

CableFAX Daily™

Wednesday — March 28, 2012

What the Industry Reads First

Volume 23 / No. 059

Daytime Drama: Disney, Nick Continue to Duke it Out

While **Disney Channel** has been taking advantage of the **Nick** ratings slide for months, March marked the first month it inched ahead of Nick in total viewers (1.6mln vs 1.5mln) and kids 2-11 in total day (2.6 rating/892K vs 2.4/846K). But Nickelodeon still won the quarter, averaging 1.8mln total viewers vs Disney's 1.7mln. That means Nick can continue to call itself the #1 network with kids 2-11 and total viewers for 68 consecutive quarters. But can it do 69 quarters? 1Q total viewers dipped 26% for Nick vs 1Q11, while Disney's dropped 5%. The question is whether March was a one-time victory for Disney, or a sign that the tides have changed. Nick has questioned the source for the ratings drop in recent months and held discussions with **Nielsen**. Nick and Disney both averaged a quarterly 1Q rating of 0.7. In the all-important kids 2-11 demo, it was a real squeaker. Nick's 952K delivery outpaced Disney's 945K, but the two were tied in ratings at 2.7. At Nick's upfront event in NYC earlier this month, pres *Cyma Zarghami* said that recent ratings woes would not hold it back, announcing 650 new eps of original series, including next month's "The Legend of Korra," a sequel to its popular "Avatar: The Last Airbender." Meanwhile, Disney is hoping it's found a hit with "Doc McStuffins." Fri's premiere of the preschooler series ranked as Disney Channel's #1 weekday series debut of all time in kids 2-5 (1.08mln/6.5 rating) and became the #1 most-watched preschool series launch in cable history in adults 18-49 (800K/0.6 rating). **Brag Book**: Lots of nets had 1Q ratings to crow about. **TBS** was up 30% YOY in prime to 2.13mln total viewers. Quarterly prime ratings champ **USA's** numbers were steady, with it posting 2.99mln total viewers (-3% vs last year). **Nat Geo Wild** saw prime total viewers increase 44% YOY to 180K and **NFL Net** was up 45% to 162K. **Lifetime** said it marked its strongest year-on-year growth in nearly 7 years among adults 25-54, women 25-54 and women 18-49. It marked the 1st time the net has posted 1Q YOY growth for adults 25-54, women 25-54 and women 18-49 since 1Q05. Highlights for the net in the Q included movie "Drew Peterson: Untouchable" and "Project Runway All Stars." -- **Military** said it notched its best Q in net history, delivery 217K 2+, 177K HHs and 65K men 25-54. -- **GMC** also celebrated its highest-rated Q ever among women 18-49 and 25-54, as well as with adults 18-49 and 25-54.

Spectrum: **NTIA** found that 95MHz of prime spectrum could be repurposed for wireless broadband. In a report released Tues, NTIA recommended that govt and commercial users share the 1755-1850MHz band. More than 20 federal agencies currently hold more than 3,100 individual frequency assignments in this band to perform a host of mission-critical functions, including law enforcement surveillance, military tactical communications, air combat training, and precision-guided munitions. To help overcome the challenges with reallocating the spectrum, NTIA proposed convening discussions between industry and relevant federal agencies under the Commerce Spectrum Mgmt Advisory Committee. -- In other spectrum news, the **FCC** announced that Auctionomics chmn *Paul Milgrom* will be among the auction experts advising the agency on spectrum incentive auction design and implementation.

BRAXTON FAMILY VALUES MAKES WE tv THE
#1 WOMEN'S NETWORK
on THURSDAY night

BRAXTON
 FAMILY VALUES

THURSDAYS 9|8^c

We^{tv}
 life as WE know it

affiliate.amcnetworks.com/we

Source: Nielsen, Live+SD, 11/10/11-3/1/12, excl. 11/24/11, Thurs 8p-11p, W18-49 & W18-34 (000s). Women's nets: Lif, LMN, Oxy, Soap, Style, Bravo, E!, OWN, TLC, Hall, VH1. Subject to qualifications upon request.

*Bigger.
Badder.
Boa.*

TITANOBOA

M O N S T E R S N A K E

**TITANOBOA
LIVES!**

READY
Download
the free
TITANOBOA LIVES app.

SET
Aim your
smartphone over
the ad.

BOA
Scan the ad
to watch it
come to life.

