

Insight Communications

Q2 2006 Earnings Conference Call

- Thursday, August 3, 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 Q2'06 Results

Michael Willner,
Vice Chairman & CEO



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Summary of Q2'06 Results

Financial Results

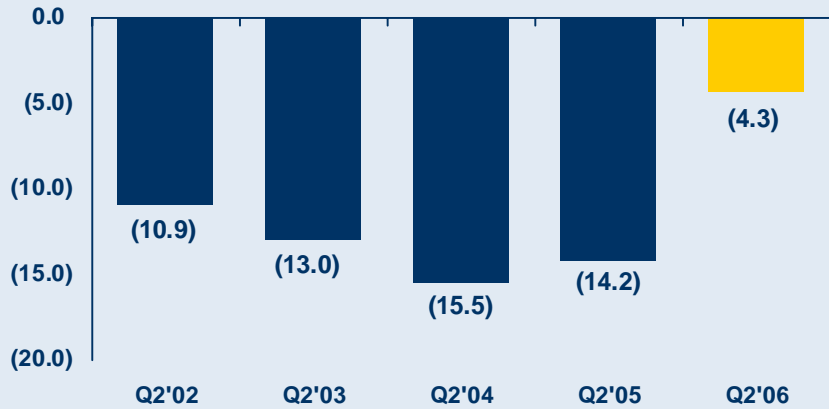
| <i>(\$ in mil)</i> | Q2'06 | Q2'05 | % Increase/ (Decrease) |
|--------------------|--------------|--------------|-----------------------------------|
| Revenue | \$311.7 | \$279.3 | 11.6% |
| OIBDA | 117.6 | 122.4 | (4.0%) |
| Capex | 84.1 | 54.8 | 53.6% |
| FCF | (37.3) | 12.4 | (402.0%) |

Customer Results

| | Q2'06 | Q2'05 | % Increase/ (Decrease) |
|-------------|---------------|---------------|-----------------------------------|
| Basic | (4,300) | (14,200) | 230.2% |
| Digital | 11,700 | 1,800 | 550.0% |
| HSI | 19,700 | 23,500 | (16.2%) |
| Telephone | 7,500 | 4,900 | 53.1% |
| RGUs | 34,600 | 16,000 | 116.3% |

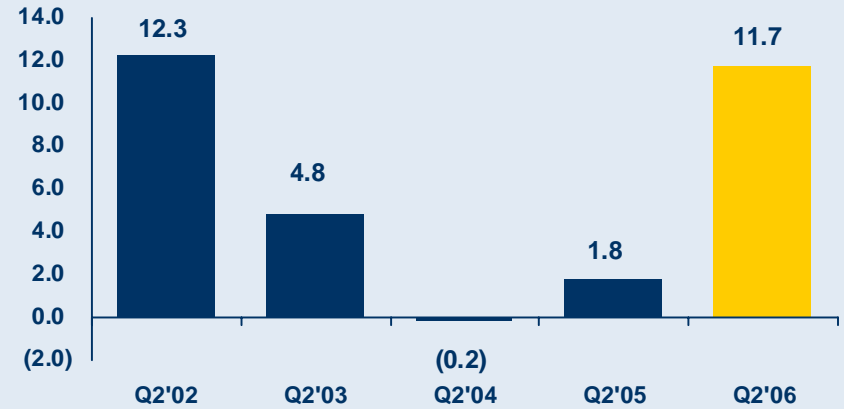
Net Additions by Product

Basic Net Adds (000s)



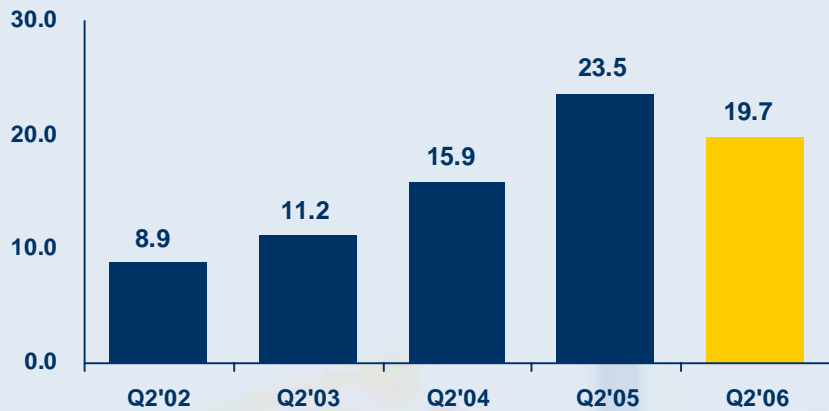
Penetration: 58% 56% 55% 53% 53%

Digital Net Adds (000s)



Penetration: 25% 29% 34% 38% 46%

HSI Net Adds (000s)



Penetration: 5% 8% 12% 17% 22%

Telephone Net Adds (000s)



