

CableFAX Daily™

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What the Industry Reads First

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Ch-Ch-Ch-Chello: AMC Nets Spends \$1bln on Intl Nets

Reaction was mixed Mon to the news that **AMC Nets** is spending \$1bln on acquire almost all of **Chellomedia**, the intl content division of **Liberty Global**. **AMCX** closed down less than 1%, while analysts tried to figure out the ramifications. **BTIG** quickly downgraded the stock to “neutral,” with *Rich Greenfield* disappointed that the programmer was buying instead of selling. “Given **AMCX**’s earnings outperformance over the past few years, we saw a notable opportunity to return capital to shareholders and shrink the equity base ahead of a sale of the company,” he wrote in a blog post. Now the programmer will have a massive intl business to manage as it works on replacing mega hits “**Breaking Bad**” and “**Mad Men**.” Chello has channels that reach more than 390mln HHs in 138 countries, including **Canal Hollywood**, **Megamax** and **Buzz**. While the deal gives AMC the international component it has been missing, there’s a question mark on what it means for the company overall. “While this deal significantly diversifies **AMCX** and gives them exposure to the most important growth driver in media, it also means: slower overall growth, more financial risk, and **AMCX** becomes harder to acquire,” **Bernstein Research** analysts said. Their take: it’ll take time for integration and adding value. **Macquarie Securities**’ *Amy Yong* likes the deal, saying it will make AMC Nets structurally complete and diversified, Chello increases visibility to the top-line given its large affil rev stream, and it should be more accretive than introduction of a buyback. “The company has a significant library of content including old movies and the lifestyle female channel, **WETV**, that we expect will carry well overseas,” she said. “**The Walking Dead**” already has intl distribution deals with **Fox** and **E1** that will stay in place. **E1** has other deals for AMC and **Sundance** content. “We do think that as we examine what to do with content over the mid- and long-term that we will increase the bias we have to own, which gives us the option to put the content where we choose,” **AMCN** pres/CEO *Josh Sapan* said in a conference call Mon.

Fox’s Freer: *Randy Freer* was bumped up to pres, COO of **Fox Networks Group**, reporting to chmn/CEO *Peter Rice*. He’ll have a broad strategic and operational role across FNG and directly oversee rev, distribution and operations while continuing his responsibilities in rights acquisitions and team and league relationships. FNG includes **Fox Broadcasting**, **Fox Sports**, **FX Networks**, **Fox International Channels** and **National Geographic Channels**. He previously served as co-pre, COO of **Fox Sports Media** with *Eric Shanks*. Shanks will assume sole responsibility for the group and report to



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Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

Rice. Also continuing to report to Rice will be FX Nets CEO *John Landgraf*, Fox Intl pres/CEO *Hernan Lopez*, Nat Geo Channels CEO *David Lyle* and Fox Broadcasting chmn of ent *Kevin Reilly*.

Spat: Cable One subs won't be shut out of hoops action on TNT this week. Turner and the MSO buried the hatchet Fri night, announcing a deal that returns the entire portfolio to Cable One systems. Cable One had tried to drop every channel except TNT, TBS and Cartoon by invoking a deal through NCTC, but Turner said that deal was not valid. The MSO has been without any of the Turner nets since Oct 1. The NBA season kicks off on TNT Tues.

Speed Upgrade: Time Warner Cable is upping its speed game with Ultimate 100 Internet tier (100 Mbps), its fastest residential Internet speed to date. Initially available to subs in LA, NYC and Hawaii starting early next year, the tier will be expanded to additional markets. The company is looking to offer a free upgrade for current Ultimate 50 subs in the 3 markets. The new tier comes with free features like 20 email accounts, 10 GB email storage space, home WiFi, access to TWC WiFi and CableWiFi hotspots and Internet security and parental control services. Meanwhile, the MSO is replacing its Lite Internet tier with a 2 Mbps offering for \$14.99 a month. The new entry level tier, which doubles the current Lite speed, will be available starting Nov 4.

