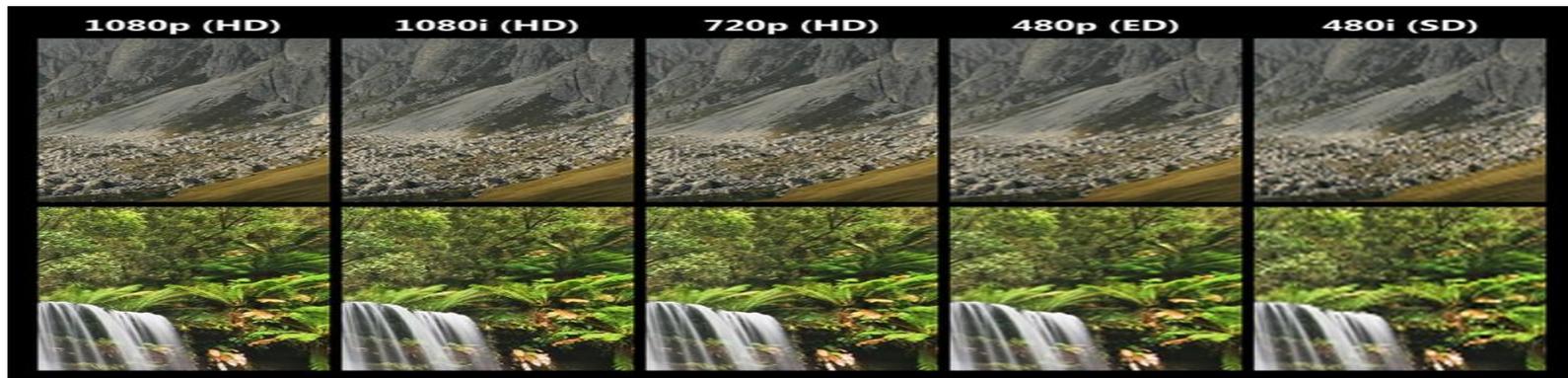


# High Definition - A Clearer Picture



# What Is High Definition?

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High-definition television (or HDTV, or just HD) refers to video having resolution substantially higher than traditional television systems. HD has one or two million pixels per frame, roughly five times that of Standard Television.

## High Def Capable Homes

Have a TV set that can receive high def signals, but it is not hooked up to an antenna or high def set-top box.

