

AOL TIME WARNER INC  
Form 424B5  
April 13, 2001

Filed Pursuant to Rule 424(b)(5)  
Registration Statement 333-54518

PROSPECTUS SUPPLEMENT  
(To Prospectus Dated February 26, 2001)

[AOL Time Warner Logo]

\$4,000,000,000

AOL Time Warner Inc.  
\$1,000,000,000 6.125% Notes due 2006  
\$1,000,000,000 6.750% Notes due 2011  
\$2,000,000,000 7.625% Debentures due 2031

Unconditionally Guaranteed by  
America Online, Inc.  
and  
Time Warner Inc.  
-----

The 6.125% notes will mature on April 15, 2006, the 6.750% notes will mature on April 15, 2011 and the 7.625% debentures will mature on April 15, 2031. Interest on the securities is payable semiannually on April 15 and October 15, beginning October 15, 2001. The securities are fully, irrevocably and unconditionally guaranteed on an unsecured basis by each of America Online, Inc. and Time Warner Inc. Time Warner Companies, Inc. and Turner Broadcasting System, Inc. have fully, irrevocably and unconditionally guaranteed on an unsecured basis Time Warner Inc.'s guarantee of the securities. See the section entitled 'Description of the Notes and the Debentures -- Guarantees' on page S-11. Each of AOL Time Warner Inc., Time Warner Inc., Time Warner Companies, Inc. and Turner Broadcasting System, Inc. is a holding company that derives its operating income and its cash flow primarily from its subsidiaries and investments. See the section entitled 'Description of the Notes and the Debentures -- Ranking' on page S-12.

We may redeem some or all of the securities at any time. We describe the redemption prices under the headings 'Description of the Notes and the Debentures -- Optional Redemption' beginning on page S-12.

The securities will be unsecured senior obligations of AOL Time Warner Inc. and will rank equally with all our other unsecured senior indebtedness. Each guarantee will be a senior obligation of each of America Online, Inc., Time Warner Inc., Time Warner Companies, Inc. and Turner Broadcasting System, Inc., respectively, and will rank equally with all other unsecured senior indebtedness of each guarantor, respectively.

The securities are offered for sale in the United States, Europe and Asia. We have applied to have the securities listed on the Luxembourg Stock Exchange in accordance with its rules.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT OR THE RELATED PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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	PER 6.125% NOTE DUE 2006	TOTAL	PER 6.750% NOTE DUE 2011	TOTAL	PER 7.625% DEBENTURE DUE 2031	
Public Offering						
Price.....	99.793%	\$997,930,000	99.750%	\$997,500,000	99.803%	\$
Underwriting						
Discount.....	.350%	\$ 3,500,000	.450%	\$ 4,500,000	.875%	\$
Proceeds to AOL						
Time Warner.....	99.443%	\$994,430,000	99.300%	\$993,000,000	98.928%	\$

Interest on the securities will accrue from April 19, 2001.

The underwriters are offering the securities subject to various conditions. The underwriters expect to deliver the securities to purchasers in book-entry form only through the facilities of The Depository Trust Company, Clearstream, Luxembourg or the Euroclear System, as the case may be, on or about April 19, 2001.

Joint Book-Running Managers

BANC OF AMERICA SECURITIES LLC                      JPMORGAN                      SALOMON SMITH BARNEY

Senior Co-Managers

ABN AMRO INCORPORATED	DEUTSCHE BANC ALEX. BROWN
BEAR, STEARNS & CO. INC.	GOLDMAN, SACHS & CO.
BNP PARIBAS	LEHMAN BROTHERS
CREDIT SUISSE FIRST BOSTON	MERRILL LYNCH & CO.
DRESDNER KLEINWORTH WASSERSTEIN	MORGAN STANLEY DEAN WITTER

Co-Managers

ALLEN & COMPANY INCORPORATED	MURIEL SIEBERT & CO., INC.
BARCLAYS CAPITAL	SCOTIA CAPITAL
COMMERZBANK CAPITAL MARKETS CORP.	UTENDAHL CAPITAL PARTNERS, L.P.
FLEET SECURITIES, INC.	WESTDEUTSCHE LANDESBANK GIROZENTRALE
MIZUHO INTERNATIONAL PLC	

April 11, 2001

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the securities that we are currently offering. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the securities that we are currently offering. Generally, the term 'prospectus' refers to both parts combined.

If the information varies between this prospectus supplement and the

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accompanying prospectus, the information in this prospectus supplement supersedes the information in the accompanying prospectus.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS. NO PERSON IS AUTHORIZED TO PROVIDE YOU WITH DIFFERENT INFORMATION OR TO OFFER THE SECURITIES IN ANY STATE OR OTHER JURISDICTION WHERE THE OFFER IS NOT PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION PROVIDED BY THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THIS PROSPECTUS SUPPLEMENT.

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The principal executive offices of each of AOL Time Warner, Time Warner and Time Warner Companies are located at 75 Rockefeller Plaza, New York, NY 10019 and the telephone number of each is (212) 484-8000. The principal executive office of America Online is located at 22000 AOL Way, Dulles, VA 20166 and the telephone number of America Online is (703) 265-1000. The principal executive office of Turner Broadcasting System is located at One CNN Center, Atlanta, GA 30303 and the telephone number of Turner Broadcasting System is (404) 827-1700.

References to 'AOL Time Warner,' 'we,' 'us' and 'our' in this prospectus supplement and in the accompanying prospectus are references to AOL Time Warner Inc.

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This prospectus supplement and the accompanying prospectus include particulars given in compliance with the rules governing the listing of securities on the Luxembourg Stock Exchange for the purpose of giving information with regard to us. We accept responsibility for the information contained in this prospectus supplement and accompanying prospectus and confirm, having made all reasonable inquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement herein misleading in any material respect as of the date of this prospectus supplement. The Luxembourg Stock Exchange takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus supplement and the accompanying prospectus.

We cannot guarantee that listing will be obtained on the Luxembourg Stock Exchange. Inquiries regarding our listing status on the Luxembourg Stock Exchange should be directed to our Luxembourg listing agent, Kredietbank S.A. Luxembourg, 43, Boulevard Royal, L-2955 Luxembourg.

Offers and sales of the securities are subject to restrictions in relation to the United Kingdom, The Netherlands and Japan, details of which are set out in the section entitled 'Underwriting.' The distribution of this prospectus supplement and the accompanying prospectus and the offering of the securities in certain other jurisdictions may also be restricted by law.

The securities are being offered only for sale in jurisdictions where it is lawful to make such offers. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the securities in some jurisdictions may be restricted by law. Persons who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See 'Underwriting' beginning on page S-19 of this prospectus supplement.

### WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement and the accompanying prospectus incorporate documents by reference which are not presented in or delivered with this prospectus supplement. We incorporate by reference the documents listed below, in addition to the documents listed under 'Where You Can Find More Information' in the accompanying prospectus:

AOL Time Warner's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (filing date March 27, 2001); and

AOL Time Warner's Current Report on Form 8-K/A dated January 11, 2001 (filing date March 30, 2001).

All documents filed by AOL Time Warner, America Online or Time Warner pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of the accompanying prospectus and prior to the termination of the offering of the securities are incorporated by reference into and are

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deemed to be a part of this prospectus supplement and the accompanying prospectus from the date of filing of those documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus will be deemed to be modified or superseded to the extent that a statement contained in this prospectus supplement and the accompanying prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with any additional information.

This prospectus supplement and the accompanying prospectus, together with copies of the documents incorporated by reference, are available from us upon request. We will provide a copy of any and all of the information that is incorporated by reference into this prospectus supplement and the accompanying prospectus to any person, without charge, upon written or oral request. If exhibits to the documents incorporated by reference into this prospectus supplement and the accompanying prospectus are not themselves specifically incorporated by reference, then the exhibits will not be provided.

For as long as the securities are listed on the Luxembourg Stock Exchange, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus will be available without charge from our transfer and paying agent in Luxembourg, Kredittbank S.A. Luxembourggeoise, 43, Boulevard Royal, L-2955 Luxembourg.

Requests for documents relating to AOL Time Warner or any of the guarantors should be directed to AOL Time Warner Inc., 75 Rockefeller Plaza, New York, New York 10019, Attention: Shareholder Relations, telephone: 1-866-INFO-AOL, e-mail: aoltimewarnerir@aol.com.

### STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This prospectus supplement and the accompanying prospectus contain such 'forward-looking statements' within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this prospectus supplement and the accompanying prospectus referring to us and they may also be made a part of the accompanying prospectus by reference to other documents filed with the Securities and Exchange Commission by us, America Online or Time Warner, which is known as 'incorporation by reference.'

Words such as 'anticipate,' 'estimate,' 'expects,' 'projects,' 'intends,' 'plans,' 'believes' and words and terms of similar substance used in connection with any discussion of future operating or financial performance identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those

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described in the forward-looking statements. Actual results may vary materially from those described in the forward-looking statements due to a variety of factors. Investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of those statements. None of us, America Online, Time Warner, Time Warner Companies and Turner Broadcasting System is under any obligation, and each expressly disclaims any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

AOL Time Warner operates in highly competitive, consumer-driven and rapidly changing Internet, media and entertainment businesses that are dependent on government regulation and economic, political and social conditions in the countries in which they operate, consumer demand for their products and services, technological developments and (particularly in view of technological changes) protection of their intellectual property rights. AOL Time Warner's actual results could differ materially from management's expectations because of changes in such factors and factors affecting the integration of the businesses of America Online and Time Warner.

For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see the documents that we, America Online and Time Warner have filed with the SEC, including quarterly reports on Form 10-Q and annual reports on Form 10-K.

All subsequent forward-looking statements attributable to us, America Online, Time Warner, Time Warner Companies or Turner Broadcasting System or any person acting on our or their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

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### THE COMPANY

#### AOL TIME WARNER

We are the world's preeminent, Internet-powered media and communications company, whose industry-leading businesses include interactive services, cable systems, filmed entertainment, networks, music and publishing.

AOL Time Warner classifies its business interests into the following fundamental areas:

America Online, consisting principally of the development and operation of branded interactive services such as the AOL and CompuServe services, Web brands such as Netscape, local services such as Digital City, Moviefone and MapQuest, interactive messaging services such as AOL Instant Messenger and ICQ, Internet technologies and electronic commerce;

cable, consisting principally of interests in cable television systems, including Time Warner Cable;

filmed entertainment, consisting principally of interests in filmed entertainment and television production, including Warner Bros. and New Line Cinema;

networks, consisting principally of interests in cable television and broadcast television networks, including WTBS Superstation, TNT, Cartoon Network, CNN News Group, Home Box Office and the WB Television Network;

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music, consisting principally of interests in recorded music and music publishing, including Warner Music Group and such labels as Atlantic, Elektra, London-Sire, Rhino, Warner Bros. Records and Warner Music International; and

publishing, consisting principally of interests in magazine publishing, book publishing and direct marketing, including Time, People, and Sports Illustrated magazines, Warner Books and Little, Brown.

As a result of the January 2001 merger between America Online and Time Warner, we are a holding company with two wholly owned subsidiaries, America Online and Time Warner. The business of our company is the combined businesses previously conducted by America Online and Time Warner. We combined America Online's extensive Internet properties, technology and infrastructure with Time Warner's broad array of media, entertainment and news brands and its technologically advanced broadband delivery systems to create a new company capable of enhancing consumers' access to the broadest selection of high quality content and interactive services.

### AMERICA ONLINE AND TIME WARNER

America Online is primarily an operating company, although it conducts a portion of its business through subsidiaries. The primary activities of America Online include the operation of the interactive online services businesses of AOL Time Warner. Time Warner is a holding company that derives its operating income and cash flow from its investments in its subsidiaries.

### TWC AND TBS

Time Warner Companies, Inc., or 'TWC,' and Turner Broadcasting System, Inc., or 'TBS,' are wholly owned subsidiaries of Time Warner as a result of the merger in 1996 of TWC and TBS with separate subsidiaries of Time Warner. Each of TWC and TBS is a holding company that derives its operating income and cash flow primarily from its subsidiaries and investments. The assets of each of TWC and TBS consist primarily of investments in its consolidated and unconsolidated subsidiaries. The primary activities of TBS's subsidiaries include the operation of cable networks and the primary activities of TWC's wholly owned subsidiaries include the operation of publishing, music and a portion of Time Warner's cable systems. TWC also owns a 74.49% equity interest in Time Warner Entertainment Company, L.P., or 'TWE,' a limited

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partnership that owns a majority of Time Warner's interests in filmed entertainment and cable television systems and a portion of its interests in television networks.

### DIRECTORS AND EXECUTIVE OFFICERS OF AOL TIME WARNER

Stephen M. Case  
Chairman of the Board  
Gerald M. Levin  
Chief Executive Officer and Director  
Daniel F. Akerson  
Director  
James L. Barksdale  
Director

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Stephen F. Bollenbach  
Director

Paul T. Cappuccio  
Executive Vice President,  
General Counsel and Secretary

Frank J. Caufield  
Director

David M. Colburn  
Executive Vice President and President of Business  
Development for Subscription Services and  
Advertising and Commerce Businesses

Miles R. Gilburne  
Director

Carla A. Hills  
Director

J. Michael Kelly  
Executive Vice President and Chief Financial  
Officer

Kenneth B. Lerer  
Executive Vice President

Reuben Mark  
Director

Michael A. Miles  
Director

Kenneth J. Novack  
Vice Chairman and Director

Richard D. Parsons  
Co-Chief Operating Officer and Director

Robert W. Pittman  
Co-Chief Operating Officer and Director

William J. Raduchel  
Executive Vice President and Chief Technology  
Officer

Franklin D. Raines  
Director

Mayo S. Stuntz, Jr.  
Executive Vice President

R. E. Turner  
Vice Chairman and Senior Advisor and Director

Francis T. Vincent, Jr.  
Director

George Vradenburg, III  
Executive Vice President, Global and Strategic  
Policy

Each of the above-named persons is a full-time employee of AOL Time Warner, except Ambassador Hills and Messrs. Akerson, Barksdale, Bollenbach, Caufield, Gilburne, Mark, Miles, Raines and Vincent. The business address of each, in his or her capacity as a director or an executive officer of AOL Time Warner, is c/o AOL Time Warner Inc., 75 Rockefeller Plaza, New York, NY 10019.

### RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred dividends for each of AOL Time Warner, America Online, Time Warner, TWC and TBS are set forth below for the periods indicated. For periods in which earnings before fixed charges were insufficient to cover fixed charges (or combined fixed charges and preferred dividends), the dollar amount of coverage deficiency (in millions), instead of the ratio, is disclosed.

In addition to the historical ratios (or coverage deficiencies), pro forma



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ratios of earnings to fixed charges and pro forma ratios of earnings to combined fixed charges and preferred dividends are presented for the year ended December 31, 2000 to give effect to the merger of America Online and Time Warner as if it occurred at the beginning of the period.

Further, as a result of the merger of America Online and Time Warner, the pro forma ratios of Time Warner, TWC and TBS have each been adjusted to reflect an allocable portion of AOL Time Warner's new basis of accounting on a pushdown basis. The historical ratios are reflected at each company's historical cost basis of accounting.

The pro forma ratios have been derived from, and should be read in conjunction with, the pro forma consolidated condensed financial statements including the notes thereto of AOL Time Warner. Those pro forma consolidated condensed financial statements are included in AOL Time

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Warner's Current Report on Form 8-K/A dated January 11, 2001 (filing date March 30, 2001), which is incorporated herein by reference.

For purposes of computing the ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends, earnings were calculated by adding:

- (1) pretax income,
- (2) interest expense, including previously capitalized interest amortized to expense and the portion of rents representative of an interest factor for AOL Time Warner, America Online, Time Warner, TWC, TBS and their respective majority-owned subsidiaries,
- (3) AOL Time Warner's, America Online's, Time Warner's, TWC's, and TBS's respective proportionate share of the items included in (2) above for their 50%-owned companies,
- (4) preferred stock dividend requirements of majority-owned companies,
- (5) minority interest in the income of majority-owned subsidiaries that have fixed charges, and
- (6) the amount of undistributed losses of each of AOL Time Warner's, America Online's, Time Warner's, TWC's, and TBS's less than 50%-owned companies.

