STATE OF THE MEDIA

THE CROSS-PLATFORM REPORT

QUARTER 3, 2012 — US (REVISED 10.7.2013)

nielsen

APPOINTMENT VIEWING OR CATCH UP?

Extending the hours in your day

As an industry, we observe continuing changes in consumer media consumption and device ownership, leaving us with the question- "just how many hours are in a day"? With time and place-based shifted viewing, we have the power to bend time and space to our will. Yet, if we can truly manipulate screen-time, how exactly are we doing it? Mobile devices, including smartphones and tablets, create portability that allows contact with content and entertainment at home or on-the-go while digital video recorders (DVRs) and expanded Video On Demand offerings allow us to meet the needs of our busy lives.

This brave new world requires us to agree on clear definitions. For example, how do we define appointment viewing in this new age of video consumption? Traditionally, appointment viewing by definition required viewing to occur at a specific time and place. Live sports are among the best examples of this type of viewing. But what if this definition has evolved in front of us? What if appointment viewing now means both watching when you want and time-shifting when you want?

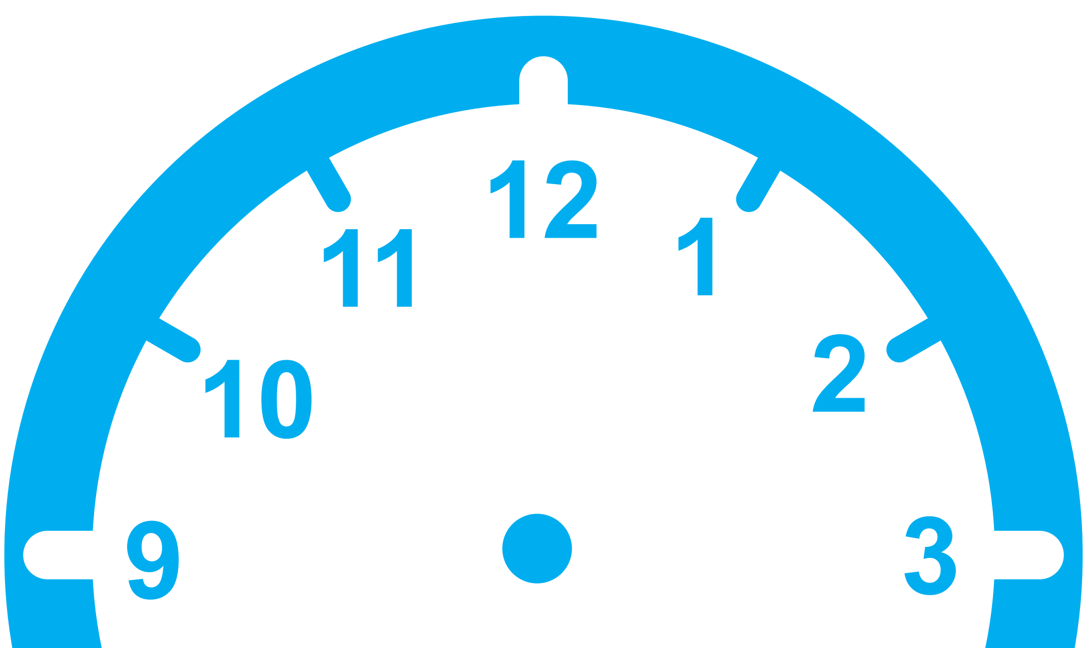
For years, the notion of marathon or "binge" viewing and the amount and value of viewing behavior beyond the 7-day period has been widely debated. While currently the vast majority of commercial deals are transacted on a commercial+3 days of viewing basis, additional viewing of both the program and the commercial occurs between 3-7 days. We have until now operated using educated and calculated assumptions around how much viewing actually happens beyond 7 days.

Today, through a pilot study, Nielsen is measuring the viewing of programs beyond 7 days and up to 29 days for the first time. At the household level, Nielsen is offering new insight into exactly how viewing is consumed in the once elusive beyond 7-day period through collection and reporting from the National People Meter Panel.

