



**2011 UNIVERSITY OF FLORIDA
LATIN AMERICAN BUSINESS SYMPOSIUM**

***HBO AND THE NEW MEDIA REVOLUTION
IN LATIN AMERICA***

**March 25, 2011
Gainesville, Florida**

HBO Latin America Group

- **A JOINT VENTURE OWNED BY:**
 - **HOME BOX OFFICE, INC.**
 - **OLE COMMUNICATIONS GROUP**
- **FOUNDED IN 1991 WITH THE LAUNCH OF *HBO*[®] THE FIRST PAN-REGIONAL PREMIUM PAY TELEVISION CHANNEL IN LATIN AMERICA**
- **TODAY = 22 PREMIUM AND BASIC CHANNELS; 28 COUNTRIES; 15+ MILLION SUBSCRIBERS**

HBO

HBO
plus.

HBO
Family™

HBO
LATIN AMERICA
GROUPSM

max *prime*

cine **max**[®]

HBO[®] | **HD**SM



a SONY PICTURES ENTERTAINMENT company



a SONY PICTURES ENTERTAINMENT company



ENTERTAINMENT
TELEVISION



bio.

THE BIOGRAPHY CHANNEL



THE HISTORY CHANNEL.

CLIENTS

- **MAJOR CABLE/SATELLITE PAY TV SYSTEMS**

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

- **NEW ENTRANTS – TELCOS (TELEFONICA; TELMEX)**

- **7 LOCATIONS IN 5 COUNTRIES:**

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

- **APPROXIMATELY 500 EMPLOYEES**

- **50+ SEPARATE FEEDS UPLINKED TO TWO SATELLITES FROM TECHNICAL FACILITIES IN SUNRISE**

CONTENT

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

- ***ALICE IN WONDERLAND***
- ***THE KINGS SPEECH***
- ***THE SOCIAL NETWORK***
- ***THE DARK KNIGHT***
- ***HARRY POTTER***
- ***PIRATES OF THE CARIBBEAN***
- ***SPIDERMAN***
- ***THE LORD OF THE RINGS***
- ***THE MATRIX***

- **SERIES FROM *HOME BOX OFFICE, INC.***

- ***THE SOPRANOS***

- ***TRUE BLOOD***

- ***BAND OF BROTHERS***

- ***THE PACIFIC***

- ***BIG LOVE***

- ***BOARDWALK EMPIRE***

- ***ENTOURAGE***

- **SPORTING EVENTS SUCH AS *HBO WORLD CHAMPIONSHIP BOXING***

- **SPECIALS SUCH AS *BLACK EYED PEAS, LADY GAGA, 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)**
- MULHER DE FASES (BRAZIL)**
- SEXO URBANO (VARIOUS CITIES)**

•ALICE, CAPADOCIA, EPITAFIOS, FILHOS, MANDRAKE, SEXO URBANO ALL HAVE AIRED ON HBO USA

BUSINESS CHALLENGE – RESTRICTIVE LAWS:

- **VENEZUELA – SOCIAL RESPONSIBILITY LAW PASSED IN 2004; CONTENT REQUIREMENTS (NATIONAL ANTHEM); NOT APPLICABLE TO PAY TV AT PRESENT**
- **ARGENTINA – NEW MEDIA LAW PASSED IN 2009:**
 - **FOREIGN CHANNELS MUST CONTRIBUTE 0.5% OF REVENUE TO LICENSE ARGENTINE FILMS**
 - **NO EXPENSE DEDUCTION FOR ADVERTISERS ADVERTISING ON FOREIGN CHANNELS**
 - **5% TAX ON FOREIGN PROGRAMMERS' AD SALES REVENUE**
 - **COMMERCIAL TIME ON PAY TV CHANNELS LIMITED TO 144 MINUTES PER DAY**

- **BRAZIL – PROPOSED CONTENT LAW (2011):**

- **3.5 HOURS PER WEEK DURING PRIME TIME MUST BE BRAZILIAN CONTENT**

- **BRAZILIAN NATIONAL MUST BE IN CHARGE OF PROGRAMMING CHANNEL**

- **IN ALL PAY TV PACKAGES, 1 OF EVERY 3 CHANNELS MUST BE BRAZILIAN CONTENT CHANNEL (12 MAXIMUM)**

- **ADVERTISING TIME LIMITS; MUST USE BRAZIL AD AGENCY FOR FOREIGN ADS**

- **ADDITIONAL SUBSCRIBER RIGHTS**

- **‘MUST CARRY’ OBLIGATIONS**

New Media In Latin America

Family Living Room c. 1960



Family Living Room 2011



Next Generation Living Room



- OTA
- CABLE
- DTH
- IPTV



- DVD
- BLU-RAY
- STEREO

- DVR
- PS3
- XBOX



- COMPUTER
- IPOD/IPAD
- CELL PHONE
- SLINGBOX

New Media Trends Ten Years Before . . .

