

TIME WARNER CABLE INC.

Form S-1

October 18, 2006

As filed with the Securities and Exchange Commission on October 18, 2006  
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-1  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933  
TIME WARNER CABLE INC.  
*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**4841**  
*(Primary Standard Industrial  
Classification Code Number)*

**84-1496755**  
*(IRS Employer  
Identification Number)*

**290 Harbor Drive  
Stamford, CT 06902-7441  
(203) 328-0600**  
*(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)*

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**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:  \_\_\_

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:  \_\_\_

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:  \_\_\_

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box:

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Proposed Maximum Aggregate Offering Price<sup>(1)</sup></b>	<b>Amount of Registration Fee</b>
Class A common stock, \$0.01 par value per share	\$100,000,000	\$10,700

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.**

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**The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. The preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED OCTOBER 18, 2006**

**PROSPECTUS**

**Shares**

**Time Warner Cable Inc.**

**Class A Common Stock**

All of the shares of Class A common stock offered by this prospectus are being sold by Adelphia Communications Corporation, which is referred to in this prospectus as ACC or the selling stockholder. We will not receive any of the proceeds from the shares of Class A common stock sold by the selling stockholder.

This is the initial public offering of our Class A common stock. Prior to this offering, there has been no public market for our common stock. We intend to apply to list our Class A common stock on the New York Stock Exchange under the symbol TWC.

We are a consolidated subsidiary of Time Warner Inc., the common stock of which is publicly traded. Time Warner Inc. beneficially owns 82.7% of our outstanding Class A common stock and 100% of our outstanding Class B common stock. Except in the election of directors and other specified matters, the shares of Class A common stock and Class B common stock vote together as a single class on all matters submitted to our stockholders. Each share of our Class A common stock has one vote, and each share of our Class B common stock has 10 votes. As a result, Time Warner Inc. beneficially owns common stock representing 84.0% of all classes of our outstanding common stock and approximately 90.6% of the combined voting power of all classes of our outstanding common stock.

*Investing in our Class A common stock involves risks that are described in the Risk Factors section beginning on page 13 of this prospectus.*

In accordance with the terms of a registration rights and sale agreement between us and the selling stockholder, the selling stockholder may only sell the shares offered hereby in a single firm commitment underwritten public offering (including any shares subject to an overallotment option granted to the underwriters). We will provide more specific information about the terms of the offering of these shares in a supplement to this prospectus (or, if appropriate, a post-effective amendment to the registration statement of which this prospectus forms a part), including the names of

the underwriters and any applicable commissions or discounts.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is \_\_\_\_\_, 2006.

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*You should rely only on the information contained in this prospectus or to which we have referred you, including any free writing prospectus that we file with the Securities and Exchange Commission relating to this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.*

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## INDUSTRY AND MARKET DATA

Industry and market data used throughout this prospectus were obtained through company research, surveys and studies conducted by third parties, and general industry publications. The information contained in Business Our Industry is based on studies, analyses and surveys of the cable television, high-speed Internet access and telephone industries and its customers prepared by the National Cable and Telecommunications Association, Forrester Research and International Data Corporation. We have not independently verified any of the data from third party sources nor have we ascertained any underlying economic assumptions relied upon therein. While we are not aware of any misstatements regarding the industry data presented herein, estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading Risk Factors.





## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our Class A common stock. You should read the entire prospectus carefully, especially the section describing the risks of investing in our Class A common stock under the caption Risk Factors. Except as the context otherwise requires, references in this prospectus to TWC, the Company, we, our or us are to Time Warner Cable Inc. and references to Time Warner are to our parent corporation, Time Warner Inc. Some of the statements in this summary are forward-looking statements. For more information, please see Forward-Looking Statements.*