Penetration: 6% 7% 8% 10% 12%

Operational Overview

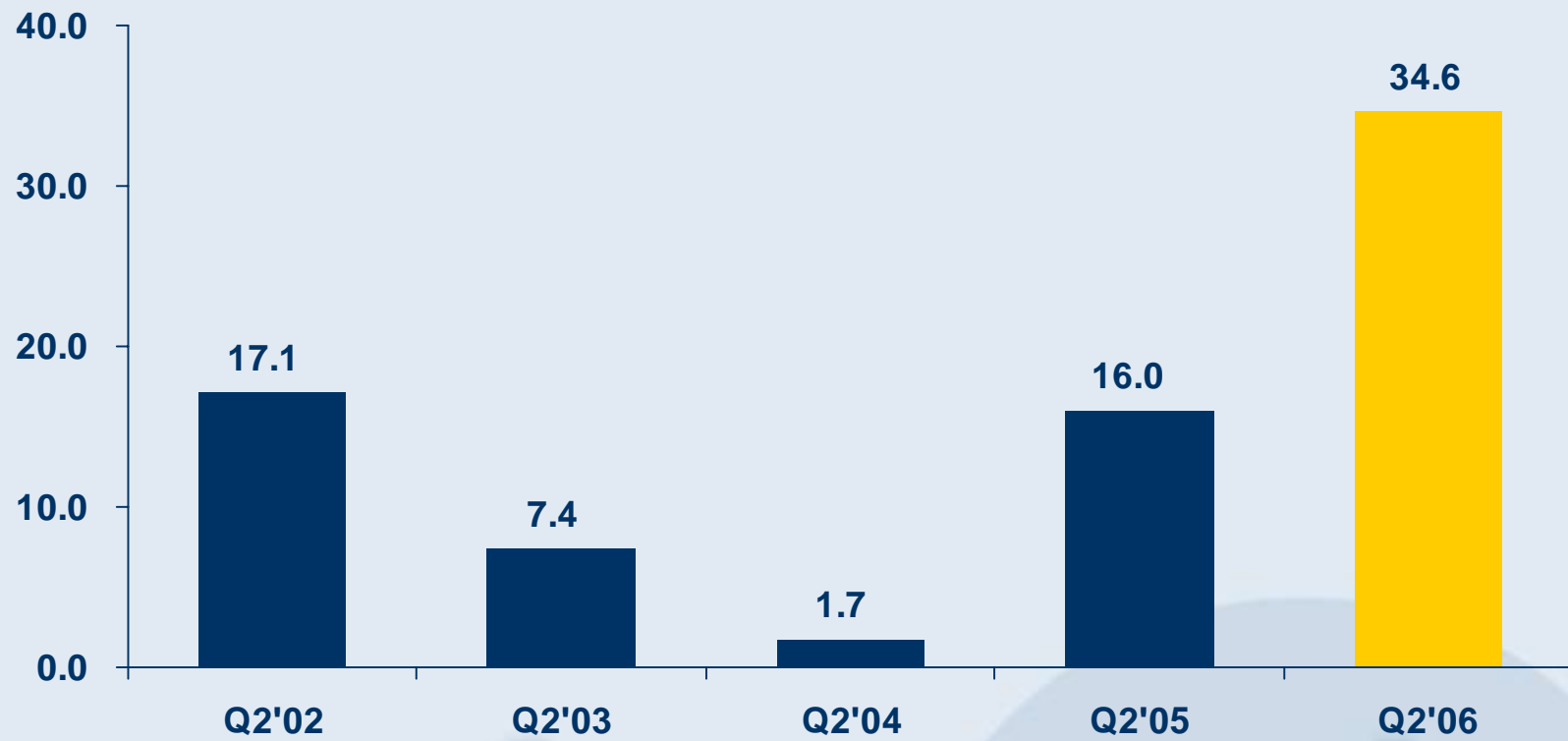
Dinni Jain,
President & COO



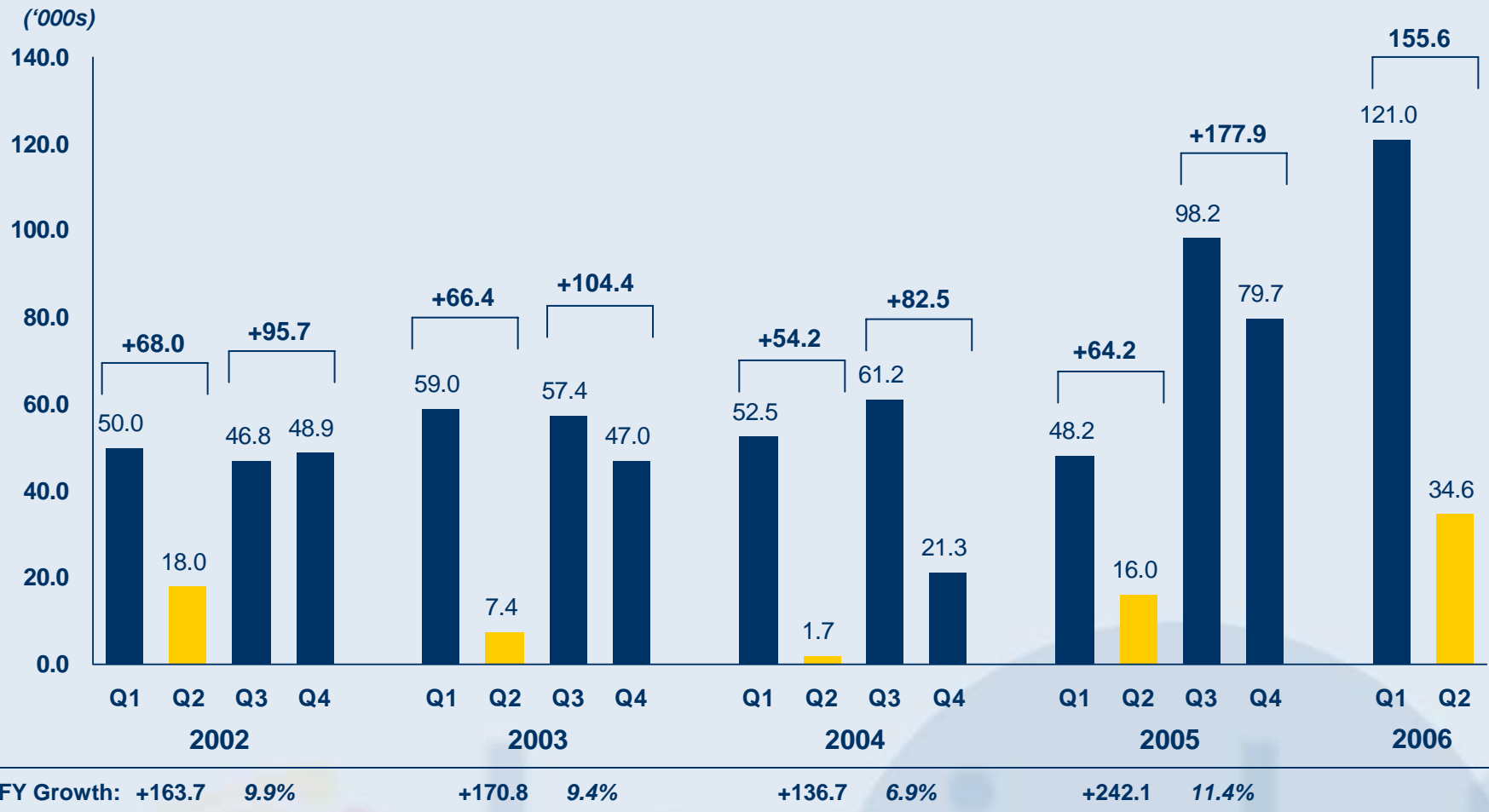
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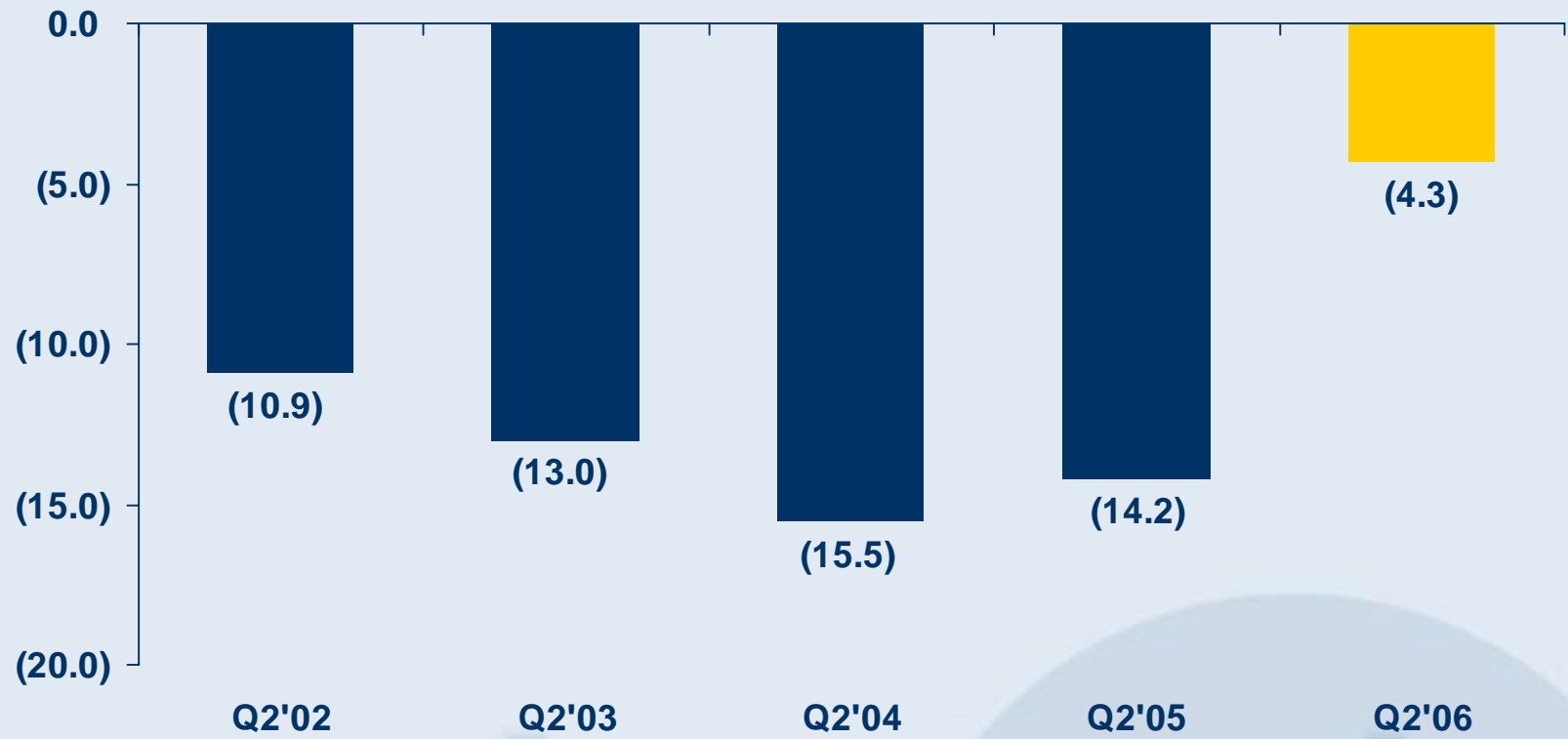
Strong RGU Net Additions – Q2



