

CableFAX Daily™

Tuesday — June 7, 2011

What the Industry Reads First

Volume 22 / No. 108

Programming Play: AMC Networks Hits Wall St This Month

It could break bad or good in the coming months, but either way it's finally breaking out on its own after a lengthy process. Following approval by Cablevision's board, **AMC Networks**—with assets including **AMC**, **WE tv**, **IFC**, **Sundance Channel**, **Wedding Central** and **News 12 Nets**—will commence NASDAQ trading June 16 on a “when-issued” basis under the ticker symbol “AMCXV,” and regularly July 1 under “AMCX.” In a tax-free spin-off, CVC shareholders (both Class A and B) as of the COB on June 16 will receive 1 AMC Nets share for every 4 CVC shares owned 2 weeks later. *Charles Dolan* will serve as exec chmn of the new entity, *Jim Dolan* as a board member; *Josh Sapan* has been previously announced as pres/CEO. “We are confident that both the new AMC Networks and Cablevision will continue to build on their considerable records of achievement,” said Jim Dolan in a release. As shares of CVC have gained approx 18% since early Nov when news the MSO was exploring a spin-off popped, investors now have just 8 days to determine whether buying CVC shares is a prudent way to receive a stake in AMC Nets, or perhaps even if the new entity is worth buying at all. AMC will assume approx \$2.43bln of new debt, a portion of which will be used to repay approx \$1.25bln of CVC and/or **CSC Holdings** debt. **BTIG** analyst *Richard Greenfield* recently valued AMC shares at approx \$12, adding that a “potential for earnings to exceed our expectations (due to ratings strength) and takeover potential (post-spin)” make the valuation conservative. In 1Q, the unit posted net rev of \$272.9mln (+9.8%), adj op cash flow of \$99.5mln (+8.3%) and op income of \$70.7mln (+14.8%). As for Cablevision, which launched its Optimum brand in **Bresnan** systems last month and is coming off mixed 1Q results overall (*Cfax*, 5/6), analysts have expressed bullishness on its shares in recent months. **Wells Fargo Securities'** *Marci Ryvicker*, for example, noted the MSO's likely flexibility to return cash to shareholders post-spin and positive contribution from Bresnan. Yet **Sanford Bernstein's** *Craig Moffett* has said CVC “is more limited room for improvement than with peers, and, more significantly, there is limited room for further growth,” even if it does excel operationally. At deadline, CVC shares were up 2.5% in after-hours trading.

Competition: **Verizon** now allows customers to customize their FiOS service bundles for a \$5-10/month in incremental charges. Starting with a \$100/month 3-play bundle featuring broadband speeds of 15Mbps and 233 TV channels (50 HD), for example, subs can up the speeds by 10Mbps for an extra \$5/month or ramp the channel count to 324 nets (80 HD) for an additional \$10/month. No contracts are required, and discounts are available to new customers. -- **AT&T** said more than 260K Jacksonville area homes have access to U-verse services and that it now counts more than 100K U-verse TV subs in the South FL counties of Miami-Dade, Broward and Monroe.

In the Courts: A US District Court judge in NY denied **Disney's** motion seeking a preliminary injunction against **DISH's** extended free trial of **Starz** to its sub base through Jan. As Starz features a wealth of Disney movies, Disney believes the DBS op's free offering engenders violations of the Copyright Act and interferes with the Starz-DISH contract (*Cfax*,

Everyone has a favorite movie.
We love them all.

With 600 hours of original programming,
multiplatform tools and exciting promotions, REELZCHANNEL
drives VOD/PPV and premium sales with proven results.

www.reelz.com/affiliate

REELZ
CHANNEL
TV ABOUT MOVIES.

SEE

Bloomberg<HD>

MORE >>>

BLOOMBERG HD IS HERE.



Introducing Bloomberg HD – with an easy to understand format that lets you see more business news and data than any other network. With relevant market information and exclusive content from Bloomberg, Bloomberg HD will help you attract and retain high-income customers who crave up-to-the-minute access.

Visit Bloomberg.com/HD for more information.

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, 301.354.1790, mgrebb@accessintel.com ● Senior Online Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Asst VP, Ed Director: Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 301.354-1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Carol Brault, 301.354.1763, cbrault@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Carol Brault, 301.354.1763, cbrault@accessintel.com

5/4). Starz concurs with the latter view and has its own lawsuit against DISH pending. DISH refused comment Mon while Disney could not be reached. -- According to reports, a federal appellate court in CA dismissed a lawsuit brought by a group of MVPD subs alleging antitrust violations by media companies including **NBCU** and **Time Warner Cable** due to bundling of pay TV programming. The plaintiffs' main beef was their inability to purchase nets on an a la carte basis.

