CHARTER COMMUNICATIONS, INC. /MO/
Form 424B2
May 03, 2011

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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-171526

Subject to Completion, dated May 3, 2011

PROSPECTUS SUPPLEMENT
(to Prospectus dated January 4, 2011)

$1,000,000,000

CCO Holdings, LLC

CCO Holdings Capital Corp.

% Senior Notes due 2021

CCO Holdings, LLC and CCO Holdings Capital Corp., or the issuers, are offering $1,000,000,000 aggregate principal amount of our % Senior Notes due 2021, or the notes. The notes will mature on , 2021. We will pay interest on the notes on each and , commencing , 2011.

We may redeem some or all of the notes at any time prior to , 2015 at a price equal to 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest to the redemption date and a make-whole premium, as described in this prospectus supplement. We may redeem some or all of the notes at any time on or after , 2015 at the redemption prices set forth in this prospectus supplement. In addition, until , 2014, we may redeem up to 35% of the aggregate principal amount of the notes using net proceeds from certain equity offerings at the redemption price set forth in this prospectus supplement. Holders may require us to repurchase the notes upon a Change of Control Triggering Event (as defined under Description of Notes). There is no sinking fund for the notes.

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior unsecured debt. The notes will be effectively subordinated to our secured debt to the extent of the value of the assets securing such debt and to the debt and other liabilities of our subsidiaries. The notes will be guaranteed on a senior unsecured basis by Charter Communications, Inc., our indirect parent company. The notes will not be guaranteed by any of our subsidiaries.

The notes are not expected to be listed on any securities exchange or included in any quotation system.

This prospectus supplement and the accompanying prospectus include additional information about the terms of the notes, including optional redemption prices and covenants.

See Risk Factors, which begins on page S-14 of this prospectus supplement for a discussion of certain of the risks you should consider before investing in the notes.

	Per Note	Total
Public offering price[(1)]	%	$
Underwriting discount	%	$
Estimated proceeds to us, before expenses[(1)]	%	$

(1) Plus accrued interest from , 2011, if settlement occurs after that date.

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

We expect that delivery of the notes will be made in New York, New York on or about , 2011.

Joint Book-Running Managers

UBS Investment Bank
BofA Merrill Lynch
Citi
Credit Suisse
Deutsche Bank Securities

Co-Managers

J.P. Morgan **US Bancorp** **RBC Capital Markets**
Goldman, Sachs & Co. **Morgan Stanley**
Credit Agricole CIB **Morgan Joseph TriArtisan**

The date of this Prospectus Supplement is , 2011.

You should rely only on the information contained in this prospectus supplement. Neither the issuers nor the underwriters have authorized anyone to provide you with any information or represent anything about the issuers, their financial results or this offering that is not contained in this prospectus supplement. If given or made, any such other information or representation should not be relied upon as having been authorized by the issuers or the underwriters. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement is accurate as of any date other than the date on the front cover of this prospectus supplement.

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Prospectus Supplement

Prospectus

About this prospectus supplement

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters relating to us and our financial condition. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which may not apply to the notes we are offering. You should read this prospectus supplement along with the accompanying prospectus, as well as the documents incorporated by reference. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

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Cautionary statement regarding forward-looking statements

This prospectus supplement includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), regarding, among other things, our plans, strategies and prospects, both business and financial. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, without limitation, the factors described in the sections titled Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus supplement. Many of the forward-looking statements contained in this prospectus supplement may be identified by the use of forward-looking words such as believe, expect, anticipate, should, planned, will, ma estimated, aim, on track, target, opportunity, tentative , positioning and potential, among others. Importa could cause actual results to differ materially from the forward-looking statements we make in this prospectus supplement are set forth in this prospectus supplement and in other reports or documents that we file from time to time with the Securities and Exchange Commission, which we refer to as the SEC, and include, but are not limited to:

Ø our ability to sustain and grow revenues and free cash flow by offering video, high-speed Internet, telephone and other services to residential and commercial customers, to adequately meet the customer experience demands in our markets and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition, the need for innovation and the related capital expenditures and the difficult economic conditions in the United States;

Ø the impact of competition from other market participants, including but not limited to incumbent telephone companies, direct broadcast satellite operators, wireless broadband and telephone providers, and digital subscriber line (DSL) providers and competition from video provided over the Internet;

Ø general business conditions, economic uncertainty or downturn, high unemployment levels and the level of activity in the housing sector;

Ø our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents);

Ø the effects of governmental regulation on our business;

Ø the availability and access, in general, of funds to meet our debt obligations, prior to or when they become due, and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) free cash flow, or (iii) access to the capital or credit markets; and

Ø our ability to comply with all covenants in our indentures and credit facilities, any violation of which, if not cured in a timely manner, could trigger a default of our other obligations under cross-default provisions.

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

Industry and market data

In this prospectus supplement, we rely on and refer to information and statistics regarding our industry. We obtained this market data from independent industry publications or other publicly available information. Although we believe that these sources are reliable, we and the underwriters have not independently verified and do not guarantee the accuracy and completeness of this information.

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Incorporation by reference; additional information

Charter Communications, Inc., the issuers indirect parent company, files annual, quarterly, special reports and other information with the SEC. We are incorporating by reference certain information of Charter filed with the SEC, which means that we disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. Specifically, we incorporate by reference the documents listed below and any future filings made with the SEC under Section 13 or 15(d) of the Exchange Act (excluding any information furnished but not filed) prior to the termination of this offering (collectively, the SEC Reports):

Ø Charter Communications, Inc. Annual Report on Form 10-K for the year ended December 31, 2010;

Ø Charter Communications, Inc. Quarterly Report on Form 10-Q for the three months ended March 31, 2011;

Ø Portions of the Charter Communication Inc. Definitive Proxy Statement filed with the SEC on March 16, 2011 that are incorporated by reference into the Annual Report; and

Ø Charter Communications, Inc. Current Reports on Form 8-K filed with the SEC on January 4, 2011; January 14, 2011; January 19, 2011; January 20, 2011; January 27, 2011; February 15, 2011; March 16, 2011; March 18, 2011; April 1, 2011; and April 29, 2011.

The information in the above filings speaks only as of the respective dates thereof, or, where applicable, the dates identified therein. You may read and copy any document we file with the SEC at the SEC s public reference room at 450 Fifth Street, N.W., in Washington, D.C., as well as the SEC s regional offices. Please call the SEC at 1-800-SEC-0330 for further information relating to the public reference room. These SEC filings are also available to the public at the SEC s website at www.sec.gov.

In reliance on Rule 12h-5 under the Exchange Act, neither of the issuers intends to file annual reports, quarterly reports, current reports or transition reports with the SEC. For so long as the issuers rely on Rule 12h-5, certain financial information pertaining to the issuers will be included in the financial statements of Charter Communications, Inc. filed with the SEC pursuant to the Exchange Act.

Certain definitions

When used in this prospectus supplement (other than the section Description of Notes), the following capitalized terms have the meanings set forth below:

Adjusted EBITDA has the meaning set forth in note (b) under Selected Historical Consolidated Financial Data.

CC VIII means CC VIII, LLC, a Delaware limited liability company.

CCH I means CCH I, LLC, a Delaware limited liability company.

CCH II means collectively, CCH II, LLC, a Delaware limited liability company, and CCH II Capital Corp., a Delaware corporation.

CCO Holdings means CCO Holdings, LLC, a Delaware limited liability company.

CCO Holdings Capital means CCO Holdings Capital Corp., a Delaware corporation, a wholly-owned subsidiary of CCO Holdings.

Charter means Charter Communications, Inc., a Delaware corporation, the guarantor of the Notes.

Charter Holdco means Charter Communications Holding Company, LLC, a Delaware limited liability company.

Charter Operating means Charter Communications Operating, LLC, a Delaware limited liability company.

Charter Operating Entities means collectively, Charter Operating and Charter Communications Operating Capital Corp., a Delaware corporation.

Free Cash Flow means net cash flows from operating activities, less capital expenditures and changes in accrued expenses related to capital expenditures.

GAAP means accounting principles generally accepted in the United States.

Issuer means either of the Issuers as the context requires.

Issuers means CCO Holdings, LLC, excluding its subsidiaries, and CCO Holdings Capital Corp.

Notes means the % Senior Notes due 2021 offered hereby.

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Prospectus Supplement Summary

This summary contains a general discussion of our business, the offering of the Notes and summary financial information. It does not contain all the information that you should consider before investing in the Notes. You should read this entire prospectus supplement and the related documents to which we refer. Unless otherwise noted, all business data included in this summary is as of March 31, 2011.

For definitions of certain capitalized terms used in the prospectus supplement that are not defined elsewhere herein, see Certain Definitions. For a chart showing our ownership structure, see page S-3. CCO Holdings is an indirect subsidiary of Charter. CCO Holdings is a holding company with no operations of its own. CCO Holdings Capital is a wholly-owned subsidiary of CCO Holdings. CCO Holdings Capital is a company with no operations of its own and no subsidiaries.

Unless stated otherwise, the discussion in this prospectus supplement of our business includes the business of Charter and its direct and indirect subsidiaries. Unless the context otherwise requires, the terms we, us and our refer to Charter and its direct and indirect subsidiaries on a consolidated basis.

OUR BUSINESS

We are among the largest providers of cable services in the United States, offering a variety of entertainment, information and communications solutions to residential and commercial customers. Our infrastructure consists of a hybrid of fiber and coaxial cable plant passing approximately 11.8 million homes, with 98% of homes passed at 550 megahertz (MHz) or greater and 97% of plant miles two-way active. A national Internet Protocol (IP) infrastructure interconnects all Charter Communications, Inc. (Charter) markets.

For the three months ended March 31, 2011, we generated $1.8 billion in revenue, of which approximately 51% was generated from our residential video service. For the year ended December 31, 2010, we generated approximately $7.1 billion in revenue, of which approximately 52% was generated from our residential video service. We also generated revenue from commercial video and high-speed Internet, telephone service (both residential and commercial) and advertising. Residential and commercial high-speed Internet and telephone service contributed the majority of the recent growth in our revenue.

As of March 31, 2011, we served approximately 5.2 million residential and commercial customers. We sell our video, high-speed Internet and telephone services primarily on a subscription basis, often in a bundle of two or more services, providing savings and convenience to our customers. Bundled services are available to approximately 97% of our homes passed, and approximately 61% of our customers subscribe to a bundle of services.

We served approximately 4.3 million residential video customers as of March 31, 2011, and approximately 75% of our video customers subscribed to digital video service. Digital video enables our customers to access advanced video services such as high definition television, Charter OnDemand™ (OnDemand) video programming, an interactive program guide and digital video recorder (DVR) service.

We also served approximately 3.3 million residential high-speed Internet customers as of March 31, 2011. Our high-speed Internet service is available in a variety of download speeds up to 60 megabits per second (Mbps). We also offer home networking service, or Wi-Fi, enabling our customers to connect up to five computers wirelessly in the home.

We provided telephone service to approximately 1.7 million residential customers as of March 31, 2011. Our telephone services typically include unlimited local and long distance calling to the U.S., Canada and Puerto Rico, plus other features, including voicemail, call waiting and caller ID.

Through Charter Business®, we provide scalable, tailored broadband communications solutions to business organizations, such as business-to-business Internet access, data networking, fiber connectivity

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to cellular towers, video and music entertainment services and business telephone. As of March 31, 2011, we served approximately 440,700 commercial primary service units, including small- and medium-sized commercial customers. Our advertising sales division, Charter Media®, provides local, regional and national businesses with the opportunity to advertise in individual markets on cable television networks.

We have a history of net losses. Our net losses are principally attributable to insufficient revenue to cover the combination of operating expenses, interest expenses that we incur because of our debt, depreciation expenses resulting from the capital investments we have made, and continue to make, in our cable properties, and amortization expenses of customer relationships.

On March 27, 2009, we and certain affiliates filed voluntary petitions in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court), to reorganize under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code). The Chapter 11 cases were jointly administered under the caption In re Charter Communications, Inc., et al., Case No. 09-11435. On May 7, 2009, we filed a Joint Plan of Reorganization (the Plan) and a related disclosure statement with the Bankruptcy Court. The Plan was confirmed by the Bankruptcy Court on November 17, 2009 (the Confirmation Order), and became effective on November 30, 2009 (the Effective Date), the date on which we emerged from protection under Chapter 11 of the Bankruptcy Code.

