

**Starz Entertainment's
Year-End 2008
Media Consumption Study**

Product Planning and Development
January 2009

Key Findings Within...

Online viewing of TV shows and movies supplements – and does not replace - traditional television viewing

- Consumers who watch long-form content online, such as TV shows and movies, also watch traditional television including linear channels, DVDs and on demand with greater frequency than the general population
- 38 percent of those who watch TV online once a week also watch linear premium television channels at least once a week, compared to 23 percent of the overall population
- Televidualists – consumers of TV-based content on 1+ new media platforms – are 18% of the population aged 12+ and a growing segment of the overall population
- Only 1% of the population watches long-form content on new media platforms but does not watch any TV. It is unknown if they ever watched any TV prior to watching on new media platforms.
- Gender isn't a determinant of consumers' frequency of usage of TV-based media

Nearly 70% of respondents do not expect their TV viewing on old and new media platforms to change in five years...

- *For those that do expect a change, twice as many respondents expect to consume more TV content and movies – both online and on the TV – than those who expect their platform-specific consumption to decline*

Study Overview

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Objectives:

To measure 17 video media consumption activities on 9 different platforms among the U.S. population:

- Typical daily, weekly and monthly consumption
- Predicted stated changes in media consumption behavior

Note: Because respondents tend to overstate their duration of usage and there are syndicated, empirical sources of these data, duration was not measured in this study.

Methodology:

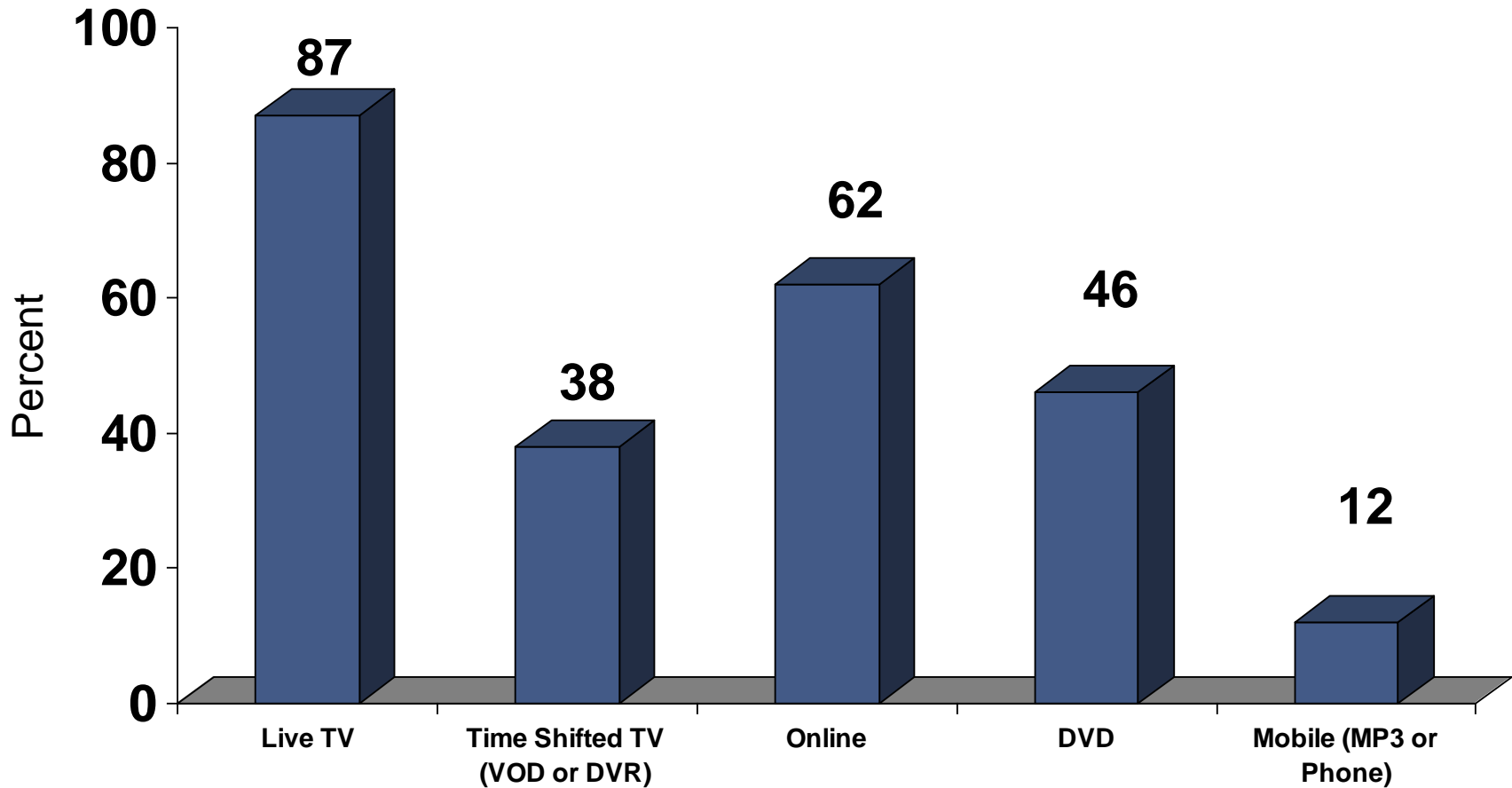
Online omnibus study with 5,500 respondents balanced to be representative of U.S. population conducted Sept – Oct 2008 by synovate:

