

ITALY- FILM & TV

DIGITAL UPDATE

2011

DIGITAL UPDATE

WORLDWIDE DIGITAL OVERVIEW

ITALY DIGITAL MARKET

NEW LOCAL OPPORTUNITIES

NEW DIGITAL DEVELOPMENTS







WORLDWIDE DIGITAL OVERVIEW

DIGITAL BUSINESS MODEL OVERVIEW

PPV/NVOD	TVOD/VOD	EST	SVOD	AVOD
Pay-Per-View and Near Video-On-Demand = Operator-scheduled offerings generally on satellite platforms; per title fee; not on demand	[Transactional] Video-On-Demand = Wide selection of titles to view at consumer convenience (on demand); per title fee; usually more choice than with PPV	Electronic Sell-Through = Consumers purchase a licence for permanent retention of a digital file	Subscription Video-On-Demand = Consumers pay a periodic subscription for access to a library of content without an additional per title fee	Advertiser-supported Video-on-Demand = Content offered for free to the consumer with advertising breaks
Generally no advertising	Generally no advertising	Generally no advertising	Generally no advertising	Advert breaks during playback
Limited viewing period (e.g., 24 hours)	Limited viewing period (e.g. 24/48 hours)	Infinite viewing period	Limited viewing period (e.g., a week or a month)	Limited viewing period (e.g. a week)
No transfer permitted to portable devices	Generally no transfer permitted to portable devices	Portability subject to usage rules, e.g. 1PC and 1 portable device	Generally no transfer permitted to portable devices	No transfer permitted to portable devices
Examples include: in the UK, Sky Box Office; Yes DBS satellite offering in Israel, Orbit PPV service in the Middle East	Examples include: iTunes' online rental service; Virgin's on demand service; Sony Playstation's rental service	Examples include: iTunes' and Sony PlayStation's permanent download services	Examples include: Netflix's "Watch Instantly Service" in the U.S.; BT Vision's on demand subscription offerings	Examples include: Channel4.com and the BBC's iPlayer in the UK (but without ad breaks for the iPlayer due to BBC license)

WORLDWIDE DIGITAL OVERVIEW

FORMS OF DIGITAL DELIVERY

Transmission Means	Standard Receiving Device	Typical Business Model
 <p>Satellite</p>	STB to TV	SVOD, NVOD/PPV or "Push" VOD
 <p>Cable</p>	STB to TV	AVOD, SVOD or VOD
 <p>IPTV</p>	STB to TV	AVOD, SVOD or VOD
 <p>Internet/OTT</p>	PC/Internet-connected TVs/Tablets/Game Consoles	AVOD, SVOD, VOD or EST
 <p>Mobile (e.g. 3G, WiFi)</p>	Mobile phones	SVOD, EST/pre-load or VOD
 <p>DTT</p>	STB to TV	SVOD, "Push" VOD

Key:

STB

Set-Top Box

PPV/NVOD

Pay-Per-View/Near Video On Demand

VOD

Transactional Video on Demand

AVOD

Advertiser-supported Video on Demand

SVOD

Subscription Video on Demand

EST

Electronic sell-through

OTT

"Over The Top" (internet delivery over any broadband service)

DTT

WORLDWIDE DIGITAL OVERVIEW

KEY INTERNATIONAL OPERATORS

ALBANIA

ODM - CEE

AUSTRALIA

APPLE (VOD)

FETCHTV (VOD)

SONY (VOD)

XBOX - AUSTRALIA (VOD)

FOXTEL

TELESTRA

AUSTRIA

APPLE - AUSTRIA (VOD)

UPC AUSTRIA (PPV)

XBOX - Austria (VOD)

BAHAMAS

CABLE BAHAMAS

BELGIUM

APPLE - BENELUX (VOD)

BELGACOM (SKYNET)

ERG

RTL Belgium

TELENET (VOD)

VMMA

XBOX Belgium (VOD)

BOSNIA

ODM - CEE

BRAZIL

DIGITAL LA (BRAZIL)

SARAIVA (VOD)

SKY BRAZIL (PPV)

TELECINE (VOD)

BULGARIA

ODM - CEE

APPLE VOD

CHILE

VTR (VOD)

CHINA

LITTLE SCREEN (VOD)

SHANGHAI MEGAJOY (VOD)

SOHU (VOD)

CROATIA

ODM - CEE

CYPRUS

CYPRUS TELECOM (CYTA)

ODM - CEE

APPLE VOD

Czech Rep

APPLE VOD

Denmark

APPLE VOD

Estonia

APPLE VOD

Finland

APPLE VOD

FRANCE

APPLE (VOD)

CANAL+ ACTIVE (VOD-PC)

CANAL+ ACTIVE (VOD-STB)

CANAL+ PPV (KIOSQUE)

FRANCE TELECOM

ODM - FRANCE (NEUF)

SONY (VOD)

TF1 (VOD)

