

TIME WARNER INC.
Form 425
February 03, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): February 3, 2017

TIME WARNER INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	1-15062	13-4099534
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

One Time Warner Center, New York, New York 10019
(Address of Principal Executive Offices) (Zip Code)

212-484-8000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 8.01 OTHER EVENTS.

On October 22, 2016, Time Warner Inc. (“Time Warner”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with AT&T Inc., a Delaware corporation (“AT&T”), and West Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of AT&T (“Corporate Merger Sub”). West Merger Sub II, LLC, a Delaware limited liability company and a wholly owned subsidiary of AT&T (“LLC Merger Sub”), acceded to the Merger Agreement on October 28, 2016. Pursuant to the Merger Agreement, Corporate Merger Sub will be merged with and into Time Warner, with Time Warner continuing as the surviving company in the merger. Immediately thereafter, subject to the terms and conditions set forth in the Merger Agreement, Time Warner will be merged with and into LLC Merger Sub, with LLC Merger Sub continuing as the surviving entity (collectively, the “Transaction”).

In connection with the Transaction, three putative class action complaints have been filed in the United States District Court for the Southern District of New York against Time Warner and its directors. The three complaints are captioned as follows: *Collura v. Time Warner, Inc. et al.*, Case No. 1:17-cv-00399 (filed January 19, 2017), *Gross v. Time Warner, Inc. et al.*, Case No. 1:17-cv-00522 (filed January 24, 2017) and *Fruchter v. Time Warner, Inc. et al.*, Case No. 1:17-cv-00523 (filed January 24, 2017) (collectively, the “Merger Litigation”). The complaints, which have been brought by alleged Time Warner stockholders, generally allege that Time Warner’s definitive proxy statement filed with the Securities and Exchange Commission on January 9, 2017 (the “Proxy Statement”) omitted certain material information in connection with the Transaction. The complaints seek various remedies, including injunctive relief to prevent the consummation of the Transaction unless certain allegedly material information is disclosed and rescissory damages in the event the Transaction is consummated without such disclosures.

Time Warner believes that the claims asserted in the Merger Litigation are without merit and no supplemental disclosure is required under applicable law. However, in order to avoid the risk of the Merger Litigation delaying or adversely affecting the Transaction and to minimize the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, Time Warner has determined to voluntarily supplement the Proxy Statement as described in this Current Report on Form 8-K. Nothing in this Current Report on Form 8-K shall be deemed an admission of the legal necessity or materiality under applicable laws of any of the disclosures set forth herein. To the contrary, Time Warner specifically denies all allegations in the Merger Litigation that any additional disclosure was or is required.

These supplemental disclosures will not affect the merger consideration to be paid to stockholders of Time Warner in connection with the Transaction or the timing of the special meeting of the stockholders of Time Warner scheduled for February 15, 2017, at 3:00 p.m. Eastern time, at Omni Atlanta Hotel at CNN Center, 100 CNN Center, Atlanta, GA 30303. The Time Warner board of directors continues to unanimously recommend that you vote “FOR” the adoption of the Merger Agreement and “FOR” the other proposals being considered at the special meeting.

Supplemental Disclosures to Proxy Statement in Connection with the Merger Litigation

The following disclosures in this Current Report on Form 8-K supplement the disclosures contained in the Proxy Statement and should be read in conjunction with the disclosures contained in the Proxy Statement, which in turn should be read in its entirety. To the extent that information in this Current Report on Form 8-K differs from or updates information contained in the Proxy Statement, the information in this Current Report on Form 8-K shall supersede or supplement the information in the Proxy Statement. All page references are to the Proxy Statement and terms used below, unless otherwise defined, shall have the meanings ascribed to such terms in the Proxy Statement.

