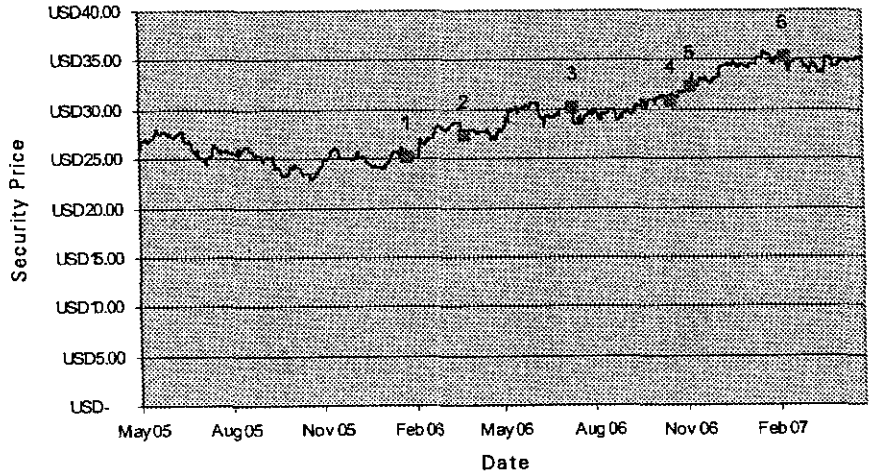
1.	7/25/2005:	Hold, Target Price Change USD16.00	4.	3/24/2006:	Hold, Target Price Change USD14.64
2.	11/9/2005:	Hold, Target Price Change USD15.62	5.	3/1/2007:	Hold, Target Price Change USD16.30
3.	11/28/2005:	Hold, Target Price Change USD15.33	6.	3/29/2007:	Hold, Target Price Change USD19.74

Historical recommendations and target price: Walt Disney Company (DIS.N)

(as of 4/27/2007)



Previous Recommendations

Strong Buy
Buy
Market Perform
Underperform
Not Rated
Suspended Rating

Current Recommendations

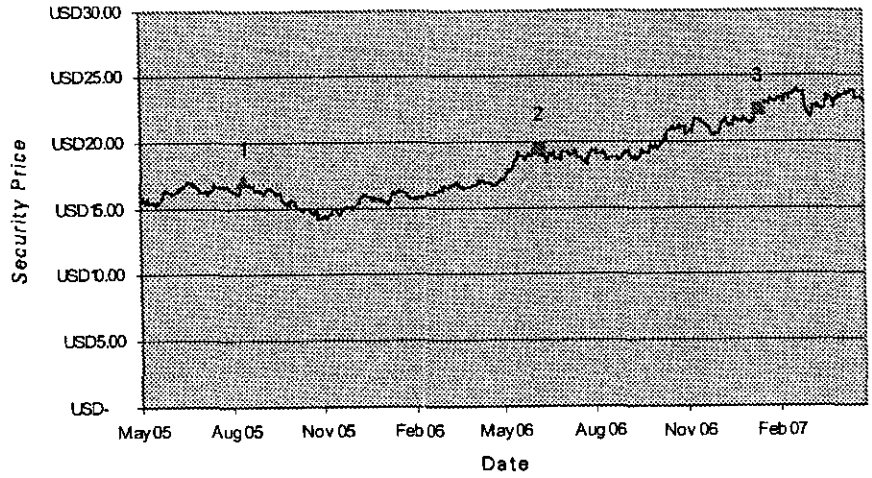
Buy
Hold
Sell
Not Rated
Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	1/25/2006:	Buy, Target Price Change USD34.00	4.	10/17/2006:	Buy, Target Price Change USD40.00
2.	3/23/2006:	Buy, Target Price Change USD37.00	5.	11/6/2006:	Buy, Target Price Change USD41.00
3.	7/11/2006:	Buy, Target Price Change USD38.00	6.	2/8/2007:	Buy, Target Price Change USD42.00

Historical recommendations and target price: News Corporation (NWSa.N)

(as of 4/27/2007)



Previous Recommendations

Strong Buy
Buy
Market Perform
Underperform
Not Rated
Suspended Rating

Current Recommendations

Buy
Hold
Sell
Not Rated
Suspended Rating

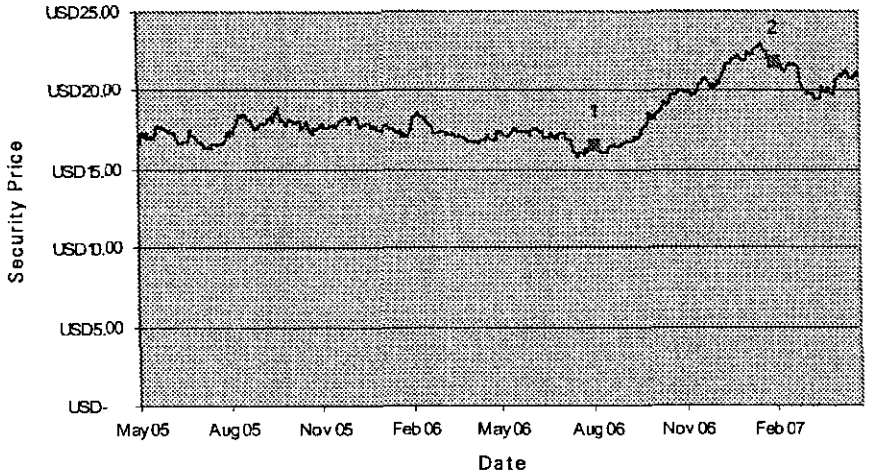
*New Recommendation Structure as of September 9, 2002

DHC.I.D.0000185

1.	8/11/2005:	Upgrade to Buy, Target Price Change USD21.00	3.	1/12/2007:	Buy, Target Price Change USD27.00
2.	6/5/2006:	Buy, Target Price Change USD24.00			

Historical recommendations and target price: Time Warner (TWX.N)

(as of 4/27/2007)



