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SK TELECOM CO LTD
Form 6-K
November 18, 2004

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF NOVEMBER 2004
COMMISSION FILE NUMBER: 1-14418

SK TELECOM CO., LTD.
(Translation of registrant's name into English)

99, Seorin-dong
Jongro-gu
Seoul, Korea
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F -

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes - No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82- .)

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This report on Form 6-K shall be deemed to be incorporated by reference in the prospectuses included in Registration Statements on Form F-3 (File Nos. 333-91034 and 333-99073) filed with the Securities and Exchange Commission and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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This report on Form 6-K contains "forward-looking statements", as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipate", "believe", "consider", "depends", "estimate", "expect", "intend", "plan", "project" and similar expressions, or that certain events, actions or results "will", "may", "might", "should" or "could" occur, be taken or be achieved.

Forward-looking statements in this report on Form 6-K include, but are not limited to, statements related to the following:

- o our ability to anticipate and respond to various competitive factors affecting the industry, including new services that may be introduced, changes in consumer preferences, economic conditions and discount pricing strategies by competitors;
 - o our implementation of CDMA 1xEV/DO technology and other technologies such as W-CDMA, which is commonly referred to as third generation, or 3G, wireless technology;
 - o our plans to spend approximately Won 1.7 trillion for capital expenditures in 2004 for a range of projects, including expansion and improvement of our wireless networks, investments in our Internet-related businesses and expansion of our W-CDMA network and our expected future capital expenditures on various initiatives;
 - o our ability to comply with governmental rules and regulations, including Korean Ministry of Information Communication (MIC) regulations related to telecommunications providers and rules related to our status as a "market-dominating business entity" under the Fair Trade Commission of Korea's Korean Monopoly Regulation and Fair Trade Act;
 - o our expectations and estimates related to: interconnection fees; tariffs charged by wireless operators; regulatory fees; operating costs and expenditures; working capital requirements; principal repayment obligations with respect to long-term borrowings, bonds and obligations under capital leases; research and development expenditures; and other financial estimates;
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- o the effect of the number portability system that allows wireless subscribers to switch wireless service operators while retaining the same mobile phone number and the use of the common prefix identification system;
 - o the telecommunications industry in Korea and other markets in which we do business and the effect economic, political or social conditions have on our number of subscribers, call volumes and results of operations; and

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- o our plans to pay dividends in 2004, and statements related to estimates of contractual obligations and commitments, financing activities and plans and other information more specifically detailed in "Management's Discussion and Analysis of Financial Condition and Results of Operations".

We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. Risks and uncertainties associated with our business include, but are not limited to, risks related to changes in the regulatory environment; technology changes; potential litigation and governmental actions; changes in the competitive environment; political changes; currency risks; foreign ownership limitations; credit risks and other risks and uncertainties that are more fully described under the heading "Key Information -- Risk Factors" beginning on page 11 of our annual report on Form 20-F filed with the United States Securities and Exchange Commission on June 1, 2004. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. We do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We must file quarterly reports with the Financial Supervisory Commission of Korea and the Korean Stock Exchange. These quarterly reports contain our unaudited, reviewed and non-consolidated financial statements as of and for the nine months ended September 30, 2003 and 2004, that are prepared in accordance with Korean GAAP, which differs in some respects from U.S. GAAP. You should read the following discussion together with our unaudited non-consolidated financial statements included in this report.

The financial information described below and in our unaudited non-consolidated financial statements as of December 31, 2003 and September 30, 2004 and for the nine months ended September 30, 2003 and 2004 is non-consolidated, and therefore does not reflect the results of operations of our subsidiaries other than those reflected under the equity method of accounting. While non-consolidated net income reflects the results of our consolidated subsidiaries, our other non-consolidated financial data, including operating revenue and operating income, do not. Accordingly, we believe that while there should not be any material differences between our net income on a non-consolidated basis and our net income on a consolidated basis, our other financial

data, including those items noted above, may be materially different on a consolidated basis. As a result, the financial information below is not comparable with the consolidated financial information presented in our annual report on Form 20-F for the year ended December 31, 2003, filed with the United States Securities and Exchange Commission on June 1, 2004.

Under Korean GAAP, our non-consolidated revenues accounted for approximately 92.6% and 92.7% of our consolidated revenues in the years ended December 31, 2002 and 2003, respectively, and at December 31, 2002 and 2003, our non-consolidated assets were approximately 89.4% and 96.8% of our consolidated

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assets and our non-consolidated current assets were approximately 66.8% and 85.0% of our consolidated current assets, respectively. We can give no assurance as to what the ratios will be for the year ending December 31, 2004. In addition, results of operations for the first nine months of 2004 may not be indicative of results of operations for the full year 2004.

Accounting principles and their application in practice vary among countries. The following discussion and our interim non-consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. Accordingly, this report and the accompanying interim non-consolidated financial statements are for use by those knowledgeable about Korean accounting principles and review standards and their application in practice.

SELECTED FINANCIAL DATA

The following table sets forth selected financial data derived from our interim non-consolidated financial statements as of and for the nine months ended September 30, 2004. You should read the selected non-consolidated financial data below in conjunction with our interim non-consolidated financial statements included in this report.

	FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2004
NON-CONSOLIDATED INCOME STATEMENT DATA	(IN BILLIONS OF WON)	
Operating Revenue	W 7,039.8	W 7,218.8
Wireless Service (1)	6,265.2	6,572.7
Interconnection	774.7	646.1
Operating Expenses	4,651.9	5,453.6
Operating Income	2,387.9	1,765.2
Other Income	197.2	196.0
Other Expenses	430.9	326.8
Income Taxes	644.6	487.6
Net Income	W 1,509.5	W 1,146.8

(1) Includes revenues from line leases and solution sales.

NON-CONSOLIDATED BALANCE SHEET DATA

	AS OF DECEMBER 31, 2003	AS OF SEPTEMBER 30, 2004
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(IN BILLIONS OF WON)

Total Current Assets	W	3,460.7	W	3,982.3
Total Non-Current Assets		9,915.3		9,904.2
Total Assets		13,376.0		13,886.5
Total Current Liabilities		4,232.0		3,288.3
Total Long-Term Liabilities		3,202.1		3,849.4
Total Stockholders' Equity		5,941.8		6,748.8

RESULTS OF OPERATIONS

Non-Consolidated Revenue. We earn revenue principally from initial connection fees and monthly access fees, usage charges and value-added service fees paid by subscribers to our wireless services and interconnection fees paid to us by other telecommunications operators. The amount of our revenue depends principally upon the number of wireless subscribers, the rates we charge for our services, subscriber usage of our services, and the terms of our interconnection with other telecommunications operators. Government regulation also affects our revenues.

Non-Consolidated Operating Revenue. Our operating revenue increased by 2.5% to Won 7,218.8 billion in the nine months ended September 30, 2004 from Won 7,039.8 billion in the corresponding period in 2003. This increase was principally a result of a 4.9% increase in our wireless service revenue to Won 6,572.7 billion in the nine months ended September 30, 2004, up from Won 6,265.2 billion in the corresponding period in 2003, as a result of an increase in the number of our wireless subscribers and the average monthly revenue per subscriber, which was offset by a 16.6 % decrease in interconnection revenue due in part to the adjusted interconnect rates announced by the MIC on July 9, 2004 (described below).

In January 2003, the MIC announced its plan to implement number portability with respect to wireless telecommunications service in Korea. The number portability system allows wireless subscribers to switch wireless service operators while retaining the same mobile phone number. Subscribers who switch operators to or from SK Telecom must purchase a new handset, as we use a different frequency than our competitors, KT Freetel and LG Telecom. In accordance with the plan published by the MIC, we were required to permit number portability first, beginning on January 1, 2004. The following number of subscribers have transferred to the service of our competitors during each month following our implementation of the number portability system:

* Number of Subscribers Transferred to Other Operator

Month	SKT - > KTF	SKT - > LGT	KTF - > SKT	KTF - > LGT	Total
Jan	203,853	101,414	--	--	305,267
Feb	102,282	81,594	--	--	183,876
Mar	111,077	103,155	--	--	214,232
Apr	139,508	122,146	--	--	261,654
May	167,228	92,414	--	--	259,642

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Month	SKT - > KTF	SKT - > LGT	KTF - > SKT	KTF - > LGT	Total
Jun	137,489	73,100	--	--	210,589
Jul	53,611	23,116	277,751	20,504	374,982
Aug	29,698	60,240	67,743	45,724	203,405
Sep	90,075	49,959	5,744	42,995	188,773
Oct	64,563	46,169	62,131	39,701	212,564
Total	1,099,384	753,307	413,369	148,924	2,414,984

Subscribers who choose to transfer to a different wireless operator have the right to return to us without paying any penalties within 14 days of the initial transfer. KT Freetel introduced number portability beginning on July 1, 2004 and LG Telecom will be required to introduce number portability beginning on January 1, 2005. Notwithstanding our implementation of number portability on January 1, 2004, our total number of wireless subscribers increased to approximately 18.6 million as of September 30, 2004, up from approximately 18.3 million as of December 31, 2003 and 18.0 million as of September 30, 2003. We believe that the increase in the number of wireless subscribers resulted in part from our service quality and marketing efforts.

On June 15, 2004, the Minister of Information and Communication (MIC) issued a suspension that prohibited us from acquiring new subscribers for a period of 40 days beginning on August 20, 2004. The MIC also issued suspensions to our three largest competitors that prohibited them from acquiring new subscribers for periods ranging from 20 days to 30 days. KT Freetel Co. Ltd. was issued a 30 day suspension beginning on July 21, 2004; LG Telecom Ltd. was issued a 30 day suspension beginning on June 21, 2004; and Korea Telecom was issued a 20 day suspension beginning on July 21, 2004. These suspensions resulted from MIC's determination that we violated the ban on providing subsidies to handset purchasers. During the suspensions, each company was able to continue regular business activities, including replacement of handsets, changes in user names, changes in mobile phone numbers and changes in tariff plans applicable to the existing subscribers. Because of the length and timing of our suspension relative to our competitors, we believe the suspension had a negative impact on the number of new subscribers to our services in August and September. Only 5,744 subscribers switched to our service from KT Freetel under the number portability program in September.

On an aggregate basis, interconnection revenue decreased by 16.6% to Won 646.1 billion in the nine months ended September 30, 2004, down from Won 774.7 billion in the corresponding period in 2003. This decrease was due in part to the new adjusted interconnect rates announced by the MIC on July 9, 2004, which were applied retroactively. The new interconnect rates are as follows:

YEAR	SK TELECOM	KT FREETEL	LG TELECOM
2003	41.02	47.99	52.89

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2004	31.81	47.66	58.55
2005	31.19	46.70	54.98

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The interconnection rates were adjusted based on the original cost of individual operators under Long Run Incremental Cost (LRIC) method and the competitive market situation in the telecommunication service industry of Korea. The LRIC method is designed to calculate costs of interconnection of individual telecommunication service providers within a network using certain models called "bottom-up" and "top-down." The LRIC method was adopted by other countries such as the United States, the United Kingdom and Japan. Assuming that the factors affecting the interconnection revenues and expenses such as call volumes and call patterns are the same as those of 2003, we estimate that the new rates will have a negative impact on our operations in this year in the amount of approximately Won 244 billion, resulting from an estimated Won 206 billion reduction in revenue and Won 38 billion increase in interconnection expenses. The Won 38 billion increase in the interconnection expenses includes the expected increase in the land-to-mobile (LM) interconnection expenses that we will have to pay to fixed-line service providers.

Our non-consolidated average monthly revenue per subscriber (excluding interconnection revenue) increased by 0.06% to Won 39,367 in the nine months ended September 30, 2004, up from Won 39,342 in the corresponding period in 2003. The increase is principally due to increases in average monthly revenue per subscriber from wireless Internet services, which were partially offset by a decrease in average monthly revenue per subscriber from call charges and value-added services.

Our non-consolidated average monthly revenue per subscriber from monthly fee and call charges decreased by 4.7% to Won 29,211 in the nine months ended September 30, 2004, down from Won 30,644 in the corresponding period in 2003. The decrease is primarily due to the reduction in monthly fee effective September 1, 2004.

Our non-consolidated average monthly revenue per subscriber from wireless Internet services sales (including line lease and solution sales) increased by 34.2% to Won 7,661 in the nine months ended September 30, 2004, up from Won 5,707 in the corresponding period in 2003. Wireless Internet services sales increased by 40.7% to Won 1,279.1 billion in the nine months ended September 30, 2004 (representing 19.5% of our wireless service revenue), up from Won 908.9 billion in the corresponding period in 2003, primarily due to the increased number of subscribers who use wireless Internet-enabled handsets.

Our non-consolidated average monthly revenue per subscriber from value-added services and other sales decreased by 26.6% to Won 1,584 in the nine months ended September 30, 2004, down from Won 2,159 in the corresponding period in 2003. Value-added services and other sales decreased by 23.1% to Won 264.5 billion in the nine months ended September 30, 2004 down from Won 343.9 billion in the corresponding period in 2003, primarily due to a decrease in caller ID rates from Won 2,000 to Won 1,000 that took effect in October 2003.

Non-Consolidated Operating Expenses. Our operating expenses in the nine months ended September 30, 2004 increased by 17.2% to Won 5,453.6 billion compared to Won 4,651.9 billion in the corresponding period in 2003, primarily due to increases in commissions paid, depreciation and amortization expenses, labor costs, leased line expenses and miscellaneous operating expenses, which more than offset decreases in cost of goods sold and advertising expenses.

Commissions paid to our authorized dealers increased by 30.6% to Won 2,168.6 billion in the nine months ended September 30, 2004, compared to Won 1,661.1 billion in the corresponding period in 2003, primarily due to the 4.8% increase in the average number of subscribers during the period and increases in commissions in an effort to retain existing subscribers that were affected by the number portability system introduced this year and to acquire new subscribers. We also increased our marketing activities to maintain our market leadership in 2G and 2.5G services, to promote our 3G services and to counter the effects of number portability.

Labor costs increased by 27.5% to Won 324.4 billion in the nine months ended September 30, 2004, compared to Won 254.4 billion in the corresponding period in 2003. The increase was primarily due to an increase in performance bonuses and an increase in salaries.

Depreciation and amortization expense increased by 8.5% to Won 1,113.4 billion in the nine months ended September 30, 2004, compared to Won 1,026.7 billion in the corresponding period in 2003. The increase in depreciation and amortization expenses was primarily due to the continued expansion of our CDMA 1xRTT network.

Leased line expenses increased by 18.4% to Won 266.6 billion in the nine months ended September 30, 2004, up from Won 225.3 billion in the corresponding period in 2003, primarily due to higher call volumes.

Miscellaneous operating expenses increased by 18.2% to Won 716.3 billion in the nine months ended September 30, 2004, compared to Won 606.2 billion in the corresponding period in 2003, primarily due to increases in taxes and other dues and rent expenses.

Network interconnection expenses increased by 1.1 % to Won 613.5 billion in the nine months ended September 30, 2004, compared to Won 606.7 billion in the corresponding period in 2003, primarily due to a decrease in interconnection rates and a decrease in the level of interconnection fees that we must pay to other operators for calls using their networks, which was partially offset by the higher subscriber numbers. Mobile-to-mobile interconnection expenses increased by 20.1% to Won 464.9 billion in the nine months ended September 30, 2004, compared to Won 387.2 billion in the corresponding period in 2003. Mobile-to-land interconnection expenses decreased by 18.0% to Won 124.8 billion in the nine months ended September 30, 2004, compared to Won 152.1 billion in the corresponding period in 2003.

