

CableFAX Daily™

Wednesday — June 3, 2009

What the Industry Reads First

Volume 20 / No. 104

Now Showing: TV Guide Insight from Lionsgate

TV Guide Net and TVGuide.com combined to earn \$10.3mln in rev from Feb 28-Mar 31 for new owner **Lionsgate**, which forecasts approx \$100mln in '10 rev for the channel alone after it receives a redesign, upgraded programming and possibly a new name by Jan 1. "It's not going to be a one-time refurbishing," said Lionsgate co-chmn/CEO *Jon Feltheimer* of plans for TV Guide Net. "The process of putting new shows on and continuing to upgrade—that's going to go on for a long, long time." The net is already working to overcome its analog bent, having nixed the scroll and gone full-screen on **DirecTV**, **DISH** and **FIOS TV**, and "already moving that way with 1 or 2 cable operators," said Feltheimer. But execs concede that the net's transition to digital platforms could mean fewer subs near term, and according to Lionsgate's 10-K, long-term affil deals "with multiple MSOs for the TV Guide Network allow for migration to exclusively digital carriage." Plus, the majority of the net's affils "are contracted under long-term agreements with only cost-of-living increases available under certain contracts, [so] we do not expect significant growth in affiliate revenues in the future." As such, 80% of the net's forecasted '10 rev of \$100mln is expected to come from advertising. Management has met with "every significant [ad] agency" during the cable upfront season, said Feltheimer, who admitted that the unknowns surrounding TV Guide Net's future has hampered recent advertising success, but "advertisers will hold off more inventory for scatter, and that will be good for us." As for **Epix**, the pay TV channel from **MGM**, Lionsgate and **Viacom's Paramount** that's slated for an Oct launch, Feltheimer said partners "are confident that on an opportunity cost basis this was the right move... Not only will we cover more of our license fees than we would have had under a **Showtime** deal... we will be building asset value as well." The net has yet to announce any carriage deals. The company's **Debmar-Mercury** unit continues to excel, currently producing or distributing approx 20 cable series across 11 nets. Included: **TBS'** "Meet the Browns" and "House of Payne" from *Tyler Perry*, which together are expected to deliver more than \$300mln in rev this year; Showtime's "Nurse Jackie," which bows next week; **AMC's** "Mad Men" and **Discovery Channel's** "Deadliest Catch."

Competition: New in-vehicle ent service **AT&T CruiseCast** features live programming from 14 cable nets and the mobile versions of 7 others, including **USA**, **Discovery Channel**, **Lifetime**, **Fox News** and **NFL Net**. **Crutchfield** agreed to offer the service, which also features satellite radio channels, through its Website and catalogs.

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Source: Beta Research, Brand Identity Study, 3/09.
One of my favorite channels, 58% of Women 18+ (Ranked 1st)
Ranking excludes networks carried almost entirely in digital cable packages.



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Carriage: Move over **NFL Net**. **Comcast** is also moving NHL Net to its Digital Classic service from its sports/entertainment tier. The move, which will take place by the start of the '09-'10 NHL season, will put the net's reach at nearly 2/3 of Comcast's total digital customer base. That translates to a jump to about 10.8mln HHs from more than 2mln on the sports tier. NHL Net will still be available on Comcast's sports tier for those that don't subscribe to Digital Classic.

Waiver Win: The **FCC** granted **Evolution Broadband** a 3-year waiver to the integrated security ban for its digital-to-analog cable converter boxes. It's a big deal because it means any operator can deploy Evolution's DMS-1002 and DMS-1002-CA boxes, which don't have costly CableCARDS, without requesting a waiver. It marks the 1st time the FCC has granted a waiver for a low-cost, limited capability box rather than for a specific cable operator's deployment of such a device. The one-way boxes, which Evolution says will cost \$45-\$55, don't have IPGs, VOD, PPV or other interactive TV capabilities, nor do they have HD, DVR or dual tuner capabilities. **ACA**, **Baja Broadband**, **Cable One**, the **Electric and Water Plant Board of the City of Frankfort** and **TVMAX** each filed comments in support of Evolution's request, asserting that the waiver would allow cable operators to increase digital penetration in small, rural markets because cable operators will be able to offer digital service at more attractive prices.

