



ACT

Association of Commercial
Television in Europe

Commercial TV, 2015-2020
A European Success Story

AT A GLANCE: EUROPE'S SUCCESS STORY



- We lead the world in creating and investing in **high quality content**

- We matter. We occupy a unique position in Europe's economy, its culture and society and we are at the forefront of consumer technology trends

- Our businesses were early adopters of digital technology and we help power the European digital economy

- Europe's commercial TV sector entertains and informs over **500 million European** citizens. No other media can reach as far as TV. We are a responsible and trusted sector operating to the highest standards

AT A GLANCE: EUROPE'S SUCCESS STORY



- To secure and build on this success, we need you to consider four things:



Effective action
against piracy



Access to distribution
networks



Level regulatory
playing field



Stable copyright
framework

CENTRAL TO THE LIVES OF EUROPE'S CITIZENS

- Our TV channels reach over 200 million European households in 28 EU member states and beyond
- Our online TV services are available in over 150 million European homes connected to the internet and are central to Europe's broadband story
- Our member companies deliver content to a range of devices and platforms in response to consumer demand

200 million households reached

150 million EU homes connected



TV4-GRUPPEN



ATRESMEDIA



MEDIALAAN



DIGITAL FIRST, SECOND AND THIRD

- Europe's commercial TV is digital – we started the journey 10 years ago
- We distribute TV according to our customer's preferences, whether that's digital terrestrial, digital satellite, cable or online
- We operate more diverse digital business models than the global tech sector to deliver unparalleled customer choice: advertising funded, subscription, subscription on-demand, pay as you go, pay to own...



DIGITAL FIRST, SECOND AND THIRD

- Our companies offer some of the most popular online services to European consumers, helping to drive the take-up of connected devices and supporting the investment case for Europe's telcos
- We have frequently launched these services earlier than the global tech players

CANAL ▶ PLAY

mtv KATS ▶ MO

stieve

6play

infinity

ATRES
PLAYER

DISCOVERY ON DEMAND

NOW TV
Powered by sky

VOYO

VIAPLAY
TV, Sport & Film. Online.

snap
by sky

4 PLAY

itv ESSENTIALS

LINEAR STILL GOING STRONG

- Traditional broadcasting is still very relevant. **3:43 hours** is the average viewing time of linear TV in the EU ranging from 2:33 per day in Sweden to 5:42 in Romania
- Example for Belgium : **71%** of viewing time dedicated to linear tv
- At the same time audience are also enjoying broadcast services online: there are now **1138 catch-up tv services** in Europe and the audience is using them in addition to linear tv that remains stable

CANAL PLAY

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itv ESSENTIALS

NO.1 FOR EUROPEAN CONTENT



- We invest more in high quality European content than all other commercial content sectors combined
- We **out-compete the US in global TV formats** – Europe sells more TV formats to the US than they sell to Europe;
- €15bn annually, **over 40% of our revenues**, is reinvested in high quality TV content
- All of this creates a multiplier effect throughout the creative economy
- We compete with Hollywood, our channels commission **dozens of high-end dramas each year** that cost more than €1.5m / hour

A STRATEGICALLY VITAL SECTOR - 1

SOCIETY

DEMOCRACY & TRUST

JOBS & GROWTH

ECONOMY

SOCIETY

300 NEWS SERVICES available in Europe, of which 80% are privately owned

DEMOCRACY & TRUST

Most Europeans get their news from television, rather than newspapers or online media



A STRATEGICALLY VITAL SECTOR - 2

SOCIETY

DEMOCRACY & TRUST

JOBS & GROWTH

ECONOMY

JOBS & GROWTH

A highly-skilled, young
and mobile workforce for
the digital economy

ECONOMY

An **€84 bn** sector
contribution to EU GDP



COMPETING GLOBALLY, INNOVATING AND INVESTING IN CONTENT AND DISTRIBUTION - 1

- Arabic language news channel in the Middle East and North Africa



- ITV Studios US Group is now the largest non-scripted independent producer in the USA, quadrupling in size since 2010



