

# in FOCUS

TIME WARNER'S QUARTERLY BUSINESS REVIEW

Summer  
2009

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Leading Ladies of TNT: (left to right) Stars of TNT's original series Holly Hunter (*Saving Grace*), Gloria Reuben (*Raising the Bar*), Jane Kaczmarek (*Raising the Bar*), Jada Pinkett Smith (*HawthoRNe*) and Kyra Sedgwick (*The Closer*).

## TIME WARNER REPORTS SECOND-QUARTER 2009 RESULTS



JEFF BEWKES,  
CHAIRMAN  
AND CEO,  
TIME WARNER INC.

On July 29, 2009, Time Warner Inc. reported financial results for its second quarter ended June 30, 2009. Commenting on the results, Time Warner's Chairman and Chief Executive Officer Jeff Bewkes said: "I'm encouraged by our operating results for this quarter and the first half of the year. Despite the difficult economy, our Content Group delivered 4% year-over-year Adjusted OIBDA growth in the quarter. We've also reaffirmed our business outlook for the full year. Our performance reflects the diversity of our revenue streams, the appeal of our content and our continued focus on efficiency. In addition to our regular dividend, we restarted our stock buyback this quarter – underscoring our commitment to provide direct returns to stockholders. At the same time, we're continuing the reshaping of Time Warner that we

started last year. We're on track to spin off AOL to our stockholders around the end of the year. Separating AOL will benefit both companies – enabling Time Warner to concentrate fully on our core content businesses and improving AOL's operational and strategic flexibility."

More information about Time Warner, including its financial results and business outlook, can be found on the company's Web site, [www.timewarner.com](http://www.timewarner.com).

### TIME WARNER

## TIME WARNER ANNOUNCES PLAN TO SEPARATE AOL

Time Warner Inc. announced in May that its Board of Directors has authorized management to proceed with plans for the complete legal and structural separation of AOL from Time Warner. In the proposed transaction, Time Warner will distribute all of its AOL common stock to Time Warner shareholders, and AOL will become an independent, publicly traded *(continued on page 2)*

## TIME WARNER

(continued from page 1) company. Time Warner Chairman and Chief Executive Officer Jeff Bewkes said: "We believe that a separation will be the best outcome for both Time Warner and AOL. The separation will be another critical step in the reshaping of Time Warner that we started at the beginning of last year, enabling us to focus to an even greater degree on our core content businesses. The separation will also provide both companies with greater operational and strategic flexibility. We believe AOL will then have a better opportunity to achieve its full potential as a leading independent Internet company." After the proposed separation is complete, AOL will compete as a stand-alone company – focused on growing its Web brands and services. AOL will also continue to operate one of the largest Internet access subscription services in the U.S. As of June 30, 2009, Time Warner owned 95% of AOL, and Google held the remaining 5%. As part of a prior arrangement, Time Warner repurchased Google's 5% stake in AOL in July 2009. After repurchasing this stake, Time Warner owns 100% of AOL. The proposed separation transaction should be structured as tax-free to Time Warner stockholders. The transaction is contingent on the satisfaction of a number of conditions, including completion of the review process by the Securities and Exchange Commission of required filings under applicable securities regulations and the final approval of transaction terms by Time Warner's Board of Directors. Time Warner aims to complete the proposed transaction around the end of the year.

## TIME WARNER ANNOUNCES WIDESPREAD DISTRIBUTION OF CABLE TV CONTENT ONLINE

Time Warner Inc. announced in June that it has partnered with Comcast Corporation to develop broad principles for the model to provide TV Everywhere and guide distribution of its television content online. The principles are designed to serve as a framework to facilitate deployment of online television content in a way that is consumer friendly, pro-competitive and at no additional cost to customers. In addition, Comcast announced it will begin a national technical trial of its "On Demand Online" service in July carrying programming from Time Warner's Turner networks TNT and TBS. The innovative agreement for this national On Demand Online technical trial will deliver more TNT and TBS programming online, free of charge to Comcast video customers, than previously available. Comcast customers in the trial will be able to access TNT's award-winning programming like *The Closer* and *Saving Grace*, as well as the TBS line-up including Tyler Perry's *Meet the Browns* and *My Boys*. In July, Time Warner's Home Box Office, Inc. and Comcast announced a partnership that will offer award-winning television and movie content from HBO and Cinemax online for the first time as an added value to Comcast's HBO and Cinemax customers nationwide. The HBO and Cinemax broadband services will also be available as part of Comcast's On Demand Online trial. The HBO and Cinemax broadband services on Comcast's On Demand Online will include full-length episodes of current and classic HBO series like *True Blood*, *Hung*, *Entourage*, *Curb Your Enthusiasm*, *The Wire*, *Sex and the City*, *The Sopranos* and *Real Time with Bill Maher* as well as certain popular theat-

rical movies and HBO Family programming. The On Demand Online technical trial will involve approximately 5,000 customers. In July, Comcast also announced that it is partnering with Rainbow Media, Scripps, AETN, MGM Impact and BBC to bring content from 17 more cable networks to consumers through the On Demand Online technical trial. Also in July, CBS Corporation and Comcast announced that CBS is the first broadcast network to participate in the technical trial.



U.S. Treasury Secretary Timothy Geithner (left) interviewed by *TIME* Managing Editor Richard Stengel at "Time Warner's Conversations on the Circle Presents 'The Economy 2009'" on June 15 at the Time Warner Center in New York City. The half-day economic summit featured conversations between economic thought-leaders and journalists from CNN, *FORTUNE* and *TIME*.

