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Shares of Disney (DIS) are down nearly 13% this year. The stock fell on Monday when reports first surfaced of Disney's interest, a sign that investors may not want CEO Bob Iger to get involved in a costly bidding war for Twitter.

The almost 13% overall drop makes it the second-worst performing stock in the Dow in 2016.

Only Nike (NKE), which reported a disappointing outlook after the closing bell Tuesday, has been a bigger loser. And not by much.

What do Disney and the King of Swoosh have in common? Worries about the business of sports. It may not be as lucrative as it used to be.

Though Disney has minted one hit movie after another -- it's now going to do a live action version of "The Lion King" and has the eagerly awaited Star Wars prequel "Rogue One" due out in December -- Wall Street is very worried about the health of ESPN.

Enter rumors that Disney might be interested in Twitter.

Twitter (TWTR, Tech30), for all its faults -- it's too hard to understand and search, too much noise, too many trolls, it's too inside baseball (pardon the sports pun) -- does appear to have scored a touchdown (sorry again) with its recent livestreams of NFL games.

Livestreaming could be Twitter's salvation. It also livestreamed Monday's presidential debate and will livestream the vice presidential and final two presidential debates as well.

The marriage of video and tweets, at the very least, is appealing to the hardcore base of Twitter users. The question is whether or not Twitter can ever do anything to successfully grow its user base.

It's no secret that Facebook (FB, Tech30), Google's YouTube and Snapchat continue to be the dominant destinations for both casual social users as well as the

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younger demographic that all media companies (and advertisers) covet.

So it's understandable that Disney, which also owns the content-producing machines ABC, Marvel and Pixar in addition to ESPN, Lucasfilm and its namesake studio, might want to make a run at Twitter.

Spokespeople at Disney and Twitter are not commenting on the merger speculation.

But Disney might have to beat out an increasingly crowded field of #suits for Twitter.

Google owner Alphabet (GOOGL, Tech30) is still viewed by many Wall Street analysts to be the most likely acquirer. Twitter could complement YouTube and give Alphabet a better chance of competing with Facebook in social media world.

Adding to the speculation is the fact that chairman Omid Kordestani used to work for Google.

But software company Salesforce (CRM, Tech30) and Rupert Murdoch's News Corp. (NWSA) and Fox (FOXA) have also been named as possible acquirers.

So have some private equity firms, big Twitter investors Steve Ballmer and Prince Alwaleed bin Talal, and, most recently, Ballmer's former employer Microsoft. (It seems like a tall order for Microsoft (MSFT, Tech30) to pull off a Twitter deal while it's buying LinkedIn (LNKD, Tech30) though.)

BTIG analyst Richard Greenfield thinks Disney is a long-shot to buy Twitter. He wrote in a recent report that Alphabet is still probably the leading contender -- although there could be regulatory concerns that could delay a deal.

Greenfield notes that Disney doesn't have a great track record with new media. Acquisitions of Club Penguin, Playdom and Maker Studios turned out to be duds. Disney's on-demand Moviebeam service, meant to compete with Netflix (NFLX, Tech30), also flopped.

And buying Twitter also doesn't solve Disney's biggest ESPN headache: The fact that more and more consumers are cutting the cable cord.

But there are two reasons why people can't entirely rule out Disney as the eventual buyer.

First, Twitter CEO Jack Dorsey is already on Disney's board.

And second, Twitter is increasingly trying to position itself as a video media company and not just a place for people like me to go to when they have a silly 140 characters or less thought in their head that they must immediately foist on the general public.

"Given that Twitter is all-in on live video centered on sports and news, it is hard to see Dorsey wanting to sell simply for the company's underlying data and customer service functionality," Greenfield wrote.

"We believe Dorsey wants to sell to a media company," he concluded.

So will Disney be the one to bite? Perhaps. But Wall Street seems to think it would be a Mickey Mouse deal. - **CNN**



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