

CableFAX Daily™

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What the Industry Reads First

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Breaking Out: Growth Defines AMC Nets, Scrutiny It Faces

AMC Nets' 1st official earnings call Thurs capped a summer replete with change for the programmer, but pres/CEO *Josh Sapan* said not to expect a whole lot of operational variety going forward. Big guns **AMC** and **WE tv** powered growth in upfront volume and pricing on "very, very good response to our original shows," said Sapan, and also achieved "meaningful increases in both ratings and CPMs" from Apr-June to lead a hale 21.3% rise in ad rev at AMC's national cable nets. Yet that doesn't mean the company's going to chase additional growth by funneling piles of cash into original content or seek complete ownership of all new projects. "Our goal would be, ideally, to maintain the sort of risk profile we have from an investment point of view and to increasingly have control over ancillary rights that come with great ownership," said Sapan. "So that sounds like having your cake and eating it too, [but] we think there may be ways by degree to accomplish that." Expect partnerships to continue to define AMC's dramatic series, he said, noting hope for a near-term renewal with **Sony** for "Breaking Bad." At the same time, AMC Nets will look to own more of the cheaper non-fiction fare on **WE tv**, **IFC** and **Sundance Channel**. And while originals largely drive ratings and rev regardless of genre, Sapan believes the equation becomes more complex when seeking the answer to growth in affil rev (+3.8% in 2Q). "Our channels need to be important, they need to be relevant, they need to have people that really like them, and then we transfer value to affiliates," said Sapan. On Tues it was investors who received notable value as AMC Nets shares jumped 13.31%. After the recent Wall St roller coaster, AMCX "is trading at a more moderate premium to other cable network conglomerate peers on an [enterprise value/op income] basis," said **Miller Tabak's** *David Joyce*, who has a \$44 short-term price target on AMCX shares. "This is likely to remain the condition due in part to takeover speculation that continues to surround these assets... but also due to the younger nature of these assets with affiliate fee and advertising upside in the future." Other notes on the company's national nets segment: net rev (+10.5%) and adjusted operating cash flow (+7.4%) both increased, IFC is delivering super growth in advertising after employing a traditional ad model this year, and distribution totals as of June 30 include AMC (97mln), WE tv (77.3mln), IFC (62.2mln) and Sundance (40.3mln).

At the Portals: The FCC's Media Bureau denied **DirecTV Sports Net Pittsburgh's** petition to review and reverse

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an arbitrator's decision that went in **Armstrong's** favor in their long-running dispute over the fair market value of **Fox Sports Net Pittsburgh**. The Bureau said that "consistent with the arbitrator's decision, the Armstrong final offer most closely approximates the fair market value of the programming carriage rights at issue." The spat went to arbitration pursuant to a condition established by the FCC in the **Liberty Media** order. A redacted copy of the decision should be available in the coming weeks.

Earnings: Its sale reportedly on hold pending a drop in the desired \$3-\$3.5bln price, **Insight** delivered 2% growth in both rev (\$270.5mln) and adjusted OIBDA (\$92.2mln). The MSO shed 13.6K basic customers and welcomed a net 6.2K digital. HSD gained 1.8K while phone posted a loss of 4.6K. Total RGUs increased 85K to approx 2.16mln. ARPU tallied \$131.23, compared to \$128.74 in 1Q and \$123.25 a year ago. Ad rev fell 2.8% YOY. -- **Suddenlink's** 2Q rev grew 7.2% YOY to \$482mln, while adjusted EBITDA grew 8.7% to \$179.4mln. Total monthly ARPU was up 10.4% to \$124.74. The MSO lost 24.4K basic subs, while digital customers increased by 6.2K. HSD subs dropped by 4.6K, with Suddenlink blaming seasonality—particularly in its recently acquired **NPG Cable** properties. Residential phone customers grew by 12.2K.

