April 26, 2018

TIME WARNER INC.
2018 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NOTE: These materials are dated as of the date originally issued and may now be out of date.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.

On October 22, 2016, the Company entered into an Agreement and Plan of Merger with AT&T Inc. ("AT&T"), West Merger Sub, Inc., and West Merger Sub II, LLC, pursuant to which the Company will be acquired by AT&T for a combination of $53.75 and shares of AT&T stock. At the time of entry into the merger agreement, the value of the merger consideration was $107.50 per share of Time Warner common stock and the value will vary, subject to a collar, prior to the closing of the transaction. The boards of both companies unanimously approved the merger agreement, and Time Warner's shareholders voted to adopt the merger agreement at a special meeting of shareholders on February 15, 2017. On November 20, 2017, the United States Department of Justice (the "DOJ") filed a lawsuit in the United States District Court for the District of Columbia (the "Court") under a federal antitrust statute to enjoin the merger. The trial began the week of March 19, 2018 and the parties' presentation of their cases is expected to conclude in early May 2018. Time Warner and AT&T have agreed to extend the termination date of the Merger Agreement to April 22, 2018, and each has agreed to waive, until June 21, 2018, its right to terminate the Merger Agreement based on the merger not being completed by April 22, 2018.

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); 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; and amounts related to securities litigation and government investigations. Beginning with periods ending on or after October 1, 2016, Adjusted Operating Income (Loss) also excludes the impact of costs related to the AT&T merger (including retention and incentive, restructuring and severance costs associated with the transaction). Adjusted Operating Income margin is defined as Adjusted Operating Income divided by Revenues.

On January 1, 2018, the Company adopted, on a retrospective basis, new accounting guidance that requires that an employer disaggregate the service cost component from the other components of net periodic benefit costs relating to defined benefit pension and other postretirement benefit plans. While the service cost component of net periodic benefit costs continues to be presented as an operating expense, the other components are presented outside of Operating income in the Consolidated Statement of Operations. Under the old guidance, pension and other postretirement benefit plan curtailments or settlements were classified as a component of Operating Income and amounts related to such items were subtracted in the calculation of Adjusted Operating Income. Because of the Company's adoption of the new accounting guidance, such adjustment is no longer necessary and gains and losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements are not subtracted in the calculation of Adjusted Operating Income for any period presented herein.

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; 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. Beginning with periods ending on or after October 1, 2016, Adjusted EPS also excludes costs related to the AT&T merger (including retention and incentive, restructuring and severance costs associated with the transaction). 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.

On January 1, 2017, the Company adopted, on a prospective basis, new accounting guidance that requires excess tax benefits from equity instruments to be classified as a cash flow from operating activities in the Consolidated Statement of Cash Flows. Previously, excess tax benefits from equity instruments were classified as a cash flow from financing activities and amounts related to such excess tax benefits were added in the calculation of Free Cash Flow. Because of the Company's adoption of the new accounting guidance, such adjustment is no longer necessary. Therefore, beginning with periods ending on or after January 1, 2017, 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, and contingent consideration payments made in connection with acquisitions to the extent included in Cash Provided by Operations from Continuing Operations, less capital expenditures, principal payments on capital leases and partnership distributions, if any.

For periods ending on or before December 31, 2016, Free Cash Flow has been 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.

