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IPTV Lessons From Around The Globe

**Tom Munro, CEO
Verimatrix**

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Common Elements of Successful International IPTV Deployments

Established Networks



- **US is 16th in the world in broadband penetration**
- **Typical consumer in Tokyo has choice of 2 fiber optic connections (power co and telco) @ 50Mbps+**
- **VSP's customer acquisition cost = STB cost vs. Verizon Fios or AT&T U-Verse implementation costs @\$2k per household**

High Residential Densities



- **Smaller Homes**
- **Fewer TVs per home**

Favorable Regulatory Regimes



- **The French Example**
 - **Canal+ opens network to IPTV operators**
 - **Retransmission agreements available**
 - **“Unbundled Network Elements” UNE is alive and lives in France – all applicants have access to France Telecom copper plant**
 - **€39.95 per month for unlimited voice calls, high speed data, 100 TV channels**

Analog Shutoff

- **TeliaSonera has reached 500k homes with IPTV, fueled by the shutoff of free to air analog TV.**
- **“First year free with broadband subscription” is their killer deal**

Hybrid Services

- **DTT or DTH broadcast plus IPTV VOD/Interactivity**
- **Extends reach to long-loop (slow DSL) markets**
- **KPN (Netherlands telco) case:**
 - *Amsterdam is covered by high speed DSL, so IPTV is the answer*
 - *Outlying areas are covered by KPN-owned DVB-T (over the air) broadcasts*
 - *Hybrid STB can seamlessly support broadcast via antenna plus VOD and interactivity over broadband IP connection*

Compound Networks

Takes advantage of legacy investments and out-of-market acquisitions

- **The Compound case:**
 - **Consider an operator who operates IPTV in their home market, and has acquired a cable TV or satellite operator in an adjacent territory.**
 - **Ideally, both are supported with a common branded user experience, billing system, channel lineups, etc.**

Three Screens

- **High coincidence of wireline and wireless customer base**
- **In many markets, the incumbent telco is the leading wireless operator.**
- **A common video experience (single subscriber account, shared bookmarks, etc.) across both networks can reduce churn**

Niche Strategies that exploit IPTV



- ***Expat TV***
 - What price would you pay to get the right soap operas to your foreign-born mother in law?
- ***Special interest TV***
 - Not just a euphemism for adult content, but also including out-of-mainstream sports (cycling, cricket), etc.
- **OTA Digital TV plus ‘cable’ channels on IP**
 - *Many households can now receive 5-7 free HD channels with a simple antenna*
 - *The “Cable Cutter” phenomenon has been raised and dismissed as a myth in the press*
 - But in a continued soft economy will it remain so?

Targeted Advertising



Much discussed, but...

Not that relevant to IPTV until:

- Targeted audiences are much larger and more clearly defined**
- Advertisers are more able to adapt messages to sub-markets**
- Privacy and infrastructure issues related to behavior tracking are thoroughly addressed**

Verimatrix Intro

World's #1 supplier of IPTV content security solutions

- Global leader in software-based pay-TV content security
 - Ranked #1 in the world by MRG (USA) 5 times in a row
 - 6+ million screens protected in 200+ deployments in 35+ countries
 - Securing content from all major studios and linear broadcasters
- End-to-end Security Solutions
 - Head-end telco-grade Key Management and Encryption (Broadcast and VoD) servers
 - Multi-platform client SW for STBs, PCs, Mobile handsets, MIDs, etc.
 - Additional security layers including video Watermarking, clone detection, etc.
 - Support for IPTV, DVB (-T/C/S/H), Mobile
- Global footprint
 - Founded in 1999 – HQ in San Diego, Calif.
 - Offices in China, Singapore, France, Netherlands, Russia, Boston, Atlanta
 - Over 100 ecosystem channel & integration partners including Ericsson, Nokia Siemens, Thomson, Motorola, IBM, Sun

Verimatrix "3-Dimensional" Content Security



Network Dimension – beyond broadcast, cable, telco, mobile network distribution silos, leveraging advantages of proven IP technologies

Device Dimension
Portability & transparency with network-centric key management for flexible mix of devices



Protection Dimension
Multi-layer security to enable rich business models, copy traceability and combat theft of service

Thank You!

Tom Munro
CEO

tmunro@verimatrix.com

+1.619.507.0143