

CableFAX Daily™

Wednesday — November 3, 2010

What the Industry Reads First

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Wider Lode: Discovery Again Unearths Ad, Overall Rev Growth

3 months ago, **Discovery Comm** warned that growth might ebb in 3Q and 4Q on tougher comps. At least in the latest Q, that warning was unnecessary. Perhaps boding well for the cable programmers yet to report this season, **Discovery's** US ad rev jumped 16% from July-Sept, impressive alone but also when compared to the respective increases of 9% and 13% in 1Q and 2Q. Moreover, in May the co said full-yr domestic ad gains should total 5-9%, but already growth sits at 13% through Sept, and 4Q is expected to yield an increase in the mid-teens. And, "with a strong upfront base, we are optimistic about next year," said pres/CEO *David Zaslav*, adding that DISCA's overall growth also accelerated throughout '10. CFO *Brad Singer* said one-third of 3Q domestic ad growth stemmed from audience expansion while COO *Peter Liguori* said DISCA is effectively "filling the gap" in TV viewership left by weakness at the broadcast nets. US affil rev rose 9%, compared to 6% in 2Q, and is tracking at approx +7% for the year. Intl results included 23% growth in ad rev and 4% in distribution, and Zaslav noted 15% overall growth in every intl market. Viewership across DISCA's domestic portfolio was up 7%, led by surging **Investigation Discovery**. Kids net **The Hub** launched in early Oct, leaving Zaslav "very pleased with the initial results." The net's viewership is beating numbers garnered by precursor **Discovery Kids**, in some cases by 2 or 3X. Next up is **OWN**, which goes live New Year's Day with personalities such as *Rosie O'Donnell*, *Dr. Phil* and *Suze Orman*. And, of course, led by "maybe the best brand in media in Oprah," said Zaslav. DISCA's overall rev grew 11% to \$926mln and FCF totaled \$346mln, compared to \$38mln a year ago. The co boosted its FY rev outlook to \$3.75-3.8bln.

Competition: **DirectTV** extended for 4 years its HSP contract with **Multiband**, the nation's largest DirectTV MSO for MDUs. This past summer the pair launched a nationwide platform to target commercial businesses such as bars and restaurants. -- **T-Mobile's** new data service plans for smartphones include an up to 200MB option for \$10/month with a 2-yr service agreement or \$15/month without, and a \$30/month unlimited plan.

TX Two Step: **Comcast**, the Houston Rockets and Houston Astros have agreed to launch **CSN Houston**, which will begin airing Rockets games in '12 and Astros contests in '13. On Fri, the teams informed **Fox Sports Houston** of their plans to terminate their broadcast agreements at the end of the '11-'12 NBA season and '12 MLB season. Ac-



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According to the *Houston Chronicle*, the franchise pair will own nearly 80% of CSN Houston.

OTT: Azuki Systems' new wireless platform distributed live, on demand, short-form and DRM-protected long-form video from programmers including **CBS, Fox News** and **Time Warner**. Also counting **Sony Pictures** as a partner, Azuki allows for customer authentication and dynamic ad insertion. -- Online broadcast play **ivi TV** said it earned a 323% surge in new subs during the **Cablevision-Fox** retrans dispute, aided by its "Keep Calm, ivi's On" campaign. The co says it offers more content than **Hulu**, plus a 30-day free trial to watch major bcst channels including **ABC, NBC, CBS, FOX, The CW, PBS** and others. -- **FilmOn.com** launched a free, fully functional live TV platform for mobile devices including **iPad, Android** and **Blackberry** and featuring content from all major networks and cable channels including **Bloomberg** and **Universal Sports**. -- **Amazon.com** expanded its Disc+ On Demand movie streaming program to feature more than 10K titles.

Earnings: E.W. Scripps reported a 31% jump in TV rev to \$78.5mln on ad rev increases in local (+4.7%), national (+25%) and political (\$14.8mln, compared to \$1.7mln a year ago). The co's overall total bested its '08 results by 2%, aided by a 70% resurgence in the automotive category. Retrans rev grew 66% to \$3mln and online rev increased 35% to \$2.0mln. -- **Fisher's** TV rev rose 27% to \$32mln as core net ad rev (17%) and political ads (+15%) both showed growth. Retrans income totaled \$3.6mln, down from \$4.2mln last year.

Technology: CableLabs bowed a spec for TV Everywhere plays called Online Content Access Authentication and Authorization Interface 1.0. -- As **Comcast** and **Verizon** are also doing, **Cox** is conducting active trials of IPv6, an Internet protocol designed to accommodate Web growth and expand and facilitate the development of services for the platform. The MSO is now testing with business customers and plans to extend trials to its residential product line in the future. -- **Brightcove's** new online video platform features distribution and synchronization with **YouTube, Apple** HTTP streaming for the mobile Web and apps, plus advanced analytics for **Adobe** Flash and HTML5 video.

