

CONTENT & CONSUMERS

How Commercial Broadcasters
Have Updated Their Business
Models For The Online World





- TV viewing is more popular than ever in Europe.
- Exclusive content lies at the heart of successful broadcasting.
- Commercial broadcasters are enthusiastically embracing the online opportunities.
- We take financial risk in developing new content for all platforms.
- Online activities are complementary to our strong broadcasting brands and allow viewers to experience television in a new way. Social media becomes an increasingly important part of broadcasters' programme-making today.
- Viewers increasingly want to consume our content in ways which suit their modern lives.
- There has been a strong growth in on-demand and catch-up offers over the last three years. Broadcasting content will be among the key drivers of increased uptake of mobile and tablet devices.
- A growing amount of content is already being distributed outside its country of origin. As commercial broadcasters we are keen to meet this consumer demand wherever possible.
- A thriving creative content sector has a vital role to play in building Europe's economic success and is integral to the success of the European Commission's Digital Agenda. More than ever, Europe's creative industries are central to its future global competitive advantage.



- More than 300 television channels were launched in the course of 2010 in the EU
- More than 400 HD channels were operating in the EU by December 2010
- VOD is on the rise and close to 700 on-demand and catch-up services exist in Europe

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Foreword by Philippe Delusinne, President of the Association of Commercial Television in Europe & CEO RTL Belgium



This brochure showcases the astonishing speed and enthusiasm with which private sector television broadcasters have embraced the internet as a business opportunity. It's a story of broadcasters who are doing so much more than "broadcasting" our content – we are now distributing content to our consumers on whatever platform they want, to be watched when they want.

For all the regulatory and technological debates it provokes, television remains at its core a simple business: assemble or produce attractive content, convince enough consumers to watch that content, and you should be in a position to refinance the investment either through advertising or subscription. But it is a business which has changed enormously. Twenty years ago, there were 47 national TV channels in Europe. Today there are 9800. And things become more complicated in the multi-channel, multi-platform world, where viewers have so many more ways of spending their leisure time and advertisers have unlimited choice where to spend their budgets.

Among the challenges posed by this new world is that of diversifying our source of revenues. But let's keep a sense of perspective. Television remains phenomenally popular, with average daily viewing in Europe increasing to 228 minutes per day in 2010, the eleventh consecutive annual increase. And so long as viewers love watching our programmes, so television advertising will remain the most effective commercial communications tool ever invented. Like the rest of the private sector, we have had a difficult couple of years, but with TV advertising back above pre-recession levels in all large European markets, we can be cautiously optimistic in the future. This means that ACT member companies are launching the new services in this brochure, and seeking to tap into new revenue streams, from a stable position: our existing business model is not broken, so we are seeking to enhance our prospects rather than repair the model. The early evidence is indeed that online consumption of our content is not replacing scheduled or "linear" TV – the "228 minutes per day" figure does not include the additional time our viewers are spending watching catch-up TV services.

So what makes a good distribution strategy in this new world? Every one of Europe's 9800 television channels has its own online strategy, but we can already see three clear trends emerging. **First, viewers love the convenience of "catch up TV" services allowing them to watch a programme they may have missed. Secondly, video-on-demand, which has been the "next big thing" since the 1990s, is now really taking off.** There is certainly no single on-demand strategy, with different advertising or subscription financed models being offered, in many cases on a "multi-screen" basis so that the consumers can access the content they want to see on a TV, a computer or mobile device. And this is the third trend: as one of our contributors says in the brochure, **the market for mobile apps has the potential to be the third platform for distributing audiovisual content, alongside television and online.**

for digital theft. Well, anyone reading this brochure will conclude that the commitment of commercial broadcasters to develop such legal offers is not in doubt. But piracy has not gone away, even with this level of development of legal on-demand services. Legal offers of content are clearly not a panacea, but can only represent the content sector fulfilling our part of the bargain. National, EU and international bodies now need to make sure that the legal framework is up to date and that the enforcement of copyright is seen as a priority. Professionally produced content is not cheap, and our viewers would not accept any diminution in our programme quality. If Europe wants a digital future in which current levels of excellence in news, sport, drama and entertainment are not just maintained but improved upon, then professional content needs to be at the heart of the EU Digital Agenda.

Professionally produced content is not cheap, and our viewers would not accept any diminution in our programme quality. If Europe wants a digital future in which current levels of excellence in news, sport, drama and entertainment are not just maintained but improved upon, then professional content needs to be at the heart of the EU Digital Agenda.


There are of course plenty of other ways of exploiting new media opportunities. A couple of our contributors talk about their social media strategy – how to use Facebook to encourage involvement in a series, or distributing content via a social network. And nor should we overlook the international dimension, with two of our member companies explaining how they are using a mix of broadcast and online to go into those markets where there is a sufficiently large expatriate population to constitute a viable target market.

These new ventures all have two very basic things in common. First, they are responding to real consumer demand – the internet has not abolished the normal rules of business and our owners will only tolerate investment in ventures with a reasonable chance of a return. And secondly, they are based on what television is good at: professionally produced content.

But let us not pretend that all is perfect in the audiovisual content business. There are significant challenges ahead. Above all we need a serious reflection about how to encourage legal offers such as those described in this brochure to compete against the culture of digital and online theft, or piracy. We sometimes hear that a "lack of legal offers" is an excuse



Philippe Delusinne



→ Television remains phenomenally popular, with average daily viewing in Europe increasing to 228 minutes per day in 2010 (6 minutes more than in 2009)



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Facts & Figures: Economic importance of the content industry

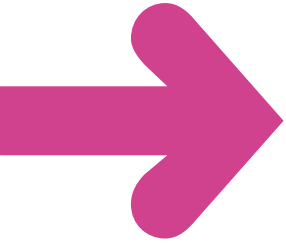




The content industry is a major contributor to growth and employment in Europe. Creative industries account for 6.9% of total EU GDP and approximately 14 million jobs in Europe. In the UK their contribution to GDP accounts to 6% and in Italy the TV industry alone is worth around €12 billion, accounting for 1% of GDP. And commercial broadcasters are key investors in content.

Each year around £4 billion are invested in content in the UK; the Italian TV industry invested around €4.5 billion in national TV drama over the last decade.

Content produced by commercial broadcasters, particularly local European programming continues to be popular with viewers. Increasingly, we are also seeing European formats and programmes being exported – globally, the EU is far ahead of the US in this market. For the EU to remain competitive it is crucial to include the content industry as a key player in the Digital Agenda.



Quotes...



“Culture and the creative sectors belong to the most dynamic industries in Europe.”

Androulla Vassiliou
Informal meeting of Culture Ministers, Gödöllo
28 March 2011

“TV has coped well with technological change, other media can learn from it.”



The Economist
“In praise of television, the great survivor”
May 2010

“Culture and the related industries can greatly contribute to intelligent, sustainable and inclusive growth.”



Géza Szöcs
Minister of State for Culture and the Ministry for National Resources
Gödöllo, 28 March 2011



“We are offering “Entertainment at Your Command!” on an ‘anytime, anywhere’ basis, and combining the very best in pay-TV and free-TV programming. Over-the-top solutions are changing both the way people watch and think about TV, and we are committed to remaining at the forefront of this exciting and accelerating evolution.”



Hans-Holger Albrecht
President and CEO of MTG

MTV NETWORKS INTERNATIONAL

“Today’s MTV generation is ‘always on’, works to its own schedule and watches TV in its own way.”

MTV Networks International
May 2011



“Catch-up TV, internet-connected TV sets, mobile apps, casual video games based on popular TV formats. The TV business has always been driven by new technologies – and vice versa. Television has won through every innovation, becoming even more diverse and popular. And I firmly believe that the same still applies today. Therefore I say: the future of TV is TV.”



Gerhard Zeiler
CEO of RTL Group



“Between September 2006 and February 2007, on average, 47.6 million Italians watched TV every day. Between September 2010 and February 2011, this was 48.6 million. More Italians are spending more time watching television. These numbers belie, once and for all, the many prophets of doom who forecast the end of traditional broadcasting because of convergence and the introduction of digital television. Indeed, a multi-channel scenario means more audience. The transition to digital allowed us to maintain our audience share level even in a more fragmented environment.”



Fedele Confalonieri
Chairman of the Board of Directors Mediaset Group
May 2011



“Sky Go is the beginning of a TV revolution and is a core part of our vision for TV in the 21st century. Customers demand and deserve the best service possible, providing the widest choice, the highest quality, the most control and the best innovation, and here at Sky we are absolutely dedicated to delivering on this vision.”



Brian Sullivan
CEO Sky Deutschland AG



General data...

More than 300 television channels were launched in the course of 2010 in the EU.

More than 400 HD channels were operating in the EU by December 2010.
(comparing to 274 at the end of 2009).

At the end of 2010, more than 9 800 television channels had been established in Europe (7 622 in the EU).

European Audiovisual Observatory, 2010

In 2010, the **average daily viewing** time in Europe stood at **228 minutes** per person a day, making an increase of 6 minutes in comparison with 2009.

Eurodata TV Worldwide, 2011



Employment...

Culture and creative industries account for 6.9% of total EU GDP (2008),
and approximately 14 million, or 6.5% of the total EU workforce.

TERA Consultants, March 2010



Content...

Of all the factors that influence the consumption of television, none is more important than content. The big sporting events of 2010 boosted TV consumption across the world.

Eurodata TV Worldwide, 2011

Among the channels established in the EU, cinema (and fiction) and sport channels represent the two most predominant channel genres in Europe, with 532 and 439 channels, respectively.

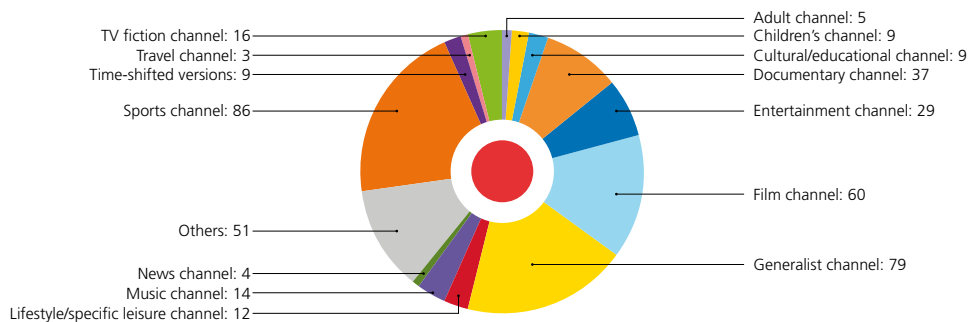
At the end of 2010 there were about **414 HD channels** in the EU, compared to 274 at the end of 2009.

Sport remains the most important genre in HD television (about 20% of HD channels). This is followed by film, generalist and documentary channels.

European Audiovisual Observatory, 2010

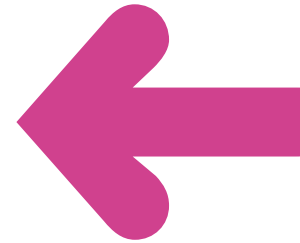
HD channels available in the EU by genre

(December 2010, in units)



Source: European Audiovisual Observatory / MAVISE

Distribution...



The success of TV content goes hand in hand with the explosion of the internet, especially among young viewers. If young adults (15-24), are using more and more screens; their time spent in front of the TV nonetheless continues to rise in comparison with 2009.

Eurodata TV Worldwide, 2011

The audiovisual sector has been quick to experiment with new ways of making content available to consumers, e.g. **time-shift of thematic channels, on-demand services, hybrid broadcast and internet services, mobile and smartphone services and applications, content available via the internet** e.g. search engines, YouTube.

Creative UK. The Audiovisual Sector and Economic Success, 2011

Although the television remains most people's screen of choice, other types of devices can be used to watch video content: computers, smartphones, multimedia MP3 players, portable games consoles and more recently, tablet PCs. European viewers are increasingly watching television via smart phone applications.

European Audiovisual Observatory, 2010

With the digitisation of cable networks progressing (35% digital in the EU at the end of 2009) more and more HD channels are appearing. The offers of the major cable operators include between 8 and 23 HD channels. Countries where satellite packages offer more than 20 HD channels include France, Italy, the Netherlands, Poland, Spain and the UK.

3D channels are being tested and launched on a range of satellite platforms including Sky (in the UK, Italy and Germany), Viasat, Canal+ (France and Spain), Meo (Portugal) and NTV (Russia). In the UK, the Sky 3D service claimed to have 70,000 subscribers at the beginning of 2011.

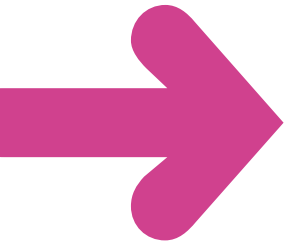
VOD is on the rise and close to 700 on-demand and catch-up services exist in Europe.

