
UNITED STATES
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, 2008

Commission File Number: 0-29227

Mediacom Communications Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State of incorporation)

06-1566067
*(I.R.S. Employer
Identification Number)*

100 Crystal Run Road
Middletown, NY 10941
(Address of principal executive offices)

(845) 695-2600
(Registrant's telephone number)

Indicate by check mark whether the Registrant (1) has 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 Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of July 31, 2008, there were 67,612,285 shares of Class A common stock and 27,001,944 shares of Class B common stock outstanding.

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

**FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2008**

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Cautionary Statement Regarding Forward-Looking Statements

You should carefully review the information contained in this Quarterly Report and in other reports or documents that we file from time to time with the Securities and Exchange Commission (the “SEC”).

In this Quarterly Report, we state our beliefs of future events and of our future financial performance. In some cases, you can identify those so-called “forward-looking statements” by words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of those words and other comparable words. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from historical results or those we anticipate. Factors that could cause actual results to differ from those contained in the forward-looking statements include, but are not limited to: competition for video, high-speed data and phone customers; our ability to achieve anticipated customer and revenue growth and to successfully introduce new products and services; increasing programming costs; changes in laws and regulations; our ability to generate sufficient cash flow to meet our debt service obligations and access capital to maintain our financial flexibility; and the other risks and uncertainties discussed in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2007 and other reports or documents that we file from time to time with the SEC. Statements included in this Quarterly Report are based upon information known to us as of the date that this Quarterly Report is filed with the SEC, and we assume no obligation to update or alter our forward-looking statements made in this Quarterly Report, whether as a result of new information, future events or otherwise, except as otherwise required by applicable federal securities laws.

PART I**ITEM 1. FINANCIAL STATEMENTS**

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
 (All dollar amounts in thousands)
 (Unaudited)

	June 30, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS		
Cash	\$ 41,601	\$ 19,388
Accounts receivable, net of allowance for doubtful accounts of \$2,366 and \$2,107	80,228	82,096
Prepaid expenses and other current assets	20,885	20,692
Deferred tax assets	2,251	2,424
Total current assets	144,965	124,600
Investment in cable television systems:		
Property, plant and equipment, net of accumulated depreciation of \$1,732,619 and \$1,624,811	1,452,366	1,436,427
Franchise rights	1,798,188	1,798,188
Goodwill	220,646	220,646
Subscriber lists and other intangible assets, net of accumulated amortization of \$162,514 and \$161,248	9,220	10,532
Total investment in cable television systems	3,480,420	3,465,793
Other assets, net of accumulated amortization of \$23,442 and \$27,172	33,490	24,817
Total assets	\$ 3,658,875	\$ 3,615,210
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 275,744	\$ 247,485
Deferred revenue	53,367	51,015
Current portion of debt	111,250	94,533
Total current liabilities	440,361	393,033
Long-term debt	3,137,500	3,120,500
Deferred tax liabilities	345,566	316,602
Other non-current liabilities	18,256	38,164
Total liabilities	3,941,683	3,868,299
Commitments and contingencies (Note 8)		
STOCKHOLDERS' DEFICIT		
Class A common stock, \$.01 par value; 300,000,000 shares authorized; 94,809,904 shares issued and 67,610,693 shares outstanding as of June 30, 2008 and 94,293,185 shares issued and 72,011,963 shares outstanding as of December 31, 2007	944	943
Class B common stock, \$.01 par value; 100,000,000 shares authorized; 27,001,944 shares issued and outstanding	270	270
Additional paid-in capital	1,000,380	997,404
Accumulated deficit	(1,130,946)	(1,121,242)
Treasury stock, at cost, 27,199,211 and 22,281,222 shares of Class A common stock	(153,456)	(130,464)
Total stockholders' deficit	(282,808)	(253,089)
Total liabilities and stockholders' deficit	\$ 3,658,875	\$ 3,615,210

The accompanying notes to the unaudited financial statements are an integral part of these statements

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(All amounts in thousands, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Revenues	\$ 349,501	\$ 324,734	\$ 689,179	\$ 632,609
Costs and expenses:				
Service costs (exclusive of depreciation and amortization)	145,019	133,975	285,562	266,370
Selling, general and administrative expenses	68,005	65,932	134,946	128,515
Corporate expenses	7,504	6,932	15,238	13,703
Depreciation and amortization	59,641	56,934	119,485	110,735
Operating income	69,332	60,961	133,948	113,286
Interest expense, net	(54,035)	(60,022)	(108,624)	(119,012)
Gain (loss) on derivatives, net	22,187	9,214	(1,886)	4,819
(Loss) gain on sale of cable systems, net	—	—	(170)	10,781
Other expense, net	(1,983)	(2,196)	(3,833)	(4,904)
Income before income taxes	35,501	7,957	19,435	4,970
Provision for income taxes	(14,569)	(14,601)	(29,139)	(28,495)
Net income (loss)	<u>\$ 20,932</u>	<u>\$ (6,644)</u>	<u>\$ (9,704)</u>	<u>\$ (23,525)</u>
Basic — Weighted average shares outstanding	95,137	109,758	96,391	109,824
Basic — Earnings (loss) per share	\$ 0.22	\$ (0.06)	\$ (0.10)	\$ (0.21)
Diluted — Weighted average shares outstanding	97,257	109,758	96,391	109,824
Diluted — Earnings (loss) per share	\$ 0.22	\$ (0.06)	\$ (0.10)	\$ (0.21)

The accompanying notes to the unaudited financial
statements are an integral part of these statements

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All dollar amounts in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2008	2007
OPERATING ACTIVITIES:		
Net loss	\$ (9,704)	\$ (23,525)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	119,485	110,735
Loss (gain) on derivatives, net	1,886	(4,819)
Loss (gain) on sale of cable systems, net	170	(10,781)
Amortization of deferred financing costs	2,638	2,521
Share-based compensation	2,486	2,687
Deferred income taxes	29,139	28,383
Changes in assets and liabilities, net of effects from acquisitions:		
Accounts receivable, net	1,698	(364)
Prepaid expenses and other assets	535	(1,265)
Accounts payable and accrued expenses	(15,757)	(30,781)
Deferred revenue	2,352	4,209
Other non-current liabilities	(1,627)	(1,818)
Net cash flows provided by operating activities	<u>\$ 133,301</u>	<u>\$ 75,182</u>
INVESTING ACTIVITIES:		
Capital expenditures	(134,731)	(111,776)
Acquisition of cable system	—	(7,274)
Proceeds from sales of cable systems	—	22,948
Net cash flows used in investing activities	<u>\$ (134,731)</u>	<u>\$ (96,102)</u>
FINANCING ACTIVITIES:		
New borrowings	566,000	140,166
Repayment of debt	(532,282)	(146,335)
Repurchases of Class A common stock	(22,389)	(4,331)
Proceeds from issuance of common stock in employee stock purchase plan	490	460
Financing costs	(11,426)	—
Other financing activities — book overdrafts	23,250	9,272
Net cash flows provided by (used in) financing activities	<u>\$ 23,643</u>	<u>\$ (768)</u>
Net increase (decrease) in cash	22,213	(21,688)
CASH, beginning of period	19,388	36,385
CASH, end of period	<u>\$ 41,601</u>	<u>\$ 14,697</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest, net of amounts capitalized	<u>\$ 107,177</u>	<u>\$ 123,049</u>

The accompanying notes to the unaudited financial statements are an integral part of these statements

