

CableFAX Daily™

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What the Industry Reads First

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Warning, Not Tinker: Disney Sounds Bell for Rate Hikes

While he said visibility regarding the economy remains limited, **Disney** chief *Bob Iger* made comments Tues that provided further clarity to the upward direction in which retrans fees appear headed. And, if Disney has its way, affil fees for **ESPN** will follow a similar arc. “We’re pretty resolute because we know the value of [ABC] stations,” said Iger of plans to dig in for higher retrans fees this year at both the flagship net and O&Os. And although removing signals from affils is far from ideal, “we believe we have an obligation to derive value from our investments,” he said, noting an industry “trend” that **Fox** kick started through its Dec carriage standoff with **Time Warner Cable**. At ESPN, investments in programming (NFL, college football, soccer) and innovative tech including 3D are paying off in the form of record '09 viewership and single-digit ad rev growth last Q, said Iger, compared to a range of flat to -3% during the prior Q. And with ad rev tracking +5% currently and ESPN offering “significant” local ad sales opportunities to ops—more than any other net—he intimated that affil fee hikes are likely going forward. The Mouse’s media net div overall delivered 7% rev growth to \$4.2bln and an 11% uptick in operating income to \$724mln. Cable nets’ respective data tallied \$2.65bln (+8%) and \$544mln (+5%), broadcast’s \$1.52bln (+5%) and \$180mln (+30%). Other than ESPN’s ad and affil rev increases, the cable results were driven by int’l growth in affil and ad rev at **Disney Channel**, plus higher affil and ad rev at **AETN**. ABC scored lower prime ratings and ad rates, but stations’ ad rev is tracking approx 10% this Q during prime, owing to noteworthy growth in the telco and tech sectors. On the studio side, Disney’s looking to unload its **Miramax** film library.

O’Hara on Topps: *Ryan O’Hara’s* resignation last week from **TV Guide Network** left us all wondering where he would land—and now we know. He’ll take over sports cards and bubble gum icon **The Topps Co** as pres/CEO. “No brand had more of an impact on me when I was a kid than Topps, and I look forward to working with the entire Topps team to strengthen and grow this iconic company,” said O’Hara, who does have confectionery experience, having worked at **Nestle** early in his career. The LA-based exec will even move to NYC (We hope all that snow has melted by Mar 1 when he officially starts his new gig). Topps’ chmn, by the way, is none other than former **Disney** chief *Michael Eisner*, so we’re wondering whether the company has something cable-related up its

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sleeve. Or maybe we're just hoping because we hate to see O'Hara go. Topps counts among its product partners **WWE, UFC, MLB** and the **English Premier League**.

In the States: **Nexstar** inked with **LSN Mobile Local Wireless** a deal to deliver its 33 local Web portals to mobile phones, and plans to offer apps to various smart phones for geo-targeted mobile alerts for breaking news, weather and sports.

Advertising/Marketing: A promo partnership between **NBC** and **DreamWorks Animation** spotlights the net's Olympics coverage and the studio's forthcoming film "How to Train Your Dragon" through 7 custom winter sports-themed CG animated vignettes to air beginning Feb 9 across platforms including **CNBC, USA** and **MSNBC**. -- **Comcast Media Center** has automated the entire process of delivering SD and HD ad spots to broadcasters and cable MSOs by integrating software from **Telestream**.

Research: US broadband speeds increased by 28% in '09, according to **In-Stat**, with the avg downstream speed now 7.12Mbps. Although the growth rate of speed increases slowed last year versus '08, speed ramps among cable modem subs was about double that of FTTH subs. In-Stat said more than 25% of survey respondents have a mobile wireless broadband connection in addition to a wired connection. -- **SNL Kagan** posits growth in retrans fees to 9% of a TV station's rev by '13, compared to 1% in '06, although overall station rev is expected to reach \$21.7bln by the same year, down from \$24.6bln in '06. The firm said traditional TV ad rev fell 20% in '09.