KEA in EU-China CCI platform paper, 2010

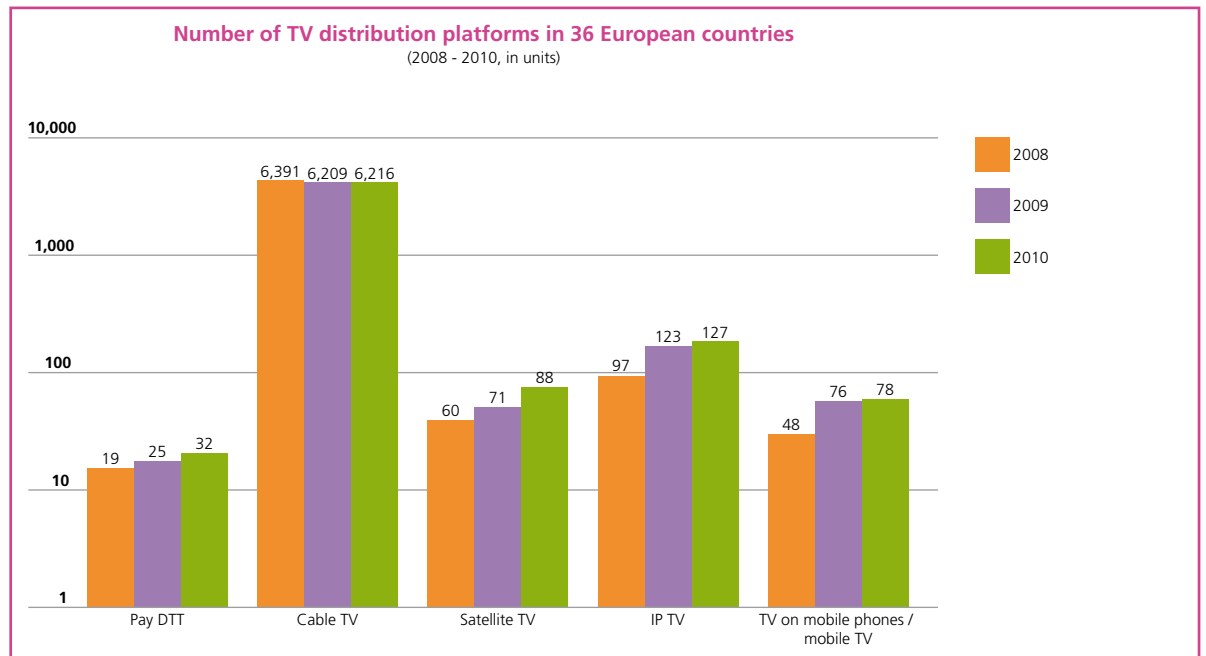
Every European Digital - By the end of 2009, **71.5%** of EU households (EUR 27) had switched to digital television.

The distribution of HD television channels has developed rapidly in the last year. At the end of 2010, two thirds of IPTV services offered HD channels and a third of IPTV services offered more than 10 HD channels. **HD channels are now available on Digital Terrestrial Television networks in thirteen countries** (as compared to three networks at the end of 2009).

European Audiovisual Observatory, 2010



Platforms...



Source: European Audiovisual Observatory / MAVISE (Graph in logarithmic scale)



→ Culture and creative industries account for 6.9% of total EU GDP and 6.5% of the total EU workforce (2008)



→ Almost three million people in the UK watched Sky video content on their mobile phone in December - up by 57% year on year. With the explosion in sales of smartphones and tablets, this trend is only going to accelerate

CREATIVE UK: The Audiovisual Sector & Economic Success

Source: "Creative UK. The Audiovisual Sector and Economic Success"
Communications Chamber, commissioned by BSkyB, ITV, Channel 4 and Pact
April 2011



Around **£13 billion** flow directly into the UK audiovisual sector each year:

- **Investment in content production of around £4 billion a year.**
- Dynamic business community with over **7000 firms** ranging from world-leading production companies to small garage-based start-ups.
- Direct employment in the sector at **132.000 jobs**.
- Creative industries account for **6%** of UK gross value-added. For instance, London's post-production companies rely on TV alongside films and other media to build the critical mass they need for commercial success. **TV helps fund many arts and cultural initiatives.**
- It underpins a successful consumer goods economy: TV receivers and digital decoders accounted for over **£2bn** in sales last year, fuelled by demand for high quality content.

UK as a leading exporter of audiovisual content:

- International sales of UK TV programmes and associated activities grew to £1.337m in 2009 (127% increase on 2006)
- Second only to the US in terms of international sales, some of the biggest global TV brands and talent are from UK.

UK as leaders in innovation:

UK as one of the world leaders in developing 3D for broadcast to the home. The UK has a chance to become a global centre of excellence in 3D production. A number of production and post-production houses have already worked with Sky to produce 3D content, using a complex array of computer animation and visual content. The experience gained will be transferable to projects around the world as demand for 3D content grows.



→ In 2006 - 2007, €37.6 billion (44%) out of the total revenues of the European broadcasting industry was invested in content

Media Creative Nation: Italy

Source: "Media Creative Nation: Italy"
IsiCult - Istituto Italiano per l'Industria Culturale
May, 2011

The research provides a cluster of data and analysis proving the socio-cultural centrality of the television industry and its major contribution to the goal of fostering economic growth and social welfare.



- Television consumption maintains a central role for both entertainment and news exposure: on average, Italians watch tv 4 hours, 10 minutes a day;
- The Italian television industry is worth around €12 billion, i.e. about 1% of GDP; it employs around 50.000 people, while around 12.000 subcontractors and SMEs operate throughout the entire "supply chain."
- The Italian television industry, over the last decade, invested around €4.5 billion in national tv drama, producing over 7.000 hours of quality content.
- Every year, an investment of roughly €800 million is drawn to the production of tv drama and other audiovisual works, with an additional €1.500 million earmarked for in-house productions. The television industry reserves about €200 million a year for the production of films and, thanks to this investment, the market share of Italian film production reached a record high of 30% at the box-office in the past year.
- The audiovisual sector is at the core of the media and cultural industry in Italy and generates investments reaching €25 billion yearly. Taking into account the fashion and tourist industries, the entire spectrum that makes up Italy's "creative industries" triggers annual investments totalling around €230 billion, i.e.:15% of gross domestic product. Almost 1 euro in every 6 generated in Italy comes from the creative industry as a whole.
- The total workforce in the culture and entertainment sector is in the order of 360.000 employees. Employment in the sector has risen by 11% in a decade, three times the rate of growth of the workforce in the entire economy. The workers paying into Enpals (the national insurance scheme for those employed in the entertainment industry) number around 300.000, while Siae (the association of Italian authors and publishers) counts around 90.000 members.
- Television is not merely a vehicle that generates wealth thanks to its "software" (content, programming), but it is also a stimulator of technological innovation and an economic driving force: in the last year, sales of flat screen televisions exceeded € 3.1 billion and 2010 was a record year for sales of television sets (close to 7 million) since inception of television broadcasting in 1954.
- 80% of Italian households own a digital decoder. DDT areas now account for 70% of the national territory: hence, DTT services are accessed by 10% of the population in areas where the switch off has not been completed yet.
- In relation to internet, television plays a pivotal role which drives online video content consumption: an increasing number of users watch television via the internet, either in real time streaming or for catch-up purposes, and the tendency is to develop the practice of "social television" – a trend that, along with the market penetration of appropriate IPR-compliant practices, will increasingly provide win-win opportunities for both content providers and platform operators while, most importantly, empowering consumers with increased choice and flexibility.



3

Content strategies for new platforms



Neelie Kroes, Vice-President of the EU Commission and Commissioner for the Information Society, has a clear message for her mandate in office: *Every European Digital*.

Commercial broadcasters welcome this objective and we are well on the way to delivering our part of this target with 71.5% of EU households having switched to digital television by the end of 2009. All over Europe commercial broadcasters offer our content and services anywhere and anytime and on whatever platform viewers want, investing in video on demand, catch-up services and apps all over Europe. While our core business of scheduled TV viewing remains phenomenally popular – viewing of linear TV continues to increase in Europe – today millions of viewers tune in or click to watch our content on their linear TV set at home, on the move on their mobile phones, tablets or the internet. Where there is consumer demand audiovisual content is crossing borders and available in countries all over the world.





The European perspective: RTL Group – moving with the audience

First, choose your device.

Then choose what you want to watch. Catch-up TV and video-on-demand started life as computer applications, then made it to the TV sets and are now available as apps for smart phones and tablets. Never has the expression “whatever TV show you want, whenever, wherever” been more appropriate, as even live TV becomes available around the clock on an ever-increasing range of devices. The progressive combination of standard, linear TV with on-demand, app-driven or IPTV-fuelled traffic is setting new standards in the TV industry. RTL Group took up the challenge in 2010.

Germany

RTL Television’s entire programming is now available live, 24/7 since the launch of the RTL app for i-phone and i-Pod Touch in July. It is the first German channel app to offer 24-hour live TV.

In 2010, the catch-up TV services RTL Now and Vox Now registered 180 million and 29 million video views of complete episodes respectively. RTL Now recorded a 32% surge year-on-year. RTL Interactive also launched an on-demand portal for Super RTL.

After negotiating new agreements with rightsholders, RTL Interactive made blockbuster movies such as the *Lord of the Rings* trilogy and hit series like *Dr. House* available on demand at RTLNow.de and VoxNow.de.

The RTL Channel Player – currently embedded on third-party websites such as the TV guide TVMovie.de, Bunte.de, Vodafone or Microsoft MSN – allows the users to watch a thematically sorted catalogue of about 10.000 RTL video clips.

N-TV’s i-Pad app went straight to the number one spot in the German app store upon its release in late December, while the i-Phone version was named the most popular German news app.



France

Highly popular catch-up TV services, a subscription-based service for US series, mobile applications and thematic websites – Groupe M6’s brands are available on whichever platforms their users like them to be. For more detailed information, see page 36.

The Netherlands

RTL Nieuws in Holland has taken the i-Pad charts by storm, becoming a number-one bestseller in the Dutch app store within 24 hours of its release.

RTL Nederland developed RTL XL – which combines the company's on-demand and catch-up (formerly RTL Gemist) services – as its one-brand, comprehensive online video service. The tablets are poised to become a massive traffic driver in the Dutch market in the near future.

Belgium

In Belgium, *RTL Sport* for i-Phone provides fresh sports news articles and videos at any time and free of charge. RTL Belgium aims to become the market-leading app publisher in French-speaking Belgium.

RTL Belgium's on-demand service RTL à l'infini launched its own *Séries Pass* in early 2011, following M6's lead. Digital TV subscribers can now watch new episodes of major TV series, right after their broadcast on RTL-TVI, including audience favourites such as *Grey's Anatomy*.

Hungary

RTL Klub's catch-up service, RTL Most, generated 34.6 million video views in 2010. The launch of dedicated websites for hit formats such as *X-Faktor* has contributed to the channel's overall growth in online presence.



Croatia

Besides developing an i-Phone app, RTL Televizija felt that Android users also deserved an app to stay in touch with their favourite channel.



Luxembourg

RTL Lëtzebuerg's *i-Pad Zeitung*, launched in October, offers free access to everything available at RTL.lu, as well as extra pictures and videos.



Fact box: RTL Group

- In 2010, RTL Group's online platforms and on-demand offers across Europe collectively generated more than 1.4 billion video views of professionally produced content – up 46% year-on-year
- Total online advertising revenue increased by 41% in 2010, driven by video advertising
- RTL Group companies have launched more than 60 mobile applications, which have registered 10 million downloads to date



Central & Eastern Europe: CME rolls out video on demand in six CEE markets

Central European Media Enterprises (CME), the leading vertically integrated company in Central and Eastern Europe, will be the first to offer video on demand in all of its markets.



The video on demand service (VOD), **Voyo**, will be rolled out across six Central and Eastern countries by the end of 2011.

First launched at the beginning of 2011 in the Czech Republic, the Voyo video portal currently offers users catch-up content of local shows and series as well as the free streaming of live events such as Champions League Football and music concerts. Although CME's TV Nova has traditionally offered local TV series on its website, since the introduction of paid content and the new brand, traffic has increased by 30%.

Voyo+ is the premium section of the service where users can pay to see episodes of their favourite shows and series ahead of transmission on TV as well as the latest local and international movies brought from the Czech/Slovak Distributor Bonton. Currently CME is the only TV station in the Czech market to have sophisticated VOD services.

CME currently has over 60 online products and services with 11 million average monthly non-duplicated unique visitors. In the new media division in 2010, online traffic grew by 25% year-on-year with customer numbers up to 20% and revenues increasing by 17% in constant currency over the year.

Paying for content is easy. Users simply send an SMS short code and the cost of the movie is added to their phone bill.

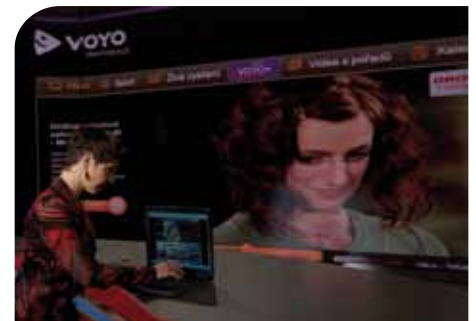
Voyo will next start in Croatia in the second quarter of 2011, followed by other CME markets later this year. The streaming service will also be available on smart flat screens and mobile devices by the end of the year.

