

What is the **Business of Broadband?**

Charter
COMMUNICATIONS®
A WIRED WORLD COMPANY™

Charter Communications, Inc. [2001] Summary Annual Report



A close-up photograph of a young child with dark hair, smiling broadly. The child is holding a silver remote control in their hands. The background is softly blurred, showing what appears to be an orange chair or cushion.

>> **It's our foundation.**

[1999]
155,400
digital cable
customers

[2001]
2.1 million
digital cable customers –
reached **over 30%**
penetration
of basic customers
in two years.

We ended 2001 with more than 2.1 million Charter Digital Cable® customers, representing an industry-leading digital penetration of 31 percent – meaning nearly one in three video customers had upgraded to digital video service. In our larger markets, more than half of our video customers now have digital video technology in the home. **Digital cable provides customers access to digital-quality video, special-interest programming, CD-quality commercial-free music and an interactive programming guide, as well as interactive services including Video On Demand.** Digital penetration is key to our long-term success because digital technology is the fundamental building block for a variety of advanced services that provide opportunity for continued growth.



>> **It's how we connect.**

[1999]
44,000
cable modem
customers

[2001]
607,700
cable modem customers –
and demand continues to
increase

Charter Pipeline® high-speed cable modem service enhances customers' Internet experiences. **With a constant Internet connection, customers can instantaneously check e-mail, surf the web, download files, stream media and more – no dial-up, no waiting.** Demand for high-speed data service was strong in 2001, allowing Charter to end the year with 607,700 high-speed data customers, more than originally expected. During the first quarter of 2002, Charter added 40 percent more new cable modem customers than were added during the previous quarter.

>> **It's what customers want.** [When they want it.]



Charter's two-way network allows for customer interaction through the television. Many of our digital video customers today enjoy Video On Demand with VCR-like functionality, an interactive feature with program-synchronous enhancements offered in partnership with Wink® and a set of virtual television channels, or “i-Channels” that provide personalized information on news, weather, sports, entertainment, money and shopping – and that is just the beginning. Bundling these interactive services with digital cable and high-speed data service increases customer demand, satisfaction and retention.



>> **It's our response.**



[2001]
7 million
customers rely on
Charter Communications
every single
day.

Along with improvements in our network and service offerings, we've made enhancements in customer care through investments in training and technology that will allow us to respond more quickly to our customers' needs. Bruce Palencia, Advanced Services Advocate, and other employees quickly realized the benefit of the technology in our new regional contact centers. **Each center is a comfortable, efficient and modern workplace equipped with sophisticated tools such as intelligent call-routing systems that identify our customers and quickly distribute their phone calls to the proper service agent.** As of December 2001, we had opened four new regional contact centers as part of our transition to a consistent national customer contact function. Additional centers are planned for 2002.



>> **It's how we operate.**



Technicians
at our national and local
operations centers closely
monitor
network status.

Our national Network Services Operations Center (NSOC) in St. Louis, MO is the centerpiece of an electronic system that allows technicians like Scott Lamar to monitor key components of our advanced broadband network. If a broadband data router anywhere within our core network isn't performing up to specifications, technicians working in our 32,000 square foot NSOC can detect the problem, alert local technicians, and confirm that the device has been properly adjusted – all before a single cable modem customer is affected. In conjunction with the NSOC, our Regional Operations Centers (ROCs) conduct a similar detection regimen within the local video and Internet networks.

Faster.

Easier.

>> **It's our business...**

Charter provides high-quality digital video, high-speed Internet service and interactive television services – and broadband makes it possible.

This triple play of broadband services enhances our customers' lives. We make entertainment more enjoyable, information more accessible and our customers' lives simpler for a reasonable price.

Better.

>> and business is good.

The pro forma^(a) operating results below give effect to Charter's significant acquisitions and dispositions completed during 2000 and 2001 as if all such transactions had occurred on January 1, 2000.

(Dollars in millions)

For the Year Ended December 31,	2001	2000	% Change
Revenues	\$4,114.8	\$3,610.8	14.0
Operating Expenses^(b)	\$2,281.1^(d)	\$1,956.7	16.6
Operating Cash Flow^(c)	\$1,833.7	\$1,654.1	10.9
Operating Margin	44.6%	45.8%	

(a) Pro forma revenues, operating expenses and operating cash flow (OCF) exceed actual revenues, operating expenses and OCF for the year ended December 31, 2001 by \$161.7 million, \$114.1 million and \$47.6 million, respectively. Pro forma revenues, operating expenses and OCF exceed actual revenues, operating expenses and OCF for the year ended December 31, 2000 by \$361.6 million, \$250.1 million and \$111.5 million, respectively.

(b) Operating expenses exclude depreciation, amortization and option compensation expense.

(c) OCF is defined as revenue less operating expenses.

(d) Before a special charge associated with the transition of data customers from Excite@Home Internet Service to Charter Pipeline.

As of December 31,	Actual 2001	Pro Forma 2000 ^(e)
Cable Television		
Homes Passed	11,502,300	11,291,800
Basic Customers	6,953,700	6,913,100
Basic Penetration	60.5%	61.2%
Digital Video		
Digital Homes Passed	10,638,300	9,711,600
Digital Customers	2,144,800	1,177,500
Penetration of Digital Homes Passed	20.2%	12.1%
Penetration of Basic Customers	30.8%	17.0%
Digital Converters Deployed	2,951,400	1,470,500
Data Services		
Data Homes Passed	7,560,600	5,841,300
Cable Modem Customers	607,700	229,000
Dial-up Customers	37,100	42,000
Total Data Customers	644,800	271,000
Penetration of Data Homes Passed	8.5%	4.6%

(e) The pro forma operating statistics reflect all significant acquisitions and dispositions of cable systems completed during 2001.

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Dear Fellow Shareholders:

The year 2001 was a year of transformation. We progressed from being a company focused on acquisition to a company focused on operational execution, from a cable television company to a broadband communications company. With our acquisition and capital programs largely completed, we are moving swiftly to unleash the capabilities of one of the most profound tools of communications ever introduced – the advanced digital broadband network – for the benefit of our customers and shareholders alike.

Make no mistake: The business of broadband is booming.

We are now realizing strong momentum across our entire advanced broadband platform as we introduce multiple-service bundles that provide our customers excellent value and fortify our competitive position as one of the largest broadband providers.

Our digital video platform continues to progress both as a cash flow contributor and as a launch pad for new advanced services. And we are now experiencing excellent progress in our broadband cable modem business, where rapid adoption rates, high customer demand and satisfaction levels only hint at what's to come.

With our Charter Pipeline® broadband Internet service, we are developing a business that not only contributes to the on-going success of our company, but also enriches the quality of life our customers enjoy. As a growing number of Charter customers are discovering, Charter Pipeline makes its easy and convenient for people to learn, play, work and stay in touch.

Charter Pipeline provides the electronic links that connect residential customers to a high-speed data network capable of delivering everything from crystal-clear video clips to web pages that appear instantly upon command. The difference between the Charter Pipeline experience and the dial-up Internet of old is remarkable. It's like the difference between traveling by airplane and traveling by automobile. Between color television and black-and-white. Thanks to the excellent progress we have made in building our cable modem business, Charter

connects an ever-increasing customer base to a high-speed, always-on broadband network that paves the way for a new generation of media services.

