
BROADCAST AND 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 60 percent of all mobile data traffic will be from online video. 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 Europe, the Middle East, Asia Pacific and the US. Every year, Ericsson Broadcast and Media Services distributes more than 2.7 million hours of programming in more than 90 languages for more than 500 TV channels worldwide. Ericsson's global content discovery portfolio spans more than 10 million movies and program titles covering over 35 languages. Globally more than 200 million people interact with Ericsson's rich metadata each week. In addition, we provide over 230,000 hours of captioning each year – more than 100,000 hours of which is live.

WHO WE ARE

Ericsson is a world-leading provider of communications technology and services, employing more than 115,000 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 2,000 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.

PRESS BACKGROUNDER

JUNE, 2016



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. Ericsson also acquired Azuki Systems, a provider of TV Anywhere delivery platforms for service providers, content owners and broadcasters.

In 2015, Ericsson acquired Fabrix, a leading provider of cloud storage, computing and network delivery for video applications. This acquisition further extended Ericsson's leading TV and media portfolio with a cloud based scale out storage and computing platform focused on providing a simple, tightly integrated solution optimized for media storage, processing and delivery applications such as cloud digital video recorder (DVR) and video-on-demand (VOD) expansion.

In 2015, Ericsson also acquired Envivio, a global leader in software-based video encoding with an installed base of over 400 TV service provider and content owner customers in all markets globally.

In 2016, Ericsson acquired FYI Television, the premier entertainment metadata and rich media content supplier based in Grand Prairie, Texas. The acquisition strengthened Ericsson's already industry-leading position in broadcast and media services. FYI Television accumulates and distributes TV entertainment content and linear scheduling data from over 9,000 TV networks daily, aggregating the information into customized formats for various

digital, media, content, analytics and print clients for use on their connected devices such as tablets, phones, desktops, internet portals and gaming consoles.

BROADCAST AND MEDIA SERVICES

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

Our deep portfolio of managed services enables broadcasters to make significant operational and capital savings through innovative transformation services and by assuming responsibility for technical platforms, while speeding time-to-market and minimizing business continuity risks. Our vision is to create an agile, innovative and flexible technology infrastructure with world class operating models.

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 and through the acquisition of Red Bee Media and the Broadcast Services Division of Technicolor, we have grown our customer portfolio to include leading media organizations such as ITV (UK), NPO and NOS (Netherlands), Canal+, TV5 Monde and France 24 (France), HBO Nordic (Denmark, Finland, Norway and Sweden), and [many others](#).

More recent contracts include:

- Extension of long-term playout services contract with the [BBC](#)
- Launching the UK's first ever UHD TV channel with [BT Sport](#)
- Extension of long-term playout services contract with [ITV](#)
- Providing and managing an end-to-end, over-the-top platform to deliver live and on-demand TV services for Dutch media group [SBS/Sanoma](#)

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- Exclusive contract with [Channel 5](#) in the UK spanning playout, media management, metadata, business continuity and access services

In November 2015, Ericsson launched its first end-to-end subscription video-on-demand content service, [NuVu](#). The service will be marketed in close collaboration with service providers and will offer subscribers access to around 3,000 local and international TV and film titles for a small monthly fee. Consumers can download content directly to their smartphones or tablets at no additional data cost during off-peak periods, and access the content offline for up to 30 days.

PORTFOLIO

The goal of Ericsson Broadcast and Media Services is 'to deliver the world's content to audiences everywhere'. To achieve this, we offer a portfolio of services that spans the entire media value chain, comprising [Creative Services](#), [Access Services](#); [Content Discovery](#); [Media Management](#); Content Publishing ([Playout](#) and [hosted OTT](#)); and [Piero](#).

Our clients operate domestically and internationally, typically offering a range of channels featuring live and pre-recorded content, delivered to a multitude of platforms. Their requirements for quality, accessibility and high availability, tend to come from being public service funded, or through the need to offer 'premium', competitively differentiated services to 'pay TV' consumers.

SCALE

We're proud of what we do. Our credentials are broad, and competitively unmatched in our sector:

- We have over 400 clients globally – including broadcasters, service providers, studios, content owners and distributors
- Every year, Ericsson Broadcast and Media Services distributes more than 2.7 million hours of programming in more than 90 languages for more than 500 TV channels worldwide
- We are a leading global provider of Access Services – creating more than 230,000 hours of captioning per annum, over 100,000 of which are live
- We are able to deliver to any screen – preparing content and delivering globally to over 80 platforms

- Ericsson's global content discovery and metadata portfolio spans more than 10 million movies and program titles covering over 35 languages
- Ericsson's team of 300 editorial specialists creates and delivers rich metadata to more than 12,000 TV and VOD channels
- More than 200 million people interact with Ericsson's rich metadata each week
- We make clients, their channels and their content more distinctive – creating, enhancing and driving the world's most recognizable media brands
- We are globally organized to deliver – with over 2,500 media specialists operating in 10 globally networked hubs
- We are a powerful, perpetual innovator – leading innovation in remote management and cloud based services
- We are recognized as best in class – winner of over 300 media and service awards

For more information about Broadcast and Media Services, go to www.ericsson.com/broadcastandmedia/.

