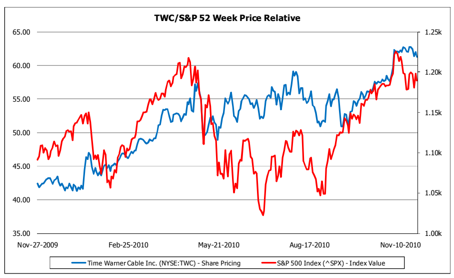
Recommendation

BUY

Price at 26 Nov 2010 (USD):	**$61.29**
Price Target:	**$72.07**
52 Week Range:	**$41.33 – $63.98**

Historical Price Performance



Source: Capital IQ

Company and Liquidity Data

Market Cap (mio):	**$21,802.9**
Debt (mio), BBB (S&P):	**$21,611.0**
Shares Outstanding (mio):	**355.7**

Multiples

TWC	Current	2009
TEV/LTM Total Revenue	2.25x	2.09x
TEV/LTM EBITDA	6.18x	5.77x
P/LTM EPS	17.88x	NM

Source: Capital IQ

Rating Key

To help our investors better understand our recommendations, please find below an explanation of our recommendation methodology.

Buy: Based on our view of total share holder returns over the next 12 months, we recommend investors to purchase the stock.

Sell: Based on our view of total share holder returns over the next 12 months, we recommend investors to sell the stock.

Neutral: Based on our view of total share holder returns over the next 12 months, we do not recommend either buy or sell

Please see important disclosure at the end of this report

28 November 2010

Time Warner Cable Inc

Solid Returns

Reuters: TWC.OQ **Bloomberg: TWC US** **Ticker: TWC**

Corey Harrison
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Our Recommendation

With strong third quarter of 2010 combined with potential share repurchase program along with current dividend payout scheme, our new current target price is $72.07 (current share price is undervalued by ~17.6%), we recommend a BUY for TWC.

Positive

Time Warner Cable (TWC) continues to be a major force in the Cable & Other Pay TV Services industry. As of September 30, 2010, TWC had approximately 14.4 million residential and commercial subscribers who subscribed to one or more of its three primary subscription services – video, high-speed data and voice – totaling approximately 26.7 million primary service units. In the third quarter of 2010, TWC posted a 5.2% year-over-year (YOY) increase in gross revenue, 5.7% YOY increase in EBITDA, and 8.4% YOY increase in ARPU. TWC has been able to boost returns through charging customers higher prices and a +10% in its high-speed data (HSD) revenue. In addition to increasing the revenue component of ARPU, TWC has announced its economy video offering, which will help the firm address the industry-wide churn. Lastly, on November 4, 2010, TWC surprised the markets when it announced a $4 billion share repurchase program (i.e. ~20% of the firm's total market capitalization).

Negative

Unfortunately, TWC faces the same headwinds as its competitors. Despite its strong Q3 2010 performance, TWC still competes in an increasingly competitive market and may not be able to sustain its strategy of using price increases to account for customer churn. Much like its competitors, TWC also faces the threat of content fee hikes. In September 2010, Disney and TWC negotiated a fee increase (rumored to be as much as 10%) for Disney-owned channels like ESPN and access to ESPN's online video portal ESPN3. Neither TWC nor Disney have released details regarding the fee hike, but the agreement will result in programming cost increases, which TWC may not be able to fully pass on to its consumers.

Valuation Risks

In projecting growth, we assigned TWC a revenue growth at 1.0% and terminal growth rate 0.5%. We structured our analysis around a mature industry with very little room for top-line growth. We also assumed that the firm would be able to execute on its plan to lever up to 3.25x EBITDA. Other risks include a pause or cancellation of the stock repurchase plan, additional increases in programming costs, legal filings against the company, and any idiosyncratic risks.

Time Warner Cable

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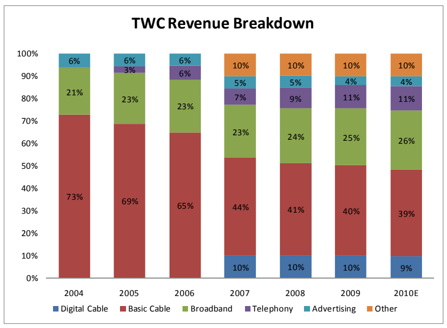
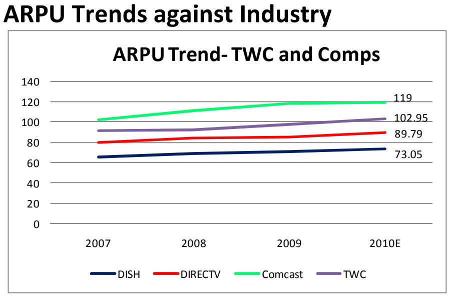
TWC Revenue Breakdown



Source: Capital IQ and Company Reports

ARPU Trends against Industry



Brief Company Description

In March 2009, TWC as spun-off from Time Warner Inc, whom maintained no ownership. Today, TWC is the second-largest pure-play cable operator focused primarily on New York State (including New York City), North Carolina, South Carolina, Ohio, Southern California (including Los Angeles), and Texas. TWC offers video (~57.9% of revenue as of September 30, 2010), high-speed data (~26.5% of revenue as of September 30, 2010) and voice services (~10.8% of revenue as of September 30, 2010) over its broadband cable systems to both residential and commercial customers.

As of September 30, 2010, TWC served approximately 14.4 million residential and commercial customers who subscribed to one or more of its three primary subscription services – video, high-speed data and voice – totaling approximately 26.7 million primary service units. TWC markets its services separately and in "bundled" packages of multiple services and features. As of September 30, 2010, 59.4% of TWC's residential and commercial customers subscribed to two or more of its primary services, including 25.4% of its customers who subscribed to all three primary services. TWC also sells advertising to a variety of national, regional and local advertising customers.

Review of Competitive Landscape

TWC operates in an increasingly competitive, mature industry. Given its current market saturation, the US Cable & Other Pay TV services market has very little room for top-line subscriber growth. Companies like DISH Network Corporation, may be able to increase the ARPU, but there are too many incumbents in the space to justify significant subscriber adds.

Established TV Providers

Telecommunications Companies: TWC has traditionally competed against incumbent telecom firms like Verizon and AT&T in the high-speed internet space. Due to the increased usage of internet services, the Digital Subscriber Line (DSL) technology used by telecom incumbents is losing market share to the high-speed data services provided by cable operators like TWC. However, in recent years, Verizon, through its FIOS offering, and AT&T, through its U-Verse offering, have become significant competitors in the video space.

Direct Broadcast Satellite (DBS) Providers: TWC's video service faces competition from DBS services, such as DISH Network and DIRECTV. DBS providers have introduced aggressive promotional pricing (e.g., DISH Network's free HD upgrade offering) and exclusive programming (e.g., DIRECTV's NFL Sunday Ticket). Furthermore, DBS companies have gone as far as partnering with telecommunications companies (e.g., AT&T – DISH Network partnership) to offer synthetic product bundles at very attractive rates.

