

[FORM OF AFFILIATE LETTER]

_____, 200-

[Holdco]
[Address]

Ladies and Gentlemen:

Pursuant to the terms of the Agreement and Plan of Merger, dated as of January 10, 2000 (the "Merger Agreement"), between America Online, Inc. ("America Online") and Time Warner Inc. ("Time Warner"), a subsidiary of a newly organized Delaware corporation ("Holdco") will merge with and into America Online with America Online surviving as a wholly owned subsidiary of Holdco, and another subsidiary of Holdco will merge with and into Time Warner with Time Warner surviving as a wholly owned subsidiary of Holdco (the "Mergers"). Capitalized terms used herein and not defined have the meanings assigned to them in the Merger Agreement.

The undersigned has been advised that as of the date the Mergers are submitted to stockholders of America Online or Time Warner, as applicable, for approval, the undersigned may be an "affiliate" of America Online or Time Warner, as applicable, as the term is defined for purposes of paragraphs (c) and (d) of Rule 145 of the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), although nothing contained herein shall be construed as an admission of such fact, or as a waiver of any rights that the undersigned may have to object to any claim that the undersigned is such an affiliate on or after the date of this letter.

As a result of the Mergers, the undersigned may receive Holdco Capital Stock or Time Warner Converted Options or America Online Converted Options (collectively, "Holdco Securities"). In respect of shares of Holdco Capital Stock, the undersigned would receive such shares in exchange for shares owned by the undersigned of Time Warner Capital Stock or America Online Common Stock, as applicable. In respect of the options, the undersigned would receive such options in exchange for options held by the undersigned under the Time Warner Stock Option Plans or the America Online Stock Option Plans.

The undersigned hereby represents, warrants and covenants with and to Holdco that in the event the undersigned receives any Holdco Capital Stock as a result of either Merger:

(A) The undersigned will not sell, transfer or otherwise dispose of such Holdco Capital Stock unless (i) such sale, transfer or other disposition has been registered under the Securities Act, (ii) such sale, transfer or other disposition is made in conformity with the provisions of Rule 145 under the Securities Act (as such rule may hereafter from time to time be amended), or (iii) in the opinion of counsel in form and substance reasonably satisfactory to Holdco, or under a "no-action" or interpretive letter obtained by the undersigned from the Commission specifically issued with respect to a transaction to be engaged in by the undersigned, such sale, transfer or other disposition will not violate or is otherwise exempt from registration under the Securities Act.

(B) The undersigned understands that Holdco is under no obligation to register the sale, transfer or other disposition of shares of Holdco Capital Stock by the undersigned or on the undersigned's behalf under the Securities Act or to take any other action necessary in order to make compliance with an exemption from such registration available solely as a result of the Mergers.

(C) The undersigned understands and agrees that this letter agreement shall apply to all shares of the capital stock of Time Warner and America Online that are deemed to be beneficially owned by the undersigned pursuant to applicable federal securities laws.

(D) The undersigned has carefully read this letter and discussed its requirements and other applicable limitations upon the undersigned's ability to sell, transfer or otherwise dispose of the capital stock of Holdco, to the extent the undersigned felt necessary, with the undersigned's counsel or counsel for Time Warner and America Online, as applicable.

This letter agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

This letter agreement shall terminate if and when the Merger Agreement is terminated according to its terms.

Very truly yours,

Name:

[add below the signatures of all registered owners of shares deemed beneficially owned by the affiliate]

Name:

Name:

Name:

[FORM OF REPRESENTATION LETTER]

[LETTERHEAD OF HOLDCO (AMERICA ONLINE MERGER)]

[Date]

Re: **The Merger of America Online Merger Sub
with and into America Online**

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019

Ladies and Gentlemen:

In connection with the opinions to be delivered pursuant to the Agreement and Plan of Merger (the "Merger Agreement") dated as of January 10, 2000, between America Online, Inc. ("America Online") and Time Warner Inc. ("Time Warner"), in which America Online Merger Sub ("Sub 1"), a subsidiary of a newly organized Delaware corporation ("Holdco"), shall be merged with and into America Online with America Online surviving as a wholly owned subsidiary of Holdco, and Time Warner Merger Sub ("Sub 2"), another subsidiary of Holdco, shall be merged with and into Time Warner with Time Warner surviving as a wholly owned subsidiary of Holdco, the undersigned certifies and represents on behalf of Holdco and Sub 1, after due inquiry and investigation, as follows (any capitalized term used but not defined herein shall have the meaning given to such term in the Merger Agreement):

1. The facts relating to the contemplated merger (the "Merger") of Sub 1 with and into America Online pursuant to the Merger Agreement, as described in the Merger Agreement, and the documents described in the Merger Agreement, are, insofar as such facts pertain to Holdco and Sub 1, true, correct and complete in all material respects. The Merger will be consummated in accordance with the Merger Agreement, and as described in the Proxy Statement and the Form S-4, and none of the material terms and conditions therein has been or will be waived or modified. The Merger is being effected for bona fide business reasons.

2. The fair market value of the Holdco Common Stock received by each holder of America Online Common Stock in the Merger will be approximately equal to the fair market value of the America Online Common Stock surrendered by such holders in the Merger.

3. Following the Merger, America Online will hold at least 90% of the fair market value of the net assets and at least 70% of the fair market value of the gross assets held by America Online and Sub 1, as the case may be, immediately prior to the Merger. For purposes of this representation, amounts paid by America Online or Sub 1 to dissenting stockholders of America Online, amounts used by America Online and Sub 1 to pay reorganization expenses incurred in connection with the Merger and all redemptions and distributions (except for regular, normal dividends) made by America Online will be considered assets held by America Online or Sub 1, as the case may be, immediately prior to the Merger.

4. Neither Holdco nor any corporation related to Holdco will, in connection with the Merger, (i) be under any obligation or will have entered into any agreement or understanding to redeem or repurchase any of the Holdco Capital Stock issued to stockholders of America Online in the Merger or to make any extraordinary distributions in respect of such Holdco Capital Stock or (ii) have any plan or intention to reacquire any of the Holdco Capital Stock issued in the Merger; provided, however, that Holdco may adopt an open market stock repurchase program that satisfies the requirements of Revenue Ruling 99-58. After the Merger, no dividends or distributions will be made to the former America Online stockholders by Holdco other than regular, normal dividends or distributions made to all holders of Holdco Capital Stock. For purposes of this representation letter, two corporations shall be treated as related to one another if immediately prior to or immediately after the Merger, (a) the corporations are members of the same affiliated group (within the meaning of section 1504 of the Internal Revenue Code of 1986, as amended (the "Code"), but determined without regard to the exclusions of section 1504(b) of the Code) or (b) one corporation owns 50% or more of the total combined voting power of all classes of stock of the other corporation that are entitled to vote or 50% or more of the total value of shares of all classes of stock of the other corporation (applying the attribution rules of section 318 of the Code as modified pursuant to section 304(c)(3)(B) of the Code). For purposes of this representation, a corporation that is a partner in a partnership will be treated as owning or acquiring any stock owned or acquired, as the case may be, by the partnership and as having furnished its share of any consideration furnished by the partnership to acquire the stock, in each case, in accordance with its interest in the partnership.

