

CableFAX Daily™


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What the Industry Reads First

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Foreign Affairs: Non-English Channels, Subs Helpful to Operators

Names like **Rang a Rang** and **Afroentertainment** may not be that familiar to you, but pay TV operators view the expanding multitude of intl and foreign-language channels as a big opportunity. Whether Spanish-language or from Eastern Europe, the nets/packages can act as key service differentiators, fit nicely onto expanded digital platforms, and for some ops produce notable revenue. For **RCN**, which features 43 Spanish-language nets and approx 90 intl channels in 20 different packages, rev from intl programming has tripled over the last year, said Richard Ramlall, RCN svp, strategic external affairs & programming. Plus, he said, the related take rate has surged 30%, making intl the fastest growing segment in the overbuilder's cable business. **Comcast** has more than 140 multicultural nets (70 Hispanic) under contract, said vp, multicultural services **Kim Taylor**, noting how the MSO is "truly looking at all of our products to see how to better serve the Hispanic markets" in Houston, San Francisco, Chicago and Miami, among others. To that end, Comcast just added 6 additional Hispanic nets from **Olympusat** in San Francisco, including a news and family ent channels, and the MSO is partnering with the **NFL** on several activities targeting Hispanics during the Super Bowl festivities in Miami. Also, svp/gm, video and ent services **Derek Harrar** highlighted the MSO's focus on Spanish-language VOD, citing its discovery of "how to allow language changes in VOD" as a potential game-changer. **U-verse TV** tenders content from areas ranging from South Asia to France but like Comcast is particularly intrigued by the Hispanic market. Citing "great customer response" to overall int'l offerings, a spokesperson underscored the telco's 2 major Latino packages, **U200 Latino** and **Paquete Espanol**, as real success stories. And also like Comcast, "we think there are growth opportunities in [VOD] for international programming... this will be an area to watch," said the spokesperson. Given its ethnic footprint, **Cablevision** views intl as a "very important market," said a rep, adding that "our customers have responded very favorably to our product offering and new channel launches." The MSO currently features more than 70 intl channels in 13 packages. **DirecTV** offers 70 intl nets in 26 different packages, plus 55 in Spanish from Latin America and Spain. A spokesperson declined to disclose specific numbers but said "our international business continues to thrive." **DISH** appears to be the multiplatform leader in the number of intl channels currently offered, with approx 185 in more than 28 different languages. The DBS op declined to divulge take rates or rev data, but sources said a good percentage of DISH's sub adds—at least in large ethnic markets



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#1 cable network for 4th straight year



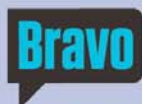
#1 upscale network in Business Day



#4 cable entertainment network



#2 cable news network beating CNN



#1 upscale network in Prime



Youngest, most upscale women's network

Sources: USA: Nielsen Explorer, 12/29/08-12/27/09, M-Su 8p-11p; Live+7(000), P18-49 & P25-54, vs. all ad-supported cable networks. CNBC: Nielsen NPower, 12/29/08-12/27/09, Live, M-F 5a-7p, Live + SD, A25-54, Median Income ranked against all ad-supported cable nets. Syfy: Nielsen Explorer, Since Rebrand: 7/7/09-12/21/09; most current data=Live+7 thru 12/6, Live+SD thru 12/21, M-Su 8p-11p, P25-54(000) vs. ad-supported cable networks excluding sports networks. MSNBC: Nielsen Explorer, 12/29/08-12/27/09, M-Su 8p-11p, P25-54, L+SD(000) vs CNN, FXNC and HLN. Bravo: Nielsen MarketBreaks, 12/29/08-12/27/09, M-Su 8p-11p, Live+7, P18-49 w/ HH Income \$125K+ VPVH. Ranked against all ad-supported cable networks excluding sports networks. Oxygen: Youngest - Nielsen NPower, 12/29/08-12/27/09, M-Su 8p-11p, Live+7, Median Age based on F2+. Upscale - Nielsen MarketBreaks, 12/28/09-12/27/09, M-Su 8p-11p, Live+7, W18-49 with HH Income \$100k+ VPVH. Women's networks include Oxygen, Lifetime, LMN, WE and SOAP.



