

# CableFAX Daily™

Friday — April 27, 2012

What the Industry Reads First

Volume 23 / No. 080

## Insightful TWC: 1Q Results Show Good Margins, But Basic Losses

Time Warner Cable's 1Q earnings call was full of interesting nuggets beyond the solid financials. For example, **Insight** looks even better than the company initially thought, CEO *Glenn Britt* told analysts Thurs. It's expected to have a significant positive impact on free cash flow this year. The acquisition puts TWC at 15mln+ customers and 50K employees (it's closing Insight's NY HQ). "The quick summary is that Insight was well run," said COO *Rob Marcus*. "Its reputation in the marketplace was strong. It had good subscriber momentum in recent months. And the plant is in even better shape than we had anticipated." The process of moving Insight HSD and voice subs to TWC's platform has started and should be complete around year-end, he said. For the Q, TWC lost 94K basic video subs, more than the Street's 60K consensus with most being analog, single play customers (pro forma for Insight). Efforts to improve performance include a plan to expand the residential direct sales force by nearly 1K reps this year and improving retention efforts (ie, in the East region, all retention reps are expected to be in just 2 call centers by the end of Q3). TWC posted a 30% YOY increase in triple-play connects, resulting in 125K net adds—the best performance for the bundle since early '09. Voice had 112K net adds, while HSD had its best 1Q since '09 with 218K adds. **Sanford Bernstein's Craig Moffett** called the basic loss a disappointment, but noted total customer relationships "grew nicely" at 70K additions. No new details on TWC's opt-in broadband usage pricing (still plans to roll it out beyond South TX this year). WiFi rollouts continue with 10K access points in L.A. expected by year-end. **More Tidbits from Britt (or TidBritts):** On **Verizon Wireless** pacts: It's too early to talk about anything, but Verizon is a "very interesting" marketing channel. Marcus added that some new product enhancements created by the partnership may be available before year-end. **Dodgers TV Rights:** "Who knows what's going to happen with the media rights. Fox has certain rights to negotiate. But if those become available and are offered to us, we'll take a look." The loss of **MSG:** "It did have some impact, but I would editorialize and say it had amazingly little impact." On **Aereo:** No idea if it'll hold up in court, but "if it's found to be legal not paying retransmission consent, it's a very interesting thing." **ISI's Vijay Jayant's** bottom line: "We'd argue that, judging from TWC's results—strong across the board (save for some lightness in video)—things could be looking up for the entire sector for 1Q earnings season." **Miller Tabak** reiter-

**hub HD** Family Favorites with a new spin!

Catch your classic favorites and your family's new favorites by adding The Hub HD to your lineup.

"Re-imagined nostalgic and iconic shows has led The Hub to be #1 IN CO-VIEWING with Kids 2-11 watching with Adults in Total Day!"

Nielsen Npower, 4/2/12-4/15/12 most current coverage area coview of K2-11 and A25-54 in total day, kids networks only.

Discoveryaffiliate.com

*Bright minds.  
Influential leaders.  
And live microphones.*

They've transformed companies, sparked innovation and redefined boundaries in media, entertainment and technology. And they're about to take the stage at The Cable Show 2012. Be there live so you don't miss a moment. Or a headline.

*Register now! [thecableshow.com/innovate](http://thecableshow.com/innovate)*



**Conan O'Brien**  
Host  
"Conan"



**Piers Morgan**  
Host  
"Piers Morgan Tonight"



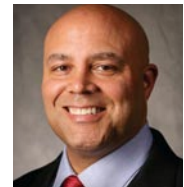
**David Stern**  
Commissioner  
National Basketball Association



**Phil Kent**  
Chairman & CEO  
Turner Broadcasting  
System, Inc.



**Neil Smit**  
President & CEO, Comcast Cable  
EVP, Comcast Corporation



**Michael Powell**  
President & CEO  
NCTA



**Jeffrey Bewkes**  
Chairman & CEO  
Time Warner, Inc.



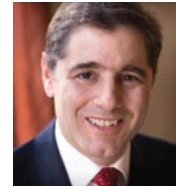
**Glenn Britt**  
Chairman & CEO  
Time Warner Cable



