

CableFAX Daily™

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What the Industry Reads First

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AMC Nets: Walkers Boost 4Q Profits as Company Eyes International

Original programs primarily at **AMC** pushed **AMC Nets'** 4Q ad revenue to \$205mln, up nearly 31% YOY. A portion of the increase stemmed from AMC Nets' dispute with DISH in 2012 impacted results in 4Q that year), CFO *Sean Sullivan* said during the company's earnings call Thurs. Excluding the impact, "AMC was the primary driver of the growth as benefited from the performance of its original programming, most notably, 'The Walking Dead,'" as compared to the prior year period," he said. Higher ad revenue, operating income growth and smaller debt-related charges pushed the company's 4Q net income to \$35mln from \$15mln a year ago. While the walkers helped drive revenue, 2 canceled shows, "Low Winter Sun" and "The Killing," resulted in a \$52mln write-off charge during the quarter. The write-down accounted for some 5% of programming inventory, **Bernstein Research** analysts estimated. That's unlikely to slow the company down from launching new programming: "Our development pipeline is more significant than it's ever been" with several new series debuting this year, pres/CEO *Josh Sapan* said. Beyond '14, the company is developing several additional projects, including a companion series to *The Walking Dead* and another series based on graphic novel *Preacher*, he noted. Meanwhile, the company plans to keep beefing up scripted content at **Sundance Channel** this year with new and returning scripted projects. "Though both SundanceTV and **IFC** are at a relatively new stage in their advertising development, we see substantial runway with those networks," Sapan said. No consolidation question on the call, but plenty on **Chellomedia**, AMC Nets' \$1bln acquisition this month of the former international networks arm at **Liberty Global**. Because of Chello's different portfolio and strategy (its networks are more spread out throughout the world versus AMC Nets), the company is evaluating "strategic alternatives" for Chello's ad sales business, Sapan said. The company also wants to use Chello as a platform to deploy AMC Nets' shows "simultaneously and widely throughout the globe, not just in the US," he said. Meanwhile, AMC Nets' full year net revenue increased 17.7% YOY to \$239mln, thanks to a 18.4% growth at domestic networks and 6.9% international growth.

Musical Chairs: **Discovery Comm** pres/CEO *David Zaslav* on Tues announced that he's shaking things up among his top 3 go-to programming gurus, with group pres *Eileen O'Neill* adding oversight of **Science** and **Velocity**, which had been under group pres *Marjorie Kaplan*, who in turn will take over O'Neill's **TLC**. Group pres *Henry Schleiff*, meanwhile, will

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add **Discovery Fit & Health** to his current portfolio of **Investigation Discovery**, **Destination America** and **American Heroes Channel**. O'Neill and Kaplan still oversee **Discovery Channel** and **Animal Planet**, respectively. In a release, Discovery said the realignment is designed to "build on the company's strong ratings momentum, increasing investment in original content, and to create a more complementary set of portfolio groups overall," with the combination of Discovery, Science and Velocity under O'Neill creating "a complementary portfolio of like-minded global brands, shared programming genres and male-skewing audiences" while Animal Planet and TLC under Kaplan "share a family-centric, big entertainment and character-driven storytelling strategy that will now be under one creative roof and operation." As for Discovery Fit & Health, the company cited Schleiff's "strong track record of finding creative whitespace, building network brands and attracting new audiences." In a memo to employees, Zaslav said "the goal for Discovery Fit & Health under Henry's stewardship is that it could, and should, be the next big swing for the company." No pressure, Henry.

Cox "Un"doings: Cox will close 12 call centers and relocate smaller call centers to 7 large call centers throughout the country as part of an effort to improve operational efficiency, a rep confirmed. Less than 3% of Cox jobs nationwide will be affected, although it's unknown how many ultimately will leave the company because impacted employees will be able to relocate to newly created positions or apply for open positions in other Cox departments in the current market.