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such as Washington, DC—stem from its intl offerings. **FiOSTV** features 36 intl channels in 21 languages and 27 nets within its Spanish package. “We continue to grow the number of subscribers for international content, and that number increases every time we add a new channel,” said *Rachelle Zoffer*, dir, international programming & interactive TV, adding that the telco wants to rehash special offers that include 3 months of free service for an intl package.

Carriage: **Mediacom** said “I do” to **Rainbow’s Wedding Central**, making it the 1st distributor to launch the channel since Rainbow parent **Cablevision** did so in Aug. It joins Mediacom’s digital basic tier next month. Wedding Central’s programming lineup includes “Rich Bride, Poor Bride” and “Single in the City.”

In the States: **Cablevision** added an automatic sign-in feature to its **Optimum WiFi** service that allows customers to sign-in once to connect their WiFi-enabled device to any of the network’s available locations in NY, NJ and CT. Since adding the feature late last month, CVC said avg weekly sessions on the network have nearly doubled, from approx 200K to nearly 400K. -- **Hughes** said more than 500K North Americans now subscribe to its **HughesNet** high-speed satellite Internet service. -- Between 4Q08 and 3Q09, cable lost 2.75% of the video sub market, according to **MediaCensus**, while DirecTV powered DBS to a 0.6% gain and telcos garnered 2.1%. -- **Sunflower Broadband** selected **Arris** tech to ramp deployments of commercial WiFi services.

Broadband \$: **RUS** announced nearly \$310mln in stimulus money awards Mon for 14 Recovery Act Broadband infrastructure projects. RUS has \$2.5bln in Recovery Act funding to dole out. Recipients include **Butler Telephone**, which received a \$3.9mln grant for providing high-speed DSL to remote, unserved HHs in its rural AL service territory, and **Ralls County Electric Co-op**, which received a \$9.5mln grant and \$9.5mln load for providing a fiber optic network in MO.

Technology: **Cox** said it has successfully delivered voice calling and HD video streaming over wireless networks using **LTE** tech through trials in Phoenix and San Diego. The MSO is preparing for initial launches of its wireless network in Hampton Roads, VA, Omaha and Orange County, CA. -- **Brightcove** inked a deal to integrate **Ping Identity**’s user authentication software into its **TV Everywhere Solution Pack**, which provides programmers with everything needed to participate in/manage TV Everywhere-type services.

Ratings: **Lifetime’s** great expectations for “The Pregnancy Pact” paid off, with the teen pregnancy movie becoming ad-supported cable’s highest-rated film among women 18-34 since ‘98 (4.8 rating). Sun’s premiere notched a 4.2 HH rating, 5.9mln total viewers and a 4.3 rating among women 18-49. It’s the 2nd highest-rated original movie premiere for the net ever among women 18-34 and adults 18-34.

Marketing: With stunning video at the heart of “Planet Earth” follow-on “Life” (March premiere), **Discovery** found a way to make sure reporters getting press kits Mon saw footage—even if they never played the accompanying DVDs. Using **Americhip** technology, the net sent press kits that includes 14 mins of in-print video. 5 video selections let you immediately see quality clips from “Life,” including the never-before-filmed mating ritual of the Vogelkop bowerbird. Americhip is the same company that brought a video ad of **CBS’s** Mon night lineup to *Entertainment Weekly* readers in L.A. and NY in Sept.

Advertising: **TNS Media** renamed itself **Kantar Media** to reflect its acquisition last year by **WPP** subsidiary Kantar.

Programming: **HDNet’s** original comedy “Svetlana” (Apr) spotlights the life of a Russian madam and political consultant.

Public Affairs: The “Hope For Haiti” telethon spearheaded by **MTV** and *George Clooney* set a record for a disaster relief telethon, with more than \$57mln raised by Sat and donations still coming in. And that preliminary figure does not include donations made by corporations, large private donors or iTunes sales. The “Hope for Haiti Now” album is the biggest 1-day album pre-order in iTunes history and is currently the #1 iTunes album in 18 countries. -- Following on its “Campaign 2008: Road to the White House” tour, **C-SPAN** launched 2 new “Civics Buses” on a nationwide, “100 Days, 100 Schools” tour last week. The buses will visit 100 schools between now and Apr 30 to share the net’s education and civic resources with students, teachers and civics-minded folks across the country.

