



CableNation

Why Ad-Supported Cable?

Technology and Video Usage Has Exploded in the US



We Now Expect Sharp & Clear Video to be Available Instantly – at an Arm's Length



***Video
Anywhere,
Anytime
Any Size***

Television is By Far the Lead Video Option



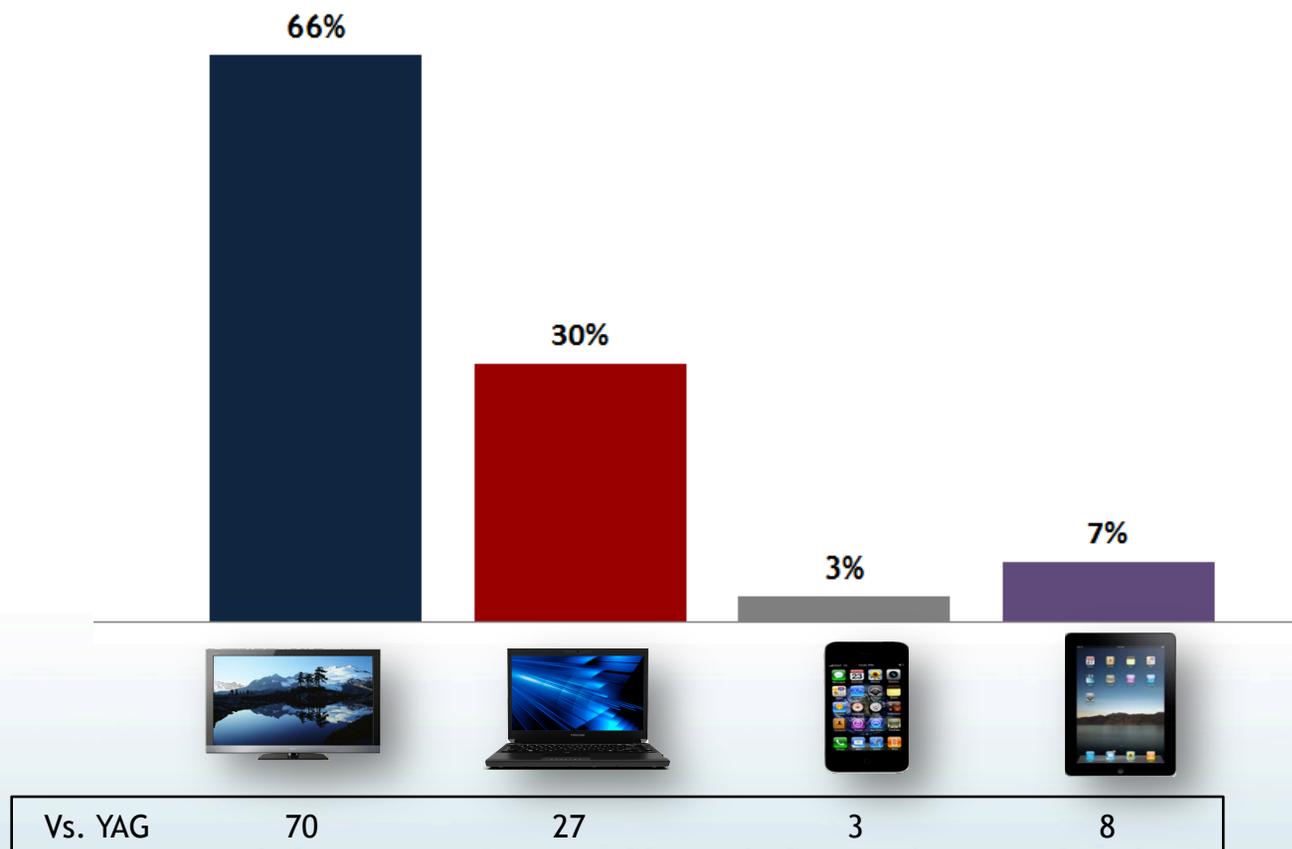
The US Spends Nearly One-Third
Of Its Waking Hours Watching Television

Source: 168 hrs per week * 7 hr sleep (Avg # of hrs adult sleep Nat'l Institute of Health) = 119 waking hrs; 32 hrs / wk with TV brands online & TV (Nielsen P2+ Live+7; comScore avg. time spent per site - Broadcast & Cable; June 2013)



Television Still Reigns as the Best Device For Watching Video

“Best Device For Watching Video”
(Among Owners of Each Device) - A18-49



CAB 2013 Custom Study, Video Nation: Anytime, Anywhere, Anyplace
BASE: Watches video on device; 205 Overall, which of the following is the best device for watching video?

