

CableFAX Daily™

Wednesday — August 12, 2009

What the Industry Reads First

Volume 20 / No. 153

TV Spree: Medium Delivering For Lionsgate

Greatly aided by cable forays, TV is emerging as a major force at traditionally movie-focused **Lionsgate**. But even as execs remain enamored of a segment that includes **TV Guide Net**, **Debmart-Mercury** and a piece of **Epix**, they're not so keen on its perceived value. "We believe that the value of our television business alone currently exceeds the equity value of our entire company," said co-chmn/CEO *Jon Feltheimer*, noting that the segment's success "is definitely not being reflected in our stock price." During the most recent Q, Lionsgate reported \$388mln in rev, deriving 30% of the total from TV. A year ago, TV accounted for 14% of overall rev. Helping to stoke the strong growth is TV Guide Net and **TVGuide.com**, which combined to deliver \$28mln in rev. Lionsgate closed on its approx \$250mln acquisition of the pair in early Mar, and Feltheimer believes the net alone is now worth more than \$400mln. "In the past two weeks, our ratings have been significantly higher, indicating that as important entertainment news develops and is covered by our channel and new programming is added, the viewers will come," he said, noting that the Website has grown monthly uniques to 19mln from 14mln since the purchase. Execs expect growth at the net plus at **Debmart** and the company's production arm—the latter pair sizzled last Q with respective rev increases of 59% and 88%—to promote content synergies across all segments, much like those enjoyed by competitors such as **NBCU** and **Time Warner**. And perhaps the most important beneficiary would be **Epix**, which despite a recent deal with **FiOS TV** continues to receive pejorative shots from some operators. "The stronger we make TV Guide, the stronger we make Epix," said Feltheimer, calling the premium net critical "to the way we think about [film] windowing and pricing going forward with digital distribution becoming so important." Enter **EpixHD.com**, currently in beta and expected to be a key component to the linear net's potential success. At launch, the site will feature 150-175 movies from **Lionsgate**, **MGM** and **Paramount**, said **Epix** chief digital officer *Emil Rensing* earlier this week, and its windows will match the net's. Execs remain confident that additional **Epix** carriage deals will emerge prior to its Oct launch, a good thing since the net is expected to also play a prominent role in the company's symbiosis thrust. "Epix will provide Lionsgate maximum control over our content," said movie group pres *Joe Drake*. "We believe this distinct advantage will deliver significant incremental value to each of our movies." And likely to Lionsgate's thriving TV segment as well.

Competition: With **Facebook** and **Twitter** available via TV, it's clear that **Verizon FiOS'** strategy is to beat cable to the punch on new apps for television. Now DVR users are getting a free upgrade to **FiOS Media Manager**, which lets them play videos, photos and music stored on their computer on the TV. Verizon is also allowing DVR subs to use any Internet-enabled cell phone to remotely manage their recorders. The features were previously only available to **FiOS TV Home Media DVR** users, but now any **FiOS DVR** user who also subscribes to **FiOS Internet** can get them—thus opening the services up to hundreds of thousands more subs. -- **Verizon** has slashed bundled rates to small businesses, in some cases by as much as 25%. The telco's new "Single Line Business PAK" and "Freedom for Business Expansion PAK" triple-play options begin at \$119.98/month when a customer signs a 3-year agreement.

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Double-play bundles begin at \$84.99/mo for a 3-year contract in most areas. Annual contracts also are available for bundled services and offer a 10% discount off month-to-month prices for the services priced individually.

In the States: Word on the street is that **Cablevision** is prepping a Web-based remote DVR scheduling tool that should be available soon, possibly this month. -- **Comcast** will eliminate 160 Albuquerque, NM, call center jobs over the next 30-60 days, reports local TV station **KOB**. Comcast confirmed the cuts. Many of the positions will move to the MSO's Denver location, with employees given the opportunity to move to Denver to keep their jobs. Those who choose not to transfer will be phased out over the next 30 to 60 days and will be offered severance packages. -- **News Corp** subsidiary **STAR** had 4 South Asian channels launch on **Comcast's** CA Bay Area system: **STAR ONE**, **STAR India News**, **STAR India GOLD** and **VIJAY**. The launch represents the first time that a South Asian news channel (STAR India NEWS) has ever been carried by a US cable platform. -- **Cox** deployed **Verdiem's** "Surveyor" power management software on 15K of its networked PCs across 14 operating centers in the US, resulting in nearly 40% savings in energy costs on PCs under active power management. The MSO expects to realize a full return on investment this year.

