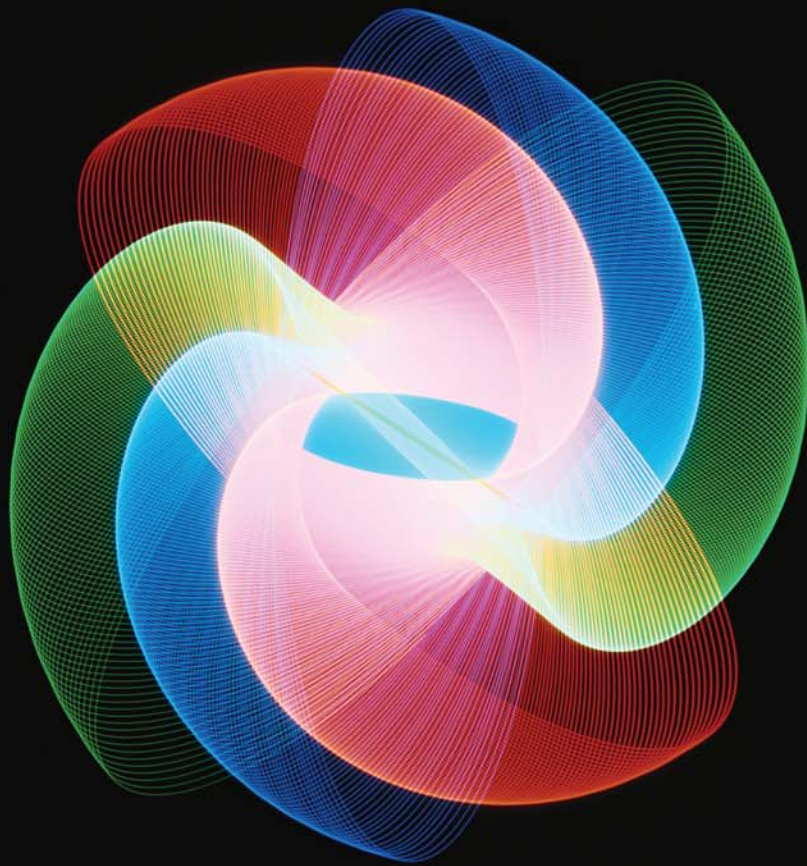


OneVision



APPLICATION: DTT MULTIPLEX CONTRACT
APPLICATION 1 of 3

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Reader's guide:

Applications 2 of 3 and 3 of 3 are materially identical to this application except for Section 3.8

3.1. Introduction to Applicant

3.1.1.

3.1.1. Please provide the following details

(i) Applicant's name, address and contact details

OneVision

114 St Stephen's Green
Dublin 2

(ii) Named contact for liaison and correspondence between the BCI and the applicant, and for public purposes

Mr. Rory Martin,
Commercial Manager
TV and Entertainment
eircom Retail
Floor 3C, Cumberland House
Fenian Street
Dublin 2
Contact: Tel - 085-1744358
email - rmartin@eircom.ie

(iii) List of advisers including consultants, auditors, bankers and solicitors

Consultants: **Spectrum Value Partners**
Greencoat House,
Francis Street, SW1P
1DH, London, UK
Contact Janice Hughes

Greenfield Media
The Television Centre
Culverhouse Cross
Cardiff CF5 6XJ
Contact Wyn Innes

Trinity Star Services Ltd
130 Bournemouth Road
Chandlers Ford
Eastleigh, Hampshire
Contact Alan Watson

Auditors: **PricewaterhouseCoopers**
One Spencer Dock
North Wall Quay
Dublin 1
Contact: Mary Cleary

Bankers: **AIB**
AIB Bank Centre
Ballsbridge
Dublin 4
Contact Aidan Maher

Solicitors: **A&L Goodbody**
International Financial
Services Centre
North Wall Quay
Dublin 1
Contact Mark Ward

Design
Advisors: **Image Now**
17a New Bride St
Dublin 8
Contact Darrell Kavanagh

Research
Advisors: **Jump**
6-8 Harcourt Rd
Dublin 2
Contact Paul Kelders

Millward Brown IMS
Millbank Hse
Arkle Rd
Dublin 18
Contact Carol Fanagan

**Red C Research
& Marketing Ltd**
Unit 7 Clontarf Rd
Dublin 3
Contact Sinead Mooney

(iv) Where the application is conditional, a numerical reference confirming that it is part of a set



3.2. Summary of Application

Overview

OneVision is the consortium to deliver the new DTT platform independently, imaginatively and professionally to Ireland. OneVision is a new platform backed by four companies who represent a diverse indigenous broadcast industry and whose interest is to maximise the success of this new platform.

OneVision is powered by the scale and ubiquity of eircom; the world-leading content capability and PayTV experience of Setanta; the daily reach and mass market, national broadcast experience of TV3; and the DTT industry best-in-class competence of Arqiva. With OneVision, DTT will be a compelling bridge into the digital world for Irish viewers, and we back this belief with our commitments. Firstly, to be affordable, by being lower-cost than competing platforms. Secondly, to provide the most relevant and highest quality content that people are proud to have in their homes. Our third commitment is to be accessible through straightforward marketing and ubiquitous coverage. Finally, the OneVision group's focus is unambiguous: to ensure maximum adoption of DTT in Ireland.

OneVision: The Affordable TV Platform

The core DTT target market has shown that it will not pay the high prices charged by other platforms. The BCI has already given a strong lead on low-cost by sharply reducing licensing fees. OneVision will offer the lowest cost TV platform for all viewers.

'Free' is our starting point as we extend the free public service multiplex with six extra free channels.

'Basic' is the entry level pay service, offering twenty-three additional channels for just €9.99 per month, the cheapest entry-level service in the market and a range of premium offerings of sports and blockbuster movies at best prices in the market. Low prices can only be delivered by the most efficient services. Our consortium has an exceptional record. Setanta has taken the UK pay market by storm, signing up over 1 million subscribers in a year through a £9.99 offer. TV3 has become the second most-watched channel in Ireland based on a schedule entirely self-funded at a fraction of the cost of any of the State channels. eircom is Ireland's leading digital broadband provider with almost 600,000 broadband connections nation-wide and Arqiva has the specialist knowledge to drive maximum efficiency from multiplex operations.

As we drive down costs, we will keep our prices low and invest in marketing to grow the platform. We believe we can work with the network provider to optimise multiplexing and transmission costs. We have sourced the best prices and technology for set-top boxes, leveraging our consortium's international experience.

OneVision: Content for the Home

DTT has succeeded in other markets by being a 'well-edited' platform, in contrast to the overload (for some viewers) of Satellite and Cable. OneVision will provide content that people are proud to have in their homes.

OneVision is Irish. While the FTA multiplex carries the core Irish channels (RTE1, RTE2, TV3, TG4, Oireachtas TV and perhaps an Irish Film channel), OneVision will also support new Irish channels and heavily promote these services. More sports coverage, extended independent news, and daily entertainment reports will feature from towns across Ireland. Setanta has already shown its commitment to Irish sports through extensive coverage of GAA (National League, Club and Underage), Rugby (Magners' League, School Rugby) and All-Ireland soccer (the Setanta Cup and the eircom league). TV3, which has strengthened its Irish output with extensive independent News, documentaries, and award-winning breakfast TV, will launch two new Irish channels. Eircom, as Ireland's

leading Internet company, will provide expertise to enhance the DTT proposition with interactive broadband connectivity and 'On Demand' services.

The best international 'must-have' content will be carried on the Basic service in a broad mix across all genres, and the Premium service will show Setanta's premium sports content, Sky Sports (under negotiation) and blockbuster, latest release movies. OneVision is committed to providing fair and equal access to the platform for content providers subject only to legally-required licensing and territorial Rights clearances.

OneVision: for Everyone

The combination of low prices and well-chosen content is attractive to every viewer. Our consortium's commitment is to make this new platform accessible to everyone.

The OneVision consortium has reach into nearly every home in Ireland. eircom's reach extends into every town and village throughout Ireland. TV3 has a monthly reach of 95% of TV households in Ireland, and Setanta has a well-established, and growing, share of the pay-platform markets. Each company has an enviable record in market-growth and retention based on first-class marketing and sales expertise. eircom and Setanta excel in the distribution of consumer electronics.

OneVision will offer 90% coverage at analogue switch-off, and plans to push to 93% post ASO. Arqiva are experts in designing and operating DTT network and multiplexing services. Arqiva will design and optimise the capacity of the multiplexes to facilitate the widest choice of services so OneVision becomes a platform for everyone.

OneVision: a real alternative platform

We believe that with low prices, well-chosen content and reach into every home, OneVision should rapidly become the best value TV platform in Ireland. Our consortium's ambition is unambiguous and our ability to compete is unfettered. We have no investment in the existing platforms and receive no State funding. Our success will only come from the popularity of the OneVision platform.

Our primary market are households that have chosen not to take up existing pay services. Both eircom and TV3's reach into this market is extensive. These homes are today, our customers and our viewers. Through low-prices we believe we will adopt these customers over time into pay customers. But we will also target existing pay viewers who want the better value that results from our low-cost operations. And we will be an add-on for second and third TV sets (where the primary set is on cable or satellite).

The OneVision plan is stand alone. It has been tested through research, extensive modelling and benchmarking, as required by the rigorous world-class investors behind our group of companies. Each business in the consortium has a proven financial record and all are committed to investing for growth.

Our shareholders combine a range of world class investors and television expertise who have delivered. OneVision offers independence, commerciality and plurality of ownership.

We know the Irish market and will build a brand that will become a national success.

Our commitments to low price, well-chosen content, accessibility and success, are unambiguous. Underpinning them is the core belief of our consortium: that with OneVision you get the best of all worlds.

Achoimre Iarratas

Sracléaráide

Is comhlacht linéar atá é OneVision ina bhuil sé mar aidham acu DTT a thairiscint do mhuintir na hÉirann mar ardán neamhspleách, gairmiúil le samhaíocht. Tá ceithre comhlucht eagsúla ag tabhairt tacaíocht don ardán nua seo. Tugainn na comhluchtaí seo éagsúlacht dúchasach don tionscúil craolacháin chun cuidiú le OneVision dul cun chinn daoncoth a aimsiú. Tá éasoachtach OneVision bunaithe ar, uileláithreachas agus cumhacht atá ag eircom; ábhar cumasach domhanda Setanta; margadh mór laeth úil le taithí gnó ag TV3; iniúlacht tionscail domhanda ag Argiva. Déanfaidh OneVision úsáid de DTT chun digital a chur ar fáil do mhuintir na hÉireann. Beigh sé níos faoire, níos abharthach agus níos insríochta tré margadh simplí agus díreach i ngach áit de'n tír.

OneVision: An Tardán Teilifíse Neamhchostasach

Teaspáineann margadh DTT nach níosfaidh siad na praghasanna árda a bhaineann árdáin eile amach. Tá treor ag coimisiún craolacháin na hÉireann cheana féin mar gur ísligh siad costas ceadúcháin. Tabharfaidh OneVision an costas is ísle do na duine. Beidh sé failleanna nua saor in aisce le fáil len ár seirbhís nua.

San seirbhís is bunúsach beidh 23 failleanna ar chostas €9.99 sa mhí. Seo an praghas is ísle sa mhargadh. Leis seo beidh spóirt agus pictiúirí fáiseanta le fáil. Tá ár gcomhlucht áblata an seirbhís is fearr a thabhairt ar an gcostas is lú. Tá milliún custaiméirí ag Setanta sa Bhreatain ar €9.99 sa bhliain. Tá an dara lucht féachanna is mó in Éireann ar TV3 bunaithe ar an income féin. Tá 600,000 cuistaiméirí líonraí leathanbhanda in Éireann ag eircom agus tá an t-eolas ag Argiva chun an obair a neartú. Fad is a bheidh an costas ag leaghdú cuirfidh muid feabhas ar an margaiocht. Creidimid go néireoidh linn mar go mbeidh an teicneolaíocht, an taithí an praghas agus an margadh is fearr againn.

OneVision: Seirbhís don Teaghlach

Tá an bua ag DTT i margáí eile mar tá a gcuid ábhair eagartha go maith. Beigh sé seo sásúil don teaghlach. Tá sé gaelach. Craolóidh sé na failleanna gaeleach. Atá ann fé láthair agus tá cuspóir acu níos mó siamsa a chur ar fáil ón gach cúinne de'n tír.

Tá torthaí Setanta le taispeánt cheana féin leis an méid spóirt atá ar fáil – GAA, Rugbaí, Soccar, Galf. Beidh dhá failleanna nua ag TV3 comh maith leis na chlaracha sásúla nuachta atá acu fé láthair. Beidh eircom ábalta an seirbhís is fearr a thabhairt dóibh mar gheall ar an leathanbhanda sásúil atá acu.

OneVision: Do gach uile dhuine

Beidh an comhcheangalíoch idir phraghasanna ísle agus ábhair roghnaithe go maith an-sásúil don lucht féachanna. Tá sé mar aidhm ag an gcomhlucht an tárda nua seo a bheidh ar fáil do chách mar go mbeidh deis líonraí leathanbhanda a chur i ngach teach sa tír. Tá TV3 ag 93% de theaghlaigh na tíre agus tá Setanta ag dul chun cinn. Beidh Onevision ábalta seirbhís a chur ar fáil do 90% do na daoine nuair a thosáíonn Analóg. Tá seaneolas ag Argiva chun an seirbhís is fearr a thabhairt do DTT.

OneVision: Rogha Nua

Creidimid go mbeidh OneVision níos coitianta ná aon chomhlucht eile i dtíthe na hÉireann mar gheall ar an bhfiúntas a bheidh ar fáil agus na cláracha éagsúla a bheidh roghnaithe do na daoine. Níl aon suim againn ins na hárdáin atá le fáil fé lathair agus níl aon airgead stáit ar fáil againn.

An chéad grupa a bheidh muid ag cur fé bhráid ná na daoine nach bhuil ag íoc aon seirbhís fé láthair. Is iad seo na custaiméirí atá ag eircom agus TV3 agus táimid dóchasach go tdiocfaidh siad isteach linn sa scéim mar gheall ar na praghasanna íseal ar bheidh ar fáil. Cuirimid suim mhór comh maith ins na daoine eile.

Seasóidh muid linn féin. Tá an teortha atá le fáil scrúdaithe go dian fé thaighde ar fhoirleathan, comparáid domhanda agus ráthóirí airgeadis. Tá an-chuid taithí ag na scairsealbhóirí sa gcomhlucht ar na polasaí atá againn.

3.3. 9(2)(a)

The character of the applicant or, if the applicant is a body corporate, the character of the body and its directors, manager, secretary or other similar officer and its members and the persons entitled to the beneficial ownership of its shares

OneVision is the consortium to deliver the new DTT platform independently, imaginatively and professionally to the viewers of Ireland, a new platform backed by four companies who represent a diverse indigenous broadcast industry, and whose only interest is to maximise the success of this new platform. OneVision is powered by the scale and ubiquity of eircom; the world-leading content capability and pay-TV experience of Setanta; the daily reach and mass market, public service commitment of TV3; and the DTT industry best-in-class competence of Arqiva.

For us, DTT will be the bridge into the digital world for Irish citizens, and we back this belief with our commitments. Firstly, to be affordable, by being lower-cost than competing platforms. Secondly, to be accessible through straightforward marketing and ubiquitous coverage. Our third commitment is to provide the most relevant and highest quality content that people are proud to have in their homes. And our final commitment is to be a success, to be the most-liked broadcast platform in Ireland, a third force that will be the viewers' champion.

Underpinning these commitments is the core belief of our consortium: that with OneVision you get the best of both worlds. By working day and night with RTÉ, TG4 and Government, OneVision will ensure citizens get the best from the public service multiplexes; and through its independence and plurality of ownership, OneVision's DNA is programmed to deliver a brilliant Irish and commercial broadcast platform.

3.3.1. Entity

3.3.1.a. What is the identity of the applicant?

OneVision

The applicant is a consortium comprising of Arqiva (Ireland) Limited, eircom Limited, Setanta Sports Channel Ireland Limited, and TV3 Television Network Limited (the "Consortium"). It is proposed that the Consortium will incorporate a new company, to be known as OneVision, in which each member of the consortium will hold an equal number of shares. In the event of a successful bid, it is proposed that the multiplex contract will be with OneVision. The terms on which each member of the Consortium has agreed to submit this application and, in the event of a successful bid, proceed with its participation in OneVision are set out in the Terms of Reference Agreement ("TORA") dated, signed by each of the Consortium members and attached in the confidential appendix of this application. The applicant will be formed to be in compliance with all applicable laws.

Arqiva

Arqiva operates at the heart of the broadcast and mobile communications industry and is at the forefront of network solutions and services. The company provides much of the infrastructure behind television, radio and wireless communications in the UK and has a growing presence in Ireland, mainland Europe and the US. For broadcasters, media companies and corporate enterprises Arqiva has end-to-end capability ranging from outside broadcast, satellite news gathering, studios, playouts, satellite distribution and terrestrial transmission. The latter including digital switchover and mobile TV development.

eircom

eircom Limited ("eircom") is the largest operator of voice and data communications networks and services in the Republic of Ireland, providing a comprehensive range of Voice, Data, Internet, Broadband and Managed Services. With a customer base of over 1 million, including more than 190 Republic of Ireland government agencies, eircom provides a nation-wide service based on a ubiquitous switching and transmission network and employs approximately 7,000 people in the Republic of Ireland. In the Public Sector, the company provides vital nation-wide voice and data services to all Government Departments and has a long track record in the provision of vital services to the State which have significant national security requirements and considerations.

Setanta

Setanta Sports Channel Ireland Limited ("Setanta"), a subsidiary of Setanta Sports Holdings, which is a leading international PayTV sports broadcaster operating twelve channels in Ireland, the UK, North America and Australia. Founded in 1991 by Leonard Ryan and Michael O'Rourke, its premium sports content is available to more than 50 million digital homes worldwide. Setanta operates more sports channels than any other broadcaster in Ireland and the UK. Setanta Sports is the most widely-available premium sports channel in the UK and is available to all digital homes: on satellite, via Freeview, Virgin Media, Tiscali, BT Vision and by Broadband, ensuring the widest possible distribution to all sports fans. Setanta Sports is the only broadcaster of premium sports on digital terrestrial in the UK (Freeview). The Setanta Sports 1 channel, featuring the best of Setanta's premium live content, is available on Freeview boxes and digital TVs with viewing card slots.

TV3

TV3 Television Network Limited ("TV3") is the largest commercial broadcaster in Ireland, and has successfully operated the national television franchise since 1998. Founded by the original Chairman, James Morris, TV3 quickly established itself as the country's second most viewed channel, and has a 15% peak time market share of its target 15-44 year old audience. A majority stake in TV3 was acquired in 2006 by Doughty Hanson, one of the largest independent private equity firms in Europe with offices in London, Frankfurt, Milan, Paris and Stockholm.

OneVision was formed for application of the multiplex contracts in March 2008.

3.3.1.b. What is your current legal status? If you are not currently a legal entity and if your application were successful, who would hold the contract?

OneVision has not yet been incorporated. It is proposed to incorporate OneVision prior to the entry into the multiplex contract in the event of a successful bid. OneVision would hold the contract in the event of a successful bid.

The Consortium is a contractual arrangement between each of the Consortium members, governed by the terms of the TORA. Each of the Consortium members is a private limited company incorporated in Ireland.

3.3.1.c. If this application is conditional, i.e. it is linked to one or more other applications, what is the relationship between the respective applicants?

This application, 1 of 3, is conditional on the other applications, 2 of 3 and 3 of 3, made by the Consortium on behalf of OneVision in respect of the other two multiplex contracts, being successful. Neither the Consortium nor OneVision is otherwise linked to, nor is this application otherwise conditional on, any other application for a multiplex contract.

3.3.2. Management

3.3.2.a. Who are the members of the board of directors (or equivalent) of the applicant?

| Chairperson Fintan Drury | Non-executive Director Tom Meikle Bennie | Non-executive Director Cathal Magee |
|---|---|--|
| Russian Village Kilquade Co. Wicklow | Udimore Cottage 21 Chapel Lane, Otterbourne Hants, SO21 2HX | 11 Enniskerry Demesne Enniskerry Co. Wicklow |
| Age: 49 Irish Company Director Platinum One | Age: 50 British CEO of Arqiva Limited | Age: 54 Irish Managing Director of eircom Retail |

| Non-executive Director (Alt) Michael O'Rourke | Non-executive Director (Alt) Leonard Ryan | Non-executive Director David McRedmond |
|---|---|---|
| 33 Sycamore Road Mount Merrion Co. Dublin | 12 Temple Villas Palmerston Rd Dublin 6 | 17 Spencer Villas Gleanageary County Dublin |
| Age: 42 Irish Joint CEO, Setanta Sports | Age: 42 Irish Joint CEO, Setanta Sports | Age: 45 Irish CEO of TV3 |

Note: One further independent Non Executive Director will be appointed to the Board

3.3.2.b. Which of the directors is the chairperson?

The Chairman is Fintan Drury.

3.3.2.c. Who is the managing director or senior executive officer of the applicant?

The chief executive officer is yet to be appointed.

3.3.2.d. Who is the secretary or similar officer of the applicant?

The Secretary is Rhona O'Brien.

| Role | Name | Address | Age | Nationality | Current Occupation |
|-----------|---------------|---|-----|-------------|--|
| Secretary | Rhona O'Brien | 53A Beech Park Road, Foxrock, Dublin 18 | 33 | Irish | Solicitor – Senior Legal Advisor to eircom Limited |

3.3.3. Shareholding/Beneficial Ownership of Shares

3.3.3.a. What is the existing or proposed shareholding structure of the applicant?

In the event of a successful bid, it is proposed that OneVision will hold the multiplex contract. Although not yet incorporated, the following table is indicative of OneVision's likely share capital structure:

| | |
|---------------------------------|--|
| Authorised Share Capital | 10,000,000 Ordinary Shares of EUR0.0001 each ("Ordinary Shares") |
| Issued Share Capital | 45,000 Ordinary Shares |
| Share Classes | OneVision will have a single class of Ordinary Shares |

3.3.3.b. Who are the owners or proposed owners of all of the shares in the applicant and/or the persons entitled to the beneficial ownership of the shares where a shareholding is in the name of a trustee or nominee?

The proposed ownership structure of OneVision is as follows:

| Shareholder | Address | Number of Ordinary 'A' Shares subscribed | Issue Price (incl. premium paid) | % Shareholding |
|--|---|--|----------------------------------|----------------|
| Arqiva (Ireland) Limited | 69, Woodlands, Fairyhouse Road, Rataoth, Co. Meath Ireland | 11,250 | €100 | 25% |
| eircom Limited | 112-114 St. Stephens Green West, Dublin 2 Ireland | 11,250 | €100 | 25% |
| Setanta Sports Channel Ireland Limited | Broadcasting House, 3A Princes Street South, Dublin 2 Ireland | 11,250 | €100 | 25% |
| Tullamore Beta Limited | Riverside One, Sir Rogerson's Quay Dublin 2 Ireland | 11,250 | €100 | 25% |

In addition, at, or immediately prior to, the signing of the Multiplex Contracts, the Consortium members will grant a right to OneVision to call for an additional equity subscription of up to €6.5 million at any time from 1 January 2009 (see paragraph 3.2(a)(ii) of the TORA). This commitment is in addition to the commitment of OneVision to raise further funding during the post-launch period (see paragraph 3.2 (b) of the TORA).

3.3.3.c. What is the existing or proposed shareholding (per class where relevant) and the issue price subscribed by each shareholder (including details of any premium paid), and the percentage that each shareholding represents of the total issued share capital of the applicant?

See section 3.3.3.b

3.3.3.d. What percentage of all the votes that may be cast by the shareholders of the applicant at general meetings is attached to each shareholding?

Each Ordinary Share carries equal voting rights (one vote per share upon a poll at a general meeting). As such, the percentage of voting rights of each shareholder is equal to the percentage of Ordinary Shares held by that shareholder as set out in the table in the response to section 3.3.3.b above.

3.3.3.e. What is the total value of loan stock and the existing or proposed amount of loan stock subscribed by each shareholder?

It is not currently proposed to issue loan stock to shareholders in OneVision.

3.3.3.f. Where there is a shareholders', or other, agreement/s in existence or proposed in respect of the applicant, please provide details of the provisions of such agreement/s relating to the ownership and/or control of the applicant i.e. board of directors, transfer of shares, pre-emption rights, additional rights conferred by share class, exit mechanisms and conditions envisaged etc.

The Consortium members have entered into the TORA, a copy of which is attached in Confidential Appendix A. The TORA sets out the heads of agreement regarding the governance of OneVision in the event of a successful bid (including, matters such as the appointment of the board (paragraph 3.3 of the TORA), transfers of shares (paragraph 3.67 of the TORA), pre-emption rights (paragraph 3.9(b) (v) of the TORA), exit mechanisms (paragraph 3.8 of the TORA) and conditions envisaged (paragraph 4 of the TORA)). In the event of a successful bid, a more detailed shareholders' agreement will be entered into by the parties governing their rights in OneVision in accordance with the terms of the TORA.

3.3.4. Additional Information

Please answer the following questions “yes” or “no”, on behalf of the applicant, to include, if the applicant is a body corporate, its directors, manager, secretary or other similar officer and “significant” shareholders. A person will be deemed to be a “significant” shareholder if s/he is the legal or beneficial owner of shares in the applicant to which are attached ten percent (10%) or more of the voting rights exercisable at a general meeting of the applicant. If the answer is “yes” to any of the following questions, please provide full details.

| Additional information | Yes / No |
|---|----------|
| Has the applicant ever been convicted of an offence involving fraud or dishonesty? | No |
| Has the applicant ever been restricted or disqualified as a Company Director, or convicted of any offence under the Companies Acts 1963-2006 (as amended) in this jurisdiction or under equivalent legislation in any other jurisdiction? | No |
| Has the applicant ever been adjudicated a bankrupt, become insolvent or entered into a voluntary arrangement with creditors, or had a receiver appointed to any of his assets, in this or any other jurisdiction? | No |
| Has the applicant ever been a director of a company to which a receiver was appointed, which went into compulsory liquidation, creditors’ voluntary liquidation, examinership or which made any arrangement with its creditors or class of creditors? | No |
| Has the applicant ever been convicted of an offence under any legislation by which Broadcasting and/or Wireless Telegraphy is regulated in this or any other jurisdiction? | No |
| Has the applicant ever had a licence or contract issued by a broadcasting licensing body or any other statutory body suspended or revoked in this or any other jurisdiction? | No |
| Is the applicant aware of any reason why it may not be a fit and proper person to be awarded a contract? | No |

3.4. 9(2)(b)

The adequacy of the expertise and experience and of the financial resources that will be available to each applicant and the extent to which the application accords with good economic principles

OneVision represents a new choice that will be a credible alternative to the two established players in the Irish market. We will dedicate the financial and human resources necessary to make DTT a success in Ireland and will take a leading, and collaborative, cross-industry role to help drive rollout and adoption of DTT. The companies that compose the OneVision consortium have a proven financial track record, along with stable and secure organisational structures behind them. Three of the entities are nation-wide recognised brands and have the capabilities and the reach to promote this service to the vast majority of homes around Ireland.

OneVision is putting in place a management team that has the local and relevant experience to ensure that the commercial DTT platform in Ireland is successful. We have carried out extensive research and business modelling to ensure that this is a viable business that our parent companies can support. A successful DTT business will bring benefits to each of our core businesses. OneVision group represents no threat to the balance of media and platform ownership in Ireland. We have no conflict of interests in terms of existing presence in the PayTV market. We have the common objective of maximising the adoption and success of DTT. This section will detail how we will bring this to ensure OneVision delivers DTT to Ireland.

3.4.1. Part 1 – Expertise and Experience Available

This section, the first part of 3.4, covers the following key areas:

- Organisational structure
- Individuals identified for key posts
- Background, expertise, experience and track record of each member of the board and management team
- The adequacy of the combined expertise and experience of the above persons
- Providers of proposed outsourcing / sub-contracting of aspects of the business
- Relevant experience of existing organisations in consortium

3.4.1.a. Please provide in diagrammatic form the organisational structure (including the management structure) for delivering the proposed service. Please include estimated staff numbers, categories and location of staff and indicate whether these staff will be employed by the multiplex contractor or by sub-contractors?

In this section we present our internal organisational structure (including Management) and our outsourced functions.

Organisational structure

The Management team of OneVision will conduct all essential tasks for the operation and management of the business. This team will include:

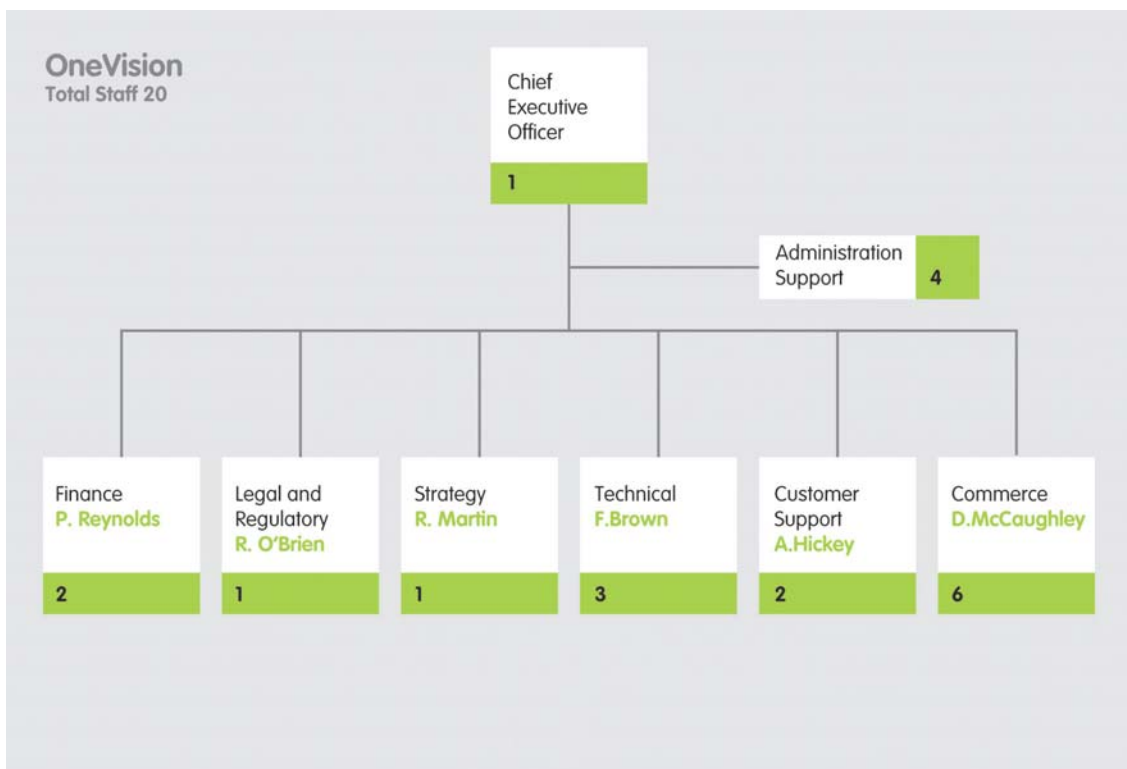
- The Chief Executive Officer (CEO) will oversee all operations. The Board of OneVision will recruit a first class industry leader as CEO. OneVision has engaged a specialist firm in an international search for an individual of the right experience and calibre to lead the Company and this process is already underway. It is anticipated that a formal appointment to this position would be made after the licence award.

