

Electronic Media

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AT PRESS TIME

TCI sought Sox, Bulls

CHICAGO—Liberty Media, the programming arm of TCI, offered \$1 billion in January to buy the Chicago White Sox. Chicago Bulls and the United Center from owner Jerry Reinsdorf, according to testimony in a Cook County lawsuit last week. When Mr. Reinsdorf sought \$5 billion for the properties, Liberty cut off negotiations. The lawsuit relates to the estate of Mr. Reinsdorf's former assistant.

New 'Squares' in works

NEW YORK—King World Productions is expected to soon detail plans for "Planet Hollywood Squares," a game show. The company is developing with Rosanna. The distribution company would not comment. (See Second Front, Page 46)

Done deal

Time Warner, Turner to merge

By DIANE MERMIGAS
Financial editor

Time Warner's announced \$7.5 billion stock acquisition of Turner Broadcasting System, while facing stiff hurdles, will have a significant impact on the management, financial and competitive structure of the combined \$40 billion media giant.

A tax-free deal brings together the longtime friends and sometime adversaries TBS President and Chairman Ted Turner, Time Warner Chairman and CEO Gerald Levin, and TCI President and CEO John Malone, who on Friday vowed to work as a team to unlock billions of dollars of value by integrating their programming and distribution interests.

That will begin with plans to convert WTBS-TV, TBS's Atlanta superstation, to a basic cable service, which will be carried by TCI systems and generate at least \$160 million in incremental cash flow to the combined company in the first year. However, \$60 million of that will likely be needed to operate WTBS as a basic service.

WTBS, which is estimated to be worth at least \$100 million as a stand-alone TV station in the nation's 10th largest market, will be the first owned-and-operated station for Time Warner's fledgling WB Television Network.

Mr. Levin also outlined preliminary plans for integrating and advancing worldwide distribution of Time Warner's and TBS's news operations, highlighted by CNN and Time Inc.'s national business magazines, and animation operations, which include TBS's Cartoon Network and

Malone: Content to sit on sidelines

By DIANE MERMIGAS
Financial editor

TCI President and Chief Executive Officer John Malone says he is content being "a large, friendly, long-term shareholder" of a combined Time Warner and Turner Broadcasting System, whose only interest is protecting TCI's programming edge.

In an interview with **ELECTRONIC MEDIA** on Friday, Mr. Malone said he has no intention of seeking control of Time Warner after it acquires TBS in a \$7.5 billion stock transaction next year.

TCI, TBS's largest shareholder, will
(Continued on Page 45)

Hanna-Barbera studios and Warner Bros.' Looney Tunes.

Mr. Levin also told analysts and the press on Friday he will maximize the use of the formidable, largely untapped film and TV libraries of both companies to feed existing and new cable and online services, which will benefit globally from Time Warner's and TBS's powerful brands.

"These are the most unexploited libraries for the worldwide sell-through market,"
(Continued on Page 44)

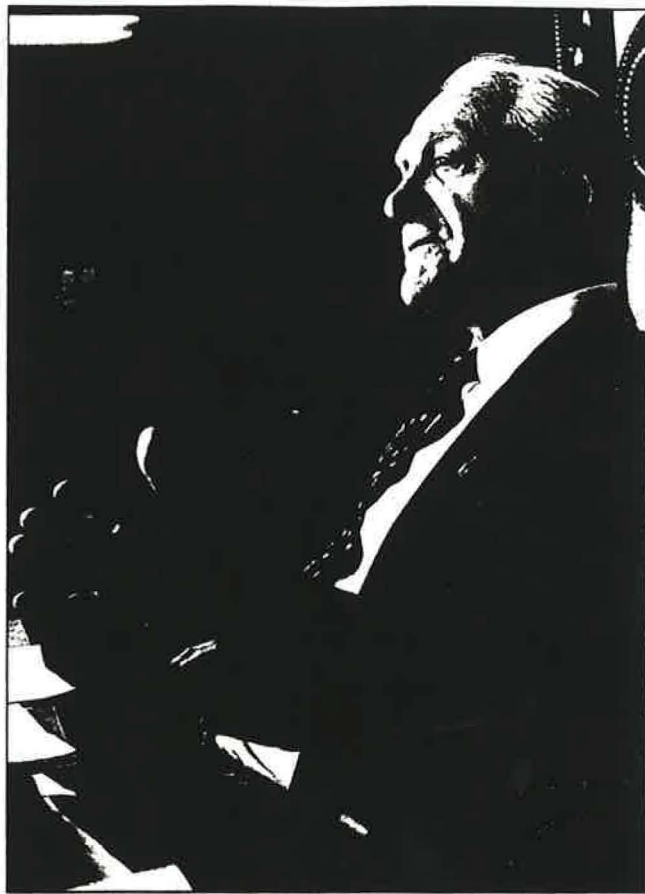


Photo by David Hutt

QUELLO SOUNDS OFF

FCC commissioner blasts Hundt and Group W deal—PAGE 14

Sony division bouncing back

SPE's programming key in global cable growth

By DIANE MERMIGAS
Financial editor

Sony Pictures Entertainment is rapidly regaining its profitability on the wings of strong domestic program returns, deep cost cuts and ambitious interna-

tional expansion that could include a soap opera cable channel next year.

While SPE officials decline comment on specific plans, they clearly intend to more fully exploit SPE's content resources to create worldwide cable program

services that will generate new revenue and, coincidentally, prompt consumer demand for Sony Corp.'s hardware products.

SPE's recent equity partnerships in HBO Ole in Latin America, HBO Asia and the VIVA Musica.
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INSIDE:

KID PRO QUO

Westinghouse agrees to air more educational children's TV when it gets CBS licenses, and says FCC didn't pressure them. Some don't believe it.
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ANYTHING YOU CAN DO . . .

. . . we can do better. So say cable and telco executives, who take potshots at each other.

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