# 2001 Fact Book

## AOL Time Warner

<table>
<thead>
<tr>
<th>Category</th>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOL Time Warner</td>
<td>Our Mission and Values</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Message from the Chairman and the Chief Executive Officer</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Advertising, Marketing and Commerce</td>
<td>4</td>
</tr>
<tr>
<td>America Online</td>
<td>Interactive Services</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>AOL Anywhere</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Interactive Properties</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>International</td>
<td>12</td>
</tr>
<tr>
<td>Networks</td>
<td>Turner Entertainment Networks</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>CNN News Group</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Home Box Office</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>The WB Television Network</td>
<td>17</td>
</tr>
<tr>
<td>Cable Systems</td>
<td>Time Warner Cable</td>
<td>18</td>
</tr>
<tr>
<td>Publishing</td>
<td>Time Inc.</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Time Warner Trade Publishing</td>
<td>21</td>
</tr>
<tr>
<td>Filmed Entertainment</td>
<td>Warner Bros.</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>New Line Cinema</td>
<td>23</td>
</tr>
<tr>
<td>Music</td>
<td>Warner Music Group</td>
<td>24</td>
</tr>
<tr>
<td>Corporate</td>
<td>AOL Time Warner Foundation</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Who's Who</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Glossary</td>
<td>30</td>
</tr>
</tbody>
</table>
**Our Mission**

To become the world’s most respected and valued company by connecting, informing and entertaining people everywhere in innovative ways that will enrich their lives.

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**Our Values**

**Creativity**
We thrive on initiative and originality—encouraging risk taking and divergent voices.

**Customer Focus**
We value our customers—putting their needs and interests at the center of everything we do.

**Agility**
We move quickly—embracing change and seizing new opportunities.

**Teamwork**
We treat one another with respect—creating value by working together within and across our businesses.

**Integrity**
We rigorously uphold editorial independence and artistic expression—earning the trust of our readers, viewers, listeners, members and subscribers.

**Diversity**
We attract and develop the world’s best talent—seeking to include the broadest range of people and perspectives.

**Responsibility**
We work to improve our communities—taking pride in serving the public interest as well as the interests of our shareholders.
Introduction

Our first AOL Time Warner Fact Book provides an overview of our unparalleled brands, powerful franchises, full range of consumer relationships, unprecedented business opportunities and ambitious philanthropic goals.

As the world’s first Internet-powered media and communications company, AOL Time Warner’s unique combination of businesses, financial flexibility and global growth opportunities transcends traditional industry categories and makes us a one-of-a-kind company. From AOL and Time Inc. to CNN and Time Warner Cable, our Company brings together the most highly respected and valuable online and offline brands to extend our customer relationships—the building blocks of value.

At the same time, the reach of AOL Time Warner’s media brands and the power of the interactive medium offer our partners a rich array of opportunities to revolutionize how they do business and to build closer relationships with their customers. The possibilities for new growth are dramatic. For example, comparing the lists of the top 100 advertisers for Time Inc., Turner Broadcasting and AOL in 2000, just four of those 300 advertisers appear on all three lists.

Consumers are already demanding new interactive products and services that will provide them with even more convenience and value. AOL Time Warner is uniquely positioned to meet this consumer demand—connecting, informing and entertaining people everywhere in innovative ways that enrich their lives.

To accomplish this mission, we are building on four key strengths. First is the sheer extent of our customer base. AOL Time Warner’s brands touch consumers more than 2.5 billion times each month.

Together, we have approximately 130 million subscription relationships through AOL, HBO, Time Inc. and Time Warner Cable. Time Inc. reaches 268 million magazine readers, while CNN is available to a global audience of one billion people. AOL has surpassed 27 million members around the world. Turner networks are the preferred choice of 25% of basic cable viewers. ICQ has a global network of more than 85 million registrants.

Second is our ability to use America Online’s interactive expertise and experience to enhance all our franchises. The tremendous potential of this combination was made clear by the success we have had in using the AOL service to showcase Warner Music CDs, feature Warner Bros. movies and generate new magazine subscriptions. The truly transforming opportunities are still ahead, from digital music and interactive TV to advertising, marketing and commerce.

Third is our commitment to innovation and speed to market. We’re the company that pioneered the newsmagazine, talking pictures, photojournalism, cable programming, the DVD, broadband delivery of the Internet, video on demand, instant messaging and interactive services. Today, in applying our AOL Anywhere™ strategy to television, AOLTVM is bringing consumers the breakthrough experience of blending TV viewing and their favorite online features and new content. Thanks to our technological expertise, AOL Time Warner is not only at the forefront of making music available over multiple digital networks, but can do it faster than our competitors.

The fourth strength of AOL Time Warner is our people. This is reflected in who we are and all we do. More than ever, the name of the game is talent—attracting and keeping creatively inspired, entrepreneurially focused women and men who seek to be part of an enterprise that strives to live according to basic values.

By whatever measure—customer relationships, global scale, financial strength, technological savvy, innovative spirit, creative and journalistic know-how, marketing and advertising reach, or trusted brands—no other company comes close to AOL Time Warner’s potential. Building on what’s already in place, we’ll use interactivity to transform our industries and create dynamic new opportunities for our customers, employees, partners and shareholders.

And it doesn’t stop there. By acting in ways that give meaning to our values and make a difference in our communities, worldwide as well as locally, we intend to build the world’s most respected and valued company.

Stephen M. Case
Chairman

Gerald M. Levin
Chief Executive Officer

January 24, 2001
Advertising, Marketing and Commerce

AOL Time Warner's industry-leading consumer relationships provide partners with advertising, marketing and commerce opportunities of unprecedented range, value and power.

Combining the world's strongest media brands, the deepest and broadest marketing relationships in the industry, the most advanced technologies and the unique power of the online medium itself, AOL Time Warner provides its partners with unmatched advertising, marketing and commerce capabilities.

AOL Time Warner's brands have enormous reach, touching consumers more than 2.5 billion times each month. The Company also has approximately 130 million subscription relationships. And through iPlanet E-Commerce Solutions—a Sun/Netscape Alliance—AOL Time Warner provides thousands of businesses, government agencies and organizations with the most comprehensive Internet software and services.

Through the brands of AOL, Time Inc., Turner Broadcasting, The WB, and Time Warner Cable, the Company can craft complete marketing solutions that meet a partner's every need—strategically uniting various brands to reach desired audiences effectively. These opportunities can span traditional one-platform advertising programs and innovative multi-platform opportunities, creating revolutionary partnerships that ultimately transform marketers' relationships with their customers.

Companies can use AOL Time Warner's unprecedented range of

Advertising and marketing companies ranked AOL and Time Warner as the two most attractive partners for long-term marketing relationships. Source: The Myers Group LLC

AOL's promotion of Time Inc. magazines produced more than 750,000 gross subscriptions last year—of which 80% are evergreen subscriptions payable by credit card—a key indicator of the power of AOL Time Warner properties to deliver for advertisers.

Seven Time Inc. magazines ranked in the top 25 in advertising revenues in 2000, with People, Time and Sports Illustrated again taking the top three spots.

