

WE FUN AT 5

have more fun



WE CELEBRATES GOING FOR THE GOLD

Strong goals and a sense of fun put network on track

One morning last June, a Hummer stretch limo stopped in the heart of New York's Times Square. Twenty women in bridal gowns and veils emerged to surround a gigantic 16-by-12-foot wedding cake. But they weren't there for an elegant photo op: To the amazement of passersby, the women dove into the six-tiered concoction, fighting and wrestling through cake and frosting.

Their goal: To find a little box containing a \$50,000 prize that would go toward the winner's upcoming wedding. It was all part of a promotion to kick off of the second season of WE: Women's Entertainment network's "Bridezillas," a show about out-of-control brides.

Through original programming, promotions and serious public service initiatives, WE is kicking its

efforts into high gear to fulfill its goal to become "the only cable network dedicated to helping women connect to one another and the world around them." And it's banking on hits such as this one to help it expand its presence.

Now celebrating its fifth year as WE, the channel was actually launched in 1997 as a women's movie channel, Romance Classics, before assuming a new name—and a recharged mission and perspective—in 2001. Today, it has a range of new initiatives on its plate, including more original programming, expanding beyond the traditional TV screen, capitalizing on its break-out shows, introducing a new tagline and creating a nationwide public affairs initiative supporting women. New graph-

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CHAMPIONING WOMEN'S CAUSES

Over the last five years, WE: Women's Entertainment has become involved in a variety of public service activities and, not surprisingly, women's causes are predominant.

In an effort to unify and formalize its activities, the network launched a major initiative last year, WE Empowers Women. It promises to build mentorship, education and health programs for girls and women to help them achieve their full potential and lead fulfilling lives. The program also represents the network's viewers with a strong and active voice on meaningful issues.

"It's extremely important that we as a network address issues that are relevant to women's lives," says Kim Martin, exec VP-general manager. "Women want to feel like we're helping those less fortunate and helping other women to lead fuller lives."

Since its official launch last May, WE Empowers Women has formed an advisory council comprised of industry experts to develop and oversee the program. It has also started selecting organizations and individuals that best represent the mission. As part of that, Sandy Dukat, Gold World Cup Winner of the U.S. Disabled Ski Team, was named official spokeswoman.

Giving itself a voice, the effort has linked with celebrities in a public service campaign called "Minute of Empowerment." The campaign, designed to raise awareness of issues relevant to women, features one-minute messages from celebrities such as Grammy Award winner Alicia Keys, supermodel Petra Nemcova, actors Jane Kaczmarek and Nia Vardalos and Ms. Dukat.

Most recently, WE Empowers Women signed on as national media sponsor of the American Heart Association's "Go Red for Women" campaign, a grassroots effort aimed at raising awareness that heart disease is the No. 1 killer of women. Karen Murray, who serves as volunteer spokeswoman and chairwoman of the AHA's Women & Heart Disease Leadership Advisory Group, says the organization is pleased that WE is on board because of its audience of younger women. Ms. Murray is group president of Liz Claiborne Inc.

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WE partners discuss their relationship with the network.

Q&A: KIM MARTIN

'WE TALK TO WOMEN'

As WE: Women's Entertainment marks its fifth anniversary, it is also celebrating its latest blockbuster year. That year has seen a significant increase in original programming, a concerted effort to reach out to viewers and involve them in the network and a new push in the area of public service devoted to promoting women.

Much of that progress has come about since Kim Martin took over in December 2004 as the network's exec VP-general manager, dedicated to furthering WE's efforts to be "the only cable network dedicated to helping women connect to one another and the world around them."

Ms. Martin joined Rainbow Media, WE's parent company, in 1999 as exec VP-affiliate sales & marketing for AMC Networks, then comprised of AMC and WE. She later served as exec VP-distribution & affiliate marketing for AMC, Fuse, the Independent Film Channel, WE, Mag Rack and sportskool.

Recently, Ms. Martin talked with writer Nancy Giges about the network's growth and its plans for future expansion. An edited transcript of that interview follows.

Advertising Age: *Since you took over as exec VP-general manager, the network has been making significant strides in several areas. What is your vision for WE?*

Kim Martin: WE is all about connection, helping women connect to one another and the world around them. We're focused on three categories of programming today: pop culture, relationships and personal style.

