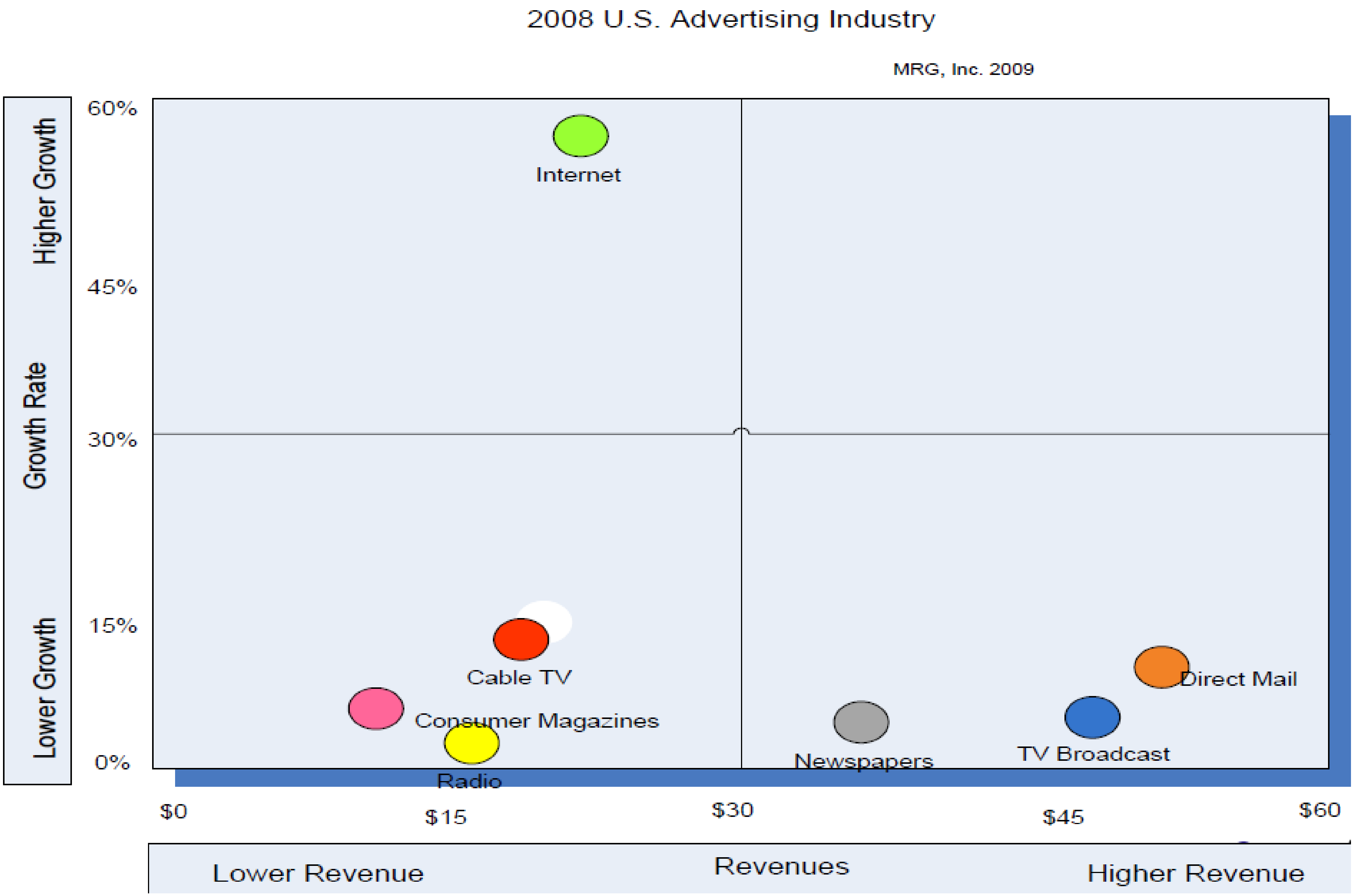
Advertising Landscape (1)



