Competitive Market Analysis & DBS Subscriber Study Presentation

April 30, 2002

The Taylor Research & Consulting Group, Inc.

Objectives

- Establish an accurate picture of where satellite currently stands in the multichannel market.
- Understand who is using satellite today, what compelled them to use this technology, and what factors weighed in making decision.
- Uncover programming needs and interests in new technology such as DVR, VOD, SVOD, and DARS.
- Compare 2002 results with those of previous years to uncover changes taking place in the multichannel arena.

Study Methods

Competitive Market:

- 1,006 telephone interviews
- Randomly selected U.S. households
- Roughly 50-50 between DBS and cable HHs
  - 505 Cable
  - 501 DBS HHs
- In field: April 1 - April 17
- Results weighted to reflect total U.S. households.

New & Current Subscriber:

- 1,517 telephone interviews
- DBS subscriber households.
- Roughly 50-50 between new DBS subscribers (i.e., had service for <3 months) and current ones:
  - 750 New
  - 767 Current
- In field: March 28 - April 20
- Results weighted to reflect DBS universe at the time of study.

SBCA

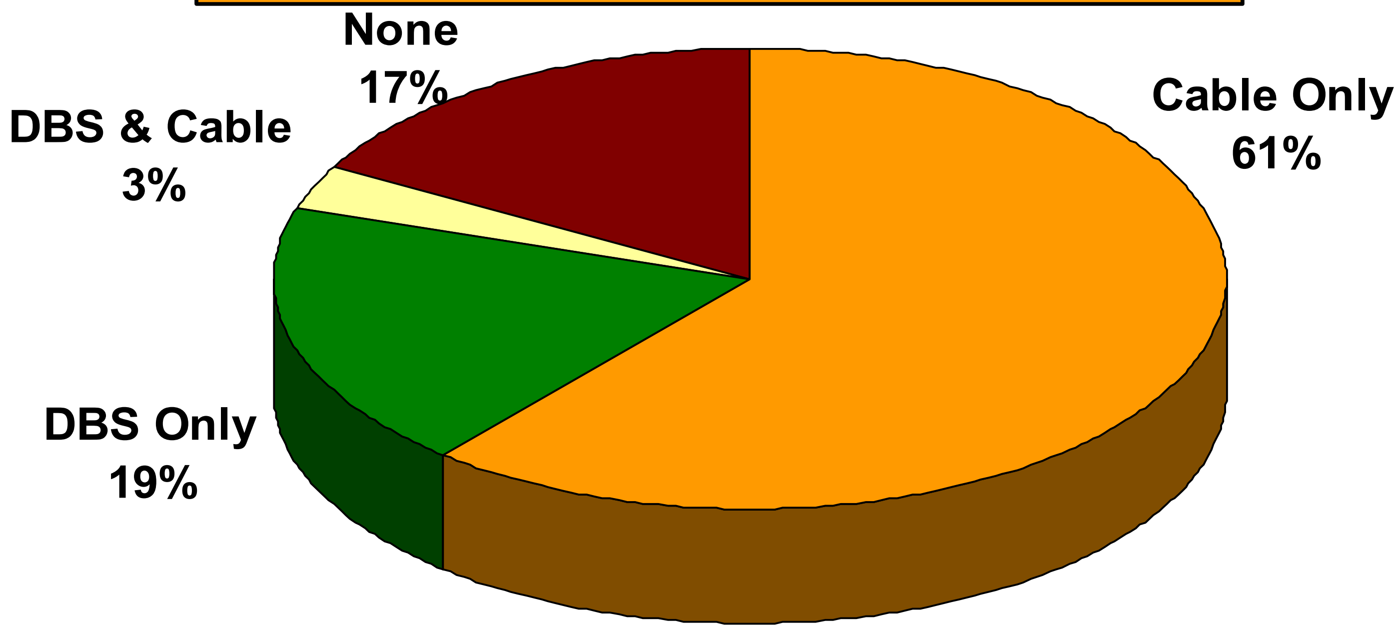
The Taylor Research & Consulting Group, Inc.

Current Multichannel Availability, Subscription, & Costs

The Taylor Research & Consulting Group, Inc.

83% U.S. HHs Multichannel Subscribers

Multichannel Video Subscription (Total U.S. Households)