Ad Age: *Don't other networks do that, too? How do you set your network apart?*

Ms. Martin: What differentiates us from the other networks is obviously the programming, our public affairs initiatives, the marketing that we do, but specifically the voice we use with our viewers. We talk to women in the way that women talk to each other, and that is different than other networks.

Ad Age: *How?*

Ms. Martin: In the way that you sit around with your girlfriends and have conversations, the words you use. That's how we do our on-air promos, that's how we do wraps around our shows. So



Kim Martin: "We have reduced the average age of our viewers...by almost three years."

you feel like when you're home and you turn on WE, you're just hanging out with girlfriends.

[Also] the subjects that WE does are different from the other networks. As an example, we have launched a new tagline, "WE have more fun." That really exemplifies what the network is all about.

Ad Age: *What are the challenges the network faces?*

Ms. Martin: We're in a really good place because we've had a great year. As we move into 2006, I would say that I have two key challenges: The first is we're always looking for hit shows. We have good, solid programming, and for the first time in WE's history we had two hit shows in 2005. My goal in 2006 is to come up with a couple more hits.

Second, I think it's really communicating to advertisers that women are making more household decisions than ever. Historically, certain advertisers—such as auto manufacturers or financial service providers—have tended to target either men or just adults. Now women

are so comfortable making those decisions.

Ad Age: *Are marketers buying into that?*

Ms. Martin: That's our focus for 2006. We're meeting with a lot of the financial services companies as well as auto manufacturers.

Ad Age: *Any other challenges?*

Ms. Martin: I'll add one more—we really want to develop deeper partnerships. Maybe it's not a challenge; maybe it's more of a goal, developing deeper partnerships with our advertisers, sponsorships and integrated partnerships.

Ad Age: *Have you developed any of those?*

Ms. Martin: A few, but now that we have more original programming and we've had a few hit shows, it changes the playing field.

Ad Age: *Tell me more about your "WE have more fun" initiative.*

Ms. Martin: It really exemplifies what the network stands for, all of the pro-

gramming on the network—in fact, even the attitude of all the employees. That really is a tagline that personifies and embodies everybody who works at the network. Our goal is that for every show, you've got to sit down, and enjoy it, and have a good time and walk away with some relevant information.

Ad Age: *Who do you consider your main competition?*

Ms. Martin: Anybody who's targeting women 18 to 49. If that's their target audience, they're a competitor.

Ad Age: *Are you satisfied with the progress you've made?*

Ms. Martin: I'm extremely excited. I think by nature I'm a perfectionist, so I always think I could have done this differently. But I think overall, when you compare the year I've been in the position with [that of] the average network, we've done phenomenally well.

Ad Age: *Are there some goals and objectives that you haven't met that you feel you can do better on?*

Ms. Martin: An area that we're focused on for 2006 is trying to find multiple platforms for our content. We currently are available on Cablevision's video-on-demand offering. As of this summer, we'll be available to the entire industry. We are in negotiations currently on several wireless deals. If you ask me, I wish we had them done yesterday, but we didn't.

Ad Age: *Where have you been especially successful?*

Ms. Martin: Because of the increase in original programming and being more in touch with women 18 to 49, one of the big benefits is that we have reduced the average age of our viewers for all of our original programming by almost three years. So now the viewers for our original programming average less than 40 years of age, and that's never happened in the past with a network. In fact, for something like "Bridezillas," the average viewer is 36.

Ad Age: *Given that your network's new tagline is "WE have more fun," are you having fun?*

Ms. Martin: Absolutely. It is by far the best job I've ever had. I don't know that there is a better job out there for a woman than running a women's network.



WE's original programming guide roster includes (left to right) "Bridezillas," "Style Me" and "John Edward Cross Country."

ORIGINAL PROGRAMMING

ON THE RISE

Network uses creative content to make its mark

When it comes to building for the future, WE is betting on original programming to attract more viewers and the wider audience the network is seeking. From the responses WE gets from the 5,000 women it polls regularly, it's right on target.

Last year, that goal translated into 67% original programming telecasts. "For a network like WE, that's substantial," says Exec VP-General Manager Kim Martin. But the effort is paying off in higher ratings and break-out hits such as "Bridezillas," a series about out-of-control brides, and "American Princess," about wannabe princesses.

The plan is to continue that move to original fare. "We will be doing [original programming] more and more as our budgets allow," says Kathie Farrell, executive producer for the network.

