

in FOCUS

TIME WARNER'S QUARTERLY BUSINESS REVIEW

Summer
2008

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After making motion picture history with its opening-weekend (July 18-20) gross of approximately \$158 million at the domestic box office, Warner Bros.' *The Dark Knight* has gone on to break the domestic box-office record for the fastest film to reach the \$400 million mark. Through August 4, *The Dark Knight* generated approximately \$610 million in gross receipts at the worldwide box office.

(Source: Box Office Mojo and internal data)

TIME WARNER REPORTS SECOND-QUARTER 2008 RESULTS



JEFF BEWKES,
PRESIDENT
AND CEO,
TIME WARNER INC.

On August 6, 2008, Time Warner Inc. reported financial results for its second quarter ended June 30, 2008. Commenting on the results, Time Warner's President and CEO Jeff Bewkes said: "I'm pleased by the overall performance of our businesses so far this year, particularly in light of the challenging economic environment, and that we're on track to achieve our business outlook. This resilience reflects the strength of our brands, our expertise and our scale, which we think give us a sustained advantage in creating, packaging and distributing the industry's most compelling content – such as *The Dark Knight*, *Sex and the City* and *The Closer*. We've also made significant progress in our top structural initiatives. During the quarter, we agreed to the terms of our planned separation from Time Warner Cable. In addition, we've made the key decisions that will enable us to run AOL's access and audience businesses separately beginning in 2009. As we continue to reshape Time Warner, we'll increasingly focus on our goal to create and manage high-quality branded content, across multiple platforms around the world, at the highest returns possible for 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 AND TIME WARNER CABLE AGREE TO SEPARATION

Time Warner Inc. and Time Warner Cable Inc. announced in May that they have entered into an agreement that will result in the complete legal and structural separation of the two companies. Time Warner President and CEO Jeff Bewkes said: "This is the right step for Time Warner and Time Warner Cable stockholders. After the transaction, each company will have greater strategic, financial and operational flexibility and will be better positioned to compete. Separating the two companies also will help their management teams focus on realizing the full potential of the respective businesses and will provide investors with greater choice in how they own this portfolio of assets. We're bullish on Time Warner Cable's prospects, but its strategic goals and capital needs are increasingly different from those of our other businesses." As part of the agreement, Time Warner Cable will declare a one-time dividend to all of its stockholders of \$10.27 per Time Warner Cable common share – a total of approximately \$10.9 billion – payable immediately prior to completion of the separation. Time Warner Inc. will receive \$9.25 billion from this dividend. The separation, expected to be consummated around the end of 2008, is contingent on, among other things, receipt of a favorable IRS ruling on tax treatment as well as customary regulatory reviews and local franchise approvals.

TIME WARNER

TIME WARNER RECEIVES 132 PRIMETIME EMMY NOMINATIONS

On July 17, Time Warner companies received 132 nominations for the 60th Annual Primetime Emmy Awards, to be announced September 21. HBO received 85 nominations, the most of any network for the eighth year in a row, with its 23 nominations for *John Adams* leading all other nominees. Warner Bros. garnered 34 nominations, including 12 for *Pushing Daisies*. Turner Broadcasting's TNT collected 10 nominations, while Cartoon Network received three nominations.

ESSENCE FORMS PARTNERSHIP WITH WARNER BROS. TV GROUP; ESSENCE MUSIC FESTIVAL BREAKS ATTENDANCE RECORD

Warner Bros. Television Group (WBTVG) and Time Inc.'s Essence Communications Inc. announced in April that they are teaming up on a series of initiatives that will expand the Essence brand across a number of platforms, including the Internet and television. One of the first projects to come from the new relationship is the late summer re-launch of an expansive new Web destination at Essence.com, created in collaboration with WBTVG's Telepictures Productions, which aims to be the ultimate online destination for African-American women. The multi-platform agreement also includes plans to expand the Essence brand into television. Telepictures Productions and Essence will work in partnership to develop content based on the Essence brand and establish working relationships across the various Telepictures properties, which will serve as incubators for potential television series or original digital programming for broadband. Separately, Essence reported record-breaking attendance of 270,000 for its 14th annual Essence Music Festival in New Orleans in July. The Festival, sponsored by, among others, Coca-Cola, Chevrolet, McDonald's and Wal-Mart, featured headline performances by Kanye West, Mary J. Blige, Chris Brown, Chris Rock, Rihanna, Jill Scott, LL Cool J, Patti LaBelle and others. Beyoncé was announced as a headline act for the Festival in 2009.

