

Insight Communications

Q1 2006 Earnings Conference Call

- Monday, May 8, 2006 -



Insight

Simple is Better

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 Q1'06 Results

Michael Willner,
Vice Chairman & CEO



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Summary of Q1'06 Results

Financial Results

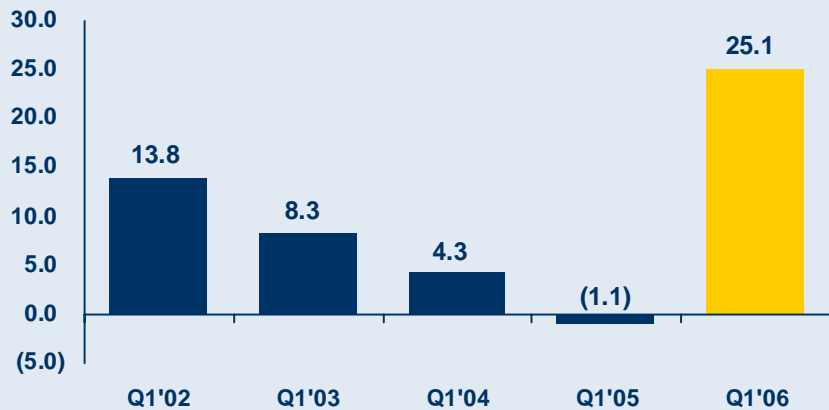
<i>(\$ in mil)</i>	<u>Q1'06</u>	<u>Q1'05</u>	<u>% Increase/ (Decrease)</u>
Revenue	\$301.3	\$269.3	11.9%
OIBDA	112.3	107.6	4.4%
Capex	57.6	38.7	48.8%
FCF	28.9	37.4	(22.6%)

Customer Results

	<u>Q1'06</u>	<u>Q1'05</u>	<u>% Increase</u>
Basic	25,100	(1,100)	NM
Digital	41,700	7,700	441.6%
HSI	44,400	37,300	19.0%
Telephone	9,800	4,300	127.9%
RGUs	121,000	48,200	151.0%

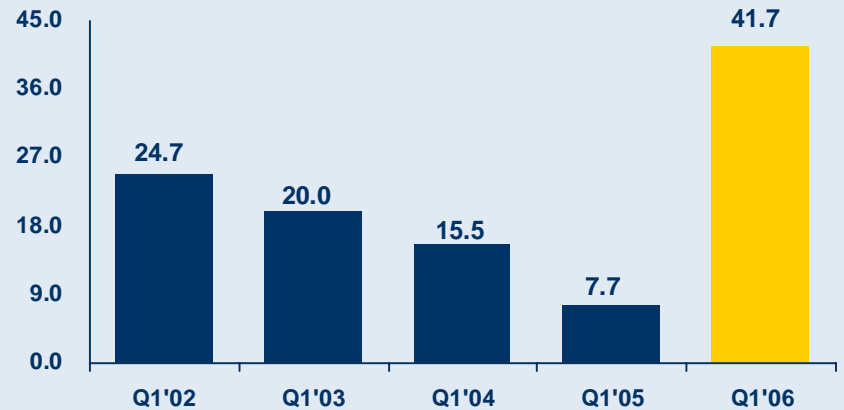
Net Additions by Product

Basic Net Adds (000s)



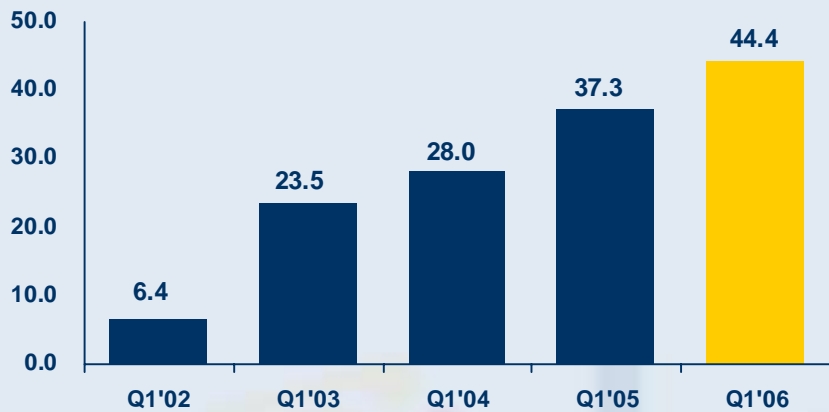
Penetration: 58% 57% 56% 53% 54%

Digital Net Adds (000s)



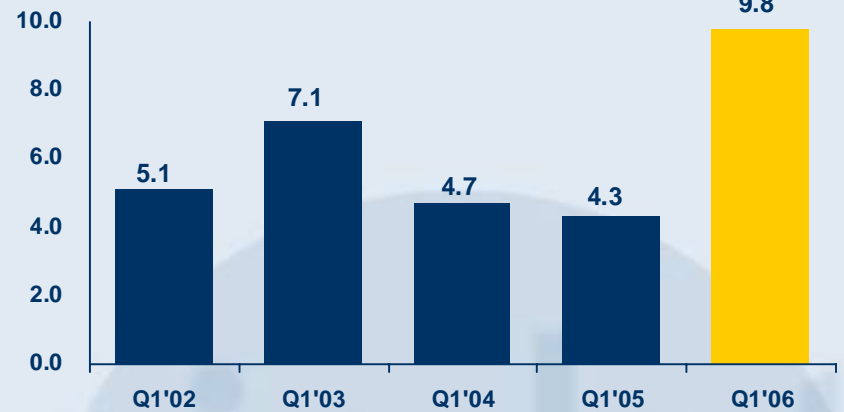
Penetration: 24% 28% 34% 38% 45%

HSI Net Adds (000s)



Penetration: 5% 8% 12% 16% 22%

Telephone Net Adds (000s)



