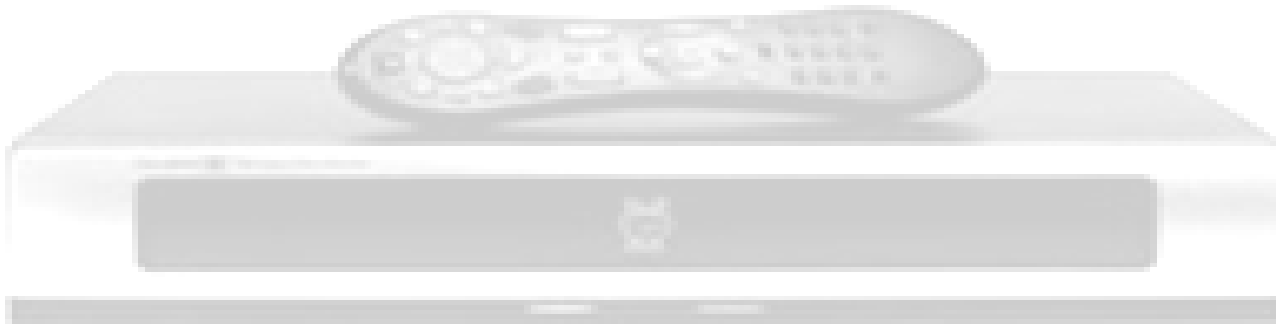

The Four Truths About Digital Video Recorder (DVR) Usage



The Four Truths About DVR Usage

#1) Majority of homes don't own a DVR



Almost 70% of US TV Homes Do Not Own a DVR



Over 78 Million
TV Households
Can Not
Skip Through
Commercials

Homes That Own a DVR, Only Have One

The average Household has
two or more TV's



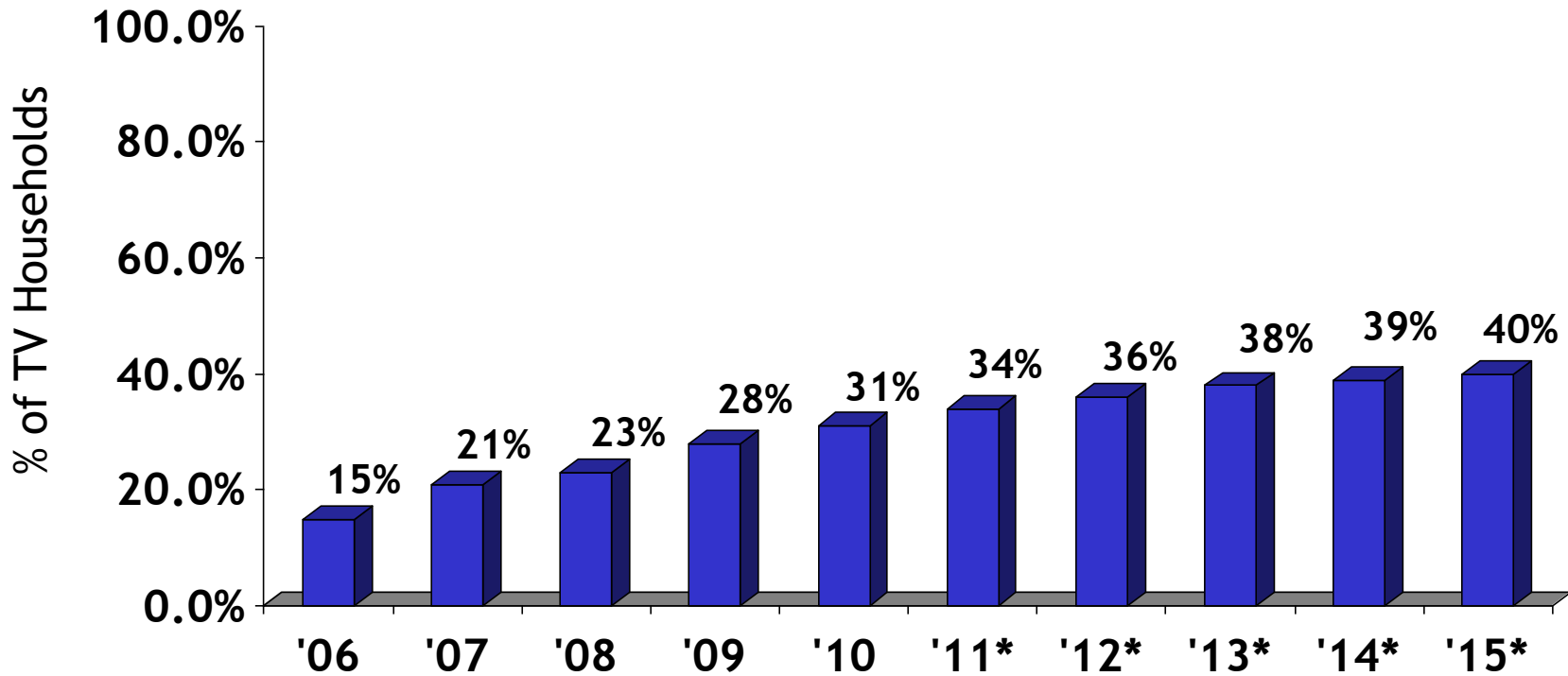
...However, 71% of homes
only have one DVR



