

Cablefax Daily™

Friday — September 21, 2018

What the Industry Reads First

Volume 29 / No. 182

Three Rounds: Final Auction Determining Sky's Future Owner

The battle for **Sky** could end in an epic climax, with **Comcast** and **21st Century Fox** fighting it out in a weekend auction presided over by the UK Takeover Panel. "The Panel Executive has, after discussions with the parties, established an auction procedure which, assuming that a competitive situation continues to exist, is expected to commence at 5.00pm (London time) on 21 September 2018 and end during the evening of 22 September 2018," the panel said. The auction procedure will consist of a maximum of three rounds, all taking place on September 22. In the first round, only the bidder with the lowest offer at the start will be able to make an increased bid. The second round would see the other bidder taking a turn at raising the bar. If there is no resolution by the end of the second round, both bidders will have an opportunity to present their final offers. Neither side will know what the other presents, with the UK Takeover Panel announcing the numbers after the submissions are placed. The final decision goes to Sky shareholders, who will vote on the offers. Sky, Comcast, 21CF and **Disney** (which would own 21CF's stake in Sky following its purchase of 21CF's entertainment assets) have all agreed to the terms of the auction. Going into it, Comcast has the high bid at £14.75/share, valuing Sky at \$34bln and allowing 21CF to set the tone of the day-long affair with the first bid increase. Upgraded offers will undoubtedly come in from both players, with Sky shares closing at £15.80 in London Thursday. While no real reason to do so, 21CF and Comcast also could raise their bids prior to the auction's start. Both sides have earned regulatory approval from British and European authorities. Sky's independent board committee has made it clear which offer it has preferred thus far. While it had previously recommended that shareholders accept 21CF's bid of £24.5bln back in July, it had a quick change of heart when the more lucrative £26bln offer came in from Comcast. 21CF already owns 39% of Sky, first making its interest in buying the rest of the company known in December 2016, offering £10.75/share after failing to acquire it in 2011. Regulatory and political delays held 21CF's merger proposal long enough to set the stage for Comcast's initial bid last February.

Standing Firm: **AT&T** and **Time Warner** stood firm in their belief that their merger should stand in a court brief submitted Thursday, saying the **DOJ's** claims were "exposed as both narrow and fragile." The DOJ's initial argument relied on antitrust claims. Among the arguments presented was one from DOJ witness and UC Berkeley professor

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Carl Shapiro, who used his model of the transaction to show that the move would cost consumers an additional \$436mln per year in 2017, and \$571mln by 2021. "A wealth of evidence at trial—much of it from DOJ's own witnesses—refuted DOJ's prediction that the merger would enable **Turner** to raise its wholesale prices," the brief read. The brief also highlights that this case was the US government's first litigated challenge to a vertical merger in four decades. "We were pleased to respond to the government's opening brief and look forward to oral argument," AT&T general counsel **David McAtee** said in a statement.

ESPN Scores: In just more than five months since its April 2018 launch, **ESPN+** surpassed 1mln paying subscribers. The \$4.99 per month SVOD service, helmed by **ESPN** and **The Walt Disney Company's Direct to Consumer and International** segment, offers more than 10,000 live sports events including **MLB**, **NHL**, college football, soccer, boxing and **UFC**. The 1mln sub number includes those who were converted automatically from paid membership levels on ESPN Insider. "Reaching one million paid subscribers is an important milestone for any video subscription service, but reaching this benchmark in such a short amount of time is an incredible testament to the teams from DTCL and ESPN who have worked tirelessly to bring this product to market and continually improve it since our April launch," said **Kevin Mayer**, chairman, DTCL. "The future is bright and we believe growth will continue as we add features, distribution partners and more exclusive content in the coming months." ESPN+ features HD streaming, live pause/rewind/restart and limited advertising as well as a "Sports Marketplace," allowing fans to subscribe to additional premium services such as MLB.TV within the ESPN app environment. It has a slew of live content as well as original, but it does not duplicate the ESPN linear service. Since its launch, ESPN+ has scored deals with several college conference rights extensions and an exclusive deal with UFC.

Committed to TV: The **Video Advertising Bureau** found in its recent survey "Committed" that TV programming drives a strong emotional and time investment in ad-supported TV content in millennials, even more so than the average adult. The study found that 74% of millennials said watching their favorite TV shows is their "me-time," and 40% visited somewhere they viewed on TV. The survey also found that 43% of 18-34-year-olds bought a product after seeing it on a show, and four out of 10 have eaten at a restaurant featured in programming. VAB concluded that their emotional connection with TV inspires deeper program engagement beyond TV airings, as nearly 60% admitted to researching actors from their favorite shows, and 49% read online recaps or reviews about individual episodes.