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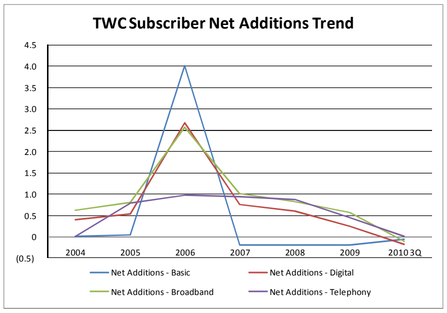
TWC Subscriber Trend



Source: Capital IQ and Company Reports

Cable Television Companies: According to the National Telecommunications Association, 93% of US households had access to cable as of July 2010. In response to the market saturation and decrease in subscribers, cable companies have branched into content ownership. The Comcast-NBCU deal was the most recent move by a cable operator to diversify its revenue stream away from its declining subscriber base to programming and content fees.

New and Emerging Technologies

Internet Delivery Video: The US Cable & Other Pay TV Services market is already saturated and room for growth only decreases as internet delivery video providers like GoogleTV emerge. As of now, there are no hard facts or numbers on expected growth for initiatives like GoogleTV or the Comcast and Time Warner Inc. driven "TV Everywhere". We do, however, believe that the presence of such options will further segment an already fragmented and saturated market.

Wireless Mobile Video: Due to the increased roll-out of third- and fourth-generation (i.e., 3G, 4G) bandwidth and devices, mobile video is on the rise. Efforts such as TV Everywhere and GoogleTV are designed to reach those users as well. As aforementioned, the space is becoming increasingly competitive, yet the number of subscribers / users is expected to remain constant.

Why we believe the share repurchase story…

Instead of simply believing the share repurchase hype, we chose to delve deeper in the story before forming our opinion. Much like its competitors (e.g., DIRECTV, whom recently announced a share repurchase program), TWC is sitting on a significant amount of cash in an environment where debt is relatively cheap. Recently, shareholders began to criticize the company for simply stockpiling the cash as opposed to putting it to "good" use. Without jumping directly to the conclusion, we believe that TWC can use its cash to enhance shareholder value through three strategies: paying down debt, merger and acquisition activity, and / or share repurchase.

Paying Down Debt

While paying down debt could provide some value to the shareholder, TWC has actually expressed interest in doing the exact opposite. During its Q3 2010 conference call, Mr. Rob Marcus, Senior EVP and CFO, revealed an increased target leverage ratio of 3.25x by the end of 2011. Mr. Marcus also touted the fact that the firm does not have any debt maturing until 2012. Just five days after the Q3 earnings release, TWC announced a $1.9 billion debt issuance and $4 billion revolving credit facility. We believe that Mr. Marcus' comments on the Q3 earnings call, the recent debt issuance and new revolver are clear signs that TWC does not intend to may significant strides to eliminate debt within the next year or so. Instead, TWC is securing even more cash through debt.

Time Warner Cable

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M&A Activity

2010 US Cable & Other Pay TV Services Merger & Acquisition Activity

Date	Target Name	Acquiror Name	Value ofTransaction ($mil)
11/12/2010	Animal Planet	Discovery Communications Inc	$ 156.0
11/01/2010	Houston Regional Network LP	Comcast Corp	-
10/22/2010	Charter Commun-Cable Systems	Cobridge Communications LLC	-
10/17/2010	Latele Novela Network	United Broadcasting	-
08/09/2010	Midcontinent Media Inc	Investor Group	-
08/04/2010	CONCERT.TV	Stingray Digital Media Group	-
10/15/2010	Sunflower Broadband	Knology Inc	$ 165.0
06/30/2010	Soundtrack Channel LLC	New Sound Media	-
06/15/2010	Windjammer Commun LLC-Cable TV	New Wave Communications	-
06/01/2010	BW Community TV-Cable Sys Asts	Bretton Woods Telephone Co	-
05/22/2010	Giant Communications LLC	Giant Communications Inc	$ 2.1
06/01/2010	Eyecom Inc-TV Facilities	General Communication Inc	-
07/30/2010	JetBroadband VA LLC-Cable Op	Shenandoah Telecommun Co	$ 148.0
04/13/2010	Patient Channel	Interactivation	-
04/01/2010	Insight Communications Co Inc	Investor Group	-
08/26/2010	RCN Corp	ABRY Partners LLC	$ 1,273.0
03/01/2010	GuideWorks LLC	Comcast Corp	-
02/22/2010	Performance Lifestyle Channel	Artfest International Inc	-
02/01/2010	Inside Connect-Cert Cable Sys	Insight Kentucky Partners II	-
02/18/2010	Liberty Global-Subsidiaries(3)	KDDI Corp	$ 4,000.0
07/21/2010	Satview Broadband Ltd	WENR Corp	$ 0.1

Source: Thomson One Banker

Recent M&A activity within the Cable & Other Pay TV Services industry has primarily consisted of private and small public deals. We believe that most M&A activity in the space will continue to follow this trend as the industry awaits the success / fallout of the Comcast-NBCU merger. Through its purchase of NBCU, Comcast increased its content-ownership, despite industry-wide concerns of whether a cable operator can sustain such a strategy. The most recent example of a failed content-ownership strategy was exemplified in the Time Warner Inc. spin-off of Time Warner Cable. Given TWC's success and the challenges Comcast-NBCU has faced, we believe that incumbents will hold off on major acquisitions until the line in sand (i.e., pure-play vs. content-ownership) is drawn and the dust is settled.

As aforementioned, TWC was spun-off from Time Warner Inc. in 2009 and continues to thrive on its own. Given the concentration within the Cable & Other Pay TV Services space and sheer size of its competitors, we do not think that TWC will acquire any companies within the next year. Similarly, TWC's position as the second largest pure-play cable company in the space decreases the likelihood of it being acquired by a competitor. Ultimately, we believe that TWC will continue to grow organically and will not be acquired.

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Share Repurchase Sensitivity

Repurchase % on Share Price

		Repurchaes %				
		50.0%	**60.0%**	**70.00%**	**80.0%**	**90.0%**
	4.9%	$96.6	$98.6	$100.7	$103.0	$105.3
	5.4%	$81.0	$82.7	$84.5	$86.4	$88.3
WACC	**5.92%**	$68.3	$69.8	$71.3	$72.9	$74.5
	6.4%	$57.8	$59.0	$60.3	$61.6	$63.0
	6.9%	$48.9	$50.0	$51.0	$52.2	$53.3

Source: L&V Associates

Share Repurchase

On November 4, 2010, TWC announced a $4 billion share repurchase program. Given the fact that the program is TWC's first as a standalone company (i.e., since the spin-off from Time Warner Inc), our team was unable to trace management's track record in fulfilling such promises. However, we believe that TWC will fulfill a significant portion (if not all) of the repurchase program, especially considering its limited M&A prospects, recent debt issuance of $1.9 billion, creation of a $4 billion revolver, and the fact that no debt matures until 2012. Ultimately, we believe that TWC is likely to repurchase at least $3 billion. Given its strong cash position and debt activity, TWC could repurchase the $3 billion within the next year or two, but we have realistically extended our forecast to four years. By 2015, TWC will repurchase at least $3 billion of common stock as yet another way to enhance shareholder value.

