
Why Ad-Supported Cable?



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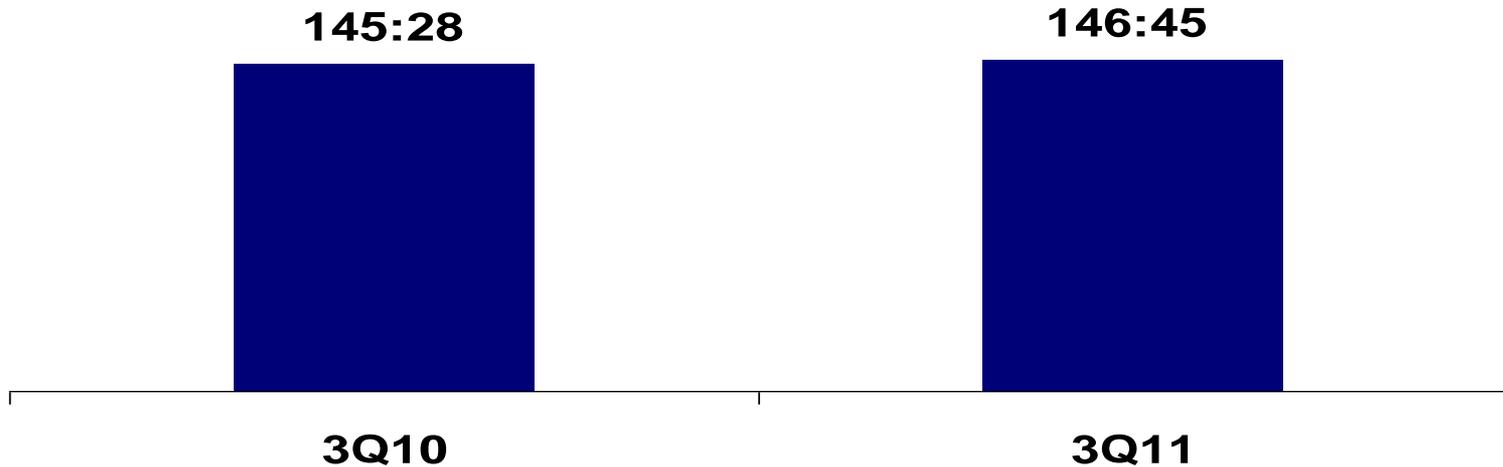
- Follow the migration to where the viewers are
- World class brands & original content
- Targets passionate viewers with high ad receptivity
- Powerful tool which can be used as a broad reach or a highly refined targeted medium

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With Digital Evolution, Time Spent With TV Has Continued To Increase Year After Year

Monthly Time Spent With TV In HH
(HRS:MIN Per User P2+)



Consumers Are Adding Video Platforms, Not Replacing Them

Television Dominates Total Video Time

Weekly Time Spent in Hours: Minutes



Watching Traditional Television



Watching Video on Internet



Mobile Subscribers Watching Video on a Mobile Phone

	<u>K2-11</u>	<u>T12-17</u>	<u>A18-24</u>	<u>A25-34</u>	<u>A35-49</u>	<u>A50-64</u>	<u>A65+</u>	<u>P2+</u>
<i>Watching Traditional Television</i>	26:03	24:11	23:57	27:46	32:07	40:07	45:23	32:33
<i>Watching Video on Internet</i>	0:08	0:25	0:46	0:53	0:38	0:25	0:13	0:29
<i>Mobile Subscribers Watching Video on a Mobile Phone</i>	n/a	0:17	0:16	0:15	0:06	0:02	<0:01	0:07