BROADCAST & MEDIA SERVICES MILESTONES – PRESS RELEASE HIGHLIGHTS

[New Zealand Parliament selects Ericsson for live captioning services](#)

Jun 7, 2016

[FOX selects Ericsson for playout services in the Middle East](#)

Jun 6, 2016

[World-first approach to reduce latency in live captioning](#)

Jun 2, 2016

[Ericsson provides Gannett's USA TODAY NETWORK with TV listings in the US](#)

May 25, 2016

[Ericsson strengthens TV and Media operations in the UK](#)

May 4, 2016

[Ericsson unveils global content discovery portfolio at NAB show 2016](#)

April 18, 2016

[Ericsson unveils Piero augmented reality graphics for sports broadcasting](#)

April 18, 2016

[Ericsson wins captioning services contracts with ABC and SBS in Australia](#)

April 7, 2016

[Ericsson announces intention to acquire FYI Television](#)

Jan 18, 2016

PRESS BACKGROUNDER
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[Ericsson launches NuVu subscription video-on-demand service](#)

Nov 17, 2015

[Australian News Channel chooses Ericsson for captioning services](#)

Nov 4, 2015

[Updated Studio Universal brand unveiled](#)

Sep 30, 2015

[Ericsson signs multi-year broadcast services deal with Channel 5](#)

Sep 10, 2015

[Media group SBS/Sanoma selects Ericsson for live and VOD OTT services](#)

Sep 8, 2015

[Ericsson partners with Image Nation Abu Dhabi to launch new Arabic-language TV channel](#)

Sep 2, 2015

[ITV extends playout contract with Ericsson until 2024](#)

Aug 27, 2015

[Ericsson presents the internet era of TV at IBC 2015](#)

Aug 24, 2015

[BT Sport selects Ericsson to launch UK's first UHD TV channel](#)

Jun 23, 2015

[BBC awards multi-year playout services deal to Ericsson](#)

Jun 2, 2015

[Bonnier Broadcasting and Ericsson collaborating on Nordic VOD service](#)

Apr 13, 2015

[Ericsson launches closed captioning service in U.S. to provide live subtitling for broadcasters and operators](#)

Apr 9, 2015

[Ericsson partners with twofour54 to grow playout services in the Middle East](#)

Feb 2, 2015

[Ericsson opens new center for its broadcast & media services activity in France](#)

Dec 3, 2014

[Ericsson takes management of media services into the cloud](#)

Sep 11, 2014

[Ericsson unveils live captioning platform at IBC 2014](#)

Sep 9, 2014

[MTV selects Ericsson for broadcast and media services](#)

Aug 13, 2014

[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](#)

[Multiscreen TV](#)

[Media Delivery Network](#)

MANAGED SERVICES

Managed services is about people, and over the years more than 35,000 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 66,000 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 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.

TV IS CHANGING

The TV landscape is changing from one where traditional TV providers and physical media dominate and the consumer experience is inflexible. Changing viewing habits are linked to the proliferation of connected TV screens, which allow consumers to easily and conveniently access their on-demand content.

This disruption puts the user at the center. It will be up to brands and service providers to build compelling consumer experiences and explore new business models that target the needs of the user.

The following pages discuss the main findings from Ericsson ConsumerLab's most recent [TV & Media report](#), published in September 2015.

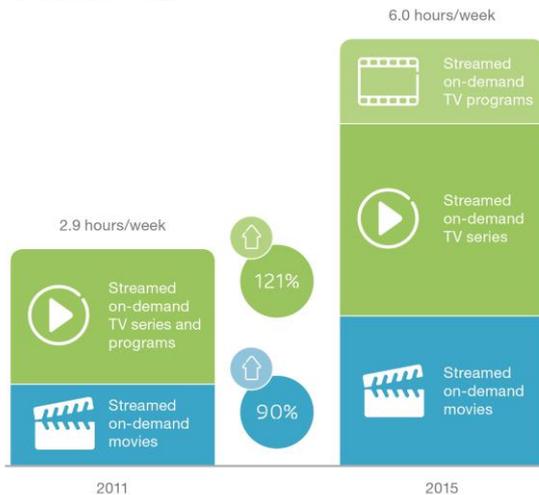
Ericsson ConsumerLab gains its knowledge through a global consumer research program based on interviews with 100,000 individuals each year, in more than 40 countries and 15 megacities – statistically representing the views of 1.1 billion people. Both quantitative and qualitative methods are used, and hundreds of hours are spent with consumers from different cultures.

Streamed on-demand content is soaring

> Over 50 percent of consumers state that they watch streamed on-demand video content at least once a day, up from 30 percent in 2010.

> Today, people estimate that they spend six hours a week watching streamed TV series, programs and movies on-demand. This has more than doubled since 2011, when weekly viewing was estimated to be 2.9 hours a week.

The increase in watching on-demand TV series and movies



Source: Ericsson ConsumerLab, TV and Media 2011 and 2015
Base: At least weekly viewers of video/TV with broadband at home, aged 16-59

Linear TV remains key

> The popularity of linear TV remains high, mainly due to its access to premium viewing and live content, like sports, and its social value.

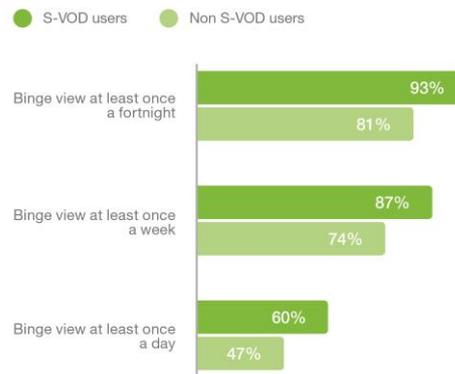
> Linear viewing is linked to age: 82 percent of 60–69 year olds say they watch linear TV on a daily basis, while only 60 percent of millennials (those aged 16–34) do so.

Binge viewing changes the game

> Bingeing, the watching of multiple episodes of TV and video content in a row, has rapidly become a key part of the TV and media experience.

> This habit is prominent among subscription video on demand (SVOD) users, where 87 percent binge view at least once a week, compared to 74 percent of non SVOD users.

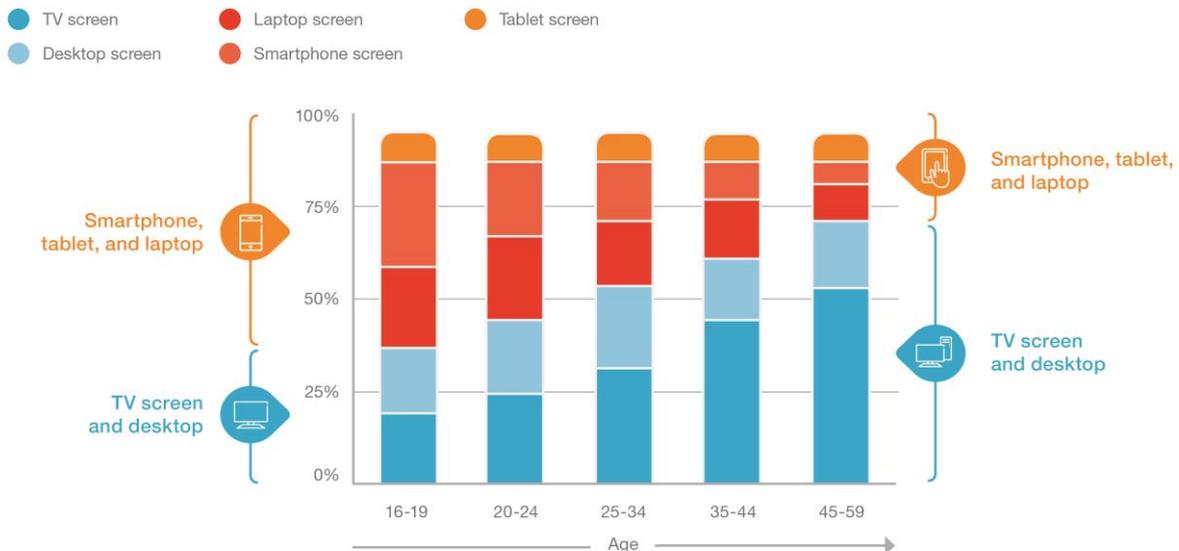
Frequency of watching several TV series, other TV programs or UGC episodes in a row



Source: Ericsson ConsumerLab, TV and Media, 2015
Base: At least weekly viewers of video/TV with broadband at home, aged 16–59, in 20 markets

Millennials prefer the mobile screen

Share of total TV time by age group, measured on respective device



Source: Ericsson ConsumerLab, TV and Media, 2015
Base: At least weekly viewers of video/TV with broadband at home, aged 16–59, in 20 markets

> Those aged 16–34 spend 53 percent of all their video viewing time on a smartphone, laptop or tablet.

> Since 2012 the number of consumers across all age groups who watch video on their smartphones has increased by 71 percent. The average time spent watching video on mobile devices is up 3 hours a week compared to 2012.

The difficulty of finding content

> Half of consumers watching linear TV say they can't find anything to watch at least once a day. As many as 62 percent of consumers aged 25–34 face this challenge on a daily basis.

> Consumers feel that recommendation features are simply not smart or personal enough.

Non-believers in traditional pay TV may eventually change their minds

> For TV cord-nevers (consumers who have never had a pay TV subscription) it is difficult to understand the value as it is offered today. Long binding times, inflexible packages and high costs and advertising cause 50 percent to believe they will not pay for it, even in the future.

> However, 22 percent of cord-nevers are already paying for over-the-top (OTT) content services, indicating a willingness to pay for subscription TV, albeit with a different bundle approach.

NOTES TO EDITORS

For media kits, backgrounders and high-resolution photos, please visit
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, business and society 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 approximately 115,000 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 2015 were SEK 246.9 billion (USD 29.4 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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