Photo credit: Victoria Will

## ESSENCE PARTNERS WITH CNN, HLN AND CNN.COM FOR WEEKLY NEWS SEGMENTS

CNN, HLN, CNN.com and Essence Communications, Inc. announced in May a partnership to develop *What Matters*, a series of weekly news segments focused on issues of importance to the African-American community. As an extension of the regular news items and features in *ESSENCE* magazine, as well as the ongoing multicultural programming on CNN, the on-air and online segments will be hosted on CNN by Tony Harris and Don Lemon with contributions from Roland Martin, Fredricka Whitfield and T.J. Holmes. The segments will be hosted on HLN by anchor Richelle Carey. The recurring segments, which debuted on CNN on May 8 in the 12 p.m. hour, feature topics ranging from 401(k) strategies to elder-care issues to pop culture.

# ESSENCE

On HLN, the segments will be seen during the 6 p.m. hour on the Friday, Saturday and Sunday editions of *Prime News*. Inspired by the monthly "Our News" section of *ESSENCE* magazine, content for the segments will be developed collaboratively. Online users also can view the *What Matters* segments on-demand at CNN.com and on Mondays via CNN.com Live, the Internet's only live multi-stream video news service. This online content became available on May 15. In addition, Essence.com will offer related articles, commentary, blog discussions and the opportunity to view the *What Matters* segments.

## TIME WARNER

## TIME WARNER WINS 7 PEABODY AWARDS AND RECEIVES 135 EMMY NOMINATIONS

In April, Time Warner companies won seven Peabody Awards, more than any other media company. The Peabodys are the oldest and among the most prestigious awards in electronic media. HBO took home five Peabodys, including awards for the comedy series *Entourage* and the miniseries *John Adams*. Turner Broadcasting earned two Peabodys – one for CNN's multi-platform coverage of the 2008 presidential primary campaigns and debates and one for Turner Classic Movies' dedication to presenting and preserving classic films. On July 16, Time Warner companies received 135 nominations for the 61st Primetime Emmy Awards, to be announced September 20. HBO received 99 nominations, the most of any network for the ninth consecutive year, led by *Grey Gardens*' 17 nominations. Warner Bros. garnered 23 nominations, including five for *Pushing Daisies*. Turner Broadcasting's TNT collected 10 nominations, while Turner's Cartoon Network received three nominations.

## WARNER BROS. ENTERTAINMENT

## HARRY POTTER, THE HANGOVER LEAD WARNER BROS.' BOX-OFFICE SUCCESS

led by *Harry Potter and the Half-Blood Prince* and *The Hangover*, Warner Bros. Pictures and New Line Cinema continue to connect with audiences with films of various genres for all audiences. In July, Warner Bros. Pictures announced that it had surpassed the \$1 billion mark in box-office revenue for the ninth consecutive year both domestically (an industry first) and internationally. The July 15 opening of *Harry Potter and the Half-Blood Prince* (above, right), the latest installment in the most successful motion picture franchise of all time, earned a Wednesday-to-Sunday cumulative worldwide box office of \$394 million, making it the highest-grossing five-day worldwide opening of any film ever. In just two weeks of release, the film had earned \$625 million worldwide through July 26. Warner Bros. kicked off June with *The Hangover* (below), which was #1 at the domestic box office two weekends in a row. Through July 26, *The Hangover* was the highest-grossing R-rated comedy ever at the domestic box office, earning \$247 million, and grossed \$346 million worldwide. New Line's *17 Again* opened in the #1 position at the domestic box office April 17-19 and has grossed



\$64 million domestically through July 26. In May, Warner Bros. Pictures' *Terminator Salvation* earned \$65 million Memorial Day Weekend (May 21-25) on the way to \$124 million at the domestic box office through July 26. The Studio's other second-quarter releases include *Observe and Report*, *Ghosts of Girlfriends Past* and *My Sister's Keeper*, which all performed solidly among their target audiences.

Source: Box Office Mojo and internal data

## TELEVISION GROUP PLACES 26 SERIES ON 2009-10 TV SCHEDULE

At the conclusion of the broadcast network television upfront presentations in May, Warner Bros. Television and Warner Horizon Television combined to place 26 shows on the 2009-2010 network schedules, including 12 new programs and 14 returning series. The Studio will have seven shows on CBS (including new series *Miami Trauma* and *There Goes the Neighborhood* and returning series *Two and a Half Men* (below, right), *The Big Bang Theory*, *The New Adventures of Old Christine*, *The Mentalist* and *Cold Case*); seven on



ABC (new programs *Eastwick*, *The Forgotten*, *V*, *Hank* and *The Middle* and returning programs *The Bachelor* and *True Beauty*); three on FOX (new dramas *Human Target* and *Past Life* and returning drama *Fringe* (above, left)); two on NBC (returning series *Chuck* and *Southland*); and seven on The CW (new dramas *The Vampire Diaries*, *The Beautiful Life: TBL* and *Life Unexpected* and returning dramas *Gossip Girl*, *One Tree Hill*, *Supernatural* and *Smallville*). This industry-leading tally continues the Studio's position as a leading supplier of series to broadcast networks for more than two decades.

## WARNER BROS. ENTERTAINMENT

## WHV OFFERS BLU-RAY LOYALTY AND HD-DVD TRADE-UP PROGRAM

Warner Home Video (WHV) announced in April the launch of two new programs: "Warnerblu Buy 5 Get 1 Free," the Studio's first-ever Blu-ray Disc customer loyalty program, which rewards consumers with a free Blu-ray Disc movie for every five participating titles they purchase through April 6, 2010, and "Red2Blu," which offers HD-DVD owners the opportunity to trade their Warner Home Video releases on HD-DVD for a Blu-ray Disc of the same movie. Details on the programs are available at Warnerblu.com/rewards and Red2Blu.com.