These data have provided valuable insights into the consumer's viewing behavior highlighting that while the vast majority of shows are in fact viewed within the first 7 days, a handful get a sizeable audience in days 8-29. Respectively, among the top 10 shows in broadcast and cable to report viewing beyond 7 days, just over five percent of viewing is happening in this beyond 7-day environment with less than one percent for syndication. In fact, some of the top shows are adding up to an entire rating point in this expanded period.

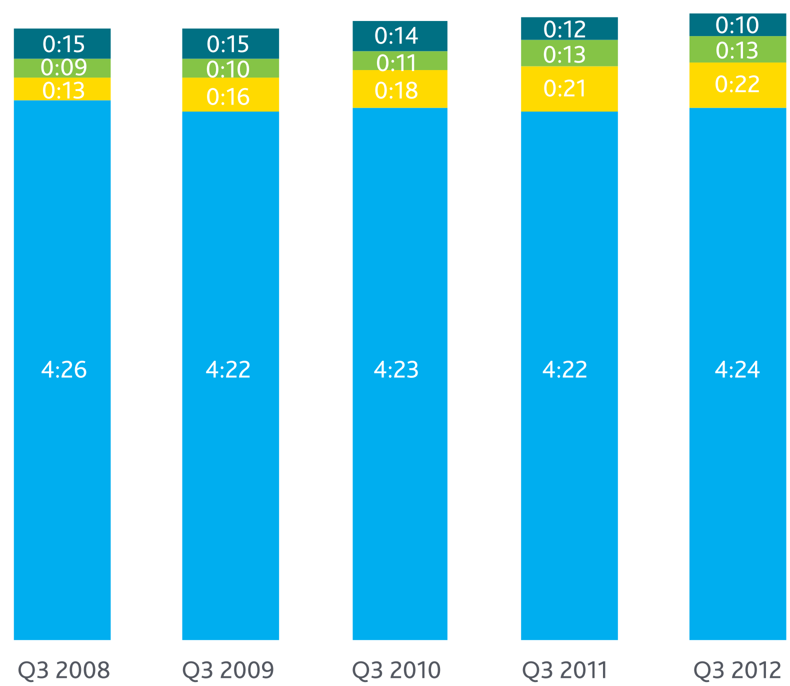
Examining new elements of viewing furthers our understanding of the consumer's interaction with content across screens, time and places. An evolution in both available content and how we get it has had a multiplier effect on the time we have in our day. Each piece of the puzzle confirms that the consumer's thirst for content, entertainment and information continues to grow.

Dounia Turrill
Cross Platform Practice Lead



SCREENS BY THE NUMBERS

In Q3 2012, Americans continued to spend more than 34 hours per week in front of a TV set. In fact, they watched an average of an hour and 18 minutes more television this quarter than the prior quarter. With some quarters showing declines and others increases, we turn every stone to understand the consumer's behavior with content. Third quarter 2012, led by Olympic coverage, showed that Americans will make the time to watch whether by appointment, or to catch up.



Average time spent per person per day (hh:mm)