Television Remains the Dominant Video Outlet

Monthly Video Consumption by Device



**Watching Television
in the home**



**Watching Video on
a Computer**



**Watching Video on
a Mobile Phone**

of viewers

286 Million

147 Million

31 Million

**Time Spent
(hours: minutes)**

146:45

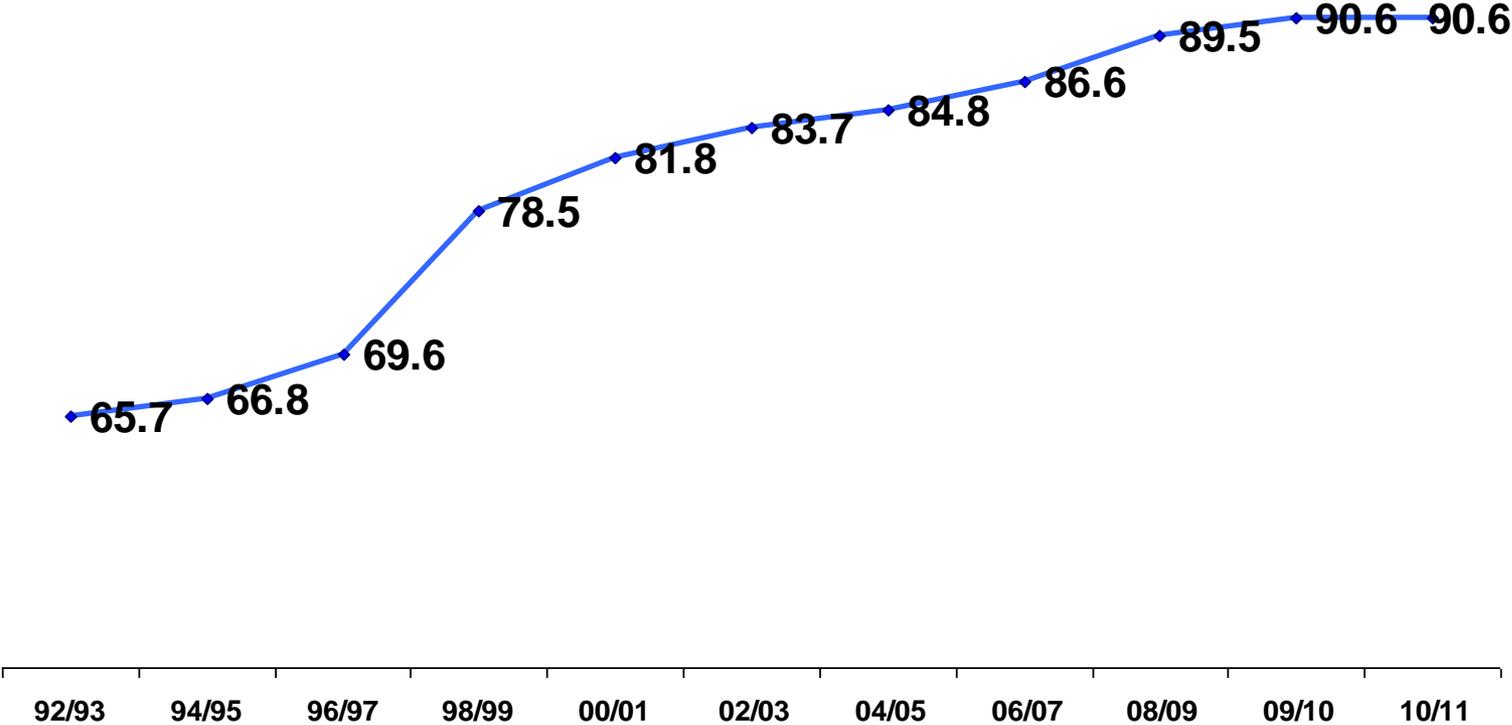
4:31

4:20

TV accounts for 95% of Total Video Time

Over 90% Of All Television Households Are Reachable With Cable Programming

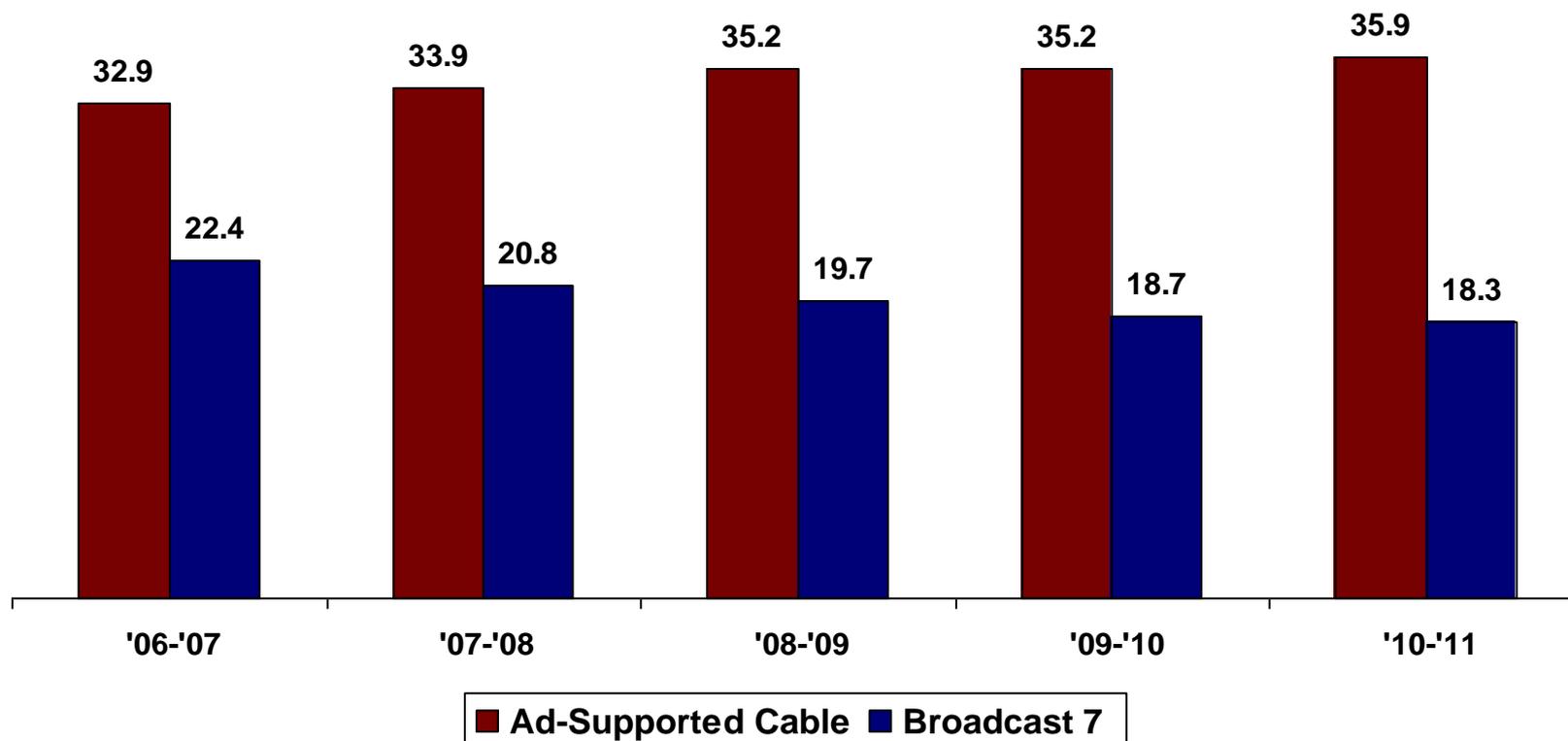
Cable HH Penetration %



Source: CAB Analysis of Nielsen NTAR; (oct-sep)

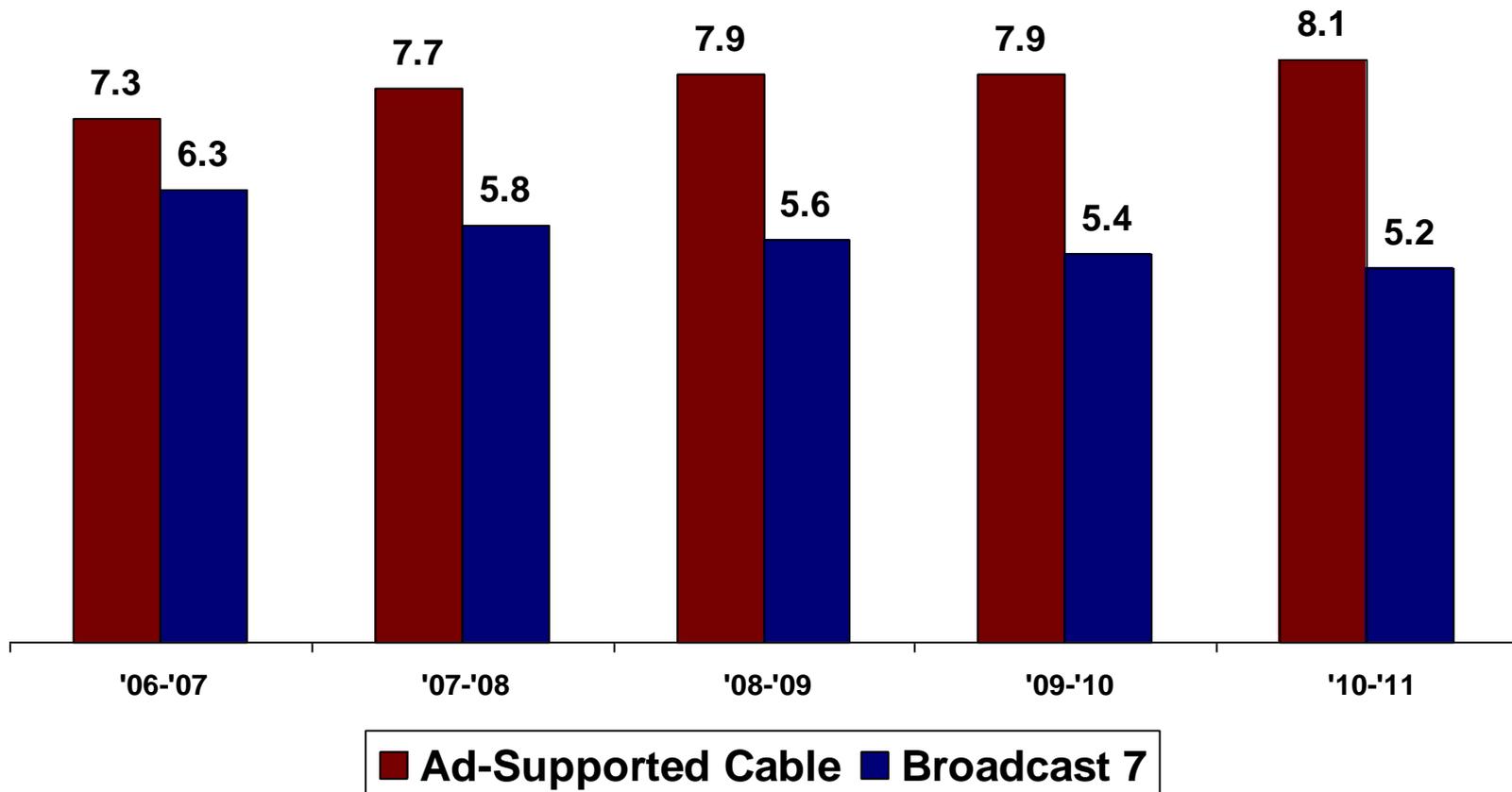
Viewers Spend Double The Time With Cable Programming