The disclosure in the section entitled “The Transaction” under the heading “Background of the Transaction”, beginning on page 57 of the Proxy Statement, is hereby amended by:

Adding the sentence below to the end of the first full paragraph on page 59 and adding the second paragraph below immediately thereafter:

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Following discussion, in light of (i) the risk of a leak occurring if Time Warner canvassed the market prior to signing and the potential destabilization of Time Warner's management and operations that could result, as well as the risk to AT&T's ability to continue to pursue a transaction in the face of a leak and potential market pressures on its own stock or from its investor base; (ii) the risk of losing AT&T's offer if Time Warner were to canvass the market before signing; (iii) the regulatory and other considerations other potential acquirors would face; and (iv) the Time Warner board's view, with input from its advisors, that other potential acquirors would be more likely to decide to make an offer for Time Warner after an agreement with AT&T was signed and announced, the Time Warner board determined that securing a transaction with AT&T, with appropriate terms allowing Time Warner to consider proposals from third parties following signing, would be the best approach to seek to maximize value under Time Warner's circumstances.

Also at the October 6, 2016 meeting, representatives of Time Warner's management discussed with the Time Warner board the benefits of a potential merger with AT&T, including, among other things, that a combination with AT&T would give Time Warner access to AT&T's scaled distribution network, enhance Time Warner's ability to create compelling consumer offerings across multiple distribution platforms and accelerate Time Warner's efforts to increase its direct-to-consumer relationships. Representatives of Time Warner's management also discussed with the Time Warner board the risks to achieving those benefits, how Time Warner's businesses would be managed under AT&T and the importance of post-closing integration and successful execution of the merger, as well as the risks to Time Warner in continuing as a stand-alone entity, including, among other things, changes in consumer behavior and industry headwinds increasing risk, growth advantages for companies with direct-to-consumer relationships and challenges facing Time Warner in developing direct-to-consumer businesses on its own.

Replacing the third full paragraph on page 60 with the three paragraphs below (with new text in underline):

On October 22, 2016, the Time Warner board held an in-person meeting at Cravath's offices in New York, with representatives of Time Warner's management, Allen & Company, Citi, Morgan Stanley and Cravath participating, to consider and vote on the proposed transaction with AT&T. Mr. Bewkes discussed with the Time Warner board the benefits of the merger for the company and its stockholders, including the value Time Warner's stockholders would receive in the transaction and the increased potential for ongoing innovation-driven revenue growth opportunities from combining the company's businesses with AT&T's scale, distribution platforms and direct-to-consumer relationships. Mr. Bewkes also noted AT&T's focus on the importance of execution after consummation of the merger in taking advantage of those growth opportunities, and stated that he would be willing to remain with the combined company in order to assist in the transition.

Representatives of Cravath reviewed the directors' fiduciary duties and other legal matters in connection with the Time Warner board's consideration of the transaction, including the proposed terms of the merger agreement that had been negotiated between the parties. The Time Warner board also discussed, with input from Time Warner's financial advisors, other potential acquirors of Time Warner and the likelihood that any of them could consummate a transaction superior to the transaction with AT&T. The directors noted the risks previously discussed relating to a pre-signing exploration of alternative offers and discussed, with input from Time Warner's legal and financial advisors, the fact that the break-up fee under the proposed merger agreement with AT&T was unlikely to deter a third party from making a competing offer for Time Warner after a transaction with AT&T was announced, that third parties would have several months to come forward with a potentially superior offer before the Time Warner stockholders vote on the merger with AT&T and that numerous financial institutions were expected to be available to provide financing to support a competing offer.

After discussion, Allen & Company, Citi and Morgan Stanley reviewed and discussed with the Time Warner board their financial analyses of the merger consideration and each separately rendered an oral opinion, confirmed by delivery of a written opinion dated October 22, 2016, to the Time Warner board to the effect that, as of such date and based on and subject to the various assumptions made, procedures followed, matters considered and qualifications and

limitations on the review undertaken as set forth in such opinion, the merger consideration provided for pursuant to the merger agreement was fair, from a financial point of view, to holders of Time Warner common stock.

Adding the below additional sentence to the end of the penultimate full paragraph on page 60:

In the evening on October 22, 2016, AT&T held a conference call with news media, with Mr. Bewkes participating, in which Mr. Bewkes stated that he had committed to Mr. Stephenson that he would stay on at the combined company through a reasonable transition period post-closing that would be mutually determined by them.

