

By Kurt Scherf, Vice President and Principal Analyst, and Yuanzhe (Michael) Cai, Director of Broadband & Gaming, Parks Associates

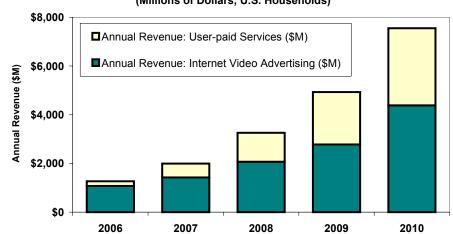
4Q 2006

Synopsis

This report identifies early leaders in Internet video services and technologies. The report provides forecasts for television download services; movie rental, purchase, and subscription services; and revenues from both embedded and non-embedded advertising in Internet video and Internet video Websites. It concludes with analysis and recommendations for major players in the Internet video delivery value chain.

Total Annual Revenues from Internet Video Services

Total Annual Revenues: Internet Video Services (Ad-supported and User-paid) (Millions of Dollars, U.S. Households)



Source: Internet Video: Direct-to-Consumer Services © 2006 Parks Associates

Publish Date: Nov 06

"We are in the midst of unprecedented experimentation on the part of major broadcasters, movie studios, retailers, and content aggregators in distributing video content online and attaching advertising revenue to a plethora of offerings," said Kurt Scherf, vice president and principal analyst, Parks Associates. "The early results, as reported by some of today's media giants, are quite promising."

Contents

The Bottom Line is a concise, executivelevel summary of the current state of the market, evolutionary path, and the implications for companies doing business in this space.

A Parks Associates'
Resource Book
contains a wealth of
consumer survey data
and company profiles—
a must-have reference
for product/market
planning.

The Bottom Line

1.0 Notes on Methodology

- 1.1 Consumer Data
- 1.2 Definitions

2.0 Current Status of Internet Video Markets

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- 2.2 The Emergence of Online Video
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- 2.2.2 Industry Drivers
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- 2.3.2 Broadcast Network Initiatives
 The Landscape: Opportunities and Challenges
 Current Internet Video Efforts
 - 2.3.3 Web and Entertainment Portals
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- 3.2 Licensing

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Movies

TV Shows

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 - 5.2.1 Embedded Ads in Internet Video Streaming
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- 6.3 Broadband (Access) Service Providers
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- 6.5 Technology Enablers

Resource Book

Section I: Consumer TV and Movie Habits

Subscriptions to Video/TV Services

TV Viewing Habits

DVR Usage

Movie Watching Habits

Section II: Adoption of Online Video

Consumer's Online Video Habits

Paying for Online Video

Popular Internet Video Content

Online Video and Advertising

The PC as a Video Platform

Section III: Consumer Interest in Online Video Services

Interest in Internet Video Services

Price Elasticity for Movie and TV Downloads

Online Video, P2P, and Social Networking

Section IV: Company Profiles

Movie Streaming/Download Services

Amazon.com (Unbox™)

AOL Video

Apple iTunes®

CinemaNow



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ClickStar, Inc.

EZTakes

Guba

MovieFlix, Inc.

Movielink LLC

Starz Ticket

VongoSM (Starz Entertainment Group-SEG)

Content Creators/Owners

Time Warner

The Walt Disney Co.

CBS (Columbia Broadcasting System)

News Corp. (Fox)

NBC Universal

Web and Entertainment Portals

Google Video

MSN Video

Yahoo Video

User-generated Video Portals

Grouper Networks

MySpace

Revver

YouTube

Content Aggregators: Consumer

Aeon Digital International

Akimbo Systems Inc.

DAVE.TV

Content Aggregators: Service Provider

Brightcove

Veoh Networks

Technology Enablers

Akamai

BitTorrent

Blinkx

Cachelogic

Gotuit Media Corp.

Kontiki (Now part of VeriSign Broadband Content Services Group)

Limelight

Macrovision

MediaZone

Metacafe

RealNetworks

ROO

ThePlatform

VeriSign

Vidavee

Wurld Media

Zattoo

Figures

The Bottom Line

Network Elements for IPTV and Internet Video IPTV and Internet Video Attributes

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Who is Paying for Online Content?