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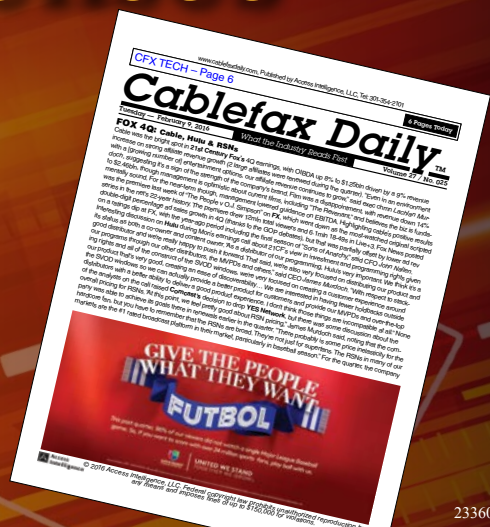
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Digital Ad Growth: FreeWheel's Q2 2018 Video Monetization Report found that 57% of digital video ad views in the US were delivered on a TV screen as opposed to other digital devices. The company believes this highlights the increase of OTT and STB VOD advertising. However, all devices showed YOY increases in ad views, with smart-phones leading the pack with 76% growth. Live viewing is also becoming increasingly important for premium digital video with 33% of all ad views. Sports content comprises 66% of that total, and news an additional 10%.

Measure Twice, Pay Once: DISH is tapping Nielsen to provide digital measurement on Sling TV and data segments for addressable advertising across both DISH and Sling TV. The partnership builds on DISH's current ability to measure currency for its advertisers, adding Digital Ad Ratings for measurement of Sling TV campaigns. Nielsen Buyer Insights and Nielsen Catalina Solutions will also be available to marketers tailoring their advertising across DISH and Sling TV.

Old School: AT&T still believes in the power of brick-and-mortar stores, announcing plans to add more than 1K new store locations. In order to serve dense urban environments, AT&T is adopting a pop-up model where they can open stores within 60 days of signing a lease. A total of 100 pop-ups will be opened by the end of 2018. The wireless company currently has more than 5.3K stores.

Amazon Upgrades: Amazon announced the next generation of its Echo Show. The device has a new design with a 10-inch HD display, a 5 MP camera, an upgraded speaker system and a built-in smart home hub. It also features new integrations with Hulu, NBC and Vevo, delivering expanded content. The Echo Show will remain \$229.99 and begin shipping next month.

Mars Returns: Marshmallows rejoice! "Veronica Mars" is officially coming back. Hulu ordered an eight-episode run of the cult hit show, with Kristen Bell reprising her role as the title character. Creator Rob Thomas will write the first episode. Hulu also reached a deal with Warner Bros. TV giving the streamer SVOD rights to the original three seasons and the 2014 feature film beginning in 2019. The show originally aired 2004-2007 on UPN and then on the CW. A successful Kickstarter campaign for a movie sequel in 2013 by Thomas and Bell raised \$3.7m with a day, leading to the film. The news comes the same day the streamer announced it has redesigned Hulu.com as the fall TV slate arrives. The new site leverages extra screen space to bring options for Playback, Details, Add to My Stuff and Recording front and center of the site.

fubo Gets Local: fuboTV added 8 new local stations to its base package, bringing its total number of channels to 486, with 93% of US households having access to a top broadcast network. The service also added RAI Italia as an add-on for \$7.99 a month, allowing subscribers access to select Series A soccer matches and other programming in Italian.

Ratings: FX's "American Horror Story: Apocalypse" scored 7.8m total viewers across its premiere and two encores. On an L+3 basis, the premiere on Sept 12 ranked no. 1 in Adults 18-49, Adults 18-34 and Adults 25-34. It was the most-watched program that night and is now cable's second most-watched program of 2018 to date, behind only AMC's "The Walking Dead."

Programming: ESPN is planning to air a five-episode series "Spartan: The Championship Series" that dives into Spartan races around the US. The first episode premieres Sunday at 3pm on ESPN2. -- Oscar winner Jordan Peele will enter another dimension and serve as host and narrator of "The Twilight Zone" reboot coming to CBS All Access. Peele is already a producer of the series. -- HGTV renewed "Flip or Flop Vegas" for a third season. The net ordered 10 new eps of the series, which follows licensed contractor and MMA fighter Bristol Marunde and his wife Aubrey as they flip houses across Sin City. -- Popular podcast "LadyGang" is getting its own show on E!, premiering Oct 28 at 10:30pm. The 12-episode series will follow Keltie Knight, Becca Tobin and Jac Vanek with celebrity guests including Ed Sheeran, Karamo Brown and Robin Thicke. -- Comedy Central announced premiere dates for its slate of "Comedy Central Stand-Up Presents..." specials. It kicks off Sept 28 at 11pm followed by another half-hour special at 11:30pm. Comedians featured include Emmy Blotnick, Devin Field, Megan Gailey and more. -- FOX Sports Southeast will televise three preseason games and all 82 regular Atlanta Hawks games during the 2018-2019 NBA season. The net is the exclusive regional home of the team.

