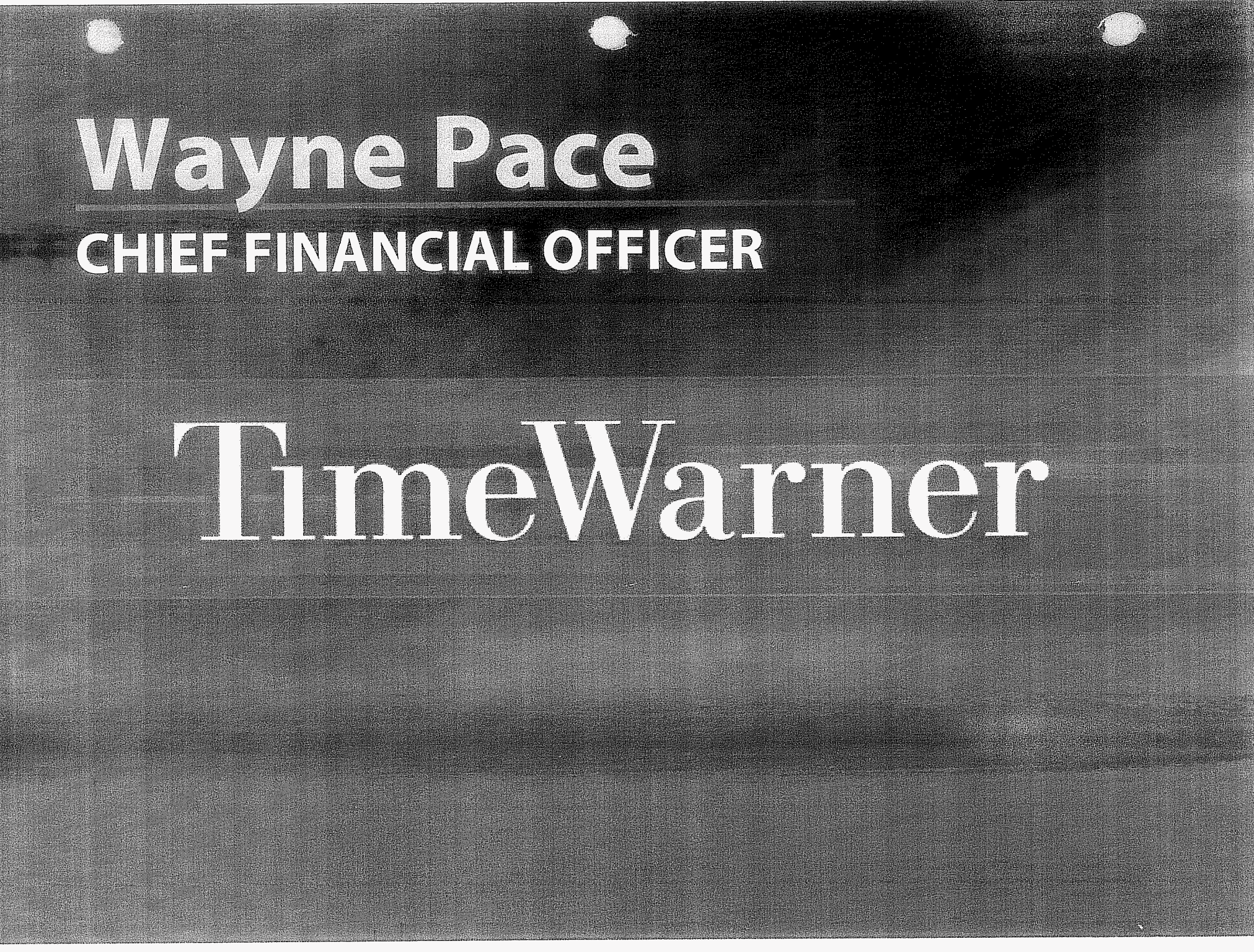
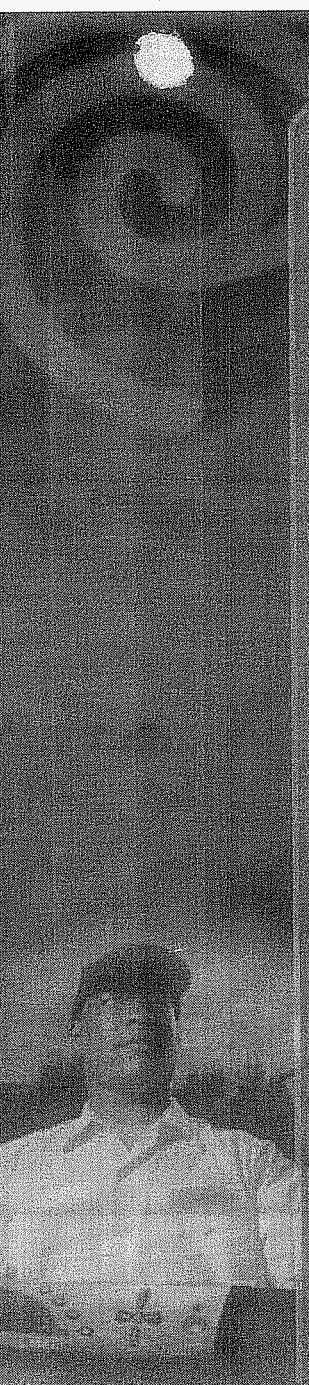

Wayne Pace
CHIEF FINANCIAL OFFICER
TimeWarner



Summary of today's announcements

(Subs in millions)	TW Cable Today	Net Transaction Impact	TW Cable Pro Forma
TW Cable managed subs	10.9	3.5M additional subs	14.4
TW Cable net debt / pfd. (12/31/04) *	$ 7.2B	$8.8B **	$ 16.0B
TWX ownership in TW Cable	79%	5%-point increase	84%
TWX interest in TW Cable subsidiary	--	$2.9B	$ 2.9B

Note: Subscriber amounts based on information as of December 31, 2004.

* Net debt / pfd. represents total debt and preferred equity less cash and cash equivalents.

** Includes impact of conversion of $2.2B TWE redeemable preferred equity and 1% common equity interest currently held by TWX into $2.9B common interest in TW Cable subsidiary.

TimeWarner

Impact on TW Cable from joint acquisition and related swaps

- **Acquire 4.3M total basic subscribers**
  - 3.1M from Adelphia
  - 1.2M from Comcast
- **TW Cable Net Debt and Preferred * increases $6.8 billion ****
- **Adelphia stakeholders receive 16% common equity interest in TW Cable**

Note: subscriber amounts based on information as of December 31, 2004

* Net debt / pref. represents total debt and preferred equity less cash and cash equivalents.

** Includes impact of conversion of $2.4B TWE redeemable preferred equity and 1% common equity interest currently held by TWX into $2.9B common interest in TW Cable subsidiary.

TimeWarner

Redemption of Comcast's 21% ownership stake in TW Cable

- **Consideration**
  - $2.0B cash payment to Comcast
  - Approximately 750k basic video subs to Comcast
- **Mutually beneficial transaction**

TimeWarner

Note: subscriber amounts based on information as of December 31, 2004