



## Does the customer accept HDTV?

Dep. IPTV, Products & Innovation, Deutsche Telekom AG

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# T-Home Entertain Portfolio

## Entertain Comfort

from **49,<sup>95</sup>**

## Entertain Comfort Plus

from **59,<sup>95</sup>**

## Entertain Premium

from **69,<sup>95</sup>**

HD only available with VDSL 25 / VDSL 50 from **10,- / to 15,-**

+ Incl. more than 35 Pay-TV- channels  
+ Two BuLi –games live  
+ printed TV guide

+ Programm Manager  
+ eMail-Package  
+ Security Package  
+ HotSpot Flat  
+ Fixed to mobile option

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- Web browsing from 16 to 50 Mbit/s
- Timeshifted TV
- Personal Videorecorder
- TV-Archive
- Online-Videothek
- Over 70 FTA TV- channels

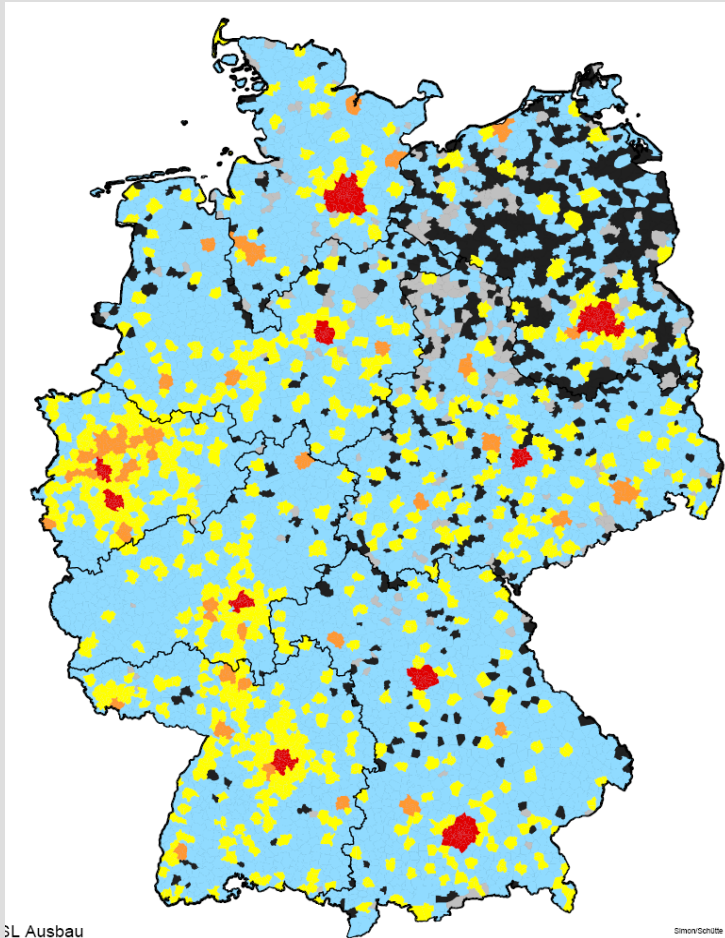
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Price per Settopbox from **99,<sup>99</sup>**



# Technical reach HDTV: 8mn. homes passed VDSL & ADSL2+ Highspeed for Germany.



- VDSL broadband network with up to 50 MBit/s downstream & up to 10 Mbit/s upstream
- 27 cities with approx. 8.2 mn. households passed by VDSL in 2007
- Rollout ADSL2+ broadband technology in 750 cities in 2007
- Currently 17.2 mn. homes passed by IPTV
- In 2009 further Expansion planned

# T-Home Entertain - the fast way getting HD-ready\*

The mediareceiver can stream and record HD  
Easy installation - the box comes with an HDMI cable



300.000\*\* HD ready Settop boxes in Germany  
250.000 marketed T-Home Entertain packages