Therefore most DVR owners can only time-shift when
watching their primary TV set

DVR Penetration is Expected to Slow in the Next Few Years

Total DVR Subscribers as % of TV Households



The Four Truths About DVR Usage

#1) Majority of homes don't own a DVR

#2) DVR owners watch most of their programming live



DVR Playback is Dwarfed by Live TV Viewing

	Watch TV In Home <u>(HH:MM)</u>	DVR Playback <u>(HH:MM)</u>
<i>Monthly Viewing:</i>	143:37	9:27

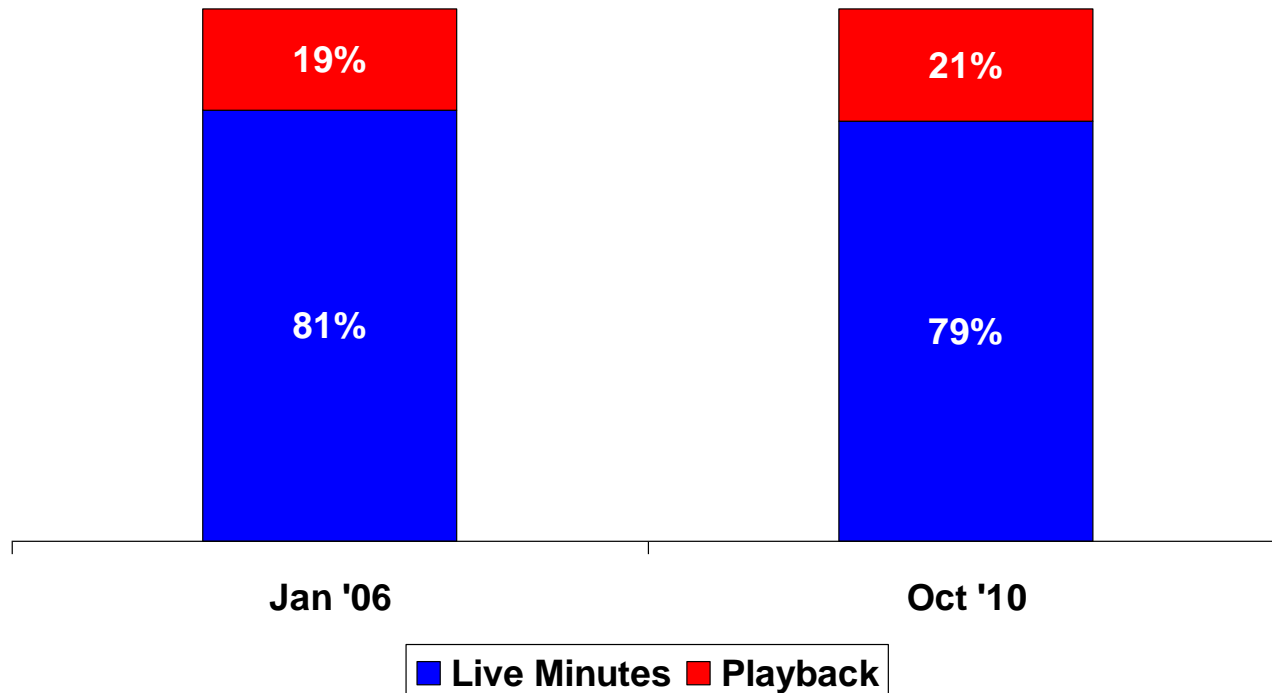
Source: Nielsen Three Screen Report 2Q10. Watching TV in home includes Live+timeshifted.

	Watch TV in Home <u>(HH:MM)</u>	DVR Playback <u>(HH:MM)</u>
<i>Daily Viewing:</i>	4:44	0:19

Source: Nielsen Three Screen Report 2Q10. Watching TV in home includes Live+timeshifted.

