

in FOCUS

TIME WARNER'S QUARTERLY BUSINESS REVIEW

Spring
2009

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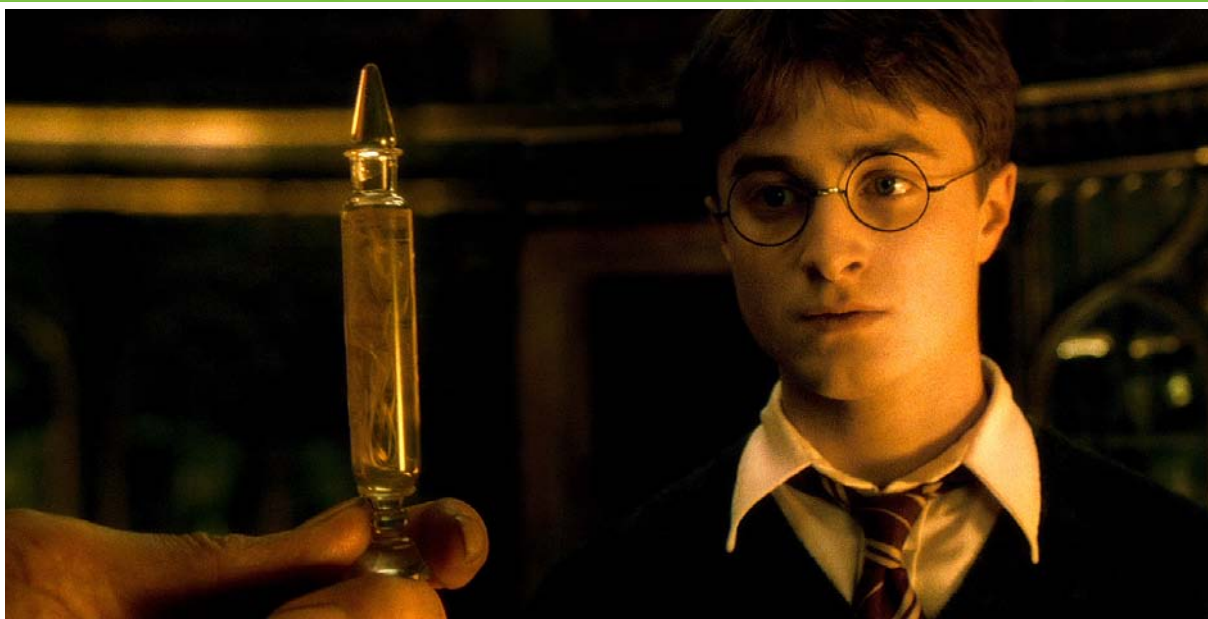
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Warner Bros. Pictures' *Harry Potter and the Half-Blood Prince*, the sixth film of the blockbuster Harry Potter franchise, will open domestically and in major international markets on July 15, 2009.

TIME WARNER REPORTS FIRST-QUARTER 2009 RESULTS



JEFF BEWKES,
CHAIRMAN
AND CEO,
TIME WARNER INC.

On April 29, 2009, Time Warner Inc. reported financial results for its first quarter ended March 31, 2009. Commenting on the results, Time Warner's Chairman and Chief Executive Officer Jeff Bewkes said: "I'm pleased that our Content Group grew Adjusted OIBDA by 3% during the quarter – despite a challenging economic environment that's affecting all of our businesses, particularly advertising at our AOL and Publishing segments. Our results keep us firmly on track to achieve our full-year business outlook. With our separation of Time Warner Cable, Time Warner has become a more content-focused company. We're also working to determine the right ownership structure for AOL. With our powerful brands, industry-leading scale, track record of innovation, heightened focus on efficiency and strong balance sheet, I'm confident that we'll continue to

make progress toward our key long-term goals – to be the world's leading content company and improve returns to our stockholders."

More information about Time Warner, including its financial results and business outlook, can be found on the company's Web site, www.timewarner.com.

TIME WARNER

TIME WARNER TO ACQUIRE 31% INTEREST IN CENTRAL EUROPEAN MEDIA ENTERPRISES

Time Warner Inc. and Central European Media Enterprises Ltd. (CME) announced in March that Time Warner will invest US\$241.5 million in CME, a leading media company in Central and Eastern Europe. For this investment, Time Warner will receive 19 million newly issued CME common shares, consisting of 14.5 million (continued on page 2)



TIME WARNER

(continued from page 1) shares of Class A Common Stock at a price of US\$12.00 per share and 4.5 million shares of Class B Common Stock at a price of US\$15.00 per share – approximately a 31% interest in CME. In connection with this transaction, Time Warner has agreed to allow CME founder and Non-Executive Chairman Ronald S. Lauder to vote Time Warner's shares of CME for at least four years, subject to certain exceptions. Also, Mr. Lauder has agreed to support Time Warner's appointment of two designees to CME's board of directors. The closing of the investment is subject to a vote of CME's shareholders and certain regulatory approvals. The transaction is expected to close in the second quarter of 2009. In addition, Warner Bros. and CME separately agreed to form a partnership to launch and operate new thematic television channels in current CME territories.

TIME WARNER DISTRIBUTES TIME WARNER CABLE SHARES TO ITS STOCKHOLDERS OF RECORD AND IMPLEMENTS ONE-FOR-THREE REVERSE STOCK SPLIT

Time Warner Inc. announced on March 27, 2009 that, in connection to the legal and structural separation of Time Warner Cable Inc. from Time Warner through a tax-free spin-off that became effective on March 12, 2009, it began distributing Time Warner Cable shares to Time Warner stockholders. As one of the conditions of the distribution, on March 12 Time Warner Cable paid a special cash dividend of approximately \$10.9 billion that was distributed pro rata to holders of Time Warner Cable common stock, including about \$9.25 billion to Time Warner. Time Warner also announced that it implemented a one-for-three reverse stock split of its common stock at 7 p.m. on March 27. Time Warner common stock began trading, reflecting the reverse split and the distribution of the Time Warner Cable shares, on March 30, 2009.

