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DISNEY-ABC TELEVISION GROUP'S EMMY-WINNING ABC.COM STREAMING TRIAL PROVIDES KEY INSIGHTS INTO CONSUMER BEHAVIORS AND ATTITUDES

Free, Ad-Supported Broadband Player to Relaunch on ABC.com This Fall

Dedicated to expanding its network and channel brands across multiple platforms and connecting viewers with their favorite shows anytime and anywhere, Disney-ABC Television Group announced today several key findings from its ABC.com streaming video trial.

"The launch of ABC.com's broadband player was a huge step for us as we strategically reposition our websites from marketing tools to rich entertainment platforms," said Anne Sweeney, co-chair, Disney Media Networks, and president, Disney-ABC Television Group. "The research that has come out of the trial helped prove true several hypotheses regarding our consumers and their online viewing patterns. With the data we've collected, we are better equipped to move forward with our advertisers and affiliates to create new multiplatform opportunities for our consumers."

Recently honored with an Interactive Television Emmy Award for Outstanding Achievement for Enhanced or Interactive Programming on New Delivery Platforms, the two-month-long trial offered ad-supported, full-length episodes of "Lost," "Desperate Housewives," "Commander in Chief" and "Alias," marking the first time a broadcast network has made multiple series available for viewing online, free of charge to consumers. Ten national advertisers including AT&T, Cingular, Ford, Johnson & Johnson, Pfizer, Procter & Gamble, Toyota, Unilever's Suave, Universal Pictures and Walt Disney Pictures all took part in the test. Additionally, five local affiliates, including Belo Corporation's WFAA in Dallas, Cox Broadcasting's WFTV in Orlando, Hearst-Argyle Television's WISN in Milwaukee and Young Broadcasting's WATE in Knoxville, along with the ABC-owned Los Angeles affiliate KABC, featured promotional messages and links to the ABC.com player on their own websites.

During this past May and June, ABC.com's broadband player served over 5.7 million episode requests, totaling 16 million video streams. Based on survey research conducted for ABC by Frank N. Magid Associates during the trial, 79% of those surveyed had a positive online viewing experience and 87% responded that they were likely to recommend the site to others.

The broadband player attracted a young, highly educated audience; the average age of users was 29, and more than half were college graduates. Users of the broadband player were almost equally split between males (47%) and females (53%).

The majority of online viewing for episodes occurred within the first 24 hours of their broadcast on ABC. Approximately two-thirds of those surveyed watched complete episodes, with partial viewing of episodes occurring mainly because viewers had already seen the episode on TV or were interrupted. The majority of users viewed from home, using a desktop computer. The number one reason given for viewing online was because users had "missed the episode on TV."

On average, 87% of users surveyed were able to recall the advertiser who sponsored the episode they viewed. Those viewers embraced the interactive advertising, with over 50% rating the advertising experience positively and 84% believing that they were getting a "great deal by being able to watch the episode online for free in exchange for watching the ads."

“The research we gathered from this trial has been invaluable as we move forward with next phase of the broadband player,” said Albert Cheng, executive vice president, Digital Media, Disney-ABC Television Group. “We have been extremely pleased with the consumer feedback from the trial, and are busy working on some minor adjustments to the broadband player in order to again make full episodes available to consumers this fall. When we relaunch, the basic concept of ad-supported, free to the consumer full-length episodes will return along with some added features to enhance the consumer experience.”

Discussions with ABC affiliates are currently underway regarding their anticipated involvement with the project.

Disney-ABC Television Group is home to all of The Walt Disney Company’s worldwide entertainment and news television properties. The Group includes the ABC Television Network, Disney Channel’s worldwide portfolio of kids channels, ABC Family and SOAPnet; as well as television production and syndication divisions Touchstone Television, Walt Disney Television Animation, Buena Vista Worldwide Television and Walt Disney Television International. Disney-ABC Television Group also manages the Company’s equity interest in Lifetime Entertainment Services, A&E Television Networks and E! Networks.

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