OVERVIEW
JANUARY 2014

"Cloud-based" rights & multi-point access

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Widely-honored industry standard (like Blu-ray, DVD)

Look for logo on disc packaging, when shopping online or via apps

- UV functions are integrated into retailer websites & apps – *they are mostly invisible to consumers*

As a consumer:

- At the point of purchase, add UV title to your library via participating retailer (*also: create UV account during first transaction, log into account – as required – if you already have one*)

- See your library, download/stream direct from retailer environments (*where you bought your content and via other participating retailers*) – on the devices you already own

A standardized and generous usage model

This model is agreed to by all UV Content Providers

Download – at least 3 downloads included with purchase price *(phasing in Common File Format for cross-brand, cross-platform interoperability, use on 12 CFF-compatible apps or devices)*

Stream – at least 1 year no-charge unlimited streaming from selling retailer *(use almost anywhere via web, apps or set top boxes; up to 3 simultaneous streams per account)*
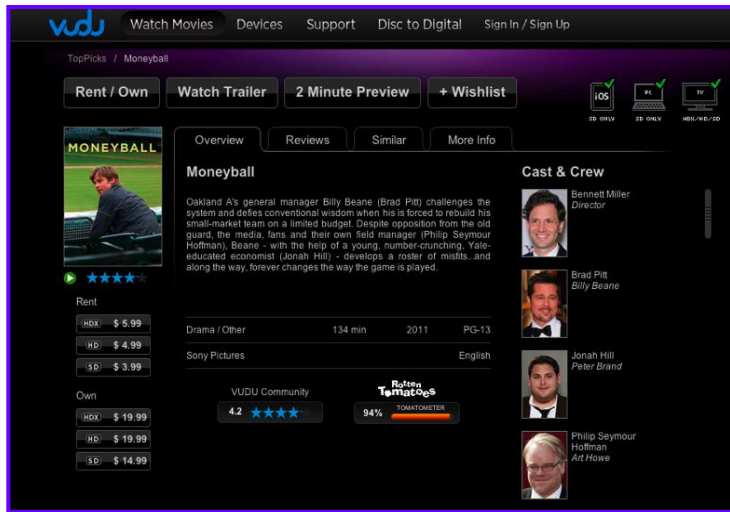
Up to **six members** per account

3 ways for consumers to buy UV

BD and DVD *with DIGITAL HD / DIGITAL*

Electronic Sell Through (EST)

Disc to Digital (D2D)

UltraViolet: Strategic Goals

1. Help sustain value of physical video consumption and create a bridge to digital platforms and devices

2. Drive digital video ownership consumer demand

3. Create industry and consumer benefits with open standards for digital video formats and delivery

Fulfill the deep-seated consumer desire to collect and gift

Ecosystem participant high-level benefits

Content Providers

- Strengthened consumer value proposition for ownership
    - Physical (DVD, BD)
    - Digital (EST)
    - Disc-to-Digital (D2D)
- More efficient licensing and digital supply chain

Physical Retailers

- Improved disc category value proposition
- Ability to transition store buyers to digital customers
- More efficient licensing, digital ops
- Less cost/risk and improved consumer prop. vs. proprietary offer

Digital Distributors

- Opportunity to provide access to UV libraries (many business model options)
- Improved EST value proposition
- Strategic tool to attract/retain users vs. competing platforms
- More efficient licensing, digital ops

Pay TV Operators

- Improved EST value proposition
- UV library access opportunities to provide subscriber amenity
- Strategic opportunity to support positioning 'in the living room'
- More efficient licensing, digital ops

CE / Player App Makers

- Increased consumer demand for video-centric devices/apps
- Large-scale standardized addressable market (like DVD/BD)
- Important feature to differentiate vs. (or match) competitors
- Device-linked service opportunities with lower-risk/cost profiles

Digital Infrastructure Suppliers

- Large-scale standardized addressable market where big implementers need tools, services
- Opportunity for scale- and expertise-based value propositions to help B2B customers implement UltraViolet

- Digital Entertainment Content Ecosystem (DECE LLC) is:
  - The consortium that has developed the business, technical and legal architecture of UV, and also owns the related branding
  - The operator of the "web services utility" that all partner licensees use – the centralized account system, rights library, and authentication service