Every one of the top 10 national advertisers has partnered with AOL.

90% of AOL shoppers say they are satisfied with their online commerce experience. Source: IRG
At the same time, iPlanet’s industry-leading portal services, open marketplace solutions, and e-commerce applications enable partners to build and deploy comprehensive and customized “Smart” services that speed their time to market, meet their customers’ demands and help position them to succeed in the next wave of the Net economy.

In summary, by helping marketers use these advertising vehicles in new and creative ways, AOL Time Warner is transforming the media business and the nature of marketing itself, adding new value and continually expanding the possibilities for the future.

AOL Time Warner brands have approximately 130 million subscription relationships.

In 2000, Time Inc.’s more than 60 titles captured over 24% of U.S. consumer magazine ad revenues.

2,600

local and national advertisers on Digital City

assets and the power of the online medium to achieve all three stages of traditional selling—branding, providing information and transacting—in one seamless process. The resulting paradigm shift greatly enhances marketing productivity.

That means companies can draw on the enormous brand-building capabilities of AOL Time Warner’s magazines and television networks to create awareness and develop brand affinity, then use AOL's online distribution platforms to drive transactions.

Partners can work across AOL Time Warner on a strategic level, focusing on innovative solutions for common demographics such as young people, seniors or women; or common areas of interest like sports, news or entertainment.

Companies that want to reach teens, for example, will benefit from the natural affinity between AOL, Teen People and The WB Television Network, while businesses can communicate with sports fans by advertising in Sports Illustrated and on Turner's sportscasts, as well as through an interactive presence on the AOL Sports Channel.

For even greater impact, marketers can draw on major franchise properties in the AOL Time Warner catalog—including such films as Batman, The Matrix and Austin Powers, as well as Warner Bros. cartoon characters and top musical acts—to create major cultural events. And, in the near future, they can look forward to new interactive opportunities created by convergence, such as AOLTVM digital music, and a broad range of AOL Anywhere™ devices.

Plus, iPlanet has one of the industry’s broadest portfolio of e-commerce software, services and solutions. iPlanet's best-of-breed Internet platform gives companies fully scalable e-commerce capabilities that significantly enhance the Web experience for business users and consumers.
America Online, CompuServe, Netscape.com and the Netscape 6 browser provide the most popular and valuable interactive experiences to consumers worldwide.

AOL, the world’s leading interactive service, is transforming the lives of its more than 27 million members with the most convenient, easy-to-use and valuable online features, content and other benefits available anywhere. AOL members average about an hour online daily, signaling how central the AOL experience is to their lives by enabling them to keep in touch, stay informed, shop, find entertainment, manage their finances and schedules, and much more.

Dubbed the “Internet’s Miracle Mile,” the newly enhanced Shop@AOL online shopping destination—available on the AOL service, AOL.COM, CompuServe, Netscape, Spinner and Digital City—makes it easier and more convenient than ever for consumers to shop online. AOL members can shop for millions of products from hundreds of known and trusted brand-name merchants, in full confidence with AOL’s 100% Guarantee of Satisfaction and Security. Millions of AOL members—cyberspace’s largest single audience of buyers—regularly shop online and spent a record-breaking $20 billion in 2000.

The next-generation AOL 6.0 software also makes AOL’s hallmark features, content and services available any time and anywhere through multiple AOL Anywhere™ devices and across all broadband platforms. AOL 6.0 incorporates AOL PLUS™ multimedia content and features such as full-motion video and streaming audio. The all-new AOL Media Player supports all audio and video formats.

AOL is the world leader in online advertising, marketing and commerce, bringing members easy and convenient access to the world’s top mainstream brands and retailers—including American Airlines, Charles Schwab, Circuit City, Citigroup, Coca-Cola, General Motors, Office Depot, Sears, Target Stores and Walmart.com. Only AOL can offer its strategic advertising and commerce partners cutting-edge strategies like “commerce in context,” streamlined marketing capabilities and the most secure and convenient commerce available anywhere.
656 million Instant Messages, 245 million stock quotes, 180 million e-mails daily

Netscape has pioneered the development of world-class browsers, including, most recently, the groundbreaking Netscape 6 browser, based on the small, fast, standards-compliant Netscape Gecko browser engine, which provides a compelling Web experience across traditional PCs and new computing devices.

The newly redesigned Netscape.com Web site provides consumers with convenient and easy access to a complete package of innovative Web-based applications, content and features. In addition, Netscape Netbusiness meets the needs of small businesses with a free one-stop home on the Internet to enable them to better manage their everyday operations.

The Internet value leader, CompuServe provides access to three million worldwide members at home and in the workplace. CompuServe’s exciting new software upgrade, CompuServe 2000 Version 6.0, offers powerful new features, such as expanded e-mail capabilities, new built-in audio and video player, new streamlined Toolbar and improved Address Book and My Calendar™ service now available from multiple locations; all of which add even greater value to the online experience.

Members also enjoy features like a customizable main menu with local news and personalized stock portfolios with real-time quotes, e-mail, Internet search, instant messaging, a wide variety of online shopping options, and Member Values—a regularly updated list of incredible savings and values exclusively for members.
America Online

The AOL AnywhereSM strategy gives members seamless access to many of the most popular AOL features, content and services—any time, anywhere—across multiple platforms and mobile devices.

As interactivity becomes increasingly central to everyday life, consumers want to access their favorite online features, content and services—wherever and whenever they need them. Through its leading-edge AOL AnywhereSM product offerings, the AOL experience is being extended to a broad range of platforms and mobile devices. This will increase the time AOL members spend online, enable them to use their screen name, Buddy List and Address Book, and create new opportunities for AOL's advertising, marketing and commerce partners.

Among the exciting AOL AnywhereSM products currently offered to consumers:

- **AOLTVSM**, the first interactive television service for mass-market consumers, enhances the TV-viewing experience by allowing consumers to take advantage of popular AOL features like e-mail, instant messaging and chat; to find, watch and record programs more conveniently with an easy-to-use program guide; and to take advantage of exciting new online features and content designed for specific TV programming. Winner of PopularScience's Best of What's New award, AOLTVSM has teamed with partners like The National Geographic Channel, E! NetworksTM and QVC.

- **AOL PLUS™** is the AOL service's multimedia content, offering video, audio and games to members signing on to the AOL service with a broadband connection—digital subscriber line (DSL), cable, satellite or TCP/IP.

- **AOL's Tegic T9 Text Input**—the No. 1 text input technology for wireless devices—is the global standard for quick and easy text input on a wireless phone.

- **AOL's Quack.com™ technology** enables simple spoken commands over any wireless, home or office telephone.

- **AOLTV was awarded Popular Science magazine’s Best of What’s New award in 2000.**

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This page: AOL TV Program Guide, set-top box, universal remote control and wireless remote keyboard. Opposite page: Keyword: AOL Anywhere; AOL Mobile Communicator; AOL Mobile services via Sprint PCS Wireless Web.
AOL Mobile Communicator is a pocket-size, two-way, wireless messaging device that lets AOL members stay in touch anywhere and any time through AOL e-mail and instant messaging.