TWC Surcharge: Time Warner Cable will add a \$2.25 monthly surcharge to offset increased retrans fees. Ops like Charter, Comcast and AT&T have already added similar fees. In addition, starting mid-March, TWC will increase fees for its HSI and programming packages across its footprint partly to offset higher programming costs and increased network investments. As a result, subs that aren't in promotional pricing will see an average total bill increase of 6.4%. The fee hike doesn't apply to the Starter TV tier and the Everyday Low Price Internet tier. Despite the fee increase, nearly 70% of subs won't see any immediate change because they are in promotional pricing, a spokesman said.

TiVo's Take: The Comcast/Time Warner Cable merger would help TiVo expand its VOD services to Comcast in more key markets, CEO Tom Rogers said during the company's earnings call late Wed. Comcast has integrated TiVo DVR into its Xfinity VOD platform, and the companies are on track to deploy the service to all Comcast markets by June 30. Meanwhile, Rogers believes "many MSOs would like to distribute Netflix as part of their service offerings." TiVo has helped Virgin offer Netflix through its platforms, but no US operators have announced such an offering. "The more streaming content there is, the more content that people want to get into their home," Rogers said. And as operators understand the benefits of having all content sources integrated, "the more integration of everything out there, the more there's appeal to consumers," he said.

Spectrum Dealings: The FCC will announce the names of the winning bidders from its H Block auction in a few days. The recently concluded auction generated \$1.56bln. DISH was among the bidders.

Second Screen: DISH upgraded its 2nd-screen iPad app, DISH Explorer to allow subs using Hopper Whole-Home DVR to control the TV's volume and power from their iPad. The update available now in the iTunes store also features personalized program recommendations.

Digital Oscars: ABC will live stream Sun's Oscars on its TVE app, Watch ABC. However, the streaming is only available for participating pay-TV providers in 8 markets, including NY, LA, Chicago, Philly, San Francisco, Houston, Raleigh-Durham and Fresno, CA. The show will be available on demand through Wed. The net will also stream the post-show "Jimmy Kimmel Live: After the Oscars."

Ratings: WE tv's "Braxton Family Values" Season 3 finale on Thurs drew nearly 1.5mln total viewers and 896K 18-49. The finale of its newest series "SWV Reunited" on the same day scored more than 1mln total viewers and 672K 18-49. While "Braxton Family Values" Season 3 was the series' most-watched, "SWV Reunited" was among the highest rated 1st seasons in network history. -- HGTV was the 2nd highest-rated cable net among 25-54 on Sun night. Helped by "Beachfront Bargain Hunt," the night's programming lineup drew more than 5.4mln total audience.

Programming: To celebrate its 20th anniversary, Turner Classic Movies is letting fans hitch a ride on a free, 3-hour "TCM Movie Locations Tour" created in partnership with Starline Tours. The bus tour features LA's greatest movie locations, runs Mar 14-April 14 and can be reserved online. -- Ovation premieres Season 3 of "The Art Of" on March 2. -- Investigation Discovery renewed agreements with CMJ Productions II for 2 non-fiction series—"A Stranger In My

BUSINESS & FINANCE

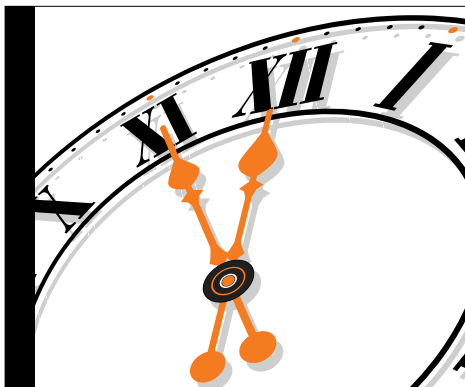
Home” and “Fatal Vows”—renewed for season 2 and season 3 respectively. -- **SundanceTV** premieres Season 2 of its original series “The Writers’ Room” on April 14. -- **Spike TV** premieres new eps of “Bar Rescue” Season 3 starting Mar 9. -- **TNT’s** drama “Dallas” launched its 3rd season Mon night with 2.7mln viewers in Live +Same Day, matching its season-2 average. It scored 1.1mln 25-54 and 946K 18-49 in Live+Same Day, also consistent with the 2nd season average.

Advertising: For the launch of **History’s** season 2 of Vikings (Feb 27 premiere), the net is partnering with **BMW of North America** to offer sponsored on-air vignettes during the 1st half of the season and interviews with creator/dir *Michael Hirst* discussing storylines and characters from the previous ep.