- To ensure this matter is resolved post bid award the Steering committee of the OneVision group is to remain in place. The primary goal of this group will be to ensure, on award of licence, a CEO is appointed. This Executive group comprises of Gerry Culligan (Direct of Consumer Market eircom), Mark Mohan (Group Commercial and Marketing Director Setanta), Peter Ennis (Director of Operations and Technology TV3) and Michael Finchen (Commercial Director Arqiva).
- A Commercial Director, Dwyer McCaughley, responsible for supervising all aspects of Content, Sales & Marketing and Distribution
- A Finance Director, Peter Reynolds, responsible for the control and monitoring of the financial performance of OneVision
- A Director of Legal and Regulatory, Rhona O'Brien, responsible for all Legal and Regulatory Affairs
- A Strategy Director, Rory Martin, responsible for defining company strategy, with a clear remit to support the development of DTT as a strong and credible platform in the run-up to and post-ASO
- A Technical Director, Frank Brown, responsible for overseeing the efficient running of the network and the management of all technical relationships
- A Director of Customer Support, Annette Hickey, responsible for supervising all customer-facing activity
- This team will be supported by four administrative staff members

The OneVision team will be based in Dublin.

The diagram below illustrates our internal structure, comprising 20 people in total – all employees of OneVision.

Figure 1: Internal structure (including number of employees)



OneVision will be managed by qualified executives with a wealth of industry experience across TV Broadcasting, PayTV platform operations and retailing. These individuals will be recruited both from within parent organisations, and from the external market place, to build a team of the best people with the most relevant experience. All of the above staff will be contracted directly by OneVision and will be based in Dublin.

We have compared the organisational structure and resourcing levels to be the best in class platform operators, and from benchmarking we believe that the quality and quantity of people in the team will be capable of delivering a successful business. Importantly, we have structured this company as a standalone entity.

Final staffing levels will be subject to OneVision Board and shareholder approval post-award and pre-launch, and will be commensurate with the needs of the business.

Key responsibilities

The following outlines the key responsibilities for each of the function directors:

Figure 2: Key roles and responsibilities

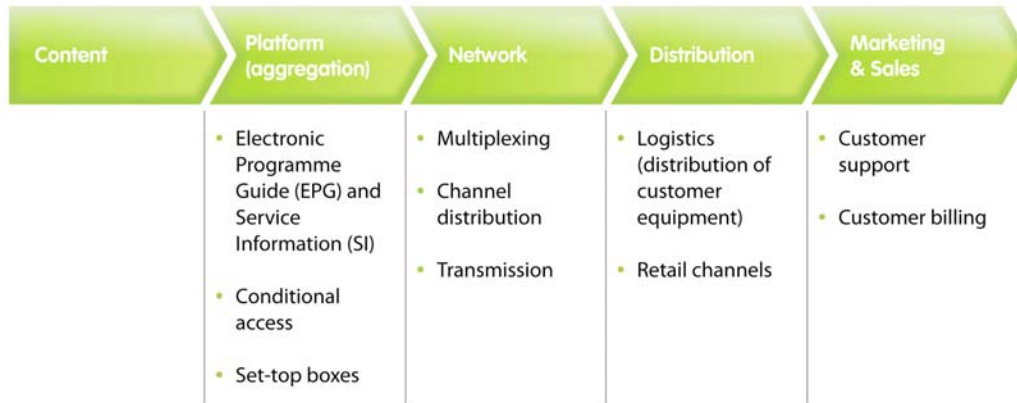
| Role | Key responsibilities |
|----------------------------------|--|
| Commercial Director | <p><i>Responsible for supervising all aspects of Content, Sales & Marketing and Distribution</i></p> <ul style="list-style-type: none"> • Acquisition of content and maintenance of content contracts • Co-ordination of Sales strategy • Maintenance and growth of sales channel partners • Marketing of the service • Maintenance of the OneVision website • Brand custodian |
| CFO | <p><i>Responsible for the control and monitoring of the OneVision financial performance</i></p> <ul style="list-style-type: none"> • Financial compliance and maintenance of high standards of corporate governance for the entity • Best practice in financial standards • Business planning • Review and agreement of commercial terms for outsource partnerships in conjunction with the relevant senior executives • Cash and debt management • Tax and audit oversight |
| Director of Legal and Regulatory | <p><i>Responsible for all Legal and Regulatory Affairs</i></p> <ul style="list-style-type: none"> • Legal compliance • Contract negotiations • Management of the relationship with relevant government departments • Company Secretary Duties |
| Strategy Director | <p><i>Responsible for the definition of company strategy, with a clear, defined, remit to support the development of DTT as a strong and credible platform in the run-up and post-ASO</i></p> <ul style="list-style-type: none"> • Definition of the company strategy • Coordination of our proposed "Digital Ireland" working group leading the process of digital switch-over in Ireland • Coordination of marketing, promotion and awareness of OneVision and communication to the public for ASO • Management of the relationship and support to |

| Role | Key responsibilities |
|------------------------------|---|
| | <p>groups set-up to support / educate on ASO as our ASO Ambassador</p> <ul style="list-style-type: none"> • Management of the relationship with the BCI on DTT matters • Management of the relationship with RTÉ |
| Technical Director | <p><i>Responsible for overseeing the efficient running of the network and the management of all technical relationships</i></p> <ul style="list-style-type: none"> • Definition and implementation of the product roadmap for DTT including: content, STB releases, HD content, on-demand functionalities and information and interactive services • Participation in industry groups to define DTT technical evolution • Maintenance of conditional access (CA) integrity, reliability and partner management • Management of the network partners, ensuring delivery of service levels, in particular population coverage targets • Management of the Multiplexing Services Partner & Management of CSI issues • Management of the electronic programme guide (EPG) partner • Management of the set-top box (STB) partner • Coordination of the proposed "DTT Platform" group, a technical body ensuring maximum collaboration between multiplex owners |
| Customer Management Director | <p><i>Responsible for supervising all customer-facing activity</i></p> <ul style="list-style-type: none"> • Creation of a best in class customer service capability, delivered through phone, internet and retail support partners • Management of the relationship with outsource partners • Management of the agreed SLA's with outsource partners • Control over all interactions with the customers to guarantee they are handled in a professional manner • Ensuring customer service information available online |

Outsourced functions

In addition to the elements which are key to the running of the business, certain functions will be sub-contracted (i.e. outsourced) to other companies. We have already carried out extensive negotiations with a range of potential service providers. The main outsourced functions will be specific elements within the Platform, Network, Marketing and Sales and Distribution, as illustrated below.

Figure 3: Main outsourced functions



eircom and Setanta have significant experience in outsourcing and managing outsourcing contracts that are critical to the efficient running of their business. Section 3.4.1.e further details the extent of our experience and the parties that we are presently evaluating to fulfil these elements of the service, should we win the DTT Multiplex licences.

3.4.1.b. To what extent have individuals been identified for key posts?

We have identified exceptional candidates for all the key positions:

| | | |
|---|--|--|
| Finance Director Peter Reynolds | Commercial Director Dwyer McCaughley | Director of Legal and Regulatory Rhona O'Brien |
| 28 Wyvern Killiney Co. Dublin | 17 Latchford Court Castaheany Dublin 15 | 53A Beech Park Road Foxrock Dublin 18 |
| Age: 40 | Age: 31 | Age: 33 |
| FCA: Institute of Chartered Accountants in Ireland DPA: Diploma in Prof. Accounting, University College Dublin B.Comm (Honours): University College Dublin | BSc Hons Degree, Communication, Advertising and Marketing, UUJ, | Law Degree (Hons. LL.B.), Trinity College, Dublin, Master of Commercial Law (Hons. LL.M.), University College Dublin Diploma in Construction Law, Trinity College, Dublin |
| Director of Customer Support Annette Hickey | Technical Director Frank Brown | Strategy Manager Rory Martin |
| 9 Cremore Road Glasnevin Dublin 11 | 9 Tryhorn Drive Salisbury SP1 3WA England | 7 The Belfry Kilmainham Dublin 8 |
| Age: 38 | Age: 48 | Age: 32 |
| Marketing Degree with the IMI Masters in Organisational Behaviour, Trinity College | City & Guilds full tech certificate from South London College | Masters Degree in Strategic Management (MSc.)Dublin Institute of Technology, Higher Diploma in Systems Analysis, Business Systems Development. Bachelor of Commerce Degree. (B. Comm.) National University of Ireland, Galway. |



3.4.1.c. What are the background, expertise, experience and track record of the following, highlighting the relevance to the proposed operation:

(i) Each member of the board of directors, or equivalent, of the applicant



Fintan Drury

Chairman

Fintan Drury is founder of Drury Sports Management, Ireland's only full service sports management company. Former news and current affairs journalist with RTE, Drury set up Drury Communications in 1989 and grew the company into market leader in the corporate communications business in Ireland prior to selling it in 1999. He had established Drury Sports Management in 1991 in response to the potential he saw within the infant Irish sports and sponsorship industry.

Drury was a key figure in the initiative to bring the Ryder Cup to Ireland in 2006. Since then, Drury has been retained as consultant to The European Tour, adding the World Golf Championship American Express Championship in 2002 and Ryder Cup Ltd to his client portfolio along the way.

Drury Sports also guides the careers of many top athletes. Drury himself holds FIFA licenses to act as a player agent in professional football. The company represents many leading footballers, some of Ireland top rugby players and the commercial interests of a number of GAA stars.

Fintan Drury is also Chairman of Paddy Power plc and sits on the board of Anglo Irish Bank Corporation plc



Cathal Magee

Managing Director of eircom retail

Cathal Magee is Managing Director of eircom's €1.3 billion portfolio of communication businesses that serve 1.5m Consumer, Business, Enterprise and Government Sector customers.

He was appointed to his current role in January 2002, and was appointed to the main Board of the company in March 2004. He has been a member of the executive Board of eircom since he joined the company in March 1995. Prior to joining eircom, he worked for the National Australia Banking Group in the United Kingdom and Ireland.

He is Chairman of Tetra Ireland Communications Ltd., a joint venture company owned by Motorola, eircom, and Sigma Wireless. In 2007 the company was awarded the contract to design, build and operate for 8 to 10 years the National Digital Communication Service, that integrates the communications of the principal Emergency Services such as the Garda, Ambulance, Fire and Prison Service.

His other principal directorships include VHI Healthcare and EBS Building Society.



Michael O'Rourke

Joint CEO of Setanta Sports

Michael O'Rourke is the co-founder and Joint CEO of Setanta Sports. Michael embarked on a career in banking before meeting Leonard Ryan in London in the late 1980's. The pair founded Setanta Sports in 1991 in the aftermath of 1990 World Cup and began broadcasting major Irish sporting events to expatriate audiences in Europe and North America. Setanta Sports has grown to become a leading international sports broadcaster with operations in Ireland, the UK, Luxembourg, the USA, Canada and Australia. In Britain and Ireland, Setanta owns and operates more sports channels than any other broadcaster. For digital satellite viewers Setanta distributes a Sports Pack that comprises twelve channels – Setanta Ireland, Setanta Sports 1, Setanta Sports 2, Setanta Golf, NASN, Setanta Sports News, Celtic TV, Rangers TV, LFC TV, Arsenal TV, Racing UK and Racing World. Some of Setanta's premium sports content includes Barclays Premier League, Magners League, Rugby World Cup, the PGA Tour, the Formula 1 World Championships and the Euro 2012 qualifiers. As well as being involved in the everyday running of Setanta Sports, Michael is a shareholder in national radio station, Newstalk and also in regional station KCLR which broadcasts in Carlow and Kilkenny.



Leonard Ryan,

Joint CEO of Setanta Sports

Leonard Ryan is the co-founder and Joint CEO of Setanta Sports. Originally from an insurance background, Leonard co-founded Setanta Sports with Michael O'Rourke in London in 1991. The company began by broadcasting Irish sporting events to expatriates in Europe and North America.

Setanta Sports now has operations in Ireland, the UK, Luxembourg, the USA, Canada and Australia. The company owns and operates premium sports television channels that are made available on a subscription basis to residential and commercial customers through satellite, cable, digital terrestrial, broadband and mobile distribution. Setanta now has over three million subscribers to its channels and is believed to be the fastest growing pay television operator in Europe. In Ireland, Setanta Sports have rights to broadcast a wide range of premium sports events including Barclays Premier League, PGA Tour and Champions Tour golf, Formula 1, Rugby World Cup, Magners League, Scottish Premier League, Euro 2012 qualifiers, National Football League GAA, Champions League, UEFA Cup and eircom League of Ireland. As well as being involved in the everyday running of Setanta Sports, Leonard is also a shareholder in national radio station, Newstalk and in regional radio station KCLR which broadcasts in Carlow and Kilkenny.



Thomas Meikle Bennie

Chief Executive Officer, Arqiva

Tom returned to his role in what was NTL Broadcast in October 2004 after two years as MD of NTL's business division where he was responsible for the delivery of voice, data and internet services. Previously, he was managing director of NTL Australia, taking the company from start-up, following the 1999 acquisition of the National Transmission Network, to its successful sale in the first quarter of 2002.

Tom joined National Transcommunications Ltd in 1991 when he was appointed business development manager, focusing on developing opportunities in the rapidly expanding comms sector. In May 1998, Tom became business development director for NTL's broadcast division, focusing on international acquisition opportunities.

Before NTL, Tom worked for the engineering division of the Independent Broadcasting Authority (IBA). He is a Chartered Engineer and gained his professional qualifications following a four-year student engineering apprenticeship with the Ministry of Defence in London.



David McRedmond

CEO of TV3

David is the CEO of TV3, the second-most watched channel in Ireland. He took up this role at the end of 2006 and since has moved the channel in a new direction with a focus on Irish content and increased news and entertainment broadcasting.

Prior to TV3 David was the Commercial Director of eircom where he was a PLC main board director. David's career began in book retailing where as the operations Director of Waterstone's he oversaw the expansion of the business into Europe's leading book chain. He also set up WHSmith Travel Retail, where he was MD, the leading travel retailer in the UK; and was CEO of WH Smith Inc an international airport and hotel retailing business.

David has a strong track record in building brands, leading large-scale operations, and commercialising media across mass-markets.

(i) (iii) Key members of the management team not present in the board



Rory Martin

Strategy Manager

Rory Martin is the TV and Entertainment Manager of eircom, leading the company's strategic re-positioning into the entertainment field. He is responsible for the day to day operation of the DTT initiative. The role involves the co-ordination of the DTT partnerships in which eircom are involved, representing eircom on the DTT Pilot stakeholder Pilot group. Prior to this position, Rory was responsible for the development and successful implementation of eircom's broadband strategy as Business Intelligence Manager for eircom Broadband.

Rory holds a First Class Honours Masters Degree in Strategic Management (MSc) which he completed part-time at the Dublin Institute of Technology. He won the Gold Medal for finishing first in this class and was awarded the Academic Excellence Award for the overall Business school. He also holds a Higher Diploma in Systems Analysis, Business Systems Development (H. Dip. DSA BSD) and a Bachelor of Commerce Degree from the National University of Ireland, Galway.



Peter Reynolds

Chief Financial Officer

Peter Reynolds is the Head of Corporate Finance at eircom. His core responsibility is to manage corporate programmes across the Group including development and execution of investment opportunities, financial management and control of new investments, financial leadership on large bids and tenders, Business Process Outsourcing, M&A and strategic reviews of business units. Before eircom, Peter was Senior Manager of Corporate Finance at PriceWaterhouseCoopers in Zurich, Switzerland.

Peter Reynolds has an ACA from the Institute of Chartered Accountants in Ireland and a DPA: Diploma in Prof. Accounting from the University College Dublin B.Comm (Honours): University College Dublin



Frank Brown

Technical Director

Frank has worked in broadcasting since 1979 when he joined the IBA and went through their post graduate diploma scheme. From then until 1998 he worked in a variety of operations and maintenance roles on transmitter sites working on a range of broadcast transmitters, ranging from small transposers, through microwave links to large broadcast transmitters. In 1998 Frank was appointed Baseband Systems Manager with responsibility for the installation and operation of the D3&4 compressions and multiplexing system. This was, and remains, the most complex system in the world and, at the time of installation, pushed the boundaries of the technology. Once the system was operational, he took the role of Chief Engineer and was the design authority for the numerous changes to the system as it developed. He became the representative on the TDN (The Digital network, a cross industry group) for both operational aspects and on the SI group which is responsible for the co-ordination and development of SI across all six multiplexes. Frank is a recognised international authority on DTT and has recently completed an assignment in New Zealand assisting with the introduction of DTT.



Annette Hickey

Director of Customer Support

Annette Hickey is a highly experienced contact centre manager. She is head of eircom's campaign contact centre (TSS), a key sales channel for eircom's consumer and mass business market. TSS is the key sales channel within eircom for delivering Broadband, and retention activity. Within this function, she is responsible for sales, revenue delivery, and compliance; operating to world class standards and key metrics to ensure an optimal customer journey. She has ensured that the function has exceeded revenue targets year on year as a result of implementing new operating processes (outsource model), Process and Technology improvements into the centre. She is also Chairperson of the CCMA, the Contact centre Managers Association.

TSS has been recognised as a leading edge call centre winning best call centre in the Irish, EMEA and World contact centre awards 2006. Annette holds a Marketing Degree with the IMI, and has recently completed a Masters in Organisational Behaviour with Trinity College



Dwyer Mc Caughley

Commercial Director

Dwyer McCaughley was formerly Head of TV for NTL Ireland and was hugely influential in developing the NTL digital customer proposition which launched in 2002. In particular, Dwyer was responsible for content negotiations and the growth of the NTL platform from a 16 channel analogue line up to a strong 100 channel digital line up. Following successful set up of the NTL Ireland digital platform, Dwyer went on to head of up Residential Sales (3rd Party and Field) and New Developments before joining Setanta Sports in 2006. Dwyer is employed as Head of Distribution for Setanta Sports and has been instrumental in securing carriage agreements to bring Setanta's Premium Sports content to cable, satellite, DTT, mobile and broadband platforms in the UK and Ireland.



Rhona O'Brien

Director of Legal and Regulatory

Rhona O'Brien is practising in commercial law, with a particular focus on infrastructure and service agreements, and competitive tender processes in public and private sectors. She was the lead advisor to the DCMNR on Digital Terrestrial Television Pilot Project (involving procurement of transmission equipment and services and multiplex services) in 2006, where she advised on the tender strategy to meet commercial objectives, drafted tender and contract documentation and successfully negotiated the project agreements. Rhona is currently employed by eircom as a Senior Legal Advisor and was formerly employed by Arthur Cox. She is also a registered Trade Mark Agent. Rhona has a Law degree from Trinity College (Hons. LL.B) and a Masters of Commercial Law (Hons. LL.M).

3.4.1.d. Comment on the adequacy of the combined expertise and experience of participants, of the above persons in the context of the award of a DTT multiplex contract.

Each of the parents provide the mix of skill and experience in all aspects of Broadcast TV, PayTV, large scale Consumer Marketing and Sales and DTT network expertise. The management team selected by OneVision has an excellent mix of the relevant skills and experience required to deliver a successful DTT service. OneVision brings together an excellent and complementary mix of skills and experience, with the capability of managing the DTT multiplex contract.

A Board of experienced Directors has been selected from both parent organisations and from the wider broadcast industry. These individuals bring unparalleled experience both in the broadcast and telecommunications sectors. The Board comprises of a rich mix of commercial and technical skills and experience. The Board will lead the strategic direction and development of DTT in Ireland.

OneVision has selected a management team with a strong mix of the relevant skills and experience specifically; the following individuals bring a wealth of experience in the following disciplines, which will be supported by experience from within the parent organizations. The combined strength of the management team is demonstrated by the broad range of complementary skill and experience:

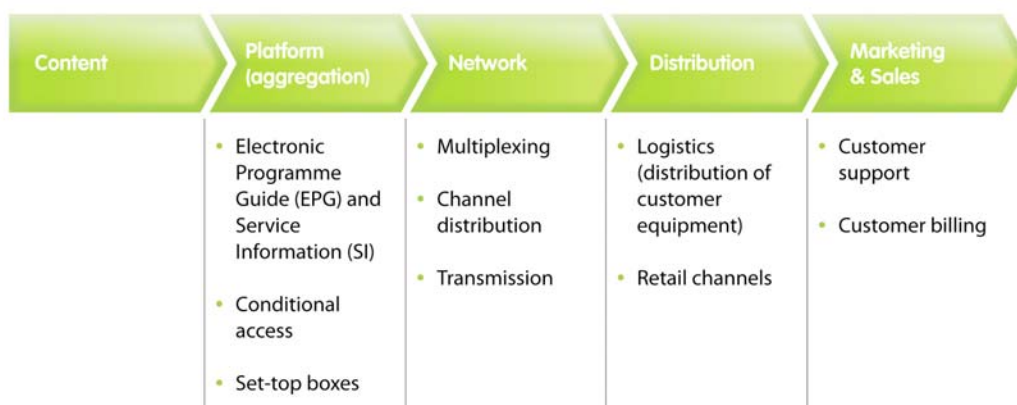
- Content and Programming – Mark Mohan and Dwyer McCaughley have several years experience in negotiating the supply of content and programming, and in the packaging compelling TV services. This experience will be supported by the knowledge of audience viewing behaviour that TV3 have developed as the second most viewed channel in Ireland.
- Technical Operations – Frank Brown is a broadcast engineer with almost 30 years experience, and is a recognised authority on DTT. Arqiva will contribute experience of network and multiplex operations. Both Setanta and Arqiva will bring experience on the operation of conditional access systems and through Setanta, expertise on set top box specification and procurement.
- Marketing and Sales – Gerry Culligan brings extensive marketing and sales experience, gained through managing the eircom consumer fixed line telephony and internet business in Ireland. Mark Mohan is Group Commercial and Marketing Director of Setanta Sports and was previously Sales and Marketing Director at ntl. Under Mark's direction, ntl rolled out the first indigenous Digital TV platform in Ireland. During these growth years at ntl Mark also presided over ntl's successful broadband rollout. Brian Quinn was formerly Head of Marketing Communications at UPC and is now Customer Acquisition Director for Setanta in the UK and Ireland. The combination of skills and experience that these individuals bring will ensure OneVision drive customer adoption through targeted marketing and sales campaigns.
- Customer Service – Annette Hickey brings her experience of call centre and customer management gained as Head of eircom's campaign contact centre. Annette has specific experience of working with outsourced call centre management partners, to deliver exceptional customer service standards.
- Finance, Legal and Regulatory – Peter Reynolds brings extensive experience of financial operations, gained as Head of Corporate Finance at eircom. Rhona O'Brien is a senior commercial lawyer who has supported DCENR in the DTT Pilot. Rory Martin has lead the day to day DTT project in eircom and worked with the DTT Pilot stakeholders group and all industry participants, to promote preparations for DTT deployment.

3.4.1.e. In the event of outsourcing/sub-contracting of any key aspect of the proposed service, where appropriate please indicate the proposed provider of the service, together with details of key personnel identified to support the multiplex contractor and information on their qualifications, expertise and experience.

In section 3.4.1.a we outlined the elements of our service that are likely to be outsourced. The key strength of the OneVision group is that in all areas outlined for outsourcing, we have existing relationships in place that can be quickly exploited for the launch of a DTT service in Ireland. For each outsourced function we have preferred suppliers; however we will continue ongoing discussion with all potential outsourcing partners at the award of a license.

The main outsourced functions are specific elements within the Platform (aggregation), Network, Distribution and Marketing and Sales steps of the value chain, as illustrated below. Each of these elements will be discussed in turn in this section.

Figure 4: Main outsourced functions



Platform (aggregation)

Within the platform aggregation step the EPG and SI services will be outsourced.

EPG / SI services

eircom, TV3 and Setanta have worked with EPG experts BDS (now owned by RedBee Media) for a number of years. TV3 and Setanta have used EPG services in their capacity as channel owners on a range of platforms. eircom contracted RedBee to provide schedule and programme information for the range of BBC channels that eircom provides for the DCENR DTT Pilot and for their trial of the IPTV platform.

All three companies have existing business relationships with RedBee which will assist in a supply agreement being put in place. Details of contacts within RedBee Media are given below. The OneVision consortium has also been in talks with Electra Entertainment about the provision of EPG services.

Figure 5: Company details - EPG / SI services

| | |
|---|---|
| Company | Contact: |
| RedBee Media (who now own BDS) | Martin Harvey (Head of Sales and Marketing) |

Red Bee Media Broadcasting Dataservices is a specialist broadcast listings bureau providing TV and radio schedule listings to the highest standard on behalf of both broadcasters and publishers. Launched in 1990, Red Bee Media Broadcasting Dataservices own one of the largest and most sophisticated databases of programme and channel information covering most major European channels.

Wholly owned by parent Red Bee Media, more than £4 million has been internally invested to ensure that the systems used and the data supplied can meet their clients' exacting requirements. Red Bee Media Broadcasting Dataservices can provide services in 20 languages and in any format.

From offices based in West London, Red Bee Media Broadcasting Dataservices operate the latest Unix-based technology, employing over 140 staff to cover more than 1,200 TV and radio channels and supplying data to at least 14 electronic programme guides (EPGs) across Europe.

| | |
|------------------------------|--|
| Company | Contact: |
| Electra Entertainment | Barry Rubery (CEO, Electra) Jonathan Drazin (CTO, Electra) |

Electra develops and licenses interactive television and information services such as Electronic Programme Guide (EPGs), games and information services such as news and weather.

Foremost, Electra are a broadcaster of popular interactive television services. Working in association with their established sister content aggregation, operations and playout company, Static 2358, and several manufacturers, Electra distribute user friendly, rich interactive services under our Trove™ brand to Digital Terrestrial Television (DTT) receivers worldwide that will incorporate their technology.

User perceived benefits include rapid load speeds, no need to change channel to receive interactive television services, support for games, improved graphic animation, persistence (memory of previous interactions), rich colour and transparency.

Conditional Access:

Setanta has extensive experience in the selection and evaluation of possible conditional access (CA) providers and has chosen to work with Nagravision in the UK to encrypt their Sports channel, to meet premium content rights holders' stringent requirements. The consortium is delighted to be bringing this experience on CA to the table giving the content owners assurance that only those that should be receiving the services are receiving them and guaranteeing the customers a stable and safe platform.

OneVision has also been talks with Irdeto, Latens and Viaccess to evaluate alternative CA solutions to best fit the consortium.

A list of CA suppliers, which have already been contacted, are given below.

Figure 6: Company details - CA services

| | |
|--------------------|---|
| Company | Contact: |
| Nagravision | Giovanni Russiniello (General Manager UK & Ireland) |

Nagravision is a market leader in the field of conditional access for digital TV and broadband Internet. Leading operators are equipped with its technology which ensures secure access to their services via more than 40 million decoders (analogue and digital).

The range of Nagravision solutions includes systems for:

- security of access to information - for the operator (encryption and access rights management) and for the end-user (decryption through the decoder/smart card pair)
- content and subscriber management
- management and security for interactivity over IP networks

| | |
|---------------|---|
| Company | Contact: |
| Irdeto | Martin Altham (Sales Director, Northern Europe) |

The Irdeto Group of companies are a highly respected group which has agreed to provide OneVision with a CA system which will focus on the secure delivery of premium value content across the DTT platform in Ireland. Founded in 1969, Irdeto employs over 700 people in 22 offices across the globe, including the dual corporate headquarters in Amsterdam and Beijing.

The company is a subsidiary of multinational media group Naspers which includes a wide range of PayTV, Internet, technology, publishing and education businesses.

| | |
|---------------|---|
| Company | Contact: |
| Latens | Jeremy Thorp (CEO) Jason Rogers (CTO) |

Latens was founded in January 2002 to pioneer and develop a new generation of software-based security systems for PayTV services. New business models in the delivery of TV and multimedia content to set top boxes, PCs and other consumer devices drives a need for new solutions, and the Latens family of Conditional Access Systems (CAS/DRM) is now leading in several markets as new and established operators seek to innovate while controlling their costs.

Latens is managed by a team of highly-regarded broadcast technology experts with wide experience in deploying and managing security systems for broadband cable networks, digital interactive TV and IPTV services.

| | |
|-----------------|---|
| Company | Contact: |
| Viaccess | Fabien Vieau (Regional Manager) |

Viaccess have 10 years experience in providing conditional access services for the DTT platform. They have a wide range of DTT STBs partners: ten manufacturers; and work to provide services for MPEG2 and MPEG4; SD and HD; and with or without PVR. They are focused on security (a new card every 18 months) and system flexibility.

Set Top Boxes:

Setanta and eircom have experience in the procurement and distribution of consumer electronics. In the UK, Setanta has managed supply chain from manufacture to retailer in the UK shipping circa 500,000 units in 12 months. eircom, through its IPTV initiative and also through its supply of routers and telephone devices, has relationships with set top box manufacturers and a wealth of experience in sourcing, distributing and supporting customer premises equipment. (Further details of our distribution capabilities are provided in 3.4.1.f.)

The OneVision group has selected a short-list of suppliers. Using the specification as requested by the BCI, we have reviewed the pricing and product roadmaps of some of the key set top box manufacturers in the market place. OneVision intends to work with stakeholders including the Public Service Multiplex holder (RTÉ), Consumer Electronic Distributors Association (CEDA), public sector stakeholders, public interest stakeholders and the manufacturers, to develop a certification programme for set top boxes. This programme will provide the Irish public with confidence that the certified receiver equipment and televisions will be compatible with the Irish DTT service. This programme will also enable OneVision and other DTT stakeholders to work with several suppliers, to ensure certification of all STB equipment.

A list of STB suppliers, which have already been contacted, are given below.

Figure 7: Company details - STBs

| | |
|--------------|---|
| Company | Contact: |
| Sagem | Raphael Fainac (Managing Director Sagem Communication UK) |

Sagem Communication (part of the SAFRAN Group) is a key player in Digital TV decoders, mobile and broadband communications, having acquired a global presence thanks to its high level of innovation. Sagem's products are particularly well known in the following areas: mobile telephones, printing terminals, residential terminals, digital TV decoders, and networks. eircom and Setanta has an existing working relationship with Sagem

The following is a list of Sagem's DTT deployments:

- First deployment (MPEG2) with BoxerTV (OpenTV / Viaccess)
- DTT STB with integrated browser for QuieroTV (Nagravision)
- Launch of DTT STB for Chorus (Nagravision)
- 2003: Introduction of DTT STBs for retail : Germany, UK with MHEG5, Sweden
- Mid-2004: Launch of "Micro" DTT STB (MPEG2)
- Deployment of DTT MHP STBs for Italy (w/ Nagravision and Irdeto CAS)
- Launch of DTT PVR range (UK/Germany/France/Sweden/Spain)
- Nov 2005: Launch of first MPEG4 DTT STB for CANAL+ (World 'Premiere')
- May 2006: Launch of first HD MPEG4 DTT STB for CANAL+ (World 'Premiere')
- Nov 2006: Deployment of ultra compact "Nano" DTT STB (MPEG2)
- Sep 2007: Introduction of MPEG4 HD DTT STB for RiksTV in NORWAY (Conax)
- Sep 2007: Sagem selected for PicnicTV MPEG4 DTT STB for BSkyB (NDS)
- Nov 2007: Launch of "ECO" STBs, with low-power consumption
- Feb 2008: Launch of twin tuner MPEG4 HD DTT STB w/ external HDD for Canal+

In addition Sagem leads in the deployment of MPEG4 DTT STBs. Over 500,000 'only DTT' units have already been delivered, out of a total above 2.3M MPEG4 STBs.

| | |
|----------------|--|
| Company | Contact: |
| Samsung | Warren Hampton (Business Development Director) |

Samsung is one of the largest electronics manufacturers in the world. The Samsung Group has 3 companies listed in Fortune's Global 500. It operates from 445 offices in 66 countries and has 261,000 employees.

