

PLAN OF ALLOCATION

This Plan of Allocation involves publicly traded securities of America Online, Inc. ("AOL"), Time Warner Inc. ("TW"), and AOL Time Warner Inc. ("AOLTW"), formed by the merger of TW and AOL.¹

This Plan of Allocation governs the calculation of Recognized Claims. Recognized Claims are generally based on calculations of Artificial Inflation, as adjusted as required by the PSLRA.² Artificial Inflation as used in this Plan means a dollar amount which is calculated by multiplying the number of shares purchased or sold times the purchase or sale price (net of commissions, taxes and fees) times the Artificial Inflation Percentage as of the relevant dates as set out in Schedule A. The Recognized Claim amounts will be aggregated and the Settlement monies will be distributed on a pro rata basis.

I. Categories Eligible to Claim Damages

A. Common Stock. Persons who purchased or otherwise acquired the following securities may be entitled to claim damages:

1. AOL shares purchased or otherwise acquired from January 27, 1999 up to and including January 11, 2001.
2. TW shares exchanged for AOLTW shares on or about January 11, 2001.³
3. AOLTW shares (except those acquired in exchange for AOL or Time Warner shares) purchased or otherwise acquired on January 11, 2001 up to and including July 24, 2002.
4. AOLTW shares purchased or otherwise acquired on or after July 25, 2002 up to and including August 27, 2002.

B. Options. Purchasers or sellers of the following categories of securities may be entitled to claim damages:

1. AOL or AOLTW call options purchased or otherwise acquired during the Securities Class Period, on January 27, 1999 up to and including August 27, 2002.
2. AOL or AOLTW put options sold during the Securities Class Period, from January 27, 1999 up to and including August 27, 2002.

C. Bonds. Purchasers or acquirers of the following securities from the dates of the respective offerings (April 2001 and April 2002) through August 27, 2002, may be entitled to claim damages:

Cusip Number	Coupon Rate	Debt Type	Maturity Date	Offering Price
<i>April 2001 Offerings</i>				
00184AAA3	6.125%	Notes	4/15/2006	99.793
00184AAB1	6.750%	Notes	4/15/2011	99.750
00184AAC9	7.625%	Debentures	4/15/2031	99.803
<i>April 2002 Offerings</i>				
00184AAD7	5.625%	Notes	5/1/2005	99.681
00184AAE5	6.150%	Notes	5/1/2007	99.685
00184AAF2	6.875%	Notes	5/1/2012	99.050
00184AAG0	7.700%	Debentures	5/1/2032	99.376

II. Recognized Claims

A. Pro Rata Allocation

The Settlement monies will be distributed on a pro rata basis based upon the aggregate Recognized Claims.

¹ AOLTW was subsequently renamed Time Warner Inc. in October of 2003.

² The Private Litigation Securities Reform Act provides for a cap on damages measured by a 90-day "look-back" period at the end of the Securities Class Period, PSLRA, Section 21(D)(e)(1).

³ "Exchange" as used herein means shares that had a legal right to be exchanged on January 11, 2001, even if the transfer actually occurred on a different date.