## WARNER BROS. COMPLETES TWO KEY ENVIRONMENTAL PROJECTS

Continuing its long-standing commitment to environmental stewardship, Warner Bros. Entertainment announced in April the completion of two projects on its Burbank studio lot. The recently constructed Stage 23 is the first "green" sound stage built by a major Hollywood studio and the first built to the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) specifications. In addition, the Studio's solar electrical installation has been expanded to now generate more than 500 kilowatts of energy, making it the largest solar array in the entertainment industry as well as in the City of Burbank.

## WBTD SECURES SYNDICATION DEALS FOR MULTIPLE SHOWS FOR FALL 2010

Through July 27, 2009, Warner Bros. Domestic Television Distribution had sold the broadcast television syndication rights for Warner Bros. Television's *The New Adventures of Old Christine* and HBO's *Entourage* and *Curb Your Enthusiasm* to stations representing more than 90% of the country in multi-year deals for fall 2010 syndicated launches. Key stations groups involved with these deals include Tribune Broadcasting and CBS Television Stations.

## WBTD RENEWS OUTPUT DEAL WITH AUSTRALIA'S NINE NETWORK

In one of the largest single television deals ever in Australia, Warner Bros. International Television Distribution in June renewed its long-standing output agreement for television series and movies with Australia's Nine Network through 2015. The agreement includes access to upcoming series from such producers as Jerry Bruckheimer, John Wells, J.J. Abrams, Josh Schwartz, Kevin Williamson and Chuck Lorre as well as movies, including three Harry Potter films, director Christopher Nolan's upcoming *Inception* starring Leonardo DiCaprio, and an upcoming follow-up to the hit animated film *Happy Feet*.

## TURNER BROADCASTING

## TNT SUMMER STRATEGY OFF TO STRONG START

TNT's summer strategy of building three nights of original programming is off to a strong start, with Monday's *The Closer* and *Raising the Bar*, Tuesday's *HawthoRNe* (below) and *Saving Grace* and Wednesday's *Leverage* and *Dark Blue* scoring solid numbers in their first weeks of this season. *The Closer*, which continues to reign as ad-supported cable's #1 series of all time, premiered June 8 with 2009's most-watched scripted series telecast for ad-supported cable among total viewers and households through July 19. The second season of *Raising the Bar*, which also premiered June 8, ranked in the top 10 ad-supported cable original series for the second quarter of 2009 (#10) among total viewers. Through July 19, *Raising the Bar* is up an average of 7% in total viewers and 5% in households versus the series' first season. Through July 19, the second season of *Raising the Bar* has been the #1 entertainment program in



Photo credit: Robert Trachtenberg

its timeslot among viewers and households. The season premiere of *HawthoRNe* on June 16 ranked as ad-supported cable's #1 program for the day among viewers and households. *HawthoRNe*'s debut also ranked as the #1 telecast on all of television among African-Americans in households, total viewers, persons 2+ and persons 25-54. In addition, through July 19 it ranks in ad-supported cable's top three new series debuts in 2009 for average total viewers (#2 behind USA's *Royal Pains*) and households (#3 behind *Royal Pains* and TBS' Tyler Perry's *Meet the Browns*). The third season of *Saving Grace* also premiered on June 16 and the premiere outdelivered the program's prior-season average by 11% in persons 18-49, 4% in total viewers, 3% in persons 25-54 and 1% in households. The July 15 second-season premiere of *Leverage* outdelivered its first-season average with viewers up 24%, households up 20% and persons 25-54 up 4%. The July 15 series premiere of *Dark Blue* ranked in ad-supported cable's top five series debuts for the year through July 19 among total viewers (#4) and households (#3).

Source: All ratings data from Nielsen Media Research

## TURNER BROADCASTING

## JOY BEHAR TO HOST NEW PRIMETIME SHOW ON HLN

CNN announced in June that veteran talk show host and comedian Joy Behar will join HLN this fall as host of *The Joy Behar Show*. The one-hour talk show will air on HLN at 9 p.m. ET, seven days a week, as part of the network's primetime slate of opinion-based programming. Behar will continue to serve as a co-host of the Emmy

Award-winning talk show *The View* on ABC. *The Joy Behar Show* will showcase Behar's personal take on the day's news, offering primetime viewers a full hour of Joy's passionate point of view, sharp wit, and no-nonsense approach. The program will examine provocative issues that Americans are talking about every day, with topics ranging from pop culture to politics.



Photo credit: Bob D'Amico/ABC (American Broadcasting Companies, Inc.)

## TNT AND TURNER SPORTS SCORE WITH NBA PLAYOFFS COVERAGE

TNT earned strong ratings and record-breaking viewership for Turner Sports' coverage of the 2009 NBA Playoffs, averaging a 3.1 U.S. Households rating for 43 games, up 19% over last year's playoffs, which had 41 games. The 2009 Playoffs on TNT drew 4,718,000 total viewers, a 24% increase over a year ago. The network closed out its exclusive coverage of the 2009 NBA Eastern Conference Finals averaging a 5.4 U.S. Households rating, a 29% increase over its 2008 Western Conference Finals coverage; an increase of 37% in total viewers to 8,659,000; and a 30% rise in households to 6,161,000. Coming off two consecutive seasons of ratings growth, TNT netted several milestones during the 2009 NBA Playoffs, including the most-watched first and second rounds of the NBA Playoffs in cable history. NBA.com, which Turner Sports operates for the NBA, also scored big during the 2009 NBA Playoffs, topping 109 million video streams throughout the playoffs (85 games), a 25% increase over the 2008 NBA Playoffs (86 games). NBA.com offered an unprecedented amount of video content, with cornerstone video channels such as Barkley Zone, C-Webb's Fab Five and All-Access with Ahmad Rashad.

