

# in FOCUS

TIME WARNER'S QUARTERLY BUSINESS REVIEW

Fall  
2008

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Election night coverage on CNN (top)  
and Time.com (bottom).

## TIME WARNER REPORTS THIRD-QUARTER 2008 RESULTS



JEFF BEWKES,  
PRESIDENT  
AND CEO,  
TIME WARNER INC.

On November 5, 2008, Time Warner Inc. reported financial results for its third quarter ended September 30, 2008. Commenting on the results, Time Warner's Chief Executive Officer Jeff Bewkes said: "The quarter's solid earnings and superior free cash flow show the resilience of our businesses – in spite of the challenging economic environment – reflecting both our diversified revenue streams and our ability to make compelling branded content consistently. Importantly, our balance sheet remains very strong in terms of liquidity and capacity. And we've continued to make progress on our structural objectives, including our separation of Time Warner Cable, that will move us closer to our goal of becoming the industry's leading pure content company."

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 SCORES AT EMMY AWARDS

Time Warner's creative excellence was recognized in September by the Academy of Television Arts & Sciences with a total of 35 awards at the 60th Primetime Emmy Awards and the Creative Arts Emmys. HBO earned 26 Emmys, the most of any network. HBO's series *John Adams* won 13 awards, setting an Emmy record for the most wins for a program in a single year. Warner Bros. won five Emmys for its series *Pushing Daisies*, *Chuck* and *Smallville*. Turner Broadcasting's Cartoon Network won two awards, while TBS and TNT each took home one.

## WARNER BROS. ENTERTAINMENT

## WARNER BROS. PICTURES POSTS STRONG SUMMER AT BOX OFFICE

Warner Bros. Pictures posted a strong summer at the box office, outperforming the industry in several categories. Leading the way was the worldwide success of *The Dark Knight*, which is not only Warner Bros.' biggest film ever with \$993 million at the worldwide box office through November 3, 2008, but also the second-highest grossing domestic release in history and fourth-highest worldwide. Warner Bros. also had the summer's number one comedy with *Get Smart* (\$130 million domestically) and the number one romantic comedy with New Line Cinema's *Sex and the City* (\$153 million domestically). New Line's *Journey to the Center of the Earth* also crossed the \$100 million mark at the domestic box office.

Source: All box-office data from Box Office Mojo



## WARNER BROS. ANNOUNCES DISTRIBUTION DEALS

Warner Bros. International Television Distribution (WBID) announced in July that it signed a groundbreaking deal with SingTel, a leading communications group in Asia, that will make it possible for SingTel's Singapore mio TV service to screen up to 60 top Warner Bros. U.S. series as early as 24 hours after their

U.S. premiere. SingTel's mio TV is the first subscription video-on-demand service in the world to offer such a huge slate of top U.S. series within a day of their U.S. telecast, far ahead of free-to-air and other pay TV channels. WBID also announced in July a strategic agreement with Top Up TV, a leading U.K.-based provider of premium TV content on Freeview, to offer new premium entertainment on-demand to Top Up TV Anytime subscribers through Warner TV, a dedicated Warner Bros.-branded video-on-demand (VOD) channel. Programs from Warner TV have been available since June 30th. In addition, Top Up TV and WBID agreed to bring pay-per-view movies to all Top Up TV customers in the future. In July, Warner Bros. Digital Distribution (WBDD) broadened its existing agreement with ONO, Spain's leading broadband communications and entertainment company, to include all of WBDD's 2008 film releases in its VOD service Ojo Videoclub. In September, in a move aimed at taking full advantage of South Korea's extraordinary digital infrastructure, Warner Bros. announced plans to become the first studio to make movies available through VOD two weeks before the DVD release in South Korea. Warner Bros. plans to launch a test with the release of *Get Smart*, which will be available on VOD in South Korea in November, two weeks before the title is released on DVD. In September, Beijing-based Voole.com launched an online film distribution network, which will stream around 1,500 films from the U.S., Hong Kong and Korea. Voole.com has signed digital distribution deals with Warner Bros. Pictures and a number of other companies. China now has around 300 Web sites offering video-watching or video-sharing services. Around 30 of these offer feature-length films, but only a few own distribution rights to Hollywood movies.