*Except as the context otherwise requires, references to information being pro forma or on a pro forma basis mean after giving effect to the transactions with Adelphia Communications Corporation ( ACC or the selling stockholder ) and its affiliates and subsidiaries (together with ACC, Adelphia ) and Comcast Corporation and its affiliates ( Comcast ), the dissolution of Texas and Kansas City Cable Partners, L.P. ( TKCCP ) and the other transactions described in our unaudited pro forma condensed combined financial statements contained herein. See Unaudited Pro Forma Condensed Combined Financial Information. Where we present information on an historical basis we mean our actual, historical operations without giving effect to the transactions with Adelphia and Comcast or the dissolution of TKCCP. Historical subscriber data reflect information for our cable systems that are consolidated for financial reporting purposes and do not reflect the subscribers of TKCCP, which, as of June 30, 2006, totaled approximately 1.6 million, as TKCCP has historically been treated as an unconsolidated joint venture that we manage. When we refer to revenue generating units ( RGUs ), we mean the sum of all of our analog video, digital video, high-speed data and voice subscribers. Therefore, a subscriber who purchases all four of these services would represent four RGUs.*

### Our Company

#### Overview

We are the second-largest cable operator in the United States and an industry leader in developing and launching innovative video, data and voice services. We deliver our services to customers over technologically-advanced, well-clustered cable systems that, as of June 30, 2006, on a pro forma basis, passed approximately 26 million U.S. homes. Approximately 85% of these homes were located in one of five principal geographic areas: New York state, the Carolinas (i.e., North Carolina and South Carolina), Ohio, Southern California and Texas. We are currently the largest cable system operator in a number of large cities, including New York City and Los Angeles. As of June 30, 2006, on a pro forma basis, we had over 14 million customer relationships through which we provided one or more of our services.

We have a long history of leadership within our industry and were the first or among the first cable operators to offer high-speed data service, IP-based telephony service and a range of advanced digital video services, such as video-on-demand ( VOD ), high definition television ( HDTV ) and set-top boxes equipped with digital video recorders ( DVRs ). We believe our ability to introduce new products and services provides an important competitive advantage and is one of the factors that has led to advanced services penetration rates and revenue growth rates that have been higher than cable industry averages over the last few years. As of June 30, 2006, on an historical basis, 5.0 million (or nearly 53%) of our 9.5 million basic video customers subscribed to our digital video services, 4.6 million (or over 28%) of our high-speed data service-ready homes subscribed to a high-speed data service and 1.4 million (or nearly 9%) of our voice service-ready homes subscribed to Digital Phone, our newest service, which we launched broadly during 2004. We have been able to increase our average monthly subscription revenue per basic video subscriber

( subscription ARPU ) at double digit rates for 22 consecutive quarters through June 30, 2006, which we believe is driven in large part by the expansion of our service offerings. In the quarter ending June 30, 2006, on an historical basis, our subscription ARPU was approximately \$91, which we believe was above the cable industry average. In addition to consumer subscription services, we also provide communications services to commercial customers and sell advertising time to a variety of national, regional and local businesses.

Our business benefits greatly from increasing the penetration of multiple services and, as a result, we continue to create and aggressively market desirable bundles of services to existing and potential customers. As of June 30,

2006, on an historical basis, approximately 42% of our customers purchased two or more of our video, high-speed data and Digital Phone services, and 11% purchased all three of these services. We believe that offering our customers desirable bundles of services results in greater revenue and reduced customer churn.

Consistent with our strategy of growing through disciplined and opportunistic acquisitions, on July 31, 2006, we completed a series of transactions with Adelphia and Comcast, which resulted in a net increase of 7.6 million homes passed and 3.2 million basic video subscribers served by our cable systems. As of June 30, 2006, on a pro forma basis, homes passed in the systems acquired from Adelphia and Comcast represented approximately 30% of our total homes passed. These transactions provide us with increased scale and have enhanced the clustering of our already well-clustered systems. As of June 30, 2006, penetration rates for basic video services and advanced services were generally lower in the acquired systems than in our historical systems. We believe that many of the systems we acquired will benefit from the skills of our management team and from the introduction of our advanced service offerings, including IP-based telephony service, which was not available to the subscribers in the acquired systems prior to closing. Therefore, we have an opportunity to improve the financial results of these systems.

### **Our Industry**

As the marketplace for basic video services has matured, the cable industry has responded by introducing new services, including enhanced video services like HDTV and VOD, high-speed Internet access and IP-based telephony. We believe these advanced services have resulted in improved customer satisfaction, increased customer spending and retention. We expect the demand for these and other advanced services to increase.

