

in FOCUS

TIME WARNER'S QUARTERLY BUSINESS REVIEW

Winter
2009

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HBO's critically acclaimed and award-winning (see story below) new drama series *True Blood* is scheduled to return for its second season in June 2009.

TIME WARNER REPORTS RESULTS FOR 2008 FULL YEAR AND FOURTH QUARTER



JEFF BEWKES,
CHAIRMAN
AND CEO,
TIME WARNER INC.

On February 4, 2009, Time Warner Inc. reported financial results for its full year and fourth quarter ended December 31, 2008. Commenting on the results, Time Warner's Chairman and Chief Executive Officer Jeff Bewkes said: "We're making progress at Time Warner toward our goals of becoming a more content-focused company and delivering increasing returns to our stockholders. Last year, our priorities were to rationalize our structure and improve our operating performance. Despite the challenging economic environment, we achieved most of what we set out to do. Moving into 2009, we intend to build on these accomplishments. Operationally, we'll continue to improve the efficiency of our businesses while creating even more of the compelling content that's becoming increasingly valuable. Structurally, we'll complete the Time Warner Cable separation soon. At the same time, we'll strengthen our balance sheet, improve our strategic flexibility and return capital to our stockholders on a consistent basis. Through these steps, we expect to emerge from this downturn in an even stronger competitive position."

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 LEADS INDUSTRY WITH OSCAR NOMINATIONS AND GOLDEN GLOBE AWARDS

At the January 22nd announcement of the 81st Annual Academy Awards nominations, Time Warner led all media and entertainment companies with 36 Oscar nominations. This follows the company's impressive performance at the January 11th Golden Globe Awards, where Time Warner took home an industry-leading 12 awards. Warner Bros. had three of the four films with the most Oscar nominations. *The Curious Case of Benjamin Button* (with Paramount) led the way with 13 nominations. *Slumdog Millionaire* (with Fox Searchlight) received 10 nominations. And, on top of its record-breaking performance at the box office, *The Dark Knight* earned eight nominations. HBO extended its long record of success in documentaries, receiving Oscar nominations for Best Documentary Feature for *Trouble the Water* (with Zeitgeist Films) and all four of the films nominated for Best Documentary Short Subject. HBO received seven Golden Globe awards, the most of any television network, led by *John Adams*, which won four. HBO's other Golden Globe winners included *In Treatment*, *Recount* and *True Blood*. Warner Bros. won five Golden Globe awards, led by *Slumdog Millionaire* (with Fox Searchlight), which collected four.

WARNER BROS. ENTERTAINMENT

WARNER BROS. POSTS RECORD-BREAKING 2008 AT BOX OFFICE

Warner Bros. Pictures set an industry record with \$1.77 billion in receipts at the domestic box office in 2008 – the eighth consecutive year the studio crossed the billion-dollar mark domestically (also an industry record) – and was also the domestic market-share leader for the year. In 2008, Warner Bros. Pictures' summer blockbuster *The Dark Knight* was the highest-grossing film of the year domestically (\$531 million) and became the #2 highest-grossing film of all time domestically. *The Dark Knight* was re-released in theaters on January 23, 2009 and through February 1, 2009 had generated worldwide box-office receipts of \$998.4 million, placing it fourth on the all-time worldwide box office gross list. A Warner Bros. Pictures release occupied the #1 spot at the domestic box office for 12 weeks in 2008, more than any other studio. A number of releases from New Line Cinema helped drive Warner Bros. Pictures' domestic success, including *Sex and the City: The Movie* and *Four Christmases*. Warner Bros. Pictures International finished 2008 with \$1.81 billion in receipts, the 11th year the studio has grossed more than \$1 billion internationally, driven by the worldwide success of *The Dark Knight* as well as overseas hits including *I Am Legend*, *10,000 B.C.* and *Get Smart*. Warner Bros. had worldwide box-office receipts of \$3.58 billion in 2008.

Source: Box Office Mojo and internal data

THE DARK KNIGHT ON BLU-RAY DISC AND DVD BREAKS SALES RECORDS

Since the December 2008 release of Warner Bros. Pictures' blockbuster hit *The Dark Knight* on Blu-ray Disc and DVD, the film has generated record-breaking sales in both formats, making it the best-selling Blu-ray Disc title in history and the top-selling title of 2008 on DVD. Driven by brisk consumer sales (actual units



bought by consumers and tracked by retailers) during the holiday season, *The Dark Knight* generated Blu-ray Disc sales of more than 2.7 million units worldwide and total DVD and Blu-ray Disc sales of more than 20 million units worldwide, including consumer sales and rental sales, through January 6, 2009. In addition, through January 6, 2009 approximately 500,000 consumers had activated the digital copy offering included on their Blu-ray Disc or Special Edition DVD. *The Dark Knight* was also the #1 most-downloaded movie of 2008 on iTunes.

