

Experiences in revenue generation

Hbbtv and the integration of Internet with Broadcast



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About Motive Television

- Publicly listed on the LSE with offices in London, New York, and Barcelona
- Global provider of software and services to the Broadcast and Satellite industries for the cost effective distribution of digital content and assets to audiences
- Management team with many years of experience in the content production and distribution as well as in the technology market
- Customers in operation in Europe and Africa
- Currently expanding in North and South America



About Content Express™

- The most widely used Push VOD solution with more than 5 years of commercial operation in multiple countries it enables the delivery of non-linear content to any screen via any network
- The engine behind a wide variety of solutions such as
 - Video on demand for broadcasters and Pay TV operators
 - Tablet TV in the US and Europe
- Content Express™ turnkey solutions include product planning, system integration, VOD platform operation and content (through partners if required)



Our customers



3 key points to generate revenue from Pay TV

- **Control capital expenditure**
 - Above all STB or viewer's device costs
- **Understand your target audience**
 - Define the optimal combination of entertainment and information services that makes the product affordable for consumers while ensuring healthy margin
- **Maximize reach to ensure volumes**
 - Ensure your product gets to as many people as possible by distributing it cost effectively through the network that reaches the biggest share of the target market

Case study 1: Mediaset (Italy)

- Biggest commercial broadcaster in Italy (60M people, 40M HH)
- 2M linear Pay TV subscribers
- 500K subscription VOD subscribers with Content Express™
- VOD platform operational since 2010 (5 years)

- **Strategy**
 - Compete against Sky Italia with linear Pay TV and VOD targeting the high-end market through a high-performance STB
- **Lesson learned: it is critical to select the proper platform**
 - Stuck with MHP
 - STBs from multiple vendors need to be available through retail chain
 - No need to compete with existing established players to be successful

Case study 2: Siyaya (South Africa)

- New satellite and broadcast Pay TV operator in South Africa (60M people, 13.5M HH)
- Content Express™ for linear and on-demand Pay TV
- Service to be launched in Winter 2014

- **Strategy**
 - Compete against MultiChoice (incumbent service provider with 4.9M subscribers) with linear Pay TV and VOD targeting the low-end mass market through a low-cost STB
- **Lesson learned: if done properly, the mass market is a huge opportunity**
 - Cost effective viewer's device are possible (below \$50 wholesale price)
 - Cost-effective devices + cost effective services can generate significant revenue and profit through high volumes (Google advertising model), especially in countries where end-user prices are under pressure
 - Hbbtv support for phase 2

Case study 3: Tablet TV (U.S.)

- New linear FTA + subscription VOD broadcast Pay TV operator in U.S.
- 140M tablets initial potential market
- Content Express™ for Pay TV (Virtual Channels) and subscription VOD
- Service to be launched end 2014

- **Strategy**
 - Create a complementary low-cost Pay TV service targeted at connected devices (tablets and smart-phones) that leverages the existing broadcast networks and existing FTA content
 - It uses an external device (T-Pod) for the reception of TV signals sold through retail
- **Lesson learned: there are great opportunities beyond the STB**
 - The broadcast network remains the most cost-effective content distribution network ideal to reach the mass audience especially when consumers are looking for low-cost and targeted Pay TV services

Hbbtv allows you to control capital expenditure

- **Cost effective, open, and future proof MiddleWare solution**
 - Allows you to reach the highest distribution volumes with the capital you have available
 - Uses Internet standards therefore ensuring long-term service viability
- **Hybrid**
 - Integrates broadcast and Internet distribution networks
 - Broadcast gives you reach, Internet gives you 2-way relationship with the audience
- **Horizontal devices distribution model**
 - By being an open standard it ensures a multi-vendor device market which guarantees cost effective products through competition
 - Products can be available on retail, i.e. lower operational costs for the service provider

Hbbtv: competitive prices AND compelling services

- **Linear Pay TV subscriptions revenue**
 - Through traditional linear Pay TV channels (if bandwidth is available)
 - Through Virtual Channels (if bandwidth is a constrain)
- **On-Demand subscriptions revenue**
 - Through Internet-based streaming (if consumers have enough bandwidth)
 - Through broadcast Push-VOD (if consumers' bandwidth is limited)
- **Catch-Up TV**
 - Through Internet-based streaming (if consumers have enough bandwidth)
 - Through broadcast network (if consumers' bandwidth is limited)
- **Additional Internet applications and services**

Hbbtv in summary

Right cost for the platform

Right price for the service

Best distribution network

television.
anytime.
anywhere.



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