Honors: Many winners of this year’s **SAG Awards** were similarly feted at the **Golden Globes**, including all 4 cable honorees: **AMC’s** “Mad Men” for drama, *Michael C. Hall* of **Showtime’s** “Dexter” for drama actor, *Kevin Bacon* of **HBO’s** “Taking Chance” for TV movie-miniseries actor and *Drew Barrymore* of **HBO’s** “Grey Gardens” for female TV movie-miniseries actor. Broadcast beat cable overall with 5 awards.

BUSINESS & FINANCE

Obit: Jim Quello, who served as an FCC commissioner for more than 23 years, passed away Sun. He was 95. Quello was a former vp at **Capital Cities** and World War II hero. Having served at the Commission from 1974 to 1997, just about everyone in Washington communications circles has a story about the well-liked public official. Statements came pouring in from many as news spread Sun. "Known as the 'Dean' of the FCC—and 'Boss' to the many staffers who worked for him—he was a role model to generations of FCC employees and advocates for his decency, personal charm, and commitment to his work," said FCC chmn Julius Genachowski.

People: **Scripps Nets** named *Soheila Ataie*, formerly of **Starz**, as svp, HR for **Travel Channel Media**. -- **Ex-Universal Cable** exec *Nikki Reed* becomes vp, original series for **Disney Channel** and **Disney XD**. -- **Cable Audit Associates** upped *Amy Gittins* to vp, audit ops and *Steve Mydlowski* to vp, cable and broadcast accounting services. -- **Ascent Media** named *Dr John Malone* a board member. -- **Spike** upped *John Griffin* to svp, programming.

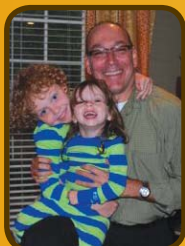
Business/Finance: **Liberty Global** shares rose more than 8% Mon after the co's pact to sell its 38% stake in **Jupiter Telecom** of Japan to **KDDI** for \$4bln in cash, plus news that the European Union approved its purchase of German cable op **Unitymedia**. -- **AOL** got Internet video co **StudioNow** for \$36.5mln in cash and stock.

CableFAX Daily Stockwatch

Company	01/25 Close	1-Day Ch	Company	01/25 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	35.45	1.01	AMPHENOL:	40.85	0.31
DIRECTV:	31.09	(0.29)	AOL:	23.96	0.24
DISH:	19.01	0.20	APPLE:	203.07	5.33
DISNEY:	29.92	(0.06)	ARRIS GROUP:	10.81	(0.01)
GE:	16.37	0.26	AVID TECH:	12.67	0.07
NEWS CORP:	15.02	0.28	BIGBAND:	3.18	(0.06)
MSOS					
CABLEVISION:	26.58	0.72	BLNDER TONGUE:	1.13	(0.03)
COMCAST:	16.01	0.16	BROADCOM:	28.80	0.37
COMCAST SPCL:	15.40	0.19	CISCO:	22.99	0.02
GCI:	6.07	0.15	CLEARWIRE:	6.74	(0.03)
KNOLGY:	11.30	0.30	COMMSCOPE:	28.57	(0.04)
LIBERTY CAPITAL:	23.75	(0.92)	CONCURRENT:	3.89	0.04
LIBERTY GLOBAL:	25.45	1.91	CONVERGYS:	11.05	(0.06)
LIBERTY INT:	10.72	(0.07)	CSG SYSTEMS:	17.75	(0.03)
MEDIACOM:	4.18	(0.05)	ECHOSTAR:	18.94	(0.11)
RCN:	9.84	0.37	GOOGLE:	540.00	(10.01)
SHAW COMM:	19.21	0.10	HARMONIC:	6.14	(0.05)
TIME WARNER CABLE:	44.74	0.90	INTEL:	20.32	0.41
VIRGIN MEDIA:	15.43	0.32	JDSU:	8.10	0.02
WASH POST:	446.21	1.64	LEVEL 3:	1.47	(0.03)
PROGRAMMING					
CBS:	13.32	0.02	MICROSOFT:	29.32	0.36
CROWN:	1.31	(0.02)	MOTOROLA:	7.18	(0.03)
DISCOVERY:	30.83	(0.06)	OPENTV:	1.53	0.01
GRUPO TELEVISA:	19.80	0.12	PHILIPS:	30.24	1.98
HSN:	18.73	0.11	RENTRAK:	16.22	(0.65)
INTERACTIVE CORP:	20.30	(0.19)	SEACHANGE:	6.55	0.09
LIBERTY:	36.09	0.36	SONY:	34.80	0.62
LIBERTY STARZ:	47.84	0.16	SPRINT NEXTEL:	3.44	0.07
LIONSGATE:	5.48	0.01	THOMAS & BETTS:	33.37	(0.13)
LODGENET:	5.88	(0.13)	TIVO:	9.75	(0.03)
NEW FRONTIER:	2.09	0.03	TOLLGRADE:	6.37	(0.01)
OUTDOOR:	5.34	(0.03)	UNIVERSAL ELEC:	24.85	(0.22)
PLAYBOY:	3.47	0.06	VONAGE:	1.55	(0.06)
RHI:	0.39	(0.01)	YAHOO:	15.86	(0.02)
SCRIPPS INT:	44.15	0.15	TELCOS		
TIME WARNER:	27.41	0.21	AT&T:	25.58	0.19
VALUEVISION:	4.18	(0.18)	QWEST:	4.33	0.02
VIACOM:	31.06	(0.25)	VERIZON:	30.68	0.34
WWE:	16.10	0.39	MARKET INDICES		
TECHNOLOGY					
3COM:	7.52	(0.03)	DOW:	10196.86	23.88
ADC:	5.91	(0.16)	NASDAQ:	2210.80	5.51
ADVANTAGE:	2.13	0.02			
ALCATEL LUCENT:	3.36	(0.04)			
AMDOCS:	29.45	0.28			