OUR CORPORATE INFORMATION

Our principal executive offices are located at 12405 Powerscourt Drive, St. Louis, Missouri 63131. Our telephone number is (314) 965-0555, and we have a website accessible at www.charter.com. Since January 1, 2002, our annual reports, quarterly reports and current reports on Form 8-K, and all amendments thereto, have been made available on our website free of charge as soon as reasonably practicable after they have been filed. The information posted on our website is not incorporated into this prospectus supplement and is not part of this prospectus supplement.

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CORPORATE ENTITY STRUCTURE

The chart below sets forth our entity structure and that of the Issuers direct and indirect parent companies and subsidiaries. This chart does not include all of our affiliates and subsidiaries and, in some cases, we have combined separate entities for presentation purposes. The equity ownership and voting percentages shown below are approximations as of March 31, 2011, and do not give effect to any subsequent exercise of then outstanding warrants. Indebtedness amounts shown below are principal amounts as of March 31, 2011.

footnotes on following page

(1) *CCH II:*
13.500% senior notes due 2016 (approximately $1.8 billion principal amount outstanding)

Guarantee: All notes are guaranteed on a senior unsecured basis by Charter. Security Interest: None.

(2) *CCO Holdings:*
7.875% senior notes due 2018 ($900 million principal amount outstanding)
8.125% senior notes due 2020 ($700 million principal amount outstanding)
7.250% senior notes due 2017 ($1.0 billion principal amount outstanding)
7.000% senior notes due 2019 ($1.4 billion principal amount outstanding)
CCO Holdings credit facility ($350 million principal amount outstanding)

Guarantee: The senior notes and the credit facility are guaranteed on a senior unsecured basis by Charter. Security Interest: The obligations of CCO Holdings under the credit facility are secured by a lien on CCO Holdings equity interest in Charter Operating and all proceeds of such equity interest, junior to the liens of the holders of the senior second-lien notes listed under item (3) below.

(3) *Charter Operating:*
8.000% senior second-lien notes due 2012 ($1.1 billion principal amount outstanding)
10.875% senior second-lien notes due 2014 ($546 million principal amount outstanding)
Charter Operating credit facility (approximately $4.7 billion principal amount outstanding)

Guarantee: All Charter Operating senior second-lien notes are guaranteed by CCO Holdings and those subsidiaries of Charter Operating that are guarantors of, or otherwise obligors with respect to, indebtedness under the Charter Operating credit facilities. The Charter Operating credit facility is guaranteed by CCO Holdings and certain subsidiaries of Charter Operating.

Security Interest: The Charter Operating senior second-lien notes and related guarantees are secured by a second-priority lien on substantially all of Charter Operating s and certain of its subsidiaries assets that secure the obligations of Charter Operating or any subsidiary of Charter Operating with respect to the Charter Operating credit facilities. The Charter Operating credit facilities are secured by a first-priority lien on substantially all of the assets of Charter Operating and its subsidiaries and a pledge by CCO Holdings of its equity interests in Charter Operating.

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The Offering

The summary below describes the principal terms of the offering and the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the Description of Notes for a more detailed description of the offering and the Notes.

Issuers	CCO Holdings, LLC and CCO Holdings Capital Corp.
Notes Offered	$1,000,000,000 aggregate principal amount of % Senior Notes due 2021.
Maturity	The Notes will mature on , 2021.
Interest Payment Dates	and of each year, beginning on , 2011.
Ranking	The Notes will be: Ø the general unsecured obligations of the Issuers; Ø effectively subordinated in right of payment to any future secured debt of the Issuers, to the extent of the value of the assets securing such debt; Ø equal in right of payment to the Issuers existing senior notes and any future unsubordinated, unsecured debt of the Issuers; Ø structurally senior to the outstanding senior notes of CCH II; Ø senior in right of payment to any future subordinated debt of the Issuers; Ø structurally subordinated to all debt and other liabilities (including trade payables) of the Issuers subsidiaries, including indebtedness under the Charter Operating credit facilities and the Charter Operating Entities senior second-lien notes; and Ø guaranteed on a senior unsecured basis by Charter (which guarantee is structurally junior to all debt and liabilities of all of Charter s subsidiaries). As of March 31, 2011, on a pro forma basis after giving effect to the sale of the Notes and the anticipated application of the net proceeds therefrom, as if such transaction had occurred on that date, the total principal amount of debt and intercompany loans of CCO Holdings and its subsidiaries totaled approximately $11.1 billion, and the Notes would have been structurally subordinated to approximately $6.3 billion. As of March 31, 2011, on a pro forma basis to reflect the transactions described above, CCO Holdings subsidiary had approximately an additional $1.2 billion available for future borrowings under senior secured credit facilities, which would be structurally senior in right of payment to the Notes.

Guarantee	Charter will unconditionally guarantee the Notes on a senior unsecured basis. If the Issuers cannot make payments on the Notes, Charter must make them.

Optional Redemption	The Notes may be redeemed in whole or in part at our option from time to time as described in the section Description of Notes Optional Redemption. At any time prior to , 2014, the Issuers may redeem up to 35% of the Notes in an amount not to exceed the amount of proceeds of one or more public equity offerings at a price equal to % of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, *provided* that at least 65% of the original aggregate principal amount of the Notes (including any additional Notes of such series) issued remains outstanding after such redemption.
Restrictive Covenants	The indenture governing the Notes will, among other things, restrict CCO Holdings ability and the ability of certain of its subsidiaries to: Ø pay dividends on stock or repurchase stock; Ø make investments; Ø borrow money; Ø grant liens; Ø sell all or substantially all of our assets or merge with or into other companies; Ø use the proceeds from sales of assets and subsidiaries stock; Ø in the case of our restricted subsidiaries, create or permit to exist dividend or payment restrictions; and Ø engage in certain transactions with affiliates. These covenants are subject to important exceptions and qualifications as described under Description of Notes Certain Covenants, including provisions allowing CCO Holdings and certain of its subsidiaries, as long as the leverage ratio of CCO Holdings and certain of its subsidiaries is below 6.0 to 1.0, to make investments, including designating restricted subsidiaries as unrestricted subsidiaries or making investments in unrestricted subsidiaries. Subject to certain exceptions and limitations, CCO Holdings is also permitted under these covenants to provide funds to its parent companies to pay interest on, or retire or repurchase, their debt obligations. During the time, if any, that the Notes are rated investment grade by both Standard & Poor s Ratings Service and Moody s Investors, Inc. and certain other conditions are met, many of the restrictive covenants contained in the indenture governing the Notes will cease to be in effect. See

	Description of Notes Certain Covenants.
Change of Control	Following a Change of Control Triggering Event, as defined in Description of Notes Certain Definitions, the Issuers will be required to offer to purchase all of the Notes at a purchase price of 101% of their principal amount plus accrued and unpaid interest, if any, to the date of purchase thereof.

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Absence of Market for the Notes	Prior to this offering, there was no existing market for the Notes. We do not intend to apply for the Notes to be listed on any securities exchange or to arrange for any quotation system to quote them. If the underwriters make a market in the Notes they may discontinue any market making in the Notes at any time in their sole discretion. Accordingly, we cannot assure you that liquid markets will develop for the Notes.
Use of Proceeds	We intend to use the proceeds of this offering (i) to make an equity contribution to Charter Operating, (ii) to make an intercompany loan to Charter Operating, (iii) to pay fees and expenses related to this offering, and (iv) for general corporate purposes. Charter Operating intends to use the proceeds from the contribution and intercompany loan to repay borrowings under one or more term loan portions of Charter Operating s credit facilities, which may include term loans held by affiliates of the underwriters or Charter and to repay borrowings under the revolving portion of Charter Operating s credit facilities. See Use of Proceeds.
Original Issue Discount	If the stated principal amount of the Notes exceeds their issue price by more than a statutorily defined de minimis amount, the Notes will be treated as issued with original issue discount for U.S. federal income tax purposes. In such case, holders subject to U.S. federal income taxation, whether on the cash or accrual method of tax accounting, would be required to include amounts representing original issue discount in gross income (as ordinary income) on a constant yield to maturity basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable. For further discussion, see Certain U.S. Federal Income Tax Consequences.

You should carefully consider all of the information in this prospectus supplement. In particular, you should evaluate the information under Risk Factors for a discussion of risks associated with an investment in the Issuers and the Notes.

For more complete information about the Notes, see Description of Notes.

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Selected Historical Consolidated Financial Data

The following table presents summary financial and other data for Charter and its subsidiaries. The summary consolidated financial data has been derived from (i) the audited consolidated financial statements of Charter and its subsidiaries for the year ended December 31, 2010 (Successor Company), the one month ended December 31, 2009 (Successor Company), the eleven months ended November 30, 2009 (Predecessor Company), and for the year ended December 31, 2008 (Predecessor Company), contained in our Annual Report on Form 10-K filed March 1, 2011, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, and (ii) the unaudited consolidated financial statements of Charter and its subsidiaries for the three months ended March 31, 2011 and 2010 (Successor Company) contained in our Quarterly Report on Form 10-Q filed May 3, 2011, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. The summary financial data should be read in conjunction with the consolidated financial statements (described above) and the related notes. The summary operating data is not derived from the audited consolidated financial statements.

Upon our emergence from bankruptcy, we adopted fresh start accounting. In accordance with GAAP, the audited consolidated financial statements present the results of operations and the sources and uses of cash for (i) the eleven months ended November 30, 2009 of the Predecessor and (ii) the one month ended December 31, 2009 of the Successor. However, for purposes of summary consolidated financial data in this prospectus supplement, we have combined the 2009 results of operations and sources and uses of cash for the Predecessor and the Successor. The results of operations and sources and uses of cash of the Predecessor and Successor are not comparable due to the change in basis resulting from the emergence from bankruptcy.

We believe the unaudited combined consolidated financial data for the twelve months ended December 31, 2009 provide management and investors with a more meaningful perspective on our ongoing financial and operational performance and trends than if we did not combine the results of operations of the Predecessor and the Successor in this manner.

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	For the years ended December 31,			For the three months ended March 31,	
	Predecessor 2008	Combined 2009	Successor 2010	Successor 2010	Successor 2011
		(in millions)		(unaudited)	
Statement of Operations Data:					
Revenues:					
Video[(a)]	$ 3,692	$ 3,686	$ 3,689	$ 926	$ 908
High-speed Internet	1,356	1,476	1,606	395	412
Telephone[(a)]	583	750	823	198	212
Commercial	392	446	494	118	137
Advertising Sales	308	249	291	59	62
Other[(a)]	148	148	156	39	39
Total revenues	**6,479**	**6,755**	**7,059**	**1,735**	**1,770**
Costs and Expenses:					
Operating (excluding depreciation and amortization)[(a)]	2,807	2,909	3,064	756	768
Selling, general and administrative[(a)]	1,386	1,380	1,422	347	345
Depreciation and amortization	1,310	1,316	1,524	369	383
Impairment of franchises	1,521	2,163			
Other operating (income) expenses, net	69	(34)	25	12	5
Total costs and expenses	**7,093**	**7,734**	**6,035**	**1,484**	**1,501**
Income (loss) from operations	(614)	(979)	1,024	251	269
Interest expense, net	(1,905)	(1,088)	(877)	(204)	(233)
Change in value of derivatives	(29)	(4)			
Gain due to Plan effects		6,818			
Gain due to fresh start accounting adjustments		5,659			
Reorganization items, net		(647)	(6)	(4)	
Gain (loss) on extinguishment of debt	4		(85)	(1)	(67)
Other income (expense), net	(6)	(1)	2	1	
Income (loss) before income taxes	(2,550)	9,758	58	43	(31)
Income tax benefit (expense)	103	343	(295)	(19)	(79)
Consolidated net income (loss)	(2,447)	10,101	(237)	24	(110)
Less: Net (income) loss noncontrolling interest	(4)	1,265			
Net income (loss) Charter shareholders	**$ (2,451)**	**$ 11,366**	**$ (237)**	**$ 24**	**$ (110)**

