

CableFAX Daily™

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What the Industry Reads First

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Starz Out for Encores: Net Looks to Continue Momentum Seen by Liberty

Its corporate machinations seemingly forever fluid, **Liberty Media** announced at an investor day plans to eliminate its tracking stock structure by converting each share of **Liberty Starz** common stock into **Liberty Capital** shares, with the combined asset-backed security expected to trade under the tickers LMCA and LMCB beginning Nov 28. Liberty Media CEO *Greg Maffei* cited an excellent environment for raising capital—Starz completed a \$1.5bln sr secured credit facility Thurs—and Starz' inability with ample cash to locate attractive investment opportunities as among the reasons for the move just months after Starz and Capital officially split-off from Media. But the underlying cause appears an internal perception of growing momentum at Starz coupled with a lack of recognition from without. "We don't get the valuation we believe is warranted" for Starz, said Maffei. "If [analysts/investors aren't] gonna give it to us, we'll take the stock in-house." Liberty backed up Maffei's claim that Starz is defined by a "great growth trend...the future's only better" by upping its share repurchase program for Starz/Capital to \$1.25bln. Starz pres/CEO *Chris Albrecht* reiterated that a ramp in original content is the "nexus of our strategy," and said the premium net's on track to deliver 50 hours/week by '14. The company's looking to its partnership with **BBC Worldwide**, incremental licensing rev and a decrease in studio output costs to offset the costs for originals, although Starz has no plans to ditch Hollywood films. "The bedrock of premium TV, unless you're **Showtime**, is still theatrical movies," said Albrecht. An output deal with **Disney** expires in '16, with **Sony** in '17. Starz touts a 23% 5-yr sub growth rate, Encore 20%, and Albrecht believes the trend will continue as more and more MVPDs re-embrace Starz after it decided to shun **Netflix**. A planned authenticated platform launch next year is also expected to help, in part by attracting younger demos. "We're very confident we're on the right track," he said. Still, given an increasingly fragmented media landscape and lingering economic sluggishness, Albrecht called on all premium nets to work together toward category expansion. Admitting that "the first thing that pops off is premium" when pay TV customers feel a pinch, Albrecht said the industry should heavily consider HSD-only premium packages. "This is an idea that we love," he said. "We'd be able to keep people in the category and get new ones." Starz also sees opportunities in out-of-footprint MVPD offerings and flexible bundling with core distributors.

Ch-ch-changes: **Cablevision** cable and comm pres *John Bickham* announced he will resign later this month. "I have been thinking about this move for some time and the timing seems right," he said in a statement. Bickham joined the MSO in that role in '04 and was awarded the **NCTA** Vanguard in '07 for cable operations mgmt. Cablevision COO *Tom Rutledge* said he'll be missed, adding that much of the company's success over the last decade "is due in no small part" to his efforts. Cablevision declined to comment beyond the announcement.

Over-the-Airheads: **ACA** has turned its sights on **Raycom's** new shared services agreement in Tucson, AZ, that it says will allow it to control 3 local stations. In Feb, **Belo's** Fox affil **KMSB** and **My Network TV** affil **KTTU** will enter

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into a shared service agreement with Raycom **CBS** affil **KOLD**. ACA said the move comes as the FCC is gearing up to release an NPRM asking whether these deals violate the ban on consolidation among the top 4 local stations. On Mon, ACA joined with **Time Warner Cable**, **DISH**, **Free Press** and newspaper and broadcast unions to complain that stations affiliated with the Big 4 can negotiate together and have the market power to increase carriage fees by 21.6% vs situations where Big 4 stations negotiate separately.

In the States: *Newsday* launched a new iPad and iPhone app that delivers live streaming of **Cablevision's News 12** nets and **MSG Varsity**, along with *Newsday* news coverage. -- The proliferation of 4G networks, which helped lead to the demise of **Cox's** wireless services, continues apace. **Verizon** lit up its 4G LTE network in 14 additional markets Thurs, including Kansas City and Providence, and expanded 4 others. The network now covers more than 186mln Americans across 179 markets. **T-Mobile's** 4G offerings, meanwhile, now cover more than 200mln people and 208 markets after 9 locales were added this week.

In the Courts: As promised, **Cablevision** continues to fight an **FCC** order that would force it to make **MSG** HD programming available to **Verizon** and **AT&T**. It has filed a petition for stay with the 2nd Circuit Court of Appeals seeking a review.