Penetration: 4% 7% 8% 9% 12%

Operational Overview

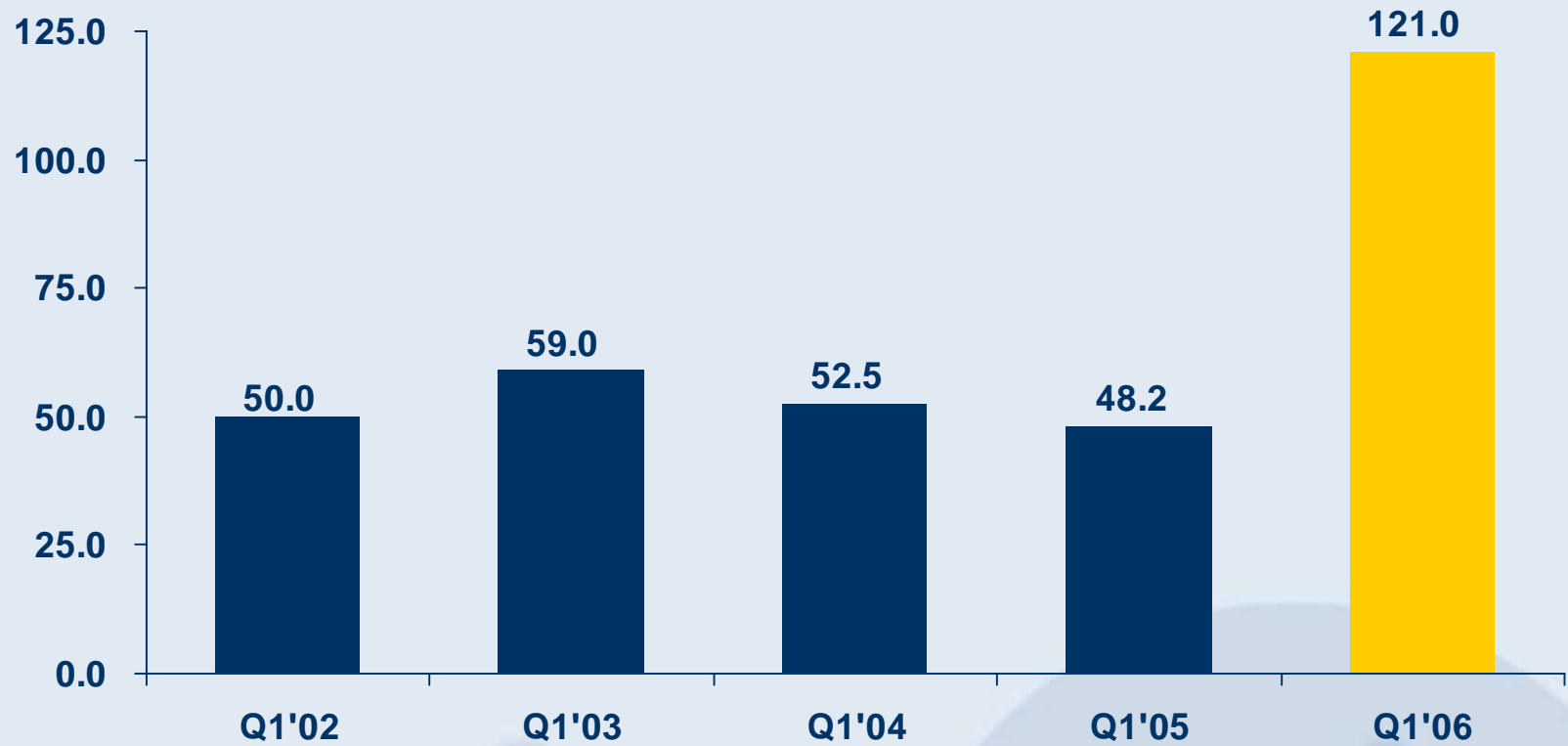
Dinni Jain,
President & COO



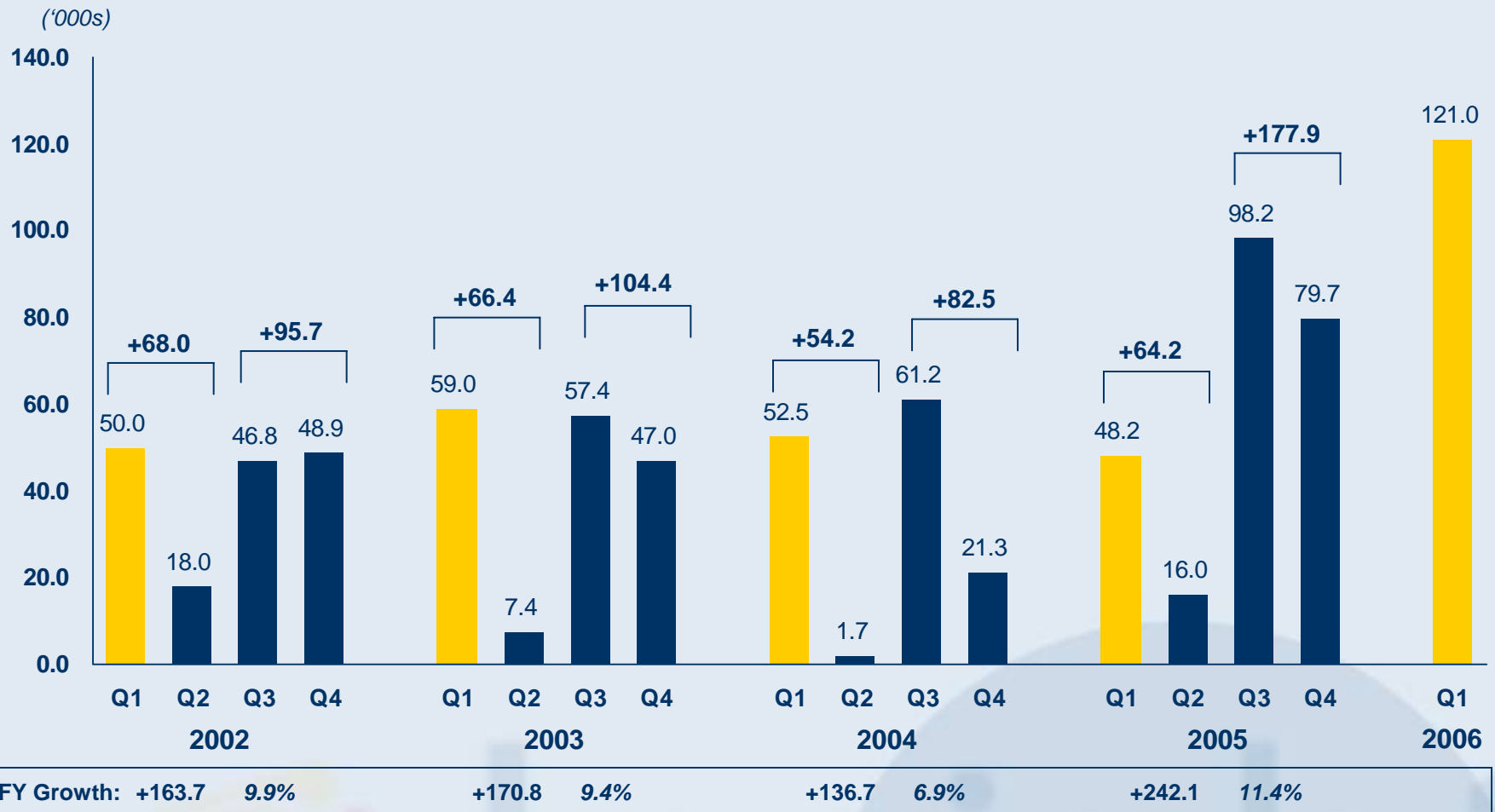
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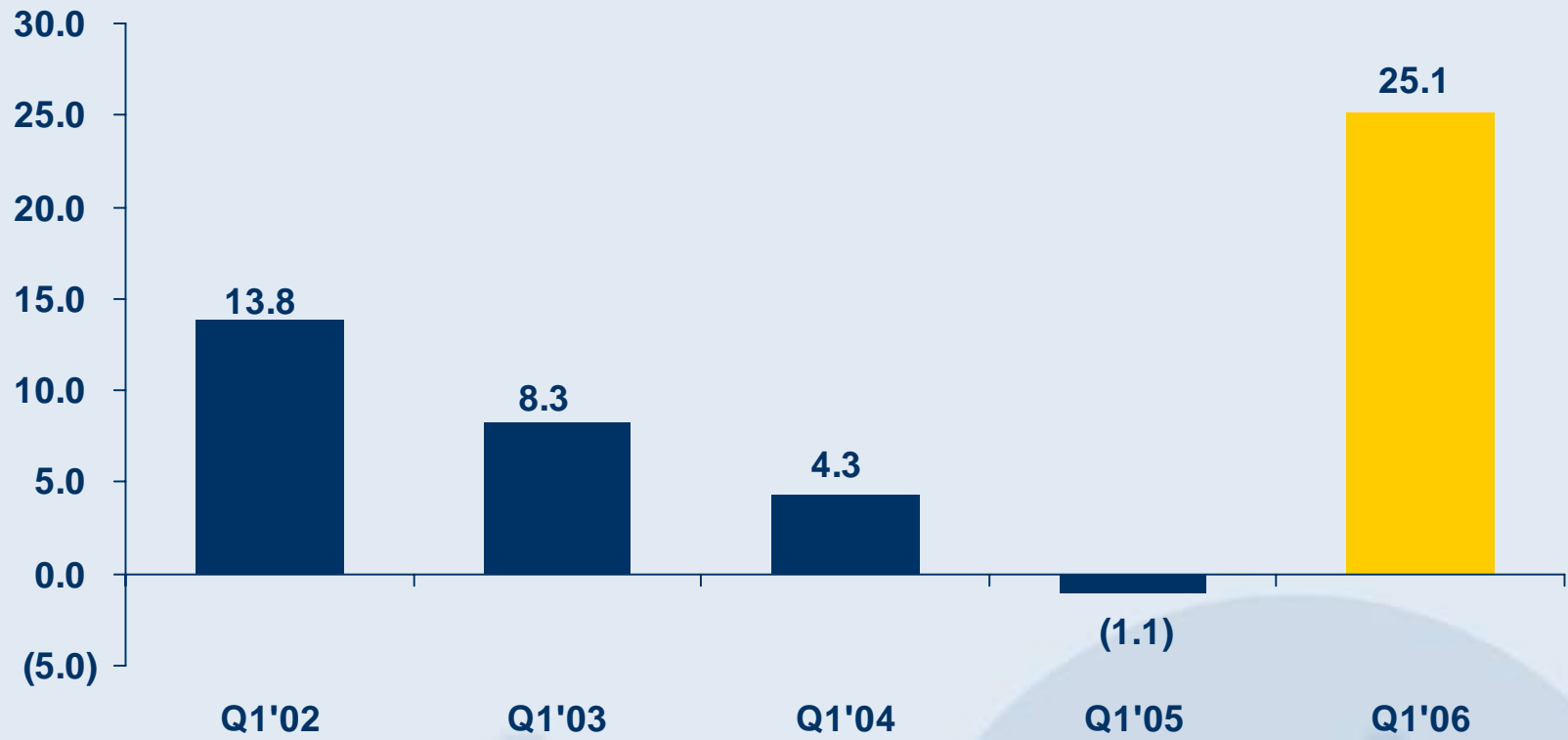
Record RGU Net Additions – Q1