People: **AETN** upped *Don Robert* to svp, research and analytics. All of the company’s research teams will now report to him. The company also hired *Lisa Mallen* as svp, ad sales for **FYI**, which launches on July 7. Her last role was vp, national sales manager for **OWN**. -- Republican **FCC** commish *Ajit Pai* made several staff announcements: *Brendan Carr* from the Commission’s Office of General Counsel is the new legal advisor for wireless, public safety, and international issues; *Jeffrey Neumann*, most recently acting legal advisor while on detail from the media bureau’s engineering division, will rejoin the bureau.

CableFAX Daily Stockwatch

Company	02/27 Close	1-Day Ch	Company	00/27 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	33.04	0.21	HARMONIC:	6.51	(0.02)
DIRECTV:	76.12	1.11	INTEL:	24.76	(0.04)
DISH:	57.24	(0.1)	JDSU:	14.06	0.24
DISNEY:	80.48	0.40	LEVEL 3:	37.21	0.15
GE:	25.50	0.20	MICROSOFT:	37.86	0.39
MSOS					
CABLEVISION:	17.41	0.15	NIELSEN:	46.82	0.42
CHARTER:	124.14	2.89	RENTRAK:	64.45	(0.38)
COMCAST:	51.08	0.40	SEACHANGE:	10.70	(0.16)
COMCAST SPCL:	49.47	0.38	SONY:	17.52	0.14
GCI:	10.39	0.08	SPRINT NEXTEL:	8.65	0.26
LIBERTY GLOBAL:	85.35	0.42	TIVO:	13.68	0.85
LIBERTY INT:	29.67	0.06	UNIVERSAL ELEC:	42.08	0.55
SHAW COMM:	22.93	0.15	VONAGE:	4.76	0.24
TIME WARNER CABLE:	138.60	0.84	YAHOO:	38.47	0.85
PROGRAMMING					
AMC NETWORKS:	73.75	4.14	TELCOS		
CBS:	66.40	0.86	AT&T:	32.23	0.23
CROWN:	3.34	0.03	VERIZON:	47.50	1.15
DISCOVERY:	82.13	0.78	MARKET INDICES		
GRUPO TELEVISA:	28.78	0.33	DOW:	16272.65	74.24
HSN:	57.35	(0.08)	NASDAQ:	4318.93	26.87
INTERACTIVE CORP:	76.67	0.97	S&P 500:	1854.29	9.13
LIONSGATE:	30.79	0.07			
MADISON SQUARE GARDEN:	58.74	(0.16)			
SCRIPPS INT:	80.96	0.17			
STARZ:	32.38	0.50			
TIME WARNER:	65.77	1.08			
VALUEVISION:	5.74	(0.01)			
VIACOM:	87.02	0.77			
WWE:	22.74	(0.22)			
TECHNOLOGY					
ADVANTAGE:	2.85	0.05			
ALCATEL LUCENT:	4.23	(0.03)			
AMDOCS:	44.39	(0.01)			
AMPHENOL:	87.59	0.51			
AOL:	44.52	0.54			
APPLE:	527.67	10.32			
ARRIS GROUP:	29.20	0.02			
AVID TECH:	6.65	UNCH			
BROADCOM:	30.14	0.12			
CISCO:	21.92	(0.01)			
CONCURRENT:	8.34	(0.03)			
CONVERGYS:	20.52	(0.05)			
CSG SYSTEMS:	27.72	0.20			
EHOSTAR:	49.85	0.12			
GOOGLE:	1219.21	(0.96)			



