

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

-----  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE  
Securities Exchange Act of 1934

For the Quarterly Period Ended June 30, 2001.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE  
Securities Exchange Act of 1934

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_

Commission File Numbers:  
333-75415  
333-75415-03

CC V Holdings, LLC\*  
(formerly known as Avalon Cable LLC) CC V Holdings Finance, Inc.\*  
(formerly known as Avalon Cable Holdings Finance, Inc.)

-----  
(Exact names of registrants as specified in their charters)

Delaware  
Delaware  
-----

13-4029965  
13-4029969  
-----

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

12405 Powerscourt Drive  
St. Louis, Missouri

63131

-----  
(Address of principal executive offices)

-----  
(Zip Code)

(314) 965-0555

-----  
(Registrants' telephone number, including area code)

Indicate by check mark whether the registrants: (1) have filed all reports  
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
registrants were required to file such reports), and (2) have been subject to  
such filing requirements for the past 90 days. Yes X No

--- ---

Indicate the number of shares outstanding of each of the issuers' classes of  
common stock, as of the latest practicable date:

All of the issued and outstanding shares of capital stock of CC V Holdings  
Finance, Inc. are held by CC V Holdings, LLC. All of the limited liability  
company membership interests of CC V Holdings, LLC are held by Charter  
Communications Holdings, LLC, a reporting company under the Exchange Act.  
There is no public trading market for any of the aforementioned limited  
liability company membership interests or shares of capital stock.

\*CC V Holdings, LLC and CC V Holdings Finance, Inc. meet the conditions set  
forth in General Instruction (H)(1)(a) and (b) of Form 10-Q and are therefore  
filing this Form with the reduced disclosure format.

CC V HOLDINGS, LLC  
CC V HOLDINGS FINANCE, INC.

FORM 10-Q  
QUARTER ENDED JUNE 30, 2001

TABLE OF CONTENTS

	Page
	----
Part I. Financial Information	
Item 1. Financial Statements - CC V Holdings, LLC and Subsidiaries.	3
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.	10
Part II. Other Information	
Item 6. Exhibits and Reports on Form 8-K.	13
Signatures.	14

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended, and of the Securities Act of 1933, as amended, and is subject to the safe harbors created by those acts. The Company's actual results could differ materially from those discussed herein, and its current business plans could be altered in response to market conditions and other factors beyond the Company's control. The forward-looking statements within this Form 10-Q are identified by words such as "believes," "anticipates," "expects," "intends," "may," "will" and other similar expressions. However, these words are not the exclusive means of identifying such statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. The Company undertakes no obligation to release publicly the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances occurring subsequent to the filing of this Form 10-Q with the SEC.

Important factors that could cause actual results to differ materially from the forward-looking statements contained herein include, but are not limited to, the following:

- o general economic and business conditions, both nationally and in the regions where the Company operates;
- o anticipated capital expenditures for planned upgrades and the ability to fund these expenditures;
- o technology changes;
- o the Company's ability to effectively compete in a highly competitive environment;
- o changes in business strategy or development plans;
- o beliefs regarding the effects of governmental regulation on the Company's business;
- o the ability to attract and retain qualified personnel; and
- o liability and other claims asserted against the Company.

Readers are urged to review and consider carefully the various disclosures made by the Company in this Report and in the Company's other reports filed with the SEC that attempt to advise interested parties of the risks and factors that may affect the Company's business.

Note: Separate financial statements of CC V Holdings Finance, Inc. have not been presented as this entity had no operations and substantially no assets or equity. Accordingly, management has determined that such financial statements are not material.



PART I. FINANCIAL INFORMATION.  
ITEM 1. FINANCIAL STATEMENTS.

