

CableFAX Daily™

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What the Industry Reads First

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Schooling: Cable Vets Help Shape High School Sports Venture

Generations converge at **Jookt.com**, a high school sports-focused media enterprise counting Cable Hall of Famers *Monty Rifkin* and *Tryg Myhren* as board members. Launched in Sept, Jookt produces short- and long-form branded video content about high school sports, and currently in CO provides the content to local cable outlets including **Comcast**, broadcasters and newspaper Websites. Near-term the company is eyeing 10 additional markets such as TX and Southern CA, and long-term goals include 25 large markets and an overlay TV channel. Stakeholders are heartened by Jookt's content, market positioning and economically viable model. "It's a bit like ESPN meets MTV," said COO *Jeff Bennis*, adding that Jookt is a "webinized version" of the word juke. While the "old guard" handles distribution and advertising, a full-time staff of about 12 young editors and reporters chase stories focused more on cultural relevance than game coverage. Think pre-game preparations, player interviews and prognostications over highlights. "There's a socialization aspect to this," added Myhren, who said the venture offers a "really clean shot at an underserved market." Yes, MSOs including Comcast and **Time Warner Cable** feature in certain markets VOD content centered on high school sports, said Bennis, but it's not a focus and merely a small part of their operations. As such, enter Jookt with a hyper-localism bent that many ops crave. "Cable is a perfect media partner for us," he said. "They're the people who have some of the biggest outstretched arms." Plus, added Myhren, economic woes have forced many media outlets to trim coverage of high school sports. Jookt provides content to its media partners for free, choosing to sell advertisers on impressions that currently total 30K/week. As talks continue with 4 potential sponsors, said Bennis, prod costs include price points that "nobody can touch." It costs Jookt \$500-\$750 to do a feature piece, \$250 for a piece about a game of the week and \$5000-\$7500 for 30-min network type shows. "Our motto is produce once, distribute often," said Bennis. Still, the venture must overcome critical issues to achieve its goals. Key now is continuing to drive brand recognition, which will help convince advertisers of Jookt's future scalability. That won't be easy, said Bennis, as "high school sports is pretty underdeveloped in most markets." Yet he's convinced Jookt has an enduring model, aided by a "tremendous appetite" for local sports from both citizenry and commercial interests.

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Earnings: 2Q is typically a softer period for cable, and **NBCU's** results did little to dispute that notion. The company's cable segment delivered a 3% uptick in rev to \$1.2bln and a 7% rise in operating profit to \$595—solid numbers that continue to lead the company, yet nonetheless shrink when compared to respective 1Q increases of 7% and 19%. Operating profit was up at **USA** (13%), **Oxygen** (12%), **MSNBC** (8%) and **CNBC** (7%), compared to 1Q results including **Bravo** (+41%), **USA** (+15%), **Oxygen** (+100%), **MSNBC** (+28%) and **CNBC** (+20%). Not surprisingly, NBC remains pressured, particularly at the local level. “The upfront is very slow... we're planning on retaining more inventory as we go into the 2010 season,” said **GE** vice chmn/CFO *Keith Sherin*. Also in the Q, NBCU booked a \$95mln write-down of its minority stake in **ION Media Nets**. CEO *Jeff Immelt* forecasts a “significantly better” 2nd half for NBCU.

Competition: **DISH** added 3 Chinese nets to its lineup of more than 170 intl channels in more than 28 languages: **An Hui TV International**, **Chongqing International** and **Shenzhen Satellite TV**.

In the Courts: A federal judge dismissed the insider trading charges against **HDNet** boss *Mark Cuban*, granting a defense motion claiming Cuban had no fiduciary duty of trust to the search firm **Momma.com** when he made the transaction in question. Cuban's lawyers also claimed the SEC too broadly applied established insider trading laws to the case. The judge gave the SEC 30 days to file an amended complaint.

Cord Cutting: The number of ILEC access lines in the US fell 9.6% last year to 128mln, according to **JSI Capital Advisors**, and will plummet to 61mln by '18. Meanwhile, **Arbitron** compiled its 1st population estimates for cell-phone-only (CPO) HHs covering 15 diary markets, saying that CPO penetration rates vary from as low as 5% in Hamptons-Riverhead, NY, to as high as 38% in Bryan-College Station, TX. Relevant factors include markets' percentage of urban/suburban/rural population plus age and ethnic distribution.

Technology: **Comcast Media Center's** **HITS** and **Motorola** added to their joint National Authorizations Service support for advanced interactive video such as EBIF apps. -- **Blockbuster** plans to sell in 1K US locations a \$300 netbook from **Archos**. The device is equipped for WiFi and Web TV.

