



Origin8



Spectrum consortium presentation

Origin8



PSP shadow bid



2 December 2004



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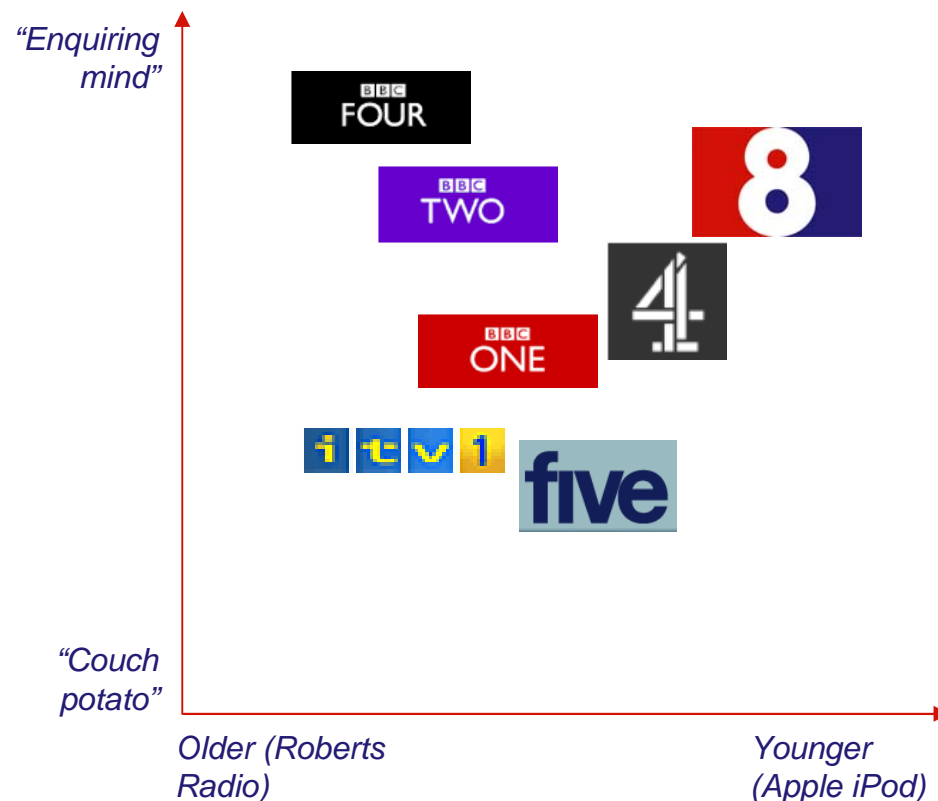
1 A fresh vision for PSB

1. A fresh vision for PSB



“The freshest and best of British, reaching parts other PSBs cannot reach”

Target market positioning [ILLUSTRATIVE]



Values

- “All-original”
- Innovative
- Creative
- Risk-taking

In ways commercial broadcasters cannot afford to be

Target audience

- Multi-channel viewers
- “Lapsed C4 viewers”
- Broadband users
- Out-of-home users
- Key niche / ethnic audiences
- Local communities

***“Reach: the marker of success”*: making quality programming that is accessible to a wide audience**

Two strands of content: mixing premium and local content

High quality but under- provided by market

- We will “delight in all that is mad, bad, quirky and generally bonkers about the people and places of Britain”
 - original drama that represents and reports people’s different lives and experiences
 - informative and relevant factual programming about who we are and where we came from
 - content exploring the functionality of new media