Available on the
App Store

Available in
Android Market

PREMIERES
SUNDAY APRIL 1, 8PM ^{ET} _{PT}
SMITHSONIANCHANNEL.COM/MONSTERSNAKE  **Smithsonian
CHANNEL**

IN STUNNING HD, ONLINE, ON DEMAND AND ON-THE-GO

©2012 SNI/Networks L.L.C. All rights reserved. Smithsonian Channel is a trademark of Smithsonian Institution. SNI/Networks L.L.C. is an authorized user.

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 818.945.5309, mgrebb@accessintel.com ● Assoc Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Contributor: Seth Arenstein ● Publisher: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Barbara Bauer, 301.354.1796, bbauer@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com

Technology: HBO Go has launched on Microsoft's Xbox LIVE service for the Xbox 360. It's available at no additional cost to HBO customers who subscribe through a participating TV provider. -

Research: At the Advertising Research Foundation conference Tues, Turner and Keller Fay Group presented a research study examining the co-viewing habits of NBA fans during the NBA Eastern Conference playoffs in May 2011. The study measured social engagement levels of at-home, out-of-home and the impact of word-of-mouth advertising, which occurred when fans watched with family and friends. When fans watched with friends and family out-of-home, the word-of-mouth engagement was the highest—at ratio of 2:1 compared to viewers who watched the games at home and alone. According to Gregg Liebman, svp, Turner, “we wanted to demonstrate to the marketplace [that] when the out-of-home experience takes place with other people, though historically it's been devalued or thought of as irrelevant, it was the most valuable.” -- Time Warner Cable issued 3 reports Tues as part of its Research program on Digital Communications. They delve into broadband adoption among African Americans and Latinos as well as the triple-play bundle. Download them at: www.twcresearchprogram.com.

Transforming Success: With “Mad Men” buzz at its apex following its Sun return to the airwaves, AMC pres/gm Charlie Collier told ad agency execs gathered at the 4As “Transformation” conference in L.A. that the net's “vigorous brand filter” comes down to 3 words: “Unexpected, unconventional and uncompromising.” To be sure, the net with everything from “The Walking Dead” to upcoming unscripted series “The Pitch” (see **Programming**) is anything but predictable. “We've had a nice run, and we think we've structured our strategy and our business well to move forward,” he said, adding that AMC will continue to push boundaries to expand viewership, even if not all shows become hits. “You've got to push yourself, and when you push yourself you fall down,” he said. “When we stop taking the creative risks, that's when I'll worry.” Of course, success hasn't been much of a problem for AMC lately—even if defining it has been difficult. “Our business has become much more sophisticated about what success means,” said Collier, noting that advertisers are starting to look beyond overnight ratings and recognize more comprehensive measures. “Not only is it good for both of our businesses, but it's good for our marketers,” he said.

Programming: AMC's unscripted series “The Pitch” will debut with a sneak preview on Apr 8 at 11pm following “Mad Men” and “The Killing.” The 8-part series will return on Apr 30 with a new ep. The Pitch chronicles the incredible lengths, intense stakes and tight deadlines top advertising agencies encounter when they take aim at a major new piece of business. Ep 1 features Subway restaurants. -- BBC America acquired 2 new drama miniseries: “White Heat,” which charts 7 friends from '65 to present day (May 9, 10pm), and “Inside Men,” about employees who execute a multi-million pound cash heist (June 20, 10pm). -- A Charter customer from Stockbridge, GA, Charlyne Crucitt, scored a \$43K jackpot playing GSN's “Bingo Blitz,” the highest jackpot in the game's history. Bingo Blitz in an on-screen and online version of Bingo. -- First Lady Michelle Obama will make her 1st-ever appearance at Nick's Kid's Choice Awards Sat, presenting musician Taylor Swift with The Big Help Award in recognition of her philanthropic endeavors. Will Smith will host the event, which telecasts live at 8pm ET (tape delay for West Coast). -- Golf and the LPGA announced a 3-year TV rights extension to the Kraft Nabisco Championship, the season's 1st major championship. -- Thurs marked the 10th anniv of Time Warner Cable's News 14 Carolina, a 24-hour local news net providing statewide coverage.

Upfronts: As Nat Geo Wild celebrates its 2-year anniversary this week, the net announced 4 new and 3 returning series.

