

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name AOL Inc.		2 Issuer's employer identification number (EIN) 20-4268793	
3 Name of contact for additional information Larry O. Martin	4 Telephone No. of contact (703) 265-7132	5 Email address of contact larry.martin@teamaol.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 22000 AOL Way		7 City, town, or post office, state, and Zip code of contact Dulles, VA 20166	
8 Date of action December 14, 2012		9 Classification and description Common Stock	
10 CUSIP number 00184X 105	11 Serial number(s)	12 Ticker symbol AOL	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ AOL Inc. ("AOL") made a one-time, special cash distribution of \$5.15 per common share on December 14, 2012 to shareholders of record at the close of business on December 5, 2012 (the "Special Distribution"). No portion of the Special Distribution will be treated as a dividend for United States federal income tax purposes. The Special Distribution is a return of capital.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The shareholder's basis in each share of common stock on the date of distribution will be reduced by \$5.15. If the shareholder's basis in such share was less than \$5.15, then a portion of the distribution may be treated as gain from the sale or exchange of property.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ AOL has determined that no portion of the Special Distribution is from earnings and profits and therefore, no portion of the Special Distribution is a dividend for United States federal income tax purposes. The Special Distribution is a return of capital.