- Modern Times Group has launched TV1, Tanzania's first advertising funded channel



COMPETING GLOBALLY, INNOVATING AND INVESTING IN CONTENT AND DISTRIBUTION - 2

- Mediaset Italia offers daily news, sports and movies to appeal to over **60 million** Italians abroad and to all those fond of Italian culture and heritage around the world



- Canal+ launched **K Plus** satellite TV service in Vietnam, covering the country from remote mountains and highlands to the big cities



- FremantleMedia, RTL Group's production arm, is one of the largest international creators and producers of programme brands in the world with more than **8,500 hours of original programming**

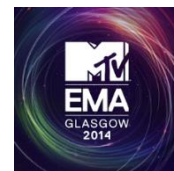


COMPETING GLOBALLY, INNOVATING AND INVESTING IN CONTENT AND DISTRIBUTION - 3

- Spain's Antena 3 Internacional (AtresmediaGroup) will expand into the U.S. territory thanks to an agreement with Spanish-language pay-TV operator DishLatino



- Engagement – Viacom app for the **MTV Europe Music Awards** in Glasgow, with additional content and possibility to vote anytime, anywhere, with one tap



- ProSiebenSat.1 offers selected programmes from its domestic free-to-air channels to viewers abroad on the PC, laptop, tablet and smart phone. The target groups are the around **9 million** German expats as well as holiday-makers and students



TV AT THE FOREFRONT OF CONSUMER TECH TRENDS - 1

Ever more ways to connect TV to the internet

We need to access them all (Smart TV, X-box, Blue-ray player..)



Viewers expect to be able to watch on any video screen

We need to be available on them all (laptops, tablets, smartphones...)



1. RTL Television, Deutschland; 2. Carnival Film & Television / ITV, Downton-Abbey; 3. Atresmedia "El tiempo entre costuras"