Warner Premiere and Warner Bros. Digital Distribution announced in October that the renowned graphic album *Batman: Black & White* and graphic novel *Superman: Red Son* (left) are being developed into short-form digital Motion Comics. Warner Premiere's Motion Comics are a new way for comic fans to connect with their favorite characters and the stories they know and love through short-form digital content.

## WARNER BROS. ENTERTAINMENT

## WARNER BROS. TELEVISION GROUP SERIES MAKE THEIR MARK

A number of Warner Bros. Television Group series have made their mark early in the 2008-09 television season. *Two and a Half Men*, in its sixth season on CBS, continues to be the #1 comedy on network television among Households, Total Viewers and Adults 18-49, and recently marked a full year as the highest-rated comedy in



off-network syndication among Households and 56 weeks at #1 among Adults 25-54 (based on national ratings through October 19). New series *Fringe* – the highest-rated new primetime series of the 2008-09 season among Adults 18-49, Adults 18-34 and Teens 12-17 – received an order for nine additional episodes of the series from FOX, bringing its season total to 22. Freshman drama *The Mentalist* (photo above), which has performed strongly for CBS since its launch, has also received a full-season order. *The Ellen DeGeneres Show* had its best season premiere in four years, and season-to-date, based on national ratings through October 19, the show is up 5% in Household ratings year over year. In addition to powering The CW to impressive ratings this fall, sophomore series *Gossip Girl* and sixth-year hit *One Tree Hill* have teamed up for an equally fast start at the iTunes Store, with both series consistently topping the iTunes Top TV episodes chart the day after new episodes are broadcast.

Sources: Television ratings data from Nielsen Media Research. iTunes data from Apple Inc.

## TURNER BROADCASTING



TBS' sitcom Tyler Perry's *House of Payne* was the #1 show on all of television with African-Americans in total persons and adults 18-49 for the third quarter of 2008, as well as the top scripted show among African-Americans on all of television for the year through September 30, 2008, according to Nielsen Media Research.

## TNT'S RAISING THE BAR SETS RECORD AS AD-SUPPORTED CABLE'S BIGGEST SERIES LAUNCH OF ALL TIME

TNT got its fall television season off to a roaring start with the September 1 launch of its newest original series, *Raising the Bar* (photo below). A record-setting 7.7 million viewers and 5.7 million households tuned in to the premiere episode, making it ad-supported cable's #1 new series launch of all time, according to Nielsen Media Research. The commercial-free premiere of *Raising the Bar* received strong support from its lead-in, *The Closer*, which averaged 8.5 million viewers in its fourth season, according to Nielsen Media Research, and continues to rank as ad-supported cable's #1 series of all time.



## CNN RANKS AS MOST TRUSTED NEWS ORGANIZATION IN AMERICA IN PEW SURVEY

In a survey released in August by the Pew Research Center for the People and the Press, CNN ranked as the most trusted news organization in the U.S., a position CNN has held in the Pew survey for the last decade. The biennial "news consumption survey" found that, of those surveyed, 30% gave CNN the highest ranking for credibility, representing a larger percentage than any other news organization.

## CNN'S BLACK IN AMERICA IS TOP-RATED DOCUMENTARY THIS YEAR

CNN's groundbreaking multi-part documentary *Black in America* delivered the highest adults 25-54 audience of any documentary on cable news this year and was among the top 10 documentaries on CNN since 2001. The two-night average of *Black in America* (Wednesday, July 23 and Thursday, July 24) posted 2.3 million total viewers, 1.1 million in the key demographic adults 25-54, 1.0 million among adults 18-49 and 413,000 among adults 18-34. *Black in America* had a cumulative audience of nearly 13 million total viewers in its first week.