MEDIACOM COMMUNICATIONS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING PRESENTATION AND OTHER INFORMATION

Basis of Preparation of Unaudited Consolidated Financial Statements

Mediacom Communications Corporation (“MCC,” and collectively with its subsidiaries, “we,” “our” or “us”) has prepared these unaudited consolidated financial statements in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”). We own and operate cable systems through two principal subsidiaries, Mediacom LLC and Mediacom Broadband LLC. In the opinion of management, such statements include all adjustments, consisting of normal recurring accruals and adjustments, necessary for a fair presentation of our consolidated results of operations and financial position for the interim periods presented. The accounting policies followed during such interim periods reported are in conformity with generally accepted accounting principles in the United States of America and are consistent with those applied during annual periods. For a summary of our accounting policies and other information, refer to our Annual Report on Form 10-K for the year ended December 31, 2007. The results of operations for the interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 2008. Effective January 1, 2008, we adopted SFAS No. 157, “*Fair Value Measurements*.” See Note 2.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year’s presentation.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In September 2006, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 157, “*Fair Value Measurements*.” SFAS No. 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and expands on required disclosures about fair value measurement. Effective January 1, 2008, we adopted SFAS No. 157 for our financial assets and liabilities. In February 2008, the FASB issued FASB Staff Position (“FSP”) No. FAS 157-2, “*Effective Date of FASB Statement No. 157*,” which delays the effective date of SFAS No. 157 for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years. We are evaluating the impact of our nonfinancial assets and liabilities which include goodwill and other intangible assets. SFAS No. 157 establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurement. The adoption of SFAS No. 157 on January 1, 2008 did not have a material effect on our consolidated financial statements.

The following sets forth our financial assets and liabilities measured at fair value on a recurring basis at June 30, 2008. These assets and liabilities have been categorized according to the three-level fair value hierarchy established by SFAS No. 157, which prioritizes the inputs used in measuring fair value.

- Level 1 — Quoted market prices in active markets for identical assets or liabilities.
- Level 2 — Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3 — Unobservable inputs that are not corroborated by market data.

As of June 30, 2008, our interest rate swap liabilities, net, were valued at \$27.7 million using Level 2 inputs.

In February 2007, the FASB issued SFAS No. 159, “*The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115*.” SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. This Statement is effective as of the beginning of an entity’s first fiscal year that begins after November 15, 2007. We adopted SFAS No. 159 as of January 1, 2008. We did not elect the fair value option of SFAS No. 159.

In December 2007, the FASB issued SFAS No. 141 (R), “*Business Combinations*,” which continues to require the treatment that all business combinations be accounted for by applying the acquisition method. Under the acquisition method, the acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed, and any contingent consideration and contractual contingencies, as a whole, at their fair value as of the acquisition date. Under SFAS No. 141 (R), all transaction costs are expensed as incurred. SFAS No. 141 (R) replaces SFAS No. 141. The guidance in SFAS No. 141 (R) will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning after December 15, 2008.

In December 2007, the FASB issued SFAS No. 160, “*Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51*.” SFAS No. 160 requires that a noncontrolling interest (previously referred to as a minority interest) be separately reported in the equity section of the consolidated entity’s balance sheet. SFAS No. 160 also established accounting and reporting standards for: (i) ownership interests in subsidiaries held by parties other than the parent; (ii) the amount of consolidated net income attributable to the parent and to the noncontrolling interest; (iii) changes in a parent’s ownership interest; (iv) the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated; and (v) sufficient disclosures to identify the interest of the parent and the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008. We are currently assessing the potential impact that the adoption of SFAS No. 160 will have on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, “*Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133*.” SFAS No. 161 requires enhanced disclosures about an entity’s derivative and hedging activities and thereby improves the transparency of financial reporting. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. We have not completed our evaluation of SFAS No. 161 to determine the impact that adoption will have on our consolidated financial condition or results of operations.

3. EARNINGS (LOSS) PER SHARE

We calculate earnings or loss per share in accordance with SFAS No. 128, “*Earnings per Share*” by dividing the net income or loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share (“Diluted EPS”) is computed by dividing the net income by the weighted average number of shares of common stock outstanding during the period plus the effects of any potentially dilutive securities. Diluted EPS considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential shares of common stock would have an anti-dilutive effect. Our potentially dilutive securities include shares of common stock which may be issued upon exercise of our stock options or vesting of restricted stock units. Diluted EPS excludes the impact of potential shares of common stock related to our stock options in periods in which the option exercise price is greater than the average market price of our Class A common stock during the period.

For the three months ended June 30, 2007 and for the six months ended June 30, 2008 and 2007, we generated net losses and therefore the inclusion of the potential shares of common stock would have been anti-dilutive. Accordingly, diluted loss per share equaled basic loss per share. Diluted loss per share for the three months ended June 30, 2007 and for the six months ended June 30, 2008 and 2007 excludes approximately 2.3 million, 2.1 million and 2.3 million potential shares of common stock related to our share-based compensation plans, respectively. For the three months ended June 30, 2008, we generated net income. Accordingly, diluted earnings per share includes approximately 2.1 million potential shares of common stock related to our share-based compensation plans.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following (dollars in thousands):

	June 30, 2008	December 31, 2007
Cable systems, equipment and subscriber devices	\$ 3,006,288	\$ 2,889,287
Vehicles	70,844	68,998
Furniture, fixtures and office equipment	57,796	53,814
Buildings and leasehold improvements	42,500	41,893
Land and land improvements	7,557	7,246
	<u>3,184,985</u>	<u>3,061,238</u>
Accumulated depreciation	(1,732,619)	(1,624,811)
Property, plant and equipment, net	<u>\$ 1,452,366</u>	<u>\$ 1,436,427</u>

5. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accounts payable, accrued expenses and other current liabilities consisted of the following (dollars in thousands):

	June 30, 2008	December 31, 2007
Book overdrafts(1)	\$ 40,821	\$ 16,971
Accrued programming costs	40,777	43,596
Accrued interest	40,724	39,588
Accrued payroll and benefits	26,919	25,165
Accrued taxes and fees	26,002	27,678
Liability under interest rate exchange agreements	20,166	—
Accrued property, plant and equipment	17,896	11,421
Accrued service costs	17,856	18,114
Subscriber advance payments	15,725	11,750
Accrued telecommunications costs	7,599	15,687
Accounts payable	6,260	18,611
Other accrued expenses	14,999	18,904
Accounts payable, accrued expenses and other current liabilities	<u>\$ 275,744</u>	<u>\$ 247,485</u>

- (1) Book overdrafts represent outstanding checks in excess of funds on deposit at our disbursement accounts. We transfer funds from our depository accounts to our disbursement accounts upon daily notification of checks presented for payment. Changes in book overdrafts are reported as part of cash flows from financing activities in our consolidated statement of cash flows.

6. DEBT

Debt consisted of the following (dollars in thousands):

	June 30, 2008	December 31, 2007
Bank credit facilities	\$ 2,123,750	\$ 2,090,000
7 ⁷ / ₈ % senior notes due 2011	125,000	125,000
9 ¹ / ₂ % senior notes due 2013	500,000	500,000
8 ¹ / ₂ % senior notes due 2015	500,000	500,000
Capital lease obligations	—	33
	<u>3,248,750</u>	<u>3,215,033</u>
Less: Current portion	111,250	94,533
Total long-term debt	<u>\$ 3,137,500</u>	<u>\$ 3,120,500</u>

Bank Credit Facilities

The average interest rates on outstanding debt under our bank credit facilities as of June 30, 2008 and 2007 were 4.6% and 7.0%, respectively, before giving effect to the interest rate exchange agreements discussed below. As of June 30, 2008, we had unused credit commitments of approximately \$902.7 million under our bank credit facilities, all of which could be borrowed and used for general corporate purposes based on the terms and conditions of our debt arrangements. For all periods through June 30, 2008, we were in compliance with all of the covenants under our bank credit and senior note arrangements.