\* Precondition is a VDSL 25 access

\*\* GfK, 2008

# TV Brands in HD on T-Home Entertain

strong pioneers prove the opportunity of HDTV

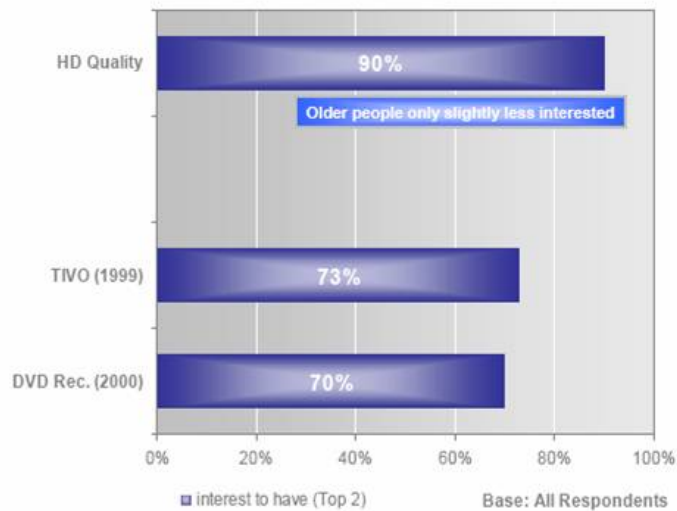


# What does the customer want?

There is no clear picture in market research

## Study Philipps: 90%

Interest in HD Picture Quality, compared to other Features/Products  
(A8 + external data)



## Study Bitkom: 27%

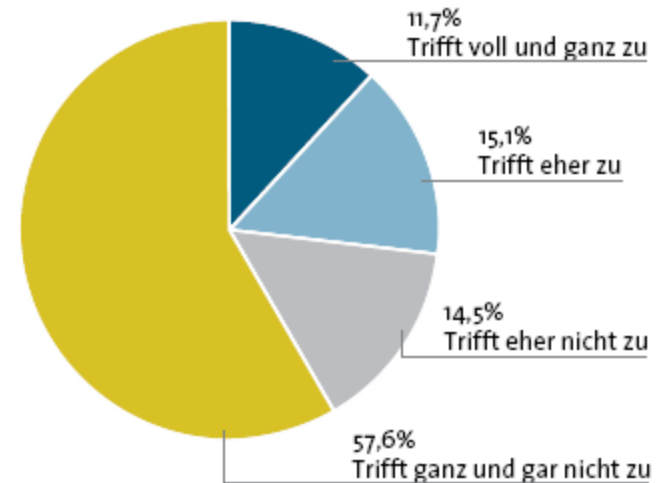
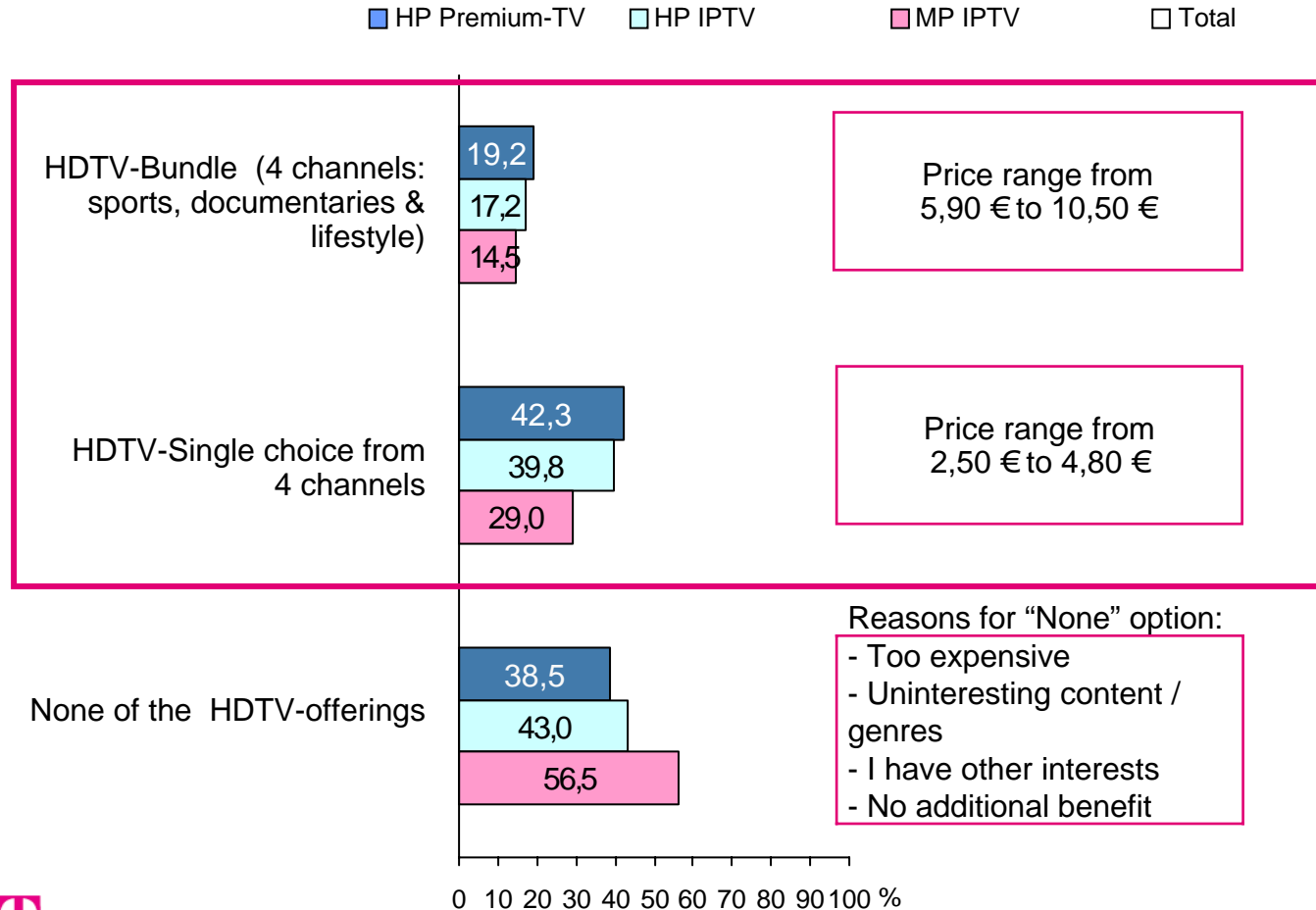


