



2. I received a B.A. from Yale University in 1949 and a M.B.A. from Harvard Business School in 1951. Prior to attending Yale, I served in the U.S. Merchant Marines. After receiving my M.B.A., I served in the U.S. Air Force for two years. After I left the military, I joined Jewel Companies, Inc. ("Jewel"), a diversified retailer, as a trainee in 1953. I became President of Jewel in 1965, Chairman of the Board and Chief Executive Officer of Jewel in 1970, and served as Chairman of the Jewel Executive Committee from 1980 until 1983 when I retired.

3. I also presently serve as a director of American Telephone & Telegraph Company, Aon Corporation (formerly Combined), Cummins Engine Company, Illinois Power Company, Inland Steel Industries, K-Mart Corporation, LaSalle Street Fund, The Putnam Funds, Springs Industries and Thyssen-Bornemisza NV. I have formerly served as a director of Aurrera, S.A., Corning Glass Works, Eastman Kodak Company, Firestone Tire & Rubber Company, Freeport-McMoRan, Inc., GB-Inno-BM and G.D. Searle & Company. I am also currently a trustee of The Ford Foundation and The Brookings Institution; the Vice Chairman of Northwestern University, and a member of the Board of Directors of the Associates of Harvard Business School.

4. Since I retired from Jewel, the majority of my time has been devoted to my duties as an outside director on

the Boards listed above. In addition to attending Board meetings, I devote a substantial amount of time to consultation with the officers of the companies for which I serve as a director. I have spent a number of hours most every month, outside of Board meetings, on matters related to Time. I believe I have a duty to the shareholders of the companies for which I serve as a director to carefully and thoroughly consider all significant aspects of the business decisions the Board must make, and I do my utmost to fulfill that duty.

Background: Time's strategic plan and the need for international expansion

5. For at least the last three years, Time's strategic business plan has been to acquire additional video programming production capacity. The Board believed that such an acquisition was necessary because of the growing need of Time's wholly-owned subsidiary Home Box Office Inc. ("HBO") for video product and HBO's dependence on the major motion picture producers for that product.

6. During the same period, Time's goal has also been to expand its international business activities. I strongly believed, and still believe, because of the globalization of media ownership that international expansion is necessary to the continued viability of Time. In fact, I was critical of earlier Time business plans because in my

view, those plans were too focused on U.S. business activities. Therefore, I actively encouraged the development of an international business strategy and was pleased when during the last year or two that became a focus of the strategic plans.

Initial consideration of a business combination with Warner

7. I first learned that Time was considering a business combination with Warner Communications Inc. ("Warner") in the spring of 1987 when Messrs. Munro and Nicholas advised me that Time was considering entering some form of joint venture with Warner involving at least the companies' cable television properties. I told Messrs. Munro and Nicholas that I believed a joint venture would be a good way to start a relationship between Time and Warner.

8. The desirability of some form of a business combination between Time and Warner was discussed or referred to in most of the Board meetings after this initial conversation, particularly in the private executive sessions Mr. Munro typically had with the outside directors. Mr. Munro used these informal sessions to inform the Board of management's ideas and activities and seek the Board's reactions, not to "sell" the Board on a deal with Warner.

9. A joint venture presented a number of logistical difficulties for Time and Warner. I recall that there were tax reasons why it would be very difficult to have a joint venture. Consequently, the joint venture discussions evolved into a discussion of a complete merger.

10. In June 1988, Mr. Munro sent all the outside directors a copy of a strategic plan a group of Time operating personnel had prepared. One of the conclusions of that report was that Time needed to expand its activities in the area of video programming production.

11. Shortly after I received that report, Messrs. Munro and Nicholas came to Chicago to meet with Jim Bere, the Chairman and Chief Executive Officer of Borg-Warner Corporation and also a Time director, and me to discuss the strategic report and a possible business combination with Warner. Mr. Bere and I expressed our agreement with the overall strategy of expanding into video programming by entering a business combination with Warner. However, Mr. Bere and I stated that we were very concerned about governance of the combined entity.

12. Mr. Bere and I stated that we believed that governance provisions structured to assure preservation of the Time culture, particularly Time's tradition of ensuring editorial independence by separating editorial functions from other aspects of the company's business operations

(commonly referred to at Time as the separation of "church and state"), were absolutely critical to Board approval of any proposed business combination. We stated that we believed that governance provisions which guaranteed that Time management would ultimately succeed to sole control of the combined company were necessary in order to assure preservation of the Time culture and ultimately the business success of the combined entity.