B. Recognized Claims: Common Stock

1. AOL shares purchased or otherwise acquired from January 27, 1999 through and including January 11, 2001:
 - (a) For all AOL shares purchased or otherwise acquired from January 27, 1999 through and including January 11, 2001 and SOLD AT A LOSS through and including January 11, 2001, the Recognized Claim shall be the difference between Artificial Inflation on the date of purchase and Artificial Inflation on the date of sale.
 - (b) For all AOL Shares exchanged on January 11, 2001 for AOLTW shares, and SOLD AT A LOSS on or after January 11, 2001 through and including August 26, 2002, the Recognized Claim shall be the difference between Artificial Inflation on the date of purchase (the date of original purchase, not the date of exchange) and Artificial Inflation on the date of sale.
 - (c) For all AOL Shares exchanged on January 11, 2001 for AOLTW shares, and SOLD AT A LOSS between August 27, 2002, and November 22, 2002, the Recognized Claim shall be the lesser of:
 - (i) The difference between Artificial Inflation on the date of purchase (the original date of purchase, not the date of exchange) and Artificial Inflation on the date of sale; or
 - (ii) That number of shares multiplied by the difference between the original purchase price per share (not the price on the date of exchange) and the average closing price of AOLTW shares between August 27, 2002 and the date of sale as set forth in Schedule A.
 - (d) For all AOL Shares exchanged on January 11, 2001 for AOLTW shares, and HELD THROUGH November 22, 2002, the Recognized Claim shall be the lesser of:
 - (i) Artificial Inflation on the date of purchase (the date of original purchase, not the date of exchange); or
 - (ii) That number of shares multiplied by the difference between the purchase price per share (on the date of original purchase, not the date of exchange) and \$13.37.⁴
2. TW shares exchanged for AOLTW shares on January 11, 2001
 - (a) For all TW Shares exchanged on January 11, 2001 for AOLTW shares, and SOLD AT A LOSS on or after January 11, 2001 through and including August 26, 2002, the Recognized Claim shall be the difference between:
 - (i) The number of AOLTW shares exchanged multiplied by \$18.28 (which is calculated by multiplying the closing price times the Artificial Inflation Percentage on that date) and
 - (ii) Artificial Inflation on the date of sale as set forth in Schedule A.
 - (b) For all TW Shares exchanged on January 11, 2001 for AOLTW shares, and SOLD AT A LOSS between August 27, 2002, and November 22, 2002, the Recognized Claim shall be the lesser of:
 - (i) That number of AOLTW shares multiplied by the difference between \$18.28 and Artificial Inflation on the date of sale; or
 - (ii) That number of AOLTW shares multiplied by the difference between \$47.23 (the closing price on January 11, 2001) and the average closing price of AOLTW shares between August 27, 2002 and the date of sale as set forth in Schedule A.
 - (c) For all TW Shares exchanged on January 11, 2001 for AOLTW shares, and HELD THROUGH November 22, 2002, the Recognized Claim shall be that number of shares multiplied by \$18.28.
3. AOLTW shares purchased or otherwise acquired (except in exchange for AOL or TW shares) on January 11, 2001 through and including July 24, 2002:
 - (a) For all such AOLTW shares purchased or otherwise acquired on January 11, 2001 through and including July 24, 2002, and SOLD AT A LOSS on or before July 24, 2002, the Recognized Claim shall be the difference between Artificial Inflation on the date of purchase and Artificial Inflation on the date of sale.
 - (b) For all such AOLTW shares purchased or otherwise acquired on January 11, 2001 through and including July 24, 2002 and SOLD AT A LOSS on July 24, 2002 through and including August 26, 2002, the Recognized Claim shall be the difference between Artificial Inflation on the date of purchase and Artificial Inflation on the date of sale.

⁴ This amount, \$13.37, is the mean closing price of AOLTW common stock during the 90-day period beginning on August 27, 2002 and ending on November 22, 2002, the 90-day look-back required by the PSLRA.

- (c) For all such AOLTW shares purchased or otherwise acquired on January 11, 2001 through and including July 24, 2002 and SOLD AT A LOSS on or after August 27, 2002 through and including November 22, 2002, the Recognized Claim shall be the lesser of:
 - (i) The difference between Artificial Inflation on the date of purchase and Artificial Inflation on the date of sale; or
 - (ii) That number of shares multiplied by the difference between (a) the purchase price per share and (b) the average closing price between August 27, 2002 and the date of sale as set forth in Schedule A.
 - (d) For all such AOLTW shares purchased or otherwise acquired on January 11, 2001 through and including July 24, 2002 and HELD THROUGH November 22, 2002, the Recognized Claim shall be the lesser of:
 - (i) Artificial Inflation on the date of purchase; or
 - (ii) That number of shares multiplied by the difference between the purchase price per share and \$13.37.
4. AOLTW shares purchased or otherwise acquired on or after July 25, 2002 up to and including August 27, 2002:
- (a) For all AOLTW shares purchased or otherwise acquired on July 25, 2002 through and including August 27, 2002 and SOLD AT A LOSS on or before August 26, 2002, the Recognized Claim shall be ten percent of the difference between Artificial Inflation on the date of purchase and Artificial Inflation on the date of sale.
 - (b) For all AOLTW shares purchased or otherwise acquired on July 25, 2002 through and including August 27, 2002 and SOLD AT A LOSS between August 27, 2002 and November 22, 2002, the Recognized Claim shall be the lesser of:
 - (i) Ten percent of the difference between Artificial Inflation on the date of purchase and Artificial Inflation on the date of sale; or
 - (ii) That number of shares multiplied by ten percent of the difference between the purchase price per share and the average closing price between August 27, 2002 and the date of sale as set forth in Schedule A.
 - (c) For all AOLTW shares purchased or otherwise acquired on July 25, 2002 through and including August 27, 2002 and HELD THROUGH November 22, 2002, the Recognized Claim shall be the lesser of:
 - (i) Ten percent of the difference between Artificial Inflation on the date of purchase and Artificial Inflation on the date of sale; or
 - (ii) That number of shares multiplied by ten percent of the difference between the purchase price per share and \$13.37.
 - (d) For all AOLTW shares purchased or otherwise acquired on July 25, 2002 through and including August 27, 2002 and HELD THROUGH November 22, 2002, the Recognized Claim shall be the lesser of:
 - (i) Ten percent of Artificial Inflation on the date of purchase; or
 - (ii) That number of shares multiplied by ten percent of the difference between the purchase price per share and \$13.37.