Previous Recommendations

Strong Buy
Buy
Market Perform
Underperform
Not Rated
Suspended Rating

Current Recommendations

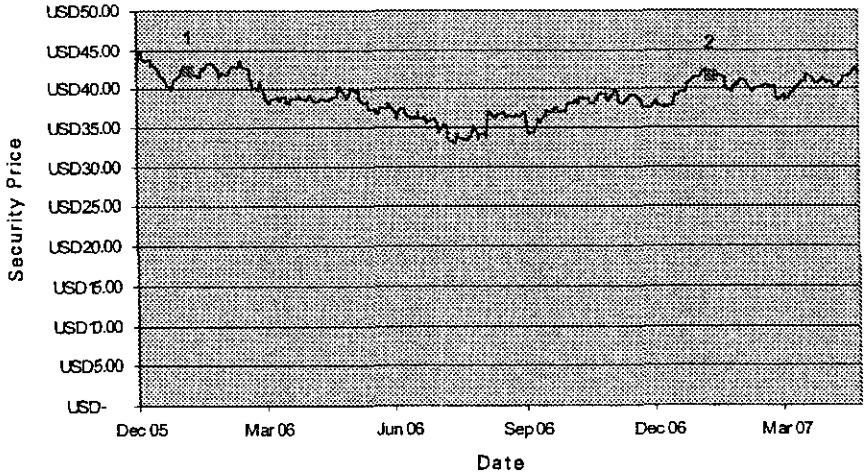
Buy
Hold
Sell
Not Rated
Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	8/3/2006:	Buy, Target Price Change USD23.00	2.	2/1/2007:	Buy, Target Price Change USD26.00

Historical recommendations and target price: Viacom Inc. (VIAb.N)

(as of 4/27/2007)



Previous Recommendations

Strong Buy
Buy
Market Perform
Underperform
Not Rated
Suspended Rating

Current Recommendations

Buy
Hold
Sell
Not Rated
Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	1/9/2006:	Buy, Target Price Change USD58.00	2.	1/12/2007:	Buy, Target Price Change USD51.00

DHC.I.D.0000186

Equity rating key

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Sell: Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock
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Notes:
1. Newly issued research recommendations and target prices always supersede previously published research.
2. Ratings definitions prior to 27 January, 2007 were:
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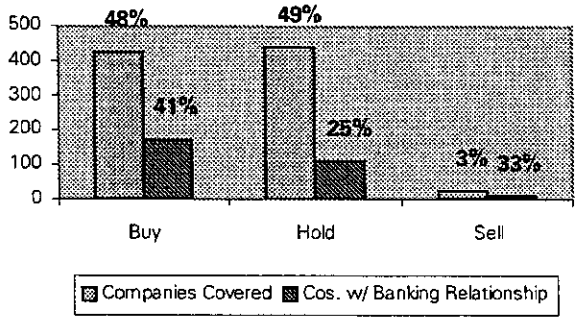
   Hold: Expected total return (including dividends) between -10% and 10% over a 12-month period
   Sell: Expected total return (including dividends) of -10% or worse over a 12-month period

Equity rating dispersion and banking relationships



North American Universe

DHC.I.D.0000187

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DHC.I.D.0000188

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From: Susan_Berube@discovery.com
Sent: 5/14/2007 5:50:18 PM
To:
CC:
Subject: COX COMMUNICATIONS AND DISCOVERY COMMUNICATIONS COMPLETE EXCHANGE OF COX'S OWNERSHIP STAKE

NEWS RELEASE

FOR IMMEDIATE RELEASE
May 14, 2007

Contacts: Cox Communications:
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Discovery Communications:
Michelle Russo, Michelle_Russo@Discovery.com, 240-662-2901

COX COMMUNICATIONS AND DISCOVERY COMMUNICATIONS COMPLETE EXCHANGE OF COX'S OWNERSHIP STAKE

Cox Now Owns Travel Channel and TravelChannel.com

ATLANTA, GA and SILVER SPRING, MD – Cox Communications, Inc. and Discovery Communications announced today that they have completed the exchange of Cox's 25% stake in Discovery for Travel Media, Inc., the company that owns Travel Channel and TravelChannel.com. Travel Media also holds approximately $1.3 billion in cash.

"We are excited to finalize the deal and to convert our ownership position in Discovery to such a strong operating asset as Travel Channel," said Cox Communications President Pat Esser. "We are enthusiastic about its tremendous growth prospects and opportunities to leverage its powerful content across the businesses and services of Cox Communications and our parent company, Cox Enterprises. Throughout our due diligence, we have gotten to know Pat Younge and his team at Travel Channel very well. We're impressed with their operations expertise and strategic vision for the business and look forward to working with them closely as they continue building its impressive ratings and content. This is a strong network for video distributors and a popular one among viewers, and we're committed to continuing and enhancing its value."

Esser continued, "As a founding investor in Discovery Communications, we have been delighted with its phenomenal growth over the past two decades. I'm impressed with David Zaslav's vision for Discovery and am confident it will continue to be one of the most successful programming brands in the world over the decades to come."

"On behalf of John Hendricks and Discovery's worldwide workforce, we want to thank Jim Robbins, Pat Esser and all of the executives at Cox for their leadership and guidance over the past 20 years," said David Zaslav, President and CEO of Discovery Communications. "They have been outstanding shareholders, and we wish them and the Travel Channel team nothing but success in the future."

Cox and Discovery announced their letter of intent concerning the transaction March 29. Travel Media's ownership of Antenna Audio was initially part of the deal, but was later excluded by mutual agreement of the two parties. With the transaction complete, two-thirds of Discovery Communications is owned by Discovery Holding Company and the remaining one-third is owned by Advance/Newhouse Communications.

The transaction will not result in any significant changes in the governance rights of Discovery Holding Company or Advance/Newhouse Communications because most matters requiring action by the owners of Discovery Communications require an 80% vote.