In the Q4 earnings call, CEO and President Adrian Sarbu, said:

“The Voyo platform will become the core of our new media business in 2011 and going forward. It will enable us to distribute linear channels, offer catch-up TV and video-on-demand and will be financed from subscriptions as well as advertising revenues. In 2011, Voyo will be a pilot for our strategy: one content, multiple distributions. If successful, as we expect, it will enable us to rapidly increase market share in countries where it will be implemented.”

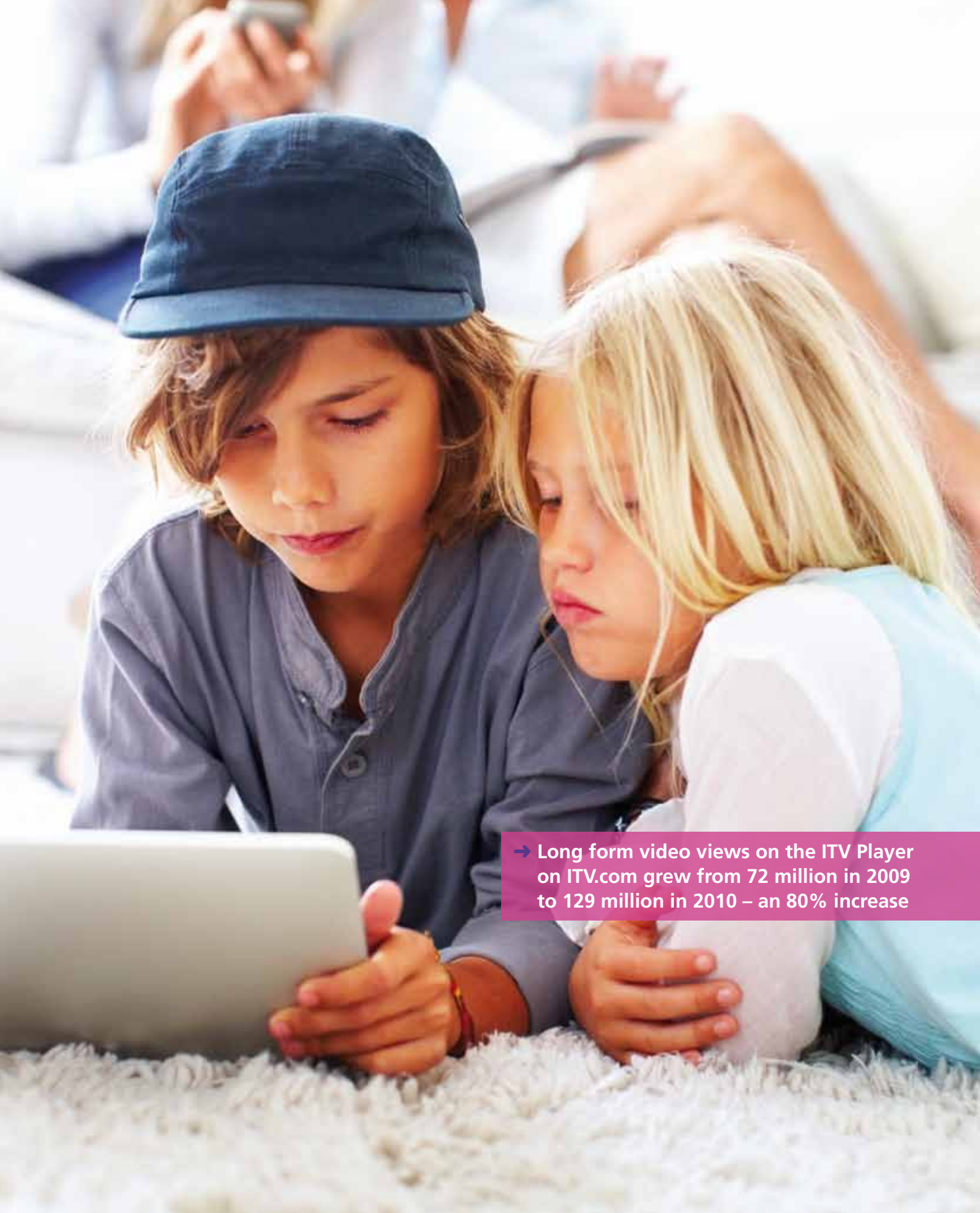


Adrian Sarbu
CEO and President of CME





→ CME currently has over 60 online products and services with 11 million average monthly non-duplicated unique visitors



→ Long form video views on the ITV Player on ITV.com grew from 72 million in 2009 to 129 million in 2010 – an 80% increase

The UK market:



ITV's multi-platform strategy

UK audiences are leading the way with take-up of new and innovative content services. ITV has been at the forefront of offering viewers high quality video on demand and has explored different business models with a range of potential partners.



ITV launched a catch-up VOD service on ITV.com in 2007. Today it is known as the ITV Player and is available on a number of platforms such as BT Vision, Virgin Media, Sony PS3 as well as ITV.com. ITV content is also available on iTunes on a download-to-own basis.

ITV is in discussions with a range of platforms and device manufacturers about distributing ITV Player still further. For example, we are currently preparing for the launch of ITV Player on to mobile devices and tablets and will see ITV Player available across a number of these by the end of 2011.

ITV is also a member of the YouView joint venture, alongside the BBC, Channel 4, Channel 5, BT, TalkTalk and Arqiva. YouView, which is scheduled to launch in 2012, will be a subscription-free internet-connected set top box proposition. It will allow viewers to switch seamlessly between linear TV and VOD on the television set. YouView will be a valuable new open VOD platform which will drive competition in this space and allow easy access for new players.

This year we intend to deepen the ITV Player proposition, moving beyond catch-up and bringing more ITV archive content to consumers. We are also investing in a news website, itvnews.com that will give us a more substantial proposition in this space.

Beyond 2011 our aim is to be in a position to take advantage of new technologies, be they mobile, tablets, connected TV's, games consoles, etc and deploy the ITV Player even more widely.

ITV has also sought to ensure that there is easy online navigation to its key programme brands and formats – thereby enabling simple access to legitimate ITV content on the internet, and reducing the incentive for consumers to access online content through illegitimate sources. For instance, a search for “x factor” directs consumers to the official ITV X Factor site, with that site's homepage further directing consumers to previous episodes on ITV Player.

Our strategy has delivered success for ITV. On demand consumption of ITV content is increasing rapidly. Long form video views on the ITV Player on ITV.com grew from 72 million in 2009 to 129 million in 2010 – an 80% increase.



Case Study: The Only Way is Essex

There is an increasing appetite from audiences to engage with our content online, on demand and on mobile. The ITV2 hit series, *The Only Way is Essex*, is one of ITV's fastest growing brands online. Broadcast in autumn 2010, the first series attracted catch-up audiences that were almost equal to the linear. For the second series, to be broadcast in spring 2011, ITV will tap into the social media buzz around the show in new and innovative ways.

A music video premiered on-air before the first full episode was broadcast. An interactive version of this video, which allowed viewers to find out more about characters and features, is available for download on ITV.com.

Also new for this series are “online only” episodes, available each Wednesday - the day after the main episode has aired. Users will be able to sign up to access these exclusive online episodes on ITV.com. These episodes will also be available to purchase on iTunes every Thursday.

Facebook fans will be able to place themselves in the show, using the “The Only Face is Essex” app. The app will use Facebook data to put fans in the centre of the action in a short-form episode.

The ITV.com/essex site will also carry a wealth of additional material, including a continuously active social media feed via Twitter and Facebook.



Jeremy Darroch
Chief Executive of BSkyB

Jeremy Darroch, Chief Executive BSkyB: Content & Innovation

My subject is 'the marriage of content and innovation' - something at the heart of our business. It is 'marriage' that is the key word here. Individually, great content and great innovation are highly attractive to customers. But put them together and you have something that is greater even than the sum of the parts. This combination has been a driving force behind Sky's growth over the last few years: keeping existing customers loyal; attracting new customers; and driving take-up of new products. It was fundamental to us passing the milestone of 10 million homes last year. And it will remain fundamental to our growth in the future.



Our mission

Our mission is to provide the best possible entertainment experience. That means not just a better choice of television. It means constantly improving the whole experience of watching TV - both at home and, increasingly, on the move. Of course delivering that experience means making choices and judgements every day. No business can do everything. Nor can any business necessarily be best at everything all the time. As a consequence, there are some principles that guide us and run consistently through our approach.

First, we never forget that we are a consumer business and that customers have a choice. So we walk to the drumbeat of our customers. Our motivation isn't about winning awards or having the best technology or seeking approval. It is about serving customers with a set of products and services which meet their needs better than anyone else.

Second, with nearly 40% of homes already choosing Sky, ours is a brand in the mainstream of UK life. That means our entertainment experience needs to anticipate and react to the needs of tens of millions of people. For us, products are most effective when they are simple and easy to use for everyone, not just a small minority. The runaway success of Sky+ is a great example of this.

And third, we are at our best when we execute at scale. Our customer reach and financial strength mean we can invest with real impact. It is difficult to imagine, for example, that high definition would have got established so quickly in the UK had we not made an early decision to push hard in that area and commit our organisation and capital to making it happen.

This is the approach we take to future priorities. And, applying those principles, we will continue to invest significantly in both content and innovation. Because bringing those two things together is how we best serve our customers. So what does that mean in practice?



Content Worth Paying For

As a company, we believe in the value of content. Our business was founded on the belief that viewers would respond to increased choice and would be prepared to pay for it. That still holds true today.

It's why we expect to spend more than £2 billion on-screen this year, two-thirds of which will be spent in the UK. In the last three financial years, that figure has grown by £300 million and we expect it to grow by at least another £300 million by June 2013. Putting that in context, over that period we'll have grown our on-screen investment by more than Channel 4's annual programme budget. And, again, most of that extra money will flow to the UK.

We know people won't pay for what they can get for free elsewhere. So there's no point simply attempting to replicate the most popular parts of the terrestrial broadcasters' schedules. We need to offer something different, something customers really care about. It can be content that the terrestrials don't offer, or that we can do better, or that people simply want more of. But it must be worth paying for.

That is what drove us to focus initially on sport, movies and news, all of which had been neglected by the free-to-air broadcasters. Those areas of content remain important and we will develop all of them even further, adding more sports coverage and taking Sky News onto more mobile devices for example. We're unapologetic about investing heavily in these genres, despite the occasional criticism it attracts. Quite simply, they matter to customers and therefore they matter to us. And what we do here makes a broad and positive contribution, not just by expanding choice for customers but, for example, by helping fund investment in sport at all levels. It is good for life in the UK.

The Entertainment Opportunity

To complement these strengths, we now intend to accelerate the development of our entertainment offering. While this is something that we've always offered, we plan to move it to an entirely different scale. That will take a combination of investment, focus and creative ambition.

The motivation is straightforward. We can bring more value to existing customers and reach out to more people who don't have Sky. Right now, those people may think they're well served by free-to-air TV, so we need to show them how much better TV can be. Just as we have always done with sport, news and movies. To support our ambitions in entertainment, we have been developing our channel portfolio, including the launch of Sky Atlantic and the acquisition of Living. So as well as the opportunity and the motivation, we now have the tools to deliver a step change. I have absolutely no doubt that 2011 will be our best year yet on-screen. Our intention is to show people that, whatever their passion, Sky has something new and surprising for them.



Celebrating the Arts

Let me illustrate this with three examples of what we're doing in the arts, acquired content and UK production.

Sky Arts now reaches about 2 million viewers each month and does something unique in British television. You could say the arts are a tailor-made opportunity for the subscription model. There's a hugely passionate audience who have been under-served because many of the programmes they like are deemed too niche for more mainstream channels. That's not how it works for us. Because customer satisfaction is more important than daily ratings, we're not pushed to the safe centre ground of mass appeal. And so Sky Arts offers dedicated programming every hour of the day: everything from Handel to Hendrix and Dante to Dan Brown. It's a great illustration of how we can fill gaps left by others and give customers something they really value.

A Benchmark for Quality

Alongside the arts, perhaps our most high profile recent initiative has been the launch of Sky Atlantic - an entirely new channel in the UK. Sky Atlantic is underpinned by our partnership with HBO, which is justifiably celebrated for some of the best television ever made, such as *The Sopranos* and *The Wire*. This type of uncompromising, intelligent content is highly valued by customers, but can find itself pushed to the margins of the schedules. Now, for the first time, there will be a dedicated home for those classics and for outstanding new HBO shows such as *Boardwalk Empire* and *Treme*, as well as *Mad Men* and others. All will be shown in prime time, and all in HD. We think Sky Atlantic will be a real benchmark for quality. And I'm pleased to say that it's off to a great start, with more than 5 million viewers in its first week.

Home-Grown Entertainment

We're also making a significant push to bring more original UK programmes to Sky. We know that home-grown content resonates strongly with customers. And while there's plenty of great drama, for example, on terrestrial TV, you can never have enough of a good thing.

