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Third Quarter 2010 Highlights

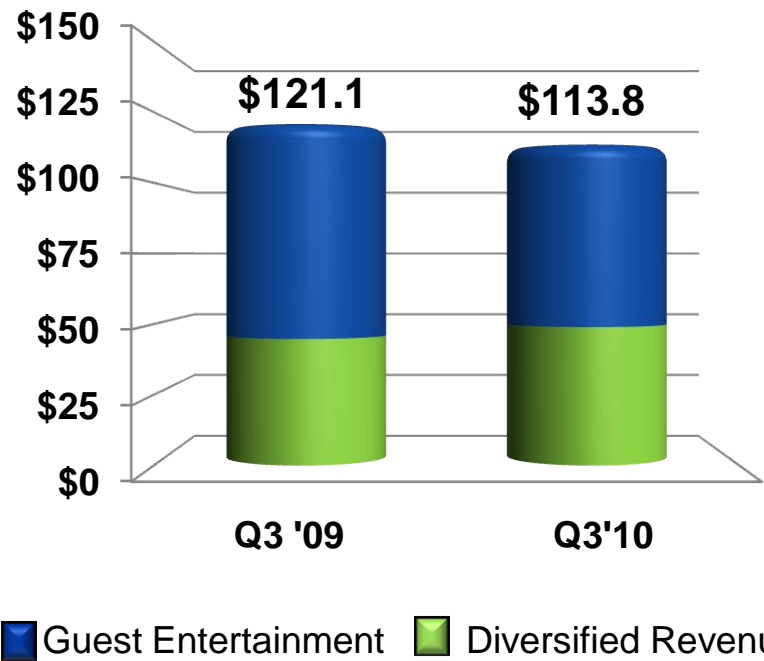
Focus on Free Cash Flow and Strategic Growth

- **Strategic Initiatives Positioned to Drive Future Revenue Growth**
 - Revenue per room up 12.9% With Significant Margin Expansion
 - HD Conversions: Expected to Accelerate in Fourth Quarter
- **Substantial Free Cash Flow**
 - \$15.3 Million in Third Quarter
 - Trailing Four Quarters Free Cash Flow = \$80.0 Million
- **Conservative Operating Plan Continues**
 - Operating Expenses down vs. Last Quarter and Last Year
 - Lowered Average HD Investment per Upgraded Room by 22.8%
- **Balance Sheet Strengthened**
 - Leverage Ratio Now at 3.40x (Net Debt) with \$14 million in Debt Reduction
 - Final Covenant Stepdown Achieved



Revenue Diversification

(\$ in millions)



Growth Initiatives Generate \$49 Million

(43% of Total Revenue)

Increased Revenue from:

- Hotel Services +4%
- Advertising +33%
- Healthcare +94%

Total Revenue Down 6.1%



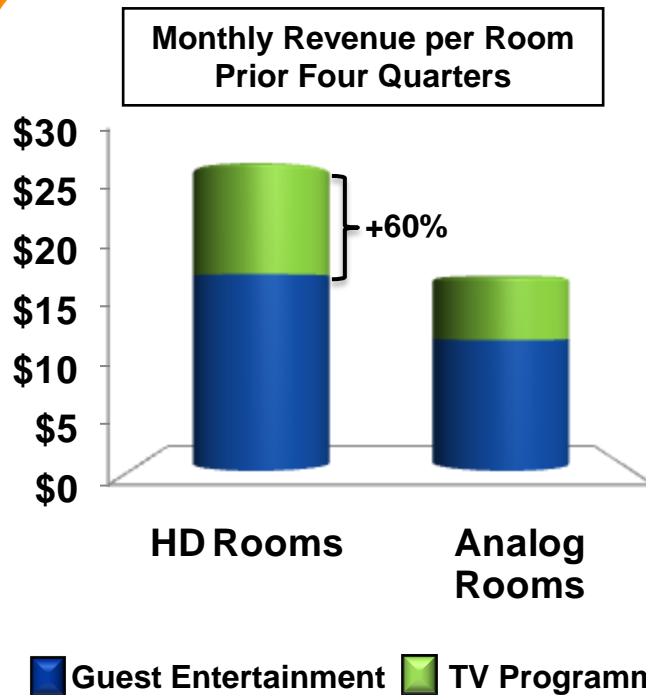
Q3 Revenue Per Room Comparison

	Q3 '10	Q3 '09	Change	
			Q3 '10 vs Q3 '09	
Hospitality Revenue				
Guest Entertainment	\$ 12.53	\$ 14.01	\$ (1.48)	-10.6%
Hotel Services	6.56	6.00	0.56	9.3%
System Sales and Related	2.04	1.69	0.35	20.7%
Advertising Services	0.42	0.30	0.12	40.0%
Total Revenue per Room	\$ 21.55	\$22.00	\$ (0.45)	-2.0%
Excluding Guest Entertainment	\$9.02	\$7.99	\$ 1.03	12.9%