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	For the years ended December 31,			For the three months ended March 31,	
	Predecessor 2008	Combined 2009	Successor 2010	Successor 2010	Successor 2011
	(dollars in millions)			(unaudited)	
Other Financial Data:					
Cash flows from operating activities	$ 399	$ 594	$ 1,911	$ 530	$ 447
Cash flows from investing activities	$ (1,210)	$ (1,304)	$ (1,170)	$ (330)	$ (381)
Cash flows from financing activities	$ 1,696	$ 504	$ (1,463)	$ (700)	$ (44)
Adjusted EBITDA(b)	$ 2,319	$ 2,493	$ 2,599	$ 637	$ 663
Capital expenditures	$ 1,202	$ 1,134	$ 1,209	$ 310	$ 356
Ratio of earnings to fixed charges(c)	N/A	8.05x	1.07x	1.21x	N/A
Deficiency of earnings to cover fixed charges(c)	$ 2,550	N/A	N/A	N/A	$ 31
Pro Forma Operating Data (end of period)(d):					
Video(e)	4,692,700	4,492,700	4,278,400	4,478,700	4,253,300
High-speed Internet(f)	2,854,900	3,039,400	3,246,100	3,141,700	3,334,000
Telephone(g)	1,324,400	1,554,300	1,717,000	1,621,000	1,741,000
Residential PSUs(h)	8,872,000	9,086,400	9,241,500	9,241,400	9,328,300
Video(e)(i)	250,200	254,600	242,000	246,300	243,300
High-speed Internet(f)	105,000	112,600	129,200	116,600	133,000
Telephone(g)	28,200	39,800	59,900	44,300	64,400
Commercial PSUs(h)	383,400	407,000	431,100	407,200	440,700
Digital Video RGUs(j)	3,095,300	3,180,700	3,363,200	3,275,900	3,391,600
Total RGUs(k)	12,350,700	12,674,100	13,035,800	12,924,500	13,160,600

	Successor As of	
	December 31, 2010	March 31, 2011
	(in millions)	(unaudited)
Balance Sheet Data (end of period):		
Investment in cable properties	$ 15,027	$ 15,001
Total assets	$ 15,707	$ 15,705
Long-term debt	$ 12,306	$ 12,554

Shareholders equity	$ 1,478	$ 1,182

(a) *Certain prior year amounts have been reclassified to conform with the 2010 presentation, including the reflection of franchise fees, equipment rental and video customer installations revenue as video revenue, and telephone regulatory fees as telephone revenue, rather than other revenue, and service expenses related to commercial have been reclassified from selling, general and administrative expense into operating expense.*

(b) *We use certain measures that are not defined by GAAP to evaluate various aspects of our business. Adjusted EBITDA is a non-GAAP financial measure and should be considered in addition to, not as a substitute for, consolidated net income (loss) reported in accordance with GAAP. This term, as defined by us, may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA is reconciled to consolidated net income (loss) below.*

Adjusted EBITDA is defined as consolidated net income (loss) plus net interest expense, income taxes, depreciation and amortization, gains realized due to Plan effects and fresh start accounting

footnotes continued on following page

adjustments, reorganization items, impairment of franchises, stock compensation expense, loss on extinguishment of debt, change in value of derivatives and other operating expenses, such as special charges and loss on sale or retirement of assets. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our businesses as well as other non-cash or non-recurring items, and is unaffected by our capital structure or investment activities. Adjusted EBITDA is used by management and Charter s board of directors to evaluate the performance of our business. For this reason, it is a significant component of Charter s annual incentive compensation program. However, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and our cash cost of financing. Management evaluates these costs through other financial measures.

We believe that Adjusted EBITDA provides information useful to investors in assessing our performance and our ability to service our debt, fund operations and make additional investments with internally generated funds. In addition, Adjusted EBITDA generally correlates to the leverage ratio calculation under our credit facilities or outstanding notes to determine compliance with the covenants contained in the facilities and notes (all such documents have been previously filed with the SEC). Adjusted EBITDA includes management fee expenses in the amount of $131 million, $136 million and $144 million for the years ended December 31, 2008, 2009 and 2010, respectively, and $35 million for each of the three months ended March 31, 2010 and 2011, respectively, which expense amounts are excluded for the purposes of calculating compliance with leverage covenants.

	For the years ended December 31,			For the three months ended March 31,	
	Predecessor 2008	**Combined 2009**	**Successor 2010**	**Successor 2010**	**Successor 2011**
Consolidated net income (loss)	$ (2,447)	$ 10,101	$ (237)	$ 24	$ (110)
Plus: Interest expense, net	1,905	1,088	877	204	233
Income tax (benefit) expense	(103)	(343)	295	19	79
Depreciation and amortization	1,310	1,316	1,524	369	383
Impairment charges	1,521	2,163			
Stock compensation expense	33	27	26	5	6
(Gain) loss due to bankruptcy related items		(11,830)	6		
Change in value of derivatives	29	4			
(Gain) loss on extinguishment of debt	(4)		85	1	67
Other, net	75	(33)	23	15	5
Adjusted EBITDA	$ 2,319	$ 2,493	$ 2,599	$ 637	$ 663

(c) Earnings include income (loss) before noncontrolling interest and income taxes plus fixed charges. Fixed charges consist of interest expense and an estimated interest component of rent expense.

(d) The operating data is on a pro forma basis to reflect the sales and acquisitions of cable systems in 2008 through 2011 as if such transactions had occurred as of the last day of the respective period for all periods presented.

(e) Video customers represent those customers who subscribe to our video cable services.

(f) High-speed Internet customers represent those customers who subscribe to our high-speed Internet service.

(g) Telephone customers represent those customers who subscribe to our telephone service.

footnotes continued on following page

(h) Primary Service Units or PSUs represent the total of video, high-speed Internet and telephone customers.

(i) Included within commercial video customers are those in commercial and multi-dwelling structures, which are calculated on an equivalent bulk unit (EBU) basis. We calculate EBUs by dividing the bulk price charged to accounts in an area by the published rate charged to non-bulk residential customers in that market for the comparable tier of service rather than the most prevalent price charged. This EBU method of estimating basic video customers is consistent with the methodology used in determining costs paid to programmers and is consistent with the methodology used by other multiple system operators (MSOs). As we increase our published video rates to residential customers without a corresponding increase in the prices charged to commercial service or multi-dwelling customers, our EBU count will decline even if there is no real loss in commercial service or multi-dwelling customers.

(j) Digital RGUs include all video customers that rent one or more digital set-top boxes or cable cards.

(k) Revenue Generating Units or RGUs represent the total of all basic video, digital video, high-speed Internet and telephone customers, not counting additional outlets within one household. For example, a customer who receives two types of service (such as basic video and digital video) would be treated as two RGUs and, if that customer added on high-speed Internet service, the customer would be treated as three RGUs. This statistic is computed in accordance with the guidelines of the National Cable & Telecommunications Association (NCTA).

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Ratio of Consolidated Earnings to Fixed Charges

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES

	For the years ended December 31,			For the three months ended March 31,	
	Predecessor 2008	Combined 2009(1)	Successor 2010	Successor 2010	Successor 2011
Earnings					
Income (Loss) before Noncontrolling Interest and Income Taxes	$ (2,550)	$ 9,758	$ 58	$ 43	$ (31)
Fixed Charges	1,912	1,384	885	206	235
Total Earnings	$ (638)	$ 11,142	$ 943	$ 249	$ 204
Fixed Charges					
Interest Expense	$ 1,872	$ 1,067	$ 853	$ 204	$ 224
Interest Expense Included Within Reorganization Items, Net		289			
Amortization of Debt Costs	33	21	24		9
Interest Element of Rentals	7	7	8	2	2
Total Fixed Charges	$ 1,912	$ 1,384	$ 885	$ 206	$ 235
Ratio of Earnings to Fixed Charges(2)		8.05x	1.07x	1.21x	

(1) *Upon our emergence from bankruptcy, we adopted fresh start accounting, which resulted in an $11.8 billion gain due to bankruptcy related items during the eleven months ended November 30, 2009. In accordance with GAAP, the audited consolidated financial statements present the results of operations for (i) the eleven months ended November 30, 2009 of the Predecessor and (ii) the one month ended December 31, 2009 of the Successor. However, for purposes of ratio of consolidated earnings to fixed charges in this prospectus supplement, we have combined the 2009 results of operations for the Predecessor and the Successor.*

(2) *Earnings for the year ended December 31, 2008 and three months ended March 31, 2011 were insufficient to cover fixed charges by $2.6 billion and $31 million, respectively. As a result of such deficiencies, the ratios are not presented above.*

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Risk Factors

You should carefully consider the risk factors set forth below and the risk factors incorporated herein by reference to Charter s Form 10-K for the year ended December 31, 2010 and Form 10-Q for the quarter ended March 31,2011, as well as the other information contained in this prospectus supplement before deciding whether to invest in the Notes. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. However, the selected risks described below and the risks that are incorporated herein by reference to Charter s Form 10-K for the year ended December 31, 2010 and Form 10-Q for the quarter ended March 31, 2011 are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. In such a case, we may not be able to make payments of principal and interest on the Notes, and you may lose all or part of your original investment.

RISKS RELATED TO OUR SIGNIFICANT INDEBTEDNESS AND THE NOTES

We have a significant amount of 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.

We have a significant amount of debt and may (subject to applicable restrictions in our debt instruments) incur additional debt in the future. As of March 31, 2011, our total principal amount of debt was approximately $12.5 billion.

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 their parent companies is subject to availability of funds and restrictions under applicable debt instruments and under applicable law.

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

Ø make us vulnerable to interest rate increases, because approximately 25% of our borrowings are, and may continue to be, subject to variable rates of interest;

Ø expose us to increased interest expense to the extent we refinance existing debt, particularly our bank debt, with higher cost debt;

Ø require us to dedicate a significant portion of our cash flow from operating activities to make payments on our debt, reducing our funds available for working capital, capital expenditures, and other general corporate expenses;

Ø limit our flexibility in planning for, or reacting to, changes in our business, the cable and telecommunications industries, and the economy at large;

Ø place us at a disadvantage compared to our competitors that have proportionately less debt;

Ø adversely affect our relationship with customers and suppliers;

Ø limit our ability to borrow additional funds in the future, or to access financing at the necessary level of the capital structure, due to applicable financial and restrictive covenants in our debt;

Ø make it more difficult for us to obtain financing;

Ø make it more difficult for us to satisfy our obligations to the holders of our notes and for us to satisfy our obligations to the lenders under our credit facilities; and

Ø limit future increases in the value, or cause a decline in the value of our equity, which could limit Charter s ability to raise additional capital by issuing equity.

Risk Factors

If current debt amounts increase, the related risks that we now face will intensify.

The agreements and instruments governing our debt contain restrictions and limitations that could significantly affect our ability to operate our business, as well as significantly affect our liquidity.

Our credit facilities and the indentures governing our debt contain a number of significant covenants that could adversely affect our ability to operate our business, our liquidity, and our results of operations. These covenants restrict, among other things, our and our subsidiaries ability to:

Ø incur additional debt;

Ø repurchase or redeem equity interests and debt;

Ø issue equity;

Ø make certain investments or acquisitions;

Ø pay dividends or make other distributions;

Ø dispose of assets or merge;

Ø enter into related party transactions; and

Ø grant liens and pledge assets.

Additionally, the Charter Operating credit facilities require Charter Operating to comply with a maximum total leverage covenant and a maximum first lien leverage covenant. The breach of any covenants or obligations in our indentures or credit facilities, not otherwise waived or amended, could result in a default under the applicable debt obligations and could trigger acceleration of those obligations, which in turn could trigger cross defaults under other agreements governing our long-term indebtedness. In addition, the secured lenders under the Charter Operating credit facilities, the holders of the Charter Operating senior second-lien notes, and the secured lenders under the CCO Holdings credit facility 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 or the indentures governing our debt could adversely affect our growth, our financial condition, our results of operations and our ability to make payments on our notes and credit facilities, and could force us to seek the protection of the bankruptcy laws.

We depend on generating (and having available to the applicable obligor) sufficient cash flow to fund our debt obligations, capital expenditures, and ongoing operations.

We are dependent on our cash on hand and Free Cash Flow to fund our debt obligations, capital expenditures and ongoing operations.

Our ability to service our debt and to fund our planned capital expenditures and ongoing operations will depend on our ability to continue to generate cash flow and our access (by dividend or otherwise) to additional liquidity sources at the applicable obligor. Our ability to continue to generate cash flow is dependent on many factors, including:

- our ability to sustain and grow revenues and Free Cash Flow by offering video, high-speed Internet, telephone and other services to residential and commercial customers, to adequately meet the customer experience demands in our markets and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition, the need for innovation and the related capital expenditures and the difficult economic conditions in the United States;

- the impact of competition from other market participants, including but not limited to incumbent telephone companies, direct broadcast satellite operators, wireless and telephone broadband providers and DSL providers and competition from video provided over the Internet;

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- general business conditions, economic uncertainty or downturn, high unemployment levels and the level of activity in the housing sector;

- our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents); and

- the effects of governmental regulation on our business.

Some of these factors are beyond our control. If we are unable to generate sufficient cash flow or we are unable to access additional 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.

Restrictions in our subsidiaries debt instruments and under applicable law limit their ability to provide funds to us and our subsidiaries that are debt issuers.

