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Leichtman Research Group

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DECLINING PRICES HELP TO BRING HDTV INTO 12% OF U.S. HOUSEHOLDS

Men Remain the Key Targets for HDTV

Durham, NH – November 8, 2005 – New consumer research from Leichtman Research Group, Inc. (LRG) found that the percentage of households in the United States that have a high definition-capable TV (HDTV) set grew from 7% a year ago to 12% at the end of the third quarter of 2005. Growth has largely been spurred by decreasing prices, as the mean reported purchase price of new HDTV sets bought in the past year was one-third less than prior HDTV purchases.

Men have typically been the primary purchaser of HDTV sets, and are likely to drive the adoption of HDTV sets over the next year. Men represent:

- 82% of those who were the main decision-maker in the purchase of an HDTV set
- 69% of those claiming to receive HD programming
- 57% of those very likely to get an HDTV set in the next year

These findings are based on a survey of 1,300 households throughout the United States, and are part of a new LRG study, *HDTV: Awareness, Interest and Intent to Purchase 2005*. This is LRG's third annual study on this topic.

Other key findings include:

- 89% of adults nationwide have heard of HDTV
- Consumers report spending an average of about \$1,600 for HDTV sets purchased in the last year – compared to \$2,400 for HDTV sets purchased over a year ago

- 18% of current HDTV owners are likely to get another HDTV set in the next year
- 11% of non-HDTV owners express some likelihood to purchase an HDTV set in the next year if it cost \$1,000 – overall likelihood to purchase an HDTV set is virtually unchanged from a year ago

“HDTV has certainly grown beyond the early adopter stage. While the cost of HDTV sets has declined, prices still remain out of the range of the average US household,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “Continued price reductions, and the looming analog cut-off, will ultimately result in 55% of US households having at least one HD-capable TV set by the end of 2010. However, in the near-term, men who can afford the cost of these sets remain the principal targets for HDTV purchases.”

About Leichtman Research Group, Inc.

Leichtman Research Group, Inc. (LRG) specializes in research and analysis on broadband, media and entertainment industries. LRG combines on-going surveys and analysis with years of hands-on industry experience to provide companies with a richer understanding of the potential impact and adoption of new products and services. For more information about LRG, please call (603) 397-5400 or visit www.LeichtmanResearch.com.

HDTV: Awareness, Interest and Intent to Purchase 2005 is based on a telephone survey of 1,300 adults age 18+ from throughout the continental US that was conducted in September-October 2005. The random sample of respondents was distributed and weighted to best reflect the demographic and geographic make-up of the US. The overall sample has a statistical margin of error of +/- 2.7%.

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