Because of the power and presence of our high-speed, broadband distribution platform, these technological advances now are available to millions of Charter Communications® households on an affordable, accessible basis. Not only have we transformed the online experience, we are now beginning to liberate it from the confines of the personal computer. Our forthcoming initiatives are aimed at serving a new generation of information and entertainment appliances – in the family room, the kitchen, or wherever our customers want to enjoy a connection to our broadband network.

Charter Pipeline is emerging as a vital contributor to Charter's growth. We ended 2001 with 607,700 cable modem customers, and our momentum increased in early 2002 as we added a record 140,000 new cable modem customers in the first quarter – more than 10,000 each week. Along with this rapid customer growth, Charter has continually increased the operating margin from the high-speed data service.

Charter Pipeline represents a fundamental contributor and a building block for our company and our future. But it's only one element in the business of broadband. We're also gaining significant economic momentum on these fronts:

We are leading our industry in digital cable market share.

We ended 2001 with more than 2 million Charter Digital Cable® customers, representing an industry-leading digital penetration of nearly one digital customer for every three basic video customers. We continue to add digital cable customers at a rapid pace, and we remain resolved to attaining ubiquitous digital penetration across our entire customer base.

We are introducing more customers to the power of Video On Demand. Part of our new slate of interactive digital television services, Video On Demand (VOD) offers hit movies, episodic television programs and specialty programming directly from our broadband network, with

Letter to Shareholders

*Paul G. Allen, Chairman, and
Carl E. Vogel, President and
Chief Executive Officer*



full VCR-style functionality. Just as importantly, it meshes perfectly with a demonstrated appetite among a new generation of television viewers to watch what they want, when they want it. By the end of 2002, we expect that as many as half of our digital customers will be able to enjoy VOD, and we believe VOD will be a strong economic contributor in 2003 and beyond.

We are expanding our interactive television initiatives.

We are delivering diverse, interactive television content and services to selected markets, and are rapidly expanding our interactive TV footprint to help customers become acclimated to a new medium. For a very modest cost, we are making television better with on-demand information services ranging from weather reports for anywhere in the country to personalized stock quotes and local movie theater listings.

We have initiated fully modernized network monitoring and customer care centers.

Our company now has at its disposal efficient technical and customer care resources that provide us a level of stability, reliability and performance unprecedented in the 50-year history of the cable television industry.

We have put a new face on our company. Through inventive and effective marketing initiatives, we have set the stage for a new way of thinking about Charter Communications – not just as a cable television company, but as a provider of multiple high-value, high-utility consumer products over a state-of-the-art broadband connection. A series of engaging and enlightening commercials featuring the popular actor Dan Aykroyd has acquainted millions of people with a new Charter Communications – the company that is bringing home the vast promise of the Wired World.

And most of all, we are executing. Supporting each of these key accomplishments is an overriding principle that propels everything we do at Charter. We execute our business plan with passion, desire and energy. Every new cable modem installation, in-home digital service

demonstration, marketing bill insert, employee team-building event and customer telephone conversation contributes to executing on our plan. Advancing in the broadband business means doing the little things right – day after day in each and every market – to make your company the leader of the new digital broadband age.

Our ability to innovate and execute also is apparent in our numbers. In 2001, revenues on a pro forma basis climbed 14.0 percent, to \$4.1 billion. Our pro forma operating cash flow rose 10.9 percent, to \$1.8 billion. And our 2001 average monthly revenue per basic customer increased as we began to experience the financial impact of delivering multiple services from a single, high-capacity network.

Nearly seven million customer households now receive some form of video, data or interactive television services from Charter Communications.

We are immensely proud of our state-of-the-art broadband network, which won accolades for its engineering design from a national industry publication in 2001. At the same time, we recognize that the true value of our company, more so than our advanced digital technology or the ever-expanding capacity of our network, is the relationship we enjoy with our customers. It is a relationship that deserves and inspires our full dedication, and it is a relationship that will serve, always, as the centerpiece of value creation for our shareholders. Thank you for your continued interest and support.

A handwritten signature in black ink, appearing to read 'Carl E. Vogel'.

Carl E. Vogel,
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Paul G. Allen'.

Paul G. Allen,
Chairman

June 5, 2002

>> **The Business of Broadband.**

We are at the center of a historic evolution in information, entertainment and communications. Today, broadband Internet connections are growing faster in the U.S. than either the VCR or the cellular telephone did in their heydays. Digital cable service is the most successful product to be launched by the cable television industry since pay television channels premiered in the 1970s. And Video On Demand's interactive capability is captivating an entire generation of television viewers who are only beginning to experience its powerful allure.

Charter's triple play of digital video, high-speed Internet service and interactive, on-demand entertainment is made possible by broadband. The broadband network is the cornerstone of the new communications era. And Charter Communications® is broadband.

Charter's Distribution System

The master headend is the center of a broadband cable network. Various kinds of signal content are received here via satellite transmissions, fiber-optic networks and terrestrial broadcast sources. These signals are processed and combined into a broadband cable format and transported to a hub or directly to a node, the interface between the optical and the coaxial cable systems. Return signals come back from customers' homes over this network to the master headend or hub, enabling interactivity and Internet use. All of the signal traffic out of master headends and hubs are distributed via fiber-optics. The fiber-optic signals are terminated in optical nodes. Each optical node location is fed by six fibers. Two or three fibers at each node are currently used, with the remaining fibers reserved to accommodate future services.

A Company Transformed

We started 2001 with 6.4 million basic video customers, one million digital customers and 215,900 cable modem customers. We ended the year with nearly seven million basic video customers, over two million digital customers and 607,700 cable modem customers, and have continued to deliver strong momentum through the first quarter of 2002. Thanks in part to our success in introducing advanced service bundles, we are producing record levels of cash flow per basic customer. Each of these statistics places Charter Communications® at the forefront of the advanced broadband evolution. But the numbers tell only a part of the story.

Our broader transformation has occurred on two fronts. First, we shifted from an emphasis on acquisition and plant upgrade to an emphasis on operations and marketing. Second, we embraced a new profile as an advanced broadband services provider – we're not just a cable television company anymore. Our advanced broadband network allows us to deliver the triple play of digital video, high-speed Internet service and interactive television.

We're taking advantage of the triple play by bundling these services. Our ability to deliver multiple services over our network platform has changed our view of what once was purely an analog video-delivery business. Our view is that our business will flourish based on the appeal of our multidimensional, bundled digital service packages that deliver a wide range of capability and value to the customer household. The bundled-service customer spends more for our services and is demonstrably less apt to curtail service in favor of discount offers from other providers.

We are now focusing our sales and marketing strategy on advanced products with higher profit margins, and we are enforcing a disciplined credit policy. We measure revenue generating unit, or RGU, growth rather than simply video customer growth. RGUs consist of basic customers, digital customers and high-speed data

customers. We are now fostering high-quality customer relationships rather than those that revolve solely around discounted pricing. Our new emphasis on the Charter bundle already is producing results: during the first quarter of 2002, customers subscribing to both digital cable and cable modem service churned, or disconnected, at a rate one third less than that of digital-only customers.

