

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Time Warner Inc.		2 Issuer's employer identification number (EIN) 13-4099534	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact 866-INFO-TWX (866-463-6899)	5 Email address of contact ir@timewarner.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact One Time Warner Center		7 City, town, or post office, state, and Zip code of contact New York, NY 10019	
8 Date of action June 6, 2014		9 Classification and description Common stock	
10 CUSIP number 887317303 / 887228104	11 Serial number(s) n/a	12 Ticker symbol TWX and TIME	13 Account number(s) n/a

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attached statement

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attached statement

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attached statement

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 368 and 355 of the Internal Revenue Code

18 Can any resulting loss be recognized? ▶ For U.S. federal income tax purposes, no gain or loss should be recognized by, or be includible in the income of, a U.S. Holder (as defined the Information Statement under the heading "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off") as a result of the Distribution, except with respect to any cash received in lieu of a fractional share. U.S. Holders will generally recognize gain or loss with respect to cash received in exchange for fractional shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached statement

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ June 9, 2014

Print your name ▶ Annaliese Kambour Title ▶ SVP - Tax

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Time Warner Inc.
Attachment to Form 8937
Distribution of Shares of Time Inc.

DESCRIPTION OF ORGANIZATIONAL ACTION

On June 6, 2014, Time Warner Inc. (“Time Warner”) distributed (the “Distribution”) 100% of the outstanding shares of Time Inc. to the Time Warner stockholders of record as of May 23, 2014. In the Distribution, Time Warner stockholders of record received one share of Time Inc. common stock for every eight shares of Time Warner common stock held as of May 23, 2014.

This notice contains general guidance regarding tax basis in your Time Warner and Time Inc. shares for U.S. federal income tax purposes. *If you did not receive shares of Time Inc. common stock or cash in lieu of a fractional share in the Distribution, this notice does not apply to you.*

APPLICABILITY OF THE TAX BASIS CONSEQUENCES DESCRIBED BELOW

The discussion below regarding tax basis applies generally to U.S. Holders. For purposes of this summary, a “U.S. Holder” is a beneficial owner of Time Warner common stock that holds that stock as a capital asset (generally, for investment purposes) and is, for U.S. federal income tax purposes: (i) a citizen or resident of the United States; (ii) a corporation (or other entity treated as a corporation) created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (y) in the case of a trust that was treated as a domestic trust under law in effect before 1997, a valid election is in place under applicable Treasury Regulations. If a partnership (or other entity treated as a partnership) holds Time Warner common stock, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner in a partnership holding Time Warner common stock should consult its tax advisor.

GENERAL GUIDANCE REGARDING TAX BASIS IN A TAX-FREE SPIN-OFF

As a consequence of the Distribution, you will need to allocate your tax basis in your Time Warner common stock immediately before the Distribution between your Time Warner common stock and the Time Inc. common stock you receive. If you purchased your Time Warner common stock for cash, the tax basis for your Time Warner common stock would generally equal the original cost of this common stock (including commissions or other fees), adjusted to take into account the effect of certain prior transactions in which you may have participated. *If you acquired your Time Warner common stock as a gift, through an employee compensation arrangement, from a person to whom you were related or otherwise not dealing with at arm’s length, in a tax deferred transaction or through some other means, we recommend that you consult your own tax advisor to determine your tax basis in these shares. If you acquired shares of Time Warner common stock at different times, for U.S. tax purposes you will need to make separate tax basis calculations for each group of shares*

The allocation of tax basis between your Time Warner common stock and the Time Inc. common stock you receive in the Distribution is based on their relative fair market values at the time of or

immediately following the Distribution. U.S. federal income tax law does not specify precisely how to determine these fair market values. In general, fair market value of an item of property means the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts.

There are several potential methods for determining the fair market values of Time Warner common stock and Time Inc. common stock. One approach for determining the fair market values is to utilize the trading prices of Time Warner common stock and Time Inc. common stock quoted on the New York Stock Exchange on the first trading day following the Distribution. Another potential approach for determining the fair market value would be to utilize the trading prices of Time Warner common stock and Time Inc. common stock trading on a “when issued” basis quoted on the New York Stock Exchange on the date of the Distribution.

The following is an example of how to allocate your aggregate tax basis in your Time Warner common stock immediately before the Distribution between your Time Warner common stock and the Time Inc. common stock you receive. The example is based on closing prices on the trading day following the Distribution, as described above. The example is provided solely for illustrative purposes and as a convenience to Time Warner stockholders and their tax advisors when establishing their specific tax position.