The shows fall into three general categories: pop culture, relationships and personal style, including some live programming for the first time. But the

biggest wins last year came from the second season of "Bridezillas," the network's highest-rated-ever original series with a 0.59 household rating and its highest-rated original telecast for the season finale of "American Princess," with an 0.81 rating.

But the importance of original shows goes beyond numbers. "Often the show defines the network more than the network defines the show," says Ed Carroll, president, Rainbow Entertainment Services, which operates WE. That has been the network's experience with "Bridezillas," which will start its third season, not coincidentally, in June, the month of brides. At the same time, the network also will introduce the first two seasons of the program on DVD.

While the network's top 10-rated shows in 2004 all were movies, last year six of the top 10 were originals: four episodes of "Bridezillas," one of "American Princess" and "Charles and Camilla's Wedding Day," exclusive U.S. live coverage of the royal wedding. This

was one of three live events the network covered last year, along with "Live From the Ladies Room: WE Awards Night Bathroom Break Party," telecast during the Academy Awards, and "Live on Wisteria Lane," which ran following the season finale of ABC's "Desperate Housewives."

Another popular original series started last year is "The Secret Lives of Women," a look at intimate issues and struggles facing women, whether it's a shopping addiction, an eating disorder or plastic-surgery addiction.

MORE ORIGINALS

This year, the originals continue. The network kicked off the year with "Women on Death Row," a special telecast in January. A series called "Style Me," hosted by supermodel Rachel Hunter, searches for Hollywood's wannabe stylists, and medium John Edward debuted in "John Edward Cross Country," a documentary-style show helping families across the country deal

with the loss of a loved one. Record ratings were scored by "Women on Death Row" and "John Edwards," which was the highest-rated premiere ever on WE.

To capitalize on the visibility of ice skating at the Winter Olympics, the network has also slated "Skating's Next Star," a show hosted by Olympic gold medalist Kristi Yamaguchi in which contestants compete for slots in a traveling ice skating show.

Also upcoming are "Two Funny: Cotter & Louise," a show that follows the lives of Kerri Louise and Tom Cotter, comedians featured on NBC's "Last Comic Standing," and "USA Today/WE Weight-loss Challenge," following six individuals as they attempt to lose weight.

While network executives are optimistic about the new offerings, they also are realistic. "Any development executive who is honest will tell you that it's a speculative business and there is a lot of hit or miss," says Mr. Carroll.

WE: FUN AT 5**MARKETING PARTNERS****WORKING WITH WE**

INTERVIEWS BY ALAN ROSENTHAL



CHRISTINE ARNHOLT
VP-marketing services |
Carnival Cruise Lines

The WE: Women's Entertainment network helps us to make an impact among women, who are influential in the cruise purchase decision. The network's demographics and programming, which specifically target the female audience, are just right for our core target.

In terms of their advertising sales team, they're open and receptive to new ideas, going beyond a plain-vanilla advertising schedule. You see that in working with them and in some of their promotions on the network.

Our working relationship with the WE staff is absolutely great. I'd give them an A+++ as a grade. They listen well; they understand what our needs are; they are fabulous to work with.

In addition, they've really helped us with our overall advertising strategy. The sales team shows us how our needs can be fitted into what they provide, aiding us in deciding where and when we need to place our messages.

Their whole team, well, they're all top-notch professionals. They've been terrific partners, receptive and helpful. I've been in this business for a lot of years, and I feel the WE: Women's Entertainment network and its staff really rank on top.

ANDREW PAPPALARDO
Senior partner-group supervisor, national
broadcast | Mediaedge:cia

The WE network is a good partner for our client Payless ShoeSource because of its desirable audience. Payless generates 90% of its business from women and women with kids so, demographically, WE:Women's Entertainment fits well with the Payless target.

In addition, WE presents a safe programming environment for our client's advertising: They don't run any objectionable program content. And WE provides a very efficient avenue for advertising, offering an attractive CPM compared with others in the category.

The WE staff demonstrates that they want to work with advertisers on added value. We've done two big integrations with them—one with a new show, "Style Me With Rachel Hunter," and another with the dream-house sweepstakes program "She House."

On the "Style Me" show [a program in which contestants compete to style the fashion model], Payless provides product and gets directly involved with WE's producers and stylists. The producers communicate with the Payless creative people, so they know in advance what product placements will and won't work. The result is product integrations that make sense in the context of the show.

