

**TIME WARNER INC.**  
**2016 TRENDING SCHEDULES**  
**BASIS OF PRESENTATION**

**NOTE: These materials are dated as of the date originally issued and may now be out of date.**

*The trending schedules summarize financial information to facilitate your review and understanding of the Company's operating results. Regulation G adopted by the Securities and Exchange Commission sets forth rules regarding the disclosure of non-GAAP financial measures, as defined in that Regulation. The Company uses non-GAAP financial measures to evaluate the performance of its businesses, and the trending schedules disclose these non-GAAP financial measures in accordance with the requirements of the Regulation.*

Time Warner utilizes Adjusted Operating Income (Loss), Adjusted Operating Income margin and Adjusted EPS, among other measures, to evaluate the performance of its businesses. These measures are considered important indicators of the operational strength of the Company's businesses. Some limitations of Adjusted Operating Income (Loss), Adjusted Operating Income margin and Adjusted EPS are that they do not reflect certain charges that affect the operating results of the Company's businesses and they involve judgment as to whether items affect fundamental operating performance.

Adjusted Operating Income (Loss) is Operating Income (Loss) excluding the impact of: noncash impairments of goodwill, intangible and fixed assets; gains and losses on operating assets (other than deferred gains on sale-leasebacks); gains and losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements; external costs related to mergers, acquisitions or dispositions (including restructuring and severance costs associated with dispositions), as well as contingent consideration related to such transactions, to the extent such costs are expensed; amounts related to securities litigation and government investigations; and the foreign currency losses during the three months ended December 31, 2014 and March 31, 2015 related to the translation of net monetary assets denominated in Venezuelan currency resulting from the Company's change to the SICAD 2 exchange rate beginning December 31, 2014 and the Simadi exchange rate during the quarter ended March 31, 2015, respectively. Adjusted Operating Income margin is defined as Adjusted Operating Income divided by Revenues.

Adjusted EPS is Diluted Income per Common Share from Continuing Operations attributable to Time Warner Inc. common shareholders with the following items excluded from Income from Continuing Operations attributable to Time Warner Inc. common shareholders: noncash impairments of goodwill, intangible and fixed assets and investments; gains and losses on operating assets (other than deferred gains on sale-leasebacks), liabilities (including extinguishments of debt) and investments, in each case including associated costs of the transaction; gains and losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements; external costs related to mergers, acquisitions, investments or dispositions (including restructuring and severance costs associated with dispositions), as well as contingent consideration related to such transactions, to the extent such costs are expensed; amounts related to securities litigation and government investigations; the foreign currency losses during the three months ended December 31, 2014 and March 31, 2015 related to the translation of net monetary assets denominated in Venezuelan currency resulting from the Company's change to the SICAD 2 exchange rate beginning December 31, 2014 and the Simadi exchange rate during the quarter ended March 31, 2015, respectively; and amounts attributable to businesses classified as discontinued operations; as well as the impact of taxes and noncontrolling interests on the above items and the Company's share of the above items with respect to equity method investments. Adjusted EPS is considered an important indicator of the operational strength of the Company's businesses as this measure eliminates amounts that do not reflect the fundamental performance of the Company's businesses. The Company utilizes Adjusted EPS, among other measures, to evaluate the performance of its businesses both on an absolute basis and relative to its peers and the broader market. Many investors also use an adjusted EPS measure as a common basis for comparing the performance of different companies.

Net Debt is the sum of Long-term debt and Debt due within one year, minus Cash and equivalents. Adjusted OIBDA is defined as Adjusted Operating Income (Loss) before Depreciation and Amortization and is calculated as Adjusted Operating Income (Loss) plus depreciation and amortization. The Company uses Net Debt and Adjusted OIBDA in determining its Leverage Ratio. Leverage Ratio is defined as Net Debt divided by Adjusted OIBDA for the trailing four quarters. The Company believes that Net Debt and the Leverage Ratio provide useful information to management, investors, rating agencies and others in evaluating the Company's liquidity, creditworthiness (both individually and relative to other companies) and capital structure. As part of its capital allocation strategy, the Company has selected a target Leverage Ratio that it concluded helps optimize its capital structure while balancing both shareholders' and creditors' interests.

Free Cash Flow is defined as Cash Provided by Operations from Continuing Operations plus payments related to securities litigation and government investigations (net of any insurance recoveries), external costs related to mergers, acquisitions, investments or dispositions (including restructuring and severance costs associated with dispositions), to the extent such costs are expensed, contingent consideration payments made in connection with acquisitions, and excess tax benefits from equity instruments, less capital expenditures, principal payments on capital leases and partnership distributions, if any. The Company uses Free Cash Flow to evaluate the performance and liquidity of its businesses and considers Free Cash Flow when making decisions regarding strategic investments, dividends and share repurchases. The Company believes Free Cash Flow provides useful information to investors because it is an important indicator of the Company's liquidity, including its ability to reduce net debt, make strategic investments, pay dividends to common shareholders and repurchase stock.

The Company utilizes Return on Invested Capital and Return on Invested Capital excluding Purchase Price Adjustments ("PPA"), among other measures, to evaluate the performance of its businesses. Return on Invested Capital is calculated as net operating profit ("NOPAT") divided by average capital employed. NOPAT represents the Adjusted Operating Income (Loss) before amortization expense, net of tax at the Company's adjusted effective tax rate plus the equity income (loss), net of taxes from the Company's investments accounted for under the equity method. PPA reflects the net outstanding goodwill and intangible assets recognized in connection with the 2001 AOL/Time Warner merger and the 2003 Time Warner Entertainment Company, L.P. restructuring.

A general limitation of these non-GAAP financial measures is that they are not prepared in accordance with U.S. generally accepted accounting principles and may not be comparable to similarly titled measures of other companies due to differences in methods of calculation and excluded items. Adjusted Operating Income (Loss), Adjusted EPS, Net Debt, Leverage Ratio, Free Cash Flow and Return on Invested Capital should be considered in addition to, not as a substitute for, the Company's Operating Income (Loss), Diluted Income per Common Share from Continuing Operations, Long-term debt, Debt due within one year and various cash flow measures (e.g., Cash Provided by Operations from Continuing Operations), as well as other measures of financial performance and liquidity reported in accordance with U.S. generally accepted accounting principles.