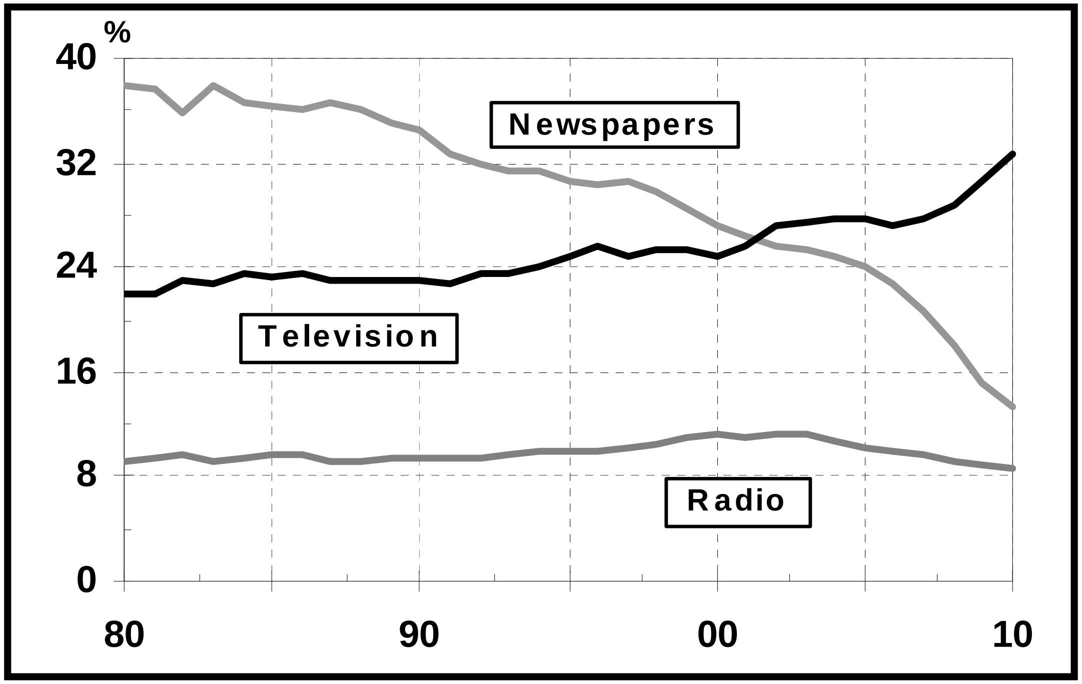
Advertising Landscape (2)

Global Ad Spending By Medium ($US, Billions)

($US, Billions)	2007a	2008a	2009e
TV	$180	$184	$185
Newspapers	$130	$123	$115
Magazines	$58	$56	$54
Internet	$41	$50	$59
Radio	$38	$37	$34
Outdoor	$31	$33	$34
Cinema	$2.30	$2.50	$2.60
Total	$480	$486	$484

Source: ZenithOptimedia

% Share of U.S. Ad Spending



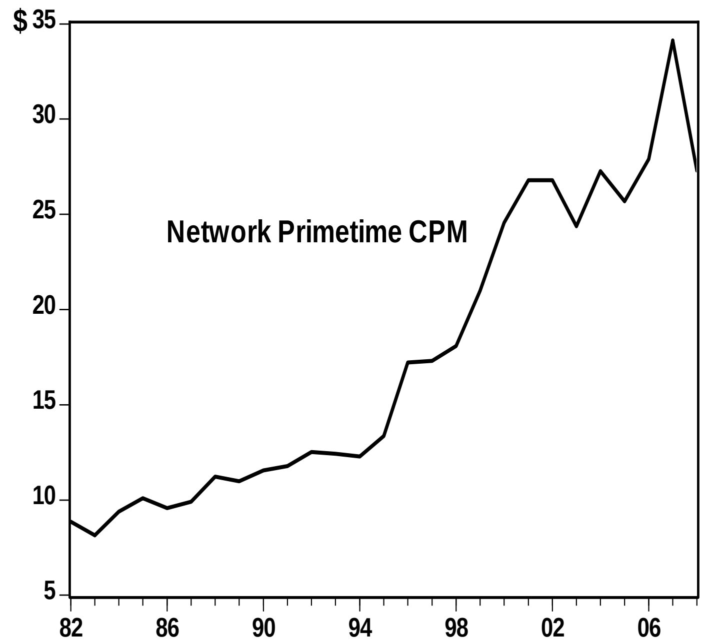
Source data: Magna International

Network Television Cost and CPM

Primetime (M-Sun)	HH Viewing Avg. Min.	Cost per 30 Sec.	$ Cost per 1000 Homes (CPM)
1996	9,940,000	101,400	10.20
1997	9,530,000	106,500	11.18
1998	9,640,000	121,300	12.59
1999	8,256,000	110,700	13.41

2000	6,134,000	82,300	13.42
2001	5,885,000	88,700	15.07
2002	6,472,000	108,700	16.79
2003	5,822,000	89,100	15.31
2004	6,070,000	120,500	19.85

2005	6,043,000	129,600	21.45
2006	5,670,000	127,800	22.55
2007	5,151,000	117,800	22.87
2008	4,384,000	114,900	26.22

