

# CableFAX Daily™

Monday — May 10, 2010

What the Industry Reads First

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## Solid Ground: Mediacom Posts Good Numbers, Talks Contracts

Add **Mediacom** to the list of MSOs reporting good starts to 2010. News of note during Fri's 1Q conference call included MCCC changing its sales strategy to focus on getting new customers into 1- and 2-year contracts. **Cox New England** gm *Paul Cronin* recently spoke about how such contracts have helped it compete against telcos (*Cfax*, 4/30). In Mediacom's case, the contracts are countering aggressive discounting from DBS. The Mediacom Value Plans—MVP program—just launched in Apr, and already more than 60% of the new transactions closed in the first month have a contract term, according to evp, ops *John Pascarelli*. "It's all about length of customer. If we can extend the life of customers, it just delivers higher and higher returns on investments," he said. The MSO is moving ahead with bandwidth reclamation. Pascarelli said that through its digital simulcast strategy, all new video customers in about 70% of its footprint will be all-digital. He expects MCCC's HD channels to expand to 75 this year from 50. 1Q rev increased 3.1% to \$368.7mln and adjusted OIBDA was up 3% to \$138.3mln. Free cash flow was \$30.8mln vs \$29.7mln a year ago. RGUs grew 56K for the Q, with Mediacom losing 4K basic subs. That's compared to a gain of 4K in the prior year period, but last year included gains from the digital broadcast transition. The MSO beat estimates, adding 21K digital subs, 26K HSD and 13K phone customers. Pascarelli said it was the best Q for digital and HSD since '08.

**Early Windows:** The **FCC** Media Bureau issued an order Fri allowing movie studios and other content owners to close off the outputs of TV sets and set-top boxes through the use of selectable output control. Cable has supported the request from the **MPAA** because it should prompt early release windows. The Bureau limited and conditioned the waiver, terminating the waiver for a particular film 90 days after the 1st activation of selectable output control or immediately upon the retail release of the film on any pre-recorded media (including Blu-Ray), whichever is sooner.

**Day II of Title II:** Reverberations continued Fri after **FCC** chmn *Julius Genachowski's* said he'll seek a Title II-lite classification for broadband services. The chmn gave an online video address on **YouTube** outlining his plan to forbear much of Title II, while the Commission also launched a series of new media resources at **Broadband.gov**. **ACA** chimed in to say the move creates uncertainty and could spur unintended consequences. After **Free Press** issued a statement Fri rebutting concerns



## TRAVEL CHANNEL & SCRIPPS NETWORKS THE PERFECT MIX

For Adam Richman, life with the travel bug is a delicious mix! Now that Travel Channel is part of Scripps Networks, we're the winning combination that's getting bigger and better every day. Catch favorites like *Man v. Food* with host Adam Richman, *Samantha Brown* and *Bizarre Foods* with Andrew Zimmern, and get ready to go places!

scrippsnetworks  
Passionate Viewers Live Here

Travel  
CHANNEL  
HD



## How original: USA wins 15<sup>th</sup> consecutive quarter.

Thanks to 6 of cable's top 10 originals, quarterly victories are welcome.



characters welcome. 

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raised by **NCTA, Comcast, AT&T** and others, NCTA svp for law & regulatory policy *Rick Chessen* used CableTechTalk.com to pick apart Free Press' assertion that the Internet is the content itself, saying Congress has said the Internet is content provided over the networks, not the networks themselves. Yeah, this is going to take awhile... A Supreme Court appeal is likely.

**Earnings:** Owing to phone and HSD growth and a basic rate hike, **Cable One** delivered 3% growth in 1Q rev to \$189.4mln and op income of \$42.5mln (+1%). The MSO added approx 1K digital subs, 12K HSD and 4K phone, while shedding approx 2K basic customers. As of Mar 31, the MSO counted 667K basic subs (-5% YOY), 220K digital (-5%), 405K HSD (+5%) and 114K phone (+16%). The **Washington Post Co's** broadcast div reported a 20% increase in 1Q rev to \$74mln on improved ad demand in all markets, and op income of \$20.9mln (+72%). -- Including **MSG Nets** and **Fuse Nets**, MSG's media segment reported an 18% jump in rev to \$139.5mln on growth in affil fee and ad rev. Affil rev increased \$18.9mln, ad rev \$2.5mln (the co doesn't provide percentage changes for these metrics). Op income surged 51.1% to \$55.8mln, and AOCF shot up 41.4% to \$61.8mln. Overall, the co delivered 9% growth in rev to \$306.5mln, 203.4% in AOCF to \$48.5mln and op income of \$30.1mln, compared to a \$2.1mln loss a yr ago. As of Mar 31, over the course of a yr the media segment's percentage contribution of overall rev grew to 46% from 42%. MSG shares gained 4.2% Fri. -- **Liberty Media** said **Starz Ent** upped rev by 3% in 1Q to \$305mln, the result of rate increases and growth in its avg number of sub units. **Starz** and **Encore**, though, respectively delivered avg sub unit decreases of 5% and 3%. Op income rose by 4% while adjusted OIBDA fell 2%. Meantime, **QVC's** stateside rev grew 10% to \$1.2bln as adjusted OIBDA increased 19% to \$261mln. -- Powered by its cable nets but offset by digital softness, **Scripps Nets** reported rev of \$411mln (+16%), excluding **Travel Channel**, and net income of \$72.5mln (+21%). Again excluding Travel, the co's life-style media segment grew rev by 20% to \$371mln, owing to 40% growth in affil rev and a 14% rise in ad rev, and op profit swelled 28% to \$186mln. Rev increased across nets, including **HGTV** (+12%), **Food Net** (+31%), **DIY** (+22%), **Fine Living** (+18%) and **GAC** (+5.3%). Prime ratings were up virtually across the board as well. The co expects **Cooking Channel**, slated to launch by May 31, to completely fill or near Fine Living's current distribution of approx 58mln homes.