U.S. Video Revenue Market Share (2001-2005) U.S. Theatrical Box Office and DVD Revenues

Internet Video: Movie Services

Activities by Age: Watching TV, Listening to Music, Surfing the Web

Internet Video: Broadcast Network Initiatives Internet Video: Online News Initiatives Internet Video: Web & Entertainment Portals Internet Video: Consumer Aggregators Internet Video: Service Provider Aggregators

Solution Providers: Conditional Access, DRM, and Digital Watermarking

Comparing Different DRM Technologies Digital Fingerprinting Technologies

SWOT Analysis: BSPs vs. Over-the-Top Providers Synergy between Online Video and Social Networking

Internet Video Value Chain Video Delivery Networks

Online Video Formats: WMV vs. Flash Internet Video Editing/Mash-up Solutions

Internet Video Advertising: Acquisitions and Partnerships

End-to-End Solutions Providers Updates on Media Adapters

Emerging Video Search Companies Residential Broadband Subscriptions Internet Video Movie Rental Forecasts

Internet Video Movie Download-to-Own/Burn Forecasts

Internet Video TV Download Forecasts
Internet Video Movie Subscription Forecasts

Total Annual Revenues: User-paid Internet Video Services (Chart) User-paid Internet Video Services Revenue Summary (Table) Consumers Viewing Internet Video Streams at Least Monthly

Total Video Clips Streamed, per Month: U.S. Broadband Households

Ad-Supported Internet Video Forecasts: Embedded Ads

Ad-Supported Internet Video Forecasts: Non-embedded Display Ads

Total Annual Revenues: Ad-supported Internet Video (Chart)

Total Ad-Supported Internet Video Forecasts (Table)

Total Annual Revenues: User-paid and Ad-supported Internet Video Services (Chart)

Total Annual Revenues: User-paid and Ad-supported Internet Video Services (Table)

Resource Book

Paid Services Penetration in U.S. Internet Households: 2004 to 2005

Likelihood of Subscribing to Paid Services

TV Service Subscription (Q3/2006)

Monthly Expenditure on Television Services

Time Spent Viewing Television per Week

Number of Hours per Week Spent Watching Television, by Monthly Expenditure on Television Services

Monthly Use of Video Services, by Monthly Expenditure on Television Services

Adoption of Video Products/Services, by Monthly Expenditure for TV Services



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On Average, How Many Times do you Rent a DVD Television Series for Home Viewing in a Typical Month?

On Average, How Many Times do you Rent a DVD Television Series for Home Viewing in a Typical Month, by Users/Non-users of DVD Delivery Service?

On Average, How Many Times do you Purchase a DVD Television Series for Home Viewing in a Typical Month?

On Average, How Many Times do you Purchase a DVD Television Series for Home Viewing in a Typical Month, by Users/Non-users of DVD Delivery Service?

Consumer Perception of Various PVR/DVR Features

Recorded Television Programming: Top Ten Programs

Movie Habits (Q3/06)

Monthly Frequency of Ordering a Pay-per View or Video-On-Demand Program at Additional Cost

On Average, How Many Times do you see a Movie at the Theater in a Typical Month?

On Average, How Many Times do you Rent a DVD Movie for Home Viewing in a Typical Month, by Users/Non-users of DVD Delivery Service?

On Average, How Many Times do you Purchase a DVD Movie for Home Viewing in a Typical Month, by Users/Non-users of DVD Delivery Service? Online Video Habits (Q3/06)

Online Video Habits: by Gender Online Video Habits: by Age

Online Video Habits: by Internet Access

Percentage of Respondents Paying for Online/Internet Service

Monthly Average Spent on Online/Internet Service

Percentage of Respondents Paying for Online/Internet Service, by Age Percentage of Respondents Paying for Online/Internet Service, by Gender

Mode of Payment for Services: A Music Service from the Internet Mode of Payment for Services: A Video Service from the Internet

Monthly Expenditure on Online Video (Q3/06)

Type of Internet Content Viewed/Downloaded

Type of Internet Content Viewed/Downloaded, by Gender

Type of Internet Content Viewed/Downloaded, by Age

Type of Internet Content Viewed/Downloaded, by Users/Non-users of Paid Monthly Video Service

