

# CableFAX Daily™

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What the Industry Reads First

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## Comcast 3Q: Deal Talk, Better Video Metrics & NBC Is Doing Alright

It's all about the deals. And there were a few hints dropped about **Comcast-NBCU** negotiations during Fri's 3Q earnings call. Comcast Cable has struck several agreements recently with programmers, including **Disney** and **Scrrips**. Programming increases thus far are a "bit lower" than forecasted, said CFO *Michael Angelakis*. But it doesn't sound like it necessarily will stay that way. "As we think about '13, I think you are going to see some continued pressure. We do have lumpy contracts that come up and so forth. I don't want to get into too much detail, but I can just tell you I think the team has really done a great job. We have a lot more rights over many different platforms, and I think that probably in the 4Q and to a bit into 2013, we will see some additional pressure on programming. I think we will be able to manage through that." On the **NBC** side, *Steve Burke* said about 25% of the sub base has contracts up this year. "We have had a number of discussions ongoing, and some of those have been concluded at this point at least in handshake fashion. We are getting what we think is a fair price for retransmission consent," he said, adding that the company also has done "a lot of deals" for reverse compensation from broadcast affils. When asked about monetizing revenue from cable nets, Burke said SVOD has emerged as a major revenue source for cable and broadcast. "In a way, it's a new form of the traditional syndication model where at a certain point after the shows have aired in their primary run on a broadcast or cable channel, they have been sold into another market," he said. Big highlights from 3Q earnings were video subs and the Olympics. Comcast reduced its basic video losses by 48K to 117K, marking the 8th consecutive Q of improvement. That led analysts to wonder if 4Q could mean positive sub growth. "We just have our heads down. We are focusing on execution and block and tackle," said Comcast Cable pres/CEO *Neil Smit* (spoken like a former Navy Seal). Voice saw 123K net additions and HSD had 287K adds, an almost 10% increase over last year. **Wells Fargo's Marci Ryvicker** said the Q was very strong on both the cable and NBCU side. NBCU saw revenue rise 31% to \$6.8bln (+8% excluding the Olympics), and broadcast ad rev at NBC was up 9% excluding the Olympics. "By most measures, Comcast—and event its NBCU unit—seems to have good seasonally-adjusted operational momentum," said **ISI Group** analysts. **Sanford Bernstein** piled on, declaring that NBCU is "slowly but surely becoming part of the bull case for Comcast." Shares closed up 3.3%. Overall, net income rose to \$2.11bln from \$908mln, while revenue was up 15% to \$16.5bln. **Notable:** The London Olympics generated \$1.2bln of rev-

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**diy network**  
CHRIS GRUNDY

**COOKING CHANNEL**  
NADIA G

**scrippsnetworks interactive** | Passionate Viewers Live Here

Source: Beta Research, Beta Digital Cable Subscriber Evaluation Study, 9/12. Ranking is based on the percentage of viewers 25-54 who indicate they are Very / Fairly Satisfied with DIY Network and Cooking Channel. DIY Network ranks #1 and Cooking Channel ranks #4 (tied). Ranked among 41 digital cable networks.

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Group Publisher, Media Entertainment: Denise O'Connor ● Publisher: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Prod: Joann Fato, jfato@accessintel.com ● Diane Schwartz SVP Media Comms Group ● Subs/Client Svcs: 301.354.2101, ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com

enue and \$120mln in operating cash flow. The Games were breakeven when you take into account other Olympic-related rev booked over multiple quarters. -- The X1 IP video platform has been rolled out to 4 markets, and it will debut in 2 more markets in the coming weeks. -- On the hockey lockout: "We're pretty disappointed... I don't think we should say a heck of a lot more," said Angelakis, adding that Comcast hopes a deal can be reached. In addition to **NBC Sports Net**, Comcast has RSNs that televise hockey. Angelakis said the lockout is immaterial to the whole company.

**On the Block?** Despite news reports Fri, **Current TV** is neither putting itself up for sale nor looking for investment banks to help launch a formal sales process, a spokeswoman said. Nonetheless, it is looking at its options, including potential strategic partnerships, funding measures and, yes, a sale. "Current has been approached many times by media companies interested in acquiring our company," said a company statement. "This year alone, we have had three inquiries. As a consequence, we thought it might be useful to engage expertise to help us evaluate our strategic options." The news channel, created by former vp *Al Gore* and current CEO *Joel Hyatt* in '05, is currently involved in a lawsuit with its former "Countdown" host *Keith Olbermann*, who joined the net in June '11 from **MSNBC**. Olbermann sued Current TV for wrongful contract termination after he was let go in March. The net, available in 60mln homes, filed a countersuit.