C. Recognized Claims: Options

- 1. AOL or AOLTW call options purchased or otherwise acquired during the Securities Class Period, on January 27, 1999 through and including August 27, 2002;
 - (a) For call options which (1) expired prior to July 25, 2002; (2) were exercised prior to July 25, 2002; or (3) were sold (position closed out) prior to November 22, 2002, the Recognized Claim shall be that number of options multiplied by the lesser of:
 - (i) The difference between Artificial Inflation per Option⁵ on the date of purchase and Artificial Inflation per Option on the date of expiration, exercise, or sale, as appropriate; or

⁵ With respect to purchases and sales (covers) of call options during the period January 27, 1999 through and including August 27, 2002, the Artificial Inflation per Option on a given day shall be the percentage reduction in the value of call options on that day as a result of the inflation in AOLTW's share price times the price paid (if purchased) or received (if sold). The percentage reduction in the value of call options will be calculated using the Black-Scholes option pricing formula (using the implied volatility for an at-the-money option on that day) and the closing share price of AOLTW common stock on the transaction date compared with the Black-Scholes pricing formula using the uninflated share price of AOLTW common stock on that same date. The uninflated share price of AOLTW common stock will be determined by reducing the closing price of AOLTW by the Artificial Inflation Percentage for the transaction day as set forth in Schedule A.

- (ii) The difference between the purchase price per option and the sale price per option (\$0.00 if the call option expired worthless).
 - (b) For call options which (1) expired worthless between July 25, 2002 and November 22, 2002; or (2) were retained at the end of trading on November 22, 2002, the Recognized Claim shall be that number of options multiplied by the Artificial Inflation per Option as determined by applying the Black-Scholes option pricing model on the date of purchase.
 - (c) For call options which (1) were exercised between July 25, 2002 and November 22, 2002; or (2) were sold between July 25, 2002 and November 22, 2002, the Recognized Claim shall be that number of options multiplied by the lesser of:
 - (i) Artificial Inflation per Option on the date of purchase less the Artificial Inflation per Option on the day of sale or exercise; or
 - (ii) The difference between the purchase price per option and the sales price per option.
2. For AOL or AOLTW put options sold during the Securities Class Period on January 27, 1999 through and including August 27, 2002:
- (a) For put options which (1) were repurchased (covered) between January 27, 1999 and July 24, 2002; or (2) were exercised against the put writer between January 27, 1999 and July 24, 2002, the Recognized Claim shall be that number of options multiplied by the lesser of:
 - (i) The difference between Artificial Deflation per Option⁶ as determined by applying the Black-Scholes options pricing model on the date of sale and Artificial Deflation per Option on the date of repurchase (cover) or exercise; or
 - (ii) The price per option on the date of repurchase (cover) or exercise less the sales price per option.
 - (b) For put options which (1) were repurchased (covered); or (2) were exercised against the put writer between July 25, 2002 and November 22, 2002 the Recognized Claim shall be that number of options multiplied by the lesser of:
 - (i) Artificial Deflation per Option on the date of sale less the Artificial Deflation per option on the date of repurchase; or
 - (ii) The price per option on the date of repurchase (cover) or exercise less the sales price per option.

