4 Pages Today

CableFAX Daily™

AMC Numbers: Shares Fall Despite Shows' Strong Performance

You know what they say about being at the top? It's just one misstep to the bottom. And so with **AMC** drawing record ratings for "The Walking Dead" and critical acclaim for its just-wrapped "Breaking Bad," the question top of mind is can it keep the momentum going—especially given everyone else's recent push into scripted shows. **AMC Networks** CEO *Josh Sapan* acknowledged during Thurs' earnings call that new entrants are, "in theory," doing programs similar to AMC. "The networks are doing some shows that look more like cable dramas. SVOD services are themselves doing scripted dramas with some success," he said. "I think the full implications of that over time are not yet entirely understood." But given the successes beyond AMC (he cited **Sundance**'s "Rectify"), he sees a significant and increased appetite for scripted drama. Of course, all that programming costs money, and increased expenses in 3Q offset gains from AMC's popular programming. AMCN shares closed down nearly 6% Thurs as its 3Q profit of $58.1mln for the Q (up nearly 59% YOY) fell short of Wall Street expectations. Revenue grew 19% to $395mln. **Bernstein Research** said it and fellow bulls will point to the revenue line, while bears will point to AMCN's earnings line and future growth, with the results unable to put to rest controversy in the stock. It may all rest in the success of future shows, like "Better Call Saul" and a Walking Dead companion series. "We would be buyers of any pullback in AMCX shares due to the company's industry-leading growth characteristics; the results from the core operations appear closer to our estimates than the overall results," **ISI Media** told clients, saying the timing of programming expense recognition is a factor in margin volatility. Another big question for AMCN—can its entire portfolio have AMC-like success? In the programmer's favor are recent MVPD deals that give it some additional universe growth, particularly for Sundance, **WE tv** and **IFC**. "That's another way that we're able to use the leverage of the hit series, not only for increased rates, but for increased exposure for all of our networks," COO *Ed Carroll* said. WE tv, now headed by former truTV exec *Marc Juris*, will launch scripted drama "The Divide." And Sapan said the company is very keen on a new Sundance show called "The Red Road." One thing is clear, AMCN will continue to experiment with on-demand platforms—traditional cable VOD as well as SVOD offerings, like **Netflix**—as a way of maximizing consumption and sampling. Sapan pointed to the decision to premiere Sundance's Rectify on cable VOD first. "That would have historically been seen as heretical, right?" he said. "We gave

it away before it occurred because we felt that the word-of-mouth stimulated by the consumption of it and, frankly, the time and attention required would benefit the actual linear exhibition. And we think we were redeemed." Anyone hoping for more details on AMC's **Chellomedia** acquisition was disappointed, with network brass declining to say much because the deal hasn't closed yet. Sapan did acknowledge that having a global footprint through Chello should help in decisions regarding programming control. "It will give us... greater opportunity to make specific determinations with future shows about whether they're sold to 3rd parties, whether we keep them for ourselves, which shows will work in which geographies and on which channels," he said.

Scripps: With **Scripps**' **Travel Channel** seeing the departure of *Laureen Ong* last month after more than 3 years as pres, Scripps Networks pres *Burton Jablin* shed some light on the leadership change at the company's 3Q earnings call Thurs. The net had a solid quarter, with net income up 9% YOY to $129mln. Moving forward, Travel Channel will have "a tighter focus in terms of what we think will drive the brand identity," said Jablin, who is overseeing Travel until a successor is named. "There's really an attempt to create programming" about "adventure seeking, curiosity about the world, intrigue, some degree of mystery about experiences," he said. "It's a great team that Laureen Ong put in place as she very successfully made the transition of Travel Channel into the Scripps Networks family," he said. But also on Ong's watch, the channel saw the end of its relationship with *Anthony Bourdain,* who took his show to **CNN.** Scripps acquired a controlling stake in Travel from **Cox** in '09. The channel is still considered Scripps' biggest growth opportunity, Jablin said. Chmn/CEO *Kenneth Lowe*, meanwhile, said Travel and **Food Network** should see growth from international markets, and he noted that Scripps completed the acquisition of **Asian Food Network** in 2Q and is now moving to expand the channel through Asia. Lowe said a launch plan is also underway in Latin America. Scripps' revenue in the quarter climbed 9% YOY to $617mln on higher advertising and affiliate gains. However, higher programming costs drove overall expenses to $355mln, up 13% from last year. Unlike other cable nets, delayed viewing probably won't give Scripps nets as much lift. Nor is it focused on SVOD/OTT licensing deals. Scripps inked a deal with **Amazon** last year and is actively considering upping the size of the deal, but "we don't believe that we have exactly the kind of programming that works for as a hit" on SVOD plays like **Netflix**. In terms of ratings in the quarter, Jablin acknowledged choppiness at Food but said it was sequential and hasn't necessitated giving out make goods. "It's all about programming our way out of it," he said.

