

CableFAX Daily™

Monday — December 10, 2007

What the Industry Reads First

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New Gemstar? No O'Connor, Cable Nets Up in the Air, Stocks Down

Digital rights company **Macrovision** may end up getting **Gemstar-TV Guide**, but it sounds like it won't be getting one of the company's top execs. We hear evp, distribution *Tonia O'Connor* will leave Gemstar for **Univision**. Gemstar said it doesn't comment on personnel matters. The popular O'Connor will run Univision's distribution division in NY, reporting to the broadcaster's new CEO. Her 1st order of business will be to renegotiate retrans deals for Univision and affiliation agreements for **Galavision**. O'Connor also will be pushing VOD, broadband and wireless deals on cable operators. Wall St was far from thrilled with Macrovision's \$2.8bln planned acquisition, with both stocks plummeting after the Fri morning announcement. Gemstar closed down 16.6%; Macrovision was off 21.3%. Gemstar shareholders seem concerned that the \$6.35 cash per share isn't enough. Macrovision shareholders may be disappointed that they won't see a short-term return. Macrovision is most interested in getting its hands on Gemstar's IPG tech. "In the future, we believe the guide will form the homepage for the total media experience," said Macrovision CEO *Fred Amoroso*. "With our suite of technology, we intend to enable system operators and device manufacturers to provide consumers the capability to access all their content libraries in one central portal, whether its movies, pictures, television shows, or music stored on your PC, set-top box or digital camera. We envision a guide will manage it all." Less clear are its plans for Gemstar's cable nets and magazine. Amoroso said any assessment of the **TV Guide** brand's importance was "premature" and wouldn't say if he plans to keep those assets or divest them. He said he intends "to spend time over the next few months with [Gemstar CEO *Rich Battista*] and his team learning a lot more about the entire entertainment side of the business before making any decisions about how their strategic value would fit into our overall approach." The deal, which has a breakup fee of about \$56mln attached to it, requires 2/3 approval by Gemstar's outstanding shareholders. **News Corp**, which owns 41% of Gemstar common stock, has already given its blessing. A majority of Macrovision shareholders also must sign off. The deal is slated to close in early 2Q '08, with Amoroso becoming pres/CEO of the combined company and Macrovision CFO *James Budge* becoming CFO. Gemstar CEO *Battista* and CFO *Bedi Singh* will leave the organization.

On the Hill: Rep *Cliff Stearns* (R-FL) will become the ranking member of the House Subcmte on Telecom. He replaces Rep *Fred Upton* (R-MI), who will become ranking member of the Energy Subcmte. House Commerce leading GOP member *Joe Barton* (R-TX) announced the new Republican leadership, which comes as a result of former Speaker *Dennis Hastert's* (R-IL) resignation from Congress.

In the Courts: **HDNet** and **DirecTV** are friends again, with the 2 settling a dispute over the DBS provider's plan to move HDNet and **HDNet Movies** to a more expensive HD tier. DirecTV has agreed to keep HDNet on its standard \$9.99/mo HD package, and move only HDNet Movies to a tier that costs an additional \$4.99/mo. HDNet dropped its lawsuit against DirecTV and told the **FCC** it's no longer seeking conditions on **Liberty's** proposed acquisition of News Corp's DirecTV.



