

Advisory – JANA Partners LLC



Financial Advisory

May 2008

The undersigned acted as financial advisor to JANA Partners on the attempted acquisition of CNET Networks, Inc.



Highlights

- M.M. Dillon & Co. (“Dillon”) was engaged to act as financial advisor to JANA Partners (“JANA” or the “Acquiror”) in connection with a potential acquisition of CNET Networks, Inc. (“CNET” or “the Company”).
- Dillon advised JANA on an asset purchase agreement with AG.com, Inc., whereby AG purchased substantially all of the assets and assumed certain liabilities of CNET’s Webshots business unit. As a result, Jana petitioned to appoint 7 Directors to the Board of CNET and assume majority control of the Company. CNET rejected this proposal despite JANA’s 17% ownership of the Company as well as JANA’s tender offer to purchase all of CNET for a 48% premium to the 4/01/08 closing price.
- The Company cited strategic differences with JANA and was ultimately sold to CBS whereby they acquired all outstanding shares of common stock for \$11.50 per share, a 45% premium to the 5/14/08 closing price.
- As a result of the \$11.50 per share acquisition, JANA and other parties advised by Dillon realized an approximately 54% gain on their investment in CNET.

The Acquiror

JANA Partners LLC is a privately owned investment manager. The firm manages a family of hedge funds for its clients. The firm invests in the public equity markets of the United States. It typically invests in value stocks. The firm employs an event-driven strategy, activist strategies, a market neutral strategy, a long/short equity strategy, and a risk arbitrage strategy while making investments. JANA Partners was founded in April 2001 and is based in New York, New York with an additional office in San Francisco, California.

The Company

CNET Networks Inc. provides information, tools and advice on technology products that help them to decide what to buy and how to get it. The Company offers reviews that showcase product quality, features, and value on various products categories, including gadgets, such as MP3 players, mobile phones, HDTVs, digital cameras, and home audio systems; automotive technology, such as GPS and Bluetooth; players source for games, gear, and hardware reviews; and desktop computers, software, networking devices, and security products.

About M.M. Dillon & Co. (Formerly CRT Investment Banking LLC)

M.M. Dillon & Co. (formerly CRT Investment Banking LLC) is an employee-owned partnership where industry and product specialists collaborate closely to provide creative, idea-driven advice and solutions to its institutional and corporate clients. M.M. Dillon offers public and private financing, M&A advisory and restructuring advisory services. M.M. Dillon’s team of experienced professionals provides execution capabilities for companies across a range of industry sectors. The firm’s senior banking professionals have a minimum of 20 years experience with major Wall Street firms.

Contact Us

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