Source: All ratings data from Nielsen Media Research. NBA.com video data from Omniture.

## HBO

## HBO'S SUMMER IS HEATING UP

HBO's Sunday night lineup of *True Blood*, *Hung* and *Entourage* is delivering big numbers for the pay network. In its second season, *True Blood* continues to draw big audiences with a series-record 3.9 million viewers tuning in on July 12 and a season average of

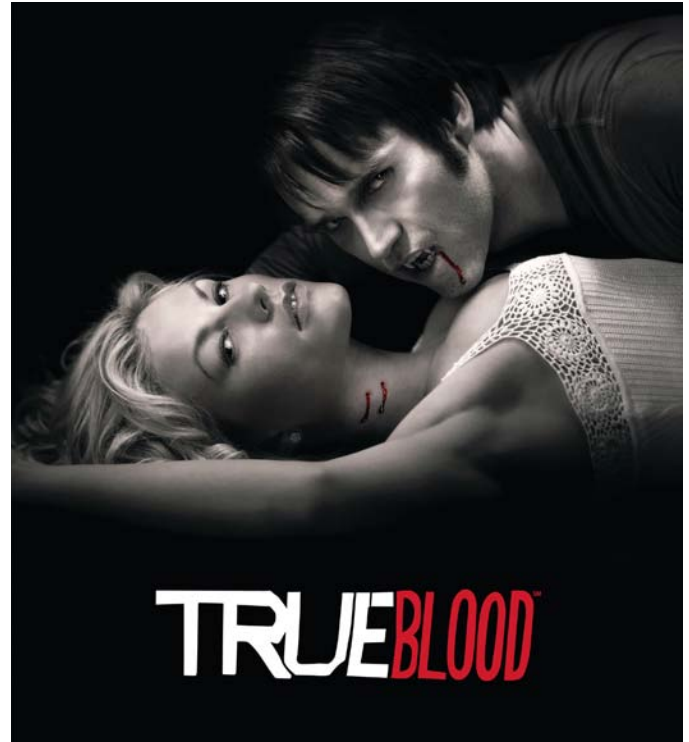


Photo credit: Steven Lippman/HBO

11.1 million watching across the HBO platforms (including network plays, HBO On Demand and DVR) through the first four episodes. The new comedy series *Hung* premiered on June 28 with an impressive 2.8 million viewers and then grew 29% in its second episode on July 12 with 3.6 million viewers. For its first two episodes, *Hung* is averaging a gross audience of 9.3 million viewers per episode across the HBO platforms. The sixth season premiere of *Entourage* on July 12 drew 3.4 million viewers, more than doubling the viewership of last season's premiere.

Source: Ratings data from Nielsen Media Research and Rentrak

## HBO FILMS RELEASES PRODUCTION DETAILS FOR THREE UPCOMING FILMS

In July, HBO Films completed post-production on *Temple Grandin*, based on the true story of the best-selling author, animal scientist and autism advocate, whose own autism has afforded her uncanny powers of observation. Claire Danes stars in the title role of Temple Grandin. Directed by Mick Jackson, the film is scheduled to debut on HBO in 2010. This summer, HBO Films begins principal photography on *You Don't Know Jack*, which tells the story of the rise of Dr. Jack Kevorkian as he builds the infamous "Mercy Machine," conducts his first assisted suicide, and starts a media frenzy with his epic legal battles defending a patient's right to die. Directed by Barry Levinson, *You Don't Know Jack* stars Al Pacino in the title role and also stars Susan Sarandon and John Goodman. In July, HBO Films began production on *The Special Relationship*, a film about the unique and sometimes turbulent political relationship between newly installed British Prime Minister Tony Blair and U.S. President Bill Clinton in the late 1990s. Dennis Quaid (Clinton), Michael Sheen (Blair), Hope Davis (Hillary Clinton) and Helen McCrory (Cherie Blair) star.

HBO

## HBO DOCUMENTARY FILMS PRESENTS SUMMER SLATE OF ORIGINALS

Starting July 13 and running through September 7, HBO Documentary Films is airing a new original film every Monday night at 9 p.m. The slate of nine documentaries kicked off with *Teddy: In His Own Words* (below), a look at the life and 46-year Senate career of Ted Kennedy. Other



Photo credit: AP/WideWorld

films in the series include *Prom Night in Mississippi*, which follows students, teachers and parents of Charleston (Mississippi) High as they prepare for its first integrated prom; *Fixer: The Taking of Ajmal Naqshbandi*, which focuses on the 2007 kidnapping and murder of a 24-year-old Afghan who was hired by foreign journalists to help gather news stories; and *Which Way Home*, which views the immigration issue through the eyes of children who face harrowing dangers as they journey to the United States.

## HBO SPORTS KICKS OFF FIFTH SEASON OF HARD KNOCKS

HBO Sports announced in May that it is teaming up with NFL Films and the Cincinnati Bengals on *Hard Knocks: Training Camp with the Cincinnati Bengals*. The five-episode series, which premieres August 12, will present an all-access look at the Bengals' training camp as the team prepares for the 2009 NFL season. This will be the fifth season of *Hard Knocks*, the first sports-based reality series. A 24-person NFL Films crew will live at the Bengals' training camp at Georgetown College in Georgetown, Ky., shooting more than 1,000 hours of video over the course of the series. Camera and sound crews will be given unencumbered access to the players' and coaches' meeting rooms, training rooms, dormitories and practice fields.

