

IN-HOME TV VIEWING GROWS YOY, AUSSIE HOMES INCREASINGLY CONNECTED: Q2 2014 MULTI-SCREEN REPORT

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Australians are watching more television on in-home TV sets year-on-year (YOY) and continue to adopt new screen technologies, according to the latest **Australian Multi-Screen Report**, which covers the second quarter of calendar 2014.

Total use of the television screen has also risen YOY, reflecting the progressive take-up of new devices attached to the TV set, and of televisions with the potential to connect to the internet.

Use of the TV set for secondary purposes has not come at the expense of overall broadcast TV viewing YOY and has reinforced the big screen's primary screen status in households.

Snapshot of TV viewing and technology penetration in Australian homes

VIDEO VIEWING, AVERAGE TIME SPENT PER MONTH, TV / PC / SMARTPHONE / TABLET



In Q2 2014 Australians across the population watched an average of 97 hours and 3 minutes (97:03) *per month* of **broadcast television** (both free-to-air and subscription channels) on their in-home TV sets – up 26 minutes per month YOY.

This equates to a little over 3 hours per Australian per day and has been consistent over the past decade.

91.8 per cent of all in-home TV viewing in the quarter was **live** and 8.2 per cent was viewed in **playback** – that is, when viewers watch broadcast TV material they have recorded within seven days of original broadcast using a device such as a PVR or DVR.

55 per cent of Australian homes have at least one **PVR** and 14 per cent have two or more. On average, Australians devoted 7 hours and 58 minutes per month in the quarter to playback viewing (7:46 a year ago).

Four in five Australian homes (80 per cent) have an **internet connection** and that figure has been steady for the past five quarters.

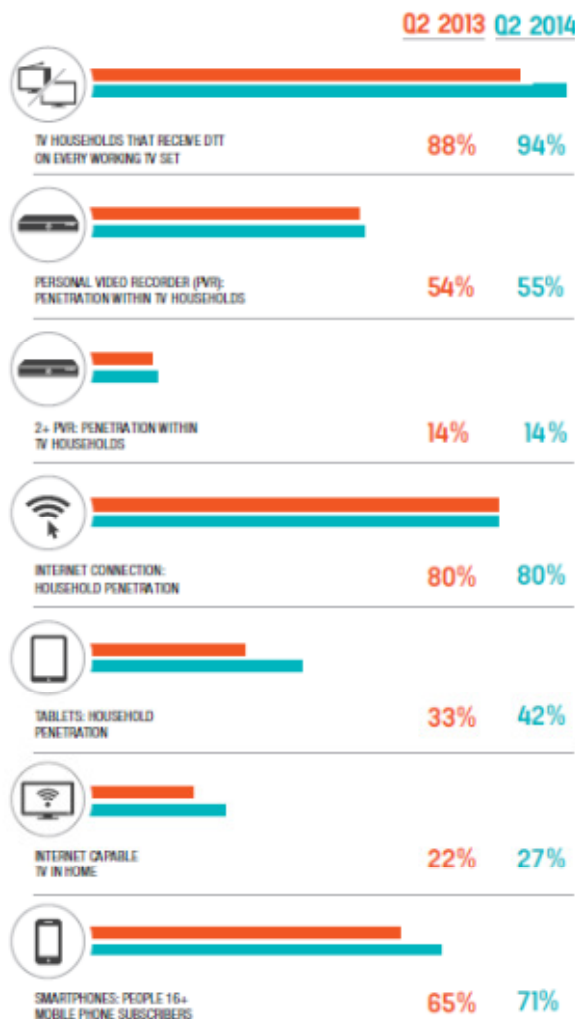
During Q2 2014 Australians aged 2+ spent an average of 39 hours and 27 minutes (39:27) per month online on home and work computers.

Their viewing of any online video on a **PC or laptop** (e.g., streamed video such as internet-delivered catch-up TV as well as other video content) increased to an average of 8 hours and 8 minutes per month (6:26 a year ago).¹

42 per cent of homes have **tablets** – unchanged from Q1 2014 and up from up from 33 per cent in Q2 2013. Across the Australian online population aged 16+ people claim to spend 1:47 per month watching any online video on a tablet².

71 per cent of Australians aged 16+ own a **smartphone**, compared to 65 per cent in Q2 2013, and 69 per cent in Q1 2014. Across the Australian online population aged 16+ people report spending 1:56 per month watching any online video on a smartphone³.