A new era of *Star Wars* entertainment begins in 2008 when *Star Wars: The Clone Wars*, from creator George Lucas, premieres as a feature film on August 15, followed by the television series debut on Cartoon Network in the fall, in a partnership between Lucasfilm Ltd., Warner Bros. Pictures and Turner Broadcasting System.



WARNER BROS. AND HBO SIGN LANDMARK DEAL WITH FRANCE TELECOM

Warner Bros. International Television Distribution and HBO announced in April a landmark multi-year deal to be the initial suppliers of programming to France Telecom Orange's new multi-platform pay television service, which is expected to be available to consumers in the fourth quarter of 2008. Under the terms of the deal, a wide variety of programming from both companies will be made available across a number of platforms.

AOL

PLATFORM-A EXTENDS STREAK AS #1 ONLINE DOMESTIC ADVERTISING NETWORK

AOL's Platform-A announced in July that its advertising network, Advertising.com, was ranked as the #1 third-party domestic display ad network for the 50th straight month, based on audience reach, according to comScore Media Metrix. That caps months of progress at Platform-A, which expanded in Europe in June, launched several new advertiser and publisher products, and entered into significant new partnerships. The expansion in Europe offers advertisers and publishers a full suite of industry-leading marketing solutions powered by the Web's most advanced advertising technologies. Platform-A's new product launches include its spot marketplace service, which lets advertisers bid on unsold ad inventory across the Platform-A network, and PubAccess, a self-service tool that makes it easy for small publishers to join the Advertising.com network. Platform-A announced in June that it would offer guaranteed CPM rates to Bebo and Facebook application developers for U.S. traffic to their applications. The new partnerships announced since May include an agreement for ADTECH to be the online advertising provider for Gannett Co. Inc. and signed deals with Virgin Mobile and Verizon for mobile advertising.



AOL

AOL PROGRAMMING SCORES WITH CONSUMERS

AOL continued to grow audience reach and engagement for its programming and launched several niche sites during the quarter. AOL's content channels saw unique visitors climb 10% and page views rise 58% year over year in the second quarter, according to comScore Media Metrix. Relunched verticals – including News, Money & Finance and Living – helped drive this growth, along with several new sites designed to appeal to consumers' passion points. AOL launched six new sites since April – ParentDish, Pixcetera, WalletPop, The Boot, The Boombox and Urlesque, as well as international versions of Engadget and Asylum. In April, AOL acquired Sphere Source, Inc., a leading provider of contextual-search tools that offers related content to publishers.



AOL'S PRODUCTS WIN OVER IPHONE USERS

AOL launched three applications for the much-anticipated iPhone 3G: AIM, the leading instant messaging service; AOL Radio, the most popular online radio service; and Truveo, the leading video search engine. As of July 10, all are available as free downloads from the Apple App Store, and two of them – AIM and AOL Radio – were among the top 20 most popular free iPhone applications, as of July 30, according to Apple. In addition, in June the AOL Radio for iPhone application received an Apple Design Award for "Best Entertainment Application." In July, AOL relaunched its AOL Radio service, with a new online player and 150 local CBS RADIO stations.



HBO

HBO AND APPLE BRING HBO PROGRAMMING TO ITUNES STORE

HBO and Apple announced in May that programming from HBO is available for purchase and download on the iTunes Store. New HBO programs on iTunes include the Emmy Award-winning programs *The Sopranos*, *Sex and the City*, *Deadwood* and *Rome*, as well as the critically acclaimed hits *Flight of the Conchords* and *The Wire*. The iTunes Store is the world's most popular online TV store with over 150 million episodes sold and features the world's largest catalog with over 800 shows (over 20,000 episodes). *Sex and the City*, *The Wire* and *Flight of the*



Conchords are \$1.99 per episode, and *The Sopranos*, *Deadwood* and *Rome* are priced at \$2.99 per episode.

HBO VIDEO TEAMS UP WITH CREATESPACE

HBO Video and CreateSpace, part of the Amazon.com, Inc. group of companies, announced in June an agreement to provide consumers with a selection of HBO and Cinemax award-winning and critically acclaimed documentaries through the CreateSpace DVD on Demand service, which allows for the manufacture and shipping of packaged DVDs as soon as customers place their orders. These documentaries will be available on Amazon.com and HBO.com. HBO and Cinemax "DVD on Demand" documentary titles will be encrypted with the Content Scramble System copy protection. These DVDs will be the first major content label titles to be manufactured on demand with this protection.