- **Diversified Revenues** – Up 12.9% Q/Q
 - Growth in Strategic Initiatives Offset 70% of the Decline in Guest Entertainment per Room
- **Hotel Services** – Expanding HD Free-To-Guest Room Base
- **Advertising Services** – New Revenue from Channel Leasing Program
- **Guest Entertainment** – Impacted by:
 - Conservative Consumer Buying Patterns
 - Fewer Hit Movie Titles
 - Low Penetration of HD



Attractive High Definition System Economics



➤ **HD Rooms = 60% Higher Revenue / Month vs. Analog Rooms**

- 51% More Guest Entertainment
- 82% More TV Programming

➤ **HD Room Revenue Down 0.5%** (vs. prior 4 quarters)

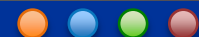
- Guest Entertainment Down (0.8)%
- Compare: Guest Entertainment Down (10.3)%

➤ **Solid Return on Capital Investment**

- \$175 to \$245 Investment per Room
- Capital Returned within 18 to 24 Months
- New 5-7 Year Contracts Upon Signing / Renewal

HD Systems Now in 254,000 Rooms (Only 15% of Room Base)

Significant Revenue Opportunity as HD Penetration Increases



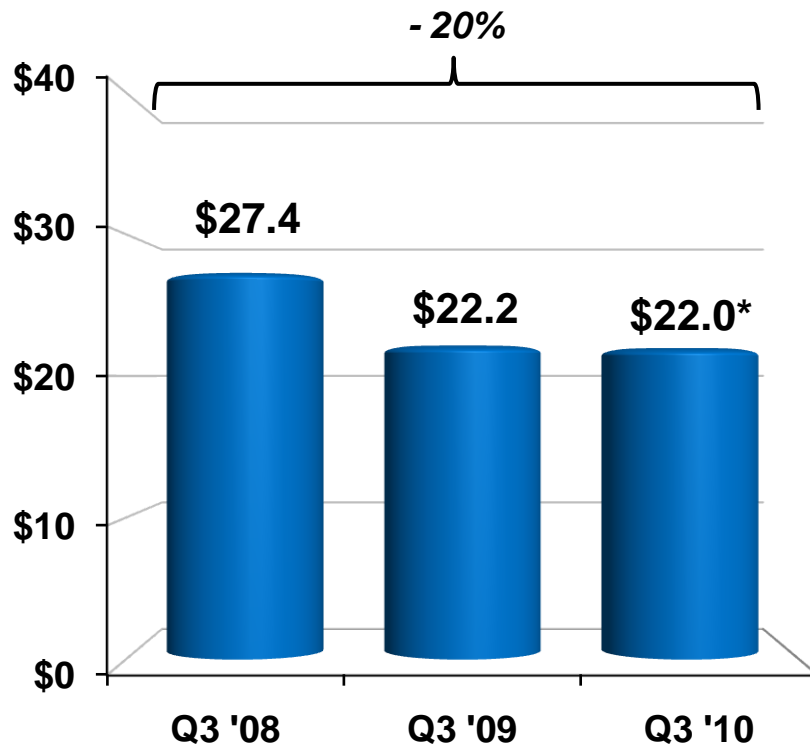
Q3 Gross Margin Comparison

	<u>Q3 '10</u>	<u>Q3 '09</u>	<u>ppt Change</u>
Guest Entertainment	60.2%	58.9%	1.3%
Hotel Services	13.2%	11.8%	1.4%
System Sales & Related	37.1%	25.2%	11.9%
Advertising Services	42.1%	9.2%	32.9%
Healthcare	51.5%	51.8%	-0.3%
Total Gross Margin	43.5%	42.9%	0.6%

- **Strong Gross Margin Performance Across All Service Lines**
- **Guest Entertainment** – Impacted by:
 - Lower Hotel Commissions
 - Lower Royalty Expense
- **Advertising Services** – Revenue Growth With Fixed Cost Structure
- **Healthcare** – Achieved 50%+ Margins with 94% Revenue Growth