Source: All ratings data from Nielsen Media Research

## HBO

## HBO CANADA LAUNCHED

Astral Media's The Movie Network (Eastern Canada) and Corus Entertainment's Movie Central (Western Canada) announced in September the launch of HBO Canada, a channel delivering a full slate of HBO's award-winning series, films, comedies and live events. Launched on October 30, 2008, HBO Canada is a multiplex channel that is offered at no additional charge to customers who subscribe to The Movie Network or Movie Central. HBO Canada is now home to new and returning marquee series such as *True Blood*, *Entourage*, *Big Love*, *Flight of the Conchords* and *In Treatment*, airing day-and-date with HBO in the U.S. The service also offers more than 200 hours of library titles and first-run HBO original films, comedy specials, documentaries, live concerts and sporting events that were previously unavailable in Canada.

## HBO AND APPLE BRING PROGRAMMING TO ITUNES STORE IN U.K.

In September, HBO and Apple began offering HBO programming for downloading from the iTunes Store in the U.K. New HBO programs on iTunes include the Emmy Award-winning shows *The Sopranos*, *Sex and the City* and *Entourage*, as well as the critically acclaimed hits *Rome* and *The Wire*. Individual episodes are available to buy for £1.89 each, and iTunes customers can also choose to purchase entire seasons of their favorite shows.



## CINEMAX GOES 100% HD

Beginning September 1, 2008, the Cinemax main channel became the first and only 24-hour, seven-day-a-week True HD (1080i) premium channel. In addition to Cinemax's extensive library of hit movies and award-winning documentaries, 100% of the service's on-air promos and short-form programming are now in True HD. Home Box Office, Inc. was the first national cable programmer to offer HD feeds of its premium services, with HBO HDTV launching in 1999 and Cinemax HDTV launching in 2003. HBO now offers all 26 feeds of its HBO and Cinemax multiplex channels in true high-definition.



HBO has renewed the new drama series *True Blood* for a second season. Created by Alan Ball, the creator of the Emmy Award-winning HBO series *Six Feet Under*, *True Blood* will begin production of new episodes early next year in Los Angeles, with their debut set for summer 2009.

## TIME INC.

## TIME INC. ACQUIRES QSP FROM READER'S DIGEST

Time Inc. acquired the school and youth group fundraising company QSP, Inc. and its Canadian affiliate Quality Service Programs, Inc. (collectively, QSP) in August from The Reader's Digest Association, Inc. (RDA). Time Inc. sees fundraising as a growing area for subscriptions across the magazine publishing industry and envisions benefits to operating QSP's large direct-selling force in North America. RDA and Time Inc. jointly ran QSP after it was founded in 1963. RDA bought Time Inc.'s share in 1971. QSP helps schools, scouting groups and other organizations supplement their fundraising needs while supporting learning and team-building.

## CNNMONEY.COM SETS AUDIENCE RECORDS

As the global financial market crisis unfolded in September, CNNMoney.com solidified its position as the world's leading business and finance destination Web site. In September, CNNMoney.com posted its best monthly performance ever across all key metrics, with more than 10 million unique visitors (up 30% year over year), more than 257 million page views (up 142% year over year) and more than 192 million total usage minutes (up 121% year over year), according to Nielsen Online.

## TIME INC.

## TIME INC. AND GETTY IMAGES JOINTLY LAUNCH LIFE.COM

Time Inc. and Getty Images announced in September that they will jointly launch LIFE.com, which will provide access to the most comprehensive iconic and professional photography collections available anywhere online. LIFE.com, which is expected to launch in early 2009, will be jointly owned and operated by Time Inc. and Getty Images. The site will offer access to thousands of new photographs from Getty Images' award-winning photographers. Consumers will also have access to millions of images from LIFE magazine, many of which have never been seen by the public.