5. Holdco has no present plan or intention to (i) liquidate America Online, (ii) merge America Online with or into another corporation, (iii) sell or otherwise dispose of the stock of America Online, except for transfers (including successive transfers) of such stock to corporations controlled by the transferor or (iv) cause America Online to sell or otherwise dispose of any of its assets, or any assets that it acquired from Sub 1, except for dispositions in the ordinary course of its business or transfers (including successive transfers) of assets to one or more corporations controlled in each transfer by the transferor. Holdco has no plan or intention to (i) cause America Online to issue additional shares of stock following the Merger or (ii)

otherwise take any action that could result in Holdco losing control of America Online following the Merger. For purposes of this representation letter, control with respect to a corporation shall mean ownership of at least (i) 80% of the total combined voting power of all classes of stock entitled to vote and (ii) 80% of the total number of shares of each other class of stock of the corporation.

6. Following the Merger, America Online or another member of America Online's "qualified group" will continue America Online's historic business or use a significant portion of America Online's historic business assets in a business. For purposes of this representation, America Online's "qualified group" means, pursuant to Treasury Regulation section 1.368-1(d)(4)(ii), one or more chains of corporations connected through stock ownership with America Online, but only if America Online owns directly stock representing control in at least one other corporation, and stock representing control in each of the corporations (except America Online) is owned directly by one of the other corporations. In addition, America Online will be treated as owning its proportionate share of America Online's business assets used in a business of any partnership in which members of America Online's qualified group either own a significant interest or have active and substantial management functions as a partner with respect to that partnership business.

7. Prior to the Merger and through the Effective Time, Holdco will own all of the outstanding stock of Sub 1. Holdco has no plan or intention to cause Sub 1 to, and Sub 1 has no plan or intention to, issue additional shares of its stock that would result in Holdco owning less than all of the capital stock of Sub 1 in the Merger.

8. Sub 1 is being formed solely to effect the Merger and it will not conduct any business or other activities other than the issuance of its stock to Holdco prior to the Merger. Sub 1 will have no liabilities that will be assumed by America Online and it will not transfer any assets to America Online in the Merger that are subject to any liabilities.

9. Pursuant to the Merger, at least (i) 80% of the total combined voting power of all classes of America Online stock entitled to vote and (ii) 80% of the total number of shares of each other class of stock of America Online will be exchanged solely for the America Online Merger Consideration. For purposes of this representation, shares of America Online Common Stock exchanged for cash or other property originating with Holdco or Sub 1 will be treated as outstanding America Online Common Stock at the Effective Time.

10. Holdco, Sub 1, America Online and the stockholders of America Online will pay their respective expenses, if any, incurred in connection with or as part of the Merger, except that expenses incurred in connection with the filing, printing and mailing of the Joint Proxy Statement/Prospectus and Form S-4 will be shared equally by America Online and Time Warner. Neither Holdco nor Sub 1 has agreed to assume, nor will it directly or indirectly assume, any expense or other liability, whether fixed or contingent, of any holder of America Online Common Stock in connection with or as part of the Merger or any related transaction.

Notwithstanding the foregoing, all liability for transfer taxes incurred by a holder of America Online Common Stock will be paid by America Online or stockholders of America Online, and in no event by Holdco.

11. There is no intercorporate indebtedness existing between Holdco or its subsidiaries and America Online or its subsidiaries that was issued, acquired or will be settled at a discount.

12. Neither Holdco nor Sub 1 will (i) elect, or have in effect an election, to be treated as a "regulated investment company" or as a "real estate investment trust" or file any tax return consistent with such treatment or (ii) be a corporation 50% or more of the fair market value of whose total assets are stock or securities and 80% or more of the fair market value of whose total assets are assets held for investment. In making the determinations described in (ii) above, (x) the stock and securities of any subsidiary of Holdco or Sub 1 shall be disregarded and Holdco or Sub 1, as the case may be, shall be deemed to own its ratable share of such subsidiary's assets and (y) a corporation shall be considered to be a subsidiary of Holdco or Sub 1, as the case may be, if Holdco and/or Sub 1 owns 50% or more of the combined voting power of all classes of the stock of such subsidiary that are entitled to vote, or 50% or more of the total value of all of the outstanding stock of such subsidiary. In addition, in determining the fair market value of Holdco's and Sub 1's total assets for the purposes of making this representation, Holdco and Sub 1 shall exclude any cash and cash items (such as receivables), government securities and any assets acquired (through incurring indebtedness or otherwise) for the purposes of causing Holdco or Sub 1 to not be characterized as an entity described in (i) or (ii) of the first sentence of this paragraph or causing Holdco or Sub 1 to meet the requirements of section 368(a)(2)(F)(ii) of the Code.

13. As of the Effective Time, neither Holdco nor any corporation related to Holdco will own beneficially, or will have owned beneficially during the five years preceding the Effective Time, any shares of stock of America Online or other securities, options, warrants or instruments giving the holder thereof the right to acquire stock of America Online or other securities issued by America Online other than the stock option held by Holdco pursuant to the stock option agreement attached to the Merger Agreement as Exhibit A.

14. The Holdco Common Stock into which America Online Common Stock will be converted in the Merger is entitled to vote in the election of directors of Holdco.

15. None of the compensation to be received by any stockholder-employees of America Online for services rendered after the Effective Time will be separate consideration for, or allocable to, any of their shares of America Online Common Stock; none of the Holdco Capital Stock to be received by any stockholder-employees of America Online in connection with the Merger will be separate consideration for, or allocable to, any employment, consulting or similar agreement with respect to services performed after the Effective Time; and the compensation paid to any stockholder-employees of America Online for services rendered after

the Effective Time will be for services actually rendered and will be based upon arm's length agreements.