Twitter: Investors showed their enthusiasm as **Twitter** debut on the NASDAQ Exchange, pushing its share price to as high as $50.09, nearly doubling the $26 per share IPO price. However, the stock lost some steam in late pm trading as it closed at $44.90 a share. That's still up 73%. The company recently inked a deal with **Comcast** that seeks to enable immediate tune-in from social media activities. Rocking stock aside, Twitter's losses continue to accelerate. The $64.6mln loss in 3Q was up around 50% from the previous quarter. Still, revenues continued to rise thanks to advertising gains. Revenues were $168.6mln in the quarter, up from $82.3mln in the year-ago period. Advertising is part of the Comcast deal, which allows **NBCU**'s advertisers to expand their TV and digital sponsorships to Twitter through its Amplify program. **NBC Sports Group** is the 1st to participate in the new ad program while **E!** and **USA** are among the earliest adopters.

Deals: **Time Warner Cable** and **AETN** signed a multi-year renewal that includes authenticated TVE offerings for the MSO's customers. The deal, which encompasses **Bright House** subs as well, includes continued carriage of **A&E, Lifetime, History, LMN, Bio, H2, History en Espanol, Crime & Investigation, Military History** and **Lifetime Real Women**.

OTT: **Sony** said 11 digital entertainment apps will be available on the Playstation 4 at launch next week. In addition to **Netflix, Hulu** Plus and **Amazon** Instant Video, the console will offer **Sony Pictures Television**'s **Crackle**, anime service **Crunchyroll**, **NHL** GameCenter Live (requires subscription), **Redbox Instant by Verizon**, HD offerings from **Vudu** and Indian TV and movie provider **YuppTV**. **Epix** and **NBA Game Time** also will be available to authenticated users. -- **Netflix** is teaming up with Mickey again. **Disney**'s **Marvel TV** will develop series featuring 4 of Marvel's most popular characters for the streaming service starting in '15. Netflix has booked at least 4, 14-ep series and a culminating Marvel's "The Defenders" mini-series. The new original TV deal follows last year's movie distribution deal through which Netflix will be the exclusive US platform for first-run, live-action and animated movies from the **Walt Disney Studios.** -- **Animal Planet** takes to the seas once more with the return of 2-hour special "Whale Wars" on Dec 13.

Education: **Discovery Comm** made its 1st intl education-focused acquisition, picking up **Espresso Group**, a provider of primary school digital education content in the UK. Terms weren't disclosed. **Discovery Education** will oversee the

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business. *James Rosenstock* was promoted to the newly created post of pres, Discovery Education Intl. He'll continue in a dual role as evp, global corporate development overseeing global mergers and acquisitions and corporate strategy for Discovery as a whole.

TVE: **CMT** will pre-release the 1st ep of the new season of "Sweet Home Alabama" on its new app, featuring TVE functionality. The app includes access to a library of current eps and full seasons of shows, including "Dog and Beth: On the Hunt" and "Trick My Truck." TVE deals are in place with 10 distributors, including **AT&T U-verse, Cablevision, DirecTV, Suddenlink, Time Warner Cable** and **Verizon FiOS**.

Business/Finance: **Disney** reported 4Q earnings after the bell, with sales increasing 7% to $11.6bln as profits rose 6% to $2.5bln. For the Q, media networks revenue increased 1% to $4.9bln, while segment operating income increased 3% to $6.8bln. Factor that out, and operating income would have increased by $77mln.

