

CableFAX Daily™

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What the Industry Reads First

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'Tis The Season: Earnings Cycle Begins with AT&T

As multichannel operators' 3Q results emerge in the coming weeks, beginning with **AT&T** Thurs, the Jul-Sept period already provided important insight into the overall Wall St view of telcos vis a vis cable. AT&T's share price gained 10% in the Q and **Verizon**'s lost 2%, compared to notable increases for **Time Warner Cable** (+36%), **Cablevision** (+21%), **Comcast** (+17%) and **Mediacom** (+12%). Intense wireless competition notwithstanding, the telcos' outlook is muddled by erosion in the landline business, and analysts expect that trend to continue and possibly accelerate. "Within wireline, the telco segment continues to melt down," said **Sanford Bernstein's Craig Moffett** in a note to clients. "Consumer access line losses should persist at painfully familiar rates." Moffett expects AT&T to shed 944K lines and Verizon, which reports Mon, to lose 639K. **Collins Stewart**, meanwhile, initiated coverage on AT&T and Verizon with 'neutral' ratings, noting expected rev growth difficulties due to wireline cannibalization from escalating smart phone adoption. Video, however, brings relatively good news for telcos, according to Moffett, who said "customer growth has been sustained by the continued expansion of [AT&T and Verizon's] enabled footprints and, especially in the case of FiOS, some very aggressive promotions." He projects 256K **U-verse TV** adds for AT&T and 302K **FiOS TV** adds for Verizon, along with respective broadband adds of 102K and 295K. AT&T's will likely benefit from its **iPhone** contract, as **Apple** reported 7.4mln sales of the handsets in 3Q, a new company record, although US sales weren't compartmentalized. Ahead of MSO results that begin with Comcast (Nov 4) and Time Warner Cable (Nov 5), the latter received a huge upgrade from **Pali** analyst **Rich Greenfield** Tues to 'neutral' from 'sell.' It's big because of Greenfield's largely contrarian view of the MSO as numerous analysts view it as a top performer in the industry. Greenfield even dropped his price target on the stock, which was \$22, and upped free cash flow estimates. "While EBITDA growth expectations have fallen, they have proved more resilient than we expected (particularly in the face of programming costs rising in-line with our expectations) and investors have become increasingly excited by the upside in TWC's free cash flow," wrote Greenfield. Wall St sent TWC shares soaring to \$43.60 (+4.3%). **Morgan Stanley** upgraded the entire US cable/satellite sector to 'in line' from 'cautious' and Cablevision to 'overweight' from 'equal weight.'

Competition: **AT&T U-verse** services now reach more than 3mln homes in CA, including parts of 22 cities and counties.

Carriage: **Comcast** agreed to move **The Sportsman Channel** to a more widely distributed tier (Digital Preferred) in markets including Minneapolis-St. Paul, MN, Savannah, GA, and 3 cities in NM.

Advertising/Marketing: With presenting sponsor Castrol Edge, **Speed's** 1st fully integrated holiday content and promotional event includes a spokesperson deal with recording artist **Jessie James**, a sweepstakes offering rides with **Mario Andretti** and **Helio Castroneves**, an affil promotion involving **Comcast, Time Warner Cable, Bright House, Charter, Cox, Mediacom** and **Cable One**, and related programming such as "Dangerous Drives," premiering Thanksgiving Day.



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For more info contact Patrick Wilson at (310) 314-9415 / pwilson@tennischannel.com

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In the Courts: More than 2 years after its filing, an antitrust suit brought by customers against a group of cable ops, DBS providers and programmers was dismissed by a federal judge in CA, *Bloomberg* reported. The suit alleged that bundling channels in video packages hampered competition and unduly harmed consumers.

Advertising: Cablevision's interactive ad initiative **Optimum Select** counts among its initial partners **Unilever**, **Gillette**, retailer **Century 21** and **Benjamin Moore**.

Technology: **RGB Networks** highlights at **Cable-Tec Expo** content repurposing offering simultaneous video delivery to multiple devices through any network. It also features digital ad insertion. Also at the event, **SeaChange** will highlight its Hospitality TV System, which allows cable ops to extend core residential services to hotels of any size.

Online: **TVGuide.com** and **YoungHollywood.com** expanded their relationship to include collaborative productions across the sites. Young will create unique weekly video segments for Guide, which will syndicate its original editorial content to Young. -- **ESPN.com** delivered its best month ever in Sept with nearly 29mln uniques and 2.2bln total usage minutes, plus 196mln minutes of video viewing.

