

# CableFAX Daily™

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What the Industry Reads First

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## NewFront Wrap: Diversifying the Media Mix, New Ad Tools, Premium Content

A NewFront is not an Upfront, but an Upfront can be an Allfront. Confused yet? So are we. Semantics aside, this year's crop of so-called NewFronts in late April/early May were primarily a chance for digital content companies to pitch advertisers on their original content, advertising tools and reach, while at times quite ostensibly pitting themselves against cable for a piece of media buyers' ad spend. Indeed, hardly an event went by without mentioning television and the particular company's relationship to TV. Some are cozier than others, of course. **Hulu's** attachment to traditional TV is paramount, and despite the intent to quadruple its programming and triple its marketing spend on consumer awareness, it's in "active discussions" with TV distributors to offer the service on set-top boxes, according to CEO *Mike Hopkins*. (Hulu, by the way, called it an Upfront—not a NewFront. And *Diddy's* was an Omnifront, which is apparently even more all-encompassing than an Allfront.) The overall takeaway: Diversify your media mix. What digital content companies have over cable TV is young people, they assert, coupled with the distribution platforms to reach them. "Simply put, today's 18- to 34-year-olds live differently. They've grown up in a connected, always-on world," said *Margo Georgiadis*, vp, sales, Americas, for **Google** at **YouTube's** Brandcast NewFront. **Maker Studios**, a major producer for YouTube, says it knows millennials because its massive crew of Makers (their term for content producers) are millennials. Well, some of them. And **Xbox's** gaming roots certainly have pull with the younger set. It's true that no one would argue that online platforms have reach and distribution. Nor would they refute that millennials gravitate toward consuming content online—many a study has claimed as much. But when you have the reach, your best content—and advertisements—can get lost in the fray. For Google and other online content creators, then, the task during NewFront week turned to presenting improved ad tools for digital mediums—as well as the top-tier talent to attract audiences. Take the ad tool "Google Preferred," which lets advertisers buy against premium content. "We've curated Google Preferred. It's the top 5% of content on YouTube, in areas like food, music and entertainment. It's a limited set of the most popular, engaging and fast-growing channels on our platform," Georgiadis said. Maker demoed an ad tool called Maker Offers, which leverages its 50K content creators to match brands to video projects in specific categories—like lifestyle or family—and includes options for audience targeting. And Hulu 360 ads are optimized for mobile platforms. Another topic touched on during NewFront week was

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measurement. **AOL** chmn/CEO *Tim Armstrong* announced a beta test with **Nielsen** that will deliver gross ratings points for AOL's 16 new originals, as part of Nielsen Digital Program Ratings. And **Yahoo** has partnered with **comScore** to enable advertisers to access its vCE audience-validation metric in order to make adjustments to ads more rapidly. As for content, naturally the NewFronts were millennial driven. Themes were comedy, music, interactive content and some scripted fare, with each company stepping up to the plate with big-name talent. *Bryan Cranston* pitching his show "Tight-rope" on **Crackle**, comedian *Craig Robinson* for Xbox's showcase of Bonnaroo music and arts fest, and *James Franco* partnering with AOL's comedy series "Making a Scene with James Franco" provided some serious star power. (AOL was not the only NewFront touting the overbilled actor. Maker landed him for its new Labs@Maker programming initiative). There was certainly a lot of interesting programming and talent presented during the week. But curation of content on digital platforms—for both advertisers to buy against and viewers to be drawn to—will be key. All said, it remains a place for experimentation, for digital and tradition media companies alike. - *Kaylee Hultgren*

**CableCARD Boxes Surpass 47mln:** Cable may get some relief from the set-top integration ban if a **House Commerce** version of STELA stands, but in the meantime, it's business as usual with **NCTA** filing its most recent CableCARD status report with the **FCC** on Fri. The 9 largest cable ops have deployed more than 47mln set-tops with CableCARDs since the ban took effect in July 2007. Those same operators have more than 616K CableCARDs deployed for use in retail devices. Cable has pledged to continue to support cards in retail devices even if the integration ban is eliminated.

**NBCU Mobile Measurement Pilot:** With **Nielsen** to include mobile in Nielsen Online Campaign Ratings in Q3 and in the C3 TV rating this fall, it piloted the soon-to-be-released mobile measurement and Nielsen's Software Development Kit exclusively with **NBCU** during the Winter Games. Unfortunately, NBCU's not releasing that data, but it's still worth noting, especially in upfront season, that this project is moving along. To determine consumer exposure to advertising across all NBC Olympics channels, Nielsen Online Campaign Ratings reporting was combined with TV ratings to deliver unduplicated and incremental reach, frequency and gross rating point measures by age and gender for TV and digital advertising. The pilot looked at 5 national ad campaigns that ran heavily across platforms.

