BACK UP MATERIAL
TO

SLIDE #14

COMPETITIVE
EFFECTS
PRESENTATION

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TO

SLIDE #15

COMPETITIVE
EFFECTS
PRESENTATION

July 08,

INDUSTRY STATISTICS

State Data

Industry Statistics	
Basic Cable Households (February, 2002)[1]	**73,147,600**
US Television Households (February, 2002)[1]	**105,444,330**
Cable Penetration of TV Households (February, 2002)[1]	**69.4%**
Homes Passed by Cable (December, 2001)[6]	**98,600,000**
Homes Passed as a Percent of TV Households (December, 2001)[6]	**96.7%**
Basic Cable/Homes Passed (December 2001)[2]	**69.9%**
Cable Headends (February, 2002)[1]	**10,613**
Premium Cable Units[6]	**51,610,000**
Cable Systems[3]	**9,947**
Cable Employees (1999)[4]	**130,953**
Annual Cable Revenue (2001)[6]	**$48,150,000,000**
Total Advertising Revenue (2001)[6]	**$14,455,000,000**
Cable's Private Investment	
Cable Industry Construction/Upgrade Expenditures in 2001[6]	**$14,290,000,000**
Schools Served by *Cable in the Classroom* (December, 2001)[7]	**81,654**
Students Served by *Cable in the Classroom*, (December, 2001)[7]	**43,676,577**
Broadband Deployment	
Digital Cable Subscribers (December 31, 2001)[5]	**15,200,000**
Cable Modem Subscribers (December 31, 2001)[5]	**7,200,000**
Homes Passed by Cable Modem Service (December 31, 2001)[5]	**70,000,000**
Cable-Delivered Residential Telephone Subscribers (December 31, 2001)[5]	**1,500,000**
Value and Prices	

National Video Programming Services/Networks (December, 2001)[4]	**287**
Major Awards Won by Cable Programs in 2001[4]	**40**
Average Monthly Price for Basic Cable (December, 2001)[6]	**$31.58**
Competition	
Subscribers to Non-Cable Multichannel Video Program Distributors (MVPD) (December, 2001)[5]	**21.66 million**

[1]Nielsen Media Research
[2] Cable TV Financial Databook, 2000, p. 10
[3] Warren Communications News, Inc. *The Television & Cable Factbook*, Volume
2001.
[4] Federal Communications Commission
[5] National Cable & Telecommunications Association
[6] Kagan World Media, a Media Central/Primedia Company
[7] Cable in the Classroom

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NEWS/INFORMATION

J.D. POWER AND ASSOCIATES
A MARKETING INFORMATION FIRM
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J.D. Power and Associates Reports:

Dish Network Ranks Highest in Overall Customer Satisfaction

Among Pay TV Companies

Cable TV Providers are Beginning to Benefit from Expanded Broadband Offerings

FOR IMMEDIATE RELEASE: September 1, 1999

AGOURA HILLS, Calif.-Dish Network ranked highest in customer satisfaction in the Pay TV industry, followed closely by DirecTV, according to the J.D. Power and Associates 1999 Cable/Satellite TV Customer Satisfaction Study℠ released today. The two satellite providers receive significantly higher customer satisfaction scores than any cable TV company included in the study due to their strengths in the two most important drivers of customer satisfaction3/4 Cost of Service and Program Offerings3/4 the greatest differentiators among cable/satellite TV providers. Other factors influencing consumer satisfaction, in order of importance, include Image/Credibility/Billing, Customer Service, Equipment and Service Capabilities and Reception Quality.

Compared to 1998, satellite companies enjoyed a 22 percent growth in household penetration while cable companies showed little change in their market share. However, cable companies still account for the majority of the Pay TV market3/4 there are seven cable customers for every one satellite customer in the United States.

"Consumers enjoy the breadth of program offerings from satellite providers and in general believe that they are receiving good value for their monthly service fee," said Kirk Parsons, director, telecommunications studies at J.D. Power and Associates. "This trend has been evident in our studies for the past three years, with satellite companies clearly winning the hearts and minds of consumers."