TIME INC.

## TIME INC. LAUNCHES TIME ACCESS

Time Inc. announced in April the launch of Time Access, a new branded network solution offering marketers an attractive alternative to third-party ad networks. Time Access aims to give marketers the best of both worlds: the comfort that their ads will only appear in the well-lit environments of Time Inc. brands and the confidence that they'll get the reach, scale, and sophisticated targeting to deliver

their message to the right audience at the right time. Time Access, which includes People.com, CNNMoney.com, Time.com, SI.com and other Time Inc. sites, partners with leading technology companies to deliver some of the most sophisticated targeting tools available today. Working with Time Inc.'s Research & Insights division, Time Access also provides insights, analytics, and campaign optimization solutions. To learn more about Time Access, go to [www.timeaccess.com](http://www.timeaccess.com).

# Time ACCESS

## LIFE.COM SETS TRAFFIC RECORDS

In June, LIFE.com set monthly traffic records for the site with 68.1 million page views, 2.9 million unique visitors and 24.2 page views per visit, according to Omniture. The top drivers of this traffic were never-before-published photos of Marilyn Monroe (right) and color photos of Adolf Hitler, taken by his personal photographer. LIFE.com was jointly launched on March 31, 2009 by Time Inc. and Getty Images, 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 Images collections, plus thousands more new photos added daily from Getty Images' award-winning photographers, including photos covering today's news, entertainment, sports, celebrities and travel.



Ad pages in *People StyleWatch* were up 33.1% in the second quarter versus the same period a year ago.  
Source: PIB

## TIME INC.

## LATEST EDITIONS OF THREE TIME INC. FRANCHISES UNVEILED

The latest editions of three of Time Inc.'s biggest franchises were unveiled during the second quarter. To celebrate the release of the special issue of *TIME* highlighting the world's 100 most influential people, some of the biggest names in business, entertainment, government, philanthropy, science and art gathered on May 5 at the Time Warner Center in New York City. First Lady Michelle Obama delivered the keynote speech at the event. Oprah Winfrey, designer Stella McCartney and journalist Paul Krugman, all named to the *TIME* 100 list, gave speeches. The event also featured performances by John Legend, Jimmy Fallon and *Slumdog Millionaire* composer A.R. Rahman, who all also made the *TIME* 100 list. In April, *People* released its "100 Most Beautiful" issue, with actress Christina Applegate on the cover. Michelle Obama, George Clooney, Angelina Jolie, Hugh Jackman, Tina Fey and other stars made the 20th annual list. In April, *FORTUNE* released its annual *FORTUNE* 500 ranking of America's largest corporations. Exxon Mobil ranked #1 on the list, unseating Wal-Mart, which had held the top spot for six of the last seven years.

## AOL

## ARMSTRONG DETAILS AOL'S FOCUS AREAS, MISSION



Photo credit: Joshua Zuckerman

At the conclusion of his 100-day review of the business, AOL CEO Tim Armstrong (left) detailed AOL's focus areas in late July. As Armstrong explained, AOL will focus on five areas – Owned Content, Local & Mapping, Communications (including e-mail, AIM and ICQ), Third Party Network and AOL Ventures. Armstrong also explained that these focus

areas build on AOL's strengths and will help it deliver value for its consumers, advertisers and partners. AOL also unveiled its new mission statement in July: "To inform, entertain and connect the world."

## AOL LAUNCHES SEVERAL NEW SITES

AOL launched several new sites in the second quarter that target specific, engaged audiences. Among them was PoliticsDaily.com (above, right), a political news and opinion site featuring many top journalists. In May, its first full month since its April 27 launch, PoliticsDaily.com reached 2.4 million unique visitors to become the #1 political news site, eclipsing the more established Politico.com, and kept the top spot in June. In addition, AOL launched Tu Voz, in partnership with Ford, which targets Hispanic women. Another new site, PawNation.com, caters to pet owners, with Purina as the launch partner. In June, AOL had more than 20 sites ranked in the top five of their respective



comScore Media Metrix categories for unique visitors. AOL also launched a new version of its homepage in the U.K. and Canada, letting consumers there access multiple e-mail accounts and social networking services from one location.

Source: All user data from comScore Media Metrix

## AOL CONTINUES TO DELIVER FOR IPHONE USERS

AOL launched three new applications for the iPhone in the second quarter, bringing the total number of downloadable free iPhone apps developed by the company to 10. The DailyFinance app, launched in April, provides access to real-time stock quotes and financial news, lets



users track up to 25 portfolios and offers interactive stock charts. In May, AOL launched the Pixcetera app, which provides access to photographs on a variety of subjects – news, celebrities, lifestyle and nature – selected by AOL photo editors. The MapQuest 4 Mobile app (left), launched in June, offers MapQuest features to travelers on the go. Users can save maps and directions on MapQuest.com and access them from the iPhone. They can also find local hotels, gas stations and retail outlets, and determine their own location on a map.

## AOL ACQUIRES TWO LOCALLY-FOCUSED COMPANIES

In June, AOL acquired two companies – Going, Inc. and Patch Media Corporation. Going helps 20-somethings find things to do in about 30 cities in the U.S., with information about upcoming events, parties and new hot spots. It also provides a platform for young city dwellers to connect with others who share similar interests. Patch combines localized, professional journalism with community contributions to offer local news, sports, events and announcements and a platform for community discussions. Patch has launched sites covering five communities, with four more coming soon. AOL CEO Tim Armstrong said the acquisitions will help "build out our local network further with excellent local services."