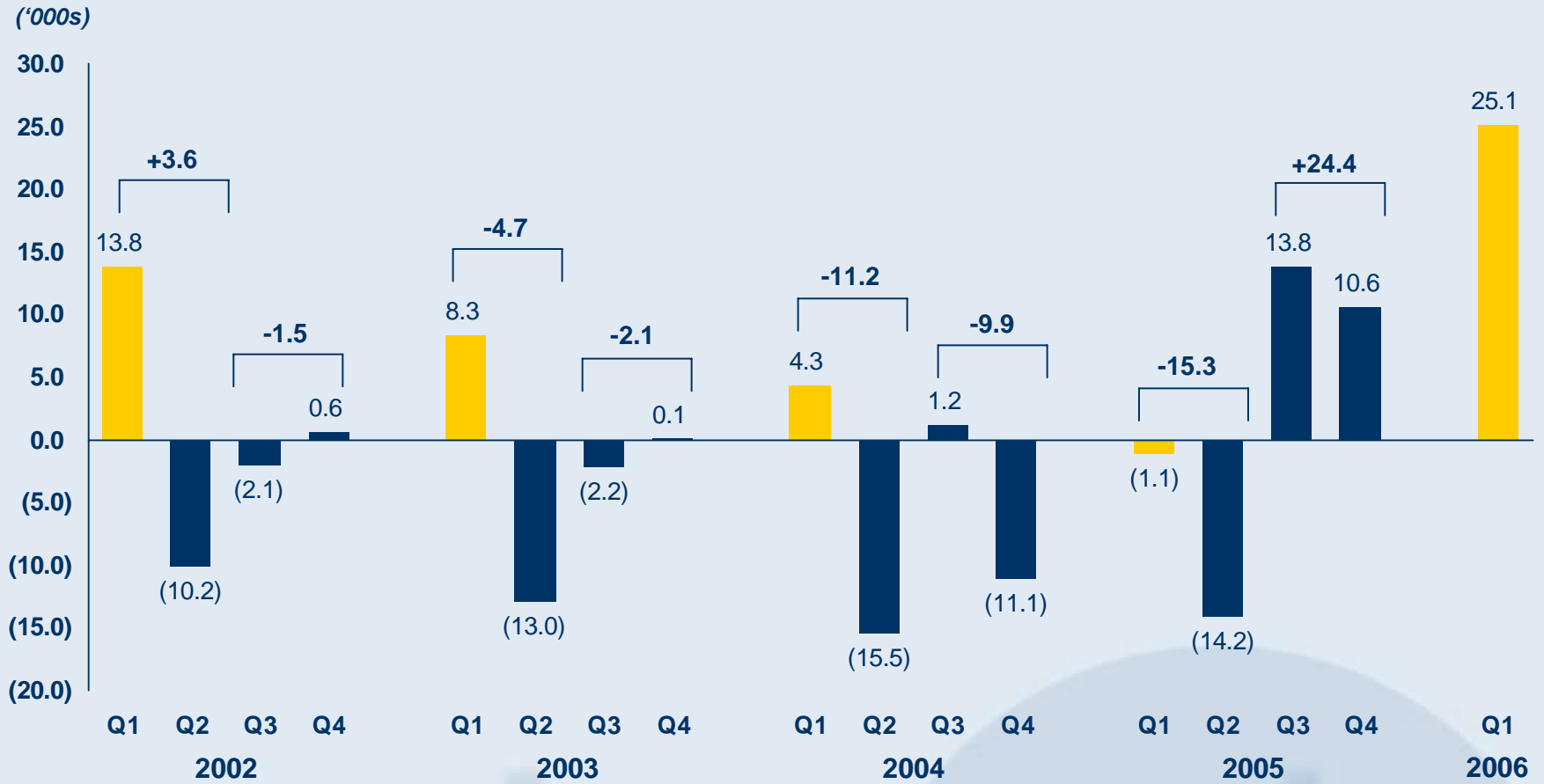
Historical RGU Growth



Basic Net Additions – Q1

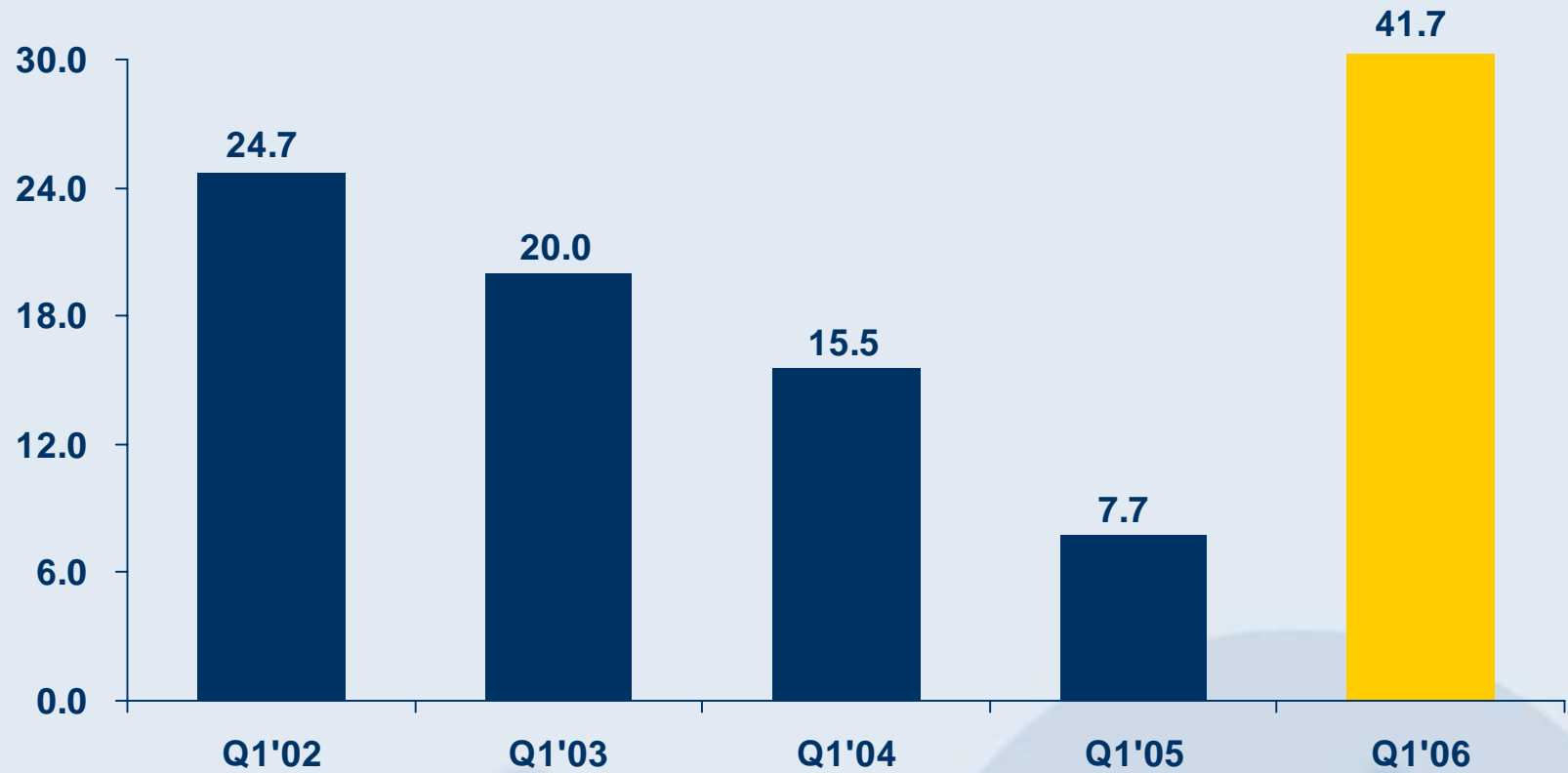


Historical Basic Net Additions

