

# CableFAX Daily™

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What the Industry Reads First

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## It's War: SoftBank CEO Slams DISH's Proposal to Merge with Sprint

SoftBank's CEO launched a fierce attack on DISH's competing bid to merge with Sprint Nextel during the company's earnings call Tues, 2 weeks after the satellite company announced its \$25.5bln proposal. Calling the DISH bid "incomplete" and "illusory," Masayoshi Son claimed the Japanese mobile carrier's \$20.1bln bid offers better value to Sprint investors. As a result, don't count on SoftBank to up its offer. "Why should we? We are already providing a better deal than the DISH proposal," Son said. DISH claimed its offer is worth \$7 a share vs SoftBank's \$6.22. That's not an apples-to-apples comparison because DISH's bid includes promised synergy benefits, Son said, pegging SoftBank's bid at an actual value of \$7.65 a share vs \$6.31 for DISH's. His calculations factor in transaction costs, synergies, regulatory impacts and breakup fees. In his earnings call turned Sprint sales pitch, the SoftBank CEO claimed his company can close the deal up to a year faster than DISH and would bring plenty of cash (\$8bln) while DISH would contribute little capital. The combined SoftBank/Sprint will be a big buyer of phones and network equipment, which will help lower cap ex. Son's attacks got a little personal when he took shots at DISH chmn Charlie Ergen. "He himself admits that he is an amateur to our mobile industry... He does not have any history in our industry, so he is a newcomer," Son said, labeling Ergen "desperate" for spectrum. "I do not want to criticize him... I just want to point out the facts." DISH, on the other hand, remains "confident that the Sprint Board will share our view that the Dish proposal is superior by offering Sprint shareholders greater value with a higher price and more cash," a spokesman said. A combined Sprint/DISH will benefit from cost savings and growth potentials that "are not attainable through the pending SoftBank proposal," he said. The company continues to work with Sprint's special committee as it has been over the past week. SoftBank's comments make it easier for Sprint to choose its offer over DISH's, **New Street Research** analysts said. "It's highly unlikely that DISH will acquire Sprint... It's just a matter of how much SoftBank has to pay..." they said. The "steadfast argument from SoftBank could make a matching deal less likely," S&P said. The rating service continues to believe the SoftBank offer will be the one accepted.

**Wheeler has Come Full Circle:** While former NCTA and CTIA chief Tom Wheeler has been widely expected to be named as the new FCC chmn for months, it's not official until the WSJ reports that President Obama indeed plans to do it. OK, it's not really official until the president does it, but let's not allow that to get in the way of statements from public interest groups. **Public Knowledge** pres/CEO Gigi Sohn said she believes he will be an "independent, proactive" chairman. The official announcement is expected Wed, with Mignon Clyburn to be named active chmn until the Senate confirms Wheeler, *The Hill* reported Tues. "Some have expressed concern about Tom's past history as the head of 2 industry trade associations. But his past positions should be seen in light of the times and in the context of his other important experiences and engagement with policy," Sohn said in a statement, issued shortly after the WSJ report. "I have no doubt that we will disagree with Tom at times. But I also have no doubt that Tom will have an open door and an open mind, and that ultimately his decisions will be based on what he genuinely believes



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is best for the public interest, not any particular industry.” **Free Press** wasn’t as optimistic, saying that on paper he doesn’t appear to be the type of leader to use the position to “stand up to industry giants.” However, Free Press pres/CEO *Craig Aaron* added that Wheeler now “has the opportunity to prove his critics wrong, clean up the mess left by his predecessor and be the public servant we so badly need at the FCC.” **NAB** also joined the early bird statement club, saying it welcomes Wheeler, who has the “experience and temperament to serve the agency with distinction.” As we wait for the nominating and approval process (could take months, especially if he’s paired with a GOP nominee for *Robert McDowell’s* seat), we’re headed to **Amazon** to pick up a copy of Wheeler’s “Mr Lincoln’s T-Mails: How *Abraham Lincoln* Used the Telegraph to Win the Civil War” at the bargain price of \$5.58. Hmmm... wonder if we’ll see a spike in Civil War programming on cable soon?

**Deals:** **Sportsman Channel** owner **InterMedia** isn’t giving up on **Outdoor Channel**. On Tues, it delivered a written proposal to acquire Outdoor at \$9.15/share in cash, saying it represents a “substantially greater value” than the pending merger with Kroenke Sports. Outdoor accepted Kroenke’s offer of \$8.75/share over a previous InterMedia offer in March, nearly a 16% premium to Outdoor’s Mar 1 closing price (*Cfax*, 3/14). Outdoor has a stockholders’ meeting slated for May 8 to vote on the Kroenke transaction, thus InterMedia is keeping its offer on the table until 5pm ET on Tues, May 7.

**NewFronts:** **Hulu** announced 2 new exclusive shows: “Quickdraw” a comedic half-hour Western featuring a Harvard-educated sheriff and his quest to bring the emerging science of forensics to Great Bend, KS, (summer premiere); and “East Los High,” an all Latino cast stars in this English-language series featuring a love triangle at an inner city high school (summer). -- **AOL**, **FreeWheel** and **Mediaocean** announced a partnership that will allow AOL to enable marketers to extend their existing TV buying workflow and systems to reach target audiences at scale across premium digital video inventory. It’s possible through “FourFronts,” a solution powered by FreeWheel and Mediaocean that will let brands access TV audiences across channels, regardless of viewing platform (ie, reaching cord-cutters and light TV viewers). -- Head to **CableFAX.com** for details on **Yahoo’s** upfront, which included urging advertisers to shift 5-10% of their budgets from TV to Yahoo.