We believe the cable industry is better-positioned than competing industries to widely offer a bundle of advanced services, including video, high-speed data and voice, over a single provider's facilities. For example:

Direct broadcast satellite providers, currently the cable industry's most significant competitor for video customers, generally do not provide two-way data or telephony services on their own and rely on partnerships with other companies to offer synthetic bundles of services.

Telephone companies, currently the cable industry's most significant competitor for telephone and high-speed data customers, do not independently provide a widely available video product.

Independent providers of IP-based telephony services allow broadband users to make phone calls, but offer no other services.

Some telephone companies are building new fiber-to-the-node (FTTN) or fiber-to-the-home (FTTH) networks in an attempt to offer customers a product bundle comparable to those offered today by cable companies, but these advanced service offerings will not be broadly available for a number of years. Meanwhile, we expect the cable industry will benefit from its existing offerings while continuing to innovate and introduce new services.

### **Our Strengths**

We benefit from the following competitive strengths:

*Advanced cable infrastructure.* Our advanced cable infrastructure is the foundation of our business, enabling us to provide our customers with a compelling suite of products and services, regularly introduce new services and features and pursue new business opportunities. Our infrastructure is engineered to accommodate future capacity enhancements in a cost-efficient, as-needed manner. We believe that the long-term capabilities of our network are functionally comparable to those of proposed or emerging networks of the telephone companies, and superior to the

capabilities of the legacy networks of the telephone companies and the delivery systems of direct broadcast satellite operators.

*Innovation leader.* We are a recognized leader in developing and introducing innovative new technologies and services, and creating enhancements to existing services. Our ability to deliver technological innovations that respond to our customers' needs and interests is reflected in the widespread customer adoption of these products and services. This leadership has enabled us to accelerate the rate at which we have introduced new services and features over the last few years, resulting in increased subscription ARPU and lowered customer churn.

*Large, well-clustered cable systems.* We operate large, well-clustered cable systems, and the recently-completed transactions with Adelphia and Comcast further enhanced our already well-clustered operations. We believe clustering provides us with significant operating and financial advantages, including the ability to: rapidly and cost-effectively introduce new services; market our services more effectively; offer advertisers a convenient geographic platform; maintain high-quality local management teams; and offer competitive proprietary local programming.

*Consistent track record.* We have established a record of financial growth and strong operating performance driven primarily by the introduction of our advanced services. For example, our RGU net additions have increased from 1.6 million for the twelve months ended June 30, 2005 to 2.7 million for the twelve months ended June 30, 2006, representing a 69% increase, on an historical basis. In addition, we have doubled our subscription ARPU in the last five years from approximately \$45 for the quarter ended March 31, 2001 to approximately \$91 for the quarter ended June 30, 2006, representing a 14% compound annual growth rate.

*Highly-experienced management team.* Our senior corporate and operating management averages more than 17 years of service with us. Over our long history in the cable business, our management team has demonstrated efficiency, discipline and speed in its execution of cable system upgrades and the introduction of new and enhanced service offerings and has also demonstrated the ability to efficiently integrate the cable systems we acquire from other cable operators into our existing systems.

*Local presence.* We believe our presence in the diverse communities we serve helps make us responsive to our customers' needs and interests, as well as to local competitive dynamics. Our locally-based employees are familiar with the services we offer in their area and are trained and motivated to promote additional services at each point of customer contact.

## **Our Strategy**

Our goal is to continue to attract new customers while at the same time deepening relationships with existing customers in order to increase the amount of revenue we earn from each home we pass and increase customer retention. We plan to achieve these goals through ongoing innovation, focused marketing, superior customer care and a disciplined acquisition strategy.

*Ongoing innovation.* We define innovation as the pairing of technology with carefully-researched insights into the services that our customers will value. We will continue to fast-track laboratory and consumer testing of promising concepts and services and rapidly deploy those that we believe will enhance our customer relationships and increase our profitability. We also seek to develop integrated offerings that combine elements of two or more services. We have a proven track record with respect to the introduction of new services.