**Chase Carey**  
Deputy Chairman,  
President & COO  
News Corporation



**Patrick Esser**  
President  
Cox Communications, Inc.



**Julius Genachowski**  
Chairman  
Federal Communications  
Commission



**Ted Sarandos**  
Chief Content Officer  
Netflix



**EXPERIENCE MORE**

*The Cable Show 2012 · May 21-23 · Boston*

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 ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● 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, jfato@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

ated its buy, saying TWC has a low valuation, a significant 2.8% dividend yield and potential synergies from scale with recent Insight deal. For the Q, TWC reported net income of \$382mln, up from \$325mln a year ago. Revenue increased 6% to \$5.1bln and adjusted OIBDA was up 8.2% to \$1.87bln. Shares closed down just over 1% Thurs.

**At the Portals:** Verizon Wireless and SpectrumCo (Comcast, Time Warner Cable and Bright House) are battling down T-Mobile's arguments over their spectrum deal, saying its arguments contradict statements it made months ago in its proposed AT&T transaction. In a filing at the FCC, the companies noted that T-Mobile testified before Congress that the US wireless marketplace is very competitive and there would remain so even after an acquisition of the top-4 carrier by the 2nd largest carrier. Now T-Mobile claims there will be serious harm even though the transaction will not eliminate any competitors or transfer any customers, the cable ops and Verizon said. They went on to list several areas where they claim T-Mobile has flip-flopped. "T-Mobile cannot continue to have it both ways, and its attempts to extract competitive advantages during the transaction review process should be disregarded," SpectrumCo and Verizon said. Meanwhile, raking Dems on House Commerce are calling for a hearing on the Verizon/SpectrumCo/Cox deal.

**On the Hill:** It felt like SOPA/PIPA all over again Thurs as CISPA came up for debate in the House Thurs. Even Republican Joe Barton (R-TX) spoke out against the GOP-backed bill, joining privacy caucus co-chair Ed Markey (D-MA) in calling it unacceptable. "If this piece of legislation had a privacy policy, it would be 'You have no privacy!'. In its current form, this legislation would allow companies to share personal information about consumers with other companies, even if that information has nothing to do with cybersecurity," the 2 said. -- New spectrum legislation from Reps Doris Matsui (D-CA) and Cliff Stearns (R-FL) would require the FCC to pair the 1755-1780 block and the 2155-2180 block, already set for auction, for reallocation and auction for commercial wireless use.

**Research:** When Beta Research asked viewers about nets having programming they'd like to watch on smart-phones, tablets and computers, NFL Net ranked high, with 36% identifying its programming as something they'd like to watch on other devices. Disney XD was 2nd at 33%, followed by PBS Kids Sprout (32%), ESPN (31%), ESPNEWS (31%) and Nick Jr (30%). Beta asked TV viewers about their favorite nets, with 56% ranking History as "very much describing one of my favorite channels." 55% described Discovery as a favorite channel. Also ranking high: Nat Geo (52%), Food (50%) and H2 (50%). The avg broadcast net scored 40%. DIY ranked #1 in terms of being more likely to buy products advertised on the net (35%), followed by PBS Kids Sprout (34%), NFL Net (33%), Food (31%), Disney XD (30%) and Nick Jr (30%). There was a 4-way tie among channels viewers would like to see in HD, with Discovery, Animal Planet, ESPN and NFL all notching 54%. The Beta Brand study was conducted online in Jan and featured a national sample of 4420 cable subs.