Source: Warner Home Video and Warner Bros. Digital Distribution internal data

TMZ RENEWED ON FOX TV STATIONS

Warner Bros. Domestic Television Distribution announced in November 2008 that it has renewed the *TMZ* show from Telepictures Productions through the 2010–2011 season on the Fox Television Stations. The extension includes all of the owned-and-operated Fox affiliates, such as WNYW-TV (New York), KTTV-TV (Los Angeles) and WFLD-TV (Chicago). *TMZ* debuted in Septem-

The image features the 'TMZ ON TV' logo. The letters 'TMZ' are large, bold, and red with a white outline and a slight 3D effect. Below them, the words 'ON TV' are written in a smaller, white, sans-serif font. The entire logo is set against a dark, slightly blurred background.

ber 2007, with Fox serving as the primary station launch group, and went on to become the highest-rated new first-run daily series of the 2007–2008 season among households and all key women and adult demographics. Currently in its second season, *TMZ* ranked #1 among all entertainment magazines with adults 18–34 and ranked #2 among adults 18–49, women 18–49 and adults 25–54 for the season through January 11, 2009. Originating from Hollywood, *TMZ* brings the *TMZ.com* brand to television, expanding on the Web site's mission as a 24-hour-per-day, seven-day-per-week entertainment news destination. Launched in 2005, *TMZ.com* is a joint venture between Telepictures Productions and AOL.

Source: All ratings data from Nielsen Media Research

TURNER BROADCASTING

CNN HAS RECORD-SETTING 2008

CNN posted its highest primetime ratings in history in 2008 in both total viewers and the key adults 25-54 demographic and tied the network's highest total-day total-viewer deliveries in history. In 2008, *Anderson Cooper 360* was the #1 cable news program at 10 p.m. in the adults 25-54 demographic. With all news organizations covering the 2008 election, CNN distinguished itself both on television and online by winning more primary debates, convention coverage and presidential commission debates than any other cable news network or online property – culminating in an election-night win on November 4, 2008. On that night, from 8 p.m. to 12:30 a.m., CNN topped all



broadcast (ABC, NBC, CBS) and cable news networks to rank as the most-watched television network during that time period. CNN.com was also the #1 news site on election day. In addition, the CNN Digital Network ranked #1 in the News and Information category in both total minutes and page views in 2008. CNN's multi-platform coverage of the Inauguration of President Barack Obama outpaced the competition, with more Americans turning to CNN on television from 12:00 to 12:30 p.m., ET during the President's swearing in and inaugural address than any other cable news network. CNN was also the top-rated cable news network on Inauguration Day among total viewers from 11 a.m. to 2 p.m. On the same day, the CNN Digital Network was the #1 News and Information property, outranking the competition in all Nielsen Online metrics, including unique visitors, time spent and page views. Also on Inauguration Day, CNN.com served 27 million live video streams, five times its previous one-day record; iReport.com, CNN's user-generated community, saw more than 11,300 photos and videos uploaded; and CNN.com partnered with Facebook for an innovative global community event.

Source: All TV ratings data from Nielsen Media Research; all online data from Nielsen Online, except video streams, which are from Omniture, and photo and video uploads, which are from CNN iReport internal data