Among cable TV providers, only InterMedia, Cox and Adelphia perform above industry average. In fact, InterMedia emerges as a significant player this year, ranking just ahead of Cox, which had maintained the lead among cable carriers for the past three years.

Even though the customer satisfaction performance gap between satellite and cable providers remains sizeable, there is evidence that cable companies are beginning to strengthen their competitive positions through consolidation and enhanced services such as telephony and Internet access. For instance:

- The top 13 cable TV providers included in the study represent 70 percent of the total Pay TV market share versus a 55 percent share level shown in the initial study conducted in 1996.
- While overall satellite satisfaction remains stable, cable satisfaction shows its largest improvement since the study's inception in 1996. Adelphia, Century, Comcast and

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Cablevision made the most progress over the last year as a result of significantly higher ratings on most factors driving overall customer satisfaction.

- In contrast, Jones, Marcus and Charter experienced erosion in most areas, especially on issues related to program offerings. Interestingly, these companies were among the first to experience management consolidation as a result of mergers.
- Currently, nearly 40 percent of households with cable also subscribe to an Internet service. Among these households, approximately 3 percent are already receiving Internet service from their cable provider, representing approximately $150 million in incremental revenue for cable companies from new Internet services.

"One of the reasons for the continued consolidation in the Pay TV industry has been the allure of offering a full range of broadband services to increase the amount of revenue generated from the same household and to counteract the increasing competition from the satellite providers," said Parsons.

The study also reveals that approximately half of all Pay TV households would consider subscribing to all of their telecommunications services from one company. Among those households that would consider a single provider for bundled telecommunications services, 40 percent would choose their local telephone company while 34 percent prefer their long-distance provider. Although only 13 percent would select their cable TV provider, the acceptance level has increased steadily from three years ago, when only 3 percent preferred their cable company.

It is evident that cable companies are already benefiting from their unique ability to provide a full package of broadband services, including Pay TV, telephony and high-speed Internet access. In fact, among those households that have traditional dial-up Internet access, more than two in five (42 percent) indicate they would be either "extremely, very or somewhat" likely to subscribe to unlimited high-speed Internet access through their cable provider if it became available within the next year (assuming an average price of $35 per month).

"For now, even though satellite service providers have enjoyed recent success, the future continues to be bright for the major cable TV providers that have the potential to deliver more value for customers through the benefits of convergence."

The 1999 Cable/Satellite TV Customer Satisfaction Study is based on direct customer feedback from a representative sample of 10,266 households nationwide.

Headquartered in Agoura Hills, Calif., J.D. Power and Associates is a global marketing information services firm operating in key business sectors including market research, forecasting and customer satisfaction. The firm's quality and satisfaction measurements are based on actual customer responses from more than one million consumers annually.

J.D. Power and Associates can be accessed through the World Wide Web at www.jdpower.com. Media e-mail contact: peter.dresch@jdpower.com. This press release is provided for editorial use only.

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Chart 1: Customer Satisfaction Index Weights: Cable/Satellite TV

