

CableFAX Daily™

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What the Industry Reads First

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CEA Forecast: DTV Transition Could Play Role in Holiday Purchases

Does anyone's crystal ball really work well enough to predict what consumers are going to do this holiday season? Forecasting consumers whims these days is about as tough as predicting which way the **Dow** will swing, but **CEA** is trying, detailing Mon its 15th annual "CE Holiday Purchase Patterns Study." While consumer spending is expected to be down overall, as we previously reported, CEA expects consumers to allocate more of consumer electronic gifts (**Cfax**, 10/8). Its new, more detailed report explains just where it expects that money to go. Of the \$1,437 consumers expect to spend during the holidays (down \$200 from last year), 28% is expected to go to CE—a 6% increase from last year, CEA said. In a positive sign for cable, computers ranked 2nd on adults' wish lists (behind "peace and happiness"), while TVs ranked 6th (down from 3rd last year). Televisions also ranked in the top 10 for gifts people planned to give, after not making the list last year. 85% of those planning to buy a TV expect to make it an HD set. 63% plan to buy LCDs, a hearty 54% are looking to buy a TV that's 40 inches or larger and 45% plan to purchase a plasma set. The DTV transition does appear to be a factor, with 28% saying they plan to buy a set to prepare the recipient for the transition. That could be good news for cable operators looking to entice over-the-air-only homes to subscribe to their services. The biggest reason (48%) to give a new TV was that the recipient's older set needs replacing. 24% of TV givers are doing it because they want the recipient to upgrade to HD, with men more likely to cite this as a reason. Some of those TV buyers will be looking to "trade down," ie, CEA predicts about 28% are expected to buy a less expensive version, shop at a discount retailer, buy a store brand, etc. Despite the optimism for CE purchases, we did note that 38% plan to cut back CE purchases and 20% plan to eliminate them over the next 6 months. The numbers were lower for cable/DBS subscriptions, with 20% saying they'd cut theirs back and only 11% saying they'd eliminate it over the next 6 months.

Woes Widening: Joining a growing list of content-focused companies bracing for a downturn due to the roiling US and global economies, **NBCU** plans to trim \$500mln from next year's budget, according to several weekend reports. "We are living in a time of unprecedented economic challenges," wrote NBCU CEO **Jeff Zucker** in a widely cited company memo. "It has become evident that the decline in consumer confidence and spending will impact our operations." NBCU recently delivered stellar 3Q results powered largely by cable properties such as **USA** and **Bravo**, although **GE** CFO **Keith Sherin** did express concern about declining ad revenue for **NBC**. The disappointing ad story is also playing out elsewhere, even infiltrating cable. **CBS** recently slashed its operating profit forecast in the face of falling ad rev, and **Viacom** lowered its 3Q outlook, citing a decrease of approx 3% in domestic ad rev while intl ad rev grew approx 8%. Even **News Corp** chmn/CEO **Rupert Murdoch** recently lamented a weakened ad market amid the economic turmoil.

Truncated Pitch: A technical glitch may have prevented **TBS** viewers from watching the initial 20min of Sat night's **ALCS** baseball telecast, but at least the snafu occurred at the game's beginning instead of snubbing the all-impor-



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tant conclusion as occurred during the infamous Heidi game of '68. "The Steve Harvey Show" aired in place of the game's first pitch, the result of 2 tripped circuit breakers in **Turner's** transmission operations that shut down a master router and its backup router, said Turner, which apologized to fans for the mishap. Since the backup router also failed, Turner was unable to transmit the game feed to other properties such as **TNT**.

Competition: Set to report 3Q earnings Wed, **AT&T** said it now counts more than 100K U-verse TV customers in the Houston area, where the service bowed in Nov '06. -- **DirectTV** added **Fox News Channel HD** to its programming lineup.

In the States: **Comcast** leak factory, aka **BroadbandReports.com**, says the MSO is gearing up for several DOCSIS 3.0 upgrades in the coming few weeks. It's expected to offer new 22Mbps/5Mbps and 50Mbps/10Mbps tiers, the site says, quoting "company insiders." The 6Mbps/1Mbps service will reportedly jump to 12Mbps/2Mbps, while the 8Mbps/2Mbps will move to 16Mbps/2Mbps—both at no additional cost. -- **Cox** has launched in Northern VA and Fredericksburg, VA, its new Media Store and Share service, offering certain HSD subs up to 5GB of free storage to save photos, videos and documents online and share them with others via an email link. -- The Mandarin Oriental in Boston now offers **RCN's** digital and HD service in its guest rooms, luxury suites, condos and retail shops. RCN is also providing a dedicated data network connection to serve as the hotel's failsafe for Internet connectivity. -- **Speed** is set to open brand-driven sports bar and grill **Speed Cantina** early next month at Phoenix Intl Raceway.