Fixed charges consist of:

- (1) interest expense, including interest capitalized and the portion of rents representative of an interest factor for AOL Time Warner, America Online, Time Warner, TWC, and TBS and their respective majority-owned subsidiaries,
- (2) AOL Time Warner's, America Online's, Time Warner's, TWC's, and TBS's respective proportionate share of such items for their 50%-owned companies, and
- (3) preferred stock dividend requirements of majority-owned subsidiaries. Combined fixed charges and preferred stock dividends include the amount of pretax income necessary to cover any preferred stock dividend

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requirements of the issuer.

Earnings as defined include significant non-cash charges for depreciation and amortization primarily relating to the amortization of intangible assets recognized in business combinations accounted for by the purchase method. On a pro forma basis, based on a preliminary allocation of the purchase price paid in the merger of America Online and Time Warner, earnings have been reduced by annual non-cash amortization charges of approximately \$7.0 billion for both AOL Time Warner and Time Warner, \$5.7 billion for TWC and \$1.6 billion for TBS.

AOL TIME WARNER(a)

	PRO FORMA ----- YEAR ENDED DECEMBER 31, 2000 ----
Deficiency of earnings to fixed charges.....	\$(3,245)
Deficiency of earnings to combined fixed charges and preferred dividends.....	\$(3,269)

-----

(a) AOL Time Warner became the parent of America Online and Time Warner on January 11, 2001, in connection with the consummation of the merger of America Online and Time Warner. Because America Online is the predecessor of AOL Time Warner, AOL Time Warner's historical ratios are the same as America Online's historical ratios. For further reference, see America Online's ratio information below.

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AMERICA ONLINE

	HISTORICAL ----- YEAR ENDED DECEMBER 31, -----				
	2000	1999	1998	1997	1996
	----	----	----	----	----
Ratio of earnings to fixed charges.....	8.2x	9.7x	2.0x	(a)	(a)
Ratio of earnings to combined fixed charges and preferred dividends.....	8.2x	9.7x	2.0x	(a)	(a)

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(a) The deficiency of earnings to fixed charges and the deficiency of earnings to combined fixed charges and preferred dividends were each \$11 million for the year ended December 31, 1997 and \$215 million for the year ended

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December 31, 1996.

TIME WARNER

	PRO FORMA ----- YEAR ENDED DECEMBER 31, 2000 -----	HISTORICAL ----- YEAR ENDED DECEMBER 31, ----- ----- ----- ----- -----				
		2000	1999	1998	1997	1996
Ratio of earnings to fixed charges.....	(a)	1.4x	3.1x	1.5x	1.6x	1.6x
Ratio of earnings to combined fixed charges and preferred dividends.....	(a)	1.4x	3.0x	(a)	1.3x	(a)

-----

(a) The pro forma deficiency of earnings to fixed charges and the pro forma deficiency of earnings to combined fixed charges and preferred dividends were \$5.1 billion and \$5.2 billion, respectively, for the year ended December 31, 2000, and the deficiency of earnings to combined fixed charges and preferred dividends was \$39 million and \$98 million, respectively, for the years ended December 31, 1998 and 1996.

TWC

	PRO FORMA ----- YEAR ENDED DECEMBER 31, 2000 -----	HISTORICAL ----- YEAR ENDED DECEMBER 31, ----- ----- ----- ----- -----				
		2000	1999	1998	1997	1996
Ratio of earnings to fixed charges.....	(a)	1.5x	3.6x	1.5x	1.6x	1.6x
Ratio of earnings to combined fixed charges and preferred dividends.....	(a)	1.5x	3.6x	1.5x	1.6x	1.6x

-----

(a) The pro forma deficiency of earnings to fixed charges and the pro forma deficiency of earnings to combined fixed charges and preferred dividends were each \$4.0 billion for the year ended December 31, 2000.

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TBS

PRO FORMA ----- YEAR	HISTORICAL ----- THREE MONTHS			NINE -----

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	ENDED DECEMBER 31, 2000 ----	YEAR ENDED DECEMBER 31, -----				ENDED DECEMBER 31, 1996 (a) -----	EN SEPTEMBER 1996 -----
		2000	1999	1998	1997		
Ratio of earnings to fixed charges.....	(b)	2.8x	3.5x	2.6x	2.1x	1.6x	(
Ratio of earnings to combined fixed charges and preferred dividends.....	(b)	2.8x	3.5x	2.6x	2.1x	1.6x	(

-----

- (a) Time Warner became the parent of TWC and TBS on October 10, 1996, upon the merger of TWC and TBS with separate subsidiaries of Time Warner (the 'TBS Merger'). The ratios of earnings to fixed charges (or coverage deficiencies) of TBS for all periods after the TBS Merger have been adjusted to reflect Time Warner's basis of accounting. The ratio of earnings to fixed charges (or coverage deficiencies) of TBS for the period before the TBS Merger is reflected at TBS's historical cost basis of accounting.
- (b) The pro forma deficiency of earnings to fixed charges and the pro forma deficiency of earnings to combined fixed charges and preferred dividends were each \$853 million for the year ended December 31, 2000, and the deficiency of earnings to fixed charges and the deficiency of earnings to combined fixed charges and preferred dividends were each \$44 million for the nine months ended September 30, 1996.

USE OF PROCEEDS

The net proceeds from this offering are estimated to be approximately \$3.964 billion, after deducting the underwriting discount and commissions and our estimated offering expenses of approximately \$1.7 million. We intend to use the net proceeds of the offering for general corporate purposes, including, but not limited to, the repayment of existing short-term and bank indebtedness. The indebtedness we expect to be repaid is comprised primarily of indebtedness incurred under our \$7.5 billion revolving bank credit agreement (the 'Bank Credit Agreement'). Affiliates of certain of the underwriters of this offering are lenders on the Bank Credit Agreement and, upon application of the net proceeds from this offering, each will receive its proportionate share of the amounts outstanding under the Bank Credit Agreement that are repaid. See the section entitled 'Underwriting' for additional information. As of March 31, 2001, there were approximately \$5.2 billion in borrowings outstanding under the Bank Credit Agreement and the annual blended interest rate was 5.48%. Pending any specific application, we may initially invest the net proceeds of this offering in interest-bearing securities.

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PRO FORMA CAPITALIZATION

The consolidated pro forma capitalization of AOL Time Warner at December 31, 2000 is set forth below. The consolidated pro forma capitalization of AOL Time Warner gives effect to the January 11, 2001 merger between America Online and Time Warner as if the merger occurred on December 31, 2000. The as adjusted column reflects the issuance of the notes and debentures offered hereby and the application of the net proceeds to the repayment of bank credit agreement

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borrowings.

	AS OF DECEMBER 31, 2000	
	PRO FORMA	PRO FORMA
	-----	AS ADJUSTED
	-----	-----
	(MILLIONS)	
Pro forma long-term debt, excluding the current portion:		
Bank credit agreement borrowings, commercial paper and money market loans(a).....	\$ 7,532	\$ 3,568
Fixed-rate senior notes and debentures(b).....	13,774	17,765
Variable-rate senior notes.....	682	682
	-----	-----
Total pro forma long-term debt.....	21,988	22,015
Company-obligated mandatorily redeemable preferred securities of subsidiaries holding solely debentures of TWC(c).....	575	575
Pro forma shareholders' equity:		
Preferred stock liquidation preference(d).....	310	310
Pro forma equity applicable to common stock.....	157,317	157,317
	-----	-----
Total pro forma shareholders' equity.....	157,627	157,627
	-----	-----
Total pro forma capitalization(e).....	\$180,190	\$180,217
	-----	-----
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(a) The Bank Credit Agreement permits borrowings in an aggregate amount of up to \$7.5 billion. Borrowings under the Bank Credit Agreement are limited to (i) \$6.0 billion in the aggregate for Time Warner, TWC, TBS and TWI Cable, (ii) \$7.5 billion in the case of TWE and (iii) \$2.0 billion in the case of Time Warner Entertainment-Advance/Newhouse Partnership, subject, in each case, to an aggregate borrowing limit of \$7.5 billion and certain other limitations and adjustments. Such borrowings bear interest at specific rates for each of the borrowers (generally equal to LIBOR plus a margin of 30 basis points) and each borrower is required to pay a commitment fee of generally 10 basis points per year on the unused portion of its share of the \$7.5 billion commitment, which margin and fee vary based on the credit rating or financial leverage of the applicable borrower. Borrowings may be used for general business purposes and unused credit is available to support commercial paper borrowings. The Bank Credit Agreement contains certain covenants generally relating to, among other things, additional indebtedness; liens on assets; cash flow coverage and leverage ratios; and dividends, distributions and other restricted cash payments or transfers of assets from the borrowers to their respective shareholders, partners or affiliates. In addition, on April 6, 2001, we entered into a new \$5.0 billion bank credit agreement. As of the date of this prospectus supplement, there are no borrowings outstanding thereunder.

(b) Includes certain zero coupon convertible notes and other indebtedness, which are reflected net of unamortized original issue discount aggregating \$1.2 billion.

(c) During February 2001, all 23 million shares outstanding were redeemed. The redemption price was \$25 per security, plus accrued and unpaid distributions

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thereon equal to \$0.265 per security. The total redemption price of \$581 million was funded on a long-term basis with borrowings under the Bank Credit Agreement.

- (d) During January 2001, the remaining outstanding preferred stock was converted into approximately 19 million shares of AOL Time Warner common stock. The conversion resulted in the elimination of the preferred stock liquidation preference and an increase to pro forma equity applicable to common stock of \$310 million.
- (e) Except as set forth herein, there has been no material change in the consolidated pro forma capitalization of AOL Time Warner since December 31, 2000 to the date of this prospectus supplement.

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### DESCRIPTION OF THE NOTES AND THE DEBENTURES

We will issue three separate series of securities under the indenture referred to in the accompanying prospectus. The following description of the particular terms of the securities offered hereby and the related guarantees supplements the description of the general terms and provisions of the debt securities set forth under 'Description of the Debt Securities and the Guarantees' beginning on page 12 in the accompanying prospectus. This description replaces the description of the securities in the accompanying prospectus, to the extent of any inconsistency. Terms used in this prospectus supplement that are otherwise not defined will have the meaning given to them in the accompanying prospectus.

#### GENERAL

The securities will have the following terms:

	PRINCIPAL AMOUNT -----	ANNUAL INTEREST RATE -----	MATURITY DATE ----
6.125% Notes due 2006.....	\$1,000,000,000	6.125%	April 15, 2006
6.750% Notes due 2011.....	\$1,000,000,000	6.750%	April 15, 2011
7.625% Debentures due 2031.....	\$2,000,000,000	7.625%	April 15, 2031

In each case, interest will accrue from April 19, 2001, or from the most recent interest payment date to which interest has been paid or duly provided for. Interest will be payable semiannually on April 15 and October 15 of each year, commencing October 15, 2001, to the persons in whose names the securities are registered at the close of business on the April 1 or October 1, as the case may be, next preceding such interest payment date. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. At maturity, each of the 6.125% Notes due 2006, the 6.750% Notes due 2011 and the 7.625% Debentures due 2031 will be repaid at par.

In some circumstances, we may elect to discharge our obligations on the securities through defeasance. See 'Description of the Debt Securities and the Guarantees -- Defeasance' on page 17 in the accompanying prospectus for more information about how we may do this.

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We may, without the consent of the holders of any series of securities offered hereby, issue additional securities of the same series under the indenture. Any such additional securities will have the same ranking and the same interest rate, maturity and other terms as the other securities of the same series.

### GUARANTEES

Each of America Online and Time Warner, as primary obligor and not merely as surety, will fully, irrevocably and unconditionally guarantee to each holder of the securities and to the Trustee and its successors and assigns, (1) the full and punctual payment of principal and interest on the securities when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of ours under the indenture (including obligations to the Trustee) and the securities and (2) the full and punctual performance within applicable grace periods of all other obligations of ours under the indenture and the securities. Such guarantees will constitute guarantees of payment, performance and compliance and not merely of collection. Additionally, TWC and TBS will fully, irrevocably and unconditionally guarantee Time Warner's guarantee of the securities under substantially the same terms as the guarantees of America Online and Time Warner of the securities.

We describe the terms of the guarantees in more detail under the heading 'Description of the Debt Securities and the Guarantees-- Guarantees' on page 13 of the accompanying prospectus.

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### RANKING

The securities offered hereby will be senior unsecured obligations of ours and will rank pari passu, or equally and ratably, with all other senior unsecured and unsubordinated indebtedness of ours from time to time outstanding. The guarantees of the securities will be senior obligations of America Online, Time Warner, TWC and TBS, as applicable, and will be direct unsecured obligations of America Online, Time Warner, TWC and TBS, respectively, ranking equally with all other unsecured and unsubordinated obligations of America Online, Time Warner, TWC and TBS, respectively. Each of our company, Time Warner, TWC and TBS is a holding company and the securities and the guarantees will be effectively subordinated to all existing and future liabilities, including indebtedness, of the subsidiaries of our company, Time Warner, TWC and TBS, respectively. Furthermore, the ability of AOL Time Warner, Time Warner, TWC and TBS to service its indebtedness and other obligations is dependent primarily upon the earnings and cash flow of their respective subsidiaries and the distribution or other payment to them of such earnings or cash flow. In addition, distributions and other transfers of funds by TWE to its partners are limited under the TWE Agreement of Limited Partnership and the Bank Credit Agreement. As of December 31, 2000, on a pro forma basis to reflect the January 2001 merger between America Online and Time Warner, the consolidated subsidiaries of AOL Time Warner had an aggregate of approximately \$55 billion of outstanding liabilities, including \$23 billion of indebtedness and \$15 billion of deferred income taxes. Approximately \$41 billion of those outstanding liabilities, \$12 billion of that indebtedness and all of the deferred income tax were obligations of consolidated subsidiaries that have not guaranteed the securities. The securities offered hereby will not contain a cross acceleration to any other indebtedness.

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### OPTIONAL REDEMPTION

At any time and from time to time, the securities will be redeemable, as a whole or in part, at our option, on at least 30 days, but not more than 60 days, prior notice mailed to the registered address of each holder of the securities and published in Luxembourg as described in ' -- Notices' below, at respective redemption prices equal to the greater of:

100% of principal amount of the securities to be redeemed, and

the sum of the present values of the Remaining Scheduled Payments, as defined below, discounted, on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, as defined below, plus:

- 25 basis points for the 6.125% Notes due 2006,
- 30 basis points for the 6.750% Notes due 2011, or
- 35 basis points for the 7.625% Debentures due 2031.

plus, in each case, accrued interest to the date of redemption which has not been paid.

'Treasury Rate' means, with respect to any redemption date for the securities:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated 'H.15(519)' or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption 'Treasury Constant Maturities,' for the maturity corresponding to the Comparable Treasury Issue; provided that if no maturity is within three months before or after the maturity date for the securities, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or

if that release, or any successor release, is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a

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price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

The Treasury Rate will be calculated on the third business day preceding the redemption date.

'Comparable Treasury Issue' means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the 6.125% Notes due 2006, the 6.750% Notes due 2011 or



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the 7.625% Debentures due 2031, as the case may be, to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such securities.

'Independent Investment Banker' means one of the Reference Treasury Dealers, to be appointed by us.

'Comparable Treasury Price' means, with respect to any redemption date for the securities:

the average of four Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or

if the Trustee obtains fewer than four Reference Treasury Dealer Quotations, the average of all quotations obtained by the Trustee.

'Reference Treasury Dealer Quotations' means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding such Redemption Date.

'Reference Treasury Dealer' means a primary U.S. Government securities dealer, which we refer to as 'Primary Treasury Dealer,' selected by us.

'Remaining Scheduled Payments' means, with respect to each security to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related Redemption Date but for such redemption; provided, however, that, if such Redemption Date is not an interest payment date with respect to such security, the amount of the next succeeding scheduled interest payment thereon will be deemed to be reduced by the amount of interest accrued thereon to such Redemption Date.