D. Recognized Claims: Bonds

1. For purchasers of the 6.125% Notes maturing on April 15, 2006; the 5.625% Notes maturing on May 1, 2005 and the 6.150% Notes maturing on May 1, 2007, only Notes purchased before August 28, 2002 and SOLD AT A LOSS for less than the offering price, between April 15 and November 30, 2002, the Recognized Claim shall be the lesser of either the purchase price minus the sale price or the offering price minus the sale price.
2. For purchasers of the 6.750% Notes maturing on April, 15, 2011; 6.875% Notes maturing on May 1, 2012; 7.625% Debentures maturing on April 15, 2031; and 7.700% Debentures maturing on May 1, 2032; only Notes purchased prior to August 28, 2002, and SOLD AT A LOSS for less than the offering price between March 1, 2002 and December 6, 2002, the Recognized Claim shall be the lesser of either the purchase price minus the sale price or the offering price minus the sale price and then adjusted using the adjustment factors in Schedule B. The adjustment factors will be used to reduce the amount of Recognized Claim by the face value (principal amount) of the bonds purchased times the greater of (i) the difference between the adjustment factor on the date of sale and the adjustment factor on the date of purchase; or (ii) zero percent.

⁶ With respect to sales and purchases (covers) of put options during the period January 27, 1999 through and including August 27, 2002, the Artificial Deflation per Option on a given day shall be the percentage increase in the value of put options on that day as a result of the inflation in the share price of AOLTW times the price received (if sold) or paid (if purchased). The percentage increase in the value of put options will be calculated using the Black-Scholes option pricing formula (using the implied volatility for an at-the-money option on that day) and the closing share price of AOLTW common stock on the transaction date compared with the Black-Scholes pricing formula using the uninflated share price of AOLTW common stock on that same date. The uninflated share price of AOLTW common stock will be determined by reducing the closing price of AOLTW by the Artificial Inflation Percentage for the transaction day as set forth in Schedule A.

