

LION

With this note I just want to take the chance to correct the record on some of the things the WGA has been saying and sending out. Clearly you are all going to make your own informed decisions about which way you are going to vote. But there are many inaccuracies or misrepresentations in the union literature I have seen so I just want to make sure you have the correct information with which to make your decision. Below I have listed some of the things that stood out to me.

On the Election results so far the Union has said:

We have a good deal of momentum, Atlas and ITV have already voted union YES, and TV freelancers all over NYC are anxiously awaiting.

This tally is wrong. Out of 7 companies targeted by the WGA 3 rejected the WGA's overtures: Sharp, True, Original Media, and one other will probably do the same: Optomen (the result depends on 3 challenged ballots that are being adjudicated). One voted for the Union: Atlas. Leaving two outstanding: Lion and ITV. So the score is 4 – 1 against the Union with two results to come.

Specifically the WGA keep saying that two companies have voted yes to the Union. Atlas and ITV. That is just not true. They are right about Atlas but they are wrong about ITV. The ITV election is currently being adjudicated by the NLRB based on a number of criteria. It's complicated and I will happily go into more detail about it if anyone wishes but in summary: so far 53 votes have been counted and yes, the Union is currently leading by three votes, 28-25. However there are an additional 6 so-called challenged votes that are being currently reviewed by the NLRB. In addition the company is challenging the result of the election because it believes 11 or 12 additional voters either didn't receive a ballot or returned a ballot that was not counted. That is not a Union win. That is an election in the balance. Why does the Union keep pushing this? Because if they told the truth – that after over a year of campaigning out of seven companies they have won one election with just one more to vote (us) the implication is clear. In a landscape of hundreds of non union companies two WGA companies are not going to have any impact. If you go back and read the Union's literature from the last several months, its stated goal was to organize all seven production companies and "force" the networks to take notice and give us better contracts. Putting aside whether 7 companies could make such change, just 2 or 3 won't. That is not a scenario that will deliver all the things you are looking for.

On Cash Cab the Union has said:

Contestants aren't the only ones making money on Cash Cab. The show is one of the Discovery Networks' most popular shows. It is rerun frequently and syndicated in international markets.

It's inexpensive to produce- hence the profits are high. Starting January 10th Discovery will be airing Cash Cab four times a day!

Cash Cab is relatively inexpensive to make – that is true. And Discovery know that and pay us relatively little to make it. This is not a high budget show. It's a high volume, low cost show. We make a profit on the show, yes – but it's not high.

Also the US show is not internationally syndicated. Local versions of the show are made around the world but the actual show we make has not yet been sold in any foreign market.

Finally, we don't get paid every time the show airs on Discovery – we make a product for the network and get paid a price. That's it. We don't make money on re-runs.

More On Cash Cab

Freelance employees on syndicated cable shows covered by WGA collective bargaining agreements make more money and have a minimum guarantee of 13 weeks of employment. Because they have a Guild contract they are paid residuals and reuse payments equal to 40% of their initial payment the very first time the show re-airs.

The Union is comparing apples to oranges, as anyone who has worked in this industry realizes (perhaps the WGA doesn't realize it because it has no experience representing employees in this industry). If we agreed during collective bargaining to a minimum guarantee of 13 weeks for writers on Cash Cab the costs associated with that would likely force us to employ half the number of writers we currently do.

Residuals – No one at Lion (or at All3) gets any residuals on this or any Lion show. Nothing. If the Union wants to fight for residuals they need to fight the networks not Lion. I think it's important for everyone to consider why the union is trying to make this argument. They are making promises they have no ability to deliver on.

On Lion and All3:

Lion TV, a subsidiary of All3Media makes money.

** All3Media is one of the Top 10 fastest-growing private equity owned companies <<http://afl.salsalabs.com/dia/track.jsp?v=2&c=kM01XTCobxbrnelqKadtKtmegpDI%2FtQV>> in the UK, according to the UK Sunday Times/Fast Track.*

Small thing but I just wanted to point out that this link is over two years out of date.

Also as may be obvious from looking around, Lion is not All3Media – it is a separate, self-sustaining entity that stands on its own.

On Permira:

** Permira, the company that owns All3Media, is a global private equity firm currently managing funds worth \$28 billion.*

This may well all be true. I don't know. I've never met or spoken to anyone from Permira. I have no idea who I would speak to if I wanted to speak to someone from Permira. I'm pretty sure the same can be said for the Lion principals in London.

