

# CableFAX Daily™

Monday — January 26, 2009

What the Industry Reads First

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## Content Kings: NATPE Takes On Multiplatform Shift, Evolving Audiences

TV producers and execs converge on Las Vegas Mon for the annual schmoozefest and Digital Revolution Learning Annex otherwise known as **NATPE**. This year's eclectic agenda includes everything from panels covering traditional TV to sessions on online/viral video, mobile TV and online syndication to an appearance by the Obama Girl (actress *Amber Lee Ettinger*). Attendance is expected to suffer from the ailing economy, although NATPE pres/CEO *Rick Feldman* said "we're getting the same penetration" of companies—"it's just not the same number of people... It won't match the attendance last year. It will be down." Of course, it's still the entertainment biz, meaning plenty of networking and socializing. For example, various cast members of hit **AMC** show "Mad Men" are putting on a musical variety stage show at the MGM Grand Tues night to benefit the NATPE Educational Foundation, and one of the many cocktail receptions includes a mixology competition in which 4 teams will compete "Iron Chef"-style to concoct the best drinks. But it's not all fun and games, especially with a tough economy bearing down on everyone. Heavy hitters like **Disney Media Networks** co-chair *Anne Sweeney*, **NBC Entertainment** co-chmn *Ben Silverman* and **Lionsgate** CEO/co-chmn *Jon Feltheimer* will all impart their wisdom, among others. And the schedule includes back-to-back sessions. Feldman said the show's focus remains "content, content, content," especially how to prosper in the multiplatform world. The growth of digital platforms will drive several NATPE panels this year. "To me, it is like the early days of television or radio," said *Diane Robina*, pres, **FEARnet** and NATPE board member. "We're the game changer. This new audience will consume media in a really different way than any of [us] consume it."

**DTV Doings:** A delayed DTV transition looks more likely after Sen Commerce chmn *Jay Rockefeller* (D-WV) worked out a compromise with the ranking Republican on his DTV delay act late Thurs. Now, instead of moving the date to June 12, the bill allows broadcasters' to opt to make the transition before June 12, permits the **FCC** to award vacant spectrum to public safety officials and allows those with expired DTV converter coupons to apply for replacements. Senate consideration is expected next week. Ranking member *Kay Bailey Hutchinson* (R-TX) said Rockefeller assured her he wouldn't seek another delay of the analog cutoff. "These changes will help consumers whose coupons have expired, and allow TV stations that are prepared, and ready, to move forward without the requirement of simulcasting," she said of the revised bill. Meanwhile, House Commerce ranking member *Joe Barton* (R-TX) is trying to avoid a delay, introducing a bill to authorize \$250mln to resume distribution of converter box coupons. "Today's new bill will let us avoid the damage and confusion of delaying the DTV transition by getting the people who need coupons off the waiting list and into the stores," he said.

**At the Portals:** Newly appointed acting **FCC** chmn *Michael Copps* was greeted with letters in the ongoing program carriage disputes between 4 ops and 3 programmers almost as soon as he took the job. After he was named to the post Thurs, **Comcast** vp, regulatory and state affairs *Kathy Zachem* suggested an immediate review of the 6 separate pro-

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gram carriage complaints. Comcast wants the cases handled by an ALJ, not the Media Bureau, which took them over in a Dec 24 order. **NFL Net**, **MASN** and **Wealth TV** have filed complaints against Comcast. Wealth also has complaints pending against **Bright House**, **Cox** and **Time Warner Cable**. Zachem said the other 3 MSOs join in Comcast's request. The MSOs hope Copps rescinds a Jan 16 Media Bureau order requiring documents and questions answered by Wed. Comcast said it will require "significant resources." NFL Net on Fri urged Copps to allow the Media Bureau to continue as its order "prescribes a path that would lead to a recommended decision by late February."

**Case Closed:** The **SEC** has entered a cease-and-desist order against **Cablevision** for improper expense recognition, but it includes no fines. This dates back to the SEC's investigation concerning claims that former employees, primarily at **Rainbow**, improperly accounted expenses from '99-'03. CVC restated its financials in '04 after it discovered the accounting issues. CVC, which neither admitted nor denied any of the findings, resolved the matter by promising to cease and desist from similar conduct in the future. "We are pleased that this matter has been resolved to the satisfaction of the SEC and Cablevision, and that it is now behind us. We note that: this was discovered and disclosed by Cablevision to the SEC nearly six years ago after a voluntary internal review by the company; that the company took prompt remedial action; and that we cooperated fully with the SEC throughout," a CVC rep said. Separately, three former employees will pay a total of \$60K to settle a separate civil action, the SEC said. Without admitting or denying the allegations, former **AMC Nets** pres **Katie McEnroe** agreed to a \$30K penalty, while **Noreen O'Loughlin** and **Martin von Ruden** will each pay \$15K penalties.

