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What the Industry Reads First

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Around the Hemisphere: Q&A with Alan Sokol

Hispanic programming continues to be of increasing importance, evidenced by the number of new launches in the space over the past several years. One of the players is Hemisphere Media Group, backed by Leo Hindery. It's the only publicly traded pure-play US media company targeting Spanish-language TV and cable nets in the US and Latin America. Hemisphere's portfolio includes WAPA, a US-Spanish language net targeting Puerto Ricans and other Caribbean Hispanics, and Cine Latino, which features current Spanish-language box office hits. We chatted with pres/CEO Alan Sokol, previously senior partner at InterMedia Partners, about this high-growth space. **What are some trends in US Hispanic programming today?** All of our networks are doing well and all our ratings are up. I think the inclination of Spanish-language viewers having 2 alternatives to watch—**Univision** or **Telemundo**—has been broken. I think Hispanic viewers are much more open, and recognize the value and appeal of other types of programming. **What are your distribution goals for 2016?** Our goals are to continue to fill in the distribution holes we have in the US. We have very good distribution, but we still have some significant holes. Hopefully the consummation of the **Charter** and **Time Warner** deal will occur soon. I think that will provide us with an opportunity to potentially fill in some of the holes we have with Time Warner, which are frankly the biggest holes we have. All of our networks are fully distributed on almost all the cable and satellite systems. **Do you have deals with smaller operators?** We do and continue to pursue those deals. We just signed 2 of our networks with **Atlantic Broadband**. The smaller distributors continue to be particularly small when it comes to Hispanic because most of them are not located in major urban markets. Those kind of C and D markets tend to under-index in Hispanic. Most of [them] have not been that focused on Hispanic, but I think now they're recognizing that even in non-traditional Hispanic markets—like places in AL, NE and IA that have growing Hispanic populations—they need product to serve that market. It's one of the few growth areas for them. **Your channel suite is pretty diverse. How does that come into play?** We have 5 US cable nets. Two of them have the most popular content for Hispanic viewers, novelas and movies. And the other 3 target the 2nd, 3rd and 4th largest Hispanic communities in the US—Puerto Ricans, Central Americans and Dominicans... There may be 60mln Hispanics in the US, and they may be unified by language, but they certainly have their unique sensibilities in preferences, cultural issues and interests. They want to be served

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by programming that targets them. **In recent years, we've seen the launches of several English-language, Latino focused channels. Can you address why there's still a place for Spanish-language channels?** There are about 34mIn Spanish speakers in the US today. That's up significantly from what it was 10 years ago. The Spanish-speaking universe is growing at 4x the rate of the overall population. The idea that Spanish [speaking] viewers are going away is a complete myth. They're still growing. They're not growing at as rapid a rate as they were growing possibly 10 years ago when immigration was really driving that growth. As immigration has slowed, so has the growth rate of Spanish speakers. Still ¾ of Spanish households speak Spanish in their homes. Hispanics are still largely Spanish-dominant or bilingual and consume Spanish media as a significant part of their media consumption. You do have a large portion of the market that is acculturated and living in an English-language world, a bilingual world. It is a sexy part of the market. But it's been a part of the market that's been very difficult to reach. That audience is very young, they can consume any kind of media, and they're very evasive because they have all those options. And they're not necessarily consuming linear broadcast or cable channels because they overindex on mobile, tablets, games and other newer forms of technology.

FTC on TV Viewing Privacy: The **FTC** has its eyes on developers of mobile apps that track TV viewing behaviors. The agency said Thurs that it sent letters to app developers whose apps use software created by **Silverpush**. The technology can access mobile devices' microphone to collect audio information even when the application isn't in use, according to FTC. It allows mobile apps to "listen for unique codes embedded into television audio signals in order to determine what television shows or advertisements are playing on a nearby television." Using such technology, Silverpush could generate a detailed log of the television content viewed while a user's mobile phone was turned on. The FTC found that upon downloading and installing mobile apps that embed Silverpush, it received no disclosures about the included audio beacon feature. Silverpush claimed its audio beacons aren't currently embedded into any TV programming aimed at US HHs. However, if the application enabled 3rd parties to monitor TV-viewing habits of US consumers, "this could constitute a violation of the Federal Trade Communication Act," the FTC letter said. The agency asked app developers to disclose the technology's potential impact to consumers. Commission staff will continue to monitor the technology in the next few months.

Viacom/comScore Deal: **Viacom** and **comScore** inked a multi-year partnership that marks the 1st cross-platform deal for the newly merged comScore and **Rentrak**. As part of the arrangement, Viacom will gain access to comScore's cross-platform measurement tools and advanced demographic capabilities that cover linear TV, VOD, digital and OTT space.