Our primary assets are our equity interests in our subsidiaries. Our operating subsidiaries are separate and distinct legal entities and are not obligated to make funds available to us for payments on our notes or other obligations in the form of loans, distributions, or otherwise. Charter Operating s and CCO Holdings ability to make distributions to us or the applicable debt issuers to service debt obligations is subject to their compliance with the terms of their credit facilities and indentures, and restrictions under applicable law. Under the Delaware Limited Liability Company Act (the Act), our subsidiaries may only make distributions if the relevant entity has surplus as defined in the Act. Under fraudulent transfer laws, our subsidiaries may not pay dividends if the relevant entity is insolvent or is rendered insolvent thereby. The measures of insolvency for purposes of these fraudulent transfer laws vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, an entity would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;

- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

- it could not pay its debts as they became due.

There can be no assurance that our subsidiaries will not become insolvent and will be permitted to make distributions in the future in compliance with these restrictions in amounts needed to service our indebtedness. Our direct or indirect subsidiaries include the borrowers under the CCO Holdings credit facility and the borrowers and guarantors under the Charter Operating credit facilities. Charter Operating is also an obligor, and its subsidiaries are guarantors under senior second-lien notes, and CCO Holdings is an obligor under its senior notes. As of March 31, 2011, on a pro forma basis after giving effect to the sale of the Notes and the anticipated application of the net proceeds therefrom, as if such transaction had occurred on that date, the total principal amount of debt and intercompany loans of CCO Holdings and its subsidiaries totaled approximately $11.1 billion, and the Notes would have been structurally subordinated to approximately $6.3 billion. As of March 31, 2011, on a pro forma basis to reflect the transactions described above, CCO Holdings subsidiary had approximately an additional $1.2 billion available for future borrowings under senior secured credit facilities, which would be structurally senior in right of payment to the Notes.

In the event of bankruptcy, liquidation, or dissolution of one or more of our subsidiaries, that subsidiary s assets would first be applied to satisfy its own obligations, and following such payments, such subsidiary may not have sufficient assets remaining to make payments to its parent company as an equity holder or otherwise. In that event:

- Ø the lenders under CCO Holdings credit facility and Charter Operating s credit facilities and senior second-lien notes, whose interests are secured by substantially all of our operating assets, and all

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holders of other debt of CCO Holdings and Charter Operating, will have the right to be paid in full before us from any of our subsidiaries assets; and

Ø Charter and CCH I, the holders of preferred membership interests in our subsidiary, CC VIII, would have a claim on a portion of CC VIII s assets that may reduce the amounts available for repayment to holders of our outstanding notes.

All of our 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 notes and our credit facilities following a change of control. Under the indentures governing our notes, upon the occurrence of specified change of control events, the applicable note issuer is required to offer to repurchase all of its outstanding notes. However, we may not have sufficient access to funds at the time of the change of control event to make the required repurchase of the applicable notes, and all of the notes issuers are limited in their ability to make distributions or other payments to their respective parent company to fund any required repurchase. In addition, a change of control under the Charter Operating credit facilities would result in a default under those credit facilities. Because such credit facilities and our subsidiaries notes are obligations of our subsidiaries, the credit facilities and our subsidiaries notes would have to be repaid by our subsidiaries before their assets could be available to their parent companies to repurchase their notes. Any failure to make or complete a change of control offer would place the applicable note issuer or borrower in default under its notes. The failure of our subsidiaries to make a change of control offer or repay the amounts accelerated under their notes and credit facilities would place them in default.

The Issuers and Charter are holding companies and will depend on subsidiaries to satisfy their obligations under the Notes and the guarantee, respectively.

As holding companies, the Issuers and Charter conduct substantially all of their operations through their indirect subsidiaries, which own substantially all of our consolidated assets. Consequently, the principal source of cash to pay the obligations of the Issuers under the Notes and obligations of Charter under the guarantee is the cash that our subsidiaries generate from their operations. We cannot assure you that our subsidiaries will be able to, or be permitted to, make distributions to enable the Issuers and/or Charter to make payments in respect of their obligations. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, applicable state laws, regulatory limitations and terms of our debt instruments may limit the ability of the Issuers and/or Charter to obtain cash from our subsidiaries. While the indentures governing certain of our existing notes and the Notes limit the ability of our subsidiaries to restrict their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions, which may have the effect of significantly restricting the applicability of those limits. In the event the Issuers and/or Charter do not receive distributions from our subsidiaries, the Issuers may be unable to make required payments on their indebtedness and Charter may be unable to make any payments under its guarantee. The Issuers are finance companies with no independent operations.

The Notes are unsecured. Therefore, the secured creditors of the Issuers would have a prior claim, ahead of the Notes, on the assets of the Issuers.

The Notes are unsecured. As a result, upon any distribution to the Issuers creditors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or our property, the holders of the Issuers secured debt, including the lenders under the Issuers senior secured credit facility, will be entitled to be paid in full from the assets securing that secured debt before any payment may be made with respect to the Notes. In addition, if the Issuers fail to meet their payment or other obligations

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under their secured debt, the holders of that secured debt would be entitled to foreclose on the assets securing that secured debt and liquidate those assets. Accordingly, the Issuers may not have sufficient funds to pay amounts due on the Notes. As a result you may lose a portion of or the entire value of your investment in the Notes.

The Notes are not guaranteed by any of our subsidiaries and are structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The Issuers and Charter, as guarantor, are the sole obligors under the Notes. Our subsidiaries do not guarantee the Notes and our subsidiaries (other than the Issuers) have no legal obligation to make payments on the Notes or make funds available for those payments, whether by dividends, loans or other payments. The Notes, therefore, are structurally subordinated to the indebtedness and other liabilities of our subsidiaries (other than the Issuers). Accordingly, there may only be a limited amount of assets available to satisfy your claims as a holder of the Notes. In the event of a bankruptcy, liquidation, reorganization or similar proceeding with respect to us or any of our subsidiaries, the assets of our subsidiaries will be available to the Issuers and Charter to satisfy the obligations under the Notes only after all outstanding liabilities of those subsidiaries have been paid in full. As of March 31, 2011, on a pro forma basis after giving effect to the sale of the Notes and the anticipated application of the net proceeds therefrom, as if such transaction had occurred on that date, the total principal amount of debt and intercompany loans of CCO Holdings and its subsidiaries totaled approximately $11.1 billion, and the Notes would have been structurally subordinated to approximately $6.3 billion. As of March 31, 2011, on a pro forma basis to reflect the transactions described above, CCO Holdings subsidiary had approximately an additional $1.2 billion available for future borrowings under senior secured credit facilities, which would be structurally senior in right of payment to the Notes. The terms of our debt instruments permit these subsidiaries to incur additional indebtedness. The guarantee by Charter is unsecured and is structurally subordinated to all liabilities of its subsidiaries.

Changes in our credit rating could adversely affect the market price or liquidity of the Notes.

Credit rating agencies continually revise their ratings for the companies that they follow, including us. The credit rating agencies also evaluate our industry as a whole and may change their credit ratings for us based on their overall view of our industry. We cannot be sure that credit rating agencies will maintain their ratings on the Notes. A negative change in our ratings could have an adverse effect on the price of the Notes.

There is currently no public market for the Notes, and an active trading market may not develop for the Notes. The failure of a market to develop for the Notes could adversely affect the liquidity and value of the Notes.

Prior to this offering, there was no existing market for the Notes. We do not intend to apply for listing of the Notes on any securities exchange or for quotation of the Notes on any automated dealer quotation system. A market may not develop for the Notes, and if a market does develop, it may not be sufficiently liquid for your purposes. If an active, liquid market does not develop for the Notes, the market price and liquidity of the Notes may be adversely affected. If any of the Notes are traded after their initial issuance, they may trade at a discount from their initial offering price.

The liquidity of the trading market, if any, and future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. The market for the Notes may be subject to disruptions that could have a negative effect on the holders of the Notes, regardless of our operating results, financial performance or prospects.

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The Notes may be issued with original issue discount.

If the stated principal amount of the Notes exceeds their issue price by more than a statutorily defined *de minimis* amount, the Notes will be treated as issued with original issue discount for U.S. federal income tax purposes. In such case, holders subject to U.S. federal income taxation, whether on the cash or accrual method of tax accounting, would be required to include amounts representing original issue discount in gross income (as ordinary income) on a constant yield to maturity basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable. See Certain U.S. Federal Income Tax Consequences.

If a bankruptcy petition were filed by or against us, holders of the Notes may receive a lesser amount for their claim than they would have been entitled to receive under the indenture governing the Notes.

If a bankruptcy petition were filed by or against us under the U.S. Bankruptcy Code after the issuance of the Notes, the claim by any holder of the Notes for the principal amount of the Notes may be limited to an amount equal to the sum of:

- the original issue price for the Notes; and
- that portion of the original issue discount that does not constitute unmatured interest for purposes of the U.S. Bankruptcy Code.

Any original issue discount that was not amortized as of the date of the bankruptcy filing would constitute unmatured interest. Accordingly, holders of the Notes under these circumstances may receive a lesser amount than they would be entitled to under the terms of the indenture governing the Notes, even if sufficient funds are available.

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.

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, better access to financing, greater personnel resources, greater resources for marketing, greater and more favorable 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 have provided additional benefits to certain of our competitors, either through access to financing, resources, or efficiencies of scale.

Our principal competitors for video services throughout our territory are DBS providers. The two largest DBS providers are DirecTV and DISH Network. Competition from DBS, including intensive marketing efforts with aggressive pricing, exclusive programming and increased high definition broadcasting has had an adverse impact on our ability to retain customers. DBS companies have also expanded their activities in the multiple dwelling unit (MDU) market. The cable industry, including us, has lost a significant number of video customers to DBS competition, and we face serious challenges in this area in the future.

Telephone companies, including two major telephone companies, AT&T and Verizon, offer video and other services in competition with us, and we expect they will increasingly do so in the future. Upgraded portions of these networks carry two-way video, data service offerings and provide digital voice services similar to ours. In the case of Verizon, high-speed data services offer speeds as high as or higher than ours. In addition, these companies continue to offer their traditional telephone services, as well as service bundles that include wireless voice services provided by affiliated companies. Based on

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our internal estimates, we believe that AT&T and Verizon are offering video services in areas serving approximately 27% to 30% and 3% to 4%, respectively, of our estimated homes passed as of March 31, 2011, and we have experienced customer losses in these areas. AT&T and Verizon have also launched campaigns to capture more of the MDU market. Additional upgrades and product launches are expected in markets in which we operate. With respect to our Internet access services, we face competition, including intensive marketing efforts and aggressive pricing, from telephone companies and other providers of DSL. DSL service competes with our high-speed Internet service and is often offered at prices lower than our Internet services, although often at speeds lower than the speeds we offer. In addition, in many of our markets, these companies have entered into co-marketing arrangements with DBS providers to offer service bundles combining video services provided by a DBS provider with DSL and traditional telephone and wireless services offered by the telephone companies and their affiliates. These service bundles offer customers similar pricing and convenience advantages as our bundles. Continued growth in our residential telephone business faces risks. The competitive landscape for residential and commercial telephone services is intense; we face competition from providers of Internet telephone services, as well as incumbent telephone companies. Further, we face increasing competition for residential telephone services as more consumers in the United States are replacing traditional telephone service with wireless service.

The existence of more than one cable system operating in the same territory is referred to as an overbuild. Overbuilds could adversely affect our growth, financial condition, and results of operations, by creating or increasing competition. Based on internal estimates and excluding telephone companies, as of March 31, 2011, we are aware of traditional overbuild situations impacting approximately 7% to 8% of our estimated homes passed, and potential traditional overbuild situations in areas servicing approximately an additional 1% of our estimated homes passed. Additional overbuild situations may occur in other systems.

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 may require us to make capital expenditures to acquire and install customer premise equipment. Customers who subscribe to our services as a result of these offerings may not remain customers following the end of the promotional period. A failure to retain customers could have a material adverse effect on our business.

Mergers, joint ventures, and alliances among franchised, wireless, or private cable operators, DBS 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.

In addition to the various competitive factors discussed above, our business is subject to risks relating to increasing competition for the leisure and entertainment time of consumers. Our business competes with all other sources of entertainment and information delivery, including broadcast television, movies, live events, radio broadcasts, home video products, console games, print media, and the Internet. Technological advancements, such as video-on-demand, new video formats, and Internet streaming and downloading, have increased the number of entertainment and information delivery choices available to consumers, and intensified the challenges posed by audience fragmentation. The increasing number of choices available to audiences could also negatively impact advertisers willingness to purchase advertising from us, as well as the price they are willing to pay for advertising. If we do not respond appropriately to further increases in the leisure and entertainment choices available to consumers, our competitive position could deteriorate, and our financial results could suffer.