AOL Mobile makes AOL e-mail and instant messaging, customized news, weather and stock quotes and AOL brands like MapQuest.com, Digital City and AOL Moviefone available to members over a variety of other wireless devices. AOL Mobile services are available on Internet-ready phones through AT&T Digital PocketNet™ service and the Sprint PCS Wireless Web™. AOL's most popular features are also available on Palm™ and Palm OS®, Windows CE/PocketPC and Omnisky-enabled handheld devices.

AOLbyPhone™ enables AOL members to conveniently check their e-mail, news, weather, stock quotes and other popular features and content—by calling 1-800-AOL-1234 and just speaking over any telephone.

Instant AOL™ is a customized version of the AOL service for a new line of home Internet appliances created by Gateway. Instant AOL connects members to AOL as soon as they turn on the device, and offers hallmark AOL benefits like e-mail, instant messaging and the My Calendar™ service as well as special features and functionality for the Gateway appliances. The first of these devices, the Gateway Connected Touch Pad, is a compact, easy-to-use touchscreen device designed for use in high-traffic areas of the home such as the kitchen or family room.

The AOL Anywhere™ Web site offers a one-stop, customizable page for AOL members using any Internet-connected computer to access their favorite AOL features and content, including e-mail, stock portfolios, the My Calendar™ service, news, sports, traffic information, Shop@AOL™, local movie times and AOL Search.

51% of online users would like to check e-mail through their television*
72% of AOL members own a cell phone or pager*
54% of online Americans want ways to access the Internet beyond the PC*

*Sources: America Online/Roper Starch Cyberstudy; Simmons

America Online, Inc.

AOL Anywhere™ Instant AOL™ on the Gateway Connected Touch Pad
AOL 6.0 Gateway Connected Touch Pad
AOLTV™ AOL on PDAs
AOL Mobile Communicator AOLbyPhone™
AOL Mobile AIM Mobile

AOL TV
AOL by Phone
Instant AOL
AOL Mobile
AOL Anywhere
AOL+
America Online

AOL Interactive Properties are a unique combination of market-leading businesses in the rapidly growing segments of local, messaging/communications, and Internet music.

AOL Local

Digital City is the No. 1 local guide for America Online members and other Internet consumers. Digital City products serve more than 200 markets—Digital City New York to Digital City San Jose—creating the first "local everywhere" coast-to-coast network. With its Entertainment Guide, Visitor's Guide, Local Shopping & Services Directory, "Local Experts" and "Best of the City," Digital City offers the leading portfolio of products to local consumers and local advertisers.

MapQuest is the No. 1 service in mapping and navigation, and is one of the best-known and most trusted brands on the Internet. MapQuest provides unsurpassed online, voice and wireless mapping, directions, real-time traffic, and destination information to consumers any time, anywhere. MapQuest is one of the most popular mobile applications for consumers. Its business unit licenses its branded solutions to more than 1,750 business partners.

AOL Moviefone is the No. 1 service connecting moviegoers with movie listings, show times, trailers, information and ticketing. Through Moviefone.com, its popular 777-FILM telephone service, and its wireless and Palm partnerships, Moviefone served more than 150 million moviegoers and sold more than five million tickets in 2000. Through its partnerships with film studios and movie exhibitors, Moviefone makes the moviegoing experience more convenient and helps its partners promote movies and sell tickets. One in every five moviegoers uses Moviefone and Moviefone.com each week.

The AOL local businesses—Digital City, MapQuest and Moviefone—are all the No. 1 leaders in their market segments.

AOL's popular interactive messaging services—AIM and ICQ—together have more than 165 million registered users.

Winamp and Spinner are the most popular products that enable a new generation of consumers to enjoy both streamed and downloaded music via the Internet.
AOL Messaging

ICQ, with more than 85 million registered users worldwide, is the most comprehensive instant messaging product. Its audience is global (two-thirds outside the U.S.), Web-savvy and young (two-thirds between the ages of 18 and 35). On average, ICQ members have the service open on their desktops for three hours daily and in active use for 75 minutes each day. ICQ offers such free and compelling services as Instant Messenger, ICQ Web Mail, chat, ICQ Groups, IP telephony, SMS mobile messaging, Find a Friend Directory and ICQ Personal Assistant Tools. Every second of every day, someone around the world registers for ICQ. The software is free and available at ICQ.com.

AOL Instant Messenger™ (AIM)

AIM users are able to talk with AOL members, as well as with the users of AIM partners including Apple, EarthLink, Juno, Novell and Lotus instant messaging services. The software is free and available at AOL.com.

AOL Internet Music

AOL's Spinner, Winamp and SHOUTcast are leaders of the Internet music phenomenon, with the most listeners and the widest range of products that allow a new generation of consumers to enjoy music via the Internet. Spinner is the first and leading Internet streaming service, offering listeners convenient, on-demand access to more than 150 channels of streaming music and other audio content. Winamp is the most popular high-fidelity music player, with more than 55 million registered users, and is adding an average of 100,000 new downloads a day. And SHOUTcast enables consumers to broadcast their own radio channels over the Internet. The software is free and available at Spinner.com and Winamp.com.
America Online

Since its launch in 1994, AOL International has been a leader of the Internet's tremendous worldwide growth with AOL and CompuServe services across 16 countries in eight languages.

With its joint venture partners, AOL International combines the hallmark features and services of AOL and CompuServe with top-flight local content and national management teams to serve the interests and needs of consumers in many different countries.

AOL Europe

With record growth in the UK, Germany and France, AOL and CompuServe membership in Europe has risen to nearly 4.6 million. AOL not only ranks No. 1 in at-home usage (Media Metrix), but its members also spend far more time on the service than users of the competing services—a critical indicator of customer loyalty and advertising/commerce potential. AOL Europe is experiencing tremendous momentum across its services:

- As it made its U.S.-style AOL flat rate access available to all UK consumers, AOL UK last year topped the one-million-member milestone. With unmetered wholesale access, AOL UK anticipated increased membership and usage, and an upswing in online shopping. A Digital Marketing Services survey of AOL UK subscribers last fall showed that 92% of members research their holiday shopping online, and more than half planned to do holiday shopping online. A separate AOL women's survey found that two-thirds of female AOL UK members already shop online.

- Since launching flat-rate plans of its own, AOL France—a joint venture that includes America Online, Canal Plus and Cegetel—has also enjoyed accelerated growth, and has helped expand the Internet into the French mass market. More than 50% of the members joining the service under the new flat-rate plans are new Internet users.

- Through a joint venture with Banco Santander Central Hispano, S.A., AOL Europe has launched the AOL-Avant branded interactive service in Spain.

The year 2000 was AOL International's most successful year ever, setting a subscriber growth record, with approximately 2 million new members for a total of nearly 6 million.

Local strategic partners central to AOL's international growth and success include: Cisneros Group of Companies, Banco Itaú, Banco Santander Central Hispano, S.A., Cegetel, Canal Plus, Royal Bank of Canada, NTT DoCoMo, AAPT Limited and China Internet Corporation Ltd.

