

CableFAX Daily™

Wednesday — April 27, 2011

What the Industry Reads First


Volume 22 / No. 080

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Source: Beta Research Brand Identity Study, 2000-2011. Ranked among Viewers 18+ that "very much" describe the network as "having hosts/on-air personalities they like."

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2011 Kickoff: 1Q All About Subs and DISH Guessing Game

Time Warner Cable is the 1st major MSO to report earnings for a quarter in which sub performance may take the spotlight. As TWC shares established Tues a new 52-week high of \$75.42, perhaps signaling that investors are optimistic about the MSO's performance, **Miller Tabak** predicts TWC will lose about 92K basic subs, while gaining 104K digital video, 173K HSD and 73K voice net adds. A more optimistic **Wells Fargo** puts TWC's basic loss at 45K, with HSD up 190K and voice up 94K. "Given that the **NBCU** deal has closed and capital return announcements have been made (in the near-term), investor focus may once again be on subs," said a Wells Fargo research note "In general, we think CMCSA has the best set up going into the print... Lastly, **DISH** may have the worst sub performance, but [it's] expected given the \$5 increase in Feb." While investors may focus again on sub numbers, Wells Fargo's **Marci Ryvicker** spoke at a conference last week where she said the real focus should be on ARPU (*Cfax*, 4/21). Her firm predicts TWC's will grow 7.7% to \$128.58 and it expects similar growth for Comcast (7.6% to \$132.29) when it reports next Tues. While not a top 10 MSO, overbuilder **Knology** offered a promising start to reporting season Tues, with total revenue of \$128mln (+16.2%). Knology lost 556 basic subs, but posted a hearty 5.2K gain on HSD. Miller Tabak noted that avg revenue per connection improved more than it expected to \$55.49 vs its \$54.18 estimate, which it said may mean that Knology is gaining higher-revenue stream customers while losing more lower-value customers. Cable's been happy for some time now to let others take those less valuable subs. Of course, the greatest question this Q is: what's **Charlie Ergen** planning with **Blockbuster**. No one is expecting much color when DISH reports Mon, but you never know. Ergen certainly has **Netflix's** attention. "We really don't know what DISH is up to, but presumably they paid a couple hundred million for Blockbuster, not for its technology but for its brand," Netflix CEO Reed Hastings said during the company 1Q earnings call late Mon. "...It would be consistent to do that if they had plans to launch a service with a fair amount of content and a fair amount of marketing." In a Tues investor note, **BTIG's Richard Greenfield** said "DISH has Netflix envy," citing early-year comments from Ergen and by DISH vp, online content dev and strategy **Bruce Eisen** in Mon's *NY Post*. "We plan to compete more aggressively with Netflix," Eisen told the pub. "They have more movies than we do, but we have movies much sooner than they have."

Spectrum Wars: NAB is throwing around a study from former **FCC** Wireless Bureau staffer **Uzoma Onyeije** that ques-

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tions the existence of a spectrum crisis. "There is no denying that the corporate imperative of mobile wireless carriers is to obtain as much spectrum as they can," wrote Onyeije, currently pres, **Onyeije Consulting**. "However, the fact that wireless carriers cannot find a unified voice on the amount and timing of their spectrum needs suggests that this advocacy is more strategic gamesmanship than factual reality." His paper suggests deploying network technology upgrades that promote spectral efficiency, leveraging consumer infrastructure such as femtocells and WiFi, enhancing capacity through the deployment of smart antennas, picocells, and cell splitting, and urging bandwidth sensitive applications.

Wireless: Cox continues to fill vacancies, announcing that *Kelly Williams* was promoted to vp, wireless product and operations. He previously was responsible for the enterprise project management organization, which developed and executed the overall project plans for deploying Cox Wireless. *Stephen Bye* resigned as wireless vp earlier this year to take a job at **Sprint Nextel**. Earlier this month, Cox filled its long vacant CTO spot, hiring former **Clearwire** CTO *Kevin Hart*.

Lower Octane?: Fuel TV evp/gm *CJ Olivares* is leaving the network "to pursue opportunities more closely related to the action sports genre to which he remains passionate," according to a release. Olivares 8 yrs ago helped launch the net, which changed in Sept to include a broader range of sports/lifestyle content aimed at broadening beyond the male 12-24 demo to also include males 25-34. Yesterday, for example, Fuel announced 6-part series "Bruce Lee Lives!" (July 17), slated to examine the late martial artist's life through the personal stories of celebs. "As the network continues to evolve, I realize that my passion remains the action sports that were Fuel TV's core," said Olivares, who will remain as a consultant.