TIME WARNER LEADS INITIATIVE FOR 'TV EVERYWHERE'

Time Warner is leading an industry-wide initiative to provide "TV Everywhere," designed to offer consumers easy access to more TV programming online – wherever



and whenever they want it through their subscription to any multi-channel video service. Not only will the initiative to offer TV Everywhere provide consumers more for their money, it will also enable television networks and multi-channel video services to extend the current business model by delivering more high-quality television content online. Time Warner has begun testing this concept with HBO and Time Warner Cable in Milwaukee/Green Bay, with plans for future trials with other networks and distributors. During the second half of this year, HBO plans to roll out HBO GO, which will offer HBO subscribers over 650 hours of programming anytime and anywhere on their computer. Using a quick and easy authentication process, HBO GO will confirm users as HBO subscribers within seconds and allow them access on their computers to a diverse menu of HBO's original programming and Hollywood blockbusters.

TIME WARNER WINS 14 ACADEMY AWARDS

Time Warner delivered a strong showing at the 81st Annual Academy Awards in February, winning 14 Oscars. Warner Bros. earned 13 Academy Awards, with *Slumdog Millionaire* (co-produced with and distributed by Fox Searchlight Pictures) winning eight, including Best Picture; two for *The Dark Knight*, including Best Actor in a Supporting Role for the late Heath Ledger; and three for *The Curious Case of Benjamin Button* (co-financed with Paramount Pictures). HBO won an Oscar for the Best Documentary Short Subject, *Smile Pinki*.

TIME WARNER COMPANIES TO COLLABORATE WITH ADOBE

Turner Broadcasting, Warner Bros. Entertainment and Home Box Office announced in March a strategic alliance with Adobe Systems Incorporated to foster collaboration on the development of next-generation video and rich media experiences. As part of the alliance, these companies will also collaborate to accelerate the development of digital rights management for the Web and desktop, and metadata and audience measurement solutions to improve the discovery and monetization of content. The companies intend to utilize Adobe Flash Platform and video solutions to provide differentiated experiences for consumers of HBO, Turner Broadcasting and Warner Bros. Entertainment content across multiple distribution platforms.

WARNER BROS. ENTERTAINMENT

WARNER BROS. POSTS STRONG FIRST QUARTER AT BOX OFFICE

Warner Bros. opened a film in the #1 position at the domestic box office four times in the first three months of 2009. Warner Bros. Pictures' *Gran Torino* opened nationally on January 9 with \$29 million at the domestic box office, representing Clint Eastwood's best nationwide opening of all time, both as an actor and as a director. *Gran Torino* passed \$145 million domestically as of March 22 and \$200 million worldwide as of March 21. On February 6, (continued on page 3)

WARNER BROS. ENTERTAINMENT

(Continued from page 2) New Line's *He's Just Not That Into You* opened with \$28 million domestically and passed \$90 million as of March 19. The next weekend, New Line's reimagined *Friday the 13th* was #1 at the domestic box office with a \$44 million opening – the best President's Day (four-day) opener of all time for an R-rated title. It also marked the first time New Line had the #1 and #2 movies in the same weekend, with *He's Just Not That Into You* finishing in second place. On March 6, Warner Bros. Pictures' *Watchmen* topped the domestic box office with \$55 million and passed the \$100 million mark on March 26.

Source: Box Office Mojo and internal data



Clint Eastwood in Warner Bros. Pictures' *Gran Torino*

MULTIPLE RENEWALS ON BROADCAST NETWORKS AND IN SYNDICATION

Warner Bros. Television announced in March that it reached a multi-year broadcast agreement with CBS Entertainment for the hit comedy series *Two and a Half Men* and *The Big Bang Theory*. The agreement renews *Two and a Half Men*, television's #1 comedy, through the 2011-2012 season, and *The Big Bang Theory*, one of television's fastest-growing series, through 2010-2011. *Two and a Half Men*, currently in its sixth season, was the #1 comedy in both viewers and adults 18-49 through the end of the first quarter of 2009, averaging 14.9 million viewers, an increase of 14% year over year, with ratings up 13% year over year in adults 18-49 and 11% year over year in adults 25-54. *The Big Bang Theory*, in its sophomore season, averaged 10.1 million viewers through the end of the first quarter of 2009, an increase of 20% year over year, with ratings up 12% year over year in adults 18-49 and 10% year over year in adults 25-54. In syndication, Warner Bros. Domestic Television Distribution (WBDTD) announced in February that it has secured multi-year deals for the off-network syndicated launch of *The Closer* and the sale of the third cycle of *Without a Trace* in syndication. *The Closer*, which recently wrapped its fourth season on TNT and is the highest-rated program in the history of advertiser-supported cable television, has now been sold in more than 85% of the country for a fall 2010 launch



in off-network syndication. Also in off-network syndication, WBDTD has sold the third syndication cycle of *Without a Trace* to stations representing 85% of the country, renewing the hit drama series through the 2010-2011 and 2011-2012 seasons on the CBS Television Stations in 18 markets as well as to stations from more than two dozen groups. *Without a Trace* is currently in its seventh network season on CBS.

Source: All ratings data from Nielsen Media Research

WARNER BROS. HOME ENTERTAINMENT GROUP CONTINUES STRATEGIC EXPANSION IN GAME SPACE

As part of its ongoing strategic expansion into the video game space, Warner Bros. Home Entertainment Group announced in February that it has acquired Snowblind Studios, an award-winning, independent game development studio specializing in action and fantasy-based games. This acquisition strengthens Warner Bros.' growing presence as a full-scale games publisher. Snowblind Studios is the third game development studio under the Warner Bros.

umbrella, along with Monolith Productions and TT Games. Recent and upcoming titles from Warner Bros. Interactive Entertainment (WBIE), which handles Warner Bros.' worldwide publishing, development, licensing and distribution of video games, include Monolith

Productions' "F.E.A.R. 2: Project Origin" (February 2009 release) and TT Games' "LEGO Battles" (above, summer 2009 release) and "LEGO Rockband" (year-end 2009 release). WBIE's release of TT Games' "LEGO Batman: The Videogame" was one of the best-selling games of 2008 worldwide.