Chart 2: Customer Satisfaction Index Scores

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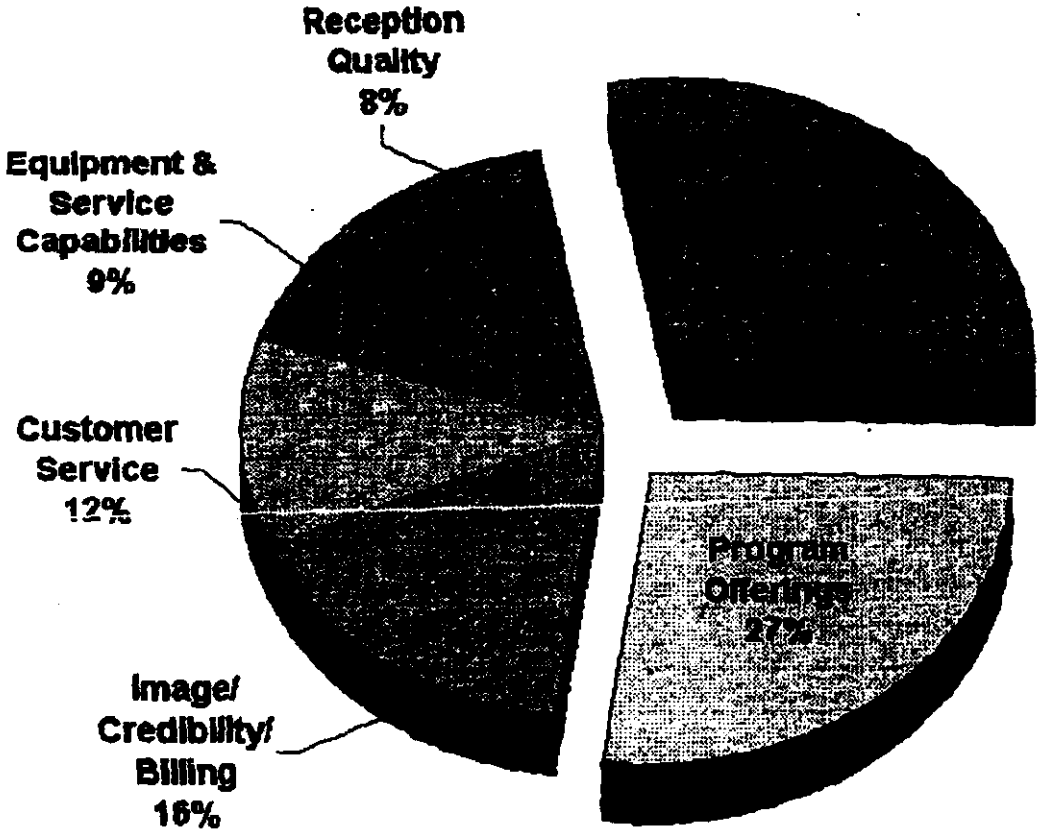
Customer Satisfaction Index Weights: Cable/Satellite TV

Cost of Service and Program Offerings Have the Most Impact on Overall Customer Satisfaction With Cable/Satellite TV Service.



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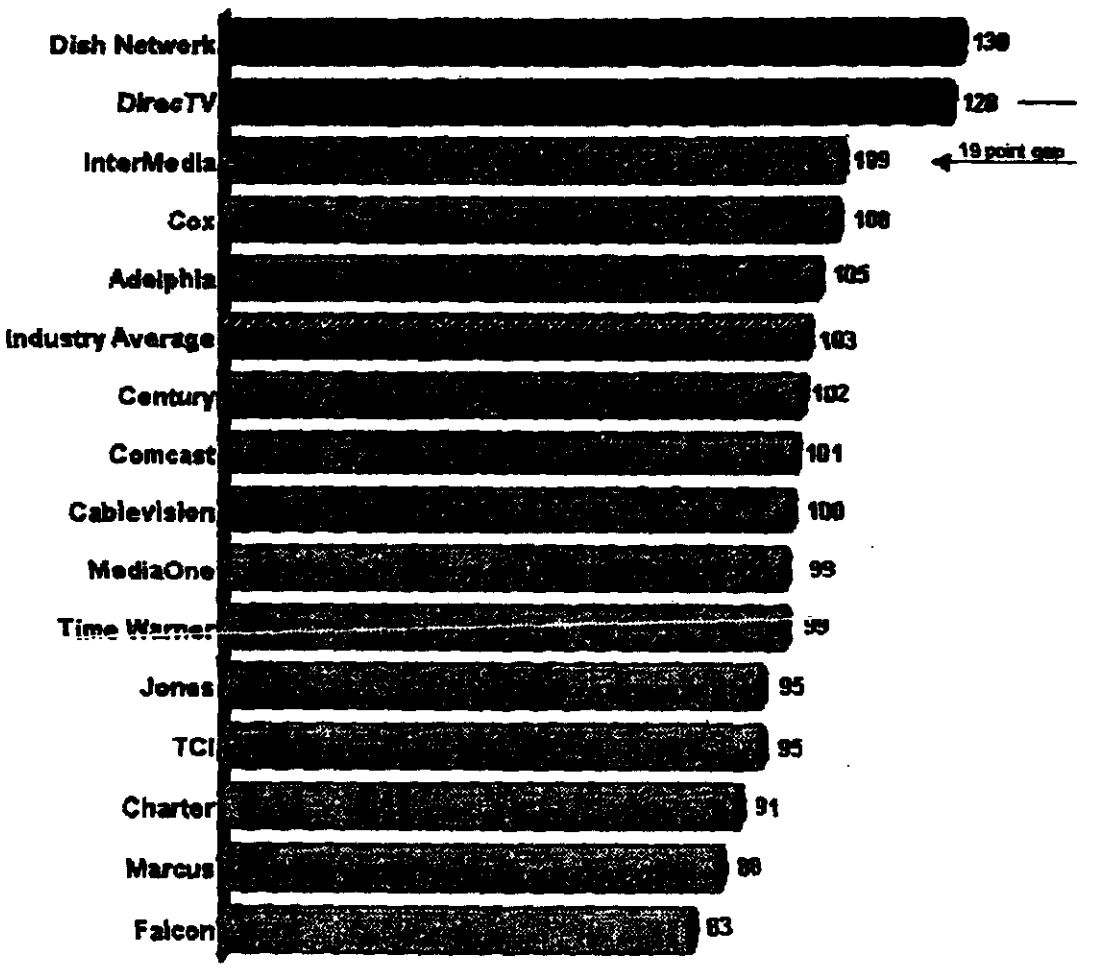
Customer Satisfaction Index Scores