Time Warner Cable

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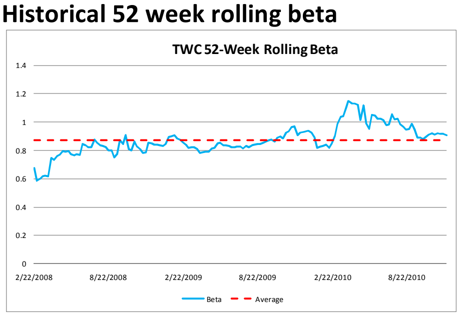
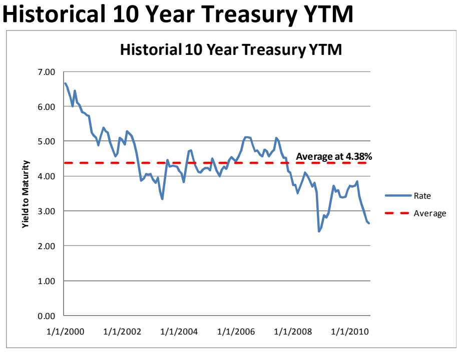
Historical 52 week rolling beta



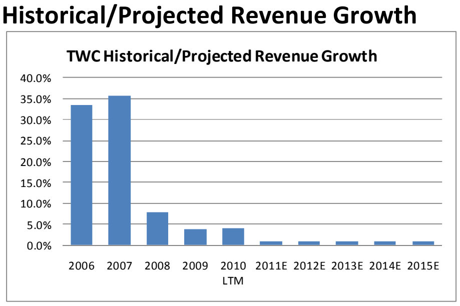
Source: Wharton WRDS data system

Historical 10 Year Treasury YTM



Source: Wharton WRDS data system

Historical/Projected Revenue Growth



Source: Capital IQ and L&V Research

Valuation

Beta: Given volatility of Beta over time, we regressed TWC's historical beta on a rolling weekly basis dating back to early 2003. We found overall 5 year average public equity beta of TWC to be at 0.87. Since current market beta of 0.91 is fairly close to the average beta, we have decided to use the most recent public beta for our cost of equity calculation. The management has reiterated on keeping the same level of leverage going forward (3.15x-3.25x EBITDA), we unlevered the equity beta on previous leverage ratio of 50%, and re-levered the asset beta by the targeted leverage ratio of 50% (Which unsurprisingly, returns the same number. However, we felt obligated to walk you through our thought process). We assumed a constant leverage ratio of from 2010 to 2015, with Debt/EBITDA ratio of 3.25x on year 2015, implying a leverage ratio of 50%. We arrived at what we believed to be a relatively accurate beta estimate of **0.91**.

Cost of Debt: At the time of the report, management stated that the firm intends to keep level of debt constant. The firm has been taking advantage of cheap funding from capital markets, with current portfolio debt of 21.6 Billion dollars at a weighted average interest rate of 6.79%. Per management, TWC also has an expected tax rate of 41.2% going forward. For the cost of debt for TWC, we adjusted Rd by approximately 80 basis points based on historical data, arriving at a cost of debt of **7.59%**.

Risk Free Rate: We have decided, to use the intuitive answer for the risk free rate, which is the current 10 year U.S. treasury at 2.87% YTM. However, since 10 year treasuries are at very low levels, we feel obligated to remind potential investors about sustainability of recent low interest rates and its impact on valuation. We then accounted for potential pitfalls of choosing the 10 year rate, namely, we adjusted for risk premium embedded in the 10 year treasury, by subtracting a historical premium of approximately 0.5%, or 50 basis points. Thus we felt justified to use 2.87%-0.50%=**2.37%** as our risk free rate for the CAPM model.

Tax Rate: TWC's historical marginal tax rate has remained relatively stable in the average of 40.5%. The management also expects future income to be taxed at 41.2% going forward. Therefore we felt justified to assume a 41.2% tax rate going forward.

Time Warner Cable

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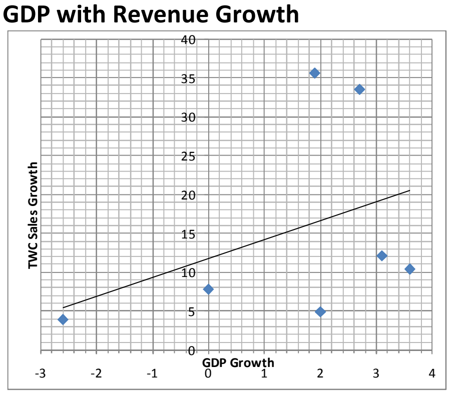
WACC Estimation

TWC WACC Estimation	
Weighted average cost of debt	6.79%
Risk premium adjustment	0.80%
Cost of Debt	**7.59%**
Tax Rate	**41%**
Market Risk Premium	**5.5%**
10 Year Risk Free Rate	2.87%
adjust for market risk premium	0.50%
Risk Free Rate Used:	**2.37%**
TWC WACC Estimation	
Beta Estimation	
Raw Beta Estimate (52 Week Rolling Average)	0.91
Current Leverage	50%
Expected Leverage	50%
Un-Lever using current leverage	0.70
Re-Lever Beta using target leverage	**0.91**
Cost of Equity	**7.38%**
WACC	**5.92%**

GDP with Revenue Growth



Source: BEA and Company Filings

Market Risk Premium: With two different schools of opinions on equity market risk premium to be at either 4% or 7%, we have decided to take the middle ground in choosing our market risk premium. We have taken the scientific method of averaging 4% and 7% ((4+7)/2), and justified our valuation using a 5.5% equity market risk premium.

Cost of Equity: We arrived at the cost of equity of **7.38%** using CAPM model with inputs stated above. We feel that this equity discount rate is reasonable.

Revenue Growth Rate: Given the current macroeconomic environment and mature state of the industry, we assumed a 1% revenue growth rate. TWC operates in a mature industry with very room for growth. Due to the increased competition and overlap in the space by other direct-to-home satellite, cable television, telecommunications, internet video and mobile video providers, there is a lack of data on subscriber trends.

Terminal Growth Rate: As aforementioned, we assumed that the Cable & Other Pay TV Services is in a mature state and has marginal room for growth. In the short-term (i.e. the next five years), we assumed a revenue growth rate of 1%, but utilized a terminal growth rate of 0.5% to reflect the even lower growth opportunities after 2015.

Timing of Share Repurchase: Given the strength of TWC, particularly as indicated by its recent debt issuance, we believe the firm is more than capable completing the share repurchase within the next five years. Therefore, our model assumes equal, annual amounts of share repurchase until 2015.