Our services may not allow us to compete effectively. Additionally, as we expand our offerings to introduce new and enhanced services, we will be subject to competition from other providers of the

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services we offer. Competition may reduce our expected growth of future cash flows which may contribute to future impairments of our franchises and goodwill.

Economic conditions in the United States may adversely impact the growth of our business.

We believe that continued competition and the weakened economic conditions in the United States, including the housing market and relatively high unemployment levels, have adversely affected consumer demand for our services. In addition, we believe these factors have contributed to an increase in the number of homes that replace their traditional telephone service with wireless service thereby impacting the growth of our telephone business. These conditions have affected our net customer additions and revenue growth during 2009 and 2010 and contributed to the franchise impairment charge incurred in 2009. For the three months ended March 31, 2011, we had an increase in total customers of approximately 25,600 but lost approximately 23,800 basic video customers. If these conditions do not improve, we believe the growth of our business and results of operations will be further adversely affected which may contribute to future impairments of our franchises and goodwill.

We face risks inherent in our commercial business.

We may encounter unforeseen difficulties as we increase the scale of our service offerings to businesses. We sell video, high-speed data and network and transport services to businesses and have increased our focus on growing this business. In order to grow our commercial business, we expect to increase expenditures on technology, equipment and personnel focused on the commercial business. Commercial business customers often require service level agreements and generally have heightened customer expectations for reliability of services. If our efforts to build the infrastructure to scale the commercial business are not successful, the growth of our commercial services business would be limited. We depend on interconnection and related services provided by certain third parties for the growth of our commercial business. As a result, our ability to implement changes as the services grow may be limited. If we are unable to meet these service level requirements or expectations, our commercial business could be adversely affected. Finally, we expect advances in communications technology, as well as changes in the marketplace and the regulatory and legislative environment. Consequently, we are unable to predict the effect that ongoing or future developments in these areas might have on our telephone and commercial businesses and operations.

Our exposure to the credit risks of our customers, vendors and third parties could adversely affect our cash flow, results of operations and financial condition.

We are exposed to risks associated with the potential financial instability of our customers, many of whom have been adversely affected by the general economic downturn. Dramatic declines in the housing market, including falling home prices and increasing foreclosures, together with significant increases in unemployment, have severely affected consumer confidence and caused increased delinquencies or cancellations by our customers or lead to unfavorable changes in the mix of products purchased. These events have adversely affected, and may continue to adversely affect our cash flow, results of operations and financial condition.

In addition, we are susceptible to risks associated with the potential financial instability of the vendors and third parties on which we rely to provide products and services or to which we outsource certain functions. The same economic conditions that may affect our customers, as well as volatility and disruption in the capital and credit markets, also could adversely affect vendors and third parties and lead to significant increases in prices, reduction in output or the bankruptcy of our vendors or third parties upon which we rely. Any interruption in the services provided by our vendors or by third parties could adversely affect our cash flow, results of operation and financial condition.

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We may not have the ability to reduce the high growth rates of, or pass on to our customers, our increasing programming costs, 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. We expect programming costs to continue to increase, and at a higher rate than in 2010, because of a variety of factors including amounts paid for retransmission consent, annual increases imposed by programmers and additional programming, including high definition and OnDemand programming, being provided to customers. The inability to fully pass these programming cost increases on to our customers has had an adverse impact on our cash flow and operating margins associated with the video product. We have programming contracts that have expired and others that will expire at or before the end of 2011. There can be no assurance that these agreements will be renewed on favorable or comparable terms. 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.

Increased demands by owners of some broadcast stations for carriage of other services or payments to those broadcasters for retransmission consent are likely to further increase our programming costs. Federal law allows commercial television broadcast stations to make an election between must-carry rights and an alternative retransmission-consent regime. When a station opts for the latter, cable operators are not allowed to carry the station s signal without the station s permission. In some cases, we carry stations under short-term arrangements while we attempt to negotiate new long-term retransmission agreements. If negotiations with these programmers prove unsuccessful, they could require us to cease carrying their signals, possibly for an indefinite period. Any loss of stations could make our video service less attractive to customers, which could result in less subscription and advertising revenue. In retransmission-consent negotiations, broadcasters often condition consent with respect to one station on carriage of one or more other stations or programming services in which they or their affiliates have an interest. Carriage of these other services, as well as increased fees for retransmission rights, may increase our programming expenses and diminish the amount of capacity we have available to introduce new services, which could have an adverse effect on our business and financial results.

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, some of which are bandwidth-intensive. We may not be able to fund the capital expenditures necessary to keep pace with technological developments, or anticipate the demand of our customers for products and services requiring new technology or bandwidth. 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 depend on third party service providers, suppliers and licensors; thus, if we are unable to procure the necessary services, equipment, software or licenses on reasonable terms and on a timely basis, our ability to offer services could be impaired, and our growth, operations, business, financial results and financial condition could be materially adversely affected.

We depend on third party service providers, suppliers and licensors to supply some of the services, hardware, software and operational support necessary to provide some of our services. We obtain these materials from a limited number of vendors, some of which do not have a long operating history or which may not be able to continue to supply the equipment and services we desire. Some of our

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hardware, software and operational support vendors, and service providers represent our sole source of supply or have, either through contract or as a result of intellectual property rights, a position of some exclusivity. If demand exceeds these vendors capacity or if these vendors experience operating or financial difficulties, or are otherwise unable to provide the equipment or services we need in a timely manner and at reasonable prices, our ability to provide some services might be materially adversely affected, or the need to procure or develop alternative sources of the affected materials or services might delay our ability to serve our customers. These events could materially and adversely affect our ability to retain and attract customers, and have a material negative impact on our operations, business, financial results and financial condition. A limited number of vendors of key technologies can lead to less product innovation and higher costs. For these reasons, we generally endeavor to establish alternative vendors for materials we consider critical, but may not be able to establish these relationships or be able to obtain required materials on favorable terms.

In that regard, we currently purchase set-top boxes from a limited number of vendors, because each of our cable systems use one or two proprietary conditional access security schemes, which allows us to regulate subscriber access to some services, such as premium channels. We believe that the proprietary nature of these conditional access schemes makes other manufacturers reluctant to produce set-top boxes. Future innovation in set-top boxes may be restricted until these issues are resolved. In addition, we believe that the general lack of compatibility among set-top box operating systems has slowed the industry s development and deployment of digital set-top box applications.

We depend on patent, copyright, trademark and trade secret laws and licenses to establish and maintain our intellectual property rights in technology and the products and services used in our operating activities. Any of our intellectual property rights could be challenged or invalidated, or such intellectual property rights may not be sufficient to permit us to continue to use certain intellectual property, which could result in discontinuance of certain product or service offerings or other competitive harm, our incurring substantial monetary liability or being enjoined preliminarily or permanently from further use of the intellectual property in question.

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 peer-to-peer file sharing, 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 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.

For tax purposes, Charter experienced a deemed ownership change upon emergence from Chapter 11 bankruptcy, resulting in an annual limitation on Charter s ability to use its existing tax loss carryforwards. Charter could experience another deemed ownership change in the future that could further limit its ability to use its tax loss carryforwards.

As of December 31, 2010, Charter had approximately $6.9 billion of federal tax net operating and capital loss carryforwards resulting in a gross deferred tax asset of approximately $2.4 billion, expiring in the years 2014 through

2030. These losses resulted from the operations of Charter Holdco and its subsidiaries. In addition, as of December 31, 2010, Charter had state tax net operating and capital loss carryforwards, resulting in a gross deferred tax asset (net of federal tax benefit) of approximately $228 million, generally expiring in years 2011 through 2030. Due to uncertainties in projected future

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taxable income, valuation allowances have been established against the gross deferred tax assets for book accounting purposes, except for future taxable income that will result from the reversal of existing temporary differences for which deferred tax liabilities are recognized. Such loss carryforwards can accumulate and be used to offset our future taxable income.

The consummation of the Plan generated an ownership change as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the Code). In general, an ownership change occurs whenever the percentage of the stock of a corporation owned, directly or indirectly, by 5-percent stockholders (within the meaning of Section 382 of the Code) increases by more than 50 percentage points over the lowest percentage of the stock of such corporation owned, directly or indirectly, by such 5-percent stockholders at any time over the preceding three years. As a result, Charter is subject to an annual limitation on the use of its loss carryforwards which existed at November 30, 2009. Further, Charter s loss carryforwards have been reduced by the amount of the cancellation of debt income resulting from the Plan that was allocable to Charter. The limitation on Charter s ability to use its loss carryforwards, in conjunction with the loss carryforward expiration provisions, could reduce Charter s ability to use a portion of its loss carryforwards to offset future taxable income which could result in Charter being required to make material cash tax payments. Charter s ability to make such income tax payments, if any, will depend at such time on Charter s liquidity or Charter s ability to raise additional capital, and/or on receipt of payments or distributions from Charter Holdco and its subsidiaries, including the Issuers.

If Charter were to experience a second ownership change in the future (as a result of purchases and sales of stock by Charter s 5-percent stockholders, new issuances or redemptions of Charter s stock, certain acquisitions of Charter s stock and issuances, redemptions, sales or other dispositions or acquisitions of interests in Charter s 5-percent stockholders), Charter s ability to use its loss carryforwards could become subject to further limitations. Charter s common stock is subject to certain transfer restrictions contained in its amended and restated certificate of incorporation. These restrictions, which are designed to minimize the likelihood of an ownership change occurring and thereby preserve Charter s ability to utilize its loss carryforwards, are not currently operative but could become operative in the future if certain events occur and the restrictions are imposed by Charter s board of directors. However, there can be no assurance that Charter s board of directors would choose to impose these restrictions or that such restrictions, if imposed, would prevent an ownership change from occurring.

If we are unable to retain key employees, our ability to manage our business could be adversely affected.

Our operational results have depended, and our future results will depend, upon the retention and continued performance of our management team. Over the last twelve months, we have experienced significant changes in our management team and may experience additional changes in the future. Our ability to retain key employees for management positions could be impacted adversely by the competitive environment for management talent in the telecommunications industry. The loss of the services of key members of management and the inability to hire new key employees could adversely affect our ability to manage our business and our future operational and financial results.

RISKS RELATED TO OWNERSHIP POSITIONS OF CHARTER S PRINCIPAL SHAREHOLDERS

Charter s principal stockholders own a significant amount of Charter s common stock, giving them influence over corporate transactions and other matters.

Charter s principal stockholders have appointed members to Charter s board of directors in accordance with the Plan, including: Mr. Darren Glatt, who is an employee of Apollo Management, L.P.; and Mr. Bruce Karsh, who was appointed by Oaktree Opportunities Investments, L.P. and is the president of

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Oaktree Capital Management, L.P. On January 18, 2011, Charter s board of directors appointed Mr. Stan Parker, a senior partner of Apollo Global Management LLC, and Mr. Edgar Lee, a Senior Vice President of Oaktree Capital Management, L.P., as members of the board of directors to fill two vacancies on the board. As of January 31, 2011, funds affiliated with AP Charter Holdings, L.P. beneficially hold approximately 31% of the Class A common stock of Charter. Oaktree Opportunities Investments, L.P. and certain affiliated funds beneficially hold approximately 18% of the Class A common stock of Charter. Funds advised by Franklin Advisers, Inc. beneficially hold approximately 17% of the Class A common stock of Charter. Charter s principal stockholders may be able to exercise substantial influence over all matters requiring stockholder approval, including the election of directors and approval of significant corporate action, such as mergers and other business combination transactions should these stockholders retain a significant ownership interest in us.

Charter s principal stockholders are not restricted from investing in, and have invested in, 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. The principal stockholders may also engage in other businesses that compete or may in the future compete with us.

The principal stockholders substantial influence over our management and affairs could create conflicts of interest if any of them were faced with decisions that could have different implications for them and us.

If we were to have a person with a 35% or greater voting interest and Paul G. Allen did not then have a voting interest in us greater than such holder, a change of control default could be triggered under our credit facilities.

