

TBS Superstation®

THE MARKET

More than 106 million households have television, and of those, more than 89 million have basic cable or satellite service. What was once a minor blip in the television marketplace is now a dominating force, as basic cable accounts for an average of 45 percent of all television viewing, a figure that has steadily increased from year to year.

Basic ad-supported cable channels are cropping up everywhere, with an average of five new channels entering the marketplace each year, making competition for advertising revenue and viewers fierce. In addition, commercial television itself faces increased competition from other fast-growing leisure activities, such as Internet usage and the booming home video industry. But television viewing still remains America's number-one leisure activity, and that statistic will not likely change anytime soon.

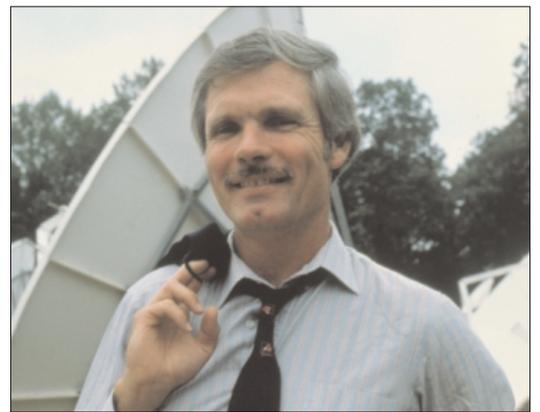
ACHIEVEMENTS

TBS Superstation, television's first-ever basic cable network and the most widely distributed to date, is available in more than 88 million households (82 percent of

all television households; 99 percent of all cable/satellite homes). One of the most popular basic cable networks among key adult demos, TBS Superstation dominated the marketplace in 2001 by ranking as the number-one basic cable network among adults 18–34 and 18–49 in both prime time and total day, as well as among adults 25–54 in prime time. The Superstation also claimed the number-one theatrical movie presentation on basic cable for the year (*Rush Hour*), as well as eight of the top-ten theatrical movies in household rating and delivery of adults 18–49 and 25–54.

HISTORY

TBS Superstation began life as a small independent television station in Atlanta, when R. E. "Ted" Turner bought WJRJ and renamed it WTCG (Turner Communications Group). Immediately, Turner began buying up programming for his station to make it more competitive in an already



crowded Atlanta market. Among his earliest acquisitions were Atlanta Braves baseball and Atlanta Hawks basketball. In 1976, Turner realized that his local independent could be beamed nationwide via satellite, thus creating the "superstation" concept. On December 17 of that year, the soon-to-be-renamed TBS Superstation was "up on the bird," as Turner put it. Not only could it be seen in Atlanta, but also in 24,000 homes on four cable systems, a humble but promising beginning. Within five years, that number would explode to more than 20 million homes. But Turner and his network were not content to sit on their laurels. In 1986, TBS Superstation's parent company, Turner Broadcasting System, Inc., bought the MGM film library, setting into motion a series of acquisition deals that would provide the Superstation and its future sister networks a virtually endless library of programming. During its first 15 years as a cable network, the Superstation's primary original programming ranged from high-profile environmental programs from the Audubon and Cousteau societies to World Championship Wrestling. In the 1990s, TBS Superstation embarked on a number of original programming concepts, including a multi-network Native American initiative and several Peabody Award-winning documentaries. The Superstation also began to debut contemporary blockbuster hits, which made their world broadcast premieres on the network. Among those, *Dumb and Dumber*, *The American President*, and *As Good As It Gets* all set ratings records, putting TBS Superstation in the same league as the broadcast networks.

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Hosted movie franchises also found their way to the Superstation during the late 1990s, with *Dinner & a Movie* redefining not only how movies can be packaged, but also how advertising can be sold during the hosted segments. Since then, the Superstation has added such movie showcases as *Movies for Guys Who Like Movies* and *The Man-Made Movie*, with plans to add three more hosted franchises by 2003.

TBS Superstation ventured into original movie territory in 1999 by producing popular, action-oriented fare that would draw young adult audiences and help to better brand the network. During its first year of making original movies, the Superstation broke a basic cable ratings record with its premiere of *First Daughter*, a Secret Service thriller that has since spawned two sequels.

In 2000, TBS Superstation expanded beyond original movies by planting its foot firmly in the original series arena. *Ripley's Believe It or Not!*, which enters its fourth season in 2003, set a basic cable record with its premiere episode.

THE PRODUCT

TBS Superstation is a general entertainment network that specifically targets key adult demos. To that end, the network's movies, sitcoms, and original programming are all designed or packaged with adults 18–34, 18–49, and 25–54 in mind.

To continue increasing its prime-time audiences, the Superstation launched the "Non-Stop Comedy Block" in Fall 2002 an unrivaled line-up



of prime access comedies. The block includes such sitcom giants as *Seinfeld*, *Friends*, *Home Improvement*, and *The Drew Carey Show*.

Within prime time, TBS Superstation focuses on original programming, high-profile movies, and sports. Original series include *Ripley's Believe It or Not!* and the new *Worst-Case Scenario*, both of which make up the "Unbelievable Wednesdays" programming block.