Local targeted content

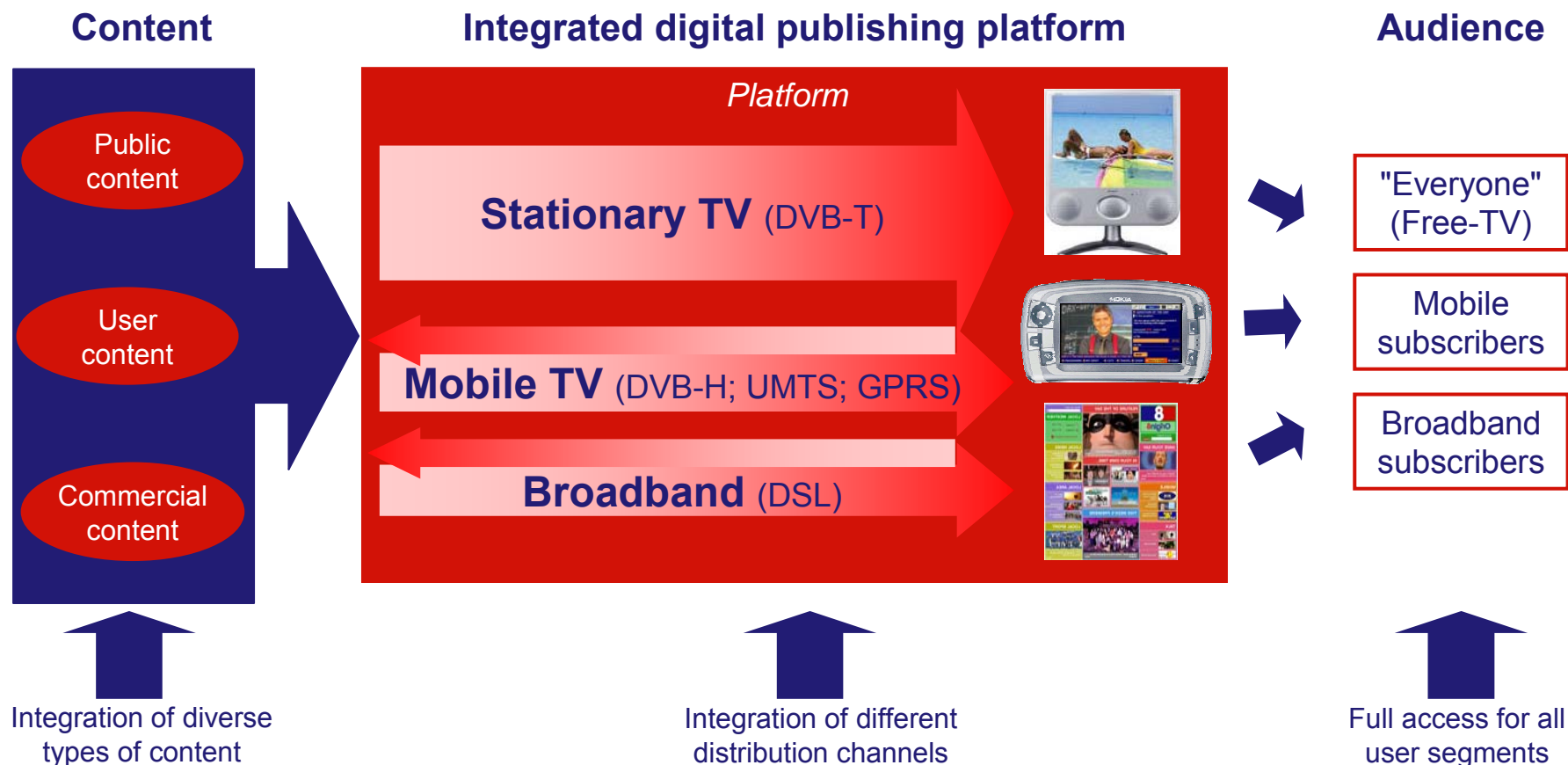
- There will be some core local news, sport, and listings content and services...
- ...supplemented by a community-driven “local exchange” platform for users to contribute views and content



