

# Cablefax Daily™

Monday — February 29, 2016

What the Industry Reads First

Volume 27 / No. 038

## Indie Chic: 5Qs with Cinémoi's Daphna Ziman

Since re-launching on Verizon FiOS at the start of 2014, indie network Cinémoi has been curating a collection of art-house and high fashion films, behind-the-scenes coverage of major film festivals and, most recently, original series. It's also preparing to launch a virtual entertainment world as a companion to the channel, dubbed CinéWorld. We spoke with president and chief creative executive Daphna Ziman about Cinémoi's unique slate of content and the struggles of being an independent. **Cinémoi was previously carried on DirecTV and re-launched on Verizon FiOS at the start of 2014. Since then Cinémoi says Verizon data shows a significant increase in viewing time. How was this accomplished?** Verizon co-promotes with us a lot—all of our major programming, like the Cannes Film Festival and the International Fashion Film Awards... We have committed to them to be very disciplined in terms of the excellence of content we deliver. And every single second on our channel is curated. It should be an example of how you work together to bring the eyeballs back to television. I think it's an important lesson because the Verizons of this world have a much better relationship with their subscribers because of this. **How did you know there would be an appetite for this kind of programming?** We did a year and half of research before we ever launched on DirecTV, and we found out that millennials are not single minded in terms of television channels. They're not interested in a channel that only delivers movies. They wanted multi-genre. The core denominator for everything is that it had to be cinematic, to have quality, to be at the top of its game. **It's not an easy time to launch a cable channel. So why now?** We wanted to build a quality brand, because we knew there was a big, black hole in cable television in terms of content. We knew there was going to be an exodus to the Internet, and we knew that millennials wanted multiple choices of content. We wanted to develop a brand that is satisfying and that a viewer can trust. That's been the way that cable television has served us well, because it's enabled us to establish the brand not only with viewers but with advertisers. **You've recently added original programming to your content mix. Was that always the plan?** It's always been the strategy. The strategy was to build trust with the audience and the viewer, to prove to the distributor that we're going to be highly rated—that's why we spent so much time and money in research before we ever launched. We believe that unless you approach everything from a win-win position, you lose. **What's your biggest struggle as an independent?** I have a great belief that when you make your mark, because of your intention,

## FEATURED SESSION:

### Virtual Reality Show: How VR-Enabled Content Will Change the Content Game

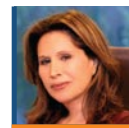
#### In this introspective session, we'll:

- Give you a 101 primer on VR—but also a high-level perspective on how VR content and technology may very well turn the video content and distribution industry on its head.
- Discuss the potential for advertising, marketing messages and cross promotion of content.
- Examine how to best communicate the new technology to your consumers.
- Probe the confusion surrounding how to define and market different immersive content, including VR, augmented reality, 360 content and beyond.
- Bring you and your team up to speed on the hottest topic of 2016.

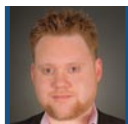
#### SPEAKERS:



**Craig Barry**  
EVP, Production  
& Chief Content  
Officer  
Turner Sports



**Debra Sharon Davis**  
President & CEO  
Davis  
Communications



**Dekker Dreyer**  
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**Microsoft Corporation**

Accepted by Martin Sacchi, General Manager,  
Business Development, Media & Entertainment Group

Cipriani Wall Street, 55 Wall Street, New York City

For further information, including table prices, please call Maria Ducheine  
at (212) 997-0100, Ext. 1008 or e-mail at [mducheine@projectsplusinc.com](mailto:mducheine@projectsplusinc.com)

## **DINNER CHAIRS**

**Bernadette Aulestia**  
EVP,  
Global Distribution  
Operations  
HBO

**Michael Biard**  
President, Distribution,  
Fox Networks

**David Grossman**  
Head of TV & Entertainment –  
Content Partnerships  
Twitter, Inc.

**Bob Gruters**  
Group Leader, Global  
Marketing Solutions,  
Facebook

**Benjamin Pyne**  
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Disney Media Networks

**Lisa Garcia Quiroz**  
Senior Vice President  
Cultural Investments &  
Chief Diversity Officer,  
Time Warner, Inc.

**John Ridley**  
Executive Producer,  
Writer, Director

**Daniel York**  
Chief Content Officer  
AT&T Entertainment Group

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your commitment and your belief, and the quality of what you do, people come to you. But I'm frustrated, because I'm one of the very few women owners of a television network. You would think that it would be a priority to all of them to work with me, because it's so important... We're in discussions with Amazon and others as well. So we will be in a lot of homes... It is a privilege being a gatekeeper of communication and media to people. And I think there needs to be a huge amount of integrity involved. It's the most crucial element of doing business. When it's just about the bottom line, and how you short cut, is something that I struggle with. The industry has to develop the priority of the viewer as the first stop.