**TIME WARNER INC.**  
**2016 TRENDING SCHEDULES**  
**BUSINESS SEGMENT RESULTS & CONSOLIDATED STATEMENT OF OPERATIONS**  
(In millions, except per share amounts; Unaudited)

	Three Months Ended				Year Ended	Three Months Ended				Year Ended	Three Months Ended	
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015	3/31/2016	6/30/2016
<b>Revenues:</b>												
Turner	\$ 2,593	\$ 2,750	\$ 2,446	\$ 2,607	\$ 10,396	\$ 2,710	\$ 2,827	\$ 2,398	\$ 2,661	\$ 10,596	\$ 2,906	\$ 3,010
Home Box Office	1,339	1,417	1,304	1,338	5,398	1,398	1,438	1,367	1,412	5,615	1,506	1,467
Warner Bros.	3,066	2,870	2,775	3,815	12,526	3,199	3,298	3,190	3,305	12,992	3,109	2,658
Intersegment eliminations	(195)	(249)	(282)	(235)	(961)	(180)	(215)	(391)	(299)	(1,085)	(213)	(183)
Total revenues	<u>\$ 6,803</u>	<u>\$ 6,788</u>	<u>\$ 6,243</u>	<u>\$ 7,525</u>	<u>\$ 27,359</u>	<u>\$ 7,127</u>	<u>\$ 7,348</u>	<u>\$ 6,564</u>	<u>\$ 7,079</u>	<u>\$ 28,118</u>	<u>\$ 7,308</u>	<u>\$ 6,952</u>
<b>Operating income:</b>												
Turner	\$ 900	\$ 929	\$ 337	\$ 788	\$ 2,954	\$ 1,108	\$ 1,130	\$ 1,072	\$ 777	\$ 4,087	\$ 1,239	\$ 1,130
Home Box Office	464	548	380	394	1,786	458	508	519	393	1,878	477	481
Warner Bros.	369	234	237	319	1,159	324	341	385	366	1,416	424	308
Corporate	309	(137)	(119)	(126)	(73)	(104)	(89)	(64)	(110)	(367)	(140)	(95)
Intersegment eliminations	6	(7)	136	14	149	-	(31)	(78)	(40)	(149)	(4)	22
Operating income	2,048	1,567	971	1,389	5,975	1,786	1,859	1,834	1,386	6,865	1,996	1,846
Interest expense, net	(265)	(296)	(307)	(301)	(1,169)	(294)	(286)	(294)	(289)	(1,163)	(284)	(292)
Other income (loss), net	(11)	6	(135)	13	(127)	(117)	(125)	(54)	40	(256)	(40)	(131)
Income from continuing operations before income taxes	1,772	1,277	529	1,101	4,679	1,375	1,448	1,486	1,137	5,446	1,672	1,423
Income tax benefit (provision)	(407)	(434)	437	(381)	(785)	(442)	(477)	(452)	(280)	(1,651)	(498)	(472)
Income from continuing operations	1,365	843	966	720	3,894	933	971	1,034	857	3,795	1,174	951
Discontinued operations, net of tax	(73)	7	1	(2)	(67)	37	-	-	-	37	40	-
Net income	\$ 1,292	\$ 850	\$ 967	\$ 718	\$ 3,827	\$ 970	\$ 971	\$ 1,034	\$ 857	\$ 3,832	\$ 1,214	\$ 951
Less: Net loss attributable to noncontrolling interests	-	-	-	-	-	-	-	1	-	1	-	1
Net income attributable to Time Warner Inc. shareholders	<u>\$ 1,292</u>	<u>\$ 850</u>	<u>\$ 967</u>	<u>\$ 718</u>	<u>\$ 3,827</u>	<u>\$ 970</u>	<u>\$ 971</u>	<u>\$ 1,035</u>	<u>\$ 857</u>	<u>\$ 3,833</u>	<u>\$ 1,214</u>	<u>\$ 952</u>
<b>Amounts attributable to Time Warner Inc. shareholders:</b>												
Income from continuing operations	\$ 1,365	\$ 843	\$ 966	\$ 720	\$ 3,894	\$ 933	\$ 971	\$ 1,035	\$ 857	\$ 3,796	\$ 1,174	\$ 952
Discontinued operations, net of tax	(73)	7	1	(2)	(67)	37	-	-	-	37	40	-
Net income	<u>\$ 1,292</u>	<u>\$ 850</u>	<u>\$ 967</u>	<u>\$ 718</u>	<u>\$ 3,827</u>	<u>\$ 970</u>	<u>\$ 971</u>	<u>\$ 1,035</u>	<u>\$ 857</u>	<u>\$ 3,833</u>	<u>\$ 1,214</u>	<u>\$ 952</u>
<b>Per share information attributable to Time Warner Inc. common shareholders:</b>												
Basic income per common share from continuing operations	\$ 1.53	\$ 0.96	\$ 1.13	\$ 0.86	\$ 4.49	\$ 1.12	\$ 1.18	\$ 1.27	\$ 1.07	\$ 4.64	\$ 1.48	\$ 1.21
Basic net income per common share	<u>\$ 1.45</u>	<u>\$ 0.97</u>	<u>\$ 1.13</u>	<u>\$ 0.85</u>	<u>\$ 4.42</u>	<u>\$ 1.17</u>	<u>\$ 1.18</u>	<u>\$ 1.27</u>	<u>\$ 1.07</u>	<u>\$ 4.69</u>	<u>\$ 1.53</u>	<u>\$ 1.21</u>
Diluted income per common share from continuing operations	\$ 1.50	\$ 0.94	\$ 1.11	\$ 0.84	\$ 4.41	\$ 1.10	\$ 1.16	\$ 1.26	\$ 1.06	\$ 4.58	\$ 1.46	\$ 1.20
Diluted net income per common share	<u>\$ 1.42</u>	<u>\$ 0.95</u>	<u>\$ 1.11</u>	<u>\$ 0.84</u>	<u>\$ 4.34</u>	<u>\$ 1.15</u>	<u>\$ 1.16</u>	<u>\$ 1.26</u>	<u>\$ 1.06</u>	<u>\$ 4.62</u>	<u>\$ 1.51</u>	<u>\$ 1.20</u>
Average basic common shares outstanding	891.0	874.8	850.9	836.7	863.3	829.4	821.6	810.2	798.3	814.9	790.7	784.5
Average diluted common shares outstanding	<u>910.6</u>	<u>894.2</u>	<u>870.2</u>	<u>855.7</u>	<u>882.6</u>	<u>845.9</u>	<u>836.3</u>	<u>824.1</u>	<u>811.7</u>	<u>829.5</u>	<u>802.3</u>	<u>795.4</u>