In the first five years of operation, AOL International's subscriber total grew faster than AOL in the U.S.

This page: AOL UK Welcome Screen. Opposite page: AOL Hong Kong service; America Online Argentina Welcome Screen.
As the exclusive provider of AOL-branded services in Latin America, America Online Latin America is one of the leading Internet and interactive service providers in the region. Founded with the Cisneros Group of Companies, America Online Latin America launched its successful IPO in August 2000. Since introducing its first service in Brazil in 1999, the company has added its first two Spanish-language services in Mexico and Argentina, with plans to launch additional Latin American services in the future.

America Online Latin America combines AOL's leading-edge technology infrastructure, interactive services and world-class brand with the regional experience and media assets of the Cisneros Group of Companies, one of the region's foremost media groups. In addition, Banco Itaú, a leading Brazilian bank, is also a minority shareholder of America Online Latin America, and together the two companies are poised to bring a new level of convenience and ease of use to both interactive and online banking services in Brazil.

NTT DoCoMo, Japan's largest mobile communications company and the world leader in mobile Internet services with more than 15 million subscribers of its i-mode Internet service, has joined the AOL Japan joint venture. As part of this new alliance, NTT DoCoMo is marketing AOL Japan as its preferred ISP in its popular DoCoMo shops nationwide, and cross-promoting AOL Japan to DoCoMo's wireless voice and data subscribers through a full range of innovative initiatives. The two companies have also agreed to a global alliance to bring DoCoMo's services to new markets.

The AOL Hong Kong service was launched in September 1999, as a distribution agreement between America Online, Inc., and the China Internet Corporation Ltd. As AOL's first Chinese-language service, AOL Hong Kong offers both Chinese- and English-language content for Hong Kong's diverse community.

A strategic alliance with the Royal Bank of Canada has helped AOL Canada accelerate its growth strategy and pursue its rollout of broadband services.

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**AOL International Services**

- Argentina
- Australia
- Brazil
- Canada
- Austria
- France
- Belgium
- Germany
- Hong Kong
- JAPAN
- Luxembourg
- Mexico
- Netherlands
- Sweden
- Switzerland
- United Kingdom
The Networks group is home to many of the most valuable franchises in television news and entertainment, including CNN, the world’s foremost news brand; HBO and Cinemax, the nation’s two leading premium pay services; such leading brands in television entertainment as TBS Superstation, TNT, Cartoon Network and Turner Classic Movies; and The WB, the hottest television network with teens and young adults.

Turner Broadcasting System, Inc.
Terence F. McGuirk
Chairman & CEO, TBS, Inc.

Steven J. Heyer
President & COO, TBS, Inc.

Wayne H. Pace
Executive Vice President, CFO & Chief Administrative Officer, TBS, Inc.

W. Thomas Johnson
Chairman & CEO, CNN News Group

Julia Sprunt
Corporate Vice President, PR, HR & Corporate Resources, TBS, Inc.

Stan Kasten
Corporate Vice President, Sports Teams, TBS, Inc.

Betty Cohen
President, Cartoon Network Worldwide

Larry Goodman
President, CNN Sales & Marketing

Andrew T. Heller
President, Domestic Distribution, TBS, Inc.

Philip I. Kent
President & COO, CNN News Group

Mark Lazarus
President, Turner Sports

David Levy
CFO, President, TBS International

Andrew Bird
CFO, President, TBS International

Bradley J. Siegel
President of General Entertainment Networks, TBS, Inc.

Joe Uva
President, Turner Entertainment Group Sales & Marketing

Turner Entertainment Networks
With superior original and special-event programming, sports and the broadcast premieres of hit contemporary feature films, Turner’s basic cable entertainment networks are ratings leaders in virtually all key demographic categories and have continued to generate strong growth in subscription and advertising revenues. Their quality programming continues to attract an increasing share of television viewers to cable, and to drive greater distribution of the networks.

For the 24th consecutive year, TBS Superstation is basic cable’s most-watched network. Last fall, TBS Superstation became the first cable network to reach more than 80 million households.

Turner’s strategy of acquiring broadcast network premiere rights to contemporary motion pictures for debut on TBS Superstation and TNT continues to prove successful, with the films shown on these networks consistently ranking among the highest-rated on basic cable. In 2000, TBS Superstation delivered seven of basic cable’s 10 highest-rated theatrical films, while TNT aired three of the top five original movies on basic cable.

TNT, which reaches 75% of U.S. television homes, has extended its programming to include original series. Bull, a Wall Street drama (produced in conjunction with Warner Bros. Television) and the first of 10 new original series in development, premiered to critical acclaim last summer on TNT.

Led by its highly ranked lineup of original animated series, Cartoon Network is available in more than 68 million U.S. homes and 145 other countries. Since its launch in 1992, Cartoon Network has remained one of the highest-rated ad-supported cable networks. In the third quarter of 2000, Cartoon Network ranked No. 1 for the first time in quarterly primetime household ratings among ad-supported cable networks.

With more than 40 million U.S. subscribers, Turner Classic Movies has emerged as a global brand with the launch of language feeds in Poland, Spain, France and the UK and regional feeds in Scandinavia, the Netherlands, Eastern Europe, Africa and the Middle East.

Turner South, Turner’s first regional entertainment network, launched in October 1999, offers a mix of movies, sitcoms, original programming, sports and regional news to cable and satellite affiliates in six southern states—reaching more than 3.6 million homes.

Last spring, Turner launched Boomerang, a 24-hour animation network targeting adults over 30 and young children. The new channel complements Cartoon Network with classic Hanna-Barbera cartoons from Time Warner’s library.

In June 2000, Time Warner entered into a strategic alliance with China Entertainment Television (CETV). Turner Broadcasting System Asia Pacific, with Warner Bros.

International Television, will provide global sales and marketing support, as well as specially selected Turner and Warner Bros.
AOL Time Warner has developed exciting new programming, expanded its network of affiliates and independent television stations to more than 850 worldwide, including more than 650 in the U.S. and Canada.

Last summer, CNN launched a new channel for South Asia. The CNN South Asia channel features CNN’s globally popular programs as well as region-specific programming for India, Pakistan, Bangladesh and other South Asian countries.

CNN NewsSource, the world’s most widely syndicated television newsfeed service, has expanded its network of affiliates and independent television stations to more than 850 worldwide, including more than 650 in the U.S. and Canada.

With its Election 2000 team of more than 45 anchors, correspondents, online journalists, analysts and talk-show hosts, CNN outperformed all 24-hour cable news competition combined in ratings, delivery and total primetime viewers during the Democratic and GOP conventions, election week and the Florida recount.

CNN’s interactive services, which include CNN.com, CNNfn.com, CNNSportsIllustrated.com and allpolitics.com, are among the most-visited news and information sites on the Web, serving nearly 730 million page views monthly in 2000. In February 2000, CNN.com’s exclusive online news interview with President Clinton drew a record number of participants to CNN.com’s chat studio.