The CableFAXIES
awards

Awards Breakfast
Grand Hyatt, NYC
May 1, 2012

Saluting Cable's Top Marketing & PR Programs and People

Register now: www.cablefax.com/FAXIES

Questions: saun@accessintel.com | (301) 354-1694

Inspire Us

It's about everything cable can do. And how we can make it even better. It's Imagine Park, a place at The Cable Show 2012 where inspiring ideas around content, communication and community come to life. If you've got something that fits the bill, let us know. *It's your time to wow the crowd.*

Submit your company's proposal to appear at Imagine Park by March 31 at www.thecableshow.com/imaginepark



EXPERIENCE MORE

The Cable Show 2012 • May 21-23 • Boston

BUSINESS & FINANCE

Dog whisperer *Cesar Milan* has a new show called "Leader of the Pack," in which he takes on canine abandonment in Europe by facilitating adoptions. "Animal Intervention" follows wild-life expert *Donald Schultz* and actress and film director *Alison Eastwood* as they find healthy environments for animals. "Alpha Dogs" tracks an elite force of K-9s in training and "Ultimate Animal Countdown" finds the Olympians of the animal kingdom. Returning series include "The Incredible Dr. Pol," the net's highest-rated series of 2011, "Man v. Monster" and "Wild Case Files." Over at **Nat Geo Channel**, 5 new series are in production, including "Are You Tougher Than a Boy Scout," from the producers of "Deadliest Catch," which follows adults taking on challenges from the Boy Scout handbook, and also "Brain Games," which originally appeared as a NGC special. The series looks at the brain's tricks, shortcuts and shortcomings through interactive experiments. Among the net's 9 returning series are "Doomsday Preppers," "Rocket City Rednecks," "Alaska State Troopers," NGC's highest-rated series in 2011 and "Locked Up Abroad."

People: *Suzanne McDonnell* joins **Discovery Comm** as svp, sales strategy & client solutions. McDonnell, who joins from **Viacom Media Nets**, will develop digital ad strategies and sponsorships across Discovery's digital portfolio. -- **Showtime** upped *Gary Garfinkel* and *Kent Severer* to co-head the acquisitions dept.

CableFAX Daily Stockwatch

Company	03/27 Close	1-Day Ch	Company	03/27 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	48.20	(0.44)	CLEARWIRE:	2.34	0.01
DISH:	32.53	(0.5)	CONCURRENT:	3.65	0.05
DISNEY:	44.15	(0.23)	CONVERGYS:	13.50	(0.23)
GE:	20.04	(0.01)	CSG SYSTEMS:	15.59	(0.16)
NEWS CORP:	20.49	0.07	ECHOSTAR:	28.71	(0.14)
MSOS					
CABLEVISION:	14.90	(0.18)	GOOGLE:	647.02	(2.31)
CHARTER:	63.98	(0.39)	HARMONIC:	5.62	(0.04)
COMCAST:	30.17	(0.18)	INTEL:	28.19	UNCH
COMCAST SPCL:	29.83	(0.08)	JDSU:	14.79	0.47
GCI:	9.38	(0.51)	LEVEL 3:	26.37	(0.76)
KNOWLOGY:	18.10	(0.14)	MICROSOFT:	32.52	(0.07)
LIBERTY GLOBAL:	50.48	(0.37)	MOTOROLA MOBILITY:	39.24	(0.06)
LIBERTY INT:	19.63	(0.01)	RENTRAK:	23.03	0.46
SHAW COMM:	21.16	(0.17)	SEACHANGE:	8.06	(0.12)
TIME WARNER CABLE:	81.31	(0.13)	SONY:	20.77	0.17
VIRGIN MEDIA:	24.44	0.19	SPRINT NEXTEL:	2.83	(0.03)
WASH POST:	389.06	(4.45)	THOMAS & BETTS:	71.62	(0.03)
PROGRAMMING					
AMC NETWORKS:	44.14	(0.18)	TIVO:	11.90	(0.27)
CBS:	32.50	0.08	UNIVERSAL ELEC:	19.92	(0.17)
CROWN:	1.58	(0.01)	VONAGE:	2.21	UNCH
DISCOVERY:	49.50	0.69	YAHOO:	15.43	(0.11)
GRUPO TELEVISIA:	21.38	(0.2)	TELCOS		
HSN:	38.25	(0.04)	AT&T:	31.64	(0.15)
INTERACTIVE CORP:	50.33	(0.34)	VERIZON:	38.66	(0.67)
LIONSGATE:	14.22	(0.96)	MARKET INDICES		
LODGENET:	3.60	(0.04)	DOW:	13197.73	(43.9)
NEW FRONTIER:	1.50	0.03	NASDAQ:	3120.35	(2.22)
OUTDOOR:	7.65	(0.23)	S&P 500:	1412.52	(3.99)
SCRIPPS INT:	49.23	0.03			
TIME WARNER:	36.76	(0.42)			
VALUEVISION:	2.07	(0.23)			
VIACOM:	53.02	0.84			
WWE:	8.98	(0.01)			
TECHNOLOGY					
ADVANTAGE:	2.43	0.06			
ALCATEL LUCENT:	2.42	(0.01)			
AMDOCS:	31.47	0.15			
AMPHENOL:	59.06	1.13			
AOL:	19.19	(0.11)			
APPLE:	614.48	7.50			
ARRIS GROUP:	11.03	(0.12)			
AVID TECH:	11.22	(0.4)			
BLNDER TONGUE:	1.26	(0.03)			
BROADCOM:	38.95	0.02			
CISCO:	20.91	0.07			