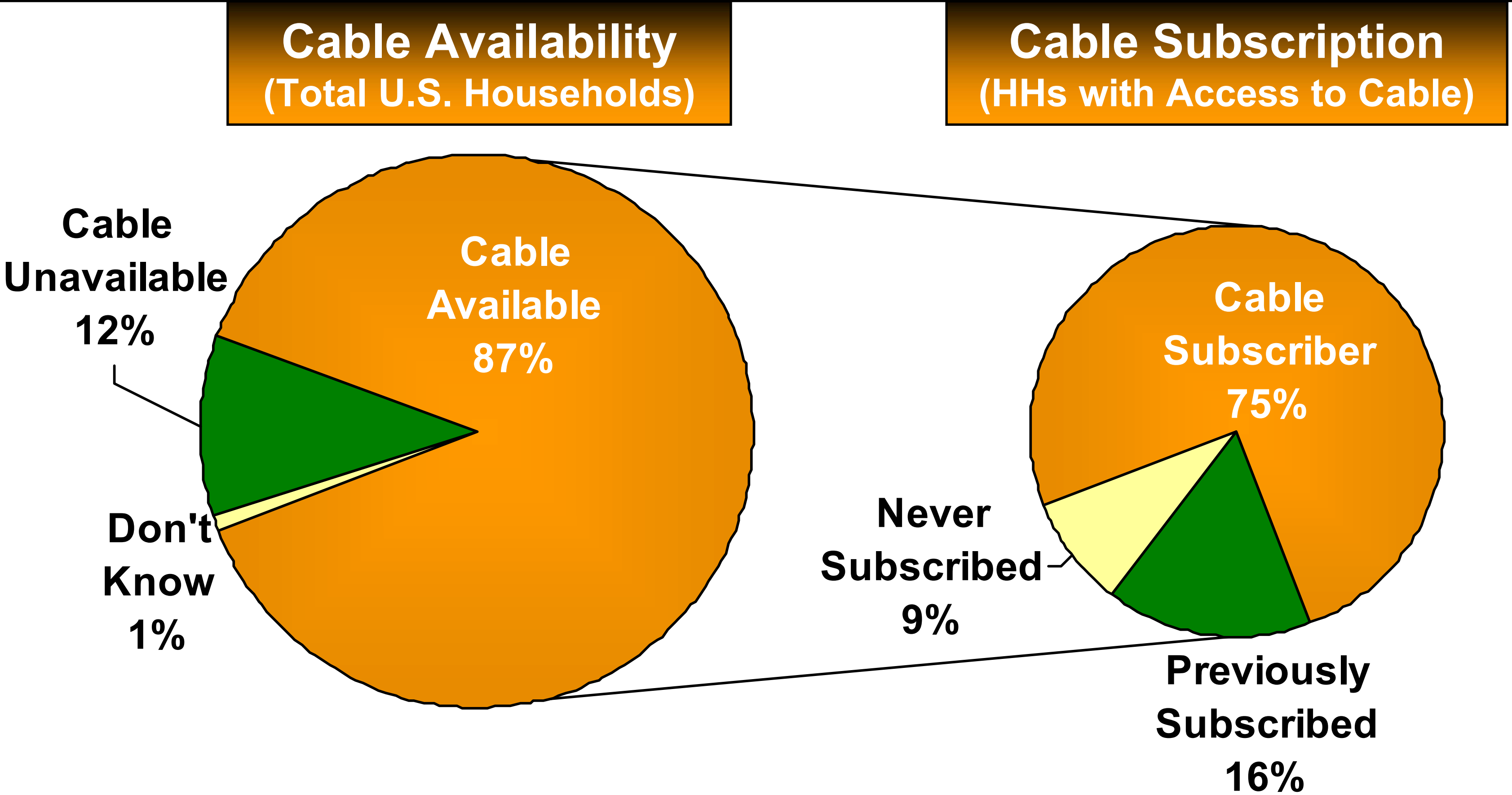


- Cable Share: now 64%, 67% in 2000
- DBS Share: now 22%, 17% in 2000

Competitive Market Study

Taylor
The Taylor Research & Consulting Group, Inc.

Cable Availability/Subscription Levels Remain Steady Since 2000

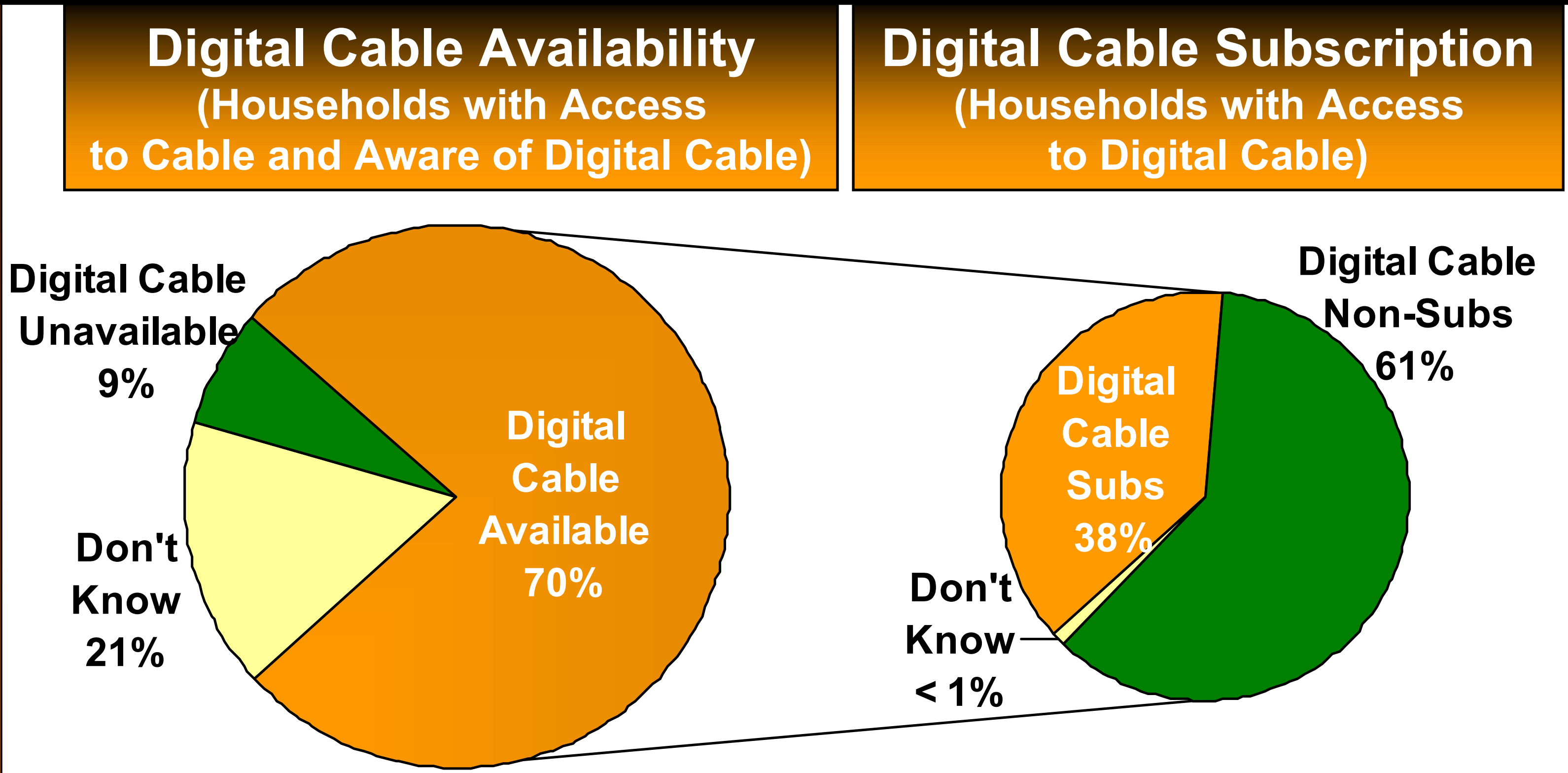


Competitive Market Study

- 64% of DBS HHs reported access to cable
- 57% of DBS HHs subscribed to cable in past

Taylor
The Taylor Research & Consulting Group, Inc.

