



2012

TIME WARNER CABLE
ANNUAL
REPORT



TIME WARNER CABLE AWARDS & RECOGNITION

Select 2012 Awards

WORKPLACE EXCELLENCE



Best Company for Women by Women in Cable Telecommunications (WICT)

National Association for Multi-Ethnicity in Communications (NAMIC) Awards (nine awards received)

Top Places to Work, Human Rights Campaign, Corporate Equality Index

Time Warner Cable Business Class—Company with Highest Loyalty Award by business consulting firm Frost & Sullivan

Top 10 Places to Work in Cable by CableFAX

PHILANTHROPY



Golden Beacon Award for Connect a Million Minds® (CAMM) by the Association of Cable Communicators

Gold American Business Award for CAMM by the Stevie Awards

Silver Anvil Award for CAMM by the Public Relations Society of America

SERVICES & TECHNOLOGY



A History of Innovation

In the mid-1990s, TWC became the first cable company to be honored with an Emmy® Award by winning the Technology and Engineering Award for Outstanding Achievement in Technological Development. This recognized our pioneering work in using fiber optics to transmit broadband signals, a development that helped enable the convergence of the cable television, computer and telephone industries. Since then, we have earned five more Technology and Engineering Emmys:

- ⌚ Best Use of On Demand Technology Over Private Networks for Start Over® (2005-2006)
- ⌚ Development, Productization and Commercialization of Interactive Video on Demand Two-Way Infrastructure and Signaling (2006-2007)
- ⌚ Full-Service Network (2011)
- ⌚ Pioneering the Development of Multi-Room DVR (2011-2012)
- ⌚ Development and Commercialization of Cable Interconnects for Local Video Ad Insertion (ADLINK, 2011-2012)

LEADERSHIP HONORS

Glenn Britt, Chairman & Chief Executive Officer—*Innovation Leadership Award* by the Polytechnic Institute of New York University and *CEO in Action* by Profiles in Diversity Journal

Irene Esteves, Executive Vice President & Chief Financial Officer—*Wonder Woman Award* by Multichannel News and *Woman Worth Watching* by Profiles in Diversity Journal

Carol Hevey, Executive Vice President, Operations, East Region—*Woman of the Year* by WICT

Gail MacKinnon, Executive Vice President & Chief Government Relations Officer and **Jeffrey Hirsch**, Executive Vice President & Chief Marketing & Sales Officer, Residential Services—*Vanguard Awards* by the National Cable & Telecommunications Association

Melinda Witmer, Executive Vice President & Chief Video and Content Officer—*Cable Television Woman of the Year* by TVWeek

Fernando Laguarda, Vice President, External Affairs & Policy Counselor—*Next Generation Leader Award* by NAMIC

Most Powerful Women in Cable Awards (17) by CableFAX

Cable's 100 Power Players Awards (11) by CableFAX



Glenn A. Britt
Chairman & CEO

Dear Shareholders,

2012 was a year of significant accomplishment at Time Warner Cable. We delivered good results while making the investments needed for longer-term success in a highly competitive business. And I am pleased to report that, as a result of our actions, we continued to build shareholder value.

2012 Accomplishments and Highlights

We drove healthy year-over-year growth in many key financial and operational metrics in 2012:

- ☉ Total company revenue increased 8.7% to \$21.4 billion.
- ☉ Business Services revenue increased 29.4% to \$1.9 billion.
- ☉ Advertising revenue increased 19.7% to \$1.1 billion—an all-time record.
- ☉ Primary service units (PSUs)—the sum of video, high-speed data and voice subscribers for both residential and business services—were 28.9 million at year end, up from 27.1 million at the start of 2012.
- ☉ Operating income increased 9.2% to \$4.4 billion.
- ☉ Diluted earnings per share grew to \$6.90 from \$4.97.
- ☉ Free cash flow topped \$2.5 billion.

Given our strong cash flow and solid balance sheet, we paid dividends and repurchased Time Warner Cable shares totaling \$2.6 billion and acquired Insight Communications for \$3 billion.

