

CableFAX Daily™

Monday — March 16, 2009

What the Industry Reads First

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‘Brawl Street’: Comedy’s Stewart vs CNBC’s Jim Cramer

To say this week’s drama between **Comedy Central** “Daily Show” host *Jon Stewart* and **CNBC** has been interesting would be an understatement. The week-long flare up between Stewart, CNBC and “Mad Money” host *Jim Cramer* may have garnered more ink than the actual market this week. Ratings for Thurs night’s “showdown” between Stewart and Cramer weren’t in by deadline, but are expected to be strong based on this week’s linear and online trends. The consensus from Internet and newspaper pundits Friday was that Stewart KO’d the ex-trader, who appeared uncharacteristically reserved and threw nary a punch—though several noted that Cramer, like most financial reporters, was in the dark on what banks were doing. “Actually, Cramer didn’t know. Neither did most financial journalists,” wrote *Washington Post* media columnist *Howard Kurtz*. “They should have been more aggressive in challenging the highly leveraged banks, the credit default swaps, the Washington regulatory cops who slept on the beat. But they were as stunned as anyone when **Bear** and **Lehman** went under and **AIG** and **Citi** had to be rescued.” We even spied well-known cable PR man *Bob Gold* giving his 2 cents to *USA Today*. “Here’s a guy who may have his career on the line,” Gold of Bob Gold & Associates is quoted as saying in Thurs’ paper. “His credibility has been brought into question. **NBC Universal** (CNBC’s parent) will have to draw a line. Trust is at stake.” Stewart’s rants over CNBC’s financial reporting have garnered high ratings for his show, but could they indeed hurt CNBC, which saw an 8% increase in 4Q prime? It’s early, but so far “Mad Money” isn’t showing any slippage. The program’s live+SD average for total viewers Mon-Wed is 317K—identical to the average for the week of Mar 2 and up from 294K the week of Feb 23. But you can bet that competitors **Fox Business News** and **Bloomberg TV** are paying close attention. After all, remember that FBN last year bought ad space in the *NY Times* and *WSJ* taunting Cramer’s quote “No, no Bear Stearns is fine” one week before the investment bank’s collapse. Makes you wonder if the fledgling net is working on a new campaign...

Advertising: Sentiment during cable’s recent earnings season spoke of further ad market softening in the current Q after downward pressure began to intensify in 4Q at both the national and local level. But on average, MSOs and cable programmers fared better than most during last Q—and fared inarguably better during all of ’08. According to **Nielsen** data, 2 cable TV segments were the only media categories that experienced increased ad expenditures last year: national cable TV delivered 7.8% growth in ’08 and the burgeoning Hispanic cable TV segment 9.6%. This as the overall US ad market dipped 2.6%, weighed down by segments including local newspapers (-10.2%), broadcast TV (-3.5%) and Hispanic broadcast TV (-2.4%). Meanwhile, not 1 of the top 10 ’08 advertisers increased spending last year, including **AT&T** (-7.2%), **Verizon** (-1.3%) and **Time Warner** (-23.7%). As for the top product categories, pharmaceutical (-18.4%) and factory automotive (-15.5%) not surprisingly curbed spending by the greatest percentage, followed by movies (-11.4%).

Ch-Ch-Changes: Late Thurs, **News Corp** announced that *Peter Liguori* is out as chmn of ent for **Fox Broadcasting**,

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Source: BETA 2008 Cable Operator Carriage Study, Ranked among all measured emerging and mid-sized cable networks among non-affiliates “very/fairly interested in carrying channel by end of 2009”.


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with *Peter Rice* taking over the post immediately. Rice leaves his post as **Fox Searchlight** pres for the gig. The shakeup creates a larger role for **Fox Networks Group** chmn *Tony Vinciguerra*, who will take on responsibility for Fox Broadcasting programming while continuing to head the cable nets and the business side of Fox Broadcasting. What we're really left wondering about is where will Liguori—who built **FX** into the “**HBO** of Basic” during his tenure there—go next? -- **Time Warner** has charged *Tim Armstrong* with reviving **AOL**, naming the **Google** exec chmn/CEO of the beleaguered unit. Current chmn/CEO *Randy Falco* and pres/COO *Ron Grant* will leave the company after a transition period. Analysts speculate that the move portends a spin off of AOL.

