Innovation and EU's cultural policy

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Looking at the world through the eye of a needle

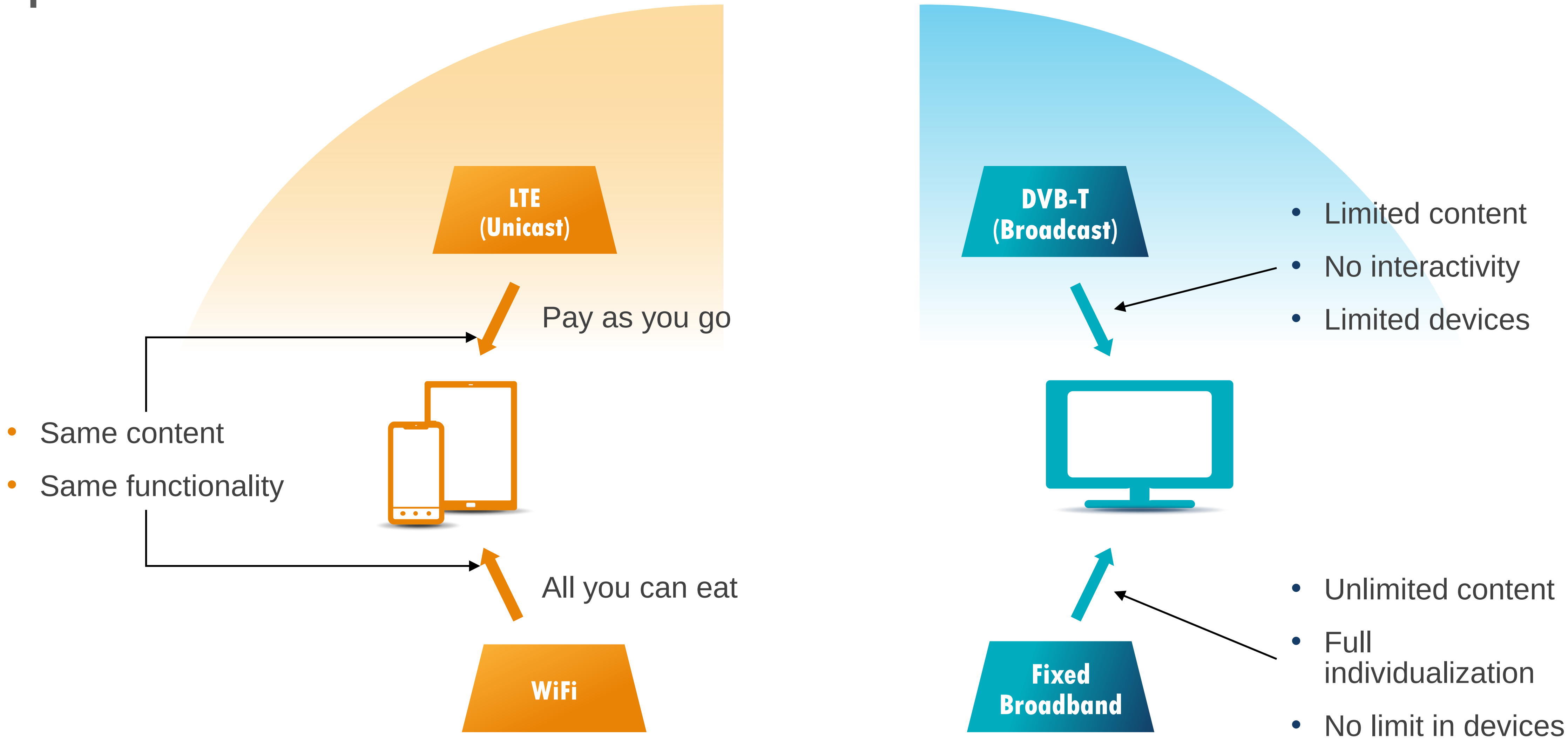
Mobile Network Operators

- I cannot get access to content
- I cannot monetize my infrastructure
- Video content is killing my network

