

Course Selection

Course Description

B9301-039 - Mergers and acquisitions in media

(term offered: spring)

Prerequisite: B6302.

This course focuses on current trends and recent developments in the media industry. The course is divided into two parts. Part I is devoted to the analysis of different media transactions. The pedagogic framework is not structurally different from traditional M & A analysis. The overlay of media-specific commercial, strategic and regulatory issues provides additional insight into a particularly dynamic segment of the economy. Each week focuses on a different transaction type (e.g., cash divestiture, cash acquisition, stock merger), different media industry subsector (e.g., cable, newspapers, broadcasting) and different aspects of the analytical framework (e.g., financial analysis, corporate governance).

Part II will be devoted group presentations of hypothetical transactions.

Outside speakers/board members with firsthand knowledge of the companies and transactions considered will participate throughout the course.

General Course Information

FINC 9301-039-20061.FINC Mergers and acquisitions in media

5:30pm 8:45pm

URI room 326

Instructor Information

[Jonathan Knee](#)



Adjunct Professor
Finance and Economics

Director
Media Program

Office: 325B Uris
Phone: 212-854-5246
FAX: 212-866-1377
Email: jk2110@columbia.edu

Office Hours: By appointment only — schedule via e-mail.

Course Description

The course is an advanced Mergers & Acquisitions Seminar that focuses on current trends and recent developments in the media industry. The course will be divided into two parts. Each week during Part I will

be devoted to the analysis of a different recent media transaction. The pedagogic framework is not structurally different from traditional M & A analysis. The overlay of media-specific commercial, strategic and regulatory issues will provide additional insight into a particularly dynamic segment of the economy. Each week will focus on a different transaction type (e.g., cash divestiture, cash acquisition, stock merger etc.) different media industry sub-sector (e.g., cable, newspapers, broadcasting etc.) and different aspects of the analytical framework (e.g., financial analysis, corporate governance etc.) Part II will be devoted to group board presentations of hypothetical transactions. Groups must be formed and have their hypothetical transaction approved by the instructor by week 4 of the course. Course grades will be primarily based on the quality of written materials and presentations by the group. Each group member will receive the same grade on their project. 20% of the course grade will be based on individual weekly homework assignments. Outside speakers/board members with first-hand knowledge of the industries and transactions considered will participate during both Part I and Part II of the course.

Outline

Media Mergers Seminar: Course Syllabus
Columbia Business School
Wednesdays 5:30 p.m. - 8:45 p.m.
326 Uris Hall
(116th Street & Broadway)
New York, NY 10027

Professor Jonathan A. Knee

Date Topic

January 18, 2006 Course Overview: Introduction to Media Industry & Analytical Framework

January 25, 2006 Industry: Consumer magazines
(Confirmed) M&A topic: The decision to divest/the decision to buy
Case study: Emap Plc Sale of Emap USA to Primedia
Guest speaker - Beverly Chell, Primedia, Vice Chairman
Key questions:

1. What are the risks to EMAP of selling Petersen?
2. What are the risks to EMAP of keeping Petersen?
3. What makes Petersen strategic to Primedia?
4. What are the risks to Primedia of buying Petersen?

February 1, 2006 Industry: Internet Media
(Confirmed) M&A topic: Synergies
Case study: Dow Jones acquisition of CBS MarketWatch
Guest speakers – Richard Zannino, Dow Jones, EVP & COO
Gordon Crovitz, Dow Jones, SVP Electronic Publishing
Key questions:

1. Does the winner of an auction always overpay?
2. Explain the different roles of cost and revenue synergies in Dow Jones acquisition decision –making.

February 8, 2006 Industry: Media Conglomerates
(Confirmed) M&A topic: Corporate governance
Case study: AOL acquisition of Time Warner
Guest speaker – Richard Bressler, Viacom, Senior EVP & CFO
Key questions:

1. In the AOL/Time Warner transaction, which party was the acquirer?
2. What were the three most compelling strategic justifications for the AOL/Time Warner combination? Which of these have any continuing validity?

