Three Screens
How Are People Consuming Media?

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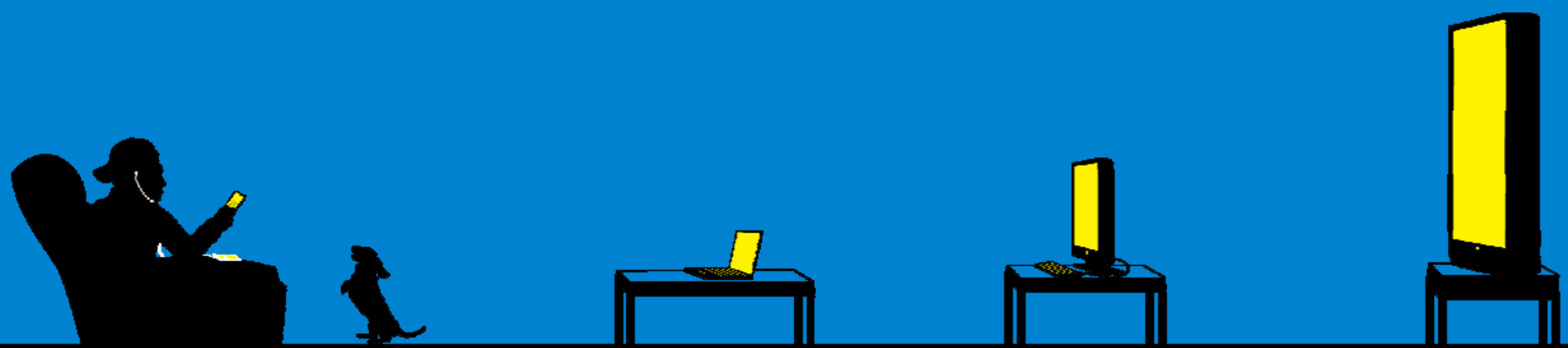
SVP Strategy & Digital Platforms

Q3 2009



A2/M2™ Three Screen

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Consumers look to the "best screen available" to consume media

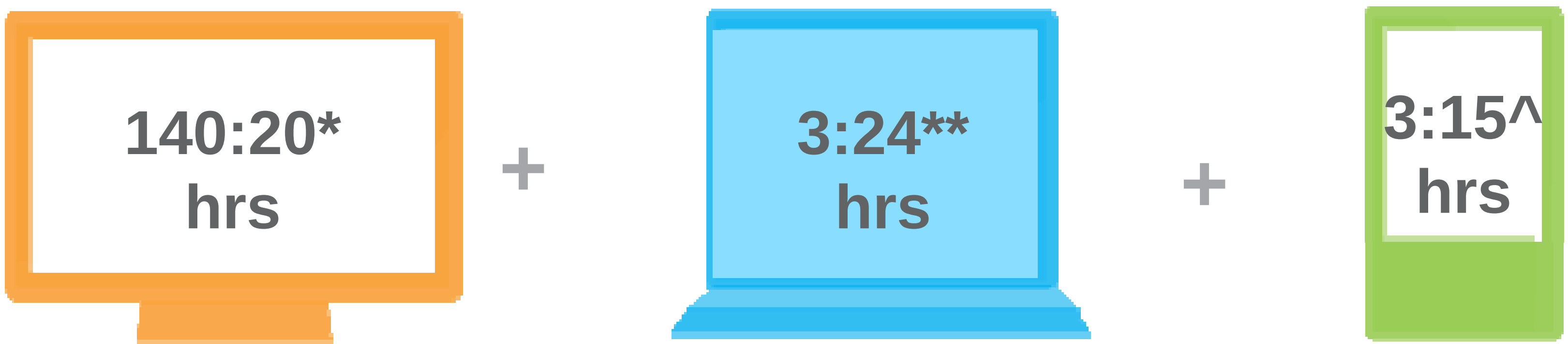
- Live TV leads in share of usage across all demos
- **DVR** usage is **up 23%** over Q3 2008

- **Online video** consumption is increasing–**up 35%** from last year
- 42% of video consumed is at the workplace

- The number of **mobile video viewers is growing**
- The rise of smartphones is driving an increase in mobile video consumption

- Heavy internet users are heavy TV viewers—and visa versa
- Communicating across multiple platforms enhances impact

Viewers use the “Best Screen Available”



Monthly Time Spent Viewing Video in Hours: Minutes Per User 2+, Q3 2009

1. Usage is independent of time
2. Usage is independent of location
3. Still About Good Storytelling
4. Increasingly About A La Carte

… A La Platform Availability

Source: The Nielsen Company Q3 2009; * TV in the home includes live viewing plus playback within 7 days. ** Internet includes home and work who used internet to watch online video. ^ Mobile video audience consist of 13 or older mobile phone users who access video through any means.

