## Time Warner Revises Plan to Issue New Stock

By Dan Blake Associated Press

NEW YORK, July 14—Time Warner Inc. today said it would revise its plan to issue new stock by fixing the price at \$80 a share, rather than a variable rate opposed by investors and regulators.

Time Warner also said it would slash fees to investment bankers that were projected to reach \$150 million under the old plan.

There still are concerns among existing shareholders that the new stock would dilute their holdings. As word of the new deal leaked out Friday, the specter of greater supply of Time Warner stock pushed the price down \$3.87½ to \$89.75.

The revised plan would raise near-

ly \$2.8 billion by selling about 34.5 million new shares of common stock. The money is to help reduce the company's bank debt of nearly \$11 billion that resulted from Time Inc.'s buyout of Warner Communications Inc. in 1989.

Steven Ross, Time Warner chairman and chief executive, and N.J. Nicholas Jr., president and co-chief executive, said in a statement they believed the original plan was the most fair and effective way to raise the money. But they said the revised version will allow them to pursue their goals while settling the principal concerns of investors and the Securities and Exchange Commission.

Investors objected to the original plan, which would have issued rights to existing stockholders to buy the new shares. Depending on how many rights were exercised, the price would have been \$63 to \$105 and would have raised up to \$3.6 billion.

What angered investors about the variable rate was that they had no way of knowing how much they would pay per share until after participants had signed up.

The new plan gives stockholders 0.6 of a right to buy a share of new stock for every share they own. The company said there are 57.8 million outstanding shares of common stock.

Under the new plan, underwriters would get a \$55.2 million fee for committing their capital during the offering and a 3 percent discount on all stock they buy. The bankers would be required to buy all stock that isn't sold in the offering.