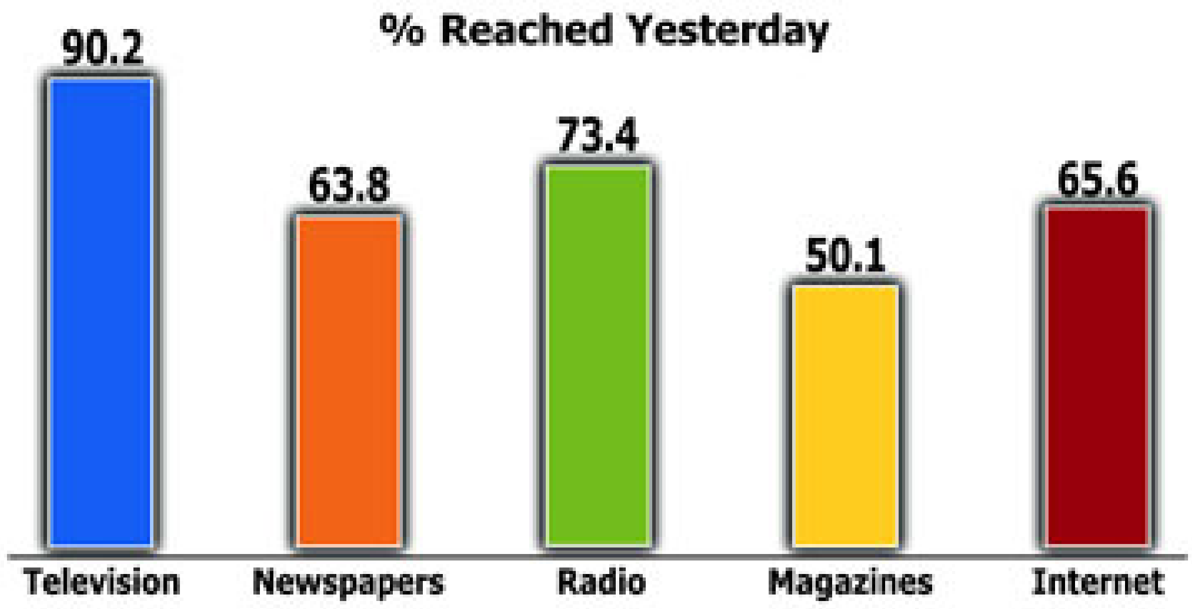


- * Regular programs & specials

- SOURCE: NIELSEN MEDIA RESEARCH, FEBRUARY EACH YEAR

Television Power (1)

Television Reaches More Adults Each Day Than Any Other Medium



Adults Reached Yesterday by Major Media (%), 2008

Television Power (2)

Adults Spend More Time With Television Each Day Than They Do With Any Other Medium

Source: TVB

Television Power (3)