*Marketing.* Our marketing strategy has three key components: promoting bundled services, effective merchandising and building our brand. We are focused on marketing bundles' differentiated packages of multiple services and features for a single price' as we have seen that customers who subscribe to bundles of our services are generally less likely to switch providers and are more likely to be receptive to additional services, including those that we may offer in the future. Our merchandising strategy is to offer bundles with entry-level pricing, which provides our customer care representatives with the opportunity to offer potential customers additional services or upgraded levels of existing services.

*Superior customer care.* We believe that providing superior customer care helps build customer loyalty and retention, strengthens the Time Warner Cable brand and increases demand for our services. We have implemented a range of initiatives to ensure that customers have the best possible experience with minimum inconvenience when ordering and paying for services, scheduling installations and other visits, or obtaining technical or billing information with respect

to their services.

*Growth through disciplined strategic acquisitions.* We will continue to evaluate and selectively pursue opportunistic strategic acquisitions, system swaps and joint ventures that we believe will add value to our existing business. The transactions we completed with Adelphia and Comcast on July 31, 2006 are consistent with this strategy. Our goal with respect to the systems we acquired in these transactions is to increase penetration of our basic and advanced services toward the levels enjoyed by our historical systems, thereby increasing revenue growth

and profitability. In order to achieve this goal, we will upgrade the capacity and technical performance of the newly-acquired systems to levels that will allow us to deliver all of our advanced services and features, which we anticipate will require us to spend approximately \$650 million over the next few years.

## **Recent Developments**

### ***Transactions with Adelphia and Comcast***

On July 31, 2006, we completed the following transactions with Adelphia and Comcast:

*The Adelphia Acquisition.* We acquired certain assets and assumed certain liabilities from Adelphia, which is currently in bankruptcy, for approximately \$8.9 billion in cash and 156 million shares, or 17.3%, of our Class A common stock (approximately 16% of our total common stock). We refer to the cable systems we acquired from Adelphia, after giving effect to the transactions with Adelphia and Comcast, as the Adelphia Acquired Systems. On the same day, Comcast purchased certain assets and assumed certain liabilities from Adelphia for approximately \$3.6 billion in cash. Together, we and Comcast purchased substantially all of the cable assets of Adelphia (the Adelphia Acquisition).

*The Redemptions.* Immediately before the Adelphia Acquisition, we redeemed Comcast's interests in our company and Time Warner Entertainment Company, L.P. (TWE), one of our subsidiaries, in exchange for the capital stock of a subsidiary of ours and a subsidiary of TWE, respectively, together holding an aggregate of approximately \$2 billion in cash and historical cable systems serving approximately 751,000 basic video subscribers, as of June 30, 2006 (the TWC Redemption and the TWE Redemption, respectively, and, together, the Redemptions).

*The Exchange.* Immediately after the Adelphia Acquisition, we and Comcast also swapped certain cable systems, some of which were acquired from Adelphia, in order to enhance our and Comcast's respective geographic clusters of subscribers (the Exchange). We refer to the cable systems we acquired from Comcast, after giving effect to the transactions with Adelphia and Comcast, as the Comcast Acquired Systems, and to the collective systems acquired from Adelphia and Comcast as the Acquired Systems.

For additional information regarding the Adelphia Acquisition, the Redemptions and the Exchange (collectively, the Transactions), see The Transactions.

The Adelphia Acquisition was designed to be a taxable acquisition of assets that would result in a tax basis in the acquired assets equal to the purchase price we paid. The resulting step-up in the tax basis of the assets would increase future tax deductions, reduce future net cash tax payments and thereby increase our future cash flows. See

Management's Discussion and Analysis of Results of Operations and Financial Condition Business Transactions and Developments Tax Benefits from the Transactions.

### ***TKCCP Dissolution***

We are in the process of dissolving TKCCP, a 50-50 joint venture between us and Comcast, which, as of June 30, 2006, served approximately 1.6 million basic video subscribers throughout Houston, Kansas City, south and west Texas and New Mexico. Upon the dissolution, we will receive the cable systems in Kansas City, south and west Texas and New Mexico, which collectively served approximately 789,000 basic video subscribers as of June 30, 2006, and Comcast will receive the Houston cable systems. Comcast has refinanced the debt of TKCCP and we will not assume any debt of TKCCP upon its dissolution. See Management's Discussion and Analysis of Results of Operations and Financial Condition Business Transactions and Developments Joint Venture Dissolution.