**Retrans Round-Up:** **DirecTV** and **Northwest** reached a new multi-year retrans agreement Thurs, just in time for Game 2 of the World Series. Subs might not have cared much about the timing, given the record low ratings for this year's series. Since Aug 13, DirecTV had been without the stations in Spokane and Yakima-Pasco-Richland-Kennewick, WA, as well as Binghamton, NY, and Medford-Klamath Falls, OR. Some 50K **Cablevision** subs are still without **Tribune's FOX CT**, which has been off the MSO since Aug 25. The impasse prompted a news conference Thurs by CT State Sen. *Gayle Slossberg*, where she asked the **FCC** to intervene.

**Storm Watch:** MSOs are preparing for what is being called "Frankenstorm." **Comcast** is increasing staffing and strategically placing employees in key locations throughout the company, preparing back-up generators and other supplies and coordinating closely with power companies and local and state emergency workers, a spokeswoman said. Similarly, **Cox** has initiated pre-storm preparation activities under its business continuity plan. In a release for regions that could be impacted by Hurricane Sandy, **AT&T** said it's topping off fuel at generators, staging additional emergency response equipment in strategic locations near the anticipated landfall, installing more backup and permanent generators in hurricane-prone areas. In addition to internal preparedness, **Verizon** will reach out to its subs, offering info on self-help tools, a spokesman said. **Charter's** plan includes an internal employee alert system and checking all facilities in the path of the storm. Suppliers of fiber and cable also are notified to be on standby, according to vp/gm for New England *Gregory Garabeidian*. **Weather Channel** and the news nets were getting into position Fri for coverage (though not all of them are dubbing it "Frankenstorm." **CNN's Ron Marciano** tweeted the net's refraining from the moniker due to the storm's severity). *Al Roker* and *Stephanie Abrams* will kick things off for Weather in Rehoboth, DE, early Sat morning.

**Talking Soccer:** **Fox** and **ESPN** said they were disappointed to learn Fri that the **English Premier League** has elected to move forward with a different media partner, "despite Fox Sports Media Group's aggressive bid." **Fox Soccer** has been the primary vehicle in the US for EPL for nearly 2 decades (it subleased some games to ESPN). The net will continue to carry UEFA Champions League, UEFA Europa League, FA Cup, CONCACAF Champions League, CONCACAF Gold Cup, and it's the home of the FIFA World Cup and FIFA Women's World Cup beginning in '15. *Sports Business Daily* reports that **NBCU** is seen at the front-runner for EPL rights.

**People:** **Starz Entertainment** tapped *James Porter* to the newly created position of svp, media systems & IT development and *Jodi Robinson* to vp, Internet & interactive technology.

**In Our Prayers:** **CNBC Digital** exec *Kevin Krim* and his wife *Marina* are in our thoughts and prayers following the stabbing death of their 2 young children. The family's nanny is suspected. **Comcast** CEO *Brian Roberts* closed out the company's 3Q earnings call by saying "we will do everything we can to support their family in this awful time. Thank you all, and we will go back to our jobs, but have them in our thoughts and prayers."

**Editor's Note:** **CableFAX's** Program Awards & Top Ops Breakfast scheduled for Tues in NYC has been postponed due to the extreme storms expected to hit the area. Please stay tuned for a new date.

