

CableFAX Daily™

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What the Industry Reads First

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Strong Scripps: Net Income Up 20% on Strong Ad Sales, Affiliate Fees

Higher revenue from advertising and affiliate fees helped **Scripps Networks Interactive** to 20% YOY growth in net income in 3Q, with the company earning \$118.4mln. Revenue rose 12% to \$566.2mln. "Despite facing stiff competition from other media companies, such as **Discovery Comm** and **Lin TV**, Scripps Networks has successfully differentiated its offerings on multiple video screens and other platforms including tablets," **Zacks Investment Research** said. Digital revenue was up 12% to \$28mln, with the majority of that coming from foodnetwork.com and HGTV.com. Traffic from mobile has grown from the single-digits to upwards of 15% YOY, reported Scripps Nets pres *John Lansing*. "The great thing about our content on mobile as well is it's not just viewing, but it's very interactive," said chmn/CEO *Ken Lowe*, noting how fans can use mobile in a grocery store to download a recipe or inside a home improvement store for info on a DIY project. Scripps announced its 1st TVE deal in July with **Comcast**, with Lansing describing it as a likely standard for deals the programmer does going forward. Another factor: **Travel Channel**. After a slate of new programming and a concerted effort to make it more like sister **HGTV**, company brass on Thurs said the net is making strides. Travel was up 6% YOY in ratings for Sept and 8% in Oct, according to Lansing, who said the company would focus more on affiliate negotiations for the net in '13 and '14. "As we do that, our intention is to translate the growth and audience impressions into higher affiliate fees," he said. Overall affiliate fee revenues were better than expected, up 18% compared to 3Q11. CFO *Joseph NeCastro* attributed some of the spike to the step-up strategy when the rates were reset for Food, adding that a "nice progression" in rates will continue but not on the scale of the reset. Ad revenue was up 10% to \$377mln in 3Q. Lansing described the scatter market as "a little late," owing perhaps to some of the activity around the election. He said SNI expects pressure on scatter will remain in the mid- to high- single digits in 4Q. An interesting footnote: *Bob Scripps*, the last surviving grandchild of EW Scripps, died Oct 18 at the age of 94. With his passing, the EW Scripps Trust comes to an end, but control of the company continues through the Scripps family agreement. In other words, it's business as usual at SNI, Lowe said.

Storm Relief: Several companies stepped up Thurs to donate money to Sandy relief efforts. **NBCU** announced a 1-hour live benefit telethon that will be roadblocked across **NBC, Bravo, CNBC, E!, G4, MSNBC, Style, Syfy** and

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USA Fri at 8pm ET. "Hurricane Sandy: Coming Together" will feature performances by *Bruce Springsteen, Billy Joel, Christina Aguilera* and others. **Viacom** announced a donation of \$1mln to help victims of Hurricane Sandy, including \$500K to the **Mayor's Fund for NYC** and the other half to local organizations for relief and rebuilding efforts in CT, Long Island, NJ and Westchester County. The net also set up a \$1mln employee matching gift program with the **American Red Cross**, which allows Viacom employees to maximize their personal contributions. With global HQ in NYC and other operations in NJ and on Long Island, the net has more than 4K employees living in communities directly impacted by Sandy. It created a Viacomcommunity Employee Relief Program to help employees affected by the storm. **Time Warner Cable** will donate \$500K to the Mayor's Fund and \$50K each to the American Red Cross of Northeastern NY. "Our crews are on the ground, working 24 hours a day to make any and all necessary repairs. They have seen the devastation first hand, and it has only strengthened their commitment to ensure that our customers, and their friends and neighbors, can rebuild their communities even stronger than they were before this devastating storm," said regional vp for NYC ops *John Quigley*. **Disney** committed \$2mln in cash to aid Sandy relief, including \$1mln to the American Red Cross and another \$1mln to organizations working on recovery efforts. In addition, Disney-ABC TV Group and **ESPN** will run PSAs on nets including ESPN urging viewers to support relief and rebuilding efforts. The company is designating Mon as a "Day of Giving," encouraging viewers across its network and syndicated programming to help those impacted by Sandy.

