

CableFAX Daily™

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What the Industry Reads First

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Windowing: Viacom Colors View of Digital Arena

It appears Viacom is operating at full throttle after the company posted top-notch quarterly results, including the following rev increases at its media nets' US segment: overall (+14%), ad (+12%) and affil (+20%). "There's no question that Viacom is at the top of its game, and we're pushing the bar higher," said pres/CEO *Philippe Dauman*. Though a relatively small portion of US income right now, digital rev may be where that bar has been set highest. Digital deals covering mainly library content with partners including **Hulu** and **Netflix** powered much of the affil fee growth, said Dauman, who believes there's nowhere to go but up, up, up. Why? An expected proliferation of new entrants to the digital space, potential deals with traditional distributors—no iPad deal with **Time Warner Cable** yet, however—and the popularity of Viacom content with tech-savvy youths, said Dauman, noting the obviously higher affil fee base already. "We expect to continue to increase [digital] revenues from this higher base at a high single- to low-double digit annual rate for the foreseeable future," he said. "We have a lot of confidence." The income may be a bit lumpy going forward but it will come, said COO *Tom Dooley*, who highlighted the popularity of Viacom programming by noting it has been downloaded 581mln times in '11 through June via free cable VOD. And Dauman said some of Viacom's current library deals feature "refresh obligations... that gives us the runway." Dauman's open to different digital models providing incremental returns, so as terms continue to evolve look for Viacom to be very active in the digital arena. Current digital margins exceed 75%. On the advertising front, double-digit scatter pricing growth is expected again this quarter, and portfolio-wide upfront increases featured volume (mid-teens) and pricing (double-digits). TV licensing fees jumped 36%. VIA shares gained 1.44% Fri as **Miller Tabak's David Joyce** reiterated his 'buy' rating.

Connecting Hispanics: Univision is gearing up to launch its 1st marketing campaign based on results from a commissioned study on how Hispanics use and are aware of new technologies and platforms. With the research finding that 50% of Spanish-dominant respondents had never heard of On Demand and that more than 30% of Hispanics who have it haven't used it, VOD was the logical place to start. "Hispanics are early adopters of new technology, but they still need to be educated on these new technologies," said Univision svp, distribution marketing *Jennifer Ball*. The campaign will expand next year to drive awareness and understanding of TV Everywhere as the programmer gears up to participate. The

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spots, which should start airing in the next few weeks, include English versions for distributors that are aimed at bilinguals. "I have a secret. I love novellas," says the male actor in one commercial. "I need to know who's cheating with who, who's the father, does she have an evil twin. Now with Univision on Demand, my secret is safe. If I miss an episode, I don't have to ask anyone what happened." Univision will run the spots in Spanish on its networks. Ball said Univision was the 1st to offer a free Spanish-language VOD channel when it launched the service in '09. "We never want to be complacent," Ball said. "Our major goal is to make sure that our viewers are satisfied and getting the most out of the service, and that we come up with solutions that will help distributors drive adoption in the growing market."

Knockout: After losing Manny Pacquiao's May bout to Showtime, Pac-Man returns to **HBO** for his Nov 12 PPV fight against *Juan Manuel Marquez*. An HBO spokesman said the net is "thrilled" to present the event. No doubt, given that the May event generated about 1.3mln buys for Showtime—a record for a Pacquiao bout.

Comcast-NBCU: After a federal judge last month threatened to withhold approval of an antitrust settlement that allowed **Comcast** to acquire its 51% stake in **NBCU**, **DOJ** is defending the alternative arbitration mechanism that has Judge **Richard Leon** concerned. In a court filing Fri, DOJ said online video distributors could still opt to have arbitration overseen by the FCC instead of an outside arbitrator, *Bloomberg* reports. If he doesn't sign off (a relatively unusual happening), it's most likely that the DOJ would appeal to the full DC Circuit.

Ratings: *Snooki, Pauly* and the rest of **MTV**'s "Jersey Shore" gang headed to Italy Thurs night, and so did viewers. The season 4 premiere marked MTV's most-watched season premiere ever with 8.8mln total viewers—up 4% from Jan's Season 3 debut. It also goes down as MTV's 3rd most-watched series telecast of all time, behind 2 "Jersey Shore" season 3 telecasts. -- Nearly 1.6mln viewers caught the season finale of **Nat Geo**'s "Locked Up Abroad," Wed. -- **Food** celebrated its highest-rated Wed ever, with new hit "Restaurant Impossible" drawing 2.3mln viewers.