About Cox Communications, Inc.
Cox Communications is a multi-service broadband communications and entertainment company with more than 6 million total residential and commercial customers. The third-largest cable television company in the United States, Cox offers an array of advanced digital video, high-speed Internet and telephony services over its own nationwide IP network, as well as integrated wireless services in partnership with Sprint (NYSE: S). Cox Business Services is a full-service, facilities-based provider of communications solutions for commercial customers, providing high-speed Internet, voice and long distance services, as well as data and video transport services for small to large-sized businesses. Cox Media offers national and local cable advertising in traditional spot and new media formats, along with promotional opportunities and production services. Cox owns and operates Travel Channel and TravelChannel.com. More information about the services of Cox Communications, a wholly owned subsidiary of Cox Enterprises, is available at www.cox.com, www.coxbusiness.com, and www.coxmedia.com.

About Discovery Communications
Discovery Communications is the number-one nonfiction media company reaching more than 1.5 billion cumulative subscribers in over 170 countries. Through TV and digital media, Discovery's 100-plus worldwide networks include Discovery Channel, TLC, Animal Planet, Discovery Health, The Science Channel, and Discovery HD Theater. Discovery Communications is owned by Discovery Holding Co. (NASDAQ: DISCA, DISCB), Advance/Newhouse Communications and John S. Hendricks, Discovery's founder and chairman. For more information please visit www.discovery.com.

# # #

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From: Greenfield, Rich (NYC)
Sent: 6/11/2007 11:42:41 AM
To:
CC:
Subject: DISCA (BUY, $28.50): Holding Company Structure May Collapse In Near Future

Pali Research

June 11, 2007

Discovery Holding Co. (DISCA)

Holding Company Structure May Collapse In Near Future

Richard Greenfield	(212) 259-5176	rgreenfield@palicapital.com
Mark D. Smaldon	(212) 259-5185	msmaldon@palicapital.com

IMPORTANT DISCLOSURES AND ANALYST'S CERTIFICATION APPEAR IN APPENDIX

While our BUY rating on DISCA is premised on the rapid growth prospects we foresee for Discovery Communications Inc. (currently 2/3 owned by DISCA), we believe the collapsing of DISCA's holding company structure could accelerate the realization of our target price. Following a consolidation of Newhouse's 1/3 stake into DISCA, DISCA would finally be able to optimize its capital structure (increase leverage 1-2 turns at least) to take advantage of its strong free cash flow (minimal cap/ex requirements at DCI). In addition, if DISCA was fully-consolidated, we believe the company would be a leading acquisition target for a wide range of media companies looking to own a global, content creation company, with margins well below industry levels (and whose earnings growth is just beginning to reaccelerate).

While the timing of a consolidation of Newhouse's stake in DCI is uncertain, we sense the timing could be in the near future.

- Liberty Media first announced its intention to spin-off DISCA on March 15, 2005, with the spin-out actually occurring on July 21, 2005. While there do not appear to be explicit tax rules governing how soon a spin-out structure can be altered (to ensure tax-free status), we believe two years is the generally accepted timeframe.

- While Newhouse has not officially communicated its intentions as to its 1/3 stake in DCI, we believe they are likely to consolidate into DISCA, as they voted in 2005 (as did DISCA and COX) to base DCI employees' long-term incentive compensation plan on DISCA's stock price (we find it hard to imagine they would vote this way and then not consolidate the structure, as it would only serve to hurt DCI employees unnecessarily).

We envision three primary scenarios for DISCA to become a fully-consolidated operating company (vs. holding company):

- Most Likely: Newhouse trades its 1/3 ownership in DCI at a 15-20% premium valuation into DISCA shares; receiving a premium valuation in return for relinquishing its voting control at DCI.

- Less Likely: Newhouse trades its 1/3 ownership in DCI directly into DISCA and DISCB shares (no valuation premium); receiving enough DISCB (super-voting; 10 votes per share) shares to eliminate John Malone's voting control of Discovery Holdings Co.

- Least Likely: Newhouse sells its stake in DCI to DCI for cash and/or assets (or sells its stake directly to While Cox chose this method – trading its ¼ ownership in DCI for the Travel Channel (to reduce its debt and to gain 100% control of an asset), we believe Newhouse has no need to reduce debt and likely wants to participate in the long-term upside of DCI, even if they only control a portion of the asset.

While the collapsing of the holding company structure could drive significant stock price appreciation at DISCA (despite the potentially dilutive nature of the transaction), the key drivers of our BUY rating on DISCA are (for more detailed information, see our June 7, 2007 report, entitled: Globally Exploitable Content, with Room for Margin Improvement; Raising Target Price to $28.50):

- Ratings Strength across DCI's networks
- Leveraging the Viewership of Core Channels to Drive Visibility/Ratings at Emerging Nets
- Shutting Down Retail Stores
- Reducing Cosmeo (consumer education) Losses
- Increased Focus on Ancillary Revenues, particularly DVDs
- Ensuring all Networks have a Strong Brand Identity with Substantial Original Programming
- Focusing on International Profitability, not Simply Being in Every Country to Say you are Global.

APPENDIX

IMPORTANT DISCLOSURES AND ANALYSTS' CERTIFICATIONS

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I, Richard S. Greenfield, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject companies and their securities. I also certify that I have not been, and will not be, receiving direct or indirect compensation in exchange for expressing the specific recommendations in this report.

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Valuation Methodology

Our target price of $28.50 is based on a 5x '08E EBITDA multiple for Ascent Media and a 14x multiple on DICSA's two-thirds ownership of DCI (note: fixing Ascent at 5x EBITDA, implies that DISCA is currently trading at 15x its share of DCI '07E EBITDA). Our target price equates to a 22.6x multiple of proportionate '08E free cash flow.

Risk to Our Valuation and Price Target

- Inability to Consolidate Advance/Newhouse's stake in DCI. While we do not believe this will impact shares in the next several months, we believe consolidation of the DCI stake is necessary over the next 12 months to achieve our price target.