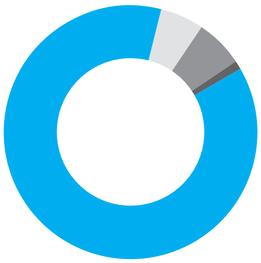
LIVE TV | DVR PLAYBACK | VIDEO GAMES | DVD PLAYBACK

Footnote: based on P2+ in US TV HH

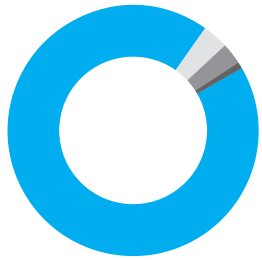
A LOOK AT LIVE & TIME-SHIFTED VIEWING

DISTRIBUTION OF RATINGS

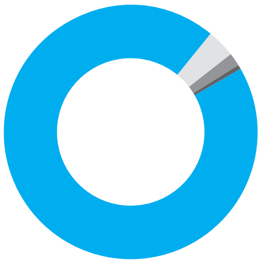
Total Day



Broadcast
- 87.2% Live
- 5.5% Same-day
- 6.1% 7-day
- 1.1% Beyond-7



Cable
- 93.3% Live
- 3.4% Same-day
- 2.8% 7-day
- 0.6% Beyond-7

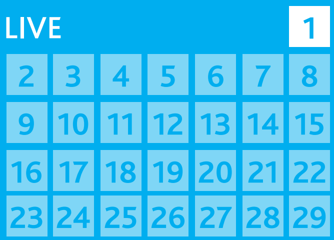


Syndication
- 94.4% Live
- 3.4% Same-day
- 1.9% 7-day
- 0.3% Beyond-7

DISTRIBUTION OF RATINGS

Top 10 Beyond-7 Time Shifted Programs

LIVE



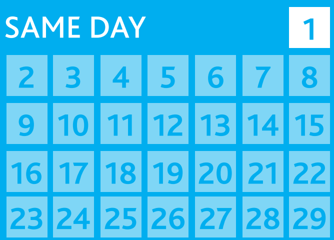
63.9% BROADCAST

74.1% CABLE

91.3% SYNDICATION

Among the top 10 Beyond-7 time shifted broadcast programs **63.9%** of the audience watched live, **95.3%** had watched within the first 7 days and the remaining **4.7%** of the total audience watched between 7-29 days.

SAME DAY

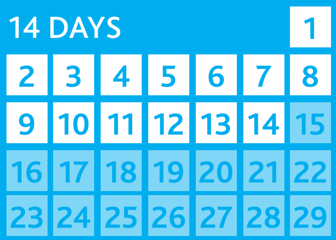


74.0% BROADCAST

80.8% CABLE

95.5% SYNDICATION

14 DAYS

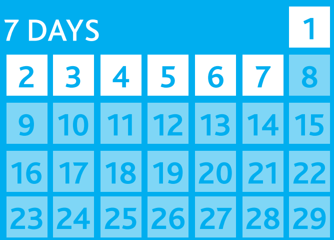


98.2% BROADCAST

96.3% CABLE

99.8% SYNDICATION

7 DAYS

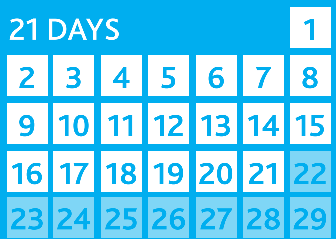


95.3% BROADCAST

93.9% CABLE

99.3% SYNDICATION

21 DAYS



99.4% BROADCAST

98.5% CABLE

99.9% SYNDICATION

WHAT ARE WE WATCHING?

Beyond 7-Days

PRIMETIME

Primetime represents the daypart which contributes the largest post-live playback and the largest percentage of post 7-day to 29-day playback (**2% BROADCAST, 1% CABLE**).

TOP GENRES ACROSS BEYOND-7 VIEWING

Rank	*Primetime*	*Total Day*
1	Science Fiction	Participation Variety
2	General Drama	General Drama
3	Participation Variety	Science Fiction
4	Situation Comedy	Daytime Drama
5	General Variety	Evening Animation

TOP 20 PROGRAMS ACROSS BEYOND-7 VIEWING

Total Day

BROADCAST

Primetime Dramas and Sitcoms dominate Beyond-7 day program viewing while sports dominates live viewing

CABLE

Child oriented programs account for over half of the top 20 programs in beyond-7 day viewing

SYNDICATION

Over half of the program genres were dramas and sitcoms followed by talk shows

Source: Nielsen custom data based on Household ratings and distribution of live and playback viewing up to 29 days.
Data for programs aired 9/17/12-10/28/12.

HOW PEOPLE WATCH

TABLE 1. A Week in the Life – Weekly Time Spent in Hours: Minutes – By Age Demographic for Entire US Population

	K 2-11	T 12-17	A 18-24	A 25-34	A 35-49	A 50-64	A 65+	P 2+	Hispanic 2+	African-American 2+
On Traditional TV°	25:06	22:33	21:59	27:15	32:06	40:39	45:48	32:15	27:53	45:05
Watching Timeshifted TV° (all TV homes)	2:03	1:39	1:33	3:01	3:09	3:01	1:59	2:30	1:43	2:04
Using a DVD/Blu Ray Device	1:57	1:10	1:08	1:26	1:09	0:51	0:31	1:09	1:08	1:27
Using a Game Console	2:33	3:40	2:43	2:08	0:51	0:13	0:04	1:27	1:38	1:41
Using the Internet on a Computer * +	0:30	1:11	5:57	6:50	6:48	5:54	3:21	4:43	3:13	4:29
Watching Video on Internet * ✧	0:10	0:19	1:21	1:12	0:51	0:35	0:16	0:40	0:41	0:49
Mobile Subscribers Watching Video on a Mobile Phone ^ ^^	N/A	^0:26	0:24	0:21	0:10	0:03	0:01	0:11	0:19	0:21