In 2000, CNN Interactive launched cnn.co.jp, CNN’s first Asian-language news Web site. The site combines CNN’s global resources with content from Asahi.com to provide Japanese Internet users with regionalized and global news as well as feature content and resources.

Opposite page: Atlanta Braves pitcher Tom Glavine, photo by Kyle Christy. This page, from left: The Wizard of Oz, as seen on Turner Classic Movies; Cartoon Network’s original animated series The Powerpuff Girls.

Turner Broadcasting System, Inc.

<table>
<thead>
<tr>
<th>Turner Entertainment Networks and Businesses</th>
<th>CNN News Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBS Superstation</td>
<td>CNN/U.S.</td>
</tr>
<tr>
<td>Turner Network Television</td>
<td>CNN Headline News</td>
</tr>
<tr>
<td>Cartoon Network</td>
<td>CNN International</td>
</tr>
<tr>
<td>Turner Classic Movies</td>
<td>CNNfn</td>
</tr>
<tr>
<td>Turner South</td>
<td>CNN/Sports Illustrated</td>
</tr>
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content, to CETV. The companies also will develop original Chinese coproductions that will air on CETV and be distributed globally.

CNN News Group

The CNN News Group has continued to extend its global news leadership, with more than one billion people worldwide able to access its services. Celebrating its 20th year in 2000, CNN has not only built on its reputation for hard news coverage, but also has developed exciting new programming, expanded into new regions internationally and grown its digital and interactive news platforms. As the No. 1 distributed news network in the U.S., CNN has more than 78 million subscribers. CNN International, the world’s only global, 24-hour news network, is seen in more than 151 million television households in 212 countries and territories worldwide.

Opposite page: Atlanta Braves pitcher Tom Glavine, photo by Kyle Christy. This page, from left: The Wizard of Oz, as seen on Turner Classic Movies; Cartoon Network’s original animated series The Powerpuff Girls.

Turner Broadcasting System, Inc.

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<tr>
<th>Turner Entertainment Networks and Businesses</th>
<th>CNN News Group</th>
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<tbody>
<tr>
<td>TBS Superstation</td>
<td>CNN/U.S.</td>
</tr>
<tr>
<td>Turner Network Television</td>
<td>CNN Headline News</td>
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<td>Cartoon Network</td>
<td>CNN International</td>
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Other CNN interactive Web sites launched in 2000 include CNN.de, Germany’s first 24-hour news and information Web site; CNN.com Europe, an English-language site reporting European and world news; and CNNFYI.com, a news and educational site for students and teachers.

In June 2000, CNNfn, the business news network of the CNN News Group, expanded its operation to 24 hours of business programming each weekday.

CNN/Sports Illustrated, the 24-hour sports news network, last year broadcast (jointly with TNT) its first live event—tennis at Wimbledon.

Home Box Office

Home Box Office is America’s most successful premium television network, whether measured by operating performance, subscribers, awards, ratings or critical acclaim. Its two 24-hour services—HBO and Cinemax—have grown to more than 36.5 million subscribers. HBO’s international joint ventures reach 12 million subscribers in more than 50 countries in Latin America, Asia and Central Europe.

Known for offering blockbuster movies, innovative original programming, provocative documentaries, concert events and championship boxing, as well as having a reputation as sports television’s best storyteller, HBO is the highest-rated pay service during the day and in prime time. The all-movie service Cinemax, the second-highest-rated pay service after HBO, features more than 1,600 movie titles a year—more than any other premium service.

Under the banner HBO Films, the network is producing a broad slate of original movies for 2001, from smaller-budget independents to major motion pictures. HBO’s original movie highlights include: Wit, starring Emma Thompson and directed by Mike Nichols; 61*, directed and executive-produced by Billy Crystal; Boycott, starring Jeffrey Wright and Terrence Howard; and Dinner with Friends, starring Dennis Quaid, Greg Kinnear, Andie MacDowell and Toni Collette, and directed by Norman Jewison.

HBO also presents in 2001 the highly anticipated 10-part mini-series Band of Brothers. Based on Stephen Ambrose’s nonfiction best seller, the miniseries is executive-produced by Tom Hanks—who also directs one of the 10 parts—and Steven Spielberg.

HBO’s original series The Sopranos, Sex and the City, Oz, Arliss and Dennis Miller Live return this year along with Six Feet Under, a new drama from Alan Ball, the Academy Award-winning screenwriter of American Beauty. HBO Sports will introduce a new sports talk/magazine show, On the Record with Bob Costas, hosted by one of television’s most accomplished...
broadcasters. In addition, for the first time, HBO’s acclaimed America Undercover documentaries will be presented as a weekly 11-part series.

In 2000, HBO won 20 Primetime Emmys, including lead actor in a drama series (James Gandolfini in The Sopranos), supporting actress in a miniseries or movie (Vanessa Redgrave in If These Walls Could Talk 2); five awards for introducing Dorothy Dandridge; and three awards for The Corner, including best miniseries. HBO also received six George Foster Peabody Awards, four Screen Actors Guild Awards and eight Golden Globe Awards in 2000. HBO won an Academy Award in 2000 for the short-subject documentary King Gimp, the ninth Academy Award the network has received.

Last year, HBO added a seventh channel to its multiplex package, HBO The Works, with the launch of HBO Latino, a new Spanish-language channel. Designed to reflect the diversity of Latino culture in the U.S., HBO Latino offers U.S. premieres of Spanish-language films and documentaries from North America, Latin America and Spain, as well as original short-form programming and music videos featuring today’s biggest Latino artists.

The WB Television Network
Dedicated to presenting programming that appeals to the entire family, The WB Television Network airs a diverse slate of critically acclaimed programming and has helped establish a new generation of young stars in Hollywood.

For the November 2000 sweeps ratings period, The WB scored the highest year-to-year increases of any network in almost every key demographic category. It also recorded its highest adult men and women 18–34 ratings ever for any sweeps period and the highest 18–49 ratings in its November sweeps history.

This season, the network launched six primetime series: Gilmore Girls, Nikki, Hype, The PJs, Grosse Pointe and Sabrina, The Teenage Witch. The WB’s fall season also featured its outstanding array of quality dramas, including 7th Heaven, Dawson’s Creek, Felicity, Roswell, Buffy the Vampire Slayer, Angel, Charmed and Popular.

Kids’ WB! continues to be the No.1 broadcast network in children’s programming for the second consecutive season.
Cable Systems

Time Warner Cable owns and manages the most advanced, best-clustered cable television operations in the country, with more than 90% of its more than 12.7 million customers in systems serving 100,000 subscribers or more.

Time Warner Cable

Time Warner Cable is a pioneer in the rapidly changing cable industry, bringing the digital age into America's living rooms and transforming the way Americans receive information and entertainment. Time Warner Cable is solidifying its technological leadership through the digital upgrade of its systems and the introduction of such innovations as high-speed Internet service and video on demand.

