

PRESS RELEASE

goetzpartners analysis

Context is king – media usage in the multiscreen age

Munich, December 28, 2011. The internet has become the leading medium in Germany and has overtaken traditional television. The main reasons for this are the increasing consumption of video content via the internet and the growing market penetration of hybrid and mobile devices. This has turned the seamless multiscreen experience into a reality – consumers can now access their content at any time and using any of their devices. There is growing consumer interest in innovative supplementary functions. Content providers now have to understand consumers' specific requirements and usage situations and meet them with special content offerings, the integration of value-added supplementary functions and the appropriate device. These are the results of goetzpartners' latest IPTV study that is based on a representative consumer survey conducted in Germany, the UK and France.

Internet becomes the leading medium

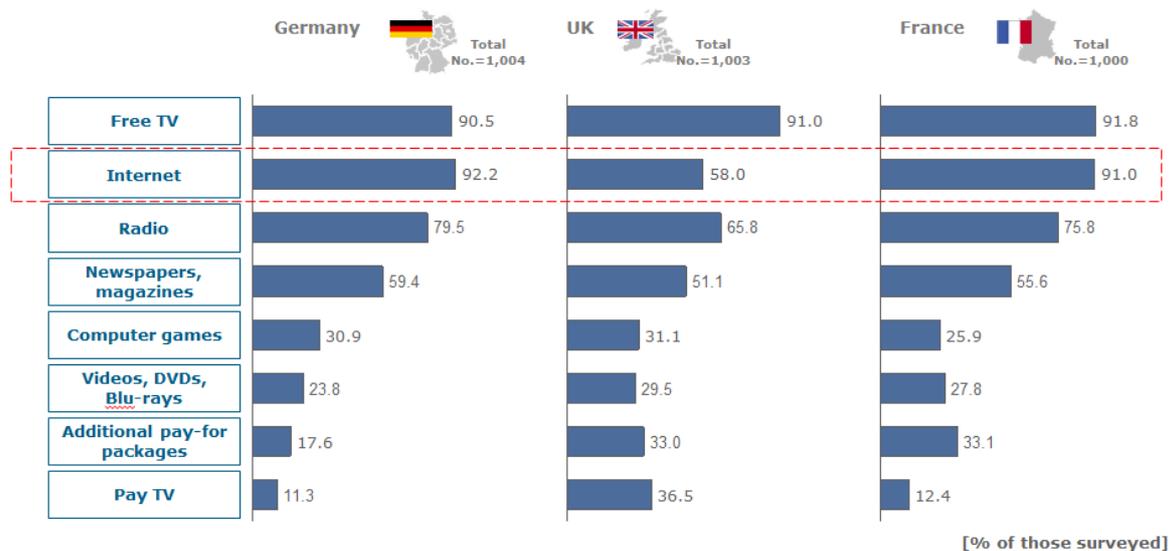


Fig. 1: Regular media usage (daily or several times a week); Source: goetzpartners representative consumer survey 2011

The internet has now replaced traditional television as the leading medium in Germany and complements it on an equal footing in France. There has been a rise of just under 19.5 percentage points in Germany in regular internet usage compared to the previous year. The main reasons for this are the increased use of social networks and consumption of video content online. “The younger target group in particular is increasingly shifting towards “media multitasking” which means the use of the internet in combination with other media,” explained Marcus Worbs-Remann, Senior Manager at goetzpartners Management Consultants and one of the authors of the study.

Any content, any device, any time, any place

In addition to the trend towards parallel usage, development in the field of devices is also driving the rise in the use of video content. The rapidly increasing market penetration of hybrid devices, such as smart TVs and mobile devices like smartphones and tablets, is turning a new multiscreen experience into a reality. Consumers can now access content at any time and with any of their devices.