People: **DISH** appointed **Wells Fargo Bank** adviser and former **MediaOne** CEO *Charles Lillis* to its board, effective Tues. He'll served on the audit, exec compensation and nominating committees. -- **Starz** upped *John Penney* to chief strategy officer, reporting to CEO *Chris Albrecht*. Penney was previously evp, strategy and business development.

CableFAX Daily Stockwatch

Company	11/07 Close	1-Day Ch	Company	11/07 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			ECHOSTAR:	46.59	(0.65)
21ST CENTURY FOX:	32.80	(1.12)	GOOGLE:	1007.95	(14.8)
DIRECTV:	63.10	(0.4)	HARMONIC:	7.18	(0.12)
DISH:	48.20	(0.64)	INTEL:	24.06	(0.19)
DISNEY:	67.15	(1.85)	JDSU:	12.37	(0.47)
GE:	26.60	(0.3)	LEVEL 3:	29.73	(0.3)
			MICROSOFT:	37.50	(0.68)
MSOS			MOTOROLA MOBILITY:	14.00	0.08
CABLEVISION:	15.63	(0.33)	NIELSEN:	39.11	(0.59)
CHARTER:	127.47	(1.45)	RENTRAK:	35.14	(0.8)
COMCAST:	47.24	(0.57)	SEACHANGE:	13.31	(0.69)
COMCAST SPCL:	46.14	(0.61)	SONY:	16.86	(0.21)
GCI:	9.58	(0.22)	SPRINT NEXTEL:	6.99	(0.08)
LIBERTY GLOBAL:	79.47	(1.51)	TIVO:	13.42	(0.14)
LIBERTY INT:	26.98	(0.6)	UNIVERSAL ELEC:	37.56	(1.57)
SHAW COMM:	23.79	(0.16)	VONAGE:	3.44	(0.02)
TIME WARNER CABLE:	118.24	(1.97)	YAHOO:	32.11	(0.77)
WASH POST:	653.81	10.09			
			TELCOS		
PROGRAMMING			AT&T:	35.11	(0.71)
AMC NETWORKS:	68.15	(4.2)	VERIZON:	50.17	(0.44)
CBS:	56.91	(2.71)			
CROWN:	3.10	(0.03)	**MARKET INDICES**		
DISCOVERY:	84.19	(1.46)	DOW:	15593.98	(152.9)
GRUPO TELEVISA:	29.54	(0.28)	NASDAQ:	3857.33	(74.61)
HSN:	55.26	1.29	S&P 500:	1747.15	(23.34)
INTERACTIVE CORP:	55.05	(0.12)			
LIONSGATE:	32.14	(1.68)			
MADISON SQUARE GARDEN:	55.46	(1.54)			
SCRIPPS INT:	76.16	(4.13)			
STARZ:	27.40	(1.53)			
TIME WARNER:	65.38	(2.31)			
VALUEVISION:	5.16	(0.15)			
VIACOM:	81.04	(2.73)			
WWE:	12.62	(0.1)			
TECHNOLOGY					
ADDVANTAGE:	2.60	0.03			
ALCATEL LUCENT:	3.93	(0.27)			
AMDOCS:	39.58	0.08			
AMPHENOL:	80.27	(0.61)			
AOL:	41.68	(1.44)			
APPLE:	512.49	(8.43)			
ARRIS GROUP:	16.96	(0.29)			
AVID TECH:	7.50	UNCH			
BLNDER TONGUE:	0.95	0.02			
BROADCOM:	26.31	(0.41)			
CISCO:	23.11	(0.17)			
CONCURRENT:	7.44	0.03			
CONVERGYS:	19.41	(0.19)			
CSG SYSTEMS:	26.88	(0.48)			

PROGRAMMER'S PAGE

A Killer's Descent...

