

CableFAX Daily™

Friday — November 13, 2009

What the Industry Reads First

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A Better Mouse Trap?: Disney Moving Ahead with Multiplatform Changes

A transformation is underway at **Disney**, and it will likely affect the entire cable industry. **Disney Studios** chmn and former **Disney Channels Worldwide** pres *Rich Ross* moved to consolidate responsibility of marketing and distribution of films under a single team. The change could affect premium nets and cable VOD regarding the timing of film releases across providers and platforms, and it was a nod to consumers' changing habits and use of various technologies. "A certain amount of change is inevitable as we move to adopt a new strategic approach to the way we make, market and deliver our films," said Ross. Additionally, changes in The Mouse's distribution modes covering both films and TV series may come from the subscription-based Internet service it's developing. Disney CEO *Bob Iger*, who has expressed concerns about cable's authentication initiative, seems willing to take Disney in its own direction. "When you serve customers better, you should be able to charge for that," said Iger, noting he wants to offer digital content to non-pay TV subs as well because "the most important master we're trying to serve is the consumer." Meanwhile, Ross made several exec changes on the studios side, as did Iger on the corporate side—sr evp/CFO *Tom Staggs* and chmn, **Walt Disney Parks and Resorts** *James Rasulo* will effectively swap posts at the end of the year—but there was still no word on Ross' replacement at Disney Channels Worldwide. The company didn't respond to inquiries. Within Disney's media nets segment, **ESPN** shined last Q with higher affil rev and relative improvement in ad rev, which ranged from flat to -3% YOY. Interestingly, Iger said it's clear "that investments ESPN has made in programming" are helping the net lure advertisers from traditionally non-sports categories. He also noted "really encouraging growth in digital" at the sports giant, including **ESPN360.com** and smart phone apps. Combined, Disney's cable nets delivered ad rev growth, aided by viewership increases across its net basket also filled by Disney Channel, **ABC Family** and **Disney XD**.

Carriage: Just in time for **NFL Net's** 1st of 8 live games this season (Thurs), **BendBroadband** reached a deal to carry the net plus **NFL RedZone**. Bend will place NFL Net in its Preferred package and RedZone on its HD Plus tier, and offer to subs of the former free access to NFL On Demand.

Competition: **FiOS TV** is offering a free preview of **Starz** and **Encore** through Sun, including VOD title. The nets are part of the service's movie package that runs \$15/month and features 45 channels. -- **DISH** now exclusively offers Indian channel **Jaya TV** nationwide.

Out the Door: **Outdoor Channel Holdings** said it's cutting approx 25% of the workforce at **Winnercomm**, the sports prod and program development co it acquired earlier this year. Spurred by a challenging economic environment, the reduction plan is not expected to have a material impact on the segment's Skycam and CableCam aerial camera business. "We simply needed to right-size the organization," said Outdoor Channel Holdings COO *Tom Hornish*. "We remain confident that we can continue improving upon the synergies available between our Winnercomm



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and Outdoor Channel operations as we move forward.”

Industry Chatter: Both **News Corp** COO *Chase Carey* and **Liberty Media** pres/CEO *Greg Maffei* are bullish on **Comcast's** prospects if the MSO gains majority control of **NBCU**, according to reports from the **Nielsen/Dow Jones Money and Media** conference. Carey noted promising opportunities in combining content and distribution, and Maffei said the potential deal's a smart hedge against rising programming costs.

Earnings: **Atlantic Broadband** reported rev of \$75.6mln, a 6.3% increase owing to growth in video rev and digital adds, HSD rev and sub adds and phone rev/subs, plus a \$1.2mln rise in commercial rev. Expected going forward are continuing HSD and phone customer growth and stabilizing video sub levels.

International: **ESPN Intl** picked up the broadcast rights to the '10 and '12 **Olympic Games** for South America from the **IOC**. -- **Sundance Channel** and **WE tv** will launch in Asia for the 1st time through a deal between **Rainbow Media, Measat** and **Ascent Media**.

Online: **WE tv** bowed **GuySpeak.com** where 6 male bloggers answer women's questions about men.

