

CableFAX Daily™

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What the Industry Reads First

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Still Growing: AT&T's U-Verse Continues to Take Customers

The economy may be abysmal, but **AT&T** keeps eeking out more **U-verse** subs. It grew the U-verse video service by 284K subs in 1Q, up from 264K adds in 4Q. But AT&T reports that U-verse is helping with much more than video. Broadband net adds were up more than 50% sequentially, with 90% of U-verse TV subs taking broadband. VoIP is now in 86% of U-verse markets, with Houston and L.A. coming on board during the Q. More than 60% of U-verse video subs are taking voice. "We are making good progress... with U-verse and that is bringing along not just video connections but a very hot broadband attach rate," CFO *Rick Lindner* said on Wed's earnings call. "When we look at those U-verse customers, by the way, over 60% of those are coming from competitors... At the same time, we are now starting to get a lot of traction behind the U-verse voice product, and that is certainly helping us offset some of the consumer line loss." As usual, wireline was the weakest link in the telco's earnings (4.2mln consumer losses or 12.3%, while wireless (particularly iPhone with 1.6mln sales in the Q) shined. U-Verse TV penetration is in the "double digits," and in the mid-teens in areas where it has been marketed for 18 months, Lindner said. AT&T started its new marketing pact with **DirectTV** in Feb after ditching **DISH**. By the end of 1Q, U-verse and satellite video penetration of HHs served was 12.6% (3.5mln). Despite strong 1Q results, those hoping that AT&T would provide evidence that the economy is making a sharp turnaround were disappointed. "I can't say that in 1Q we have seen significant changes in the direction," Lindner said, noting a continuation of trends from 4Q: pressure on wireline voice revenues and on usage-based services. For the Q, AT&T posted net income of \$3.2bln, down from \$3.5bln a year ago. Revenue dipped 0.6% to \$30.57bln. Shares closed up nearly 2%. **Time Warner Cable** will kick off cable reporting season next Wed, with **Comcast** reporting on Thurs.

New GM: **Sundance Channel** went within to find its new evp, gm, promoting svp, marketing *Sarah Barnett*. She replaces *Laura Michalchyshyn*, who joined **Planet Green** as gm last month. Barnett's creative campaigns have included Season 3 of "The Green" and "31 Days of Sundance." Prior to joining Sundance in late '05, she served as vp, on-air for **BBC America**. She tells us her approach will be to "stay smart and use short words." What does she mean by that exactly? "Sundance has always been very intelligent. I don't want to dumb it down," Barnett explained. "But sometimes it has been perceived a little bit like hardwork—academic." She's also looking forward to growing the

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net's distribution, which should come naturally now that it's a part of the larger **Rainbow** family.

Competition: **DISH** used Earth Day to introduced **DISH Earth**, a channel exclusively available to DISH subs and offering live views of the planet 24/7, including passing views of the moon, Venus and even unidentified objects (if you see an alien, call 911). The net's content is supported by a camera installed on DISH's EchoStar 11 satellite.

In the States: **Cablevision** launched a mobile version of Web portal Optimum.net. It's available on all mobile devices with browsing capabilities over all networks, including the iPhone. -- **WD's** "My DVR Expander" is available in the US, allowing consumers to instantly expand their **TiVo** capacity to 1 TB (140 hours of HD programming). It works with the TiVo Series 3 and TiVo HD dvr's and costs \$199.99.

Upfronts: Fresh off its highest-rated Q ever, including a 0.8/761K in prime, **Food Network** is ready to serve up 8 new prime series and 6 new daytime shows. The prime slate includes "Extreme Cuisine with *Jeff Corwin*" (Sept), in which the wildlife conservationist explores human culture through regional cuisine, and "Worst Cooks in America" (Jan), featuring chefs *Anne Burrell* and *Beau MacMillan* attempting to improve the skills of 6 home cook. Daytime series include "Sandra's Money Saving Meals" (May) and "What Would Brian Boitano Make?" (Aug), featuring the Olympic skater who's also an accomplished cook.

On the Hill: Thurs' House Communications subcmte hearing on communications networks and privacy includes testimony from **NCTA** pres/CEO *Kyle McSparrow*, **AT&T** svp, public policy/chief privacy officer *Dorothy Atwood* and **Free Press'** *Ben Scott*. The committee is expected to delve into privacy issues surrounding **Canoe** and targeted Web advertising.