On and after the Redemption Date, interest will cease to accrue on the securities or any portion thereof called for redemption, unless we default in the payment of the Redemption Price, and accrued interest. On or before the Redemption Date, we shall deposit with a paying agent, or the Trustee, money sufficient to pay the redemption price of and accrued interest on the securities to be redeemed on such date. If less than all of the 6.125% Notes due 2006, the 6.750% Notes due 2011 or the 7.625% Debentures due 2031, as the case may be, are to be redeemed, the securities to be redeemed shall be selected by the Trustee by such method as the Trustee shall deem fair and appropriate.

### BOOK-ENTRY SYSTEM

The securities of each series will be issued in the form of one or more global securities registered in the name of The Depository Trust Company ('DTC') or Cede & Co., DTC's nominee. Beneficial interests in the global securities will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC ('DTC Participants'). Investors may elect to hold interests in the global securities through either DTC in the United States or Clearstream Banking, societe anoyne ('Clearstream Luxembourg') or Euroclear Bank S.A./N.V., as operator of the Euroclear System ('Euroclear'), in Europe if they are participants of such systems, or indirectly through organizations which are participants in such systems. Clearstream Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream Luxembourg's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities

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accounts in the depositaries' names on the books of

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DTC. Citibank N.A. will act as depositary for Clearstream Luxembourg and The Chase Manhattan Bank will act as depositary for Euroclear (in such capacities, the 'U.S. Depositaries'). Beneficial interests in the global securities will be held in denominations of \$1,000 and integral multiples thereof. Except as set forth below, the global securities may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

DTC has advised us and the underwriters that DTC is a limited-purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System, a 'clearing corporation' within the meaning of the New York Uniform Commercial Code and a 'clearing agency' registered under the Securities Exchange Act. DTC was created to hold the securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers (which may include the underwriters), banks, trust companies, clearing corporations and certain other organizations some of whom (or their representatives) own DTC. Access to DTC's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

Clearstream Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream Luxembourg holds securities for its participating organizations ('Clearstream Luxembourg Participants') and facilitates the clearance and settlement of securities transactions between Clearstream Luxembourg Participants through electronic book-entry changes in accounts of Clearstream Luxembourg Participants, thereby eliminating the need for physical movement of certificates. Clearstream Luxembourg provides to Clearstream Luxembourg Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries. As a professional depositary, Clearstream Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Luxembourg Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Luxembourg Participant, either directly or indirectly.

Distributions with respect to securities held beneficially through Clearstream Luxembourg will be credited to cash accounts of Clearstream Luxembourg Participants in accordance with its rules and procedures, to the extent received by the U.S. Depositary for Clearstream Luxembourg.

Euroclear advises that it was created in 1968 to hold securities for participants of Euroclear ('Euroclear Participants') and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including

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securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the 'Euroclear Operator'), under contract with Euro-clear Clearance Systems S.C., a Belgian cooperative corporation (the 'Cooperative'). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

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The Euroclear Operator was launched on December 31, 2000, and replaced Morgan Guaranty Trust Company of New York as the operator of and banker to the Euroclear system. Euroclear Bank S.A./N.V. has capital of approximately EUR 1 billion.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the 'Terms and Conditions'). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no records of or relationship with persons holding through Euroclear Participants.

Distributions with respect to each series of securities held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear. Securities in definitive form will not be issued, except in very limited circumstances. If DTC notifies us that it is unwilling or unable to continue as a clearing system in connection with the global securities or ceases to be a clearing agency registered under the Securities Exchange Act, and a successor clearing system is not appointed by us within 90 days after receiving such notice from DTC or upon becoming aware that DTC is no longer so registered, we will issue or cause to be issued securities in definitive form on registration of transfer of, or in exchange for, book-entry interests in the securities represented by such global securities upon delivery of such global securities for cancellation. In the event that securities in definitive form are issued, holders of the securities will be able to receive payments, including principal and interest, on the securities and effect transfer of the securities at the offices of our paying and transfer agent in Luxembourg, Kredietbank S.A. Luxembourgeoise.

### GLOBAL CLEARANCE AND SETTLEMENT PROCEDURES

Initial settlement for the securities will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Luxembourg Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable

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rules and operating procedures of Clearstream Luxembourg and Euroclear, as applicable, and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Luxembourg Participants or Euroclear Participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Luxembourg Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositories.

Because of time-zone differences, credits of the securities received in Clearstream Luxembourg or Euroclear as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such securities settled during such processing will be reported to the relevant Euroclear Participant or Clearstream Luxembourg Participant on such business day. Cash received in Clearstream Luxembourg or Euroclear as a result of sales of the securities by or through a Clearstream Luxembourg Participant or a Euroclear Participant to a DTC Participant

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will be received with value on the DTC settlement date but will be available in the relevant Clearstream Luxembourg or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of securities among participants of DTC, Clearstream Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

### NOTICES

Notices to holders of the securities will be published in a leading newspaper having general circulation, so long as such securities are listed on the Luxembourg Stock Exchange, in Luxembourg. It is expected that publication will be made in Luxembourg in the Luxemburger Wort. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication.

### POSSIBLE EUROPEAN UNION TAX REQUIREMENTS

The European Union is currently considering proposals for a new directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that member states will be required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a person within its jurisdiction to an

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individual resident in that other member state, subject to the right of certain member states to opt instead for a withholding tax system for a transitional period in relation to such payments.

### UNITED STATES TAXATION

#### TAX CONSEQUENCES TO NON-U.S. HOLDERS

This section applies to you if you are a 'Non-U.S. Holder.' A 'Non-U.S. Holder' is:

an individual who is a nonresident alien;

a corporation -- or entity taxable as a corporation for U.S. tax purposes -- created under non-U.S. law; or

an estate or trust that is not taxable in the U.S. on its worldwide income.

#### Withholding Taxes

Generally, payments of principal and interest on the securities will not be subject to U.S. withholding taxes, provided that you meet one of the following requirements. These following requirements reflect new rules that apply for interest paid on or after January 1, 2001.

You provide a completed Form W-8BEN (or substitute form) to the bank, broker or other intermediary through which you hold your securities. The Form W-8BEN contains your name, address and a statement that you are the beneficial owner of the securities and that you are a Non-U.S. Holder.

You hold your securities directly through a 'qualified intermediary,' and the qualified intermediary has sufficient information in its files indicating that you are a Non-U.S. Holder. A qualified intermediary is a bank, broker or other intermediary that (1) is either a U.S. or non-U.S. entity, (2) is acting out of a non-U.S. branch or office and (3) has signed an agreement with the IRS providing that it will administer all or part of the U.S. tax withholding rules under specified procedures.

You are entitled to an exemption from withholding tax on interest under a tax treaty between the U.S. and your country of residence. To claim this exemption, you must generally complete Form W-8BEN and claim this exemption on the form. In some cases,

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you may instead be permitted to provide documentary evidence of your claim to the intermediary, or a qualified intermediary may already have some or all of the necessary evidence in its files.

The interest income on the securities is effectively connected with your conduct of a trade or business in the U.S., and is not exempt from U.S. tax under a tax treaty. To claim this exemption, you must complete Form W-8ECI.

Even if you meet one of the above requirements, interest paid to you will be subject to withholding tax under any of the following circumstances:

The withholding agent or an intermediary knows or has reason to know that you are not entitled to an exemption from withholding tax. Specific rules

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apply for this test.

The IRS notifies the withholding agent that information that you or an intermediary provided concerning your status is false.

An intermediary through which you hold the securities fails to comply with the procedures necessary to avoid withholding taxes on the securities. In particular, an intermediary is generally required to forward a copy of your Form W-8BEN (or other documentary information concerning your status) to the withholding agent for the securities. However, if you hold your securities through a qualified intermediary -- or if there is a qualified intermediary in the chain of title between yourself and the withholding agent for the securities -- the qualified intermediary will not generally forward this information to the withholding agent.

You own 10% or more of the voting stock of AOL Time Warner, are a 'controlled foreign corporation' with respect to AOL Time Warner, or are a bank making a loan in the ordinary course of its business. In these cases, you will be exempt from withholding taxes only if you are eligible for a treaty exemption or if the interest income is effectively connected with your conduct of a trade or business in the U.S., as discussed above.

Interest payments made to you will generally be reported to the IRS and to you on Form 1042-S. However, this reporting does not apply to you if one of the following conditions applies:

You hold your securities directly through a qualified intermediary and the applicable procedures are complied with.

You file Form W-8ECI.

The rules regarding withholding are complex and vary depending on your individual situation. They are also subject to change, and certain transition rules apply for calendar year 2001. In addition, special rules apply to certain types of Non-U.S. Holders of securities, including partnerships, trusts, and other entities treated as pass-through entities for U.S. federal income tax purposes. We suggest that you consult with your own tax advisor regarding the application of these specific rules.

### Sale or Retirement of Securities

If you sell a security or it is redeemed, you will not be subject to federal income tax on any gain unless one of the following applies:

The gain is connected with a trade or business that you conduct in the U.S.

You are an individual, you are present in the U.S. for at least 183 days during the year in which you dispose of the securities, and certain other conditions are satisfied.

The gain represents accrued interest, in which case the rules for interest would apply.

### U.S. Trade or Business

If you hold your securities in connection with a trade or business that you are conducting in the U.S.:

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Any interest on the securities, and any gain from disposing of the securities, generally will be subject to income tax as if you were a U.S. holder.

If you are a corporation, you may be subject to the 'branch profits tax' on your earnings that are connected with your U.S. trade or business, including earnings from the securities. The rate of this tax is 30%, but may be reduced or eliminated by an applicable income tax treaty.

Estate Taxes

If you are an individual, your securities will not be subject to U.S. estate tax when you die, provided that payments on the securities were not connected to a trade or business that you were conducting in the U.S.

Information Reporting and Backup Withholding

U.S. rules concerning information reporting and backup withholding apply to Non-U.S. Holders as follows:

Principal and interest payments you receive will be automatically exempt from the usual rules if you are a Non-U.S. Holder exempt from withholding tax on interest, as described above. The exemption does not apply if the withholding agent or an intermediary knows or has reason to know that you should be subject to the usual information reporting or backup withholding rules. In addition, as described above, interest payments made to you may be reported to the IRS on Form 1042-S.

Sale proceeds you receive on a sale of your securities through a broker may be subject to information reporting and/or backup withholding if you are not eligible for an exemption. In particular, information reporting and backup withholding may apply if you use the U.S. office of a broker, and information reporting (but not backup withholding) may apply if you use the foreign office of a broker that has certain connections to the U.S. In general, you may file Form W-8BEN to claim an exemption from information reporting and backup withholding. We suggest that you consult your own tax advisor concerning information reporting and backup withholding on a sale.

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UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus supplement, the underwriters named below, for whom Banc of America Securities LLC, Chase Securities Inc. and Salomon Smith Barney Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the respective principal amounts of securities set forth opposite their respective names below:

UNDERWRITER -----	PRINCIPAL AMOUNT OF 6.125% NOTES DUE 2006 -----
Banc of America Securities LLC.....	\$ 234,000,000

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Chase Securities Inc.....	234,000,000
Salomon Smith Barney Inc.....	234,000,000
ABN AMRO Incorporated.....	34,000,000
Bear, Stearns & Co. Inc.....	34,000,000
Deutsche Banc Securities Inc.....	34,000,000
Goldman, Sachs & Co.....	34,000,000
Lehman Brothers Inc.....	34,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	34,000,000
Morgan Stanley & Co. Incorporated.....	34,000,000
Barclays Capital Inc.....	20,000,000
Commerzbank Capital Markets Corp.....	20,000,000
Muriel Siebert & Co., Inc.....	20,000,000
	-----
Total.....	\$1,000,000,000
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UNDERWRITER  
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PRINCIPAL AMOUNT OF  
6.750% NOTES DUE 2011  
-----

Banc of America Securities LLC.....	\$ 234,000,000
Chase Securities Inc.....	234,000,000
Salomon Smith Barney Inc.....	234,000,000
ABN AMRO Incorporated.....	34,000,000
Bear, Stearns & Co. Inc.....	34,000,000
Credit Suisse First Boston Corporation.....	34,000,000
Deutsche Banc Securities Inc.....	34,000,000
Dresdner Kleinwort Benson North America LLC.....	34,000,000
Lehman Brothers Inc.....	34,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	34,000,000
Fleet Securities, Inc.....	20,000,000
Scotia Capital (USA) Inc.....	20,000,000
Utendahl Capital Partners, L.P.....	20,000,000
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Total.....	\$1,000,000,000
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UNDERWRITER  
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PRINCIPAL AMOUNT OF  
7.625% DEBENTURES DUE 2031  
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Banc of America Securities LLC.....	\$ 468,000,000
Chase Securities Inc.....	468,000,000
Salomon Smith Barney Inc.....	468,000,000
ABN AMRO Incorporated.....	68,000,000



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Bear, Stearns & Co. Inc.....	68,000,000
BNP Paribas Securities Corp.....	68,000,000
Credit Suisse First Boston Corporation.....	68,000,000
Dresdner Kleinwort Benson North America LLC.....	68,000,000
Lehman Brothers Inc.....	68,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	68,000,000
Allen & Company Incorporated.....	40,000,000
Mizuho International plc.....	40,000,000
Westdeutsche Landesbank Girozentrale.....	40,000,000
	-----
Total.....	\$2,000,000,000
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The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the securities are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the securities offered by this prospectus supplement if any are taken.

The underwriters initially propose to offer part of each series of securities directly to the public at the public offering prices set forth on the cover page hereof and part to certain dealers at a price that represents a concession not in excess of .2%, .3% and .5% of the principal amount of the 6.125% Notes due 2006, 6.750% Notes due 2011 and 7.625% Debentures due 2031, respectively. Any underwriter may allow, and any such dealer may reallow, a concession not in excess of .125%, .125% and .250% of the principal amount of the 6.125% Notes due 2006, 6.750% Notes due 2011 and 7.625% Debentures due 2031, respectively, to other underwriters or to certain other dealers. After the initial offering of the securities, the offering price and other selling terms may from time to time be varied by the representatives.

The securities are offered for sale in the United States, Europe and Asia.

Each of the underwriters has agreed that it will not offer, sell or deliver any of the securities, directly or indirectly, or distribute this prospectus supplement or the accompanying prospectus or any other offering material relating to the securities, in or from any jurisdiction outside the United States except under circumstances that will, to the best knowledge and belief of such underwriter, result in compliance with the applicable laws and regulations thereof and which will not impose any obligations on us except as set forth in the underwriting agreement.

Each underwriter has represented and agreed that (a) it has not offered or sold, and, prior to the expiration of the period of six months from the closing date for the issue of the securities, will not offer or sell any securities to persons in the United Kingdom, except to those persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (b) it has complied and will comply with all applicable provisions of the Financial Services Act 1986, with respect to anything done by it in relation to the securities in, from or otherwise involving the United Kingdom, and (c) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the securities to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996, as amended, or is a person to whom the document may otherwise lawfully be issued or passed on.

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The securities may not be offered, sold, transferred or delivered in or from The Netherlands, as part of their initial distribution or as part of any reoffering, and none of this prospectus

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supplement, the accompanying prospectus or any other document in respect of the offering may be distributed or circulated in The Netherlands, other than to individuals or legal entities which include, but are not limited to, banks, brokers, dealers, institutional investors and articles with a treasury department, who or which trade or invest in securities as part of their business or profession.

Each of the underwriters has agreed that it has not offered or sold, and it will not offer or sell, directly or indirectly, any of the securities in or to residents of Japan or to any persons for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of the Securities and Exchange Law available thereunder and in compliance with the other relevant laws of Japan.

Purchasers of the securities may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the relevant issue price set forth on the cover page hereof.

We do not intend to apply for listing of the securities on a U.S. securities exchange, but we have been advised by the underwriters that they presently intend to make a market in the securities as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the securities and any such market making may be discontinued at any time at the sole discretion of the underwriters. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the securities.

We have applied to have the securities listed on the Luxembourg Stock Exchange in accordance with its rules. However, we cannot guarantee that listing will be obtained on the Luxembourg Stock Exchange.

In order to facilitate the offering of the securities, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the securities. Specifically, the underwriters may over-allot in connection with the offering, creating a short position in the securities for their own account. In addition, to cover over-allotments or to stabilize the price of the securities, the underwriters may bid for, and purchase, securities in the open market. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the securities in the offering, if the syndicate repurchases previously distributed securities in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price for the securities above independent market levels. The underwriters are not required to engage in these activities and may end any of these activities at any time.