## MAGHOUND LAUNCHES AS NEW MAGAZINE MEMBERSHIP PLATFORM

Maghound Enterprises Inc., a wholly-owned subsidiary of Time Inc., announced in September the beta launch of MAGHOUND, a new online-based magazine membership service that aims to enhance the way consumers purchase their magazines by incorporating flexibility, choice and control. The introduction of MAGHOUND will modernize the traditional circulation model by easing the constraints of standard subscription contracts and empowering the consumer. On the



MAGHOUND Web site [www.maghound.com], members can select up to 15 magazines from a broad range of titles represented by dozens of major publishers for one set monthly fee, with the ability to switch titles at any time. Currently, the MAGHOUND service features over 280 titles, with plans to increase the roster of available magazines on an ongoing basis.

## REAL SIMPLE AND TLC PREMIERE SERIES

Time Inc.'s *Real Simple* and TLC premiered a new lifestyle makeover series *Real Simple. Real Life.*, on October 17, 2008. Hosted by television personality Kit Hoover, each of the series' 15 hour-long episodes will help busy women tackle

their daily challenges, sharing strategies to help make life easier.

The multimedia partnership between TLC and *Real Simple* also encompasses a dedicated Web site, [www.realsimplereallife.com](http://www.realsimplereallife.com), as well as monthly editorial content in the award-winning Time Inc. magazine.



## AOL

## AOL'S PUBLISHING CONTINUES GROWTH STREAK

Through September, AOL had posted 20 consecutive months of year-over-year growth in unique visitors for its content channels, according to comScore Media Metrix. Monthly page views more than doubled in September 2008 compared with September 2007, and time spent climbed 33% year over year over the same period, according to comScore Media Metrix. AOL continued to make improvements to its key channels, including AOL Money & Finance, which added video content from Bloomberg Television in October, making it the first major site other than Bloomberg.com to host videos from the 24/7 business and financial news network. AOL also continued to launch targeted sites that are designed to appeal to an increasingly fragmented online audience, including lifestyle and pop culture sites Lemondrop and PopEater, local news site Digital City, and SafetyClicks, which provides news and information about online safety. Since January 2007, AOL has launched more than 20 new sites, including the popular Asylum, a Web site for men, and Stylelist, a style and beauty site.

## AOL

## NEW AOL.COM FEATURES RELEASED; PLUS NEW AIM SERVICE AND PARENTAL CONTROLS

AOL launched an upgraded version of AOL.com in September that lets users access not only their AOL mail, but e-mail accounts with other companies such as Google and Yahoo!. In September, unique visitors to AOL.com were up 11% year over year, according to



comScore Media Metrix. This was the first of a series of changes to AOL.com that are intended to give users more control over the site's content and

services. In August, AOL launched AIM Express, a flash-based version of AOL's instant messaging service that lets people chat on the AIM service without having to download any software. AOL also launched an upgraded version of its Parental Controls software, which now works with any e-mail address.

## PLATFORM-A LAUNCHES BIDPLACE; EXPANDS BUSINESS IN EUROPE

As part of its aggressive efforts to launch new products and services for online advertisers, Platform-A announced in September plans for BidPlace, a next-generation self-service bidded marketplace for advertisers. Expected to launch in the first half of 2009, BidPlace will allow advertisers to dynamically bid on and manage display inventory across Platform-A's network. In addition, in September, Platform-A launched an iPhone ad optimization solution that automatically detects and adjusts ads for users browsing the Web with the iPhone, and in August launched a new mobile third-party ad-serving solution that helps publishers better manage their ad inventory across multiple networks. Platform-A continued to expand worldwide, officially launching in Germany in late September and in the U.K. and France in October. Platform-A also announced several deals during the quarter, including ad serving agreements with Gannett Co. Inc. and React2Media and a brand awareness and sales campaign for Glasses Direct. In the third quarter, Platform-A continued to lead all ad networks in U.S. audience reach, according to comScore Media Metrix, reaching 90.5% of the domestic online audience.



