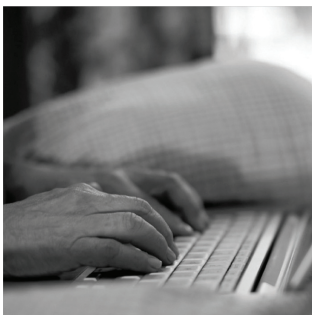


AUSTRALIAN MULTI-SCREEN REPORT

QUARTER 1, 2012



TRENDS IN VIDEO VIEWERSHIP BEYOND CONVENTIONAL TELEVISION SETS

VIDEO CONTENT ACROSS MULTIPLE SCREENS

An increasing number of Australians have access to new technological options for viewing video in their homes.

This release of the Australian Multi-Screen report (covering Quarter 1, 2012) shows people continue to take advantage of these options to watch video - whether via conventional television sets, on desktop or laptop computers, or by using newer technologies such as smartphones and tablets.

While television remains the dominant medium for watching video, accounting for 96% of all such viewing, the use of other screens is growing at a healthy rate, albeit from a small base.

This report combines data from the OzTAM and Regional TAM television ratings panels, Nielsen Online Ratings, Nielsen Australian Online Consumer Report and Consumer & Media View database to provide the national multi-screen estimates.

REPORT HIGHLIGHTS

The percentage of Australian television homes capable of receiving digital terrestrial television (DTT) continues to grow ever closer to 100% as the 2013 deadline for analogue switch-off approaches.

The number of homes that have completely converted to DTT on all television sets was 74% in Q1 2012. This is an average increase of almost 5 percentage points per quarter since Q1 last year.

Over the past 12 months, the percentage of homes with personal video recorders (PVRs) has grown from 37% to 47%, with their functionality and convenience making them increasingly desirable.

Access to digital television and personal video recorders for free to air broadcasts and subscription television services continues to drive traditional video viewing.

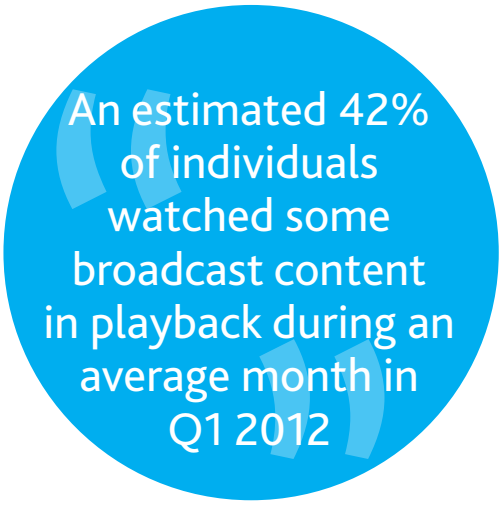
During Q1 2012, 98% of all Australians viewed television and 42% viewed television as a playback recording during an average month in the current quarter.

Another new, 'must have' screen is the tablet, which is a complement to existing screens in the home with the added benefits of portability and mobility. This report now incorporates a quarterly national estimate of the percentage of homes with a tablet device, with the estimate for Q1 2012 at 15%.

Along with an increase in ownership, video content consumption on extended screens of computers and smartphones is also showing evidence of growth with 45% of the population watching online video via PC/laptops during an average month in this quarter.

Streaming any online video via mobile phone during a month was at 11% of the population aged 16 years and over at the end of 2011, up from an estimated 7% at the end of 2010.