Total Day HH: Avg Weekly Time Spent Viewing (In Hours)



Each Season, *Primetime* Viewers' Spend Less Time Watching Broadcast

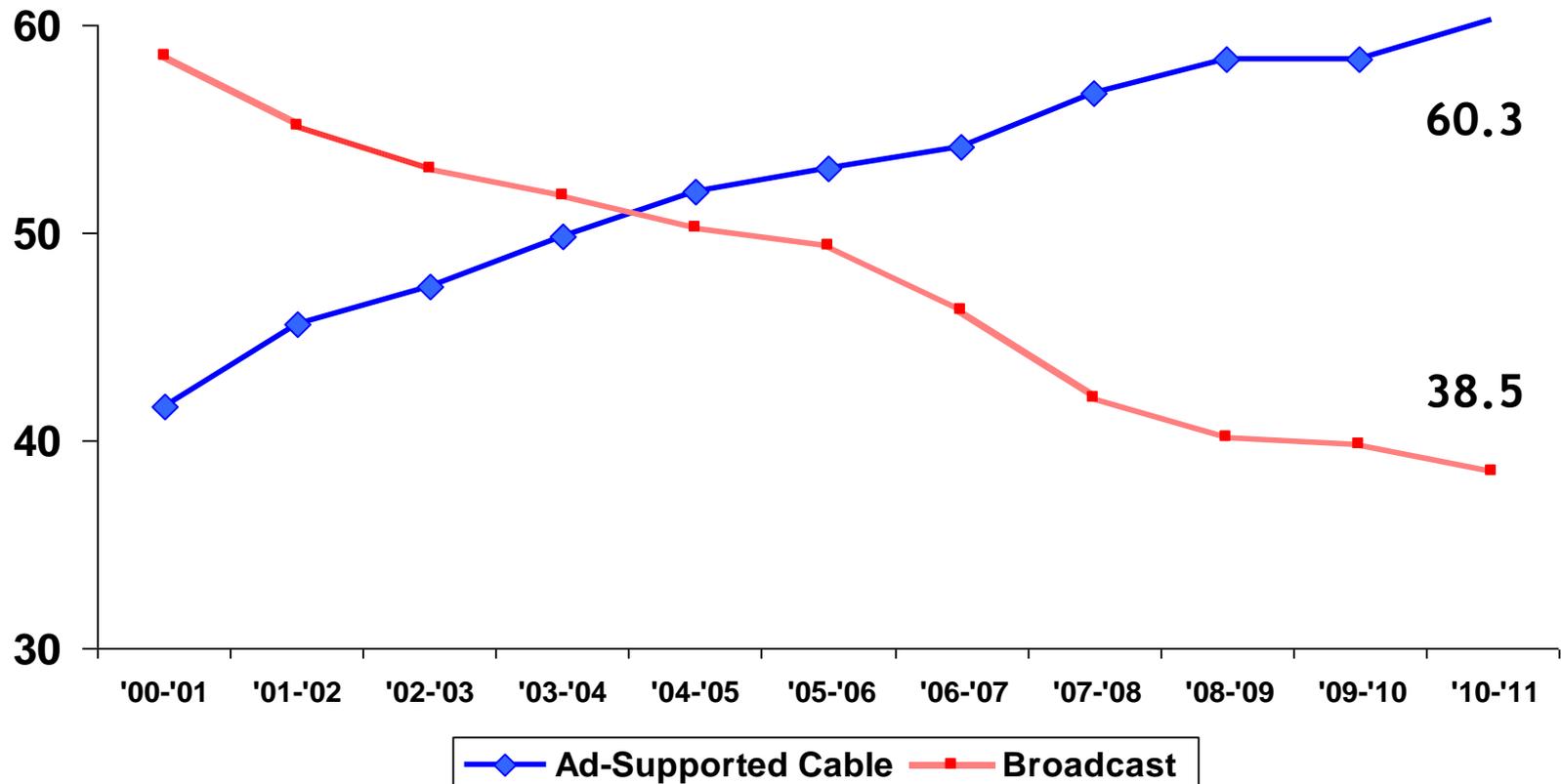
Primetime HH: Avg Weekly Time Spent Viewing (In Hours)



More Time Spent Translates Into Higher Ratings...

Ad-Supported Cable Accounts for 60% of All Television Viewing

Household Primetime Share Levels



Source: CAB Analysis of Nielsen Galaxy time period level data. M-Sa 8-11p & Su 7-11p; LIVE+SD; 9/20/10-5/26/11 v prior years. Bdcst 7 except starting 09/10 season since nielsen no longer measured net.

