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What the Industry Reads First

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Liberty Day: Talking Charter's Deal and 3 New Tracking Stocks

If *John Malone's* interest in **Discovery Comm** is a problem for **Charter** getting its deal done for **Time Warner Cable** and **Bright House**, "I don't have to part of Charter controller ownership," Malone said during a **CNBC** interview Thurs, the same day **Liberty Broadband** and **Liberty Media** held an Investor Day. Of course, Charter—as it has argued to the **FCC**—doesn't believe this is necessary. "Even from an economic perspective it is not rational for his ownership to, if he could control the company, to damage one of his video services like Discovery by giving it exclusively to Charter and not selling it to satellite and phone companies. It would really be a net economic loss, so I think even the economic arguments don't hold water," Charter chief *Tom Rutledge* said in the interview with **CNBC's David Faber**. He added that Malone's personal ownership stake in new Charter will only be approx 1.7%. Speaking at Liberty Broadband's Investor Day, Rutledge said he expects regulators to close on the transaction's review soon. Thurs marked the deadline in the FCC pleading cycle on the deal, with replies due to comments and oppositions to the deal. During the day of Liberty presentations, Malone listed one of his regrets as not going hostile on **Netflix** when realizing it was undervalued. Liberty CEO *Greg Maffei* said at the time "the cable guys hated Netflix," and it would have hurt **Starz**. Looking back, he said "we could have flushed Starz, with all due respect." No Liberty event is complete without some complicated tracking stock maneuver and Malone & Co delivered. Liberty Media will create 3 new tracking stocks: **Liberty Braves Group** (consists of MLB's Atlanta Braves and a stadium that's under construction), **Liberty Sirius Group** (satellite stock **SiriusXM**) and **Liberty Media Group** (consists of remaining interests in **Live Nation** and smaller stakes in others, such as Time Warner).

Judge Reverses Cox Box Case: A US District Judge on Thurs reversed a jury decision that found **Cox Comm** illegally tied special services, such as VOD, to set-top box rentals. US District Judge *Robin Cauthron* cited no evidence that Cox acted in a way that prevented other manufacturers from selling set-tops at retail. Cauthron wrote the plaintiff tried to argue that **TiVo** wanted to sell a set-top at retail but couldn't because of Cox, but the plaintiff provided no evidence that Cox tried to prevent a TiVo retail deal from being completed. "While the Court agrees with Plaintiff that Cox required a customer to rent a set-top box in order to obtain premium cable, there simply is no evidence from which a reasonable jury could determine that that arrangement led to a foreclosure of commerce," the court said. Said Cox: "Cox's primary goal is to provide

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its customers with high value video services and this victory ensures that Cox will be free to continue to provide those services in the future. We are pleased that the Court has recognized that Cox's conduct did not violate the antitrust laws." The plaintiff, *Richard Healy*, sought nearly \$49m in damages in a class action on behalf of Oklahoma City subs who rented a box from Feb 1, 2005, through Jan 9, 2014. The jury awarded \$6m. The lawsuit alleged Cox used monopoly power to force Oklahoma City customers to rent its set-tops to access premium services.

Viacom Earnings: Opinions were mixed on **Viacom's** fiscal 4Q earnings results Thurs. "Viacom missed (slightly) on both the topline and bottom line. In a quarter where other cable networks improved advertising monetization relative to audience declines, Viacom did not," wrote **Bernstein Research** analysts. On the other hand, **Evercore ISI** said Viacom's original programming push and new advertising and marketing strategies are resulting in ratings and advertising revenue improvements. "We think the shares are over-discounting those advertising and subscriber risks, as ratings have been improving even ahead of the lapping of last year's declines," Evercore ISI said, describing Viacom as the cheapest media company on 3 key valuation multiples. **Moffett Nathanson** rates the stock a buy, citing better ad growth, higher expected affil fee rev from future renewal and new OTT players looking for content as upside risks. During Thurs' earnings call, CEO *Philippe Dauman* repeated the claim that because of the programmer's young brands, it was hit with the challenges to established patterns of media consumption earlier than others. "I'm pleased to say that at Viacom we are starting to turn the quarter," he said. "Ratings are improving at key networks like **Nickelodeon, Nick at Nite, TV Land, BET, CMT** and **VH1** with additional improvement expected at our other networks as new programming kicks in." There continues to be a lot of speculation on what may or may not happen with **DISH-Viacom** contract renewals, with the Street expecting that to continue to weigh on the stock. Dauman said the company remains comfortable with affiliate revenue guidance in the high-single digits (Viacom had 8% domestic affiliate growth last year). Shares closed up about 2% Thurs. For the quarter, revenue fell to \$3.79b from \$3.99b a year ago; profit was up to \$884m from \$732m.

