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What the Industry Reads First

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Viacom CEO: MTV's Not Broken, We're Climbing Back Up

4Q was another quarter of lower ratings and ad revenue at **Viacom**, but management expressed confidence that things would turn around. Indeed, CEO *Philippe Dauman* said some of the core Viacom nets are already showing sequential improvement in the current Q over fiscal 4Q. Mon's debut of "Catfish" on **MTV** marked the highest-rated launch in network history. Still, there is a lot of work to do. Viacom's 4Q revenue dropped 17% YOY to \$3.4bln, with media networks' revenue flat and rev in filmed ent down 39% because of a different mix and lower number of releases compared to the prior year's 4Q. Net income, however, rose 12% to \$643mln. For the fiscal year, revenue was down 7%, partly because of the decline in ad sales for the media networks division. **Bernstein Research** described the results as "absolutely bad, but relatively good (versus very low expectations)." Asked by an analyst about concerns that MTV may be broken, Dauman rejected the notion, calling it "highly successful... We have a great development pipeline, and we have just added one of the major talents in our business." Referring to the recent hiring of former **Lifetime** and **WB** exec *Susanne Daniels* as pres of programming, he added that "I have no concern about MTV's vitality as we go forward." While acknowledging the slump in ratings, Dauman also indicated that cross-platform viewership and DVR usage is a factor. For example, ratings for MTV's 10 Spot programming block increased 34% in 4Q when factoring in DVR playback over 3 days, he said. "Content consumption across platforms is also growing rapidly and exceeding our ability to measure it by a greater margin than ever," he said. Noting that **Facebook** and **Google** actually bill based on delivered impressions, COO *Thomas Dooley* said a traditional media company could go down that road, and also use dynamic commercial insertion as it really hits the marketplace over the next 12-24 months. "We're really excited about that because we know our content is being consumed aggressively by the younger audiences that we deliver across many devices where measurement isn't completely captured," Dooley said. As for Nick, its improvement plan has resulted in ratings being flat to up in several day parts, management said, calling out "Teenage Mutant Ninja Turtles" and eps of "SpongeBob." However, analysts point out that Nick is still down double digits. **Wells Fargo Securities** told clients it liked what it heard in the call, saying management is very realistic about what needs to be done and the time it will take to turn around the networks. Wells Fargo analysts are focused on the 2nd half of FY13. "We're still climbing back up," Dauman said in regards to ad rev. "I don't expect that this

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quarter will see us get into positive territory, but we'll see improvement. And we are going to strive very hard to get back into positive territory as the year progresses and continue to improve from there."

Deals: And then there was one. **DirectTV** at last inked a carriage deal for Lakers RSNs **Time Warner Cable SportsNet** and **Deportes**, leaving **DISH** as the only major Southern CA distributor without a deal. The nets are set to be live on DirecTV Thurs night. -- There's been plenty of sales talk regarding **YES** over the years that never materialized, but this time feels a little different. Multiple reports have **News Corp** close to finalizing a deal for a minority stake in the Yankees RSN.

Investor Conference: A few weeks into Q4, **Time Warner Cable** CFO *Irene Esteves* seems upbeat about the quarter. The company is expected to see growth in video, HSD and voice subs at the end of Q4, she said at the **Morgan Stanley** investor conference Thurs. "We are a little bit ahead of where we were last year," she said. However, "I would caution that it's very early in the quarter, and we are talking about very small numbers of net subscribers on a very large base." She said the company saw the strongest growth in net additions last Dec. "So I would caution about extrapolating from a few weeks of data." Retrans came up at the conference, and Esteves' message to networks is: "We've gone dark before, and we will continue to do that if we think the prices are completely unreasonable." Meanwhile, **AT&T's** announcement to invest \$14bln in broadband infrastructure might intensify competition in TWC markets. Esteves predicts that AT&T might grow its penetration rate in TWC markets to 27% from 25%. Regarding TWC's TV Essentials programming packages that were being rolled out in a few markets, the financial chief said customer response has been good. Calling **Google Fiber** an interesting experiment, she said making the initiative profitable might be a challenge.