**Tale of 2 Programmers:** Higher costs caused **AMC Networks** to miss analyst estimates for 1Q even as revenue rose 37.3% to \$525mln (including a 27% boost in ad revenue). "AMCX's investment cycle is still in its early stages but we believe long-term earnings will accelerate by extending the strength of AMC Network's original franchise, building up its smaller networks & leveraging **Chello's** international footprint," **Macquarie Securities** told clients, keeping the stock at "outperform" while cutting '14 and '15 EPS estimates by 8% and 2%, respectively, because of the 1Q results. It was clear from Thurs' conference call with analysts AMCN will continue to focus heavily on IFC, Sundance and WE. COO *Ed Carroll* also confirmed that new drama "Turn," which has averaged about 1.5mln HHs live+SD, will eventually appear on **Netflix**. --

**Scripps Networks Interactive** saw 2Q net income rise 19% to \$128mln, while rev increased 8% to \$6.44mln. **Bernstein Research** noted that Scripps is more dependent on advertising as a percentage of rev than any other US large cap media company, which seems bad given that media investors are "clearly spooked" about advertising. On the other hand, Scripps advertising behaves differently than the rest of the sector and has proven "very resistant to ratings ups/downs, and less cyclical than total advertising spend," the analysts said. Execs on Thurs' call talked about advertisers' reaction to Scripps' upfront and NewFront, suggesting it doesn't have to be an either/or for buyers. CEO *Ken Lowe* said there's recognition that Scripps is delivering on a multiplatform basis. "There will be some migration... to newfront, but I think that will be over time. We're already there, to a large degree, with a lot of the relationships we have with our clients on multiplatform," Lowe said.

**Kanouff to Cisco:** Sources confirmed *Multi's* scoop that **Cablevision** *Yvette Kanouff* will join **Cisco**, leading its service provider video group. She serves as evp, corp engineering & tech at Cablevision and previously was pres of **SeaChange**. Cablevision and Cisco declined to comment.

**A&E's Rolls Out Shows at Upfront:** **A&E** greenlit 4 series, including "Love Prison" (wt) in which online couples meet for the first time on a remote island with hidden cameras filming their week together on a remote island (summer premiere). This fall, A&E will bow "Godfather of Pittsburgh" about *Vince Isolde*, who has built an empire of nightclubs and restaurants in the city. Pilots in development include "Nightwatch," following emergency responders working from 9pm-3am and "The Unproduceables," which has *Mark Efran* working with a cast of senior citizens in an attempt to create a reality series focused on their lives in a FL retirement center.

**CableFAX Week in Review**

Company	Ticker	5/9 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DIRECTV:	DTV	88.01	10.19%	27.44%
DISH:	DISH	60.63	(1.92%)	4.68%
ENTRAVISION:	EVC	5.25	(3.14%)	(13.79%)
GRAY TELEVISION:	GTN	10.54	(5.39%)	1.64%
MEDIA GENERAL:	MEG	16.33	(4.89%)	(27.74%)
NEXSTAR:	NXST	40.19	(3.62%)	(27.88%)
SINCLAIR:	SBGI	27.47	(1.54%)	(23.12%)

Company	Ticker	5/9 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	16.82	0.24%	(6.19%)
CHARTER:	CHTR	137.95	0.54%	0.87%
COMCAST:	CMCSA	51.00	(1.98%)	(1.87%)
COMCAST SPCL:	CMCSK	50.34	(1.89%)	0.92%
GCI:	GNCMA	11.35	5.68%	1.79%
GRAHAM HOLDING:	GHC	666.91	(2.58%)	0.54%
LIBERTY GLOBAL:	LBTYA	43.37	5.01%	(31.11%)
LIBERTY INT:	LINTA	28.10	(3.27%)	(4.26%)
SHAW COMM:	SJR	24.80	1.27%	1.89%
TIME WARNER CABLE:	TWC	138.88	(2.29%)	2.49%

