



OFFICE OF  
STATE TREASURER  
DENISE L. NAPIER

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# NEWS

**FOR IMMEDIATE RELEASE**

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**NAPIER SAYS PROPOSED COMCAST TAKEOVER OF DISNEY RAISES  
SERIOUS CORPORATE GOVERNANCE CONCERNS FOR SHAREHOLDERS;  
CITES POSSIBLE ECONOMIC IMPACT IN CONNECTICUT**

***Treasurer will seek assurances that ESPN would stay in Connecticut;  
Urges commitment to corporate governance reforms to protect shareholders***

Connecticut Treasurer Denise L. Nappier said today that shareholders interested in serious and substantive corporate governance reform should be concerned about the proposed takeover of Walt Disney Co. by Comcast Corp., the nation's largest cable operator. Comcast this week launched an unsolicited bid to buy Disney for more than \$54 billion in stock, which would create one of the world's largest media companies.

Nappier said Comcast did not institute corporate governance reforms at the time of the 2002 merger with AT&T Broadband – reforms that have swept much of business and industry in the wake of the unprecedented series of corporate scandals in recent years. The Connecticut Treasurer urged Comcast to seize the opportunity now to develop and formally commit to an exemplary corporate governance structure that would include substantial reforms.

“A Comcast takeover of Disney – under its current board and management structure -- would be a giant step backward for shareholders interested in real accountability, transparency and board independence,” said Nappier, principal fiduciary of the \$19 billion Connecticut Retirement Plans and Trust Funds and a leading advocate for responsible corporate behavior. “With a merger of this magnitude, shareholders have a right to expect the most responsive and responsible corporate governance structure.”

Philadelphia-based Comcast merged with AT&T Broadband in November 2002, making it the nation's largest cable TV company, with 21 million subscribers. Nappier had raised similar concerns during that merger process, and successfully opposed plans at that time that would have prevented shareholders from voting separately on the merger and corporate governance changes which Nappier opposed.

“Unfortunately, we have seen what can happen when corporations place a higher value on insiders than investors,” Nappier said. “If Comcast is interested in shareholder value on the bottom line, as we are, I'm here to tell them that responsible corporate governance is also something we highly value.”

Treasurer Nappier also said she is very concerned about the economic impact of the proposed Comcast takeover in Connecticut. Disney owns ESPN, the Bristol-based sports network, and Nappier said she will be asking Comcast CEO Brian Roberts about the company's plans regarding

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ESPN's facilities, jobs, and commitments in Connecticut should the takeover of Disney occur. She noted that Wednesday's announcement by Comcast suggested further extension of the ESPN brand, but apparently no mention was made of the company's future in Connecticut.

ESPN is currently in the midst of a \$500 million expansion at its 56-acre world headquarters in Bristol, to include broadcast facilities for its new high-definition service. Expected to be completed later this year, work began on the project in 2001 after ESPN received an estimated \$15 million tax break from the State. In addition, the Capital City Economic Development Authority and Capital Properties are now working to finalize plans announced by ESPN for a \$5 million entertainment attraction in the planned Front Street entertainment district in Hartford, across from the Convention Center now under construction as part of the Adriaen's Landing development.

"The State of Connecticut has invested in ESPN, and ESPN, in turn, has invested in Connecticut," Nappier said. "The plans in Bristol and at Adriaen's Landing are just the latest examples. It would be irresponsible not to raise the question of what the fate of ESPN would be should Comcast take over Disney," Nappier said. ESPN was founded and began operations in Bristol in 1979.

"There could be tremendous opportunities to work together to the benefit of Comcast and Connecticut – but some basic questions need to be answered first," Nappier said. "Would ESPN remain and continue to grow in Connecticut? Would jobs be retained, shifted or eliminated? What's on the drawing board for new technologies that could be developed?"

Comcast is the dominant cable company in Connecticut, owning 10 of the state's 23 cable systems with more than 400,000 subscribers, including cable franchises in greater Hartford, New Haven, Danbury and Middletown.

"The last time Comcast arrived in Connecticut, jobs disappeared," Nappier said, noting that Comcast began laying off workers shortly after the AT&T cable merger. "As an institutional investor and a public official, I am concerned about the long-term value of the company and the short-term economic impact on the people of Connecticut," Nappier said.

Nappier noted that Walt Disney Co. had made substantial improvement to its corporate governance in recent years, including a number of changes within the past six months to strengthen board independence and accountability to shareholders. Among the corporate governance concerns Nappier raised regarding Comcast are that shareholders are not scheduled to vote on board members until 2005 and that the CEO currently controls the board nominating process. Shareholders are also precluded from calling a special meeting, and the company is currently listed on NASDAQ, which has lesser governance standards than those required for NYSE-listed companies. While the Roberts family owns approximately 1% of the economic value of Comcast, they currently retain 1/3 of the voting power on all shareholder issues. It is also unclear what level of control CEO Brian Roberts and the Roberts family would retain in a merged company, and what steps would be taken to achieve and assure a majority-independent board of directors.

"I have a fiduciary responsibility and an obligation as an elected official to protect the interests of pension fund beneficiaries and citizens of Connecticut," Nappier said. "I intend to exercise those responsibilities prudently, aggressively and effectively."

The Connecticut Retirement Plans and Trust Funds (CRPTF) owns 586,686 shares of Comcast Corp. currently worth \$19,947,324 and 534,100 shares of Disney currently worth \$12,861,128. In addition, the CRPTF owns Comcast Corp. bonds currently worth 7,103,348, Comcast Cable Bonds currently worth \$5,242,677 and Disney bonds with a current value of \$2,721,724.

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