

CHARTER COMMUNICATIONS, INC. /MO/

Form 424B3

May 08, 2013

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated May 8, 2013

PROSPECTUS SUPPLEMENT

(to Prospectus dated November 10, 2010)

Shares

Charter Communications, Inc.

Class A Common Stock

This prospectus supplement relates to the shares of Class A Common Stock of Charter Communications, Inc. being sold by the selling stockholders identified in this prospectus supplement. We will not receive any proceeds from the sale of shares to be offered by the selling stockholders.

Our Class A Common Stock is listed on The NASDAQ Global Select Market, which we refer to as NASDAQ, under the symbol CHTR. On May 7, 2013, the last reported sale price of our Class A Common Stock on NASDAQ was \$109.69 per share.

Investing in our Class A Common Stock involves risks. See Risk Factors, which begins on page S-7 of this prospectus supplement and any risk factors described in the documents we incorporate by reference.

The underwriter has agreed to purchase our Class A Common Stock at a price of \$ _____ per share which will result in approximately \$ _____ of proceeds to the selling stockholders. The underwriter may offer Class A Common Stock in transactions on the NASDAQ, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market rates or at negotiated prices. See Underwriting.

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

The underwriter expects that delivery of the Class A Common Stock will be made in New York, New York on or about May _____, 2013.

Goldman, Sachs & Co.

The date of this prospectus supplement is May _____, 2013.

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

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ABOUT THIS PROSPECTUS SUPPLEMENT

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

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), regarding, among other things, our plans, strategies and prospects, both business and financial. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, without limitation, the factors described in the section titled Risk Factors in this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2012 (the Annual Report). Many of the forward-looking statements contained in this prospectus supplement may be identified by the use of forward-looking words such as believe, expect, anticipate, should, planned, will, may, intend, estimated, aim, on t opportunity, tentative , positioning, designed, create and potential, among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this prospectus supplement are set forth in this prospectus supplement, in our Annual Report and in other reports or documents that we file from time to time with the Securities and Exchange Commission, which we refer to as the SEC, and include, but are not limited to:

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

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

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

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

the development and deployment of new products and technologies;

the effects of governmental regulation on our business;

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

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

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

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INDUSTRY AND MARKET DATA

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

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act to register with the SEC our Class A Common Stock being offered in this prospectus. This prospectus supplement, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed with it. For further information about us and our Class A Common Stock, reference is made to the registration statement and the exhibits and schedules filed with it. Statements contained in this prospectus supplement regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. We will file annual, quarterly and current reports, proxy and registration statements and other information with the SEC. You may read and copy any reports, statements, or other information that we file, including the registration statement, of which this prospectus forms a part, and the exhibits and schedules filed with it, without charge at the public reference room maintained by the SEC, located at 100 F Street, NE, Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from the SEC on the payment of the fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains an Internet website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the site is www.sec.gov.

INCORPORATION BY REFERENCE OF CERTAIN DOCUMENTS

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

Charter Communications, Inc. Annual Report on Form 10-K for the year ended December 31, 2012;

Charter Communications, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2013;

Portions of the Charter Communications, Inc. Definitive Proxy Statement filed with the SEC on March 21, 2013 that are incorporated by reference into the Annual Report on Form 10-K for the year ended December 31, 2012; and

Charter Communications, Inc. Current Reports on Form 8-K filed with the SEC on February 12, 2013, March 1, 2013, March 12, 2013, March 15, 2013, March 19, 2013, April 19, 2013, April 25, 2013, May 2, 2013 and May 3, 2013 (in each case excluding any information furnished but not filed).

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

Our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports, are also available free of charge on our website (www.charter.com) as soon as reasonably practicable after they are filed with, or furnished to, the SEC. Our website and the information contained on that site, or connected to that site, are not incorporated into and are not a part of this prospectus supplement or the accompanying prospectus. You may also obtain a copy of these filings at no cost by writing or telephoning us at the following address:

Charter Communications, Inc.

400 Atlantic Street, 10th Floor

Stamford, Connecticut 06901

Attention: Investor Relations

Telephone: (203) 905-7801

CHARTER HAS NOT AUTHORIZED ANYONE TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ABOUT THE OFFERING THAT IS DIFFERENT FROM, OR IN ADDITION TO, THAT CONTAINED IN THIS PROSPECTUS OR IN ANY OF THE MATERIALS THAT ARE INCORPORATED BY REFERENCE INTO THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS. THEREFORE, IF ANYONE DOES GIVE YOU INFORMATION OF THIS SORT, YOU SHOULD NOT RELY ON IT. IF YOU ARE IN A JURISDICTION WHERE OFFERS TO EXCHANGE OR SELL, OR SOLICITATIONS OF OFFERS TO EXCHANGE OR PURCHASE, THE SECURITIES OFFERED BY THIS PROSPECTUS ARE UNLAWFUL, OR IF YOU ARE A PERSON TO WHOM IT IS UNLAWFUL TO DIRECT THESE TYPES OF ACTIVITIES, THEN THE OFFER PRESENTED IN THIS PROSPECTUS DOES NOT EXTEND TO YOU.

YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE OF THIS PROSPECTUS AND NEITHER THE MAILING OF THIS PROSPECTUS NOR THE ISSUANCE OF OUR CLASS A COMMON STOCK PURSUANT TO THIS OFFERING SHALL CREATE AN IMPLICATION TO THE CONTRARY.

CERTAIN DEFINITIONS

When used in this prospectus supplement, the following capitalized terms have the meanings set forth below:

Adjusted EBITDA has the meaning set forth in note (a) under Prospectus Supplement Summary Selected Historical Consolidated Financial Data.

Charter or the **Company** means Charter Communications, Inc., a Delaware corporation.

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

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

GAAP means accounting principles generally accepted in the United States.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary contains a general discussion of our business, the offering of the shares and summary financial information. It does not contain all the information that you should consider before investing in the shares. You should read this entire prospectus supplement and the related documents to which we refer. Unless noted, all business data included in this summary is as of March 31, 2013.

For definitions of certain capitalized terms used in the prospectus supplement that are not defined elsewhere herein, see [Certain Definitions](#).

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

Our Business

We are among the largest providers of cable services in the United States, offering a variety of entertainment, information and communications solutions to residential and commercial customers. Our infrastructure consists of a hybrid of fiber and coaxial cable plant with approximately 12.1 million estimated passings, with 98% at 550 megahertz (MHz) or greater and 98% of plant miles two-way active. A national Internet Protocol (IP) infrastructure interconnects Charter markets.

As of March 31, 2013, we served approximately 5.4 million residential and commercial customers. We sell our video, Internet and telephone services primarily on a subscription basis, often in a bundle of two or more services, providing savings and convenience to our customers. Bundled services are available to approximately 98% of our passings, and approximately 62% of our customers subscribe to a bundle of services.

We served approximately 4.0 million residential video customers as of March 31, 2013, and approximately 89% of our video customers subscribed to digital video service. Digital video enables our customers to access advanced video services such as high definition (HD) television, Charter OnDemandTM (OnDemand) video programming, an interactive program guide and digital video recorder (DVR) service.

We also served approximately 3.9 million residential Internet customers as of March 31, 2013. Our Internet service is available in a variety of download speeds up to 100 megabits per second (Mbps) and upload speeds of up to 5 Mbps.

We provided telephone service to approximately 2.0 million residential customers as of March 31, 2013. Our telephone services typically include unlimited local and long distance calling to the U.S., Canada and Puerto Rico, plus other features, including voicemail, call waiting and caller ID.

Through Charter Business[®], we provide scalable, tailored broadband communications solutions to business and carrier organizations, such as Internet access, data networking, fiber connectivity to cellular towers and office buildings, video entertainment services and business telephone services. As of March 31, 2013, we served approximately 473,000 commercial primary service units, primarily small- and medium-sized commercial customers. Our advertising sales division, Charter Media[®], provides local, regional and national businesses with the opportunity to advertise in individual markets on cable television networks.

For the three months ended March 31, 2013, we generated approximately \$1.9 billion in revenue, of which approximately 85% was generated from our residential video, Internet and telephone services. For the year ended December 31, 2012, we generated approximately \$7.5 billion in revenue, of which approximately 84% was generated from our residential video, Internet and telephone services. We also generated revenue from

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providing Internet, telephone and video services to commercial businesses and from the sale of advertising. Sales from residential Internet and commercial services have contributed to the majority of our recent revenue growth.

We have a history of net losses. Our net losses are principally attributable to insufficient revenue to cover the combination of operating expenses, interest expenses that we incur on our debt, depreciation expenses resulting from the capital investments we have made, and continue to make, in our cable properties, amortization expenses related to our customer relationship intangibles and non-cash taxes resulting from increases in our deferred tax liabilities.

Charter was organized as a Delaware corporation in 1999. On March 27, 2009, we and certain affiliates filed voluntary petitions in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court), to reorganize under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code). The Chapter 11 cases were jointly administered under the caption In re Charter Communications, Inc., et al., Case No. 09-11435. On May 7, 2009, we filed a Joint Plan of Reorganization (the Plan) and a related disclosure statement with the Bankruptcy Court. The Plan was confirmed by the Bankruptcy Court on November 17, 2009, and became effective on November 30, 2009 (the Effective Date), the date on which we emerged from protection under Chapter 11 of the Bankruptcy Code.

Our Corporate Information

Our principal executive offices are located at 400 Atlantic Street, 10th Floor, Stamford, Connecticut 06901. Our telephone number is (203) 905-7801, and we have a website accessible at www.charter.com. Our Annual Reports, Quarterly Reports and Current Reports on Form 8-K, and all amendments thereto, are available on our website free of charge as soon as reasonably practicable after they have been filed. The information posted on our website is not incorporated into this prospectus supplement or the accompanying prospectus and is not part of this prospectus supplement or the accompanying prospectus.