In the States: The **PlayStation Network's** video service for the PlayStation 3 and PSP systems added 16 new partners, including **Showtime Nets**, **Starz Media**, **G4**, **E!**, **Summit Ent**, **The Weinstein Company**, **HDNet** and **Magnolia Pictures**. With the addition of these new partners, the video delivery service will have nearly 1900 movies and 9400 TV episodes, covering reality, mixed martial arts, sports, anime, and animation genres. Sony is also launching free app "Media Go," which makes it easier to manage digital content for the PSP through a PC.

DTV Doings: With an estimated 3.1mln homes at risk of losing free over-the-air TV in 10 days, the **FCC** is promising a "drumbeat of daily messages" leading up to the June 12 analog cutoff. Some 250 FCC staffers will be working at public events nationwide, while Commissioners will travel the country and make TV and radio appearances in target markets.

Advertising: **Univision's** message to advertisers right now is that Hispanics are more positive on the economy, less burdened by debt and less exposed to the housing crisis. 34% of Hispanics are optimistic about their finances in the coming year vs 25% of non-Hispanics, and the segment's consumer confidence rating is 11% higher than non-Hispanics, according to **Experian Simmons** data presented by Univision. The research found Hispanics use less plastic for purchases and the majority rent, so they don't face foreclosure woes. *David Lawenda*, pres of ad sales and marketing for Univision, said the info has been positively received by national advertisers. In 4Q, a casual restaurant chain (a category hit hard in the downturn) advertised with Univision for the 1st time and saw a 23% increase in sales, Lawenda boasted during a Webcast Tues on the data. "Everyone is looking for untapped ways to grow the business," he said.

In the Courts: A class action suit was filed in the US District Court for the Eastern District of AR on behalf of purchasers of **Charter** securities between Oct 23 '06 and Feb 12, '09. The suit claims that Charter's sr execs failed to disclose, among other things, that Charter would not be able service its debt to Sept '10, but rather would file for bankruptcy.

Ratings: **TNT** ran away with the May prime ratings crown, delivering a whopping 2.7/2.63 on the back of 11 **NBA** play-off telecasts that hit the monthly top 20. A pair of Cavs-Magic tilts led the way with a 7.3/7.15mln avg. **USA** (2.2/2.17mln) notched 2nd among nets despite its top May program, an ep of "In Plain Sight," coming it at #24. **Disney** (1.7/1.67mln)

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ensued, and was followed by **ESPN** (1.6/1.59mln) and **Fox News** (1.6/1.53mln) in a tie for 4th. 7 of ESPN's NBA playoff telecasts hit the top 20, which was completed by **TLC's** "Jon & Kate Plus 8" and **Nickelodeon's** "iCarly Movie: Date a Bad Boy."

Programming: **Comedy Central** renewed "Important Things with Demetri Martin" for a 2nd season (1Q debut). -- **Showtime** has high hopes for *Edie Falco* series "Nurse Jackie" (debuts June 8). And it should, considering the net says it has 3 of the top 10 TV seasons on **iTunes** right now. Season 4 "Weeds" just went up on iTunes Tues and has already taken the top spot.

People: *Paul Butler* was named svp, gen counsel at **Gospel Music Channel**. -- *Alex Sepiol* was upped to vp, original scripted series programming at **USA**. -- *Joseph Lake*, co-founder of the **Children's Miracle Network**, was named CEO of the **Starfish Net**. The net devoted to telling stories of charity is available on **DISH**. -- **Playboy** officially elected *Scott Flanders* CEO and a board member, and also appointed *David Chemerow* non-exec chmn.

Business/Finance: **Grab Networks** closed on a \$12mln round of debt and equity funding from existing investors, including **Longworth Venture Partners**. Grab was formed by last year's **Anystream** and **Voxant** merger. -- Citing solid 1Q results and ad growth, **Pali** analyst *Rich Greenfield* upped his target price on **Time Warner** shares to \$28 from \$21.