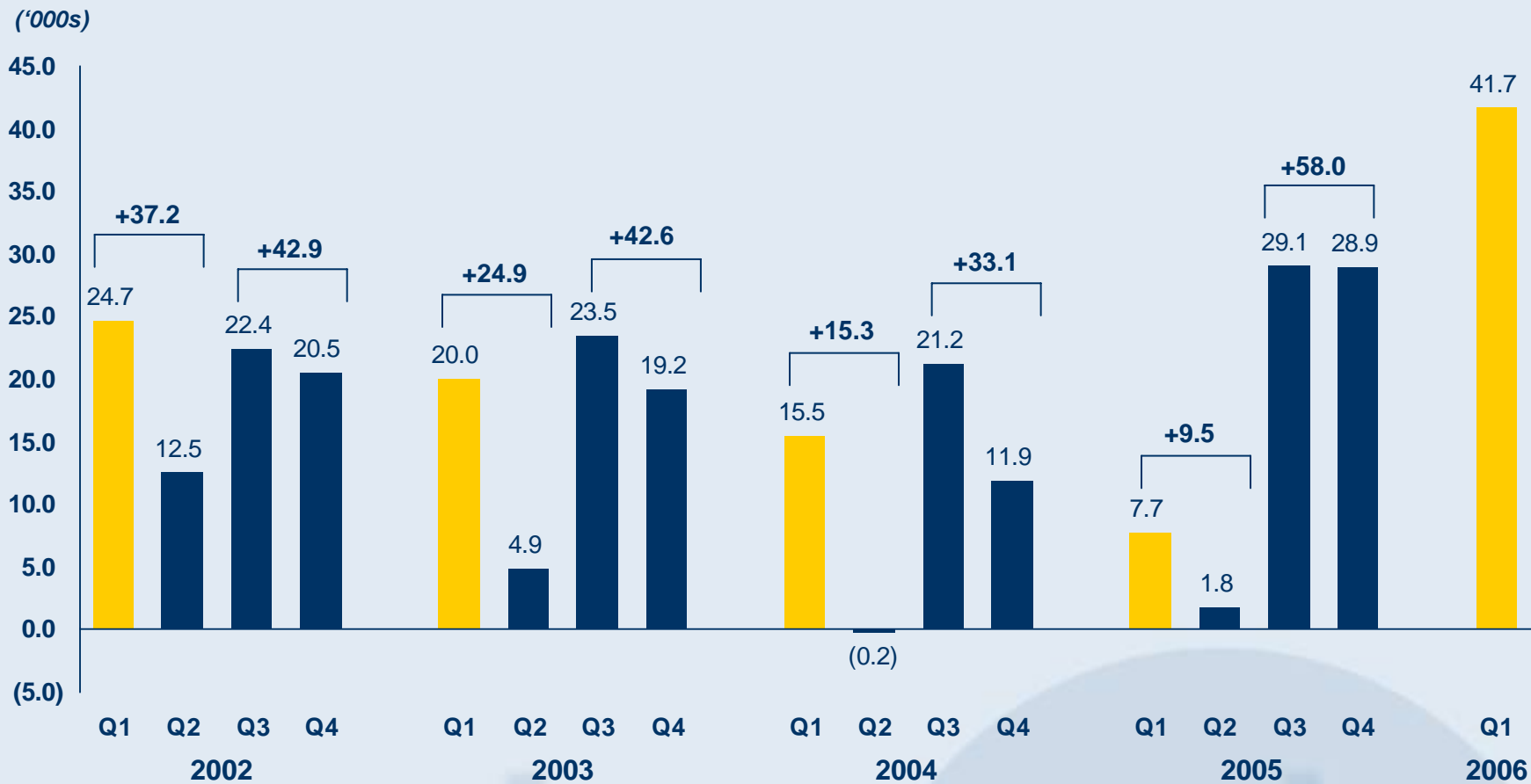


FY Growth:	+2.1	0.2%	-6.8	-0.5%	-21.1	-1.6%	+9.1	0.7%
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Digital Net Additions – Q1

