

CableFAX Daily™

Wednesday — June 30, 2010

What the Industry Reads First

Volume 21 / No. 125

Filling the Breadbasket: Cable Holding Its Own Among Key 18-49s

Several nets including **A&E**, **ABC Family**, **Animal Planet** and **Oxygen** recorded 2Q viewership records among several demos, but the latter trio's growth among 18-49s underscores cable's clout in the coveted age group—particularly versus broadcast and as the industry's summer programming bailiwick begins to heat up. Sure, the 1.1 rating and 1.2mln HHs among 18-49s achieved by **TNT** and **USA** in 2Q prime is solid (USA also scored a best-ever 2Q), but maybe more impressive is the narrow late-Jun gap between top cable nets/telecasts and the big 4 broadcasters in attracting the demo. From Jun 21-27, for example, **Fox** led the broads in avg prime delivery among 18-49s with a 1.7 rating, according to **Nielsen**, while trailing were **NBC** (1.5), **ABC** (1.5) and **CBS** (1.3). Comparatively, for the same week USA notched a 1.1 and TNT and **BET** a 0.9. The margin between the 2 camps was greater from Jun 14-20, yes, but ABC was aided by the **NBA Finals** and cable's likely just catching fire as July and Aug are often big winners for originals. Telecast data tell a similar story of potential future parity. Last week, NBC's "America's Got Talent" led broadcast telecasts with 4.59mln 18-49s, and the top 10 averaged 3.76mln. On cable, BET's "BET Awards '10" led with 4.01mln, and the top 10 averaged a 2.81. Broadcast's avg represents an approx 34% premium over cable's, but its top telecast beat cable's by just 14%. And BET's show would rank 4th in the demo among all broadcast and cable telecasts last week, while **HBO's** "True Blood" would rank 10th, **ESPN's** US-Algeria World Cup match 13th and **Discovery Channel's** "Deadliest Catch" 14th. From Jun 14-20, cable's top 4 telecasts—**HBO's** "True Blood," **History's** "Pawn Stars," **ESPN's** US-Slovenia match and an additional ep of "Pawn"—would rank 11th, 14th, 17th and 19th, respectively. Not too shabby. There are caveats to the cited data, including the limited time frame and the omission of **Univision's** top telecasts, many of which would push cable's representatives further down the combined list. Still, the data likely provide additional fodder for **Turner** and other nets/network groups in their quest to better equalize the ad rates received by broadcast and cable—and definitely offer further reasoning for broadcasters' renewed and intensified interest in retrans fees.

Card Talk: We're not going to fix your retail devices for you. That's the message from the cable industry in **NCTA's** response to **CEA** suggesting that cable provide more technical support for retail devices with CableCARDS. If leased equipment is not working, ops will take care of it free of charge, **NCTA** said in its response at the **FCC**. If a retail device

CableFAX THE MAGAZINE Most Influential Minorities in Cable 2010

Nomination Deadline: July 9, 2010

Who are cable's most influential minority executives?

Help us decide by nominating the executives you think should be included in our annual list of the Most Influential Minorities in Cable. We will rank the top 50 minorities, and run a list of the second 50, in the September issue of *CableFAX: The Magazine*.

CableFAX: The Magazine distribution includes: NAMIC/CableFAX Breakfast, Diversity Week.

Free and Easy
to Nominate

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Publication Date:
September 13, 2010

Enter at: www.cablefax.com/diversity

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CableFAX

THE MAGAZINE



*is proud to announce the
2010 Selections of Top Operators*



NewWave Communications as Independent Operator of the Year Award presented in partnership with ACA and NCTC & **Cablevision as MSO of the Year**

Honorees Celebrated in this Issue:

Lifetime Achievement (Independent): Tom Gleason, NewWave Communications and Pat Thompson, RBC Daniels
System Executive of the Year (Independent): Charlotte McClure, Cable One
Customer Service (Independent): WOW!

