



NEWS

**For Immediate Release:**

**TIME WARNER CABLE REAFFIRMS 2007 FULL-YEAR BUSINESS OUTLOOK**

**NEW YORK, NY, May 2, 2007** – Time Warner Cable Inc. (NYSE: TWC) today reaffirmed its 2007 full-year business outlook.

Time Warner Cable continues to expect that its 2007 full-year percentage growth rates in Revenues and Operating Income before Depreciation and Amortization will be in the mid-to-high thirties, off a base of \$11.8 billion and \$4.2 billion, respectively.

In addition, Time Warner Cable reaffirmed its expectation that 2007 full-year Free Cash Flow will be in the range of \$800 million to \$1 billion.

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 tax impacts 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 noncash impairments of goodwill, intangible and fixed assets; or the related tax impacts. 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 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. Management utilizes OIBDA, among other measures, in evaluating the performance of the Company’s business because OIBDA eliminates the uneven effect across its business of considerable amounts of depreciation of tangible assets and amortization of intangible assets recognized in business combinations. It is also a significant component of the Company’s annual incentive compensation programs. OIBDA is also a measure used by the Company’s parent, Time Warner Inc. (“Time Warner”), to evaluate the Company’s performance and is an important metric in the Time Warner reportable segment disclosures. Management also uses OIBDA because it provides an indication of the Company’s ability to service debt and fund capital expenditures, as OIBDA removes the impact of depreciation and amortization. A limitation of this measure, however, is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in the Company’s business. 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 analysis. Additionally, OIBDA should be considered in addition to, and not as a substitute for, Operating Income, net income and other measures of financial performance reported in accordance with GAAP and may not be comparable to similarly titled measures used by other companies.

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. It is also a significant component of the Company's annual incentive compensation programs. 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. Free Cash Flow should not be considered as an alternative to net cash provided by operating activities as a measure of liquidity, and may not be comparable to similarly titled measures used by other companies.

Both 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.

### **About Time Warner Cable**

Time Warner Cable owns and manages cable systems passing approximately 26 million homes in 33 states. The Company has 14.7 million customers for its various services, including video, high-speed data and voice, which includes approximately 13.4 million basic video subscribers and more than 6 million customers who purchase more than one service. Time Warner Cable includes some of the most technologically advanced and best-clustered cable systems in the country, with nearly 85 percent of the Company's customers located in five geographic regions: New York, Texas, Ohio, the Carolinas and southern California. It is the largest cable provider in the nation's two largest cities, Los Angeles and New York. Leveraging its leadership in innovation and quality customer care, Time Warner Cable delivers advanced services such as video-on-demand, high-definition television, digital video recorders, high-speed data and Digital Phone.

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

*Time Warner Cable issued a separate release today regarding its financial results for the first quarter ended March 31, 2007. The Company's earnings conference call can be heard live at 8:30 am ET on Wednesday, May 2, 2007. 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, sales of business assets, and the potential impact of future decisions by management that may result in merger and restructuring charges, as well as the potential impact of any future impairment charges to goodwill or other intangible assets. More detailed information about these factors may be found in filings by Time Warner Cable Inc. with the Securities and Exchange Commission, including its 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.

### **Contacts:**

Corporate Communications  
Mark Harrad (212) 364-8203  
Alex Dudley (212) 364-8229

Investor Relations  
Tom Robey (212) 364-8218

**Time Warner Cable Inc.**  
**Reconciliation of 2007 Business Outlook**  
(Unaudited)

	<u>Year Ended</u> <u>December 31, 2006</u> (in millions)	<u>Reconciliation of</u> <u>2007 Business Outlook</u>
<b>Reconciliation of Operating Income to Operating Income before Depreciation and Amortization:</b>		
Operating Income .....	\$ 2,179	Increase in absolute dollar amount 40% - 60% growth Mid-to-high thirties (%) growth
Depreciation and Amortization .....	<u>2,050</u>	
Operating Income before Depreciation and Amortization.....	<u>\$ 4,229</u>	
<b>Reconciliation of Cash Provided by Operating Activities to Free Cash Flow:</b>		
Cash provided by operating activities.....	\$ 3,595	Increase in absolute dollar amount
Reconciling items:		
Discontinued operations, net of tax .....	(1,038)	Unable to estimate
Adjustments relating to the operating cash flow of discontinued operations .....	<u>926</u>	Unable to estimate
Cash provided by continuing operating activities.....	3,483	Increase in absolute dollar amount
Add: Excess tax benefit from the exercise of stock options .....	4	Unable to estimate
Less:		
Capital expenditures from continuing operations .....	(2,718)	Estimated increase of \$600 million to \$800 million
Partnership tax distributions, stock option distributions and principal payments on capital leases of continuing operations ....	<u>(34)</u>	Unable to estimate
Free Cash Flow.....	<u>\$ 735</u>	In the range of \$800 million to \$1 billion