TNT AND TBS EACH RANK #1 IN KEY ADULT DEMOGRAPHICS

In 2008, TNT and TBS solidified their positions as ad-supported cable's #1 networks in key adult demographics. Driven in large part by the success of its high-profile original series, TNT was ad-supported cable's #1 network in total-day delivery of adults 25-54 for the sixth consecutive year in 2008. TNT finished 2008 with two of the top four returning original series (*The Closer* and *Saving Grace*), as well as two of the top four new original series (*Leverage* (above) and *Raising the Bar*) on all of ad-supported cable. In its fourth season, TNT's *The Closer* remained the #1 series on ad-supported cable. Also, in 2008, TBS set an ad-supported cable record for primetime delivery of adults 18-34. In achieving this record, TNT grew its delivery of the coveted young-adult demographic by 16% over 2007. TBS's success in 2008 was due in large part to the network's outstanding collection of both original and syndicated sitcoms, including *Tyler Perry's House of Payne*, which ranks as ad-supported cable's #1 scripted series on all of television with African-American adults 18-49. TBS's critically acclaimed original sitcoms *My Boys* (below) and *The Bill Engvall Show* enjoyed strong summer runs. And acquired series like *The Office*, *Family Guy* and *My Name Is Earl* rank as three of ad-supported cable's most popular comedies among adults 18-49, with *The Office* and *My Name Is Earl* scoring significantly lower median ages than their telecasts on broadcast networks.

Source: All ratings data from Nielsen Media Research



TURNER BROADCASTING

CARTOON NETWORK AND ADULT SWIM POST STRONG GROWTH

In the fourth quarter of 2008, Cartoon Network was the only one of the three major kids networks (including Disney Channel and Nickelodeon) to achieve year-over-year average delivery growth across all targeted kid demographics. During the quarter, Cartoon Network posted double-digit primetime average delivery growth across kids 2-11, kids 6-11 and tweens 9-14 compared to the fourth quarter of 2007. Total-day average delivery during the quarter also charted



strong growth compared to the fourth quarter of 2007: kids 2-11 delivery grew by 8%, kids 6-11 delivery by 13% and tweens 9-14 delivery by 12%. Cartoon Network's *Star Wars: The Clone Wars* (left) has ranked #1 in its time period (Friday, 9 p.m.) on all of television – broadcast and cable – with boys

2-11, boys 6-11 and boys 9-14, since its premiere on October 3, 2008 to the end of the year. *Adult Swim* ended the fourth quarter of 2008 as the #1 ad-supported cable network for total-day delivery of adults 18-34 (up 7% versus the fourth quarter of 2007), a distinction it has achieved in 13 of the last 15 quarters since it became a network in the second quarter of 2005. The fourth quarter also marked the 15th consecutive quarter the late-night network has ranked #1 in total-day delivery of adults 18-24 (up 18% versus the fourth quarter of 2007) and men 18-24 (up 14% versus the fourth quarter of 2007).

Source: All ratings data from Nielsen Media Research

HBO

HBO AND HARPO FILMS ANNOUNCE MULTI-YEAR RELATIONSHIP

HBO and Oprah Winfrey's Harpo Films, Inc. announced in December a multi-year exclusive relationship to develop and produce scripted television programming for HBO. Under the terms of the agreement, projects will potentially include miniseries, movies, documentaries and series. Harpo Films is dedicated to high-quality scripted dramatic programming, including feature films and top-rated telefilms. Recent produced projects have garnered the highest industry honors for quality, including *The Great Debaters*,

directed by and starring Denzel Washington, which received a Golden Globe nomination for Best Motion Picture - Drama. Telefilms under the "Oprah Winfrey Presents" banner include the multiple Emmy Award-winner *Tuesdays With Morrie*, as well as *Their Eyes Were Watching God*, starring Halle Berry.



harpo films™

HBO EXCLUSIVELY TELEVISES OPENING CELEBRATION FOR PRESIDENTIAL INAUGURAL

HBO exclusively televised the opening celebration for the 56th Presidential Inaugural held on the steps of the Lincoln Memorial on January 18, 2009. HBO televised the event on an open signal, working with all of its distributors to allow Americans across the country with access to television service providers to join in the opening celebration for free. The event featured some of the biggest acts in the world of entertainment to celebrate the country's common heritage and new direction. President Barack Obama and Vice President Joe Biden both attended the event, which was free and open to the public.



Photos: Kevin Mazur/HBO



PRODUCTION WRAPS ON NEW DRAMA SERIES THE NO. 1 LADIES' DETECTIVE AGENCY

HBO announced in January that production has wrapped in Botswana on the new seven-episode drama series *The No. 1 Ladies' Detective Agency*, which is slated to debut March 29, 2009 on HBO. Based on the international bestselling novels by Alexander McCall Smith, the series stars Grammy award-winner Jill Scott as heroine Precious Ramotswe, one of the most beloved characters in contemporary fiction. The series is a presentation of HBO Entertainment in association with The Weinstein Company and the BBC.

HBO

BIG LOVE
Secrets are relative

EVERYONE HAS SOMETHING TO HIDE

HBO's drama series *Big Love* kicked off its 10-episode third season on January 18, 2009.

