

CableFAX Daily™

Monday — May 24, 2010

What the Industry Reads First

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Let's Be Upfront: Cable CPM Growth Good... But Broadcast Even Better

For cable nets and broadcasters, the upfront season's all about ad dollars and highlights of new programming. And with **CBS** completing the major '10 net presentation slate this week, expect dissections of CPMs, ad volume and even reaction to new shows to heat up with the summer weather. Enter **Wells Fargo Securities** analyst *Marci Ryvicker*, whose note on Fri provided an upfront update or sorts. The ad market is firmly on the road to recovery and the scatter market is robust—evidenced by cable nets' largely impressive 1Q gains in ad rev. But Ryvicker said "cable nets will post CPM growth below the TV nets as advertisers once again pay a premium for broader reach and to some extent, the significant avails/lower sell-out on cable impacts CPMs." She expects 4-6% CPM growth for cable nets overall, with the more targeted nets at the upper end and general ent at the lower end. Net-specific forecasts covering expected CPM growth include **Discovery Comm** (+6%), **Scripps Nets** (+6%), **Disney's** (+5%) and **News Corp's** (+5%) cable properties, **Turner** nets (+4%) and **Viacom** (+3%). That's all good, especially considering the negative CPM growth those nets realized last year, but Ryvicker believes the big 4 broads will likely post increases from 5-9%, including **CBS** (+8-9%), **Fox** (+6-8%), **ABC** (+6-8%) and **NBC** (+5%). Of course, Wells Fargo still prefers media co's with exposure to cable nets and expects a 50-55% increase in cable ad volumes this year, compared to +45-50% a year ago. Ryvicker also noted good buzz for the broads' forthcoming slates, a view largely certified by data from a special BrandIndex report from **YouGov**, a co that along with **Brandweek** analyzes the most talked about TV nets/brands based on buzz. Among 18-49s, CBS, ABC and NBC have generated a healthy uptick in buzz recently (through May 17), according to the report. Within the same demo, data shows a notable increase in buzz surrounding **Bravo**, plus improvement for **FX** and **USA** although both have seen dips in recent weeks, perhaps due to lukewarm receptions of new programming. **AMC's** buzz meter has been flat since Feb. Among the 4 nets, USA leads in overall buzz, followed by FX, AMC and Bravo. Among 18-34s and including **Comedy Central**, **The CW**, **VH1** and **MTV**—in order based on overall chatter—there have been fewer sharp increases/decreases in buzz in recent months.

Break in the Storm: Cooler heads may have prevailed in the relations between **The Weather Channel** and **DISH**, which said Thurs that it's ditching the net in favor of **The Weather Cast** after failed contract negotiations. At deadline, Weather remained on DISH's platform and the DBS op removed Fri a message on its site apprising customers of its decision to drop

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the net. DISH declined to comment, and Weather did not respond to requests for info. According to **Dow Jones**, the 2 sides were in talks Fri to reach a deal. If dropped by DISH, Weather would lose approx 14mln subs of its more than 100mln total.

In the States: Broadstripe rolled out in Feb a 60-day, money-back guarantee offer allowing customers to test its services with no strings, and now says if a new sub isn't completely satisfied with those services during the period it will pay to restore service with their previous provider. -- **Time Warner Oceanic Cable** will feature **Ubiquity Broadcasting's** feed of the '10 Sponsor Me Hawaii Ala Moana Bowls surf contest in HI (Jun 14-26), interesting because Ubiquity will use an IP backhaul to air the event and provide Oceanic with a direct IP stream to eliminate the need for expensive satellite trucks, prod equipment and fixed fiber drops. -- **Windstream** launched VoIP and data services in Omaha, NE.

At the Portals: The **FCC** gave the thumbs up Fri to **Verizon's** transfer of 4.8mln access lines to **Frontier**, saying the transaction "will help advance the goals of the National Broadband Plan by bringing broadband to millions of consumers, small businesses, and anchor institutions in 14 states." There are conditions, though, including Frontier's charge to deploy broadband speeds of at least 3Mbps to at least 85% of transferred lines by the end of '13 and speeds of at least 4Mbps downstream to that same percentage by the end of '15, with at least 1Mbps required of all new broadband deployments.

