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ULTRAVIOLET

ULTRAVIOLET™

- Disrupt - to tear apart, shatter, to interrupt or cause to cease entirely.

Clayton Christensen, *The Innovator's Dilemma.*

"Disruption must be viewed as an opportunity rather than a threat. Viewing disruptive innovation as a threat forces the incumbent to attack it and go against the flow rather than seek out market opportunities."

Disruption

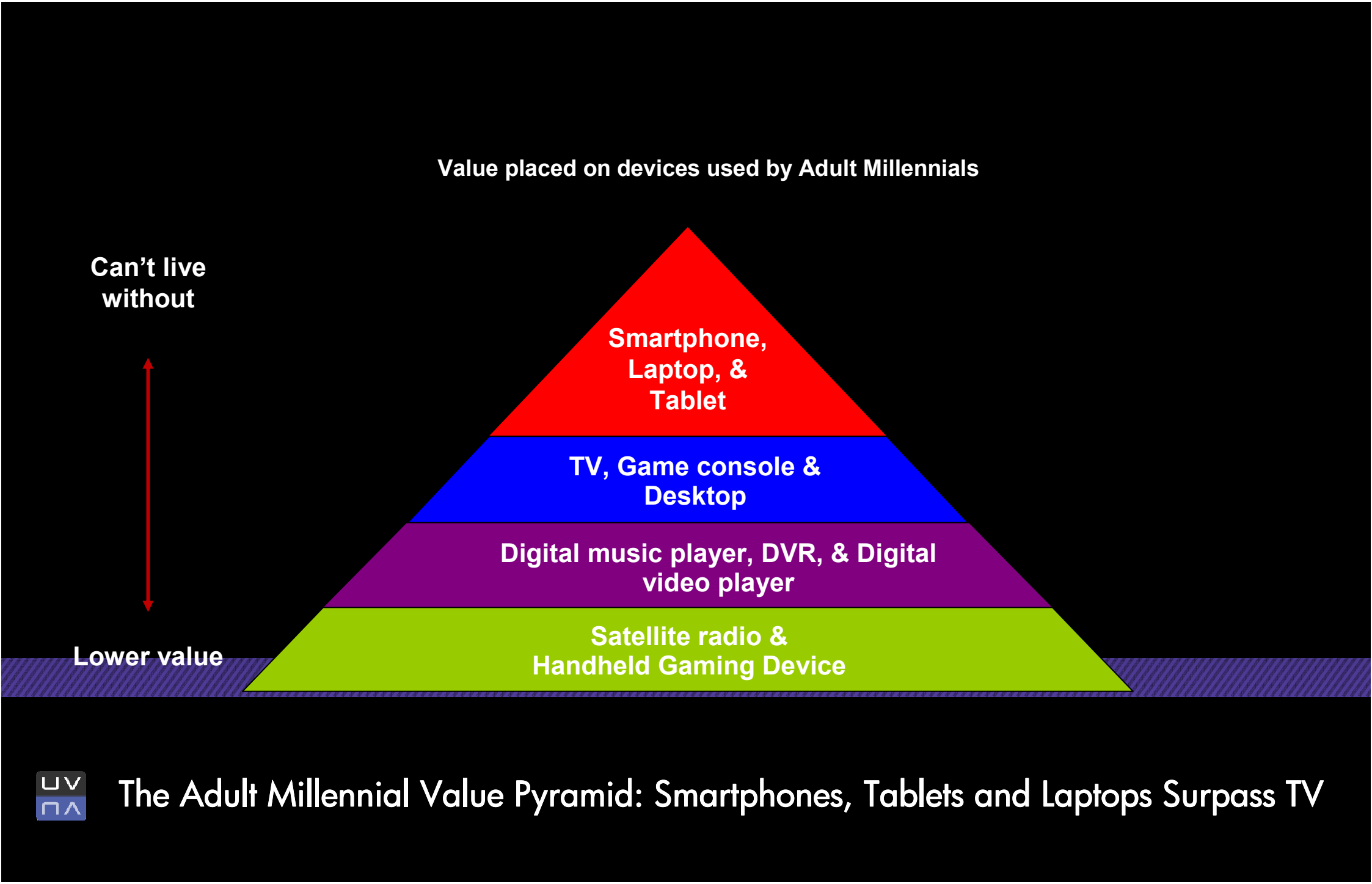
- Disrupt - to tear apart, shatter, to interrupt or cause to cease entirely.

Digital Parasites

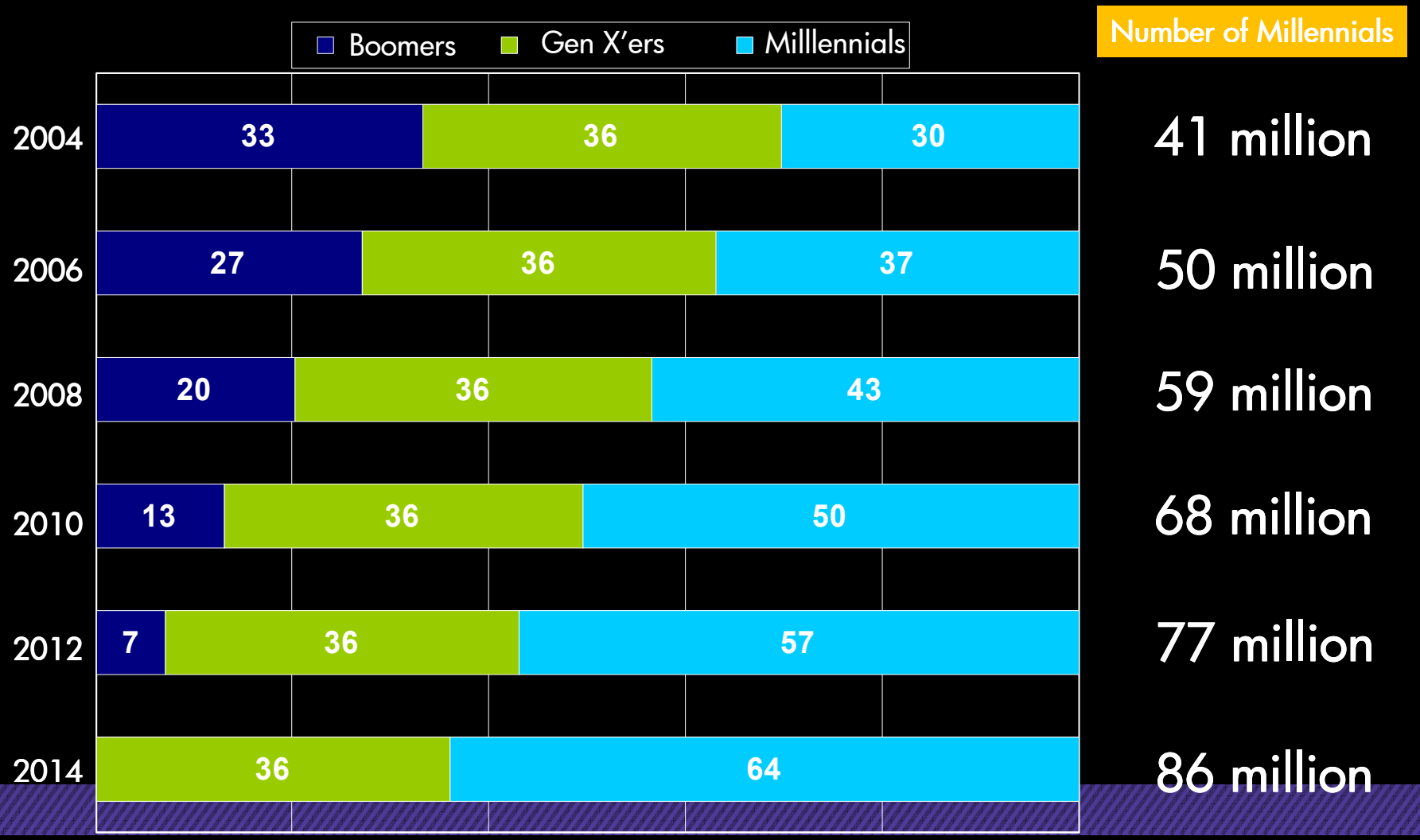
Disruption

- The Next **Greatest** Generation?
- **Confident** in their ability to succeed
- **Smarter** than previous generations – aptitude test scores are up
- **Collaborative team players** who think in groups
- They are **social networkers** who are eager to share news with friends

Millennials - Born 1977 - 1996



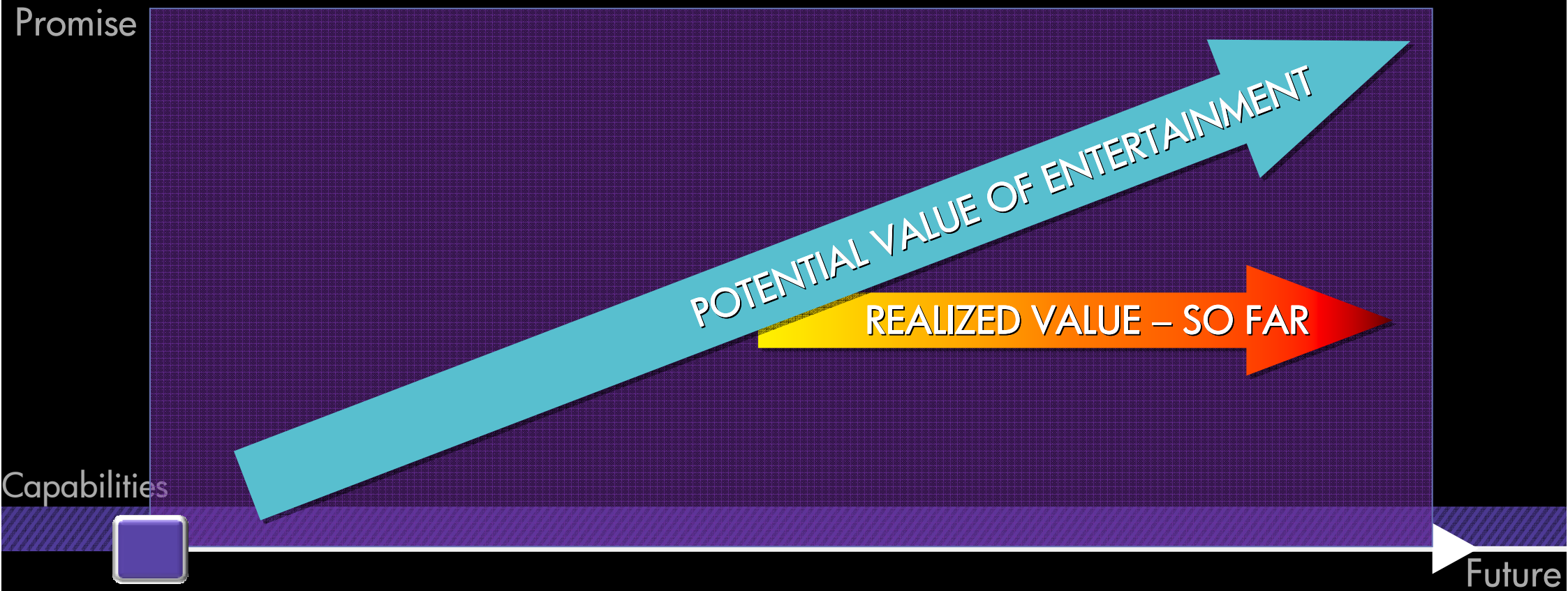
The Adult Millennial Value Pyramid: Smartphones, Tablets and Laptops Surpass TV



18-49 Domination By 2014 And Beyond

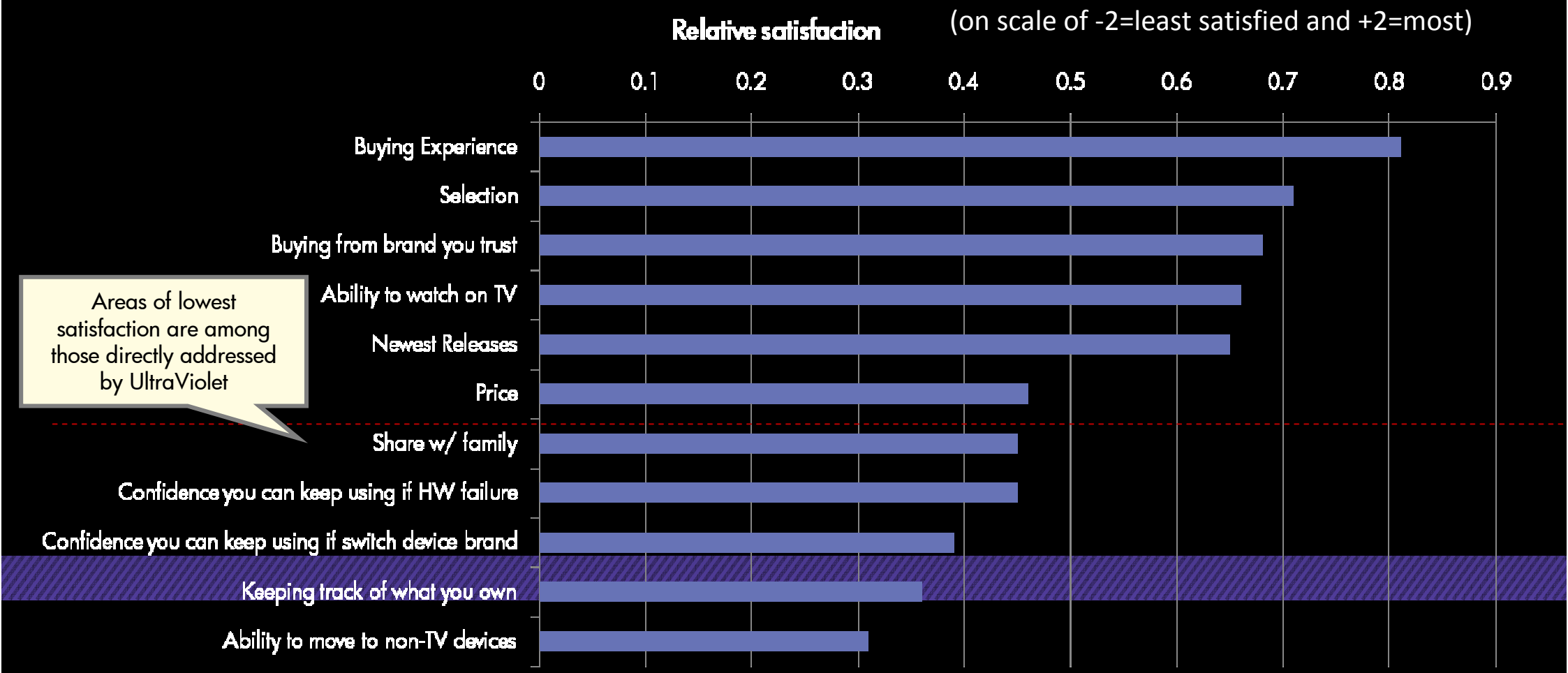
Based on U.S. Census population projections

DIGITAL DISTRIBUTION: REALIZING POTENTIAL



So much promise!

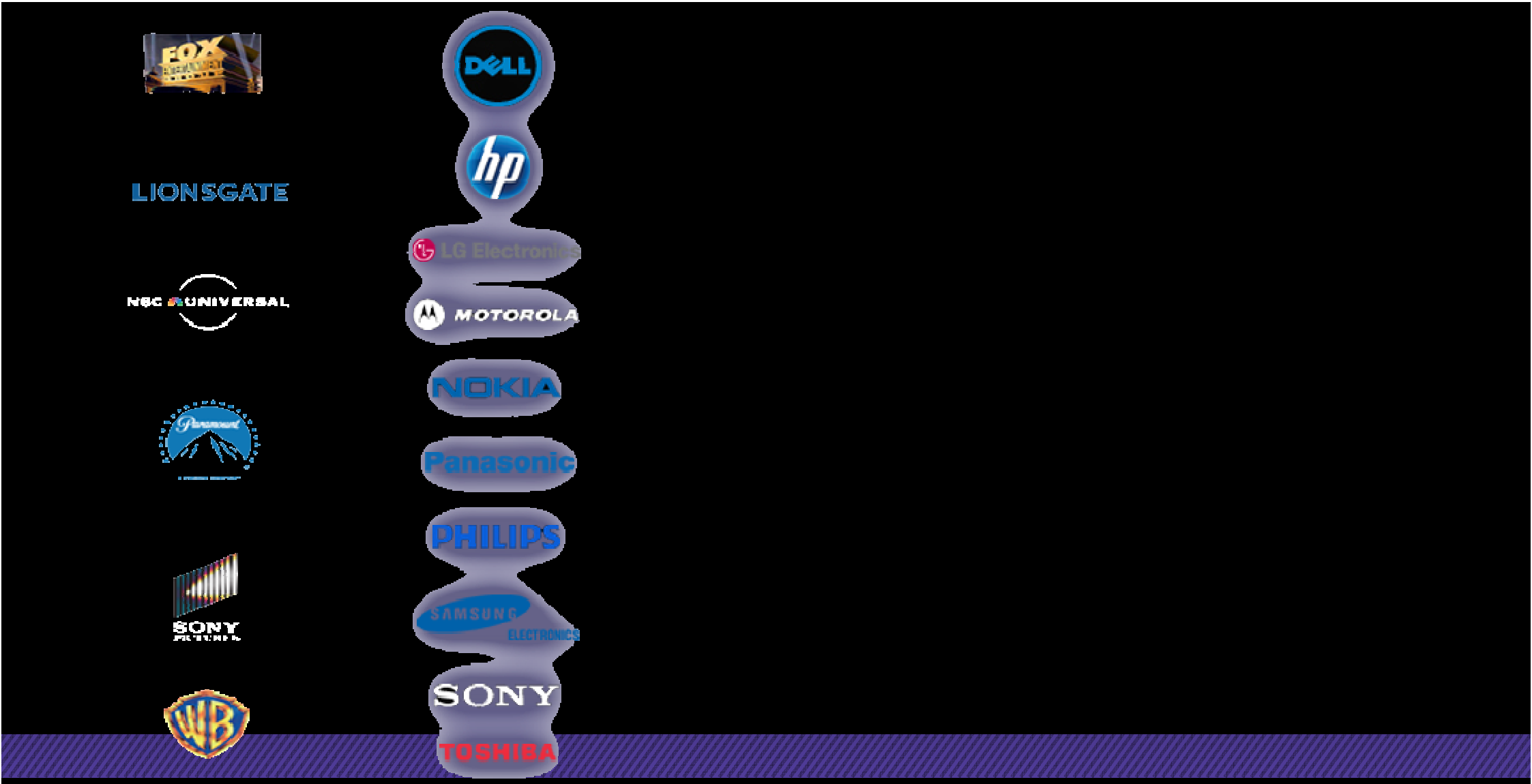
CONSUMERS ARE UNSATISFIED BUYING MOVIES ONLINE



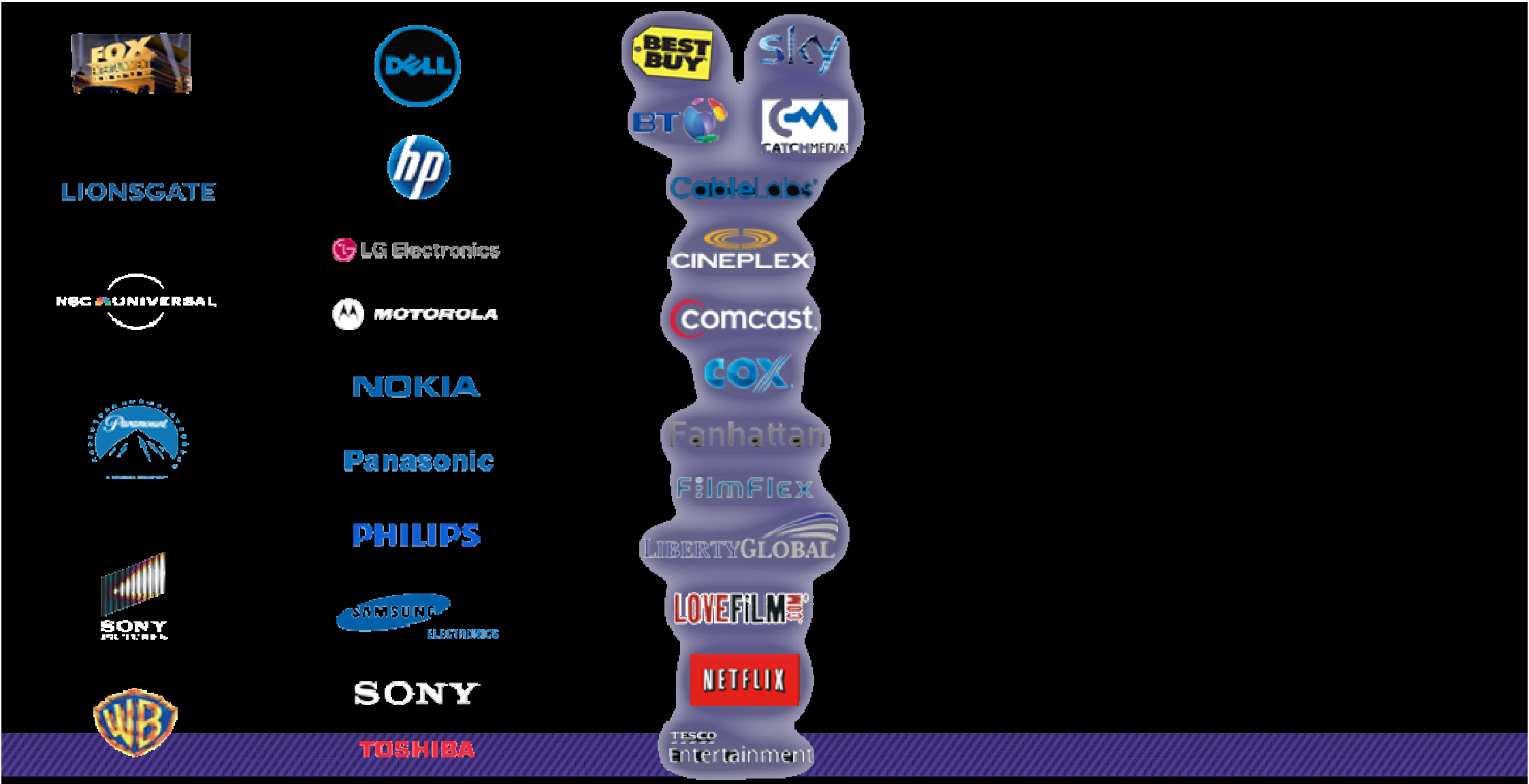
Source: UltraViolet Consumer Insights Survey, Oct. 2010; conducted for DECE by AbsolutData Technologies; n = 1,025

INDUSTRIES RESPOND

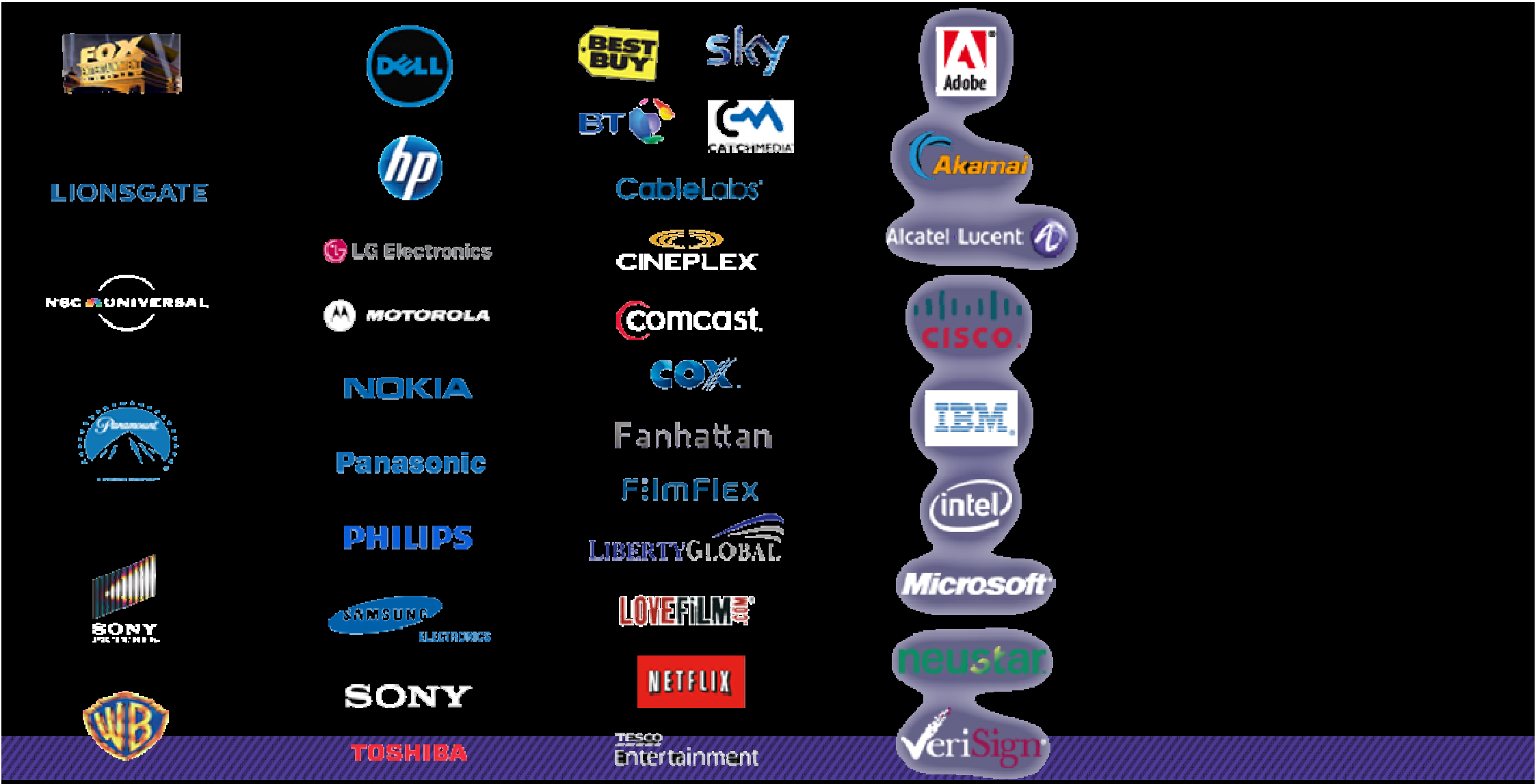
MAJOR FILM & TV STUDIOS



LEADING ENTERTAINMENT & COMMUNICATIONS DEVICE BRANDS



PROMINENT HOME ENTERTAINMENT DISTRIBUTORS



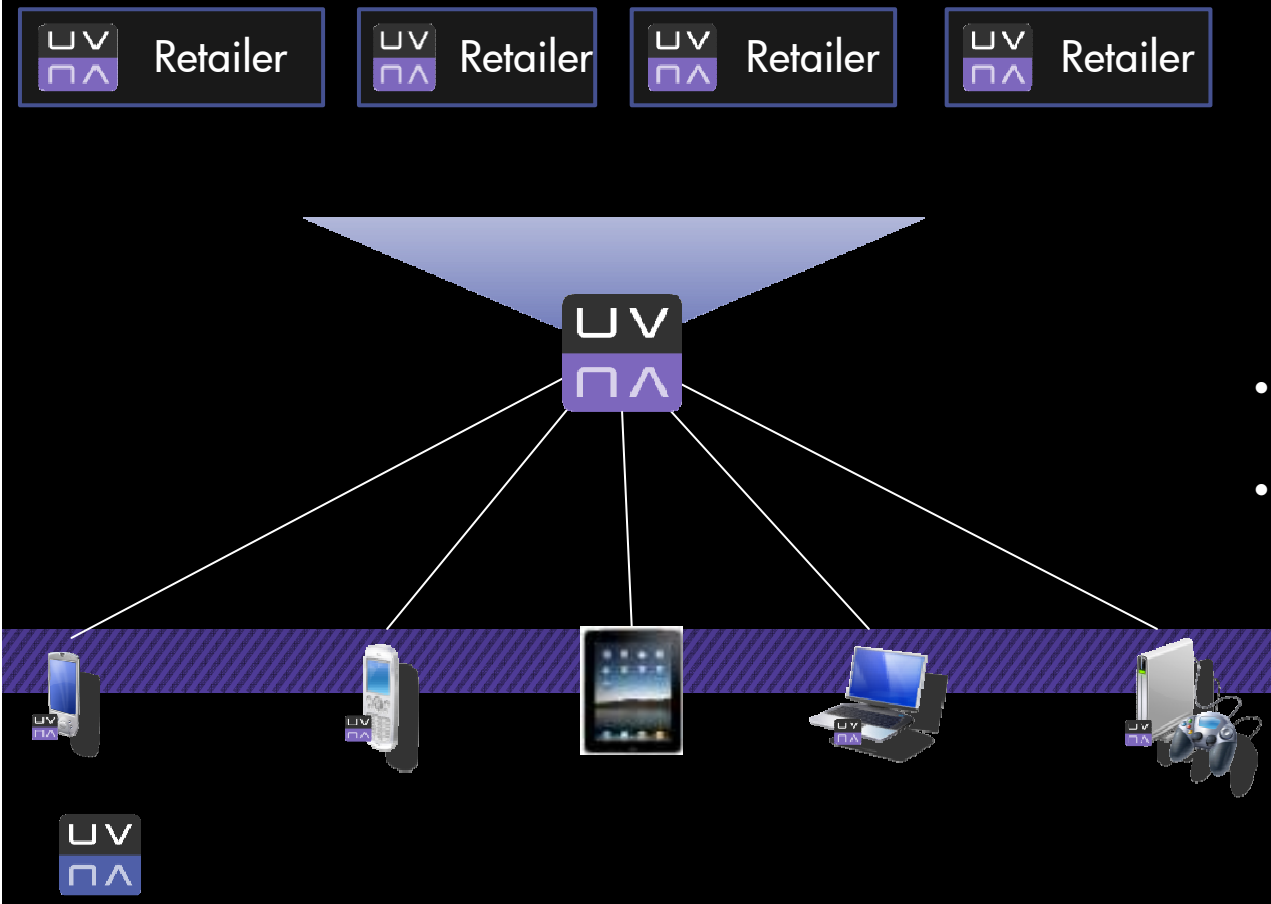
MAJOR TECHNOLOGY COMPANIES

DIGITAL MEDIA TECHNOLOGY LEADERS

ULTRAVIOLET™

DECE: UNITED TO CREATE ULTRAVIOLET

ULTRAVIOLET: THE FIRST TRUE DIGITAL "PRODUCT" FOR CONSUMERS



- Interoperable Rights Locker for family/household, enabling:
  - Interoperable download "product" (cross-platform/DRM + App/Device registration)
  - Remote access streaming
  - Bundled digital/physical offers
- Consistent message and product proposition
- UltraViolet branded digital product sold by multiple retailers

LOOK FOR THE LOGO WHERE YOU SHOP

UV

THE ULTRAVIOLET EXPERIENCE

LOOK FOR THE LOGO
WHERE YOU SHOP

YOUR
ULTRAVIOLET ACCOUNT

THE ULTRAVIOLET EXPERIENCE

LOOK FOR THE LOGO
WHERE YOU SHOP

YOUR
ULTRAVIOLET
ACCOUNT

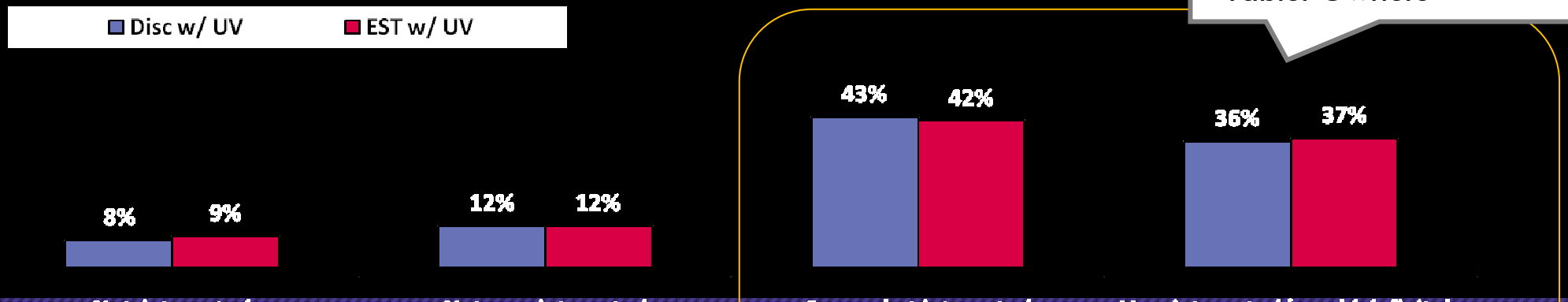
WATCH
WHEREVER, WHENEVER

Download
Streaming
Physical Media

THE ULTRAVIOLET EXPERIENCE

MORE THAN 75% OF CONSUMERS ARE INTERESTED IN ULTRAVIOLET (BOTH DISC AND EST). MORE THAN HALF OF SOME HIGH-VALUE SEGMENTS ARE VERY INTERESTED.

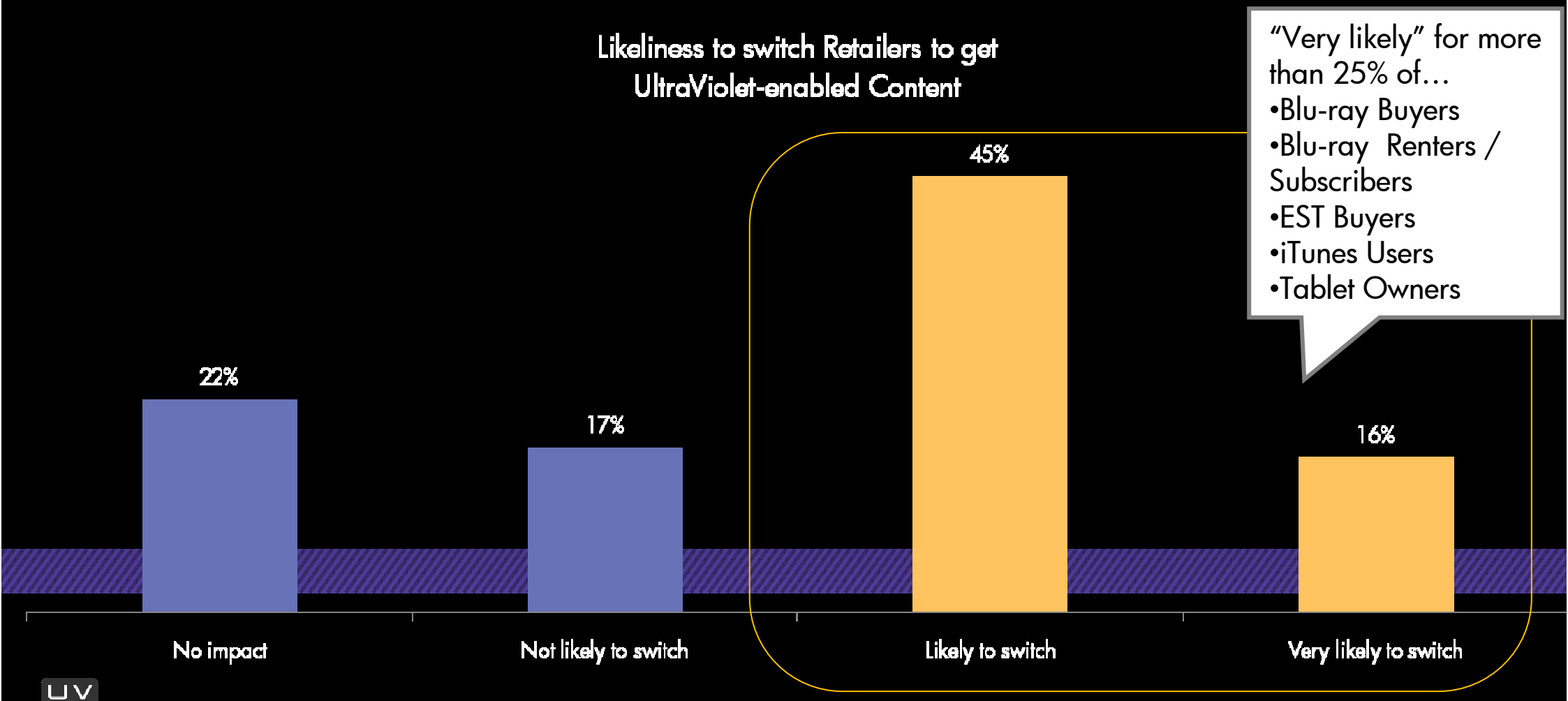
Interest in UltraViolet if it comes with movies or TV shows that a consumer is considering buying



"Very interested" is more than 50% for …
- Male 18-34
- Current EST Buyers
- iTunes Users
- Tablet Owners

Source: UltraViolet Consumer Insights Survey, Oct. 2010; conducted for DECE by AbsolutData Technologies; n = 1,025

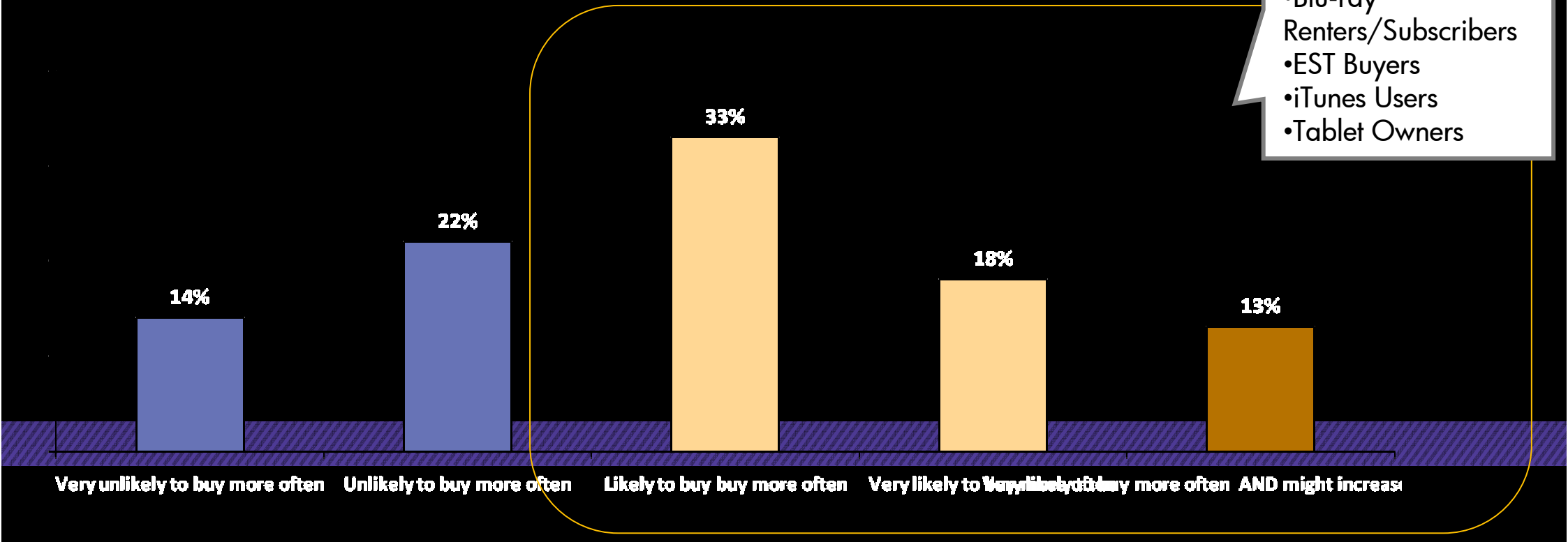
MORE THAN 60% OF CONSUMERS ARE LIKELY TO SWITCH RETAILERS TO GET ULTRAVIOLET; HIGH-VALUE SEGMENTS ARE EVEN MORE LIKELY TO DO SO.



Source: UltraViolet Consumer Insights Survey, Oct. 2010; conducted for DECE by AbsolutData Technologies; n = 1,025

MORE THAN 60% OF CONSUMERS SAY ULTRAVIOLET IS LIKELY TO MAKE THEM BUY CONTENT MORE OFTEN.

Impact on consumers' choice to buy content vs. renting it or getting via subscription



Buy more often AND more-overall > 20% for…
- Male 18-34
- Blu-ray Buyers
- Blu-ray Renters/Subscribers
- EST Buyers
- iTunes Users
- Tablet Owners

Source: UltraViolet Consumer Insights Survey, Oct. 2010; conducted for DECE by AbsolutData Technologies; n = 1,025

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“Good companies don’t fail because of radical new technologies, they fail because of the companies reactions to those new ideas.”

Clayton Christensen, *The Innovator’s Dilemma.*