TVE: AT&T U-verse joined MSOs like Bright House and Cox to offer on-the-go capabilities for Time Warner Cable SportsNet and Time Warner Cable Deportes. Subs can now access all programming, including live LA Lakers, LA Galaxy and LA Sparks games, in the nets' home territory anywhere and across platforms upon authentication. -- Synacor, the platform behind NBCU's London Olympics TVE authentication services, will launch its white-label auto authentication service for TVE access in the home and via social login in 1Q. The service recognizes a user's broadband network-based pay-TV account for at-home access or connects via a user's social media login in any location.

In the Courts: EWTN said it filed a new lawsuit Mon against the Dept of Health & Human Services and other federal agencies as it seeks to stop the govt from imposing the HHS contraception mandate. It also asked a federal court to find the mandate unconstitutional. The Catholic network said the state of AL, through AG Luther Strange, has joined as a co-plaintiff. EWTN's original suit was dismissed in Mar, with the judge citing the govt's vow to implement a new rule addressing the issue. The net said the changes in the law issued in July didn't help as it is not considered exempt from the rule.

ACA: ACA continued to urge the FCC to stop the Sinclair/Allbritton \$1bn deal, which involves the acquisition of 7 TV stations, including Allbritton's Big 4 stations in Charleston, SC, and Harrisburg, PA. Sinclair would retain the ability to act as the stations' "agent" in retrans negotiations, ACA said in a filing, noting Sinclair would be able to negotiate retrans for the ABC and CBS affils and on behalf of the ABC and Fox affils in Charleston. "The question before the FCC here is simple: Whether it would serve the public interest for Sinclair to acquire the Allbritton stations in the Charleston and Harrisburg DMAs given all of their contemplated agreements. This is a new, bolder license transfer scheme designed to evade the intent of the FCC's local television ownership restrictions and ought to be stopped," ACA head Matt Polka said.

Over-the-Airheads: Broadcasters in 12 markets are jointly launching a marketing campaign to boost awareness of mobile TV. Through on-air, digital and live interactive events, the stations will promo Dyle's Audiovox mobiletv receiver, which enables smartphones and tablets to receive TV signals. Audiovox mobiletv has a suggested MSRP of \$129.99.

Deals: Broadband Networks Wireless Internet has retained Heritage Equity Partners to find a buyer for its wireless broadband provider operation (more than 5K subs with a network covering 29 counties in IN and 9 in OH). Previously operating as Omnicity, Broadband Networks acquired ownership of the assets through US Bankruptcy Court, where Omnicity had filed for Chapter 11 bankruptcy protection in Sept '11.

From the Street: Wells Fargo's Marci Ryvicker has her doubts about reports suggesting MVPDs such as Time Warner Cable and DirecTV might be considering their own Aereo service to avoid retrans squabbles. "While we don't doubt that the wheels are turning here, we just don't view Aereo or an Aereo-type service as that simple of a solution—for a number of reasons," she said in a research note. The single biggest obstacle, she said, is the definition of MVPDs. "Unless the incumbent MVPDs give up a substantial amount of rights, we don't see how they avoid retransmission consent requirements," Ryvicker wrote, adding that many long-term carriage deals were recently inked.

Ratings: AMC's "The Walking Dead" drew 12.9mln viewers Sun, besting Sun Night Football in 18-49s, 8.6mln vs 8mln.

BUSINESS & FINANCE

Online: Netflix inked a content licensing deal with CBS to make all 8 seasons of Showtime's drama series "Dexter" available for US subs. The 1st 4 seasons will be available starting on Halloween with the rest available Jan 1.

Programming: CNN renewed Morgan Spurlock's "Inside Man" for a 2nd season. -- New net Fusion was set to kick off Mon with a 7pm exclusive interview with President Obama on "America with Jorge Ramos." That interview was to air 3 mins after the net launches. Fusion unveiled a musical video showing off the new net and its business plan. Lyrics were penned by David Javerbaum, an exec producer for Fusion, and Adam Schlesinger (they wrote the musical "Cry Baby"). While it has some authentic names and titles (Isaac Lee, CEO), those are actors singing and dancing, not the real execs. "They're talented, but not that talented," we're told.