Mobile Broadband: Although no hard numbers were disclosed, **Clearwire** noted "strong customer demand" for its **Clear** mobile broadband service in all markets and said its avg daily WiMAX sub uptake in Jul outpaced Jun results by more than 75%. CEO **Bill Morrow** said the company's 4Q sub adds will be "substantially higher" than the year's 1st 3 Qs combined. With a **Clear 4G+** dual-mode modem, Clear subs may now use the service in any activated market. Also, the company added to and completed its 4G network infrastructure partnership team by tapping **Huawei** to supply WiMAX radio access network equipment for the rollout of Clear mobile Internet services.

Over-the-Airheads: **Duane Lammers**, a well known name in retrans negotiations, was named COO of **Granite Broadcasting**. He has been serving as a consultant to the company since mid-'08. Board member **Peter Markham** was named chmn. **Don Cornwell** is stepping down as chmn/CEO, and COO **John Deushane** is also leaving.

Advertising: **Cablevision** added content from **Bermuda Tourism** to its most recently launched niche VOD channel, **Voyage.tv**. CVC subs can use interactive, on-demand features to learn more about the island. Consumers can also request brochure materials on Bermuda tourism and vacation plans through a simple drop-down menu featuring a pre-populated personal "request for information" screen. Cablevision soft launched **Voyage.tv** on VOD in June. **Voyage**, backed by venture capital firm **Syncom**, highlights luxury destinations.

Beta: **Fox Movie Channel** was the top-ranked emerging network in the latest **Beta Research** cable subscriber interest study, with 64% of respondents expressing high interest. **Hallmark Movie Channel** was 2nd (52%), followed by **Crime & Investigation** (47%) and **Weatherscan** (47%). Differences of less than 4 percentage points are not statistically significant, Beta said. **Nat Geo** was the top-ranked digital basic/mid-sized net (70%), followed by **Discovery Kids** (55%) and **Science Channel** (55%). The top-ranked HD nets were **Nat Geo HD** (45%), **Discovery Channel HD** (44%) and **History HD** (41%). Discovery and Nat Geo switched places for top-ranked VOD nets, with Discovery beating out Nat Geo 41% to 40%. History On Demand notched 37%.

VOD: **Comcast** is celebrating the Aug 24 move to **Sprout** by The Wiggles with an exclusive VOD offering of favorite TV eps picked by the group, behind-the-scenes clips and movies including "The Wiggles: Go Bananas!"

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BUSINESS & FINANCE

Programming: DIY debuts new series "Disaster House," host *Josh Temple* inflicts abnormal damage on homes to demonstrate the punishment a normal home takes over the years, Oct 6, 10pm. -- **A&E** original "Hoarders" (Aug 17) spotlights extreme hoarding, a mental disorder marked by an obsessive need to collect things.

Business/Finance: 2 **Mediacom** subsidiaries jointly commenced cash tender offers for up to \$500mln in aggregate principal amount of outstanding sr notes due in '11 and '13. The pair also intends to offer \$300mln in aggregate principal amount of new senior notes due '19 in a private offering. -- **Collins Stewart** increased its adjusted OIBDA estimates for **Liberty Media** because of better than expected 2Q results and higher estimates for the 2nd half of the year. It has increased AOIBDA to \$416mln from its \$392mln estimate. The revisions are driven by strong expectations for **Starz**, which it expects to pull in rev of \$584mln (up from a previous estimate of \$572mln) for the 2nd half of the year. -- **DirectTV's** board ratified the creation of a special committee of the board to conduct the search for pres/CEO, according to an **SEC** filing late Mon. The committee consists of *John Malone, Neil Austrian and Charles Lee*. -- **Si TV** raised \$8.75mln through a private stock offering and plans to sell \$6mln more, according to an **SEC** filing from Fri.