Source: Nielsen. Table 1 is uniquely based on the Total Population in the US—all 299 million Americans over age 2—whether or not they have the technology.

TABLE 2. Overall Usage – Number of Users 2+ (in 000's) – Monthly Reach

	Q3 12	Q2 12	Q3 11	% Diff Yr to Yr
On Traditional TV°	282,646	283,293	285,858	-1.1%
Watching Timeshifted TV° = (all TV homes)	150,248	145,805	140,251	7.1%
Using a DVD/Blu Ray Device	148,846	149,241	160,626	-7.3%
Using a Game Console	94,207	96,325	97,844	-3.7%
Using the Internet on a Computer * +	210,730	210,142	213,256	-1.2%
Watching Video on Internet * ✧	161,146	161,864	165,102	-2.4%
Using a Mobile Phone ^	237,261	236,509	232,455	2.1%
Mobile Subscribers Watching Video on a Mobile Phone ^	38,435	37,048	31,364	22.5%

Source: Nielsen.

TABLE 3. Monthly Time Spent in Hours: Minutes – Per User 2+ of Each Medium

	Q3 12	Q2 12	Q3 11	% Diff Yr to Yr	Hrs:Min Diff Yr to Yr
On Traditional TV°	148:03	144:54	146:45	0.9%	1:18
Watching Timeshifted TV° (all TV homes)	11:30	11:33	10:51	6.0%	0:39
Using a DVD/Blu Ray Device	5:17	5:13	6:18	-16.1%	-1:01
Using a Game Console	6:38	6:26	6:51	-3.2%	-0:13
Using the Internet on a Computer * +	28:58	28:29	28:33	1.5%	0:25
Watching Video on Internet * ✧	5:58	5:51	5:06	17.0%	0:52
Mobile Subscribers Watching Video on a Mobile Phone ^	5:25	5:20	4:47	13.2%	0:38

Source: Nielsen. Unlike Table 1, this table is based on total users of **each** medium. Additional Note: TV viewing patterns in the US tend to be seasonal, with usage patterns different in winter months than summer months—sometimes leading to declines/increases in quarter to quarter usage.

TABLE 4a. Monthly Time Spent in Hours: Minutes Age Demographic

	K 2-11	T 12-17	A 18-24	A 25-34	A 35-49	A 50-64	A 65+	P 2+
On Traditional TV°	114:48	103:47	106:06	126:11	145:37	183:58	209:29	148:03
Watching Timeshifted TV° (all TV homes)	9:21	7:35	7:28	13:57	14:18	13:38	9:06	11:30
Using a DVD/Blu Ray Device	8:53	5:23	5:30	6:36	5:12	3:51	2:23	5:17
Using a Game Console	11:39	16:52	13:05	9:53	3:53	0:58	0:18	6:38
Using the Internet on a computer *	5:24	9:33	35:21	35:02	33:18	32:25	25:33	28:58
Watching Video on Internet *	3:06	4:15	11:21	8:26	5:52	4:29	2:53	5:58
Mobile Subscribers Watching Video on a Mobile Phone ^ ^^	N/A	7:57	5:53	5:33	4:47	3:49	2:50	5:25

Source: Nielsen. Unlike Table 1, this table is based on total users of **each** medium. Traditional TV and Timeshifted viewing estimates are based on persons in TV Households (290 million).