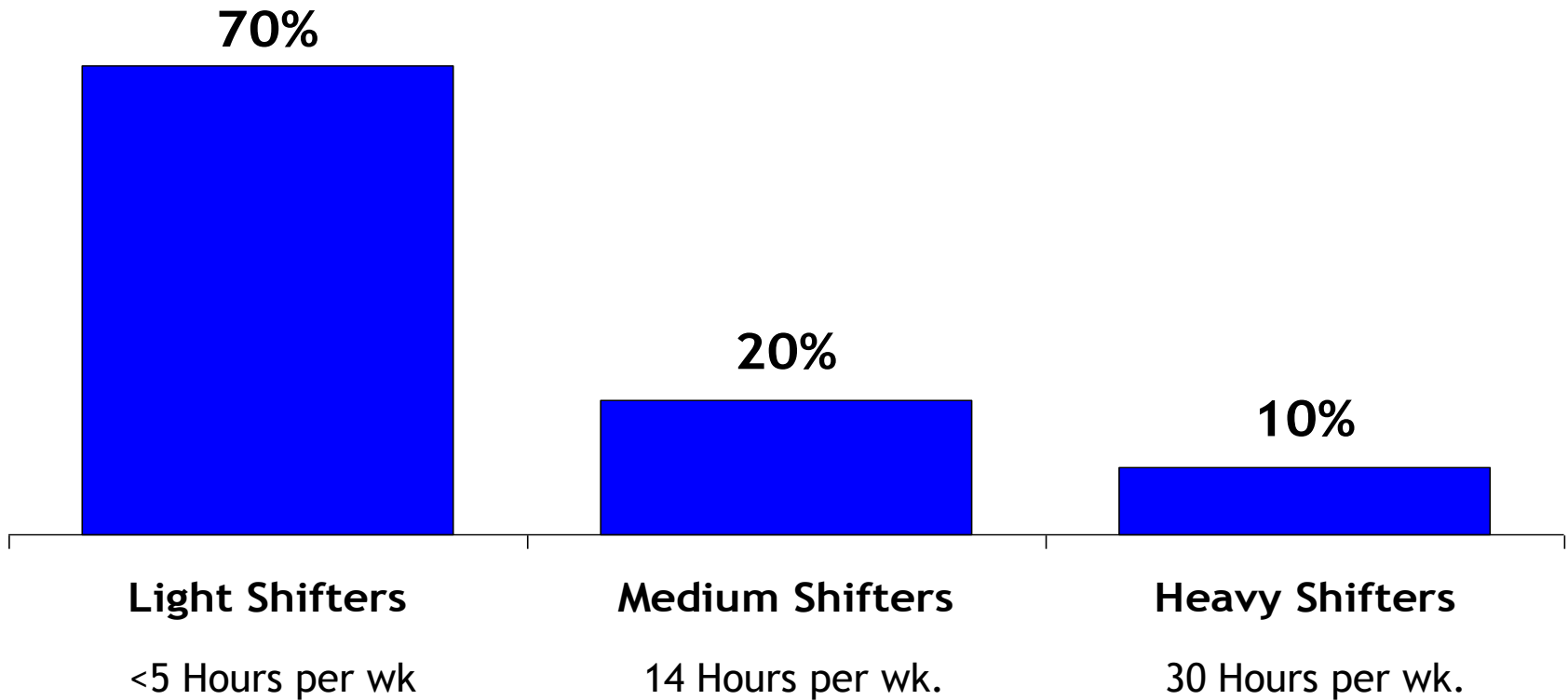
79% Of All Viewing Still Occurs “Live” During Primetime

P18-49 Playback In Primetime among DVR Households



7 out of 10 DVR Users are “Light” Time Shifters

Profile of DVR User
% of Time Shifters



The Four Truths About DVR Usage

#1) Majority of homes don't own a DVR

#2) DVR owners watch most of their programming live

#3) Overall TV consumption remains relatively **unchanged** in DVR homes

TV Usage Does Not Fall When a DVR is Acquired



No DVR in Home
(A18-49 Put Live)



Acquired DVR
(A18-49 Put Live+7)

Primetime Viewing:

34.8%

36.9%



In Fact, Time Spent Watching TV Typically Rises

of Hours Watched TV per Week (Primetime)



No DVR in Home

(Hrs. per week)



DVR Home

(Hrs. per week)