Source: Video games sales data from NPD, Chart Track and GfK



WARNER BROS. ENTERTAINMENT

THE WB.COM AND MYSPACE PARTNER TO BROADEN DISTRIBUTION OF ROCKVILLE CA

The WB.com and MySpace announced in March that they are teaming up on a content partnership that brings the new digital series *Rockville CA*, created by Josh Schwartz (creator of *Gossip Girl*, *Chuck* and *The O.C.*), from TheWB.com to MySpace Video at a hub found at www.myspace.com/rockvilleca. New episodes of the show premiere exclusively each Tuesday (through May 12) at TheWB.com and MySpace, before becoming available through TheWB.com's additional distribution partners. Along with offering complete episodes, the *Rockville CA* MySpace page features additional content, including behind-the-scenes

set photos, links to MySpace profile pages for the featured musical performers, and a *Rockville CA* widget that can be downloaded and shared. The page also offers a complete live musical performance by each of the 20 artists appearing in the show, green room interviews, links to a set tour given by series star Ryan Hansen, production diaries and character pieces – all hosted at TheWB.com.



TURNER BROADCASTING

CARTOON NETWORK ANNOUNCES LARGEST, MOST DIVERSE DEVELOPMENT SLATE IN NETWORK HISTORY

Cartoon Network announced a dramatic expansion of its 2009-2010 content development strategy at its annual advertising Upfront presentation in March. Following its three consecutive quarters of double-digit growth in primetime and growth in total-day – the only major kids network to do so – Cartoon Network unveiled 19 new programming ventures, including three new action-adventure and four new comedy animated series; six live-action “alternative” half-hour series; three original live-action and one new computer-generated animated movie specials; and two hour-long original, scripted live-action pilots. Coupled with 164 new half-hour episodes of returning comedy and action-adventure animated series, the Upfront announcement represents the largest commitment to new content development in Cartoon Network's history. In addition, the network, along with National Basketball Association Commissioner David Stern, announced that world champion Boston Celtics Guard, Eddie House, and his 7-year-old son,



Ben 10: Alien Swarm, a new live-action movie based on Cartoon Network's hit animated series *Ben 10: Alien Force*, is set to premiere in fall 2009.

Jaalen, will be featured in *My Dad's a Pro*, a short-form lifestyle series that is the first of several programs in development under the recently announced partnership between Cartoon Network and the NBA.

Source: All ratings data from Nielsen Media Research

TURNER ANNOUNCES TV CHANNEL LAUNCHES IN INDIA, INCLUDING VENTURE WITH WARNER BROS.

Turner Broadcasting announced during the quarter the launch of two new television channels in India, including a venture with Warner Bros. Entertainment. In January, Real Global Broadcasting Pvt. Ltd. (RGB), a 50-50 joint venture between Alva Brothers Entertainment and Turner International, unveiled REAL, its distinctive new Hindi entertainment television channel. The channel launched in March 2009. After establishing many successful brands in India in the past 18 years, Turner's launch of REAL marked the company's entry into the Hindi entertainment space in India. In March, Turner and Warner Bros. Entertainment also announced the launch of WB, a new Warner-branded channel for India featuring blockbuster motion pictures and hit television series. Available beginning March 15, 2009, WB is a 24-hour, English-language entertainment channel that showcases programming licensed from Warner Bros. International Television Distribution. WB expands Turner's English entertainment package in India and reinforces the commitment by Turner and Warner Bros. Entertainment to provide quality entertainment programming to the viewers in India. The channel is being distributed by Zee-Turner.

TURNER BROADCASTING

TURNER SPORTS, NBA DIGITAL SHOWCASE NBA ALL-STAR 2009 WITH RECORD-BREAKING MULTI-PLATFORM COVERAGE

Turner Sports and NBA Digital announced in February record-setting audience numbers for their NBA All-Star 2009 multi-platform coverage, which included exclusive programming across the TNT and NBA TV networks, and NBA.com. In total, more than 44.1 million people watched NBA All-Star coverage on TNT, up 15% versus 2008, while an additional two million viewed it online and via mobile devices on All-Star Sunday, February 15. TNT hit a ratings milestone with its coverage of NBA All-Star Saturday Night on February 14, which was up 26% in total viewers over the prior year and ranks as the most-watched telecast of the event in its 24-year history. In addition, TNT's coverage of the 2009 NBA All-Star Game on February 15 had 7.7 million



total viewers, a 20% increase over 2008. TNT's NBA All-Star programming secured the network the #1 ranking in primetime for both February 14 and February 15 among ad-supported cable television.

NBA.com, operated by

Turner Sports, experienced record traffic during the weekend, bolstered by the new NBA All-Star Scene feature on the site. NBA All-Star Scene received an estimated 1.4 million video streams and included more than 400 videos featuring and/or uploaded by NBA players, celebrities and fans. In February, Turner Sports' online properties, bolstered by their Yahoo! partnership, combined for a larger unduplicated online audience than ESPN for the first time ever, with Turner Sports sites collectively reaching 18 million unique visitors.

Source: Ratings data from Nielsen Media Research; NBA Digital data from Turner internal metrics as measured by Omniture for online and July Systems for wireless; Turner Sports online data from Nielsen Online NetView - Turner Sports online data includes Turner Sports' partnership with Yahoo!.

HBO

HBO TO DEBUT *THE ALZHEIMER'S PROJECT*

Beginning May 10, HBO will debut a pioneering multi-platform series, *The Alzheimer's Project*, that takes a close look at groundbreaking discoveries made by the country's leading scientists, as well as the effects of this debilitating and fatal disease both on those with Alzheimer's and on their families. Created by the award-winning team behind HBO's acclaimed *Addiction* project, *The Alzheimer's Project* features a four-part documentary series, 15 short supplemental films, a companion book published by Public Affairs Books, a robust Web site and a nationwide community-based outreach campaign. HBO will use all of its platforms, including the HBO main service, multiplex channels, HBO On Demand, HBO Podcasts, HBO.com, HBO Channel on YouTube and DVD sales, to support the project.