TIME INC.

LIFE AND GOOGLE ANNOUNCE PARTNERSHIP

Time Inc.'s Life Inc. and Google Inc. announced in November a partnership to allow more than 10 million images from the LIFE Photo Archive to be made available on Google Image Search. Ninety-seven percent of the photographs have never been seen by the public. Millions of images have been scanned and are currently available on Google Image Search, with all 10 million images to be available in the coming months. The collection contains some of the most iconic images of the 20th century, including works from great photojournalists Alfred Eisenstaedt, Margaret Bourke-White, Gordon Parks and W. Eugene Smith. The LIFE images can be found when conducting a search on Google Image Search. Users can also search through the LIFE Photo Archive directly by visiting <http://images.google.com/hosted/life>. The LIFE Photo Archive featured on Google will be among the largest professional photography collections on the Web and one of the largest scanning projects ever undertaken.



TIME SCORES WITH CROSS-PLATFORM PRESIDENTIAL ELECTION COVERAGE

TIME's round-the-clock coverage of the November presidential election, including live-blogging and electoral vote counts from CNN, culminated with a sell-out election issue of TIME magazine, which has since gone back on press three times. That demand translated to another platform with TIME and LIFE's best-selling books on President Barack Obama. In November, LIFE's "The American Journey of Barack Obama" reached #7 on the New York Times best-seller list. TIME's "President Obama: The Path to the White House," published by Time Inc. Home



Entertainment, was the #1 best-seller on barnesandnoble.com on November 14, its first day of sale, and was #10 on the New York Times political best-seller list, based on sales for the weeks ending December 27 through January 17. On December 17, TIME announced President Obama as its 2008 Person of the Year. The issue included an exclusive interview with the President as well as 26 never-before-seen photographs of President Obama taken in a photo shoot as a college freshman. The Person of the Year coverage helped drive record traffic to TIME.com in December, with 7 million average monthly unique visitors (up 13% year-over-year) and 80 million average monthly page views (up 48% year-over-year), according to Nielsen Online.

PEOPLE DIGITAL AD GROWTH OUTPACES INDUSTRY

Full-year 2008 advertising growth for People Digital, which includes People.com, PeopleStylewatch.com, CelebrityBabyBlog.com and PeoplePets.com, was four times the projected industry average for online advertising, with 48% year-over-year growth versus eMarketer's November projection of 10% industry growth in 2008. Contributing to these strong results were the successful execution of creative solutions for clients like Target and AT&T, People Digital's diversification strategy (expanding from straight celebrity news to other celebrity-related verticals: style, games, babies and pets), and consistent growth in unique visitors to the site, with 7.9 million average monthly unique visitors in 2008, a 61% increase year-over-year, according to Nielsen Online.

Peopledigital

TIME INC.

CNNMONEY.COM HAS BANNER YEAR

As the global credit crisis and recession intensified, Internet users increasingly turned to CNNMoney.com to make sense of rising energy prices and crumbling equity and housing markets. October 2008, the height of the credit crisis, saw a 125% year-over-year increase in monthly page views on CNNMoney.com, according to Nielsen Online. January 2008 marked the launch of broadband video on the site, and in less than 12 months, CNNMoney.com rose to the top of the financial news and information category in total streams (21.2 million in December, according to the Nielsen Video Census) and had more streams than all other sites in the category combined. Robust traffic to FORTUNE.com (above) helped drive CNNMoney.com's strong fourth quarter, when average monthly page views were up 73% year-over-year, according to Nielsen Online.



AOL

AOL FORMS MEDIAGLOW PUBLISHING BUSINESS; PLANS 30 NEW SITES FOR 2009

In early January 2009, AOL announced the creation of a new business unit, MediaGlow, aimed at expanding, repositioning and monetizing AOL's global programming efforts. The announcement came after a banner year in 2008 in terms of user reach and engagement for AOL's programming sites that saw them extend their streak of year-over-year growth in unique visitors to 23 consecutive months through December 2008. In December, monthly page



views on AOL's programming sites climbed 101% year-over-year, and average time spent on the sites rose 54%. In addition, in December 2008, more than 20 AOL sites ranked in the Top 5 in monthly unique visitors in their respective categories, and the relaunched AOL.com – which now lets users customize news feeds, check e-mail from other providers, and keep tabs on multiple social networks – saw solid year-over-year growth in its monthly audience and page views. The goal of MediaGlow is to build on this momentum, with plans to launch 30 new targeted sites in 2009, adding to the 20 new and significantly upgraded sites AOL launched in 2008. In addition, AOL announced the

launch of state-of-the-art MediaGlow Studios in New York and Los Angeles that will enable the company to produce original programming for its worldwide audience.