HBO PARTNERS WITH HIT COMEDY COMPANY 'FUNNY OR DIE'

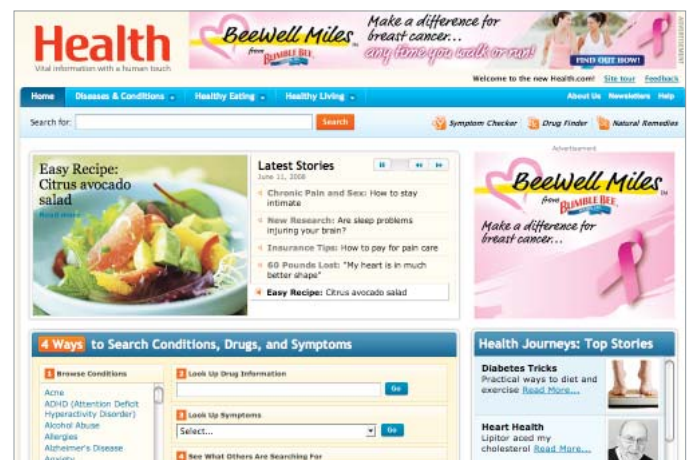
HBO announced in June its partnership with the hit comedy company Funny or Die, founded by Will Ferrell, Adam McKay and Chris Henchy. Under the terms of the agreement, HBO will commission 10 half-hours of programming that, like Funny or Die's award-winning Web site, will showcase the innovative and comedic sensibilities of its creative team.



TIME INC.

TIME INC. RE-LAUNCHES HEALTH BRAND

Time Inc. has re-launched its Health brand through a new health and wellness destination at www.Health.com and a redesigned *Health* magazine. *Health* magazine is published by Southern Progress Corporation, a subsidiary of Time Inc. Health.com, which debuted May 19, balances the human and clinical aspects of health, combining a trusted, empathetic voice and clear, intuitive navigation. It offers a mix of original reporting, first-person stories, video, accredited medical content and community. By taking a practical, problem-solving approach to health problems, Health.com is designed to help users take better control over their own health experience.



TIME INC.

Newsstand sales of *People* magazine were up 4.3% year-over-year during the period from January through May 2008, while other celebrity weeklies were down a collective 13.4% year-over-year during the same period, according to the ABC Rapid Report, subject to audit. Big-selling issues that helped *People* magazine lead the category included covers featuring Jennifer Lopez and her twins, Nicole Richie's baby, Heath Ledger's untimely death and "Inside the Cult" on the Texas polygamy sect.



PEOPLE.COM LEADS ONLINE GAINS AT TIME INC.

Led by the strong performance of People.com, Time Inc.'s U.S. Web sites attracted an average of 25.2 million unique visitors (UV) per month in the second quarter, up 32% versus the same period in 2007, according to Nielsen Online. In addition, UVs on Time Inc.'s U.S. Web sites spent 17 minutes and saw 29 pages on average per month during the quarter (Source: Nielsen Online). People.com drove an average of 7.4 million domestic UVs per month to its site in the quarter, up 73% versus the same period a year ago (Source: Nielsen Online). In April, People.com launched its Archive, featuring 34 years of *People* magazine history, including 1,780 covers and 46,633 stories. In May, People.com acquired Celebrity Baby Blog, a Web site focused on celebrity pregnancy and baby news as well as product reviews. Video viewing on Time Inc.'s Web sites continues to grow worldwide. In the second quarter, CNNMoney.com was the #1 ranked Financial News & Information Web site in delivering video streams, averaging more than 16 million total streams per month worldwide – a 13% increase versus the first quarter of 2008, driven by the continued success of its new video offering, which launched in January (Source: Nielsen Video Census).



IPC MEDIA ACQUIRES LEADING ONLINE GAMES SITE

PC Media announced in June the acquisition of www.mousebreaker.com, a leading UK-based free-to-play games site. Mousebreaker, launched in 2001, publishes over 200 free online flash-based games. The site, aimed at 18-to-34-year-old men, had a worldwide audience of more than 4.8 million average monthly unique visitors during the second quarter, up 15% over the year-ago period, according to comScore Media Metrix. Visitors to the site enjoy an easy-to-play spectrum of sports, driving, arcade, shooter and puzzle games.



TIME WARNER CABLE

TIME WARNER CABLE AGREES TO INVEST IN WIRELESS COMMUNICATIONS JOINT VENTURE

Time Warner Cable is one of five innovative technology, content and communications leaders (joining Intel Corporation, Google Inc., Comcast Corporation and Bright House Networks) that agreed in May to collectively invest \$3.2 billion in a wireless communications joint venture to be formed by Sprint Nextel Corporation and Clearwire Corporation. The joint venture will focus on expediting the deployment of the first nationwide fourth-generation wireless network to provide mobile broadband services to wholesale and retail customers. The transaction is subject to various closing conditions.