In the Courts: A group of defendants including **Disney** and **Marvel** reached a settlement agreement with plaintiffs/Marvel shareholders, who filed separate suits in NY and DE opposing Disney's proposed acquisition of Marvel. A NY court will hold a hearing on Jul 12 to consider the settlement.

Winning Web: TV's dominance over the Web as a content delivery platform will end in '20, according to **The Diffusion Group**, which foresees consumption of Web video topping TV viewing by that date. The time consumers spent watching online video jumped 84% from '08 to '09, said the firm, noting how the growth rate will accelerate over the next 5-7 years.

Marketing: **HSN** and **Harrah's Ent** will jointly promote the net's 33rd birthday. Included are millions of dollars in HSN gift cards to certain Harrah's Total Reward members, a \$185K giveaway promo through TotalRewards.com and qualifying at HSN.com for grand prize trips to Las Vegas for HSN Live in Vegas (Aug 14-15), a broadcast stunt to feature appearances by *Susan Lucci* and *Tori Spelling*. -- **ESPN Deportes** bowed a consumer promo offering 10 fans a trip to Walt Disney World for a 5-day experience culminating with a viewing of **ESPN 3D's** telecast of the World Cup final at ESPN Wide World of Sports. Participants can enter to win at Safarimundial.espn deportes.com or via mobile phone at m.espn deportes.com.

Technology: **Technicolor** agreed to invest in and develop an advanced, **TiVo**-ready HD PVR set-top for ops that license TiVo software. The pair seeks global deployment of the boxes.

Programming: **MTV** picked up 12 eps of "Teen Wolf," a re-imagining of the film that the net co-produced with **MGM**. -- **Univision** acquired the exclusive Spanish-language TV and digital rights to all games of the Mexican national soccer team. -- **ESPN Deportes** announced plans for "ESPN-Investiga" (wt), which it says is the 1st prime news-magazine sports program on Spanish-language TV dedicated to long-form investigative journalism.

Business/Finance: **Summit Partners** invested \$96mln in **Casa Systems**, a private provider of network edge devices. **SeaChange** recently sold its 20% stake in Casa for \$34.1mln. -- Despite ongoing dialogue with **Lionsgate** management, **Carl Icahn** extended his \$7-per-share offer yet again, this time until Jun 1, after failing to get shareholder approval.

CableFAX's Customer Experience Management Guidebook

Lessons and Insights for the Cable Industry

CableFAX and The Cable Center collaborated to publish this 150-page guidebook on customer experience management for the cable industry. The guidebook includes case studies, tips and articles on understanding the foundations of customer experience management and gaining insight to use it to improve your business. You also will learn about the latest measurement strategies, research insights, personnel and compensation strategies, social media tactics and communications techniques for implementing customer experience management in your company.



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CableFAX Week in Review

Company	Ticker	5/21 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	37.23	(0.29%)	11.63%
DISH:	DISH	21.03	(8.17%)	1.25%
DISNEY:	DIS	32.87	(3.49%)	1.92%
GE:	GE	16.42	(6.92%)	8.53%
NEWS CORP:	NWS	15.26	(6.89%)	(4.15%)

MSOS

CABLEVISION:	CVC	23.20	(4.88%)	(10.15%)
COMCAST:	CMCSA	17.03	(3.24%)	1.01%
COMCAST SPCL:	CMCSK	16.24	(3.79%)	1.44%
GCI:	GNCMA	5.93	(3.42%)	(7.05%)
KNOLOGY:	KNOL	12.10	(6.85%)	10.81%
LIBERTY CAPITAL:	LCAPA	39.25	(5.26%)	64.36%
LIBERTY GLOBAL:	LBTYA	23.70	(7.06%)	8.27%
LIBERTY INT:	LINTA	12.67	(3.28%)	16.88%
MEDIACOM:	MCCC	5.35	(3.43%)	19.69%
RCN:	RCNI	14.36	(0.28%)	32.35%
SHAW COMM:	SJR	17.94	(3.39%)	(12.79%)
TIME WARNER CABLE:	TWC	50.87	(1.41%)	22.90%
VIRGIN MEDIA:	VMED	15.41	(4.58%)	(8.44%)
WASH POST:	WPO	483.67	(3.48%)	10.03%