Cybersecurity: A day after the effort to revive cybersecurity reform in the Senate failed (*Cfax, 11/15*), **FCC** chmn *Julius Genachowski* cautioned that calls to add cybersecurity provisions in the International Telecom Regulations are "misplaced and ultimately counterproductive." International regulations are too broad, too flexible and too slow to change to effectively address cybersecurity issues, he said at a **CENTCOM** conference Thurs. The US Delegation will address the issue at the World Conference on International Telecoms next month. -- Separately, the **Senate** OKed a **House**-passed bill late Wed to reauthorize the Safe Web Act, which empowers the FTC to fight cross-border spam and spyware.

Hopper Endorsement: **CEA** named **DISH's** AutoHop Ad skipping service a **CES** Innovations 2013 Design and Engineering Award Honoree. DISH received the award as the trade group hosted the annual CES Unveiled conference in NYC. According to CES, the program is judged by "independent designers, engineers and members of the media." CEA's Hopper endorsement isn't new. During the discussion of Hopper at the House Communications Subcommittee "Future of Video" hearing in June, CEA svp *Michael Petricone* testified, saying the service is a "pro-consumer advancement." DISH is a member of the association. The service has been the center of courtroom drama. **Fox**, **CBS** and **NBC** have all filed suits in an attempt to block the service. Fox recently filed an appeal at the 9th Circuit following the court's denial of its request for a preliminary injunction.

4K TV: Within a month after the creation of **3net Studios**, the **Sony-Discovery-IMAX** jv **3net** announced an initial slate of original 3D and 4K TV series and specials to be produced. The lineup includes live-action and animated projects like "Space," the first series to be produced in what the company calls "TotalD" (3D 4K, 2D 4K, 3D 2K and both 3D/2D HD formats), as well as "Marksmen," a 3D motion comic series for TV. Additional 3D projects include docu-series "Frozen in Time: Our History in 3D," live-action special "Wingsuit Warrior: Jeb Corliss v. The World," and the travelogue series "Daydream."

Ratings: Tues' **Lakers-Spurs** telecast on **NBA TV** averaged 739K total viewers, making it the net's most-viewed NBA Fan Night.

Programming: **FX** ordered a 3rd installment of "American Horror Story," with the 13 hours of the new miniseries set to debut in fall '13. Wed night's ep topped all broadcast nets in the 10pm timeslot among 18-34s (2.1), women 18-34 (2.4) and men 18-34 (1.7). -- **The Atlantic Coast Conference** agreed to a 12-year deal with **ESPN** for the rights to televise the Orange Bowl. ESPN reportedly will pay an average of \$55mln annually for the bowl. The deal, which starts Jan '15, will showcase the bowl across ESPN's platforms through '26. ESPN also obtained rights to distribute the bowl on ESPN 3D and around the world via ESPN International. The net previously announced new 12-year

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agreements for the Rose Bowl and Sugar Bowl, both of which also begin in '15.

TVE: Cablevision launched NFL Net and RedZone on its TVE app Optimum TV to GO. Optimum TV subs who receive the networks as part of their cable service can now use the "Watch NFL Network" feature to view the programs on any connected devices. -- **Virgin Media** will now offer "Virgin TV Anywhere," which allows the TiVo experience to be delivered from the cloud on devices beyond the living room.

People: TV vet Joe Livecchi, owner of Majority Rules Media, joined CMT as svp, dev. He's establishing a development base in NYC, with the net's West Coast development team of Claire McCable, Melanie Moreau and Eliot Goldberg reporting to him. -- Cinnamon Rogers moved from to Discovery to Time Warner Cable, where she is vp, federal affairs.

Public Affairs: ESPN's weeklong "Jimmy V Week for Cancer Research" begins Nov 27 across all ESPN platforms. The initiative to drive awareness and donations to The V Foundation for Cancer Research raised a record \$1.3mln last year.

Business & Finance: Ad insertion technology firm This Technology received \$7.5mln in funding from General Catalyst Partners, and signed on 4 customers: Comcast, Verizon, NBCUniversal and ABC.