...And Generates A Broader Gap With Broadcast

Household Primetime Share Levels

Ad-Supported Cable

60.3

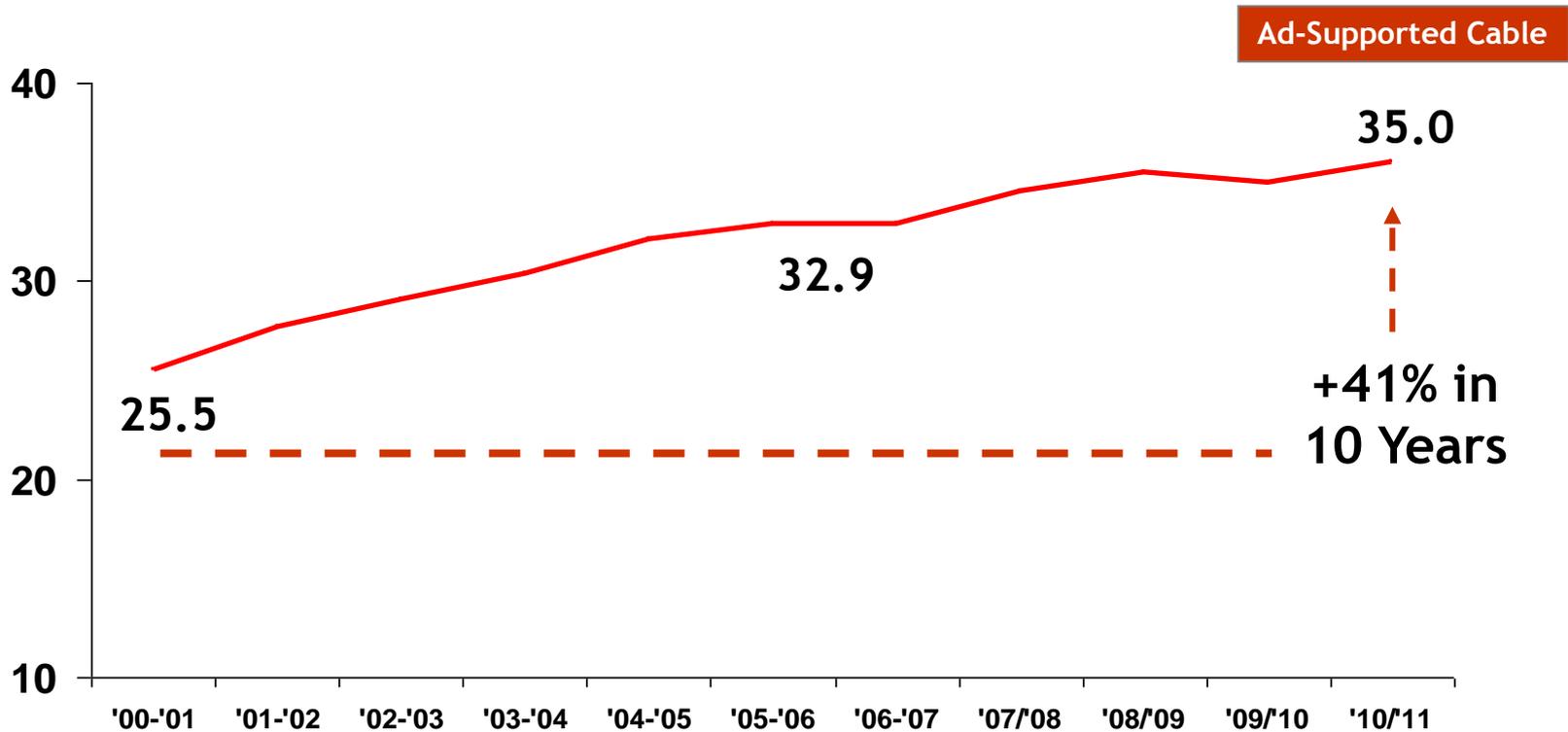
Broadcast 6 Affils

38.5

21.8 Gap

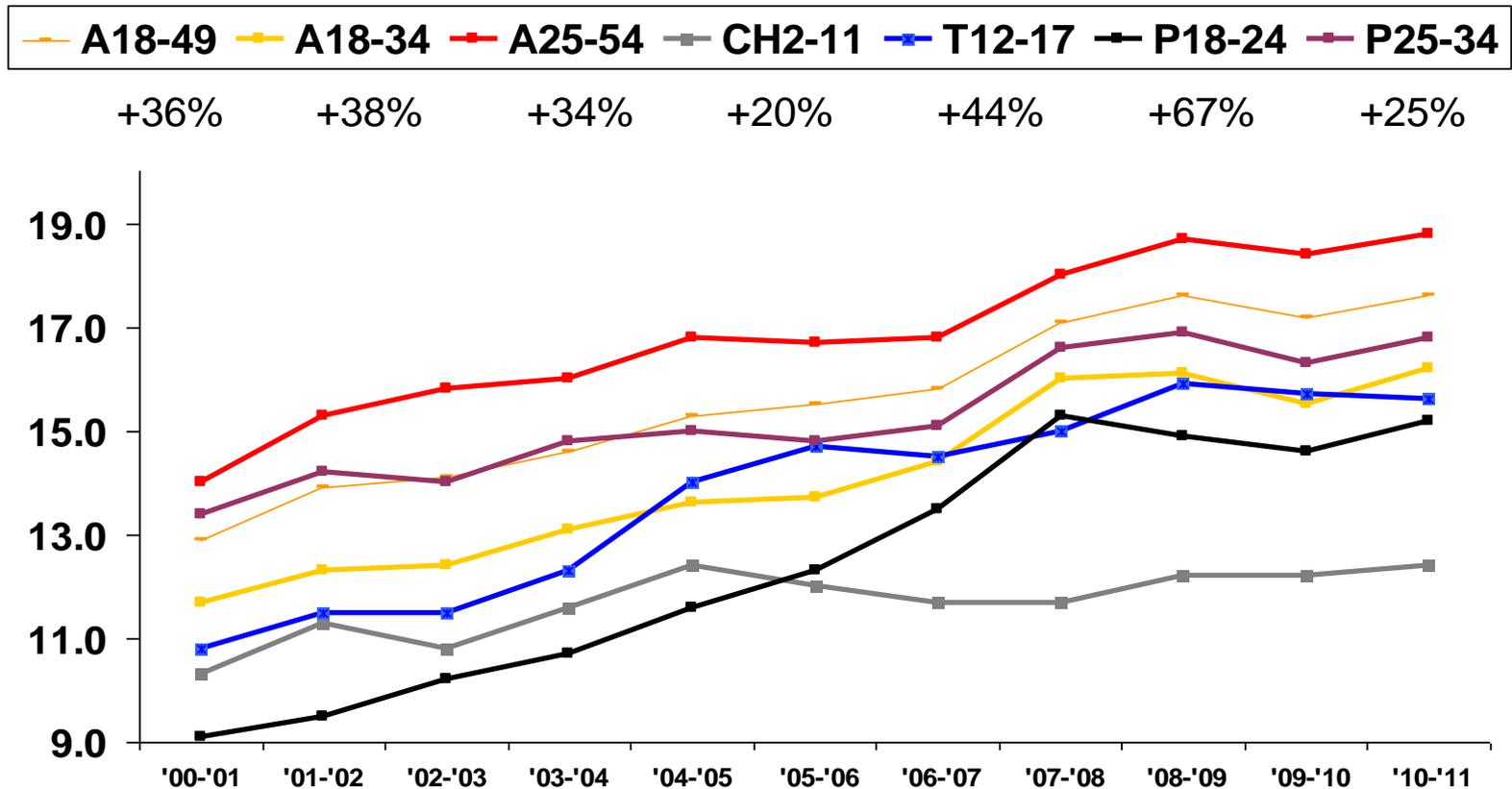
...As Cable Ratings Continue to Climb