SXSW: Austin's **South by Southwest Festival's** star keeps rising and **IFC** will be in on this year's action as the official cable sponsor. That means the net will have unlimited access to cover the 10-day film and music festival, which kicked off over the weekend. IFC also will premiere doc “New World Order,” a feature-length doc about conspiracy theorists, and have execs participating on several panels during the conference.

DTV Doings: The **FCC** set the final rules Fri for the DTV transition, ordering broadcasters to provide on-air and other notifications of potential signal loss if 2% or more of their analog viewers are predicted to lose service, regardless of whether it may gain viewers in other areas post-switch. Stations also must include info about the use of antennas and using the rescan function on their digital converter boxes and TVs. Broadcasters who want to terminate analog before June 12 generally can't until Apr 16. However, noncommercial stations experiencing significant hardship may terminate service beginning on Mar 27. In order to terminate analog prior to June 12, major network affiliates must ensure that at least 90% of their analog viewers continue to receive analog service from another major network affil through June 12. If more than 10% will lose all major network affils, then there are other conditions, such as walk-in help centers.

Getting Social: **CableFAX's** Thurs Webinar on social media and monetizing online video led to an intriguing out-of-the-box discussion. Among takeaways: (1) Finding a viable and sustainable “killer” ad unit for online video is crucial to its monetization, with pre-rolls, overlays, wraps and increasingly brand integration offering surprising pros and cons. (2) Engaging new multiplatform audiences can require more than a good story. Digital viewers often seek involvement and, in some cases, even the ability to help shape fictional storylines. (3) Some content owners may be surprised to learn how much savvy and cleverness is required when leveraging social networks to virally promote assets. [To access the Webinar on demand, go to <http://cablefax.com/cfp/webinars/SocialNetworking2009.html>].

Earnings: VOD company **SeaChange** reported increases in both 4Q (+13%) and fiscal '09 (+12%) rev, the former powered by a 49% leap in its servers and storage segment based on “substantially higher shipments of VOD flash memory servers to North American-based cable television customers.” It is forecasting flat rev growth during the 1st half of fiscal '10, but improvement in the 2nd half due to an expected increase in VOD software upgrades with its larger US customers.

TwitterFAX: OK, we're not changing our name quite yet. But **CableFAX** has officially joined the Twitter bandwagon. Go to www.twitter.com and search for “CableFAX.” Make sure to follow us in time for Cable Connection Week!

Business/Finance: **Time Warner Cable** officially completed its separation from **Time Warner** Thurs evening, when the MSO also doled out its planned special dividend of \$10.27/share. Then on Fri, TWC shares began trading with reflection of a 1-to-3 stock split, opening at \$24.97/share.

CableFAX Awards Luncheon

March 30, 2009
Washington, DC

CableFAX Awards Luncheon

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15503

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CableFAX Week in Review

Company	Ticker	3/13 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	25.20	1.10%	(11.3%)
DIRECTV:	DTV	21.00	6.70%	(8.3%)
DISH:	DISH	10.88	17.40%	(1.9%)
DISNEY:	DIS	17.13	8.20%	(23%)
GE:	GE	9.62	36.30%	(38.7%)
HEARST-ARGYLE:	HTV	1.91	9.80%	(67.3%)
NEWS CORP:	NWS	6.77	12.80%	(29.3%)

Company	Ticker	3/13 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	12.80	23.70%	(24%)
CHARTER:	CHTR	0.02		(75%)
COMCAST:	CMCSA	13.03	12.00%	(22.4%)
COMCAST SPCL:	CMCSK	12.25	12.50%	(23.8%)
GCI:	GNCMA	5.28	28.50%	(34.7%)
KNOLOGY:	KNOL	4.07	3.60%	(21.1%)
LIBERTY CAPITAL:	LCAPA	5.17	7.90%	9.80%
LIBERTY ENT:	LMDIA	17.52	2.80%	0.20%
LIBERTY GLOBAL:	LBTYA	11.29	8.70%	(29.1%)
LIBERTY INT:	LINTA	3.02	20.80%	(3.2%)
MEDIACOM:	MCCC	4.26	22.40%	(0.9%)
SHAW COMM:	SJR	14.70	5.10%	(15.4%)
TIME WARNER CABLE:	TWC	25.52	98.20%	66.90%
VIRGIN MEDIA:	VMED	5.00	21.70%	1.00%
WASH POST:	WPO	344.34	6.80%	(10.7%)

