TIME WARNER CABLE INC.
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TIME WARNER CABLE REPORTS

2014 FIRST-QUARTER RESULTS

Best Residential Subscriber Performance in Five Years

Highlighted by Net Addition of 148,000 Customer Relationships

Diluted EPS Increased 27% to $1.70 per Share

TWC Maxx Rollout Has Begun in Parts of NYC and LA

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NEW YORK, April 24, 2014 Time Warner Cable Inc. (NYSE: TWC) today reported financial results for its first quarter ended March 31, 2014.

Time Warner Cable Chief Executive Officer Rob Marcus said: I m very pleased with our performance this quarter. Our residential subscriber growth was the best in five years and our business services revenue growth was close to 25 percent. These results underscore our commitment to deliver on our financial and operating plan as we prepare for our merger with Comcast.

SELECTED CONSOLIDATED FINANCIAL RESULTS

(in millions, except per share data; unaudited)	**1st Quarter**			
			Change	
	2014	**2013**	**$**	**%**
Revenue	$ 5,582	$ 5,475	$ 107	2.0%
Adjusted OIBDA[(a)]	$ 1,980	$ 1,912	$ 68	3.6%
Operating Income[(b)]	$ 1,092	$ 1,060	$ 32	3.0%

Diluted EPS[c]	$	1.70	$	1.34	$	0.36	26.9%
Adjusted Diluted EPS[a]	$	1.78	$	1.41	$	0.37	26.2%
Cash provided by operating activities[b]	$	1,397	$	1,394	$	3	0.2%
Capital expenditures	$	834	$	770	$	64	8.3%
Free Cash Flow[a][b]	$	629	$	661	$	(32)	(4.8%)

(a) Refer to Note 4 to the accompanying consolidated financial statements for definitions of Adjusted OIBDA, Adjusted Diluted EPS and Free Cash Flow and below for reconciliations.

(b) Operating Income is reduced by merger-related and restructuring costs of $80 million and $31 million for the first quarters of 2014 and 2013, respectively. Cash provided by operating activities and Free Cash Flow are reduced by merger-related and restructuring payments of $58 million and $29 million for the first quarters of 2014 and 2013, respectively.

(c) Diluted EPS represents net income per diluted common share attributable to TWC common shareholders.

HIGHLIGHTS

Financial Highlights

- First-quarter 2014 revenue grew 2.0% year over year, driven primarily by growth of 24.4% in business services revenue and 10.8% growth in residential high-speed data revenue.
- Adjusted OIBDA increased 3.6% to nearly $2.0 billion. Operating Income increased 3.0% to nearly $1.1 billion.
- Adjusted Diluted EPS increased 26.2% to $1.78. Diluted EPS increased 26.9% to $1.70.
- First-quarter 2014 average monthly revenue per residential customer relationship (ARPU) grew 0.6% to $105.45.
- Residential high-speed data ARPU increased 8.7% to $46.32.

Operational Highlights

- Overall first-quarter residential subscriber performance was the best in five years.
  - Residential customer relationship net additions of 148,000 most in over seven years
  - Residential triple play net additions of 82,000 most since first quarter 2012
  - Residential high-speed data net additions of 269,000 most since first quarter 2008
  - Residential voice net additions of 107,000 most since first quarter 2012
  - Residential video net loss of 34,000 least in five years
- TWC Maxx rollout, including high-speed data speed increases to as much as 300 Mbps, has now begun in parts of New York City and Los Angeles.
- TWC s cloud-based guide with an advanced VOD portal was installed on 4.3 million set-top boxes at the end of the first quarter.
- IntelligentHome net additions of 13,000 marked the best quarter ever; 57,000 customers at the end of the first quarter.

CHANGES IN BASIS OF PRESENTATION

Effective in the first quarter of 2014, the Company determined it has three reportable segments: Residential Services, Business Services and Other Operations. Additionally, during the first quarter of 2014, the Company revised its categorization of operating costs and expenses to be consistent with how such costs and expenses are presented to management and to provide a more meaningful presentation. The Company has recast its financial information and disclosures for prior periods to include (i) disclosure of segment results, which are discussed further below in Detailed Segment Results and Note 3 to the accompanying consolidated financial statements, and (ii) the revised categorization of operating costs and expenses, which had no impact on total operating costs and expenses, Operating Income or net income attributable to TWC shareholders for any period presented.

CONSOLIDATED REVENUE AND PROFITABILITY RESULTS

Revenue for the first quarter of 2014 increased 2.0% year over year primarily as a result of revenue growth at the Business Services and Other Operations segments, partially offset by a decrease at the Residential Services segment.