As of June 30, 2008, approximately \$19.3 million of letters of credit were issued under our bank credit facilities to various parties as collateral for our performance relating to insurance and franchise requirements.

On May 29, 2008, the operating subsidiaries of Mediacom Broadband entered into an incremental facility agreement that provides for a new term loan (“new term loan”) under their existing credit facility (the “Broadband credit facility”) in the principal amount of \$350.0 million. On May 29, 2008, the full amount of the \$350.0 million new term loan was borrowed by the operating subsidiaries of Mediacom Broadband. Approximately \$335.0 million of the proceeds from the new term loan were used to repay the outstanding balance of the revolving credit portion of the Broadband credit facility, without any reduction in the revolving credit commitments. The balance of the proceeds from the new term loan were used for general corporate purposes.

Borrowings under the new term loan bear interest at a floating rate or rates equal to LIBOR or the prime rate, plus a margin of 3.50% for LIBOR loans and a margin of 2.50% for prime rate loans. For the first four years of the new term loan, LIBOR and the prime rate applicable to the new term loan are subject to a minimum of 3.00% in the case of LIBOR and a minimum of 4.00% in the case of the prime rate. The new term loan matures on January 3, 2016. The obligations of the operating subsidiaries under the new term loan are governed by the terms of the Broadband credit facility.

Interest Rate Exchange Agreements

We use interest rate exchange agreements in order to fix the interest rate on our floating rate debt. As of June 30, 2008, we had interest rate exchange agreements with various banks pursuant to which the interest rate on \$1.1 billion was fixed at a weighted average rate of approximately 5.0%. As of the same date, about 68.5% of our outstanding indebtedness was at fixed market rates or subject to interest rate protection. These agreements have been accounted for on a mark-to-market basis as of, and for the three months ended June 30, 2008 and 2007, respectively. Our interest rate exchange agreements are scheduled to expire in the amounts of \$800.0 million, \$200.0 million and \$100.0 million during the years ended December 31, 2009, 2010 and 2011, respectively.

The fair value of the interest rate exchange agreements is the estimated amount that we would receive or pay to terminate such agreements, taking into account market interest rates, the remaining time to maturities and other factors. As of June 30, 2008 and December 31, 2007, based on the mark-to-market valuation, we recorded on our consolidated balance sheets an accumulated liability for derivatives of \$27.7 million and \$25.8 million, respectively. We recorded in our consolidated statements of operations a net gain on derivatives of \$22.2 million and \$9.2 million for the three months ended June 30, 2008 and 2007, respectively. We recorded a net loss on derivatives of \$1.9 million and a net gain on derivatives of \$4.8 million for the six months ended June 30, 2008 and 2007, respectively.

7. STOCKHOLDERS' DEFICIT

Stock Repurchase Plans

In May 2008, the Board of Directors authorized an additional \$50.0 million Class A common stock repurchase program. During the three months ended June 30, 2008, we repurchased approximately 2.0 million shares of our Class A common stock for an aggregate cost of \$9.5 million, at an average price of \$4.76 per share. As of June 30, 2008, approximately \$47.6 million remained available under the Class A common stock repurchase program.

Share-based Compensation

Total share-based compensation expense was as follows (dollars in thousands):

	Three Months Ended June 30,	
	2008	2007
Share-based compensation expense by type of award:		
Employee stock options	\$ 381	\$ 475
Employee stock purchase plan	72	69
Restricted stock units	718	822
Total share-based compensation expense	<u>\$ 1,171</u>	<u>\$ 1,366</u>

During the three months ended June 30, 2008, there were no restricted stock units or stock options granted under our compensation programs. Each of the restricted stock units and stock options in our stock compensation programs are exchangeable and exercisable, respectively, into a share of our Class A common stock. During the three months ended June 30, 2008, approximately 65,000 restricted stock units were vested and no stock options were exercised.

	Six Months Ended June 30,	
	2008	2007
Share-based compensation expense by type of award:		
Employee stock options	\$ 825	\$ 1,094
Employee stock purchase plan	145	138
Restricted stock units	1,516	1,455
Total share-based compensation expense	<u>\$ 2,486</u>	<u>\$ 2,687</u>

During the six months ended June 30, 2008, approximately 631,000 restricted stock units were granted with a weighted average fair value of \$4.70 per restricted stock unit. For the same period, stock options to purchase approximately 676,000 shares of Class A common stock were granted with a weighted average exercise price of \$4.34 and a weighted average fair value of \$2.14 per stock option. During the six months ended June 30, 2008, approximately 383,000 restricted stock units were vested and no stock options were exercised.

Employee Stock Purchase Plan

Under our employee stock purchase plan, all employees are allowed to participate in the purchase of shares of our Class A common stock at a 15% discount on the date of the allocation. Shares purchased by employees under our plan amounted to approximately 134,000 for the three and six months ended June 30, 2008. Shares purchased by employees under our plan amounted to approximately 77,000 for the three and six months ended June 30, 2007. The net proceeds to us were approximately \$0.3 million for each of the three months ended June 30, 2008 and 2007 and \$0.5 million for each of the six months ended June 30, 2008 and 2007.

8. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Mediacom LLC, one of our wholly owned subsidiaries, is named as a defendant in a putative class action, captioned *Gary Ogg and Janice Ogg v. Mediacom LLC*, pending in the Circuit Court of Clay County, Missouri, by which the plaintiffs are seeking class-wide damages for alleged trespasses on land owned by private parties. The lawsuit was originally filed in April 2001. The lawsuit alleges that Mediacom LLC, in areas where there was no cable franchise, failed to obtain permission from landowners to place its fiber interconnection cable notwithstanding the possession of agreements or permission from other third parties. An order declaring that this action is appropriate for class relief was entered in April 2006. While the parties continue to contest liability, there also remains a dispute as to the proper measure of damages. Based on a report by their experts, the plaintiffs claimed compensatory damages of approximately \$14.5 million. Legal fees, prejudgment interest, potential punitive damages and other costs could increase that estimate to approximately \$26.0 million. The plaintiffs have recently proposed an alternative damage theory of \$40.0 million in compensatory damages. On July 23, 2008, Mediacom LLC filed a motion to strike the expert testimony presented by plaintiffs in its first damage theory and another motion to preclude plaintiffs' presentation of the second alternative damage theory. We are unable to reasonably determine the amount of our final liability in this lawsuit, as our experts have estimated our liability to be within the range of approximately \$0.1 million to \$2.3 million. This estimate does not include any estimate of damages for prejudgment interest, attorneys' fees or punitive damages. We believe, however, that the amount of such liability, as stated by any of the parties, would not have a material effect on our consolidated financial position, results of operations, cash flows or business. There can be no assurance that the actual liability would not exceed this estimated range. A trial date of November 3, 2008 has been set for the claim by the class representatives, Gary and Janice Ogg. Mediacom LLC continues to vigorously defend against any claims made by the plaintiffs, including at trial, and on appeal, if necessary. Mediacom LLC has tendered the lawsuit to our insurance carrier for defense and indemnification. The carrier has agreed to defend Mediacom LLC under a reservation of rights, and a declaratory judgment action is pending regarding the carrier's defense and coverage responsibilities.