In February 2000, Time Warner and AOL signed a Memorandum of Understanding ("MOU"), setting out the framework for Time Warner Cable to offer consumers a choice of multiple Internet Service Providers (ISPs), including AOL, on its broadband cable systems. Consistent with the MOU, Time Warner entered into an agreement with EarthLink, the nation's second-largest ISP, to enable EarthLink to offer high-speed Internet access, content, applications and functionality—including video streaming—over Time Warner Cable's broadband cable systems. The agreement with EarthLink represents the cable industry's most far-reaching partnership with an unaffiliated ISP and is expected to become a model for future agreements.

The rollout of Road Runner, Time Warner Cable's jointly owned high-speed online service, continued at a rapid pace in 2000. Time Warner Cable had approximately 946,000 high-speed Internet customers at the end of 2000, up 187% compared to 1999.

By the end of last year, Time Warner Cable had upgraded approximately 92% of its cable plant. Continuing its aggressive national rollout of its digital cable service, Time Warner Cable had more than 1.7 million digital video subscribers at the end of 2000, representing 305% growth over a year earlier. The digital cable option provides customers with more than 150 crystal-clear channels of analog and digital television and 40 channels of digital music with CD-quality sound. The package includes a digital cable box with an on-screen programming guide that makes it simple to navigate through these expanded choices.
Video-on-demand service, which allows customers to order and view a movie instantaneously, is being offered in Austin, Texas; Tampa, Florida; and Hawaii.

Demonstrating its commitment to the communities it serves, Time Warner Cable operates five 24-hour local cable news channels, in New York City (NY1 News); Tampa Bay, Florida (Bay News 9); Orlando, Florida (Central Florida News 13); Rochester, New York (R/News); and Austin, Texas (News 8 Austin). The company also has announced plans to launch over the next two years additional 24-hour local news channels in Houston and San Antonio, Texas; Raleigh and Charlotte, North Carolina; and Albany and Syracuse, New York.

Local News Channels
Bay News 9, Tampa, FL
NY1 News, New York, NY
R/News, Rochester, NY
News 8 Austin, Austin, TX
Central Florida News 13, Orlando, FL (Joint Venture)

Joint Ventures
Road Runner
Time Warner Telecom, Inc.
Publishing

Time Inc. is the foremost creator of publishing and information brands, including many of America's most successful magazines. It is also a leading direct marketer of books, music and video. Time Warner Trade Publishing's imprints, Warner Books and Little, Brown and Company, balance entertainment, quality literature and informative nonfiction.

Time Inc.

Driven by the success of its flagship brands and new magazine launches, Time Inc. has continued to outperform the publishing industry. The company generates consistent growth through its strategy of investing in core product lines, developing brand extensions and new products, and seeking opportunities to build its brands in an online environment.

Time Inc. has launched nine major magazines in the past decade, including four in 2000: Real Simple, a monthly lifestyle title; eCompany Now, a business magazine and companion Web site reporting on the Internet economy; Sports Illustrated For Women, a bimonthly aimed at young sports enthusiasts; and In Style Australia, an Australian version of the popular fashion, beauty and celebrity lifestyle magazine.

Time Life Inc. is one of the nation's largest direct marketers of entertainment products. Time Life Music has sold over one million 8-CD sets of its "Classic Country" collection. Oxmoor House, Inc., Leisure Arts, Inc. and Sunset Books publish and distribute a variety of how-to books for the cooking, home repair, gardening, craft, needlework, decorating and travel markets.
Time Inc. has launched several joint marketing initiatives with America Online. Promotions of Time Inc. magazines on the AOL service last year generated more than 100,000 gross magazine subscriptions per month, while Time Inc. promoted the launch of AOL 6.0 with CD inserts in its magazines as well as retail distribution of CDs.

Time Inc. and Essence Communications, Inc., publisher and parent company of Essence magazine, formed a joint venture that lays the foundation for a number of new initiatives that will take advantage of the core strengths of each partner—publishing, new media and marketing to African-American women and the African-American community at large.

Last year, Book-of-the-Month Club formed a joint venture with Bertelsmann AG’s Doubleday Direct. The new company—BOOKSPAN—operates 50 general consumer, special-interest and professional book clubs.

**Time Warner Trade Publishing**


Warner Books and Little, Brown publish newsmakers (such as Jack Welch and Andy Grove in 2001), leading theorists (such as Malcolm Gladwell’s The Tipping Point in 2000), literary success stories (such as Anita Shreve and Billie Letts) and popular commercial writers (including Nicholas Sparks, James Patterson, David Baldacci, Nelson DeMille, Sandra Brown and Michael Connelly).

Time Warner Trade Publishing has announced it will launch iPublish.com this year, an unprecedented online publishing venture. An online community that will unite readers, authors and editors, it will also explore new avenues for the production, distribution and sales of new forms of content created specifically for the Internet.

Opposite page, from left: Time; Fortune; Southern Living. This page: Warner Books’ Angel on My Shoulder by Natalie Cole; In Style.
Filmed Entertainment

Warner Bros. is a global leader in the creation, distribution, licensing and marketing of theatrical motion pictures, television programming, video/DVD and related products. New Line Cinema is a leading independent producer and distributor of feature films.
7,000 feature films
32,000 Warner Bros. television titles
13,500 Warner Bros. animated titles

Peabody Award and won nine Primetime Emmys, breaking two records (most Emmys ever in a debut season and most Emmys ever by a series in a single season).

With its partner, Toshiba, Warner Home Video has spearheaded the development of the DVD, now considered the fastest-growing new packaged-media format launch ever. Since their launch in 1997, DVD players have significantly outsold the VCR and the CD player at comparable stages in their introduction.

**New Line Cinema**
Formed in 1967, New Line Cinema has created such popular franchises as Austin Powers, Rush Hour and Blade.

In December 2000, New Line Cinema completed 15 months of production on the epic adventure trilogy The Lord of the Rings, the most ambitious project in the company’s history. Last April, New Line launched the most highly trafficked Internet event in the history of film marketing when it unveiled five minutes of behind-the-scenes footage from the production. Approximately 1.7 million users downloaded the footage in the first 24 hours.

New Line’s slate of 2000 releases included Next Friday, Final Destination, The Cell, Frequency, Thirteen Days and State and Main (Fine Line). Its 2001 releases include Simone, starring Al Pacino; 15 Minutes, starring Robert De Niro and Edward Burns; and the first installment of the highly anticipated The Lord of the Rings trilogy.

New Line Television and Warner Bros. Television signed a first-look deal under which the two companies will jointly develop, produce and distribute prime-time network programming. The two-year coproduction pact will focus on creating half-hour comedy series, hour dramas and specials specifically for network television.

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**Filmed Entertainment**

**Warner Bros.**
- Warner Bros. Pictures
- Warner Bros. Television
- Warner Bros. Animation
- Looney Tunes
- Hanna-Barbera

**Castle Rock Entertainment**
- Telepictures Productions
- Warner Home Video
- Warner Bros. Consumer Products
- Warner Bros. Studio Stores
- Warner Bros. International Theatres

**Warner Bros. New Media**
- Warner Bros. Online
- DC Comics
- MAD Magazine

**New Line Cinema**
- New Line Cinema
- Fine Line Features
- New Line Home Video
- New Line International
- New Line Television
- New Line New Media

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AOL Time Warner 23
Music

Home to an international roster of established stars and new artists, Warner Music Group is one of the world’s leading music entertainment companies.