Ad-Supported Cable HH Primetime Ratings



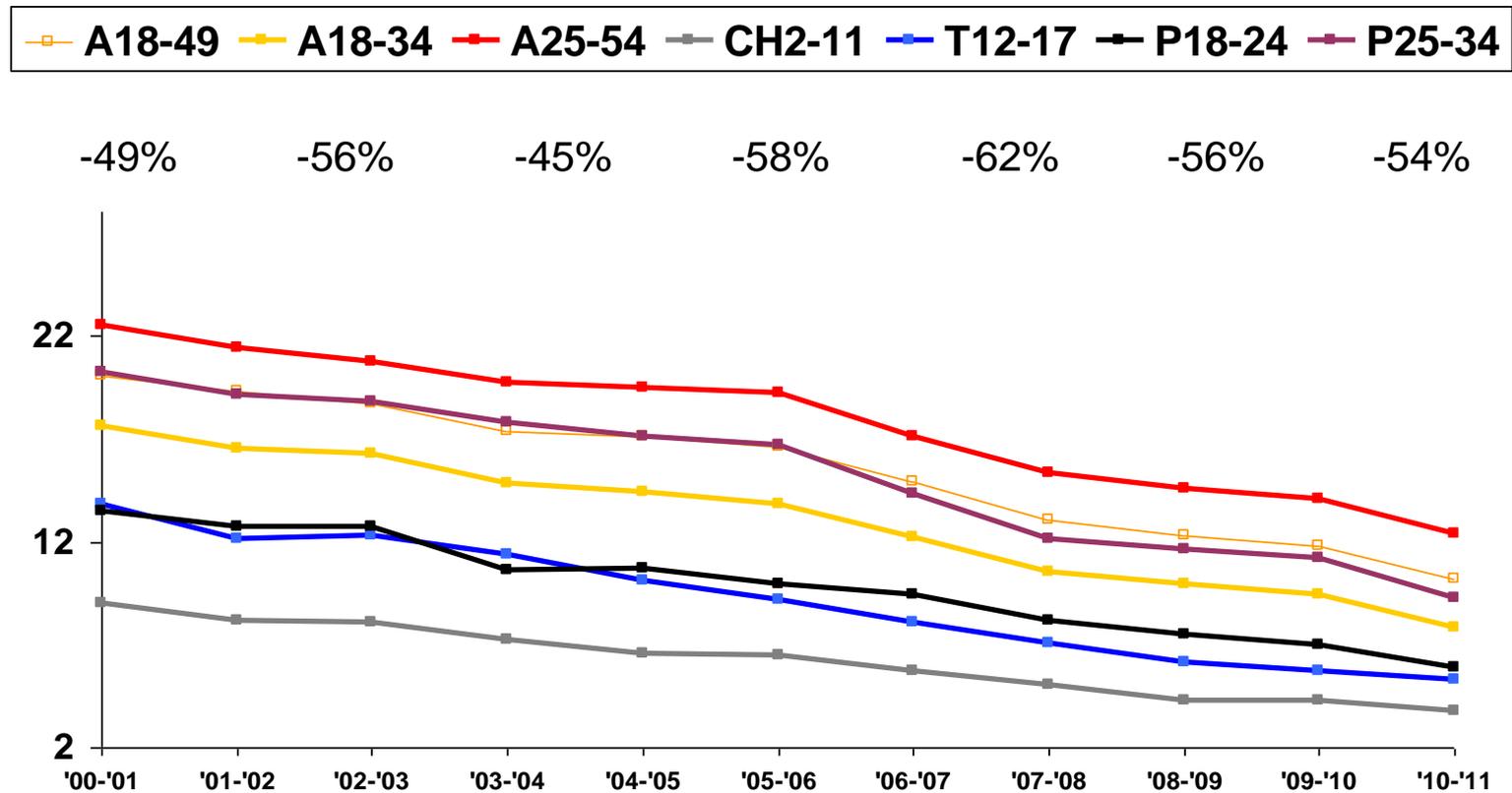
...Among All Key Demographic Groups

Ad-Supported Cable Primetime Ratings



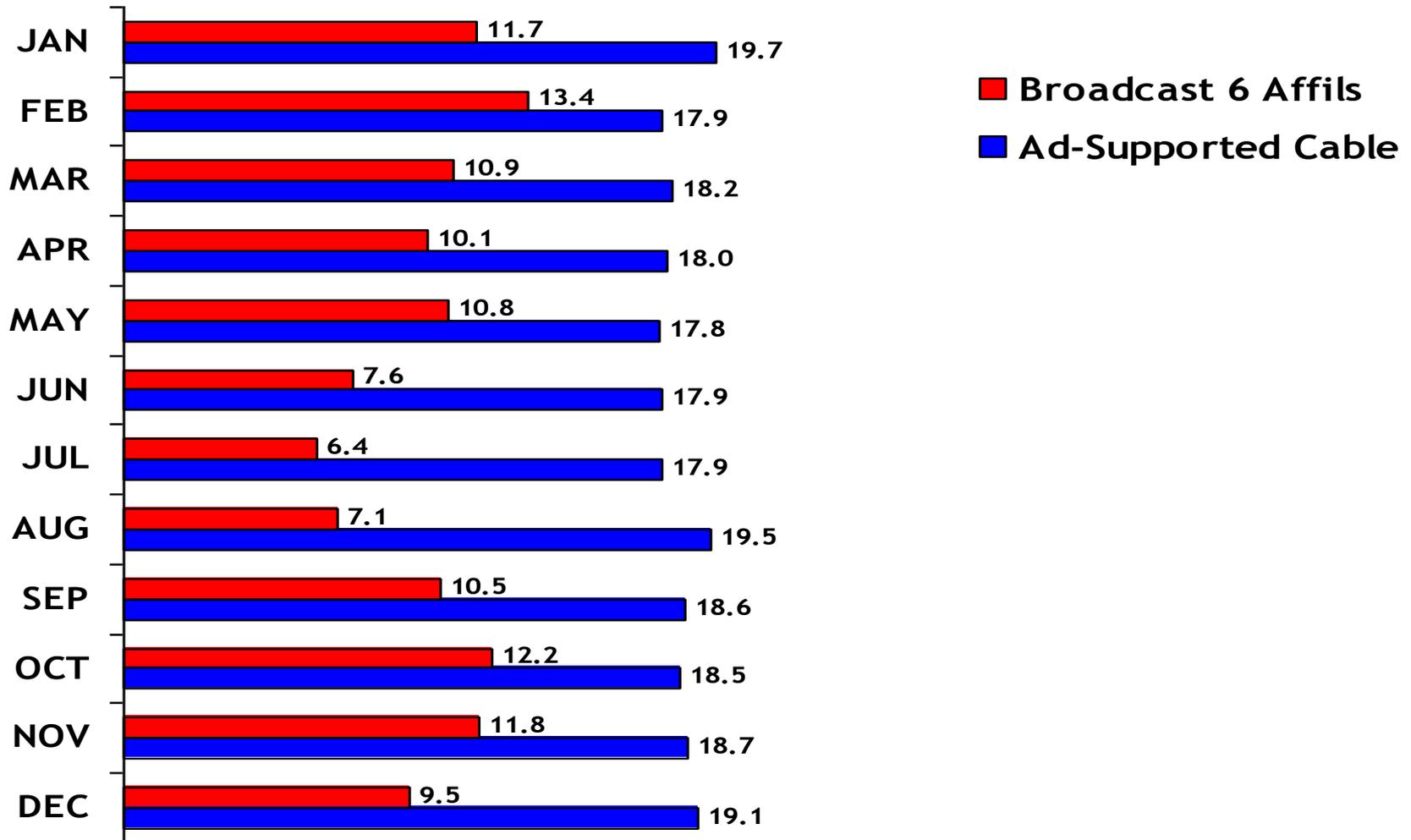
...Broadcast Ratings Continue To Decline