Lifetime Achievement (MSO): Bonnie Hathaway, Time Warner Cable
Customer Care / Customer Service (MSO) Award : Suzanne Foy, Cox
Commercial Sales Team of the Year (MSO): MidContinent

More category winners celebrated in CableFAX: The Magazine Top Ops Issue

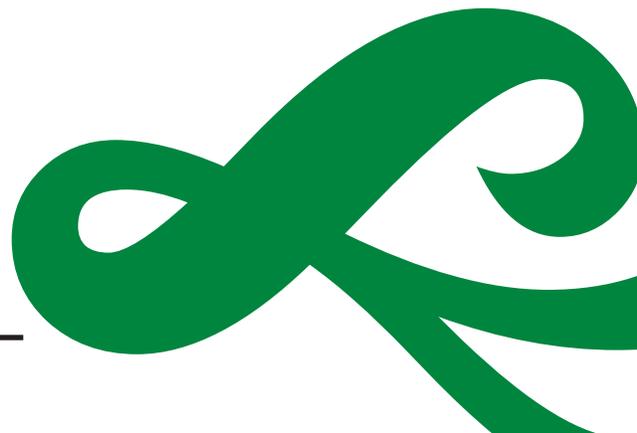
Bonus Distribution: The Independent Show in Baltimore, MD

We invite you to celebrate your most important partners' successes and your achievements with a brand ad or a congratulatory ad in the July, Top Ops issue of CableFAX: The Magazine. Call us for a full list of all the honorees as well as for advertising packages.

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isn't working, cable ops will ensure the CableCARD is working, but the rest is up to the consumer and device maker, the group said. NCTA also rebutted **Public Knowledge's** suggestion that cable pricing and discounting is responsible for the unpopularity of 1-way CableCARD devices. "Many consumers do not see the same compelling value in UDCPs because they work only with cable, only with one-way services, and are expensive. This is why so few consumers have bought them, not because cable is lowering prices to compete with satellite and telephone," NCTA said. The cable group is more open to CEAs suggestion that ops provide inventories of CableCARDS to retailers rather than directly to consumers but said many issues—including who would bear the costs of such an inventory—need to be resolved. As for fears cable is out "to sabotage our 520K customers who use retail navigation devices," that's a false pretence, NCTA said, promising that they remain important and have received "overwhelming support." The 10 largest cable ops have deployed more than 21mln operator-supplied STBs with CableCARDS since the integration ban went into effect July 1, '07.

Online: **Starz** and **Encore** inked a new affil agreement with **Comcast** as the nets march to the front lines of comprehensive online content provisioning and join premiums **HBO** and **Epix** in the space. While also including linear carriage of the nets, the deal importantly allows Comcast subs of each brand initial access to authenticated Websites **Starz Online** and **Encore Online**. Both offer 300 distinct movies and original programming, with the former featuring approx 80% of its content in HD, the latter 50%. **MoviePlex** is also included in the linear contract and will launch its own online version later this summer with at least 120 unique movies and TV eps. -- It's official. **Hulu Plus** was finally unveiled with a \$9.99/month price point. The ad-supported subscription model offers full seasons for almost all of the current broadcast shows on the service. Hulu Plus users will also be able to access shows on other devices, including the iPad, iPhone, iPod Touch and select **Samsung** Internet-connected TVs and Blu-ray players. Other devices, including **Sony's** Playstation 3, are coming soon. The subscription also includes access to a wider library of content (entire back seasons). Initially, Hulu will send out waves of invitations before opening it up completely to the public. The free Hulu.com service will still exist.

In the Courts: Supreme Court nominee *Elena Kagan* is open to courtroom cameras, saying Tues that "I think it would be a great thing for the institution, and more important, I think it would be a great thing for the American people." That's got to be music to **C-SPAN's** ears. A recent C-SPAN poll found that 63% of American voters do support cameras in the court.