# STATISTICS

## FILMED ENTERTAINMENT

### Q2:09 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Days in Release<sup>1</sup></u>	<u>Domestic Box Office (\$ in M)<sup>1</sup></u>	<u>Initial Release Date</u>
The Hangover	Warner Bros.	26	188.4	6/5/09
Terminator Salvation	Warner Bros.	41	122.3	5/21/09
17 Again	New Line Cinema	75	63.2	4/17/09
Ghosts of Girlfriends Past	New Line Cinema	61	53.7	5/1/09
Observe and Report	Warner Bros.	70	24.0	4/10/09
My Sister's Keeper	New Line Cinema	5	16.7	6/26/09

<sup>1</sup> Data through June 30, 2009; Source: Box Office Mojo

### Q2:08 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Days in Release<sup>1</sup></u>	<u>Domestic Box Office (\$ in M)<sup>1</sup></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	Picturehouse	11	0.5	6/20/08 <sup>2</sup>

<sup>1</sup> Data through June 30, 2008; Source: Box Office Mojo

<sup>2</sup> In limited release, opened wide July 2, 2008



## STATISTICS

## FILMED ENTERTAINMENT

## Q3:09 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Harry Potter and the Half-Blood Prince	Warner Bros.	7/15/09
The Orphan	Warner Bros.	7/24/09
The Time Traveler's Wife	New Line Cinema	8/14/09 <sup>1</sup>
Shorts	Warner Bros.	8/21/09 <sup>1</sup>
Final Destination: Death Trip 3D	New Line Cinema	8/28/09 <sup>1</sup>
Whiteout	Warner Bros.	9/11/09 <sup>1</sup>
The Informant	Warner Bros.	9/18/09 <sup>1,2</sup>
The Invention of Lying	Warner Bros.	9/25/09 <sup>1</sup>

<sup>1</sup> Expected Release Date<sup>2</sup> In limited release, opens wide October 9, 2009

## Q3:08 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Days in Release<sup>1</sup></u>	<u>Domestic Box Office (\$ in M)<sup>1</sup></u>	<u>Initial Release Date</u>
The Dark Knight	Warner Bros.	75	524.7	7/18/08
Journey to the Center of the Earth	New Line Cinema	82	99.9	7/11/08
Sisterhood of the Traveling Pants 2	Warner Bros.	56	43.9	8/6/08
Star Wars: The Clone Wars	Warner Bros.	47	34.8	8/15/08
The Women	Picturehouse	19	24.6	9/12/08
Nights in Rodanthe	Warner Bros.	5	15.7	9/26/08
Appaloosa	New Line Cinema	12	0.5	9/19/08 <sup>2</sup>
Towelhead (Nothing Is Private)	Warner Bros.	19	0.3	9/12/08

<sup>1</sup> Data through September 30, 2008; Source: Box Office Mojo<sup>2</sup> In limited release, opened wide October 3, 2008

## COMPANY SHARE

<u>Year to Date<sup>1</sup></u>	<u>Share</u>	<u>Rank</u>
Domestic Box Office	18.2%	2

<sup>1</sup> As of June 28, 2009

Source: Box Office Mojo

## Q2:09 KEY DIGITAL PROPERTIES

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

## STATISTICS

## FILMED ENTERTAINMENT

## 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
The Curious Case of Benjamin Button <sup>1</sup>	Warner Bros.	5/5/09
He's Just Not That Into You	New Line Cinema	6/2/09
Gran Torino	Warner Bros.	6/9/09
Friday the 13th	New Line Cinema	6/16/09
Inkheart	New Line Cinema	6/23/09

<sup>1</sup> International distribution only

## 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

## Q3:09 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Watchmen	Warner Bros.	7/21/09
17 Again	New Line Cinema	8/11/09 <sup>1</sup>
Ghosts of Girlfriends Past	New Line Cinema	9/22/09 <sup>1</sup>
Observe & Report	Warner Bros.	9/22/09 <sup>1</sup>

<sup>1</sup> Expected Release Date

## 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
Speed Racer	Warner Bros.	9/16/08
Run, Fat Boy, Run	Picturehouse	9/23/08
Sex and the City	New Line Cinema	9/23/08

## COMPANY SHARE

<u>Year to Date<sup>1</sup></u>	<u>Share</u>	<u>Rank</u>
U.S. DVD Sell Through	16.2%	2

<sup>1</sup> As of June 27, 2009

Source: Nielsen VideoScan and internal data

## STATISTICS

## FILMED ENTERTAINMENT

BROADCAST AND CABLE TV PRODUCTION  
FOR THE 2009/2010 SEASON

<u>Title (Scripted)</u>	<u>Network</u>	<u>Season</u>
Smallville	CWN	9
Cold Case	CBS	7
Nip/Tuck	FX	7
One Tree Hill	CWN	7
Two and a Half Men	CBS	7
The Closer	TNT	6
The New Adventures of Old Christine	CBS	5
Supernatural	CWN	5
The Big Bang Theory	CBS	3
Chuck	NBC	3
Gossip Girl	CWN	3
Fringe	FOX	2
The Mentalist	CBS	2
Southland	NBC	2
The Beautiful Life: TBL	CWN	1
Eastwick	ABC	1
The Forgotten	ABC	1
Hank	ABC	1
Human Target	FOX	1
Miami Trauma	CBS	1
The Middle	ABC	1
Life UneXpected	CWN	1
Past Life	FOX	1
V	ABC	1
The Vampire Diaries	CWN	1
<u>Title (Unscripted)</u>	<u>Network</u>	<u>Season</u>
America's Best Dance Crew IV	MTV	1
The Bachelor XIV	ABC	1
The Cougar II	TV Land	1
High School Reunion VI	TV Land	1
The Lamas Family	E!	1
There Goes the Neighborhood	CBS	1
True Beauty II	ABC	1