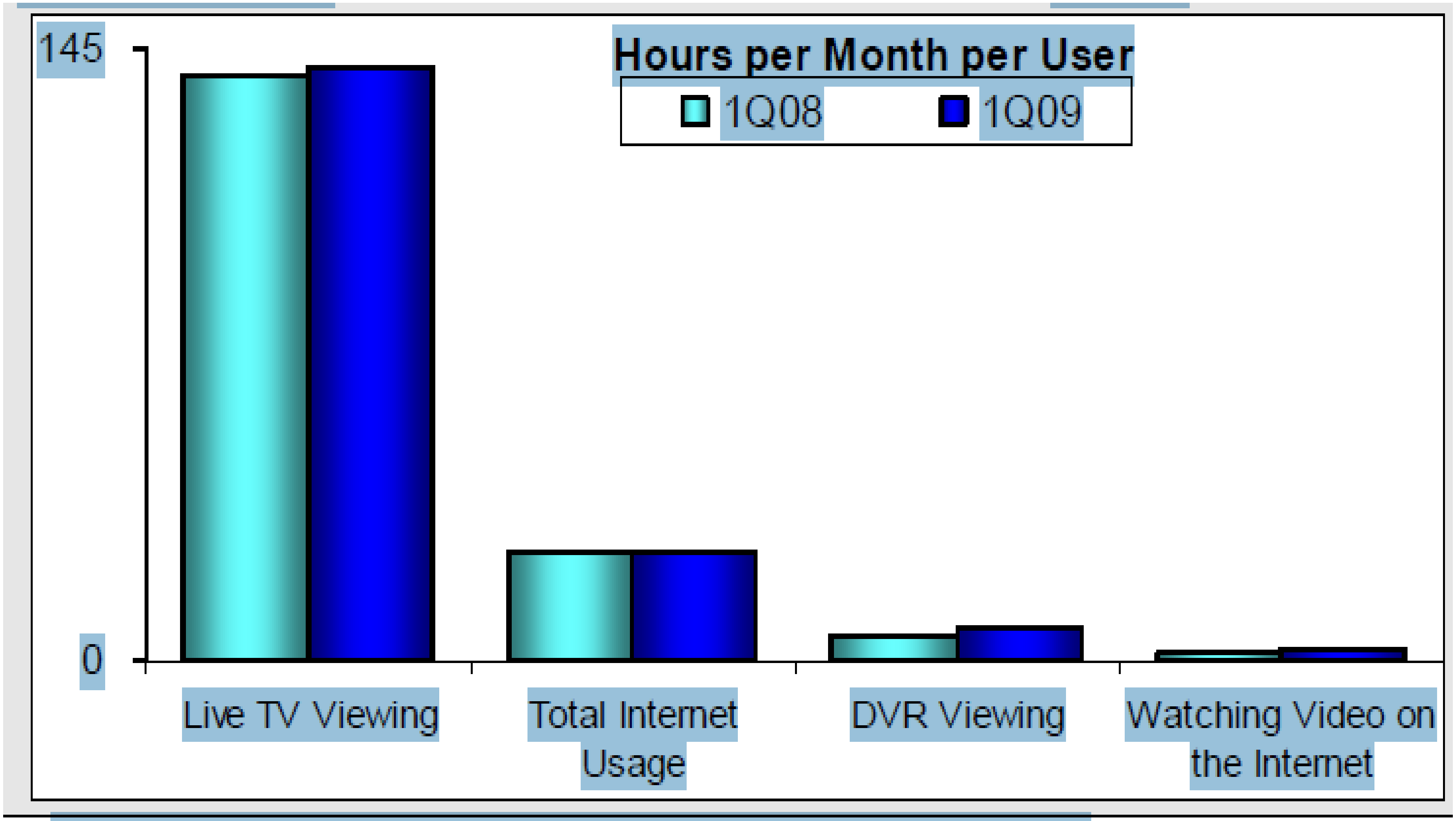
MONTHLY SCREEN USE BY AGE

(Hours: Minutes)

	2-11	12-17	18-24	25-34	35-44	55-64	65-PLUS	People 2-PLUS
Traditional TV Viewing	101:24:00	100:26:00	97:57:00	116:59:00	124:10:00	140:38:00	160:55:00	179:03:00
Timeshifted TV Viewing	6:06	5:21	5:31	10:01	9:41	7:57	7:50	3:43
Surfing the Internet	5:06	10:39	27:18:00	36:07:00	35:11:00	31:27:00	28:16:00	23:07
Internet-Video Viewing	1:49	2:59	5:57	4:57	3:47	3:10	1:55	1:32
Mobile-Phone Video Viewing	n/a	7:13	4:20	2:53	2:36	2:53	2:10	n/a

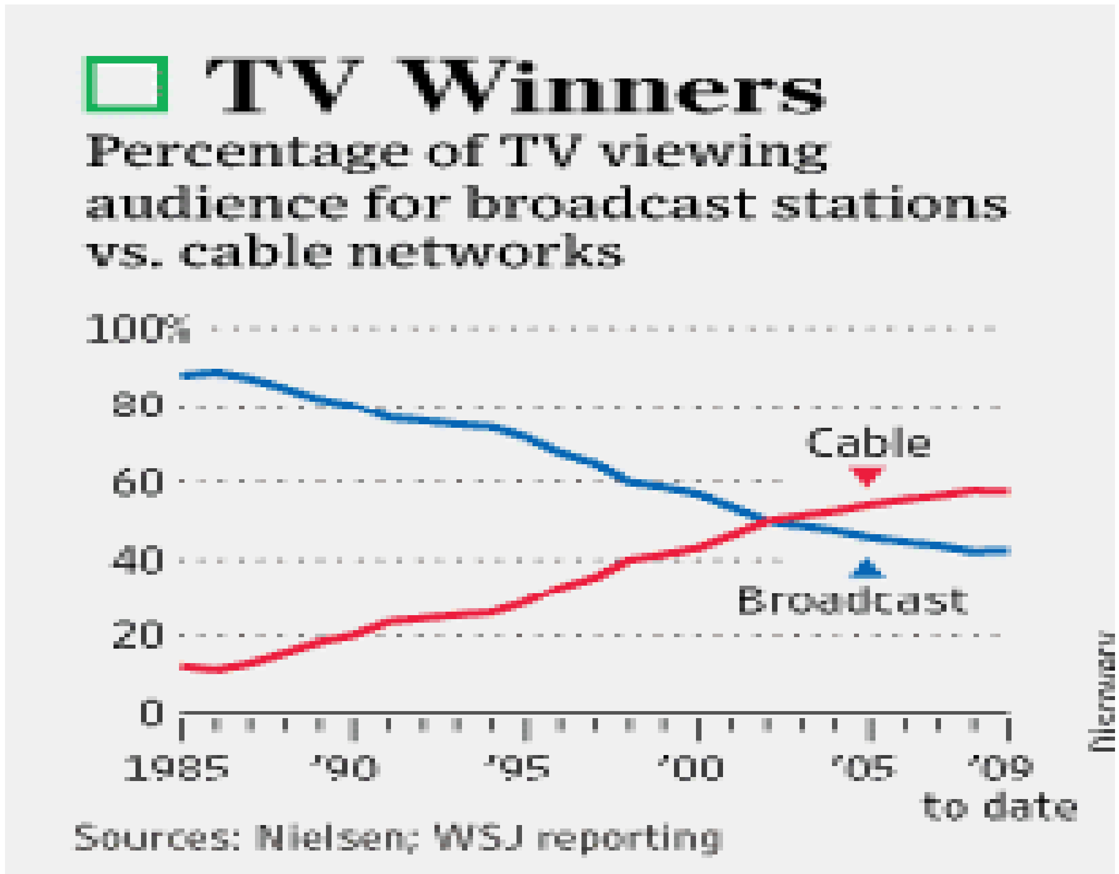
SOURCE: The Nielsen Co., Three Screen Report, 3rd Quarter, 2009