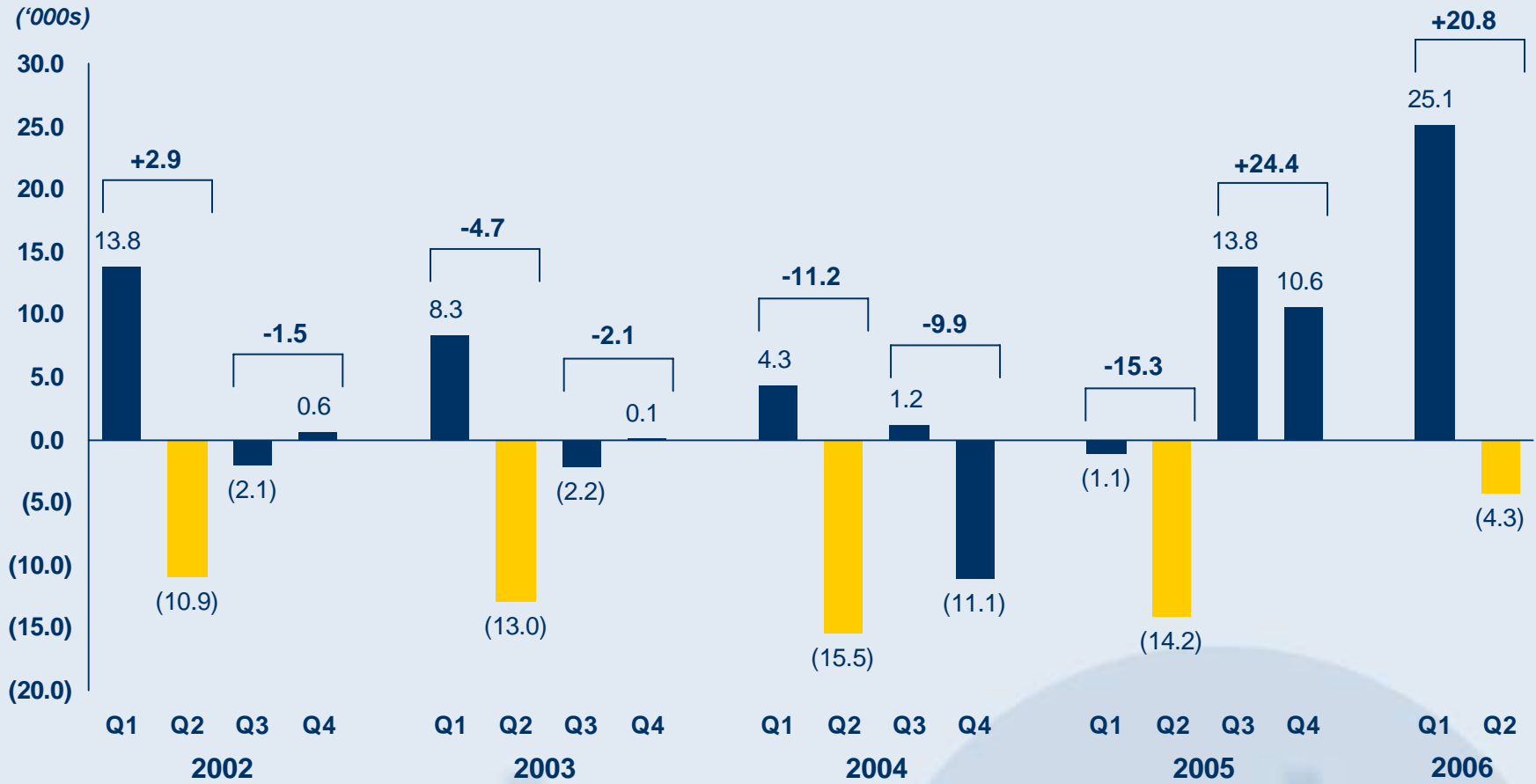
Historical RGU Growth



Basic Net Additions – Q2

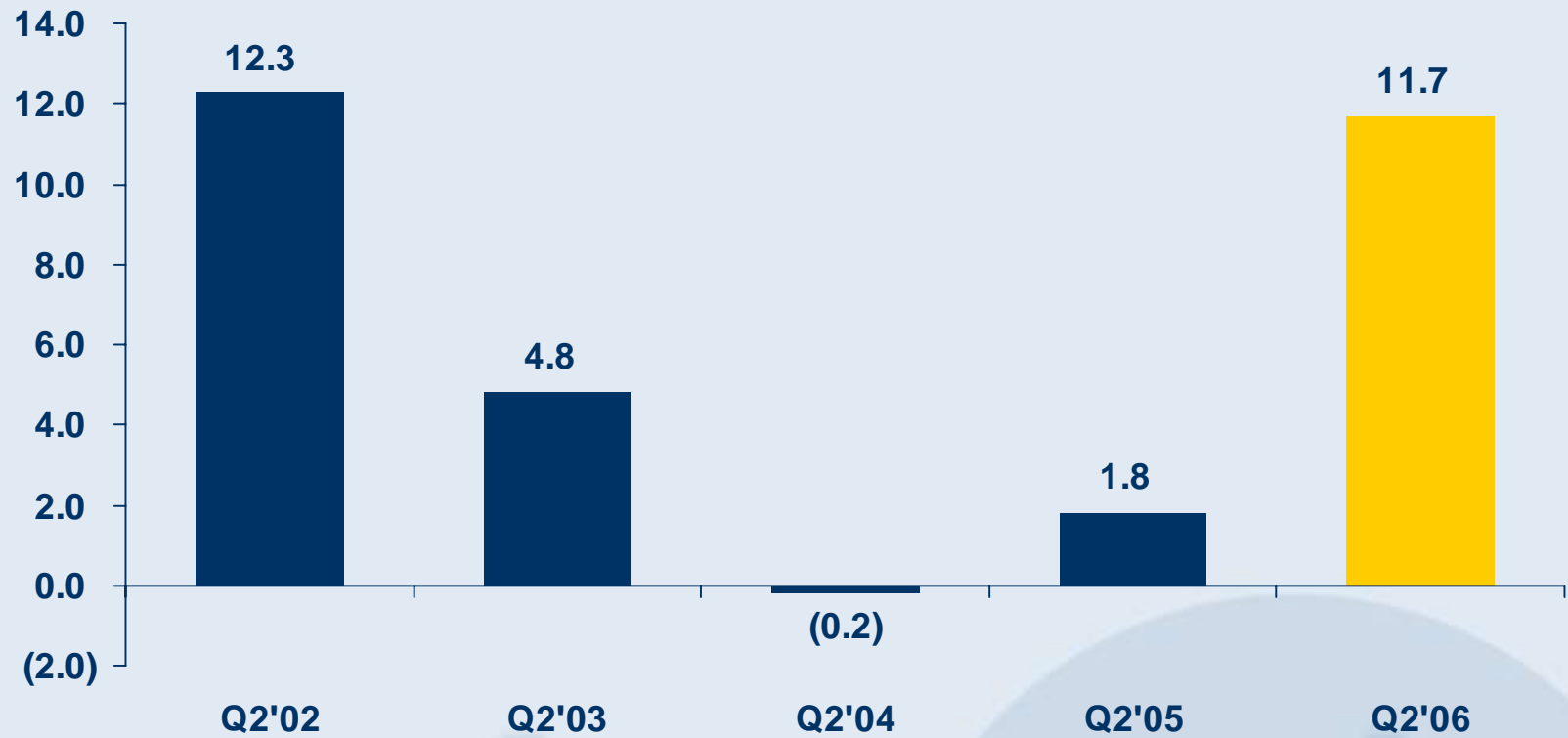


Historical Basic Net Additions

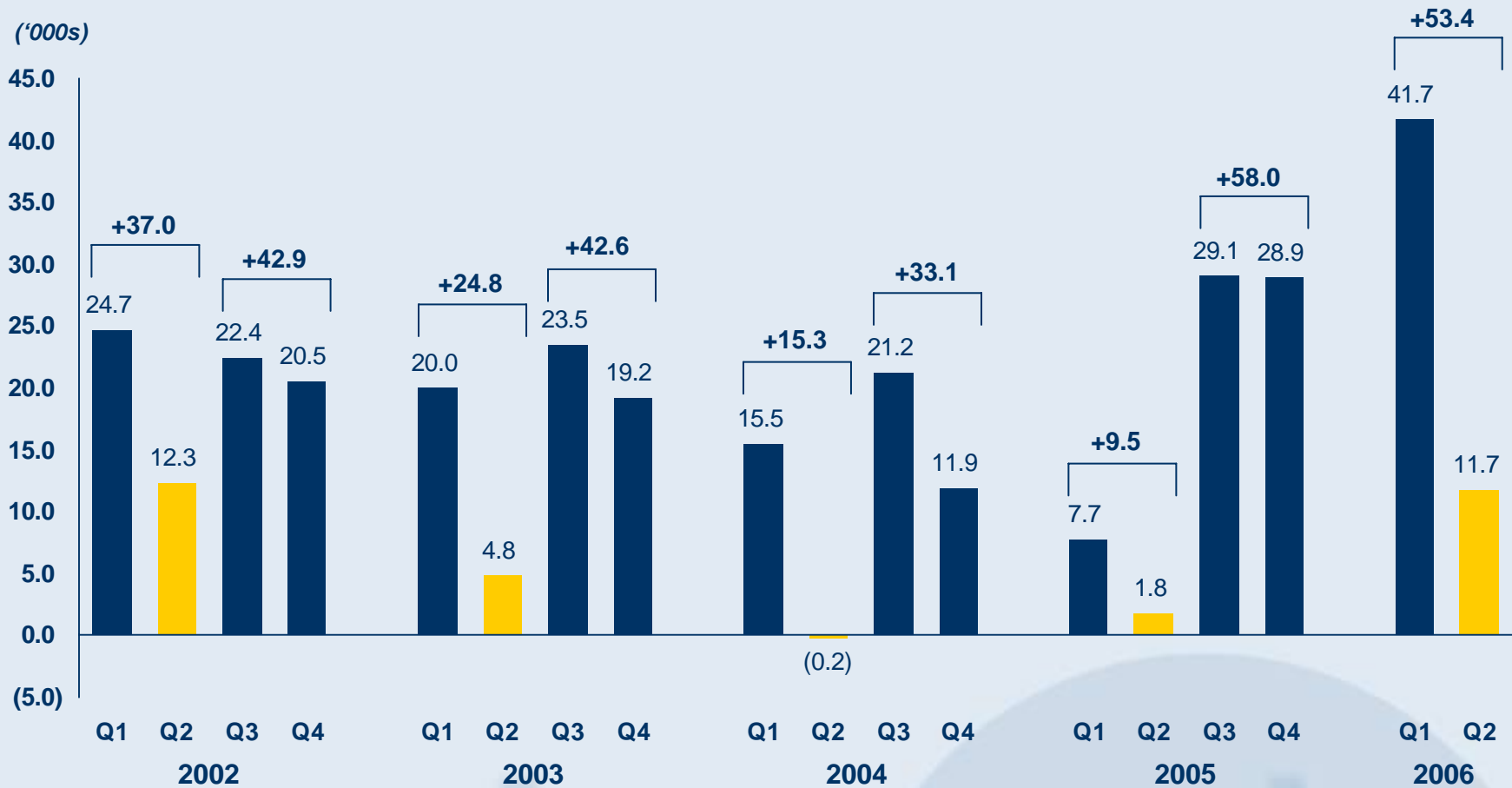


| | | | | | | | | |
|------------|------|------|------|-------|-------|-------|------|------|
| FY Growth: | +2.1 | 0.2% | -6.8 | -0.5% | -21.1 | -1.6% | +9.1 | 0.7% |
|------------|------|------|------|-------|-------|-------|------|------|