- DECE members are <u>not</u> obligated to deploy UltraViolet in the market; and conversely, companies can license and deploy UV <u>without</u> joining DECE
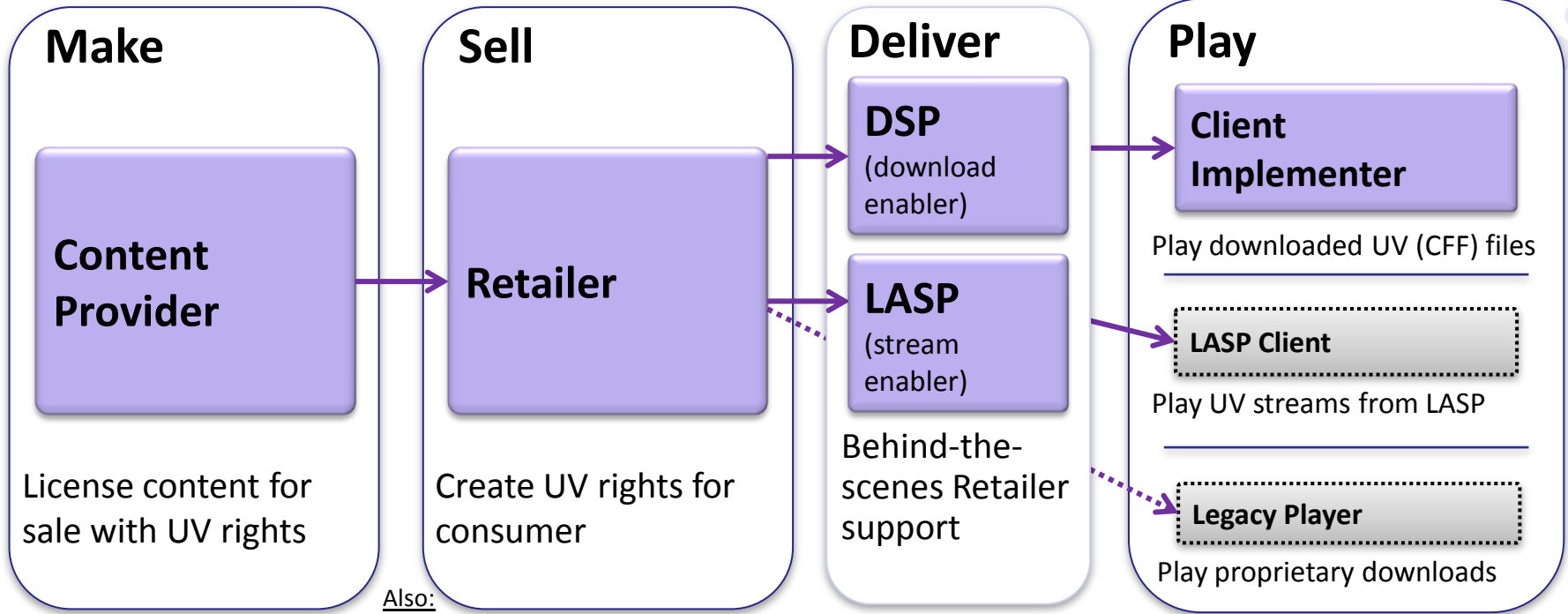
Partial list from ~85 member companies

UltraViolet Roles (licensed by DECE)

UV ULTRA VIOLET™

Make

Content Provider

License content for sale with UV rights

Sell

Retailer

Create UV rights for consumer

Deliver

DSP (download enabler)

LASP (stream enabler)

Behind-the-scenes Retailer support

Play

Client Implementer

Play downloaded UV (CFF) files

LASP Client

Play UV streams from LASP

Legacy Player

Play proprietary downloads

Also:

- **Access Portal** role for Library view and/or Account management subset of what Retailer can do
- **Partner Developer** role for access to specs and development/test environment only

(LASP can also be a consumer-facing, standalone "streaming access" only service)