TV Comprises 92% of All Video Time

Monthly Video Consumption by Device



Watching Television in the home

283 Million

157:32



Watching Video on a Computer

155 Million

8:20



Watching Video on a Mobile Phone

45 Million

5:29

92% Of Overall Video Time

TV Ads are the Most Memorable

“Device On Which Advertising Is Most Memorable”
(Among Owners of Each Device) – A18-49



■ Television ■ Computer ■ Smartphone ■ Tablet

68%



21%



6%



8%



This holds true across all demos
(60% of teens / 18-24 & 80% of 35+ find
TV ads most memorable)

Television Ads Encourage Further Investigation and Ultimately Move Products Off the Shelves

A18-49

How Often?



75%

Look up information online about an advertisement currently watching

69%

Once a week or more



62%

Shop online or purchase something they have seen on a show / advertisement they are currently watching

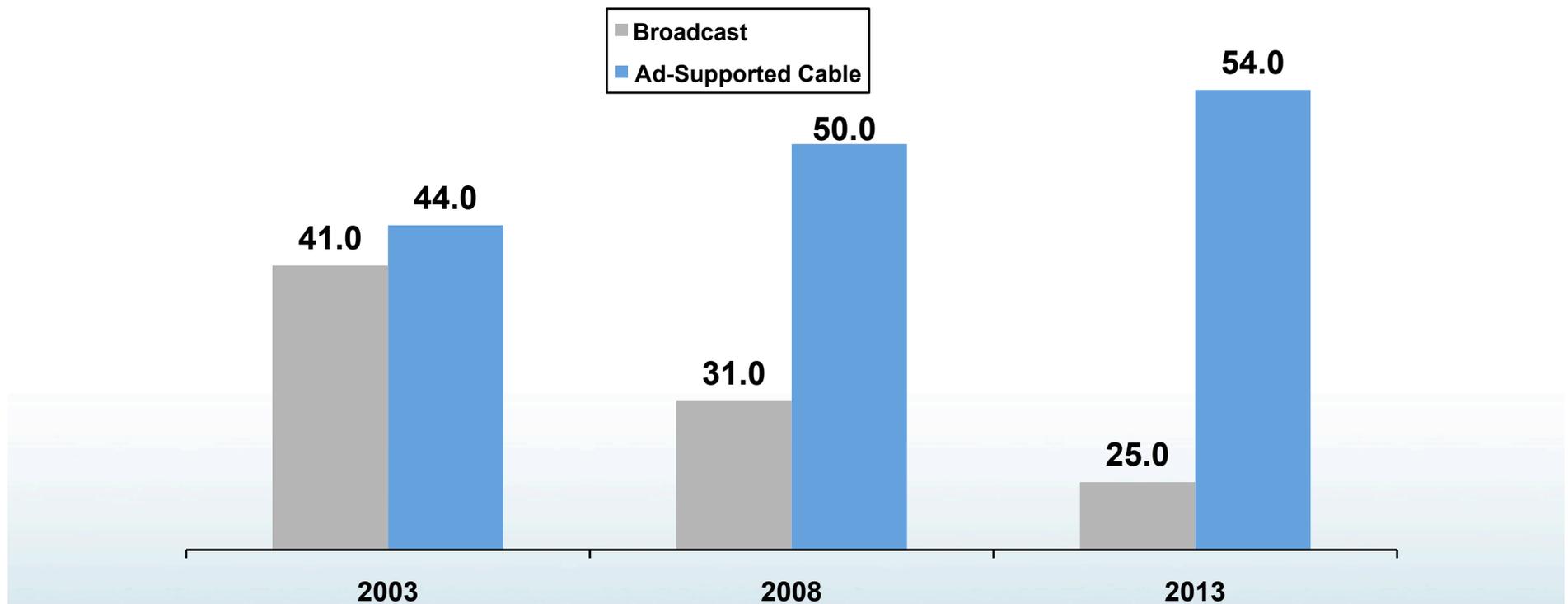
56%

Once a week or more

Amidst the Explosion of Video Content and Devices, Why is TV Stronger than Ever?

Cable is Single Handily Driving Television's Growth... Cable's Share Reaches Record Highs, Broadcast Record Lows

A25-54 Total Day Share: First Half 2013



Source: CAB Analysis of Nielsen timeperiod level data; LIVE+SD. Share of impressions by source. Jan-June 13 v yag



Cable Viewership Grew or was Flat 6 out of 7 Days of the Week; Broadcast was Down Every Day