Crown Earnings: Hallmark Channel parent **Crown Media** recorded 3Q net income of \$11.5mln, down from \$163.2mln in 3Q11. The previous year results included an income tax benefit of \$191.7mln. Revenue climbed 4% to \$77mln, with ad rev up 3% to \$57.7mln and sub fees up 7% to \$19.3mln. Crown pres/CEO *Bill Abbott* said the overall scatter market has slowed compared to earlier in the year, but the programmer is "confident in our ability to capitalize on the strength of our channels during the key holiday season." Crown is seeing early CPM increases for Hallmark Channel and **Hallmark Movie** 44-94% above the upfront. Hallmark has 12 new movies slated for its Christmas programming lineup.

Sandy Recovery: Day 4 and the loss of power continues to be the primary cause of widespread disruptions for **Cablevision** service. As of Thurs 4pm ET, more than 1.5mln Optimum HHs were without power. The good news is nearly 31K Optimum WiFi hotspots across Cablevision's Tri-State service area were operational by 4pm, providing free access for Optimum Online subs. Additionally, 63 of the 64 transmission facilities in the tri-state area are fully operational, with only the facility in Seaside, NJ, out of service. The **FCC** said Thurs afternoon that it appears cable outages have declined to approx 12-14% from the initial estimates of 25%. To help New Yorkers who are without power, **Time Warner Cable** is deploying multiple vehicles with mobile charging stations and free WiFi access points. New Yorkers can follow @TWCable_NYC on Twitter to learn the location of the vehicles. The op will also open all of its WiFi spots in the city for the public. TWC's local news channel, **NY1**, has made all content available on its Website for any site visitor without needing to log in. TWC's Paidge Ave facility took on a fair bit of water during the hurricane, said *Jeff Simmermon*, dir of digital communications. The Brooklyn facility is the hub for tech ops that serve Lower Manhattan. Seawater breached the facility and flooded 150 trucks. Meanwhile, power outages continue to prevent subs in parts of Manhattan from receiving TWC services. A small percentage of Brooklyn subs are experiencing service disruptions, mostly the result of the loss of power. In Queens, subs are experiencing scattered service outages due to power losses to their homes or to the TWC network serving them. In Staten Island, many low-lying coastal areas are still without power, resulting in a loss of TWC services. In NJ, parts of Bergen and Hudson counties served by TWC were exposed to extensive flooding and power outages, contributing to the loss of TWC services. **Verizon** is making progress in restoring services Thurs. Technicians have restored backup power to 4 critical facilities in lower Manhattan and 1 on Long Island that saw severe flood damage and lost commercial power, including Verizon's HQ at 140 West St.

Marketing: Having secured shelf space with **Walmart** stores (*Cfax, 11/01*), **Boxee** is offering early adopters of Boxee TV 3 months of free "No Limits DVR" service (normally \$15/month), 12 months of free "No Limits DVR" for Boxee Box owners, 3 months of free **Netflix** services, a \$6 **Vudu** credit and a reduced \$10 monthly fee, according to the official Boxee blog. It also revealed the full list of apps supported by Boxee TV, including **YouTube, Vimeo, Pandora, WSJ Live, TED, MLB.TV, Spotify** and **Accuweather**.

BUSINESS & FINANCE

Inside the Beltway: Because of the impact of Hurricane Sandy, **NTIA** has extended its initial Nov 1 deadline to Nov 9 for stakeholders to comment on the proposed 700 Mhz nationwide public safety network. -- The **FCC** said **DISH** dropped its program access complaint against **MSG** on Oct 22. It's all part of the **Voom** settlement reached last month. While the complaint may have been dropped, **MSG** is still not being carried by the **DBS** provider.

Programming: **FX** booked a 3rd season of comedy series "Wilfred." The 13-ep new season's scheduled to debut June '13. -- **HGTV** will air a special preview of 2 eps of its new '13 series, "Catastrophe, Inc" Sun at 7pm.