Digital Net Additions – Q2

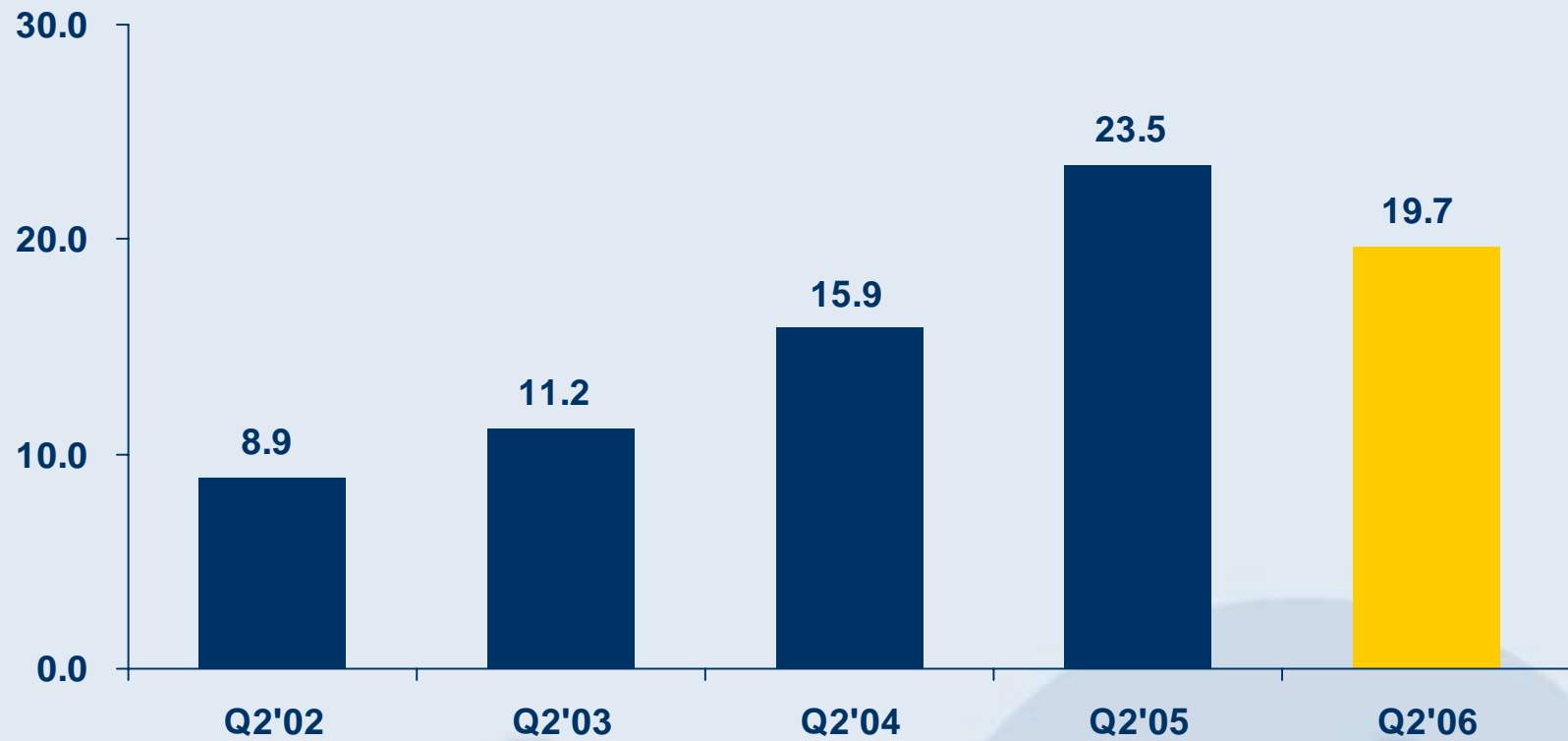


Historical Digital Net Additions

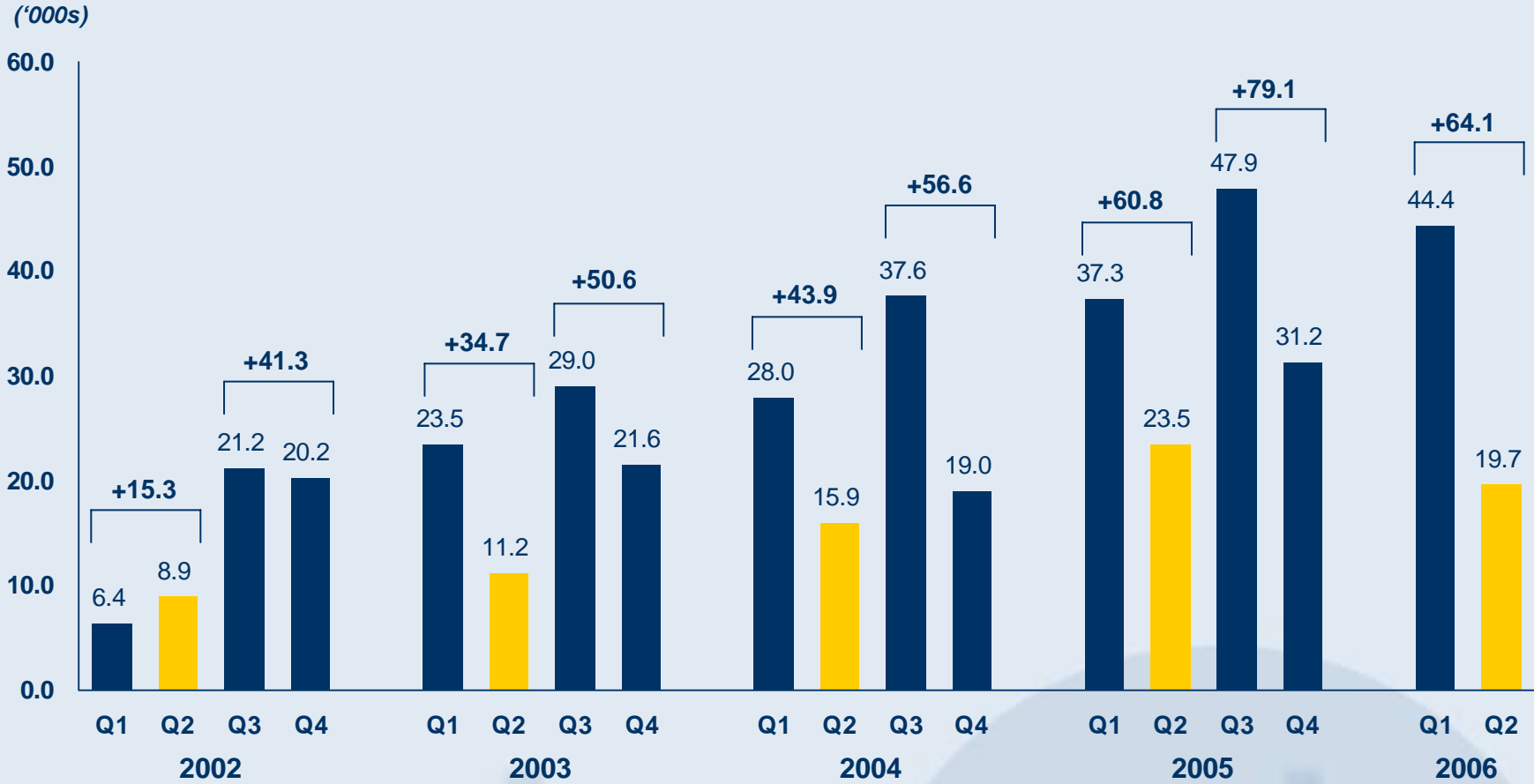


| | | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|-------|
| FY Growth: +80.1 | 31.4% | +67.5 | 20.2% | +48.4 | 12.0% | +67.5 | 15.0% |
|------------------|-------|-------|-------|-------|-------|-------|-------|