1. A fresh vision for PSB

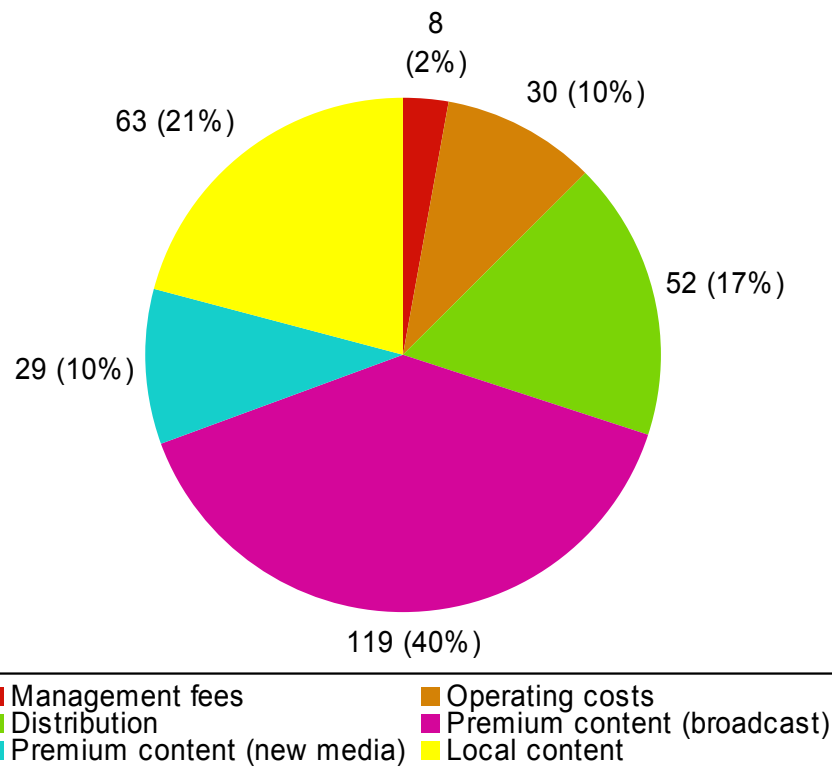


***“The virtual broadcaster”*: platform, channel and brand agnostic**



***“Lean, mean content machine”*: summary of Orīgin8’s spend and original content output**

Breakdown of £300m budget (£m)



Summary of Orīgin8’s content output

£211m content spend

4 hours a week of drama

6 hours a week of factual

1 hour a week of online drama

1 hour a week of mobile content

40 “deep” websites

12 local TV stations

12 local portals

2 Delivering original content in original ways

2. Delivering original content in original ways



***“This multicultural isle”*: offering content that reflects the many faces of Britain**

Innovative, engaging drama...



...or, more factually speaking, enlightening, informative...



...reflecting British society...