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5Qs with Discovery Channel chief John Ford: What's your vision for Discovery Channel? We have opportunities that aren't radically different from what you've seen on **Discovery** before. Discovery must own the big science arena; where viewers can find the coolest science on the planet. We'll also be a place where you get to find out what's going on in the world. We're always going to be a place for superior storytelling about the real world. My vision for Discovery is that we continue to be the best curiosity channel, if you will, in the world. **Your immediate priority?** Getting a handle on the 500 hours of production in various stages for next year and '09. It's like drinking water from a fire hose. It's a task. Then I have to see what's ready for launch. In some cases there are minor decisions needed at the end of a show's production. The other thing we have to figure out is what will we promote with marketing money in the 1st quarter. **What's the state of Discovery?** This car is going around the track at 190 miles/hour, and it's looking good. We don't need a pit stop. I don't need to go under the hood. Our ratings vs last Nov are very, very good. I'm excited about our series and specials coming up. **You left Nat Geo to form a documentary company. What happened?** *David Zaslav.* We met in early summer and talked frequently. We'd known each other from his **National Geographic Intl** board days. He kept saying, 'Look, I want you to join the team here.' So I talked with [domestic distribution pres] *Bill Goodwyn*, [Discovery Studios pres] *Clark Bunting* and [global business pres] *Mark Hollinger*. 'You're gonna love it here,' they all said. That's what really did it for me. **Your favorite Christmas gift?** A bicycle. When I was 8 years old. It was red, had 2 wheels and a seat, that's all I remember about it. But it was great. [John Ford's lessons from **Nat Geo Channel**, at cable360.net]

Doing Good: The **Lustgarten Foundation for Pancreatic Cancer Research** and **Cablevision** raised a record \$1.5mln at the annual "Holiday Rock & Roll Bash." More than 1100 guests attended the event, which featured CVC CEO *Jim Dolan's* band, JD & The Straight Shot. NY Rangers star *Sean Avery* even joined the band for a song. -- **ESPN's** "Jimmy V Week" raised more than \$525K for **The V Foundation for Cancer Research**, with contributions still coming in. The week began Nov 28 and featured a variety of V-related content across ESPN platform to drive donations.

Longevity Pinned: As "WWE Monday Night RAW" has been extended for air on **USA** through '10, **WWE** is set to unleash a 3-hour special (Mon, 8pm ET) on the net commemorating the franchise's 15th anniversary. And don't forget the veritable battle royal of related content across platforms, including a dedicated microsite at **WWE.com**, mobile features via **AT&T** and special on-demand fan polling. Since returning to USA in '05, the franchise has averaged 5.07mln viewers.

Deals: **SureWest** inked a definitive agreement to acquire for \$173mln in cash **Everest Broadband**, a provider of HSD, video and voice services in Kansas City, MO, and environs. The combined entity will count more than 200K RGUs in Sacramento, CA, Kansas City and Johnson County, KS, including 95K data, 54K video and 53K voice. **UBS Investment Bank** is acting as exclusive financial advisor to SureWest, and **Waller Capital Partners** is serving in the same capacity for Everest. The transaction is expected to close by the end of 1Q.

In the States: With multiple cable deals in '07, **GMC** hit a distribution high note of more than 22mln HHs. Helping the net add 14mln subs alone this year are new agreements with **Bresnan**, **Charter**, **Comcast**, **Cox** and **Time Warner Cable**.

On the Circuit: The **Association of Cable Communicators' FORUM 2008** (Mar 30-Apr 2) in Washington, D.C., will feature as keynotes **NCTA** boss *Kyle McSillarow*, **Edelman** pres/CEO *Richard Edelman* and **Manning Sel- vage & Lee** global CEO *Mark Hass*.

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CableFAX Week in Review

Company	Ticker	12/07 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	48.62	(5.1%)	25.80%
DISNEY:	DIS	32.79	(1.1%)	(0.6%)
ECHOSTAR:	DISH	40.27	(6.6%)	5.90%
GE:	GE	37.23	(2.8%)	7.60%
HEARST-ARGYLE:	HTV	21.30	8.80%	(13.5%)
ION MEDIA:	ION	1.18	(10.6%)	136.00%
NEWS CORP:	NWS	21.98	1.40%	(0.1%)
TRIBUNE:	TRB	31.85	2.60%	4.60%
MSOS				
CABLEVISION:	CVC	25.64	(5.1%)	(10%)
CHARTER:	CHTR	1.41	6.80%	(53.9%)
COMCAST:	CMCSA	18.28	(11%)	(35.2%)
COMCAST SPCL:	CMCSK	18.22	(9.9%)	(34.7%)
GCI:	GNCMA	8.40	(5.2%)	(46.6%)
KNOLOGY:	KNOL	12.85	(4.4%)	20.80%
LIBERTY CAPITAL:	LCAPA	118.44	(0.5%)	20.90%
LIBERTY GLOBAL:	LBTYA	40.60	0.00%	39.30%
LIBERTY INTERACTIVE:	LINTA	20.47	1.60%	(5.1%)
MEDIACOM:	MCCC	4.84	7.30%	(39.8%)
NTL:	NTLI	28.22		(54.5%)
ROGERS COMM:	RG	42.97		45.10%
SHAW COMM:	SJR	25.00	0.90%	65.80%
TIME WARNER CABLE:	TWC	26.13	0.40%	(31.8%)
WASH POST:	WPO	800.00	(0.8%)	10.60%