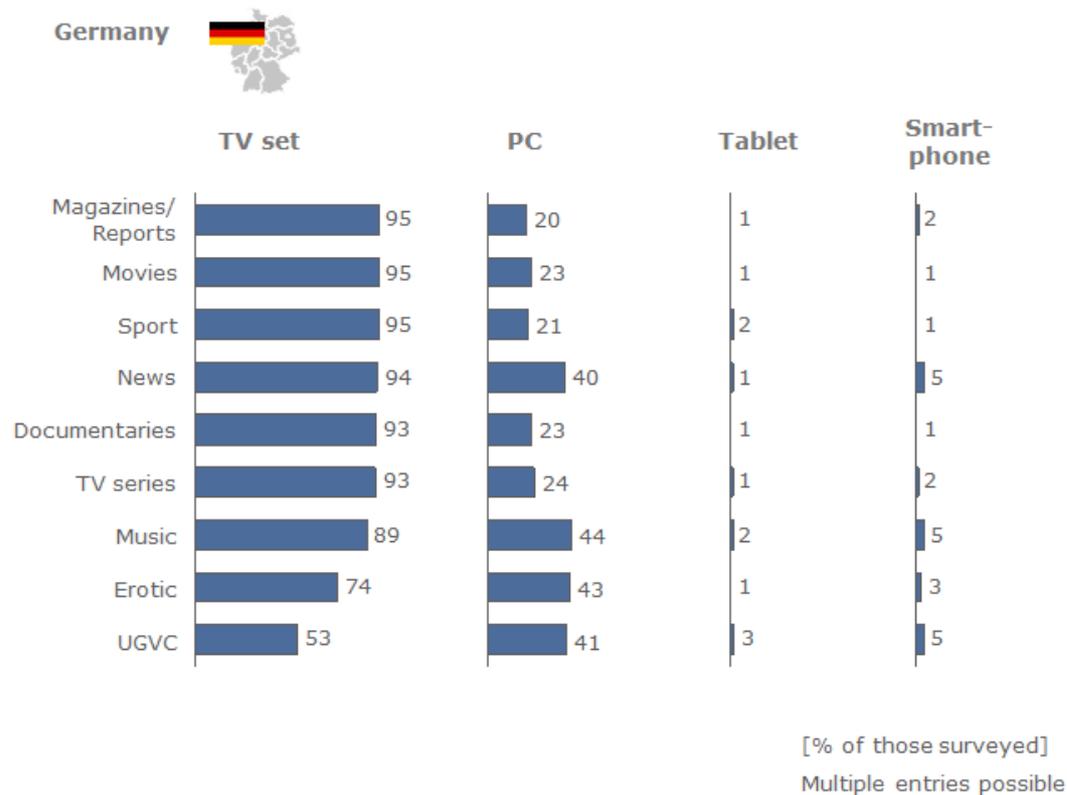


Fig. 2: Preferred devices for the use of IPTV offerings; Source: goetzpartners representative consumer survey 2011

The TV set remains the preferred device. However, viewers are increasingly opting for connected TVs. Complementary usage on other devices has also been observed for certain content types: both user generated video content (UGVC) and erotic and music videos are also viewed via PCs, tablets and smartphones.

The key factor for consumers is the ability to access the required content as easily as possible, at any time and from any of their devices - regardless of location, content provider and platform operator. The use of content on various devices must be possible without any media discontinuity. In particular, this requires a specific configuration and adjustment of content to the respective usage environment. "Interoperability is a prerequisite for consumers to enjoy a comprehensive multiscreen experience," underlined Dr. Alexander Henschel, Managing Director at goetzpartners, who is also responsible for the study.