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 and Free Cash Flow 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.
2018 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
	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018
Revenues:											
Turner	$ 2,906	$ 3,010	$ 2,610	$ 2,838	$ 11,364	$ 3,088	$ 3,102	$ 2,768	$ 3,123	$ 12,081	$ 3,344
Home Box Office	1,506	1,467	1,426	1,491	5,890	1,568	1,476	1,605	1,680	6,329	1,619
Warner Bros.	3,109	2,658	3,402	3,868	13,037	3,365	2,988	3,460	4,053	13,866	3,238
Intersegment eliminations	(213)	(183)	(271)	(306)	(973)	(286)	(236)	(238)	(245)	(1,005)	(205)
Total revenues	$ 7,308	$ 6,952	$ 7,167	$ 7,891	$ 29,318	$ 7,735	$ 7,330	$ 7,595	$ 8,611	$ 31,271	$ 7,996
Operating income:											
Turner	$ 1,239	$ 1,130	$ 1,162	$ 841	$ 4,372	$ 1,170	$ 1,050	$ 1,243	$ 1,026	$ 4,489	$ 1,092
Home Box Office	479	482	532	430	1,923	585	532	554	487	2,158	516
Warner Bros.	427	310	431	577	1,745	490	225	540	514	1,769	322
Corporate	(139)	(94)	(85)	(155)	(473)	(114)	(126)	(91)	(95)	(426)	(133)
Intersegment eliminations	(4)	22	(11)	15	22	(51)	16	4	(21)	(52)	14
Operating income	2,002	1,850	2,029	1,708	7,589	2,080	1,697	2,250	1,911	7,938	1,811
Interest expense, net	(284)	(292)	(298)	(287)	(1,161)	(259)	(249)	(254)	(243)	(1,005)	(207)
Other income (loss), net	(46)	(135)	(42)	(1,010)	(1,233)	72	66	(75)	(1,051)	(988)	(94)
Income from continuing operations before income taxes	1,672	1,423	1,689	411	5,195	1,893	1,514	1,921	617	5,945	1,510
Income tax benefit (provision)	(498)	(472)	(217)	(94)	(1,281)	(470)	(452)	(550)	771	(701)	132
Income from continuing operations	1,174	951	1,472	317	3,914	1,423	1,062	1,371	1,388	5,244	1,642
Discontinued operations, net of tax	40	-	(5)	(24)	11	-	-	-	-	-	-
Net income	$ 1,214	$ 951	$ 1,467	$ 293	$ 3,925	$ 1,423	$ 1,062	$ 1,371	$ 1,388	$ 5,244	$ 1,642
Less: Net loss attributable to noncontrolling interests	-	1	-	-	1	1	-	1	1	3	1
Net income attributable to Time Warner Inc. shareholders	$ 1,214	$ 952	$ 1,467	$ 293	$ 3,926	$ 1,424	$ 1,062	$ 1,372	$ 1,389	$ 5,247	$ 1,643
Amounts attributable to Time Warner Inc. shareholders:											
Income from continuing operations	$ 1,174	$ 952	$ 1,472	$ 317	$ 3,915	$ 1,424	$ 1,062	$ 1,372	$ 1,389	$ 5,247	$ 1,643
Discontinued operations, net of tax	40	-	(5)	(24)	11	-	-	-	-	-	-
Net income	$ 1,214	$ 952	$ 1,467	$ 293	$ 3,926	$ 1,424	$ 1,062	$ 1,372	$ 1,389	$ 5,247	$ 1,643
Per share information attributable to Time Warner Inc. common shareholders:											
Basic income per common share from continuing operations	$ 1.48	$ 1.21	$ 1.89	$ 0.41	$ 5.00	$ 1.84	$ 1.37	$ 1.76	$ 1.78	$ 6.73	$ 2.10
Basic net income per common share	$ 1.53	$ 1.21	$ 1.89	$ 0.37	$ 5.01	$ 1.84	$ 1.37	$ 1.76	$ 1.78	$ 6.73	$ 2.10
Diluted income per common share from continuing operations	$ 1.46	$ 1.20	$ 1.87	$ 0.40	$ 4.94	$ 1.80	$ 1.34	$ 1.73	$ 1.75	$ 6.64	$ 2.07
Diluted net income per common share	$ 1.51	$ 1.20	$ 1.86	$ 0.37	$ 4.96	$ 1.80	$ 1.34	$ 1.73	$ 1.75	$ 6.64	$ 2.07
Average basic common shares outstanding	790.7	784.5	776.2	771.6	780.8	773.6	775.8	778.0	778.9	776.6	780.9
Average diluted common shares outstanding	802.3	795.4	787.5	783.7	792.3	789.3	790.0	791.7	791.6	790.7	792.0

TIME WARNER INC.
2018 TRENDING SCHEDULES
REVENUES
(In millions; Unaudited)

