

Raycom-Lincoln merger could spark SEC network

Combination of longtime partners also adds new markets to the TV fold

ERIK SPANBERG
SENIOR STAFF WRITER

The recent merger between Charlotte syndication companies Lincoln Financial Sports Inc. and Raycom Sports could lead to a partnership in a new college sports network — and also help them stave off larger competitors.

Lincoln Financial is a longtime TV partner of the Southeastern Conference, a 12-school league with designs on creating its own cable network.

Raycom Sports, launched in 1979, has worked with the 12-member Atlantic Coast Conference on its football and basketball broadcasts while also operating bowl games and other events. The businesses have collaborated on ACC telecasts and ad sales since 1982.

Next month, the companies will be united under the Raycom Sports umbrella as part of a \$583 million deal. Alabama-based Raycom Media Inc. will buy Lincoln Financial and three TV stations in the Southeast. The sports syndicators will retain their Charlotte headquarters.

"It appears to make them both stronger," says Mike Slive, SEC commissioner. "It makes sense because Lincoln Financial has worked with Raycom for many years already."

Slive and the SEC have floated the notion of a cable network similar to the one launched by the Big Ten Conference and Fox Cable Networks in August. Officials at SEC schools have already authorized Slive to study creation of a cable network, though no decision will be made for several months.

Lincoln Financial's contract to produce and syndicate broadcasts for SEC football and basketball games expires with the 2008-09 season. The shared ACC football and basketball contracts — which pay the conference \$30 million annually for broadcast rights — for Lincoln Financial and Raycom Sports expire in 2010-11.

Raycom Media also owns 42 stations in 18 states. With the addition of Lincoln Financial stations in Charlotte, Richmond, Va., and Charleston, S.C., the company may have a chance to

move its syndicated properties to new homes in those markets. In Charlotte, Lincoln Financial-owned WBTV carries ACC games, while Cox Communications-owned WAXN-TV airs SEC sports.

Lincoln Financial was formed when Philadelphia-based insurer Lincoln National Corp. bought Jefferson-Pilot Corp. in 2006. The sale included Jefferson-Pilot's radio, TV and sports-syndication businesses.

Whether the ACC would consider a network venture is uncertain. Commissioner John Swofford was unavailable for comment.

"I can see some great opportunities with one company having the rights to two separate conferences who might be considering launching networks," says Terry Hanson, an industry consultant and former Raycom Sports executive. "But make no mistake that each conference will want special treatment and will insist on separate identities."

Meanwhile, executives at both sports-syndication companies expect few major changes in operations. Starting in December, game broadcasts will bear the Raycom Sports logo; the Lincoln Financial mark will be shelved.

"Putting our two companies together expands our resources and gives us more ability to explore more opportunities in sports media and marketing," says Ken Haines, Raycom Sports chief executive. "It will also eliminate a lot of confusion in the marketplace."

Lincoln Financial President Ed Hull agrees. "It's natural because we've worked together so long."

Industry experts say Lincoln Financial would have suffered much greater upheaval if a larger media company such as ESPN or Fox bought the company. Raycom Sports has 30 employees; Lincoln Financial has 41.

The deal gives Raycom Sports ownership of Lincoln Financial's headquarters at One Julian Price Place. Raycom Sports occupies 15,000 square feet at Six Coliseum Centre. A decision on office locations will be made next year, Haines says.



Hanson



Haines