It is expected that delivery of the securities will be made against payment therefor on or about April 19, 2001, which is the fifth trading day following the date of this prospectus supplement (such settlement cycle being referred to as ('T+5')). Purchasers of the securities should note that the ability to settle secondary market trades of the securities effected on the date of pricing and the succeeding business days may be affected by the T+5 settlement.

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In the ordinary course of their respective businesses, the underwriters and the Trustee and certain of their respective affiliates have in the past and may in the future provide investment and commercial banking services to or engage in transactions of a financial nature with us and our subsidiaries, including the provision of certain advisory services and the making of loans to us and our subsidiaries, for which they have received or will receive customary compensation. Affiliates of certain of the underwriters and the Trustee are lenders under our bank credit agreements. These affiliates will receive net proceeds from this offering to the extent the net proceeds from this offering are used to repay any amounts outstanding under our bank credit agreements. Because more than 10% of the net proceeds of this offering may be paid to members or affiliates of members of the National Association of Securities Dealers, Inc. participating in this offering, the offering will be conducted in accordance with NASD Conduct Rule 2710(c)(8). Pursuant to that rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering, as the offering of each series of the securities is rated Baa or better by Moody's Investors Service or BBB or better by Standard & Poor's Rating Services and Fitch, Inc.

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We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

### LEGAL MATTERS

Certain legal matters in connection with the offered securities will be passed upon for us, America Online, Time Warner, TWC and TBS by Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019 and for the underwriters by Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022.

### EXPERTS

Ernst & Young, LLP, independent auditors, have audited the consolidated balance sheet of AOL Time Warner at December 31, 2000 included in AOL Time Warner's Current Report on Form 8-K/A dated January 11, 2001 (filing date January 26, 2001), as set forth in their report, which is incorporated by reference in this prospectus supplement and elsewhere in the registration statement. The consolidated balance sheet is incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

Ernst & Young LLP, independent auditors, have audited the consolidated financial statements of America Online (predecessor to AOL Time Warner) for the three years ended December 31, 2000, included in AOL Time Warner's Annual Report on Form 10-K for the year ended December 31, 2000, as set forth in their report, which is incorporated by reference in this prospectus supplement and elsewhere in the registration statement. These consolidated financial statements are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

Ernst & Young LLP, independent auditors, have audited the consolidated financial statements, schedule and supplementary information of Time Warner, the consolidated financial statements and schedules of Time Warner Entertainment Company, L.P. and Warner Communications Inc. and the consolidated financial statements of American Television and Communications Corporation for the three

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years ended December 31, 2000 included in AOL Time Warner's Current Report on Form 8-K/A dated January 11, 2001 (filing date February 9, 2001), as set forth in their reports, which are incorporated by reference in this prospectus supplement and elsewhere in the registration statement. These consolidated financial statements, schedules and supplementary information are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

### GENERAL INFORMATION

Application has been made to list each series of the securities on the Luxembourg Stock Exchange. In connection with the listing application, the restated certificate of incorporation and by-laws of AOL Time Warner and a legal notice relating to the issuance of the securities will be deposited prior to listing with Greffier en Chef du Tribunal d'Arrondissement de et a Luxembourg, where copies may be obtained upon request. So long as the securities are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, copies of the above documents, together with this prospectus supplement, the accompanying prospectus, the indenture and our quarterly reports on Form 10-Q and annual reports on Form 10-K, as well as all our future quarterly reports and annual reports, will be made available for inspection at the office of our Luxembourg paying agent. In addition, copies of the above documents may be obtained free of charge at such office. We have appointed Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, L-2955 Luxembourg, as the Luxembourg principal paying agent. We reserve the right to vary that appointment. So long as the securities are listed on the Luxembourg Stock Exchange and are in global form, we will maintain an agent that will act as an intermediary between AOL Time Warner and the holders of the securities.

Ernst & Young LLP, independent auditors, are the auditors of AOL Time Warner.

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Resolutions relating to the issue and sale of the securities were adopted by AOL Time Warner on January 18, 2001, April 10, 2001 and April 11, 2001 and by each of America Online and TBS on February 20, 2001 and each of Time Warner and TWC on February 16, 2001.

Other than as disclosed or contemplated in this prospectus supplement or the accompanying prospectus or the documents incorporated by reference in these documents, there has been no material adverse change in our consolidated financial position since December 31, 2000 to the date of this prospectus supplement.

Other than as disclosed or contemplated in this prospectus supplement or the accompanying prospectus or the documents incorporated by reference in these documents, as of the date of this prospectus supplement, neither AOL Time Warner nor any of its consolidated subsidiaries is involved in litigation, arbitration, or administrative proceedings relating to claims or amounts that are material in the context of the issue of the securities and we are not aware of any such litigation, arbitration, or administrative proceedings pending or threatened.

The securities have been assigned Euroclear and Clearstream Luxembourg Common Code Numbers, International Security Identification Numbers (ISIN) and CUSIP numbers as follows:

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	6.125% NOTES DUE 2006 -----	6.750% NOTES DUE 2011 -----	7.625% DEBENTURES DUE 2031 -----
Euroclear and Clearstream			
Luxembourg Common Code:.....	12825609	12826575	12826320
ISIN:.....	US00184AAA34	US00184AAB17	US00184AAC99
CUSIP:.....	00184AAA3	00184AAB1	00184AAC9

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PROSPECTUS

\$10,000,000,000  
 AOL TIME WARNER INC.  
 DEBT SECURITIES  
 Unconditionally Guaranteed by  
 America Online, Inc.  
 and  
 Time Warner Inc.

PREFERRED STOCK  
 SERIES COMMON STOCK  
 COMMON STOCK  
 WARRANTS

This prospectus contains a general description of the securities which we may offer for sale. The specific terms of the securities will be contained in one or more supplements to this prospectus. Read this prospectus and any supplement carefully before you invest.

The debt securities will be fully, irrevocably and unconditionally guaranteed on an unsecured basis by each of America Online, Inc. and Time Warner Inc. Time Warner Companies, Inc. and Turner Broadcasting System, Inc. will fully, irrevocably and unconditionally guarantee on an unsecured basis Time Warner Inc.'s guarantee of the debt securities. See 'Description of the Debt Securities and the Guarantees'.

The common stock of AOL Time Warner Inc. is listed on the New York Stock Exchange under the trading symbol 'AOL'.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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THE DATE OF THIS PROSPECTUS IS FEBRUARY 26, 2001.

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## ----- ABOUT THIS PROSPECTUS

To understand the terms of the securities offered by this prospectus, you should carefully read this prospectus and any prospectus supplement. You should also read the documents referred to under the heading 'Where You Can Find More Information' for information on AOL Time Warner Inc. and its financial statements. AOL Time Warner Inc. has its principal offices at 75 Rockefeller Plaza, New York, NY 10019 (telephone: 212-484-8000). Certain capitalized terms used in this summary are defined elsewhere in this prospectus.

AOL Time Warner Inc., a Delaware corporation, which is also referred to as 'our company', 'AOL Time Warner', 'AOL TW', 'us' or 'we', filed a registration statement with the Securities and Exchange Commission under a 'shelf' registration procedure. Under this procedure, AOL Time Warner may offer and sell from time to time, any of the following securities, in one or more series, in amounts that will provide up to \$10,000,000,000, or the equivalent in one or more foreign currencies, including composite currencies, in initial aggregate public offering prices:

- debt securities,
- preferred stock,
- series common stock,
- common stock and
- warrants.

The securities may be sold for U.S. dollars, foreign-denominated currency or currency units. Amounts payable with respect to any securities may be payable in U.S. dollars or foreign-denominated currency or currency units as specified in the prospectus supplement.

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This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you with a prospectus supplement that will describe the specific amounts, prices and terms of the securities being offered. The prospectus supplement may also add, update or change information contained in this prospectus.

The prospectus supplement may also contain information about any material United States federal income tax considerations relating to the securities covered by the prospectus supplement.

We may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us directly or through dealers or agents designated from time to time, which agents may be affiliates of ours. If we, directly or through agents, solicit offers to purchase the securities, we reserve the sole right to accept and, together with our agents, to reject, in whole or in part, any offer.

The prospectus supplement will also contain, with respect to the securities being sold, the names of any underwriters, dealers or agents, together with the terms of offering, the compensation of any underwriters and the net proceeds to us.

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Any underwriters, dealers or agents participating in the offering may be deemed 'underwriters' within the meaning of the Securities Act of 1933.

### WHERE YOU CAN FIND MORE INFORMATION

This prospectus incorporates documents by reference which are not presented in or delivered with this prospectus.

All documents filed by AOL Time Warner, America Online, Inc., or 'America Online', or Time Warner Inc., or 'Time Warner', pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and prior to the termination of the offering of the securities, are incorporated by reference into and are deemed to be a part of this prospectus from the date of filing of those documents.

You should rely only on the information contained in this document or that which we have referred you to. We have not authorized anyone to provide you with any additional information.

The following documents, which have been filed by AOL Time Warner with the Securities and Exchange Commission (SEC file number 001-15062) are incorporated by reference into this prospectus:

AOL Time Warner's Joint Proxy Statement--Prospectus included in its registration statement on Form S-4 (declared effective on May 19, 2000).

AOL Time Warner's Current Report on Form 8-K dated January 11, 2001 (filing date January 12, 2001).

AOL Time Warner's Current Report on Form 8-K/A dated January 11, 2001 (filing date January 26, 2001).

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AOL Time Warner's Current Report on Form 8-K dated January 18, 2001 (filing date January 26, 2001).

AOL Time Warner's Current Report on Form 8-K/A dated January 11, 2001 (filing date February 9, 2001).

The following documents, which have been filed by America Online with the Securities and Exchange Commission (SEC file number 001-12143), are incorporated by reference into this prospectus:

America Online's Annual Report on Form 10-K for the fiscal year ended June 30, 2000 (filing date September 22, 2000), as amended by Form 10-K/A (filing date October 30, 2000).

America Online's Quarterly Report on Form 10-Q, for the quarterly period ended September 30, 2000 (filing date November 9, 2000), as adjusted by AOL Time Warner's Current Report on Form 8-K dated January 18, 2001 (filing date January 26, 2001).

The following documents, which were filed by Time Warner with the Securities and Exchange Commission (SEC file number 001-12259), are incorporated by reference into this prospectus:

Time Warner's Annual report on Form 10-K for the year ended December 31, 1999 (filing date March 30, 2000), as amended by Amendment No. 1 on Form 10-K/A (filing date June 27, 2000).

Time Warner's Quarterly Reports on Form 10-Q, for the quarterly periods ended:

March 31, 2000 (filed May 15, 2000)                      September 30, 2000 (filed November 13, 2000)  
June 30, 2000 (filed August 14, 2000)

Time Warner's Current Reports on Form 8-K dated:

January 10, 2000 (filed January 14, 2000)                      March 31, 2000 (filed March 31, 2000)  
January 23, 2000 (filed January 28, 2000)                      April 12, 2000 (filed April 19, 2000)  
February 2, 2000 (filed February 10, 2000)                      April 19, 2000 (filed April 25, 2000)  
January 10, 2000 (filed February 11, 2000)                      May 22, 2000 (filed May 22, 2000)  
March 13, 2000 (filed March 13, 2000)                              October 5, 2000 (filed October 5, 2000)

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be



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deemed, except as so modified or superseded, to constitute a part of this prospectus.

The documents incorporated by reference into this prospectus are available from us upon request. We will provide a copy of any and all of the information that is incorporated by reference in this prospectus to any person, without charge, upon written or oral request. If exhibits to the documents incorporated by reference in this prospectus are not themselves specifically incorporated by reference in this prospectus, then the exhibits will not be provided.

Requests for documents relating to AOL Time Warner or any of the guarantors should be directed to:

AOL Time Warner Inc., 75 Rockefeller Plaza, New York, New York 10019,  
Attention: Shareholder Relations, telephone: (212) 484-6971, e-mail:  
aoltimewarnerir@aol.com.

AOL Time Warner files and America Online and Time Warner have filed reports, proxy statements and other information with the SEC. Copies of these reports, proxy statements and other information may be inspected and copied at the public reference facilities maintained by the SEC at:

Judiciary Plaza  
Room 1024  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Citicorp Center  
500 West Madison Street  
Suite 1400  
Chicago, Illinois 60661

Seven World Trade Center  
13th Floor  
New York, New York 10048

Copies of these materials can also be obtained by mail at prescribed rates from the Public Reference Room of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549 or by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy statements and other information regarding each of us. The address of the SEC website is <http://www.sec.gov>.

Reports, proxy statements and other information concerning AOL Time Warner, America Online and Time Warner may be inspected at:

The New York Stock Exchange  
20 Broad Street  
New York, New York 10005

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE, THE SECURITIES OFFERED BY THIS PROSPECTUS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY DISTRIBUTION OF SECURITIES PURSUANT TO THIS PROSPECTUS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH OR INCORPORATED INTO THIS PROSPECTUS BY REFERENCE OR IN OUR AFFAIRS SINCE THE DATE OF THIS PROSPECTUS.

### STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's

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future prospects and make informed investment decisions. This prospectus contains such 'forward-looking statements' within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this prospectus referring to us and they may also be made a part of this prospectus by reference to other documents filed with the Securities and Exchange Commission by us, America Online or Time Warner, which is known as 'incorporation by reference.'

Words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words and terms of similar substance used in connection with any discussion of future operating or financial performance identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Actual results may vary materially from those described in the forward-looking statements due to a variety of factors. Investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this prospectus or the date of the document incorporated by reference in this prospectus. None of us, America Online, Time Warner, Time Warner Companies, Inc. and Turner Broadcasting System, Inc. is under any obligation, and each expressly disclaims any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

AOL Time Warner operates in highly competitive, consumer driven and rapidly changing Internet, media and entertainment businesses that are dependent on government regulation and economic, political and social conditions in the countries in which they operate, consumer demand for their products and services, technological developments and (particularly in view of technological changes) protection of their intellectual property rights. AOL Time Warner's actual results could differ materially from management's expectations because of changes in such factors and factors affecting the integration of the businesses of America Online and Time Warner.

For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see the documents that we, America Online and Time Warner have filed with the SEC, including quarterly reports on Form 10-Q and annual reports on Form 10-K and our Registration Statement on Form S-4.

All subsequent forward-looking statements attributable to us, America Online, Time Warner, Time Warner Companies, Inc. or Turner Broadcasting System, Inc. or any person acting on our or their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

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### THE COMPANY

#### AOL TIME WARNER

We are the world's preeminent Internet-powered media and communications company, whose industry-leading businesses include interactive services, cable systems, publishing, music, television networks and filmed entertainment.

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AOL Time Warner classifies its business interests into the following fundamental areas:

interactive services, consisting principally of the development and operation of branded interactive services such as AOL, CompuServe and Netscape, branded properties that operate across multiple services and platforms such as Digital City, Moviefone and MapQuest and interactive messaging services such as AIM and ICQ;

cable systems, consisting principally of interests in cable television systems, including Time Warner Cable;

publishing, consisting principally of interests in magazine publishing, book publishing and direct marketing, including Time, People, Sports Illustrated, Warner Books and Time Life Inc.;

music, consisting principally of interests in recorded music and music publishing, including Warner Music Group and its labels Atlantic, Elektra, London-Sire, Rhino, Warner Bros. Records and Warner Music International;

television networks, consisting principally of interests in cable television programming and television broadcasting, including WTBS Superstation, TNT, Cartoon Network, CNN News Group, Home Box Office and the WB Television Network; and

filmed entertainment, consisting principally of interests in filmed entertainment and television production, including Warner Bros. and New Line Cinema.

As a result of the January 2001 merger between America Online and Time Warner, we are a holding company with two wholly owned subsidiaries, America Online and Time Warner. The business of our company is the combined businesses previously conducted by America Online and Time Warner. We combined America Online's extensive Internet properties, technology and infrastructure with Time Warner's broad array of media, entertainment and news brands and its technologically advanced broadband delivery systems to create a new company capable of enhancing consumers' access to the broadest selection of high quality content and interactive services.