A25-54 Total Day % Ratings Change By Day
First Half 2013 v. YAG

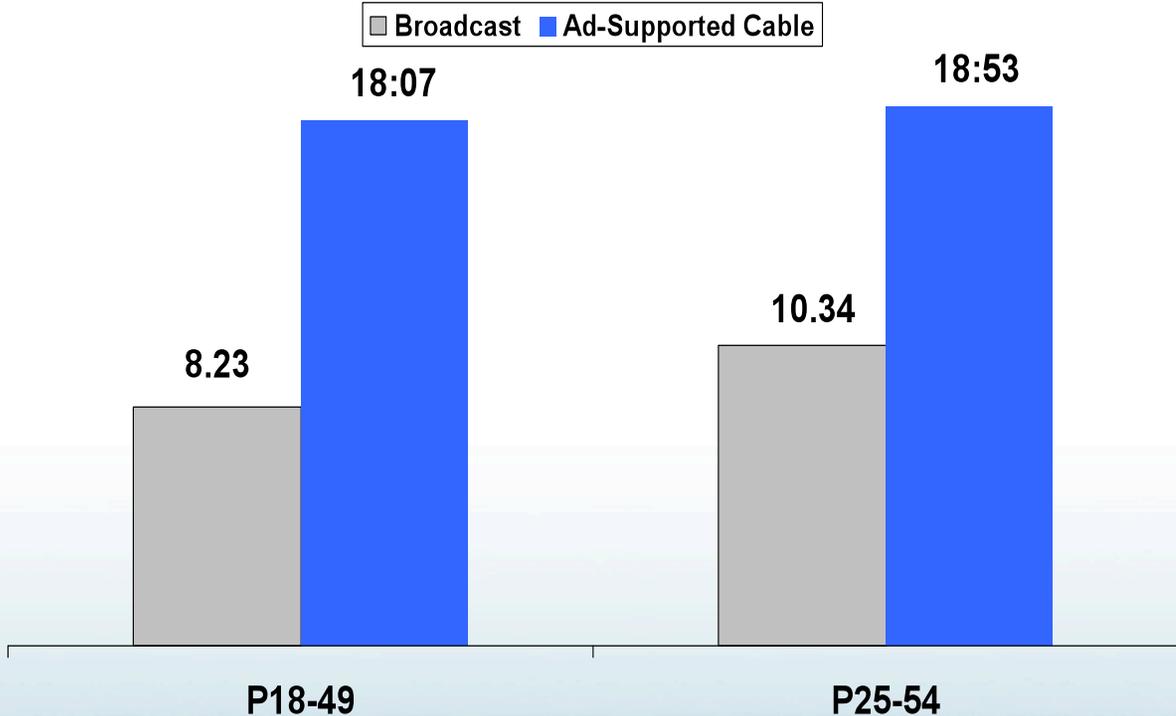
	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Ad-Supported Cable	+1%	0%	+2%	+2%	+1%	0%	-1%
Broadcast	-7%	-12%	-9%	-13%	-9%	-4%	-5%