Cost of goods sold decreased by 83.6% to Won 2.6 billion in the nine months ended September 30, 2004, compared to Won 16.0 billion in the corresponding period in 2003. The decrease was primarily due to a decrease in sales of wireless Internet solutions (including software, hardware and service) following the completion of our obligation to provide wireless Internet solutions to Asia Pacific Broadband Wireless Communications (APBW) at the end of 2003.

Advertising expenses decreased by 2.9% to Won 248.3 billion in the nine months ended September 30, 2004, compared to Won 255.6 billion in the corresponding period in 2003. We reduced advertising and focused our efforts on managing our distribution network to mitigate the effect of number portability.

Non-Consolidated Operating Income. Our operating income decreased by 26.1% to Won 1,765.2 billion in the nine months ended September 30, 2004, down from Won 2,387.9 billion in the corresponding period in 2003. Our operating income decreased principally because our operating expenses increased at a faster rate than our operating revenue, primarily due to an increase in marketing expenses as required to keep our market share under the number portability system that were introduced this year.

Non-Consolidated Other Income. Other income, consisting primarily of equity in earnings of affiliates, interest income, dividend income, commission income and foreign exchange and translation gains, decreased by 0.6% to Won 196.0 billion in the nine months ended September 30, 2004, compared to Won 197.2 billion in the corresponding period in 2003, primarily due to decreases in commissions and other miscellaneous income, which were partially offset by an increase in equity in earnings of affiliates.

Non-Consolidated Other Expenses. Other expenses include interest and discount expenses, loss on disposal of property, equipment and intangible assets and donations. Other expenses decreased by 24.2% to Won 326.8 billion in the nine months ended September 30, 2004, compared to Won 430.9 billion in the corresponding period in 2003. The decrease was primarily due to decreases in interest and discounts, equity in losses of affiliates and other miscellaneous expenses, which more than offset increases in loss on disposal of investment assets. As a percentage of operating revenue, other expenses decreased to 4.5% in the nine months ended September 30, 2004, from 6.1% in the corresponding period in 2003.

Non-Consolidated Income Tax. Provision for income taxes decreased by 24.4% to Won 487.6 billion in the nine months ended September 30, 2004, from Won 644.6 billion in the corresponding period in 2003. Our effective tax rate decreased to 29.8% in the nine months ended September 30, 2004, from an effective tax rate of 29.9% in the corresponding period in 2003.

Non-Consolidated Net Income. Principally as a result of the factors discussed above, our net income decreased by 24.0% to Won 1,146.8 billion in nine months ended September 30, 2004, down from Won 1,509.5 billion in the corresponding period in 2003, with net income as a percentage of operating revenues at 15.6% in the nine months ended September 30, 2004 as compared to 21.4% in the corresponding period in 2003.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

We had a working capital (current assets minus current liabilities) surplus of Won 694.0 billion as of September 30, 2004 and a deficit of Won 771.3 billion as of December 31, 2003. We had cash, cash equivalents, short-term financial instruments and trading securities of Won 635.1 billion as of September 30, 2004 and Won 987.6 billion as of December 31, 2003. We had outstanding short-term borrowings of Won 490.0 billion as of September 30, 2004 and Won 728.7 billion as of December 31, 2003.

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equivalents increased by Won 26.5 billion to Won 54.9 billion at September 30, 2004, up from Won 28.4 billion at December 31, 2003.

Net Cash Flow from Operating Activities. Our principal source of liquidity is cash flow from operations. Cash flow provided by operations was Won 1,225.7 billion in the nine month period ended September 30, 2004, compared to Won 1,819.1 billion during the same period in 2003.

Net Cash from Investing Activities. Investing activities used cash of Won 632.1 billion in the nine month period ended September 30, 2004, compared to Won 1,066.7 billion during the same period in 2003. Cash inflows from investing activities were Won 673.1 billion in the nine month period ended September 30, 2004, compared to Won 949.1 billion during the same period in 2003, and the primary contributor to such inflows related to a decrease in trading securities of Won 440.9 billion in the nine month period ended September 30, 2004, compared to Won nil during the same period in 2003. Cash outflows for investing activities were Won 1,305.2 billion in the nine month period ended September 30, 2004, compared to Won 2,015.8 billion during the same period in 2003. The primary contributors to the overall cash outflows for investing activities were expenditures related to the acquisition of property and equipment, which were Won 879.4 billion in the nine month period ended September 30, 2004, compared to Won 851.4 billion during the same period in 2003; acquisition of long-term investment securities, which were Won 52.4 billion in the nine month period ended September 30, 2004, compared to Won 473.7 billion during the same period in 2003; and increase of trading securities, which were nil in the nine month period ended September 30, 2004, compared to Won 163.2 billion during the same period in 2003.

Net Cash from Financing Activities. Financing activities used cash of Won 567.1 billion in the nine month period ended September 30, 2004, compared to using cash of Won 750.3 billion during the same period in 2003. Cash inflows from financing activities included net increase in issuance of bonds, which provided cash of Won 1,018.0 billion in the nine month period ended September 30, 2004, compared to Won 442.5 billion during the same period in 2003, and an increase in short-term borrowings, which provided cash of Won nil in the nine month period ended September 30, 2004, compared to using cash of Won 838.7 billion during the same period in 2003. Cash outflows for financing activities included, among other items, net repayment of short-term borrowing of Won 238.7 billion in the nine month period ended September 30, 2004, compared to nil during the same period in 2003; repayment of the current portion of long-term debt, which used cash of Won 868.4 billion in the nine month period ended September 30, 2004, compared to Won 471.5 billion during the same period in 2003; acquisition of treasury stock, which used cash of Won 2 million in the nine month period ended September 30, 2004, compared to Won 1,379.3 billion during the same period in 2003; and payment of dividends which used cash of Won 478.3 billion in the nine month period ended September 30, 2004, compared to Won 151.7 billion during the same period in 2003.

The net increase in cash and cash equivalents was Won 26.5 billion in the nine month period ended September 30, 2004, compared to Won 2.1 billion during the same period in 2003.

LONG TERM DEBT

We had total non-consolidated long-term debt (excluding current portion and facility deposits) of Won 3,849.4 billion as of September 30, 2004 and Won 3,202.1 billion as of December 31, 2003. Our non-consolidated long-term debt as of September 30, 2004 included, among other items, bonds payable in the net

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amount of Won 2,727.5 billion, facility deposits of Won 33.3 billion, long-term payables of Won 574.0 billion and deferred income tax liabilities of Won 340.3 billion. Our non-consolidated long-term debt as of December 31, 2003 included, among other items, bonds payable in the net amount of Won 2,256.6 billion, facility deposits of Won 44.2 billion, long-term payables of Won 564.1 billion, deferred income tax liabilities of Won 242.1 billion and bank and institutional loans of Won 1.6 billion. As of September 30, 2004, substantially all of our foreign currency-denominated long-term debt was denominated in Dollars. Depreciation of the Won against the Dollar will result in net foreign exchange and translation losses. Changes in foreign currency exchange rates will also affect our liquidity because of the effect of such changes on the amount of funds required for us to make interest and principal payments on our foreign currency-denominated debt.

In June 2002 and December 2002, we sold Won 631.4 billion and Won 650.6 billion, respectively, of accounts receivable resulting from our mobile phone dealer financing plan to Nate First Special Purpose Company and Nate Second Special Purpose Company, respectively, in asset-backed securitization transactions, and recorded a loss on disposal of accounts receivable-other of Won 10.9 billion and Won 12.9 billion, respectively. Nate First Special Purpose Company and Nate Second Special Purpose Company were liquidated in August 2003 and April 2004, respectively.

On September 4, 2003 and December 15, 2003, we sold Won 549.3 billion and Won 498.4 billion of accounts receivable resulting from our mobile phone dealer financing plan Nate Fourth Special Purpose Company and Nate Fifth Special Purpose Company, respectively, in asset-backed securitization transactions, and recorded a loss on disposal of accounts receivable-other of Won 12.9 billion and Won 9.9 billion, respectively. In connection with these asset-backed securitization transactions, we have obligations to repurchase up to 13.3% and 13.2% of the receivables for Nate Fourth Special Purpose Company and Nate Fifth Special Purpose Company, respectively, if receivables become past due for three months or the debtors become insolvent. At June 30, 2004, the uncollected balances of accounts receivable sold to Nate Fourth Special Purpose Company and Nate Fifth Special Purpose Company were Won 14.4 billion and Won 101.3 billion, respectively.

In May, July, August and November 2002, we issued Won 500.0 billion, Won 200.0 billion, Won 200.0 billion and Won 300.0 billion principal amount of unsecured and unguaranteed Won-denominated bonds, respectively. These bonds mature in May 2005, July 2007, August 2007 and November 2007, and have an annual interest rate of 6.0%, 6.0%, 6.0% and 5.0%, respectively. We issued Won-denominated bonds with a principal amount of Won 300.0 billion, Won 150.0 billion and Won 250.0 billion in March, August and November 2003, respectively. These bonds mature in March 2008, August 2006 and November 2006, respectively, and have an annual interest rate of 5.0%.

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In March 2004, we issued Won-denominated bonds with a principal amount of Won 150.0 billion. These bonds will mature in 2009 and have an annual interest rate of 5.0%. We used the net proceeds from the sale of these bonds to repay commercial paper which matured at the end of March 2004.

During the quarter ended June 30, 2004, we completed the following debt offerings:

In April 2004, we issued notes in the principal amount of US\$300,000,000 with a maturity of seven years and an interest rate of 4.25%. The proceeds from the offering in April 2004 were used to pay

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maturing debt.

In May 2004, we issued Won-denominated notes in the principal amount of Won 150.0 billion with a maturity of five years and an interest rate of 5.0%. The proceeds of the Won-denominated note offering in May 2004 were used for our operations.

On May 27, 2004, we issued our US\$329,450,000 Zero Coupon Convertible Notes due 2009, pursuant to an indenture dated as of May 27, 2004 between us and Citibank, N.A. Holders of Zero Coupon Convertible Notes will have the right to convert their notes (or any portion thereof being US\$100,000 in principal amount or an integral multiple of US\$10,000 in excess thereof) into shares of our common stock at the initial conversion price of Won 235,625 per share, subject to adjustments for stock splits, dividends, sub-divisions and similar distributions, at any time on or after July 7, 2004 up to the close of business on May 13, 2009, subject to our right of redemption. In connection with the issuance of the zero coupon convertible notes, we deposited 1,645,000 shares of our common stock with Korea Securities Depository to be reserved and used to satisfy the note holders' conversion rights. This will be deemed as the repurchase of treasury stock and cancellation thereof for the purposes of Korean law. If (1) the exercise by the holder of the conversion right would be prohibited by Korean law or we reasonably conclude that the delivery of common stock upon conversion of these notes would result in a violation of applicable Korean law or (2) we do not have a sufficient number of shares of our common stock to ratify the conversion right, then we will pay a converting holder a cash settlement payment. In such situations, we intend to sell such number of treasury shares held in trust for us that corresponds to the number of shares of common stock that would have been deliverable in the absence of the 49% foreign shareholding restrictions imposed by the Telecommunications Law or other legal restrictions. We entered into a swap agreement to reduce our exposure with respect to cash settlement payments exceeding the proceeds from sales of treasury shares held in trust.

During the quarter ended September 30, 2004, we did not complete any debt offerings.

CAPITAL REQUIREMENTS AND RESOURCES

We estimate that we will spend a total of approximately Won 1.7 trillion for capital expenditures in 2004, primarily for the expansion and upgrading of our CDMA 1xRTT network, for our initial investment in the satellite-based digital multimedia broadcasting (DMB) business, the roll-out of our W-CDMA network, and for the development and introduction of wireless data

services. We have spent approximately Won 880 billion on capital expenditures in the nine month period ended September 30, 2004. Of the Won 1.7 trillion for capital expenditures in 2004, we plan to spend up to Won 800 billion, of which we have spent approximately Won 491 billion as of September 30, 2004, on capital expenditures related to expansion and improvement of our 95A/B and CDMA 1xRTT Network; Won 250 billion, of which we have spent approximately Won 62 billion as of September 30, 2004, on capital expenditures related to construction of our W-CDMA network and provision of W-CDMA services, which began service on a limited basis in Seoul at the end of 2003; and Won 600 billion, of which we have spent approximately Won 327 billion as of September 30, 2004, on other capital expenditures and projects. We may also make additional capital expenditure

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investments as opportunities arise. In addition, we may increase, reduce or suspend our planned capital expenditures for 2004 or change the timing and area of our capital expenditure spending in response to market conditions or for other reasons.

In addition, we expect that construction of our new headquarters will be completed by the end of 2004. As a result, our capital expenditures related to construction of buildings are expected to decrease substantially starting next year.

The actual scope and timing of our planned full nationwide roll-out of our W-CDMA network and expenditures related to the rollout will depend on several factors, including the availability of network equipment, progress on the development of dual band/dual mode handsets, ability to overcome technical problems currently affecting W-CDMA performance, adoption of CDMA 1xEV/DO service, regulatory decisions, our assessment of the market opportunities for W-CDMA technology-based services and the competitive landscape in the Korean wireless market. At the time we applied for the W-CDMA license, we estimated that the construction of a nationwide W-CDMA network would require capital expenditures amounting to approximately Won 3.1 trillion over a six-year period. We have not subsequently revised or updated this estimate. Accordingly, our actual construction costs are likely to differ significantly from this original estimate. Our actual capital expenditures for the construction of the W-CDMA network will depend upon many factors, including the scope and timing of the network roll-out, whether W-CDMA technology is widely implemented worldwide (which could lower the cost of network equipment) and other factors. Our future capital expenditures will be fixed after we have reviewed the progress of the introduction and marketability of our W-CDMA service.

In September 2003, we entered into an agreement with Mobile Broadcasting Corporation for the purposes of co-owning and launching a satellite for the satellite DMB business. Under the terms of the agreement, SK Telecom is committed to fund 34.7% of the cost of launching and maintaining the operations of the satellite, which is expected to be approximately Won 92.0 billion. We launched the satellite in March 2004. Although actual implementation of the satellite DMB business will depend on many factors, including government approvals that have yet to be obtained, our current expectations are to begin commercial service in the middle of the first half of 2005.

From time to time, we may make other investments in telecommunications or other businesses, in Korea or abroad, where we perceive attractive opportunities for investment. From time to time, we may also dispose of existing investments when we believe that doing so would be in our best interest.

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As of December 31, 2003, our principal repayment obligations (on a consolidated basis) with respect to long-term borrowings, bonds and obligations under capital leases outstanding were as follows for the periods indicated:

TWELVE MONTHS ENDING DECEMBER 31, TOTAL
(In Billions of Won)

2004.....	W 1,368.4
2005.....	501.6
2006.....	805.3

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Thereafter..... 1,000.0

We also intend to incur research and development expenses, which are influenced by the MIC, which makes annual recommendations concerning the level of our research and development spending. Our research and development expenses (including donations to research institutes and educational organizations) equaled 2.8% of operating revenue in 2003 and 2.8% of operating revenue for the nine month period ended September 30, 2004.

We anticipate that capital expenditures, repayment of outstanding debt and research and development expenditures will represent our most significant use of funds during the remainder of 2004 and thereafter. To fund our scheduled debt repayment and planned capital expenditures over the next several years, we intend to rely primarily on funds provided by operations, as well as bank and institutional borrowings, and offerings of debt or equity in the domestic or international markets. In particular, we expect that we will require external sources of financing to fund our construction of the W-CDMA network. We believe that these sources will be sufficient to fund our planned capital expenditures for the remainder of 2004. Our ability to rely on these alternatives could be affected by the liquidity of the Korean financial markets or by government policies regarding Won and foreign currency borrowings and the issuance of equity and debt. Our failure to make needed expenditures would adversely affect our ability to sustain subscriber growth and provide quality services and, consequently, our results of operations.

