

CableFAX Daily™

Monday — February 25, 2013

What the Industry Reads First

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Tom Rutledge: No Rebranding For Now

As Charter works to migrate its legacy systems to an all-digital platform, CEO *Tom Rutledge* indicated during the company's 4Q earnings conference call Fri that no major rebranding is in the works. But in terms of new marketing strategies, "the biggest opportunity is to continue to develop our Internet portal, sales portal and to take advantage of Internet marketing in ways that we haven't historically as a cable company," he said. For 4Q, the company posted a loss of \$40mln vs a loss of \$67mln in the same quarter a year ago. Rutledge shed some light on the company's recent purchase of **Cablevision's Optimum West** for \$1.6bln, saying the former Bresnan systems share similarities with Charter's operational structure. In addition, the assets are 2 years ahead of Charter in terms of implementation. "The asset is growing at a faster rate than almost any cable system in the United States... So we're getting an asset that's accretive to free cash flow and well positioned to grow, all of which means that this acquisition is a good fit," he said. Charter added 54K residential internet subs in the quarter, down from the 68K it gained a year earlier. The op blamed the cancellation of discounted stand-alone offers as compared to 4Q, '11, when it actively marketed a \$19.99 promotional offer for Internet service and a low-priced double-play Internet/phone offer. The good news: residential revenue per customer was up slightly to \$105.78, thanks to better product sell-in. Meanwhile, expanding HDTV helped the company lower basic video sub losses: It lost 36K in the quarter, an improvement from 44K it dropped a year earlier. It grew its phone sub base by 34K, up from the 27K it gained last year. The company grew its video revenue by 2.8% to \$927mln, helped by better sales of DVRs and HD programming packages. Looking ahead, the company will continue to focus on adding new subs at introductory rates with lower upfront fees, CFO *Chris Winfrey* said. He expects recurring monthly rates to start to rise. He noted Charter has implemented a 2.3% rate increase effective for the end of 1Q across its 5mln sub base.

Nielsen Doings: Are we getting closer to the dream of comprehensive, multiplatform measurement? **Nielsen** announced that it will expand its definition of a TV HH for ratings purposes to include homes with connected-TVs. The new definition covers any home with "at least one operable TV/monitor with the ability to deliver video via traditional means of antennae, cable or satellite receive and/or with broadband connection. The goal is to measure video content however consumers access it," *Pat McDonough*, svp, insights and analysis, said in a statement. "In the last decade, the places and ways consumers can view content have grown significantly. Over the last 12 months, Nielsen has explored expanding the current definition of a TV household to more accurately reflect media consumption and technology advancements." Nielsen said the move is one step "on the path to capturing all viewing in homes."

The CableFAXIES awards

DEADLINE: MARCH 1, 2013

ENTER AT: www.CableFaxiesAwards.comEntry Questions: Mary-Lou French at 301-354-1851; mfrench@accessintel.com

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The CableFaxies Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic Cable arena. The coveted awards set the industry benchmark for excellence across all areas of PR and marketing.

The Winners of the CableFAXIES Awards are from networks, operators, PR firms, vendors, corporations, agencies and other entertainment companies who took chances, made tremendous strides and understand the power of PR and marketing in the cable industry. The winners and honorable mentions will be saluted during an awards event in May 2013 in New York City.

21559

CableFAX Top Ops AWARDS

Who are cable's best operators?

Nomination Deadline April 12, 2013 — Free to Enter!

Help us compile this influential list of MSOs and Independent Operators by nominating the companies and executives you think should be included in our annual list of leading cable operators. The categories recognize excellence in a variety of areas, including marketing, technology, finance, lifetime achievement, customer service and community involvement. The winners will be honored in our annual Top Operators magazine and during CableFAX awards events later in the year.

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- Independent Operator of the Year
- Independent Marketer of the Year
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- Independent Customer Service Award
- Independent Technology Award
- Independent Project Launch of the Year
- Independent Financial Exec of the Year
- Independent Lifetime Achievement Award

* In Conjunction with NCTC and ACA

MSO Awards Categories

- MSO of the Year
- Sales Team of the Year
- Community Service Award System-level
- Technology Award
- Financial Exec of the Year
- Regional Executive of the Year
- Customer Care
- Project Launch of the Year
- Leadership Award
- Lifetime Achievement Award

Fill out Form or Enter Online at: www.cablefax.com/awards

Category of Award: _____

Name of Award Candidate: _____

Title of Person or Campaign: _____

Address: _____

Email: _____

Phone: _____

Name of Nominator: _____

Title: _____

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In 400 words or fewer, why does this person/campaign deserve to win an award? (Please be specific and include as much detail as possible.)