	Three Months Ended				Year Ended	Three Months Ended				Year Ended	Three Months Ended
	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018
Turner											
Subscription	$ 1,490	$ 1,485	$ 1,480	$ 1,481	$ 5,936	$ 1,665	$ 1,672	$ 1,666	$ 1,685	$ 6,688	$ 1,790
Advertising	1,235	1,345	996	1,187	4,763	1,213	1,265	963	1,213	4,654	1,326
Content and other	181	180	134	170	665	210	165	139	225	739	228
Total	$ 2,906	$ 3,010	$ 2,610	$ 2,838	$ 11,364	$ 3,088	$ 3,102	$ 2,768	$ 3,123	$ 12,081	$ 3,344
Home Box Office											
Subscription	$ 1,236	$ 1,253	$ 1,262	$ 1,252	$ 5,003	$ 1,302	$ 1,357	$ 1,418	$ 1,458	$ 5,535	$ 1,429
Content and other	270	214	164	239	887	266	119	187	222	794	190
Total	$ 1,506	$ 1,467	$ 1,426	$ 1,491	$ 5,890	$ 1,568	$ 1,476	$ 1,605	$ 1,680	$ 6,329	$ 1,619
Warner Bros.											
Theatrical product	$ 1,234	$ 1,087	$ 1,605	$ 1,686	$ 5,612	$ 1,377	$ 1,351	$ 1,697	$ 1,613	$ 6,038	$ 1,336
Television product	1,425	1,203	1,430	1,761	5,819	1,675	1,151	1,308	1,758	5,892	1,498
Games and other	450	368	367	421	1,606	313	486	455	682	1,936	404
Total	$ 3,109	$ 2,658	$ 3,402	$ 3,868	$ 13,037	$ 3,365	$ 2,988	$ 3,460	$ 4,053	$ 13,866	$ 3,238
Intersegment eliminations	(213)	(183)	(271)	(306)	(973)	(286)	(236)	(238)	(245)	(1,005)	(205)
Time Warner											
Subscription	$ 2,745	$ 2,754	$ 2,763	$ 2,752	$ 11,014	$ 2,988	$ 3,050	$ 3,105	$ 3,165	$ 12,308	$ 3,240
Advertising	1,224	1,318	982	1,172	4,696	1,209	1,262	964	1,220	4,655	1,322
Content	3,179	2,700	3,268	3,788	12,935	3,380	2,843	3,355	4,017	13,595	3,254
Other	160	180	154	179	673	158	175	171	209	713	180
Time Warner	$ 7,308	$ 6,952	$ 7,167	$ 7,891	$ 29,318	$ 7,735	$ 7,330	$ 7,595	$ 8,611	$ 31,271	$ 7,996

