

# FORTUNE

## **Lions Gate shares soar as John Malone gets a stake, board seat**

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Shares of Lions Gate Entertainment jumped nearly 10% Wednesday morning on news that Liberty Media Chairman John Malone will join the Canadian-American entertainment company's board of directors.

The billionaire media mogul will join Lions Gate's LGE 9.78% board upon completion of a stock swap between Lions Gate and cable channel Starz, which Malone's Liberty Media spun off in 2013, Lions Gate announced. In addition to a board seat, Malone will receive a roughly 3.4% stake in Lions Gate in exchange for a mix of Series A and Series B Starz shares that add up to a 4.5% stake. The Starz STRZA 2.25% stake will also give Lions Gate a 14.5% voting stake in the cable channel.

For Malone, the deal adds another piece to an expanding media empire that already includes Liberty's large stakes in Sirius XM Radio and Live Nation Entertainment. Two years ago, Malone's company also bought a 27.3% stake in cable provider Charter Communications. Malone already sits on the boards of directors at the Cato Institute, Discovery Communications and Expedia.com.

Lions Gate, which was founded in Vancouver but is headquartered in California, is home to the extremely popular Hunger Games film franchise. The first three films in that four-part series have raked in nearly \$2.3 billion at the worldwide box office over the past three years, according to Box Office Mojo. The final installment in the series is set for release this November, although Lions Gate has hinted recently that additional, related films could be in development. In a statement, Malone called Lions Gate "a leader in developing global content" while noting that Starz and Lions Gate could partner on future projects as a result of the deal. The two companies previously collaborated on the television shows Boss and Crash, which both aired on Starz.

As for Starz, The New York Times notes that the stock swap could pave the way for a larger deal involving Lions Gate and the cable channel, which made an unsuccessful attempt to sell itself a

year ago. Potential suitors, such as CBS and Rupert Murdoch's 21st Century Fox, passed on buying Starz, which bidders reportedly thought was overvalued. Shares of Starz also rose on news of Wednesday's deal.