The Time Culture: Separation of Church and State

13. I have a particular understanding and particular feeling about the importance of the separation of church and state at Time and of the depth of feeling among Time's editorial employees about that separation. I am Chairman of the Board's Nominating and Governance Committee. In addition to serving the normal functions of selecting directors and counseling management about business operations, Time's Nominating and Governance Committee has the unique responsibility of periodically reviewing the company's editorial operations with the editor-in-chief and providing oversight to that aspect of the company's operations.

14. Henry Luce, Time's founder, determined that the best way to maintain editorial integrity and editorial freedom was to have the editor-in-chief report directly to the Board. I have discussed this concept of the separation

of church and state and of having the editor-in-chief report directly to the Board with a number of other media company directors and no one has ever told me that they have seen anything similar. I believe this aspect of the Time culture is uniquely valuable, both to the stockholders of Time and the public, and I feel strongly that it should be preserved.

15. A few years ago, I thoroughly investigated this tradition of separation of the company's editorial functions from its business operations. I spent a good deal of time over a period of almost a year outside of Board meetings visiting with editorial employees and asked numerous questions about the benefits of and necessity for that tradition. My premise when I began this undertaking was that the editorial division should be subject to greater management oversight.

16. However, the more I probed this matter, the more I realized how fundamental the idea of church and state separation is to the culture at Time. Church and state are not separate at Time today simply because Mr. Luce thought it should be that way; that tradition has been maintained so long that it is part of the standard, part of the culture, part of the spirit of the editorial staff of Time.

17. I concluded that because that separation of church and state was such an essential part of Time culture, it must be preserved. In a sense I am a born again believer

in that principle. It became apparent to me that preserving the tradition of editorial independence at Time is really a matter of preserving the value of the company's editorial staff and, thus, of preserving shareholder value. Value in this context has two meanings. The editorial staff has a financial value to the ongoing business because part of the financial worth of Time is due to the integrity and independence of the editorial staff. However, I also believe that the integrity and independence of the editorial staff has given Time an almost spiritual value, a presumption of honesty and trustworthiness that any company would envy. I believe that spiritual value is ultimately a component of shareholder value because it results in greater reader acceptance and thus greater sales and advertising revenue than would otherwise be the case.

#### The July 1988 Board Meeting

18. At the July 1988 Board meeting, the directors reviewed Time's strategic needs and detailed analyses of all the entertainment companies, including Columbia, Disney, MCA-Universal, Twentieth Century Fox, Paramount (then Gulf + Western Inc.) and Warner, that might satisfy those strategic needs.

19. Although no formal vote was taken, the directors seemed to agree that a combination with Warner was clearly the best opportunity to fulfill Time's long-term



strategic goals. I believed Warner was the best choice because it was the only company which combined a first rate movie studio, cable operations that could be combined with Time's cable operations, highly successful record operations, and, of considerable importance, substantial international distribution outlets, sales and earnings.

20. However, at the July 1988 meeting, the directors also made it clear that they were very concerned about the provisions for governance of a combined Time/Warner business. I stated that before I could vote in favor of a business combination with Warner, I would have to be absolutely certain that Time personnel would ultimately succeed to management control of the combined enterprise because I wanted to ensure that the traditional editorial independence at Time and other aspects of the Time culture were preserved. As I recall, my fellow directors concurred in that view.

21. Management was therefore instructed to provide a detailed description of a management succession agreement, which should include a date certain on which Mr. Ross would retire. Because of Mr. Ross' success and powerful personal recognition, I felt only a commitment by him to retire and leave Time representatives in charge would provide the necessary assurances of the survival of the Time culture. In August 1988, I received a copy of the management

succession provisions Time proposed. Shortly thereafter, I was informed that discussions between Time and Warner had terminated because Warner was unwilling to agree to the management succession provisions the Time Board felt were necessary.

22. As I expressed to Mr. Munro, I was not opposed to paying a premium to Warner's shareholders to effectuate a combination. The directors discussed this issue at the July 1988 meeting, and as I recall, no one said we should not enter a business combination with Warner if it was necessary to pay a premium.

The Original Merger Agreement

23. In late 1988, Mr. Munro informed me that my fellow director Michael Dingman had had a dinner with Mr. Ross and that it appeared that discussions between Time and Warner would resume. Mr. Munro updated the Board on the status of discussions with Warner throughout early 1989.