Abbildung 17: Ich wünsche mir mehr Sendungen in HDTV-Qualität,  
Quelle: TechConsult/BITKOM 06/2008



# Is the customer willing to pay for HD?

Yes, most of them, but not all. Success will depend on packaging.



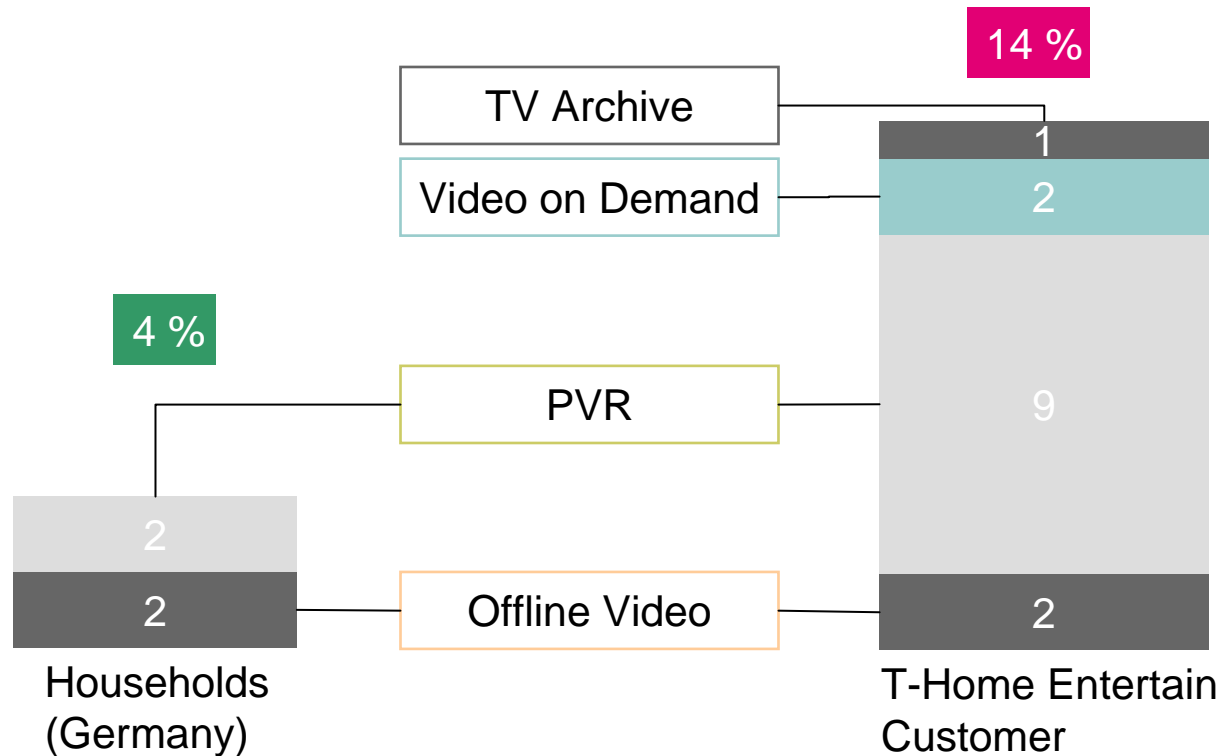
Source:  
Statistic:  
Notes:

IPTV2 Deep Dive User Clinics 2008  
n = 188

# Non-linear usage as a key differentiator for DTAG

Entertain customers show significantly different usage behavior

Share of non-linear usage to TV usage total (in %)



# Video on demand across multiple access points

The on-demand service Videoload makes PPV HD content available via web and set-top-box.

Service



Hardware



Business Model



# HD on Videoload

Partnering major studios start to recognize the potential of distributing high quality content via digital channels.

## Currently providing HD content



## Soon to provide HD content



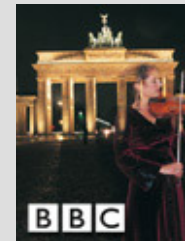
SONY  
PICTURES  
TELEVISION  
INTERNATIONAL



## HD content under discussion



Currently more than 100 titles available across multiple genres

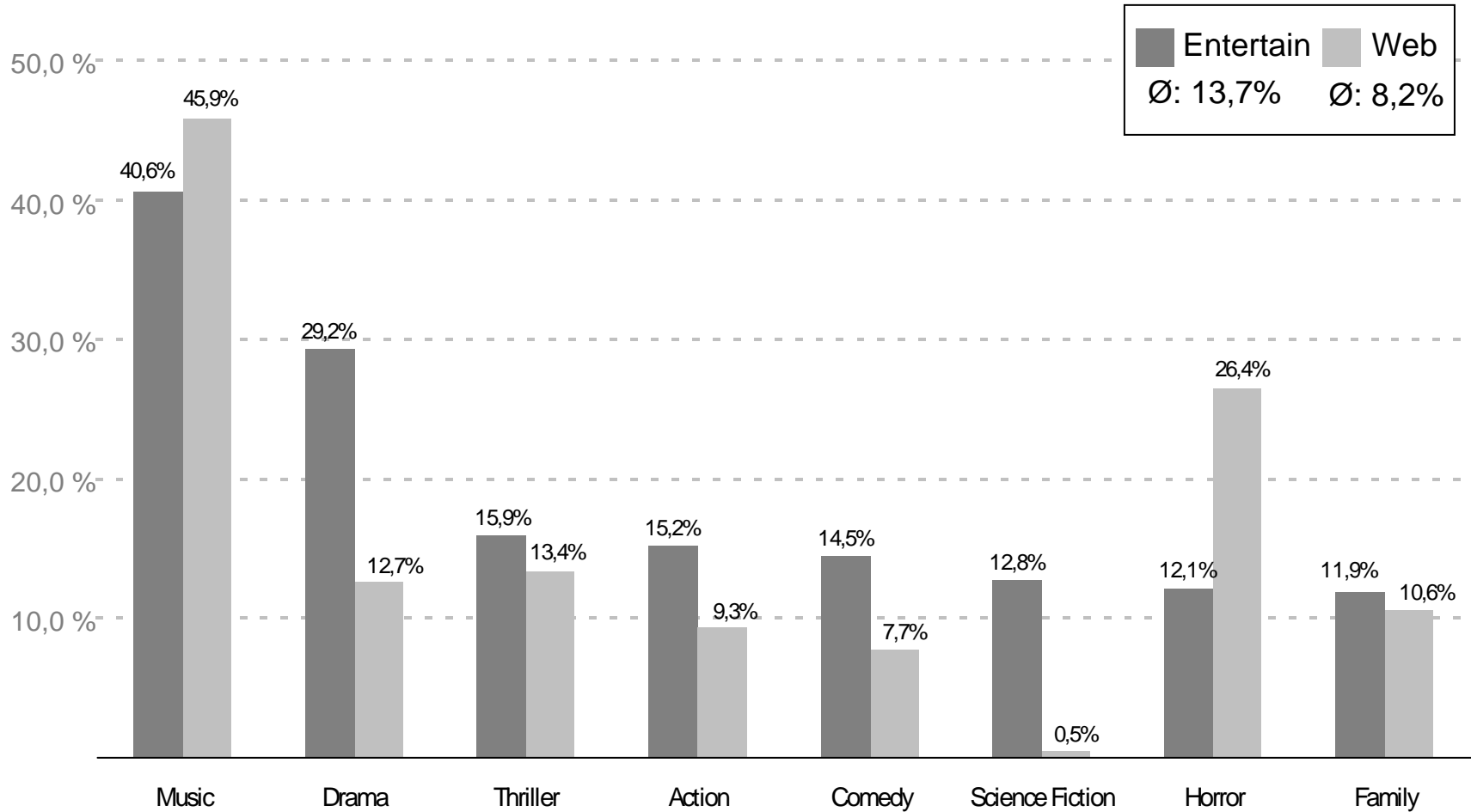


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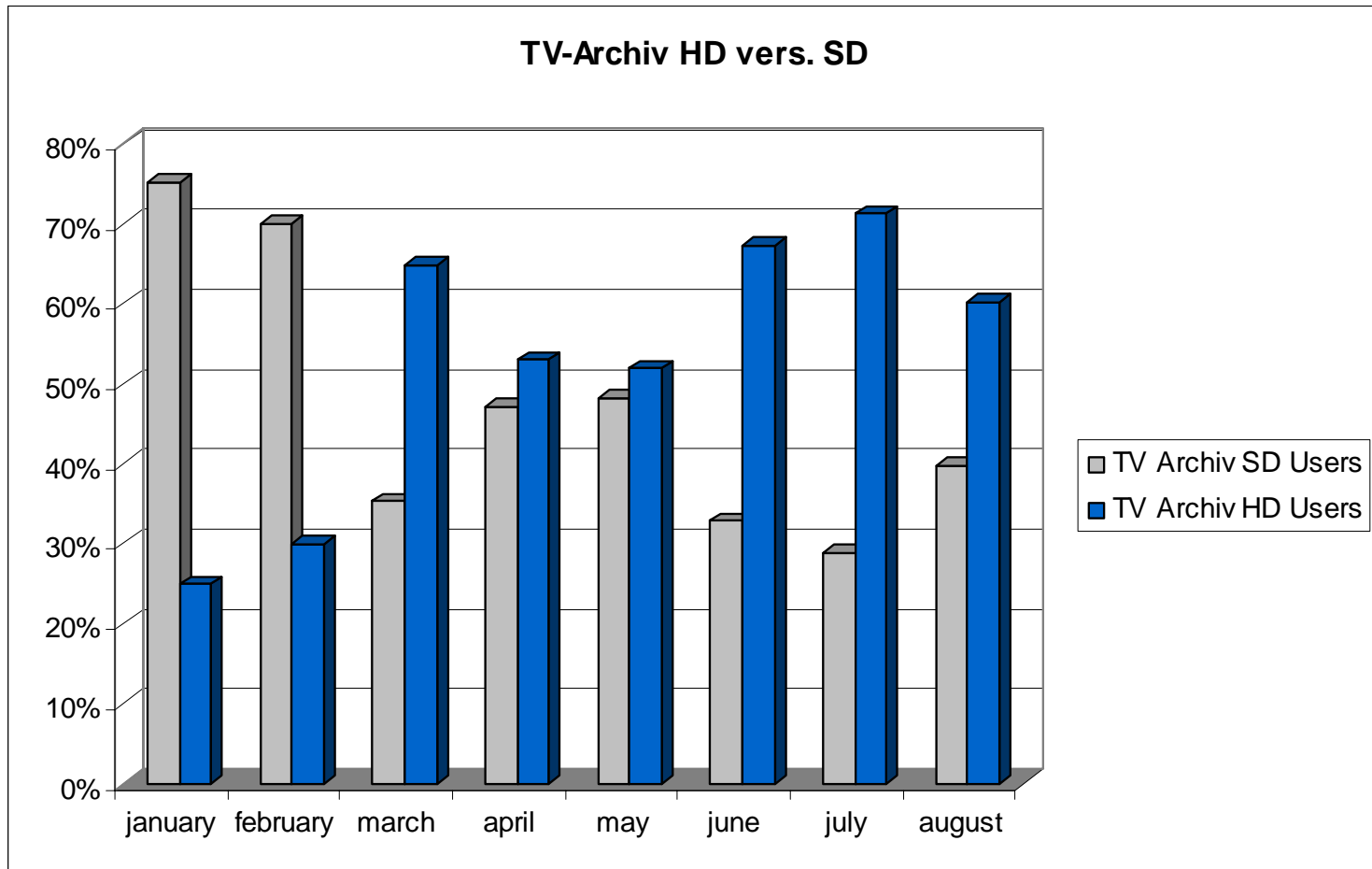
# HD usage Entertain vs. Videoload

Usage varies widely across the various genres



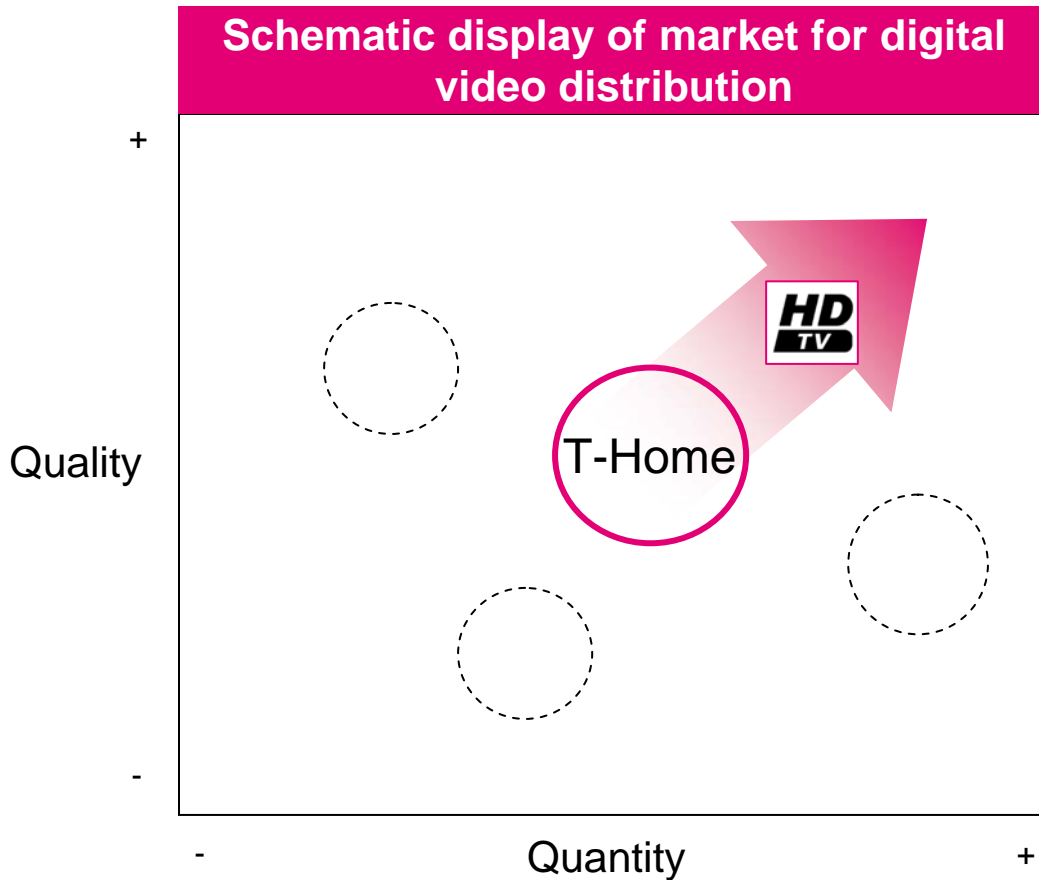
# HD helps TV-Archiv to get more visitors

But only good content can lead to more playtime



# Look into the future

HD together with advanced product features will provide a major differentiator in online distribution of digital contents.



1. Increase number of HD titles by cooperating with more major studios
2. Evaluating new technologies to improve picture and sound quality for customer without threatening bandwidth
3. Evaluating the introduction of FullHD within next 12 months



# HDTV on T-Home Entertain

## major learnings

- Customers are willing to pay for HD-content (up to 5 times higher take rate for bundles with HD-content)
  - linear HD channels perform as one of the best in pay-TV portfolio of DTAG
  - Bundesliga in HD is accepted, but is not exceptionally changing usage
  - T-Home Entertain is pushing basis of installed HD-receivers in germany but DTAG as a platform can only use HDTV as a marketing argument if there is good content
  - DTAG is open for new linear HD-channels, but the major leverage for HD on T-Home Entertain will be onDemand
- T content

# Why doesn't the customer understand?





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**Thank you for your attention.**

# Backup

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