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Netflix: Following its collaboration with EU MVPDs, **Netflix** will launch the 1st MVPD integrations in the US this quarter, CEO *Reed Hastings* and CFO *David Wells* said in their letter to shareholders Mon, starting with US MVPDs that use the **TiVo** set-top box and extending to non-TiVo devices afterwards, they wrote: "From an MVPD point-of-view, they would rather have consumers use Netflix through the MVPD box and remote control than have consumers become accustomed to watching video from a smart TV or Internet TV device remote control." The company has improved its content selection in the US since it launched its streaming plan in 2010 at \$7.99 a month. The plan is to do a \$1 or \$2 increase, depending on the country, later this quarter for new members only. Existing subs would stay at current pricing "for a generous time period." The company cited limited impact from its Jan price hike for new subs in Ireland. The company ended 1Q with more than 48mln global members and topped \$1bln in quarterly streaming revenue. In the US, it added 2.25mln net new subs, more than the 2.03mln it added a year ago. But domestic net additions were down from 2.33mln in the previous quarter. Netflix cited seasonality as a reason for its 0.52mln net new subs in 2Q, potentially down from the 0.63 net additions in 2Q, 2013. The company now has 35.7mln US subs. Meanwhile, firing shots at the **Comcast/Time Warner Cable** merger during Netflix's earnings call, Hastings said regulators should apply "some significant merger agreements [conditions]" if they approve the deal. A Comcast rep then released a point-by-point response to what the rep called Netflix's "inaccurate claims and arguments... Netflix is free to express its opinions. But they should be factually based. And Netflix should be transparent that its opinion is not about protecting the consumer or about net neutrality. Rather, it's about improving Netflix's business model by shifting costs that it has always borne to all users of the Internet and not just to Netflix customers." And so it continues...

Cable WiFi: Time Warner Cable has built more than 10K WiFi hotspots in NYC, available for free for TWC subs with standard Internet or above. The MSO continues to launch hotspots in new areas. Among recently launched areas are various locations along West 47th Street in the Diamond District. In addition, more local parks and recreation centers in Manhattan, Brooklyn, Queens and Staten Island are now part of TWC's expanding WiFi coverage area. Outside NYC, TWC WiFi deployment is underway in Southern CA, Kansas City, Hawaii, Charlotte and Austin.

AT&T Continues Expansion: Nothing can stop the telco from expanding its GigaPower service to more cities. **AT&T** announced plans Mon to bring its gigabit service to up to 100 cities and municipalities nationwide. Those include 21 new major metropolitan areas: Atlanta, Augusta, Charlotte, Chicago, Cleveland, Fort Worth, Fort Lauderdale, Greensboro, Houston, Jacksonville, Kansas City, Los Angeles, Miami, Nashville, Oakland, Orlando, San Antonio, San Diego, St. Louis, San Francisco, and San Jose. With previously announced markets, AT&T now has committed to or is exploring a total of 25 metro areas for fiber deployment for both consumers and businesses.

A&E Gets on Apple: **AETN** is putting **A&E** and **Lifetime** content on **Apple TV**. The free, ad-supported TVE content offers all Apple TV users in the US access to full eps, movies and exclusive clips. A&E Nets subs can access additional content including previous seasons of series from A&E, **History** and Lifetime.

Carriage: Horse racing net **HRTV** scored carriage deals with **Carr Communications** in Branch, MI; **Hargray Communications** in Hilton Head, SC; **Access Montana** in Ronan, MT; **New Wave Communications** in Wharton, TX; **Mid-Rivers Communications** in Glendive, MT; and **Conway Corporation** in Conway, AR.

Ratings: **HBO's** "Game of Thrones" 3rd ep of the season averaged 6.6mln viewers Sun night, just shy of the season high. Another 1.6mln watched across 2 replays bringing the night's tally to 8.2mln. The net's "Silicon Valley" averaged 1.6mln viewers and drew a gross audience of 2.1mln viewers. "Veep" scored 775K viewers and a gross audience of 1.3mln.

From the Streets: Based on guidance from execs during **Disney's ESPN** investor day last week, **Wells Fargo** analysts said Disney remains both a good short-term and long-term holding. Fiscal 2014 is the company's 1st year of the new **MLB** contract and part of the new NFL deal (Sept 2014), driving cable programming costs, the analysts noted, with FY 2015 impacted by the NFL and College Football playoffs. But they noted non-programming costs are expected to grow "meaningfully slower" than programming costs. **Bernstein Research** analysts were bullish: "ESPN is the #1 source of promotion for their sport, and these production capabilities give ESPN the tools to make that promotion more timely, effective, and (frankly) exciting than anybody else." However, competitor **Fox Sports 1** has "tremendous upside," they said. While ESPN is generally bigger than FS1, "the fact is that it is a much narrower gap than a year ago, when the gap would have been 'infinity,'" they said, adding that FS1's success (or failure) has nothing to do with ESPN's affil fees, and most

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of ESPN's incremental future upside comes from digital platforms.

