



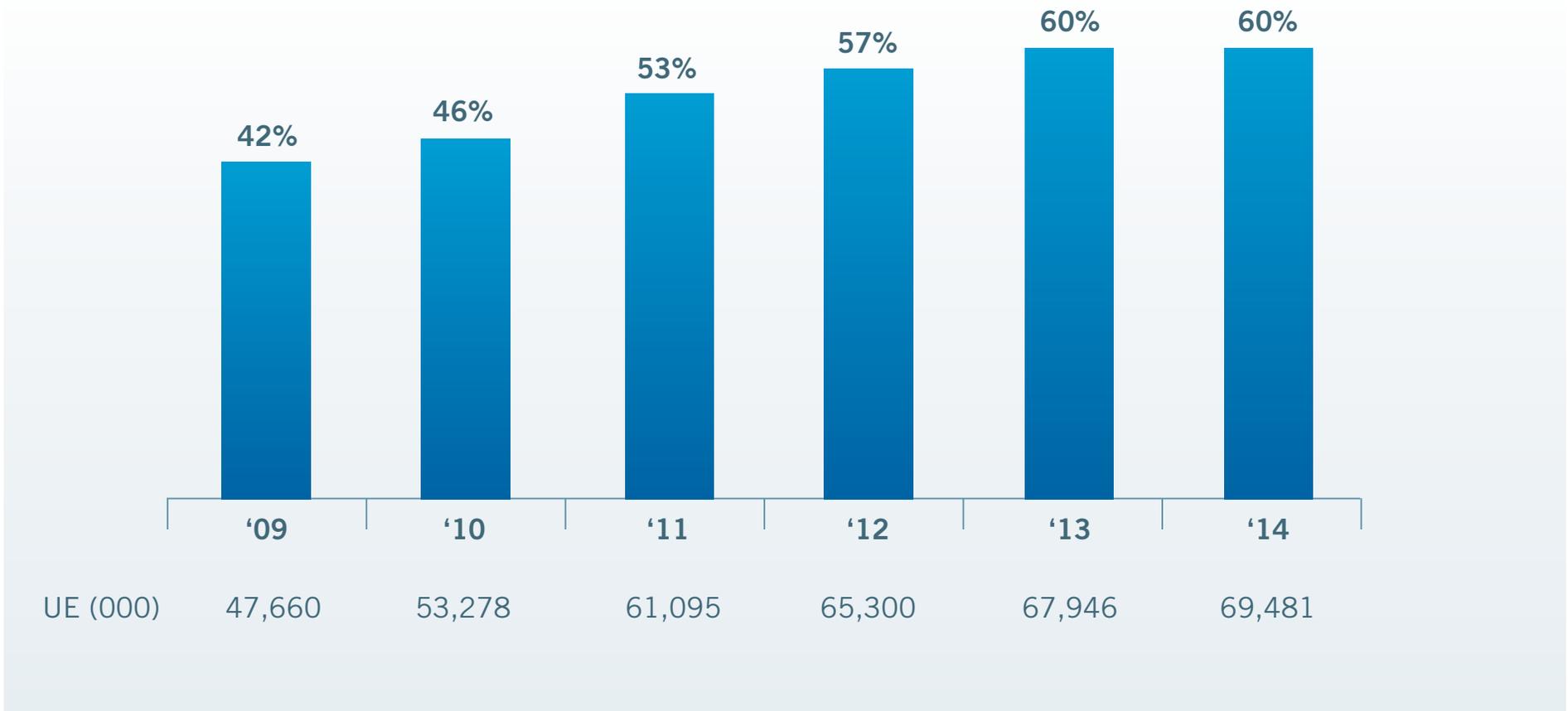
CABLE NATION: VOD's Advantage: Quality Content, Consumers & Connections

Video On Demand Summary

- VOD is now available in 60% of homes; up 43% in five years
- VOD content has grown exponentially
 - Number of titles have quadrupled
 - Recent episodes and high profile programs have been added to VOD libraries
- As a result, consumer usage is growing steadily
 - 70% use VOD; 59% watch TV content
 - Time spent with VOD continues to grow – close to 9 hrs/month
 - VOD viewers watch longer; spend more time with commercials
- Who are they?
 - Higher income, A18-34 who are likely to have kids & own many devices
 - Asians tend to watch more VOD content
- Nielsen measures and reports VOD Viewing
 - VOD viewing is now being measured and therefore monetized within the C3 window
 - More advertisers are exploring VOD opportunities day 4 and beyond

