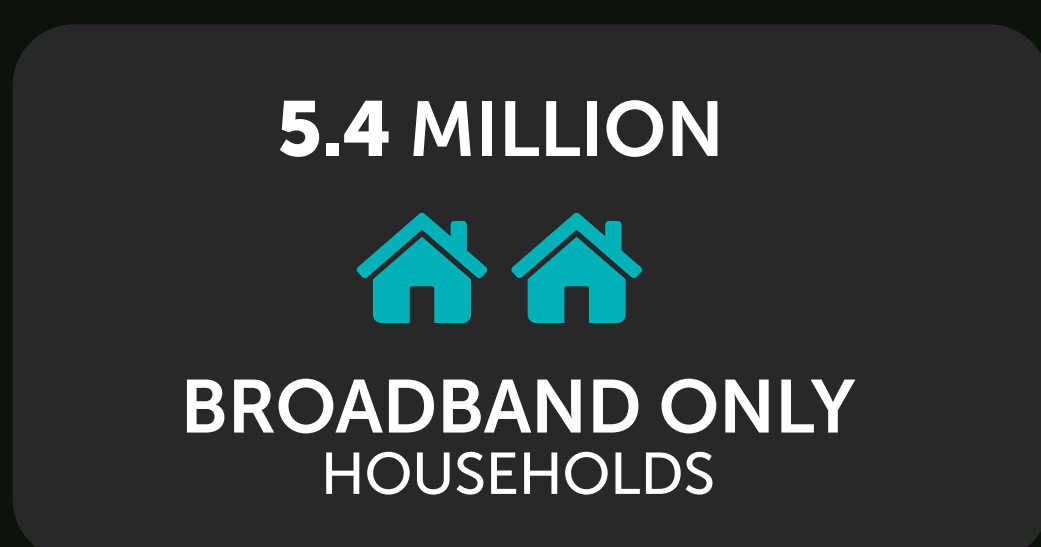
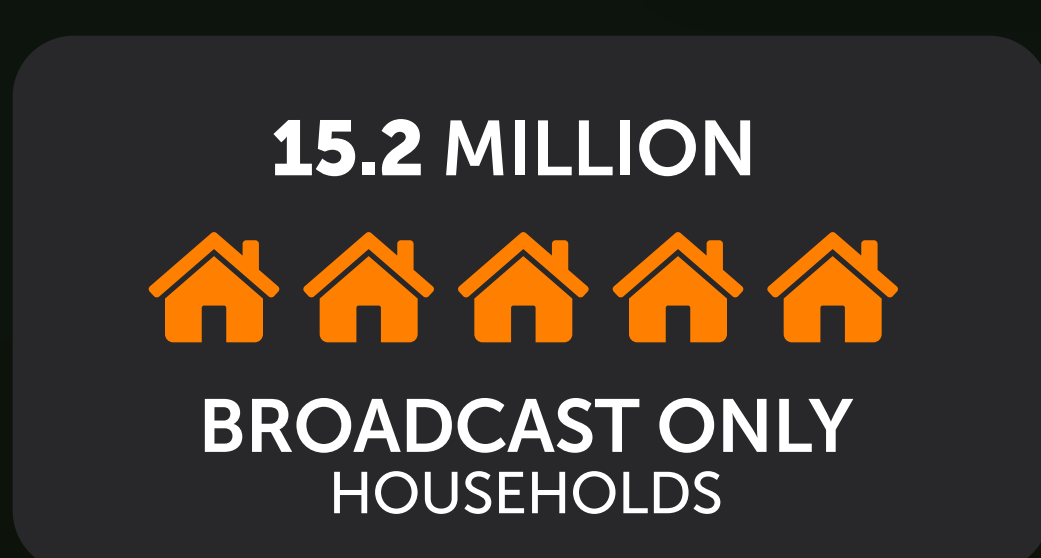