Vue on Amazon: **Sony** is expanding its Vue streaming service to more non-Sony platforms. The service will be available to **Amazon's** Fire TV and Fire TV Stick, following the launch on iOS. The service, which launched in March, is currently available in select markets, including NYC, Los Angeles, Chicago, Philly, Dallas, San Francisco and Miami. Sony recently inked a deal with **Disney** to add content from **ESPN, the Disney Channel, ABC** and **ABC Family** to the service.

Comcast Adds Spanish Guide: **Comcast** expanded its talking guide for Spanish speakers. The Spanish Talking Guide features a female voice when turned on that will read aloud selections like program titles, network names and time slots as well as DVR and on demand settings in Spanish, vp/gm of multicultural services at Comcast Cable *Javier Garcia* wrote in a blog post Thurs. The talking guide, launched last year, has been activated on nearly 1m set-tops last month, doubling the activation in June, the exec said. The MSO is tracking close to 100m utterances.

Scripps' Dividend: **Scripps Networks** declared a quarterly dividend of 23 cents per share payable on Dec 10 to shareholders of record at the close of business on Nov 30. **Macquarie Securities** set a \$61 price target for Scripps stocks, which traded in the \$57-\$58.5 range Thurs. The programmer's lifestyle franchise has "a loyal demo where 90%+ viewership is live," Macquarie analysts wrote in a research note. They noted **HGTV** was the #1 cable net for women 25-54, the best single ratings achievement the net has seen, while **Food Network** ratings "hit a positive inflection point." And given additional programming spend and a traditionally strong holiday season, the analysts expect growth to accelerate sequentially. That said, turning around Travel Channel remains a long-term opportunity, the analysts said. While management expects ratings improvement from 4Q as the company invests in new programming, the turnaround is likely to take some time, they said. Scripps completed its acquisition of a 52.7% interest in Poland's media company **TVN** in July. In addition, Scripps' international launches have included HGTV in Malaysia, Food in the Czech Republic and an upcoming over-the-air Food Network in Australia. "We expect the contribution from international will grow significantly through '17," according to the analysts.

NBCU Campaigns: **NBCU Telemundo Enterprises** launched financial education initiative "Tu Dinero es Tu Futuro" (Your Money is Your Future) Thurs, designed to support financial literacy among Spanish-language viewers. The company cited a 2015 **Latinum Network** study, which found US Hispanic HHs are more than 5 times more likely to be unbanked and 2 times more likely to be underbanked than non-Hispanics. The initiative seeks to help Hispanic HHs achieve long-term financial stability by focusing on common barriers like managing debt, home ownership, retirement planning and college

BUSINESS & FINANCE

tuition. The programmer is partnering with the **Council for Economic Education** to develop tools such as financial calculators. **CNBC** will be the digital content partner with a dedicated section on the website, including personal finance headlines and videos that provide financial tips.

Programming: **CBS News** gave **C-SPAN Radio** permission to air Sat's 2nd Democratic presidential debate live, beginning at 9pm. CBS News is also allowing **C-SPAN** to re-air the debate in its entirety on Sun at 4pm ET and 9pm ET. -- **Disney** greenlit a series pilot from "Lizzie McGuire" creator *Terri Minsky*. The untitled, single-camera pilot follows a girl about to turn 13. She's anxious to have some teenage fun, but her mom has turned strict and is doing everything to keep her from turning out like her older sister. -- **A&E** will premiere original docuseries "Born This Way," following a group of young adults born with Down syndrome, Dec 8, 10pm. -- **Bravo's** latest "Real Housewives" installment is set in Potomac, MD (premieres Jan 17). The women of Dallas will get their turn in the RH spotlight later next year. -- **IFC** is developing a comedy series from *Jon Benjamin*. A pilot for "Jon Benjamin's 100 Erotic Nights" is shooting in NYC this week.

