

# **Insight Communications**

## **Q1 2007 Earnings Conference Call**

**- Thursday, May 3, 2007 -**



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## Safe Harbor

Any statements in this presentation that are not historical facts are forward-looking statements. The words “plan”, “believe”, “expect”, “anticipate”, “estimate” and other expressions that indicate future events and trends identify forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated. Factors that could have a material and adverse impact on actual results are identified in the reports and documents Insight files from time to time with the U.S. Securities and Exchange Commission. Insight undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made during this presentation to reflect events or circumstances after today or to reflect the occurrence of unanticipated events.

# Summary of Q1'07 Results

Michael Willner,  
Vice Chairman & CEO



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# Summary of Q1'07 Results

## Financial Results

<i>(\$ in mil)</i>	<b>Q1'07</b>	<b>Q1'06</b>	<b>Increase / (Decrease)</b>
Revenue	\$339.5	\$301.3	12.7%
Adjusted OIBDA	\$129.3	\$112.3	15.2%
Capex	\$76.9	\$57.6	33.5%
FCF	\$16.8	\$28.9	-41.9%

## Customer Results

<b><u>Net Adds</u></b>	<b>Q1'07</b>	<b>Q1'06</b>	<b>Increase / Decrease</b>
Basic	21,200	25,100	(3,900)
Digital	32,200	41,700	(9,500)
HSI	44,800	44,400	400
Telephone	24,400	9,800	14,600
<b>RGUs</b>	<b>122,600</b>	<b>121,000</b>	<b>1,600</b>