CC V HOLDINGS, LLC AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(DOLLARS IN THOUSANDS)

	JUNE 30, 2001	DECEMBER 31, 2000
ASSETS	(UNAUDITED)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 8,361	\$ 11,232
Accounts receivable, less allowance for doubtful accounts of \$1,639 and \$1,948, respectively	9,139	12,464
Receivable from manager - related party	26,756	--
Prepaid expenses and other	1,505	1,021
	-----	-----
Total current assets	45,761	24,717
	=====	=====
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net of accumulated depreciation of \$161,041 and \$140,234, respectively	682,782	712,186
Franchises, net of accumulated amortization of \$308,188 and \$245,434, respectively	3,194,153	3,812,341
	-----	-----
	3,876,935	4,524,527
	-----	-----
OTHER ASSETS	8,612	4,358
	-----	-----
	\$3,931,308	\$4,553,602
	=====	=====
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 154,442	\$ 221,469
Payable to manager - related party	--	896,277
	-----	-----
Total current liabilities	154,442	1,117,746
	-----	-----
LONG-TERM DEBT	1,140,095	1,058,224
OTHER LONG-TERM LIABILITIES	10,825	13,691
MINORITY INTEREST	648,390	640,526
MEMBER'S EQUITY	1,977,556	1,723,415
	-----	-----
	\$3,931,308	\$4,553,602
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

CC V HOLDINGS, LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED JUNE 30, 2001	THREE MONTHS ENDED JUNE 30, 2000
	----- (UNAUDITED) -----	
REVENUES	\$ 128,031	\$ 129,197
	-----	-----
OPERATING EXPENSES:		
Operating, general and administrative	66,819	69,441
Depreciation and amortization	113,983	98,579
Corporate expense charges - related party	1,960	2,805
	-----	-----
	182,762	170,825
	-----	-----
Loss from operations	(54,731)	(41,628)
OTHER INCOME (EXPENSE):		
Interest expense	(23,451)	(23,358)
Interest expense - related party	--	(8,377)
Interest income	87	23
Other, net	125	12
	-----	-----
	(23,239)	(31,700)
Loss before minority interest	(77,970)	(73,328)
Minority interest	(3,196)	(3,139)
	-----	-----
Net loss	\$ (81,166)	\$ (76,467)
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

CC V HOLDINGS, LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(DOLLARS IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30, 2001	SIX MONTHS ENDED JUNE 30, 2000
----- (UNAUDITED) -----		
REVENUES	\$ 249,092	\$ 214,290
	-----	-----
OPERATING EXPENSES:		
Operating, general and administrative	131,966	114,613
Depreciation and amortization	230,118	170,473
Corporate expense charges - related party	3,912	3,493
	-----	-----
	365,996	288,579
	-----	-----
Loss from operations	(116,904)	(74,289)
OTHER INCOME (EXPENSE):		
Interest expense	(49,279)	(45,783)
Interest expense - related party	--	(8,377)
Interest income	88	24
Other, net	15	24
	-----	-----
	(49,176)	(54,112)
Loss before minority interest	(166,080)	(128,401)
Minority interest	(6,355)	(4,691)
	-----	-----
Net loss	\$(172,435)	\$(133,092)
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

CC V HOLDINGS, LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(DOLLARS IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30, 2001	SIX MONTHS ENDED JUNE 30, 2000
----- (UNAUDITED) -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (172,435)	\$ (133,092)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	230,118	170,473
Minority interest	6,355	4,691
Noncash interest expense	7,378	6,562
Changes in assets and liabilities, net of effects from acquisitions and dispositions:		
Accounts receivable	2,018	(14,087)
Prepaid expenses and other	(6,677)	(861)
Accounts payable and accrued expenses	(34,108)	53,145
Receivable from manager - related party	(9,238)	(2,789)
Other operating activities	(2,866)	--
	-----	-----
Net cash from operating activities	20,545	84,042
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(159,679)	(78,602)
Payments for acquisitions, net of cash acquired	--	(13,196)
Other investing activities	(1,567)	(205)
	-----	-----
Net cash from investing activities	(161,246)	(92,003)
	-----	-----
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings of long-term debt	1,093,000	181,000
Repayments of long-term debt	(1,018,000)	(172,000)
Loans to related party	--	369,684
Payments for debt issuance costs	(4,414)	(370,570)
Distributions to manager - related party	(16,159)	--
Contributions from manager - related party	83,403	--
	-----	-----
Net cash from financing activities	137,830	8,114
	-----	-----
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,871)</b>	<b>153</b>
CASH AND CASH EQUIVALENTS, beginning of period	11,232	6,806
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$ 8,361	\$ 6,959
	=====	=====
CASH PAID FOR INTEREST	\$ 59,672	\$ --
	=====	=====
<b>NON-CASH TRANSACTIONS:</b>		
Transfer of cable systems to other Charter Holdings subsidiaries	\$ 578,448	\$ --
	=====	=====
Payment by parent company of intercompany liabilities recorded as equity contribution	\$ 394,801	\$ 161,772
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