CableFAX Daily Stockwatch

Company	08/11 Close	1-Day Ch	Company	08/11 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	34.91	(0.5)	APPLE:	162.83	(1.89)
DIRECTV:	24.27	0.12	ARRIS GROUP:	12.73	0.04
DISH:	18.53	(0.77)	AVID TECH:	12.43	(0.14)
DISNEY:	25.90	(0.54)	BIGBAND:	3.90	(0.06)
GE:	13.99	(0.58)	BLNDER TONGUE:	1.25	0.04
NEWS CORP:	12.75	(0.34)	BROADCOM:	26.63	(0.59)
MSOS					
CABLEVISION:	21.05	0.19	CISCO:	21.17	(0.47)
COMCAST:	14.76	(0.24)	CLEARWIRE:	8.43	0.20
COMCAST SPCL:	13.94	(0.4)	COMMSCOPE:	26.05	(0.1)
GCI:	6.71	(0.18)	CONCURRENT:	4.90	(0.18)
KNOWLOGY:	8.19	(0.48)	CONVERGYS:	10.64	(0.19)
LIBERTY CAPITAL:	16.97	(0.17)	CSG SYSTEMS:	15.74	(0.43)
LIBERTY ENT:	27.27	0.32	ECHOSTAR:	19.00	3.03
LIBERTY GLOBAL:	21.50	(0.37)	GOOGLE:	453.94	(2.67)
LIBERTY INT:	9.65	0.58	HARMONIC:	6.49	(0.1)
MEDIACOM:	5.47	(0.23)	INTEL:	18.64	(0.12)
SHAW COMM:	16.69	(0.58)	JDSU:	5.82	(0.11)
TIME WARNER CABLE:	34.11	(1.12)	LEVEL 3:	1.18	(0.05)
VIRGIN MEDIA:	10.60	(0.54)	MICROSOFT:	23.13	(0.29)
WASH POST:	480.85	1.85	MOTOROLA:	7.03	(0.14)
PROGRAMMING					
CBS:	10.59	(0.54)	OPENTV:	1.27	(0.1)
CROWN:	1.76	0.01	PHILIPS:	22.53	(0.72)
DISCOVERY:	25.01	(0.45)	RENTRAK:	17.36	(0.48)
EW SCRIPPS:	5.79	(1.97)	SEACHANGE:	9.65	(0.14)
GRUPO TELEVISIA:	18.44	(0.55)	SONY:	28.30	(0.35)
HSN:	11.88	0.22	SPRINT NEXTEL:	3.55	(0.16)
INTERACTIVE CORP:	18.31	(0.19)	THOMAS & BETTS:	26.01	(1.26)
LIBERTY:	31.02	(0.95)	TIVO:	10.35	(0.04)
LODGENET:	6.15	(0.05)	TOLLGRADE:	5.81	0.11
NEW FRONTIER:	2.20	0.02	UNIVERSAL ELEC:	19.53	0.02
OUTDOOR:	7.31	(0.2)	VONAGE:	0.38	(0.01)
PLAYBOY:	2.37	(0.11)	YAHOO:	14.46	(0.17)
RHI:	2.35	(0.01)	TELCOS		
SCRIPPS INT:	34.19	0.09	AT&T:	25.36	(0.22)
TIME WARNER:	27.74	(0.51)	QWEST:	3.92	(0.13)
VALUEVISION:	3.32	(0.24)	VERIZON:	30.60	(0.32)
VIACOM:	25.81	(0.66)	MARKET INDICES		
WWE:	14.57	(0.16)	DOW:	9241.45	(96.5)
TECHNOLOGY					
3COM:	3.95	(0.05)	NASDAQ:	1969.73	(22.51)
ADC:	6.90	(0.34)			
ADDVANTAGE:	1.94	0.00			
ALCATEL LUCENT:	3.10	(0.09)			
AMDOCS:	23.82	(0.13)			
AMPHENOL:	32.75	(0.53)			

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