TECHNOLOGY PENETRATION



¹ Nielsen Online Ratings – Hybrid data, May 2014.

² Tablet viewing figures are for Q4 2013, Nielsen Australian Connected Consumers report 2014.

³ Smartphone viewing figures are for Q4 2013, Nielsen Australian Connected Consumers report 2014.

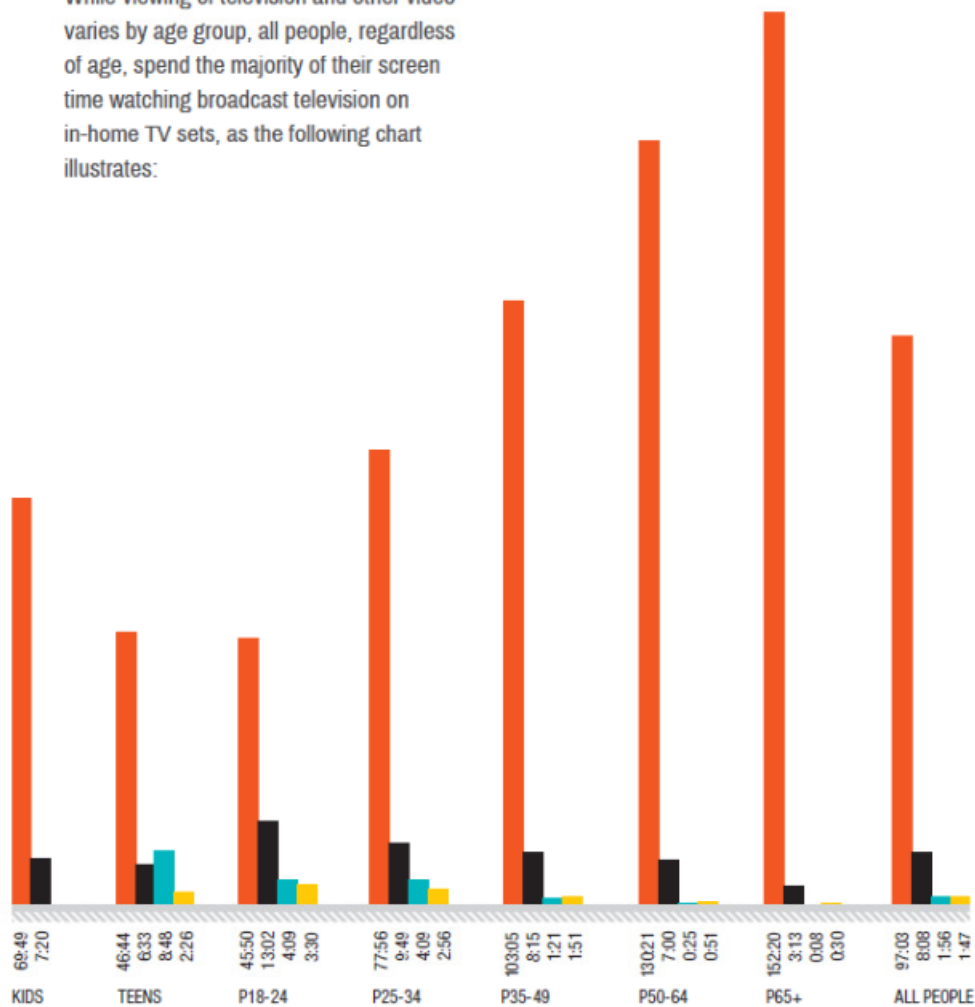
Internet-capable televisions (i.e., 'smart' or 'hybrid' TVs, whether connected or not) are now in 27 per cent of homes, steady on Q1 2014 and up from 22 per cent a year ago.

Following the switch-off of analogue free-to-air television broadcasts, 100 per cent of Australian television homes can receive **digital terrestrial television (DTT)**. 94 per cent of television homes can receive free-to-air digital TV channels on every working TV set in the home. 6 per cent have *secondary* televisions which although unable to receive free-to-air channels may be used for gaming, playing DVDs or as a computer monitor.

Although viewing of television and other video varies by age group, all major age groups spend the majority of their screen time watching broadcast TV on in-home sets.