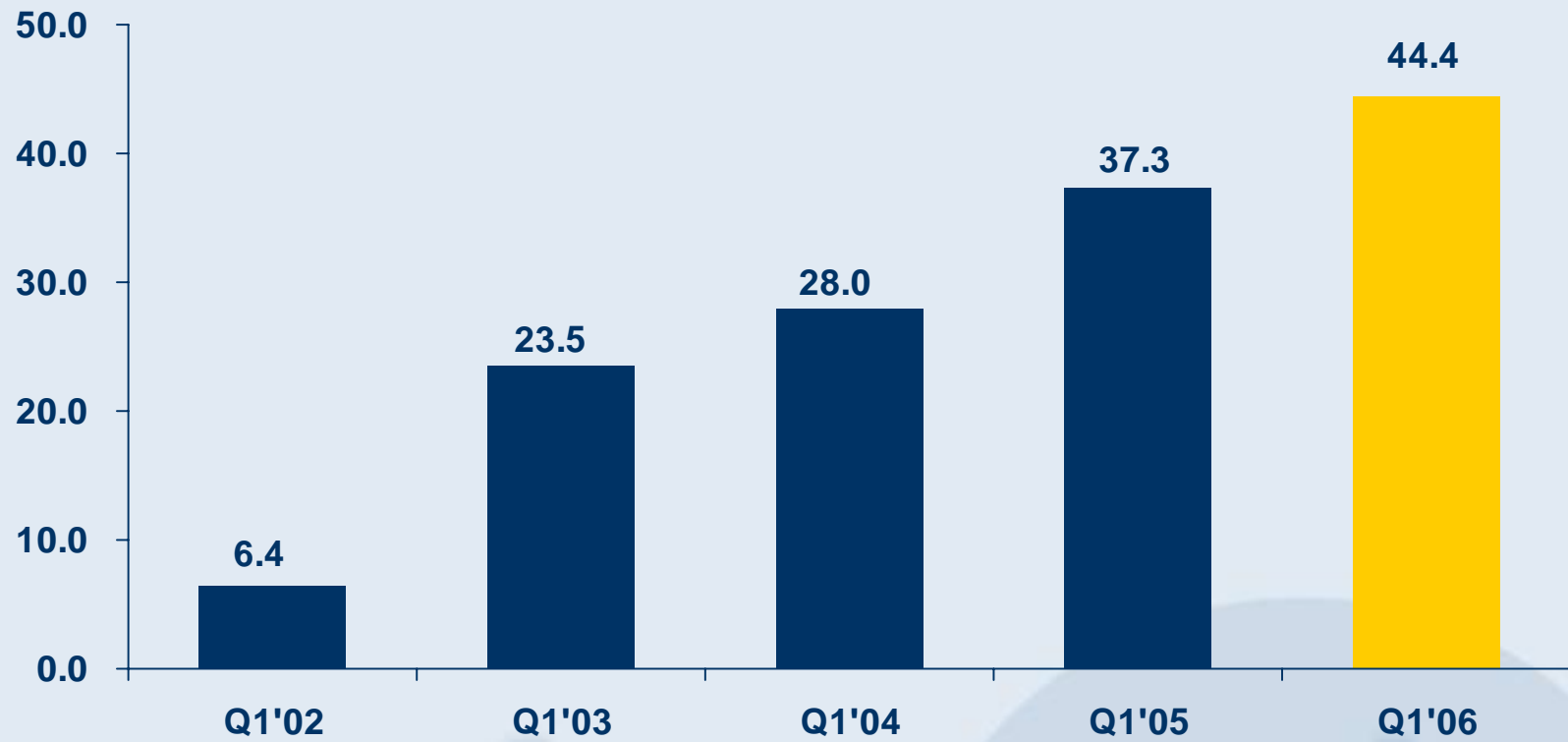


Historical Digital Net Additions

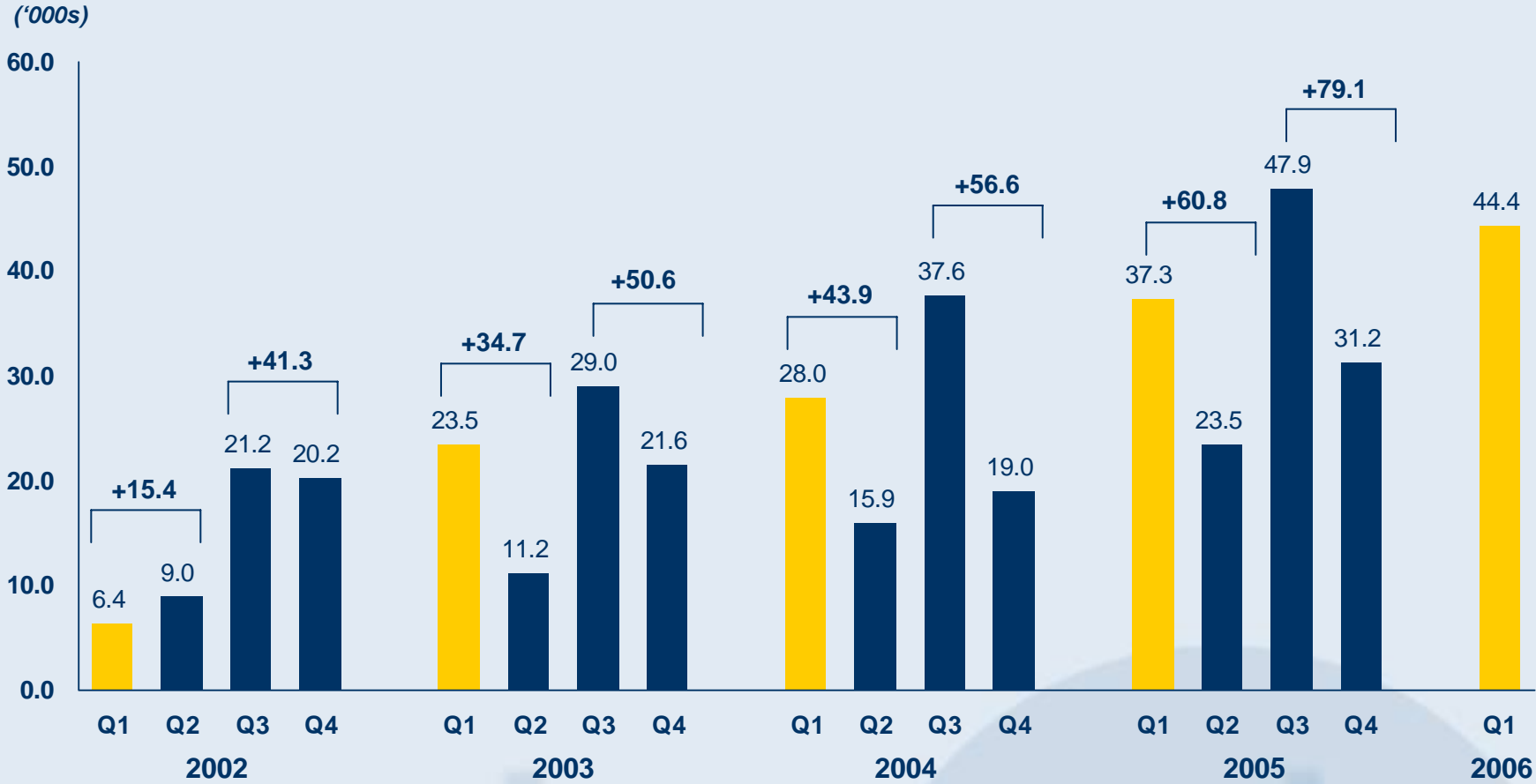


FY Growth: +80.1	31.4%	+67.5	20.2%	+48.4	12.0%	+67.5	15.0%
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HSI Net Additions – Q1