Retrans Update: Nothing new to report out of **LIN** and **Time Warner** Cable Mon afternoon. Last week, NY Gov *David Paterson* urged the companies to work out a deal and let Western NYers watch this past Sun's Bills game in the interim. That didn't happen unless you lived in Niagara County. Time Warner Cable carries **CFTO**, the Toronto affil of the Canadian net **CTV**, which sometimes shows Bills game, as it did this past Sun. Normally, those games are blacked out in the US, but due to an **FCC** exemption determining that the channel is a significantly viewed station in Niagara County, those subs were able to watch it. Meanwhile, a quick check Mon of retailers in the Buffalo area found a few **Best Buy** and **Circuit City** stores completely out of rabbit ears. **Radio Shack** and **Time Warner Cable**, however, said they had plenty in stock.

In the Courts: **Lifetime** filed a motion late Fri to move a court case over "Project Runway" jumping from **Bravo** to a federal court from the NY Supreme Court. Last month, the court granted a temporary injunction preventing the **Weinstein** show from moving to Lifetime this fall.

Advertising: **Fuse** is offering **Playstation** more than traditional TV spots during this year's Voodoo Experience music festival in New Orleans. The net will feature on-air hits from the Playstation Central Tent and Playstation Experience truck, interviewing gamers and contest winners. Fuse is the exclusive broadcaster of the music fest, which runs Fri-Sun.

Technology: **Comcast Media Center** and **itaas** will jointly advance app development and time to market for enhanced TV and **tru2way** services. They will work on CMC's **HITS AXIS** platform, which offers service providers and app developers access to lab facilities, equipment and a large selection of tru2way and legacy set tops.

VOD: Beginning next month, **Comcast** digital subs will receive VOD access to job listings and employment resources from **Monster**. The service's listings will drive viewers to co-branded site **MonsteronDemand.com**, where viewers may connect further with featured companies and submit resumes. -- **AETN** has tapped **TVN** to handle all of its VOD initiatives including distribution of both its SD and HD content.

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BUSINESS & FINANCE

Programming: Science Channel

looks at the aerodynamics of flying pumpkins with "Punkin Chunkin," Nov 27, 9pm. -- **ION TV** will launch in high-def in 1Q, with sibling nets **qubo** and **ION Life** slated to make the HD jump later in '09. -- **NESN** has extended with the **Atlantic Coast Conference** a rights agreement covering telecasts for men's and women's basketball, conference championship games for men's and women's soccer, field hockey, men's and women's lacrosse, softball, and regular season and tourney baseball games.

Marketing: Time Warner Cable is launching a viral video promo, "Fame Star! The Online Biopic You Control." Users can upload photos, record their voice and select a story arc that includes success, scandal and tragedy, just as if it was ripped from the news reels of an entertainment show. Check out: www.myfamestar.com.

-- **Cablevision** is offering up customers Halloween discounts, including \$5 off admission to NYC haunted house "Blood Manor" and 50% off Six Flags Great Adventure tix.

People: MTVN Intl promoted **Gideon Bierer** to evp, digital media. -- **Concurrent** named **David King** chief marketing officer. -- **Charissa Chu** was upped to vp, marketing, **Fox Reality Channel**.

Business/Finance: Citi has upgraded **Cablevision** to 'buy' from 'sell' while lowering the MSO's price target to \$29 from \$33.