CableFAX Daily Stockwatch

Company	06/02 Close	1-Day Ch	Company	06/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	29.50	(0.04)	AMPHENOL:	35.02	(0.05)
DIRECTV:	23.09	0.08	APPLE:	139.49	0.14
DISH:	17.24	0.31	ARRIS GROUP:	12.17	(0.28)
DISNEY:	25.13	0.10	AVID TECH:	15.20	0.53
GE:	13.80	(0.06)	BIGBAND:	5.27	0.03
HEARST-ARGYLE:	4.49	0.01	BLNDER TONGUE:	1.60	0.05
NEWS CORP:	12.07	0.16	BROADCOM:	26.25	(0.28)
MSOS					
CABLEVISION:	19.56	(0.02)	CISCO:	19.61	0.11
COMCAST:	14.46	0.54	CLEARWIRE:	4.55	0.09
COMCAST SPCL:	13.79	0.66	COMMSCOPE:	26.50	(0.67)
GCI:	7.32	0.02	CONCURRENT:	5.25	0.07
KNOLOGY:	8.28	0.16	CONVERGYS:	9.50	0.29
LIBERTY CAPITAL:	15.12	0.43	CSG SYSTEMS:	14.46	0.33
LIBERTY ENT:	24.76	(0.14)	EHOSTAR:	16.37	0.03
LIBERTY GLOBAL:	14.30	(0.05)	GOOGLE:	428.40	1.84
LIBERTY INT:	6.38	0.12	HARMONIC:	5.91	(0.2)
MEDIACOM:	6.51	0.03	INTEL:	16.19	(0.31)
SHAW COMM:	17.19	(0.05)	JDSU:	5.66	0.02
TIME WARNER CABLE:	31.05	0.61	LEVEL 3:	1.10	(0.01)
VIRGIN MEDIA:	8.95	(0.06)	MICROSOFT:	21.40	0.00
WASH POST:	351.20	(14.23)	MOTOROLA:	6.41	0.08
PROGRAMMING					
CBS:	8.65	(0.09)	OPENTV:	1.74	0.03
CROWN:	2.00	(0.18)	PHILIPS:	20.30	0.36
DISCOVERY:	22.43	0.03	RENTRAK:	10.49	0.31
EW SCRIPPS:	2.00	(0.22)	SEACHANGE:	7.75	(0.08)
GRUPO TELEVISA:	17.99	(0.21)	SONY:	28.00	0.66
HSN:	11.77	0.70	SPRINT NEXTEL:	5.06	0.06
INTERACTIVE CORP:	16.38	(0.19)	THOMAS & BETTS:	31.88	(0.05)
LIBERTY:	28.40	(0.03)	TIVO:	6.98	(0.02)
LODGENET:	5.69	(0.04)	TOLLGRADE:	5.62	0.30
NEW FRONTIER:	2.19	0.05	UNIVERSAL ELEC:	20.43	(0.43)
OUTDOOR:	6.99	(0.03)	VONAGE:	0.49	0.03
PLAYBOY:	2.94	(0.03)	YAHOO:	16.62	0.04
RHI:	3.15	(0.15)	TELCOS		
SCRIPPS INT:	29.50	0.46	AT&T:	24.84	0.20
TIME WARNER:	24.60	0.59	QWEST:	4.47	0.14
VALUEVISION:	0.80	(0.01)	VERIZON:	29.57	0.32
VIACOM:	24.89	0.26	MARKET INDICES		
WWE:	13.03	0.13	DOW:	8740.87	19.43
TECHNOLOGY					
3COM:	4.89	0.39	NASDAQ:	1836.80	8.12
ADC:	7.59	0.05			
ADVANTAGE:	1.91	(0.01)			
ALCATEL LUCENT:	2.62	(0.02)			
AMDOCS:	21.94	(0.51)			

CableFAX Daily will publish a special supplemental Mid-Day Report, June 11, profiling the winners of the Sales Executive of the Year Awards and the Sweet 16—with special mention of the 2009 Hall of Fame Inductees. For event information and list of Honorees go to: www.CableFAX.com/SEOY.

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Publication Date: June 11
 Sales Close Date: June 3
 Artwork Deadline: June 5