Digital Cable On The Rise



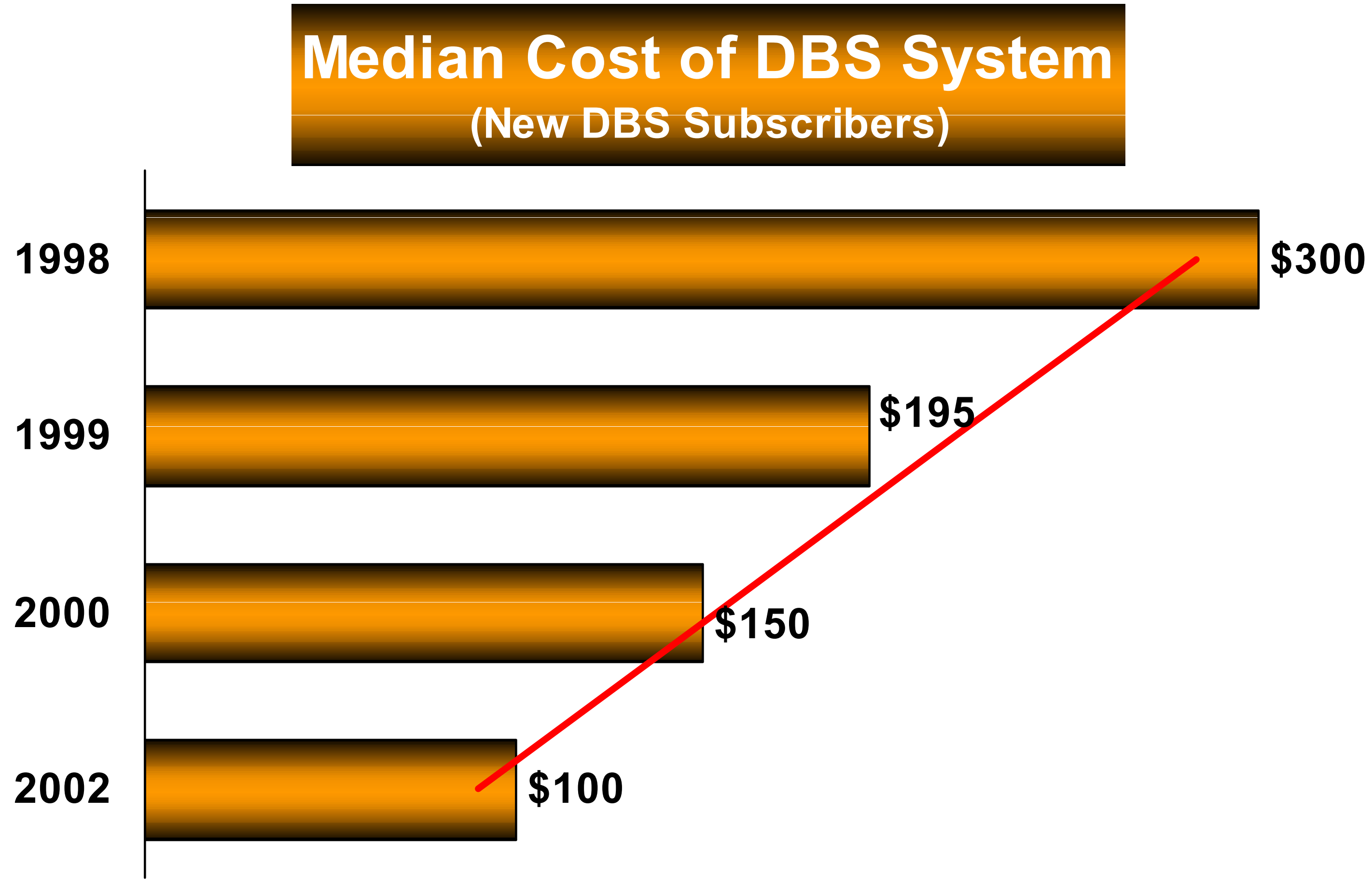
- In 2000, only 57% reported digital cable availability
- 51% of DBS subs report digital cable access

Competitive Market Study

SBCA

Taylor
The Taylor Research & Consulting Group, Inc.

DBS System Purchase Price Continues to Decline



New & Current Study

Multichannel Satisfaction

The Taylor Research & Consulting Group, Inc.

DBS Satisfaction Higher Across Board

- DBS outscored digital cable for customer satisfaction, both on an overall basis and for specific performance measures.

- DBS is especially strong when it comes to:
  - Value for the money,
  - Making customers feel they are valued,
  - Transmission quality and reliability,
  - Problem resolution, and
  - Personnel professionalism, knowledge, courtesy.

Competitive Market Study

SBCA

Taylor

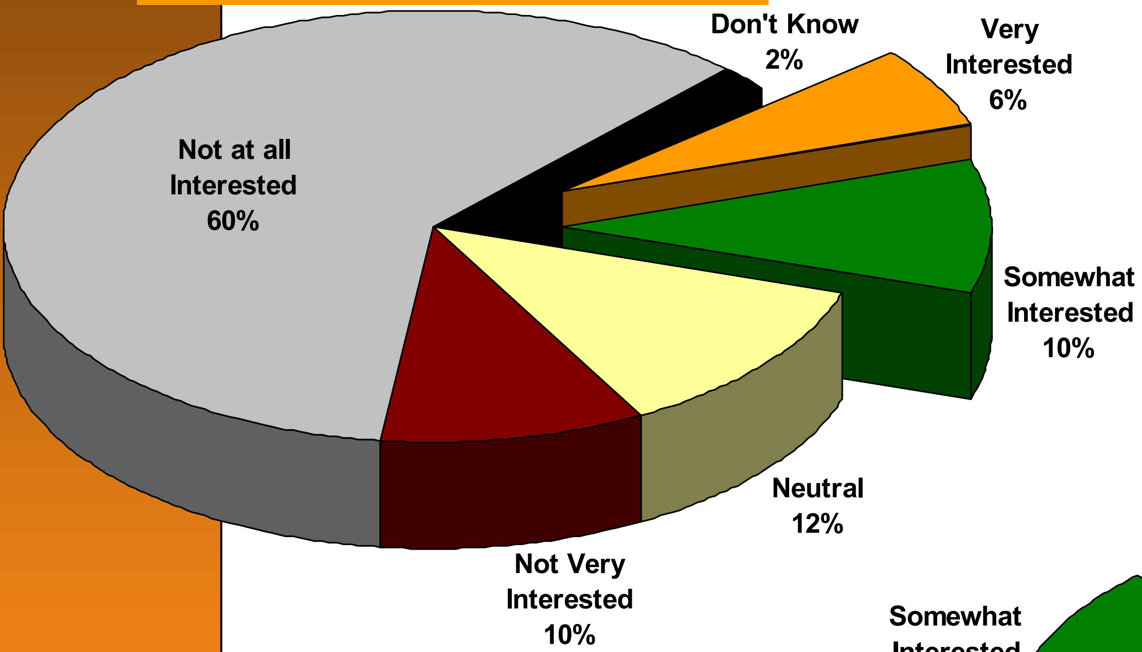
The Taylor Research & Consulting Group, Inc.