Online: The **Huffington Post Media Group** will house **OWN** on The Huffington Post Website. HuffPost **OWN** will offer advice and ideas on motivation, inspiration and fulfillment.

People: **David Clark**, ex-**MSG** and **Fuse** exec, was named pres, **The Weather Channel**. He'll oversee programming, strategy and operations for the net, reporting to **Weather Company** CEO/chmn **David Kenny**. Clark joins from **MSG Co**, where he was evp, sales and partnership dev.

Business & Finance: **Arris'** board authorized an additional \$150mln in share repurchases of the firm's common stock. The company currently has \$19.6mln available under its prior authorization.

CableFAX Daily Stockwatch

Company	11/01 Close	1-Day Ch	Company	11/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	51.26	0.12	CONCURRENT:	5.20	0.05
DISH:	36.00	0.37	CONVERGYS:	17.23	0.42
DISNEY:	49.78	0.66	CSG SYSTEMS:	20.23	(0.38)
GE:	21.34	0.28	ECHOSTAR:	32.69	0.93
NEWS CORP:	24.68	0.32	GOOGLE:	687.59	7.29
MSOS					
CABLEVISION:	17.46	0.04	HARMONIC:	4.35	0.01
CHARTER:	77.75	0.34	INTEL:	22.26	0.63
COMCAST:	37.55	0.03	JDSU:	10.45	0.76
COMCAST SPCL:	36.41	(0.03)	LEVEL 3:	20.65	0.15
GCI:	8.42	(0.32)	MICROSOFT:	29.52	0.97
LIBERTY GLOBAL:	60.62	0.59	RENTRAK:	17.05	0.06
LIBERTY INT:	20.55	0.55	SEACHANGE:	8.97	(0.08)
SHAW COMM:	21.55	(0.29)	SONY:	11.82	0.08
TIME WARNER CABLE:	98.74	(0.41)	SPRINT NEXTEL:	5.61	0.06
VIRGIN MEDIA:	32.49	(0.27)	TIVO:	10.42	0.27
WASH POST:	339.45	5.94	UNIVERSAL ELEC:	16.51	(0.65)
PROGRAMMING					
AMC NETWORKS:	48.52	1.79	VONAGE:	2.25	(0.02)
CBS:	33.45	1.05	YAHOO:	16.95	0.12
CROWN:	1.82	0.08	TELCOS		
DISCOVERY:	61.26	2.24	AT&T:	35.09	0.50
GRUPO TELEVISIA:	23.03	0.43	VERIZON:	45.14	0.50
HSN:	53.27	1.27	MARKET INDICES		
INTERACTIVE CORP:	48.80	0.45	DOW:	13232.62	136.16
LIONSGATE:	16.67	(0.01)	NASDAQ:	3020.06	42.83
LODGENET:	0.38	(0.06)	S&P 500:	1427.59	15.43
NEW FRONTIER:	2.02	(0.01)	TECHNOLOGY		
OUTDOOR:	7.31	0.05	ADVANTAGE:	2.05	(0.01)
SCRIPPS INT:	62.52	1.80	ALCATEL LUCENT:	1.11	0.07
TIME WARNER:	43.80	0.33	AMDOCS:	33.68	0.61
VALUEVISION:	2.41	0.16	AMPHENOL:	61.05	0.92
VIACOM:	52.52	0.65	AOL:	35.63	1.29
WWE:	8.80	0.71	APPLE:	596.54	1.22
MARKET INDICES					
			ARRIS GROUP:	14.08	0.34
			AVID TECH:	6.06	0.19
			BLNDER TONGUE:	1.12	0.02
			BROADCOM:	32.04	0.50
			CISCO:	17.50	0.36
			CLEARWIRE:	2.11	0.11