24. On March 3, 1989, the Board approved a Merger Agreement pursuant to which Warner would merge with a wholly-owned subsidiary of Time and each share Warner's common stock would be exchanged for 0.465 a share of Time common stock (the "Original Merger Agreement"). Time shareholders were scheduled to vote on the Original Merger Agreement on June 23, 1989.

25. As I explicitly stated at the March 3, 1989 Board meeting, I voted in favor of the Original Merger Agreement because in my judgment, the transaction makes business sense to Time for three principal reasons. First, the Warner businesses are growing faster than the Time businesses and prospects are that that will continue to be the case. Second, a very high percentage of Warner's income, approximately 40 percent, comes from international business operations, and, therefore, Warner can help Time to become the kind of international company it needs to be to survive given the change in media ownership around the world. And finally, the approximately 10 percent premium to be paid Warner shareholders was quite modest in relation to what Time would be achieving.

26. I strongly disagree with Paramount's contention that defensive considerations and a desire to entrench the Board and Time's management were the primary motivations for approval of the Original Merger Agreement. Such considerations were no part of my motivations. I have no financial need to be on the Time Board and have over the course of my career received invitations to join over 80 corporate Boards. As noted earlier, I had been actively encouraging management to expand its international business operations for a number of years. I have also been on the Board for a number of years and know that Warner's video product is

extremely important to HBO. I voted for the Original Merger based on its business merits.

27. Had a desire to entrench the Board or management and avert an unsolicited tender offer been the Board's primary motion, not approving the Original Merger Agreement might have been a better decision. We recognized that the Time-Warner combination would be highly visible and might attract the attention of potential bidders or competitors. We also felt, however, that the benefits to shareholders of the Warner combination amply justified going forward with the Original Merger Agreement. We did not believe that an unsolicited bid would put Time up for sale or would ultimately interfere with the planned acquisition of Warner. Actually, we discussed the fact that if we wanted to sell the business, a merger with Warner or anyone else was not the way to do it.

28. I also do not understand how the Original Merger Agreement could entrench management or the Board. Certainly size is no defense; companies bigger than Time and Warner combined have been taken over. In addition, the Original Merger Agreement did not guarantee that all officers and directors maintained their positions. In fact, it was clear when the Original Merger Agreement was approved that four of the Time directors would not be Time Warner directors, and no one knew who the continuing directors

would be. With respect to Time officers, it was, and always has been, perfectly clear that if performance ever became inadequate those officers could be terminated.

29. The Original Merger Agreement was structured as an exchange of shares for two reasons. First, at that time, an exchange of shares was the only form of transaction Warner would agree to. Secondly, if the transaction were consummated by a share exchange, Time would be able to utilize pooling-of-interests accounting treatment which would favorably affect reported earnings for the combined company.

30. However, the Board's decision to consummate a business combination with Warner was not conditioned on the availability of pooling-of-interests accounting treatment. At the March 3, 1989 meeting, the Board decided to attempt to achieve a transaction that could be accounted for as a pooling-of-interests but recognized that if that attempt was not successful there would still be the option of effectuating a combination that would be accounted for with purchase accounting.

31. I did not believe then, and do not now believe, that the Original Merger Agreement was effectively an agreement to sell Time. I would never have agreed to a sale of Time or to any other arrangement that I believe endangered the culture of Time. The fact that approximately

60 percent of the combined company's shares would be issued in exchange for Warner shares held by a widely dispersed group of stockholders did not in my mind represent a change of control that I would associate with a sale of the company. Had Time been able to acquire Lorimar in a separate transaction, there would be no 60 percent to discuss. In effect, that is what was happening except that Lorimar would come to Time via Warner.

32. I do not believe that the compensation packages approved for Messrs. Munro, Nicholas or Ross in connection with the approval of the Original Merger Agreement were anything but reasonable and appropriate decisions by the Time Board. With respect to Mr. Ross, the Board simply adopted his pre-existing contract at Warner. Because of previous decisions of the Warner Board, he was compensated like an owner of Warner. If Time was to acquire Warner that agreement had to be acquired along with all of the others. With regard to Messrs. Munro and Nicholas, the Board simply formalized for post-merger purposes its pre-existing plans for their employment agreements. Messrs. Munro and Nicholas did not receive any substantial increase in compensation. In fact, I believe Messrs. Munro and Nicholas went out of their way to try to make sure that the relatively higher levels of compensation at Warner were not translated to Time.

