

Cablefax Daily™

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What the Industry Reads First

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Turner Goes SVOD: Movie Streaming Service FilmStruck Debuts in Fall

Add **Turner** to the list of nets offering direct-to-consumer services. The **Time Warner** company joined its sister net **HBO** to this fall launch **FilmStruck**, a SVOD streaming service developed and managed by **Turner Classic Movies** in collaboration with film distributor **Criterion**. No pricing info was announced but TCM gm *Jennifer Dorian* told us the price will be “competitive to other services.” HBO and **Showtime’s** standalone streaming services cost \$14.99 and \$10.99 per month. Turner signaled its ambition in the streaming video service last year when it acquired a majority stake in **iStreamPlanet**, a video technology firm. TCM actually started working on the FilmStruck service before the acquisition, Dorian acknowledged. With help from Turner’s global technology team, TCM partnered with vendors **Accenture Video Services** and **You.i** to help build the platform. And the idea of a standalone service started even earlier. “We started brainstorming about two years ago about ‘what would you do with technology’ and our ability to curate and our love of film and about what’s possible to super serve film fans,” Dorian said. Stars aligned a year ago when Turner began talking about the idea with Criterion. “We realized there will be a lot of pent up demand to find art house, indie, cult and foreign films all in one place... It’s hard to find such a collection anywhere...” she said, arguing that the service is “very differentiated,” meaning it won’t hurt the programmer’s traditional pay-TV service, according to the exec. The product targets “passionate, serious film fans... people who love independent, foreign, art house films, and read blogs about film culture...” Dorian noted Turner’s own research showed that these people spend approx \$80 a month on their film habits. “It’s not for everyone. It is for serious film fans. So in some ways it’s a niche audience,” said Dorian. That said, it’s an audience spread among many demographics, she said. Not only do streaming SVOD viewers skew younger (25-44 years old, according to Turner’s research), but “they tend to already be paying for streaming services... They are also paying for pay-TV... They are engaged entertainment consumers,” Dorian said, noting that the content mix for FilmStruck will differ from TCM in that it will mix contemporary and classic films. That will include the Criterion Collection, which features the **Criterion Channel**, a new premiere service offering original content and archival discoveries, plus access to films from the **Janus Films** library. Turner CEO *John Martin* recently revealed the programmer’s plan to launch at least 2 direct-to-consumer services this year as part of the company’s broader strategy to expand engagement across platforms. The company’s other recent moves to expand to digital platforms include the Turner ELeague, a new eSports league set to kick off May 24 in partnership with **WME | IMG**. It also teamed with **CBS** to secure a multiplatform contract extension for the **NCAA** Division I Men’s Basketball Championship. In March, Turner led a \$15mln investment round in **Mashable**, allowing **TBS** and **TNT** to team with the multiplatform media firm to co-develop and distribute video content.

AT&T Earnings: AT&T reported 1Q earnings after the market closed Tues. Consolidated revenue for 1Q totaled \$40.5bln, up more than 24% YOY largely due to the July 24 acquisition of **DirecTV**. Operating income was \$7.1bln

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versus \$5.6bln a year ago. During the quarter, the telco added 328K DirecTV net new subs, while U-verse subs declined 382K as it focused on profitability and increasingly emphasized satellite sales, including U-verse subs switching to satellite. At the end of 1Q, AT&T had 37.8mln video subs, compared to 6mln a year ago. In terms of broadband, it reported approx 14.3mln connections as of March 31, versus 14.mln a year ago. During the period, the company added 186K IP broadband subs, for a total of 12.5mln at the end of 1Q. Total broadband subs increased 5K in the quarter.

Comcast Deals: As part of its strategy to expand WiFi access, **Comcast** teamed with **Wawa** to let customers visiting Wawa stores in DE, FL, MD, NJ, PA and VA access free WiFi. Comcast Business has installed the managed public/private WiFi network, along with managed broadband at more than 700 Wawa locations in and out of Comcast's traditional service areas. The service, which can be accessed by logging onto the "xfinitywifi" SSID, is free for all, including non-Comcast subs. -- In a separate announcement, Comcast said it scored a deal with Bethesda Green, an incubator for environmentally sustainable businesses in Montgomery County, a DC suburb, to provide 1 Gbps Ethernet Dedicated Internet service. The offering aims to enable videoconferencing between members and their customers, provides access to the cloud for file sharing and storage, and expedites the transfer of large digital files for engineering and product development.

Ratings: Season 6 of **HBO's** "Game of Thrones" scored a record 10.7mln viewers on Sun. That includes the linear premiere, 1st 2 repeats and early returns from the net's 2 streaming services, HBO Go and HBO Now. The total viewership is up from the season 5 premiere last year at 9.8mln.

Bright House's Hotel Deal: Under a deal with Tampa's new **Barrymore Hotel Tampa Riverwalk**, **Bright House** will offer hotel guests its HD Video, Dedicated Fiber Internet Access, Managed WiFi, and Hospitality Hosted Voice solutions. As part of the deal, Bright House offers local 24x7x365 tech support as well as local sales execs and solutions engineers.

