



DVR Viewers Play Catch-Up Quickly Says Palisades MediaGroup Study Shows Trend Won't Trim Holiday Advertising

SANTA MONICA, CA (December 11, 2007) Amidst the hubbub that continues to surround DVR use, television commercial ratings and the fact that viewers are becoming more and more capable of skipping ads, there remains more than a glimmer of hope for advertisers-- particularly those with time-sensitive holiday messages. That's because, while more viewers are recording programs with their DVRs, they're actually not delaying viewing for very long, according to a recent analysis conducted by Palisades MediaGroup.

The study discovered that, on average, more than half of all DVR primetime program playback is done within the same day it was recorded. And by the end of the following day, DVR owners have completed approximately three-quarters of all program playback (see graph A).

While DVR penetration appears to be growing at a rapid pace, its usage isn't making a significant impact on ratings. "At least not yet," says Susie Thomas, Senior Vice President, Director of Research and Insights at Palisades MediaGroup. "Nielsen estimates DVR penetration to be at 20%, up from 12% in January of this year. While this is a good-sized increase, the impact on viewership remains minor."

According to the study, ratings increase just over 15 percent due to DVR playback from live to live-plus-seven. The average rating against adults aged 18-49 was 2.5 for live viewing and 2.9 for live-plus-seven viewing; an increase of only 16.7%. While fast-forwarding through the ads is still an issue, not all people who use a DVR fast-forward. The data show that less than half of people who watch a recorded program fast-forward through the ads during playback.

"Of course there are fluctuations when looking at the data program-by-program," notes Thomas, "but overall DVR usage is not dramatically cutting into live viewing."

Equally significant, the top 10 most-DVR'd primetime shows among adults 18-49 experience as much as 58% of playback on the same day (CBS's *Survivor: China*) and as little as 27% (CW's *Reaper*) (see graph B).

The bottom line: advertisers with time-sensitive messages such as opening-weekend movie releases or special holiday sales offers need not fret over the DVR movement just yet. Viewers are watching recorded programs shortly after they've been recorded—thus maintaining the timeliness of the advertising message.