MONTH IN A LIFE
TV / PC / LAPTOP / SMARTPHONE / TABLET

While viewing of television and other video varies by age group, all people, regardless of age, spend the majority of their screen time watching broadcast television on in-home TV sets, as the following chart illustrates:



WATCHING TV IN THE HOME



WATCHING ANY ONLINE VIDEO ON PC/LAPTOP (P2+)



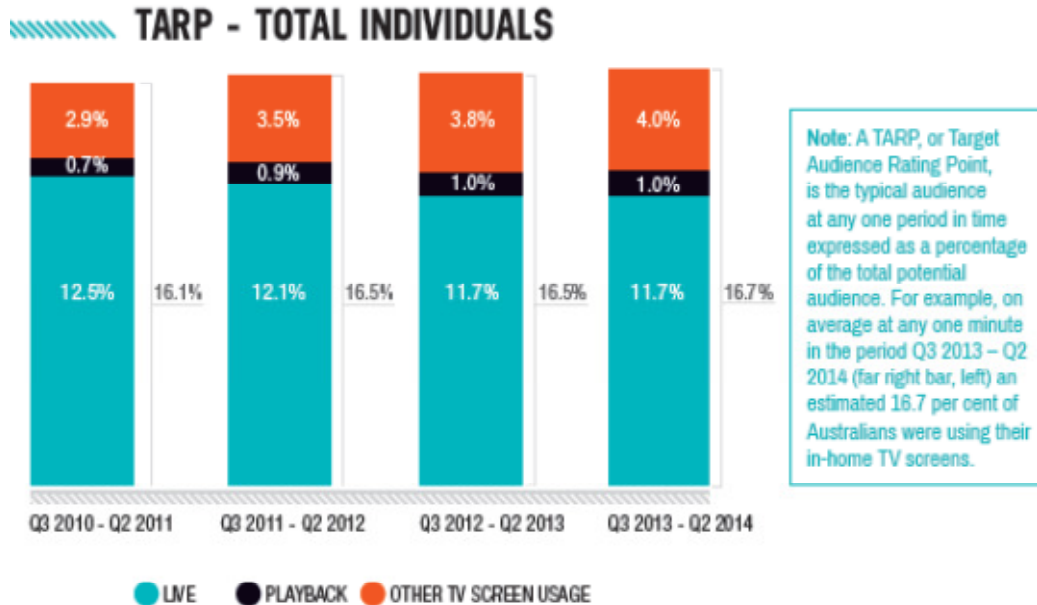
WATCHING ANY ONLINE VIDEO ON A SMARTPHONE (P16+) Q4 2013



WATCHING ANY ONLINE VIDEO ON A TABLET (P16+) Q4 2013

Total TV screen use

Australians' total use of the TV set has grown YOY, averaging out at 16.7 TARP across the whole day (Q3 2013 – Q2 2014) compared to 16.5 TARP a year earlier.



Source: OzTAM and Regional TAM databases with overlap homes de-duplicated

Live and playback viewing have been steady for the past two years, with other screen use rising – that is, when people use their TV screens for purposes such as gaming; viewing over-the-top (OTT) internet-delivered services; internet browsing; or watching playback material (programming they have recorded using a device such as a PVR) beyond seven days from original broadcast.

The growth in total TV screen use reflects the progressive take-up of new devices attached to the TV set (e.g., games consoles, PVRs and OTT services) as well as the rising number of homes with TVs that have the capability to connect to the internet.

Interestingly such secondary TV screen usage has not come at the expense of live or playback viewing in the past year. Rather, more people are in front of the TV set, and increasing their use of it – reinforcing the big screen's position as the household main screen.

Nielsen's Senior Vice President, Cross Platform Audience Measurement, Erica Boyd said: "Our research at Nielsen shows that Australians are consuming more video content than ever before. More content across a number of sized screens and across various digital and native channels. Consumers want to view content anywhere, anytime on the device they want. This is creating a huge opportunity for broadcasters. The highest quality content will be king in this environment."

OzTAM CEO Doug Peiffer said: "The Multi-Screen Report shows Australian viewing habits are changing gradually rather than dramatically. Secondary use of the TV set is bringing more people in front of the TV, increasing the overall amount of time spent with the big screen and reinforcing its place as the household 'main screen'. And even as connected

devices increase the range of viewing options, Australians of all ages still spend the majority of their screen time watching live broadcast television on in-home TV sets."

Deborah Wright, Regional TAM Chair, said: "The Multi Screen Report highlights the increased usage of the main television screen and adoption of new screen technologies, with growth year-on-year. Regional Australian households continue to enjoy the 'live' television experience and are delivering a strong result in comparison to the national average."