### AMERICA ONLINE AND TIME WARNER

America Online and Time Warner are wholly owned subsidiaries of AOL Time Warner as a result of their mergers in January 2001 with separate subsidiaries of AOL Time Warner. America Online is primarily an operating company, although it conducts a portion of its business through subsidiaries. The primary activities of America Online include the operation of the interactive online services businesses of AOL Time Warner. Time Warner is a holding company that derives its operating income and cash flow from its investments in its subsidiaries.

### TWC AND TBS

Time Warner Companies, Inc., or 'TWC', and Turner Broadcasting System, Inc., or 'TBS', are wholly owned subsidiaries of Time Warner as a result of the merger in 1996 of TWC and TBS with separate subsidiaries of Time Warner. Each of TWC and TBS is a holding company that derives its operating income and cash flow primarily from its subsidiaries and investments. The assets of each of TWC and TBS consist primarily of investments in its consolidated and unconsolidated subsidiaries. The primary activities of TBS's subsidiaries include the operation of cable networks and the primary activities of TWC's wholly owned subsidiaries include the operation of publishing, music and a portion of Time Warner's cable

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systems. TWC also owns a 74.49% equity interest in Time Warner Entertainment Company, L.P., or 'TWE', a limited partnership that owns a majority of Time Warner's interests in filmed entertainment and cable television systems and a portion of its interests in television networks.

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### RECIPROCAL GUARANTEES

Time Warner, TWC and TBS Reciprocal Guarantees. In connection with the 1996 merger of TWC and TBS, and in order to simplify the credit structure of Time Warner, TWC and TBS such that the financial risks associated with investing in the indebtedness of any one of the three companies were substantially equivalent to those associated with investing in the indebtedness of any of the other companies, Time Warner, TWC and TBS entered into a series of reciprocal guarantees, which are described below.

2001 Reciprocal Guarantees. In connection with the January 2001 merger of America Online and Time Warner, and in order to simplify the credit structure of AOL Time Warner, America Online, Time Warner, TWC and TBS such that the financial risks associated with investing in the indebtedness of any one of the five companies are substantially equivalent to those associated with investing in the indebtedness of any of the other companies, AOL Time Warner, America Online, Time Warner, TWC and TBS in January 2001, entered into a series of reciprocal guarantees, which are described below.

### RECIPROCAL GUARANTEES OF THE INDEBTEDNESS OF TIME WARNER, TWC AND TBS

Time Warner Downstream Guarantee. Beginning in 1996, Time Warner, as primary obligor and not merely as surety, fully, irrevocably and unconditionally guaranteed:

the full and punctual payment of principal of and interest on the public debt of each of TWC and TBS when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of TWC and TBS under such public debt of TWC and TBS and the indentures relating to such public debt (including the obligations to the respective trustees) and

the full and punctual performance within applicable grace periods of all other obligations of TWC and TBS under such public debt and the respective indentures.

This guarantee by Time Warner is called the 'Time Warner Downstream Guarantee'.

TWC-TBS Cross and Upstream Guarantees. Beginning in 1997 and 1998, each of TWC and TBS, as primary obligor and not merely as surety, fully, irrevocably and unconditionally guaranteed:

the full and punctual payment of principal of and interest on the public debt of Time Warner and each other when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of Time Warner and each other under such public debt and the indentures relating to such public debt (including the obligations to the respective trustees) and

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the full and punctual performance within applicable grace periods of all other obligations of Time Warner and each other under such public debt and the respective indentures.

The guarantees by each of TWC and TBS of the other's public debt are called the 'TWC-TBS Cross Guarantees', and the guarantee by each of TWC and TBS of Time Warner's public debt is called the 'TWC-TBS Upstream Guarantee'.

Time Warner Additional Guarantee. Beginning in 1998, Time Warner also fully, irrevocably and unconditionally guaranteed each of TWC's and TBS's obligations under the TWC-TBS Cross Guarantees, such guarantee being referred to as the 'Time Warner Additional Guarantee'.

Guarantee Limitation. The maximum aggregate amount of the upstream guarantee and the cross guarantee by TWC and the maximum aggregate amount of the upstream guarantee and the cross guarantee by TBS shall not exceed the maximum amount that can be guaranteed by TWC or TBS, respectively, without rendering such guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

JANUARY 2001 RECIPROCAL GUARANTEES OF THE INDEBTEDNESS OF AMERICA ONLINE, TIME WARNER, TWC AND TBS

AOL TW Group Debt Securities. Prior to the merger of America Online and Time Warner, America Online had outstanding one series of publicly held convertible subordinated notes, or the

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'AOL Convertible Notes', which were convertible at the option of the holder into shares of America Online common stock. Prior to the merger, Time Warner had outstanding two series of publicly held debt securities, or the 'Time Warner Debt Securities'. In addition, two wholly owned subsidiaries of Time Warner, TWC and TBS, each had a number of outstanding series of publicly held debt securities, or the 'TW Subsidiary Debt Securities', and, together with the AOL Convertible Notes, the Time Warner Debt Securities and, when issued, the AOL Time Warner Debt Securities (as described below) including debt securities covered by this prospectus, are collectively referred to herein as the 'AOL TW Group Debt Securities'.

AOL TW Downstream Guarantee. To the extent they were outstanding immediately prior to the merger between America Online and Time Warner, the AOL Convertible Notes and the Time Warner Debt Securities remain outstanding after the merger as securities of America Online and Time Warner, respectively. The TW Subsidiary Debt Securities also remain outstanding after the merger as securities of TWC and TBS. In connection with the merger, AOL Time Warner has executed supplemental indentures to the indentures covering each series of AOL TW Group Debt Securities, pursuant to which AOL Time Warner has agreed to fully, irrevocably and unconditionally guarantee, such guarantee being referred to herein as the 'AOL TW Downstream Guarantee', (a) the obligations of America Online with respect to the AOL Convertible Notes and (b) the obligations of Time Warner with respect to (i) the Time Warner Debt Securities, (ii) the Time Warner Downstream Guarantee and (iii) the Time Warner Additional Guarantee.

America Online Cross Guarantee. America Online has entered into supplemental indentures that fully, irrevocably and unconditionally guarantee, such guarantee

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being referred to herein as the 'America Online Cross Guarantee', the obligations of Time Warner with respect to (a) the Time Warner Debt Securities, (b) the Time Warner Downstream Guarantee and (c) the Time Warner Additional Guarantee.

Time Warner Cross Guarantee. Time Warner has entered into supplemental indentures that fully, irrevocably and unconditionally guarantee, such guarantee being referred to herein as the 'Time Warner Cross Guarantee', the obligations of America Online with respect to the AOL Convertible Notes.

Supplemental TWC-TBS Upstream Guarantee. TWC and TBS have each entered into supplemental indentures that fully, irrevocably and unconditionally guarantee, such guarantee being referred to herein as the 'Supplemental TWC-TBS Upstream Guarantee', the obligations of Time Warner with respect to the Time Warner Cross Guarantee.

AOL TW Additional Guarantee. AOL Time Warner has additionally guaranteed each of the America Online and Time Warner Cross Guarantees, such guarantee being referred to herein as the 'AOL TW Additional Guarantee', upon substantially the same terms and conditions as the AOL TW Downstream Guarantee.

AOL-TW Upstream Guarantee. As described below and under the 'Description of the Debt Securities and the Guarantees', America Online and Time Warner will fully, irrevocably and unconditionally guarantee all debt of AOL Time Warner covered by this prospectus, and TWC and TBS will fully, irrevocably and unconditionally guarantee Time Warner's guarantee of such public debt, such guarantees being referred to herein as the 'AOL-TW Upstream Guarantee'.

Guarantee Limitation. The maximum aggregate amount of the downstream and additional guarantee by AOL TW, the maximum aggregate amount of the upstream guarantee and cross guarantee by America Online, the maximum amount of the upstream guarantee and cross guarantee by Time Warner, the maximum aggregate amount of the upstream guarantee and the supplemental upstream guarantee by TWC and the maximum aggregate amount of the upstream guarantee and the supplemental upstream guarantee by TBS shall not exceed the maximum amount that can be guaranteed by AOL TW, America Online, Time Warner, TWC or TBS, respectively, without rendering such guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

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[FLOW CHART]

### HOLDING COMPANY AND GUARANTEE STRUCTURE

AOL Time Warner  
Guarantor under AOL TW Downstream Guarantee  
Guarantor under AOL TW Additional Guarantee

American Online  
Guarantor under AOL-TW Upstream Guarantee  
Guarantor under America Online Cross Guarantee

Time Warner

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Guarantor under AOL-TW Upstream Guarantee  
Guarantor under the Time Warner Additional Guarantee  
Guarantor under the Time Warner Downstream Guarantee  
Guarantor under the TWC-TBS Cross Guarantee

### TWC

Guarantor under AOL-TW Upstream Guarantee  
Guarantor under the TWC-TBS Upstream Guarantee  
Guarantor under the TWC-TBS Cross Guarantee  
Guarantor under the Supplemental TWC-TBS Upstream Guarantee

### TBS

Guarantor under AOL-TW Upstream Guarantee  
Guarantor under the TWC-TBS Upstream Guarantee  
Guarantor under TWC-TBS Cross Guarantee  
Guarantor under the TWC-TBS Upstream Guarantee

Time Warner General  
and  
Limited Partners

74.49%

TWE

### GLOSSARY

**AOL TW ADDITIONAL GUARANTEE:** AOL Time Warner's guarantee of each of America Online's and Time Warner's obligations under the America Online and Time Warner Cross Guarantees.

**AOL TW DOWNSTREAM GUARANTEE:** AOL Time Warner's guarantee of America Online's obligations under the AOL Convertible Notes and of Time Warner's obligations under the Time Warner Debt Securities, the TWC-TBS Downstream Guarantee and the TWC-TBS Additional Guarantee.

**AOL-TW UPSTREAM GUARANTEE:** America Online's and Time Warner's guarantee of AOL TW's obligations under its debt securities and TWC's and TBS's guarantee of Time Warner's guarantee of the debt securities.

**AMERICA ONLINE CROSS GUARANTEE:** America Online's guarantee of Time Warner's obligations under the Time Warner Debt Securities, the TWC-TBS Downstream Guarantee and the TWC-TBS Additional Guarantee.

**TIME WARNER ADDITIONAL GUARANTEE:** Time Warner's guarantee of TWC's and TBS's obligations under the TWC-TBS Cross Guarantee.

**TIME WARNER DOWNSTREAM GUARANTEE:** Time Warner's guarantee of TWC's and TBS's obligations under the TWC-TBS Cross Guarantee.

**TIME WARNER CROSS GUARANTEE:** Time Warner's guarantee of America Online's obligations under the AOL Convertible Notes.

**SUPPLEMENTAL TWC-TBS UPSTREAM GUARANTEE:** Each of TWC's and TBS's guarantee of Time Warner's obligations under the Time Warner Cross Guarantee.

**TWC-TBS UPSTREAM GUARANTEE:** Each of TWC's and TBS's guarantee of Time Warner's obligations under its Debt Securities.

**TWC-TBS CROSS GUARANTEE:** Each of TWC and TBS guarantee the other's obligations under the TW Subsidiary Debt Securities.

RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred dividends for each of AOL Time Warner, America Online, Time Warner, TWC and TBS are set forth below for the periods indicated. For periods in which earnings before fixed charges were insufficient to cover fixed charges (or combined fixed charges and preferred dividends), the dollar amount of coverage deficiency (in millions), instead of the ratio, is disclosed.

In addition to the historical ratios (or coverage deficiencies), pro forma ratios of earnings to fixed charges and pro forma ratios of earnings to combined fixed charges and preferred dividends are presented that give effect to the merger of America Online and Time Warner as if it occurred at the beginning of each period. Because America Online and Time Warner have different fiscal years, and the combined company has adopted the calendar year-end of Time Warner, pro forma ratios for AOL Time Warner are presented on two different bases as follows: (1) a June 30 fiscal year basis, which is consistent with America Online's historical fiscal year-end, and (2) a December 31 calendar year basis, which is consistent with Time Warner's historical fiscal year-end and that of AOL Time Warner going forward. Management believes that it is meaningful to present pro forma financial information based on the calendar year-end of the combined company to facilitate an analysis of the pro forma effects of the merger.

Further, as a result of the merger of America Online and Time Warner, the pro forma ratios of Time Warner, TWC and TBS have each been adjusted to reflect an allocable portion of AOL Time Warner's new basis of accounting on a pushdown basis. The historical ratios are reflected at each company's historical cost basis of accounting.

The pro forma ratios have been derived from, and should be read in conjunction with, the pro forma consolidated condensed financial statements including the notes thereto, of AOL Time Warner. Those pro forma consolidated condensed financial statements are included in AOL Time Warner's Current Report on Form 8-K/A dated January 11, 2001, which is incorporated herein by reference.

For purposes of computing the ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends, earnings were calculated by adding:

- (i) pretax income,
- (ii) interest expense, including previously capitalized interest amortized to expense and the portion of rents representative of an interest factor for AOL Time Warner, America Online, Time Warner, TWC, TBS and their respective majority-owned subsidiaries,
- (iii) AOL Time Warner's, America Online's, Time Warner's, TWC's, and TBS's respective proportionate share of the items included in (ii) above for their 50%-owned companies,
- (iv) preferred stock dividend requirements of majority-owned companies,
- (v) minority interest in the income of majority-owned subsidiaries that have fixed charges, and



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(vi) the amount of undistributed losses of each of AOL Time Warner's, America Online's, Time Warner's, TWC's and TBS's less than 50%-owned companies.

Fixed charges consist of:

(i) interest expense, including interest capitalized and the portion of rents representative of an interest factor for AOL Time Warner, America Online, Time Warner, TWC, TBS and their respective majority-owned subsidiaries,

(ii) AOL Time Warner's, America Online's, Time Warner's, TWC's, and TBS's respective proportionate share of such items for their 50%-owned companies, and

(iii) preferred stock dividend requirements of majority-owned subsidiaries.

Combined fixed charges and preferred stock dividends include the fixed charges mentioned above and the amount of pretax income necessary to cover any preferred stock dividend requirements of the registrant.

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Earnings as defined include significant non-cash charges for depreciation and amortization primarily relating to the amortization of intangible assets recognized in business combinations accounted for by the purchase method. On a pro forma basis, based on a preliminary allocation of the purchase price paid in the merger of America Online and Time Warner, earnings have been reduced by annual non-cash amortization charges of \$6.929 billion for both AOL Time Warner and Time Warner, \$5.580 billion for TWC and \$1.687 billion for TBS.

AOL TIME WARNER(a)

	PRO FORMA			
	THREE MONTHS ENDED SEPTEMBER 30, 2000 ----	YEAR ENDED JUNE 30, 2000 ----	NINE MONTHS ENDED SEPTEMBER 30, 2000 ----	YEAR DECEMBER 31, 2000 ----
Ratio of earnings to fixed charges.....	\$ (699)	\$ (1,494)	\$ (2,226)	\$
Ratio of earnings to combined fixed charges and preferred dividends.....	\$ (704)	\$ (1,535)	\$ (2,245)	\$

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(a) AOL Time Warner became the parent of America Online and Time Warner on January 11, 2001 in connection with the consummation of the merger of America Online and Time Warner with subsidiaries of AOL Time Warner. Because America Online is the predecessor of AOL Time Warner, AOL Time

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Warner's historical ratios are the same as America Online's historical ratios, which are presented below.