In 2001 and continuing into 2002, we have been among the industry leaders in digital penetration, high-speed Internet customer growth and the introduction of interactive television services including Video On Demand (VOD) and i-Channels. In each of these advanced broad-

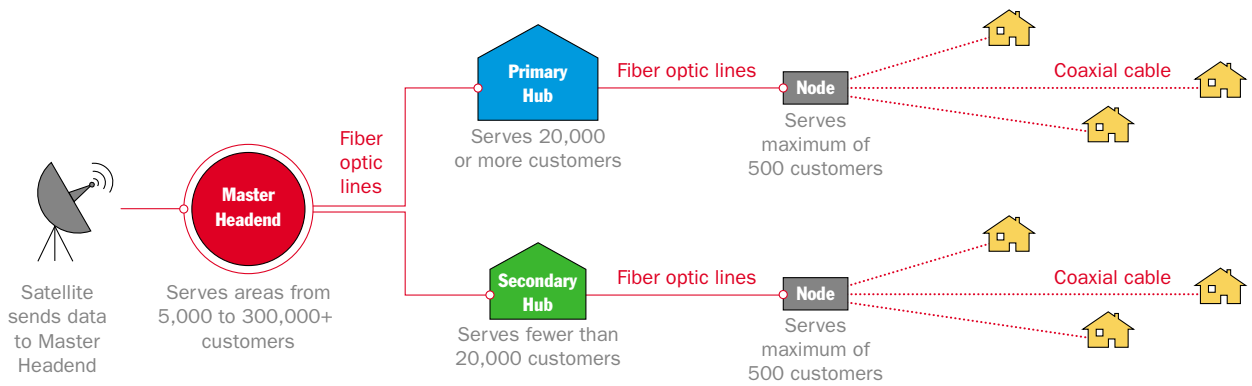


band service categories, we are generating continued customer, revenue and cash flow growth. This growth is occurring at the same time that our capital expenditures decline, causing the economic balance of our company to shift. As our plant rebuild is nearing completion, the majority

of the capital we spend in future years will be success-based – selectively devoted to support incremental revenue-producing services and customers.

We are producing a robust set of financial metrics that should serve our shareholders well. The success-based capital approach distinguishes Charter Communications from companies that must continue to invest heavily in plant. With our core network and our local network facilities already in place and able to satisfy even marked increases in bandwidth demand, our approach will be to direct capital toward areas that will produce direct and predictable economic returns.

Competitively, Charter is extremely well positioned, with an array of services other media distribution platforms cannot duplicate. VOD, for example, represents a unique and extremely attractive consumer service that mimics the experience of selecting, watching and controlling a rented videocassette or DVD without ever



leaving your living room. Confident of both the technology and the consumer appetite for VOD, we expect to make this truly remarkable service available to as many as half of our digital customers by year end 2002. Our high-speed Internet service sets us apart from competitive broadband providers. Charter Pipeline® delivers a robust customer experience at very affordable prices and is available at tiered speeds so customers choose the speed best suited to their needs. And our interactive television portfolio includes a mix of carefully selected content and services, some of it unique to Charter Communications, that distinguishes us from other providers.

With our network upgrade nearly complete and our financing needs met, our business now is about generating increased cash flow while our underlying capital expenses decrease. It's a turning point for our company financially. For our investors, the combination of declining expenditures and increasing cash flow from a stable, loyal customer base is a compelling reward. It is the model around which our capital investment policy and our business strategy will revolve.

The Incredible Expanding Network

The network we have put in place is a marvel of engineering and accomplishment. It blends high-capacity optical fiber and coaxial cable transmission lines with intelligent electronic devices. Our broadband network sets in place the foundation not only for the growing array of advanced broadband services we can deliver today, but for future ideas we've barely begun to imagine. It is structured in a way that allows for future expansion with minimal incremental capital costs.

Charter's network architecture reflects a thoughtful approach to harnessing raw mathematics – particularly the mathematics of division. Traditional communications networks typically rely on a succession of wires that push signals deeper and deeper from central origination

points. Although engineers can install enhanced electronics at the front and back ends of these networks to expand capability, the wires in between are still the same, and ultimately fall victim to physical laws that limit their capacity.

To avoid these physical limitations, Charter constructed a network of thousands of smaller, interconnected units, each outfitted with its own unique allocation of bandwidth, the capacity to accommodate electronic information such as TV channels and Internet data. Instead of one monolithic network, we literally have thousands of interconnected networks, or nodes, each of them serving 500 customers or fewer. What happens when those 500 customers begin demanding more and more services, requiring more capacity? We apply basic division. With the addition of a modest amount of capital and labor, one node is split into two – each of them serving not 500 homes, but 250. Without installing a single new cable or optical line, the capacity of that node is doubled.

In simple terms, we are able to make modifications on a neighborhood-by-neighborhood basis. Rather than upgrade our entire network, we can apply minimal capital and divide distribution nodes as we see fit, based on patterns of demand. If, for instance, demand for high-speed data service is high in certain areas, we'll divide the corresponding nodes to make sure we can accommodate every customer without compromising other customers' connectivity and speed. By dividing a node, we increase bandwidth capacity only where we need it. This type of success-based capital deployment is unprecedented in our industry, and owes its origins to the node-based broadband network.

This simple example illustrates the power of the broadband network we have put in place over the past three years. We've combined this underlying architecture with two key elements:

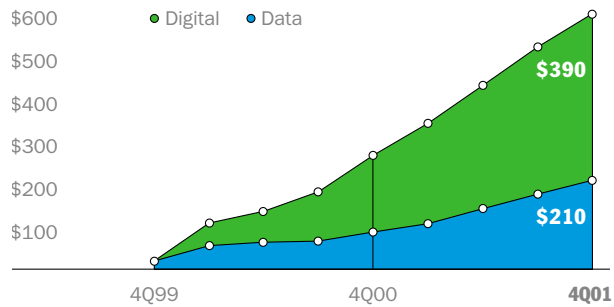
- A two-way path consisting of six strands of fiber that lets customers not only receive signals, but also send signals out; and
- In-home devices that process digital information.

Revenue Growth from Advanced Services

Demand for digital cable and high-speed data service has significantly increased over the past two years. Deployment of these services drove a 14 percent increase in 2001 pro forma revenues compared to pro forma 2000.

Annualized Quarterly Revenues

(in millions)



Together, they constitute a powerful mechanism for bringing the promise of broadband to the American home.

The fact that we have been able to bring more than 35,000 miles of acquired or legacy networks up to our new broadband standard in each of the past three years reflects an enormous accomplishment. By carefully managing the upgrade process, we've collapsed dramatically the time it used to take to rebuild traditional cable TV networks.

Through 2001, 80 percent of Charter's physical plant had been brought up to 550 megahertz or higher, and more than 70 percent had been upgraded to 750 or 860 megahertz. Plainly speaking, that's a vast amount of bandwidth. By the end of 2002, our upgrade will be nearly complete.

Another key attribute of our network upgrade has been our ability to leverage our resources over wider geographic areas. This "clustering" approach affords great economies by allowing us, for the first time, to eliminate numerous local signal-distribution and processing sites in favor of regionally centralized facilities. But we don't just save money, we also improve signal quality and network reliability. By the end of 2002, the number of centralized headend buildings we operate will shrink to approximately 750 from the original 1,350, with our 100 largest central headends serving 90 percent of our customer base.

That's not all. In our remaining smaller markets, we're introducing a novel approach to service and content improvements that takes advantage of a different economical networking technology. Essentially, we're creating a Charter-owned satellite delivery network that will bring to smaller, more isolated markets the same kinds of digital programming we've introduced elsewhere through our Charter Digital Cable® service. With a bundled, satellite-fed service, we can economically deliver to smaller markets enhanced digital content that maintains our competitive appeal – and fortifies our role as an innovative company that makes advanced broadband services affordable and easy to use.