Schedule A: Artificial Inflation Percentage Chart

Period	Begin Date	End Date	Inflation Percentage	Look Back Averages	Avg. Price
1	01/27/99	01/27/99	12.0%	08/27/02	\$12.30
2	01/28/99	03/21/99	12.7%	08/28/02	\$12.68
3	03/22/99	04/19/99	14.8%	08/29/02	\$12.67
4	04/20/99	04/20/99	16.3%	08/30/02	\$12.53
5	04/21/99	04/25/99	17.7%	09/03/02	\$12.54
6	04/26/99	05/16/99	19.0%	09/04/02	\$12.47
7	05/17/99	08/10/99	20.2%	09/05/02	\$12.56
8	08/11/99	10/20/99	21.5%	09/06/02	\$12.66
9	10/21/99	01/02/00	22.1%	09/09/02	\$12.74
10	01/03/00	01/18/00	22.9%	09/10/02	\$12.79
11	01/19/00	07/19/00	23.7%	09/11/02	\$12.76
12	07/20/00	10/16/00	41.8%	09/12/02	\$12.77
13	10/17/00	10/18/00	39.9%	09/13/02	\$12.76
14	10/19/00	04/17/01	38.7%	09/16/02	\$12.75
15	04/18/01	07/17/01	39.5%	09/17/02	\$12.76
16	07/18/01	07/18/01	38.9%	09/18/02	\$12.73
17	07/19/01	08/12/01	38.5%	09/19/02	\$12.71
18	08/13/01	08/13/01	38.1%	09/20/02	\$12.68
19	08/14/01	10/07/01	37.1%	09/23/02	\$12.64
20	10/08/01	10/16/01	35.6%	09/24/02	\$12.60
21	10/17/01	12/09/01	35.0%	09/25/02	\$12.57
22	12/10/01	02/19/02	34.5%	09/26/02	\$12.55
23	02/20/02	03/25/02	33.2%	09/27/02	\$12.51
24	03/26/02	04/01/02	32.7%	09/30/02	\$12.49
25	04/02/02	04/09/02	33.4%	10/01/02	\$12.48
26	04/10/02	04/14/02	32.4%	10/02/02	\$12.48
27	04/15/02	06/03/02	33.6%	10/03/02	\$12.45
28	06/04/02	06/25/02	32.8%	10/04/02	\$12.41
29	06/26/02	06/27/02	31.3%	10/07/02	\$12.35
30	06/28/02	06/30/02	32.2%	10/08/02	\$12.30
31	07/01/02	07/01/02	31.7%	10/09/02	\$12.27
32	07/02/02	07/02/02	31.1%	10/10/02	\$12.25
33	07/03/02	07/11/02	32.6%	10/11/02	\$12.23
34	07/12/02	07/17/02	31.9%	10/14/02	\$12.22
35	07/18/02	07/18/02	30.8%	10/15/02	\$12.22
36	07/19/02	07/23/02	29.7%	10/16/02	\$12.23
37	07/24/02	07/24/02	26.8%	10/17/02	\$12.24
38	07/25/02	07/25/02	16.0%	10/18/02	\$12.26
39	07/26/02	07/28/02	20.2%	10/21/02	\$12.29
40	07/29/02	07/30/02	18.9%	10/22/02	\$12.32
41	07/31/02	08/01/02	12.4%	10/23/02	\$12.37
42	08/02/02	08/04/02	9.7%	10/24/02	\$12.43
43	08/05/02	08/05/02	14.2%	10/25/02	\$12.48
44	08/06/02	08/15/02	8.9%	10/28/02	\$12.53
45	08/16/02	08/21/02	13.3%	10/29/02	\$12.57
46	08/22/02	08/22/02	9.5%	10/30/02	\$12.62
47	08/23/02	08/25/02	4.6%	10/31/02	\$12.67
48	08/26/02	11/24/02	0.0%	11/01/02	\$12.73
				11/04/02	\$12.79
				11/05/02	\$12.86
				11/06/02	\$12.91
				11/07/02	\$12.96
				11/08/02	\$12.99
				11/11/02	\$13.03
				11/12/02	\$13.07
				11/13/02	\$13.11

Schedule A: Artificial Inflation Percentage Chart

Period	Begin Date	End Date	Inflation Percentage	Look Back Averages	Avg. Price
				11/14/02	\$13.15
				11/15/02	\$13.19
				11/18/02	\$13.22
				11/19/02	\$13.24
90 Day Look-Back Price			\$13.37	11/20/02	\$13.28
				11/21/02	\$13.33
				11/22/02	\$13.37