The Samsung Electronics division is structured in five business areas: digital appliance, digital media, LCD, semiconductor and telecommunication.

Samsung has a great deal of experience launching DTT services in volume throughout the world, including Japan, Netherlands and Korea. They are also planning to provide advanced Set-top boxes for download and play service to France and Korea in 2008.

Some of Samsung's key strengths are, brand strength and identity in the Consumer Electronics Market, technical expertise and speed to market, advanced future proofed products

Samsung's STB Experience

- KPN (DTT, SD Dual Tuner, ST5100): Has deployed since Aug. '05.
- TWC (OpenCable, HD Dual Tuner, BCM7400): Scheduled to deploy on Dec. '07.
- YouSee (DVB-C + IP, HD Dual Tuner, ST7109): Scheduled to deploy on Dec. '07.
- Zesko (DVB-C + IP, HD Dual Tuner, ST7109): Scheduled to deploy on Apr. '08.
- Virgin Media (DVB-C, HD Dual Tuner, ST7109): Scheduled to deploy on Aug. '08.
- Orange (DVB-T/S + IP, D&P, HD Dual Tuner, ST7109): Scheduled to deploy on Aug. '08.
- Korea Telecom (DTT + IP, D&P, HD, ST7405): Scheduled to deploy on Jul. '08

| | |
|--------------|--|
| Company | Contact: |
| Humax | Graham North (Commercial Director) |

Humax is a world leading digital set-top box developer and manufacturer, exporting its products to over 90 countries across the globe.

Humax has a proven history of launching new digital TV technology and has been the lead partner for many major Operators including Premier in Germany and DirecTV in the US. Humax's competences carry across all broadcast platforms including Terrestrial, Cable, Satellite and IP and Humax are leading the way in the deployment of MPEG4 SD and HD products. Its core development is carried out in Korea, but Humax also have a growing team of engineers in Poland, supporting the European operation. Manufacturing is also carried out in Poland at a newly built manufacturing plant.

Humax has been a major player in the DTT space across the globe and in the UK has the brand leading Digital TV Recorder PVR9300T, which has won accolades from all major publications and industry bodies. Humax was also a lead partner for the HD trials carried out in London, where they supplied an HD DTT Zapper which was used extensively within the trial period. Their roadmap has plans to launch a market version of the MPEG4 HD product into the UK once the T2 specification has been ratified. Humax will also be a launch partner for Freesat and we will start this Spring with a HD Zapper, followed within a few months by a HD PVR.

| | |
|----------------|--|
| Company | Contact: |
| Thomson | Mark Torrans (Key Account Manager) |

Thomson provides technology, services, and systems to help its Media, Entertainment & Communications clients – content creators, content distributors and users of its technology – realise their business goals and optimise their performance in a rapidly changing technology environment. Setanta has an existing relationship with Thompson.

As of today, Thomson have already contracted more than 13 different MPEG-4 HD STBs models to European, Asian and North American customers, more than any of our competitors,

including:

- Smart Telecom in Ireland: HD IPTV End-To-End system with IPTV set top box receivers
- Cabovisao in Portugal: HD PVR and zapper DVB-C products with embedded DOCSIS for return channel purposes
- RiksTV in Norway: HD DVB-T receiver
- TV Cabo in Portugal: HD PVR DVB-C products enabling Triple Play offer thanks to an embedded DOCSIS modem with eMTA and Wifi connections
- StarHub in Singapore: HD PVR DVB-S2 receiver
- Sogecable in Spain: HD PVR combo solution DVB-S2 & DVB-T
- France Telecom in France: HD IPTV receiver
- DirecTV in USA: both HD PVR and non PVR satellite products
- BSkyB in UK: HD PVR products (DVB-S2)
- Canal+ in France: HD products for digital terrestrial networks (DVB-T)
- TPS in France: HD products for satellite (DVB-S2) and terrestrial networks (DVB-T)

| | |
|----------------|---|
| Company | Contact: |
| Siemens | Conor Olden (Business Unit Manager) |

Siemens is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. The company has around 400,000 employees (in continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of solutions for individual requirements.

One of its subsidiary companies, Nokia Siemens Networks, supplies transport, access and CPE solutions to eircom including the IPTV solution.

Nokia Siemens Networks (a JV between Siemens and Nokia) are the supplier of eircom's IPTV solution and other services to eircom such as DWDM Optic Fibre systems.

Network

OneVision has engaged with RTÉNL as the network provider for DTT services in Ireland. OneVision, and its parent companies, have an excellent working relationship with RTÉNL and looks forward to working with them to provide the core transmission and distribution services for the DTT offering. RTÉNL have provided analogue transmission services for TV3 since its launch in 1998, and TV3 have extensive experience in negotiating and operating national television transmission contracts with RTÉNL.

In Arqiva, the OneVision group has experience that is at the leading edge of DTT network and multiplexing knowledge. Arqiva have built and operated DTT pilot network in Ireland, as well as in the United Kingdom.

We have confidence in the technical ability and roll out plans that RTÉNL has outlined to us for the DTT project. Relevant contact details and expertise within RTÉNL are given below.

Figure 8: Company details – Network services

| Company | Contact: |
|--------------|---|
| RTÉNL | Mick Kehoe (Executive Director) |

The principal activity of RTÉNL is the construction and operation of transmission network assets in Ireland. RTÉNL distributes and transmits the programme services of RTÉ Radio and Television, TV3, TG4, and Today FM. RTÉNL has provided transmission for TV3 since its launch in 1998, and is the sole provider of DTT services in Ireland. OneVision and its parent companies have a strong relationship with RTÉNL and are confident in its roll out plans for DTT.

| Company | Contact: |
|---------------------------------------|---|
| Arqiva (Preferred Supplier) | Michael Finchen (Commercial Director) |

Arqiva is a leader in broadcast transmission. Arqiva designs, builds and operates innovative, highly reliable terrestrial TV networks and are the sole transmission provider for ITV, Channel 4, S4C and Five in the UK. It covers 98.5% of the UK population - transmitting TV services to 22 million homes from a network of 1154 sites. In Ireland, Arqiva is positioned as the leading independent provider of radio communications services.

Distribution

OneVision will be utilising the numerous sales channels that eircom and Setanta have in place to sell its services. Having the DTT certified set top boxes highly visible in retailers such as Dixon’s, 3G, Harvey Norman’s, PC World, Curry’s, Tesco, Dunnes Stores and Argos helps increase the awareness of DTT. We believe we are uniquely positioned with the number of channels to market that currently exist within our current business relationships as well as direct access to a customer base in excess of 1 million households in Ireland.

‘Setanta packaged’ Freeview boxes are available in thousands of Retail outlets through more than 20 Retail distribution chains across the United Kingdom and Northern Ireland Setanta’s relationship with these national partners is so well developed that these partners now proactively contact Setanta to discuss promotions around Setanta’s sporting content to drive their sales.

In addition eircom has extensive experience in the direct delivery and support of electronic equipment into Irish homes. In a given week eircom delivers over 3,000 routers to people’s homes and our service levels are at 99%.

Figure 9: Company details – Distribution services

| Company | Contact: |
|---|---------------------------|
| Sharptext logistics and distribution | Paul Whyte (MD) |

Sharptext is one of the leading companies in the distribution of major brands of computers, network products, printers and software to both the Irish and UK markets eircom works with Sharptext in relation to shipping and distribution of eircom CPEs

| Company | Contact: |
|----------------------|-------------------|
| Sigma Telecom | Tony Boyle |

(CEO)

Over the past number of years eircom has been working with Sigma Telecom from a number of perspectives, primarily logistics, distribution and supply.

Sigma Telecom is a distributor and reseller of a range of eircom products and services made up in the most part of 6 different types of eircom handsets, eircom PSTN lines and eircom broadband. These are resold through Sigma Telecom's own chain of stores, 3G, and physical products are distributed to a nation-wide range of retailers that Sigma has a relationship with such as Roches Stores, Arnotts, Harvey Norman. This entails stock purchasing, warehousing and delivery to each retailer.

Sigma Telecom is also a logistics partner of eircom's fulfilling our direct DECT handset business. These units are sold by eircom directly and current run rates are between 1,000 and 2,000 units per week.

Marketing and Sales

Customer support:

Both eircom and Setanta deliver a high quality service experience to in excess of 2 million customer households aggregated. This is essential in the competitive markets in which they operate.

eircom and Setanta have contracted with proven experts in the field of customer support and telesales services. We have consulted with these companies with the view to providing a quality customer service support to the DTT service for OneVision.

eircom's excellence in the field of supporting customers has been recognised by its peers on a national and international level. Appendix 1 lists the awards that eircom has won in relation to running call centres and ensuring the highest standard of customer service. Capita and Stream are eircom's managed service providers for inbound & outbound telesales and for our customer service centres in both Consumer & Business. The quality service offered by Capita has always guaranteed a high level of customer satisfaction. Setanta also outsource this function presently to Teleperformance, 2Touch and MGt. OneVision has considered the following companies as potential partners in the areas of:

- Customer support
- Technical support
- Sales support
- CRM and billing;

Figure 10: Company details – Marketing & Sales

| | |
|---------------|--|
| Company | Contact: Martin Schoppler |
| Stream | Martin Schoppler Site Director Dublin |

Stream is a leading global provider of technical support and customer care services. They are focused solely in the technology field and are specialists in providing technical help and support to a wide range of customers on a number of technologies.

As such Stream is a leading provider of support for the digital TV environment,

supporting customers in both Europe and the US. Stream’s digital TV clients include; France Telecom, Canal +, Sling Media, MSN and Sirius Radio. Stream operates the technical call centres for eircom’s broadband and dial Internet service. Stream is a leading candidate to provide technical support for the proposed DTT services.

| | |
|---------------|---|
| Company | Contact: |
| Capita | Stewart Morgan (Commercial Director) |

Capita is at the forefront of the evolution of business process outsourcing in the UK and Ireland, focussed on service transformation through innovation. They have developed a wide range of services over the past 20 years that mirror and support the back office and frontline customer services of public and private sector organisations. Capita interacts with 33 million people across the UK and Ireland on behalf of our clients

| | |
|------------------------|--|
| Company | Contact: |
| Teleperformance | Mike Sloman (Business Development Manager) |

Teleperformance is the global expert in contact centre management, creating more value through a better customer experience. Our core business spans the full spectrum of CRM/BPO contact centre solutions. Teleperformance also presently provide a billing solution to Setanta.

| | |
|-----------------------|---|
| Company | Contact: |
| Eircom/Setanta | John McKeon (Director of Wholesale, eircom) |

eircom and Setanta have end user billing capabilities that could be utilised for this entity. OneVision has the option of outsourcing the billing function to eircom’s in-house billing department or review the capability. Eircom is presently billing it’s circa 1 million customers so have the experience in terms of skills and systems to ensure that the DTT entity could bill it’s customers directly.

This section has highlighted the large number of existing relationships in place through the Consortium that can be quickly leveraged for the launch of a DTT service in Ireland.

3.4.1.f. What is the relevant experience of existing organisations that are participants in, or closely involved with, the application?

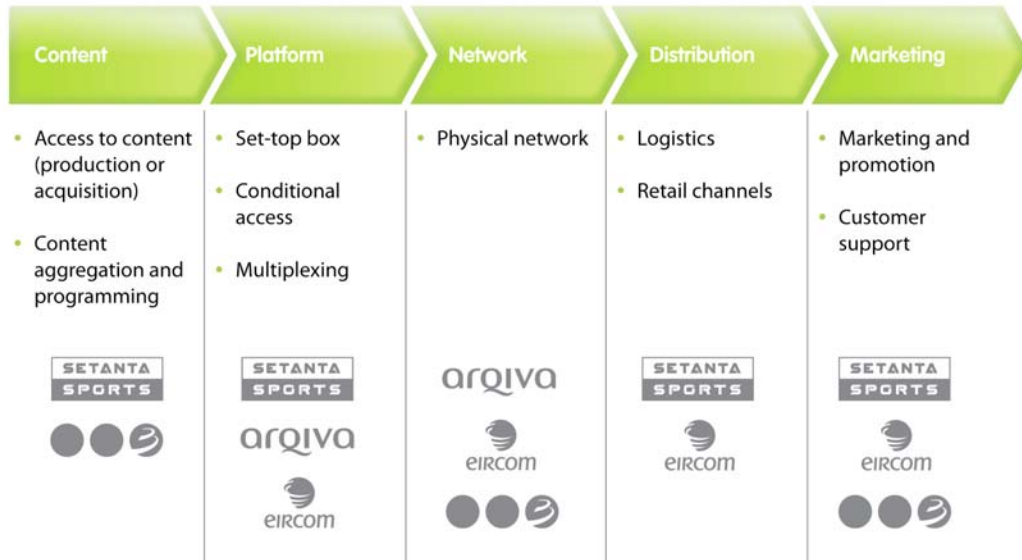
OneVision companies

Each member of OneVision brings a set of unique skills and experience across the wide range of activities required to successfully develop, promote and manage a commercial DTT service. Each party is motivated to achieve maximum adoption of the DTT service in Ireland, creating a credible and viable alternative to the existing TV distribution platforms. To add to this, each of the parties was involved in the DTT pilot in Ireland.

The OneVision group members bring an unrivalled experience and expertise across the entire value chain for DTT.

The skills required to successfully run a television platform exist today in our organisations and throughout this document we will outline how we are bringing these skills into the OneVision consortium.

Figure 11: Consortium value chain expertise



The experience that we bring not only ensures all areas of the DTT value chain are covered, but with a specific knowledge of the Irish market. Below we briefly detail the experience that each member brings.

Content

Setanta Sports has a track record of bringing premium sports content to a wide audience. Setanta believe that premium sports content should be made as accessible as possible. This track record is visible from the early origins of the company right up to the present day. Setanta started out by taking Irish Sports content from Ireland and bringing it to the Irish diasporas throughout the UK and then into the US and Australia. This was followed by establishing Ireland's first dedicated premium sports channel which was rolled out into approximately half a million NTL and Chorus basic packs. Placing the Setanta Ireland Channel on the basic pack of this proposed service is the natural continuation of this approach.

The range of sport on the Setanta Ireland channel is unique. It carries international premium sports such as Barclays Premier League, Formula 1 and the Rugby World Cup. Along side this there is best of Irish sport with Allianz National League GAA, Magners League rugby, eircom League soccer and the Setanta Sports Cup. Irish amateur sports and Irish youth sport also have a home on the channel with Irish hockey, Irish basketball, schools rugby, and cumann na mBunscol youth GAA. Much of Setanta's content is home produced both at its Dublin based studios and at outside broadcasts throughout the 32 counties.

Since launching in 1998 TV3 has gone from strength to strength, and is now the second-most-watched TV station in Ireland and the most successful television launch in Europe in the last 10 years. Alone among FTA broadcasters in Ireland, and almost uniquely in Europe, TV3 has held its audience share over the last two years by providing a genuine choice and an alternative voice to Irish television viewers, with over 26 hours of live programming each and every week.

Following the change in ownership in late 2006, TV3 have placed a renewed focus on improving the Irish profile of the station and its public service output. Irish output has increased from 25% to 30% of airtime; the number of independent commissions is up from 4 in 2006 to 16 in 2007 (including critically acclaimed series such as Dirty Money and Me and the Big C); News output has been revamped and seen the launch of Nightly News with Vincent Browne; Ireland's only live breakfast TV Ireland AM, has been strengthened with additional resources; and a daily entertainment show XPOSÉ has been successfully launched (a brand which resonates throughout towns across Ireland, as presenters regularly anchor local events). Most recently TV3 has won the right to become the first commercial broadcaster of live GAA Championship in Ireland.

There is also a greater diversity in acquisitions, from lavish drama such as The Tudors, to tough documentaries and edgier programmes like Californication. Over 2,000 hours of programmes are subtitled at no cost to the licence payer.

TV3 has recently spent in excess of €2m updating its transmission playout facilities at its headquarters in west Dublin to facilitate DTT and HD broadcasting, and provides HD playout facilities for the HD channel included in the DTT pilot operated by the DCENR.

Platform

Set-top boxes and conditional access: Setanta have built their UK DTT customer base through the distribution of set-top boxes, ensuring that these set-top boxes are secured with conditional access systems to protect their premium content. This is part of their core skills and Setanta will be bringing this expertise to the OneVision group along with the supplier contacts. eircom has been working with Nokia Siemens in relation to STBs for its IPTV platform. eircom has been working with Verimatrix on Conditional Access solutions for IPTV and again, will bring the experience of dealing with STB / conditional access suppliers to the OneVision consortium to ensure that the companies have a range of the best in class solutions on which to provide the DTT service.

Setanta brings unique and valuable experience from the DTT platform in the UK and Northern Ireland. Setanta Sports 1 retails as a Premium channel on the UK DTT platform since it launched in March 2007. Setanta were the first sports and only broadcaster to provide premium sports content on this platform. There is now in excess of DTT 200,000 households who subscribe to Setanta Sports 1. Making the channel available to the DTT platform was the first achievement, however the experience gained from setting up a sophisticated distribution network is invaluable to this consortium and to the setting up of a DTT platform in Ireland.

eircom has been developing and testing an IPTV platform which is currently being trialled in parts of Dublin. This project has given eircom the first hand experience what is required in setting up and maintaining a television platform. Through this initiative, eircom has gained experience in multiplexing, head-end equipment, play out facilities, content agreements, content delivery and packaging and set top box selection. The key experience that eircom will look to bring to future development of the DTT service proposition is how to increase the user interactivity by having an integrated IP Set top box that can deliver real time / On demand service to the Irish viewer.

Multiplexing: Platform operation on DTT refers to receiving broadcasts from content supplier to firstly multiplex and then distribute to the network.

Whilst Arqiva were not directly involved in the DTT trial in Ireland after launch, Arqiva have been actively promoting discussion within the industry for the last 12 months, stimulating debate amongst Irish participants around the challenges that lie ahead, as well as sharing the experiences from UK market. Arqiva operate 35 Mux's for D3/4 in UK (due to different ITV regions), as well as playout of SDN. Arqiva now own and operate the

Freeview Muxes C&D in the UK (as a result of NGW acquisition). In addition, Arqiva operate more than 130 other mux's on their various satellite platforms.

Network

Arqiva built the first commercial television network in 1956, and for the intervening years has been involved, primarily leading the way in all new technology developments in Broadcast technologies.

Examples of this are:

- Build & Launch of Colour Broadcasting Network in 1968
- Build & Launch of Commercial Radio in 1972
- Build & Launch of second Commercial Television Network in 1982 (Channel 4)
- Build & Launch of first DTT platform in world in 1998
- Build & Launch of DAB National Network in UK in 2002
- Contracts awarded for build and operate of DTT National Networks for BBC (2 Muxes), D3/4 (ITV & Ch4) and SDN (Commercial Mux)

Arqiva's Networks today extend to:

- a network of over 3500 strategically located masts, towers, rooftops and land options
- terrestrial TV transmitter systems at 1154 sites throughout the UK covering 99% of the population
- over 600 radio transmitters for FM, AM and DAB
- seven international 'teleports' providing uplinking facilities for literally hundreds of TV services
- mobile and transportable uplinks, satellite newsgathering vehicles and outside broadcast trucks
- management and control systems
- all associated operations and maintenance services aligned to above infrastructure

OneVision is delighted to be bringing this range of skills and expertise to the development of a world class digital terrestrial network in Ireland.

In addition, TV3 have managed a television transmission network contract with RTÉNL since 1998 – the only such commercial entity to have done so and the only TV network operated by RTÉNL on commercial terms.

Distribution

Distribution: eircom has a wealth of experience in delivering and supporting the installation of electronic equipment into Irish homes. In a given week eircom delivers over 3,000 routers to people's homes and our service levels at up to 99% of delivery and successful installation of DSL within 10 working days. Through eircom the OneVision service will have multiple sales / distribution channels that are detailed in the section 'Marketing and Sales' below. Setanta launched in Retail in July 2007 and have already established a huge spread of retail partners actively driving sales of Setanta DTT in the UK, be it in store, online or in catalogue. These partners stretch across all channels from the Supermarkets right through to the Independent Electrical outlets. The major National retailers such as Tesco, Argos, ASDA/Walmart, Comet, Currys are all enjoying the success that Setanta on DTT has offered them whether it be Setanta branded Freeview boxes, Setanta Viewing Card packs or Setanta iDTV adaptors (CAMs) that they are selling. Setanta's relationship with these national partners is so well

developed such that they now proactively contact Setanta to discuss promotions around our sporting content to drive their sales.

Setanta works very closely with the retailers and also works side by side with the manufacturers and distributors of Setanta DTT product in the UK. Sagem, Philips, Metronics, SmardTV and Siemens are just a few of the partners and working in collaboration with them allows for a smooth and successful supply into retail as well as a linked up marketing plan. The whole supply chain want to drive as many sales as possible of Setanta product so keeping them up to speed with new sporting acquisitions and event timings is critical for success. Information is disseminated weekly whether it be through catch up meetings, email or telephone.

eircom and Setanta have been working closely to combine experience and contacts, to offer OneVision a effective distribution network for DTT equipment.

Marketing and Sales

Marketing/Promotion: eircom, TV3 and Setanta spend a combined total of circa €30m per annum in relation to marketing their services in Ireland. In eircom and Setanta, marketing and selling to Irish households is already ingrained in the core business functions of the companies and in TV3 it is their core business to provide a platform on which to market. eircom has a brand recognition of 97%¹ and TV3 can reach 95% of Irish homes on a monthly basis. We are brands that the Irish public are comfortable with and we are brands that bring an Irish credibility to the DTT platform.

OneVision will promote the service through airtime on TV3 and Setanta channels, as well as making any digital switch over information or OneVision service information available through the eircom.net portal, which presently has 1.2m unique users visiting it on a monthly basis.

Customer Support: eircom has facilities in place to support its 1 million customers as well as 635,000 Internet customers. The support desks are located in Ireland and eircom has a wealth of knowledge on the systems, processes and outsourcing partners required to support a large Consumer orientated project such as DTT. In 2006 eircom's excellence in support has been recognised by its peers in that the Call Centre Management Association (CCMA) awarded Best Irish Contact Centre of the year to eircom. In the same year eircom also won the prestigious international award, for 'Best Contact Centre in the World' at the World Contact Centre Awards, held in Las Vegas. OneVision has the relationship and staff with the experience to use this world class support function for the DTT service.

Setanta brings experience of engaging outsource contact centre providers who deal with all customer communication from initial registration for the service and all aspects of ongoing customer care. The contact centre providers handle on Setanta's behalf a wide range of customer queries, including billing enquiries, programming enquiries and enquiries of a technical nature from customers on the satellite and UK digital terrestrial platforms. Setanta has the in-house expertise to implement the associated processes within OneVision.

For OneVision Setanta and eircom have been working together to ensure we can take the best from both our experiences in this area and apply it to the OneVision customer service function.

Sales / Retail: One of the key strengths of the OneVision proposition is to ensure that the DTT service and related equipment is available and highly visible on a nation-wide basis. Having a strong sales channel strategy is critical to ensuring the success of the DTT service. OneVision will be using the following sales channels to ensure

¹ Millward Brown IMS Brand and Ad Tracker, Nationally representative adult sample, Sept-Dec 2007 period
* refers to actual unique visitors to eircom.net, March 2008

the customer can get information about or purchase the DTT service with ease (sales channels and distribution is further detailed in Section 3.4.2.k).

- Direct Sales - potential customers will be able to call the OneVision Sales desk to firstly check if they can receive the service and if so they can order the service. OneVision will send the customer their Set top box and welcome pack including clear instructions on installing the service and online and phone help addresses if they are having issues with their installation
- Online Sales channel - through the web site for OneVision the potential customer will be able to check if they can avail of the service, find out information about when the service will be available and order the service. Both eircom and Setanta have well established Online sales channels and are looking to channel this experience into the OneVision website
- Selling through traditional Retail channels - Setanta has established a strong supply chain relationship with all major retail chains in Britain and Northern Ireland. Most of these chains have large numbers of branches throughout Ireland, to facilitate early deployment of OneVision set top boxes to the Irish market. eircom has the existing traditional retail partners to ensure that the DTT service and its related equipment are accessible and highly visible throughout the country. Working with eircom's existing partners (3G, Harvey Norman, PC World, D.I.D, Dixons, Cantec, and Curry's) we can ensure that the service is visible on the high street therefore leading to a greater understanding and awareness of the DTT service and impending digital switch over. OneVision has and will continue to work with Groups such as the Consumer Electronics Distribution Association (CEDA) in relation to distribution and we will also look to forge relationship with large Retail multiples but also wholesalers such as Musgraves who have access to the smaller towns around Ireland. (Full list of eircom's Retail partners is available on Appendix 9).
- Selling through parent companies - eircom and Setanta are well established and experienced in selling services to Irish consumers. Both companies will be looking to sell the DTT service to their existing customer base this will have the effect of driving sales of the OneVision services. eircom has been very successful in marketing bundles of packages into Irish homes and will look to promote the DTT service in a similar manner to help increase adoption of the service.

All four members of the consortium were involved in the DTT pilot

Each member of OneVision played important roles in the development of DTT so far in Ireland and took an active role in the DTT workgroups that ran in parallel with the pilot.

Arqiva participated in discussion with both the BCI and DCENR in developing the business case for the DTT Pilot, based on its experience in the UK. eircom undertook the role of Content Manager for the DCENR DTT pilot, which was carried out in conjunction with RTÉ. eircom's role in this was to secure content rights and make provision for the inclusion of five BBC channels within the DTT pilot. This included the sourcing and provision of schedule data for EPG.

Setanta provided two channels, Setanta Ireland and Setanta Golf to the DTT pilot.

TV3 provided its full unabridged programme schedule and dedicated EPG feed to the trial. TV3 also provided high definition content to the HD element of the trial and supplied and operated the HD playout facilities.

OneVision will be managed by a successful, experienced and motivated team. We already have the many relationships and credibility that are required to launch a service of this magnitude. Amongst the parent companies, we have competencies and expertise all across the value chain from which to draw. We understand the local market both from having operated extensively in Ireland and specifically on the Irish DTT pilot.

3.4.2. Part 2 – Financial Resources and Accordance with Good Economic Principles

In Part 2 of Section 3.4, we outline our vision of the financial viability of our business plan and how the OneVision consortium intends to fulfil the funding requirements.

We have carried out extensive research and business modelling to ensure that this is a viable stand-alone business that our parent companies can support. A successful DTT business will bring synergistic benefits back to each of our core businesses, in terms of increased sales and reduced churn, and therefore all parties are equally committed, and doubly motivated, to make a long-lasting success of this business.

This section is divided into three subsections:

- analysis of the marketplace;
- business plan; and
- funding arrangements.

3.4.2.a. What assessment have you made of Ireland's economic prospects in the medium to long term? How has this influenced your proposals for the business plan? What assumptions have you made, implicitly or explicitly, regarding future trends in the population, number of households and socio-demographic mix?

Summary

Our assessment of Ireland's economic prospects in the medium to long term has been based on the expected growth of the following four indicators:

- Overall economic health: Irish GDP (and GDP per capita)
- Consumer spend on leisure: consumer spend on leisure (and spend per head) and its relation to overall spend
- Addressable market for television services: population and the total number of households in Ireland
- Socio-economic conditions: the proportion of the population in the ABC1² demographic

Overall economic health

Overall economic health sets the general economic outlook for doing business. Over the past five years, Ireland has experienced one of the fastest growing GDP (and GDP per capita) in Europe, with a compound annual growth rate (CAGR) of 14.5%³ (02-07). This compares with a 12.2% average for much of Western Europe⁴. In absolute terms, GDP per capita has almost doubled, from €22,700 to €44,700 over five years.

Whilst growth in GDP per capita is set to slow over the next five years, a healthy growth rate is expected to be maintained going forward. Industry experts have sited the continued slowdown in the previously overheated property sector and the general slowdown of the Western world economy as the main reasons for the slowdown over the next five years (2.8% a year). However, in the long term (2012 to 2021), growth rates are expected to level

² ABC1 includes: AB = higher and intermediate managerial (upper/middle class); C1 = supervisory/clerical (lower middle class)

³ Source: Economist Intelligence Unit (EIU)

⁴ Countries included in this average are: Austria, Finland, France, Germany, Netherlands, Norway, Spain, Sweden, and the UK

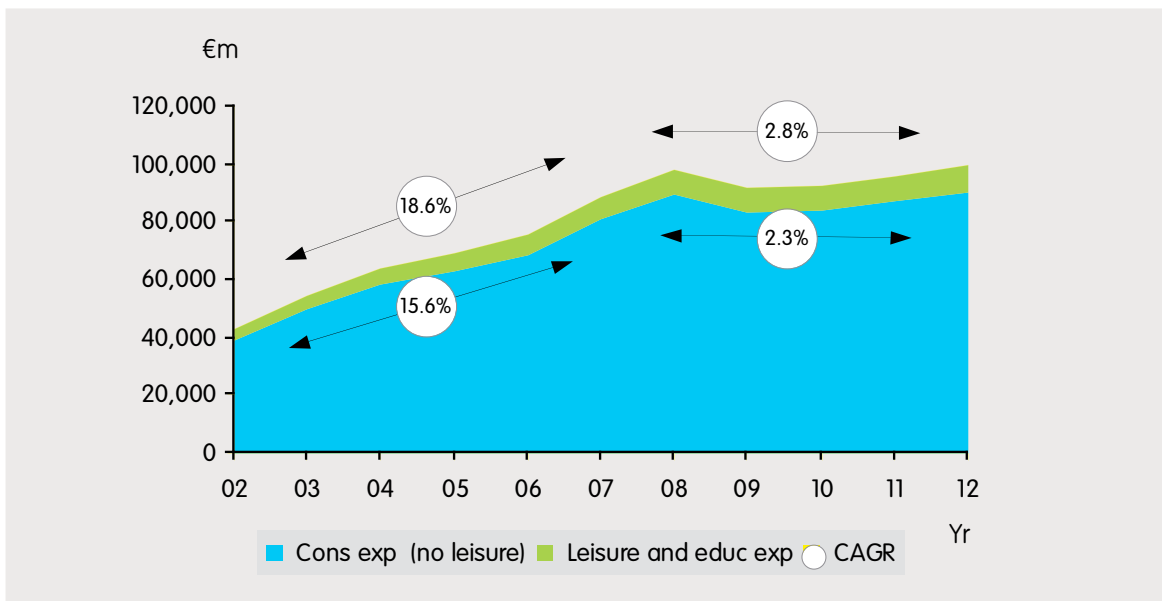
out at a 5.6% CAGR⁵, higher than the 4.4% average growth rate that has been forecast across Western Europe⁶. Therefore, overall, we expect Ireland's high comparative GDP and GDP per capita to continue to provide a solid foundation for business.