Most Relevant Advertising or Marketing Method

Most Relevant Advertising or Marketing Method, by Gender

Advertising or Marketing Method that Respondent Interacts with Most per Week, by Downloading Video

Advertising or Marketing Method that Respondent Interacts with Most per Week, by Watching Streaming Video

Most Relevant Advertising or Marketing Method, by Downloading Video Most Relevant Advertising or Marketing Method, by Watching Streaming Video

How Video from PCs/the Internet is Used: Top Five Way How Music from PCs/the Internet is Used: Top Five Ways

Watching Videos on PCs (Q3/06)

Interest in PC-TV Linkage for Viewing Downloaded Movies: by Usage of Video Downloads (Q3/06)

Video Perspectives (Q3/06)

Interest in Various Video Services: by Age (Q3/06) Interest in Various Video Services, by Gender (Q3/06)



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Preference for Viewing New Release Movies (Q3/06)

Preference for Viewing New Release Movies, by Age (Q3/06)

Preference for Viewing New Release Movies, by Gender (Q3/06)

Price Elasticity for Downloadable Movies

Price Elasticity for Downloadable TV Programs

Interest in A La Carte Movie Download Services (Q3/06)

Interest in A La Carte TV Program Download Services (Q3/06)

Interest in A La Carte Movie Download Services by Affinity to On-Demand Video (Q3/06)

Interest in A La Carte TV Program Download Services by Affinity to On-

Demand Video (Q3/06)

Video Habits: by Social Networking Users

Frequent Social Networking Users among Various Age Groups

P2P Web site Usage (Q3/06)

Number of Video Files Downloaded via P2P (Q3/06)

P2P Web site Usage: by Age (Q3/06) P2P Web site Usage: by Gender (Q3/06)

Interest in A La Carte Movie Downloads: by Usage of P2P Web site for Movie

Downloading (Q3/06)

Interest in A La Carte TV Downloads: by Usage of P2P Web sites for TV

Downloading (Q3/06)

Amazon.com Unbox™ Background and Information

Unbox Service Information

AOL Company Background and Information

AOL Video Service Information

Apple iTunes Company Background and Information

Apple iTunes Service Information

CinemaNow Company Background and Information

CinemaNow Service Information

ClickStar Company Background and Information

ClickStar Service Information

EZ Takes Company Background and Information

EZTakes Service Information

Guba Company Background and Information

Guba Service Information

MovieFlix Company Background and Information

MovieFlix Service Information

Movielink Company Background and Information

Movielink Service Information

Starz Ticket Company Background and Information

Starz Ticket Service Information

Vongo Company Background and Information

VongoTM (Starz) Service Information

Time Warner Service Information

Disney Service Information

CBS Service Information

News Corp Fox Service Information

NBC Universal Service Information

Google Video Company Background and Information

Google Video Service Information

MSN Video Company Background and Information

MSN Video Service Information

Yahoo Video Company Background and Information



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Yahoo Video Service Information

Grouper Networks Company Background and Information

Grouper Networks Information

MySpace Company Background and Information

MySpace Service Information

Revver Company Background and Information

Revver Service Information

YouTube Company Background and Information

YouTube Service Information

Aeon Digital Company Background and Information

Aeon Digital Service Information

Akimbo Company Background and Information

Akimbo Service Information

DAVE.TV Company Background and Information

DAVE.TV Service Information

Brightcove Company Background and Information

Brightcove Service Information

Veoh Company Background and Information

Veoh Networks Service Information

Akamai Company Background and Information

BitTorrent Company Background and Information

BitTorrent Service Information

Blinkx Company Background and Information

Blinkx Service Information

Cachelogic Company Background and Information

Gotuit Company Background and Information

Kontiki Company Background and Information

Limelight Company Background and Information

Macrovision Company Background and Information

MediaZone Company Background and Information

Metacafe Company Background and Information

Metacafe Service Information

RealNetworks Company Background and Information

Rhapsody Service Information

ROO Company Background and Information

ROO Service Information

ThePlatform Company Background and Information

VeriSign Company Background and Information

Vidavee Company Background and Information

Wurld Media Company Background and Information

Zattoo Company Background and Information

Zattoo Service Information



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