Appendix-Financials

TWC Financial Summary										
Ending in December 31st	2006	2007	2008	2009	2010 LTM	2011E	2012E	2013E	2014E	2015E
Income Statement						**Projected**				
Revenues	11,767	15,955	17,200	17,868	18,599	18,785	18,973	19,163	19,354	19,548
EBITDA	4,285	5,765	6,201	6,492	6,847	6,915	6,985	7,054	7,125	7,196
EBIT	2,235	2,789	3,113	3,407	3,657	3,694	3,731	3,768	3,805	3,844
Interest Expense	(646)	(894)	(923)	(1,319)	(1,467)	(1,526)	(1,541)	(1,556)	(1,572)	(1,588)
Income Tax Expense	620	806	(5,109)	820	903	1,523	1,538	1,554	1,569	1,585
Net Income	1,976	1,123	(7,344)	1,070	1,238	1,274	1,287	1,300	1,313	1,326
Cash Flow										
Cash From Operations	3,595	4,563	5,300	5,179	5,148	5,509	5,564	5,620	5,676	5,733
Net Capex	(2,774)	(3,433)	(3,522)	(3,231)	(3,092)	(3,282)	(3,282)	(3,282)	(3,282)	(3,282)
D&A	2,050	2,976	3,088	3,085	3,190	3,121	3,121	3,121	3,121	3,121
Free Cash Flow	821	1,130	1,778	1,948	2,056	2,227	2,282	2,338	2,394	2,451
Dividend/Repurchase	0	0	0	(10,856)	(576)	(1,153)	(1,137)	(1,121)	(1,097)	(1,089)
Net Increase/Decrease in Debt	9,325	(551)	4,138	4,605	(1,009)	864	225	227	229	232
Investing+Financing Cash Flow	(3,556)	(4,382)	(83)	(9,544)	(4,526)	(3,571)	(4,194)	(4,176)	(4,150)	(4,139)
Net Cash Flow	39	181	5,217	(4,365)	46	413	(171)	(113)	(46)	6
Change in Working Capital	(328)	(56)	(160)	(173)	179	(108)	(108)	(108)	(108)	(108)
Balance Sheet										
Cash and cash equivalents	51	232	5,552	1,082	1,128	1,541	1,370	1,257	1,211	1,217
Net PP&E	11,601	12,873	13,537	13,919	13,666	13,764	13,603	13,443	13,282	13,121
Total Assets	55,821	56,600	47,889	43,694	43,686	43,800	43,275	42,752	42,231	41,713
Debt	14,428	13,877	18,015	22,620	21,611	22,475	22,700	22,927	23,156	23,388
Total Liabilities	32,257	31,894	30,725	35,009	34,261	35,125	35,350	35,577	35,806	36,038
Total Shareholders Equity	23,564	24,706	17,164	8,685	9,425	8,675	7,925	7,175	6,425	5,675
Net Debt	14,377	13,645	12,463	21,538	20,483	20,935	21,330	21,670	21,945	22,171

Financials-Continued

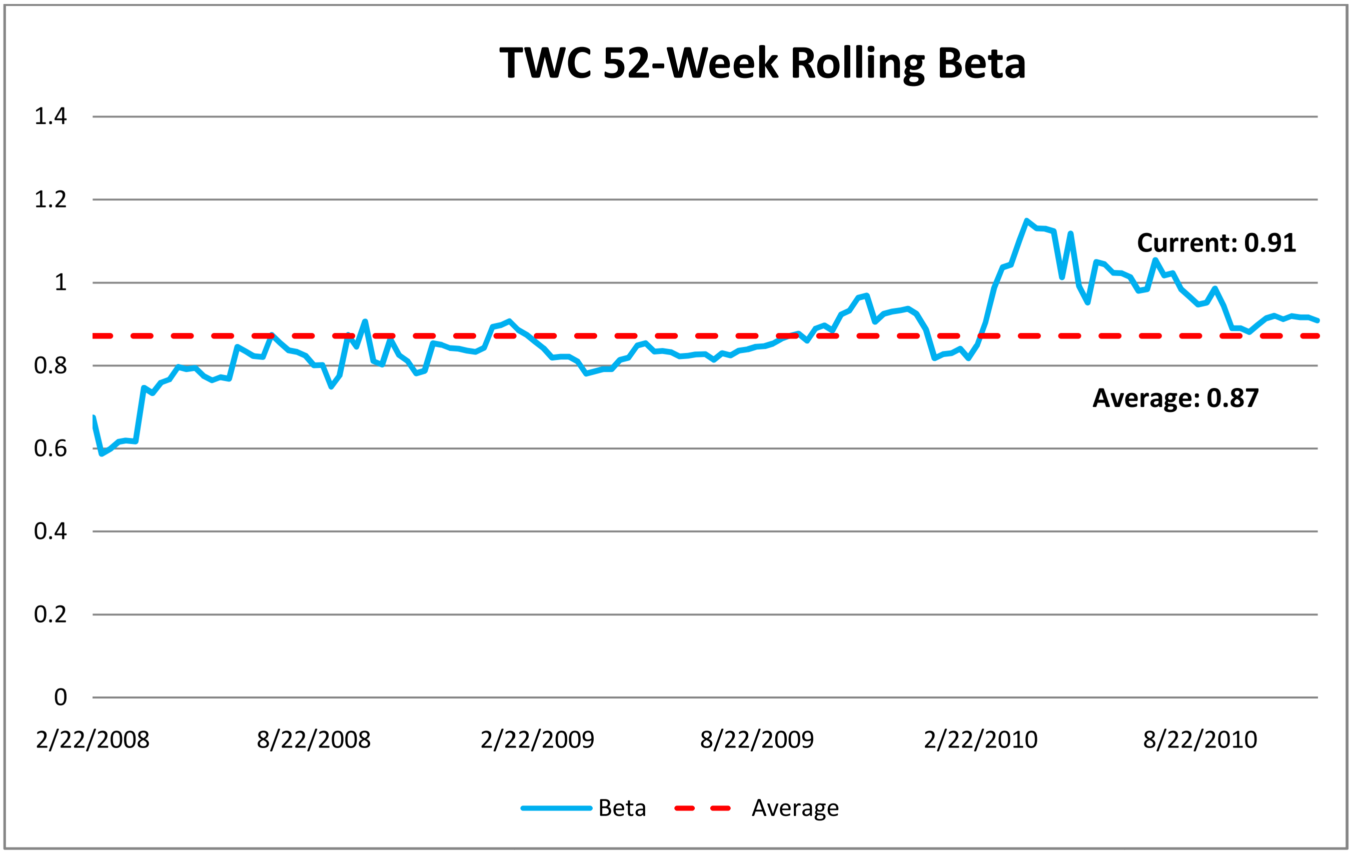
Dupont Analysis	2006	2007	2008	2009	2010 LTM	2011E	2012E	2013E	2014E	2015E
Net Income/Sales	0.17	0.07	-0.43	0.06	0.07	0.07	0.07	0.07	0.07	0.07
Sales/Assets	0.21	0.28	0.36	0.41	0.43	0.43	0.44	0.45	0.46	0.47
Assets/Equity	2.37	2.29	2.79	5.03	4.64	5.05	5.46	5.96	6.57	7.35
ROE	8.39%	4.55%	-42.79%	12.32%	13.14%	14.69%	16.24%	18.11%	20.43%	23.36%
ROA	5.58%	2.00%	-14.06%	2.34%	2.83%	2.91%	2.96%	3.02%	3.09%	3.16%

