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THE BUSINESS OF EMERGING TECHNOLOGIES

INFOCUS • SPORTS BROADCASTING

Sports channels in Central & Eastern Europe

BY CHRIS DZIADUL

Sports channels are becoming increasingly important in Central & East Europe (CEE). A must-have feature of any cable, satellite, IPTV and probably soon also DTT offer, they include not only such well-known international services as those from Eurosport and MTG's Viasat, but also a growing number of locally produced channels, some of which are becoming pan-regional players in their own right.

Eurosport is undoubtedly still one of, if not the best-known brand names in sports broadcasting in CEE. Its channels Eurosport, Eurosport 2 and Eurosport HD are available throughout the region, and in nearly all instances localised. Many viewers are also offered the Eurosport channel Eurosportnews.

Eurosport and Eurosport 2 probably offer viewers more sports (over 120) than any other sports channels in CEE. What is more, 50% of Eurosport's output is live – more than that of any other TV sports channel in Europe.

Viasat's main sports focus is meanwhile on the Baltic Republics, where its proprietary channels include Viasat Sport Baltic, Viasat Hockey, Viasat Premier League HD and Viasat Golf.

Other key international players include Chello Central Europe, which has three sports channels in its portfolio, along with the RTL-backed IKO Media Group. Central European Media Enterprises (CME) also operates proprietary sports channels in some of its markets.

Romanian-owned RCS/RDS, too, is an international player, offering its channel Digi Sport to subscribers of the Digi DTH platform in the countries it is present in. Meanwhile a little-known Serbian company named TV Arena Sports has within a short period of time become one of the leading providers of sports channels – it currently operates four – to countries that once made up the Yugoslav Federation.

Significantly, sport has and continues to play an important role in the adoption of new technology in the CEE region. In the case of 3D, several platforms including Poland's Cyfra+ and Russia's NTV-Plus have used transmissions of important football games/tournaments to demonstrate 3D to viewers. The latter has since gone to launch a channel in the format, jointly with Panasonic, that includes sports programming in its schedule.

Russia

There is a political dimension to sports broadcasting in Russia arguably not present in any other CEE market. What is more, it is likely to become even more pronounced as the country prepares to host two major

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■ The **DVB Technical Module** has given its approval to the DVB-3DTV specification. The Phase 1, frame compatible, system will allow viewers to keep and use their current set-top box.

■ **Sky's 3D** television service is being viewed in half of the 140,000 households that have a 3DTV installed.

■ **The Secretary of State for Culture, Olympics, Media and Sport** Jeremy Hunt is to follow an **Ofcom** recommendation to refer **News Corp's** acquisition of **BSkyB** to the **Competi-tion Commission**, but only after the company has been given the opportunity to reduce the impact of the proposed takeover.

■ **Amazon** is to purchase the subscription movie service **Lovefilm**, adding to the 42% shareholding it acquired following the 2008 purchase by Lovefilm of Amazon Europe's DVD rental business, and shoring up Lovefilm's defences against the US Netflix.

■ **Orange** has begun exclusive negotiations with **Dailymotion**, taking a 49% share in the 'French YouTube' at a cost of €58.8 million, which could ultimately lead to complete ownership.

■ **Italy's** minister of economic development has indicated a delay to the process designed to bring new entrants into digital television. The issue of whether **Sky Italia** should be allow to hold a **DTT** licence has been referred to The Council of State.

■ Dutch incumbent telecom operator **KPN** has reported a strong increase in the number of **IPTV** customers, adding 57,000 homes to reach a total of 302,000 by December 31, 2010. The number of subscribers to the company's **Digitenne** DTT platform dropped slightly to 895,000.

■ **Eutelsat's Fransat** subsidiary has announced that over 800,000 set-top-boxes have been shipped to receive the country's DTT channels by satellite via the Fransat platform.

■ The **Estonian Ministry of Culture** has announced a public contest for a nationwide free-to-air digital television licence.

■ The **Tele Columbus Group**, the German cable network operator, has announced that it has successfully completed its financial restructuring and is now ready to invest in the network. As part of a restructuring agreement with the lenders, the debt was reduced by more than €400 million.

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events, the Winter Olympics in Sochi in 2014 and FIFA World Cup four years later.

The main bone of contention amongst politicians is the gradual disappearance of sports from free-to-air channels, which despite the rapid take-up of pay-TV services in the last few years are still by far the most watched.

Speaking only last week, the sports minister Vitaly Mutko criticised the leading broadcaster Channel One for no longer having a sports department and state-owned VGTRK for having closed a exclusively sports channel (aptly named Sport) and replaced it with Rossiya-2, which also offers other programming genres.

Mutko, who is from a sports background, having been president of the Russian Football Union (RFS) from 2005 to 2009, went on to make a surprising proposal. Namely, his ministry was prepared to consider buying airtime on pay-TV channels that it would then use to carry sports programming.

While it remains to be seen whether this will in fact happen, there should be no doubt that the Kremlin can and will step in if a situation is not to its liking. This was most clearly demonstrated in Q1 2007, when the DTH platform NTV-Plus signed an exclusive four-year Russian football premier league rights deal with the RFS. Worth $92 million (€67.1 million), it would have effectively put most matches carried by VGTRK's Sport, which was reported to have offered the league just $600,000 for the rights per season, out of reach of the general public.

This caused something of an outcry and – perhaps even more importantly – was deemed to be unacceptable by the then president, Vladimir Putin. Thanks to him and Dmitry Medvedev, who was then deputy prime minister, the deal was eventually rewritten in order to retain some live matches on Sport (Rossiya-2) and also Channel One.

However, this deal ran out last year and the arrangements for the coming season are unclear. It is known, however, that NTV-Plus has made an offer of around $60 million to secure the rights to all the Russian premier league games in the 2011/12 season.

What is more, the RFS is likely to look favourably on this offer, being of the view that payment for rights is vital for the financial wellbeing of Russian football.

NTV-Plus is undoubtedly the key player in Russian sports broadcasting, occupying a position quite similar to that of Sky in the UK. One of the longest established satellite platforms in Europe – it made its debut as far back as 1996 – the Gazprom Media-backed operation has a growing number of proprietary channels, with sport, and indeed movies, being the most popular genres.