Video On Demand Is Now Available In 60% Of Homes; Up 43% In Five Years

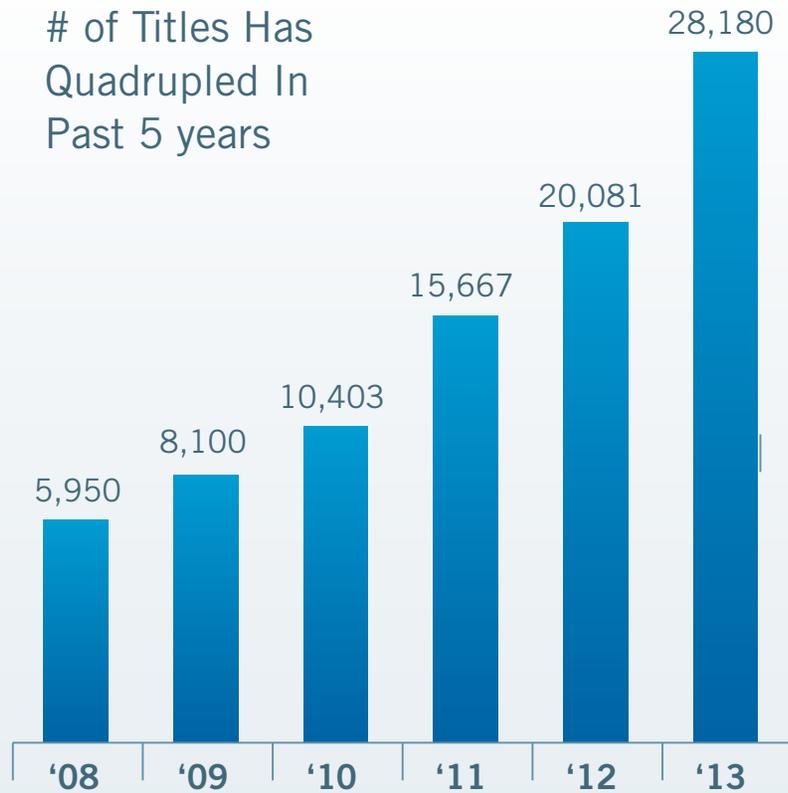
VOD Availability in TV HHs



VOD's Growth Is Driven By Increased Ease Of Use and Large Number of Titles Available

Average U.S. MSO VOD Titles Per Month

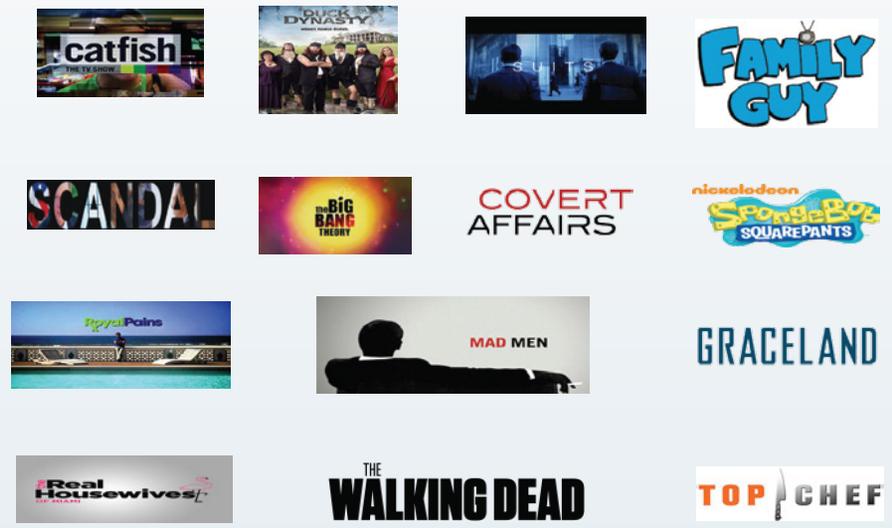
of Titles Has Quadrupled In Past 5 years



...And Libraries Continue To Be Populated With Recent Episodes of Popular Shows

Sample Programs on VOD

(Availability Varies by Cable Provider)



Source: SNL Kagan Multichannel market trends; Count represents avg monthly selection, reflecting turnover and refreshed content and are not comparable to average titles available simultaneously.