Coverage Ratios	2006	2007	2008	2009	2010 LTM	2011E	2012E	2013E	2014E	2015E
Revenue/Interest	14.6	20.5	17.0	14.1	15.4	14.9	14.9	14.9	14.9	14.9
EBITDA/Interest	5.3	7.4	6.1	5.1	5.7	5.5	5.5	5.5	5.5	5.5
Debt/EBITDA	3.4	2.4	2.9	3.5	3.2	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**

TWC WACC Estimation			
Weighted average cost of debt	6.79%	**Beta Estimation**	
Risk premium adjustment	0.80%	Raw Beta Estimate (52 Week Rolling Average)	0.91
Cost of Debt	**7.59%**	Current Leverage	50%
		Expected Leverage (3.5x EBITDA)	50%
Tax Rate	**41.2%**	Un-Lever using current leverage	0.70
Market Risk Premium	**5.5%**	**Re-Lever Beta using target leverage**	**0.91**
10 Year Risk Free Rate	2.87%		
adjust for market risk premium	0.50%	**Cost of Equity**	**7.38%**
Risk Free Rate Used:	**2.37%**	**WACC**	**5.92%**

TWC Financial Model Assumptions										
Ending in December 31st	2006	2007	2008	2009	2010 LTM	2011E	2012E	2013E	2014E	2015E
Key Company Metrics						**Assumptions**				
Sales Growth	33.5%	35.6%	7.8%	3.9%	4.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Gross Margin	45.2%	45.2%	42.7%	39.8%	40.5%	42.7%	42.7%	42.7%	42.7%	42.7%
EBITDA Margin	17.7%	36.1%	36.1%	36.3%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%
EBIT Margin	19.0%	17.5%	18.1%	19.1%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%
						Statutory Tax Rate				
Statutory Tax Rate	39.0%	42.5%	-233.3%	39.3%	41.2%	41.2%	41.2%	41.2%	41.2%	41.2%

Beta Estimate



Valuation

TWC DCF Analysis							
Projections							
		2010	2011	2012	2013	2014	2015
EBITDA		6,847	6,915	6,985	7,054	7,125	7,196
-Capital Expenditures		3,092	3,282	3,282	3,282	3,282	3,282
-Income Taxes		1,238	1,523	1,538	1,554	1,569	1,585
+Decrease in WC		179	(108)	(108)	(108)	(108)	(108)
Free Cash Flow		2,696	2,003	2,057	2,112	2,167	2,222
WACC	**5.92%**						
Discount Factor		1	0.944	0.891	0.842	0.795	0.750
Terminal Growth	**0.50%**					**Terminal Value**	**41,226**
2010 PV of FCF		2,696	1,891	1,834	1,777	1,722	1,667
2010 PV of Terminal		30,927					

Enterprise Value	**42,514**	Actual Shares Outstanding	355.7
-Net Debt	21,611	Average Repurchase Price	$60
+Cash	1,128	Authorized Repurchase (bn)	4.0
Net Equity Value	**22,031**	% Repurchase by 2015	75%
		Expected Shares Retired	50.0
Price/Share	**$72.07**	Expected Shares Outstanding	305.7
Price on 26 NOV 2010	$61.29		
Upside to TWC	**17.6%**		

Sensitivity

Equity Value Per Share

		Terminal Growth Rate				
		-0.5%	**0.0%**	**0.50%**	**1.0%**	**1.5%**
	4.9%	76.76	88.02	101.83	119.17	141.58
	5.4%	65.20	74.39	85.44	98.99	116.00
WACC	**5.92%**	55.46	63.06	72.07	82.91	96.21
	6.4%	47.12	53.50	60.97	69.81	80.45
	6.9%	39.91	45.33	51.60	58.92	67.60

EV/FCF Multiple

		Terminal Growth Rate				
		-0.5%	**0.0%**	**0.5%**	**1.0%**	**1.5%**
	4.9%	16.3x	17.6x	19.1x	21.1x	23.7x
	5.4%	15.0x	16.0x	17.3x	18.8x	20.8x
WACC	**5.92%**	13.9x	14.7x	15.8x	17.0x	18.5x
	6.4%	12.9x	13.7x	14.5x	15.5x	16.7x
	6.9%	12.1x	12.7x	13.4x	14.3x	15.3x

EV/EBITDA Multiple

		Terminal Growth Rate				
		-0.5%	**0.0%**	**0.50%**	**1.0%**	**1.5%**
	4.9%	6.4x	6.9x	7.5x	8.3x	9.3x
	5.4%	5.9x	6.3x	6.8x	7.4x	8.2x
WACC	**5.92%**	5.5x	5.8x	6.2x	6.7x	7.3x
	6.4%	5.1x	5.4x	5.7x	6.1x	6.6x
	6.9%	4.8x	5.0x	5.3x	5.6x	6.0x

EV/ Per Subscriber Multiple

		Terminal Growth Rate				
		-0.5%	**0.0%**	**0.5%**	**1.0%**	**1.5%**
	4.9%	$3,052	$3,291	$3,584	$3,952	$4,428
	5.4%	$2,807	$3,002	$3,236	$3,524	$3,885
WACC	**5.92%**	$2,600	$2,761	$2,952	$3,183	$3,465
	6.4%	$2,423	$2,558	$2,717	$2,904	$3,130
	6.9%	$2,270	$2,385	$2,518	$2,673	$2,858