TABLE 4b. Monthly Time Spent in Hours: Minutes Age Demographic – Additional Demos

	A 18-34	A 18-49	A 25-54	A 18+	A 21+	A 55+
On Traditional TV°	117:50	131:06	144:48	158:47	162:13	199:33
Watching Timeshifted TV° (all TV homes)	11:15	12:43	14:10	12:18	12:37	11:08
Using a DVD/Blu Ray Device	6:09	5:41	5:31	4:38	4:38	2:54
Using a Game Console	11:13	7:43	5:22	4:39	4:14	0:30
Using the Internet on a Computer *	35:09	34:14	34:07	32:38	32:44	28:29
Watching Video on Internet *	9:35	7:46	6:34	6:19	5:34	3:20
Mobile Subscribers Watching Video on a Mobile Phone ^	5:42	5:23	5:06	5:07	5:01	3:24

Source: Nielsen. Unlike Table 1, this table is based on total users of **each** medium. Traditional TV and Timeshifted viewing estimates are based on persons in TV Households (290 million).

TABLE 5. Video Audience Composition – Monthly Time Spent By Gender

	M2-17	F2-17	M 18-49	F 18-49	M 50+	F 50+	M2+	F2+
On Traditional TV°	109:51	111:38	124:20	137:44	181:32	205:24	139:24	156:16
On the Internet *	3:28	2:39	7:33	6:31	4:09	3:21	5:54	4:58
On Mobile Phones^ ^^	--	--	5:41	5:01	3:38	3:38	5:37	5:10

Source: Nielsen. (Based on Total Users of **each** medium)

TABLE 6. Video Audience Composition – Monthly Time Spent in Hours: Minutes Ethnicity & Race

	White	African-American	Hispanic	Asian
On Traditional TV°	143:40	206:36	127:14	96:13
Watching Timeshifted TV° (all TV homes)	12:26	9:30	7:48	8:37
Using a DVD/Blu Ray Device	5:07	6:41	5:11	3:54
Using a Game Console	6:24	7:43	7:29	5:24
Watching Video on Internet *	4:34	8:09	7:51	11:06
Mobile Subscribers Watching Video on a Mobile Phone ^	5:02	7:05	6:15	6:03

Source: Nielsen. (Based on Total Users of **each** medium for Persons 2+)

TABLE 7a. Video Audience Composition – Age Demographic

	K 2-11	T 12-17	A 18-24	A 25-34	A 35-49	A 50-64	A 65+
On Traditional TV°	11%	6%	7%	11%	21%	25%	20%
On the Internet *	7%	6%	11%	17%	26%	22%	11%
On Mobile Phones ^ ^^	N/A	13%	23%	29%	24%	9%	2%

Source: Nielsen. (Based on Total Users of **each** medium)

TABLE 7b. Video Audience Composition – Age Demographic – Additional Demos

	A 18-34	A 18-49	A 25-54	A 18+	A 21+	A 55+
On Traditional TV°	18%	39%	41%	83%	81%	36%
On the Internet *	28%	54%	52%	87%	83%	25%
On Mobile Phones ^	52%	76%	57%	87%	78%	7%

Source: Nielsen. (Based on Total Users of **each** medium)

TABLE 8a. Cross-Platform Homes – Ranked by In-Home Streaming Behavior

Stream Quintile	# of Persons (in 000's)	Average Daily Minutes Stream	Internet	TV
Stream 1	29,378	24.2	61.2	242.7
Stream 2	29,393	3.0	36.8	264.3
Stream 3	29,368	1.0	26.3	262.3
Stream 4	29,376	0.3	17.5	263.5
Stream 5	29,380	0.0	9.6	271.6
Non Streamers	91,230	0.0	1.5	241.9
All	238,125	3.5	19.3	253.7

Source: Nielsen. Based on Nielsen Cross-Platform Homes for Persons 2+ in Internet households. °°

TABLE 8b. Cross-Platform Homes – Ranked by In-Home Internet Behavior

Internet Quintile	# of Persons (in 000's)	Average Daily Minutes Stream	Internet	TV
Internet 1	37,370	13.9	84.2	305.5
Internet 2	37,376	5.3	24.8	268.4
Internet 3	37,356	2.2	9.7	247.3
Internet 4	37,375	0.8	2.9	243.3
Internet 5	37,362	0.2	0.4	233.1
Non Internet Users	51,285	0.0	0.0	231.4
All	238,125	3.5	19.3	253.7

Source: Nielsen. Based on Nielsen Cross-Platform Homes for Persons 2+ in Internet households. °°