February 15, 2006 Industry: Broadcasting
 (Confirmed) M&A topic: Mergers of equals
 Case study: Viacom acquisition of CBS
 Guest speaker – Mike Fricklas, Viacom Inc., SVP; General Counsel & Secretary
 Joe Ianniello, Viacom Inc., EVP Corporate Development
 Key questions:

1. Who got the better “deal”: Viacom or CBS?
2. Is the strategic rationale for Viacom/CBS compelling?
3. What does the Viacom split-up say about the original deal?

February 22, 2006 Industry: Newspapers
 (Confirmed) M&A topic: Impact of regulatory environment
 Case study: Tribune acquisition of Times Mirror
 Guest speaker – Tom Unterman, Managing Partner, Rustic Canyon Ventures
 Key questions:

1. If Tribune had not been interested in Times Mirror what would have been the “next best” transaction for Times Mirror and why?
2. Would your answer to the first question change if there were no restrictions on media cross ownership?
3. What does the recent performance of Tribune suggest about whether the deal made sense for Tribune and Times Mirror, respectively?

March 15, 2006 Industry: Cable
 (Confirmed) M&A topic: Hostile acquisitions
 Case study: Comcast acquisition of AT&T Broadband
 Guest speaker – Bob Pick, Comcast, SVP Strategic Planning
 Key questions:

1. How should history judge Michael Armstrong?
2. How does (or does) the ATT transaction reposition Comcast specifically and the media industry generally?

March 22, 2006 Industry: Market research
 M&A topic: Restructuring
 Case study: Restructuring of VNU
 Guest speaker - Rob van den Bergh, VNU, Chairman of the Executive Board
 Key questions:

1. What were the major execution risks associated with VNU’s acquisition strategy?
2. What were the risks associated with the divestiture strategy?
3. Do you think the transformation of VNU’s asset portfolio created value?

March 29, 2006 Final Two Hypothetical Transaction Presentations

April 5, 2006 Final Two Hypothetical Transaction Presentations

April 12, 2006 Final Two Hypothetical Transaction Presentations

April 19, 2006 Wrap-up and Conclusions

Syllabus in Word Format

{Fil: Syllabus - Spring 2006|267520}

Date	Time	Session	Location	Topic
Jan-18-06	17:30 - 20:45	Session 1	URI room	

			326	Introduction to Media Industry & Analytical Framework
Jan-25-06	17:30 - 20:45	Session 2	URI room 326	Consumer Magazines Beverly Chell, Primedia, Vice Chairman
Feb-01-06	17:30 - 20:45	Session 3	URI room 326	Internet Media Richard Zannino, Dow Jones, EVP & COO and Gordon Crovitz, Dow Jones, SVP Elec. Pub.
Feb-08-06	17:30 - 20:45	Session 4	URI room 326	Media Conglomerates Richard Bressler, Viacom, Senior EVP & CFO
Feb-15-06	17:30 - 20:45	Session 5	URI room 326	Broadcasting Mike Fricklas, Viacom, SVP General Counsel & Secretary and Joe Ianniello, Viacom, EVP Corp. Develop.
Feb-22-06	17:30 - 20:45	Session 6	URI room 326	Newspapers Tom Unterman, Rustic Canyon Ventures, Managing Partner
Mar-15-06	17:30 - 20:45	Session 7	URI room 326	Cable Bob Pick, Comcast, SVP Strategic Planning
Mar-22-06	17:30 - 20:45	Session 8	URI room 326	Market Research
Mar-29-06	17:30 - 20:45	Session 9	URI room 326	Final Presentations
Apr-05-06	17:30 - 20:45	Session 10	URI room 326	Final Presentations
Apr-12-06	17:30 - 20:45	Session 11	URI room 326	Final Presentations
Apr-19-06	17:30 - 20:45	Session 12	URI room 326	Wrap-up & Conclusions

See the appropriate [Schedule of Classes](#) for room and hours.