

CableFAX Daily™

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What the Industry Reads First

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Sony PS4: The Latest Cable Rival?

Who said the upcoming **Sony** PlayStation 4 was just another gaming console? Reports that Sony has inked a tentative agreement with **Viacom** to stream cable channels, potentially over the PS4, has tongues wagging as the company reportedly pursues similar deals with **Time Warner** and **Disney**. The PS4 is expected to be available later this year. Will PS4 be Sony's version of **Microsoft's** all-in-one entertainment console Xbox 1? Maybe. But a Sony rep, who declined to address the reports, said PS4's main focus remains the more than 1bln global gamers. The company also highlighted advanced gaming features when it announced the device earlier this year, boasting a custom chip that enables high-fidelity graphics, as well as a connected and immersive gaming experience. In addition, the Sony rep said other OTT services such as **Netflix** and **Amazon** remain "very important to the PlayStation ecosystem," as do other "integral" connected devices. The new PlayStation app offers 2nd screen functionality across mobile phones and tablets, and Sony's own PlayStation Vita lets gamers extend PS4 titles to a 2nd gaming screen via WiFi. Assuming rumors of deals with programmers come to fruition, PS4 could of course double as a streaming device for premium content. **S&P** analysts said the "advent of competitive online video services, heralded by mostly library-focused offerings from Netflix, Amazon and others" represent another watershed moment for an emerging pay-TV market. Meanwhile, **Moffett Research** said these kind of OTT deals also highlight the "real race" toward usage-based broadband pricing for cable operators, who after all own all of those wires. But even as some cable ops move toward tiered pricing, Moffett said the industry remains split on the issue and still has a long way to go before it becomes common practice. The lack of unanimity might be in part due to *John Malone's* ambition in consolidation. "What the industry really needs, Malone seems to be saying, is leadership," especially on tier pricing model, it said. Will pay-TV providers get the last laugh? Perhaps Dr John has the answer...

Retrans: Another week, and still no deal between **Time Warner Cable**. The good news? Talks continue, reps from both sides said. Meanwhile, the latest legislator weighing in on the spat is CA Democratic Rep *Zoe Lofgren*. "When contract disputes between cable and content providers arise, it is often customers who bear the brunt of the effects," she said in a statement. "In a trend that is becoming all too common, the recent blackout between Time Warner Cable and **CBS** has left millions of customers without access to the programming they were promised," she said. "I find this increased willingness to hold customers hostage during business negotiations disturbing, and urge Time Warner Cable and CBS to reach a swift resolution. With this blackout entering its third week, it is obvious that the current state-of-affairs is unfair to consumers. It is time we reexamine whether our current laws offer the level of protection they deserve."

Comcast: **Comcast** extended its employment agreement with **NBCU** pres *Steve Burke* through Aug 31, '18 and increased his base salary to \$2.6mln effective Sept 1. Burke's annual cash bonus opportunity remains at 300%



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of base salary, according to an **SEC** filing Fri. The amendment also granted Burke a performance-based bonus of \$5mln, payable in the form of a \$2.5mln credit to his account under the company's compensation plan and a stock unit grant with a value of \$2.5mln. The bonus is subject to his employment with the company for 13 months and a performance condition that Comcast's operating cash flow for the 12-month period ending June 30, '14 equals at least 101% of the level in '13. The top exec's compensation package last year was \$26.3mln, which includes \$2.2mln base salary.

M&A: Fox Sports Digital has acquired social sports startup **Fanhood**. As part of the deal, Fanhood founder/CEO *Brandon Ramsey* will be vp of engineering for Fox Sports Digital.

Google Fiber: As Google works to get its 1st Google Fiber subs hooked up before the end of the year, it's also working to upgrade the existing fiber network in Provo, UT, to be Gigabit-ready, according to the official Google Blog. The company inked an agreement with the city in July to deploy fiber service. When sign-ups start, 3 options are available: basic Internet with speeds of up to 5Mbps down and 1Mbps up for free for at least 7 years, gigabit Internet for \$70 a month, and gigabit Internet+TV for \$120 a month. For the Internet/TV bundle, subs can record up to 8 shows at once and store up to 500 hours of HD content.

TV Commerce: With the US Open arriving in 2 weeks, **Tennis Channel** partnered with **Delivery Agent** to launch its online store featuring network merchandise and gear. Under the ShopTV brand, the store can be accessed across platforms. The store initially features athletic wear and accessories with future offerings inspired by the net's coming programs.