HSI Net Additions – Q2

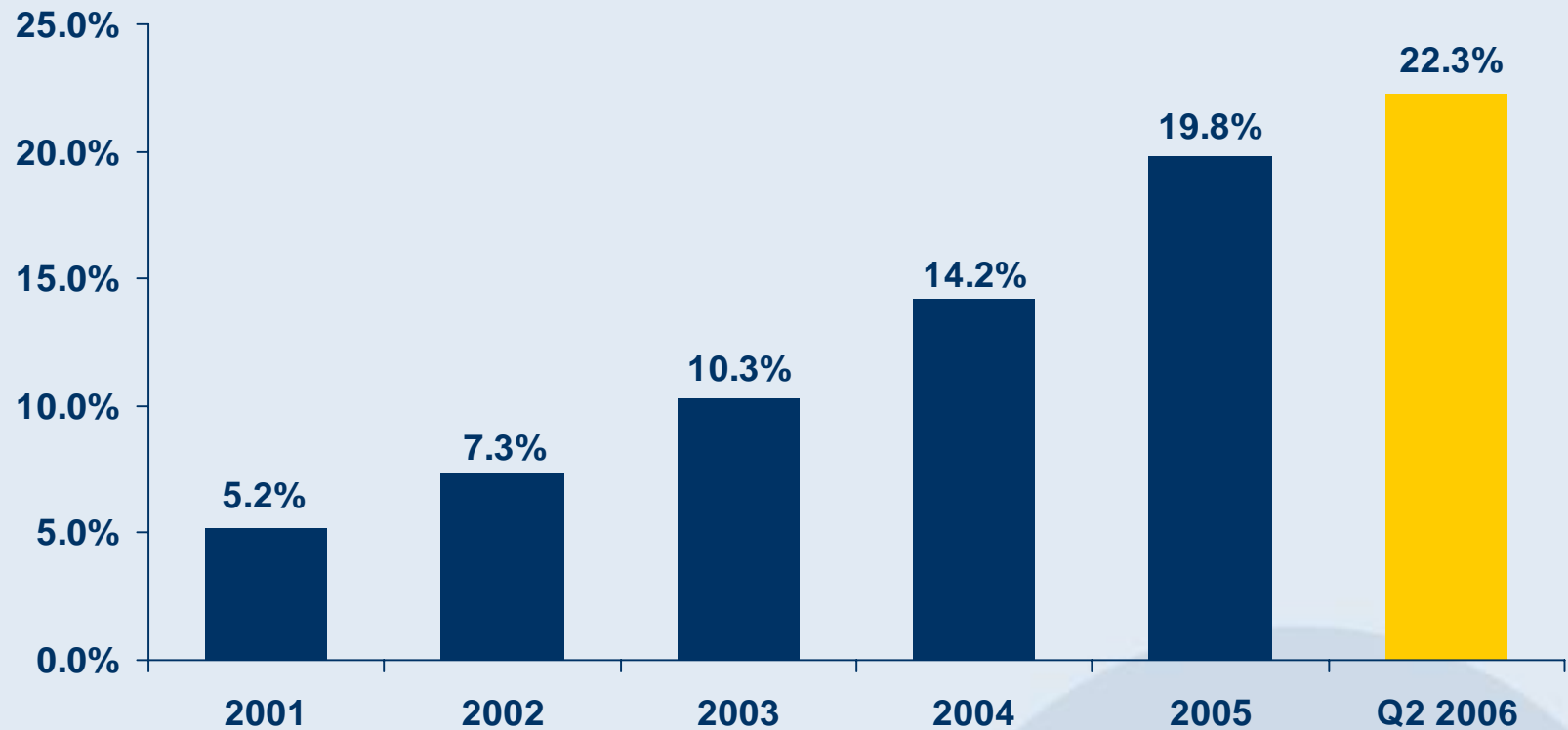


Historical HSI Net Additions



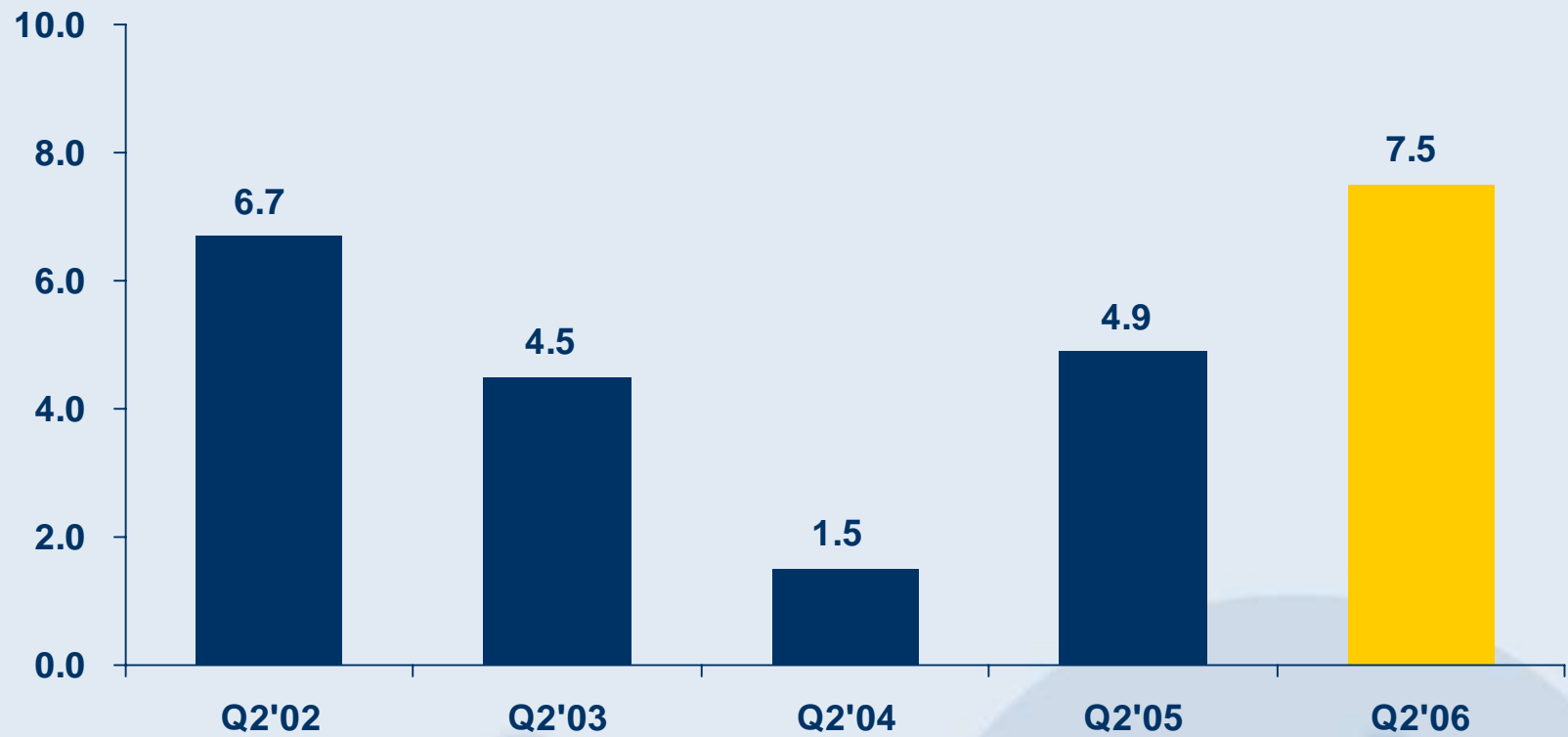
| | | | | | | | |
|------------------|-------|-------|-------|--------|-------|--------|-------|
| FY Growth: +56.7 | 64.4% | +85.2 | 58.9% | +100.5 | 43.7% | +139.9 | 42.3% |
|------------------|-------|-------|-------|--------|-------|--------|-------|