People: Outdoor Channel named MAVTV co-founder Steve Smith evp, affiliate sales and marketing. Former affil sales chief Randy Brown left earlier this year. Bill Osborn, formerly of AXS TV, was named svp, marketing. He fills a spot that's been empty since Lorey Zlotnick joined NFL Net over the summer. Other appointments: Scott Long as vp, finance, media Kroenke Sport & Ent and James Alexander vp, consumer insights and analytics. -- Jack Smedile, former tech policy advisor for Sen Roy Blunt (R-MO), joined NAB as vp, government relations.

CableFAX Daily Stockwatch

Company	10/28 Close	1-Day Ch	Company	10/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	34.83	(0.03)	ECHOSTAR:	47.75	(0.18)
DIRECTV:	63.09	0.28	GOOGLE:	1015.00	(0.2)
DISH:	48.66	(0.01)	HARMONIC:	7.67	(0.12)
DISNEY:	69.00	(0.26)	INTEL:	24.36	0.12
GE:	26.09	0.21	JDSU:	15.19	(0.11)
MSOS					
CABLEVISION:	15.97	0.16	LEVEL 3:	26.63	(0.28)
CHARTER:	136.54	(2.04)	MICROSOFT:	35.57	(0.16)
COMCAST:	48.23	0.06	NIELSEN:	38.94	(0.1)
COMCAST SPCL:	46.91	0.09	RENTRAK:	36.97	(0.02)
GCI:	9.99	UNCH	SEACHANGE:	14.69	(0.14)
LIBERTY GLOBAL:	81.12	0.96	SONY:	19.51	0.25
LIBERTY INT:	26.84	0.12	SPRINT NEXTEL:	6.61	0.16
SHAW COMM:	23.70	0.11	TIVO:	13.80	UNCH
TIME WARNER CABLE:	118.72	(0.72)	UNIVERSAL ELEC:	39.20	(0.03)
WASH POST:	651.56	(10.46)	VONAGE:	3.63	0.09
PROGRAMMING					
AMC NETWORKS:	69.90	(0.46)	YAHOO:	32.35	0.10
CBS:	59.25	(0.55)	TELCOS		
CROWN:	3.29	(0.04)	AT&T:	35.57	0.38
DISCOVERY:	85.40	(0.26)	VERIZON:	50.57	(0.14)
GRUPO TELEVISIA:	30.27	0.03	MARKET INDICES		
HSN:	53.48	(0.51)	DOW:	15568.93	(1.35)
INTERACTIVE CORP:	57.02	0.73	NASDAQ:	3940.13	(3.23)
LIONSGATE:	34.76	(1.95)	S&P 500:	1762.11	2.34
MADISON SQUARE GARDEN:	60.73	(0.56)			
SCRIPPS INT:	80.63	0.40			
STARZ:	30.06	0.03			
TIME WARNER:	70.16	(0.1)			
VALUEVISION:	5.20	(0.14)			
VIACOM:	84.63	(0.46)			
WWE:	11.85	(0.06)			
TECHNOLOGY					
ADDVANTAGE:	2.63	0.15			
ALCATEL LUCENT:	3.22	(0.19)			
AMDOCS:	38.40	0.17			
AMPHENOL:	80.73	(0.54)			
AOL:	36.61	(0.06)			
APPLE:	529.88	3.92			
ARRIS GROUP:	16.53	(0.12)			
AVID TECH:	6.73	0.10			
BLNDER TONGUE:	0.93	0.00			
BROADCOM:	27.04	0.62			
CISCO:	22.55	0.10			
CONCURRENT:	7.38	0.11			
CONVERGYS:	20.18	0.23			
CSG SYSTEMS:	26.79	(0.63)			




2013 Most Powerful Women in Cable

For questions or to register online contact Saun Sayamongkhun at saun@accessintel.com.

