pursuant to the share lending agreement. See Share Lending Agreement.

(4) Represents preferred membership interests in CC VIII a subsidiary of CC V Holdings, LLC and a subordinated accreting note issued by CCHC related to the settlement of the CC VIII dispute. See Certain Relationships and Related Transactions Transactions Arising out of Our Organizational Structure and Mr. Allen s Investment in Charter Communications, Inc. and Its Subsidiaries Equity Put Rights CC VIII.

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Summary Consolidated Financial Data

Charter is a holding company whose principal assets are a controlling common equity interest in Charter Holdco and mirror notes that are payable by Charter Holdco to Charter which have the same principal amount and terms as those of Charter s convertible senior notes. Charter Holdco is a holding company whose primary assets are equity interests in our cable operating subsidiaries and intercompany loan receivables. Charter consolidates Charter Holdco on the basis of voting control. Charter Holdco s limited liability agreement provides that so long as Charter s Class B common stock retains its special voting rights, Charter will maintain 100% voting interest in Charter Holdco. Voting control gives Charter full authority and control over the operations of Charter Holdco.

The following table presents summary financial and other data for Charter and its subsidiaries and has been derived from the audited consolidated financial statements of Charter and its subsidiaries for the three years ended December 31, 2004 and the unaudited consolidated financial statements of Charter and its subsidiaries for the nine months ended September 30, 2005 and 2004. The consolidated financial statements of Charter and its subsidiaries for the years ended December 31, 2002 to 2004 have been audited by KPMG LLP, an independent registered public accounting firm. The pro forma data set forth below represent our unaudited pro forma consolidated financial statements after giving effect to the following transactions as if they occurred on January 1 of the respective period for the statement of operations data and other financial data and as of the last day of the respective period for the operating data:

(1) the disposition of certain assets in March and April 2004 for total proceeds of $735 million and the use of such proceeds in each case to pay down credit facilities;

(2) the issuance and sale of $550 million of CCO Holdings senior floating rate notes in December 2004 and $1.5 billion of Charter Operating senior second lien notes in April 2004;

(3) an increase in amounts outstanding under the Charter Operating credit facilities in April 2004 and the use of such funds, together with the proceeds from the sale of the Charter Operating senior second lien notes, to refinance amounts outstanding under the credit facilities of our subsidiaries, CC VI Operating Company, LLC, CC VIII Operating, LLC and Falcon Cable Communications, LLC;

(4) the issuance and sale of $863 million of 5.875% convertible senior notes in November 2004 with proceeds used for (i) the purchase of certain U.S. government securities pledged as security to fund the first six interest payments thereon, (ii) redemption of the outstanding 5.75% convertible senior notes due 2005 and (iii) general corporate purposes;

(5) the repayment of $530 million of borrowings under the Charter Operating revolving credit facility with net proceeds from the issuance and sale of the CCO Holdings senior floating rate notes in December 2004, which were included in our cash balance at December 31, 2004;

(6) the redemption of all of CC V Holdings, LLC s outstanding 11.875% senior discount notes due 2008 with cash on hand;

(7) the issuance and sale of $300 million of 8 3/4% CCO Holdings senior notes in August 2005 and the use of a portion of such proceeds to pay financing costs and accrued interest in the exchange transaction referenced below;

(8) the exchange of $3.4 billion principal amount of Charter Holdings notes scheduled to mature in 2009 and 2010 for CCH I notes and the exchange of $3.4 billion principal amount of Charter Holdings notes scheduled to mature in 2011 and 2012 for CIH notes and CCH I notes; and

(9) the issuance of 27.2 million shares in July 2005 and the shares offered hereby pursuant to the share lending agreement, the sole effect of which is to increase common shares issued and outstanding. See Share Lending Agreement.

The following information should be read in conjunction with Selected Historical Consolidated Financial Data, Capitalization, Unaudited Pro Forma Consolidated Financial Statements, Manage-

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ment s Discussion and Analysis of Financial Condition and Results of Operations, Share Lending Agreement and the historical consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,				Nine Months Ended September 30,	
	2002 Actual	**2003 Actual**	**2004 Actual**	**2004 Pro Forma(a)**	**2004 Pro Forma(a)**	**2005 Pro Forma(a)**
	(Dollars in millions, except per share, share and customer data)					
Statement of Operations Data:						
Revenues:						
Video	$ 3,420	$ 3,461	$ 3,373	$ 3,352	$ 2,513	$ 2,551
High-speed Internet	337	556	741	738	535	671
Advertising sales	302	263	289	288	204	214
Commercial	161	204	238	236	173	205
Other	346	335	336	334	247	271
Total revenues	4,566	4,819	4,977	4,948(b)	3,672	3,912
Costs and Expenses:						
Operating (excluding depreciation and amortization)	1,807	1,952	2,080	2,068	1,540	1,714
Selling, general and administrative	963	940	971	967	731	762
Depreciation and amortization	1,436	1,453	1,495	1,489	1,099	1,134
Impairment of franchises	4,638		2,433	2,433	2,433	
Asset impairment charges						39
(Gain) loss on sale of assets, net	3	5	(86)	20	2	5
Option compensation expense, net	5	4	31	31	34	11
Hurricane asset retirement loss						19
Special charges, net	36	21	104	104	100	4
Unfavorable contracts and other settlements		(72)	(5)	(5)		
Total costs and expenses	8,888	4,303	7,023	7,107	5,939	3,688
Income (loss) from operations	(4,322)	516	(2,046)	(2,159)	(2,267)	224
Interest expense, net	(1,503)	(1,557)	(1,670)	(1,679)	(1,249)	(1,301)
Gain (loss) on derivative instruments and hedging activities, net	(115)	65	69	69	48	43
Loss on debt to equity conversions			(23)	(23)	(23)	
Gain (loss) on extinguishment of debt		267	(31)			13

Other, net		(4)		(16)		3		3				21
Loss before minority interest, income taxes and cumulative effect of accounting change		(5,944)		(725)		(3,698)		(3,789)		(3,491)		(1,000)
Minority interest(d)		3,176		377		19		19		24		(9)
Loss before income taxes and cumulative effect of accounting change		(2,768)		(348)		(3,679)		(3,770)		(3,467)		(1,009)
Income tax benefit (expense)		460		110		103		118		131		(75)
Loss before cumulative effect of accounting change, net of tax	$	(2,308)	$	(238)	$	(3,576)	$	(3,652)	$	(3,336)	$	(1,084)
Loss per common share, basic and diluted(e)	$	(7.85)	$	(0.82)	$	(11.92)	$	(12.16)	$	(13.71)	$	(3.53)
Weighted-average common shares outstanding, basic and diluted		294,440,261		294,597,519		300,291,877		300,291,877		299,411,053		307,761,930
Other Financial Data:												
Capital expenditures	$	2,167	$	854	$	924	$	922	$	637	$	815
Deficiencies of earnings to cover fixed charges(f)	$	5,944	$	725	$	3,698	$	3,789	$	3,491	$	1,000

	December 31,			September 30,	
	2003 Actual	2003 Pro Forma	2004 Actual	2004 Actual	2005 Actual
Operating Data (end of period)(g):					
Analog video customers	6,431,300	6,200,500	5,991,500	6,074,600	5,906,300
Digital video customers	2,671,900	2,588,600	2,674,700	2,688,900	2,749,400
Residential high-speed Internet customers	1,565,600	1,527,800	1,884,400	1,819,900	2,120,000
Telephone customers	24,900	24,900	45,400	40,200	89,900

	Actual As of September 30, 2005
	(Dollars in millions)
Balance Sheet Data (end of period):	
Cash and cash equivalents	$ 22
Total assets	16,524
Accounts payable and accrued expenses	1,172
Long-term debt(c)	19,120
Other long-term liabilities	504
Minority interest(d)	665
Shareholders deficit	(5,006)

(a) Actual revenues exceeded pro forma revenues for the year ended December 31, 2004 and the nine months ended September 30, 2004 and 2005 by $29 million, $29 million and $0, respectively. Pro forma loss before cumulative effect of accounting change, net of tax exceeded actual loss before cumulative effect of accounting change, net of tax by $76 million, $99 million and $453 million for the year ended December 31, 2004 and the nine months ended September 30, 2004 and 2005 respectively. The unaudited pro forma financial information 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) Pro forma 2004 revenue by quarter is as follows:

	2004 Pro Forma Revenue
	(In millions)
1st Quarter	$1,185
2nd Quarter	1,239
3rd Quarter	1,248
4th Quarter	1,276
Total pro forma revenue	$4,948

(c) The CIH notes and CCH I notes issued in exchange for Charter Holdings notes are recorded in accordance with generally accepted accounting principles (GAAP). GAAP requires that the CIH notes issued in exchange for Charter Holdings notes and the CCH I notes issued in exchange for the 8.625% Charter Holdings notes due 2009 be recorded at the historical book values of the Charter Holdings notes as opposed to the current accreted value for legal purposes and notes indenture purposes (which, for both purposes, is the amount that would become payable if the debt becomes immediately due). As of September 30, 2005, the accreted value of our long-term debt for legal purposes and notes indenture purposes is $18.6 billion.