Taking a closer look at the steps we took to drive our 2012 performance and better position the company for the future:

- ☉ We increased the speed of our standard tier of **residential Internet** service by 50%, and our Internet customers now have even more choices with the addition of optional usage-based tiers available in nearly 90% of our footprint. We added 10,000 WiFi access points, which, when combined with the thousands of hot spots activated by our WiFi arrangements with other cable companies, give our Internet customers access to more than 50,000 hotspots nationwide, one of the most robust WiFi networks in the U.S. And we improved the mix of our subscriber base, with more subscribers to our Turbo, Extreme and Ultimate tiers.
- ☉ We continued to enhance our TWC TV™ platform. With up to 300 live linear channels available on the iOS and Android platforms, PCs and MACs, as well as on Roku devices, we believe we offer the most advanced linear IP **video** product in the industry. We also added 4,000 on demand assets to the iOS app. Our apps have been well received; in December alone, more than three-quarters of a million unique customers used the TWC TV™ app—almost four million times. In addition, we bolstered our programming lineups in 2012, particularly in sports, and we launched two new regional sports networks (RSNs) to serve as home to the Los Angeles Lakers in Southern California—Time Warner Cable SportsNet and Time Warner Cable Deportes, the first-ever Spanish language RSN in the U.S.



- ☉ We continued to enhance our **residential phone** product. We introduced voicemail to text and visual voicemail for iOS and Android, as well as our Global Penny Phone Plan—which allows calls to over 40 countries for just a penny a minute.
- ☉ On the **customer service** front, we introduced one-hour service windows almost everywhere in our footprint—and, in select markets, we added guaranteed appointment times at the start of each shift. We also more than doubled the self-installation rate on a year-over-year basis in the fourth quarter. And we overhauled our customer-facing web and app presence, including launching the MyTWC™ customer service app, which achieved 650,000 downloads and enabled customers to engage with VoiceZone®, bill pay and account management features on a range of devices.
- ☉ We successfully integrated the former **Insight Communications** systems, acquired on February 29, 2012, leveraging greater economies of scale and offering our new customers state-of-the-art technology and new product innovations that will make their lives simpler and easier.
- ☉ We accelerated our investment in the people, plant and products for our rapidly-growing **Business Services**. In 2012, we nearly doubled our fiber connectivity to commercial properties in the U.S.
- ☉ We increased the **network capacity** that underlies our high-speed data offerings to accommodate more traffic and deliver higher speeds. We also took the first step in consolidating our technical operations to support the company's entire footprint with the opening of our first national Data Center, a 178,000-square-foot facility in Charlotte, NC. In addition, we built out our own content delivery network, or CDN, so we can effectively deliver IP video without reliance on third party providers.



Not only did we do great things on the business front, but we also continued to play an important role in the communities we serve.

- ☉ Thanks to the heroic efforts of our employees during **Superstorm Sandy**, more than 80% of Time Warner Cable's 300,000 impacted customers in the Greater New York-New Jersey Metropolitan area had their services restored within five days after Sandy hit. Beyond our operations, philanthropic efforts included food trucks that served 30,000 meals, mobile charging and WiFi stations for severely impacted communities without power and connectivity, house-to-house visits to check on the well-being of our neighbors, support for community clean-up projects and donations of \$600,000 to storm relief.



☺ We passed the halfway mark to connecting a million young minds to the wonders of science, technology, engineering and math (STEM) through our **Connect a Million Minds®** initiative. I could not be more proud of the work we are doing to advance the STEM fields for our industry and the country.



Focus for 2013

We enter 2013 with a strong and steady business, but also with the realization that we need to continually step up our game to meet the challenges of a world in which technology changes faster each year and our competitors grow more adept. In 2013, we are focused on five areas for driving long-term, profitable growth.

Residential Services: Focus on improvements in packaging, customer retention and the overall customer experience—including product enhancements and better customer service.