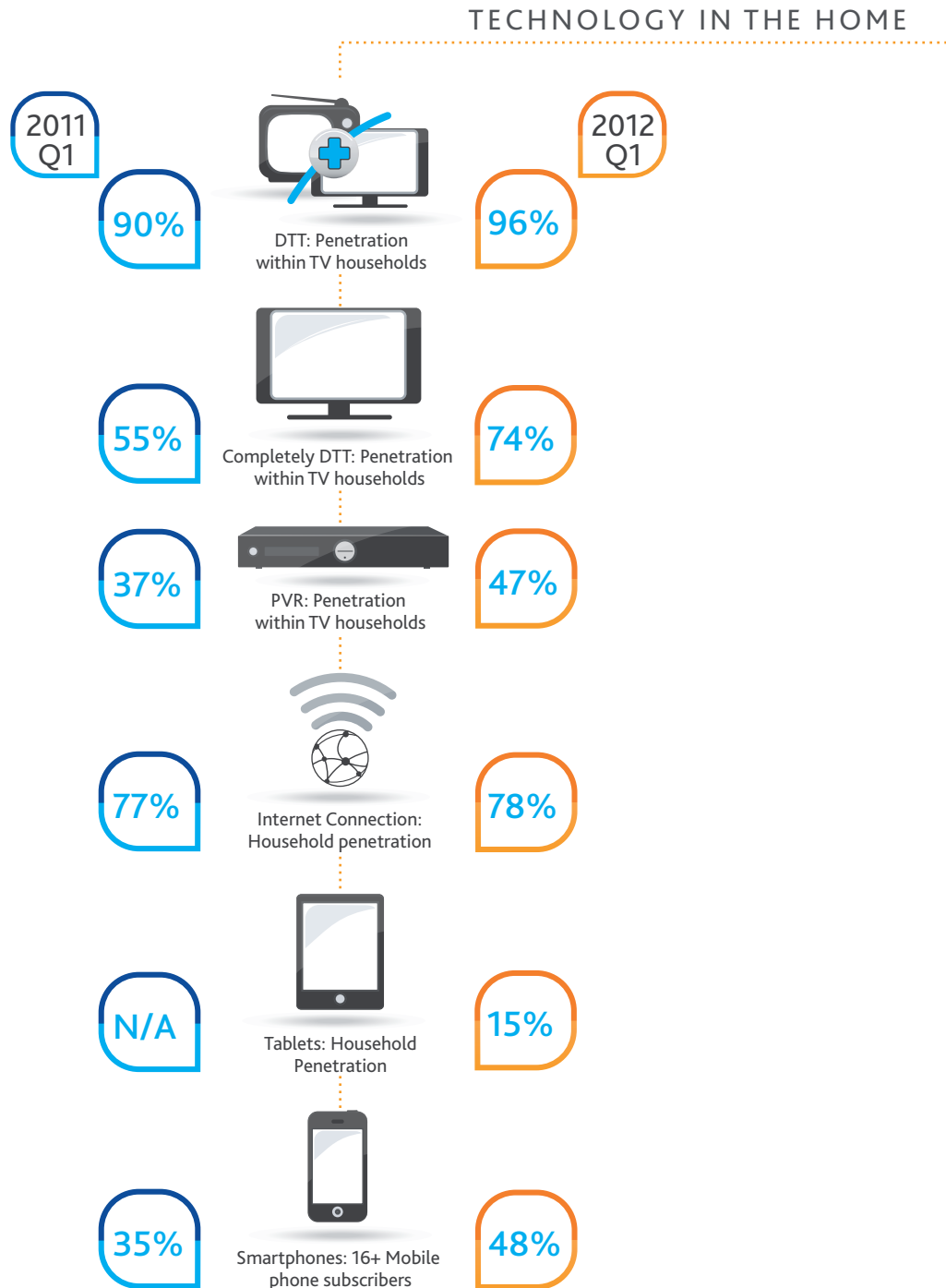
Furthermore, average time spent viewing of all forms of content has continued to increase year on year.



An estimated 42% of individuals watched some broadcast content in playback during an average month in Q1 2012

TECHNOLOGY IN THE HOME

With at least one working television in approximately 99% of all homes¹, television viewing on conventional sets remains a constant. Average monthly reach (that is, where people watch at least one minute of television in that period) is at 98% of all Australians, which is steady with the same time last year².



¹ Source: OzTAM Metro and Regional TAM quarterly Establishment Survey (ES) Q1 2012.

² Based on estimated National Television Audience Measurement (TAM) population within coverage area is 21,850,000 (2011) and 22,214,000 (2012).

AVERAGE MONTHLY REACH

PVRs continue to be popular, now present in 47% of Australian homes. Over a month, on average, 42% of people have shifted some of their television viewing, which is an increase from 37% (Q1 2011), reflecting the rising demand for 'personal programming'.