Schedule B: Adjustment Tables for Bonds

Date	Adjustment Factor for the 6.750% Notes maturing on April 15, 2011	Adjustment Factor for the 6.875% Notes maturing on May 1, 2012	Adjustment Factor for the 7.625% Debentures maturing on April 15, 2031	Adjustment Factor for the 7.700% Debentures maturing on May 1, 2032
03/01/02	0.00%	0.00%	0.00%	0.00%
03/04/02	0.00%	0.00%	0.00%	0.00%
03/05/02	0.00%	0.00%	0.00%	0.00%
03/06/02	0.00%	0.00%	0.00%	0.00%
03/07/02	0.00%	0.00%	0.85%	0.85%
03/08/02	0.00%	0.00%	1.61%	1.61%
03/11/02	0.00%	0.00%	1.60%	1.60%
03/12/02	0.00%	0.00%	1.55%	1.55%
03/13/02	0.00%	0.00%	1.36%	1.36%
03/14/02	0.00%	0.00%	2.28%	2.28%
03/15/02	0.00%	0.00%	1.97%	1.97%
03/18/02	0.00%	0.00%	1.54%	1.54%
03/19/02	0.00%	0.00%	1.55%	1.55%
03/20/02	0.00%	0.00%	2.10%	2.10%
03/21/02	0.00%	0.00%	2.02%	2.02%
03/22/02	0.00%	0.00%	2.20%	2.20%
03/25/02	0.00%	0.00%	2.35%	2.35%
03/26/02	0.00%	0.00%	1.95%	1.95%
03/27/02	0.00%	0.00%	1.85%	1.85%
03/28/02	0.00%	0.00%	2.11%	2.11%
04/01/02	1.20%	1.20%	2.29%	2.29%
04/02/02	0.99%	0.99%	1.80%	1.80%
04/03/02	0.71%	0.00%	1.27%	0.00%
04/04/02	0.67%	0.00%	1.25%	0.00%
04/05/02	0.23%	0.00%	0.70%	0.00%
04/08/02	0.35%	0.00%	0.89%	0.00%
04/09/02	0.29%	0.00%	0.75%	0.00%
04/10/02	0.36%	0.00%	0.85%	0.00%
04/11/02	0.59%	0.00%	0.96%	0.00%
04/12/02	0.29%	0.00%	0.60%	0.00%
04/15/02	0.11%	0.00%	0.30%	0.00%
04/16/02	0.03%	0.00%	0.39%	0.00%
04/17/02	0.22%	0.00%	0.65%	0.00%
04/18/02	0.09%	0.00%	0.49%	0.00%
04/19/02	0.00%	0.00%	0.42%	0.00%
04/22/02	0.08%	0.00%	0.35%	0.00%
04/23/02	0.10%	0.00%	0.35%	0.00%
04/24/02	0.00%	0.00%	0.00%	0.00%
04/25/02	0.00%	0.00%	0.00%	0.00%
04/26/02	0.00%	0.00%	0.00%	0.00%
04/29/02	0.36%	0.00%	0.30%	0.00%
04/30/02	0.25%	0.00%	0.23%	0.00%
05/01/02	0.00%	0.00%	0.00%	0.00%
05/02/02	0.23%	0.00%	0.36%	0.00%
05/03/02	0.03%	0.00%	0.04%	0.00%
05/06/02	0.22%	0.00%	0.19%	0.00%
05/07/02	0.18%	0.00%	0.13%	0.00%
05/08/02	0.54%	0.00%	1.01%	0.00%
05/09/02	0.48%	0.00%	0.80%	0.00%
05/10/02	0.31%	0.00%	0.44%	0.00%
05/13/02	0.59%	0.00%	1.00%	0.00%

Schedule B: Adjustment Tables for Bonds

Date	Adjustment Factor for the 6.750% Notes maturing on April 15, 2011	Adjustment Factor for the 6.875% Notes maturing on May 1, 2012	Adjustment Factor for the 7.625% Debentures maturing on April 15, 2031	Adjustment Factor for the 7.700% Debentures maturing on May 1, 2032
05/14/02	0.74%	0.00%	1.46%	0.19%
05/15/02	0.39%	0.00%	1.13%	0.00%
05/16/02	0.19%	0.00%	0.70%	0.00%
05/17/02	0.45%	0.00%	1.15%	0.00%
05/20/02	0.15%	0.00%	0.75%	0.00%
05/21/02	0.00%	0.00%	0.46%	0.00%
05/22/02	0.00%	0.00%	0.21%	0.00%
05/23/02	0.00%	0.00%	0.39%	0.00%
05/24/02	0.00%	0.00%	0.35%	0.00%
05/28/02	0.00%	0.00%	0.33%	0.00%
05/29/02	0.00%	0.00%	0.00%	0.00%
05/30/02	0.00%	0.00%	0.00%	0.00%
05/31/02	0.00%	0.00%	0.00%	0.00%
06/03/02	0.00%	0.00%	0.00%	0.00%
06/04/02	0.00%	0.00%	0.00%	0.00%
06/05/02	0.00%	0.00%	0.02%	0.00%
06/06/02	0.00%	0.00%	0.00%	0.00%
06/07/02	0.25%	0.00%	0.45%	0.00%
06/10/02	0.34%	0.00%	0.43%	0.00%
06/11/02	0.20%	0.00%	0.10%	0.00%
06/12/02	0.28%	0.00%	0.06%	0.00%
06/13/02	0.11%	0.00%	0.00%	0.00%
06/14/02	0.00%	0.00%	0.00%	0.00%
06/17/02	0.00%	0.00%	0.00%	0.00%
06/18/02	0.00%	0.00%	0.00%	0.00%
06/19/02	0.00%	0.00%	0.00%	0.00%
06/20/02	0.48%	0.00%	0.17%	0.00%
06/21/02	0.38%	0.00%	0.00%	0.00%
06/24/02	0.67%	0.00%	0.66%	0.00%
06/25/02	0.76%	0.06%	0.75%	0.00%
06/26/02	1.28%	0.58%	2.36%	1.08%
06/27/02	2.08%	1.38%	3.40%	2.13%
06/28/02	1.75%	1.05%	3.23%	1.95%
07/01/02	2.07%	1.37%	3.41%	2.14%
07/02/02	1.99%	1.29%	3.22%	1.94%
07/03/02	1.82%	1.12%	3.22%	1.95%
07/05/02	1.95%	1.25%	3.78%	2.50%
07/08/02	1.85%	1.15%	3.50%	2.23%
07/09/02	1.65%	0.95%	3.03%	1.76%
07/10/02	1.51%	0.81%	2.51%	1.23%
07/11/02	1.40%	0.70%	2.63%	1.36%
07/12/02	1.25%	0.55%	2.53%	1.25%
07/15/02	1.43%	0.73%	2.75%	1.47%
07/16/02	2.06%	1.36%	3.54%	2.27%
07/17/02	1.65%	0.95%	3.07%	1.79%
07/18/02	1.64%	0.94%	2.94%	1.66%
07/19/02	1.82%	1.12%	3.00%	1.72%
07/22/02	1.69%	0.99%	2.58%	1.30%
07/23/02	2.35%	1.65%	3.10%	1.82%
07/24/02	2.21%	1.51%	3.19%	1.91%
07/25/02	2.62%	1.92%	3.77%	2.50%