Online: **Turner-powered PGA.com** delivered Thurs traffic increases for the overall site and its British Open micro-site, including 21.5mln page views (+34%), 727 daily uniques (+56%) and 233K live streams (+66%).

Programming: **TVG** reupped as the official media partner of the Breeders' Cup World Championships, remaining the event's exclusive marketing partner in the Advance Deposit Wagering (ADW) category and becoming the title sponsor of the \$2mln Breeders' Cup Mile.

Public Affairs: **ESPN Radio's** 5th annual auction to benefit The V Foundation for Cancer Research raised \$1.04mln, combining with the ESPY Celebrity Golf Classic for a total of approx \$2mln. A bidder committed \$51K to have ESPN Radio's “Mike and Mike in the Morning” broadcast (simulcast on **ESPN2**) from his-her home.

Editor's Note: Well, the window to nominate executives to the **CableFAX 100** may be closed, but you can still nominate for **CableFAX's Most Powerful Women in Cable** (due Jul 23), who will be honored in **CableFAX: The Magazine Women's Issue** in Nov 2009. More info at <http://www.cable360.net/cablefaxmag/2009topwomen.html>.

People: **Current Media** named former **MTVN** pres/COO *Mark Rosenthal* CEO. Rosenthal has served on the Current board since the company's inception. -- **Univision** CEO *Joe Uva* joined the board of the USA Bid Cmte seeking to bring the FIFA World Cup to the US in '18 or '22.

Business/Finance: Earnings season is upon us, and at least based on recent share purchases Wall St, on avg, has shown a bit more love toward cable programmers than MSOs. Since Apr 1, **Discovery** (+37%), **Disney** (+30%), **Time Warner** (+26%), **Scripps Nets** (+26%) and **Viacom** (+23%) have all soared, while **Cablevision** (+39%), **Time Warner Cable** (+25%), **Mediacom** (+10%) and **Comcast** (+2%) were on avg up more modestly. -- **Crown Media** postponed its annual shareholders meeting until Jul 30 to grant shareholders additional time to consider a lawsuit surrounding a recapitalization plan for Crown tendered by a **Hallmark Cards** affil and the engagement of a financial advisor by the special cmte considering the plan. -- **Time Warner** completed its acquisition of **Midway Games** for \$49mln.

CableFAX Week in Review

Company	Ticker	7/17 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	32.50	5.30%	17.50%
DIRECTV:	DTV	24.67	5.10%	7.70%
DISH:	DISH	16.14	8.70%	45.60%
DISNEY:	DIS	24.51	9.40%	9.60%
GE:	GE	11.65	9.00%	(21.7%)
HEARST-ARGYLE:	HTV	4.50		(24.6%)
NEWS CORP:	NWS	10.81	12.40%	14.10%

Company	Ticker	7/17 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	18.69	5.70%	12.80%
COMCAST:	CMCSA	14.15	6.70%	(15%)
COMCAST SPCL:	CMCSK	13.60	5.80%	(14.6%)
GCI:	GNCMA	7.04	9.10%	(13%)
KNOLGY:	KNOL	8.40	8.20%	62.80%
LIBERTY CAPITAL:	LCAPA	13.38	13.40%	184.10%
LIBERTY ENT:	LMDIA	26.39	4.20%	51.00%
LIBERTY GLOBAL:	LBTYA	17.89	17.30%	12.40%
LIBERTY INT:	LINTA	5.94	15.30%	90.40%
MEDIACOM:	MCCC	4.62	9.20%	7.40%
SHAW COMM:	SJR	16.82	8.70%	(1%)
TIME WARNER CABLE:	TWC	30.61		
VIRGIN MEDIA:	VMED	10.69	9.90%	117.40%
WASH POST:	WPO	375.00	7.80%	(1.7%)

Company	Ticker	7/17 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	6.75	13.10%	(15.8%)
CROWN:	CRWN	1.58	(1.3%)	(44.6%)
DISCOVERY:	DISCA	23.35	4.00%	64.90%
EW SCRIPPS:	SSP	2.55	25.90%	15.60%
GRUPO TELEVISIA:	TV	17.52	5.90%	21.50%
HSN:	HSNI	10.03	14.50%	38.00%
INTERACTIVE CORP:	IACI	16.82	6.30%	6.90%
LIBERTY:	L	27.39	6.40%	(2.6%)
LODGENET:	LNET	3.80	16.20%	442.90%
NEW FRONTIER:	NOOF	2.20	(1.3%)	29.40%
OUTDOOR:	OUTD	6.26	5.20%	(16.4%)
PLAYBOY:	PLA	2.37	(2.5%)	9.70%
RHI:	RHIE	2.56	0.80%	(68.5%)
SCRIPPS INT:	SNI	29.83	10.30%	36.30%
TIME WARNER:	TWX	26.15	9.20%	18.70%
VALUEVISION:	VVTV	1.99	41.10%	503.00%
VIACOM:	VIA	23.96	10.90%	19.10%
WWE:	WWE	13.37	8.10%	33.70%