TOP MSOs JOIN TO LAUNCH CANOE VENTURES

Time Warner Cable joined with the country's leading multi-system cable operators (MSOs) to announce in June the launch of a joint venture, Canoe Ventures, created to make the MSOs' growing suite of advanced advertising solutions easier to buy, use and measure. Based in New York City, Canoe Ventures is owned by the country's largest MSOs and will combine the operators' research, knowledge and resources to deliver more value to advertisers, including a focus on addressability, interactivity and data. The cable coalition already has been working to leverage the industry's unique position to enhance the way advertisers, programmers and, ultimately, viewers utilize new cable technologies.

TURNER BROADCASTING

TURNER ENTERTAINMENT NETWORKS OFFERS DYNAMIC PROGRAMMING SLATE, INNOVATIVE NEW OPTIONS TO ADVERTISERS

Building on the strong programming foundations of the TNT, TBS and truTV networks by developing more original series than ever before, Turner Entertainment Networks staged its annual Upfront programming presentation for advertisers on May 14, making a pitch for the first time ever during the same week as broadcasters. The event showcased the uniqueness and growing strength of Turner's advertising-supported cable networks by presenting a bigger-than-ever programming line-up for the TNT, TBS and truTV networks. Advertisers learned about big-name talents who are working with Turner, including George Clooney, Steven Bochco, Mark Burnett, Ridley Scott, Tony Scott, Dean Devlin, Ray Romano, Donnie Wahlberg, Jon Avnet, Russell Simmons, Joey "Run" Simmons, William H. Macy and Jamie Foxx. By dramatically increasing original programs, Turner Entertainment continues to provide advertisers with an extensive array of high-profile opportunities to reach consumers. Turner also used its Upfront presentation to reveal a new advertising innovation called TVinContext. The system promises to boost the power of TV ads by pairing them with related program content. The introduction of the TVinContext system is part of Turner's best-in-class focus on creating new products and services. It arrives as Turner's cable networks continue to grow as alternatives to traditional broadcasters. TVinContext initially will be available to a small number of clients, with the first placements in the fall.



Clockwise from top left: *My Boys* (TBS), *The Closer* (TNT), *Saving Grace* (TNT) and *The Bill Engvall Show* (TBS).

TURNER AND YAHOO! ENTER STRATEGIC CONTENT AND ADVERTISING AGREEMENT

Turner Broadcasting System and Yahoo! announced in July a multi-year strategic alliance that will allow the two companies to collaborate on advertising and sports-related content. Under the agreement, Turner will exclusively represent online advertising sales for the NBA, golf and NASCAR pages of Yahoo! Sports. Additionally, Yahoo! Sports will gain access to basketball, golf and NASCAR content from NBA.com, PGATOUR.com, PGA.com and NASCAR.com, league sites managed by Turner. The agreement provides that all display, sponsorship and video advertising opportunities within the NBA, golf and NASCAR pages on Yahoo! Sports will be available exclusively through the Turner Network, which combines the digital resources of 19 Turner Sports, News and Entertainment properties. The agreement also provides Turner with access to advanced targeting technologies that will allow Turner to exclusively sell advertisements based on a consumer's affinity for NASCAR, golf and NBA content, thus creating new advertising opportunities for clients.

TURNER RATINGS HIGHLIGHTS

In the second quarter, TNT ranked #1 among advertising-supported cable networks in total-day delivery of Adults 18-49 and Adults 25-54, with the NBA Playoffs on TNT claiming four of the top 10 telecasts among Total Viewers and Adults 18-49. TBS was advertising-supported cable's comedy leader with six of the quarter's top 10 sitcoms. During the quarter, CNN aired 14 of the top 20 cable news telecasts among Adults 25-54, and its *Anderson Cooper 360* program won the hour starting at 10 pm for the second consecutive quarter. In addition, *Black Gold* was truTV's biggest series premiere in the network's 17-year history and among the top 10 new series of the quarter among Total Viewers. Adult Swim ranked #1 in Adults 18-34 in total-day delivery in the quarter among advertising-supported cable networks.

Source: Nielsen Media Research

CNN DIGITAL NETWORK TAKES #1 SPOT FOR 6TH CONSECUTIVE QUARTER

Continuing its #1 ranking in total minutes and share of online news for the 6th quarter in a row, the CNN Digital Network maintained the top spot in the second quarter among all News and Information properties. According to Nielsen Online, the CNN Digital Network averaged 1.2 billion monthly gross minutes of usage in the second quarter. CNN.com set a record in the second quarter for domestic and international online video streams served, according to Omniture.