The disclosure in the section entitled “The Transaction” under the heading “Opinions of Time Warner’s Financial Advisors”, beginning on page 64 of the Proxy Statement, is hereby amended by:

Replacing the table included at the end of the first full paragraph on page 75 with the table and footnotes to such table below:

Time Warner Selected Diversified Entertainment Companies	NTM ⁽¹⁾ Estimated OIBDA Multiples	NTM Estimated EPS Multiples	Time Warner Selected Cable Network/Studio Companies	NTM Estimated OIBDA Multiples	NTM Estimated EPS Multiples
· CBS Corporation	9.5x	12.9x	· AMC Networks Inc.	7.2x	8.3x
· The Walt Disney Company	9.5x	15.2x	· Discovery Communications, Inc.	9.0x	11.0x
· Twenty-First Century Fox, Inc.	7.6x	12.9x	· Lions Gate Entertainment Corp.	9.7x	NA ⁽²⁾
· Viacom Inc.	7.9x	8.8x	· Scripps Networks Interactive, Inc.	8.5x	11.7x

(1) “NTM” denotes next 12 months.

(2) “NA” denotes not publicly available.

Amending and restating the last paragraph on page 75 as follows (with new text in underline):

No company or business used in this analysis is identical to Time Warner and, accordingly, an evaluation of the results of this analysis is not entirely mathematical nor were individual multiples (referenced above for informational purposes) observed for each of the Time Warner selected companies independently determinative of the results of such analysis. Rather, this analysis involves complex considerations and judgments concerning differences in financial characteristics and other factors that could affect the public trading or other values of the companies or businesses to which Time Warner was compared.

Replacing the table included at the end of the first full paragraph on page 76 with the table and footnotes to such table below:

Announcement Date	Acquiror	Target	LTM ⁽¹⁾ Estimated EBITDA Multiples
June 2016	Lions Gate Entertainment Corp.	Starz	10.9x
April 2016	Comcast Corporation	Dreamworks Animation SKG, Inc.	32.3x
November 2012	News Corporation	Yankees Entertainment and Sports Network	12.2x
October 2012	The Walt Disney Company	Lucasfilm Ltd.	21.4x ⁽²⁾

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December 2009	Comcast Corporation/General Electric Company (joint venture)	NBC Universal, Inc.	12.0x
November 2009	Scripps Networks Interactive, Inc.	Travel Channel	14.5x
August 2009	The Walt Disney Company	Marvel Entertainment, Inc.	12.7x
July 2008	NBC Universal, Inc./Bain Capital, LLC/The Blackstone Group L.P.	The Weather Channel	12.6x
March 2007	Cox Communications, Inc.	Travel Channel	NA ⁽³⁾

(1) "LTM" denotes last 12 months.

(2) Reflects LTM EBIT multiple.

(3) "NA" denotes not publicly available.

Amending and restating the last full paragraph on page 76 as follows (with new text in underline):

No company, business or transaction used in this analysis is identical to Time Warner or the initial merger and, accordingly, an evaluation of the results of this analysis is not entirely mathematical nor were individual multiples (referenced above for informational purposes) observed for each of the selected transactions independently determinative of the results of such analysis. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics that could affect the acquisition or other values of the companies, businesses or transactions to which Time Warner and the initial merger were compared.

Amending and restating the second, third and fourth full paragraphs on page 77 as follows (with new text in underline):

Allen & Company calculated implied terminal values for Time Warner by applying to Time Warner's unlevered, after-tax free cash flows for the fiscal year ending December 31, 2025 (normalized by the management of Time Warner in the terminal year for depreciation, amortization, capital expenditures and tax rate) a selected range of perpetuity growth rates of 1.75% to 2.25% (which, for informational purposes, implied an approximate range of latest 12 months (as of December 31, 2025) estimated OIBDA multiples of 8.2x to 10.9x). The present values (as of September 30, 2016) of the cash flows and terminal values were then calculated using a selected range of discount rates of 7.0% to 8.0% derived from a weighted average cost of capital calculation. This analysis indicated an approximate implied per share equity value reference range for Time Warner of \$98 to \$130, as compared to the merger consideration of \$107.50.