Enhanced Customer Care and Network Management

Along with our improvements in underlying network technology and services, we've made advances in customer care through investments in training, tools and technology that allow us to respond more quickly and more adeptly to customer needs.

The sheer volume of activity within our call centers demonstrates the importance of our services to millions of customers. Throughout the year, we engage in millions of telephone conversations with customers who call us for a range of reasons – from requesting new digital service packages to optimizing their personal computers for our Charter Pipeline service.

Telephone calls remain the dominant avenue of sales and service upgrades for the company. That's why we've worked hard to improve the quality of the telephone-service experience we deliver in support of our advanced broadband offerings. In 2001, we began an initiative to pack more capability into fewer call centers, an approach that helps us usher in economies of scale and share ideas that work across the entire organization.

As of December 2001, we had opened four regional state-of-the-art customer contact centers as part of our transition to a consistent national customer contact function. Additional centers are planned for 2002. Each center is a comfortable, efficient and modern workplace equipped with sophisticated tools such as intelligent call-routing systems that identify our customers and quickly distribute their phone calls to the proper service agent. In addition, we employ qualified training, supervisory and monitoring personnel and we've created a career-path progression that rewards top performers in both telephone and technical service roles.

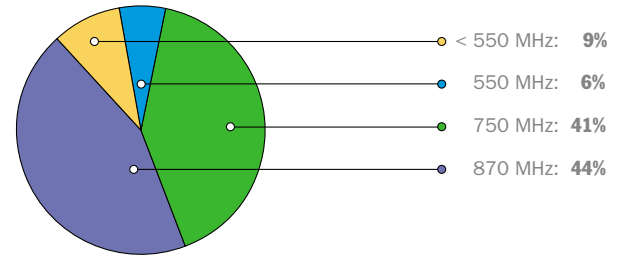
Our investments in service improvements reflect the changing profile of our business. As our products and services expand, so does our mandate to support more complex service challenges. Our company is proud

Our Robust Broadband Platform

Charter's upgrade to a state-of-the-art architecture is nearing completion. By the end of 2002, nearly 85 percent of Charter's customers will be served by a two-way capable network. Upon completion of the upgrade, nearly 90 percent of Charter's customers will be served by a two-way capable, 750 megahertz or higher network.

Planned 2002 Capacity

(percent of Charter customers)



to have developed a comprehensive cable modem support and service infrastructure that includes sophisticated technical support to help customers with complex networking and computing questions.

We've made big strides not only in responding to service questions, but in protecting our networks from the very disruptions that can affect customer satisfaction in the first place. By developing a remarkable new network monitoring infrastructure, we've attained tremendous electronic visibility and control over our networks.

Our national Network Services Operations Center (NSOC) is the centerpiece of an electronic system that allows technicians to monitor key components of our advanced broadband network. If a broadband data router anywhere within our core network isn't performing up to specifications, for instance, technicians working in our 32,000 square foot NSOC in St. Louis will be able to detect the problem, alert local technicians, and confirm that the device has been properly adjusted – before a single cable modem customer is affected by a disruption. In conjunction with the NSOC, our Regional Operations Centers (ROCs) conduct a similar detection regimen within the local video and Internet data networks, all the way from the headend to the home. New equipment will allow ROC technicians a level of monitoring so precise they'll be able to measure voltage levels of stand-by power supplies in each node or evaluate resources available to any one of the neighborhoods they serve. That's important, because keeping local network resources running smoothly is a key to delivering broadband services, including advanced two-way services such as interactive television.

Through 2001, systems serving approximately 60 percent of Charter's customers had been linked to the ROC/NSOC surveillance network, and more are on the way. Early results are excellent. In our Greenville, SC service area, shortly after introducing our new networking monitoring and service management tools, we were able to improve a key measure of signal quality significantly and to reduce network-related customer calls by 32 percent. Those results exemplify the three key benefits of our investment in network operations centers:

- improve the customer experience;
- reduce the number of occasions in which we're required to "roll trucks" to respond to service problems; and
- reduce the number of trouble calls to our call centers, thus freeing our customer-contact associates to devote more time to sales and upgrades.

In short, we've introduced a new level of sophistication and efficiency in the way we detect and solve network problems, and in the way we handle a growing array of customer calls. The service infrastructure behind our broadband network is now as advanced as the network itself.



The Interactive Household

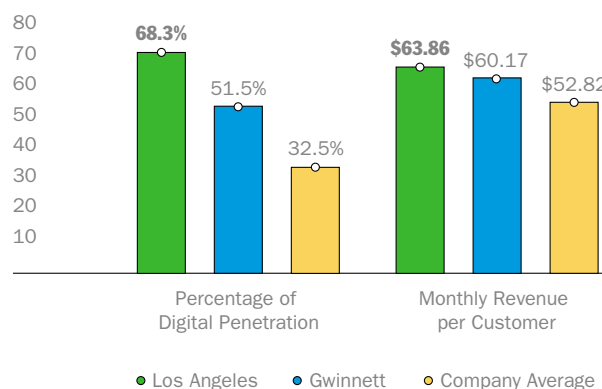
Charter Communications is leading the broadband industry in bringing long-awaited interactive television and digital communications services to the home. Not only are we delighting customers with a new range of possibilities, we're cultivating a new standard for a whole new generation of television users.

Advanced Services Drive Penetration and Revenue

Charter believes that deployment of interactive services such as Video On Demand (VOD) increases penetration of digital service, reduces customer churn and increases revenue per customer. This is evident in our Los Angeles, CA and Gwinnett, GA systems where VOD has been available 12 months or more.

Impact of VOD

(as of March 31, 2002)



Our rapid deployment of VOD illustrates our confidence in consumer appetite for interactivity. By the end of this year, as many as half of the Charter digital customer base will be able to select from an on-screen menu an uncut Hollywood movie or special program series – with the ability to start the movie whenever desired, pause it at will and even rewind to repeat favorite moments. Charter’s aggressive rollout of on-demand television marks a turning point for a service that has raised grand hopes and expectations since engineers first began exploring VOD in the late 1980s.

Our early results indicate there’s strong enthusiasm for VOD. Approximately 25 percent of our digital customers in mature VOD markets now routinely use the service, even though marketing has been modest. The average VOD customer orders between two and three titles per month from Charter, producing \$9 or more in monthly incremental revenue. But there’s more to VOD than the incremental revenues and cash flow it produces. In the vast majority of our VOD markets, Charter is the first and only provider of this innovative service. This helps cement our role as the company that makes exciting new communications technologies available. And there’s more: in the markets where we had introduced VOD by the end of 2001, customer satisfaction levels increased 74 percent, and we halved the ratio of customers that disconnected, or churned, from digital service.

VOD is an early centerpiece of our interactive television efforts, but it’s just part of our interactive service suite. In November 2001, we introduced our new set of interactive television channels – “i-Channels” – to customers in Glendale, CA. Initial response to this collection of on-demand weather reports, local movie theater listings, news and more has been very positive, with our monitoring systems tracking nearly two million requests for interactive content weekly from a base of more than 550,000 customers.

Based on content created uniquely for Charter, i-Channels represent our philosophy of introducing easy-to-use, helpful interactive tools. These second-stage interactive services encourage customers to begin to sample on-demand information and to view their television equipment as a resource for more than just one-way entertainment and information. Our costs to provide this sort of interactive content via our two-way broadband networks are modest, yet we believe we derive excellent results both in improved customer satisfaction and in our ability to further develop our brand as a communications innovator. The i-Channels also acclimate customers to a new type of television that could generate premium subscriptions for additional levels of services.