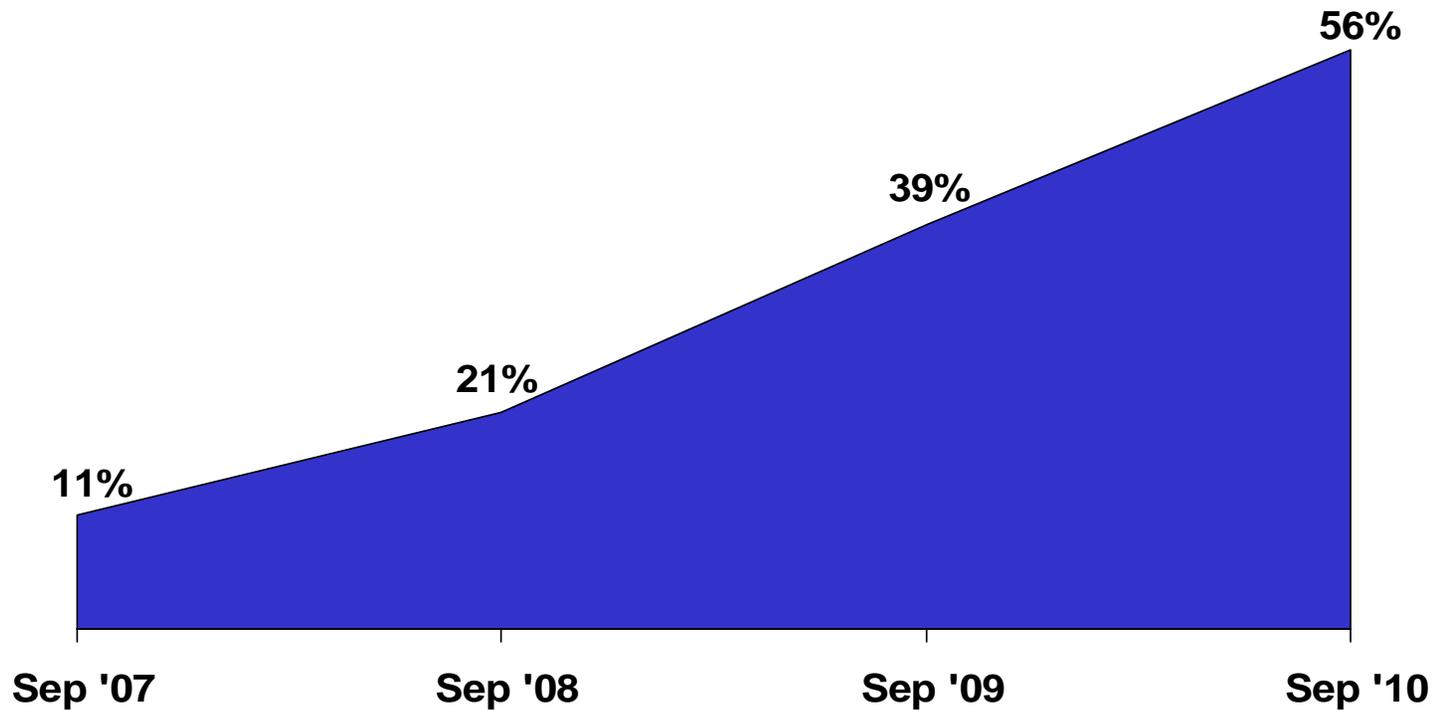
## High Def Capable & Receivable

Have a high def set and are hooked up to an antenna or hd set-top box and receive at least one HD channel

# Virtually Six Out Ten Households Are Now HD Capable/Receivable

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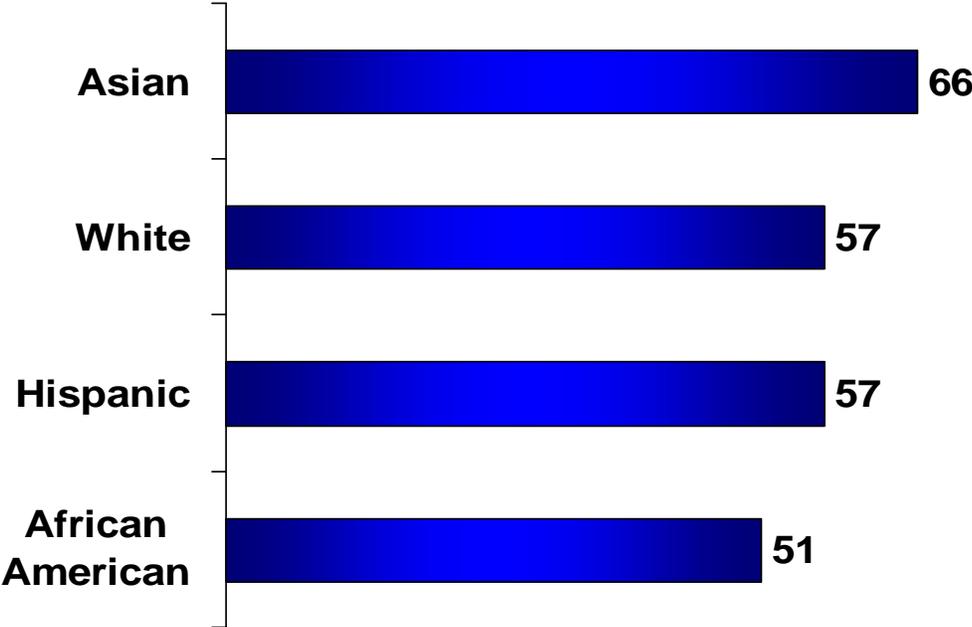
Total U.S. Households High Definition Cap/Rec Penetration



