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CNET NETWORKS INC
Form SC 13D/A
January 09, 2008

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D/A*
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

Under the Securities Exchange Act of 1934
(Amendment No. 1)

CNET Networks, Inc.

(Name of Issuer)

Common Stock, par value \$0.0001 per share

(Title of Class of Securities)

12613R104

(CUSIP Number)

Marc Weingarten, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(212) 756-2000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

January 7, 2008

(Date of Event which Requires
Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

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10.6%

14 TYPE OF REPORTING PERSON*
IA

* SEE INSTRUCTIONS BEFORE FILLING OUT!

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
SPARK MANAGEMENT PARTNERS, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
DELAWARE

7 SOLE VOTING POWER
- 0 -

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH
8 SHARED VOTING POWER
2,583,979

9 SOLE DISPOSITIVE POWER
- 0 -

10 SHARED DISPOSITIVE POWER
2,583,979

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON
2,583,979

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12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES* [X]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.7%

14 TYPE OF REPORTING PERSON*
OO

* SEE INSTRUCTIONS BEFORE FILLING OUT!

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
VELOCITY INTERACTIVE MANAGEMENT, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
DELAWARE

7 SOLE VOTING POWER
- 0 -

8 SHARED VOTING POWER
1,000,000

9 SOLE DISPOSITIVE POWER
- 0 -

10 SHARED DISPOSITIVE POWER

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

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| | | |
|-------------|--|--------------------------|
| OWNED BY | ----- | |
| EACH | 9 | SOLE DISPOSITIVE POWER |
| REPORTING | | |
| PERSON WITH | -0- | |
| | ----- | |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 129,199 |
| | ----- | |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON | |
| | 129,199 | |
| | ----- | |
| 12 | CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* | |
| | | [X] |
| | ----- | |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) | |
| | less than 0.1% | |
| | ----- | |
| 14 | TYPE OF REPORTING PERSON* | |
| | OO | |

* SEE INSTRUCTIONS BEFORE FILLING OUT!

| | | |
|-----------|-----------|--------------------|
| ----- | ----- | ----- |
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The Schedule 13D filed on January 7, 2008 (the "Schedule 13D") by JANA Partners LLC, a Delaware limited liability company, Spark Management Partners, L.L.C., a Delaware limited liability company, Velocity Interactive Management, LLC, a Delaware limited liability company, and Alex Interactive Media, LLC, a Delaware limited liability company (together, the "Reporting Persons") relating to the shares ("Shares") of common stock, par value \$0.0001 per share, of CNET Networks, Inc. (the "Issuer"), is hereby amended as set forth below by this Amendment No.1 to the Schedule 13D.

Item 2. Identity and Background

Paragraph (a) of Item 2 of the Schedule 13D is hereby supplemented as follows:

Any disclosures made herein with respect to persons or entities other than the Reporting Persons, the JANA Principals, the Spark Principals, the Velocity Principals and Gardi are made on information and belief after making inquiry to the appropriate party. By virtue of the Agreement, dated January 4, 2008 between JANA and Sandell Asset Management Corp. ("Sandell"), as more fully described in Item 6 of the Schedule 13D, the Reporting Persons may be deemed to be a "group" with Sandell and its affiliates for purposes of the Act. The securities reported herein as being beneficially owned by each of the Reporting Persons do not include any securities held by Sandell or any other person or entity other than the various accounts under each Reporting Person's management and control.

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Item 3. Source and Amount of Funds or Other Consideration.

The first sentence of Item 3 of the Schedule 13D is hereby amended as follows:

The 16,159,355 Shares reported herein as being beneficially owned by JANA were acquired at an aggregate purchase price of approximately \$137,681,536.37.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby supplemented as follows:

On January 9, 2008, JANA issued a press release (the "JANA January 9 Press Release") (i) announcing an increase in the number of Shares beneficial owned by JANA and Sandell and (ii) addressing statements made by the Issuer regarding JANA's nomination of seven individuals to the Board. A copy of the JANA January 9 Press Release is filed as Exhibit 12 to the Schedule 13D and is incorporated herein by reference.

Item 5. Interest in Securities of the Company.

Paragraph (a), the first sentence of paragraph (b) and paragraph(c) of Item 5 of the Schedule 13D are hereby amended as follows:

(a) The aggregate percentage of Shares reported to be beneficially owned by the Reporting Persons is based upon 151,973,545 Shares outstanding, which is the total number of Shares outstanding as of October 31, 2007 as reported in the Issuer's Quarterly Report on Form 10-Q filed on November 5, 2007 for the period ended September 30, 2007.