16. After taking into account (a) any issuance of Holdco stock in connection with the Mergers, including (i) stock issued for services, (ii) stock issued upon the exercise of any Holdco stock rights, options, warrants or subscriptions or (iii) stock issued by public offering or otherwise and (b) to the knowledge of the management of Holdco, America Online and Time Warner, the sale, exchange, transfer by gift or other disposition, pursuant to an obligation, commitment or understanding binding at the Effective Time of the Mergers, of any Holdco Capital Stock received by holders of Time Warner Capital Stock or America Online Common Stock in the Mergers, the holders of Time Warner Capital Stock and America Online Common Stock will collectively be in control of Holdco within the meaning of section 351 of the Code immediately after the Mergers.

17. Holdco will not take any position, and, to the best knowledge of the management of Holdco, there is no plan or intention of any holders of Time Warner or America Online stock to take, any position on any Federal, state or local income or franchise tax return, or to take any other tax reporting position, that is inconsistent with the treatment of the Merger as an exchange within the meaning of Section 351 of the Code and the regulations promulgated thereunder and as a reorganization within the meaning of Section 368(a) of the Code and the regulations promulgated thereunder.

18. Holdco is not an "investment company" within the meaning of Treasury Regulations section 1.351-1(c).

19. The Merger Agreement, the documents described in the Merger Agreement, the Proxy Statement, and the Form S-4 represent the entire understanding between or among (i) Holdco and its subsidiaries, (ii) Time Warner and its subsidiaries and (iii) America Online and its subsidiaries and, to the best knowledge of the management of Holdco, between or among such entities and the affiliates and stockholders of Holdco, Time Warner and America Online with respect to the Merger, and there are no other written or oral agreements regarding the Merger other than those expressly referred to in the Merger Agreement, the Proxy Statement and the Form S-4.

20. The undersigned are authorized to make all the representations set forth herein on behalf of Holdco.

Very truly yours,

Holdco

By:

Title:

By:

Title:

[FORM OF REPRESENTATION LETTER]

[LETTERHEAD OF HOLDCO (TIME WARNER MERGER)]

[Date]

Re: **The Merger of Time Warner Merger Sub
with and into Time Warner**

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019

Ladies and Gentlemen:

In connection with the opinions to be delivered pursuant to the Agreement and Plan of Merger (the "Merger Agreement") dated as of January 10, 2000, between America Online, Inc. ("America Online") and Time Warner Inc. ("Time Warner"), in which America Online Merger Sub ("Sub 1"), a subsidiary of a newly organized Delaware corporation ("Holdco"), shall be merged with and into America Online with America Online surviving as a wholly owned subsidiary of Holdco, and Time Warner Merger Sub ("Sub 2"), another subsidiary of Holdco, shall be merged with and into Time Warner with Time Warner surviving as a wholly owned subsidiary of Holdco, the undersigned certifies and represents on behalf of Holdco and Sub 2, after due inquiry and investigation, as follows (any capitalized term used but not defined herein shall have the meaning given to such term in the Merger Agreement):

1. The facts relating to the contemplated merger (the "Merger") of Sub 2 with and into Time Warner pursuant to the Merger Agreement, as described in the Merger Agreement, and the documents described in the Merger Agreement, are, insofar as such facts pertain to Holdco and Sub 2, true, correct and complete in all material respects. The Merger will be consummated in accordance with the Merger Agreement, and as described in the Proxy Statement and the Form S-4, and none of the material terms and conditions therein has been or will be waived or modified. The Merger is being effected for bona fide business reasons.

2. The fair market value of the Holdco Common Stock and cash in lieu of a fractional share of Holdco Common Stock received by each holder of Time Warner Common

Stock in the Merger will be approximately equal to the fair market value of the Time Warner Common Stock surrendered by such holders in the Merger. The fair market value of Holdco Series LMCN-V Common Stock and cash in lieu of a fractional share of Holdco Series LMCN-V Common Stock received by each holder of Time Warner Series LMCN-V Common Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series LMCN-V Common Stock surrendered by such holders in the Merger. The fair market value of Holdco Series LMC Common Stock and cash in lieu of a fractional share of Holdco Series LMC Common Stock received by each holder of Time Warner Series LMC Common Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series LMC Common Stock surrendered by such holders in the Merger. The fair market value of Holdco Series E Preferred Stock received by each holder of Time Warner Series E Preferred Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series E Preferred Stock surrendered by such holders in the Merger. The fair market value of Holdco Series F Preferred Stock received by each holder of Time Warner Series F Preferred Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series F Preferred Stock surrendered by such holders in the Merger. The fair market value of Holdco Series I Preferred Stock received by each holder of Time Warner Series I Preferred Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series I Preferred Stock surrendered by such holders in the Merger. The fair market value of Holdco Series J Preferred Stock received by each holder of Time Warner Series J Preferred Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series J Preferred Stock surrendered by such holders in the Merger. The Holdco Common Stock, Holdco Series LMCN-V Common Stock, Holdco Series LMC Common Stock, Holdco Series E Preferred Stock, Holdco Series F Preferred Stock, Holdco Series I Preferred Stock and Holdco Series J Preferred Stock are referred to collectively herein as the "Holdco Capital Stock". The Time Warner Common Stock, Time Warner Series LMCN-V Common Stock, Time Warner Series LMC Common Stock, Time Warner Series E Preferred Stock, Time Warner Series F Preferred Stock, Time Warner Series I Preferred Stock and Time Warner Series J Preferred Stock are referred to collectively herein as the "Time Warner Capital Stock". The Merger Consideration to be received in the Merger by holders of Time Warner Capital Stock was determined by arm's length negotiations between the managements of Alpha and Time Warner. In connection with the Merger, no holder of Time Warner Capital Stock will receive in exchange for Time Warner Capital Stock, directly or indirectly, any consideration from Holdco or Sub 2 other than Holdco Capital Stock and cash in lieu of a fractional share thereof.

3. Following the Merger, Time Warner will hold at least 90% of the fair market value of the net assets and at least 70% of the fair market value of the gross assets held by Time Warner and Sub 2, as the case may be, immediately prior to the Merger. For purposes of this representation, amounts paid by Time Warner or Sub 2 to dissenting stockholders of Time Warner, amounts used by Time Warner and Sub 2 to pay reorganization expenses incurred in connection with the Merger and all redemptions and distributions (except for regular, normal dividends) made by Time Warner will be considered assets held by Time Warner or Sub 2, as the case may be, immediately prior to the Merger.