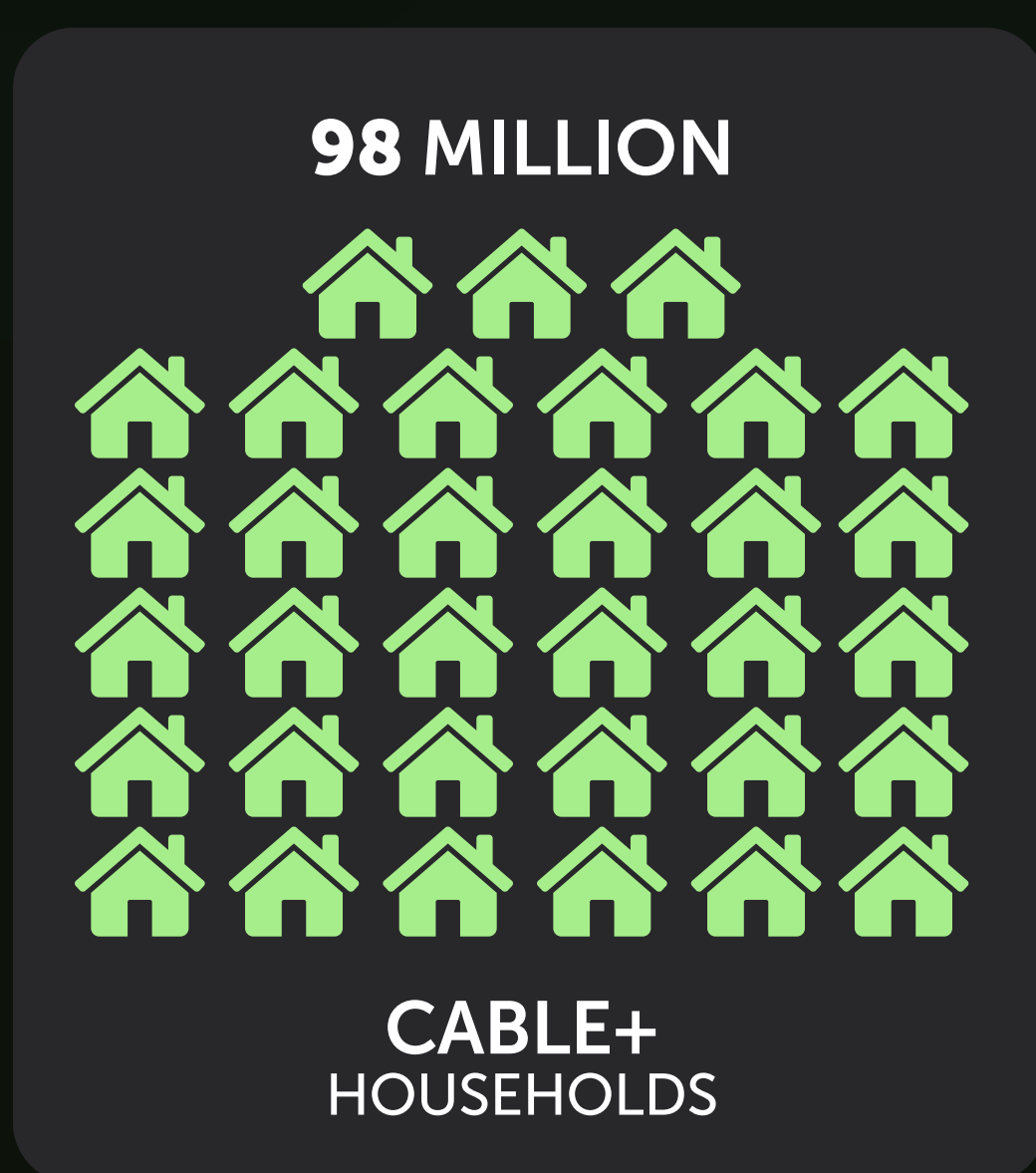