In the States: Suddenlink launched **HBO Go** and **MAX Go** for its customers who subscribe to the corresponding premium net. -- **Comcast's** set to open a customer service center in Miramar, FL, this spring. When fully operational later this year, it will employ 300 and exclusively handle sales call from Spanish-speaking consumers across the country.

Beta: Discovery Channel again proved its weight with the cable audience in **Beta's** brand identity study, as 57% of viewers named the net 1 of their favorite channels. **History** (55%) and **Food Net** (54%) kept the top 3 from a year ago intact, while **Investigation Discovery** (52%) jumped 2 spots to claim 4th. Discovery (54%) and **Nat Geo** (51%) led the list of nets featuring content viewers would like to see in HD, and the pair also led in descriptions by viewers as distinctive. Viewers are most likely to purchase wares featured on **Cooking Channel**, **DIY Net** and **HGTV** in equal measure.

Research: DVR subscriber homes totaled 39.2mln as of Dec 31, and **MagnaGlobal** expects that number to rise to 61.9mln by the end of '16. At year-end, **DirecTV** had approx 9.4mln DVRs, according to the firm, while **Comcast** had approx 5.9mln and **Time Warner Cable** 4.6mln. VOD (including OTT services) is expected to reach 70.1mln homes by '17, up from 52.5mln as of Dec 31. Over the same period, Magna foresees the number of online homes growing to 99.4mln, of which 97.9mln will have broadband services.

Ratings: The only thing that appears capable of halting the momentum of the **NBA** on **TNT** is the league itself, whose collective bargaining deal with the players assn expires June 30. The net crushed its cable foes last week by posting a 2.6/2.57 in prime to runner-up **USA's** 2.1/2.08mln and also earned its best Apr ever. When TNT's playoffs coverage began to take flight last season around the same time, it posted a 2.5/2.47 for the week. The week's top 4 games averaged a 3.88/3.87mln, led by a Hornets-Lakers matchup (4.5/4.77mln). Only **HBO's** "Game of Thrones" (5.1/1.55mln) and **History's** "Pawn Stars" (4.5/4.88mln) ranked higher. -- USA won Apr prime with a 2.2/2.21mln. Next were **Disney Channel** (1.9/1.88mln), **TNT** (1.7/1.68mln), **History** (1.6/1.60mln) and **Fox News** (1.5/1.48mln). The top 3 Apr telecasts: History's "Pawn Stars" (5.7/5.67mln), **Nickelodeon's** "iCarly" (5.5/5.55mln) and an additional Pawn ep (5.5/5.50). -- **Brag Book:** The season premiere of **BBC America's** "Doctor Who" delivered 1.27mln total viewers and a 0.72 coverage rating in the metric to become the net's highest-rated, most-watched telecast ever (Live+Same Day). -- Last week's "Extreme Couponing" (Apr 20, 9:30pm) delivered 2.3mln P2+, driving **TLC** to the #2 ad-supported cable telecast in prime among W18-34, W18-49 and W25-54. To date (4/6/11-4/20/11) it's the #1 show on Wed nights among W18-49 and W25-54.

Programming: *Keith Olbermann* left **MSNBC** to join **Current TV** in Feb and carried his show name along. "Countdown with Keith Olbermann" debuts June 20 (8pm ET) on Current. "The show will combine familiar and popular features with some new elements that we can't wait to unveil," said CEO *Mark Rosenthal*. Olbermann also serves as the net's chief news officer. -- **Showtime** picked up a 2nd season of "The Borgias" ('12). -- **TBS** ordered 10 eps of *Tyler Perry's* "For Better or Worse," a dramedy based on the "Why Did I Get Married?" films. It's the 3rd Perry show to hit TBS. -- "TV Land Pres-

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WHAT THE INDUSTRY READS FIRST

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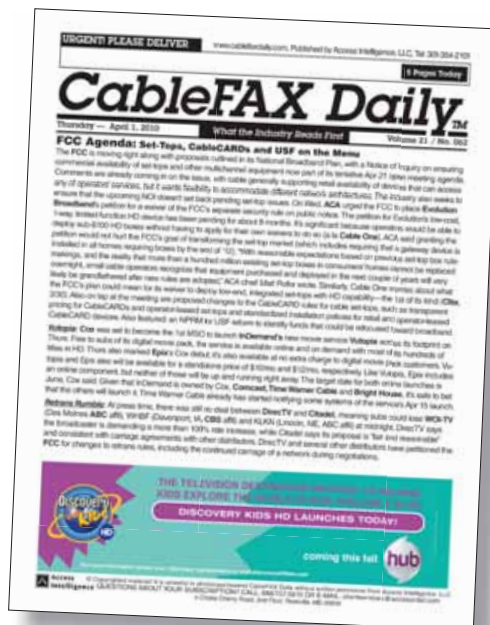
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BUSINESS & FINANCE

ents: The AFI Life Achievement Award Honoring Morgan Freeman" (June 26) will follow the related **AFI** black-tie event on June 9 in L.A. -- **BBC America** is co-producing supernatural drama "The Fades," which will join the net's lineup later this year.