TIME WARNER INC.
2018 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	Three Months Ended				Year Ended	Three Months Ended
	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018
Turner											
Adjusted Operating Income	$ 1,239	$ 1,133	$ 1,203	$ 851	$ 4,426	$ 1,187	$ 1,030	$ 1,267	$ 1,022	$ 4,506	$ 1,128
Asset impairments	-	-	(25)	(3)	(28)	-	-	(5)	(4)	(9)	-
Gain (loss) on operating assets, net	-	(2)	(13)	1	(14)	6	49	13	(2)	66	1
Costs related to the AT&T merger	-	-	-	(5)	(5)	(22)	(29)	(32)	10	(73)	(37)
Other[1]	-	(1)	(3)	(3)	(7)	(1)	-	-	-	(1)	-
Operating Income	$ 1,239	$ 1,130	$ 1,162	$ 841	$ 4,372	$ 1,170	$ 1,050	$ 1,243	$ 1,026	$ 4,489	$ 1,092
Home Box Office											
Adjusted Operating Income	$ 488	$ 482	$ 532	$ 432	$ 1,934	$ 597	$ 547	$ 567	$ 484	$ 2,195	$ 535
Asset impairments	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on operating assets, net	-	-	-	-	-	-	-	-	-	-	-
Costs related to the AT&T merger	-	-	-	(2)	(2)	(12)	(15)	(13)	3	(37)	(19)
Other[1]	(9)	-	-	-	(9)	-	-	-	-	-	-
Operating Income	$ 479	$ 482	$ 532	$ 430	$ 1,923	$ 585	$ 532	$ 554	$ 487	$ 2,158	$ 516
Warner Bros.											
Adjusted Operating Income	$ 429	$ 219	$ 436	$ 589	$ 1,673	$ 512	$ 263	$ 578	$ 516	$ 1,869	$ 383
Asset impairments	(1)	-	(5)	(3)	(9)	(1)	(1)	(4)	(1)	(7)	-
Gain (loss) on operating assets, net	-	91	1	-	92	1	-	-	-	1	(24)
Costs related to the AT&T merger	-	-	-	(7)	(7)	(22)	(27)	(29)	-	(78)	(37)
Other[1]	(1)	-	(1)	(2)	(4)	-	(10)	(5)	(1)	(16)	-
Operating Income	$ 427	$ 310	$ 431	$ 577	$ 1,745	$ 490	$ 225	$ 540	$ 514	$ 1,769	$ 322
Corporate											
Adjusted Operating Loss	$ (134)	$ (92)	$ (85)	$ (125)	$ (436)	$ (88)	$ (96)	$ (72)	$ (79)	$ (335)	$ (80)
Asset impairments	(2)	(2)	-	(2)	(6)	-	-	-	-	-	-
Gain (loss) on operating assets, net	-	-	-	-	-	-	-	-	-	-	-
Costs related to the AT&T merger	-	-	-	(28)	(28)	(26)	(30)	(19)	(16)	(91)	(53)
Other[1]	(3)	-	-	-	(3)	-	-	-	-	-	-
Operating Income (Loss)	$ (139)	$ (94)	$ (85)	$ (155)	$ (473)	$ (114)	$ (126)	$ (91)	$ (95)	$ (426)	$ (133)
Intersegment eliminations											
Operating Income (Loss)	$ (4)	$ 22	$ (11)	$ 15	$ 22	$ (51)	$ 16	$ 4	$ (21)	$ (52)	$ 14
Time Warner											
Adjusted Operating Income	$ 2,018	$ 1,764	$ 2,075	$ 1,762	$ 7,619	$ 2,157	$ 1,760	$ 2,344	$ 1,922	$ 8,183	$ 1,980
Asset impairments	(3)	(2)	(30)	(8)	(43)	(1)	(1)	(9)	(5)	(16)	-
Gain (loss) on operating assets, net	-	89	(12)	1	78	7	49	13	(2)	67	(23)
Costs related to the AT&T merger	-	-	-	(42)	(42)	(82)	(101)	(93)	(3)	(279)	(146)
Other[1]	(13)	(1)	(4)	(5)	(23)	(1)	(10)	(5)	(1)	(17)	-
Operating Income	$ 2,002	$ 1,850	$ 2,029	$ 1,708	$ 7,589	$ 2,080	$ 1,697	$ 2,250	$ 1,911	$ 7,938	$ 1,811
Margin[3]											
Adjusted Operating Income	27.6%	25.4%	29.0%	22.3%	26.0%	27.9%	24.0%	30.9%	22.3%	26.2%	24.8%
Asset impairments	0.0%	0.0%	-0.4%	-0.1%	-0.2%	0.0%	0.0%	-0.1%	-0.1%	0.0%	0.0%
Gain (loss) on operating assets, net	0.0%	1.2%	-0.2%	0.0%	0.3%	0.1%	0.7%	0.2%	0.0%	0.2%	-0.3%
Costs related to the AT&T merger	0.0%	0.0%	0.0%	-0.5%	-0.1%	-1.1%	-1.4%	-1.3%	0.0%	-0.9%	-1.9%
Other[1]	-0.2%	0.0%	-0.1%	-0.1%	-0.1%	0.0%	-0.1%	-0.1%	0.0%	-0.1%	0.0%
Operating Income	27.4%	26.6%	28.3%	21.6%	25.9%	26.9%	23.2%	29.6%	22.2%	25.4%	22.6%