### AMERICA ONLINE

	HISTORICAL					
	THREE MONTHS ENDED SEPTEMBER 30,	YEAR ENDED JUNE 30,				
	2000	2000	1999	1998	1997	1996
Ratio of earnings to fixed charges.....	9.0x	10.1x	7.6x	\$ (96)	\$ (166)	\$ (169)
Ratio of earnings to combined fixed charges and preferred dividends.....	9.0x	10.1x	7.6x	\$ (96)	\$ (166)	\$ (169)

### TIME WARNER

	PRO FORMA		HISTORICAL			
	NINE MONTHS ENDED SEPTEMBER 30,	YEAR ENDED DECEMBER 31,	NINE MONTHS ENDED SEPTEMBER 30,	YEAR ENDED DECEMBER 31,		
	2000	1999	2000	1999	1998	1997
Ratio of earnings to fixed charges.....	\$ (4,045)	\$ (2,043)	1.3x	3.1x	1.5x	1.6x
Ratio of earnings to combined fixed charges and preferred dividends.....	\$ (4,064)	\$ (2,131)	1.3x	3.0x	\$ (39)	1.3x

### TWC

	PRO FORMA		HISTORICAL		
	NINE MONTHS ENDED SEPTEMBER 30,	YEAR ENDED DECEMBER 31,	NINE MONTHS ENDED SEPTEMBER 30,	YEAR ENDED DECEMBER 31,	
	2000	1999	2000	1999	1998
Ratio of earnings to fixed charges.....	\$ (3,149)	\$ (1,094)	1.4x	3.6x	1.5x
Ratio of earnings to combined fixed charges and preferred dividend.....	\$ (3,149)	\$ (1,094)	1.4x	3.6x	1.5x

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TBS

	PRO FORMA		HISTORICAL		
	NINE MONTHS ENDED SEPTEMBER 30, 2000	YEAR ENDED DECEMBER 31, 1999	NINE MONTHS ENDED SEPTEMBER 30, 2000	YEAR ENDED DECEMBER 31, 1999 1998 1997	
Ratio of earnings to fixed charges.....	\$ (682)	\$ (838)	2.7x	3.5x	2.6x 2.1x
Ratio of earnings to combined fixed charges and preferred dividends.....	\$ (682)	\$ (838)	2.7x	3.5x	2.6x 2.1x

	HISTORICAL
	YEAR ENDED DECEMBER 31, 1995 (b)
Ratio of earnings to fixed charges.....	1.7x
Ratio of earnings to combined fixed charges and preferred dividends.....	1.7x

(b) Time Warner became the parent of TWC and TBS on October 10, 1996, upon the merger of TWC and TBS with separate subsidiaries of Time Warner (the 'TBS Merger'). The historical ratios of TBS for all periods after the TBS Merger have been adjusted to reflect Time Warner's basis of accounting. The historical ratios of TBS for all periods before the TBS Merger are reflected at TBS's historical cost basis of accounting.

USE OF PROCEEDS

We will use the net proceeds we receive from the sale of the securities offered by this prospectus and the accompanying prospectus supplement for general corporate purposes, unless we specify otherwise in the applicable prospectus supplement. General corporate purposes may include additions to working capital, capital expenditures, repayment of debt, the financing of possible acquisitions and investments or stock repurchases.

DESCRIPTION OF THE DEBT SECURITIES AND THE GUARANTEES

GENERAL

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The following description of the terms of the debt securities sets forth certain general terms and provisions of the debt securities to which any prospectus supplement may relate. The particular terms of any debt securities and the extent, if any, to which such general provisions will not apply to such debt securities will be described in the prospectus supplement relating to such debt securities.

The debt securities will be issued from time to time in series under an indenture among us, America Online, Time Warner, TWC, TBS and The Chase Manhattan Bank, as Trustee. The statements set forth below are brief summaries of certain provisions contained in the indenture, which summaries do not purport to be complete and are qualified in their entirety by reference to the indenture, a form of which is an Exhibit to the registration statement of which this prospectus is a part. If we issue subordinated debt, it may be issued either under the same indenture as for senior debt or another indenture in substantially the same form. Wherever defined terms are used but not defined herein, such terms shall have the meanings assigned to them in the indenture, it being intended that such defined terms shall be incorporated herein by reference.

The indenture does not limit the amount of debt securities which may be issued thereunder and debt securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by us. Any such limit applicable to a particular series will be specified in the prospectus supplement relating to that series.

Reference is made to the prospectus supplement for the following terms of each series of debt securities in respect to which this prospectus is being delivered:

the designation, issue date, currency or currency unit of payment if other than United States dollars and authorized denominations of such debt securities, if other than US\$1,000 and integral multiples;

the aggregate principal amount offered and any limit on any future issues of additional debt of the same series;

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the date or dates on which such debt securities will mature (which may be fixed or extendible);

the rate or rates (or manner of calculation thereof), if any, per annum at which such debt securities will bear interest;

the dates, if any, on which such interest will be payable;

the terms of any mandatory or optional redemption (including any sinking, purchase or analogous fund) and any purchase at the option of Holders (including whether any such purchase may be paid in cash, common stock or other securities or property);

the terms of any mandatory or optional conversion or exchange provisions;

whether such debt securities are to be issued in the form of Global Securities and, if so, the identity of the Depository with respect to such

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Global Securities;

if the debt securities are to be subordinated in right of payment to any other securities, the terms of subordination; and

any other specific terms.

Unless otherwise set forth in the prospectus supplement, interest on outstanding debt securities will be paid to Holders of record on the date, which is 15 days prior to the date such interest is to be paid, or if not a business day, the next preceding business day. Unless otherwise specified in the prospectus supplement, debt securities will be issued in fully registered form only. Unless otherwise specified in the prospectus supplement, the principal amount of the debt securities will be payable at the corporate trust office of the Trustee in New York, New York. The debt securities may be presented for transfer or exchange at such office unless otherwise specified in the prospectus supplement, subject to the limitations provided in the indenture, without any service charge, but we may require payment of a sum sufficient to cover any tax or other governmental charges payable in connection therewith.

### GUARANTEES

Under the Guarantees, each of America Online and Time Warner, as primary obligor and not merely as surety, will fully, irrevocably and unconditionally guarantee to each Holder of debt securities and to the Trustee and its successors and assigns, (1) the full and punctual payment of principal of and interest on the debt securities when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of ours under the indenture (including obligations to the Trustee) and the debt securities and (2) the full and punctual performance within applicable grace periods of all other obligations of ours under the indenture and the debt securities. Such Guarantees will constitute guarantees of payment, performance and compliance and not merely of collection. The obligations of each of America Online and Time Warner under the indenture will be unconditional irrespective of the absence or existence of any action to enforce the same, the recovery of any judgment against us or each other or any waiver or amendment of the provisions of the indenture or the debt securities to the extent that any such action or similar action would otherwise constitute a legal or equitable discharge or defense of a guarantor (except that each such waiver or amendment shall be effective in accordance with its terms). The obligations of America Online and Time Warner to make any payments may be satisfied by causing us to make such payments. Each of America Online and Time Warner further agrees to waive presentment to, demand of payment from and protest to us and also waives diligence, notice of acceptance of its Guarantee, presentment, demand for payment, notice of protest for non-payment, filing a claim if we complete a merger or declare bankruptcy and any right to require a proceeding first against us. These obligations shall be unaffected by any failure or policy of the Trustee to exercise any right under the indenture or under any series of security. If any Holder of any debt security or the Trustee is required by a court or otherwise to return to us, America Online or Time Warner, or any custodian, trustee, liquidator or other similar official acting in relation to any of us, America Online or Time Warner, any amount paid by any of them to the Trustee or such Holder, the Guarantee of America Online and the Guarantee of Time Warner, to

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the extent theretofore discharged, shall be reinstated in full force and effect. Further, America Online and Time Warner agree to pay any and all reasonable costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder of debt securities in enforcing any of their respective rights under the Guarantees. The indenture provides that each of the Guarantees of America Online and Time Warner is limited to the maximum amount that can be guaranteed by America Online or Time Warner, respectively, without rendering the relevant Guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Additionally, TWC and TBS will fully, irrevocably and unconditionally guarantee Time Warner's guarantee of the debt securities under substantially the same terms as the guarantees of America Online and Time Warner of our indebtedness.

### RANKING

The debt securities may be either senior or subordinated in right of payment to other securities. If subordinated debt securities are offered, the terms of subordination will be set forth in the related prospectus supplement. The Guarantees of the senior debt securities will be senior obligations of America Online, Time Warner, TWC and TBS, as applicable, and will be direct unsecured obligations of America Online, Time Warner, TWC and TBS, respectively, ranking equally with all other unsecured and unsubordinated obligations of America Online, Time Warner, TWC and TBS, respectively. The Guarantees of the subordinated debt securities will be subordinated obligations of America Online, Time Warner, TWC and TBS, as applicable and will be direct and unsecured obligations of America Online, Time Warner, TWC and TBS, respectively, ranking equally with all other unsecured and subordinated obligations of America Online, Time Warner, TWC and TBS, respectively. Each of our company, Time Warner, TWC and TBS is a holding company and the debt securities and the Guarantees will be effectively subordinated to all existing and future liabilities, including indebtedness, of the subsidiaries of our company, Time Warner, TWC and TBS, respectively.

### CERTAIN COVENANTS

Limitation on Liens. The indenture provides that neither we nor any Material Subsidiary of ours shall incur, create, issue, assume, guarantee or otherwise become liable for any indebtedness for money borrowed that is secured by a lien on any asset now owned or hereafter acquired by us or it unless we make or cause to be made effective provisions whereby the debt securities will be secured by such lien equally and ratably with (or prior to) all other indebtedness thereby secured so long as any such indebtedness shall be secured. The foregoing restriction does not apply to the following:

liens existing as of the date of the indenture;

liens created by Subsidiaries of ours to secure indebtedness of such Subsidiaries to us or to one or more other Subsidiaries of ours;

liens affecting property of a person existing at the time it becomes a Subsidiary of ours or at the time it merges into or consolidates with us or a Subsidiary of ours or at the time of a sale, lease or other disposition of all or substantially all of the properties of such person to us or our Subsidiaries;

liens on property existing at the time of the acquisition thereof or incurred to secure payment of all or a part of the purchase price thereof or to secure indebtedness incurred prior to, at the time of, or within 18 months after the acquisition thereof for the purpose of financing all or

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part of the purchase price thereof;

liens on any property to secure all or part of the cost of improvements or construction thereon or indebtedness incurred to provide funds for such purpose in a principal amount not exceeding the cost of such improvements or construction;

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liens consisting of or relating to the sale, transfer or financing of motion pictures, video and television programs, sound recordings, books or rights with respect thereto or with so-called tax shelter groups or other third-party investors in connection with the financing of such motion pictures, video and television programming, sound recordings or books in the ordinary course of business and the granting to us or any of our Subsidiaries of rights to distribute such motion pictures, video and television programming, sound recordings or books; provided, however, that no such lien shall attach to any asset or right of ours or our Subsidiaries (other than (1) the motion pictures, video and television programming, sound recordings, books or rights which were sold, transferred to or financed by the tax shelter group or third-party investors in question or the proceeds arising therefrom and (2) the stock or equity interests of a Subsidiary substantially all of the assets of which consist of such motion pictures, video and television programming, sound recordings, books or rights and related proceeds);

liens on shares of stock, indebtedness or other securities of a Person that is not a Subsidiary of ours;

liens on Works which either (1) existed in such Works before the time of their acquisition and were not created in anticipation thereof, or (2) were created solely for the purpose of securing obligations to financiers, producers, distributors, exhibitors, completion guarantors, inventors, copyright holders, financial institutions or other participants incurred in the ordinary course of business in connection with the acquisition, financing, production, completion, distribution or exhibition of Works;

any lien on the office building and hotel complex located in Atlanta, Georgia known as the CNN Center Complex, including the parking decks for such complex (to the extent such parking decks are owned or leased by us or our Subsidiaries), or any portion thereof and all property rights therein and the products, revenues and proceeds therefrom created as part of any mortgage financing or sale-leaseback of the CNN Center Complex;

liens on satellite transponders and all property rights therein and the products, revenues and proceeds therefrom which secure obligations incurred in connection with the acquisition, utilization or operation of such satellite transponders or the refinancing of any such obligations;

restrictions on the Atlanta National League Baseball Club, Inc., Atlanta Hawks, Ltd and the Atlanta Hockey Club, Inc. and their respective assets imposed by Major League Baseball or the Commissioner of Baseball, the National Basketball Association and the National Hockey League, respectively, including, without limitation, restrictions on the transferability of our or any of our Subsidiaries' interests therein;

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liens on capital leases entered into after the date of the indenture provided that such liens extend only to the property or assets that are the subject of such capital leases;

liens resulting from progress payments or partial payments under United States government contracts or subcontracts;

any extensions, renewal or replacement of any lien referred to in the foregoing clauses or of any indebtedness secured thereby; provided, however, that the principal amount of indebtedness secured thereby shall not exceed the principal amount of indebtedness so secured at the time of such extension, renewal or replacement, or at the time the lien was issued, created or assumed or otherwise permitted, and that such extension, renewal or replacement lien shall be limited to all or part of substantially the same property which secured the lien extended, renewed or replaced (plus improvements on such property); and

other liens arising in connection with our indebtedness and our Subsidiaries' indebtedness in an aggregate principal amount for us and our Subsidiaries not exceeding at the time such lien is issued, created or assumed the greater of (A) 15% of the Consolidated Net Worth of our company and (B) \$500 million.

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Limitation on Consolidation, Merger, Conveyance or Transfer on Certain Terms. None of us, America Online, Time Warner, TWC or TBS shall consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

- (1) (a) in the case of our company, the Person formed by such consolidation or into which our company is merged or the Person which acquires by conveyance or transfer the properties and assets of our company substantially as an entirety shall be organized and existing under the laws of the United States of America or any State or the District of Columbia, and shall expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on all the debt securities and the performance of every covenant of the indenture (as supplemented from time to time) on the part of our company to be performed or observed; (b) in the case of America Online, Time Warner, TWC or TBS, the Person formed by such consolidation or into which America Online, Time Warner, TWC or TBS is merged or the Person which acquires by conveyance or transfer the properties and assets of America Online, Time Warner, TWC or TBS substantially as an entirety shall be either (i) one of us, America Online, Time Warner, TWC or TBS or (ii) a Person organized and existing under the laws of the United States of America or any State or the District of Columbia, and in the case of clause (ii), shall expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the performance of every covenant of the indenture (as supplemented from time to time) on the part of America Online, Time Warner, TWC or TBS to be performed or observed;



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- (2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing; and
- (3) we have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent provided for relating to such transaction have been complied with.

Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of our company, America Online, Time Warner, TWC or TBS substantially as an entirety as set forth above, the successor Person formed by such consolidation or into which our company, America Online, Time Warner, TWC or TBS is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of our company, America Online, Time Warner, TWC or TBS, as the case may be, under the indenture with the same effect as if such successor had been named as our company, America Online, Time Warner, TWC or TBS, as the case may be, in the indenture. In the event of any such conveyance or transfer, we, America Online, Time Warner, TWC or TBS, as the case may be, as the predecessor shall be discharged from all obligations and covenants under the indenture and the debt securities and may be dissolved, wound up or liquidated at any time thereafter.

Other than the restrictions in the indenture on liens described above, the indenture and the debt securities do not contain any covenants or other provisions designed to afford Holders of debt securities protection in the event of a recapitalization or highly leveraged transaction involving our company.

Any additional covenants of our company, America Online, Time Warner, TWC or TBS pertaining to a series of debt securities will be set forth in a prospectus supplement relating to such series of debt securities.

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### CERTAIN DEFINITIONS

The following are certain of the terms defined in the indenture:

'Consolidated Net Worth' means, with respect to us, at the date of any determination, the consolidated stockholders' or owners' equity of our company and our Subsidiaries, determined on a consolidated basis in accordance with GAAP consistently applied.

'GAAP' means generally accepted accounting principles as such principles are in effect as of the date of the indenture.

'Holder', when used with respect to any security, means a Securityholder, which means a person in whose name a security is registered in the Security Register.

'Material Subsidiary' means, with respect to us, any Person that is a Subsidiary if, at the end of the most recent fiscal quarter of our company, the aggregate amount, determined in accordance with GAAP consistently applied, of securities of, loans and advances to, and other investments in,

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such Person held by us and our other Subsidiaries exceeded 10% of our company's Consolidated Net Worth.

'Person' means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

'Security Register' means the register or registers we shall keep or cause to be kept, in which, we shall provide for the registration of securities, or of securities of a particular series, and of transfers of securities or of securities of such series.

'Subsidiary' means, with respect to any Person, any corporation more than 50% of the voting stock of which is owned directly or indirectly by such Person, and any partnership, association, joint venture or other entity in which such Person owns more than 50% of the equity interests or has the power to elect a majority of the board of directors or other governing body.