Consumer spend on leisure

Variances in consumer spend on leisure and the share of overall expenditure allocated to leisure gives an indication of the propensity to pay for TV services. Spending power in Ireland has been growing rapidly, at an annual rate of 15.6%⁷. In 2008 to 2009 it is expected to fall slightly as economic growth slows down; however, over the medium term, consumer spending is set to continue to rise (2.3% CAGR 07-12)⁸.

In addition, consumer expenditure on leisure and education has been growing more rapidly than consumer expenditure overall (18.6% year-on-year between 02-07)⁹. It is expected to continue to grow faster than overall expenditure going forward (2.8% CAGR 07-12)¹⁰, making up a greater proportion of consumer spend in 2012 (9.4%) than it did in 2002 (8.2%).

Figure 12: Consumer expenditure (€m)¹¹



Addressable market for TV services

An expanding population and number of households demonstrate an increasing addressable market for TV services.

⁵ Source: EIU

⁶ Countries included in this average are: Austria, Finland, France, Germany, Netherlands, Norway, Spain, Sweden, and the UK

⁷ Source: Economist Intelligence Unit (EIU)

⁸ Source: EIU

⁹ Source: Ibid

¹⁰ Source: Ibid

¹¹ Source: Ibid

Ireland's population has grown from 4.0m to 4.3m¹² (1.6% CAGR) over the past five years (2002-2007), largely driven by high immigration. Findings from the Central Statistics Office (CSO) April 2006 census showed that in the four years, the population swelled by 322,645 and approximately half of these were immigrants. In the short to medium term, growth is expected to slow to 0.4%¹³ a year, but over the long term, it is expected to regain momentum, growing at 0.9% a year, reaching 4.74m by 2021¹⁴.

Ireland has an estimated 1.5 million households¹⁵ (approximately 2.8 people per household), which has grown faster than the population over the past five years (2.0% annual growth in households 02-07)¹⁶, as the number of people living on their own has increased. This trend is expected to continue¹⁷, as households continue to grow at 1.7% year on year (2008-2021)¹⁸, reaching 1.9m households by 2021. TV households are expected to remain constant, as a percentage of households, at 99%, with 1.5m in 2007, 1.6m in 2012 and 1.9m by 2021.

Socio-demographic conditions

A stable or increasing proportion of the ABC1 demographic has a higher propensity to spend on TV services. The proportion of the population in the ABC1 social band is higher in Ireland (41% of the population in 2007¹⁹) than in many other EU countries (average of 38%²⁰).

The whole demographic segment, and particularly the C1 part of this segment, has been growing in parallel with the economic growth in Ireland, as a greater proportion of the population is educated and entering into skilled jobs. In the short term we expect the proportion of ABC1's to continue to grow, as there is room for this segment to reach similar levels in Ireland to that in the UK (50% of the UK population are ABC1's²¹). In the long term we expect this to level out, perhaps at UK levels, but have made no explicit socio-demographic forecasts.

Conclusion

Based on the analysis above we can draw key conclusions on the four areas assessed:

- The economy is expected to remain healthy overall
- Consumer expenditure on leisure will continue to grow, outpacing overall spend
- Our addressable market (TV households) is growing
- The proportion of ABC1s in Ireland is likely to be maintained

As a result, we believe that the Irish economy will provide stable market conditions which are favourable to launch a new PayTV business.

3.4.2.b. How would you assess the existing market in Ireland for television services from a supply perspective?

Our assessment of the existing market for television services in Ireland is that due to a series of acquisitions, the market has become dominated by two players (Sky / UPC). This has made the barrier to entry high for new

¹² Source: Economist Intelligence Unit (EIU) and Central Statistics Office, Ireland (CSO)

¹³ Source: EIU

¹⁴ Source: EIU

¹⁵ Source: Comreg

¹⁶ Source: Central Statistics Office (CSO)

¹⁷ Source: CSO

¹⁸ Source: Comreg

¹⁹ Source: Zenith Optimedia – Media Factbook, 2007

²⁰ Countries included in this average figure are: UK, Netherlands, France, Italy, Norway, Germany (Source: Zenith Optimedia – Media Factbook, 2007)

²¹ Source: Zenith Optimedia – Media Factbook 2007

players, leaving the Irish viewer, in the most cases with a choice between Sky and UPC. The entry price for PayTV services for the consumer is high. OneVision believe that a competitively priced, more for less PayTV offer, can significantly increase competition in the market, offering the consumer increased choice and better value for money.

Introduction

We have analysed the Irish TV supply market from two perspectives:

- PayTV services available (basic and premium)
- FTA services available

The final part of this section details the methodology and assumptions behind the subscriber numbers discussed in the response, after reconciliation of 2007 take-up on each platform from our available sources.

There are three main sources of TV services in Ireland: PayTV operators Sky (satellite) and UPC (cable and MMDS), and FTA (terrestrial) broadcasts. Our assessment suggests that the offerings from the two pay operators are largely undifferentiated in channel line-up and price; whilst alternative providers exist but are not attracting mass audiences. For the 27% of TV households who do not subscribe to the existing PayTV offerings, there exists a FTA analogue terrestrial service but with impending ASO in the Ireland and the UK, this group will lose analogue terrestrial channels, and therefore be forced to make a decision regarding their TV services.

PayTV market

73% of Irish households currently pay for their TV service²². Overall, PayTV penetration has been growing, despite the lack of heavy competition, largely driven by take-up of Sky services.

UPC and Sky are the main providers of these services, accounting for the vast majority of these households, 51% and 49% market share, respectively²³.

- UPC became the dominant cable and MMDS provider in Ireland since Liberty Global's acquisition of the country's two largest cable operators, NTL Ireland and Chorus, in 2006
- Satellite broadcasting in Ireland is provided solely by Sky

IPTV services are also offered by telecoms providers, such as Magnet, Smart and Homevision. However, these operators launched two years ago and have yet to build a mass market customer base. Our current estimates are of 2,000-5,000 IPTV customers, or 0.2%-0.4% market share.

²² Source: Cross reference of Company SEC reports, Nielsen, Comreg, Informa, Screen Digest

²³ Source: Company SEC reports

An overview of the number of households taking TV services from each platform is given in the table below:

Figure 13: PayTV subscribers by platform and operator (2007)²⁴

| Platform | Operator | No. subs 2007 (HH) | Market share (PayTV HH) |
|----------------------------|-------------------|--------------------|-------------------------|
| Cable / MMDS ²⁵ | UPC (analogue) | 253,700 | 51% |
| | UPC (digital) | 226,100 | |
| Satellite | Sky ²⁶ | 535,000 | 49% |
| IPTV ²⁷ | Magnet | 2,000-5,000 | 0.2-0.4% |
| | Smart | | |
| | Homevision | | |

The remainder of the PayTV market overview will cover basic services offered by each platform, followed by the premium services offered in the market.

Basic subscription services

UPC offers a different set of basic services on each of its platforms²⁸:

- Analogue cable and MMDS packages offer 18 channels for €23.50
- The digital cable entry-level service offers 72 TV channels for €26.00 per month

UPC is attracting customers to the digital platform slowly (approximately 50% of all new customers take digital services²⁹).

Sky currently offers consumers a range of basic packages³⁰ on its satellite platform, from the lowest entry-level price of €20 for ~20 channels to €30 for 115 channels.

The services offered through the IPTV platform are at similar price points to the existing PayTV offerings (€19-€25 per month) but offer a smaller number of channels (15 and 75, respectively). The focus for these TV providers is to include TV services in their “triple-play” offering.

²⁴ Company data, company websites, Informa Telecoms and Media, Screen Digest

²⁵ MMDS subscribers are split evenly between UPC’s analogue and digital subscribers

²⁶ An installation fee of €45 is charged upon subscription to any Sky service

²⁷ Magnet and Smart are not the only two IPTV providers in the market, others, like Homevision, offer TV as a triple play package (phone, TV, broadband)

²⁸ Source: Company data

²⁹ Source: Informa

³⁰ A choice of six channel “mixes” are offered in the Sky basic package. Each mix has a different number of channels. Subscribers pay according to the number of mixes they choose. i.e. One mix = €20 per month, two mixes is €22, etc, to €30 per month for all six.

For detail on content line-up for each player, please see Appendix 3. The basic packages of the main players on each platform are given below:

Figure 14: Basic PayTV services by platform (2007)³¹

| Platform | Operator | Basic | |
|--------------------|-------------------|------------------|-----------------------|
| | | No. channels | Price |
| MMDS | UPC | 18 ³² | €21.50 ³³ |
| Cable | UPC (analogue) | 18 | €23.50 |
| | UPC (digital) | 72-97 | €26-€32 |
| Satellite | Sky ³⁴ | 20-115 | €20-€30 ³⁵ |
| IPTV ³⁶ | Magnet | 70 | €25 |
| | Smart | 15 | €19 ³⁷ |

In summary, for subscribers of basic packages in Ireland:

- the lowest price is €19 per month, but can cost up to €32 per month
- the number of channels in the basic packages range from 15 to 115 channels

Premium subscription services

The supply of premium TV services in Ireland is largely provided by two players: Sky and Setanta:

- Sky has four premium sports channels and twelve premium movie channels that are sold in two packages, 'Sky Sports' and 'Sky Movies'
- Setanta offers twelve premium sports channels in its 'Setanta Sports' package (UPC offers only eight of these)

Other premium channels are sold on a per channel basis and include adult channels, such as the Playboy channel and niche sports channels, such as MUTV.

Premium TV services in Ireland are offered by all *digital* platforms as an add-on to their basic packages. Setanta's packages are generally priced lower than Sky's across the platforms:

- Sky's premium packages can be bought separately for €28 each, or together for €38 per month (over and above the cost of a basic subscription)
- Eight of Setanta's channels can be bought for €15 on UPC, and all twelve can be added to a Sky subscription for €20 (again, above the cost of the basic subscription)

The table below gives an overview of the range of total price and additional number of channels received with one or all premium additions.

³¹ Company data, company websites, Informa Telecoms and Media, Screen Digest

³² The number of channels available on MMDS platform varies depending on geographic location - the analogue package of 18 channels is the initial offer

³³ Latest stated NTL Ireland MMDS basic pricing

³⁴ An installation fee of €45 is charged upon subscription to any Sky service

³⁵ Depending the number of "mixes" chosen: one mix is €20, six mixes is €30

³⁶ Magnet and Smart are not the only two IPTV providers in the market, others, like Homevision, offer TV as a triple play package (phone, TV, broadband)

³⁷ An additional €80 installation is required

Figure 15: Premium PayTV services by platform (2007)³⁸

| Platform | Operator | Premium | |
|--------------------|-------------------|-------------------------|---------------------|
| | | No. additional channels | Price (incl. basic) |
| MMDS | UPC | 5-10 | €54-€95 |
| Cable | UPC (analogue) | 5-10 | €54-€95 |
| | UPC (digital) | 5-29 | €54-€95 |
| Satellite | Sky ³⁹ | 5-27 | €37-€88 |
| IPTV ⁴⁰ | Magnet | 2-21 | €35-€119 |
| | Smart | 40-44 | €40-€68.5 |

In summary, for subscribers of premium basic services in Ireland:

- the lowest price is €35 per month, and the highest (for all premium additions available) is €119 per month
- the number of additional channels ranges from five to 44 channels (over and above basic channels)

FTA services

Almost 400,000 households⁴¹ (one in four Irish homes) receive either analogue terrestrial or free satellite TV services.

The terrestrial (analogue) service in Ireland consists of four channels: RTÉ 1, RTÉ 2, TV3 and TG4. Almost 150,000 FTA terrestrial households also receive four UK FTA terrestrial channels⁴², over and above the four Irish channels.

ASO in Ireland and the UK will cause these households to lose a number of their channels in the coming years, forcing them to seek alternative TV services:

- UK channels received from Wales: ASO in Wales will happen between the summer of 2009 and spring of 2010. This will affect approximately 30,000 FTA homes⁴³, **who will lose their UK channels by 2010**.
 - the Preseli transmitter area, serving south-west Wales will be converted between July and September 2009
 - the Llanddona transmitter area, serving north-west Wales, including Anglesey will be converted between October and December 2009
 - the Blaenplwyf transmitter, serving west and central Wales, will be converted between January and March 2010
- UK channels received from Northern Ireland: ASO in the Ulster region in 2012 will affect an estimated 116,000 homes in the north and along the north east coast of the Republic of Ireland⁴⁴ **who will lose their UK channels in 2012**
- Irish channels: ASO in Ireland planned for 2012 will affect all 350,000 analogue FTA homes in Ireland⁴⁵ because they will require a digital receiver to be able to receive a TV signal

³⁸ Company data, company websites, Informa Telecoms and Media, Screen Digest

³⁹ An installation fee of €45 is charged upon subscription to any Sky service

⁴⁰ Magnet and Smart are not the only two IPTV providers in the market, others, like Homevision, offer TV as a triple play package (phone, TV, broadband)

⁴¹ Source: Nielsen 3Q07

⁴² Source: Nielsen 3Q07 (UK FTA channels available in Ireland include BBC1, BBC2 and Channel Four (and ITV1 Wales in some parts))

⁴³ Source: Estimations from Central Statistics Office (CSO)

⁴⁴ Source: Estimations from Central Statistics Office (CSO)

⁴⁵ Source: Nielsen 3Q07

Currently, there are also approximately 48,000 households receiving free satellite services in Ireland⁴⁶. These are households which are no longer Sky satellite subscribers but have retained the dish; as such they are able to view unencrypted channels (estimated 80-200 channels), including UK FTA channels, CNN International, and Film24.

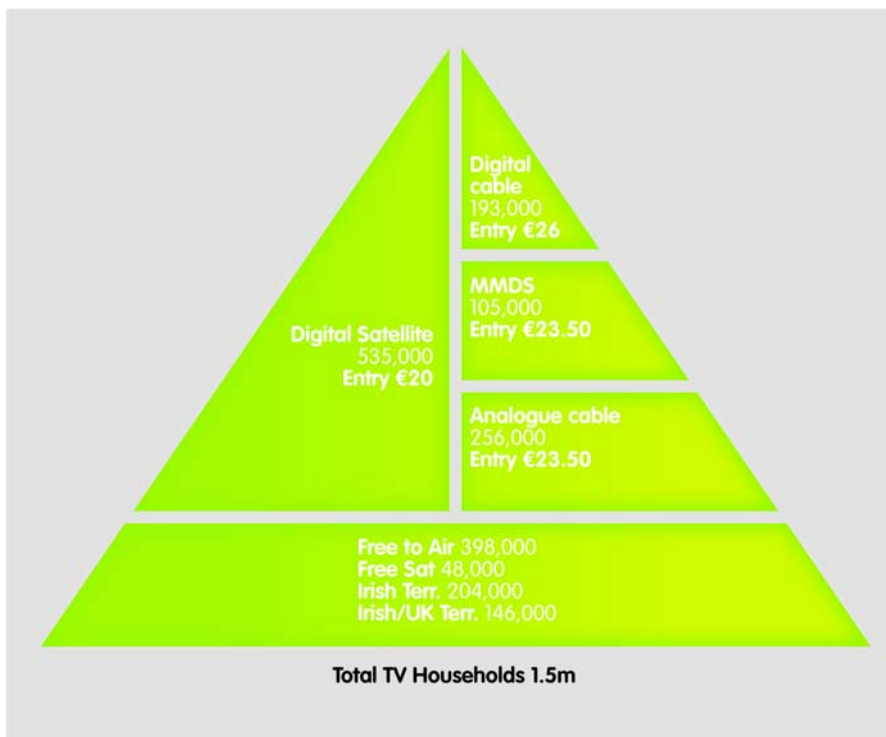
Figure 16: The table below gives an overview of the FTA services available in Ireland FTA services

| Platform | Provider(s) | No. channels | Households |
|---|---------------------|----------------------|------------|
| Terrestrial (analogue, Irish channels only) | RTÉ, TV3, TG4 | 4 | 204,000 |
| Terrestrial (analogue, Irish and UK channels) | BBC, ITV, Channel 4 | 4 ⁴⁷ | 146,000 |
| Satellite | Freesat from Sky | 80-200 ⁴⁸ | 48,000 |

Total supply of TV in Ireland

The exhibit below illustrates the structure of the TV supply market in Ireland based on price and number of subscribers each service, by platform.

Figure 17: Structure of TV supply in Ireland by platform (end 2007)



⁴⁶ Source: Informa

⁴⁷ BBC1, BBC2, Channel Four are available to all these households. In some of the households ITV Wales is also available

⁴⁸ Actual numbers vary, but can be up to 200

Methodology

The total number of subscribers (by platform, year-end 2007) is a reconciliation of a number of sources. These included ComReg, Screen Digest, Nielsen, Informa and SEC/corporation filings. The table below illustrates our methodology and assumptions.

Figure 18: Reconciling various sources for 2007 subscriber numbers ('000's)

| 2007 | ComReg | Nielsen | Informa | Screen Digest | SEC/Ann. Reports | DTT Ireland | Note |
|------------------------|--------|---------|---------|---------------|------------------|-------------|------|
| TV households | 1459 | 1480 | 1487 | 1322 | | 1490 | 1 |
| Sky | 513 | | 535 | 535 | 535 | 535 | 2 |
| UPC (analogue) | 260 | | 217 | 293 | 276 | 246 | 3 |
| UPC (digital) | 308 | | 363 | 291 | 309 | 309 | 4 |
| IPTV | | | 11 | 11 | | 2 | 5 |
| Total PayTV | 1081 | 992 | 1126 | 1130 | 1120 | 1092 | 6 |
| % PayTV | 74% | 67% | 76% | 85% | | 73% | |
| Irish-only terrestrial | | 284 | | | | 204 | 7 |
| Irish & UK terrestrial | | 204 | | 144 | | 146 | 7 |
| FreeSet | | | | 48 | | 48 | 8 |
| Total FTA | 378 | 488 | | 192 | | 398 | |
| % FTA | 26% | 33% | 24% | 15% | | 27% | |

- Note:
- (1) Our assume is based on 99% TV HH penetration of homes (ComReg)
 - (2) We take Sky's figures as correct and assume that these do not include commercial properties
 - (3) We assume that cable and MMDS is equally split between analogue and digital
 - (4) We assume that there is an over lap of 30k analogue/SKY homes that appear as SKY
 - (5) Homevision launched in November 2007, Smart soft launched in April 2007, Magnet - launched in 2007
 - (6) Our overall numbers reflect what Comreg's numbers could look like a few months on (as it was Dec-07)
 - (7) Once 48k subs have been removed from the FTA, the remaining were split by Nielsen's Irish/UK %s
 - (8) Definitely not included in SKY numbers

In conclusion there are three main sources of TV services in Ireland: PayTV operators Sky (satellite) and UPC (cable and MMDS), and FTA (terrestrial) broadcasts. Offerings from the two pay operators are largely undifferentiated in channel line-up and price, the lowest of which is €20 per month. Alternative providers on the IPTV platform exist but are not attracting mass audiences. For the 27% of TV households who do not subscribe to the existing PayTV offerings, there exists a FTA analogue terrestrial service, consisting of four basic channels, and, in some regions, an additional four channels from the UK. With impending ASO in the Ireland and the UK, this group will lose analogue terrestrial channels, and therefore be forced to make a decision regarding their TV services.

The market is and has been dominated by two players (UPC and Sky). For many people there exists only one choice of PayTV depending on their geographic location (outside cable areas) or their housing situation (unable to put up a satellite dish). The two operators offer equivalent services at equivalent prices.

The OneVision service is looking to give a nation-wide alternative to Irish viewers and looking to do so at a price well below the existing supplied price. The Irish Television market has been under supplied given the dominant

position of Sky / UPC in the state. OneVision has the desire and the backing of established consumer facing companies to break this duopoly.

3.4.2.c. How would you assess the same market from a demand perspective?

Our assessment of the existing market for the demand of television services in Ireland is that the Irish viewer is looking for quality, value (price) and convenience.

Introduction

We have assessed the demand side of the Irish TV market against the fundamental drivers of preference for TV services in the Irish market:

- Quality (viewing and channel line-up)
- Price (attitudes to spending on TV)
- Convenience (ease of use and attitudes to new technology)

Under each criterion, we have assessed the level of satisfaction with existing TV services, based on the results of primary research and DTT trials in Ireland.

Our analysis suggests that, above all, there is demand for a “value for money” (high quality, low price) offer in the Irish TV market.

Customer preferences

In November 2007, eircom commissioned jump! Strategic Brand Planning (‘jump!’) to conduct a primary research study to assess the demand for new TV services in Ireland⁴⁹ (further detail available in Appendix 2). This study found that the three fundamental drivers of preference were:

- Price: “give me a better deal, and price certainty”
- Quality: “viewers want all the channels that they are used to and want, with strong brands and technology leadership”
- Convenience: “the technology must be easy to use, billing should be easy and a dedicated customer service should be available”

Price

The eircom jump! research highlighted that for both FTA and pay households, price is a key determinant when choosing their TV services: “people want the best offer they can get in order to *justify* the price they are paying”:

- FTA subscribers are generally cost conscious and intentionally keep their bills low. This group found that ***existing pay services had always been too expensive***
 - the research⁵⁰ suggests there are a number of FTA customers that are unhappy with the current offers in the market: “a couple of people in the group had been with NTL and Sky and had the full package and found it too expensive and wasteful, so they went back to free-to-air”⁵¹

⁴⁹ Purpose of study was to gain an understanding of demand for new TV services in Ireland, and to test eircom’s product strategy for its new IPTV service. Methodology: ten focus groups from a range of age, social class, sex, family status groups subscribing to a variety of TV providers and packages. Each focus group (one session) contained 8 people who subscribed to the same service and similar packages. Each session lasted for 1.5 hours and the ten sessions were run across five days between 20th and 28th of November 2007

⁵⁰ jump! research commissioned by Eircom to understand the response to their IPTV offer

⁵¹ Feedback from Free-to-air customers in eircom jump! research as above

-
- Amongst pay subscribers (basic and premium) there is an expectation to receive 'deals' from their TV providers, a precedent set by Sky and NTL. Even those subscribers that are satisfied with their service **would like to pay less**

– the primary research⁵² highlighted that NTL basic and NTL premium subscribers were "very open to offers" and "open to offers", respectively – compared to Sky customers who had "some openness, but offers must wow them"⁵³

Quality

High quality TV services in Ireland are not necessarily synonymous with a large number of channels. PayTV operators in the Irish market are offering 100+ channels to their basic subscribers, who spend the majority of their time watching a small proportion of them:

- the eircom jump! research found that those subscribers with 100+ channels admit to "not watching most of them"
- the DTT trial results⁵⁴ to date have demonstrated that the majority (85%⁵⁵) of households were satisfied with a few (16⁵⁶) high quality channels – evidence that satisfaction does not necessarily come from a large quantity of channels. A large majority (72%-77%) of that satisfaction came from the quality of the channels offered⁵⁷

Viewing figures confirm that the majority of viewing is still dedicated to a small number of channels: 74% of prime time viewing in Ireland is of the top five channels and 95% in the top ten.

⁵² jump! research commissioned by Eircom to understand the response to their IPTV offer

⁵³ Customers on each platform were asked whether they were open to new offers

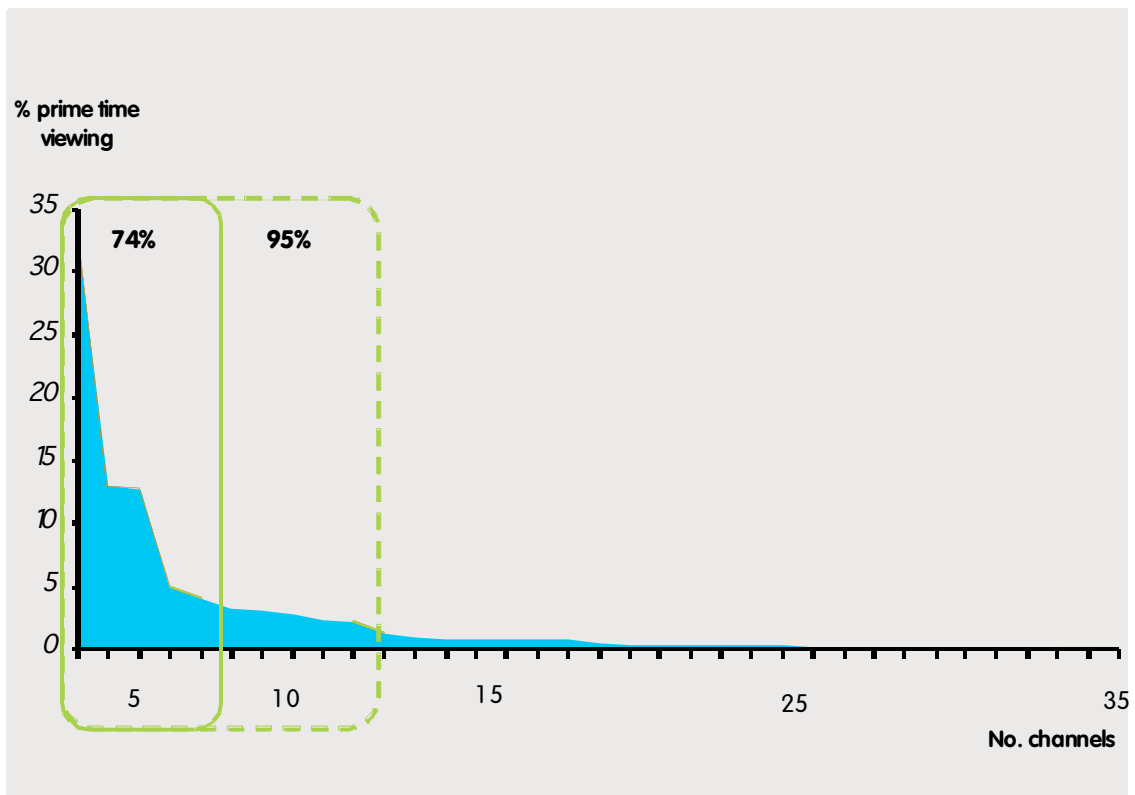
⁵⁴ Research conducted by Amárach Research. Timeframe: two years (Aug06-Aug08); Methodology for measuring results: 500 face to face, in home interviews were conducted among respondents in the two trial areas of Dublin and Dundalk. Each interview was conducted by an Amárach trained interviewer. Quotas were set on the overall sample of 500 on social class, TV reception and gender of the panel member. Assessment conducted over three waves, first included 500 households, second 501 and third 452.

⁵⁵ Wave 2 and Wave 3 of the research found 85% of trialists were either very satisfied, satisfied, or somewhat satisfied with their DTT service

⁵⁶ RTE1, RTE2, TV3, Sky Sports 1, TG4, Sky News, BBC News 24, UKTV History, CH6, BBC3, Setanta Ireland, BBC4, Extreme Sports, CBeebies, Setanta Golf, CBBC

⁵⁷ 40% of households involved in the trial are cable/MMDS subscribers, 38% are FTA (26% roof top aerial, 7% set top aerial, 5% other) and 23% satellite

Figure 19: Share of prime time viewing by channel number (%)⁵⁸



Convenience

Finally, TV households in Ireland seek convenience. The primary research conducted by jump! for eircom found that convenience means simplification; making something “easy to buy and use”.

While the Irish population is not averse to new technology, conclusions from the eircom jump! research were that TV households prefer convenience over cutting edge:

- while households seek “technology leadership”, there was a stronger need for assurances that “the technology is easy to use and maintain”

Quantitative Research View of Demand for a DTT offering:

Based on Omnibus research conducted in March 2008 (Appendix 2), using a representative sample of the adult population, and testing a sample DTT channel line-up with 25 channels priced at €15 per month, two things are very clear:

1. There is significant interest in this type of DTT service with a surprisingly high appeal to existing cable and satellite customers, not just free-to-air customers. Overall there was a 42% interest level in taking up such a service, with interest levels rising to 47% among satellite customers.

⁵⁸ AGB Nielsen – National individuals in Ireland between 01-02-2008 and 29-02-2008 at 18:00 to 23:39 Monday to Sunday

Figure 20: Level of interest in test DTT offering

| Table: Level of Interest in Test DTT Offering (view overall & by current FTA, Cable & Satellite customers) | | | | |
|--|------------------|-------------------|---------------------|-------------------------|
| Interest level €15 DTT Offering | All Users | FTA subset | Cable subset | Satellite subset |
| Very Interested | 12% | 14% | 13% | 14% |
| Fairly Interested | 30% | 26% | 28% | 33% |
| Total Interested | 42% | 40% | 41% | 47% |

Omnibus Research, All Adults 15+, IMS Millward Brown, March 2008

2. Interest Levels in a DTT service offering rise to 65% among those aware of the analogue switch-off

Although only 21% of all adults are aware of the analogue switch-off by 2012, interest levels in a DTT PayTV offering rise to 65% among this group. This would appear to suggest that with further promotion of the DTT switch-over, a high level of interest in a DTT service can be achieved.

Figure 21: Level of interest in test DTT offering (aware of ASO)

| Table: Level of Interest in 'Test DTT Offering' (Those aware of Analogue Switch Off) | | |
|--|-----------------------|---|
| Interest level €15 DTT Offering | Total Interest | Interest among those (n= 21%) aware of analogue switch off |
| Very Interested | 12% | 21% |
| Fairly Interested | 30% | 44% |
| Total Interested | 42% | 65% |

Omnibus Research, Sample n=1000 representing All Adults 15+, IMS Millward Brown, March 2008

Given the conclusions made above, we believe there is demand for a "more for less" (high quality, low price) offer in the Irish TV market that will clearly meet the needs not just of free to air customers, but also customers currently dissatisfied with existing satellite and cable offerings.

3.4.2.d. What opportunities do you believe exist at

(i) the retail level and

(ii) the wholesale level for DTT-delivered services, and why?

Introduction

Based on our analysis of the supply and demand for TV services in Ireland, we believe there is a significant opportunity at the retail level in three areas:

- to deliver a “more for less” proposition to the market
- to provide a credible alternative to Irish viewers
- to provide current FTA customers with an alternative TV service in the lead up to ASO in the UK and in Ireland

At a Wholesale level we believe there exists opportunities on two fronts

Providing carriage for FTA services

Providing carriage for Premium services

The retail and wholesale opportunities are discussed below.

Opportunities at the retail level

‘More for less’ proposition

Most Irish TV households are looking to “justify”⁵⁹ the price they pay for their TV services.

The solution provided by current operators is to offer these households a flood of channels, which subscribers admit to never watching, for a high cost. There is currently no offer providing only the most watched channels for a cost per month lower than €20 to the subscriber. Many subscribers find this “wasteful”⁶⁰, and for them, **PayTV has always been too expensive.**

Even a number of those pay subscribers who are satisfied with their current services **would like to pay less**, as they have become accustomed to special deals offering them greater value, albeit temporarily.

As all premium customers must subscribe to a basic package, this applies to premium subscribers as well. Some premium subscribers **really only watch sports**, but must pay for the 100+ channels offered in the basic package:

- in the eircom jump! research findings, one man had subscribed to a sports package once, “just to see the Ryder Cup and then let it go afterwards” because it was too expensive to pay for both premium and basic

As a result, we believe that there is a significant opportunity to address those households who are underserved by FTA or pay services in this way with a “more for less” proposition.