No commercial bank in Korea may extend credit (including loans, guarantees and purchase of bonds) in excess of 20% of its shareholders' equity to any one borrower. In addition, no commercial bank in Korea may extend credit exceeding 25% of the bank's shareholders' equity to any one borrower and to any person with whom the borrower shares a credit risk. We believe that we have never operated near our limit with any Korean commercial bank.

We generally collect refundable, non-interest bearing deposits from our customers as a condition to activating their service. Subject to the approval of the MIC, we set the amounts to be collected for deposits for cellular services. Effective February 1, 1996, we generally require cellular subscribers to pay a facility deposit of Won 200,000. These deposits were an important source of interest-free capital for us and historically funded a substantial portion of our capital expenditures. Since 1997, we have been offering existing and new cellular subscribers the option of obtaining facility insurance from the Seoul Guarantee Insurance Company, instead of paying the facility deposit. In order to obtain this facility insurance, subscribers must meet Seoul Guarantee Insurance Company's credit requirements and pay a Won 10,000 premium for three

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years of coverage. Since August 1, 2002, SK Telecom has been paying initial premium for the first three years as well as renewal premium on behalf of the subscriber who elects to have facility insurance. For each defaulting insured subscriber, Seoul Guarantee Insurance Company reimburses us up to Won 350,000. We refund the facility deposit to any existing subscriber who elects to have facility insurance. As a result of the facility insurance program, we have refunded a substantial amount of facility deposits, and facility deposits decreased from Won 44.2 billion as of December 31, 2003 to Won 33.3 billion as of September 30, 2004. We do not expect to have a significant amount of facility deposits available for capital expenditures in the future.

DIVIDEND POLICY

In 2004, we amended our articles of incorporation to permit payment of

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interim dividends in accordance with relevant laws. On July 23, 2004, SKT's board of directors approved the interim dividend rate of 1,000 Korean Won per common stock for the first half of fiscal year 2004. The shareholders who are registered in the SKT's shareholders registry as of June 30, 2004 were entitled to receive the interim dividends. The interim dividend was paid in August 2004. The total amount of the interim dividend paid was 73,614,296,000 Korean Won. The overall dividend payout ratio with respect to dividends for 2004 is currently expected to be up to 25% of net income from 2004.

DERIVATIVE INSTRUMENTS

In connection with the issuance of our US\$300 million notes in April 2004, we entered into currency swap agreements and currency forward contracts with three banks to reduce our foreign currency exposure.

In May 2004, we sold US\$329.5 million in zero coupon convertible notes due 2009. These convertible notes are convertible by the holders into shares of our common stock at the rate of Won 235,625 per share. In connection with the issuance of the zero coupon convertible notes, we deposited 1,645,000 shares of our common stock with Korea Securities Depository to be reserved and used to satisfy the note holders' conversion rights. If (1) the exercise by the holder of the conversion right would be prohibited by Korean law or we reasonably conclude that the delivery of common stock upon conversion of these notes would result in a violation of applicable Korean law or (2) we do not have a sufficient number of shares of our common stock to ratify the conversion right, then we will pay a converting holder a cash settlement payment. In such situations, we intend to sell such number of treasury shares held in trust for us that corresponds to the number of shares of common stock that would have been deliverable in the absence of the 49% foreign shareholding restrictions imposed by the Telecommunications Law or other legal restrictions. We entered into a swap agreement to reduce our exposure with respect to cash settlement payments exceeding the proceeds from sales of treasury shares held in trust.

We may consider in the future entering into additional currency swap agreements, currency forward contracts transactions and other arrangements solely for hedging purposes.

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OTHER INFORMATION

As a condition to the approval of the merger of Shinsegi into SK Telecom in January 2002, the MIC imposed certain conditions on us. The MIC periodically reviews our compliance with the conditions to our merger with Shinsegi. On May 25, 2004, a policy advisory committee to the MIC announced the results of its review and stated that the committee believed that our market dominance may significantly restrict competition in the telecommunications market and that we have violated a merger condition related to our acquisition of Shinsegi by providing subsidies to handset buyers. The advisory committee subsequently recommended that the MIC extend the post-merger monitoring period by two years until January 2007 and take appropriate corrective measures against us for providing subsidies to handset buyers. On June 7, 2004, MIC imposed a Won 11.9 billion fine on us and extended the post-merger monitoring period until January 2007.

On May 25, 2004, we voluntarily undertook to limit our market share to 52.3% of the wireless telecommunications market through the end of 2005, the level of our market share at the time of the approval of our merger with

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Shinsegi in January 2002. As of September 30, 2004, we had approximately 18.6 million subscribers, representing a market share of approximately 51.5%. If we are subject to additional market share limitations in the future, our ability to compete effectively will be impeded.

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SK TELECOM CO., LTD.
NON-CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2004 AND DECEMBER 31, 2003

	In millions of Korean won	
	As of Dec. 31, 2003	As of Sep 30, 2004
ASSETS		
CURRENT ASSETS :		
Cash and cash equivalents	W 28,393	W 54,881
Short-term financial instruments	100,513	159,884
Trading securities	858,739	420,376
Current portion of long-term investment securities	85,861	27,090
Accounts receivable - trade (net of allowance for doubtful accounts of W67,424 million in 2004 and W56,805 million in 2003)	1,438,836	1,359,706
Short-term loans (net of allowance for doubtful accounts of W562 million in 2004 and W516 million in 2003)	51,102	55,694
Accounts receivable - others (net of allowance for doubtful accounts of W16,172 million in 2004 and W15,979 million in 2003)	811,496	1,785,905
Inventories	8,024	13,779
Accrued income and others	77,742	105,018
Total Current Assets	3,460,706	3,982,333
NON-CURRENT ASSETS :		
Property and equipment, net	4,551,626	4,397,871
Intangible assets, net	3,600,268	3,438,343
Long-term investment securities	855,195	915,350
Equity securities accounted for using the equity method	563,539	796,387
Long-term loans (net of allowance for doubtful accounts of W19,152 million in 2004 and W19,502 million in 2003)	41,591	26,169
Guarantee deposits	246,004	245,078
Long-term deposits and others	57,030	84,994

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Total Non-Current Assets	9,915,253	9,904,193
	-----	-----
TOTAL ASSETS	W 13,375,959	W 13,886,526
	=====	=====

(Continued)

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SK TELECOM CO., LTD.
NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2004 AND DECEMBER 31, 2003

	In millions of Korean won	
LIABILITIES AND STOCKHOLDERS' EQUITY	As of Dec. 31, 2003	As of Sep 30, 2004
	-----	-----
CURRENT LIABILITIES :		
Accounts payable	W 1,117,835	W 1,011,729
Short-term borrowings	728,669	490,000
Income taxes payable	399,852	120,097
Accrued expenses	401,245	402,091
Current portion of long-term debt, net	1,364,264	998,347
Current portion of facility deposits	10,824	14,491
Others	209,285	251,578
	-----	-----
Total Current Liabilities	4,231,974	3,288,332
	-----	-----
LONG-TERM LIABILITIES :		
Bonds payable, net	2,256,644	2,727,513
Long-term borrowings	1,633	--
Facility deposits	44,197	33,316
Long-term payables - others, net of present value discount of W76,042 million in 2004 W85,881 million in 2003)	564,119	573,958
Accrued severance indemnities, net	63,663	96,390
Deferred income tax liabilities	242,057	340,269
Others	29,834	77,982
	-----	-----
Total Long-Term Liabilities	3,202,147	3,849,428
	-----	-----
Total Liabilities	7,434,121	7,137,759
	-----	-----
STOCKHOLDERS' EQUITY :		
Capital stock	44,639	44,639
Capital surplus	2,915,964	2,983,166

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Retained earnings :		
Appropriated	4,743,822	4,733,936
Unappropriated	396,527	1,074,700
Capital adjustments :		
Treasury stock	(2,047,103)	(2,047,105)
Unrealized loss on valuation of long-term investment securities	(156,948)	(134,612)
Equity in capital adjustments of affiliates	41,196	125,843
Stock options	3,742	4,565
Unrealized loss on valuation of currency swap	--	(36,367)
	-----	-----
Total Stockholders' Equity	5,941,838	6,748,767
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	W 13,375,959	W 13,886,526
	=====	=====

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SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF INCOME
NINE MONTH ENDED SEPTEMBER 30, 2003 AND 2004

	In millions of Korean won	
	2003	2004
	-----	-----
OPERATING REVENUE	W 7,039,847	W 7,218,832
	-----	-----
OPERATING EXPENSES		
Labor cost	254,382	324,409
Commissions paid	1,661,094	2,168,565
Depreciation and amortization	1,026,651	1,113,416
Network interconnection	606,740	613,477
Leased line	225,261	266,597
Advertising	255,629	248,286
Cost of goods sold	15,958	2,618
Others	606,229	716,264
	-----	-----
Sub-total	4,651,945	5,453,631
	-----	-----
OPERATING INCOME	2,387,902	1,765,201
	-----	-----
OTHER INCOME :		
Interest income	46,714	52,590
Dividends	25,923	22,704
Commissions	72,674	24,356
Foreign exchange and translation gains	11,576	10,135
Reversal of allowance for doubtful accounts	161	453
Gain on disposal of property and equipment	1,449	1,629

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Equity in earnings of affiliates	--	58,240
Others	38,667	25,903
	-----	-----
Sub-total	197,164	196,009
	-----	-----
OTHER EXPENSES :		
Interest and discounts	284,241	235,477
Donations	12,421	7,656
Foreign exchange and translation losses	2,661	2,718
Loss on disposal and impairment of property, equipment and intangible assets	10,816	8,936
Loss on impairment of long-term investment securities	18,717	12,782
Loss on disposal of investment assets	77	806
Equity in losses of affiliates	18,063	--
Others	83,940	58,413
	-----	-----
Sub-total	430,935	326,787
	-----	-----
ORDINARY INCOME	2,154,131	1,634,423
INCOME BEFORE INCOME TAXES	2,154,131	1,634,423
PROVISION FOR INCOME TAXES	644,611	487,643
	-----	-----
NET INCOME	W 1,509,520	W 1,146,780
	=====	=====

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SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTH ENDED SEPTEMBER 30, 2003 AND 2004

	In millions of Korean won	
	2003	2004
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES :	W 1,819,109	W 1,225,715
Net income	1,509,520	1,146,780
Expenses not involving cash payments :	1,261,842	1,324,995
Depreciation and amortization	1,118,445	1,204,097
interest expense	23,492	31,511
Provision for severance indemnities	31,921	41,851
Allowance for doubtful accounts	11,740	19,383
Foreign translation loss	1,984	1,899
Equity in losses of affiliates	18,063	--
Loss on impairment of long-term investment securities	18,717	12,782
Loss on disposal and impairment of property, and equipment and intangible assets	--	--
others	10,816	8,936
	26,663	4,535
Income not involving cash receipts :	13,526	66,393

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Foreign translation gain	10,675	175
Reversal of allowance for doubtful accounts	161	453
Equity in earnings of affiliates	--	58,240
Gain on disposal of property and equipment	1,449	1,629
others	1,242	5,896
Changes in assets and liabilities related to operating activities:	(938,727)	(1,179,666)
Accounts receivable - trade	(110,962)	59,738
Accounts receivable - others	(127,836)	(974,531)
Accrued income and others	(42,318)	(7,100)
Inventories	4,656	(5,814)
Accounts payable	(878,114)	(106,010)
Accrued expenses	115,040	846
Income taxes payable	3,224	(279,513)
Current portion of facility deposits	(3,392)	3,666
Other current liabilities	100,921	50,220
Deferred income taxes	11,832	97,970
Severance indemnity payments	(11,779)	(19,139)

(Continued)

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SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
NINE MONTH ENDED SEPTEMBER 30, 2003 AND 2004

	In millions of Korean	
	2003	2004
CASH FLOWS FROM INVESTING ACTIVITIES :	W (1,066,717)	W (6,000,000)
Cash inflows from investing activities :	949,130	6,000,000
Decrease in short-term financial instruments	--	4,000,000
Decrease in trading securities	--	4,000,000
Decrease in current portion of long-term investment securities	43,006	
Decrease in short-term loans	33,260	
Decrease in long-term financial instruments	3	
Proceeds from sales of long-term investment securities	731,469	
Proceeds from sales of equity securities accounted for using the equity method	3,440	
Decrease in long-term loans	650	
Decrease in guarantee deposits	31,270	
Decrease in other non-current assets	97,368	
Proceeds from disposal of property and equipment	4,012	
Proceeds from disposal of intangible assets	4,652	
Cash outflows for investing activities :	2,015,846	1,300,000
Increase in short-term financial instruments	208,279	
Increase of trading securities	163,234	
increase in current portion of long-term debt	52,857	
Increase in short-term loans	17,701	

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increase in long-term financial instruments	50,003
Increase in long-term loans	61
Acquisition of long-term investment securities	473,720
Acquisition of equity securities accounted for using the equity method	30,648
Increase in guarantee deposits and other non-current assets	147,945
Acquisition of property and equipment	851,444
Increase in intangible assets	19,955

(Continued)

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SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
NINE MONTH ENDED SEPTEMBER 30, 2003 AND 2004

	In millions of Korean won	
	2003	2004
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES :	W (750,267)	W (567,113)
Cash inflows from financing activities :	1,283,019	1,034,342
Increase in short-term borrowings	838,669	--
Issuance of bonds	442,472	1,018,020
Others	1,878	16,322
Cash outflows for financing activities :	2,033,286	1,601,455
Repayment of short-term borrowings	--	238,669
Repayment of current portion of long-term debt	471,534	868,403
Repayment of bonds	19,840	--
Decrease in facility deposits	1,246	10,880
Payment of dividends	151,739	478,279
Acquisition of treasury stock	1,379,337	2
others	9,590	5,222
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,125	26,488
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6,228	28,393
NET INCREASE IN CASH AND CASH EQUIVALENTS FROM THE MERGED ENTITY	43,224	--
CASH AND CASH EQUIVALENTS		
AT END OF THE PERIOD	W 51,577	W 54,881
	=====	=====

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SK TELECOM CO., LTD.

By /s/ Dong Hyun Jang

Name: Dong Hyun Jang

Title: Vice President

Date: November 18, 2004

"> additional information about the terms of the notes and related guarantees;

general information about the indenture and the trustee;

a description of certain covenants under the indenture; and

a description of events of default under the indenture.

Guarantees

Historic TW, as primary obligor and not merely as surety, will fully, irrevocably and unconditionally guarantee to each holder of the notes and to the trustee and its successors and assigns (1) the full and punctual payment of principal and interest on the notes when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of ours under the indenture (including obligations to the trustee) and the notes and (2) the full and punctual performance within applicable grace periods of all other obligations of ours under the indenture and the notes. Such guarantees will constitute guarantees of payment, performance and compliance and not merely of collection. Additionally, HBO and TBS will fully, irrevocably and unconditionally guarantee Historic TW's guarantee of the notes under substantially the same terms as Historic TW's guarantee of the notes.

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We describe the terms of the guarantees in more detail under the heading **Description of the Debt Securities and the Guarantees** **Guarantees** in the accompanying prospectus.