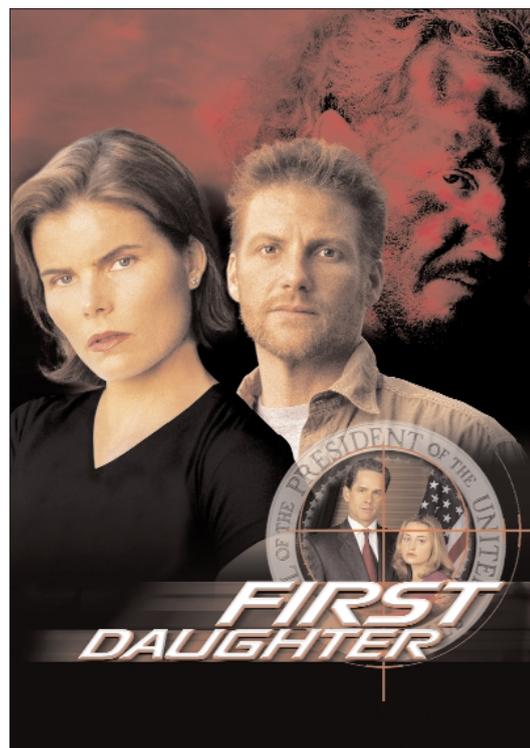
Movies on the Superstation range from blockbuster comedies and action films, many making their network television debuts, to tried-and-true hits from such stars as Clint Eastwood and John Wayne.

Superstation Original Movies, which are produced at a rate of four to six per year, are a major part of TBS Superstation's programming strategy. These movies are generally action thrillers featuring popular young stars and fast-paced storytelling.

The final piece of the Superstation programming puzzle is sports. The Atlanta Braves have been a fixture on the Superstation schedule since the network began, and in 2002, their audience saw dramatic increases across the board. Also that year, the Superstation began airing college football on Saturday nights.

RECENT DEVELOPMENTS

One of the most popular recent developments to hit TBS Superstation is the original series *Worst-Case Scenario*, a combination reality/magazine series based on the ultra-popular book *The Worst-Case Scenario Survival Handbook*. This show, which airs as a companion series to the network's *Ripley's Believe It or Not!*, debuted in July 2002 to strong ratings success among key adult demos.



College football, which had been a part of the Superstation's schedule more than 10 years ago, returned in September. Through a five-year sub-licensing deal with Fox Sports Net (FSN), TBS Superstation presents one PAC-10 or Big XII game each Saturday.

With the popularity of its hosted movie franchises, the Superstation has embarked on a mission to add three new showcases by 2003. They include *Movie & a Makeover*, a female-skewing movie



franchise offering "chick flicks" and complete with some type of makeover; *The Movie Break*, for the hip crowd into what's hot in entertainment; and *The Movie Bowl*, which leads out from the Superstation's college football telecasts in a programming block called "Big Play Saturday."

PROMOTION

TBS Superstation's tag line, "No Wonder They Call It the Superstation," reflects the very essence of how the network is able to promote itself. Everything on TBS Superstation is "supersized," from movies that are expanded to include hosted segments, to original series and original movies that take viewers places they've never been before.

The Superstation focuses its energy on attracting a young adult audience, specifically a range that includes adults 18-34 and adults 18-49, two of the most valuable demographics for advertisers. As a result, the Superstation not only topped basic cable among those two groups in 2001, but also attracted and continues to deliver more men than ESPN and more women than Lifetime.

Attracting the Superstation's target young-adult audience involves innovative on-air graphics packages combined with hip, popular music. It also involves incorporating added value to the network's programming through its hosted movie franchises, special contest promotions, and live events, such as 2001's Atlanta Braves stunt that sent former players Sid Bream and Jose Cabrera from city to city.

Of course, one of the best ways to reach young adults is through new technology, which is where the TBS Superstation Web site (TBSsuperstation.com) enters the picture. This site both complements and expands upon the Superstation's programming through hi-tech games, contests, and other innovative elements.

As part of the AOL Time Warner family, the Superstation is able to explore new ways to take advantage of the company's assets to promote the network in a way that reaches key adults directly through the products they buy. Earlier in 2001, for example, the network was able to extend its *Dinner & a Movie* brand into the new DVD marketplace



through a partnership with Warner Home Video and one of its biggest advertisers. Recently, TBS Superstation was granted unprecedented access to the stars of *Rush Hour 2* to help promote the network television premiere of *Rush Hour*, as well as to the stars of *Austin Powers in Goldmember*, to help promote the network television premiere of *Austin Powers: The Spy Who Shagged Me*.

BRAND VALUES

Dennis Quinn, executive vice president and general manager for TBS Superstation, explains that the value of the network lies in its pure-entertainment programming and an attitude that encourages both innovation and excitement. "The secret of our success is our

brand and our attitude," he says. "We started out as an independent station bent on becoming a national force in television by consistently providing great entertainment for mainstream America."

The success of the Superstation lies in its ability to connect directly with viewers by meeting their entertainment needs. "First and foremost, TBS Superstation is pure entertainment fun," Quinn says. "It's not stuffy, not educational, not cynical or self-serious. We know our audience turns on their TVs to relax and escape. So we've put together a schedule that gives them more of what they want."

Giving viewers more of what they want, giving advertisers the key demographics and promotional opportunities that they seek, pushing the industry forward through innovation and a maverick attitude: these are the benchmarks TBS Superstation has set and will continue to set. As the slogan says: No Wonder They Call It the Superstation.

THINGS YOU DIDN'T KNOW ABOUT TBS SUPERSTATION

- When TBS Superstation first went up on satellite in 1976, it was distributed to only 24,000 households on four cable systems. Today, TBS Superstation is also seen in Canada, Puerto Rico, and the Virgin Islands.
- TBS Superstation's August 2000 premiere of the movie *As Good As It Gets* delivered more than 5.4 million households, the largest audience for a theatrical movie in basic cable history.
- In 2002, TBS Superstation expanded its broadcast of Atlanta Braves telecasts to include a Spanish-language feed available for retransmission in the SAP (second audio programming) format. This feed goes beyond simply being translations of the English broadcast. It features live, Spanish-language announcers covering the game in their own language and style.