Photo credit: Katja Heinemann/HBO

All films will stream free of charge on HBO.com and will be offered for free on multiple platforms by participating television service providers. *The Alzheimer's Project* is a presentation of HBO Documentary Films and the National Institute on Aging at the National Institutes of Health in association with the Alzheimer's Association, The Fidelity Charitable Gift Fund and Geoffrey Beene Gives Back Alzheimer's Initiative. The series producer is John Hoffman; the executive producers are Sheila Nevins and Maria Shriver (above with Dr. Carl Cotman at UC-Irvine).

ACCLAIMED BROADCASTER JOE BUCK TO JOIN HBO SPORTS, WITH SPORTS TALK PROGRAM

HBO Sports, widely recognized for its pioneering, award-winning and distinctive storytelling productions, will add another accomplished broadcast talent to its programming roster when Joe Buck (below) hosts a sports talk show, *Joe Buck Live!*, launching in June 2009. The new series will be presented on a quarterly basis and likely utilize a live town hall format. Buck, who will continue as FOX Sports' lead play-by-play commentator on its NFL and MLB packages, is a six-time Emmy Award winner and one of sports television's premier play-by-play commentators. Along with all-time greats Curt Gowdy and Al Michaels, he is one of three national broadcasters to work as the lead announcer in both the NFL and MLB broadcast booth on a network level in the same season.



Photo credit: Adriano Fagundes/HBO

HBO

DAVID CHASE TO DEVELOP HBO MINISERIES ABOUT CREATION OF HOLLYWOOD

HBO announced in March that David Chase, multi-award-winning creator of the landmark HBO series *The Sopranos*, is returning to HBO to develop a miniseries about the invention of cinema and subsequent growth of the Hollywood film industry. Entitled *A Ribbon of Dreams*, the miniseries will begin in 1913 and follow two men, one a college-educated mechanical engineer, the other a cowboy with a violent past, who form an unlikely producing partnership and together become pioneers and then powers for a time in motion pictures. Chase will write and executive produce the miniseries, as well as direct the initial episodes. Brad Grey, who executive produced *The Sopranos* with Chase, will also serve as an executive producer on the miniseries. *A Ribbon of Dreams* will be an HBO/Paramount Pictures/Chase Films production.

TIME INC.

CNNMONEY.COM LAUNCHES NEW PROGRAMMING AND VIDEO EXPERIENCE

Building off its success as the #1 Web destination for business and finance video in 2008, according to Nielsen Video Census, CNNMoney.com launched eight new programs in March and unveiled an improved user interface. The new range of programming includes *Conscious Capitalism*, an interview series with some of the biggest names in philanthropy; *New Money*, a profile series featuring young



entrepreneurs and executives; *Strategy Sessions* (left), an interview series with big thinkers on the economy, markets and investor relations; *Small Biz Tech*, a video series on the

latest gadgets and techno-tools; *The Score*, a program on the business of sports; *Help Desk*, a video series hosted by CNNMoney.com's personal finance experts; *TechMate*, a program on the latest news from the technology sector hosted by FORTUNE writers; and *B.T.W.*, a program revealing the stories of the week that did not make headlines but still matter on money, the economy and business. In addition to the new programming, CNNMoney.com improved exposure to the depth and breadth of its video content with an updated user interface, including a carousel on the video landing page. Since the launch of broadband video on CNNMoney.com in January 2008, the site rose to the top of the financial news and information category with 235 million total global video streams in 2008, more than all other sites in the category combined, according to Nielsen Video Census.

DIGITAL LAUNCH OF SPORTS ILLUSTRATED 2009 SWIMSUIT ISSUE SETS RECORD IN VIDEO; SI BREAKS A-ROD STORY

The digital launch on February 10 of the 2009 Sports Illustrated Swimsuit franchise set records for video views on the SI.com Web site. Sports Illustrated's strategic emphasis on video programming resulted in more than 34.2 million video views on the site in the first six weeks



following the launch, far surpassing the 3.8 million videos viewed during the same period in 2008. As part of Sports Illustrated's new experiential marketing efforts, the brand unveiled SI One (above), a Southwest Airlines plane wrapped with the image of Bar Refaeli, this year's Swimsuit cover model. The plane flew between key Southwest Airlines markets for 30 days. On February 7, 2009, Sports Illustrated's Selena Roberts and David Epstein broke the landmark story on Alex Rodriguez (right) testing positive for steroids in 2003. SI.com saw a 31% year-over-year increase in unique visitors to the site on the day the story broke.

Source: Video and online data from Omniture



LIFE.COM LAUNCHES

On March 31, Time Inc. and Getty Images jointly launched LIFE.com, bringing together two of the most recognized brands in photography. LIFE.com provides access to millions of iconic and professional photographs from the legendary LIFE and Getty collections, plus thousands more new photos added daily from Getty Images' award-winning photographers, including photos documenting today's news, entertainment, sports, celebrities and travel. In October, Time Inc.'s LIFE Inc. announced a deal for more than 10 million images from the LIFE Picture Collection to be made available on Google Image Search and through searches on Google.com. In the first week following its launch, LIFE.com attracted more than one million unique visitors and 17 million page views. During the launch week, the most-viewed gallery was "LIFE Exclusive! The Day MLK Died," which features exclusive, previously unpublished photos.

Source: All user data from Omniture

AOL

FORMER GOOGLE EXEC TAKES REINS AT AOL

Tim Armstrong, formerly a top executive at Google, took over as Chairman and CEO of AOL LLC on April 7. In making the announcement, Time Warner's Chairman and CEO Jeff Bewkes said: "At Google, Tim helped build one of the most successful media teams in the history of the Internet. We are privileged to have him preside over AOL as its audience and programming businesses continue to grow and its advertising platform expands globally. He'll also be helpful in helping Time Warner determine the optimal structure for AOL." Armstrong (below) said he's "very excited about the opportunities presented in leading AOL. AOL has a wide-ranging set of assets and audience. The company is well positioned to enhance those assets into a larger share of the Internet audience and advertiser communities."