Broadcast Content Provider

- I cannot reach out to mobile devices
- I do not have a personal relationship with customers
- The network costs too much
- Any upgrade is a 10 year process

Alternate future 1: no convergence of wireless TV platform



Alternate future 1 through the eyes of analysts

- **Conviva** - Internet-delivered television is becoming perfectly normal - TV is becoming a more individual, rather than community, experience. Viewers swiftly move to mobile for their content
- **Infonetics** - the OTT business grew to nearly $6 Billion in revenues in 2014 and is poised to nearly double to $10 billion by 2018.
- **Freewheel** - Wherever you look in digital video, there is overwhelming evidence that it is rapidly maturing and growing into its long-awaited role as the future of television. The advertising landscape for digital video continues to converge with that of linear TV. Advertising dollars [are driven] to digital channels.
- **Freewheel** - Once authenticated, viewers enjoy access to the rich on-demand libraries that lay behind the wall. digital video's premium positioning is the adoption of measurement currencies. Monetization via authenticated viewing grew 368% year-over-year in Q3.
- **Yume** - This year, consumers are likely to go online to not only purchase gifts but also to prepare for their holiday shopping. In order to strategically target audiences this holiday season, the multiscreen strategy is important for advertisers to adopt.
- **Wywy's** - Marketers are spending millions on TV ads only to potentially lose interested TV viewers when they use their companion second-screen device to purchase or seek more information and can't find the advertised product.