**TIME WARNER INC.**  
**2016 TRENDING SCHEDULES**  
**REVENUES**  
(In millions; Unaudited)

	Three Months Ended				Year Ended	Three Months Ended				Year Ended	Three Months Ended	
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015	3/31/2016	6/30/2016
<b>Turner</b>												
Subscription	\$ 1,309	\$ 1,323	\$ 1,334	\$ 1,297	\$ 5,263	\$ 1,347	\$ 1,343	\$ 1,317	\$ 1,299	\$ 5,306	\$ 1,490	\$ 1,485
Advertising	1,137	1,284	993	1,154	4,568	1,179	1,272	980	1,206	4,637	1,235	1,345
Content and other	147	143	119	156	565	184	212	101	156	653	181	180
Total	<u>\$ 2,593</u>	<u>\$ 2,750</u>	<u>\$ 2,446</u>	<u>\$ 2,607</u>	<u>\$ 10,396</u>	<u>\$ 2,710</u>	<u>\$ 2,827</u>	<u>\$ 2,398</u>	<u>\$ 2,661</u>	<u>\$ 10,596</u>	<u>\$ 2,906</u>	<u>\$ 3,010</u>
<b>Home Box Office</b>												
Subscription	\$ 1,130	\$ 1,141	\$ 1,156	\$ 1,151	\$ 4,578	\$ 1,179	\$ 1,181	\$ 1,200	\$ 1,188	\$ 4,748	\$ 1,236	\$ 1,253
Content and other	209	276	148	187	820	219	257	167	224	867	270	214
Total	<u>\$ 1,339</u>	<u>\$ 1,417</u>	<u>\$ 1,304</u>	<u>\$ 1,338</u>	<u>\$ 5,398</u>	<u>\$ 1,398</u>	<u>\$ 1,438</u>	<u>\$ 1,367</u>	<u>\$ 1,412</u>	<u>\$ 5,615</u>	<u>\$ 1,506</u>	<u>\$ 1,467</u>
<b>Warner Bros.</b>												
Theatrical product	\$ 1,397	\$ 1,494	\$ 1,166	\$ 1,782	\$ 5,839	\$ 1,465	\$ 1,263	\$ 1,108	\$ 1,307	\$ 5,143	\$ 1,234	\$ 1,087
Television product	1,341	1,067	1,205	1,486	5,099	1,348	1,308	1,460	1,519	5,635	1,425	1,203
Videogames and other	328	309	404	547	1,588	386	727	622	479	2,214	450	368
Total	<u>\$ 3,066</u>	<u>\$ 2,870</u>	<u>\$ 2,775</u>	<u>\$ 3,815</u>	<u>\$ 12,526</u>	<u>\$ 3,199</u>	<u>\$ 3,298</u>	<u>\$ 3,190</u>	<u>\$ 3,305</u>	<u>\$ 12,992</u>	<u>\$ 3,109</u>	<u>\$ 2,658</u>
Intersegment eliminations	(195)	(249)	(282)	(235)	(961)	(180)	(215)	(391)	(299)	(1,085)	(213)	(183)
<b>Time Warner</b>												
Subscription	\$ 2,466	\$ 2,489	\$ 2,518	\$ 2,472	\$ 9,945	\$ 2,554	\$ 2,548	\$ 2,537	\$ 2,514	\$ 10,153	\$ 2,745	\$ 2,754
Advertising	1,124	1,256	980	1,142	4,502	1,162	1,245	966	1,196	4,569	1,224	1,318
Content	3,049	2,904	2,625	3,772	12,350	3,258	3,398	2,923	3,192	12,771	3,179	2,700
Other	164	139	120	139	562	153	157	138	177	625	160	180
<b>Time Warner</b>	<u>\$ 6,803</u>	<u>\$ 6,788</u>	<u>\$ 6,243</u>	<u>\$ 7,525</u>	<u>\$ 27,359</u>	<u>\$ 7,127</u>	<u>\$ 7,348</u>	<u>\$ 6,564</u>	<u>\$ 7,079</u>	<u>\$ 28,118</u>	<u>\$ 7,308</u>	<u>\$ 6,952</u>

**TIME WARNER INC.**  
**2016 TRENDING SCHEDULES**  
**RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) TO OPERATING INCOME (LOSS) AND RECONCILIATION OF ADJUSTED OPERATING INCOME MARGIN TO OPERATING INCOME MARGIN**  
(In millions; Unaudited)