(1) Other includes 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.
(2) 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.
2018 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				Year Ended	Three Months Ended
	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018
ITEMS AFFECTING COMPARABILITY											
Asset impairments:											
Turner	$ -	$ -	$ (25)	$ (3)	$ (28)	$ -	$ -	$ (5)	$ (4)	$ (9)	$ -
Home Box Office	-	-	-	-	-	-	-	-	-	-	-
Warner Bros.	(1)	-	(5)	(3)	(9)	(1)	(1)	(4)	(1)	(7)	-
Corporate	(2)	(2)	-	(2)	(6)	-	-	-	-	-	-
Total asset impairments	(3)	(2)	(30)	(8)	(43)	(1)	(1)	(9)	(5)	(16)	-
Gain (loss) on operating assets, net:											
Turner	-	(2)	(13)	1	(14)	6	49	13	(2)	66	1
Home Box Office	-	-	-	-	-	-	-	-	-	-	-
Warner Bros.	-	91	1	-	92	1	-	-	-	1	(24)
Corporate	-	-	-	-	-	-	-	-	-	-	-
Total gain (loss) on operating assets, net	-	89	(12)	1	78	7	49	13	(2)	67	(23)
Costs related to the AT&T merger:											
Turner	-	-	-	(5)	(5)	(22)	(29)	(32)	10	(73)	(37)
Home Box Office	-	-	-	(2)	(2)	(12)	(15)	(13)	3	(37)	(19)
Warner Bros.	-	-	-	(7)	(7)	(22)	(27)	(29)	-	(78)	(37)
Corporate	-	-	-	(28)	(28)	(26)	(30)	(19)	(16)	(91)	(53)
Total costs related to the AT&T merger	-	-	-	(42)	(42)	(82)	(101)	(93)	(3)	(279)	(146)
Other operating income items[1]:											
Turner	-	(1)	(3)	(3)	(7)	(1)	-	-	-	(1)	-
Home Box Office	(9)	-	-	-	(9)	-	-	-	-	-	-
Warner Bros.	(1)	-	(1)	(2)	(4)	-	(10)	(5)	(1)	(16)	-
Corporate	(3)	-	-	-	(3)	-	-	-	-	-	-
Total other operating income items	(13)	(1)	(4)	(5)	(23)	(1)	(10)	(5)	(1)	(17)	-
Gains (losses) on investments:											
Gain on CME	-	95	-	-	95	-	-	-	-	-	-
Sale of interest in Omni Atlanta hotel joint venture	-	-	-	-	-	99	-	-	-	99	-
Fair value adjustments	(19)	(43)	18	24	(20)	54	91	5	59	209	(45)
Gains (losses) on other investments	8	(5)	39	31	73	6	5	(5)	(14)	(8)	(2)
Total gains (losses) on investments	(11)	47	57	55	148	159	96	-	45	300	(47)
Other:											
Amounts related to the separation or disposition of former Time Warner segments	(4)	(5)	(8)	(2)	(19)	(4)	(2)	(4)	(4)	(14)	(13)
Premiums paid and costs incurred on debt redemption	-	-	-	(1,008)	(1,008)	-	-	-	(1,087)	(1,087)	-
Losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements	-	-	(10)	(14)	(24)	-	-	-	-	-	-
Items affecting comparability relating to equity method investments[2]	9	(149)	1	3	(136)	(1)	1	1	(5)	(4)	21
Total other	5	(154)	(17)	(1,021)	(1,187)	(5)	(1)	(3)	(1,096)	(1,105)	8
Total of above items affecting comparability	(22)	(21)	(6)	(1,020)	(1,069)	77	32	(97)	(1,062)	(1,050)	(208)
Income tax impact of above items affecting comparability	4	(57)	35	361	343	39	(24)	30	344	389	42
Impact of items affecting comparability on income from continuing operations attributable to Time Warner Inc. shareholders	$ (18)	$ (78)	$ 29	$ (659)	$ (726)	$ 116	$ 8	$ (67)	$ (718)	$ (661)	$ (166)
Amounts attributable to Time Warner Inc. shareholders:											
Income from continuing operations	$ 1,174	$ 952	$ 1,472	$ 317	$ 3,915	$ 1,424	$ 1,062	$ 1,372	$ 1,389	$ 5,247	$ 1,643
Less Impact of items affecting comparability on income from continuing operations	(18)	(78)	29	(659)	(726)	116	8	(67)	(718)	(661)	(166)
Adjusted income from continuing operations	$ 1,192	$ 1,030	$ 1,443	$ 976	$ 4,641	$ 1,308	$ 1,054	$ 1,439	$ 2,107	$ 5,908	$ 1,809
Per share information attributable to Time Warner Inc. common shareholders:											
Diluted income per common share from continuing operations	$ 1.46	$ 1.20	$ 1.87	$ 0.40	$ 4.94	$ 1.80	$ 1.34	$ 1.73	$ 1.75	$ 6.64	$ 2.07
Less Impact of items affecting comparability on diluted income per common share from continuing operations	(0.03)	(0.09)	0.04	(0.85)	(0.92)	0.14	0.01	(0.09)	(0.91)	(0.83)	(0.21)
Adjusted EPS	$ 1.49	$ 1.29	$ 1.83	$ 1.25	$ 5.86	$ 1.66	$ 1.33	$ 1.82	$ 2.66	$ 7.47	$ 2.28
Average diluted common shares outstanding	802.3	795.4	787.5	783.7	792.3	789.3	790.0	791.7	791.6	790.7	792.0

(1) Other operating income items includes 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.