In 1999, Satellite Service Providers Have a Dramatic Lead in Over Satisfaction Over All Cable Competitors in the Pay TV Industry, Wi Dish Network Ranking Highest Overall, Followed Closely by Direc



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Date: September 09, 1998

To: EchoStar Communications

Fax: 13037231999

J.D. Power and Associates 1998 Cable/Satellite TV
Customer Satisfaction Study Ranking Charts
Broadcast

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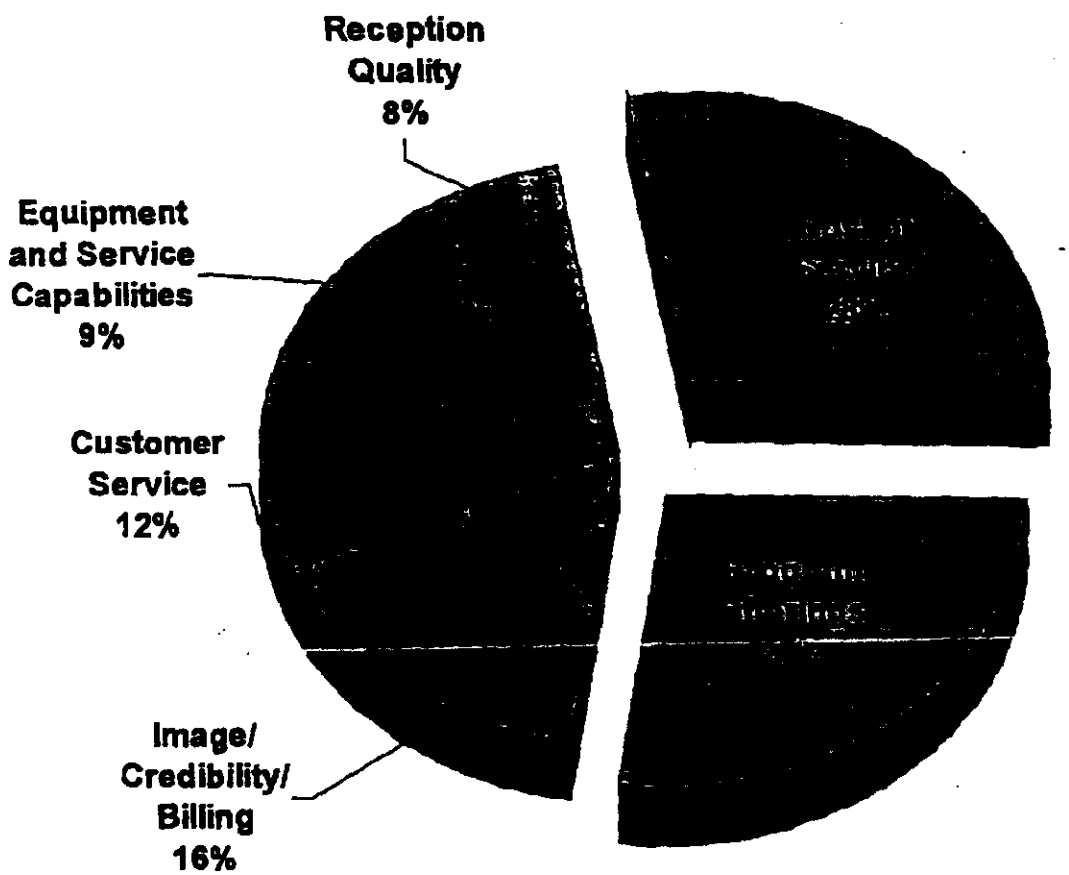
Customer Satisfaction Index Weights: Cable/Satellite TV