CableFAX Daily Stockwatch

Company	11/15 Close	1-Day Ch	Company	11/15 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	49.02	0.79	CISCO:	17.94	0.28
DISH:	34.63	0.56	CLEARWIRE:	2.12	(0.04)
DISNEY:	47.47	0.30	CONCURRENT:	4.89	0.13
GE:	20.06	0.05	CONVERGYS:	15.02	(0.57)
NEWS CORP:	23.57	(0.4)	CSG SYSTEMS:	18.02	(0.04)
MSOS					
CABLEVISION:	13.63	(0.02)	ECHOSTAR:	30.59	(0.16)
CHARTER:	68.54	1.04	GOOGLE:	647.26	(5.29)
COMCAST:	35.14	(0.26)	HARMONIC:	4.02	(0.08)
COMCAST SPCL:	34.20	(0.23)	INTEL:	20.03	0.07
GCI:	7.67	0.01	JDSU:	10.94	(0.19)
LIBERTY GLOBAL:	54.85	(0.05)	LEVEL 3:	18.44	(0.3)
LIBERTY INT:	18.92	(0.15)	MICROSOFT:	26.66	(0.18)
MEDIACOM:	8.84	UNCH	RENTRAK:	16.71	0.01
SHAW COMM:	21.10	(0.07)	SEACHANGE:	8.70	0.10
TIME WARNER CABLE:	90.82	1.53	SONY:	9.81	(0.01)
VIRGIN MEDIA:	31.90	(0.04)	SPRINT NEXTEL:	5.54	0.05
WASH POST:	340.00	5.00	TIVO:	9.82	(0.09)
PROGRAMMING					
AMC NETWORKS:	50.61	1.37	TOLLGRADE:	10.08	UNCH
CBS:	33.38	0.04	UNIVERSAL ELEC:	14.89	(0.41)
CROWN:	1.61	(0.03)	VONAGE:	2.21	(0.04)
DISCOVERY:	55.28	0.07	YAHOO:	17.89	0.07
GRUPO TELEVISIA:	22.47	0.23	TELCOS		
HSN:	49.60	0.16	AT&T:	33.42	(0.36)
INTERACTIVE CORP:	42.20	(0.8)	QWEST:	6.83	UNCH
LIBERTY STARZ:	66.84	UNCH	VERIZON:	41.70	(0.54)
LIONSGATE:	15.54	0.22	MARKET INDICES		
LODGENET:	0.10	(0.03)	DOW:	12542.38	(28.57)
NEW FRONTIER:	2.02	0.01	NASDAQ:	2836.94	(9.87)
OUTDOOR:	7.19	0.03	S&P 500:	1353.33	(2.16)
PLAYBOY:	6.22	UNCH			
SCRIPPS INT:	58.95	(0.35)			
TIME WARNER:	44.04	(0.06)			
VALUEVISION:	1.86	(0.1)			
VIACOM:	49.92	1.21			
WWE:	7.59	0.02			
TECHNOLOGY					
ALCATEL LUCENT:	1.03	(0.05)			
AMDOCS:	31.97	0.01			
AMPHENOL:	58.72	(0.51)			
AOL:	35.07	(1.29)			
APPLE:	525.62	(11.26)			
ARRIS GROUP:	13.61	(0.08)			
AVID TECH:	6.07	(0.02)			
BLNDER TONGUE:	1.05	0.06			
BROADCOM:	30.29	(0.38)			

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PROGRAMMER'S PAGE


Galactic Distribution...