No Client Implementer license needed for a Retailer or LASP to stream or provide downloads – though often done within same product as UV Player
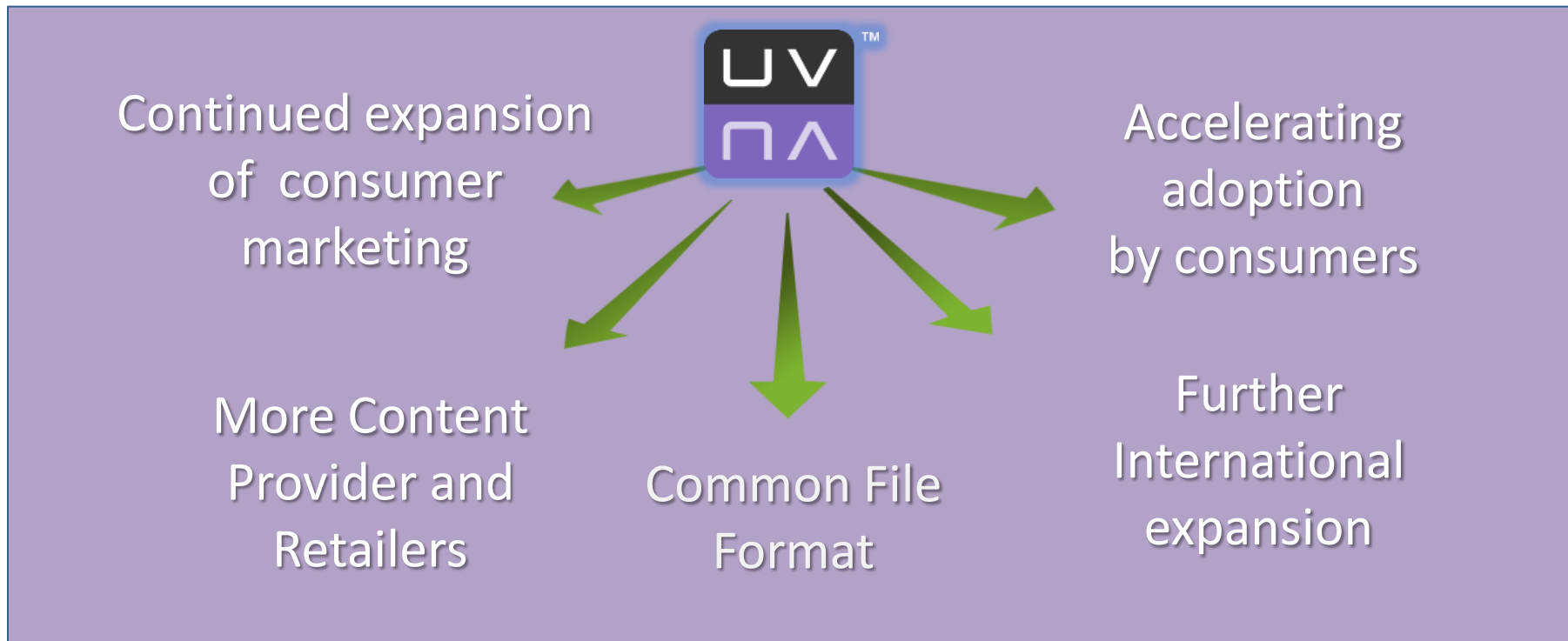
- **Available content**: 12,000+ titles (including ~3,500 TV episodes) from 7 US studios and 3 other major content owners

- **Three ways to get UV titles:** UV rights with Blu-ray/DVD, EST, and Disc-to-Digital (D2D)

- **Many ways to watch** *(US details – hundreds of millions of devices)*
  - Download and stream to Win, Mac OS, iOS, Android, PS3, Xbox 360
  - Stream to leading brands of Smart TVs and BD players

- **10 territories launched:** US, Canada, UK, Ireland, Australia, New Zealand, France, Germany, Austria and Switzerland

- **13 retailers live**: Additional launches planned in all territories
  - Walmart/VUDU, Best Buy/CinemaNow, Target Ticket, Barnes & Noble/Nook, M-GO, Flixster, and Kaleidescape
  - ParamountMovies.com, SonyPicturesStore.com, and UniversalHiDef.com
  - Cineplex (Canada), JB Hi-Fi and EzyFlix (Australia)