A close look at its offer shows no fewer than three packages dedicated almost exclusively to NTV-branded sports channels: Sport, featuring NTV-Plus Sport, NTV-Plus Futbol, NTV-Plus Online and the ice hockey-based KHL; Supersport, the four aforementioned and NTV-Plus Basketbol, NTV-Plus Tennis, NTV-Plus Sport Klassika and NTV-Plus Nash Futbol; and Nash Fubol, with the channel of the same name.

Also available are four main packages – Lite, Lite Plus, Basic and Basic Plus – that each have a selection of sports channels. The latter include the proprietary Sport Plus, along with such international channels as Eurosport, Eurosport 2 and Extreme Sports.

NTV-Plus also lists two sports channels – HD Sport and Eurosport HD – in a nine-channel HD package.

Perhaps not surprisingly, Sport Plus is billed as the NTV-Plus sports flagship channel. Launched in 2009, it has the greatest variety of sports of all its services, drawing on the extensive TV rights held by NTV-Plus, and is distributed by most platforms in Russia including Tricolor TV, the leading DTH operation.

Significantly, NTV-Plus began offering its subscribers living within the Eutelsat W4 footprint (the platform is distributed from the 36 degrees East position in European Russia and Ukraine, while east of the Urals it employs Bonum-1 at 56 degrees East) football on an on demand basis in Q4 2009. At that time, those receiving NTV-Plus Sport and NTV-Plus Sport Klassika were able to watch Champions League and UEFA Europa League games for a fee of R99 (€2.4) each.

Significantly, the games were also made available to customers of the three leading mobile networks MTS, Beeline and Megafon.

As is the case in most other countries, the English Premier League has a special appeal for viewers in Russia. Cashing in on this, VGTRK launched a new HD channel named Sport 1, focused on the Premier League football, in August 2010. The deal struck by the broadcaster and Premier League was reported to be worth $10 million over a three-year period.

Sport 1, which also shows English FA Cup games, along with such sports as Formula 1, tennis (Kremlin Cup and Roland Garos), hockey, basketball, volleyball and boxing, has since its launch secured extensive coverage in Russia. Besides being carried by the DTH platforms Raduga TV, Orion Express and Platforma HD, it is now distributed by several cable networks including the market leader National Cable Networks, as well as IPTV services.

VGTRK also launched a second sports channel in

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2010. A joint venture with Channel One named 2Sport2, it offers HD coverage of major sports events, the first being the FIFA World Cup in South Africa.

According to the channel, it can be viewed with MPEG-4 DVB-T receivers in Moscow and is carried by Beeline TV, Stream TV and Tvoy TV, as well as the DTH platforms NTV-Plus, Rikor TV and Platforma HD.

Although the sports channel market in Russia is clearly booming, the issue of diminishing levels of sports on FTA services is unlikely to go away anytime soon. Once the Russian football rights are resolved, the next on the agenda is likely to be those for the Sochi Winter Olympics. At this stage, it is unclear if the games will be available FTA to viewers.

Poland

Poland has a growing number of locally produced sports channels thanks largely to the activities of its three main broadcasters, though in particular the national commercial stations Polsat and TVN, as well as Canal+.

Cyfrowy Polsat, the DTH platform that will in fact shortly take over its parent company Polsat, currently includes no fewer than four proprietary sports channels in its offer: Polsat Sport, Polsat Sport Extra, Polsat Sport HD and Polsat Futbol. Although there were plans to launch a fifth – Polsat Sport News – by the end of last year, it is now unlikely to make its debut before the country completes its transition to digital broadcasting in 2013.

Polsat is, in addition, likely to launch volleyball channel, in association with the Polish Volleyball Association (PZPS), in time for the 2014 World Volleyball Championship, which will be held in Poland.

N, the new generation DTH platform owned by TVN, meanwhile includes the proprietary nSport HD and Orange Sport Info in its sports package, the former on an exclusive basis. Also offered are three Eurosport channels (Eurosport HD, Eurosport 2 HD and Eurosport 2), Sportklub, Sportklub+, ESPN America, TVP Sport (from the Polish public broadcaster TVP) and the proprietary motoring channel TVN Turbo.

Cyfra+, the DTH platform operated by Canal+ Cyfrowy, currently offers its subscribers no fewer than 15 sports channels, four of which are proprietary (Canal+ Sport, Canal+ Sport HD, Canal+ Sport 2 and Canal+ Gol). The others include Orange Sport and Orange Sport info, which are operated by the France Telecom-backed incumbent telco TPSA.

Since November 2010 Cyfra+ has also provided its subscribers with what it terms a premium Canal+ Sport. Consisting of Canal+ Sport, Canal+ Sport 2 and Canal + Gol, it also gives access to Orange Sport at a reduced rate.

Earlier in 2010, Canal+ Cyfrowy secured a licence from the National Broadcasting Council (KRRiT) for yet one more sports channel. Known as Canal+ Sport 3 and dedicated chiefly to football, there are at present no indications as to when it will make its debut.

Canal+ Cyfrowy has held the lucrative rights to the English Premier League in Poland since 1995 and secured them most recently for a further three seasons in January 2010. Although it also holds the rights to the Polish premier league (Ekstraklasa), these are currently being contested for the next three seasons, beginning 2011/12 between itself and the ITI Group.

The latest indications are the two parties have each lodged bids of around PLN360 million (€91.8 million), which is considerably less than the minimum of PLN450 million that Ekstraklasa SA, the organisation running the league, is seeking.

Should the Canal Plus Cyfrowy and ITI Group, which are understood to be working with Polsat and TPSA respectively, fail to raise their offers Ekstraklasa SA may consider launch its own sports channel, named Ekstraklasa TV. This would then be made available to cable and DTH platforms, with viewers being charged a subscription fee of around PLN15 a month.

Another possible scenario might see some football clubs sell rights to their own matches. However, this is considered to be the least likely.

A final decision on the Ekstraklasa rights was originally expected in January but now looks likely to be made sometime this month.

Hungary

Hungary has a strong tradition in thematic channels dating back to the early 1990s. It also happens to be the headquarters of two of the leading providers of such channels today in the Central & East Europe region.

Chello Central Europe, which is a business unit of Chellomedia, Liberty Global's international content division, is based in Budapest and has offices in six other CEE capitals. Its thematic channel portfolio, which has been built up through a series of acquisitions since 2006, now includes no fewer than three sports channels, namely Sport 1, Sport 2 (referred to together as Sport TV and present in Hungary, the Czech Republic, Slovakia and Romania) and Sport M. Sport 1 and Sport 2 are essentially complementary channels, while Sport M, which was launched in December 2009, specifically offers Hungarian

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sport and targets Hungarian language speakers.

Although Sport M was initially offered in just Hungary, it has since expanded its reach beyond the country and is understood to be now even available to viewers in Canada and the US. Within Europe, it is distributed by UPC in Slovakia and Romania, which both have large ethnic Hungarian communities.

Sport 1 reached an important milestone in Hungary November 2010 when it broadcast the 'El Clasico' football match between Barcelona and Real Madrid in 3D. There are plans to show more sports events in 3D in the near future, including Spanish and Hungarian football league games and perhaps even the Superbowl.

Just a month earlier, Sport TV also managed to secure the exclusive broadcasting rights to the leading Slovak ice hockey league Slovnaft for three seasons. The rights include the broadcast of live matches and highlights on both Sport 1 and Sport 2, and the first matches were shown in November 2010.

Aside from the three sports channels distributed by Chello Central Europe, viewers in the CEE region are also offered the Extreme Sports Channel by Chellozone, another business unit of Chellomedia.

The second leading regional provider of thematic channels based in Hungary is IKO Media Group, which lists RTL Television as a 31% shareholder and is a strategic partner of the leading Hungarian national commercial station RTL Klub.

The IKO Media Group subsidiary IKO Cable Television has a presence in several CEE countries including Hungary, Poland, Romania, Czech Republic, Slovakia, Serbia, Montenegro, Kosovo, Bosnia & Herzegovina, Croatia, Slovenia and Bulgaria.

Its sports channel Sportklub and sister service Sportklub+ are present and localised in nine markets, offering viewers a wide range of football competitions, including the FA Cup, Carling Cup, NPower Championship, Spanish King's Cup, Coppa Italia and Argentinean and Brazilian Championships, as well as motor sports, rugby, golf and many other sports.

In Poland alone, Sportklub is distributed by the leading cable operators and DTH platform n to some 2.5 million households. IKO Cable as a whole distributes 22 thematic channels to over 28 million homes in the CEE region.

According to IKO, Sportklub acquires selected programmes for each country in order to satisfy domestic needs. As a result, its offer includes such sports as Hungarian handball, water polo, basketball and boxing, as well as Romanian ice hockey and second football league.

Czech Republic/Slovakia

Sport plays an important role in the Czech TV industry, with two of the country's three leading broadcasters – CME's TV Nova and publicly owned CT – each including a proprietary sports channel in their portfolios.

Nova Sport traces its roots back to 2002 and the launch of a sports channel named Galaxie Sport. Acquired by TV Nova from PPF (Cyprus) Ltd three years later, it was rebranded Nova Sport in 2008.

Nova Sport claims comparable ratings to pan-European Eurosport and has carriage agreements with all the leading cable operators in the Czech Republic and Slovakia, thereby reaching almost 1.7 million homes.

The channel holds rights to a number of important sporting leagues and events including the National Hockey League (NHL), Barclay's Premier League, FA Cup, National Basketball Association (NBA), Kontinental Hockey League (KHL) and Formula One.

A HD version of Nova Sport has been available since 2009.

CT4, formerly known as CT4 Sport, is meanwhile one of four channels operated by CT. Launched in time for the Winter Olympics in Turin in 2006, it is currently distributed extensively by cable and DTH in the Czech Republic and also carried on the country's first DTT multiplex, along with CT's other services.

Yet despite the existence of Nova Sport and CT4, international sports channels also continue to play a prominent role in the Czech Republic. Europort and Eurosport 2, for instance, have been available on all the country's DTH platforms – and indeed those in Slovakia – since the Czech language version of Eurosport 2 secured carriage on Skylink and CS Link late last year.

Chello Central Europe's SportTV channels are also widely distributed in both countries, as are IKO Media Group's channels, while Digi Sport is offered to subscribers of the Digi TV DTH platform.

Specifically in Slovakia, much of the attention in the sports broadcasting field in recent months has been focused on the fate of the public broadcaster's third channel STV 3, otherwise known as 'Troika'. Launched ahead of the Beijing Olympics in 2008, it was on the point of going off the air, at least temporarily, the following year but appeared to be have been saved when STV secured additional funding.

However, it has since been reported that Troika is no longer broadcasting live sports events, which in some instances are instead appearing on CME-owned TV Markiza, the country's leading broadcaster.

A merger of STV and its radio counterpart was due to

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get under way this January. It remains to be seen what effect, if any, this will have on future sports broadcasting on the newly created entity.

Romania

Romania, like Poland, Hungary and to some degree Russia, has a long tradition in thematic services. As a result, it is probably better served with sports channels than most other markets in the CEE region.

CME's Pro TV, the country's leading broadcaster, has had a sports channel named Sport.ro in its portfolio since March 2007. On air for 24 hours daily and reaching some 66% of Romania's population, it offers around 59% locally produced content and holds the rights to a number of sports competitions including the Europa League, Wimbledon tennis, rugby Tri-Nations and important boxing events.

The battle being waged by Romania's three leading providers of pay-TV services – RCS/RDS, UPC Romania and the incumbent telco Romtelecom, all of which are cable operators and have a DTH platform – is meanwhile also being seen in the provision of sports programming.

Romtelecom, for instance, launched its first proprietary sports channel Dolce Sport in August 2010 and has since been awarded a licence for a second, to be named Dolce Sport 2.

RCS/RDS, on the other hand, operates a proprietary channel named Digi Sport that is also distributed by its Digi TV DTH platform in other parts of the CEE region.

Sports, and especially football, rights are keenly contested in Romania. In August, Romtelecom secured those to the country's second football league (Liga 2) for the 2010/11 season. More recently, there has been a fight for the rights to the first division (Liga 1) for the 2011/12 season between RCS/RDS, UPC Romania and Romtelecom. Those for the three seasons beginning 2008/9 were by RCS/RDS and the commercial channel Antena 1 for just over €100 million.

Other markets

Serbia's TV Arena Sports is developing into a pan-regional sports broadcaster. Launched in late 2009, its four channels are in various combinations distributed in the former Yugoslav countries by a number of platforms including KDS and IKO (Serbia), MAXtv (Croatia), M:tel (Bosnia & Herzegovina) and T-Com (Montenegro).

In Croatia, viewers will soon also be able to receive a new sports channel. Known as Sportska televizija, it will be operated by Croatian Olympic Committee TV (HOO TV) and distributed on the country's 'D' multiplex.

Locally produced channels are also becoming increasingly popular in Bulgaria. The CME-owned group of stations includes Ring.BG, which is one of the oldest established such services and holds the rights to a number of important competitions including the Europa League (until 2012), English Championship (football), Dutch Eredivisie and Russian premier league.

MTG, which operates the Bulgarian national commercial station Nova, meanwhile launched a new localized pay-TV channel named Nova Sport in April 2010. Its offer includes the Barclay's Premier League, UEFA Champions League and IAAF Diamond League athletics.

Unfortunately, not every sports channel launched in the CEE region has gone on to be successful. In Estonia, for instance, a service named Kalev Sport, subsequently rebranded as TV4, made its debut in November 2007 but closed in 2009 due to financial difficulties.

CEE Sports Channels: Leading Local Providers

COUNTRY	OPERATORS
Russia	NTV-Plus, Channel One, VGTRK
Poland	Cyfrowy Polsat, Cyfra+
Czech Rep/Slovakia	TV Nova
Romania	Pro TV, RCS/RDS, Romtelecom
Serbia	TV Arena Sports

Note: leading international sports channel providers include Eurosport, Viasat, Chello Central Europe and IKO Media Group. Several public broadcasters in the region also operate proprietary sports channels in their respective markets.

Source: New Television Insider

DTG 3D seminar: 3D taking its time

BY JULIAN CLOVER

Despite the 140,000 sales of 3DTVs during 2010, the UK is said to have underperformed when compared with other markets, David Watkins of Futuresource Consulting told the DTG 3D seminar in London.

Even though half of those homes accesed the Sky 3D channel, Watkinson cited poor retail demos and a lack of content as the reason for the apparent lack of success of the 3D format as a whole. Many of the sets had been sold in the final quarter of the year, when Sky 3D also had its consumer launch.

Futuresource is forecasting sales of 600,000 3DTV displays during 2011; a figure the company anticipates will climb to 6.5 million in 2015. In the nearer term sales of Blu-ray players with 3D capability are expected to be two and a half times those of TVs. Consumers see such purchases as a means of futureproofing their home entertainment. Crucial will be the amount of content, though the predicted 80 3D titles available in 2014 hardly comes across as an extensive library.

"The pay-TV industry needs to generate enough 3D content flow," said Watkins. "Pay-TV operators are really stepping up their activity, which can only have positive implications encouraging content owners to make more content."

BSkyB's chief engineer Chris Johns said that Sky was pushing heavily for producers to commission content, the recent David Attenborough fronted Flying Monsters had gone from concept to screen in less than a year. Another Christmas treat, the 3D versions of Avatar and Toy Story had been seen on Sky 3D ahead of their Blu-ray release.

Sky itself was producing between two and three live events per week, including at least one Premier League match, while darts had become a surprise 3D hit.

"Darts is a strange one," admitted Johns. "I didn't think it was going to work, but it gives you a chance to use smaller cameras you wouldn't use normally." In all, 35 live events were covered in the last year, including what Johns described as "a lot of finals."

Johns said he believed Sky was the only broadcaster that had issued a set of guidelines on the techniques of 3D content capture. "If everyone sticks to these guidelines we'll all be in a happy place. Getting a rugby ball bouncing out of a screen breaks all the rules, but it's momentary and adds to the experience. If you read the rules you'll know which ones you can break."

More pub chains were now taking the Sky 3D – a valuable showcase for the channel – and Johns said Sky was committed to keeping 3D free to its top tier customers.

Adrian Northover-Smith, head of public affairs, Sony UK said the manufacturer had enjoyed sales of 125,000 3DTVs in the last 10 months. For high-end manufacturers such as Sony the cost of a 3DTV against a 'standard' high-end TV was marginal, the real problem was the cost of the glasses. 70% of Sony customers had expressed an interest in a 3DTV and one in six are interested in 3D games and 3D movies at home. Northover-Smith said games were a major driver amongst kids and pester power might be a deciding factor in some purchases.

> "In the cinema it's dark and there are no visual distractions, while in the living rooms their are loads of real world 3D cues"
> – Simon Parnell, NDS

Nick Shepherd, consultant engineer at Philips, spoke on behalf of HDMI Licensing. Demonstrating how the connectors had become the standard for 3DTV. he said the 1,038-manufacturer adopter figure had been swollen by interest from China, which comprises 38% of the total. Taiwan represents 22% and North America 18%.

HDMI is currently focusing on the signaling of 3D content – Sky 3D subscribers for example have to switch their TV into 3D mode to enjoy the stereoscopic broadcasts – the consortium is also defining ways to insure all displays and sources can interoperate. Away from the displays HDMI is also studying content capture devices.

David Wood, chair of the DVB's commercial module, previewed the approval of the DVB-3DTV specification that has subsequently been announced by the Geneva-based organisation. The Phase 1, frame compatible system will allow viewers to keep and use their current set-top box, in line with plans put forward by broadcasters, including BSkyB and Canal+, though requiring them to purchase a new 3D compatible television display.

The majority of interest in the Phase 1 system has come from pay-TV broadcasters in Europe and the US. Phase 2 is also attracting interest from the free-to-air

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broadcasters in the US market and some pay-TV operators. Tests of a DVB Phase 2 system are currently taking place in Korea.

"There are circumstances where each of the formats gives viewers the best quality and that's why we need all of them," explained Wood, providing delegates with a long list of issues.

Wood said there were also plans for a Service Compatible option within Phase 1. This involved signaling information on frame cropping and aspect ratio that would instruct the receiver to 'de-anamorphize' one of the stereo images and output it as a normal 2D image.

Virgin Media said it was also looking to introduce a 3D version of its guide. Head of on demand development Kevin O'Neil said the cableco was updating its boxes to HDMI 1.4, which would allow for automatic switching by TVs to the appropriate 3D format. Trick play icons such as fast forward indicators had earlier been removed, but a 3D EPG was now in the offing. "We've just launched TiVo with a brand new UI and we're now working very closely with them and that is the platform we will initially work to create a full 3D EPG with Z-plane."

BSkyB has recently begun the download of a 3D EPG as part of an upgrade of the broadcaster's software. A demo seen at the conference showed a more subtle implementation than had previously been shown by technology partner NDS.

The difficulties of using graphical overlays and EPGs were highlighted by Simon Parnell of NDS. "The Z-plane is fundamentally important, we've seen how putting a thin frame over a picture looks fundamentally wrong."

> "There are circumstances where each of the formats gives viewers the best quality and that's why we need all of them,"
> – David Wood, DVB

Parnell said people incorrectly made the assumption that because something works in the cinema it would be the same within the domestic environment. "In the cinema it's dark and there are no visual distractions, while in the living rooms their are loads of real world 3D cues, sometimes in corner of the screen. The viewing angles can also be quite different."

Parnell said that NDS was looking at bringing to the set-top box work that had previously been done in the production sector.

Mike Brooks, head of technical development (DVB), Arqiva Broadcast & Media, gave some example of how Australian broadcasters Seven Network and Nine Network had run 3D broadcasts that had been subsidised by display manufacturers and retailers. He also spoke of tests in Italy where the Italian public broadcaster RAI was trialling a system using a 'cropping window', which defined an area of a side-by-side frame corresponding to the left eye image and a sample aspect ratio that samples the area to be scaled horizontally to provide 2D version of image.

The RAI system – the subject of a heated debate within the DVB last autumn –uses signaling inherent in the H.264/AVC specification. However, the scaling results in reduced horizontal resolution. RAI is planning to commence transmissions in Q1 2010 with commercial rival Mediaset already making 3D transmissions using a rival system on its terrestrial platform.

What Are The Issues For Phase 2 3DTV?

- **How big a 'leap' do we need from Phase 1, for Phase 2 to be successful?**
- **What quality level is needed?**
  - normal "HDTV" (720p/1280/50, 1080i/1920/25, 1080p/1920/25)?
  - 1080p/1920/50
- **What compatibility is needed?**
  - Currently purchased 3D displays?
  - 2D HDTV reception?
  - FC 3D-HDTV reception?
  - Blu-ray decoder?
  - What bit rate is needed?
- **When is it needed?**
  - the commercial requirements?
  - the system specification?
  - in the shops?
- **What "cost/complexity" is needed?**

Source: DVB

Euronews goes into "new dimension"

Euronews has announced a broad range of projects that it says will " take the channel to a new dimension" in 2011.

Speaking at a specially arranged conference in London on January 18 – the first in a series took place earlier in the month in Paris, with others to follow in Moscow, Madrid, Berlin and Frankfurt – leading executives at the channel, headed by managing director of the executive board Michael Peters, outlined in some detail what should be a busy year for the Lyon-based operation.

According to Peters, Euronews, which has 21 EBU-member shareholders, is currently available in 350 million households in 155 countries, reaching 20% of the world's population. Offered in 10 languages, it will add an 11th – Ukrainian – on August 24, Independence Day in Ukraine – in partnership with the country's national state broadcaster.

Peters added that "we think local should become global, with events not covered internationally put in our global agenda." As a result, the channel will later this year open permanent desks in Paris, Kiev (local journalists), Istanbul, Dubai, Washington and Beijing, in addition to those recently set up in Brussels, London, Cairo and Doha. Next year will see the channel also open desks in eight further locations including New York, Moscow, Warsaw, Shanghai and Tel Aviv.

Euronews began 2011 by switching to the 16:9 screen format and will early this month introduce live apps for the iPad and iPhone, followed by a full Euronews app for the iPad by the end of H1.

Peters also said that the iPad apps, which would probably be free, would be aimed at both the Apple community/early adopters and older users treating the iPad as a substitute for their PC/laptop.

In his view, the industry has moved away from an "anytime, anywhere" model to one of giving "dedicated content, depending on the media you are using. Short form, long form, depending on where you are."

In the traditional web environment, Euronews partnered with YouTube three years ago with NoCommentTV, one of the 14 channels available in the website, and as of today had already had over 40 million videos watched.

The channel now plans to boost its presence on YouTube still further in catch-up TV by joining their new section Shows.

Euronews has also partnered with the French company Dailymotion to launch three channels, with three more planned for this year.

Peters added that in the User Generated Content (UGC) sphere Euronews recently launched MyNoComment, which is already available on the iPhone via the NoCommentTV application and will soon also be available on the internet.

Euronews has also partnered with Google to launch Trends, which reports on trends in keyword usage by European internet users of Google.

Commenting on other upcoming projects, Peters said they included the launch of an internet radio station in partnership with France's Espace Group; the provision of 40 minute news bulletins on long-haul Air France flights (other airlines may soon follow); and the launch of Euronews display, without sound, at public places such as stations and airports, this March.

Importantly, Peters also spoke about the channel's connected TV plans. The contract signed with Panasonic late last year, which is already resulting in 200,000 page impressions per month, will very soon be followed by others with Philips, Toshiba and Sony, and then further manufacturers including LG, Samsung, Sharp and Loewe.

Commenting on costs, Peters said that given the small budget (€60 million a year) Euronews operates on, all the projects have/will be launched with partners. Its operation in Brussels, for instance, will be undertaken in partnership with the EC.

In his view, the French saying "when you don't have money, try to have ideas" applies to the Euronews and the strategy it is adopting.

Peters added: "we want to work on the perception of Euronews. We are not selling audience, we are selling perception."

Previously, the perception of Euronews had been of a small laboratory with machines, using pictures supplied by shareholders. However, "we are a real channel."

Cablecom offers 3D on demand

The leading Swiss cable operator Cablecom has begun to offer 3D programming on an on demand basis. According to the company, its viewers can currently see a 30-minute film presenting highlights of the Charles Vögele Fashion Days 2010 on demand and free of charge. Cablecom showcased its first 3D programming last year, when it broadcast live sports events in the format. It now plans to shortly offer its subscribers the first high-resolution 3D cinema highlights on demand.

CI Plus gets VOD upgrade

Enhanced capabilities to support cable VOD and improvements to PVR support are part of the new features introduced in Version 1.3 of the CI Plus specification, just released.

Also included are new capabilities with respect to changing service bouquets; improvements to 'Parental Control' management and new access to Host Ethernet for CI Plus Modules in Hybrid IP Configurations. Following requests for a richer graphical user interface, the new version has added HD MHEG capability.

Under obligations set out in the CI Plus License Agreement, CI Plus LLP will put in place an 18 month "sunrise period" before CI Plus Implementers have to support the new specification. This means that CI Plus V1.3 will become mandatory for all new CI Plus Device Registrations from August 1, 2012 onwards.

"There is now every indication that CI Plus has now become the de facto standard for integrated TV Sets in Europe with a trend towards increased adoption in other categories of consumer electronics products such as STB, PVR, Blu-ray recorder, etc," said a spokesman for CI Plus LLP.

The inclusion of PVR support comes as welcome news to operators that want to offer subscription services to viewers that have acquired an IDTV with integrated PVR and a CI Plus Module.

Consumers who have bought such sets have found that while they are able to watch digital channels, they can't watch programmes they recorded at the same time, an issue that should be eradicated with the introduction of the new version.

During the Dutch consumer TV programme TROS Radar, a number of Ziggo cable subscribers that own a Loewe TV with PVR said they could no longer watch programmes recorded on the device. This was caused by the fact that the encryption code is changed every two hours and as a result the CI Plus module is no longer able to decrypt a recorded programme at a later time.

Under the CI Plus standard, all programmes that are recorded on the PVR are stored encoded on the hard disk and need to be decoded when played back. With the constant change of the encryption code, this is not possible with current models. Viewers on other networks that deploy CI Plus might experience similar problems.

There is no way the current CI Plus models on sale can be upgraded to make this possible, neither with a hardware nor software update. On the Ziggo network, the only solution for the viewers is to buy a separate PVR.

Separately, German cable operator Unitymedia has become the second Liberty Global owned provider in Europe to introduce a CI Plus module for its cable customers. The CAM is available for rent for €4 monthly.

NDS has announced that Sky Deutschland, the largest pay-TV operator in Germany and Austria, has launched CI Plus modules based on the NDS VideoGuard conditional access system.

In the two years following its launch more than 60 million CI Plus Device Certificates have been shipped.

Canal+ and Orange create ciné star

Canal+ and Orange are to enter into a strategic partnership that will bring together the Orange Cinema series channels with TPS Star in a single venture. The business will be owned 50/50 by the two partners and managed equally. Canal+ will be responsible for production while Orange will provide interactive and distribution services.

Ciné star, a premium channel that will predominantly screen movies and TV series, will replace the TPS Star brand created after the earlier merger of CanalSat and TPS. It will be distributed both through Orange and CanalSat. Significantly it will be available to any other operator with which terms can be agreed.

The four existing Orange cinema series channels names (Orange ciné happy, Orange ciné choc, Orange ciné novo, Orange ciné géants) will also be retained and will be carried over both platforms. The Orange Cinema Series currently has 494,000 subscribers.

Orange CEO Stéphane Richard said the agreement would allow the companies to continue to develop the service as a package they could be proud of. "Today's agreement with Canal+ is another example of our strategy to build partnerships that will drive the development of content. Our goal is to develop the content created by our production partners and offers our clients innovative products and services by leveraging the power of our networks and the experience we've acquired over the last few years". The decision by Orange to move away from proprietary channels was signalled by Richard last July.

Describing his one-time rival as a "natural partner" Canal+ Group chairman Bertrand Meheut said the ADSL operator would help Canal+ fulfil its multi-platform strategy.

"Orange's ability to innovate technologically is just one more advantage we welcome," he said.

This partnership will be presented to employee representative bodies and submitted for their consultation and for the approval of the governing authorities.

A decision on the future of Orange Sport will be taken soon. "I expect the issue to be solved in 2011," Richard said, adding that a number of parties are interested in acquiring Orange Sport, including the French football league LFP, TF1, ESPN and Ma Chaîne Sport. "But official negotiations have not yet started."

The French football league plans to have its own premium football channel and media authority CSA has already issued a DTT licence for the planned channel, which is to be called CFoot.

Orange Sport holds the rights to Ligue 1 of the French domestic competition until the start of the 2011/12 season. The operator expects to close its sports channel in 2012 at the latest.

Sky Anywhere and continued profits put Sky ahead in The Cloud

BSkyB is to launch a new multiscreen proposition that will combine its Sky Mobile offer with the Sky Player catch-up TV service. A number of services, paid and unpaid, are already available for subscribers to access content on the go. Linear content has been streamed to mobile devices since 2005 and Sky now plans to bring them all together under a single pricepoint.

"This is a new way to enjoy Sky content, whenever and however you want," Sky CEO Jeremy Darroch told an analyst call following the satcaster's financials for the quarter ending December 31. "We know that access to Sky across many different devices is becoming increasingly important to our customers and with an explosion in sales of tablets and smartphones predicted I think it is a great opportunity for us."

Darroch confirmed Sky Anywhere would be included within the existing subscription charge. "My experience is that incrementally keeping charging for these new areas doesn't scale too much, so putting it in the subscription is the right place to start and you can add a lot more value to the subscription or create the potential for price headroom in the future."

He explained that bringing together Sky's out-of-home services was not about looking to shut out other market entrants such as Apple and Google. "One of the things we've found out about apps, is that customers like them, they like Sky Mobile TV and they like our news app. Therefore if we can get them a simple easy to use customer proposition and think about how we deliver that through an efficient infrastructure we should be able to build an effective extension to our product line.

Sky is already the leading provider of content to mobile devices in the UK with over 11 million apps downloaded to date and in December of the 15 top mobile apps in the UK, five were from Sky.

Sky Anywhere will be assisted in the delivery of its content through the acquisition of The Cloud, which Darroch said would give customers a reliable and high quality access at several thousand locations, while providing out of home access to Sky Broadband subscribers.

The purchase of The Cloud, which was lunched in 2003, from venture capital groups DFJ Esprit and Accel Partners gives BSkyB ownership of 5,000 public Wi-Fi locations across the UK, and providing customers with access to BSkyB services at locations that include Marriott hotels, McDonald's and Pret a Manger.

BT already has its own network of hotspots and last November Virgin Media CEO Neil Berkett indicated the cableco might launch its own hotspot network in areas where it could justify the investment.

A new Sky News iPad application has been released that Darroch said would provide a richer storytelling experience, closer to that provided by the channel itself. "Unlike other news apps that repurpose existing feeds, Sky News will offer bespoke content optimised for the touch screen." He added that users would even be able to rewind live video mimicking the Sky+ experience.

Sky has also completed a major rewrite of the software in its Sky+ HD boxes. Darroch said the move represented the first comprehensive 'tidy-up' of the middleware since the digital platform launched in 1998 and was one of the benefits of bringing set-top box development in house.

"This will allow us to add new services to the customer without swapping out their hardware," said Darroch. "Because it's got a more modular structure we'll also be able to increase the pace of innovation going forward." This includes the HD Swap Bouquet that will put the majority of high definition channels in the slots held by their SD counterparts – but only on HD boxes. Other examples include the Sky Anytime+ VOD service that Darroch said would include HBO content shown on new launch Sky Atlantic.

The update also includes the new 3D EPG reported by our sister publication Broadband TV News last week.

BSkyB has announced a leap in its half-yearly profits. Group revenues for the period to December 31, 2010 were 15% higher year-on-year, giving the satcaster operating profits 26% higher at £520 million (€603.4 million) . The rise potentially increases the sale price of BSkyB as News Corp attempts to purchase the 61% of the company it doesn't already own.

Having already climbed the 10 million-subscriber barrier earlier in the quarter, the number in the UK and Ireland receiving DTH satellite services from BSkyB stood at 10.096 million as of December 31.

Sky+ HD added another 343,000 homes to reach 3,497,000 households, the increase down on the 482,000 added in the three months to December 31, 2010, but still part of a 68% year-on-year increase. Broadband saw its highest growth in more than two years, passing the three million home level to reach 3,006,000. All this contributed to an ARPU (Average Revenue Per User) up to £541 from £492 12 months ago.

Around half the customer base now has an HD box. 35% of the total subscriber base pays the monthly £10 supplement and Darroch indicated there was no particular spin down from customers who had signed up to the HD package. Having survived the first anniversary of HD becoming the standard box, Sky will now replace faulty boxes with one of the HD units, and has also been proactively replacing SD boxes of a batch known to have a higher than average problem rate.

From around 2005-2007 Sky had seen a decline in the number of customers taking its premium channels, though this has been more because of growth in its basic packages, rather than a fall in absolute numbers. This has begun to change with growth in both Sky Sports and Sky Movies. Darroch said this could be assisted by growth through other platforms. Although this could not be attributed to one factor in particular, HD has been a contributor, though a new sports event added to the Sky Sports line-up can equally have a positive impact.

"Overall, almost one in four customers now choose to take all three of TV, broadband and telephony from us, which is contributing to further strong ARPU growth and good levels of customer loyalty," said Darroch.

The results are the first to include the acquisition of the Living TV Group, the former Virgin Media TV Group, incorporated on July 12. The group, which also included Challenge and the now defunct Channel One and Bravo, brought with it £45 million in advertising; £14 million wholesale; and £1 million in other revenues. £22 million has been spent on restructuring, principally relating to redundancy costs.

One line of interest is installation, hardware and service revenue at £63 million, a fall from £99 million in 2010, following the decision to lower the retail price of HD boxes in January 2010. Subscriber acquisition costs rose by £34 to £354.

Nintendo 3DS to take content from broadcaster

During an international press event in Amsterdam, The Netherlands, Nintendo announced that the new glasses-free Nintendo 3DS game console will be launched in Europe on March 25. Content on the portable device will include 3D content from Eurosport, BSkyB and others. Nintendo of Europe has partnered with a number of broadcasters to deliver content including Eurosport, to bring 3D sports video to the Nintendo 3DS and Aardman Animations to provide a series of original Shaun the Sheep short movies in 3D. Nintendo is also in discussion with partners at a country level. In the UK for instance, Nintendo has partnered with British Sky Broadcasting to provide short-form content from Sky 3D to Nintendo 3DS. To ensure broad access to compatible public hotspots, Nintendo of Europe are in contact with a number of potential partners across Europe including TMN, Meteor, Guglielmo, Linkem, KPN, Deutsche Telekom and BTFON.

Eredivisie Live goes online

The Dutch premium football channel Eredivisie Live has introduced online subscriptions and pay-per-view services. Monthly subscriptions cost €11.95. As a special incentive, the channel is offering an introductory price of €9.95 for new subscribers who sign up before January 31. Individual games can be bought as pay-per view for €6 and a five-game ticket costs €25.

The channel consists of up to four live simultaneous games covering the Dutch premier division Eredivisie, KNVB Beker, the second division Jupiler League, as well as UEFA Europa League and the FA Cup.

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Platform Take-up Survey Results

Qtr	Multichannel take-up	Digital TV take-up	All homes using DTT	DTT only homes	Satellite - pay	Satellite - free	Cable
	92.60%	92.60%	73.40%	39.10%	36.80%	6.40%	13.10%
Annual change	+ 3.1pp	+ 3.1pp	+ 2.2pp	+ 1.0pp	+ 1.8pp	+ 3.8pp	+ 0.7pp
Quarterly change	- 0.1pp	- 0.1pp	+ 0.2pp	- 0.2pp	+ 0.3pp	+ 0.0pp	+ 0.0pp

Source: GfK NOP and Ofcom research. Homes receiving overseas satellite services are not included in the multichannel total in this report. Chart figures; m = million, pp = percentage points.

Multichannel Take-up On Main Sets By Platform 2000-2010

Households (take-up %)	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Total Multichannel	89.30%	91.40%	92.10%	92.71%	92.63%
Total digital	89.30%	91.40%	92.00%	92.71%	92.63%
Satellite	37.60%	38.30%	41.30%	42.86%	43.14%
Cable	12.40%	12.40%	12.90%	13.04%	13.09%
DTT-only	38.00%	39.60%	39.80%	39.27%	39.10%

Multichannel Take-up On Main Sets: 2000-2010

TV Households (millions)	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Pay digital satellite	8.959	9.161	9.268	9.348	9.413
Analogue satellite	–	–	–	–	–
Free-to-view digital satellite	0.667	0.643	1.307	1.625	1.633
Digital cable	3.176	3.175	3.295	3.34	3.352
Analogue cable	0	0	0.008	0	0
Digital terrestrial only	9.73	10.138	10.187	10.056	10.013
Analogue terrestrial only	2.685	2.202	2.03	1.868	1.887

Platform Shares For TV Sets 1-4

MAIN TV SET	Q3 05	Q3 06	Q3 07	Q3 08	Q3 09	Q3 10
Satellite	33	36	37	40	40	43
Cable	15	12	11	11	11	11
DTT	23	29	37	37	40	38
Analogue terrestrial	29	24	15	12	6	6

TV SET 2	Q3 05	Q3 06	Q3 07	Q3 08	Q3 09	Q3 10
Satellite	11	14	13	12	13	14
Cable	3	3	3	3	4	4
DTT	7	19	30	47	55	58
Analogue terrestrial	79	64	54	37	29	23

TV SET 3	Q3 05	Q3 06	Q3 07	Q3 08	Q3 09	Q3 10
Satellite	9	11	10	9	10	11
Cable	2	2	2	2	2	2
DTT	6	19	30	45	52	58
Analogue terrestrial	83	68	58	44	35	28

TV SET 4	Q3 05	Q3 06	Q3 07	Q3 08	Q3 09	Q3 10
Satellite	8	10	9	9	8	9
Cable	1	2	2	2	1	2
DTT	6	17	28	45	49	54
Analogue terrestrial	85	71	62	44	42	35

Source: GfK NOP research / Ofcom

Poland considers must carry change

Poland's National Broadcasting Council (KRRiT) is looking into the possibility of changing the must-carry rules that currently apply in the country. Quoted in Satkurier, the Council's deputy head Witold Grabos said that it is coming round to the view that must carry should apply to not only all public service channels but also services fulfilling certain programming criteria (as, for instance, offering cultural or educational content). In the latter case, they could secure must-carry status for a period of five years, with the possibility of renewal for further terms.

Under the terms of the current Polish broadcast law, cable operators (not DTH platforms) are required to first and foremost offer national public channels, followed by regional public, social broadcasters and then other services. However, the legislation has yet to be fully harmonised with European law.

Humax posts W1 trillion in sales

Set-top box developer Humax has become the first of Korea's so-called first-generation venture companies to post W1 trillion in sales. A euro is worth 1,524.26 Korean won. Korean daily The Chosunilbo quoted Humax CEO Byun Dae-gyu as saying the company achieved sales of W285 billion in the fourth quarter last year, leading to annual revenues of W1.005 trillion. Humax was founded in 1990, one of a number of the first generation venture companies that emerged in the 1990s and prospered under economic legislation brought in by the government later in the decade. The company supplies set-top boxes into satellite and cable markets including the UK's Freesat, Italy's Tivùsat and Germany's Kabel Deutschland. Its DTT product gives German viewers access to HbbTV services, while Freeview homes in the UK enjoy connectivity to the BBC iPlayer.

DTT concern for Czech tower company

The Czech national transmission company Ceske Radiokomunikace (CRa) could find itself in financial difficulties operating the country's third DTT multiplex, which it acquired from the Czech Digital Group (CDG) last December. According to E15, the multiplex essentially sits empty – it now only carries the channel TV Public following the closure of Z1 last week – at a time when the company has raised the fees it charges for use of the multiplex by CZK1.5 million (€62,000) a month to CZK6 million. CRa is nevertheless committed to building up the multiplex, raising its current coverage from 85.2% of the population to 96% by this November. It will in addition add more channels, most probably from existing broadcasters. CRa also operates the Czech Republic's second DTT multiplex, which carries the commercial channels TV Nova, Prima TV, Prima Cool, Nova Cinema and TV Barrandov.

Slovenian telco goes digital, chooses new box

Telekom Slovenia has announced that its cable TV services on fibre networks will be digitised on February 10. This will bring instant benefits to the telco's 16,000 cable subscribers, who will see the number of channels they are offered increased to 95 with no corresponding hike in fees. They will in due course also be offered HD channels and such services as HBO, which are already available to its IPTV customers.

Czech station Z1 closes

The transition to digital broadcasting has suffered a blow in the Czech Republic with the closure of the news-based station Z1. Owned by the J&T financial group, it was one of six to be awarded digital TV licences in 2006. These were subsequently withdrawn following protests from the country's existing commercial broadcasters but then reinstated. As a result, it did not make its debut until 2008, and despite restructuring last year continued to face serious financial difficulties, reportedly losing over CZK100 million (€4.1 million). Only one of the six digital TV licence holders – TV Barrandov – now finds itself fully operational on the Czech DTT platform, which is otherwise occupied almost exclusively by channels from the public broadcaster CT and national commercial stations TV Nova and Prima TV.

Cyfrowy Polsat maps out strategy

The leading Polish DTH platform Cyfrowy Polsat has no interest in entering the country's cable market, according to its president Dominik Libicki. However, it cannot rule out buying the number two DTH operation Cyfra+ should it come on the market. In a wide-ranging interview with Parkiet, Libicki nevertheless stressed that no negotiations on a possible acquisition of Cyfra+ are currently taking place. He added that Cyfrowy Polsat ended 2010 with over 95,000 mobile telephony and over 25,000 internet subscribers (its TV customer base stood at 3,434,000 at year's end). Its plans for this year include the launch of a catch-up TV service over the internet in Q4. Cyfrowy Polsat is set to complete the acquisition of its parent company Telewizja Polsat this March in a deal worth PLN3.75 billion (€960.8 million).

Get launches top broadband speed of 200 Mbps

More than one million homes in Norway will have access of broadband speeds of up to 200 Mbps, following the introduction of a range of new internet speeds by cablecos Get. The 200 Mbps speeds, based on EuroDOCSIS 3.0, is well above the Norwegian government's nationwide target of 50 Mbps. The other available speeds are 2 Mbps, 8 Mbps, 20 Mbps, 50 Mbps and 100 Mbps. Get has already conducted tests with data speeds of more than 1,400 Mbps (1.4 Gbps).