Two Out Of Three Consumers Use Video On Demand; Mostly Tuning To TV Programming

70% of Digital Consumers Use VOD



**59% of All TV's That Watch On Demand Watch
Content From Major Cable & Broadcast Networks**

One Third Of All TV Entertainment Transactions Occur Within The First Three Days Which Leaves A Significant Opportunity For Advertisers To Reach More Viewers Day 4 & Beyond

% of Transactions Occurring By Day

There exists a huge opportunity to reach viewers outside the first three day window as 69% of TV entertainment transactions occur day 4 & beyond



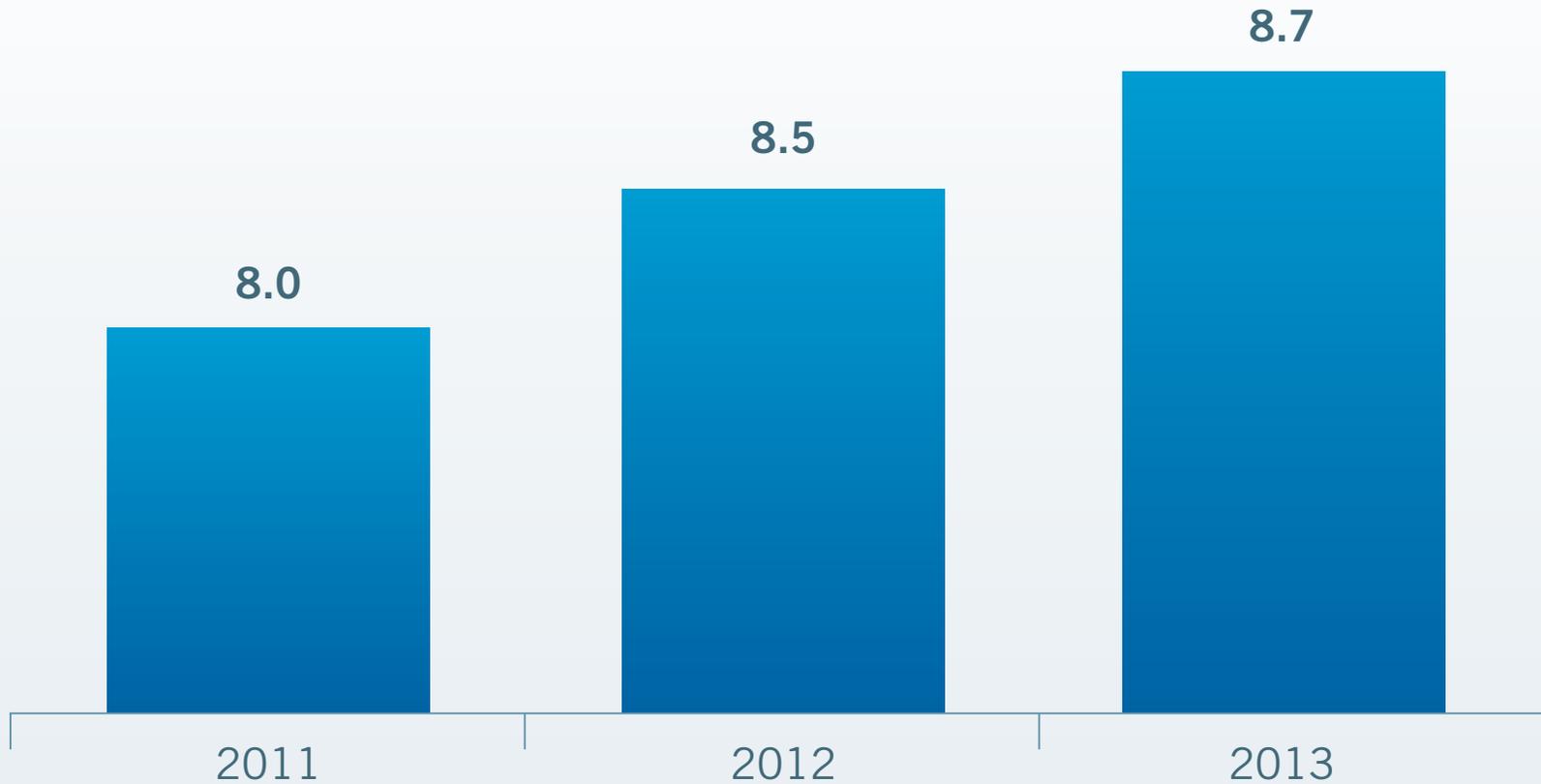
- 23% of all FOD transactions occur within days 1-3
- 31% of all TV entertainment transactions occur with days 1-3