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EYE ON ADVERTISING

The Case for Cable

Why does a cable buy make sense vs broadcast? Blake Wise, whose Maryland-based Wise Advertising represents Subway and Jiffy Lube among other clients, counts the ways for contributing writer Cathy Applefeld Olson.

You buy television space for your clients. When does cable make sense?

BW: There's a geographic rationale for using cable. Your financial investment is targeted much more effectively than broadcast because every person you are paying to reach is a potential customer. Say you're a business in one of the counties that surrounds Baltimore and you're trying to reach customers from an area that may be 30 miles in diameter. To buy just Baltimore broadcast TV is not cost effective.

Because cable has the ability to zero in by system...

BW: You don't start a business and say, 'OK, we are in Baltimore so we're only going to do business in the Baltimore market.' You are in business where people want to do business with you. That becomes a real problem for broadcast. Some companies sit in the epicenter of their market. But what about where it's not so clean-cut? What if you're in Columbia (Md.)? Do you buy Baltimore broadcast and end up having to pay for Hartford County, or do you buy D.C. and pay for Northern Virginia? That's where cable can be an excellent option.

When else has a cable buy made sense for your clients?

BW: A few years ago, Subway introduced a sandwich that was designed for kids. We did a market-wide buy on Comcast for the entire Pittsburgh system. I think it was for Nickelodeon only but might also have had a few other [children's] networks. When we decided we wanted to reach kids, we examined the broadcast and cable opportunities, and it became clear to us there

was much more flexibility and coverage, and it was more cost-effective, to buy cable networks that targeted our audience.

You have the advantage of 20/20 hindsight on that one. How did it work?

BW: It was phenomenal. So that's an example of the targeting opportunities [by network]. And cable's been more willing to be creative. The broadcast stations tend to feel like they're going to get the business anyway, but cable tends to understand they have to work harder to get our business.

Can you give an example?

Comcast in Philly was doing a promotion for their local sports coverage and wanted Subway to be a sponsor. This was really important because Subway's big competition there is Wawa, which is a local Philadelphia chain that sells Philadelphia hoagies. So it was important for us to try to integrate our brand, and Comcast did a great job working with us to come up with a way that made it really look like Subway was supporting the local sports teams.

Are you generally putting more or less money into television these days vs other media?

BW: We are putting more money into TV than we ever have, and it's paying off for our clients. We've been reading about the death of TV for at least five years, and we've never believed that was going to happen. Yes, things are changing, but TV is going to hold its own and is the most powerful medium available to advertisers... The overarching topic here is targeting. That's always been extremely important to businesses, and in a tough economy it becomes even more important because they have a smaller margin of error.

(Longtime entertainment industry reporter Cathy Applefeld Olson is delighted to be documenting media's wild ride into the 21st century)



CableFAX

Sales Executive of the Year Awards

saluting cable sales leadership

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Saluting sales excellence at cable programming networks, cable operators, and ad agencies.

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