⁵⁹ eircom jump! primary research

⁶⁰ eircom jump! primary research

Opportunity at ASO

With Irish ASO scheduled to take place at the end of 2012 many people will be re-considering their choice of television service provider. The price points and promotion prices that OneVision has proposed will also give existing FTA households a reason to consider this new service. PayTV will never have been more accessible in Ireland.

The price points and promotion prices that OneVision has proposed will also give existing FTA households a reason to consider this new service. PayTV will never have been more accessible in Ireland.

In addition, ASO in the UK will affect a proportion of FTA households (between 2009 and 2012) who **will lose reception of the UK FTA terrestrials**, these are among the most watched channels in Ireland, ranking in the top ten in prime-time viewing and top six in day-time⁶¹.

Without these popular channels available on FTA services, we believe there is an opportunity to serve the households which will seek an alternative TV service⁶².

Provide a credible alternative in the Irish market

As we have detailed the Irish TV market is dominated by two large players who compete with each other for the vast majority of the Irish PayTV market. New entrants have had little success in breaking into this market due to the dominance of the existing players. For many Irish viewers they do not have a choice when it comes to selecting a PayTV option. The following people are constrained:

- Those who live outside a cabled area and can only receive a satellite service at present
- Those who live in dwellings in cabled areas that are unable to or are prohibited from putting up satellite dish
- Those whose television service is determined by the property management company

The OneVision service will give all these people a choice **where they have had no alternative choice previously**. OneVision will only sell the DTT service; we will not be selling or looking to up sell people to cable or satellite service. The OneVision group has the content, the price and the sales channel partners to ensure we can make the most of the retail opportunity afforded by DTT.

Conclusion

Therefore we believe there is an opportunity to fill a gap in the retail market with a "more for less", value for money service, and to provide an attractive alternative TV service to those FTA households who will lose access to their UK channels at ASO in the UK. We also believe that ASO in Ireland offers the opportunity to give people a credible alternative in relation to their television service. Finally, the opportunity exists to offer many people an alternative where previously they may not have had a choice.

Opportunities at the wholesale level

OneVision is keen to wholesale its television packages to Retail organisations including individual members of the consortium and other third party retailers who may be interested in retailing the services post licence award.

⁶¹ Source: Nielsen

⁶² UK FTA terrestrials have not been included in the proposed Free DTT service (2008)

3.4.2.e. How would you describe the competitive situation in the television services market in Ireland and, in particular, the issues facing new entrants?

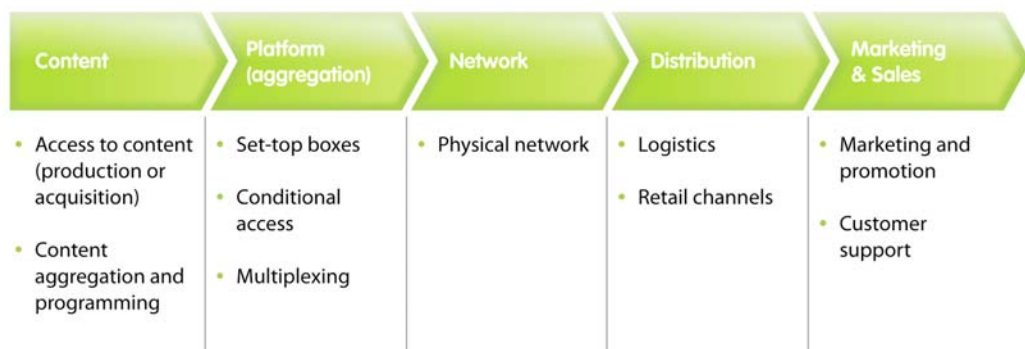
Summary

We strongly believe that the introduction of a strong and credible third alternative provides the structure to greatly improve competition and, in turn, provide a better choice and value for consumers. A new entrant which can match the two dominant players has the opportunity to challenge the market. Our consortium is well-equipped to overcome any barriers to entry at each stage of the process and provide this motivated and credible alternative.

Our understanding of a comprehensive analysis of the competitiveness of television services in a market is based on the ease of access to assets and expertise required at each step of the value chain.

The steps in the TV value chain are illustrated in the exhibit below. In this section we will analyse the extent to which the Irish TV market is competitive at each of these steps and the barriers that may exist to new entrants in these areas.

Figure 22: TV value chain



Content

In Ireland there is an active wholesale market for content, allowing any new player to enter the market at this step in the value chain.

However, some providers may demand minimum guarantees, which would impact the cost of acquiring content for small scale newcomers. We do not believe this is an issue for entrants with sufficient scale, where the minimum number of subscribers is likely to be met.

Platform

The operation of a platform involves ensuring that the three main components which provide access to it work effectively together and are available to the consumer at a competitive price. These three components are:

- set-top box (STB) production
- conditional access provision
- multiplexing expertise

The challenge in relation to STB is to balance the economic equation between the costs of production for box manufacturers on the one hand and providing an attractive price point for the consumer on the other. OneVision

has secured the support of a number of leading box manufacturers thereby ensuring that there will be sufficient choice available in the marketplace.

There are a small number of highly competent conditional access (CA) providers available to select from for PayTV operators both large and small.

OneVision has the support of some of the leading providers of CA in Europe and is very confident that the strength of its relationships with such providers will provide it with a highly competitive negotiated deal for this service.

Multiplexing is a very specialised technical operation dominated by a number of large technology companies. In Arqiva, OneVision has arguably the most experienced provider of Multiplexing services for DTT in Europe as part of the consortium, having performed this function in the UK for eleven years for both SDN and Digital 3 and 4.

Network

The quality of the broadcast technology and the capital investment required to build a broadcasting network can limit a new entrant, but can be optimised through a network which does not require high network investments and can deliver a high quality broadcast signal, such as the digital terrestrial platform.

Distribution

Distribution channels (i.e. retail stores) are vital to enable consumers to take up the service. Sky and UPC have established distribution networks, which, combined, provide TV services to 75% of Irish households. Barriers exist for new entrants without access to a similar breadth of networks.

We believe a new entrant whose distribution channels can match or exceed the existing channels will be more able to drive customers to adopt their service.

Marketing

The obstacle lies largely in having the funds to challenge the strength of the existing brands. It is likely that a new entrant with already strong access to communication channels and well-known, trusted, Irish brands would face limited barriers in this space.

Conclusion

We have assessed the competitive environment by analysing the access to the full TV value chain. Our research suggests that, in general, the TV market has the potential to be competitive, given the level of competitors at each step of the value chain. However, some of these steps can be prohibitive to new entrants. A new entrant which can match the existing two players at each stage has the opportunity to challenge the market.

3.4.2.f. Why do you believe there is a demand for the service(s) you propose, be it at the retail or wholesale level, and what evidence can you provide to demonstrate this demand?

Summary

In this section we discuss the evidence supporting our conviction for the demand for our proposed service in three areas:

- Details of our proposition
- Evidence for demand: Ireland

-
- Evidence for demand: international benchmarks









































Our proposition

We propose to offer our customers a mixture of free-to-air and pay channels. In addition to the four (or more) free channels on the PSB multiplex, our customers will be able to access six more for a free suite of at least ten channels. Beyond this, we propose to offer a basic pay package of 29 channels for a monthly fee of €9.99⁶³. This package covers 85% of all viewing, for 50% of the price: “more for less”. The price of the service of €9.99 will be significantly lower than the existing PayTV cable and satellite offers.

We also propose to offer households the option to subscribe to a selection of premium services: a *Setanta Sports* pack, a second *Sky Sports* pack and a *Sky Movie* pack. The channel line-up would cover all of the best sports and movies programming available in the Irish market. The channel line-up and pricing for each package is illustrated overleaf:

⁶³ Discounted offer price until January 2011. Price will rise thereafter.

Figure 23: Our proposed basic and premium packages

| Package | Channels | | | | |
|---|---|---|--|---|---|
|  <p>Basic Pack €9.99</p> | |  |  |  |  |
| |  |  |  |  |  |
| |  |  |  |  |  |
| |  |  |  |  |  |
| |  |  |  |  |  |
| |  |  |  |  |  |
|  | Setanta Sports Pack €19.99 |  |  |  | |
| | Sky Sports Pack €24.99 |  |  |  | |
| | Sky Movies Pack €14.99 |  |  |  | |

Evidence for demand: Ireland

At a retail level, we have identified a number of areas where there is demand for a “more for less” TV service. Our primary qualitative research⁶⁴ identified gaps where the existing TV services supplied does not fulfil the demand of the household:

- FTA customers who find the existing pay services, which offer 100+ channels for €20+, “wasteful”⁶⁵; for whom *PayTV has always been too expensive*
- Pay (basic) households who *would like to pay less* for their TV service; and are “very open to new offers”⁶⁶

⁶⁴ eircom jump! research

⁶⁵ eircom jump! research: participants were asked about their reason for choosing FTA services

⁶⁶ eircom jump! research: participants were asked about their openness to new offers from other operators

-
- Pay subscribers who **really only watch sports** and therefore subscribe to a premium package just to see a tournament (as one man did for the Ryder Cup) “and then let it go afterwards” because it is too expensive to pay for both premium and basic

Our primary and secondary research also found that there are households where the lack of *supply* restricts the availability of channels or TV services:

- Households who **will lose their UK terrestrial channels at ASO** who will be looking to retain access to these channels
- Households who **have never had a choice on PayTV** because they live in apartment blocks or remote rural areas where there is only coverage of one PayTV service

The findings from primary research into the Irish supply and demand markets for TV clearly highlight opportunities to serve key segments of the Irish market.

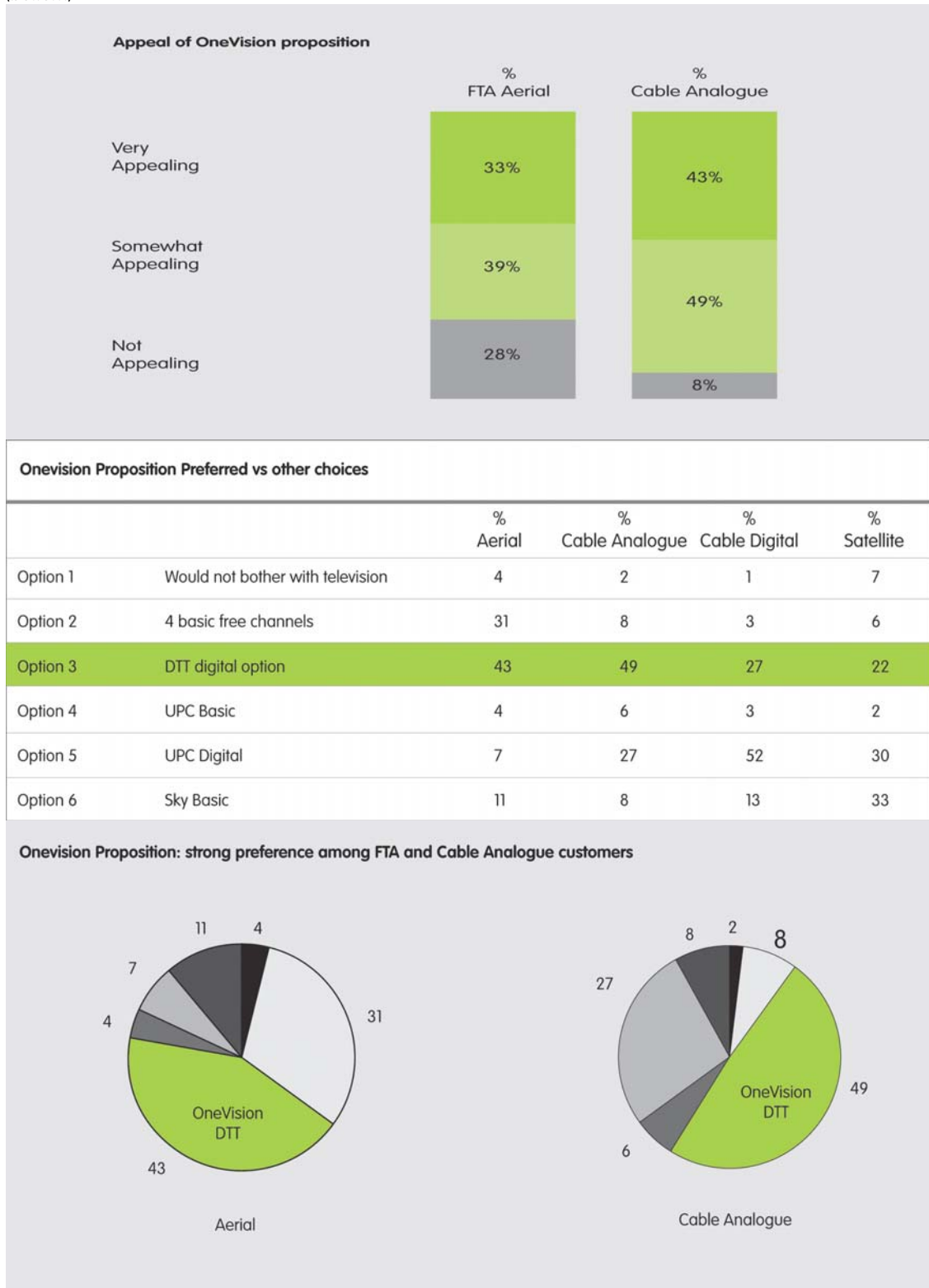
Quantitative Research⁶⁷ among TV households in April 2008, carried out by Red C on behalf of OneVision, clearly supports our view of the significant market demand for our proposed service.

Details and a summary report of the survey are included in Appendix 2, the key findings of the study were as follows:

- the OneVision proposition in terms of channel line up is attractive to 72% of the current FTA base and 92% of the analogue cable base (OVRC1 X)
- when presented with a line-up of TV service options, including current digital cable and satellite offerings, and forced to choose a service offering post ASO, 32% opted for the OneVision DTT service – this was the #1 option chosen.
- almost 49% of analogue cable customers and 43% of FTA customers picked OneVision’s DTT offering as their preferred choice, which supports our view that these will be the critical target groups for our proposition
- the reasons why respondents preferred the OneVision DTT offering were price (69% mentioned) and attractive channel line up (46%)

⁶⁷ OneVision Proposition Research, Red C Survey, 24-28 April, respondents n=290 (Appendix 3.4)

Figure 24: Attractiveness of the OneVision proposition (top); OneVision offering compared to others (bottom)



Evidence for demand: international benchmarks

In addition to Irish-specific evidence, there have been precedents set by other European PayDTT launches which demonstrate that latent demand can be activated by the right proposition. We discuss the international benchmarks in three areas:

- The propositions of PayDTT providers
- The success of PayDTT in gaining market share in other countries
- Room for growth in PayTV penetration leading up to ASO

In many established European TV markets, PayDTT operators have offered similar “more for less” TV services to the market:

- In Sweden, the basic Boxer proposition (Boxerpaketet) provides an entry level package of 30 channels at a low cost (€16 a month)
- In the Netherlands, PayDTT operator, Digitenne, began offering 25 channels for €9 a month, undercutting the basic cable subscription price

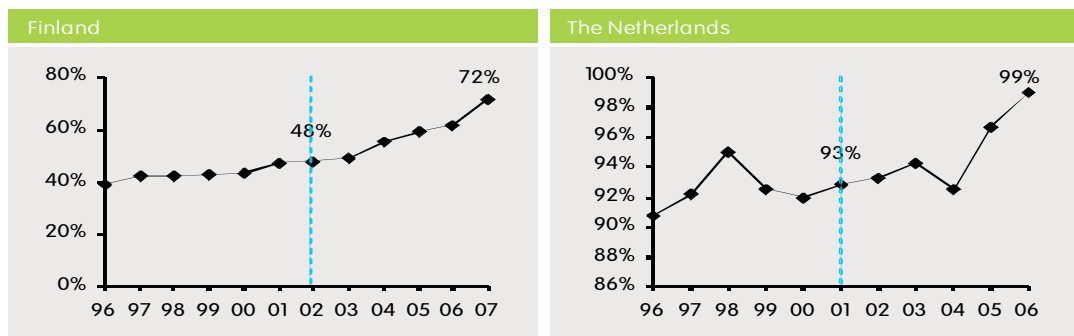
In countries where PayDTT services have been launched, it has proven to be very successful:

- In The Netherlands, where PayTV penetration was already higher than it currently is in Ireland, PayDTT looks likely to reach 9.2% market share by 2012
- In those countries where PayTV penetration was lower, or close to, the current Irish level at launch of DTT (Sweden and Finland), the service is expected to have 15.3% and 22.4% market share, respectively, by 2012

ASO in Ireland is planned for 2012. We are proposing that some of the demand for our services will come from the activation of FTA households taking up PayTV services for the first time, in light of the changes involved in the switch-off of analogue signals. This has been the case in many European countries. In Finland and the Netherlands in particular, PayTV penetration increased dramatically in the five years preceding ASO:

- In Finland, 24% of FTA households adopted PayTV services between 2002 and 2007
- In the Netherlands, despite an already high PayTV penetration of 94%, PayTV penetration rose an additional 8% between 2001 and ASO in 2006

Figure 25: PayTV penetration leading up to ASO (% HH)⁶⁸



⁶⁸ Screen Digest (penetration rates are for primary sets in the household)

PayTV penetration in Ireland stands at 75% today. Given the precedents set in other countries, we believe there is room for PayTV penetration to increase in Ireland, in light of ASO planned for 2012, by activating the latent demand with the right proposition.

Given these benchmarks, and our proposal to offer similar basic pay services, we might expect PayDTT services to attract approximately 19% of the market 8-9 years after launch, which is between Sweden (15.3%) and Finland (22.4%) after a similar period.

Conclusion

At an Irish market level, we have identified a clear demand for a “more for less” service, particularly among FTA and analogue cable subscribers. To back up our own research findings we have also found a variety of international benchmarks which support our conviction that this latent demand can be captured successfully with the services we propose. Finally, we have outlined our proposition and detailed why it is an attractive and relevant proposition to the Irish viewing audience.

3.4.2.g. How would you segment the customer-base for the proposed service(s) on a meaningful basis? What is the typical profile and size of each segment?

"Pay TV has always been too expensive"

FTA customers who would like to receive multichannel but find it too expensive at the moment

Typical Profile:
Families with children in the household and young singles with low incomes that cannot afford expensive Pay-TV packages but would like to have access to a multichannel offering

Estimated Size:
Based on household income, over 250,000 households might have difficulties affording the existing Pay-TV packages

The target customer base has been broken-down into five major segments based on the main drivers of the adoption for PayDTT discussed in the previous sections. The defined target segments are not mutually exclusive as multiple demand drivers can exist in a single household.

"I really only watch sports so I'd prefer not to pay a lot for my basic package"

Existing pay-TV customers who primarily watch premium channels and therefore would prefer to pay less for the basic channels

Typical Profile:
Medium and high income male singles

Estimated Size:
Over 130,000 households with single males living alone

"I will be losing the UK channels from 2010"

FTA customers who would like to keep receiving the UK channels post-ASO

Typical Profile:
Middle age family with no children in the household who are used to receiving the UK channels but do not have an interest in expensive pay TV propositions

Estimated Size:
over 146,000 households currently reached by the UK signal will lose the opportunity to receive the UK channels at ASO

"I don't think that my current service is value for money"

Existing pay TV customers who are happy with multichannel but would rather pay less (for similar quality channels)

Typical Profile:
Households presently on (but not limited to) analogue cable subscription/MMDS services

Estimated Size:
Over 1,000,000 households that now have access to more expensive pay TV services

"I never had a choice on Pay TV previously"

TV customers who are forced to use UPC or SKY because of reception or coverage issues

Typical Profile:
Families living in rural areas with reception or coverage problems or people living in apartment blocks

Estimated Size:
Over 400,000 households are located in remote areas of the country

Business Plan

This section, the second part of the 'Financial resources and accordance with good economic principles' chapter, consists of three components:

- a comprehensive overview of our proposed business plan;
- a detailed set of financial projections;
- accompanying notes to the projections.

1. Overview

3.4.2.h. What is the precise nature of the service or services proposed?

Our proposition is based on a 'more-for-less' offer to the Irish viewing public. We propose to offer our customers a mixture of free-to-air and pay channels, in two types of services:

- Basic television and radio services
- Premium television services

This section discusses the nature of each of these services separately.

Basic pack

In our basic pack we propose to offer our customers a mixture of free-to-air and pay channels.






























We will provide customers with 29 channels, of which 6 will be free-to-air and 23 pay. In addition to this, customers will have access to the channels available on the public service multiplex.

The six FTA channels are part of our commitment to champion the DTT platform. With this proposition, we aim to provide the experience of multichannel services to those households who have only had access to limited free terrestrial channels to date.

Beyond our free channels, we will offer a pay package that gives viewers access to an additional 23 channels. These channels contain a mix of entertainment, news, educational, music, sports, children's and original Irish programming.

The OneVision platform will offer all the 'must have' channels for the Irish viewing audiences, as well as some exciting new Irish channels (TV3's 3Today and 3Exposé) that we look forward to launching. The channel line-up is given in the exhibit overleaf.

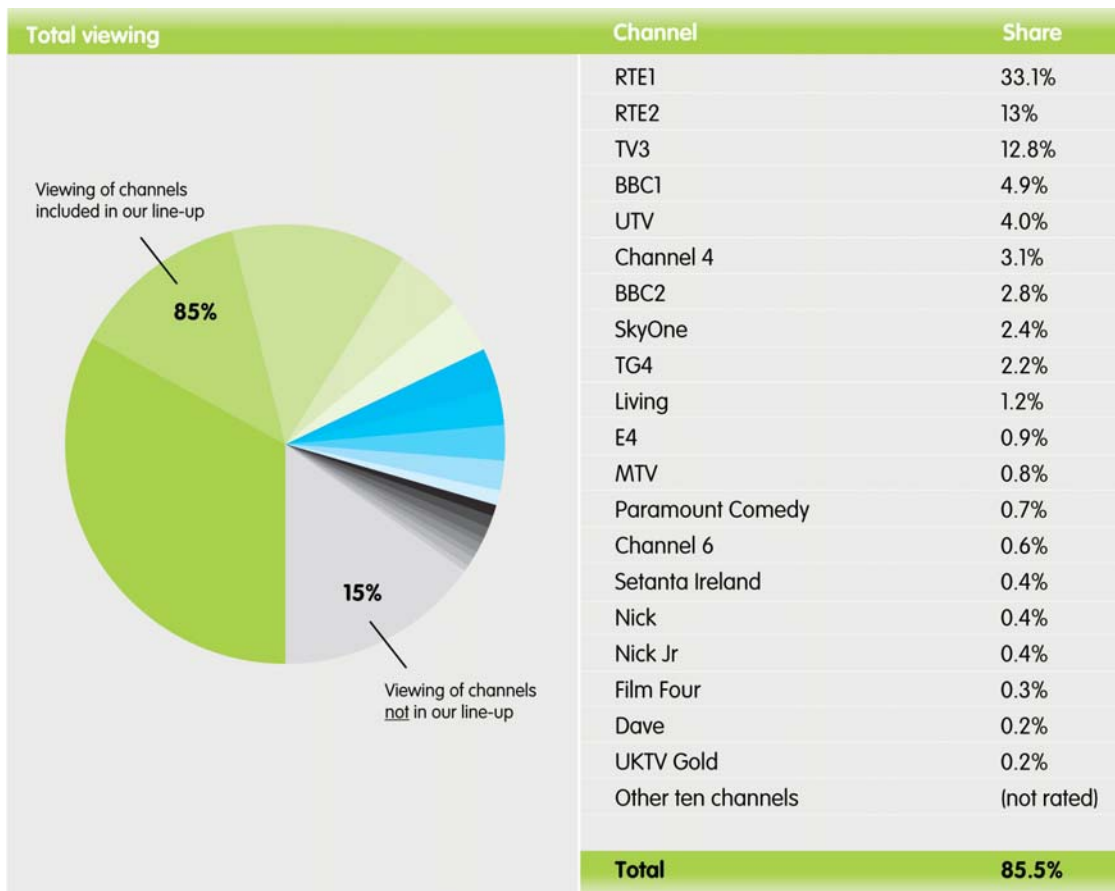
Figure 26: Basic pack channel line-up⁶⁹

| Package | Channels | | | | |
|---|---|---|--|---|---|
|  <p>Basic Pack €9.99</p> | |  |  |  |  |
| |  |  |  |  |  |
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With the inclusion of the (at least) four channels on the PSB multiplex, the OneVision customer will have access to 33 channels; these currently account for 85% of prime time viewing.

⁶⁹ BBC3 and CBBC, BBC4 and CBeebies, BBC World and TV Poland will share one channel(i.e. programming from the two channels will be divided between various times of day)

Figure 27: Prime time viewing share⁷⁰



In addition to our television services, the OneVision platform will carry at least six radio stations. We are committed to providing for TodayFM and NewsTalk 106, the two commercial radio stations. The remaining four slots will be allocated to local radio.

Our premium packages

We also propose to offer households the option to subscribe to a selection of premium services:

- a *Setanta Sports* pack consisting of three sports channels
- a *Sky Sports* pack, also of three sports channels
- a *Sky Movie* pack, of three movie channels



This channel line-up would cover all of the best sports and movie programming available in the Irish market. OneVision is in constructive ongoing discussions with premium content providers to ensure we can offer our customers sports and movie packages equivalent to other platforms.

Customers may subscribe to either one, two or all three of the premium packs. Our premium offerings will only be available as part of a combined Basic + Premium package but will be more accessible, given the low entry point the OneVision will offer.

⁷⁰ Nielsen research: National / Individual's prime time viewing (18:00-23:29) for the weeks 01-02-2008 - 29-02-2008

The channel line-up for each package is illustrated below.

Figure 28: Premium package channel line-ups

| Package | Channels |
|---|---|
|  | Setanta Sports Pack €19.99    |
| | Sky Sports Pack €24.99    |
| | Sky Movies Pack €14.99    |

3.4.2.i. What are the commercial terms on which the service(s) will be offered?

The commercial terms of our services are divided into a monthly subscription fee, a set-top box (STB) fee and set-up fees.

Monthly subscription fee

The monthly subscription fee varies for basic and premium packages.

Basic Pack

As part of our commitment to promoting the DTT platform we are proposing a price of €9.99 per month on the basic pack. We believe this price will drive significant take-up of the service quickly, ensuring platform sustainability and enabling ASO. The following exhibit details the present basic package price points in the market and how the DTT *Basic* pack compares with equivalent market offerings.

Figure 29: OneVision basic pack and premium equivalent offerings⁷¹

| Basic only | UPC | | | Sky | OneVision |
|---------------------|----------|---------------|--------------|----------|-----------|
| Digital / Analogue | Analogue | Cable Digital | MMDS Digital | Digital | Digital |
| Number of customers | 256,000 | 193,000 | 105,000 | 535,000 | |
| Monthly Basic Sub | €23.50 | €26.00 | €23.50 | from €20 | €9.99 |
| Number of channels | 18 | 100 | 18 | 50 | 33 |

Not only will the OneVision basic pack be cheaper than any current Irish service, it will also offer analogue cable and MMDS digital UPC customers a wider range of programming.

⁷¹ Details taken from UPC's and Sky's websites 21st April 2008

Our belief is that the OneVision offer will be both competitive in the marketplace and offers consumers better quality for less. The chart below shows how **our proposed OneVision service will capture over 85% of total Irish audience viewing⁷² at under 50% of the cost** Viewing (% prime time audience) vs. Cost (€/month).

Figure 30: Viewing (% prime time audience) vs. Cost (€/month)

| | UPC | | | Sky | | OneVision |
|---------------------|--------|----------|----------------|-------|---------------|----------------|
| | MMDS | Analogue | Digital Select | 1 mix | All (6) mixes | Basic (launch) |
| Total viewing | 84.3% | 84.3% | 97.5% | 78.1% | ~100% | 85.5% |
| Price / month | €21.50 | €23.50 | €26 | €20 | €30 | €10 |
| Cost per 1% viewing | €0.26 | €0.28 | €0.27 | €0.26 | €0.30 | €0.12 |

Premium Packs

As outlined above, we will be offering three premium packs:

- The **Setanta Sports pack** will offer three Setanta sports channels and be charged at an extra €19.99/month at launch, rising €1 in real terms over the time period.
- The **Sky Sports pack** will offer three sports channels and the **Sky Movies pack** will offer three movie channels at €24.99/month and €14.99/month, respectively – again rising by €1 in real terms over the time period.

Set-top boxes

In addition to paying subscription fees every month, the consumer will have to buy a compatible STB or have an iTV with an in-built MPEG4 receiver. We expect our STB to retail at €77 in year one, with sharp reductions over time. We plan to provide a rental option to our customers on STBs.

Working with electronics manufacturers and reviewing the emerging European trend of selecting MPEG4 as the DTT standard, we are hopeful that at the time of launch we will be able to offer the equipment at lower prices.

The success and failure of DTT launches can be greatly influenced by the pricing of the equipment required to receiving the service. Section 3.6 outlines in more detail the group's plans on receiver equipment.

Set-up fees

We will be charging our customers a one-off set-up fee of €10.

3.4.2.j. What are the features that will make this a compelling proposition to each of the customer segments?

We believe that a combination of many factors will make our proposition a compelling one for our target segments. If you're a FTA customer, we'll offer you the opportunity for affordable multichannel viewing for the very first time (particularly if you're set to lose your UK channels when the UK switches fully to digital). If you're an existing PayTV customer, we'll offer 'more for less' – most of the channels that you currently watch at a lower

⁷² Nielsen research: National / Individual's prime time viewing (18:00-23:29) for the weeks 01-02-2008 - 29-02-2008

price. In addition, the wider range of premium content will entice those subscribers that primarily view premium channels.

For all our customer segments, our service offers convenience – an easy-to-install product that will be available to all customers – and unrivalled customer service.

Price (affordability)

OneVision firmly believes in delivering a superb range and quality of channels at a low monthly price point. As part of our commitment to promoting the DTT platform we entering the market at the low price of €9.99 per month on the basic pack. We believe this price will drive significant take-up of the service quickly, ensuring platform sustainability and enabling ASO. A price point at this low level will also entice FTA customers to look at a PayTV option for the first time.

This compares very favourably to the two dominant PayTV platforms in the State, Sky currently charges €20.00 for a basic SKY package⁷³ and a price point of €23.50 from UPC for an 18 channel pack⁷⁴

Quality and Range of Channels

The channel selection represents a mix of the most popular channels currently being broadcast in Ireland and the introduction of some innovative new channels which we believe will differentiate our channel-line up and therefore our service offering. As such they have a broad demographic appeal, and will be attractive to all viewers of all ages, gender and social backgrounds. Section 3.5.1.a. details the approach to choosing the initial proposed channel line-up. It is worth noting that the approach to quality will also be extended to our choice of set-top box manufacturer and EPG, which should be seen as integral elements of the offering.

Convenience

A comprehensive distribution network and easy-to-install product will provide consumers with an easy method of switching to digital TV or switching from another platform provider. The OneVision service will be visible and available to purchase in the high street, online or over the phone. The OneVision web site will provide full details of coverage and equipment required to obtain the service.