While New Technology Offers More Options

Consumer Devices

- Always On
- Always Connected
- Network Ambivalence
- GPS Location Awareness
- Touch Sensitive/Input Friendly
- Visualizing/messaging
- Increasing Direct To Consumer Content

Consumers Create New Patterns

- Consumers generated
  - Playlists
  - TV Favorites
  - DVR customized programming
  - Text, wallpapers, short video clips
  - Social networks and online communities
  - Gaming
- Reaching the consumer in mass media has morphed in part to consumers discovering, creating, sharing media
  - Over the top

Appetite For Media Seems Insatiable

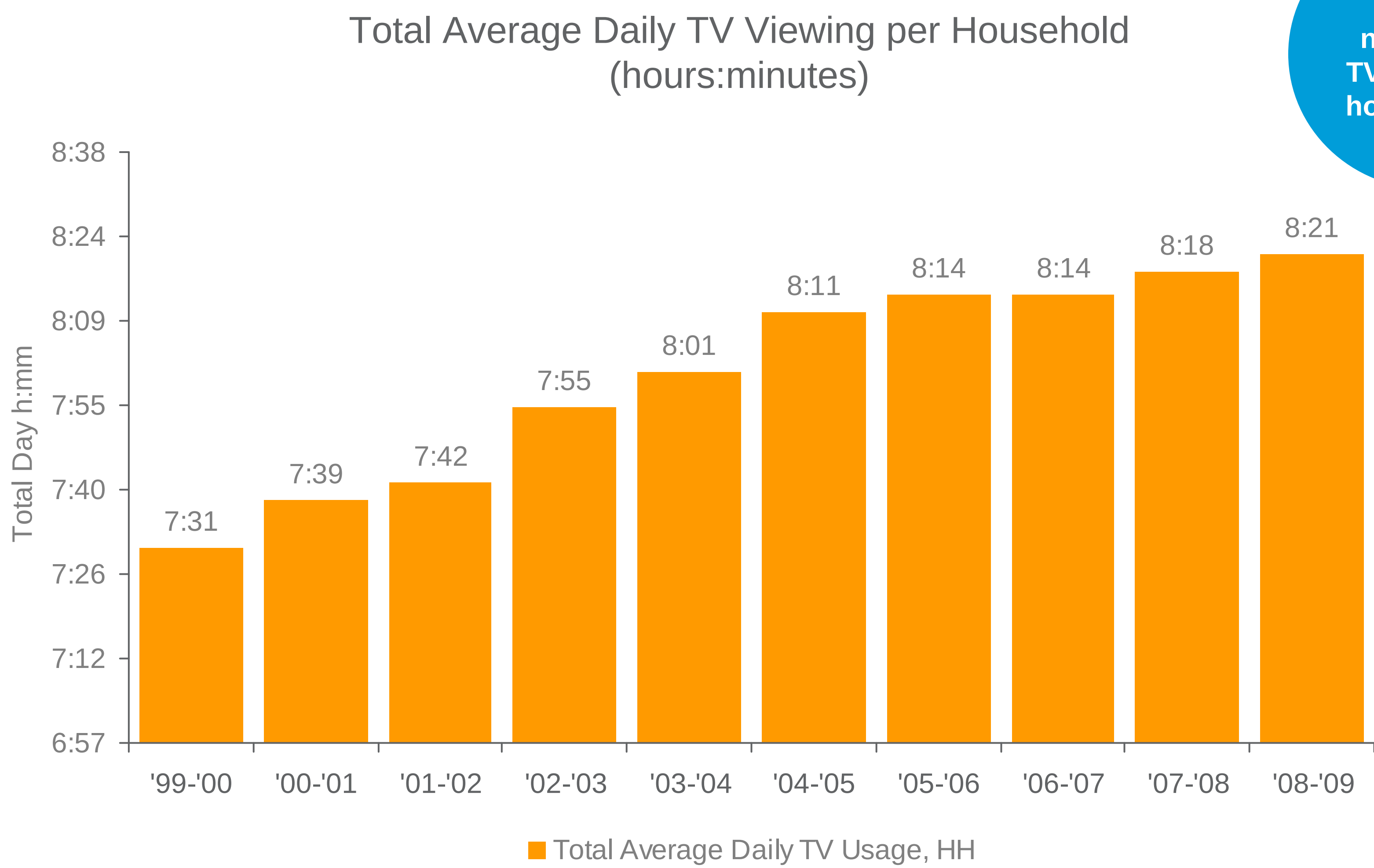
Monthly Time Spent in Hours: Minutes Per User 2+