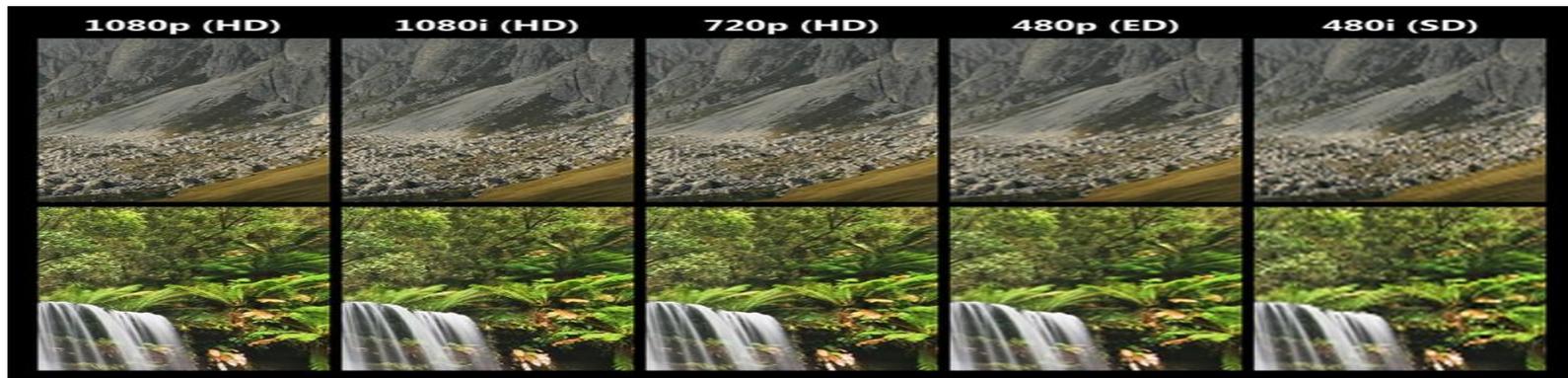
# HD Penetration Is Highest In Asian Homes

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Total U.S. Households High Definition Penetration – HD Cap/Rec