Business Services: Increase our share with small businesses; continue to move “up market” to serve mid-sized businesses; and expand our presence in the growing carrier space—including through cell tower backhaul. To do this, we will continue to invest in expanding our sales force, connecting more buildings and towers to our network and enhancing our product portfolio.

Operational Effectiveness: Drive continuous improvement, with initiatives in areas such as field operations, call centers and dispatch to reduce unnecessary work, reduce waste and drive standard best practices companywide—all while improving the quality of our customers’ experience.

Investments in Our Future: Bring more content to more devices—anytime, anywhere; more than double our WiFi network; and launch our next-generation home security, monitoring, automation and control platform system-wide in 2013, up from approximately 25% of our footprint at year-end 2012.

Disciplined Financial Management: Actively manage our balance sheet, and drive long-term shareholder value through rigorous and disciplined investment decisions that lead to consistently strong cash flow generation. Continue to return excess capital to shareholders through both dividends and share repurchases.



I applaud the strong resolve of our more than 51,000 Time Warner Cable employees to help our customers “enjoy better” all of the things that they are passionate about—and to deliver on that brand promise ethically, transparently and with a firm commitment to the mission and values that we strive to uphold every day. I am incredibly proud to note that, each year, our company earns recognition from a variety of organizations, both for our people and as one of the top places to work.

We remain confident in the long-term prospects for our business. On behalf of everyone at Time Warner Cable, thank you for entrusting us with the management of your company.

Sincerely,

Glenn A. Britt
Chairman and Chief Executive Officer
March 2013



What do **business** and **responsibility** have in common?

They both can **deliver a difference.**

Time Warner Cable's mission is to connect people and businesses with information, entertainment and each other and give customers control in ways that are simple and easy—to make a difference in their lives. When it comes to corporate responsibility, we strive to do the same. How we conduct ourselves as an organization and the choices we make can deliver a meaningful difference in the lives of our employees, customers and other stakeholders.

We are building a corporate social responsibility platform that represents those areas that we can most effectively influence and positively impact for the future benefit of all of our communities. Our platform includes four priorities:

Environment

We are focused on practices that produce greater levels of eco-efficiency, from pursuing Leadership in Energy and Environmental Design (LEED) certification for our buildings to upgrading our company vehicles for higher fuel efficiency. Our goal is to decrease our 2012 carbon intensity by 15 percent by the end of 2014.



Diversity & Inclusion

We are recruiting, retaining and developing a talented workforce that reflects the rich diversity of our communities. Being inclusive helps us better serve our communities, provide the programming our customers expect, and utilize and benefit from the expertise of diverse suppliers to meet our needs.



Philanthropy & Community

We are actively involved with our communities on a daily basis—whether performing a service call, volunteering time to a community organization, or providing a public service by reporting news, weather and traffic from one of our more than 30 local news networks. We are particularly proud of Connect a Million Minds®, our signature five-year, \$100 million cash and in-kind initiative to support education and careers in science, technology, engineering and math (STEM).



Governance & Business Practices

We commit to deliver what we promise and do what we say, ethically and transparently. While it's important to our stockholders and customers that we compete aggressively every day, it's equally important that we compete fairly and honestly.



Please visit our inaugural Corporate Social Responsibility Report at www.twccorporateresponsibility.com.