We've been developing our original drama for a few years now, starting with adaptations of well-known works from authors like Terry Pratchett and Martina Cole. And now we are stepping up that commitment, working with writers like Paul Abbott, the creator of *State of Play*, and actors like Eddie Izzard, who is currently filming a new version of *Treasure Island* for us.

As well as Sky Atlantic, our relationship with HBO now extends into original production. I'm delighted that HBO has joined us in co-producing the second series of our action drama *Strikeback*. It will be bigger and better as a result and will reach audiences in the US as well as the UK. Alongside all that, we will also launch a major UK comedy strand. This will begin to come through in 2011, with new series from the writers of *Gavin and Stacey* and *Shameless*. And there will be much more to follow in 2012. Across the board, I don't think there has ever been a more exciting time for Sky content.

A Better Way of Viewing

But, on its own, that's not enough. Our mission is that the whole experience of television should be better with Sky. It's what customers have come to expect. A large part of that has been about adding control and convenience to TV. Sky+, for example, makes your favourite programmes fit around your life, so you don't have to plan your life around TV. Best of all, it is blindingly simple to use, the hallmark of the precious few technology products which make the leap from gadget fans to mass market. Our new on-demand service, Anytime+, builds on this by offering access to around 1,500 hours of content at no extra charge. For Sky Movies subscribers, this includes a constantly updated library of movies to enjoy whenever they want. All with the same simplicity and ease of use. Beyond control and convenience, Sky

has championed the introduction of HD to the UK. At a time when some in the industry were sceptical, we saw the opportunity and invested early. Four years on, HD is seen as the new standard and has become our fastest-selling new TV product, far outstripping early demand for Sky+. It's already in over three and a half million homes and generates annualised revenue of around £350 million. This experience reminds us that customers want a higher-quality viewing experience and are prepared to pay for it.

The 3D Journey



Now, with the launch of our 3D TV channel, we're taking this approach a step further. It's important to stress these are very early days. We are right at the leading edge and learning fast, but 3D will inevitably take time to really take root. There is something that makes 3D stand out from previous advances like Sky+ or HD. While they used technology to make things better, they didn't fundamentally change the content itself. 3D is different. It is a genuine fusion of content and technological innovation; one that requires us to create content in an entirely new way. No one in the world is ahead of Sky in 3D. So it is a journey that means working with new partners and acquiring new skills, learning how to shoot sport, for example, in an entirely different way. We're finding that 3D opens up new possibilities in the content we can offer. Sir David Attenborough had never worked with us before, but chose to come to Sky to make *Flying Monsters* because he felt that 3D would bring to life creatures that lived more than 70 million years ago. And I'm delighted that he'll be making a second 3D documentary for us later this year. Sky is better placed than anyone to make 3D an important part of the future of television. We have the scale to invest in infrastructure, people and skills. But our greatest advantage is the capability to bring together both content production and technological innovation. That's what really puts us out in front.

Beyond the TV Set

So far, I've talked only about the screen in your living room. But we see a great opportunity to connect customers to our content way beyond the main TV set.

Sky is already the UK's leading media provider on mobile devices, with five of our apps in Apple's all-time top 100. We stream our channels to 3G phones and offer on-demand content and linear channels through our online TV service, Sky Player.

We see access to content across multiple devices becoming increasingly important to consumers. Almost three million people watched video content on their mobile phone in December - up by 57% year on year. With the explosion in sales of smartphones and tablets, this trend is only going to accelerate.

As always, we're guided by customer needs - current or emerging - and we want them to get the TV they love wherever they happen to be. So later this year, we'll launch Sky Anywhere, a new service allowing customers to access our content on multiple devices inside and outside the home. You could use it to download the latest hit shows to watch on holiday or keep the kids entertained while you're stuck in traffic.

To further position Sky for the trend towards mobility, we've acquired the UK's leading public Wi Fi operator, The Cloud. So customers will have reliable and high-quality access to our content at thousands of locations around the country.

All of this will be simple to use and a great way to add value for customers. Much of this activity is about adding mobility to what we do already. But here too we can bring together content and innovation to create something entirely new. Let's take Sky News as an example. Currently, you can watch Sky News on the iPad. But essentially it lets you simply carry around the existing channel, without making the most of the iPad's functionality. So we've gone back to the drawing board to create something that fully exploits the opportunities offered by tablets. The new Sky News app for iPad will be the first interactive live video news service. We see it as the third platform alongside TV and online, with a brand new content management system and a dedicated editorial team. Unlike most other news apps, it will be constantly updated, giving access to the latest news when it happens. Users will be able to take control of the service and explore the stories they're interested in through a combination of interactive video and graphics. And, just like Sky+, it can even rewind if you miss the start of a live report or interview. The new app launches later this month and we think it will offer an exciting new experience for customers.

Conclusion

So, in conclusion, our mission to provide the best possible entertainment experience is not just about creating compelling programmes. We are a consumer business, led by the needs of customers. And our experience shows they respond most strongly to the marriage between content and innovation. A fusion which creates something that is better, more personal or more portable.

The approach that we're taking at Sky - investing in both content and innovation - is distinctive in the marketplace. And it is delivering results. By constantly improving the whole experience of TV, we are adding more customers and selling more products. Others may have strengths in programming or technology. But customers consider the whole experience and choose the brand they trust to bring it all together.

That is the basis of our success. And staying focused on customers is the best route to continued success in the future.



Poland: TVN Group Distributing Content Online

TVN's goal: to ensure the presence of the TVN brand and its content on all available content distribution platforms, with the ability to commercialise each and every one.

In accordance with the above, the business model of the TVN Group - the leading integrated media group in Poland - operating in three key business segments: broadcasting and television production, on-line and digital satellite pay-TV ensures that the company effectively responds to the development of new technologies, which in turn brings changes to consumer behaviour.

The growing development of online content requires a wide range of advanced delivery solutions. The TVN Group has developed or is in the process of developing the following online content platforms; video online, mobile video, tablets, over the top TV/Net TV.

Video online:

TVN's video content is available online at, amongst other locations, **OnetVod** - Poland's most popular Video on Demand service and a joint project between TVN Group's television and online segments.

"The service allows us to reach different viewers with TVN's offer", said Edward Miszczak, TVN's Programme Director. TVN television content is amongst the most popular online content viewed on OnetVod, and is free to view as is all content on the platform, with OnetVod revenues generated via online advertisements. TVN also supplies VOD content to its DTH platform "n" and Poland's leading cable operator UPC.

Another popular location for TVN video content is tvn24.pl - the first news portal in Poland, which combines text, voice and video content. The portal features paid access to the on-line broadcast of the TVN24 television news channel as well as information and materials that have not been broadcast on television. The same applies to TVN Group's business news channel, TVN CNBC.





Piotr Walter
Vice-President of the Management Board of TVN Group

TVN Warszawa - local television channel launched in December 2008 - has recently moved its activities fully online:

“Changes in media and, in particular, audiovisual content consumption, has led us to conclude that a concentration of our activities in the Net, will enable us to optimise TVN Warszawa’s business model and to fully exploit the assets of this project, including the tvnwarszawa.pl platform”, stated Piotr Walter, Vice-President of the Management Board of TVN Group.

Since 2008 the TVN Group has also been creating dedicated websites to enable consumers to watch their favourite formats online. Consumers have been offered the opportunity to view episodes of their favourite local series online for free, often before the episode is aired. TVN’s main formats are also present on Youtube’s dedicated channel.

Mobile video:

The TVN Group is interested in offering TVN content to mobile users, although mobile TV is still developing in Poland and the consumer demand for it is still limited.



The TVN Group has established a partnership with Poland’s top telecom company Telekomunikacja Polska SA (TPSA) in order to provide media content to TPSA customers. One of the main rationales behind this partnership is to broaden TVN Group’s distribution and to benefit from broadband growth.

Tablets:

Following market trends the TVN Group is testing methods of supplying TVN Group content to iPad and iPhone users.

Connected TV:

From December 2010 owners of Sony Bravia TV sets, Blu-ray™ players and home cinemas equipped with the function “Bravia Internet Video” have access to a vast quantity of audiovisual resources offered by TVN. The service offers its users the ability to watch their favourite TVN series, entertainment programmes, as well as feature films on-demand and pay-per-view.





France: M6's online strategy is to be present on all screens and platforms

M6 Group has always proved its ability to anticipate market evolution and consumer demand. Consequently, it was the first broadcaster to launch its free catch-up TV platform in France. At the dawn of a new digital age, M6 Group's programmes and brands are available on all screens, on all platforms and at anytime.

M6 WEB: M6 Group's Digital Department

The role of M6 Web is to build our strong and popular M6 brands, and to take them to new users on all platforms. We are promoting our own content, and building customer loyalty to our brands. The Group reaches over 15 million unique users per month, across its network of 40 thematic websites or thematic portals such as Turbo.fr (cars), Deco.fr (home decoration) or Clubic.com (high-tech news).*

The Online Video Offer

M6 REPLAY: watch and re-watch M6

M6 was the first in France to launch a free full scale catch-up service, with very limited impact on television audiences. The term "Replay" and the overall design of our platform then became a standard on the French market. M6 Replay enables viewers to fully re-watch the channels' flagship programmes for seven to 15 days after their initial broadcast on a free basis (except movies, sports and some TV series). It is a free service for users, financed by a premium advertising offer, which proved to be very successful (more than 300 advertisers over last year).



Beyond M6 channel's programming, this service also offers multilingual versions. Very user friendly, M6 Replay quickly became **France's leader in catch-up TV**, reporting strong growth on all platforms. Indeed, M6 addresses the viewers on all screens: M6 Replay is the most widely distributed service in France. It is available on computer and television via virtually all cable, IPTV and satellite packages in France, increasing the number of total video views on the platform to over 300 million in 2010. W9 Replay also became available on TV screens at the end of June 2010. More recently, M6 channel and M6 Replay became available on both iPhone and iPad with the release of the dedicated applications. And last but not least, M6 Replay is available through Sony Bravia connected TV (and other devices) thanks to a partnership with Sony, that provides new interactive services on the TV screen.

W9 Replay

Launched in November 2009, with the same functions and high level interface as M6 Replay, it is available through computers and IPTV.



*Médiamétrie / NetRatings, November 2010.

M6 Bonus: M6's Best Moments and Backstages

Besides the usual videos available about our programmes, M6 Bonus offers backstage info and interviews and 'never seen on TV' sequences.

With more than 11.000 videos, constantly updated and with free access, M6 Bonus markets the same advertising formats as M6 Replay, to the satisfaction of our advertisers.



M6 VOD: A Credible Response to Piracy

Those free services (M6 & W9 Replay, and M6 Bonus), ad-financed, have a complementary paid-offer: M6 VOD.

The group launched a video-on-demand service for archived shows.

Two different monthly subscriptions are available:

- the 'Pass Series': more than 800 episodes for €5.99 a month
- the 'VIP Pass Series': the above, plus a unique subscription service in Europe, which gives viewers access to popular US TV series the day after they are broadcast in the United States, for €9.99 a month.

This service is also available on different platforms: IPTV and computers.



Applications: Making Full Use of the Opportunities Presented by New Platforms

In October 2010, M6 launched an iPhone and iPad app that offers the channel live at no cost, as well as catch-up TV services and behind-the-scenes videos. Since its launch at the end of the year the app registered more than 1 million downloads, making it one of the top free apps on the app store.



Facts & Figures:

- In 2010, more than half of all catch-up users have already used M6 Replay (58.4%)*
- M6 Replay has the most complete line-up on the market: it offers 88% of M6 programming between 17.00 and 24.00**
- It is chosen as the best catch-up service by 4 out of 10 polled***

Average audience:

- The catch-up TV service **M6 Replay** registered 453 million online video views since March 2008, with an average of 30 million views a month
- While **W9 Replay**, launched in December 2009, reported 20 million online video views, M6 has about one third of the entire online video advertising market



*Médiamétrie "Global TV", 15 + October-November 2010

**NPA Conseil, March 2010)

***NPA Conseil, March 2010)

Spain: ANTENA 3 Group 's commitment to new technologies

ANTENA 3 Group and the 3.0 Project

ANTENA 3 Group's commitment to new technologies had its first iteration in the launch of our 3.0 project in May 2009. The multiplatform audiovisual offer created new ways of watching television, **where, how, and when you want**. The web became a medium where new, specific content can be generated for and consumed by the online public.



Interactivity

The 3.0 strategy has increased interactivity and created direct contact with consumers on ANTENA 3 Group's main websites: antena3.com; antena3noticias.com; ondacero.es and europafm.com. The web project has been driven by cross sales and promotions between the internet and television, interactive programme initiatives and exclusive web content.

Its launch in 2009 was accompanied with a special roll-out including broadcasts of the first episode of the season of El Internado on three channels (ANTENA 3 TV, NEOX and NOVA). The NOVA broadcast includes the comments of web users thanks to the **Watch & Chat application**. The initiative was a resounding success:

- 18.8% television audience share,
- 5.000 people commenting on each episode broadcast over the internet and
- 300.000 on-line views of the episode prior to its television premiere.