Schedule B: Adjustment Tables for Bonds

Date	Adjustment Factor for the 6.750% Notes maturing on April 15, 2011	Adjustment Factor for the 6.875% Notes maturing on May 1, 2012	Adjustment Factor for the 7.625% Debentures maturing on April 15, 2031	Adjustment Factor for the 7.700% Debentures maturing on May 1, 2032
07/26/02	2.67%	1.97%	4.15%	2.87%
07/29/02	2.63%	1.93%	4.78%	3.50%
07/30/02	2.68%	1.98%	4.92%	3.65%
07/31/02	2.33%	1.63%	4.38%	3.10%
08/01/02	2.39%	1.69%	4.15%	2.87%
08/02/02	2.11%	1.41%	3.53%	2.26%
08/05/02	2.78%	2.08%	3.89%	2.62%
08/06/02	2.90%	2.20%	4.45%	3.18%
08/07/02	2.57%	1.87%	3.95%	2.67%
08/08/02	2.57%	1.87%	4.33%	3.05%
08/09/02	2.15%	1.45%	3.54%	2.26%
08/12/02	2.06%	1.36%	3.42%	2.14%
08/13/02	1.80%	1.10%	2.87%	1.59%
08/14/02	1.44%	0.74%	2.59%	1.31%
08/15/02	1.43%	0.73%	3.05%	1.78%
08/16/02	1.85%	1.15%	3.87%	2.59%
08/19/02	1.49%	0.79%	3.52%	2.24%
08/20/02	0.91%	0.21%	2.67%	1.40%
08/21/02	0.60%	0.00%	2.38%	1.11%
08/22/02	0.61%	0.00%	2.56%	1.28%
08/23/02	0.64%	0.00%	2.27%	1.00%
08/26/02	0.37%	0.00%	1.96%	0.69%
08/27/02	0.84%	0.14%	2.44%	1.16%
08/28/02	0.71%	0.01%	1.99%	0.71%
08/29/02	0.34%	0.00%	1.58%	0.31%
08/30/02	0.34%	0.00%	1.57%	0.29%
09/03/02	0.21%	0.00%	0.93%	0.00%
09/04/02	0.00%	0.00%	0.69%	0.00%
09/05/02	0.00%	0.00%	0.65%	0.00%
09/06/02	0.09%	0.00%	1.24%	0.00%
09/09/02	0.14%	0.00%	1.32%	0.04%
09/10/02	0.00%	0.00%	0.89%	0.00%
09/11/02	0.00%	0.00%	1.23%	0.00%
09/12/02	0.00%	0.00%	0.67%	0.00%
09/13/02	0.00%	0.00%	0.27%	0.00%
09/16/02	0.00%	0.00%	0.13%	0.00%
09/17/02	0.00%	0.00%	0.05%	0.00%
09/18/02	0.00%	0.00%	0.17%	0.00%
09/19/02	0.00%	0.00%	0.10%	0.00%
09/20/02	0.00%	0.00%	0.31%	0.00%
09/23/02	0.00%	0.00%	0.05%	0.00%
09/24/02	0.00%	0.00%	0.20%	0.00%
09/25/02	0.00%	0.00%	0.72%	0.00%
09/26/02	0.00%	0.00%	0.83%	0.00%
09/27/02	0.00%	0.00%	0.58%	0.00%
09/30/02	0.00%	0.00%	0.56%	0.00%
10/01/02	0.00%	0.00%	0.93%	0.00%
10/02/02	0.00%	0.00%	1.02%	0.00%
10/03/02	0.11%	0.00%	1.29%	0.02%
10/04/02	0.28%	0.00%	1.47%	0.20%
10/07/02	0.55%	0.00%	1.61%	0.33%