Many critics, including this one, agree that SyFy's "Battlestar Galactica" ('04-'09) might just be the best sci-fi series ever to hit TV—and yes, we include all versions of "Star Trek" in that evaluation. So it's with great anticipation that fans can now taste a bit more of the world with last week's online premiere of "Blood & Chrome," which follows a young *William Adama* as he fights robotic cylons in the years preceding the times depicted in SyFy's original reboot of the '78 TV series. It's essentially a prequel movie, and it would have been fine for SyFy to simply push out some traditional promo and run it as a big event on air. That's still planned for early '13 (no air date yet). But SyFy has done something a bit unorthodox by first releasing it as a Web series in 10-minute chunks on **YouTube's** Machinima channel. Producers say it was designed that way originally, although earlier talk of bringing it to full series on the linear net spurred a perception that *Blood & Chrome* is simply a failed pilot—a story that producer *David Eick* was anxious to dispel during a conference call with reporters last week. "It was always developed at least from my point of view as a project for an online environment," he said, noting that discussions for a full linear series only occurred later. "But it was never any kind of rejection or failure that this didn't wind up as another Syfy pilot." Of course, judging from early fan reaction, the online series is almost certain to prompt a Web campaign for SyFy to expand it into a full TV series. Sure, "Caprica" crashed and burned after 1 season—but the truth is that *Caprica* strayed too far from the original formula. *Blood & Chrome* doesn't try to re-invent the wheel. It features plenty of space battles, military tension and bristling characters. Don't be surprised if the massive success SyFy enjoyed with its original *Battlestar* series gets replicated onto the airwaves faster than a cylon could copy the human form. Fans are frackin' waiting. *MG*

Reviews: "The Song That Changed My Life: Sondre Lerche," Mon, 8p MT, 10p ET, **BYUtv**. So many music shows have too much talk and too little music. This ep of "Song" is a delightful mix of the two, as Norwegian singer/songwriter *Sondre Lerche* provides acoustic solos and discusses how English band Prefab Sprout and a reviewer changed his career. -- "It's Christmas, Carol," Sun, 8p, **Hallmark**. It's always a gamble to do a modern version of a classic, such as "Chuck" Dickens's holiday tale of 1843. And while purists may blanch at this un-scary, female-dominated version, it has plenty of good moments. *Carrie Fisher* sets the tone as a Jacob Marley-like spirit and *Emmanuelle Vaugier* is the most curvaceous Scrooge ever. -- "Profiling Evil: The I-5 Strangler," Sun, 9pET, **MSNBC**. As part of a special agreement to avoid the death penalty, *Roger Kibbe* agrees to discuss his motives for killing 7 women in the '70s and '80s. His interviewer is forensic psychiatrist *Park Dietz*. This short, riveting and scary doc includes video of that interview, allowing us to look into the blank stare of a confessed killer. -- "Fatal Vows," premiere, Sat, 10p, **Investigation Discovery**. Just as the *David Petraeus* affair is unfolding, this series premieres with a gripping story about a prominent Navy officer whose marriage dissolves. *Seth Arenstein*

Basic Cable Rankings (11/05/12-11/11/12)			
Mon-Sun Prime			
1	FOXN	2.6	2582
2	ESPN	2.3	2268
3	USA	2.0	2003
4	DSNY	1.7	1627
5	MSNB	1.5	1433
6	CNN	1.4	1394
6	TBSC	1.4	1365
6	HIST	1.4	1343
9	TNT	1.2	1192
9	AMC	1.2	1023
11	DISC	1.0	1037
11	A&E	1.0	978
11	TLC	1.0	946
11	ADSM	1.0	944
11	HALL	1.0	851
11	NFLN	1.0	622
11	DSE	1.0	81
18	FX	0.9	917
19	HGTV	0.8	834
19	SYFY	0.8	793
19	NAN	0.8	762
19	FAM	0.8	751
23	LIFE	0.7	691
23	FOOD	0.7	686
23	TVLD	0.7	643
23	BRAV	0.7	632
23	ID	0.7	539
28	CMDY	0.6	582
28	TRU	0.6	550
28	SPK	0.6	550
28	LMN	0.6	475
32	MTV	0.5	518
32	ESP2	0.5	504
32	APL	0.5	446
32	NGC	0.5	409
32	NKJR	0.5	370
32	DXD	0.5	362
38	VH1	0.4	400
38	BET	0.4	393
38	TRAV	0.4	343
38	OWN	0.4	340
38	OXYG	0.4	339
38	H2	0.4	243
44	EN	0.3	333
44	CMT	0.3	268
44	HLN	0.3	257

*Nielsen data supplied by ABC/Disney



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