Smart Home Research: Some 9% of US broadband HHs own a smart garage door opener, and nearly 50% of HHs interact with it almost every day via a smartphone, tablet, or computer, according to the latest research by **Parks Associates**. "The strong adoption for this device will continue, as 15% of U.S. broadband households plan to buy this device in 2016. The growing number of smart devices in the home will intensify the need for interoperable IoT solutions..." said research dir *Tom Kerber* in a release. The research firm also indicated that more than 80% of smartphone/tablet users who own at least 1 smart home device have downloaded mobile apps for these devices. App usage associated with smart home devices such as thermostats, doorbells, and smoke detectors ranges from 83% to over 90% of all device owners.

VAB's Digital Measurement Solution: TV trade group the **Video Advertising Bureau** proposed metrics aimed to capture digital video audience. The group, which counts programmers and pay-TV providers as members, recommended using average audiences as the standard to compare linear and digital platforms. In a report, the group cited average audience as a "dynamic comparable metrics to utilize when evaluating media across screens." In addition, it's "a formula that takes into consideration three critical measurements that are applicable across media—unique audience, average minutes viewed and total minutes." By measuring average audience per minute, advertisers take into account frequency, time spent and reach of content consumption, VAB said. Based on these metrics,

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BUSINESS & FINANCE

TV's audience in any minute averages 45.4mln people, topping 12.7mln for smartphones and 9mln for PCs, VAB said.

Programming: Travel Channel premieres back-to-back eps of "Hello Goodbye" on May 9. Produced by *Ellen DeGeneres' A Very Good Production* in association with **Telepictures** and **Shed Media**, the series documents life moments as regular people arrive and depart from some of the country's largest airports. -- **Discovery Life** will celebrate National Nurses Day on May 6 with the premiere of documentary "The American Nurse," followed by the series premiere of "Emergency." The premieres will be a part of Discovery Life's weekend-long programming event of nurse-themed content hosted by NY ER Nurse *Katie Duke*. -- **Showtime** is offering free online sampling of the drama series "Penny Dreadful's" S3 ahead of its linear debut on May 1. Non-Showtime subs can sample the series for free on **YouTube**, **Facebook** and **SHO.COM**. The premiere is also available for download as a free video podcast on iTunes. Viewers can also sample the premiere for free across multiple platforms including **Hulu**, **Roku** and **Sony's PlayStation Vue**. Showtime subs can access the premiere ep on Showtime on Demand, Showtime Anytime and the standalone Showtime streaming service.

Cablefax Daily Stockwatch

Company	04/26 Close	1-Day Ch	Company	04/26 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	50.61	(0.65)	ECHOSTAR:	41.71	0.52
ENTRAVISION:	7.52	0.21	GOOGLE:	708.14	(15.01)
GRAY TELEVISION:	13.01	0.47	HARMONIC:	3.57	0.14
MEDIA GENERAL:	17.41	0.13	INTEL:	31.40	0.01
NEXSTAR:	51.42	1.00	INTERACTIVE CORP:	45.98	(0.06)
SINCLAIR:	33.00	0.33	LEVEL 3:	54.21	0.62
TEGNA:	24.02	0.02	MICROSOFT:	51.44	(0.67)
MSOS					
CABLE ONE:	460.80	1.92	NETFLIX:	92.43	(1.13)
CABLEVISION:	33.46	(0.31)	NIELSEN:	51.98	0.35
CHARTER:	210.07	3.06	SEACHANGE:	3.76	(0.1)
COMCAST:	61.05	0.05	SONY:	25.77	0.07
GCI:	17.21	(0.11)	SPRINT NEXTEL:	3.68	(0.12)
LIBERTY BROADBAND:	57.96	0.22	SYNACOR:	1.45	0.00
LIBERTY GLOBAL:	39.05	1.15	TIVO:	9.25	(0.01)
SHAW COMM:	18.77	0.10	UNIVERSAL ELEC:	67.53	0.30
SHENTEL:	27.84	0.68	VONAGE:	4.66	0.04
TIME WARNER CABLE:	210.84	1.21	YAHOO:	37.11	(0.12)
PROGRAMMING					
21ST CENTURY FOX:	30.96	(0.1)	TELCOS		
AMC NETWORKS:	65.54	0.12	AT&T:	38.09	(0.12)
CBS:	56.44	0.15	CENTURYLINK:	31.42	0.24
CROWN:	5.08	0.01	FRONTIER:	5.61	0.06
DISCOVERY:	28.20	0.27	TDS:	30.11	0.39
DISNEY:	104.89	0.32	VERIZON:	50.44	(0.32)
GRUPO TELEVISA:	26.83	0.20	MARKET INDICES		
HSN:	54.55	0.25	DOW:	17990.32	13.08
LIONSGATE:	20.21	0.18	NASDAQ:	4888.31	(7.48)
MSG NETWORKS:	17.54	0.42	S&P 500:	2091.70	3.91
SCRIPPS INT:	64.14	0.29			
STARZ:	25.58	(0.87)			
TIME WARNER:	77.02	0.67			
VIACOM:	46.15	0.11			
WWE:	17.07	0.32			
TECHNOLOGY					
ADVANTAGE:	1.87	0.01			
AMDOCS:	56.57	(0.11)			
AMPHENOL:	57.04	0.29			
APPLE:	104.35	(0.73)			
ARRIS GROUP:	22.62	0.23			
AVID TECH:	5.82	0.01			
BLNDER TONGUE:	0.41	(0.01)			
CISCO:	28.45	0.22			
COMMSCOPE:	26.88	0.44			
CONCURRENT:	6.45	(0.12)			
CONVERGYS:	26.87	0.25			
CSG SYSTEMS:	45.20	(0.01)			

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