

BROADCAST & MEDIA SERVICES – MANAGING THE TRANSFORMATION OF TV

With the dawn of the Networked Society, we're entering a new era in television. New technology is changing both the services that are provided, as well as the way in which we consume them. By 2020, we predict that there will be 50 billion connected devices – 15 billion of which will be video enabled. The scene is now set for entertainment and communications providers to offer game-changing services that could launch us into a new age of entertainment.

Every day people on all continents watch television programs prepared, managed and broadcast by more than 2,500 Ericsson staff based in Australia, France, Germany, the Netherlands, Spain, Sweden and the United Kingdom. Eight million titles are stored in our content discovery platforms and we deliver 5 million words to electronic program guides, websites and devices every week. Every year, Ericsson Broadcast & Media Services distributes more than 2.7 million hours of programming in more than 90 languages for more than 330 TV channels. In addition, we provide more than 200,000 hours of subtitling each year – 80,000 hours of which is live.

TV IS CHANGING

The convergence of telecoms, IT and media continues to transform TV. Fixed and mobile telecom networks are increasingly used to distribute media content to consumer devices such as TV sets, smartphones, PCs and tablets, with the result that around 80 percent of telecoms network capacity is now used for video. On Demand, Second Screen and Over The Top (OTT) services are each expanding the way we experience TV, and cost pressures on businesses – whether they be traditional broadcasters, telcos or other media companies – continue to increase worldwide.

The figure to the right, based on Ericsson ConsumerLab research, shows TV subscription changes in 2012 and 2013. Unlike in 2012, more people reduced or eliminated their TV spending in 2013 than have increased it. The cost of managed TV subscriptions is still the main reason for people to reduce their

Figure 10: Global subscription changes, 2012–2013



Source: Ericsson ConsumerLab TV and Media study 2013
Base: US, UK, Germany, Sweden, Spain, Taiwan, China, South Korea and Brazil

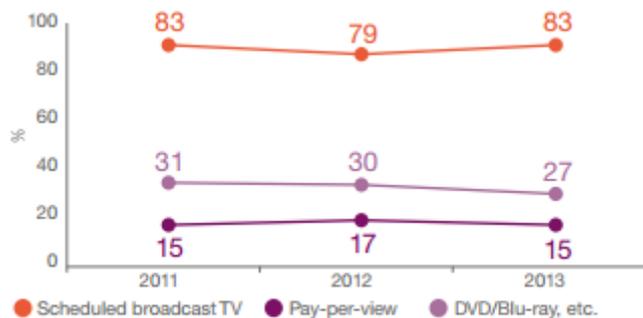
spending – either they perceive their package as too expensive or they do not watch enough TV to justify having it.

The TV and media domain is becoming increasingly competitive, with a proliferation of new players and platforms. While traditional broadcasters remain leaders in terms of content, they face the challenge of adapting to a fast-changing and complex technological landscape, and of responding to viewers' changing demands and patterns of consumption.

Despite the emergence of alternative viewing methods, the figures to the right show that 83 percent of viewers still watch scheduled broadcast TV on at least a weekly basis. However, viewing of recorded broadcast TV has decreased substantially – from 47 to 31 percent. Consumption of on-demand content, on the other hand, is showing a steady increase. Today 63 percent of people use on-demand services on a weekly basis.

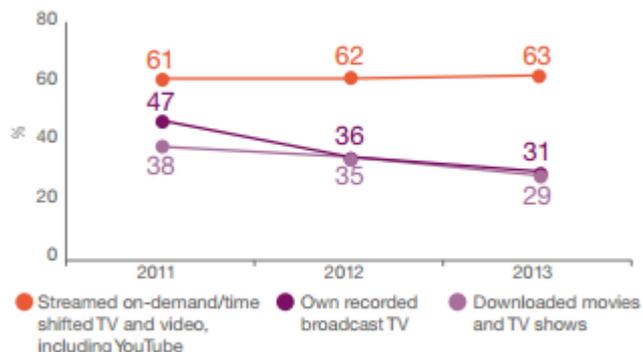
Broadcasters must respond to changing viewing habits by offering on-demand services. However, most broadcasters do not have the time, the scale or the infrastructure to adapt effectively to technical challenges such as media asset management, multi-platform multi-screen delivery, archiving and disaster recovery. An emerging solution to these challenges is for broadcasters to sign managed services deals that outsource technical and operation management to expert partners, allowing the broadcasters to focus on engaging their viewers and delivering the TV experiences that consumers want.