- 4,000 surveys with respondents 18 + in age
- 1,500 surveys with respondents 12 – 17 in age

Findings

Weekly Video Consumption by Platform

Weekly Video Consumption
(% View Weekly)



N=5,500 Online Respondents 12 + in age

Source: Starz Entertainment Media Consumption Study

Conducted Sept – Oct 2008 by synovate

Males and Females Tend to View Video in Similar Frequency on Most Platforms

Weekly Video Consumption by Gender			
	Total	Male	Female
	%	%	%
Total TV	89	90	87
Live TV	87	88	86
DVR	30	31	28
On Demand	21	23	19
PPV	5	6	5
Media Extender	4	4	3
Total Online	62	66	58
Total Mobile	12	14	11
MP3	10	11	9
Mobile Phone	8	9	7
Total DVD	46	48	45

However, males are more likely to view online video weekly than females

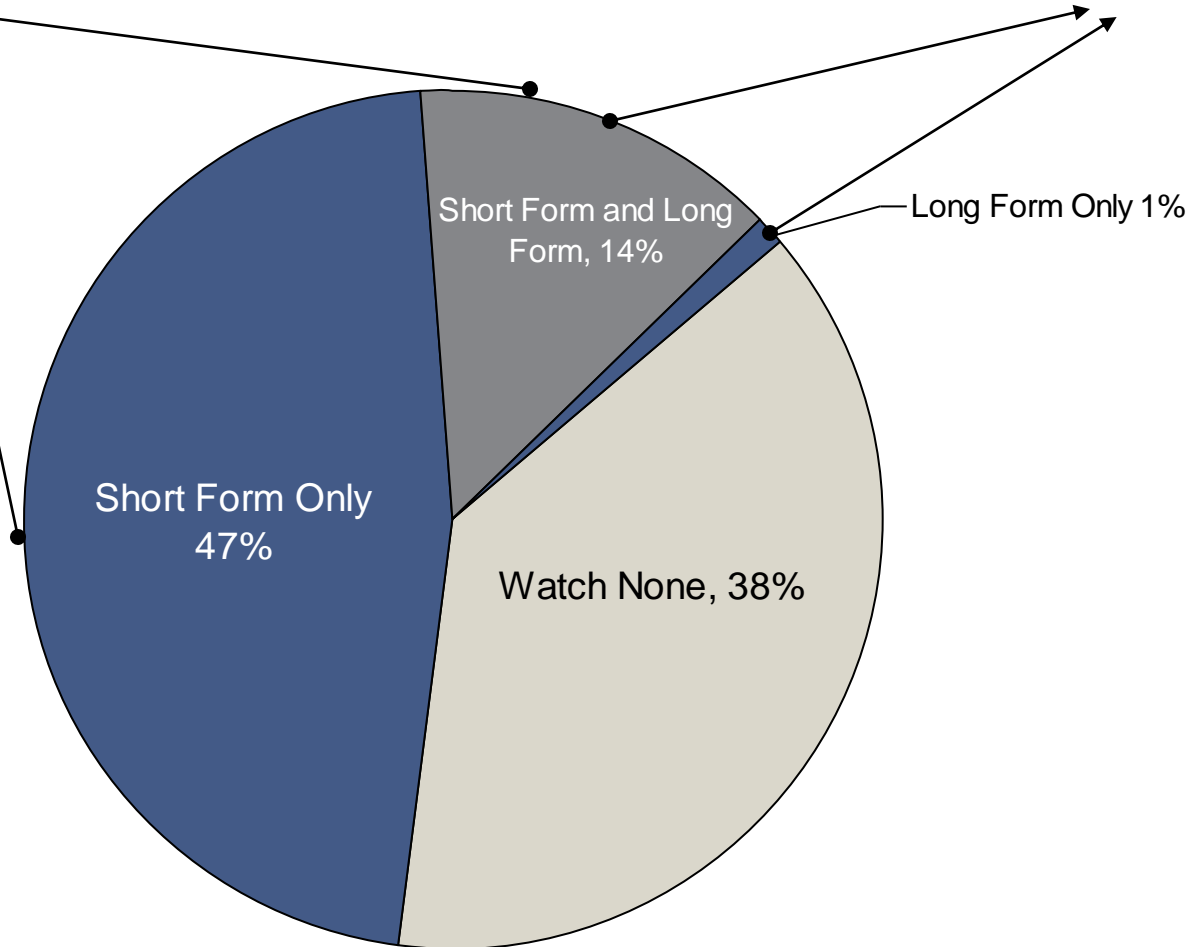
62% Watch Some Type of Online Video Weekly