CUTTING TO THE CHASE

Disconnecting from Speculation and Plugging Into the Facts About **Cord Cutting**

CUTTING IT DOWN TO SIZE HOW PREVALENT IS CORD CUTTING?



Source: Nielsen Total Audience Report; Cable+ = Wired Cable, Telco, Satellite

WHO IS CUTTING THE CORD AND WHY?

CORD CUTTERS

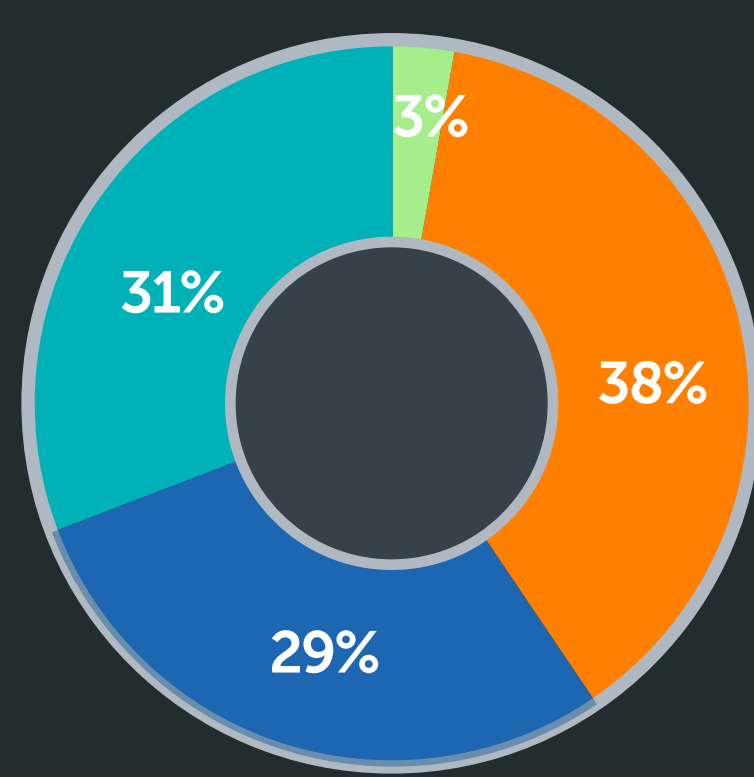
Households that **cancel** their cable, satellite or telco service.

CORD NEVERS

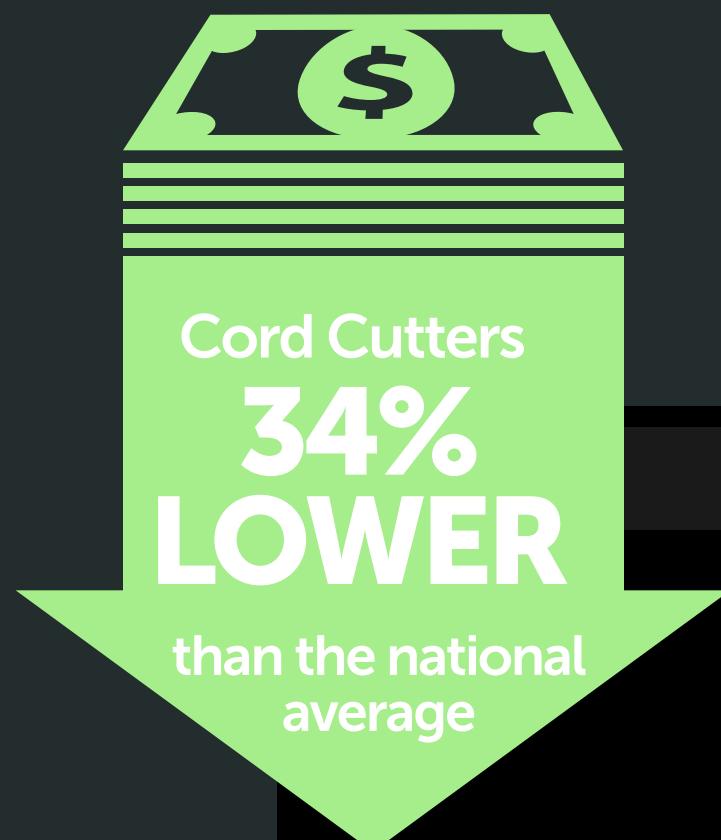
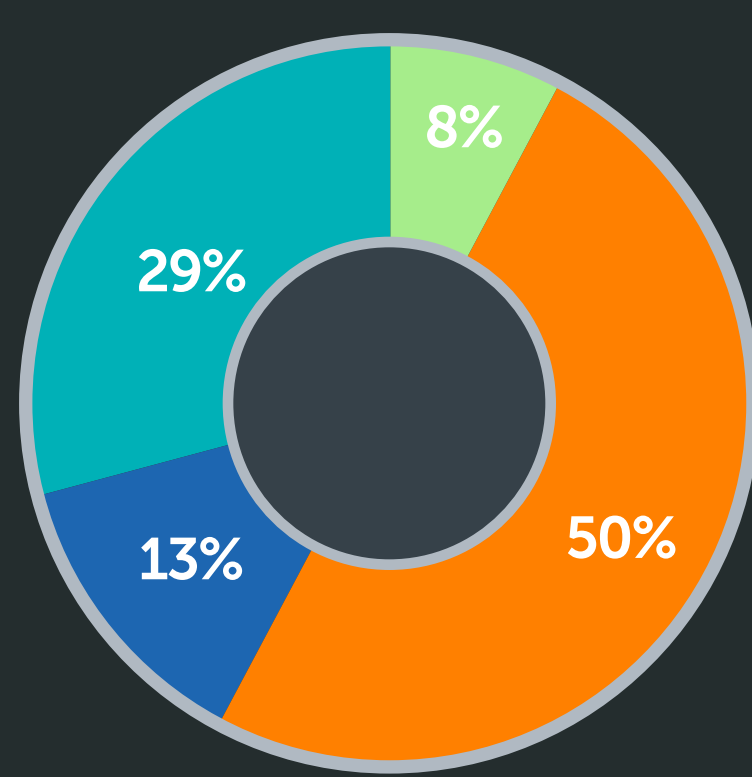
Households that have **never** subscribed to a cable, satellite or telco service.