Television Power (4)



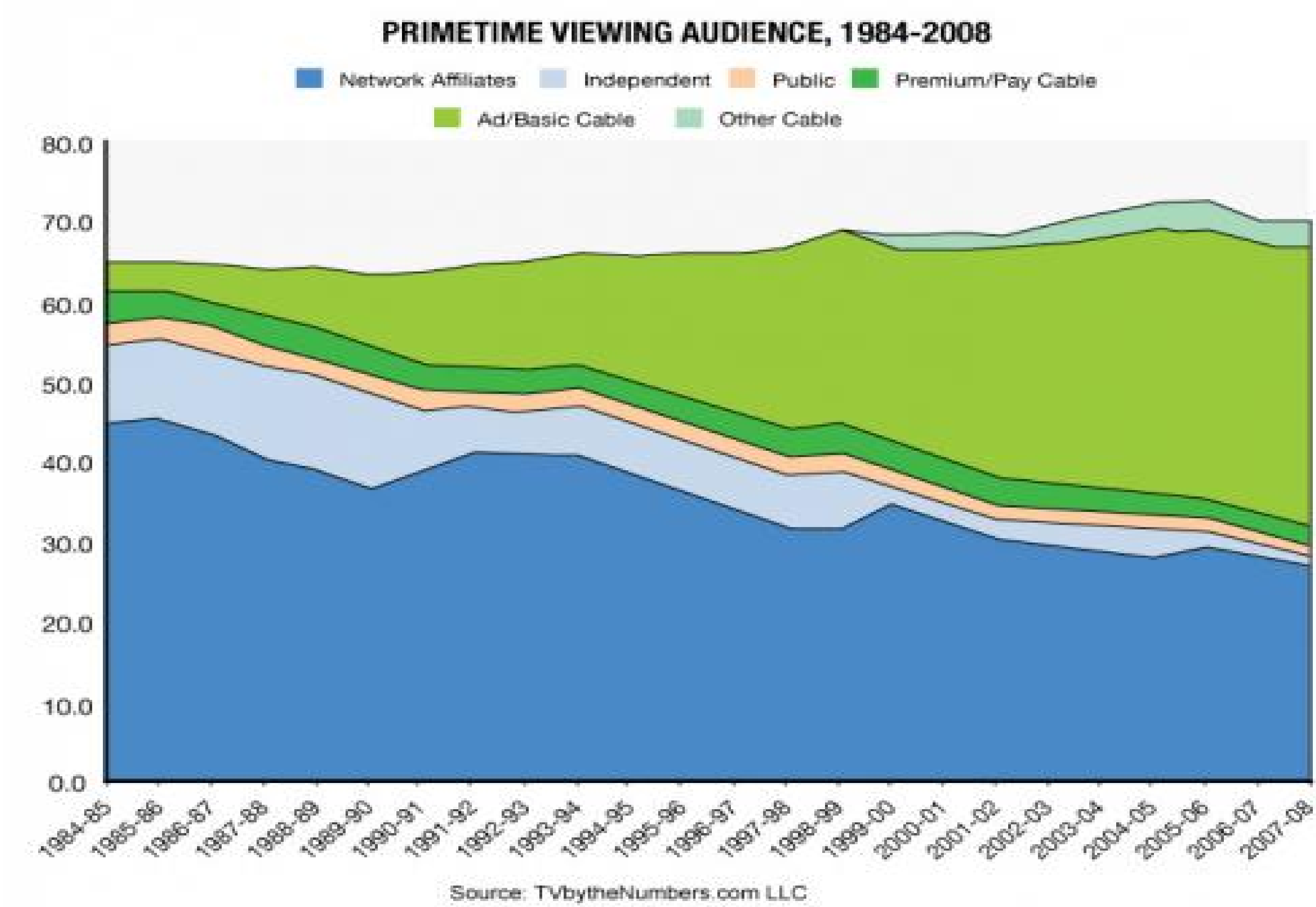
Sources: Nielsen Three Screen Report, Updated Dec 18, 2009