Source: CAB Analysis of Nielsen Live+SD change; Jan-June 2013 v. 2012



Viewers Spend Double the Time with Cable Than Broadcast

Time Spent Per Week (Hrs:Min)
Total Day: First Half 2013

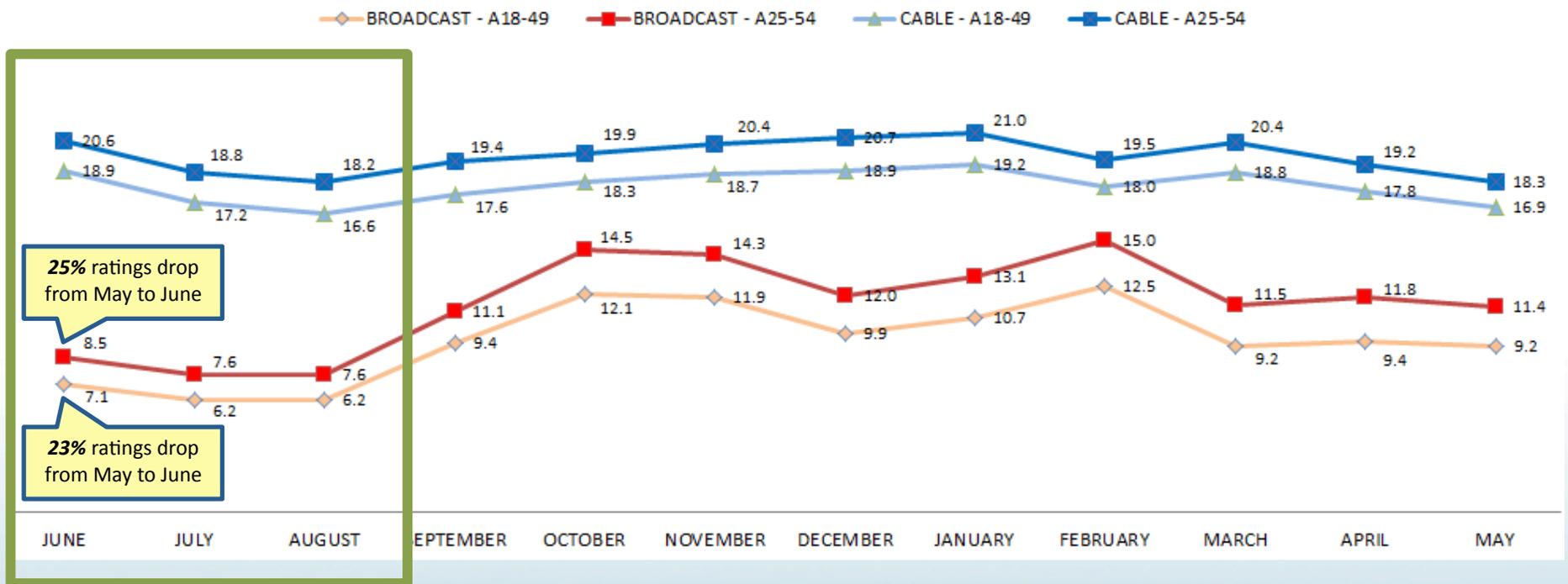


Source: CAB Analysis of Nielsen NPower Live+SD; English Bdcst 6; Jan-June 2013



Cable Ratings Remain Steady Throughout the Year While Broadcast Experiences a Significant Dip in the Summer

June '12 - May '13 Primetime A18-49 & A25-54 Monthly Ratings
C3 AA%



Source: Nielsen Npower; June '12 - May '13; excludes the Olympics

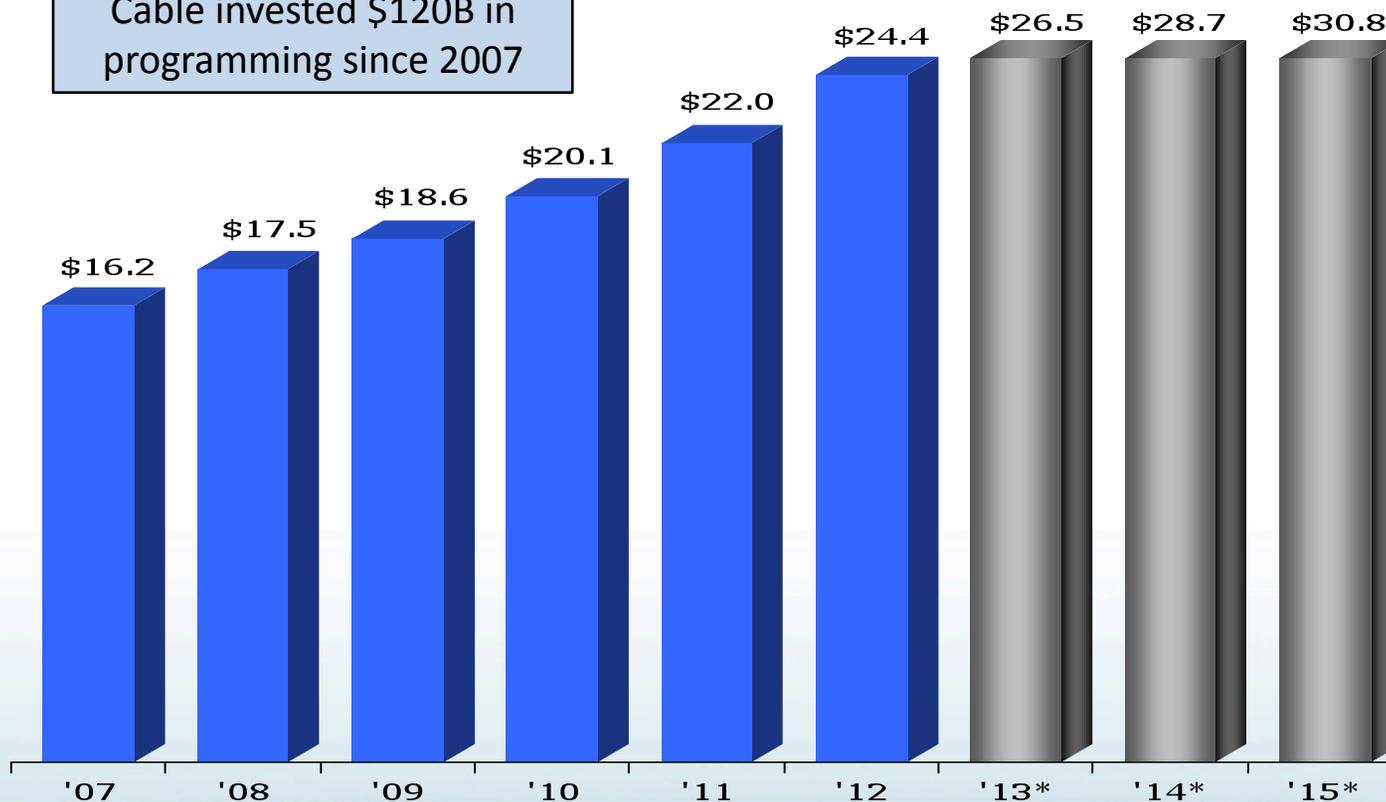


Why is Ad-Supported Cable Thriving?