Adjusted Operating Income before Depreciation and Amortization (Adjusted OIBDA) for the first quarter of 2014 increased 3.6% driven by revenue growth, partially offset by a 1.1% year-over-year increase in operating expenses.

(in millions; unaudited)	1st Quarter						
					Change		
		2014		2013		$	%
Operating costs and expenses:							
Programming and content	$	1,309	$	1,275	$	34	2.7%
Sales and marketing		555		473		82	17.3%
Technical operations		371		372		(1)	(0.3%)
Customer care		205		197		8	4.1%
Other operating		1,162		1,246		(84)	(6.7%)
Total operating costs and expenses	$	3,602	$	3,563	$	39	1.1%

The increase in operating expenses was primarily due to increased sales and marketing costs at the Residential Services and Business Services segments; higher programming costs at the Residential Services segment; and growth in costs associated with advertising inventory sold on behalf of other video distributors at the Other Operations segment; partially offset by a decline in voice costs at the Residential Services and Business Services segments and lower costs associated with the Company s shared functions. The growth in total operating expenses also benefited from a $34 million decrease in pension expense.

Average monthly programming costs per total video subscriber grew 10.1% year over year to $36.51 for the first quarter of 2014.

Operating Income for the first quarter of 2014 increased 3.0% primarily due to higher Adjusted OIBDA and lower depreciation expense, partially offset by higher merger-related and restructuring costs. Merger-related and restructuring costs for the first quarter of 2014 included Comcast merger-related costs of $62 million (employee retention costs of $29 million and advisory and legal fees of $33 million), DukeNet Communications merger-related costs of $1 million and $17 million of restructuring costs primarily associated with employee terminations and other exit costs.

DETAILED SEGMENT RESULTS

<u>Residential Services</u>

Residential Services revenue declined as a result of decreases in video and voice revenue, partially offset by an increase in high-speed data revenue.

Residential video revenue decreased primarily due to a year-over-year decline in video subscribers.

The growth in residential high-speed data revenue was the result of an increase in average revenue per subscriber, primarily due to increases in prices and equipment rental charges and a greater percentage of subscribers purchasing higher-priced tiers of service, as well as growth in high-speed data subscribers.
Residential voice revenue decreased due to lower average revenue per subscriber and fewer voice subscribers compared to the prior year.

Selected Residential Services Financial Results

(in millions; unaudited)	1st Quarter			
			Change	
	2014	2013	$	%
Revenue:				
Video	$ 2,495	$ 2,671	$ (176)	(6.6%)
High-speed data	1,558	1,406	152	10.8%
Voice	496	519	(23)	(4.4%)
Other	19	15	4	26.7%
Total revenue	$ 4,568	$ 4,611	$ (43)	(0.9%)
Adjusted OIBDA[(a)]	$ 2,132	$ 2,171	$ (39)	(1.8%)

[(a)] Refer to Note 4 to the accompanying consolidated financial statements for a definition of Adjusted OIBDA.

The decrease in Adjusted OIBDA was driven by the decrease in revenue discussed above, partially offset by a 0.2% decrease in operating costs and expenses as a result of lower other operating costs, partially offset by increases in sales and marketing costs and programming costs.

Sales and marketing costs increased 19.9% to $385 million primarily due to increased marketing activities as well as headcount growth and higher compensation costs per employee, particularly in retention.

Programming costs (which include intercompany expense from the Other Operations segment for programming costs associated with the Company s Los Angeles Lakers regional sports networks, local sports, news and lifestyle channels and, beginning in 2014, SportsNet LA, a third-party regional sports network carrying the Los Angeles Dodgers baseball games and other sports programming) grew 2.9% to $1.3 billion primarily due to an increase in average monthly programming costs per video subscriber, partially offset by a decline in video subscribers. Average monthly programming costs per residential video subscriber grew 10.2% year over year to $37.69 for the first quarter of 2014, primarily driven by contractual rate increases.

Other operating costs decreased 34.8% to $167 million primarily due to declines in voice costs and bad debt expense. Voice costs were down $61 million due to the in-sourcing of voice transport, switching and interconnection services, as well as a year-over-year decline in voice subscribers.

Residential Services Subscriber Metrics

(in thousands)	**12/31/2013**	**Net Additions (Declines)**	**3/31/2014**
Video	11,197	(34)	11,163
High-speed data	11,089	269	11,358
Voice	4,806	107	4,913
Single play	5,660	35	5,695
Double play	4,741	31	4,772
Triple play	3,983	82	4,065
Customer relationships	14,384	148	14,532

For definitions related to the Company s subscriber metrics, refer to the Trending Schedules posted on the Company s website at www.twc.com/investors.