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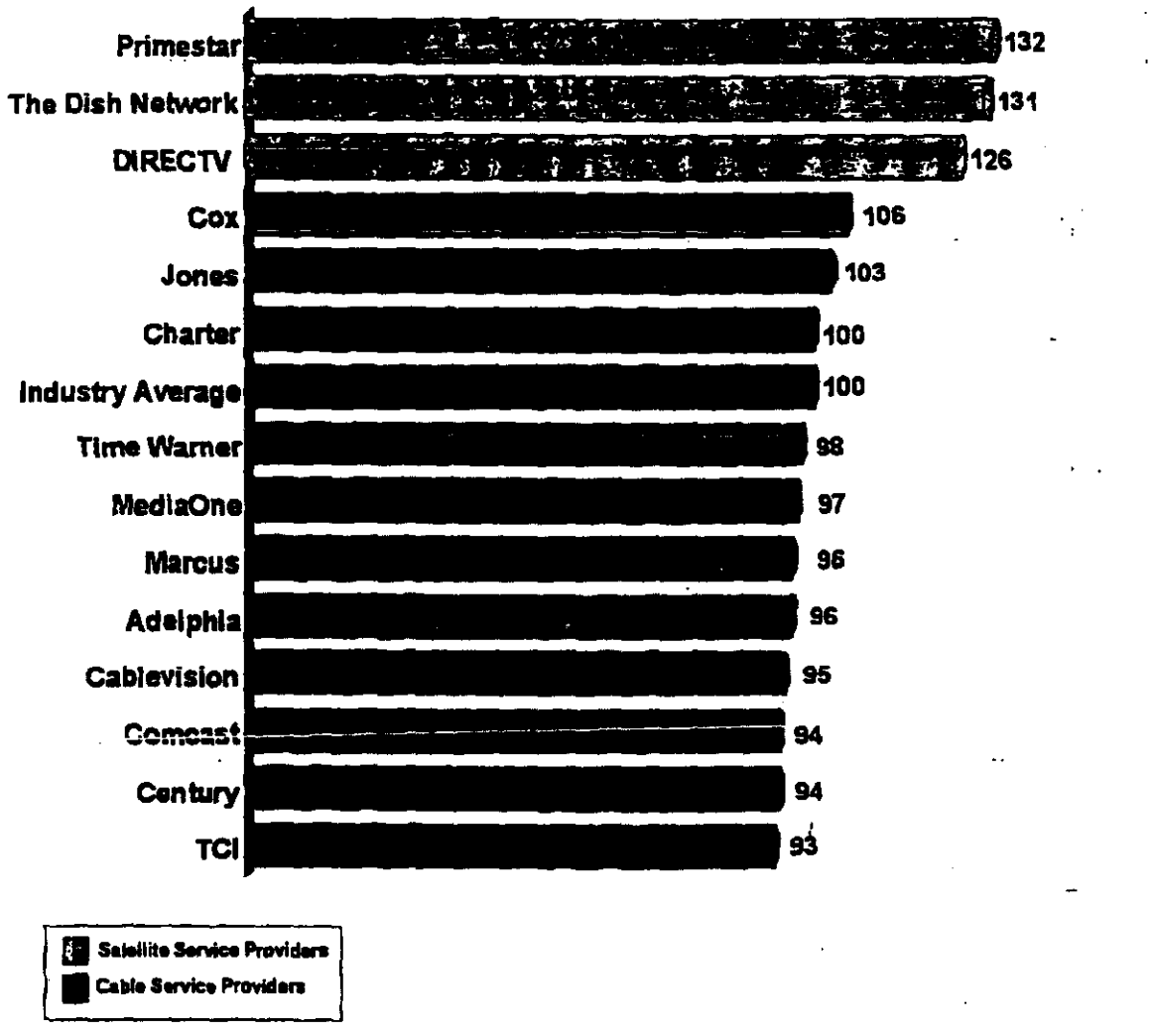
Source: J.D. Power and Associates 1998 Cable/Satellite TV Customer Satisfaction Study