PROGRAMMING

CBS:	CBS	14.32	(2.39%)	1.92%
CROWN:	CRWN	1.82	(3.19%)	25.52%
DISCOVERY:	DISCA	36.42	(2.85%)	18.75%
GRUPO TELEVISIA:	TV	18.30	(3.94%)	(11.85%)
HSN:	HSNI	25.80	(2.42%)	27.79%
INTERACTIVE CORP:	IACI	21.48	(4.91%)	4.88%
LIBERTY:	L	31.97	(6.25%)	(12.05%)
LIBERTY STARZ:	LSTZA	51.56	(6.51%)	11.72%
LIONSGATE:	LGF	6.81	1.64%	17.21%
LODGENET:	LNET	5.14	(5.51%)	(7.05%)
NEW FRONTIER:	NOOF	1.86	(5.1%)	(1.59%)
OUTDOOR:	OUTD	6.14	(5.54%)	5.86%
PLAYBOY:	PLA	3.61	(15.06%)	12.81%
RHI:	RHIE	0.23	4.86%	(25.58%)
SCRIPPS INT:	SNI	43.52	(6.07%)	4.87%
TIME WARNER:	TWX	30.08	(1.57%)	3.23%
VALUEVISION:	VVTV	1.84	(29.5%)	(61.67%)
VIACOM:	VIA	36.39	(3.09%)	15.52%
WWE:	WWE	16.35	(2.56%)	6.65%

TECHNOLOGY

ADC:	ADCT	7.68	(0.9%)	23.67%
ADDVANTAGE:	AEY	2.86	(4.67%)	45.17%
ALCATEL LUCENT:	ALU	2.46	(3.15%)	(25.9%)
AMDOCS:	DOX	29.76	(0.17%)	4.31%
AMPHENOL:	APH	41.92	(4.73%)	(9.22%)
AOL:	AOL	21.28	(10.55%)	(8.59%)
APPLE:	AAPL	242.32	(4.53%)	14.99%
ARRIS GROUP:	ARRS	11.03	(5.48%)	(3.5%)
AVID TECH:	AVID	13.48	(8.42%)	5.64%
BIGBAND:	BBND	2.85	0.00%	(17.15%)
BLNDER TONGUE:	BDR	1.29	(3.16%)	12.98%
BROADCOM:	BRCM	32.67	1.18%	3.81%
CISCO:	CSCO	23.46	(5.93%)	(2.01%)

Company	Ticker	5/21 Close	1-Week % Chg	YTD %Chg
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CLEARWIRE:	CLWR	7.74	(4.8%)	14.50%
COMMSCOPE:	CTV	27.73	(3.92%)	4.52%
CONCURRENT:	CCUR	5.34	(3.96%)	34.85%
CONVERGYS:	CVG	11.19	(3.95%)	4.09%
CSG SYSTEMS:	CSGS	20.38	(8.98%)	6.76%
ECHOSTAR:	SATS	19.34	(5.43%)	(3.97%)
GOOGLE:	GOOG	472.05	(6.99%)	(23.86%)
HARMONIC:	HLIT	5.57	(2.79%)	(11.87%)
INTEL:	INTC	20.91	(4.49%)	2.49%
JDSU:	JDSU	11.11	(6.09%)	34.67%
LEVEL 3:	LVL1	1.29	3.20%	(15.69%)
MICROSOFT:	MSFT	26.84	(7.22%)	(11.94%)
MOTOROLA:	MOT	6.84	0.74%	(11.86%)
PHILIPS:	PHG	30.11	(2.84%)	2.28%
RENTRAK:	RENT	24.20	(3.04%)	36.96%
SEACHANGE:	SEAC	8.01	(6.86%)	22.10%
SONY:	SNE	32.26	3.43%	11.24%
SPRINT NEXTEL:	S	4.41	1.15%	20.49%
THOMAS & BETTS:	TNB	38.52	(4.75%)	7.63%
TIVO:	TIVO	9.03	(11.12%)	(11.3%)
TOLLGRADE:	TLGD	6.35	(7.97%)	3.93%
UNIVERSAL ELEC:	UEIC	20.08	(8.39%)	(13.52%)
VONAGE:	VG	1.87	(5.56%)	33.57%
YAHOO:	YHOO	15.47	(5.58%)	(7.78%)

TELCOS

AT&T:	T	24.85	(2.17%)	(11.34%)
QWEST:	Q	5.01	(1.38%)	19.00%
VERIZON:	VZ	27.96	(1.93%)	(15.61%)