Ratings: Last week's Jets-Dolphins game on **MNF** earned "only" a 9.7/9.66mln—alas, all games can't feature **Brett Favre**—but the tally was more than enough to give **ESPN** the prime ratings title by a healthy margin with a 2.9/2.87mln. The net also scored with its Sat night college football game (3.3/3.27mln). Aided by "NCIS" and **WWE** content, **USA** (2.2/2.18mln) tied for 2nd among nets with **Disney Channel** (2.2/2.14mln), which was led by an ep of "Hannah Montana" (4.0/3.95mln). **TBS** (2.1/2.15mln) dropped to 4th from 1st in the course of a week, hurt by the end of **MLB's** 1st-round playoffs, of which the net carried every game. Still, 4 of the net's playoff baseball telecasts hit the top 10, led by game 1 of the NLCS (4.9/4.94mln). **Fox News** completed the top 5 with 1.6/1.60mln. -- **Brag Book: Investigation Discovery's** "On the Case with Paula Zahn" delivered 465K total viewers to become the net's top original series debut ever. -- Both **ESPN** and **ESPN2** recorded in Sept their best viewership month ever through respective averages of 1.16mln and 396K HHs.

Programming: **Starz Ent** plans to launch next year **Starz In Black HD**, **Starz Cinema HD**, **IndiePlex HD**, **RetroPlex HD** and a West Coast feed of **Encore HD**. -- **Comedy Central** picked up the cable syndication rights to **FX's** "It's Always Sunny in Philadelphia." Following a limited summer '10 window, the series will begin its multi-year run on Comedy in Jan '11. -- **Epix** announced "Sam Kinison: Back From Hell" (Feb), a tribute to the late comedian featuring interviews and performances by stars including **Chris Rock**, **Jay Leno** and **George Lopez**. -- **A&E's** "Steven Seagal Lawman" (Dec 2) spotlights the action star's current life as a deputy working in Jefferson Parish, LA.

People: **WE tv** tapped **John Miller** as svp, original productions and development, for **Wedding Central** as well. Also

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BUSINESS & FINANCE

for the 2 nets, *Elizabeth Doree* was promoted to svp, scheduling and acquisitions and *Terence Coffey* to vp, promotional strategy. -- **Fox Filmed Ent** appointed *Roger Mincheff* svp, branded ent for digital content.

Business/Finance: On Nov 19, **Liberty Media** and **Liberty Ent** shareholders will vote on 2 proposals, the merger of Liberty Ent and **DirectTV**, and the spinoff of portions of Liberty Ent along with **Starz**. Shares owned by *John Malone* get no vote. A review: through its merger with Liberty Ent, **DirectTV** will assume 65% ownership of **GSN** and full ownership of **FSN Pittsburgh**, **FSN NW** and **FSN Rocky Mountain**, approx \$80mln in cash and approx \$2bln in debt; remaining Liberty Ent assets will align with **Starz** Ent (and approx \$650mln in cash) for a stock expected to be listed on **NASDAQ**. **Wells Fargo Securities** analyst *Marci Ryvicker* said the transactions are likely to close immediately after the vote, and will "remove the overhang" on DTV shares due to a more transparent ownership structure and increased flexibility. -- Former **News Corp** pres *Peter Chernin* is consulting **Comcast** in its bid to acquire control of **NBCU**, according to reports.

CableFAX Daily Stockwatch

Company	10/20 Close	1-Day Ch	Company	10/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDs					
BRITISH SKY:	38.05	0.49	ALCATEL LUCENT:	4.60	(0.14)
DIRECTV:	27.27	(0.07)	AMDOCS:	25.87	(0.12)
DISH:	18.92	(0.18)	AMPHENOL:	41.06	(0.31)
DISNEY:	29.35	(0.52)	APPLE:	198.76	8.90
GE:	15.58	(0.26)	ARRIS GROUP:	11.53	(0.25)
NEWS CORP:	14.83	(0.11)	AVID TECH:	14.84	(0.24)
MSOS					
CABLEVISION:	23.89	0.34	BIGBAND:	4.24	(0.02)
COMCAST:	15.36	(0.08)	BLNDER TONGUE:	1.20	0.01
COMCAST SPCL:	14.71	(0.06)	BROADCOM:	30.61	0.24
GCI:	6.36	(0.1)	CISCO:	24.11	(0.14)
KNOLOGY:	10.70	(0.01)	CLEARWIRE:	7.33	(0.42)
LIBERTY CAPITAL:	22.48	(0.05)	COMMSCOPE:	30.55	(0.22)
LIBERTY ENT:	31.74	(0.02)	CONCURRENT:	4.50	0.02
LIBERTY GLOBAL:	22.76	(0.18)	CONVERGYS:	10.76	(0.24)
LIBERTY INT:	11.98	(0.02)	CSG SYSTEMS:	16.00	(0.02)
MEDIACOM:	5.23	(0.02)	ECHOSTAR:	20.15	(0.79)
RCN:	9.24	(0.28)	GOOGLE:	551.72	(0.37)
SHAW COMM:	19.16	0.00	HARMONIC:	6.51	(0.19)
TIME WARNER CABLE:	43.60	1.80	INTEL:	20.18	(0.23)
VIRGIN MEDIA:	14.60	0.20	JDSU:	6.65	(0.14)
WASH POST:	476.00	(7.1)	LEVEL 3:	1.35	0.00
PROGRAMMING					
CBS:	13.82	0.11	MICROSOFT:	26.37	0.01
CROWN:	1.87	0.03	MOTOROLA:	8.32	(0.15)
DISCOVERY:	30.81	(0.06)	OPENTV:	1.54	(0.01)
EW SCRIPPS:	7.98	(0.45)	PHILIPS:	27.19	0.04
GRUPO TELEVISIA:	19.96	0.26	RENTRAK:	17.46	(0.36)
HSN:	17.27	(0.11)	SEACHANGE:	7.33	(0.32)
INTERACTIVE CORP:	19.19	0.01	SONY:	29.11	(0.4)
LIBERTY:	35.62	(0.63)	SPRINT NEXTEL:	3.29	(0.15)
LODGENET:	7.13	(0.06)	THOMAS & BETTS:	32.62	0.56
NEW FRONTIER:	1.95	0.03	TIVO:	11.42	0.12
OUTDOOR:	6.40	(0.27)	TOLLGRADE:	5.80	0.12
PLAYBOY:	3.65	0.00	UNIVERSAL ELEC:	21.28	(0.46)
RHI:	3.00	0.01	VONAGE:	1.58	(0.03)
SCRIPPS INT:	39.60	(0.4)	YAHOO:	17.17	(0.05)
TIME WARNER:	31.36	(0.08)	TELCOS		
VALUEVISION:	3.79	(0.03)	AT&T:	25.99	(0.01)
VIACOM:	30.90	0.52	QWEST:	3.62	(0.04)
WWE:	14.11	(0.03)	VERIZON:	28.80	(0.16)
TECHNOLOGY					
3COM:	5.84	0.03	MARKET INDICES		
ADC:	7.25	(0.16)	DOW:	10041.48	(50.71)
ADDVANTAGE:	2.26	(0.02)	NASDAQ:	2163.47	(12.85)