Technology: **EchoStar's** set to unveil next week at The Cable Show Aria, a tech ecosystem designed exclusively for indie and mid-sized cable ops and offering features such as cloud-based VOD, TV Everywhere and an interactive HD programming guide. Aria will run in concert with new EchoStar SD, HD or SlingLoaded set-tops that will also be intro'd at the event. -- At the video game confab E3, **Microsoft** lightly announced a concerted move toward live TV on the Xbox later this year. Even though **Spike** essentially kick started the initiative by featuring multiple hours of simulcasted show coverage on the gaming console Mon, Xbox Live vp *Marc Witten* only noted **ESPN** as a future partner while exhibiting screen grabs hinting at **ABC's** involvement as well. While showcasing the planned integration of Bing and voice control over the service ("play "Harry Potter," for example), Witten said the Live service will grow its number of content partners "10 fold". Xbox Live members total more than 30mln, and 40% of all Xbox activity is now non-game.

Good Neighbors?: **Comcast** described as "baseless allegations" **Bloomberg's** earlier assertions that the MSO has ignored a Comcast-**NBCU** order condition that requires Bloomberg's inclusion in news/business news "neighborhoods" on Comcast channel lineups (*Cfax, May 31*). Bloomberg's reading of the neighborhooding provisions "would cause significant disruption to consumers and other cable networks beyond anything that the FCC contemplated or could have reasonably required," stated Comcast svp *Arthur Block* in a letter to the Commission. Instead, he said, the FCC intended a narrowly tailored provision that wouldn't lead to "widespread re-ordering of [Comcast's] channel lineups." Comcast also accused Bloomberg of refusing to negotiate business terms in a recent call with Comcast Cable pres *Neil Smit* and other execs and then ending contact with the MSO until it filed the FCC complaint. "This hardly reflects a constructive approach to our discussions," asserted Block.

Advertising: At an interoperability event late last month, **CableLabs** demonstrated the latest **SCTE-130** and **SaFI 2.1** advanced advertising specs with collaborators including **Canoe Ventures**, **Nielsen** and **Avail TVN**. The ability to run interactive apps within VOD content was spotlighted, as was the inclusion of a VOD server playing an ad with a pre-bound interactive RFI app. -- Media measurement firm **TRA** partnered with **MediaBank** for a media buying solution that integrates its Purchaser Rating Points, which offers actual purchase behavior for various databases.

Ratings: The season 5 premiere of **History's** "Ice Road Truckers" delivered 3.1mln viewers, up 29% versus last season, along with 1.7mln 25-54s (+21%) and 1.5mln 18-49s (+15%). -- **A&E** original drama "The Glades" returned for a 2nd season Sun night, delivering 1.2mln 18-49s, marking 20% YOY growth, and 1.4mln 25-54s (+8%).

Programming: *Demi Moore* partnered with **CNN** for "Nepal's Stolen Children: A CNN Freedom Project Documentary" (June 26). The feature completes the net's week-long series "In Depth," providing a look at modern-day slavery across all CNN nets and platforms the week of June 20. -- **Style Net's** "Too Fat for 15: The Obesity Crisis" (June 27) marks the net's 1st-ever town hall special and will be hosted by *Alison Sweeney* of NBC's "Biggest Loser." -- As MTV's top show of all time, "Jersey Shore" returns Aug 4 for a seasonal stint in Florence, Italy. -- **TNT** starts the engine on its **NASCAR Sprint**

CableFAX

Join our Social Networking Groups!

Share ideas, connect with colleagues and be the first to hear about important industry events and deadlines.

www.cablefax.com



BUSINESS & FINANCE

Cup coverage Sun, and this year will feature exclusive audio/video from select crew chiefs and their teams during races and 1st-ever coverage of a race at KY Speedway.

Honors: **AMC** and **FX** led cable with 9 noms for the inaugural Critics Choice TV Awards, sponsored by the Broadcast TV Journalists Assoc and set for bestowal June 20 and feature on **ReelzChannel** June 22. **ABC** (16) and **NBC** (12) paced all nets. Cable received 7 of the 10 noms for best drama and 25 of the 34 within the 5 drama categories, while broadcasters turned the tables in the 5 comedy categories, 29-5. **FX** earned 4 of the comedy nods, Showtime the other.

On the Circuit: Currently transitioning to full-time work with **OWN**, *Oprah Winfrey* will appear at next week's Cable Show during the Thurs morning general session. Oprah will chat with *Paula Zahn* of **Investigation Discovery** about her move to cable, building the **OWN** brand and enhancing the net's content. -- **NAMIC's** seeking entries for its Excellence in Multi-cultural Marketing Awards, with submissions due by July 15 at emmacompetition.com. Winners will be feted during the NAMIC Conference (Oct 4-5 in Chicago).