SUMMARY OF KEY FINDINGS: Q2 (APRIL – JUNE) 2014:

- Australians watch on average 97 hours and 03 minutes (97:03) of broadcast TV on traditional television sets per month⁴ - up 26 minutes per month year-on-year (YOY).
- 91.8% of all broadcast TV viewing is Live, with Playback of broadcast content that viewers record and watch within seven days accounting for 8.2% (7:58 per month).
- 100% of Australian television homes can access digital terrestrial television (DTT) channels. 94% can do so on every working household TV set.
- 55% of homes have PVRs; 14% have two or more (Q2 2013: 54%; 14%).
- Household internet penetration is stable at 80%.
- Australians spend on average 39:27 per month online⁵.
- 27% of homes have internet-capable TVs, whether connected or not (22% in Q2 2013).
- 42% of homes have tablets (33% in Q2 2013).

Across the online population aged 16+, people claim to spend an average 1:47 per month⁶ using tablets to watch *any* online video – which can include both broadcast and non-broadcast material.

- 71% of Australians aged 16+ own a smartphone (65% in Q2 2013) and self-report an average 1:56 per month⁷ viewing any video on these devices (1:20 a year earlier).
- 13.516 million Australians watch some video on the Internet each month (including TV broadcast and non-broadcast content): an average of 8:08 per month.

Such viewing is highest among people aged 18-24 (13:02)⁸.

⁴ All people figures. 2am-2am.

⁵ Nielsen Online Ratings. Ppl 2+.

⁶ Nielsen Australian Connected Consumers report 2014.

⁷ Nielsen Australian Connected Consumers report 2014.

⁸ Nielsen Online Ratings – Hybrid Streaming (formerly VideoCensus) ppl 2+. Please note March 2014 constituted a trend break for all key audience metrics from Nielsen Online Ratings – Hybrid, with the removal of 'inactive' panellists.

Q2 2014 KEY FINDINGS (cont'd):

- 89.1% of *all* video viewing⁹ – across all screens, and including broadcast and non-broadcast content – is on the traditional TV set¹⁰:
 - 97:03 per month on the TV set (89.1%)
 - 8:08 per month online via PCs/laptops (7.5%)
 - 1:56 per month on smartphones (1.8%)
 - 1:47 per month on tablets (1.6%)

Sources: Nielsen, OzTAM, Regional TAM

Further detail is provided in the report, available upon request.

About The Australian Multi-Screen Report

The Australian Multi-Screen Report, released quarterly, is the first and only national research into trends in video viewing in Australian homes across television, computers and mobile devices. It combines data from the three best available research sources: the OzTAM and Regional TAM television ratings panels and Nielsen's national NetView panel, Consumer & Media View database and Australian Connected Consumers Report.

About Nielsen

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands. For more information, visit www.nielsen.com

About OzTAM

OzTAM is Australia's official source of television audience measurement (TAM) covering the five metropolitan markets (Sydney, Melbourne, Brisbane, Adelaide and Perth) and nationally for subscription television. OzTAM ratings are the accepted metric by which Australian television is evaluated. The media industry uses OzTAM data to assist in program development, advertising planning and to gauge the performance of television programs, networks and advertising campaigns. More at: www.oztam.com.au

About Regional TAM

Regional TAM Pty Limited is a joint venture comprising the five free-to-air (FTA) regional commercial networks – NBN Limited, Prime Television Pty Ltd, Seven Queensland, Southern Cross Austereo, and WIN Corporation Pty Ltd. Collected and marketed by Nielsen Television Audience Measurement, Regional TAM data is the official television audience measurement (TAM) of FTA and Subscription Television viewing in the five east coast aggregated regional markets, including its 19 component sub-markets, and the Regional Western Australian market. Regional TAM television ratings information is designed to be an independent, reliable and transparent audience measurement system that provides the currency by which television is bought, sold and evaluated. The audience data is used by a range of parties such as television networks, advertisers, media buyers and program suppliers to aid them to understand viewer behaviour, and in assessing program or network performance. More at <http://www.regionaltam.com.au>

⁹ Time spent viewing via the conventional TV includes **broadcast content only**; video viewing on PC, tablets and smartphones ('other devices') can include both broadcast and non-broadcast content.

¹⁰ TV viewing: OzTAM/Regional TAM, all people, Q2 2014, 2am-2am. Other devices: Ppl 16+ smartphones/tablets, Q4 2013; Internet: Ppl 2+, Q2 2014, Nielsen Online Ratings.