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Comcast walks away from Time Warner Cable merger

Comcast (NASDAQ:CMCSA) has ditched its US\$45 billion friendly takeover for Time Warner Cable (NYSE:TWX) amid intense regulatory scrutiny from antitrust authorities.

Comcast was keen to see the deal completed because it would have reached millions of new subscribers in the US's largest metropolitan areas like New York and Los Angeles.

The cancellation of the deal has raised questions about Comcast's future direction but, perhaps, left Time Warner as an appetizing target. Charter Communications had pursued the company before Comcast and may resume its courtship to become the second largest cable company.

"Today, we move on....Of course, we would have liked to bring our great products to new cities, but we structured this deal so that if the government didn't agree, we could walk away," said Comcast's CEO Brian Roberts.

The bid, first announced with grand pomp over a year ago, had surprised most observers, who wondered how the two US cable television market leaders would manage to obtain clearance for the deal from the antitrust authorities.

On Wednesday, Comcast and Time Warner Cable managers met members of the Federal Communications Commission (FCC) and the Department of Justice, whose approval was necessary for the takeover to go through.

"This is a victory not only for the Department of Justice, but also for content providers and streaming services which work to provide innovative products to consumers throughout America and the world," said the US Attorney General, Eric Holder.

The authorities expressed concern about the impact the merger would have on consumers, said sources familiar with the discussion told Reuters, given that the combined company would have had unrivaled market share, controlling some 30% of all TV and 55% of all broadband subscribers in the United States.

FCC investigators were said to be considering recommending the merger case to be reviewed by an administrative law judge, the sources said. But such an approach was interpreted as de-facto obstacle block the merger.

The companies have presented the deal as a straightforward cable merger that doesn't reduce consumer choice since cable operators don't overlap geographically, but the increased market share in broadband Internet has been under more intense scrutiny, WSJ added, quoting people familiar with the reviews.

On Wall Street, the action Comcast was trading down 0.41% to 58.99 dollars and Time Warner was trading up 0.18% to

Price: US\$45.09

Market Cap: US\$204654.09M

1 Year Share Price Graph



Share Information

Code: CMCSA

Listing: NASDAQ

52 week	High	Low
	\$45.24	\$32.61

Sector: Broadcasting & Entertainment

Website: www.comcast.com

Company Synopsis:

Comcast Corporation is a provider of video, high-speed Internet and phone services (cable services), offering a variety of entertainment, information and communications services to residential and commercial customers.

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US\$85.07 this morning.

Companies that are trying to merge routinely agree to concessions to win government approval. Comcast did that back in 2011 before it acquired NBC Universal.

Time Warner Cable was a unit of Time Warner until 2009. The two companies are no longer related except by name.

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