Customer Service

A robust customer service model will be employed by OneVision to ensure high quality customer support. Inevitably there will be queries from customers during self install and some service/billing queries post install. The consortium will ensure that a dedicated call centre is established to handle these calls and provide timely and efficient resolutions to queries. Both eircom and Setanta have strong reputations for customer service within the Republic of Ireland and the experience of both these companies can be brought to bear on providing a solution for customers. In 2006 eircom's excellence in support was recognised by its peers in that the Call Centre Management Association (CCMA) which awarded Best Irish Contact Centre of the year to eircom. In the same year eircom also won the prestigious international award, for 'Best Contact Centre in the World' at the World Contact Centre Awards, held in Las Vegas (see Appendix 1).

Our consortium believes that customer service should be seen as a key differentiator and not just as an element that needs to be in place. Other TV platform operators in the State have got this wrong in the past and consumers

⁷³ Sky entry price point is €20.00 for one mix

⁷⁴ Standard UPC Pricing is €23.50 per month for a Basic Cable Pack of 18 Channels. Regional variations can apply meaning some Chorus customers receive a lower number of channels.

will need to be assured that proper customer service and billing solutions are in place. As a new platform operator who will be keen to grow its customer base, we will use our collective experience to ensure positive service experiences for our future customers. To this end we have already engaged with Capita, Stream, 2Touch and Teleperformance as a potential outsource partners for our customer service, billing and CRM centre (see Section 3.4.1.e).

As we outlined in section 3.4.1.f the OneVision consortium has the experience and the desire to ensure we have a compelling proposition. It is ultimately the viewer who will decide whether the service is a success or not, so in every decision in forming our line up we put the Irish viewer at the centre and worked from this point.

3.4.2.k. In terms of sales, what distribution channels will be deployed for both DTT receivers and any subscription or other pay service, and how will these products and/or service(s) be marketed?

In section 3.4.1.f we detailed the strengths of OneVision in relation to what it can provide on highly visible and easily accessible sales channels across the state. In this section we give further details and also show how the service will look from the viewer's perspective and how easy it will be for them to avail of the services on offer.

Sales Channels - Distribution

DTT is a new technology and service in the minds of the Irish viewer. In order for DTT to gain adoption it must be highly visible and accessible to the general public. Core to the plans to make DTT a success in Ireland is to ensure a channel strategy that maximises public awareness of the service and makes the service widely available. In section 3.4.1.f we outlined at a high level the strengths of the OneVision sales and retail strategy.

To start viewing the DTT service, the customer must purchase a compatible set top box or have a compatible integrated television. On bringing home the equipment and plugging it in the customer activates his conditional access card. In the sections below we outline how the customer can enable the DTT service.

Direct Sales – Potential customers will be able to ring the OneVision sales desk to firstly check if they can receive the service and if so they can order the service. OneVision will send the customer their set-top box and welcome pack including clear instructions on installing the service with online and phone help addresses if they are having issues with their installation. Both eircom and Setanta have experience in the direct sales field and both will be bringing the best of this to the OneVision consortium. eircom presently handles circa 60,000 direct sales calls on a weekly basis and as detailed in Section 3.4.1.e OneVision are seeking to ensure that we can provide this level of service to our customers.

Viewer perspective: John sees an ad for the OneVision service. He rings the free phone number and is put through to an Irish based call desk. John lives with his family in Cork and is wondering is the service available where he lives. Based on his address and phone number the OneVision sales assistant can inform John of the availability of the service. The service is available where John lives and he orders the basic pack. OneVision send John the STB in the post within 10 working days. John receives his set top box with the conditional access card ready, he plugs in the box, inserts the card and receives all the FTA and Basic channels with the service.

Online sales channel – through the web site for OneVision the potential customer will be able to check if they can avail of the service, find out information about when the service will be available and order the service and the required equipment. Both eircom and Setanta have well established online sales channels and are looking to replicate this experience into the OneVision website. Both the online sales and the direct sales channels will have co-ordinated back office functionality and leverage existing eircom and Setanta relationships to ensure that order

fulfilment is achieved in the quickest possible time. Setanta currently are able to provision signal to customers with the correct equipment within minutes. The success of the online and direct sales channels will be dependent on delivering the service to customer's expectations.

Viewer perspective: Joan is looking at the OneVision web site as she is interested in the new DTT service that she read about in her local paper. Joan lives in Wicklow and checks the OneVision site to see that service is available where she lives. Joan orders the basic and movie pack. As with the direct sales example the STB is distributed to Joan with the ready conditional access card so on arrival Joan can plug the box in, slot in the card and watch FTA, Basic and the Movie channels she ordered.

Selling through traditional retail channels – OneVision feels it has a winning strategy in relation to making the service available and visible in the Irish market. OneVision will be utilising the numerous sales channels that eircom and Setanta have in place to sell its services. Having the DTT certified set top boxes highly visible in retailers such as Dixon's, 3G, Harvey Norman's, PC World, Curry's, Tesco, Dunnes Stores and Argos helps increase the awareness of DTT. We believe we are uniquely positioned with the number of channels to market that currently exist within our current business relationships as well as direct access to a customer base in excess of 1 million households in Ireland.

eircom has the existing traditional retail partners to ensure that the DTT service and its related equipment are accessible and highly visible throughout the country. Working with eircom's existing partners (3G, Harvey Norman, PC World, D.I.D, Dixons, Cantec, and Curry's) we can ensure that the service is visible on the high street therefore leading to a greater understanding and awareness of the DTT service and impending digital switch over. These retailers will be selling televisions so it is a logical partnership to sell digital receiver equipment and related services. (Appendix 3.4 outlines the nation-wide reach of our retail partners and also details some endorsements from existing partners of eircom in relation to the bid).

OneVision will ensure that all stores selling the DTT service / equipment is given the relevant sales training and also have a wealth of promotional material to display in store. OneVision has and will continue to work with groups such as the Consumer Electronics Distribution Association (CEDA) in relation to distribution and we will not only look to forge relationships with large retail multiples but also with wholesalers such as Musgraves who have access to the smaller towns around Ireland. (Section 3.10 details our plans for cross industry co-ordination on this topic as well as plans for certification of equipment and having a DTT logo on equipment). Ensuring that DTT and its associated equipment are visible to the public at large is a key concern for OneVision and ASO stakeholders in general. As our research has pointed out only 21% of a nation-wide sample of people had awareness that the ASO process was occurring, this decreased to 11% in the over 65 field.

Viewer perspective: Philip walks into the Dixon's store in Galway looking to upgrade to a digital television or ensure that the TV he has is ready for the ASO. Philip can either purchase an MPEG4 compatible integrated digital television or a MPEG4 compatible STB. He goes for the STB and wants to sign up to the basic and Setanta Sports pack. He can either sign up there and then in the store, receiving his enabled CA card, or he can go home with a blank CA card and register his billing details and the service will be switched on for him within the hour.

Retail through parent companies – eircom and Setanta are well established and experienced in selling services to Irish consumers. Both companies will be looking to sell the DTT service to their existing customer base. This will have the effect of driving the sales of the OneVision services and also lends credibility to the newly formed service. eircom and Setanta are consumer facing business, giving our customers the quality of service / entertainment that they expect is our core business. DTT is a new technology in Ireland for Television, having

brands like eircom and Setanta sell the service gives it the credibility that will be required to ensure that Irish households entrust their TV supply to the new DTT service. eircom has been very successful in marketing bundles of packages into Irish homes and will look to promote the DTT service in a similar manner to help increase adoption of the service. The OneVision brand will remain in place even when sold through eircom / Setanta and the goal of the OneVision group is to grow a separate brand identity. Selling through the consortium member companies gives the OneVision service the leg up it needs to offer a credible alternative in the Irish market and to allow it compete with the dominant players in this market.

Viewer perspective: Mary lives in Westmeath and is looking to change the existing service that she and her family receive for television. She is an eircom customer and has received information in her eircom bill in relation to a new television service that eircom is selling on behalf of OneVision. Mary rings eircom and orders the DTT service. The equipment is shipped to her and any services purchased appear in her eircom bill.

Marketing

The consortium will commit considerable marketing spend, expertise and resource to the launch. An approximate marketing spend of €5m over the first 3 years will be put to the project to drive demand and ensure that consumer awareness is high.

In order to help bring OneVision to market it is likely that the initial marketing campaign will include a mix of national advertising on TV (terrestrial and multi channel), outdoor posters, national and local radio, national press and local press. All this will be supported by a strong PR campaign at national and local levels. At different stages of the licence period, campaigns will be targeted at key demographic segments who the consortium believes will have the greatest propensity to buy at that time. Geographic targeting will also be employed in order to up-weight on specific messages to areas e.g. areas that have a strong penetration of cable or MMDS services may benefit from a different message.

This advertising campaign will be supported by other methods to help disseminate information – post code checker (subject to the introduction of post codes), dedicated website, telephone helpline, training sessions for electronics retailers and point of sale materials.

The members of the consortium also intend to use their existing assets to help promote the new product. Both Setanta and TV3, as parties active in the media sector, can allocate airtime to the campaign and to the education of the Irish people on the impending impact of ASO.

In Section 3.10 we outline our plans to co-ordinate the promotion of DTT and education on ASO with the Public service Multiplex holder and wider stakeholder groups in the process, the OneVision consortium is pro-active in working with RTÉ to co-promote the DTT platform and ensure co-ordination across the FTA channels, EPG and LCN numbering.

In most countries have gone through analogue switch-off, the government has had a key roll to play in relation to educating the public on the changes and ensuring people are informed on the ASO process and its impact. Figure 31 outlines some research that we have undertaken to review Government's involvement in awareness in the ASO process in other countries

At the time of writing no dates, timelines, education plans, promotion plans, support plans, funding outlines have been detailed by the Department of Communications and Natural Resources.

The members of the consortium would strongly encourage a state led campaign to help educate the consumers who currently receive a TV service through an aerial. We do believe that the state has an important role to play is

supporting the rollout of DTT in Ireland. Analogue 'switch-off' or digital 'switch-on' educational campaigns are important in this regard, not to promote our proposed pay muxes, but to ensure a smooth roll-out of the PSB mux and to encourage early adoption.

Figure 31: Government funding benchmarks

| Country | Type of funding | Total budget (€m) | Cost per head (€) | No. Years |
|-----------------|--|--|---------------------------|-----------|
| UK | DTT – total budget | €290m | €4.8 | 5 |
| | ▪ Advertising account won by Abbott Mead Vickers (04/08/05) | €14.7m (annual) | €3.39⁷⁵ | 5 |
| | ▪ Yearly budget for marketing and consumer support | <u>€26.7m (annual)</u> €41.4m (annual) | | |
| Spain | Advertising and promotions campaign (source: DVB.org) Co-funding by Ministry of Industry and the DTT promotions organisation, Impulsa TDT | €6m | €0.2 | |
| Slovakia | Digital publicity campaign | €3.74m | €0.7 | n/a |
| France | 2007 (initial) budget for France Telenumerique - the organisation (made up of public and private bodies) set up to manage ASO | €2m | €0.03 | 1 |

3.4.2.1. How will the proposed service(s) impact on, and be affected by, competing services and/or products, both in the short and medium term, with regard to viewing behaviour and revenue?

Platform competition

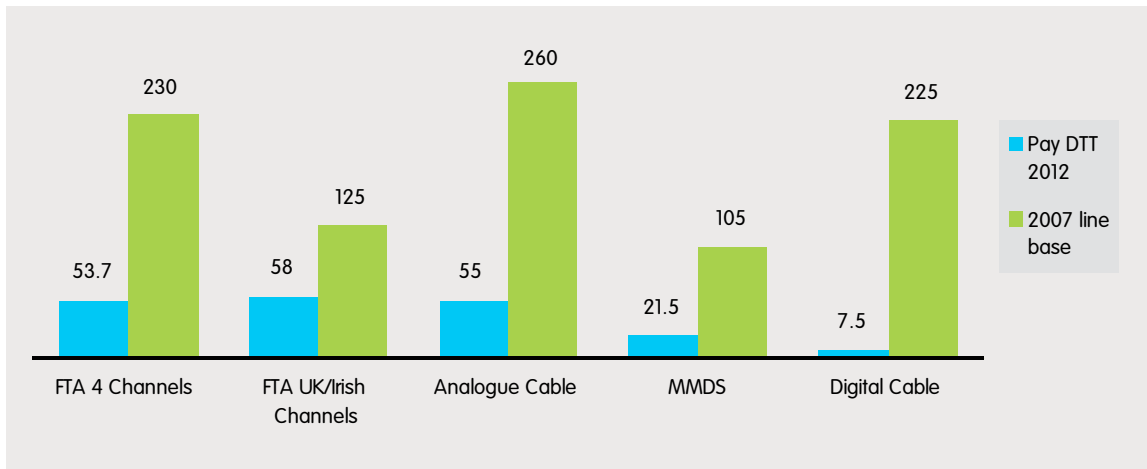
We believe that OneVision's customers will come from two areas: FTA customers and existing PayTV customers. Whilst we believe that the majority will come from the former, we expect there to be some disruption to the existing PayTV market. In particular, we envisage a greater share of these pay customers to come from cable, our medium term view of the market is as follows:

- Sky continues to dominate the digital market, although their growth will be tempered by the growth of DTT
- Cable sees a steady decline of subscribers, challenged by IPTV and DTT subscribers. These mostly come from the basic tier subscribers who are price sensitive
- IPTV makes a modest take-up and will gain a small market share as the technology matures.

Therefore, by 2012, we expect the source of our customers to break down as follows:

⁷⁵ Cost per head over total five years

Figure 32: Source breakdown of our customers (000s)

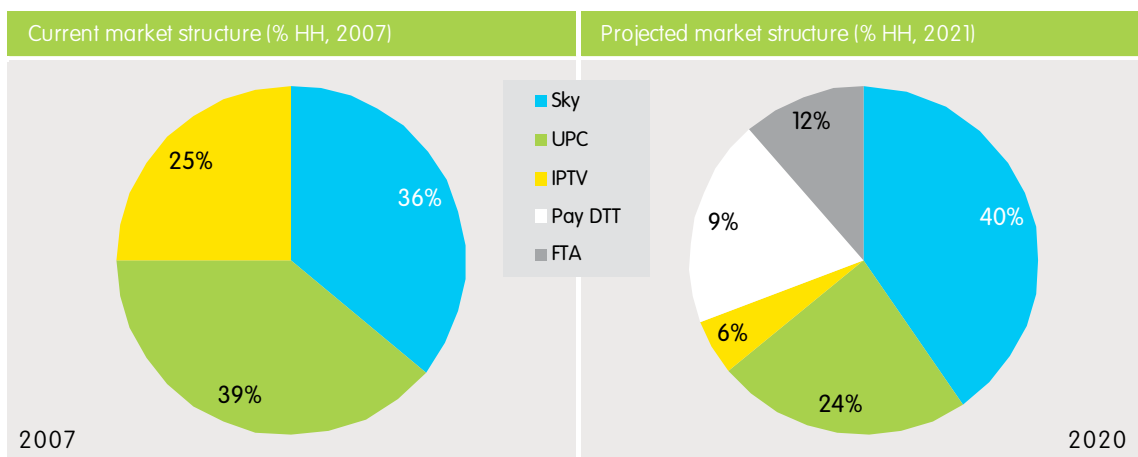


This is backed up by findings from our primary market research study showed that NTL basic and NTL premium subscribers were “very open to offers” and “open to offers” – compared to Sky customers who had “some openness, but offers must wow them”⁷⁶.

We do expect some form of competitor response – most likely, in the form of package/price redefinition. Whilst we cannot foresee the extent to which our competitors would respond, we have account for a moderate level of response in the business plan.

We therefore estimate that OneVision will take 16% of the TV market by the middle of 2013 and 19% by 2020. In the years leading up to ASO, we estimate that a significant portion of the FTA who converts to pay will become OneVision customers.

Figure 33: Current and projected market structure (market shares by operator/platform)

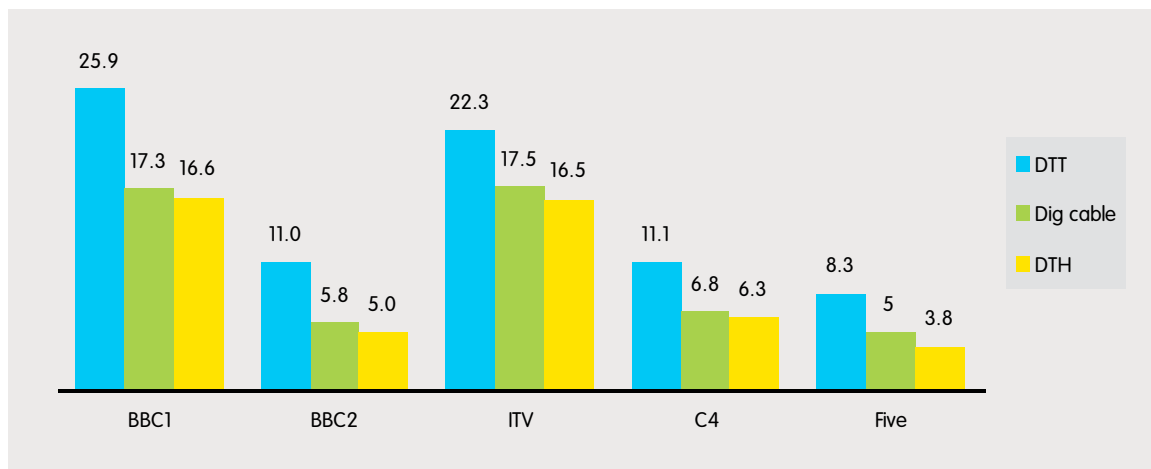


⁷⁶ Customers on each platform were asked whether they were open to new offers

Broadcasting and viewership

OneVision will also have some effect on the broadcasters themselves. Launching a service that increases audience viewing fragmentation could naturally prove difficult to national public service broadcasters (PSBs) such as RTÉ and TV3. However, operating on a successful platform with fewer channels than satellite and cable would, in fact, aid these broadcasters in the inevitable transition to digital. We have not carried out extensive viewing share projections; however, the graph below shows an illustration of the potential benefits to core channels, as experienced by the UK FTA channels. For all free channels, viewing share is highest among DTT subscribers.

Figure 34: UK FTA all day viewing share by platform (%)



In addition, we would provide national channels the ability to offer extended services in order to ensure the sustainability of their market share going forward. Since 2002 ITV has managed to maintain portfolio share in all homes thanks to the growth in number and share of its digital-only channels (see below). ITV1 share fell by 0.9 percentage points in 2006 to stand at 17.5%, but the share of ITV's digital portfolio grew by 0.8 percentage points so that overall, portfolio share remained steady from 2005 at 22%.

Conclusion

On a platform level, OneVision expects to gain most of its subscribers from FTA customers that are transitioning from analogue to digital. However, we do foresee some disruption to the PayTV marketplace, which a selection of our customers coming from cable in particular. From a viewing perspective, our focus on the value of a smaller number of core channels is expected to benefit the core PSB channels and their multichannel strategies.

3.4.2.m. What is the projected demand (in terms of acquisition of DTT receivers, take-up of subscription services and viewing levels) for this service(s) for each year of the licence and how have these projections been derived?

In determining the number of receivers that will be sold into the Irish market it is useful to remember that after 2012 no television will be able to receive a television service unless it is connection to a cable, satellite, DTT service or has a digital tuner (built into a iDTV) or STB connected to the television. Assuming there are 2.4 television sets per household in Ireland this means there are approximately 3.6m televisions sets in Ireland.

Given there are presently 1m households on a PayTV service with an estimated 15% of households in Ireland having a multiroom service this means that today there is in the region of 1.15m sets that would not require Digital receiver equipment. Therefore if ASO were to happen tomorrow there would be 2.45m million sets that would require digital receiver equipment to receive a DTT service.

With an estimated 80% of TV converted to digital in the three years before ASO, sets are expect to rise sharply, particularly as MPEG4 iDTVs are still in infancy.

We project the uptake of both STB and iDTV DTT receivers: STB receivers are expected to reach a peak of over 1m in 2012. After ASO, we expect to see a decline in sales, not only due to almost completed conversion to digital but also as STBs are replaced by integrated televisions. For iDTVs, volumes are likely to increase until the natural replacement cycle takes hold post 2013.

We forecast our basic subscription to reach 357,000 (19% market share) by the end of the licence period (2021, mid-year). European precedents suggest that this number is realistic given the nature of supply and demand in the current Irish TV market. Based on Setanta and Sky figures, we expect approximately 35% of those subscribers to pay for at least one premium service.

UK research suggests that DTT viewing hours are lower than on other platforms. We expect this to be reflected in Ireland.

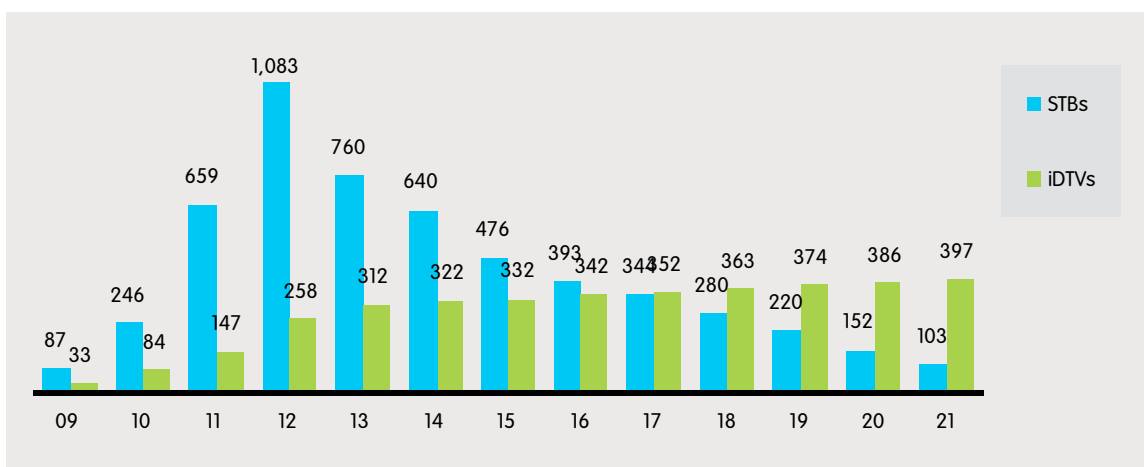
The acquisition of DTT receivers

Below we forecast the take-up of both STBs and iDTV receivers.

We project the uptake of STBs to reach a peak of over 1m in 2012. After ASO, we expect to see a decline in sales not only due to almost completed conversion to digital but also as STBs are replaced by integrated televisions.

For iDTVs, we based our forecasts on benchmarks (such as Screen Digest) but had to account for the conversion of MPEG4 tuners only. We expect to see a continued growth until 2013 (somewhat tempered by the continued existence of cheaper MPEG2 tuners). Beyond 2013, the natural replacement cycle takes hold and we expect a levelling off of demand in the long-term.

Figure 35: Uptake of STBs and iDTVs ('000s)



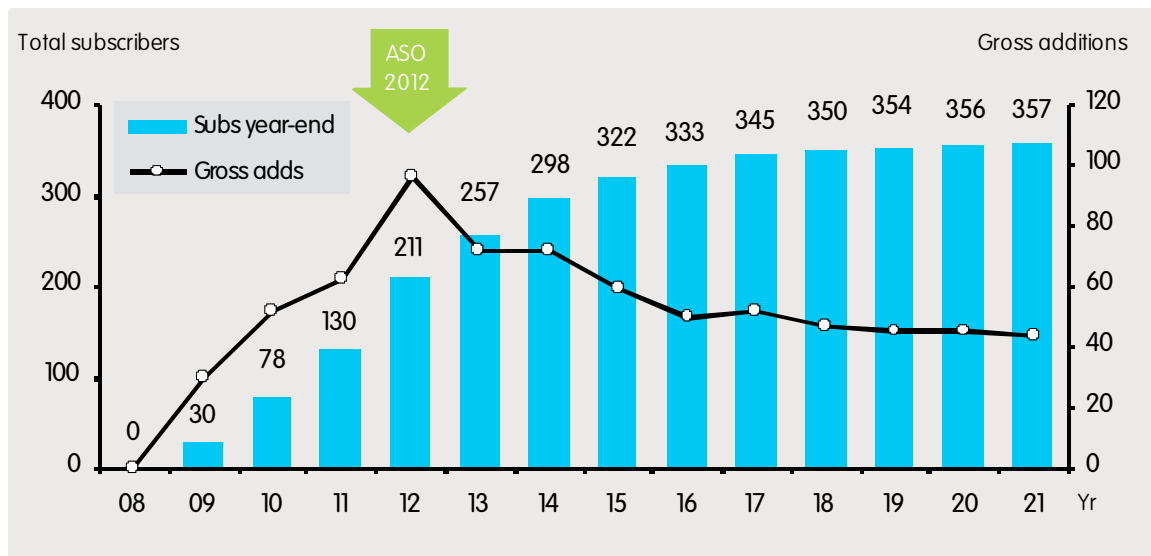
The take-up of subscription services

Below we outline our projected take-up of basic and premium services.

Take-up of basic services

We project the uptake of basic DTT subscriptions in Ireland to reach 357,000 (19% market share) by the end of the licence period (2021) and the majority of the demand for our PayDTT service to come in the first 4 years.

Figure 36: Basic subscribers (HHs, '000, year-end)



Our methodology was divided into two parts: first, the understanding of the likely take-up in the run-up to ASO; second, the likely take-up beyond ASO.

n the run-up to ASO

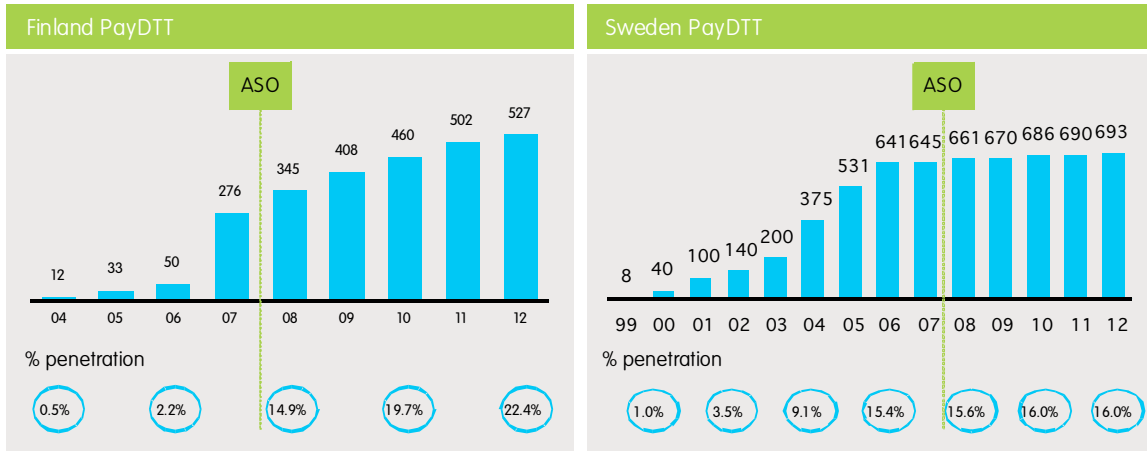
This projection is based on our understanding of two factors:

- The launch marketing campaign and particularly our low priced basic package (€9.99 a month) will compete aggressively with current market prices - which we are confident will attract households to adopt our service
- ASO (proposed for 2012) has shown to increase PayTV (and PayDTT) subscriptions rapidly in other European countries

At steady state

After the initial surge in subscribers, we expect gross additions to slow to reach approximately 357,000 (19% market share) by 2021. This projection is driven and benchmarked by our understanding of the precedents set by PayDTT providers in Sweden and Finland, where subscribers are beginning (or expected to begin) to level off at between 16% and 22% market share, respectively. The take-up trajectory of PayDTT operators in these two countries is exhibited below.

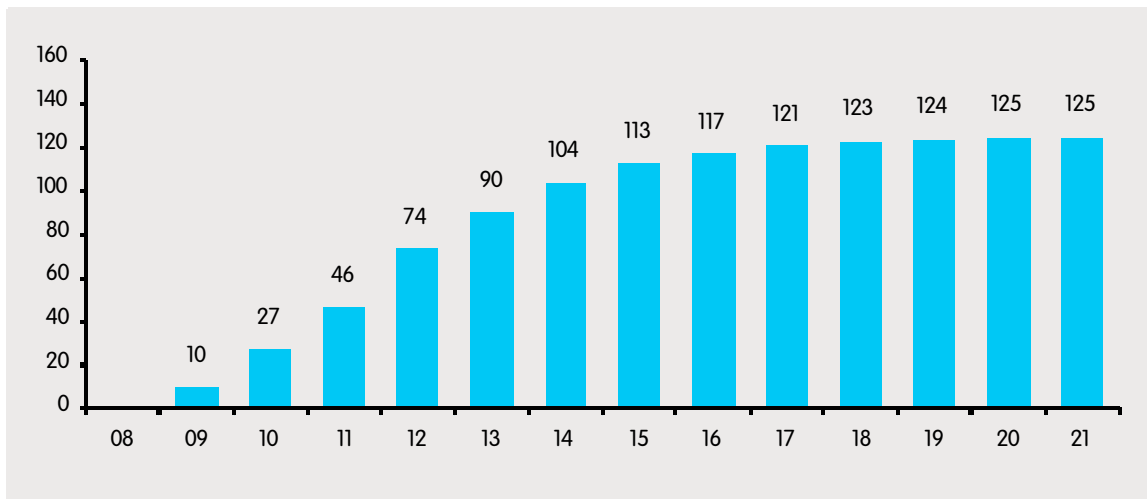
Figure 37: Take up trajectory PayDTT – Sweden and Finland (subscribers, '000, year-end)



Uptake of premium services

Our proposition will offer three distinct premium packages: a *Setanta Sports Pack*, a *Sky Sports* pack and a *Sky Movies* pack. We predict take-up of these services to be 20%, 15% and 15% respectively. We have accounted for an overlap of services for customers taking 2 or 3 services resulting in a total of 35% of the subscriber base taking at least one premium pack. The percentage remains steady through the time period as we have not accounted for unforeseeable changes in the content.

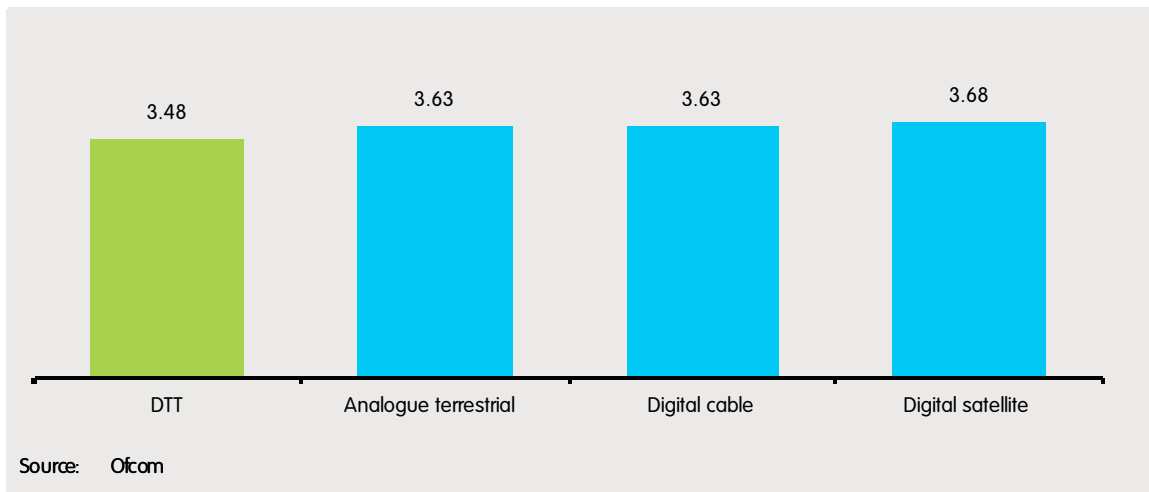
Figure 38: Premium service uptake (HH, '000, year-end)



Viewing levels

UK research suggests that DTT viewing hours are lower than on other platforms (see exhibit below). We have not explicitly forecast viewing levels however we expect this to be reflected in Ireland.