We are involved in various other legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these other matters will not have a material adverse effect on our consolidated financial position, results of operations, cash flows or business.

9. INCOME TAXES

On a quarterly basis, we evaluate discrete tax matters occurring during the period. During the three months ended June 30, 2008, we have again determined that deferred tax assets from net operating loss carryforwards, that were created in the respective periods, will not be realized under the more-likely-than-not standard required by SFAS No. 109, "Accounting for Income Taxes." As a result, we increased our valuation allowance recorded against these assets. We have utilized APB No. 28, "Interim Financial Reporting," to record income taxes on an interim period basis. A tax provision of \$14.6 million was recorded for each of the three months ended June 30, 2008 and 2007, respectively. A tax provision of \$29.1 million and \$28.5 million was recorded for the six months ended June 30, 2008 and 2007, respectively. The respective tax provision amounts substantially represent the increase in the deferred tax liabilities related to the basis differences of our indefinite-lived intangible assets.

SFAS No. 109 requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. We periodically assess the likelihood of realization of our deferred tax assets considering all available evidence, both positive and negative, including our most recent performance, the scheduled reversal of deferred tax liabilities, our forecast of taxable income in future periods and the availability of prudent tax planning strategies. As a result of these assessments in prior periods, we have established valuation allowances on a portion of our deferred tax assets due to the uncertainty surrounding the realization of these assets.

On July 13, 2006, the FASB issued FIN No. 48, “*Accounting for Uncertainty in Income Taxes — An Interpretation of FASB Statement No. 109.*” FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements in accordance with FASB Statement No. 109, “*Accounting for Income Taxes,*” and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under FIN 48, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. We adopted the provisions of FIN 48 on January 1, 2007, however the adoption did not have a material effect on us, and resulted in no adjustment to retained earnings as of January 1, 2007. We have no unrecognized tax benefits as of the adoption date and as of June 30, 2008. We do not think it is reasonably possible that the total amount of unrealized tax benefits will significantly change in the next twelve months.

We file U.S. federal consolidated income tax returns and income tax returns in various state and local jurisdictions. Our 2004, 2005 and 2006 U.S. federal tax years and various state and local tax years from 2003 through 2006 remain subject to income tax examinations by tax authorities.

We classify interest and penalties associated with uncertain tax positions as a component of income tax expense. During the three months ended June 30, 2008, no interest and penalties were accrued.

10. RELATED PARTY TRANSACTIONS

Mediacom Management Corporation (“Mediacom Management”), a Delaware corporation, holds a 1.0% direct ownership interest in Mediacom California LLC, which in turn holds a 1.0% interest in Mediacom Arizona LLC. Revenues from these entities represent less than 1.0% of our total revenues. Mediacom Management is wholly-owned by the Chairman and CEO of MCC.

One of our directors is a partner of a law firm that performs various legal services for us. For the three months ended June 30, 2008, approximately \$0.1 million was paid to this law firm for services performed.

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

The following discussion should be read in conjunction with our unaudited consolidated financial statements as of, and for the three and six months ended June 30, 2008 and 2007, and with our annual report on Form 10-K for the year ended December 31, 2007.

Overview

Mediacom Communications Corporation is the nation's eighth largest cable television company based on the number of basic video subscribers, and among the leading cable operators focused on serving the smaller cities and towns in the United States. Through our interactive broadband network, we provide our customers with a wide array of advanced products and services, including video services such as video-on-demand, high-definition television ("HDTV") and digital video recorders ("DVRs"), high-speed data ("HSD") and phone service. We offer triple-play bundles of video, HSD and phone to 91% of our estimated homes passed. Bundled products and services offer our customers a single provider contact for ordering, provisioning, billing and customer care.

As of June 30, 2008, our cable systems passed an estimated 2.84 million homes and served 1.32 million basic subscribers in 22 states. We provide digital video services to 599,000 customers, representing a digital penetration of 45.3% of our basic subscribers; HSD service to 702,000 customers, representing a HSD penetration of 24.7% of our estimated homes passed; and phone service to 222,000 customers, representing a penetration of 8.6% of our estimated marketable phone homes.

We evaluate our performance, in part, by measuring the number of revenue generating units ("RGUs") we serve, which represent the total of basic subscribers and digital, HSD and phone customers. As of June 30, 2008, we served 2.84 million RGUs, an increase of 8.0% over the end of the prior year period.

Retransmission Consent

Prior to February 2007, cable systems serving our subscribers carried the broadcast signals of 22 local broadcast stations owned or programmed by Sinclair Broadcast Group, Inc. ("Sinclair") under a month-to-month retransmission arrangement terminable at the end of any month on 45-days notice. Eleven of these stations are affiliates of one of the "big-4" networks (ABC, CBS, FOX and NBC) that we deliver to approximately half of our total subscribers. The other stations are affiliates of the recently launched CW or MyNetwork broadcast networks or are unaffiliated with a national broadcast network.

On September 28, 2006, Sinclair exercised its right to deliver notice to us to terminate retransmission of all of its stations effective December 1, 2006, but subsequently agreed to extend our right to carriage of its signals until January 5, 2007. We and Sinclair were unable to reach agreement, and on January 5, 2007, Sinclair directed us to discontinue carriage of its stations. On February 2, 2007, we and Sinclair reached a multi-year agreement and Sinclair stations were immediately restored on the affected cable systems. As a result of this retransmission consent dispute, we experienced higher levels of basic subscriber losses and operating expenses in the fourth quarter of 2006 and the first quarter of 2007.

Adjusted OIBDA

We define Adjusted OIBDA as operating income before depreciation and amortization and non-cash, share-based compensation charges. Adjusted OIBDA is one of the primary measures used by management to evaluate our performance and to forecast future results but is not a financial measure calculated in accordance with generally accepted accounting principles (GAAP) in the United States. It is also a significant performance measure in our annual incentive compensation programs. We believe Adjusted OIBDA is useful for investors because it enables them to assess our performance in a manner similar to the methods used by management, and provides a measure that can be used to analyze, value and compare the companies in the cable television industry, which may have different depreciation and amortization policies, as well as different non-cash, share-based compensation programs. Adjusted OIBDA and similar measures are used in calculating compliance with the covenants of our debt arrangements. A limitation of Adjusted OIBDA, however, is that it excludes depreciation and amortization, which represents the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in our business. Management utilizes a separate process to budget, measure and evaluate capital expenditures. In addition, Adjusted OIBDA has the limitation of not reflecting the effect of the our non-cash, share-based compensation charges.

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Adjusted OIBDA should not be regarded as an alternative to either operating income or net income (loss) as an indicator of operating performance nor should it be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to Adjusted OIBDA.