TV NUMERIC

XBOX - FRANCE (VOD)

GERMANY

APPLE (VOD)

ODM - GERMANY (VOD)

ODM - GERMANY PPV (KDG & UNITY)

PROSIEBEN (VOD)

SKY DEUTSCHLAND (PPV)

SONY (VOD)

T-ONLINE (VOD)

VODAFONE

XBOX - GERMANY (VOD)

MEDIA MARK

GREECE

ODM - SOUTHERN EUROPE

APPLE VOD

HONG KONG

PCCW (VOD)

HUNGARY

UPC HUNGARY

APPLE VOD

ICELAND

ICELANDIC (ITC)

IRELAND

APPLE (VOD)

XBOX - Ireland (VOD)

ISRAEL

HOTVISION

ORANGE (PARTNER COMM)

YES DBS SAT

ITALY

APPLE - ITALY (VOD)

E.BISMEDIA (FASTWEB)

SKY ITALIA (PRIMA)

MEDIASET (PREMIUM)

SONY (VOD)

TELECOM ITALIA

XBOX - ITALY (VOD)

JAPAN

APPLE (VOD)

JUPITER

KDDI

NINTENDO (VOD)

NTT - HIKARI (fka Plala)

NTT (aka N&B LLP)

SKY PERFECT JSAT (SPIC)

SONY - JAPAN (VOD)

TSUTAYA/CCC (VOD)

XBOX - Japan (VOD)

KOREA

BROADBAND MEDIA (VOD)

HOMECHOICE (VOD)

KOREA DIGITAL (KDSB)

KOREA TELECOM

LATIN AMERICA

DIRECTV (LA excl MEXICO)

DLA (excl Brazil)

Latvia

APPLE VOD

Lithuania

APPLE VOD

Luxemburg

APPLE VOD

MALAYSIA

TM NET

MALTA

ODM - CEE

APPLE VOD

MEXICO

APPLE - MEXICO (VOD)

SKY MEXICO

TELEvisa

XBOX - MEXICO (VOD)

NETHERLANDS

UPC (VOD)

XBOX - Netherlands (VOD)

ZIGGO

APPLE VOD

NEW ZEALAND

APPLE (VOD)

SKY NZ (PPV)

SKY NZ (VOD)

XBOX - NEW ZEALAND (VOD)

NORWAY

APPLE - NORWAY (VOD)

SONY - NORWAY (VOD)

POLAND

UPC Poland

APPLE VOD

PORTUGAL

LUSMUNDO (VOD)

PORTUGAL TELECOM

APPLE VOD

PUERTO RICO

DIRECTV - PUERTO RICO

Romania

APPLE VOD

RUSSIA

DIGITAL ACCESS

YOTA

S. AFRICA

MNET

SAUDI ARABIA

EVISION

ODM - MIDDLE EAST

ORBIT

SCANDINAVIA

BONNIER MEDIA (SF ANYTIME)

BONVER (VOD)

VIASAT (VOD)

XBOX - Denmark (VOD)

XBOX - Finland (VOD)

XBOX - Norway (VOD)

XBOX - Sweden (VOD)

YOU SEE

SERBIA

ODM - CEE

SINGAPORE

SINGTEL

STARHUB

SLOVAKIA

ODM - CEE

APPLE VOD

SLOVENIA

ODM - CEE

APPLE VOD

SPAIN

APPLE - SPAIN (VOD)

CABLEUROPA/ONO (PPV/VOD)

ONO

SOGEACABLE

SONY (VOD)

TELEFONICA

XBOX - SPAIN (VOD)

Sweden

APPLE VOD

SWITZERLAND

APPLE - SWITZERLAND (VOD)

CHELOMEDIA

HOMEDIA

TELECLUB

UPC

XBOX - Switzerland (VOD)

TAIWAN

ANYPLEX TAIWAN (VOD)

TURKEY

ODM - TURKEY

UK

APPLE (VOD)

BLINKBOX (VOD)

BRITISH TELECOM

FILM FLEX

SKY BOX OFFICE (BSKYB PPV)

SKY BOX OFFICE (VOD)

SKYPE WBS (VOD)

SONY (VOD)

TISCALI (fka VNL)

XBOX UK (VOD)