- Dilutive Transaction with Advance/Newhouse. Even if DISCA or DCI is able to convince Advance/Newhouse to sell or upstream their stake, a key risk is at what price (relative to the current DISCA market value) will they agree to a transaction, given their control/management rights.

- Significant decline in the ratings at any of the core DCI cable networks. Given the recent rebound in ratings and success of new programming, we are not particularly concerned with this issue.

- Weakness in the overall advertising market. While DCI should benefit from its improved ratings and outperform the overall advertising market, to the extent that the overall cable television advertising market weakened dramatically, it would be difficult for DCI to grow its advertising revenues.

General Risks of Equity Investing

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Attachment: DISCA 6-11-07 CC.pdf

PALI RESEARCH

June 11, 2007

Discovery Holding Co.
Holding Company Structure May Collapse In Near Future

While our BUY rating on DISCA is premised on the rapid growth prospects we foresee for Discovery Communications Inc. (currently 2/3 owned by DISCA), we believe the collapsing of DISCA's holding company structure could accelerate the realization of our target price. Following a consolidation of Newhouse's 1/3 stake into DISCA, DISCA would finally be able to optimize its capital structure (increase leverage 1-2 turns at least) to take advantage of its strong free cash flow (minimal cap/ex requirements at DCI). In addition, if DISCA was fully-consolidated, we believe the company would be a leading acquisition target for a wide range of media companies looking to own a global, content creation company, with margins well below industry levels (and whose earnings growth is just beginning to reaccelerate).

While the timing of a consolidation of Newhouse's stake in DCI is uncertain, we sense the timing could be in the near future.

- Liberty Media first announced its intention to spin-off DISCA on March 15, 2005, with the spin-out actually occurring on July 21, 2005. While there do not appear to be explicit tax rules governing how soon a spin-out structure can be altered (to ensure tax-free status), we believe two years is the generally accepted timeframe.

- While Newhouse has not officially communicated its intentions as to its 1/3 stake in DCI, we believe they are likely to consolidate into DISCA, as they voted in 2005 (as did DISCA and COX) to base DCI employees' long-term incentive compensation plan on DISCA's stock price (we find it hard to imagine they would vote this way and then not consolidate the structure, as it would only serve to hurt DCI employees unnecessarily).

We envision three primary scenarios for DISCA to become a fully-consolidated operating company (vs. holding company):

- *Most Likely:* Newhouse trades its 1/3 ownership in DCI at a 15-20% premium valuation into DISCA shares; receiving a premium valuation in return for relinquishing its voting control at DCI.

PALI CAPITAL, INC.

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DISCA: BUY
Price: $23.50
Target Price: $28.50

52 Week Range: DISCA	$12.81 - $23.96
Market Cap. (mm):	$6,579
Avg. Daily Volume (3 months):	2,370,820
4-Yr. Est. DISCA EBITDA CAGR:	5.7%
4-Yr Est. DCI EBITDA CAGR	13.1%
4-Yr. Est. DISCA EPS CAGR	31.2%

Fiscal Dec	2006A	2007E	2008E
Q1	$0.04	$0.08A	N/A
Q2	$0.05	$0.08E	N/A
Q3	($0.25)	$0.09E	N/A
Q4	$0.03	$0.03E	N/A
FY	($0.10)	$0.28E	$0.44E
P/E	NM	84.7X	53.7x
DCI Revs ($mm)	$3,013	$3,229	$3,382
DCI EBITDA	$722	$864	$1,036
DCI EV/EBITDA	NM	13.9x	11.3x
DCI FCF ($mm)	$390	$118	$511
DCI FCF/Share	$1.39	$0.42	$1.82

Note: EPS are for Ascent Media, with only an Equity pickup of 50% of Discovery thru May 2007 & 2/3 of Discovery thereafter

DCI figures represent 100% of Discovery Communications Inc. financials

DCI valuation metrics are based on Ebing Ascent's valuation of its EBITDA

Source: Pali Research Estimates and Company Documents

Please Read: Important disclosures and analyst's certification appear in Appendix

- *Less Likely:* Newhouse trades its 1/3 ownership in DCI directly into DISCA and DISCB shares (no valuation premium); receiving enough DISCB (super-voting; 10 votes per share) shares to eliminate John Malone's voting control of Discovery Holdings Co.

- *Least Likely:* Newhouse sells its stake in DCI to DCI for cash and/or assets (or sells its stake directly to DISCA). While Cox chose this method – trading its ¼ ownership in DCI for the Travel Channel (to reduce its debt and to gain 100% control of an asset), we believe Newhouse has no need to reduce debt and likely wants to participate in the long-term upside of DCI, even if they only control a portion of the asset.

While the collapsing of the holding company structure could drive significant stock price appreciation at DISCA (despite the potentially dilutive nature of the transaction), the key drivers of our BUY rating on DISCA are (for more detailed information, see our June 7, 2007 report, entitled: *Globally Exploitable Content, with Room for Margin Improvement; Raising Target Price to $28.50)*:

- Ratings Strength across DCI's networks
- Leveraging the Viewership of Core Channels to Drive Visibility/Ratings at Emerging Nets
- Shutting Down Retail Stores
- Reducing Cosmeo (consumer education) Losses
- Increased Focus on Ancillary Revenues, particularly DVDs
- Ensuring all Networks have a Strong Brand Identity with Substantial Original Programming
- Focusing on International Profitability, not Simply Being in Every Country to Say you are Global.

DHC.I.D.0000198

APPENDIX

IMPORTANT DISCLOSURES AND ANALYSTS' CERTIFICATIONS

Analyst Certification

I, Richard S. Greenfield, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject companies and their securities. I also certify that I have not been, and will not be, receiving direct or indirect compensation in exchange for expressing the specific recommendations in this report.

I, Mark D. Smaldon, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject companies and their securities. I also certify that I have not been, and will not be, receiving direct or indirect compensation in exchange for expressing the specific recommendations in this report.