Citi calculated implied terminal values for Time Warner by applying to Time Warner's unlevered, after-tax free cash flows for the fiscal year ending December 31, 2025 (normalized by the management of Time Warner in the terminal year for depreciation, amortization, capital expenditures and tax rate) a selected range of perpetuity growth rates of 1.25% to 1.75% (which, for informational purposes, implied an approximate range of latest 12 months (as of December 31, 2025) estimated OIBDA multiples of 8.0x to 10.8x). The present values (as of September 30, 2016) of the cash flows and terminal values were then calculated using a selected range of discount rates of 6.5% to 7.7% derived from a weighted average cost of capital calculation. This analysis indicated an approximate implied per share equity value reference range for Time Warner of \$98 to \$135, as compared to the merger consideration of \$107.50.

Morgan Stanley calculated implied terminal values for Time Warner by applying to Time Warner's next 12 months (as of December 31, 2025) estimated adjusted OIBDA (extrapolated based on the Time Warner management forecasts) a selected range of next 12 months OIBDA multiples of 8.0x to 9.5x based on Morgan Stanley's professional judgment and after taking into account, among other things, observed next 12 months (as of September 30, 2016) estimated OIBDA multiples of the Time Warner selected companies. The present values (as of September 30, 2016) of the cash flows and terminal values were then calculated using a selected range of discount rates of 6.0% to 7.5% derived from a weighted average cost of capital calculation. This analysis indicated an approximate implied per share equity value reference range for Time Warner of \$101 to \$130, as compared to the merger consideration of \$107.50.

Replacing the table included at the end of the fifth full paragraph on page 77 with the table and footnote to such table below:

AT&T Selected Telecommunications Companies	NTM ⁽¹⁾ Estimated OIBDA Multiples	NTM Estimated EPS Multiples	AT&T Selected Cable/Satellite Companies	NTM Estimated OIBDA Multiples	NTM Estimated EPS Multiples
• CenturyLink, Inc.	6.2x	11.7x	• Charter Communications, Inc.	9.4x	NM

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· Sprint Corporation	8.9x	NM ⁽²⁾	· Comcast Corporation	7.9x	17.3x
· T-Mobile US, Inc.	8.0x	27.0x	· DISH Network Corporation	5.2x	NM
· Verizon Communications Inc.	7.5x	12.8x			

(1) “NTM” denotes next 12 months.

(2) “NM” denotes not meaningful.

Amending and restating the third full paragraph on page 78 as follows (with new text in underline):

No company or business used in this analysis is identical to AT&T and, accordingly, an evaluation of the results of this analysis is not entirely mathematical nor were individual multiples (referenced above for informational purposes) observed for each of the AT&T selected companies independently determinative of the results of such analysis. Rather, this analysis involves complex considerations and judgments concerning differences in financial characteristics and other factors that could affect the public trading or other values of the companies or businesses to which AT&T was compared.

Amending and restating the last full paragraph on page 78 as follows (with new text in underline):

Allen & Company calculated implied terminal values for AT&T by applying to AT&T's unlevered, after-tax free cash flows for the fiscal year ending December 31, 2021 (normalized per the management of Time Warner in the terminal year for depreciation, amortization, capital expenditures, pension funding and tax rates and after taking into account network capital expenditures) a selected range of perpetuity growth rates of 0.5% to 1.0% (which, for informational purposes, implied an approximate range of latest 12 months (as of December 31, 2021) estimated pension-adjusted OIBDA multiples of 6.2x to 8.2x). The present values (as of September 30, 2016) of the cash flows and terminal values were then calculated using a selected range of discount rates of 5.5% to 6.5% derived from a weighted average cost of capital calculation. This analysis indicated an approximate implied per share equity value reference range for AT&T of \$37 to \$56, as compared to the unaffected closing price of AT&T common stock on October 19, 2016 of \$39.38 per share.