(d) Minority interest represents the percentage of Charter Holdco not owned by Charter, plus preferred membership interests in CC VIII. Reported losses allocated to minority interest on the statement of operations are limited to the extent of any remaining minority interest on the balance sheet related to Charter Holdco. Because minority interest in Charter Holdco was substantially eliminated at December 31, 2003, beginning in 2004, Charter absorbs substantially all losses before income taxes that otherwise would have been allocated to minority interest. This resulted in an approximate additional $2.0 billion and $535 million of losses before cumulative effect of accounting change for the year ended December 31, 2004 and the pro forma nine months ended September 30, 2005, respectively. Under our existing capital structure, Charter will absorb all future losses. Paul G. Allen indirectly held the preferred membership units in CC VIII as a result of the exercise of a put right originally granted in connection with the Bresnan transaction in 2000. There was an issue regarding the ultimate ownership of the CC VIII membership interests following the consummation of the Bresnan put transaction on June 6, 2003. Effective January 1, 2005, Charter ceased recognizing minority interest in earnings or losses of CC VIII for financial reporting purposes until such time as the resolution of the issue was determinable or certain other events occured. This dispute was settled October 31, 2005. We are currently determining the impact of the settlement. Subsequent to recording the impact of the settlement in the fourth quarter of 2005, approximately 6% of CC VIII s income will be allocated to minority interest. See Certain Relationships and Related Transactions Transactions Arising Out of Our Organizational Structure and Mr. Allen s Investment in Charter and Its Subsidiaries Equity Put Rights CC VIII.

(e) Loss per common share, basic and diluted, assumes none of the membership units of Charter Holdco are exchanged for Charter common stock and none of the outstanding options to purchase membership units of Charter Holdco that are automatically exchanged for Charter common stock are exercised. Basic loss per share equals loss before cumulative effect of accounting change less dividends on preferred stock-redeemable divided by weighted average shares outstanding. If the membership units were exchanged or options exercised, the effects would be antidilutive. Therefore, basic and diluted loss per common share is the same.

(f) Earnings include net loss plus fixed charges. Fixed charges consist of interest expense and an estimated interest component of rent expense.

(g) See Business Products and Services for definitions of the terms contained in this section.

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RISK FACTORS

An investment in our Class A common stock entails the following risks. You should carefully consider these risk factors, as well as the other information contained in this prospectus, before making a decision to invest in our Class A common stock.

Risks Related to Significant Indebtedness of Us and Our Subsidiaries

We may not generate (or, in general, have available to the applicable obligor) sufficient cash flow or access to additional external liquidity sources to fund our capital expenditures, ongoing operations and debt obligations.

Our ability to service our debt and to fund our planned capital expenditures and ongoing operations will depend on both our ability to generate cash flow and our access to additional external liquidity sources, and in general our ability to provide (by dividend or otherwise), such funds to the applicable issuer of the debt obligation. Our ability to generate cash flow is dependent on many factors, including:

- our future operating performance;
- the demand for our products and services;
- general economic conditions and conditions affecting customer and advertiser spending;
- competition and our ability to stabilize customer losses; and
- legal and regulatory factors affecting our business.

Some of these factors are beyond our control. If we are unable to generate sufficient cash flow and/or access additional external liquidity sources, we may not be able to service and repay our debt, operate our business, respond to competitive challenges or fund our other liquidity and capital needs. Cash flows from operating activities and amounts available under our credit facilities and bridge loan may not be sufficient to fund our operations and satisfy our interest payment obligations in 2007. It is likely that we will require additional funding to satisfy our debt repayment obligations in 2007. Further, we believe such amounts will not be sufficient to fund our operations and satisfy our interest payment and principal repayment obligations thereafter. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

Additionally, franchise valuations performed in accordance with the requirements of Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets*, are based on the projected cash flows derived by selling products and services to new customers in future periods. Declines in future cash flows could result in lower valuations which in turn may result in impairments to the franchise assets in our financial statements.

Charter Operating may not be able to access funds under its credit facilities if it fails to satisfy the covenant restrictions in its credit facilities, which could adversely affect our financial condition and our ability to conduct our business.

Our subsidiaries have historically relied on access to credit facilities in order to fund operations and to service parent company debt, and we expect such reliance to continue in the future. Our total potential borrowing availability under the Charter Operating credit facilities was $786 million as of September 30, 2005, although the actual availability at that time was only $648 million because of limits imposed by covenant restrictions. Although we will have additional borrowing availability of $600 million under the bridge loan, there can be no assurance that these amounts will be sufficient to fund these obligations.

An event of default under the credit facilities, bridge loan or indentures, if not waived, could result in the acceleration of those debt obligations and, consequently, other debt obligations. Such acceleration could result in the exercise of remedies by our creditors and could force us to seek the protection of the bankruptcy laws, which could materially adversely impact our ability to operate our business and to make payments under our debt instruments. In addition, an event of default under the credit facilities, such as

the failure to maintain the applicable required financial ratios, would prevent additional borrowing under our subsidiary credit facilities, which could materially adversely affect our ability to operate our business and to make payments under our debt instruments. Likewise, the failure to satisfy the conditions to borrowing under the bridge loan would prevent any borrowing thereunder, which would materially adversely affect our ability to operate our business and to make payments under our debt instruments.

We and our subsidiaries have a significant amount of existing debt and may incur significant additional debt, including secured debt, in the future, which could adversely affect our financial health and our ability to react to changes in our business.

Charter and its subsidiaries have a significant amount of debt and may (subject to applicable restrictions in their debt instruments) incur additional debt in the future. As of September 30, 2005, our total debt was approximately $19.1 billion, our shareholders deficit was approximately $5.0 billion and the deficiency of earnings to cover fixed charges for the nine month period ended September 30, 2005 was $547 million. The maturities of these obligations are set forth in Description of Certain Indebtedness.

We will need to raise additional capital and/or receive distributions or payments from our subsidiaries in order to satisfy our debt obligations. However, because of our significant indebtedness, our ability to raise additional capital at reasonable rates or at all is uncertain, and the ability of our subsidiaries to make distributions or payments to us is subject to availability of funds and restrictions under our and our subsidiaries applicable debt instruments as more fully described in Description of Certain Indebtedness. If we were to raise capital through the issuance of additional equity or to engage in a recapitalization or other similar transaction, our shareholders could suffer significant dilution.

Our significant amount of debt could have other important consequences to you. For example, the debt will or could:

- require us to dedicate a significant portion of our cash flow from operating activities to payments on our debt, which will reduce our funds available for working capital, capital expenditures and other general corporate expenses;
- limit our flexibility in planning for, or reacting to, changes in our business, the cable and telecommunications industries and the economy at large;
- place us at a disadvantage as compared to our competitors that have proportionately less debt;
- make us vulnerable to interest rate increases, because a significant amount of our borrowings are, and will continue to be, at variable rates of interest;
- expose us to increased interest expense as we refinance our existing lower interest rate instruments;
- adversely affect our relationship with customers and suppliers;
- limit our ability to borrow additional funds in the future, if we need them, due to applicable financial and restrictive covenants in our debt; and
- make it more difficult for us to satisfy our obligations to the holders of our notes and for our subsidiaries to satisfy their obligations to their lenders under their credit facilities and to their noteholders.

A default by one of our subsidiaries under its debt obligations could result in the acceleration of those obligations, the obligations of our other subsidiaries and our obligations under our convertible notes. We and our subsidiaries may incur substantial additional debt in the future. If current debt levels increase, the related risks that we and you now face will intensify.

The agreements and instruments governing our debt and the debt of our subsidiaries contain restrictions and limitations that could significantly affect our ability to operate our business, as well as significantly affect our liquidity, and adversely affect you, as a shareholder.

