

Memo 4

To: Vice President, Global Strategy

From: President, Network Television Division

Re: Possible Acquisition

To help strengthen our position in the U.S. and abroad, we are considering Fox News as a potential target for acquisition. As you know, our CNN division is the largest cable news service in the U.S, with over 87.5 million subscribers and over \$900 million in revenue. Fox News would offer us an additional 83.6 million subscribers. Perhaps more relevant is the fact that Fox News enjoyed a whopping 67.8 percent increase in revenues last year, compared to the 12.5 percent growth of our CNN division.

The potential synergies here are phenomenal, and the acquisition of Fox News would put us in an excellent position to grow our European and Asian markets.

I'm attaching a relevant spreadsheet file. I'd appreciate your thoughts on the matter. Thanks!

Attachment: Networks.xls