Viewers Spend Almost 9 Hours a Month Watching VOD

Time Spent

(Hrs Per Month)

+9% v. 2011



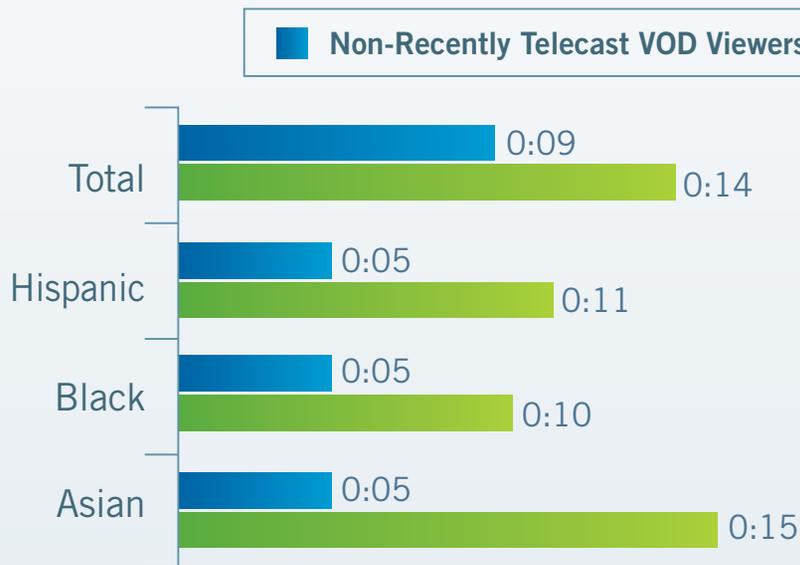
Source: Rentrak state of VOD report 2013

VOD Viewers Watch More Television Overall; Spending More Time With Commercials Since Fast-Forward Feature Is Most Likely Disabled

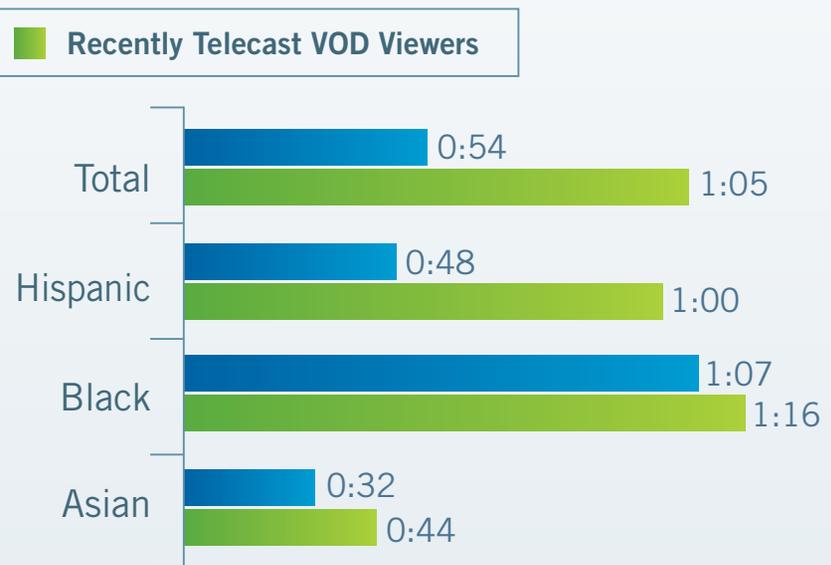
Average Minutes Watched Per Viewers For a 30-min Program