The Charter Operating credit facilities, bridge loan and the indentures governing our and our subsidiaries public debt contain a number of significant covenants that could adversely affect our ability to operate our business, as well as significantly affect our liquidity, and therefore could adversely affect our

results of operations and the price of our Class A common stock. These covenants restrict our and our subsidiaries ability to:

- incur additional debt;
- repurchase or redeem equity interests and debt;
- issue equity;
- make certain investments or acquisitions;
- pay dividends or make other distributions;
- receive distributions from our subsidiaries;
- dispose of assets or merge;
- enter into related party transactions;
- grant liens; and
- pledge assets.

Furthermore, Charter Operating s credit facilities require our subsidiaries to, among other things, maintain specified financial ratios, meet specified financial tests and provide audited financial statements, with an unqualified opinion from our independent auditors. See Description of Certain Indebtedness for a summary of our outstanding indebtedness and a description of our credit facilities and other indebtedness and for details on our debt covenants and future liquidity. Charter Operating s ability to comply with these provisions may be affected by events beyond our control.

The breach of any covenants or obligations in the foregoing indentures or credit facilities, not otherwise waived or amended, could result in a default under the applicable debt agreement or instrument and could trigger acceleration of the related debt, which in turn could trigger defaults under other agreements governing our long-term indebtedness. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources. In addition, the secured lenders under the Charter Operating credit facilities and the holders of the Charter Operating senior second-lien notes could foreclose on their collateral, which includes equity interests in our subsidiaries, and exercise other rights of secured creditors. Any default under those credit facilities, the bridge loan, the indentures governing our convertible notes or our subsidiaries debt could adversely affect our growth, our financial condition and our results of operations and our ability to make payments on our notes, the bridge loan, and Charter Operating s credit facilities and other debt of our subsidiaries. See Description of Certain Indebtedness for a summary of outstanding indebtedness and a description of credit facilities and other indebtedness.

All of our and our subsidiaries outstanding debt is subject to change of control provisions. We may not have the ability to raise the funds necessary to fulfill our obligations under our indebtedness following a change of control, which would place us in default under the applicable debt instruments.

We may not have the ability to raise the funds necessary to fulfill our obligations under our convertible senior notes and our subsidiaries senior notes, senior discount notes, senior floating rate notes, the bridge loan, and credit facilities following a change of control. Under the indentures governing our convertible senior notes, upon the occurrence of specified change of control events, we are required to offer to repurchase all of our outstanding convertible senior notes. However, Charter may not have sufficient funds at the time of the change of control event to make the required repurchase of its convertible senior notes, and our subsidiaries are limited in their ability to make distributions or other payments to us to fund any required repurchase. In addition, a change of control under our subsidiaries credit facilities, bridge loan and indentures governing our subsidiaries notes could result in a default under those credit facilities and bridge loan and a required repayment of the notes under those indentures. Because such credit facilities, bridge loan and notes are obligations of our subsidiaries, the credit facilities, bridge loan and our

subsidiaries notes would have to be repaid by our subsidiaries before their assets could be available to us to repurchase our convertible senior notes. Additionally, our subsidiaries may not have sufficient funds at the time of the change of control to make the required repurchases or repayments. Our failure to make or complete a change of control offer would place us in default under our convertible senior notes. The failure of our subsidiaries to make a change of control offer or repay the amounts accelerated under their credit facilities and bridge loan would place them in default under these agreements and could result in a default under the indentures governing our convertible senior notes and our subsidiaries credit facilities and notes.

Paul G. Allen and his affiliates are not obligated to purchase equity from, contribute to or loan funds to us or any of our subsidiaries in the future.

Paul G. Allen and his affiliates have purchased equity, contributed funds and provided other financial support to Charter and Charter Holdco in the past. However, Mr. Allen and his affiliates are not obligated to purchase equity from, contribute to or loan funds to us or any of our subsidiaries in the future.

Risks Related to Our Business

We operate in a very competitive business environment, which affects our ability to attract and retain customers and can adversely affect our business and operations. We have lost a significant number of customers to direct broadcast satellite competition and further loss of customers could have a material negative impact on our business.

The industry in which we operate is highly competitive and has become more so in recent years. In some instances, we compete against companies with fewer regulatory burdens, easier access to financing, greater personnel resources, greater brand name recognition and long-established relationships with regulatory authorities and customers. Increasing consolidation in the cable industry and the repeal of certain ownership rules may provide additional benefits to certain of our competitors, either through access to financing, resources or efficiencies of scale.

Our principal competitor for video services throughout our territory is direct broadcast satellite television services, also known as DBS. Competition from DBS, including intensive marketing efforts and aggressive pricing has had an adverse impact on our ability to retain customers. DBS has grown rapidly over the last several years and continues to do so. The cable industry, including us, has lost a significant number of subscribers to DBS competition, and we face serious challenges in this area in the future. We believe that competition from DBS service providers may present greater challenges in areas of lower population density, and that our systems service a higher concentration of such areas than those of other major cable service providers.

Local telephone companies and electric utilities can offer video and other services in competition with us and they increasingly may do so in the future. Certain telephone companies have begun more extensive deployment of fiber in their networks that will enable them to begin providing video services, as well as telephone and high bandwidth Internet access services, to residential and business customers. Some of these telephone companies have obtained, and are now seeking, franchises or operating authorizations that are less burdensome than existing Charter franchises. The subscription television industry also faces competition from free broadcast television and from other communications and entertainment media. Further loss of customers to DBS or other alternative video and Internet services could have a material negative impact on the value of our business and its performance.

With respect to our Internet access services, we face competition, including intensive marketing efforts and aggressive pricing, from telephone companies and other providers of dial-up and digital subscriber line technology, also known as DSL. DSL service is competitive with high-speed Internet service over cable systems. In addition, DBS providers have entered into joint marketing arrangements with Internet access providers to offer bundled video and Internet service, which competes with our ability to provide bundled services to our customers. Moreover, as we expand our telephone offerings, we will face considerable competition from established telephone companies and other carriers, including other Voice Over Internet Protocol (VOIP) providers.

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In order to attract new customers, from time to time we make promotional offers, including offers of temporarily reduced-price or free service. These promotional programs result in significant advertising, programming and operating expenses, and also require us to make capital expenditures to acquire additional digital set-top terminals. Customers who subscribe to our services as a result of these offerings may not remain customers for any significant period of time following the end of the promotional period. A failure to retain existing customers and customers added through promotional offerings or to collect the amounts they owe us could have a material adverse effect on our business and financial results.

Mergers, joint ventures and alliances among franchised, wireless or private cable operators, satellite television providers, local exchange carriers and others, may provide additional benefits to some of our competitors, either through access to financing, resources or efficiencies of scale, or the ability to provide multiple services in direct competition with us.

We cannot assure you that our cable systems will allow us to compete effectively. Additionally, as we expand our offerings to include other telecommunications services, and to introduce new and enhanced services, we will be subject to competition from other providers of the services we offer. We cannot predict the extent to which competition may affect our business and operations in the future. See Business Competition.

We are currently the subject of certain lawsuits and other legal matters, the unfavorable outcome of which could adversely affect our business and financial condition.

We are a party to, or otherwise involved in, lawsuits, claims, proceedings and legal matters that have arisen in the ordinary course of conducting our business, certain of which are described in Business Legal Proceedings. In addition, our restatement of our 2000, 2001 and 2002 financial statements could lead to additional or expanded claims or investigations.

We cannot predict with certainty the ultimate outcome of any of the lawsuits, claims, proceedings and other legal matters to which we are a party, or in which we are otherwise involved, due to, among other things, (i) the inherent uncertainties of litigation and legal matters generally, (ii) the remaining conditions to the finalization of certain litigation and other settlements and resolutions to which we are parties, (iii) the outcome of appeals and (iv) the need for us to comply with, and/or otherwise implement, certain covenants, conditions, undertakings, procedures and other obligations that would be, or have been, imposed under the terms of settlements and resolutions of legal matters we have entered into.

An unfavorable outcome in any of the lawsuits pending against us, or in any other legal matter, or our failure to comply with or properly implement the terms of the settlements and resolutions of legal matters we have entered into, could result in substantial potential liabilities and otherwise have a material adverse effect on our business, consolidated financial condition and results of operations, in our liquidity, our operations, and/or our ability to comply with any debt covenants. Further, these legal matters, and our actions in response to them, could result in substantial potential liabilities, additional defense and other costs, increase our indemnification obligations, divert management s attention, and/or adversely affect our ability to execute our business and financial strategies.

See Business Legal Proceedings for additional information concerning these and other litigation matters.

We have a history of net losses and expect to continue to experience net losses. Consequently, we may not have the ability to finance future operations.