Actual Results of Operations**Three Months Ended June 30, 2008 compared to Three Months Ended June 30, 2007**

The following tables set forth the unaudited consolidated statements of operations for the three months ended June 30, 2008 and 2007 (dollars in thousands and percentage changes that are not meaningful are marked NM):

	Three Months Ended June 30,		\$ Change	% Change
	2008	2007		
Revenues	\$ 349,501	\$ 324,734	\$ 24,767	7.6%
Costs and expenses:				
Service costs (exclusive of depreciation and amortization)	145,019	133,975	11,044	8.2%
Selling, general and administrative expenses	68,005	65,932	2,073	3.1%
Corporate expenses	7,504	6,932	572	8.3%
Depreciation and amortization	59,641	56,934	2,707	4.8%
Operating income	69,332	60,961	8,371	13.7%
Interest expense, net	(54,035)	(60,022)	5,987	(10.0%)
Gain on derivatives, net	22,187	9,214	12,973	NM
Other expense, net	(1,983)	(2,196)	213	(9.7%)
Income before income taxes	35,501	7,957	27,544	NM
Provision for income taxes	(14,569)	(14,601)	32	(0.2%)
Net income (loss)	\$ 20,932	\$ (6,644)	\$ 27,576	NM
Adjusted OIBDA	\$ 130,144	\$ 119,261	\$ 10,883	9.1%

	Three Months Ended June 30,		\$ Change	% Change
	2008	2007		
Adjusted OIBDA	\$ 130,144	\$ 119,261	\$ 10,883	9.1%
Non-cash, share-based compensation	(1,171)	(1,366)	195	(14.3%)
Depreciation and amortization	(59,641)	(56,934)	(2,707)	4.8%
Operating income	\$ 69,332	\$ 60,961	\$ 8,371	13.7%

Revenues

The following tables set forth the unaudited revenues, and selected subscriber, customer and average monthly revenue statistics for the three months ended June 30, 2008 and 2007 (dollars in thousands, except per subscriber and RGU data):

	Three Months Ended			
	June 30,		\$ Change	% Change
	2008	2007		
Video	\$ 231,144	\$ 226,029	\$ 5,115	2.3%
HSD	80,113	69,405	10,708	15.4%
Phone	22,194	13,281	8,913	67.1%
Advertising	16,050	16,019	31	0.2%
Total Revenues	\$ 349,501	\$ 324,734	\$ 24,767	7.6%

	June 30,		Increase/ (Decrease)	% Change
	2008	2007		
Basic subscribers	1,321,000	1,344,000	(23,000)	(1.7%)
Digital customers	599,000	532,000	67,000	12.6%
HSD customers	702,000	613,000	89,000	14.5%
Phone customers	222,000	144,000	78,000	54.2%
RGUs (1)	2,844,000	2,633,000	211,000	8.0%
Average total monthly revenue per RGU (2)	\$ 41.27	\$ 41.25	\$ 0.02	0.0%

(1) RGUs represent the total of basic subscribers and digital, HSD and phone customers.

(2) Represents average monthly revenues for the quarter divided by average RGUs for such period.

Revenues rose 7.6%, largely attributable to growth in our HSD and phone customers and an increase in video revenues. RGUs grew 8.0%, and average total monthly revenue per RGU was flat year-over-year.

Video revenues primarily represent monthly subscription fees charged to customers for our core cable television products and services (including basic and digital cable programming services, wire maintenance, equipment rental and services to commercial establishments), pay-per-view charges, installation, reconnection and late payment fees and other ancillary revenues. HSD revenues primarily represent monthly fees charged to customers, including commercial establishments, for our HSD products and services and equipment rental fees. Phone revenues primarily represent monthly fees charged to customers. Advertising revenues represent the sale of advertising time on various channels.

Video revenues grew 2.3%, largely due to basic video rate increases and customer growth in our advanced video products and services, partially offset by a lower number of basic subscribers. During the three months ended June 30, 2008, we lost 5,000 basic subscribers, compared to a loss of 18,000 basic subscribers for the same period last year. Digital customers grew by 15,000 during the three months ended June 30, 2008, as compared to an increase of 2,000 in the prior year period. As of June 30, 2008, 32.2% of digital customers were taking our DVR and/or HDTV services, as compared to 26.5% at the end of the prior year period.

HSD revenues rose 15.4%, primarily due to a 14.5% year-over-year increase in HSD customers. During the three months ended June 30, 2008, HSD customers grew by 14,000, as compared to a gain of 13,000 in the prior year period.

Phone revenues grew 67.1%, mainly due to a 54.2% year-over-year increase in phone customers. During the three months ended June 30, 2008, phone customers grew by 18,000, as compared to a gain of 21,000 in the prior year period. As of June 30, 2008, our phone service was marketed to 91% of our estimated 2.84 million homes passed.

Advertising revenues were essentially flat year-over-year, largely as a result of an increase in local advertising, offset by a decrease in national advertising.

Costs and Expenses

Significant service costs include: programming expenses; employee expenses related to wages and salaries of technical personnel who maintain our cable network, perform customer installation activities and provide customer support; HSD costs, including costs of bandwidth connectivity and customer provisioning; phone service costs, including delivery and other expenses; and field operating costs, including outside contractors, vehicle, utilities and pole rental expenses. Video programming costs, which are generally paid on a per subscriber basis, represent our largest single expense and have historically increased due to both increases in the rates charged for existing programming services and the introduction of new programming services to our customers. These costs are expected to continue to grow principally because of contractual unit rate increases and the increasing demands of television broadcast station owners for retransmission consent fees. As a consequence, it is expected that our video gross margins will decline as increases in programming costs outpace growth in video revenues.

Service costs rose 8.2%, primarily due to increases in programming, phone service, field operating and personnel expenses, offset in part by lower HSD costs. Programming expenses grew 6.0%, principally as a result of higher contractual rates charged by our programming vendors, offset in part by a lower number of basic subscribers. Phone service costs rose 64.9%, primarily due to the growth in phone customers and higher connectivity costs. Field operating expenses grew 22.4%, primarily due to higher vehicle fuel and repair costs and lower capitalization of overhead costs, offset in part by a decrease in insurance costs. Personnel costs rose 15.3%, largely due to higher technical operations staffing. HSD expenses decreased 19.9% due to a reduction in product delivery costs, offset in part by HSD customer growth. Service costs as a percentage of revenues were 41.5% and 41.3% for the three months ended June 30, 2008 and 2007, respectively.

Significant selling, general and administrative expenses include: wages and salaries for our call centers, customer service and support and administrative personnel; franchise fees and taxes; marketing; bad debt; billing; advertising; and office costs related to telecommunications and office administration.

Selling, general and administrative expenses rose 3.1%, principally due to higher costs related to customer service and marketing, offset in part by a decrease in telecommunications and billing expenses. Customer service employee costs rose 16.5%, mainly due to additional staffing. Marketing costs grew 11.5%, primarily due to higher staffing levels, greater usage of third-party sales support and an increase in direct mailing campaigns, offset in part by a reduction in other advertising. Telecommunications costs decreased 13.9%, principally due to more favorable rates. Billing expenses fell 7.8%, primarily due to decreased processing fees. Selling, general and administrative expenses as a percentage of revenues were 19.5% and 20.3% for the three months ended June 30, 2008 and 2007, respectively.

Corporate expenses reflect compensation of corporate employees and other corporate overhead. Corporate expenses rose 8.3%, primarily due to an increase in compensation due to increased headcount. Corporate expenses as a percentage of revenues were 2.1% for each of the three months ended June 30, 2008 and 2007.

Depreciation and amortization rose 4.8%, primarily due to increased deployment of shorter-lived customer premise equipment.

Adjusted OIBDA

Adjusted OIBDA increased 9.1%, due to growth in HSD, phone and video revenues, offset in part by higher service costs and selling, general and administrative expenses.

Operating Income

Operating income grew 13.7%, due to the increase in Adjusted OIBDA, offset in part by higher depreciation and amortization.