Programming: After *Lou Dobbs* announced during his show Wed night that he's leaving **CNN**, where he has worked since '80, the net said *John King* will preside over a weeknight political show beginning early next year. King will continue as host of "State of the Union" until then. -- New **TLC** reality show "Family Armor" (Nov 19) spotlights the business and faith of Mormon-owned vehicle bulletproofing business **Texas Armoring Corp**. -- Melding live-action and 3D animation, **Syfy's** "Outer Space Astronauts" (Dec 8) will offer futuristic comedy through 8 military personnel who journey to the far reaches of the galaxy.

Technology: **NCR** and **MOD Systems** are trialing at select **Blockbuster** locations a rental kiosk offering digital downloads of movies to a secure digital memory card for playback on TVs through a digital media player. Various price points are being tested for the service, which allows consumers 30 days to watch rented content but only 48 hours to complete viewing once it begins before DRM tech blocks access.

On The Circuit: Good work by **NAMIC Denver**: On Fri at the U of Denver (N Classroom, #1539, 5-7pm), 8 execs from **Starz, Comcast, WOW!, TV One** and **Dish** will engage students and NAMIC members in a free "speed mentoring" session, allowing everyone to interact with all 8 mentors. For non-NAMIC members of the public the price is \$15.

Public Affairs: At **The White House** Wed, *President Obama* and **AETN** pres/CEO *Abbe Raven* launched the Take a Veteran to School Day initiative. Afterward, **History Channel** execs and 6 vets staged a special assembly at an

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BUSINESS & FINANCE

area middle school. More than 2K schools are participating in initiative activities and events this year.

People: Comcast upped Steven White to pres, West Division, which covers 11 states. He replaces Brad Dusto, who plans to devote more time to community work and will remain a consultant. -- Cablevision promoted Jonathan Higgins to evp, marketing and advertising.

Business/Finance: Early and then official news of a new funding round for Clearwire pushed the co's stock price up approx 12% on Mon and Tues, to \$7.25. But with Clearwire's after-hours earnings call came Wall St concerns over Google's absence from the round and possible collaboration between Google and Verizon on LTE tech, the rival to WiMAX. The pair has already collaborated on handsets. As a result, Clearwire shares have tumbled over the last 2 days, closing Thurs at \$5.94, 9% lower than Fri's closing price. The fresh investments from Comcast, Time Warner Cable and Bright House amounted to purchases of Clearwire shares for \$7.33 each. -- Time Warner led a \$7mln investment round for online sports ent publisher Six Degrees Games.

Oops: NFL Net's John Malkin was referring to talks with other operators (Cfax, 11/12). There are no discussions currently with Time Warner Cable, Charter and Cablevision. Also, NFL Net had 42mln subs in March.