Cable's \$120B Investment in Original Programming

Cable Network Programming Expenses (In Billions)

Cable invested \$120B in programming since 2007



Source: SNL Kagan 2012, *projections

So What Does *\$120 Billion* Buy
These Days?

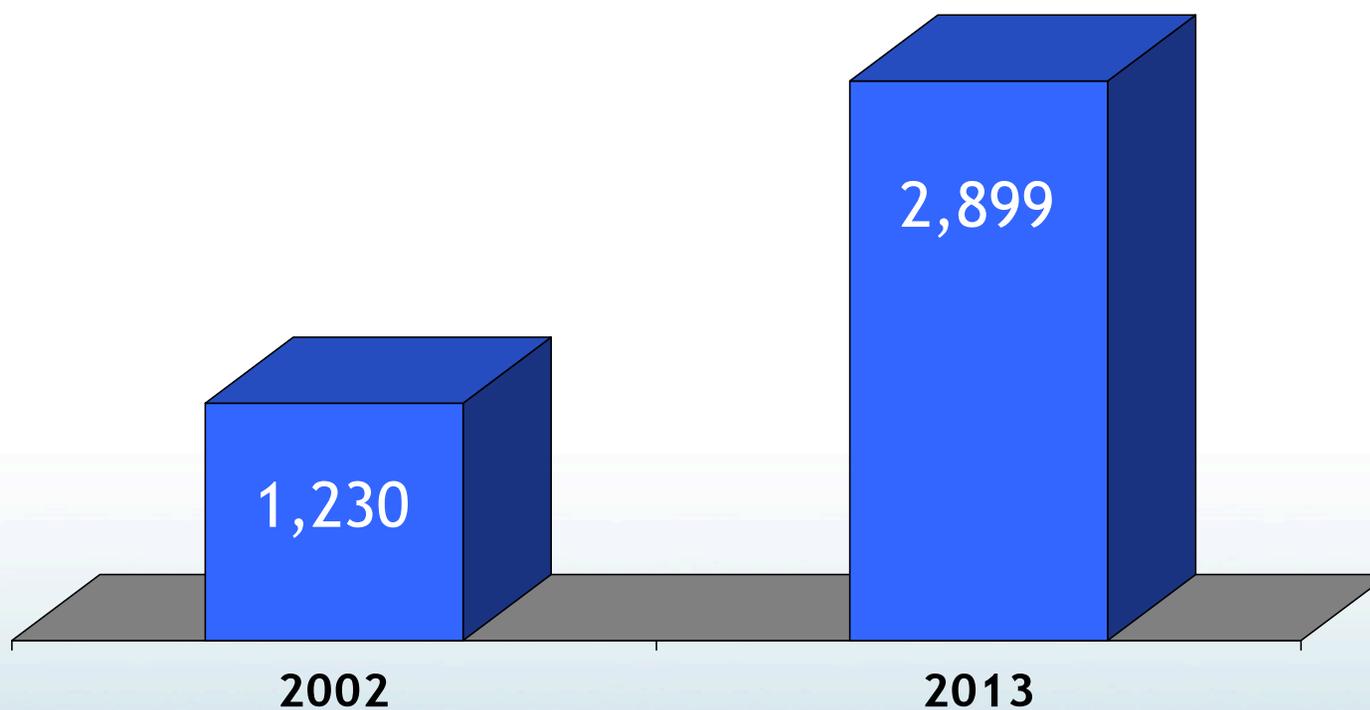
Original Programming That Has *Dominated* US Video



Cable Originals Have More Than Doubled Over the Past Decade

Ad-Supported Cable's Original Programs

June '02 vs. '13: Total Day



Source: NPower. All original programming. Analyzed on programs, not telecasts. Total Day

Two Out of Three Cable Shows are Original Programs

Ad-Supported Cable's # of Programs
June '13 : Total Day

	<u># of Programs</u>	<u>% of Total</u>
Original Programs:	2,899	68%
Acquired Programs:	1,357	32%
Total:	4,256	100%

Source: NPower. Analyzed on programs, not telecasts.



Investment in Content Extends Across Genres

Ad-Supported Cable's Original Programs: Total Day

(June 2013)

Genre	# Originals / June '02	# Originals / June '13
Dramas	22	185
Children's	67	215
Comedy	24	137
General Documentary	66	777
Instruction/ Advice	148	396
Sports	285	497
All Other	618	692
Grand Total	1,230	2,899

Source: NPower. Analyzed on programs, not telecasts.