CC V HOLDINGS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)  
(DOLLARS IN THOUSANDS, EXCEPT WHERE INDICATED)

1. ORGANIZATION

On November 15, 1999, Charter Communications Holding Company, LLC (Charter Holdco), a direct subsidiary of Charter Communications, Inc. (Charter), acquired all of the equity interests of Avalon Cable, LLC (now known as CC V Holdings or the Company) and Avalon Cable Holdings Finance, Inc. Effective January 1, 2000, these acquired interests were transferred to Charter Communications Holdings, LLC (Charter Holdings), a wholly owned subsidiary of Charter Holdco.

Effective in December 2000, Charter Holdings contributed all of its equity interests in CC VIII, LLC (Bresnan) to CC V Holdings, resulting in CC V Holdings becoming the parent company of Bresnan. The Company accounted for the contribution of Bresnan as a reorganization of entities under common control in a manner similar to a pooling of interests. Accordingly, the accounts of Bresnan are included in the consolidated financial statements from February 15, 2000, the date Bresnan was first acquired by Charter Holdco. The accompanying consolidated financial statements include the accounts of CC V Holdings, its wholly owned subsidiaries, and the accounts of Bresnan since February 15, 2000 (the date acquired by Charter Holdco). CC V Holdings is a Delaware limited liability company. All significant intercompany accounts and transactions have been eliminated in consolidation.

Effective on January 2, 2001, the Company entered into certain cable system swap transactions with other subsidiaries of Charter Holdings. Such cable systems swaps were effected in order to increase operational efficiency by swapping systems into the subsidiaries which are physically located closest to them. The Company accounted for the systems transferred into the Company from other Charter Holdings subsidiaries as a reorganization of entities under common control in a manner similar to a pooling of interests. Accordingly, beginning on November 15, 1999, the date the Company was acquired by Charter Holdco, the consolidated financial statements of CC V Holdings include the accounts of four systems that were transferred into the Company from other Charter Holdings subsidiaries. Also, on January 2, 2001, the Company transferred five of its systems to other Charter Holdings subsidiaries as part of the swap transactions. The disposition of such systems by the Company was recorded as a noncash transaction with related parties in the six months ended June 30, 2001.

As of June 30, 2001, the Company owns and operates cable systems serving approximately 917,000 customers. The Company currently offers a full array of traditional analog cable services and advanced bandwidth services such as digital cable television, interactive video programming, Internet access through television-based service, dial-up telephone modems and high-speed cable modems, and video-on-demand. The Company operates primarily in the states of Michigan, Minnesota and Wisconsin and in the New England area.

2. RESPONSIBILITY FOR INTERIM FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures typically included in the Company's Annual Report on Form 10-K have been condensed or omitted for this Quarterly Report.

The accompanying consolidated financial statements are unaudited; however, in the opinion of management, such statements include all adjustments, which consist of only normal recurring adjustments, necessary for a fair presentation of the results for the periods presented. Interim results are not necessarily indicative of results for a full year. For further information, see the Company's Annual Report on Form 10-K for the year ended December 31, 2000.