Super Bounce: **News Corp** shares soared 16.75% Thurs after the company reported solid earnings late Wed and ostensibly capitalized on the ample room to run it had generated due to both this week's market turmoil and recent phone-hacking scandal. Chief **Rupert Murdoch** called the scandal an isolated and unacceptable incident and said it didn't materially impact corporate operations. Deputy chmn **Chase Carey** underscored News' key objectives going forward, including maximizing the potential of company networks and building content and platform leadership. "Both Fox and Fox News will take subscription fees to a whole new level in the next 1.5 years," said Carey, noting how **FX** is on a record-setting ratings binge and calling the growth story at **Fox Soccer** and **Nat Geo Wild** "dynamic." Authentication is paramount to the expansion of digital platforms, he said, and major news on this front is expected before Dec. Carey remains bullish on the US multichannel market despite lingering economic and housing woes.

In the States: **Synacor** will offer **Geek Squad** assistance from **Best Buy** to its MVPD and telecom clients, meaning Geek Squad agents will be available for subs 24/7 via online chat, remote or over the phone to provide common fixes such as virus removal, software and OS installation and repair and troubleshooting assistance.

Social Circle: Everybody loves talking about the weather, even on **Twitter** where there are approx 200 weather Tweets per minute. **Weather Channel** and Twitter have teamed to launch "The Weather Channel Social," an integration of local, weather-related tweets across Weather Channel's linear, Web and mobile platforms. Consumers will be able to see real-time Tweets about local weather displayed alongside forecasts. Weather also created 220 custom local Twitter feeds for cities with populations of 100K and above.

Programming: **USA** greenlit a 2nd season of "Suits." -- **Spike** announced 4 new non-scripted originals for '12 including "Big Easy Justice," featuring New Orleans bounty hunters, and "Worlds Worst Tenants." -- **HBO** renewed "True Blood" for a 5th season, set to debut next summer. -- In the synergy dept, **CNN** will replay **HBO's** 4-part series "24/7 Mayweather/Ortiz" beginning Aug 27, leading up to the Sept 17 HBO PPV telecast for Ortiz's world welterweight title. -- **Starz Kids & Family** will launch a 2-hour "Camp Block" on Sept 5, featuring 4 live-action shows for teens and pre-teens. Comedy/musical "The Wannabes" kicks off the 4pm block. Other shows include "Mortified," "Conner Undercover" and "The Latest Buzz." -- **TruTV** ordered a reality series focused on the CA DMV from **Ashton Kutcher** and **Jason Goldberg's Katalyst**. No premiere date yet for "California DMV: Field Offices."

Later George: **George Lopez** didn't shy away from joking about **TBS'** cancellation of his talker "Lopez Tonight" Wed. Take note, **Conan**. "We're not saying goodbye. We're saying cable doesn't work," the comedian said during his opening monologue. Referencing band leader **Michael Bearden**, Lopez cracked, "The next time you see a Latino and a black guy together—**Ortiz-Mayweather** in Las Vegas." The curtains close on the show Thurs.

Women in Tech: **SCTE** and **WICT** have launched "Women's TechConnect," an initiative aimed at supporting the career growth of women in tech by teaming a core group of promising engineers each year with the recipients of the Women in Technology Award, presented annually by SCTE, WICT and sister pub **Communications Technology**. **Bright House** pres **Nomi Bergman** and **SeaChange** pres **Yvette Kanouff** are co-founders of TechConnect.

BUSINESS & FINANCE

Nominations for the program will be accepted through Sept 9 at wict.org and scte.org. Following selection by a panel of mentors, honorees will be introduced at a reception in conjunction with the WICT Tech It Out event at SCTE Cable-Tec Expo, be paired with mentors throughout Expo, and receive a complimentary pass to the Expo exhibit floor. Honorees also will receive complimentary registration to the WICT Leadership Conference, in addition to membership in SCTE and WICT. They will continue to receive counsel, support and relationship-building resources from mentors during the following year.

Online: CNBC.com matched July's heat with record high digital performance. The site had its best July ever with 5.9mln unique users, a 6% increase from last year, and 312mln page views, according to **comScore** Media Metrix. Not to be outdone, CNBC Mobile Web had a 30% increase, CNBC's Real-Time iPhone App had a 50% increase and CNBC's Real-Time Android App had a 181% increase in page views year-over-year, according to **Omniture**.

People: Univision named *Victoria Vitarelli* as vp, marketing for **Univision Deportes**. -- *Andrew Sarnow* was named vp, digital integrated marketing, **MTVN Ent Group**.