WARNER BROS. ENTERTAINMENT

WARNER BROS. TV SIGNS DISTRIBUTION AGREEMENTS TO LAUNCH NEW BRANDED CHANNELS

Warner Bros. Television Group (WBTVG) announced in June that it has signed distribution agreements with a select group of preferred partners to launch a number of advertiser-supported branded channels in premium environments that will further WBTVG's strategic expansion into the digital marketplace. WBTVG will work closely with Dailymotion, Joost, Sling Media, TiVo and Veoh Networks to launch channels that will include TheWB.com and KidsWB.com – the two new advertiser-supported broadband destinations WBTVG unveiled in April. The channels will launch in mid-September, providing WBTVG's branded destinations with the added reach of the distribution partners' target audiences, while giving consumers greater access to the Warner Bros. Studio's programming.

WARNER BROS. INTERNATIONAL TELEVISION DISTRIBUTION FORMS BRANDED SERVICES UNIT

Expanding on its strategy to launch a number of Warner Bros.-branded, advertiser-supported and subscription video-on-demand programming channels around the world, Warner Bros. International Television Distribution (WBITD) announced in April the formation of a new Branded Services unit dedicated to using the latest technological developments to create these Warner TV channels on all new media platforms, including digital cable, IPTV, PC and mobile. The Warner TV channels bring the Warner Bros. Studio's film and television series to viewers around the globe in a new way, creating Warner Bros.-branded entertainment destinations that will provide consumers with around-the-clock, on-demand access to top quality programming on services consisting primarily of content produced and distributed by the Studio. The Warner TV channels build on the successful linear Warner Channel that has been operating in Latin America for over 10 years.

WARNER BROS. PICTURES ACTIVE IN INDIAN MARKET, TAPPING REGION'S MULTIFACETED POTENTIAL

Warner Bros. Pictures India announced in April that it has entered into an exclusive multi-picture deal with Soundarya Rajnikanth's Ocher Studios, covering the production and distribution of live-action South Indian language films to be released by Warner Bros. This strategic alliance expands Warner Bros.' local production business across all four southern Indian languages and, through strategic rights retention, builds the company's library of film and television titles. Warner Bros. Pictures India also announced in April that principal photography on Shona Urvashi's *Saas Bahu Aur Sensex* has been completed and work has begun on the film's post production. *Saas Bahu Aur Sensex* is slated for release on September 12, 2008. In June, Warner Bros. Pictures India announced that it has entered the animated film arena with an as-yet untitled film directed by Jyotin Goel and produced by Geol Screencraft.



Through August 4, New Line Cinema's film *Sex and the City* (left), produced in association with HBO, has grossed approximately \$390 million at the worldwide box office since its May 30 opening. Warner Bros.' *Get Smart* film (right), which opened June 20, has grossed approximately \$197 million at the worldwide box office through August 4. (Source: Box Office Mojo and internal data)

WARNER BROS. CONSUMER PRODUCTS AND SAFEWAY PARTNER FOR HEALTHY KIDS LINE

Warner Bros. Consumer Products and Safeway Inc. announced in June a partnership that will create a better-for-you line of food products for children, uniting flavor and nutrition. Through a licensing agreement with Safeway, the Warner Bros. animated Looney Tunes characters will be featured on the new Eating Right Kids line of food and beverages, to be sold at Safeway. Eating Right Kids, an extension of the successful Eating Right adult line, will launch later this year with select products arriving on store shelves this summer. The line will initially be carried at over 1,700 Safeway locations throughout the United States and Canada.

THE CW TELEVISION NETWORK AND WBITD TEAM UP FOR WEEKDAY PROGRAMMING BLOCK FEATURING NEW COURT SERIES FROM TELEPICTURES PRODUCTIONS

In May, The CW Television Network announced that it is teaming up with Warner Bros. Domestic Television Distribution to create a daily two-hour afternoon programming block that will bring a new court television series from Telepictures Productions and two hit comedies from Warner Bros. Television to The CW from 3:00–5:00 p.m. each weekday. *Judge Jeanine Pirro*, a one-hour court program featuring Jeanine Pirro—former Westchester County (N.Y.) District Attorney and County Judge and nationally known legal commentator and author—will air Monday–Friday at 3:00 p.m., followed by a one-hour comedy block of *The Wayans Bros.* at 4:00 p.m. and *The Jamie Foxx Show* at 4:30 p.m. The new programming schedule will debut Monday, September 22, 2008.