Carriage: **CRN Digital Talk Radio's** 6-channel HD audio tier launched in **Cox's** Phoenix and Tucson systems. -- **DirectV** beefed up its HD roster last week by launching **Lifetime HD**, various premium nets in HD and a HD feed of **FSN Florida**.

Inside the Beltway: The **House Communications** subcmte will markup the 21st Century Communications and Video Accessibility Act Wed. Its aim is to ensure that those with disabilities have full access to broadband and better video programming devices. The bill's proposals include applying closed-captioning requirements to video on the Internet. -- The **FCC** launched a data innovation initiative aimed at streamlining data collection and usage, complete with a 1st-ever Chief Data Officer. *Greg Elin*, assoc managing dir of new media at the FCC, will take that post, leading a team of chief data officer from three FCC bureaus—wireless, wireline and media.

In the States: **Fox Soccer** is now an official partner of the **USA Bid Cmte** in its efforts to bring the **World Cup** to the US in '18 or '22. The net and its online properties will launch a series of corporate sponsorship announcements for the bid in the coming weeks. **[Stay tuned for our World Cup Special Mid-Day Report and wrap-up coming on July 15].**

Technology: **Best Buy** will launch a mobile broadband service next month, according to reports, with **Sprint** providing the 3G data services. Pricing includes a \$30/month prepaid plan offering 250MB and a \$60 postpaid plan offering 5GB.

Ratings: Sun's Mexico-Argentina **World Cup** match on **Univision** drew more than 9.3mln total viewers to set a historical program viewership record for the net and became the most-watched telecast ever on Spanish-language TV in the US. The match also delivered 5.59mln 18-49s, 3.32mln 18-34s and 4.19mln 12-34s.

Programming: You won't find this on "A Baby Story." **TLC's** 6-part series "Strange Sex" (July 18, 10pm) explores atypical sex, including a woman who tries to have an orgasm during childbirth for the 2nd time and a man with a balloon fetish. You've come a long way from "The Learning Channel," TLC... -- **Nickelodeon** partnered with the **NFL** to create original animated short-from series "Rush Zone: Guardians of the Core" (Sept) for **Nicktoons**. Based on the league's online kids world, the series will air weekly to coincide with the '10 season, feature all 32 teams and culminate in a 1-hr movie special to air the day before Super Bowl XLV. -- **Investigation Discovery** added newsmags "Chasing Justice with Dan Abrams" and

BUSINESS & FINANCE

"60 Minutes on ID" to its prime lineup, with both shows set to debut Jul 12.

People: Ex-DirectTV US pres/CEO *Mitchell Stern* was named pres/CEO of **Freedom Comm**, which emerged from Chapter 11 earlier this year. -- *Joe Felbab* joins **Cable ONE** as vp of marketing, coming over to Phoenix from **Time Warner Cable** in L.A. He'll report to svp, chief sales and marketing officer *Jerry McKenna*. -- *Byron Allen's Entertainment Studios* hired **Hallmark Channel** dir, affiliate marketing *John McDonald* as vp, mktg.

Business/Finance: **Crown** completed its recapitalization transactions with **Hallmark Cards** and its affiliates that significantly reduces outstanding debt. The transactions include the restructuring of approx \$1.162bln of amounts due to Hallmark Cards and its affils into \$315mln principal amount of new debt with Dec '13 maturities, and the conversion of Crown's Class B Common Stock into Class A Common Stock, with Class A shares becoming the only authorized and outstanding common shares of CRWN and Hallmark Cards receiving 254,887,860 shares to settle an additional \$500mln in debt. -- **Goldman Sachs** analyst *James Mitchell* upgraded **Disney** and **News Corp** to 'buy' from 'neutral,' and downgraded both **Viacom** and **Time Warner Cable** to 'neutral' from 'buy.' The TWC change, said Mitchell, stems mostly from better opportunities in the sector, particularly regarding Disney on secular expansion at **ESPN** and elsewhere.