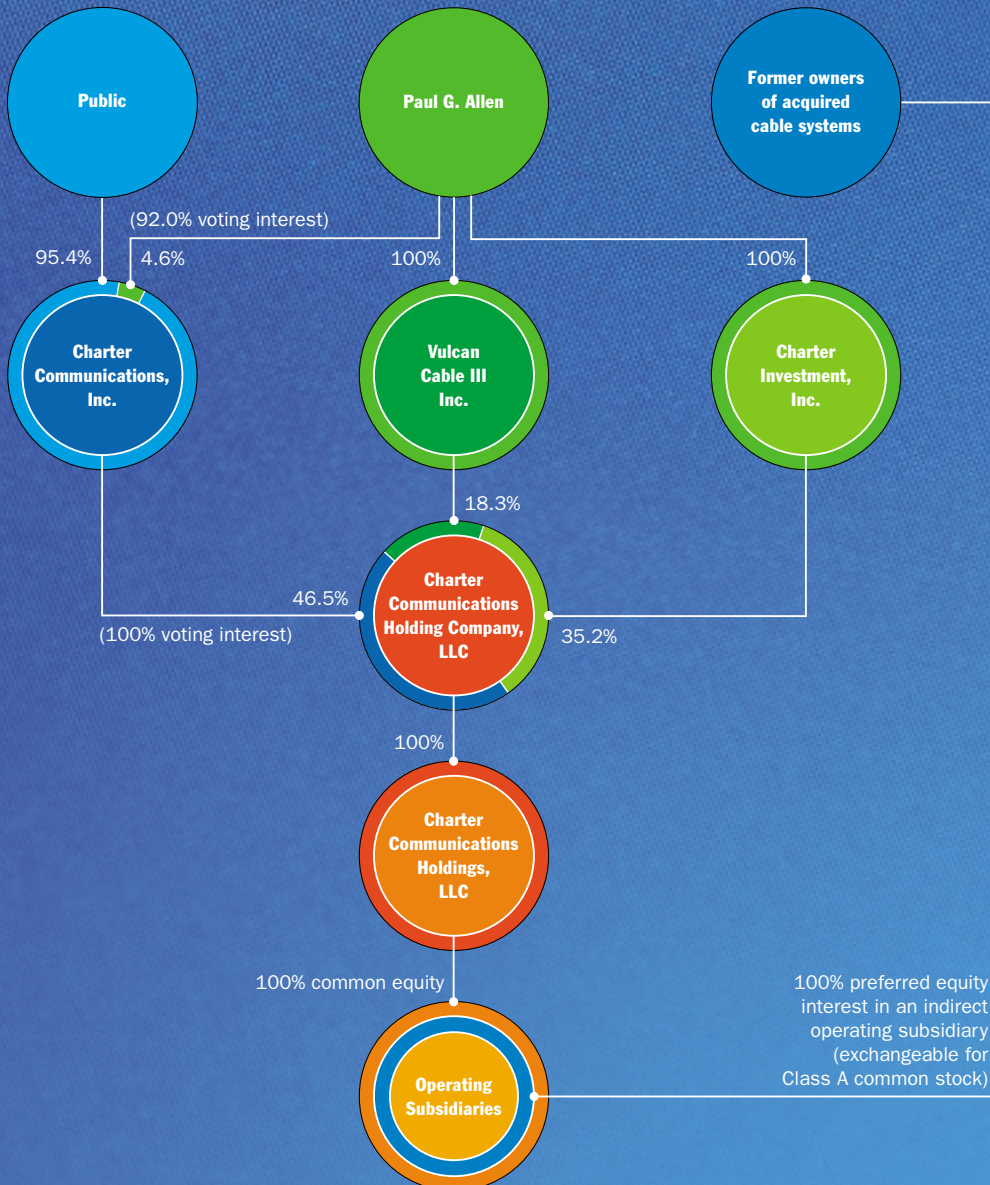
On the high-speed Internet side, we now provide our own branded Internet portal in association with the Microsoft Networks (MSN). With a rich compilation of Internet content resources, our Charter Pipeline portal gives high-speed Internet customers and their families an easy to use, single point of entry through which they can easily and quickly access a rich treasure of information and services, including personalized e-mail, instant messaging and buddy lists. The portal also sets the stage for further enhancements including the ability to provide personalized music subscriptions and other premium content through the Charter Pipeline network, and to cross-promote other Charter television services.

With careful consideration of interactive content and deployment schedules, we are beginning to create a national footprint for interactivity, topping off our triple-play strategy. By ensuring that our interactive platforms remain easy to use and highly intuitive, we are encouraging our customers to adopt a new set of television behaviors that will make digital media from Charter Communications more personal and responsive than ever.



The chart below depicts the organizational structure of Charter. Charter Communications, Inc. (Nasdaq: CHTR) owns 46.5 percent of the Charter companies. Through ownership in Vulcan Cable III Inc. and Charter Investment, Inc., Paul Allen owns the remaining 53.5 percent of the Charter companies.

>> **The business organizational structure.**



Financial Highlights

Organizational Structure

Charter Communications, Inc. was organized as a Delaware corporation in 1999 and conducted an initial public offering of Class A common stock in November 1999. Certain of our subsidiaries commenced operations under the "Charter Communications" name in 1994.

Charter Communications, Inc.'s principal asset is a 46.5% equity interest (assuming no conversion or exchange of convertible or exchangeable securities) and a 100% voting interest in Charter Communications Holding Company, LLC. Charter Communications Holding Company, through its subsidiaries, owns cable systems and certain strategic investments. Charter Communications, Inc. provides management services to Charter Communications Holding Company and its subsidiaries. As sole manager, Charter Communications, Inc. controls the affairs of Charter Communications Holding Company and its subsidiaries.

Some of the membership units in certain of Charter Communications, Inc.'s subsidiaries are exchangeable at any time for shares of Class A common stock of Charter Communications, Inc. on a one-for-one basis. The following table sets forth the pro forma outstanding shares of Charter Communications, Inc. as if all exchangeable membership units in subsidiaries had been exchanged for Charter Communications, Inc. common stock.

Pro Forma Shares

As of May 24, 2002:

Class A Common Stock	294,646,658	44.7%
Class B Common Stock	50,000	0.1
Total Common Stock		
Outstanding	294,696,658	44.8
Exchangeable Equity in Subsidiaries:		
Charter Investment, Inc.	222,818,858	33.8
Vulcan Cable III Inc.	116,313,173	17.7
Former owners of acquired systems	24,273,943	3.7
Total Exchangeable Equity	363,405,974	
Total Pro Forma Common Stock Outstanding	658,102,632	100%

Overview of Operations

Approximately 85% of our revenues for the year ended December 31, 2001 are attributable to monthly subscription fees charged to customers for our basic, expanded basic, premium and digital cable television programming services, Internet access through television-based service, dial-up telephone modems and high-speed cable modem service, equipment rental and ancillary services provided by our cable systems. The remaining 15% of revenue is derived primarily from installation and reconnection fees charged to customers to commence or reinstate service, pay-per-view programming, advertising revenues, commissions related to the sale of merchandise by home shopping services and franchise fees. We have generated increased revenues in each of the past three years, primarily through customer growth from acquisitions, internal customer growth, basic and expanded tier price increases and revenues from new services and products.