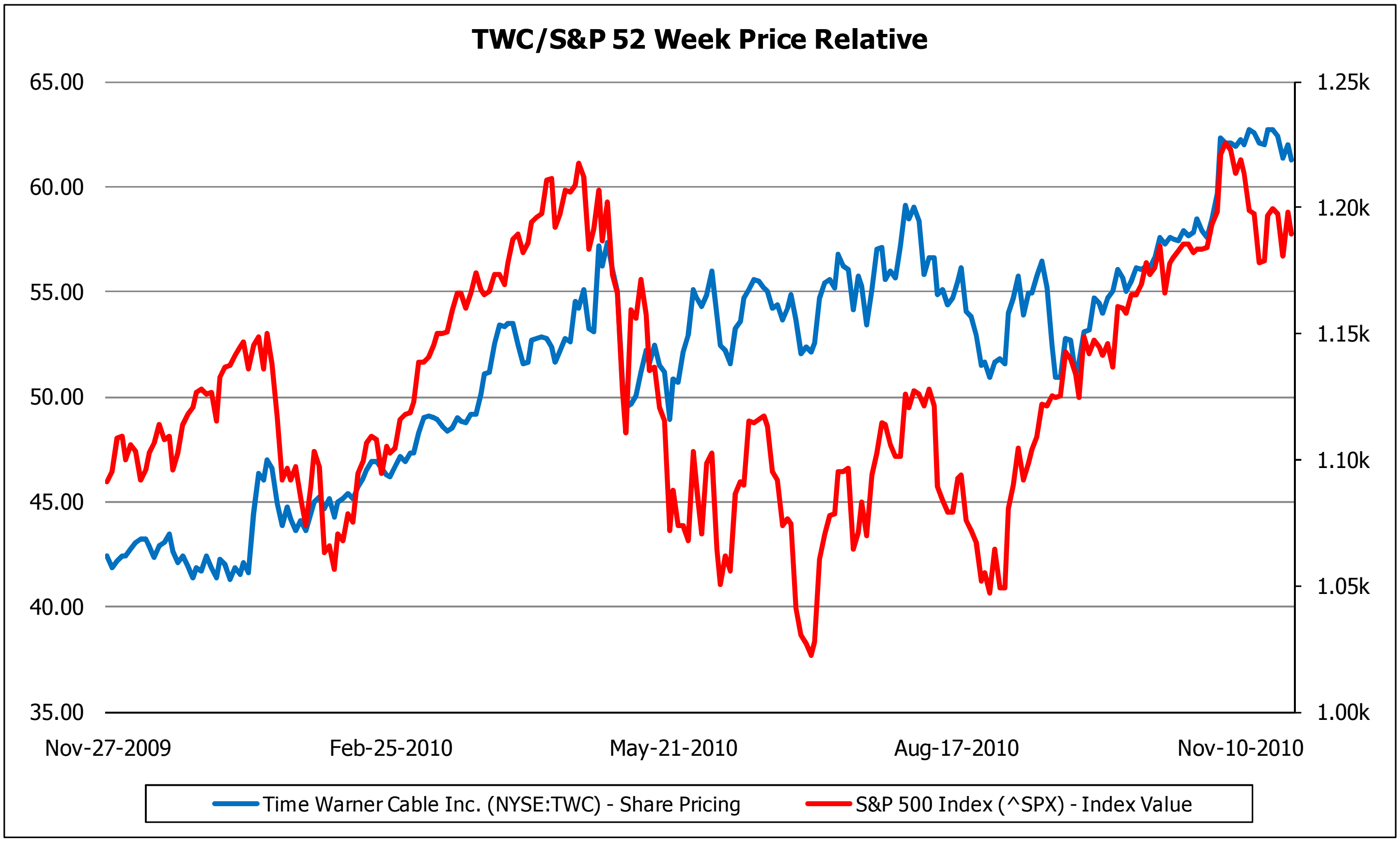
Repurchase % on Share Price

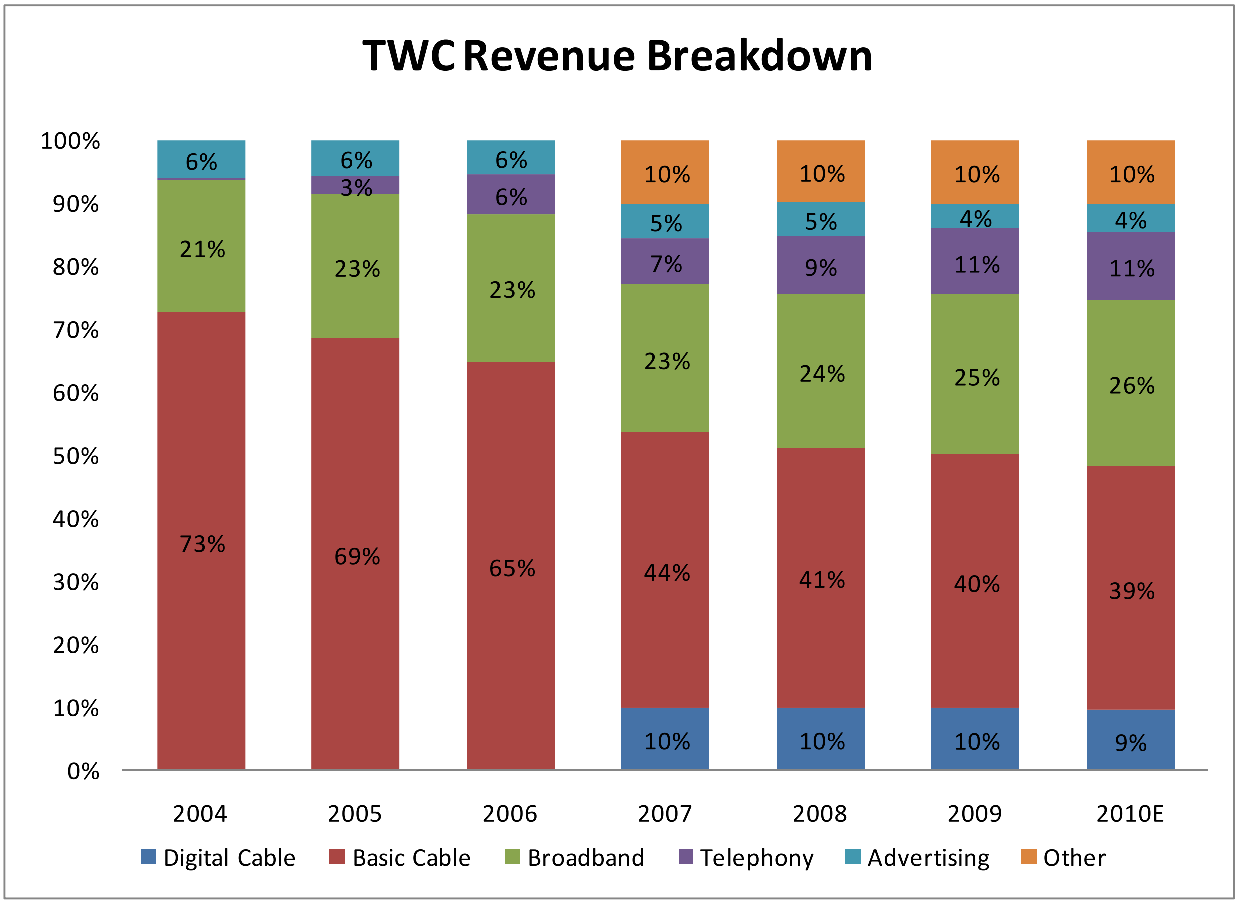
		Repurchaes %				
		50.0%	**60.0%**	**70.00%**	**80.0%**	**90.0%**
	4.9%	$96.6	$98.6	$100.7	$103.0	$105.3
	5.4%	$81.0	$82.7	$84.5	$86.4	$88.3
WACC	**5.92%**	$68.3	$69.8	$71.3	$72.9	$74.5
	6.4%	$57.8	$59.0	$60.3	$61.6	$63.0
	6.9%	$48.9	$50.0	$51.0	$52.2	$53.3

Beta/Repurchase % on share price

		Beta				
		0.71	**0.81**	**0.91**	**1.0**	**1.1**
	70.0%	$86.0	$78.2	$71.3	$65.6	$59.9
	60.0%	$84.2	$76.6	$69.8	$64.2	$58.6
Purchase %	**50.00%**	$82.4	$75.0	$68.3	$62.9	$57.4
	40.0%	$80.8	$73.5	$67.0	$61.6	$56.2
	30.0%	$79.2	$72.0	$65.6	$60.4	$55.1