Source: All user data from comScore Media Metrix

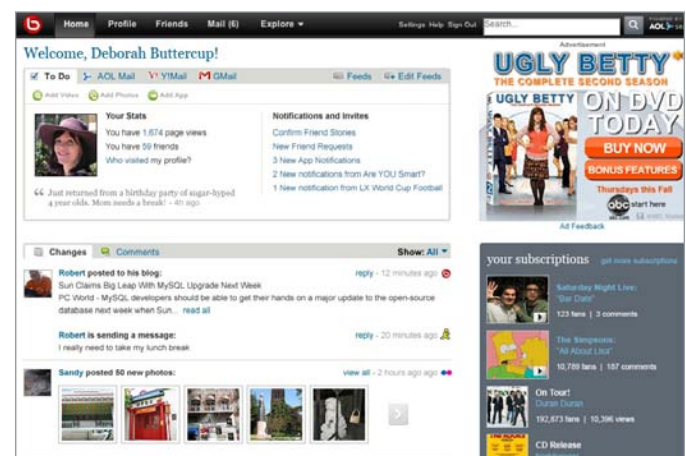
PLATFORM-A LAUNCHES THROUGHOUT EUROPE

As part of its global expansion efforts, AOL's Platform-A advertising business officially launched in eight countries across Europe during the fourth quarter of 2008: the U.K., France, Germany, the Netherlands, Denmark, Finland, Norway and Sweden. As of September 2008, the ad network reached more than 160 million unique Internet users in Europe. As of October 2008, Platform-A was ranked #1 in the U.K., France, Finland and Norway; #2 in Germany and Denmark; and #3 in the Netherlands and Sweden, based on unique visitors to the ad network. In the U.S., Platform-A announced in November 2008 a two-day, billion-impression Web advertising campaign for T-Mobile's G1 with Google, and in December announced a holiday "Stocking Stuffers" campaign for Schick on Lemondrop.com, AOL's new site targeted at young women. In early 2009, Platform-A announced deals with Intuit and FreeCreditReport.com.

Source: All user data from comScore Media Metrix

BEBO LAUNCHES 'SOCIAL INBOX'

In December 2008, Bebo launched a breakthrough Social Inbox, which combines e-mail, social networking and media recommendations in one easy-to-use interface. Social Inbox lets users check e-mail from multiple providers, get status updates and photo uploads and access online activities from multiple social networks, including Twitter, AIM, YouTube and Del.icio.us. The site also gives users one-click access to e-mail from a variety of services, including AOL, Gmail and Yahoo! Mail. And it includes a new media recommendation engine that delivers relevant content based on users' stated preferences and aggregated data, such as what people like them like. In December 2008, the blog TechCrunch called it "an excellent way to track your friends," adding that the "recommendation engine is also a great feature."



STATISTICS

FILMED ENTERTAINMENT

Q4:08 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>
Four Christmases	New Line Cinema ²	36	114.1	11/26/08
Yes Man	Warner Bros.	13	60.0	12/19/08
The Curious Case of Benjamin Button	Warner Bros. ³	7	52.7	12/25/08
Body of Lies	Warner Bros.	83	39.2	10/10/08
Pride and Glory	New Line Cinema ²	49	15.7	10/24/08
Gran Torino	Warner Bros.	20	5.9	12/12/08 ⁴
RockNRolla	Warner Bros.	79	5.7	10/8/08

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

² United States distribution only

³ International distribution only

⁴ In limited release, opened wide January 9, 2009

Q4:07 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>
I Am Legend	Warner Bros.	18	199.3	12/14/07
Beowulf	Warner Bros. ²	46	81.1	11/16/07
Fred Claus	Warner Bros.	53	71.4	11/9/07
The Golden Compass	New Line Cinema ³	25	59.9	12/7/07
Michael Clayton	Warner Bros. ⁴	88	39.1	10/5/07
August Rush	Warner Bros. ⁴	41	30.1	11/21/07
Sweeney Todd: The Demon Barber of Fleet Street	Warner Bros. ²	11	28.3	12/21/07
P.S. I Love You	Warner Bros. ⁴	11	25.3	12/21/07
Rendition	New Line Cinema ³	28	9.7	10/19/07
Martian Child	New Line Cinema ³	42	7.5	11/2/07
Love in the Time of Cholera	New Line Cinema ³	35	4.6	11/16/07
The Bucket List	Warner Bros.	7	0.7	12/25/07 ⁵
The Orphanage	Picturehouse	4	0.3	12/28/07
Mama's Boy	Warner Bros. ⁴	32	0.2	11/30/07
Darfur Now	Warner Independent Pictures	49	0.1	11/2/07
Rails & Ties	Warner Bros. ⁴	21	0.0	10/26/07