We have had a history of net losses and expect to continue to report net losses for the foreseeable future. Our net losses are principally attributable to insufficient revenue to cover the interest costs on our debt, the depreciation expenses that we incur resulting from the capital investments we have made in our cable properties, and the amortization and impairment of our franchise intangibles. We expect that these expenses (other than amortization and impairment of franchises) will remain significant, and we expect to continue to report net losses for the foreseeable future. We reported losses before cumulative effect of accounting change of $2.3 billion for 2002, $238 million for 2003 and $3.6 billion for 2004 and $3.2 billion and $631 million for the nine months ended September 30, 2004 and 2005, respectively. Continued losses would reduce our cash available from operations to service our indebtedness, as well as limit our ability to finance our operations.

We may not have the ability to pass our increasing programming costs on to our customers, which would adversely affect our cash flow and operating margins.

Programming has been, and is expected to continue to be, our largest operating expense item. In recent years, the cable industry has experienced a rapid escalation in the cost of programming, particularly sports programming. We expect programming costs to continue to increase because of a variety of factors, including inflationary or negotiated annual increases, additional programming being provided to customers and increased costs to purchase programming. The inability to fully pass these programming cost increases on to our customers would have an adverse impact on our cash flow and operating margins. As measured by programming costs, and excluding premium services (substantially all of which were renegotiated and renewed in 2003), as of September 30, 2005, approximately 9% of our current programming contracts were expired, and approximately another 20% were scheduled to expire at or before the end of 2005. There can be no assurance that these agreements will be renewed on favorable or comparable terms. Our programming costs increased by approximately 6% in 2004 and we expect our programming costs in 2005 to increase at a higher rate than in 2004. To the extent that we are unable to reach agreement with certain programmers on terms that we believe are reasonable we may be forced to remove such programming channels from our line-up, which could result in a further loss of customers.

If our required capital expenditures exceed our projections, we may not have sufficient funding, which could adversely affect our growth, financial condition and results of operations.

During the nine months ended September 30, 2005, we spent approximately $815 million on capital expenditures. During 2005, we expect capital expenditures to be approximately $1 billion to $1.1 billion. The actual amount of our capital expenditures depends on the level of growth in high-speed Internet customers and in the delivery of other advanced services, as well as the cost of introducing any new services. We may need additional capital if there is accelerated growth in high-speed Internet customers or in the delivery of other advanced services. If we cannot obtain such capital from increases in our cash flow from operating activities, additional borrowings or other sources, our growth, financial condition and results of operations could suffer materially.

Our inability to respond to technological developments and meet customer demand for new products and services could limit our ability to compete effectively.

Our business is characterized by rapid technological change and the introduction of new products and services. We cannot assure you that we will be able to fund the capital expenditures necessary to keep pace with unanticipated technological developments, or that we will successfully anticipate the demand of our customers for products and services requiring new technology. Our inability to maintain and expand our upgraded systems and provide advanced services in a timely manner, or to anticipate the demands of the marketplace, could materially adversely affect our ability to attract and retain customers. Consequently, our growth, financial condition and results of operations could suffer materially.

We may not be able to carry out our strategy to improve operating results by standardizing and streamlining operations and procedures.

In prior years, we experienced rapid growth through acquisitions of a number of cable operators and the rapid rebuild and rollout of advanced services. Our future success will depend in part on our ability to standardize and streamline our operations. The failure to implement a consistent corporate culture and management, operating or financial systems or procedures necessary to standardize and streamline our operations and effectively operate our enterprise could have a material adverse effect on our business, results of operations and financial condition.

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Recent management changes could disrupt operations.

Since August 2004, we have experienced a number of changes in our senior management, including changes in our Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Executive Vice President of Finance and Strategy and Interim co-Chief Financial Officer and our Executive Vice President, General Counsel and Secretary. The individual currently serving as Chief Financial Officer is serving in an interim capacity. In addition, Neil Smit assumed the positions of President and Chief Executive Officer effective August 22, 2005, and Grier Raclin became the Executive Vice President, General Counsel and Corporate Secretary effective October 10, 2005. These senior management changes could disrupt our ability to manage our business as we transition to and integrate a new management team, and any such disruption could adversely affect our operations, growth, financial condition and results of operations.

Malicious and abusive Internet practices could impair our high-speed Internet services.

Our high-speed Internet customers utilize our network to access the Internet and, as a consequence, we or they may become victim to common malicious and abusive Internet activities, such as unsolicited mass advertising (i.e., spam) and dissemination of viruses, worms and other destructive or disruptive software. These activities could have adverse consequences on our network and our customers, including degradation of service, excessive call volume to call centers and damage to our or our customers equipment and data. Significant incidents could lead to customer dissatisfaction and, ultimately, loss of customers or revenue, in addition to increased costs to us to service our customers and protect our network. Any significant loss of high-speed Internet customers or revenue or significant increase in costs of serving those customers could adversely affect our growth, financial condition and results of operations.

We could be deemed an investment company under the Investment Company Act of 1940. This would impose significant restrictions on us and would be likely to have a material adverse impact on our growth, financial condition and results of operation.

Our principal assets are our equity interests in Charter Holdco and certain indebtedness of Charter Holdco. If our membership interest in Charter Holdco were to constitute less than 50% of the voting securities issued by Charter Holdco, then our interest in Charter Holdco could be deemed an investment security for purposes of the Investment Company Act. This may occur, for example, if a court determines that the Class B common stock is no longer entitled to special voting rights and, in accordance with the terms of the Charter Holdco limited liability company agreement, our membership units in Charter Holdco were to lose their special voting privileges. A determination that such interest was an investment security could cause us to be deemed to be an investment company under the Investment Company Act, unless an exemption from registration were available or we were to obtain an order of the Securities and Exchange Commission excluding or exempting us from registration under the Investment Company Act.

If anything were to happen which would cause us to be deemed an investment company, the Investment Company Act would impose significant restrictions on us, including severe limitations on our ability to borrow money, to issue additional capital stock and to transact business with affiliates. In addition, because our operations are very different from those of the typical registered investment company, regulation under the Investment Company Act could affect us in other ways that are extremely difficult to predict. In sum, if we were deemed to be an investment company it could become impractical for us to continue our business as currently conducted and our growth, our financial condition and our results of operations could suffer materially.

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If a court determines that the Class B common stock is no longer entitled to special voting rights, we would lose our rights to manage Charter Holdco. In addition to the investment company risks discussed above, this could materially impact the value of the Class A common stock.

If a court determines that the Class B common stock is no longer entitled to special voting rights, Charter would no longer have a controlling voting interest in, and would lose its right to manage, Charter Holdco. If this were to occur:

- we would retain our proportional equity interest in Charter Holdco but would lose all of our powers to direct the management and affairs of Charter Holdco and its subsidiaries; and
- we would become strictly a passive investment vehicle and would be treated under the Investment Company Act as an investment company.

This result, as well as the impact of being treated under the Investment Company Act as an investment company, could materially adversely impact:

- the liquidity of the Class A common stock;
- how the Class A common stock trades in the marketplace;
- the price that purchasers would be willing to pay for the Class A common stock in a change of control transaction or otherwise; and
- the market price of the Class A common stock.

Uncertainties that may arise with respect to the nature of our management role and voting power and organizational documents as a result of any challenge to the special voting rights of the Class B common stock, including legal actions or proceedings relating thereto, may also materially adversely impact the value of the Class A common stock.

Risks Related to Mr. Allen s Controlling Position

The failure by Mr. Allen to maintain a minimum voting and economic interest in us could trigger a change of control default under our subsidiary s credit facilities.

The Charter Operating credit facilities provide that the failure by Mr. Allen to maintain a 35% direct or indirect voting interest in the applicable borrower would result in a change of control default. Such a default could result in the acceleration of repayment of our and our subsidiaries indebtedness, including borrowings under the Charter Operating credit facilities.

Mr. Allen controls our stockholder voting and may have interests that conflict with your interests.

Mr. Allen has the ability to control us. Through his control as of September 30, 2005 of approximately 91% of the voting power of our capital stock prior to completion of this offering, Mr. Allen is entitled to elect all but one of our board members and effectively has the voting power to elect the remaining board member as well. Mr. Allen thus has the ability to control fundamental corporate transactions requiring equity holder approval, including, but not limited to, the election of all of our directors, approval of merger transactions involving us and the sale of all or substantially all of our assets.

Mr. Allen is not restricted from investing in, and has invested and engaged in, other businesses involving or related to the operation of cable television systems, video programming, high-speed Internet service, telephone or business and financial transactions conducted through broadband interactivity and Internet services. Mr. Allen may also engage in other businesses that compete or may in the future compete with us.