Company	Ticker	3/13 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	3.88	15.50%	(52.6%)
CROWN:	CRWN	1.77	9.30%	(37.9%)
DISCOVERY:	DISCA	16.92	11.90%	19.40%
EW SCRIPPS:	SSP	1.36	71.70%	(38.1%)
GRUPO TELEVISIA:	TV	12.98	15.70%	(13.1%)
HSN:	HSNI	4.85	13.10%	(33.3%)
INTERACTIVE CORP:	IACI	14.59	3.50%	(7.2%)
LIBERTY:	L	20.32	12.10%	(28.1%)
LODGENET:	LNET	0.72	18.00%	2.90%
NEW FRONTIER:	NOOF	1.26	(4.5%)	(25.9%)
OUTDOOR:	OUTD	6.11	11.10%	(18.4%)
PLAYBOY:	PLA	1.49	25.20%	(31%)
RHI:	RHIE	1.60	(29.2%)	(80.3%)
SCRIPPS INT:	SNI	20.79	9.40%	(5.1%)
TIME WARNER:	TWX	8.22	10.00%	(18.3%)
VALUEVISION:	VVTV	0.35		6.10%
VIACOM:	VIA	16.59	9.10%	(17.5%)
WWE:	WWE	10.32	8.30%	(3.6%)

Company	Ticker	3/13 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.65	23.30%	16.20%
ADC:	ADCT	3.57	36.00%	(34.6%)
ADVANTAGE:	AEY	1.37	5.40%	(23%)
ALCATEL LUCENT:	ALU	1.56	34.50%	(27.4%)
AMDOCS:	DOX	17.32	6.90%	(5.3%)
AMPHENOL:	APH	26.87	13.30%	12.10%
APPLE:	AAPL	95.93	12.50%	12.40%
ARRIS GROUP:	ARRS	7.12	11.80%	(10.4%)
AVID TECH:	AVID	9.65	11.30%	(11.5%)
BIGBAND:	BBND	5.18	8.10%	(6.2%)
BLNDER TONGUE:	BDR	0.98	(6.7%)	(3%)

Company	Ticker	3/13 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	19.11	12.60%	12.60%
CISCO:	CSCO	15.51	9.40%	(4.8%)
CLEARWIRE:	CLWR	3.59	27.30%	(9.6%)
COMMScope:	CTV	8.48	17.30%	(45.4%)
CONCURRENT:	CCUR	3.30	17.90%	(2.9%)
CONVERGYS:	CVG	6.70	17.50%	4.50%
CSG SYSTEMS:	CSGS	12.99	(2.5%)	(25.6%)
ECHOSTAR:	SATS	14.94	1.70%	0.50%
GOOGLE:	GOOG	324.42	5.10%	5.50%
HARMONIC:	HLIT	5.71	24.40%	1.80%
INTEL:	INTC	14.70	18.50%	9.20%
JDSU:	JDSU	2.91	24.10%	(21.7%)
LEVEL 3:	LVL	0.62	(15.1%)	(11.4%)
MICROSOFT:	MSFT	16.65	9.00%	(14.4%)
MOTOROLA:	MOT	3.75	21.00%	(14.2%)
OPENTV:	OPTV	1.34	6.30%	8.90%
PHILIPS:	PHG	16.02	10.30%	(19.4%)
RENTRAK:	RENT	9.00	(5.2%)	(23.7%)
SEACHANGE:	SEAC	5.59	29.40%	(22.5%)
SONY:	SNE	19.38	12.30%	(11.4%)
SPRINT NEXTEL:	S	4.14	36.20%	126.20%
THOMAS & BETTS:	TNB	23.00	13.10%	(4.2%)
TIVO:	TIVO	6.69	2.90%	(6.6%)
TOLLGRADE:	TLGD	5.63	0.50%	17.80%
UNIVERSAL ELEC:	UEIC	16.91	7.40%	4.30%
VONAGE:	VG	0.39	2.60%	(40.9%)
YAHOO:	YHOO	13.51	3.50%	10.70%

Company	Ticker	3/13 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	24.27	7.50%	(13.4%)
QWEST:	Q	3.39	6.30%	(2.5%)
VERIZON:	VZ	28.40	4.10%	(14.9%)

Index	Value	% Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	7223.98	9.00%	(17.7%)
NASDAQ:	COMPX	1431.50	10.60%	(9.2%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. TIME WARNER CABLE:	25.52	98.20%
2. EW SCRIPPS:	1.36	71.70%
3. GE:	9.62	36.30%
4. SPRINT NEXTEL:	4.14	36.20%
5. ADC:	3.57	36.00%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. RHI:	1.60	(29.2%)
2. LEVEL 3:	0.62	(15.1%)
3. BLNDER TONGUE:	0.98	(6.7%)
4. RENTRAK:	9.00	(5.2%)
5. NEW FRONTIER:	1.26	(4.5%)

From The CableFAX 100: Greatest Hits of 2008

the best business advice John Landgraf has received...