On March 31, 2010, Charter Operating entered into an amended and restated credit agreement governing its credit facility. Such amendment removed the requirement that Mr. Allen retain a voting interest in us. On January 18, 2011, Mr. Allen s Class B shares were converted to Class A shares, and as a result, Mr. Allen currently holds less than 10% of a voting interest in us. The credit agreement provides that a change of control under certain of our other debt instruments could result in an event of default under the credit agreement. Certain of those other instruments define a change of control as including a holder holding more than 35% of our direct or indirect voting interest and the failure by (a) Mr. Allen, (b) his estate, spouse, immediate family members and heirs and (c) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners or other owners of which consist exclusively of Mr. Allen or such other persons referred to in (b) above or a combination thereof to maintain a greater percentage of direct or indirect voting interest than such other holder. Such a default could result in the acceleration of repayment of our indebtedness, including borrowings under the Charter Operating credit facilities. As of January 31, 2011, funds affiliated with AP Charter Holdings, L.P. beneficially hold approximately 31% of the Class A common stock of Charter. See Risks Related to Our Significant Indebtedness and the Notes All of our 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.

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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 operational and administrative expenses and limited their revenues. Cable operators are subject to, among other things:

- Ø rules governing the provision of cable equipment and compatibility with new digital technologies;
- Ø rules and regulations relating to subscriber and employee privacy;
- Ø limited rate regulation;
- Ø rules governing the copyright royalties that must be paid for retransmitting broadcast signals;
- Ø requirements governing when a cable system must carry a particular broadcast station and when it must first obtain retransmission consent to carry a broadcast station;
- Ø requirements governing the provision of channel capacity to unaffiliated commercial leased access programmers;
- Ø rules limiting our ability to enter into exclusive agreements with multiple dwelling unit complexes and control our inside wiring;
- Ø rules, regulations, and regulatory policies relating to provision of high-speed Internet service, including net neutrality rules;
- Ø rules, regulations, and regulatory policies relating to provision of voice communications;
- Ø rules for franchise renewals and transfers; and
- Ø other requirements covering a variety of operational areas such as equal employment opportunity, emergency alert systems, technical standards, and customer service requirements.

Additionally, many aspects of these regulations are currently the subject of judicial proceedings and administrative or legislative proposals. In March 2010, the FCC submitted its National Broadband Plan to Congress and announced its intention to initiate approximately 40 rulemakings addressing a host of issues related to the delivery of broadband services, including video, data, voice over Internet protocol (VoIP) and other services. The broad reach of these rulemakings could ultimately impact the environment in which we operate. On December 21, 2010, the FCC enacted new net neutrality rules, regulating the provision of broadband Internet access. 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, and proposals that might make it easier for our employees to unionize. For example, Congress and various federal agencies are now considering adoption of significant new privacy restrictions, including new restrictions on the use of personal and profiling information for behavioral advertising. In addition, the Twenty-First Century Communications and Video Accessibility Act of 2010, which the FCC is now in the process of implementing, includes various provisions intended to ensure communications services are accessible to people with disabilities. Certain states and localities are considering new cable and telecommunications taxes that could increase operating expenses.

Our cable system franchises 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

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system operations. Franchises are generally granted for fixed terms and must be periodically renewed. 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, local franchises have not been renewed at expiration, and we have operated and are operating under either temporary operating agreements or without a franchise while negotiating renewal terms with the local franchising authorities.

The traditional cable franchising regime is currently undergoing significant change as a result of various federal and state actions. Some of the new state franchising laws do not allow us to immediately opt into statewide franchising. In many cases, state franchising laws, and their varying application to us and new video providers, will result in less franchise imposed requirements for our competitors who are new entrants than for us until we are able to opt into the applicable state franchise.

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

In a series of rulemakings, the FCC adopted new rules that streamline entry for new competitors (particularly those affiliated with telephone companies) and reduce franchising burdens for these new entrants. At the same time, a substantial number of states have adopted new franchising laws principally designed to streamline entry for new competitors, and the franchising laws often provide advantages for these new entrants that are not immediately available to existing operators.

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. Local franchising authorities may impose new and more restrictive requirements. Local franchising authorities who are certified to regulate rates in the communities where they operate generally have the power to reduce rates and order refunds on the rates charged for basic service and equipment.

Tax legislation and administrative initiatives or challenges to our tax positions could adversely affect our results of operations and financial condition.

We operate cable systems in locations throughout the United States and, as a result, we are subject to the tax laws and regulations of federal, state and local governments. From time to time, various legislative and/or administrative initiatives may be proposed that could adversely affect our tax positions. There can be no assurance that our effective tax rate or tax payments will not be adversely

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affected by these initiatives. As a result of state and local budget shortfalls due primarily to the recession as well as other considerations, certain states and localities have imposed or are considering imposing new or additional taxes or fees on our services or changing the methodologies or base on which certain fees and taxes are computed. Such potential changes include additional taxes or fees on our services which could impact our customers, combined reporting and other changes to general business taxes, central/unit-level assessment of property taxes and other matters that could increase our income, franchise, sales, use and/or property tax liabilities. In addition, federal, state and local tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that our tax positions will not be challenged by relevant tax authorities or that we would be successful in any such challenge.

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 FCC and Congress continue to be concerned that cable rate increases are exceeding inflation. It is possible that either the FCC or Congress will further 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 legislative and regulatory interest in requiring cable operators to offer historically combined programming services on an á la carte basis. It is 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 utility poles. Cable system attachments to investor-owned 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. In contrast, utility poles owned by municipalities or cooperatives are not subject to federal regulation and are generally exempt from state regulation. On April 7, 2011, the FCC amended its pole attachment rules to promote broadband deployment. The new order (the Order) maintains the basic rate formula applicable to cable attachments in the 30 states directly subject to FCC regulation, but reduces the rate formula previously applicable to telecommunications attachments to make it roughly equivalent to the cable attachment rate. Although the Order maintains the status quo treatment of cable-provided VoIP service as an unclassified service eligible for the favorable cable rate, there is still some uncertainty in this area. The Order also allows for new penalties in certain cases involving unauthorized attachments that could result in additional costs for cable operators. The new Order overall strengthens the cable industry s ability to access investor-owned utility poles on reasonable rates, terms and conditions. Electric utilities, however, have already signaled their intent to appeal certain aspects of the new Order.

Increasing regulation of our Internet service product could adversely affect our ability to provide new products and services.

In August 2005, the FCC issued a nonbinding policy statement identifying four principles it deemed necessary to ensure continuation of an open Internet that is not unduly restricted by network gatekeepers. In August 2008, the FCC issued an order concerning one Internet network management practice in use by another cable operator, effectively treating the four principles as rules and ordering a change in that operator s network management practices. On April 6, 2010, the United States Court of Appeals for the D.C. Circuit concluded that the FCC lacked jurisdictional authority and vacated the

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FCC s 2008 order. On December 21, 2010, the FCC responded by enacting new net neutrality rules based on three core principles of: (1) transparency, (2) no blocking, and (3) no unreasonable discrimination. The transparency rule requires broadband Internet access providers to disclose applicable terms, performance, and network management practices to consumers and third party users. The no blocking rule restricts Internet access providers from blocking lawful content, applications, services, or devices. The no unreasonable discrimination rule prohibits Internet access providers from engaging in unreasonable discrimination in transmitting lawful traffic. The new rules will permit broadband service providers to exercise reasonable network management for legitimate management purposes, such as management of congestion, harmful traffic, and network security. The rules will also permit usage-based billing, and permit broadband service providers to offer additional specialized services such as facilities-based IP voice services, without being subject to restrictions on discrimination. These rules do not become effective until 60 days following the announcement in the Federal Register of the Office of Management and Budget s decision regarding the information collection requirements associated with the new rules, which has not yet occurred. When they become effective, the FCC will enforce these rules based on case-by-case complaints. Although the new rules encompass both wireline providers (like us) and wireless providers, the rules are less stringent with regard to wireless providers. The FCC premised the new net neutrality rules on its Title I and ancillary jurisdiction. An initial appeal filed by Verizon was rejected by the court on procedural grounds, but it is expected that Verizon will refile in due course. A legislative review is also possible. The FCC s new rules, if they withstand such challenges, as well as any additional legislation or regulation, could impose new obligations and restraints on high-speed Internet providers. Any such rules or statutes could limit our ability to manage our cable systems to obtain value for use of our cable systems and respond to operational and competitive challenges.

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

Cable operators also face significant regulation of their channel carriage. We can be required to devote substantial capacity to the carriage of programming that we might not carry voluntarily, including certain local broadcast signals; local public, educational and government access (PEG) programming; and unaffiliated, commercial leased access programming (required channel capacity for use by persons unaffiliated with the cable operator who desire to distribute programming over a cable system). Under FCC regulations, most cable systems are currently required to offer both an analog and digital version of local broadcast signals. This burden could increase further if we are required to carry multiple programming streams included within a single digital broadcast transmission (multicast carriage) or if our broadcast carriage obligations are otherwise expanded. Pursuant to recent copyright legislation, the Copyright Office and the General Accounting Office are now conducting proceedings exploring the feasibility of phasing out the compulsory copyright license through which cable systems have retransmitted broadcast programming since 1976. At the same time, the cost that cable operators face to secure retransmission consent (separate from copyright authority) for the carriage of popular broadcast stations is increasing significantly. The FCC also adopted new commercial leased access rules (currently stayed while under appeal) which dramatically reduce the rate we can charge for leasing this capacity and dramatically increase our associated administrative burdens. These regulatory changes could disrupt existing programming commitments, interfere with our preferred use of limited channel capacity, increase our programming costs, and limit our ability to offer services that would maximize our revenue potential. It is possible that other legal restraints will be adopted limiting our discretion over programming decisions.

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

We offer voice communications services over our broadband network and continue to develop and deploy VoIP services. The FCC has declared that certain VoIP services are not subject to traditional state

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public utility regulation. The full extent of the FCC preemption of state and local regulation of VoIP services is not yet clear. Expanding our offering of these services may require us to obtain certain additional authorizations. 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. The FCC has extended certain traditional telecommunications carrier requirements, such as E911, Universal Service fund collection, CALEA, Customer Proprietary Network Information, number porting and telephone relay requirements to many VoIP providers such as us. There is a pending FCC proposal that might extend new inter-carrier compensation rules to VoIP traffic. Telecommunications companies generally are subject to other significant regulation which could also be extended to VoIP providers. If additional telecommunications regulations are applied to our VoIP service, it could cause us to incur additional costs.

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Use of Proceeds

We intend to use the proceeds of this offering (i) to make an equity contribution to Charter Operating, (ii) to make an intercompany loan to Charter Operating, (iii) to pay fees and expenses related to this offering, and (iv) for general corporate purposes. Charter Operating intends to use the proceeds from the contribution and intercompany loan to repay borrowings under one or more term loan portions of Charter Operating s credit facilities, which may include term loans held by affiliates of the underwriters or Charter and to repay borrowings under the revolving portion of Charter Operating s credit facilities.

Capitalization

The following table sets forth, as of March 31, 2011, for Charter and its subsidiaries on a consolidated basis:

- cash and cash equivalents;
- the actual (historical) capitalization of Charter; and
- the capitalization of Charter on a pro forma basis to reflect the issuance and sale of the Notes offered hereby and the application of the proceeds therefrom as set forth in Use of Proceeds.

The following information should be read in conjunction with the historical consolidated financial statements and related notes included in the SEC reports incorporated by reference herein. See also Description of Certain Indebtedness.

The financial data is not intended to provide any indication of what our actual financial position, including actual cash balances and revolver borrowings, 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.

		March 31, 2011	
	Accreted Value historical[a]	**Principal amount historical[a]**	**Principal amount pro forma[a]**
		(in millions)	
Cash and cash equivalents[b]	$ 54	$ 54	$ 54
Long-term debt:			
Charter Communications Operating, LLC:			
8.000% senior second-lien notes due April 30, 2012	$ 1,110	$ 1,100	$ 1,100
10.875% senior second-lien notes due September 15, 2014	589	546	546
Credit facilities	4,501	4,744	3,758
Charter Operating consolidated long-term debt[c]	6,200	6,390	5,404
CCO Holdings, LLC:			
Notes offered hereby			1,000
7.875% senior notes due April 30, 2018	900	900	900
8.125% senior notes due April 30, 2020	700	700	700
7.250% senior notes due October 30, 2017	1,000	1,000	1,000
7.000% senior notes due January 15, 2019	1,390	1,400	1,400
Credit facility	317	350	350
CCO Holdings consolidated long-term debt[c]	10,507	10,740	10,754
CCH II, LLC:			
13.500% senior notes due November 30, 2016	2,047	1,766	1,766

Total Charter consolidated long-term debt[c]		12,554		12,506		12,520
Charter shareholders equity[d]		1,182		1,182		1,182
Total Capitalization	$	13,736	$	13,688	$	13,702

(a) *The accreted values presented above represent the fair value of the debt as of the Effective Date or the principal amount of the notes less the original issue discount at the time of sale, plus accretion to the balance sheet dates. However, the amount that is currently payable if the debt becomes*

footnotes continued on following page

Capitalization

immediately due is equal to the principal amount of the debt. On a pro forma basis to reflect the transactions described above, we had availability under the revolving portion of our credit facility of approximately $1.2 billion as of March 31, 2011.