Mr. Allen s control over our management and affairs could create conflicts of interest if he is faced with decisions that could have different implications for him, us and the holders of our Class A common stock. Further, Mr. Allen could effectively cause us to enter into contracts with another entity in which he owns an interest or to decline a transaction into which he (or another entity in which he owns an interest) ultimately enters.

Current and future agreements between us and either Mr. Allen or his affiliates may not be the result of arm s-length negotiations. Consequently, such agreements may be less favorable to us than agreements

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that we could otherwise have entered into with unaffiliated third parties. See Certain Relationships and Related Transactions.

We are not permitted to engage in any business activity other than the cable transmission of video, audio and data unless Mr. Allen authorizes us to pursue that particular business activity, which could adversely affect our ability to offer new products and services outside of the cable transmission business and to enter into new businesses, and could adversely affect our growth, financial condition and results of operations.

Our certificate of incorporation and Charter Holdco s limited liability company agreement provide that Charter and Charter Holdco and our subsidiaries, cannot engage in any business activity outside the cable transmission business except for specified businesses. This will be the case unless we first offer the opportunity to pursue the particular business activity to Mr. Allen, he decides not to pursue it and he consents to our engaging in the business activity. The cable transmission business means the business of transmitting video, audio (including telephone services), and data over cable television systems owned, operated or managed by us from time to time. These provisions may limit our ability to take advantage of attractive business opportunities.

The loss of Mr. Allen s services could adversely affect our ability to manage our business.

Mr. Allen is Chairman of our board of directors and provides strategic guidance and other services to us. If we were to lose his services, our growth, financial condition and results of operations could be adversely impacted.

The special tax allocation provisions of the Charter Holdco limited liability company agreement may cause us in some circumstances to pay more taxes than if the special tax allocation provisions were not in effect.

Charter Holdco s limited liability company agreement provided that through the end of 2003, net tax losses of Charter Holdco that would otherwise have been allocated to us based generally on our percentage ownership of outstanding common membership units of Charter Holdco would instead be allocated to the membership units held by Vulcan Cable III Inc. (Vulcan Cable) and Charter Investment, Inc. (CII) The purpose of these special tax allocation provisions was to allow Mr. Allen to take advantage for tax purposes of the losses generated by Charter Holdco. However, beginning in 2002, due to tax capital account limitations, certain net tax losses of Charter Holdco that were to be allocated to Vulcan Cable and CII were instead allocated to us and have continued to be so allocated since that time. The limited liability company agreement further provides that beginning at the time that Charter Holdco generates net tax profits (as determined under the applicable federal income tax rules for determining capital accounts), the net tax profits that would otherwise have been allocated to us based generally on our percentage of outstanding common membership units of Charter Holdco will instead generally be allocated to membership units held by Vulcan Cable and CII. In some situations, the special tax allocation provisions could result in our having to pay taxes in an amount that is more or less than if Charter Holdco had allocated net tax losses and net tax profits to its members based generally on the percentage of outstanding common membership units owned by such members from the time of the completion of the offering. See Description of Capital Stock and Membership Units Special Tax Allocation Provisions. For further discussion on the details of the tax allocation provisions see Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates Income Taxes.

The issuance of our Class A common stock offered hereby pursuant to the share lending agreement, as well as possible future conversions of our convertible notes, significantly increase the risk that we will experience an ownership change in the future for tax purposes, resulting in a material limitation on the use of a substantial amount of our existing net operating loss carryforwards.

As of September 30, 2005, Charter had approximately $5.5 billion of tax net operating losses (resulting in a gross deferred tax asset of approximately $2.2 billion) expiring in the years 2010 through 2025. Due to uncertainties in projected future taxable income, valuation allowances have been established against the gross deferred tax assets for book accounting purposes except for deferred benefits available to

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offset certain deferred tax liabilities. Currently, such tax net operating losses can accumulate and be used to offset any future taxable income of Charter. An ownership change as defined in Section 382 of the Internal Revenue Code of 1986, as amended, would place significant limitations, on an annual basis, on the use of such net operating losses to offset any future taxable income we may generate. Such limitations, in conjunction with the net operating loss expiration provisions, could effectively eliminate our ability to use a substantial portion of our net operating losses to offset future taxable income. The shares issued hereby are being issued pursuant to a share lending agreement. See Share Lending Agreement. While the tax treatment of the issuance of shares offered hereby pursuant to a borrowing transaction under the share lending agreement is uncertain, we do not believe that this issuance would result in our experiencing an ownership change. However, future transactions and the timing of such transactions could cause an ownership change. Such transactions include additional issuances of common stock by us (including but not limited to issuances upon future conversion of our 5.875% convertible senior notes or as contemplated in the proposed settlement of derivative class action litigation), reacquisitions of the borrowed shares by us, or acquisitions or sales of shares by certain holders of our shares, including persons who have held, currently hold, or accumulate in the future five percent or more of our outstanding stock (including upon an exchange by Paul Allen or his affiliates, directly or indirectly, of membership units of Charter Holdco into our Class A common stock). Many of the foregoing transactions are beyond our control.

Risks Related to Regulatory and Legislative Matters

Our business is subject to extensive governmental legislation and regulation, which could adversely affect our business.

Regulation of the cable industry has increased cable operators administrative and operational expenses and limited their revenues. Cable operators are subject to, among other things:

- rules governing the provision of cable equipment and compatibility with new digital technologies;
- rules and regulations relating to subscriber privacy;
- limited rate regulation;
- requirements governing when a cable system must carry a particular broadcast station and when it must first obtain consent to carry a broadcast station;
- rules for franchise renewals and transfers; and
- other requirements covering a variety of operational areas such as equal employment opportunity, technical standards and customer service requirements.

Additionally, many aspects of these regulations are currently the subject of judicial proceedings and administrative or legislative proposals. There are also ongoing efforts to amend or expand the federal, state and local regulation of some of our cable systems, which may compound the regulatory risks we already face. Certain states and localities are considering new telecommunications taxes that could increase operating expenses.

Our cable systems are operated under franchises that are subject to non-renewal or termination. The failure to renew a franchise in one or more key markets could adversely affect our business.

Our cable systems generally operate pursuant to franchises, permits and similar authorizations issued by a state or local governmental authority controlling the public rights-of-way. Many franchises establish comprehensive facilities and service requirements, as well as specific customer service standards and monetary penalties for non-compliance. In many cases, franchises are terminable if the franchisee fails to comply with significant provisions set forth in the franchise agreement governing system operations. Franchises are generally granted for fixed terms and must be periodically renewed. Local franchising authorities may resist granting a renewal if either past performance or the prospective operating proposal is considered inadequate. Franchise authorities often demand concessions or other commitments as a condition to renewal. In some instances, franchises have not been renewed at expiration, and we have operated and are operating under either temporary operating agreements or without a license while negotiating renewal terms with the local franchising authorities. Approximately 11% of our franchises, covering approximately 10% of our video customers, were expired as of September 30, 2005. Approximately 2% of additional franchises, covering approximately an additional 4% of our video customers, will expire on or before December 31, 2005, if not renewed prior to expiration.

We cannot assure you that we will be able to comply with all significant provisions of our franchise agreements and certain of our franchisors have from time to time alleged that we have not complied with these agreements. Additionally, although historically we have renewed our franchises without incurring significant costs, we cannot assure you that we will be able to renew, or to renew as favorably, our franchises in the future. A termination of or a sustained failure to renew a franchise in one or more key markets could adversely affect our business in the affected geographic area.

Our cable systems are operated under franchises that are non-exclusive. Accordingly, local franchising authorities can grant additional franchises and create competition in market areas where none existed previously, resulting in overbuilds, which could adversely affect results of operations.

Our cable systems are operated under non-exclusive franchises granted by local franchising authorities. Consequently, local franchising authorities can grant additional franchises to competitors in the same geographic area or operate their own cable systems. In addition, certain telephone companies are seeking authority to operate in local communities without first obtaining a local franchise. As a result, competing operators may build systems in areas in which we hold franchises. In some cases municipal utilities may legally compete with us without obtaining a franchise from the local franchising authority.

Different legislative proposals have been introduced in the United States Congress and in some state legislatures that would greatly streamline cable franchising. This legislation is intended to facilitate entry by new competitors, particularly local telephone companies. Such legislation has already passed in at least one state but is now subject to court challenge. Although various legislative proposals provide some regulatory relief for incumbent cable operators, these proposals are generally viewed as being more favorable to new entrants.