ENGAGEMENT GROWTH CONTINUES ON AOL NETWORK

AOL's MediaGlow publishing unit saw engagement continue to increase on its network of sites, with page views climbing 13% year over year in March and time spent up 9% over the same period. AOL.com's page views increased 7% year over year in March and time spent rose 26% over the same period. A Nielsen Online report found that users spent an average of 3 hours 45 minutes on AOL sites in March, topping Yahoo!, Google, Facebook and other online networks. MediaGlow, formed in January to centralize AOL's publishing efforts, has launched more than half a

**NOISE
CREEP**

FANHOUSE

dozen new niche sites as part of its plan to extend its reach to targeted online audiences, including heavy metal site NoiseCreep, three new sites aimed at Latino audiences, the sports site Fanhouse, and PawNation for pet lovers. More than 20 AOL sites ranked in the top five in unique visitors in their respective comScore Media Metrix categories in March.

In addition, AOL launched a new AOL Classifieds site, made several upgrades to MapQuest, and released a new version of Web Mail that gives users one-click access to third-party e-mail, Web sites and services.

Source: All user data from comScore Media Metrix unless otherwise noted

PLATFORM-A MAKES SWITCH TO ADTECH

In March, AOL's advertising business, Platform-A, switched its ad-serving system to ADTECH, a company AOL acquired in 2007. This effort should allow Platform-A to more effectively serve display, video and mobile campaigns across AOL's MediaGlow properties and Platform-A's third-party ad networks.

Platform-A continued to top comScore Media Metrix's list of ad

ADTECH PLATFORM AD SERVING

networks in the U.S., reaching 90% of the domestic online audience in March 2009. It also continued to expand its global reach, with the March launch of Platform-A in Canada. In March, Platform-A also won the European Seal of e-Excellence in Silver for 2009, awarded by the European Multimedia Forum and its Partner Associations, in recognition of its targeting capabilities.

PEOPLE NETWORKS LAUNCHES NEW SOCIALTHING PLATFORM

In April, People Networks, AOL's social media business unit, premiered Socialthing, an innovative new platform that brings social networking functionality to Web sites. Socialthing was launched on AOL's country music site, TheBoot.com. Socialthing is intended to make it easy for visitors to connect with one another, get updates from their social networks, and send instant messages using AIM services. The platform is expected to eventually extend across AOL's MediaGlow publishing sites. In the first quarter of 2009, People Networks also launched a series of enhancements to its Bebo social networking service and launched Bebo in six new international markets, in addition to launching a new site aimed at the U.S. Latino market.



STATISTICS

FILMED ENTERTAINMENT

Q1:09 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Days in Release¹</u>	<u>Domestic Box Office (\$ in M)¹</u>	<u>Initial Release Date</u>
Gran Torino	Warner Bros.	110	145.9	12/12/08 ²
Watchmen	Warner Bros. ³	26	103.8	3/6/09
He's Just Not That Into You	New Line Cinema	54	92.6	2/6/09
Friday the 13th	New Line Cinema ³	47	64.8	2/13/09
Inkheart	New Line Cinema	68	17.2	1/23/09
Under the Sea 3D	Warner Bros. ³	47	4.4	2/13/09
Chandni Chowk To China	Warner Bros.	28	0.9	1/16/09

¹ Data through March 31, 2009; Source: *Box Office Mojo*

² In limited release, opened wide January 9, 2009

³ Domestic distribution only (United States and Canada)

Q1:08 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Days in Release¹</u>	<u>Domestic Box Office (\$ in M)¹</u>	<u>Initial Release Date</u>
The Bucket List	Warner Bros.	98	91.4	12/25/07 ²
10,000 B.C.	Warner Bros.	25	85.4	3/7/08
Fool's Gold	Warner Bros.	53	68.1	2/8/08
Semi-Pro	New Line Cinema ³	32	33.1	2/29/08
One Missed Call	Warner Bros.	70	26.9	1/4/08
Be Kind, Rewind	New Line Cinema ³	39	10.9	2/22/08
Over Her Dead Body	New Line Cinema ³	45	7.6	2/1/08
Run Fat Boy Run	Picturehouse ³	4	2.5	3/28/08
Funny Games	Warner Independent Pictures	18	1.2	3/14/08
Vince Vaughn's Wild West Comedy Show	Picturehouse ³	21	0.6	2/8/08
Chaos Theory	Warner Bros.	42	0.2	3/14/08
Snow Angels	Warner Independent Pictures	25	0.2	3/7/08

¹ Data through March 31, 2008; Source: *Box Office Mojo*

² In limited release, opened wide January 11, 2008

³ United States distribution only

STATISTICS

FILMED ENTERTAINMENT

Q2:09 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Observe and Report	Warner Bros.	4/10/09
17 Again	New Line Cinema	4/17/09
Ghosts of Girlfriends Past	New Line Cinema	5/1/09 ¹
Terminator Salvation	Warner Bros.	5/21/09 ¹
The Hangover	Warner Bros.	6/5/09 ¹
My Sister's Keeper	New Line Cinema	6/26/09 ¹

¹ Expected Release Date

Q2:08 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Days in Release¹</u>	<u>Domestic Box Office (\$ in M)¹</u>	<u>Initial Release Date</u>
Sex and the City	New Line Cinema ²	32	140.8	5/30/08
Get Smart	Warner Bros.	11	80.4	6/20/08
Speed Racer	Warner Bros.	53	42.9	5/9/08
Harold & Kumar Escape from Guantanamo Bay	New Line Cinema ²	67	37.9	4/25/08
Mongol	Picturehouse ²	25	2.4	6/6/08
Kit Kittredge: An American Girl	Picturehouse ²	11	0.5	6/20/08 ³

¹ Data through June 30, 2008; Source: *Box Office Mojo*

² United States distribution only

³ In limited release, opened wide July 2, 2008

COMPANY SHARE

<u>2009¹</u>	<u>Share</u>	<u>Rank</u>
Domestic Box Office	19.4%	2

¹ As of March 31, 2009

Source: *Box Office Mojo*

Q1:09 KEY DIGITAL PROPERTIES

WarnerBros.com
 TMZ.com (a joint venture with AOL)
 TheWB.com
 Essence.com (in conjunction with Time Inc.)
 KidsWB.com
 DCHeroZone.com
 MomLogic.com
 CWTV.com