¹ Data through December 31, 2007; Source: Box Office Mojo

² International distribution only

³ United States distribution only

⁴ Domestic distribution only (United States and Canada)

⁵ In limited release, opened wide January 11, 2008

STATISTICS

FILMED ENTERTAINMENT

Q1:09 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Chandni Chowk To China	Warner Bros.	1/16/09
Inkheart	New Line Cinema ¹	1/23/09
He's Just Not That Into You	New Line Cinema ¹	2/6/09 ²
Friday the 13th	New Line Cinema ³	2/13/09 ²
Under the Sea 3D	Warner Bros. ³	2/13/09 ²
Watchmen	Warner Bros. ³	3/6/09 ²

¹ United States distribution only

² Expected Release Date

³ Domestic distribution only (United States and Canada)

Q1:08 THEATRICAL MOVIE RELEASES

<u>Title</u>	<u>Label</u>	<u>Days in Release¹</u>	<u>Domestic Box Office (\$ in M)¹</u>	<u>Initial Release Date</u>
10,000 B.C.	Warner Bros.	25	85.4	3/7/08
Fool's Gold	Warner Bros.	53	68.1	2/8/08
Semi-Pro	New Line Cinema ²	31	33.1	2/29/08
One Missed Call	Warner Bros.	70	26.9	1/4/08
Be Kind, Rewind	New Line Cinema ²	35	10.7	2/22/08
Over Her Dead Body	New Line Cinema ³	14	7.2	2/1/08
Run Fat Boy Run	Picturehouse ²	4	2.5	3/28/08
Funny Games	Warner Independent Pictures	18	1.2	3/14/08
Vince Vaughn's Wild West Comedy Show	Picturehouse ²	21	0.6	2/8/08
Snow Angels	Warner Independent Pictures	25	0.2	3/7/08

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

² United States distribution only

³ Domestic distribution only (United States and Canada)

COMPANY SHARE

<u>2008¹</u>	<u>Share</u>	<u>Rank</u>
Domestic Box Office	19.7%	1

¹ As of December 31, 2008

Source: Box Office Mojo

Q4:08 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

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
Sisterhood of the Traveling Pants 2	Warner Bros.	11/18/08
Fred Claus	Warner Bros.	11/25/08
The Dark Knight	Warner Bros.	12/9/08
The Women	New Line Cinema	12/19/08
Towelhead	Warner Bros.	12/30/08

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	12/23/07
Shoot Em Up	New Line Cinema	12/31/07

Q1:09 DVD RELEASES

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

¹ Expected Release Date

Q1:08 DVD RELEASES

<u>Title</u>	<u>Label</u>	<u>Release Date</u>
Mr. Woodcock	New Line Cinema	1/15/08
The Invasion	Warner Bros.	1/29/08
The Assassination of Jesse James by the Coward Robert Ford	Warner Bros.	2/5/08
Martian Child	New Line Cinema	2/12/08
No Reservations	Warner Bros.	2/12/08
The Brave One	Warner Bros.	2/15/09
In the Valley of Elah	Warner Bros.	2/19/08
Michael Clayton	Warner Bros.	2/19/08
Rendition	New Line Cinema	2/19/08
August Rush	Warner Bros.	3/11/08
Nancy Drew	Warner Bros.	3/11/08
I Am Legend	Warner Bros.	3/18/08
Love in the Time of Cholera	New Line Cinema	3/18/08