Interactive supplementary functions also change traditional TV usage

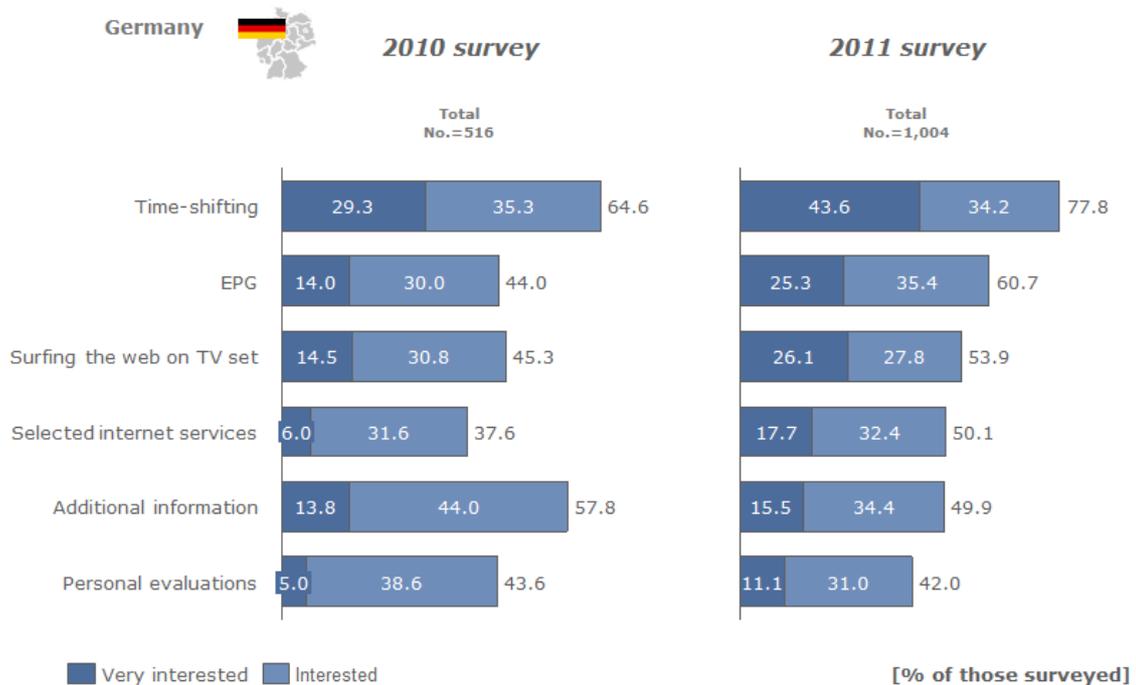


Fig. 3: Development of interest in supplementary TV functions; Source: goetzpartners representative consumer surveys 2010-2011

In addition to the seamless availability of content, the innovative supplementary functions of IPTV offerings also influence consumer usage behaviour. Above all, time-shift TV and video-on-demand (VoD) as well as interactive applications, such as modern EPGs, free internet surfing via the TV set and access to pre-selected apps are of interest or of great interest to over half of consumers. This illustrates that consumers now clearly recognize the added value of IPTV offerings compared to traditional TV offerings and regard them as part of a comprehensive TV offering. An example of this is the cable network operator UPC, which will launch a highly innovative and connected TV experience in several European countries in mid-2012. The user interface by Horizon, which is based on NDS's snowflake concept, enables completely intuitive usage of an extensive range of high-quality content, such as VoD and personalized TV recommendations, thanks to an innovative control concept. Consumers will be able to transfer and use the content accessed between the stationary TV set and mobile devices without any media discontinuity.

Key challenges

Content providers must embrace these new opportunities for multiscreen media usage and interactive supplementary services and effectively take them into account when designing their content. The challenge faced is firstly to understand the requirements and usage situations of consumers in order to subsequently produce sustainable differentiation from traditional linear TV offerings on the market by way of specific content offerings, the integration of value-added supplementary functions and suitable devices. "Content providers who offer genuine added value with target-group-oriented content offerings in specific usage

situations will be able to participate in the increasing use of video content,” as Henschel underlined.

About goetzpartners

goetzpartners is a leading independent European consulting company that combines M&A (mergers & acquisitions) advisory and management consulting under one roof. With this unique service offering goetzpartners advises companies along their whole value chain, thus creating sustainable value for them. The Group is represented with offices in Munich, Düsseldorf, Frankfurt, London, Madrid, Moscow, Paris, Prague and Zurich, and maintains international cooperation ventures. goetzpartners Management Consultants concentrates mainly on the fields of strategy, operational excellence, and business transformation. goetzpartners Corporate Finance focuses on M&A advisory services.

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