Interest Expense, Net

Interest expense, net, decreased by 10.0%, primarily due to lower market interest rates on variable rate debt, offset in part by higher average indebtedness.

Loss on Derivatives, Net

We enter into interest rate exchange agreements, or “interest rate swaps,” with counterparties to fix the interest rate on a portion of our variable rate debt to reduce the potential volatility in our interest expense that would otherwise result from changes in variable market interest rates. As of June 30, 2008, we had interest rate swaps with an aggregate notional amount of \$1.1 billion. The changes in their mark-to-market values are derived primarily from changes in market interest rates, the decrease in their time to maturity and other factors. These swaps have not been designated as hedges for accounting purposes. As a result of the quarterly mark-to-market valuation of these interest rate swaps, we recorded a net gain on derivatives of \$22.2 million and \$9.2 million, based upon information provided by our counterparties, for the three months ended June 30, 2008 and 2007, respectively.

Provision for Income Taxes

Provision for income taxes was \$14.6 million for each of the three months ended June 30, 2008 and 2007. These provisions for income taxes for each of the three months ended June 30, 2008 and 2007 resulted from non-cash charges related to our deferred tax asset positions. See Note 9 of our Notes to Consolidated Financial Statements.

Net Income (Loss)

As a result of the factors described above, we recognized a net income of \$20.9 million for the three months ended June 30, 2008 compared to a net loss of \$6.6 million for the prior year period.

Actual Results of Operations**Six Months Ended June 30, 2008 compared to Six Months Ended June 30, 2007**

The following tables set forth the unaudited consolidated statements of operations for the six months ended June 30, 2008 and 2007 (dollars in thousands and percentage changes that are not meaningful are marked NM):

	Six Months Ended June 30,		\$ Change	% Change
	2008	2007		
Revenues	\$ 689,179	\$ 632,609	\$ 56,570	8.9%
Costs and expenses:				
Service costs (exclusive of depreciation and amortization)	285,562	266,370	19,192	7.2%
Selling, general and administrative expenses	134,946	128,515	6,431	5.0%
Corporate expenses	15,238	13,703	1,535	11.2%
Depreciation and amortization	119,485	110,735	8,750	7.9%
Operating income	133,948	113,286	20,662	18.2%
Interest expense, net	(108,624)	(119,012)	10,388	(8.7%)
(Loss) gain on derivatives, net	(1,886)	4,819	(6,705)	NM
(Loss) gain on sale of cable systems, net	(170)	10,781	(10,951)	NM
Other expense, net	(3,833)	(4,904)	1,071	(21.8%)
Income before income taxes	19,435	4,970	14,465	NM
Provision for income taxes	(29,139)	(28,495)	(644)	2.3%
Net loss	<u>\$ (9,704)</u>	<u>\$ (23,525)</u>	<u>\$ 13,821</u>	<u>(58.8%)</u>
Adjusted OIBDA	<u>\$ 255,919</u>	<u>\$ 226,708</u>	<u>\$ 29,211</u>	<u>12.9%</u>

	Six Months Ended June 30,		\$ Change	% Change
	2008	2007		
Adjusted OIBDA	\$ 255,919	\$ 226,708	\$ 29,211	12.9%
Non-cash, share-based compensation	(2,486)	(2,687)	201	(7.5%)
Depreciation and amortization	(119,485)	(110,735)	(8,750)	7.9%
Operating income	<u>\$ 133,948</u>	<u>\$ 113,286</u>	<u>\$ 20,662</u>	<u>18.2%</u>

Revenues

The following tables set forth the unaudited revenues, and selected subscriber, customer and average monthly revenue statistics for the six months ended June 30, 2008 and 2007 (dollars in thousands, except per subscriber and RGU data):

	Six Months Ended June 30,		\$ Change	% Change
	2008	2007		
Video	\$ 459,650	\$ 441,657	\$ 17,993	4.1%
HSD	157,015	134,953	22,062	16.3%
Phone	41,739	24,825	16,914	68.1%
Advertising	30,775	31,174	(399)	(1.3%)
Total Revenues	<u>\$ 689,179</u>	<u>\$ 632,609</u>	<u>\$ 56,570</u>	<u>8.9%</u>

	June 30,		Increase/ (Decrease)	% Change
	2008	2007		
Basic subscribers	1,321,000	1,344,000	(23,000)	(1.7%)
Digital customers	599,000	532,000	67,000	12.6%
HSD customers	702,000	613,000	89,000	14.5%
Phone customers	222,000	144,000	78,000	54.2%
RGUs	<u>2,844,000</u>	<u>2,633,000</u>	<u>211,000</u>	<u>8.0%</u>
Average total monthly revenue per RGU	\$ 41.25	\$ 40.37	\$ 0.88	2.2%

Revenues rose 8.9%, largely attributable to growth in our HSD and phone customers, an increase in video revenues, and a favorable comparison to the prior year period when results were affected by the Sinclair retransmission consent dispute in the first quarter. RGUs grew 8.0%, and average total monthly revenue per RGU rose 2.2%.

Video revenues grew 4.1%, largely due to basic video rate increases and customer growth in our advanced video products and services, partially offset by a lower number of basic subscribers. During the six months ended June 30, 2008, we lost 3,000 basic subscribers, compared to a reduction in 36,000 basic subscribers for the same period last year, which includes a significant number of basic subscribers lost in connection with the aforementioned retransmission consent dispute, and the sale during the period of cable systems serving on a net basis 3,000 basic subscribers.

HSD revenues rose 16.3%, primarily due to a 14.5% year-over-year increase in HSD customers and continued growth with our enterprise network products and services.

Phone revenues grew 68.1%, mainly due to a 54.2% year-over-year increase in phone customers.

Advertising revenues were lower by 1.3%, largely as a result of an overall reduction in national advertising, offset in part by an increase in local advertising.

Costs and Expenses

Service costs rose 7.2%, primarily due to increases in programming, phone service and field operating expenses, offset in part by lower HSD costs. Programming expenses grew 6.2%, principally as a result of higher contractual rates charged by our programming vendors, offset in part by a lower number of basic subscribers. Phone service costs rose 62.6%, mainly due to the growth in phone customers and higher connectivity costs. Field operating expenses grew 20.0%, primarily due to lower capitalization of overhead costs and greater vehicle fuel and repair expenses and increased pole rental costs, offset in part by non-recurring expenses in the prior year period relating to the retransmission consent dispute noted above and lower insurance costs. HSD expenses decreased 21.6% due to a reduction in product delivery costs, offset in part by HSD customer growth. Service costs as a percentage of revenues were 41.4% and 42.1% for the six months ended June 30, 2008 and 2007, respectively.

Selling, general and administrative expenses rose 5.0%, principally due to higher costs related to marketing and customer service, offset in part by a decrease in telecommunications expenses. Marketing costs grew 18.6%, primarily due to additional staffing, more frequent direct mailing campaigns and greater use of third-party sales support, offset in part by a reduction in other advertising. Customer service employee costs rose 11.8%, principally due to higher staffing levels. Telecommunications costs fell 16.4%, primarily due to more favorable rates. Selling, general and administrative expenses as a percentage of revenues were 19.6% and 20.3% for the six months ended June 30, 2008 and 2007, respectively.

Corporate expenses rose 11.2%, primarily due to an increase in compensation due to increased headcount. Corporate expenses as a percentage of revenues were 2.2% and for each of the six months ended June 30, 2008 and 2007.