Research: Revenues for OTT services will reach \$9.1bln worldwide this year, predicted a report by **Generator Research**, reaching \$49.8bln by '17. Despite the growth potential, the OTT market is still "a long way from maturity," the firm said. The market is fragmented with different versions of streaming systems and services, and consumers "have to fight their way through confusing UI and bugs." In addition, lack of content continues to affect many services.

Streaming: Building on its **Play on Roku** app that let users display photos and listen to music from their phones on TV, Roku launched an update to the iOS app to allow streaming of video taken with iOS devices to TV. Compatible devices include iPhone, iPad and iPod Touch.

Editor's Note: Aug 23 is the absolute final deadline to get your early-bird discount for **CableFAX's** TV Innovation Summit on Sept 24 in NYC. Don't miss out. Check out the incredible agenda and register here: www.cablefaxtvinnovation.com

Programming: MTV.com's RemoteControl blog is rolling out a series of short Webisodes in partnership with birth control support group Bedsider.org. The series follows 4 young women from an earlier season of the net's docu-series "16 and Pregnant." -- The "**Hub Network's** First Annual Halloween Bash," to be aired Oct 26, will feature *Martha Stewart* as part of the panel of celebrity judges.

People: **Starz** upped *Michael Thornton* to the newly created position of chief revenue officer. -- Two-term **Screen Actors Guild** president *Ken Howard* was re-elected to lead the combined **SAG-AFTRA**. *Amy Aquino*, also served 2 terms, was re-elected as secretary-treasurer. Their 2-year terms started Thurs.



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DIVERSITY ADVOCATE AWARD



The Diversity Advocate Award is presented to an individual or organization outside of the cable industry who has demonstrated commitment to diversity and whose leadership has fostered a more inclusive environment.

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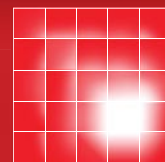
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CableFAX Week in Review

| Company | Ticker | 8/16 Close | 1-Week % Chg | YTD %Chg |
|------------------------------|--------|------------|--------------|----------|
| BROADCASTERS/DBS/MMDS | | | | |
| 21ST CENTURY FOX: | FOXA | 31.97 | (2.44%) | 0.00% |
| DIRECTV: | DTV | 59.57 | (4.37%) | 18.76% |
| DISH: | DISH | 44.50 | (2.5%) | 22.25% |
| DISNEY: | DIS | 62.17 | (3.95%) | 24.86% |
| GE: | GE | 23.95 | (1.24%) | 14.10% |
| MSOS | | | | |
| CABLEVISION: | CVC | 18.43 | (6.02%) | 23.36% |
| CHARTER: | CHTR | 122.60 | (4.42%) | 60.81% |
| COMCAST: | CMCSA | 42.54 | (4.66%) | 13.87% |
| COMCAST SPCL: | CMCSK | 40.80 | (5.16%) | 13.59% |
| GCI: | GNCMA | 9.21 | (3.76%) | (3.96%) |
| LIBERTY GLOBAL: | LBTYA | 76.24 | (3.68%) | 21.09% |
| LIBERTY INT: | LINTA | 22.09 | (6.3%) | 12.22% |
| SHAW COMM: | SJR | 24.61 | (1.83%) | 7.09% |
| TIME WARNER CABLE: | TWC | 109.94 | (4.4%) | 13.12% |
| WASH POST: | WPO | 569.77 | (2.6%) | 56.01% |

| PROGRAMMING | | | | |
|--------------------|-------|-------|---------|---------|
| AMC NETWORKS: | AMCX | 65.66 | 0.27% | 32.65% |
| CBS: | CBS | 51.68 | (3.49%) | 35.82% |
| CROWN: | CRWN | 2.94 | (3.61%) | 58.92% |
| DISCOVERY: | DISCA | 80.34 | (3.36%) | 26.56% |
| GRUPO TELEVISIA: | TV | 27.49 | (4.58%) | 3.42% |
| HSN: | HSNI | 57.24 | (5.36%) | 3.91% |
| INTERACTIVE CORP: | IACI | 49.99 | (0.81%) | 5.82% |
| LIONSGATE: | LGF | 33.68 | (0.74%) | 105.37% |
| SCRIPPS INT: | SNI | 74.77 | (0.77%) | 29.09% |
| STARZ: | STRZA | 24.57 | 1.03% | 0.00% |
| TIME WARNER: | TWX | 60.86 | (4.01%) | 27.24% |
| VALUEVISION: | VVTV | 5.47 | (7.76%) | 203.89% |
| VIACOM: | VIA | 78.82 | (2.01%) | 45.24% |
| WWE: | WWE | 9.91 | (2.84%) | 25.60% |