# Operational Overview

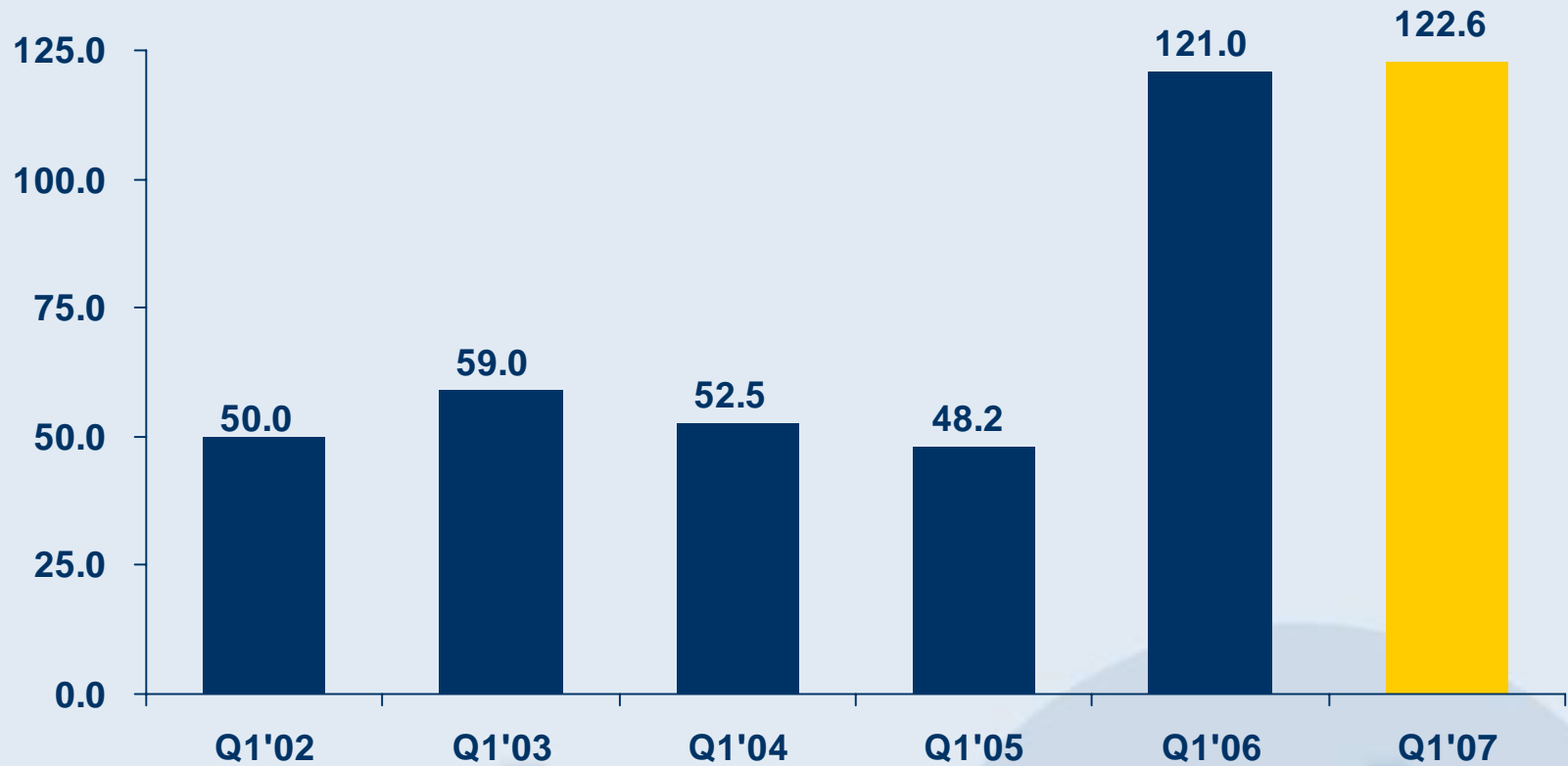
Dinni Jain,  
President & COO



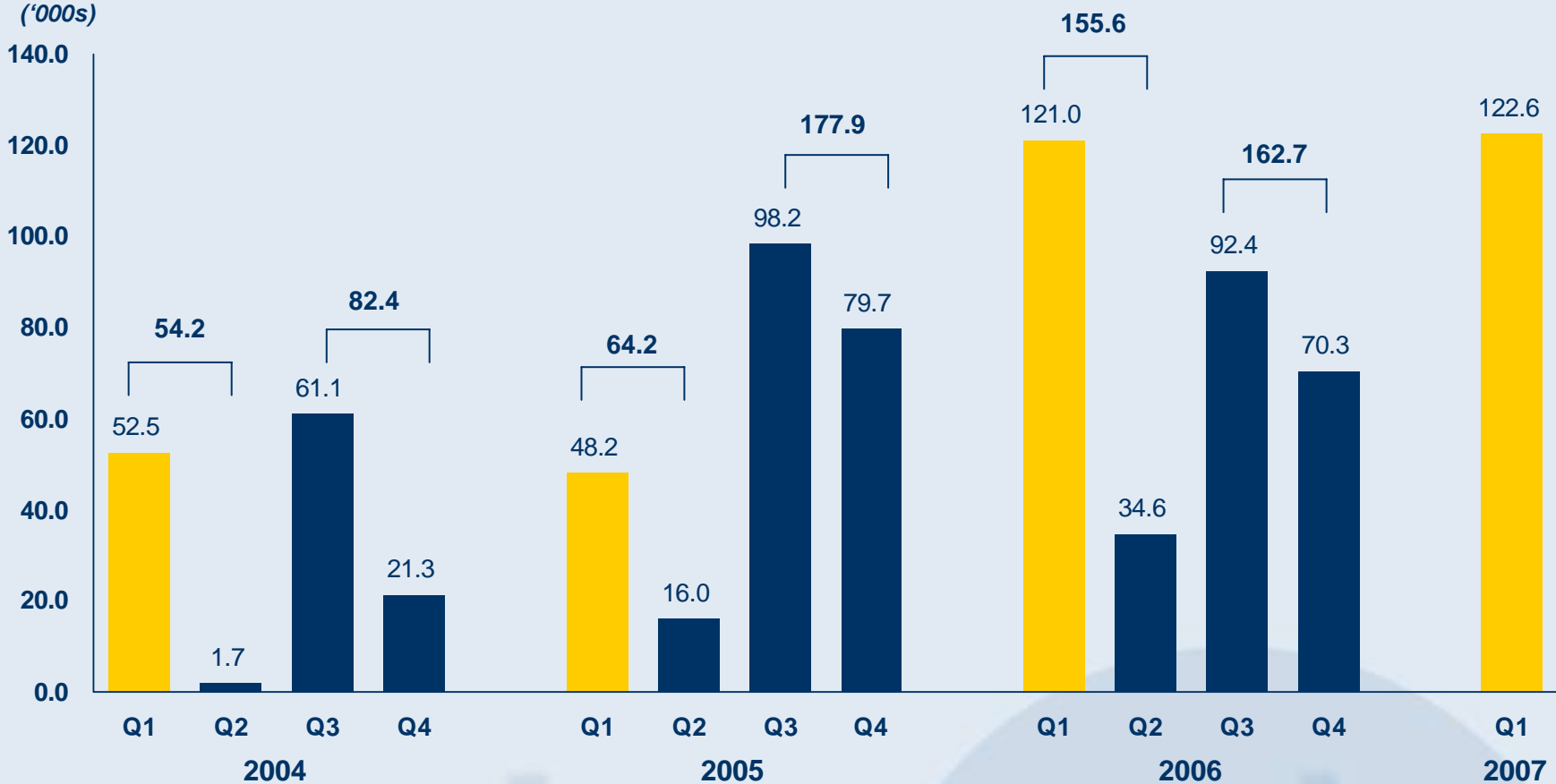
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# Record RGU Net Additions – Q1