Incentive Auction Update: The **FCC** will start its incentive spectrum auction on March 29, as scheduled, a spokesman said in a statement, following **DC Circuit's** ruling Thurs night allowing an LPTV station owned by **Latina Broadcasters** back into the auction. The Commission filed a supplemental letter with the court Fri explaining that, while the court expressed its expectation that allowing Latina to participate won't cause the auction to be delayed, "granting **Videohouse's** request for a stay or provisional participation will cause substantial delay and resulting harm to the public," the spokesman said. **Videohouse** is another LPTV, which asked for a stay of the auction start date. Meanwhile, the agency released the list of 104 auction applicants, which include **AT&T** and **Verizon**.

Set-Top NPRM: The **FCC** Media Bureau agreed to a request by **ACA** to extend the comment period for the Commission's set-top box proposal. The new deadline for comments in Apr 22, with replies due May 23. The indie op group said its members need more time to fully evaluate the complex technical questions in the "Navigation Choice" NPRM. The Bureau declined ACA's request for a 30-day extension, but did grant a 7-day extension to ensure parties have time to file comments.

Still Talking: **Univision** and **AT&T's** latest deadline came Fri at 1am, with the 2 agreeing to extend access to the Univision network and stations until 1am Sat. Univision's other networks, including **Galavision** and **Univision Deportes**, will remain dark. AT&T lost the Univision nets on March 4. -- **NBCU** is still warning **DISH** subs they could lose cable nets, including some O&O broadcast stations. Their contract is to expire over the weekend, though DISH has said it may seek arbitration.

Hearties Ratings: "When Calls the Heart's" latest ep (Mar 13) garnered the highest tweets of any **Hallmark Channel** series, movie or special premiere—registering 7% growth over the previous record holder. Read more about the show's online fan base, dubbed the Hearties, on **Cablefax.com**. The ep notched 2.6mIn total viewers on a L+3 basis.

People: **ESPN** named **Wanda Young** to the newly created role of svp, marketing and consumer engagement. She joins from **Walmart**, where she served as vp, media and digital marketing.

Cablefax Week in Review

| Company | Ticker | 3/18 Close | 1-Week % Chg | YTD %Chg |
|------------------------------|--------|------------|--------------|----------|
| BROADCASTERS/DBS/MMDS | | | | |
| DISH: | DISH | 49.13 | (0.83%) | (14.08%) |
| ENTRAVISION: | EVC | 7.68 | (1.79%) | (0.39%) |
| GRAY TELEVISION: | GTN | 12.69 | (0.39%) | (22.15%) |
| MEDIA GENERAL: | MEG | 17.00 | (0.23%) | 5.26% |
| NEXSTAR: | NXST | 48.17 | (0.45%) | (17.94%) |
| SINCLAIR: | SBGI | 32.34 | (1.88%) | (0.61%) |
| TEGNA: | TGNA | 24.14 | (2.31%) | (5.41%) |

| Company | Ticker | 3/18 Close | 1-Week % Chg | YTD %Chg |
|--------------------|--------|------------|--------------|----------|
| MSOS | | | | |
| CABLE ONE: | CABO | 435.03 | (0.43%) | 0.32% |
| CABLEVISION: | CVC | 32.79 | (0.3%) | 2.79% |
| CHARTER: | CHTR | 201.00 | 7.14% | 9.84% |
| COMCAST: | CMCSA | 59.76 | 1.01% | 5.90% |
| GCI: | GNCMA | 18.06 | (1.74%) | 10.87% |
| LIBERTY BROADBAND: | LBRDA | 57.54 | 7.85% | 11.40% |
| LIBERTY GLOBAL: | LBTYA | 38.05 | 5.49% | (10.17%) |
| SHAW COMM: | SJR | 19.36 | 5.85% | 12.62% |
| SHENTEL: | SHEN | 25.68 | 3.30% | (40.35%) |
| TIME WARNER CABLE: | TWC | 202.90 | 3.57% | 9.33% |

| Company | Ticker | 3/18 Close | 1-Week % Chg | YTD %Chg |
|--------------------|--------|------------|--------------|----------|
| PROGRAMMING | | | | |
| 21ST CENTURY FOX: | FOXA | 28.23 | 1.11% | 3.94% |
| AMC NETWORKS: | AMCX | 65.62 | 0.21% | (12.13%) |
| CBS: | CBS | 54.71 | 2.99% | 16.08% |
| CROWN: | CRWN | 5.12 | 0.79% | (8.73%) |
| DISCOVERY: | DISCA | 29.42 | 3.45% | 10.27% |
| DISNEY: | DIS | 99.20 | 1.29% | (5.6%) |
| GRUPO TELEVISIA: | TV | 28.23 | 4.17% | 3.75% |
| HSN: | HSNI | 54.68 | 0.96% | 7.91% |
| LIONSGATE: | LGF | 22.62 | (5.32%) | (30.16%) |
| MSG NETWORKS: | MSGN | 17.57 | (1.51%) | (15.53%) |
| SCRIPPS INT: | SNI | 64.99 | 0.51% | 17.71% |
| STARZ: | STRZA | 28.08 | (0.46%) | (16.18%) |
| TIME WARNER: | TWX | 72.36 | 2.75% | 11.89% |
| VIACOM: | VIA | 45.62 | 4.87% | 3.71% |
| WWE: | WWE | 18.00 | 1.41% | 0.90% |