The television experience of ANTENA 3 viewers has been enhanced. Viewers are now able to maximise their enjoyment of the channel's news, series, and programmes.

Original Content Online

ANTENA 3 was the first channel to offer full episodes or programmes on the web in 2007. This has gained a loyal audience, who has subsequently requested new content: digital Q&A sessions, "behind the scene" specials, live broadcasts, fan communities, such as Facebook, which encounters 60.000 friends.

A number of programmes produced for the internet have jumped to television. For instance, NEOX has broadcast Let's FoQ and El Pasadizo, where actors and fans can chat and see exclusive previews of upcoming episodes of the series.

ANTENA 3 was the first private television station in Europe to forge an alliance with YouTube and continues to be the leading Spanish-language destination on YouTube with over 200 million video downloads.



ANTENA 3

•neox

•nova

ANTENA 3 Alliances with Social Networks

The other cornerstone in the internet strategy of antena3.com capitalises on the increasing role of social networks, such as Facebook and Windows Live.

ANTENA 3 TV was the first TV station in the world to launch its innovative application of Windows Live Messenger in November 2009. Thanks to the Live Stream tool on Facebook, web users have been able to follow the broadcast of programmes or special events and simultaneously comment them with friends on their social network.

ANTENA 3 applications and initiatives - such as blogs, digital and video encounters and on-line retransmissions - enable greater participation and interaction among consumers.



“ANTENA 3 Group’s commitment to new technologies had its first iteration in the launch of our 3.0 project in May 2009. The multiplatform audiovisual offer created new ways of watching television, **where, how, and when you want.”**

Mobile

ANTENA 3 has maintained a leadership position in the SMS news and information segment. It has expanded the number of information products based on message services: 13 million messages a year and close to half a million minutes consumed in voice information on the 303 portal.

ANTENA 3 TV was first to launch a 24 hour news channel on mobile television, and to generate a wide array of thematic channels and loops with the most successful series and programmes.

ANTENA 3 also offers applications for mobiles with different platforms, such as the iPhone, iPad, Mstore (Telefónica store), Vodafone, Nokia, Blackberry under the brands antena3.mobi and antena3noticias.mobi.

Agreements with Manufacturers

There is no doubt that today the multiplatform world includes also video game consoles. In 2009, ANTENA 3 offered direct access to their videos through the PlayStation 3. In addition, new high-end televisions offer also internet connections, allowing users to enjoy web content through their TV screens.





Peter Quaghebeur
Director General of VMMa

Peter Quaghebeur, Director General VMMa: How tomorrow's viewers will watch TV in Flanders/Belgium

Belgium contains 11 million people of whom 6 million live in Flanders. The cable coverage in Flanders is very dense, about 98.4%. There are two main distributors: Telenet (cable) and Belgacom (adsl).

The television landscape in Flanders is divided into two groups: public broadcasting and private broadcasting. There is only one public broadcaster: VRT (één, Ketnet & Canvas) with a market share of 40%. Private broadcasting in Flanders includes two media groups. VMMa (vtm, 2BE, JIM, vtm zoom & Vitaya) with 35% market share and SBS (VT4, VijfTV) with 12% market share.



How do we at VMMa stand out in this 'busy' media landscape?

- Video is our USP! Our goal is to be present on all devices (tablet, psp, mobile...) and platforms and in different forms (short and long form). Video anytime, anywhere!
- Secondly we try to extend the experience, making a programme an all-round event with 100% involvement for the consumer.

Let me give you three examples:

Benidorm Bastards

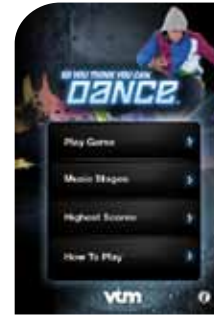
(local product - winner of the Rose d'Or TV Award in 2010)

We created an extended experience for the consumer through fun applications and games: for instance the Benidorm Bastards Granny Prix & Photobooth application. We provided short form video for the surfer: a nice selection of sketches, free for the consumer (advertiser revenue via pre-roll ads). Long form video was foreseen by means of consumer revenue in VOD (online & digital TV). Catch-up viewing: € 0.99, preview: € 2.99 (up to 30% of all orders!)



So You Think You Can Dance (international format adapted to the Flemish market)

We introduced an iPhone-game and set up the option to vote via red button (possible since 2 years during voting shows). The short form video for SYTYCD contained a lot of video content (snippets & web-exclusives) on our website also free for the consumer (advertiser revenue via pre-roll ads). We created a video upload platform where consumers were able to face the contestants of the programme in a real dance-battle. Social media is gaining importance every day. Being able to give comments and opinions via Twitter or Facebook has become crucial.



Het Nieuws

Video is not only our USP for entertainment-programmes, but also for news!

News gathering is one of the prime targets of VMMA. We reach 62% of all Flemish people via vtm. Local news coverage is one of our trumps. We want to be close to the heart of the people. We were the first to make news available on PlayStation Portable, we offer news via texting and were pioneers by creating a news application on iPad. Let's not forget our syndication: a service to our partner sites. We give them news snippets which are free for the consumer (advertiser revenue via pre-roll ads, revenue split with partner sites).



The future

Due to the new role of the distributors, there are a few dangers, which we have to take into account:

- We fear the monopoly of the distributors
- The enhanced record functionality of the set-top boxes (making it easier to save the show, larger capacity of hard discs, time shifted viewing...)
- The EPG positioning
- Devaluation of Belgian and EU Content
- Distributors start offering content

I would like to conclude with one main message: We need fair competition!



RTL Nederland: Combining TV and Social Media

In February 2011, RTL Nederland and Hyves signed an agreement to make RTL Nederland's video content available on the social television platform *Hyves.tv*.

Hyvers – as the users of the Dutch social network Hyves are called – are now able to watch videos and excerpts of RTL Nederland flagship programmes such as *X-Factor*, *Goede Tijden Slechte Tijden* and *RTL Nieuws* on Hyves.tv. Thus, the Netherlands' most visited website – monthly average: 8.6 million unique visitors – will offer its members a diverse choice of videos on its TV platform and enable them to share these with their friends.




Arno Otto
Managing Director
of RTL Digital Media

Arno Otto, Managing Director RTL Digital Media, comments:

“RTL Nederland wants to be where the consumer is. The use of social media in combination with television is increasing steeply. By integrating our quality video content into Hyves.tv, RTL is responding to this trend.”

Dick Costolo, CEO Twitter, Mobile World Congress in Barcelona, 14 February 2011:

“When *Glee* starts, the moment it airs for the first time on the East Coast, the tweets per second for *Glee* shoot up. They stay up there at a super high level at hundreds of [times] what they are before the show comes on until the moment the show ends and they drop. People feel like they have to watch the show while it's going on because the community is tweeting about the show and the characters are tweeting as the show's happening so [they have to] watch it in real time.”





→ Hyves.tv.- the Netherlands' most visited website – monthly average: 8.6 million unique visitors – will offer its members a diverse choice of videos on its TV platform and enable them to share these with their friends

New media and distribution into other European markets



Dogus Media Group:

New Media Strategies and Reaching Turkish Audiences Worldwide

Since the 1990s, Dogus Media has become synonymous with high-quality broadcasting, prestigious publications and more importantly, public trust. Today, we are proud to add to this list our success in digital media platforms which ranks high within our group business strategy. As strong followers of technological developments, we have embraced the reality of today's media world; the consumers need to reach and access the content wherever and whenever they want.

New Media Activities

As one of the key players in the market, we perceive online activities complementary and central to our broadcasting operations. It is for this reason that we seek active participation of our audience for most of our TV shows. Both for NTV Spor and CNBC-e, our main sports and hybrid business/financial/entertainment channels, our viewers have the opportunity to ask questions, express their opinions by following the respective Twitter account of that channel or show. We have also integrated Facebook and Twitter to our thematic news channel, NTV, by sending news updates to members of our fan page. In fact, there is a different social media platform designated to each of our seven channels; NTV, CNBC-e, NBA TV, NTV Spor, e2, KRAL and HD-en.

It is within this framework that Dogus Group has coined the term "new media" in Turkey. We have previously been more involved as an ISP and as a web portal at the beginning of 2000s. During that period we began our cooperation with msnbc.com and still continuing until this day as **Turkey's most trusted news portal**. Moreover, recently with the establishment of our new media department we became more involved with many more online projects. To list a few; ntvspor.net which became the most visited sports website with 50 million individual visitors in 2010 and received the best sports website award at Golden Spider Awards, oley.com is one of the few legal betting sites, and our newest upcoming project is an online private shopping website. As Dogus Media Group, we are also proud to distribute the most downloaded news application, ntvmsnbc, for i-phone and for i-pad, ntvmsnbc + on which you can watch live broadcast of NTV and NTV Spor channels. We also have separate internet portals for all of our brands. To give a specific example, Vogue.com.tr has become one of the most visited fashion websites at Turkey with approximately 500.000 individual visitors since the launch of the magazine in 2010.

To mark the prominent expansion of internet in Turkey; we decided to celebrate this outlook with an annual new media conference. The first conference, held in 2010, was a great success attracting wide attendance from the media



professionals, marketers, PR specialists, advertisers, academia, young entrepreneurs, and pioneers of the business world. We hosted trendsetters and influential opinion leaders of the sector namely Chris Anderson editor in chief of Wired magazine, Arthur Sulzberger the NY Times president, Seth Godin marketing guru, Cenk Uygur from Young Turks, David Goodman CBS Interactive President, and the head of International Business Development of Facebook, Christian Hernandez. This year's conference will be held on 20 September 2011 covering many topics ranging from democracy and new media, e-commerce to technological investment strategies.



Reaching Turkish Audiences Worldwide

Reaching maximum Turkish speaking viewers in Europe and the rest of the world via cable and/or digital platforms and consulting firms is also among our resolutions. To achieve this goal, we tend to build non-exclusive deals with as many partners as possible as this seems to be the most secure option since we are not in full control of each market. As of today, NTV Europe can be viewed from whole Europe via Turksat 3A, the northern Scandinavia and southern Italy and France being exceptions. In addition, NTV Europe is in cable in Germany, Austria, Switzerland, and Kosovo, in the cable TV network in the Netherlands excluding Amsterdam and in the IPTV network in France.

On the other hand, we are in preparation of a **business investment in Germany** with NTV and KRAL TV since there is approximately 2.8 million Turkish population and €12 billion Turkish investment in the country. We, as Dogus Media, are working on opening up an office in Berlin, in order to reach the Turkish population and the potential advertisers. There is also a social responsibility motivation in this investment decision. NTV as the leading news network in Turkey and KRAL TV as the most watched music television channel will be aiming to assist the integration of Turks in Germany via specific broadcasts.



Need to fight against piracy

To sum up, Dogus Media Group has widely incorporated the internet and expansion to various European markets within its business strategy. Today the media market has become hectic and challenging both globally and in Turkey. But the picture is not all bright. As we are extending our operations to multi-platforms, we still have to confront issues of legal rights and **piracy** and establish a sufficient connection between content providers and users. Competing against digital and online theft remains as an important problem for the Turkish market. To capture the same level of success on this issue as the United States, we have to change the pricing of our digital content and increase our advertising revenue. For instance, while it is possible to publish all TV content free-of-charge with advertising through platforms like Hulu, we are unable to operate on similar terms due to piracy issues. Nonetheless, we stand by our new media strategy of maintaining our status as the sector leader on high quality news online. In addition to this, we look forward to deepening our activities in Europe and more specifically in Germany by reaching out to the Turkish population and advertisers in those markets.





PRO TV International: A Successful Romanian Model of Transfrontier Distribution

PRO TV International is a Romanian language TV channel specifically targeting the growing number of Romanians living throughout Europe and around the world. The PRO TV International transfrontier distribution model is an endeavour already in its 11th year of business. PRO TV International is operated by Central European Media Enterprises (CME), the leading media company in Central and Eastern Europe and the largest local content producer in the region. Focusing on the production and broadcast of quality content, CME successfully operates 24 stations in 6 countries, addressing an audience of 50 million emerging market consumers (www.cetv-net.com).

CME's operation in Romania, PRO TV is the broadcast media market leader in the country, operating 6 TV channels: its 5 local stations together account for over 30% of the prime-time TV market share in Romania, while PRO TV International is the number one choice for Romanians living abroad.

The PRO TV International transfrontier model is currently being applied in other CME countries, the most recent one being Croatia.

PRO TV International was launched in 2000, with the specific target of reaching Romanians who had emigrated. PRO TV International broadcasts only Romanian language, local productions which are best-rated on the Romanian market. The channel is available free to air by satellite in Europe (Astra 1G and Hotbird 6) and is carried by major distributors in countries and regions where communities are largest. There are over 8 million Romanians living and working abroad, and these communities have created new markets in their adopted countries – both during the process of integration and after becoming settled abroad. **It is confirmed that the PRO TV brand remains very strong among the emigrated population.**

Our distribution model focuses on ease-of-access for viewers, thus ensuring distribution through local content carriers, as well as different approaches to each market, depending on local practices and regulations, to community viewing habits and demographics. All content rights are secured for global distribution by all carriage means.