Earnings: **Cable One** slightly increased rev to \$191.2mln on continued strength in HSD and phone service rev, offset by an escalation in promo discounts. Op income fell 8% to \$40.4mln, hurt by rising programming costs and expenses related to the Joplin, MO, tornado. PSUs rose 6% to 1.26mln, including as of June 30 approx 637K video (versus 654K a year ago), 444K HSD (407K) and 174K phone (121K) subs. **Washington Post**'s broadcast div delivered a 3% increase in rev to \$84.9mln and a 9% rise in op income to \$32.6mln owing to improved ad demand. -- **Outdoor Channel Holdings** shares gained approx 3% Fri following late-Thurs earnings news including a 14% dip in rev to \$16.8mln and rises in ad (+1%) and affil (+11%) rev. Net loss totaled \$1.6mln, compared to a \$1.7mln loss a year ago. The rev shortfall was due to the company's planned reduction of projects in its prod services segment. The channel alone posted op income of \$190K, compared to a year-ago loss of \$233K, on a 5% rise in ad rev.

Programming: "Rizzoli & Isles" has been slated to return to **TNT** for a 15-ep third season in summer 2012. Currently in its 2nd season, the female driven crime drama and TNT's "The Closer" are basic cable's top two series for the year-to-date, according to the net. -- **Discovery**'s "Curiosity" will be simulcast across **Discovery Nets** including **Discovery Channel**, **TLC**, **Animal Planet**, **Science**, **Planet Green**, **Investigation Discovery** and **Fit & Health** for Sun's 8pm premiere. This first ep features *Stephen Hawking* exploring the question 'Did God Create the Universe?' "The Creation Question: A Curiosity Conversation," a follow-up roundtable discussion hosted by *David Gregory*, will simulcast on **Discovery Channel**, **TLC** and **Science** at 9pm. -- As part of its Characters Unite Campaign to Combat Discrimination, **USA** presents "The Space Between" on Sept 11 at 9pm to commemorate the 10th anniversary of the World Trade Center attacks. In the original film, a lonely flight attendant must drive a Pakistani-American boy, whose father worked in the World Trade Center, from Texas where their plane was grounded on 9/11 home to New York and his uncertain future.

People: **Showtime** has restructured its marketing group with chief marketer *Len Fogge* joining *Bob Greenblatt* at **NBC**. *Frank Pintaurohas* and *Donald Buckley* were named co-heads of Showtime's marketing dept, with Pintaurohas elevated to evp, Red Group, where he'll oversee the net's in-house ad agency. Buckley was upped to evp, program marketing & digital services. *Sharon Allenhas* was promoted to svp, program marketing and advertising. -- *Neal Oristano* was named vp of **Cisco**'s global service provider market segment sales. He joins the company from **Juniper Networks**. Juniper's *Jim Labovites* also joined the company as a vp, focusing on the North America service provider market. -- **Rentrak** tapped *David Algranati* as svp, prod innovation and analytical solutions.

CableFAX Week in Review

Company	Ticker	8/05 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	45.39	(10.44%)	13.67%
DISH:	DISH	25.12	(15.22%)	27.77%
DISNEY:	DIS	35.18	(8.91%)	(6.21%)
GE:	GE	16.51	(7.82%)	(7.82%)
NEWS CORP:	NWS	15.17	(8.06%)	(7.61%)

MSOS

CABLEVISION:	CVC	21.50	(11.74%)	(36.47%)
CHARTER:	CHTR	46.06	(14.7%)	18.28%
COMCAST:	CMCSA	21.88	(8.91%)	(0.41%)
COMCAST SPCL:	CMCSK	21.23	(9.04%)	2.02%
GCI:	GNCMA	10.41	(14.81%)	(17.77%)
KNOLOGY:	KNOL	13.62	(0.8%)	(12.86%)
LIBERTY CAPITAL:	LCAPA	70.87	(11.26%)	13.28%
LIBERTY GLOBAL:	LBTYA	36.80	(11.96%)	4.01%
LIBERTY INT:	LINTA	13.91	(15.18%)	(11.79%)
SHAW COMM:	SJR	21.24	(5.77%)	(0.65%)
TIME WARNER CABLE:	TWC	68.00	(7.24%)	2.98%
VIRGIN MEDIA:	VMED	23.61	(10.77%)	(13.33%)
WASH POST:	WPO	379.73	(5.61%)	(13.6%)