The serious point here is that connecting Lion Television Inc to Permira or even All3 misrepresents the reality of our relationship. Yes, our goal is to make money and that is what All3 and Permira want us to do. But it's a not a collaborative effort where we all share in each other's good fortune. That is not how these relationships ever work.

Also worth mentioning that the All3 media group owns over 20 companies who all contribute to All3. Lion Inc, which is just a subsidiary of one of those companies, makes up a tiny fraction of the ALL3 profits. The union is presenting a disingenuous picture of the situation to convince you that Lion's financial picture is different than it really is.

On Lion's Attorneys

We've heard from Lion management, some of us several times, and the expensive anti-union attorneys that they've hired to coach them on talking points to get us to vote no.

No one at Lion, certainly not me, had ever been through a Union election before – so yes we did hire a firm to advise on the, as it turned out, complicated and somewhat arcane process involved. They are right. Lawyers are expensive and the WGA has had a team of top lawyers assisting it for many months. The union has shown it is prepared to spend a lot of money on this whole process, and we have been given no choice other than to take legal advice. It is a complex legal process that the union knows very well since this is what they do for a living. For us, it is an entirely new experience so, of course, we hired a specialist lawyer.

But, importantly, the talking points or issues we are raising during this election did not come from them. They are ours and are based on our passionate belief about the best way forward for Lion and its employees.

Hi All

LION

A final note to remind everyone that the election is taking place tomorrow at Lions offices, for anyone not voting by mail. Voting will take place at two times during the day:

The first window is between 8.30am - 10.00am.

The second window is between 1.00pm and 3.00pm.

If anyone has any questions about the vote or is in anyway concerned about making one of the two voting windows please do not hesitate to get in touch so we can make alternative plans that will ensure you still get the chance to vote.

I also just wanted to reiterate what I have said to a number of you directly and what we discussed briefly at the meeting. One of the key positives I have taken out of this process is the opportunity to talk to many of you about your lives as freelancers and how the issues at the heart of this election directly impact you. Those conversations have been revealing and at times chastening but they have also been an important reminder of the role open and honest communication plays at a company of our size and nature. Historically I think it's something we have been quite good at but there's no question, over the last few years, it's dropped down the agenda. If I take anything away from this process it's that I want to push it back up to the top of the list of priorities as we move forward.

During those conversations you've heard us talk about the reasons why we think a no vote for the Union is the right move. In this last note I just wanted to include a brief reminder of some of the key points:

- We have heard you on the issues. Don't see this as a vote between two options – the status quo or the WGA. There's a third option if you give Lion the chance.
- If you give Lion another chance but feel that nothing has changed you can have another election in a year's time. If you vote the WGA in now that's it – we're union and it would be extremely difficult to go back.
- The Union cannot deliver on its promises. The process of collective bargaining does not compel us to do anything if we feel our competitiveness will be impacted.
- The Union cannot deliver on its promises part II. The Union has repeatedly suggested that many of you will get residuals if you vote for the WGA implying that Lion gets them. Neither Lion Television nor anyone working at Lion Television gets residuals for any show we make – not on Cash Cab, History Detectives or any other show.
- Even if the Union wins and we agree to join their healthcare program the threshold for qualifying is so high that only a tiny proportion of you may qualify. Not only would we have to reject a plan that would hurt our competitiveness, the Union's plan would almost certainly end up with us paying big premiums for each of you when only some of you would qualify for coverage.

That would be of no benefit to you or us - because the union would likely demand that we pay regardless of whether you qualify.

- Only one of the seven nonfiction companies the WGA selected has voted for the Union. That's one company out of hundreds on the east coast and hundreds more on the west coast and beyond. And that's after well over a year of WGA organizing. Even in the best case scenario there will be only 2 or 3 Union companies in an almost exclusively non union, nonfiction landscape at the end of this process.
- The Union will almost certainly demand, in bargaining, as they have done elsewhere, that in order to remain or be employed at Lion you will have to pay Union dues or fees.

For anyone interested I have also attached a document that corrects the record on some of the information the Union has been putting out. I realize it's probably information overload at this stage but there are just a few things I didn't want to let slide by.

Thanks to you all for listening to us either by reading the emails, taking our calls or just engaging in constructive conversations about the issues the election has thrown up.

Cheers

Tony

Tony Tackaberry

CEO

Lion Television Inc

304 Hudson Street

New York, NY

10013

Tel: 212 206 8633

Cell: 646 327 6517