Existing Indebtedness

At March 31, 2016, the aggregate principal amount of outstanding public debt securities of Time Warner and its subsidiaries was \$23.651 billion. The following is a summary of the existing indebtedness (including capital lease obligations) of Time Warner, the Guarantors and other subsidiaries of Time Warner, including the outstanding debt at Time Warner and the Guarantors, the revolving credit facilities at Time Warner and the commercial paper program of Time Warner. Please see the information incorporated herein by reference for a further description of this indebtedness as well as our and our subsidiaries' other indebtedness.

Time Warner

At March 31, 2016, the aggregate principal amount of outstanding public debt securities issued by Time Warner was \$19.770 billion. Time Warner also has senior unsecured revolving credit facilities consisting of two \$2.5 billion revolving credit facilities, each with a maturity date of December 18, 2020. At March 31, 2016, there were no borrowings outstanding, and there was less than \$1.0 million in outstanding face amount of letters of credit issued, under the revolving credit facilities. Time Warner also has a \$5.0 billion commercial paper program. Commercial paper issued by Time Warner under the program is supported by unsecured committed capacity under the revolving credit facilities. At March 31, 2016, no commercial paper was outstanding under the commercial paper program. Time Warner also has \$169 million of senior unsecured debt consisting of a loan with a maturity date of November 7, 2018 and a promissory note related to an acquisition by a former subsidiary with a maturity date of December 31, 2017.

Guarantors

At March 31, 2016, the aggregate principal amount of outstanding public debt securities issued or assumed by Historic TW was \$3.881 billion. HBO and TBS do not have any outstanding public debt securities. At March 31, 2016, Historic TW was the primary obligor or guarantor of \$23.651 billion of outstanding indebtedness (representing all of the public debt securities of Time Warner and its subsidiaries), HBO was a primary obligor or guarantor of \$22.679 billion of outstanding indebtedness (which includes \$22.651 billion of the \$23.651 billion of public debt securities issued by Time Warner and its subsidiaries) and TBS was the primary obligor or guarantor of \$23.683 billion of outstanding indebtedness (which includes the \$23.651 billion of public debt securities issued by Time Warner and its subsidiaries).

Other

At March 31, 2016, the aggregate principal amount of existing indebtedness (including capital lease obligations) of subsidiaries other than the Guarantors was \$12 million.

Release of Guarantors

The indenture for the notes provides that any Guarantor may be automatically released from its obligations if such Guarantor has no outstanding Indebtedness For Borrowed Money (as defined in the accompanying prospectus), other than any other guarantee of Indebtedness For Borrowed Money that will be released concurrently with the release of such guarantee. However, there is no covenant in the indenture that would prohibit any such Guarantor from incurring Indebtedness For Borrowed Money after the date such Guarantor is released from its guarantee. In addition, although the indenture for the notes limits the overall amount of secured Indebtedness For Borrowed Money that can be

incurred by Time Warner and its subsidiaries without also securing the notes at least equally and ratably, it does not limit the amount of unsecured indebtedness that can be incurred by Time Warner and its subsidiaries. Thus, there is no limitation on the amount of indebtedness that

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could be structurally senior to the notes. See Description of the Debt Securities and the Guarantees Guarantees in the accompanying prospectus.

Ranking

The notes offered hereby will be our senior unsecured obligations, and will rank equally with our other senior unsecured obligations. The guarantees of the notes will be senior unsecured obligations of Historic TW, HBO and TBS, as applicable, and will rank equally with all other senior unsecured obligations of Historic TW, HBO and TBS, respectively.

Each of Time Warner, Historic TW, HBO and TBS is a holding company for other non-guarantor subsidiaries, and therefore the notes and the guarantees of the notes will be effectively subordinated to all existing and future liabilities, including indebtedness, of such non-guarantor subsidiaries. Such non-guarantor subsidiaries include Warner Bros. Entertainment Inc. Furthermore, the ability of each of Time Warner, Historic TW and, to a certain extent, HBO and TBS, to service its indebtedness and other obligations depends on the earnings and cash flow of their respective subsidiaries and the distribution or other payment to them of such earnings or cash flow.

Optional Redemption

We may redeem at any time or from time to time, in whole or in part, at our option, the notes prior to April 15, 2026 (the date that is three months prior to the maturity date of the notes) on at least 15 days, but not more than 45 days, prior notice mailed to each holder of such notes to be redeemed, at a redemption price equal to the greater of:

100% of the principal amount of the notes to be redeemed, and

the sum of the present values of the Remaining Scheduled Payments, as defined in the accompanying prospectus, discounted to the redemption date, on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, as defined in the accompanying prospectus, plus 20 basis points;

plus accrued and unpaid interest to, but not including, the date of redemption.

If the notes are redeemed on or after April 15, 2026 (the date that is three months prior to their maturity date), such notes will be redeemed at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest to, but not including, the date of redemption.

No Mandatory Redemption or Sinking Fund

There will be no mandatory redemption prior to maturity or sinking fund payment for the notes.

Additional Debt

The indenture does not limit the amount of debt that we may issue under the indenture or otherwise.

Book-Entry, Delivery and Settlement

Global Notes

We will issue the notes in the form of one or more global notes in definitive, fully registered, book-entry form. The global notes will be deposited with or on behalf of The Depository Trust Company (DTC) and registered in the name of Cede & Co., as nominee of DTC, or will remain in the custody of the trustee in accordance with the FAST Balance Certificate Agreement between DTC and the trustee.

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DTC, Clearstream and Euroclear

Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may hold interests in the global notes through either DTC (in the United States), Clearstream Banking, *société anonyme*, Luxembourg (Clearstream), or Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear) in Europe, either directly if they are participants of such systems or indirectly through organizations that are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their U.S. depositaries, which in turn will hold such interests in customers' securities accounts in the U.S. depositaries' names on the books of DTC. The Bank of New York Mellon will act as the U.S. depository for Clearstream and Euroclear.

DTC has advised us as follows:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under Section 17A of the Exchange Act.

DTC holds securities that its participants deposit with DTC and facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations.

DTC is owned by a number of its direct participants and by the New York Stock Exchange LLC and the Financial Industry Regulatory Authority, Inc.

Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

The rules applicable to DTC and its direct and indirect participants are on file with the SEC. Clearstream has advised us that it is a limited liability company organized under Luxembourg law. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to Clearstream participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries.

Clearstream is registered as a bank in Luxembourg, and as such is subject to regulation by the Luxembourg Commission de Surveillance du Secteur Financier. Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations and may include the underwriters. Indirect access to Clearstream is available to other institutions that clear through or maintain a custodial relationship with a Clearstream participant.

Euroclear has advised us that it was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries.

Euroclear is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator), under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the Cooperative). All operations are

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conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks, securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear Operator is regulated and examined by the Belgian Banking and Finance Commission.

We have provided the descriptions of the operations and procedures of DTC, Clearstream and Euroclear in this prospectus supplement solely as a matter of convenience. These operations and procedures are solely within the control of those organizations and are subject to change by them from time to time. None of our company, Historic TW, HBO, TBS, the underwriters or the trustee takes any responsibility for these operations or procedures, and you are urged to contact DTC, Clearstream and Euroclear or their participants directly to discuss these matters.

We expect that under procedures established by DTC:

upon deposit of the global notes with DTC or its custodian, DTC will credit on its internal system the accounts of direct participants designated by the underwriters with portions of the principal amounts of the global notes; and

ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee, with respect to interests of direct participants, and the records of direct and indirect participants, with respect to interests of persons other than participants.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by global notes to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in the notes represented by global notes to pledge or transfer those interests to persons or entities that do not participate in DTC's system, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of the global notes, DTC or that nominee will be considered the sole owner or holder of the notes represented by the global notes for all purposes under the indenture and under the notes. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the indenture or under the notes for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or a global note.

None of our company, Historic TW, HBO, TBS or the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of the notes by DTC, Clearstream or Euroclear, or for maintaining, supervising or reviewing any records of those organizations relating to the notes.

Payments on the notes represented by the global notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. We expect that DTC or its nominee, upon receipt of any payment on the notes

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represented by a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global note as shown in the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with notes held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Distributions on the notes held beneficially through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding securities through Euroclear participants. Under Belgian law, the Euroclear Operator is required to pass on the benefits of ownership in any interests in securities on deposit with it, such as dividends, voting rights and other entitlements, to any person credited with such interests in securities on its records.

Distributions on the notes held beneficially through Euroclear will be credited to the cash accounts of its participants in accordance with the Terms and Conditions, to the extent received by the U.S. depository for Euroclear.

Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds. Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream customers or Euroclear participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the U.S. depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the U.S. depository to take action to effect final settlement on its behalf by delivering or receiving the notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream customers and Euroclear participants may not deliver instructions directly to their U.S. depositories.

Because of time-zone differences, credits of the notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in the notes settled during such processing will be reported to the relevant Clearstream customers or Euroclear participants on such business day. Cash received in

Clearstream or Euroclear as a result of sales of the notes by or through a Clearstream customer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will

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be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures to facilitate transfers of the notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

Certificated Notes

We will issue certificated notes to each person that DTC identifies as the beneficial owner of the notes represented by the global notes upon surrender by DTC of the global notes if:

DTC notifies us that it is no longer willing or able to act as a depository for the global notes or ceases to be a clearing agency registered under the Exchange Act, and we have not appointed a successor depository within 90 days of that notice or becoming aware that DTC is no longer so registered;

an event of default has occurred and is continuing, and DTC requests the issuance of certificated notes; or

we determine not to have the notes represented by global notes.

Neither we nor the trustee will be liable for any delay by DTC, its nominee or any direct or indirect participant in identifying the beneficial owners of the related notes. We and the trustee may conclusively rely on, and will be protected in relying on, instructions from DTC or its nominee for all purposes, including with respect to the registration, delivery and principal amount of the certificated notes to be issued.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

General

The following is a summary of the material U.S. Federal income tax consequences of the ownership and disposition of the notes. It is not a complete analysis of all the potential tax considerations relating to the notes. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), the Treasury regulations promulgated under the Code, and currently effective administrative rulings and judicial decisions, all relating to the U.S. Federal income tax treatment of debt instruments. These authorities may change, perhaps with retroactive effect, so as to result in U.S. Federal income tax consequences different from those set forth below.

Unless otherwise stated, this summary addresses only notes held as capital assets for U.S. Federal income tax purposes by persons who purchase the notes for cash pursuant to this offering at the initial offering price set forth on the cover page of this prospectus supplement. This summary does not address the tax considerations arising under the Medicare contribution tax on net investment income, nor does it address any aspect of the U.S. Federal estate or gift tax rules or the laws of any foreign, state or local jurisdiction. In addition, this discussion does not address all tax considerations that may be applicable to holders particular circumstances or to holders that may be subject to special tax rules, such as, for example:

holders subject to the alternative minimum tax;

banks, insurance companies or other financial institutions;

tax-exempt organizations;

dealers in securities or commodities;

expatriates;

traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;

persons that will hold the notes as a position in a hedging transaction, straddle, conversion transaction or other risk reduction transaction;

persons deemed to sell the notes under the constructive sale provisions of the Code;

persons that are members of an expanded group or a modified expanded group within the meaning of Proposed Treasury Regulations Section 1.385-1 of which the issuer is also a member; or

partnerships or other pass-through entities.

If a partnership (or other entity or arrangement treated as a partnership for U.S. Federal income tax purposes) holds the notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership that will hold the notes, you should consult your own tax advisor regarding the tax consequences of holding the notes to you.

This summary of material U.S. Federal income tax considerations is for general information only and is not tax advice. You are urged to consult your own tax advisor with respect to the application of U.S. Federal income tax laws to your particular situation as well as any tax consequences arising under the U.S. Federal estate or gift tax rules or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty.

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U.S. Holders

This section applies to you if you are a U.S. Holder . A U.S. Holder is a beneficial owner of a note that is, for U.S. Federal income tax purposes:

a citizen or resident of the United States;

a corporation (or other entity treated as a corporation for U.S. Federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision of the United States; or

an estate or trust the income of which is subject to U.S. Federal income taxation regardless of its source.

Payments of Interest

Stated interest on the notes will be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for U.S. Federal income tax purposes.

Sale, Exchange, Redemption or Other Taxable Disposition of Notes

Upon the sale, exchange, redemption or other taxable disposition of a note, you will recognize taxable gain or loss equal to the difference between the amount realized on such taxable disposition (except to the extent any amount realized is attributable to accrued but unpaid interest, which is treated as interest as described above) and your adjusted tax basis in such note. A U.S. Holder's adjusted tax basis in a note generally will equal the cost of such note to such holder.

Gain or loss recognized on the taxable disposition of a note generally will be capital gain or loss, and will be long-term capital gain or loss if, at the time of such taxable disposition, the U.S. Holder's holding period for such note is more than 12 months. Long-term capital gains of non-corporate U.S. Holders are generally subject to a reduced rate of taxation. The deductibility of capital losses by U.S. Holders is subject to certain limitations.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to certain payments of principal, premium (if any) and interest on and the proceeds of certain sales of the notes unless you are an exempt recipient. Backup withholding (currently at a rate of 28%) will apply to such payments if you fail to provide your taxpayer identification number or certification of exempt status or have been notified by the U.S. Internal Revenue Service (IRS) that payments to you are subject to backup withholding.

Any amounts withheld under the backup withholding rules will generally be allowed as a refund or a credit against your U.S. Federal income tax liability, provided that you furnish the required information to the IRS on a timely basis.

Non-U.S. Holders

This section applies to you if you are a Non-U.S. Holder . A Non-U.S. Holder is a beneficial owner of a note that is not a U.S. Holder or a partnership for U.S. Federal income tax purposes.

Payments of Interest

Subject to the discussion below regarding backup withholding and FATCA (as defined below), payments of principal and interest on the notes generally will not be subject to U.S. withholding taxes, provided that you meet one of the following requirements:

You provide a completed Form W-8BEN or Form W-8BEN-E (or an acceptable substitute) to the bank, broker or other intermediary through which you hold your notes. The Form W-8BEN or Form W-8BEN-E

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contains your name, address and a statement that you are the beneficial owner of the notes and that you are a Non-U.S. Holder.

You hold your notes directly through a qualified intermediary, and the qualified intermediary has sufficient information in its files indicating that you are a Non-U.S. Holder. A qualified intermediary is a bank, broker or other intermediary that (1) is either a U.S. or non-U.S. entity, (2) is acting out of a non-U.S. branch or office and (3) has signed an agreement with the IRS providing that it will administer all or part of the U.S. tax withholding rules under specified procedures.

You are entitled to an exemption from withholding tax on interest under a tax treaty between the United States and your country of residence. To claim this exemption, you must generally complete Form W-8BEN or Form W-8BEN-E and claim this exemption on the form. In some cases, you may instead be permitted to provide documentary evidence of your claim to the intermediary, or a qualified intermediary may already have some or all of the necessary evidence in its files.

The interest income on the notes is effectively connected with your conduct of a trade or business in the United States (and, if a tax treaty applies, is attributable to a permanent establishment or fixed base), and is not exempt from U.S. Federal income tax under a tax treaty. To claim this exemption, you must complete Form W-8ECI. Such income will instead be taxed as described under "U.S. Trade or Business" below.

Even if you meet one of the above requirements, interest paid to you will be subject to withholding tax (generally, at a 30% rate) under any of the following circumstances:

The withholding agent or an intermediary knows or has reason to know that you are not entitled to an exemption from withholding tax. Specific rules apply for this test.

The IRS notifies the withholding agent that information that you or an intermediary provided concerning your status is false.

An intermediary through which you hold the notes fails to comply with the procedures necessary to avoid withholding taxes on the notes. In particular, an intermediary is generally required to forward a copy of your Form W-8BEN or Form W-8BEN-E (or other documentary information concerning your status) to the withholding agent for the notes. However, if you hold your notes through a qualified intermediary or if there is a qualified intermediary in the chain of title between yourself and the withholding agent for the notes, the qualified intermediary will not generally forward this information to the withholding agent.