4. Neither Holdco nor any corporation related to Holdco will, in connection with the Merger, (i) be under any obligation or will have entered into any agreement or understanding to redeem or repurchase any of the Holdco Capital Stock issued to stockholders of Time Warner in the Merger or to make any extraordinary distributions in respect of such Holdco Capital Stock or (ii) have any plan or intention to reacquire any of the Holdco Capital Stock issued in the Merger; provided, however, that Holdco may adopt an open market stock repurchase program that satisfies the requirements of Revenue Ruling 99-58 and may redeem Holdco preferred stock issued in the Merger pursuant to the terms of such preferred stock. After the Merger, no dividends or distributions will be made to the former Time Warner stockholders by Holdco other than regular, normal dividends or distributions made to all holders of Holdco Capital Stock. For purposes of this representation letter, two corporations shall be treated as related to one another if immediately prior to or immediately after the Merger, (a) the corporations are members of the same affiliated group (within the meaning of section 1504 of the Internal Revenue Code of 1986, as amended (the "Code"), but determined without regard to the exclusions of section 1504(b) of the Code) or (b) one corporation owns 50% or more of the total combined voting power of all classes of stock of the other corporation that are entitled to vote or 50% or more of the total value of shares of all classes of stock of the other corporation (applying the attribution rules of section 318 of the Code as modified pursuant to section 304(c)(3)(B) of the Code). For purposes of this representation, a corporation that is a partner in a partnership will be treated as owning or acquiring any stock owned or acquired, as the case may be, by the partnership and as having furnished its share of any consideration furnished by the partnership to acquire the stock, in each case, in accordance with its interest in the partnership.

5. Holdco has no present plan or intention to (i) liquidate Time Warner, (ii) merge Time Warner with or into another corporation, (iii) sell or otherwise dispose of the stock of Time Warner, except for transfers (including successive transfers) of such stock to corporations controlled by the transferor or (iv) cause Time Warner to sell or otherwise dispose of any of its assets, or any assets that it acquired from Sub 2, except for dispositions in the ordinary course of its business or transfers (including successive transfers) of assets to one or more corporations controlled in each transfer by the transferor. Holdco has no plan or intention to (i) cause Time Warner to issue additional shares of stock following the Merger or (ii) otherwise take any action that could result in Holdco losing control of Time Warner following the Merger. For purposes of this representation letter, control with respect to a corporation shall mean ownership of at least (i) 80% of the total combined voting power of all classes of stock entitled to vote and (ii) 80% of the total number of shares of each other class of stock of the corporation.

6. Following the Merger, Time Warner or another member of Time Warner's "qualified group" will continue Time Warner's historic business or use a significant portion of Time Warner's historic business assets in a business. For purposes of this representation, Time Warner's "qualified group" means, pursuant to Treasury Regulation section 1.368-1(d)(4)(ii), one or more chains of corporations connected through stock ownership with Time Warner, but only if Time Warner owns directly stock representing control in at least one other corporation,

and stock representing control in each of the corporations (except Time Warner) is owned directly by one of the other corporations. In addition, Time Warner will be treated as owning its proportionate share of Time Warner's business assets used in a business of any partnership in which members of Time Warner qualified group either own a significant interest or have active and substantial management functions as a partner with respect to that partnership business.

7. Prior to the Merger and through the Effective Time, Holdco will own all of the outstanding stock of Sub 2. Holdco has no plan or intention to cause Sub 2 to, and Sub 2 has no plan or intention to, issue additional shares of its stock that would result in Holdco owning less than all of the capital stock of Sub 2 in the Merger.

8. Sub 2 is being formed solely to effect the Merger and it will not conduct any business or other activities other than the issuance of its stock to Holdco prior to the Merger. Sub 2 will have no liabilities that will be assumed by Time Warner and it will not transfer any assets to Time Warner in the Merger that are subject to any liabilities.

9. Pursuant to the Merger, at least (i) 80% of the total combined voting power of all classes of Time Warner stock entitled to vote and (ii) 80% of the total number of shares of each other class of stock of Time Warner will be exchanged solely for the Time Warner Merger Consideration. For purposes of this representation, shares of Time Warner Capital Stock exchanged for cash or other property originating with Holdco or Sub 2 will be treated as outstanding Time Warner Capital Stock at the Effective Time.

10. Holdco, Sub 2, Time Warner and the stockholders of Time Warner will pay their respective expenses, if any, incurred in connection with or as part of the Merger, except that expenses incurred in connection with the filing, printing and mailing of the Joint Proxy Statement/Prospectus and Form S-4 will be shared equally by Alpha and Time Warner. Neither Holdco nor Sub 2 has agreed to assume, nor will it directly or indirectly assume, any expense or other liability, whether fixed or contingent, of any holder of Time Warner Capital Stock in connection with or as part of the Merger or any related transaction. Notwithstanding the foregoing, all liability for transfer taxes incurred by a holder of Time Warner Capital Stock will be paid by Time Warner or stockholders of Time Warner, and in no event by Holdco.

11. There is no intercorporate indebtedness existing between Holdco or its subsidiaries and Time Warner or its subsidiaries that was issued, acquired or will be settled at a discount.

12. Neither Holdco nor Sub 2 will (i) elect, or have in effect an election, to be treated as a "regulated investment company" or as a "real estate investment trust" or file any tax return consistent with such treatment or (ii) be a corporation 50% or more of the fair market value of whose total assets are stock or securities and 80% or more of the fair market value of whose total assets are assets held for investment. In making the determinations described in (ii) above, (x) the stock and securities of any subsidiary of Holdco or Sub 2 shall be disregarded and

Holdco or Sub 2, as the case may be, shall be deemed to own its ratable share of such subsidiary's assets and (y) a corporation shall be considered to be a subsidiary of Holdco or Sub 2, as the case may be, if Holdco and/or Sub 2 owns 50% or more of the combined voting power of all classes of the stock of such subsidiary that are entitled to vote, or 50% or more of the total value of all of the outstanding stock of such subsidiary. In addition, in determining the fair market value of Holdco's and Sub 2's total assets for the purposes of making this representation, Holdco and Sub 2 shall exclude any cash and cash items (such as receivables), government securities and any assets acquired (through incurring indebtedness or otherwise) for the purposes of causing Holdco or Sub 2 to not be characterized as an entity described in (i) or (ii) of the first sentence of this paragraph or causing Holdco or Sub 2 to meet the requirements of section 368(a)(2)(F)(ii) of the Code.