The existence of more than one cable system operating in the same territory is referred to as an overbuild. These overbuilds could adversely affect our growth, financial condition and results of operations by creating or increasing competition. As of September 30, 2005, we are aware of overbuild situations impacting approximately 5% of our estimated homes passed, and potential overbuild situations in areas servicing approximately 2% of our estimated homes passed. Additional overbuild situations may occur in other systems.

Local franchise authorities have the ability to impose additional regulatory constraints on our business, which could further increase our expenses.

In addition to the franchise agreement, cable authorities in some jurisdictions have adopted cable regulatory ordinances that further regulate the operation of cable systems. This additional regulation increases the cost of operating our business. We cannot assure you that the local franchising authorities will not impose new and more restrictive requirements. Local franchising authorities also have the power to reduce rates and order refunds on the rates charged for basic services.

Further regulation of the cable industry could cause us to delay or cancel service or programming enhancements or impair our ability to raise rates to cover our increasing costs, resulting in increased losses.

Currently, rate regulation is strictly limited to the basic service tier and associated equipment and installation activities. However, the Federal Communications Commission (FCC) and the U.S. Congress continue to be concerned that cable rate increases are exceeding inflation. It is possible that either the FCC or the U.S. Congress will again restrict the ability of cable system operators to implement rate increases. Should this occur, it would impede our ability to raise our rates. If we are unable to raise our rates in response to increasing costs, our losses would increase.

There has been considerable legislative interest in requiring cable operators to offer historically bundled programming services on an á la carte basis. Although the FCC last year made a recommendation to Congress against the imposition of an á la carte mandate, it is still possible that new marketing restrictions could be adopted in the future. Such restrictions could adversely affect our operations.

Actions by pole owners might subject us to significantly increased pole attachment costs.

Pole attachments are cable wires that are attached to poles. Cable system attachments to public utility poles historically have been regulated at the federal or state level, generally resulting in favorable pole attachment rates for attachments used to provide cable service. The FCC clarified that a cable operator s favorable pole rates are not endangered by the provision of Internet access, and that approach ultimately was upheld by the Supreme Court of the United States. Despite the existing regulatory regime, utility pole owners in many areas are attempting to raise pole attachment fees and impose additional costs on cable operators and others. In addition, the favorable pole attachment rates afforded cable operators under federal law can be increased by utility companies if the operator provides telecommunications services, as well as cable service, over cable wires attached to utility poles. Any significant increased costs could have a material adverse impact on our profitability and discourage system upgrades and the introduction of new products and services.

We may be required to provide access to our networks to other Internet service providers, which could significantly increase our competition and adversely affect our ability to provide new products and services.

A number of companies, including independent Internet service providers, or ISPs, have requested local authorities and the FCC to require cable operators to provide non-discriminatory access to cable s broadband infrastructure, so that these companies may deliver Internet services directly to customers over cable facilities. In a June 2005 ruling, commonly referred to as *Brand X*, the Supreme Court upheld an FCC decision (and overruled a conflicting Ninth Circuit opinion) making it much less likely that any non-discriminatory open access requirements (which are generally associated with common carrier regulation of telecommunications services) will be imposed on the cable industry by local, state or federal authorities. The Supreme Court held that the FCC was correct in classifying cable provided Internet service as an information service, rather than a telecommunications service. This favorable regulatory classification limits the ability of various governmental authorities to impose open access requirements on cable-provided Internet service. Given how recently *Brand X* was decided, however, the nature of any legislative or regulatory response remains uncertain. The imposition of open access requirements could materially affect our business.

If we were required to allocate a portion of our bandwidth capacity to other Internet service providers, we believe that it would impair our ability to use our bandwidth in ways that would generate maximum revenues.

Changes in channel carriage regulations could impose significant additional costs on us.

Cable operators also face significant regulation of their channel carriage. They currently can be required to devote substantial capacity to the carriage of programming that they would not carry voluntarily, including certain local broadcast signals, local public, educational and government access programming, and unaffiliated commercial leased access programming. This carriage burden could increase in the future, particularly if cable systems were required to carry both the analog and digital versions of local broadcast signals (dual carriage) or to carry multiple program streams included with a single digital broadcast transmission (multicast carriage). Additional government-mandated broadcast carriage obligations could disrupt existing programming commitments, interfere with our preferred use of limited channel capacity and limit our ability to offer services that would maximize customer appeal and revenue potential. Although the FCC issued a decision in February 2005, confirming an earlier ruling against mandating either dual carriage or multicast carriage, that decision has been appealed. In addition, the FCC could reverse its own ruling or Congress could legislate additional carriage obligations.

Offering voice communications service may subject us to additional regulatory burdens, causing us to incur additional costs.

In 2002, we began to offer voice communications services on a limited basis over our broadband network. We continue to explore development and deployment of Voice over Internet Protocol or VoIP services. The regulatory requirements applicable to VoIP service are unclear although the FCC has declared that certain VoIP services are not subject to traditional state public utility regulation. The full extent of the FCC preemption of VoIP services is not yet clear. Expanding our offering of these services may require us to obtain certain authorizations, including federal, state and local licenses. We may not be able to obtain such authorizations in a timely manner, or conditions could be imposed upon such licenses or authorizations that may not be favorable to us. Furthermore, telecommunications companies generally are subject to significant regulation, including payments to the Federal Universal Service Fund and the intercarrier compensation regime, and it may be difficult or costly for us to comply with such regulations, were it to be determined that they applied to VoIP offerings such as ours. The FCC has already determined that VoIP providers must comply with traditional 911 emergency service obligations (E911) and has imposed a specific timeframe for VoIP providers to accommodate law enforcement wiretaps. Based on a recent FCC release, we are now seeking subscriber acknowledgement of E911 limitations so as to minimize the risk of potential sanctions. In addition, pole attachment rates are higher for providers of telecommunications services than for providers of cable service. If there were to be a final legal determination by the FCC, a state Public Utility Commission, or appropriate court that VoIP services are subject to these higher rates, our pole attachment costs could increase significantly, which could adversely affect our financial condition and results of operations.

Additional Risks Related to this Offering

The market price of our Class A common stock may be volatile, which could cause the value of your investment to decline.

It is impossible to predict whether the price of our Class A common stock will rise or fall. Trading prices of our Class A common stock will be influenced by our operating results and prospects and by economic, financial, regulatory and other factors. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, and sales of substantial amounts of our Class A common stock by us in the market after this offering, or the perception that such sales may occur, could affect the price of our Class A common stock.

The price of our Class A common stock also could be affected by any sales of our Class A common stock by investors who view our recently issued 5.875% convertible senior notes as a more attractive means of equity participation in our company. Some investors in our Class A common stock may decide to sell some or all of their shares and purchase our 5.875% convertible senior notes instead. Such sales of our Class A common stock could cause the trading price to decline. The hedging or arbitrage trading activity that has developed and could further develop with respect to our Class A common stock as a result of the November 2004 issuance of our 5.875% convertible senior notes could also cause a decline or retard any increase in the trading price of our Class A common stock since investors in the convertible senior notes may sell short our Class A common stock in order to establish initial hedge positions, and may increase those positions, particularly as the trading price of our Class A common stock increases, in order to hedge their 5.875% convertible senior notes. See Share Lending Agreement.

In addition to the hedging transactions that were facilitated by the prior share borrow transaction, we understand that many holders of our 5.875% convertible senior notes have also been able to borrow shares of our Class A common stock for the purpose of establishing short positions in the stock. To the extent that those same holders seek to establish short positions with Citigroup through private hedging transactions in connection with this offering, we believe such holders are likely to seek to close out their existing share borrow arrangements using shares purchased in the open market. Such purchases could cause extreme volatility in the trading price of our Class A common stock, including temporary increases in the price as short term demand increases.

The market price of our Class A common stock could be adversely affected by the large number of additional shares of Class A common stock eligible for issuance in the future.

