

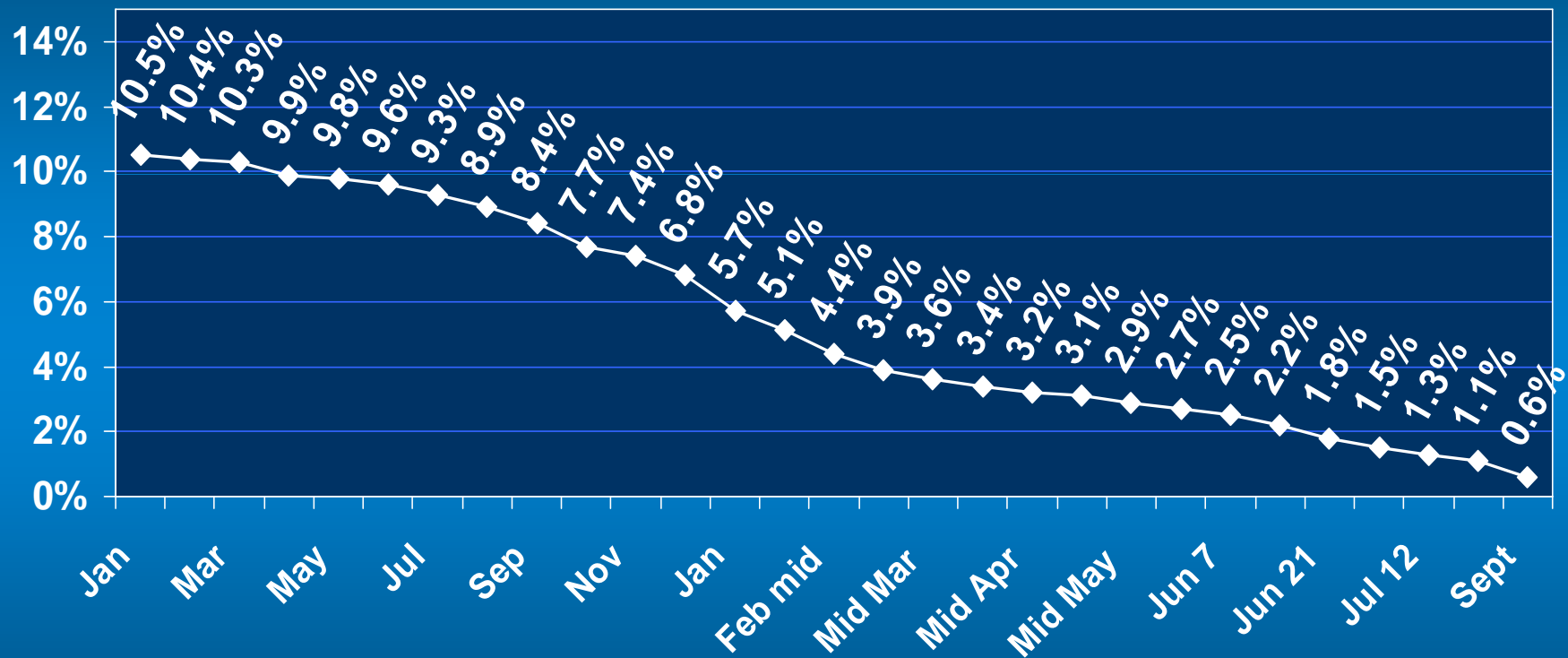
Opportunities Resulting From The Digital Transition:

New Business Models and Audience Measurement

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Households With Only Unready Sets – National People Meter Sample



Characteristics of the Unready Set

Location Within the Household – Total U.S.

Location of Television Set within <u>Total U.S.</u> Households	% of Unready Sets	% of Total U.S. Sets	Index
Living Room	12.9%	35.5%	37
Family Room	3.7%	5.5%	67
Master Bedroom	14.4%	22.7%	63
Other Bedroom	45.7%	20.1%	227
Kitchen	4.3%	4.0%	110
Other Location*	19.0%	12.9 %	147

*'Other Location' includes Basement, Detached Building, Dining Room, Garage, Office, Patio, and Other

Location of Unready Sets compared to location of all Sets in Total U.S. households (based on NPM sample as of week ending August 30, 2009)

The Transitioned Television Set Route to Readiness – Total U.S.

	# of Sets	% of May 25 '08 Unready Sets	% of Aug 30 '09 Converters
Unready Sets as of May 25, 2008	535	100.0%	N/A
Remained Unready	78	14.6%	N/A
Became Ready	306	57.2%	100.0%
<i>Acquired External Digital Tuner</i>	202	37.8%	66.0%
<i>Acquired DBS</i>	36	6.7%	11.8%
<i>Acquired Cable</i>	68	12.7%	22.2%
Set Removed	151	28.2%	N/A

August 30, 2009 set status of May 25th, 2008 unready sets (based on Unified NPM Total U.S. sample during those two weeks)

More recently, how are homes getting ready?