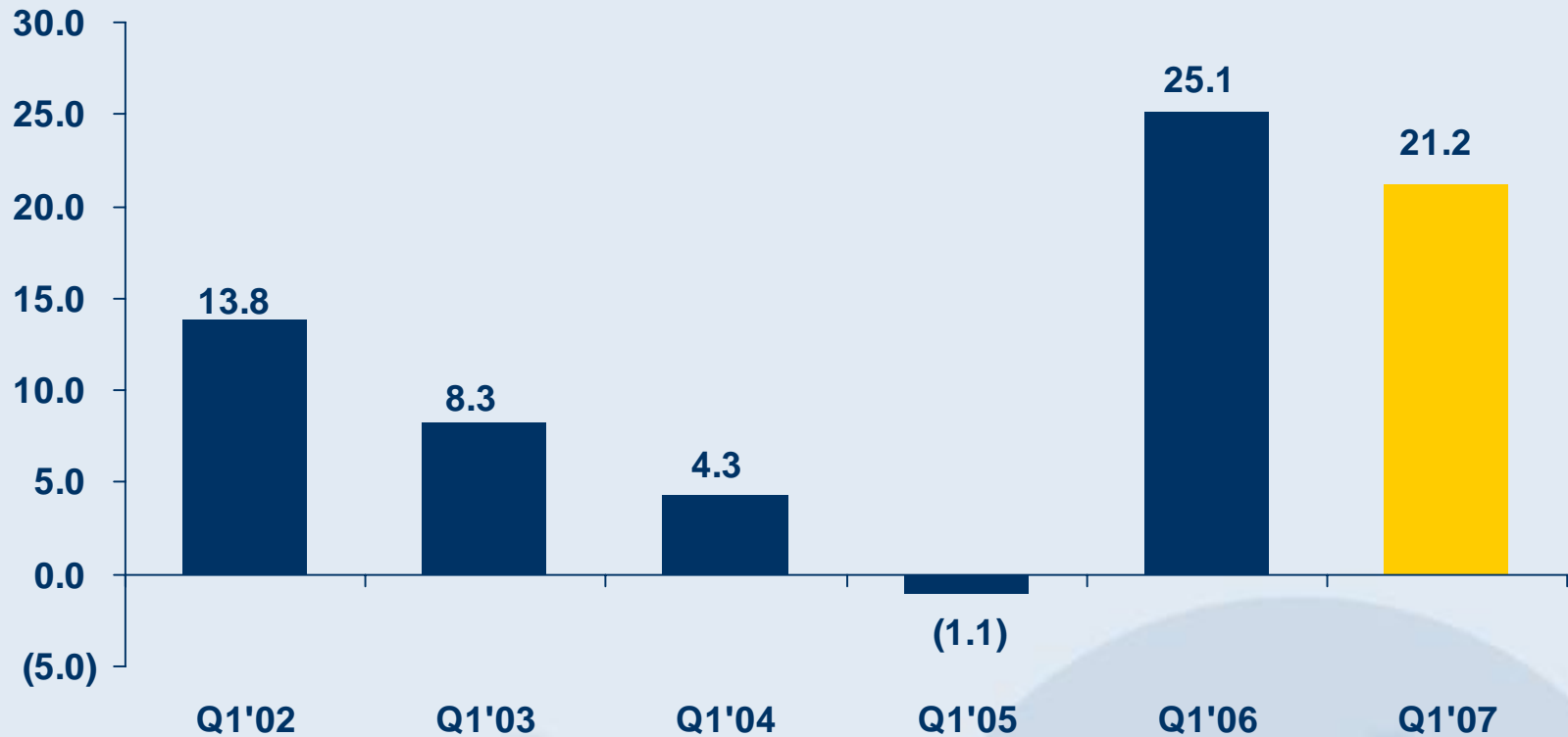


# Historical RGU Growth

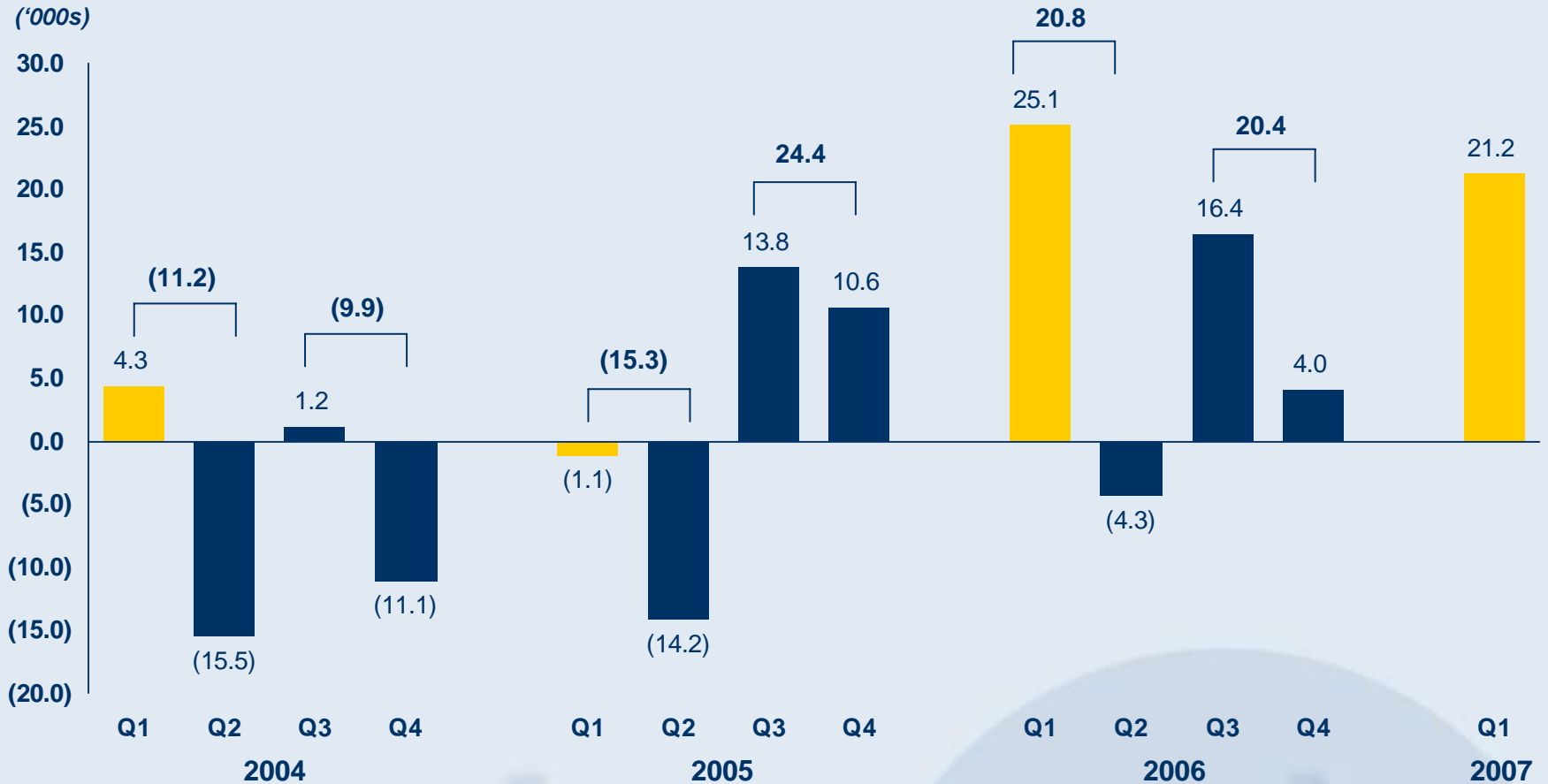


Full Year Growth:	136.6	6.9%	242.1	11.4%	318.3	31.5%
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# Basic Net Additions – Q1



# Historical Basic Net Additions



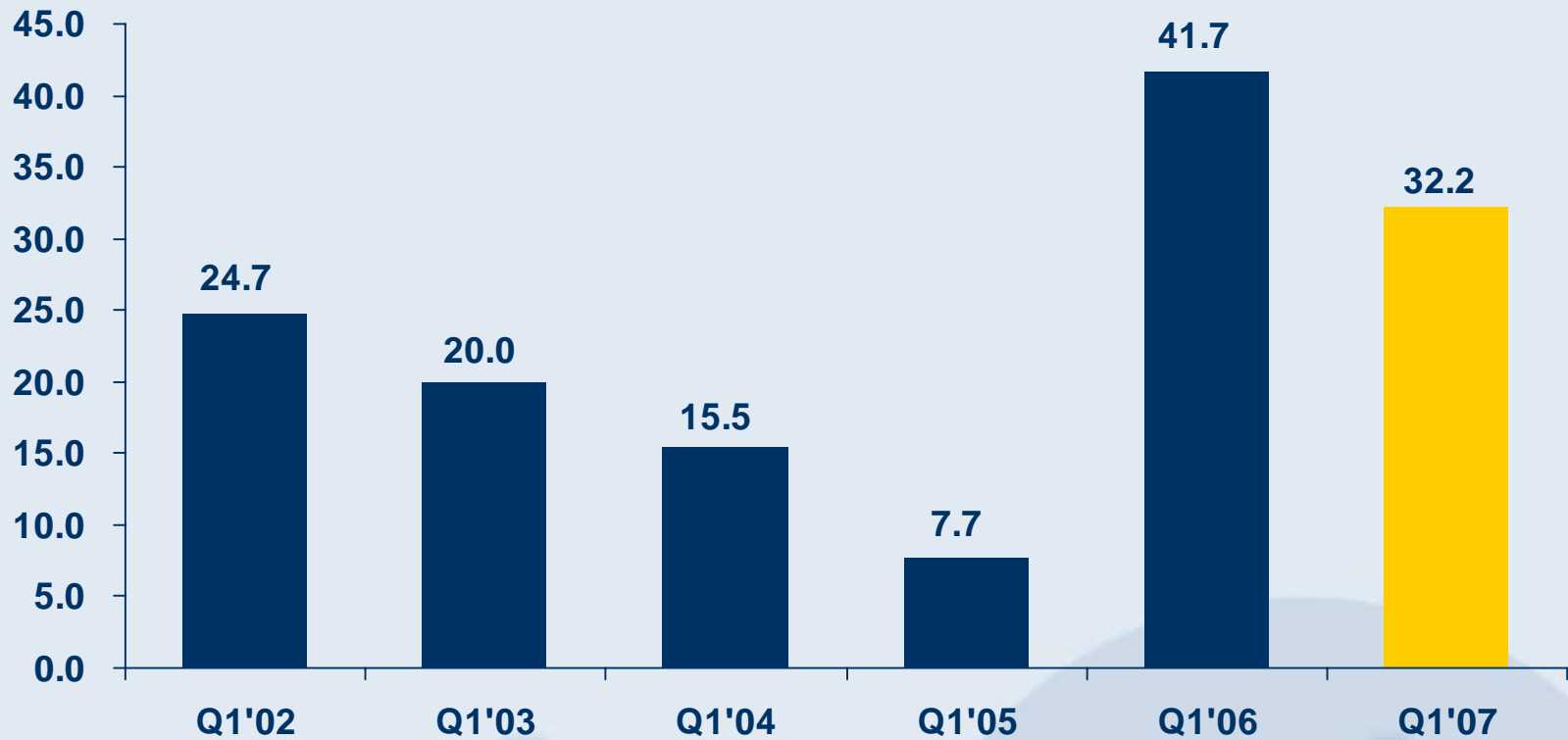
Full Year  
Growth:

21.1 (1.6%)