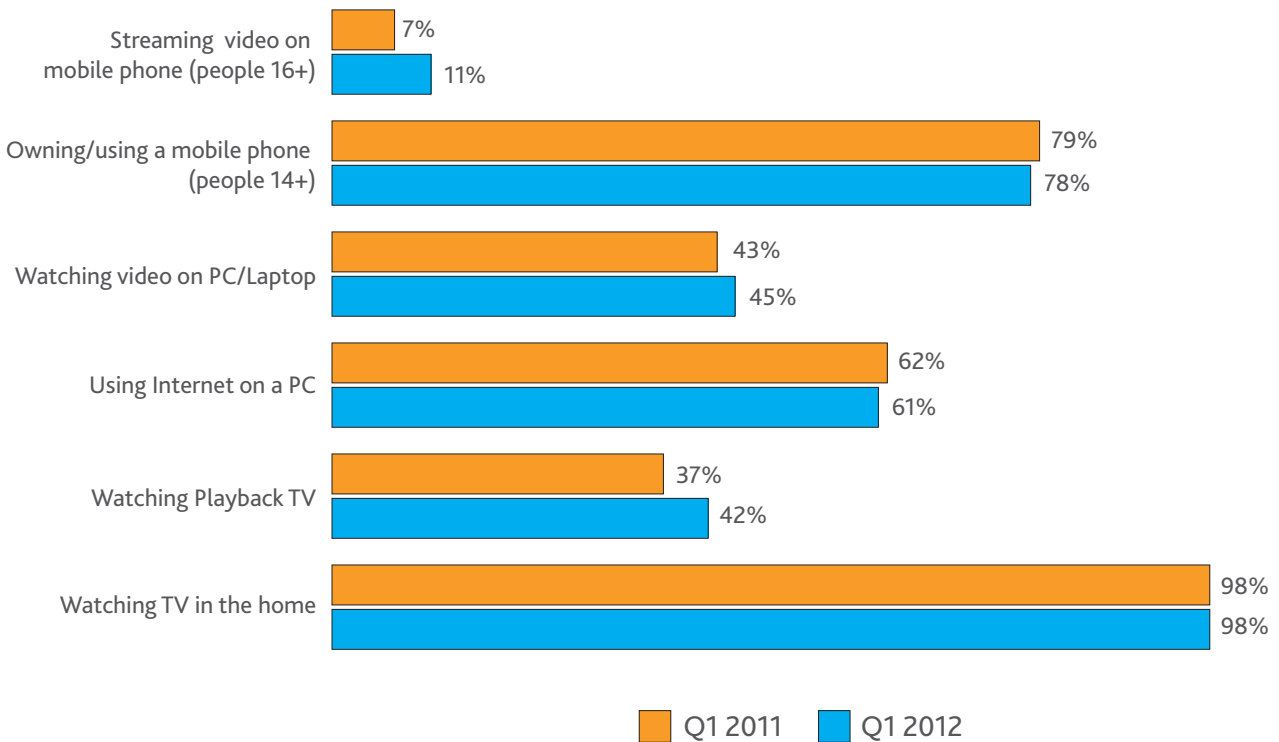
Despite general PC/laptop usage for internet surfing remaining fairly stable, there is evidence of a continued growth in the trend of online video consumption, with an estimated 45% of the population having watched at least one minute of any video online using a PC/laptop during a month in the quarter.

The small overall increase in PC internet average time spent (+1.3% from Q1 2011) continues to be driven by people over 50. Interestingly, People 65+ now spend more time per month using the internet via PC (32 hours, +20%) than those aged 18-24 (29 hours, +2%). However, this is still far less time than People 25-34 (61 hours), People 35-49 (55 hours) and People 50-64 (53 hours), perhaps a reflection of people's internet usage at work.

Ownership of mobile phones remains high and steady (78%)³, but streaming online video consumption through mobile phones is growing – over the course of last year streamed video viewing on mobile phones amongst the Australian population aged 16 years and above grew from 7% (2010) to 11% (2011)⁴.



CHART 1: AVERAGE MONTHLY REACH (AT LEAST 1 MINUTE+)



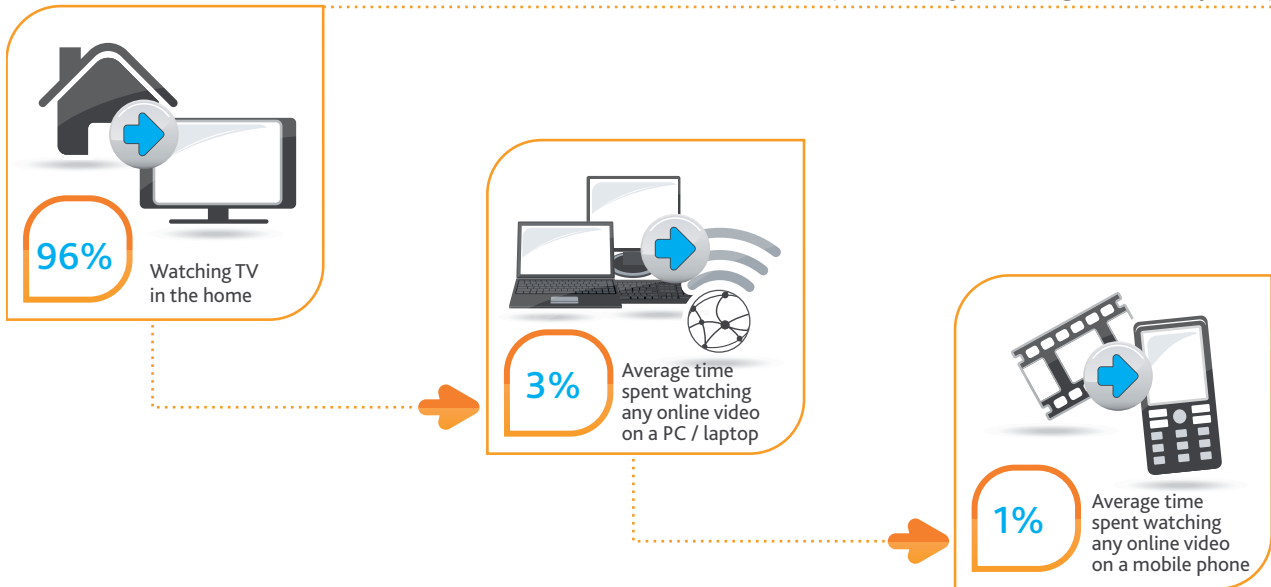
³ Mobile phone ownership and usage sourced from Nielsen Consumer & Media View (people aged 14+).

