

2. I have been employed as Editor-in-Chief of Time since August 1987 and was elected a member of the Board of Directors in January 1988. My first job with Time was as a summer intern with Sports Illustrated in 1957. I was also a trainee the next summer, reporting for the Time-Life News Service first in New York, then in London before I took up a Rhodes scholarship at Oxford University. I joined the company full-time in 1959 as a writer in Time magazine's World (then called Foreign News) section.

1. In 1962, I became Time magazine's first Common Market bureau chief, covering European politics and economics from Paris. I came to New York in 1964 as a contributing editor in Time magazine's World section, became an associate editor in 1966 and a senior editor in 1968. As a senior editor, I presided first over World, then, from 1969 to 1976, the Nation section, including the coverage of Watergate. For a six-month period in 1973, I returned to Paris to launch the European edition of Time magazine.

2. I became an assistant managing editor of Time magazine in 1976 and executive editor in 1978. From November 1981 to February 1983, I served as assistant corporate editor of Time. I resumed my post at Time magazine until my appointment as corporate editor of Time in January 1984. I was named managing editor of Time in

September 1985, a position I held until April 1987 when I became Time's Editor-in-Chief designate.

3. I received a B.A. from Davidson College in 1956, an M.A. in public affairs from Princeton University in 1958 and an honorary Doctor of Letter degrees from Davidson in 1979 and Monmouth College in 1988.

4. I am currently a trustee of Princeton University, a director of the Hastings Center, a member of the board of governors of the Columbia University Seminars on Media and Society, a trustee of the Nightingale-Bamford School and a member of the Council on Foreign Relations.

5. I concurred in the Board's March 3, 1989 decision to enter a merger agreement with Warner Communications Inc. ("Warner"), the decision to revise that agreement in early June of 1989, and the decisions to reject Paramount's takeover offers. I submit this affidavit to explain certain facts critical to an understanding of the Board's concerns about the transactions with Warner and the Paramount offers.

The tradition of editorial independence and the role of the Editor-in-Chief

6. Time's structure for editorial independence is, so far as I know, unique in journalism--worldwide. It is a legacy of Henry Luce, for whom as both proprietor and Editor-in-Chief, what we at Time call "church and state"

co-existed in his own mind. Mr. Luce, believed that the best way to preserve the editorial integrity of the company's magazines was to maintain a strict division between the company's editorial functions and its business activities. When Mr. Luce prepared the way for his succession, he institutionalized a kind of separation of powers.

7. At Time, the Editor-in-Chief reports directly to the company's Board of Directors. However, the Board's supervision does not extend to editorial policy in terms of what the company's magazines print; the Board, recognizing the special character of the editorial process, does not undertake to pass upon editorial content or positions. The Editor-in-Chief has the sole authority to determine what those publications will print and how the material published will be portrayed. If the Board finds that editorial performance has been generally unsatisfactory over a significant period of time, it will appoint a new Editor-in-Chief, but the Board does not seek to supervise his activities month by month.

8. The Editor-in-Chief also has no reporting relationship to Time's Chief Executive Officer. The Chief Executive Officer is responsible for all financial decisions affecting the company's operations and where those decisions affect editorial performance, they are made in consultation with the Editor-in-Chief. The Chief Executive Officer may

not exercise his authority in financial areas to influence the editorial integrity, content or policy of the company's publications.

9. In publishing enterprises everywhere else, the journalists ultimately work for the businessmen, the publishers, the CEOs. While editors elsewhere may choose their own subordinates, the chief editors are selected by the people who run the enterprises.

10. It is undoubtedly true that editorial independence can occur under these conditions. But it more clearly rests on the quality and will of individuals, all of whom are mortal, and on the circumstances of the moment. It is not institutionalized as it is, I repeat, uniquely, at Time. In our company all the journalists work for, and all the key editors are appointed by, the Editor-in-Chief of Time, who reports only to the Board of Directors and is appointed by the Board.

11. The Editor-in-Chief is responsible for maintaining the highest possible quality in Time's publications, for their policy and direction and for the resolution of questions of ethics and taste. He is a member of the Board and of the Chief Executive Officer's management group, and has the responsibility to express his concern if non-publishing activities of Time seem to be in conflict with

editorial positions of the company's publications, and their standards of ethics and taste.

12. The tradition of editorial independence continues to this day, perhaps stronger than ever in the freedom I accord to the editors of our magazines to come to their own best and considered judgments on major issues. I have no problem if Time says one thing and Fortune, for example, another on an issue, if the work is well done, the argument well thought through. I think in this day and age that is an essential part of our credibility with our readers.