Figure 39: Viewing levels by channel (UK, hours/day 2007)



3.4.2.n. How have the cost projections for the various programme sources identified by the applicant with reference to section 3.5 been determined? What commercial issues, if any, have still to be resolved before the supply of the proposed programming is secured?

The OneVision consortium has been in extensive discussions with the providers of content listed within its channel line up for the past number of months. As part of these discussions, indicative carriage costs for these channels have been provided and have been factored in to the OneVision consortium business case. Please refer to letters of intent which have been received by all parties with exception the of BSkyB, stating its intention to enter into further discussion upon successful award of multiplex licences. The One Vision consortium remains confident that a commercial arrangement can be agreed with representatives from BSkyB and discussions are at an advance stage.

The availability of the UK terrestrial channels has been discussed with representatives from Reed Smith Richards Butler LLP and is subject to all necessary arrangements being made for clearances of copyright and waivers of contractual rights for programming. The commercial terms for all channels are subject to final contract.

3.4.2.o. What allowance, if any, has been made in the business plan to ensure that suitable DTT receivers will be available and what costs have been included to support the acquisition of the receivers (through subsidy or other means), as set out by the applicant with reference to section 3.6.

OneVision will work with STB manufacturers and retail groups to ensure that adequate supply of set top boxes is available through multiple sales channels. We have included a cost in our business plan for the acquisition of receivers and have obtained quotations on the likely price at launch of the STBs with suppliers. (As detailed in section 3.4.1.e)

In order to support the acquisition of STBs we have included a provision for Retailer commission. We will also support the acquisition of STBs by offering customers a rental option

3.4.2.p. How have the cost projections for

(i) coding & multiplexing,

(ii) feed distribution to transmitter sites and

(iii) RF transmission been determined in support of the coverage and technical proposals set out by the applicant in response to sections 3.7 and 3.8 respectively?

Coding & multiplexing

Our multiplexing will be built and operated by Arqiva, one of OneVision's consortium members. In Arqiva, we have one of the leading experts in the building, operating and maintenance of DTT networks and multiplexing centres. The multiplexing centre is built deploying a fully redundant design. The contract will be managed at commercial arm's length agreement, to agreed service level agreements.

Feed distribution and RF transmission

RTÉNL operate the existing analogue television transmission network and provide television network and transmission services for RTÉ Television, TV3 and TG4. The use of RTÉNL infrastructure represents the only practical means to roll out a DTT Distribution and Transmission Network in Ireland. Consequently OneVision has engaged with RTÉNL to provide Distribution and Broadcast Transmission services.

OneVision plans to roll-out across all available RTÉNL transmission sites (estimated at 53) as they become available, securing in excess of 93% coverage for all three multiplexes. OneVision requested and received additional information from RTÉNL in respect of additional sites, but it was received after our respective boards had passed resolutions in respect of the business plan and funding requirements. Our business case therefore includes the indicative transmission costs from RTÉNL's tariff model as published on their web-site. We will engage with RTÉNL on award of licence to negotiate an appropriate tariff for all 53 sites.

Arqiva have modelled the transmission network using the costs from their UK experience, where Arqiva are currently building 4 DTT networks. From this review, we believe there is scope to reduce the costs in commercial contract negotiations between OneVision and RTÉNL. We therefore believe the cost included within the business case are realistic in terms of a negotiated contract price.

Accuracy of costs and management of risk of the stability of costs.

Arqiva have real experience in the commercial costs for design, build & operation of multiplex centres. The prices contained within the business model are bench-marked with comparable UK multiplex designs and due to choice of vendors to Arqiva, represents little commercial risk. In terms of Arqiva's technical knowledge, the consortium feel, there is little technical risk in the multiplex element of the network.

Network distribution costs have been reducing over time, as improvements in technology and the increased availability of fibre distribution provide efficiencies. However, the costs are projected to be fixed for the duration of the plan. This reflects the fact that OneVision have had no visibility yet in terms of contract terms from RTÉNL and the limited choice of supply alternatives to some of these remote locations.

The risk of staff availability and costs of project overruns are always a risk in terms of rolling out such a network. OneVision will endeavour to negotiate on these items as part of the contract with RTÉNL, in terms of fixed cost contract, and liquidated damages for late delivery. As a backstop to this position, Arqiva has the human and

technical resources to provide assistance to RTÉNL in event of project challenges arising, providing a further level of mitigation to this risk.

Due to the remote location and altitude of a number of these sites, construction work, particularly outside e.g. mast/tower replacement or antenna erection, can only be undertaken during reasonable weather periods. Therefore for a sustained project such as this, a sustained period of inclement weather can cause project delays. From discussions already had between Arqiva and RTÉNL, it is our understanding that the RTÉNL intend to power DTT equipment into existing analogue antenna systems, thereby removing this activity from critical path activity.

DTT Transmission Systems by their nature consume significant quantities of electricity, which in terms of the costs over 12 year period contribute significantly to lifetime costs of such networks. With ever increasing electricity costs, Arqiva have found the best method of mitigating such costs, is to negotiate "hedged" electricity costs over the a number of years. OneVision will attempt to persuade RTÉNL to adopt a similar stance, or indeed to allow OneVision to procure their own electricity over the contract term.

The RTÉNL sites are specified in the DTT RRC06 spectrum plan, and therefore leaves practically no choice for alternative network propositions. OneVision feel consideration should be given by ComReg to designate RTÉNL as having "Significant Market Power", being the sole provider of DTT transmission networks in Ireland. Such a designation would provide Comreg with the ability to regulate RTÉNL pricing, based on a suitable model of price benchmarking.

3.4.2.q. What are the start-up costs and what capital expenditure will be required over the duration of the licence?

We have included €4.5m for start-up and capital expenditure costs: broken down as follows: €1m set-up (branding, legal, design and development), €1m marketing, €1m overheads/other costs and €1.5m capital expenditure.

This €1.5m represents the total capital expenditure required over the duration of the licence period and a comprehensive breakdown is available in section 3.4.2.v (vi).

3.4.2.r. How does the proposed business plan fit strategically with the existing business activities of the participants of the applicant?

OneVision is a new platform backed by four companies who represent a diverse indigenous broadcast industry and whose interest is to maximise the success of this new platform. The strategic fit with the existing business activities of the OneVision companies is outlined below. OneVision is a standalone commercially viable business from which the participant will earn a return as outlined in the business case. In addition each participant will gain additional strategic benefits as outlined below.

Arqiva

Arqiva is the UK's leading provider of transmission services for broadcasters, meeting the needs of the entire networks for ITV, Channel 4 and Five, together with most independent radio stations. With a heritage dating back to the start of ITV in 1955, the company has also played a leading role in the introduction of digital broadcasting in the UK, for which it has built both national and local networks. Over the last three years the company has worked closely with its customers, the government and industry to develop the strategy and solve the complex technical problems that will lead to the UK transition from analogue to digital television over the period 2008-2012.

With the award of the DTT Multiplexes, Arqiva will perform a similar role to that in the UK and will, therefore, look to leverage the experience available to it from the UK.

Arqiva does not have any existing interests in the PayTV platform market. Arqiva has no conflict of interests in relation to existing customers / revenues in the PayTV platform market.

Arqiva's core business is in the building and operation of broadcast networks. Arqiva intend to provide Multiplex management services to the OneVision group, earning direct revenues from this activity.

eircom

Telecoms companies around Europe are re-shaping their consumer-facing divisions to include content service both over traditional mediums and over emerging ones such as IPTV and Internet content streaming.

Being part of a consortium on DTT is complementary to eircom's existing business activities. eircom wants to ensure that DTT becomes a third credible TV platform in the marketplace (to satellite and cable – the existing dominant platforms) and eircom believes that the best way to do this is to positively influence the process from within a winning and goal aligned partnership such as OneVision. eircom's Executives have been discussing DTT since the Summer 2006 and are fully supportive of the OneVision initiative. eircom's board is also fully supportive of the OneVision initiative.

eircom does not have any existing interests in the PayTV platform market. eircom has no conflict of interests in relation to existing customers / revenues in the PayTV platform market.

Setanta

Setanta Sports has a track record of bringing premium sports content to as wide a sports audience as possible. Setanta believe that premium sports content should be made as accessible as possible. This track record is visible from the early origins of the company right up to the present day. Setanta started out by taking Irish Sports content from Ireland and bringing it to the Irish diasporas throughout the UK and then into the US and Australia. This was followed by establishing Ireland's first dedicated premium sports channel which was rolled out to approximately half a million NTL and Chorus basic packs. In the UK and Northern Ireland Setanta and Virgin Media came together to place Setanta's premium pack channels in Virgin Media's XL pack which reaches approximately 1.6 million homes. This was the first time that premium sports content channels had been made available in a basic tier pack by a TV platform. Setanta was the first broadcaster to make a premium sports channel available on the UK and Northern Ireland DTT platform.

Placing the Setanta Ireland Channel on the basic pack of this proposed service is the natural continuation of this approach and is very much aligned with our business activities. This channel also has an advertising revenue stream and the increased reach of this channel will assist in maximising advertising revenues to the channel. This again is consistent with our business model. Having Setanta Sports 1, 2 and the Setanta Golf channel available as a premium pack will further increase the potential audience and grow Setanta's customer base in line with its business strategy.

Setanta does not have any existing interests in the PayTV platform market. Setanta has no conflict of interests in relation to existing customers / revenues in the PayTV platform market.

TV3

Launched 10 years ago, TV3 is the national commercial television broadcaster and is the 2nd most watched television channel in the State.

The channel is supported by the threeText teletext service (which will broadcast more than 2,000 hours of subtitles in 2008) and the soon-to-be launched tv3.ie online. Together these offer advertising, sponsorship and promotional opportunities to Ireland's competitive advertising marketplace.

DTT fits perfectly with the strategic goals of TV3 as an Irish national broadcaster. In particular it provides an opportunity to launch its multichannel strategy – revealed here for the first time. TV3 sees multichannel development is an important strategic direction for national free-to-air broadcasters: as viewing share on the main channel declines due to audience fragmentation diversification is important to recapture viewing share.

It is recognised by TV3 that with the privilege of being awarded a commercial terrestrial television license comes a large responsibility. TV3 continues to provide an innovative and informative schedule to its audiences and competitive choice to its advertisers. TV3 sees the prospects offered by operating DTT multiplexes as a further opportunity to carry out these key responsibilities and to become a DTT Champion in the lead up to analogue switch off.

TV3 does not have any existing interests in the PayTV platform market. TV3 has no conflict of interests in relation to existing customers / revenues in the PayTV platform market.

3.4.2.s. What is the minimum acceptable pre-tax Internal Rate of Return for the business plan and how has this figure been arrived at?

The minimum rate of return on investment ('hurdle rate') required for the Business Plan is 11.5%. The hurdle rate takes into account an estimate of OneVision's weighted average cost of capital as adjusted for the level of project risk.

3.4.2.t. What provisions have been made for platform-wide initiatives to develop and/or promote DTT and the facilitation of digital switch-over?

Before Analogue Switch off the OneVision group is committed to spending over €9m that promotes and supports the DTT service in Ireland. This represents a large financial commitment to the project on behalf of OneVision and its parent companies.

As part of this spend on launch and marketing of the service in the initial years the OneVision group has allocated funding towards the establishment of both the Digital Ireland Group and the DTT Platform group. The funding required for both groups will be directly dependant on the scope and responsibility that the groups are given. As detailed throughout this document, we fully support and we will actively participate in both of the groups outlined. We feel that both are critical to the success of the DTT platform and ensuring the analogue switch off occurs in a timely and efficient manner.

3.4.2.u. What risk assessment has been made of the business plan? What are the proposals for dealing with the identified risks? What contingency plans does the applicant propose to put in place?

We have carried out a detailed risk assessment of the Business plan and have identified two main categories of risk:

Controllable Risks

We define controllable risks as normal commercial risks inherent to the operation of a commercial TV platform (e.g. competition, pricing, subscriber take up, costs of content, cost of set top boxes etc). In preparing our business plan, we have carried out extensive sensitivity analysis on the key value drivers in the Business Plan and are confident that the underlying assumptions are both robust and relatively conservative.

Non Controllable Risks

These are risks over which we have very little control and yet which could have a significant impact on the Business Plan. The key risks identified under this category are as follows;

- (i) Significant Delay in Analogue Switch Off (ASO) date beyond 2012
- (ii) Slow rollout and availability of DTT Transmission Network
- (iii) The launch of Freesat in the UK

OneVision intends to engage with the relevant parties (e.g. DCMNR, RTÉ, etc.) to discuss the best approach to mitigating these risks.

2. Financial Projections

Base Case

See Confidential Appendix

3. Accompanying Notes

3.4.2.v. Please provide a comprehensive set of notes to accompany the financial projections including:

A projected breakdown of households receiving DTT in terms of basic and premium subscriptions and free-to-air only at the mid-point of each year of the licence period.

See Confidential Appendix

(ii) Projections for the number of TV households, by platform, that use DTT for secondary viewing.

See Confidential Appendix

(iii) Explanation of how each line in the Profit & Loss projections has been arrived at, including details of all underlying assumptions.

See Confidential Appendix

(iv) Details of the timing and size of the funding requirement with reference to the cash-flow projections and, for each year of the projections, the maximum level of borrowings drawn under all facilities.

See Confidential Appendix

(v) A comprehensive breakdown of all capital expenditure projections (consistent with the overview and cash-flow projections) by category and calendar year.

See Confidential Appendix

(vi) An explanation of the accounting principles on which the financial projections have been prepared, and confirmation that they are in accordance with accepted accounting standards in Ireland.

See Confidential Appendix

(vii) Separate notes must be provided for the projections dealing with the sensitivity test. They must include details of any deviation from the situations described in the accompanying notes described above.

See Confidential Appendix

Funding Arrangements

This section consists of three components:

- An account of the applicant's funding strategy;
- The financial standing of the applicant; and
- Evidence of the available financial resources.

1. Funding Strategy

3.4.2.w. What are the funding requirements of the business plan prior to contract, prior to launch and after the launch of the service through to the end of the licence period?

See Confidential Appendix

3.4.2.x. How do you propose to meet these requirements?

See Confidential Appendix

3.4.2.y. What flexibility is there in the proposed funding arrangements to deal with significant deviations from the business plan?

See Confidential Appendix

3.4.2.z. What alternative financial resources does the applicant have access to if the proposed funding is not forthcoming or sufficient?

See Confidential Appendix

2. Financial Standing

3.4.2.aa. Full details of the equity share capital of the company.

Not Applicable.

3.4.2.bb. Full details of all other share capital already in issue, including all forms of preference shares, convertible loan stock, options, and warrants.

Not Applicable.

3.4.2.cc. Full details of the borrowing facilities currently available to the company, or to the parent company in the case of inter-group funding, and the extent to which they are currently drawn down. This must include the amount and terms of all borrowings (repayment details, covenants, etc.), any security provided and charges against company (or other group company) assets, and the names and addresses of lenders of and guarantors to any of the facilities.

Not Applicable.

3.4.2.dd. Full details of any contingent liabilities and off-balance sheet financing arrangements.

Not Applicable.

3.4.2.ee. The applicant must also provide audited accounts of the applicant company for the most recently completed financial year. If these are not yet available, audited accounts for the previous financial year, together with any interim financial statement, and draft accounts or management accounts for the most recent financial year should be provided.

Not Applicable.

3.4.2.ff. Full details of the proposed capitalisation plan including the proposed timing and current status of the proposals.

The proposed capitalisation plan and proposed timing are set out in the responses to sections 3.4.2.w and 3.4.2.x above.

The Consortium members have agreed in principle to the capitalisation plan, proposed timing and their respective funding commitments in this regard by signing the TORA (a copy of which is attached in confidential Appendix A).

3.4.2.gg. Full details of the financial interest of each proposed investor in the applicant company.

The financial interest of each proposed investor is set out in section 3.3.3.b above.

3. Evidence

3.4.2.hh. A clear statement of commitment from investors including details of the timing and amount(s) to be made available.

The Consortium members have committed to the funding plan set out in the responses to sections 3.4.2.w and 3.4.2.ff above.

3.4.2.ii. Written evidence that arrangements for the provision of new equity are achievable including details of any pre-conditions or other obligations that must be met. For example:

Where existing corporate shareholders are to subscribe for further equity, a Board minute approving their investment should be provided.

A copy of the TORA setting out the commitments of each of the parties in relation to the funding of OneVision is set out in confidential Appendix A. In addition, extracts from the board minutes of each of the Consortium members approving the TORA and the submission of this application are set out in confidential Appendix B.

Where new capital is to be raised in the market, a comfort letter from financial advisers or stockbrokers confirming that such a capital-raising exercise would be possible assuming no material change in current market conditions.

Not applicable.

3.4.2.jj. Where specified investors have committed to subscribe for more than 5 per cent of the applicant's total financing, copies of the most recently available audited accounts together with written confirmation of agreement in principle to making the investment covering:

the amount to be invested;

the percentage shareholding; and

any pre-conditions to making the investment.

A copy of the TORA is attached in Appendix A. This represents written confirmation of the Consortium members to the submission of this Application and the Business Plan (paragraph 2 of the TORA) and the agreement in principle to: (i) provide the investment amounts in accordance with the response to sections 3.4.2.w and 3.4.2.ff above (paragraph 3.2 of the TORA); (ii) the percentage shareholding of each member of the Consortium in OneVision in accordance with the response to section 3.3.3.b above (paragraph 3.1(b) of the TORA); and (iii) the pre-conditions to the making of the investment, including the pre-condition of the entry into the multiplex contracts (paragraph 3.2 of the TORA).

In the case of private shareholders or where the above is not feasible, investors should provide an independently-verified statement regarding their capacity to invest the required funds.

Not applicable

Where new borrowings are proposed in whatever form, the following should be provided:

3.4.2.kk. Written evidence that in principle such arrangements are available. This should be in the form of a letter of intent from the principal lenders, covering the following points:

the amount, type and duration of the facility;

the drawdown schedule;

the approximate costs of the facility, within an indicative range;

any security or guarantee required in support of the facility;

full details of any conditions precedent;

the principal covenants (including specific details of cover ratios);

details of warranties and undertakings given under the financing agreements and details of events of default; and

the length of time required to put the facility in place, including details of any due diligence or prior obligations which would need to be met for the financing to be available.

Not applicable

3.4.2.ll. Give a clear commitment regarding the amount of funding (both in absolute terms and as a percentage of the total funding requirement) that would be put in place prior to, or at the time of, the finalisation of the contract;

The Consortium members are committed to the initial funding of € 11m by way of a share subscription in OneVision at, or immediately prior to, the signing of the multiplex contracts, as set out in the TORA attached at Confidential Appendix A. Based on the Business Plan this funding represents 38% of the total funding requirement.

3.4.2.mm. Provide a detailed timetable of the steps that need to be taken before the finance is available;

| Workstream | Period |
|---|---|
| Grant of Preferred Bidder Status | BCI to confirm |
| Negotiation of the Multiplex Contracts | Period of 6 weeks following grant of preferred bidder status |
| Finalisation of the OneVision Shareholders Agreement and other internal OneVision documents | Immediately following confirmation of preferred bidder status. |
| Application for Regulatory Approval | One week from end of Multiplex Contract Negotiation |
| Final Approval of the Multiplex Contracts and funding by the boards of the Consortium members | July 2008 |
| Signing of the Multiplex Contracts | To occur at or immediately before the signing of the Multiplex Contracts. |
| Subscription and Payment by the Consortium members of the shares in OneVision to provide the initial funding to launch (€11m) | BCI to confirm |

3.4.2.nn. Express their longer term commitment to the development and continuation of DTT in Ireland, especially under adverse conditions.

OneVision and each of its constituent shareholders are committed to the long term development and continuation of DTT in Ireland including under adverse conditions.

3.5. 9(2)(c)

Range and type of programme material or compilations of programme material proposed to be included in the multiplex by the applicant and how the applicant proposes to secure the continued inclusion of such material

This section comprised of two parts:

Overall programming strategy

'More for less' for the Irish viewer: compelling content at a price that will be attractive both to those who have previously not taken advantage of a digital service or multichannel and those who are not currently fully satisfied with the offers they have.

Range and type of content and services proposed

Reflecting and respecting Irish viewing habits, OneVision has created a broad line-up of channels that will satisfy a wide range of tastes, while simultaneously introducing innovative new content and channels.

3.5.1.a. What is the applicant's vision for programme content delivered on the DTT platform?

This, the first part of Section 3.5, covers our vision for the programming delivered on the DTT platform, as well as our strategy for creating and sustaining the content mix, providing content providers with access to the multiplexes and details of our proposals regarding the HD format.

Our core vision for the programme content delivered on the DTT platform is 'more for less'. Compelling content at a compelling price, focused on delivering the lowest possible retail price for a broad range of quality digital channels. At €9.99 a month, our price point is less than 50% of the current UPC Ireland and Sky entry-level price.

As detailed in Section 3.4.2.f, our research indicates that the price points and channel line-up we have proposed will be attractive to both free-to-air customers and existing PayTV customers.

Summary of the findings:

The OneVision proposition in terms of channel line-up is attractive to 72% of the current FTA base and 92% of the analogue cable base

When given a range of choices almost 49% of analogue cable customers and 43% of FTA customers picked OneVision's DTT offering as their preferred choice, which supports our view that these will be the critical target groups for our proposition

The predominant reasons why respondents preferred the OneVision DTT offering were price (69% mentioned) and attractive channel line up (46%)

Our research strongly supports the tenet that leading with a low price / high quality line-up can and will attract users to the platform.

We have included the 'must have' channels that the Irish viewer considers necessary and we also outline new and exciting channels to offer both the Irish FTA viewer and the existing PayTV viewer. Coupled with this attractive basic line up, we will also offer Irish viewers a strong selection of Premium sports and movie content.

Free-to-air content

In order to drive early adoption of the DTT platform we intend to provide a range of free to air channels. These channels will typically cover general entertainment, documentaries and travel/lifestyle content. We have allocated six slots in our channel line-up to carry these FTA channels on our commercial multiplexes.

OneVision has secured heads of terms/letters of interest and support from the major content providers of these channels. Until such time as licences are awarded it is not practical for these companies to develop individual channel propositions, but strong interest has been received and we are confident that these will prove popular offerings, as they will be freely available and not conditional on subscription to our pay service. At this point, the identities of the parties must remain confidential at their own request.

This will serve as an excellent bonus to those consumers switching to the platform to view the PSB MUX Channels. We believe that this extra free content will encourage consumers to consider the broader range of pay content available on OneVision.




























We are also assigning four slots in our multiplexing plans for radio content. We aim to facilitate the two national commercial stations (Today FM and Newstalk 106) and will allocate the remaining slots on a fair, reasonable, and non-discriminatory basis.

Viewer perspective: It's May 2012, Roger sees an ad from the Digital Ireland Group (Section 3.10.1.h) informing him that his analogue transmitter in Carlow is shutting down and therefore he will not be able to receive his Irish terrestrial channels after August 2012. He goes to a retailer and purchases digital receiver equipment that has the Digital Ireland Group logo on it and goes home to plug the box in. Straight away Roger is able to receive the four Irish FTA channels as well as the six free channels provided by OneVision. Should Roger wish to upgrade to the Basic / Premium pack he can either phone the OneVision sales desk with his card number or go online to enter his details and he will receive the services ordered within the hour.

Basic channel Pack

OneVision will offer the Irish viewer the lowest entry point for PayTV in the market place. Our launch price of €9.99 for a broad range of digital channels is the lowest price that Irish consumers have ever had to pay for a PayTV offering. Our channel line-up is detailed below, subject to commercial negotiations and rights clearances.

Figure 40: Basic channel package

| Package | Channels | | | | |
|---|---|---|--|---|---|
|  <p>Basic Pack €9.99</p> | |  |  |  |  |
| |  |  |  |  |  |
| |  |  |  |  |  |
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Our research indicates that the OneVision proposition will appeal to two separate audiences:

Firstly, those who have traditionally received four Irish terrestrial free-to-air channels (or eight including UK terrestrial channels). Our proposition will encourage this group to reconsider their TV viewing choices in advance of ASO. The PSB MUX will continue to make Irish FTA content available for those who wish to stay with free-to-air only. Our proposed FTA content as detailed above will supplement this. Those who want more television content will be able to upgrade their service so that they can enjoy a wider mix of compelling pay television channels by OneVision.

The second group are those who currently have a pay TV service and would be interested in an alternative. Due to the compelling nature of our proposed channel line-up, we anticipate early adoption by consumers who are either on a basic cable service, an MMDS service or a lower tier satellite service. Many of these customers only have one choice of provider and, as such, OneVision will offer a welcome alternative.

Our research shows that 92% of analogue cable customers find the OneVision proposition attractive, with 49% of analogue cable customers surveyed choosing the proposition as their preferred choice from a line up of alternative offerings.

Viewer perspective: Julie living in an apartment in Dublin. Julie is not permitted to put up a satellite dish outside her apartment therefore in order for Julie to receive a PayTV service she only had one choice, a cable operator. Julie only watches the Irish and UK terrestrial channels and feels that paying €23.50 a month for her cable service is excessive. OneVision gives Julie a new choice of selecting a quality Digital TV service without the need for a satellite dish. It gives Julie the choice that she previously did not have.

Viewer perspective: Patrick and his family live in Leitrim. Patrick currently subscribes to a satellite service, but feels it's expensive. He enjoys watching sports and his children enjoy the children's channels that they receive. Patrick has only ever had one choice when selecting a PayTV service as he lives outside a cabled area. Patrick now has the choice to switch PayTV operators and get the services he wants from OneVision.

Premium channel Pack

In addition to a high quality basic channel pack OneVision will offer the Irish viewer the choice of some of the finest premium content available. Alongside the Setanta Sports premium pack, OneVision intends to make Sky Sports and Sky Movies premium packs available at launch.

The proposed additional premium content is:

Figure 41: Premium packages

| Package | Channels |
|--|--|
|  | Setanta Sports Pack €19.99    |
| | Sky Sports Pack €24.99    |
| | Sky Movies Pack €14.99    |

Combined with the channels in the PSB MUX, we believe that this line-up provides to the consumer the majority of the most popular digital channels available in the State. In addition to bringing new content to the platform at launch, further channels and services will be added over the course of the licence period to further enhance the diversity and quality of the proposition.

3.5.1.b. What is the strategy for creating and sustaining the mix of content proposed on the multiplex, both at the commencement of transmission and over the duration of the multiplex contract?

The cornerstone of OneVision's content strategy is to provide Irish viewers with the most relevant and highest quality content at an affordable price.

The *Basic* pack consists of the best local and international 'must-have' content. This spans a broad mix across all genres. Our premium content will showcase the best sports and movie content available.

Creating and sustaining this mix of content is central to sustaining and growing the DTT platform in Ireland. We have conducted extensive research in both sourcing the proposed channel line up and in ensuring that this can be delivered and maintained over the course of the licence period. While channel selection can be a subjective process, OneVision has employed the following criteria for our channel line-up selection:

- A mix of channels that reflect the traditional viewing patterns in Ireland. Viewing figures of existing channels available in the Republic of Ireland⁷⁷ were supplemented with UK viewing data where necessary.
- Consideration of channel line-ups of Cable/MMDS providers that operate in Republic of Ireland
- Consideration of core entertainment channels carried on Satellite platforms in the Republic of Ireland
- A varied mix of channels that will appeal to a cross section of the Irish viewing public.
- A mix of channels that will ensure diversity and choice.
- Channels that introduce new and innovative content.
- All others things being equal, extra weighting was given to channel providers that could make assistive services available

These criteria drove channel selection, combined with the commercial economics of carriage agreements. OneVision has approached many channel providers and is confident of securing carriage agreements with all listed channels. Should favourable commercial terms with the channel providers not be forthcoming, OneVision has identified a list of high-quality substitutes.

A description of each channel in our inaugural line-up (plus logo) is included below as is the rationale for its inclusion. Sample schedules for each channel are included in Appendix 7.