J.D. Power and Associates 1998 Cable/Satellite TV Customer Satisfaction Study℠

Customer Satisfaction Index Scores



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Source: J.D. Power and Associates 1998 Cable/Satellite TV Customer Satisfaction Study

10

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COMPETITIVE EFFECTS PRESENTATION

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2000 Syndicated Cable/Satellite TV Customer Satisfaction Study

- 5th Annual Benchmark Wave -

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September, 2000

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TABLE OF CONTENTS

* **Key Objectives** 3

* **Methodology** 5

* **Executive Summary** 9

* **Detailed Findings**

  - Competitive Environment 18
  - Customer Satisfaction Process 21
    - Overall Ranking By Industry 29
    - Overall Ranking By Company 30
    - Ranking By Factor 33
  - Digital Vs. Analog 56
  - Switching 65
  - Future Competitive Environment 70
  - Usage Patterns 76
  - Internet Usage 83
  - Web-Based Customer Service 89
  - Impact Of Merger Activity 93

* **Appendix** 97

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KEY OBJECTIVES

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Key Objectives

* Determine key drivers of customer satisfaction for residential cable/satellite TV service
* Determine the performance of the major players in the Cable/Satellite TV industry, including:
  - CABLE: Adelphia, AT&T Cable, Cable One, Cablevision, Charter, Comcast, Cox, MediaOne and Time Warner
  - SATELLITE: DirecTV and Dish Network
* Identify areas of strength and weakness for each major provider
* Recognize future trends which could have an impact on the market
* Gauge the impact new services/issues may have on the cable/satellite industry
* Track performance on an annual basis

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METHODOLOGY

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Methodology

* Survey Technique
  - Mail panel of representative sample of U.S. households
  - Initially screened 200,000 households to
    - Establish cable/satellite TV usage, and;
    - Identify the primary provider of cable and/or satellite service
  - Mailed a twelve page survey to a random sample of households for each carrier based on the information obtained from the screener
  - A total of 6,505 surveys were mailed at the end of March 2000
  - Received 4,883 usable completed surveys - 75% response rate

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Methodology (Con't)

* Sampling Frame
  - Survey completed by the key household decision maker regarding cable/satellite services
  - Each group of households was balanced demographically to represent the universe of each provider, as obtained in the screener
  - Sample weighted, using the results from the screener, to reflect:
    - the 80 million households that use either cable or satellite*
    - the share of each cable and satellite provider within the total customer base

* Source: Federal Communications Commission

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Return Sample Size By Major Cable TV And Satellite TV Service Providers

Cable TV Service Providers		Satellite TV Providers	
Charter Communications+	822	DirecTV***	751
Time Warner	444	Dish Network	427
Adelphia Cable Comms.++	410		
AT&T Cable+++	399		
Comcast Cable Comms.*	395		
MediaOne	391		
Cox Communications**	367		
Cablevision Systems	345		
Cable One	276		

+ Charter Cable includes Marcus Cable, Brennan Cable and Falcon Cable

++ Adelphia Cable includes Century Cable

+++ AT&T Cable includes TCI Cable

* Comcast Cable includes Lenfest Cable and Jones Intercable

** Cox Comminications includes TCA Cable and Multimedia Cable

*** DirecTV include Primestar

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EXECUTIVE SUMMARY

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Executive Summary

Market Overview:

* Over the past year, dramatic changes have taken place throughout the cable and satellite TV industry. A proliferation of mergers and an expansion of the bundled services that cable companies are able to offer have made way for an exciting year in the cable and satellite TV industry.