Voice

=



Video

=



Data

=



...Ten Years After

Voice →

Video →

Data →



- **LATIN AMERICA IN MIDST OF NEW MEDIA REVOLUTION**
 - **OVER THE AIR BROADCAST MIGRATING TO DIGITAL**
 - **CABLE OFFERING INTERACTIVE BROADBAND**
 - **TELCOS OFFERING VIDEO VIA DTH AND IPTV**
 - **DTH DELIVERING ADDITIONAL SERVICES SUCH AS HD**
- **CONSUMERS CAN ACCESS ALL NEW TECHNOLOGIES – HD; 3-D; VOD; IPTV; BROADBAND; INTERNET; MOBILE**
- **CONTENT OFFERED BUNDLED IN “TRIPLE PLAY” PACKAGE – VOICE, VIDEO & DATA**
- **TV, PHONE & COMPUTER CONVERGING**

- INTERNET**

- 200MM INTERNET USERS IN LATIN AMERICA IN 2010;
35% OF POPULATION**

- WATCH AVERAGE OF 20 HOURS/MONTH OF VIDEO VIA
INTERNET**

- BROADBAND**

- NUMBER OF SERVICES OFFERING WEB BASED TV
HAS EXPLODED**

- NET FLIX**

- HULU**

- JOOST**

- iTUNES**

- TERRATV**

- HDTV**

- SALES OF HDTV READY TV SETS HAS SKYROCKETED**

- TV HOUSEHOLDS RECEIVING HD SIGNALS WILL CLIMB TO >5MM BY 2012 (3.2% OF TV HOUSEHOLDS)**

- HD CHANNELS WILL INCREASE FROM 40 IN 2010 TO >120 IN 2017**

- 3-D**

- 20% OF TV HOUSEHOLDS WORLDWIDE 3-D ENABLED BY 2014; 40% OF ALL TV SETS**

- 100 3-D CHANNELS WORLDWIDE BY 2014**

- MOBILE**

- **400MM MOBILE USERS IN LATIN AMERICA ALREADY;
73% OF TOTAL POPULATION**

- **WILL GROW TO 530MM (89%) BY 2012**

- **VIDEO CAPABLE PHONES NOW >50%**

- IPTV**

- **WORLDWIDE 130MM IPTV SUBSCRIBERS BY 2015;
GROWING >35% ANNUALLY**

- **LATIN AMERICA AMONG FASTEST GROWING REGIONS**

Business & Legal Challenges

- **NEW TECHNOLOGIES ALL COMPETING FOR SAME EYEBALLS**
 - **NO COORDINATION**
 - **CANNIBALIZATION**
 - **CONFLICTS WITH EXISTING BUSINESS**
- **NO ESTABLISHED BUSINESS MODEL**
 - **TRADITIONAL “WINDOWING” MODEL CHALLENGED**
 - **MONETIZATION DIFFICULT**
 - **CONSUMER EXPECTS CONTENT FOR FREE**
 - **HOLDING UP DEALS**