You own 10% or more of the voting stock of Time Warner, are a controlled foreign corporation with respect to Time Warner, or are a bank making a loan in the ordinary course of its business. In these cases, you will be exempt from withholding taxes only if you are eligible for a treaty exemption or if the interest income is

effectively connected with your conduct of a trade or business in the United States (and, if a tax treaty applies, is attributable to a permanent establishment or fixed base), as discussed above.

Interest payments made to you will generally be reported to the IRS and to you on Form 1042-S. However, this reporting does not apply to you if you hold your notes directly through a qualified intermediary and the applicable procedures are complied with.

The rules regarding withholding are complex and vary depending on your individual situation. They are also subject to change. We suggest that you consult with your own tax advisor regarding the application of these specific rules.

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Sale, Exchange, Redemption or Other Taxable Disposition of Notes

Subject to the discussion below regarding backup withholding and FATCA, upon the sale, exchange, redemption or other taxable disposition of a note, you will not be subject to U.S. Federal income tax on any gain unless one of the following circumstances applies:

The gain is connected with a trade or business that you conduct in the United States (and, if a tax treaty applies, is attributable to a permanent establishment or fixed base). Such income will instead be taxed as described under *U.S. Trade or Business* below.

You are an individual, you are present in the United States for at least 183 days during the year in which you dispose of the notes, and certain other conditions are satisfied. If the foregoing conditions apply, you will be subject to U.S. Federal income tax at a rate of 30% (or lower applicable treaty rate) on any capital gain, which may be offset by certain capital losses.

The gain represents accrued but unpaid interest not previously included in income, in which case the rules for interest would apply.

U.S. Trade or Business

If you hold your notes in connection with a trade or business that you are conducting in the United States (and, if a tax treaty applies, income or gain with respect to the notes is attributable to a permanent establishment or fixed base):

Any interest on the notes, and any gain from the sale, exchange, redemption or other taxable disposition of the notes, generally will be subject to U.S. Federal income tax at regular graduated rates as if you were a U.S. Holder.

If you are a corporation, you may be subject to the *branch profits tax* on your earnings from the notes. The rate of this tax is 30%, but may be reduced or eliminated by an applicable income tax treaty.

Information Reporting and Backup Withholding

U.S. rules concerning information reporting and backup withholding (currently at a rate of 28%) apply to Non-U.S. Holders as follows:

Principal and interest payments you receive will be automatically exempt from the usual rules if you are a Non-U.S. Holder exempt from withholding tax on interest, as described above. The exemption does not apply if the withholding agent or an intermediary knows or has reason to know that you should be subject to the usual information reporting or backup withholding rules. In addition, as described above, interest payments made to you may be reported to the IRS on Form 1042-S.

Sale proceeds you receive on a sale of your notes through a broker may be subject to information reporting and/or backup withholding if you are not eligible for an exemption. In particular, information reporting and backup withholding may apply if you use the U.S. office of a broker, and information reporting (but not backup withholding) may apply if you use the foreign office of a broker that has certain connections to the United States. In general, you may file Form W-8BEN or Form W-8BEN-E to claim an exemption from information reporting and backup withholding. We suggest that you consult your own tax advisor concerning information reporting and backup withholding on a sale.

Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against your U.S. Federal income tax liability, provided that you furnish the required information to the IRS on a timely basis.

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FATCA

Under sections 1471 through 1474 of the Code and the regulations promulgated thereunder (such sections and regulations commonly referred to as "FATCA"), a 30% U.S. Federal withholding tax may apply to any interest income paid on the notes and, for a disposition of notes occurring after December 31, 2018, the gross proceeds from such disposition, in each case paid to (i) a foreign financial institution (as specifically defined under FATCA) that does not provide sufficient documentation, typically on Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which alternatively may be in the form of compliance with an intergovernmental agreement with the United States) in a manner that avoids withholding, or (ii) a non-financial foreign entity (as specifically defined under FATCA) that does not provide sufficient documentation, typically on Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding the substantial United States owners of such entity (if any). If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "Payments of Interest or Sale, Exchange, Redemption or Other Taxable Disposition of Notes," the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. If you are a foreign financial entity or a non-financial foreign entity in a jurisdiction that has entered into an intergovernmental agreement with the United States, you may be subject to different rules. You should consult your own tax advisor regarding these rules and whether they may be relevant to your ownership and disposition of the notes.

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Citigroup Global Markets Inc., Credit Agricole Securities (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Mizuho Securities USA Inc. are acting as the representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has agreed to severally purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite the underwriter's name in the table below:

Underwriter	Principal Amount of Notes due 2026
Citigroup Global Markets Inc.	\$ 114,000,000
Credit Agricole Securities (USA) Inc.	114,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	114,000,000
Mizuho Securities USA Inc.	114,000,000
BNP Paribas Securities Corp.	41,334,000
Deutsche Bank Securities Inc.	41,334,000
Morgan Stanley & Co. LLC	41,334,000
SMBC Nikko Securities America, Inc.	41,334,000
Société Générale	41,334,000
Wells Fargo Securities, LLC	41,334,000
Barclays Capital Inc.	8,727,000
BNY Mellon Capital Markets, LLC	8,727,000
Credit Suisse Securities (USA) LLC	8,727,000
J.P. Morgan Securities LLC	8,727,000
Lloyds Securities Inc.	8,727,000
Mitsubishi UFJ Securities (USA), Inc.	8,727,000
RBS Securities Inc.	8,727,000
Samuel A. Ramirez & Company, Inc.	8,727,000
Santander Investment Securities Inc.	8,727,000
Scotia Capital (USA) Inc.	8,727,000
The Williams Capital Group, L.P.	8,726,000
Total	\$ 800,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and other conditions. The underwriters are obligated to purchase all the notes if they purchase any of the notes. The underwriters initially propose to offer the notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement and may offer the notes to dealers at the public offering price less a concession not to exceed 0.250% of the principal amount of the notes. The underwriters may allow, and dealers may reallow, a concession not to exceed 0.150% of the principal amount of the notes on sales to other dealers. After the initial offering of the notes to the public, the representatives may change the public offering price and concessions.

We are to pay 0.450% per note of underwriting discounts and commissions to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

In connection with the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the underwriters may over-allot in connection with the offering of the notes, creating a syndicate short position. In addition, the underwriters may bid for, and purchase, notes in the open market to cover syndicate short positions or to stabilize the price of the notes. Finally, the underwriting syndicate may reclaim selling concessions allowed for distributing the notes in the offering of

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the notes, if the syndicate repurchases previously distributed notes in syndicate covering transactions, stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the notes above independent market levels. The underwriters are not required to engage in any of these activities, and may end any of them at any time.

We estimate that our total expenses for this offering, excluding underwriting discounts, will be approximately \$1 million. We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

The underwriters and their affiliates have, directly and indirectly, provided various investment and commercial banking services to us and our affiliates for which they received customary fees and commissions. The underwriters and their affiliates may, from time to time, engage in transactions with and perform services for us and our affiliates in the ordinary course of their business.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge, and certain other of those underwriters may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Offering Restrictions

Canada. The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area. In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that

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Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State other than:

- (a) to qualified investors as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of notes referred to in (a) through (c) above shall require the publication by the issuer or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to produce a prospectus for offers of notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of notes that are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do we or they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

United Kingdom. In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as Relevant Persons). This document must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, Relevant Persons.

Each underwriter has represented and agreed that it and each of its affiliates:

- (a) has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received by it in connection with the issue or sale of such notes in circumstances in which section 21(1) of the FSMA does not apply to the Company or the Guarantors; and
- (b) has complied with, and will comply with, all applicable provisions of FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

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Hong Kong. The notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan. The notes offered in this prospectus supplement have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore. This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, notes and units of shares and notes of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the notes under Section 275 except:

- (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

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LEGAL MATTERS

Certain legal matters in connection with the offered notes will be passed upon for us, Historic TW, HBO and TBS by Cravath, Swaine & Moore LLP, New York, New York.

Certain legal matters in connection with the offered notes will be passed upon for the underwriters by Shearman & Sterling LLP, New York, New York.

EXPERTS

The consolidated financial statements of Time Warner appearing in Time Warner's Annual Report on Form 10-K for the year ended December 31, 2015 (including the supplementary information and financial statement schedule appearing therein), and the effectiveness of Time Warner's internal control over financial reporting as of December 31, 2015, have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in its reports thereon included therein and incorporated herein by reference. Such financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements and the effectiveness of Time Warner's internal control over financial reporting as of the respective dates (to the extent covered by consents filed with the SEC) given on the authority of such firm as experts in accounting and auditing.

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PROSPECTUS

Debt Securities

Preferred Stock

Common Stock

Warrants

This prospectus contains a general description of the securities which we may offer for sale. The specific terms of the securities will be contained in one or more supplements to this prospectus. You should read this prospectus and any supplement carefully before you invest.

The securities will be issued by Time Warner Inc. The debt securities will be fully, irrevocably and unconditionally guaranteed on an unsecured basis by Historic TW Inc.; and Home Box Office, Inc. and Turner Broadcasting System, Inc. will fully, irrevocably and unconditionally guarantee on an unsecured basis Historic TW Inc.'s guarantee of the debt securities. See Description of the Debt Securities and the Guarantees.

The common stock of Time Warner Inc. is listed on the New York Stock Exchange under the trading symbol TWX.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

*Investing in our securities involves risks. See **Risk Factors** on page 5 of this prospectus. You should carefully review the risks and uncertainties described under the heading **Risk Factors** contained in the applicable prospectus supplement and any related free writing prospectus, and under similar headings in the other documents that are incorporated by reference into this prospectus.*

The date of this prospectus is February 25, 2016.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the U.S. Securities and Exchange Commission, which we refer to in this prospectus as the SEC, using the shelf registration process. Under the shelf registration process, we may from time to time sell the securities described in this prospectus in one or more offerings.

The securities may be sold for U.S. dollars, foreign-denominated currency or currency units. Amounts payable with respect to any securities may be payable in U.S. dollars or foreign-denominated currency or currency units as specified in the prospectus supplement.

This prospectus provides you with a general description of the securities that we may offer. Each time we offer securities, we will provide you with a prospectus supplement containing specific information about the terms of the offering and the means of distribution. A prospectus supplement may include other special considerations applicable to such offering of securities. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. You should carefully read this prospectus and any prospectus supplement together with the additional information described under the heading **Where You Can Find More Information**.

The prospectus supplement may also contain information about any material U.S. Federal income tax considerations relating to the securities covered by the prospectus supplement.

We may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us directly or through dealers or agents designated from time to time, which agents may be affiliates of ours. If we, directly or through agents, solicit offers to purchase the securities, we reserve the sole right to accept and, together with our agents, to reject, in whole or in part, any offer.

The prospectus supplement will also contain, with respect to the securities being sold, the names of any underwriters, dealers or agents, together with the terms of offering, the compensation of any underwriters and the net proceeds to us.

In this prospectus, unless the context otherwise requires, the terms **Time Warner**, **we**, **our**, **our company**, **the Company** and **us** refer to Time Warner Inc., a Delaware corporation whose shares of common stock are publicly traded on the New York Stock Exchange under the symbol **TWX**, and its subsidiaries.

This prospectus contains summaries of certain provisions contained in some of the documents described herein. Please refer to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of the documents referred to herein have been filed, or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described under **Where You Can Find More Information**.

WHERE YOU CAN FIND MORE INFORMATION

Time Warner files annual, quarterly and current reports, proxy statements and other information with the SEC. You may obtain such SEC filings from the SEC's website at <http://www.sec.gov>. You can also read and copy these materials at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. Historic TW Inc., Home Box Office, Inc. and Turner Broadcasting System, Inc. do not file separate reports, proxy statements or other information with the SEC under the Securities Exchange Act of 1934, as amended, which we refer to in this

prospectus as the Exchange Act.

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As permitted by SEC rules, this prospectus does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and the securities. The registration statement, exhibits and schedules are available through the SEC's website or at its public reference room.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information Time Warner has filed with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus, and later information that Time Warner files with the SEC will automatically update and supersede this information. The following documents have been filed by us with the SEC and are incorporated by reference into this prospectus:

Annual report on Form 10-K for the year ended December 31, 2015 (filed February 25, 2016) (the 2015 Form 10-K);

Current reports on Form 8-K, dated January 7, 2016 (filed January 7, 2016) and January 28, 2016 (filed February 2, 2016); and

Current report on Form 8-K, dated January 11, 2001 (filed January 12, 2001), and amended on January 25, 2001, February 9, 2001 and March 30, 2001, in which it is reported that our common stock is deemed registered pursuant to Rule 12g-3(c) under the Exchange Act.

All documents and reports that we file with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed) under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus until the termination of the offering under this prospectus shall be deemed to be incorporated into this prospectus by reference. The information contained on our website (<http://www.timewarner.com>) is not incorporated into this prospectus.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically included or incorporated that exhibit by reference into the filing, from the SEC as described under "Where You Can Find More Information" or, at no cost, by writing or telephoning Time Warner at the following address or telephone number:

Time Warner Inc.

Attn: Investor Relations

One Time Warner Center

New York, NY 10019-8016

Telephone: 1-866-INFO-TWX

We have not authorized anyone to provide any information or to make any representation other than those contained or incorporated by reference in this prospectus, in the related prospectus supplement or in any free writing prospectus

that we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer of the securities in any jurisdiction where the offer is not permitted. You should assume that the information in this prospectus, the prospectus supplement and any applicable free writing prospectus is accurate only as of the date on its cover page and that any information we have incorporated by reference is accurate only as of the date of each such document incorporated by reference.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

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STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This prospectus contains such forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to in this prospectus as the Securities Act, and Section 21E of the Exchange Act. These statements may be made directly in this prospectus referring to us and they may also be made a part of this prospectus by reference to other documents filed with the SEC, which is known as incorporation by reference.

Forward-looking statements often include words such as anticipates, estimates, expects, projects, intends, plans, believes and words and terms of similar substance in connection with discussions of future operating or financial performance. All forward-looking statements are based on management's current expectations and assumptions regarding our business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. The Company's actual results may differ materially from those expressed or implied in its forward-looking statements. Important factors that could cause the Company's actual results to differ materially from those in its forward-looking statements include government regulation, economic, strategic, political and social conditions and the following factors:

recent and future changes in technology, services and standards, including, but not limited to, alternative methods for the delivery, storage and consumption of digital media and evolving home entertainment formats;

changes in consumer behavior, including changes in spending behavior and changes in when, where and how content is consumed;

the popularity of the Company's content;

changes in the Company's plans, initiatives and strategies, and consumer acceptance thereof;

changes in the plans, initiatives and strategies of the third parties that distribute, license and/or sell the Company's content;

the Company's ability to renew affiliate agreements on favorable terms;

competitive pressures, including as a result of audience fragmentation and changes in technology and consumer viewing behavior;

changes in advertising market conditions or advertising expenditures due to various factors, including decreasing numbers of multichannel video service subscribers, changes in consumer viewing behavior, economic conditions, pressure from public interest groups, changes in laws and regulations and other societal or political developments;

the Company's ability to deal effectively with economic slowdowns or other economic or market difficulties;

changes in foreign exchange rates;

increased volatility or decreased liquidity in the capital markets, including any limitation on the Company's ability to access the capital markets for debt securities, refinance its outstanding indebtedness or obtain bank financings on acceptable terms;

piracy and the Company's ability to exploit and protect its intellectual property rights in and to its content and other products;

the failure to achieve the anticipated benefits of the Company's enterprise efficiency initiatives;

the effects of any significant acquisitions, dispositions and other similar transactions by the Company;

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a disruption or failure of the Company's or its vendors' network and information systems or other technology relied on by the Company;

the failure to meet earnings expectations;

lower than expected valuations associated with the cash flows and revenues at Time Warner's reporting units, which could result in Time Warner's inability to realize the value recorded for intangible assets and goodwill at those reporting units;

the adequacy of the Company's risk management framework;

changes in U.S. GAAP or other applicable accounting policies;

changes in tax, federal communication and other laws and regulations;

currency exchange restrictions and currency devaluation risks in some foreign countries;

the effect of union or labor disputes or professional sports league player lockouts;

the impact of terrorist acts, hostilities, natural disasters (including extreme weather) and pandemic viruses; and

the other risks and uncertainties detailed in Part I, Item 1A. Risk Factors, in the 2015 Form 10-K, incorporated by reference herein.