  Mergers: Over the past few years there has been an increase in the number of mergers and property trades among the major cable and satellite TV companies. AT&T Cable continued to have the largest impact on the field of cable providers edging past Time Warner as the largest cable provider. Among satellite companies, DirecTV, recently merged with both USSB and Primestar, has a market share on par with most of the cable companies. As the J.D. Power and Associates Syndicated Study shows, both cable and satellite TV subscribers are willing to embrace the merged companies more readily when the company keeps its subscribers well informed of its merger activities.

* Bundling: With the entry of AT&T into the cable and satellite TV marketplace, wide-scale bundling of telecommunications services is quickly becoming the hot issue within the industry. The prospect of receiving cable, high-speed Internet access and telephone service from one provider presents an exciting opportunity. After four years, consumers, albeit on a small scale, finally have choices for almost all their services. Increased competition has put the pressure on companies to try and recruit and retain customers by presenting innovative products and technologies, while employing initiatives designed to boost overall customer satisfaction.

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Executive Summary (Con't)

Market Penetration:

* Cable/satellite TV market penetration now reaches 81% of the population, continuing its steady rate of growth since 1996. The penetration rate for satellite companies increased by almost 50% in the past year, while cable households maintained their levels from the previous year. Cable still accounts for a majority of the households with approximately five cable households for every satellite household, nationwide.

Customer Satisfaction

* As in past years, the major satellite providers (Dish Network and DirecTV) outperformed the traditional cable providers by a significant margin. ***Dish Network*** is the top performer this year, edging out DirecTV and the rest of the competitive field in overall customer satisfaction. Satisfaction index scores are as follows:

Dish Network	121	AT&T Cable	97
DirecTV	117	MediaOne	97
Cable One	101	Time Warner	97
Cox	100	Comcast	96
Industry Average	100	Cablevision	93
Adelphia	99	Charter	92
Satellite Average	118	Cable Average	97

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Executive Summary (Con't)

Customer Satisfaction (con't.)

* Overall Satisfaction differs significantly between cable and satellite providers. Households report being much more satisfied with their respective satellite companies. No cable provider scores significantly above the industry average in Overall Satisfaction.

* Cable One barely edges past Cox to garner the highest score among cable providers, followed by Adelphia. All three score on par with the industry average in Overall Satisfaction and above the cable industry average (97).

* As in 1999, the main factors driving overall customer satisfaction with cable/satellite TV service in 2000 include:

➢ Cost of Service	24%	Highest Predictors Of Overall Satisfaction
➢ Credibility/Billing	23%	
➢ Program Offerings	21%	
➢ Equipment & Service Capabilities	14%	
➢ Customer Service	10%	
➢ Reception Quality	8%	

* Dish Network achieves top scores in across all six key drivers of overall satisfaction. DirecTV has strong scores in several factors including Customer Service and Program Offerings.

* Both major satellite service providers--Dish Network and DirecTV--significantly outperform the cable field on all factors of Overall customer Satisfaction.

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Executive Summary (Con't)

Customer Satisfaction (con't.)

* Despite being at a large disadvantage versus the satellite companies, Cable One, Cox and Adelphia do score above the cable industry average.
  - Cable One scores above both the industry average and cable average in Cost Of Service, Credibility/Billing, Equipment & Services Capabilities, and Customer Service. It performs on par with the industry average on Program Offerings and at the Cable average in Reception Quality.
  - Cox scores above the cable average in all six of the dimensions of Overall Satisfaction and outscores the industry average in Credibility/Billing, Equipment & Services Capabilities and Reception Quality.
  - Adelphia outscores the cable average in five of the six key drivers of customer satisfaction.
* Compared to other cable companies, Cable One holds the top score in four of the six dimensions of customer satisfaction .
  - Cox outscores Cable One in Equipment & Services Capabilities and Reception Quality, and matches Cable One's scores in both Credibility/Billing and Program Offerings.
* AT&T Cable, Time Warner, MediaOne and Comcast all score on par with the cable industry average.
* Cablevision and Charter perform significantly below the industry average. Charter also performs significantly below the cable industry score.
  - Charter receives the lowest scores in five of the six factors of Overall customer Satisfaction.