Figure 1: People who watch traditional media more than weekly



Source: Ericsson ConsumerLab TV and Media study 2013
Base: US, UK, Germany, Sweden, Spain, Taiwan, China, South Korea and Brazil

Figure 2: People who watch on-demand media more than weekly



Source: Ericsson ConsumerLab TV and Media study 2013
Base: US, UK, Germany, Sweden, Spain, Taiwan, China, South Korea and Brazil

WHO WE ARE

Ericsson is a world-leading provider of communications technology and services, employing more than 110,000 people in more than 180 countries. Our origins are in telecom and 40 percent of the world's mobile traffic is now transported via Ericsson networks. As a result of the convergence of telecoms, IT and media, we believe we're well placed to add value to the TV industry and to enable content owners, broadcasters, TV service providers and network operators to succeed in a new, connected era of television.

In 2007 Ericsson acquired Tandberg Television – which at the time was a world-leader in video compression, video-on-demand systems and IPTV solutions. With headquarters in the UK and US, Tandberg Television had over 2000 TV customers in more than 100 countries, 870 employees and more than 200 patents. Later that same year, Ericsson acquired HyC Group – a leading Spanish TV consultancy and systems integrator with around 110 employees. This acquisition strengthened Ericsson's ability to support operators and service providers in the design, installation, integration and operation of IPTV services.

In 2012, Ericsson acquired the Broadcast Services Division of Technicolor, a worldwide technology leader in the media and entertainment sector. Through the acquisition, Ericsson gained leading broadcast customers, about 900 highly skilled professionals and playout operations in France, the UK and the Netherlands. In addition, Ericsson – already the leading independent playout service provider in the Nordics – became the leading independent playout service provider in Europe.

In 2013, Ericsson acquired Microsoft's Mediaroom business and TV solution. Together with Ericsson's existing capability, the acquisition places us as the world's largest, by market share, and the most experienced provider of IPTV middleware technology and solutions. As the most deployed IPTV platform, with a global market share of around 25%, Mediaroom-powered TV services are offered by nearly 60 of the world's leading operators, delivering services to almost 13 million households, and close to 24 million set top boxes, throughout the world.

In 2014, Ericsson acquired Red Bee Media, a world-leading media services company headquartered in the UK, to strengthen its broadcast and media services capabilities. Ericsson gained 1,500 highly skilled employees, as well as media services and operations facilities in the UK, France, Germany, Spain and Australia. The completion of the acquisition is subject to consultation and customary closing conditions.

BROADCAST & MEDIA SERVICES

Ericsson Broadcast & Media Services combines the company's global services expertise with its industry-leading position in managed services to enhance the efficiency of the business operations of leading regional and global content owners and broadcasters.

Our deep portfolio of managed services enables broadcasters to make significant operational and capital savings by assuming responsibility for technical platforms, while speeding time-to-market and minimizing business continuity risks.

CUSTOMERS

In 2007, we signed our first broadcast and media services deal with C More (formerly Canal+) in the Nordic region. In 2009, TV4 Group (having also acquired C More in 2008) selected Ericsson to manage the technical operations end-to-end as part of a 10-year contract. In addition, Ericsson and TV4 Group established a joint technology and business development forum, where the two companies evaluate new business opportunities.

In the years since, we have signed agreements with broadcasters such as NPO and NOS (Netherlands), Canal+, TV5 Monde and France 24 (France), HBO Nordic (Denmark, Finland, Norway and Sweden), and many others.

As a result of the Red Bee Media acquisition, Ericsson now has broadcast and media services agreements with new customers such as the BBC, BSkyB, BT Sport, Canal Digital, Channel 4, Channel 5, EE, ITV, UKTV, UPC, Virgin Media, and many others.

