

CableFAX Daily™

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What the Industry Reads First

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Speed Racer: Comcast's Broadband Numbers Send Important Message

Although **Comcast's** 2Q numbers reinforced the notion of a cooling broadband market, they also showed that cable is winning a heated online services battle against the telcos. The MSO's net broadband adds totaled 278K, down 18% YOY but better than many analyst estimates and exceedingly superior to recent reports from **AT&T** and **Verizon**. 1 critical reason for the respectable numbers is the surfing speeds offered by Comcast/cable, said Comcast chmn/CEO *Brian Roberts*. "More and more people want to use video over the Internet," said Roberts, a growing phenomenon that helps "differentiate what it means to have faster, more reliable speed, and I think that proved out in this quarter." Comcast also capitalized on the continued market presence of **DSL**, which COO *Steve Burke* said "may be the new dial-up." Two-thirds of the MSO's net broadband adds were former DSL subs, said Burke, who noted that additions of premium speed customers are outpacing those ordering economy speeds by a 4-to-1 margin. "There's no question in my mind that consumers are going to go for higher speeds when they're available," he said. "I don't think [broadband market share] is about price." To wit: just last month, Verizon pres/COO *Denny Strigl* questioned the soundness of the telco's erstwhile plan "to advance **FIOS** at the expense of DSL," and vowed to improve DSL speeds. The roll out of **DOCSIS 3.0**, or wideband, going forward may well provide auxiliary weaponry for cable—armaments that **Sanford Bernstein** analyst *Craig Moffett* believes aren't a necessity right now. "Cable is taking share, and it is taking it in gulps," wrote Moffett. "When the book's closed on 2Q reporting, cable will likely have gained 80-90% of the broadband net additions." Other Comcast results include 499K net phone adds, 138K basic losses, 320K digital adds and 38% rev growth in commercial services. Burke foresees "many more quarters of [phone] growth ahead" and a "substantial" uptick in basic subs due to the DTV transition. Approx 1-2mln homes in Comcast's footprint must get cable or satellite before Feb because of an inability to access digital OTA signals, he said. Shares of Comcast (+4.6%), **Time Warner Cable** (+3.6%), **Cablevision** (+2.9%) and **Mediacom** (+2.8%) rallied Wed.

Breakfast of Champions: **ESPN** has made roughly 30 deals for its streaming product **ESPN 360**, about half with "smaller operators," **ESPN-Disney** evp *David Preschlack* told a breakfast on the final morning of *The Independent Show*. Preschlack made the statement after a pair of operators said they couldn't carry **ESPN 360**. "Without a revenue share, I can't afford to look at it," **Wave Broadband's** *Steve Friedman* said. Said **Cable One's** *Jerry McKenna*: "With bandwidth so expensive, it's gotta to be a win/win for both of us before I can consider it." A few audience members applauded after Friedman and McKenna made those statements. Later, several operators said they had deals with **ESPN** to receive **360** for free. In turn, they offer it to their subs for free. These operators said the number of deals mentioned by Preschlack seemed surprisingly low. Speaking anonymously, the operators told us their deals were linked to better prices for **ESPN**



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HD networks. "That's how they've launched it," an operator said. Asked by **Cfax** for a response, ESPN said only in a statement: "ESPN360.com and ESPNHD provide extraordinary value, and we are receiving value back in consideration for those services." Earlier, Preschlack said 360 could not exist without its current business model. Bristol decided "10 years ago" to involve its distribution partners and has no plans to change that decision, he said. There is considerable investment needed for ESPN 360 to carry 3500 live events and 13 games "at one time... we put the consumer in the control room... they can pick the games they want to watch." Preschlack added that 60% of the content on 360 is not available on ESPN networks; the other 40% of games are enhanced with interactive and VOD features. ESPN remains committed to working with all cable operators to provide 360, he said.

Competition: **FiOS TV** has added **WAPA America** to its programming lineup in NY and Fort Wayne, IN, and plans to roll out the net on a regional basis during the next few months.

Earnings: A 14% increase in profit to \$1.21bln for **Disney's** cable division helped the media company post net income of \$1.28bln in 3Q, up from \$1.18bln a year earlier. Revenue for the cable biz was up 12% to \$2.6bln. Cable net's increase in operating income was primarily due to higher affiliate and ad revenue at **ESPN**. Overall revenue for Disney was up 2.1% to \$9.24bln.

In the States: **RCN** inked a deal with **ECD** to provide digital cable and HDTV services to guest rooms at Chicago hotel **theWit**.