DBS Subscription…

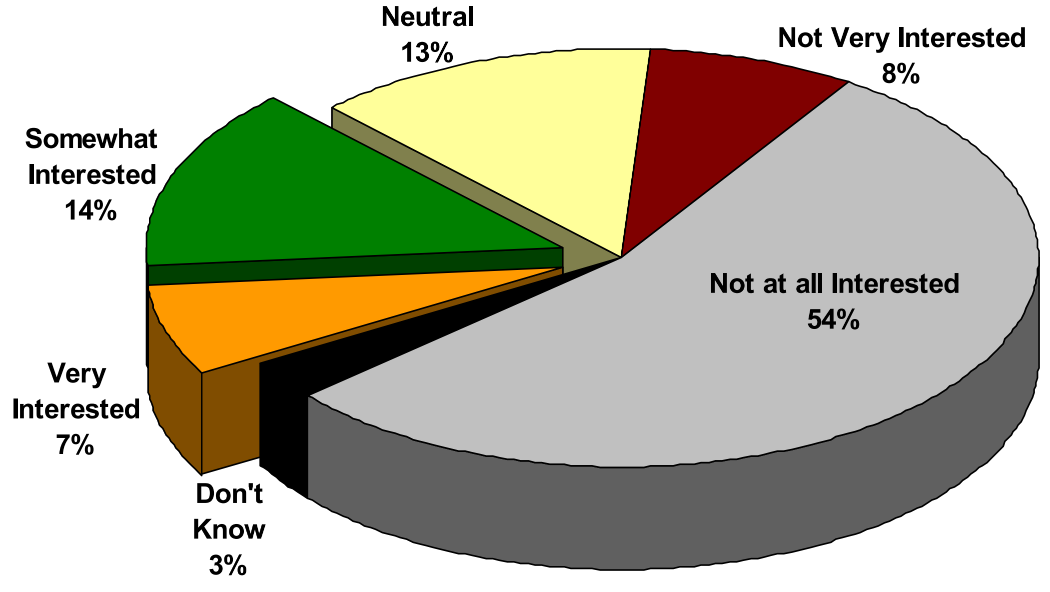
The Taylor Research &
Consulting Group, Inc.

Somewhat More Interest Among Digital Cable Subs In Subscribing To DBS

Interest in Subcribing to DBS
(All Cable Subscribers)



Interest in Subcribing to DBS
(Digital Cable Subscribers)

