

# VIACOM CASE STUDY

## THE ACQUISITION OF TELEFE

November 6th, 2017

**VIACOM** INTERNATIONAL  
MEDIA NETWORKS



# THE ACQUISITION OF TELEFE



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# 1. INTRODUCTION

## VIACOM

Viacom is home to premier global media brands that create compelling content across television, motion picture, online and mobile platforms in more than 180 countries and territories

nickelodeon

nick jr.



COMEDY CENTRAL



VH1

Spike

BET★



**November 15, 2016**

Announced the acquisition of Telefe, one of the main free-to-air television channels in Argentina, for \$345m

The transaction added one of Argentina's biggest content producers to Viacom's portfolio of international TV networks and digital properties, further expanding on our Glocal strategy

"Telefe is an outstanding broadcast and production business, and this acquisition will accelerate our growth strategy in Argentina, one of the most advanced and valuable media markets in Latin America."

*Bob Bakish,  
President and Chief Executive Officer of Viacom Inc.*



## 2. ARGENTINA POTENTIAL

### Economics & Demographics



*3<sup>rd</sup> largest country  
in Latam by GDP <sup>1</sup>*



*Population of ~44  
million <sup>1</sup>*



*Currency restrictions  
removed in Dec15 <sup>2</sup>*

### Politics & Regulatory Environment



*Election of Macri: economic  
re-awakening*



*Favorable foreign  
investment policies*



*Successfully re-entered  
capital markets*

### Media Industry



*Latin America's 3<sup>rd</sup> largest  
market by media spending <sup>3</sup>*



*High FTA and Pay TV  
penetration*



*Highly talented workforce*

1. The Economist, Oct 2017. // 2. [El Pais Dec 2015](#) // 3. PWC. Global entertainment and media outlook 2014-2018

### 3. TELEFE INVESTMENT CASE

#### Reach and Share



*#1 FTA channel in Argentina*



*95% coverage of Argentina households*



*Global distribution across 17 countries*

#### Programming & Content



*Over 3,200 hrs of family-oriented content*



*Powerful celebrities & top ranking programming*



*50+ feature films with over 27m tickets sold in Argentina*

#### Facilities



*11 Studios comprising over 118,000 ft<sup>2</sup>*



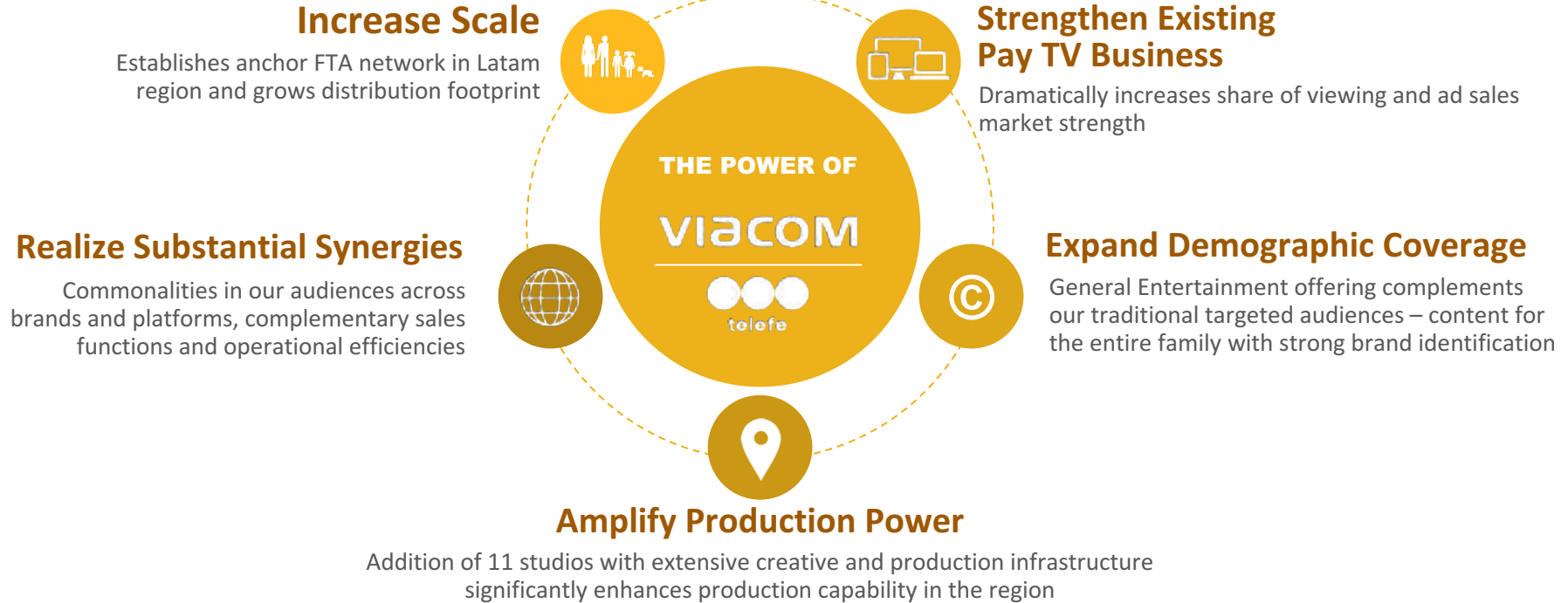
*Advanced News Studios*



*New corporate building for 400 people*

## 4. STRATEGIC RATIONALE

Telefe added one of Argentina's most popular networks and biggest content producers to Viacom's fast-growing global portfolio



## 5. WORKING WITH THE ARGENTINA GOVERNMENT



Stable government that is welcoming to investment



Collaborative policy making that is open to industry opinion



Professional and transparent regulatory approval process