- **Consumer adoption**: Well over 15M HH accounts worldwide and growing steadily
  - 14M+ HH accounts in the US equates to more than 10% HH penetration

Continued expansion
of consumer
marketing

Accelerating
adoption
by consumers

More Content
Provider and
Retailers

Common File
Format

Further
International
expansion

Summary UV 'level set' points

1. Downloads, streaming, and physical media are all part of UltraViolet – "three legs of the stool" for consumers

2. UV is not a destination or standalone system, but accessed where consumers find and use content today

3. Consumers use "remember/link" to be auto-logged into UV when using retailers & streaming providers

4. Retailers who sell UV rights are required to provide at least three downloads, and streaming service, at no extra charge above purchase price for the first year after purchase; they must also fulfill for 5 years

5. Companies are not obligated to provide downloads or streaming for content they did not sell… but multiple business models exist to do so – we see market moving toward relatively widespread "honoring" of UV rights

6. A Retailer/LASP always shows user's whole library (unless user chooses to filter); for titles that the displaying partner won't/can't fulfill, the user is directed back to UVVU.com for access to the original Retailer

7. Common File Format ("CFF") is for downloads – it lets files behave like an interoperable product that can be used on any UV logoed Player (move or copy files among registered devices, no additional download needed)

8. Many devices can become UV download compatible via software update (e.g., PCs/Macs, game consoles, smart phones and tablets); consumers don't need to buy a new device to use UV downloads

9. CFF and UV download-compatible Players are not required for streaming access; so existing streaming services can add UV with minimal change (and non-CFF "legacy" downloads are part of the mix, too)

10. Companies do not need to join DECE to license UV and deploy it in the market

Options for engaging with UltraViolet

Implement a Licensed Role or do other supporting activity for Licensees

1. License specs, logo usage and access to UV account system as…

    – Content Provider
    – Retailer
    – Streaming Provider (LASP)
    – Download Service Provider (DSP)
    – Client Implementer (SW-only or HW)

2. Become a licensed Partner Developer (license specs and be able to access test environments)

3. Play supporting role for 1+ of these roles across the value chain (e.g. software/device components, content preparation, CDN, implementation services)

Become a Member of DECE Consortium

- DECE Membership *not* required to implement UltraViolet

- Members have…

    – "Seat around the table" to steer UltraViolet road map

    – Planning visibility into upcoming milestones

    – Collaboration and road map coordination opportunities with other Members (on bi-lateral basis)

ULTRAVIOLET™

Common File Format (CFF) for downloads

CFF

One file* accessed by multiple DRM systems

One file for multiple delivery systems
including broadcast/multicast, streaming, progressive download, and stored playback on devices and media

One file for multiple screens
including mobile phones, portable media players, PCs, game consoles, Internet TVs, and home networks

Built on industry standards
ISO MPEG4, compatible with MPEG DASH and PIFF
H.264 and AAC, optional Dolby Digital and DTS