Combining assets to expand the offer

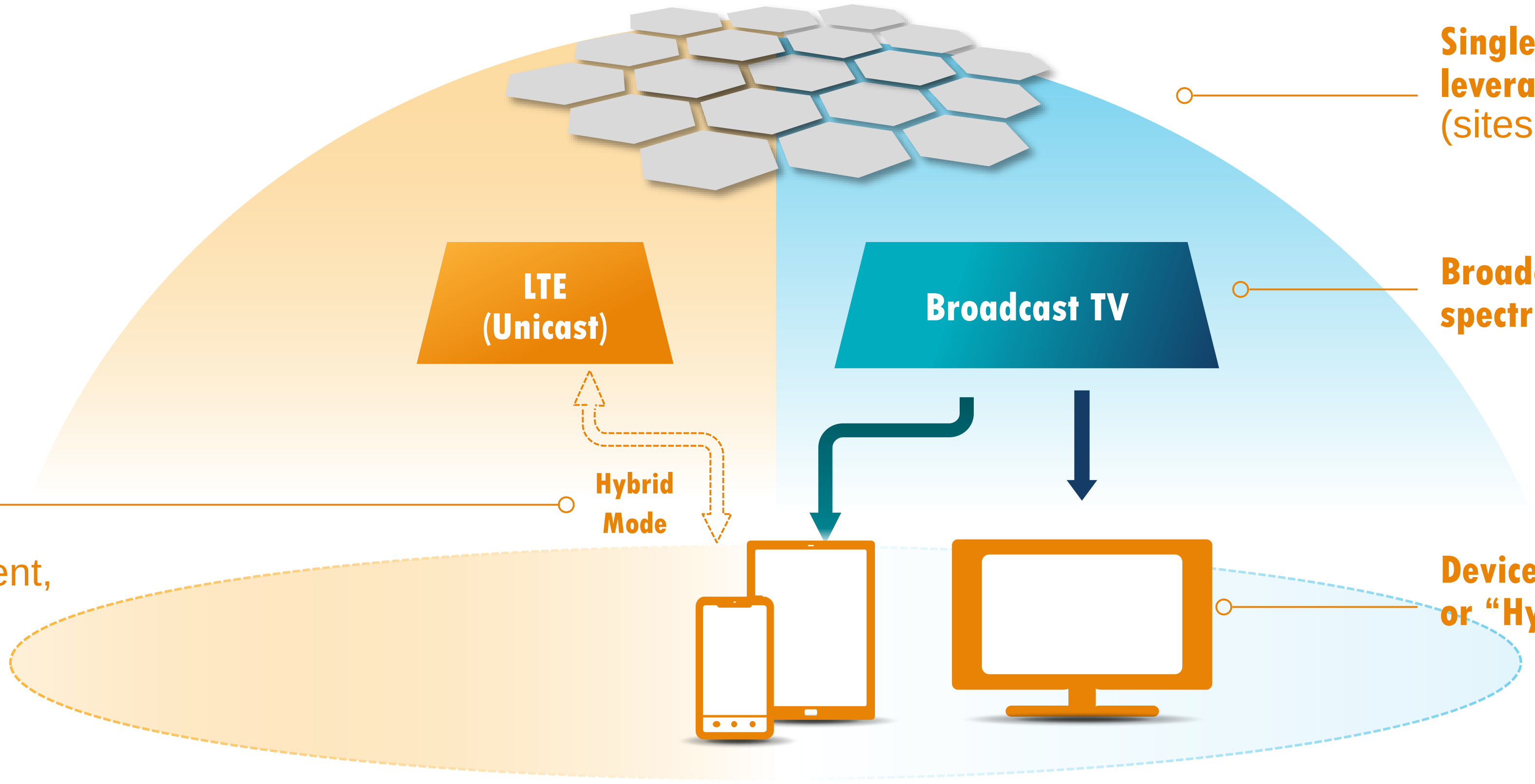
Mobile Network Operators

- Mobile grade network, latest technology
- Integrated unicast + broadcast platform
- Customer relationship + Payment platform

Broadcast Content Provider

- High quality content
- Free to air + Quality of Service
- Ability to influence demand

Alternate future 2: fully converged TV services



Single nationwide network leveraging existing LTE assets
(sites, transport, core network)