THE CW NETWORK 2009/2010 PRIMETIME  
PROGRAMMING SCHEDULE

<u>Title</u>	<u>Season</u>
Smallville	9
America's Next Top Model	8
One Tree Hill	7
Supernatural	5
Gossip Girl	3
90210	2
The Beautiful Life: TBL	1
Melrose Place	1
Life UneXpected	1
The Vampire Diaries	1

## FIRST RUN SYNDICATION 2009/2010 SEASON

<u>Title</u>	<u>Season</u>
Extra	16
The People's Court	13
Judge Mathis	11
The Ellen DeGeneres Show	7
The Tyra Banks Show	5
TMZ	3
The Bonnie Hunt Show	2
Judge Jeanine Pirro	2
George Lopez	1

SELECT SERIES IN OFF-NETWORK  
SYNDICATION<sup>1</sup>

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	

<sup>1</sup>As of June 30, 2009

## STATISTICS

## NETWORKS - TURNER

## Q2:09 TOTAL PROGRAMMING DAY DELIVERY

Network	Key Demo	Delivery ('000)
TNT	A18-49	705
TBS	A18-34	304
truTV	A18-49	354
CNN	A25-54	178
HLN	A25-54	137
Cartoon Network	K2-11	511
Adult Swim	A18-34	448

Source: Nielsen Media Research

## Q2:09 DIGITAL PROPERTIES

Properties	Average Monthly Domestic Unique Visitors (in M) <sup>1</sup>
CNN Digital Network <sup>2</sup>	36.8
Turner Sports & Entertainment Digital <sup>3</sup>	19.6
<b>Turner Network<sup>4</sup></b>	<b>48.2</b>

<sup>1</sup> Average for the quarter ended June 30, 2009

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

<sup>3</sup> 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

<sup>4</sup> 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	5	6/8/09
Raising the Bar	TNT	2	6/8/09
Saving Grace	TNT	3	6/16/09
HawthoRNe	TNT	1	6/16/09
Wedding Day	TNT	1	6/16/09
Leverage	TNT	2	7/15/09
Dark Blue	TNT	1	7/15/09
Men of a Certain Age	TNT	1	Fall 09 <sup>1</sup>
My Boys	TBS	3	3/31/09
Tyler Perry's Meet the Browns	TBS	1	5/27/09
The Bill Engvall Show	TBS	3	7/18/09
Lopez Tonight	TBS	1	Fall 09 <sup>1</sup>
Smoking Gun: World's Dumbest	truTV	5	6/4/09
Speeders	truTV	8	6/11/09
Man vs. Cartoon	truTV	1	6/13/09
Black Gold	truTV	2	Fall 09 <sup>1</sup>
Rehab: Party at the Hard Rock Hotel	truTV	2	Fall 09 <sup>1</sup>
Bait Car: LA	truTV	1	Fall 09 <sup>1</sup>
Bait Car: Las Vegas	truTV	1	Fall 09 <sup>1</sup>
Losing It	truTV	1	Fall 09 <sup>1</sup>
Speeders Fight Back	truTV	2	Fall 09 <sup>1</sup>
Conspiracy Theory with Jesse Ventura	truTV	1	Fall 09 <sup>1</sup>
Declassified	truTV	1	Fall 09 <sup>1</sup>
It Only Hurts When I Laugh	truTV	1	Fall 09 <sup>1</sup>
The Secret Saturdays	Cartoon Network	2	4/10/09
Batman: The Brave and the Bold	Cartoon Network	2	5/8/09
Marvelous Misadventures of Flapjack	Cartoon Network	2	6/11/09
Chowder	Cartoon Network	3	6/11/09
The Othersiders	Cartoon Network	1	6/17/09
Destroy Build Destroy	Cartoon Network	1	6/20/09
BrainRush	Cartoon Network	1	6/20/09
Dude What Would Happen	Cartoon Network	1	8/19/09 <sup>1</sup>
Bobbe Says	Cartoon Network	1	8/19/09 <sup>1</sup>
Ben 10: Alien Force	Cartoon Network	3	Fall 09 <sup>1</sup>
The Secret Saturdays	Cartoon Network	3	Fall 09 <sup>1</sup>
Aqua Teen Hunger Force	Adult Swim	7	3/29/09
Squidbillies	Adult Swim	3	5/17/09
Titan Maximum	Adult Swim	1	Fall 09 <sup>1</sup>
Venture Brothers	Adult Swim	4	Fall 09 <sup>1</sup>
Metalocalypse	Adult Swim	3	Fall 09 <sup>1</sup>