Expo: Attendance at **SCTE Cable-Tec Expo** exceeded 10K, marking a 24% YOY increase in showgoers from the US and more than 60 other countries. Also, more than 200 engineering and ops pros, or double the anticipated number, registered for the pre-conference Capacity Management Symposium, and the show floor featured nearly 400 vendors (+8%). -- Kudos to **Greg Brakefield** of **Comporium**, who outspiced and outlasted 28 competitors for the 21st annual **SCTE** International Cable-Tec Games overall title.

Ratings: **Fox Deportes'** coverage of Sat's **UFC** heavyweight title fight delivered a 3.9 cvg area HH rating, 487K viewers and 352K 18-49s to rank as the highest-rated fight of any kind in Spanish-language cable history. -- The premiere of "**MTV2's** *Guy Code*" became the net's most-watched original series bow ever in viewership among 12-34s and its highest-rated in the demo since '06. -- **truTV's** "*Hardcore Pawn*" returned for a 5th season Tues night and earned increases over its 4th season launch among 18-34s (+8%), 18-49s (+10%), men 18-34 (+30%) and men 18-49 (+22%).

Programming: Comedy docu-series "*Inside Comedy*," from "*Curb Your Enthusiasm's*" **David Steinberg** and **Steve Carell**, debuts on **Showtime** Jan 26, 11pm. Steinberg interviews a who's who of comedians, including **Chris Rock** and **Mel Brooks**, in the 10-ep series. -- **HLN** canceled "*The Joy Behar Show*." New eps will air through mid-Dec. -- It's just not Thanksgiving without a little "*Punkin Chunkin*," the annual special where teams gather to see whose homemade contraption can propel a pumpkin the farthest. This year's competition will be simulcast on **Discovery** and **Science** on Turkey Day at 8pm. -- **TV One** acquired from **Freemind Ventures'** 3-part doc series "*The Black List*," in which 50 African American notables share their experiences. The films originally debuted on **HBO**. Their basic cable debut is set for Feb. -- Another **Kim** gets married: **Bravo** announced production of new docu-series "*Don't be Tardy for the Wedding*." The reality show follows **Kim Zolciak** and the events leading up to her 11/11/11 wedding with **Kroy Biermann** of the Atlanta Falcons. -- **Discovery's** new series "*Moonshiners*" tells the story of today's bootleggers, Dec 6 at 10pm (it'll air on Weds following the opener).

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BUSINESS & FINANCE

Public Affairs: ABC Family partners with **DonorsChoose.org**, an online charity that has funded more than 200K teacher projects, mostly in poverty stricken areas. In ABC Fam's "Bright Students, Big Ideas!," students will submit their best ideas for funding and the net will fund 50% of all selected projects (up to \$100K). --

Knology is partnering with **Mothers Against Drunk Driving** in its "Tie One On For Safety" campaign. It will encourage individuals to put red ribbons on their vehicles to help remind people of safe and sober driving.

Ribbons and window decals will be available at local Knology offices starting Mon.

Honors: Versus, Turner Sports, MSG Nets and HBO earned 4 of the 6 top **PromaxBDA Sports Media Marketing Awards**, while MSG Nets, **SNY, The Mtn.** and multiple **CSNs** and **FSNs** were among the regional/local honorees.

People: Scripps Nets upped *Jon Steinlauf* to evp, ad sales and mktg.

Triva Time: Which 2010 **CableFAX 100** exec wants *Tom Colicchio* to cook her dinner? Tweet or Facebook (www.facebook.com/cfax) us your answer for a chance to win a Starbucks gift card.

Business/Finance: Comcast Ventures led a \$6.1mln Series A funding round for **Catalog Spree**, a shopping app for the **iPad**. Users spend more than 30min /session with the app.

CableFAX Daily Stockwatch

Company	11/17 Close	1-Day Ch	Company	11/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			BLNDER TONGUE: 1.10(0.01)		
DIRECTV:	46.45	(0.04)	BROADCOM:	32.93	(2.06)
DISH:	24.62	0.58	CISCO:	18.48	(0.32)
DISNEY:	35.10	(0.43)	CLEARWIRE:	1.86	0.06
GE:	15.64	(0.31)	CONCURRENT:	3.67	(0.03)
NEWS CORP:	16.99	(0.17)	CONVERGYS:	11.94	(0.26)
MSOS			CSG SYSTEMS:	14.54	(0.29)
CABLEVISION:	14.97	(0.22)	ECHOSTAR:	23.09	(0.29)
CHARTER:	52.20	0.70	GOOGLE:	600.87	(10.6)
COMCAST:	21.25	(0.26)	HARMONIC:	5.41	(0.08)
COMCAST SPCL:	21.08	(0.24)	INTEL:	24.34	(0.6)
GCI:	9.22	0.18	JDSU:	11.33	(0.47)
KNOLGY:	13.70	0.02	LEVEL 3:	20.00	(0.45)
LIBERTY CAPITAL:	78.19	0.49	MICROSOFT:	25.54	(0.53)
LIBERTY GLOBAL:	41.00	(0.7)	MOTOROLA MOBILITY:	38.93	(0.01)
LIBERTY INT:	15.94	0.41	RENTRAK:	13.74	0.74
SHAW COMM:	20.71	0.20	SEACHANGE:	8.25	(0.08)
TIME WARNER CABLE:	60.58	0.02	SONY:	16.81	(0.06)
VIRGIN MEDIA:	23.16	(0.48)	SPRINT NEXTEL:	2.70	(0.15)
WASH POST:	349.69	(5.06)	THOMAS & BETTS:	51.26	(0.64)
PROGRAMMING			TIVO:	10.12	(0.11)
AMC NETWORKS:	37.14	0.36	UNIVERSAL ELEC:	16.05	(0.22)
CBS:	24.75	(0.31)	VONAGE:	2.65	(0.05)
CROWN:	1.56	(0.05)	YAHOO:	15.34	(0.38)
DISCOVERY:	40.72	(0.73)	TELCOS		
GRUPO TELEVISA:	20.17	(0.37)	AT&T:	28.61	(0.17)
HSN:	35.81	(0.03)	VERIZON:	36.70	0.05
INTERACTIVE CORP:	41.39	(0.02)	MARKET INDICES		
LIBERTY STARZ:	68.82	0.72	DOW:	11770.73	(134.86)
LIONSGATE:	8.61	0.09	NASDAQ:	2587.99	(51.62)
LODGENET:	2.15	0.02	S&P 500:	1216.13	(20.78)
NEW FRONTIER:	1.10	(0.03)			
OUTDOOR:	7.04	0.01			
SCRIPPS INT:	39.57	(0.21)			
TIME WARNER:	33.31	(0.67)			
VALUEVISION:	1.76	(0.06)			
VIACOM:	52.80	(0.41)			
WWE:	9.68	(0.14)			
TECHNOLOGY					
ADVANTAGE:	2.01	(0.06)			
ALCATEL LUCENT:	1.87	(0.02)			
AMDOCS:	28.75	(0.23)			
AMPHENOL:	45.67	(1.41)			
AOL:	14.58	(0.28)			
APPLE:	377.41	(7.36)			
ARRIS GROUP:	10.87	0.02			
AVID TECH:	7.04	0.05			
BIGBAND:	2.24	0.01			



Join *Communications Technology* magazine for the **CT Platinum Awards/Operator of the Year Breakfast** on Dec. 8 at the Grand Hyatt in NYC, as we salute the winners of our first annual "Best in Products, Services and Marketing" program and the winner of CT's 2011 "System of the Year" Award. **Space at the breakfast is limited, so register yourself and your team today!**

This must-attend industry event is a three-pronged happening: recognizing outstanding broadband-technology products and services, the 2011 CT System of the Year; and you get some great networking time with your peers.