Analyst Stock Ratings

Pali Research's ratings are defined as follows:

BUY – A stock that is expected at initiation to produce a positive total return of 15% or greater over the 12 months following the initial recommendation. The BUY rating may be maintained following initiation as long as it is deemed appropriate, notwithstanding price fluctuations that would cause the target to fall outside of the 15% return.

SELL – A stock that is expected at initiation to produce a negative total return of 15% or greater over the next 12 months following the initial recommendation. The SELL rating may be maintained following initiation as long as it is deemed appropriate, notwithstanding price fluctuations that would cause the target to fall outside of the 15% return.

NEUTRAL – A stock that is not expected to appreciate or depreciate meaningfully over the next 12 months.

Disclosure of Distribution of Ratings

Pali Research, the research arm of Pali Capital, Inc. must disclose in each research report the percentage of all securities rated by the member to which the member would assign a "buy", "neutral" or "sell" rating. Below is the distribution of Pali Capital's research recommendations as of the end of the first quarter of 2007:

	Rating Distribution		
	Buy	Neutral	Sell
Pali Research	59%	33%	8%

As of the end of the most recent calendar quarter (March 31, 2007), Pali Capital, Inc. had investment ratings on 39 equity securities.

DHC.I.D.0000199

All required disclosures, including price charts, designating ratings and price targets on all Pali Research-rated stocks are available upon request by contacting msmaldon@palicapital.com.

Subject companies in each rating category for which Pali Capital has provided investment banking services within the last 12 months is 0%.

Unless otherwise noted, all prices are as of the close on June 8, 2007.

Valuation Methodology

Our target price of $28.50 is based on a 5x '08E EBITDA multiple for Ascent Media and a 14x multiple on DICSA's two-thirds ownership of DCI (note: fixing Ascent at 5x EBITDA, implies that DISCA is currently trading at 15x its share of DCI '07E EBITDA). Our target price equates to a 22.6x multiple of proportionate '08E free cash flow.

Risk to Our Valuation and Price Target

- Inability to Consolidate Advance/Newhouse's stake in DCI. While we do not believe this will impact shares in the next several months, we believe consolidation of the DCI stake is necessary over the next 12 months to achieve our price target.
- Dilutive Transaction with Advance/Newhouse. Even if DISCA or DCI is able to convince Advance/Newhouse to sell or upstream their stake, a key risk is at what price (relative to the current DISCA market value) will they agree to a transaction, given their control/management rights.
- Significant decline in the ratings at any of the core DCI cable networks. Given the recent rebound in ratings and success of new programming, we are not particularly concerned with this issue.
- Weakness in the overall advertising market. While DCI should benefit from its improved ratings and outperform the overall advertising market, to the extent that the overall cable television advertising market weakened dramatically, it would be difficult for DCI to grow its advertising revenues.

General Risks of Equity Investing

Investors need to be aware that investments in equity securities may pose significant risks due to the inherent uncertainty associated with relying on forecasts of various factors that can affect the earnings, cash flow and overall valuation of a company. Any investment in equity securities should be facilitated only within the context of diversification by asset class, industry, company, as well as investment objectives and time horizon.

For additional information, please contact your Pali sales and trading representative at (212) 259-2000.

DHC.I.D.0000200

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The Wall Street Journal - February 5, 2007

Discovery Shakes Up Management

By Brooks Barnes

Four top executives at Discovery Communications are to leave the cable network giant, a result of a shakeup engineered by Discovery's newly installed CEO, David Zaslav.

The departing executives include Billy Campbell, president of Discovery Networks U.S.; Dawn McCall, president of Discovery Networks International; Maureen Smith, general manager of Animal Planet Media; and Pandit Wright, senior executive vice president of human resources.

Mr. Zaslav, who took over as CEO just last month, wants to strengthen some of Discovery's core brands, which include Discovery Channel, Animal Planet, TLC and Travel Channel. Analysts and some advertisers have criticized the company in recent years for watering down its various brands by launching a blitz of new digital channels and favoring flashier reality shows over staid educational documentaries.

The reorganization is also designed to make the company leaner and more aggressive when it comes to new media. Rather than the centralized decision-making structure Discovery has built over recent years, Mr. Zaslav wants to push authority and accountability down to individual channel and brand managers.

Broadcasting & Cable - February 5, 2007

Major Shake-up at Discovery

By Anne Becker

Just three months after he was named President/CEO of Discovery Communications , David Zaslav is cleaning house, ordering a sweeping reorganization that does away with Discovery Networks President Billy Campbell, and a slew of other senior managers.

Discovery Networks International President Dawn McCall, Human Resources chief Pandit Wright and a duo of channel presidents are out, while marquee company outsiders, including analyst Tom Wolzien and former Paramount syndication chief Joel Berman, have been retained as consultants.

Zaslav, who decamped the senior ranks of NBCU to join Discovery in November, informed company employees of the changes this afternoon with a bluntly-worded, multiple-page internal memo entitled "Positioning Discovery for Growth: A Message from David Zaslav."

Therein, he detailed those executives' fates under a three-pronged plan: "build strong brands," "create a lean and aggressive organization," and "lead in new media and brand extension." As part of the plan, he has eliminated Campbell's position altogether, organizing network general managers into five branded groups that will report directly to him.

The move isn't wholly surprising, as it was widely speculated that Campbell would be leaving Discovery had he not been chosen for the President/CEO slot that Zaslav got.

Ad Sales and Affiliate Sales and Marketing Presidents Joe Abruzzese and Bill Goodwyn keep their jobs, but now report to Zaslav. They had reported to Campbell.

Also keeping her job is Discovery Channel President/GM Jane Root, who has overseen a recent ratings resurgence at the channel and will now oversee the Science Channel with Discovery as the first of the five network brand groups. Staying as well is Travel Channel chief Pat Younge, who will head the second group as President/GM of Discovery Travel Media.