TABLE 8c. Cross-Platform Homes – Ranked by In-Home Television Viewing Behavior

TV Quintile	# of Persons (in 000's)	Average Daily Minutes Stream	Internet	TV
Television 1	47,342	3.1	28.1	612.5
Television 2	47,348	2.9	20.7	309.7
Television 3	47,344	3.1	16.9	196.6
Television 4	47,352	3.8	16.4	115.7
Television 5	47,337	4.8	14.7	36.3
Non Television Viewers	1,403	5.3	10.5	0.0
All	238,125	3.5	19.3	253.7

Source: Nielsen. Based on Nielsen Cross-Platform Homes for Persons 2+ in Internet households. °°

Due to a processing error, YouTube brand-level stream and duration metrics have been inflated which impacts "Stream" data included in this quarter within Table 8.

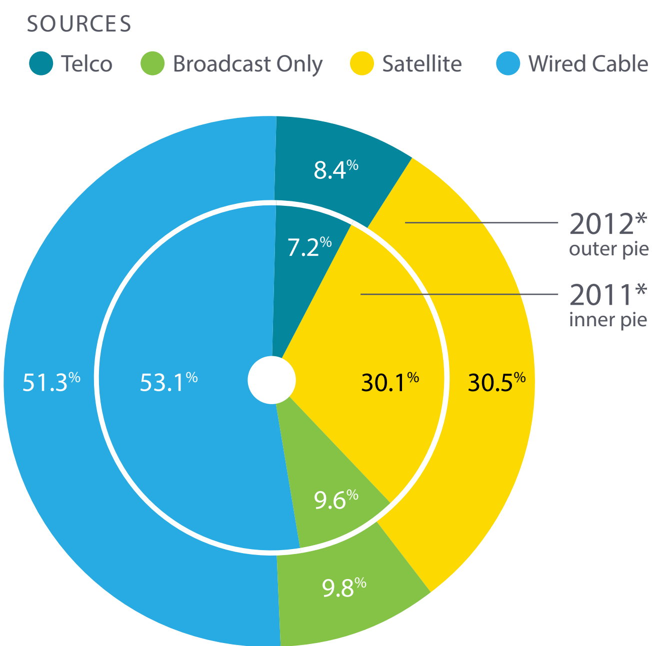
DEVICE AND DELIVERY PENETRATION

TABLE 9. Television Distribution Sources - Number of Households (in 000's)

	Q3 12	Q2 12	Q3 11
Broadcast Only	11,117	11,093	11,050
Wired Cable	58,469	59,304	61,192
Telco	9,549	9,271	8,284
Satellite	34,777	34,653	34,653

Source: Nielsen. Based on the Universe Estimates for the 15th of each month within the quarter.

CHART 1. Source Distribution



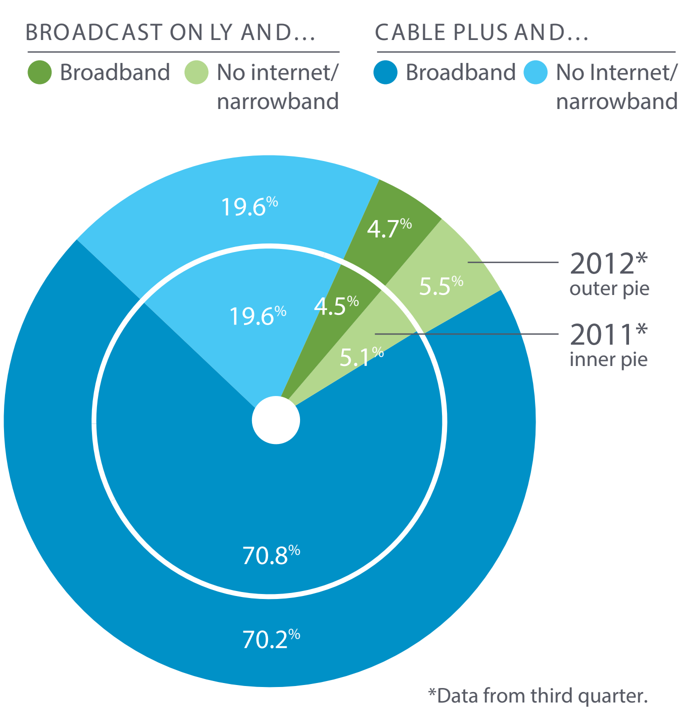
*Data from third quarter.

