

# CableFAX Daily™

Tuesday — November 6, 2007

What the Industry Reads First

Volume 18 / No. 216

## Succession Plan: TW Investors Putting Their Faith in Bewkes

The waiting finally came to an end Mon afternoon when **Time Warner** announced that its board elected *Jeff Bewkes* to replace *Dick Parsons* as CEO. Parsons will remain as chmn, and Bewkes will keep his pres title. The succession plan had long been expected, but rumors that an announcement was near started a few weeks ago and sent TW's share price up. Investors anticipate that Bewkes will be more aggressive with restructuring the company, particularly trimming TW's interest in **Time Warner Cable**. "We expect Mr Bewkes will be less sentimental about selling or spinning off divisions, such as publishing, or reducing the current 84.5% stake in cable systems," **Oppenheimer's Thomas Eagan** said, adding that he doesn't expect any restructuring to occur until the Time Warner Ent partnership's 5-year anniversary in Mar because of tax reasons. **UBS** has said it's not convinced Bewkes will immediately plunge into asset divestiture. "We believe he could increase company value through strategic transactions and operational improvements, but the full impact of changes could take a year or more to be realized," UBS told clients last month. Time Warner and Time Warner Cable report 3Q results on Wed. The MSO is expected to post lackluster results in line with 2Q's, with basic sub losses anticipated to be around 40K-50K. It's likely the cable operator will also field some questions Wed about **Sprint's** announcement that it will not offer Pivot in any new retail stores. The MSO, which has talked about launching in every division by year-end, has said it's reviewing other options for expanding wireless service. Of all the Sprint wireless jv partners, Time Warner has been the most aggressive in rollouts, with launches in TX, WI, NY, OH and NC. Time Warner shares closed down 0.39%, while Time Warner Cable closed up 0.89%.

**Meeting Consolidation:** Cable associations, **NCTA** and NCTA board members held a conference call Mon to once again address how to consolidate the industry's various events around 2 weeks—one in the fall and one in the spring during the **Cable Show**. Attendees feel they are "moving closer to something resembling more of a proposal," but more discussion is needed, an NCTA spokesman said. This was the 1st meeting since the initial gathering in NY Oct 22 (**Cfax**, 10/23). The group is beginning to kick around ideas of how to move some events around those 2 clusters, he said.

**HSN+4:** **IAC's** board has approved a plan to separate the company into 5 publicly traded entities, including 1 comprising **HSN** and **Cornerstone Brands'** portfolio of catalogs, Websites and retail locations. "HSN is ready to be competitive. I don't think we question at all whether or not it has 'turned around'," said IAC chmn/CEO *Barry Diller*, who cited IAC's current complexity and a scaling of its Internet properties as key reasons for the shake up. The other slated segments include **Ticketmaster**; travel-related **Interval Intl**; **Lending Tree**; and **IAC**, which will include emerging businesses and popular Web plays such as **Match.com** and **Citysearch**. When the transaction completes, IAC shareholders will own 100% equity in all 5 companies. *Mindy Grossman* will remain HSN's chief exec. IAC also announced a deal whereby **Google** becomes the sponsored listings provider for its Web properties for 5 years. Diller said the pact will lead to rev-

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venue exceeding \$3.5bln: "I couldn't imagine a sector that has more wind at its back than online advertising of every kind."

**Wireless:** Google is hoping to break into the wireless market, unveiling Mon "Android," its mobile phone software. 34 companies, including **Motorola** and **Sprint**, have signed on to the **Open Handset Alliance** to work on developing applications for the platform. The 1st phones based on Android is expected to hit the market in the 2nd half of '08. The announcement is big in that applications will be developed more independently from phone makers and network operators.

**Picket Line:** As promised, screen writers took to picket lines Mon, sending **Comedy Central's** "Daily Show" and "Colbert Report" into immediate reruns. **TBS** will debut late-night comedy series "Frank TV" as planned on Nov 20, though it's not clear how many eps will be available to air. **TV Guide** said it will cover the strike in its magazine, Website ([www.TVGuide.com/strikewatch](http://www.TVGuide.com/strikewatch)) and via **TV Guide Network**.

**Competition:** AT&T hired **PR/Strategies Intl** to lobby on telecom issues, including the fight against net neutrality.