Intl: Comcast partnered with **CTV** to debut a new Canadian **E!** channel beginning Nov 29. Formerly **Star!**, the net will premiere in more than 6.2mln Canadian homes.

Oct Ratings: Oct was a treat for sports programming on cable as usual, yet a trick for numerous nets as 28 that averaged at least 400K total prime viewers in the month last year suffered declines in '10 while only 11 notched gains. Of Oct's top 50 telecasts, 60% were sports-related—**NFL, NBA, MLB, college football, NASCAR, WWE**—including 9 of the 1st 10 and 14 of the 1st 20. **ESPN's** Giants-Cowboys matchup led the way with a 13.0/12.95mln. Powered by MNF and the MLB playoffs, respectively, **ESPN** (2.7/2.69mln) and **TBS** (2.2/2.25mln) paced all cable nets, though even the pair saw total viewership decline in the month. The top 6 nets, in fact, all showed slides before **TNT, History, Cartoon Net** and **MTV** followed with gains. Led by surging **MTV** (+85%) and **History** (+65%), the remaining nets that showed improvement included **AMC, E!, MSNBC, TLC, Travel Channel, TV Land** and **Nick Jr.** Notable decliners included **VH1** (-42%), **HLN** (-27%) and **Hallmark** (-25%). **[Go to CableFAXDaily.com for more subscriber-exclusive info].**

Brag Book: Just like it did for **TNT**, the Heat assisted **ESPN** in establishing an early-season viewership record. The Oct 29 Heat-Magic game drew a 2.7 coverage rating and averaged 3.77mln viewers to become the sports net's most-viewed opening week game ever—and its 3rd most-viewed regular-season game in history. -- **Oxygen** scored its best Oct ever through double-digit increases among 18-34s (+59%), women 18-34 (+55%), 18-49s (+28%) women 18-49

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Deadline: November 5, 2010 • Enter Online: www.CableFAX.com/BOW • Event: Spring 2011

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

Campaign Categories:

- Ad/Series of Ads
- Blog or Series of Blogs
- Community/Social Networking
- Contest/Online Games
- Corporate Social Responsibility/ Education
- Digital Marketing Campaign
- Digital PR Campaign
- Editorial Excellence - Overall
- Editorial Excellence - Special Section
- Email Newsletter/s
- Smartphone App

- Tablet App
- Original Content
- Podcast or Videocast
- Social Media Campaign
- Supplemental Web Content
- Use of Facebook
- Use of Twitter
- Use of Geo-Location (FourSquare, Gowalla, etc)
- Use of Video
- Virtual Tradeshow or Online Event
- Web Site Design
- Web Site Redesign

People Awards:

- Blogger/Tweeter/Social Networking Facilitator
- Digital Executive (Below VP)
- Digital Hot List (VP and above)
- Video Editor/Producer
- Web Content Director
- Other (please enter an executive who is successfully leading your organization's digital initiatives)

Best Websites:

- Cable Network - Small and Mid-Size (Fewer than 50mIn subs)
- Cable Network - Large (More than 50mIn subs)
- 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
 Rockville, MD 20850

Deadline: November 5, 2010
Late Deadline: November 12, 2010
Event: Spring 2011

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: \$300 each \$300 each \$ _____
 - Secondary entry of same campaign** into one or more categories: \$175 each \$175 each \$ _____
 - Late entry fee: \$175 per entry \$175 each \$ _____
 (for entries sent between Nov. 5, 2010 and Nov. 12, 2010)
- Total \$ _____

The late entry fee must be applied to each individual entry postmarked after Nov. 5, 2010.
 * Payment in full must accompany the entry.
 ** If entering more than one category, please submit separate entry forms.

Payment Options

- Check (payable to Access Intelligence/CableFAX) Money Order
- Mastercard Visa Discover American Express

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The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine.

Questions? Contact Awards Coordinator Mary Lou French at 301-354-1610; mfrench@accessintel.com.
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BUSINESS & FINANCE

(+31%) and total viewers (+14%).

Programming: With *Mary Tyler Moore* set to guest star, **TV Land's** "Hot in Cleveland" returns Jan 19 with 20 eps. -- **BET's** "Black Girls Rock!" (Sun) pays tribute to stars such as *Missy Elliot* and *Raven Simone*. *Nia Long* hosts.