**Upfronts:** Oxygen is upping its original programming by 50%, greenlighting 5 new titles. New series include "Girlfriend Confidential," a new programming franchise following BFFs that will have NY and L.A. editions; "My Shopping Addiction," chronicles people with serious spending addictions; and "I'm Having Their Baby," which features young women deciding whether to place their unborn child up for adoption. Brach's candy has chosen Oxygen as the sole broadcast partner for its '12 brand messaging campaign. The multiplatform marketing partnership includes an in-store activation as part of the premiere of "The Next Big Thing: NY." The net has 22 new advertisers for '12, including Ford and Toshiba.

**Advertising:** Magic Johnson-backed Aspire announced its 1st launch partnerships in a deal with Universal McCann for multiple clients, including Nationwide Insurance, L'Oreal Paris, Maybelline NY, Garnier and Soft-Sheen Carson. The African American targeted net is slated to launch in June and has secured launch commitments through Comcast as one of 4 minority owned and operated indie nets the MSO is launching as part of NBCU conditions.

**Programming:** TNT will air replays of HBO's 4-part "24/7 Mayweather/Cotto" on 4 consecutive nights beginning Tues, immediately after "Inside the NBA."

**On CableFAXDaily.com:** Just posted exclusively for Daily subscribers are March Web traffic numbers from com-Score, which again showed MTVN's music sites and Weather as the cable content traffic leaders. More info at <http://www.cablefax.com/cfax/datapoints/boxscores/>

**On the Circuit:** WICT issued the call for nominations for the '12 Woman of the Year and Woman to Watch, which will be presented at the Touchstones Luncheon, Sept 10 in NY during the WICT Leadership Conference. The dead-

# BUSINESS & FINANCE

line for nominations is June 8, 5pm ET. -- Eight execs of vendor companies for cable IT services have been chosen as finalists in the 3rd annual CIO.IT Competition during **The Cable Show** in Boston. The finalists will participate in 2 panel sessions during the CIO.IT program May 22. Judges will select their favorite solution concept from each panel. The companies represented are: **Sigma, Composite Software, Convergys, UXP, Sandvine, Mirror Image, SAP and Motorola Mobility.** -- **CHTRA's** annual HR Symposium is set for June 15 in Atlanta, with HR strategist Libby Sartain set to keynote.

**Honors:** AT&T was the highest-ranked MVPD on **DiversityInc's** Top 50 Companies for Diversity in '12, ranking 4th for the 2nd consecutive year. **Cox** ranked 25th (down from 20th last year), **Verizon** was 39th (down from 22nd last year) and **Time Warner Inc** ranked 40th (down from 28th last year). **Time Warner Cable** slid off the list after ranking as 45th last year. Participation in the survey is up an impressive 11% in '12 to 587 companies. 20 companies moved up on the list; 24 moved down. DiversityInc said it put more emphasis this year on resource-group and mentoring participation.-- **Disney Channel's** "Good Luck Charlie" star *Bridgit Mendler* was honored as Role Model of the Year in **Common Sense Media's** annual awards honoring entertainment, tech and public policy for kids.