	Three Months Ended					Year Ended 12/31/2014	Three Months Ended					Year Ended 12/31/2015	Three Months Ended	
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015		6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016			
<b>Turner</b>														
Adjusted Operating Income	\$ 895	\$ 940	\$ 350	\$ 921	\$ 3,106	\$ 1,128	\$ 1,130	\$ 1,071	\$ 781	\$ 4,110	\$ 1,239	\$ 1,133		
Asset impairments	(1)	(10)	(4)	(2)	(17)	-	-	(1)	(2)	(3)	-	-		
Gain (loss) on operating assets, net	13	2	(5)	6	16	(3)	1	2	-	-	-	(2)		
Venezuelan foreign currency loss <sup>(1)</sup>	-	-	-	(137)	(137)	(17)	-	-	-	(17)	-	-		
Other <sup>(2)</sup>	(7)	(3)	(4)	-	(14)	-	(1)	-	(2)	(3)	-	(1)		
Operating Income	<u>\$ 900</u>	<u>\$ 929</u>	<u>\$ 337</u>	<u>\$ 788</u>	<u>\$ 2,954</u>	<u>\$ 1,108</u>	<u>\$ 1,130</u>	<u>\$ 1,072</u>	<u>\$ 777</u>	<u>\$ 4,087</u>	<u>\$ 1,239</u>	<u>\$ 1,130</u>		
<b>Home Box Office</b>														
Adjusted Operating Income	\$ 464	\$ 552	\$ 380	\$ 394	\$ 1,790	\$ 458	\$ 508	\$ 519	\$ 393	\$ 1,878	\$ 486	\$ 481		
Asset impairments	-	(4)	-	-	(4)	-	-	-	-	-	-	-		
Gain (loss) on operating assets, net	-	-	-	-	-	-	-	-	-	-	(9)	-		
Other <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	-		
Operating Income	<u>\$ 464</u>	<u>\$ 548</u>	<u>\$ 380</u>	<u>\$ 394</u>	<u>\$ 1,786</u>	<u>\$ 458</u>	<u>\$ 508</u>	<u>\$ 519</u>	<u>\$ 393</u>	<u>\$ 1,878</u>	<u>\$ 477</u>	<u>\$ 481</u>		
<b>Warner Bros.</b>														
Adjusted Operating Income	\$ 380	\$ 236	\$ 241	\$ 391	\$ 1,248	\$ 330	\$ 344	\$ 388	\$ 373	\$ 1,435	\$ 426	\$ 217		
Asset impairments	(5)	-	-	(36)	(41)	-	-	(1)	(6)	(7)	(1)	-		
Gain (loss) on operating assets, net	-	-	-	7	7	-	(1)	-	-	(1)	-	91		
Venezuelan foreign currency loss <sup>(1)</sup>	-	-	-	(36)	(36)	(5)	-	-	-	(5)	-	-		
Other <sup>(2)</sup>	(6)	(2)	(4)	(7)	(19)	(1)	(2)	(2)	(1)	(6)	(1)	-		
Operating Income	<u>\$ 369</u>	<u>\$ 234</u>	<u>\$ 237</u>	<u>\$ 319</u>	<u>\$ 1,159</u>	<u>\$ 324</u>	<u>\$ 341</u>	<u>\$ 385</u>	<u>\$ 366</u>	<u>\$ 1,416</u>	<u>\$ 424</u>	<u>\$ 308</u>		
<b>Corporate</b>														
Adjusted Operating Loss	\$ (119)	\$ (103)	\$ (114)	\$ (124)	\$ (460)	\$ (102)	\$ (89)	\$ (58)	\$ (102)	\$ (351)	\$ (135)	\$ (93)		
Asset impairments	(6)	-	(1)	-	(7)	(1)	-	(5)	(9)	(15)	(2)	(2)		
Gain (loss) on operating assets, net	441	-	-	-	441	-	-	-	-	-	-	-		
Other <sup>(2)</sup>	(7)	(34)	(4)	(2)	(47)	(1)	-	(1)	1	(1)	(3)	-		
Operating Income (Loss)	<u>\$ 309</u>	<u>\$ (137)</u>	<u>\$ (119)</u>	<u>\$ (126)</u>	<u>\$ (73)</u>	<u>\$ (104)</u>	<u>\$ (89)</u>	<u>\$ (64)</u>	<u>\$ (110)</u>	<u>\$ (367)</u>	<u>\$ (140)</u>	<u>\$ (95)</u>		
<b>Intersegment eliminations</b>														
Operating Income (Loss)	<u>\$ 6</u>	<u>\$ (7)</u>	<u>\$ 136</u>	<u>\$ 14</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ (31)</u>	<u>\$ (78)</u>	<u>\$ (40)</u>	<u>\$ (149)</u>	<u>\$ (4)</u>	<u>\$ 22</u>		
<b>Time Warner</b>														
Adjusted Operating Income	\$ 1,626	\$ 1,618	\$ 993	\$ 1,596	\$ 5,833	\$ 1,814	\$ 1,862	\$ 1,842	\$ 1,405	\$ 6,923	\$ 2,012	\$ 1,760		
Asset impairments	(12)	(14)	(5)	(38)	(69)	(1)	-	(7)	(17)	(25)	(3)	(2)		
Gain (loss) on operating assets, net	454	2	(5)	13	464	(3)	-	2	-	(1)	-	89		
Venezuelan foreign currency loss <sup>(1)</sup>	-	-	-	(173)	(173)	(22)	-	-	-	(22)	-	-		
Other <sup>(2)</sup>	(20)	(39)	(12)	(9)	(80)	(2)	(3)	(3)	(2)	(10)	(13)	(1)		
Operating Income	<u>\$ 2,048</u>	<u>\$ 1,567</u>	<u>\$ 971</u>	<u>\$ 1,389</u>	<u>\$ 5,975</u>	<u>\$ 1,786</u>	<u>\$ 1,859</u>	<u>\$ 1,834</u>	<u>\$ 1,386</u>	<u>\$ 6,865</u>	<u>\$ 1,996</u>	<u>\$ 1,846</u>		
<b>Margin<sup>(3)</sup></b>														
Adjusted Operating Income	23.9%	23.8%	15.9%	21.2%	21.3%	25.5%	25.3%	28.1%	19.8%	24.6%	27.5%	25.3%		
Asset impairments	-0.2%	-0.2%	-0.1%	-0.5%	-0.3%	0.0%	0.0%	-0.1%	-0.2%	-0.1%	0.0%	0.0%		
Gain (loss) on operating assets, net	6.7%	0.0%	-0.1%	0.2%	1.7%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%		
Venezuelan foreign currency loss <sup>(1)</sup>	0.0%	0.0%	0.0%	-2.3%	-0.6%	-0.3%	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%		
Other <sup>(2)</sup>	-0.3%	-0.5%	-0.1%	-0.1%	-0.3%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.2%	0.0%		
Operating Income	<u>30.1%</u>	<u>23.1%</u>	<u>15.6%</u>	<u>18.5%</u>	<u>21.8%</u>	<u>25.1%</u>	<u>25.3%</u>	<u>27.9%</u>	<u>19.6%</u>	<u>24.4%</u>	<u>27.3%</u>	<u>26.6%</u>		

(1) Venezuelan foreign currency losses during the three months ended December 31, 2014 and March 31, 2015 related to the translation of net monetary assets denominated in Venezuelan currency resulting from the Company's change to the SICAD 2 exchange rate beginning December 31, 2014 and the Simadi exchange rate during the quarter ended March 31, 2015, respectively.

(2) Other includes gains and losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements; external costs related to mergers, acquisitions or dispositions (including restructuring and severance costs associated with dispositions); and amounts related to securities litigation and government investigations.

(3) Adjusted Operating Income margin is defined as Adjusted Operating Income divided by Revenues. Operating Income margin is defined as Operating Income divided by Revenues.

**TIME WARNER INC.**  
**2016 TRENDING SCHEDULES**  
**SUMMARY OF ITEMS AFFECTING COMPARABILITY,**  
**RECONCILIATION OF ADJUSTED EPS TO DILUTED INCOME PER COMMON SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO TIME WARNER INC. COMMON SHAREHOLDERS**  
(In millions, except per share amounts; Unaudited)