FORM 10-K starts here

FORM 10-K ends here



BOARD OF DIRECTORS

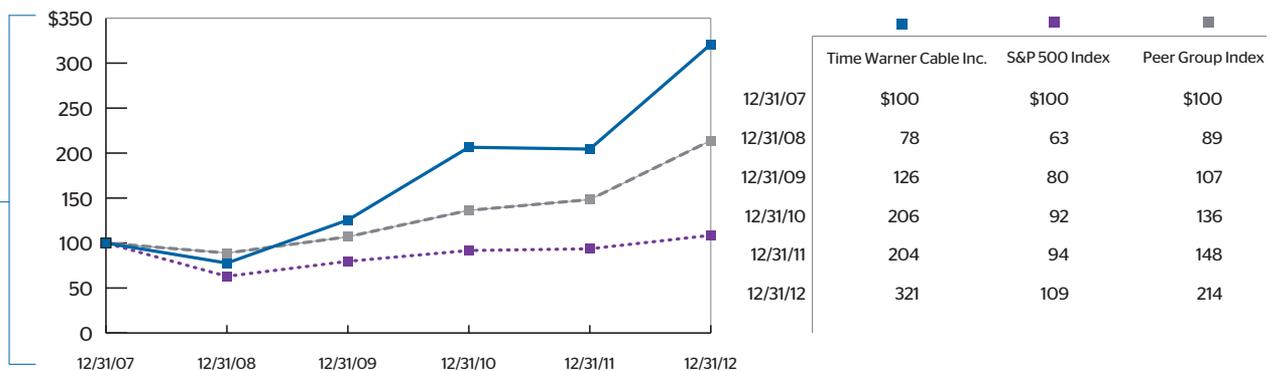
Carole Black	Former President & Chief Executive Officer, <i>Lifetime Entertainment Services</i>
Glenn A. Britt	Chairman & Chief Executive Officer, <i>Time Warner Cable Inc.</i>
Thomas H. Castro	President & Chief Executive Officer, <i>El Dorado Capital, LLC</i>
David C. Chang	Chancellor, <i>Polytechnic Institute of New York University</i>
James E. Copeland, Jr.	Former Chief Executive Officer, <i>Deloitte & Touche USA LLP</i> & <i>Deloitte Touche Tohmatsu Limited</i>
Peter R. Haje	Legal & Business Consultant, Former Executive Vice President, General Counsel & Secretary, <i>Time Warner Inc.</i>
Donna A. James	Consultant, Business Advisor & Managing Director, <i>Lardon & Associates LLC</i>
Don Logan	Investor, Media, Entertainment & Sports Former Chairman, Media & Communications Group, <i>Time Warner Inc.</i>
N.J. Nicholas, Jr.	Investor Lead Director, <i>Time Warner Cable Inc.</i>
Wayne H. Pace	Former Executive Vice President & Chief Financial Officer, <i>Time Warner Inc.</i>
Edward D. Shirley	President & Chief Executive Officer, <i>Bacardi Limited</i>
John E. Sununu	Former U.S. Senator

SENIOR MANAGEMENT TEAM

Glenn A. Britt*	Chairman & Chief Executive Officer
Robert D. Marcus*	President & Chief Operating Officer
Irene M. Esteves*	Executive Vice President & Chief Financial Officer
Gerald D. Campbell	Executive Vice President, Business Services
Ellen M. East*	Executive Vice President & Chief Communications Officer
Joan Hogan Gillman	Executive Vice President & Chief Operating Officer, Media Services
William R. Goetz, Jr.*	Executive Vice President & Chief Operating Officer, Residential Services
Michael T. Hayashi	Executive Vice President, Architecture, Development & Engineering
Jeffrey A. Hirsch	Executive Vice President & Chief Marketing & Sales Officer, Residential Services
John H. Keib	Executive Vice President & Chief Care & Technical Operations Officer, Residential Services
Michael L. LaJoie*	Executive Vice President & Chief Technology & Network Operations Officer
Marc Lawrence-Apfelbaum*	Executive Vice President, General Counsel & Secretary
Kevin J. Leddy	Executive Vice President, Corporate Strategy
Gail G. MacKinnon*	Executive Vice President & Chief Government Relations Officer
Peter C. Stern*	Executive Vice President & Chief Strategy, People & Corporate Development Officer
Melinda C. Witmer*	Executive Vice President & Chief Video & Content Officer

*Executive Officer

COMPARISON OF CUMULATIVE TOTAL RETURNS



This chart compares the performance of the Company's common stock with the performance of the S&P 500 Index and a peer group index (the "Peer Group Index") by measuring changes in the common stock prices from December 31, 2007 through December 31, 2012. On March 12, 2009, the Company effected a recapitalization whereby each share of the Company's Class A common stock and Class B common stock was automatically converted into a single share of common stock, and following the recapitalization, a reverse stock split whereby every three shares of the Company's common stock was combined into one share of common stock.