People: *Robert Brace* was promoted to CFO at **INSP**. Brace joined the net in 2004 as corporate controller.

Cablefax Daily Stockwatch

Company	11/12 Close	1-Day Ch	Company	11/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	62.99	0.55	CONVERGYS:	24.95	(0.65)
ENTRAVISION:	8.33	(0.27)	CSG SYSTEMS:	35.19	(0.59)
GRAY TELEVISION:	16.63	(0.24)	ECHOSTAR:	40.43	(1.13)
MEDIA GENERAL:	15.36	(0.05)	GOOGLE:	731.23	(4.17)
NEXSTAR:	57.34	0.34	HARMONIC:	5.41	(0.1)
SINCLAIR:	33.33	(0.81)	INTEL:	32.40	(0.46)
TEGNA:	26.95	(0.36)	INTERACTIVE CORP:	65.27	(0.04)
MSOS					
CABLE ONE:	474.51	(4.06)	LEVEL 3:	50.27	(0.47)
CABLEVISION:	31.30	(0.1)	MICROSOFT:	53.32	(0.33)
CHARTER:	192.00	0.80	NETFLIX:	108.92	(3.94)
COMCAST:	61.49	(0.06)	NIELSEN:	47.18	(0.34)
COMCAST SPCL:	61.57	(0.04)	RENTRAK:	50.34	(1.32)
GCI:	20.59	(0.36)	SEACHANGE:	6.17	(0.14)
LIBERTY BROADBAND:	55.00	0.19	SONY:	27.87	(0.43)
LIBERTY GLOBAL:	45.75	(0.63)	SPRINT NEXTEL:	4.14	0.14
SHAW COMM:	20.07	(0.42)	TIVO:	8.79	(0.17)
SHENTEL:	49.11	0.61	UNIVERSAL ELEC:	46.57	(0.11)
TIME WARNER CABLE:	188.94	(0.46)	VONAGE:	6.59	(0.02)
PROGRAMMING					
21ST CENTURY FOX:	30.02	UNCH	YAHOO:	33.23	(0.15)
AMC NETWORKS:	76.09	(2.46)	TELCOS		
CBS:	50.36	0.05	AT&T:	32.69	(0.23)
CROWN:	5.71	(0.19)	CENTURYLINK:	28.00	(0.43)
DISCOVERY:	30.16	(0.45)	FRONTIER:	4.71	0.02
DISNEY:	116.21	(0.31)	TDS:	27.71	(0.28)
GRUPO TELEVISIA:	28.36	(0.55)	VERIZON:	44.83	(0.49)
HSN:	52.66	(0.6)	MARKET INDICES		
LIONSGATE:	41.07	0.38	DOW:	17448.07	(254.15)
MSG NETWORKS:	20.84	(0.27)	NASDAQ:	5005.08	(61.94)
SCRIPPS INT:	57.44	(0.45)	S&P 500:	2045.97	(29.03)
STARZ:	34.41	(0.84)			
TIME WARNER:	70.42	(0.63)			
VIACOM:	51.24	0.99			
WWE:	16.38	(0.67)			
TECHNOLOGY					
ADDVANTAGE:	2.30	UNCH			
AMDOCS:	54.87	(0.69)			
AMPHENOL:	53.91	(0.82)			
APPLE:	115.72	(0.39)			
ARRIS GROUP:	27.81	(1)			
AVID TECH:	6.49	0.36			
BLNDER TONGUE:	0.48	0.00			
BROADCOM:	51.64	(0.27)			
CISCO:	27.83	0.01			
COMMSCOPE:	27.20	(0.28)			
CONCURRENT:	4.80	(0.06)			