'Works' means motion pictures, video, television, interactive or multi-media programming, audio-visual works, sound recordings, books and other literary or written material, any software, copyright or other intellectual property related thereto, acquired directly or indirectly after the date of the indenture by purchase, business combination, production, creation or otherwise, any component of the foregoing or rights with respect thereto, and all improvements thereon, products and proceeds thereof and revenues derived therefrom.

### DEFEASANCE

The indenture provides that we (and to the extent applicable, America Online, Time Warner, TWC and TBS), at our option,

- (a) will be Discharged from any and all obligations in respect of any series of debt securities (except in each case for certain obligations to register the transfer or exchange of debt securities, replace stolen, lost or mutilated debt securities, maintain paying agencies and hold moneys for payment in trust) or
- (b) need not comply with the covenants described above under 'Certain Covenants' and any other restrictive covenants described in a prospectus supplement relating to such series of debt securities, and certain Events of Default (other than those arising out of the failure to pay interest or principal on the debt securities of a particular series and certain events of bankruptcy, insolvency and reorganization) will no longer constitute Events of Default with respect to such series of debt securities,

in each case if we deposit with the Trustee, in trust, money or the equivalent in securities of the government which issued the currency in which the debt securities are denominated or government agencies backed by the full faith and credit of such government, or a combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all the principal (including any mandatory sinking

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fund payments) of, and interest on, such series on the dates such payments are due in accordance with the terms of such series.

To exercise any such option, we are required, among other things, to deliver to the Trustee an opinion of counsel to the effect that

- (i) the deposit and related defeasance would not cause the Holders of such series to recognize income, gain or loss for Federal income tax purposes and, in the case of a Discharge pursuant to clause (a), accompanied by a ruling to such effect received from or published by the United States Internal Revenue Service and
- (ii) the creation of the defeasance trust will not violate the Investment Company Act of 1940, as amended.

In addition, we are required to deliver to the Trustee an Officers' Certificate stating that such deposit was not made by us with the intent of preferring the Holders over other creditors of ours or with the intent of defeating, hindering, delaying or defrauding creditors of our company or others.

### EVENTS OF DEFAULT, NOTICE AND WAIVER

The indenture provides that, if an Event of Default specified therein with respect to any series of debt securities issued thereunder shall have happened and be continuing, either the Trustee thereunder or the Holders of 25% in aggregate principal amount of the outstanding debt securities of such series (or 25% in aggregate principal amount of all outstanding debt securities under the indenture, in the case of certain Events of Default affecting all series of debt securities under the indenture) may declare the principal of all the debt securities of such series to be due and payable.

Events of Default in respect of any series are defined in the indenture as being:

default for 30 days in payment of any interest installment with respect to such series;

default in payment of principal of, or premium, if any, on, or any sinking fund or analogous obligation with respect to, debt securities of such series when due at their stated maturity, by declaration or acceleration, when called for redemption or otherwise;

default for 90 days after written notice to us (or America Online, Time Warner, TWC or TBS, if applicable) by the Trustee thereunder or by Holders of 25% in aggregate principal amount of the outstanding debt securities of such series in the performance, or breach, of any covenant pertaining to debt securities of such series;

certain events of bankruptcy, insolvency and reorganization with respect to us or any Material Subsidiary thereof which is organized under the laws of the United States or any political sub-division thereof or the entry of an order ordering the winding up or liquidation of our affairs; and

any Guarantee ceasing to be, or asserted by any guarantor as not being, in full force and effect, enforceable according to its terms, except to the extent contemplated by the indenture.

Any additions, deletions or other changes to the Events of Default which will be applicable to a series of debt securities will be described in the prospectus supplement relating to such series of debt securities.

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The indenture provides that the Trustee thereunder will, within 90 days after the occurrence of a default with respect to the debt securities of any series, give to the Holders of the debt securities of such series notice of all uncured and unwaived defaults known to it; provided, however, that, except in the case of default in the payment of principal of, premium, if any, or interest, if any, on any of the debt securities of such series, the Trustee thereunder will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of the Holders of the debt securities of such series. The term 'default'

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for the purpose of this provision means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to debt securities of such series.

The indenture contains provisions entitling the Trustee, subject to the duty of the Trustee during an Event of Default to act with the required standard of care, to be indemnified by the Holders of the debt securities before proceeding to exercise any right or power under the indenture at the request of Holders of the debt securities.

The indenture provides that the Holders of a majority in aggregate principal amount of the outstanding debt securities of any series may direct the time, method and place of conducting proceedings for remedies available to the Trustee or exercising any trust or power conferred on the Trustee in respect of such series, subject to certain conditions.

In certain cases, the Holders of a majority in principal amount of the outstanding debt securities of any series may waive, on behalf of the Holders of all debt securities of such series, any past default or Event of Default with respect to the debt securities of such series except, among other things, a default not theretofore cured in payment of the principal of, or premium, if any, or interest, if any, on any of the debt securities of such series or payment of any sinking or purchase fund or analogous obligations with respect to such debt securities.

The indenture includes a covenant that we will file annually with the Trustee a certificate of no default or specifying any default that exists.

### MODIFICATION OF THE INDENTURE

We and the Trustee may, without the consent of the Holders of the debt securities, enter into indentures supplemental to the indenture for, among others, one or more of the following purposes:

- (1) to evidence the succession of another Person to us, America Online, Time Warner, TWC or TBS and the assumption by such successor of our company's, America Online's, Time Warner's, TWC's or TBS's obligations under the indenture and the debt securities of any series or the Guarantees relating thereto;
- (2) to add to the covenants of our company, America Online, Time Warner, TWC or TBS, or to surrender any rights or powers of our company, America Online, Time Warner, TWC or TBS, for the benefit of the Holders

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- of debt securities of any or all series;
- (3) to cure any ambiguity, or correct any inconsistency in the indenture or to make any other provisions with respect to matters or questions arising under this indenture;
  - (4) to add to the indenture any provisions that may be expressly permitted by the Trust Indenture Act, or 'the Act', excluding the provisions referred to in Section 316(a)(2) of the Act as in effect at the date as of which this instrument was executed or any corresponding provision in any similar federal statute hereafter enacted;
  - (5) to establish the form or terms of any series of debt securities;
  - (6) to evidence and provide for the acceptance of any successor Trustee with respect to one or more series of debt securities or to facilitate the administration of the trusts thereunder by one or more trustees in accordance with the indenture;
  - (7) to provide any additional Events of Default;
  - (8) to provide for the issuance of debt securities in coupon or as fully registered form;
  - (9) to provide for the terms and conditions of converting those debt securities that are convertible into common stock or another such similar security; and
  - (10) to secure any series of debt securities pursuant to the indenture's limitation on liens.

No supplemental indenture for the purpose identified in clauses (2), (3), (5) or (7) above may be entered into if to do so would adversely affect the rights of the Holders of debt securities of any series in any material respect.

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The indenture contains provisions permitting us and the Trustee thereunder, with the consent of the Holders of a majority in principal amount of the outstanding debt securities of all series to be affected voting as a single class, to execute supplemental indentures by adding any provisions to or changing or eliminating any of the provisions of the indenture or modifying the rights of the Holders of the debt securities of such series to be affected, except that no such supplemental indenture may, without the consent of the Holders of affected debt securities, among other things:

change the fixed maturity of any debt securities, or

reduce the principal amount thereof, or

reduce the rate or extend the time of payment of interest thereon, or

reduce the number of shares of any common stock or other securities to be delivered by us in respect of a conversion of any convertible debt securities, or

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amend or modify the terms of any of the Guarantees in a manner adverse to the Holders or reduce the aforesaid percentage of debt securities of any series the consent of the Holders of which is required for any such supplemental indenture.

### THE TRUSTEE

The Chase Manhattan Bank is the Trustee under the indenture. The Trustee is a depository for funds and performs other services for, and transacts other banking business with, us in the normal course of business.

### GOVERNING LAW

The indenture will be governed by, and construed in accordance with, the laws of the State of New York.

### GLOBAL SECURITIES

We may issue debt securities through global securities. A global security is a security, typically held by a depository, that represents the beneficial interests of a number of purchasers of the security. If we do issue global securities, the following procedures will apply.

We will deposit global securities with the depository identified in the prospectus supplement. After we issue a global security, the depository will credit on its book-entry registration and transfer system the respective principal amounts of the debt securities represented by the global security to the accounts of persons that have accounts with the depository. These account Holders are known as 'participants'. The underwriters or agents participating in the distribution of the debt securities will designate the accounts to be credited. Only a participant or a person that holds an interest through a participant may be the beneficial owner of a global security. Ownership of beneficial interests in the global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depository and its participants.

We and the trustee will treat the depository or its nominee as the sole owner or Holder of the debt securities represented by a global security. Except as set forth below, owners of beneficial interests in a global security will not be entitled to have the debt securities represented by the global security registered in their names. They also will not receive or be entitled to receive physical delivery of the debt securities in definitive form and will not be considered the owners or Holders of the debt securities.

Principal, any premium and any interest payments on debt securities represented by a global security registered in the name of a depository or its nominee will be made to the depository or its nominee as the registered owner of the global security. None of us, the trustee or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global security or the maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

We expect that the depository, upon receipt of any payments, will

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immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global security as shown on the depository's records. We also expect that payments by participants to owners of beneficial interests in the global security will be governed by standing instructions and customary practices, as is the case with the securities held for the accounts of customers registered in 'street names', and will be the responsibility of the participants.

If the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by us within ninety days, we will issue registered securities in exchange for the global security. In addition, we may at any time in our sole discretion determine not to have any of the debt securities of a series represented by global securities. In that event, we will issue debt securities of that series in definitive form in exchange for the global securities.

### DESCRIPTION OF THE CAPITAL STOCK

The following description of the terms of the common stock and the preferred stock sets forth certain general terms and provisions of the series common stock and preferred stock to which any prospectus supplement may relate. This section also summarizes relevant provisions of the Delaware General Corporation Law, which we refer to as 'Delaware law'. The terms of the AOL Time Warner certificate of incorporation and by-laws, as well as the terms of Delaware law, are more detailed than the general information provided below. Therefore, you should carefully consider the actual provisions of these documents.

#### AUTHORIZED CAPITAL STOCK

Total Shares. We have the authority to issue a total of 27,550,000,000 shares of capital stock consisting of:

25,000,000,000 shares of common stock, par value \$0.01 per share;

1,800,000,000 shares of series common stock, par value \$0.01 per share, which are issuable in series; and

750,000,000 shares of preferred stock, par value \$0.10 per share, which are issuable in series.

Common Stock. Approximately 4,200,000,000 shares of AOL Time Warner common stock are currently outstanding.

Existing Series Common Stock. Our authorized series common stock consists of two series, designated as AOL Time Warner series LMC common stock and AOL Time Warner series LMCN-V common stock, and the authorized number of shares of each series are:

210,000,000 shares of AOL Time Warner series LMC common stock; and

210,000,000 shares of AOL Time Warner series LMCN-V common stock.

No shares of AOL Time Warner series LMC common stock are currently outstanding and 171,185,826 shares of AOL Time Warner series LMCN-V common stock are currently outstanding.

Additional Series of Series Common Stock. We have the authority to issue additional series of series common stock up to the maximum number of series common shares authorized. Our board of directors is also authorized to set the following terms of a series of common stock before issuance:

the designation of the series;

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the number of shares to comprise the series;

any voting rights; and

any preferences and relative, participating, optional or other special rights and any qualifications, limitations or restrictions thereof, of the shares of such series.

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If we offer shares of a new series of series common stock, the prospectus supplement will specify the designation and number of shares of that series, and the voting rights and all other rights, preferences and terms of that series, including any dividend, redemption, exchange or liquidation rights or provisions. If we issue additional shares of series common stock they will be fully paid and non-assessable.

**Preferred Stock.** We have the authority to issue series of preferred stock up to the maximum number of preferred shares authorized. Our board of directors is also authorized to set the following terms of a series of preferred stock before issuance:

the designation of the series;

the number of shares to comprise the series;

any voting rights; and

any preferences and relative, participating, optional or other special rights and any qualifications, limitations or restrictions thereof, of the shares of such series.

The powers, preferences and relative, participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

If we offer shares of a new series of preferred stock, the prospectus supplement will specify the designation and number of shares of that series, and the voting rights and all other rights, preferences and terms of that series, including any dividend, redemption, exchange or liquidation rights or provisions. If we issue additional shares of preferred stock they will be fully paid and non-assessable.

No shares of AOL Time Warner preferred stock are currently outstanding.

**Listing.** We list our common stock on the New York Stock Exchange under the symbol 'AOL'. No other capital stock of ours is listed.

**Preemptive Rights.** The holders of our common stock, our series common stock and our preferred stock do not have preemptive rights to purchase or subscribe for any stock or other securities of ours.

COMMON STOCK



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Voting Rights. Each outstanding share of our common stock is entitled to one vote per share.

Dividends. Holders of our common stock are entitled to receive dividends or other distributions when and if declared by our board of directors. The right of our board of directors to declare dividends, however, is subject to any rights of the holders of any outstanding AOL Time Warner series common stock and AOL Time Warner preferred stock and the availability of sufficient funds under Delaware law to pay dividends. For a description of the dividend rights of the holders of our series common stock, see 'Existing Series Common Stock -- Series LMC Common Stock -- Cash Dividends' and 'Existing Series Common Stock -- Series LMCN-V Common Stock -- Cash Dividends.'

Liquidation Rights. In the event of the liquidation of our company, subject to the rights, if any, of the holders of any outstanding shares of our series common stock or our preferred stock, the holders of our common stock are entitled to receive any of our assets available for distribution to our stockholders ratably in proportion to the number of shares held by them. For a description of the liquidation rights of holders of our series common stock, see 'Existing Series Common Stock -- Series LMC Common Stock -- Liquidation Rights' and 'Existing Series Common Stock -- Series LMCN-V Common Stock -- Liquidation Rights'.

Regulatory Restrictions. Outstanding shares of our common stock may be redeemed by action of the board of directors to the extent necessary to prevent the loss of any governmental license or franchise, the holding of which is conditioned upon stockholders' possessing prescribed qualifications.

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### EXISTING SERIES COMMON STOCK

#### SERIES LMC COMMON STOCK

LMC Formula Number. Shares of our series LMC common stock are attributed a 'formula number' that is used to calculate the dividend, voting, conversion and liquidation rights for each share of our series LMC common stock. We refer to this formula number as the 'LMC formula number'. The LMC formula number is initially set at 1.00, and it is subject to adjustment for stock splits, reverse stock splits, stock dividends and other similar corporate events affecting our common stock.

Voting Rights. Each outstanding share of our series LMC common stock is entitled to a number of votes that is equal to the product of the number of votes per share that may be cast by holders of our common stock multiplied by the LMC formula number in effect at the time of the vote.

Holders of our series LMC common stock are entitled to vote on all matters on which holders of our common stock are entitled to vote. Holders of our series LMC common stock vote together as one group with holders of our common stock. A vote of at least two-thirds of the voting power of all shares of our series LMC common stock that are outstanding is necessary in order to amend, alter or repeal any of the provisions of our restated certificate of incorporation, including the certificate of designations relating to our series LMC common stock, to:

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amend, alter or repeal any of the powers, preferences or rights of our series LMC common stock or series LMCN-V common stock; or

adversely affect the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions, of our series LMC common stock or series LMCN-V common stock.

In addition, the affirmative vote of holders of shares of our series LMC common stock representing 100% of the aggregate voting power of the outstanding shares of our series LMC common stock is required to amend, alter or repeal the provisions of the certificate of designations that prohibit us from, at our option, redeeming the shares of our series LMC common stock.

The vote of the holders of shares of our series LMC common stock is not required for us to:

create any indebtedness;

authorize or issue any class of capital stock that is senior to, or on a parity with, our series LMC common stock with respect to the payment of dividends or any other distribution of assets;

approve any amendment to our restated certificate of incorporation that would increase or decrease the aggregate number of authorized shares of our series common stock or our common stock; or

authorize any increase or decrease in the number of shares constituting our series LMC common stock.