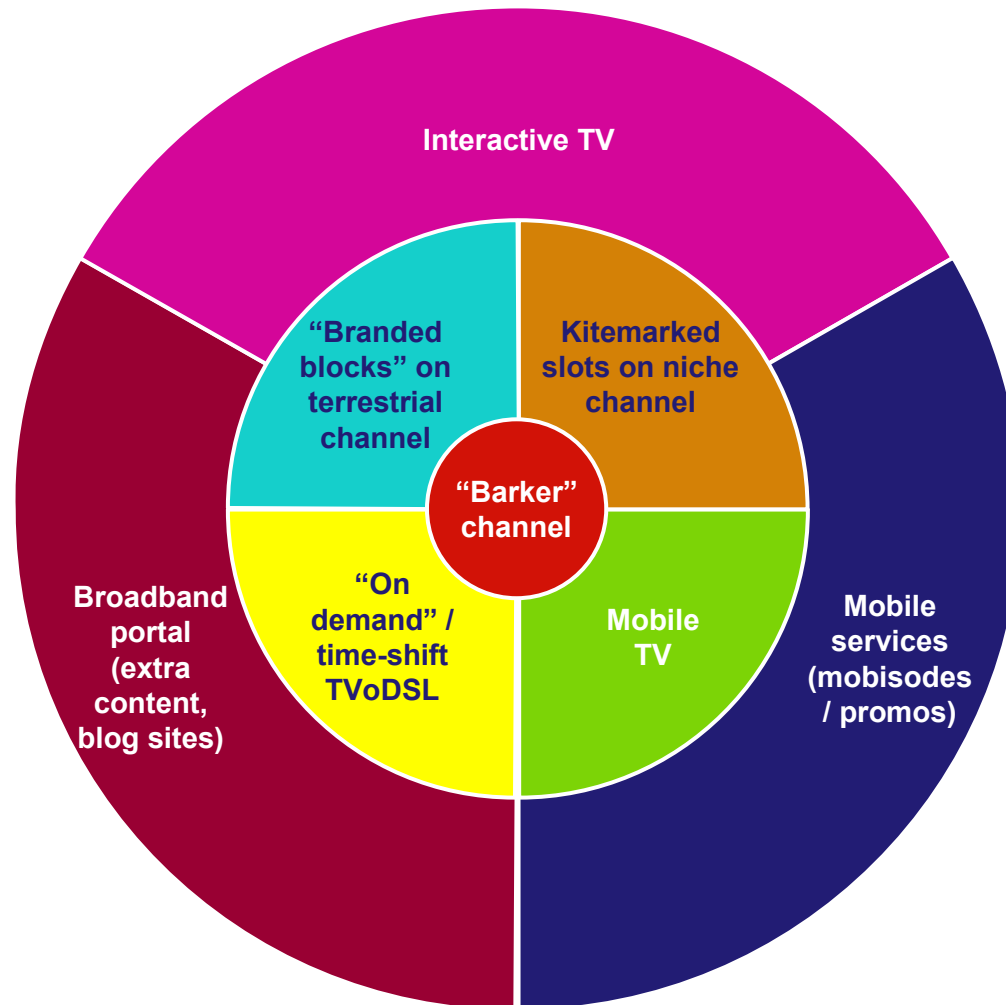
...and relevant: who we are and were



2. Delivering original content in original ways



***“Multi-platform distribution”*: media integration**

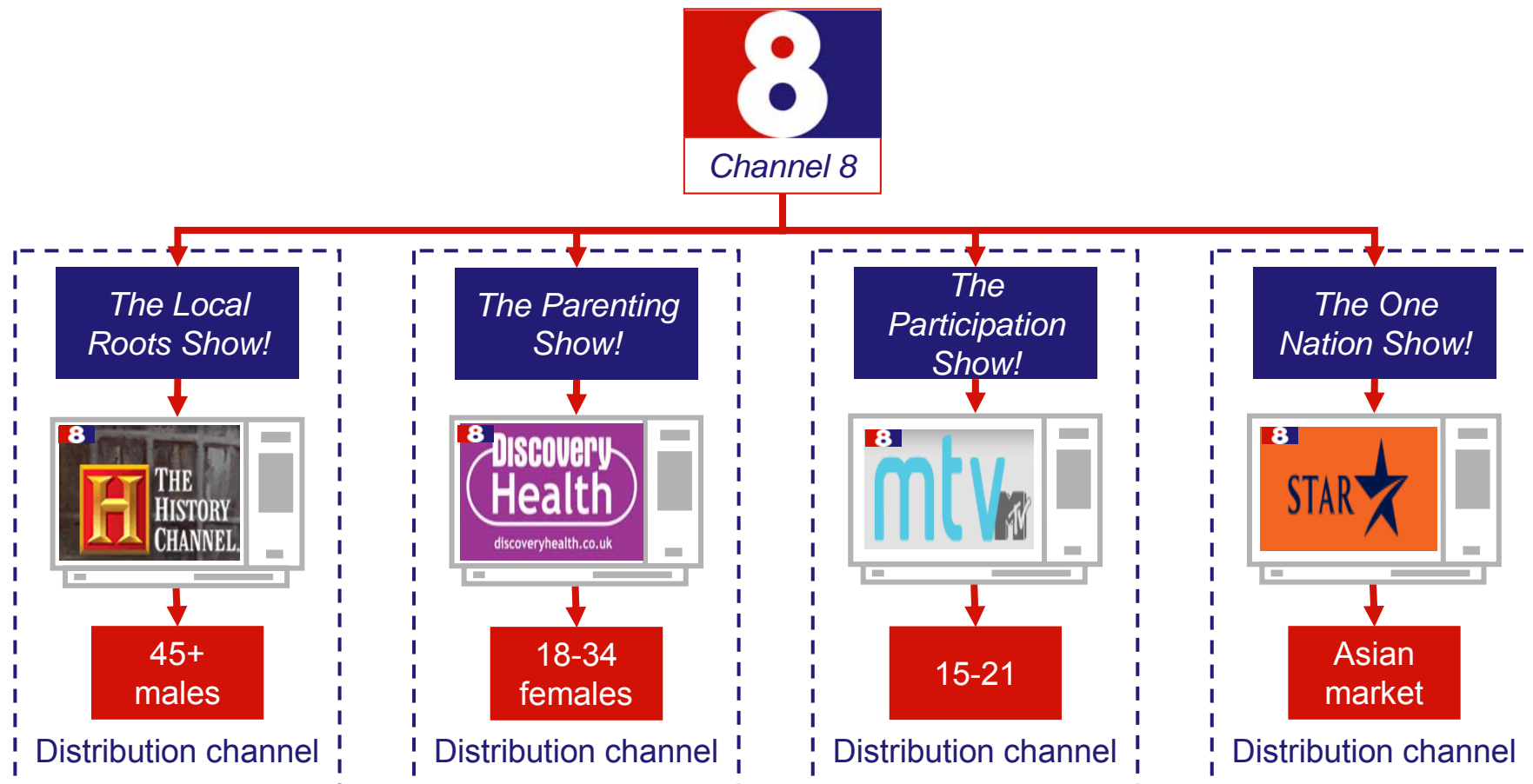


ILLUSTRATIVE

2. Delivering original content in original ways



***“Spreading the word”:* kitemarked slots on targeted channels for multi-demographic reach**



2. Delivering original content in original ways

***“Innovation around programming”*: content that makes the most of new media capabilities**

Online: expanding the user experience

- Premium content available “on demand”
- Original online production
- Links to additional programme-related material
- Fora for communities of interest

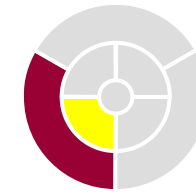


Mobile: personalisation and interactivity

- Live TV on the move
- Original content tailored to mobile medium
- Related customised services (e.g. video chat)
- Return channel interaction



2. Delivering original content in original ways



“Your online content library”: 24 hour content exchange

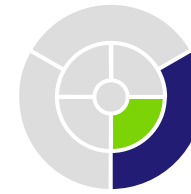


“The weekend starts here!”