As of October 31, 2005, 348,691,089 shares of Class A common stock were issued and outstanding, and 50,000 shares of Class B common stock were issued and outstanding. This includes 27,170,000 shares of Class A common stock that were issued in the prior share borrow transaction. An additional 339,132,031 shares of Class A common stock are issuable upon conversion of outstanding units of Charter Holdco and an additional 24,100,000 shares are issuable as of October 31, 2005 if Mr. Allen were to exchange the CCHC subordinated accreting note that he holds as a result of the settlement of the CC VIII dispute, into Charter Holdco units and exchange Charter Holdco units into Class A shares. See Certain Relationships and Related Transactions Transactions Arising Out of Our Organizational Structure and Mr. Allen s Investment in Charter Communications Inc. and Its Subsidiaries Equity Put Rights CC VIII . Also 29,089,460 shares were issuable upon the exercise of outstanding options under our option plans and approximately 356 million shares are now issuable upon conversion of our recently issued 5.875% convertible senior notes due 2009. All of the 363,232,031 shares of Class A common stock issuable upon exchange of Charter Holdco membership units and all shares of the Class A common stock issuable upon conversion of shares of our Class B common stock will have demand and/or piggyback registration rights attached to them. All of the 356 million shares issuable upon conversion of the 5.875% convertible senior notes are eligible for resale pursuant to a shelf registration statement. If less than all of the remaining 122,830,000 shares of Class A common stock covered by the share lending agreement are sold in this offering, Citigroup will have the right under the share lending agreement to borrow the unsold portion of those shares in the future, and a registration rights agreement will obligate Charter to file, at Citigroup s request, up to three additional registration statements with respect to these unsold shares until November 16, 2006. The sale of a substantial number of shares of Class A common stock or the perception that such sales could occur could adversely affect the market price for the Class A common stock because the sale could cause the amount of the Class A common stock available for sale in the market to exceed the demand for the Class A common stock and could also make it more difficult for us to sell equity securities or equity-related securities in the future at a time and price that we deem appropriate. This could adversely affect our ability to fund our current and future obligations. See Shares Eligible for Future Sale.

The failure to maintain a minimum share price of $1.00 per share of Class A common stock could result in delisting of our shares on the Nasdaq National Market, which would harm the market price of our Class A common stock.

In order to retain our listing on the Nasdaq National Market we are required to maintain a minimum bid price of $1.00 per share. Although, as of November 10, 2005, the trading price of our Class A common stock was $1.26 per share, our stock has traded below this $1.00 minimum in the recent past. If the bid price falls below the $1.00 minimum for more than 30 consecutive trading days, we will have 180 days to satisfy the $1.00 minimum bid price for a period of at least 10 trading days. If we are unable to take action to increase the bid price per share (either by reverse stock split or otherwise), we could be subject to delisting from the Nasdaq National Market.

The failure to maintain our listing on the Nasdaq National Market would harm the liquidity of our Class A common stock and would have adverse effect on the market price of our common stock. If the stock were to trade it would likely trade on the OTC pink sheets, which provide significantly less liquidity than does Nasdaq. As a result, the liquidity of our common stock would be impaired, not only in the number of shares which could be bought and sold, but also through delays in the timing of transactions, reduction in security analysts and news media s coverage and lower prices for our common stock than might otherwise be attained. In addition, our common stock would become subject to the low-priced security or so-called penny stock rules that impose additional sales practice requirements on broker-dealers who sell such securities.

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The effect of the issuance of our shares of Class A common stock pursuant to the share lending agreement and upon conversion of our 5.875% convertible notes, including sales of our Class A common stock in short sale transactions by the holders of the 5.875% convertible notes, may have a negative effect on the market price of our Class A common stock.

We have agreed pursuant to a share lending agreement to lend to Citigroup Global Markets Limited up to 150 million shares of our common stock, including the 122.8 million shares that are being offered pursuant to this prospectus and the 27.2 million shares issued in July 2005. In addition, in November 2004, we sold $862.5 million original aggregate principal amount of 5.875% convertible senior notes due 2009, which are currently convertible into approximately 356 million shares of our Class A common stock. We have been advised by Citigroup Global Markets Limited that it or an affiliate intends to facilitate the establishment by holders of those convertible notes of hedged positions in the convertible notes. While issuance of shares upon the conversion of the convertible notes may result in a reduction of an equal number in the outstanding borrowed shares under the share lending agreement, the increase in the number of shares of our Class A common stock issued or issuable pursuant to the share lending agreement or upon conversion of the 5.875% convertible senior notes could have a negative effect on the market price of our Class A common stock. Since there will be more shares sold or available for sale, the market price of our Class A common stock may decline or not increase as much as it might have without the availability of such shares. The market price of our Class A common stock also could decline as a result of other short sales of our Class A common stock by the purchasers of the 5.875% convertible senior notes to hedge their investment in the convertible notes. In addition to the hedging transactions facilitated by the prior share borrow transaction, we understand that many investors in our 5.875% convertible senior notes have also already hedged their investment by selling additional shares of our Class A common stock short in order to establish initial hedge positions. This offering may result in establishment of hedged positions by other holders or in replacement of existing hedged position by those holders who are already hedged. We expect that all such hedged parties may increase those positions as the market price of the Class A common stock increases, since such price increases will increase the likelihood that such holders will convert their 5.875% convertible senior notes and receive Class A common stock. Therefore, such short sales could retard any increase in the market price of our Class A common stock or cause a decline. See Business Legal Proceedings, Share Lending Agreement and Underwriting.

USE OF PROCEEDS

None of the proceeds from the sale of our Class A common stock offered by this prospectus will be received by us. However, pursuant to the share lending agreement, we will receive a loan fee of $0.001 for each share that we lend to Citigroup Global Markets Limited, which will be used for general corporate purposes. See Share Lending Agreement.

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our Class A common stock is quoted on the Nasdaq National Market under the symbol CHTR. The following table sets forth, for the periods indicated, the range of high and low last reported sale price per share of Class A common stock on the Nasdaq National Market. There is no established trading market for our Class B common stock.

2005	High	Low
First Quarter	$2.30	$1.35
Second Quarter	$1.53	$0.90
Third Quarter	$1.71	$1.14
Fourth Quarter through November 10	$1.50	$1.12

2004	High	Low
First Quarter	$5.43	$3.99
Second Quarter	$4.70	$3.61
Third Quarter	$3.90	$2.61
Fourth Quarter	$3.01	$2.03

2003	High	Low
First Quarter	$1.73	$0.76
Second Quarter	$4.18	$0.94
Third Quarter	$5.50	$3.32
Fourth Quarter	$4.71	$3.72

2002	High	Low
First Quarter	$16.85	$9.10
Second Quarter	$11.53	$2.96
Third Quarter	$ 4.65	$1.81
Fourth Quarter	$ 2.27	$0.76

As of September 30, 2005, there were 4,523 holders of record of our Class A common stock, one holder of our Class B common stock, and 10 holders of record of our Series A Convertible Redeemable Preferred Stock.

The last reported sale price of our Class A common stock on the Nasdaq National Market on November 10, 2005 was $1.26 per share.

We have never paid and do not expect to pay any cash dividends on our Class A common stock in the foreseeable future. Charter Holdco is required under certain circumstances to pay distributions pro rata to all its common members to the extent necessary for any common member to pay taxes incurred with respect to its share of taxable income attributed to Charter Holdco. Covenants in the indentures and credit agreements governing the debt of our subsidiaries restrict their ability to make distributions to us and, accordingly, limit our ability to declare or pay cash dividends. We intend to cause Charter Holdco and its subsidiaries to retain future earnings, if any, to finance the operation of the business of Charter Holdco and its subsidiaries.

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CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2005, on a consolidated basis:

The following information should be read in conjunction with Selected Historical Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the historical consolidated financial statements and related notes included elsewhere in this prospectus.

	As of September 30, 2005
	(Dollars in millions)
Cash and cash equivalents	$ 22
Long-term debt:	
Charter Communications, Inc.:	
5.875% convertible senior notes due 2009(a)	$ 841
4.75% convertible senior notes due 2006	25
Charter Holdings:	
Senior and senior discount notes(b)	1,736
CIH:	
Senior and senior discount notes(c)(d)	2,426
CCH I:	
11.00% senior notes due 2015(d)	3,686
CCH II:	
10.250% senior notes due 2010	1,601
CCO Holdings:	
8 3/4% senior notes due 2013	794
Senior floating rate notes due 2010	550
Charter Operating:	
8.000% senior second lien notes due 2012	1,100
8 3/8% senior second lien notes due 2014	733
Renaissance:	
10.00% senior discount notes due 2008	115
Credit facilities:	
Charter Operating(e)	5,513
Total long-term debt	19,120
Preferred stock redeemable(f)	55
Minority interest(g)	665
Shareholders deficit:	
Class A common stock; $.001 par value; 1.75 billion shares authorized; 348,576,466 shares issued and outstanding(h)	
Class B common stock; $.001 par value; 750 million shares authorized; 50,000 shares issued and outstanding	
Preferred stock; $.001 par value; 250 million shares authorized; no non-redeemable shares issued and outstanding	
Additional paid-in-capital	4,821
Accumulated deficit	(9,830)
Accumulated other comprehensive income	3
Total shareholders deficit	(5,006)

Total capitalization	$14,834

(a) Represents $863 million of 5.875% convertible senior notes of which $30 million, related to certain provisions of the 5.875% convertible senior notes that for accounting purposes were derivatives which required bifurcation, was recorded as accounts payable and accrued expenses and other long-term liabilities with the resulting long-term debt of $832 million. The debt has accreted to $841 million at September 30, 2005 and will accrete to the $863 million face value over three years, the duration of our pledged securities.

