TOP OF THE WEEK

Argyle socks away profit

New World's $717 million purchase of Argyle Television generated its own buzz. That price was more than double the $320 million Argyle paid less than a year ago for the four VHF affiliates: KTVK(TV) in St. Louis, WTVT(TV) in Birmingham, Ala.; KDFW(TV) in Dallas and KTXD(TV) in Austin, Tex.

Argyle President Blake Byrne, termed the sale—technically structured as an option to buy—"bittersweet." The windfall profit to be realized by Argyle's shareholders is attributable to a number of factors, including improved operating revenue, and the fact that the previous price was discounted because Argyle's minority-headed ownership structure allowed the stations' previous owner, Times Mirror, to defer tax on its gain.

Another factor is the higher multiple of a TV station's profit buyers are willing to pay today. That New World has more than one way to profit from a TV station (see stories) is yet another reason for the price it was willing to pay.

New World this week is expected to make yet another purchase announcement, that of WSMV(TV) Nashville.

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