⁴ Source: Nielsen Australian Online Consumer Report (February 2012 edition)

WATCHING VIDEO ON THE BEST SCREEN

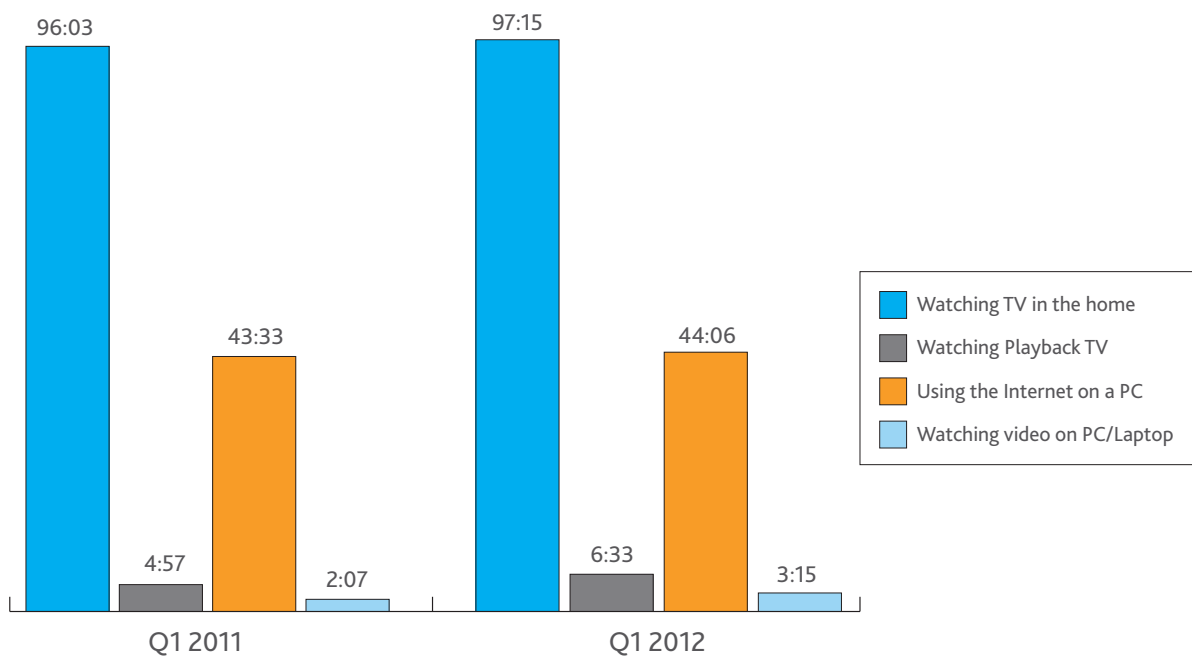
The vast majority of viewing continues to be via the traditional television screen. Clearly the dominant way to watch is on the biggest available screen with 96% of average time spent viewing sourced from the traditional television set.

VIEWING ALLOCATION (monthly average time spent)



The viewing of video across all screens continues to grow. TV viewing is up 1% year-on-year, and the viewing of any video via PCs is up 50%, year-on-year, to 3 hours 15 minutes per month on average.

CHART 2: AVERAGE TIME SPENT PER MONTH (HH:MM)



There is no further update available on online video consumption via mobile phones. In the previous report (Q4 2011) this was estimated to be an average of 1 hour and 20 minutes per month, more than double the earlier estimate in Q1 2011.