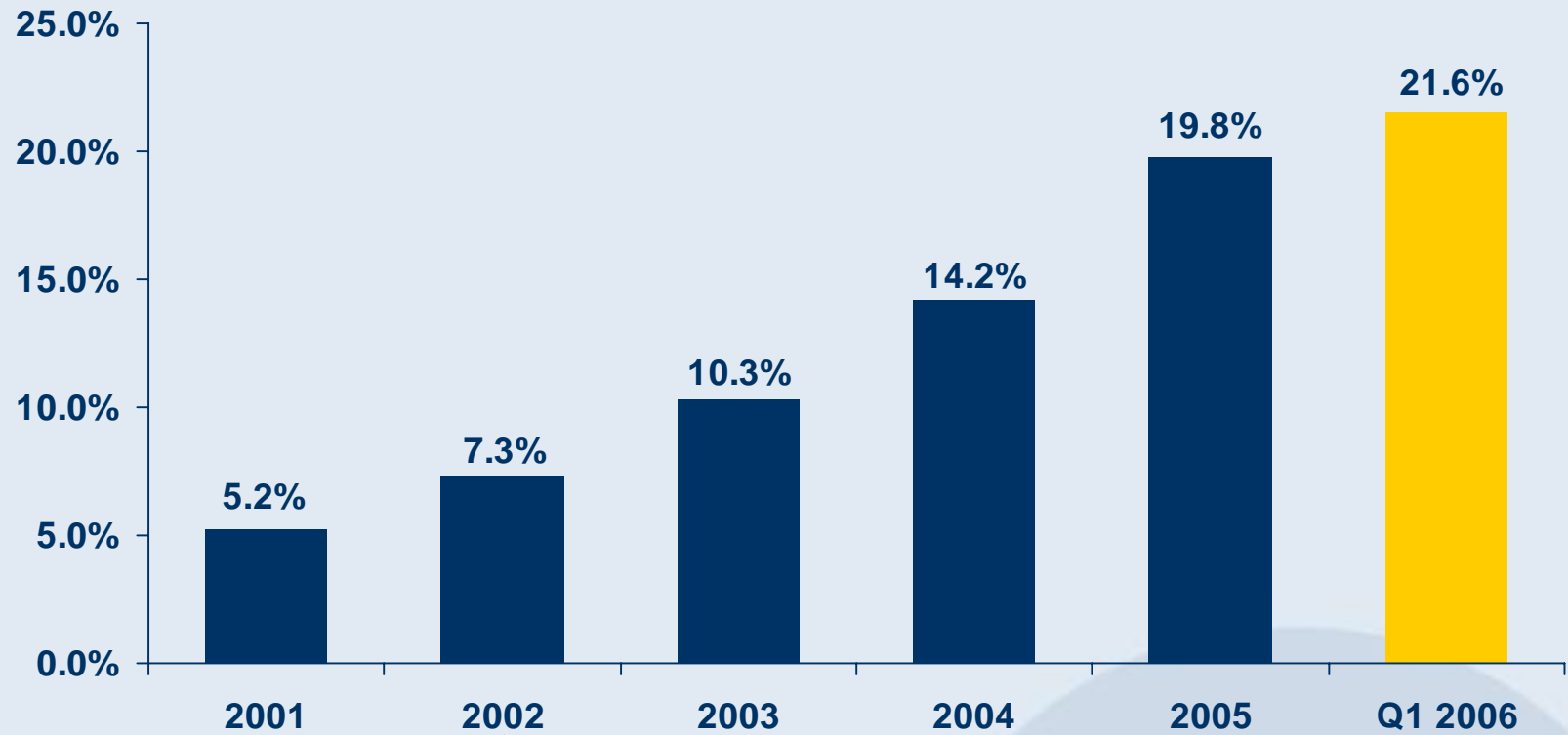


Historical HSI Net Additions



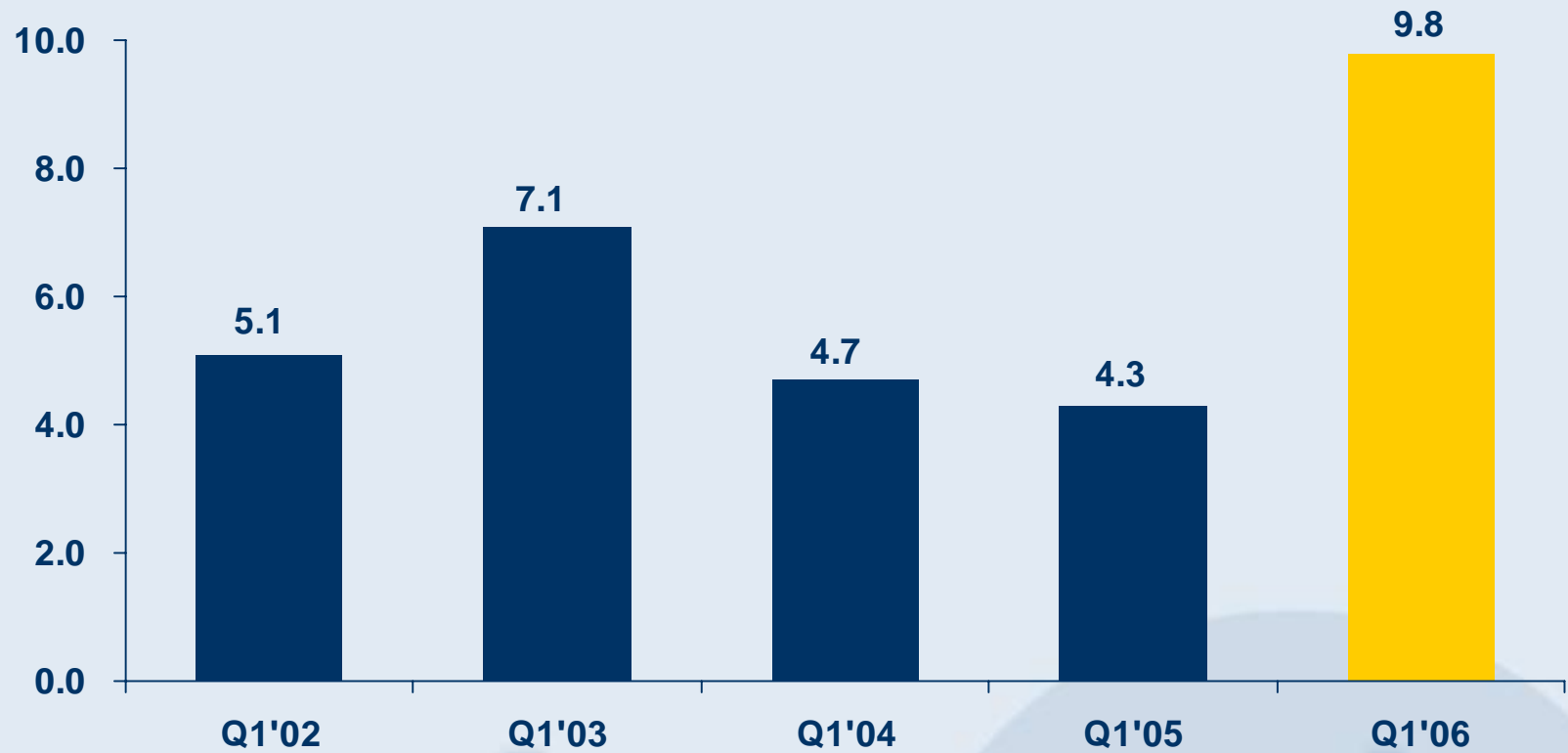
FY Growth: +56.7	64.4%	+85.2	58.9%	+100.5	43.7%	+139.9	42.3%
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Historical HSI Penetration