Want to find a new cable job in 2012?

Search now in the Cable360 Job Boards

Go to www.cable360.net/jobs



CableFAX Roundtable

International Waters

When it comes to sustainable growth, more and more programmers are looking to their international media business. Not only are there new launches to be made, but there are new advertising dollars to be courted. This month's roundtable quizzes some of the execs heading up this overseas growth, as they discuss what areas are hot and how their brands play in other countries. Joining our discussion are **Scripps Networks** COO, Intl *Bob Baskerville*; **Discovery Nets Intl** evp, COO *John Honeycutt*; and **National Geographic Channels** CEO *David Lyle*.



Bob Baskerville



John Honeycutt



David Lyle

How have you had to tweak your brand for international markets?

Baskerville: It's important to us that our channels reflect the best of Scripps' lifestyle content, but we want to make sure that it's not strictly an imported American channel. There are local preferences and trends to take into account, as well as many cultural sensitivities to consider.

Lyle: The wonderful thing about the National Geographic Brand is that it is so strong, universal and consistent that it doesn't need to change greatly from territory to territory. Some series are stronger in certain territories than others, but there is a reliable sameness to the core content but with a local flavour. For example, our hit returning series "Locked Up Abroad" has found a type of cult following here in the US and also performs really strongly internationally. "Air Crash Investigation" does well in the UK while "The Dog Whisperer" is a favorite in Asia and in Holland, while the series "Taboo" is a hit in Latin America. With "Doomsday Preppers," which focused on Americans who are preparing for the end of the world as we know it, we have strong expectations for when it premieres globally later this summer.

Honeycutt: With our brands reaching 210 countries, and an average of 6-11 channels, Discovery invests in a local market strategy—in order to satiate the needs of our consumers and meet the industry demands in each market. We distribute multiple channels in each market. Within our broad range of offerings, we provide content at a global and local level. We customize our programming in the local language, and customize the content to be relevant to the local viewer. Therefore, we market our brands in each market to meet the demands of their audience. We offer 26 international brands that factual, lifestyle, entertainment, in 45 languages. Our content offering is varied and diverse and meets the demands of the local TV landscape in each of our markets.

Are there countries that are particularly hot for you

right now?

Honeycutt: We are focused on growth across the board since we cover such a vast number of countries. We are seeing particularly high growth in markets including Brazil for affiliate growth, India because of digitalization, and Southern Europe (Spain, France and Italy) because of our move into DTT. Diverse markets require diverse strategies.

Lyle: National Geographic is performing well across the world. In the last year we've had particularly strong growth in Latin America where our international series are complemented by excellent local productions, as well as in Eastern Europe.

Baskerville: Overall, our mission is to expand and monetize our brands on a global stage. This year, we'd like to continue our momentum for Food Network in the UK, grow distribution for Food Network (and for that matter, Fine Living) in the rest of EMEA and Asia, and invest in building our digital offerings so Food Network becomes a truly multi-platform global entertainment resource. We're also looking to build the foundation for our lifestyle categories to have a significant presence in Latin America.