Broadcast vs. Cable Viewing



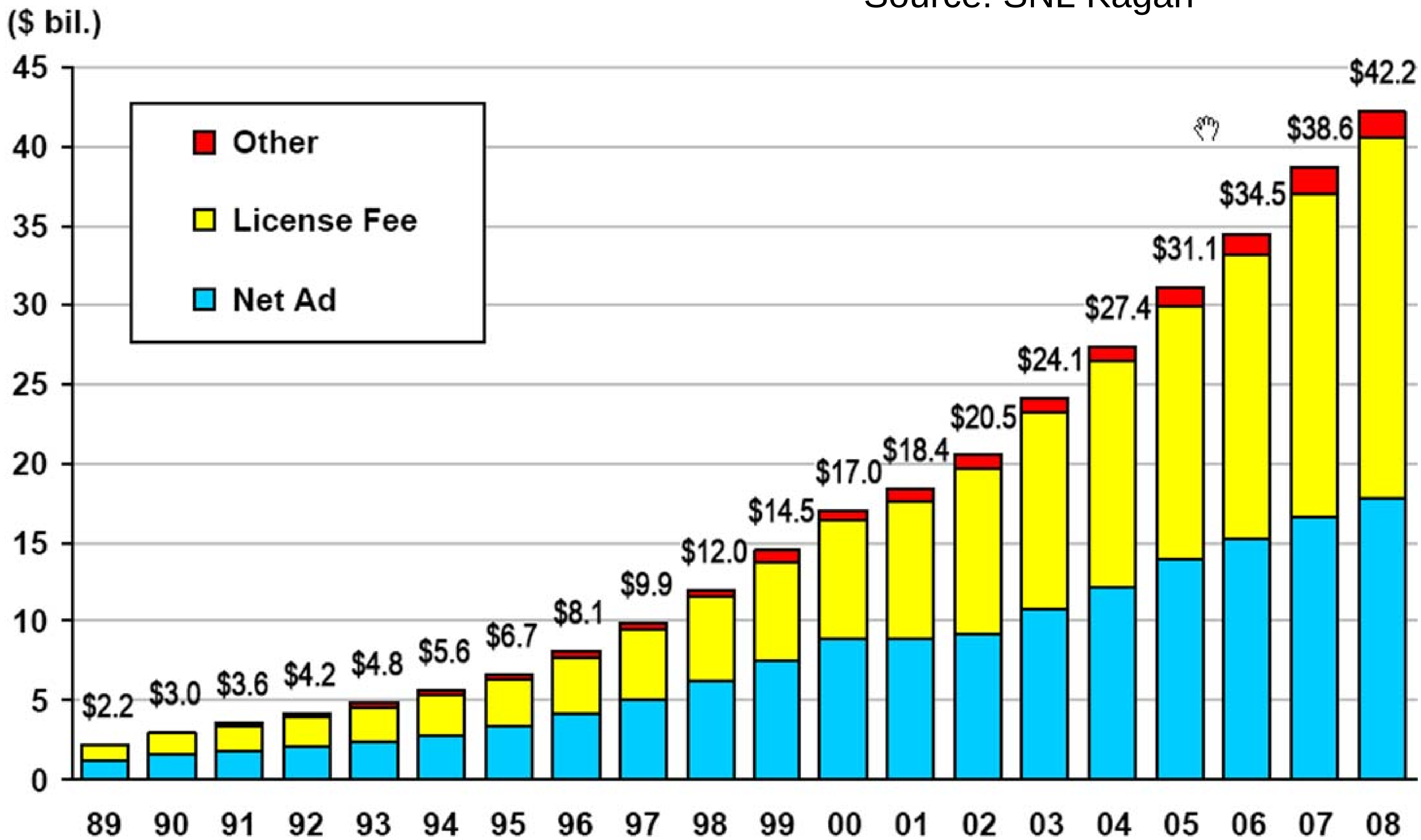
NBCU 2009 operating profit = 60% cable nets (e.g., USA, Oxygen, etc.)