PROGRAMMING

AMC NETWORKS:	AMCX	35.22	(5.3%)	(11.62%)
CBS:	CBS	23.76	(13.19%)	24.72%
CROWN:	CRWN	1.50	(11.76%)	(42.75%)
DISCOVERY:	DISCA	37.24	(6.43%)	(10.7%)
GRUPO TELEVISA:	TV	20.59	(7.21%)	(20.59%)
HSN:	HSNI	32.00	(2.11%)	4.40%
LIBERTY STARZ:	LSTZA	73.31	(4.49%)	10.27%
LIONSGATE:	LGF	6.69	(5.77%)	2.76%
LODGENET:	LNET	2.38	(15.9%)	(44%)
NEW FRONTIER:	NOOF	1.18	(15.71%)	(37.57%)
OUTDOOR:	OUTD	6.92	4.06%	(3.49%)
SCRIPPS INT:	SNI	40.53	(12.56%)	(21.68%)
TIME WARNER:	TWX	31.74	(9.73%)	(1.34%)
VALUEVISION:	VVT	5.51	(26.44%)	(9.82%)
VIACOM:	VIA	52.00	(4.74%)	13.39%
WWE:	WWE	9.64	(4.27%)	(32.3%)

TECHNOLOGY

ADDVANTAGE:	AEY	2.49	(3.11%)	(20.7%)
ALCATEL LUCENT:	ALU	3.57	(11.85%)	20.61%
AMDOCS:	DOX	28.62	(9.23%)	4.19%
AMPHENOL:	APH	43.38	(11.27%)	(17.81%)
AOL:	AOL	16.11	(6.23%)	(32.05%)
APPLE:	AAPL	373.62	(4.32%)	15.83%
ARRIS GROUP:	ARRS	10.40	(13.33%)	(7.31%)
AVID TECH:	AVID	11.55	(15.94%)	(33.85%)
BIGBAND:	BBND	1.72	(11.79%)	(38.57%)
BLINDER TONGUE:	BDR	1.60	(4.76%)	(23.81%)
BROADCOM:	BRCM	33.87	(8.63%)	(22.23%)
CISCO:	CSCO	14.94	(6.45%)	(26.15%)
CLEARWIRE:	CLWR	1.80	(17.05%)	(65.05%)
CONCURRENT:	CCUR	5.89	(7.89%)	16.50%
CONVERGYS:	CVG	11.28	(9.32%)	(14.35%)
CSG SYSTEMS:	CSGS	15.27	(17.77%)	(19.38%)
ECHOSTAR:	SATS	28.08	(16.08%)	12.45%

Company	Ticker	8/05 Close	1-Week % Chg	YTD %Chg
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GOOGLE:	GOOG	579.04	(4.08%)	(2.51%)
HARMONIC:	HLIT	5.55	2.21%	(35.24%)
INTEL:	INTC	20.79	(6.9%)	(1.14%)
JDSU:	JDSU	11.37	(13.54%)	(21.48%)
LEVEL 3:	LVLT	1.95	(10.55%)	98.98%
MICROSOFT:	MSFT	25.68	(6.28%)	(7.99%)
MOTOROLA MOBILITY:	MMI	22.54	0.71%	(22.54%)
RENTRAK:	RENT	13.57	(17.96%)	(55.01%)
SEACHANGE:	SEAC	8.79	(8.05%)	2.81%
SONY:	SNE	23.14	(7.81%)	(35.2%)
SPRINT NEXTEL:	S	3.72	(27.91%)	(12.06%)
THOMAS & BETTS:	TNB	43.02	(11.81%)	(10.93%)
TIVO:	TIVO	8.27	(23.28%)	(4.17%)
UNIVERSAL ELEC:	UEIC	19.90	(14.99%)	(29.86%)
VONAGE:	VG	3.09	(22.94%)	37.95%
YAHOO:	YHOO	11.74	(10.38%)	(29.4%)

TELCOS

AT&T:	T	28.93	(1.13%)	(1.53%)
VERIZON:	VZ	35.05	(0.68%)	(2.04%)

MARKET INDICES

DOW:	DJI	11444.61	(5.75%)	(1.15%)
NASDAQ:	IXIC	2532.41	(8.13%)	(4.54%)
S&P 500:	GSPC	1199.38	(7.19%)	(4.63%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. OUTDOOR:	6.92	4.06%
2. HARMONIC:	5.55	2.21%
3. MOTOROLA MOBILITY:	22.54	0.71%
4. VERIZON:	35.05	(0.68%)
5. KNOLOGY:	13.62	(0.8%)

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. SPRINT NEXTEL:	3.72	(27.91%)
2. VALUEVISION:	5.51	(26.44%)
3. TIVO:	8.27	(23.28%)
4. VONAGE:	3.09	(22.94%)
5. RENTRAK:	13.57	(17.96%)

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Lessons and Insights for the Cable Industry

CableFAX and The Cable Center collaborated to publish this 150-page guidebook on customer experience management for the cable industry. The guidebook includes case studies, tips and articles on understanding the foundations of customer experience management and gaining insight to use it to improve your business. You also will learn about the latest measurement strategies, research insights, personnel and compensation strategies, social media tactics and communications techniques for implementing customer experience management in your company.

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