## 3. ACQUISITIONS

In February 2000, Charter Holdings acquired certain cable systems for \$13.0 million and contributed those assets to the Company, increasing equity by \$13.0 million. The systems acquired served approximately 6,000 customers located in Minnesota at December 31, 2000. In September 2000, Bresnan acquired cable systems for a purchase price of \$13.2 million. These systems acquired served approximately 7,100 customers located in Minnesota at December 31, 2000. These acquisitions were accounted for using the purchase method of accounting, and, accordingly, results of operations of the acquired systems have been included in the accompanying consolidated financial statements from the respective dates of acquisition. The purchase prices were allocated to assets acquired based on their fair values, including amounts assigned to property, plant and equipment totaling \$4.7 million and franchises totaling \$21.5 million. No liabilities were assumed in these acquisitions.

In February 2000, Charter Holdco acquired the cable systems of Bresnan and immediately transferred its equity in these cable systems to Charter Holdings (the "Bresnan Acquisition"). In December 2000, Charter Holdings contributed all of its equity interests in Bresnan to CC V Holdings (the "Bresnan/Avalon Combination"), increasing equity by \$1.4 billion (see Note 1). Charter Holdco acquired these cable systems for a purchase price of approximately \$1.1 billion, net of cash acquired, excluding debt assumed of \$963.0 million and equity issued by Charter Holdco and preferred equity issued by a subsidiary of Charter Holdings of \$384.6 million and \$629.5 million, respectively. Charter Holdco allocated the purchase price to assets acquired and liabilities assumed based on their relative fair values, including amounts assigned to property, plant and equipment of \$345.9 million, other assets of \$2.3 million, franchises of \$2.8 billion, and liabilities assumed of \$2.0 billion. In connection with the Bresnan/Avalon Combination, the company that issued the preferred equity became a subsidiary of the Company.

Unaudited pro forma operating results as though the 2000 acquisitions discussed above, the Bresnan/Avalon Combination, and the dispositions of five cable systems to other Charter Holdings subsidiaries as discussed in Note 1, with adjustments to give effect to amortization of franchises, interest expense and certain other adjustments, are as follows:

SIX MONTHS ENDED  
JUNE 30, 2000  
-----

Revenues.....	\$ 254,545
Loss from operations.....	(87,596)
Net loss.....	(153,735)

The unaudited pro forma financial information presented for comparative purposes and does not purport to be indicative of the results of operations had these transactions been completed as of the assumed date or which may be obtained in the future.

## 4. LONG-TERM DEBT

In connection with the Bresnan/Avalon combination in January 2001, all amounts due under the Avalon credit facilities were repaid using borrowings from the Bresnan credit facilities and the Avalon credit facilities were terminated. In addition, the Bresnan credit facilities were amended and restated to, among other things, increase borrowing availability by \$550.0 million.

Long-term debt consists of the following:

	JUNE 30, 2001	DECEMBER 31, 2000
	-----	-----
CCVIII Operating credit facility (Bresnan)	\$1,000,000	\$ 712,400
CCV Holdings senior discount notes (Avalon)	138,713	131,273
Avalon credit facility	--	213,000
Other	1,382	1,551
	-----	-----
	\$1,140,095	\$1,058,224
	=====	=====

## 5. LITIGATION

In connection with the Company's acquisition of Mercom, Inc. (Mercom), former Mercom shareholders holding approximately 731,894 Mercom common shares (approximately 15.3% of all outstanding Mercom common shares) gave notice of their election to exercise appraisal rights as provided by Delaware law. On July 2, 1999, former Mercom shareholders holding 535,501 shares of Mercom common stock filed a petition for appraisal of stock in the Delaware Chancery Court. With respect to 209,893 of the total number of shares for which the Company received notice, the notice provided to the Company was received from beneficial holders of Mercom shares who were not holders of record. The Company believes that the notice with respect to these shares did not comply with Delaware law and is ineffective.