	Q3 2009	Q3 2008	% Diff	Absolute Diff
Watching TV in the home*	140:20	140:48	-0.3%	:28
Watching Timeshifted TV*	7:54	6:27	+22.5%	1:27
Using the Internet**	27:32	27:18	+0.9%	:14
Watching Video on Internet**	3:24	2:31	+34.9%	:53
Mobile Subscribers Watching Video on a Mobile Phone^	3:15	3:37	-10.0%	:22

Source: The Nielsen Company Q3 2009; * TV in the home includes live viewing plus playback within 7 days. ** Internet includes home and work who used internet to watch online video. ^ Mobile video audience consist of 13 or older mobile phone users who access video through any means.

TV continues to be an important part of our lives

Fact: Average number of TVs per U.S. household = 2.8



Source: Nielsen National People Meter (08-09=September 2008 to September 2009); The Nielsen Television Panel

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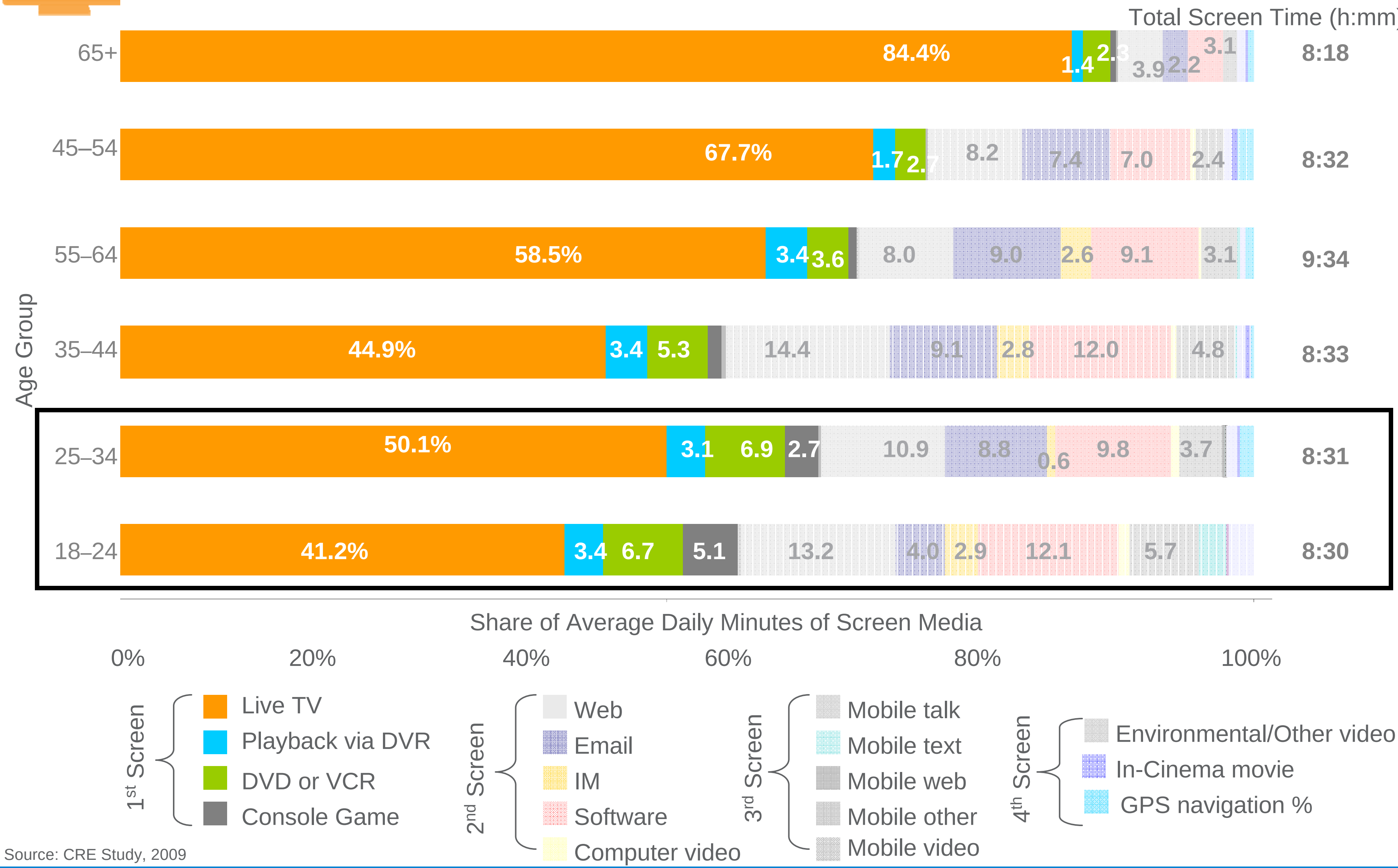
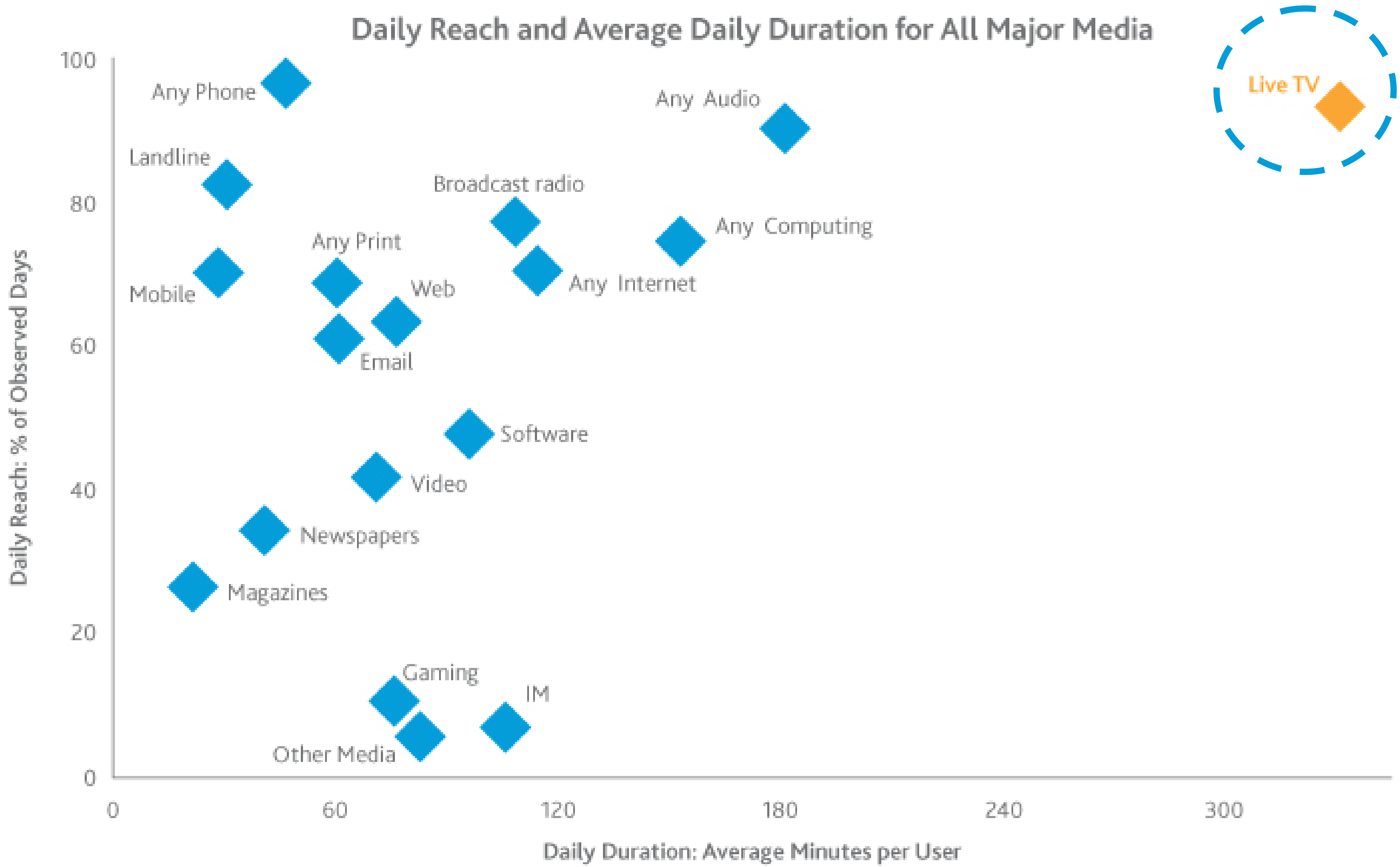
Younger demos' screen usage is more dispersed