HYPOTHETICAL EXAMPLE OF TAX BASIS ALLOCATIONS

Assumptions:

Shares of Time Warner common stock: 100 shares
 Starting tax basis of Time Warner shares: \$50 per share
 Aggregate tax basis for Time Warner shares: \$5,000 (100 shares x \$50 per share)
 Shares of Time Inc. common stock received in the
 Distribution (including fractional share): 12.5 shares

Your aggregate tax basis in your Time Warner common stock immediately prior to the Distribution would be allocated between your Time Warner common stock and your Time Inc. common stock (including any fractional share, for which you will ultimately receive cash) as illustrated below.

Formula for Calculating Aggregate Fair Market Values of Shares in the Distribution

To determine the aggregate fair market value of your shares of Time Warner common stock and Time Inc. common stock, multiply the number of such shares by the applicable fair market value of one such share.

Number of Shares		Closing Price on 6/9/14		Aggregate Fair Market Value	
Time Warner Common Stock	100	x	\$68.99	=	\$6,899.00
Time Inc. Common Stock	12.5	x	\$23.30	=	\$291.25
Total					\$7,190.25

Formula for Calculating Share Basis Allocation Percentage in the Distribution

To find the share basis allocation percentage for your Time Warner common stock, divide the aggregate fair market value of your shares of Time Warner common stock by the sum of the aggregate fair market values of your shares of Time Warner common stock and your shares of Time Inc. common stock (including any fractional share for which you will ultimately receive cash).

To find the share basis allocation percentage for your Time Inc. shares (including any fractional share for which you will ultimately receive cash), divide the aggregate fair market value of your shares of Time Inc. common stock (including any fractional share) by the sum of the aggregate fair market values of your shares of Time Warner common stock and your shares of Time Inc. common stock (including any fractional share).

Aggregate Fair Market Value		Aggregate Fair Market Value of Time Warner and Time Inc. Stock		Share Basis Allocation Percentage	
Time Warner Common Stock	\$6,899.00	÷	\$7,190.25	=	95.95%
Time Inc. Common Stock	\$291.25	÷	\$7,190.25	=	4.05%

Formula for Calculating Tax Basis Allocation in the Distribution

To find the tax basis allocation for your Time Warner common stock, multiply your aggregate tax basis in your shares of Time Warner common stock immediately prior to the Distribution by your Time Warner share basis allocation percentage. To find your Time Warner tax basis allocation per share, divide this number by the number of Time Warner shares.

To find the tax basis allocation for your Time Inc. common stock (including any fractional share), multiply your aggregate tax basis in your shares of Time Warner common stock immediately prior to the Distribution by your Time Inc. share basis allocation percentage. To find your Time Inc. tax basis allocation per share, divide this number by the number of Time Inc. shares (including any fractional share).

Aggregate Time Warner Tax Basis		Share Basis Allocation Percentage		Tax Basis Allocation		Number of Shares		Tax Basis Allocation Per Share
Time Warner Common Stock	\$5,000.00	x	95.95%	=	\$4,797.47	÷	100	\$47.97
Time Inc. Common Stock	\$5,000.00	x	4.05%	=	\$202.53	÷	12.5	\$16.20

Formula for Allocating Aggregate Tax Basis to Whole Time Inc. Shares and Fractional Time Inc. Shares

To find the tax basis allocation for the whole shares of Time Inc. common stock you receive in the Distribution, multiply the number of whole shares you receive by the Time Inc. tax basis allocation per share.

To find the tax basis allocation for any fractional share of Time Inc. common stock sold on your behalf for cash, multiply the fraction of a share you would have received by the Time Inc. tax

basis allocation per share. This is the basis you should use to compute your gain or loss recognized with respect to the cash you receive in lieu of the fractional shares.

Number of Shares		Tax Basis Allocation Per Share		Tax Basis Allocation	
Time Inc. Whole Shares	12	x	\$16.20	=	\$194.43
Time Inc. Fractional Share	0.5	x	\$16.20	=	\$8.10

SPECIAL REPORTING REQUIREMENTS FOR CERTAIN STOCKHOLDERS

Pursuant to Treasury Regulations Section 1.355-5(b), certain Time Warner stockholders (i.e., those stockholders who, immediately before the Distribution, owned at least 5% of Time Warner stock or had an aggregate basis in their Time Warner stock of \$1 million or more) who received shares of Time Inc. stock in the Distribution are also required to include a statement related to the Distribution in their U.S. federal income tax returns for the year in which the Distribution occurs.

CONSULT YOUR TAX ADVISOR

The information contained in this notice represents our general understanding of the application of certain existing U.S. federal income tax laws and regulations relating to the Distribution. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of Time Warner stockholders, such as stockholders who acquired Time Warner common stock as compensation or stockholders subject to special treatment under the Internal Revenue Code or other applicable laws. *You are urged to consult your own tax advisor regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.* We also urge you to read the Information Statement dated May 9, 2014 that was mailed to you, noting especially pages 35-38 under the heading “Material U.S. Federal Income Tax Consequences of the Spin-Off.” The Information Statement is also available on this website.