



Creating the future today for mobile TV

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ITV Consumer Division



Today

- A view of the future from a broadcaster/producer
- ITV and the growth of our consumer businesses
- Activities in mobile
- The challenges



- ITV PLC is the UK's first and largest commercial broadcaster
- About ITV
 - 2.5 billion Euros of advertising per year
 - ITV1 weekly reach of 82% of the UK population
 - 272 programmes with over 10M viewers
 - Broadcast the best rating show on any channel in the UK
 - Break new global formats
- ITV Productions
 - 3,500 hours of original programming each year
 - UK's top performing ent series and the UK's best performing reality show
 - Largest supplier to the American market of any non-US production company
 - Top 10 in the German market
 - Australia's most watched show so far this year
- Brand, reach and content



The ITV World View

- The TV landscape is changing like never before:
 - ITV has 6 channels rather than 1
 - Advertisers have more choice
 - Viewers have more choice
 - Multitude of technological devices on the market
- Business model for commercial television is fundamentally changing
- To survive and grow we need to change our view of the world
 - ITV is a media business: distribution of our content on all platforms and every device
- In short, our next 5 years will be much more demanding than the last 50!



ITV Consumer (ITVC)

- New division ITV Consumer
- New revenues from consumers rather than advertisers
- Turn viewers into consumers
- ITV's advertising business is worth £2BN each year
- Our strategy:
 - Organic growth
 - Growth through acquisitions
 - Making effective use of the window we have into nearly every UK home
 - Building a database of consumers to create direct relationships with them



ITVC Interactive Revenues

- What are our existing businesses?
- World leaders in monetising telephony, SMS and interactive TV revenues
 - 48 M transactions and £41M revenue in 2005
- Internet business growing into a broadband business
 - 8.1 million homes (of 26M homes) and growing at 25% each year
 - Delivery of TV programmes
 - Entire channels available on a free to view and pay to view basis
 - ITV Local trial - share of the local classified advertising market, which is worth over £2BN in the UK.



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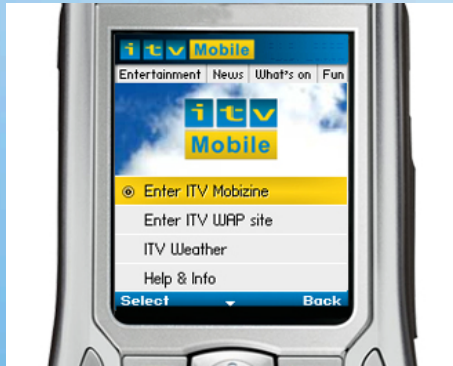


ITV Mobile

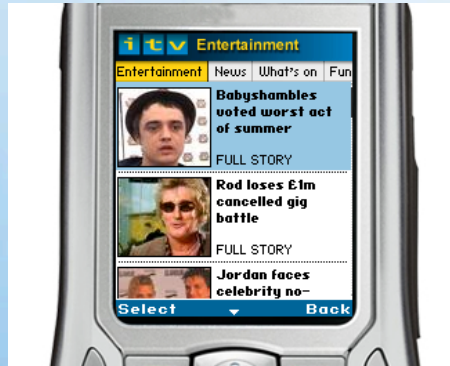
- What are we doing on mobile?
- 1st October this year we launched our mobile portal
 - 100% market penetration of mobile handsets
 - Key distribution platform
 - Simply another device to distribute content
- Current proposition
 - News, Entertainment News, Sport, TV Listings
 - Content from the biggest ITV programmes
- Made available direct to consumers and on operator portals
- Here's what it looks like...



ITV Mobile home pages



Home Page



Entertainment



News & Sport



What's On



Fun & Games

Games (for example) will support other developments such as ITV Play, a “Participation TV” initiative To be launched early in 2006. It will be not only a television channel but will have broadband and mobile variants.

X Factor

- One of the UK's biggest shows, X Factor
 - Produced by Fremantle
 - Sponsored by Nokia
 - 10M viewers and a 38% share each week
- The first clip is from the show itself
- The second clip has been specially filmed for mobile and will never be seen on television



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What next for ITV on Mobile?

- ITV will stream our entire family of channels to mobile phones
 - Rights issues are complicated – will start with ITV Play
 - A channel created specifically for mobile
- We will also stream individual programmes on a live and an on-demand basis
 - news programmes
 - sports programmes
 - high-rating soaps and entertainment programmes
- Intend to commission content that will only be available on mobile phones
- Dating
- Betting
- User-generated content



Advertising

- ITV will drive innovation in this area
- Offer our advertisers a total package
 - WAP services for advertisers alongside their spot advertising
 - Provide more information, or to elicit a response
 - Location Based Services
- Advertising proposition on our mobile portal
- Consumers receive free content funded by advertising
- When the market matures we will target different advertising to different devices



Creating the Future

- The future for Mobile TV is already being created today
- People will use their mobile phones to engage with TV content and TV channels
- The challenge is in creating a viable business
- Let's look at the challenges...



Understanding what consumers want

- Knowing what consumers want can sometimes be a bit tricky!
 - Plan to be involved in all the industry trials and we will research
 - ITV has just announced a new Innovation Team
- Viewers like
 - Compelling stories and narrative
 - Interacting through votes, quizzes and competitions
 - A combination of streamed live material and on-demand access
- But we need to answer two important questions as an industry
 - Will viewers want the same type of content on their mobile phone as they want on television?
 - And will they pay for it?



High Quality Content

- Quality of content will be important - ITV has built it's reputation on this
- The production community needs to invest in this area
 - Many TV producers still haven't grasped interactive TV or Internet
 - Concern if the creative community responds same way
- Broadcasters have a key role to play
 - We invest in the market to create the demand
 - Producers have confidence to make investment



Technology Issues

- We're hedging our bets on technology
- ITV is involved in the DVB-H trial in the UK
- Also looking at DMB and DAB
- And we're actively pursuing 3G Mobile TV: our shareholders demand short-term revenue growth
- If DVB-H is to become the industry standard for mobile TV it needs to be both adopted and in use way before 2012



Personality Differences...

- I know just how different the media and technology industries are
 - Culture
 - Business models
 - Don't even speak the same language!
- But our goals are aligned as never before: we need to form new partnerships
- By working together we can maximise the opportunities for both
- Together we allow people to make connections – both physical and emotional.



Producers and Operators

- 3G Mobile TV is in land grab mode right now
 - Rights owners licensing mobile rights directly to mobile operators
 - Mobile operators establishing themselves as content aggregators and broadcasters
 - Break-up of traditional models?
- 3G Mobile TV will fail if
 - There are no guiding principles agreed on licensing rights to broadcasters
 - Viewers are therefore presented with an unstructured collection of content
- We believe
 - Mobile rights ought to be made available to broadcasters around the time of transmission on TV
 - Mobile operators should carry all terrestrial channels as the digital TV platforms do
- Mobile TV should offer TV as viewers know and understand it, but available on the move, and with extra interactive functionality



To close

- Television is in the process of a monumental change
- But is alive and kicking
- It has a power to engage and excite like no other media
- Thank you very much for listening