PORTFOLIO

Ericsson is able to assume responsibility for technical platforms and operational services related to content management, playout and service provisioning of a broadcaster's business. Our services cover live and pre-recorded, commercial and public service television, including:

- outsourcing of broadcast playout management as well as the design, systems integration and equipping of workflows and infrastructure
- post-production to playout, including second screen applications



- ingest, quality control, storage, and distribution of programs, as well as
 - news and sports production
 - promo creation, including 3D animation
 - standards, practices and compliance screening and editing
 - new media digitization and rights blanking and management
 - revenue-generating interactive television
 - late, last minute and live advertising aggregation
 - live television lines and aggregation management

As a result of massive growth in global media consumption, broadcasters and media organizations have to process much higher quantities of media in an increasing number of formats if they want to reach their audiences on any screen and any device. Our media management services ease that complexity by offering a one-stop solution for the unified preparation and delivery of content. They guarantee that broadcasters and media organizations have the flexibility and scalability they need so they can better focus on their brand, their content, and on delivering a quality viewing experience to their customers.

Ericsson's media management services comprise two solutions — Managed Media Preparation and Managed Media Internet Delivery. Together, the two services enable a unique, end-to-end solution allowing broadcasters to deliver content easily and seamlessly to their audiences anytime, anywhere.

The **Managed Media Preparation** service enables enriched multi-format content for linear and non-linear playout, streaming and mobile delivery. The service reduces time to market by handling large amounts of media quickly and efficiently. Features include workflow automation, business process management and enterprise desktop tools for automated real-time reporting, monitoring and dashboards. Broadcasters have remote access to tools and services so that they can browse and enrich content and metadata in real time, while the content is securely digitized and stored in an Ericsson facility.

The **Managed Media Internet Delivery** service masters the combination of over-the-top (OTT) delivery and playout to efficiently deliver content to consumers. This managed service for broadcasters takes away the complexities and challenges of deploying internet delivered catch-up and online TV services to a myriad of connected devices, thereby allowing broadcasters to focus on creating great content. Built as a modular set of services and supporting an extensive device portfolio, the internet delivery service is a logical extension of Ericsson's managed media preparation and playout capabilities.

As a result of the Red Bee Media acquisition, the following products and services have been added to the Ericsson portfolio:

Store, Manage & Deliver

- [RedPlayer™](#)
- [Media Management](#)
- [Playout & Syndication](#)
- [Multi-Platform Hosting](#)
- [Broadcast Compliance](#)
- [Piero](#)

Creative

- [Multi-Platform Identity](#)
- [Multi-Platform Promotions](#)
- [Content Marketing](#)
- [TV Production](#)
- [User Interface Design](#)
- [Sports Identity & Promotions](#)

Access

- [Access & Transcription](#)
- [Live Remote Captioning](#)
- [Localisation](#)

Content Discovery

- [RedDiscover™](#)
- [Rich Metadata](#)
- [EPG Design & Development](#)
- [Search & Recommendations](#)
- [Companion Applications](#)

Consultancy

- [Brand Strategy](#)
- [Multi-Platform Distribution](#)

SCALE

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Netherlands, Spain, Sweden and the United Kingdom. Eight million titles are stored in our content discovery platforms and we deliver 5 million words to electronic program guides, websites and devices every week. Every year, Ericsson Broadcast & Media Services distributes more than 2.7 million hours of programming in more than 90 languages for more than 330 TV channels. In addition, we provide more than 200,000 hours of subtitling each year – 80,000 hours of which is live.