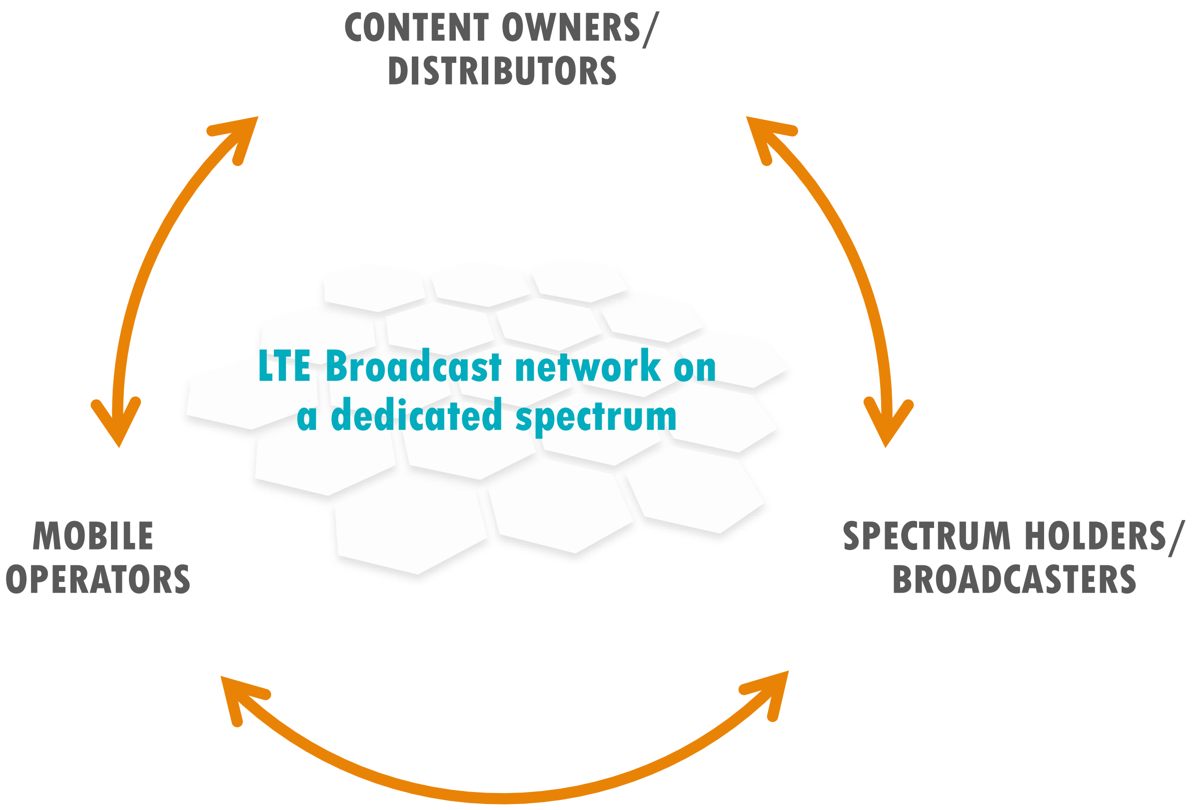
Broadcast on a dedicated spectrum

Enhanced user experience in the "Hybrid Mode"
(e.g. On-demand content, interactivity)

Devices in "Stand-alone" or "Hybrid" mode

"TV is dead anyway!"	***"What, another DVB-H?"***	***"Whatever you say/prove, it won't ever work!"***

Opens up new business opportunities



Individual/contextual advertising

Improved audience tools

Carrier billing

Interactive TV

Mobility designed content

True anywhere/anytime content

Alternate future 2 through the eyes of analysts

- **Freewheel -** This was a yet another huge quarter for live viewing [on OTT platforms]. We saw 214% growth in live video ad views year-over-year, with live accounting for 21% of all video ad views.[] Digital-first networks... see a compelling value proposition around digital viewing of ‘TV-Style’ content []
- **Conviva -** Our 2014 data shows that the highest picture fidelity isn’t always delivered where we might most expect it. As more and more people use the same pipes, their individual share of available bandwidth is reduced. As mobile audiences grow, the mobile carriers become a critical link in the chain of delivering the ideal experience.
- **Freewheel** - [In Q3 2014, video adds’] monetization on smartphones and OTT devices exploded, growing 77% and 208% year-over-year.
- **Wywy’s** - Second-screen device home pages increases conversion rates two to five times and is vital to getting the most out of a TV media buy.
- **Juniper Research** – Carrier billing [increase consumption of OTT content/applications] more than 30 times over credit cards billings in some instances.

The terrestrial TV platform

Role, relevance, future

1. EU’s tool for cultural policy
    - Content producer receive: spectrum licence + priority + must carry
    - Content producer commits to: content creation + editorial guidelines
    - Vertical model severely restricts innovation
2. DVB platform Key Performance Indicator is part of the issue
    - Average view time introducing bias in the service
3. Addressing Fixed TV reception in a connected continent
    - EU broadband goals
    - Legitimate use of spectrum: cost, speed of deployment, mobility

EU UHF Decision: flexibility or no flexibility?

The coalition of the unwilling against changing old habits

1. Flexibility-SDL has been a key component of policy discussions
    - ECC Report 224
    - Lamy Report
    - RSPG Report
    - CEPT preparation of WRC-15
2. Voices against flexibility and/or against SDL
    - BNOs/Broadcast lobbyists wanting to keep the band strictly for DVB-T
    - MNOs wanting the band exclusively for mobile broadband
    - UK and its whitespace devices policy
3. 2023: another MNO vs broadcasters war to the benefits of OTTs?

I have a dream

and all the nuts and bolts to make it happen…

EU as the most innovative media and cultural continent.

Content fit for the digital age delivered on state of the art network responding to EU’s cultural priorities

Through EU’s most unique and defining value: collaboration

If you want to make it happen with us…

And why it is already much more than a dream

1. Digital Europe as a discussion platform
2. Economic models work – there is value for everyone to share
3. EU content providers understand that the revolution is happening
   - Online platforms
   - Online only channels
4. Finland guidelines to its public broadcaster => redefining PSB PKIs
5. 3GPP enTV initiative
6. ETSI ISG on Mobile and Broadcast convergence
7. EU’s vision of 5G for verticals

Thank you

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