

VIEWING PATTERNS BROADEN IN Q2 2015: AUSTRALIAN MULTI-SCREEN REPORT

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The latest Australian Multi-Screen Report – from Regional TAM, OzTAM and Nielsen, and covering the second quarter of calendar 2015 – shows Australians' viewing behaviour continues to evolve amid the unprecedented choice people have in both the range of available video content and means of accessing it.

Trends evident in earlier editions of the report continued in Q2 2015 and include:

- The majority of viewing is to broadcast television (free-to-air and subscription channels) watched on in-home TV sets:
 - Each month 22.193 million Australians watch broadcast TV.
 - Each week broadcast TV reaches 88 per cent of Australians.
 - Each day Australians watch an average of just under 3 hours of broadcast TV.
- Overall, Australians spend the bulk of their screen time with their TV sets:
 - On average 3.8 million Australians (16.5 per cent) are using their TV set for *any purpose* in any one minute across the day (2am – 2am);
 - On average 2.9 million Australians (12.6 per cent) are using their TV set to *watch broadcast television* in any one minute (2am – 2am);
 - On average 7.9 million Australians (34.3 per cent) are using their TV set for *any purpose* between 6pm and midnight, when TV use peaks.

Within this total TV screen use mix:

- Other TV screen use is growing, with an increasing proportion of the time Australians spend with their TV sets going to purposes other than watching live or playback TV broadcasts within seven days.

In Q2 2015 such other screen use rose by an average 2 hours and 24 minutes (2:24) year-on-year to 28:42 per month.

This growth follows take-up of new technologies and services including internet-capable TVs; devices attached to the TV set (e.g., PVRs/DVRs and games consoles); and over-the-top streaming video and other content services.

One activity within this other use 'bucket' is viewing TV content between 8 and 28 days after the original broadcast (OzTAM and Regional TAM Consolidated data only include playback within seven days, so do not capture 8-28 day viewing).

Australians spent an average 1:17 in each 28-day period during Q2 2015 viewing 8-28 day content, which accounted for 1.52 per cent of all TV viewing time across the day. This is slightly higher than the 1:10 / 1.38 per cent share seen in Q1 2015.

- The way people use their TV sets to watch broadcast television continues to change:
 - In each of the past five years the proportion of time Australians spend watching live-to-air television has dropped gradually.

In Q2 2015 Australians spent an average 90:53 each month viewing live television (97:03 a year earlier).

- People have been watching more time-shifted TV – that is broadcast TV played back through the television at a later time.

Playback viewing within seven days of broadcast was 8:11 in Q2 2015 (up from 7:58 a year earlier).

- Live TV dominates, with 91 per cent (82:42) of all broadcast TV viewed on TV sets in Q2 2015 watched live-to-air.

- Australians' viewing of video on connected mobile devices is growing:

- Across the population 12 per cent of all video viewing takes place on screens other than the TV.
- This video includes television content viewed on broadcasters' catch-up and streaming sites and apps as well as non-broadcast content.
- Though people under age 35 in particular are using internet-connected mobile devices to watch any video, all age groups spend the majority of their video viewing time watching broadcast TV on in-home TV sets.