This Investment is Compelling, Original
Content is Driving Viewers Across
Screens...

Cable's Growing Across All Screens / Platforms



A25-54 C3 Rating
'11/'12 vs. '12/'13

+2%



Unique Viewers
July '12 vs. July '13

+11%



**Avg. Mobile
Audience Increase**
July '12 vs. July '13

+22%



**Cable's % of Social TV
Activity Top 20 Shows**
July '13

73%

Source: Nielsen Npower full official season; comScore Media Trend report; comScore Multi-platform report; Trendrr Primetime

Cable Network + System Websites Reach 89% of all Internet Users in a Given Month

	<u>Uniques</u>	<u>% Reach</u>
Cable Network Brands	188MM	84%
Cable System Sites	48MM	21%
Cable Network & Systems De-Duplicated	201MM	89%
Total Internet	225MM	100%

Cable Brands Reach Trumps Portals / Facebook

	<u>Uniques</u>	<u>% Reach</u>
Cable Network & Systems De-Duplicated	201MM	89%
Cable Network Brands	188MM	84%
Yahoo Sites	196MM	87%
Google/YouTube Sites	192MM	85%
Microsoft Sites	180MM	80%
Facebook.com	139MM	62%
AOL, Inc.	117MM	52%

The Popularity of Cable Content is Growing on the Internet While Big Portals and Facebook in Decline

Ad-Supported Cable Nets



Ad-Supported Cable Nets + Systems



4-Portal Average: (AOL, Google, msn, Yahoo!)



Facebook



Source: comScore; Media Trend Report; July 2012 vs. July 2013; Represents average % change over all ad-supported Cable nets; Duplicated



Branded Cable Content is the Most Sought After on the Internet...Across the Gamut of Content Genres

Sports

- ✓ **NBC Sports Network**
Yahoo! Sports
- ✓ **ESPN**
FOX Sports on MSN
- ✓ **Turner Sports**

Comedy

- ✓ **Adult Swim**
Break.com
- ✓ **Comedy Central**
Cracked.com
Cheezburger

TV Entertainment - Black

- ✓ **NBCU TV**
Yahoo!
- ✓ **BET**
- ✓ **GSN**
CBS

General News

- ABC News
Yahoo!
- ✓ **CNN**
Huffington Post
NBC News

Music

- ✓ **MTV Networks**
VEVO
YouTube
Warner Music
ToneMedia

Home

- eHow Home & Garden
Houzz.com
- ✓ **HGTV**
iVillage Home & Garden
About.com Home

Weather

- Yahoo! Weather
- ✓ **The Weather Channel**
Weatherbug.com
Accuweather.com
Weather Underground

TV Entertainment

- ✓ **NBCU TV**
Yahoo!
MSN
- ✓ **Discovery Networks**
- ✓ **A+E Networks**

Food

- Allrecipes
- ✓ **Food Network**
BlogHer Food
Food.com
About.com Food

Kids

- ✓ **Disney Entertainment**
- ✓ **Nickelodeon Kids & Teens**
- ✓ **Disney Channel TV**
- ✓ **Cartoon Network**
Miniclip

Source: CAB analysis of comScore data, August 2013

...And Consistently Ranks in the Top 5 Among Mobile Apps on the iPad



From Over 500,000 Apps:

Sports

- ✓ **ESPN Fantasy Football**
- CBS Sports
- Yahoo! Fantasy Football
- CBS Sports Fantasy Football
- ✓ **MLB.com at Bat**

Music

- ✓ **MTV News**
- TuneIn Radio
- Pandora
- Spotify
- Vevo

TV Entertain.

- Netflix
- Amazon Instant Video
- CBS
- Hulu +
- ✓ **Xfinity TV Player**

News

- Today Show
- NY Times
- ✓ **CNN**
- WSJ
- Time Magazine

Comedy

- Vudu
- ✓ **TBS**
- Anime Network
- Blip TV
- HBO Go

Weather

- ✓ **Weather Channel**
- MyRadar
- Weatherbug
- Weather+
- NOAA Weather Radar

Finance

- ✓ **CNN Money and Business**
- Wall Street Journal
- WSJ Live
- ✓ **Bloomberg TV+**
- ✓ **CNN**

Entertain. TV News

- OTRC: On the Red Carpet
- Entertainment Weekly
- ✓ **E! Live from the Red Carpet**
- ✓ **BBC News**
- Viki

Children

- Netflix
- ✓ **Nick**
- Barbie Makeover
- ✓ **Disney's Princess Palace**
- Beemo