% Change

A18-49	7:41	8:07	+9%
A25-54	8:36	8:47	-1%
W18-49	7:47	8:16	+9%
M18-49	7:35	7:59	+3%
A18-34	6:46	7:29	+13%

The Four Truths About DVR Usage

#1) Majority of homes don't own a DVR

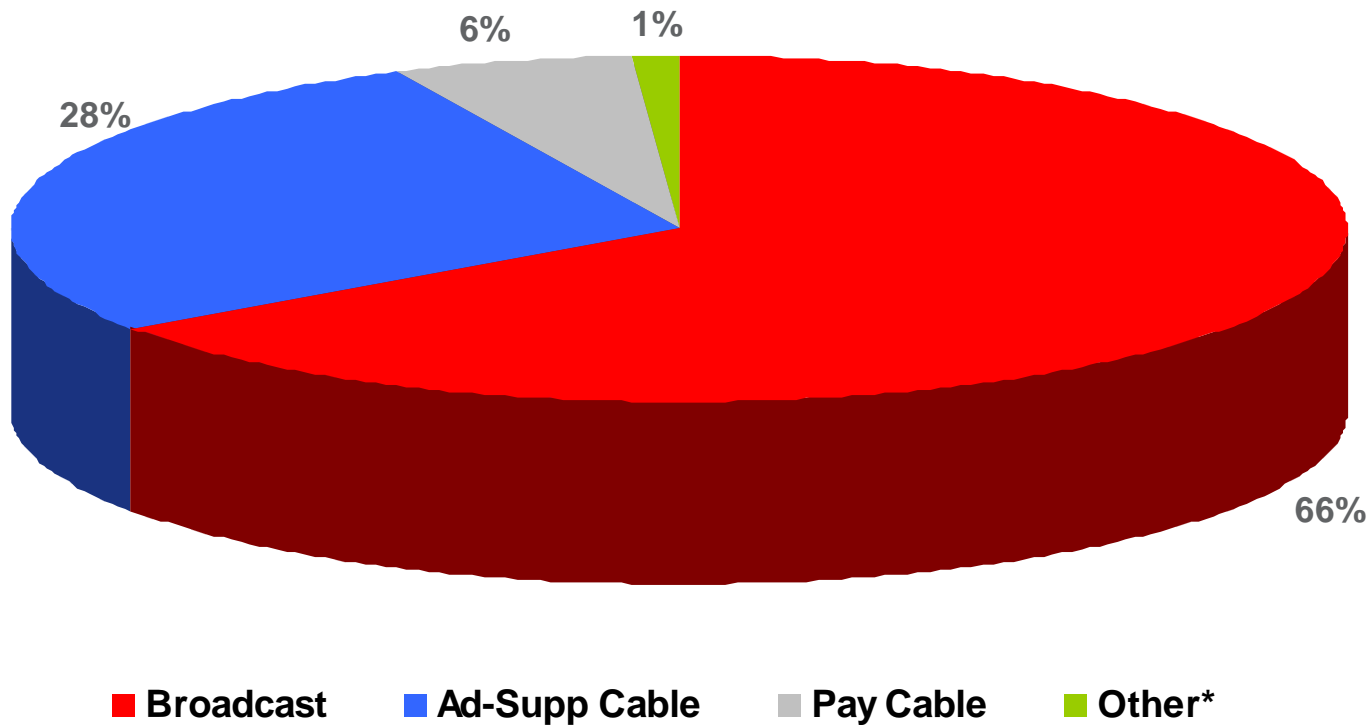
#2) DVR owners watch most of their programming live

#3) Overall TV consumption remains relatively unchanged in DVR homes

#4) DVR usage is primarily a **Broadcast Primetime** issue

Broadcast TV Accounts For Majority Of Playback Minutes

Distribution of 7-Day Playback During Primetime



*Other includes PBS, Independents, All Other Cable Origination, and Other (AOT)

A Large Portion of Broadcast's Primetime Audience Watches in DVR Playback Mode

Primetime Live+7 vs. Live % Ratings Change

	<u>Broadcast 7</u>	<u>Ad-Supported Cable</u>
A18-49	+28%	+9%
A25-54	+25%	+9%
A18-34	+30%	+11%

In contrast, the majority of ad-supported cable programming is watched live

Broadcasts' Highest Rated Programming Tends To Be The Most Time-Shifted

Top 10 Time-Shifted Broadcast 7 Programming Among A18-49
 Primetime: October 2010
Base: DVR HH

Rank	Net	Program Name	Playback Only A18-49 AA%	A18-49 Rank (Total U.S)
1	ABC	MODERN FAMILY	6.26	3
2	ABC	GREY'S ANATOMY	5.69	5
3	CBS	THE BIG BANG THEORY	5.49	8
4	NBC	OFFICE	4.86	11
5	FOX	GLEE	4.72	9
6	CBS	HOW I MET YOUR MOTHER	4.02	25
7	FOX	HOUSE	4.00	23
8	CBS	SURVIVOR: NICARAGUA	3.95	18
9	ABC	DESPARATE HOUSEWIVES	3.86	12
10	CBS	TWO & A HALF MEN	3.79	7

The Four Truths About DVR Usage

- #1) Majority of homes don't own a DVR
- #2) DVR owners watch most of their programming live
- #3) Overall TV consumption remains relatively unchanged in DVR homes
- #4) DVR usage is primarily a Broadcast Primetime issue