Company	Ticker	5/9 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
21ST CENTURY FOX:	FOXA	34.15	4.63%	(2.9%)
AMC NETWORKS:	AMCX	58.00	(11.37%)	(14.84%)
CBS:	CBS	56.74	(0.86%)	(10.98%)
CROWN:	CRWN	3.44	(4.18%)	(2.55%)
DISCOVERY:	DISCA	73.06	(4.63%)	(19.2%)
DISNEY:	DIS	81.95	2.04%	7.26%
GRUPO TELEVISIA:	TV	33.10	0.55%	9.39%
HSN:	HSNI	55.46	0.64%	(10.98%)
LIONSGATE:	LGF	25.72	(2.54%)	(18.76%)
MADISON SQUARE GARDEN:	MSG	49.73	(3.38%)	(13.63%)
SCRIPPS INT:	SNI	75.41	1.78%	(12.73%)
STARZ:	STRZA	29.37	(4.02%)	0.44%
TIME WARNER:	TWX	68.37	4.86%	(1.94%)
VALUEVISION:	VVTV	5.04	8.15%	(27.9%)
VIACOM:	VIA	83.51	(0.89%)	(4.85%)
WWE:	WWE	17.26	(8.34%)	4.10%

Company	Ticker	5/9 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADDVANTAGE:	AEY	2.84	(15.48%)	5.58%
ALCATEL LUCENT:	ALU	3.85	(1.79%)	(12.5%)
AMDOCS:	DOX	47.18	(0.23%)	14.40%
AMPHENOL:	APH	96.00	0.27%	7.65%
AOL:	AOL	37.74	(13.44%)	(19.05%)
APPLE:	AAPL	585.54	(1.19%)	4.37%
ARRIS GROUP:	ARRS	27.82	5.10%	14.30%
AVID TECH:	AVID	7.33	(4.06%)	(10.06%)
BLNDER TONGUE:	BDR	0.92	8.24%	(8%)
BROADCOM:	BRCM	29.74	(3%)	0.30%
CISCO:	CSCO	23.02	0.35%	2.63%
CONCURRENT:	CCUR	8.12	(0.98%)	(0.61%)
CONVERGYS:	CVG	21.58	(1.46%)	2.52%
CSG SYSTEMS:	CSGS	26.21	(2.85%)	(10.85%)
ECHOSTAR:	SATS	47.16	2.61%	(5.15%)
GOOGLE:	GOOG	518.73	(1.74%)	(53.71%)
HARMONIC:	HLIT	7.07	(0.28%)	(4.2%)

Company	Ticker	5/9 Close	1-Week % Chg	YTD %Chg
INTEL:	INTC	26.30	0.15%	1.31%
INTERACTIVE CORP:	IACI	63.69	(2.11%)	(7.23%)
JDSU:	JDSU	10.87	(17.09%)	(16.32%)
LEVEL 3:	LVLT	44.02	2.37%	32.71%
MICROSOFT:	MSFT	39.54	(0.38%)	5.69%
NIELSEN:	NLSN	46.85	(0.3%)	2.09%
RENTRAK:	RENT	57.38	(1.15%)	51.44%
SEACHANGE:	SEAC	9.03	(1.85%)	(25.74%)
SONY:	SNE	17.38	(1.42%)	0.52%
SPRINT NEXTEL:	S	8.81	1.26%	(18.05%)
TIVO:	TIVO	11.77	(3.29%)	(10.29%)
UNIVERSAL ELEC:	UEIC	40.38	(1.54%)	5.96%
VONAGE:	VG	3.80	(9.95%)	60.34%
YAHOO:	YHOO	33.76	(8.44%)	(16.52%)

Company	Ticker	5/9 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	36.44	5.65%	3.64%
CENTURYLINK:	CTL	36.56	4.97%	14.79%
TDS:	TDS	27.02	0.00%	4.81%
VERIZON:	VZ	48.48	2.89%	(1.34%)

Index	Value	% Chg	% Chg
<b>MARKET INDICES</b>			
DOW:	DJI	16583.34	0.43%
NASDAQ:	IXIC	4071.87	(1.26%)
S&P 500:	GSPC	1878.48	(0.14%)

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. DIRECTV:	88.01	10.19%
2. BLNDER TONGUE:	0.92	8.24%
3. VALUEVISION:	5.04	8.15%
4. GCI:	11.35	5.68%
5. AT&T:	36.44	5.65%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. JDSU:	10.87	(17.09%)
2. ADDVANTAGE:	2.84	(15.48%)
3. AOL:	37.74	(13.44%)
4. AMC NETWORKS:	58.00	(11.37%)
5. VONAGE:	3.80	(9.95%)



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