HBO AND THE NEW MEDIA REVOLUTION IN LATIN AMERICA

November 7, 2008
Gainesville, Florida
HBO Latin America Group

• A JOINT VENTURE OWNED BY:
  • TIME WARNER INC. (HBO; WARNER BROS.)
  • SONY CORPORATION (COLUMBIA PICTURES)
  • THE WALT DISNEY COMPANY (WALT DISNEY PICTURES)
  • OLE COMMUNICATIONS GROUP

• FOUNDED IN 1991 WITH THE LAUNCH OF HBO®
  THE FIRST PAN-REGIONAL PREMIUM PAY
  TELEVISION CHANNEL IN LATIN AMERICA

• TODAY = 20 PREMIUM AND BASIC CHANNELS;
  23 COUNTRIES; 16+ MILLION SUBSCRIBERS
CLIENTS

• MAJOR CABLE/SATELLITE PAY TV SYSTEMS

  • CABLEVISION (ARGENTINA)
  • CABLEVISION (MEXICO)
  • DIRECTV LATIN AMERICA
  • INTERCABLE (VENEZUELA)
  • MULTICANAL (ARGENTINA)
  • NET SERVIÇOS (BRASIL)
  • SKY BRASIL
  • SKY MEXICO
  • VTR (CHILE)

• NEW ENTRANTS – TELCOS (TELEFONICA; TELMEX)
• 7 LOCATIONS IN 5 COUNTRIES:

  • BUENOS AIRES, ARGENTINA
  • CARACAS, VENEZUELA (2 LOCATIONS)
  • CORAL GABLES, FLORIDA (HQ)
  • MEXICO CITY, MEXICO
  • SÃO PAULO, BRAZIL
  • SUNRISE, FLORIDA

• APPROXIMATELY 500 EMPLOYEES

• 50+ SEPARATE FEEDS UPLINKED TO TWO SATELLITES FROM TECHNICAL FACILITIES IN CARACAS & SUNRISE
CONTENT

• BLOCKBUSTERS FROM TOP HOLLYWOOD STUDIOS (COLUMBIA; WALT DISNEY; WARNER BROS.) + INDIES:

  • THE DARK KNIGHT
  • HARRY POTTER
  • PIRATES OF THE CARIBBEAN
  • SPIDERMAN
  • THE LORD OF THE RINGS
  • THE MATRIX
  • THE ILLUSIONIST
  • THE LIVES OF OTHERS
• SERIES FROM HOME BOX OFFICE, INC. & OTHERS
  
  • THE SOPRANOS
  • BAND OF BROTHERS
  • BIG LOVE
  • ROME
  • ENTOURAGE
  • MAD MEN

• SPORTING EVENTS SUCH AS HBO WORLD CHAMPIONSHIP BOXING

• SPECIALS SUCH AS BLACK EYED PEAS, JUSTIN TIMBERLAKE, MADONNA CONCERTS
ALSO CURRENTLY PRODUCING & DISTRIBUTING ORIGINAL SERIES IN OUR TERRITORY IN SPANISH & PORTUGUESE:

- **ALICE** (BRAZIL)
- **CAPADOCIA** (MEXICO)
- **EPITAFIOS** (ARGENTINA)
- **FILHOS DO CARNAVAL** (BRAZIL)
- **MANDRAKE** (BRAZIL)
- **SEXO URBANO** (VARIOUS CITIES IN LATIN AMERICA AND BRAZIL)

- **CAPADOCIA, EPITAFIOS, FILHOS, MANDRAKE, SEXO URBANO** ALL HAVE AIRED ON HBO USA
New Media In Latin America

*Family Living Room c.1960*
Family Living Room 2008
Next Generation Living Room

- OTA
- CABLE
- DTH
- FIBER
- IPTV
- DVR/Tivo
- VOD
- PS3
- XBOX
- DVD
- BLU-RAY
- HD-DVD
- BROAD BAND
- IPOD
- CELL PHONE
- PSP
- SLINGBOX
New Media Trends
Ten Years Before . . .