CableFAX Daily Stockwatch

Company	10/20 Close	1-Day Ch	Company	10/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	27.36	2.01	AMDOCS:	25.04	0.90
DIRECTV:	22.27	1.40	AMPHENOL:	27.57	1.02
DISNEY:	26.55	1.80	APPLE:	98.44	1.04
ECHOSTAR:	16.48	1.08	ARRIS GROUP:	5.99	(0.14)
GE:	20.14	0.51	AVID TECH:	19.90	0.65
HEARST-ARGYLE:	16.30	0.14	BIGBAND:	3.82	0.44
ION MEDIA:	1.44	0.00	BLNDER TONGUE:	0.75	0.00
NEWS CORP:	9.93	0.66	BROADCOM:	14.40	0.34
MSOS			C-COR:	11.00	0.00
CABLEVISION:	19.00	1.00	CISCO:	18.96	1.05
CHARTER:	0.46	0.05	COMMSCOPE:	23.30	0.40
COMCAST:	15.97	0.74	CONCURRENT:	4.04	0.02
COMCAST SPCL:	15.71	0.77	CONVERGYS:	11.77	0.37
GCI:	7.43	0.59	CSG SYSTEMS:	14.72	0.67
KNOLOGY:	5.14	0.14	ECHOSTAR HOLDING:	22.78	1.11
LIBERTY CAPITAL:	8.11	0.78	GOOGLE:	379.32	6.78
LIBERTY ENT:	18.59	0.01	HARMONIC:	8.48	0.36
LIBERTY GLOBAL:	18.84	0.77	JDSU:	6.46	0.26
LIBERTY INT:	6.82	0.22	LEVEL 3:	1.34	(0.03)
MEDIACOM:	4.39	0.17	MICROSOFT:	24.72	0.79
SHAW COMM:	17.47	(0.2)	MOTOROLA:	6.07	0.45
TIME WARNER CABLE:	20.24	0.43	NDS:	53.00	0.00
VIRGIN MEDIA:	6.02	(0.17)	NORTEL:	1.71	0.13
WASH POST:	351.88	2.88	OPENTV:	1.17	0.02
PROGRAMMING			PHILIPS:	19.72	1.02
CBS:	9.40	(0.01)	RENTRAK:	11.72	(0.22)
CROWN:	3.56	(0.13)	SEACHANGE:	8.09	0.31
EW SCRIPPS:	5.02	0.16	SONY:	26.60	2.69
GRUPO TELEvisa:	16.35	(0.39)	SPRINT NEXTEL:	3.55	0.49
HSN:	4.71	(0.85)	THOMAS & BETTS:	24.83	0.74
INTERACTIVE CORP:	16.09	0.81	TIVO:	6.53	0.14
LIBERTY:	34.59	3.18	TOLLGRADE:	3.37	0.08
LODGENET:	1.33	0.01	UNIVERSAL ELEC:	19.80	1.67
NEW FRONTIER:	1.82	0.20	VONAGE:	0.78	(0.04)
OUTDOOR:	8.18	0.29	YAHOO:	12.86	(0.04)
PLAYBOY:	1.70	(0.05)	TELCOS		
RHI:	13.21	0.98	AT&T:	26.99	1.70
SCRIPPS INT:	29.54	0.89	QWEST:	3.06	0.28
TIME WARNER:	10.82	0.91	VERIZON:	28.99	1.80
VALUEVISION:	0.89	0.03	MARKET INDICES		
VIACOM:	19.64	0.79	DOW:	9265.43	413.21
WWE:	14.92	0.56	NASDAQ:	1770.03	58.74
TECHNOLOGY					
3COM:	2.40	0.22			
ADC:	5.44	(0.11)			
ADDVANTAGE:	1.65	(0.03)			
ALCATEL LUCENT:	2.79	0.25			

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The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brands CableFAX: The Magazine and Content Business. The winners and honorable mentions will be honored at an awards event on February 26, 2009 at the Grand Hyatt, NYC.

Awards Timeline

Entry Deadline: December 3, 2008

Late Entry Deadline: December 10, 2008

Award Event: February 26, 2009

How To Enter: Go to CableFax.com/BOW and download the entry form today.

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- Email Newsletter/s
- Games
- Marketing Campaign
- Mobile Application
- Original Content
- Podcast or Videocast
- PR Campaign
- Supplemental Web Content
- Video: Overall Use of Video

People Awards:

- VP, Digital
- Online Marketing Executive
- Web Editor
- Video Editor/Producer
- Web Designer
- Other (please enter an executive) who is successfully leading your organization's digital initiatives

Best Overall Websites:

- Independent Operator
- Cable System (MSO)
- Cable Network
- Regional/Local Programmers
- Technology and other Vendors
- Cable Associations



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To sponsor the Best of the Web Awards program, including the luncheon and special issue contact publisher Debbie Vodenos at 301-354-1695 or dvodenos@accessintel.com.

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