BROADCAST & MEDIA SERVICES MILESTONES – PRESS RELEASE HIGHLIGHTS

[Netherlands public radio signs six-year services deal with Ericsson](#)

Jun 16, 2014

[Ericsson completes acquisition of Red Bee Media](#)

May 12, 2014

[Next Generation Playout provides global connectivity and unparalleled flexibility](#)

Apr 7, 2014

[Ericsson Media Vision 2020 - maps out the future of TV](#)

Apr 7, 2014

[France 24 signs broadcast services contract with Ericsson](#)

Jan 28, 2014

[London Live selects Ericsson broadcast services for London dedicated TV channel](#)

Nov 14, 2013

[Ericsson and Canal+ Overseas sign multi-year broadcast services agreement](#)

Sep 12, 2013

[Fatstone signs broadcast services contract with Ericsson](#)

Jul 15, 2013

[Ericsson to acquire leading media services company Red Bee Media](#)

Jul 1, 2013

[Ericsson supports broadcasters by managing their technology](#)

Apr 3, 2013

[Ericsson launches cost-effective disaster recovery solution for broadcasters](#)

Apr 8, 2013

[Ericsson to manage HBO Nordic's playout services](#)

Sep 6, 2012

[TV5MONDE renews and expands managed services contract with Ericsson](#)

Sep 3, 2012

[Ericsson closes acquisition of Technicolor's broadcast services division](#)

Jul 3, 2012

[Ericsson to acquire Technicolor's broadcast services division](#)

Mar 13, 2012

[Ericsson to operate TV4 Group's playout services](#)

Nov 17, 2009

ERICSSON – SCALE, SKILLS AND PEOPLE

THE TV BUSINESS

Ericsson's core capabilities in hardware, software, systems integration and management/operations services have been deployed worldwide in the communications and broadband businesses to create success for many players. Ericsson provides innovative technology solutions for content acquisition, exchange, distribution, delivery and the provisioning of multi-screen entertainment experiences based on a 20-year, triple Emmy award-winning heritage in media research and development.

In addition to broadcast and media services, Ericsson offers a portfolio of complementary solutions to broadcasters. These include:

[TV Delivery Infrastructure](#)

[TV Contribution and Distribution](#)

[Multiscreen TV](#)

[Media Delivery Network](#)

MANAGED SERVICES

Managed services is about people, and over the years more than 30,000 employees have transferred to Ericsson from operators around the world. We invest heavily in our people and focus on competence development and employee engagement to create a culture centered around innovation in a knowledge-based organization. This will be the catalyst for unlocking value to levels previously not thought possible with managed services. The way Ericsson is perceived as an employer is also important, and our goal is for that impression to be characterized by our core values: respect, professionalism and perseverance.

The employees that have joined Ericsson from operators have not only improved our understanding of our customers, but also of the needs of consumers around the world.

With more than 64,000 service professionals working in 180 countries, Ericsson has an organization where the sheer size enables scale beyond what a single operator can achieve. Scale is also about replicating success for customers around the world. By using common tools, methods and processes, we can develop and industrialize new ideas rapidly while achieving greater efficiency in network operations. Furthermore, our purchasing power with

PRESS BACKGROUNDER

JULY, 2014



third-party suppliers makes us a more effective negotiator than individual operators can be on their own.

Ericsson believes that its people's behaviors and actions make the difference. Highly motivated and empowered employees are, and have always been, the key to our success – and also the success of our customers.

NOTES TO EDITORS

Download high-resolution photos and broadcast-quality video at www.ericsson.com/press

Ericsson is the driving force behind the Networked Society – a world leader in communications technology and services. Our long-term relationships with every major telecom operator in the world allow people, businesses and societies to fulfill their potential and create a more sustainable future.

Our services, software and infrastructure – especially in mobility, broadband and the cloud – are enabling the telecom industry and other sectors to do better business, increase efficiency, improve the user experience and capture new opportunities.

With more than 110,000 professionals and customers in 180 countries, we combine global scale with technology and services leadership. We support networks that connect more than 2.5 billion subscribers. Forty percent of the world's mobile traffic is carried over Ericsson networks. And our investments in research and development ensure that our solutions – and our customers – stay in front.

Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2013 were SEK 227.4 billion (USD 34.9 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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FOR FURTHER INFORMATION, PLEASE CONTACT

Ericsson Corporate Public & Media Relations

Phone: +46 10 719 69 92

E-mail: media.relations@ericsson.com