Public Affairs: Comcast hosts its 10th Comcast Cares Day, with more than 62K employees (including **NBCU**'ers) and their families spending Sat doing community service at 600 project sites across the country. This 10th year of service marks more than 2mln hours volunteered and a total of \$10mln contributed to the organizations on this day since it began in '01.

People: FEARnet added former **Ovation** COO *Ron Garfield* as chief revenue officer. Ex-**GSN** exec *Michael Severino* becomes vp, affil sales. -- **OWN** welcomed *Scott Garner* as svp, scheduling & acquisitions. -- **BlackArrow** tapped *Don Gordon* as svp, tech.

Business/Finance: Comcast Interactive Capital sold its stake in online gaming company **BigPoint GmbH** to **Summit Partners** and **TA Assoc**, which signed a deal to invest \$350mln to recapitalize the firm and position it for global growth. "We received an excellent return on our initial investment," said CIC exec dir *Megumi Ikeda* in a release. "While we are selling our share, we are very optimistic about Bigpoint's future and are continuing our operational relationship with them at NBC Universal."

CableFAX Daily Stockwatch

Company	04/26 Close	1-Day Ch	Company	04/26 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	47.26	0.18	BLNDER TONGUE:	2.27	0.01
DISH:	24.42	0.11	BROADCOM:	40.41	0.25
DISNEY:	42.33	0.40	CISCO:	17.52	0.42
GE:	20.10	0.21	CLEARWIRE:	5.34	(0.06)
NEWS CORP:	18.82	0.18	CONCURRENT:	5.87	(0.09)
MSOS					
CABLEVISION:	34.94	0.22	CONVERGYS:	14.18	0.22
CHARTER:	55.28	0.42	CSG SYSTEMS:	20.61	0.14
COMCAST:	25.59	0.30	ECHOSTAR:	36.88	(0.32)
COMCAST SPCL:	24.00	0.22	GOOGLE:	532.82	7.77
GCI:	11.20	0.21	HARMONIC:	9.36	0.11
KNOLGY:	14.92	0.25	INTEL:	22.48	0.54
LIBERTY CAPITAL:	78.09	0.16	JDSU:	19.75	0.13
LIBERTY GLOBAL:	45.14	0.03	LEVEL 3:	1.63	(0.01)
LIBERTY INT:	16.55	0.04	MICROSOFT:	26.19	0.58
SHAW COMM:	20.77	0.15	RENTRAK:	22.61	0.38
TIME WARNER CABLE:	74.96	0.33	SEACHANGE:	10.58	0.07
VIRGIN MEDIA:	30.02	0.28	SONY:	29.79	(0.3)
WASH POST:	429.54	8.56	SPRINT NEXTEL:	4.81	0.01
PROGRAMMING					
CBS:	24.66	(0.03)	THOMAS & BETTS:	58.09	0.28
CROWN:	2.28	0.01	TIVO:	9.72	(0.28)
DISCOVERY:	41.46	(0.3)	TOLLGRADE:	10.06	UNCH
GRUPO TELEVISA:	23.55	0.13	UNIVERSAL ELEC:	28.70	0.20
HSN:	32.26	0.42	VONAGE:	5.25	0.14
INTERACTIVE CORP:	33.74	1.86	YAHOO:	17.28	0.17
LIBERTY:	43.22	0.09	TELCOS		
LIBERTY STARZ:	76.16	(0.31)	AT&T:	30.94	0.39
LIONSGATE:	6.40	0.09	VERIZON:	37.63	0.64
LODGENET:	3.48	(0.01)	MARKET INDICES		
NEW FRONTIER:	1.76	-0.00	DOW:	12595.37	115.49
OUTDOOR:	7.18	0.55	NASDAQ:	2847.54	21.66
SCRIPPS INT:	49.63	0.37	S&P 500:	1347.24	11.99
TIME WARNER:	36.89	0.40			
VALUEVISION:	5.81	UNCH			
VIACOM:	55.53	0.43			
WWE:	11.53	0.09			
TECHNOLOGY					
ADVANTAGE:	3.09	UNCH			
ALCATEL LUCENT:	6.32	0.10			
AMDOCS:	30.46	(0.21)			
AMPHENOL:	55.60	0.87			
AOL:	20.07	0.34			
APPLE:	350.42	(2.59)			
ARRIS GROUP:	12.80	0.04			
AVID TECH:	18.51	(0.41)			
BIGBAND:	2.52	0.03			

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