Broadcast 6 Primetime Ratings



Source: CAB Analysis of Nielsen Galaxy time period data. M-Sa 8-11p & Su 7-11p. 9/20/10-5/25/11 v. prior years. Broadcast 7 until 09/10 when Nielsen stopped measuring.

Cable's Commands Strong Ratings Throughout The Year - Not Just During Sweep Months



Cable Is Advertising's Dominant Supplier Of National TV Rating Points:

81% of Adult 18-49 Rating Points are in Cable

61% of News 18-49 Rating Points are in Cable

69% of Sports 18-49 Rating Points are in Cable

69% of Drama 18-49 Rating Points are in Cable

76% of Comedy 18-49 Rating Points are in Cable

100% of Kids 2-11 Rating Points are in Cable

***Cable's Ratings Growth Have Propelled the
Medium to Lead Across The Board...***

At the Turn of the Century, Broadcast was the Dominant Viewing Source on Ratings

1999 / 2000 TV RATINGS: CABLE v. BROADCAST

	Total Day	Early Morning	Daytime	Early Fringe	Primetime	Late Night	Weekend
HH	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	CABLE
A18-34	7-NETS	CABLE	7-NETS	7-NETS	7-NETS	7-NETS	CABLE
A25-54	7-NETS	CABLE	CABLE	7-NETS	7-NETS	7-NETS	CABLE
A18-49	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	CABLE
A50+	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS
M18-24	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS
M18-34	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS
W18-24	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	CABLE
W18-34	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	7-NETS	CABLE
P2-11	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE
P12-17	7-NETS	CABLE	CABLE	7-NETS	7-NETS	7-NETS	CABLE

Today, Cable Dominates Across The Board

2010 / 2011 TV RATINGS: CABLE v. BROADCAST 6

	HHL D	P18-34	P25-54	P18-49	P50+	M18-24	M18-34	F18-24	F18-34	P2-11	F12-17
TOTAL DAY	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE
EARLY MORNING	CABLE	CABLE	TIE	CABLE	6-NET	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE
DAYTIME	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE
ACCESS	CABLE	CABLE	CABLE	CABLE	6-NET	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE
PRIMETIME	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE
LATE NIGHT	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE
WEEKEND DAY	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE	CABLE



In the Early '90s, 75% of Big-4 Networks' Primetime Programs Earned a 5.0 A18-49 Rating or Higher

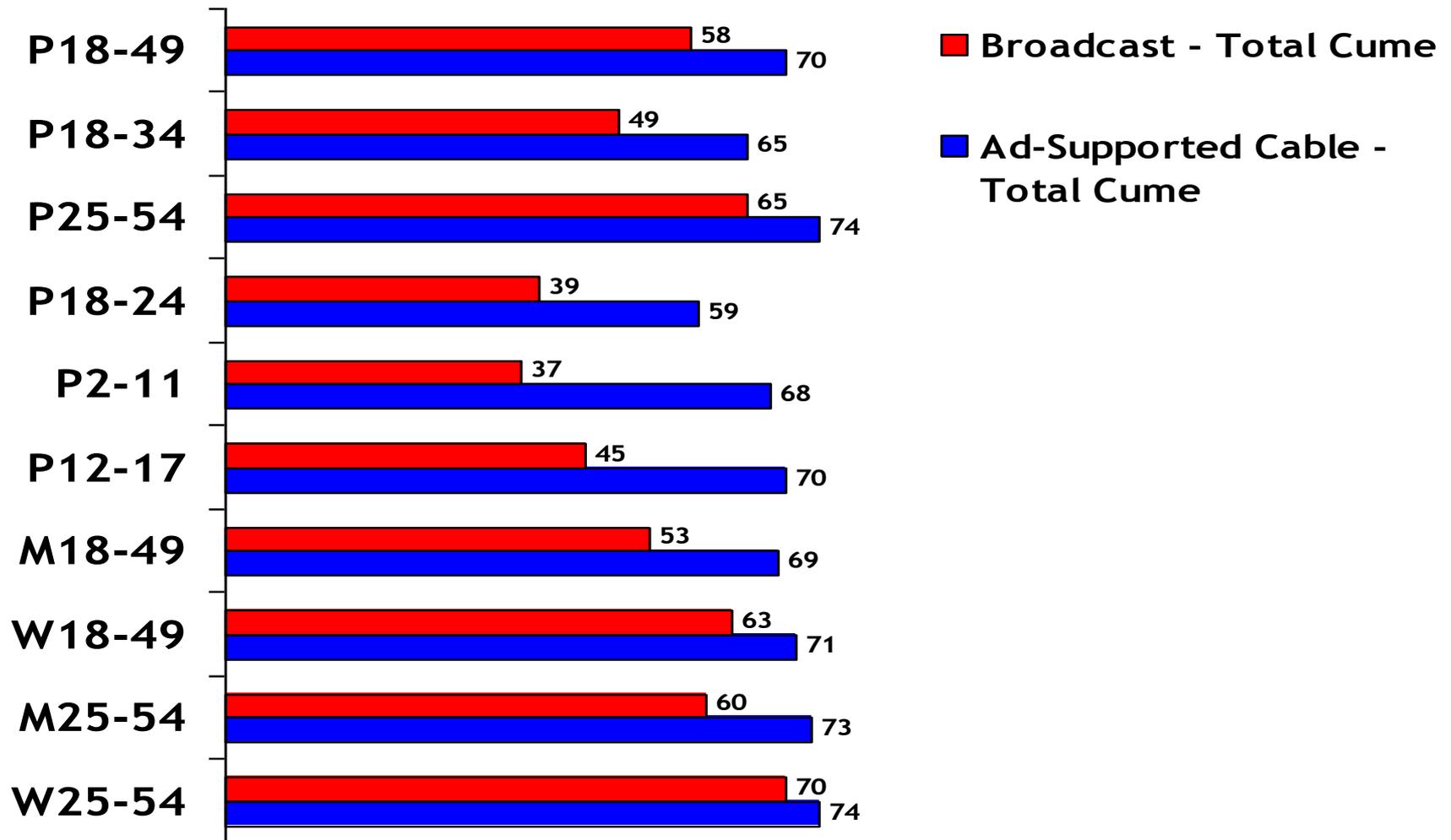
A18-49 Rating	92/93 Season	% of Total Programs
15+	1	1%
10-15	7	7%
5-10	68	67%
0-5	25	25%
Total	101	100%

} **75%**

Today, 94% of Big-4 Nets Primetime Programs Earn *Below* a 5.0 A18-49 Rating

A18-49 Rating	92/93 Season	% of Total Programs	10/11 Season	% of Total Programs
15+	1	1%	0	0%
10-15	7	7%	0	0%
5-10	68	67%	6	1%
0-5	25	25%	91	94%
Total	101	100%	97	100%

Cable Has Passed Broadcast on the Final Frontier: Reach Superiority Across All Demos



Source: Nielsen NPower; May 2011. One spot each qtr hour Primetime; 4 weeks averaged together. Broadcast 6 net. Total reportable ad-supp cable; Live+7.