Weekly Online Video Consumption

(% View Weekly)

Total Short Form 61%

Total Long Form 15%



N=5,500 Online Respondents 12 + in age

Source: Starz Entertainment Media Consumption Study

Conducted Sept – Oct 2008 by synovate

18% of the Population Consumes Long-Form Media Online, on a Mobile Device, or Through a Media Extender

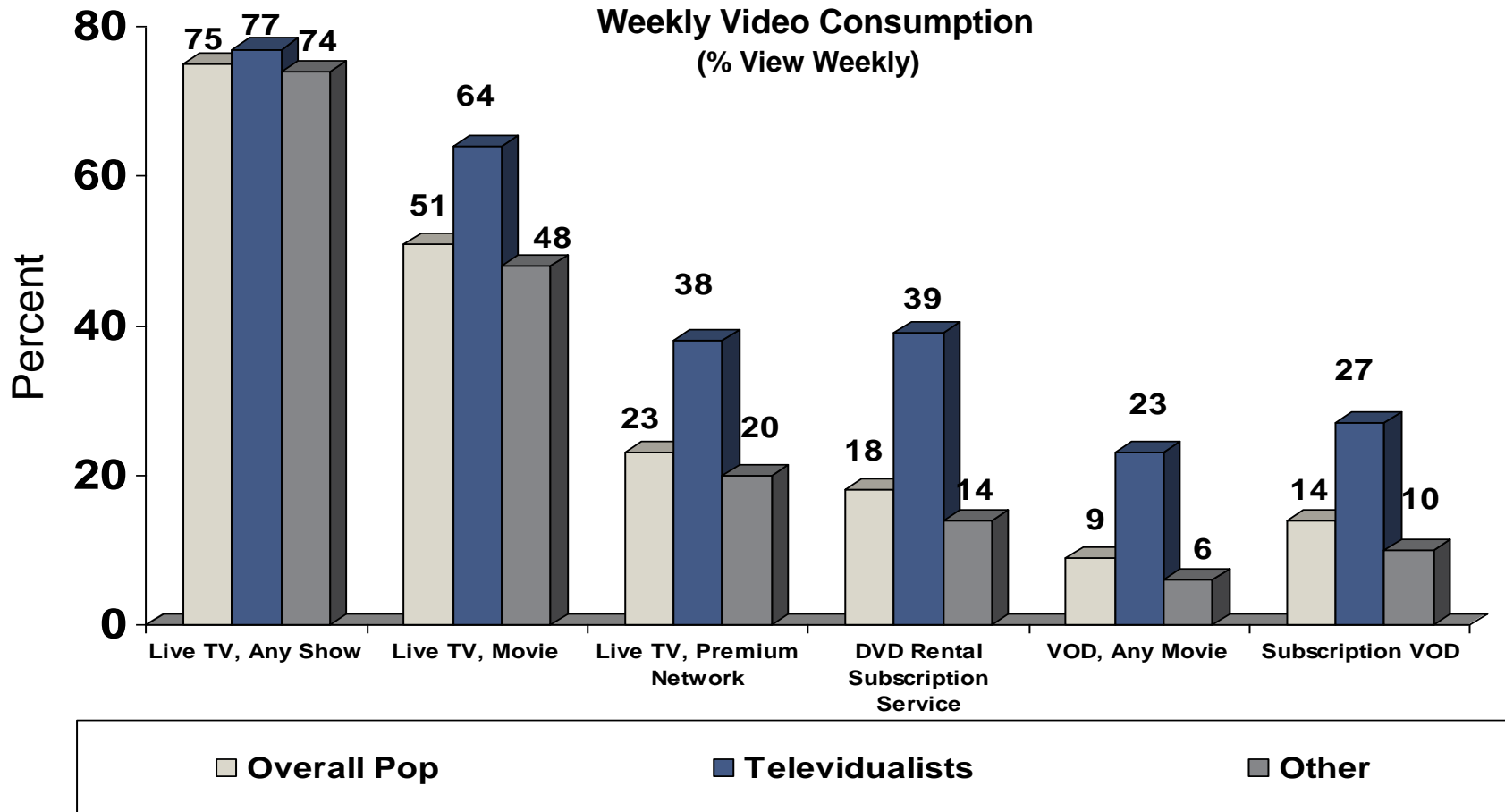
Starz describes this segment of viewers as “Televividualists”