13. All this is well understood by Time journalists and is an important part, for most of them, of their sense of integrity and independence as functioning journalists. But they and I also know that having what we refer to as a "charter" (the document which formally sets forth the role of the Editor-in-Chief and the company's position on the institutional necessity of editorial independence) and a tradition of the separation of what we call "church and state" is not enough to guarantee independence. It also requires on the business side, beyond the institutional arrangements, a shared sense of history and culture, of what Time has meant over the years, to avoid incursion and collision. There must be respect by the CEO and all the business side for the role of the Editor-in-Chief, for the

importance of church and state separation, for the values of this arrangement.

14. I believe that maintenance of integrity and professionalism in editorial activities is important to the company and its shareholders for a number of reasons. Such standards simply make good business sense. These qualities translate into greater readership and, thus, into larger circulation and advertising revenues. In addition, maintenance of high editorial standards and devotion to editorial integrity benefit all aspects of the company's business operations.

15. Moreover, Time has always believed that the unique form of editorial independence it provides is not only a service to the company and its shareholders but is also an integral part of the democratic process in this country. Independent journalism benefits the entire society in the long run, which is how we at Time view our mission.

The Time/Warner Merger

16. I recite these facts to try to put into context the Board's views about management of a combined Time and Warner. The Board has always been adamant in its view that individuals committed to the Time culture must ultimately succeed to management control of the combined company. Indeed, discussions with Warner terminated in August 1988 because Warner was then unwilling to agree to

terms regarding governance that were acceptable to the Board.

17. However, the Board's view that Time management must play a critical role in the combined company's future was not related to concern about any particular individual in management or, I am convinced, about their positions on Time's Board. The Board's primary concern relevant to the issue of management succession is that Time's culture, particularly its tradition of editorial independence, be preserved. That culture has served shareholders well in the past, and we expect it will continue to do so in the future.

18. I believe the merger agreement with Warner contains provisions adequate to ensure continuation of the tradition of editorial independence, including a stipulation that there shall be a special Editorial Committee of the Time Warner Board. Warner understands and accepts the "charter" and our historic commitment to editorial independence. A combination with Warner which was not seen as an acquisition by Time and which would not have made clear that Time's culture was to be preserved would have had a profound adverse effect on our ability to retain our journalists and attract those with similar high standards and ability.

19. Currently, the composition of the Editorial Committee may be altered by a majority vote of the Board. I

understand that an earlier draft of the governance agreement required a two-third majority vote to change it. This is scarcely an indication of the company's retreating on protection for journalistic integrity: the two-thirds majority vote in the original draft had applied to the composition of all committees, not just the Editorial Committee. Thus, the adoption of the current simple majority requirement for all committees is indicative only of our preference for less restrictive committee nominations in general, and not a specific abandonment of our commitment to editorial independence.

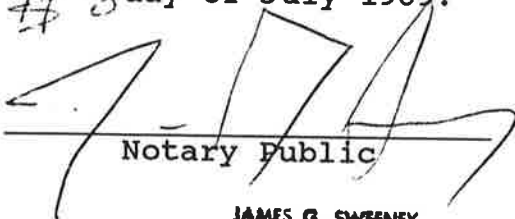
20. The preservation of church and state rests on the "charter" from the Board and the institutional structure it creates, empowering and insulating the office of the Editor-in-Chief. What matters is the office, not the person who occupies it at any given time. So there was no need in the merger agreement to provide special contractual or tenure arrangements for me as an individual, the continuity of the role of the Editor-in-Chief having been guaranteed. The situation was quite the reverse. The Board properly focused upon the provisions for the leadership of the combined companies, where the individuals were indeed what mattered most.

The effect of the Paramount offer

21. The Paramount offer has created a great deal of uncertainty as to the future of Time. That uncertainty has had an adverse effect on present and potential employees and on the company's relationship with its customers. The impact of Paramount's offer has been particularly harsh on the company's editorial employees. Time's ability to attract and retain editorial personnel of the highest caliber turns upon its longstanding reputation and commitment to preserve journalistic independence and integrity. It is that fundamental perception that is currently threatened by the Paramount bid.


 Jason D. McManus

Sworn to before me this
 7th 8th day of July 1989.


 Notary Public

JAMES G. SWEENEY
 Notary Public, State of New York
 No. 4903414
 Qualified in Orange County
 Certificate filed in New York County
 Commission Expires August 24, 1989