**In the States:** Suddenlink has 75K phone subs vs 30K in Dec, following the completion of the MSO's planned '07 phone expansion. IP phone is now available to more than 2mln HHs in approximately 80% of Suddenlink's footprint—a sharp contrast to the less than 400K homes in west TX that had availability in Jan. -- **Gemstar-TV Guide** inked a long-term distribution pact with **Atlantic Broadband** that covers **TV Guide Net**, **TVG**, **SPOT** on demand nets and the company's interactive programming guide. -- **Cox** will launch **CSTV** on its sports & information tier in New Orleans next week, and is offering tier customers a special preview of the channel until the launch.

**Stay Tuned:** Insight continued its solid 2Q success in myriad areas, including Y-over-Y and sequential sub increases across basic (1.36mln total), digital (688K), HSD (723K) and phone (221K) for 3Q. A net basic gain of 21K subs represents the best 3Q performance in Insight's history, and a 44K net gain in VoIP customers established a historical growth record for an individual Q. Total rev increased 14% to \$362mln. The MSO will hold a conference call Tues on earnings.

**MyAds:** News Corp's MySpace officially launched Mon its "SelfServe" advertising platform, which allows clients to upload their own ads that can be segmented based on demographic criteria. The site also expanded to 100 the number of target categories available to advertisers through its "HyperTargeting" platform. The site's "ability to improve the value of its display ads and the click-thru rates of its vast number of personal page ads is very significant financially," said **Pali Capital**. Also impressive, the firm said, is the quality of advertisers participating in the site's "Hyper" platform: **P&G**, **Ford**, **Microsoft**, **Taco Bell** and **Toyota**. Rival **Facebook** is expected to soon launch its own ad network.

**Good Vibes:** Not everyone's launching "ComcastMustDie" blogs or bludgeoning the MSO with a hammer. We stumbled on a new blog, **ComcastRocks** (<http://comcastrocks.blogspot.com>). The blogger says she works in telecom (apparently at **Comcast**), but writes she isn't getting paid by Comcast or anyone else to create the site. "I think we all have a lot to be thankful for when it comes to Comcast," she blogs, ticking off fast HSD speeds, a job, TV entertainment, etc. "Please don't think that for a minute that Comcast as a corporation doesn't care about there (sic) customers and or employees," she writes, noting it has "taken some time to improve all the services customers receive, but we are getting there."

**VOD:** ESPN and Microsoft agreed to add standard-def and HD content from the net through on demand gaming

### On Healthcare:

"To be perfectly frank, I'm tired of freeloaders. If people can't afford healthcare, then they shouldn't get sick."

### Is this your view?

It will be if you don't vote. In the last election 35 million women didn't.

Go to [WEVote08.com](http://WEVote08.com) to register.



# BUSINESS & FINANCE

market **Xbox Live**. Included: full-length NCAA football and basketball games, Summer X Games 13 and "The Contender." -- **Oxygen** surpassed 25mln VOD subs. -- **Film Festival Channel**, an on demand net sponsored by Stella Artios, has been launched in certain **Cox, Comcast, Mediacom, Armstrong, Bresnan** and **FiOS TV** markets. The net features first-run indie and foreign films.

**People:** **AMC** vp, programming and production **Robert Sorcher** will assume in Jan the role of chief content officer at **Cartoon Net**. -- **Nickelodeon/MTVN Kids and Family Group** promoted **Stacey Kaufman** to vp, digital marketing and **Tony Zito** to vp, **The N Online**.

**Business/Finance:** **Outdoor Channel Holdings** will restate 1Q07 and 2Q07 financials to correct the amortization period for the recognition of non-cash share-based compensation costs, according to an **SEC** filing. The recorded \$1.65mln in compensation expense for each quarter will be adjusted to \$2.99mln in 1Q and \$2mln in 2Q. While the adjustments materially impact 1Q and 2Q, the overall compensation expense is expected to remain at \$6.6mln for the full year. Because of the restatement, Outdoor expect to be late filing 3Q results.

-- That was **RBC Daniels** that initiated the **Charter** and **WaveDivision** systems swap for certain CA communities (**Cfax**, 11/5). It also advised both parties.

