

# First Quarter 2009 Results

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**Senior EVP and Chief Financial Officer**

**April 29, 2009**

# Caution Concerning Forward-Looking Statements and Non-GAAP Financial Measures

Today's presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological, strategic and/or regulatory factors, and other factors affecting the operations of Time Warner Cable Inc.

More detailed information about these factors may be found in filings by Time Warner Cable Inc. with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Time Warner Cable is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

This presentation includes information regarding the historical financial performance through March 31, 2009 of Time Warner Cable and its expectations regarding future performance, including historical financial performance as reflected in non-GAAP financial measures such as Operating Income (Loss) before Depreciation and Amortization, Adjusted Operating Income before Depreciation and Amortization ("Adjusted OIBDA"), Adjusted OIBDA less Capital Expenditures and Free Cash Flow. Please note that schedules setting out the reconciliation of historical non-GAAP financial measures to Operating Income and cash provided by operating activities or other most directly comparable GAAP financial measures, as applicable, are included in the trending schedules posted on the Time Warner Cable company website at [www.timewarnercable.com/investors](http://www.timewarnercable.com/investors) and, as applicable, also are included in the Company's earnings release for the quarter ended March 31, 2009, which can also be accessed from the Company's website.

# First Quarter Highlights

## ➤ Stronger Subscriber Growth<sup>(1)</sup>

- ✓ RGUs +556,000
- ✓ Video +36,000
- ✓ Customer Relationships +81,000
- ✓ 55% of Customer Relationships in bundles at end of 1Q09

## ➤ Healthy Financial Performance<sup>(2)</sup>

- ✓ Revenues +5%
- ✓ Adjusted OIBDA<sup>(3)</sup> +7%
- ✓ Adjusted OIBDA margin<sup>(4)</sup> +70 basis points
- ✓ Adjusted OIBDA less CapEx +32%
- ✓ Free Cash Flow<sup>(5)</sup> +11%

## ➤ Commercial Services Enhance Growth

- ✓ Commercial revenues +17%
- ✓ 5% of total revenues → 15% of growth

## ➤ On Track to Achieve Full-Year Outlook

(1) Represents net additions during 1Q09.

(2) Represents year-over-year growth.

(3) Adjusted OIBDA is defined as Operating Income (Loss) before Depreciation and Amortization excluding the impact of noncash impairments of goodwill, intangible and fixed assets, as well as gains and losses on asset sales, merger-related and restructuring costs and costs associated with equity awards granted to offset the reduction in value as a result of the Company's separation from Time Warner Inc. of Time Warner equity awards held by TWC employees.

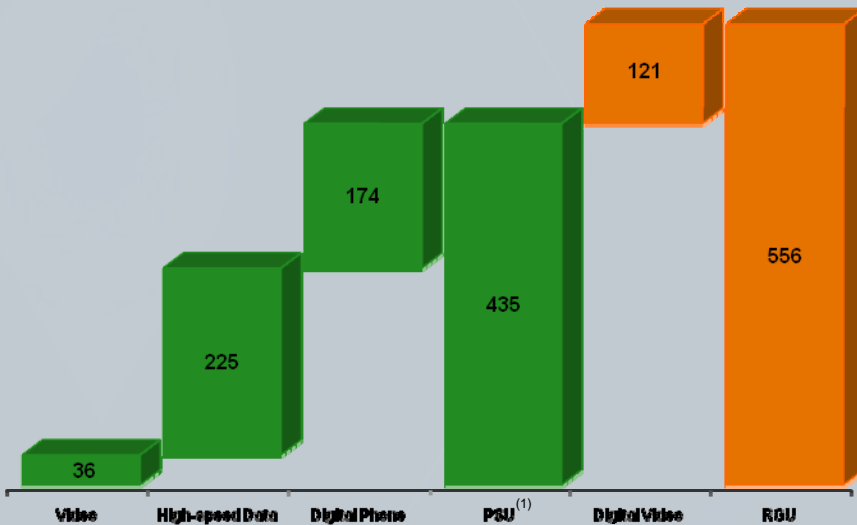
(4) Adjusted OIBDA margin is defined as Adjusted OIBDA as a percentage of Revenues.