Televividualists tend to be younger, more likely to be non-White, and from larger households:

- 60% are 12 to 34 compared to 39% overall
- 71% are White compared to 82% overall
- 40% are in hhs of 4+ persons compared to 29% overall

“Televividualists” = All those (12 + in age) who watch full length TV shows and/or movies through non-traditional platforms (non-TV) like streamed/downloaded online, through a media extender like Apple TV or X-Box, or on a video MP3 player/iPod or mobile phone at least weekly.

Televividualists Watch Video More Frequently Across All Platforms



- Televividualists have the same cable/DBS/telco subscription rates as the overall pop

People Watch an Average of 7 Different Forms of Video Weekly*

- Those who watch more forms of video are more likely to be younger, higher income men, less likely to be white, and from larger households
- Those who watch fewer are more likely to be older, lower income women
- *Televividualists* watch an average of 15 different forms of video weekly*

Quartiles of Weekly Video Consumption				
# of Video Activities:	0-3	4-5	6-8	9+
	%	%	%	%
# Activities (mean)	1.9	4.4	6.9	15.3
Gender:				
Male	43	46	50	56
Female	57	54	50	44
Age (mean):	46	44	42	34
Income (median):	\$48k	\$55k	\$65k	\$70k
HH Size (mean):	2.5	2.7	2.8	3.2
Race:				
White	86	87	83	73
Black	7	7	8	13
Asian/Pacific Islander	1	1	1	3
Other	4	4	6	10

*Note: Among 49 media consumption activities measured: 17 types of video measured across 9 different platforms.

N=5,500 Online Respondents 12 + in age

Source: Starz Entertainment Media Consumption Study

Conducted Sept – Oct 2008 by synovate

Predicted Changes in Viewing Behavior

Predicted (Stated) Changes in Media Consumption Behavior (in 5 Years)			
	In 5 Years:		
	More	Less	The Same
	%	%	%
Watch full length TV shows or series streamed online	23	11	66
Watch a TV show or series on live television	21	13	66
Watch streamed full length movies online	21	12	67
Watch a premium network that you subscribe to on live television	18	13	70

While most do not expect their viewing habits to change, more feel their consumption of movies and TV shows will increase, both on live TV and online, than those who feel their consumption will decline in the future.

Compared to the overall population, more Televidualists feel their consumption of movies and TV shows will increase than those who feel their consumption will decline in the future.