Editor's Note: Only a few more days before the Nov 5 deadline to submit nominations for our "Best of the Web" awards. More info: <http://www.cablefax.com/cfp/bow/>

On the Circuit: **CTAM** is phasing out its local chapters by the end of '11, but there's life left in them. FL's chapter will continue its free Webinars and once again will stage its Florida Cable Forum (June 8-10) in Key Biscayne. It will be "the final and most memorable event ever," **CTAM** FL pres *Reinaldo Lihano* said in a note to members Tues. -- **WICT** has reached an all-time high of 8,146 members, a feat the org attributes to the educational opportunities it provides and a new membership campaign.

Business/Finance: **AT&T** acquired certain assets and retained some employees from mobile system integrator and tech provider **inCompass Wireless** to expand its enterprise mobility solutions. -- **ESPN** completed the sale of membership org **BASS** to a group of investors including *Don Logan*, *Jerry McKinnis* and *Jim Copeland*.

CableFAX Daily Stockwatch

Company	11/02 Close	1-Day Ch	Company	11/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	44.09	0.32	ARRIS GROUP:	9.60	0.50
DISH:	20.27	(0.04)	AVID TECH:	12.70	0.42
DISNEY:	36.11	0.08	BIGBAND:	3.02	0.04
GE:	15.94	(0.01)	BLNDER TONGUE:	2.49	0.09
NEWS CORP:	16.41	0.22	BROADCOM:	40.91	0.11
MSOS					
CABLEVISION:	27.30	0.11	CISCO:	23.17	0.25
CHARTER:	32.51	(0.04)	CLEARWIRE:	7.17	0.11
COMCAST:	20.68	0.18	COMMSCOPE:	31.50	0.06
COMCAST SPCL:	19.46	0.19	CONCURRENT:	4.94	(1.96)
GCI:	10.49	0.49	CONVERGYS:	11.50	0.16
KNOWLOGY:	14.55	0.18	CSG SYSTEMS:	19.69	0.62
LIBERTY CAPITAL:	59.94	1.04	ECHOSTAR:	21.40	(0.15)
LIBERTY GLOBAL:	38.16	0.51	GOOGLE:	615.60	0.60
LIBERTY INT:	14.77	0.34	HARMONIC:	6.78	0.40
MEDIACOM:	7.10	0.12	INTEL:	20.34	(0.23)
SHAW COMM:	21.42	(0.06)	JDSU:	10.64	0.28
TIME WARNER CABLE:	58.44	0.82	LEVEL 3:	0.91	(0.01)
VIRGIN MEDIA:	25.90	0.23	MICROSOFT:	27.39	0.44
WASH POST:	403.23	12.63	MOTOROLA:	8.00	(0.02)
PROGRAMMING					
CBS:	17.35	0.29	RENTRAK:	27.29	1.16
CROWN:	2.81	(0.05)	SEACHANGE:	8.42	0.14
DISCOVERY:	44.49	0.09	SONY:	32.71	0.01
GRUPO TELEVISA:	22.66	(0.22)	SPRINT NEXTEL:	4.10	(0.04)
HSN:	29.75	0.57	THOMAS & BETTS:	44.62	0.33
INTERACTIVE CORP:	27.99	0.23	TIVO:	11.00	UNCH
LIBERTY:	39.88	0.36	TOLLGRADE:	8.03	(0.03)
LIBERTY STARZ:	64.26	(0.58)	UNIVERSAL ELEC:	20.93	(0.14)
LIONSGATE:	7.43	0.21	VONAGE:	2.48	(0.02)
LODGENET:	2.65	0.09	YAHOO:	16.19	0.04
NEW FRONTIER:	1.92	0.12	TELCOS		
OUTDOOR:	5.32	0.07	AT&T:	28.94	0.22
PLAYBOY:	4.81	(0.01)	QWEST:	6.67	0.06
SCRIPPS INT:	50.64	(0.33)	VERIZON:	32.80	0.40
TIME WARNER:	32.41	0.08	MARKET INDICES		
VALUEVISION:	2.32	0.05	NASDAQ:	2533.52	28.68
VIACOM:	43.15	0.25	S&P 500:	11188.72	64.10
WWE:	13.80	(0.04)	S&P 500:	1193.57	9.19
TECHNOLOGY					
ADC:	12.69	UNCH			
ADVANTAGE:	3.12	(0.09)			
ALCATEL LUCENT:	3.52	0.09			
AMDOCS:	30.41	(0.11)			
AMPHENOL:	51.12	1.14			
AOL:	25.29	(0.23)			
APPLE:	309.36	5.18			



The annual CableFAX 100 issue salutes cable's leaders, pioneers, influencers and rainmakers. The Regional Top Players will also be profiled.

Sponsor the CableFAX 100 Awards Luncheon, December 9, 12-2:30pm in NYC. Go to www.cablefaxmag.com for details on registration and sponsorship opportunities.

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