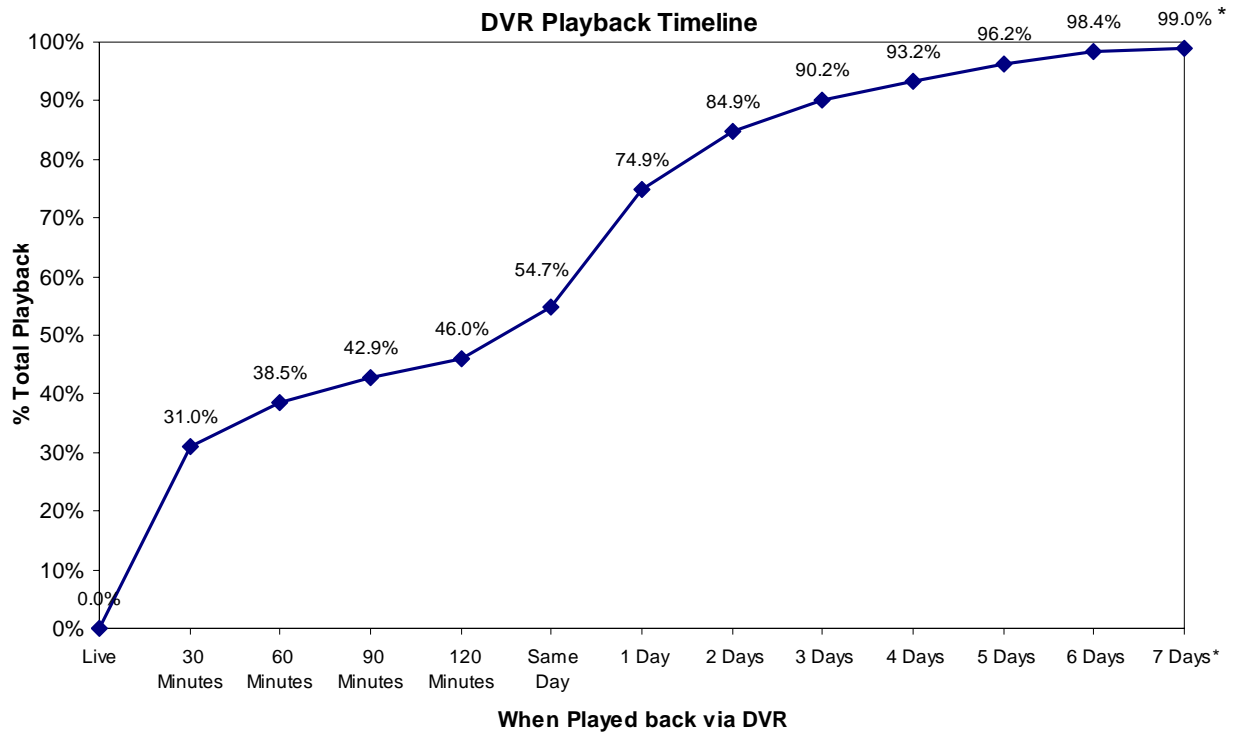


About Palisades MediaGroup

Palisades MediaGroup, founded in 1996, is a premiere media services company with offices in Los Angeles, San Francisco and New York, and a staff of more than 80 experienced professionals. Palisades MediaGroup provides integrated media services in the entertainment, business/consumer, direct response/direct marketing, political advertising and interactive arenas with combined annual billings of \$600 million dollars. www.palisadesmedia.com



Attachment A

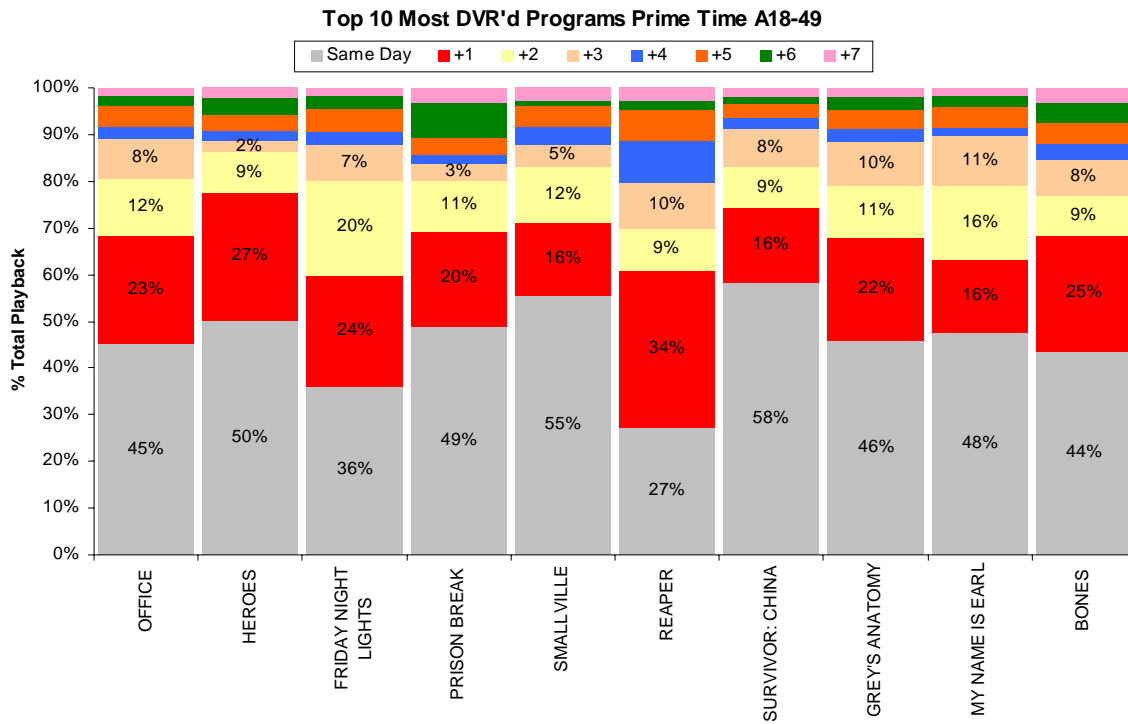


Source: The Nielsen Company. Broadcast Prime (9/24 – 10/21/07 against A18-49)

*Any recorded viewing occurring after 7 days is excluded



Attachment B



Source: The Nielsen Company. Broadcast Prime (9/24 – 10/21/07 against A18-49)