	Three Months Ended					Year Ended					Three Months Ended	
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015	3/31/2016	6/30/2016
<b>ITEMS AFFECTING COMPARABILITY</b>												
<b>Asset impairments:</b>												
Turner	\$ (1)	\$ (10)	\$ (4)	\$ (2)	\$ (17)	\$ -	\$ -	\$ (1)	\$ (2)	\$ (3)	\$ -	\$ -
Home Box Office	-	(4)	-	-	(4)	-	-	-	-	-	-	-
Warner Bros.	(5)	-	-	(36)	(41)	-	-	(1)	(6)	(7)	(1)	-
Corporate	(6)	-	(1)	-	(7)	(1)	-	(5)	(9)	(15)	(2)	(2)
Total asset impairments	(12)	(14)	(5)	(38)	(69)	(1)	-	(7)	(17)	(25)	(3)	(2)
<b>Gain (loss) on operating assets, net:</b>												
Turner	13	2	(5)	6	16	(3)	1	2	-	-	-	(2)
Home Box Office	-	-	-	-	-	-	-	-	-	-	-	-
Warner Bros.	-	-	-	7	7	-	(1)	-	-	(1)	-	91
Corporate	441	-	-	-	441	-	-	-	-	-	-	-
Total gain (loss) on operating assets, net	454	2	(5)	13	464	(3)	-	2	-	(1)	-	89
<b>Venezuelan foreign currency loss<sup>(1)</sup>:</b>												
Turner	-	-	-	(137)	(137)	(17)	-	-	-	(17)	-	-
Warner Bros.	-	-	-	(36)	(36)	(5)	-	-	-	(5)	-	-
Total Venezuelan foreign currency loss	-	-	-	(173)	(173)	(22)	-	-	-	(22)	-	-
<b>Other operating income items<sup>(2)</sup>:</b>												
Turner	(7)	(3)	(4)	-	(14)	-	(1)	-	(2)	(3)	-	(1)
Home Box Office	-	-	-	-	-	-	-	-	-	-	(9)	-
Warner Bros.	(6)	(2)	(4)	(7)	(19)	(1)	(2)	(2)	(1)	(6)	(1)	-
Corporate	(7)	(34)	(4)	(2)	(47)	(1)	-	(1)	1	(1)	(3)	-
Total other operating income items	(20)	(39)	(12)	(9)	(80)	(2)	(3)	(3)	(2)	(10)	(13)	(1)
<b>Gains (losses) on investments:</b>												
Gain on CME	-	-	-	-	-	-	-	-	-	-	-	95
Fair value adjustments	-	(1)	(58)	88	29	(56)	(49)	(5)	47	(63)	(19)	(43)
Gains (losses) on other investments	(5)	27	(20)	(1)	1	(3)	23	20	(8)	32	8	(5)
Total gains (losses) on investments	(5)	26	(78)	87	30	(59)	(26)	15	39	(31)	(11)	47
<b>Other:</b>												
Amounts related to separation of Time Warner Cable Inc.	(1)	-	-	(10)	(11)	(4)	-	(4)	-	(8)	-	-
Amounts related to disposition of Warner Music Group	(1)	-	1	2	2	-	-	-	-	-	-	(1)
Amounts related to separation of Time Inc.	-	-	2	1	3	(2)	(3)	(2)	(2)	(9)	(4)	(4)
Premiums paid and costs incurred on debt redemption	-	-	-	-	-	-	(51)	(21)	-	(72)	-	-
Items affecting comparability relating to equity method investments <sup>(3)</sup>	-	(20)	(5)	(72)	(97)	(2)	(19)	17	(23)	(27)	9	(149)
Total other	(2)	(20)	(2)	(79)	(103)	(8)	(73)	(10)	(25)	(116)	5	(154)
<b>Total of above items affecting comparability</b>	<b>415</b>	<b>(45)</b>	<b>(102)</b>	<b>(199)</b>	<b>69</b>	<b>(95)</b>	<b>(102)</b>	<b>(3)</b>	<b>(5)</b>	<b>(205)</b>	<b>(22)</b>	<b>(21)</b>
<b>Income tax impact of above items affecting comparability</b>	<b>65</b>	<b>12</b>	<b>7</b>	<b>81</b>	<b>165</b>	<b>18</b>	<b>28</b>	<b>9</b>	<b>2</b>	<b>57</b>	<b>4</b>	<b>(57)</b>
<b>Impact of items affecting comparability on income from continuing operations attributable to Time Warner Inc. shareholders</b>	<b>\$ 480</b>	<b>\$ (33)</b>	<b>\$ (95)</b>	<b>\$ (118)</b>	<b>\$ 234</b>	<b>\$ (77)</b>	<b>\$ (74)</b>	<b>\$ 6</b>	<b>\$ (3)</b>	<b>\$ (148)</b>	<b>\$ (18)</b>	<b>\$ (78)</b>
<b>Amounts attributable to Time Warner Inc. shareholders:</b>												
Income from continuing operations	\$ 1,365	\$ 843	\$ 966	\$ 720	\$ 3,894	\$ 933	\$ 971	\$ 1,035	\$ 857	\$ 3,796	\$ 1,174	\$ 952
Less Impact of items affecting comparability on income from continuing operations	480	(33)	(95)	(118)	234	(77)	(74)	6	(3)	(148)	(18)	(78)
<b>Adjusted income from continuing operations</b>	<b>\$ 885</b>	<b>\$ 876</b>	<b>\$ 1,061</b>	<b>\$ 838</b>	<b>\$ 3,660</b>	<b>\$ 1,010</b>	<b>\$ 1,045</b>	<b>\$ 1,029</b>	<b>\$ 860</b>	<b>\$ 3,944</b>	<b>\$ 1,192</b>	<b>\$ 1,030</b>
<b>Per share information attributable to Time Warner Inc. common shareholders:</b>												
Diluted income per common share from continuing operations	\$ 1.50	\$ 0.94	\$ 1.11	\$ 0.84	\$ 4.41	\$ 1.10	\$ 1.16	\$ 1.26	\$ 1.06	\$ 4.58	\$ 1.46	\$ 1.20
Less Impact of items affecting comparability on diluted income per common share from continuing operations	0.53	(0.04)	(0.11)	(0.14)	0.26	(0.09)	(0.09)	0.01	-	(0.17)	(0.03)	(0.09)
Adjusted EPS	\$ 0.97	\$ 0.98	\$ 1.22	\$ 0.98	\$ 4.15	\$ 1.19	\$ 1.25	\$ 1.25	\$ 1.06	\$ 4.75	\$ 1.49	\$ 1.29
Average diluted common shares outstanding	910.6	894.2	870.2	855.7	882.6	845.9	836.3	824.1	811.7	829.5	802.3	795.4

(1) Venezuelan foreign currency losses during the three months ended December 31, 2014 and March 31, 2015 related to the translation of net monetary assets denominated in Venezuelan currency resulting from the Company's change to the SICAD 2 exchange rate beginning December 31, 2014 and the Simadi exchange rate during the quarter ended March 31, 2015, respectively.

(2) Other operating income items includes gains and losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements; external costs related to mergers, acquisitions or dispositions (including restructuring and severance costs associated with dispositions); and amounts related to securities litigation and government investigations.