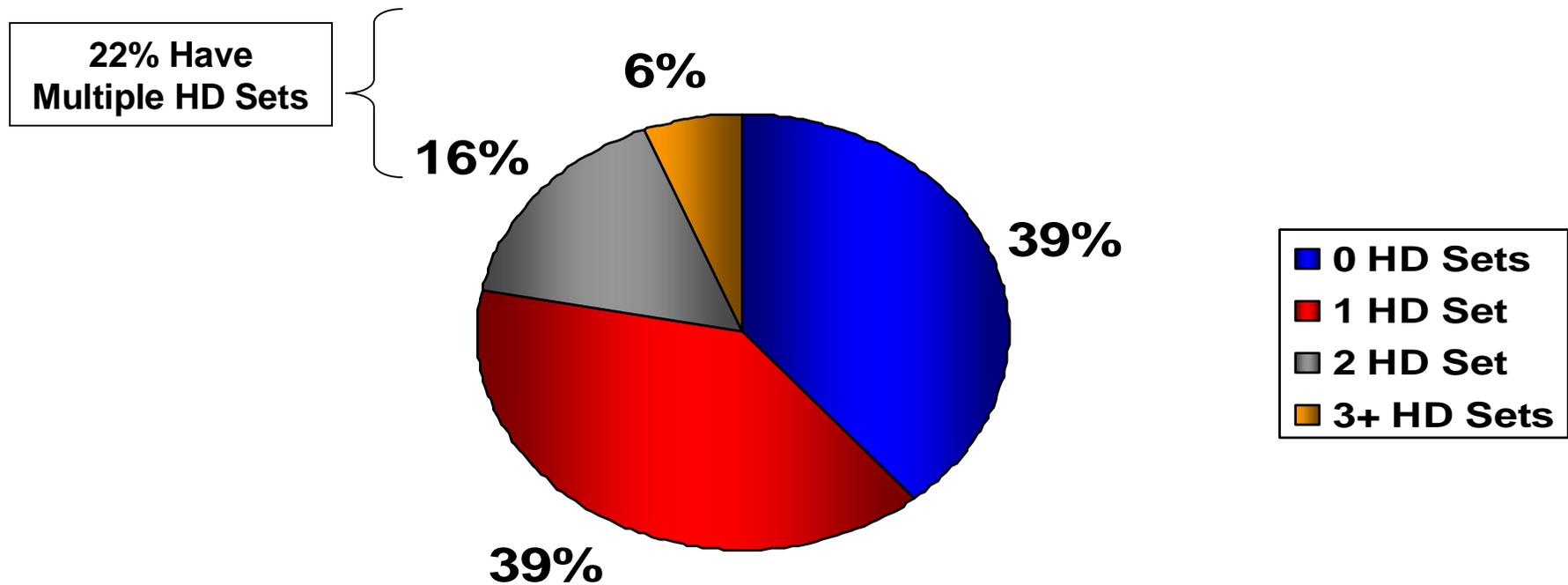
# HDTV Adoption



# 61% of All Homes Have An HD Set

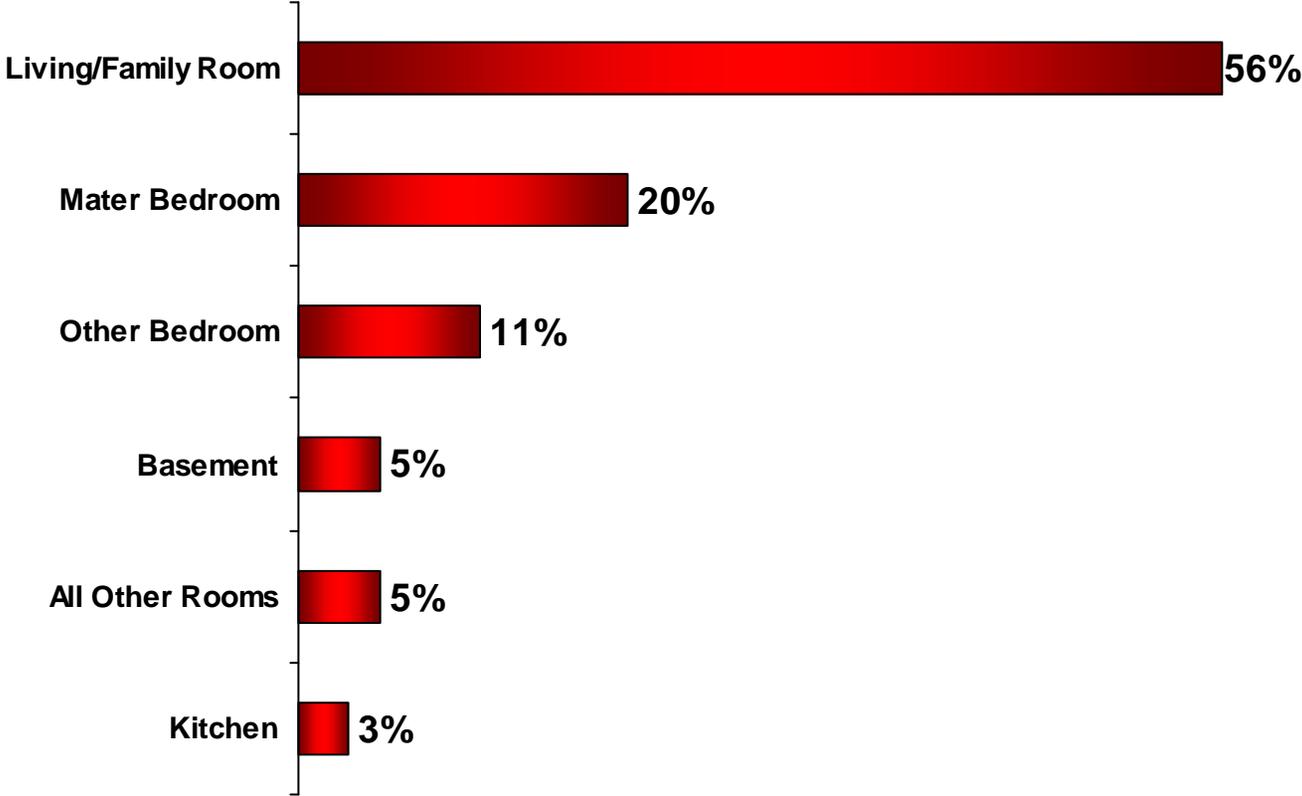
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Distribution Of Total Homes by Number of HD Sets