(2) 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.
2018 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
	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018
Restructuring and severance costs											
Turner	$ (1)	$ (6)	$ (8)	$ (46)	$ (61)	$ (2)	$ (5)	$ (1)	$ (51)	$ (59)	$ 2
Home Box Office	(4)	(37)	-	(8)	(49)	(2)	(3)	(1)	(7)	(13)	(13)
Warner Bros.	(1)	(4)	(1)	2	(4)	(9)	-	1	(38)	(46)	12
Corporate	1	(1)	(2)	(1)	(3)	1	-	(2)	(1)	(2)	(1)
Total restructuring and severance costs	$ (5)	$ (48)	$ (11)	$ (53)	$ (117)	$ (12)	$ (8)	$ (3)	$ (97)	$ (120)	$ -
Reconciliation of Adjusted Operating Income (Loss) to Adjusted Operating Income (Loss) Before Depreciation and Amortization (Adjusted OIBDA)											
Turner											
Adjusted Operating Income (See Schedule 3)	$ 1,239	$ 1,133	$ 1,203	$ 851	$ 4,426	$ 1,187	$ 1,030	$ 1,267	$ 1,022	$ 4,506	$ 1,128
Depreciation	47	48	48	48	191	50	51	50	51	202	52
Amortization	4	5	4	4	17	4	5	4	4	17	4
Adjusted OIBDA	$ 1,290	$ 1,186	$ 1,255	$ 903	$ 4,634	$ 1,241	$ 1,086	$ 1,321	$ 1,077	$ 4,725	$ 1,184
Home Box Office											
Adjusted Operating Income (See Schedule 3)	$ 488	$ 482	$ 532	$ 432	$ 1,934	$ 597	$ 547	$ 567	$ 484	$ 2,195	$ 535
Depreciation	18	20	17	19	74	19	20	22	26	87	26
Amortization	4	3	4	3	14	4	3	4	3	14	4
Adjusted OIBDA	$ 510	$ 505	$ 553	$ 454	$ 2,022	$ 620	$ 570	$ 593	$ 513	$ 2,296	$ 565
Warner Bros.											
Adjusted Operating Income (See Schedule 3)	$ 429	$ 219	$ 436	$ 589	$ 1,673	$ 512	$ 263	$ 578	$ 516	$ 1,869	$ 383
Depreciation	48	48	46	46	188	44	45	45	45	179	42
Amortization	40	39	40	40	159	37	38	37	54	166	35
Adjusted OIBDA	$ 517	$ 306	$ 522	$ 675	$ 2,020	$ 593	$ 346	$ 660	$ 615	$ 2,214	$ 460
Corporate											
Adjusted Operating Loss (See Schedule 3)	$ (134)	$ (92)	$ (85)	$ (125)	$ (436)	$ (88)	$ (96)	$ (72)	$ (79)	$ (335)	$ (80)
Depreciation	6	6	7	7	26	7	7	7	8	29	8
Amortization	-	-	-	-	-	-	-	-	-	-	-
Adjusted OIBDA	$ (128)	$ (86)	$ (78)	$ (118)	$ (410)	$ (81)	$ (89)	$ (65)	$ (71)	$ (306)	$ (72)
Intersegment eliminations											
Adjusted Operating Income (Loss) (See Schedule 3)	$ (4)	$ 22	$ (11)	$ 15	$ 22	$ (51)	$ 16	$ 4	$ (21)	$ (52)	$ 14
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-	-	-	-
Adjusted OIBDA	$ (4)	$ 22	$ (11)	$ 15	$ 22	$ (51)	$ 16	$ 4	$ (21)	$ (52)	$ 14
Time Warner											
Adjusted Operating Income (See Schedule 3)	$ 2,018	$ 1,764	$ 2,075	$ 1,762	$ 7,619	$ 2,157	$ 1,760	$ 2,344	$ 1,922	$ 8,183	$ 1,980
Depreciation	119	122	118	120	479	120	123	124	130	497	128
Amortization	48	47	48	47	190	45	46	45	61	197	43
Adjusted OIBDA	$ 2,185	$ 1,933	$ 2,241	$ 1,929	$ 8,288	$ 2,322	$ 1,929	$ 2,513	$ 2,113	$ 8,877	$ 2,151