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PROGRAMMER'S PAGE

Bates Motel S2: Even Darker, More Twisted

Season 1 of **A&E's** original "Bates Motel" was just an entry into *Norma and Norman Bates'* dark, twisted mother-son world as things will become "a lot more complicated" in season 2 premiering Mar 3, producer *Kerry Ehrin* told us. "We are really trying to dig into the characters in the new season... what their dreams are and whether the dreams are achievable for them," she said. Last season's murder of high school teacher Miss Watson hangs heavily over season 2, and more secrets are unveiled as the investigation proceeds. We won't tell whether Norman is guilty, but "it's the story of this kid who's innocent in his own mind, who loved his teacher and feeling so terrible about her death while the investigation is going on... That's what's fascinating about Norman Bates in this case." Of course, the dysfunctional mother-son relationship continues to anchor everything: The biggest takeaway from the new season would be "the investment in this profoundly fascinating, heart-breaking, and thrilling relationship between these two people," Ehrin said. True. The awkward, tense energy surfaces even in seemingly normal moments like a driving lesson. Doing a story centered on 2 people over multiple seasons is tricky so "you need to really break it down to get into the crazy, subtle mind games that people do to each other," Ehrin said. The production team considered a mini-series initially, but "we had such a strong feeling about the mother and son relationship that we thought it would be wonderful to tell a story about a dysfunctional relationship that's not just ugly but actually has something beautiful and passionate in it," she said. In any case, it's a landscape filled with secrets. "Everyone has secrets. That's why the series exists," Ehrin said. "We are trying to mind the idea that people have behaviors that they don't show to the world." Buckle up for a dark ride. - *Joyce Wang*

Reviews: "Saint George" premiere, Thurs, 9p, **FX** and "Sirens," premiere, Thurs, 10p, **USA**. As loyal readers of these reviews know, we are rough on new comedies. This is a rare week—we've found 2 good comedies. You've seen *George Lopez* vehicle "Saint George" before. George as the well-meaning father who's the butt of jokes by his gorgeous ex and bigoted mother. With another actor as the human piñata, this comedy fails. Lopez pulls it off beautifully, however. In a sense, viewers of "Rescue Me" have seen "Sirens," too, yet it feels fresh, more like a short, funny film than a sitcom. Recall *Rescue Me's* dark comedic moments, and you know the gist of *Sirens*. The fingerprints of exec prod/**Cfax** friend *Denis Leary* are all over this Chicago-based romp by 3 EMTs, excellent at their jobs but less so in life. -- "Those Who Kill," premiere, Mon, 10p, **A&E**. Yet another adaptation of a Danish crime series, but the pilot of this dark procedural, starring mysterious *Chloë Sevigny*, *James d'Arcy* and Pittsburgh, keeps the intensity high throughout. We're anxious to see how these flawed good guys cope. -- "Dallas," Mon, 9p, **TNT**. Like *George Lopez*, there's comfort in the familiar. In its 3rd season, this reboot feels like the campy 1980s series at its best. And that's fabulous. - *Seth Arenstein*

Basic Cable Rankings (1/17/14-2/23/14)			
Mon-Sun Prime			
1	USA	0.9	2333
2	HIST	0.8	2022
2	DSNY	0.8	2000
2	FOXN	0.8	1915
5	TNT	0.7	1840
5	TBSC	0.7	1771
5	AMC	0.7	1673
8	ESPN	0.6	1490
9	A&E	0.5	1348
9	FX	0.5	1285
9	HGTV	0.5	1267
9	DISC	0.5	1252
9	SYFY	0.5	1186
9	NAN	0.5	1173
9	ADSM	0.5	1173
9	LIFE	0.5	1155
9	FAM	0.5	1135
9	DSE	0.5	122
19	TLC	0.4	1086
19	BRAV	0.4	1061
19	FOOD	0.4	1024
19	SPK	0.4	995
19	MTV	0.4	938
19	ID	0.4	922
25	CMDY	0.3	788
25	BET	0.3	772
25	TVLD	0.3	771
25	MSNB	0.3	729
25	APL	0.3	724
25	VH1	0.3	679
25	TRU	0.3	678
25	HALL	0.3	654
25	OWN	0.3	569
25	DSJR	0.3	564
25	H2	0.3	450
36	EN	0.2	521
36	NGC	0.2	518
36	LMN	0.2	512
36	TRAV	0.2	502
36	WE	0.2	456
36	FS1	0.2	433
36	CNN	0.2	403
36	NKJR	0.2	398
36	CMT	0.2	393
36	OXYG	0.2	384
36	DXD	0.2	351

*Nielsen data supplied by ABC/Disney

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