## **Corporate Structure and Other Information**

Although we and our predecessors have been in the cable business for over 30 years in various legal forms, Time Warner Cable Inc. was incorporated as a Delaware corporation on March 15, 1999. Our principal executive offices are located at 290 Harbor Drive, Stamford, CT 06902. Our telephone number is (203) 328-0600 and our corporate website is [www.timewarnercable.com](http://www.timewarnercable.com). The information on our website is not part of this prospectus.

The following chart illustrates our corporate structure after giving pro forma effect to the Transactions and the dissolution of TKCCP, but before giving effect to this offering. The subscriber numbers, long-term debt and preferred equity balances presented below are approximate as of June 30, 2006 on a pro forma basis. Certain intermediate entities and certain preferred interests held by us or our subsidiaries are not reflected. The subscriber counts within each entity indicate the number of basic video subscribers attributable to cable systems owned by such entity. Basic video subscriber amounts reflect billable subscribers who receive our basic video service.

- (1) Excludes an unamortized fair value adjustment of \$147 million.
- (2) The subscribers and ownership interests listed in the chart for the Time Warner Entertainment-Advance/Newhouse Partnership ( TWE-A/N ) relate only to those TWE-A/N systems in which we have an economic interest and over which we exercise day-to-day supervision. See [Our Operating Partnerships and Joint Ventures Description of Certain Provisions of the TWE-A/N Agreement](#) for a more detailed description of the TWE-A/N ownership structure.

### The Offering

Class A common stock offered by the selling stockholder	shares
Common stock outstanding	901,913,430 shares of Class A common stock, par value \$0.01 per share 75,000,000 shares of Class B common stock, par value \$0.01 per share 976,913,430 total shares of common stock
New York Stock Exchange symbol	TWC
Voting rights	<p>Our Class A common stock votes as a single class with respect to the election of Class A directors, which are required to represent between one-sixth and one-fifth of our directors (and in any event no fewer than one). There are currently two Class A directors.</p> <p>Our Class B common stock votes as a single class with respect to the election of Class B directors, which are required to represent between four-fifths and five-sixths of our directors. There are currently eight Class B directors.</p> <p>Except in the election of directors and other specified matters, the shares of Class A common stock and Class B common stock vote together as a single class on all matters submitted to our stockholders. Each share of Class A common stock is entitled to one vote. Each share of Class B common stock is entitled to ten votes.</p> <p>Time Warner controls 82.7% of the vote in matters where the holders of Class A common stock vote as a single class, 100% of the vote in matters where the holders of Class B common stock vote as a single class and 90.6% of the vote in matters where the holders of Class A common stock and the Class B common stock vote together as a single class. In addition to any other vote or approval required, the approval of the holders of a majority of the voting power of then-outstanding shares of Class A common stock held by persons other than Time Warner will be necessary in connection with certain specified matters. For more information, please see <a href="#">Description of Capital Stock</a> <a href="#">Common Stock</a> <a href="#">Voting</a>.</p>
Dividend policy	We do not expect to pay dividends or make any other distributions on our common stock in the future. For more information, please see <a href="#">Dividend Policy</a> .
Use of proceeds	We will not receive any of the proceeds from the sale of shares by the selling stockholder. The selling stockholder will receive all net proceeds from the sale of shares of our Class A common stock offered under this prospectus.

Risk Factors

You should carefully consider all of the information in this prospectus and, in particular, you should evaluate the specific factors set forth under **Risk Factors** in deciding whether to invest in our Class A common stock.