- 35% of Unready Sets from April 26, 2009 have become ready

- Digital Converter Box 74.0%
- Cable 18.2%
- DBS 7.5%

- In addition to the 35% of sets made ready, **21%** of unready sets were removed

Unified Sample – Unready on April 26, 2009 / Status on August 30, 2009

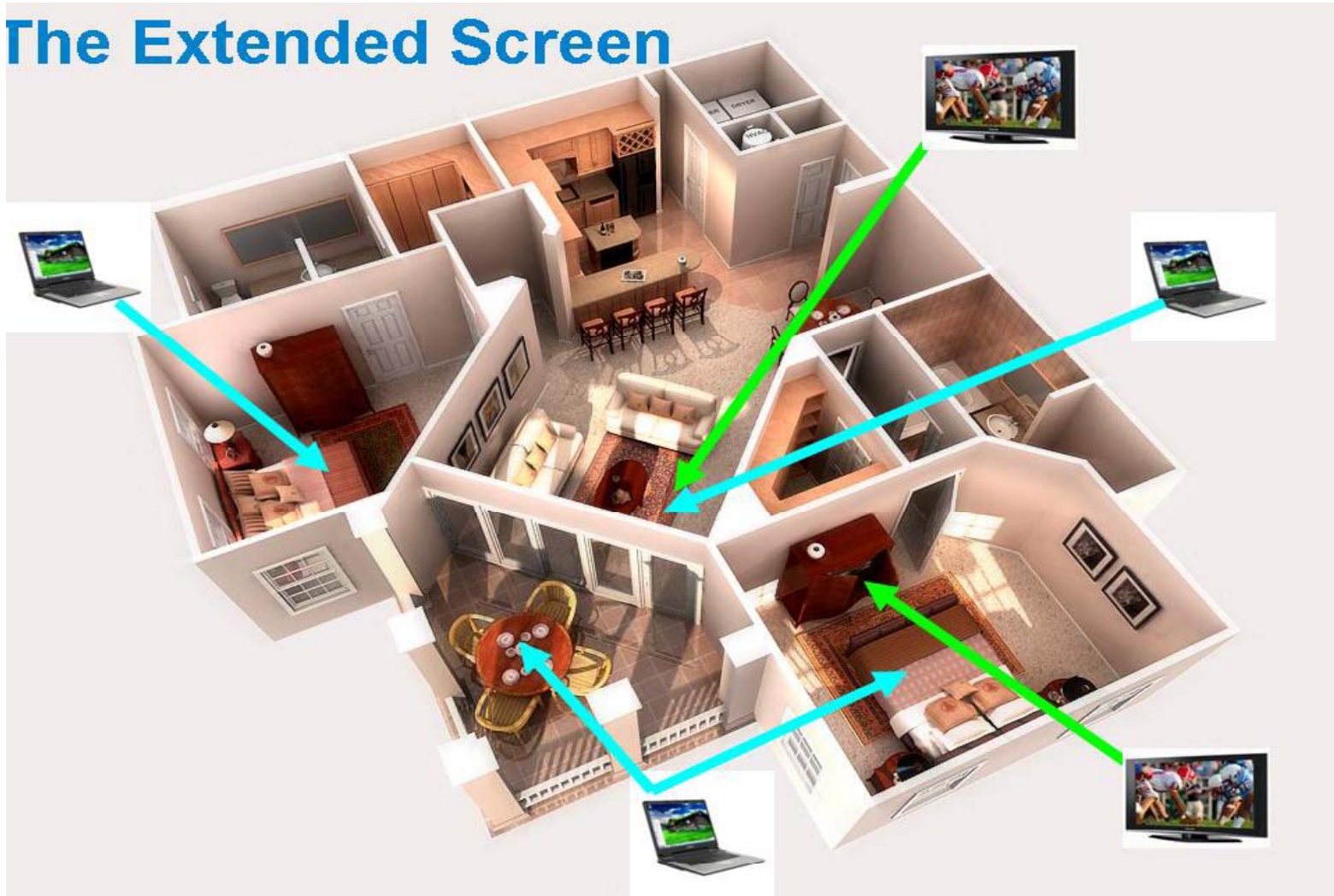
Is there an opportunity from “removed” sets?

- When consumers are faced with “replacing” sets in “non-primary” rooms will they only consider a television?



In parallel, what else is happening in the business and audience measurement?

The Extended Screen



Extended Screen Terminology

OnDemand Online

TV Everywhere

TV Anywhere

Authentication

ENTITLEMENT



The Extended Screen

- What?
 - Emerging industry concept of delivering full television content (programs and commercials) via the web



The Extended Screen

- Why?
 - Concerns about about “cord cutters”
 - Broadband households that have no cable
 - Growing anxiety about Internet video business models
 - Opportunity to extend existing business models from content producers through final distributor
 - Provides opportunity for currency credit from web video
 - Leverages existing reference data and client operational effort
 - Increased consumer satisfaction by expanding content availability and accessibility across platforms



The Extended Screen



- How?
 - By taking existing television program and commercial content and converting it to web format, including the existing audio code for identification, reference, and credit
- When?
 - Current plan is to roll out by end of 2010 and report in 2011.

Extended Screen

- Key Questions
 - What will consumer response be?
 - Will bandwidth support this type of usage?
 - Will existing TV commercial loads be acceptable to online viewers?
 - How does local fit?
 - Will content providers and distributors be able to agree on terms?



Thank you

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