As of the close of business on January 9, 2008; (i) JANA may be deemed to beneficially own 16,159,355 Shares, constituting approximately 10.6% of the Shares outstanding, (ii) Spark may be deemed to beneficially own 2,583,979 Shares, constituting approximately 1.7% of the Shares outstanding, (iii) Velocity may be deemed to beneficially own 1,000,000 Shares, constituting approximately 0.7% of the Shares outstanding, and (iv) AIM may be deemed to beneficially own 129,199 Shares, constituting less than 0.1% of the Shares outstanding. Spark and AIM beneficially own their respective Shares by virtue of the Amended and Restated Agreement described in Item 6 of the Schedule 13D. Velocity beneficially owns its Shares by virtue of the Option Agreement described in Item 6 of the Schedule 13D.

By virtue of (i) the Amended and Restated Agreement, (ii) the Option Agreement, and (iii) the Sandell Group Agreement, the Reporting Persons and Sandell may be deemed to have formed a "group" within the meaning of Section 13(d)(3) of the Securities Act of 1934 and may be deemed to beneficially own 18,359,355

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Shares, constituting approximately 12% of the Shares outstanding. However, each of the Reporting Persons expressly disclaims beneficial ownership of the Shares beneficially owned by the other Reporting Persons and Sandell. Sandell will be filing a separate Schedule 13D with respect to its interest.

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(b) JANA has sole voting and dispositive powers over 12,446,177 Shares, which powers are exercised by the JANA Principals, and (i) by virtue of the Option Agreement, shared voting and dispositive power over 1,000,000 Shares, which power is shared with Velocity and (ii) by virtue of the Amended and Restated Agreement, shared voting and dispositive power over 129,199 Shares and 2,583,979 Shares, which power is shared with AIM and Spark, respectively.

(c) Information concerning transactions in the Shares effected by the Reporting Persons since the filing of the Schedule 13D is set forth in Appendix A hereto and is incorporated herein by reference.

Item 6. Contracts, Arrangements Understandings or Relationships with Respect to Securities of the Company

The first, second and third sentences of the fifth paragraph of Item 6 are hereby amended as follows:

JANA currently has contractual agreements with two credit counterparties: Jefferies & Company, Inc. and Lehman Brothers Inc., with regard to cash-settled equity swaps (the "JANA Swaps") that reference Shares. The JANA Swaps constitute economic exposure to approximately 9,221,648 Shares, or 6.0% of the Shares outstanding. The JANA Swaps have reference prices ranging from \$7.29 to \$8.07 and expiration dates ranging from July 2008 to January 2009.

Item 7. Material to be Filed as Exhibits.

Item 7 of the Schedule 13D is hereby supplemented as follows:

Exhibit 12 JANA January 9 Press Release.

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SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 9, 2008

JANA PARTNERS LLC

By: /s/ Barry Rosenstein

Name: Barry Rosenstein
Title: Managing Partner

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By: /s/ Gary Claar

Name: Gary Claar
Title: General Partner

SPARK MANAGEMENT PARTNERS, L.L.C.

By: /s/ Santo Politi

Name: Santo Politi
Title: Managing Member

VELOCITY INTERACTIVE MANAGEMENT,
LLC

By: /s/ Jonathan Miller

Name: Jonathan Miller
Title: Authorized Signatory

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ALEX INTERACTIVE MEDIA, LLC

By: /s/ Paul Gardi

Name: Paul Gardi
Title: Managing Member

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APPENDIX A

TRANSACTIONS IN THE SHARES EFFECTED BY THE
REPORTING PERSONS SINCE THE FILING OF THE SCHEDULE 13D
(UNLESS OTHERWISE STATED, ALL TRANSACTIONS WERE EFFECTED IN THE OPEN MARKET)

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JANA

| Date of Trade | Shares Purchased (Sold) | Price per Share |
|---------------|-------------------------|-----------------|
| ----- | ----- | ----- |
| 1/7/2008 | 972,700 | 8.49 |
| | 59,800 | 8.76 |
| | 290,200 | 8.63 |
| 1/8/2008 | 1,161,803 | 8.43 |
| | 293,197 | 8.48 |
| | 45,000 | 8.45 |
| 1/9/2008 | 997,400 | 8.20 |
| | 20,078 | 8.26 |
| | 8,309 | 8.31 |
| | 10,695 | 8.33 |