**Earnings:** No surprise at **NBCU** in 4Q, at least concerning cable. The company's cable properties are "strong everywhere," said **GE** vice chmn/CFO **Keith Sherin** during Fri's earnings call, noting 11% growth in cable rev and a 22% surge in operating profit. **Bravo**, **Sci Fi** and **USA** all achieved double-digit growth in the Q, while **MSNBC** grew by a healthy 37% and **CNBC** 15%. Sherin also noted "good growth" for **Hulu.com** despite a dip in online ad spending. Overall broadcast profit, however, fell 50%, marred by local media's 25% drop in rev and 55% plummet in operating profit. The poor local broadcast environment helped drive overall NBCU rev (-3%) and profit (-6%) noticeably downward, to levels well off the projected rev growth of 5-10% and profit growth of 0-5%. NBCU announced last month plans to eliminate 500 jobs.

**In the States:** The **MA Attorney General's Office** resolved with **Comcast** allegations that the MSO didn't accurately and fairly disclose info needed to prepare for the DTV transition. The AG Office alleged that Comcast's Nov "Get Ready" campaign failed to disclose other non-cable DTV options and claimed non-cable consumers wouldn't need any new equipment when they, in fact, may require the installation of cable outlets or wiring that could result in installation charges. Comcast agreed to modify its Website and mailing, as well as destroy all copies of the "Get Ready" mailings.

**Programming:** **ESPN** on Mon gears up for 90 hours of Super Bowl-related programming across its domestic TV properties during the week. Outside the US, **ESPN Intl** will bring the big game to approx 40mln HHs in 117 countries.

**People:** **Time Warner Cable** chief comm officer **Ellen East** succeeds **Discovery's Jennifer Dangar** to chair **WICT's** board.

**Business/Finance:** Following a lengthy bidding process for the transfer in ownership of the **Chicago Cubs**, **Wrigley Field** and a 25% stake in **Comcast SportsNet Chicago**, **Tribune Co** has selected Chicago investment banker **Tom Ricketts'** \$900mln bid as its favored proposal. Other bidders could still raise their offers, and any deal would have to be approved by **MLB** team owners.

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**CableFAX Week in Review**

Company	Ticker	1/23 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	22.79	(5.7%)	(19.8%)
DIRECTV:	DTV	21.38	(2.7%)	(6.7%)
DISH:	DISH	11.19	(9.3%)	0.90%
DISNEY:	DIS	20.61	(3.9%)	(7.6%)
GE:	GE	12.03	(13.8%)	(23.8%)
HEARST-ARGYLE:	HTV	4.15	(12.6%)	(31.5%)
NEWS CORP:	NWS	7.59	(12.1%)	(20.7%)

Company	Ticker	1/23 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	16.17	(9.2%)	(4%)
CHARTER:	CHTR	0.08	(33.3%)	
COMCAST:	CMCSA	14.99	(2.2%)	(11.2%)
COMCAST SPCL:	CMCSK	14.31	(3.2%)	(11.4%)
GCI:	GNCMA	6.57	(1.4%)	(18.8%)
KNOLOGY:	KNOL	4.83	(2.8%)	(6.4%)
LIBERTY CAPITAL:	LCAPA	5.27	(3.8%)	11.90%
LIBERTY ENT:	LMDIA	17.39	(2.1%)	(0.5%)
LIBERTY GLOBAL:	LBTYA	15.06	(16.1%)	(5.4%)
LIBERTY INT:	LINTA	3.09	(1.9%)	(1%)
MEDIACOM:	MCCC	5.10	3.90%	18.60%
SHAW COMM:	SJR	16.41	(5%)	(6.8%)
TIME WARNER CABLE:	TWC	18.24	(2.8%)	(15%)
VIRGIN MEDIA:	VMED	4.40	(3.1%)	(11%)
WASH POST:	WPO	407.89	(0.1%)	4.50%

