



WARNER BROS.

Susan N. Fleishman
Executive Vice President
Corporate Communications

Thank you for your letter to Mr. Parsons and Ms. Nelson regarding Warner Bros. Consumer Products' licensee Rubie's.

Before I address your specific inquiry regarding labor conditions and free association at the Rubie's de Mexico factory in Tepeji del Rio, Hidalgo, I want to assure you that, around the world, Warner Bros. is committed to meeting or exceeding local laws governing labor and working conditions--be it through our owned-and-operated businesses or the relationships we have with other companies.

While no products based on Warner Bros. Entertainment properties are produced at the Rubie's de Mexico factory in Tepeji del Rio, Hidalgo, Warner Bros. Consumer Products has investigated the allegations being levied against Rubie's.

We understand that the Department of Labor of the Government of Mexico, the Mexican National Federation of Workers, the Secretary General of the Municipality of Tepeji del Rio and an independent auditor have confirmed that the Rubie's factory meets or exceeds local laws governing labor and working conditions. Specifically, allegations of the use of child labor, unsanitary conditions and other alleged conditions of employment have been flatly denied by Rubie's and, here again, a local authority and an independent auditor have confirmed that the allegations are false.

Additionally, we understand that Rubie's has taken the extra step of requesting another labor inspection by the Mexican Labor Department to add another level of assurance.

Warner Bros. Consumer Products has also inquired about the allegations regarding free association. The existing collective bargaining agreement between CTM (the union currently in place) and Rubie's is registered with the Mexican Labor Ministry and, by law, Rubie's is required to maintain a neutral position. This is an issue that should be resolved by the unions involved, CTM and CROC. From all indications, Rubie's is maintaining an appropriately neutral position.

Based on what we have learned thus far, we believe Rubie's is operating in the interest of its employees and within the laws of Mexico and is also committed to maintaining the high expectations and standards of licensors like Warner Bros. Consumer Products in this respect. That said, Warner Bros. Consumer Products is in the process of conducting its own independent audit. Based on the results of that audit, we will determine what, if any, actions need to be taken. In the meantime, we will continue to closely monitor the situation.

Please feel free to contact Marc Beige, President, Rubie's Costume Company at marc711@aol.com or (718) 441-0834 x111 for more information.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Susan N. Fleishman', written over a horizontal line.

A Time Warner Company