# More Than Half Of All HD Sets Are Located In Living Room; Generating Family Viewing

Distribution Of HD Sets In Home



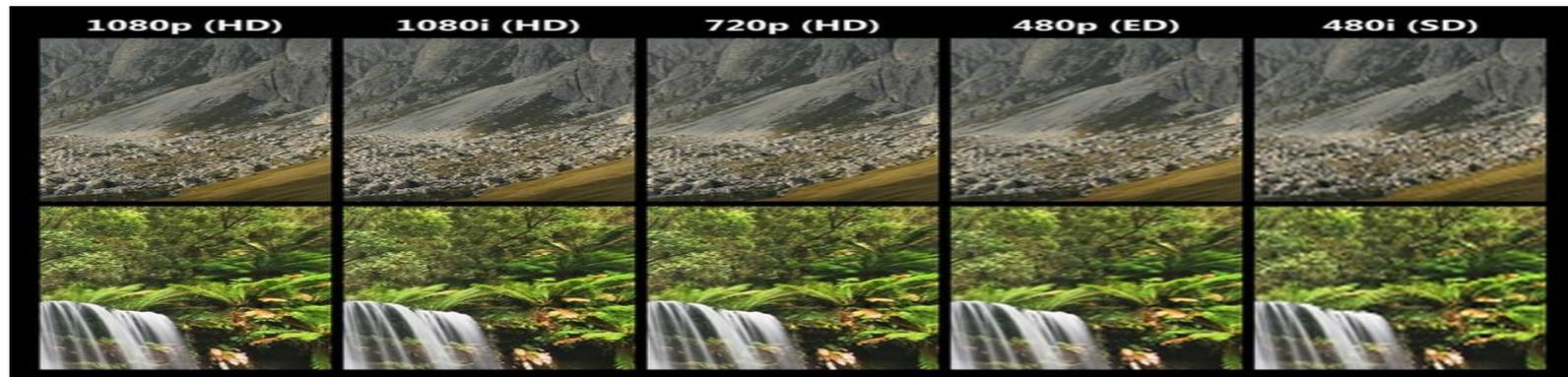
# HD Sets Are More Likely To Be Hooked Up To Other Technology