PRO TV International's revenue mix is currently 75% from distribution and 25% from advertising. Investment in new content is a priority and it has risen constantly over the years. The programming-mix consists of approximately 95% PRO TV's own productions, with about 5% third-party productions – such as Romanian films and sporting matches - for which PRO TV is able to secure all the necessary rights.

PRO TV International is broadcast 'as is' - in channel form and in real-time - by all distributors. The main territorial focus has been and remains Europe, where Romanian communities are largest, followed closely by the US.

But PRO TV International is also available for viewing on-line. **Launched in 2005, the on-line distribution service's main motivation was to reach Romanians in areas where the channel is not yet available by cable, satellite or other classic distribution means.**

The service streams PRO TV International in real-time, it is a subscription-based option accessible from the channel's site, www.protvi.ro.

PRO TV International has followed the Romanian diaspora and remains committed to two basic ideas:

- **To secure the content rights** which allow for global distribution of the channel as a whole – thus the aim is to reach a programming target as close as possible to 100% own-productions.
- **To ensure ease of access for viewers** – thus adapting the model to all changes in the field of content distribution, from technology to local practice, to make the channel not only available, but easily accessible to viewers all over the world.



→ PRO TV International's revenue mix is currently 75% from distribution and 25% from advertising



Kanal D: Distributing Turkish content across frontiers

Kanal D, one of the leading TV stations in Turkey and part of Dogan Media Group, recorded an enormous success of its Turkish series in an ever growing number of countries around the world.

Kanal D's content, after establishing its popularity first in the Middle East (covering 22 countries) and later in Central Asia, has expanded to new territories such as the Balkans, the Far East and Africa. Turkish drama got to the very top of ratings in a rapidly expanding number of countries such as Romania, Serbia, Bulgaria, Macedonia, Kazakhstan, Uzbekistan, Azerbaijan and even the Netherlands.

Currently, Kanal D distributes more than 35 different series across over 50 countries and four continents.

In 2010, the number of Turkish series sold abroad hit a record, while Italy and Brazil are to adapt "1001 Nights" locally to their markets.

The final episode of *Gümüş*, transmitted on pan-Arab satellite platform MBC in 2008, was seen in the Middle East by 85 million viewers, establishing a record and ever since it has become a phenomenon.

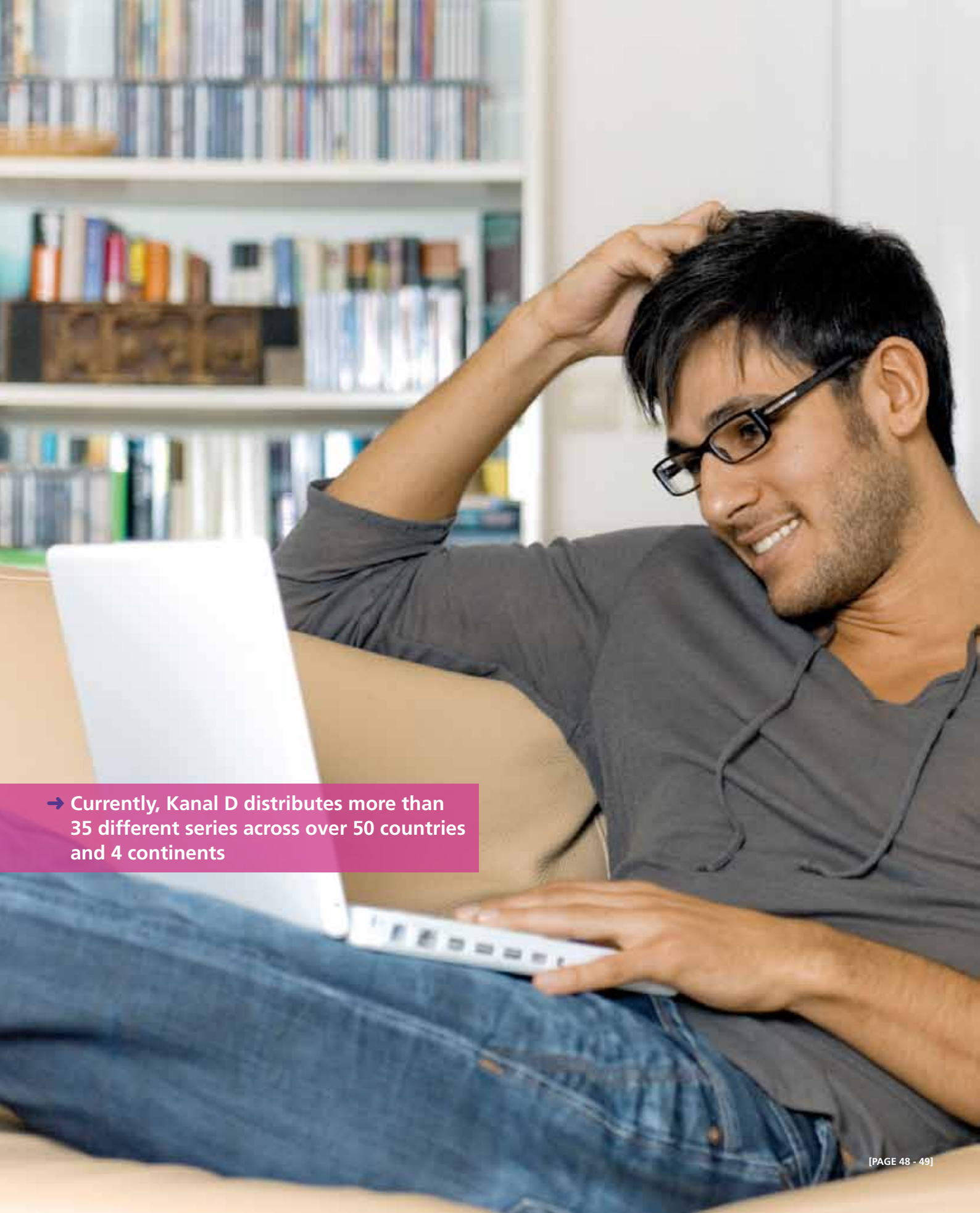
In Greece, the series "1001 Nights" (*Binbir Gece*) produced by TMC film and originally aired on ANT1 TV, captured 30.5% of viewers on the first day of football's FIFA World Cup 2010. It was the first time in Greek broadcast history that a soccer match from the World Cup (28.2%) has been out-rated by a soap opera.

It is beyond doubt that from the region of the Greater Middle East Region through Central and Eastern Europe and recently parts of the Western Europe, Turkish drama is on having great success, and the expansion of its popularity shows no sign of declining.

"Our aim is to make the whole world watch our series." Mr Irfan Sahin, CEO of Dogan TV

For those viewers who prefer to watch television online, complete episodes of Kanal D content including the hit dramas are available at: <http://webtv.kanald.com.tr>





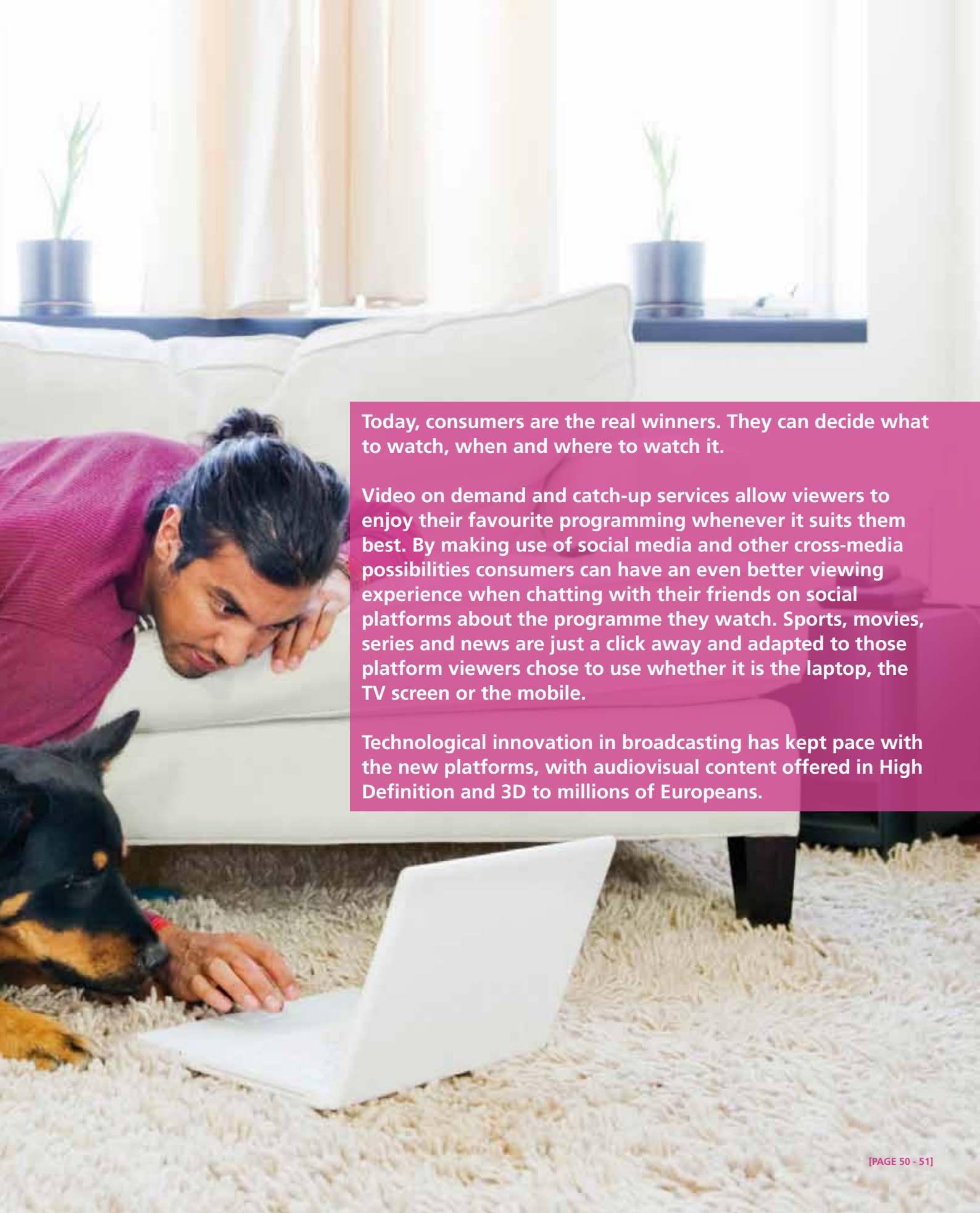
→ Currently, Kanal D distributes more than 35 different series across over 50 countries and 4 continents



4

New product launches





Today, consumers are the real winners. They can decide what to watch, when and where to watch it.

Video on demand and catch-up services allow viewers to enjoy their favourite programming whenever it suits them best. By making use of social media and other cross-media possibilities consumers can have an even better viewing experience when chatting with their friends on social platforms about the programme they watch. Sports, movies, series and news are just a click away and adapted to those platform viewers chose to use whether it is the laptop, the TV screen or the mobile.

Technological innovation in broadcasting has kept pace with the new platforms, with audiovisual content offered in High Definition and 3D to millions of Europeans.



Canal +: CanalPlay and Canal+ Web TV

CanalPlay is Canal+ Group's legal video downloading service launched in autumn 2005. Available on PC and television via cable or adsl, CanalPlay offers more than 8.000 titles, including 4.000 films mainly proposed in High Definition.

By means of reach and broad offer and editorial quality, CanalPlay became a benchmark offer on the French film market. It was the first VOD offer on the French market launched over connected TV to viewers in November 2009.*

CanalPlay has also been available on TV through LG home cinema player blue ray since May 2010 and as of summer 2010 CanalPlay has been offered on 2 million Microsoft Xbox 360 games' consoles installed in France. From autumn 2009, Canalplay has been an exclusive partner of Allocine, the leader of information on *Cinéma sur internet*; hence, becoming a point of reference for the website MK2 in March 2010.

Canalplay had passed the bar of 20 million downloads since its launch and has encountered more than 1.5 million different visitors. 6.8 million VOD actions took place in 2010.

Canal+ Web TV

CANAL+'s Web TV was launched on PC in December 2009. The primary purpose of Web TV was to allow consumers to benefit from their subscription at their choice both at home and on a trip. WebTV was initially designed for subscribers of CANALSAT. Since December 2010, it is available on Mac and it offers all the channels of CANAL+.

Since then, subscribers can enjoy direct access (smooth streaming) to the five premium channels: CANAL+, CANAL+ CINEMA, CANAL+ SPORT, CANAL+ DECALE and CANAL+ FAMILY and/or more than 90 thematic channels transmitted from their principal subscription on a second screen, in addition to their transmission on TV.



*Thomson, TCL



Mediaset: Premium NET TV

Mediaset has always looked to the future. Since the early 1990's, the Group has believed in new media. When only seven Italians out of 100 had access to internet, Mediaset started to invest in multimedia, providing services and contents of its core business on different platforms (internet, mobile-web, mobile phones and teletext).