Out in the shuffle is TLC President/GM David Abraham, who will leave Discovery in March after two years to take a new job in the UK, while the company looks for a replacement to head TLC, the third branded group. Also out is Animal Planet General Manager Maureen Smith, who will leave the company. Marjorie Kaplan is being promoted from heading Discovery Kids to be President and GM of Animal Planet Media and Discovery Kids Media, the fourth group. Len Tacconi stays as President, Discovery Health Media Enterprises, the final branded group.

While the heads of the five groups will oversee production, marketing, new media, communications and research - with support from ad sales and business development - each will be assisted by a senior business manager, similar to a Chief Operating Officer. The company is searching for candidates for those slots.

Discovery will also look to fill a new position as head of Business Development, tasked with centralizing at the corporate level acquisitions and partnerships in the new media space.

Assisting in those moves will be at least two big-name consultants. Tom Wolzien, intimately familiar with Discovery board member Liberty Media after running Sanford Bernstein's media practice, will advise the company on its global growth strategy. Joel Berman, who last headed syndication for Paramount Pictures and CBS/Paramount Television, will advise on syndication strategy.

Two new divisions are being formed, Discovery Studios and Emerging Networks Group. The former will encompass the company's production, films, creative resources and short-form content groups and will be headed by company veteran Clark Bunting. The latter, likely inspired by NBC U's group of the same name, will include Discovery's smaller digital channels - the Military Channel, Discovery Times Channel, Discovery Home Channel and Discovery HD Theater. The company is looking for a head of that group.

Executive VP, Operations Mark Hollinger - also floated as a CEO possibility pre-Zaslav - is being promoted to head a new Global Businesses and Operations division, adding oversight of commerce and international departments. Out is Discovery Networks International President Dawn McCall, a 20 year company veteran, and in her place as President/CEO of the division is Greg Ricca, who was last CEO of MTV International from 1996-2003.

In two other big changes, Human Resources Senior Executive Vice President Pandit Wright is leaving the company. In her place is Adria Alpert-Romm, who last led HR for NBC TV Entertainment and News. Separately, Discovery Education President Steve Sidel will keep his position but will report to Goodwyn, now President, Domestic Distribution and Enterprises.

"The goal is to maintain Discovery's leadership as the number-one nonfiction media company in the world while clarifying responsibilities, improving financial performance and ultimately creating more shareholder value," Zaslav wrote in the memo, characterizing the changes as "substantial."

After his appointment in November, Zaslav praised Discovery's executive team to B&C when asked about any possible reorganization.

After a lengthy search, Discovery announced Zaslav as President/CEO in November. He left NBC U as head of Cable and Domestic TV and New Media Distribution and replaced Discovery's outgoing CEO Judith McHale, who officially left Dec. 1.

Multichannel News - February 5, 2007

Campbell, Others Out in Discovery Shakeup

By Steve Donohue

Discovery Networks U.S. president Billy Campbell is one of several top executives leaving the company under a shakeup and reorganization announced by Discovery Communications CEO David Zaslav Monday.

Also leaving DCI are TLC president and general manager David Abraham, Animal Planet Media GM Maureen Smith, Discovery Networks International president Dawn McCall and DCI senior vice president of human resources Pandit Wright.

Zaslav, who was named CEO of DCI in November, formed an emerging-networks group that will include Military Channel, Discovery Times Channel, Discovery Home Channel and Discovery HD Theater. Each channel will have a GM, and Discovery is looking to recruit an executive to run the group.

Other moves announced by Zaslav:

• The company is conducting a search for a new president of TLC, who will replace Abraham.

• Marjorie Kaplan was promoted to president and GM of Animal Planet Media and Discovery Kids Media, a new unit that includes Discovery's family-focused networks.

• Former MTV Networks International chief operating officer Greg Ricca was named president and CEO of Discovery Networks International. He replaces McCall.

• Zaslav's former NBC colleague, Adria Alpert-Romm, was named senior executive VP of HR. She replaces 12-year veteran Wright.

• Affiliate-sales veteran Bill Goodwyn was promoted to president of domestic distribution and enterprises. Discovery Education, run by president Steve Sidel, will report to Goodwyn, Zaslav said.

The company formed a new Discovery Studios unit that will house Discovery Production Group, Discovery Films and Discovery Creative Resources. Clark Bunting was named president of Discovery Studios.

Mark Hollinger was promoted to president of global business and operations.

Zaslav is also turning to consultants to help restructure the company. Former NBC and Sanford C. Bernstein consultant Tom Wolzien was retained as a consultant to help DCI "better clarify the company's opportunities in digital television, the Internet and new-media platforms," Zaslav said.

And former CBS/Paramount Television president of worldwide television distribution Joel Berman was signed as a consultant to help DCI monetize its library through domestic and international syndication deals.

The New York Times - February 6, 2007

Two Top Executives to Leave Discovery Communications

By Richard Siklos

Two of the most senior executives at Discovery Communications are leaving the company under a management restructuring that will give David M. Zaslav, the company's new chief executive, a more hands-on role in running the company's core cable TV channels.

As part of the restructuring, the heads of the company's main channels — the Discovery Channel, TLC and Animal Planet — will now report to Mr. Zaslav, a former NBC Universal executive who joined the company in December.

William M. Campbell, the head of Discovery's United States channels since 2002, is leaving the company, and his position is not being filled. Dawn L. McCall, the president of Discovery Networks International, is being succeeded by Greg Ricca, a former chief operating officer of MTV International. Mr. Ricca will report to Mark Hollinger, who has been the company's senior vice president for operations but was promoted today to president of global businesses and operations.

Other executives including the general managers of the TLC and Animal Planet channels are leaving the company. Discovery also replaced its head of human resources with a former colleague of Mr. Zaslav's at NBC Universal.

In an interview, Mr. Zaslav described the moves — along with a realignment of the company's channels and program-creation businesses — as part of an effort to simplify the company for growth. "This is about focusing on creating a lean culture with less layers so that we're more efficient, we're faster," he said. "And I want to get my hands on the key jewels at this company."