(5) Free Cash Flow is defined as cash provided by operating activities (as defined under GAAP) plus excess tax benefits from the exercise of stock options, less cash provided (used) by discontinued operations, capital expenditures, cash paid for other intangible assets, partnership distributions and principal payments on capital leases.

# Subscriber Performance

## 1Q09 Subscriber Net Additions

(in Thousands)



- **Customer Relationships increased by 81,000**
- **PSU net additions of 435,000**
- **556,000 RGU net additions**
- **Video net additions of 36,000**
- **33% HSD penetration<sup>(2)</sup>**
- **Digital Phone penetration<sup>(3)</sup> exceeds 15%**

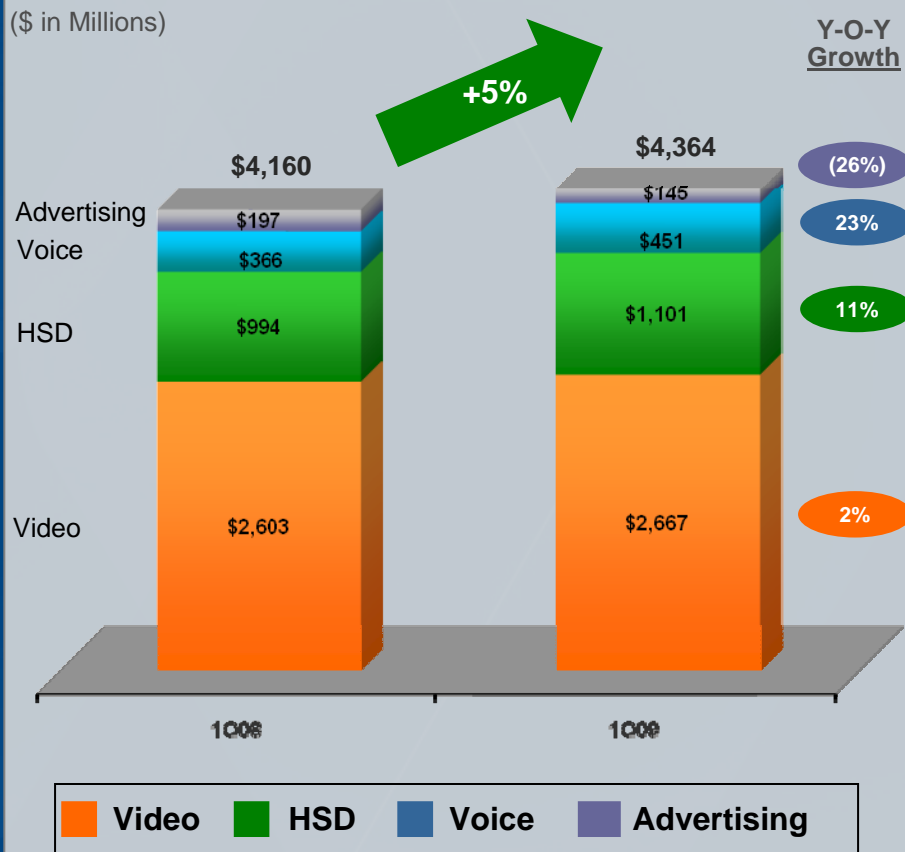
(1) Primary service unit numbers represent the total of all video, high-speed data and voice subscribers.

(2) High-speed data penetration represents total residential and commercial high-speed data subscribers as a percentage of estimated high-speed data passings.