Amending and restating the first and second full paragraphs on page 79 as follows (with new text in underline):

Citi calculated implied terminal values for AT&T by applying to AT&T's unlevered, after-tax free cash flows for the fiscal year ending December 31, 2021 (normalized per the management of Time Warner in the terminal year for depreciation, amortization, capital expenditures, pension funding and tax rates and after taking into account network capital expenditures) a selected range of perpetuity growth rates of 0% to 0.5% (which, for informational purposes, implied an approximate range of latest 12 months (as of December 31, 2021) estimated pension-adjusted OIBDA multiples of 6.6x to 8.4x). The present values (as of September 30, 2016) of the cash flows and terminal values were then calculated using a selected range of discount rates of 4.9% to 5.6% derived from a weighted average cost of capital calculation. This analysis indicated an approximate implied per share equity value reference range for AT&T of \$43 to \$59, as compared to the unaffected closing price of AT&T common stock on October 19, 2016 of \$39.38 per share.

Morgan Stanley calculated implied terminal values for AT&T by applying to AT&T's next 12 months (as of December 31, 2021) estimated OIBDA (extrapolated based on the AT&T management forecasts and adding back pension and other post-employment benefit expense other than service costs) a selected range of next 12 months OIBDA multiples of 6.5x to 7.5x based on Morgan Stanley's professional judgment and after taking into account, among other things, observed next 12 months (as of September 30, 2016) estimated OIBDA multiples of the AT&T selected companies. The present values (as of September 30, 2016) of the cash flows and terminal values were then calculated using a selected range of discount rates of 5.00% to 6.25% derived from a weighted average cost of capital calculation. This analysis indicated an approximate implied per share equity value reference range for AT&T of \$41 to \$53, as compared to the unaffected closing price of AT&T common stock on October 19, 2016 of \$39.38 per share.

The disclosure in the section entitled “The Transaction” under the heading “Certain Time Warner Forecasts”, beginning on page 80 of the Proxy Statement, is hereby supplemented by adding the following at the end thereof:

The following tables present the reconciliations to the U.S. GAAP measures “Operating Income” and “Cash Provided by Operations from Continuing Operations” of the non-GAAP financial measures “Adjusted Operating Income Before Depreciation and Amortization (Adjusted OIBDA)” and “Unlevered Free Cash Flow”, respectively, which were included in the Time Warner management forecasts. The non-GAAP financial measures included in the Time Warner management forecasts should not be considered in isolation from, or as a substitute for, the GAAP measures presented in the reconciliations below. The non-GAAP financial measures as used in the Time Warner management forecasts may not be comparable to similarly-titled measures used by other companies.

The reconciliations set forth below speak only as of the date of the Time Warner management forecasts included in this proxy statement/prospectus and have not been updated to reflect any circumstances or events occurring since the preparation of the Time Warner management forecasts. Some or all of the estimates and assumptions underlying the amounts provided in the reconciliations below have changed since the date the Time Warner management forecasts were prepared, such changes are not reflected in the reconciliations provided below and actual results will differ from such amounts. Time Warner is unable to estimate certain amounts as explained further below. The information presented in the reconciliations set forth below is not indicative of Time Warner’s expected performance for fiscal year 2016 or any subsequent fiscal year and is being included solely to provide a quantitative reconciliation of the non-GAAP financial measures included in the Time Warner management forecasts to the most comparable GAAP financial measures. Time Warner undertakes no, and expressly disclaims any, duty to update or revise any of the information contained in the Time Warner management forecasts or the reconciliations set forth below to reflect circumstances or events existing since the date of the Time Warner management forecasts or to reflect the actual fiscal year 2016 results, even in the event that any or all of the underlying estimates or assumptions are shown to be incorrect.

Reconciliation of Adjusted Operating Income Before Depreciation and Amortization (Adjusted OIBDA) to Operating Income (U.S. GAAP Basis)

(\$ in millions)	Year Ending December 31,			
	2016E	2017E	2018E	2019E
Adjusted OIBDA ⁽¹⁾	\$8,231	\$ 8,922	\$ 9,559	\$ 10,465
Depreciation	(483)	(527)	(522)	(618)
Amortization	(190)	(170)	(166)	(161)
Asset impairments ⁽²⁾	(35)	—	—	—
Gains (losses) on operating assets, net ⁽²⁾	77	—	—	—
Other operating income items ⁽²⁾	(29)	—	—	—
		Not	Not	Not
Operating Income (U.S. GAAP Basis)	\$7,571	estimable	estimable	estimable