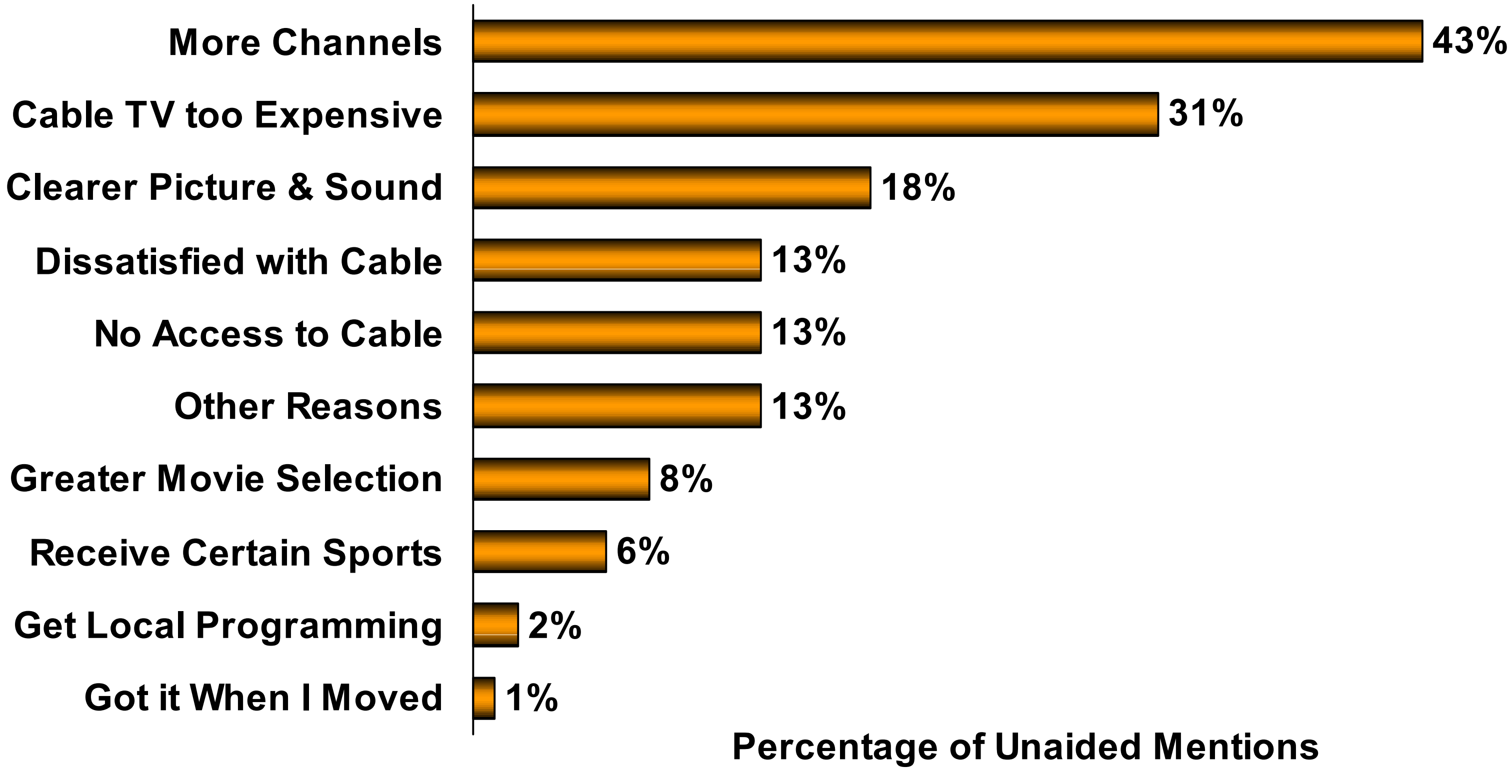


Competitive Market Study

For New DBS Subs, Channel Selection & Cost of Cable Are Most Important Reasons To Subscribe

New & Current Study

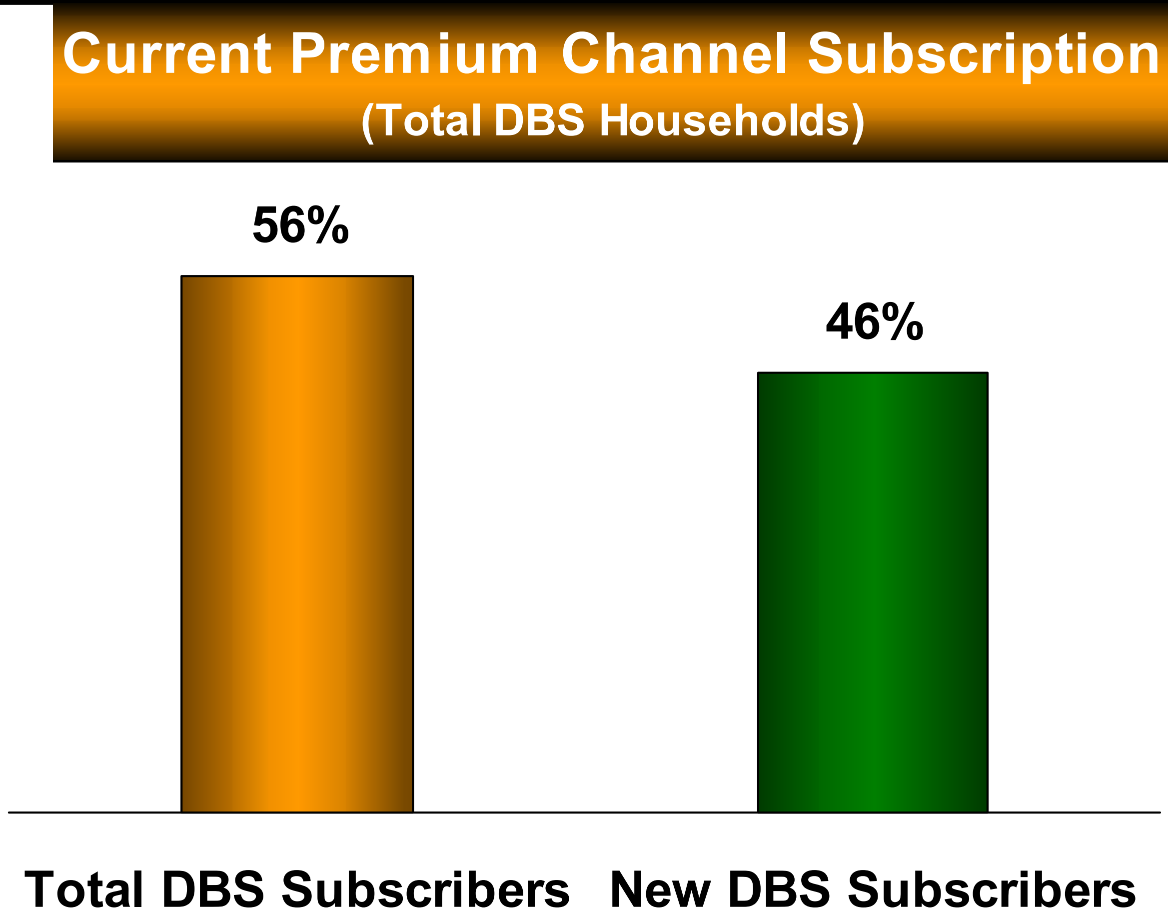
Reasons for Subscribing to DBS
(New DBS Subscribers)



The cost of cable is particularly an issue for those with access to cable, in general (39%), and/or digital cable (40%).

Taylor
The Taylor Research & Consulting Group, Inc.