STATISTICS

AOL

Q2:08 ENGAGEMENT METRICS

Category	Average Monthly Domestic Unique Visitors (in M) ¹	Domestic Page Views (in B) ²
AOL Homepages ³	57.8	5.7
AOL Content ⁴	54.8	12.9
MapQuest	48.3	3.1
AOL Mail ⁵	45.7	22.4
Search	36.1	2.5
AOL People Networks ⁶	32.0	4.1
AOL Commerce ⁷	14.1	0.6
Total AOL Network	111.2	55.6

Advertising Networks	Average Monthly Domestic Unique Visitors (in M) ¹	Reach ⁹	Category Ranking ¹⁰
Platform-A ⁸	171.1	90%	1

¹ Average for the quarter ended June 30, 2008

² Total for the quarter ended June 30, 2008

³ Includes AOL Welcome Screen, AOL.com homepages, myAOL and AIM Dashboard

⁴ Includes all AOL content channels, including News, Sports, Music, Money & Finance, Living, Moviefone and Games

⁵ Includes AOL e-mail (AOL.com e-mail and AOL proprietary e-mail) and AIM mail

⁶ Includes Bebo (as of June 1, 2008), AIM, ICQ, Community, Hometown, Journals, Groups, AOL Video Uploads, Member Directory and People Connection

⁷ Includes Travel, Shopping, Auto, Real Estate, Tickets and Personals

⁸ Includes the AOL Network and Advertising.com third-party network

⁹ Measured based on Average Monthly Domestic Unique Visitors relative to the total Domestic Internet audience for the quarter ended June 30, 2008

¹⁰ For the month of June and based on Unique Visitors

Source: comScore Media Metrix

STATISTICS

FILMED ENTERTAINMENT

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	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	67	37.9	4/25/08
Mongol	Picturehouse	25	2.4	6/6/08
Kit Kittredge: An American Girl ²	Picturehouse	11	0.5	6/20/08
Chaos Theory	Warner Bros.	81	0.2	4/11/08

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

² In limited release, opened wide July 2, 2008

Q2:07 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>
Ocean's Thirteen	Warner Bros.	23	100.4	6/8/07
Fracture	New Line Cinema	72	38.3	4/20/07
The Reaping	Warner Bros.	87	25.1	4/5/07
Nancy Drew	Warner Bros.	16	20.7	6/15/07
In the Land of Women	Warner Bros.	72	11.1	4/20/07
Lucky You	Warner Bros.	58	5.8	5/4/07
La Vie en Rose	Picturehouse	23	4.7	6/8/07
Gracie	Picturehouse	30	2.9	6/1/07

¹ Data through June 30, 2007; Source: Box Office Mojo

STATISTICS

FILMED ENTERTAINMENT

Q3:08 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Journey to the Center of the Earth	New Line Cinema	7/11/08
The Dark Knight	Warner Bros.	7/18/08
Sisterhood of the Traveling Pants 2	Warner Bros.	8/6/08
Star Wars: The Clone Wars	Warner Bros.	8/15/08 ¹
Towelhead (Nothing Is Private)	Warner Bros.	9/12/08 ¹
The Women	Picturehouse	9/12/08 ¹
Nights in Rodanthe	Warner Bros.	9/26/08 ¹
Appaloosa	New Line Cinema	Sep/08 ¹

¹ Expected

Q3:07 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>
Harry Potter and the Order of the Phoenix	Warner Bros.	82	290.2	7/11/07
Rush Hour 3	New Line Cinema	52	137.7	8/10/07
Hairspray	New Line Cinema	73	118.0	7/20/07
License to Wed	Warner Bros.	90	43.8	7/3/07
No Reservations	Warner Bros.	66	42.5	7/27/07
The Brave One	Warner Bros.	17	30.8	9/14/07
Mr. Woodcock	New Line Cinema	17	19.6	9/14/07
The Invasion	Warner Bros.	45	15.0	8/17/07
Shoot 'Em Up	New Line Cinema	24	12.4	9/7/07
El Cantante	Picturehouse	59	7.6	8/3/07
In the Valley of Elah	Warner Independent Pictures	17	3.4	9/14/07
The 11th Hour	Warner Independent Pictures	45	0.7	8/17/07
Silk	Picturehouse	17	0.7	9/14/07
King of Kong	Picturehouse	45	0.6	8/17/07
Introducing the Dwights	Warner Independent Pictures	89	0.4	7/4/07
Assasination of Jesse James	Warner Bros.	10	0.3	9/21/07
December Boys	Warner Independent Pictures	17	0.0	9/14/07