		As of September 30, 2005
		(Dollars in millions)
(b)	Represents the following Charter Holdings notes:	
	8.250% senior notes due 2007	$ 105
	8.625% senior notes due 2009	292
	9.920% senior discount notes due 2011	198
	10.000% senior notes due 2009	154
	10.250% senior notes due 2010	49
	11.750% senior discount notes due 2010	43
	10.750% senior notes due 2009	131
	11.125% senior notes due 2011	217
	13.500% senior discount notes due 2011	91
	9.625% senior notes due 2009	107
	10.000% senior notes due 2011	136
	11.750% senior discount notes due 2011	116
	12.125% senior discount notes due 2012	97
	Total	$1,736

		As of September 30, 2005
		(Dollars in millions)
(c)	Represents the following CIH notes:	
	11.125% senior notes due 2014	$ 151
	9.920% senior discount notes due 2014	471
	10.000% senior notes due 2014	299
	11.750% senior discount notes due 2014	759
	13.500% senior discount notes due 2014	559
	12.125% senior discount notes due 2015	187
	Total	$2,426

(d) The CIH notes and CCH I notes issued in exchange for Charter Holdings notes are recorded in accordance with GAAP. GAAP requires that the CIH notes issued in exchange for Charter Holdings notes and the CCH I notes issued in exchange for the 8.625% Charter Holdings notes due 2009 be recorded at the historical book values of the Charter Holdings notes as opposed to the current accreted value for legal purposes and notes indenture purposes (which, for both purposes, is the amount that would become payable if the debt becomes immediately due). As of September 30, 2005, the accreted value of our total long-term debt for legal purposes and notes indenture purposes is $18.6 billion.

(e) Total potential borrowing availability under our credit facilities was $786 million as of September 30, 2005, although the actual availability at that time was only $648 million because of limits imposed by covenant restrictions.

(f) In connection with Charter s acquisition of Cable USA, Inc. and certain cable system assets from affiliates of Cable USA, Inc., Charter issued 545,259 shares of Series A Convertible Redeemable Preferred Stock valued at and with a liquidation preference of $55 million. Holders of the preferred stock have no voting rights but are entitled to receive cumulative cash dividends at an annual rate of 5.75%, payable quarterly or 7.75% if not paid but accrued. Beginning January 1, 2005 and through September 30, 2005, Charter accrued the dividend on its Series A Convertible Redeemable Preferred Stock. The preferred stock is redeemable by Charter at its option on or after August 31, 2004 and must be redeemed by Charter at any time upon a change of control, or if not previously redeemed or converted, on August 31, 2008. In November 2005, we repurchased 484,908 shares of the preferred stock. See Summary Recent Events Repurchase of

Convertible Redeemable Preferred Stock.

The preferred stock is convertible, in whole or in part, at the option of the holders from April 1, 2002 through August 31, 2008, into shares of Class A common stock at an initial conversion rate equal to a conversion price of $24.71 per share of Class A common stock, subject to certain customary adjustments.

(g) Minority interest consists of preferred membership interests in CC VIII. Paul G. Allen indirectly held the preferred membership units in CC VIII as a result of the exercise of put rights originally granted in connection with the Bresnan transaction in 2000. There was an issue regarding the ultimate ownership of the CC VIII membership interests following the consummation of the Bresnan put transaction on June 6, 2003. This dispute was settled October 31, 2005. See Certain Relationships and Related Transactions Transactions Arising Out of Our Organizational Structure and Mr. Allen s Investment in Charter and its Subsidiaries Equity Put Rights CC VIII.

(h) Although the shares offered by this prospectus and issued in July 2005 will be considered issued and outstanding, we do not expect they will impact our earnings per share under current accounting literature. See Share Lending Agreement for further discussion related to the accounting of the share lending agreement. Pro forma for the issuance of the shares offered hereby, at September 30, 2005, there were 471,406,466 shares issued and outstanding.

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma consolidated financial statements are based on the historical consolidated financial statements of Charter, adjusted on a pro forma basis to reflect the following transactions as if they had occurred on January 1, 2004 for the unaudited pro forma consolidated statement of operations:

(1) the disposition of certain assets in March and April 2004 for total proceeds of $735 million and the use of such proceeds in each case to pay down credit facilities;

(2) the issuance and sale of $550 million of CCO Holdings senior floating rate notes in December 2004 and $1.5 billion of Charter Operating senior second lien notes in April 2004;

(3) an increase in amounts outstanding under the Charter Operating credit facilities in April 2004 and the use of such funds, together with the proceeds from the sale of the Charter Operating senior second lien notes, to refinance amounts outstanding under the credit facilities of our subsidiaries, CC VI Operating Company, LLC, CC VIII Operating, LLC and Falcon Cable Communications, LLC;

(4) the issuance and sale of $863 million of 5.875% convertible senior notes in November 2004 with proceeds used for (i) the purchase of certain U.S. government securities pledged as security to fund the first six interest payments thereon, (ii) redemption of outstanding 5.75% convertible senior notes due 2005 and (iii) general corporate purposes;

(5) the repayment of $530 million of borrowings under the Charter Operating revolving credit facility with net proceeds from the issuance and sale of the CCO Holdings senior floating rate notes in December 2004, which were included in our cash balance at December 31, 2004;

(6) the redemption of all of CC V Holdings, LLC s outstanding 11.875% senior discount notes due 2008 with cash on hand;

(7) the issuance and sale of $300 million of 8 3/4% CCO Holdings senior notes in August 2005 and the use of a portion of such proceeds to pay financing costs and accrued interest in the exchange transaction referenced below;

(8) the exchange of $3.4 billion principal amount of Charter Holdings notes scheduled to mature in 2009 and 2010 for CCH I notes and the exchange of $3.4 billion principal amount of Charter Holdings notes scheduled to mature in 2011 and 2012 for CIH notes and CCH I notes; and

(9) the issuance of 27.2 million shares in July 2005 and the shares offered hereby pursuant to a share lending agreement, the sole effect of which is to increase common shares issued and outstanding. See Share Lending Agreement.

The unaudited pro forma adjustments are based on information available to us as of the date of this prospectus and certain assumptions that we believe are reasonable under the circumstances. The Unaudited Pro Forma Consolidated Financial Statements 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.

The unaudited pro forma balance sheet as of September 30, 2005 is not provided as pro forma adjustments are not significant for that period.

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CHARTER COMMUNICATIONS, INC.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

For the Nine Months Ended September 30, 2004

	Historical	Asset Dispositions(a)	Financing Transactions(b)	Pro Forma
	(Dollars in millions, except per share and share amounts)			
Revenues				
Video	$ 2,534	$ (21)	$	$ 2,513
High-speed Internet	538	(3)		535
Advertising sales	205	(1)		204
Commercial	175	(2)		173
Other	249	(2)		247
Total	3,701	(29)		3,672
Costs and Expenses				
Operating (excluding depreciation and amortization)	1,552	(12)		1,540
Selling, general and administrative	735	(4)		731
Depreciation and amortization	1,105	(6)		1,099
Impairment of franchises	2,433			2,433
(Gain) loss on sale of assets, net	(104)	106		2
Option compensation expense, net	34			34
Special charges, net	100			100
	5,855	84		5,939
Loss from operations	(2,154)	(113)		(2,267)
Interest expense, net	(1,227)	4	(26)	(1,249)
Gain on derivative instruments and hedging activities, net	48			48
Loss on debt to equity conversions	(23)			(23)
Loss on extinguishment of debt	(21)		21	
	(1,223)	4	(5)	(1,224)
Loss before minority interest, income taxes, and cumulative effect of accounting change	(3,377)	(109)	(5)	(3,491)
Minority interest	24			24
Loss before income taxes and cumulative effect of accounting change	(3,353)	(109)	(5)	(3,467)
Income tax benefit	116	15		131
Loss before cumulative effect of accounting change	(3,237)	$ (94)	$ (5)	$ (3,336)
Loss per common share, basic and diluted	$ (13.38)			$ (13.71)
Weighted average common shares outstanding, basic and diluted(c)	299,411,053			299,411,053