Warner Music Group

Roger Ames
Chairman & CEO, Warner Music Group

Jerome N. Gold
Executive Vice President, CFO, Warner Music Group

David H. Johnson
Executive Vice President, General Counsel, Warner Music Group

Paul J. Vidich
Executive Vice President, Strategic Planning & Business Development, Warner Music Group

Ahmet M. Ertegun
Co-Chairman & Co-CEO, The Atlantic Group

Val Azzoli
Co-Chairman & Co-CEO, The Atlantic Group

Sylvia Rhone
Chairman & CEO, Elektra Entertainment Group

Seymour Stein
Chairman, London-Sire Records, Inc.

Peter Koepke
President & CEO, London-Sire Records, Inc.

Russ Thyret
Chairman & CEO, Warner Bros. Records, Inc.

Phil Quartararo
President, Warner Bros. Records, Inc.

Stephen Shrimpton
Chairman & CEO, Warner Music International

Leslie E. Bider
Chairman & CEO, Warner/Chappell Music, Inc.

David Mount
Chairman & CEO, WEA Inc.

Warner Music Group


As the demand for local repertoire increases, WMG is expanding its signing of local artists. In addition, it is devoting greater resources to marketing U.S. artists overseas and to creating greater global marketing opportunities for artists with worldwide appeal. WMG operates in 68 countries through various subsidiaries, affiliates and nonaffiliated licensees.


In 2000, WMG significantly expanded its online presence. The company announced plans to offer one of the industry’s largest collections of music via digital distribution through leading online retailers. At launch, the downloads included current singles and exclusive Internet-only tracks from such artists as Barenaked Ladies, Björk, Natalie Cole, Collective Soul, Hootie & the Blowfish, k.d. lang, Paul Simon and Keith Sweat. Building on its pioneering digital-download promotional campaign in 1999, WMG entered into a number of Internet licensing, cross-promotional, marketing and e-commerce agreements in 2000 with leading Internet companies.

WMG began working with AOL last year on several groundbreaking initiatives. Warner Bros. Records and AOL’s music service Spinner launched Madonna’s latest CD, Music, with a world-premiere global listening party in September, followed by Madonna’s first-ever live AOL chat, with 120,000-plus fans. The album debuted the following week at No. 1 on the Billboard

Artists from Warner Music Group labels—this page, from left: Madonna (Warner Bros. Records); Yolanda Adams (Elektra). Opposite page, from left: Alejandro Sanz (WMI); matchbox twenty (Atlantic).
best-selling album chart. Atlantic Records and AOL had similar success with an innovative campaign to launch Matchbox Twenty’s multiplatinum Mad Season album.

Last fall, WMG became the first of the major music companies to offer albums in the DVD-Audio format. DVD-Audio is the most significant industry format launch since the introduction of the CD nearly 20 years ago.

WEA Inc., WMG’s manufacturing and distribution operation, is comprised of three companies: WEA Corp., a leading U.S. distribution company; WEA Manufacturing, one of the world’s largest CD manufacturers as well as the No. 1 DVD manufacturer; and Ivy Hill, an award-winning design and packaging firm.

WMG’s publishing division, Warner/Chappell Music, Inc., is one of the world’s leading music publishers, controlling more than one million copyrights worldwide.

**Warner Music Group**

The Atlantic Group
Elektra Entertainment Group
London-Sire Records Inc.
Rhino Entertainment
Warner Bros. Records
Warner Music International

Warner/Chappell Music, Inc.
Warner Bros. Publications
WEA Inc.
Ivy Hill Corp.
WEA Corp.
WEA Manufacturing

Alternative Distribution Alliance
Warner Special Products
Giant Merchandising

**Joint Ventures**

143 Records
Columbia House
Giant (Revolution) Records
Maverick
Music Choice
Qwest Records
RuffNation Records
Strictly Rhythm Records
Sub Pop Records
Tommy Boy Records

AOL Time Warner 25
The AOL Time Warner Foundation

Using the power of media, communications and information technology to serve the public interest and strengthen society.

The AOL Time Warner Foundation believes that media, communications and information technology have an unlimited potential to empower communities and improve people’s lives—and it is committed to engaging the full range of AOL Time Warner’s unique capacities to help unleash that potential.

The Foundation focuses its efforts on building innovative and sustainable programs in four priority areas—Equipping Kids for a Better Future, Extending Internet Benefits to All, Engaging Communities in the Arts, and Empowering Citizens and Civic Participation.

Equipping Kids for a Better Future

Whether you call it the Information Age or the Internet Century, a new world is emerging—a world in which our children need to learn new skills to succeed... and people of all ages must have a chance to go on learning for a lifetime. There is an extraordinary opportunity for the Internet and information technology to improve our educational systems at every level.

Extending Internet Benefits to All

The Internet can be a powerful democratizing force, offering greater economic, political and social participation to communities that have traditionally been underserved—and helping developing nations meet pressing needs. But unless we take concrete action to ensure that everyone has a chance to share in the benefits of the Digital Age, information technology could just as easily become another resource that is denied to the people who need it the most.

The AOL Time Warner Foundation puts special emphasis on extending digital opportunity around the world, by supporting innovative programs to ensure that underserved communities have the infrastructure, tools and skills to take full advantage of the online medium. For the Foundation, bridging the Digital Divide is a strategic imperative—because the more people come online, the more valuable the global network becomes to everyone. To realize the full economic and social potential of this technology, we must ensure digital opportunity for all.

Engaging Communities in the Arts

From the first cave paintings to contemporary urban street performance, the arts reflect the way we see ourselves and the world.
Empowering Citizens and Civic Participation

Robust public debate, open communication between citizens and their representatives, community participation and philanthropy—these are the pillars of democracy. The AOL Time Warner Foundation believes that the convergence of media, communications and interactive technology can greatly strengthen these pillars—and build on them in innovative new ways.

The Foundation supports initiatives that use media, communications and information technology to make communication between and among citizens and their representatives more immediate, relevant and interactive. It promotes programs that spark new forms of local decision-making and problem solving. It supports new ideas for building an open media environment to invigorate our civic discourse. And the Foundation is dedicated both to expanding people’s opportunities to participate in social causes and give back—and to helping nonprofit organizations expand their communities and fulfill their missions more effectively.

PowerUP [www.powerup.org] is a national campaign to provide kids with high-tech skills, career and other guidance, and a chance to serve in their communities. With more than 250 centers in 43 states, PowerUP is helping young people around the country to make the most of their potential in the Information Age.