Managing Operating Expenses (\$ in millions)



Disciplined Expense Control

- Down 20% from Q3 '08 Levels
- Maintaining Current Levels for Balance of 2010

* Excludes \$460K of costs associated with High Yield offering process



Profitability Metrics (in millions)

Adjusted Operating Cash Flow*



Consistent AOCF

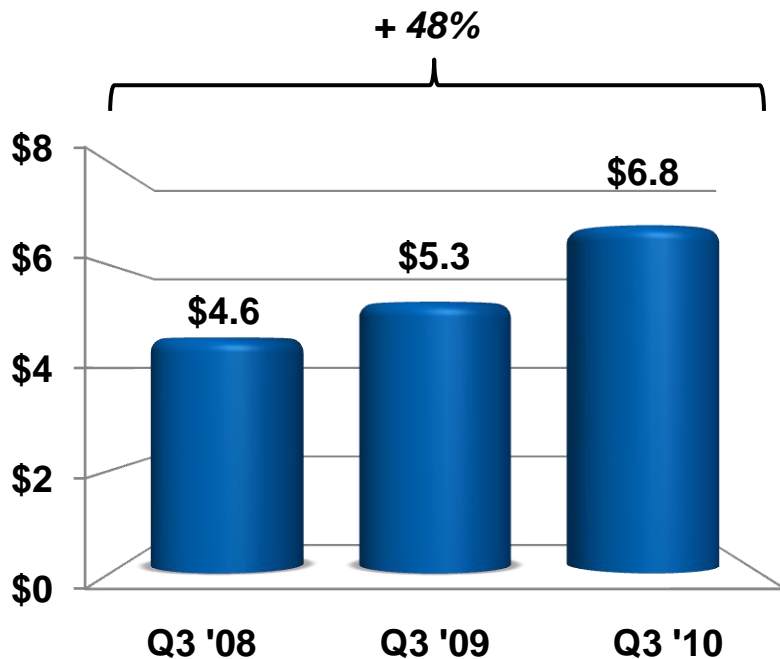
- Steady Results Through Economic Downturn
- Maintaining Solid Operating Margins: 24.5% in Q3 '10

* Adjusted Operating Cash Flow Definition - see slide 16



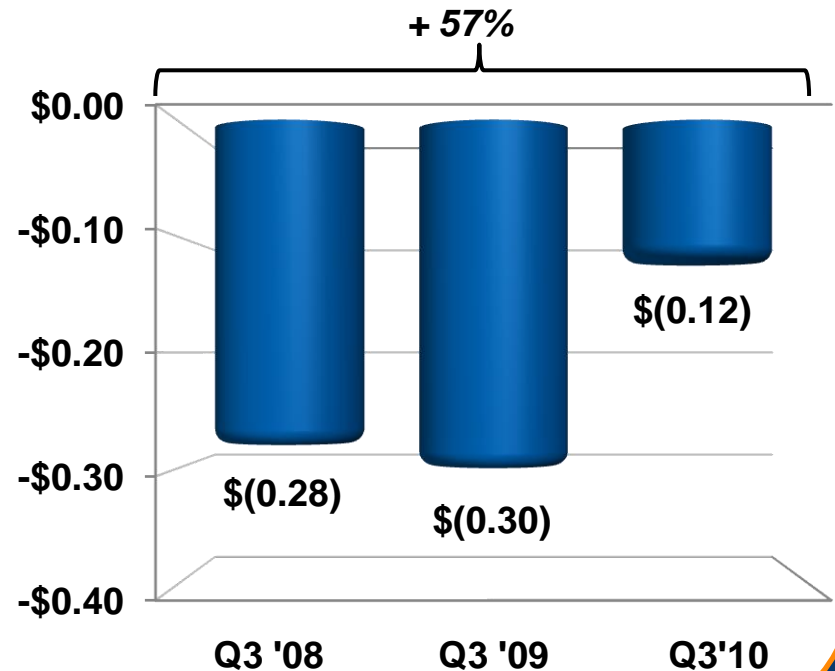
Profitability Metrics (in millions)

Operating Income



- Operating Income Up 29% Over Q3 '09
- Lower Depreciation & Amortization

Net Loss Per Common Share



- Net Loss Per Share Improved 60% over Q3 '09
- Lower Depreciation & Interest Expense