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PROGRAMMER'S PAGE

Into the Martial Arts Wonderland

Lots of blood and even more really good fight scenes. That might be viewers' initial takeaway of **AMC's** new martial arts drama series "Into the Badlands," created by producers *Al Gough* and *Miles Millar*. Premiering Sun at 10pm after "The Walking Dead," the series is among the very few martial arts shows on US TV in the last decade or 2. In fact, there hasn't been once since "Martial Law" on **CBS** 15 years ago. "We knew that AMC was looking for a martial arts show, and we pitched them Into the Badlands. They called an hour after the pitch and said they wanted to buy it. We never went to any other network. It was the sort of experience all showrunners dream about," Gough and Millar said in an interview. They aim aiming for the series to have a truly cinematic style. AMC shows like "Breaking Bad," "Mad Men," and The Walking Dead are incredibly different, yet share an ambition of being distinctive and ground-breaking, they said. The net was ahead of the horror/zombie curve with The Walking Dead, and Into the Badlands could be a start to a martial arts curve, HongKong-based actor/producer *Daniel Wu*, who plays lead role "Sunny" in the series, told us. "Our goal is to be the first one. Let's see what happens," said Wu, who also serves as exec producer of the show, which took ideas from the Chinese "Journey to the West" tale, featuring Sunny the warrior and a young boy's journey through a dangerous land to seek enlightenment. What's unique about Sunny the character is his transformation from a ruthless, cold-blooded killer to someone very different over the course of the series, Wu said. For Gough and Millar, the key is to be authentic in everything, from the action, the world, to the characters and the wardrobe. They told us they want to ground the series in reality but also be visually bold so the audience can fully immerse itself in an extremely distressed future. — *Joyce Wang*

Reviews: "The Director's Chair: *Sylvester Stallone*," Sun, 8pm ET, **EI Rey**. Sometimes an interviewer and interviewee click. That's the case here, and it makes for the best episode of this series to-date. *Robert Rodriguez* is excited to have Rocky across from him, and *Sylvester Stallone* enjoys the respect Rodriguez has for him as a screenwriter and a director, as well as an actor. The interview dissects the "Rocky" franchise well, and Stallone responds with terrific stories about its genesis—for example, Rocky was a retired boxer in the original script, and while Stallone wrote the lead role for himself, the studio initially had other ideas about casting. This interesting, extremely honest dialogue about filmmaking is supplemented with excellent film footage. -- "The Day Hitler Died," Mon, 8pm, **Smithsonian**. In 1948, during the Nuremberg trials, rumors abounded that Hitler was still alive. Attempting to scotch the hearsay, presiding judge *Michael Musmanno* interviewed on camera 22 people who had direct contact with Hitler in the Führerbunker during the dictator's final days, including his secretary, the Hitler youth head and military aides. Seen here for the fist time on TV, the interview footage—lost for years and recovered by chance in 2013—creates a gruesomely intimate account of the Third Reich's end. To say it's bizarrely fascinating is a gross understatement. — *Seth Arenstein*

Basic Cable Rankings (11/02/15-11/08/15)			
Mon-Sun Prime			
1	ESPN	1.3	3100
2	FOXN	0.8	1807
3	HALL	0.7	1627
3	NFLN	0.7	1287
5	USA	0.6	1513
5	AMC	0.6	1501
5	DSNY	0.6	1449
5	DISC	0.6	1385
5	TBSC	0.6	1383
10	HGTV	0.5	1249
10	FX	0.5	1138
10	HIST	0.5	1126
10	DSE	0.5	125
14	ADSM	0.4	1038
14	TNT	0.4	1037
14	FOOD	0.4	1004
14	LIFE	0.4	888
14	ID	0.4	818
19	BRAV	0.3	801
19	SYFY	0.3	792
19	NAN	0.3	779
19	MSNB	0.3	775
19	A&E	0.3	727
19	FAM	0.3	723
19	TLC	0.3	650
19	SPK	0.3	638
19	DSJR	0.3	561
19	NKJR	0.3	502
19	HMM	0.3	456
19	DFAM	0.3	64
31	VH1	0.2	556
31	BET	0.2	547
31	ESP2	0.2	539
31	TVLD	0.2	507
31	APL	0.2	476
31	CNN	0.2	472
31	TRU	0.2	464
31	FS1	0.2	455
31	CMDY	0.2	453
31	OWN	0.2	442
31	NGC	0.2	410
31	WETV	0.2	401
31	TRAV	0.2	401
31	MTV	0.2	399

*Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks

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