33. I also do not believe that the length of the employment agreements for Messrs. Munro and Nicholas were unusual or any cause for concern. To the contrary, the terms of the agreements were designed to assure that Time personnel succeeded to leadership in the combined company and that Mr. Munro's leadership and experience would be available to us during the transition years. The succession of Time personnel was a method chosen to ensure the Time culture would be maintained and that everyone at Time would be reassured, individually, that the culture and editorial integrity of the business would not be changed.

34. I believe that the management succession provisions agreed to at the March 3, 1989 meeting adequately protect the tradition of editorial independence at Time. I did not believe that it was necessary for Mr. McManus to have a long-term contract. I believe the best assurance of the preservation of editorial independence is to make sure that the management in charge of business operations understands and respects that tradition and intends to preserve it. As far as I could see, the Editor-in-Chief would have no motivation to alter that tradition and therefore I was not concerned about the term of Mr. McManus' contract.

35. I was aware that the draft management succession agreement prepared in the summer of 1988 had a provision requiring a two-thirds vote of the entire Board to

alter the composition of the Editorial Committee and that the agreement adopted at the March 3, 1989 meeting did not require such a vote for alteration of the Editorial Committee. The absence of the two-thirds majority requirement from the March 3 agreement does not mean the Board was at that point less concerned about editorial independence than it had been previously. We were concerned about how far we should go in committing a future Board to specific procedures and believed that a guarantee that management committed to the preservation of editorial independence would head up the combined company adequately assured that that tradition would remain intact. The employment contracts took the place of the two-thirds majority requirement.

36. I see nothing improper about Time's agreements with banks that they would not finance hostile acquisition bids for the company. We wanted the loyalty of our banks. We clearly could not "dry up" sufficient funds to prevent an offer from someone who was otherwise able to make one.

37. I believe the provision of the Original Merger Agreement which stated that Time and Warner would not, prior to termination of the Agreement, solicit or encourage other bids was entirely proper. That provision was basically the result of negotiations between the parties. Provisions of this type are normally included in merger agreements as a means of ensuring there is a reasonable prospect of



completing the transaction. I believe that it would have been imprudent not to include such a provision.

The Share Exchange Agreement

38. The Board also approved a Share Exchange Agreement between Time and Warner at the March 3, 1989 Board meeting. The Share Exchange Agreement was designed to formalize the parties' commitment to the Original Merger and was viewed as providing a greater assurance of the completion of that transaction.

39. The Share Exchange Agreement could perhaps be viewed as protective of the Original Merger and in that sense defensive. However, the only defensive effect it can have is a modest increase in the amount required to obtain total ownership of either Time or Warner because the number of shares outstanding is increased. There also was value for Time and its shareholders owning Warner shares in the event Warner was acquired by a third party before the merger was completed.

The Tender Offer and Revised Merger Agreement

40. On June 6, 1989, Paramount announced an offer to purchase Time's shares (the "Initial Paramount Offer"). At meetings held on June 8, 11, 15 and 16, 1989 the Board decided to revise the Original Merger Agreement to effectuate the business combination between Time and Warner by a two-step transaction. In the first step, Time will acquire

approximately 51 percent of Warner's common stock in a tender offer for \$70 per share in cash (the "Time Offer"). In the second step, Time will acquire the remaining Warner equity by exchanging a package of securities and/or cash with a value of \$70 for each Warner share (the "back-end transaction").

41. Before deciding to approve the tender offer and the revised merger agreement, the Board reviewed updated analyses of Paramount and discussed the desirability of a combination between Time and Paramount rather than Time and Warner. The Board concluded, as it had on previous occasions, that Warner is clearly the best partner and that, while Paramount had some attractive features, it was a distant second choice.

42. The Board also decided at these meetings to adjourn the shareholders meeting scheduled for June 23, 1989 until June 30, 1989 and to remove the shareholder vote on the Original Merger Agreement from the agenda for the adjourned meeting. The Board decided to remove the shareholder vote on the Original Merger Agreement from the agenda because, under the circumstances, there was a substantial risk that the vote on the Merger would not be a fair one and that, therefore, the Original Merger Agreement might not be approved.