CableFAX Daily Stockwatch

Company	06/29 Close	1-Day Ch	Company	06/29 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	34.37	(1.51)	ARRIS GROUP:	10.21	(0.35)
DISH:	18.42	(1.28)	AVID TECH:	12.95	(0.27)
DISNEY:	32.30	(0.92)	BIGBAND:	2.91	0.01
GE:	14.48	(0.52)	BLNDER TONGUE:	1.33	(0.05)
NEWS CORP:	14.11	(0.54)	BROADCOM:	33.43	(1.27)
MSOS					
CABLEVISION:	23.85	(0.48)	CISCO:	21.62	(0.8)
COMCAST:	17.68	(0.43)	CLEARWIRE:	7.32	(0.23)
COMCAST SPCL:	16.62	(0.45)	COMMSCOPE:	24.41	(1.19)
GCI:	7.41	(0.21)	CONCURRENT:	4.67	(0.28)
KNOLOGY:	11.12	(0.56)	CONVERGYS:	10.02	(0.25)
LIBERTY CAPITAL:	41.85	(2.82)	CSG SYSTEMS:	18.85	(0.67)
LIBERTY GLOBAL:	25.99	(0.95)	ECHOSTAR:	19.01	(0.58)
LIBERTY INT:	10.71	(0.68)	GOOGLE:	454.26	(17.82)
MEDIACOM:	6.87	(0.16)	HARMONIC:	5.62	(0.33)
RCN:	14.83	0.01	INTEL:	19.79	(0.57)
SHAW COMM:	18.18	(0.47)	JDSU:	10.27	(0.77)
TIME WARNER CABLE:	53.63	(1.22)	LEVEL 3:	1.11	(0.03)
VIRGIN MEDIA:	16.89	(0.12)	MICROSOFT:	23.31	(1)
WASH POST:	412.92	(14.04)	MOTOROLA:	6.80	(0.27)
PROGRAMMING					
CBS:	13.25	(1.07)	RENTRAK:	24.46	(0.92)
CROWN:	1.75	0.00	SEACHANGE:	8.57	(0.22)
DISCOVERY:	35.46	(1.98)	SONY:	26.84	(0.32)
GRUPO TELEVISIA:	17.69	(0.4)	SPRINT NEXTEL:	4.28	(0.18)
HSN:	23.32	(2.04)	THOMAS & BETTS:	35.31	(1.55)
INTERACTIVE CORP:	22.19	(0.83)	TIVO:	7.12	(0.47)
LIBERTY:	33.26	(0.43)	TOLLGRADE:	6.44	(0.01)
LIBERTY STARZ:	52.35	(1.63)	UNIVERSAL ELEC:	16.66	(0.8)
LIONSGATE:	6.99	(0.02)	VONAGE:	2.35	(0.27)
LODGENET:	3.75	(0.35)	YAHOO:	14.04	(0.69)
NEW FRONTIER:	1.56	(0.04)	TELCOS		
OUTDOOR:	4.48	(0.05)	AT&T:	24.46	(0.49)
PLAYBOY:	4.08	(0.19)	QWEST:	5.31	(0.03)
SCRIPPS INT:	41.27	(1.82)	VERIZON:	28.62	(0.09)
TIME WARNER:	29.63	(0.88)	MARKET INDICES		
VALUEVISION:	1.75	(0.15)	DOW:	9870.30	(268.22)
VIACOM:	36.10	(1.73)	NASDAQ:	2135.18	(85.47)
WWE:	15.58	(0.5)			
TECHNOLOGY					
ADC:	7.40	(0.37)			
ADDVANTAGE:	2.85	(0.1)			
ALCATEL LUCENT:	2.60	(0.14)			
AMDOCS:	27.01	(0.4)			
AMPHENOL:	40.04	(1.44)			
AOL:	20.62	(1.16)			
APPLE:	256.17	(12.13)			

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