52 Week Price Relative

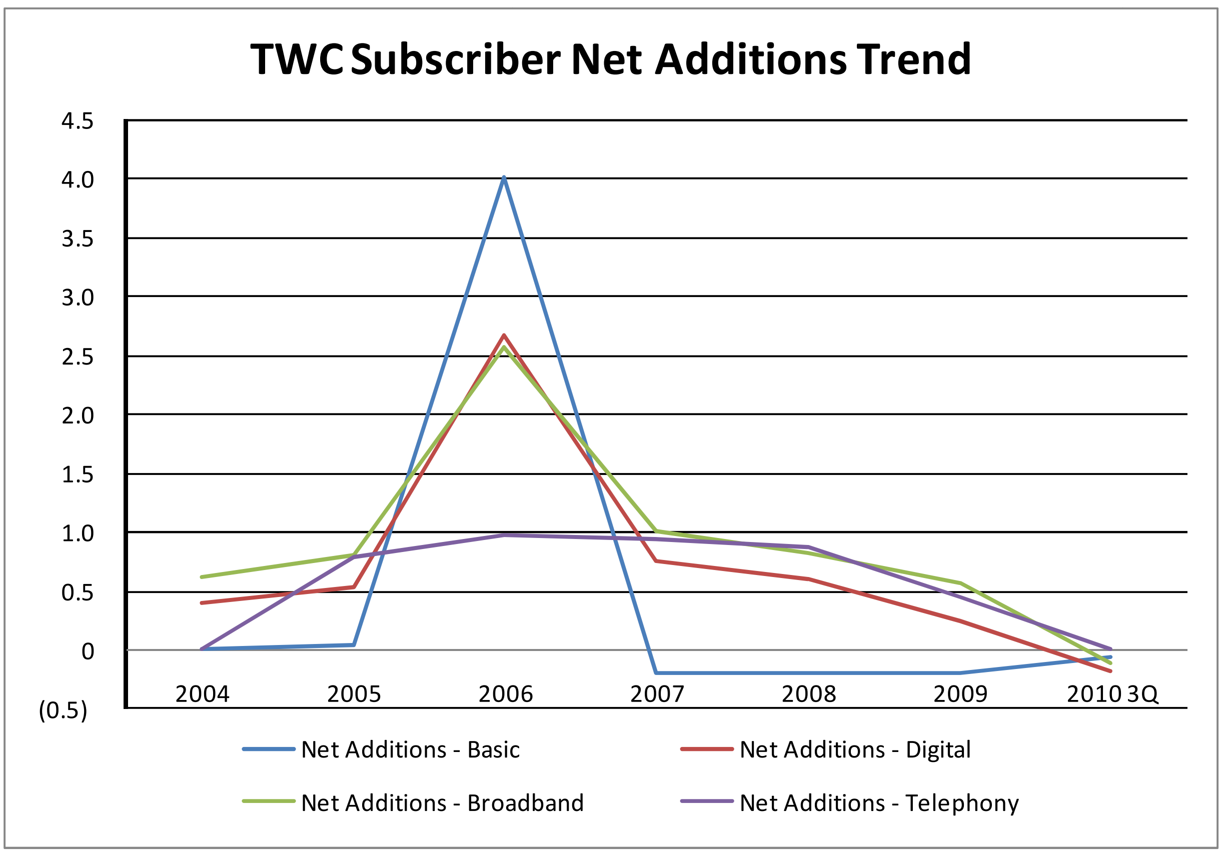



TWC Revenue Breakdown
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2004
2005
2006
2007
2008
2009
2010E
6%
21%
73%
6%
3%
23%
69%
6%
6%
23%
65%
10%
5%
7%
23%
44%
10%
10%
5%
9%
24%
41%
10%
10%
4%
11%
25%
40%
10%
10%
4%
11%
26%
39%
9%
Digital Cable
Basic Cable
Broadband
Telephony
Advertising
Other

Subscriber Metrics

Subscriber Data (millions)	2003	2004	2005	2006	2007	2008	2009	2010 3Q
Analog Cable	5.7	5.3	4.8	6.1	5.2	4.4	4.0	3.6
Digital Cable	3.7	4.1	4.6	7.3	8.0	8.6	8.9	9.0
Subscribers - Video	9.4	9.3	9.4	13.4	13.3	13.1	12.9	12.6
Broadband	2.9	3.5	4.3	6.9	7.9	8.7	9.3	9.7
Residential Telephony	-	-	-	2.0	2.9	3.7	4.2	4.3
Business Telephony	-	-	-	-	0.0	0.0	0.1	0.1
Telephony	-	0.2	1.0	2.0	2.9	3.8	4.2	4.4
Bundles	-	3.0	3.9	6.2	7.1	7.9	8.3	8.5
Total	9.7	9.9	10.1	14.6	14.6	14.6	14.6	14.4
Net Additions - Basic	-	0	0.0	4.0	(0.2)	(0.2)	(0.2)	(0.3)
Net Additions - Digital	-	0.4	0.5	2.7	0.8	0.6	0.2	0.1
Net Additions - Broadband	-	0.6	0.8	2.6	1.0	0.8	0.6	0.4
Net Additions - Telephony	-	-	0.8	1.0	0.9	0.9	0.4	0.2

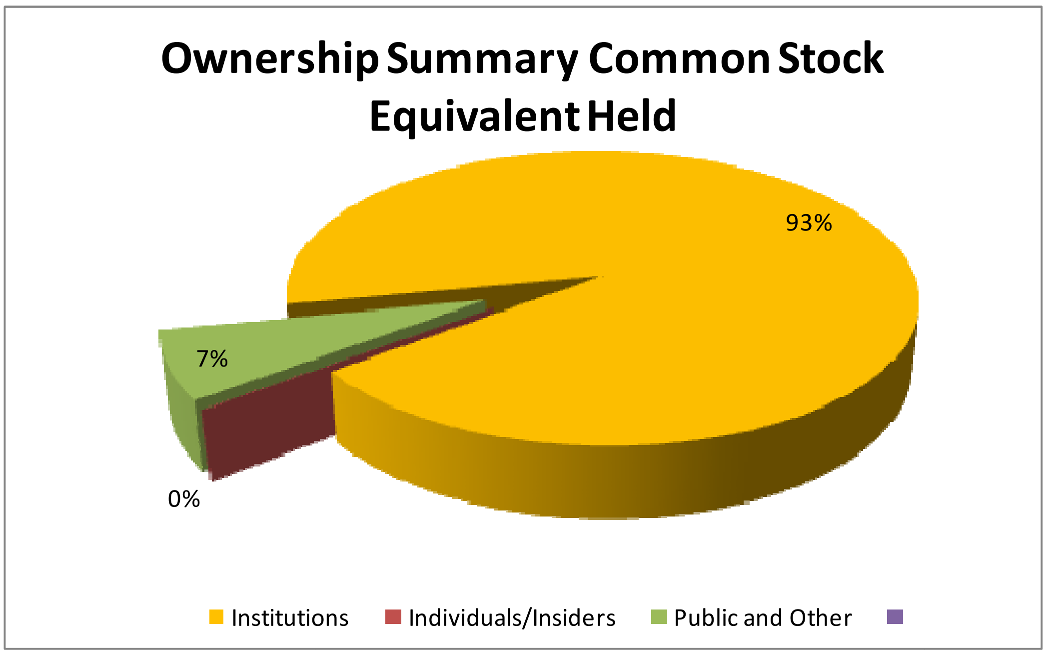
Source: Company Filings



Ownership

Ownership Summary			
Type	Common Stock Equivalent Held	% of Total Shares Outstanding	Market Value (USD in mm)
Institutions	329,922,301	92.74%	20,220.90
Individuals/Insiders	118,084	0.03%	7.2
Public and Other	25,692,717	7.22%	1,574.70
Total	355,733,102	100	21,802.90