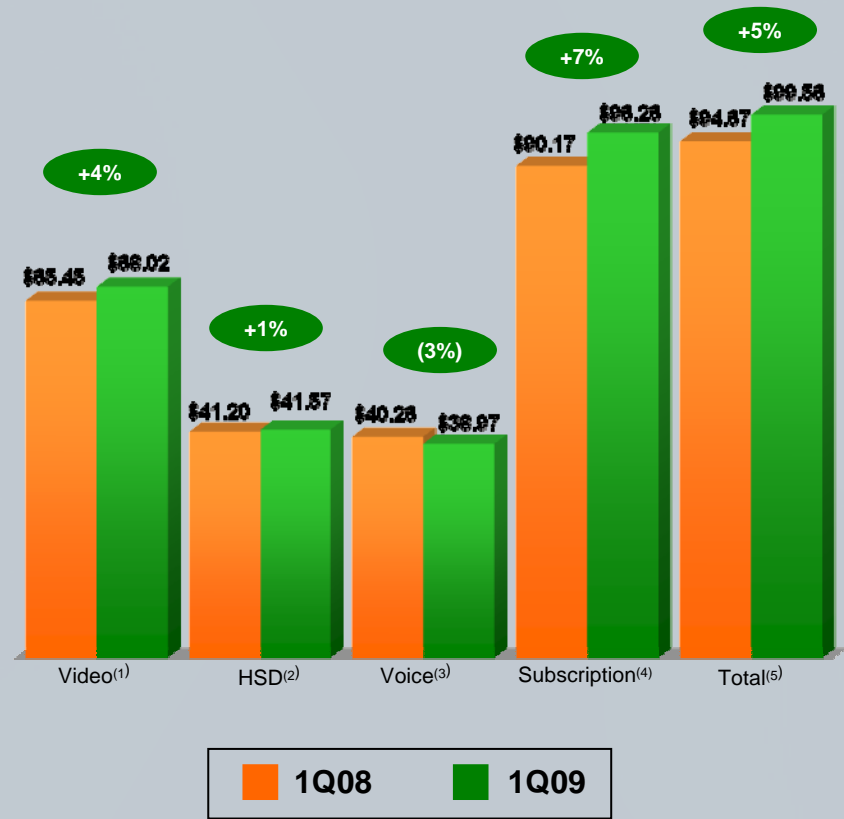
(3) Digital Phone penetration represents total residential and commercial Digital Phone subscribers as a percentage of estimated Digital Phone passings.

# Revenue Growth

## First Quarter Revenues



## Average Monthly Revenues Per Unit



(1) Average monthly video revenues per unit represents video revenues divided by the corresponding average video subscribers for the period.

(2) Average monthly high-speed data revenues per unit represents residential and commercial high-speed data revenues divided by the corresponding average total residential and commercial high-speed data subscribers for the period.

(3) Average monthly Digital Phone revenues per unit represents voice revenues divided by the corresponding average total residential and commercial Digital Phone subscribers for the period.

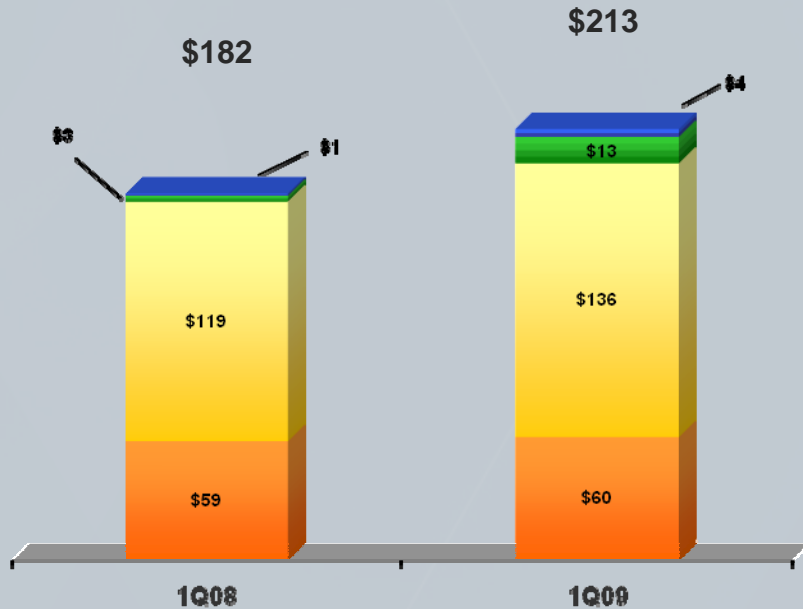
(4) Average monthly subscription revenues per customer relationship represents subscription revenues divided by the corresponding average customer relationships for the period.