Cash Dividends. Holders of our series LMC common stock are entitled to receive cash dividends when and if declared by our board of directors, but only to the extent that regularly scheduled cash dividends are declared and paid on our common stock. When declared, cash dividends on each share of our series LMC common stock will equal the product of:

the amount of the regularly scheduled cash dividend to be paid on one share of our common stock; multiplied by

the LMC formula number in effect on the dividend payment date.

Distributions. If we distribute to the holders of our common stock any assets or property, in each case not including a distribution upon the liquidation of our company, a regularly scheduled cash dividend or a common stock dividend that results in an adjustment of the LMC formula number, then we must at the same time distribute the same assets or property pro rata to the holders of our series LMC common stock in an amount equal to the amount that the holders of

our series LMC common stock would have been entitled to receive had they converted their shares of our series LMC common stock into shares of our common stock immediately prior to the record date for the distribution.

Conversion Rights. Holders of our series LMC common stock have the right to

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convert each of their shares, at any time, into:

a number of shares of our common stock equal to the LMC formula number in effect on the conversion date; or

one share of our series LMCN-V common stock.

Each holder of our series LMC common stock may convert shares of our series LMC common stock into shares of our common stock or our series LMCN-V common stock only to the extent that the ownership by the converting holder of shares of our common stock or our series LMCN-V common stock upon conversion would not violate the federal communications laws.

Conversion Rate Adjustment. If we consolidate or merge with another entity such that we are not the surviving entity or the transaction results in a change in our common stock, or if we sell all or substantially all of our property and assets to another entity, each share of our series LMC common stock is convertible into the number of shares of capital stock or other property received by the holder of a number of shares of our common stock into which the shares of our series LMC common stock could have been converted immediately before the transaction.

Liquidation Rights. In the event of the liquidation of our company, the holders of our series LMC common stock are entitled to receive, at the same time as any distribution to holders of our common stock, an aggregate amount per share equal to the product of:

the aggregate amount to be distributed per share to holders of our common stock; and

the LMC formula number in effect on the date of the distribution.

Transfer Restriction. Holders of our series LMC common stock are subject to a transfer restriction that prevents these holders, without obtaining prior consent from us, from transferring their shares of our series LMC common stock to any person other than a 'permitted transferee'. The term 'permitted transferee' means:

Liberty Media Corporation, which is commonly referred to as 'LMC', and any affiliate that is controlled by LMC; or

Tele-Communications Inc. and any affiliate that is controlled by Tele-Communications, so long as Tele-Communications is an affiliate of LMC.

In addition, the transfer restriction provides that any permitted transferee must agree to be subject to the transfer restriction for subsequent transfers.

The transfer restriction applicable to our series LMC common stock does not prevent any holder of our series LMC common stock from:

entering into an arrangement providing for the prompt conversion of the shares of our series LMC common stock into shares of our common stock and the immediate sale or transfer of our common stock received upon the conversion of shares of our series LMC common stock; or

pledging shares of our series LMC common stock, so long as the terms of the pledge provide that, in the event of a foreclosure on the shares of our series LMC common stock, the foreclosing party delivers the forfeited series LMC common stock to us for conversion into our common stock.

SERIES LMCN-V COMMON STOCK

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LMCN-V Formula Number. Shares of our series LMCN-V common stock are attributed a formula number that is used to calculate the dividend, voting, conversion and liquidation rights for each share of our series LMCN-V common stock. We refer to this formula number as the 'LMCN-V formula number'. The LMCN-V formula number is initially set at 1.00, and it is

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subject to adjustment for stock splits, reverse stock splits, stock dividends and other similar corporate events affecting our common stock.

Voting Rights. Holders of our series LMCN-V common stock are entitled to vote together as one group with holders of our common stock in the election of directors of our company, and they have the right to cast a number of votes per share that is equal to:

the product of the number of votes per share that may be cast by holders of our common stock multiplied by the LMCN-V formula number in effect at the time of the vote; divided by

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A vote of at least two-thirds of the voting power of all shares of our series LMCN-V common stock that are outstanding is necessary in order to amend, alter or repeal any of the provisions of our restated certificate of incorporation, including the certificate of designations relating to our series LMCN-V common stock, to:

amend, alter or repeal any of the powers, preferences or rights of our series LMCN-V common stock or series LMC common stock; or

adversely affect the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions, of our series LMCN-V common stock or series LMC common stock.

In addition, the affirmative vote of holders of shares of our series LMCN-V common stock representing 100% of the aggregate voting power of the outstanding shares of our series LMCN-V common stock is required to amend, alter or repeal the provisions of the certificate of designations that prohibit us from, at our option, redeeming the shares of our series LMCN-V common stock.

The vote of the holders of shares of our series LMCN-V common stock is not required for us to:

create any indebtedness;

authorize or issue any class of capital stock that is senior to, or on a parity with, our series LMCN-V common stock with respect to the payment of dividends or any other distribution of assets;

approve any amendment to our restated certificate of incorporation that would increase or decrease the aggregate number of authorized shares of our series common stock or our common stock; or

authorize any increase or decrease in the number of shares constituting our

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series LMCN-V common stock.

Cash Dividends. Holders of our series LMCN-V common stock are entitled to receive cash dividends when and if declared by our board of directors, but only to the extent that regularly scheduled cash dividends are declared and paid on our common stock. When declared, cash dividends on each share of our series LMCN-V common stock will equal the product of:

the amount of the regularly scheduled cash dividend to be paid on one share of our common stock; multiplied by

the LMCN-V formula number in effect on the dividend payment date.

Distributions. If we distribute to the holders of our common stock any assets or property, in each case not including a distribution upon the liquidation of our company, a regularly scheduled cash dividend or a common stock dividend that results in an adjustment of the LMCN-V formula number, then we must at the same time distribute the same assets or property pro rata to the holders of our series LMCN-V common stock in an amount equal to the amount that the holders of our series LMCN-V common stock would have been entitled to receive had they converted their shares of our series LMCN-V common stock into shares of our common stock immediately prior to the record date for the distribution.

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Conversion Rights. Holders of our series LMCN-V common stock have the right to convert each of their shares, at any time, into:

a number of shares of our common stock equal to the LMCN-V formula number in effect on the conversion date; or

one share of our series LMC common stock.

Each holder of our series LMCN-V common stock may convert shares of our series LMCN-V common stock into shares of our common stock or our series LMC common stock only to the extent that the ownership by the converting holder of shares of our common stock or our series LMC common stock upon conversion would not violate the federal communications laws.

Conversion Rate Adjustment. If we consolidate or merge with another entity such that we are not the surviving entity or the transaction results in a change in our common stock, or if we sell all or substantially all of our property and assets to another entity, each share of our series LMCN-V common stock is convertible into the number of shares of capital stock or other property received by the holder of a number of shares of our common stock into which the shares of our series LMCN-V common stock could have been converted immediately before the transaction.

Liquidation Rights. In the event of the liquidation of our company, the holders of our series LMCN-V common stock are entitled to receive, at the same time as any distribution to holders of our common stock, an aggregate amount per share equal to the product of:

the aggregate amount to be distributed per share to holders of our common stock; and

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the LMCN-V formula number in effect on the date of the distribution.

Transfer Restriction. Holders of our series LMCN-V common stock are subject to a transfer restriction that prevents these holders, without obtaining prior consent from us, from transferring their shares of our series LMCN-V common stock to any person other than a 'permitted transferee'. The transfer restriction applicable to holders of our series LMCN-V common stock is identical to the transfer restriction applicable to holders of our series LMC common stock. See 'Series LMC Common Stock -- Transfer Restriction'.

### DESCRIPTION OF THE WARRANTS

The following description of the terms of the warrants sets forth certain general terms and provisions of the warrants to which any prospectus supplement may relate. We may issue warrants for the purchase of debt securities, preferred stock, series common stock or common stock. Warrants may be issued independently or together with debt securities, preferred stock, series common stock or common stock offered by any prospectus supplement and may be attached to or separate from any such offered securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent. The warrant agent will act solely as our agent in connection with the warrants and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. The following summary of certain provisions of the warrants does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the warrant agreement that will be filed with the SEC in connection with the offering of such warrants.

### DEBT WARRANTS

The prospectus supplement relating to a particular issue of debt warrants will describe the terms of such debt warrants, including the following:

the title of such debt warrants;

the offering price for such debt warrants, if any;

the aggregate number of such debt warrants;

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the designation and terms of the debt securities purchasable upon exercise of such debt warrants;

if applicable, the designation and terms of the debt securities with which such debt warrants are issued and the number of such debt warrants issued with each such debt security;

if applicable, the date from and after which such debt warrants and any debt securities issued therewith will be separately transferable;

the principal amount of debt securities purchasable upon exercise of a debt warrant and the price at which such principal amount of debt securities may be purchased upon exercise (which price may be payable in cash, securities, or other property);

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the date on which the right to exercise such debt warrants shall commence and the date on which such right shall expire;

if applicable, the minimum or maximum amount of such debt warrants that may be exercised at any one time;

whether the debt warrants represented by the debt warrant certificates or debt securities that may be issued upon exercise of the debt warrants will be issued in registered or bearer form;

information with respect to book-entry procedures, if any;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of material United States federal income tax considerations;

the antidilution or adjustment provisions of such debt warrants, if any;

the redemption or call provisions, if any, applicable to such debt warrants; and

any additional terms of such debt warrants, including terms, procedures, and limitations relating to the exchange and exercise of such debt warrants.

### STOCK WARRANTS

The prospectus supplement relating to any particular issue of preferred stock warrants, series common stock warrants or common stock warrants will describe the terms of such warrants, including the following:

the title of such warrants;

the offering price for such warrants, if any;

the aggregate number of such warrants;

the designation and terms of the common stock, series common stock or preferred stock purchasable upon exercise of such warrants;

if applicable, the designation and terms of the offered securities with which such warrants are issued and the number of such warrants issued with each such offered security;

if applicable, the date from and after which such warrants and any offered securities issued therewith will be separately transferable;

the number of shares of common stock, series common stock or preferred stock purchasable upon exercise of a warrant and the price at which such shares may be purchased upon exercise;

the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;

if applicable, the minimum or maximum amount of such warrants that may be exercised at any one time;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of material United States federal income tax considerations;

the antidilution provisions of such warrants, if any;

the redemption or call provisions, if any, applicable to such warrants; and

any additional terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

#### PLAN OF DISTRIBUTION

We may sell the debt securities, preferred stock, series common stock, common stock or warrants (together referred to as the 'offered securities') to one or more underwriters or dealers for public offering and sale by them or may sell the offered securities to investors directly, including through the Internet, or through agents. The prospectus supplement with respect to the offered securities offered thereby, describes the terms of the offering of such offered securities and the method of distribution of the offered securities offered thereby and identifies any firms acting as underwriters, dealers or agents in connection therewith.

The offered securities may be distributed from time to time in one or more transactions at a fixed price or prices (which may be changed) or at prices determined as specified in the prospectus supplement. In connection with the sale of the offered securities, underwriters, dealers or agents may be deemed to have received compensation from us in the form of underwriting discounts or commissions and may also receive commissions from purchasers of the offered securities for whom they may act as agent. Underwriters may sell the offered securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions from the purchasers for whom they may act as agent. Certain of the underwriters, dealers or agents who participate in the distribution of the offered securities may engage in other transactions with, and perform other services for us, America Online, Time Warner, TWC and TBS in the ordinary course of business.

Any underwriting compensation paid by us to underwriters or agents in connection with the offering of the offered securities, and any discounts, concessions or commissions allowed by underwriters to dealers, are set forth in the prospectus supplement. Underwriters, dealers and agents participating in the distribution of the offered securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on the resale of the offered securities may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters and their controlling persons, dealers and agents may be entitled, under agreements entered into with us, to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the securities, including over-allotment, stabilizing and short-covering transactions in such securities, and the imposition of a penalty bid, in connection with the



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offering.

### LEGAL OPINIONS

Certain legal matters in connection with the offered securities will be passed upon for us, America Online, Time Warner, TWC and TBS by Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019.

### EXPERTS

Ernst & Young LLP, independent auditors, have audited the consolidated balance sheet of AOL Time Warner at December 31, 2000 included in AOL Time Warner's Current Report on Form 8-K/A dated January 11, 2001, as set forth in their report. We have incorporated by reference the consolidated balance sheet in this prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

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Ernst & Young LLP, independent auditors, have audited the consolidated financial statements of America Online for the three years ended June 30, 2000, included in America Online's Annual Report on Form 10-K for the year ended June 30, 2000, as amended, as set forth in their report, which is incorporated by reference in this prospectus and elsewhere in the registration statement. These consolidated financial statements are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

Ernst & Young LLP, independent auditors, have audited the consolidated financial statements, schedule and supplementary information of Time Warner, the consolidated financial statements and schedules of Time Warner Entertainment Company, L.P. and Warner Communications Inc., and the consolidated financial statements of American Television and Communications Corporation for the three years ended December 31, 2000, included in AOL Time Warner's Current Report on Form 8-K/A dated January 11, 2001, and the consolidated financial statements, schedule and supplementary information of Time Warner and the consolidated financial statements and schedule of TWE for the three years ended December 31, 1999, included in Time Warner's Annual Report on Form 10-K for the year ended December 31, 1999, as amended, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in the registration statement. These consolidated financial statements, schedules and supplementary information are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

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No person is authorized to give any information or to make any representations other than those contained in this prospectus or any accompanying prospectus supplement in connection with the offer made by this prospectus or any prospectus supplement, and, if given or made, such other information or representations must not be relied upon as having been authorized by us, America Online, Time Warner, TWC or TBS or by any underwriter, dealer or agent.

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75 Rockefeller Plaza  
New York, New York 10019

PRINCIPAL OFFICES OF THE GUARANTORS

America Online, Inc.  
22000 AOL Way  
Dulles, Virginia 20166

Time Warner Inc.  
Time Warner Companies, Inc.  
75 Rockefeller Plaza  
New York, New York 10019

Turner Broadcasting System, Inc.  
One CNN Center  
Atlanta, Georgia 30303

TRUSTEE AND PRINCIPAL PAYING AGENT  
The Chase Manhattan Bank  
450 West 33rd Street  
New York, New York 10001

LUXEMBOURG LISTING AGENT, PAYING AGENT & TRANSFER AGENT  
Kredietbank S.A. Luxembourg  
Kredietbank S.A. Luxembourgeoise  
43, Boulevard Royal  
L-2955 Luxembourg

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TO THE UNDERWRITERS  
AS TO MATTERS OF UNITED STATES LAW  
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AUDITORS  
TO AOL TIME WARNER  
Ernst & Young LLP  
787 Seventh Avenue  
New York, New York 10019

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\$4,000,000,000  
AOL Time Warner Inc.  
\$1,000,000,000  
6.125% Notes due 2006  
\$1,000,000,000  
6.750% Notes due 2011  
\$2,000,000,000  
7.625% Debentures due 2031

Unconditionally Guaranteed by  
America Online, Inc.  
and  
Time Warner Inc.

[AOL Time Warner Logo]

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PROSPECTUS SUPPLEMENT  
April 11, 2001  
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Joint Book-Running Managers

BANC OF AMERICA SECURITIES LLC  
JPMORGAN  
SALOMON SMITH BARNEY

Senior Co-Managers

ABN AMRO INCORPORATED  
BEAR, STEARNS & CO. INC.  
BNP PARIBAS  
CREDIT SUISSE FIRST BOSTON  
DRESDNER KLEINWORT WASSERSTEIN  
DEUTSCHE BANC ALEX. BROWN  
GOLDMAN, SACHS & CO.  
LEHMAN BROTHERS  
MERRILL LYNCH & CO.  
MORGAN STANLEY DEAN WITTER

Co-Managers

ALLEN & COMPANY INCORPORATED  
BARCLAYS CAPITAL  
COMMERZBANK CAPITAL MARKETS CORP.  
FLEET SECURITIES, INC.  
MIZUHO INTERNATIONAL PLC  
MURIEL SIEBERT & CO., INC.  
SCOTIA CAPITAL  
UTENDAHL CAPITAL PARTNERS, L.P.  
WESTDEUTSCHE LANDESBANK GIROZENTRALE

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