

CableFAX Daily™

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What the Industry Reads First

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Cable M&A Talks: Regulators Circle as Dealmakers Dance

Ever since **Charter** announced its bid for **Time Warner Cable**, the consensus is that regulators will look at the deal closely. And asst attorney general for **DOJ's** antitrust division *William Baer's* recent comments only strengthened the view. In an interview with *The New York Times*, Baer said he will "take a hard look" at any proposed deal by 2 major wireless carriers (such as a potential **Sprint/T-Mobile** tie-up) and that the division would similarly scrutinize any proposed merger among cable companies. His comments came as speculation of possible **Comcast** interest in at least some Time Warner Cable properties continues. Assuming the companies are willing to address antitrust/regulatory demands, including for possible divestitures if Comcast were to try to buy all of TWC, regulatory approval is possible, **Stifel Nicolaus** analysts said in a research note Fri. In addition, a Comcast takeover of even some TWC systems could prompt the DOJ and **FCC** to demand the '11 **Comcast-NBCU** merger conditions cover TWC assets, the analysts said, adding that regulators might even try to extend the duration and/or modify the substantive provisions of the conditions. That could include continuing application of the FCC's Open Internet rules despite a recent court ruling, they said, with the DOJ/FCC also possibly trying to impose Open Internet conditions on the Charter-TWC transaction. On the financial side, **UBS** analysts stated previously that a **Charter** bid of \$140-\$145 would be needed to get TWC investors' support. They now expect Charter to move forward with plans for a proxy fight. However, a new, higher bid may still come given the support it could get from TWC shareholders, they said (As expected, TWC management continued to suggest during the company's Thurs earnings call that only bids of \$160 per share or more would be acceptable). Interestingly, as **Wells Fargo** analysts noted, this number was qualified as "related to Charter." That led the analysts to speculate that the price and deal structure might be different if another buyer were to step in. Is TWC winking at Comcast? Looking back, cable saw a multi-year high in M&A activities in 2013, but in terms of deal size, not volume. According to **SNL Kagan** data, cable M&A deal values totaled \$6.82bln as a result of 29 transactions. It's the highest aggregated deal value since 2009. However, the number of deals fell below totals recorded in 2012 (56 transactions). Dominating activities was **Liberty Media's** purchase of a 27% stake in Charter for \$2.62bln, followed by Charter's \$1.63bln

CableFAX

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Questions: Mary Lou French at
301-354-1851; mfrench@accessintel.com

To Sponsor: Amy Abbey at
301-354-1629; aabbey@accessintel.com

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acquisition of former **Bresnan** cable system **Optimum West**.

M&A: RBC Capital Markets topped **Thomson Reuters'** rankings of top M&A advisors to North America cable, telecom, broadcast and data infrastructure companies with 16 deals in '13, beating **JP Morgan** (14 deals) and **Goldman Sachs** (12 deals). The rank only covers parts of RBC's transactions: Its media/entertainment group completed more than 110 deals with an aggregate value of \$130bln. Among those deals: TWC's \$600mln purchase of **DukeNet**, **Media General's** \$1.4bln merger with **Young Broadcasting**, and the \$2.2bn **Gannet/Belo** deal.

CableCARD: The top 9 cable ops have deployed more than 45mln CardCARDS, including 505K used in retail devices, **NCTA** said in a report filed with the **FCC** Fri. That's up from 44mln, including 600K retail devices, when NCTA reported in Nov. The trade group has been asking the FCC to end the set-top integration band, and in Sept Reps **Bob Latta** (R-OH) and **Gene Green** (D-TX) introduced a bill that would do away with FCC rules that require boxes deployed after July 1, '07 to feature separable security.

On the Hill: House Commerce is concerned about the **FCC's** increased staffing levels, especially in its wireline bureau. In a letter to the agency, the committee noted the agency's staffing levels will rise to the proposed level of 1,821 full time employees, an increase of 98 from the FY 2013 level. That includes an increase of 57 full time employees in the wireline bureau. The committee asked the FCC to explain reasons for these increases. It also requested information on employment information at the wireline bureau, including salary, job responsibilities and current assignments and projects.