People: **HBO** welcomed *Otto Berkes* as svp, consumer technology. -- **NBCU** upped *Hilary Smith* to svp, comm, Ent & Digital Networks and Integrated Media portfolio, a new post.

CableFAX Daily Stockwatch

Company	06/06 Close	1-Day Ch	Company	06/06 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	47.59	(1.33)	BLNDER TONGUE:	1.64	(0.05)
DISH:	28.57	(0.46)	BROADCOM:	34.02	(0.43)
DISNEY:	39.40	0.02	CISCO:	15.99	(0.02)
GE:	18.46	(0.36)	CLEARWIRE:	3.97	(0.07)
NEWS CORP:	17.61	(0.19)	CONCURRENT:	5.86	(0.13)
MSOS					
CABLEVISION:	34.12	(0.54)	CONVERGYS:	12.32	(0.22)
CHARTER:	57.38	(0.4)	CSG SYSTEMS:	18.52	(0.17)
COMCAST:	23.92	(0.31)	ECHOSTAR:	32.00	(1)
COMCAST SPCL:	22.57	(0.27)	GOOGLE:	521.06	(2.02)
GCI:	11.39	(0.11)	HARMONIC:	7.09	(0.19)
KNOLOGY:	15.23	(0.23)	INTEL:	21.83	0.10
LIBERTY CAPITAL:	86.05	(2.47)	JDSU:	17.96	(0.58)
LIBERTY GLOBAL:	43.30	(0.66)	LEVEL 3:	2.20	(0.03)
LIBERTY INT:	17.57	(0.15)	MICROSOFT:	24.01	0.10
SHAW COMM:	20.96	0.05	RENTRAK:	19.18	(0.01)
TIME WARNER CABLE:	75.20	(0.6)	SEACHANGE:	10.27	(0.24)
VIRGIN MEDIA:	31.76	(0.41)	SONY:	25.76	(0.62)
WASH POST:	418.70	3.82	SPRINT NEXTEL:	5.60	(0.07)
PROGRAMMING					
CBS:	26.46	(0.74)	THOMAS & BETTS:	51.18	(0.58)
CROWN:	1.87	(0.05)	TIVO:	10.11	(0.24)
DISCOVERY:	41.06	(0.9)	UNIVERSAL ELEC:	24.95	0.60
GRUPO TELEVISA:	22.54	(0.48)	VONAGE:	4.54	(0.26)
HSN:	32.97	(0.63)	YAHOO:	15.45	(0.23)
INTERACTIVE CORP:	35.70	(0.44)	TELCOS		
LIBERTY:	40.94	(0.37)	AT&T:	30.36	(0.29)
LIBERTY STARZ:	78.60	(2.34)	VERIZON:	35.21	(0.42)
LIONSGATE:	5.92	(0.09)	MARKET INDICES		
LODGENET:	3.39	(0.11)	DOW:	12089.96	(61.3)
NEW FRONTIER:	1.45	(0.11)	NASDAQ:	2702.56	(30.22)
OUTDOOR:	5.92	(0.04)	S&P 500:	1286.17	(13.99)
SCRIPPS INT:	46.31	(0.71)	TECHNOLOGY		
TIME WARNER:	35.11	(0.06)	ADDVANTAGE:	2.44	(0.01)
VALUEVISION:	6.68	(0.21)	ALCATEL LUCENT:	5.47	(0.18)
VIACOM:	57.71	(0.82)	AMDOCS:	29.49	0.10
WWE:	9.95	(0.21)	AMPHENOL:	52.12	(0.39)
TECHNOLOGY					
AOL:	20.51	(0.43)	AOL:	20.51	(0.43)
APPLE:	338.04	(5.4)	APPLE:	338.04	(5.4)
ARRIS GROUP:	10.62	(0.13)	ARRIS GROUP:	10.62	(0.13)
AVID TECH:	16.49	(0.01)	AVID TECH:	16.49	(0.01)
BIGBAND:	2.03	0.01	BIGBAND:	2.03	0.01

**LEADERSHIP
FELLOWSHIP
SPONSORSHIP
MENTORSHIP
PARTNERSHIP**

It all adds up to

MEMBERSHIP

NAMIC
EMBRACE DIVERSITY.
EMBRACE SUCCESS.

The National Association for Multi-ethnicity in Communications educates, advocates and empowers for multi-ethnic diversity in the communications industry.

You may be asking yourself, "What's in **NAMIC** for **ME**?" | Join Today. Lead Tomorrow. Visit **NAMIC.com**