**On the Circuit:** A last-minute add to the **Cable Show** is **Fox Filmed Ent** chmn and co-CEO *Tom Rothman*. He'll join Wed's 9:15am PT gen session on the "Implications of the Always-On Network." **NCTA** also announced that **Fox Business' Liz Claman** will moderate Thurs' closing session at 9am. -- Fresh off his James Beard win, *Andrew Zimmern* joined fellow **Travel Channel** host *Dhani Jones* in DC Thurs night for a fundraising event for "Global Explorers Compass." The partnership between Travel and Global Explorers will send 20 students from a DC metro area school to Costa Rica. Talk is underway for raising money for another group of kids next year. -- The Atlanta Chapter of **WICT** is accepting applications for its Red Letter Awards through June 4. Visit [WICTAtlanta.org](http://WICTAtlanta.org) for more info.

**1.4 MILLION VIEWERS**  
**1.2!** RATING IN A25-54  
**RANKING #1**  
 AMONG ALL CABLE NETWORKS IN ITS TIME SLOT

**DOCTOR WHO** **BBC AMERICA HD**

Source: The Nielsen Company, 4/17/10, 9pm vs. ad-supported cable networks (excluding sports nets), P2+, P25-54, Live+7 CVG AA%, Live+7 AA Proj (000). Ranked on P25-54. Subject to qualifications.

FOR MORE INFORMATION, CONTACT YOUR BBC AMERICA REPRESENTATIVE

**CableFAX Week in Review**

Company	Ticker	5/07 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	33.89	(9.43%)	(6.43%)
DIRECTV:	DTV	35.89	(0.97%)	7.62%
DISH:	DISH	21.30	(3.92%)	2.55%
DISNEY:	DIS	33.41	(9.31%)	3.60%
GE:	GE	16.88	(10.5%)	11.57%
NEWS CORP:	NWS	16.02	(9.95%)	0.63%

Company	Ticker	5/07 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	24.64	(10.2%)	(4.57%)
COMCAST:	CMCSA	18.36	(7.13%)	8.90%
COMCAST SPCL:	CMCSK	17.48	(7.27%)	9.18%
GCI:	GNCMA	5.88	(4.55%)	(7.84%)
KNOLOGY:	KNOL	12.30	(6.32%)	12.64%
LIBERTY CAPITAL:	LCAPA	38.55	(13%)	61.43%
LIBERTY GLOBAL:	LBTYA	24.06	(12.45%)	9.91%
LIBERTY INT:	LINTA	13.87	(9.7%)	27.95%
MEDIACOM:	MCCC	5.27	(20.39%)	17.90%
SHAW COMM:	SJR	18.12	(3.67%)	(11.91%)
TIME WARNER CABLE:	TWC	49.47	(12.05%)	19.52%
VIRGIN MEDIA:	VMED	15.68	(10.71%)	(6.83%)
WASH POST:	WPO	476.52	(6.04%)	8.40%