(3) Items affecting comparability relating to equity method investments includes Time Warner's share of noncash impairments, noncash losses on extinguishment of debt, losses related to discontinued operations, investment gains and expenses related to government investigations recorded by an equity method investee.

**TIME WARNER INC.**  
**2016 TRENDING SCHEDULES**  
**RESTRUCTURING AND SEVERANCE COSTS & RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) TO ADJUSTED OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION**  
(In millions; Unaudited)

	Three Months Ended					Year Ended	Three Months Ended					Year Ended	Three Months Ended	
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015	12/31/2015	3/31/2016	6/30/2016
<b>Restructuring and severance costs</b>														
Turner	\$ (12)	\$ (12)	\$ (199)	\$ (26)	\$ (249)	\$ (249)	\$ (8)	\$ (10)	\$ (5)	\$ (35)	\$ (58)	\$ (58)	\$ (1)	\$ (6)
Home Box Office	(8)	(1)	(48)	(6)	(63)	(63)	(1)	(4)	-	5	-	-	(4)	(37)
Warner Bros.	(2)	(3)	(45)	(119)	(169)	(169)	(3)	1	(1)	2	(1)	(1)	(1)	(4)
Corporate	(4)	(1)	(11)	(15)	(31)	(31)	-	3	(3)	(1)	(1)	(1)	1	(1)
Total restructuring and severance costs	\$ (26)	\$ (17)	\$ (303)	\$ (166)	\$ (512)	\$ (512)	\$ (12)	\$ (10)	\$ (9)	\$ (29)	\$ (60)	\$ (60)	\$ (5)	\$ (48)
<b>Reconciliation of Adjusted Operating Income (Loss) to Adjusted Operating Income (Loss) Before Depreciation and Amortization (Adjusted OIBDA)</b>														
<b>Turner</b>														
Adjusted Operating Income (See Schedule 3)	\$ 895	\$ 940	\$ 350	\$ 921	\$ 3,106	\$ 3,106	\$ 1,128	\$ 1,130	\$ 1,071	\$ 781	\$ 4,110	\$ 4,110	\$ 1,239	\$ 1,133
Depreciation	54	52	51	52	209	209	48	48	47	50	193	193	47	48
Amortization	4	4	4	4	16	16	4	4	4	4	16	16	4	5
Adjusted OIBDA	\$ 953	\$ 996	\$ 405	\$ 977	\$ 3,331	\$ 3,331	\$ 1,180	\$ 1,182	\$ 1,122	\$ 835	\$ 4,319	\$ 4,319	\$ 1,290	\$ 1,186
<b>Home Box Office</b>														
Adjusted Operating Income (See Schedule 3)	\$ 464	\$ 552	\$ 380	\$ 394	\$ 1,790	\$ 1,790	\$ 458	\$ 508	\$ 519	\$ 393	\$ 1,878	\$ 1,878	\$ 486	\$ 481
Depreciation	21	19	18	19	77	77	21	18	18	24	81	81	18	20
Amortization	4	3	4	3	14	14	4	3	4	3	14	14	4	3
Adjusted OIBDA	\$ 489	\$ 574	\$ 402	\$ 416	\$ 1,881	\$ 1,881	\$ 483	\$ 529	\$ 541	\$ 420	\$ 1,973	\$ 1,973	\$ 508	\$ 504
<b>Warner Bros.</b>														
Adjusted Operating Income (See Schedule 3)	\$ 380	\$ 236	\$ 241	\$ 391	\$ 1,248	\$ 1,248	\$ 330	\$ 344	\$ 388	\$ 373	\$ 1,435	\$ 1,435	\$ 426	\$ 217
Depreciation	51	57	56	54	218	218	49	49	49	50	197	197	48	48
Amortization	42	43	44	43	172	172	40	36	39	44	159	159	40	39
Adjusted OIBDA	\$ 473	\$ 336	\$ 341	\$ 488	\$ 1,638	\$ 1,638	\$ 419	\$ 429	\$ 476	\$ 467	\$ 1,791	\$ 1,791	\$ 514	\$ 304
<b>Corporate</b>														
Adjusted Operating Loss (See Schedule 3)	\$ (119)	\$ (103)	\$ (114)	\$ (124)	\$ (460)	\$ (460)	\$ (102)	\$ (89)	\$ (58)	\$ (102)	\$ (351)	\$ (351)	\$ (135)	\$ (93)
Depreciation	7	7	6	7	27	27	4	6	6	5	21	21	6	6
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted OIBDA	\$ (112)	\$ (96)	\$ (108)	\$ (117)	\$ (433)	\$ (433)	\$ (98)	\$ (83)	\$ (52)	\$ (97)	\$ (330)	\$ (330)	\$ (129)	\$ (87)
<b>Intersegment eliminations</b>														
Adjusted Operating Income (Loss) (See Schedule 3)	\$ 6	\$ (7)	\$ 136	\$ 14	\$ 149	\$ 149	\$ -	\$ (31)	\$ (78)	\$ (40)	\$ (149)	\$ (149)	\$ (4)	\$ 22
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted OIBDA	\$ 6	\$ (7)	\$ 136	\$ 14	\$ 149	\$ 149	\$ -	\$ (31)	\$ (78)	\$ (40)	\$ (149)	\$ (149)	\$ (4)	\$ 22
<b>Time Warner</b>														
Adjusted Operating Income (See Schedule 3)	\$ 1,626	\$ 1,618	\$ 993	\$ 1,596	\$ 5,833	\$ 5,833	\$ 1,814	\$ 1,862	\$ 1,842	\$ 1,405	\$ 6,923	\$ 6,923	\$ 2,012	\$ 1,760
Depreciation	133	135	131	132	531	531	122	121	120	129	492	492	119	122
Amortization	50	50	52	50	202	202	48	43	47	51	189	189	48	47
Adjusted OIBDA	\$ 1,809	\$ 1,803	\$ 1,176	\$ 1,778	\$ 6,566	\$ 6,566	\$ 1,984	\$ 2,026	\$ 2,009	\$ 1,585	\$ 7,604	\$ 7,604	\$ 2,179	\$ 1,929

**TIME WARNER INC.**  
**2016 TRENDING SCHEDULES**  
**RECONCILIATION OF FREE CASH FLOW TO CASH PROVIDED BY OPERATIONS FROM CONTINUING OPERATIONS AND RECONCILIATIONS OF NET DEBT AND LEVERAGE RATIO**  
(In millions; Unaudited)