Payless also gets billboards and spots that promote the show, with the tag "brought to you by Payless ShoeSource." In addition, the WE Web site promotes the show, saying it's sponsored by Payless, and it provides a link to the Payless Web site.

WE's personnel want to accommodate us in any way they can. They have a very good sales staff and marketing staff. Those who've been most helpful are Bob Marino [director-national sales, AMC and WE] and Helen Karas [senior VP-advertising sales, AMC and WE].



KRIS MAGEL
Senior VP-account director |
ZenithOptimedia

I represent the Maybelline New York line of cosmetics and the Garnier hair-

care brand. WE is a great platform for these products because of the environment the network provides. It's a lifestyle network targeted to young, active women—just the audience we want. All of their programming is designed with our client's customers in mind.

Most important, the schedule includes lots of original programming. Shows such as "Bridezillas," which is about weddings, and "She House," whose subject is dream homes, focus on women's lives and turn those subjects into entertaining experiences. WE puts compelling programming on the plate, not reprogrammed entertainment; it's programming that the viewer can't find somewhere else.

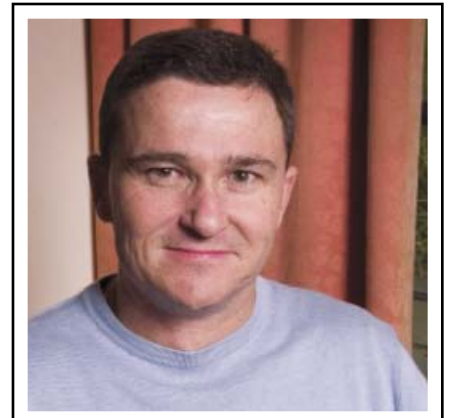
In addition, WE knows how to go the extra step. Recently we completed some integrated packages for our Maybelline New York client around WE's "Under the Tents" programming, a special for New York's Fashion Week. These packages included tagged tune-ins, billboards and custom vignettes that pointed out how viewers could stay in style using Maybelline products such as lipstick and mascara.

The vignettes were all professionally done with high production values, showing the products being used and mentioning product attributes. WE clearly understands how to take an advertiser's product and create something informative that delivers our marketing objective.

We have a good collaborative relationship with the WE network staff. [Their sales executives] know how to work with agencies and advertisers. They are creative and responsive, and they know how to put the right opportunities in front of us.

They bring a tremendous amount of experience to the table. They know how to run advertising operations, and their people seem to enjoy working for them. They offer strong leadership, and that shows in the work that their people do.

Overall, we're pleased with the performance of the network, because their ratings have been outstanding. I particularly like the strong growth in the younger demos, which are our major target.



JOHN MOORE
Senior VP-group media director | Mullen

Obviously, WE's demographics are important to our client Match.com, but numbers aren't everything. In my mind, there are two kinds of media organizations—those that have a predisposition to say "yes" and those with a predisposition to say "no." The WE network has "yes" people.

Their "Kiss & Tell" show is one of the major platforms we've used, and I think the most innovative. The program centers on couples and their relationship victories and foibles. That tied in perfectly to our core proposition at the time—supporting our "90-Day Love Guide," which was available on our Web site. It was written by Dawn Yanek, Match.com's young, attractive spokesperson. We coordinated our message with each show's focus; so, for example, if an episode depicted a woman who had a bad date, at the end of the show, Dawn would appear in a vignette, seamlessly, with an appropriate comment on the scenario. Then she'd add: "Go to Match.com for more tips, and check out our '90-Day Love Guide.'" This helped establish Match.com as the authority on relationship discourse.

We feel we have great chemistry with the WE staff. What I appreciate most is that WE's senior people are heavily involved in our business. Helen Karas [senior VP-advertising sales, AMC and WE] and Lee Freedman [director-advertising sales, AMC and WE] are tenacious about generating ideas and following through. They're very involved with us and with everything we do for Match.com. Helen calls me about once every month just to ask, "How's the relationship doing? Were you happy with such and such?"

so fun
so fresh
SO WE

From ingenue to star in five short years.
Congratulations!



TV FOR MOVIE PEOPLE

WE: FUN AT 5



CONTINUED FROM PAGE C1

ics are also planned to update the network's on-air look as well as its Web site.

"With all the cable networks out there, they have to distinguish themselves because we have a lot of ways to spend our money," says Andy Donchin, director of national broadcast for Carat, New York. "WE... gives us a reason as buyers to be there and spend money."