(5) Average monthly total revenues per customer relationship represents total revenues divided by the corresponding average customer relationships for the period.

# Commercial Services Enhancing Growth

## Commercial Services Revenues

(\$ in Millions)



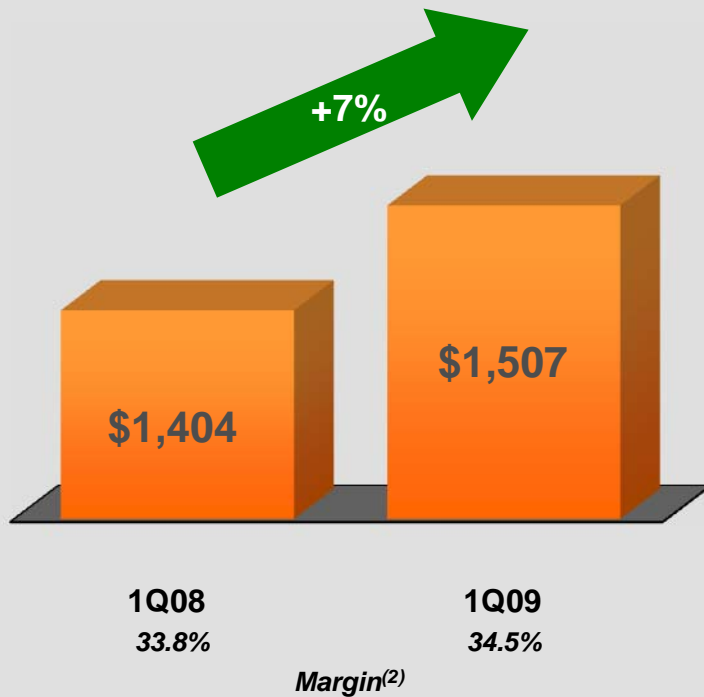
Video Data Voice Cell Backhaul

- **Total Commercial Revenues up 17% from 1Q08**
- **Commercial Services Provided 15% of Total Revenue Growth**

# Adjusted OIBDA Improvement

## First Quarter Adjusted OIBDA<sup>(1)</sup>

(\$ in Millions)



- **Adjusted OIBDA Grew 7%**
- ✓ **70 Basis Point Margin Expansion**
- ✓ **Total expenses up just 4%**
  - **Cost of revenue up 6%**
  - **SG&A down 3%**

(1) Adjusted OIBDA is defined as Operating Income (Loss) before Depreciation and Amortization excluding the impact of noncash impairments of goodwill, intangible and fixed assets, as well as gains and losses on asset sales, merger-related and restructuring costs and costs associated with equity awards granted to offset the reduction in value as a result of the Company's separation from Time Warner Inc. of Time Warner equity awards held by TWC employees.

(2) Adjusted OIBDA Margin is defined as Adjusted OIBDA divided by Total Revenues.

# Disciplined Capital Deployment

## First Quarter Capital Expenditures by Category

(\$ in Millions)



**CPE** **Support Capital** **Scalable Infrastructure** **Line Extensions** **Upgrades/Rebuilds**

# Strong Free Cash Flow

(\$ in Millions)	Quarter Ended March 31,	
	2009	2008
<b>Adjusted OIBDA<sup>(1)</sup></b>	<b>\$1,507</b>	<b>\$1,404</b>
Capital Expenditures	(769)	(846)
<b>Adjusted OIBDA less Capital Expenditures</b>	<b>738</b>	<b>558</b>
Pension Plan Contributions	(41)	(50)
Net Interest Payments	(360)	(212)
Net Income Taxes Refunded	22	1
Working Capital/Other <sup>(2)</sup>	8	34
<b>Free Cash Flow<sup>(3)</sup></b>	<b>\$ 367</b>	<b>\$ 331</b>