	Three Months Ended				Year Ended	Three Months Ended				Year Ended	Three Months Ended	
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015	3/31/2016	6/30/2016
<b>Free Cash Flow</b>												
Cash provided by operations from continuing operations	\$ 1,733	\$ 324	\$ 617	\$ 1,007	\$ 3,681	\$ 1,009	\$ 791	\$ 1,201	\$ 850	\$ 3,851	\$ 757	\$ 1,216
Add external costs related to mergers, acquisitions, investments or dispositions and contingent consideration payments	15	17	28	16	76	4	4	1	5	14	8	2
Add excess tax benefits from equity instruments	64	31	43	41	179	83	37	21	10	151	27	13
Less capital expenditures	(92)	(114)	(110)	(158)	(474)	(57)	(97)	(96)	(173)	(423)	(75)	(87)
Less principal payments on capital leases	(3)	(2)	(3)	(3)	(11)	(2)	(3)	(3)	(3)	(11)	(3)	(4)
Free Cash Flow	<u>\$ 1,717</u>	<u>\$ 256</u>	<u>\$ 575</u>	<u>\$ 903</u>	<u>\$ 3,451</u>	<u>\$ 1,037</u>	<u>\$ 732</u>	<u>\$ 1,124</u>	<u>\$ 689</u>	<u>\$ 3,582</u>	<u>\$ 714</u>	<u>\$ 1,140</u>
<b>Net Debt</b>												
Long-term debt	\$ 20,080	\$ 22,278	\$ 21,274	\$ 21,263	\$ 21,263	\$ 21,062	\$ 22,162	\$ 22,728	\$ 23,594	\$ 23,594	\$ 23,622	\$ 24,418
Debt due within one year	65	168	1,168	1,118	1,118	1,299	1,513	199	198	198	51	50
Total debt	20,145	22,446	22,442	22,381	22,381	22,361	23,675	22,927	23,792	23,792	23,673	24,468
Less: cash and equivalents	(3,495)	(4,480)	(3,210)	(2,618)	(2,618)	(2,260)	(3,122)	(1,774)	(2,155)	(2,155)	(1,540)	(2,496)
Net debt	<u>\$ 16,650</u>	<u>\$ 17,966</u>	<u>\$ 19,232</u>	<u>\$ 19,763</u>	<u>\$ 19,763</u>	<u>\$ 20,101</u>	<u>\$ 20,553</u>	<u>\$ 21,153</u>	<u>\$ 21,637</u>	<u>\$ 21,637</u>	<u>\$ 22,133</u>	<u>\$ 21,972</u>
<b>Leverage Ratio</b>												
Net debt (see above)						\$ 20,553	\$ 21,153	\$ 21,637	\$ 21,637	\$ 21,637	\$ 22,133	\$ 21,972
Adjusted OIBDA for the trailing four quarters (see Schedule 5)						<u>6,964</u>	<u>7,797</u>	<u>7,604</u>	<u>7,604</u>	<u>7,604</u>	<u>7,799</u>	<u>7,702</u>
Leverage Ratio						3.0 x	2.7 x	2.8 x	2.8 x	2.8 x	2.8 x	2.9 x

**TIME WARNER INC.**  
**2016 TRENDING SCHEDULES**  
**RECONCILIATION OF RETURN ON INVESTED CAPITAL**  
(In millions; Unaudited)

**Reconciliation of Operating Income to NOPAT**

	Full Year 2014				Full Year 2015			
	Turner	Home Box Office	Warner Bros.	Time Warner <sup>(2)</sup>	Turner	Home Box Office	Warner Bros.	Time Warner <sup>(2)</sup>
Operating Income	\$ 2,954	\$ 1,786	\$ 1,159	\$ 5,975	\$ 4,087	\$ 1,878	\$ 1,416	\$ 6,865
Asset impairments	17	4	41	69	3	-	7	25
(Gain) loss on operating assets, net	(16)	-	(7)	(464)	-	-	1	1
Venezuelan foreign currency loss <sup>(1)</sup>	137	-	36	173	17	-	5	22
Other operating income items	14	-	19	80	3	-	6	10
Adjusted Operating Income	3,106	1,790	1,248	5,833	4,110	1,878	1,435	6,923
Add Amortization expense	16	14	172	202	16	14	159	189
Adjusted Operating Income before amortization expense	3,122	1,804	1,420	6,035	4,126	1,892	1,594	7,112
Less Income taxes <sup>(3)</sup>	(656)	(379)	(298)	(1,267)	(1,238)	(568)	(478)	(2,134)
Add equity income (loss), net of taxes	8	51	(63)	(153)	5	26	(23)	(123)
Adjust for items affecting comparability relating to equity method investments	-	-	-	97	-	-	-	27
<b>NOPAT<sup>(4)</sup></b>	<b>\$ 2,474</b>	<b>\$ 1,476</b>	<b>\$ 1,059</b>	<b>\$ 4,712</b>	<b>\$ 2,893</b>	<b>\$ 1,350</b>	<b>\$ 1,093</b>	<b>\$ 4,882</b>

**Reconciliation of Total Assets to Capital Employed**

	Turner			Home Box Office			Warner Bros.			Time Warner <sup>(2)</sup>		
	12/31/2013	12/31/2014	12/31/2015	12/31/2013	12/31/2014	12/31/2015	12/31/2013	12/31/2014	12/31/2015	12/31/2013	12/31/2014	12/31/2015
Total Assets	\$ 26,067	\$ 25,271	\$ 25,559	\$ 13,687	\$ 13,869	\$ 14,314	\$ 20,066	\$ 20,559	\$ 20,699	\$ 67,890	\$ 63,146	\$ 63,848
Less:												
Deferred tax assets	-	-	-	-	-	-	-	-	-	(369)	(184)	(133)
Assets related to Discontinued Operations	-	-	-	-	-	-	-	-	-	(5,746)	-	-
Total current liabilities of continuing operations less debt due within one year	(1,578)	(1,692)	(1,593)	(500)	(584)	(575)	(4,544)	(5,043)	(4,867)	(7,296)	(8,086)	(7,804)
Excess cash <sup>(5)</sup>	-	-	-	-	-	-	-	-	-	(318)	(1,118)	(655)
Capital employed	24,489	23,579	23,966	13,187	13,285	13,739	15,522	15,516	15,832	54,163	53,758	55,256
Less Purchase Price Adjustments <sup>(6)</sup>	(17,123)	(17,123)	(17,123)	(8,629)	(8,629)	(8,629)	(7,297)	(7,142)	(7,006)	(33,049)	(32,894)	(32,758)
Capital employed excluding PPA	<b>\$ 7,366</b>	<b>\$ 6,456</b>	<b>\$ 6,843</b>	<b>\$ 4,558</b>	<b>\$ 4,656</b>	<b>\$ 5,110</b>	<b>\$ 8,225</b>	<b>\$ 8,374</b>	<b>\$ 8,826</b>	<b>\$ 21,114</b>	<b>\$ 20,864</b>	<b>\$ 22,498</b>
Average Capital Employed <sup>(7)</sup>		<b>\$ 24,034</b>	<b>\$ 23,773</b>		<b>\$ 13,236</b>	<b>\$ 13,512</b>		<b>\$ 15,519</b>	<b>\$ 15,674</b>		<b>\$ 53,961</b>	<b>\$ 54,507</b>
Average Capital Employed excluding PPA <sup>(7)</sup>		<b>\$ 6,911</b>	<b>\$ 6,650</b>		<b>\$ 4,607</b>	<b>\$ 4,883</b>		<b>\$ 8,300</b>	<b>\$ 8,600</b>		<b>\$ 20,989</b>	<b>\$ 21,681</b>
<b>ROIC<sup>(8)</sup></b>		<b>10%</b>	<b>12%</b>		<b>11%</b>	<b>10%</b>		<b>7%</b>	<b>7%</b>		<b>9%</b>	<b>9%</b>
<b>ROIC excluding PPA<sup>(8)</sup></b>		<b>36%</b>	<b>44%</b>		<b>32%</b>	<b>28%</b>		<b>13%</b>	<b>13%</b>		<b>22%</b>	<b>23%</b>