COMPANY SHARE

<u>2008¹</u>	<u>Share</u>	<u>Rank</u>
U.S. DVD Sell Through	21.4%	1

¹ As of December 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 Closer	TNT	5
The New Adventures of Old Christine	CBS	4
Supernatural	CWN	4
The Big Bang Theory	CBS	2
Chuck	NBC	2
Gossip Girl	CWN	2
Pushing Daisies	ABC	2
Terminator: The Sarah Connor Chronicles	FOX	2
Eleventh Hour	CBS	1
Fringe	FOX	1
The Line	TNT	1
The Mentalist	CBS	1
Southland ¹	NBC	1
Privileged	CWN	1
Trust Me	TNT	1
<u>Title (Unscripted)</u>	<u>Network</u>	<u>Season</u>
America's Best Dance Crew III	MTV	1
The Bachelor XIII	ABC	1
The Cougar	TV Land	1
Here Come the Newlyweds II	ABC	1
High School Reunion V	TV Land	1
Man vs. Cartoon	truTV	1
True Beauty	ABC	1

¹ Formerly *Police*

FIRST RUN SYNDICATION 2008/2009 SEASON

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

THE CW NETWORK 2008/2009 PRIMETIME
PROGRAMMING SCHEDULE

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

SELECT SERIES IN OFF-NETWORK
SYNDICATION¹

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

¹As of December 31, 2008

STATISTICS

NETWORKS - TURNER

Q4:08 TOTAL PROGRAMMING DAY DELIVERY

Network	Key Demo	Delivery ('000)
TNT	A18-49	585
TBS	A18-34	364
truTV	A18-49	322
CNN	A25-54	320
HLN ¹	A25-54	153
Cartoon Network	K2-11	629
Adult Swim	A18-34	425

Source: Nielsen Media Research

¹ Formerly CNN Headline News

Q4:08 DIGITAL PROPERTIES

Properties	Average Monthly Domestic Unique Visitors (in M) ¹
CNN Digital Network ²	39.1
Turner Sports & Entertainment Digital ³	16.8
Turner Network ⁴	49.1

¹ Average for the quarter ended December 31, 2008

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

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

⁴ 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
Raising the Bar	TNT	1	9/1/08
Leverage	TNT	1	12/7/08
Trust Me	TNT	1	1/26/09
The Closer	TNT	5	Summer 2009 ¹
The Line	TNT	1	Summer 2009 ¹
Raising the Bar	TNT	2	Summer 2009 ¹
Saving Grace	TNT	3	Summer 2009 ¹
Time Heals	TNT	1	Summer 2009 ¹
Wedding Day	TNT	1	Summer 2009 ¹
FrankTV	TBS	2	10/21/08
10 Items or Less	TBS	3	1/6/09
My Boys	TBS	3	3/31/09 ¹
The Bill Engvall Show	TBS	3	Summer 2009 ¹
Speeders Fight Back	truTV	1	10/16/08
Ski Patrol	truTV	1	10/20/08
Rehab: Party at the Hard Rock Hotel	truTV	1	11/11/08
Mau! Chopper	truTV	1	12/10/08
Principal's Office	truTV	2	1/8/09
Smoking Gun: World's Dumbest	truTV	4	1/15/09
Ocean Force (San Diego)	truTV	6	1/26/09
Black Gold	truTV	2	Summer 2009 ¹
Lizard Lick	truTV	1	Summer 2009 ¹
Making the Grade: Health Inspectors	truTV	1	Summer 2009 ¹
Man vs. Cartoon	truTV	1	Summer 2009 ¹
Smoking Gun: World's Dumbest	truTV	5	Summer 2009 ¹
The Secret Saturdays	Cartoon Network	1	10/10/08
Batman: The Brave and the Bold	Cartoon Network	1	11/14/08
Chowder	Cartoon Network	2	March 2009 ¹
Marvelous Misadventures of Flapjack	Cartoon Network	2	April 2009 ¹
Foster's Home for Imaginary Friends	Cartoon Network	6	May 2009 ¹
Ben 10: Alien Force	Cartoon Network	2	September 2009 ¹
SuperJail!	Adult Swim	1	9/28/08
Moral Orel	Adult Swim	3	10/6/08
Drinky Crow Show	Adult Swim	1	11/23/08
Robot Chicken	Adult Swim	4	12/7/08
Tim and Eric Awesome Show, Great Job!	Adult Swim	4	2/8/09 ¹
Delocated	Adult Swim	1	2/12/09 ¹
Xavier: Renegade Angel	Adult Swim	2	2/12/09 ¹
Aqua Teen Hunger Force	Adult Swim	7	3/29/09 ¹
Squidbillies	Adult Swim	3	5/17/09 ¹