Not long after **Nat Geo** acquired the rights to *Bill O'Reilly*'s bestseller "Killing Kennedy," Nat Geo CEO *David Lyle* and pres *Howard Owens* found themselves in a meeting with actor *Rob Lowe*. "I sat staring at Rob, my man crush in full bloom, calculating in my mind just how we were going to get Rob to play this role," Owens told the audience at Mon night's L.A. premiere for the small-screen adaptation premiering Sun. "When Rob Lowe agreed to play JFK, he elevated the status of our channel." To be sure, Lowe's participation was a publicity coup for the net, but the real star of "Killing Kennedy" isn't Lowe at all; it's a relatively unknown actor named *Will Rothhaar*, who plays assassin *Lee Harvey Oswald* with a manic empathy few have replicated. Much of the movie focuses on Oswald's transformation from a communist sympathizer to a job-hopping drifter to an alleged assassin convinced the FBI and others are out to persecute him for his political views. He craves attention for his pro-communist leanings, fantasizes about the press hanging on his every word and spends most of the movie sneering, save one poignant scene in which Rothhaar's Oswald baths in the joy of seeing photographers at the Dallas police station and believing he's finally going to have a global platform. *Jack Ruby* ended that fantasy minutes later. While not everyone may agree the movie delves deeply enough into Oswald's motivations (see *Seth Arenstein*'s take below), Killing Kennedy paints a decent picture of an unbalanced and tragically narcissistic young man. But in the end, we feel most sorry for his wife Marina (*Michelle Trachenberg*), who stands by him longer than most would but ultimately can no longer endure his abuse. It's hard to deny the psychological similarities between Oswald and so many loner gunmen who make news headlines nearly every week in America. And it's chilling. - *Michael Grebb*

Reviews: "The Lylas," premiere, Fri, 9p, **WE tv**. Can 4 young women with good voices and a famous brother (*Bruno Mars*) succeed in music? Hmmm—they seem to prefer lounging on Hawaiian beaches to rehearsing (can't blame them). Still, girl-band fans should devour this reality series and its photogenic stars. -- "A Crime to Remember," premiere, Thurs, 10p, **Investigation Discovery**. An unabashed homage to "Mad Men" featuring 1950s-60s crimes. Ep 1 is a superbly told story of *Alice Crimmins*, accused of killing her kids. Loved seeing veteran crime reporter *Irene Cornell*'s insights. – "Killing Kennedy," Sun, 8p, **Nat Geo** and "Capturing Oswald," Tues, 10p, **Military**. One of the hooks in "Killing" was supposed to be a meaty look at Oswald, but it's only potatoes. Even *Rob Lowe*'s fine accent can't save this forgettable film, whose final 30 minutes are its most compelling. A far better take comes from Military, which interviewed Dallas Police officers and detectives who solved the case of patrolman *J.D. Tippet*, shot moments after JFK, and which netted Oswald. Among the fine first-person accounts is one from *Jim Leavelle*, the detective handcuffed to Oswald when *Jack Ruby* shot the presumptive assassin. Leavelle is the tall, light-suited man in a white hat to Oswald's right in the Pulitzer Prize-winning photo. *Kate Greindling*, Leavelle's granddaughter, co-produced the film. - *Seth Arenstein*

Basic Cable Rankings (x/xx/13-x/xx/13) Mon-Sun Prime			
1	ESPN	1.0	2382
2	FOXN	0.8	1989
2	DSNY	0.8	1925
2	TNT	0.8	1912
2	USA	0.8	1895
6	TBSC	0.7	1765
6	AMC	0.7	1699
8	HIST	0.6	1601
8	FX	0.6	1451
8	DSE	0.6	139
11	A&E	0.5	1307
11	HGTV	0.5	1247
11	ADSM	0.5	1223
11	DISC	0.5	1208
11	HALL	0.5	1161
11	NAN	0.5	1140
11	FAM	0.5	1109
11	NFLN	0.5	951
19	SYFY	0.4	1098
19	TLC	0.4	1028
19	LIFE	0.4	997
19	FOOD	0.4	983
19	BET	0.4	882
24	SPK	0.3	852
24	ID	0.3	717
24	VH1	0.3	715
24	TVLD	0.3	696
24	APL	0.3	671
24	BRAV	0.3	669
24	CMDY	0.3	654
24	TRU	0.3	621
24	DSJR	0.3	530
33	ESP2	0.2	603
33	MSNB	0.2	599
33	TRAV	0.2	513
33	EN	0.2	513
33	NGC	0.2	498
33	MTV	0.2	455
33	LMN	0.2	435
33	CNN	0.2	413
33	DXD	0.2	404
33	NKJR	0.2	397
33	OWN	0.2	360
33	WE	0.2	349
33	H2	0.2	343
33	OXYG	0.2	334

*Nielsen data supplied by ABC/Disney