Schedule B: Adjustment Tables for Bonds

Date	Adjustment Factor for the 6.750% Notes maturing on April 15, 2011	Adjustment Factor for the 6.875% Notes maturing on May 1, 2012	Adjustment Factor for the 7.625% Debentures maturing on April 15, 2031	Adjustment Factor for the 7.700% Debentures maturing on May 1, 2032
10/08/02	0.60%	0.00%	1.76%	0.48%
10/09/02	0.62%	0.00%	1.66%	0.39%
10/10/02	0.76%	0.06%	2.33%	1.06%
10/11/02	0.78%	0.08%	2.77%	1.50%
10/14/02	0.84%	0.14%	2.80%	1.52%
10/15/02	1.03%	0.33%	3.50%	2.22%
10/16/02	1.38%	0.68%	3.86%	2.58%
10/17/02	1.32%	0.62%	4.00%	2.73%
10/18/02	1.30%	0.60%	4.06%	2.78%
10/21/02	1.38%	0.68%	4.32%	3.04%
10/22/02	1.40%	0.70%	4.43%	3.16%
10/23/02	1.17%	0.47%	4.24%	2.96%
10/24/02	0.91%	0.21%	3.68%	2.41%
10/25/02	0.45%	0.00%	3.17%	1.89%
10/28/02	0.36%	0.00%	2.90%	1.63%
10/29/02	0.07%	0.00%	2.20%	0.92%
10/30/02	0.00%	0.00%	2.05%	0.78%
10/31/02	0.00%	0.00%	2.00%	0.73%
11/01/02	0.04%	0.00%	2.20%	0.92%
11/04/02	0.00%	0.00%	2.16%	0.88%
11/05/02	0.00%	0.00%	2.21%	0.93%
11/06/02	0.00%	0.00%	1.86%	0.58%
11/07/02	0.00%	0.00%	0.88%	0.00%
11/08/02	0.00%	0.00%	0.67%	0.00%
11/11/02	0.00%	0.00%	0.73%	0.00%
11/12/02	0.00%	0.00%	0.71%	0.00%
11/13/02	0.00%	0.00%	0.65%	0.00%
11/14/02	0.00%	0.00%	1.41%	0.14%
11/15/02	0.00%	0.00%	1.40%	0.13%
11/18/02	0.00%	0.00%	1.18%	0.00%
11/19/02	0.00%	0.00%	1.02%	0.00%
11/20/02	0.00%	0.00%	1.37%	0.10%
11/21/02	0.00%	0.00%	1.28%	0.00%
11/22/02	0.00%	0.00%	1.45%	0.17%
11/25/02	0.00%	0.00%	1.30%	0.03%
11/26/02	0.00%	0.00%	0.79%	0.00%
11/27/02	0.00%	0.00%	1.64%	0.37%
11/29/02	0.00%	0.00%	1.23%	0.00%
12/02/02	0.00%	0.00%	1.17%	0.00%
12/03/02	0.00%	0.00%	1.41%	0.13%
12/04/02	0.00%	0.00%	1.17%	0.00%
12/05/02	0.00%	0.00%	0.84%	0.00%
12/06/02	0.00%	0.00%	0.66%	0.00%