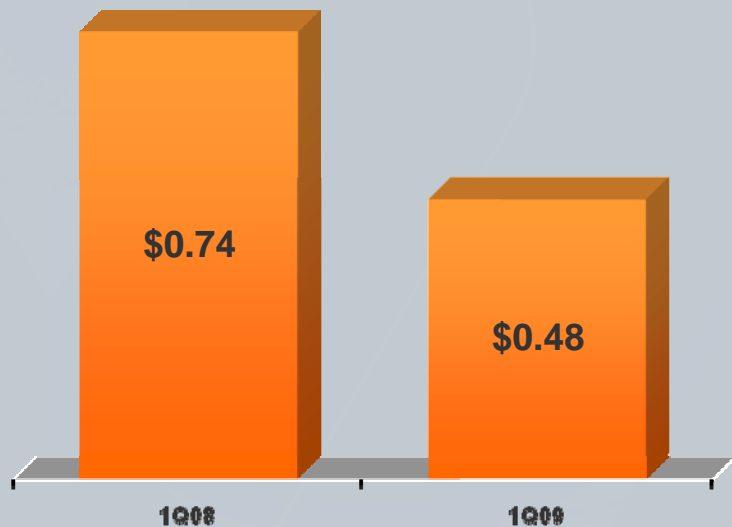
(1) Adjusted OIBDA is defined as Operating Income (Loss) before Depreciation and Amortization excluding the impact of noncash impairments of goodwill, intangible and fixed assets, as well as gains and losses on asset sales, merger-related and restructuring costs and costs associated with equity awards granted to offset the reduction in value as a result of the Company's separation from Time Warner Inc. of Time Warner equity awards held by TWC employees.

(2) Other includes noncash equity-based compensation and merger-related and restructuring payments, partnership tax distributions, stock option distributions, principal payments on capital leases and cash paid for other intangible assets, less excess tax benefits from the exercise of stock options.

(3) Free Cash Flow is defined as cash provided by operating activities (as defined under GAAP) plus excess tax benefits from the exercise of stock options, less cash provided (used) by discontinued operations, capital expenditures, cash paid for other intangible assets, partnership distributions and principal payments on capital leases.

# Diluted Earnings Per Share

## First Quarter Diluted Earnings Per Share<sup>(1)</sup>



## ➤ Items Affecting Comparability

### 2009:

- Restructuring Charges
- Separation-related Direct Transaction Costs
- Debt Issuance Costs
- Impairment of The Reserve Primary Fund Investment
- Effects of California Tax Law Changes
- + Excess Amortization Adjustment

### 2008:

- + Gain on Sale of Cost-Method Investment
- Restructuring Charges
- Separation-related Direct Transaction Costs

(1) Diluted EPS is defined as net income attributable to TWC per diluted common share. Both periods reflect the reverse stock split of the TWC Common Stock at a 1-for-3 ratio that was implemented on March 12, 2009. Certain pretax items in 2009 affected comparability to the prior year quarter, including \$43 million of restructuring costs, \$40 million of costs associated with the Company's separation from Time Warner Inc., an \$11 million benefit from an adjustment to reduce excess amortization recorded in prior years and a \$10 million impairment of the Company's investment in The Reserve Fund's Primary Fund. Additionally, the income tax provision for the first quarter of 2009 included \$38 million of expense related to certain state tax law changes in California. The prior year included a \$9 million gain from the sale of a cost-method investment, \$2 million of restructuring costs, and \$2 million of direct transaction costs associated with the Company's separation from Time Warner Inc.

# Balance Sheet as of 3/31/09

(\$ in Millions)

Fixed-rate Debt	\$17,651
Variable-rate Debt	5,495
Capital Leases and Other	12
Preferred Equity	300
<b>Total Debt &amp; Preferred Equity</b>	<b>\$23,458</b>
Less: Cash and equivalents	(396)
<b>Net Debt &amp; Preferred Equity (3/31/09)</b>	<b>\$23,062</b>
Cash and equivalents (3/31/09)	\$396
Revolving Credit Facility Availability	3,292
<b>Unused Committed Capacity (3/31/09)</b>	<b>\$3,688</b>

- **\$23.1B Net Debt and Preferred Equity (3/31/09)**
- **Under 3.7x Net Debt and Preferred Equity to TTM Adjusted OIBDA**
- **\$3.7B of Unused Committed Capacity (3/31/09)**
- **No maturities until 2011**

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