13. As of the Effective Time, neither Holdco nor any corporation related to Holdco will own beneficially, or will have owned beneficially during the five years preceding the Effective Time, any shares of stock of Time Warner or other securities, options, warrants or instruments giving the holder thereof the right to acquire stock of Time Warner or other securities issued by Time Warner other than the stock option held by Holdco pursuant to the stock option agreement attached to the Merger Agreement as Exhibit A.

14. Each class of Holdco Capital Stock into which Time Warner Capital Stock will be converted in the Merger is entitled to vote in the election of directors of Holdco.

15. None of the compensation to be received by any stockholder-employees of Time Warner for services rendered after the Effective Time will be separate consideration for, or allocable to, any of their shares of Time Warner Capital Stock; none of the Holdco Capital Stock to be received by any stockholder-employees of Time Warner in connection with the Merger will be separate consideration for, or allocable to, any employment, consulting or similar agreement with respect to services rendered after the Effective Time; and the compensation paid to any stockholder-employees of Time Warner for services rendered after the Effective Time will be for services actually rendered and will be based upon arms-length agreements.

16. The payment of cash in lieu of fractional shares of Holdco is solely for the purpose of avoiding the expense and inconvenience to Holdco of issuing fractional shares and does not represent separately bargained-for consideration.

17. After taking into account (a) any issuance of Holdco stock in connection with the Mergers, including (i) stock issued for services, (ii) stock issued upon the the exercise of any Holdco stock rights, options, warrants or subscriptions or (iii) stock issued by public offering or otherwise and (b) to the knowledge of the management of Holdco, Time Warner and Alpha, the sale, exchange, transfer by gift or other disposition, pursuant to an obligation, commitment or understanding binding at the Effective Time of the Mergers, of any Holdco Capital Stock received by holders of Time Warner Capital Stock or Alpha Common Stock in the Mergers, the

holders of Time Warner Capital Stock and Alpha Common Stock will collectively be in control of Holdco within the meaning of section 351 of the Code immediately after the Mergers.

18. Holdco will not take any position, and, to the best knowledge of the management of Holdco, there is no plan or intention of any holders of Time Warner or Alpha stock to take, any position on any Federal, state or local income or franchise tax return, or to take any other tax reporting position, that is inconsistent with the treatment of the Merger as an exchange within the meaning of Section 351 of the Code and the regulations promulgated thereunder and as a reorganization within the meaning of Section 368(a) of the Code and the regulations promulgated thereunder.

19. Holdco is not an "investment company" within the meaning of Treasury Regulations section 1.351-1(c).

20. The Merger Agreement, the documents described in the Merger Agreement, the Proxy Statement, and the Form S-4 represent the entire understanding between or among (i) Holdco and its subsidiaries, (ii) Alpha and its subsidiaries and (iii) Time Warner and its subsidiaries and, to the best knowledge of the management of Holdco, between or among such entities and the affiliates and stockholders of Holdco, Alpha and Time Warner with respect to the Merger, and there are no other written or oral agreements regarding the Merger other than those expressly referred to in the Merger Agreement, the Proxy Statement and the Form S-4.

21. The undersigned are authorized to make all the representations set forth herein on behalf of Holdco.

Very truly yours,

Holdco

By:
Title:

By:
Title:

[FORM OF REPRESENTATION LETTER]

[LETTERHEAD OF AMERICA ONLINE, INC.]

[Date]

Re: **The Merger of America Online Merger Sub
with and into America Online, Inc.**

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019

Ladies and Gentlemen:

In connection with the opinions to be delivered pursuant to the Agreement and Plan of Merger (the "Merger Agreement") dated as of January 10, 2000, between America Online, Inc. ("America Online") and Time Warner Inc. ("Time Warner"), in which America Online Merger Sub ("Sub 1"), a subsidiary of a newly organized Delaware corporation ("Holdco"), shall be merged with and into America Online with America Online surviving as a wholly owned subsidiary of Holdco, and Time Warner Merger Sub ("Sub 2"), another subsidiary of Holdco, shall be merged with and into Time Warner with Time Warner surviving as a wholly owned subsidiary of Holdco, the undersigned certifies and represents on behalf of America Online, after due inquiry and investigation, as follows (any capitalized term used but not defined herein shall have the meaning given to such term in the Merger Agreement):

1. The facts relating to the contemplated merger (the "Merger") of Sub 1 with and into America Online pursuant to the Merger Agreement, as described in the Merger Agreement, and the documents described in the Merger Agreement, are, insofar as such facts pertain to America Online, true, correct and complete in all material respects. The Merger will be consummated in accordance with the Merger Agreement, and as described in the Proxy Statement and the Form S-4, and none of the material terms and conditions therein has been or will be waived or modified. The Merger is being effected for bona fide business reasons.

2. The fair market value of the Holdco Common Stock received by each holder of America Online Common Stock in the Merger will be approximately equal to the fair

market value of the America Online Common Stock surrendered by such holders in the Merger. The America Online Merger Consideration to be received in the Merger by holders of America Online Common Stock was determined by arm's length negotiations between the managements of Time Warner and America Online. In connection with the Merger, no holder of America Online Common Stock will receive in exchange for America Online Common Stock, directly or indirectly, any consideration from Holdco or Sub 1 other than Holdco Common Stock.

3. America Online, prior to and in connection with the Merger, has not redeemed any of its stock or made any distributions with respect to its stock. Additionally, prior to and in connection with the Merger, no corporation related to America Online has acquired America Online's stock with consideration other than stock of either America Online or Holdco. For purposes of this representation letter, two corporations shall be treated as related to one another if immediately prior to or immediately after the Merger, (a) the corporations are members of the same affiliated group (within the meaning of section 1504 of the Internal Revenue Code of 1986, as amended (the "Code"), but determined without regard to the exclusions of section 1504(b) of the Code) or (b) one corporation owns 50% or more of the total combined voting power of all classes of stock of the other corporation that are entitled to vote or 50% or more of the total value of shares of all classes of stock of the other corporation (applying the attribution rules of section 318 of the Code as modified pursuant to section 304(c)(3)(B) of the Code). For purposes of this representation, a corporation that is a partner in a partnership will be treated as owning or acquiring any stock owned or acquired, as the case may be, by the partnership and as having furnished its share of any consideration furnished by the partnership to acquire the stock, in each case, in accordance with its interest in the partnership.