## CableFAX Daily Stockwatch

Company	04/26 Close	1-Day Ch	Company	04/26 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	48.48	0.46	CLEARWIRE:	1.47	0.12
DISH:	31.81	0.17	CONCURRENT:	3.71	0.20
DISNEY:	43.36	0.66	CONVERGYS:	13.42	0.23
GE:	19.62	0.17	CSG SYSTEMS:	14.42	0.16
NEWS CORP:	19.90	0.28	ECHOSTAR:	28.46	0.34
<b>MSOS</b>					
CABLEVISION:	14.49	0.30	GOOGLE:	615.47	5.75
CHARTER:	60.95	0.32	HARMONIC:	4.70	0.08
COMCAST:	30.24	0.59	INTEL:	28.22	0.36
COMCAST SPCL:	29.76	0.52	JDSU:	12.22	(0.41)
GCI:	7.76	(0.02)	LEVEL 3:	22.72	(0.39)
KNOWLOGY:	19.51	(0.03)	MICROSOFT:	32.11	(0.09)
LIBERTY GLOBAL:	49.64	0.75	MOTOROLA MOBILITY:	38.43	(0.09)
LIBERTY INT:	18.79	0.21	RENTRAK:	18.69	0.02
SHAW COMM:	20.26	0.27	SEACHANGE:	8.25	0.03
TIME WARNER CABLE:	81.14	(1.01)	SONY:	16.50	0.08
VIRGIN MEDIA:	24.54	0.37	SPRINT NEXTEL:	2.37	(0.06)
WASH POST:	380.03	1.81	THOMAS & BETTS:	71.82	UNCH
<b>PROGRAMMING</b>					
AMC NETWORKS:	43.00	0.03	TIVO:	11.09	0.08
CBS:	34.13	0.87	UNIVERSAL ELEC:	16.76	(0.02)
CROWN:	1.57	0.02	VONAGE:	2.06	(0.01)
DISCOVERY:	53.37	1.16	YAHOO:	15.53	0.04
GRUPO TELEVISIA:	20.46	0.24	<b>TELCOS</b>		
HSN:	38.46	0.76	AT&T:	32.44	0.70
INTERACTIVE CORP:	46.77	(0.19)	VERIZON:	40.14	0.66
LIONSGATE:	12.41	0.27	<b>MARKET INDICES</b>		
LODGENET:	2.47	(0.29)	DOW:	13204.62	113.90
NEW FRONTIER:	1.57	0.01	NASDAQ:	3050.61	20.98
OUTDOOR:	7.24	0.15	S&P 500:	1399.98	9.29
SCRIPPS INT:	51.26	1.84	<b>TECHNOLOGY</b>		
TIME WARNER:	37.88	0.70	ADDVANTAGE:	2.48	0.01
VALUEVISION:	1.76	0.05	ALCATEL LUCENT:	1.60	(0.35)
VIACOM:	51.96	0.47	AMDOCS:	32.22	0.34
WWE:	7.90	(0.02)	AMPHENOL:	58.49	1.17
<b>MARKET INDICES</b>					
			DOW:	13204.62	113.90
			NASDAQ:	3050.61	20.98
			S&P 500:	1399.98	9.29



Also Saluting the Digital Hotlist and 15-to-Watch

### Awards Breakfast • May 21, 2012 • Seaport Hotel • Boston, MA

CableFAX's *Best of the Web Awards* -- the industry's top honor in the digital space recognizing outstanding websites & digital initiatives among cable programmers, operators, vendors and associations.

**Honor your colleagues during The Cable Show!**

Go to: [www.cablefax.com/cfp/events/bow2012](http://www.cablefax.com/cfp/events/bow2012)

Questions: Saun at [saun@accessintel.com](mailto:saun@accessintel.com), 301.354.1694

Special Issue: Award winners and honorees will be featured in a *CableFAX Daily* Mid Day Issue: May 21, 2012 | Space Deadline: May 8 | Artwork: May 10

# PROGRAMMER'S PAGE

## Spitzer's Next Act...

In case you've been in a coma and missed it, **Current TV** has gotten plenty of attention lately—not all of it welcome. Let's recap: the net hired *Keith Olbermann* in June only to fire him 9 months later, after which the liberal firebrand riffed on *David Letterman* that "I was never even sure it was actually on television" before suing the net. Ouch. Current filed a cross-complaint, alleging all kinds of diva-ish behavior and painting Olbermann as basically a guy unable to play well with others. But here's the thing: with so much mud flying around, it was easy to miss the other part of the story: Olbermann's replacement, former NY Attorney General *Eliot Spitzer*, whose old **CNN** show coincidentally was cancelled around the same time Current first hired Olbermann. Now it's Spitzer's turn. And two weeks into his run on Current, he seems upbeat if not unrealistic about the hill he has to climb. "My mom watches," Spitzer said in a media conference call this week. "She's happy... We're working to build a foundation, and it takes time. People come up to me and say 'hey, I like your show. Where is it?'" While spying Current on the TV dial might require more diligence than finding CNN, Spitzer also noted that he's enjoying "more latitude" to fly his progressive stripes and wiggle room to "have more fun with the guests." Still, Current TV faces much bigger competitors—and the Olbermann aftermath continues to leave a bad aftertaste, even if management likely won't miss the self-described "ten million dollar chandelier" who in execs' eyes had evolved into more of an albatross than a centerpiece. Spitzer demurred when asked whether he thinks he'll have more staying power than Olbermann. "Every night we'll work to put on an exciting and intellectually stimulating show," he said. "You've got to be yourself. And if it works, wonderful. If it doesn't, don't take it as a personal slight." *MG*

