

'American Idol' creator planning bid for CKX

Andrew Edgecliffe-Johnson

Simon Fuller, the creator of American Idol, has teamed up with a former Barclays Capital executive to formulate a \$600m bid for CKX, the entertainment group that owns the rights to the television talent show and manages Elvis Presley's estate.

Mr Fuller has been in discussions with Roger Jenkins, an ex-Barclays Capital tax expert, for months and the two have amassed a \$1bn fund, according to one person familiar with their negotiations, who said they planned to write to the CKX board with their proposal as early as Friday.

A \$600m offer would trump a proposal pitched at \$550m-\$560m in March by One Equity Partners, the JPMorgan private equity arm. One Equity Partners had been working with Bob Sillerman, who stepped down as chairman and chief executive of CKX this month to pursue buyout plans.

The offer would also represent a substantial premium to CKX's current share price, which closed on Thursday at \$4.32, valuing the company at \$395m. The group had \$101m of debt and \$55m of cash at the end of the last quarter.

A CKX spokesman could not be reached and Mr Fuller's spokesman declined to comment.

The source of the funding for Mr Jenkins' and Mr Fuller's new vehicle is not clear, although Mr Jenkins has strong connections to wealthy Middle Eastern investors. The CKX approach, first reported on the Wall Street Journal's website, is said to be just a starting point for the two men's ambitions in entertainment and sport.

In 2007, Mr Fuller launched a bid for CKX with Mr Sillerman, valuing it at \$1.3bn or \$13.75 per share, but their attempt failed as credit markets froze.

A new bid would pit Mr Fuller against Mr Sillerman, who made his fortune in sports marketing and concert promotion and owns about 21 per cent of CKX. The views of other CKX stakeholders, including the Presley family, will also be a big factor in any decision to approve the bid.

Mr Fuller, who masterminded the Spice Girls' pop career and negotiated David Beckham's transfer to the Los Angeles Galaxy football team, hopes to take back ownership of 19, the company behind Idol, which he sold to CKX for £100m.

News of his plans comes a day after Simon Cowell, the star judge on American Idol, left the show as its ninth season ended with weak ratings and questions about its prospects.

Mr Jenkins' tax arbitrage skills and connections made him Barclays' top earner, and he helped broker a critical £5.8 investment in Barclays from Qatar and Abu Dhabi. With his wife, Diana, he is a prominent fixture on the London social scene, hosting charitable events with celebrities including Bono and George Clooney.

CKX reported operating profits rose 19.6 per cent to \$44.3m last year on revenues of \$328m, up 13.9 per cent, but reported weak first-quarter results this month.

Edward Bleier is now chairman of CKX, and Michael Ferrel, a former director, stepped up to serve as acting chief executive this month.

Fonte: Financial Times, London, May 28th 2010, Media, online.