4. To the best knowledge of the management of America Online, there is no plan or intention on the part of holders of America Online Common Stock to sell, exchange or otherwise transfer ownership (including by derivative transactions such as an equity swap which would have the economic effect of a transfer of ownership) to Holdco, America Online or any person related to Holdco or America Online, directly or indirectly (including through partnerships or through third parties in connection with a plan to so transfer ownership), of any shares of Holdco Common Stock.

5. Following the Effective Time of the Merger, America Online will hold at least 90% of the fair market value of the net assets and at least 70% of the fair market value of the gross assets held by America Online immediately prior to the Merger. For purposes of this representation, amounts paid by America Online or Sub 1 to dissenting stockholders of America Online, amounts used by America Online and Sub 1 to pay reorganization expenses and all redemptions and distributions (except for regular, normal dividends) made by America Online will be considered assets held by America Online or Sub 1, as the case may be, immediately prior to the Merger. Any dispositions of assets held by America Online prior to the Merger which are made in contemplation of, or as part of, the Merger will be for fair market value, and the proceeds thereof will be retained by America Online.

6. At the Effective Time of the Merger, America Online will be conducting America Online's historic business or using a significant portion of America Online's historic business assets in a business.

7. Pursuant to the Merger, at least (i) 80% of the total combined voting power of all classes of America Online stock entitled to vote and (ii) 80% of the total number of shares of each other class of stock of America Online will be exchanged solely for the America Online Merger Consideration. For purposes of this representation, shares of America Online Common Stock exchanged for cash or other property originating with Holdco or Sub 1 will be treated as outstanding America Online Common Stock at the Effective Time.

8. At the Effective Time, America Online will not have any warrants, options, convertible securities or any other type of right pursuant to which any person could acquire any stock of America Online which, if exercised or converted, would affect Holdco's ability to acquire or retain control of America Online. For purposes of this representation letter, "control" with respect to a corporation shall mean ownership of at least (i) 80% of the total combined voting power of all classes of stock entitled to vote and (ii) 80% of the total number of shares of each other class of stock of the corporation.

9. Prior to the Effective Time, America Online has no plan or intention to issue any additional shares of stock that would cause Holdco to own less than (i) 80% of the total combined voting power of all classes of America Online stock entitled to vote or (ii) 80% of the total number of shares of each other class of stock of America Online.

10. Holdco, Sub 1, America Online and the stockholders of America Online will pay their respective expenses, if any, incurred in connection with or as part of the Merger, except that expenses incurred in connection with the filing, printing and mailing of the Joint Proxy Statement/Prospectus and Form S-4 will be shared equally by America Online and Time Warner. America Online has not agreed to assume, nor will it directly or indirectly assume, any expense or other liability, whether fixed or contingent, of any holder of America Online Common Stock in connection with or as part of the Merger or any related transactions. Notwithstanding the foregoing, all liability for transfer taxes incurred by a holder of America Online Common Stock will be paid by America Online or stockholders of America Online, and in no event by Holdco.

11. There is no intercorporate indebtedness existing between Holdco or its subsidiaries and America Online or its subsidiaries that was issued, acquired or will be settled at a discount.

12. America Online will not (i) elect, or have in effect an election, to be treated as a "regulated investment company" or as a "real estate investment trust" or file any tax return consistent with such treatment or (ii) be a corporation 50% or more of the fair market value of whose total assets are stock or securities and 80% or more of the fair market value of

whose total assets are assets held for investment. In making the determinations described in (ii) above, (x) the stock and securities of any subsidiary of America Online shall be disregarded and America Online shall be deemed to own its ratable share of such subsidiary's assets and (y) a corporation shall be considered to be a subsidiary of America Online, if America Online owns 50% or more of the combined voting power of all classes of the stock of such subsidiary that are entitled to vote, or 50% or more of the total value of all of the outstanding stock of such subsidiary. In addition, in determining the fair market value of America Online's total assets for the purposes of making this representation, America Online shall exclude any cash and cash items (such as receivables), government securities and any assets acquired (through incurring indebtedness or otherwise) for the purposes of causing America Online to not be characterized as an entity described in (i) or (ii) of the first sentence of this paragraph or causing America Online to meet the requirements of section 368(a)(2)(F)(ii) of the Code.

13. At the Effective Time, America Online will not be under the jurisdiction of a court in a "Title 11 or similar case." For purposes of the foregoing, a "Title 11 or similar case" means a case under title 11 of the United States Code or a receivership, foreclosure or similar proceeding in a federal or state court.

14. The fair market value of the assets of America Online will exceed its liabilities.

15. To the knowledge of America Online, none of the compensation to be received by any stockholder-employees of America Online for services rendered prior to the Effective Time was or will be separate consideration for, or allocable to, any of their shares of America Online Common Stock; none of the Holdco Common Stock to be received in the Merger by any stockholder-employees of America Online will be separate consideration for, or allocable to, any employment, consulting or similar agreement with respect to services rendered prior to the Effective Time; and the compensation paid to any stockholder-employees of America Online for services rendered prior to the Effective Time was or will be for services actually rendered and was or will be based upon arms-length agreements.

16. America Online is not currently, and during the five years preceding the Effective Time will not have been, a "United States real property holding corporation." For purposes of the foregoing, a United States real property holding corporation means a corporation in which the fair market value of its United States real property interests equals or exceeds fifty percent of the fair market value of its (i) United States real property interests, (ii) its interests in real property located outside the United States, and (iii) any other of its assets which are used or held for use in a trade or business.

17. As of the Effective Time, neither America Online nor any corporation related to America Online will own beneficially, or will have owned beneficially, during the five years preceding the Effective Time, any shares of stock of Time Warner or other securities, options, warrants or instruments giving the holder thereof the right to acquire stock of Time

Warner or other securities issued by Time Warner other than the stock option held by America Online pursuant to the stock option agreement attached to the Merger Agreement as Exhibit A.

18. The only capital stock of America Online issued and outstanding is America Online Common Stock.

19. America Online will not take, and, to the best knowledge of the management of America Online, there is no plan or intention of any holders of America Online Common Stock to take, any position on any Federal, state or local income or franchise tax return, or to take any other tax reporting position, that is inconsistent with the treatment of the Merger as an exchange within the meaning of Section 351 of the Code and the regulations thereunder and as a reorganization within the meaning of Section 368(a) of the Code and the regulations thereunder.

20. The Merger Agreement, the documents described in the Merger Agreement, the Proxy Statement, and the Form S-4 represent the entire understanding between or among (i) Holdco and its subsidiaries, (ii) America Online and its subsidiaries and (iii) Time Warner and its subsidiaries and, to the best knowledge of the management of America Online, between or among such entities and the affiliates and stockholders of Holdco, Time Warner and America Online with respect to the Merger and there are no other written or oral agreements regarding the Merger other than those expressly referred to in the Merger Agreement, the Proxy Statement and the Form S-4.