The effort to increase original programming, which started just over a year ago when Kim Martin was appointed exec VP-general manager of the network, has increased ratings and paved the way for ambitious plans. Says Ed Carroll, president, Rainbow Entertainment Services, the Cablevision Systems Corp. division that operates the network, "WE in a remarkably short period of time has transitioned to a network that has realized its biggest ratings and biggest notoriety due to the original series shows like 'Bridezillas' and 'American Princess' and the new slate of shows breaking first or second quarter of this year. They

have redefined WE."

Mr. Carroll adds that it used to be the movies that would bring in the largest audience. Now it's reversed. "We're seeing the 18-to-49 and 25-to-54 audiences coming for the original series and then staying for the movies." The network has 58 million subscribers across the country.

"What WE brings to the table," says Carat's Mr. Donchin, is that "it definitely has a woman's skew. It's low clutter, it has a lot of original stuff and it skews a little younger. It may not get the biggest numbers out there, but we are looking to minimize our waste, and that's why WE is attractive."

Cable operators also see growing interest in their markets. Dave Lough, promotions coordinator, Charter Communications, St. Louis, which has carried WE since the beginning and now has about 500,000 subscribers, says, "We've noticed in terms of different networks going after that demographic, WE is taking over. WE has very strong potential, and we think it



ED CARROLL
Rainbow Entertainment Services

could be one of the most popular networks that we carry."

Last year, original telecasts represented 47% of the content during prime time, up from 40% in 2004, and six of the top 10-rated telecasts on WE in 2005 were originals. According to Nielsen Media Research figures, its highest-rated original series was the second season of "Bridezillas" with a 0.59 household rating, and the highest-rated original telecast was the season finale of "American Princess" with an 0.81 household rating. The previous year, all top 10 were movie titles, Nielsen



ARLENE MANOS
Rainbow National Network Advertising Sales

data show.

"We saw an opportunity for a network that would appeal to contemporary women that is entertaining but also playful, as opposed to targeting women with the programming formula that had dominated the niche," Mr. Carroll says.

Advertisers obviously agree. In the fourth quarter of 2005, major advertisers on WE's roster included Allied Domecq Spirits USA's Kahlua, America Online, Bissell Homecare, Capital One Bank, General Mills' Pillsbury, L'Oreal, Match.com, Nestlé and Pepperidge Farm. Other recognizable names during the year included Chico's, Coca-Cola, Johnson & Johnson, Kraft, Payless and Sears, Roebuck & Co.

"We look at it for all our clients, from our largest like Pfizer and New Line Cinema all the way down to some of our smaller clients in terms of spend," says Mr. Donchin. "If we have any client that is looking to reach a female target and even possibly a slightly younger female target, WE is attractive to us."

Arlene Manos, president of Rainbow National Network Advertising Sales, says advertisers realize women are increasingly making more purchasing decisions in and out of the home. "They have to be reached in an atmo-

sphere where the message is welcome and can be heard," she says.

After two break-out hits, WE is motivated to do more. In addition to continuing to invest in original series, there are initiatives in the works to expand WE entertainment beyond the traditional TV screen.

The network is providing video on demand by making 10 hours of original programming available every month to Cablevision and expects to expand the offering this year to be available to the entire industry. Another initiative includes streaming WE content on broadband, Mr. Carroll says.

"Making the WE brand available not just on the television screen but also on computers, handheld devices and on-demand platforms is a priority for the network in the near term," he adds.

There also are plans to capitalize on the success of "Bridezillas" with ringtones, laptop wallpaper and wedding merchandise.

WE has also just introduced a tagline that captures the essence of what WE is all about: "WE have more fun." Executives say it emphasizes the entertainment and playful component of the channel's original programming.

To show its commitment and dedication to its audience, the network has embarked on a major public affairs initiative called WE Empowers Women. The program will support organizations that provide education and assistance to women and girls to help them lead fulfilling lives and achieve their full potential as individuals.

While it has a five-year start, WE is still looking for more challenges and growth opportunities. Says Mr. Carroll, "You always want to better serve the niche. You always want to broaden the audience. You always want to build the brand."

Thanks for making us part of the family

Those "secret lives of women" will never be the same

Happy 5th Anniversary.
From all of your friends
at KAOS Entertainment.

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Source: Nielsen Media Research, John Edward Cross Country 10p premiere telecast on 3/17/06, compared to all premiere original series telecasts on WE from 12/31/01-3/20/06
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