TV AT THE FOREFRONT OF CONSUMER TECH TRENDS - 2

Programme choices becoming unlimited

Consumers rely on our channel brands to navigate



Competitors getting bigger and more global

Regulatory assymetry becoming noticeable



Microsoft

amazon.com

Google

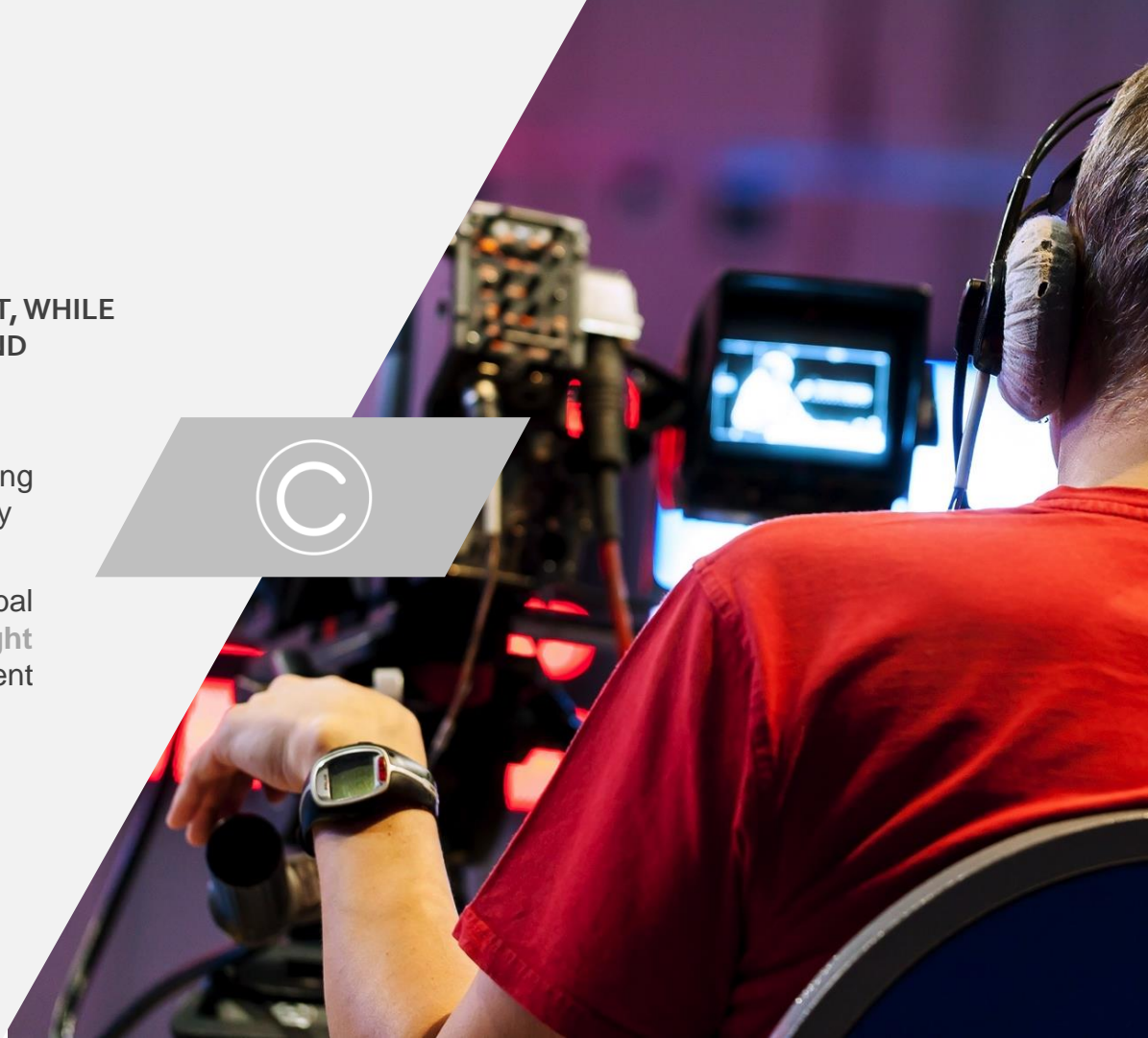
NETFLIX

THE CHALLENGES AHEAD

1

CONTENT IS CULTURALLY DISTINCT, WHILE
TECHNOLOGY IS CULTURALLY BLIND

- We've put our content online, but reinvesting in the value of the IP depends on exclusivity
- Cultural diversity, creativity and global competitiveness rely on a **stable copyright framework** which maximises content investment



THE CHALLENGES AHEAD

2

CONSUMERS ARE PLATFORM AGNOSTIC,
BUT CONSUMER PROTECTION REMAINS
PLATFORM SPECIFIC

- The era of TV-specific regulation is over;
- TV needs a regulatory level playing field with online
- This means that inappropriate detail, particularly around commercial communication, must be removed while retaining core standards around editorial responsibility, protection of minors and clear rules on jurisdiction.



THE CHALLENGES AHEAD

3

CONTENT IS HIGHLY VALUABLE, BUT
NOT ALWAYS PROPERLY VALUED

- Piracy threatens our model of reinvestment in content, **effective action against piracy** is a priority
- We are playing our part with a massive investment in legal offers online but improved legal protection of broadcasters' content and signal is essential, as is fast and effective enforcement of IPR

