

Bharat V. Patel

Chairman

February 17, 2012

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Dear ISA Members,

Subject: Advertisements on High Definition (HD) TV Channels

We have got to know from some of our ISA members that the channels have started or will start advertising slots on their HD feeds. From Advertisers' perspective this is positive development as we were unable to reach these audiences who had moved from SD (standard definition) feeds to HD feed. However, we have also got to know that the channels are planning to book ads at a different rate for their HD feed vs SD feed. The channel sell is that the HD feed is seen by high income audiences and therefore justifies a separate rate.

ISA's position on this matter is that the HD feed is just a distribution channel, similar to DTH/Cable/CAS etc. and therefore cannot have separate pricing since the program content and run time on SD and HD channels is the same. Further, ad exposure to these viewers have already been paid for by Advertisers as they were a part of the SD viewer set. The channels also have not offered Advertisers a reduction in rates for the loss of TV audiences who moved to HD and hence there is no reason for them to ask a separate rate for ads on HD feeds.

We advise ISA members to insist that the advertising on HD feeds should be part of the regular ad releases and resist booking ad separately on it at stand alone rates. If you have questions or suggestions on this matter please feel free to contact the ISA Secretariat.

Best Regards,



Y. Harakrishnan
Secretary General

CC: Mr Nagesh Alai, President, AAAI