About Half of DBS Subs Subscribe to Premium Services

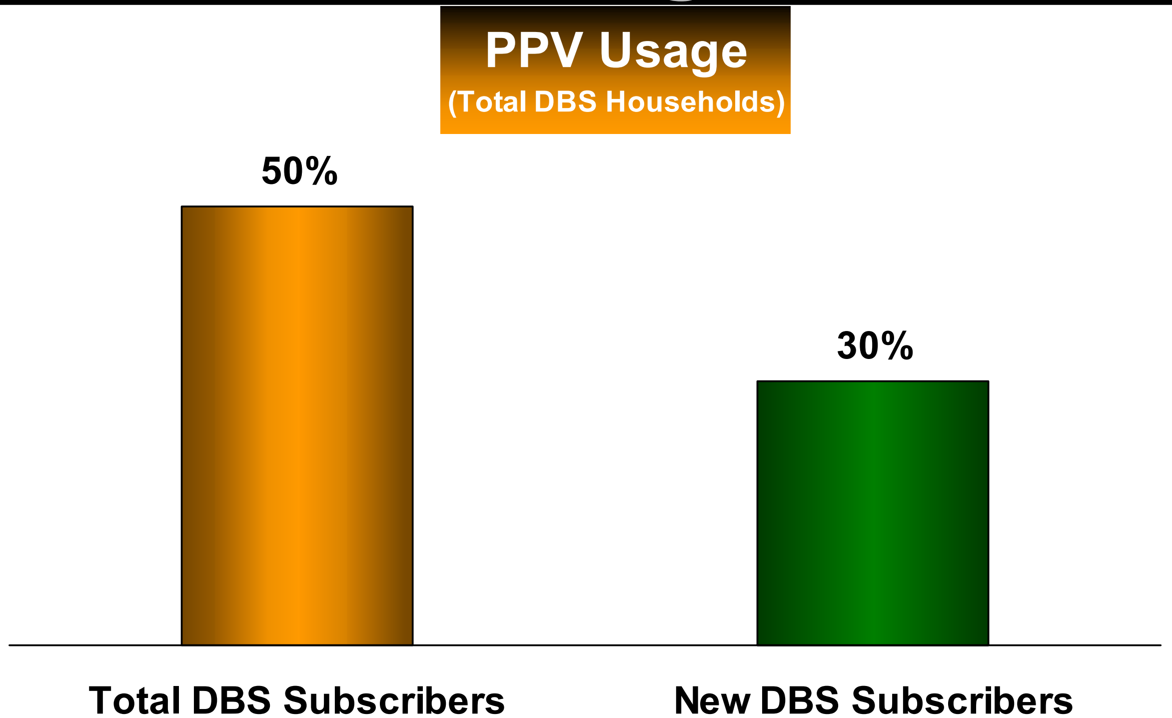


New & Current Study

- Premium service usage is off slightly from 63% in 2000.

Taylor
The Taylor Research & Consulting Group, Inc.

Half of DBS Subs Have Ordered PPV – Most Popular For Younger Subs



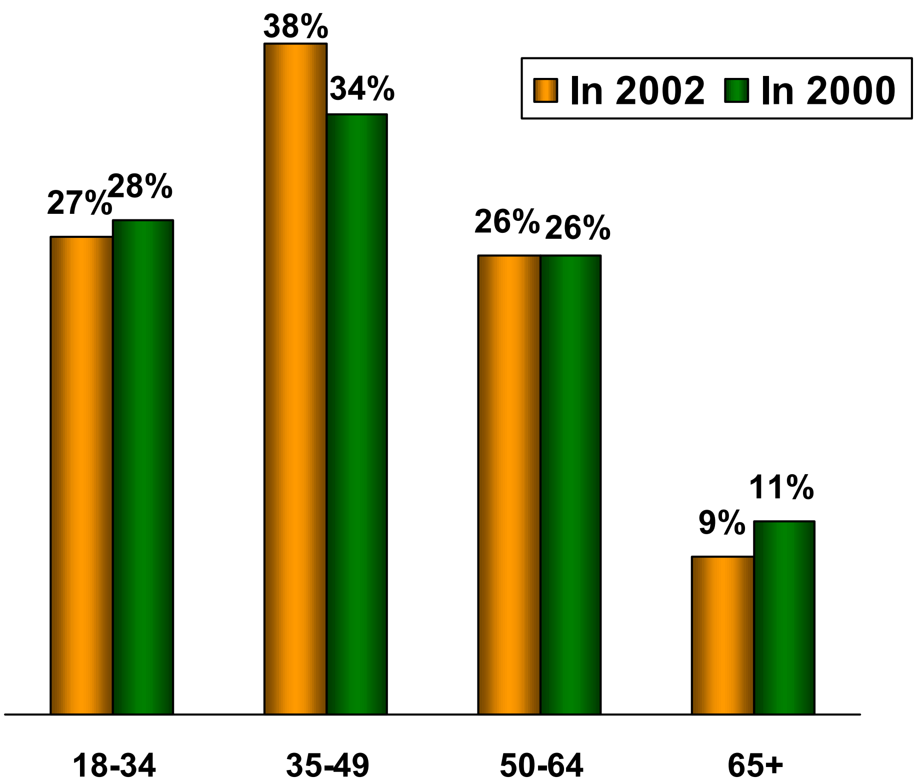
- Age significant factor in ordering PPV
  - 59% of those 18-34 have ordered
  - 51% of those 35-49 have ordered
  - 46% of those 50-64 have ordered
  - 28% of those 65 and over have ordered

New & Current Study

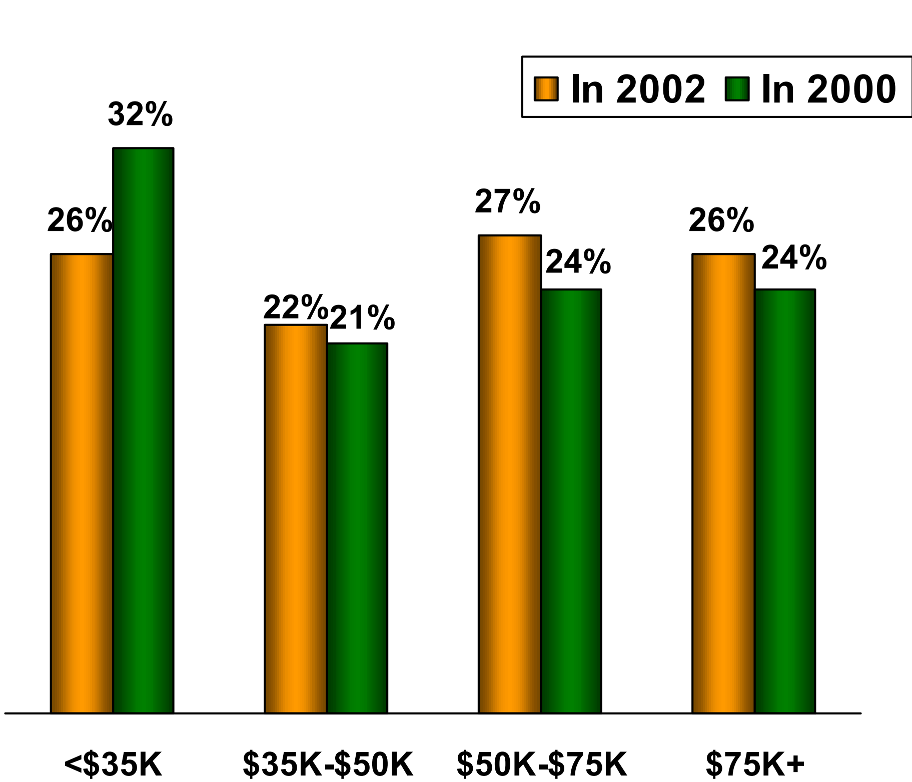
SBCA

Taylor
The Taylor Research & Consulting Group, Inc.