Olympics: After agreeing to deliver to **NBCU** overnight consumption data throughout the **Beijing Olympics**, **Knowledge Nets** employees should probably prepare for a slew of overtime work next month. Knowledge will provide data covering TV, the Internet, mobile, newspapers, magazines and radio, plus more than 12 NBCU properties—the latter group is set to feature approx 1.4K linear and 2.2K digital coverage hours during the Games. Among NBCU's planned initiatives: live streaming video and on demand content at **NBCOlympics.com**; 24/7 mobile TV channel **NBC Olympics 2Go**; and interactive TV apps via select cable/satellite apps.

Online: **ESPN's** planned fall rebranding of its action sports online home from **EXPN.com** to **ESPN Action Sports** will mark the launch of the **ESPN Action Sports Network**, a group of interconnected Websites including vertical ESPN sites and action sports destinations such as **Surfline.com** and **Vans.com**. Also in the fall, **ESPNNews** will bow 5-min weekly feature "ESPN Action Sports Report." -- **AMCTV.com** now features the entire White House tour doc given by then-First Lady **Jacqueline Kennedy** in '62, part of which was featured in the season premiere of "Mad Men."

Programming: **Nat Geo's** "Inside the Koran" (Aug 5), offering a clearer understanding of the spiritual guide, will air 3 days later on **American Forces Net** for worldwide viewing by US troops. -- New **Style Net** series "The Dish" (Aug 16), conceived by the creators of **E!'s** "The Soup," provides a comedic look at weekly moments in fashion, lifestyle and ent. -- **Comcast** has partnered with **Entravision Comm** to deliver Spanish-language content covering the '08 **DNC**. The MSO will provide translation services for related content and programming, allowing Entravision to deliver up to 8 hours/day of content to its network of Websites and TV and radio stations. -- **Nick at Nite** greenlit stop-motion series "Glenn Martin DDS," the 1st TV series from **Michael Eisner's Tornante Animation**. -- **FSN** plans to telecast 4 MMA cards from **EliteXC** in Sept and Oct. -- **Ovation TV's** "The Art of War" programming event kicks

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off Aug 17 with a focus on how war has been depicted across artistic disciplines, and includes Stanley Kubrick's "Full Metal Jacket."

-- **Sundance Channel's** new talk/performance series "Spectacle: *Elvis Costello* with..." (Dec) will feature *The Police* and *Smokey Robinson*.

Brag Book: The season 4 finale of "The Next Food Network Star" drew 4mln total viewers and 2.2mln 25-54s, becoming **Food Net's** highest-rated and most-watched telecast ever. -- **A&E** achieved its most-watched July ever among 18-34s (316K), 18-49s (703K) and 25-54s (711K) along with a drop in median viewer age from 46 to 44. -- **History** notched its most successful July ever and is on pace for a historical best year, thus far averaging 610K 25-54s and 554K 18-49s.

On the Circuit: The participant slate for the diversity town hall meeting during **NAMIC's** annual conference (Sept 14-16) includes **Comcast** evp *David Cohen*; **BETN** chmn/CEO *Debra Lee*; **Scripps Nets** pres *John Lansing*; **NCTA** pres/CEO *Kyle McSarrow*; **AETN** pres/CEO *Abbe Raven*; **TV One** pres/CEO *Johnathan Rodgers* and **DiversityInc** co-founder/partner *Luke Visconti*.

People: **Mediacom** promoted *Tapan Dandnaik* to svp, customer service and financial operations. -- **Fuse** appointed *Karen Ramspacher* vp, research. -- **Qwest** promoted *Thomas Richards* to COO.