**Election 2016:** Some 14.5mln total viewers tuned into **CNN/Telemundo's** GOP debate Thurs, according to **Nielsen** Fast Nationals. It ranks as the 5th highest primary debate on record. CNN accounted for about 13.2mln, while Spanish-language broadcaster Telemundo had 1.3mln. Meanwhile, there was some drama on the campaign trail Fri as reports emerged that CNN and **MSNBC** had video trouble during the *Donald Trump* press conference in which Gov *Chris Christie* endorsed The Donald. A CNN rep confirmed that CNN's feed was "tampered with," with a CNN source telling Politico that someone "shredded" the CNN cable between the truck and fiber box. MSNBC didn't report similar damage, blaming a "technical issue" inside the signal room. A **Fox News** rep confirmed the channel didn't have any issues with its feed.

**Candidates on Parade:** Presidential hopefuls have been all over the news this week in reference to telecom issues. Democratic candidate *Bernie Sanders* joined with Dem senators *Ed Markey* (MA), *Al Franken* (MN), *Ron Wyden* (D-OR) and *Elizabeth Warren* (D-MA) to ask the **DOJ** and **FCC** to consider the potential "negative effects" of **Charter's** acquisition of **Time Warner Cable** and **Bright House**, including the new debt Charter will undertake and whether it could impact commitments to build out its network, including in rural areas. The OVD specter also is raised, with the senators warning Charter would have an increased incentive to close off the possibility of new OVD competitors. -- **Free Press** took GOP candidates and senators *Marco Rubio* (R-FL) and *Ted Cruz* (R-TX) to task for signing Sen *Mike Lee's* (R-UT) Restoring Internet Freedom Act, which would try to stop the FCC's reclassification of broadband under Title II. "We expect this bill to meet a fate similar to that of other failed congressional efforts to undermine the open Internet, said Free Press Action Fund pres/CEO *Craig Aaron*, calling the bill's efforts "out of step" with the American public.

**Title II:** Republican **FCC** commish *Ajit Pai* slammed The **FCC's** Title II Open Internet Order on the anniversary of the decision Fri. The order wasn't the "product of an expert agency looking at the facts and making an independent judgment. It was the product of raw political power," according to Pai's prepared speech at the **Heritage Foundation**. And he blamed the Obama Administration for influencing the FCC. "On the one-year anniversary of the Title II Order, it's time to recognize that President Obama's plan to regulate the Internet is, was, and will continue to be a wasteful distraction—that the Internet and heavy-handed regulation were not a marriage made in heaven. It's time to separate the two and finally bring the bounty of broadband to all Americans who want it," he said. Anti-Title II group **Tech Freedom** shared the sentiment. The FCC didn't have to invoke Title II. And Congress could've solved this quagmire through legislation. If the Open Internet Order fails in court, Congress must reassert control over Internet regulation and the increasingly rogue FCC," *Berin Szoka*, President of **TechFreedom** said in a statement.

**Liberty Earnings:** **Liberty Media** posted a 4Q profit of \$134.6mln, down from \$143.1mln a year ago. Revenue rose 10% to \$1.2bln, with **Sirius XM** posting strong results (net subs growth for 2015 was 2.3mln). Liberty announced that it has entered into a settlement of its lawsuit against **Vivendi Universal**, with the French conglomerate paying \$775mln in settlement of all claims. The dispute arose from Liberty's 2001 sale of its interest in USA Networks to Vivendi for shares in the company. Liberty claimed Vivendi misled it about a liquidity crisis and artificially inflated the value of its shares. In 2013, a federal court awarded Liberty Media approx \$999mln based on a jury verdict. Vivendi said the settlement should not be viewed as acceptance of Liberty's claim. "The Group is, however, happy to see this long-standing dispute with Liberty Media resolved on terms it considers to be in the interests of the company shareholders," a Vivendi statement said.

**Starz 4Q:** Addressing a recent **Lionsgate SEC** filing indicating it's in deal talks with **Starz**, Starz CEO *Chris Albrecht* said during the company's earnings conference call late Thurs. "We believe in consolidation and are open minded about the best ways to create shareholder and strategic value for ourselves and any possible business partners. However, we only believe in a potential combination of Starz that fully appreciates the value of our business and provides appropriate returns for our shareholders." In 4Q, Starz saw adjusted operating income drop 54% YOY. Starz Networks rev fell 1% YOY to \$327.8mln. Year-to-date, Starz shares fell more than 30%. Albrecht said the stock is "meaningfully undervalued."