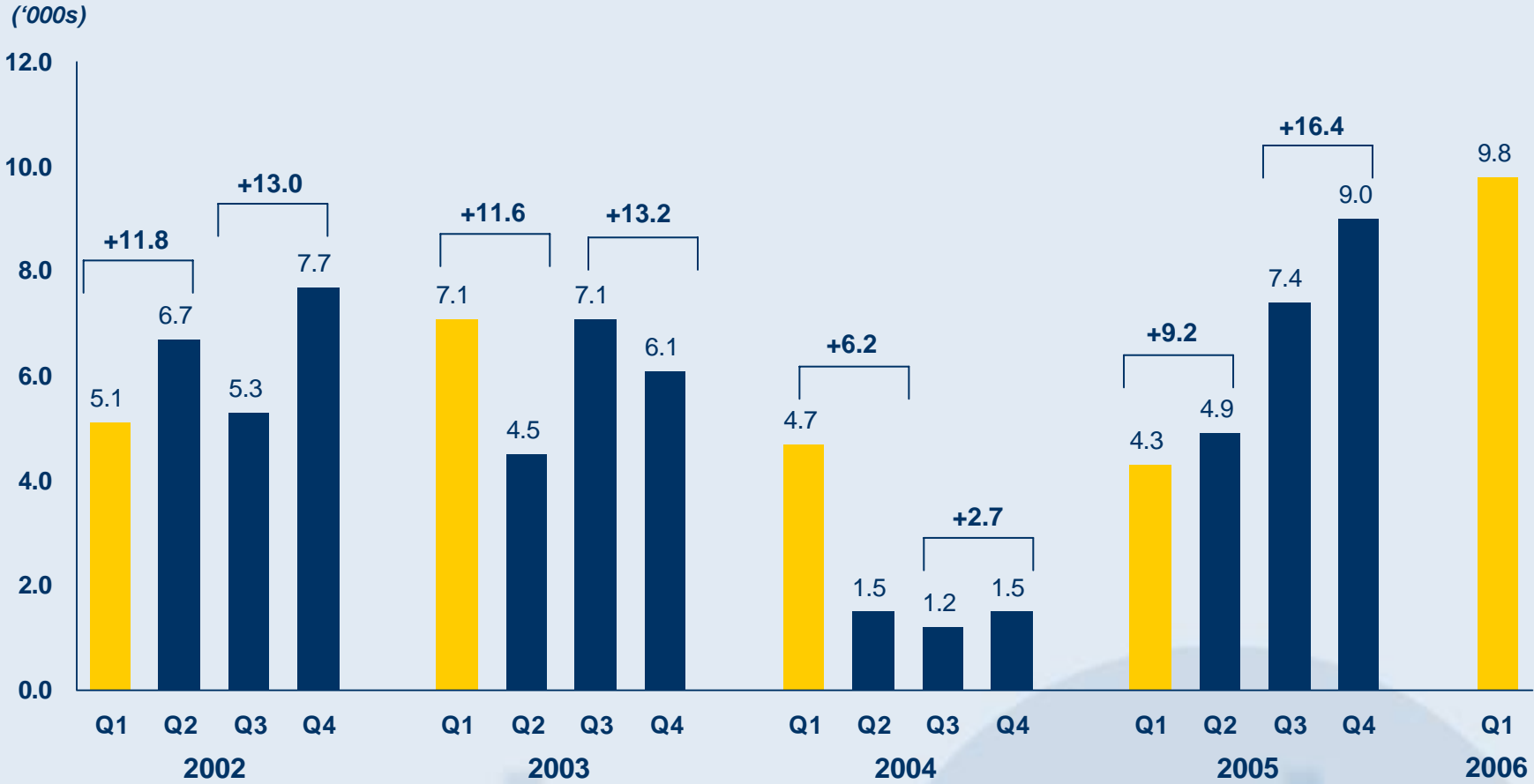


Incremental Penetration:	+210 bps	+300 bps	+390 bps	+560 bps	+180 bps
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Telephone Net Additions – Q1



Historical Telephone Net Additions



FY Growth:	+24.8	424.1%	+24.8	81.0%	+8.9	16.1%	+25.6	39.8%
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Financial Overview

John Abbot,
EVP & CFO



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Q1'06 Financial Results

<i>(\$ in mil)</i>	<u>Q1'06</u>	<u>Q1'05</u>	<u>% Increase/ (Decrease)</u>
Revenue	\$301.3	\$269.3	11.9%
Programming & Other Op. Exp.	\$109.6	\$98.8	10.9%
SG&A	79.4	62.9	26.2%
Total Expenses	\$189.0	\$161.8	16.9%
OIBDA	\$112.3	\$107.6	4.4%
<i>Margin</i>	37.3%	39.9%	