Business Services

Business Services revenue growth was primarily due to increases in high-speed data and voice subscribers, organic growth in cell tower backhaul revenue and $29 million of revenue from DukeNet, which was acquired on December 31, 2013.

Selected Business Services Financial Results

(in millions; unaudited)	1st Quarter			
			Change	
	2014	2013	$	%
Revenue:				
Video	$ 89	$ 84	$ 5	6.0%
High-speed data	306	256	50	19.5%
Voice	118	96	22	22.9%
Wholesale transport	101	55	46	83.6%
Other	54	46	8	17.4%
Total revenue	$ 668	$ 537	$ 131	24.4%
Adjusted OIBDA[a]	$ 402	$ 312	$ 90	28.8%

[a] Refer to Note 4 to the accompanying consolidated financial statements for a definition of Adjusted OIBDA.

The increase in Adjusted OIBDA was driven by growth in revenue, partially offset by a 18.2% increase in operating costs and expenses, primarily as a result of an increase in sales and marketing costs due to increased headcount and higher compensation costs per employee, including increased commissions. This increase was partially offset by lower voice costs due to the in-sourcing of voice transport, switching and interconnection services.

Business Services Subscriber Metrics

(in thousands)	12/31/2013	Net Additions	3/31/2014
Video	196		196

High-speed data	517	14	531
Voice	275	14	289
Single play	327	1	328
Double play	230	9	239
Triple play	67	3	70
Customer relationships	624	13	637

For definitions related to the Company s subscriber metrics, refer to the Trending Schedules posted on the Company s website at www.twc.com/investors.

Other Operations

Advertising revenue increased primarily due to growth in political advertising revenue as well as non-political advertising revenue from advertising inventory sold on behalf of other video distributors. Other revenue increased primarily due to affiliate fees from the Residential Services segment as well as other distributors of the Los Angeles regional sports networks.

Selected Other Operations Financial Results

(in millions; unaudited)	1st Quarter			
			Change	
	2014	2013	$	%
Revenue:				
Advertising	$ 247	$ 228	$ 19	8.3%
Other	153	149	4	2.7%
Total revenue	$ 400	$ 377	$ 23	6.1%
Adjusted OIBDA[a]	$ 173	$ 165	$ 8	4.8%

[a] Refer to Note 4 to the accompanying consolidated financial statements for a definition of Adjusted OIBDA.

The increase in Adjusted OIBDA was driven by growth in revenue, partially offset by a 7.1% increase in operating costs and expenses, primarily related to growth in costs associated with advertising inventory sold on behalf of other video distributors.

Shared Functions

Operating costs associated with broad corporate functions (e.g., accounting and finance, information technology, executive management, legal and human resources) or functions supporting more than one reportable segment that are centrally managed (e.g., facilities, network operations, vehicles and procurement) as well as other activities not directly attributable to a reportable segment decreased 1.2% year over year to $727 million for the first quarter of 2014. This decrease was driven by operating efficiencies, including decreased headcount, particularly in information technology.

CONSOLIDATED NET INCOME

Net Income Attributable to TWC Shareholders was $479 million, or $1.71 per basic common share and $1.70 per diluted common share, for the first quarter of 2014 compared to $401 million, or $1.35 per basic common share and $1.34 per diluted common share, for the first quarter of 2013.

Adjusted Net Income Attributable to TWC Shareholders and **Adjusted Diluted EPS**, which exclude certain items affecting the comparability of TWC s results for 2014 and 2013 detailed in Note 2 to the accompanying consolidated financial statements, were $503 million and $1.78, respectively, for the first quarter of 2014 compared to $423 million and $1.41, respectively, for the first quarter of 2013. Adjusted Diluted EPS for the first quarter of 2014 benefited from lower average common shares outstanding as a result of share repurchases under the Company s stock repurchase program.

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(in millions, except per share data; unaudited)	1st Quarter			
			Change	
	2014	2013	$	%
Net income attributable to TWC shareholders	$ 479	$ 401	$ 78	19.5%
Adjusted net income attributable to TWC shareholders[a]	$ 503	$ 423	$ 80	18.9%
Net income per common share attributable to TWC common shareholders:				
Basic	$ 1.71	$ 1.35	$ 0.36	26.7%
Diluted	$ 1.70	$ 1.34	$ 0.36	26.9%
Adjusted Diluted EPS[a]	$ 1.78	$ 1.41	$ 0.37	26.2%

[a] Refer to Note 4 to the accompanying consolidated financial statements for a definition of Adjusted net income attributable to TWC shareholders and Adjusted Diluted EPS.