Any forward-looking statements speak only as of the date on which they are made. None of Time Warner, Historic TW Inc., Home Box Office, Inc. or Turner Broadcasting System, Inc. is under any obligation, and each expressly disclaims any obligation, to update or alter any forward-looking statements, whether as a result of new information, subsequent events or otherwise.

All subsequent forward-looking statements attributable to us, Historic TW Inc., Home Box Office, Inc. or Turner Broadcasting System, Inc. or any person acting on our or their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

THE COMPANY

Time Warner

Time Warner is a leading media and entertainment company. Time Warner classifies its businesses into the following three reportable segments:

Turner, consisting principally of cable networks and digital media properties;

Home Box Office, consisting principally of premium pay television and streaming services domestically and premium pay, basic tier television and streaming services internationally; and

Warner Bros., consisting principally of television, feature film, home video and videogame production and distribution.

Time Warner is the issuer of the securities to be offered by this prospectus. Time Warner is a holding company that derives its operating income and cash flow from its investments in its subsidiaries, which include the Guarantors (as defined below). Its principal executive office is located at One Time Warner Center, New York, NY 10019-8016, telephone (212) 484-8000.

Guarantors

The debt securities to be offered pursuant to this prospectus and any applicable prospectus supplement will be fully, irrevocably and unconditionally guaranteed by Historic TW Inc. (Historic TW). In addition, Home

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Box Office, Inc. (HBO) and Turner Broadcasting System, Inc. (TBS) will fully, irrevocably and unconditionally guarantee the obligations of Historic TW under its guarantee (Historic TW, HBO and TBS are referred to herein as the Guarantors). See Description of the Debt Securities and the Guarantees Guarantees.

The following is a brief description of the Guarantors:

Historic TW Inc.

Historic TW is a wholly owned subsidiary of Time Warner. Historic TW is a holding company with substantially the same business interests as Time Warner. It derives its operating income and cash flow from its investments in its subsidiaries, which include HBO, TBS, and Warner Bros. Entertainment Inc. The principal executive office of Historic TW is located at One Time Warner Center, New York, NY 10019-8016, telephone (212) 484-8000.

Home Box Office, Inc.

HBO is a wholly owned indirect subsidiary of Historic TW. It derives its operating income and cash flow from its own operations and also from its subsidiaries and investments. The primary activities of HBO and its subsidiaries include the operation of the multichannel premium pay television services, HBO and Cinemax, and the HBO NOW streaming service domestically and premium pay, basic tier television and streaming services internationally. The principal executive office of HBO is located at 1100 Avenue of the Americas, New York, NY 10036-6712, telephone (212) 512-1000.

Turner Broadcasting System, Inc.

TBS is a wholly owned subsidiary of Historic TW. It derives its operating income and cash flow from its own operations and also from its subsidiaries and investments. The primary activities of TBS and its subsidiaries include the operation of a portfolio of cable television networks and related properties that offer programming on television and digital platforms in the United States and internationally. The principal executive office of TBS is located at One CNN Center, Atlanta, GA 30303, telephone (404) 827-1700.

RISK FACTORS

Investing in our securities involves risk. You should carefully consider the specific risks discussed or incorporated by reference in the applicable prospectus supplement, together with all the other information contained in the prospectus supplement or incorporated by reference in this prospectus. You should also consider the risks and uncertainties discussed under the caption Risk Factors included in the 2015 Form 10-K, which is incorporated by reference in this prospectus, and which may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future.

RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges for Time Warner is set forth below for the periods indicated. Because there are no shares of preferred stock outstanding as of the date of this prospectus, no ratio of earnings to fixed charges and preferred dividends is presented.

For purposes of computing the ratio of earnings to fixed charges,

(a) earnings were calculated by

(1) adding:

(i) pretax income (loss) from continuing operations,

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(ii) adjustments for equity earnings or losses of investee companies that are 50% or less owned on a voting basis, net of cash distributions, and

(iii) fixed charges,

(2) and subtracting:

(i) capitalized interest,

(b) fixed charges consist of interest expense, capitalized interest and portions of rents representative of an interest factor from both continuing and discontinued operations.

The ratio of earnings to fixed charges is earnings (as defined in (a) above) divided by fixed charges (as defined in (b) above).

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
Ratio of earnings to fixed charges	4.6x	4.2x	4.6x	3.8x	3.7x

USE OF PROCEEDS

We will use the net proceeds we receive from the sale of the securities offered by this prospectus for general corporate purposes, unless we specify otherwise in the applicable prospectus supplement. General corporate purposes may include additions to working capital, capital expenditures, repayment of debt, the financing of possible acquisitions and investments or stock repurchases.

DESCRIPTION OF THE DEBT SECURITIES AND THE GUARANTEES**General**

The following description of the terms of the debt securities sets forth certain general terms and provisions of the debt securities to which any prospectus supplement may relate. The particular terms of any debt securities and the extent, if any, to which such general provisions will not apply to such debt securities will be described in the prospectus supplement relating to such debt securities.

The debt securities will be issued from time to time in series under the Indenture, dated as of March 11, 2010 (the Indenture), among Time Warner, Historic TW, HBO, TBS and The Bank of New York Mellon, as Trustee. The statements set forth below are brief summaries of certain provisions contained in the Indenture, which summaries do not purport to be complete and are qualified in their entirety by reference to the Indenture, which is filed as an exhibit to the registration statement of which this prospectus is a part. Terms used herein that are otherwise not defined shall

have the meanings given to them in the Indenture. Such defined terms shall be incorporated herein by reference.

The Indenture does not limit the amount of debt securities which may be issued thereunder and debt securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by us. Any such limit applicable to a particular series will be specified in the prospectus supplement relating to that series.

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The applicable prospectus supplement will disclose the terms of each series of debt securities in respect of which such prospectus supplement is being delivered, including the following:

the designation, issue date, currency or currency unit of payment if other than U.S. dollars and authorized denominations of such debt securities, if other than U.S. \$1,000 and integral multiples thereof;

the aggregate principal amount offered and any limit on any future issues of additional debt of the same series;

the date or dates on which such debt securities will mature (which may be fixed or extendible);

the rate or rates (or manner of calculation thereof), if any, per annum at which such debt securities will bear interest;

the dates, if any, on which such interest will be payable;

the terms of any mandatory or optional redemption (including any sinking, purchase or analogous fund) and any purchase at the option of Holders (including whether any such purchase may be paid in cash, common stock or other securities or property);

the terms of any mandatory or optional conversion or exchange provisions;

whether such debt securities will be issued in the form of global securities and, if so, the identity of the depositary with respect to such global securities; and

any other specific terms.

We may issue debt securities of any series at various times and we may reopen any series for further issuances from time to time without notice to existing Holders of securities of that series.

Some of the debt securities may be issued as original issue discount debt securities. Original issue discount debt securities bear no interest or bear interest at below-market rates. These are sold at a discount below their stated principal amount. If we issue these securities, the prospectus supplement will describe any special tax, accounting or other information that we think is important. We encourage you to consult with your own tax and financial advisors on these important matters.

Unless we specify otherwise in the applicable prospectus supplement, the covenants contained in the Indenture do not provide special protection to Holders of debt securities if we enter into a highly leveraged transaction, recapitalization or restructuring.

Unless otherwise set forth in the prospectus supplement, interest on outstanding debt securities will be paid to Holders of record on the date that is 15 days prior to the date such interest is to be paid, or, if not a business day, the next preceding business day. Unless otherwise specified in the prospectus supplement, debt securities will be issued in fully registered form only. Unless otherwise specified in the prospectus supplement, the principal amount of the debt securities will be payable at the corporate trust office of the Trustee in New York, New York. The debt securities may be presented for transfer or exchange at such office unless otherwise specified in the prospectus supplement, subject to the limitations provided in the Indenture, without any service charge, but we may require payment of a sum sufficient to cover any tax or other governmental charges payable in connection therewith.

Guarantees

Under the Guarantee (as defined below) of Historic TW, Historic TW, as primary obligor and not merely as surety, will fully, irrevocably and unconditionally guarantee to each Holder of debt securities and to the Trustee and its successors and assigns (1) the full and punctual payment of principal of and interest on the debt securities when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations

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of ours under the Indenture (including obligations to the Trustee) and the debt securities and (2) the full and punctual performance within applicable grace periods of all other obligations of ours under the Indenture and the debt securities. Such Guarantee will constitute a guarantee of payment, performance and compliance and not merely of collection. The obligations of Historic TW under the Indenture will be unconditional irrespective of the absence or existence of any action to enforce the same, the recovery of any judgment against us or any other Guarantor (except to the extent such judgment is paid) or any waiver or amendment of the provisions of the Indenture or the debt securities to the extent that any such action or similar action would otherwise constitute a legal or equitable discharge or defense of a guarantor (except that any such waiver or amendment that expressly purports to modify or release such obligations shall be effective in accordance with its terms). The obligations of Historic TW to make any payments may be satisfied by causing us or any other Person to make such payments. Historic TW shall further agree to waive presentment to, demand of payment from and protest to us or any other Person and shall also waive diligence, notice of acceptance of its Guarantee, presentment, demand for payment, notice of protest for non-payment, filing a claim if we or any other Person complete a merger or declare bankruptcy and any right to require a proceeding first against us or any other Person. These obligations shall be unaffected by any failure or policy of the Trustee to exercise any right under the Indenture or under any series of security. If any Holder of any debt security or the Trustee is required by a court or otherwise to return to us or Historic TW, or any custodian, trustee, liquidator or other similar official acting in relation to us or Historic TW, any amount paid by us or any of them to the Trustee or such Holder, the Guarantee of Historic TW, to the extent theretofore discharged, shall be reinstated in full force and effect.

Further, Historic TW agrees to pay any and all reasonable costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder of debt securities in enforcing any of their respective rights under the Guarantee. The Indenture provides that the Guarantee of Historic TW is limited to the maximum amount that can be guaranteed by Historic TW without rendering its Guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Additionally, HBO and TBS will fully, irrevocably and unconditionally guarantee Historic TW's Guarantee of the debt securities under substantially the same terms as the Guarantee of Historic TW of our indebtedness (the guarantees of the Guarantors each being a Guarantee and, collectively, the Guarantees).

The Indenture provides that any Guarantor shall be automatically released from its obligations under its Guarantee upon receipt by the Trustee of a certificate of a Responsible Officer of Time Warner certifying that such Guarantor has no outstanding Indebtedness For Borrowed Money, as of the date of such certificate, other than any other guarantee of Indebtedness For Borrowed Money that will be released concurrently with the release of such Guarantee. However, there is no covenant in the Indenture that would prohibit any such Guarantor from incurring Indebtedness For Borrowed Money after the date such Guarantor is released from its Guarantee.

The Indenture further provides that we and the Trustee may enter into a supplemental indenture without consent of the Holders to add additional guarantors in respect of the debt securities.

Ranking

The debt securities will be unsecured and senior obligations of Time Warner, and will rank equally with other unsecured and unsubordinated obligations of Time Warner. The Guarantees of the debt securities will be unsecured and senior obligations of Historic TW, HBO and TBS, as applicable, and will rank equally with all other unsecured and unsubordinated obligations of Historic TW, HBO and TBS, respectively. Each of Time Warner, Historic TW, HBO and TBS is a holding company for other non-guarantor subsidiaries, and therefore the debt securities and the Guarantees will be effectively subordinated to all existing and future liabilities, including indebtedness, of such non-guarantor subsidiaries. Such non-guarantor subsidiaries include Warner Bros. Entertainment Inc. Furthermore, the

ability of each of Time Warner and Historic TW and, to a certain extent, HBO and TBS to service its indebtedness and other obligations is dependent upon the earnings and cash flow of their respective subsidiaries and the distribution or other payment to them of such earnings or cash flow.

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Certain Covenants

We and Historic TW, HBO and TBS have agreed to certain restrictions on our activities for the benefit of the Holders. The restrictive covenants summarized below will apply, unless the covenants are waived or amended, so long as any of the debt securities issued under the Indenture are outstanding, unless the prospectus supplement states otherwise. The Indenture does not restrict us or our subsidiaries from paying dividends or incurring additional debt. In addition, except as summarized below, the Indenture and the debt securities do not contain any covenants or other provisions designed to afford Holders of debt securities protection in the event of a recapitalization or highly leveraged transaction involving our company.

Any additional restrictive covenants of Time Warner, Historic TW, HBO or TBS pertaining to a series of debt securities will be set forth in a prospectus supplement relating to such series of debt securities.

Limitation on Liens. The Indenture provides that neither we nor any Material Subsidiary of ours shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness For Borrowed Money that is secured by a lien on any asset now owned or hereafter acquired by us or it unless we make or cause to be made effective provisions whereby the debt securities will be secured by such lien equally and ratably with (or prior to) all other indebtedness thereby secured so long as any such indebtedness shall be secured. The foregoing restriction does not apply to the following:

liens existing as of the date of the Indenture;

liens created by Subsidiaries of ours to secure indebtedness of such Subsidiaries to us or to one or more other Subsidiaries of ours;

liens affecting property of a Person existing at the time it becomes a Subsidiary of ours or at the time it merges into or consolidates with us or a Subsidiary of ours or at the time of a sale, lease or other disposition of all or substantially all of the properties of such Person to us or our Subsidiaries;

liens on property existing at the time of the acquisition thereof or incurred to secure payment of all or a part of the purchase price thereof or to secure indebtedness incurred prior to, at the time of, or within 18 months after the acquisition thereof for the purpose of financing all or part of the purchase price thereof, in a principal amount not exceeding 110% of the purchase price;

liens on any property to secure all or part of the cost of improvements or construction thereon or indebtedness incurred to provide funds for such purpose in a principal amount not exceeding 110% of the cost of such improvements or construction;

liens consisting of or relating to the sale, transfer, distribution, or financing of motion pictures, video and television programs, sound recordings, books or rights with respect thereto or with groups who may receive tax benefits or other third-party investors in connection with the financing and/or distribution of such motion

pictures, video and television programming, sound recordings or books in the ordinary course of business and the granting to us or any of our Subsidiaries of rights to distribute such motion pictures, video and television programming, sound recordings or books; *provided, however*, that no such lien shall attach to any asset or right of ours or our Subsidiaries (other than (1) the motion pictures, video and television programming, sound recordings, books or rights which were sold, transferred to or financed by groups who may receive tax benefits or third-party investors in question or the proceeds arising therefrom and (2) the stock or equity interests of a Subsidiary substantially all of the assets of which consist of such motion pictures, video and television programming, sound recordings, books or rights and related proceeds);

liens on shares of stock, indebtedness or other securities of a Person that is not a Subsidiary of ours;

liens on Works which either (1) existed on such Works before the time of their acquisition and were not created in anticipation thereof, or (2) were created solely for the purpose of securing obligations to financiers, producers, distributors, exhibitors, completion guarantors, inventors, copyright holders,

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financial institutions or other participants incurred in the ordinary course of business in connection with the acquisition, financing, production, completion, distribution or exhibition of Works;

any lien on the office building and hotel complex located in Atlanta, Georgia known as the CNN Center Complex, including the parking decks for such complex (to the extent such parking decks are owned or leased by us or our Subsidiaries), or any portion thereof and all property rights therein and the products, revenues and proceeds therefrom created as part of any mortgage financing or sale-leaseback of the CNN Center Complex;

liens on satellite transponders and all property rights therein and the products, revenues and proceeds therefrom which secure obligations incurred in connection with the acquisition, utilization or operation of such satellite transponders or the refinancing of any such obligations;

liens on capital leases entered into after the date of the Indenture; *provided* that such liens extend only to the property or assets that are the subject of such capital leases;

liens resulting from progress payments or partial payments under United States government contracts or subcontracts;

any extension, renewal or replacement of any lien referred to in the foregoing clauses or of any indebtedness secured thereby; *provided, however*, that the principal amount of indebtedness secured thereby shall not exceed the principal amount of indebtedness so secured at the time of such extension, renewal or replacement, or at the time the lien was issued, created or assumed or otherwise permitted, and that such extension, renewal or replacement lien shall be limited to all or part of substantially the same property which secured the lien extended, renewed or replaced (plus improvements on such property); and

other liens arising in connection with our indebtedness and our Subsidiaries' indebtedness in an aggregate principal amount for us and our Subsidiaries not exceeding at the time such lien is issued, created or assumed the greater of (A) 15% of the Consolidated Net Worth of our company and (B) \$500 million.