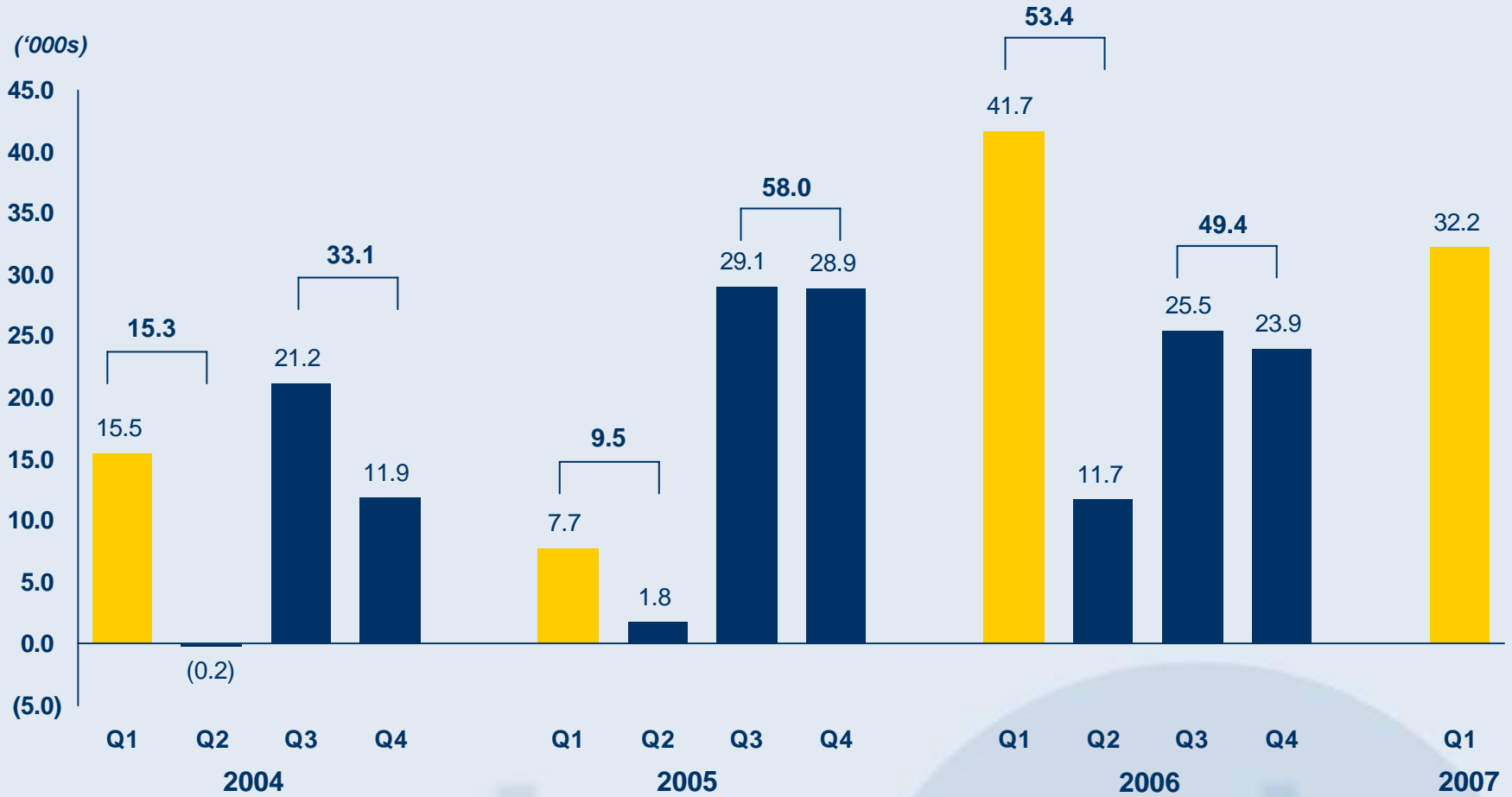
9.1 0.7%

41.2 3.2%

# Digital Net Additions – Q1



# Historical Digital Net Additions



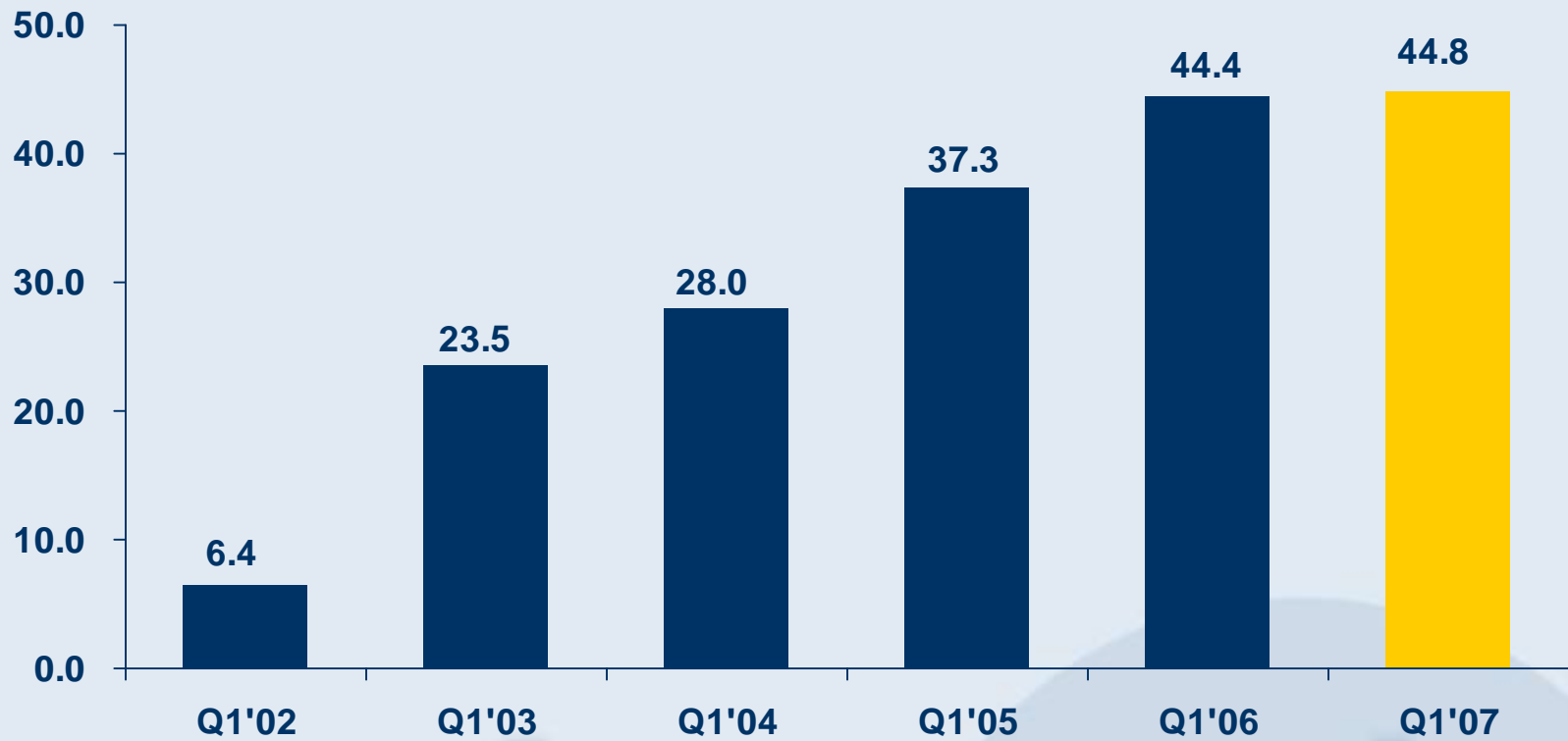
Full Year Growth:

48.4 12.0%

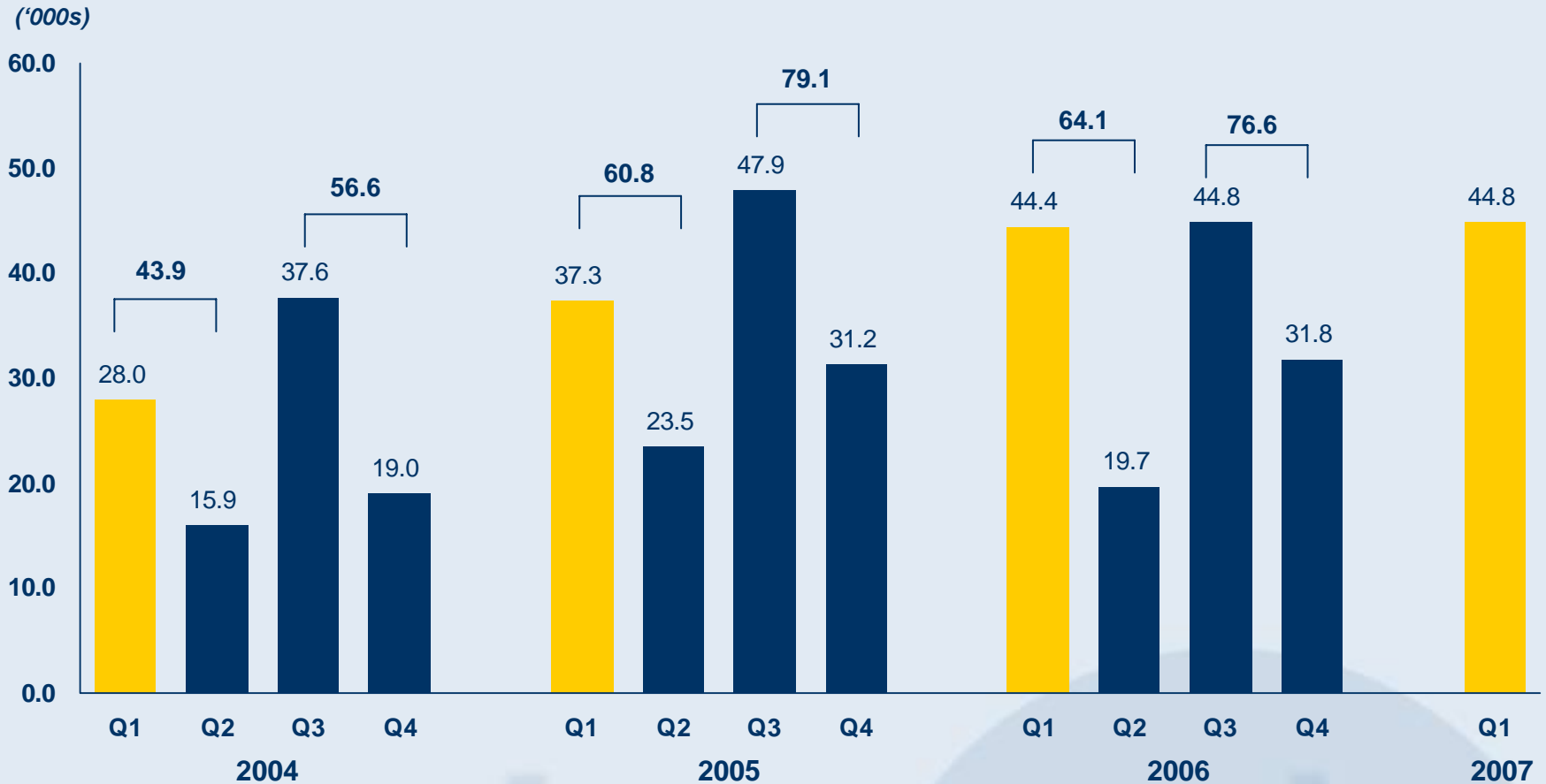
67.5 15.0%

102.8 19.8%

# HSI Net Additions – Q1

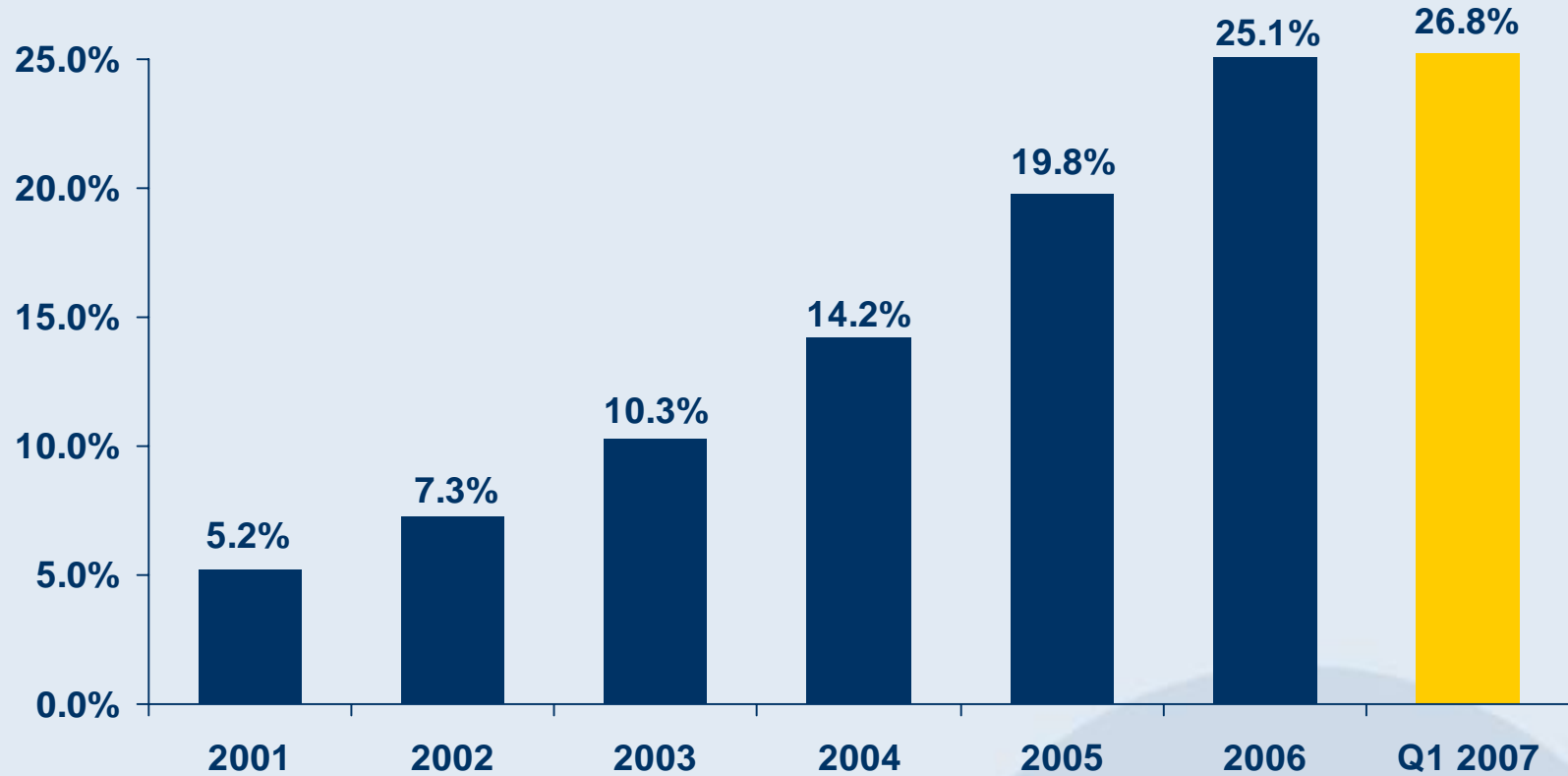


# Historical HSI Net Additions