At the Portals: The **FCC** granted last week waivers of separable security (ie, CableCARDs) requirements for 2 low-cost, limited-functionality set-tops, 1 each from Evolution Broadband and Huawei Technologies. The boxes do not include advanced features such as HD output and cable modem support. ACA applauded the actions, pleased that the FCC continues to grant waivers while it solicits comments on how to encourage video device innovation as part of a National Broadband Plan. -- In light of blizzard conditions in the D.C. area, the **FCC** cancelled its planned Feb 11 open meeting; no new date has been announced.

Earnings: Fresh off a TV measurement deal with **DISH, Rentrak** delivered consolidated quarterly rev of \$23.1mln (flat YOY) and 34% rev growth for its Advanced Media Info div. -- Noting continued domestic pressure, **New Frontier** reported quarterly transactional TV rev of \$9.1mln (-13%), VOD rev of \$4.9mln (-6%) and PPV rev of \$4mln (-22%). The company believes, however, that it's well positioned on the distribution front, with capabilities covering IPTV, mobile devices, game consoles and Web-connected TVs.

Online: **USA** partnered with **Mochi Media** to syndicate its games from CharacterArcade.com across Mochi's network that reaches 100mln gamers/month, plus to feature Mochi games at the site.

VOD: **Comcast** and **Stand Up to Cancer** added more musical content to Stand Up to Cancer On Demand, a free destination aimed at broadening awareness and raising funds for innovative cancer research. It now features more than 60 artists through Mar 14. Included: **Beastie Boys, U2, John Mayer** and **Celine Dion**. Viewers are encouraged to make donations at SU2C.org/give.

Public Affairs: **Nickelodeon** and **Disney** are among the 1st collaborators on First Lady *Michelle Obama's* new campaign "Let's Move," which aims to tackle childhood obesity and create a healthier generation. Nick will offer resources and research, including kid and family-targeted PSAs featuring the First Lady and special programming events on its channels and Websites. Disney will create a series of PSAs as well, for feature across **Disney Channel, Disney XD** and Disney.com beginning later this year.

Programming: Buoyed by **Rainbow** cousin **AMC's** success in scripted originals, **Sundance Channel** said Tues it will join the scripted ranks late this year with "Carlos," a 3-part mini about international terrorist Carlos the Jackal. A quartet of scripted series also in development include: "Triple Crossing," a crime drama in S America; "The Clinic," a thriller set in the near future; an adaptation of *Erica Jong's* novel "Fear of Flying;" and "Shutterbabe," about a globetrotting female photojournalist. Returners include Newark, NJ, docu-series "Brick City," interview series "Iconoclasts" (season 5 debuts in Sept) and "The Lazy Environmentalist" (Apr 20 debut, coinciding with Earth Day). New in August will be "Girls Who Like Boys Who Like Boys," (Aug debut) a series about women and their gay male friends, and "Seduce Me," an online series from *Isabella Rossellini* about how creatures from

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bugs to jellyfish mate (April debut). The multiplatform "Full Frontal Fashion" expands this week to include original Web series, new linear series and series in development for '11. Following designers 36 hours before their Fashion Week shows, "The Day Before" returns for season 2 in Sept. -- **Animal Planet's** "Madmen of the Sea" (Mar 2) chronicles the work and adventures of a group of Kiwi fisherman. -- **The Documentary Channel** is set to feature an Academy Award-winning or nominated doc every day of Mar at 8pm. -- **Fox Soccer's** coverage of the '09-'10 UEFA Champions League returns Feb 16 with playoff-type matches.

People: Food Net vet *Bruce Seidel* is jumping to **Cooking Channel** as svp, programming. At Food, Seidel was responsible for programs including "Iron Chef America" and "The Next Food Network Star." -- **Comcast Ent Group** promoted *Leigh Ann Gardner* to svp, print and online design, *Mark Scheider* to vp, print and online design, and *Bear Fisher* to svp/creative dir, **E!** and **Style**. -- Former **MSNBC** exec *Ramon Escobar* was tapped as evp, **Telemundo Network News**. -- **HSN** tapped *Greg Henchel* as evp/genl counsel/secretary, effective Mon.