Company	Ticker	12/07 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	27.15	(1%)	(7%)
CROWN:	CRWN	5.91	(18.7%)	62.80%
DISCOVERY:	DISCA	27.24	11.40%	69.30%
EW SCRIPPS:	SSP	43.61	0.40%	(10.5%)
GRUPO TELEvisa:	TV	24.74	2.40%	(1%)
INTERACTIVE CORP:	IACI	28.46	2.20%	(23.4%)
LODGENET:	LNET	19.09	(0.6%)	(23.7%)
NEW FRONTIER:	NOOF	4.98	2.70%	(21.3%)
OUTDOOR:	OUTD	6.80	(2.6%)	(47%)
PLAYBOY:	PLA	9.76	3.70%	(14.8%)
TIME WARNER:	TWX	17.40	0.80%	(18.2%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	6.95	5.60%	(47.1%)
VIACOM:	VIA	43.23	2.90%	5.40%
WWE:	WWE	15.20	(3.6%)	9.40%

Company	Ticker	12/07 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.51	4.60%	9.70%
ADC:	ADCT	17.67	6.80%	21.70%
ADVANTAGE:	AEY	6.10	5.20%	118.60%
ALCATEL LUCENT:	ALU	8.08	(0.2%)	(32.9%)
AMDOCS:	DOX	34.27	3.60%	(11.6%)
AMPHENOL:	APH	46.16	6.50%	49.20%
APPLE:	AAPL	194.30	6.60%	115.10%
ARRIS GROUP:	ARRS	10.51	0.80%	(16%)
AVID TECH:	AVID	27.02	1.80%	(27.5%)
BIGBAND:	BBND	5.49	(8.3%)	(48.6%)
BLNDER TONGUE:	BDR	1.74	15.20%	2.40%
BROADCOM:	BRCM	28.58	6.90%	(11.6%)
C-COR:	CCBL	12.47	1.50%	11.90%

Company	Ticker	12/07 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	27.45	(2%)	0.40%
COMMSCOPE:	CTV	47.22	16.60%	54.90%
CONCURRENT:	CCUR	0.90	(4.3%)	(50.3%)
CONVERGYS:	CVG	17.17	5.30%	(27.8%)
CSG SYSTEMS:	CSGS	16.35	(1.3%)	(38.8%)
GEMSTAR TVG:	GMST	4.99	(15.4%)	24.40%
GOOGLE:	GOOG	714.87	3.20%	55.20%
HARMONIC:	HLIT	10.70	3.20%	47.20%
JDSU:	JDSU	13.94	3.60%	(16.3%)
LEVEL 3:	LVLTL	3.57	6.30%	(36.3%)
MICROSOFT:	MSFT	34.53	2.80%	18.70%
MOTOROLA:	MOT	16.28	1.90%	(18.1%)
NDS:	NNDS	60.46	3.40%	25.30%
NORTEL:	NT	16.92	0.30%	(36.8%)
OPENTV:	OPTV	1.11	(6.7%)	(52.2%)
PHILIPS:	PHG	41.61		14.90%
RENTRAK:	RENT	14.92	6.60%	(3.7%)
SEACHANGE:	SEAC	7.40	(1.9%)	(27.6%)
SONY:	SNE	53.23	(1.4%)	25.50%
SPRINT NEXTEL:	S	15.64	0.80%	(15.9%)
THOMAS & BETTS:	TNB	54.15	(0.4%)	14.50%
TIVO:	TIVO	8.20	9.50%	60.20%
TOLLGRADE:	TLGD	7.76	(2.3%)	(26.6%)
UNIVERSAL ELEC:	UEIC	37.70	2.00%	79.40%
VONAGE:	VG	2.06	(2.4%)	(70.3%)
VYYO:	VYYO	3.91	(15.2%)	(13.7%)
WEBB SYS:	WEBB	0.05	(28.6%)	25.00%
YAHOO:	YHOO	25.63	(4.4%)	0.40%