(b) Includes restricted cash of approximately $28 million.

(c) Does not include $560 million of intercompany loans on a pro forma basis to reflect the transactions described above. Intercompany loan balances consolidate out at the applicable entities. On a pro forma basis, to reflect the transactions described above, intercompany loans were as follows: $261 million owed by Charter Operating to CCO Holdings, $256 million owed by Charter Operating to CCH II and $43 million owed by Charter Operating to Charter Holdco.

(d) Does not reflect the impact of any potential gain or loss on extinguishment of debt.

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Description of Certain Indebtedness

As of March 31, 2011, the accreted value of Charter s total debt was approximately $12.6 billion, as summarized below:

	March 31, 2011 Principal amount	Accreted value[(a)]	Semi-annual interest payment Dates	Maturity date[(b)]
		(in millions)		
Charter Communications Operating, LLC:				
8.000% senior second-lien notes due April 30, 2012	$ 1,100	$ 1,110	4/30 & 10/30	4/30/12
10.875% senior second-lien notes due September 15, 2014	546	589	3/15 & 9/15	9/15/14
Credit facilities	4,744	4,501		varies(c)
Charter Operating consolidated debt	6,390	6,200		
CCO Holdings, LLC:				
7.875% senior notes due April 30, 2018	900	900	4/30 & 10/30	4/30/18
8.125% senior notes due April 30, 2020	700	700	4/30 & 10/30	4/30/20
7.250% senior notes due October 30, 2017	1,000	1,000	4/30 & 10/30	10/30/17
7.00% senior notes due January 15, 2019	1,400	1,390	1/15 & 7/15	1/15/19
Credit facility	350	317		9/6/14
CCO Holdings consolidated debt	10,740	10,507		
CCH II, LLC:				
13.500% senior notes due November 30, 2016	1,766	2,047	2/15 & 8/15	11/30/16
Total Charter consolidated debt	$ 12,506	$ 12,554		

(a) *The accreted values presented above represent the fair value of the debt as of the Effective Date or the principal amount of the notes less the original issue discount at the time of sale, plus accretion to the balance sheet dates. However, the amount that is currently payable if the debt becomes immediately due is equal to the principal amount of the debt. We have availability under the revolving portion of our credit facility of approximately $957 million as of March 31, 2011.*

(b) *In general, the obligors have the right to redeem all of the notes set forth in the above table in whole or in part at their option, beginning at various times prior to their stated maturity dates, subject to certain conditions, upon the payment of the outstanding principal amount (plus a specified redemption premium) and all accrued and unpaid interest.*

(c) *Includes $1.1 billion and $148 million principal amount of term B-1 and term B-2 loans, respectively, repayable in equal quarterly installments and aggregating in each loan year to 1% of the original amount of the term loan,* *with the remaining balance due at final maturity on March 6, 2014, $3.0 billion principal amount of the term C loan repayable in equal quarterly installments and aggregating in each loan year to 1% of the original amount of the term loan, with the remaining balance due at final maturity on September 6, 2016, $199 million principal amount of a non-revolving loan repayable in full on March 6, 2013 and $270 million outstanding under a revolving credit facility. Amounts outstanding under the revolving credit facility mature on March 6, 2015; provided, however, that unless otherwise directed by the revolving lenders holding more than 50% of the revolving commitments, the termination date will be December 1, 2013 if, on December 1, 2013, Charter Operating and its subsidiaries do not have less than*

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Description of Certain Indebtedness

$1.0 billion of indebtedness on a consolidated basis with maturities between January 1, 2014 and April 30, 2014. Subsequent to the issuance of the Notes and the anticipated application of proceeds, Charter Operating expects to have less than $1.0 billion of indebtedness on a consolidated basis with maturities between January 1, 2014 and April 30, 2014.

For a summary of certain material provisions and covenants of our indebtedness, you should refer to Management s Discussion and Analysis of Financial Condition and Results of Operations Description of our Outstanding Debt in the Charter Communications, Inc. Form 10-K for the year ended December 31, 2010, incorporated by reference into this prospectus supplement. In addition, the agreements and instruments governing each of the obligations described above are complicated, and restrict the ability of such entity to provide funds to us and our subsidiaries, and you should consult such agreements and instruments for more detailed information regarding those obligations.

All of the indebtedness of CCO Holdings and CCH II described above is guaranteed by Charter.

Description of Notes

This description of notes relates to the % senior notes due 2021 (the ***Notes***) of CCO Holdings, LLC and CCO Holdings Capital Corp. In this section, we refer to CCO Holdings, LLC and CCO Holdings Capital Corp., which are the co-obligors with respect to the Notes, as the ***Issuers,*** and we sometimes refer to them each as an ***Issuer.*** We may also refer to CCO Holdings, LLC as ***CCO Holdings*** and Charter Communications, Inc., which is the guarantor of the Notes, as ***CCI.*** Such references do not include any subsidiaries of such entities. You can find the definitions of certain terms used in this description under the subheading Certain Definitions.

The Notes will be issued pursuant to an indenture dated , 2011 (the ***Indenture***), among the Issuers, CCI and The Bank of New York Mellon Trust Company, N.A., as trustee.

The following description is a summary of the material provisions of the Indenture with respect to the Notes. It does not restate the Indenture in its entirety. We urge you to read the Indenture because it, and not this description, defines your rights as holders of the Notes. Copies of the Indenture are available as set forth under Additional Information.

BRIEF DESCRIPTION OF THE NOTES

The Notes are:

Ø general unsecured obligations of the Issuers;

Ø effectively subordinated in right of payment to any future secured Indebtedness of the Issuers, to the extent of the value of the assets securing such Indebtedness;

Ø equal in right of payment to our existing senior notes and any future unsubordinated, unsecured Indebtedness of the Issuers;

Ø structurally senior to the outstanding senior notes of CCH II, LLC and CCH II Capital Corp.;

Ø senior in right of payment to any future subordinated Indebtedness of the Issuers;

Ø structurally subordinated to all indebtedness and other liabilities (including trade payables) of the Issuers Subsidiaries, including indebtedness under the Charter Operating credit facilities and the Charter Operating Entities senior second lien notes; and

Ø guaranteed on a senior unsecured basis by CCI (which guarantee is structurally junior to all Indebtedness and liabilities of all of CCI s Subsidiaries).

At March 31, 2011, after giving effect to this offering and the anticipated application of the net proceeds of the Notes, the principal amount of debt and intercompany loans of CCO Holdings and its subsidiaries would have totaled approximately $11.1 billion, and the Notes would have been structurally subordinated to approximately $6.3 billion of that amount. See Capitalization.

Under the circumstances described below under Certain Covenants Investments, CCO Holdings will be permitted to designate Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture.

PRINCIPAL, MATURITY AND INTEREST

The Notes will be issued in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. The Notes will mature on , 2021.

Interest on the Notes will accrue at the rate of % per annum. Interest will be payable semi-annually in arrears on and , commencing on , 2011. The Issuers will make

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Description of Notes

each interest payment to the holders of record of the Notes on the immediately preceding and . Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Subject to the limitations set forth under Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock, the Issuers may issue an unlimited principal amount of Additional Notes under the Indenture. The Notes and any Additional Notes subsequently issued under the Indenture, will be treated as a single class for all purposes of the Indenture. For purposes of this description, unless otherwise indicated, references to the Notes include the Notes issued on the Issue Date and any Additional Notes subsequently issued under the Indenture.

OPTIONAL REDEMPTION

At any time prior to , 2014, the Issuers may, on any one or more occasions, redeem up to 35% of the aggregate principal amount of the Notes at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that

(1) at least 65% of the aggregate principal amount of the Notes (including Additional Notes) remain outstanding immediately after the occurrence of such redemption (excluding Notes held by the Issuers and their Subsidiaries), and

(2) the redemption must occur within 180 days of the date of the closing of such Equity Offering.

At any time and from time to time prior to , 2015, the Issuers may redeem the outstanding Notes, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, on such Notes to the redemption date, plus the Make-Whole Premium.

On or after , 2015, the Issuers may redeem all or a part of the Notes upon not less than 30 nor more than 60 days notice, at the redemption prices (expressed as percentages of principal amount of the Notes) set forth below plus accrued and unpaid interest thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on of the years indicated below:

Year	Percentage
2015	%
2016	%
2017	%
2018	%
2019 and thereafter	100.000%

Any redemption or notice of any redemption may, at the Issuers discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an Equity Offering, other offering, issuance of Indebtedness, or other corporate transaction or event. Notice of any redemption in respect thereof may be given prior to the completion thereof and may be partial as a result of only some of the conditions being satisfied.

REPURCHASE AT THE OPTION OF HOLDERS

Change of Control

If a Change of Control Triggering Event occurs, each holder of Notes will have the right to require the Issuers to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of that holder s Notes pursuant to a Change of Control Offer. In the Change of Control Offer, the Issuers will offer a Change of Control Payment in cash equal to 101% of the aggregate

Description of Notes

principal amount of the Notes repurchased, plus accrued and unpaid interest thereon, if any, to the date of purchase.

Within ten days following any Change of Control Triggering Event, the Issuers will mail a notice to each holder (with a copy to the trustee) describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase Notes on a certain date (the ***Change of Control Payment Date***) specified in such notice, pursuant to the procedures required by the Indenture and described in such notice. The Issuers will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934 or any successor rules, and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, the Issuers compliance with such laws and regulations shall not in and of itself cause a breach of their obligations under such covenant.

On the Change of Control Payment Date, the Issuers will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and

(3) deliver or cause to be delivered to the trustee the Notes so accepted together with an officers certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuers.

The paying agent will promptly mail to each holder of Notes so tendered the Change of Control Payment for such Notes, and the trustee will promptly authenticate and mail, or cause to be transferred by book entry, to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof.

The provisions described above that require the Issuers to make a Change of Control Offer following a Change of Control will be applicable regardless of whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the holders of the Notes to require that the Issuers repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuers will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

In the event that holders of not less than 90% of the aggregate principal amount of the outstanding Notes accept a Change of Control Offer and the Issuers purchase all of the Notes held by such holders, the Issuers will have the right, upon not less than 10 nor more than 60 days prior notice, given not more than 30 days following the purchase pursuant to the Change of Control Offer described above, to redeem all of the Notes that remain outstanding following such purchase at a redemption price equal to the Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest on the Notes that remain outstanding, to, but not including, the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

Description of Notes

The definition of Change of Control includes a phrase relating to the sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of CCO Holdings and its Subsidiaries, taken as a whole, or of a Parent and its Subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuers to repurchase Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of CCO Holdings and its Subsidiaries, taken as a whole, or of a Parent and its Subsidiaries, taken as a whole, to another Person or group may be uncertain.

Ratings Event means (x) a downgrade by one or more gradations (including gradations within ratings categories as well as between rating categories) or withdrawal of the rating of the Notes within the Ratings Decline Period by one or more Rating Agencies (unless the applicable Rating Agency shall have put forth a written statement to the effect that such downgrade is not attributable in whole or in part to the applicable Change of Control) and (y) the Notes do not have an Investment Grade Rating from either Rating Agency.

Change of Control Triggering Event means the occurrence of both a Change of Control and a Ratings Event.

Ratings Decline Period means the period that (i) begins on the earlier of (a) the date of the first public announcement of the occurrence of a Change of Control and (b) the occurrence of a Change of Control and (ii) ends 90 days following consummation of such Change of Control; *provided* that such period shall be extended for so long as the rating of the Notes, as noted by the applicable Rating Agency, is under publicly announced consideration for downgrade by the applicable Rating Agency.

ASSET SALES

CCO Holdings will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) CCO Holdings or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) such fair market value is determined by the Board of Directors of CCO Holdings; and

(3) at least 75% of the consideration therefor received by CCO Holdings or such Restricted Subsidiary is in the form of cash, Cash Equivalents or readily marketable securities.