Primetime Viewing incl. Cable



Cable Network Revenue Mix, 1989-2008

Source: SNL Kagan



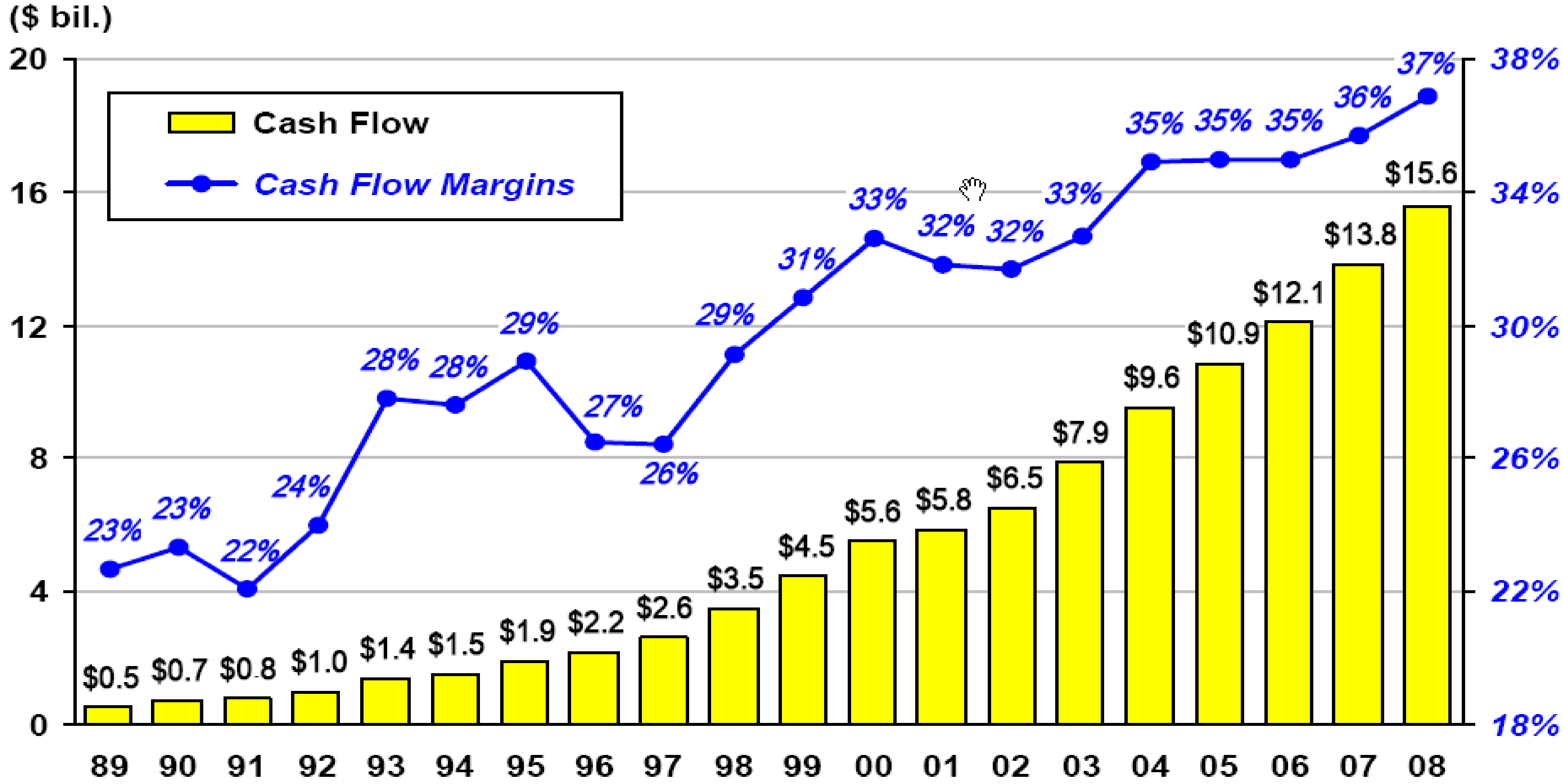
Top 10 Networks by Total Revenue

		2007	2008	% Change
1	ESPN/ESPN HD	$5,417.9	$5,921.3	9.3%
2	FSN	2,131.8	2,403.4	12.7%
3	Nickelodeon	1,836.2	1,897.3	3.3%
4	TNT	1,774.9	1,881.9	6.0%
5	USA	1,342.6	1,432.2	6.7%
6	TBS	1,169.6	1,256.4	7.4%
7	MTV	1,260.4	1,199.9	(4.8%)
8	CNN	1,035.3	1,191.7	15.1%
9	Disney Channel	1,152.6	1,176.0	2.0%
10	Fox News	825.8	1,084.7	31.4%

Source: SNL Kagan

Note: All in $ mil.

