



‘Download-to-own’ is key to future of the film and TV industry

London, 4th April 2006: New Internet and mobile video services will pose an increasing challenge to the traditional film and TV industry, argues a new report from media research company Screen Digest and consultancy Rightscom. The way forward lies in developing effective digital download-to-own services that mimic the DVD business model that has generated billions of dollars of profit for movie studios and broadcasters.

Sometimes called ‘electronic sell-through’ or ‘digital retail’, the download-to-own business model allows companies to charge a higher price (and hence extract a better profit margin) than other forms of video-on-demand. Pioneering examples of such Internet services include Movielink – a joint venture founded by a group of the largest Hollywood studios, the new UK venture recently announced by Universal Studios and new entrant LoveFilm and the German In2Movies offering being established by Warner Bros.

Critical to the success of these new Internet video-on-demand ventures will be the deployment of flexible and robust digital rights management (DRM) systems. Screen Digest’s report *Digital Rights Management and New Entertainment Business Models* is the first comprehensive analysis of the way that DRM technologies are being used to reinvent the film and TV industry in the 21st century.

“This year will be the first year that Internet video delivery really starts to take off. Powered by DRM technologies, the telcos and big Internet players, together with hungry new Internet start-ups, will challenge the traditional gatekeepers” commented report joint author Chris Barlas of specialist DRM consultancy Rightscom. “The fact that DRM was discussed at the recent World Economic Forum in Davos underlines its critical importance”, said Barlas.

“Digital download-to-own is the new holy grail of the film and TV industry as it fights to respond to the twin challenges of piracy and new market entrants” added Ben Keen, Chief Analyst of Screen Digest. “However, the consumer must be at the centre of all new strategies and DRM systems that are not sufficiently flexible are doomed to failure”, said Keen.

The report examines the lessons learnt from the music industry’s digital experience and also analyses the way in which DRM systems might allow movie release windows to be radically changed in future. All the key players in the DRM space are scrutinised and the report highlights the groundbreaking business and distribution models developed by firms like Akimbo, BrightCove, CinemaNow, Comcast, Greengrass, Lovefilm, Kontiki, RipeTV, and TiVo.

Editors' Notes

The data, forecasts and analysis contained in this press release are taken from the new Screen Digest report: "Digital Rights Management and New Entertainment Business Models: A strategic analysis." To find out more about this report please contact Screen Digest / www.screendigest.com / +44 20 7424 2820.

About Rightscom

Founded in January 2000, Rightscom has established a trusted position as an international consultancy with a unique body of business and technology knowledge about the management of all types of digital media. Rightscom's consultants have extensive expertise in the management and trading of all types of intellectual property assets rooted in many years of experience at senior management level in the major media content industries

Rightscom specialises in the analysis of the impact of changes on the "digital content" landscape brought about by upheaval in operational, technical, commercial and regulatory processes and in the design of the solutions needed to protect stakeholder value at a time of turbulent change.

About Screen Digest

Screen Digest is the pre-eminent source of business intelligence, research, and analysis on global audiovisual media. *Screen Digest* the journal has been published for more than 30 years and is read in over 40 countries. Screen Digest is primarily a research company and publishes a rapidly growing number of major business reports on media markets. The company also offers continuous online research services providing searchable access to a vast database of global audiovisual market research information. Screen Digest also provides single client consultancy services and has undertaken a wide variety of bespoke projects on behalf of numerous national and international organisations.

For further information on this report or to arrange interviews, please contact:

Fay Hamilton

fay.hamilton@screendigest.com

Tel: +44 20 7424 2820

www.screendigest.com

Dan Stevenson

dan.stevenson@screendigest.com

Tel: +44 20 7424 2820