Limitation on Consolidation, Merger, Conveyance or Transfer on Certain Terms. None of Time Warner, Historic TW, HBO or TBS shall consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(1) (a) in the case of Time Warner, the Person formed by such consolidation or into which Time Warner is merged or the Person which acquires by conveyance or transfer the properties and assets of Time Warner substantially as an entirety shall be organized and existing under the laws of the United States of America or any State thereof or the District of Columbia, and shall expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on all the debt securities and the performance of every covenant of the Indenture (as supplemented from time to time) on the part of Time Warner to be performed or observed; or (b) in the case of Historic TW, HBO or TBS, the Person formed by such consolidation or into which Historic TW, HBO or TBS is merged or the Person which acquires by conveyance or transfer the properties and assets of Historic TW, HBO or TBS substantially as an entirety shall be

either (i) one of Time Warner, Historic TW, HBO or TBS or (ii) a Person organized and existing under the laws of the United States of America or any State thereof or the District of Columbia, and in the case of clause (ii), shall expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the performance of every covenant of the Indenture (as supplemented from time to time) on the part of Historic TW, HBO or TBS to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing; and

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(3) we have delivered to the Trustee an Officers Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this covenant and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with.

Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of Time Warner, Historic TW, HBO or TBS substantially as an entirety as set forth above, the successor Person formed by such consolidation or into which Time Warner, Historic TW, HBO or TBS is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of Time Warner, Historic TW, HBO or TBS, as the case may be, under the Indenture with the same effect as if such successor had been named as Time Warner, Historic TW, HBO or TBS, as the case may be, in the Indenture. In the event of any such conveyance or transfer, Time Warner, Historic TW, HBO or TBS, as the case may be, as the predecessor shall be discharged from all obligations and covenants under the Indenture and the debt securities and may be dissolved, wound up or liquidated at any time thereafter.

Notwithstanding the foregoing, such provisions with respect to limitations on consolidation, merger, conveyance or transfer on certain terms shall not apply to any Guarantor if at such time such Guarantor has been released from its obligations under its Guarantee upon receipt by the Trustee of a certificate of a Responsible Officer of Time Warner certifying that such Guarantor has no outstanding Indebtedness For Borrowed Money as described above under Description of the Debt Securities and the Guarantees Guarantees.

Certain Definitions

The following are certain of the terms defined in the Indenture:

Consolidated Net Worth means, with respect to any Person, at the date of any determination, the consolidated stockholders or owners equity of the holders of capital stock or partnership interests of such Person and its subsidiaries, determined on a consolidated basis in accordance with GAAP consistently applied.

GAAP means generally accepted accounting principles as such principles are in effect in the United States as of the date of the Indenture.

Holder, when used with respect to any security, means a securityholder, which means a Person in whose name a security is registered in the Security Register.

Indebtedness For Borrowed Money of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments and (c) all guarantee obligations of such Person with respect to Indebtedness For Borrowed Money of others. The Indebtedness For Borrowed Money of any Person shall include the Indebtedness For Borrowed Money of any other entity (including any partnership in which such Person is general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other contractual relationship with such entity, except to the extent the terms of such Indebtedness For Borrowed Money provide that such Person is not liable therefor.

Material Subsidiary means any Person that is a Subsidiary if, at the end of the most recent fiscal quarter of our company, the aggregate amount, determined in accordance with GAAP consistently applied, of securities of, loans and advances to, and other investments in, such Person held by us and our other Subsidiaries exceeded 10% of our company's Consolidated Net Worth.

Person means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

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Responsible Officer, when used with respect to Time Warner, means any of the Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, General Counsel, Treasurer, Controller or Vice President, Corporate Finance, of Time Warner (or any equivalent of the foregoing officers).

Security Register means the register or registers we shall keep or cause to be kept in which we shall provide for the registration of securities, or of securities of a particular series, and of transfers of securities or of securities of such series.

Subsidiary means, with respect to any Person, any corporation more than 50% of the voting stock of which is owned directly or indirectly by such Person, and any partnership, association, joint venture or other entity in which such Person owns more than 50% of the equity interests or has the power to elect a majority of the board of directors or other governing body.

Works means motion pictures, video, television, interactive or multi-media programming, audio-visual works, sound recordings, books and other literary or written material, any software, copyright or other intellectual property related thereto, acquired directly or indirectly after the date of the Indenture by purchase, business combination, production, creation or otherwise, any component of the foregoing or rights with respect thereto, and all improvements thereon, products and proceeds thereof and revenues derived therefrom.

Optional Redemption

Unless we specify otherwise in the applicable prospectus supplement, we may redeem the debt securities at any time and from time to time, as a whole or in part, at our option, on at least 15 days, but not more than 45 days, prior notice mailed to the registered address of each Holder of the debt securities to be redeemed, at respective redemption prices equal to the greater of:

100% of the principal amount of the debt securities to be redeemed, and

the sum of the present values of the Remaining Scheduled Payments, as defined below, discounted to the redemption date, on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, as defined below, plus the number, if any, of basis points specified in the applicable prospectus supplement;

plus, in each case, accrued interest to the date of redemption that has not been paid (such redemption price, the Redemption Price).

Comparable Treasury Issue means, with respect to the debt securities, the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term (Remaining Life) of the debt securities being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life of such debt securities.

Comparable Treasury Price means, with respect to any redemption date for the debt securities: (1) the average of four Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or (2) if the Trustee obtains fewer than four Reference Treasury Dealer Quotations, the average of all quotations obtained by the Trustee.

Independent Investment Banker means one of the Reference Treasury Dealers, to be appointed by us.

Reference Treasury Dealer means a primary U.S. Government securities dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable

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Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Trustee by such Reference Treasury Dealer at 3:00 p.m., New York City time, on the third business day preceding such redemption date.

Remaining Scheduled Payments means, with respect to each security to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption; *provided, however*, that, if such redemption date is not an interest payment date with respect to such security, the amount of the next succeeding scheduled interest payment thereon will be deemed to be reduced by the amount of interest accrued thereon to, but not including, such redemption date.

Treasury Rate means, with respect to any redemption date for the debt securities: (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury debt securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue; *provided* that if no maturity is within three months before or after the maturity date for the debt securities, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if that release, or any successor release, is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date. The Treasury Rate will be calculated on the third business day preceding the redemption date.

On and after the redemption date, interest will cease to accrue on the debt securities or any portion thereof called for redemption, unless we default in the payment of the Redemption Price and accrued interest. On or before the redemption date, we shall deposit with a paying agent, or the Trustee, money sufficient to pay the Redemption Price of and accrued interest on the debt securities to be redeemed on such date. If we elect to redeem less than all of the debt securities of a series, then the Trustee will select the particular debt securities of such series to be redeemed in a manner it deems appropriate and fair.

Defeasance

The Indenture provides that we (and, to the extent applicable, Historic TW, HBO and TBS), at our option,

(a) will be Discharged from any and all obligations in respect of any series of debt securities (except in each case for certain obligations to register the transfer or exchange of debt securities, replace stolen, lost or mutilated debt securities, maintain paying agencies and hold moneys for payment in trust), or

(b) need not comply with the covenants described above under Description of the Debt Securities and the Guarantees Certain Covenants and any other restrictive covenants described in a prospectus supplement relating to such series of debt securities, the Guarantors will be released from the Guarantees and certain Events of Default (other than those arising out of the failure to pay interest or principal on the debt securities of a particular series and certain events of bankruptcy, insolvency and reorganization) will no longer constitute Events of Default with respect to such series of debt securities,

in each case if we deposit with the Trustee, in trust, money or the equivalent in securities of the government which issued the currency in which the debt securities are denominated or government agencies backed by the full faith and

credit of such government, or a combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all the principal (including any mandatory sinking fund payments) of and premiums and interest on, and any repurchase

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or redemption obligations with respect to, the outstanding debt securities of such series on the dates such payments are due in accordance with the terms of such series.

To exercise any such option, we are required, among other things, to deliver to the Trustee an opinion of counsel to the effect that (i) the deposit and related defeasance would not cause the Holders of such series to recognize income, gain or loss for Federal income tax purposes and, in the case of a Discharge pursuant to clause (a), accompanied by a ruling to such effect received from or published by the United States Internal Revenue Service and (ii) the creation of the defeasance trust will not violate the Investment Company Act of 1940, as amended.

In addition, we are required to deliver to the Trustee an Officers Certificate stating that such deposit was not made by us with the intent of preferring the Holders over other creditors of ours or with the intent of defeating, hindering, delaying or defrauding creditors of our company or others.

Events of Default, Notice and Waiver

The Indenture provides that, if an Event of Default specified therein with respect to any series of debt securities issued thereunder shall have happened and be continuing, either the Trustee thereunder or the Holders of not less than 25% in aggregate principal amount of the outstanding debt securities of such series (or 25% in aggregate principal amount of all outstanding debt securities under the Indenture, in the case of certain Events of Default affecting all series of debt securities under the Indenture) may declare the principal of all the debt securities of such series to be due and payable.

Events of Default in respect of any series are defined in the Indenture as being:

default for 30 days in payment of any interest installment with respect to such series;

default in payment of principal of, or premium, if any, on, or any sinking fund or analogous obligation with respect to, debt securities of such series when due at their stated maturity, by declaration or acceleration, when called for redemption or otherwise;

default for 90 days after written notice to us (or Historic TW, HBO or TBS, if applicable) by the Trustee thereunder or by Holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series in the performance of any covenant pertaining to debt securities of such series;

certain events of bankruptcy, insolvency and reorganization with respect to us or any Material Subsidiary thereof which is organized under the laws of the United States or any political subdivision thereof or the entry of an order ordering the winding up or liquidation of our affairs; and

any Guarantee ceasing to be, or asserted by any Guarantor as not being, in full force and effect, enforceable according to its terms, except to the extent contemplated by the Indenture and any such Guarantee.

Any additions, deletions or other changes to the Events of Default which will be applicable to a series of debt securities will be described in the prospectus supplement relating to such series of debt securities.

The Indenture provides that the Trustee will, within 90 days after the occurrence of a default with respect to the debt securities of any series, give to the Holders of the debt securities of such series notice of all uncured and unwaived defaults known to it; *provided, however*, that, except in the case of default in the payment of principal of, premium, if any, or interest, if any, on any of the debt securities of such series, or in the payment of any sinking or purchase fund installment or analogous obligation with respect to debt securities of such series, the Trustee thereunder will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of the Holders of the debt securities of such series. The term *default* for the purpose of this provision means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to debt securities of such series.

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The Indenture contains provisions entitling the Trustee, subject to the duty of the Trustee during an Event of Default to act with the required standard of care, to be indemnified to its reasonable satisfaction by the Holders of the debt securities before proceeding to exercise any right or power under the Indenture at the request of Holders of the debt securities.

The Indenture provides that the Holders of a majority in aggregate principal amount of the outstanding debt securities of any series may direct the time, method and place of conducting proceedings for remedies available to the Trustee or exercising any trust or power conferred on the Trustee in respect of such series, subject to certain conditions set forth in the Indenture.

In certain cases, the Holders of not less than a majority in principal amount of the outstanding debt securities of any series may waive, on behalf of the Holders of all debt securities of such series, any past default or Event of Default with respect to the debt securities of such series except, among other things, a default not theretofore cured in payment of the principal of, or premium, if any, or interest, if any, on any of the debt securities of such series or payment of any sinking or purchase fund or analogous obligations with respect to such debt securities.

The Indenture includes a covenant that we will file annually with the Trustee a certificate of no default or specifying any default that exists.

Modification of the Indenture

We and the Trustee may, without the consent of the Holders of the debt securities, enter into indentures supplemental to the Indenture for, among others, one or more of the following purposes:

- (1) to evidence the succession of another Person to Time Warner, Historic TW, HBO or TBS and the assumption by such successor of Time Warner's, Historic TW's, HBO's or TBS's obligations under the Indenture and the debt securities of any series or the Guarantees relating thereto;
- (2) to add to the covenants of Time Warner, Historic TW, HBO or TBS, or to surrender any rights or powers of Time Warner, Historic TW, HBO or TBS, for the benefit of the Holders of debt securities of any or all series;
- (3) to cure any ambiguity or correct any inconsistency in the Indenture or to make any other provisions with respect to matters or questions arising under the Indenture;
- (4) to add to the Indenture any provisions that may be expressly permitted by the Trust Indenture Act of 1939, as amended, or the Act, excluding the provisions referred to in Section 316(a)(2) of the Act as in effect at the date as of which this instrument was executed or any corresponding provision in any similar federal statute hereafter enacted;
- (5) to establish the form or terms of any series of debt securities, to provide for the issuance of any series of debt securities and/or to add to the rights of the Holders of debt securities;
- (6) to evidence and provide for the acceptance of appointment of any successor Trustee with respect to one or more series of debt securities or to add or change any of the provisions of the Indenture as shall be necessary to facilitate the administration of the trusts thereunder by one or more trustees in accordance with the Indenture;
- (7) to add any additional Events of Default;

(8) to provide for uncertificated securities in addition to or in place of certificated securities; provided that the uncertificated securities are issued in registered form for certain Federal tax purposes;

(9) to provide for the terms and conditions of converting those debt securities that are convertible into common stock or another such similar security;

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(10) to secure any series of debt securities pursuant to the Indenture's limitation on liens or otherwise;

(11) to add additional guarantors in respect of the debt securities; and

(12) to make any change necessary to comply with any requirement of the SEC in connection with the qualification of the Indenture or any supplemental indenture under the Act.

No supplemental indenture for the purpose identified in clauses (2), (3), (5) or (7) above may be entered into if to do so would adversely affect the rights of the Holders of debt securities of any series in any material respect.