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President/GM
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MaxFAX...

Ready for DC?

Do you suppose DC is ready for you?

Think there will be a new **Federal Confusion Commission** roster by then? (I don't.)

Ah, show time! Lots of show time in one really serious few days. From



Paul S. Maxwell

Monday the 30th through Tuesday the 7th, Washington, DC, will be cable central. Hope you've all stocked up on Red Bull (or an equivalent of choice).

Monday starts about lunchtime at the **National Press Club** as **CableFAX** celebrates 20 years and does its regular **Faxies** bit plus more vanity opportunities. 20 years. A couple of things have happened in the biz since April 1, 1989.

Hunt.Fish.Feed. is at noon Tuesday—another cool **Sportsman Channel** outreach to help feed the homeless (volunteers welcome). Tuesday evening, **National Geographic Channel** unveils "EXPLORER: Inside Guantanamo" at the National Geographic Society along with an expert panel hosted by **FOX News'** *Chris Wallace*.

On Wednesday, the show actually starts and puts a large number (more than the attendees?) of very senior executives on stage during the next couple of days. Wednesday evening

is the always-a-thrill (mostly 'cause we can still manage to go) **Cable TV Pioneers'** 43rd Annual Banquet at the Mayflower... (sponsorships available; tickets available -- come see the folks who made this the coolest business on earth -- details at catvpioneers@optonline.net).

On Wednesday afternoon, Thursday and Friday (when I escape—sorry to miss the **Vanguards**...but I've got to get ready for **Ski-TAM!**), please visit the show floor and place a huge, huge order...for anything at all. More widgets, more channels, more set-top boxes, more anything!

On Saturday and Sunday—you may rest—and maybe even fly home before you return for the **CTAM Research Conference**. And, don't forget to book return tickets for the **ACA** annual meeting at the end of April.

Meanwhile, I'll be "practicing" for **Ski-TAM**...it starts at Vail Cascade on Thursday the 9th with a panel at 3pm. The panel—and I get to moderate—is "Do You Hear an Echo?" That is, social networking in brand management...with *Marwan Fawaz*, EVP & CTO, **Charter**; *Mike Hayashi*, EVP Advanced Engineering & Technology, **Time Warner Cable**; *Derek Koenig*, SVP & CMO, **Vail Resorts**; *John Pierce*, Director, Brand Management, **US Olympic Committee** and *Joe Rooney*, CMO, **Cox**. See, we're doing real business at **Ski-TAM**—the most important source of funding for the **US**

Adaptive Ski Team! Be there!

Random Notes:

• **And the Winners Were:** **Team Millennial Consulting** consisting of DU students *Sohail Aslamy*, *Austin Braaten* and *Kyle Ewing* (a skier) beat two other student teams in the 3rd annual **Cable Apprentice Competition**... the toughest one yet! **Team Triple Play** (*Elizabeth Boulos*, *Katherine Hudson*, *Warren Volz*) and **Team "The 3 Cablerros"** (*Erika Braune*, *Alex Ridder*, *Katie Griffin*) gave the winners a run for their \$1500 + internship prizes and the long deliberating judges (*Tom Feige*, *Char Beales*, *Scott Binder* & *Steve Raymond*) were truly impressed. This event just keeps getting better...can't wait until next year to watch the next growth in *Duane Dick's* great idea. And, maybe next year I'll get to go watch the Southern CA version.

• **Argo-ing:** Another successful **Argo X-Change** with wonderful weather in Atlanta (won't be happening in a couple months as *Hotlanta* returns)... just had to note that *Bill Bresnan* called during the conference to, among other things, relate an old "arrrrggho" joke. Funny one.

Paul Maxwell

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Late Entry Deadline: May 8, 2009

Luncheon: September 16, 2009

Location: Grand Hyatt New York, NY