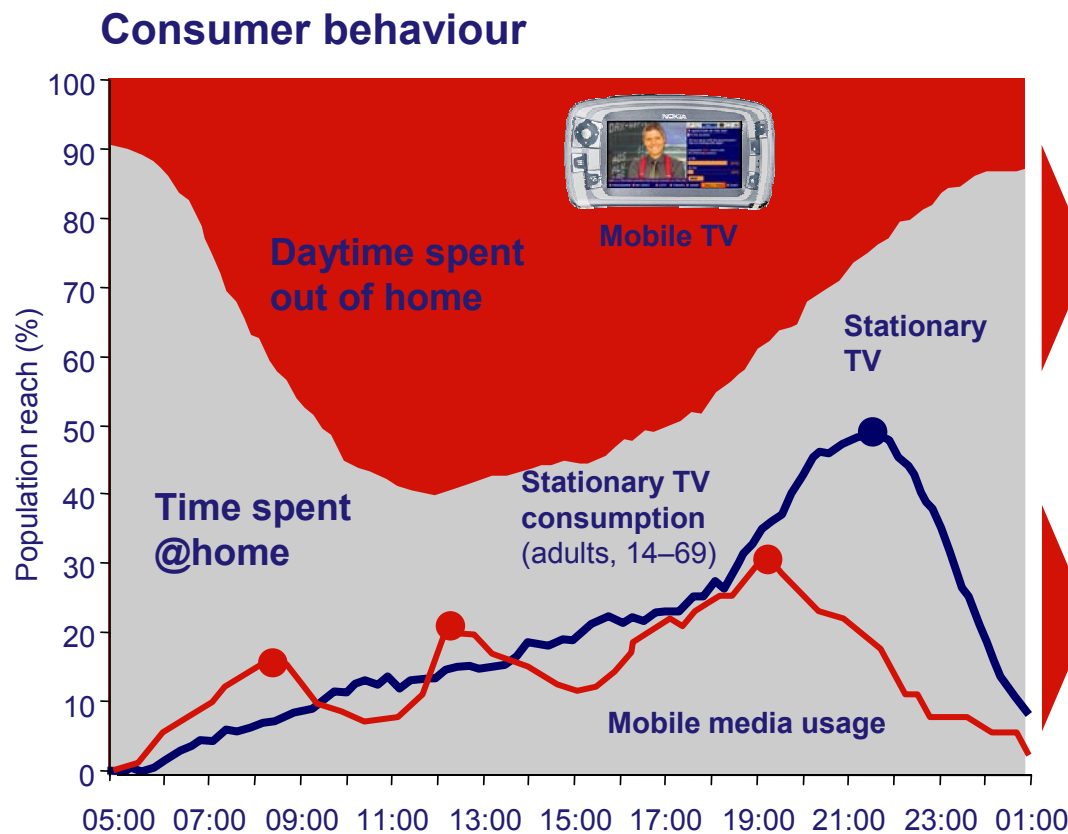
- Every week, at 6pm on Friday, we will download our content for that week to our network
 - full programmes for download / streaming
 - sneak previews
 - “catch-up service”
- We will also run 24 hour online user-generated content hubs
 - communities of like-minded content “junkies”



2. Delivering original content in original ways



***“Re-creating peak-time”*: ubiquitous content delivery and interactivity**



Added value of mobile TV

Ubiquity

- Round-the-clock access
- Addressing individuals, not households
- UK-wide access to local content (Coverage through integration with other mobile networks)

Access

Integrated interactivity

- Active user involvement in content creation / distribution

Personalisation

- Adapt content to individual user profile

Convenience

Source: ip media/GfK MIT 2003

● New mobile media peak times ● Stationary TV peak time

3 What about local communities?

3. What about local communities?



***“Unashamedly local”*: a portal for the people by the people**

Redrawing regional lines

- Choose regions that reflect a common cultural/historical identity (e.g. 0161)
 - forget ITV’s old TV franchises
- Return to the idea of “conurbations” and their surrounding areas (12 in total)
 - West Yorkshire
 - Cumbria
 - West Midlands
 - Merseyside
 - Greater Manchester