## CableFAX Daily Stockwatch

Company	11/05 Close	1-Day Ch	Company	11/05 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	52.96	(1.9)	AMPHENOL:	43.57	0.16
DIRECTV:	25.26	(0.36)	APPLE:	186.18	(1.69)
DISNEY:	33.88	(0.04)	ARRIS GROUP:	11.21	(0.24)
ECHOSTAR:	47.88	0.38	AVID TECH:	28.16	(0.47)
GE:	40.20	(0.13)	BIGBAND:	5.86	(0.14)
HEARST-ARGYLE:	22.16	0.06	BLNDER TONGUE:	1.20	0.05
ION MEDIA:	1.40	0.02	BROADCOM:	32.91	0.29
NEWS CORP:	21.97	(0.36)	C-COR:	11.91	(0.15)
TRIBUNE:	28.57	(1.18)	CISCO:	33.08	0.57
<b>MSOS</b>					
CABLEVISION:	27.34	(0.86)	COMMSCOPE:	45.17	(0.87)
CHARTER:	1.80	(0.19)	CONCURRENT:	1.05	(0.02)
COMCAST:	20.42	(0.13)	CONVERGYS:	18.00	(0.16)
COMCAST SPCL:	20.16	(0.14)	CSG SYSTEMS:	19.13	(0.27)
GCI:	7.90	(0.08)	GEMSTAR TVG:	6.80	(0.22)
KNOLOGY:	15.75	(0.65)	GOOGLE:	725.65	14.40
LIBERTY CAPITAL:	120.61	(1.39)	HARMONIC:	11.39	0.11
LIBERTY GLOBAL:	40.83	0.28	JDSU:	14.58	0.08
LIBERTY INTERACTIVE:	20.85	(0.45)	LEVEL 3:	3.03	(0.03)
MEDIACOM:	5.49	(0.06)	MICROSOFT:	36.73	(0.33)
NTL:	28.22	0.00	MOTOROLA:	17.71	(0.24)
ROGERS COMM:	42.97	0.00	NDS:	57.60	(0.82)
SHAW COMM:	27.80	(0.41)	NORTEL:	16.28	0.13
TIME WARNER CABLE:	27.35	0.24	OPENTV:	1.36	0.04
WASH POST:	836.25	36.10	PHILIPS:	42.82	0.47
<b>PROGRAMMING</b>					
CBS:	27.60	(0.07)	RENTRAK:	15.10	(0.21)
CROWN:	6.80	(0.51)	SEACHANGE:	5.70	(0.22)
DISCOVERY:	27.14	(0.91)	SONY:	48.64	(0.9)
EW SCRIPPS:	44.38	(0.15)	SPRINT NEXTEL:	17.01	(0.14)
GRUPO TELEVISA:	23.42	(0.21)	THOMAS & BETTS:	53.91	(0.28)
INTERACTIVE CORP:	31.84	2.22	TIVO:	6.82	0.02
LODGENET:	20.86	0.35	TOLLGRADE:	8.10	0.12
NEW FRONTIER:	5.88	(0.07)	UNIVERSAL ELEC:	34.06	(0.16)
OUTDOOR:	8.26	(0.41)	VONAGE:	1.99	(0.08)
PLAYBOY:	11.08	0.08	VYYO:	5.60	(0.13)
TIME WARNER:	17.81	(0.07)	YAHOO:	31.36	0.25
UNIVISION:	36.23	0.00	<b>TELCOS</b>		
VALUEVISION:	5.05	(0.08)	AT&T:	40.04	(0.38)
VIACOM:	42.07	0.51	QWEST:	6.90	(0.14)
WWE:	14.85	(0.07)	VERIZON:	43.82	(0.56)
<b>TECHNOLOGY</b>					
3COM:	4.81	(0.03)	<b>MARKET INDICES</b>		
ADC:	18.56	(0.04)	DOW:	13543.40	(51.7)
ADVANTAGE:	7.23	(0.12)	NASDAQ:	2795.18	(15.2)
ALCATEL LUCENT:	8.96	(0.13)			
AMDOCS:	34.79	(0.66)			

## LAST CHANCE!

### WE ARE MOVING TO A NEW SATELLITE AND CONVERTING TO DIGITAL.

On Wednesday, November 7th at 12:00 Noon ET, Fox News Channel is moving to **Galaxy 11/Transponder 6** from its current location on Galaxy 15/Transponder 21, and will convert its signal from analog to a digital feed.