| Company | Ticker | 3/18 Close | 1-Week % Chg | YTD %Chg |
|-------------------|--------|------------|--------------|----------|
| TECHNOLOGY | | | | |
| ADVANTAGE: | AEY | 2.07 | 7.81% | 14.36% |
| AMDOCS: | DOX | 59.72 | 3.02% | 9.44% |
| AMPHENOL: | APH | 57.64 | 2.62% | 10.36% |
| APPLE: | AAPL | 105.92 | 3.61% | 0.63% |
| ARRIS GROUP: | ARRS | 22.81 | (3.8%) | (25.38%) |
| AVID TECH: | AVID | 7.07 | 1.00% | (3.02%) |
| CISCO: | CSCO | 28.33 | 1.69% | 4.31% |
| COMMSCOPE: | COMM | 27.24 | 1.34% | 5.21% |
| CONCURRENT: | CCUR | 6.07 | 1.00% | 22.63% |
| CONVERGYS: | CVG | 26.83 | 1.28% | 7.79% |
| CSG SYSTEMS: | CSGS | 42.39 | 12.77% | 17.82% |
| ECHOSTAR: | SATS | 45.03 | (1.6%) | 15.14% |
| GOOGLE: | GOOG | 737.60 | 1.48% | (2.8%) |
| HARMONIC: | HLIT | 3.22 | (1.83%) | (20.88%) |
| INTEL: | INTC | 32.68 | 2.90% | (5.14%) |
| INTERACTIVE CORP: | IAC | 47.07 | 0.68% | (21.62%) |
| LEVEL 3: | LVT | 52.66 | 1.29% | (3.13%) |
| MICROSOFT: | MSFT | 53.49 | 0.79% | (3.59%) |
| NETFLIX: | NFLX | 101.12 | 3.54% | (11.59%) |

| Company | Ticker | 3/18 Close | 1-Week % Chg | YTD %Chg |
|-----------------|--------|------------|--------------|----------|
| NIELSEN: | NLSN | 52.27 | 3.16% | 12.17% |
| SEACHANGE: | SEAC | 5.28 | (4.52%) | (21.66%) |
| SONY: | SNE | 26.27 | 6.75% | 6.75% |
| SPRINT NEXTEL: | S | 3.26 | (12.13%) | (9.94%) |
| SYNACOR: | SYNC | 1.70 | (2.86%) | (55.3%) |
| TIVO: | TIVO | 7.84 | 0.90% | (9.15%) |
| UNIVERSAL ELEC: | UEIC | 62.26 | (4.51%) | 21.25% |
| VONAGE: | VG | 4.70 | (0.84%) | (18.12%) |
| YAHOO: | YHOO | 35.17 | 4.02% | 5.74% |

| Company | Ticker | 3/18 Close | 1-Week % Chg | YTD %Chg |
|---------------|--------|------------|--------------|----------|
| TELCOS | | | | |
| AT&T: | T | 38.56 | 0.52% | 12.06% |
| CENTURYLINK: | CTL | 31.70 | (0.53%) | 25.99% |
| FRONTIER: | FTR | 5.28 | (1.86%) | 13.06% |
| TDS: | TDS | 28.26 | 1.15% | 9.15% |
| VERIZON: | VZ | 53.24 | 1.35% | 15.19% |

| Index | Value | 1-Week % Chg | YTD %Chg |
|-----------------------|----------|--------------|----------|
| MARKET INDICES | | | |
| DOW: | 17602.30 | 2.26% | 1.02% |
| NASDAQ: | 4795.65 | 0.99% | (4.23%) |
| S&P 500: | 2049.56 | 1.35% | 0.27% |

WINNERS & LOSERS

| THIS WEEK'S STOCK PRICE WINNERS | | |
|--|--------|---------|
| COMPANY | CLOSE | 1-WK CH |
| 1. CSG SYSTEMS: | 42.39 | 12.77% |
| 2. LIBERTY BROADBAND: | 57.54 | 7.85% |
| 3. ADVANTAGE: | 2.07 | 7.81% |
| 4. CHARTER: | 201.00 | 7.14% |
| 5. SONY: | 26.27 | 6.75% |

| THIS WEEK'S STOCK PRICE LOSERS | | |
|---------------------------------------|-------|----------|
| COMPANY | CLOSE | 1-WK CH |
| 1. SPRINT NEXTEL: | 3.26 | (12.13%) |
| 2. BLNDER TONGUE: | 0.40 | (6.98%) |
| 3. LIONSGATE: | 22.62 | (5.32%) |
| 4. SEACHANGE: | 5.28 | (4.52%) |

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