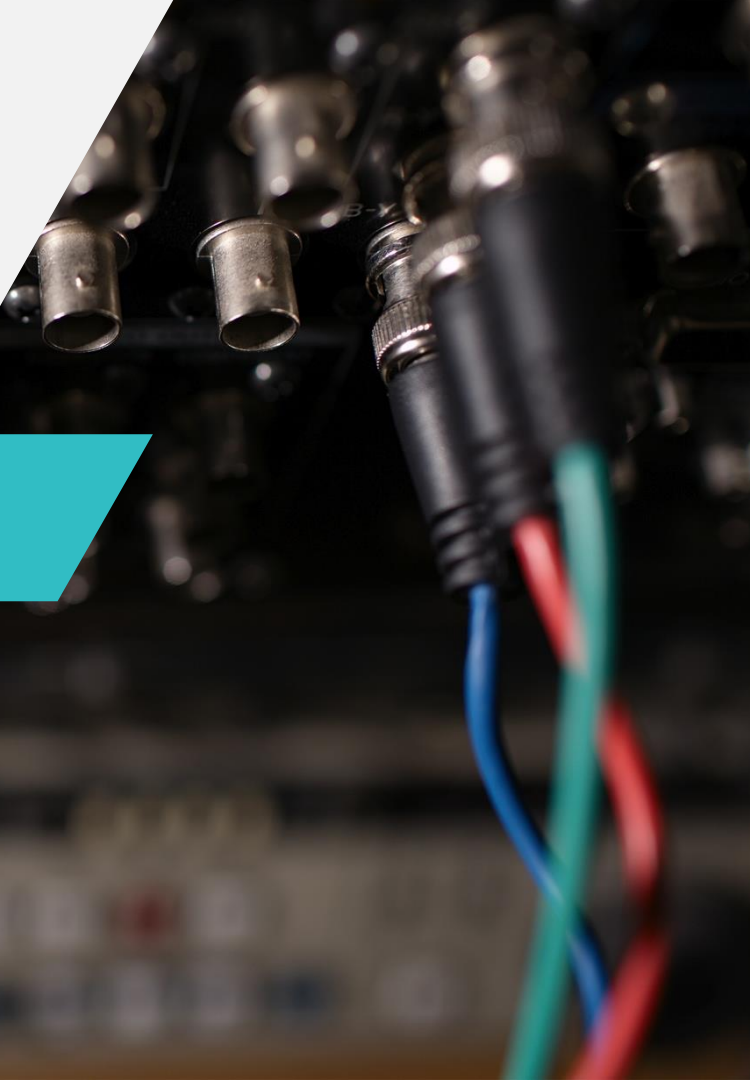


THE CHALLENGES AHEAD

4

FOR CONTENT TO BE UBIQUITOUSLY AVAILABLE, NETWORKS MUST BE FULLY ACCESSIBLE

- Broadcasters need fair [access to distribution networks](#) so that consumers can watch as they chose.
- Effective access is vital in DTT, cable and satellite markets. Genuine and sustainable competition between incumbent telcos and content players must be guaranteed in NGA markets.
- Net neutrality provisions can help but only if markets are competitive in the first place.



MEDIA 2020: OPTIMISTIC SCENARIO



- Linear television consumption remains strong and revenues from advertising and subscription continue to finance investment both in content and in new services, allowing media companies to continue their successful diversification of revenue streams;



- Consumer take up of our OTT and on-demand services has been strong and has favoured services which invest in content, rather than the pure aggregator model. A robust set of IP rights underpins these models;



MEDIA 2020: OPTIMISTIC SCENARIO



- Television remains the main source of news for most European citizens;
- Advertisers remain loyal to TV as the only source of a mass audience. Creativity in content production and new distribution strategies allows TV also to retain loyalty of young viewers;

- Piracy is under control;
- The creativity of European producers continues to contribute to a positive trade balance with the rest of the world;

MEDIA 2020: PESSIMISTIC SCENARIO



- Lacking political will means piracy and illegal distribution of content increasingly undermine subscription-based services;
- Television advertising comes under increased pressure as technology and market changes make internet advertising more appealing;

- New OTT and on-demand platforms proliferate but rarely take the financial and creative risk of investing in original content, preferring to repackage existing material and compete on price or on other bundled services. As a result, value shifts out of European broadcasting, though that sector continues to bear the majority of the burdens of regulation and taxation

MEDIA 2020: PESSIMISTIC SCENARIO



- Investment in content stagnates and begins to decline in some markets. Politicians express concern as genres such as news, children's, sport and drama come under pressure as broadcasters switch budgets to lower-cost formats or acquired material. Investor confidence declines and consumer choice narrows. Europe's trade balance in TV content turns negative.

- Although overall TV viewing figures are stable, these are heavily skewed towards older, poorer demographics with many 16-24s watching no linear TV;
- Poor net neutrality provisions have stifled online content distribution.

THANK YOU, ANY QUESTIONS?

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Television in Europe

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