Business

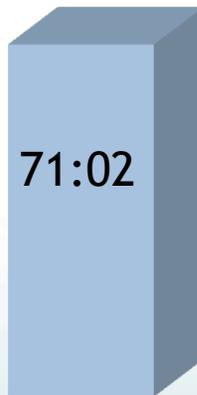
- ✓ **CNN Money and Business**
- ✓ **BBC News**
- ✓ **Bloomberg Businessweek +**
- ✓ **FOX Business Networks**
- ✓ **CNBC Real-Time**

Source: Apple app store 08/14/13; Most popular iPad apps by category search term (excluding gaming apps)

Cable Networks: TV + Online = 85+ Hrs a Month

Monthly Time Spent (July 2013)
(Hrs: Mins)

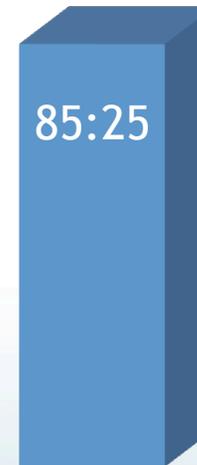
Ad-Supported
Cable Television
(Hrs: Mins)



Cable Network
Websites
(Hrs: Mins)



Total
(Hrs: Mins)



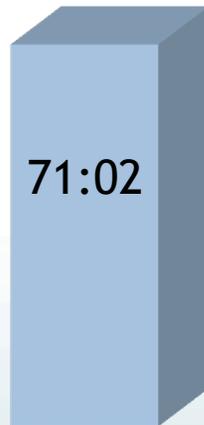
Source: Nielsen Npower Live+7 July 2013 P2+, CAB analysis of comScore duplicated July 2013 data, Cable Television represents all measured Ad-Supported Cable nets; Cable network websites represents 61 cable network websites



Cable Brands (Nets + Systems): TV + Online = 95 Hours

Monthly Time Spent (July 2013) (Hrs: Mins)

Ad-Supported
Cable Television
(Hrs: Mins)



Cable Network & System
Operator Websites
(Hrs: Mins)



Total
(Hrs: Mins)



Source: Nielsen Npower Live+7 July 2013 P2+, CAB analysis of comScore duplicated July 2013 data.

Consumers Spend More Time with Cable Than 4 Portals, Facebook and Broadcast Combined

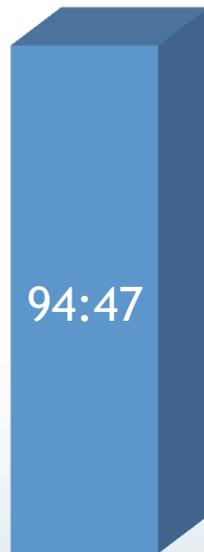
Monthly Time Spent (July 2013)

(Average mins per visitor, Hrs: Mins)

Cable: Television +
Network & System Sites
(Hrs: Mins)

4 Portals + FB
(Hrs: Mins)

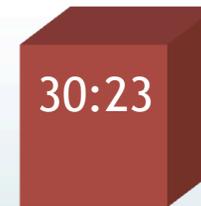
Broadcast: Television +
Web
(Hrs: Mins)



94:47



23:04



30:23

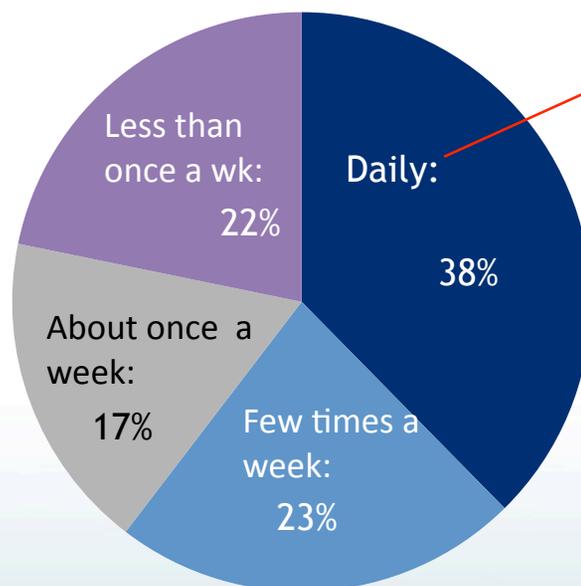
Source: Nielsen Npower Live+7 July 2013 P2+, CAB analysis of comScore duplicated July 2013 data.

The Consumer's Passion for Cable Content is Also Evident by Their Eagerness to Discuss and Debate TV Programs in Social Media

Viewers “Chat” About TV Programs Frequently... 6 out of 10 Discuss a Few Times a Week or More

How Often Do you Chat / Post / Tweet About a Show While Watching TV?