Company	Ticker	7/17 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.02	4.40%	76.30%
ADC:	ADCT	7.73	16.90%	41.70%
ADVANTAGE:	AEY	1.65	(13.2%)	(7.3%)
ALCATEL LUCENT:	ALU	2.51	20.10%	16.70%
AMDOCS:	DOX	23.12	8.30%	26.40%
AMPHENOL:	APH	32.99	4.90%	37.80%
APPLE:	AAPL	151.75	9.60%	77.80%
ARRIS GROUP:	ARRS	12.55	9.10%	57.90%
AVID TECH:	AVID	12.36	10.30%	13.30%
BIGBAND:	BBND	4.92	8.80%	(10.9%)
BLNDER TONGUE:	BDR	1.40	3.70%	38.60%
BROADCOM:	BRCM	27.47	13.20%	61.90%

Company	Ticker	7/17 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	20.51	11.80%	25.80%
CLEARWIRE:	CLWR	6.42	11.80%	61.70%
COMMSCOPE:	CTV	26.11	8.10%	68.00%
CONCURRENT:	CCUR	5.32	6.00%	55.90%
CONVERGYS:	CVG	9.28	8.40%	44.80%
CSG SYSTEMS:	CSGS	13.74	1.40%	(21.4%)
ECHOSTAR:	SATS	15.53	1.00%	4.40%
GOOGLE:	GOOG	430.25	3.80%	39.90%
HARMONIC:	HLIT	5.95	8.00%	6.10%
INTEL:	INTC	18.79	17.10%	40.00%
JDSU:	JDSU	5.63	11.10%	52.20%
LEVEL 3:	LVLTL	1.59	12.00%	127.10%
MICROSOFT:	MSFT	24.29	8.50%	27.00%
MOTOROLA:	MOT	6.30	4.10%	43.30%
OPENTV:	OPTV	1.30	5.70%	5.70%
PHILIPS:	PHG	20.45	12.30%	12.20%
RENTRAK:	RENT	17.81	10.50%	51.10%
SEACHANGE:	SEAC	8.16	4.60%	13.20%
SONY:	SNE	24.34	2.10%	11.30%
SPRINT NEXTEL:	S	4.59	5.30%	150.80%
THOMAS & BETTS:	TNB	28.28	7.70%	17.70%
TIVO:	TIVO	9.97	14.30%	39.20%
TOLLGRADE:	TLGD	5.29	6.20%	10.70%
UNIVERSAL ELEC:	UEIC	19.50	6.30%	20.20%
VONAGE:	VG	0.34	(2.9%)	(48.5%)
YAHOO:	YHOO	16.84	12.80%	38.00%

Company	Ticker	7/17 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	23.98	2.30%	(11.5%)
QWEST:	Q	3.99	6.10%	16.20%
VERIZON:	VZ	29.59	3.40%	(8.7%)

Index	7/17 Close	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	8743.94	7.30%	(0.4%)
NASDAQ:	COMPX	1886.61	7.40%	19.60%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	1.99	41.10%
2. EW SCRIPPS:	2.55	25.90%
3. ALCATEL LUCENT:	2.51	20.10%
4. LIBERTY GLOBAL:	17.89	17.30%
5. INTEL:	18.79	17.10%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. ADVANTAGE:	1.65	(13.2%)
2. VONAGE:	0.34	(2.9%)
3. PLAYBOY:	2.37	(2.5%)
4. CROWN:	1.58	(1.3%)
5. NEW FRONTIER:	2.20	(1.3%)

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Questions: Saun Sayamongkhun at 301-354-1610; ssayamongkhun@accessintel.com.

MaxFAX...

Save the Papers?

...from extinction.

Was talking with the great *Trygve Myhren* the other day about when he was asked by a big time newspaper owner about doubling down and buying more papers... was just a few months ago. Tryg, probably holding back a laugh, advised against it. He pointed out that newspapers operated on thinner and thinner margins as classified advertising migrated to the web... "What would



Paul S. Maxwell

happen," Tryg asked, "if the economy hiccupped and lost three to five percent of its health?"

Sadly, Tryg was right.