## SUMMARY FINANCIAL AND SUBSCRIBER DATA

Our summary financial and subscriber data are set forth on the following tables. The summary historical balance sheet as of December 31, 2004 and 2005 and statement of operations data for each of the years ended December 31, 2003, 2004 and 2005 have been derived from our audited financial statements included elsewhere in this prospectus. The summary historical balance sheet data as of December 31, 2003 have been derived from our audited financial statements not included in this prospectus. The summary balance sheet data as of June 30, 2006 and the statement of operations data for the six months ended June 30, 2005 and 2006 have been derived from our unaudited consolidated financial statements contained elsewhere in this prospectus. The summary historical balance sheet data as of June 30, 2005 have been derived from our unaudited financial statements not included in this prospectus. In the opinion of management, the unaudited financial data reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of our results of operations for those periods. Our results of operations for the six months ended June 30, 2006 are not necessarily indicative of the results that can be expected for the full year or for any future period.

The summary unaudited pro forma financial data set forth below give effect to the Transactions, the dissolution of TKCCP and the other matters described under Unaudited Pro Forma Condensed Combined Financial Information, as if the Transactions and the dissolution of TKCCP occurred on January 1, 2005 for statement of operations data and as of June 30, 2006 for balance sheet data. The unaudited pro forma information does not purport to represent what our results of operations or financial position would have been if the Transactions, the dissolution of TKCCP and such other matters had occurred as of the dates indicated or what those results will be for future periods.

References to subscriber data refer to cable systems serving 9.5 million basic video subscribers as of June 30, 2006, on an historical basis, whose results are consolidated with ours. As of June 30, 2006, we also managed an additional 1.6 million subscribers served by TKCCP, a 50-50 joint venture with Comcast whose results are not consolidated with ours. For additional discussion of this joint venture, see Management's Discussion and Analysis of Results of Operations and Financial Condition Business Transactions and Developments Joint Venture Dissolution.

The following financial information reflects the impact of the restructuring of TWE, which was completed on March 31, 2003 (the TWE Restructuring) and is described in more detail under Management's Discussion and Analysis of Results of Operations and Financial Condition Business Transactions and Developments Restructuring of Time Warner Entertainment Company, L.P., the adoption of Financial Accounting Standards Board (FASB) Statement No. 123 (revised 2004), *Share-based Payment* (FAS 123R), and a restatement of our financial statements resulting from a settlement between Time Warner and the Securities and Exchange Commission (the SEC). The following information should be read in conjunction with Selected Historical Consolidated Financial and Subscriber Data, Unaudited Pro Forma Condensed Combined Financial Information, Management's Discussion and Analysis of Results of Operations and Financial Condition and our consolidated financial statements and related notes, ACC's consolidated financial statements and related notes and Comcast's special purpose combined carve-out financial statements of the Los Angeles, Dallas and Cleveland cable system operations and related notes, each of which is included elsewhere in this prospectus.

	Year ended December 31,				Six months ended June 30,		
	2003	2004	2005	Pro Forma 2005	2005	2006	Pro Forma 2006
	(restated, except pro forma data) (in millions, except per share data)						
<b>Statement of Operations Data:</b>							
Revenues:							
Video	\$ 5,810	\$ 6,180	\$ 6,537	\$ 9,229	\$ 3,241	\$ 3,475	\$ 4,881
High-speed data	1,422	1,760	2,145	2,694	1,018	1,258	1,574
Voice <sup>(1)</sup>	1	29	282	379	89	309	361
Advertising	466	515	534	782	255	259	384
Total revenues	7,699	8,484	9,498	13,084	4,603	5,301	7,200
Costs and expenses:							
Costs of revenues	3,339	3,714	4,211	6,281	2,066	2,369	3,430
Selling, general and administrative expenses	1,438	1,538	1,626	2,189	810	935	1,242
Merger-related and restructuring costs	15		42	41	30	22	21
Depreciation	1,403	1,438	1,588	2,253	762	829	1,116
Amortization	58	76	76	292	39	40	147
Impairment of long-lived assets				4			9
Total costs and expenses	6,253	6,766	7,543	11,060	3,707	4,195	5,965
Operating Income	1,446	1,718	1,955	2,024	896	1,106	1,235
Interest expense, net	(492)	(465)	(464)	(917)	(235)	(225)	(451)
Income (loss) from equity investments, net	33	41	43	(5)	21	42	
Minority interest expense, net	(62)	(62)	(70)	(59)	(31)	(46)	