Pursuant to the SEC's rules, the Company created a peer group index with which to compare its own stock performance, since a relevant published industry or line-of-business index does not exist. The common stocks of the following companies have been included in the Peer Group Index: Cablevision Systems Corporation (Class A), Charter Communications, Inc. (Class A), Comcast Corporation (Class A), DIRECTV (Class A) and DISH Network Corporation. Charter Communications, Inc. was added to this index as of the date its stock began trading after it emerged from protection under Chapter 11 of the U.S. Bankruptcy Code, December 2, 2009.

The chart assumes \$100 was invested on December 31, 2007 in each of the Company's common stock, the S&P 500 Index and the Peer Group Index and reflects reinvestment of dividends and distributions on a monthly basis and quarterly market capitalization weighting.



SHAREHOLDER SERVICES

Registered shareholders (who hold shares in their name) with questions or seeking services, including change of address, transfer of stock to another person and other administrative services, should contact the Transfer Agent at:

Computershare (acquired BNY Mellon Shareowner Services on 12/31/2011)
P.O. Box 43006
Providence, RI 02940-3006

or

250 Royall Street
Canton, MA 02021
866-795-8825
201-680-6578 (outside the U.S.)
www.computershare.com/investor

Beneficial shareholders (who hold their shares through brokers) should contact the broker directly on all administrative matters.

FINANCIAL AND OTHER COMPANY INFORMATION

Copies of Time Warner Cable Inc.'s financial information, such as this Annual Report to Stockholders, Annual Report on Form 10-K filed with the SEC, Quarterly Reports on Form 10-Q, and Proxy Statement, may be viewed or downloaded on the company's website: www.twc.com/investors. Alternatively, copies may be requested free of charge by calling toll free: 877-4 INFO-TWC.

COMMON STOCK

Time Warner Cable Inc. common stock is listed on the New York Stock Exchange under the ticker symbol "TWC." As of February 28, 2013, there were approximately 295 million shares of common stock outstanding, and there were approximately 28,500 stockholders of record.

QUARTERLY DIVIDEND

For information about Time Warner Cable Inc.'s quarterly dividend, please refer to the company's website: www.twc.com/investors.

DEBT SECURITIES

For a list of the company's debt securities and each security's trustee information, please refer to the debt securities section of the company's website: www.twc.com/investors.

ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders will be held on Thursday, May 16, 2013 beginning at 2:00 p.m. local time. The meeting will take place at the Gideon Putnam Hotel, 24 Gideon Putnam Road, Saratoga Springs, New York 12866.

NUMBER OF EMPLOYEES

Approximately 51,000 at December 31, 2012

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
New York, NY

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INVESTOR INFORMATION

Caution Concerning Forward-Looking Statements

This document includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are inherently subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological, strategic and/or regulatory factors, and other factors affecting the operations of Time Warner Cable Inc. More detailed information about these factors may be found in filings by Time Warner Cable Inc. with the SEC, including its most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. Time Warner Cable Inc. is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Publications

Copies of Time Warner Cable Inc.'s Annual Report on Form 10-K for the year ended December 31, 2012 (excluding exhibits thereto) are available without charge upon written request to Time Warner Cable Inc., 60 Columbus Circle, New York, NY 10023, Attn: Investor Relations, or by email to ir@twcable.com. The Annual Report on Form 10-K and Time Warner Cable Inc.'s Quarterly Reports on Form 10-Q, as well as certain other documents filed with the SEC, are available on the company's Investor Relations website at www.twc.com/investors and on the SEC's website at www.sec.gov.

Trademark Information

Time Warner Cable, Time Warner Cable Business Class, and the eye/ear logo are trademarks of Time Warner Inc. Used under license. All other trademarks remain the property of their respective owners.



OUR MISSION

We connect people and businesses with information, entertainment and each other. We give customers control in ways that are simple and easy.

OUR VALUES





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