For purposes of this provision, each of the following shall be deemed to be cash:

(a) any liabilities (as shown on CCO Holdings or such Restricted Subsidiary s most recent balance sheet) of CCO Holdings or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases CCO Holdings or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations received by CCO Holdings or any such Restricted Subsidiary from such transferee that are converted by the recipient thereof into cash, Cash Equivalents or readily marketable securities within 180 days after receipt thereof (to the extent of the cash, Cash Equivalents or readily marketable securities received in that conversion);

(c) Productive Assets; and

(d) any Designated Noncash Consideration received by the Issuers or any Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this clause (d) that is at that time outstanding, not to

Description of Notes

exceed the greater of $500 million and 3.0% of Total Assets, with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, CCO Holdings or a Restricted Subsidiary of CCO Holdings may apply such Net Proceeds at its option:

(1) to repay or otherwise retire debt under the Credit Facilities or any other Indebtedness of the Restricted Subsidiaries of CCO Holdings (other than Indebtedness represented solely by a guarantee of a Restricted Subsidiary of CCO Holdings); or

(2) to invest in Productive Assets; *provided* that any such amount of Net Proceeds which CCO Holdings or a Restricted Subsidiary has committed to invest in Productive Assets within 365 days of the applicable Asset Sale may be invested in Productive Assets within two years of such Asset Sale.

The amount of any Net Proceeds received from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute Excess Proceeds. When the aggregate amount of Excess Proceeds exceeds $25 million, CCO Holdings will make an Asset Sale Offer to all holders of Notes and all holders of other Indebtedness that is of equal priority with the Notes containing provisions requiring offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such other Indebtedness of equal priority that may be purchased out of the Excess Proceeds, which amount includes the entire amount of the Net Proceeds. The offer price in any Asset Sale Offer will be payable in cash and equal to 100% of the principal amount of the subject Notes plus accrued and unpaid interest, if any, to the date of purchase. If the aggregate principal amount of Notes and such other Indebtedness of equal priority tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the trustee shall select the Notes and such other Indebtedness of equal priority to be purchased on a pro rata basis.

If any Excess Proceeds remain after consummation of an Asset Sale Offer, then CCO Holdings or any Restricted Subsidiary thereof may use such remaining Excess Proceeds for any purpose not otherwise prohibited by the Indenture. Upon completion of any Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

SELECTION AND NOTICE

If less than all of the Notes are to be redeemed at any time, the trustee will select Notes for redemption as follows:

(1) if any Notes are listed, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or

(2) if the Notes are not so listed, on a pro rata basis, by lot or by such method as the trustee shall deem appropriate.

No Notes of $2,000 principal amount or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder thereof upon cancellation of the original Note. Notes called for redemption become irrevocably due and payable on the date fixed for redemption at the redemption price. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

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CERTAIN COVENANTS

Set forth in this section are summaries of certain covenants contained in the Indenture.

During any period of time that (a) any Notes have Investment Grade Rating from both Rating Agencies and (b) no Default or Event of Default has occurred and is continuing under the Indenture, CCO Holdings and the Restricted Subsidiaries of CCO Holdings will not be subject to the provisions of the Indenture described under:

Ø Repurchase at the Option of Holders Asset Sales,

Ø Restricted Payments,

Ø Investments,

Ø Incurrence of Indebtedness and Issuance of Preferred Stock,

Ø Dividend and Other Payment Restrictions Affecting Subsidiaries,

Ø clause (D) of the first paragraph of Merger, Consolidation, or Sale of Assets, and

Ø Transactions with Affiliates.

If CCO Holdings and its Restricted Subsidiaries are not subject to these covenants for any period of time as a result of the previous sentence and, subsequently, one, or both, of the Rating Agencies withdraws its ratings or downgrades the ratings assigned to the Notes below the required Investment Grade Ratings, or a Default or Event of Default occurs and is continuing, then CCO Holdings and its Restricted Subsidiaries will thereafter again be subject to these covenants. The ability of CCO Holdings and its Restricted Subsidiaries to make Restricted Payments after the time of such withdrawal, downgrade, Default or Event of Default will be calculated as if the covenant governing Restricted Payments had been in effect during the entire period of time from the Issue Date.

Restricted Payments

CCO Holdings will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(A) declare or pay any dividend or make any other payment or distribution on account of its or any of its Restricted Subsidiaries Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving CCO Holdings) or to the direct or indirect holders of CCO Holdings or any of its Restricted Subsidiaries Equity Interests in their capacity as such (other than dividends or distributions payable (x) solely in Equity Interests (other than Disqualified Stock) of CCO Holdings or (y), in the case of CCO Holdings and its Restricted Subsidiaries, to CCO Holdings or a Restricted Subsidiary thereof);

(B) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving CCO Holdings) any Equity Interests of CCO Holdings or any direct or indirect Parent of CCO Holdings (other than any Equity Interests owned by CCO Holdings); or

(C) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Indebtedness of CCO Holdings (other than intercompany Indebtedness among CCO Holdings and its Restricted Subsidiaries permitted to be incurred under the Indenture) that is subordinated to the Notes, except a payment of interest or principal at the Stated Maturity thereof (all such payments and other actions set forth in clauses (A) through (C) above are collectively referred to as ***Restricted Payments***), unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default under the Indenture shall have occurred and be continuing or would occur as a consequence thereof; and

Description of Notes

(2) CCO Holdings would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Leverage Ratio test set forth in the first paragraph of the covenant described below under the caption Incurrence of Indebtedness and Issuance of Preferred Stock ; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by CCO Holdings and its Restricted Subsidiaries from and after the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (7), (8), (9) and (12) of the next succeeding paragraph), shall not exceed, at the date of determination, the sum of:

(a) an amount equal to 100% of the Consolidated EBITDA of CCO Holdings for the period beginning on the first day of the fiscal quarter commencing April 1, 2010 to the end of CCO Holdings most recently ended full fiscal quarter for which internal financial statements are available, taken as a single accounting period, less the product of 1.3 times the Consolidated Interest Expense of CCO Holdings for such period, plus

(b) an amount equal to 100% of Capital Stock Sale Proceeds (reduced for purpose of this clause (b) by (A) any amount of such Capital Stock Sale Proceeds (i) used in connection with an Investment made on or after the Issue Date pursuant to clause (5) of the definition of Permitted Investments, (ii) applied to make a Restricted Payment pursuant to clause (2) or sub-clause (y)(2) of clause (9) below, or (iii) relied upon for purposes of incurring Contribution Indebtedness and (B) the amount of Restricted Payments made pursuant to sub-clause (A)(i), (B) or (C) of clause (8) and sub-clause (y)(1) of clause (9) below, in each case, by an amount not to exceed the amount of Capital Stock Sale Proceeds from any Charter Subsidiary Refinancing Indebtedness or Charter Parent Refinancing Indebtedness) plus

(c) $2,000 million.

The preceding provisions will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of CCO Holdings in exchange for, or out of the net proceeds of, the substantially concurrent sale (other than to a Subsidiary of CCO Holdings) of Equity Interests of CCO Holdings (other than Disqualified Stock);

(3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness of CCO Holdings or any of its Restricted Subsidiaries with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend or distribution to the extent necessary to permit direct or indirect beneficial owners of shares of Capital Stock of CCO Holdings to pay federal, state or local income tax liabilities that arise solely from income of CCO Holdings or any of its Restricted Subsidiaries, as the case may be, for the relevant taxable

period being attributable to them;

(5) the payment of any dividend by a Restricted Subsidiary of CCO Holdings to the holders of its Equity Interests on a pro rata basis;

(6) the repurchase, redemption or other acquisition or retirement for value, or the payment of any dividend or distribution to the extent necessary to permit the repurchase, redemption or other

Description of Notes

acquisition or retirement for value, of any Equity Interests of CCO Holdings or a Parent of CCO Holdings held by any member of CCO Holdings or such Parent s management pursuant to any management equity subscription agreement or stock option agreement entered into in accordance with the policies of CCO Holdings or any Parent; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed $10 million in any fiscal year of the Issuers;

(7) payment of fees in connection with any acquisition, merger or similar transaction in an amount that does not exceed an amount equal to 1.25% of the transaction value of such acquisition, merger or similar transaction;

(8) (A) additional Restricted Payments directly or indirectly to CCH II or any Parent (i) for the purpose of enabling CCH II and/or any Parent to pay interest when due on Indebtedness under the CCH II Indentures and/or any Charter Parent Refinancing Indebtedness or (ii) so long as no Default has occurred and is continuing and CCO Holdings would have been permitted, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable quarter period, to incur at least $1.00 of additional Indebtedness pursuant to the Leverage Ratio test set forth in the first paragraph of the covenant described below under the caption Incurrence of Indebtedness and Issuance of Preferred Stock, consisting of dividends or distributions to the extent required to enable CCH II or any Charter Parent Refinancing Subsidiary to defease, redeem, repurchase, prepay, repay, discharge or otherwise acquire or retire for value Indebtedness under the CCH II Indentures or any Charter Parent Refinancing Indebtedness (including any expenses and fees incurred by any Parent in connection therewith); (B) so long as no Default has occurred and is continuing, Restricted Payments used to defease, redeem, repurchase, prepay, repay, discharge or otherwise acquire or retire for value Indebtedness under CCH II Indentures or any Charter Parent Refinancing Indebtedness or consisting of purchases, redemptions or other acquisitions by CCO Holdings or its Restricted Subsidiaries of Indebtedness under the CCH II Indentures or any Charter Parent Refinancing Indebtedness (including any expenses and fees incurred by CCO Holdings and its Restricted Subsidiaries in connection therewith) and the distribution, loan or investment to any Parent of Indebtedness so purchased, redeemed or acquired, or (C) Restricted Payments for the purpose of enabling any Parent to (i) pay interest when due on Indebtedness under any Charter Subsidiary Refinancing Indebtedness or (ii) to defease, redeem, repurchase, prepay, repay, discharge or otherwise acquire or retire for value Indebtedness under any Charter Subsidiary Refinancing Indebtedness (including any expenses and fees incurred by CCO Holdings and its Restricted Subsidiaries in connection therewith);

(9) Restricted Payments directly or indirectly to CCH II or any other Parent regardless of whether a Default exists (other than an Event of Default under paragraph (1), (2), (7) or (8) of the section described under Events of Default), for the purpose of enabling such Person (A) to pay interest on and (B) so long as CCO Holdings would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Leverage Ratio test set forth in the first paragraph of the covenant described below under the caption Incurrence of Indebtedness and Issuance of Preferred Stock, to defease, redeem, repurchase, prepay, repay, discharge or otherwise acquire or retire, in each case, Indebtedness of such Parent (x) which is not held by another Parent and (y) to the extent that the net cash proceeds of such Indebtedness are or were used for the (1) payment of interest or principal (or premium) on any Indebtedness of a Parent (including (A) by way of a tender, redemption or prepayment of such Indebtedness and (B) amounts set aside to prefund any such payment), (2) direct or indirect (including by way of a contribution of property and/or assets purchased with such net cash proceeds) Investment in CCO Holdings or any of its Restricted

Description of Notes

Subsidiaries or (3) payment of amounts that would be permitted to be paid by way of a Restricted Payment under clause (10) immediately below (including the expenses of any exchange transaction);

(10) Restricted Payments directly or indirectly to CCH II or any other Parent of (A) attorneys fees, investment banking fees, accountants fees, underwriting discounts and commissions and other customary fees and expenses (including any commitment and other fees payable in connection with Credit Facilities) actually incurred in connection with any issuance, sale or incurrence by CCH II or such Parent of Equity Interests or Indebtedness, or any exchange of securities or tender for outstanding debt securities, or (B) the costs and expenses of any offer to exchange privately placed securities in respect of the foregoing for publicly registered securities or any similar concept having a comparable purpose;

(11) the redemption, repurchase, retirement or other acquisition of any Equity Interests of CCO Holdings or Indebtedness of the Issuers or any Equity Interests of any direct or indirect parent of CCO Holdings, in exchange for, or out of the proceeds of the substantially concurrent sale (other than to an Issuer or a Restricted Subsidiary) of, Equity Interests of CCO Holdings or any direct or indirect parent of CCO Holdings (in each case, other than any Disqualified Stock);

(12) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Issuers or any Restricted Subsidiary issued in accordance with the covenant described under Incurrence of Indebtedness and Issuance of Preferred Stock ; and

(13) so long as no Default has occurred and is continuing, other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (13) not to exceed $50.0 million.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by CCO Holdings or any of its Restricted Subsidiaries pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant shall be determined by the Board of Directors of CCO Holdings, whose resolution with respect thereto shall be delivered to the trustee. Such Board of Directors determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if the fair market value exceeds $100 million.

Not later than the date of making any Restricted Payment other than in the form of cash having a fair market value in excess of $10 million, the Issuers shall deliver to the trustee an officers certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Restricted Payments covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Investments

CCO Holdings will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) make any Restricted Investment; or

(2) allow any of its Restricted Subsidiaries to become an Unrestricted Subsidiary,

unless, in each case: