

CableFAX Daily™

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What the Industry Reads First

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Bewkes Speaks: Bundled TV Programming 'Economically Efficient'

A day after top cable execs threaten to drop underperforming nets, **Time Warner** chmn/CEO *Jeff Bewkes* defended bundled TV packages at **UBS'** media and communications conference Tues. Calling bundled programming "economically efficient," he said "I don't think it's desirable for consumers to break the bundle" because they would pay more for less if networks weren't bundled together. As for rising programming costs, Bewkes put the blame on growing sports programming rates. Escalating sports rights fees "may be an issue... I don't know what will happen with that," he said. The bottom line? Bundling is going to continue because "other than the concentrated viewing and cost of sports, the rest of the bundle is a better value than ever." The chief exec expects Time Warner to see double digit increases in pay TV affil fees in '13-'16, citing rating improvements and VOD and TVE rights. Overall, the company has "a real opportunity to accelerate our growth." Additionally, Bewkes is not concerned that weak broadcast ratings this fall will start affecting cable ratings as cable viewing continues to increase. "Monetization is taking place even if you're not seeing it in the ratings," Bewkes said. Meanwhile, though measurement systems for digital platforms aren't fully developed, advertisers are paying for audiences, the exec said. Bewkes also touched on the movie industry, saying the business is "pretty healthy" in the US. However, he warned of the trend toward video rentals. "There's a niche shift to rental, kiosk rental, that's less profitable," he said. Bewkes said he hopes to make content ownership easier (perhaps through the industry's UltraViolet streaming initiative). "We are trying to get high-margin sales through windows and make ownership more common..." he said. One way or another, in the long run, "we think it's a business that can grow, although it isn't growing as fast as television." Regarding the OTT market, the exec said content from OTT players like **Netflix** isn't as "frothy" as it was.

Deals: **Netflix** got itself a deal with Mickey. Under an agreement with Disney, Netflix has exclusive rights to **Walt Disney Studios'** animated and live-action movies starting with the '16 theatrical releases. The deal covers Disney direct-to-video new releases, which will be available on Netflix starting next year. In addition, Netflix subs will have access to Disney classics, catalog movies, and non-theatrical movies. **Starz** previously had the rights, and will continue to be the exclusive home of all Disney movies, including the **Lucas Film, Marvel** and **Pixar** releases, and their accompanying digital streaming rights, into 2017. "Our decision not to extend the agreement for Disney output past that time allows us the opportunity to implement our plan to dramatically ramp up our investment in exclusive, premium-quality original series which will best meet the needs of our distributors and subscribers," Starz said.

UBS Notebook: Hurricane Sandy might have impacted **Verizon** networks but the telco is taking advantage of the disruption and replacing damaged copper wires with fiber cable, chmn/CEO *Lowell McAdam* said Tues. The move will help the company sell more services and lower maintenance costs "dramatically" as the company works to accelerate FiOS expansion, he said. The goal is to transfer as many services as possible off of the legacy copper lines and onto the FiOS platform.

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The telco expects to exceed its initial target of 200K subs converted to fiber this year, with conversion being “substantially more” in '13. The telco chief also touched on the company's video streaming **Redbox** project, a joint venture with **Coinstar**. Services are in “internal employee beta testing” and will be available for consumers later this month or early Jan. Expanding the project is possible if OTT becomes more popular, the telco chief said. -- Movies will increasingly become available on multiple platforms, said **AMC Networks** pres/CEO **Josh Sapan**. That means programmers like **AMCN** need to have content that's proprietary and in high demand, he said, and the need for faster VOD availability and more original programming is “greater today than it was five years ago.” Meanwhile, “the experience with **DISH** was an interesting one” because the network has never been off a provider before, he said. **AMCN** has taken a restrained approach in terms of making its content available, he said. “We chose to very selectively sell the content that we control... into digital SVOD windows... We think that decision seems to have been pretty good because it seems to have held up well in the tougher circumstances,” he said. He added that delayed SVOD access has led consumers to sample content on platforms like **Netflix** and then return to the network in greater numbers. That helps **AMCN** develop its fanbases as viewers also discover content on other **AMCN** nets, he said: “We've reached new audience we otherwise wouldn't have.” Transactional VOD and digital content remained **AMCN**'s biggest revenue growth potentials, although its networks are “all in” on TVE. “We try to be as disciplined as possible,” he said. -- **Scripps Networks Interactive's Food Network** could become a \$1bln revenue business over the next couple years, according to chmn/CEO **Ken Lowe**. “It takes a while to build a brand,” Lowe said. “Plenty of people never imagined Food would be a top 10 network.” As for the network with the biggest growth potential, Lowe singled out the company's **Travel Channel**. Scripps bought the net in '09.

CableFAX Awards: Thanks to all who joined us Tues for the **CableFAX** Programming and Top Ops Awards event in NYC. There was a lot of talent in the room and a lot of laughs. We're still giggling over Hall of Fame inductee/**Discovery and TLC** group pres **Eileen O'Neill's** intro video, which included well wishes from **Honey Boo Boo**. “This is Miss Eileen! People you better recognize,” the pint-size reality star declared. Fellow HoF inductee **Jim Cramer** of **CNBC** thanked a host of people, including those in the control room who have the ability to “wreck a show or make it great.” It was touching and fitting to see **Les Read** honored with a Lifetime Achievement Award for his work at **HBO** and **TelePrompTer**. “A Lifetime Achievement award? I guess that means I'm older than dirt,” he quipped. **HBO** picked up a special Platinum Icon award for its contributions to cable. **Cathy Avgeris**, **Comcast** evp and gm for communications and data services, accepted the Operator of the Year honor for the MSO. She had high praise for Comcast Cable CEO **Neil Smit**, a former Navy Seal. “If he says go faster, we say, ‘Absolutely sir, we will go faster,’” she said. Lovely intro of HoF inductee/**Bravo and Style** pres **Frances Berwick** by “Inside the Actors Studio” host **James Lipton**, who offered what may be the biggest compliment in this day and age: “She answers an email in 10 minutes.” Berwick and **AMC Nets** COO **Ed Carroll**, also a HoF inductee, had fun complimenting and goofing on one another, with Berwick teasing that Carroll had transformed the darker periods of his life into show titles (“Walking Dead,” “Breaking Bad,” and so on). See all the winners of the CableFAX Programming Awards online at: www.cablefax.com/Assets/File/CFD_120512_Program-Awards-Midday-Final.pdf

TVE: Synacor is teaming with **Zynga**, making Zynga game currency available to pay-TV and high-speed Internet providers as part of their consumer bundles. The partnership will enable the companies to expand their video, telephony, and high-speed Internet subscription offerings to include access to Zynga games from their online start pages. Players will be able to

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use in-game credits to enhance their game play across multiple platforms.


Ratings: Showtime's "Homeland" continues to deliver, with Sun marking its highest-rated ep ever, with 2.2mln viewers tuning in at 10pm and 2.5mln for the night. It also marked the 1st time an ep of "Homeland" ranked higher than a new ep of "Dexter" (2.1mln at 9pm, 2.63mln for the night). -- **Hallmark Channel's** Sat night original holiday movie "A Bride for Christmas" posted a 3.0 HH ratings/5.3mln unduplicated viewers. -- Christmas fare also paid off for **ABC Family**, which soared to 2012 weekly highs for total viewers (2.1mln), 18-34s (589K), women 18-34 (390K), 18-49s (1mln), women 18-49 (660K) and 12-34s (801K).

Honors: The **Human Rights Campaign's** 2013 Corporate Equality Index named **Time Warner Cable** among the nation's "Best Places To Work" for LGBT people, marking the 1st year the company has earned a 100% score.

People: **The Weather Company** named *Jennifer Dangar*, pres, distribution and business development, and *Cameron Clayton*, pres, digital division. -- **Viacom International Media Networks** appointed *Maria Badillo* as vp, programming & production. -- **Discovery Channel** named *Joshua Weinberg* vp, integrated content strategy, innovation and execution. -- **Ovation** named *Robert Weiss* chief creative officer. -- **Viacom Entertainment Group** upped *Dan Yang* to evp, strategy and business development.

CableFAX Daily Stockwatch

Company	12/04 Close	1-Day Ch	Company	12/04 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	49.31	0.01	CONVERGYS:	15.73	0.07
DISH:	37.20	0.62	CSG SYSTEMS:	19.16	0.25
DISNEY:	49.30	0.01	ECHOSTAR:	32.71	0.18
GE:	20.86	0.04	GOOGLE:	691.03	(4.22)
NEWS CORP:	25.12	(0.02)	HARMONIC:	4.78	0.07
MSOS					
CABLEVISION:	13.94	0.12	INTEL:	19.97	0.43
CHARTER:	70.45	UNCH	JDSU:	12.35	0.15
COMCAST:	37.20	0.12	LEVEL 3:	19.12	0.46
COMCAST SPCL:	36.04	0.09	MICROSOFT:	26.37	(0.06)
GCI:	8.39	0.31	RENTRAK:	19.52	0.16
LIBERTY GLOBAL:	57.19	(0.24)	SEACHANGE:	9.08	(0.07)
LIBERTY INT:	19.25	0.20	SONY:	9.63	(0.06)
SHAW COMM:	21.76	0.04	SPRINT NEXTEL:	5.68	(0.04)
TIME WARNER CABLE:	94.97	(0.17)	TIVO:	11.82	0.04
VIRGIN MEDIA:	35.21	0.12	UNIVERSAL ELEC:	17.45	(0.11)
WASH POST:	364.77	1.33	VONAGE:	2.46	0.04
PROGRAMMING					
AMC NETWORKS:	52.25	(0.75)	YAHOO:	18.93	0.38
CBS:	35.84	0.22	TELCOS		
CROWN:	1.81	(0.02)	AT&T:	33.92	(0.22)
DISCOVERY:	60.51	0.56	VERIZON:	43.67	(0.43)
GRUPO TELEVISIA:	23.28	(0.32)	MARKET INDICES		
HSN:	52.21	(0.06)	DOW:	12951.78	(13.82)
INTERACTIVE CORP:	43.50	(3.67)	NASDAQ:	2996.69	(5.51)
LIONSGATE:	16.17	(0.06)	S&P 500:	1407.05	(2.41)
LODGENET:	0.17	0.04			
OUTDOOR:	7.43	(0.02)			
SCRIPPS INT:	59.22	0.18			
TIME WARNER:	46.70	(0.1)			
VALUEVISION:	1.74	0.02			
VIACOM:	51.81	0.24			
WWE:	8.01	0.01			
TECHNOLOGY					
ADVANTAGE:	1.97	(0.02)			
ALCATEL LUCENT:	1.16	0.06			
AMDOCS:	33.67	0.29			
AMPHENOL:	60.96	(0.09)			
AOL:	31.24	(0.66)			
APPLE:	575.85	(10.34)			
ARRIS GROUP:	14.26	0.05			
AVID TECH:	6.80	0.14			
BLNDER TONGUE:	1.17	0.03			
BROADCOM:	32.45	0.28			
CISCO:	19.17	0.14			
CLEARWIRE:	2.47	0.07			
CONCURRENT:	5.41	0.04			



A toast to ALL the women in cable for contributing a **Wealth of Wisdom and Knowledge** each and every day.

WealthTV is proud to recognize CableFAX's Most Powerful Women.

Here's to
women who
rule the remote.

**TiVo is proud to sponsor the CableFAX Most Powerful Women Breakfast,
and we congratulate our own Margret Schmidt and Tara Maitra.**