## TIME WARNER CABLE

## TIME WARNER CABLE NAMED MULTICHANNEL NEWS OPERATOR OF THE YEAR

Time Warner Cable was selected in September as the 2008 *Multichannel News Operator of the Year*. Among other things, the cable industry magazine cited Time Warner Cable's strong performance in the first half of the year as well as its success in launching innovative video services. This is the second time Time Warner Cable has taken home the Operator of the Year award. It previously won the honor in 2004.



## TIME WARNER CABLE BRINGS WEB VIDEO TO TELEVISION IN HAWAII

Time Warner Cable and ActiveVideo Networks announced in October the deployment of a new television experience that will bring a wealth of Web content and interactivity directly to the TVs of cable subscribers in Hawaii. The new service, which is being launched in Oceanic Time Warner Cable's systems, intelligently streams traditional and Web-based content to any digital set-top box. ActiveVideo combines the personalized, dynamic, socially-connected experience that viewers have come to expect from the Internet with the quality, immediacy and remote-control navigation that is expected of television. Initial channels include interactive games from TAG Networks; home shopping from HSN; and news, sports and children's versions of P.Mosaic, an intuitive, fully personalized video navigation system that allows consumers to view, customize and navigate through their favorite channels at a single glance.

## TIME WARNER CABLE BUSINESS CLASS LAUNCHES ETHERNET SERVICE

Time Warner Cable Business Class (TWCBC), the business-to-business unit of Time Warner Cable, announced in October the launch of Business Class Ethernet, a new service that utilizes Time Warner Cable's extensive broadband infrastructure to deliver Ethernet services. Business Class Ethernet – which is designed primarily for small- to medium-sized businesses, or those without access to fiber networks – complements TWCBC's existing, award-winning, carrier-class, fiber-based Ethernet services targeting enterprise customers. Now, with the introduction of the new service, a wide range of businesses can benefit from the speed, convenience and scalability of high-speed Ethernet by extending the reach and quality of their existing local area networks. The Business Class Ethernet platform is now available in several TWCBC markets, including New York City, and will continue to be rolled out to the company's other divisions through early 2009.

# STATISTICS

## FILMED ENTERTAINMENT

### 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

### Q3:07 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>
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	27	12.6	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
Rocket Science	Picturehouse	52	0.7	8/10/07
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 Dwigths	Warner Independent Pictures	89	0.4	7/4/07
The Assassination of Jesse James by the Coward Robert Ford	Warner Bros.	10	0.3	9/21/07
December Boys	Warner Independent Pictures	17	0.0	9/14/07

<sup>1</sup> Data through September 30, 2007; Source: Box Office Mojo

## STATISTICS

## FILMED ENTERTAINMENT

## Q4:08 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
RockNRolla	Warner Bros.	10/8/08
Body of Lies	Warner Bros.	10/10/08
Pride and Glory	New Line Cinema	10/24/08
Four Christmases	New Line Cinema	11/26/08 <sup>1</sup>
Gran Torino	Warner Bros.	12/17/08 <sup>1, 2</sup>
Yes Man	Warner Bros.	12/19/08 <sup>1</sup>
The Curious Case of Benjamin Button	Warner Bros. <sup>3</sup>	12/25/08 <sup>1</sup>

<sup>1</sup> Expected<sup>2</sup> In limited release, opens wide January 16, 2009<sup>3</sup> International distribution only