Recent Developments

Senior Unsecured Notes Offering, Tender Offer and Term Loan Financing

On May 3, 2013, our subsidiaries, CCO Holdings, LLC and CCO Holdings Capital Corp. (the Issuers), closed \$1.0 billion in aggregate principal amount of senior unsecured notes due in 2024 (the Notes) guaranteed by Charter. The Notes bear an interest rate of 5.750% per annum. The Notes will mature on January 15, 2024. The net proceeds of the Notes offering will be used to repurchase or redeem all of the Issuers outstanding 7.875% Senior Notes due 2018 (the Subject Notes), to pay related fees and expenses and for general corporate purposes. Substantially concurrently with the Notes offering, we launched a tender offer (the Tender Offer) to purchase any and all of the Subject Notes. We also obtained a term loan F financing of \$1.2 billion under Charter Operating's credit facility and repaid our existing term loan C due 2016 and term loan D due 2019.

Liberty Media Transaction

On May 1, 2013, Liberty Media Corporation (Liberty Media) completed its previously announced agreement with investment funds managed by, or affiliated with, Apollo Management, Oaktree Capital Management and Crestview Partners to acquire 26.9 million shares and 1.1 million warrants to purchase our Class A Common Stock for \$2.6 billion, which represents a 27.3% beneficial ownership in Charter. We entered into a stockholders agreement, dated March 19, 2013, with Liberty Media, that among other things provided Liberty Media the right to designate up to four directors for appointment to our board. With the closing of the transaction, Liberty Media designated, and our board of directors appointed, John Malone, Chairman of Liberty Media; Gregory Maffei, President and CEO of Liberty Media; Balan Nair, EVP and CTO of Liberty Global, Inc.; and Michael Huseby, CFO of Barnes & Noble, Inc. to join our board of directors. Additionally, Michael Huseby will serve on the board's Audit Committee, John Malone will serve on the board's Nominating and Corporate Governance Committee, and Greg Maffei will serve on the board's Compensation and Benefits Committee.

The board appointments were made in conjunction with the resignation of Stan Parker, Darren Glatt, Bruce Karsh and Edgar Lee from our board.

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The following table presents summary financial and other data for Charter and its subsidiaries. The summary consolidated financial data has been derived from (i) the audited consolidated financial statements of Charter and its subsidiaries for the years ended December 31, 2012, 2011 and 2010 contained in our Annual Report, which is incorporated by reference in this prospectus supplement and the accompanying prospectus; and (ii) the unaudited condensed consolidated financial statements of Charter and its subsidiaries for the three months ended March 31, 2013 and 2012 contained in our Quarterly Report on Form 10-Q filed on May 7, 2013, which is incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The summary financial data should be read in conjunction with the consolidated financial statements (described above) and the related notes. The summary operating data is not derived from the audited consolidated financial statements.

	2010	For the Years Ended December 31,		For the Three Months Ended March 31,	
		2011	2012	2012	2013
	(In millions, except share information)				
Statement of Operations Data:					
Revenues:					
Video	\$ 3,729	\$ 3,639	\$ 3,639	\$ 895	\$ 956
Internet	1,609	1,708	1,866	452	501
Telephone	823	858	828	217	171
Commercial	451	544	658	153	183
Advertising Sales	291	292	334	66	60
Other	156	163	179	44	46
Total revenues	7,059	7,204	7,504	1,827	1,917
Costs and Expenses:					
Operating costs and expenses (excluding depreciation and amortization)					
	4,486	4,564	4,860	1,186	1,258
Depreciation and amortization	1,524	1,592	1,713	408	425
Other operating expenses, net	25	7	15	3	11
Total costs and expenses	6,035	6,163	6,588	1,597	1,694
Income from operations	1,024	1,041	916	230	223
Interest expense, net	(877)	(963)	(907)	(237)	(210)
Loss on extinguishment of debt	(85)	(143)	(55)	(15)	(42)
Loss on derivative instruments, net					(3)
Other expense, net	(4)	(5)	(1)	(1)	(1)
Income (loss) before income taxes	58	(70)	(47)	(23)	(33)
Income tax expense	(295)	(299)	(257)	(71)	(9)
Net loss	\$ (237)	\$ (369)	\$ (304)	\$ (94)	\$ (42)
Loss per common share, basic and diluted	\$ (2.09)	\$ (3.39)	\$ (3.05)	\$ (0.95)	\$ (0.42)
Weighted average common shares outstanding, basic and diluted	113,138,461	108,948,554	99,657,989	99,432,960	100,327,418

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	For the Years Ended December 31,			For the Three Months Ended March 31,	
	2010	2011	2012	2012	2013
	(Dollars in millions)				
Other Financial Data:					
Cash flows from operating activities	\$ 1,928	\$ 1,737	\$ 1,876	\$ 454	\$ 541
Cash flows from investing activities	\$ (1,170)	\$ (1,366)	\$ (1,737)	\$ (365)	\$ (432)
Cash flows from financing activities	\$ (1,463)	\$ (373)	\$ (134)	\$ (87)	\$ (51)
Adjusted EBITDA (a)	\$ 2,599	\$ 2,675	\$ 2,694	\$ 652	\$ 670
Capital expenditures	\$ 1,209	\$ 1,311	\$ 1,745	\$ 340	\$