Marketing: El Rey launched a multi-platform promotional initiative titled "Salves for Santánico" designed to drive fan engagement and sampling for the net's 1st original scripted series "From Dusk Till Dawn: The Series." The Santánico party line (1-800-315-2744) will lure callers into a responsive 2-to-3 min conversation in which Santánico herself seduces them into answering the question "What would you do for Santánico Pandemonium?" The personal experience will vary based on caller responses.

Programming: Al Jazeera America expanded its financial news program "Real Money with *Ali Velshi*" to 1 hour. In addition, throughout the year, Velshi and his team will follow 3 middle-class American families as they work to reach their financial goals. -- **truTV** booked 6 new series as it starts its brand transformation to attract "fun-seekers," a younger, dual-gender audience that "looks for television to take them on a fun ride that both surprises and entertains." The net's slate of new shows include "Fake-Off," "Way Out West," "How to Be a Grown Up," "Local News" (wt) and "Hair Jacked." -- **The American Youth Soccer Organization (AYSO)** and **FOX Sports** entered into a wide-ranging partnership Mon, making FOX Sports and its family of networks the premier sponsor of AYSO and presenting partner of AYSO's 50th Anniversary.

CableFAX Daily Stockwatch

| Company | 04/21 Close | 1-Day Ch | Company | 04/21 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| DIRECTV: | 76.38 | 0.74 | CONVERGYS: | 21.79 | (0.03) |
| DISH: | 59.97 | 0.50 | CSG SYSTEMS: | 27.04 | 0.09 |
| ENTRAVISION: | 5.66 | UNCH | ECHOSTAR: | 46.03 | (0.35) |
| GRAY TELEVISION: | 11.59 | 0.49 | GOOGLE: | 528.62 | (7.48) |
| MEDIA GENERAL: | 15.72 | 0.21 | HARMONIC: | 6.78 | 0.06 |
| NEXSTAR: | 40.01 | 0.26 | INTEL: | 26.95 | (0.09) |
| SINCLAIR: | 27.55 | (0.01) | INTERACTIVE CORP: | 69.14 | 0.47 |
| MSOS | | | | | |
| CABLEVISION: | 16.43 | 0.31 | JDSU: | 13.43 | UNCH |
| CHARTER: | 123.61 | 5.78 | LEVEL 3: | 38.27 | (0.22) |
| COMCAST: | 49.88 | 0.78 | MICROSOFT: | 39.94 | (0.07) |
| COMCAST SPCL: | 49.13 | 0.59 | NIELSEN: | 44.79 | (0.04) |
| GCI: | 10.60 | (0.05) | RENTRAK: | 51.71 | 0.49 |
| GRAHAM HOLDING: | 671.76 | (3.24) | SEACHANGE: | 10.07 | 0.04 |
| LIBERTY GLOBAL: | 39.60 | 0.20 | SONY: | 19.00 | 0.29 |
| LIBERTY INT: | 29.42 | (0.1) | SPRINT NEXTEL: | 8.55 | 0.03 |
| SHAW COMM: | 24.13 | 0.02 | TIVO: | 11.86 | 0.03 |
| TIME WARNER CABLE: | 136.60 | 1.27 | UNIVERSAL ELEC: | 36.02 | (0.01) |
| PROGRAMMING | | | | | |
| 21ST CENTURY FOX: | 32.59 | 0.07 | VONAGE: | 3.86 | (0.16) |
| AMC NETWORKS: | 69.65 | 0.85 | YAHOO: | 36.40 | 0.02 |
| CBS: | 59.71 | (0.93) | TELCOS | | |
| CROWN: | 3.77 | 0.01 | AT&T: | 36.06 | 0.02 |
| DISCOVERY: | 77.45 | (0.38) | VERIZON: | 47.98 | 0.38 |
| DISNEY: | 79.11 | (0.88) | MARKET INDICES | | |
| GRUPO TELEVISA: | 33.07 | 0.01 | DOW: | 16449.25 | 40.71 |
| HSN: | 58.27 | (0.34) | NASDAQ: | 4121.55 | 26.03 |
| LIONSGATE: | 27.25 | 0.56 | S&P 500: | 1871.89 | 7.04 |
| MADISON SQUARE GARDEN: | 54.98 | (0.46) | | | |
| SCRIPPS INT: | 74.75 | 0.36 | | | |
| STARZ: | 31.82 | 0.16 | | | |
| TIME WARNER: | 65.05 | (0.1) | | | |
| VALUEVISION: | 4.86 | (0.01) | | | |
| VIACOM: | 84.56 | 0.41 | | | |
| WWE: | 22.72 | 1.15 | | | |
| TECHNOLOGY | | | | | |
| ADVANTAGE: | 3.40 | 0.02 | | | |
| ALCATEL LUCENT: | 3.83 | (0.02) | | | |
| AMDOCS: | 46.19 | (0.33) | | | |
| AMPHENOL: | 94.36 | 0.24 | | | |
| AOL: | 43.14 | (1.02) | | | |
| APPLE: | 531.17 | 6.23 | | | |
| ARRIS GROUP: | 26.43 | (0.07) | | | |
| AVID TECH: | 7.30 | 0.05 | | | |
| BROADCOM: | 29.92 | (0.18) | | | |
| CISCO: | 23.40 | 0.19 | | | |
| CONCURRENT: | 8.35 | 0.15 | | | |

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