STATISTICS

FILMED ENTERTAINMENT

Q1:09 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Appaloosa	New Line Cinema	1/13/09
Pride and Glory	New Line Cinema	1/27/09
RocknRolla	Warner Bros.	1/27/09
Nights in Rodanthe	Warner Bros.	2/10/09
Body of Lies	Warner Bros.	2/17/09

Q1:08 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Shoot 'Em Up	New Line Cinema	1/1/08
Mr. Woodcock	New Line Cinema	1/15/08
The Invasion	Warner Bros.	1/29/08
The King of Kong	Picturehouse	1/29/08
The Assassination of Jesse James by the Coward Robert Ford	Warner Bros.	2/5/08
The Brave One	Warner Bros.	2/5/08
Introducing the Dwights	Warner Independent Pictures	2/12/08
Martian Child	New Line Cinema	2/12/08
No Reservations	Warner Bros.	2/12/08
In the Valley of Elah	Warner Independent Pictures	2/19/08
Michael Clayton	Warner Bros.	2/19/08
Rendition	New Line Cinema	2/19/08
Silk	Picturehouse	2/26/08
August Rush	Warner Bros.	3/11/08
Nancy Drew	Warner Bros.	3/11/08
I Am Legend	Warner Bros.	3/18/08
Love in the Time of Cholera	New Line Cinema	3/18/08

Q2:09 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Yes Man	Warner Bros.	4/7/09
Chandni Chowk to China	Warner Bros.	5/5/09 ¹
The Curious Case of Benjamin Button	Warner Bros.	5/5/09 ¹
He's Just Not That Into You	New Line Cinema	6/2/09 ¹
Gran Torino	Warner Bros.	6/9/09 ¹
Friday the 13th	New Line Cinema	6/16/09 ¹
Inkheart	New Line Cinema	6/23/09 ¹

¹ Expected Release Date

Q2:08 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
The 11th Hour	Warner Independent Pictures	4/8/08
One Missed Call	Warner Bros.	4/22/08
The Orphanage	Picturehouse	4/22/08
The Golden Compass	New Line Cinema	4/29/08
Over Her Dead Body	New Line Cinema	5/6/08
P.S. I Love You	Warner Bros.	5/6/08
Darfur Now	Warner Independent Pictures	5/27/08
Semi-Pro	New Line Cinema	6/3/08
Vince Vaughn's Wild West Comedy Show	Picturehouse	6/3/08
The Bucket List	Warner Bros.	6/10/08
Funny Games	Warner Independent Pictures	6/10/08
Chaos Theory	Warner Bros.	6/17/08
Be Kind, Rewind	New Line Cinema	6/17/08
Fool's Gold	Warner Bros.	6/17/08
Rails & Ties	Warner Bros.	6/17/08
10,000 B.C.	Warner Bros.	6/24/08

COMPANY SHARE

<u>2009¹</u>	<u>Share</u>	<u>Rank</u>
U.S. DVD Sell Through	16.0%	1

¹ As of March 28, 2009

Source: Nielsen VideoScan and internal data

STATISTICS

FILMED ENTERTAINMENT

BROADCAST AND CABLE TV PRODUCTION
FOR THE 2008/2009 SEASON

<u>Title (Scripted)</u>	<u>Network</u>	<u>Season</u>
ER	NBC	15
Smallville	CWN	8
Without a Trace	CBS	7
Cold Case	CBS	6
Nip/Tuck	FX	6
One Tree Hill	CWN	6
Two and a Half Men	CBS	6
The Closer	TNT	5
The New Adventures of Old Christine	CBS	4
Supernatural	CWN	4
The Big Bang Theory	CBS	2
Chuck	NBC	2
Gossip Girl	CWN	2
Pushing Daisies	ABC	2
Terminator: The Sarah Connor Chronicles	FOX	2
Dark Blue ¹	TNT	1
Eleventh Hour	CBS	1
Fringe	FOX	1
The Mentalist	CBS	1
Southland	NBC	1
Privileged	CWN	1
Trust Me	TNT	1
<u>Title (Unscripted)</u>	<u>Network</u>	<u>Season</u>
America's Best Dance Crew III	MTV	1
The Bachelor XIII	ABC	1
The Bachelorette V	ABC	1
The Cougar	TV Land	1
Here Come the Newlyweds II	ABC	1
High School Reunion V	TV Land	1
Man vs. Cartoon	truTV	1
More to Love	FOX	1
True Beauty	ABC	1

¹ Formerly *The Line*THE CW NETWORK 2008/2009 PRIMETIME
PROGRAMMING SCHEDULE

<u>Title</u>	<u>Season</u>
Smallville	8
America's Next Top Model	7
One Tree Hill	6
Everybody Hates Chris	4
Supernatural	4
The Game	3
Gossip Girl	2
Reaper	2
90210	1
Blonde Charity Mafia	1
Hitched or Ditched	1
Privileged	1

FIRST RUN SYNDICATION 2008/2009 SEASON

<u>Title</u>	<u>Season</u>
Extra	15
The People's Court	12
Judge Mathis	10
The Ellen DeGeneres Show	6
The Tyra Banks Show	4
TMZ	2
The Bonnie Hunt Show	1
Judge Jeanine Pirro	1

SELECT SERIES IN OFF-NETWORK
SYNDICATION¹

All of Us	MADtv
The Bachelor	Martin
Cheyenne	Maverick
Cold Case	Murphy Brown
The Drew Carey Show	Night Court
The Dukes of Hazzard	The O.C.
ER	One Tree Hill
Everwood	The Parent 'Hood
Family Matters	Seinfeld
For Your Love	Smallville
Friends	Step by Step
Full House	Third Watch
The Fresh Prince of Bel-Air	Two and a Half Men
George Lopez	The Wayans Bros.
Gilmore Girls	The West Wing
Growing Pains	What I Like About You
The Hogan Family	Whose Line Is It Anyway?
The Lawman	Will & Grace
Living Single	Without a Trace
Love Connection	