Subscriber Profile



*Based on those responding

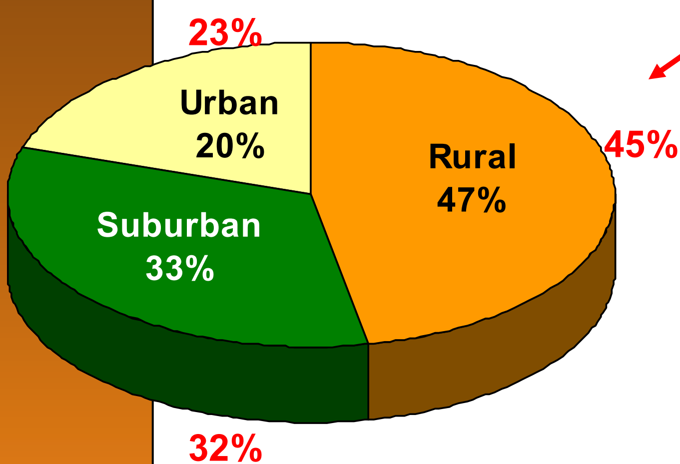


*Based on those responding

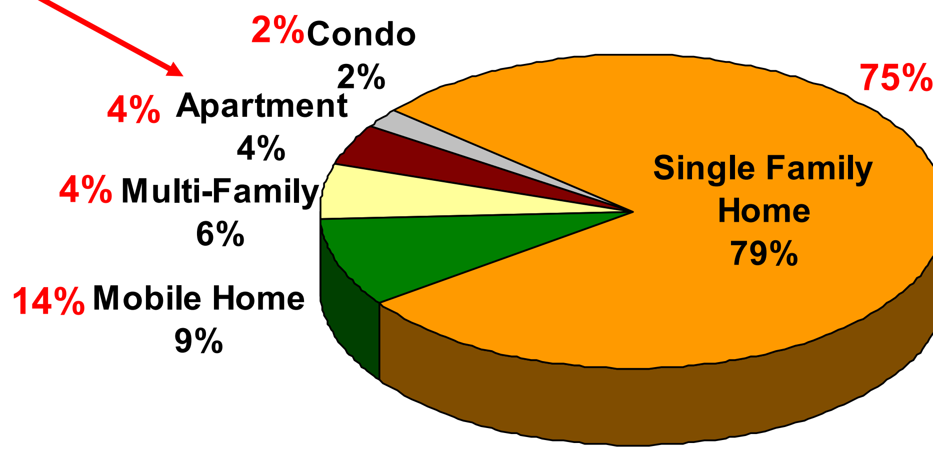
Subscriber Profile

In 2000…

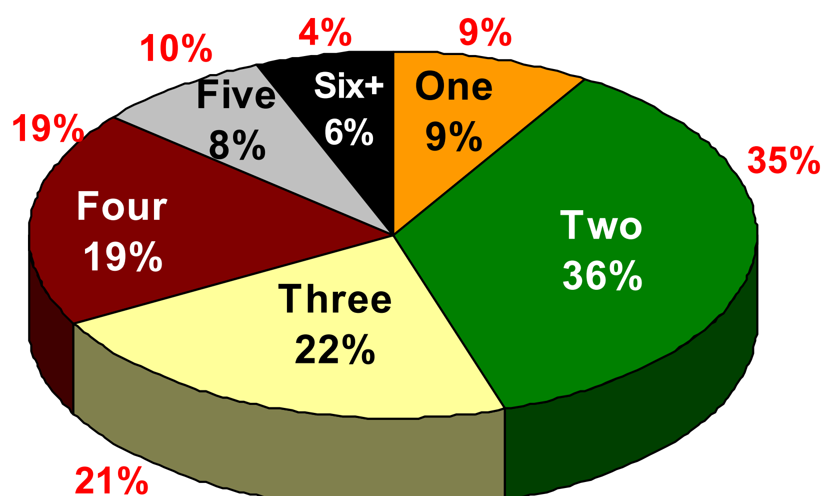
DBS Subscribers by Location
(Total DBS Subscribers)



DBS Subscribers by Home Type
(Total DBS Subscribers)



Number of People in DBS Households
(Total DBS Subscribers)