## Q4:07 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Days in Release</u> <sup>1</sup>	<u>Domestic Box Office (\$ in M)</u> <sup>1</sup>	<u>Initial Release Date</u>
I Am Legend	Warner Bros.	18	199.3	12/14/07
Beowulf	Warner Bros. <sup>2</sup>	46	81.1	11/16/07
Fred Claus	Warner Bros.	53	71.4	11/9/07
The Golden Compass	New Line Cinema	25	59.9	12/7/07
Michael Clayton	Warner Bros. <sup>3</sup>	88	39.1	10/5/07
August Rush	Warner Bros. <sup>3</sup>	41	30.1	11/21/07
Sweeney Todd: The Demon Barber of Fleet Street	Warner Bros. <sup>2</sup>	11	28.3	12/21/07
P.S. I Love You	Warner Bros. <sup>3</sup>	11	25.3	12/21/07
Rendition	New Line Cinema	28	9.7	10/19/07
Martian Child	New Line Cinema	42	7.5	11/2/07
Love in the Time of Cholera	New Line Cinema	35	4.6	11/16/07
The Bucket List	Warner Bros.	7	0.7	12/25/07 <sup>4</sup>
The Orphanage	Picturehouse	4	0.3	12/28/07
Mama's Boy	Warner Bros. <sup>3</sup>	32	0.2	11/30/07
Darfur Now	Warner Independent Pictures	49	0.1	11/2/07
Rails & Ties	Warner Bros. <sup>3</sup>	21	0.0	10/26/07

<sup>1</sup> Data through December 31, 2007; Source: Box Office Mojo<sup>2</sup> International distribution only<sup>3</sup> Domestic distribution only<sup>4</sup> In limited release, opened wide January 11, 2008

## COMPANY SHARE

<u>Year to Date</u> <sup>1</sup>	<u>Share</u>	<u>Rank</u>
Domestic Box Office	21.8%	1

<sup>1</sup> As of September 28, 2008

Source: Box Office Mojo

## Q3:08 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

## 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: The Movie	New Line Cinema	9/23/08

## 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
The Number 23	New Line Cinema	7/24/07
300	Warner Bros.	7/31/07
Starter for 10	Picturehouse	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

## Q4:08 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Mongol	Picturehouse	10/14/08
Journey to the Center of the Earth	New Line Cinema	10/28/08
Kit Kittredge: An American Girl	Picturehouse	10/28/08
Get Smart	Warner Bros.	11/4/08
Star Wars: The Clone Wars	Warner Bros.	11/11/08 <sup>1</sup>
Sisterhood of the Traveling Pants 2	Warner Bros.	11/18/08 <sup>1</sup>
Fred Claus	Warner Bros.	11/25/08 <sup>1</sup>
The Dark Knight	Warner Bros.	12/9/08 <sup>1</sup>
The Women	New Line Cinema	12/23/08 <sup>1</sup>
Towelhead	Warner Bros.	12/30/08 <sup>1</sup>

<sup>1</sup> Expected

## Q4:07 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
The Reaping	Warner Bros.	10/16/07
El Cantante	Picturehouse	10/30/07
In the Land of Women	Warner Independent Pictures	10/30/07
License to Wed	Warner Bros.	10/30/07
La Vie en Rose	Picturehouse	11/13/07
Ocean's Thirteen	Warner Bros.	11/13/07
Hairspray	New Line Cinema	11/20/07
December Boys	Warner Independent Pictures	12/11/07
Harry Potter and the Order of the Phoenix	Warner Bros.	12/11/07
Rush Hour 3	New Line Cinema	12/20/07

## COMPANY SHARE

<u>Year to Date</u> <sup>1</sup>	<u>Share</u>	<u>Rank</u>
U.S. DVD Sell Through	20.5%	1

<sup>1</sup> As of September 27, 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
Eleventh Hour	CBS	1
Fringe	FOX	1
The Mentalist	CBS	1
Privileged	CWN	1
Trust Me <sup>1</sup>	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
Here Come the Newlyweds II	ABC	1
High School Reunion	TV Land	1
Man vs. Cartoon	truTV	1

<sup>1</sup> Formerly known as *Truth in Advertising*

## 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>
America's Next Top Model	11
Smallville	8
One Tree Hill	6
Everybody Hates Chris	4
Supernatural	4
The Game	3
Gossip Girl	2
90210	1
Easy Money	1
In Harm's Way	1
Privileged	1
Stylista	1
Surviving Suburbia	1
Valentine	1