To assist him, Mr. Zaslav said he had also hired two figures well known in the media industry as consultants. Tom Wolzien, a former media analyst for Sanford C. Bernstein & Company, will advise on the company's global growth strategy; Joel Berman, the former president of worldwide television Distribution for Paramount Pictures and CBS/Paramount Television, will advise the company on how to syndicate its original programming.

In one important respect, Mr. Zaslav said, Discovery is different from other popular cable channels like USA Networks or TBS in that it owns so much of its own programming rather than relying on reruns from network television. He said the new structure would give the heads of each Discovery channel more autonomy in developing programming and responsibility for their financial performance.

In the third quarter of 2006, Discovery Communications generated operating income of $160 million, down from $166 million in the previous year, as revenue increased to $722 million from $629 million. The privately-held company is 50 percent owned by Discovery Holdings, a subsidiary of Liberty Media Corporation; while Advance Communications and Cox Communications each own 25 percent.

Television Week - February 5, 2007

Heads Roll at Discovery

New Discovery Communications CEO David Zaslav is cleaning house.

Several senior executives including Discovery Networks U.S. President Billy Campbell, whose position is being eliminated, are leaving the company. Also on their way out: The heads of Animal Planet Media, human resources and international. Mr. Zaslav, who came to Discovery last month, is assembling his own team with more executives reporting directly to him.

The head of TLC, David Abraham, is also leaving the company to take a new position in the U.K.

Mr. Zaslav, who replaced long-time Discovery president Judith McHale, said in a memo released Monday that the organizational changes are designed to help the company build strong brands, create a lean and aggressive organization and lead in new media and brand extension.

"These changes are substantial," Mr. Zaslav said in a memo. "The goal is to maintain Discovery's leadership as the No. 1 non-fiction media company in the world, while clarifying responsibilities, improving financial performance and ultimately creating more shareholder value."

In the new organization, the executive VP-general managers of five network brand groups have been promoted to president-general manger and will report directly to Mr. Zaslav. Joe Abruzzese, the head of advertising sales, and Bill Goodwyn, head of affiliate sales and marketing, also will report directly to Mr. Zaslav.

Under the new structure, the network brand groups are headed by:

• Jane Root, president and GM of the Discover Channel also oversees the Science Channel.

• Pat Younge, president of Discovery Travel Media.

• Marjorie Kaplan, who is being promoted to president and general manager of Animal Planet Media and Discovery Kids Media. At Animal Planet, she replaces Maureen Smith, who is leaving the company.

• Lee Tacconi, president of Discovery Health Media Enterprises.

• At TLC, a search will be launched for a new president to replace Mr. Abraham.

Mr. Zaslav said each president will assume additional responsibility for production, marketing, new media, communications and research.

Mr. Zaslav is forming a new unit, Discovery Studios, that will be comprised of the Discovery Production Group, Discovery Films, Discovery Creative Resource and the Preditor short-form unit. Discovery Studios will be headed by Clark Bunting, who will also report to Mr. Zaslav.

He's also introducing an Emerging Networks Group that will include Military Channel, Discovery Times Channel, Discovery Home Channel and Discovery HD Theater. A search is on to fill the president's position for the new unit.

Mark Hollinger is being promoted to president, global business and operations and Greg Ricca is joining

the company as president and CEO of Discovery Networks International. He joins Discovery from Viacom, where he was chief operating officer of MTV International from 1996 to 2003. He will report to Mr. Hollinger and replaces Dawn McCall, who had been with the company for 20 years.

Adria Alpert-Romm is joining Discovery as senior executive VP of human resources, from NBC Universal. She replaces Pandit Wright, who has been with Discovery for 12 years.

Under the new organization, Discovery Education will report to Mr. Goodwyn, who takes on the new title of president, domestic distribution and enterprises.

Mr. Zaslav said he is also searching for a new head of business development for the company. He has also hired Tom Wolzien as a consultant to work with the company on opportunities in digital television, the internet and new media platforms. Mr. Wolzien had been an analyst at Sanford C. Bernstein, where he covered media companies including Liberty Media, one of Discovery's owners. Joel Berman, former president of worldwide television distribution for Paramount Pictures and CBS/Paramount Television, has been retained as a consultant on the company's syndication strategy.

Cable360.net - February 5, 2007

Zaslav Rips Up Discovery Org Chart

By Shirley Brady

Less than two months after being named president and CEO at Discovery Communications Inc. and just over a month on the job, David Zaslav today announced a major shake-up of its senior corporate ranks that will see a number of top executives leave the company, including Discovery Networks U.S. president Billy Campbell, who was passed over for Zaslav's new job and whose position is being eliminated.

Zaslav, who was named DCI's top executive on Nov. 16, also handed walking papers to Animal Planet EVP and GM Maureen Smith, who was hired by Campbell and promoted in November to head up Animal Planet Media, which will now be overseen by Marjorie Kaplan in her new supersized role as president and GM of Animal Planet Media and Discovery Kids Media, which she previously ran.

Discovery Networks International president Dawn McCall was also ousted to make room for Greg Ricca, a former MTV Networks International COO, who will become president and CEO of DNI.

DCI's well-liked human resources head, senior EVP of HR Pandit Wright, got pink-slipped and is being replaced in the top HR spot by Adria Alpert-Romm, who worked with Zaslav at NBC Universal as head of HR at NBC TV Entertainment and News.

Len Tacconi, president of Discovery Health Media Enterprises (who was hired in September and oversees Discovery Health, FitTV and related properties) now reports to Zaslav, as does Discovery Networks ad sales president Joe Abruzzese (a former CBS colleague of Campbell, who brought him to Discovery) and affiliate sales and marketing president Bill Goodwyn. Discovery Education (including its online "homework helper," Cosmeo) president Steve Sidel now reports to Goodwyn.