To sponsor the Most Powerful Women in Cable breakfast or roundtable contact aabbey@accessintel.com or 301-354-1629.

Join us for CableFAX's Most Powerful Women in Cable Breakfast on November 21, 2013 from 8:00-10:00 a.m. in NYC, as we salute the women who have made their mark on the industry with leadership, innovation and community.



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CableFAX TECH

SCTEpiologue...

SCTE's Cable-Tec Expo hit Atlanta last week with the hurricane force of approx 10K engineers and techies. Attendance was up 6% over '12, and that's a testament to the growing importance of technology as a competitive differentiator. One thing that set this year's show apart was the energy level on the show floor as some 60 new and first-time exhibitors demoed, dazzled and dealt with prospective buyers. SCTE long ago evolved beyond amplifiers, splitters and cable maintenance trucks. But the show increasingly centers on software designed to do everything from enhancing multiplatform experiences to enabling more cloud-based network control. Meanwhile, **CableLabs'** work on DOCSIS 3.1 and enabling an IP-based future prove that cable will have more than enough firepower to support hundreds of 4K (or even 8K) video streams, massive upstream bandwidth and ubiquitous 2nd-screen portability. **NCTA** pres/CEO *Michael Powell* may have noted during Tues' general opening session that "this industry has a chip on its shoulder." But he used that declaration to encourage cable's path to coolness as competitors eye its customers. "I don't know of one tech company in this country that hasn't decided that it wants in on our stuff," he said. If the vibrancy and cool factor of the SCTE show floor was any indication last week, cable techies aren't sitting on their hands. Quite the contrary, they're stirring up the perfect storm.

Cisco: Cisco spent much of SCTE touting its high-density Prisma SuperQAM XFP Transmitter module for its flagship Prisma II optical video platform. The module is another key piece of Cisco's converged cable access platform migration plan, which aims to help cable ops to use their existing infrastructure while adding network capacity incrementally. The service is also expected to allow MSOs to double the density of their current chassis, and reduce power consumption by half. Cisco wants to fit the module into the optical physical interface card in its next-generation Terabit CCAP product, the converged Broadband Router (cBR-8), which will directly link to the

optical node and further reduce rack space in the cable head-end.

Arris: Arris, which became a Cisco competitor with its \$2.35bln purchase of **Google's** Motorola Home unit, announced a slew of service provider deals featuring its E6000 Converged Edge Router (CER) at the SCTE Cable-Tec Expo last week. They include the deployment of CRE with Alaska's largest telecom company **GCI**, which seeks to offer subs faster speeds and greater coverage throughout the state. The solution features field-deployment ready IPv6 support and integrated RF fail-over. The vendor also scored a contract with **WOW!**, which is expected to enable efficient and scalable network expansion. The deal followed WOW!'s deployment of the Arris whole home solution.

Recommendation: **ThinkAnalytics** and cable MSO software provider **UXP Systems** announced a pre-integrated offering to deliver user-level personalized recommendations for next-gen video providers at the SCTE Cable-Tec Expo last week. UXP Systems' MINT User Lifecycle Management module and ThinkAnalytics' Search and Recommendations Engine are now integrated to go beyond video households, generating highly personalized, real-time content recommendations with a single sign on for each individual user profile.

Video Monitoring: **Interra Systems**, which provides content quality control and monitoring services, announced its real-time monitoring and HEVC analysis and debugging product at SCTE. The Orion offering combines critical monitoring features in a single integrated platform, delivering smarter widgets to log, review and analyze violations and audio loudness. It's also expected to enable real-time assessment of quality of video delivery. Meanwhile, the company's Vega HEVC Analyzer manages HEVC test and measurement. It's expected to enable rollout of HEVC solutions and products. More than 40 semiconductor, digital video and streaming media providers are using Vega HEVC to test their services, according to Interra.



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