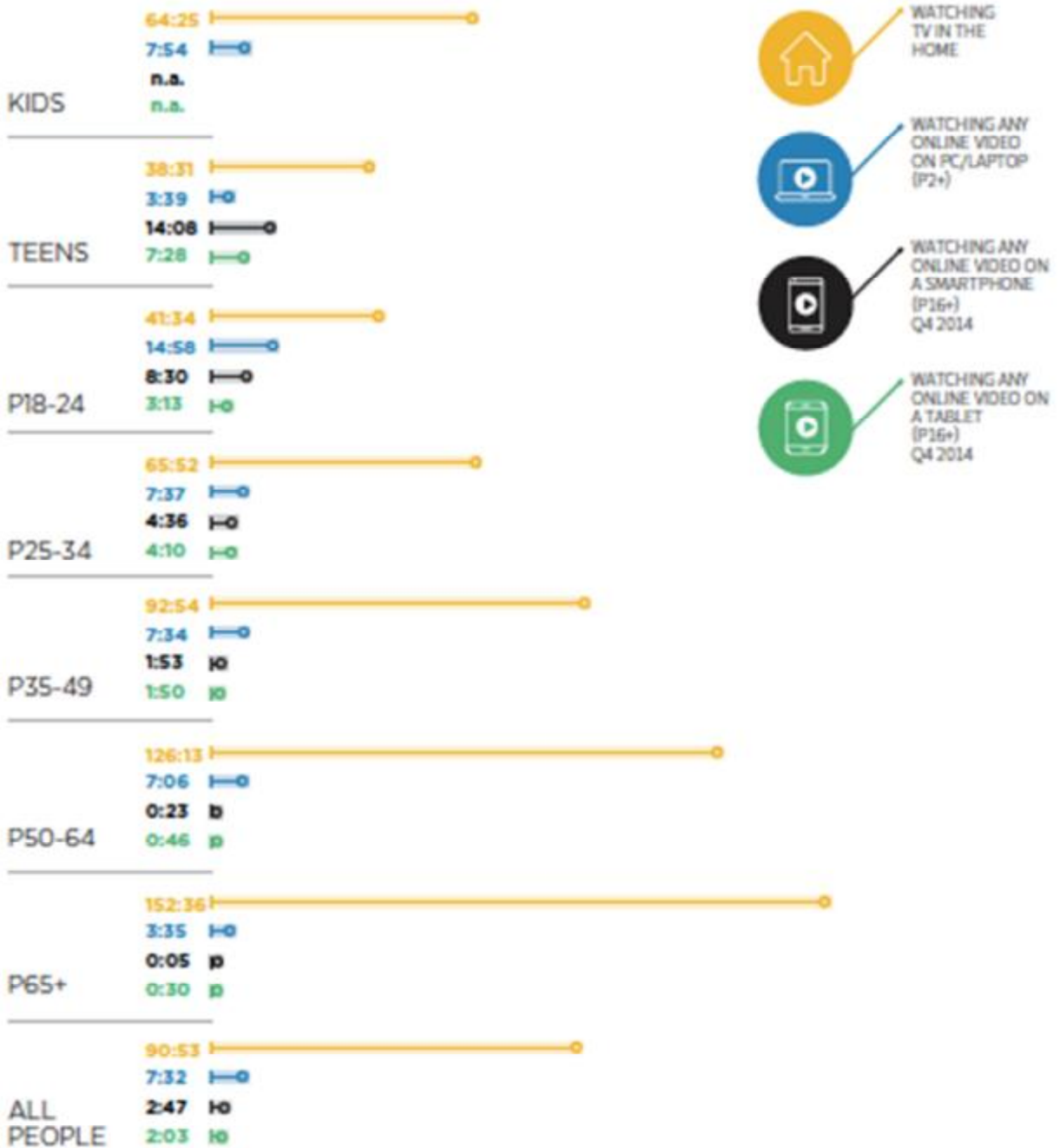
VIDEO VIEWING, AVERAGE TIME SPENT PER MONTH

TV // PC // SMARTPHONE // TABLET



MONTH IN A LIFE

TV // PC // LAPTOP // SMARTPHONE // TABLET



TECHNOLOGY IN AUSTRALIAN HOMES

Smartphones are ubiquitous: 75 per cent of Australians aged 16+ now own one, compared to 71 per cent a year ago.

Tablets are in an estimated 47 per cent of homes, which is steady on the past three quarters (42 per cent a year earlier). Reasons for slowing tablet take-up may include the longer tablet lifecycle (people upgrade them less often than they do their phones); increased sharing; adoption of larger-screen smartphones, or 'phablets'; and laptop innovations such as hybrid touchscreen models.

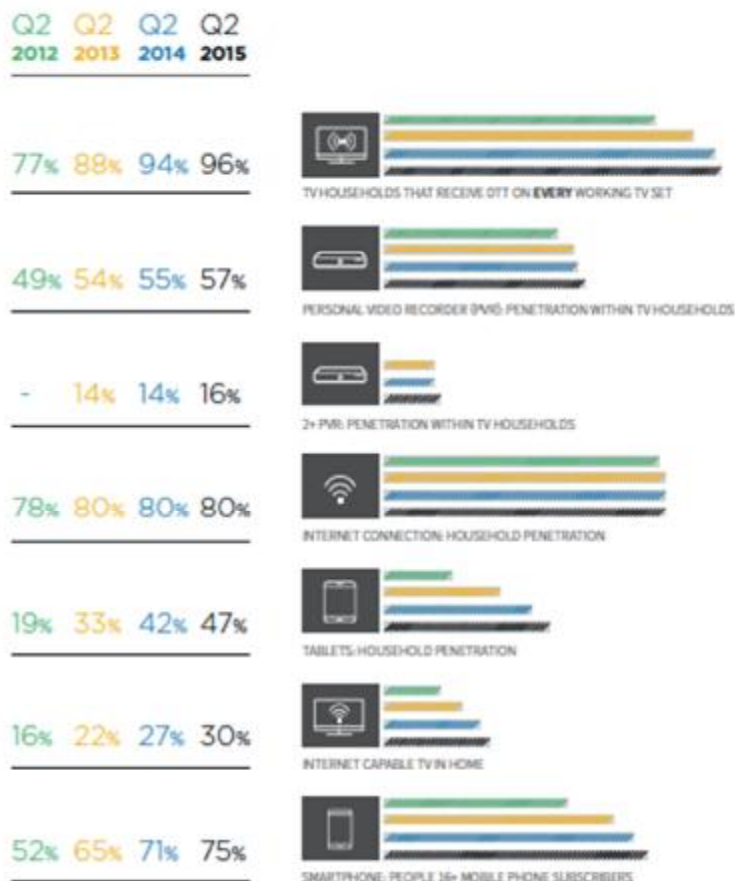
An estimated 30 per cent of homes have internet-capable TVs (whether connected to the internet or not), up from 27 per cent in Q2 2014.