Mediaset company website

Nowadays, Italian internet users are 37 million and the Mediaset's company website represents a fundamental reference; it ranks third in terms of unique users and number of pages viewed in Italy. Mediaset.it (www.mediaset.it) counts almost 24 million contacts a month and in the first 120 days of 2011, 2 billion 800 million pages have been viewed. Thanks to the exponential traffic growth and to the quality of the content delivered, both the market and investors identify the portal Mediaset.it as an extraordinary business model. Accordingly, in Q1 2011, the advertising sales grew by 50% over the same period last year.

Videomediaset

Another successful example is Videomediaset (www.video.mediaset.it), an online VOD service, where internet users can watch most of Mediaset's programmes, including all news bulletins. In the first four months of 2011, more than 230 million videos have been watched. Mediaset's best videos are also available on iPhones and can be shared among friends via e-mail, Facebook and Twitter.





TgCom

In 2001 Mediaset launched TgCom, one of the first Italian news websites. Its editorial staff provides news, special reports and services on different platforms. Ten years after its launch, TgCom is the third Italian newspaper online with more than 390 million pages visited and about 16 million single contacts in March 2011. On 29 April, the day of the Royal wedding of Prince William and Kate Middleton, TgCom has been visited by more than 1.6 million users with 32 million visited pages. 315.000 people watched the event in live streaming (219.000 were connected to the BBC website).



SportMediaset

Sport news are available on SportMediaset (www.sportmediaset.it) which provides articles, photo galleries, videos 24 hours a day. With more than 5 million pages viewed daily, Sportmediaset keeps sport lovers informed about football, motoGP, Formula One and other sports.



PremiumNetTV

Thanks to the experience acquired, Mediaset, in February 2011, launched the most complete and technologically advanced Over-The-Top service: Premium Net TV - *"watch whatever you want, whenever you like"*

Premium Net TV, a non-linear offer available through any ADSL connection on the TV-set, on personal computers and other devices, allows viewers to access both linear content and non-linear services, such as catch-up TV and video on demand at no additional cost. A subscription to Mediaset Premium now provides access to Mediaset content from a number of different platforms: iPad, mobile phones, game consoles and connected television. In doing so, viewers can create their personal TV viewing experience.

Net TV offers catch-up services from Mediaset's free-to-air channels, on a weekly basis, and a great variety of programming: more than 200 films with several first releases on pay TV, cartoons, documentaries, TV series, football, also in HD.

"After the success of Premium On Demand Mediaset decided to provide its audience with an innovative service, highly technological and yet user-friendly, rich in quality content. Mediaset, leader in free TV and in pay-TV on the digital terrestrial platform, has pioneered, with Premium Net TV, the TV of the future".

Pier Silvio Berlusconi, Vice- President of Mediaset S.p.A.

Net TV is network independent, completely open, and can be watched with a digital terrestrial decoder and an ADSL connection provided by any telecommunication operator. The Accenture Video Solution operated by Net TV enables both linear content through digital terrestrial television, and interactive services through an open IP broadband connection on a standard set-top-box. This new solution delivers new video services rapidly and conveniently, reducing the initial high costs for IT and infrastructure, and carries several advanced applications, such as profiled advertising. According to Franco Ricci, RTI Chief Operating Officer, this new service represents an important progress for Mediaset as a multimedia and multiplatform player, confirming its leadership in today's dynamic and competitive market.



With Net-TV, Mediaset enhances the traditional TV viewing experience and promotes a new level of consumer engagement, typical of the online world, with increased flexibility and consumer choice. Top-notch technology along with a rich and varied programming schedule have transformed traditional linear broadcasting into personal TV.

Online Activities of the ProSiebenSat.1 Group

In Germany ProSiebenSat.1 Group content is cross-platform and is available for all platforms and devices. In addition to the ProSieben, SAT.1, Kabel eins and sixx brands, MyVideo, one of our associated companies based in Romania, also offers our TV content for seven days – the “Seven-Day Catch-Up” – free of charge.

Furthermore, MyVideo hosts more than 3.5 million video clips of User Generated Content and 150.000 videos of premium content, including 35.000 official music videos. MyVideo is available in seven European countries and five languages.

Through **maxdome**, Germany's largest online video store, the ProSiebenSat.1 Group offers more than 35.000 premium titles for rent or purchase at maxdome.de.

The video library of maxdome includes movie blockbusters and series, often also available in high definition, as well as award-winning documentaries and children programmes. Besides being available on PC and via Set-Top-Box on TV sets, maxdome can also be accessed with connected or hybrid TVs.

The SAT.1 soccer brand “**ran**” also has its own website. At ran.de, users can get information about soccer and follow the soccer matches shown on SAT.1 online in live-streaming mode.

The ProSiebenSat.1 Group also provides online gaming. The two social gaming portals **SAT1Spiele** and **SevenGames** offer Flash- and client-based games for various target groups.

While SAT1Spiele is targeted for the German market, SevenGames offers games across Europe in many languages.

Other associated companies in addition to MyVideo include:

- lokalisten.de, a social network
- wetter.com, the largest weather portal in Germany
- reise.com, the travel portal of wetter.com
- autoplenum.de, the first automotive medium that combines editorial auto tests with reports of car drivers' experiences and all important data into a single comprehensive information platform
- wer-weiß-was.de, the German portal with the highest number of members for exchanging knowledge online and the question and answer site from N24.de
- fem.Media, the sixx online network with its 60 partner sites, the sixx.de broadcasting site and the fem.com online magazine rank among Germany's leading women's portals
- webnews.de is fed by countless partner sites, including large news portals such as Spiegel Online, blogs, and specialised news sites such as Wirtschaftswoche.de





Greece: Antenna's i-Pad app

The Greek TV channel ANT1 has made its programme available on the iPad and iPhone. All that people need to do is to visit the official website of the channel www.antenna.gr/tv/ and to choose the live option. They will also get access to all shows, news, series and sports broadcasts aired by the channel 24/7.



Slovakia: Project Piano

A new Slovak initiative is aiming to start a bundled economy for paid content. Nine Slovakian main media operators are about to launch a shared "paywall" service.

Three national broadsheet newspapers, a tabloid, JOJ TV station and two magazines are introducing in May 2011 a joint news service supported by **Project Piano**, a promising industry-wide paid content technology. Readers will be charged €2.90 per month or €0.99 per week to access multiple news sites from across Slovakia and possibly Czech Republic.

According to Tomáš Bella, CEO of Project Piano, it is expected that one year after the launch, between 0.8% (pessimistic) and 1.5% (realistic) of the local internet population will subscribe.

In Slovakia, 4.06 million people amongst the 5.7 million of population are internet users*. At the optimistic end of Bella's (owner of NextBig media consultancy) forecasts, Piano would have 60.945 monthly subscribers, yielding about €2.1 million per year in total fees before commission.

*CIA World Fact Book



MTG:

Multi-screen service for on-demand business Viaplay

Modern Times Group MTG AB launched a multi-screen service for its on-demand subscription business in Scandinavia in March 2010 and changed the name of the service at the same time from Viasat OnDemand to Viaplay. With monthly payments the on-demand subscriber – utilising the same user id and password – can access a huge amount of live sports, movies and catch up TV programming on any of the devices he or she has, be it via an android phone application, a connected LG TV set, an iPad or iPhone, through a laptop or a desktop.

During the year since the introduction of the subscription online video on demand service the availability of over-the-top TV (OTT) which means delivery of video via the internet directly to the users' connected devices, has increased immensely. A year ago, the online subscription service was a pure online service for your PC.

Since then, a strategic cooperation has been made with LG, the leading global consumer electronics manufacturer. Viaplay is available on a built-in basis in LG TV sets enabled with NetCast functionality and utilising the household's broadband connection. An application for Android smart phones – the first one was made in cooperation with SonyEricsson – has been created. The subscription on demand service has also been made available for not only Apple's computers but also via their iPhones and iPads.

This has also created an increased demand for portability or multi-screen functionality, which was launched in March.

The packaging is being simplified. The total package, including Sport (live streaming of everything from UEFA Champions League to Barclays Premier League, Formula One and NHL), Movies (thousands of movies to choose from, including Book of Eli, Green Zone and Robin Hood) and TV (hundreds of the most popular series as Two and a Half Men, The Mentalist, reality shows and children's programmes) is available for anyone for 199 Swedish or Norwegian krona or 159 Danish krona.

It's also possible to only subscribe to the Film and TV packages or the TV package.

MTG launched its Viasat OnDemand streaming service – as an online pay-per-view service – in May 2007. Since 2009 also a number of so called Play TV versions of current Viasat TV channels has been launched as a catch up service. Those will be integrated in the relevant packages and depending on



availability which may differ in the Scandinavian countries. TV3 Play exists in Sweden and Norway, TV6 Play and TV8 Play in Sweden and Viasat4 Play in Norway and is for free. Denmark has its TV3 Gensyn, TV3+ Gensyn and TV2 PULS Gensyn. Sweden also includes SVT Play from the public broadcaster and TV4 Play from the commercial broadcaster.

Hans-Holger Albrecht, President and CEO of MTG, commented:

“The launch of a multi-screen, OTT and portable service is a major step not just for Viasat but for the evolution of video content provision in Europe. We are offering “Entertainment at Your Command!” on an ‘anytime, anywhere’ basis, and combining the very best in pay-TV and free-TV programming. OTT solutions are changing both the way people watch and think about TV, and we are committed to remaining at the forefront of this exciting and accelerating evolution.”

MTV MEDIA

MTV Media: Launch of online service “Katsomo”

MTV Media is launching a renewed online service “**Katsomo**” in the spring 2011. Katsomo offers content from a number of linear television channels of MTV Media including both catch-ups of television programmes as well as live sports and reality shows. In addition, web-only content is also available for consumers. All content is streamed to the user.

Katsomo employs two complementary business models: the majority of content is advertising supported and available for the consumer without charge, but particularly live programming is supported by consumer micro payments.

This dual business model enables MTV media’s online service to reach large audiences with free content but also to develop innovative, value-adding online services for focused target groups.

Objectives of the renewal

At present, mainly early adopters and the more technologically savvy consumers use online streaming services on a daily basis. The main objective of the Katsomo re-launch is to enable and educate the use of streaming services to the majority of consumers. MTV Media plans to achieve this by focusing the service’s design on the ease of use of the service, findability of the content as well as extensive marketing involving educational videos for less technologically-oriented consumers.

The renewed Katsomo service enables MTV Media to offer all of its content on the same internet site. The main focus is to bring individual programmes to the fore rather than emphasising linear channel brands or the Katsomo brand.

With an increasing amount of content on the Katsomo service, easy search functions and findability of content is the key to a successful user experience. Also features such as programme playlists for favourite programmes are available for more advanced users, increasing the usage of the service. The Katsomo service will offer innovative new services such as live sports with participatory elements such as optional camera views, live commenting, statistics and extra material.

Benefits to consumers

By renewing the Katsomo service, MTV Media empowers the consumer to choose what they want to watch and when they want to watch it. The main benefit for the consumer is the



greater ability to choose their favourite shows and the time of viewing. In addition, by offering extra materials and participatory elements to live sports, Katsomo supports the marketing and use of linear TV programmes by enabling cross-media consumption of TV content. Katsomo service increases the use of linear TV watching by offering catch-ups, by enhancing programme discovery and by offering complementary material to popular shows. The renewed Katsomo service also enables consumers to watch TV programmes independent of their location. Expatriates can follow Finnish programming as content is streamed abroad. Also, Katsomo will be offered on mobile and tablet devices, providing the user an access to MTV Media content while on the go. In addition, Katsomo will be offered on a range of IPTV services bringing the participatory experience directly to the living room TV (at present, Katsomo content is offered on two IPTV services).



MTV Networks International: Launch of MTV On Demand Portal

Full Length Episodes Now Available on mtv.co.uk

MTV programmes you love and grew up with, as well as hot current MTV shows, such as 'Jersey Shore' and 'My Super Sweet', are now available online since the launch of MTV On-Demand (MTV OD) in February 2011.

Today's MTV generation is 'always on', works to its own schedule and watches TV in its own way. MTV OD allows fans to instantly access full length current and archived shows, including 'The Real World', 'The Hills' and '16 and Pregnant'. The online portal also includes exclusive MTV OD footage, such as special preview episodes and behind the scenes content, and fans can introduce friends to MTV shows and characters via Facebook links.

Philip O'Ferrall, Senior Vice President at MTV Networks International, said:

“MTV has been broadcasting innovative and boundary pushing programming since the 1990's. Today, the MTV Generation is connected and driven by search and social media recommendation. We are launching MTV OD in response to the tremendous demand for full length content on our websites. MTV OD will ensure that the content our fans want is at their fingertips. Viewers can choose to watch current MTV shows or to browse our archive, allowing them to enjoy classic episodes and even discover iconic shows they may not have previously heard of.”

Users in the UK can pay £1 for one day or £2 for a week's access to access as much programming as they want. Payment can be made via SMS with PayPal as of February 2011. MTV OD has full media player functionality and variable bandwidth streaming from DSL to HD to ensure image quality and high quality video playback.