What has surprised you most about your intl nets?

Honeycutt: No matter where I am in the world, I meet someone who loves Discovery Channel and can name several of their favorite shows. The power and reach of this brand never ceases to amaze me.

Baskerville: It's amazing to see how quickly Food Network in South Africa has grown. It launched in December 2010 on DStv and is already the second most popular lifestyle channel on the DStv platform. I'm also encouraged by the growth we've experience in Canada, with DIY Network Canada having an outstanding second year in 2011 as evidenced by doubled revenues. Food Network Canada also saw a record year for ratings and profitability, and we launched HD channels for both Food Network and HGTV

CableFAX Roundtable

in Canada last year.

Lyle: Inside the channels or behind the scenes, what I really respond to is the fierce passion of the team to make their National Geographic Channel not just a winner in their region but to be amongst the world's best. In viewer terms, I am reminded that the same good shows... rise to the top in nearly all the territories. It seems that a hit is a global phenomenon.

How do you make sure your international offices feel like part of the corporate family?

Baskerville: It can be a challenge, but first we make sure that all offices are communicating with one another on a regular basis, usually through regular video conference calls and a department-wide off-site meeting at least once per year. We also try to make sure that our international offices feel connected to the larger Scripps family by participating in company initiatives such as employee engagement, ensuring that they're included on all corporate communications, and have video access to watch our quarterly company meetings.

Lyle: We make jokes at their expense or try to drive them crazy like real family! All kidding aside, we talk, we meet, we share information as soon as it comes to hand. In terms of decision making on what shows we are going to green light, we get international input as soon as possible. Through Liz Dolan, the Chief Marketing Officer for National Geographic International, the channels coordinate their core marketing. As with programming, the secret of marketing success is the correct balance of international and local influences.

Honeycutt: With 37 local offices, our philosophy rests on having a very small, yet strong, DNI corporate team with the majority of the staff in region. In fact, 98% of our work force dedicated to the international business is working in our regional businesses across Europe, the Middle East, Africa, Latin America and Asia-Pacific. The local teams contribute to the overall success of our corporate operations. In order to communicate effectively around the world, we have a very strong internal communications function that helps narrow the gap between countries.

How would you describe the growth opportunities for affiliate fees internationally vs. in the US?

Lyle: In the US the total number of houses connected to cable/satellite seems pretty well maxed out. In the rest of the world, the pay penetration still has huge growth opportunity. At the same time, internationally, payment per sub has powerful potential to increase.

Honeycutt: Overall, affiliate revenue makes up two thirds of our international business operations. But, each market is

so different that one size does not fit all in terms of looking at our business across 210 countries. On average, we renew contracts approximately every 3-5 years, which varies slightly from the US. And we supplement our core pay TV business with a focused effort into free to air channels or digital terrestrial television. This is a targeted strategy in a handful of more mature European markets.

What can the domestic side learn from international operations?

Lyle: Here in the States we can be reminded that hit content can come from anywhere. Also, when I watch the international promos I am very interested not just what they see as the core promotional values of shows that we "think" we know but how they express those attributes to their audience. Likewise, we can learn from some of the promotional or scheduling strategies. It is almost like having a test lab or an Off Broadway try out.

Baskerville: There's something new challenging our efforts every day, which is what is so unique about the international business. It forces you to be nimble, but it's also a constant reminder to always be looking forward, which is something everyone can learn from. I'd also note that different things work for different markets; just because something is successful in the US by no means ensures its success overseas.

What question do you hear most from investors on international?

Baskerville: Since we announced the acquisition of Virgin Media's 50% minority stake in the UKTV partnership about 6 months ago, investors want to know how the partnership with BBC Worldwide is progressing, particularly as it relates to programming decisions. While the partnership is still in the very early stages, we're very excited about being partners with the BBC and are looking forward to working with them closely in the coming years. There have been discussions with UKTV and BBC about carrying Scripps' content on the UKTV networks, and we're also looking at BBC content to see if any of that could also work here on our domestic networks. I think over time the UKTV partnership will carry more of our Food category programming, but right now it's still too early to say when and how much.

Honeycutt: One of the key questions we get all the time from the investment community: you have had huge growth in the international marketplace... how much more runway is there internationally given your leadership position? And to this we say, we have a lot of room to grow.

Lyle: How can I get in front of some of those Chinese eyeballs?