43. Two factors led the Board to form this conclusion. First, the Board recognized that the record date for voting on the Original Merger Agreement had been May 1, 1989. The Board was advised at its June 8 meeting that approximately 30 percent of Time's outstanding shares had changed hands since that record date and that the record holders who had sold their shares would be very unlikely to vote at all on the Original Merger Agreement. Because affirmative votes from an absolute majority of the shares outstanding were necessary to approve the transaction, each vote not cast was equivalent to a no vote. Therefore, the Board realized that the large turnover in shares increased the possibility that the Merger might be rejected without regard to stockholder sentiment.

44. Second, the Board realized that the Initial Paramount Offer and Paramount's accompanying public relations campaign had created substantial confusion among Time's shareholders and that many of those shareholders might be misled into not voting in favor of the Original Merger Agreement.

45. I did not vote in favor of the Time Offer or the back-end transaction in order to thwart the Paramount Offer. The most certain way to thwart the Paramount Offer would be to begin an auction sale of the company. The only purpose of the Warner transactions as far as I was concerned

is to complete the business combination with Warner that the Board had previously concluded was desirable to fulfill Time's strategic goals. Each time the Board has discussed the possibility of entering a business combination with Warner, updated analyses of all the entertainment companies that might satisfy Time's long-term strategic needs have been reviewed, and, in each case, the Board concluded that Warner was clearly its first choice.

46. I do not believe that consummation of the Time Offer and the back-end transaction will necessarily prevent Paramount from obtaining control of Time. If Paramount can obtain financing and still wants to obtain control of Time, it is free to make a new offer after consummation of those transactions.

47. I consider myself an essentially conservative person, and I spent a lot of time thinking through the leverage to be incurred as a result of the revisions to the Original Merger Agreement. From that aspect, I would have been happier had the exchange-of-stock merger prevailed. However, I did recognize the added value to Time shareholders of using borrowed funds rather than shares of Time stock to acquire Warner. The revised agreement preserves most of the upside potential from the combination for Time shareholders. I was initially very enthused about the shareholder value that would result from the combination of Time

and Warner and remain so. I firmly believe that the financial terms of the Time Offer and the back-end transaction are fair to Time's shareholders and that consummation of those transactions will enhance shareholder value in the long-term. The price offered for Warner's shares was well within the value range determined by Time's investment bankers.

48. The Revised Merger Agreement has relatively few conditions at the insistence of Warner. Under the circumstances, I believe insistence on a firm contract was a reasonable position for Warner to take since Warner may now be subject to competing offers. I believe it was basically a matter of business judgment for the directors to weigh the benefits of a combination with Warner against the need for a firm commitment. We concluded that the benefits of that combination were substantial enough to justify such an agreement. Moreover, if we could have consummated the deal on June 16, we would have.

49. The Revised Agreement is not conditioned on obtaining cable transfer approval because at the time the revisions were approved, the overwhelming majority of cable transfer approvals, including approvals for transfer of the New York City cable franchises, had been obtained in connection with the Original Merger Agreement, and we believed it

was unlikely that any important number of franchising authorities would retract their approvals.

50. I do not believe that over time the Time Offer and the back-end transaction will necessarily be that different from the Original Merger Agreement. In fact, I believe the Board has more flexibility with the current transactions than it had under the Original Merger Agreement. Pursuant to the Original Merger Agreement, Time planned to issue equity rather than incur debt. However, the debt that will be incurred as a result of the Time Offer and the back-end transaction can subsequently be replaced with equity. Time has never had a problem selling stock, and I do not believe it will have such problems in the future. With the Original Merger Agreement, Time would have had conservative financing with a greater number of shares outstanding. Now Time will have less conservative financing and fewer shares outstanding, but the possibility of issuing more shares is preserved if and when the Board decides it is appropriate to do so.

51. I also believe that Time and Warner combined will be able to do a restructuring that would be more advantageous to shareholders than one implemented by Time alone. The two companies combined will have more of an ability to achieve material overhead savings and to otherwise cut costs. I believe the Board has many options

available and will not necessarily be required to sell any important assets.

The Board's Rejection of the Initial Paramount Offer

52. At the meetings held on June 8, 11, 15, and 16, 1989, the Board carefully considered whether it should accept the Initial Paramount Offer and unanimously determined to reject it. A number of considerations led to that conclusion. I list below the considerations that were most important to me.