Sky Go: New TV era in Germany and Austria

Be it in the bedroom, at the café, in the garden or on the train: As of now, viewers can decide themselves where and when they want to watch their favourite programmes.

Sky Go on the Web extends viewing flexibility to the great line-up of Sky Sport channels - via laptops and computers – and goes one step further. Sky Go on the Web also includes exclusive on-demand access to a vast selection of hundreds of top box-office movies from the Sky Film service and an amazing library of sport events.

Sky Go on a second TV set allows customers to watch different programmes from any of their Sky channels, in a second room, at the same time, making it the perfect solution for all families. With this, the fight about the remote control is a thing of the past.

Sports fans who want to follow their favourite teams and players on the road will be delighted with the updated Sky Go app for the iPad, which now includes live viewing from within the Sky Datacentre. The service presents the exclusive live streamed channels Sky Sport 1, Sky Sport 2, Sky Sport Austria and Sky Fußball Bundesliga. It shows all matches of the first and second football Bundesliga, the UEFA Champions League, the UEFA Europa League and the DFB Cup, as well as Formula 1, golf and tennis when connected via WiFi. The best of these events is offered in stunning HD quality. The exclusive Sky channels Sky Sport 1, Sky Sport 2, and Sky Sport Austria are also available via 3G.

Sky Go on the iPhone and iPod Touch extends this choice and control, including access to the channels Sky Sport 1, Sky Sport 2, and Sky Sport Austria via WiFi and 3G.

Brian Sullivan, CEO Sky Deutschland AG:



Brian Sullivan
CEO Sky Deutschland AG

“Sky Go is the beginning of a TV revolution and is a core part of our vision for TV in the 21st century. Customers demand and deserve the best service possible, providing the widest choice, the highest quality, the most control and the best innovation, and here at Sky we are absolutely dedicated to delivering on this vision.”

The Sky Go offering will be extended in the course of the year. Next steps will include the addition of the Sky Film on-demand service in the Sky Go iPad app, the integration of the new Sky Sport News HD channel, and much more.

The buzzwords “Smart”, “Social”, and “Seamless” will make Sky Go a TV experience that combines all modern communication channels.

- Customers decide for themselves where they want to watch their favourite programmes – on the Web via a PC or Laptop, in a second room, or additionally on the iPad, iPhone and iPod Touch.
- Sky Go on the Web: an amazing selection of programmes from the Sky Film, Sport and Fußball Bundesliga packages, both live and on-demand, including hundreds of exclusive sports events and top box office movies each month, and over 10.000 hours of programming a year.
- Combining all these in a single, simple and great value package, Sky Go is the first entertainment service that gives German and Austrian viewers real choice and control, anytime and anywhere.
- Sky subscribers can enjoy the Sky Go offering on up to four devices at the same time.
- Sky Go will be further expanded in the next few months to include even more programmes, across more devices.





What next? Is there demand for transfrontier distribution?

Ross Biggam,
Director General of the Association
of Commercial Television in Europe

By now, we hope to have rebutted the myth that media companies “don’t understand the internet”. Quite the opposite: broadcasters are enthusiastically embracing the new market opportunities created by technological change. But we are often confronted, at least in EU policy discussions, by a related issue: that broadcasters do not do enough to distribute our content outside our home market.

To tackle this issue in detail would require another brochure (and, if there is enough interest from stakeholders, maybe we will write one...). But this is an important issue and one where the industry viewpoint is too often misunderstood.

Our two starting points are surely uncontroversial:

- that businesses, whether media companies or rightsholders, are entitled to seek to maximise profit from their activities,
- and that the rights of those involved in the creation of content, including but not restricted to the right to be paid, must be respected.

Anyone who disagrees with these assumptions is not so much disagreeing with us but rather objecting to free market economics – which may or may not be a respectable intellectual position, but is today somewhat removed from the mainstream of European political thought.

Today, a huge amount of content is indeed being distributed outside its country of origin/production, though this happens in a variety of ways, reflecting not only the different rights attached to different genres of television content but also the heterogeneous patterns of migration in today's global economy.

There is also nothing in our starting points which makes it impossible for content to be distributed across frontiers. In fact, that is not my argument. Today, a huge amount of content is indeed being distributed outside its country of origin/production, though this happens in a variety of ways, reflecting not only the different rights attached to different genres of television content but also the heterogeneous patterns of migration in today's global economy.

There are five main ways in which television programming can travel across frontiers. And historically there was a sixth way. Each are, or were, suitable for some genres of content and for some language markets:

Pan-European distribution:

This has proven particularly suitable for news programmes. Online, there are numerous examples of broadcasters whose main news bulletins are available, either via streaming or on-demand, on the internet without any geographical restrictions. A list of commercial broadcaster websites offering news online across Europe is attached at the end of this brochure. This is also the case in the offline world (Sky News is available to 145 million people in 36 countries in Europe alone as well as Asia, the Middle East and Africa). Typically, news programmes are produced in-house and are underpinned by a relatively simple set of rights. It also works for some sports deals, where the rightsholders find a single pan-European deal the optimal way to maximise revenue – an example was a pan-European deal signed in March 2011 between UEFA and Eurosport for UEFA's Under-19, Under-17, women's and futsal competitions.

Distribution into targeted markets:

Here, rather than a blanket pan-European deal, broadcasters will seek redistribution via cable and satellite in territories where there is a strong demand for their content. This is likely to be the case in neighbouring markets with a common language or cultural affinities (UK/Ireland, Germany/Austria, Scandinavia). But also to diaspora populations. We quote Romanian and Turkish examples in our brochure – but these are not unique, with similar offers

made available to the Polish, Greek and Ukrainian communities in selected territories in Europe and beyond. These channels are usually characterised on the supply side by a high proportion of in-house content and by a clearly defined diaspora population which is concentrated in specific national or regional markets. Many European public broadcasters have satellite versions of their main channel/s available via satellite outside their home market. Nor is this a purely European phenomenon, with over 60 non-UK channels carried on the BSkyB platform and several hundred international channels available on TV Vlaanderen in the Belgian market.

Content which is reformatted for national tastes:

International format sales were almost unknown until the late 1990s. This is now a booming section of the audiovisual market worth €9.3 billion annually and, unusually for the film and TV business, one in which Europe is a significant net exporter. The UK and the Netherlands each export more global formats than the US. Today's European teenagers are the first generation to have a common cross-border television vocabulary, with many of the great successes of the recent years in talent shows, entertainment, soap operas, reality TV and factual being reversioned for local consumption. In the online space, we refer you to the CME initiative of rolling out a VOD platform, Voyo + across six central and eastern European markets.

Overseas sales:

Perhaps the simplest way for a programme to cross frontiers – when the right to show a successful programme from one country is sold abroad. In our brochure we featured the phenomenal growth of Turkish telenovelas, which have delivered strong ratings in many European countries and beyond. In as far as one can generalise, fiction programming such as this Turkish content (or the equally popular Scandinavian crime series) is particularly suited to overseas sales, as the narrative can be dubbed or subtitled as a movie would be for cinema release, while genres such as entertainment work better when it is the format right which is sold overseas, allowing for adaptation to include local contestants and presenters.

on TV from anywhere in Europe, their counterpart who is loyal to Skonto

But media companies and rightsholders do not claim to have exploited the full potential of the internet for distribution beyond our home markets, and new services are being launched all the time. We are confident that, whatever the imperfections of the current market, these can and will be addressed – and that this will happen in a shorter time frame than any regulatory intervention could achieve.

Sport: this genre is unique in a number of ways:

The importance of live transmission, the emotions generated among viewers and the accessibility of sport – by which I mean that, for a dedicated fan, not understanding the language of broadcast is no barrier to watching the game. And the most popular sporting events are truly international: there can be few, if any territories in the world where the Olympics, Formula One, UEFA Champions League etc are not broadcast. This is also the case for national competitions such as the FA Premier League or the Bundesliga which are broadcast in more than 200 territories internationally. In the broadcast market, this has allowed niche offers to be packaged for the consumer, see for example the prominence given in the marketing of the start-up Belgian platform Be TV to its acquisition of the Belgian rights to the five biggest European leagues.

The 1980's version of television without frontiers:

Back when European television first emerged from the era of state monopoly, many of the pioneering satellite broadcasters operated on a pan-European basis. But it quickly became clear that this strategy underestimated the degree to which viewers identify with programming. The distribution strategy of broadcasters such as MTV, Discovery or Eurosport changed from a single, English-language service to customised services available in many European languages, better allowing for subtle differences in taste, humour and style to be reflected.

So, content is crossing frontiers more than ever, and will continue to do so.

We don't claim to have met every demand and doubtless there are some specific markets which are less well served: an expatriate supporter of FC Barcelona or Bayern Munich will have little difficulty following their team

Riga or Slovan Bratislava may be less well served. But media companies and rightsholders do not claim to have exploited the full potential of the internet for distribution beyond our home markets, and new services are being launched all the time. We are confident that, whatever the imperfections of the current market, these can and will be addressed – and that this will happen in a shorter time frame than any regulatory intervention could achieve.

After all, if we don't meet identifiable consumer demand, our competitors will.


Ross Biggam

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Links to websites

Internationally available news services

ANTENA 1	www.a1.ro/news/index.html
ANTENA 3	www.antena3.com/noticias/
Antenna TV	www.ant1online.gr/Pages/Home.aspx
BSkyB	http://news.sky.com/skynews
Canal+ Group	www.itele.fr/
CME	
Czech Republic:	www.tn.cz , www.voyo.cz
Croatia:	www.novativ.hr , www.dnevnik.hr
Romania:	www.stirileprotv.ro
Slovenia:	www.24ur.com , www.popplus.si
Slovak Republic:	www.markiza.sk , www.tvnoviny.sk
Bulgaria:	www.btv.bg/news
ITV	www.itv.com/news/
KanalD	http://haber.kanald.com.tr/
Mediaset	www.tgcom.mediaset.it/
M6	http://news.fr.msn.com/m6-actualite/
Mega TV	www.megatv.com/megagegonota www.megatv.com/koinoniaoramega
MTV3	www.mtv3.fi/uutiset/
NTV	www.ntvmsnbc.com
ProSiebensat.1	www.webnews.de
RTL Nederland	www.rtl.nl/actueel/rtlnieuws/home/
Sky Italia	http://tg24.sky.it/tg24/
Telecinco	www.telecinco.es/informativos/
TF1	http://lci.tf1.fr/
TV4	www.nyhetskanalen.se/
TV3 Ireland	www.tv3.ie/news.php
TVi Televisao Independente S.A.	www.tvi24.iol.pt/
TVN	www.tvn24.pl/ www.tvnwarzawa.pl/
Vlaamse Media Maatschappij	http://vtm.be/nieuws

Websites launched by commercial broadcasters

RTL Group

Germany:	http://rtl-now.rtl.de/ www.voxnow.de/
The Netherlands:	www.rtl.nl/
Belgium:	www.rtl.be/sport/
Hungary:	www.rtlklub.hu/most/
Croatia:	www.rtl.hr/specijalni-projekti
Luxemburg:	http://service.rtl.lu/mobile/iphone/

CME www.cetv-net.com

Czech Republic:	http://voyo.nova.cz/
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BSkyB www.sky.com/

ITV

UK:	www.itv.com/
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TVN

Poland:	www.tvn.pl/ www.tvn.warszawa.pl/
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M6

France:	www.turbo.fr/ www.deco.fr/ www.clubic.com/ www.m6replay.fr www.w9replay.f www.m6bonus.fr/ www.m6vod.fr/
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Antena 3 Group

www.antena3.com/ www.antena3.com/noticias/ www.ondacero.es/OndaCero/home.do www.europafm.com/EuropaFM/
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VMMA

Belgium:	http://vmma.be/ http://vtm.be/nieuws
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RTL Nederland

www.rtl.nl/ www.hyves.nl/tv/
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NTV

Turkey:	www.ntvmsnbc.com/ www.ntvspor.net www.oley.com
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PRO TV International

Romania:	www.protv.ro/
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Kanal D

Turkey:	http://webtv.kanald.com.tr
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Canal+ Group

France:	www.canalplus.fr www.canalplay.com/
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Mediaset

Italy:	http://nettv.mediasetpremium.it/
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ProSiebenSat.1 Group

Germany:	www.prosiebensat1.de/ www.ran.de/ www.sat1spiele.de/ www.sevengames.com/
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Antena 1

Greece:	http://antenna.gr/tv/
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Project Piano

Slovakia:	www.pianomedia.eu/
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MTG

Scandinavia:	http://viaplay.se/ www.viasat.se/
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MTV Media

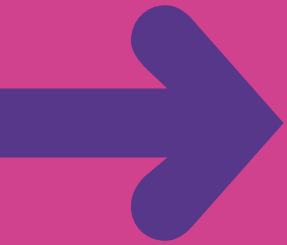
Finland:	www.katsomo.fi/
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MTV Networks International

UK:	www.mtv.co.uk/
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Sky Deutschland

Germany:	www.skygo.sky.de/
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