¹ Data through September 30, 2007; Source: Box Office Mojo

COMPANY SHARE

<u>Year to Date¹</u>	<u>Share</u>	<u>Rank</u>
Domestic Box Office	16.4%	3

¹ As of June 29, 2008

Source: Box Office Mojo

Q2:08 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

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	New Line Cinema	6/3/08
The Bucket List	Warner Bros.	6/10/08
Chaos Theory	Warner Bros.	6/10/08
Funny Games	Warner Independent Pictures	6/10/08
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

Q2:07 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Code Name: The Cleaner	New Line Cinema	4/24/07
Little Children	New Line Cinema	5/1/07
Who the #\$%&		
Is Jackson Pollock	Picturehouse	5/1/07
Fur: An Imaginary Portrait of Diane Arbus	Picturehouse	5/8/07
Music and Lyrics	Warner Bros.	5/8/07
The Painted Veil	Warner Independent Pictures	5/8/07
The Fountain	Warner Bros.	5/15/07
Pan's Labyrinth	Picturehouse	5/15/07
The Good German	Warner Bros.	5/22/07
Letters from Iwo Jima	Warner Bros.	5/22/07

Q3:08 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Harold & Kumar: Escape from Guantanamo Bay	New Line Cinema	7/29/08
Snow Angels	Warner Independent Pictures	9/16/08 ¹
Speed Racer	Warner Bros.	9/16/08 ¹
Run, Fat Boy, Run	Picturehouse	9/23/08 ¹
Sex and the City: The Movie	New Line Cinema	9/23/08 ¹

¹ Expected

Q3:07 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
The Astronaut Farmer	Warner Bros.	7/10/07
The Last Mimzy	New Line Cinema	7/10/07
Starter for 10	Picturehouse	7/10/07
The Number 23	New Line Cinema	7/24/07
300	Warner Bros.	7/31/07
TMNT	Warner Bros.	8/7/07
Unaccompanied Minors	Warner Bros.	8/7/07
Fracture	New Line Cinema	8/14/07
Gracie	Picturehouse	9/18/07
Lucky You	Warner Bros.	9/18/07
We Are Marshall	Warner Bros.	9/18/07
Full of It	New Line Cinema	9/25/07

COMPANY SHARE

<u>Year to Date</u> ¹	<u>Share</u>	<u>Rank</u>
U.S. DVD Sell Through	20.3%	1

¹ As of June 28, 2008

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 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
The 11th Hour	CBS	1
Fringe	FOX	1
The Mentalist	CBS	1
Privileged	CWN	1
Truth in Advertising	TNT	1
<u>Title (Unscripted)</u>	<u>Network</u>	<u>Season</u>
The Bachelor XIII	ABC	1
Beautiful People	ABC	1
Cougar	TV Land	1
High School Reunion V	TV Land	1
Man vs. Cartoon	truTV	1

FIRST RUN SYNDICATION 2008/2009 SEASON

<u>Title</u>	<u>Season</u>
Extra: Entertainment Magazine	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

THE CW NETWORK 2008/2009 PRIMETIME
PROGRAMMING SCHEDULE

<u>Title</u>	<u>Season</u>	<u>Expected Premiere Date</u>
Gossip Girl	2	9/1/08
One Tree Hill	6	9/1/08
90210	1	9/2/08
America's Next Top Model	11	9/3/08
Privileged	1	9/9/08
Smallville	8	9/18/08
Supernatural	4	9/18/08
Easy Money	1	9/21/08
In Harm's Way	1	9/21/08
Valentine	1	9/21/08
Everybody Hates Chris	4	10/3/08
The Game	3	10/3/08
Stylista	1	10/29/08
Surviving Suburbia	1	11/2/08

SELECT SERIES AIRING
IN OFF-NETWORK SYNDICATION¹

Alice
All of Us
The Bachelor
Cheyenne
Cold Case
Dallas
The Drew Carey Show
The Dukes of Hazzard
ER
Everwood
Family Matters
For Your Love
Friends
Full House
The Fresh Prince of Bel Air
The George Lopez Show
Gilmore Girls
Growing Pains
Hanging with Mr. Cooper
The Hogan Family
The Lawman
Living Single
Love Connection
Mad TV
Mama's Family
Martin
Maverick
Murphy Brown
Night Court
The O.C.
One Tree Hill
The Parent 'Hood
Seinfeld
Showtime at the Apollo
Smallville
Step by Step
Third Watch
Two and a Half Men
The Tyra Banks Show
The Waltons
The Wayans Bros.
Welcome Back, Kotter
The West Wing
What I Like About You
Whose Line Is It Anyway?
Will & Grace
Without a Trace