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

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

<sup>1</sup> As of September 30, 2008

## STATISTICS

## NETWORKS - TURNER

## Q3:08 TOTAL PROGRAMMING DAY DELIVERY

Network	Key Demo	Delivery ('000)
TNT	A18-49	579
TBS	A18-34	300
truTV	A18-49	292
CNN	A25-54	250
Headline News	A25-54	128
Cartoon Network	K2-11	669
Adult Swim	A18-34	405

Source: Nielsen Media Research

## Q3:08 DIGITAL PROPERTIES

Properties	Average Monthly Domestic Unique Visitors (in M) <sup>1</sup>
CNN Digital Network <sup>2</sup>	36.4
Turner Sports & Entertainment Digital <sup>3</sup>	17.6
Turner Network <sup>4</sup>	46.8

<sup>1</sup> Average for the quarter ended September 30, 2008

<sup>2</sup> CNN Digital Network includes CNN.com, CNNMoney.com, SI.com, Time.com, the IB-CNN Websites Channel, and, as of August 1, 2008, 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 PGATour.com

<sup>4</sup> Turner Network includes all Turner Sports & Entertainment Digital properties plus CNN Digital Network properties

Source: Nielsen Online

## 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
Leverage	TNT	1	12/7/08 <sup>1</sup>
Trust Me	TNT	1	1/26/09 <sup>1</sup>
10 Items or Less	TBS	3	1/6/09 <sup>1</sup>
The Bill Engvall Show	TBS	2	6/12/08
My Boys	TBS	2	6/12/08
FrankTV	TBS	2	10/21/08
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
The Principal's Office	truTV	1	8/21/08
Surf and Rescue: Dewey Beach	truTV	1	9/8/08
Speeders Fight Back	truTV	1	10/16/08
Ski Patrol	truTV	1	10/20/08
Rehab: Party at the Hard Rock Hotel	truTV	1	11/10/08 <sup>1</sup>
Maui Chopper	truTV	1	12/8/08 <sup>1</sup>
Foster's Home for Imaginary Friends	TOON	6	3/13/08
Chowder	TOON	2	11/6/08 <sup>1</sup>
Ben 10: Alien Force	TOON	1	4/18/08
The Marvelous Misadventures of Flapjack	TOON	1	6/5/08
The Secret Saturdays	TOON	1	10/10/08
Aqua Teen Hunger Force	ADSM	7	3/29/09 <sup>1</sup>
Robot Chicken	ADSM	4	12/7/08 <sup>1</sup>
Tim & Eric Awesome Show, Great Job!	ADSM	4	1/4/09 <sup>1</sup>
Moral Orel	ADSM	3	10/6/08
Squidbillies	ADSM	3	3/29/09 <sup>1</sup>
Xavier: Renegade Angel	ADSM	2	1/4/09 <sup>1</sup>
SuperJail!	ADSM	1	9/28/08
Drinky Crow Show	ADSM	1	11/23/08 <sup>1</sup>
Delocated	ADSM	1	3/1/09 <sup>1</sup>

<sup>1</sup> Expected

## STATISTICS

## NETWORKS - HBO

## ORIGINAL PROGRAMMING FOR 2008

<u>Series</u>	<u>Season</u>	<u>Premiere Date</u>
Real Sports with Bryant Gumbel	13	1/22/08
Costas Now	8	4/29/08
Real Time with Bill Maher	6	2/22/08
The Wire	5	1/6/08
Entourage	5	9/7/08
In Treatment	1	1/28/08
True Blood	1	9/7/08
Life and Times of Tim	1	9/28/08
Little Britain USA	1	9/28/08
Summer Heights High	1	11/9/08 <sup>1</sup>

Mini-Series

	<u>Premiere Date</u>
John Adams	3/16/08
Generation Kill	7/13/08

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

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

Mini-Series

Angels in America  
Band of Brothers  
From the Earth to the Moon

<sup>1</sup> As of September 30, 2008

## 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

## Q3:07 DVD RELEASES

<u>Series</u>	<u>Release Date</u>
Extras: The Complete Second Season	7/10/07
Rome: The Complete Second Season	8/7/07