The Company cannot predict at this time the effect of the elections to exercise appraisal rights on the Company since the Company does not know the extent to which these former Mercom shareholders will continue to pursue appraisal rights under Delaware law or choose to abandon these efforts and seek to accept the consideration payable in the Mercom merger. If these former Mercom shareholders continue to pursue their appraisal rights, and if a Delaware court were to find that the fair value of the Mercom common shares, exclusive of any element of value arising from the acquisition of Mercom, exceeded \$12.00 per share, the Company would have to pay the additional amount for each Mercom common share subject to the appraisal proceedings together with a fair rate of interest. The Company could be ordered by the Delaware court also to pay reasonable attorney's fees and the fees and expenses of experts for the shareholders. In addition, the Company would have to pay its own litigation costs. The Company has already provided for the consideration of \$12.00 per Mercom common share due under the terms of the merger with Mercom with respect to these shares but has not provided for any additional amounts or costs. The Company can provide no assurance as to what a Delaware court would find in any appraisal proceeding or when this matter will be resolved. Accordingly, the Company cannot assure that the ultimate outcome would have no material adverse impact on the consolidated financial condition or results of operations of the Company.

## 6. NEW ACCOUNTING STANDARDS

In July 2001, the Financial Accounting Standards Board adopted Statements of Financial Accounting Standards (SFAS) No. 141 "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. SFAS No. 141 is required to be implemented for all acquisitions initiated after June 30, 2001 and all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001 or later. Adoption of SFAS No. 141 will not impact the consolidated financial statements of the Company.

Under SFAS No. 142, goodwill is no longer subject to amortization over its useful life, rather, it is subject to at least annual assessments of impairment. Also, under SFAS No. 142, an intangible asset should be recognized if the benefit of the intangible is obtained through contractual or other legal rights or if the intangible asset can be sold, transferred, licensed, rented or exchanged. Such intangibles will be amortized over their useful lives. Certain intangibles have indefinite useful lives and will not be amortized. SFAS No. 142 will be implemented by the Company on January 1, 2002. All goodwill and intangible assets acquired after June 30, 2001 will be immediately subject to the provisions of SFAS No. 142. The Company is currently in the process of assessing the future impact of adoption of SFAS No. 142.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RESULTS OF OPERATIONS

The following table summarizes amounts and the percentages of total revenues for certain items for the periods indicated (dollars in thousands):

	SIX MONTHS ENDED JUNE 30,			
	2001		2000	
	AMOUNT	% OF REVENUES	AMOUNT	% OF REVENUES
Revenues	\$ 249,092	100.0%	\$ 214,290	100.0%
Operating expenses:				
Operating, general and administrative	131,966	53.0%	114,613	53.5%
Depreciation and amortization	230,118	92.4%	170,473	79.6%
Corporate expense charges - related party	3,912	1.5%	3,493	1.6%
	365,996	146.9%	288,579	134.7%
Loss from operations	(116,904)	(46.9)%	(74,289)	(34.7)%
Other income (expense):				
Interest expense	(49,279)	(19.7)%	(45,783)	(21.3)%
Interest expense - related party	--	--	(8,377)	(3.9)%
Other, net	103	--	48	--
	(49,176)	(19.7)%	(54,112)	(25.2)%
Loss before minority interest	(166,080)	(66.6)%	(128,401)	(59.9)%
Minority interest	(6,355)	(2.6)%	(4,691)	(2.2)%
Net loss	\$(172,435)	(69.2)%	\$(133,092)	(62.1)%

Other financial data is as follows for the periods indicated (dollars in thousands, except Average Monthly Revenue per Basic Customer):

	SIX MONTHS ENDED JUNE 30,	
	2001	2000
Cash flows from operating activities	\$ 20,545	\$ 84,042
Cash flows from investing activities	(161,246)	(92,003)
Cash flows from financing activities	137,830	8,114
EBITDA (a)	96,232	113,317
Adjusted EBITDA (b)	117,126	99,677
Homes passed (at period end) (c)	1,446,364	1,518,699
Basic customers (at period end) (d)	917,185	955,262
Basic penetration (at period end) (e)	63.4%	62.9%
Average Monthly Revenue per Basic Customer (quarter)(f)	\$ 46.53	\$ 45.08