Our expenses primarily consist of operating costs, general and administrative expenses, depreciation and amortization expense, interest expense and management fees/corporate expense charges. Operating costs primarily include programming costs, cable service related expenses, marketing and advertising costs, franchise fees and expenses related to customer billings.

We have had a history of net losses and expect to continue to report net losses for the foreseeable future. The principal reasons for our prior net losses include depreciation and amortization expenses associated with our acquisitions and capital expenditures related to the construction and upgrade of our systems, and interest costs on borrowed money. These factors, with the exception of amortization of our franchise assets, are expected to contribute to anticipated net losses in the future. We cannot predict what impact, if any, continued losses will have on our ability to finance our operations in the future.

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000

Revenues. Revenues increased by \$703.9 million, or 21.7%, from \$3,249.2 million in 2000 to \$3,953.1 million in 2001. System operations acquired after January 1, 2000 accounted for \$524.6 million, or 75%, of the increase in 2001, while systems acquired before January 1, 2000 accounted for \$179.3 million, or 25%.

Analog video customers increased by 602,800, or 9.5%, to 6,953,700 at December 31, 2001 as compared to 6,350,900 at December 31, 2000. Of this increase, approximately 581,700 customer additions were the result of acquisitions. The remaining net increase of 21,100 customers relates to internal growth.

Digital video customers increased by 1,075,300, or 100.5%, to 2,144,800 at December 31, 2001 from 1,069,500 at December 31, 2000. The increase resulted primarily from internal growth, which continues to increase as we upgrade our systems to provide advanced services to a larger customer base. Increased marketing efforts and strong demand for this service have also contributed to the increase.

Data customers increased by 392,400, or 155.5%, to 644,800 at December 31, 2001 from 252,400 at December 31, 2000. Data customers consisted of 607,700 cable modem customers and 37,100 dial-up customers at December 31, 2001. The increase resulted primarily from internal growth, which continues to increase as we upgrade our systems to offer high-speed interactive services to a larger customer base. Marketing efforts coupled with strong demand for such services have also contributed to the increase.

Advertising sales increased \$78.0 million, or 33.2%, from \$234.6 million in 2000 to \$312.6 million in 2001. The increase resulted primarily from internal growth and was partially offset by a weakening advertising environment. As a result of our rebuild efforts, we experienced increased advertising capacity primarily as the result of expanded channel line-ups. In addition, the level of advertising purchased by programmers to promote their channels, added as part of our expansion of channel line-ups, increased during 2001 compared to the corresponding period in 2000.

Operating, General and Administrative Expenses.

Operating, general and administrative expenses increased by \$458.7 million, or 27.8%, from \$1,651.3 million in 2000 to \$2,110.0 million in 2001. System operations acquired after January 1, 2000 accounted for \$288.5 million, or 63%, of the increase in 2001 while systems acquired before January 1, 2000 accounted for \$170.2 million, or 37%.

The increase in general, administrative and service costs of \$142.1 million, or 19.7%, resulted from increased bad debt expense of \$48.6 million associated with discounted analog video customer disconnects, coupled with increased spending on customer care and overall continued growth. The increase in analog video programming costs of \$166.8 million, or 22.7%, was primarily the result of continued inflationary or negotiated increases, primarily in sports programming, coupled with increased channel offerings. The increase of \$75.0 million, or 207.2%, in direct operating costs to provide digital video services resulted primarily from internal growth of these advanced services. The increase of \$60.8 million, or 155.1%, in direct operating costs to provide cable modem services resulted primarily from internal growth. Advertising sales costs increased \$7.5 million, or 13.3%, primarily in association with costs related to an increased level of advertising purchased by programmers. Marketing expenses increased \$6.5 million, or 10.2%, related to an increased level of promotions of our service offerings.

Gross Margin. Gross margin (defined as revenues less operating, general and administrative expenses divided by revenues) decreased from 49.2% in 2000 to 46.6% in 2001, primarily resulting from the acquisition of less profitable cable systems from AT&T Broadband. Analog video gross margin decreased from 70.6% in 2000 to 67.6% in 2001, primarily resulting from such acquisitions coupled with continued inflation and negotiated increases in programming costs. Digital video gross margin increased from 59.5% in 2000 to 63.8% in 2001, primarily resulting from economies of scale created by an increased customer base. Cable modem gross margin increased from 28.3% in 2000 to 35.2% in 2001 resulting from economies of scale created by an increased customer base. Advertising sales gross margin increased from 75.9% in 2000 to 79.5% in 2001 resulting from expanded channel capacity as a result of our system upgrades, coupled with increased advertising purchases by programmers.

Special Charges. Special charges of \$17.6 million represent charges associated with the transition of approximately 145,000 data customers from the Excite@Home Internet service to our Charter Pipeline® service, as well as employee severance costs. These charges included \$14.3 million in operational expenses in connection with the transition, including a one-time contract payment of \$1.0 million to Excite@Home for the provision of services through February 2002 to the 10% of customers that would not be transitioned by December 31, 2001; and severance costs of \$3.3 million associated with the termination of approximately 360 employees.

Minority Interest in Loss of Subsidiary. Minority interest in loss of subsidiary increased by \$251.9 million, or 20.5%, from \$1,226.3 million in 2000 to \$1,478.2 million in 2001. Minority interest in loss of subsidiary represents the allocation of losses to the minority interest which is based on ownership of Charter Communications Holding Company and the 2% accretion of the preferred membership units in an indirect subsidiary of Charter Holdings issued to certain Bresnan sellers. These membership units are exchangeable on a one-for-one basis for shares of Class A common stock of Charter Communications, Inc. The increase is a result of an increase in loss before minority interest offset by a decrease in the minority interest percentage as a result of the issuance of Class A common stock by Charter Communications, Inc.

Capital Expenditures

We have substantial ongoing capital expenditure requirements. We make capital expenditures primarily to upgrade, rebuild and expand our cable systems, develop new products and services, and deploy digital converters and cable modems. Upgrading our cable systems will enable us to offer an increasing variety of advanced products and services, including digital television, cable modem high-speed Internet access, Video On Demand, interactive services, additional channels and expanded pay-per-view options, to a larger customer base.

We made capital expenditures, excluding acquisitions of cable systems of \$3.0 billion, \$2.8 billion and \$741.5 million for the years ended December 31, 2001, 2000 and 1999, respectively. The majority of the capital expenditures in 2001 related to our rebuild and upgrade program and purchases of converters and cable modems, and were funded from cash flows from operations, the issuance of debt, borrowings under credit facilities and the issuance of Class A common stock.

In 2002, we expect to spend a total of approximately \$2.5 billion, including expenditures to upgrade and rebuild our systems in order to offer advanced services to our customers and normal recurring capital expenditures. Normal recurring capital expenditures will include extensions of systems, development of new products and services, purchases of converters and cable modems, system improvements and the construction of advanced customer contact centers. The actual amount that we spend on these types of capital expenditures will depend on the level of growth in our digital cable customer base and in the delivery of other advanced services. We currently anticipate that we will have sufficient capital to fund our capital expenditures until the point at which we expect cash flows from operations to fund our capital expenditures and interest expense.