**Reviews:** "The Hunt for bin Laden," Sun, 8p, **Smithsonian**. Nearly 1 year after *President Obama* declared "Justice has been done" regarding *Osama Bin Laden*, Smithsonian recounts the most extensive and expensive manhunt ever. The film's title is a misnomer. Viewers see the inside story of the days leading to the May 1, '11, killing of bin Laden, eventually. But first the producers expertly trace bin Laden's early attacks, which resulted in a cadre of intelligence officials dedicated to finding bin Laden. The principal speakers are some of those who followed him during 3 presidential administrations and briefed *President Bush* in early August '01 that bin Laden was poised to strike U.S. soil. It's a fascinatingly agonizing tale and terribly sad. – "Flipped Off," premiere, Sat, 9p, **A&E**. There was "Flip This House" and "Flip That House." Now "Survivor" alum *Russell Hantz* and brother *Shawn*, who seem devoid of real estate know-how, are flipping homes (in between butting heads).

**Notable But Not Reviewed:** The next 4 Sundays **BBC America** runs back-to-back eps of award-winning "Planet Earth" (8p), followed by premieres of related specials (10p). -- Also Sun (9p) **Nat Geo** discovers how low *James Cameron* can go as it profiles his record 6.8-mile ocean dive last month.

Basic Cable Rankings (4/16/12-4/22/12) Mon-Sun Prime		
1	USA	2.1 2089
2	DSNY	1.7 1633
3	TNT	1.6 1542
4	FOXN	1.4 1417
4	HIST	1.4 1390
6	TBSC	1.3 1286
7	A&E	1.0 1023
7	ESPN	1.0 970
7	DSE	1.0 72
10	ADSM	0.9 941
10	FX	0.9 917
10	FOOD	0.9 900
10	BRAV	0.9 889
10	SYFY	0.9 888
10	HGTV	0.9 888
10	DISC	0.9 857
17	LIFE	0.8 777
17	AMC	0.8 756
17	NKJR	0.8 618
20	TLC	0.7 727
20	FAM	0.7 720
20	NAN	0.7 654
20	TRU	0.7 647
20	TVLD	0.7 629
20	MSNB	0.7 627
20	NBCS	0.7 579
27	CMDY	0.6 615
27	MTV	0.6 597
27	SPK	0.6 581
27	APL	0.6 561
27	BET	0.6 550
27	HALL	0.6 515
27	ID	0.6 509
34	VH1	0.5 529
34	LMN	0.5 409
36	CNN	0.4 391
36	EN	0.4 371
36	NGC	0.4 368
36	OXYG	0.4 329
36	DXD	0.4 292
36	NKTN	0.4 227
42	TRAV	0.3 308
42	HLN	0.3 297
42	CNBC	0.3 258
42	ESP2	0.3 255
42	GSN	0.3 250

\*Nielsen data supplied by ABC/Disney

# The CableFAXIES awards

Awards Breakfast  
Grand Hyatt, NYC  
May 1, 2012

Saluting Cable's Top Marketing & PR Programs and People

Register Now: [cablefax.com/FAXIES](http://cablefax.com/FAXIES)

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