He was right a long time ago, when, in a crowd of cable guys on a private plane on our way back to Denver from something or other, he told the other executives that what I was newly doing—in creating the daily **CableFAX** and eliminating the printer and the post office—was the future. CableFAX was about three weeks old then.

Of course none of us thought something like this economy would happen—ever again.

And this time around, it is a serious advertising recession, too. So, buy an ad here. Every week (at least).

I'm not kidding... without a healthy advertising environment to help drive the economy—even with dual revenue streams of subscriptions—there's no way to really know what's going on in your businesses... with competitors, partners, rivals, enemies, frenemies or others...

So think about it—what business are you in? You depend on these dual revenue streams, too. Healthy is as healthy does.

In the meantime, beware copyright—an issue bubbling below the surface.

Random Notes:

- **British Telecom:** Is on track to save a billion pounds this year by cutting costs... easy, they don't answer any calls anymore. Like **Lucas Electronics**—aka the "Prince of Darkness"—BT is now the sound of silence.
- **Mark Your Calendar:** Satellite week in NYC precedes the Fall Cable Connection in Denver and will provide a look at the entire world of satellite (cable's backbone). Beginning Tues, Oct 13, with the **SkyRE-PORT Multiplatform Matrix** at the Princeton Club (followed by the **2009 Future Leaders Dinner** benefiting the **SSPI's Educational Fund**)... look for an engaging overview (with data), a financial panel and then a Q&A with a very major and entertaining figure from the cable network world previewing (trying out?) some lines for his upcoming induction in Denver later in Oct.
- **Net Neutrality:** One well-named but misleading moniker for a true waste of intellectual time... sort of like all of those lectures posing as questions at every Congressional hearing. What cable (and telco and satellite and every other industry/business with a bandwidth service) needs to do is subtly shift the definition to benefit sensible network management. "NN" is going right to the top of the Federal Confusion Commission agenda as the broadband stimulus takes center stage mid-next month... after all of those fund requests back up in DC.

• **Independent Show:** Next week near DFW at another of those "magnificent" (in the sense they are VERY big) Gaylord hotels in 100°+ heat... who picks these venues? July in central Texas? I went to school there... which is why I live in Colorado! Still, this annual gathering of **ACA** and **NCTC** is one of the very best shows...

• **About Copyright:** Looks like SH-VIA will escape opening up the entire copyright can of worms... limiting the issues to video availability (like the recent bill from Rep. Ross about in-state signals being available out of market). Nevertheless, the current doctrines of "fair use" will come under serious attack later this year. (For some good reading about the issue, go to <http://www.economist.com/debate/archive> and click on "Copyrights and wrongs"). And the fair use doctrine arguments won't be driven entirely by the current plight of newspapers... **Google's YouTube!** and just about every other big web site with significant user-generated and/or pirated content has skin in this game.

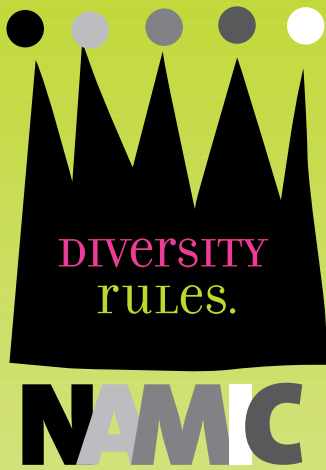
• **Widgets!** And "app stores." So **Verizon** is ahead of cable operators in offering apps and widgets. For now. Saw a demo at **Comcast Media Center** a few weeks ago with the same idea. Only question to answer is, "Who will the customer be? The operator or the subscriber?"

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MOUNTAINTOP**



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CHRIS HUGHES
Co-Founder, Facebook
Founder, My.BarackObama.com

Presented by **We** TV
Simply Fascinating



You could say he “wrote the book” on social media. Only the **23rd Annual NAMIC Conference** will feature Chris Hughes, the co-founder of Facebook and the mastermind behind My.BarackObama.com, two of the most successful start-ups in modern history.

At 25 years old, Hughes forever influenced the direction of technology and new media, which has created a paradigm shift within the communications industry. Hughes has helped hatch Facebook from his dorm room at Harvard, created the campaign apparatus that helped elect President Obama, and revolutionized the Web as a political tool.

What’s next for new media and communications? Be there as Hughes delivers insights and applicable recommendations on technology and its power to transform customer service, communications, media and politics. Diversity rules and knowledge is king at the **23rd Annual NAMIC Conference**. Given the current business landscape, expert information is the key to strategically and intelligently planning for future opportunities. The unsurpassed speakers and sessions at this year’s NAMIC Conference make it the choice for getting more intelligence for your investment.

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