TABLE 10. Cable/Satellite with Internet Status - Number of Households (in 000's)

	Q3 12	Q2 12	Q3 11
Broadcast Only and Broadband	5,257	5,134	5,104
Broadcast Only and No Internet/Narrowband	6,094	5,854	5,869
Cable Plus and Broadband	78,571	78,795	80,824
Cable Plus and No Internet/ Narrowband	21,962	22,107	22,329

Source: Nielsen. Based on the Universe Estimates for the 15th of each month within the quarter.
Please see "Glossary" definitions in footnotes on last page.

CHART 2. Cable/Satellite with Internet Status Tracking



*Data from third quarter.

TABLE 11. Television Distribution Sources - Number of Households (in 000's)

Market Break	White	African-American	Hispanic	Asian
Broadcast Only	9%	12%	15%	12%
Wired Cable	51%	53%	44%	51%
Telco	9%	9%	7%	13%
Satellite	32%	27%	34%	25%

Source: Nielsen. Based on scaled installed counts for the entire quarter.

TABLE 12. Devices in TV Households (in 000's)

	Q3 12	Q2 12	Q3 11
Any DVD/BluRay Player	95,983	96,969	99,103
Any DVR	50,278	48,960	46,652
Any High Definition TV	88,124	86,676	79,980
Any Video Game Console	51,771	51,704	52,084
Any Tablet	17,365	14,491	--

Source: Nielsen. Based on Universe Estimates for the entire quarter (tablet data not available for Q3 2011)

TABLE 13. Mobile Device Penetration by Ethnicity

	White	African-American	Hispanic	Asian
Smartphone	52%	63%	61%	71%
Feature phone	48%	37%	39%	29%

Source: Nielsen.

FOOTNOTES FOR TABLES IN THIS REPORT:

° On Traditional TV includes Live usage plus any playback viewing within the measurement period. Timeshifted TV is playback primarily on a DVR but includes playback from VOD, DVD recorders, server based DVR's and services like Start Over. In response to these services continued growth, for Q2 2012 forward this report will no longer feature the "only in homes with DVRs," which was limited to physical DVR presence.

On Traditional TV reach includes those viewing at least one minute within the measurement period. This includes Live viewing plus any playback within the measurement period. Third Quarter 2012 Television data is based on the following measurement interval: 07/02/12-9/30/12. As of February 2011, DVR Playback has been incorporated into the Persons Using Television (PUT) Statistic.

° ° In response to client requests for the ability to recreate the quintiles of time spent, from Q2 2011 forward the production of the underlying data for Tables 8a, 8b. and 8c has been fully migrated to the NPOWER system. In addition to allowing clients that subscribe to the Nielsen Cross-Platform Service to generate these and associated reports, it also incorporates production sample weighting (detailed in Chapter 3 of the National Reference Supplement) and universe projections.

Beginning in Q3 2011, average daily minutes statistics are calculated by averaging the total minutes from all persons in the quintile including nonusers. Q1 and Q2 2011 reports averaged the total minutes from users only.

* In July 2011 an improved hybrid methodology was introduced in Nielsen's NetView and VideoCensus product. This methodology combines a census level accounting of page views and video streams where Nielsen measurement tags have been deployed in order to project audience and behavior to the full universe of all Internet users. For VideoCensus, the portion of the total video streams calibrated by census data, previously allocated to Home/Work computers, are now allocated to other devices and locations such as smartphones and viewing outside of home and work. This change affects both "Watching Video on the Internet" and "Using the Internet" figures. Beginning in Q1 2012, Cross-Platform metrics are derived from new hybrid panel. Year over year trends are available beginning in Q3 2012. Data are trendable within this version of the report, but not to previous quarters' published editions.

Hours:minutes for Internet and video use are based on the universe of persons who used the Internet/watched online video. All internet figures are weekly or monthly averages over the course of the quarter. All "Using the Internet on a Computer" metrics are derived from Nielsen NetView product, while all "Watching Video on the Internet" metrics are derived from Nielsen VideoCensus product.^ Watching video on the internet is a subset of Using the Internet on a computer.

