



NEWS

**For Immediate Release:**

## **TIME WARNER CABLE UPDATES 2008 FULL-YEAR BUSINESS OUTLOOK**

**NEW YORK, NY, August 6, 2008** – Time Warner Cable Inc. (NYSE: TWC) today updated its 2008 full-year business outlook.

Time Warner Cable announced that it expects its 2008 full-year growth rate in Revenues to be approximately 9%, from a 2007 base of \$15.955 billion, and its 2008 full-year growth rate in Adjusted Operating Income before Depreciation and Amortization, which excludes a noncash pretax impairment loss of \$45 million on cable systems held for sale, to be in the range of 9% to 11%, from a 2007 base of \$5.742 billion.

Time Warner Cable also reaffirmed its expectation that its 2008 full-year growth rate in Free Cash Flow will be at least 40%.

Time Warner Cable revised its 2008 full-year outlook for Earnings per Diluted Share to reflect the impact of certain financing and transaction costs relating to its planned separation from Time Warner Inc. and the second-quarter loss on cable systems held for sale. The Company now expects that its 2008 full-year Earnings per Diluted Share will be in the range of \$1.10 to \$1.15.

The outlook above does not include the impact of any future merger or unidentified restructuring charges, sales and acquisitions of operating assets and investments, or the related impact of taxes that may occur from time to time due to management decisions and changing business circumstances. The outlook above also does not include the impact of any future noncash impairments of goodwill, intangible and fixed assets or the related impact of taxes. Time Warner Cable Inc. (together with its subsidiaries, the "Company") is currently unable to forecast precisely the timing and/or magnitude of any such amounts or events.

### **Use of Operating Income before Depreciation and Amortization, Adjusted Operating Income before Depreciation and Amortization and Free Cash Flow**

Operating Income before Depreciation and Amortization ("OIBDA") is a financial measure not calculated and presented in accordance with U.S. generally accepted accounting principles ("GAAP"). The Company defines OIBDA as Operating Income before depreciation of tangible assets and amortization of intangible assets. The Company also evaluates the performance of its business using OIBDA excluding the impact of noncash impairments of goodwill, intangible and fixed assets, as well as gains and losses on asset sales (referred to herein as "Adjusted OIBDA"). Management utilizes OIBDA and Adjusted OIBDA, among other measures, in evaluating the performance of the Company's business because they eliminate the uneven effect across its business of considerable amounts of depreciation of tangible assets and amortization of intangible assets recognized in business combinations. Additionally, management utilizes OIBDA and Adjusted OIBDA because it believes these measures provide valuable insight into the underlying performance of the Company's individual cable systems by removing the effects of items that are not within the control of local personnel charged with managing these systems such as income tax provision, other income (expense), net, minority interest expense, net, income from equity investments, net, and interest expense, net. In this regard, OIBDA and Adjusted OIBDA are significant measures used in the Company's annual incentive compensation programs. OIBDA and Adjusted OIBDA also are metrics used by the Company's parent, Time Warner Inc. ("Time Warner"), to evaluate the Company's performance, and OIBDA is an important measure in the Time Warner reportable segment disclosures. A limitation of OIBDA and Adjusted OIBDA, however, is that they do not reflect the periodic costs of

certain capitalized tangible and intangible assets used in generating revenues in the Company's business. Moreover, Adjusted OIBDA does not reflect gains and losses on asset sales or any impairment charge related to goodwill, intangible assets and fixed assets. To compensate for this limitation, management evaluates the investments in such tangible and intangible assets through other financial measures, such as capital expenditure budget variances, investment spending levels and return on capital analyses. Another limitation of these measures is that they do not reflect the significant costs borne by the Company for income taxes, debt servicing costs, the share of OIBDA and Adjusted OIBDA related to the minority ownership, the results of the Company's equity investments or other non-operational income or expense. Management compensates for this limitation through other financial measures such as a review of net income and earnings per share.

Free Cash Flow is a non-GAAP financial measure. The Company defines Free Cash Flow as cash provided by operating activities (as defined under GAAP) plus excess tax benefits from the exercise of stock options, less cash provided by (used by) discontinued operations, capital expenditures, partnership distributions and principal payments on capital leases. Management uses Free Cash Flow to evaluate the Company's business. The Company believes this measure is an important indicator of its liquidity, including its ability to reduce net debt and make strategic investments, because it reflects the Company's operating cash flow after considering the significant capital expenditures required to operate its business. A limitation of this measure, however, is that it does not reflect payments made in connection with investments and acquisitions, which reduce liquidity. To compensate for this limitation, management evaluates such expenditures through other financial measures such as return on investment analyses.

OIBDA, Adjusted OIBDA and Free Cash Flow should be considered in addition to, not as a substitute for, the Company's Operating Income, net income and various cash flow measures (e.g., cash provided by operating activities), as well as other measures of financial performance and liquidity reported in accordance with GAAP, and may not be comparable to similarly titled measures used by other companies.

#### **About Time Warner Cable**

Time Warner Cable is the second-largest cable operator in the U.S., with technologically advanced, well-clustered systems located mainly in five geographic areas — New York State (including New York City), the Carolinas, Ohio, southern California (including Los Angeles) and Texas. As of June 30, 2008, Time Warner Cable served approximately 14.7 million customers who subscribed to one or more of its video, high-speed data and voice services, representing approximately 33.6 million revenue generating units.

#### ***Information on Earnings Release and Conference Call***

*Time Warner Cable issued a separate release today regarding its financial results for the 2008 second quarter. The Company's earnings conference call can be heard live at 8:30 am ET on Wednesday, August 6, 2008. To listen to the call, visit [www.timewarnercable.com/investors](http://www.timewarnercable.com/investors) or AOL Keyword: TWC IR.*

#### **Caution Concerning Forward-Looking Statements**

This document 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, the planned separation from Time Warner Inc., 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 Reports 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.

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**Time Warner Cable Inc.**  
**Reconciliation of 2008 Business Outlook**  
(Unaudited)

	<u>Year Ended</u> <u>December 31, 2007</u> (in millions)	<u>Reconciliation of</u> <u>2008 Business Outlook</u>
<b>Reconciliation of Operating Income to Adjusted Operating Income before Depreciation and Amortization:</b>		
Operating Income .....	\$ 2,766	Increase in absolute dollar amount
Depreciation and Amortization .....	2,976	Mid-to-high single digits (%) growth
Impairment of goodwill, intangible and fixed assets .....	—	No material impact expected
Gains and losses from asset sales .....	—	Unable to estimate additional gains and losses <sup>(a)</sup>
Adjusted Operating Income before Depreciation and Amortization .....	<u>\$ 5,742</u>	9% to 11% growth
<b>Reconciliation of Cash Provided by Operating Activities to Free Cash Flow:</b>		
Cash provided by operating activities .....	\$ 4,563	Increase in absolute dollar amount
Reconciling items:		
Discontinued operations, net of tax .....	—	Unable to estimate
Adjustments relating to the operating cash flow of discontinued operations .....	<u>(47)</u>	Unable to estimate
Cash provided by continuing operating activities .....	4,516	Increase in absolute dollar amount
Add: Excess tax benefit from exercise of stock options .....	5	Unable to estimate
Less:		
Capital expenditures from continuing operations .....	(3,433)	Approximately \$3.5 billion
Partnership tax distributions, stock option distributions and principal payments on capital leases of continuing operations .....	<u>(28)</u>	Unable to estimate
Free Cash Flow .....	<u>\$ 1,060</u>	At least 40% growth

<sup>(a)</sup> Incurred \$45 million noncash pretax loss on cable systems held for sale during the six months ended June 30, 2008.