Company	Ticker	1/23 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	6.48	(10%)	(20.9%)
CROWN:	CRWN	1.60	(17.5%)	(43.9%)
DISCOVERY:	DISCA	14.70	(0.4%)	3.80%
EW SCRIPPS:	SSP	1.74	(13.4%)	(21.1%)
GRUPO TELEVISIA:	TV	15.03	1.20%	0.60%
HSN:	HSNI	5.00	(3.1%)	(31.2%)
INTERACTIVE CORP:	IACI	15.00	(0.9%)	(4.7%)
LIBERTY:	L	24.53	(2.2%)	(13.2%)
LODGENET:	LNEN	0.98		40.00%
NEW FRONTIER:	NOOF	1.98		16.50%
OUTDOOR:	OUTD	6.65	6.70%	(11.2%)
PLAYBOY:	PLA	1.66	(7.8%)	(23.1%)
RHI:	RHIE	4.50	(9.1%)	(44.6%)
SCRIPPS INT:	SNI	22.32	(1%)	1.50%
TIME WARNER:	TWX	9.31	(3.1%)	(7.5%)
VALUEVISION:	VVTV	0.39	(17%)	18.20%
VIACOM:	VIA	16.69	(5.6%)	(17%)
WWE:	WWE	10.09	(2.3%)	(5.7%)

Company	Ticker	1/23 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	2.28	(2.1%)	
ADC:	ADCT	4.94	6.00%	(9.6%)
ADVANTAGE:	AEY	1.90	17.30%	6.70%
ALCATEL LUCENT:	ALU	1.96	(3.9%)	(8.8%)
AMDOCS:	DOX	17.03	(11.4%)	(6.9%)
AMPHENOL:	APH	25.24	(1.1%)	5.30%
APPLE:	AAPL	88.36	7.30%	3.50%
ARRIS GROUP:	ARRS	7.47	0.90%	(6%)
AVID TECH:	AVID	10.84	1.00%	(0.6%)
BIGBAND:	BBND	5.76	(3.7%)	4.30%
BLNDER TONGUE:	BDR	0.85	(8.6%)	(15.8%)

Company	Ticker	1/23 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	17.46	1.90%	2.90%
CISCO:	CSCO	15.89	0.40%	(2.5%)
CLEARWIRE:	CLWR	4.15	2.20%	4.50%
COMMSCOPE:	CTV	14.14	4.80%	(9%)
CONCURRENT:	CCUR	3.25	3.10%	(2.9%)
CONVERGYS:	CVG	6.96	(3.9%)	8.60%
CSG SYSTEMS:	CSGS	13.80	(8.1%)	(21%)
ECHOSTAR:	SATS	13.97	(5.9%)	(6.1%)
GOOGLE:	GOOG	324.70	8.40%	5.50%
HARMONIC:	HLIT	4.84	(12.2%)	(13.7%)
INTEL:	INTC	13.12	(4.5%)	(4.4%)
JDSU:	JDSU	3.63	(4.3%)	(2.2%)
LEVEL 3:	LVLTL	1.05	(11%)	50.00%
MICROSOFT:	MSFT	17.20	(12.7%)	(11.5%)
MOTOROLA:	MOT	4.60	1.30%	5.00%
NDS:	NNDS	58.64	2.20%	2.30%
OPENTV:	OPTV	1.11	(3.5%)	(9.8%)
PHILIPS:	PHG	16.09	(11.4%)	(19%)
RENTRAK:	RENT	11.56	(5.4%)	(2%)
SEACHANGE:	SEAC	6.26	(2.6%)	(13.2%)
SONY:	SNE	20.32	(11%)	(7.1%)
SPRINT NEXTEL:	S	2.46	11.30%	34.40%
THOMAS & BETTS:	TNB	21.45	(5.8%)	(10.7%)
TIVO:	TIVO	7.01	(5.1%)	(2.1%)
TOLLGRADE:	TLGD	5.50	(1.3%)	15.10%
UNIVERSAL ELEC:	UEIC	11.98	(18.4%)	(26.1%)
VONAGE:	VG	0.53	(11.7%)	(19.7%)
YAHOO:	YHOO	11.32	(2.3%)	(7.2%)

Company	Ticker	1/23 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	26.12	3.50%	(8.4%)
QWEST:	Q	3.75	3.90%	3.00%
VERIZON:	VZ	30.44	1.60%	(10.2%)

Index	1/23 Close	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>			
DOW:	INDU	8077.56	(2.5%) (8%)
NASDAQ:	COMPX	1477.29	(3.4%) (6.3%)

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. ADVANTAGE:	1.90	17.30%
2. SPRINT NEXTEL:	2.46	11.30%
3. GOOGLE:	324.70	8.40%
4. APPLE:	88.36	7.30%
5. OUTDOOR:	6.65	6.70%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. CHARTER:	0.08	(33.3%)
2. UNIVERSAL ELEC:	11.98	(18.4%)
3. CROWN:	1.60	(17.5%)
4. VALUEVISION:	0.39	(17%)
5. LIBERTY GLOBAL:	15.06	(16.1%)



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