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Penetration by Set Type

	DVR	VCR	DVD Player	Game Console
SD Sets	13%	31%	49%	19%
HD Sets	35%	22%	66%	32%

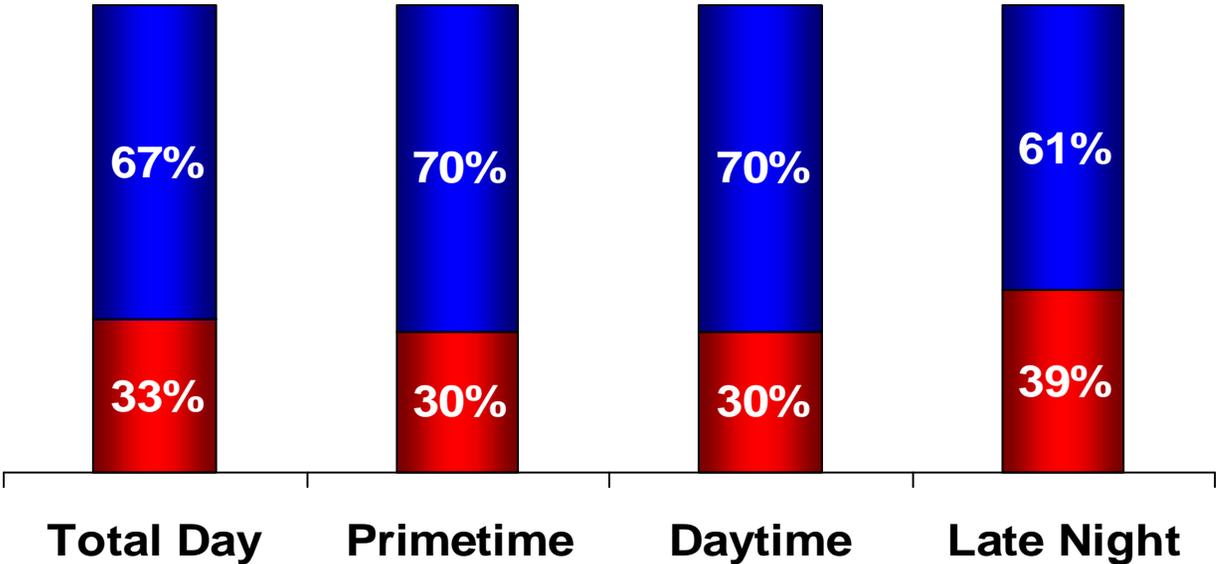
# HDTV Viewing



# Two Thirds Of All Viewing Is On HD Sets

Distribution Of Viewing in HD Cap/Rec Homes

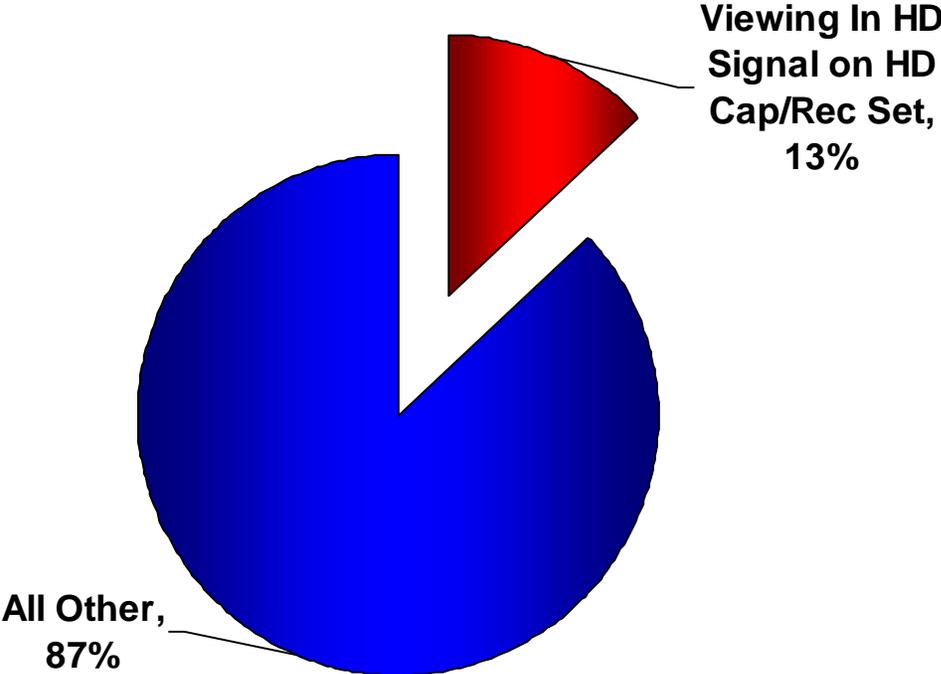
■ % of All Tuning to SD Sets ■ % of All Tuning To HD Sets



# But Only About A Quarter Of Viewing Is In High Definition In Cable Primetime

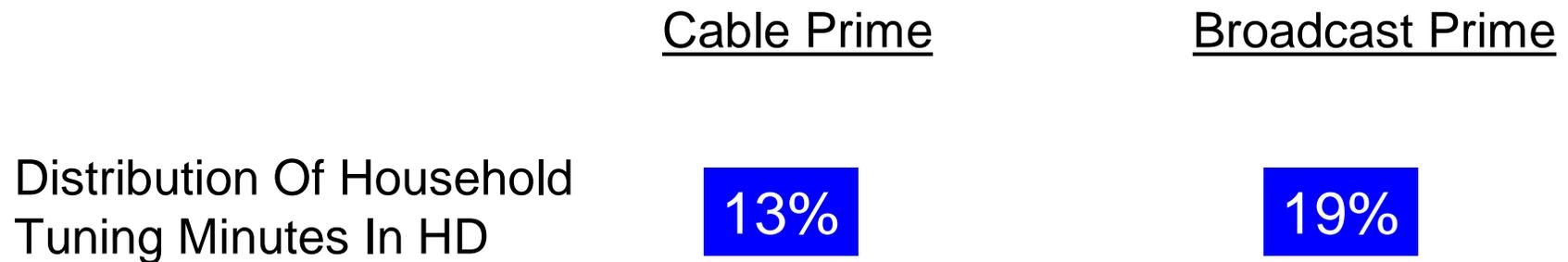
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Cable Primetime: Distribution Of Household Tuning Minutes