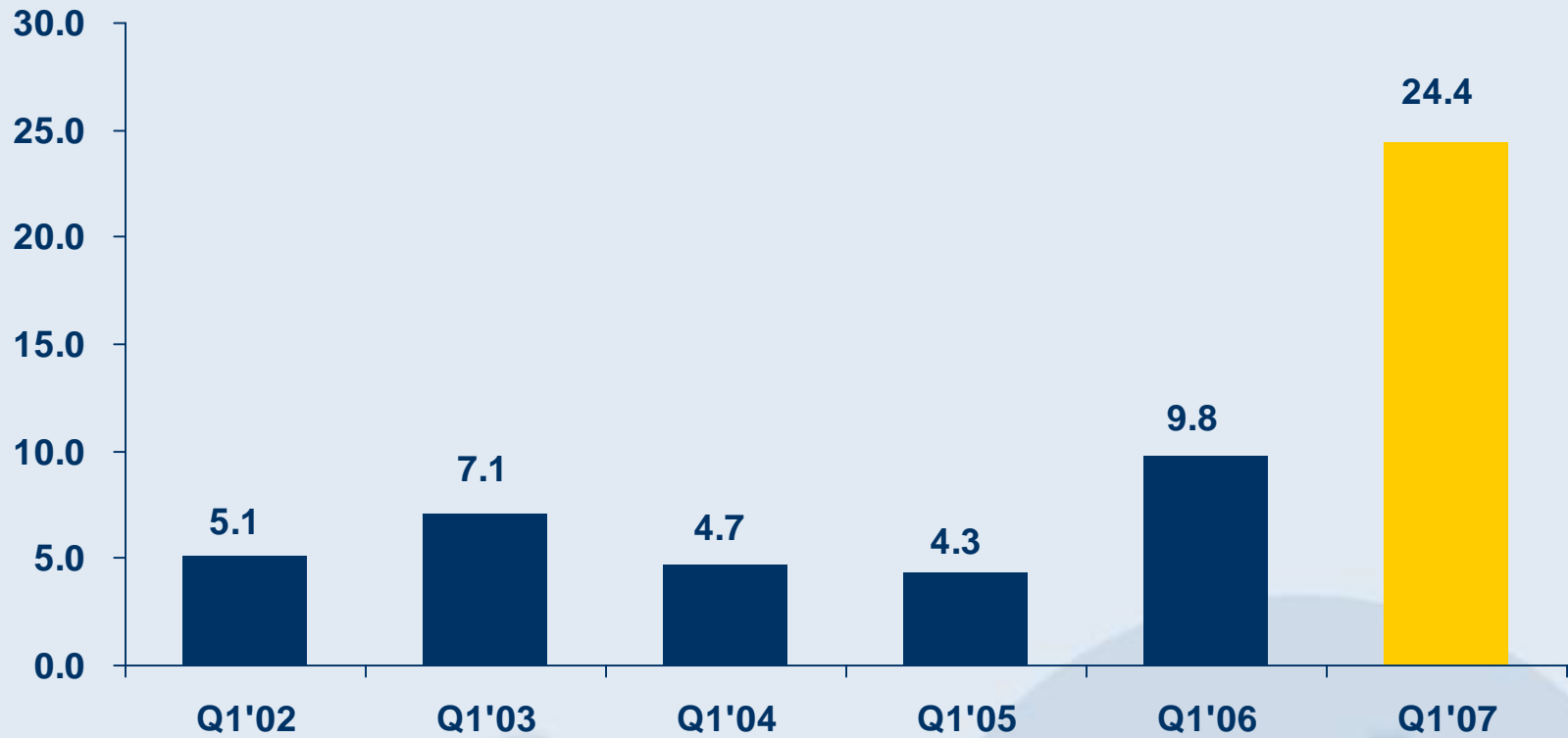
Full Year Growth:	100.5	43.7%	139.9	42.3%	140.8	29.9%
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# Historical HSI Penetration