SMPTE Timed Text subtitles

* One file for each of HD and SD
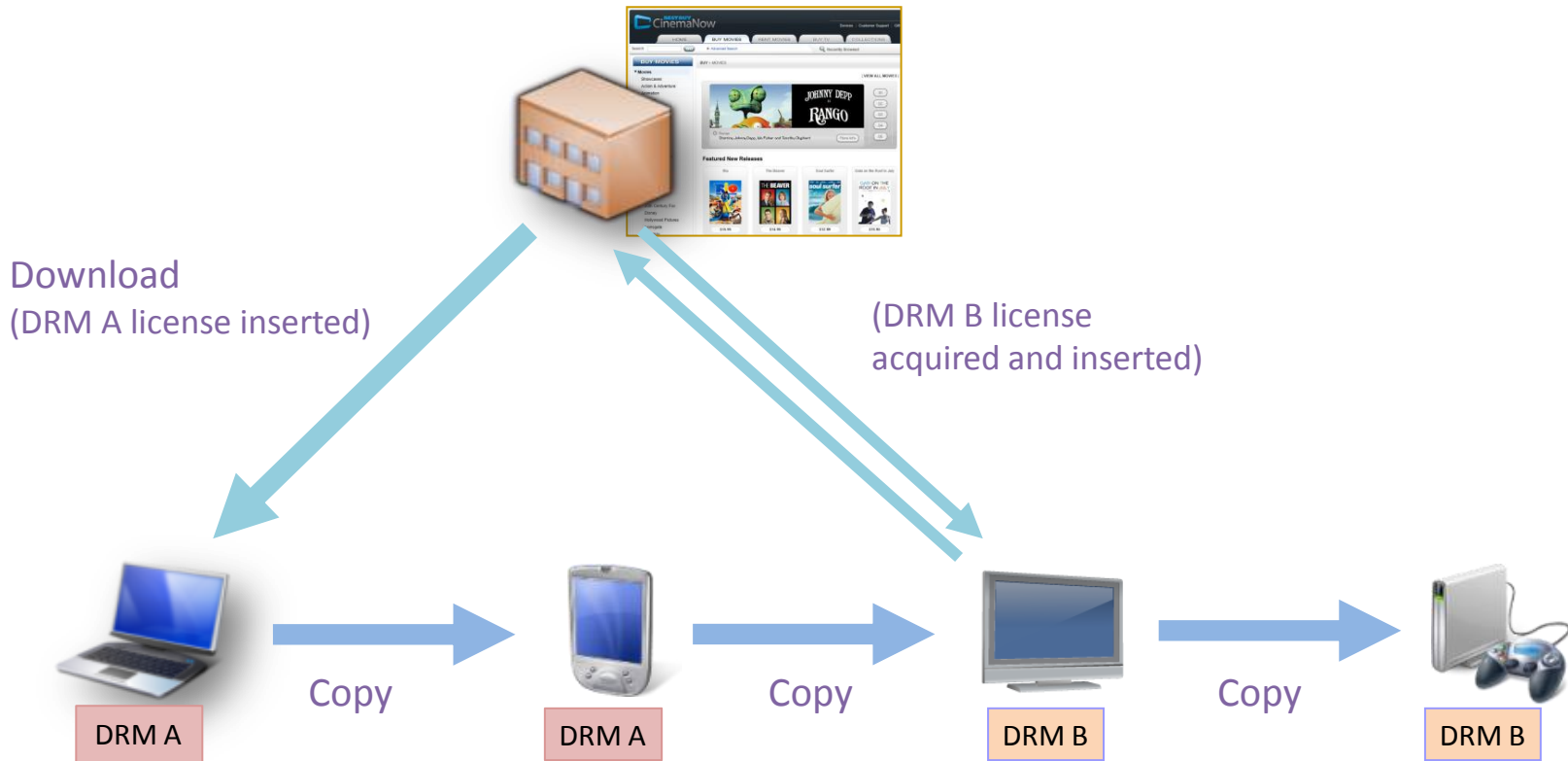
Retailer Benefits

- **More efficient digital supply chain**
  A single CFF standard negates the need for multiple encodes, storage and CDN management

- **Greater device reach**
  As CFF becomes widespread, consumers won't have to think about which device can play which file

Consumer Benefits

- **CFF saves time and could save money**
  Consumers can move CFF copies directly between media player apps and devices negating the need for redundant downloads

- **Psychology of possession**
  CFF is seen as a valued asset (instead of a disposable one) as it can be owned and transferred

CFF in action across devices/DRMs

Download
(DRM A license inserted)

(DRM B license
acquired and inserted)

Copy

Copy

Copy

DRM A

DRM A

DRM B

DRM B

Consistent Consumer Experience across UV logo Devices & Applications

- UltraViolet "devices" are hardware devices or software applications running on a PC, smartphone, or other platform
  - Play downloaded UltraViolet files, including offline environments (e.g., airplane)
  - Built by Client Implementer according to DECE specifications
  - Must pass compliance verification program and display logo on HW or SW interface
  - Use one of approved DRMs to join UltraViolet account "domain" and enforce usage model and copy protection policies

- Consumers can also stream to many other access points such as Web browsers, connected TVs, Blu-ray players, and set-top boxes

WWW.UVVU.COM