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Deadline: December 4, 2009 • Enter Online: www.CableFAX.com/BOW • Event: April 2010

Enter as many categories as you like, but please tailor your entry to the category you are entering.

Campaign Categories:

- Ad/Series of Ads - Programmers/MSOs
- Ad/Series of Ads - Brands
- Blog or Series of Blogs
- Corporate Social Responsibility/Education
- Digital Customer Service
- Digital PR Campaign
- E-commerce
- Email Newsletter/s
- Games

- Mobile Application (iPhone, Blackberry, Palm Pre, etc)
- Online Community
- Original Content
- Podcast or Videocast
- Social Media Campaign
- Supplemental Web Content
- Use of Twitter
- Video: Overall Use of Video
- Web Marketing Campaign
- Web Site Design
- Web Page/Section Design

People Awards:

- Blogger/Tweeter/Social Networking
- Facilitator
- Digital Executive
- Digital Hot List
- Online Marketing Executive
- Video Editor/Producer
- Web Content Director
- Web Designer
- Web Research/Analytics Executive
- Other (please enter an executive who is successfully leading your organization's digital initiatives)

Best Websites:

- Cable Associations
- Independent Operators
- Cable Network - Small and Mid-Size (Fewer than 50mIn subs)
- Cable Network - Large (More than 50mIn subs)
- MSOs and Systems
- Regional/Local Programmers
- Technology and other Vendors

Category definitions, FAQs, a list of last year's winners, and to enter online at www.CableFAX.com/BOW

Compiling Your Entry (Visit www.CableFAX.com/BOW for full details)

What to Send

At the beginning of your 2-3 page synopsis, include the following information for all categories:

- Category entered • Title of entry • Key contact for entry • Organization submitting entry

Supporting Materials

- URL/Web address(es) • Clippings • Photographs • Magazines • E-letters • Newsletters • Testimonials • Print-outs of Web Pages

How To Enter: Use this form or visit www.CableFAX.com/BOW for additional category information and to enter online.

Mary Lou French
CableFAX's Best of the Web Awards
Access Intelligence
4 Choke Cherry Rd, 2nd Fl
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Deadline: December 4, 2009
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Event: April 2010

Entry From (All information required)

Title of Entry/Name of Entrant (as you'd like it to appear on your award if selected): _____

Company and/or Client: _____

Contact Name of person submitting entry Job Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone of Contact: _____ Fax of Contact: _____

Email Address (Required): _____

Entry Fees

- Primary entry: \$290 each \$290 each \$ _____
 - Secondary entry of same campaign** into one or more categories: \$150 each \$150 each \$ _____
 - Late entry fee: \$150 per entry \$150 each \$ _____
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- Total \$ _____

The late entry fee must be applied to each individual entry postmarked after Dec. 4, 2009.
* Payment in full must accompany the entry.
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Questions? Contact Awards Coordinator Saun Sayamongkhun at 301-354-1610; ssayamongkhun@accessintel.com.
Sponsorship Opportunities: Debbie Vodenos at 301-354-1695; dvodenos@accessintel.com.