Historical HSI Penetration

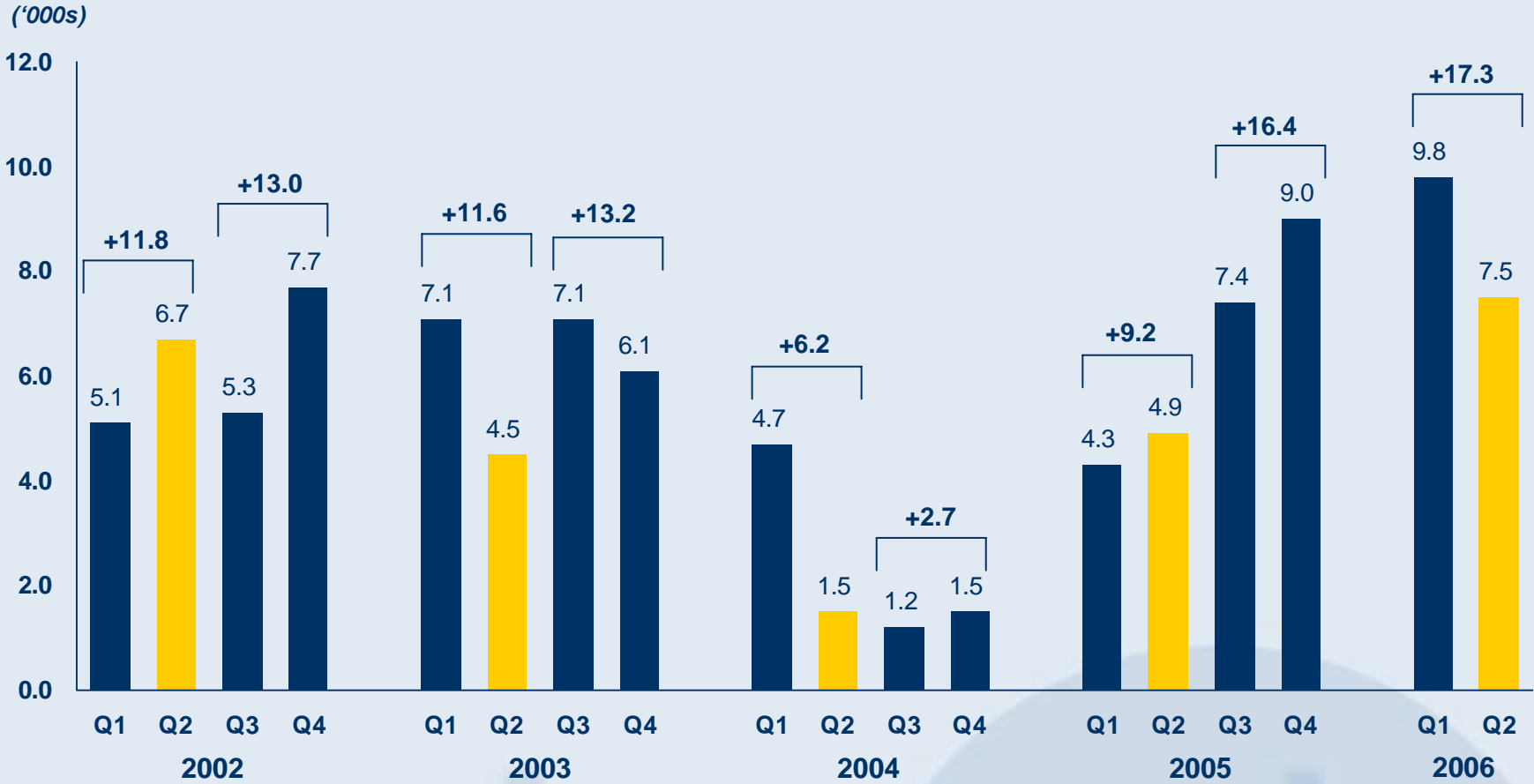


| | | | | | |
|--------------------------|----------|----------|----------|----------|---------|
| Incremental Penetration: | +210 bps | +300 bps | +390 bps | +560 bps | +70 bps |
|--------------------------|----------|----------|----------|----------|---------|

Telephone Net Additions – Q2



Historical Telephone Net Additions



| | | | | | | | |
|------------------|--------|-------|-------|------|-------|-------|-------|
| FY Growth: +24.8 | 424.1% | +24.8 | 81.0% | +8.9 | 16.1% | +25.6 | 39.8% |
|------------------|--------|-------|-------|------|-------|-------|-------|

Financial Overview

John Abbot,
EVP & CFO



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Q2'06 Financial Results

| <i>(\$ in mil)</i> | <u>Q2'06</u> | <u>Q2'05</u> | <u>% Increase/ (Decrease)</u> |
|------------------------------|----------------|----------------|-----------------------------------|
| Revenue | \$311.7 | \$279.3 | 11.6% |
| Programming & Other Op. Exp. | \$112.7 | \$92.2 | 22.2% |
| SG&A | 81.5 | 64.7 | 25.9% |
| Total Expenses | \$194.1 | \$156.9 | 23.7% |
| OIBDA | \$117.6 | \$122.4 | (4.0%) |
| <i>Margin</i> | <i>37.7%</i> | <i>43.8%</i> | |

