Movies are shot knowing or hoping they are going to be seen by an audience, in a theater, watching on a very big screen. Even though over the life time of any film, more people will see it on a 4x3 TV screen than in a theater, the theatrical release drives all the downstream business. So its understandable that a movie will be shot to tell a story using every bit of the big screen and great sound available in theaters today.

Then there is the TV business. Content shot for TV today is shot and protected for its biggest possible audience, which for today and at least the next 7 to 10 years is going to be an audience watching on a 4x3 TV. Even with the analog cutoff coming in Feb of 2009, most people who watch TV will watch on a regular, non HDTV.

Thats a real problem for people producing TV shows.

Because TV Networks, whether broadcast or cable want to sell ads and reach the largest possible audience, they have to produce their content so that it is viable on the lowest common denominator of TV reception, the 20" analog TV. The conventional wisdom is that dramas and high end shows are shot in film while comedies are shot on HD Tape, and reality shows are regular tape. But all are shot "protected" for regular 4x3 TVs.

Unfortunately for all those producing shows for TV, people are rarely buying 20" analog TVs any longer. HDTVs will outsell analog TVs this year and forever

Which creates a unique opportunity for HDNet. HDNet is the only network whose content is created FOR HDTVs.

Other networks content may be shot in HD, or shot on tape or film and then converted to HD, but in all cases they are protected for 4x3. Only <u>HDNet</u> shoots in full resolution 1080i for an audience exclusively with HDTVs.

To some it may seem like a trivial difference. Its not. Creating shows for 16x9 rather than 4x3 creates new opportunities for directors. Great stories have a pallete that rivals a theatrical experience.

Ask anyone who watchs HD content on an HDTV whether they would prefer their favorite HD shows shot in HD, or converted from film or upconverted from standard def tape. When given the choice, shot in HD FOR HD always gets the vote.

Its going to be interesting to see how long broadcast and cable networks pander to the 4x3 masses at the expense of those who love their shows in HD. With 90mm cable and satellite homes, the huge majority of which have 4x3 TVs, it could be 5 or more years before they are willing to change the status quo.

RIght now they can get away trying to serve two masters. How long will that last?

In the meantime, HDNet has a big advantage. Our viewers get the best of all worlds, great programming in High Def, exclusively for those with HDTVs