Company	Ticker	5/07 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	14.21	(12.34%)	1.14%
CROWN:	CRWN	1.80	(7.22%)	24.14%
DISCOVERY:	DISCA	35.25	(8.99%)	14.93%
GRUPO TELEVISIA:	TV	18.23	(12.27%)	(12.19%)
HSN:	HSNI	26.45	(12.18%)	31.01%
INTERACTIVE CORP:	IACI	20.61	(8.2%)	0.63%
LIBERTY:	L	33.60	(12.43%)	(7.57%)
LIBERTY STARZ:	LSTZA	51.60	(6.84%)	11.81%
LIONSGATE:	LGF	6.56	(5.2%)	12.91%
LODGENET:	LNET	5.14	(22.12%)	(7.05%)
NEW FRONTIER:	NOOF	1.96	(3.92%)	3.70%
OUTDOOR:	OUTD	6.00	(13.17%)	3.45%
PLAYBOY:	PLA	3.86	(7.66%)	20.63%
RHI:	RHIE	0.23	(39.47%)	(25.81%)
SCRIPPS INT:	SNI	44.09	(2.76%)	6.24%
TIME WARNER:	TWX	30.25	(8.56%)	3.81%
VALUEVISION:	VVTV	2.52	(18.18%)	(47.5%)
VIACOM:	VIA	35.91	(7.95%)	14.00%
WWE:	WWE	16.41	(10.08%)	7.05%

Company	Ticker	5/07 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADC:	ADCT	7.62	(4.75%)	22.71%
ADVANTAGE:	AEY	2.60	(9.09%)	31.98%
ALCATEL LUCENT:	ALU	2.52	(20.5%)	(24.1%)
AMDOCS:	DOX	29.81	(6.67%)	4.49%
AMPHENOL:	APH	42.47	(8.09%)	(8.03%)
AOL:	AOL	21.76	(7.05%)	(6.53%)
APPLE:	AAPL	235.86	(9.66%)	11.93%
ARRIS GROUP:	ARRS	11.50	(6.28%)	0.61%
AVID TECH:	AVID	13.78	(5.62%)	7.99%
BIGBAND:	BBND	2.81	(21.29%)	(18.31%)
BLNDER TONGUE:	BDR	1.15	10.58%	0.88%
BROADCOM:	BRCM	31.99	(7.28%)	1.65%
CISCO:	CSCO	24.71	(8.24%)	3.22%

Company	Ticker	5/07 Close	1-Week % Chg	YTD %Chg
COMMSCOPE:	CTV	27.87	(14.46%)	5.05%
CONCURRENT:	CCUR	5.60	(0.36%)	41.41%
CONVERGYS:	CVG	11.68	(7.59%)	8.65%
CSG SYSTEMS:	CSGS	21.34	(6.07%)	11.79%
ECHOSTAR:	SATS	18.05	(6.04%)	(10.38%)
GOOGLE:	GOOG	493.14	(6.19%)	(20.46%)
HARMONIC:	HLIT	5.42	(20.76%)	(14.24%)
INTEL:	INTC	21.31	(6.7%)	4.46%
JDSU:	JDSU	10.45	(19.68%)	26.67%
LEVEL 3:	LVLTL	1.23	(20.13%)	(19.61%)
MICROSOFT:	MSFT	28.21	(7.63%)	(7.45%)
MOTOROLA:	MOT	6.60	(6.65%)	(14.95%)
PHILIPS:	PHG	29.05	(12.87%)	(1.32%)
RENTRAK:	RENT	22.53	2.97%	27.50%
SEACHANGE:	SEAC	7.80	(6.36%)	18.90%
SONY:	SNE	32.90	(3.86%)	13.45%
SPRINT NEXTEL:	S	3.84	(9.65%)	4.92%
THOMAS & BETTS:	TNB	38.87	(7.32%)	8.61%
TIVO:	TIVO	15.61	(10.9%)	53.34%
TOLLGRADE:	TLGD	6.36	0.00%	4.09%
UNIVERSAL ELEC:	UEIC	20.43	(3.72%)	(12.02%)
VONAGE:	VG	1.65	(2.94%)	17.86%
YAHOO:	YHOO	15.29	(7.5%)	(8.88%)

Company	Ticker	5/07 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	25.10	(3.68%)	(10.45%)
QWEST:	Q	5.08	(2.87%)	20.67%
VERIZON:	VZ	28.19	(2.46%)	(14.91%)

Index	Ticker	5/07 Close	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>				
DOW:	DJI	10380.43	(5.71%)	(0.46%)
NASDAQ:	IXIC	2265.64	(7.95%)	(0.15%)

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	1.15	10.58%
2. RENTRAK:	22.53	2.97%
3. 3COM:	0.00	0.00%
4. INSIGHT:	25.55	0.00%
5. NORTEL:	0.32	0.00%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. RHI:	0.23	(39.47%)
2. LODGENET:	5.14	(22.12%)
3. BIGBAND:	2.81	(21.29%)
4. HARMONIC:	5.42	(20.76%)
5. ALCATEL LUCENT:	2.52	(20.5%)

**TRAVEL CHANNEL'S ON THE MOVE...TO A NEW SATELLITE**

Travel Channel is moving satellites and the deadline for completion is May 17. Get more information at **1-800-211-6671.**





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