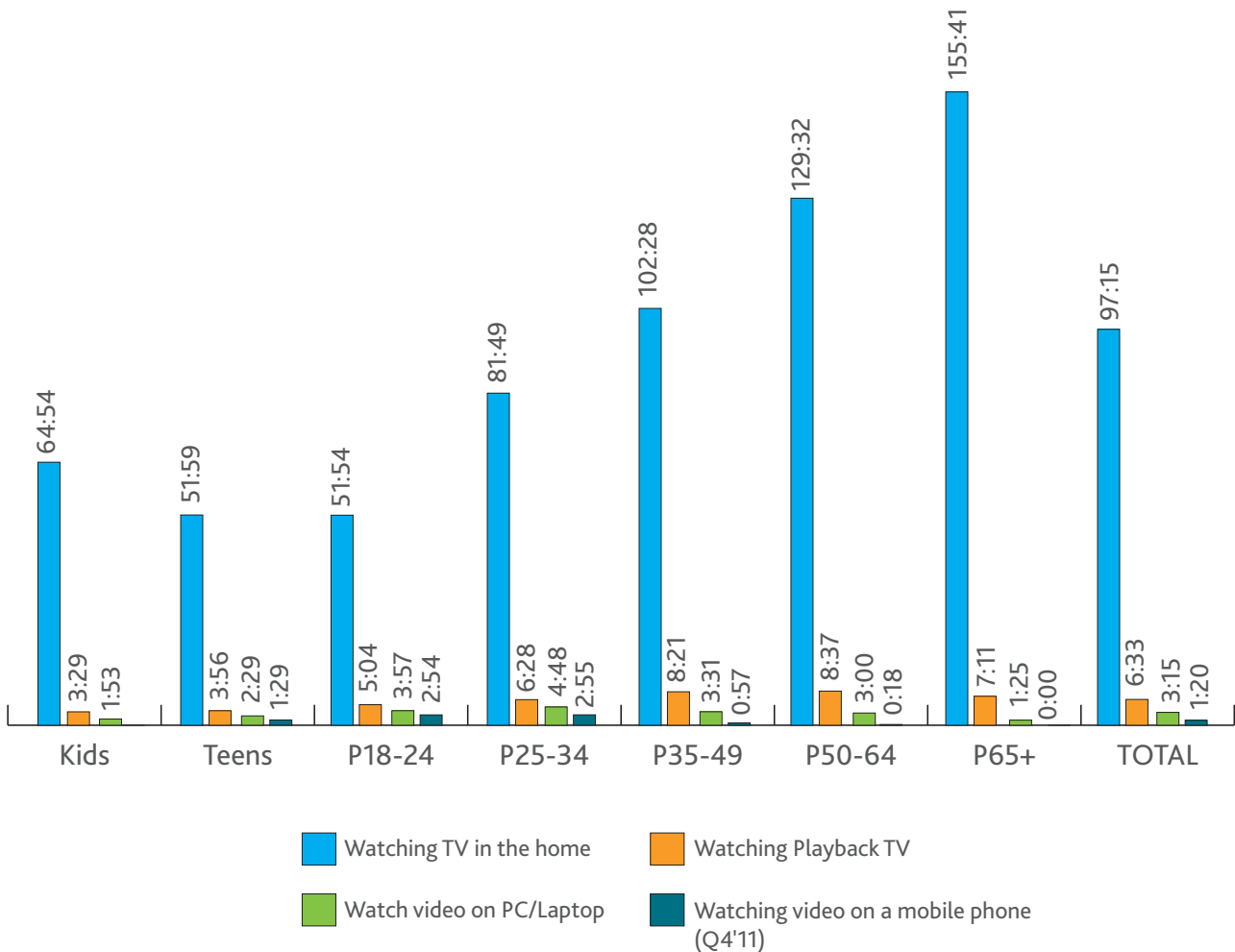
VIDEO AUDIENCE PROFILE

Australians of all age groups are increasing their use of playback television viewing, which is up year on year (refer 'Key Observations', Table 4). While the proportion of total average time spent viewing playback TV is highest for people aged 18 to 24 years (5 hours out of nearly 52 hours, or 10%), people aged 65+ also view 5% of their television in playback.

Similarly, while 96% of all video viewing is via the television set, the use of screens differs by age groups. For example, 88% of viewing by people aged 18 to 24 years is on a traditional television set. Their other video viewing is shared between online video on their computer (7%) and online video content via their mobile phone (5%).

There has been a relatively large increase in overall online video viewing via PCs/laptops, with some shifts in audience viewing profiles. This time last year teens led the way at 2:48 hours spent viewing video online per month (compared to 2:29), whereas this quarter, people aged 25-34 are viewing the most online video per month (on average 4:48 hours). This is more than double their average time spent viewing during Q1 2011.