Daily Time Spent With Time-Shifted Viewing In Primetime



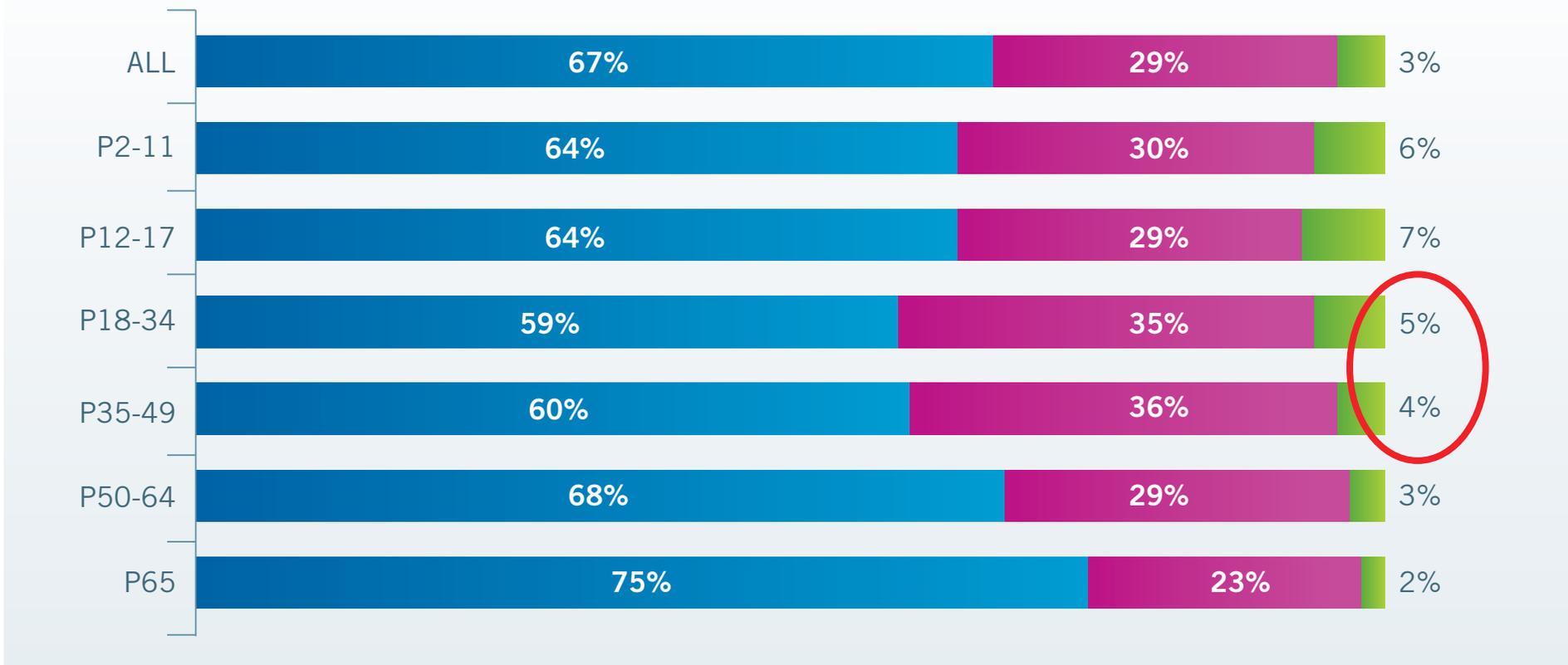
Daily Time Spent With Live Viewing In Primetime



Source: Nielsen Cross Platform 1Q14; Recently Telecast VOD (pgm that is delivered on VOD within 7 day of original telecast; Time spent per avg 30m pgm= Nielsen custom Npower Statistic: avg number of total pgm min viewed per viewer on each medium for recent pgm (P2+), oct, 2013

On Average, VOD Contributes 4-5% In The Coveted 18-49 demo, While Individual Shows Can Experience a 15-20% Increase in Viewership From VOD