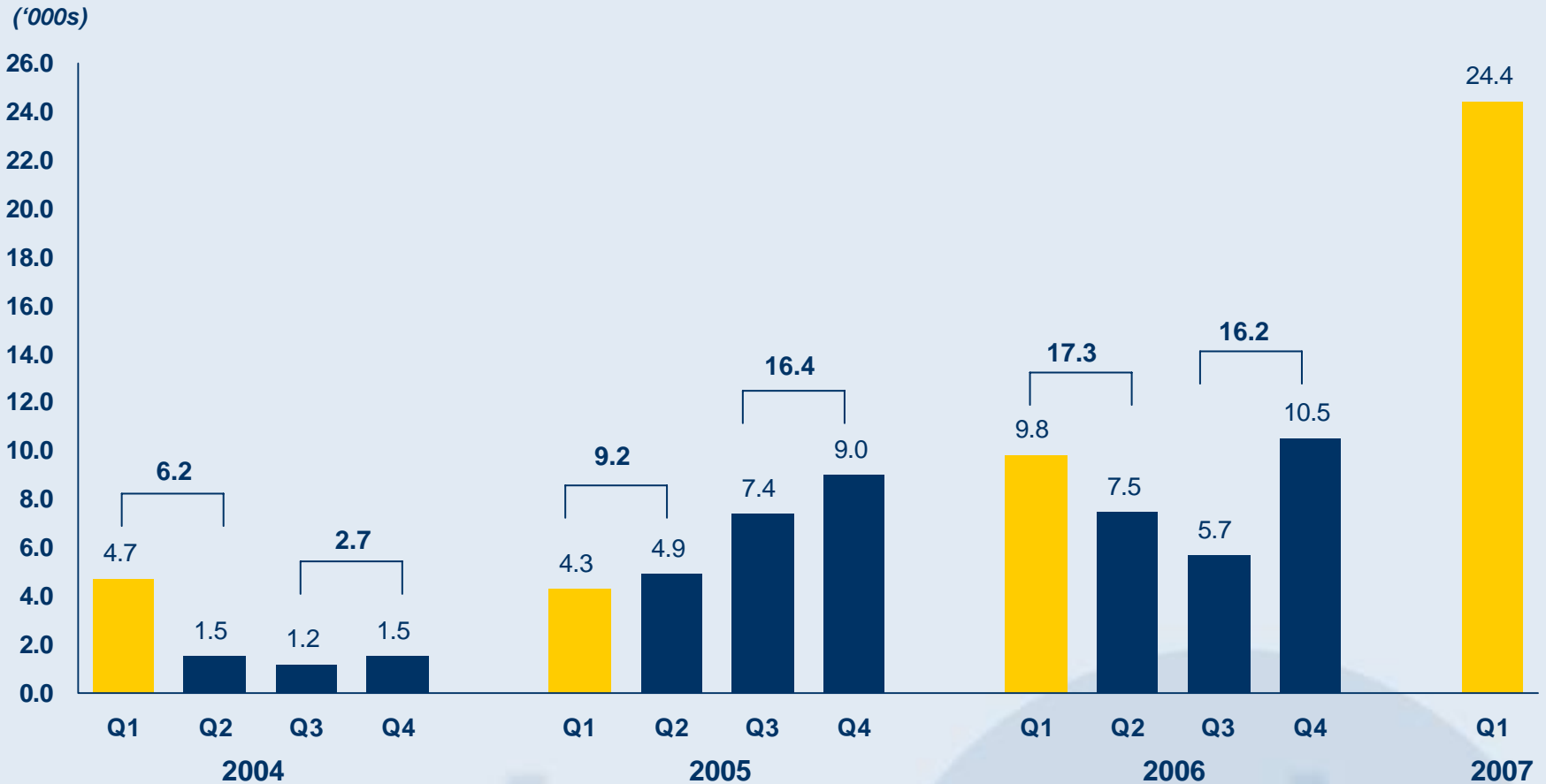


Incremental Penetration:	210 bps	300 bps	390 bps	560 bps	530 bps	170 bps
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# Telephone Net Additions – Q1



# Historical Telephone Net Additions



Full Year Growth:	8.9	16.1%	25.6	39.8%	33.5	37.3%
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# Financial Overview

John Abbot,  
EVP & CFO



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# Q1'07 Financial Results

<i>(\$ in mil)</i>	<u>Q1'07</u>	<u>Q1'06</u>	<u>% Increase/ (Decrease)</u>
Revenue	\$339.5	\$301.3	12.7%
Programming & Other Op. Exp.	\$119.9	\$111.4	7.6%
SG&A	90.3	77.6	16.3%
Total Expenses	<u>\$210.1</u>	<u>\$189.0</u>	11.2%
<b>Adjusted OIBDA</b>	<b>\$129.3</b>	<b>\$112.3</b>	<b>15.2%</b>
<i>Margin</i>	38.1%	37.3%	

# Q1'07 Capital Expenditures

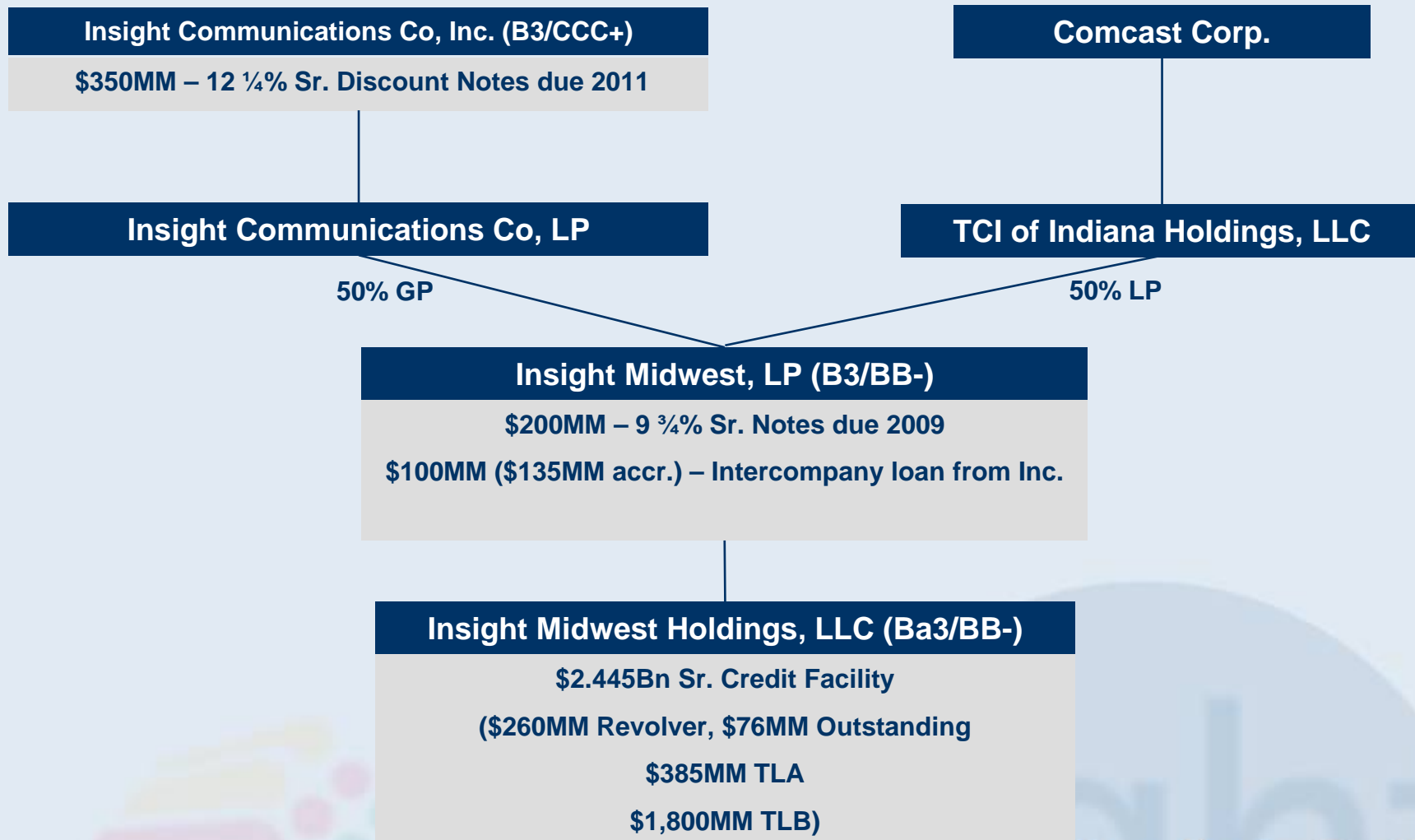
<i>(\$ in mil)</i>	<u>Q1'07</u>	<u>Q1'06</u>
Customer Premise Equipment	\$56.4	\$36.6
Scaleable Infrastructure	5.5	4.5
Line Extensions	5.5	6.3
Upgrade/Rebuild	4.0	3.7
Support Capital	5.6	6.4
<b>Total Capex</b>	<b>\$76.9</b>	<b>\$57.6</b>