¹As of March 31, 2009

STATISTICS

NETWORKS - TURNER

Q1:09 TOTAL PROGRAMMING DAY DELIVERY

Network	Key Demo	Delivery ('000)
TNT	A18-49	619
TBS	A18-34	350
truTV	A18-49	364
CNN	A25-54	236
HLN ¹	A25-54	152
Cartoon Network	K2-11	588
Adult Swim	A18-34	437

¹ Formerly CNN Headline News
Source: Nielsen Media Research

Q1:09 DIGITAL PROPERTIES

Properties	Average Monthly Domestic Unique Visitors (in M) ¹
CNN Digital Network ²	38.8
Turner Sports & Entertainment Digital ³	18.4
Turner Network⁴	48.9

¹ Average for the quarter ended March 31, 2009

² CNN Digital Network includes CNN.com, CNNMoney.com, SI.com, Time.com, the IB-CNN Websites Channel and People.com

³ Turner Sports & Entertainment Digital includes all Turner Entertainment and Sports online properties, such as CartoonNetwork.com, NASCAR.com, NBA.com, TheSmokingGun.com and TNT.com

⁴ Turner Network includes all Turner Sports & Entertainment Digital properties plus CNN Digital Network properties

Source: Nielsen Online

SELECT ORIGINAL SERIES - 2009

Title	Network	Season	Premiere Date
The Closer	TNT	4	7/14/08
Saving Grace	TNT	2	7/14/08
Leverage	TNT	1	12/7/08
Trust Me	TNT	1	1/26/09
The Closer	TNT	5	Summer 2009 ¹
Saving Grace	TNT	3	Summer 2009 ¹
Leverage	TNT	2	Summer 2009 ¹
Raising the Bar	TNT	2	Summer 2009 ¹
Dark Blue	TNT	1	Summer 2009 ¹
Hawthorne	TNT	1	Summer 2009 ¹
Wedding Day	TNT	1	Summer 2009 ¹
10 Items or Less	TBS	3	1/6/09
My Boys	TBS	3	3/31/09
The Bill Engvall Show	TBS	3	Summer 2009 ¹
Principal's Office	truTV	2	1/8/09
Smoking Gun: World's Dumbest	truTV	4	1/15/09
Ocean Force (San Diego)	truTV	6	1/26/09
Speeders	truTV	7	3/12/09
Speeders	truTV	8	Summer 2009 ¹
Smoking Gun: World's Dumbest	truTV	5	Summer 2009 ¹
Black Gold	truTV	2	Summer 2009 ¹
Rehab: Party at the Hard Rock Hotel	truTV	2	Summer 2009 ¹
Bait Car: LA	truTV	1	Summer 2009 ¹
Bait Car: Las Vegas	truTV	1	Summer 2009 ¹
Conspiracy Theory with Jesse Ventura	truTV	1	Summer 2009 ¹
Lizard Lick	truTV	1	Summer 2009 ¹
Man vs. Cartoon	truTV	1	Summer 2009 ¹
Speeders Fight Back	truTV	2	Fall 2009 ¹
Chowder	Cartoon Network	2	10/2/08
The Secret Saturdays	Cartoon Network	1	10/3/08
Ben 10: Alien Force	Cartoon Network	2	10/10/08
Batman: The Brave and the Bold	Cartoon Network	1	11/14/08
The Secret Saturdays	Cartoon Network	2	Spring 2009 ¹
Marvelous Misadventures of Flapjack	Cartoon Network	2	Summer 2009 ¹
Ben 10: Alien Force	Cartoon Network	3	Fall 2009 ¹
Drinky Crow Show	Adult Swim	1	11/23/08
Robot Chicken	Adult Swim	4	12/7/08
Tim and Eric Awesome Show, Great Job!	Adult Swim	4	2/8/09
Delocated	Adult Swim	1	2/12/09
Xavier: Renegade Angel	Adult Swim	2	2/12/09
Aqua Teen Hunger Force	Adult Swim	7	3/29/09
Squidbillies	Adult Swim	3	Spring 2009 ¹

¹ Expected

STATISTICS

NETWORKS - HBO

SELECT ORIGINAL PROGRAMMING FOR 2009

<u>Series</u>	<u>Season</u>	<u>Premiere Date</u>
Big Love	3	1/18/09
Flight of the Conchords	2	1/18/09
Eastbound & Down	1	2/15/09
Real Time with Bill Maher	7	2/20/09
The No. 1 Ladies' Detective Agency	1	3/29/09
In Treatment	2	4/5/09
Russell Simmons Presents Brave New Voices	1	4/5/09
True Blood	2	6/14/09 ¹
Entourage	6	Summer 2009 ¹
Hung	1	Summer 2009 ¹
Curb Your Enthusiasm	7	Fall 2009 ¹
The Life and Times of Tim	2	Fall 2009 ¹
Bored to Death	1	Fall 2009 ¹

<u>Films</u>	<u>Premiere Date</u>
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Taking Chance	2/21/09
Grey Gardens	4/18/09
Into the Storm	5/31/09 ¹

<u>Documentaries</u>	<u>Premiere Date</u>
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The Trials of Ted Haggard	1/29/09
The Black List: Volume Two	2/26/09
Thrilla in Manila	4/11/09
The Alzheimers Project	5/10/09 ¹
Shouting Fire: Stories from the Edge of Free Speech	6/29/09 ¹
Teddy	7/13/09 ¹
Marion Barry: Not Down for the Count	8/10/09 ¹
Which Way Home	8/24/09 ¹
By The People: The Election of Barack Obama	Fall 2009 ¹

<u>Special Events</u>	<u>Premiere Date</u>
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We Are One: The Obama Inaugural Celebration at the Lincoln Memorial	1/18/09
You're Welcome America: A Final Night with George W Bush	3/14/09
Rock & Roll Hall of Fame 25th Anniversary HBO Event	11/14/09 ¹

<u>Sports</u>	<u>Season</u>	<u>Premiere Date</u>
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Real Sports with Bryant Gumbel	14	1/20/09
Joe Buck Live!	1	6/15/09 ¹
Hard Knocks		Fall 2009 ¹
Boxing After Dark		On-Going
World Championship Boxing		On-Going