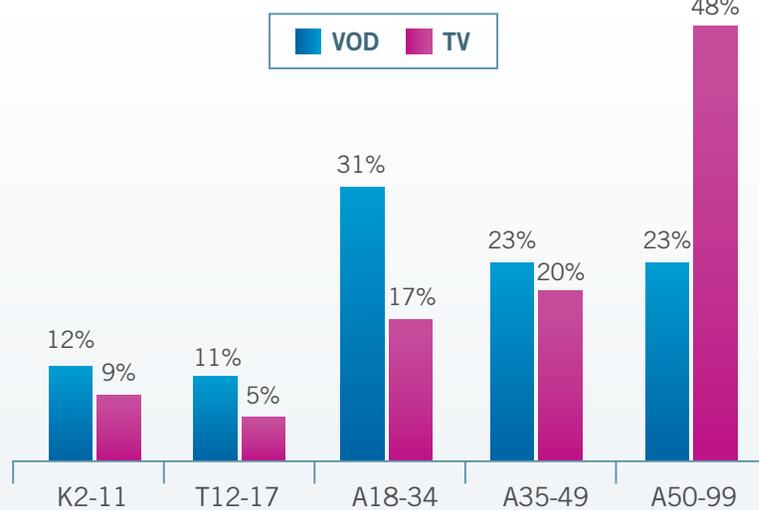
% of Viewing



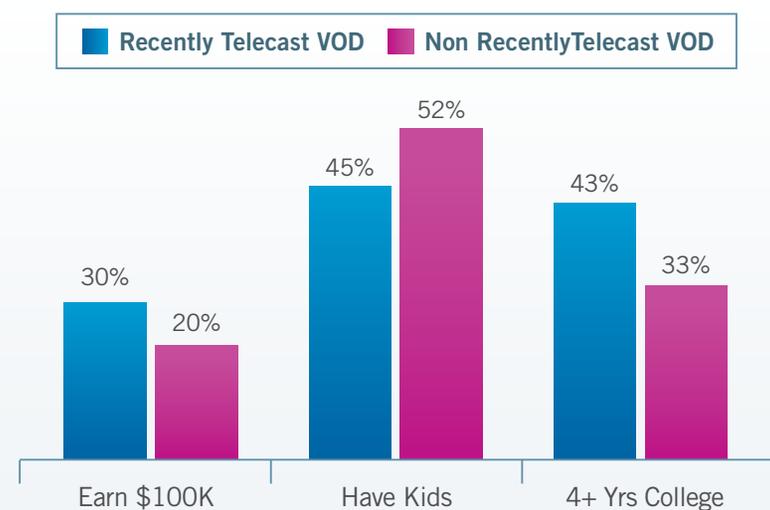
Source: Nielsen Cross Platform 1Q14; Recently Telecast VOD (pgm that is delivered on VOD within 7 day of original telecast)

They Tend To Be Younger, Higher Educated, Earn More and Own More Video Devices

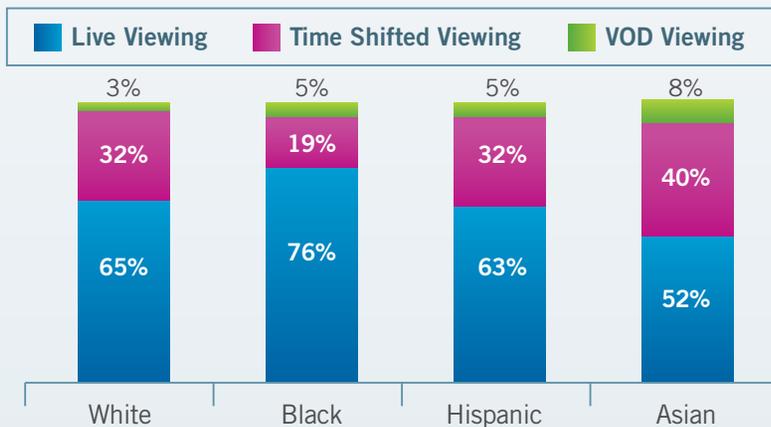
Share of Audience



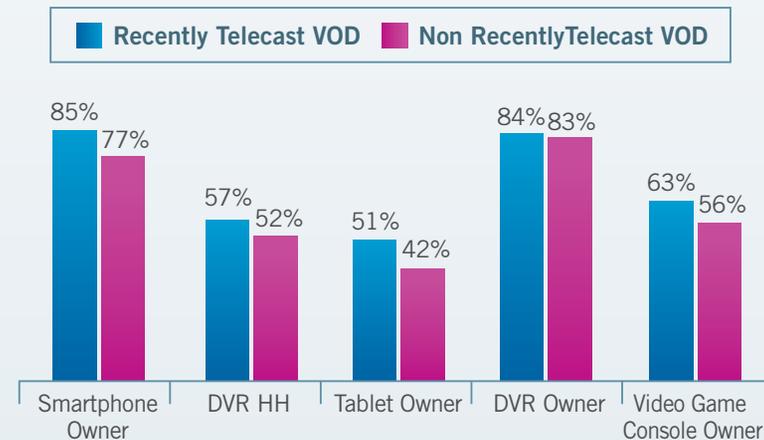
Income/ Family/Education: VOD Audience Comp