Editor's Note: Just another reminder about Fri's deadline to nominate candidates for the **CableFAXIES**. More info at: <http://www.cablefax.com/cfp/awards/cablefaxies2010/>.

CableFAX Daily Stockwatch

Company	02/09 Close	1-Day Ch	Company	02/09 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	33.33	0.84	AMPHENOL:	39.62	0.66
DIRECTV:	31.14	0.80	AOL:	24.09	0.49
DISH:	18.07	0.32	APPLE:	196.19	2.07
DISNEY:	29.84	0.36	ARRIS GROUP:	9.70	0.09
GE:	15.60	0.00	AVID TECH:	12.72	0.20
NEWS CORP:	15.16	0.36	BIGBAND:	2.94	(0.02)
MSOS					
CABLEVISION:	26.11	0.96	BROADCOM:	29.54	0.74
COMCAST:	15.39	0.18	CISCO:	23.89	0.39
COMCAST SPCL:	14.62	0.06	CLEARWIRE:	6.30	0.04
GCI:	5.40	0.08	COMMSCOPE:	26.33	0.71
KNOLGY:	11.15	0.43	CONCURRENT:	4.55	0.06
LIBERTY CAPITAL:	26.98	0.24	CONVERGYS:	10.88	0.20
LIBERTY GLOBAL:	24.68	0.53	CSG SYSTEMS:	20.17	0.09
LIBERTY INT:	10.64	0.13	ECHOSTAR:	18.70	0.02
MEDIACOM:	4.18	0.13	GOOGLE:	536.44	2.97
RCN:	10.00	0.16	HARMONIC:	6.08	0.06
SHAW COMM:	18.68	0.47	INTEL:	19.65	0.30
TIME WARNER CABLE:	45.03	0.76	JDSU:	8.15	0.02
VIRGIN MEDIA:	14.53	0.49	LEVEL 3:	1.38	0.02
WASH POST:	415.36	(1.1)	MICROSOFT:	28.01	0.29
PROGRAMMING					
CBS:	13.03	0.31	MOTOROLA:	6.54	(0.03)
CROWN:	1.52	0.08	OPENTV:	1.52	0.00
DISCOVERY:	29.27	0.76	PHILIPS:	29.39	1.01
GRUPO TELEVISA:	18.81	0.51	RENTRAK:	17.28	(0.09)
HSN:	19.06	0.97	SEACHANGE:	6.74	0.20
INTERACTIVE CORP:	21.35	0.19	SONY:	33.77	0.76
LIBERTY:	35.22	0.46	SPRINT NEXTEL:	3.65	0.14
LIBERTY STARZ:	46.70	0.18	THOMAS & BETTS:	34.22	0.49
LIONSGATE:	5.19	0.14	TIVO:	8.96	0.20
LODGENET:	5.33	0.07	TOLLGRADE:	6.20	(0.1)
NEW FRONTIER:	1.95	(0.07)	UNIVERSAL ELEC:	23.20	0.46
OUTDOOR:	5.15	0.03	VONAGE:	1.46	0.04
PLAYBOY:	3.26	0.12	YAHOO:	15.07	0.08
RHI:	0.34	0.01	TELCOS		
SCRIPPS INT:	43.76	1.68	AT&T:	25.26	0.28
TIME WARNER:	27.41	0.49	QWEST:	4.27	(0.02)
VALUEVISION:	4.00	(0.08)	VERIZON:	28.75	0.38
VIACOM:	30.49	0.79	MARKET INDICES		
WWE:	16.05	0.05	DOW:	10058.64	150.25
TECHNOLOGY					
3COM:	7.48	0.02	NASDAQ:	2150.87	24.82
ADC:	6.53	1.15			
ADVANTAGE:	2.20	0.02			
ALCATEL LUCENT:	3.26	0.12			
AMDOCS:	28.83	0.67			

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