Source: CRE Study, 2009

Live TV far outpaces all other media in terms of average minutes and reach



Source: CRE Study, 2009

DVR usage is up but only represents 6% of total TV viewing

DVR Usage

35% of HH have DVRs, up 6% over prior year

DVR owners watch about 47% of all commercials recorded

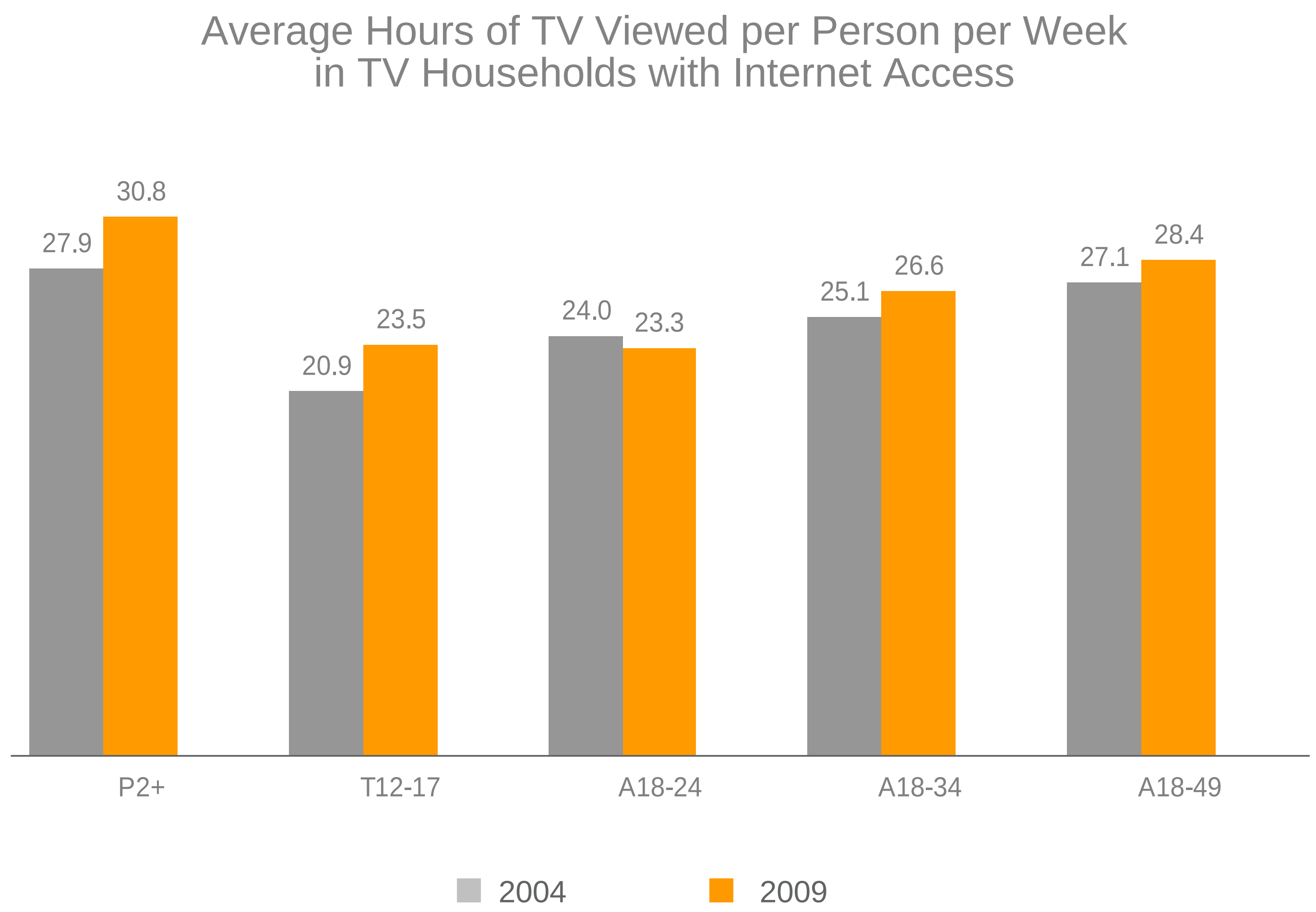
Almost 86 million people used their DVR for at least one minute, up 26% from the prior year