Household personal video recorder (PVR) penetration has levelled off at 57 per cent.

All Australian TV households can receive digital terrestrial broadcast (DTT) channels; 96 per cent have converted every working household TV set to digital.

Household internet penetration has been steady for the past ten quarters at 80 per cent.

TECHNOLOGY PENETRATION



Craig Johnson, Head of Nielsen's Reach Solutions, Southeast Asia, North Asia and Pacific said: "The continuing march of technology take-up continues to give Australian consumers more ways to view content. 100 per cent of TV homes receive digital terrestrial television (DTT) and 96 per cent can do so on every working TV set in the house; 57 per cent of households have a PVR and now the rise of the second PVR to 16 per cent, with tablet and smartphone ownership continuing to increase. With all this Australians are still watching 82 hours and 42 minutes a month of live TV, showing the unique position the television set still has in households today."

Regional TAM Chair and NBN Television CEO Deborah Wright said: "The Australian Multi-Screen Report again delivers a comprehensive overview of how Australians are consuming broadcast television and other video. This report highlights that broadcast television continues to dominate and looking at regional viewers specifically, they are spending more than 100 hours each month on average watching television, which is higher than the national average."

OzTAM CEO Doug Peiffer said: "It's fascinating to see how Australians are spreading their TV consumption across various platforms and devices. Though live TV watched through the TV set still accounts for the vast majority of viewing, people are increasingly taking control. There is more time-shifted viewing, including 8-28 day playback (which isn't reported in Consolidated ratings); people are using on-demand services including broadcasters' catch-up and streaming apps and services, along with other video; and there is more 'binge viewing'. Together such activities are taking a few minutes each day away from live TV viewing. We will continue to monitor this progressive change."

SUMMARY OF KEY FINDINGS: Q2 (APRIL – JUNE) 2015:

- Australians watch on average 90 hours and 53 minutes (90:53) of broadcast TV on traditional television sets per month¹ (year-on-year down 6:10 per month).
- 91% of all broadcast TV viewing is live (82:42) with playback of broadcast content *through the TV set* within seven days of original broadcast comprising 9% (8:11 per month, up 13 minutes/month YOY).
- 22.193 million Australians watch broadcast television each month, with average weekly reach at 88% of the population.
- 100% of Australian television homes can access digital terrestrial television (DTT) channels. 96% can do so on every working household TV set.
- 57% of homes have PVRs; 16% have two or more (Q2 2014: 55%; 14%).
- 30% of homes have internet-capable TVs, whether connected or not (Q2 2014: 27%).
- 47% of homes have tablets (level since Q4 2014, and up from 42% in Q2 2014).
- 75% of Australians aged 16+ own a smartphone (71% in Q2 2014).

¹ OzTAM and Regional TAM. All people figures. 2am-2am.

- Household internet penetration is stable at 80%.
- Australians spend on average 37:31 per month online² (39:27 in Q2 2014).
- 13.711 million Australians watch some video on the internet each month (including broadcast TV and non-broadcast content): an average of 7:32 per month (down 36 minutes from 8:08 a year ago). Such viewing is highest among people aged 18-24 (14:58 per month)³.
 - 88% of *all* video viewing⁴ – across all screens, and including broadcast and non-broadcast content – is on the traditional TV set⁵:
 - 90:53 per month on the TV set (88%)
 - 7:32 per month online via PCs/laptops (7.3%)
 - 2:47 per month on smartphones (2.7%)⁶
 - 2:03 per month on tablets (2%)⁷

Sources: Regional TAM, OzTAM, Nielsen. The full report is 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 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>

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,

² Nielsen Online Ratings. Ppl 2+.

³ 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.

⁴ 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.

⁵ TV viewing: OzTAM/Regional TAM, all people, Q2 2015, 2am-2am. Smartphones/tablets: ppl 16+, self-reported, Q4 2014. Internet: ppl 2+, Q2 2015, Nielsen Online Ratings.

⁶ Nielsen Australian Connected Consumers report 2015.

⁷ Nielsen Australian Connected Consumers report 2015.

advertising planning and to gauge the performance of television programs, networks and advertising campaigns. More at: www.oztam.com.au

About Nielsen

Nielsen N.V. (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers Watch and Buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services across all devices where content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen provides its clients with both world-class measurement as well as analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries that cover more than 90 per cent of the world's population. For more information, visit www.nielsen.com