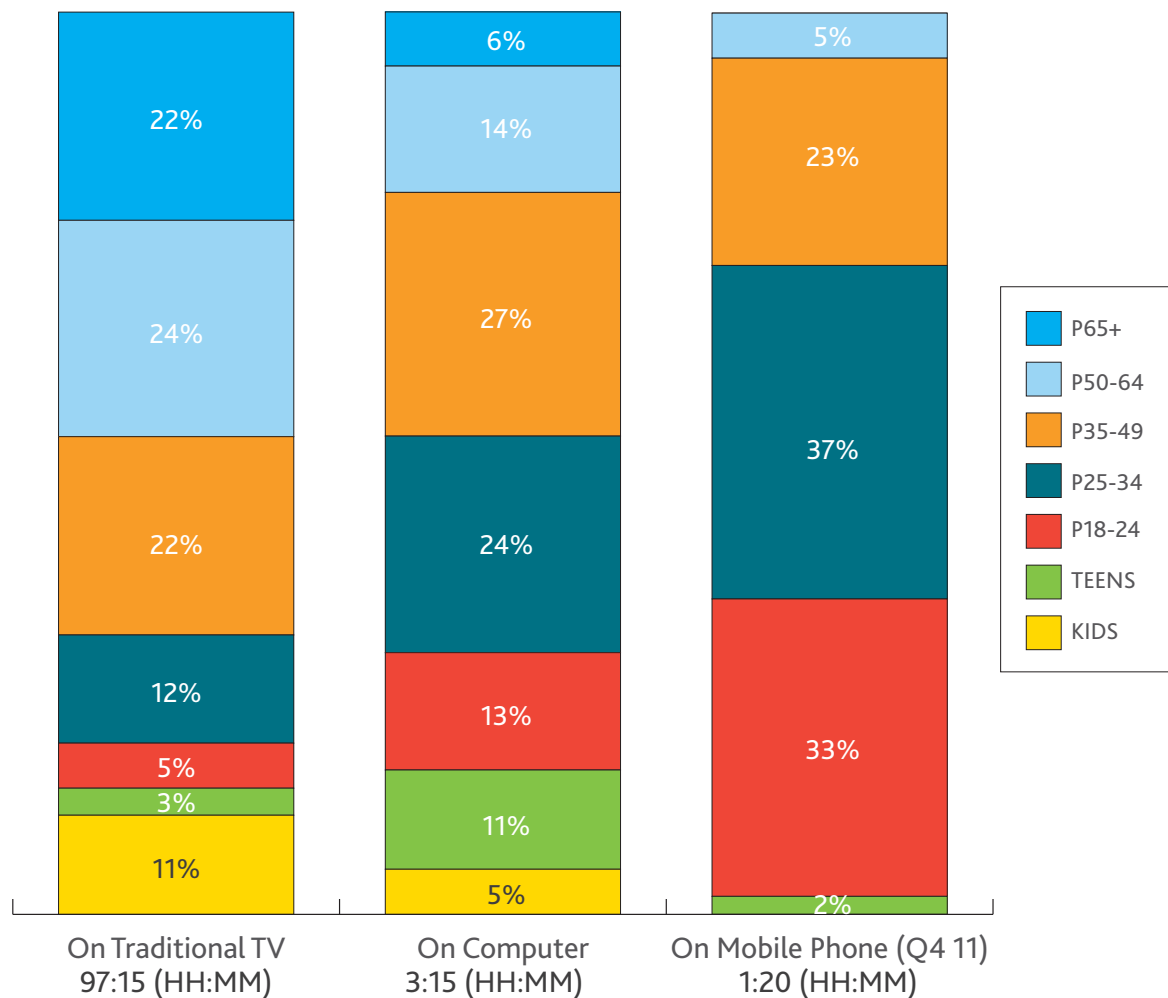
CHART 3: A MONTH IN THE LIFE – Q1 2012 (HH:MM)



The audience profile to the traditional TV set is generally skewed more towards older age groups (46% of the audience is aged 50 years or over) whilst the audience profile to the alternative means of video consumption are clearly more attractive to younger age groups. More than 50% of the online video audience and 72% of the mobile phone video audience⁵ are aged below 35 years.



CHART 4: VIDEO AUDIENCE COMPOSITION BY AGE GROUP



⁵ The mobile phone video audience is based on all people aged 16 years or more therefore the 'Kids' age group is not sampled.

KEY OBSERVATIONS

TABLE 1: TECHNOLOGY PENETRATION

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Digital terrestrial television (DTT): Penetration within TV households ⁶	90%	92%	94%	95%	96%
Completely DTT: Penetration within TV households (Homes capable of receiving DTT on each working TV within the home)	55%	61%	65%	70%	74%
Personal video recorder (PVR): Penetration within TV households	37%	40%	42%	44%	47%
Internet Connection: Household penetration ⁷	77%	77%	76%	77%	78%
Tablets: Household penetration	N/A	N/A	N/A	N/A	15%
Smartphones: Mobile phone subscribers ⁸	35%	46%	46%	45%	48%

TABLE 2: MONTHLY TIME SPENT (HH:MM)

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Watching TV in the home ⁹	96:03	100:29	101:01	94:24	97:15
Watching Playback TV	4:57	5:36	6:09	5:58	6:33
Using Internet on a PC ¹⁰	43:33	42:29	42:27	43:54	44:06
Watch video on PC/Laptop	2:07	2:39	3:03	3:27	3:15
Watching video on a mobile phone ¹¹	0:35	N/A	N/A	1:20	N/A