Please support the candidacy with any additional material (testimonials, press clippings etc) that you see fit.

CableFAX Top Ops AWARDS

Send Entry to:

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CableFAX Top Ops
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Our Top Ops list will be honored in CableFAX: The Magazine's July issue and during an awards luncheon in September coinciding with CableFAX's annual Program Awards.



Enter Online at: www.cablefax.com/awards

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In the Courts: Another day, another legal battle against DISH's Hopper. Fox requested an injunction against the ad skipping Hopper's new "on the go" feature, which allows users to watch live and recorded content on mobile devices. According to a court filing, Fox claimed the new feature breached the licensing agreement with DISH and infringed on Fox' copyrights. "Paying Dish for a satellite television subscription does not buy anyone the right to receive Fox's live broadcast signal over the Internet or to make copies of Fox programs to watch 'on the go,' because Dish does not have the right to offer these services to its subscribers in the first place," Fox argued in its suit.

Earnings: Crown Media, which owns the **Hallmark** nets, saw its 4Q net income more than double to \$70.1mln. Revenue rose 3% YOY to \$102.3 million. Subscriber fee revenue increased 7% YOY to \$19mln. Ad revenue increased 2% YOY to \$83.1mln from \$81.7mln in the year-ago quarter thanks to **Hallmark Movie Channel** audience growth. Programming costs fell slightly while marketing costs rose by \$2.2mln to \$8.5mln in the quarter. -- Although **Cable One** posted a 6% YOY increase in 4Q revenue, it lost 11,442 video, 3,573 Internet and 1,119 phone subs in the quarter. For full year '12, the Washington Post Co.-owned company posted \$787.1mln in revenue, an increase of 4% YOY.

Rumor Mill: Among the front-runners of potential *Genachowski*-successors is *Tom Wheeler*, a vet telecom policy expert and entrepreneur. Currently the managing director at **Core Capital Partners**, you'll recall that Wheeler was **NCTA** pres and later served as CEO of **CTIA**. According to press reports, Wheeler has been a key *Obama* ally and fundraiser, and he evaluated science and technology agencies during the Obama-Biden '09 transition. **FCC** chmn *Julius Genachowski*'s term expires in June.

TVE: Verizon FiOS is beefing up its TVE content lineup. It added 11 **NBCU** nets to its TVE portal, allowing subs to access the nets' content through the telco's Website. The company will make other programming available on the Verizon website soon, a spokeswoman said.

Ratings: USA's socially-enabled "PSYCH Slumber Party," which started Feb 15-16, performed above the prior 4-week time period average by +24% in P18-49, +25% in P25-54, +41% in P18-34 and +24% in total viewers. With 172K social media mentions on Sat, "PSYCH Slumber Party," designed to get fans excited for "Psych" season 7 premiere on Feb 27, delivered the best day ever in social media activity for any USA original and broke social records. USA partnered with companies like **Twitter, Facebook, GetGlue, Tout** and **Chatter**, over the 6-hour event, which drove 157K Twitter mentions, 58K GetGlue check-ins and 1K Tout uploads.

Programming: Oxygen Media expands its true crime original programming with new series "Snapped: Kipper Couples," to be debuted March 10 at 10pm. -- **Lifetime** original movie "Romeo Killer: The *Chris Porco* Story" will premiere Mar 23 at 8pm.

Charity: FOX Sports Supports, FOX Sports Media Group's charitable initiative, is partnering with **Johns Hopkins Medicine, STOMP Out Bullying** and **Feeding America** in '13 in a newly structured program intended to maximize exposure and awareness for each organization.

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CableFAX

Best Advice/Motto Series



"Eat well, perform acts of kindness and check your work."

Terry Denson
VP, Content and Programming
Verizon

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CableFAX Week in Review

Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	49.09	(0.2%)	(2.13%)
DISH:	DISH	35.09	(4.98%)	(3.6%)
DISNEY:	DIS	54.25	(2.45%)	8.96%
GE:	GE	23.39	0.43%	11.43%
NEWS CORP:	NWS	29.03	(1.06%)	10.63%
MSOS				
CABLEVISION:	CVC	15.13	(0.13%)	1.27%
CHARTER:	CHTR	85.02	6.89%	11.52%
COMCAST:	CMCSA	39.91	(3.23%)	6.83%
COMCAST SPCL:	CMCSK	37.82	(4.03%)	5.29%
GCI:	GNCMA	8.60	4.12%	(10.32%)
LIBERTY GLOBAL:	LBTYA	64.86	(1.14%)	3.02%
LIBERTY INT:	LINTA	21.33	(1.16%)	8.38%
SHAW COMM:	SJR	23.90	1.06%	4.00%
TIME WARNER CABLE:	TWC	86.39	(0.63%)	(11.11%)
VIRGIN MEDIA:	VMED	44.67	(0.67%)	21.55%
WASH POST:	WPO	407.13	(1.76%)	11.48%

Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
AMC NETWORKS:	AMCX	59.04	(1.07%)	19.27%
CBS:	CBS	43.37	(2.84%)	13.98%
CROWN:	CRWN	2.05	7.89%	10.81%
DISCOVERY:	DISCA	70.47	0.24%	11.01%
GRUPO TELEVISIA:	TV	27.50	(1.01%)	3.46%
HSN:	HSNI	53.63	(7.42%)	(2.63%)
INTERACTIVE CORP:	IACI	41.87	0.41%	(11.37%)
LIONSGATE:	LGf	20.72	1.52%	26.34%
OUTDOOR:	OUTD	7.80	1.17%	2.63%
SCRIPPS INT:	SNI	62.56	0.64%	8.01%
TIME WARNER:	TWX	52.99	(0.99%)	10.79%
VALUEVISION:	VTV	2.96	2.78%	64.44%
VIACOM:	VIA	61.82	(0.53%)	13.91%
WWE:	WWE	8.59	(0.81%)	8.87%

Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADDVANTAGE:	AEY	2.30	11.11%	15.57%
ALCATEL LUCENT:	ALU	1.41	(18.02%)	1.44%
AMDOCS:	DOX	35.87	(0.55%)	5.53%
AMPHENOL:	APH	70.80	0.54%	9.43%
AOL:	AOL	37.79	(4.38%)	27.63%
APPLE:	AAPL	450.81	(2.03%)	(15.29%)
ARRIS GROUP:	ARRS	17.13	0.12%	14.66%
AVID TECH:	AVID	7.66	1.73%	1.06%
BLNDER TONGUE:	BDR	1.32	(7.11%)	14.70%
BROADCOM:	BRCM	34.53	3.88%	3.97%
CISCO:	CSCO	20.90	(0.43%)	6.36%
CLEARWIRE:	CLWR	3.13	(0.95%)	8.30%
CONCURRENT:	CCUR	7.10	(10.35%)	23.69%
CONVERGYS:	CVG	16.51	(1.43%)	0.61%
CSG SYSTEMS:	CSGS	20.11	(0.84%)	10.62%
ECHOSTAR:	SATS	38.36	(1.36%)	12.10%
GOOGLE:	GOOG	799.71	0.86%	13.05%
HARMONIC:	HLIT	5.68	0.00%	12.03%
INTEL:	INTC	20.42	(3.27%)	(0.97%)
JDSU:	JDSU	14.62	(3.59%)	8.33%
LEVEL 3:	LVT	20.60	(1.01%)	(10.86%)

Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg
MICROSOFT:	MSFT	27.76	(0.89%)	3.93%
RENTRAK:	RENT	21.50	(0.37%)	10.31%
SEACHANGE:	SEAC	11.59	0.00%	19.86%
SONY:	SNE	14.07	(1.88%)	25.63%
SPRINT NEXTEL:	S	5.82	(1.52%)	2.65%
TIVO:	TIVO	12.93	(1.22%)	5.04%
UNIVERSAL ELEC:	UEIC	19.42	2.21%	0.36%
VONAGE:	VG	2.62	7.38%	10.55%
YAHOO:	YHOO	21.22	0.95%	6.63%

Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	35.68	0.90%	5.84%
VERIZON:	VZ	45.40	2.25%	4.92%

Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW:	DJI	14000.57	0.13%	6.84%
NASDAQ:	IXIC	3161.82	(0.95%)	4.71%
S&P 500:	GSPC	1515.60	(0.28%)	6.27%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. ADDVANTAGE:	2.30	11.11%
2. CROWN:	2.05	7.89%
3. VONAGE:	2.62	7.38%
4. CHARTER:	85.02	6.89%
5. GCI:	8.60	4.12%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. ALCATEL LUCENT:	1.41	(18.02%)
2. CONCURRENT:	7.10	(10.35%)
3. HSN:	53.63	(7.42%)
4. BLNDER TONGUE:	1.32	(7.11%)
5. DISH:	35.09	(4.98%)

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