¹ ExpectedORIGINAL PROGRAMMING IN OFF-NETWORK SYNDICATION¹

<u>Series</u>	<u>Mini-Series</u>
Sex and the City	Angels in America
Six Feet Under	Band of Brothers
The Sopranos	
The Wire	

¹ As of March 31, 2009 (includes programming on basic cable)

Q1:09 DVD RELEASES

<u>Series</u>	<u>Release Date</u>
Little Britain USA	1/13/09
Summer Heights High	2/24/09
In Treatment: The Complete First Season	3/24/09

Q1:08 DVD RELEASES

<u>Series</u>	<u>Release Date</u>
Curb Your Enthusiasm: The Complete Sixth Season	1/29/08
Tell Me You Love Me: The Complete First Season	2/12/08

Q2:09 DVD RELEASE

<u>Series</u>	<u>Release Date</u>
True Blood: The Complete First Season	5/19/09 ¹
Entourage: The Complete Fifth Season	6/30/09 ¹
Eastbound and Down: The Complete First Season	6/30/09 ¹

¹ Expected

Q2:08 DVD RELEASES

<u>Mini-Series</u>	<u>Release Date</u>
John Adams	6/10/08

STATISTICS

PUBLISHING

TOP TIME INC. MAGAZINES BY AD DOLLARS¹

Magazine	Magazine Category	2009 Rank ¹
People	Celebrity Weekly	1
Sports Illustrated	Sports-General	1
Time	Weekly Newsmagazines	1
InStyle	Womens Fashion	2
Fortune	Business-Corporate	2
Real Simple	Womens Lifestyle	3
Southern Living	Regional	1
Golf Magazine	Sports-Golf	1
Entertainment Weekly	Entertainment	2
Cooking Light	Epicurean	1
Essence	African-American	1
Money	Personal Finance	1

¹ Through March 31, 2009; excludes newspaper supplements

Source: PIB

TOP TIME INC. MAGAZINES BY READERSHIP¹

Magazine	Fall '08 ('000) ²	Spring '08 ('000) ³	Fall '07 ('000) ⁴
People	43,529	42,836	42,379
Sports Illustrated	20,968	20,900	20,751
Time	20,792	20,926	20,909
Southern Living	16,339	16,176	15,560
Cooking Light	12,068	12,055	11,450
Entertainment Weekly	12,060	12,227	11,076
InStyle	9,505	9,230	8,985
Real Simple	8,583	7,740	7,311
Essence	8,096	8,482	8,267
Money	7,993	7,874	7,331
Health	7,651	8,104	7,762
People en Espanol	6,355	6,567	6,092

¹ Readership is defined as the estimated total number of adults 18 years old and older in the conterminous 48 U.S. states who have read or looked into each magazine title (purchased and passed along) within its specific publication period (i.e., within the last week if a weekly) and is measured by in-person survey with a sample size of approximately 26,000 households

² Measured from March 2008 to October 2008

³ Measured from September 2007 to April 2008

⁴ Measured from March 2007 to October 2007

Source: MRI, Fall 2008

Q1:09 TOP DIGITAL PROPERTIES

Property	Average Monthly Domestic Unique Visitors (in M) ¹
People.com	8.6
CNNMoney.com	8.4
Time.com	6.8
SI Digital ²	6.4
EW.com	4.4
MyRecipes Network ³	2.6
Time Inc. U.S. Sites	27.0

¹ Average for the quarter ended March 31, 2009

² Includes SI.com, SIKids.com, Golf.com and FanNation.com

³ Includes content from MyRecipes.com, CookingLight.com and relevant sections of other SPC sites

Source: Nielsen Online

COMPANY SHARE

2009 ¹	Share	Rank
Domestic Print Advertising Dollars	18.7%	1

¹ Through March 31, 2009; excludes newspaper supplements

Source: PIB

STATISTICS

AOL

Q1:09 ENGAGEMENT METRICS

Category	Average Monthly Domestic Unique Visitors (in M) ¹	Domestic Page Views ² (in B)
MediaGlow ³	69.8	19.2
AOL Homepages ⁴	46.7	5.4
AOL Content ⁵	53.4	13.1
AOL Commerce/Marketplace ⁶	14.5	0.6
AOL Mail ⁷	44.9	25.0
MapQuest	40.9	2.4
Search	34.0	2.5
AOL People Networks ⁸	30.5	4.9
Total AOL Network	106.0	57.6

Advertising Networks	Average Monthly Domestic Unique Visitors (in M) ¹	Reach ¹⁰	Category Ranking ¹¹
Platform-A ⁹	173.7	90.4%	1

¹ Average for the quarter ended March 31, 2009

² Total for the quarter ended March 31, 2009

³ Includes AOL Homepages, AOL Content and AOL Commerce/Marketplace

⁴ Includes AOL Welcome Screen and AOL.com homepages

⁵ Includes all AOL content channels, including Games, Living, Money & Finance, Moviefone, Music, News and Sports

⁶ Includes Auto, Mobile, Personals, Real Estate, Shopping and Travel

⁷ Includes AOL e-mail (AOL.com e-mail and AOL proprietary e-mail) and AIM mail

⁸ Includes AIM (excluding AIM Dashboard, AIM Homepage and AIM Mail), Bebo, Community, Yedda, ICQ, Userplane and People Connection

⁹ Includes the AOL Network and Advertising.com third-party network

¹⁰ Measured based on Average Monthly Domestic Unique Visitors relative to the total Domestic Internet audience for the quarter ended March 31, 2009

¹¹ For the month of March 2009 and based on the Advertising Networks' ranking measured by Unique Visitors

Source: comScore Media Metrix

Caution Concerning Forward-Looking Statements

This quarterly business review 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 the expectations contained herein due to changes in economic, business, competitive, technological, strategic and/or regulatory factors, and other factors affecting the businesses of Time Warner. More detailed information about these factors is set forth in filings by Time Warner with the Securities and Exchange Commission, including Time Warner's most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. The forward-looking statements are made only as of the date of this document and Time Warner 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, subsequent events or otherwise.

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