CORD CUTTERS EXIST ACROSS GENERATIONS, WHILE CORD NEVERS ARE TYPICALLY MILLENNIALS

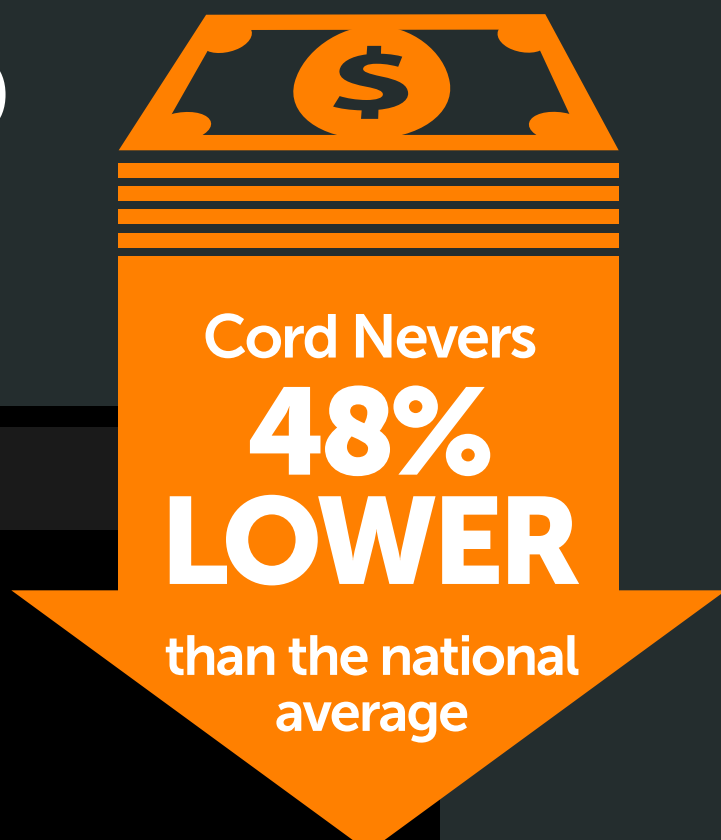
Cord Cutters, by generation



Cord Nevers, by generation



HOUSEHOLD INCOME



80%

of Cord Cutters cited cost as the reason for not having a TV subscription

If Cost Was Not A Factor, **80%** of Cord Cutters/Nevers Would Prefer a **MVPD Subscription**

As their age and income mature, **71%** of "married with children" Millennials have a **cable subscription**