¹As of June 30, 2008

STATISTICS

NETWORKS

Q2:08 TOTAL PROGRAMMING DAY DELIVERY

Network	Key Demo	Delivery ('000)
TNT	A18-49	683
TBS	A18-34	305
truTV	A18-49	306
CNN	A25-54	177
Headline News	A25-54	107
Cartoon Network	K2-11	566
Adult Swim	A18-34	453

Source: Nielsen Media Research

Q2:08 DIGITAL PROPERTIES

Properties	Average Monthly Domestic Unique Visitors (in M) ¹
CNN Digital Network ²	33.3
Turner Sports & Entertainment Digital ³	17.5
Turner Network ⁴	43.5

¹ Average for the quarter ended June 30, 2008

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

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

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

Source: Nielsen Online

TURNER ORIGINAL SERIES FOR 2008/2009 SEASON

Title	Network	Season	Premiere Date
The Closer	TNT	4	7/14/08
Saving Grace	TNT	2	7/14/08
Raising the Bar	TNT	1	9/1/08 ¹
Leverage	TNT	1	12/7/08 ¹
The Bill Engvall Show	TBS	2	6/12/08
My Boys	TBS	2	6/12/08
FrankTV	TBS	2	10/21/08 ¹
Rich and Reckless	truTV	1	6/6/08
Black Gold	truTV	1	6/18/08
Crisis Point	truTV	1	6/22/08
Stringers: LA	truTV	1	8/20/08 ¹
The Principal's Office	truTV	1	8/21/08 ¹
Foster's Home for Imaginary Friends	TOON	6	3/13/08
Ben 10: Alien Force	TOON	1	4/18/08
The Marvelous Misadventures of Flapjack	TOON	1	6/5/08
The Secret Saturdays	TOON	1	Oct/08 ¹
Chowder	TOON	2	11/6/08 ¹
Tim & Eric Awesome Show	ADSM	3	7/27/08
Robot Chicken	ADSM	4	8/31/08 ¹
SuperJail	ADSM	1	9/28/08 ¹
Moral Orel	ADSM	3	10/6/08 ¹
Xavier: Renegade Angel	ADSM	2	11/9/08 ¹
Aqua Teen Hunger Force	ADSM	7	Q1:09 ¹
Check It Out with Dr. Steve Brule	ADSM	1	Q1:09 ¹
Delocated	ADSM	1	Q1:09 ¹
Drinky Crow Show	ADSM	1	Q1:09 ¹
Squidbillies	ADSM	3	Q2:09 ¹
Titan Maximum	ADSM	1	Q2:09 ¹
The Venture Bros.	ADSM	4	Q2:09 ¹

¹ Expected

HBO NEW ORIGINAL PROGRAMMING FOR 2008

Title	Premiere Date
In Treatment	1/28/08
John Adams	3/16/08
Generation Kill	7/13/08
True Blood	9/7/08 ¹
Life and Times of Tim	9/28/08 ¹
Little Britain	9/28/08 ¹
Summer Heights High	11/9/08 ¹

¹ Expected

HBO ORIGINAL SERIES AIRING IN OFF-NETWORK SYNDICATION¹

Arliss
Sex and the City
Six Feet Under
The Sopranos
The Wire

¹ As of June 30, 2008

STATISTICS

PUBLISHING

TOP TIME INC. MAGAZINES BY AD DOLLARS¹

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

¹ Through June 30, 2008; excludes newspaper supplements

Source: PIB

TOP TIME INC. MAGAZINES BY READERSHIP¹

Magazine	Spring '08 ('000) ²	Fall '07 ('000) ³
People	42,836	42,379
Time	20,926	20,909
Sports Illustrated	20,900	20,751
Southern Living	16,176	15,560
Entertainment Weekly	12,227	11,076
Cooking Light	12,055	11,450
In Style	9,230	8,985
Essence	8,482	8,267
Health	8,104	7,762
Money	7,874	7,331
Real Simple	7,740	7,311
People en Español	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 1, 2007 to May 4, 2008

³ Measured from September 1, 2006 to October 28, 2007

Source: MRI, Spring 2008

Q2:08 TOP DIGITAL PROPERTIES

Property	Average Monthly Domestic Unique Visitors (in M) ¹
CNNMoney.com	8.4
SI Digital ²	7.7
People.com	7.4
Time.com	5.4
EW.com	3.0
MyRecipes Network ³	2.3
Time Inc. U.S. Sites	25.2

¹ Average for the quarter ended June 30, 2008

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

Year to Date ¹	Share	Rank
Domestic Print Advertising Dollars	18.6%	1

¹ Through June 30, 2008; excludes newspaper supplements

Source: PIB

Caution Concerning Forward-Looking Statements

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