

CREATING A WORLD-CLASS PORTFOLIO OF REAL LIFE ENTERTAINMENT BRANDS



Joining Two Mission-Driven Companies with a Proud Heritage, Common Values, and Steadfast Commitment to Quality

Discovery
COMMUNICATIONS



scrippsnetworks
interactive



Driving Value for Superfans, Advertisers, Distributors and Shareholders

1

Aligning two complementary content producers, creating a premier portfolio of **real life entertainment brands**

2

Engaging coveted women's demo with **5 of the top US cable nets**, more than any other programmer

3

Boosting global content engine with new genres across Discovery's extensive international footprint

4

Increased U.S. scale creates compelling opportunities for advertisers and distributors

5

Enhanced ability and offering for new **mobile and OTT** products and platforms

6

Enhances financial profile and commitment to investment grade credit rating with excess cash flow applied to prudent debt reduction



Combined Company Financials (2016)

Revenue: \$9.9B
 AOIBDA: \$3.8B
 Free Cash Flow: \$2.0B
 Enterprise Value: \$37B¹
 Transaction Close: Early 2018



A New Global Leader in Real Life Entertainment

- 8,000 hours of original content per year globally with 300,000 library hours
- 8 of viewers' Top 10 favorite channels²
- More than 7 billion streams
- 13% audience share in UK³
- A leading broadcaster in Poland

1. As of 7/28/17

2. 2017 Beta Research Cable Subscriber Study – Brand Identity of Basic Cable/Broadcast Networks, March 2017. Table 4, "Percent of viewers who very much describe network as one of my favorite channels"

3. Commercial audience share