Company	Ticker	12/07 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	38.47	0.70%	18.60%
QWEST:	Q	7.06	6.50%	(15.7%)
VERIZON:	VZ	45.30	4.80%	33.40%

Index	Value	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	13625.58	1.90%	9.30%
NASDAQ:	COMPX	2706.16	1.70%	12.00%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS	COMPANY	CLOSE	1-WK CH
1.	COMMSCOPE:	47.22	16.60%
2.	BLNDER TONGUE:	1.74	15.20%
3.	DISCOVERY:	27.24	11.40%
4.	TIVO:	8.20	9.50%
5.	HEARST-ARGYLE:	21.30	8.80%

THIS WEEK'S STOCK PRICE LOSERS	COMPANY	CLOSE	1-WK CH
1.	WEBB SYS:	0.05	(28.6%)
2.	CROWN:	5.91	(18.7%)
3.	GEMSTAR TVG:	4.99	(15.4%)
4.	VYYO:	3.91	(15.2%)
5.	COMCAST:	18.28	(11%)

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MaxFAX...



Kevin Martin

The Loser?

The votes are in.
The emails and faxes have been tabulated.
And here's the "winner" of the "award" for the:
"WORST FCC Chairman in Modern History"

Current Chairman Kevin Martin(et)

And the runner-up is:
Former Chairman Heedless *Hundt*



Michael Powell

For the record, the public servant voted:
"BEST FCC Chairman in Modern History"

Former Chairman Michael Powell

Honorable mentions—for best—includes everyone listed (except Martin, but including *Hundt*). Ranking them puts *Dick Wiley* 2nd, *James Quello* 3rd, *Al Sikes* 4th and *Bill Kennard* 5th. No other Chairman received a "worst" vote. And, for the record, Martin got 73% of the votes (so far—if the tallies shift later, I'll let you know).

Random Notes:

- **This Year's CableFAX 100?** Are you on the list? You'll find out (along with me) in New York Tuesday the 12th during a special NBCU sponsored luncheon at the Grand Hyatt Manhattan Ballroom... great way to start off the Holiday Celebrations.

- **A Poll Caveat:** The voting for the **FCC** luminaries was hardly scientific... but one respondent really thought about it and sent along his (it was a he, a lawyerly he) criteria... I like 'em: (1) Honesty/openness in establishment of policies; (2) Relationship with FCC staff/fellow Commissioners; (3) Relationship with Congress; and (4) Substantive policies. Would that it were so.

- **Next Poll?** Worst Commission in this Administration? Had a half dozen suggestions that we should do that next week. But, upon reflection, why get into politics at all? Around here, we assiduously avoid such a thing!

- **Anybody Ahead in Iowa?** Besides **Mediacom** that is. Going to a caucus? If so, let us know about the experience...

Paul Maxwell

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Speakers:

Steve Effros, President of Effros Communications
Daniel Brenner, SVP, Law & Regulatory Policy, NCTA
Seth Davidson, Cable Lawyer, Fleischman & Harding
Michael Grebb, Executive Editor, CableFAX Daily
Amy Maclean, Editor-in-Chief, CableFAX Daily



Wednesday, December 19, 2007

Time: 10 am PST, 1pm EST, 6pm GMT

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