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WORLDWIDE DIGITAL OVERVIEW

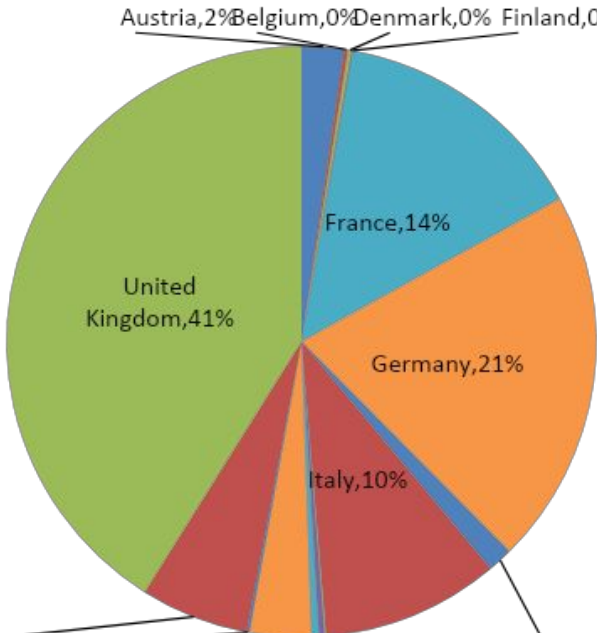
ITALY DIGITAL MARKET

NEW LOCAL OPPORTUNITIES

NEW DIGITAL DEVELOPMENTS

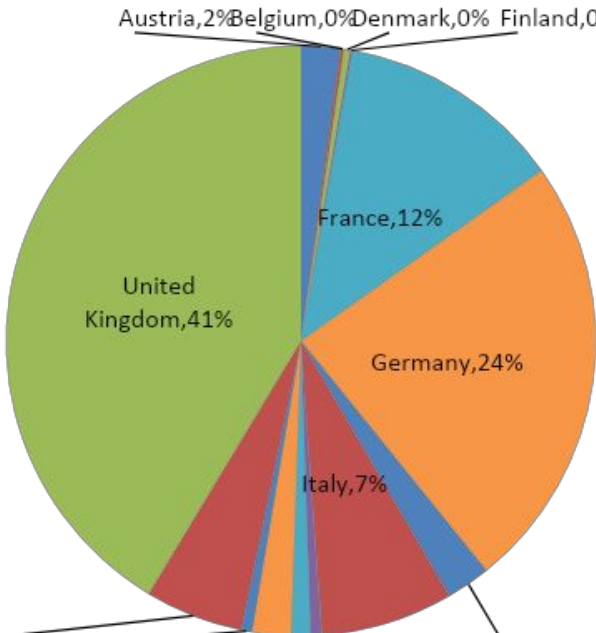
2011 WESTERN EUROPE EST-iVOD MARKET

EST



Switzerland,6% Sweden,0% Spain,3% Norway,0% Netherlands,0% Luxembourg,0% Ireland,0%

VOD



Switzerland,5% Sweden,1% Spain,2% Norway,1% Netherlands,1% Luxembourg,0% Ireland,0%

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CONNECTED DEVICES

Connected TVs, Game Consoles and Tablets

- All major VOD/EST platforms are trying to add these multi-device rights to their existing deals
 - To satisfy their customers' desire to view the content "anytime, anywhere"; and
 - To reach new customers (e.g., Sky Player on the X-Box).



NEW DIGITAL DEVELOPMENTS

CLOUD

- Announced 6th June 2011, iCloud is Apple's new digital locker service providing content storage "in the cloud"
- Service will be free for up to 5Gb for calendar, mail and contacts data, while only iTunes-purchased content will be stored for free
 - Storage for non-iTunes music will be charged at \$25 a year
- Content is not streamed but downloaded to up to 10 registered devices per consumer
- Not necessary to upload existing library; Apple's "iTunes Match" service will scan a user's HD and deliver any titles available on iTunes
- The service is available now in beta in the U.S. No release date yet for European launch
- Existing cloud services for video include Amazon's **CloudDrive** and Google's **cloud**



NEW DIGITAL DEVELOPMENTS

HOME PREMIERE

- Direct TV launched Premium VOD, branded as “**Home Premiere**”, in late 2011 with Warner Brothers, Sony, Universal and Fox
- Titles are available 60 days after theatrical release for \$30 per film
- Film is available for two weeks on a 48 hour viewing period and then unavailable until its normal VOD/PPV window at the regular price
- First titles made available by the studios are: Sony's ***Just Go With It***, Fox's ***Cedar Rapids*** and ***Diary of a Wimpy Kid*** and Warner's ***Unknown***
- In January, Disney tested Premium VOD in Portugal with ***Tangled***, offering the title six weeks after theatrical release at 24.99 euros



NEW DIGITAL DEVELOPMENTS

NETFLIX

- Netflix is a subscription service available in the U.S. and Canada, offering physical DVD and Blu-ray rental (U.S. only) and online SVOD streaming (U.S. and Canada)
- Fox content on the streaming service consists of catalog movie and series titles plus some newish (post DVD) seasons of TV series; Fox has flexibility on which content it can include in the offering
- Netflix number of subscribers rose to 23.6M in the U.S. and Canada*
- Streamed content can be accessed through a broad range of devices including connected TVs, certain set-top boxes as well as the X-Box, PS3 and Wii game console. Streaming-only option, will cost \$7.99 per month. Unlimited DVD-only option, will also cost \$7.99 (for one DVD out at a time), while both services are \$15.98 per month



* *Source: Netflix letter to shareholders, April 25, 2011*