<sup>1</sup> 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
Hung	1	6/28/09
Entourage	6	7/12/09
Curb Your Enthusiasm	7	9/20/09 <sup>1</sup>
The Life and Times of Tim	2	9/20/09 <sup>1</sup>
Bored to Death	1	9/20/09 <sup>1</sup>
<u>Films</u>		<u>Premiere Date</u>
Taking Chance		2/21/09
Grey Gardens		4/18/09
Into the Storm		5/31/09
<u>Documentaries</u>		<u>Premiere Date</u>
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
Shouting Fire: Stories from the Edge of Free Speech		6/29/09
Teddy: In His Own Words		7/13/09
The Nine Lives of Marion Barry		8/10/09 <sup>1</sup>
Which Way Home		8/24/09 <sup>1</sup>
By The People: The Election of Barack Obama		Fall 09 <sup>1</sup>
<u>Special Events</u>		<u>Premiere Date</u>
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 <sup>1</sup>
Robin Williams: Weapons of Self-Destruction		12/6/09 <sup>1</sup>

<u>Sports</u>	<u>Season</u>	<u>Premiere Date</u>
Real Sports with Bryant Gumbel	14	1/20/09
Joe Buck Live!	1	6/15/09
Hard Knocks		8/12/09 <sup>1</sup>
Boxing After Dark		On-Going
World Championship Boxing		On-Going

<sup>1</sup> ExpectedORIGINAL PROGRAMMING IN OFF-NETWORK SYNDICATION<sup>1</sup>

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

<sup>1</sup> As of June 30, 2009 (includes programming on basic cable)

## Q2:09 DVD RELEASES

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

## Q2:08 DVD RELEASES

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

## Q3:09 DVD RELEASE

<u>Series</u>	<u>Release Date</u>
Flight of the Conchords: The Complete Second Season	8/4/09 <sup>1</sup>
No. 1 Ladies Detective Agency: The Complete First Season	9/8/09 <sup>1</sup>

<sup>1</sup> Expected

## Q3:08 DVD RELEASES

<u>Series</u>	<u>Release Date</u>
The Wire: The Complete Fifth Season	8/12/08
Entourage: The Complete Fourth season	8/26/08

## STATISTICS

## PUBLISHING

TOP TIME INC. MAGAZINES BY AD DOLLARS<sup>1</sup>

Magazine	Magazine Category	2009 Rank <sup>1</sup>
People	Celebrity Weekly	1
Sports Illustrated	Sports-General	1
Time	Weekly Newsmagazines	1
InStyle	Womens Fashion	1
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

<sup>1</sup> Through June 30, 2009; excludes newspaper supplements

Source: PIB

TOP TIME INC. MAGAZINES BY READERSHIP<sup>1</sup>

Magazine	Spring '09 ('000) <sup>2</sup>	Fall '08 ('000) <sup>3</sup>	Spring '08 ('000) <sup>4</sup>
People	43,603	43,529	42,836
Sports Illustrated	21,068	20,968	20,900
Time	20,749	20,792	20,926
Southern Living	15,653	16,339	16,176
Cooking Light	11,281	12,068	12,055
Entertainment Weekly	10,792	12,060	12,227
InStyle	9,646	9,505	9,230
Real Simple	8,808	8,583	7,740
Money	7,856	7,993	7,874
Essence	7,409	8,096	8,482
Health	7,277	7,651	8,104
People en Espanol	5,808	6,355	6,567

<sup>1</sup> 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

<sup>2</sup> Measured from September 2008 to April 2009

<sup>3</sup> Measured from March 2008 to October 2008

<sup>4</sup> Measured from September 2007 to April 2008

Source: MRI, Spring 2009

## Q2:09 TOP DIGITAL PROPERTIES

Property	Average Monthly Domestic Unique Visitors (in M) <sup>1</sup>
People.com	9.2
CNNMoney.com	7.4
Time.com	7.2
SI Digital <sup>2</sup>	5.8
EW.com	5.8
MyRecipes Network <sup>3</sup>	2.3
<b>Time Inc. U.S. Sites</b>	<b>26.4</b>

<sup>1</sup> Average for the quarter ended June 30, 2009

<sup>2</sup> Includes SI.com, SIKids.com, Golf.com and FanNation.com

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

Source: Nielsen Online

## COMPANY SHARE

2009 <sup>1</sup>	Share	Rank
Domestic Print Advertising Dollars	19.2%	1

<sup>1</sup> Through June 30, 2009; excludes newspaper supplements

Source: PIB

# STATISTICS

## AOL

### Q2:09 ENGAGEMENT METRICS

Category	Average Monthly Domestic Unique Visitors (in M) <sup>1</sup>	Domestic Page Views <sup>2</sup> (in B)
AOL Homepages <sup>3</sup>	50.4	5.5
AOL Content <sup>4</sup>	58.2	12.2
AOL Commerce/Marketplace <sup>5</sup>	12.8	0.4
AOL Mail <sup>6</sup>	41.0	23.1
MapQuest	43.5	2.4
Search	30.7	2.2
<b>Total AOL Media</b>	<b>107.0</b>	<b>51.1</b>

Networks	Average Monthly Domestic Unique Visitors (in M) <sup>1</sup>	Reach <sup>8</sup>	Category Ranking <sup>9</sup>
Total Advertising Network <sup>7</sup>	176.4	91.1%	1

<sup>1</sup> Average for the quarter ended June 30, 2009

<sup>2</sup> Total for the quarter ended June 30, 2009

<sup>3</sup> Includes AOL Welcome Screen and AOL.com homepages

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

<sup>5</sup> Includes Auto, Mobile, Personals, Shopping and Travel

<sup>6</sup> Includes AOL e-mail (AOL.com e-mail and AOL proprietary e-mail) and AIM mail

<sup>7</sup> Includes AOL Media and the Third Party Network

<sup>8</sup> Measured based on Average Monthly Domestic Unique Visitors relative to the total Domestic Internet audience for the quarter ended June 30, 2009

<sup>9</sup> For the month of June 2009 and based on the Total 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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