Free Cash Flow Analysis* (\$ in millions except per share)

Quarterly comparison

	Q3 '09	Q3 '10	Q3 2010 Per Share	
			O/S Share*	W/Converted Share**
Adjusted Operating Cash Flow	30.0	27.9	\$ 1.12	\$ 0.69
Interest Expense (net)	(9.5)	(8.1)		
Working Capital (net)	0.1	0.2		
Pre-Investment Cash Flow	20.6	20.0	\$ 0.80	\$ 0.50
Corporate Assets	(1.7)	(2.9)		
HD Upgrades and Minor Extensions	(1.7)	(1.4)		
HD New Installations	(1.1)	(0.4)		
Free Cash Flow	16.1	15.3	\$ 0.61	\$ 0.38

*Weighted Average Share Count Outstanding 25.02 mm Shares

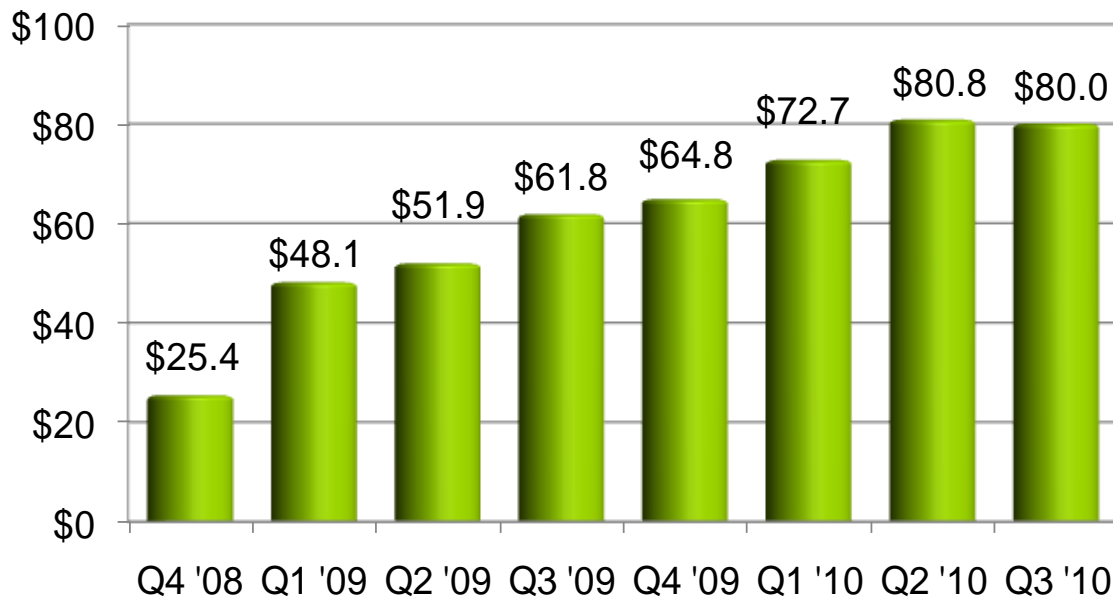
**Share Count with Preferred Stock Converted 40.23mm Shares

* Free Cash Flow Definition see slide 16



Strong Free Cash Flow Generation (in millions)