DVR playback makes up 6% of total TV viewing

DVR playback is up slightly at more than 22 hours per month, representing 20% of the total TV viewing time *for those with DVRs*

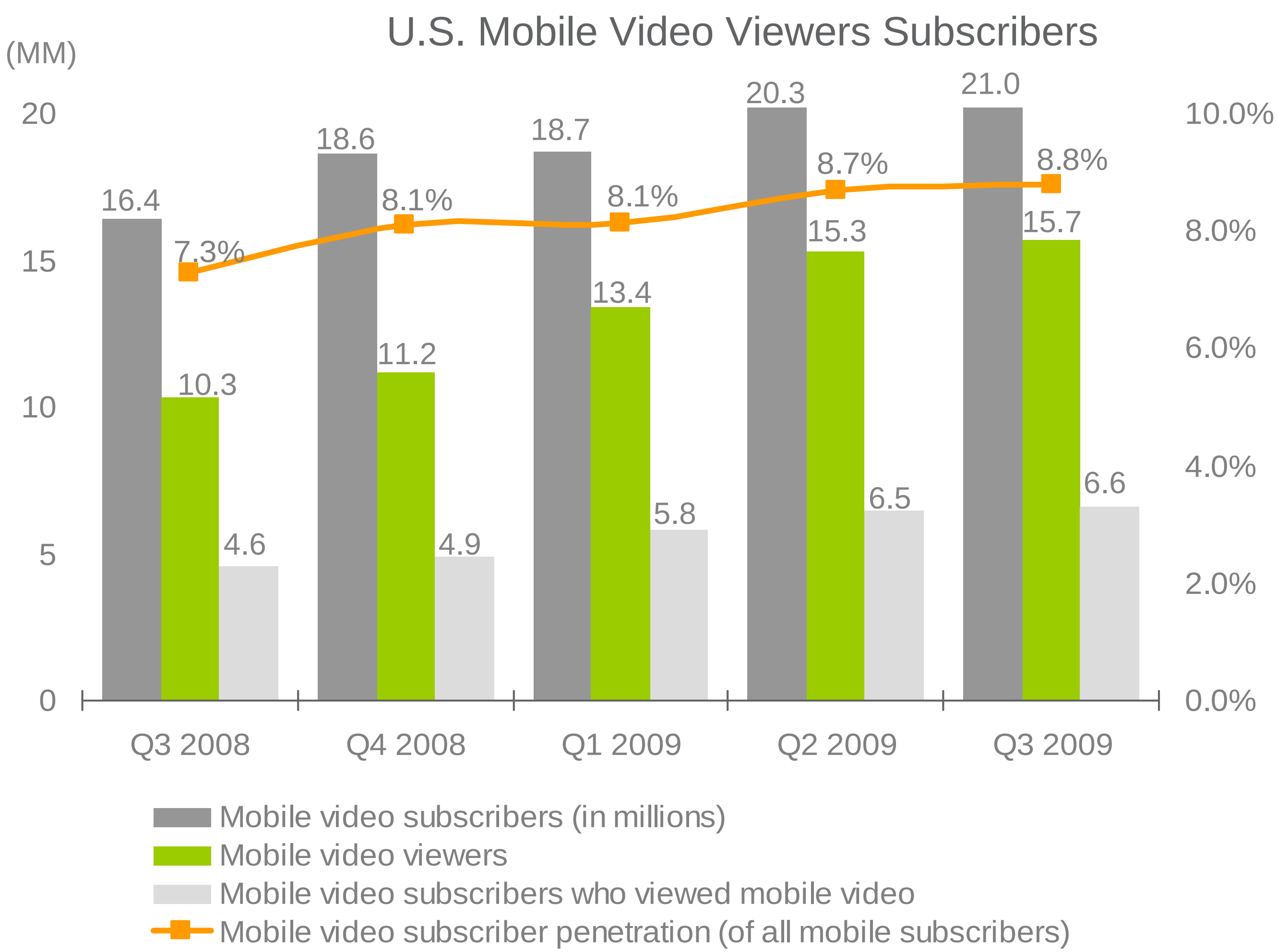
Source: The Nielsen Company, Q3 2009

People with internet access watch more TV than they did 5 years ago—especially kids under age 17



