

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.

Edgar Filing: AOL TIME WARNER INC - Form 424B5

	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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

TABLE OF CONTENTS

	PAGE

PROSPECTUS SUPPLEMENT	
Where You Can Find More Information.....	S-3
Statements Regarding Forward-Looking Information.....	S-4
The Company.....	S-5
Ratio of Earnings to Fixed Charges.....	S-6
Use of Proceeds.....	S-9
Pro Forma Capitalization.....	S-10
Description of the Notes and the Debentures.....	S-11
United States Taxation.....	S-16
Underwriting.....	S-19
Legal Matters.....	S-22
Experts.....	S-22
General Information.....	S-22
PROSPECTUS	
About this Prospectus.....	2
Where You Can Find More Information.....	3
Statements Regarding Forward-Looking Information.....	5
The Company.....	6
Holding Company and Guarantee Structure.....	9
Ratio of Earnings to Fixed Charges.....	10
Use of Proceeds.....	12
Description of the Debt Securities and the Guarantees.....	12
Description of the Capital Stock.....	21
Description of the Warrants.....	26
Plan of Distribution.....	28
Legal Opinions.....	28
Experts.....	28

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.

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

S-3

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. Luxembourg, 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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

S-4

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;

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

S-5

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

S-6

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

S-7

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)

(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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

December 31, 1996.

TIME WARNER

	PRO FORMA	HISTORICAL				
		YEAR ENDED DECEMBER 31, 2000	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	HISTORICAL				
		YEAR ENDED DECEMBER 31, 2000	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.

S-8

TBS

PRO FORMA	HISTORICAL		
YEAR	THREE MONTHS	THREE MONTHS	NINE MONTHS

Edgar Filing: AOL TIME WARNER INC - Form 424B5

	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.

S-9

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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
	-----	-----
	-----	-----

(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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

S-10

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.

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

S-11

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.

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

S-12

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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 anonyme ('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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

accounts in the depositaries' names on the books of

S-13

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

S-14

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

S-15

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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,

S-16

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.:

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

S-18

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

UNDERWRITER

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

Total.....	\$1,000,000,000

S-19

UNDERWRITER

PRINCIPAL AMOUNT OF
7.625% DEBENTURES DUE 2031

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

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.

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

S-20

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.

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

S-21

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

S-22

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:

Edgar Filing: AOL TIME WARNER INC - Form 424B5

	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

S-23

[THIS PAGE INTENTIONALLY LEFT BLANK]

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'.

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.

Edgar Filing: AOL TIME WARNER INC - Form 424B5

THE DATE OF THIS PROSPECTUS IS FEBRUARY 26, 2001.

TABLE OF CONTENTS

	PAGE

About This Prospectus.....	2
Where You Can Find More Information.....	3
Statements Regarding Forward-Looking Information.....	5
The Company.....	6
Holding Company and Guarantee Structure.....	9
Ratio of Earnings to Fixed Charges.....	10
Use of Proceeds.....	12
Description of the Debt Securities and the Guarantees.....	12
Description of the Capital Stock.....	21
Description of the Warrants.....	26
Plan of Distribution.....	28
Legal Opinions.....	28
Experts.....	28

----- 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.

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

2

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).

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

5

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.

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

6

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

7

'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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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.

8

[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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

(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.

10

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)	\$

(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

Edgar Filing: AOL TIME WARNER INC - Form 424B5

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

AMERICA ONLINE

HISTORICAL

THREE MONTHS