CableFAX Daily Stockwatch

| Company | 11/12 Close | 1-Day Ch | Company | 11/12 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| BRITISH SKY: | 35.58 | (0.23) | AMPHENOL: | 42.34 | (0.82) |
| DIRECTV: | 29.07 | (0.37) | APPLE: | 201.99 | (1.26) |
| DISH: | 20.76 | 0.07 | ARRIS GROUP: | 10.80 | (0.07) |
| DISNEY: | 29.05 | (0.24) | AVID TECH: | 11.99 | (0.35) |
| GE: | 15.75 | (0.08) | BIGBAND: | 3.70 | (0.01) |
| NEWS CORP: | 14.48 | (0.27) | BLNDER TONGUE: | 1.01 | (0.01) |
| MSOS | | | | | |
| CABLEVISION: | 24.56 | (0.25) | BROADCOM: | 28.41 | (0.26) |
| COMCAST: | 15.33 | 0.23 | CISCO: | 23.40 | (0.52) |
| COMCAST SPCL: | 14.72 | 0.15 | CLEARWIRE: | 5.94 | (0.2) |
| GCI: | 5.99 | (0.22) | COMMSCOPE: | 28.25 | (0.62) |
| KNOWLOGY: | 10.02 | (0.75) | CONCURRENT: | 3.71 | (0.09) |
| LIBERTY CAPITAL: | 23.71 | (0.97) | CONVERGYS: | 11.52 | (0.15) |
| LIBERTY ENT: | 33.66 | (0.41) | CSG SYSTEMS: | 16.85 | (0.14) |
| LIBERTY GLOBAL: | 23.10 | (0.44) | ECHOSTAR: | 20.22 | (0.09) |
| LIBERTY INT: | 11.04 | (0.13) | GOOGLE: | 567.85 | (2.71) |
| MEDIACOM: | 4.21 | (0.29) | HARMONIC: | 5.15 | 0.11 |
| RCN: | 8.14 | (0.01) | INTEL: | 19.68 | (0.16) |
| SHAW COMM: | 18.68 | (0.42) | JDSU: | 7.71 | 0.51 |
| TIME WARNER CABLE: | 41.79 | (0.09) | LEVEL 3: | 1.25 | 0.00 |
| VIRGIN MEDIA: | 15.90 | (0.22) | MICROSOFT: | 29.36 | 0.24 |
| WASH POST: | 418.90 | (5.62) | MOTOROLA: | 8.72 | (0.05) |
| PROGRAMMING | | | | | |
| CBS: | 12.81 | (0.4) | OPENTV: | 1.55 | 0.00 |
| CROWN: | 1.50 | (0.34) | PHILIPS: | 27.23 | (0.38) |
| DISCOVERY: | 30.12 | (0.22) | RENTRAK: | 15.80 | (0.45) |
| EW SCRIPPS: | 6.66 | (0.06) | SEACHANGE: | 6.40 | (0.4) |
| GRUPO TELEVISA: | 21.24 | (0.36) | SONY: | 28.24 | (0.76) |
| HSN: | 16.57 | 1.05 | SPRINT NEXTEL: | 3.05 | (0.14) |
| INTERACTIVE CORP: | 19.67 | (0.05) | THOMAS & BETTS: | 36.85 | (0.96) |
| LIBERTY: | 35.63 | (0.28) | TIVO: | 10.70 | (0.24) |
| LODGENET: | 5.20 | (0.3) | TOLLGRADE: | 5.90 | (0.06) |
| NEW FRONTIER: | 1.98 | (0.02) | UNIVERSAL ELEC: | 22.90 | (0.16) |
| OUTDOOR: | 6.30 | (0.2) | VONAGE: | 1.34 | (0.03) |
| PLAYBOY: | 4.07 | 1.21 | YAHOO: | 16.00 | (0.09) |
| RHI: | 0.85 | (0.04) | TELCOS | | |
| SCRIPPS INT: | 40.13 | (0.04) | AT&T: | 26.29 | (0.15) |
| TIME WARNER: | 31.54 | (0.37) | QWEST: | 3.80 | (0.02) |
| VALUEVISION: | 3.58 | (0.02) | VERIZON: | 30.16 | (0.2) |
| VIACOM: | 31.91 | (0.61) | MARKET INDICES | | |
| WWE: | 15.29 | (0.39) | DOW: | 10197.47 | (93.79) |
| TECHNOLOGY | | | | | |
| 3COM: | 7.46 | 1.77 | NASDAQ: | 2149.02 | (17.88) |
| ADC: | 6.79 | 0.11 | | | |
| ADVANTAGE: | 2.26 | (0.01) | | | |
| ALCATEL LUCENT: | 3.73 | (0.03) | | | |
| AMDOCS: | 26.39 | (0.15) | | | |

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Releasing 'The Prisoner'

With AMC's 3-part mini "The Prisoner" debuting Sun, our own Seth Arenstein sat down with AMC programming chief Joel Stillerman to discuss how the epic fits into the net's programming strategy. **How did you decide on 3 parts as opposed to a series?** Since we debuted... the 4-part mini-series "Broken Trail" big events have been... part of our programming strategy.... they give us the opportunity to create epic stories on a much larger scale than what we might set out to do in a 13-part series. They also give us more opportunity to work with big Hollywood stars. **Are you concerned that viewers who didn't see night one will skip nights two and three or will DVRs and VOD make up for that?** We think the event status of this production, along with the incredible talent (*Sir Ian McKellen* and *Jim Caviezel*) as well as the core audience who will tune-in based on interest from the original, gives us a great opportunity to maximize our live viewing numbers. **Will your Prisoner be helped if one has seen the original?** Although it's by no means essential to have seen the original to enjoy our version, I think fans of the original will find a great deal of literal and thematic nods to dialogues, props, design elements, and story points. **Did relative unknown Jon Hamm's success make it easier to cast Jim Caviezel?** We thought Jim was the right guy for several reasons. He's not channeling *Patrick McGoohan's* performance in the original. Jim is creating an original version of the character, which is important since we didn't set out to remake the original but to re-imagine it; a subtle but important difference. **What does AMC's slate of originals look like in 5 years?** We are very focused on creating original stories... including our upcoming series "Rubicon," and our adaptation of the comic book franchise "The Walking Dead," which is in development. SA