(a) EBITDA represents earnings (loss) before interest, income taxes, depreciation and amortization. EBITDA is presented because it is a widely accepted financial indicator of a cable company's ability to service indebtedness. However, EBITDA should not be considered as an alternative to income from operations or to cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles. EBITDA should also not be construed as an indication of a company's operating performance or as a measure of liquidity. In addition, because all companies do not calculate EBITDA identically, the presentation here may not be comparable to other similarly titled measures of other companies. Management's discretionary use of funds depicted by EBITDA may be limited by working capital,

debt service and capital expenditure requirements and by restrictions related to legal requirements, commitments and uncertainties.

(b) Adjusted EBITDA means EBITDA before corporate expense charges and other income (expense). Adjusted EBITDA is presented because it is a widely accepted financial indicator of a cable company's ability to service indebtedness. However, adjusted EBITDA should not be considered as an alternative to income from operations or to cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles. Adjusted EBITDA should also not be construed as an indication of a company's operating performance or as a measure of liquidity. In addition, because adjusted EBITDA is not calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies. Management's discretionary use of funds depicted by adjusted EBITDA may be limited by working capital, debt service and capital expenditure requirements and by restrictions related to legal requirements, commitments and uncertainties.

(c) Homes passed are the number of living units, such as single residence homes, apartments and condominium units, passed by the cable distribution network in a given cable system service area.

(d) Basic customers are customers who receive basic cable service.

(e) Basic penetration represents basic customers as a percentage of homes passed.

(f) Average monthly revenue per basic customer represents revenues divided by the number of months in the period divided by the number of basic customers at period end.

#### COMPARISON OF RESULTS

As a result of the Bresnan/Avalon combination, the Company's financial statements were restated beginning on February 15, 2000, the date of Charter Holdco's acquisition of Bresnan. In addition, on January 2, 2001, the Company transferred five of its cable systems to other Charter Holdings subsidiaries in the cable system swap transactions discussed in Note 1 to the interim unaudited financial statements. Therefore, the financial results for the periods presented above are not comparable as the six months ended June 30, 2000 only include Bresnan results for approximately four and a half months, beginning February 15, 2000 and the six months ended June 30, 2001 do not include the results of the five cable systems transferred to other Charter Holdings subsidiaries.

Revenues. Revenues increased \$34.8 million, or 16.2%, to \$249.1 million for the six months ended June 30, 2001, from \$214.3 million for the six months ended June 30, 2000. Approximately \$30.6 million of the increase was due to six full months of Bresnan revenues during the six months ended June 30, 2001 as compared with four and a half months of Bresnan revenues during the six months ended June 30, 2000. In addition, increases in digital and cable modem revenues of \$16.8 million resulted from increased marketing efforts and strong demand for these services. Advertising revenues increased \$5.0 million primarily due to internal growth. As a result of our rebuild efforts, we experienced increased capacity due to 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. These increases were offset partially by a decrease of approximately \$27.4 million due to the transfer of five cable systems to other Charter Holdings subsidiaries on January 2, 2001.

Operating, general and administrative expenses. Operating, general and administrative expenses increased \$17.4 million, or 15.2%, to \$132.0 million for the six months ended June 30, 2001, from \$114.6 million for the six months ended June 30, 2000. An increase of \$16.8 million was primarily due to internal growth and increases in digital and cable modem customers, continued inflationary increases in license fees paid for programming, and an increased number of channels provided to customers. In addition, an increase of \$16.5 million was due to six full months of Bresnan operating, general and administrative expenses during the six months ended June 30, 2001 as compared with four and a half months of Bresnan operating, general and administrative expenses during the six months ended June 30, 2000. These increases were partially offset by a decrease of approximately \$15.9 million due to the transfer of five cable systems to other Charter Holdings subsidiaries on January 2, 2001.