Race: % of Viewing



Device Ownership: VOD Audience Comp

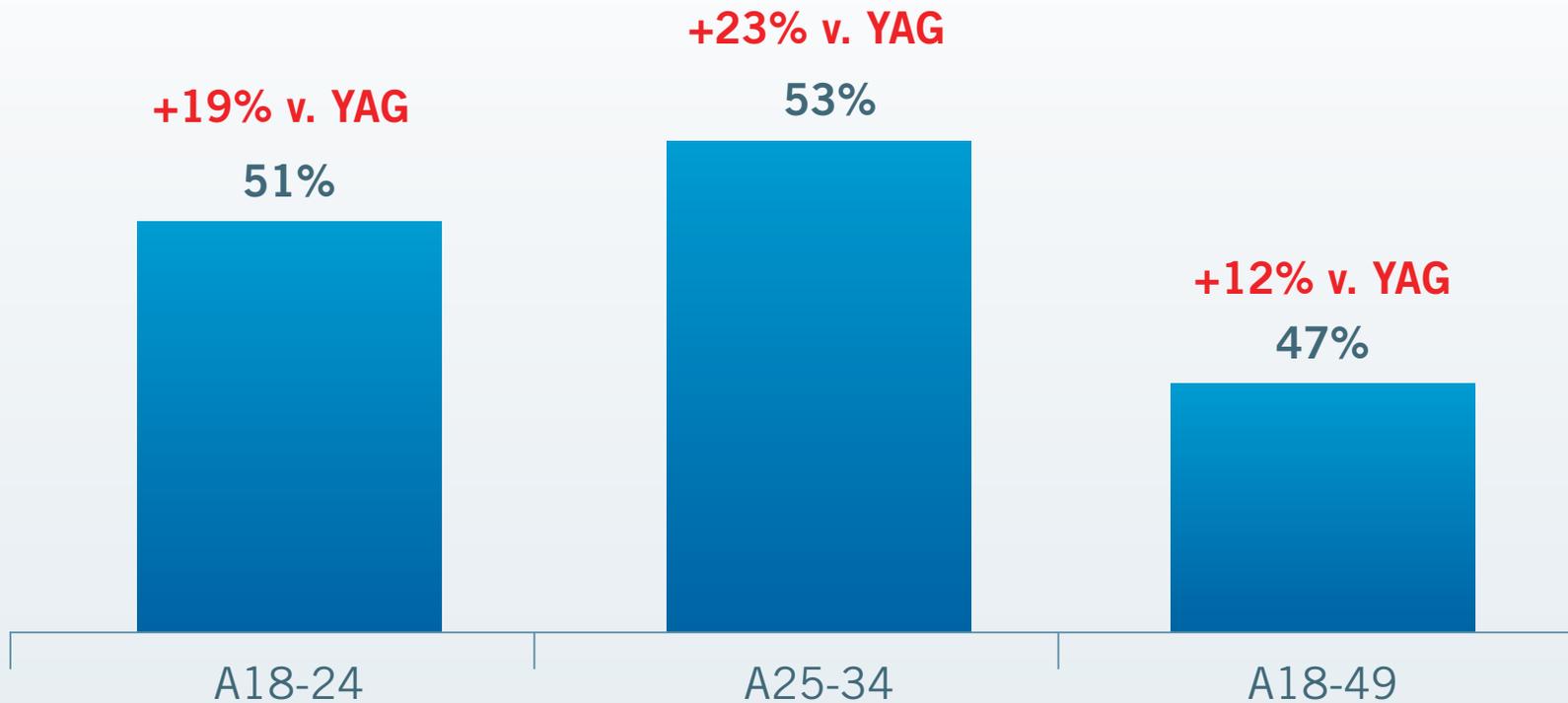


Source: Nielsen Cross Platform 1Q14; Recently Telecast VOD (pgm that is delivered on VOD within 7 day of original telecast); Share of audience nielsen 9/13

‘Catching Up’ Is A Big Driver For VOD Content; Half Citing They Use It To ‘Get Up To Date With New Season’

“I’ll Watch Past Episodes of TV Programs on VOD to Get Up to Date With The New Season”

(Top 2 Box)



Source: CAB/Magid Cable Nation Study; 1055 Please indicate the extent to which you agree with the following statement – “In order to be up to date with the new season, I’ll watch past episodes of TV programs on Video on Demand.” (Top 2 box – strongly agree, agree)

Nielsen Now Measures and Reports VOD, Allowing the Industry to Monetize

Recently Telecast VOD

| | Day 1 | Day 2 | Day 3 | Day 4 | Day 5 | Day 6 | Day 7 | Day 8+ |
|---|-------|-------|-------|-------|-------|-------|-------|--------|
| If content has SAME commercial load...does it contribute to linear telecast rating? | Yes | No |
| If content has DIFFERENT commercial load...does it contribute to linear telecast rating? | No |

What Happens After The 7th Day?

Content is captured but does not contribute to the linear telecast ratings.