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Executive Summary (Con't)

Digital Vs. Analog

* On average, almost eight out of ten subscribers report that their cable company offers digital cable service. Overall, 11% say they currently subscribe to digital service. AT&T Cable has the highest reported incidence of digital subscribers with almost one out of every five users (19%) subscribing to digital service.
  - Digital subscribers have much higher levels of overall satisfaction versus analog users. Digital subscribers rate their provider significantly higher in five of the six dimensions of Overall Customer Satisfaction.
  - Digital technology's greatest advantage is within the Program Offerings dimension, followed by higher satisfaction levels in Credibility/Billing, Equipment & Services Capabilities, Cost Of Service and Reception Quality.
* On average, two in five analog households (39%) say they definitely/ probably/might change to digital service in the future.
* Though still significantly lower than the satisfaction levels achieved by satellite companies, digital users are closing the distance, particularly in Customer Service and Program Offerings.

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Executive Summary (Con't)

Impact of Switching

* Nearly one in ten households report considering switching TV providers, either to cable or satellite providers, within the next 12 months.
* Of those considering switching, almost three times as many cable users would consider satellite TV compared to satellite users that would consider cable.
  - The top three reasons for switching common to both cable and satellite users include price, features/services offered and general unhappiness.
  - Local programming was a major consideration for people looking to switch from satellite as well, with more than half of the satellite users citing it as their reason for switching.

Impact of Bundling

- Approximately half (45%) of all cable/satellite TV users are favorable toward the idea of having one company supply all of their telecommunications needs.
  - Among cable and satellite customers who are likely to bundle*, about one third (31% and 30%, respectively) are likely to select their cable or satellite company to supply them with all of their telecommunications services.
  - An overwhelming majority of those likely to bundle* mention "convenience" and "receiving a single bill" as the reasons they would be most likely to bundle.

* Extremely/Very/Somewhat likely to combine all telecom services with one company

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Executive Summary (Con't)

Usage Patterns

* Nearly, seven out of ten cable subscribers report having premium or additional channels above the basic package. Eight out of ten satellite users report having more than the basic package.
  - Among cable companies, Cox subscribers report the highest incidence of additional channels (78%).
  - The average cost of cable service remains slightly lower than the average satellite cost, both cable and satellite users report the highest average cost of service over the past five years.

Internet Usage

* On average, half of the cable/satellite households have Internet access, with little difference between the two segments.
  - Among cable households, 7% are currently subscribing to high-speed access from their current cable company, more than double the rate from 1999.
  - Among households without high speed access, if high-speed access is available through their cable company for approximately $45/month, in the next 12 months, 33% would be at least somewhat likely to switch their Internet service to their local cable company.

Web-Based Customer Service

* One in six satellite users have visited their satellite provider's website compared to less than one in ten cable users.
  - Dish Network has the highest reported incidence of website visits (20%).
* Both Satellite and cable users cite information on other services as the reason they visited their provider's website.

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Executive Summary (Con't)

Effects Of Mergers

* On average, one third of cable and satellite subscribers (34%) are aware of mergers involving their cable/satellite providers. AT&T Cable and DirecTV subscribers have the highest levels of awareness (59% and 40%, respectively).

In Sum

* The satellite TV industry continues its steady growth within the cable/satellite market TV, while the cable TV industry saw no significant change in market share from last year. With customer satisfaction among cable users still below satellite TV levels, the cable industry must leverage its positive results from digital users.
* With the proliferation of mergers within the marketplace and the recent legal rulings concerning satellite TV companies and local programming, the cable/satellite TV industry is poised for an explosive year of change and growth.

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