TABLE 3: OVERALL USAGE (000S), MONTHLY REACH

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Watching TV in the home ¹²	21,364	21,436	21,408	21,433	21,682
Watching Playback TV	8,068	8,466	8,714	9,021	9,357
Using Internet on a PC ¹³	13,623	13,821	14,263	13,692	13,480
Watch video on PC/Laptop	9,437	9,944	10,508	9,892	10,015
Owning/using a mobile phone ¹⁴	17,215	17,384	17,375	17,431	17,351
Streaming video on mobile phone ¹⁵	N/A	N/A	N/A	1,991	N/A

⁶ Source: DTT, PVR estimates are based on install levels from the Combined OzTAM Metro and Regional TAM panels as at last date of each period.

⁷ Source: Estimates for Internet connection and Tablet household penetration from combined OzTAM Metro and Regional TAM quarterly Establishment Surveys (ES).

⁸ Sources: Nielsen Australian Online Consumer (AOC) Report of online consumers aged 16+ (Q1 2011), The Nielsen Telstra Smartphone Index Report of mobile users aged 16+ Q2 2011 & Q3 2011 and Nielsen Consumer & Media View national population aged 16+ (Q4 2011 onwards).

⁹ Source: Combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. Average time spent viewing (ATV 0200-2600). 'Watching TV' and 'Watching Playback TV' are both based on Consolidated data. Please note television viewing is seasonal, with people watching more television in the winter months and with the end of daylight saving time.

¹⁰ Online usage source: Nielsen NetView (Q1-Q3 2011) and Nielsen Online Ratings (Q4 2011 onwards). Using Internet on PC excludes adult content and application. Figures are National and for people 2+.

¹¹ Smartphone usage source: Nielsen Australian Online Consumer (AOC) Report for respondents aged 16 years and over. Estimate based on reported weekly time spent by average number of weeks in a month (4.3). National figure only produced annually. Q1 figure from 2010-2011 AOC Report (February 2011 edition). Q4 figure from 2011-2012 AOC Report (February 2012 edition).

¹² Source: Combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. 'Watching TV' and 'Watching Playback TV' are both based on consolidated data (0200-2600).

¹³ Source: Nielsen NetView (Q1-Q3'11) and Nielsen Online Ratings (Q4'11 onwards) – Internet activity (using and watching) excludes adult content and application. National figures for people 2+.

¹⁴ Mobile phone ownership and usage sourced from Nielsen Consumer & Media View (people aged 14+).

¹⁵ Nielsen Australian Online Consumer (AOC) Report – audience profile is based users aged 16+ in Australia. National figures only produced annually. Figure from 2010-11 AOC Report (February 2012 edition). National population estimate for people aged 16+ is 18,336,000. National estimate of the online active audience aged 16+ from Nielsen Online Ratings (December 2011) is 14,223,000.

TABLE 4: A MONTH IN THE LIFE – Q1 2012 (HH:MM)

	KIDS ¹⁶	TEENS ¹⁷	P18-24	P25-34	P35-49	P50-64	P65+	ALL PEOPLE ¹⁸
Watching TV in the home ¹⁹	64:54	51:59	51:54	81:49	102:28	129:32	155:41	97:15
<i>Q1 2011</i>	<i>62:54</i>	<i>51:40</i>	<i>47:40</i>	<i>85:15</i>	<i>101:22</i>	<i>128:07</i>	<i>153:23</i>	<i>96:03</i>
Watching Playback TV	3:29	3:56	5:04	6:28	8:21	8:37	7:11	6:33
<i>Q1 2011</i>	<i>2:46</i>	<i>3:18</i>	<i>3:13</i>	<i>6:25</i>	<i>6:07</i>	<i>5:48</i>	<i>5:07</i>	<i>4:57</i>
Using the Internet on a PC ²⁰	7:30	13:39	29:02	61:00	55:00	53:22	32:04	44:06
<i>Q1 2011</i>	<i>8:03</i>	<i>15:29</i>	<i>28:37</i>	<i>64:00</i>	<i>56:24</i>	<i>47:52</i>	<i>26:46</i>	<i>43:33</i>
Watch video on PC/Laptop	1:53	2:29	3:57	4:48	3:31	3:00	1:25	3:15
<i>Q1 2011</i>	<i>1:15</i>	<i>2:48</i>	<i>2:41</i>	<i>2:04</i>	<i>2:30</i>	<i>1:58</i>	<i>1:00</i>	<i>2:07</i>
Watching video on a mobile phone ²¹ (Q4 2011)	N/A	1:29	2:54	2:55	0:57	0:18	0:00	1:20