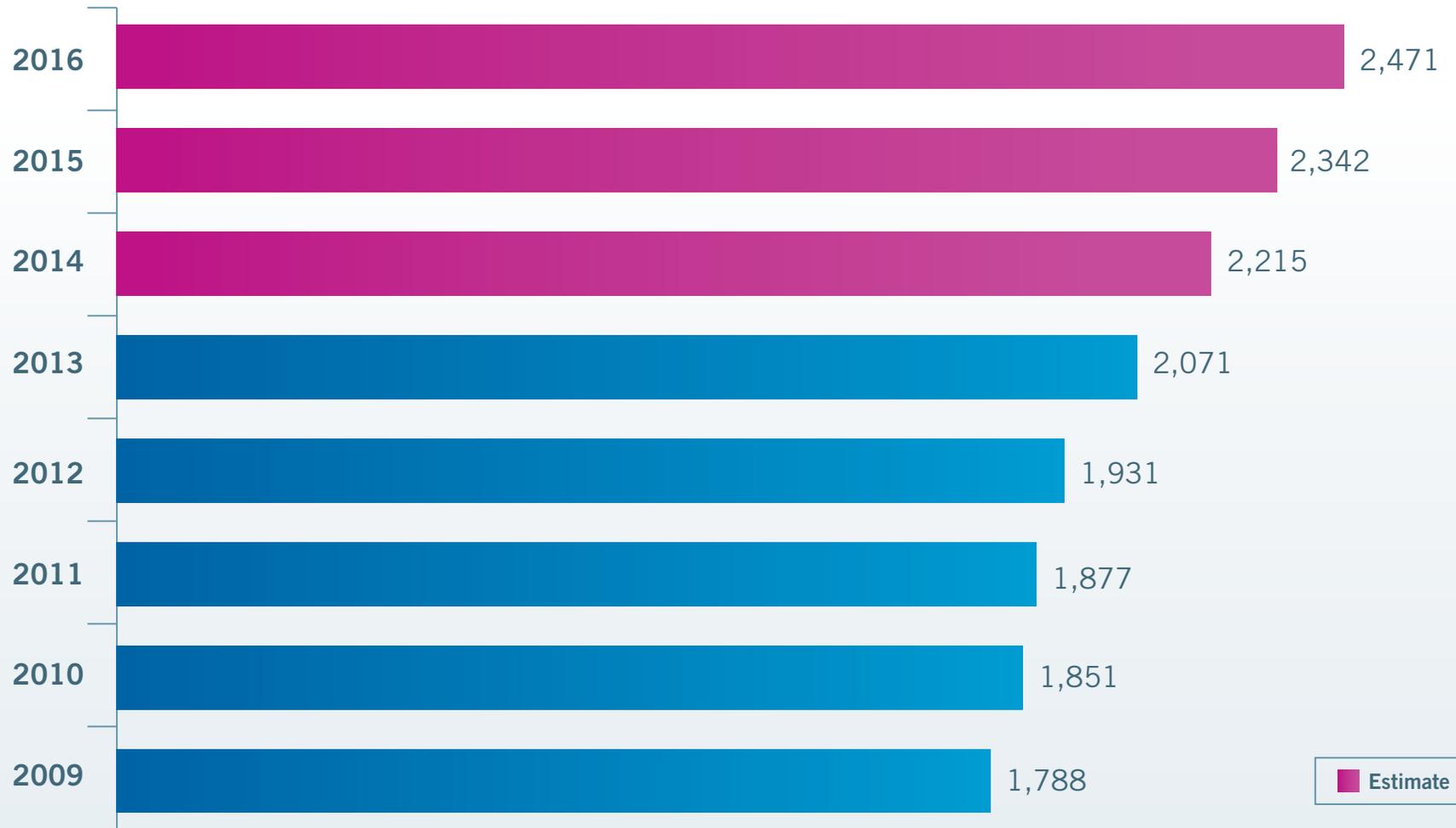
Is VOD incorporated in the C3 rating?

Yes, if content has same commercial load.

Video On Demand Revenue Is Poised To Grow

PPV/VOD Ad Revenue

(in millions)



Source: Nielsen Cross Platform 1Q14; Recently Telecast VOD (pgm that is delivered on VOD within 7 day of original telecast)



CableNation

CABLETELEVISION ADVERTISING BUREAU

If you would like additional video advertising information, insights or analysis please visit our website at www.thecab.tv or feel free to contact us directly:

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