Depreciation and amortization rose 7.9%, primarily due to increased deployment of shorter-lived customer premise equipment and scalable infrastructure components.

Adjusted OIBDA

Adjusted OIBDA increased 12.9%, due to growth in HSD, video and phone revenues, offset in part by higher service costs and selling, general and administrative expenses.

Operating Income

Operating income grew 18.2%, due to the increase in Adjusted OIBDA, offset in part by higher depreciation and amortization.

Interest Expense, Net

Interest expense, net, decreased 8.7%, primarily due to lower market interest rates on variable rate debt, offset in part by higher average indebtedness.

(Loss) Gain on Derivatives, Net

We enter into interest rate exchange agreements, or "interest rate swaps," with counterparties to fix the interest rate on a portion of our variable rate debt to reduce the potential volatility in our interest expense that would otherwise result from changes in variable market interest rates. As of June 30, 2008, we had interest rate swaps with an aggregate notional amount of \$1.1 billion. The changes in their mark-to-market values are derived primarily from changes in market interest rates, the decrease in their time to maturity and other factors. These swaps have not been designated as hedges for accounting purposes. As a result of the quarterly mark-to-market valuation of these interest rate swaps, we recorded a net loss on derivatives amounting to \$1.9 million and a net gain on derivatives of \$4.8 million, based upon information provided by our counterparties, for the six months ended June 30, 2008 and 2007, respectively.

(Loss) Gain on Sale of Cable Systems, Net

During the six months ended June 30, 2007, we sold a cable system for \$22.9 million and recorded a gain on sale of \$10.8 million.

Provision for Income Taxes

Provision for income taxes was \$29.1 million, as compared to a provision for income taxes of \$28.5 million for the six months ended June 30, 2007. These provisions for income taxes for the six months ended June 30, 2008 and 2007 resulted from non-cash charges related to our deferred tax asset positions. See Note 9 of our Notes to Consolidated Financial Statements.

Net Loss

As a result of the factors described above, we recognized a net loss of \$9.7 million for the six months ended June 30, 2008 compared to a net loss of \$23.5 million for the prior year period.

Liquidity and Capital Resources

Overview

We have invested, and will continue to invest, in our network to enhance our reliability and capacity and the further deployment of advanced broadband services. Our capital spending has recently shifted from mainly network upgrade investments to the deployment of advanced services, and we also may continue to make strategic acquisitions of cable systems. We have a high level of indebtedness and incur significant amounts of interest expense each year. We believe that we will meet interest expense and principal payments, capital spending and other requirements through a combination of our net cash flows from operating activities, borrowing availability under our bank credit facilities, and our ability to secure future external financing. However, there is no assurance that we will be able to obtain sufficient future financing, or, if we were able to do so, that the terms would be favorable to us.

As of June 30, 2008, our total debt was \$3,248.8 million. Of this amount, \$111.3 million matures within the year ending June 30, 2009. During the six months ended June 30, 2008, we paid cash interest of \$107.2 million, net of capitalized interest. As of June 30, 2008, about 68.5% of our outstanding indebtedness was at fixed interest rates or subject to interest rate protection.

Bank Credit Facilities

Our two principal operating subsidiaries, Mediacom Broadband LLC and Mediacom LLC, maintain in aggregate \$3.05 billion in bank credit facilities, of which \$2,123.8 million was outstanding as of June 30, 2008. Continued access to our credit facilities is subject to our remaining in compliance with the covenants of these credit facilities, including covenants tied to our operating performance, principally the requirement that we maintain a maximum ratio of total senior debt to cash flow, as detailed in our credit agreements, of 6.0 to 1.0. The average interest rates on outstanding debt under our bank credit facilities as of June 30, 2008 and 2007, were 4.6% and 7.0%, respectively, before giving effect to the interest rate exchange agreements discussed below. As of June 30, 2008, we had unused credit commitments of \$902.7 million under our bank credit facilities, all of which could be borrowed and used for general corporate purposes based on the terms and conditions of our debt arrangements.

On May 29, 2008, the operating subsidiaries of Mediacom Broadband entered into an incremental facility agreement that provides for a new term loan ("new term loan") under the Broadband credit facility in the principal amount of \$350.0 million. On May 29, 2008, the full amount of the \$350.0 million new term loan was borrowed by the operating subsidiaries of Mediacom Broadband. Approximately \$335.0 million of the proceeds from the new term loan were used to repay the outstanding balance of the revolving credit portion of the Broadband credit facility, without any reduction in the revolving credit commitments. The balance of the proceeds from the new term loan were used for general corporate purposes.

Borrowings under the new term loan bear interest at a floating rate or rates equal to LIBOR or the prime rate, plus a margin of 3.50% for LIBOR loans and a margin of 2.50% for prime rate loans. For the first four years of the new term loan, LIBOR and the prime rate applicable to the new term loan are subject to a minimum of 3.00% in the case of LIBOR and a minimum of 4.00% in the case of the prime rate. The new term loan matures on January 3, 2016. The obligations of the operating subsidiaries under the new term loan are governed by the terms of the Broadband credit facility.

As of June 30, 2008, approximately \$19.3 million of letters of credit were issued under our bank credit facilities to various parties as collateral for our performance relating to insurance and franchise requirements.

Interest Rate Exchange Agreements

As of June 30, 2008, we had entered into interest rate swaps with counterparties to hedge \$1.1 billion of floating rate debt at a weighted average fixed rate of 5.0%. These swaps are scheduled to expire in the amounts of \$800.0 million, \$200.0 million and \$100.0 million during the years ended December 31, 2009, 2010 and 2011, respectively, and have been accounted for on a mark-to-market basis as of, and for the three months ended, June 30, 2008 and 2007, respectively. Under the terms of all of our interest rate exchange agreements, we are exposed to credit loss in the event of nonperformance by the other parties. However, due to the high creditworthiness of our counterparties, which are major banking firms with investment grade rankings, we do not anticipate their nonperformance.

The fair value of the interest rate exchange agreements is the estimated amount that we would receive or pay to terminate such agreements, taking into account market interest rates, the remaining time to maturities and the creditworthiness of our counterparties. As of June 30, 2008 and December 31, 2007, based on the mark-to-market valuation, we recorded on our consolidated balance sheets an accumulated liability for derivatives of \$27.7 million and \$25.8 million, respectively. We recorded in our consolidated statements of operations a net gain on derivatives of \$22.2 million and \$9.2 million for the three months ended June 30, 2008 and 2007, respectively. We recorded a net loss on derivatives of \$1.9 million and a net gain on derivatives of \$4.8 million for the six months ended June 30, 2008 and 2007, respectively. The decrease in the current portion of the net accumulated liability for derivatives since March 31, 2008 was driven primarily by an increase in estimated future interest rates.

Senior Notes

We have issued senior notes through Mediacom Broadband and Mediacom LLC totaling \$1.125 billion as of June 30, 2008. The indentures governing our senior notes also contain financial and other covenants, though they are generally less restrictive than those found in our bank credit facilities and do not require us to maintain any financial ratios. Principal covenants include a limitation on the incurrence of additional indebtedness based upon a maximum ratio of total indebtedness to cash flow, as defined in these debt agreements, ranging from 7.0 to 1.0 to 8.5 to 1.0. These agreements also contain limitations on dividends, investments and distributions.