**CableFAX Week in Review**

Company	Ticker	10/26 Close	1-Week % Chg	YTD %Chg	Company	Ticker	10/26 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>					<b>JDSU</b>				
DIRECTV	DTV	51.27	(0.16%)	19.90%	JDSU	JDSU	10.33	1.57%	(1.05%)
DISH	DISH	35.55	0.23%	24.82%	LEVEL 3	LVL3	20.68	(8.54%)	21.72%
DISNEY	DIS	50.08	(3.51%)	33.55%	MICROSOFT	MSFT	28.21	(1.5%)	8.67%
GE	GE	21.11	(4.18%)	17.87%	RENTRAK	RENT	16.83	0.48%	17.86%
NEWS CORP	NWS	24.21	(4.53%)	33.17%	SEACHANGE	SEAC	8.99	7.54%	27.88%
<b>MSOS</b>					<b>SONY</b>				
CABLEVISION	CVC	17.89	(2.72%)	25.81%	SPRINT NEXTEL	S	5.49	(4.19%)	134.62%
CHARTER	CHTR	76.57	(2.51%)	34.47%	TIVO	TIVO	9.97	0.30%	11.15%
COMCAST	CMCSA	37.56	1.65%	58.41%	UNIVERSAL ELEC	UEIC	16.81	0.12%	(0.36%)
COMCAST SPCL	CMCSK	36.51	1.33%	54.97%	VONAGE	VG	2.24	3.70%	(8.57%)
GCI	GNCMA	9.13	1.44%	(6.74%)	YAHOO	YHOO	16.79	6.00%	4.09%
LIBERTY GLOBAL	LBTYA	60.40	(2.74%)	47.21%	<b>TELCOS</b>				
LIBERTY INT	LINTA	20.02	(0.05%)	23.43%	AT&T	T	34.63	(1.95%)	14.52%
SHAW COMM	SJR	21.10	2.93%	8.93%	VERIZON	VZ	44.73	(0.95%)	11.49%
TIME WARNER CABLE	TWC	99.52	(0.18%)	56.55%	<b>MARKET INDICES</b>				
VIRGIN MEDIA	VMED	32.51	(0.88%)	52.06%	DOW	DJI	13107.21	(1.77%)	7.28%
WASH POST	WPO	332.00	(3.98%)	(11.89%)	NASDAQ	IXIC	2987.95	(0.59%)	14.69%
<b>PROGRAMMING</b>					S&P 500				
AMC NETWORKS	AMCX	46.76	2.72%	24.43%	GSPC				
CBS	CBS	32.87	(2.58%)	21.11%					
CROWN	CRWN	1.67	1.21%	38.02%					
DISCOVERY	DISCA	58.19	(3.72%)	42.03%					
GRUPO TELEVISA	TV	22.65	(3.74%)	7.55%					
HSN	HSNI	49.25	1.59%	35.82%					
INTERACTIVE CORP	IACI	49.18	(6.66%)	15.45%					
LIONSGATE	LGF	16.09	0.25%	93.39%					
LODGENET	LNET	0.44	25.69%	(81.59%)					
NEW FRONTIER	NOOF	2.00	0.50%	94.17%					
OUTDOOR	OUTD	7.21	(1.64%)	(3.35%)					
SCRIPPS INT	SNI	61.15	(3.23%)	44.15%					
TIME WARNER	TWX	43.64	(2.87%)	20.75%					
VALUEVISION	VVTV	2.14	(11.93%)	13.83%					
VIACOM	VIA	53.07	(3.37%)	(0.49%)					
WWE	WWE	8.15	1.12%	(12.55%)					
<b>TECHNOLOGY</b>					<b>WINNERS &amp; LOSERS</b>				
ADVANTAGE	AEY	2.06	(1.9%)	(1.9%)	<b>THIS WEEK'S STOCK PRICE WINNERS</b>				
ALCATEL LUCENT	ALU	1.03	(8.04%)	(33.97%)	<b>COMPANY</b>				
AMDOCS	DOX	32.91	0.15%	15.35%	<b>CLOSE</b>				
AMPHENOL	APH	60.13	(1.6%)	32.47%	<b>1-WK CH</b>				
AOL	AOL	34.48	(4.94%)	128.34%	1. LODGENET: 0.44 25.69%				
APPLE	AAPL	604.00	(0.96%)	49.14%	2. BLNDER TONGUE: 1.20 19.25%				
ARRIS GROUP	ARRS	13.73	5.37%	26.89%	3. SEACHANGE: 8.99 7.54%				
AVID TECH	AVID	6.02	(26.32%)	(29.43%)	4. YAHOO: 16.79 6.00%				
BLNDER TONGUE	BDR	1.20	19.25%	(1.28%)	5. ARRIS GROUP: 13.73 5.37%				
BROADCOM	BRCM	31.76	(4.71%)	8.17%	<b>THIS WEEK'S STOCK PRICE LOSERS</b>				
CISCO	CSCO	17.29	(4.16%)	(4.37%)	<b>COMPANY</b>				
CLEARWIRE	CLWR	1.90	(18.1%)	(2.06%)	<b>CLOSE</b>				
CONCURRENT	CCUR	5.21	3.78%	37.47%	<b>1-WK CH</b>				
CONVERGYS	CVG	16.17	1.76%	26.62%	1. AVID TECH: 6.02 (26.32%)				
CSG SYSTEMS	CSGS	21.17	(2.85%)	43.92%	2. CLEARWIRE: 1.90 (18.1%)				
ECHOSTAR	SATS	31.73	2.52%	51.53%	3. VALUEVISION: 2.14 (11.93%)				
GOOGLE	GOOG	675.15	(0.97%)	4.53%	4. LEVEL 3: 20.68 (8.54%)				
HARMONIC	HLIT	4.34	1.64%	(13.89%)	5. ALCATEL LUCENT: 1.03 (8.04%)				
INTEL	INTC	21.95	2.19%	(9.48%)					

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