Q1'06 Capital Expenditures

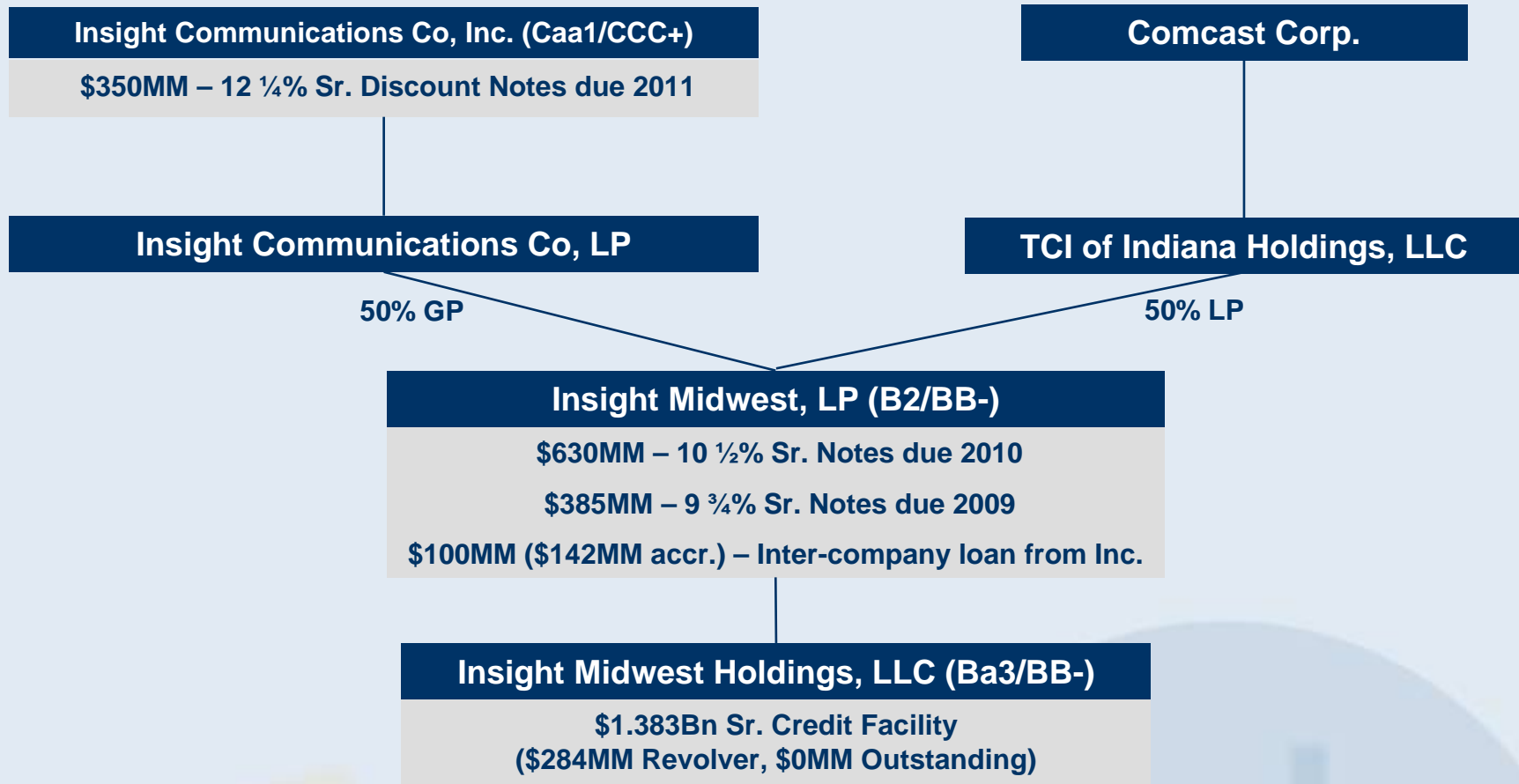
<i>(\$ in mil)</i>	<u>Q1'06</u>	<u>Q1'05</u>
Customer Premise Equipment	\$36.6	\$18.2
Scaleable Infrastructure	4.5	4.2
Line Extensions	6.3	5.4
Upgrade/Rebuild	3.7	3.7
Support Capital	6.4	7.1
Total Capex	\$57.6	\$38.7

Q1'06 Free Cash Flow

<i>(\$ in mil)</i>	<u>Q1'06</u>	<u>Q1'05</u>
OIBDA	\$112.3	\$107.6
Changes in Working Capital	(2.1)	6.7
Cash Interest ¹	(23.1)	(38.1)
Cash Taxes	(0.6)	(0.1)
Capital Expenditures	(57.6)	(38.7)
Free Cash Flow	\$28.9	\$37.4

¹In 2005, \$18.8 million interest payment was made in Q1 (3/31) versus in Q2 (4/1).

Capital Structure @ 3/31/06



Note: Amounts represent face value, not accreted value.

Credit Profile @ 3/31/06

- Total Debt (\$ in mil)

Bank	\$1,383
High Yield	1,365
Total ¹	<u>\$2,748</u>

- Leverage

MW Holdings	3.2x (vs. covenant of 4.50x)
Insight Inc.	6.0x (consolidated, net of total cash)
	6.4x (proportional net debt)

- Average Cost of Debt 8.6%

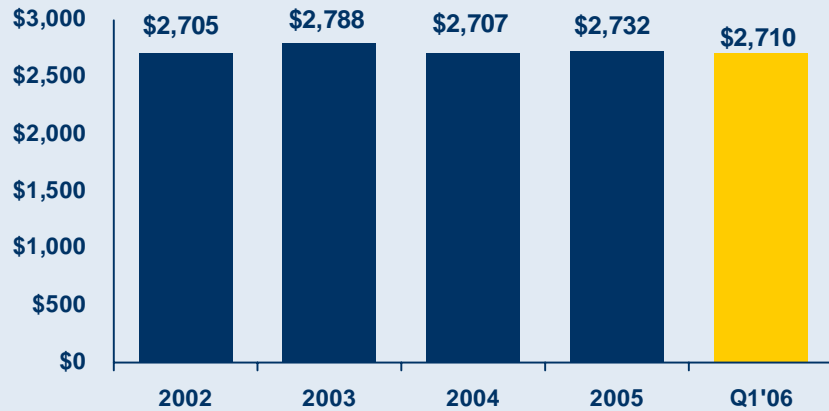
- Fixed Rate Debt as a % of Total 45% (accrued value)

- Ample Liquidity
\$38 mil cash
\$284 mil unused revolver,
entirely available under the covenant

¹ Decreased from \$2,762 mil at Q4'05 due to \$21 mil in bank amortizations, net of \$7 mil in bond accretions

Deleveraging Trend

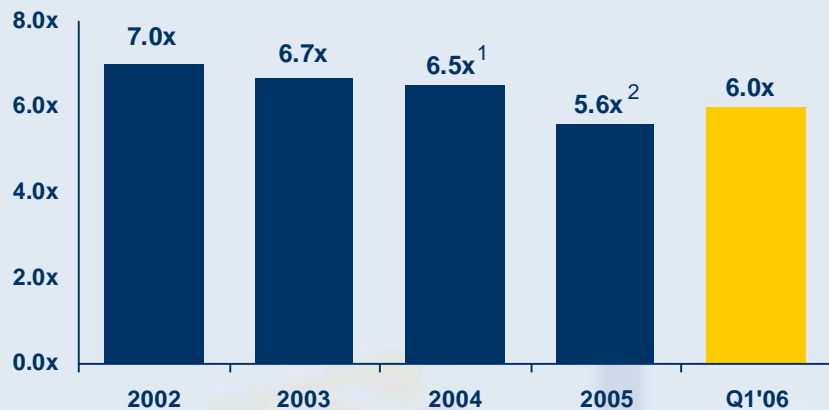
Net Debt (\$ in mil)



Proportionate Net Debt (\$ in mil)



Net Debt / LQA OIBDA



Proportionate Net Debt / LQA OIBDA



¹ Based on 2004 OIBDA excluding \$14.7 mil reversal of accrual for property taxes.

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