Depreciation and amortization expense. Depreciation and amortization expense increased \$59.6 million, or 35.0%, to \$230.1 million for the six months ended June 30, 2001, from \$170.5 million for the six months ended June 30, 2000. An increase of approximately \$48.0 million was the result of capital expenditures for upgrade and rebuild activities during the last half of 2000 and throughout 2001. In addition, an increase of \$31.4 million was due to six full months of Bresnan depreciation and amortization during the six months ended June 30, 2001 as compared with four and a half months of Bresnan depreciation and amortization during the six months ended June 30, 2000. These increases were partially offset by a decrease of \$19.8 million due to the transfer of five cable systems to other Charter Holdings subsidiaries on January 2, 2001.



Corporate expense charges - related party. These charges for the six months ended June 30, 2001 and 2000, represent costs incurred by Charter Investment, Inc. and Charter Communications, Inc. on our behalf.

Interest expense. Interest expense increased by \$3.5 million, or 7.6%, to \$49.3 million for the six months ended June 30, 2001, from \$45.8 million for the six months ended June 30, 2000. The increase was primarily due to an increase in the weighted average debt outstanding of \$344.2 million, from \$797.7 million during the six months ended June 30, 2000 to \$1.1 billion during the six months ended June 30, 2001.

Interest expense - related party. Interest expense - related party decreased \$8.4 million to \$0 for the six months ended June 30, 2001 from \$8.4 million for the six months ended June 30, 2000. The decrease was due to the payment of intercompany liabilities of \$394.8 million by the parent on January 1, 2001 on behalf of the Company. Such transaction was treated as a non-cash capital contribution from the parent to the Company.

Minority interest. Minority interest represents the 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.

Net loss. Net loss increased by \$39.3 million for the six months ended June 30, 2001, compared to the six months ended June 30, 2000 as a result of the combination of factors discussed above.

#### NEW ACCOUNTING STANDARDS

In July 2001, the Financial Accounting Standards Board adopted Statements of Financial Accounting Standards (SFAS) No. 141 "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. SFAS No. 141 is required to be implemented for all acquisitions initiated after June 30, 2001 and all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001 or later. Adoption of SFAS No. 141 will not impact the consolidated financial statements of the Company.

Under SFAS No. 142, goodwill is no longer subject to amortization over its useful life, rather, it is subject to at least annual assessments of impairment. Also, under SFAS No. 142, an intangible asset should be recognized if the benefit of the intangible is obtained through contractual or other legal rights or if the intangible asset can be sold, transferred, licensed, rented or exchanged. Such intangibles will be amortized over their useful lives. Certain intangibles have indefinite useful lives and will not be amortized. SFAS No. 142 will be implemented by the Company on January 1, 2002. All goodwill and intangible assets acquired after June 30, 2001 will be immediately subject to the provisions of SFAS No. 142. The Company is currently in the process of assessing the future impact of adoption of SFAS No. 142.

PART II. OTHER INFORMATION.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.

None.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the quarter ended June 30, 2001.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

CC V HOLDINGS, LLC

Date: August 13, 2001

By: CHARTER COMMUNICATIONS, INC.,  
-----  
its Manager

By: /s/ Kent D. Kalkwarf  
Name: Kent D. Kalkwarf  
Title: Executive Vice President  
and Chief Financial Officer  
(Principal Financial Officer and  
Principal Accounting Officer) of  
Charter Communications, Inc.  
(Manager) And CC V Holdings, LLC

CCV HOLDINGS FINANCE, INC.

Date: August 13, 2001

By: /s/ Kent D. Kalkwarf  
-----  
Name: Kent D. Kalkwarf  
Title: Executive Vice President  
and Chief Financial Officer  
(Principal Financial Officer and  
Principal Accounting Officer) of  
Charter Communications, Inc.  
(Manager) And CC V Holdings, LLC