TLC's president and general manager David Abraham is leaving DCI at the end of March to return to the UK, where he will become CEO of digital broadcaster UKTV. With kids in school in the U.K., Abraham left his family behind in England when Campbell hired him in Feb. 2005, as did Patrick Younge, who was then named EVP and GM of the Travel Channel. Younge was promoted to run Discovery Travel Media, a new unit, last April.

A replacement for Abraham is now being sought to run TLC. Younge now reports directly to Zaslav, as does fellow BBC alum Jane Root, whose title changes to president and GM of the Discovery Channel with added responsibility for the Science Channel.

Under DCI's new corporate structure, the five U.S. network brand groups are Discovery Channel (Root); TLC (GM TBD); Discovery Travel Media (Younge); Animal Planet Media/Discovery Kids Media (Kaplan); and Discovery Health Media Enterprises (Tacconi).

Root gives up oversight of a third network, the Military Channel, which moves into DCI's new Emerging Networks Group (where the top executive slot is open). Besides Military—which is repositioning itself to become the "voice of the troops" according to USA Today—the new ENG unit will include Discovery Times Channel (whose former head, Vivian Schiller, last year joined the New York Times to run its website), Discovery Home Channel and Discovery HD Theater.

Discovery veteran Clark Bunting will head up Discovery Studios, a new unit which houses the Discovery Production Group; Discovery Films; Discovery Creative Resources; and a short-form content unit known as Preditor by company insiders. Zaslav lauded Bunting's long track record at DCI.

Mark Hollinger was upped from senior EVP, corporate operations and general counsel, to president, global businesses and operations. Hollinger adds oversight of Discovery Commerce (whose president, Frank Rosales, now reports to him) and Discovery Networks International to his plate.

Not surprising given his previous role leading distribution at NBCU's TV networks and owned content, Zaslav announced a move into syndication of Discovery networks' owned TV product. Joel Berman, former president of worldwide television distribution for Paramount Pictures and CBS/Paramount, has been retained by Zaslav as a consultant to explore "how to best monetize our library and develop what can be be an aggressive syndication strategy for Discovery's content domestically and around the world."

Veteran Wall Street media analyst Tom Wolzein was also hired as a consultant to help Discovery's senior management on an "overall global growth strategy and how to better clarify the company's opportunities in digital television, the internet and new media platforms."

Not mentioned in today's release:

• the U.S. Hispanic Networks Group (run by Luis Silberwasser)
• Discovery New Media, which loses Discovery HD Theater to the new Emerging Networks Group
• two channels owned by BBC Worldwide—BBC America and BBC World News—that DCI distributes in the U.S.
• Roger Millay, who was hired as CFO in September from Airgas, Inc.

Today's press release didn't mince words about the sweeping nature of the re-organization, which reunites Zaslav with some long-time trusted associates (Wolzein, Berman, Ricca and Alpert-Romm).

"These changes are substantial," Zaslav commented. "The goal is to maintain Discovery's leadership as the number-one nonfiction media company in the world, while clarifying responsibilities, improving financial performance, and ultimately creating more shareholder value."

The announcement said the executive shuffle was based on Zaslav's three-part mandate for DCI going forward, which was outlined in the release as:

• Build Strong Brands. "As consumers have more and more choice, we must reinforce and clarify the positioning of all our brands. There is no question that the Discovery Channel is the company's primary

asset. But we have a tremendous portfolio with some of the most valuable brands in the world."

• Create a Lean and Aggressive Organization. "Creating a lean and aggressive organization that fosters a real performance culture is vital to our success. The objective is to push authority and accountability down across the company."

• Lead in New Media and Brand Extension. "Building cable channels and enhancing their performance is not enough in this competitive marketplace. We need to focus on leading in new media and 'building out' our entitlement for each brand. This includes creating new brand extensions and finding new distribution platforms for our content."

The word "lean" in point #2 would naturally raise fears of layoffs, particularly in an organization of more than 5,000 employees in 170 countries. Still, Alpert-Romm, as new head of HR, will be busy placing candidates in a number of key roles.

Besides searching for execs to run TLC and the Emerging Networks Group, Zaslav plans to hire "a senior business manager, similar to a chief operating officer, for each of the network brand groups" to give more responsibility to each of the U.S. network groups, which were previously centralized under Campbell. Zaslav is also searching for "the next head of Business Development. This role will centralize the operations of the corporate business development activity and lead the team devoted to analyzing and determining the growth priorities for DCI's global assets. As the [network brand group] General Managers focus on building new media extensions for their brands, the head of business development will centralize, at the corporate level, the planning for acquisitions, joint ventures, and other potential partnerships in the digital and new media space."

Today's shake-up at DCI HQ in Silver Spring, MD (where Zaslav is moving his family after this school year ends) comes a day before his old shop, NBC Universal, is expected to announce Jeff Zucker as president and CEO of NBCU, replacing Bob Wright who is expected to stay on as chairman for a period of time after Zucker takes the reins later this spring.

The Hollywood Reporter - February 6, 2007

Discovery restructures, execs exit

By Andrew Wallenstein and Kimberly Nordyke

Discovery Communications announced a management shakeup Monday that will see the exit of five senior execs including Billy Campbell, president of Discovery Networks U.S.

The changes were unveiled by Discovery's new president and CEO, David Zaslav, who came over from NBC Universal earlier this year to replace longtime CEO Judith McHale. Zaslav is restructuring the company into five overarching brand groups and eliminating Campbell's position, which previously oversaw all programming assets.

Also departing Discovery as a result of the reshuffling are David Abraham, president and general manager of TLC; Maureen Smith, general manager of Animal Planet; Dawn McCall, president of Discovery's international holdings, and Pandit Wright, senior executive vp of human resources.

Discovery is also adding new blood as a result of the shakeup. Among the execs filling a slew of new positions at the channel are Joel Berman, president of worldwide television distribution for Paramount Pictures and CBS/Paramount Television, and Tom Wolzien, a veteran media analyst formerly of Sanford C. Bernstein. Both men are coming on as consultants to the company.