Research: During TV viewing Sun-Thurs nights, viewers spent an average of 9.3% of prime viewing minutes also online, according to a study by **Integrated Media Measurement**. Cable had slightly less multitasking (8.2%) than broadcast (11%). Women are most likely to engage in simultaneous viewing.

Programming: **VH1** greenlit "Sex Rehab with Dr. Drew" and "New York Goes to Work" (*Tiffany Pollard* will have to learn a new job skill each week) and ordered new seasons of "I Want to Work for Diddy," "Celebrity Rehab with Dr. Drew," "Brooke Knows Best," "Gotti's Way 2" and "Tool Academy." -- **BBC America** picked up 2 UK comedies—"The Inbetweeners" (the humiliations of teenage life) and "Katy Brand's Big Ass Show" (sketch comedy). -- **Bravo** is developing a docu-series revolving around landmark boutique Fred Segal Fun. -- New **GMC** doc explores connections between "American Idol" and Christian music's popularity in "From Idol to Inspiration," Apr 23, 7pm ET. A live telecast of the Dove Awards follows at 8pm.

Ratings: **Fox News** had a strong week, finishing 2nd in prime last week (2.0 HH rating/1.87mln HHs) behind powerhouse **USA**. As usual, it was "The O'Reilly Factor" pulling in the highest numbers, with 2 eps notching 3.1 HH ratings. Strong performances for **WWE** (4.0) and "In Plain Sight" (3.9) helped the net to a 2.3/2.28mln. Rounding out the top 5 nets in prime were **Disney** (1.9/1.88mln), **TNT** (1.5/1.46mln) and **Nick at Nite** (1.4/1.34mln).

iTunes Store: **History** launched its 1st iPhone and iTouch app, "Life After People Photo Ager," a free app that lets users age images which can be saved or shared with friends. It touts new weekly series "Life After People," Tuesdays, 10pm. -- **AMC's** free app for iPhone and iTouch features exclusive content, including behind-the-scenes footage from "Mad Men" and "Breaking Bad."

To Summ-it Up, CableFAX Daily Takes You There

Announcing: Bonus distribution of CableFAX Daily at the 16th Annual American Cable Association Summit

Event Date: April 28
Location: Gaylord National Hotel,
 Washington, DC.
www.americancable.org

CableFAX Daily Issue Date:
 April 28
Ad Close Date: April 22
Artwork Deadline: April 23, noon

Make sure your new or existing ad is placed in the April 28 issue. For assistance contact Debbie Vodenos; 301-354-1695; dvodenos@accessintel.com or Erica Gottlieb; 212-621-4612; egottlieb@accessintel.com

BUSINESS & FINANCE

At the Portals: FCC acting chmn *Michael Copps* announced the membership of the Federal Advisory Committee on Diversity for Communications in the Digital Age and scheduled a meeting for May 7. Members include **Showtime's Matt Blank**, **NCTA's James Assey** and **BET's Debra Lee**.

People: Former **Consumers Union** vp/cable pot stirrer *Gene Kimmelman* was named special counsel for competition policy at the **Dept of Justice**. His official title is chief counsel for competition policy and intergovernmental relations. -- **Mediacom** added *Scott Seaton*, a partner of **Londonderry Capital**, to its board. -- **Cablevision** COO *Tom Rutledge* was re-elected chmn of **NCTA's** Board during the **Cable Show**. Also re-elected were **Cox's Pat Esser** (vice chmn), **Advance/Newhouse's Bob Miron** (treas) and **Charter's Neil Smit** (sec).

Obit: Our condolences to **Com-mScope** CEO *Frank Drendel*, whose wife, *Marilyn (Pinky) Drendel*, passed away Mon after a battle with multiple sclerosis. Frank credited much of his early success to Pinky and dedicated the 2006 CommScope history "Connecting the World" to her.

Editor's Note: Congrats to the winners of the **ESPN Deportes CableFAX** Contest! View the results at http://cablefax.com/cfp/espncontest_winners.html. Thanks to all who participated!

