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Verizon Communications Inc. on Monday announced plans to buy Yahoo Inc. 's Web assets for \$4.83 billion in cash, ending a drawn-out auction process for the beleaguered internet company. The price tag, which includes Yahoo's core internet business and some real estate, is a remarkable fall for the Silicon Valley web pioneer that once had a market capitalization of more than \$125 billion at the height of the dot-com boom.

For New York-based Verizon, the deal simply adds another piece to the digital media and advertising business it is trying to build. The companies said the deal is subject to customary closing conditions, including approval by Yahoo's shareholders, and is expected to close in early 2017. Until the closing, the companies said, Yahoo will continue to operate independently.



The sale doesn't include, among other things, Yahoo's cash, its shares in Alibaba Group Holding Ltd. , its shares in Yahoo Japan, and Yahoo's noncore patents, called the Excalibur portfolio. These assets will continue to be held by Yahoo, which will change its name at closing and become a registered,

publicly traded investment company. Yahoo intends to return substantially all of its net cash to shareholders under a plan that it will announce at a later time.

The companies, in their news release, didn't outline the future role for Yahoo Chief Executive Marissa Mayer; however, **in an email to employees**, Ms. Mayer said "For me personally, I'm planning to stay." She does stand to make more than \$50 million in compensation if she is terminated as a result of the sale, after earning over \$100 million in cash and equity.

When the bidding began in April, Verizon was the immediate front-runner with a market capitalization of roughly \$228 billion and a plan for how to plug Yahoo into its upstart digital media business, which includes AOL properties it acquired last year for \$4.4 billion. Yahoo will be integrated with AOL under Marni Walden, president of the product innovation and new businesses at Verizon, the companies said. Shares of Yahoo fell 0.9% to \$39.03 in premarket trading, while Verizon added 0.5% to \$56.40.

Verizon's competition came primarily from private-equity firms such as Bain Capital, Vista Equity Partners, TPG and Advent International Inc., as well as a group led by

Quicken Loans founder Dan Gilbert. AT&T Inc. joined the bidding process later, but it wasn't seen as a serious contender, people familiar with the matter have said. Verizon in June submitted a bid of \$3 billion, but that didn't include Yahoo's real estate and came before last week's final round of bidding.

Its current assets include Huffington Post and TechCrunch, which it acquired in last year's AOL deal, and its own mobile video app, called go90. Acquiring Yahoo will bring in millions more viewers from Yahoo sites like Finance, Sports and News. Verizon also hopes to plug data derived from smartphones into AOL, and now Yahoo's, digital advertising systems, and it is aiming to build a competitor to online advertising giants Facebook Inc. and Alphabet Inc.'s Google.

But a combined Yahoo and AOL would be far outpaced by its now far-larger rivals. Google and Facebook will account for more than half of the \$69 billion U.S. digital ad market this year, according to estimates by data firm eMarketer. Yahoo's share is expected to be 3.4%; Verizon properties including AOL hold an even-smaller 1.8% of the market, according to eMarketer. Yahoo's hold on the market is also slipping. In 2014, Yahoo generated \$2.54 billion in revenue from U.S. digital ads. That is expected to be \$2.32 billion in 2016, or 8.7% lower, according to eMarketer.

Last week, Yahoo said second-quarter revenue, minus commissions paid to partners for web traffic, fell 19%. This marked the sixth decline in the past seven periods and the steepest slump under Ms. Mayer. The Sunnyvale, Calif., company also said display ad prices fell 15% year-over-year in the second quarter, while search ad prices fell 8%. During a conference call with analysts, executives said video ad prices were under pressure because of an influx of video ad supply and "uncertainty" around the Yahoo sale process.

The Verizon deal is the first major step toward unwinding Yahoo. Next up is a trove of about 3,000 patents, which Yahoo is selling in a separate auction, that is expected to fetch more than \$1 billion. The patents date back to Yahoo's initial public offering in 1996 and cover key areas such as e-commerce, online advertising and search, including its original search technology. Yahoo also will need to figure out what to do with its stakes in Yahoo Japan Corp., majority-owned by SoftBank Group Corp., and Chinese e-commerce company Alibaba Group Holding Ltd., considered to make up the majority of Yahoo's roughly \$36 billion market value today. — *Wall Street Journal*

Delegates aren't the only group descending on the city for the Democratic National Convention. Media from around the country have flown in, turning all eyes on Philly. The week is sure to be rigorous, as journalists fight to break news at a site where there should be lots of it. On Saturday, the DNC host committee invited members of the media to a party at Citizens Bank Park so they could let their hair down before things get heated.

With culinary stations flanking the stands, the ballpark became every foodie's paradise. From steak tartar and sashimi to hot dogs and pulled pork sliders, from Jamaican-flavored cupcakes and chocolate caramel tarts to Turkey Hill ice cream sandwiches and cones, the free food kept flowing in an attempt to school the media about Philadelphia's best restaurants. Of course, iconic local cuisine made an appearance: there were pretzels and cheesesteaks, and a stack of Tastykakes towered next to a cart filled with Rita's Italian ice.

In an especially impressive display by the Night Kitchen, two looming cakes towered over delicious dessert samples. One was political: Atop sat a donkey decked with an Uncle Sam hat, with "KEEP CALM, VOTE HILLARY CLINTON" emblazoned below. The other was more a testament to Philadelphia's fabled history, featuring allusions to the Declaration of Independence, the Liberty Bell, and Robert Indiana's *LOVE* sculpture.

But not all was food-related. For the sports fans out there (and those who wanted to say they had set foot on Citizens Bank Park field), entry points were left open so visitors could run the bases and snap photos of their home run. Employees escorted media hoards through the dugouts and into the batting cages, where they could take hitting practice if they so pleased. Farther back, tour guides pointed out that while park regulations required braille on all plaques, the umpire's lounge didn't have it because there was no need. (Pause for guffaws.) In the very back of the facility, people mugged for the camera as they settled in the same chair players use while answering questions at news conferences.

The party was crowded, and attendees seemed massively to enjoy the relaxed event. By 10 p.m., festivities were winding down, with cotton candy by the doors as a send-off. When new blood arrived on the scene, volunteers cheered and threw confetti, and for the less attention-starved, it might have been uncomfortable. By the time they left, though, the high-spirits and shouts felt normal. They might even join in. – **philly.com**



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