Trailing Twelve Months

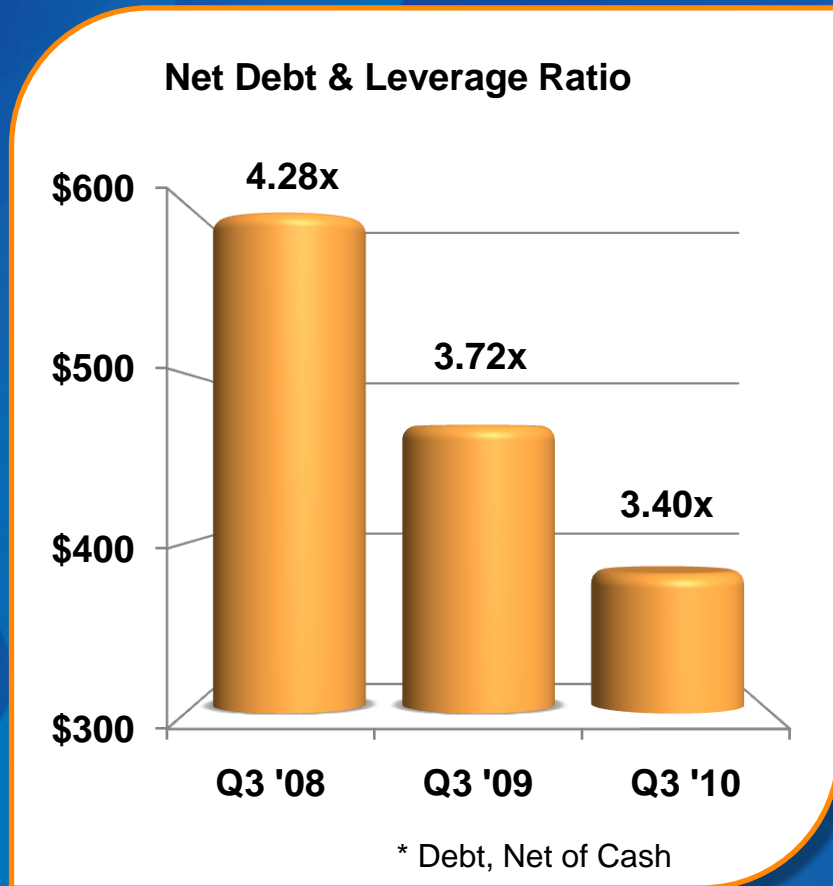


Consistent Ability to Generate Free Cash Flow

- Steady Cash Flow Generation from Installed Base of 1.7 Million Rooms
- Fewer HD Installations at Lower Per Room Cost
- Working Capital Management
- Lower Interest Expense



Decreasing Debt Levels* (\$ in millions)



Debt Reduced by \$14 Million in Third Quarter

- Achieved Final Covenant Stepdown
- Debt at \$382.4 Million (net of Cash on Balance Sheet)



Reducing Leverage (\$ in millions)

	<u>Q2 '10</u>	<u>Q3 '10</u>
Consolidated Debt	\$ 404.9	\$ 390.5
Less: Cash	<u>(8.8)</u>	<u>(8.1)</u>
Net Consolidated Debt	\$ 396.1	\$ 382.4
Reported AOCF	\$ 115.1	\$ 112.9
Bank AOCF	\$ 115.0	\$ 112.5
Leverage Ratio:		
Consolidated Debt	3.52x	3.47x
Debt, net of Cash	3.44x	3.40x
Covenant	3.75x	3.50x

Final Covenant Step Down Achieved



Q4'10 Financial Guidance

	Q4 '10	
	low	high
Revenue	\$ 108	\$ 112
AOCF*	\$ 24	\$ 27
Net Income (Loss) to Common Per Share	\$ (0.24)	\$ (0.16)

Reflects:

- Guest Entertainment Revenue Per Room -5% to -10% vs. Q4 '09
- Revenue Diversification – Strong Double Digit Sales Growth From:
 - Healthcare
 - Advertising
 - System Sales
- Maintaining Current Operating Cost Structure

* Adjusted Operating Cash Flow Definition - see slide 16



2010 – 2011 Outlook

Strategic Initiatives Position for Future Growth

- **HDTV Continues to Outperform Analog Platforms**
 - Generating Nearly 60% Higher Revenues than Analog Rooms
 - Increased Upgrade Activity Expected in Q4 and 2011
- **Initiatives Underway to Improve Guest Entertainment Performance**
 - Dedicated Team Engaged to Drive Revenue and New Services
 - Testing Program Initiated in Fourth Quarter to Identify Short-Term Opportunities
- **Other Strategic Initiatives Represent Solid Growth Prospects**
 - Hotel Services: Increases Driven by HDTV installs and Broadband Upgrades
 - Advertising Services: Solid YTD Growth Expected to Continue
 - Healthcare: Significant Backlog of Installations for Q4 and 2011
- **Envision: “Cloud Connected” Interactive Television**
 - New Opportunities from Subscription and Transactional Revenues
 - Initial Deployments Early in 2011



Reconciliation of Operating Income to Adjusted Operating Cash Flow

Operating Income

Plus: Depreciation and Amortization

Plus: Amortization of Purchased Intangibles

Plus: Restructuring Charges and Integration Expenses

Plus: Share-Based Compensation

Plus: Debt Issuance Costs

Equals: Adjusted Operating Cash Flow

Reconciliation of Free Cash Flow

Cash from Operations

Less: Cash Used for Investing Activities, including Growth-Related Capital

Equals: Free Cash Flow