Cable Network Cash Flow Statistics, 1989-2008

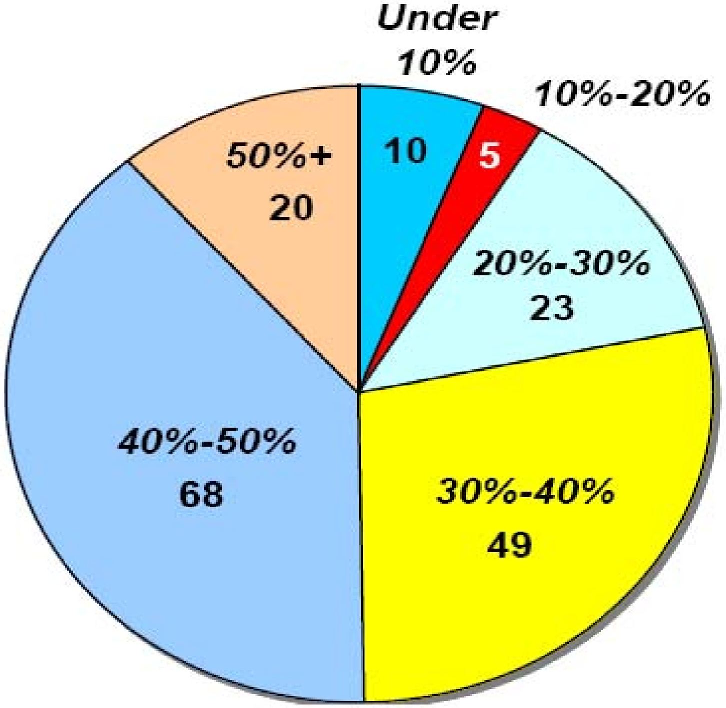


Distribution of Networks by Cash Flow Margin

- **By 2013, we estimate that 50% of all networks on air will have a margin in excess of 40%, and another 28% will be in the 30%-40% range. Only 6% of channels are likely to have a margin of less than 10%, with the majority of these being independently owned networks still having a difficult time lining up distribution.**

2013

Total = 175 Networks



The Economics of Basic Cable Networks, 2004-2008

		2004	2005	2006	2007	2008	CAGR
Gross ad revenue	($ mil.)	14,340.4	16,388.7	17,924.0	19,476.7	20,898.8	9.9%
Net ad rev. % of gross	(%)	84.5%	85.0%	85.0%	85.0%	85.0%	0.1%
Net ad revenue	($ mil.)	12,124.2	13,931.4	15,234.6	16,555.2	17,764.0	10.0%
License fee revenue	($ mil.)	14,355.8	15,993.0	17,954.2	20,406.2	22,822.6	12.3%
Other revenue	($ mil.)	941.8	1,135.0	1,354.8	1,612.1	1,605.8	14.3%
Total revenue	($ mil.)	27,421.8	31,059.3	34,543.6	38,573.6	42,192.4	11.4%
SG&A	($ mil.)	5,604.2	6,243.2	6,601.6	6,834.7	6,965.8	5.6%
Programming expenses	($ mil.)	12,247.9	13,947.8	15,856.9	17,949.4	19,651.8	12.5%
Total expenses	($ mil.)	17,852.1	20,191.0	22,458.5	24,784.1	26,617.6	10.5%
Cash flow	($ mil.)	9,569.7	10,868.3	12,085.2	13,789.5	15,574.8	12.9%
Cash flow margin	(%)	34.9%	35.0%	35.0%	35.7%	36.9%	1.4%
Ad revenue % of total	(%)	44.2%	44.9%	44.1%	42.9%	42.1%	-1.2%
Affiliate revenue% of total	(%)	52.4%	51.5%	52.0%	52.9%	54.1%	0.8%
Other revenue % of total	(%)	3.4%	3.7%	3.9%	4.2%	3.8%	2.6%
SG&A % of revenue	(%)	20.4%	20.1%	19.1%	17.7%	16.5%	-5.2%
Programming % of rev.	(%)	44.7%	44.9%	45.9%	46.5%	46.6%	1.1%
Growth: Gross ad revenue	(%)	13.1%	14.3%	9.4%	8.7%	7.3%	-13.5%
Growth: License fee rev.	(%)	15.4%	11.4%	12.3%	13.7%	11.8%	-6.4%
Growth: Other revenue	(%)	4.8%	20.5%	19.4%	19.0%	-0.4%	—
Growth: Total revenue	(%)	13.7%	13.3%	11.2%	11.7%	9.4%	-9.0%
Growth: SG&A	(%)	9.5%	11.4%	5.7%	3.5%	1.9%	-32.9%
Growth: Programming exp.	(%)	10.3%	13.9%	13.7%	13.2%	9.5%	-2.1%
Growth: Cash flow	(%)	21.2%	13.6%	11.2%	14.1%	12.9%	-11.6%

SNL Kagan

Digital v. Analog

- “Broadcast…can bring one show to millions of people with unmatchable efficiency. But it can’t do the opposite – bring a million shows to one person each. Yet that is what the Internet does so well.”
- “The economics of the broadband era are reversed.” (Chris Anderson, 2009, p. 5)