Please go to [FOXNEWS.COM/SATELLITECHANGE](http://FOXNEWS.COM/SATELLITECHANGE) to access the Digital Authorization Form and additional technical information.





# Congrats, Brian.

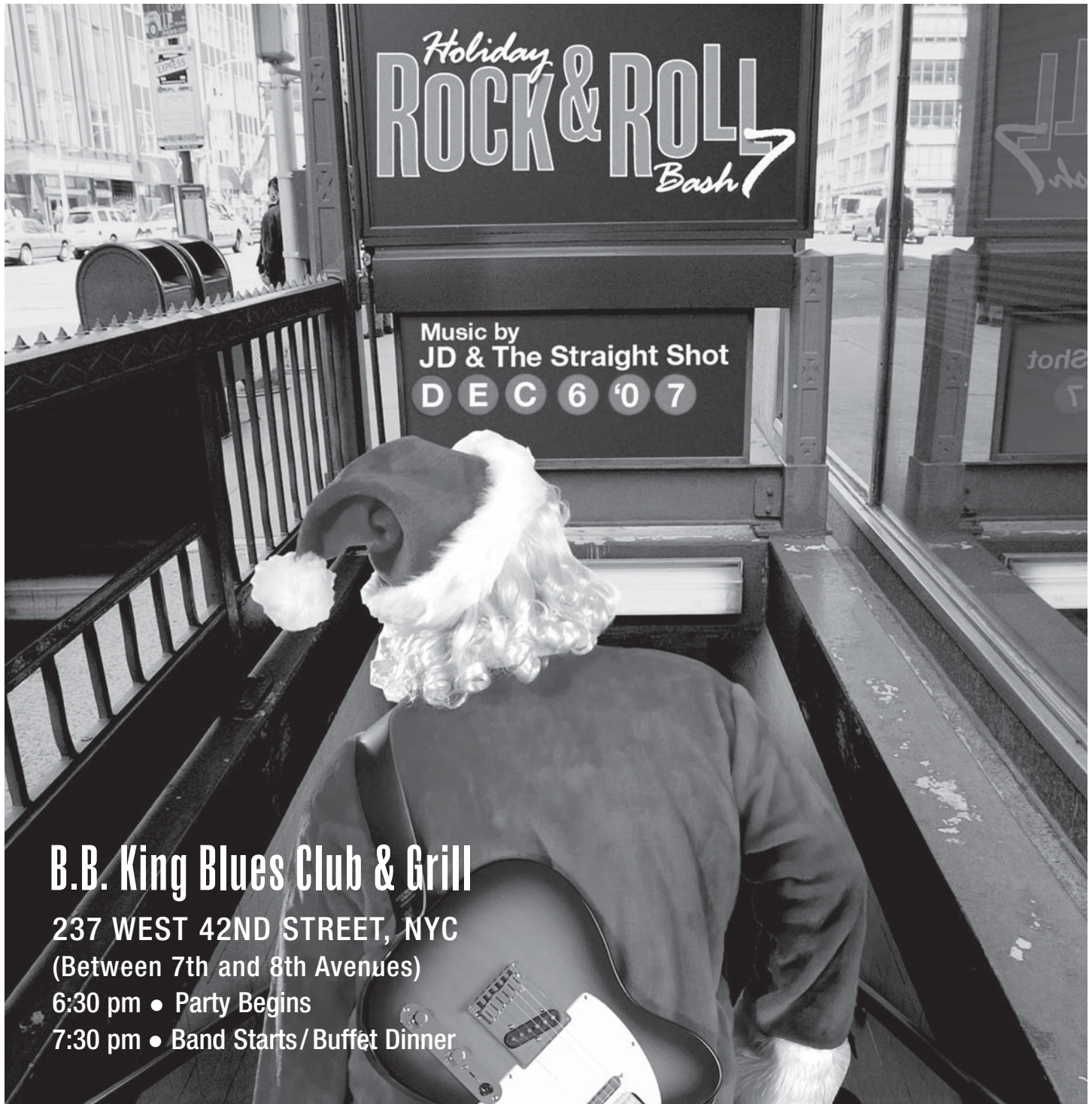
We in the cable industry congratulate Brian Lamb on receiving the Presidential Medal of Freedom.

Brian, we admire your leadership in helping to create C-SPAN.

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