MARKET INDICES

DOW:	DJI	10193.39	(4.02%)	(2.25%)
NASDAQ:	IXIC	2229.04	(5.02%)	(1.77%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. RHI:	0.23	4.86%
2. SONY:	32.26	3.43%
3. LEVEL 3:	1.29	3.20%
4. LIONSGATE:	6.81	1.64%
5. BROADCOM:	32.67	1.18%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. BRITISH SKY:	0.00	(100%)
2. VALUEVISION:	1.84	(29.5%)
3. PLAYBOY:	3.61	(15.06%)
4. TIVO:	9.03	(11.12%)
5. AOL:	21.28	(10.55%)

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Tom Mathews, EVP of HR, Time Warner Cable

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Peter Stern, EVP and Chief Strategy Officer, Time Warner Cable



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CableFAX PROGRAM AWARDS

Deadline: June 4, 2010

More Information:

www.cablefaxprogramawards.com

From the most outstanding cable programs to the best surprise ending, the annual CableFAX Program Awards honor the best in cable programming content and people. Now is your chance to win a CableFAX Program Award and get recognized for bringing value to your viewers. The winners and honorable mentions will be saluted during an awards luncheon in October 2010 in New York City.

Enter as many categories as you like but please tailor your entry to the category you are entering.

Platinum/People Categories:

- Best Actor in Cable
- Best Actress in Cable
- Best Cable Program
- Best New Cable Program
- Best Producer
- Best Writer
- Best Director
- Hall of Fame: Open to actors, writers, directors and producers for a body of work

By Genre: Best Show or Series In The Following Genre

- Animals/Nature
- Animated

- Children's
- Comedy
- Documentary
- Drama
- Education/Instructional
- Family Friendly
- Faith Based/Religious
- Fitness/Health
- Food
- Music
- News
- Public Affairs
- Reality/Game Show
- Sci Fi
- Sports

- Talk Shows
- Best Regional Program
- Other: enter your best in a genre not mentioned above

By Genre: Best Actor/Actress/Host In The Following Genres

- Animals/Nature
- Comedy
- Drama
- Family Friendly
- Food
- Music
- News/Public Affairs
- Reality/Game Show
- Sports

- Talk Shows
- Best Regional Program
- Other: enter your best in a genre not mentioned above

Special Categories:

- Best Opening Sequence
- Best Surprise Ending

Tech Categories:

- Best Online/Mobile Extras for a Linear Show
- Best Online-Only/Mobile-Only Show
- Best Video on Demand Program/Special

Compiling Your Entry (Visit www.cablefaxprogramawards.com for full details)

What to Send

At the beginning of your two page synopsis, include the following information for all categories:

- Category entered • Title of entry • Key contact for entry • Organization submitting entry

Supporting Materials

- Video of Program on DVD • Clippings • Photos

How To Enter: Use this form or visit www.cablefaxprogramawards.com for additional category information and to enter online.

Mary Lou French
CableFAX Program Awards
Access Intelligence
4 Choke Cherry Rd, 2nd Floor
Rockville, MD 20850

Deadline: June 4, 2010
Late Deadline: June 11, 2010
Event: October 2010

Entry From (All information required)

Title of Entry/Name of Entrant (as you'd like it to appear on your award if selected): _____

Company and/or Client: _____

Contact Name of person submitting entry Job Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone of Contact: _____ Fax of Contact: _____

Email Address (Required): _____

Entry Fees

- Primary entry: \$300 each \$300 each \$ _____
 - Secondary entry of same campaign** into one or more categories: \$175 each \$175 each \$ _____
 - Late entry fee: \$175 per entry \$175 each \$ _____
(for entries sent between June 5, 2010 and June 11, 2010)
- Total \$ _____

The late entry fee must be applied to each individual entry postmarked after February 5, 2010.

* Payment in full must accompany the entry.

** If entering more than one category, please submit separate entry forms.

Payment Options

- Check (payable to Access Intelligence/CableFAX) Money Order
- Mastercard Visa Discover American Express

Credit Card # _____

Exp. _____

Print name of card holder _____

Signature _____

Entry fees are not refundable.

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www.cablefaxprogramawards.com

The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine.

Questions? Contact Awards Coordinator Rebecca Stortstrom at 301-354-1610; rebecca@accessintel.com.

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