CableFAX Daily Stockwatch

| Company | 04/22 Close | 1-Day Ch | Company | 04/22 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| BRITISH SKY: | 24.96 | (0.44) | AMPHENOL: | 32.15 | 0.71 |
| DIRECTV: | 24.88 | (0.56) | APPLE: | 121.51 | (0.25) |
| DISH: | 13.79 | 0.23 | ARRIS GROUP: | 9.32 | 0.00 |
| DISNEY: | 19.40 | (0.07) | AVID TECH: | 10.58 | (0.06) |
| GE: | 11.80 | 0.10 | BIGBAND: | 5.99 | (0.2) |
| HEARST-ARGYLE: | 4.80 | (0.03) | BLNDER TONGUE: | 0.95 | 0.00 |
| NEWS CORP: | 8.74 | 0.04 | BROADCOM: | 22.61 | 2.09 |
| MSOS | | | | | |
| CABLEVISION: | 16.42 | 0.10 | CISCO: | 17.44 | (0.25) |
| COMCAST: | 14.05 | (0.22) | CLEARWIRE: | 5.75 | 0.22 |
| COMCAST SPCL: | 13.18 | (0.26) | COMMSCOPE: | 18.98 | 0.23 |
| GCI: | 7.24 | (0.2) | CONCURRENT: | 3.99 | (0.02) |
| KNOLOGY: | 6.15 | 0.48 | CONVERGYS: | 9.87 | 0.12 |
| LIBERTY CAPITAL: | 10.97 | 0.48 | CSG SYSTEMS: | 14.84 | (0.05) |
| LIBERTY ENT: | 23.59 | (0.45) | EHOSTAR: | 15.73 | (0.2) |
| LIBERTY GLOBAL: | 16.75 | (0.47) | GOOGLE: | 383.86 | 2.39 |
| LIBERTY INT: | 4.94 | (0.21) | HARMONIC: | 6.81 | 0.14 |
| MEDIACOM: | 5.00 | (0.03) | INTEL: | 15.67 | 0.31 |
| SHAW COMM: | 14.65 | 0.01 | JDSU: | 4.80 | (0.04) |
| TIME WARNER CABLE: | 27.75 | (0.28) | LEVEL 3: | 1.02 | (0.06) |
| VIRGIN MEDIA: | 6.91 | 0.10 | MICROSOFT: | 18.78 | (0.19) |
| WASH POST: | 418.50 | 11.18 | MOTOROLA: | 5.66 | 0.09 |
| PROGRAMMING | | | | | |
| CBS: | 5.92 | (0.26) | NDS: | 62.93 | 0.00 |
| CROWN: | 2.75 | 0.03 | OPENTV: | 1.54 | (0.01) |
| DISCOVERY: | 18.49 | 0.19 | PHILIPS: | 16.61 | 0.14 |
| EW SCRIPPS: | 1.89 | 0.12 | RENTRAK: | 10.05 | (0.14) |
| GRUPO TELEVISA: | 16.30 | 0.24 | SEACHANGE: | 6.59 | 0.08 |
| HSN: | 6.61 | (0.04) | SONY: | 25.53 | (0.7) |
| INTERACTIVE CORP: | 16.15 | (0.15) | SPRINT NEXTEL: | 4.15 | (0.1) |
| LIBERTY: | 24.02 | (1.3) | THOMAS & BETTS: | 28.39 | (0.59) |
| LODGENET: | 1.69 | (0.01) | TIVO: | 7.45 | (0.12) |
| NEW FRONTIER: | 1.94 | 0.04 | TOLLGRADE: | 5.75 | 0.05 |
| OUTDOOR: | 7.35 | (0.02) | UNIVERSAL ELEC: | 18.45 | (0.52) |
| PLAYBOY: | 2.25 | 0.17 | VONAGE: | 0.38 | 0.00 |
| RHI: | 2.96 | 0.20 | YAHOO: | 14.48 | 0.10 |
| SCRIPPS INT: | 26.28 | (0.21) | TELCOS | | |
| TIME WARNER: | 22.33 | 0.11 | AT&T: | 25.74 | 0.46 |
| VALUEVISION: | 0.72 | 0.01 | QWEST: | 3.50 | 0.05 |
| VIACOM: | 19.95 | 0.09 | VERIZON: | 30.91 | (0.13) |
| WWE: | 10.89 | 0.03 | MARKET INDICES | | |
| TECHNOLOGY | | | | | |
| 3COM: | 3.93 | 0.06 | DOW: | 7886.57 | (82.99) |
| ADC: | 5.84 | 0.08 | NASDAQ: | 1646.12 | 2.27 |
| ADVANTAGE: | 1.72 | 0.01 | | | |
| ALCATEL LUCENT: | 2.29 | (0.01) | | | |
| AMDOCS: | 19.37 | (0.08) | | | |

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Late Entry Deadline: May 8, 2009
Luncheon: September 16, 2009
Location: Grand Hyatt New York, NY