Source: Capital IQ

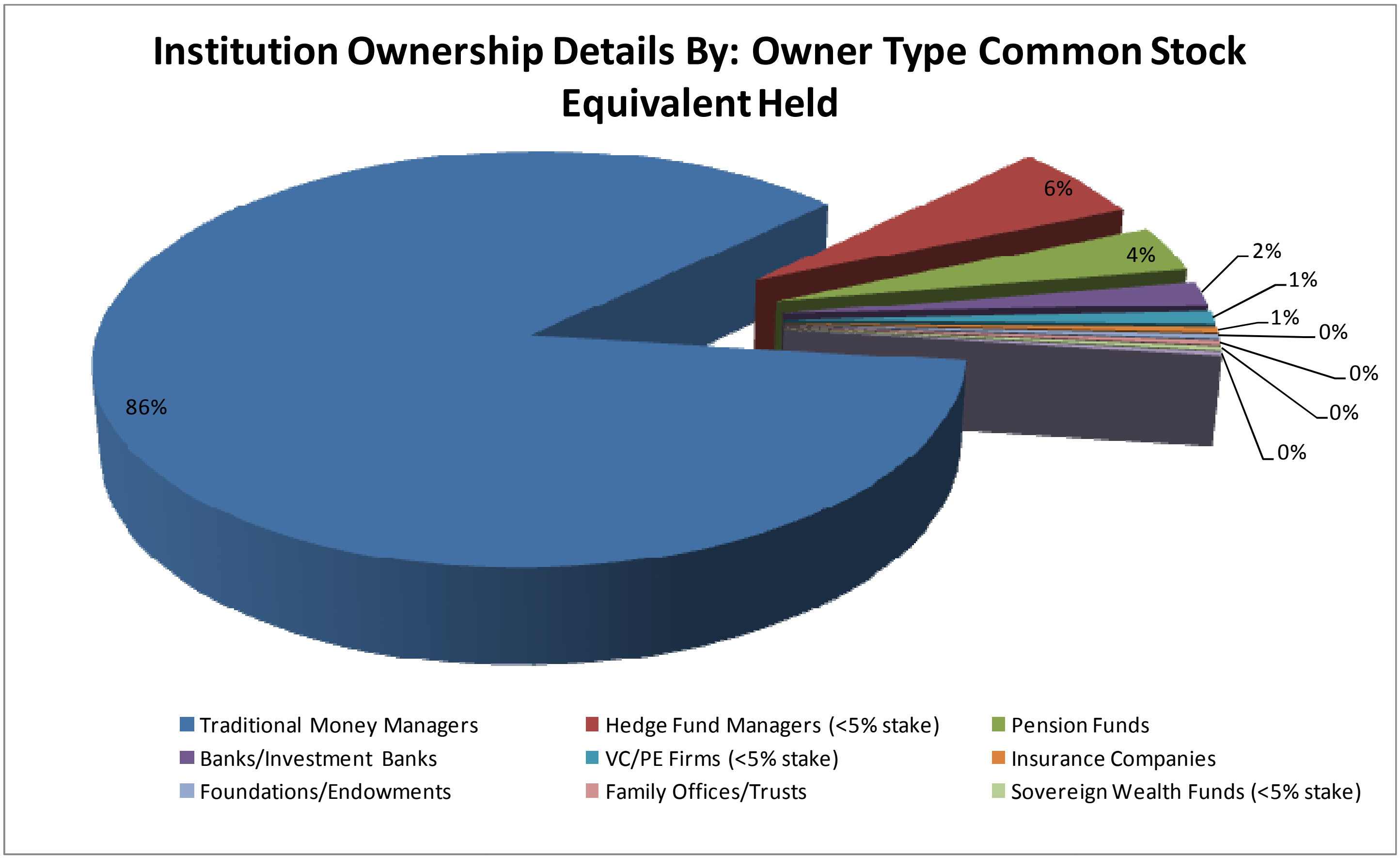


Source: Capital IQ

Ownership Data

Top 20 Shareholder	Common Stock Equivalent Held	% Of CSO	Market Value (USD in mm)
Capital Research and Management Company	39,371,493	11.07%	2,413.1
AllianceBernstein L.P.	25,841,688	7.26%	1,583.8
Dodge & Cox	20,899,871	5.88%	1,281.0
BlackRock, Inc. (NYSE:BLK)	16,173,144	4.55%	991.3
Franklin Resources Inc. (NYSE:BEN)	13,457,946	3.78%	824.8
The Vanguard Group, Inc.	12,803,116	3.60%	784.7
State Street Global Advisors, Inc.	12,497,031	3.51%	765.9
Invesco Ltd. (NYSE:IVZ)	11,280,306	3.17%	691.4
T. Row e Price Group, Inc. (NasdaqGS:TROW)	8,440,123	2.37%	517.3
Van Kampen Investments, Inc.	6,839,067	1.92%	419.2
Fidelity Investments	6,058,279	1.70%	371.3
Northern Trust Global Investments	4,555,542	1.28%	279.2
Edinburgh Partners Limited	4,543,682	1.28%	278.5
Viking Global Investors L.P.	4,301,285	1.21%	263.6
Dimensional Fund Advisors LP	3,867,878	1.09%	237.1
OppenheimerFunds, Inc.	3,831,062	1.08%	234.8
Eaton Vance Management	3,720,479	1.05%	228.0
Capital Group International Inc.	3,594,855	1.01%	220.3
Teachers Insurance and Annuity Association College Retirement Equities Fund	3,431,699	0.97%	210.3
Chieftain Capital Management, Inc.	3,176,197	0.89%	194.7
Highfields Capital Management, LP	2,963,535	0.83%	181.6

Source: Capital IQ



Source: Capital IQ

Institution Ownership Details By: Owner Type

Type	Common Stock Equivalent Held	% of Inst. Ownership	% of Total Shares Outstanding	Market Value (USD in mm)	Number Of Holders
Traditional Money Managers	283,687,994	85.99%	79.75	17,387.20	481
Hedge Fund Managers (<5% stake)	19,428,475	5.89%	5.46	1,190.80	45
Pension Funds	12,010,857	3.64%	3.38	736.2	30
Banks/Investment Banks	6,080,389	1.84%	1.71	372.7	43
VC/PE Firms (<5% stake)	3,299,068	1.00%	0.93	202.2	4
Insurance Companies	1,268,569	0.38%	0.36	77.8	7
Foundations/Endowments	1,154,317	0.35%	0.32	70.8	4
Family Offices/Trusts	1,062,029	0.32%	0.3	65.1	47
Sovereign Wealth Funds (<5% stake)	966,948	0.29%	0.27	59.3	3
Unclassified	963,655	0.29%	0.27	59.1	2
Total	329,922,301		92.74	20,220.90	666

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