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Cable Delivers the Best Known Video Brands



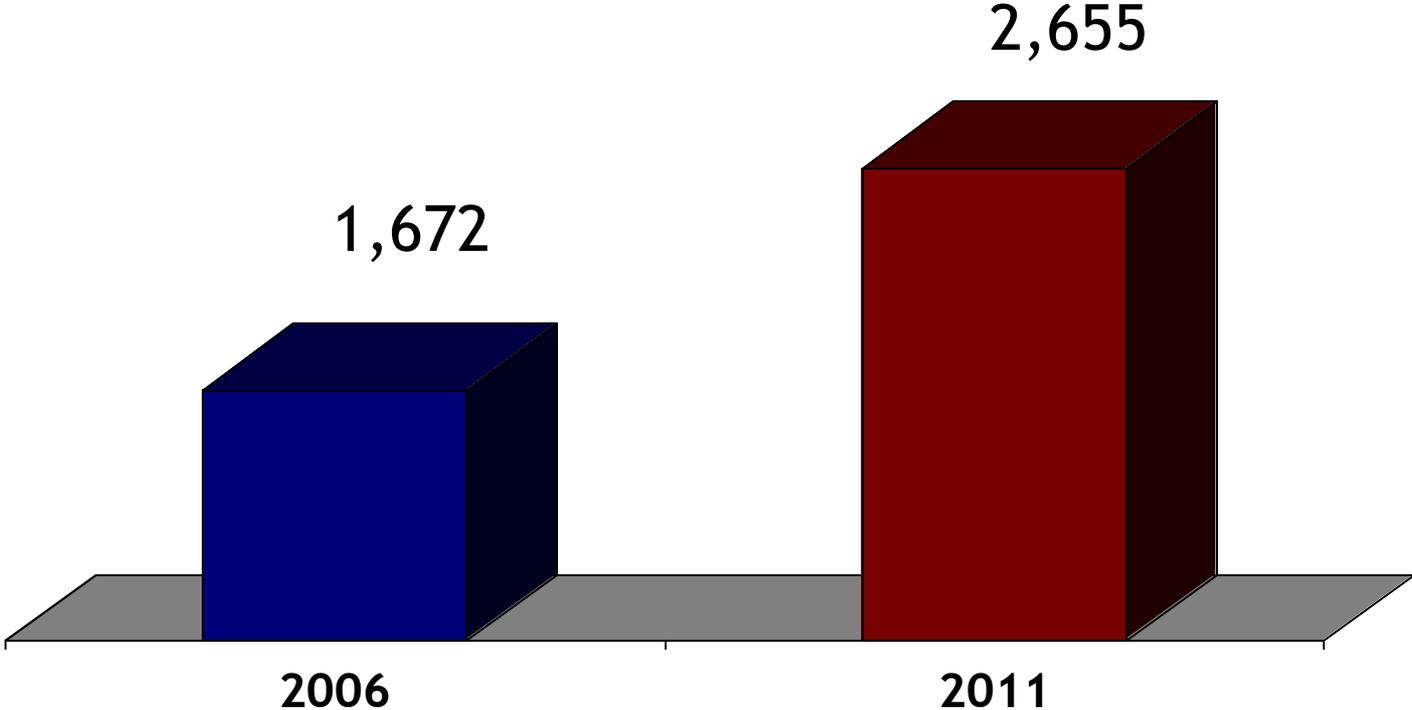
Cable's Original Programming Got Unprecedented Attention



Original Programs Now Represent More Than Two-Thirds of Cable's Schedule

Ad-Supported Cable's Original Programs

Nov 11 v. 06: Total Day



Source: NPower. All original programming. Analyzed on programs, not telecasts. Nov 11 v. Nov. 06

Cable's \$23 Billion-Plus Investment in Programming

Ad-Supported Cable's Original Programs: Total Day

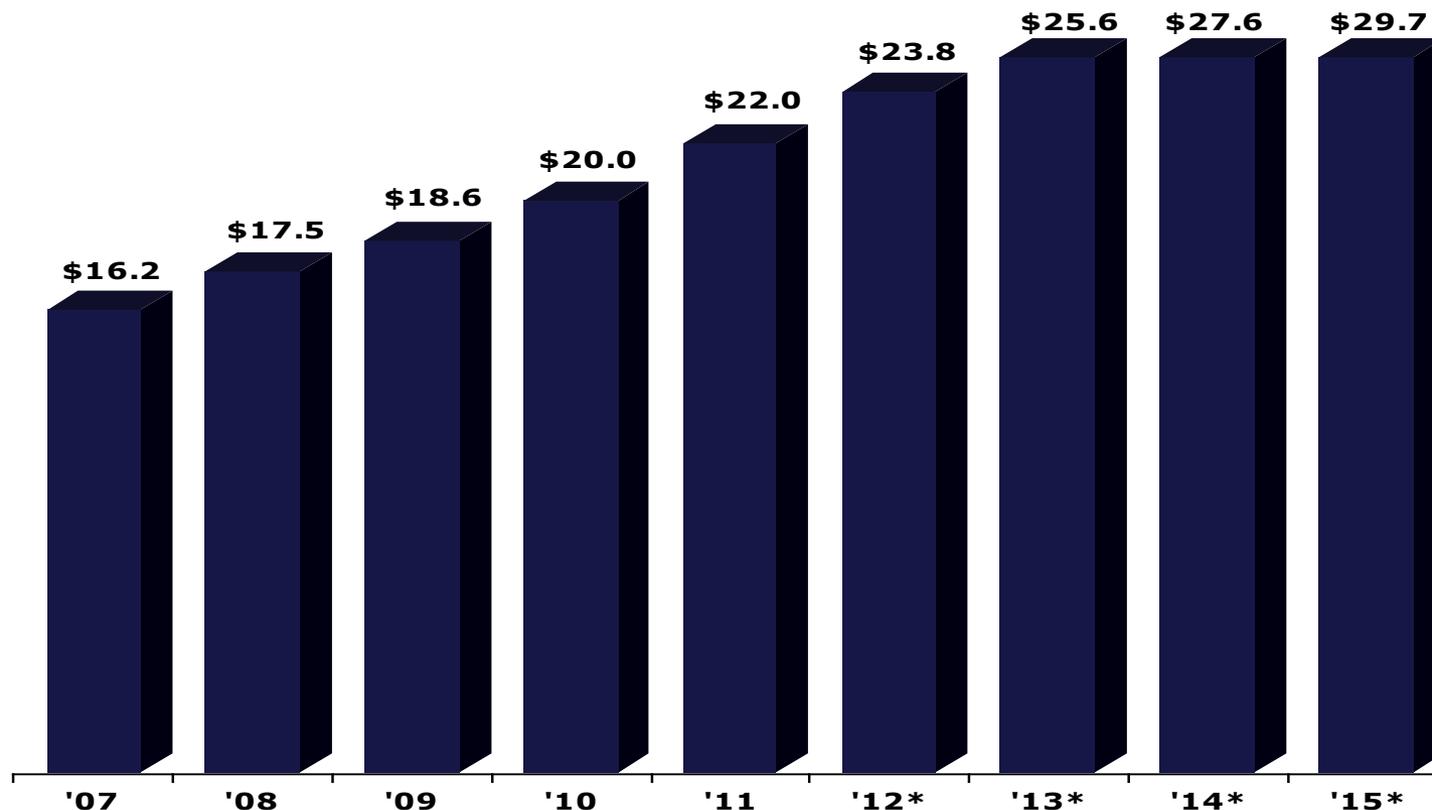
Genre	# Originals / Nov' 06	# Originals / Nov' 11
Dramas	48	114
General Documentary	172	719
Instruction/ Advice	182	369
Sports	391	435
All Other	879	1,018
Grand Total	1,672	2,655