Clarification: Last week's ratings chart for the month of July was based on P2+ instead of HH ratings.

CableFAX Daily Stockwatch

Company	08/11 Close	1-Day Ch	Company	08/11 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	43.07	1.44	BLNDER TONGUE:	1.41	(0.03)
DISH:	22.72	1.06	BROADCOM:	33.85	1.78
DISNEY:	32.12	0.58	CISCO:	15.92	2.19
GE:	15.68	0.59	CLEARWIRE:	1.59	0.15
NEWS CORP:	16.59	2.38	CONCURRENT:	5.83	0.18
MSOS					
CABLEVISION:	18.47	1.61	CONVERGYS:	9.89	0.19
CHARTER:	46.96	2.61	CSG SYSTEMS:	13.98	0.35
COMCAST:	20.59	0.81	ECHOSTAR:	25.13	(0.67)
COMCAST SPCL:	20.23	0.87	GOOGLE:	562.13	13.12
GCI:	8.46	0.26	HARMONIC:	5.42	0.54
KNOWLOGY:	13.53	0.53	INTEL:	20.76	0.83
LIBERTY CAPITAL:	69.83	3.88	JDSU:	11.42	1.31
LIBERTY GLOBAL:	39.10	2.57	LEVEL 3:	1.86	0.06
LIBERTY INT:	14.62	0.65	MICROSOFT:	25.19	0.99
SHAW COMM:	21.47	1.13	MOTOROLA MOBILITY:	24.16	1.07
TIME WARNER CABLE:	64.74	2.43	RENTRAK:	13.74	1.06
VIRGIN MEDIA:	23.57	0.88	SEACHANGE:	7.66	0.15
WASH POST:	365.19	15.19	SONY:	21.79	0.47
PROGRAMMING					
AMC NETWORKS:	34.31	4.03	SPRINT NEXTEL:	3.12	(0.04)
CBS:	24.66	1.51	THOMAS & BETTS:	43.82	2.76
CROWN:	1.25	0.03	TIVO:	7.65	0.46
DISCOVERY:	38.18	2.02	UNIVERSAL ELEC:	17.71	0.90
GRUPO TELEVISA:	20.23	1.12	VONAGE:	3.11	0.05
HSN:	31.68	1.10	YAHOO:	12.86	1.09
INTERACTIVE CORP:	37.45	1.50	TELCOS		
LIBERTY STARZ:	71.53	2.44	AT&T:	28.44	0.56
LIONSGATE:	6.88	0.14	VERIZON:	34.62	0.96
LODGENET:	2.07	(0.16)	MARKET INDICES		
NEW FRONTIER:	1.12	(0.03)	DOW:	11143.31	423.37
OUTDOOR:	6.35	0.17	NASDAQ:	2492.68	111.63
SCRIPPS INT:	42.15	2.14	S&P 500:	1172.64	51.88
TIME WARNER:	29.73	0.66			
VALUEVISION:	5.35	0.25			
VIACOM:	55.37	3.31			
WWE:	9.58	0.45			
TECHNOLOGY					
ADVANTAGE:	2.27	(0.18)			
ALCATEL LUCENT:	3.48	0.31			
AMDOCS:	27.69	0.99			
AMPHENOL:	46.07	3.48			
AOL:	11.47	1.25			
APPLE:	373.70	10.01			
ARRIS GROUP:	10.33	0.63			
AVID TECH:	10.77	0.19			
BIGBAND:	1.62	0.07			



Most Influential Minorities in Cable issue

Be part of Diversity Week! This issue profiles CableFAX's most influential minorities in cable, winners of NAMIC's EMMA Awards (Excellence in Multicultural Marketing Awards), and the Top 10 Places to Work.