^ "Watching Video on the Internet" data was reissued within this report to correct a processing error that had resulted in the inflation of YouTube brand-level stream and duration metrics. The current report contains the corrected metrics for this quarter.

Mobile video user projection, time spent and composition data are based on survey analysis of past 30 day use during the period. The mobile video audience figures in this report include mobile phone users (aged 13+) who access mobile video through any means (including mobile Web, subscription based, downloads and applications). Beginning in Q1 2012, data reflect enhanced methodology for calculating the Total Minutes spent watching video on a mobile phone. Historically, distributions of key variables (# sessions and # minutes per session) were skewed warranting the use of the median as the measure of central tendency, Total Minutes= (median # sessions) * (median # minutes). Current analyses of the distributions indicate that the variable # minutes per session fits a more normal distribution and justifies the use of the mean as the measure of central tendency. The current calculation reflects a truer metric of average time spent watching video on a mobile phone, Total Minutes = (median#sessions)*(mean#minutes). All previous quarter/year metrics have been recalculated with new methodology. Data are trendable within this version of the report, but not to previous quarters' published editions.

For Q2 2012 mobile data contained in table 2 is for June 2012 only.

^^ Nielsen's mobile survey reports mobile video usage for those users 13 and older. Thus, 12-17 is T13-17 for all mobile data.

A SPECIAL NOTE ON INTERNET AUDIENCES:

+ Due to the release of the Chrome browser v.19 in May 2012, some Nielsen NetView data for a small number of sites that have extensive use of HTTPS is underreported for May and June 2012. A solution has been implemented for July 2012 reporting. This affects the "Using the Internet on a Computer" and "Internet" time spent figures provided in this report for current quarter data.

Yahoo! Mail and Yahoo! page view and duration data shows an artificial decrease for May-November 2011 and do not reflect the actual activity on these sites. This was corrected with December 2011 forward reporting. This affects the "Using the Internet on a Computer" and "Internet" time spent figures provided in this report for previous year data.

Due to a change in the type of call used behind Facebook's AJAX interface, Nielsen NetView data for Facebook page views and duration were underreported for June and July 2011. This was corrected with August-forward reporting. This affects the "Using the Internet on a Computer" and "Internet" time spent figures provided in this report for previous year data.

✧ May 2012 volume metrics were affected for two YouTube channel entities. As of June 2012, YouTube Partner reporting became available through Nielsen VideoCensus featuring May 2012 data. YouTube Partner data is reported as individual channels under the YouTube brand in Nielsen VideoCensus. Data for each YouTube partner is aggregated across two entity levels, the broadest as Nielsen VideoCensus channel entity and the more granular being Nielsen VideoCensus client-defined entity. This affects the "watching video on the internet" and "stream" numbers in this report for current quarter data.

Due to a change in the format of Netflix stream URLs, streaming for the Netflix brand was not reported in the April and May 2011 VideoCensus reports. This was corrected with June-forward reporting. This affects the "Watching Video on the Internet" and "Stream" figures in this report for previous year data.

GLOSSARY:

TV Household: A home with at least one TV capable of tuning to at least one channel. For example, television sets that are not updated for digitally transmitted content would not count under the current guidelines.
Traditional TV: Watching live or timeshifted content on a television set delivered by broadcast signal or a paid TV subscription.
Watching Timeshifted TV (only in homes with DVRs): A home where a physical DVR box is located and connected to the television.
Wired Cable: Traditional cable delivered through wires to your home.
Telco: A paid TV subscription delivered fiber-optically via a traditional telephony provider.
Satellite: A paid TV subscription where the signal is distributed to an orbiting satellite. The amplified signal is then re-transmitted to the home and received via a dish. (Sometimes also referred to as "dish").
Broadband: A paid, high-speed Internet access delivered via DSL, Cable Internet through cable provider, Fiber-Optic Service, U-Verse, Satellite Internet, Data Card (aircard that connects to a cellular phone network) or PC tethered to cell phone (cellular phone network).
Narrowband: A household that accesses the Internet via a telephone line (often referred to as dial up).

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