- **MULTIPLICITY OF MEDIA & RIGHTS**

- **HOW DEFINE & LIMIT**
- **RIGHTS GRANTED VS HOLDBACKS**
- **RIGHTS CLEARANCE PROCESS CRITICAL**

- **PRODUCTION & PROGRAMMING CHALLENGES**

- **DIFFERENT MEDIA/DIFFERENT AUDIENCE/DIFFERENT CONTENT**
- **INCREASED COSTS**
- **NEW COMPETENCIES**

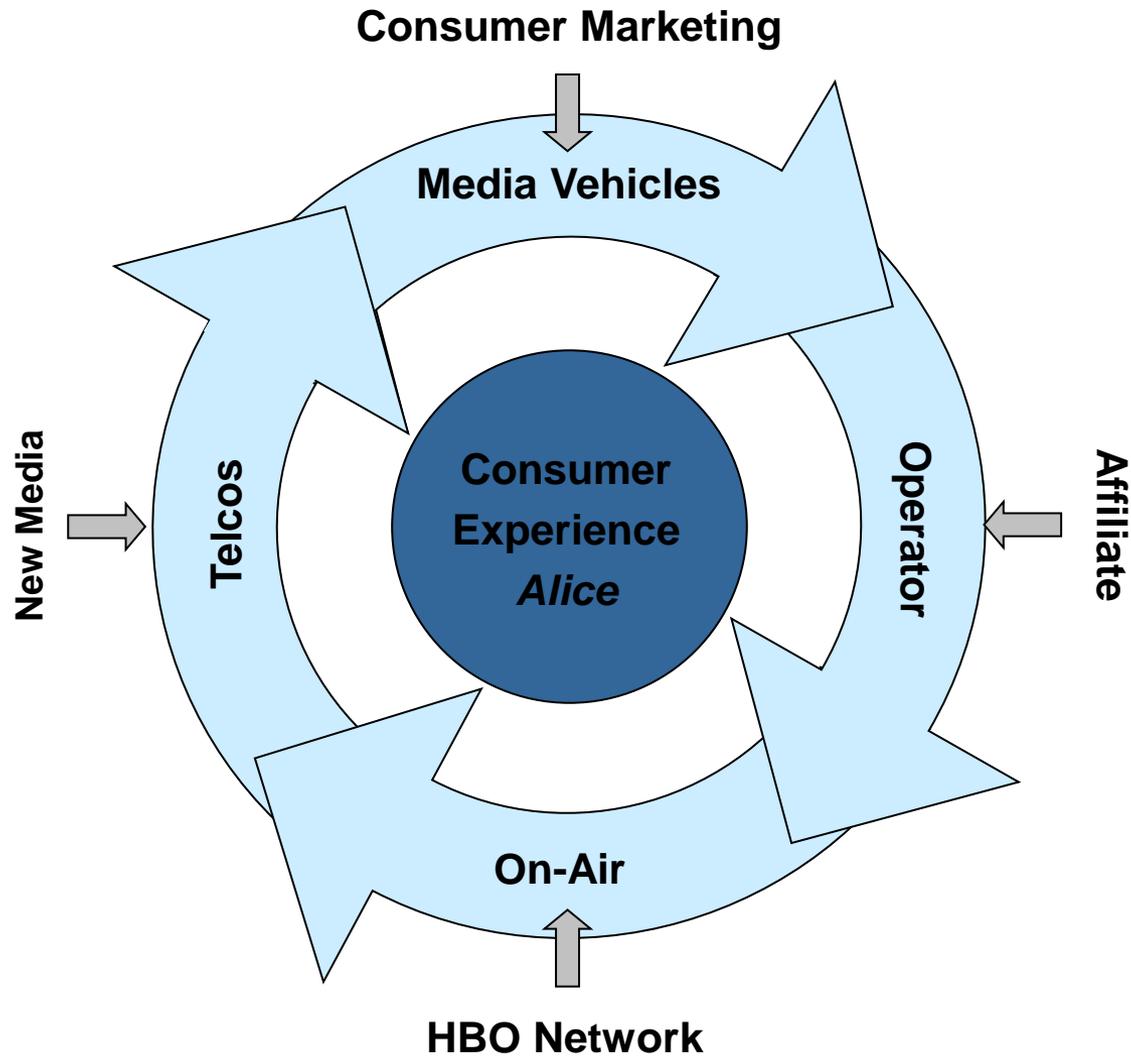
- **PIRACY**

- **RAMPANT & INCREASING**
- **CARROT & STICK APPROACH**
- **SPUR NEW BUSINESS MODELS**

HBO Response

- **USE ORIGINAL PRODUCTIONS AS SPEARHEAD (EXCLUSIVE CONTENT; BROADER RIGHTS)**
- **VARIATIONS OF CONTENT FOR DIFFERENT MEDIA**
 - **HD, 3-D FORMAT FOR LINEAR CHANNELS**
 - **ON DEMAND COMPLEMENT**
 - ***HBO GO* FOR INTERNET**
 - ***MOBISODES* FOR MOBILE**
 - **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



HBO® PRESENTA
SU NUEVA SERIE ORIGINAL

Alice

UNA NUEVA CARA
EN LA CIUDAD

UNA HISTORIA EMPIEZA

21 DE SEPTIEMBRE

HBO



www.alice-hbo.tv

SERIES ÚNICAS. CALIDAD SIN COMPARACIÓN.

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- LAUNCHED SEPTEMBER 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 on-line

- 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

EPIISODE 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

HBBO[®]

ve más allá