⁽¹⁾ Adjusted OIBDA represents operating income before depreciation and amortization, adjusted to exclude: the impact, if any, of noncash impairments of goodwill, intangible and fixed assets; gains and losses on operating assets (other than deferred gains on sale-leasebacks); gains and losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements; external costs related to mergers, acquisitions or dispositions (including restructuring and severance costs associated with dispositions), as well as contingent consideration related to such transactions, to the extent such costs are expensed; and amounts related to securities litigation and government investigations. Time Warner believes Adjusted OIBDA provides useful information to investors to evaluate the performance of its business excluding the impact of noncash depreciation and amortization, noncash impairments of goodwill, intangible and fixed assets, as well as gains and losses on asset sales, and amounts related to securities

litigation and government investigations, among other things.

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(2) Because of the nature of the footnoted items, Time Warner is unable to estimate the amounts of any adjustments for these items for periods after December 31, 2016 due to its inability to forecast if or when any such items will occur. Based on the occurrence of these items for the year ended December 31, 2016, it is likely that additional amounts may occur during subsequent years. These items are inherently unpredictable and may not be reliably quantified. More specifically:

Asset impairments are contingent on a variety of factors outside Time Warner's control, including, without limitation, the occurrence of casualty or force majeure events, future economic conditions, changes in technology and fluctuations in the underlying fair market value of the assets. As a result, Time Warner does not have a reasonable basis to predict the timing, amount or nature of any potential future impairment charges that could impact this reconciling item.

Gains or losses on operating assets are contingent on future decisions by Time Warner as to whether to sell certain operating assets and exit certain businesses and the terms of any such sale, none of which are currently known to or reasonably predictable by Time Warner. Time Warner may sell operating assets over the periods covered by the Time Warner management forecasts and the gain or loss on such sales may be significant. Future gains or losses will be impacted by the timing of Time Warner's decisions to conduct sales of its operating assets and the fair value at the time of disposition. Estimating future gains and losses would therefore require Time Warner to speculate about the timing of these future asset sales, the assets involved in any such sales and the fair value at the time of disposition, all of which are unknown for the forecast period.

Costs and contingent consideration related to mergers, acquisitions or dispositions are contingent on future decisions by Time Warner with respect to M&A activities, the terms of any M&A transactions and changes in the fair value of the contingent consideration arrangements, none of which are currently known to or reasonably predictable by Time Warner. Time Warner may undertake one or more mergers, acquisitions or dispositions during the periods covered by the Time Warner management forecasts, any of which could have a significant impact on Time Warner's merger-related costs or may involve contingent consideration. Time Warner does not have a reasonable basis to predict the timing, value or nature of future potential mergers, acquisitions or dispositions that could impact this reconciling item.

Gains and losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements are contingent on changes in plan terms, which cannot be predicted for the forecast period, and amounts related to securities litigation and governmental investigations are contingent on the initiation of such litigation or investigations by stockholders or the applicable governmental entities, both of which are outside Time Warner's control. As a result, Time Warner does not have a reasonable basis to predict the timing, amount or nature of any potential charges that could impact this reconciling item.

Reconciliation of Unlevered Free Cash Flow to
Cash Provided by Operations from Continuing Operations (U.S. GAAP Basis)

(\$ in millions)	Year Ending December 31,			
	2016E	2017E	2018E	2019E
Unlevered Free Cash Flow ⁽¹⁾	\$4,817	\$4,624	\$4,970	\$5,918
Less external costs related to mergers, acquisitions, investments or dispositions and contingent consideration payments ⁽²⁾	(13)	—	—	—
Less excess tax benefits from equity instruments ⁽²⁾	(59)	—	—	—
Add capital expenditures	444	659	904	571
Add principal payments on capital leases	13	8	8	9
Less cash interest paid	(1,238)	(1,283)	(1,380)	(1,389)
Less cash taxes paid	(989)	(2,099)	(2,041)	(2,140)
Add unlevered cash taxes ⁽³⁾	1,460	2,575	2,503	