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PROGRAMMER'S PAGE

The Basics with Wolfgang Puck

Viewers get another helping of **Bravo's** "Top Chef" Wed when Season 10 debuts. Part of Bravo's success with its long-running franchises, such as "Real Housewives," is to keep changing up ingredients. Season 10 of the cooking competition series takes the cheftestants to Seattle and also sees the addition of *Wolfgang Puck* to the judge's table. Puck's recommendation for those competing: Do something you're confident with, not something completely new—but maybe in a different fashion. Sounds pretty similar to Bravo's programming strategy, no? On judging, Puck tells Bravo's cameras he's easy as long as the cooks do it exactly the way he wants it. "I like to be a judge because I think it makes it easy for me. I don't really have to cook. I just have to taste and give my opinion," Puck said during a recent call with reporters. "It's always fun to see the young chefs being nervous and all worked up. But they have to perform. Sometimes they do really well, and sometimes people make silly mistakes." Speaking of silly mistakes, Wed's debut has enough of them to get the famous chef worked up. "I really thought a lot of the chefs who participate lack a basic foundation. If you're in France or Italy somewhere, and you do an apprenticeship, you learn the basics. I think here what I was surprised with is that a lot of people know how to do recipes, but the basics are very difficult for them." In keeping with the programming-cooking analogies, networks need to do more than copycat the recipe for a hit show on another network, but build a foundation of quality content that they can build off of. In Puck's kitchen, that means making a perfect omelet. - AM

Reviews: "Inside the Afghanistan War," Mon, 8p, **Nat Geo**. The goal of many shows is to present material the viewer has never before seen. Few deliver, but this 2-hr doc succeeds tremendously. The show presents scenes from America's longest war, with most footage shot by soldiers, sometimes using cameras mounted on their helmets. To say the viewer gets unprecedented access is an understatement; the perspective is spectacular. In addition, the film provides a good overview of how U.S. goals changed during the course of the 11-year war in a land known as a place "where empires go to die." -- "Dangerous Grounds," pilot, Mon, 10p, **Travel**. While coffee merchant/adventurer/humanitarian *Todd Carmichael* isn't fighting a war, his is a hazardous existence, traversing dangerous countries seeking top-flight beans. Specifically, he's seeking coffee growers, as opposed to the middlemen who reduce farmers' revenue. First up is Haiti, where the middlemen aren't exactly boy scouts. -- More bonding on 007's 50th as **BBC America** begins a "Bond Marathon" (Sun, 10 am ET). The slate starts with "Diamonds are Forever," followed by "On Her Majesty's Secret Service" (12:30p). -- After 8 seasons, *Anthony Bourdain* bids adieu to "No Reservations" and **Travel Channel** on Mon, 9p. Bourdain returns to where NR began, NY City, as he visits the culinary melting pot of Brooklyn. - *Seth Arenstein*

Basic Cable Rankings (10/22/12-10/28/12)			
Mon-Sun Prime			
1	FOXN	2.8	2752
2	ESPN	2	1943
3	USA	1.9	1840
4	DSNY	1.5	1506
5	MSNB	1.3	1213
5	AMC	1.3	1100
7	HIST	1.2	1167
7	TBSC	1.2	1159
9	A&E	1.1	1088
10	FX	1	1023
10	TNT	1	969
10	HGTV	1	940
10	NFLN	1	594
10	DSE	1	79
15	TLC	0.9	931
15	ADSM	0.9	930
15	FAM	0.9	919
15	DISC	0.9	912
15	CNN	0.9	880
20	NAN	0.8	811
20	FOOD	0.8	797
20	SYFY	0.8	775
23	LIFE	0.7	724
23	TRU	0.7	653
23	HALL	0.7	564
26	TVLD	0.6	607
26	CMDY	0.6	574
26	BRAV	0.6	558
26	MTV	0.6	540
26	ID	0.6	492
26	NKJR	0.6	457
32	SPK	0.5	535
32	TWC	0.5	494
32	ESP2	0.5	491
32	LMN	0.5	449
32	EN	0.5	442
32	BET	0.5	410
32	NGC	0.5	379
32	FXDN	0.5	95
40	APL	0.4	407
40	VH1	0.4	398
40	TRAV	0.4	334
40	OXYG	0.4	324
40	DXD	0.4	323
45	HLN	0.3	285
45	OWN	0.3	251

*Nielsen data supplied by ABC/Disney

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