# Q1'07 Free Cash Flow

<i>(\$ in mil)</i>	<u>Q1'07</u>	<u>Q1'06</u>
Adjusted OIBDA	\$129.3	\$112.3
Capex	(76.9)	(57.6)
Change in Working Capital	18.4	(2.1)
Cash Interest	(53.7)	(23.1)
Cash Taxes	(0.2)	(0.6)
<b>Free Cash Flow</b>	<b>\$16.8</b>	<b>\$28.9</b>

<b>Cash Interest Breakout</b>	<u>Q1'07</u>	<u>Q1'06</u>
Credit Facility	\$32.3	\$23.1
9 3/4% Notes	0.0	0.0
10 1/2% Notes	0.0	0.0
12 1/4% Notes	21.4	0.0
<b>Total Cash Interest</b>	<b>\$53.7</b>	<b>\$23.1</b>

# Capital Structure @ 3/31/07



# Credit Profile @ 3/31/07

- Total Debt (\$ in mil)

Bank	\$2,261
High Yield	550
Total <sup>1</sup>	<u>\$2,811</u>

- Leverage

MW Holdings	4.4x (vs. covenant of 6.25x)
Insight Inc.	5.4x (consolidated, net of total cash)
	5.8x (proportional net debt)

- Average Cost of Debt

8.3%<sup>2</sup>

- Fixed Rate Debt as a % of Total

49%

- Liquidity

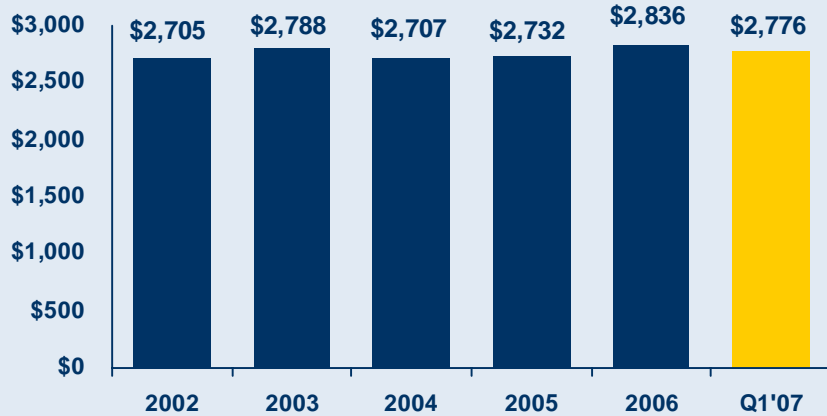
\$35 mil cash  
\$175 mil unused revolver,  
entirely available under the covenant

<sup>1</sup> Decreased from \$2,836 mil at Q4'06 as a result of revolver pay down.

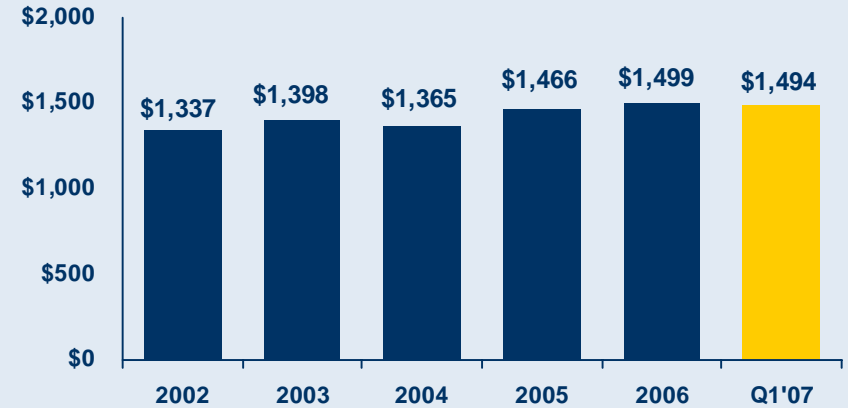
<sup>2</sup> Does not include cost of termination of swaps.

# Leverage Trend

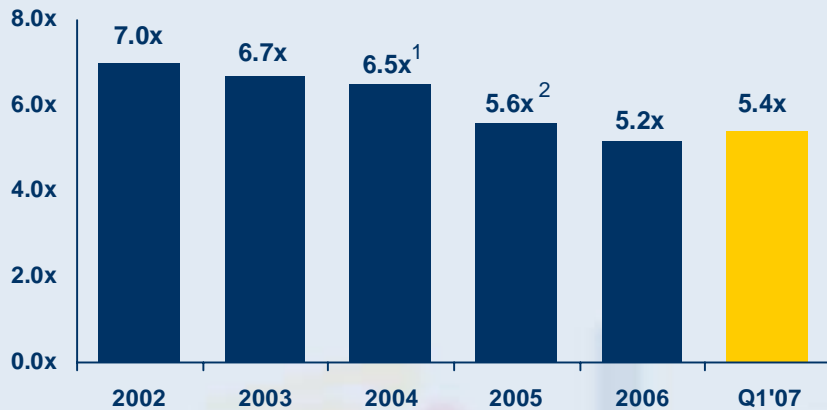
Consolidated Net Debt (\$ in mil)



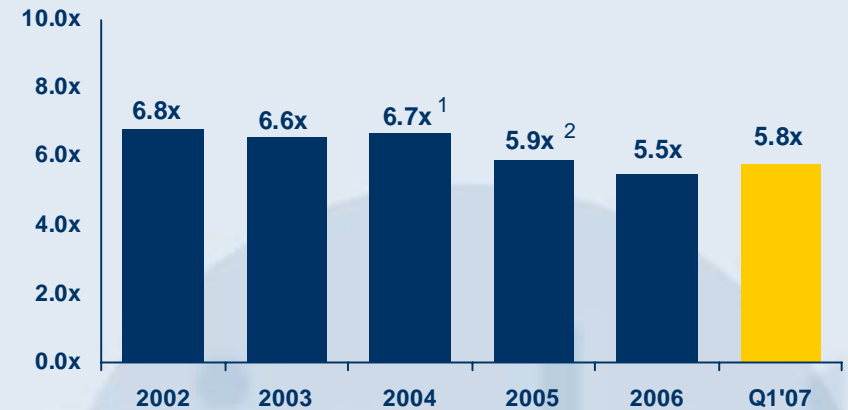
Proportionate Net Debt (\$ in mil)



Consolidated Net Debt / LQA Adjusted OIBDA



Proportionate Net Debt / LQA Adjusted OIBDA



<sup>1</sup>Based on 2004 Adjusted OIBDA excluding \$14.7 mil reversal of accrual for property taxes.

<sup>2</sup>Based on consolidated Q4'05 Adjusted OIBDA of \$122.0 mil adjusted for \$62.0 mil of privatization transaction fees.