(A18-49)



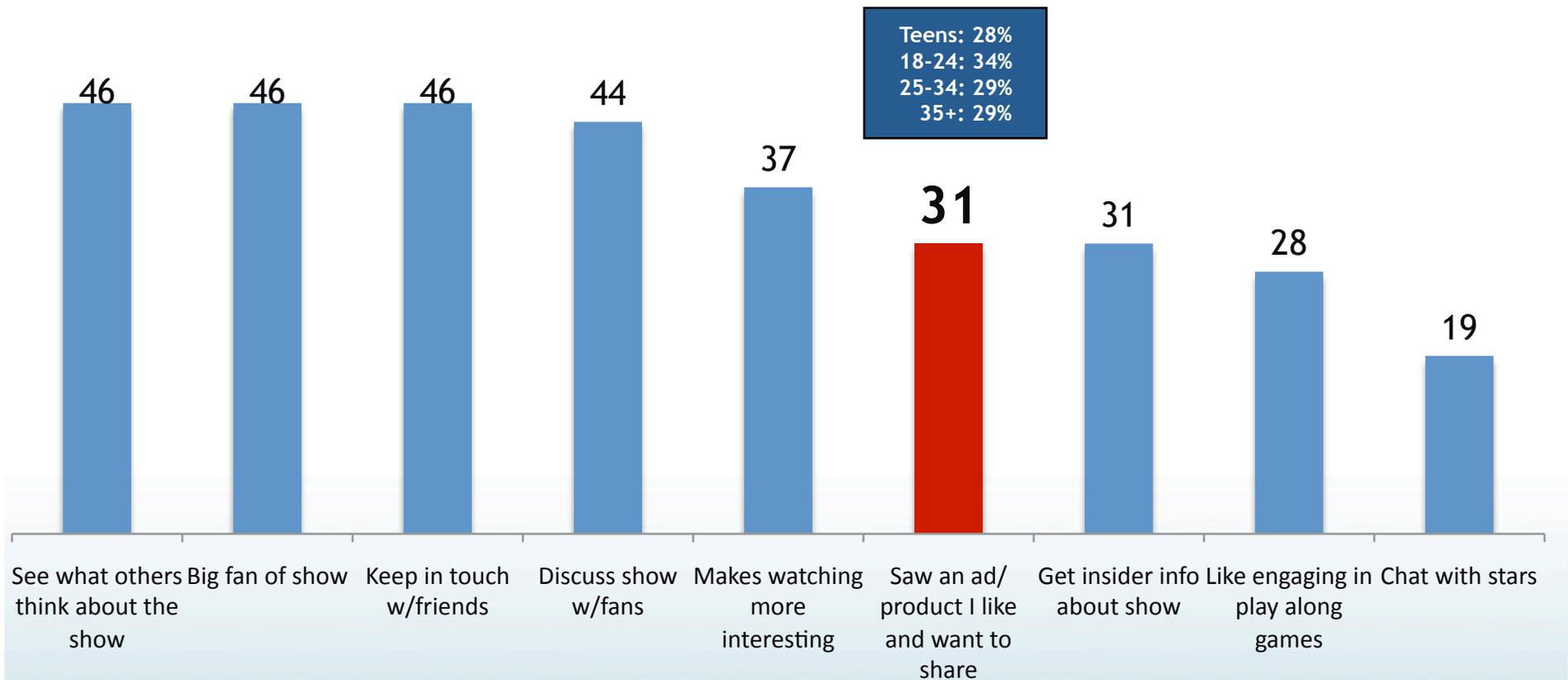
Teens & Young Adults are even higher daily users:

- 40% of Teens
- 41% of 18-24
- 39% of 25-34
- 27% of 35+

61% chat / post / tweet a few times a week or more

Socially Active Viewers Endorse Products... Over 30% Comment on an Ad

Why Do You Post / Tweet / Chat During a TV Show? (%)
A18-49



CAB 2013 Custom Study; Video Nation: Anytime, Anywhere, Anyplace BASE: Respondents who engage in social TV
610 Previously you indicated you do the above. Why do you do these activities? Select all that apply.

Cable Consistently Attracts the Most Socially Active, Passionate Audience

In first half 2013, ***6 out of 10*** Social TV conversations were about Ad-Supported Cable programs

	<u>Social Buzz Activity (000)</u>	<u>% of Total</u>
Ad-Supported Cable:	165,810	62%
Broadcast:	96,017	36%
Pay:	7,053	3%

Source: Trendrr; Jan-June 2013, Top 20 Programs ranked by social activity, Specials and Spanish programming excluded



More First Half 2013 Social TV Stats...

#1

Ad-Supported Cable programs ranked #1 16 out of 26 weeks

60

percent of the top 10 most buzzed about Primetime programs were on Ad-Supported Cable

10

Different Cable networks ranked among the top 20 programs

11

of the top 20 most buzzed about Primetime programs were on Ad-Supported Cable



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