CableFAX Daily Stockwatch

Company	07/30 Close	1-Day Ch	Company	07/30 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	35.46	(0.17)	AMDOCS:	30.62	0.26
DIRECTV:	26.97	0.17	AMPHENOL:	48.85	(0.3)
DISNEY:	31.67	0.75	APPLE:	159.88	2.80
ECHOSTAR:	28.52	0.02	ARRIS GROUP:	8.47	(0.42)
GE:	28.97	0.57	AVID TECH:	23.11	0.59
HEARST-ARGYLE:	20.91	0.41	BIGBAND:	4.20	0.10
ION MEDIA:	1.44	0.00	BLNDER TONGUE:	1.14	0.04
NEWS CORP:	14.70	0.22	BROADCOM:	23.79	(0.52)
MSOS					
CABLEVISION:	21.25	0.59	C-COR:	11.00	0.00
CHARTER:	1.14	(0.01)	CISCO:	22.17	(0.25)
COMCAST:	20.07	0.89	COMMSCOPE:	46.06	(4.74)
COMCAST SPCL:	19.99	1.03	CONVERGYS:	12.63	0.07
GCI:	9.00	(0.04)	CSG SYSTEMS:	17.64	(0.04)
KNOLOGY:	10.29	(0.18)	ECHOSTAR HOLDING:	32.30	0.14
LIBERTY CAPITAL:	15.70	0.18	GOOGLE:	482.70	(0.41)
LIBERTY ENTERTAINMENT:	24.44	0.45	HARMONIC:	7.68	(0.13)
LIBERTY GLOBAL:	28.53	(0.14)	JDSU:	11.15	0.01
LIBERTY INTERACTIVE:	13.94	0.03	LEVEL 3:	3.54	0.01
MEDIACOM:	5.87	0.16	MICROSOFT:	26.23	0.12
SHAW COMM:	21.18	0.03	MOTOROLA:	7.68	0.17
TIME WARNER CABLE:	27.50	0.95	NDS:	57.90	(0.12)
VIRGIN MEDIA:	10.82	(0.27)	NORTEL:	7.31	0.13
WASH POST:	614.81	12.57	OPENTV:	1.92	0.01
PROGRAMMING					
CBS:	16.88	(0.27)	PHILIPS:	33.11	(0.48)
CROWN:	4.46	0.18	RENTRAK:	14.13	0.00
DISCOVERY:	20.24	(0.83)	SEACHANGE:	7.47	0.32
EW SCRIPPS:	6.97	(0.03)	SONY:	37.54	(0.14)
GRUPO TELEVISA:	23.07	(0.05)	SPRINT NEXTEL:	8.34	(0.15)
INTERACTIVE CORP:	17.67	(0.28)	THOMAS & BETTS:	42.43	0.32
LIBERTY:	45.42	0.97	TIVO:	7.68	0.07
LODGENET:	4.03	0.03	TOLLGRADE:	5.16	0.02
NEW FRONTIER:	3.34	0.08	UNIVERSAL ELEC:	23.35	(0.15)
OUTDOOR:	6.90	(0.09)	VONAGE:	1.45	0.03
PLAYBOY:	4.81	(0.18)	WORLDGATE:	0.30	0.00
RHI:	12.87	0.32	YAHOO:	20.03	(0.12)
SCRIPPS INTERACTIVE:	40.72	0.02	TELCOS		
TIME WARNER:	14.45	(0.12)	AT&T:	30.91	0.21
VALUEVISION:	3.08	(0.04)	QWEST:	3.57	0.03
VIACOM:	28.67	(1.16)	VERIZON:	34.34	0.21
WWE:	16.25	(0.63)	MARKET INDICES		
TECHNOLOGY					
3COM:	1.88	(0.02)	DOW:	11583.69	186.13
ADC:	9.67	(0.26)	NASDAQ:	2329.72	10.10
ADVANTAGE:	2.70	(0.07)			
ALCATEL LUCENT:	5.97	(0.13)			

Call for Nominations

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2008 Most Powerful Women in Cable

Who are cable's most powerful women executives? Help us decide by nominating the executives you think should be included in our annual list of the Most Powerful Women in Cable. We will rank the top 50 most powerful women, and run a list of the second 50, in the November issue of CableFAX: The Magazine. Nominations are open to all cable operators, programmers, vendors and trade associations.

Deadline for nominations: Sept. 8, 2008 • Nominate online at www.CableFaxMag.com

Diversity Issue

Coming September 2008

Who will be selected as the Top 50 Minorities in Cable?

This much-anticipated issue of CableFAX Magazine ranks the top cable executives who prove cable's definitely not diversity weak!

The annual issue profiles the Top 50 Minorities in Cable and will reach approximately 60,000+ industry executives through print and e-media, including CableFAX Daily and CableFAX Magazine subscribers. The issue will be released during Diversity Week in NYC and will be featured on Cable360.net for an entire year. Your message and brand will be promoted during the festivities of Diversity week and to the thousands of readers who read and reference this issue year-round.

Being a part of this unique magazine gives you the opportunity to communicate your leadership position to the top decision-makers who matter the most to your business – cable operators and key technology and programming executives. Contact us today to be apart of this special issue.

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Ad Space Deadline: August 18, 2008

Upcoming 2008 issues of CableFAX: The Magazine

- **September** - Diversity Issue (distribution at Kaitz)
- **October** - Top Cable Programs (distribution at CTAM)
- **November** - Most Influential Women in Cable (distribution at WICT Gala)
- **December** - The CableFAX 100 Issue (distribution at CableFAX 100 Luncheon)

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