

News Corp Purchases 49% of YES Network with Option to Buy Majority Later

Written by Maury Brown

Tuesday, 20 November 2012 15:10



When market for media rights exploded, beginning with the Big Ten and then eventually making its way to MLB via the Texas Rangers and Angels (both \$3 billion deals), questions surfaced asking, what would YES Network be worth? Today, that answer became closer to reach.

News Corporation (NASDAQ: NWS, NWSA; ASX: NWS, NWSLV) and Yankee Global Enterprises today announced an agreement that calls for News Corporation to acquire a 49 percent equity stake in the Yankees Entertainment and Sports Network (YES), which launched in 2002. Reports around the deal prior to the announcement set YES' value at \$3 billion. The YES Network delivers exclusive live local television coverage of New York Yankees baseball and Brooklyn Nets basketball, as well as sports-related programming.

The media rights agreement is subject to Major League Baseball approval. With News Corp saying that the investment is expected to close by the end of the calendar year.

"We've long been a believer in the unique appeal of sports entertainment. Partnering upstream with rights holders is even more important today in the dynamic media marketplace in which we compete. This is a tremendous opportunity to enhance News Corporation's industry-leading portfolio of sports properties, while also strategically re-entering the New York market," said James Murdoch, Deputy Chief Operating Officer, News Corporation. "The YES Network represents the gold standard for regional sports networks and is a pioneer in sports media. We look forward to working with Yankee Global Enterprises, the network's management team, and all of our partners to build on a decade of success and take the YES Network to even greater heights."

Hal Steinbrenner, Chairman of Yankee Global Enterprises, said, "This transaction underscores the great value we and our partners created in establishing the YES Network and sets the network on the path for even greater achievements in the future. We are excited to have News Corporation as a partner. Its stature and acumen in sports broadcasting on a global scale is unmatched. We look forward to the many opportunities for growth and development that this

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investment by News Corporation will bring to YES. The Steinbrenner family expects to have a continuing, long-term ownership stake in the YES Network and we will continue our yearly commitment of fielding a championship caliber team for decades to come.”

The announcement of the minority purchase of YES ties in with news that FOX, which is owned by News Corp, is looking to launch an all-sports network that would compete with ESPN. As first [reported by Bloomberg](#), News Corp. last year secured rights to the Pac-12 Conference and Big-12 Conference games and owns 20 regional sports networks. The company in October won TV rights to soccer’s World Cup in 2018 and 2022. FOX Sports is also working to secure a mega-deal with the Los Angeles Dodgers which could eclipse any of the sports media deals that have been recently brokered in baseball.

For those wondering if Yankees games would become part of any FOX cable network to take on ESPN, think again. The YES Network also announced a media rights agreement that will keep Yankees baseball on the YES Network through 2042.

But, while the agreement is to keep the Yankees on YES, there’s nothing to say that eventually News Corp could not eventually become a majority owner. According to today’s announcement after three years, News Corp may acquire an additional stake in the YES Network that could bring its ownership to 80 percent, at which time Yankee Global Enterprises would retain a significant minority stake in the network.

Currently, YES Network airs live Yankees and Nets games to approximately 9 million households in the teams’ television territory in the New York area. Outside of the New York area, the YES Network also distributes a variety of national programming to millions of homes across the country.



Maury Brown is the Founder and President of the [Business of Sports Network](#), which includes The Biz of Baseball, The Biz of Football, The Biz of Basketball and The Biz of Hockey. He [writes for Baseball Prospectus](#) and is a [contributor to Forbes](#)

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