Source: The Nielsen Company, 2004 and 2009 (2009 data based on Q3)

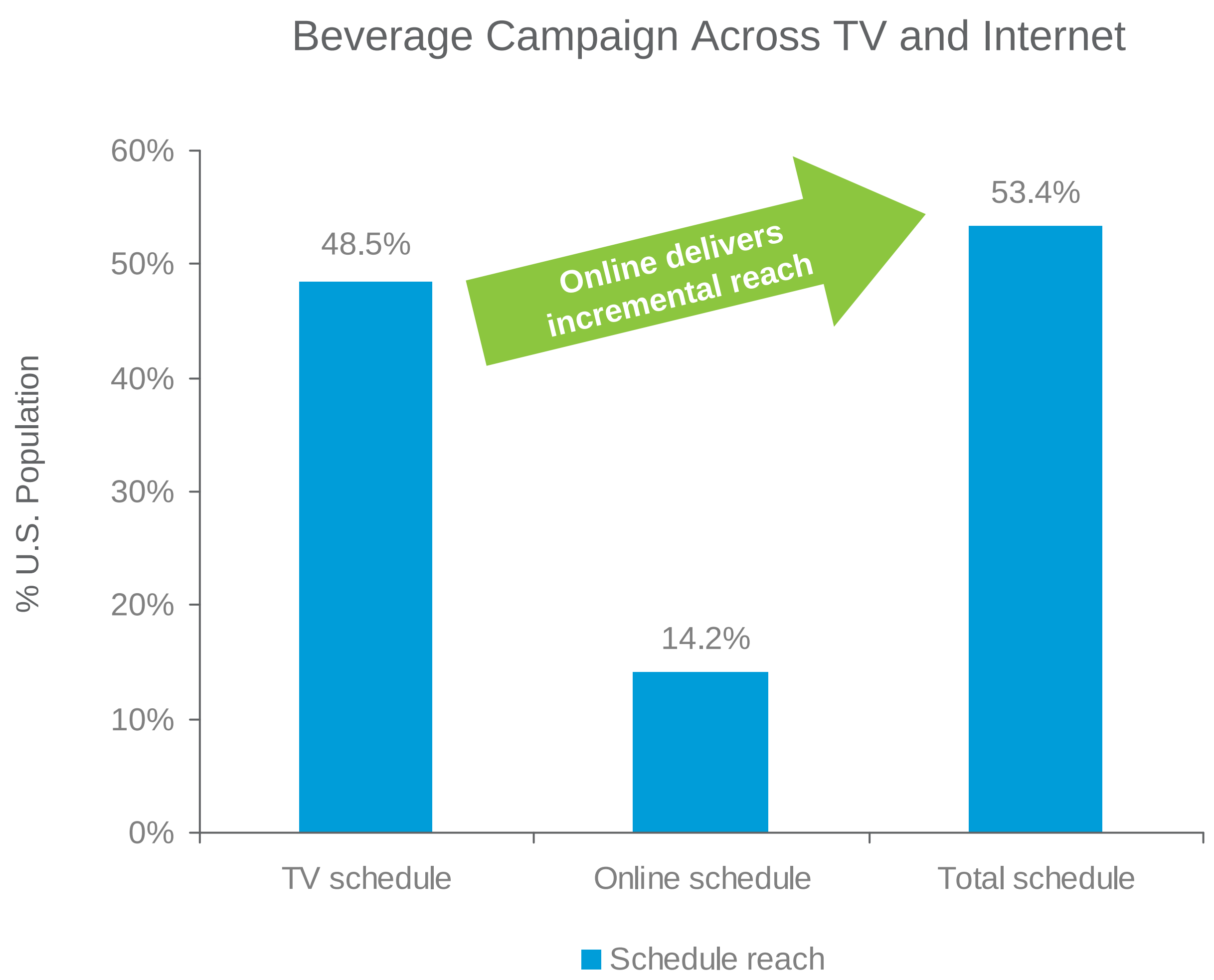
The number of consumers viewing mobile video continues to climb