¹ 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
The Life and Times of Tim	1	9/28/08
Little Britain USA	1	9/28/08
Summer Heights High	1	11/9/08

<u>Film</u>	<u>Premiere Date</u>
Bernard and Doris	2/9/08
Recount	5/25/08
My Zinc Bed	12/22/08

<u>Mini-Series</u>	<u>Premiere Date</u>
John Adams	3/16/08
Generation Kill	7/13/08
House of Saddam	12/7/08

ORIGINAL PROGRAMMING FOR Q1:09

<u>Series</u>	<u>Season</u>	<u>Premiere Date</u>
Real Time with Bill Maher	7	2/20/09 ¹
Big Love	3	1/18/09
Flight of the Conchords	2	1/18/09
Eastbound and Down	1	2/15/09 ¹
The No. 1 Ladies' Detective Agency	1	3/29/09 ¹

<u>Film</u>	<u>Premiere Date</u>
Taking Chance	2/21/09 ¹

¹ Expected

Q4:08 DVD RELEASES

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

<u>Mini-Series</u>	<u>Release Date</u>
Band of Brothers ¹	11/11/08
Generation Kill	12/16/08

¹ Blu-Ray re-release

Q1:09 DVD RELEASES

<u>Series</u>	<u>Release Date</u>
Little Britain USA	1/13/09
Summer Heights High	2/24/09 ¹
In Treatment	3/24/09 ¹
The Life and Times of Tim	3/24/09 ¹

¹ ExpectedORIGINAL PROGRAMMING IN OFF-NETWORK SYNDICATION¹

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

¹ As of December 31, 2008

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

Q1:08 DVD RELEASES

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

STATISTICS

PUBLISHING

TOP TIME INC. MAGAZINES BY AD DOLLARS¹

Magazine	Magazine Category	2008 Rank ¹
People	Celebrity Weekly	1
Sports Illustrated	Sports-General	1
Time	Weekly Newsmagazines	1
InStyle	Womens Fashion	2
Fortune	Business-Corporate	2
Real Simple	Womens Lifestyle	3
Entertainment Weekly	Entertainment	2
Golf Magazine	Sports-Golf	1
Southern Living	Regional	2
Money	Personal Finance	1
Cooking Light	Epicurean	1
Essence	African-American	1

¹ Through December 31, 2008; excludes newspaper supplements

Source: PIB

TOP TIME INC. MAGAZINES BY READERSHIP¹

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

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

² Measured from March 2008 to October 2008

³ Measured from September 2007 to April 2008

⁴ Measured from March 2007 to October 2007

Source: MRI, Fall 2008

Q4:08 TOP DIGITAL PROPERTIES

Property	Average Monthly Domestic Unique Visitors (in M) ¹
CNNMoney.com	8.8
People.com	8.0
SI Digital ²	6.6
Time.com	7.0
EW.com	3.5
MyRecipes Network ³	3.1
Time Inc. U.S. Sites	26.3

¹ Average for the quarter ended December 31, 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

2008 ¹	Share	Rank
Domestic Print Advertising Dollars	18.5%	1

¹ Through December 31, 2008; excludes newspaper supplements

Source: PIB

STATISTICS

AOL

Q4:08 ENGAGEMENT METRICS

Category	Average Monthly Domestic Unique Visitors (in M) ¹	Domestic Page Views ² (in B)
AOL Homepages ³	47.2	5.1
AOL Content ⁴	54.6	12.7
MapQuest	42.9	2.4
AOL Mail ⁵	46.7	22.4
Search	34.7	2.2
AOL People Networks ⁶	33.2	4.8
AOL Commerce ⁷	15.8	0.6
Total AOL Network	109.0	54.0

Advertising Networks	Average Monthly Domestic Unique Visitors (in M) ¹	Reach ⁹	Category Ranking ¹⁰
Platform-A ⁸	174.0	91.0%	1

¹ Average for the quarter ended December 31, 2008

² Total for the quarter ended December 31, 2008

³ Includes AOL Welcome Screen and AOL.com homepages

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

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

⁶ Includes AIM (excluding AIM Dashboard, AIM Homepage and AIM Mail), Bebo, Community, Hometown (through October 2008), ICQ, Journals (through October 2008) and People Connection

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

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 December 31, 2008

¹⁰ For the month of December and based on the Advertising Networks ranking measured by Unique Visitors

Source: comScore Media Metrix

Caution Concerning Forward-Looking Statements

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Published February 4, 2009