21. The undersigned is authorized to make all the representations set forth herein on behalf of America Online.

Very truly yours,

America Online

By:
Title:

[FORM OF REPRESENTATION LETTER]

[LETTERHEAD OF TIME WARNER]

[Date]

Re: **The Merger of Time Warner Merger Sub
with and into Time Warner**

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019

Ladies and Gentlemen:

In connection with the opinions to be delivered pursuant to the Agreement and Plan of Merger (the "Merger Agreement") dated as of January 10, 2000, between America Online, Inc. ("America Online") and Time Warner Inc. ("Time Warner"), in which America Online Merger Sub ("Sub 1"), a subsidiary of a newly organized Delaware corporation ("Holdco"), shall be merged with and into America Online with America Online surviving as a wholly owned subsidiary of Holdco, and Time Warner Merger Sub ("Sub 2"), another subsidiary of Holdco, shall be merged with and into Time Warner with Time Warner surviving as a wholly owned subsidiary of Holdco, the undersigned certifies and represents on behalf of Time Warner, after due inquiry and investigation, as follows (any capitalized term used but not defined herein shall have the meaning given to such term in the Merger Agreement):

1. The facts relating to the contemplated merger (the "Merger") of Sub 2 with and into Time Warner pursuant to the Merger Agreement, as described in the Merger Agreement, and the documents described in the Merger Agreement, are, insofar as such facts pertain to Time Warner, true, correct and complete in all material respects. The Merger will be consummated in accordance with the Merger Agreement, and as described in the Proxy Statement and the Form S-4, and none of the material terms and conditions therein has been or will be waived or modified. The Merger is being effected for bona fide business reasons.

2. The fair market value of the Holdco Common Stock and cash in lieu of a fractional share of Holdco Common Stock received by each holder of Time Warner Common Stock in the Merger will be approximately equal to the fair market value of the Time Warner Common Stock surrendered by such holders in the Merger. The fair market value of Holdco Series LMCN-V Common Stock and cash in lieu of a fractional share of Holdco Series LMCN-V Common Stock received by each holder of Time Warner Series LMCN-V Common Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series LMCN-V Common Stock surrendered by such holders in the Merger. The fair market value of Holdco Series LMC Common Stock and cash in lieu of a fractional share of Holdco Series LMCN-V Common Stock received by each holder of Time Warner Series LMC Common Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series LMC Common Stock surrendered by such holders in the Merger. The fair market value of Holdco Series E Preferred Stock received by each holder of Time Warner Series E Preferred Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series E Preferred Stock surrendered by such holders in the Merger. The fair market value of Holdco Series F Preferred Stock received by each holder of Time Warner Series F Preferred Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series F Preferred Stock surrendered by such holders in the Merger. The fair market value of Holdco Series I Preferred Stock received by each holder of Time Warner Series I Preferred Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series I Preferred Stock surrendered by such holders in the Merger. The fair market value of Holdco Series J Preferred Stock received by each holder of Time Warner Series J Preferred Stock in the Merger will be approximately equal to the fair market value of the Time Warner Series J Preferred Stock surrendered by such holders in the Merger. The Holdco Common Stock, Holdco Series LMCN-V Common Stock, Holdco Series LMC Common Stock, Holdco Series E Preferred Stock, Holdco Series F Preferred Stock, Holdco Series I Preferred Stock and Holdco Series J Preferred Stock are referred to collectively herein as the "Holdco Capital Stock". The Time Warner Common Stock, Time Warner Series LMCN-V Common Stock, Time Warner Series LMC Common Stock, Time Warner Series E Preferred Stock, Time Warner Series F Preferred Stock, Time Warner Series I Preferred Stock and Time Warner Series J Preferred Stock are referred to collectively herein as the "Time Warner Capital Stock". The Time Warner Merger Consideration to be received in the Merger by holders of Time Warner Capital Stock was determined by arm's length negotiations between the managements of America Online and Time Warner. In connection with the Merger, no holder of Time Warner Capital Stock will receive in exchange for Holdco Capital Stock, directly or indirectly, any consideration from Holdco or Sub 2 other than Holdco Capital Stock and cash in lieu of a fractional share thereof.

3. Time Warner, prior to and in connection with the Merger, has not redeemed any of its stock or made any distributions with respect to its stock. Additionally, prior to and in connection with the Merger, no corporation related to Time Warner has acquired Time Warner's stock with consideration other than stock of either Time Warner or Holdco. For purposes of this representation letter, two corporations shall be treated as related to one another if immediately prior to or immediately after the Merger, (a) the corporations are members of the

same affiliated group (within the meaning of section 1504 of the Internal Revenue Code of 1986, as amended (the "Code"), but determined without regard to the exclusions of section 1504(b) of the Code) or (b) one corporation owns 50% or more of the total combined voting power of all classes of stock of the other corporation that are entitled to vote or 50% or more of the total value of shares of all classes of stock of the other corporation (applying the attribution rules of section 318 of the Code as modified pursuant to section 304(c)(3)(B) of the Code). For purposes of this representation, a corporation that is a partner in a partnership will be treated as owning or acquiring any stock owned or acquired, as the case may be, by the partnership and as having furnished its share of any consideration furnished by the partnership to acquire the stock, in each case, in accordance with its interest in the partnership.

4. To the best knowledge of the management of Time Warner, there is no plan or intention on the part of holders of Time Warner Capital Stock to sell, exchange or otherwise transfer ownership (including by derivative transactions such as an equity swap which would have the economic effect of a transfer of ownership) to Holdco, Time Warner or any person related to Holdco or Time Warner, directly or indirectly (including through partnerships or through third parties in connection with a plan to so transfer ownership), of any shares of Holdco Capital Stock (other than fractional shares of Holdco Capital Stock for which holders of Holdco Capital Stock receive cash in the Merger).

5. Following the Effective Time of the Merger, Time Warner will hold at least 90% of the fair market value of the net assets and at least 70% of the fair market value of the gross assets held by Time Warner immediately prior to the Merger. For purposes of this representation, amounts paid by Time Warner or Sub 2 to dissenting stockholders of Time Warner, amounts used by Time Warner and Sub 2 to pay reorganization expenses and all redemptions and distributions (except for regular, normal dividends) made by Time Warner will be considered assets held by Time Warner or Sub 2, as the case may be, immediately prior to the Merger. Any dispositions of assets held by Time Warner prior to the Merger which are made in contemplation of, or as part of, the Merger will be for fair market value, and the proceeds thereof will be retained by Time Warner.