| TECHNOLOGY | | | | |
|-------------------|------|--------|---------|----------|
| ADVANTAGE: | AEY | 2.49 | (2.36%) | 25.12% |
| ALCATEL LUCENT: | ALU | 2.72 | 0.74% | 95.68% |
| AMDOCS: | DOX | 38.50 | 0.92% | 13.27% |
| AMPHENOL: | APH | 74.79 | (3.58%) | 15.60% |
| AOL: | AOL | 35.21 | (6.18%) | 18.91% |
| APPLE: | AAPL | 502.33 | 10.54% | (5.61%) |
| ARRIS GROUP: | ARRS | 16.68 | 1.28% | 11.65% |
| AVID TECH: | AVID | 5.59 | (2.95%) | (26.25%) |
| BLNDER TONGUE: | BDR | 0.88 | (9.27%) | (23.47%) |
| BROADCOM: | BRCM | 25.91 | (0.58%) | (21.98%) |
| CISCO: | CSCO | 24.27 | (6.83%) | 23.51% |
| CONCURRENT: | CCUR | 7.99 | 2.30% | 39.20% |
| CONVERGYS: | CVG | 18.81 | (3.14%) | 14.63% |
| CSG SYSTEMS: | CSGS | 24.90 | (1.7%) | 36.96% |
| ECHOSTAR: | SATS | 42.16 | (3.55%) | 23.20% |
| GOOGLE: | GOOG | 856.91 | (3.76%) | 21.14% |
| HARMONIC: | HLIT | 7.68 | (2.66%) | 51.48% |
| INTEL: | INTC | 21.91 | (2.64%) | 6.28% |
| JDSU: | JDSU | 13.66 | (6.88%) | 1.19% |
| LEVEL 3: | LVT | 22.53 | 0.90% | (2.51%) |
| MICROSOFT: | MSFT | 31.80 | (2.75%) | 19.06% |
| RENTRAK: | RENT | 23.57 | (4.11%) | 20.93% |

| Company | Ticker | 8/16 Close | 1-Week % Chg | YTD %Chg |
|-----------------------|--------|------------|--------------|----------|
| SEACHANGE: | SEAC | 10.93 | (4.46%) | 13.03% |
| SONY: | SNE | 19.98 | (7.59%) | 78.39% |
| SPRINT NEXTEL: | S | 6.92 | (4.55%) | 22.05% |
| TIVO: | TIVO | 10.76 | (1.47%) | (12.59%) |
| UNIVERSAL ELEC: | UEIC | 31.96 | (1.72%) | 65.17% |
| VONAGE: | VG | 3.27 | 2.19% | 37.97% |
| YAHOO: | YHOO | 27.32 | (1.3%) | 37.29% |
| TELCOS | | | | |
| AT&T: | T | 34.18 | (1.78%) | 1.39% |
| VERIZON: | VZ | 47.71 | (3.26%) | 10.26% |
| MARKET INDICES | | | | |
| DOW: | DJI | 15081.47 | (2.23%) | 15.09% |
| NASDAQ: | IXIC | 3602.78 | (1.57%) | 19.32% |
| S&P 500: | GSPC | 1655.83 | (2.1%) | 16.10% |

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

| COMPANY | CLOSE | 1-WK CH |
|-----------------|--------|---------|
| 1. APPLE: | 502.33 | 10.54% |
| 2. CONCURRENT: | 7.99 | 2.30% |
| 3. VONAGE: | 3.27 | 2.19% |
| 4. ARRIS GROUP: | 16.68 | 1.28% |
| 5. STARZ: | 24.57 | 1.03% |

THIS WEEK'S STOCK PRICE LOSERS

| COMPANY | CLOSE | 1-WK CH |
|-------------------|-------|---------|
| 1. BLNDER TONGUE: | 0.88 | (9.27%) |
| 2. VALUEVISION: | 5.47 | (7.76%) |
| 3. SONY: | 19.98 | (7.59%) |
| 4. JDSU: | 13.66 | (6.88%) |
| 5. CISCO: | 24.27 | (6.83%) |

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