Priorities

Equipping Kids for a Better Future  Extending Internet Benefits to All  Engaging Communities in the Arts  Empowering Citizens and Civic Participation
Who’s Who

Senior Corporate Executives

Stephen M. Case
Chairman of the Board

Gerald M. Levin
Chief Executive Officer

Richard D. Parsons
Co-Chief Operating Officer

Robert W. Pittman
Co-Chief Operating Officer

R. E. “Ted” Turner
Vice Chairman and
Senior Advisor

Kenneth J. Novack
Vice Chairman

Richard J. Bressler
Executive Vice President and
Chief Executive Officer,
AOL Time Warner Investments

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

David M. Colburn
Executive Vice President and
President of Business
Development

J. Michael Kelly
Executive Vice President and
Chief Financial Officer

Lennert J. Leader
President, Venture Group of
AOL Time Warner Investments

Kenneth B. Lerner
Executive Vice President

William J. Raduchel
Executive Vice President and
Chief Technology Officer

Mayo Stuntz, Jr.
Executive Vice President

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

Edward I. Adler
Senior Vice President,
Corporate Communications

Kathy Bushkin
Senior Vice President and
President, AOL Time Warner
Foundation

Marshall Cohen
Senior Vice President

Richard E. Hanlon
Senior Vice President,
Investor Relations

Spencer B. Hays
Senior Vice President and
Deputy General Counsel

Andrew J. Kaslow
Senior Vice President,
People Development

John A. LaBarca
Senior Vice President,
Financial Operations

Robert D. Marcus
Senior Vice President

Frederick C. Yeager
Senior Vice President, Finance
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Chairman of the Board,  
AOL Time Warner Inc.

Daniel F. Akerson  
Chairman and  
Chief Executive Officer,  
XO Communications Inc.

Miles R. Gilburne  
Partner, CGLS Fund

Michael A. Miles  
Former Chairman and  
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Philip Morris Companies Inc.

Gerald M. Levin  
Chief Executive Officer,  
AOL Time Warner Inc.

James L. Barksdale  
Partner,  
The Barksdale Group

Ambassador Carla A. Hills  
Chairman and  
Chief Executive Officer,  
Hills & Company,  
and former United States  
Trade Representative

Franklin D. Raines  
Chairman and  
Chief Executive Officer,  
Fannie Mae

Richard D. Parsons  
Co-Chief Operating Officer,  
AOL Time Warner Inc.

Stephen F. Bollenbach  
President and  
Chief Executive Officer,  
Hilton Hotels Corporation

Reuben Mark  
Chairman and  
Chief Executive Officer,  
Colgate-Palmolive Company

Robert W. Pittman  
Co-Chief Operating Officer,  
AOL Time Warner Inc.

Frank J. Caufield  
Partner,  
Kleiner Perkins Caufield & Byers

Francis T. Vincent, Jr.  
Chairman, Vincent Enterprises

R.E. “Ted” Turner  
Vice Chairman and Senior  
Advisor, AOL Time Warner Inc.

Kenneth J. Novack  
Vice Chairman,  
AOL Time Warner Inc.
Glossary

Access Number—The number a modern call to connect to an Internet Service Provider (ISP).

Ad Button or Banner—A graphic image placed on a Web page that links to an advertiser’s Web site or area.

Ad Server—AOL’s system for managing advertising on its brands. This system provides advertisers with advertisement deployment, rotation and click-through tracking functionality.

Audit Bureau of Circulation—Industry watchdog that tracks and audits the number of copies sold at retail outlets and newsstands.

Bandwidth—A measure of the information-carrying capacity of a communication channel. The bandwidth corresponds to the range between the lowest and highest frequency signal that can be carried by the channel. The more complex the data sent, the more bandwidth required.

Beta—A prerelease version of software, distributed to a select group of users to test before general release.

Box Office—Total value of tickets sold for an event such as a movie, concert or sports event.

Broadband—A transmission network with a bandwidth exceeding that of the basic telephone network. This includes line systems with a transmission rate of at least 1 MHz, whereby the transmission may also occur via satellite, coaxial cable or fiber-optic cable.

Browser—A software application used to navigate and view information from the Internet.

Buddy Lists—A feature developed by AOL that helps users keep track of and communicate with other people online.

Cable TV Penetration—The ratio of the number of cable customers to the total number of households passed by the cable system.

Chat—An online feature that allows members to type messages to one another in real time in a common window.

Click-through Rate—Number of times users respond to an online advertisement by clicking on an ad button or banner, divided by the total number of times the advertisement is presented.

Cookies—Small application programs that enable a Web site to collect information about each user, typically the user's preferences within a particular site, for later reference.

Cost Per Thousand (CPM)—The price advertisers pay for each 1,000 impressions they purchase.

Direct to Video—Films that are produced expressly to be released on home video, eliminating the in-theatres stage.

Digital Versatile Disk (DVD)—Looks like a CD-ROM but offers a considerably higher storage capacity because of a reduction in gauge and a more sensitive reader.

High Definition Television (HDTV)—A digital television technology that provides enhanced sound and picture quality by using a rectangular screen with either 720 or 1,080 lines.

Interactive Program Guide (IPG)—An application allowing viewers to select TV programs based on title, time slot or genre.

Interactive TV (ITV)—Services that allow consumers to customize and/or interact with their television viewing experience.

Moderem—An electronic device that lets computers communicate electronically, via telephone or cable television lines, or through wireless applications.

MP3—Acronym for MPEG Audio Layer 3, a revolutionary standard for audio compression on the Internet. This enables a compression of high quality audio recordings to an average of 1/10 of their original size.

Newsstand Circulation—The number of magazine copies sold at retail outlets and newsstands.

 Nielsen Ratings—A barometer of the public’s television viewing habits, estimating audience size and composition for TV programmers and advertisers. A rating is a percentage of the universe that is being measured, most commonly a percentage of all television households. A share is the percentage of households or persons using television at a specific time, and who are watching a particular program.

Page View—A method of counting how many pages on a Web site have been viewed by a user, as opposed to server hits, which count the number of graphics and text block on a single page.

Portal Site—A World Wide Web site that is a major entry point to the Internet for a significant number of users.

Rate Base—The number of copies through newstand circulation and subscription sales that a magazine publisher commits to deliver to its advertisers.

Remote Access—The ability to log on to a computer or a network from a remote distance.

Scalability—The ability of computer software or hardware to continue to accommodate growth while still continuing to function well.

Selective Binding—Binding different sections into one publication, e.g., to include specific regional information in a national publication.

Set-top Box—A hardware device used to receive and unscramble TV signals for display on the TV.

Streaming Media—Data streams that are not transmitted as a whole but as a continuous stream of data on the Internet, making the live transmission of radio stations or Web movies possible.

Trade Book—Any hardbound or paperback title produced for general retail and public library sales. Adult and juvenile trade books are generally in fiction and nonfiction categories.

Video on Demand—Video streaming downloaded on demand by the consumer, and streamed digitally via cable and satellite transmission.

Webcasting—Sending updated content (news, weather, etc.) to a user’s computer desktop interface on a regularly scheduled basis, instead of waiting for the user to request it.
The above logos represent a sampling of AOL Time Warner brands, and are service marks or trademarks of AOL Time Warner and/or its affiliated companies.