53. I believe that the \$175 price of the Initial Paramount Offer was financially inadequate, especially given the condition that Paramount obtain approval of the transfer to Paramount of all material licenses granted to Time or its subsidiaries by the Federal Communications Commission (the "FCC") and cable franchises held by Time's 82 percent owned subsidiary American Television and Communications Inc. ("ATC") (the "cable transfer condition"). I believed, based on Time's recent experiences obtaining approvals for transfer of Warner cable franchises pursuant to the Original Merger Agreement and the experiences of others obtaining such approvals, that the process of satisfying this condition will take a substantial period of time. Thus, I believed the present value of the Initial Paramount Offer was likely to be much less than the \$175.

54. I do not believe that Paramount can support the debt it would incur to acquire Time unless it obtains approval for the transfer of substantially all of ATC's cable franchises. Thus, I do not believe Paramount can waive the cable transfer condition and prevent the delay about which I am concerned.

55. I also believe that the cable transfer condition makes the Paramount Offer more of an option to purchase than an offer to purchase. That condition gives Paramount the option of actually purchasing shares or not after it determines whether it can obtain appropriate approvals and examines the financial terms of its cable franchise agreements which are often modified with financial ramifications as a part of obtaining transfer approval from local franchising authorities.

56. The timing and number of conditions and contingencies to the Initial Paramount Offer also caused me to consider whether that Offer was illusory and whether Paramount's true, or at least primary, motivation was to simply disrupt the Original Merger Agreement. I was concerned that perhaps Paramount viewed the situation it had created as a no-lose proposition -- either Paramount could purchase Time cheaply or it could prevent the business combination with Warner. As a competitor, Paramount was not disinterested in breaking up the Time-Warner merger.



57. Finally, I firmly believe that a sale of Time could jeopardize its unique tradition of editorial independence. As I noted above, I believe that tradition has substantially enhanced shareholder value in the past, and I believe that maintenance of that tradition is absolutely necessary to preserve and enhance Time's value in the future.

58. I believe that the Board's duty is to optimize Time's shareholder value, not to maximize in the short run the value of shares. In order to optimize, the Board must take a long-term view. The Board's duty simply cannot be to maximize current shareholder value at each and every specific point in time. The Board fully understands it can maximize the immediate value of Time shares by auctioning off the business in parts. However, I do not believe that optimizes shareholder value and, therefore, do not believe my duty to shareholders compels such action.

59. On June 23, 1989, Paramount increased its offer price to \$200 per share (the "Revised Paramount Offer"). I believe this increase by itself demonstrates the obvious inadequacy of the first offer price.

The Board's Rejection of Paramount's Revised Offer

60. On June 26, 1989, the Board considered whether it should accept the Revised Paramount Offer and determined to reject it for all the same reasons (and one additional

reason) it had rejected the Initial Paramount Offer. The Board concluded that the \$200 price is also financially inadequate. The Revised Paramount Offer did not eliminate any of the conditions or contingencies to the Initial Paramount Offer and, therefore, all my previously expressed concerns remain.

61. In addition, in the Revised Offer, Paramount added the termination of the Revised Merger Agreement as a condition. As Paramount knows, Time cannot terminate its Agreement with Warner without a serious risk of liability to Warner shareholders. Thus, I believe this condition is just a further indication of the illusory nature of Paramount's Offer.

62. I did not and do not now believe the Board had a duty to meet or negotiate with Paramount about its offers for several reasons. First and foremost, Time is not for sale, and I do not believe that a sale of the company would be in the shareholders' best interest. I believe that the best way to enhance shareholder value is to complete the combination with Warner and allow the shareholders to enjoy the substantial benefits that will accrue as a result of that combination. Given this view, I simply see no reason to meet with Paramount and do not believe there is anything to negotiate about.

63. Secondly, I believe Paramount's offers are so highly conditional and contingent that they appear to be

illusory. I therefore doubt whether anything could be achieved by meeting.

64. Finally, Time's financial advisers have informed the Board that if it ever decides to sell Time, there would be ample opportunity to conduct an orderly auction and that initiating conversations with a low-ball bidder, which I believe Paramount is, would not be the best way to obtain maximum value for the company's shareholders. Thus, if the decision to sell is ever made, there will be plenty of time to meet and negotiate with all potential acquirors.

  
Donald S. Perkins

Sworn to before me this  
7<sup>th</sup> day of July 1989.

  
Notary Public