Source: NPower; All original prgm; Analyzed on pgms, not telecasts Nov 11 v. 06.

Cable's Commitment to Investing in Original Programming Continues To Grow

Cable Network Programming Expenses
(In Billions)



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Viewers are Passionate About Cable



	<u>A18-49 Index</u>	
“I would <i><u>miss these networks</u></i> if they were no longer available”	109	92
“I <i><u>look forward to</u></i> time watching”	108	96
“I <i><u>recommend</u></i> these networks to others”	110	94

Viewers are Passionate About Cable



	<u>A18-49 Index</u>	
“Consider myself <i>loyal</i> to these networks”	109	98
“ <i>Always worth checking</i> to see what’s on”	108	96
“Programs I <i>can’t find anywhere else</i> ”	110	99

***And this makes Cable the ideal environment
to sell products...***

Viewers Are More Receptive to the Ads



A18-49 Index

“I ***remember*** ads on these networks more”

119

99

“I ***trust*** advertising on these networks”

115

97

...And More Likely to Turn to Cable to Determine Their Next Purchase



A18-49 Index

“Advertising on these networks is an ***important source of information*** about products and services”

116

98

“I’m ***inclined to purchase*** products and services from companies that advertise on these networks”

118

97

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Why Local Cable?

Local Cable
Delivers
Programming In
Every Genre

News

Sports

Drama

Comedy

Documentary

Kids

Music



Why Local Cable?



Local Cable
Delivers Local
News to the Local
Community

Why Local Cable?

Local Cable TV advertising allows you to focus your message and precisely target your most valuable potential customers in your desired geographic area

DMA – Interconnect

Ad Tag – Ad Copy

Interconnects

Deliver a large group of cable systems that are “connected” together - can be as large as an entire DMA, or a smaller group of local cable systems purchased as one package.

1. The ease of “one tape, one contact and one invoice”
2. Minimum 80% of subscribers hardwired
3. 50 Ad-Insertable Networks to choose from
4. Integrated promotional marketing opportunities with network partners

Adtag/Adcopy

Adtag allows advertisers to run the same 25-second commercial throughout a market, finishing the spot with customized 5-second “tags” that give specific information to the appropriate geographic location within the market.

Adcopy allows advertisers to simultaneously run completely different commercials to different audiences within the same market targeting viewers based on aggregate geographic, demographic or psychographic or other characteristics of the consumers residing within specific areas.

Why Local Cable?

**Cable Homes Deliver the Most
Desirable Marketing Prospects**

Cable Represents Your Upscale Consumer



Cable Only



Broadcast Only

Home Value: \$750K+

107

54

Household Income: \$100K+

112

58

Education: Graduated College or more

110

89

Career: Professionals

108

91

Cable Homes Spend More On Products & Services

	Cable Only Index	Broadcast Only Index
Automotive		
# Of Times/Yr Car Rental For Business: 4+	110	69
Most Recent Purchase/Lease: Luxury Car	106	85
Spent on Most Recent Purchase/Lease: \$20,000+	105	66
Restaurants		
Family Restaurants/Steak Houses # of Times/Last 30 Days: 9+	106	73
Travel		
Spent \$3,000+ On Domestic Travel Vacations Past 12 Mos	112	57
Spent \$3,000+ On Foreign Travel Vacations Past 12 Mos	111	75
Hotels/Motels # Nights Stayed: 5+	106	75
Shopping		
Expenditures Last 6 Mos: Dry Cleaning \$100+	113	52
Expenditures Last 6 Mos: Beauty Parlor \$100+	111	66
Expenditures Lst 6M: Flowers \$150+	111	57
Apparel/Accessories		
Spent Past Year: Women's Clothing Big Ticket Items \$500+	117	76
Spent Past Year: Men's Clothing Big Ticket Items \$500+	114	74
Spent Past Year: Fine Jewelry \$1,500+	113	75
Spent Past Year: Clothing \$3,000+	108	86
Spent Past Year: Shoes \$250+	106	82
Home/Home Furnishings		
Spent Past Year: Home Office furniture \$700+	115	37
Spent on Home Improvements: \$2,000+	115	53
Spent Past Year: HH Furnishings Big Ticket Items \$2,500+	104	75
Consumer Electronics		
Spent Past Year: Audio Equipment \$1000+	112	62
Television Sets # Owned 4+	109	54
Spent On Pers.Computers \$5,000+	103	121

Source: MRI 2011 Doublebase. Index to gen pop.

In Summary, Why Local Cable?

Local Targeting Capabilities



Flexible Scheduling



One-Stop-Shopping



Targeted Reach



Advanced TV Opportunities



Promotional Opportunities



Buying Efficiencies

Specify geography down to the cable system.
- Run two or more ads to different market segments simultaneously (Adtag /Adcopy)

Choose which networks and which programs best match to your brand target viewers

One phone call - - one contract - - one invoice
- Across MSOs, markets, networks...
- One Stop Shopping!

Reach upscale consumers in your most important markets... on the most targeted media channels available

Interactive TV - - Video-on-Demand - -
Program Guide billboards - Only Available in
Local Cable

Easily create targeted local market promotions matching the right networks with the right consumers

Eliminate waste - reaching the right people in your area at the right times and during the right programming.

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