People: Industry veteran Cash Hagan has been named COO of Evolution Digital, effective Oct 1. He most recently operated as COO at WOW!, transitioning into the role from CTO in 2016. He's also previously held leadership positions at Nortel, BigBand Networks, ADC Telecommunications, Arris/Antec and Cox Communications.

PROGRAMMER'S PAGE

'Mr Inbetween': Rise of the Half-Hour Drama

It may have taken 12 years, but Australian duo *Scott Ryan* and *Nash Edgerton* successfully created a refreshing, unique half-hour drama series based on the 2005 hit cult film "The Magician." Scott wrote and starred in the film, and portrays the same character in **FX's** "Mr Inbetween." "At the time we were trying to make this half-hour drama, and nobody was really doing half-hour dramas and he was completely unknown," explained Edgerton, an ep and director of the series. "We've basically been trying to get this made for the last 12 years with him as the star. I kept the crew as small as I could and tried to cast actors that could work with his style of acting, which is really realistic. I shot the whole thing handheld, and I wanted to recreate the feeling I got when I saw the film version of the character." Ryan's character Ray Shoesmith is a hit-man doing his best to lead a normal life on the side. "He's a regular guy, he has a family and a kid and he's just trying to do what everyone else does," said Edgerton. "I think the character has such a great moral center, even if it's a little off-center of what regular people would consider. If someone is doing wrong by him or his friends or family, you think, 'What's Ray gonna do?'" The series was originally picked up by FX Australia, but was showcased at Sundance, where FX US took an interest in it. "They essentially saw the show, asked me to come in, and said they loved the show and wanted to take it on and start developing a second season. I feel like we're at the right home, I love all the marketing they've done, I love the trailer, I love the artwork," said Edgerton. *Mr Inbetween* premieres on Sept 25 at 11:30pm on FX. The net will air two back-to-back episodes of the six-episode series each night over a three-week period. -- *Mollie Cahillane*

Reviews: "Wrecked" 10pm, Tuesday, **TBS**. Mix "Lost," "The Hunger Games" and several other fantasy titles, add in "The Naked Gun" and "Airplane" and you have an idea about this whacky series. While it's not great satire, at a time when a laugh or even a giggle is welcome respite, "Wrecked" elicits a smile or two. No worry that you're entering midway (Tuesday's ep is number 8 of season 3). The characters are intentionally shallow and stereotypical, so viewers will have little trouble catching up with the obvious-as-a-punch-in-the-face storyline. -- "Total Divas," 9pm, Wednesday, **E!** Totally for laughs and as unsophisticated as all get-out, season 8 of this series follows the women of **WWE** as they balance a career in the ring and their personal lives. As reality TV stars, in addition to being wrestlers, they're definitely more watchable than many other people TV cameras trail. Still, for maximum enjoyment, it's preferable that you be a fan of women's wrestling. -- Notable, Not Reviewed: Leading up to the debut of *Jodie Whittaker* as the Doctor in "Doctor Who" (October 7), **BBC AMERICA** offers a 13-day marathon from this Tuesday at 6am. Every ep of the initial 10 seasons will run. -- **CNN** begins running the final eps of the late *Anthony Bourdain's* "Parts Unknown" this Sunday (9pm ET) with a tour of Kenya. -- *Seth Arenstein*

Basic Cable P2+ Prime Rankings*

(09/10/18-09/16/18)

Mon-Sun	MC	MC
	US	US AA
	AA%	(000)
FNC	0.795	2,427
ESPN	0.716	2,187
MSNBC	0.698	2,133
HGTV	0.443	1,354
USA	0.439	1,341
NFL	0.395	1,207
CNN	0.387	1,183
WTHR	0.345	1,055
HALL	0.327	1,000
HIST	0.327	1,000
ID	0.323	986
TBSC	0.300	916
DISC	0.284	867
TLC	0.270	825
NICK	0.262	800
FOOD	0.256	781
FX	0.255	779
A&E	0.228	696
NAN	0.225	689
ADSM	0.214	653
DSNY	0.213	651
TNT	0.201	615
TVLAND	0.191	583
AMC	0.188	574
LIFE	0.185	566
INSP	0.184	561
SYFY	0.179	546
BRAVO	0.171	523
VH1	0.167	511
CRN	0.163	498
OWN	0.160	488
HMM	0.160	487
DSJR	0.148	452
TRAVEL	0.141	432
MTV	0.139	423
APL	0.138	423
NATGEO	0.136	416
NKJR	0.135	413
FRFM	0.134	410
BET	0.127	389
WETV	0.122	373

*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.



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