15.7M U.S. consumers view mobile video

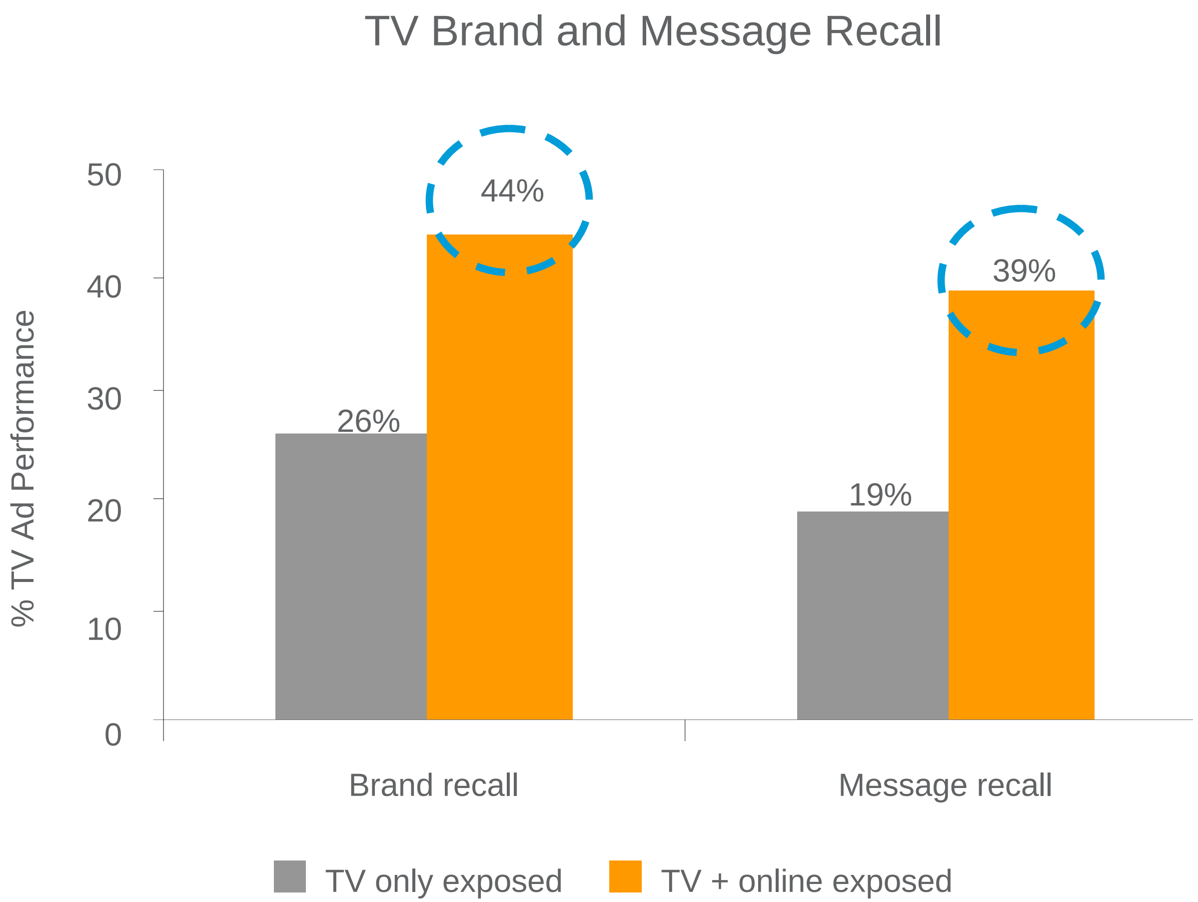
Source: Nielsen Mobile Media Executive Overview, U.S., Q3 2009

Reach increases when exposed to the same message on multiple platforms



Source: Nielsen TV/Internet Custom Data Fusion January 2009

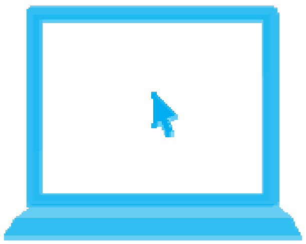
Advertising on TV and via online video provides higher impact than advertising on TV alone



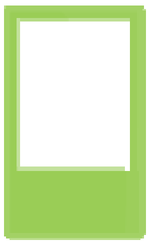
Source: Nielsen IAG, A18-49, Online Full Episode Video Measurement 2008-09 TV + Online Video exposure group include those viewers who were also exposed to same brand/product ad in online full-episode video in 7-day period prior to TV ad exposure; Food and Beverages category

Cross-platform media consumption is not a zero sum game

- Rich content
- Best viewing environment



- User control
- Interactivity



- Portability

- Each platform offers unique benefits, strengths, advantages
- As a result, user consumption on these platforms is not mutually exclusive
- A combination of all platforms enhances performance and helps achieve better desired results

Thank you!