Covenant Compliance and Debt Ratings

For all periods through June 30, 2008, we were in compliance with all of the covenants under our bank credit facilities and senior note arrangements. There are no covenants, events of default, borrowing conditions or other terms in our bank credit facilities and senior note arrangements that are based on changes in our credit rating assigned by any rating agency. We believe that we will not have any difficulty complying with any of the applicable covenants in the foreseeable future.

Operating Activities

Net cash flows provided by operating activities were \$133.3 million for the six months ended June 30, 2008, primarily due to Adjusted OIBDA of \$255.9 million, offset in part by interest expense of \$108.6 million and the \$12.8 million net change in our operating assets and liabilities. The net change in our operating assets and liabilities was principally due to a decrease in accounts payable, accrued expenses and other current liabilities of \$15.8 million, offset in part by an increase in deferred revenue of \$2.4 million, a decrease in accounts receivable, net, of \$1.7 million and a decrease in prepaid expenses and other assets of \$0.5 million.

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Net cash flows provided by operating activities were \$75.2 million for the six months ended June 30, 2007, primarily due to Adjusted OIBDA of \$226.7 million, offset in part by interest expense of \$119.0 million and the \$30.0 million net change in our operating assets and liabilities. The net change in our operating assets and liabilities was primarily due to a decrease in accounts payable and accrued expenses of \$30.8 million, a decrease in our other non-current liabilities of \$1.8 million and an increase in our prepaid expenses and other assets of \$1.3 million, offset by an increase in deferred revenue of \$4.2 million.

Investing Activities

Net cash flows used in investing activities were \$134.7 million for the six months ended June 30, 2008, as compared to \$96.1 million for the prior year period. In both periods, capital expenditures represented most of the net cash flows used in investing activities. This change of \$38.6 million was due to a \$22.9 million increase in capital expenditures, primarily due to greater investments in our video and HSD delivery systems and network rebuild and upgrade activity, and proceeds received from the sale of cable systems, net of acquisitions, of \$15.7 million in the prior year period.

Financing Activities

Net cash flows provided by financing activities were \$23.6 million for the six months ended June 30, 2008, principally due to net bank financing of \$33.7 million and other financing activities of \$23.3 million, which funded repurchases of our Class A common stock totaling \$22.4 million and financing costs of \$11.4 million.

Net cash flows used in financing activities were \$0.8 million for the six months ended June 30, 2007, primarily due to net repayment of debt of \$6.2 million, repurchases of our Class A common stock totaling \$4.3 million, mostly offset by \$9.3 million of other financing activities.

Contractual Obligations and Commercial Commitments

There have been no material changes to our contractual obligations and commercial commitments as previously disclosed in our annual report on Form 10-K for the year ended December 31, 2007.

Critical Accounting Policies

The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Periodically, we evaluate our estimates, including those related to doubtful accounts, long-lived assets, capitalized costs and accruals. We base our estimates on historical experience and on various other assumptions that we believe are reasonable. Actual results may differ from these estimates under different assumptions or conditions. We believe that the application of the critical accounting policies requires significant judgments and estimates on the part of management. For a summary of our critical accounting policies, please refer to our annual report on Form 10-K for the year ended December 31, 2007.

Inflation and Changing Prices

Our systems' costs and expenses are subject to inflation and price fluctuations. Such changes in costs and expenses can generally be passed through to subscribers. Programming costs have historically increased at rates in excess of inflation and are expected to continue to do so. We believe that under the Federal Communications Commission's existing cable rate regulations we may increase rates for cable television services to more than cover any increases in programming. However, competitive conditions and other factors in the marketplace may limit our ability to increase our rates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no significant changes to the information required under this Item from what was disclosed in Item 7A of our annual report on Form 10-K for the year ended December 31, 2007.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2008.

There has not been any change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended June 30, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II**ITEM 1. LEGAL PROCEEDINGS**

See Note 8 to our consolidated financial statements.

ITEM 1A. RISK FACTORS

There have been no material changes in the risk factors from those disclosed in Item 1A of our annual report on Form 10-K for the year ended December 31, 2007.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following is a summary of our share repurchases of our Class A common stock during the second quarter of 2008 under our Board-authorized repurchase program:

Period	Total Number of Shares Purchased	Average Price Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Total Dollars Purchased Under the Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
April	1,543,666	\$ 4.55	1,543,666	\$ 7,026,410	\$ 36,000
May	441,330	\$ 5.49	441,330	2,424,323	47,611,677 ⁽¹⁾
June	—	—	—	—	47,611,677
Second Quarter 2008	<u>1,984,996</u>	<u>\$ 4.76</u>	<u>1,984,996</u>	<u>\$ 9,450,733</u>	<u>\$ 47,611,677</u>

(1) On May 5, 2008, our Board of Directors authorized a new \$50.0 million Class A common stock repurchase program.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On June 17, 2008, we held our annual meeting of stockholders to: (i) elect seven directors to serve for a term of one year; and (ii) ratify the selection of the Company's independent auditors for the year ending December 31, 2008.

The following individuals were elected to serve as directors for a term of one year:

	Vote For	Vote Withheld
Rocco B. Commisso	308,099,597	22,916,004
Craig S. Mitchell	329,857,021	1,158,580
William S. Morris III	308,099,873	22,915,728
Thomas V. Reifenhaiser	312,107,621	18,907,980
Natale S. Ricciardi	320,500,439	10,515,162
Mark E. Stephan	311,288,467	19,727,134
Robert L. Winikoff	311,398,752	19,616,849

These individuals constituted our entire Board of Directors and served as our directors immediately preceding the annual meeting.

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The stockholders ratified the selection of PricewaterhouseCoopers LLP as our independent auditors for the year ending December 31, 2008. The result of the vote was as follows: 331,008,381 votes were for the ratification, 6,069 votes were against the ratification and 1,151 votes abstained from the ratification.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
10.1	Incremental Facility Agreement, dated as of May 29, 2008, between the operating subsidiaries of Mediacom Broadband LLC, the lenders signatory thereto and JPMorgan Chase Bank, N.A., as administrative agent (1)
31.1	Rule 13a-14(a) Certifications
32.1	Section 1350 Certifications

(1) Filed on June 2, 2008 as an exhibit to the Current Report on Form 8-K, dated May 29, 2008, of Mediacom Broadband LLC and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEDIACOM COMMUNICATIONS CORPORATION

August 8, 2008

By: /s/ MARK E. STEPHAN

Mark E. Stephan

Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
Exhibit 31.1:	Rule 13a-14(a) Certifications
Exhibit 32.1:	Section 1350 Certifications

CERTIFICATIONS

I, Rocco B. Commisso, certify that:

- (1) I have reviewed this report on Form 10-Q of Mediacom Communications Corporation;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2008

By: /s/ ROCCO B. COMMISSO

Rocco B. Commisso

Chairman and Chief Executive Officer

CERTIFICATIONS

I, Mark E. Stephan, certify that:

- (1) I have reviewed this report on Form 10-Q of Mediacom Communications Corporation;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2008

By: /s/ MARK E. STEPHAN

Mark E. Stephan

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Mediacom Communications Corporation (the "Company") on Form 10-Q for the period ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Rocco B. Commisso, Chairman and Chief Executive Officer and Mark E. Stephan, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and,
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 8, 2008

By: /s/ ROCCO B. COMMISSO
Rocco B. Commisso
Chairman and Chief Executive Officer

By: /s/ MARK E. STEPHAN
Mark E. Stephan
Executive Vice President and Chief Financial Officer