(1) Venezuelan foreign currency loss during the three months ended December 31, 2014 and March 31, 2015 related to the translation of net monetary assets denominated in Venezuelan currency resulting from the Company's change to the SICAD 2 exchange rate beginning December 31, 2014 and the Simadi exchange rate during the quarter ended March 31, 2015, respectively.

(2) Represents Time Warner's businesses and Corporate, including all necessary eliminations.

(3) Calculated using the Company's adjusted effective tax rate - 21% for 2014 and 30% for 2015. The Company's adjusted effective tax rate reflects the impact of the items affecting comparability on the Company's income from continuing operations as set forth on Schedule 4.

	2014			2015		
	Actual	Adjustments	As Adjusted	Actual	Adjustments	As Adjusted
Income from continuing operations before income taxes	4,679	69	4,610	5,446	(205)	5,651
Income tax provision	(785)	165	(950)	(1,651)	57	(1,708)
Effective Tax rate	17%	-239%	21%	30%	28%	30%

(4) Net operating profit after taxes ("NOPAT") represents the Adjusted Operating Income before amortization expense, net of tax at the Company's adjusted effective tax rate plus the equity income (loss), net of taxes from investments accounted for under the equity method adjusted for the Company's or the segment's (as applicable) share of items affecting comparability relating to such equity method investments.

(5) Excess Cash represents the amount of cash in excess of \$1.5 billion.

(6) Purchase Price Adjustments ("PPA") reflects the net outstanding goodwill and intangible assets recognized in connection with the 2001 AOL/Time Warner merger and the 2003 Time Warner Entertainment Company, L.P. restructuring.

(7) Average Capital Employed and Average Capital Employed excluding PPA are calculated using the respective amounts at December 31, 2015, 2014 and 2013 divided by two.

(8) Return on Invested Capital ("ROIC") is calculated as NOPAT divided by Average Capital Employed and ROIC excluding PPA is calculated as NOPAT divided by Average Capital Employed excluding PPA.



**TIME WARNER INC.**  
**RECONCILIATION OF GUIDANCE**  
**(Unaudited)**

	Year Ended December 31, 2015	Reconciliation of 2016 Guidance
<b>Reconciliation of Adjusted Diluted Income per Common Share from Continuing Operations to Diluted Income per Common Share from Continuing Operations</b>		
<b>Adjusted EPS<sup>(1)</sup></b>	\$ 4.75	Expect to be in the range of \$5.35 to \$5.45 per share.
Asset impairments	(0.03)	Unable to estimate beyond the (\$0.01) recognized for the period January 1, 2016 through June 30, 2016. <sup>(2)</sup>
Gains (losses) on operating assets, net	-	Unable to estimate beyond the \$0.11 recognized for the period January 1, 2016 through June 30, 2016. <sup>(2)</sup>
Venezuelan foreign currency loss	(0.03)	Not applicable.
Other operating income items	(0.01)	Unable to estimate beyond the (\$0.02) recognized for the period January 1, 2016 through June 30, 2016. <sup>(2)</sup>
Gains and losses on investments	(0.04)	Unable to estimate beyond the \$0.05 recognized for the period January 1, 2016 through June 30, 2016. <sup>(2)</sup>
Other items	(0.13)	Unable to estimate beyond the (\$0.18) recognized for the period January 1, 2016 through June 30, 2016. <sup>(2)</sup>
Tax impact on above items	<u>0.07</u>	Unable to estimate beyond the (\$0.07) recognized for the period January 1, 2016 through June 30, 2016. <sup>(2)</sup>
<b>Diluted Income per Common Share from Continuing Operations</b>	<u>\$ 4.58</u>	Unable to estimate <sup>(2)</sup>

<sup>(1)</sup> Adjusted EPS is Diluted Income per Common Share from Continuing Operations attributable to Time Warner Inc. common shareholders with the following items excluded from Income from Continuing Operations attributable to Time Warner Inc. common shareholders: noncash impairments of goodwill, intangible and fixed assets and investments; gains and losses on operating assets (other than deferred gains on sale-leasebacks), liabilities (including extinguishments of debt) and investments, in each case including associated costs of the transaction; gains and losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements; external costs related to mergers, acquisitions, investments or dispositions (including restructuring and severance costs associated with dispositions), as well as contingent consideration related to such transactions, to the extent such costs are expensed; amounts related to securities litigation and government investigations; the foreign currency losses during the three months ended March 31, 2015 related to the translation of net monetary assets denominated in Venezuelan currency resulting from the Company's change to the Simadi exchange rate during the quarter ended March 31, 2015; and amounts attributable to businesses classified as discontinued operations; as well as the impact of taxes and noncontrolling interests on the above items and the Company's share of the above items with respect to equity method investments.

<sup>(2)</sup> Because of the nature of the items, the Company is unable to estimate the amounts of any adjustments for the items excluded from Income from Continuing Operations attributable to Time Warner Inc. common shareholders for the period after June 30, 2016 due to its inability to forecast if or when any such items will occur. Based on the occurrence of small amounts of these items for the six months ended June 30, 2016, it is likely that additional amounts will occur during the second half of 2016.