Building a viable proposition



- Serving Derry, Ireland
- Catchment: 160k
- Local content (focused on news) in peak time
- Profitable (driven mainly by “advertorials”)



- Serving Ottawa, Canada
- Catchment: 1.5m
- Consists of local content (news, ‘breakfast’), plus acquired premium content
- Extensive online services

3. What about local communities?



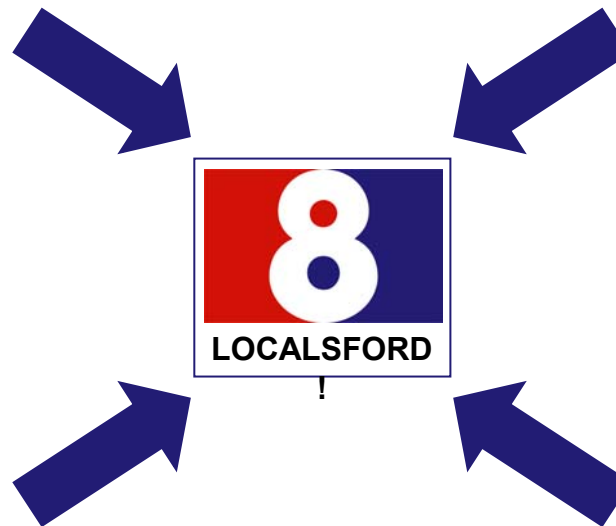
“Merging content”: a centralised community building tool

Origin8 premium content

- 2 hours per day of original content
 - drama
 - factual
- 2 hours repeat

Links to local services

- Community events
- Local galleries
- Newspapers
- Listings: a local *TimeOut*
 - e.g. “Take 10”



Local content exchange

- message boards, forums, blogs
- video booths (e.g. “Speakers Corner”)
- education networks
- “Trading floors”