## Q4:08 DVD RELEASES

<u>Series</u>	<u>Release Date</u>
The Sopranos: The Complete Series	11/11/08 <sup>1</sup>
Deadwood: The Complete Series	12/9/08 <sup>1</sup>
The Wire: The Complete Series	12/9/08 <sup>1</sup>

Mini-Series

	<u>Release Date</u>
Band of Brothers <sup>2</sup>	11/11/08 <sup>1</sup>
Generation Kill	12/16/08 <sup>1</sup>

<sup>1</sup> Expected<sup>2</sup> Blu-Ray re-release

## Q4:07 DVD RELEASES

<u>Series</u>	<u>Release Date</u>
Entourage, Season Three, Part II	10/2/07
The Sopranos, Season Six, Part II	10/23/07
The Wire: The Complete Fourth Season	12/4/07
Big Love: The Complete Second Season	12/11/07

## STATISTICS

## PUBLISHING

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

Magazine	Magazine Category	YTD Rank <sup>1</sup>
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
Golf Magazine	Sports-Golf	1
Southern Living	Regional	2
Entertainment Weekly	Entertainment	2
Money	Personal Finance	1
Cooking Light	Epicurean	1
Essence	African-American	1

<sup>1</sup> Through September 30, 2008; excludes newspaper supplements

Source: PIB

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

Magazine	Spring '08 ('000) <sup>2</sup>	Fall '07 ('000) <sup>3</sup>
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
InStyle	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

<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 March 1, 2007 to May 4, 2008

<sup>3</sup> Measured from September 1, 2006 to October 28, 2007

Source: MRI, Spring 2008

## Q3:08 TOP DIGITAL PROPERTIES

Property	Average Monthly Domestic Unique Visitors (in M) <sup>1</sup>
CNNMoney.com	9.0
People.com	8.8
SI Digital <sup>2</sup>	7.6
Time.com	5.7
EW.com	3.0
MyRecipes Network <sup>3</sup>	2.8
<b>Time Inc. U.S. Sites</b>	<b>26.7</b>

<sup>1</sup> Average for the quarter ended September 30, 2008

<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

Year to Date <sup>1</sup>	Share	Rank
Domestic Print Advertising Dollars	18.7%	1

<sup>1</sup> Through September 30, 2008; excludes newspaper supplements

Source: PIB

## STATISTICS

## AOL

## Q3:08 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>	47.1	5.3
AOL Content <sup>4</sup>	54.4	12.9
MapQuest	46.4	2.8
AOL Mail <sup>5</sup>	45.8	21.3
Search	33.6	2.2
AOL People Networks <sup>6</sup>	33.2	5.1
AOL Commerce <sup>7</sup>	14.4	0.6
<b>Total AOL Network</b>	<b>110.1</b>	<b>54.3</b>

Advertising Networks	Average Monthly Domestic Unique Visitors (in M) <sup>1</sup>	Reach <sup>9</sup>	Category Ranking <sup>10</sup>
Platform-A <sup>8</sup>	171.2	90.5%	1

<sup>1</sup> Average for the quarter ended September 30, 2008

<sup>2</sup> Total for the quarter ended September 30, 2008

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

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

<sup>5</sup> Includes AOL e-mail (AOL.com e-mail and AOL proprietary e-mail) and AIM mail

<sup>6</sup> Includes Bebo, ICQ, Community, Hometown, Journals, Groups, Member Directory, People Connection and AIM (excluding AIM Homepage and AIM Mail)

<sup>7</sup> Includes Travel, Shopping, Auto, Real Estate, Tickets and Personals

<sup>8</sup> Includes the AOL Network and Advertising.com third-party network

<sup>9</sup> Measured based on Average Monthly Domestic Unique Visitors relative to the total Domestic Internet audience for the quarter ended September 30, 2008

<sup>10</sup> For the month of September and based on Unique Visitors

Source: comScore Media Metrix

#### Caution Concerning Forward-Looking Statements

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