TABLE 5: VIDEO AUDIENCE COMPOSITION (BY AGE AND GENDER) – Q1 2012

	KIDS	TEENS	P18-24	P25-34	P35-49	P50-64	P65+	Females	Males
On Traditional TV ²²	11%	3%	5%	12%	22%	24%	22%	53%	47%
<i>Q1 2011</i>	<i>11%</i>	<i>4%</i>	<i>5%</i>	<i>13%</i>	<i>23%</i>	<i>24%</i>	<i>22%</i>	<i>54%</i>	<i>46%</i>
On Internet ²³	5%	11%	13%	24%	27%	14%	6%	38%	62%
<i>Q1 2011</i>	<i>4%</i>	<i>16%</i>	<i>10%</i>	<i>16%</i>	<i>30%</i>	<i>18%</i>	<i>6%</i>	<i>37%</i>	<i>63%</i>
On Mobile Phones ²⁴ (Q4 2011)	N/A	2%	33%	37%	23%	5%	0%	38%	62%

¹⁶ Combined Metro OzTAM and Regional TAM data defines 'Kids' aged 0-12 and Nielsen NetView aged 2-11.

¹⁷ Combined Metro OzTAM and Regional TAM data defines 'Teens' aged 13-17, Nielsen NetView aged 12-17 and Nielsen AOC aged 16-17.

¹⁸ Mobile phone population based on people aged 16+.

¹⁹ Source: Combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. 'Watching TV' and 'Watching Playback TV' are both based on consolidated data (0200-2600).

²⁰ Source: Nielsen NetView (Q1-Q3 2011) and Nielsen Online Ratings (Q4 2011 onwards). Using Internet on PC excludes adult content and application. Estimate is the average of the 3 months within the calendar quarter. Figures are National and for people 2+.

²¹ Nielsen Australian Online Consumer (AOC) Report – audience profile is based on all mobile phone users aged 16+ in Australia. National figures only produced annually. Q1 figure from 2010-2011 AOC Report (February 2011 edition). Q4 figure from 2011-2012 AOC Report (February 2012 edition).

²² Source: Combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. 'Watching TV' and 'Watching Playback TV' are both based on consolidated data (0200-2600).

²³ Source: Nielsen NetView (Q1-Q3 2011) and Nielsen Online Ratings (Q4 2011 onwards). Using Internet on PC excludes adult content and application. Estimate is the average of the 3 months within the calendar quarter. Figures are National and for people 2+.

²⁴ Nielsen Australian Online Consumer (AOC) Report – audience profile is based on all mobile phone users aged 16+ in Australia. National figures only produced annually. Q1 figure from 2010-2011 AOC Report (February 2011 edition). Q4 figure from 2011-2012 AOC Report (February 2012 edition).

EXPLANATORY NOTES

- Panel install incidence rates for DTT and PVR are based on combined OzTAM Metro and Regional TAM panels as at last date of each period (Q1=end of P4, Q2=end of P7, Q3=end of P10, Q4=end of P13).
- Quarterly Establishment Survey waves are conducted within standard calendar quarters.
- National Establishment Survey (ES) estimates are based on combined OzTAM Metro and Regional TAM quarterly waves. Quarterly ES waves are conducted within standard calendar quarters.
- Average time spent viewing (ATV) is calculated as the daily average time (0200-2600) within the universe across all days in the calendar quarter multiplied by the factor of numbers of days in the quarter divided by three (3).
- Monthly reach for TV is based on the average of the calendar month cumulative reach audience (0200-2600) within the quarter.
- Video content is defined as a stream where both audio and video are detected. Video viewership excludes adult and advertising content, as well as downloaded content.
- Wherever possible, geographic and demographic data have been matched for like comparisons.
- Nielsen Australian Online Consumer (AOC) report and Nielsen Telstra Smartphone Index report are national-based population aged 16+.
- Mobile phone ownership and usage sourced from Nielsen Consumer & Media View (people 14+).
- TAM data defines 'Kids' as panel members aged 0-12, 'Teens' aged 13-17 and 'Male' / 'Female' as total individuals aged 0+.
- Nielsen Netview defines 'Kids' as panel members aged 2-11, 'Teens' aged 12-17 and 'Male' / 'Female' as individuals aged 2+.
- Nielsen Australian Online Consumer report defines 'Teens' as respondents aged 16-17 and 'Male' / 'Female' respondents aged 16+.
- Regarding television time spent viewing figures: the calculation of average monthly time spent watching TV and playback TV in the previous Australian Multi-Screen Report (Q4 2011) was based on cumulative reach for consistency with the calculation of the online viewing metric. In this latest report, TV viewing calculations are based on average daily time spent viewing extrapolated to the average number of days per month for the current quarter. This revised approach is more consistent with the general understanding of the standard for calculating television viewing.

FOR MORE INFORMATION

Should you require more information about any content in this report, please refer to the list below.



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