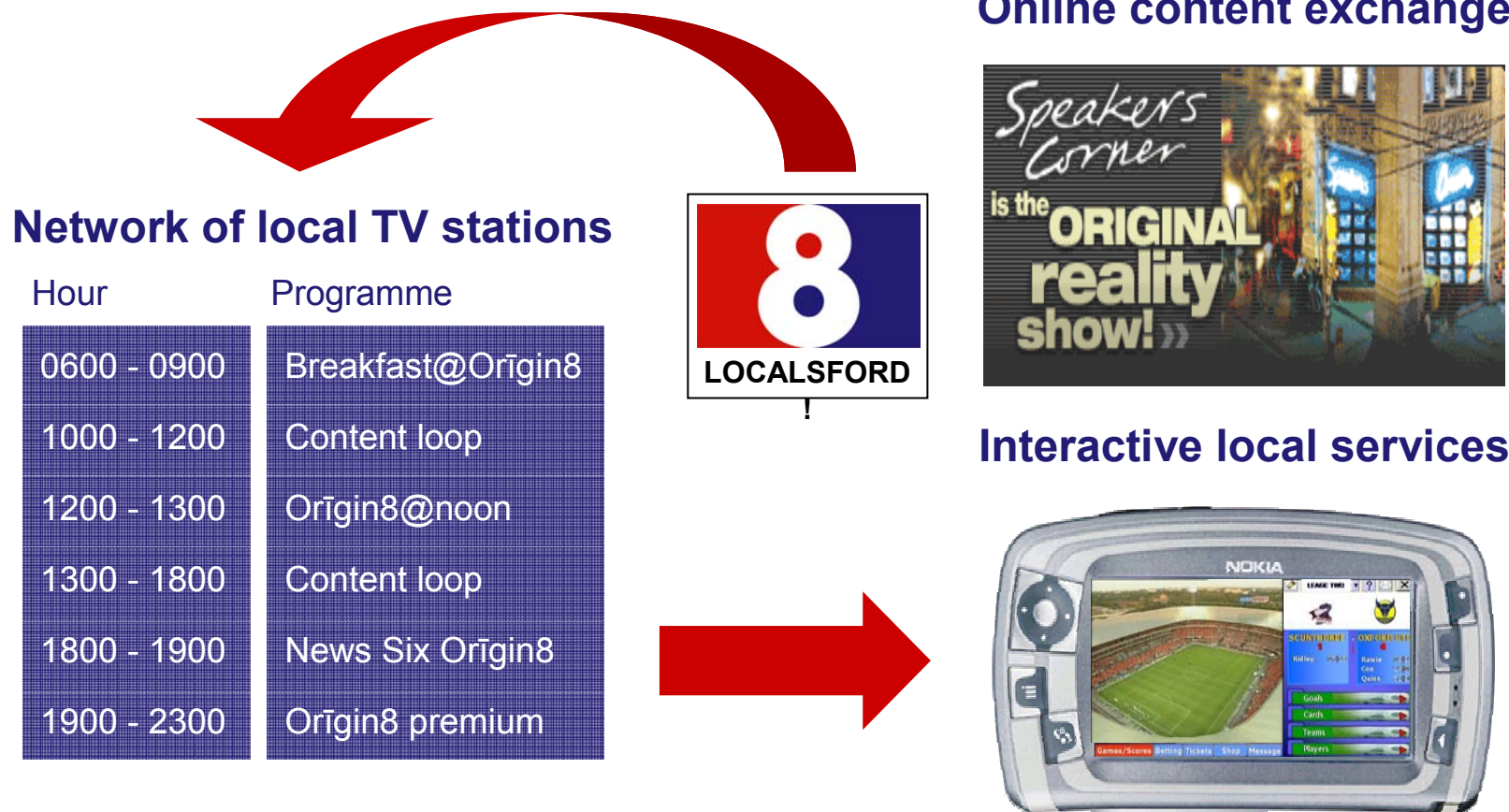
Original local content

- ‘Thin’ offering of local news and sport

3. What about local communities?



“Spectate – relate – originate!”: drawing the viewer into shared creative experiences



3. What about local communities?



Mobile example: local football with interactive match guide



4 The Origin8 business proposition



Organisational structure/set-up

Ownership

- Equally split between parties

Governance

- Non-executive board of directors, as C4
- Regulated by Ofcom through annual statement of promises, as with ITV, C4, Five

Structure

- 100% vertical separation
 - will look to develop key relationships with at least 2 ex-London creative hubs
- Consortium partners to guarantee at least 10% of output for the first two years

Location

- Newcastle or Manchester
- Presence in each nation / region / locality



Use existing PSB to showcase and promote content to a wider audience



Distribution

- Up to 1 hour per day of Origin-8's content to be showcased in regular peak-time slot on Channel 4

Joint commissioning

- Collaborative commissioning process for content to be showcased on Channel 4

Cross-promotion

- Cross-promotion of content and services between Orīgin8 and Channel 4

Content supply

- Re-use of Channel 4's content for Orīgin8's interactive new media services

Commercial collaboration?

- Co-production for landmark programming?
- Co-operation between Orīgin8's commercial activities and 4 Ventures?



The PSP will also seek to generate secondary commercial revenues / profits⁽¹⁾

PSP commercial division

- The PSP consortium will, where possible, seek to generate secondary commercial revenues
 - these revenues would be flow from ancillary services and activities (**NOT** publicly funded PSP content)
- Commercial activities would be explicitly ring-fenced in PSP accounts
- Any commercial revenues could either be reinvested in core PSP or returned to shareholders

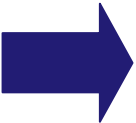
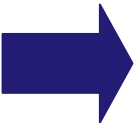
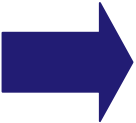

Possible commercial revenue streams

- Content distribution
 - set up PSP distribution arm (or outsource to existing player) and exploit secondary rights, where producers are willing/happy to sell
- ‘Premium’ content & services
 - create new “deep” online and mobile content, related to core PSP content, available via subscription

Note: (1) Primary PSP activities would remain strictly not-for-profit



In conclusion, Orīgin8 will deliver:

- | | | |
|---|--|--|
| <ul style="list-style-type: none">• Original, creative, enlightening UK content that commercial broadcasters will not deliver |  | <ul style="list-style-type: none">• <i>“Reflect and strengthen our cultural identity....make us aware of different cultures”</i> |
| <ul style="list-style-type: none">• New local content services, to compete with the BBC |  | <ul style="list-style-type: none">• <i>“Inform ourselves and others and increase our understanding of the world”</i> |
| <ul style="list-style-type: none">• Participation in the content creation process |  | <ul style="list-style-type: none">• <i>“Bringing audiences together for shared experiences”</i> |
| <ul style="list-style-type: none">• Content available when people want it and how they want it |  | <ul style="list-style-type: none">• <i>“Demonstrate innovation in the use of different distribution technologies”</i> |