Responsibility for Financial Statements

The management of Charter Communications, Inc. is responsible for the information and representations contained in the financial statements and in other sections of this summary annual report. Management believes that the financial statements, which include amounts that are based on management's best estimates and judgments, fairly reflect the form and substance of transactions and reasonably represent the company's financial condition and results of operations. The condensed financial statements in this report have been prepared based on the financial statements contained in the company's Annual Report on Form 10-K. Those statements were prepared in conformity with accounting principles generally accepted in the United States. The independent public accountants audited those statements in accordance with auditing standards generally accepted in the United States and provided an objective, independent review of the fairness of reported operating results and financial position. Other information included in this report is consistent, where applicable, with the financial statements.

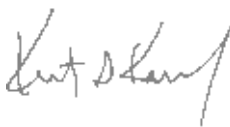
The company maintains a system of internal accounting policies, procedures and controls designed to provide reasonable assurance, at appropriate cost, that the transactions are executed in accordance with the company's authorization and are properly recorded and reported in the financial statements, and that assets are adequately safeguarded. Qualified personnel are selected and an organizational structure is maintained that provides for appropriate functional responsibility.

Written policies and procedures have been developed and are revised as necessary. The company maintains and supports a program of internal audits with appropriate management follow-up.

The Board of Directors, through its Audit Committee composed of outside directors, is responsible for ensuring that both management and the independent public accountants fulfill their respective responsibilities in regard to the financial statements. Moreover, the independent public accountants have full and free access to meet with the Audit Committee, with or without management present, to discuss accounting, control, audit and financial reporting matters.



Carl E. Vogel
President and Chief Executive Officer



Kent D. Kalkwarf
Executive Vice President and Chief Financial Officer
January 29, 2002

Report of Independent Public Accountants

To Charter Communications, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheets of Charter Communications, Inc. and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations, changes in shareholders' equity and cash flows for the years then ended appearing in the company's Annual Report on Form 10-K (not presented herein). In our report dated January 29, 2002, also appearing in the Form 10-K, we expressed an unqualified opinion on these consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 2001 and 2000, and the related condensed consolidated statements of operations and cash flows for the years then ended is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.



Arthur Andersen LLP
St. Louis, Missouri
January 29, 2002

Condensed Consolidated Statements of Operations

(Dollars in millions, except per share data)

Year ended December 31,	2001	2000
Revenues		
Analog video	\$ 2,787.6	\$ 2,504.5
Digital video	307.2	89.3
Cable modem	154.4	54.7
Advertising sales	312.6	234.6
Other	391.3	366.1
Total revenues	3,953.1	3,249.2
Operating Expenses		
General, administrative and service	861.7	719.7
Analog video programming	902.8	736.0
Digital video	111.2	36.2
Cable modem	100.0	39.2
Advertising sales	64.0	56.5
Marketing	70.3	63.8
Depreciation and amortization	3,010.1	2,473.1
Option compensation expense	(45.7)	41.0
Corporate expenses	56.9	55.2
Special charges	17.6	-
Total operating expenses	5,148.9	4,220.7
Loss from operations	(1,195.8)	(971.5)
Other Income (Expense)		
Interest, net	(1,311.8)	(1,051.8)
Other, net	(148.3)	(31.7)
Total other income (expense)	(1,460.1)	(1,083.5)
Loss before minority interest in loss of subsidiary	(2,655.9)	(2,055.0)
Minority Interest in Loss of Subsidiary	1,478.2	1,226.3
Net Loss	(1,177.7)	(828.7)
Dividends on preferred stock – redeemable	(0.9)	-
Net loss applicable to common stock	(1,178.6)	(828.7)
Basic and Diluted Loss per Share	\$ (4.37)	\$ (3.67)
Weighted average common shares outstanding	269,594,386	225,697,775

Note: These condensed consolidated financial statements should be read in conjunction with the complete audited consolidated financial statements appended to the Charter Communications, Inc. proxy statement for the 2002 annual meeting of shareholders.

Condensed Consolidated Balance Sheets

(Dollars in millions)

As of December 31,	2001	2000
Assets		
Current assets:		
Cash and cash equivalents	\$ 1.7	\$ 130.7
Accounts receivable, net of allowance for doubtful accounts	290.5	217.7
Receivable from related party	4.6	6.5
Prepaid expenses and other	70.4	77.7
Total current assets	367.2	432.6
Investment in cable properties:		
Property, plant and equipment, net	7,149.5	5,267.5
Franchises, net	17,138.8	17,068.7
Total investment in cable properties	24,288.3	22,336.2
Other assets	306.4	274.8
	\$24,961.9	\$23,043.6
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,375.0	\$ 1,367.2
Total current liabilities	1,375.0	1,367.2
Long-term debt	16,342.9	13,060.5
Deferred management fees – related party	13.8	13.8
Other long-term liabilities	341.0	285.3
Minority interest	3,976.8	4,089.3
Redeemable securities	–	1,104.3
Preferred stock – redeemable	50.6	–
Shareholders' equity	2,861.8	3,123.2
	\$24,961.9	\$23,043.6

Note: These condensed consolidated financial statements should be read in conjunction with the complete audited consolidated financial statements appended to the Charter Communications, Inc. proxy statement for the 2002 annual meeting of shareholders.

Condensed Consolidated Statements of Cash Flows

(Dollars in millions)

Year ended December 31,	2001	2000
Cash Flows from Operating Activities		
Net loss	\$(1,177.7)	\$ (828.7)
Adjustments to reconcile net loss to net cash provided by operating activities	1,836.3	1,488.5
Changes in assets and liabilities, net of effects from acquisitions and dispositions	(149.4)	466.8
Other operating activities	9.5	4.6
Net cash provided by operating activities	518.7	1,131.2
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	(3,027.0)	(2,825.1)
Payments for acquisitions, net of cash acquired	(1,754.7)	(1,188.0)
Other investing activities	(27.6)	(40.9)
Net cash used in investing activities	(4,809.3)	(4,054.0)
Cash Flows from Financing Activities		
Borrowings of long-term debt	7,309.8	7,504.6
Repayments of long-term debt	(4,290.1)	(4,499.8)
Payments for debt issuance costs	(88.5)	(85.3)
Net proceeds from issuance of Class A common stock	1,223.2	-
Other financing activities	7.2	0.3
Net cash provided by financing activities	4,161.6	2,919.8
Net decrease in cash and cash equivalents	(129.0)	(3.0)
Cash and Cash Equivalents, beginning of period	130.7	133.7
Cash and Cash Equivalents, end of period	\$ 1.7	\$ 130.7

Note: These condensed consolidated financial statements should be read in conjunction with the complete audited consolidated financial statements appended to the Charter Communications, Inc. proxy statement for the 2002 annual meeting of shareholders.