**Cablefax Week in Review**

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DISH:	DISH	46.70	7.83%	(18.33%)
ENTRAVISION:	EVC	7.63	8.23%	(1.04%)
GRAY TELEVISION:	GTN	11.75	13.09%	(27.91%)
MEDIA GENERAL:	MEG	16.45	8.44%	1.86%
NEXSTAR:	NXST	43.78	21.68%	(25.42%)
SINCLAIR:	SBGI	30.24	11.22%	(7.07%)
TEGNA:	TGNA	24.28	9.52%	(4.86%)

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLE ONE:	CABO	422.54	4.51%	(2.56%)
CABLEVISION:	CVC	32.51	0.28%	1.91%
CHARTER:	CHTR	181.21	8.02%	(0.98%)
COMCAST:	CMCSA	57.91	1.99%	2.62%
GCI:	GNCMA	18.74	3.19%	15.04%
LIBERTY BROADBAND:	LBRDA	50.16	10.12%	(2.88%)
LIBERTY GLOBAL:	LBTYA	37.11	13.04%	(12.39%)
SHAW COMM:	SJR	17.27	5.50%	0.47%
SHENTEL:	SHEN	22.89	4.52%	(46.83%)
TIME WARNER CABLE:	TWC	192.50	4.06%	3.72%

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
21ST CENTURY FOX:	FOXA	27.08	10.31%	(0.29%)
AMC NETWORKS:	AMCX	66.07	7.33%	(11.53%)
CBS:	CBS	48.30	11.86%	2.48%
CROWN:	CRWN	4.61	9.50%	(17.83%)
DISCOVERY:	DISCA	25.08	0.32%	(6%)
DISNEY:	DIS	95.31	4.56%	(9.3%)
GRUPO TELEVISIA:	TV	25.51	8.23%	(6.25%)
HSN:	HSNI	53.43	22.13%	5.45%
LIONSGATE:	LGF	20.64	10.91%	(36.28%)
MSG NETWORKS:	MSGN	16.55	6.02%	(20.43%)
SCRIPPS INT:	SNI	59.41	10.61%	7.61%
STARZ:	STRZA	23.87	10.97%	(28.75%)
TIME WARNER:	TWX	66.66	7.08%	3.08%
VIACOM:	VIA	40.56	10.73%	(7.8%)
WWE:	WWE	16.82	14.97%	(5.72%)

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADVANTAGE:	AEY	1.65	0.61%	(8.84%)
AMDOCS:	DOX	57.54	4.71%	5.44%
AMPHENOL:	APH	52.94	6.86%	1.36%
APPLE:	AAPL	96.91	3.11%	(7.93%)
ARRIS GROUP:	ARRS	23.67	2.65%	(22.57%)
AVID TECH:	AVID	7.48	11.14%	2.61%
BLNDER TONGUE:	BDR	0.47	6.80%	17.48%
CISCO:	CSCO	26.41	5.18%	(2.76%)
COMMSCOPE:	COMM	25.06	22.01%	(3.21%)
CONCURRENT:	CCUR	5.67	8.41%	14.55%
CONVERGYS:	CVG	25.72	5.15%	3.33%
CSG SYSTEMS:	CSGS	38.58	3.04%	7.23%
ECHOSTAR:	SATS	44.77	28.72%	14.47%
GOOGLE:	GOOG	705.07	3.32%	(7.09%)
HARMONIC:	HLIT	3.05	(4.39%)	(25.06%)
INTEL:	INTC	29.80	4.05%	(13.5%)
INTERACTIVE CORP:	IAC	44.37	6.94%	(26.11%)
LEVEL 3:	LVLT	48.99	4.99%	(9.88%)
MICROSOFT:	MSFT	51.30	1.62%	(7.53%)

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
NETFLIX:	NFLX	94.79	8.46%	(17.13%)
NIELSEN:	NLSN	49.75	5.22%	6.76%
SEACHANGE:	SEAC	5.60	0.00%	(16.91%)
SONY:	SNE	21.54	3.46%	(12.47%)
SPRINT NEXTEL:	S	3.33	25.19%	(8.01%)
TIVO:	TIVO	8.29	7.80%	(3.94%)
UNIVERSAL ELEC:	UEIC	52.70	9.97%	2.63%
VONAGE:	VG	5.18	10.21%	(9.76%)
YAHOO:	YHOO	31.37	16.01%	(5.68%)

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	37.13	1.81%	7.90%
CENTURYLINK:	CTL	30.17	5.45%	19.91%
FRONTIER:	FTR	5.43	28.07%	16.27%
TDS:	TDS	26.38	12.88%	1.89%
VERIZON:	VZ	51.02	1.84%	10.39%

Index	Value	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>			
DOW:	16639.97	4.17%	(4.51%)
NASDAQ:	4590.47	5.83%	(8.33%)
S&P 500:	1948.05	4.47%	(4.69%)

**WINNERS & LOSERS**

<b>THIS WEEK'S STOCK PRICE WINNERS</b>		
COMPANY	CLOSE	1-WK CH
1. ECHOSTAR:	44.77	28.72%
2. FRONTIER:	5.43	28.07%
3. SPRINT NEXTEL:	3.33	25.19%
4. HSN:	53.43	22.13%
5. COMMSCOPE:	25.06	22.01%

<b>THIS WEEK'S STOCK PRICE LOSERS</b>		
COMPANY	CLOSE	1-WK CH
1. HARMONIC:	3.05	(4.39%)
2. BROADCOM:	54.67	0.00%
3. COMCAST SPCL:	58.00	0.00%
4. JDSU:	10.87	0.00%
5. RENTRAK:	44.47	0.00%

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