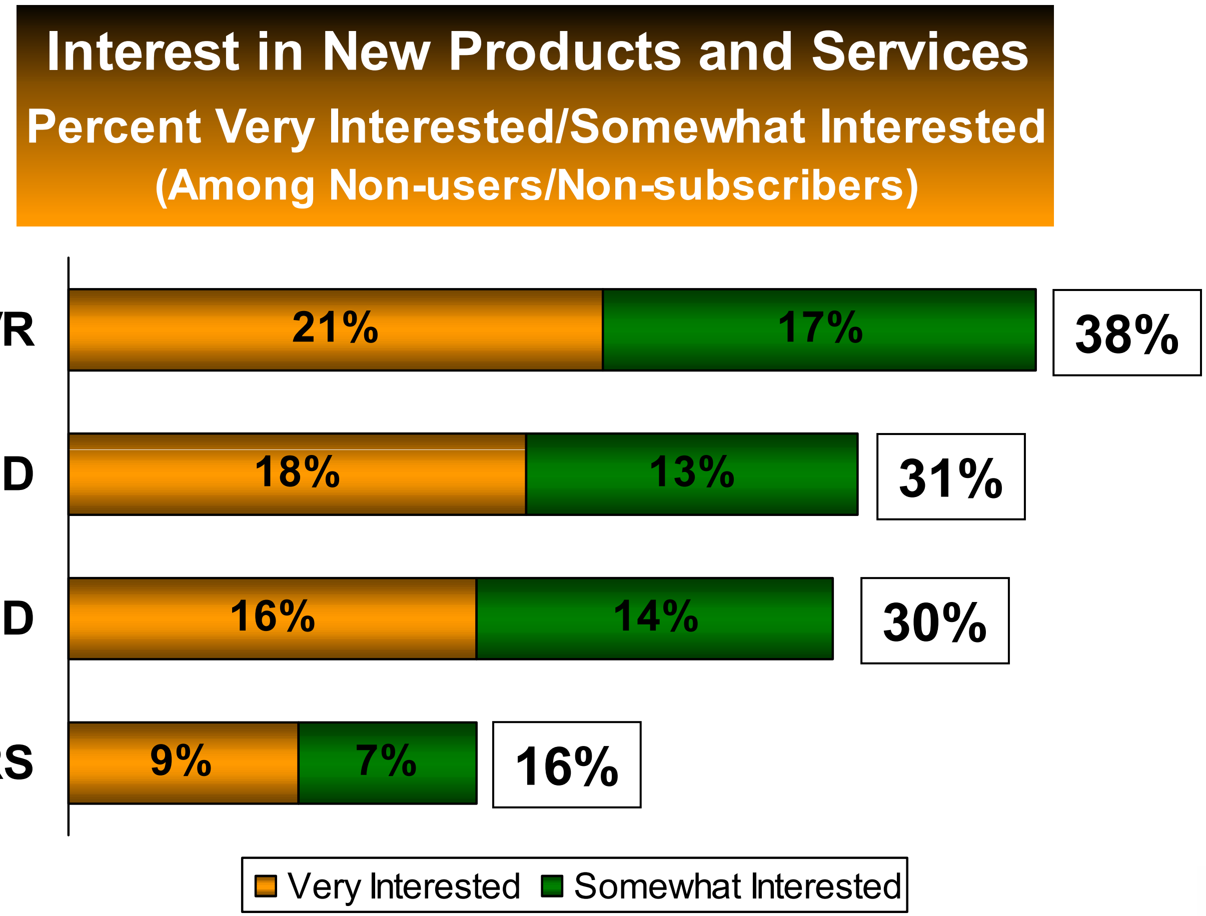
Taylor
The Taylor Research & Consulting Group, Inc.

Interest In Latest Products & Services

The Taylor Research & Consulting Group, Inc.

Moderate Interest Shown for New Products: DVR, VOD, SVOD, DARS

- Current use low – penetrations rates of <1%.



- Interest strongest: higher income HHs, early-adopters

Competitive Market Study

SBCA

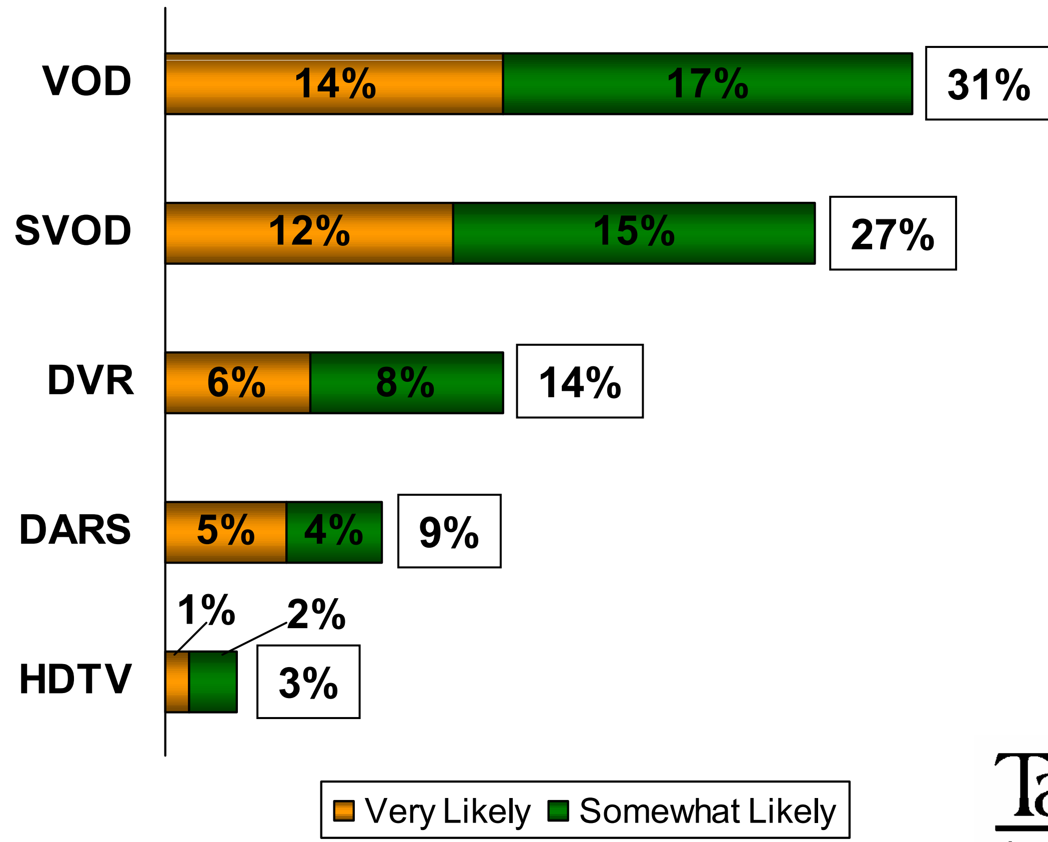
Taylor
The Taylor Research & Consulting Group, Inc.

VOD Shows Highest Purchase Interest At Price-Point Tested

- VOD = $3.95/hit movie watched
- SVOD = $9.95/ month for all SVOD services when subscribe to premium channels
- DVR = $199 for unit and $12.95/ month for service
- DARS = $150 for radio and $12.95/ month for service
- HDTV = $2,000-$3,000 for rear-projection HDTV

Likelihood to Purchase

Percent Very Likely/Somewhat Likely
(Among Non-users/Non-subscribers)



The Taylor Research & Consulting Group, Inc.