Top 20 Markets

As of December 31, 2001

Rank	Designated Market Area (DMA)	Charter Customers
1	St. Louis, MO	578,800
2	Los Angeles, CA	520,500
3	Greenville-Spartanburg, SC; Asheville, NC; Anderson, SC	302,600
4	Atlanta, GA	264,300
5	Madison, WI	224,300
6	Dallas-Ft. Worth, TX	213,100
7	Birmingham, AL	202,200
8	Flint-Saginaw-Bay City, MI	192,500
9	Grand Rapids-Kalamazoo-Battle Creek, MI	167,200
10	Nashville, TN	167,200
11	Boston, MA	167,000
12	Minneapolis-St. Paul, MN	161,800
13	Reno, NV	148,400
14	Traverse City-Cadillac, MI	138,800
15	New Orleans, LA	135,700
16	Tri-Cities, TN-VA	130,000
17	Charleston-Huntington, WV	124,900
18	Knoxville, TN	112,100
19	Green Bay-Appleton, WI	106,300
20	Charlotte, NC	106,100
	Total customers in Charter's top 20 markets	4,163,800

Operating Regions

Region	States
Midwest Division	
Michigan	Michigan, Wisconsin
Central	Illinois, Indiana, Missouri
National	Arkansas, Arizona, Colorado, Illinois, Kansas, Kentucky, Louisiana, Missouri, Nebraska, Nevada, New Mexico, Oklahoma, Texas, Utah
Eastern Division	
Gulf Coast	Alabama, Georgia, Florida, Louisiana, Mississippi
Mid-South	Alabama, Georgia, Kentucky, Ohio, Tennessee, Virginia, West Virginia
Northeast	Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New York, Pennsylvania, Vermont, West Virginia
Southeast	Maryland, North Carolina, South Carolina, Virginia
Western Division	
North Central	Illinois, Minnesota, Wisconsin
Northwest	California, Idaho, Oregon, Washington
Western	California, Nevada

Board of Directors



Paul G. Allen
Chairman of
the Board



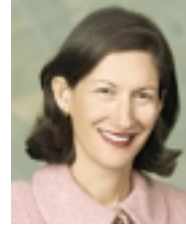
Carl E. Vogel
President and
Chief Executive
Officer
Charter
Communications,
Inc.



Marc B. Nathanson
Chairman
Mapleton
Investments LLC



Ronald L. Nelson
Chief Operating
Officer
DreamWorks LLC



Nancy B. Peretsman
Managing Director
and Executive
Vice President
Allen & Company
Incorporated



William D. Savoy
President
Vulcan Inc.



John H. Tory
President and
Chief Executive
Officer
Rogers Cable Inc.



Larry W. Wangberg
Chairman and
Chief Executive
Officer
TechTV Inc.

Executive Officers



Carl Vogel
President –
Chief Executive
Officer



Dave Barford
Executive Vice
President –
Chief Operating
Officer



Kent Kalkwarf
Executive Vice
President –
Chief Financial
Officer



Steve Schumm
Executive Vice
President –
Chief Administrative
Officer



Steve Silva
Executive Vice
President –
Chief Technology
Officer



Dave Andersen
Senior Vice
President –
Communications



Chris Fenger
Senior Vice
President –
Operations –
Western Division



Eric Freesmeier
Senior Vice
President –
Human Resources
and Administration



Tom Jokerst
Senior Vice
President –
Advanced
Technology
Development



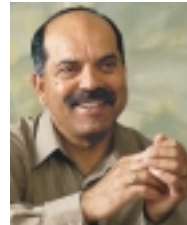
Ralph Kelly
Senior Vice
President –
Treasurer



Paul Martin
Senior Vice
President –
Corporate
Controller



David McCall
Senior Vice
President –
Operations –
Eastern Division



Majid Mir
Senior Vice
President –
Telephony and
Advanced Services



John Pietri
Senior Vice
President –
Engineering



Mike Riddle
Senior Vice
President –
Chief Information
Officer



**Diane
Schneiderjohn**
Senior Vice
President –
Marketing and
Programming



Curt Shaw
Senior Vice
President –
General Counsel
and Secretary



Bill Shreffler
Senior Vice
President –
Operations –
Midwest Division

Shareholder Information

Common Stock Information

Charter Communications, Inc. common stock is traded on the Nasdaq National Market under the symbol CHTR. As of May 24, 2002, there were approximately 3,000 record holders of Class A common stock (representing a total of approximately 174,000 beneficial owners) and one holder of Class B common stock. Charter does not expect to pay any cash dividends on its Class A common stock in the foreseeable future. Charter intends to retain future earnings, if any, to finance the expansion of its business. The ability of Charter to pay cash dividends on its common stock is limited by provisions in the indentures governing the publicly held debt of its subsidiaries.

Market Information

2001 Quarter ended	High	Low	Close
March 31	\$24.19	\$19.00	\$22.63
June 30	24.07	18.88	23.35
September 30	24.45	10.49	12.38
December 31	17.05	11.73	16.43
2000 Quarter ended	High	Low	Close
March 31	\$22.63	\$14.00	\$14.33
June 30	16.56	10.00	16.44
September 30	17.06	12.38	16.27
December 31	24.19	16.19	22.69

Annual Meeting of Shareholders

July 23, 2002, 10 a.m. (Pacific Time)
Meydenbauer Center
11100 N.E. 6th Street
Bellevue, WA 98004

2001 Summary Annual Report

To control costs and to better meet our shareholders' needs, we have published a 2001 Summary Annual Report. The Consolidated Financial Statements and Management's Discussion and Analysis are included as an appendix to the Company's Proxy Statement and can be obtained separately through Investor Relations or the Company's web site.

Form 10-K

Form 10-K, filed annually in March with the Securities and Exchange Commission, is available without charge without exhibits by accessing our web site at www.charter.com or by contacting Investor Relations.

Corporate Headquarters

Charter Communications, Inc.
Charter Plaza
12405 Powerscourt Drive
St. Louis, MO 63131
314.965.0555

Web site: www.charter.com

Charter's web site contains an Investor Center, accessed via "About Us", that offers financial information, including stock data, press releases, access to quarterly conference calls and SEC filings. You may request a shareholder kit, including the recent financial information, through the site. You may subscribe for e-mail alerts for all press releases and SEC filings through the site as well. The site also offers information on Charter's vision, products and services and management team.

Investor Relations

Shareholder requests may be directed to Investor Relations at Charter Communications' headquarters, investor@chartercom.com, or via telephone at 314.543.2459.

Transfer Agent and Registrar

Questions related to stock transfers, lost certificates or account changes should be directed to:
Mellon Investor Services LLC
Overpeck Centre
85 Challenger Road
Ridgefield Park, New Jersey 07660
Toll-free number: 888.213.0965
Internet address: www.mellon-investor.com

Independent Public Accountants

2000 and 2001: Arthur Andersen LLP
Effective April 22, 2002: KPMG LLP

Trademarks

Trademark terms that belong to Charter Communications and its affiliates, along with those belonging to other companies, are marked by © or TM at their first use in this report. The © symbol indicates that the trademark is registered in the U.S. Patent and Trademark Office. The TM symbol indicates that the mark is being used as a common law trademark and applications for registration of common law trademarks may have been filed. All trademarks are the property of their respective owners.

Cautionary Statement Regarding Forward-Looking Statements

This Summary Annual Report includes forward-looking statements regarding, among other things, our plans, strategies and prospects, both business and financial. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Many of the forward-looking statements contained in this Summary Annual Report may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "estimated" and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this Summary Annual Report are set forth in reports or documents that we file from time to time with the Securities and Exchange Commission, or SEC, and include, but are not limited to: our plans to achieve growth by offering advanced products and services; our anticipated capital expenditures for our upgrades, new equipment and facilities; our ability to fund anticipated capital expenditures and any future acquisitions; the effects of government regulation on our business; our ability to effectively compete in a highly competitive and changing environment; our ability to obtain programming as needed and at a reasonable price; our ability to continue to do business with existing vendors, particularly high-tech companies that do not have a long operating history; and general business and economic conditions.

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



Charter Communications, Inc.
Charter Plaza
12405 Powerscourt Drive
St. Louis, Missouri 63131
www.charter.com