TIME WARNER INC.
2018 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
	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018
Free Cash Flow											
Cash provided by operations from continuing operations	$ 757	$ 1,216	$ 1,571	$ 1,139	$ 4,683	$ 1,466	$ 995	$ 1,497	$ 1,136	$ 5,094	$ 1,321
Add external costs related to mergers, acquisitions, investments or dispositions and contingent consideration payments	8	2	3	31	44	5	8	10	25	48	20
Add excess tax benefits from equity instruments	27	13	19	29	88	-	-	-	-	-	-
Less capital expenditures	(75)	(87)	(108)	(162)	(432)	(98)	(104)	(160)	(294)	(656)	(147)
Less principal payments on capital leases	(3)	(4)	(4)	(3)	(14)	(3)	(8)	(21)	(7)	(39)	(11)
Free Cash Flow	$ 714	$ 1,140	$ 1,481	$ 1,034	$ 4,369	$ 1,370	$ 891	$ 1,326	$ 860	$ 4,447	$ 1,183
Net Debt											
Long-term debt	$ 23,622	$ 24,418	$ 24,419	$ 22,392	$ 22,392	$ 22,402	$ 21,843	$ 21,898	$ 18,294	$ 18,294	$ 18,331
Debt due within one year	51	50	52	1,947	1,947	808	1,155	1,157	5,450	5,450	3,922
Total debt	23,673	24,468	24,471	24,339	24,339	23,210	22,998	23,055	23,744	23,744	22,253
Less: cash and equivalents	(1,540)	(2,496)	(2,308)	(1,539)	(1,539)	(1,450)	(1,705)	(2,621)	(2,621)	(2,621)	(1,691)
Net debt	$ 22,133	$ 21,972	$ 22,163	$ 22,800	$ 22,800	$ 21,760	$ 21,293	$ 20,434	$ 21,123	$ 21,123	$ 20,562
Leverage Ratio											
Net debt (see above)							$ 21,293	$ 20,434	$ 21,123	$ 21,123	$ 20,562
Adjusted OIBDA for the trailing four quarters (see Schedule 5)							8,421	8,693	8,877	8,877	8,706
Leverage Ratio							2.5 x	2.4 x	2.4 x	2.4 x	2.4 x

TIME WARNER INC.
RECONCILIATION OF GUIDANCE
(Millions, Unaudited)

	Year Ended December 31, 2017	Reconciliation of 2018 Guidance
Reconciliation of Adjusted Operating Income to Operating Income		
Adjusted Operating Income	$ 8,183	Growth expected to be in the high single-digit range.[1]
Asset impairments	(16)	Unable to estimate.[2]
Gains (losses) on operating assets, net	67	Unable to estimate beyond the ($23) million recognized for the period January 1, 2018 through March 31, 2018.[2]
Costs related to the AT&T merger	(279)	Unable to estimate beyond the ($146) million recognized for the period January 1, 2018 through March 30, 2018 and the approximately ($300) million expected to be incurred for the period April 1, 2018 through December 31, 2018.[2] [3]
Other operating income items	(17)	Unable to estimate.[2]
Operating Income	$ 7,938	Unable to estimate.[1]

[1] Based on current exchange rates.

[2] Because of the nature of the items, the Company is unable to estimate the amounts of any adjustments for the items excluded from Operating Income for the period after March 30, 2018, other than the item noted in (3) below, 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 year ended December 31, 2017, it is likely that additional amounts will occur during the year ended December 31, 2018.

[3] In connection with the pending merger with AT&T Inc., the Company awarded special retention restricted stock units ("Special Retention RSUs") to and implemented cash retention and incentive programs for certain employees. The Company expects to recognize approximately ($300) million of expenses for the period April 1, 2018 through December 31, 2018 principally related to such Special Retention RSUs and cash retention and incentive programs.