Highlights: "WWI in HD," Sun, 9p, **History**. Yes, the footage is fine and gripping at times, but it's far less relevant than the storytelling, which is handled with great frankness by 12 WWII vets. It's like your father, mother or grandparent telling you what it was like to see a comrade killed or find the US at war. As *Capt Charles Scheffel* recalls, "We didn't even know where [Pearl Harbor] was" before it was bombed. SA

Worth a Look: "The Prisoner," Sun-Tues, 8pm, **AMC**. Move this reinterpretation of the '67 British classic up to "highlights" if you're a fan of *Sir Ian McKellen*. If you're not, there's still much to like about this 3-part sci fi mini, which feels modern and 32 years old simultaneously. Oh, did we mention McKellen, wonderful as a sinister yet polite dictator with sparkling blue eyes? - "Red Cliff," Wed, 8p ET, **HDNet Movies**. *Mark Cuban* again allows subs to see films before they reach theaters. Unlike many of the other fine movies he's shown, this one is an epic, and in every sense. *John Woo's* huge, expensive and colorful depiction of the battle of Chibi (208 A.D.), an iconic Chinese moment, involves thousands of extras, gallons of theatrical blood and a devilish pot of tea. SA

| Basic Cable Rankings (11/02/09-11/08/09) Mon-Sun Prime | | | |
|--|------|-----|------|
| 1 | USA | 2.5 | 2428 |
| 2 | ESPN | 2.2 | 2162 |
| 3 | FOXN | 2 | 1932 |
| 4 | DSNY | 1.9 | 1824 |
| 5 | NAN | 1.4 | 1407 |
| 6 | TBSC | 1.3 | 1319 |
| 6 | TNT | 1.3 | 1311 |
| 8 | FX | 1.2 | 1139 |
| 9 | A&E | 1.1 | 1060 |
| 10 | TLC | 1 | 1003 |
| 10 | HGTV | 1 | 992 |
| 12 | TOON | 0.9 | 927 |
| 12 | SYFY | 0.9 | 876 |
| 12 | FAM | 0.9 | 861 |
| 15 | CMDY | 0.8 | 818 |
| 15 | FOOD | 0.8 | 816 |
| 15 | DISC | 0.8 | 781 |
| 15 | AMC | 0.8 | 774 |
| 15 | HIST | 0.8 | 754 |
| 15 | TRU | 0.8 | 719 |
| 15 | BRAV | 0.8 | 697 |
| 15 | LMN | 0.8 | 574 |
| 15 | NKJR | 0.8 | 561 |
| 24 | SPK | 0.7 | 738 |
| 24 | CNN | 0.7 | 718 |
| 24 | LIFE | 0.7 | 715 |
| 24 | ESP2 | 0.7 | 676 |
| 24 | HALL | 0.7 | 595 |
| 29 | EN | 0.6 | 604 |
| 29 | MSNB | 0.6 | 583 |
| 29 | TVLD | 0.6 | 554 |
| 29 | MTV | 0.6 | 543 |
| 33 | VH1 | 0.5 | 488 |
| 33 | BET | 0.5 | 481 |
| 33 | APL | 0.5 | 449 |
| 33 | HLN | 0.5 | 447 |
| 33 | NGC | 0.5 | 340 |
| 38 | OXYG | 0.4 | 317 |
| 38 | SOAP | 0.4 | 301 |
| 38 | GSN | 0.4 | 277 |
| 38 | WGNA | 0.4 | 268 |
| 42 | TRAV | 0.3 | 328 |
| 42 | CMT | 0.3 | 283 |
| 42 | WE | 0.3 | 244 |
| 42 | SPD | 0.3 | 210 |
| 42 | VS | 0.3 | 207 |

*Nielsen data supplied by ABC/Disney



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