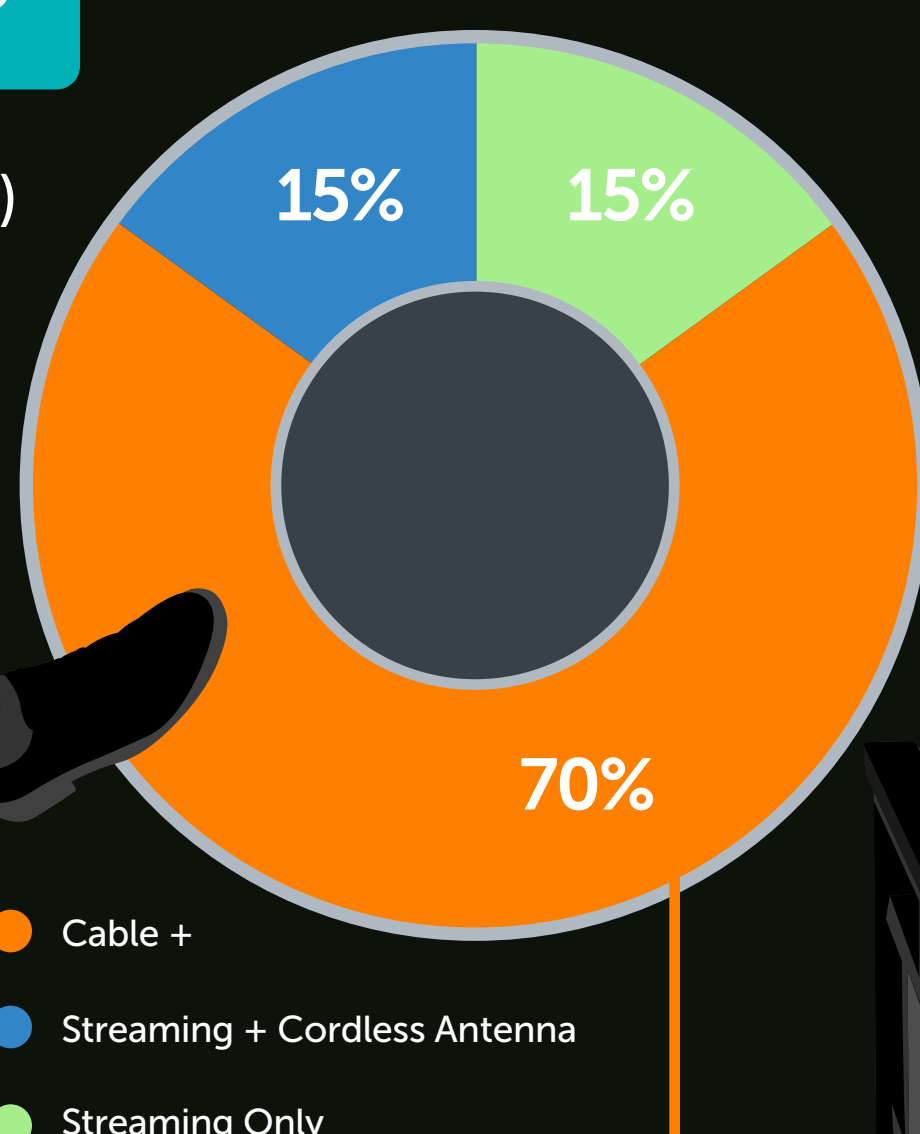
Source: 2016 MRI Gfk Doublebase, SNL Kagan 2017, Gfk MRI: Cord Evolution, TiVo Q4 2016 Video Trends Report, US Census Bureau

BRACE FOR MINIMAL IMPACT THE AFFECT ON TV REACH

TV REACHES OVER 2X MORE PEOPLE THAN MULTIMEDIA DEVICES

70% OF OTT HOUSEHOLDS ALSO HAVE TV SUBSCRIPTIONS

Over-the-Top (OTT) Households by Service Type



HOUSEHOLDS WITH BOTH TV AND AN OTT SERVICE WATCH 5X MORE TV CONTENT THAN OTT CONTENT

Source: Nielsen Total Audience Report, Q1 2017, comScore Total Home Custom Reporting 2016