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Premium Selection

It's difficult to feel confident that any meaningful evolution in premium net packaging/distribution will occur in the near term, not when **Starz**' imminent split from **Netflix** ensures it will become what MVPDs no doubt desire: the last real bastion of walled TV content, at least the fresh variety. And certainly not when considering the perpetual multiplatform quarrels among ops and programmers that don't command additional sub rev. Heck, **Time Warner Cable** and **Cablevision** still don't offer **HBO Go**, which I consider an imperative value-add for premium subs who may be contemplating saving \$10 or more/month by pruning their packages. I firmly believe cord shaving remains much more of a current and near-term threat to the pay TV industry than cord cutting, despite the dizzying proliferation of alternative viewing options. Just this week, for example, reports surfaced that **Sony**'s in talks with content owners to bring live TV to the **Playstation 3**, and **Boxee** announced a dongle due out in Jan that allows its Web-connected boxes to import live HD feeds of **ABC**, **Fox**, **CBS** and **NBC**. But make no mistake: broadcast TV is not cable TV, and basic cable is still not premium cable. Basic continues to make strides, to be sure, but premium nets own the greatest breadth and consistency of quality content, bar none. Now, it's imperative that the category and ops agree on ways to expose more people to that content through innovative services and packaging. **HBO Go** surely helps lower churn, but is it the domino that makes resistant subscribers finally fall? Doubtful. That's why **Starz** pres/CEO *Chris Albrecht*'s backing of an HSD-only premium package or other outside-the-box ideas should be embraced. Ops should stop whining about a premium fall off and devise ways to reverse the individual trends they are seeing. Because by the time the world economy is back on solid footing, there's no telling how many more viewing options there will be. *CH*

Highlights: "Spy," new eps on Fridays, **Hulu**. Mix the silly sight gags of "Police Squad," dry British wit and spy spoofs reminiscent of **FX**'s hilarious animated series "Archer" and you begin to describe this English import. One of **Hulu**'s most viewed, the amusing love triangle features children who are far smarter than their bumbling parents. *SA*

Worth a Look: "Knights of Mayhem" Tues, 9p, **Nat Geo**. A benefit of reality TV (yes, there are a few) is its ability to expose us to niche cultures. That's the strength of "Knights," which follows muscular *Charlie Andrews* as he attempts to make medieval jousting—armor, horses, lances—a commercial sport. If he's successful, does jousting get a spot on a **Fox Sports**? -- "Jump Shipp," Fri, 9p, **Halogen TV**. The faith-based network lets entrepreneur Shipp ask a young person to take a leap of faith by quitting their job and following their dream. It's OK, they're young. *SA*

Holiday Notables: What? There's a better combo than *James Bond* and turkey? Beginning midnight Wed, **Syfy** offers "You Only Live Twice," followed by 14 other Bond films over 3 days. At least families can bond over TV. -- **Military Channel**'s re-named Wed 'Tanksgiving,' making it optimal to run its 3rd annual marathon of tank-related shows (9a-10p). *SA*

Basic Cable Rankings (11/7/11-11/13/11) Mon-Sun Prime			
1	ESPN	2.9	2886
2	USA	2	1964
2	DSNY	2	1930
4	FOXN	1.4	1401
5	HIST	1.3	1265
5	TBSC	1.3	1254
7	FAM	1.1	1047
8	A&E	1	1007
8	NAN	1	986
8	AMC	1	969
8	FX	1	964
8	NFLN	1	593
13	FOOD	0.9	938
13	ADSM	0.9	926
13	HGTV	0.9	894
13	TNT	0.9	884
13	TLC	0.9	868
13	SYFY	0.9	840
13	DSE	0.9	64
20	DISC	0.8	800
20	HALL	0.8	725
20	BRAV	0.8	725
23	CMDY	0.7	689
23	TRU	0.7	665
23	MSNB	0.7	637
23	BET	0.7	610
23	NKJR	0.7	538
28	LIFE	0.6	607
28	TVLD	0.6	593
28	SPK	0.6	587
28	LMN	0.6	485
28	ID	0.6	450
33	MTV	0.5	536
33	ESP2	0.5	532
33	CNN	0.5	519
33	OXYG	0.5	358
37	EN	0.4	432
37	CNBC	0.4	424
37	VH1	0.4	404
37	APL	0.4	381
37	NGC	0.4	287
37	GSN	0.4	283
43	HLN	0.3	345
43	TRAV	0.3	301
43	GOLF	0.3	251
43	DXD	0.3	247

*Nielsen data supplied by ABC/Disney



Deadline: December 2, 2011 • Enter At: www.CableFAX.com/BOW11

CableFAX's Best of the Web Awards is the industry's top honor in the digital space, recognizing outstanding websites and digital initiatives among cable programmers, operators, vendors and associations.

The CableFAX Best of the Web Awards will also salute the cable executives behind the scenes who make these digital initiatives shine. The winners and honorable mentions will be saluted during at an awards event in Spring 2012 in New York City.

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