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Content(ment)

Despite suffering at the hands of schizophrenic Wall St this week like everyone else, programmers have emerged from 2Q as clearly the healthier party when compared to pay TV ops. For one thing, downtrodden Americans still seek entertainment; they just may alter the access points. Enter OTT plays, which absolutely remain a threat to MVPDs while programmers have discovered lucrative ways to capitalize on their burgeoning existence. The answer du jour has become the licensing of library content, seen as an asset that can produce incremental rev without souring the traditional pay TV model—and importantly while other digital modes and rights issues are being ironed out. **Viacom** and **CBS** spring to mind as particularly successful reapers of this new digital soil, and not surprisingly the pair delivered excellent 2Q results. **BTIG's Richard Greenfield**, however, doesn't view the increasing digitization of content as a panacea for programmers. "We would love to think that digital is all incremental (viewing and profit-wise), but our gut says the market/press love-affair with digital licensing may not play-out as anticipated. Just a matter of when that becomes clear and who gets hurt first/most," he said. Given the digital issues that remain, perhaps Greenfield will prove prescient. But while every arena includes winners and losers, the latter camp in the digital space may become defined merely by *less* income, not *lost*. **Time Warner** hasn't really started monetizing its vast content library, for example, yet the company's 2Q results certainly don't indicate residence in loserville. Meanwhile, while the digital rodeo rides on the TV ad market was decidedly robust during the upfront market and 2Q, and cable programming execs largely said the trends have continued into 3Q. From this eye, US firms have right-sized in recent years and also understand how integral advertising has become given many consumers' dwindling disposable funds. Consumers' appetite for good content hasn't abated, however, and likely never will. Advantage programmers. *CH*

Highlights: "Gloria," Mon, 9p, **HBO**. A terrific mix of historic footage and a new interview with *Ms. Steinem*. While the interview is useful, the clips are better, clearly showing the animosity Steinem faced from (male) news anchors. More shocking, this occurred in the 70s, 10 years after the male-chauvinist "Mad Men" era. -- "Dances with Wolves: The Inside Story," Wed, 8p ET, 9p PT, **Bio**. The tale of Costner's triumph is as good as the film. *SA*

Worth a Look: "Whisker Wars," Fri, 11p, **IFC**. Thank goodness producer *Thom Beers* doesn't take this docu-series about competitive facial hair growing too seriously. (How could he?) Still, his tongue-in-cheek narration is perfect hair, er, here. -- "Strike Back," premiere, Fri, 10p, **Cinemax**. Ah, clichés. The American is a cocky womanizer. The British sergeant isn't. Surprise! They bond to hunt global terrorists in this 1st bonding of **HBO/Cinemax** and **Sky** of the UK. Terrorism is ugly. And since this is premium cable, there are massive quantities of blood and highly violent deaths. "Strike" also oozes sex, sweat, muscles and has so many plot twists even *Hitchcock* would be confused. Still, it's decent, action-packed fantasy. -- "Friday Night Dinner," Sat, 11:30p, **BBC A**. It's a 1-joke show: anyone older than 30 is a dork. Yet, this offbeat comedy is beautifully executed. *SA*

Basic Cable Rankings (8/01/11-8/07/11) Mon-Sun Prime			
1	USA	2.7	2728
2	DSNY	2.1	2083
3	TNT	1.9	1894
4	FOXN	1.5	1496
4	HIST	1.5	1461
6	A&E	1.2	1158
7	ESPN	1.1	1051
7	AMC	1.1	1038
9	DISC	1	1049
9	MTV	1	1023
9	FX	1	992
9	HGTV	1	987
13	SYFY	0.9	940
13	TBSC	0.9	926
13	ADSM	0.9	897
13	FOOD	0.9	885
13	NAN	0.9	881
13	FAM	0.9	880
13	LIFE	0.9	877
20	TVLD	0.8	760
20	TRU	0.8	757
20	BET	0.8	709
20	NKJR	0.8	615
24	TLC	0.7	712
24	CMDY	0.7	668
24	SPK	0.7	655
27	MSNB	0.6	612
27	BRAV	0.6	576
27	HALL	0.6	519
27	LMN	0.6	475
31	EN	0.5	536
31	HLN	0.5	524
31	CNN	0.5	478
31	VH1	0.5	447
31	ID	0.5	391
31	NGC	0.5	349
37	APL	0.4	415
37	ESP2	0.4	357
37	OXYG	0.4	333
37	DXD	0.4	287
37	SOAP	0.4	262
37	NKTN	0.4	222
37	MLBN	0.4	198
37	HMC	0.4	167
45	TRAV	0.3	320
45	CMT	0.3	303

*Nielsen data supplied by ABC/Disney

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