URGENT! PLEASE DELIVER





Welcome Back: Charter Returns to Conference Circuit, Eyes New Equity

Just 2 days after Charter emerged from bankruptcy proceedings, pres/CEO Neil Smit and CFO Eloise Schmitz used the MSO's new freedom to provide a little more transparency in operations at the Bank of America credit conference. Similar presentations will likely become quarterly events, as Charter plans to file for NASDAQ listing after mid-Jan. The 112mln shares of Charter currently outstanding are trading on a when-issued basis. Paul Allen remains a major shareholder. holding 35% of the voting interest, and others include Apollo Group, Oaktree Capital Management and Crestview Partners. "It's nice to be back... in the real world," said Smit, noting balance sheet and M&A opportunities as a result of Charter's improved financial flexibility. "We can plan longer term, [and] our credit profile is significantly improved." Charter is now leveraged at 5.5x earnings, compared to 9.4x before emergence, and Schmidt said just 26% of the MSO's \$13.5bln in debt is due within 4 years. Charter has approx \$600mln of cash on hand. As of Sept 31, the MSO passed 12mln homes, counted 5.3mln customer relationships and 4.9mln video subs, and YTD had grown rev by 5% and EBITDA by 10%. All but 6% of the overall rev growth stems from HSD and phone services. Video RGUs have slipped 1.8% through 3Q. Charter has "really been driving ARPU growth," said Smit, with the avg now at \$108 despite some detriment to RGU growth (+2%). Smit mentioned softness in the premium channel market but said Charter is offsetting that downturn with advanced services such as VOD, rev from which is up 15% this year. And like MSOs including Comcast and Time Warner Cable, Smit highlights the commercial market as a source of great rev opportunities, particularly regarding cellular backhaul. Commercial rev is up 15%, and bundled business customers have increased 36%. Price hikes across services will likely be instituted in the near term, said Smit, noting success with 2-yr price-ins for new subs. The MSO is currently testing wireless services, but Smit said firm plans remain undetermined, as does a decision on whether to partner with Clearwire. "Most of the opportunity is on the data side," he said.

Spectrum Wars: Broadcasters may be able to share 6 MHz channels "without significantly disrupting the free over-the-air television service that consumers enjoy today." That's 1 thought put forth by the **FCC** in its public notice Wed for comments on how broadcasters can use their spectrum and under what circumstances they may contribute that spectrum to the wireless broadband effort. Sharing channels would, however, impact the number and type of signals each station can broadcast (ie, multicasting, HD, mobile TV), the FCC acknowledged. Beyond probing the sharing issues, the FCC is asking how the migration to more time-shifted viewing impacts the broadcasting industry and what percentages of broadcast programming streams are transmitted to MVPDs by over-the-air broadcast. "Broadband deployment to unserved areas is a worthy goal, and broadcasters believe we can help the FCC accomplish its mission without stifling growth opportunities of free and local TV stations, and the millions of viewers that we serve," **NAB** evp *Dennis Wharton* said. "We would hope policymakers would remember that after spending \$15bln upgrading to the next generation of television, broadcasters just returned to the government more than a quarter of the spectrum used for free and local TV service."



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Merry Dish-mas: First it's holiday trees, now it's Christmas satellites. **DISH** says it got an "outpouring" of comments (good and bad) for its new commercial "We Dish You a Merry Christmas" that began running Mon on DISH Network. The spot (http://bit.ly/7K2sSL) gained notoriety after **Fox News**' "The O'Reilly Factor" dubbed the DBS company a "patriot" for using the words "Merry Christmas" vs "Happy Holidays." "DISH Network acknowledges and respects the diversity of faith in our country, but at the same time recognizes the overwhelming majority that celebrate Christmas," the company said Wed. "We cannot imagine that Americans of all faiths would not want to embrace the spirit of the holiday and join us in wishing Christian Americans a very Merry Christmas." A spokesperson would only say that a "significant number" of people had contacted the company, with about 75% expressing support and the remaining quarter displeasure. Not surprisingly, Mon night's mention from *Bill O'Reilly* ratcheted up the number of emails and calls.

<u>At the Portals</u>: Comcast is seeking FCC approval on its purchase of CIMCO's telecom assets. CIMCO provides local exchange telephone services to business customers in approximately 298 local service areas throughout IL, IN, MI, OH and WI, in which Comcast or one of its affiliates holds a franchise to offer cable TV service.

<u>Beta</u>: Discovery Channel, History and ESPN were again the top 3 favorite basic nets according to Beta's cable sub survey, but this year Discovery and History tied for the top spot whereas Discovery emerged victorious a year ago. Lifetime, Food Net and TNT followed ESPN. Discovery did, however, pace History and The Weather Channel as the basic net deemed most important to subs' enjoyment of cable, with USA and TNT completing the top 5 in the category. ESPN and ESPN2 led in avg perceived value.

<u>Research</u>: Nielsen said it will launch in 7500 TV homes by Aug 31 **TVandPC**, which will provide integrated linear and online program ratings. The service is testing in approx 400 homes. -- **SNL Kagan** will distribute **MediaBiz's** market-level video sub data via its online information service, making it available to SNL Kagan Unlimited clients. Future plans include the development of interactive online services around this data as well as expansion into other metrics beyond video.

<u>iTV</u>: icueTV and HITS Advanced Interactive Services joined to offer cable MSOs t-commerce interactive apps, including click to email, click to purchase, voting, polling. -- Comcast and HSN announced a nationwide rollout of the net's interactive TV app Shop by Remote, which allows the MSO's digital subs to purchase HSN products by using their remote control.

<u>VOD</u></u>: Comcast has exclusively partnered with *Taylor Swift* for an HD VOD collection featuring the singer's music, videos and special content. -- **Cox** upgraded its on-screen VOD interface to offer subs faster and simpler navigation.

Programming: VH1 has joined with DoSomething.org to televise the "Do Something Awards" July 27, live from L.A. Since 1996, **Do Something** has honored the nation's best young world-changers, like *Maggie Doyne* who created an orphanage in Nepal at age 17 and now at 22 is the legal guardian to 27 children. -- The Thurs ep of **TLC**'s "American Chopper" finds the *Teutuls* building a bike for the **Iraq Star Foundation**, whose goal is to provide US soldiers injured in Iraq and Afghanistan with free reconstructive surgery. Featured are *Jon Voight, Gary Sinese* and *Kristy Swanson*. -- **FX**'s forthcoming schedule includes the final season of "Nip/Tuck" (Jan 6), the return of "Damages" (Jan 25), the premiere of animated comedy "Archer" (Jan 14) and fresh original drama "Justified" (Mar), inspired by *Elmore Leonard*.

Building Character: Kudos to all the good folks at **USA** for pulling off a thought-provoking event Wed in D.C. about how to foster unity despite divisions among Americans over hot-button issues. Holding its first Characters Unite National Town Hall at the Newseum just blocks from the White House and Capitol Hill, USA put topics like immigration, racism, class, economic disparity and attitudes toward war on the front burner. Former **NBC News** anchor and moderator *Tom Brokaw* kept it moving while panelists ranging from rocker *Jon Bon Jovi* to Georgetown sociology prof *Michael Eric Dyson* offered myriad perspectives. After Brokaw previewed his upcoming USA doc "American Character Along Highway 50" in which he travels the country talking to regular folks, he recalled a uniquely American resilience. "There was almost no whining no matter how great the pain," he said. The panel's ultimate takeaway: America has many problems, but its people remain optimistic and hopeful they can tackle them. Said Dyson: "We've got the hope down. We need the audacity."

<u>Honors</u>: Discovery Channel Global Education Partnership and Chevron were awarded the '09 Partnership Award by the US Chamber of Commerce Business Civic Leadership Center for their collaboration to help educate students around the world. The 2 have developed 65 Learning Centers in underserved communities across Angola, Nigeria, South Africa, Venezuela and Brazil.

BUSINESS & FINANCE

On the Circuit: Lifetime Nets and Hyperion's VOICE imprint have partnered to publish "Secrets of Powerful Women: Leading Change for a New Generation," a collection of essays from 24 top women leaders, including Rep Marsha Blackburn (R-TN) and DNC vice chair Susan Wolf Turnbull. It's a project resulting from Lifetime's Every Woman Counts public service campaign. 100% of Lifetime's proceeds will be donated to The White House Project, which is working to advance a diverse, critical mass of women into leadership positions.

People: Beth Lawrence is leaving **Yahoo!** to become evp. ad sales and media solutions for The Weather Channel Companies. effective Jan 4. She will be based in NY and report to CEO Michael Kelly. Lawrence will lead Weather's '10 upfront efforts, which will focus on cross-platform attributes and the reach of Weather Channel. -- MSG Media tapped Joost.com founding member David Clark as evp, sales. He will oversee all ad sales initiatives, including sponsorships, co-promotions and partnership opportunities for MSG Media.

Business/Finance: Marvel Ent set Dec 31 as the date of a special meeting at which shareholders will vote on the proposed merger with **Disney**. Marvel expects to complete the deal on that date. The deal was announced over the summer (Cfax, Sept 1).

Best of the

Deadline: December 4, 2009

WEB AWARDS

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BROADCASTERS/DBS BRITISH SKY:		0.42
DIRECTV:		
DISH:		
DISNEY:		
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MSOS		
CABLEVISION:	24 81	(0.36)
COMCAST:	14.94	(0.02)
COMCAST SPCL:		0.06
GCI:		
KNOLOGY:		
LIBERTY CAPITAL:	22.99	0.05
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MEDIACOM:		
RCN:		
SHAW COMM:		0.14
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MARKET INDICES

DOW:	10452.68	(18.9)
NASDAQ:	2185.03	9.22

Deadline: December 4, 2009 • Enter At: www.CableFAX.com/BOW



The CableFAX Best of the Web Awards will also salute the cable executives behind the scenes who make these digital initiatives shine. The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine. The winners and honorable mentions will be saluted during at an awards event in April 2010 in New York City.

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