Q2'06 Capital Expenditures

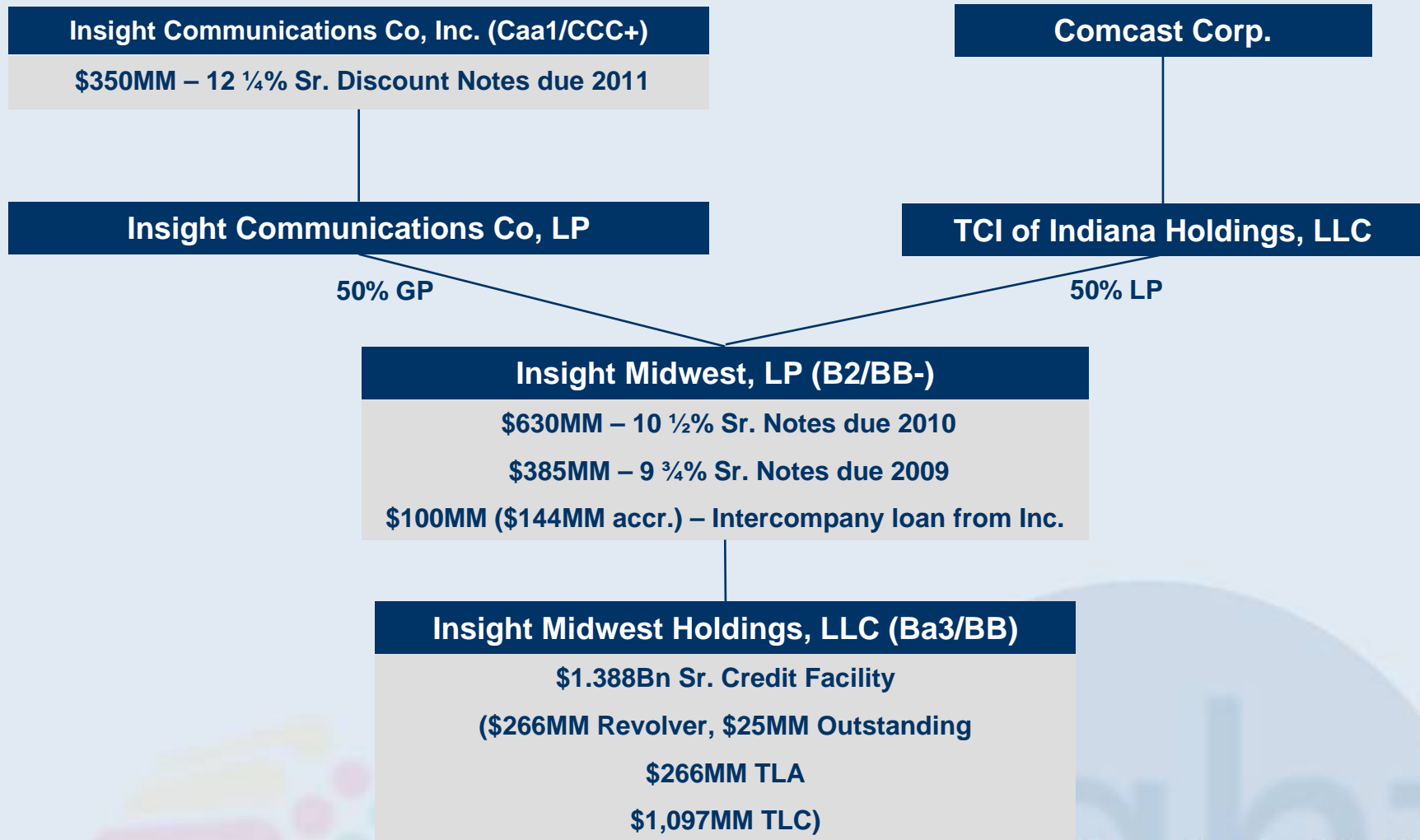
| <i>(\$ in mil)</i> | <u>Q2'06</u> | <u>Q2'05</u> |
|----------------------------|---------------|---------------|
| Customer Premise Equipment | \$49.0 | \$26.8 |
| Scaleable Infrastructure | 8.2 | 7.2 |
| Line Extensions | 6.8 | 5.8 |
| Upgrade/Rebuild | 4.7 | 5.5 |
| Support Capital | 15.4 | 9.5 |
| Total Capex | \$84.1 | \$54.8 |

Q2'06 Free Cash Flow

| <i>(\$ in mil)</i> | <u>Q2'06</u> | <u>Q2'05</u> |
|----------------------------|-----------------|---------------|
| OIBDA | \$117.6 | \$122.4 |
| Changes in Working Capital | 5.8 | (1.2) |
| Cash Interest ¹ | (76.4) | (54.0) |
| Cash Taxes | (0.1) | (0.1) |
| Capital Expenditures | (84.1) | (54.8) |
| Free Cash Flow | (\$37.3) | \$12.4 |

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

Capital Structure @ 6/30/06



Note: Additional \$20MM drawn on Revolver at 7/5/06.

Credit Profile @ 6/30/06

- Total Debt (\$ in mil)

| | |
|--------------------|----------------|
| Bank | \$1,388 |
| High Yield | 1,365 |
| Total ¹ | <u>\$2,752</u> |

- Leverage

| | |
|--------------|--|
| MW Holdings | 3.0x (vs. covenant of 4.50x) |
| Insight Inc. | 5.8x (consolidated, net of total cash) |

- Average Cost of Debt

8.9%

- Fixed Rate Debt as a % of Total

45% (accrued value)

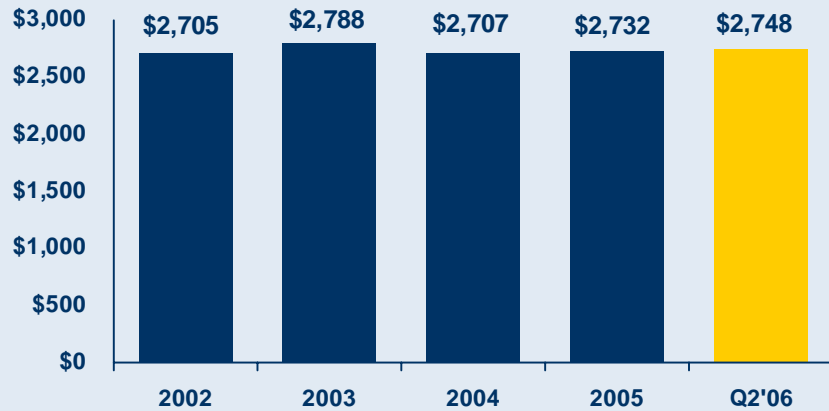
- Ample Liquidity

\$5 mil cash
\$231 mil unused revolver,
entirely available under the covenant

¹ Increased from \$2,748 mil at Q1'06 due to \$21 mil in bank amortizations, net of \$0.2 mil in bond accretions and \$25 mil revolver funding (\$20 mil additional funding on 7/5/06).

Leverage Trend

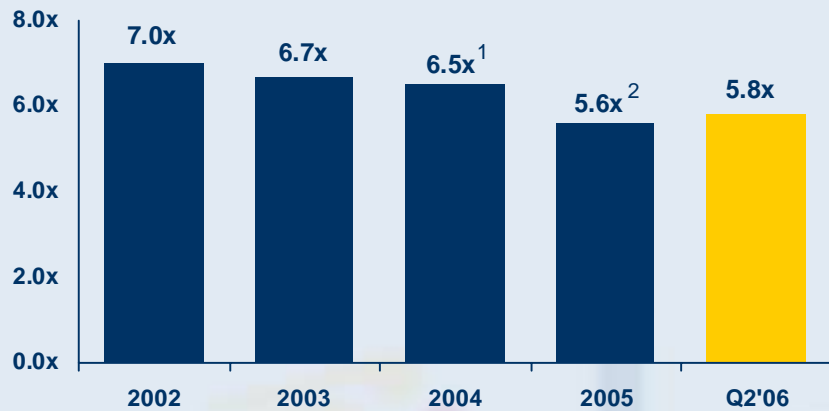
Consolidated Net Debt (\$ in mil)



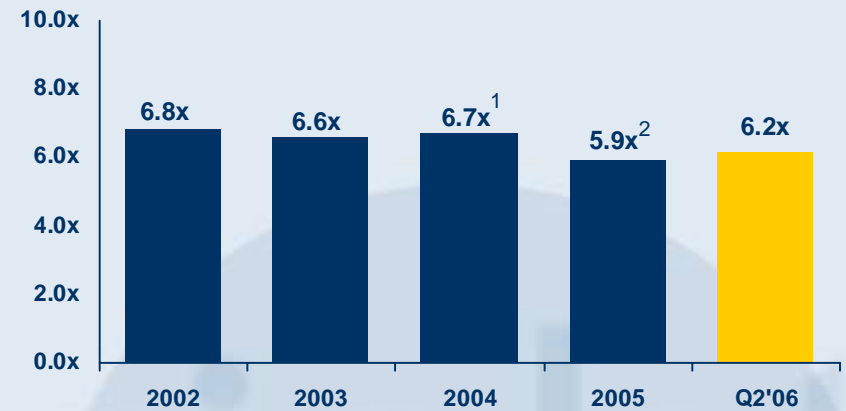
Proportionate Net Debt (\$ in mil)



Consolidated Net Debt / LQA OIBDA



Proportionate Net Debt / LQA OIBDA



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

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