The Indenture contains provisions permitting us and the Trustee, with the consent of the Holders of not less than a majority in principal amount of the outstanding debt securities of all series to be affected voting as a single class, to execute supplemental indentures for the purpose of adding any provisions to or changing or eliminating any of the provisions of the Indenture or modifying the rights of the Holders of the debt securities of such series to be affected, except that no such supplemental indenture may, without the consent of the Holders of each outstanding and affected debt security, among other things:

(1) change the maturity of the principal of, or the stated maturity of any premium on, or any installment of interest on, any debt security, or reduce the principal amount thereof or the interest or any premium thereon, or change the method of computing the amount of principal thereof or interest thereon on any date or change any place of payment where, or the coin or currency in which, any debt security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the maturity (or, in the case of redemption or repayment, on or after the date of redemption or repayment, as the case may be), or alter the provisions of the Indenture so as to affect adversely the terms, if any, of conversion of any debt securities into common stock or other securities;

(2) reduce the percentage in principal amount of any outstanding debt securities of any series, the consent of whose Holders is required for any such supplemental indenture or the consent of whose Holders is required for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder, provided for in the Indenture;

(3) modify certain provisions of the Indenture with respect to amendments, waivers of past defaults or waivers of certain covenants, except to increase the percentage in principal amount of any outstanding debt securities of any series applicable to such provision or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each debt security affected thereby;

(4) impair or adversely affect the right of a Holder to institute suit for the enforcement of any payment on, or with respect to, the debt securities of any series on or after the stated maturity of such series; or

(5) amend or modify the provisions of the Indenture governing the Guarantees in a manner adverse to the rights of the Holders of any debt securities of any series.

The Trustee

The Bank of New York Mellon is the Trustee under the Indenture. The Trustee is a depository for funds and performs other services for, and transacts other banking business with, us in the normal course of business.

Governing Law

The Indenture is governed by, and construed in accordance with, the laws of the State of New York.

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Global Securities

We may issue debt securities through global securities. A global security is a security, typically held by a depository, that represents the beneficial interests of a number of purchasers of the security. If we do issue global securities, the following procedures will apply.

We will deposit global securities with the depository identified in the prospectus supplement. After we issue a global security, the depository will credit on its book-entry registration and transfer system the respective principal amounts of the debt securities represented by the global security to the accounts of persons who have accounts with the depository. These account Holders are known as participants. The underwriters or agents participating in the distribution of the debt securities will designate the accounts to be credited. Only a participant or a person who holds an interest through a participant may be the beneficial owner of a global security. Ownership of beneficial interests in the global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depository and its participants.

We and the Trustee will treat the depository or its nominee as the sole owner or Holder of the debt securities represented by a global security. Except as set forth below, owners of beneficial interests in a global security will not be entitled to have the debt securities represented by the global security registered in their names. They also will not receive or be entitled to receive physical delivery of the debt securities in definitive form and will not be considered the owners or Holders of the debt securities.

Principal, any premium and any interest payments on debt securities represented by a global security registered in the name of a depository or its nominee will be made to the depository or its nominee as the registered owner of the global security. None of us, the Trustee or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global security or the maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

We expect that the depository, upon receipt of any payments, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global security as shown on the depository's records. We also expect that payments by participants to owners of beneficial interests in the global security will be governed by standing instructions and customary practices, as is the case with the securities held for the accounts of customers registered in street names, and will be the responsibility of the participants.

If the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by us within 90 days, we will issue registered securities in exchange for the global security. In addition, we may at any time in our sole discretion determine not to have any of the debt securities of a series represented by global securities. In that event, we will issue debt securities of that series in definitive form in exchange for the global securities.

DESCRIPTION OF THE CAPITAL STOCK

The following description of the terms of the common stock and preferred stock sets forth certain general terms and provisions of the common stock and preferred stock to which any prospectus supplement may relate. This section also summarizes relevant provisions of the Delaware General Corporation Law, which we refer to as Delaware law. The terms of the Time Warner restated certificate of incorporation and by-laws, as well as the terms of Delaware law, are more detailed than the general information provided below. Therefore, you should carefully consider the actual provisions of these documents. See [Where You Can Find More Information](#).

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Authorized Capital Stock

Total Shares. We have the authority to issue a total of 9,680,000,000 shares of capital stock consisting of:

8,330,000,000 shares of common stock, par value \$0.01 per share;

600,000,000 shares of series common stock, par value \$0.01 per share, which are issuable in series; and

750,000,000 shares of preferred stock, par value \$0.10 per share, which are issuable in series.

Common Stock. As of December 31, 2015, 795,093,915 shares of Time Warner common stock were outstanding.

Series Common Stock. We have the authority to issue one or more series of series common stock up to the maximum number of series common shares authorized. Our board of directors is also authorized to set the following terms of a series of common stock before issuance:

the designation of the series;

the number of shares to comprise the series;

any voting rights; and

any preferences and relative, participating, optional or other special rights and any qualifications, limitations or restrictions thereof, of the shares of such series.

If we offer shares of a new series of series common stock, the prospectus supplement will specify the designation and number of that series, and the voting rights and all other rights, preferences and terms of that series, including any dividend, redemption, exchange or liquidation rights or provisions. If we issue shares of series common stock they will be fully paid and non-assessable.

As of December 31, 2015, no shares of series common stock were outstanding.

Preferred Stock. We have the authority to issue series of preferred stock up to the maximum number of preferred shares authorized. Our board of directors is also authorized to set the following terms of a series of preferred stock before issuance:

the designation of the series;

the number of shares to comprise the series;

any voting rights; and

any preferences and relative, participating, optional or other special rights and any qualifications, limitations or restrictions thereof, of the shares of such series.

The powers, preferences and relative, participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

If we offer shares of a new series of preferred stock, the prospectus supplement will specify the designation and number of that series, and the voting rights and all other rights, preferences and terms of that series, including any dividend, redemption, exchange or liquidation rights or provisions. If we issue shares of preferred stock they will be fully paid and non-assessable.

As of December 31, 2015, no shares of Time Warner preferred stock were outstanding.

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Listing. We list our common stock on the New York Stock Exchange under the symbol TWX. No other capital stock of ours is listed.

Preemptive Rights. The holders of our common stock, our series common stock and our preferred stock do not have preemptive rights to purchase or subscribe for any stock or other securities of ours.

Common Stock

Voting Rights. Each outstanding share of our common stock is entitled to one vote per share.

Dividends. Holders of our common stock are entitled to receive dividends or other distributions when and if declared by our board of directors. The right of our board of directors to declare dividends, however, is subject to any rights of the holders of any outstanding Time Warner series common stock and Time Warner preferred stock and the availability of sufficient funds under Delaware law to pay dividends.

Liquidation Rights. In the event of the liquidation of our company, subject to the rights, if any, of the holders of any outstanding shares of our series common stock or our preferred stock, the holders of our common stock are entitled to receive any of our assets available for distribution to our stockholders ratably in proportion to the number of shares held by them.

Regulatory Restrictions. Subject to any resolutions of the board of directors creating any series of preferred stock, any other class or series of stock having preferences over the common stock as to dividends or upon dissolution, liquidation or winding up or any series common stock, outstanding shares of our common stock, any series common stock or preferred stock may be redeemed by action of the board of directors to the extent necessary to prevent the loss of any governmental license or franchise, the holding of which is conditioned upon stockholders possessing prescribed qualifications.

DESCRIPTION OF THE WARRANTS

The following description of the terms of the warrants sets forth certain general terms and provisions of the warrants to which any prospectus supplement may relate. We may issue warrants for the purchase of debt securities, preferred stock or common stock. Warrants may be issued independently or together with debt securities, preferred stock or common stock offered by any prospectus supplement and may be attached to or separate from any such offered securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent. The warrant agent will act solely as our agent in connection with the warrants and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. The following summary of certain provisions of the warrants does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the warrant agreement that will be filed with the SEC in connection with the offering of such warrants.

Debt Warrants

The prospectus supplement relating to any particular issue of debt warrants will describe the terms of such debt warrants, including the following:

the title of such debt warrants;

the offering price for such debt warrants, if any;

the aggregate number of such debt warrants;

the designation and terms of the debt securities purchasable upon exercise of such debt warrants;

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if applicable, the designation and terms of the debt securities with which such debt warrants are issued and the number of such debt warrants issued with each such debt security;

if applicable, the date from and after which such debt warrants and any debt securities issued therewith will be separately transferable;

the principal amount of debt securities purchasable upon exercise of a debt warrant and the price at which such principal amount of debt securities may be purchased upon exercise (which price may be payable in cash, securities or other property);

the date on which the right to exercise such debt warrants shall commence and the date on which such right shall expire;

if applicable, the minimum or maximum amount of such debt warrants that may be exercised at any one time;

whether the debt warrants represented by the debt warrant certificates or debt securities that may be issued upon exercise of the debt warrants will be issued in registered or bearer form;

information with respect to book-entry procedures, if any;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of material United States Federal income tax considerations;

the anti-dilution or adjustment provisions of such debt warrants, if any;

the redemption or call provisions, if any, applicable to such debt warrants; and

any additional terms of such debt warrants, including terms, procedures and limitations relating to the exchange and exercise of such debt warrants.

As of December 31, 2015, no debt warrants were outstanding.

Stock Warrants

The prospectus supplement relating to any particular issue of preferred stock warrants or common stock warrants will describe the terms of such warrants, including the following:

the title of such warrants;

the offering price for such warrants, if any;

the aggregate number of such warrants;

the designation and terms of the common stock or preferred stock purchasable upon exercise of such warrants;

if applicable, the designation and terms of the offered securities with which such warrants are issued and the number of such warrants issued with each such offered security;

if applicable, the date from and after which such warrants and any offered securities issued therewith will be separately transferable;

the number of shares of common stock or preferred stock purchasable upon exercise of a warrant and the price at which such shares may be purchased upon exercise;

the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;

if applicable, the minimum or maximum amount of such warrants that may be exercised at any one time;

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the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of material United States Federal income tax considerations;

the anti-dilution provisions of such warrants, if any;

the redemption or call provisions, if any, applicable to such warrants; and

any additional terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

As of December 31, 2015, no preferred stock or common stock warrants were outstanding.

PLAN OF DISTRIBUTION

We may offer and sell the debt securities, preferred stock, common stock or warrants in any one or more of the following ways:

to or through underwriters, brokers or dealers;

directly to one or more other purchasers;

through a block trade in which the broker or dealer engaged to handle the block trade will attempt to sell the securities as agent, but may position and resell a portion of the block as principal to facilitate the transaction;

through agents on a best-efforts basis; or

otherwise through a combination of any of the above methods of sale.

Each time we sell securities, we will provide a prospectus supplement that will name any underwriter, dealer or agent involved in the offer and sale of the securities. The prospectus supplement will also set forth the terms of the offering, including:

the purchase price of the securities and the proceeds we will receive from the sale of the securities;

any underwriting discounts and other items constituting underwriters' compensation;

any public offering or purchase price and any discounts or commissions allowed or re-allowed or paid to dealers;

any commissions allowed or paid to agents;

any securities exchanges on which the securities may be listed;

the method of distribution of the securities;

the terms of any agreement, arrangement or understanding entered into with the underwriters, brokers or dealers; and

any other information we think is important.

If underwriters or dealers are used in the sale, the securities will be acquired by the underwriters or dealers for their own account. The securities may be sold from time to time in one or more transactions:

at a fixed price or prices, which may be changed;

at market prices prevailing at the time of sale;

at prices related to such prevailing market prices;

at varying prices determined at the time of sale; or

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at negotiated prices.

Such sales may be effected:

in transactions on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;

in transactions in the over-the-counter market;

in block transactions in which the broker or dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction, or in crosses, in which the same broker acts as an agent on both sides of the trade;

through the writing of options; or

through other types of transactions.

The securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more of such firms. Unless otherwise set forth in the prospectus supplement, the obligations of underwriters or dealers to purchase the securities offered will be subject to certain conditions precedent and the underwriters or dealers will be obligated to purchase all the offered securities if any are purchased. Any public offering price and any discount or concession allowed or reallocated or paid by underwriters or dealers to other dealers may be changed from time to time.

The securities may be sold directly by us or through agents designated by us from time to time. Any agent involved in the offer or sale of the securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to such agent will be set forth in, the prospectus supplement. Unless otherwise indicated in the prospectus supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

Offers to purchase the securities offered by this prospectus may be solicited, and sales of the securities may be made, by us directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. The terms of any offer made in this manner will be included in the prospectus supplement relating to the offer.

If indicated in the applicable prospectus supplement, we will authorize underwriters, dealers or agents to solicit offers by certain institutional investors to purchase securities from us pursuant to contracts providing for payment and delivery at a future date. Institutional investors with which these contracts may be made include, among others:

commercial and savings banks;

insurance companies;

pension funds;

investment companies; and

educational and charitable institutions.

In all cases, these purchasers must be approved by us. Unless otherwise set forth in the applicable prospectus supplement, the obligations of any purchaser under any of these contracts will not be subject to any conditions except that (a) the purchase of the securities must not at the time of delivery be prohibited under the laws of any jurisdiction to which that purchaser is subject and (b) if the securities are also being sold to underwriters, we must have sold to these underwriters the securities not subject to delayed delivery. Underwriters and other agents will not have any responsibility in respect of the validity or performance of these contracts.

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Some of the underwriters, dealers or agents used by us in any offering of securities under this prospectus may be customers of, engage in transactions with and perform services for us, Historic TW, HBO and TBS or other affiliates of ours in the ordinary course of business. Under agreements that may be entered into with us, underwriters, dealers, agents and other persons may be entitled to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act, and to be reimbursed by us for certain expenses.

Subject to any restrictions relating to debt securities in bearer form, any securities initially sold outside the United States may be resold in the United States through underwriters, dealers or otherwise.

Any underwriters to which offered securities are sold by us for public offering and sale may make a market in such securities, but those underwriters will not be obligated to do so and may discontinue any market making at any time.

The anticipated date of delivery of the securities offered by this prospectus will be described in the applicable prospectus supplement relating to the offering.

Pursuant to a requirement by the Financial Industry Regulatory Authority, or FINRA, the maximum commission or discount to be received by any FINRA member or independent broker/dealer may not be greater than 8% of the gross proceeds received by us for the sale of any securities being registered pursuant to SEC Rule 415 under the Securities Act.

To comply with the securities laws of some states, if applicable, the securities may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the securities may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

LEGAL MATTERS

Certain legal matters in connection with the offered securities will be passed upon for us, Historic TW, HBO and TBS by Cravath, Swaine & Moore LLP, New York, New York.

EXPERTS

The consolidated financial statements of Time Warner appearing in Time Warner's Annual Report (Form 10-K) for the year ended December 31, 2015 (including the supplementary information and financial statement schedule appearing therein), and the effectiveness of Time Warner's internal control over financial reporting as of December 31, 2015, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon included therein, and incorporated herein by reference. Such financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements and the effectiveness of Time Warner's internal control over financial reporting as of the respective dates (to the extent covered by consents filed with the SEC) given on the authority of such firm as experts in accounting and auditing.

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\$800,000,000 2.95% Notes due 2026

PROSPECTUS SUPPLEMENT

May 5, 2016

Joint Book-Running Managers

BofA Merrill Lynch

Citigroup

Credit Agricole CIB

Mizuho Securities

BNP PARIBAS

Deutsche Bank Securities

Morgan Stanley

SMBC Nikko

Société Générale

Wells Fargo Securities

Corporate & Investment Banking

Senior Co-Managers

Barclays

BNY Mellon Capital Markets, LLC

Credit Suisse

J.P. Morgan

Lloyds Securities

MUFG

Ramirez & Co., Inc.

RBS

Santander

Scotiabank

The Williams Capital Group, L.P.