**In the States:** **Time Warner Cable** is going all digital in NYC, announcing that it will start transitioning channels on analog basic to all-digital over the summer, neighborhood by neighborhood. For those with analog TV and no cable box, etc, it’s making a DTA available. Kudos to TWC blog twcableuntangled.com for showcasing the adapter’s small size, always a concern for those adverse to cable boxes. The DTAs are free through Dec 31, ’14. In ’15, the MSO will charge 99 cents/month per adapter.

**CableCARDS:** The latest periodic report on CableCARD deployments shows that **Cablevision**, **Charter**, **Comcast**, **Cox** and **Time Warner Cable** have deployed more than 572K cards for use in retail CableCARD-enabled devices. Add in the next 4 largest incumbent ops, and the number surpasses 604K, **NCTA** told the **FCC**. As for operator-supplied set-tops with CableCARDS, that number has exceeded 40mln since the ban of integrated security went into effect in July ’05.

**Ratings:** The season finale of “Vikings” on **History** Sun netted 3.6mln total viewers and 1.8mln 25-54s. Vikings returns for a 2nd season next year. -- **HBO’s** “Game of Thrones” delivered a season high 5.3mln viewers Sun at 9pm (6.7mln for the night). “Veep” scored a season high 1.3mln viewers in the 10pm slot.



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# BUSINESS & FINANCE

**Programming:** TNT ordered a 3rd season of "Dallas," which premieres early '14. -- **VH1** scripted series "Hit the Floor" will premiere May 27. -- **CNN Films** acquired the TV rights for "Pandora's Promise," a '13 Sundance Film Festival selection that explores the potential of nuclear power to combat climate change. It will premiere on CNN in the US in Nov, following its US theatrical premiere on June 12. -- **Al Jazeera America**, to launch later this year, will expand its Chicago bureau, with at least 3 new employees to be hired in the coming days.

**Honors:** **ACC** announced the nominees for its Golden Beacon Award, its highest honor presented for a single communications initiative. In the running this year are **C-SPAN** at the RNC, **History's** "Mankind Connected: A Global Teach-In" and **USA's** "Characters Unite." The winner will be announced at the Beacon Awards Dinner May 9 at the Hyatt Regency Washington on Capitol Hill.

**Business/Finance:** **Time Warner Cable's** new CFO **Arthur Minson** will receive a base salary of \$900K along with an annual discretionary bonus, with a cash target of \$1.35m and annual long-term incentive compensation with a target grant of \$3.25m, according to an SEC filing. Minson signed a 3-year contract and starts the gig on Thurs. Outgoing CFO **Irene Esteves'** last day is Wed.

## CableFAX Daily Stockwatch

Company	04/30 Close	1-Day Ch	Company	04/30 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	56.56	(0.59)	CONVERGYS:	17.02	0.39
DISH:	39.19	(1.37)	CSG SYSTEMS:	21.61	0.16
DISNEY:	62.84	(0.16)	ECHOSTAR:	39.27	0.36
GE:	22.29	0.02	GOOGLE:	824.57	5.51
NEWS CORP:	31.12	0.05	HARMONIC:	5.68	(0.01)
<b>MSOS</b>			INTEL:	23.95	0.19
CABLEVISION:	14.86	(0.13)	JDSU:	13.50	(0.09)
CHARTER:	100.74	(0.88)	LEVEL 3:	20.13	0.62
COMCAST:	41.30	(0.19)	MICROSOFT:	33.10	0.49
COMCAST SPCL:	39.29	(0.07)	RENTRAK:	22.64	0.11
GCI:	9.71	0.22	SEACHANGE:	10.86	0.07
LIBERTY GLOBAL:	72.37	(0.92)	SONY:	16.43	(0.13)
LIBERTY INT:	21.29	0.31	SPRINT NEXTEL:	7.05	(0.07)
SHAW COMM:	22.75	0.32	TIVO:	11.72	0.15
TIME WARNER CABLE:	93.89	(0.34)	UNIVERSAL ELEC:	22.98	1.39
VIRGIN MEDIA:	48.78	(0.35)	VONAGE:	3.05	0.02
WASH POST:	443.34	(0.91)	YAHOO:	24.73	0.30
<b>PROGRAMMING</b>			<b>TELCOS</b>		
AMC NETWORKS:	63.01	(0.64)	AT&T:	37.46	0.16
CBS:	45.78	(0.5)	VERIZON:	53.91	0.45
CROWN:	2.05	UNCH	<b>MARKET INDICES</b>		
DISCOVERY:	78.82	(0.01)	DOW:	14839.80	21.05
GRUPO TELEVISA:	25.32	0.04	NASDAQ:	3328.79	21.77
HSN:	52.58	(0.35)	S&P 500:	1597.57	3.96
INTERACTIVE CORP:	47.07	1.36			
LIONSGATE:	24.81	0.13			
OUTDOOR:	8.75	UNCH			
SCRIPPS INT:	66.58	0.19			
STARZ:	23.38	(0.08)			
TIME WARNER:	59.78	(0.35)			
VALUEVISION:	4.30	0.16			
VIACOM:	64.72	0.29			
WWE:	9.18	0.03			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.36	(0.04)			
ALCATEL LUCENT:	1.37	0.04			
AMDOCS:	35.70	0.73			
AMPHENOL:	75.52	0.62			
AOL:	38.64	(0.41)			
APPLE:	442.78	12.66			
ARRIS GROUP:	16.51	0.14			
AVID TECH:	6.59	(0.12)			
BLNDER TONGUE:	0.96	(0.03)			
BROADCOM:	36.00	0.58			
CISCO:	20.92	(0.06)			
CLEARWIRE:	3.36	(0.08)			
CONCURRENT:	7.04	0.26			

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