Carriage Dispute: Still no talks more than 2 weeks after **The Weather Channel** went dark on **DirecTV**, we were told. But that hasn't stopped both from firing shots at each other in the press and on social media platforms. Despite the absence of DirecTV's 20mln subs, the net's coverage of Winter Storm Leon saw a 30% gain on Tues among P2+ versus the prior 4 Tuesdays. And viewership more than doubled versus the prior 2-week weekday averages.

On the Circuit: **Sportsman Channel's** stage at the Great American Outdoor Show will feature appearances by "The Gunny" **R. Lee Ermey**, **Brian "Pig Man" Quaca**, **The Sporting Chef Scott Leysath**, **Steven Rinella** and others. The outdoor show runs from Feb 1-9 at in Harrisburg, Pa.

Programming: WGN America scored exclusive off-network cable rights to **CBS's** detective drama series "Elementary." Currently in its 2nd season, "Elementary" is being sold about 2 years earlier than is typical with syndication deals, noted **Wells Fargo** analysts. In addition, they said the deal is likely to be "record-breaking" in terms of dollars per episode. -- **Sam Champion**, who started at **The Weather Channel** on Jan 21 from **ABC**, announced his new morning show via **Twitter:** "AMHQ." Launching in mid-March, "AMHQ" is short for America's Morning Headquarters, but the official title is "AMHQ."

Name Change: **BCI Broadband** has changed its name to **Vyve Broadband**, combining recent acquisitions of **Alliance Comm** and **Mediastream** systems and creating "a high-speed, no-holds-barred, access to your entertainment, social life and work life" company, according to Vyve's website.

Social Circle: In the hours leading up to the Feb 9 return of **AMC's** "The Walking Dead," actor **Norman Reedus** (who plays Daryl Dixon) will participate in a live **Twitter Q&A**.

People: **MTV** hired **Elli Hakami** as evp, current series and programming, reporting to head of programming **Susanne Daniels**. Hakami was most recently the svp of programming and production at **BBC Worldwide Productions**. She launched and led **Discovery Comm's** NY and LA development offices.

Business & Finance: Comcast Ventures led a \$4.5mln funding round in **Enigma**, a startup looking to provide a search service that lets users find public data from various sources and formats. The company offers a \$195-per-month package for researchers and a \$395-per-month one for developers, in addition to other pricing tiers.

Editor's Note: Don't forget to enter your best campaigns and executives for the **Sales Exec of the Year** awards (Feb 14 deadline) and **Faxies** (Mar 21 deadline). More info at www.cablefax.com

CableFAX Week in Review

Company	Ticker	1/31 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

21ST CENTURY FOX:	FOXA	31.82	1.76%	(9.53%)
DIRECTV:	DTV	69.43	0.12%	0.54%
DISH:	DISH	56.38	3.26%	(2.66%)
DISNEY:	DIS	72.61	0.15%	(4.96%)
GE:	GE	25.13	0.72%	(10.35%)

MSOS

CABLEVISION:	CVC	16.04	1.07%	(10.54%)
CHARTER:	CHTR	137.00	4.25%	0.18%
COMCAST:	CMCSA	54.45	3.91%	4.77%
COMCAST SPCL:	CMCSK	52.35	3.48%	4.95%
GCI:	GNCMA	9.73	(5.72%)	(12.74%)
LIBERTY GLOBAL:	LBTYA	79.93	(4.01%)	26.95%
LIBERTY INT:	LINTA	26.71	(2.98%)	(8.99%)
SHAW COMM:	SJR	22.05	(2.39%)	(9.41%)
TIME WARNER CABLE:	TWC	133.27	(0.32%)	(1.65%)