SELECTED BALANCE SHEET AND CASH FLOW INFORMATION

Free Cash Flow for the first three months of 2014 decreased 4.8% to $629 million from $661 million in the first three months of 2013, due mainly to an increase in capital expenditures. **Capital Expenditures**, which totaled $834 million for the first three months of 2014, increased primarily due to the Company s investments to improve network reliability, upgrade older customer premise equipment and expand its network to additional residences, commercial buildings and cell towers. **Cash Provided by Operating Activities** for the first three months of 2014 was $1.4 billion, a 0.2% increase from the first three months of 2013. This slight increase was primarily driven by higher Adjusted OIBDA and lower net interest payments, partially offset by an increase in working capital requirements.

(in millions; unaudited)	1st Quarter			
			Change	
	2014	2013	$	%
Adjusted OIBDA[a]	$ 1,980	$ 1,912	$ 68	3.6%
Net interest payments	(415)	(457)	42	(9.2%)
Net income tax payments	2	(17)	19	(111.8%)
All other, net, including working capital changes[b]	(170)	(44)	(126)	286.4%
Cash provided by operating activities[b]	1,397	1,394	3	0.2%
Add: Excess tax benefit from exercise of stock options	78	49	29	59.2%
Less:				
Capital expenditures	(834)	(770)	(64)	8.3%
Cash paid for other intangible assets	(12)	(12)		

Free Cash Flow[a][b]		629		661		(32)	(4.8%)
Economic Stimulus Act impacts[c]							NM
Free Cash Flow excluding Economic Stimulus Act impacts	$	629	$	661	$	(32)	(4.8%)

NM Not meaningful.

(a) Refer to Note 4 to the accompanying consolidated financial statements for a definition of Adjusted OIBDA and Free Cash Flow.

(b) All other, net, including working capital changes includes merger-related and restructuring payments of $58 million and $29 million for the first quarters of 2014 and 2013, respectively, which reduced cash provided by operating activities and Free Cash Flow for the respective periods.

(c) As the Company made no federal income tax payments during the first quarter of 2014 and 2013, the Economic Stimulus Acts had no impact on Free Cash Flow for each period. Additional information on the Economic Stimulus Acts is available in the Trending Schedules posted on the Company s website at www.twc.com/investors.

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Net Debt, which totaled $24.3 billion as of March 31, 2014, decreased from December 31, 2013 as Free Cash Flow more than offset the cash used for share repurchases and dividends.

(in millions; unaudited)	**3/31/2014**	**12/31/2013**
Long-term debt	$ 22,792	$ 23,285
Debt due within one year	3,062	1,767
Total debt	25,854	25,052
Cash and equivalents	(1,557)	(525)
Net debt[(a)]	$ 24,297	$ 24,527

[(a)] Net debt is defined as total debt less cash and equivalents.

RETURN OF CAPITAL

Time Warner Cable returned $422 million to shareholders during the first quarter of 2014. During the first quarter of 2014, share repurchases totaled $208 million or 1.5 million shares of common stock prior to the suspension of the TWC stock repurchase program on February 13, 2014 as a result of the Company s entry into the merger agreement with Comcast. As of March 31, 2014, $2.7 billion remained under the Company s share repurchase authorization. Time Warner Cable also paid a regular dividend of $0.75 per share of common stock, $214 million in aggregate, during the first quarter of 2014.

Non-GAAP Financial Measures

The Company refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles (GAAP), including OIBDA, Adjusted OIBDA, Adjusted net income attributable to TWC shareholders, Adjusted Diluted EPS and Free Cash Flow. Refer to Note 4 to the accompanying consolidated financial statements for a discussion of the Company s use of non-GAAP financial measures.

About Time Warner Cable

Time Warner Cable Inc. (NYSE: TWC) is among the largest providers of video, high-speed data and voice services in the United States, connecting 15 million customers to entertainment, information and each other. Time Warner Cable Business Class offers data, video and voice services to businesses of all sizes, cell tower backhaul services to wireless carriers and enterprise-class, cloud-enabled hosting, managed applications and services. Time Warner Cable Media, the advertising arm of Time Warner Cable, offers national, regional and local companies innovative advertising solutions. More information about the services of Time Warner Cable is available at www.twc.com, www.twcbc.com and www.twcmedia.com.

Additional details on financial and subscriber metrics are included in the Trending Schedules and Presentation Slides posted on the Company s Investor Relations website at www.twc.com/investors.

Information on Conference Call

Time Warner Cable s earnings conference call can be heard live at 8:30 am ET on Thursday, April 24, 2014. To listen to the call, visit www.twc.com/investors.

FORWARD-LOOKING STATEMENTS AND DISCLAIMERS

This document includes certain forward-looking stateme