Voice =

Video =

Data =
...Ten Years After

Voice

Video

Data
• LATIN AMERICA IN THE MIDST OF AN ACCELERATING NEW MEDIA TRANSFORMATION

– OVER THE AIR BROADCAST MIGRATING TO DIGITAL
– CABLE OPERATORS UPGRADING NETWORKS TO OFFER INTERACTIVE BROADBAND SERVICES
– TELCOS ENTERING VIDEO MARKET THROUGH DTH AND UPGRADING NETWORKS TO OFFER IPTV
– DTH LEVERAGING EXISTING DIGITAL PLATFORM TO DELIVER ADDITIONAL SERVICES SUCH AS HD
– STRATEGIC ALLIANCES AMONG RIVALS

• CONSUMERS WILL HAVE ACCESS TO ALL NEW TECHNOLOGIES – HD; VOD; IPTV; BROADBAND; MOBILE

• WILL BE OFFERED BUNDLED “TRIPLE PLAY” PACKAGE – VOICE, VIDEO & DATA

• TV, PHONE & COMPUTER WILL CONVERGE
• HDTV –

  – SALES OF HDTV READY TV SETS HAS SKYROCKETED:

    • BRAZIL – MORE THAN 1MM IN 2007, A 266% INCREASE OVER 2006
    • CHILE – 139,000 IN 2007 (127% INCREASE)
    • MEXICO – 720,000 IN 2007 (134% INCREASE)

  – 2008 = 177,000 TV HOUSEHOLDS RECEIVE HD SIGNAL; CLIMB TO 4.6MM BY 2012 (3.2% OF TV HOUSEHOLDS)

• IPTV

  – IPTV SUBS EXPECTED TO GROW FROM 215,000 IN 2008 TO 2.3MM IN 2012 (2% OF ALL TV HOUSEHOLDS)
• BROADBAND (WEB) TV

  – NUMBER OF SERVICES OFFERING WEB BASED TV HAS EXPLODED

    • HULU (FOX/UNIVERSAL JV)
    • JOOST
    • iTUNES
    • TERRATV

• MOBILE

  – 400MM MOBILE USERS IN LATIN AMERICA ALREADY; 73% OF TOTAL POPULATION
  – WILL GROW TO 530MM (89%) BY 2012
  – VIDEO CAPABLE PHONES NOW MORE THAN 53%
HBO Response

• USE ORIGINAL PRODUCTIONS AS SPEARHEAD (EXCLUSIVE CONTENT; BROADER RIGHTS)

• CREATE DIFFERENT VARIATIONS OF SAME CONTENT FOR DIFFERENT MEDIA
  
  • HD FORMAT FOR LINEAR CHANNELS
  • ON DEMAND COMPLEMENT
  • MOBISODES FOR MOBILE
  • SPECIAL FOOTAGE, INTERACTIVE CONTENT FOR WEB

• PROMOTE ACROSS ALL MEDIA
  
  • ON AIR ON LINEAR CHANNELS
  • SPECIAL WEB PAGES
  • RING TONES, TEXT MESSAGES FOR MOBILE
**ALICE - 360° BRAND STRATEGY**

- **Consumer Marketing**
- **Media Vehicles**
- **New Media**
- **Telcos**
- **Operator**
- **Affiliate**
- **On-Air**
- **HBO Network**

**Consumer Experience Alice**
• LAUNCHED SEPTEMBER 21, 2008 PAN-REGIONALLY
  – 13 ONE-HOUR EPISODES
  – TARGET AUDIENCE 18-34
  – 360 DEGREE APPROACH

• MIX TRADITIONAL AND ALTERNATIVE MEDIA
  – STRONG INTERACTIVE DIGITAL MEDIA COMPONENT
  – HEAVY ON/OFF-AIR PROMOTIONAL SUPPORT

• SÃO PAULO INTEGRAL TO SERIES AND CAMPAIGNS (NEW YORK IN *SEX AND THE CITY*)
INTERNET

• First episode streamed online

• Mini-Site

  – Visitors can access 120 bits of content:
    • Alice avatar
    • Ringtones, screen-savers
    • Video clips, behind the scenes, images
    • Blogs, chat rooms
  – Pasos de Alice highlights São Paulo’s hot spots
MOBILE PORTAL

• Portal permits users to download free exclusive Alice content from mobile phones

  – 55 1-minute videos
  – Wallpapers
  – Ringtones
  – Photos
  – Blogs
EPISODE ALERTS

- Each week, audiences receive a tune-in reminder from Alice
- Link to mobile portal
LOCATION VIDEO TOUR

• Sao Paulo as a character in the series
  – Posters placed in key locations used in the filming

• How will it work?
  – Participants send an SMS text, receiving in exchange a picture of the scene shot at the location