# Slightly More Broadcast Viewing Is In High Definition

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# More High Definition Viewing For Sports

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Cable Primetime: Distribution Of HH Tuning Minutes In HD

	HH	P18-34	CH2-11	P35-64
Entertainment Nets	16%	23%	17%	18%
Children's Nets	2%	3%	2%	4%
News Nets	15%	18%	22%	20%
Sports Nets	21%	28%	25%	23%

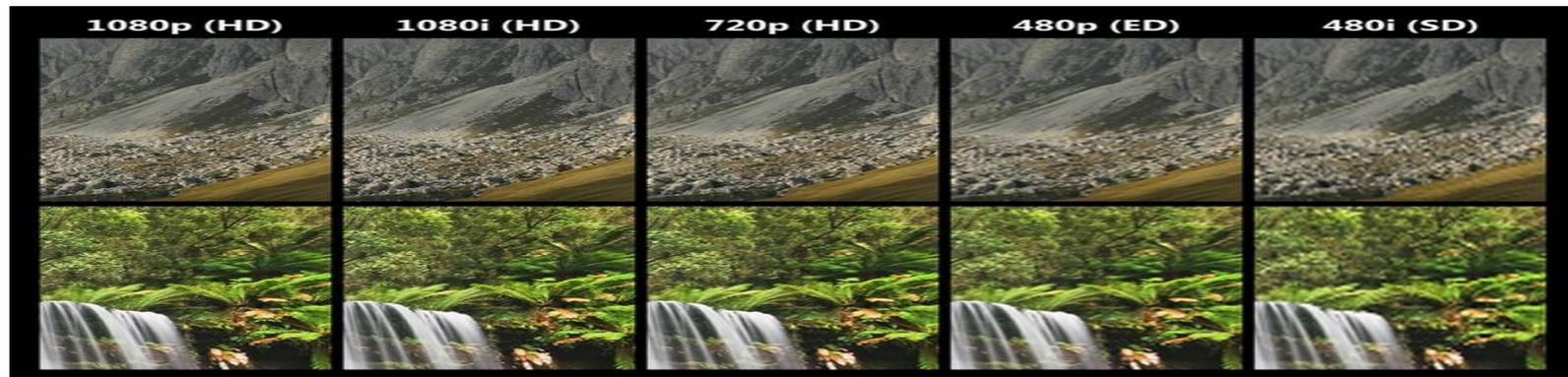
# Some Viewing Is Still In SD, Even When HD Viewing Is Possible

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## Reasons

- May not receive HD feeds for all cable channels
- May want to save space on DVR
- May not care enough to seek out HD feeds
- May not know the difference...

# HDTV Benefits



# **HDTV Contributes To Overall Viewing Experience - Propelling Higher Viewing Levels**

Richer Viewing Experience

Higher Engagement

Raises Bar For Other Platforms

# HDTV Contributes To Overall Viewing Experience

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## Richer Viewing Experience

- Superior picture & sound
- Brings friends/family together as majority of HD sets are located in living room

# HDTV Contributes To Overall Viewing Experience

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## Higher Engagement

- Longer viewing and less tune away during program/commercials
- HD-Capable HHs actually watch 3% more primetime TV than HD non-capable HHs

# HDTV Contributes To Overall Viewing Experience

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## Raises Bar For Other Platforms

- Raises bar for programmers and advertisers
- Increases consumer experience expectations on other platforms

# HDTV Summary

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- High Definition Boom
  - HD penetration up 44% over year ago - reaching 56%.
  - 61% of all homes have an HD set
- HD Profile
  - Highest penetration in Asian homes
  - More likely to be connected to other technology
  - Mostly located in family/living room
- HD Viewing
  - Two thirds of viewing is on HD sets
  - Minimal viewing is in high definition
  - Sports is viewed in HD more than any other genre
- HD Benefits
  - Richer viewing experience
  - Higher engagement