PROGRAMMING

AMC NETWORKS:	AMCX	64.44	(6.88%)	(5.39%)
CBS:	CBS	58.72	0.57%	(7.88%)
CROWN:	CRWN	3.06	(0.97%)	(13.31%)
DISCOVERY:	DISCA	79.78	1.00%	(11.77%)
GRUPO TELEVISIA:	TV	29.06	1.29%	(3.97%)
HSN:	HSNI	54.77	(4.3%)	(12.09%)
INTERACTIVE CORP:	IACI	70.04	(0.72%)	2.02%
LIONSGATE:	LGF	32.33	5.97%	2.12%
MADISON SQUARE GARDEN:	MSG	58.03	3.48%	0.78%
SCRIPPS INT:	SNI	72.52	(1.48%)	(16.07%)
STARZ:	STRZA	27.98	(4.83%)	(4.31%)
TIME WARNER:	TWX	62.83	(0.77%)	(9.88%)
VALUEVISION:	VTV	6.17	3.18%	(11.73%)
VIACOM:	VIA	82.38	0.77%	(6.14%)
WWE:	WWE	24.19	16.07%	45.90%

TECHNOLOGY

ADDVANTAGE:	AEY	3.29	2.52%	22.34%
ALCATEL LUCENT:	ALU	3.95	3.67%	(10.23%)
AMDOCS:	DOX	43.26	2.03%	4.90%
AMPHENOL:	APH	86.88	1.15%	(2.58%)
AOL:	AOL	46.08	(2.29%)	(1.16%)
APPLE:	AAPL	500.60	(8.33%)	(10.77%)
ARRIS GROUP:	ARRS	25.90	1.29%	6.41%
AVID TECH:	AVID	6.94	(4.28%)	(14.85%)
BLNDER TONGUE:	BDR	1.07	25.87%	6.99%
BROADCOM:	BRCM	29.76	2.62%	0.37%
CISCO:	CSCO	21.91	(1.31%)	(2.32%)
CONCURRENT:	CCUR	8.48	3.04%	3.79%
CONVERGYS:	CVG	20.37	(2.11%)	(3.23%)
CSG SYSTEMS:	CSGS	29.96	(2.16%)	1.90%
ECHOSTAR:	SATS	47.03	(0.02%)	(5.41%)
GOOGLE:	GOOG	1180.97	5.08%	5.38%
HARMONIC:	HLIT	6.56	(0.61%)	(11.11%)
INTEL:	INTC	24.54	(1.09%)	(5.47%)
JDSU:	JDSU	13.29	10.38%	2.31%
LEVEL 3:	LVT	32.10	(0.74%)	(3.23%)
MICROSOFT:	MSFT	37.84	4.01%	1.15%

Company	Ticker	1/31 Close	1-Week % Chg	YTD %Chg
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MOTOROLA MOBILITY:	MMI	16.67	11.28%	(57.04%)
NIELSEN:	NLSN	42.29	(2.2%)	(7.84%)
RENTRAK:	RENT	57.08	3.78%	50.65%
SEACHANGE:	SEAC	11.96	(1.56%)	(1.64%)
SONY:	SNE	15.75	(5.8%)	(8.91%)
SPRINT NEXTEL:	S	8.27	(1.55%)	(23.07%)
TIVO:	TIVO	12.39	(4.4%)	(5.56%)
UNIVERSAL ELEC:	UEIC	35.74	(1.08%)	(6.22%)
VONAGE:	VG	4.61	6.96%	94.51%
YAHOO:	YHOO	36.01	(5.02%)	(10.96%)

TELCOS

AT&T:	T	33.32	(0.3%)	(5.23%)
VERIZON:	VZ	48.02	0.82%	(2.28%)

MARKET INDICES

DOW:	DJI	15698.85	(1.14%)	(5.3%)
NASDAQ:	IXIC	4103.88	(0.59%)	(1.74%)
S&P 500:	GSPC	1782.59	(0.43%)	(3.56%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	1.07	25.87%
2. WWE:	24.19	16.07%
3. MOTOROLA MOBILITY:	16.67	11.28%
4. JDSU:	13.29	10.38%
5. VONAGE:	4.61	6.96%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. APPLE:	500.60	(8.33%)
2. AMC NETWORKS:	64.44	(6.88%)
3. SONY:	15.75	(5.8%)
4. GCI:	9.73	(5.72%)



Fresh.*

*Coming soon from CableFAX.