A Cost and budget assumptions

A. Cost and budget assumptions



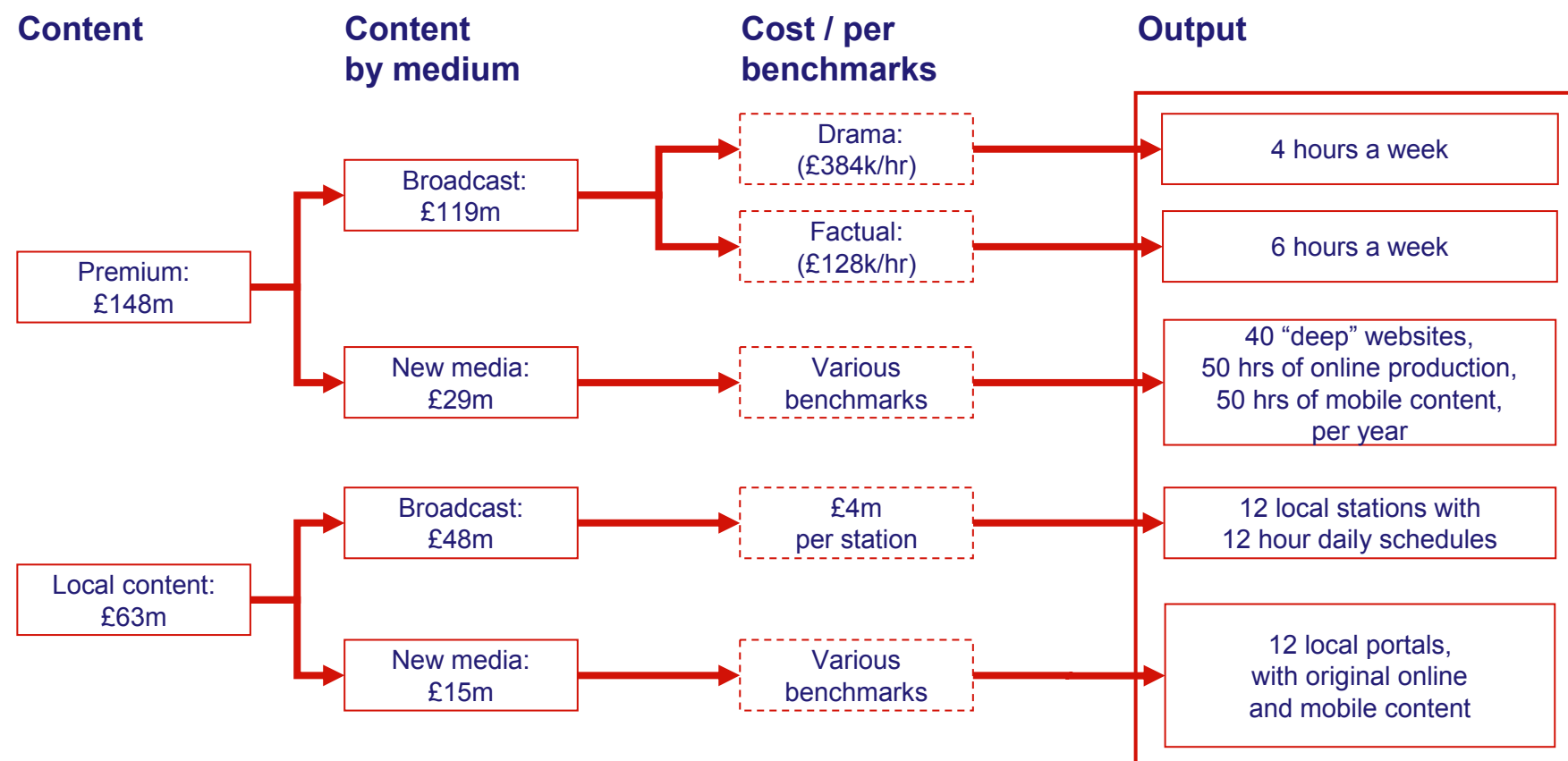
Summary of Orīgin8's budget

Total		£300m
Start-up costs	0%	-
Other overheads	10%	£30m
Management fees	2.5%	£8m
Programme related spend	87.5%	£263m
Programme-related spend		£263m
Transmission/Distribution	20%	£52m
Content	80%	£211m
Content		£211m
Premium content	70%	£148m
Local content	30%	£63m
Premium content	70%	£148m
Broadcast	80%	£119m
New media	20%	£29m
Local content	30%	£63m
Broadcast	76%	£48m
New media	24%	£15m

Source: Spectrum analysis

A. Cost and budget assumptions

Summary of unit cost assumptions and outputs



Source: Spectrum analysis