6. At the Effective Time of the Merger, Time Warner will be conducting Time Warner's historic business or using a significant portion of Time Warner's historic business assets in a business.

7. Pursuant to the Merger, at least (i) 80% of the total combined voting power of all classes of Time Warner stock entitled to vote and (ii) 80% of the total number of shares of each other class of stock of Time Warner will be exchanged solely for the Time Warner Merger Consideration. For purposes of this representation, shares of Time Warner Capital Stock exchanged for cash or other property originating with Holdco or Sub 2 will be treated as outstanding Holdco Capital Stock at the Effective Time.

8. At the Effective Time, Time Warner will not have any warrants, options, convertible securities or any other type of right pursuant to which any person could acquire any stock of Time Warner which, if exercised or converted, would affect Holdco's ability to acquire or retain control of Time Warner. For purposes of this representation letter, "control" with respect to a corporation shall mean ownership of at least (i) 80% of the total combined voting power of all classes of stock entitled to vote and (ii) 80% of the total number of shares of each other class of stock of the corporation.

9. Prior to the Effective Time, Time Warner has no plan or intention to issue any additional shares of stock that would cause Holdco to own less than (i) 80% of the total combined voting power of all classes of Time Warner stock entitled to vote or (ii) 80% of the total number of shares of each other class of stock of Time Warner.

10. Holdco, Sub 2, Time Warner and the stockholders of Time Warner will pay their respective expenses, if any, incurred in connection with or as part of the Merger, except that expenses incurred in connection with the filing, printing and mailing of the Joint Proxy Statement/Prospectus and Form S-4 will be shared equally by America Online and Time Warner. Time Warner has not agreed to assume, nor will it directly or indirectly assume, any expense or other liability, whether fixed or contingent, of any holder of Time Warner Capital Stock in connection with or as part of the Merger or any related transactions. Notwithstanding the foregoing, all liability for transfer taxes incurred by a holder of Time Warner Capital Stock will be paid by Time Warner or stockholders of Time Warner, and in no event by Holdco.

11. There is no intercorporate indebtedness existing between Holdco or its subsidiaries and Time Warner or its subsidiaries that was issued, acquired or will be settled at a discount.

12. Time Warner will not (i) elect, or have in effect an election, to be treated as a "regulated investment company" or as a "real estate investment trust" or file any tax return consistent with such treatment or (ii) be a corporation 50% or more of the fair market value of whose total assets are stock or securities and 80% or more of the fair market value of whose total assets are assets held for investment. In making the determinations described in (ii) above, (x) the stock and securities of any subsidiary of Time Warner shall be disregarded and Time Warner shall be deemed to own its ratable share of such subsidiary's assets and (y) a corporation shall be considered to be a subsidiary of Time Warner, if Time Warner owns 50% or more of the combined voting power of all classes of the stock of such subsidiary that are entitled to vote, or 50% or more of the total value of all of the outstanding stock of such subsidiary. In addition, in determining the fair market value of Time Warner's total assets for the purposes of making this representation, Time Warner shall exclude any cash and cash items (such as receivables), government securities and any assets acquired (through incurring indebtedness or otherwise) for the purposes of causing Time Warner to not be characterized as an entity described in (i) or (ii) of the first sentence of this paragraph or causing Time Warner to meet the requirements of section 368(a)(2)(F)(ii) of the Code.

13. At the Effective Time, Time Warner will not be under the jurisdiction of a court in a "Title 11 or similar case." For purposes of the foregoing, a "Title 11 or similar case" means a case under title 11 of the United States Code or a receivership, foreclosure or similar proceeding in a federal or state court.

14. The fair market value of the assets of Time Warner will exceed its liabilities.

15. To the knowledge of Time Warner, none of the compensation to be received by any stockholder-employees of Time Warner for services rendered prior to the Effective Time was or will be separate consideration for, or allocable to, any of their shares of Time Warner Capital Stock; none of the Holdco Capital Stock to be received in the Merger by any stockholder-employees of Time Warner will be separate consideration for, or allocable to, any employment, consulting or similar agreement with respect to services rendered prior to the Effective Time; and the compensation paid to any stockholder-employees of Time Warner for services rendered prior to the Effective Time was or will be for services actually rendered and was or will be based upon arms-length agreements.

16. Time Warner is not currently, and during the five years preceding the Effective Time will not have been, a "United States real property holding corporation." For purposes of the foregoing, a United States real property holding corporation means a corporation in which the fair market value of its United States real property interests equals or exceeds fifty percent of the fair market value of its (i) United States real property interests, (ii) its interests in real property located outside the United States, and (iii) any other of its assets which are used or held for use in a trade or business.

17. The only capital stock of Time Warner issued and outstanding is Time Warner Capital Stock.

18. As of the Effective Time, neither Time Warner nor any corporation related to Time Warner will own beneficially, or will have owned beneficially, during the five years preceding the Effective Time, any shares of stock of America Online or other securities, options, warrants or instruments giving the holder thereof the right to acquire stock of America Online or other securities issued by America Online other than the stock option held by Time Warner pursuant to the stock option agreement attached to the Merger Agreement as Exhibit A.

19. Time Warner will not take, and, to the best knowledge of the management of Time Warner, there is no plan or intention of any holders of Time Warner Capital Stock to take, any position on any Federal, state or local income or franchise tax return, or to take any other tax reporting position, that is inconsistent with the treatment of the Merger as an exchange within the meaning of Section 351 of the Code and the regulations promulgated thereunder and

as a reorganization within the meaning of Section 368(a) of the Code and the regulations promulgated thereunder.

20. The Merger Agreement, the documents described in the Merger Agreement, the Proxy Statement, and the Form S-4 represent the entire understanding between or among (i) Holdco and its subsidiaries, (ii) Time Warner and its subsidiaries and (iii) America Online and its subsidiaries and, to the best knowledge of the management of Time Warner, between or among such entities and the affiliates and stockholders of Holdco, America Online and Time Warner with respect to the Merger and there are no other written or oral agreements regarding the Merger other than those expressly referred to in the Merger Agreement, the Proxy Statement and the Form S-4.

21. The undersigned is authorized to make all the representations set forth herein on behalf of Time Warner.

Very truly yours,

Time Warner

By:
Title: