



Next generation digital music

Delivering a unified music experience through connected consumer electronics

Omnifone

- MusicStation | PlayNow plus | Sky Songs
- live services: 47 in 20 countries (30 in 2010)
- PC / mobile / mobile + PC / web
- global music licenses: 6.5m tracks
- clients: CE / ISP / automotive / mobile



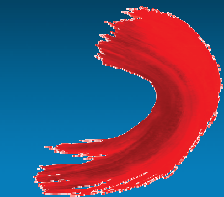
vodafone



Sony Ericsson



i n v e n t



SONY MUSIC



warner | music group



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Digital music market landscape

- decade of declining revenues: ↓ 12% Q1-2 in '09 (IFPI)
- digital US\$4.2bn: 27% of overall revenues in '09, ↑ from 21% in '08 (IFPI)
- 8% UK vs. 18% US internet users pay for digital music (Forrester)
- 14% Europeans file-share music (Forrester)
- 29.8 million frequent file-sharers in top 5 EU markets (IFPI)
- 20:1 illegal to legal downloads (IFPI)
- P2P >50% internet traffic (IFPI)



Market focus

Digital

- PC
- web
- mobile

Physical

- stand alone CE
- radio
- CD

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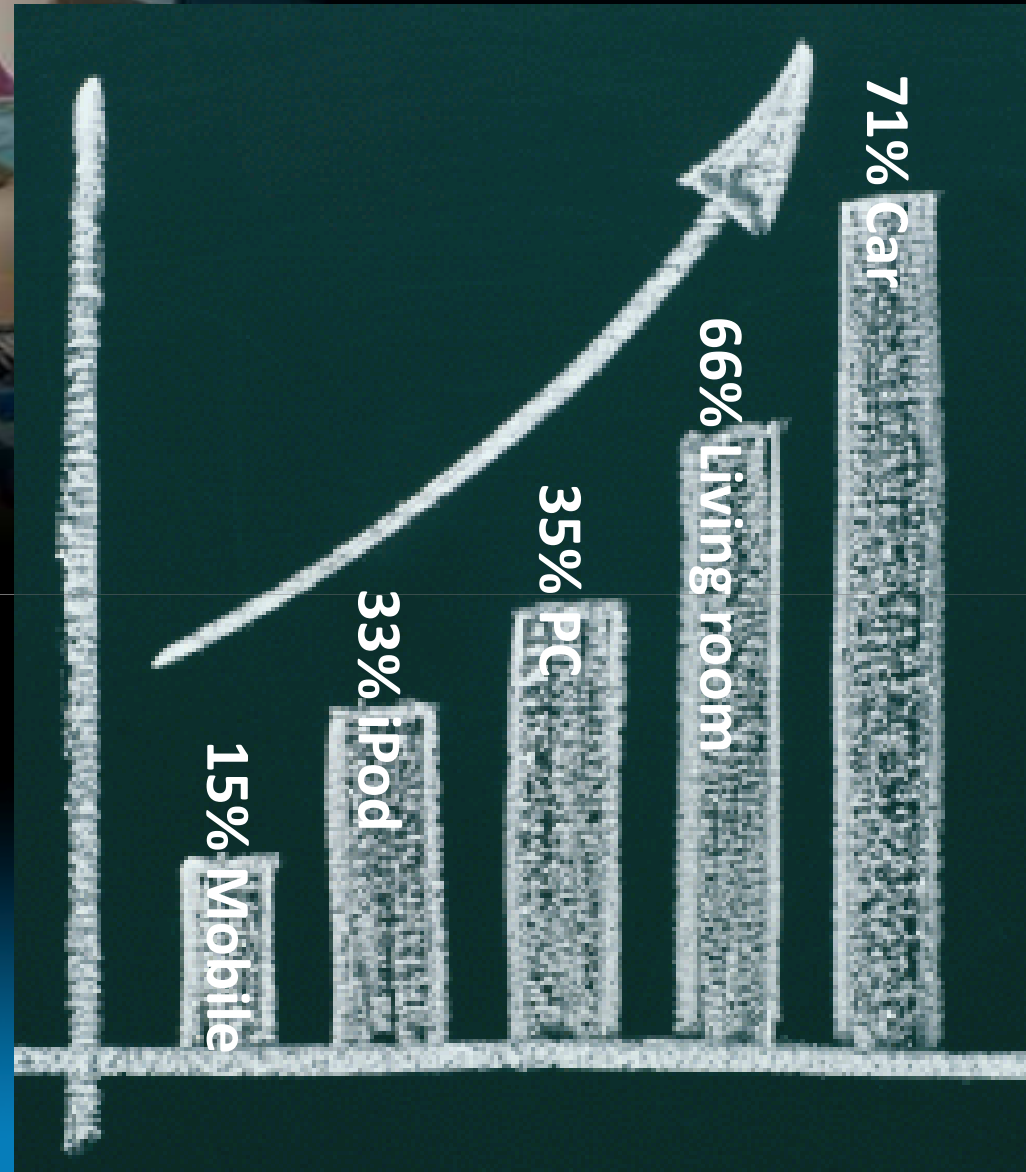
Monetisation models

- limited / unlimited subscription
- pre-licensed
- a la carte / micropayments / web tracks
- hybrid

Omnifone ICM Research



“where do you listen to music?”
(daily/weekly)



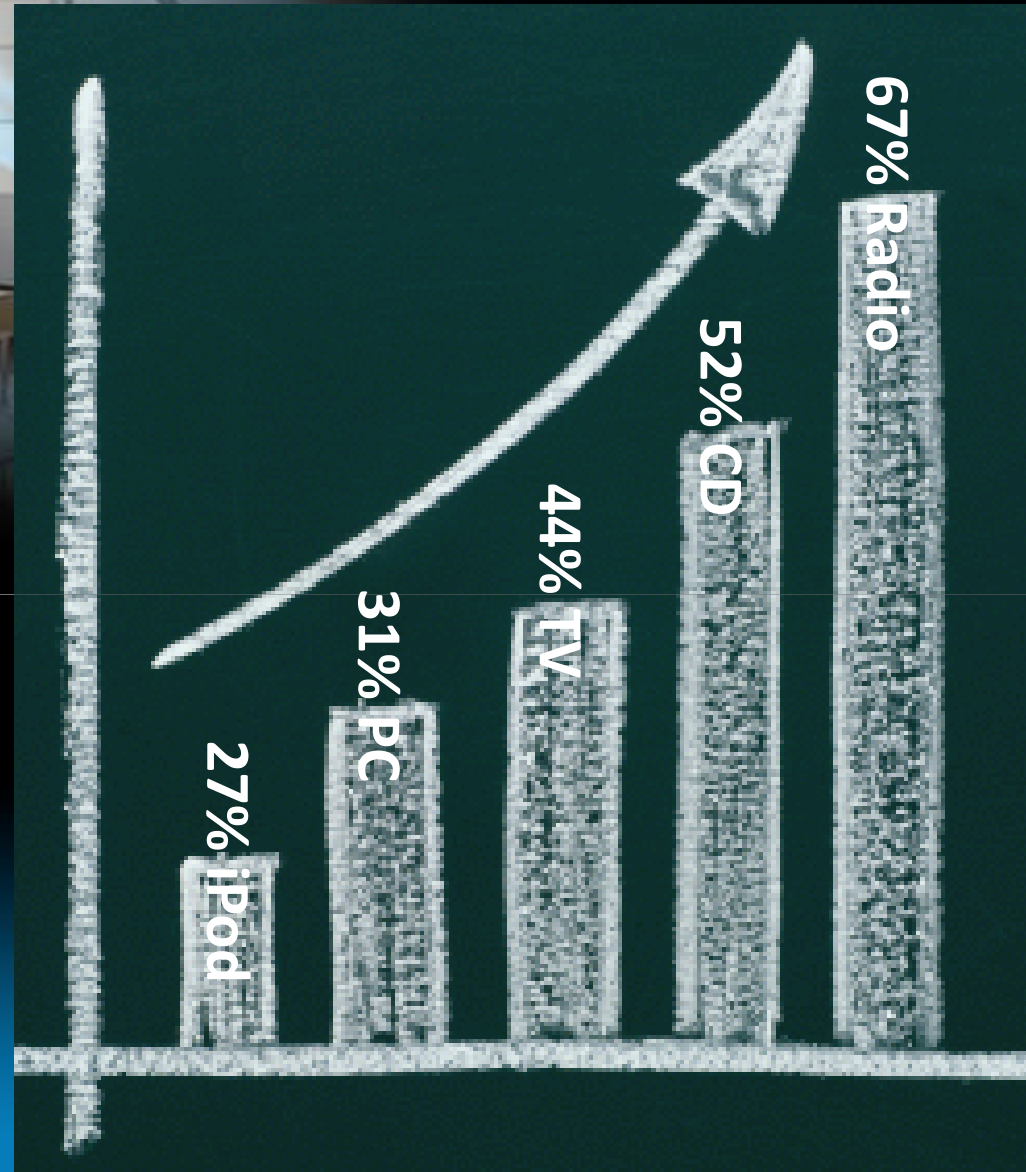
Omnifone/ICM: February 2010: Sample 1000 UK adults

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Omnifone ICM Research



“how do you listen to music at home in the living room?”
(daily/weekly)



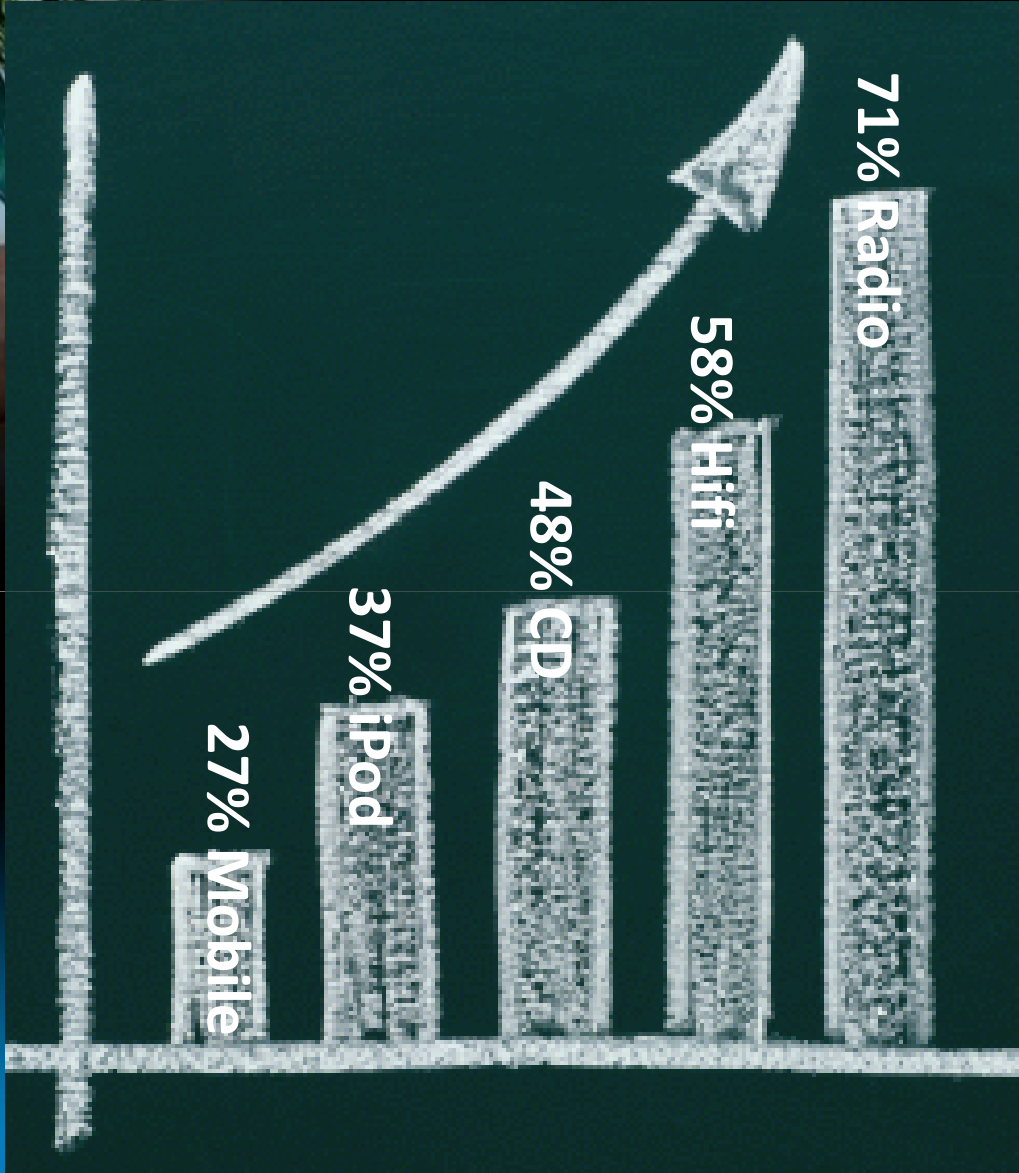
Omnifone/ICM: February 2010: Sample 1000 UK adults

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Forrester Research



“how do you listen to music?”
(monthly)



Forrester Research: Taking Digital Music To The Mainstream:

The Music Product Features For The Living Room, November 2009 (European online adults)



The Cloud

- enables seamless sync of music collection cross device
- connected CE explosion
- storage: reduced reliance on device memory
- end to physical file management (download/sideload)
- small monthly fee to access music over the cloud

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...digital music to every connected device type

- web-based streaming
- PC applications
- IPTV & set-top box
- mobile handsets
- cars
- gaming platforms
- home entertainment systems
- connected MP3 players



In car

Today

- CD Player: #1 warranty return
- cassette lead / iPod doc
- radio

Tomorrow

- 2011: Connectivity via HSDPA
- on demand services into the car
- download / progressive download
- cloud based sync with your music collection



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Living room

Today

- Hifi system: CD/radio/cassette
- TV (MTV/Radio)
- iPod doc
- PC / laptop

Tomorrow

- connected CE
- Android devices
- TV / set top box
- Blu-ray / games consoles





Thank you