Figure 42: Channel descriptions and rationale for inclusion

| Channel | Description | Reason for Inclusion |
|------------------------|---|---|
| Setanta Ireland | Ireland's first dedicated sports channel shows exclusively live Barclays Premier League, Clydesdale Bank Scottish Premier League, live Allianz National Football League GAA, live Magners League, Irish Schools rugby, junior GAA and Formula 1 action. Midweek action is in abundance with Champions league, UEFA Cup action, Setanta Sports Cup and eircom League | Setanta Ireland brings premium quality sports action to our basic line-up. This channel is Irish owned and operated and along with the world class sport listed, it is important to stress the indigenous grass-roots sports shown on the channel including Irish Schools Rugby, under age GAA, BCI funded programmes and locally produced sports magazine shows. The channel rates well with a male audience and an increased reach will further improve this. We are confident that this channel will be a key channel and will help give the platform a strong Irish identity. The channel has an Irish advertising stream |
| Channel 6 | This Irish cable and satellite television channel was launched in 2006. It has a mix of Irish produced shows but mainly has US imported entertainment shows such as Law and Order, CSI and 24. Channel 6 is currently on the basic line-up in most NTL and some Chorus areas. It is also in the Sky general entertainment mix | Another Irish owned channel which should further help cement the platform's Irish identity. The channel rates relatively well in certain sections despite its poor EPG positioning on the satellite platform. The improved reach and EPG positioning should help boost its ratings further. The channel also has an Irish advertising stream |

⁷⁷ The metric for ratings/popularity applied in the document was the AGB Nielsen Media Research – All Channels Report (3rd March – 30th March 2008). In particular the Multi Individual Share and the National Individual Share statistics.

| | | |
|---------------|--|--|
| 3TODAY | 3TODAY builds on TV3's recent repositioning of its News output to deliver a channel which is a contemporary look at Ireland and the World. 3TODAY will deliver a compelling Irish and international schedule of bespoke News and Current Affairs, as well as drama, comedy and documentary titles from some of the world's best producers. It will complement TV3's current populist, mainstream proposition. | 3TODAY will draw on the best talent in Irish journalism from all media, providing an additional outlet for the best print, radio and broadcast journalists, in addition to TV3's in-house team. 3TODAY will also seek out a new Irish talent to head up its very own 19:00 News, 3TODAY will provide showcase slots for independent Irish producers to broadcast their own productions free of station editorial control in "Indie Hour" |
| 3XPOSE | 3XPOSE will go back and forth across the decades to deliver a programme schedule that will range from award-winning comedies such as Arrested Development and 30 Rock, to popular classics such as I Love Lucy, Cheers and Taxi | 3XPOSE is a channel built on TV3's new blockbuster entertainment brand, Ireland's leading entertainment brand for women. A channel packed with the world's best entertainment shows, 3XPOSE will mix domestic and international titles and classic and contemporary shows that will deliver the perfect entertainment formula for Ireland's entertainment television junkies |
| BBC1 | BBC1 has always rated well in Ireland. The channel has a wide range of programmes appealing to all viewers, both old and young. It shows uninterrupted programming with no commercial advertising. BBC 1 is renowned for its long running coverage of the Saturday night football highlights programme Match of the Day and the famous soap opera Eastenders, shown 4 nights a week. Children's TV is well represented and the channel has over 2 hours of children's shows a day including the iconic Blue Peter. Films are mainly consigned to late night with box office hits mainly at Christmas and at other holidays | We believe that the presence of the main UK terrestrial channels is essential to the viability and success of any new pay DTT service in Ireland. BBC 1 is a key channel and features on all major Irish TV platforms and is also received by terrestrial aerial in many parts of the East and North East. UK ASO in 2012 will result in many homes on the eastern seaboard losing UK terrestrial signals and therefore they will reconsider their TV viewing platform |
| BBC2 | BBC 2 is the second major terrestrial channel of the BBC. Like BBC 1, it doesn't have commercials. The channel is aimed at more specialised areas and also some minority interests. BBC 2 has always had an important role to play in educational programmes and has a long running association with the Open University. BBC 2 is often used to help cover sports events such as Wimbledon and major golf tournaments | This channel was included for all the same reasons as BBC 1. Onevision considers that BBC 1 and BBC 2 are complimentary channels and it is important that they are both included. |
| UTV | UTV is the ITV franchise for Northern Ireland. It covers programmes for all ages and competes for many programmes, especially sports events, with BBC 1. Currently UTV has coverage of the Champions League and beat the BBC in its bid to carry last year's rugby World Cup in the UK. With UTV being an ITV franchise all news programmes have a regional side that focuses solely on Northern Ireland | The consortium recognises the need to include as much content from Northern Ireland as possible for those from the North who live in the South, for the large constituency in the South who have a strong interest in events in the North and for those who live in the border counties |

| | | |
|---------------------------|--|---|
| Channel4 | <p>Channel 4 was originally launched to break the effective duopoly held by BBC's two channels and ITV. Countdown is the channel's longest running show and the news at 7 o'clock every evening has won many awards for its coverage as has it's anchor, Jon Snow. The channel has many documentary style programmes varying from the war in Iraq to over indulgence on fast food. Channel 4 also pioneered the concept of stranded programming, where seasons of programming following a common theme are aired and promoted together</p> | <p>Again we believe that the presence of the main UK terrestrial channels is essential to the viability and success of any new pay DTT service in Ireland. Channel 4 is another channel that many in Ireland receive as a FTA channel and UK ASO will end this</p> |
| Sky One | <p>In 2000, a dedicated feed of Sky One for the Republic of Ireland was launched. The majority of the programming is the same as the UK variant. Its hit shows include Lost, The Simpsons, Brainiac and Rescue Me. The channel rates well in Ireland and appears high on the EPG of all cable and satellite operators in the State</p> | <p>The channel rates well in this territory and has recently started to balance some of its mainstream populist shows with more thought provoking content such as Ross Kemp on Gangs</p> |
| BBC 3 CBBC | <p>This is a channel share arrangement where the kids content airs in the early part of the day and the BBC3 content in the evening. BBC 3 launches new drama and British comedy. The channel is used as a developmental channel. BBC 3 also shows repeats of shows currently running on BBC 1 such as Doctor Who and Eastenders. BBC3 also features sport.</p> <p>CBBC is the a BBC channel specifically for children's programmes aimed at kids aged between 6 and 12 years old</p> | <p>This channel is effectively 2 channels in one and as such helps manage platform capacity while providing quality programming to two separate audiences. The channel is not currently shown in basic cable packs and will help broaden consumers' viewing options while increasing available children's content.</p> <p>CBBC features more educational programming than other children's channels in the marketplace</p> |
| BBC 4 Cbeebies | <p>This is another channel share arrangement where the kids' content airs in the early part of the day and the BBC4 content in the evening.</p> <p>BBC 4 is essentially a learning channel featuring documentaries, quizzes and cultural reviews. The channel is pitched as an intelligent alternative to mainstream channels.</p> <p>Cbeebies is CBBC's sister channel and is aimed at children under 6 years old. It was launched in 2002 and is broadcast everyday between 6 am and 7 pm with a similar programming schedule everyday. Sign language is used at weekends on programmes that are aired between 3pm and 6pm</p> | <p>Again this is effectively 2 channels in one and as such helps manage platform capacity while providing quality programming to two separate audiences. These channels are not currently shown in basic cable packs and will help broaden consumers viewing options while increasing available children's content.</p> <p>As on CBBC, Cbeebies features more educational programming than other children's channels in the marketplace</p> |
| E4 | <p>This channel is aimed at viewers in the 16-35 age groups and is based solely on entertainment. E4 features US shows such as Scrubs, Desperate Housewives and Ugly Betty</p> | <p>A popular channel that rates well among audiences from their late teens to mid thirties. It also has an Irish advertising opt-out. It operates as a complimentary channel to More 4 and Film 4 and to a certain extent Channel 4</p> |

| | | |
|--------------------|--|--|
| More4 | More4 concentrates more of its schedule on documentaries, UK contemporary dramas and current affairs programmes. The channel also has repeats of Channel 4 programmes such as the popular American comedy Curb Your Enthusiasm | This channel is a sister channel to E4, Channel 4 and Film Four and is popular among audiences from their mid-twenties to mid forties. This channel is not included in most basic cable packs which can be frustrating for cable subscribers as Channel 4 and E4 frequently cross promote More4. OneVision will include E4, More4, Film4 and Channel 4 in its basic line-up |
| UTV Gold | UKTV Gold is a British channel featuring classic British entertainment shows from the archives of the BBC and ITV | This channel carries many of the classic comedy moments that people want to watch again and again. It is popular with older age groups who remember some of these shows first time around and also with younger age groups who are keen to see the most famous moments in comedy. The channel is available on the Sky general entertainment mix but is not available in the basic packs of most cable companies in Ireland |
| Living TV | Living TV is a British general entertainment channel. America's Next Top Model and celebrity interviews show the channels commitment to the celebrity culture. The entertainment comes from big US shows like Grey's Anatomy. Celebrity gossip is covered in The Fix, a five minute bulletin which is on at various intervals throughout the day | Living TV is a relatively new channel in the Irish market, but one that has proved to be very popular with its early showing of some hit US shows including Greys Anatomy. It rates very well among female audiences. This channel also has a ROI advertising opt-out. The channel is on some basic cable packs in Ireland and is on the Sky general entertainment mix |
| Paramount | A comedy channel, Paramount airs many American shows such as Two and a Half Men and Frasier. The channel prides itself on its dedication to stand up comedians and the channel has devoted a significant strand of programming to stand up comedians such as Lee Evans, Ed Byrne and Ardal O'Hanlon | Paramount Comedy is dedicated to the lighter side of programming and the schedule includes comedy of all tastes from across the comedy spectrum. The channel has an Irish advertising opt-out and is carried on most basic cable platforms in Ireland. It is also available on the Sky entertainment mix |
| MTV | MTV is an American channel based in New York. It was launched in 1981 and was originally set up to play music videos. The very first video shown was "Video Killed the Radio Star" by The Buggles. These days the channel still shows some music videos but primarily shows a variety of pop culture and youth culture and reality TV shows | Teenagers in multi channel homes rate this channel very highly and would expect to see it as part of any basic line-up. The channel also has an Irish advertising opt out |
| Nickelodeon | Nick (Nickelodeon) is a famous American cable television network. The channel focuses on kids between the ages of 7 and 12. Nick is famous for classic children's shows such as Rugrats and Sabrina. While it does have some educational programming it is more of kid's entertainment channel | The channel is on many basic cable packs in Ireland so it is important to include it in our proposed line-up. It is in the kids mix on Sky, which can mean an extra fee can be applicable to select the kid's channels. The channel also has an Irish advertising opt-out. Compared to CBBC and CBeebies, the channel shows a greater amount of kid's entertainment programming |

| | | |
|----------------------------|--|---|
| BBC World | <p>BBC World is the BBC's international news and current affairs channel. It broadcasts 24 hours a day and has regular news bulletins and interviews. The channel also features documentaries. BBC World has the largest viewing figures of any of the BBC's digital channels.</p> <p>OneVision intends to channel share content into this slot. This content may include community channel and Ethnic content</p> | <p>BBC World will help to give more of a global feel to the channel line-up and the BBC's typical high quality approach to programming is evident as normal.</p> <p>Subject to the availability of relevant quality local community and ethnic content OneVision intends to make a proportion of this channel slot available to community TV</p> |
| BBCNews | <p>BBC News Channel covers worldwide news events 24 hours a day. It delivers up to date reports and breaking news from around the world. It has world weather summaries every half hour and also features regular business and sports reports.</p> | <p>We believe that the presence of a high quality 24-hour news channel is important, and equally important is diversity of news sources. OneVision would like to include an Irish 24 hour news channel, but such an option does not currently exist. There are alternatives available in the marketplace but this channel was preferred for the quality of its journalism and also because it tends to include more of a global perspective than some other UK based news channels.</p> |
| FilmFour | <p>Film Four is a dedicated movies channel. Unlike some premium movie channels, Film4 does not focus on broadcasting 'blockbusters'. Instead, it shows a mixture of old and new independent, arthouse, British, foreign language and specialist cinema, along with some critically-acclaimed Hollywood films. The channel frequently has themed nights or seasons in which a number of films centred around one genre, director or actor are shown</p> | <p>Until the advent of Film 4, quality movie channels were generally regarded as premium content which consumers had to pay extra. Film 4 has changed this model. It is a complimentary channel to E4 and More 4 and should prove to be an immediate hit in our main line-up. This channel is not included in basic cable packs</p> |
| Dave | <p>Dave is a humorous, male-slanted channel featuring personalities such as Jonathan Ross, Stephen Fry and Jeremy Clarkson in repeat shows such as QI, Top Gear and Dragons' Den</p> | <p>This channel is very much aimed at a male audience and outside the core channels it rates relatively well in Ireland. Formerly known as UKTV G2, its recent reincarnation as 'Dave' has reaffirmed this targeting. The channel is available on the ntl digital Max Pack and on Sky</p> |
| Discovery | <p>The Discovery channel features a mix of science, history and technology programming. It is an educational channel and is aimed at viewers of all ages. Programmes from solving The Da Vinci Code to mysteries in Egypt to more freakish events like documentaries on the World's tallest man or woman feature in the schedule. The channel also airs reality based shows and shows such as Unsolved History and Mythbusters</p> | <p>This channel helps broaden the educational range of our line-up and is currently available on most basic cable packs. Although rating figures are not available, anecdotal opinion suggest that the channel is popular and people consider it to be informative and interesting</p> |
| Setanta Sports News | <p>Founded in 2007, Setanta Sports News rolling 15-minute updates keep the sports fan abreast of breaking news from the world of sport, and also features fan phone-ins and user-generated content</p> | <p>This channel is not currently carried on basic cable. It offers diversity of opinion and a different perspective to other sports news providers, coupled with a wider global view of the sports world</p> |

| | | |
|--------------------|--|---|
| Nick Jr. | Aimed at younger children, particularly pre-school, Nick Jr. has a very wide range of programming, both entertaining and educational. Shows include Dora the Explorer, Go Diego Go, Peppa Pig and Yo Gabba Gabba! | This channel fills out our line-up for children and ensures that the most demanding of audiences are catered for. Between CBeebies and Nick Jr. toddlers and pre-schoolers have choices for entertainment. This channel also has an Irish advertising opt out |
| Gems TV | Gems TV is a shopping channel headquartered in Singapore and available in the UK on Sky Digital, Virgin Media and Freeview. Gems TV buys cut and polished gems, handcrafts the products and then sells them through its television channels, hence its motto 'Cutting out the middlemen' and its claim that it can consistently undercut the High Street. Gems TV is also available online | Shopping channels seldom rank highly on ratings charts but have a significant audience and a customer base. Both Gems TV and Ideal World rank among the higher quality shopping channels. There are very strong commercial reasons for including 2 shopping channels which strengthen the business model and the viability of the business plan |
| Ideal World | Ideal World is a UK-based shopping channel owned by Ideal Shopping Direct Plc. The channel broadcasts from studios in Peterborough. Ideal World currently broadcasts live 16 hours a day. A wide variety of products are sold including jewellery electrical appliances and clothing | Shopping channels seldom rank highly on ratings charts but they do have a significant audience and a customer base. Both Gems TV and Ideal World rank among the higher quality shopping channels. There are very strong commercial reasons for including 2 shopping channels which strengthen the business model and the viability of the business plan |

Sustaining the OneVision mix of content

OneVision will sustain its mix of content by ensuring appropriate carriage agreements are in place at launch covering both commercial terms and duration. We will maintain strong and positive relationships with broadcasters throughout the contract period, creating a positive environment for audience, content provider and multiplex operator alike, securing the success of the DTT platform.

3.5.1.c. What specific proposals, if any, are there for providing content providers with access to the multiplex in a manner that is fair, reasonable and non-discriminatory?

OneVision understands the need to introduce an access policy for the platform. If OneVision is awarded the three commercial multiplex licences we intend to draw up best-practice guidelines with regard to channels at launch and the addition of future channels. Our consortium, through Arqiva's work in the UK, has first hand experience of managing such a process.

Of course we welcome the formation of new indigenous channels and will provide them with every opportunity to gain access to the platform. Such channels which will add to the diversity and plurality of voice on the platform will be deemed a desirable addition to the platform, but will, naturally need to be subject to the same FRND (fair, reasonable and non-discriminatory) disciplines as other channels.

Finally, the bedrock of our policy is that OneVision will not turn any channel away. We will give all channels the opportunity to present to us, when capacity is available. We will ensure that when capacity becomes available this availability will be communicated widely to all relevant stakeholders and interested parties.

3.5.1.d. Please detail the policy, strategy and specific proposals, if any, for the carriage of content in high definition (HD) format over the short (1-3 years), medium (3-5 years) and long term (5-10 years).

OneVision acknowledges that HD will become a major component of television broadcasting over the duration of the licence period.

OneVision, in designing and building the multiplexing centres, will ensure that they are MPEG4 HD capable from launch. We will engage with broadcasters to track the development and availability of HD content and will endeavour to persuade broadcasters involved to launch HD variants of relevant services. In the short-term, for example, we would hope to launch the Setanta Ireland channel in HD and have already actively discussed this proposition.

In the medium term, as more HD content becomes available and the MPEG4 compression matures making capacity available, OneVision will actively seek to foster HD content to match rising customer demand.

Given the current pace of change in broadcasting and platforms we would envisage that in years 5 to 10, HD content will be pervasive on the platform. However this must always be subject to capacity constraints and other developments in broadcasting.

The consortium proposes the introduction of an HD forum that would encourage all HD stakeholders to meet on a regular basis to discuss the advancement of HD on the platform and to propose practical opportunities to expand the use of HD. In addition, we are aware that the BCI funds content of all kinds and we would be happy to discuss the carriage of BCI funded HD content at this forum.

Range and Type of Programme Material or Compilations of Programme Material

This is the second part of Section 3.5. In the responses to each of the questions in this part, we outline our proposed channel line-up in detail, including TV, radio, EPG, teletext and other interactive services, giving rationale and supporting evidence for our proposals where applicable.

3.5.1.e. What is your assessment of viewing patterns of audiences in Ireland, both current and historic, and how has this informed your programming proposals?

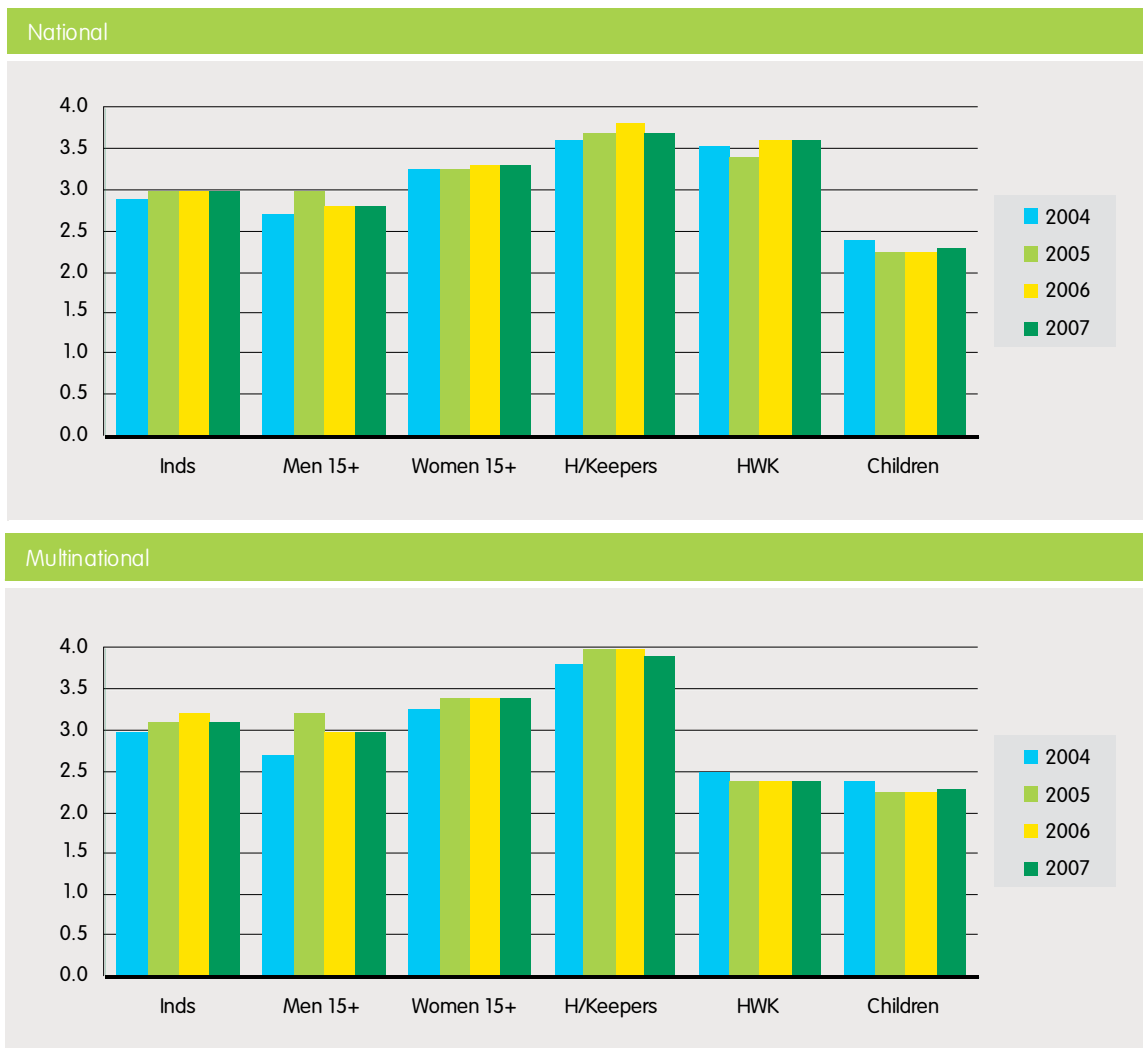
Viewing patterns of audiences in Ireland, both current and historic, were extremely important in informing our programming proposals. Our consumer proposition is based on providing more quality content for less. In order to formulate a quality channel line up we felt it necessary to inform ourselves about trends in programming and in channel popularity.

In Section 3.5.1.b, we stated that one of the criteria for choosing channels for the inaugural line-up was the viewing figures research available. The main sources consulted were the most recent AGB Nielsen Media Research monthly figures and the AGB Nielsen TV Trends report 2007. These were supplemented with BARB figures from the UK where necessary Appendix 6. These highlight trends in TV viewing and in particular the popularity of a range of TV channels. Appendix 5 shows share figures for selected channels from the AGB Nielsen March report. The main metric used when looking at the popularity of channels was the Multi Individual share metric. It is important to explain that some channels show up as having no share against them, this is not actually the case. For example certain channels that clearly have an audience in the State do not show up for reasons such as sample size e.g. Discovery.

Apart from using the AGB Nielsen Research to help compare and contrast channels we examined viewing patterns among various demographics to ensure that we were directing our efforts towards the right audience.

From looking at the AGB Nielsen TV Trends Report 2007, viewing patterns and figures have not shown major shifts in the last four years. They do however highlight certain demographics that have a greater propensity to watch television. The figures below highlight that Housekeepers and Housekeepers with Children ('HWK') are likely to spend the longest amount of time per day viewing television. This was to be taken into consideration when choosing the line up and channels such as Living TV, Channel 4, Film 4 and our four children's channels will help meet their requirements.

Figure 43: Viewing hours by audience type⁷⁸



Average Hours Viewing per day for total TV: 2004 - 2007 Mon -Sun All Day
By Key Audience (Note the data is run for the entire year and rounded to one decimal)

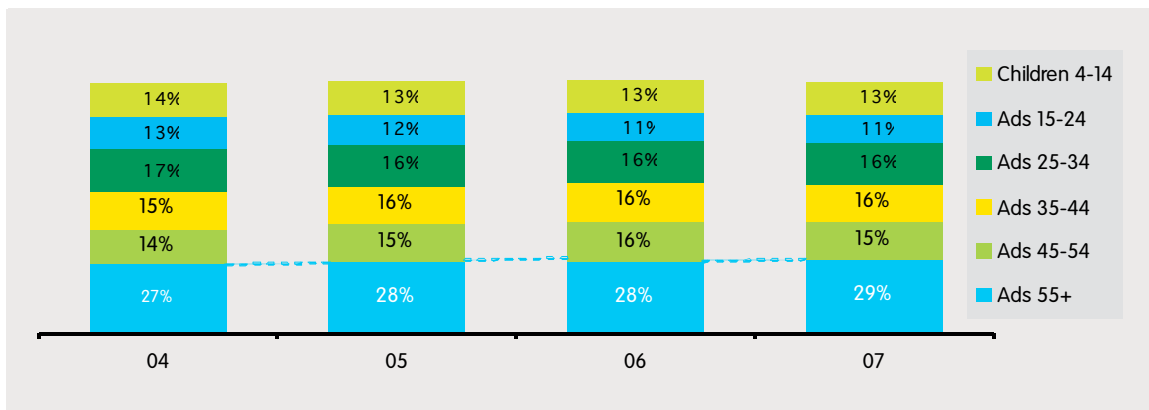
In terms of viewing times, there have been movements in the last four years, with on average 68.5% of viewing occurring during the week, and the remaining 31.5% occurring on Saturday and Sunday. 18:00 to 20:59 is still the most popular time to watch TV. One trend emerging during the last four years is that the age profile of TV viewing is continuing to get older. The Figure below shows that the 55+ group have shown the largest growth in viewing

⁷⁸ AGB Nielsen

followed by the 35-44 and then the 45-54s. In basic our line-up channels such as Setanta Ireland, BBC1, BBC2, UTV, Channel 4, UKTV Gold, BBC World, BBC News and Discovery should prove popular with these older audiences.

Throughout the life of the contract the consortium will monitor all available data to ensure that the channel line-up is in harmony with consumer viewing habits and will review the line-up accordingly.

Figure 44: National profile of TV viewing: 2004-2007 Mon-Sun All Day



3.5.1.f. In the case of television content, how many and what type of channels are proposed?

Our proposition is based on a 'more-for-less' offer to the Irish viewing public. We propose to offer our customers a mixture of free-to-air and pay channels, in two types of services:

- Basic
- Premium television services

Our *Basic* pack


In our basic package we propose to offer our customers a mixture of free-to-air and pay channels.

We will provide customers with 29 channels, of which 6 will be free-to-air and 23 pay. The six FTA channels are part of our commitment to champion the DTT platform. With this proposition we aim to provide the experience of multichannel services to those households who have only had access to limited free terrestrial channels to date.

Beyond our free channels we propose to offer a pay package that gives viewers access to an additional 23 channels. These channels contain a mix of entertainment, news, educational, music, sports, children's and original Irish programming.








The OneVision platform will offer all of the 'must have' channels for the Irish viewing audiences, as well as some exciting new Irish channels (TV3 Extra 1 and TV3 Extra 2), that we look forward to launching. The channel line-up is given in the exhibit below.

Figure 45: Basic pack

| Package | Channels | | | | |
|---|---|---|---|---|---|
|  <p>Basic Pack €9.99</p> | |  |  |  |  |
| |  |  |  |  |  |
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These basic pay services will be supplemented by a mix of premium channels. This content will consist of Sport, Movies and Kids material which will be able to be purchased for an additional monthly fee. The premium content is extremely popular and will be a way of attracting new customers to the platform from other multi channel platforms.

Figure 46: Premium packs

| Package | Channels | | | |
|---|----------------------------|---|--|---|
|  | Setanta Sports Pack €19.99 |  |  |  |
| | Sky Sports Pack €24.99 |  |  |  |
| | Sky Movies Pack €14.99 |  |  |  |

In total we propose a total of 38 channels across a wide range of genres – both FTA and pay.

3.5.1.g. What is the ratio of indigenous to non-indigenous services and content proposed?

The ratio of indigenous to non-indigenous PayTV content is 5:30⁷⁹, or one-sixth. Channels considered indigenous are:

- The two new TV3 channels, 3TODAY and 3XPOSÉ
- Setanta Ireland and Setanta Sports 1 (which are broadcast from Dublin)
- Channel 6

While the FTA multiplex will carry the core Irish channels (RTE1, RTE2, TV3, TG4) and possibly Oireachtas TV and Irish Film, OneVision will bring a new selection of Irish channels. More sports coverage, extended independent news, and daily entertainment reports will feature from towns across Ireland. When compared to the Satellite and Digital cable / MMDS equivalents in the market place, OneVision will represent a much larger orientation towards indigenous channels.

Setanta has already shown its commitment to Irish sports through extensive coverage of GAA, Rugby (Magners' League) and All-Ireland soccer (the Setanta Cup). TV3, which has strengthened its Irish output with extensive independent news, documentaries, and award-winning breakfast TV, will launch two new Irish channels. TV3 considers the OneVision consortium to be the best way to realise its multichannel strategy – an ambitious and motivated roll-out of DTT.

3.5.1.h. What is the ratio of free-to-air to subscription and/or other pay-TV content?

The ratio of FTA to PayTV channels (i.e. slots) is 6:30, or one-sixth. On top of the PSB FTA broadcasters on the platform, we will be providing an additional six FTA channels. For pay, we will provide 21 basic and 9 premium channels for a total of 30.

The consortium is committed to making some free-to-air content available as part of our channel line up. We believe it will drive early adoption of DTT in Ireland and will be a key factor in its acceptance and success. It is our understanding that the PSB MUX will include only FTA content but, as yet, we are not aware of how many FTA channels will populate this MUX.

3.5.1.i. Please describe the diversity of sources of news, information and current affairs contained within the range and type of content proposed.

Diversity of sources of news and current affairs is a bedrock of a democratic society. OneVision recognises this very clearly and we have included a variety of well-respected local and international news services in our channel line-up. Local diversity will come from the inclusion of both RTE and TV3 news and current affairs coverage on the PSB mux and from the inclusion of UTV and BBC Northern Ireland on the OneVision channel line-up. International diversity comes from the diverse range of sources provided by BBC News and ITV news coverage on UTV.

⁷⁹ We have used slots rather than channels when considering the ratios of content.

3.5.1.j. What level of assistive services is proposed?

OneVision will encourage broadcasters to provide assistive services on relevant programmes and we will make capacity available on our multiplexes for them to do so.

The channels in the OneVision proposition offer extensive assistive services, outperforming targets for 2007. In reviewing our channel selection, OneVision was, thus, cognisant to accommodate, each channel's requirements where capacity permits. The table below details the level of subtitling, audio description and signing.

Figure 47: Assistive services (2007, Ofcom targets in brackets)

| | Channel | Subtitles | Audio Description | Signing |
|----|---------------------|----------------------------------|-------------------|-----------|
| 1 | Setanta Ireland | None | None | None |
| 2 | Channel 6 | None | None | None |
| 3 | TV3 Extra 1 | TBD (TV3 Channel 31.5% (29%)) | TBD | TBD |
| 4 | TV3 Extra 2 | | TBD | TBD |
| 5 | BBC 1 | 97.5% (95%) | 10.8% (8%) | 4.2% (4%) |
| 6 | BBC 2 | 95.6% (95%) | 9.7% (8%) | 5.4% (4%) |
| 7 | UTV | 86% (82.1%) | 10% (8%) | 4.4% (4%) |
| 8 | Channel 4 | 89.5% (86%) | 8.9% (8%) | 4.8% (4%) |
| 9 | Sky One | 67.3% (35%) | 10.7% (6%) | 3.9% (2%) |
| 10 | CBBC | 91.9% (80%) | 15.9% (8%) | 4.4% (4%) |
| 11 | BBC3 | 87.2% (80%) | 27% (8%) | 4.3% (4%) |
| 12 | Cbeebies | 91.9% (80%) | 11.8% (8%) | 4.5% (4%) |
| 13 | BBC4 | 86.5% (80%) | 14.4% (8%) | 4.1% (4%) |
| 14 | E4 | 50.6% (35%) | 15.2% (6%) | 2.2% (2%) |
| 15 | More 4 | N/A | N/A | N/A |
| 16 | UKTV Gold | 69.7% (23%) | 21.6% (6%) | 1% (2%) |
| 17 | Dave | 41.1% (23%) | 20% (6%) | 1% (2%) |
| 18 | Living TV | 32.9% (35%) | 14.8% (6%) | 2.6% (2%) |
| 19 | Paramount Comedy | 7.6% (11.55%) | 4.5% (6%) | 1.4% (2%) |
| 20 | Living TV | 32.9% (35%) | 14.8% (6%) | 2.6% (2%) |
| 21 | Nick | 75.9% (23%) | 18.2% (6%) | 2.2% (2%) |
| 22 | Nick Jr. | N/A | N/A | N/A |
| 23 | MTV | 32.9% (35%) | 2% (6%) | 0.5% (2%) |
| 24 | BBC News | 80.9% (80%) | Exempt | 4% (4%) |
| 25 | BBC World | N/A | N/A | N/A |
| 26 | Setanta Sports News | N/A | N/A | N/A |
| 27 | FilmFour | 50% (35%) | N/A (6%) | N/A (2%) |
| 28 | GemsTV | None | None | None |
| 29 | Ideal World | None | None | None |

In addition to providing linear services, OneVision plans to use the developing intelligence of personal video recorders (PVRs) to make audio description and signing services more accessible to people with disabilities. We are committed to working with disability groups and content holders to launch television services that can utilise this functionality. We have several concepts under review that we are eager to discuss with our network provider, special interest groups and content holders which involve:

Working with content holders to obtain audio description / signed programming content. This could be streamed overnight to user's PVRs enabling the user to view this content at their leisure.

Making Audio Description files available online

Viewer perspective: Janet is deaf, her favourite show is Friends but Friends is not shown with signing on any of the stations. OneVision wants to work with content owners and disability groups to use PVR / DTT technology to give people access to signed content that may be available but just not shown by existing content holders.

OneVision is committed to using this content with DTT / PVR technology, making it available to the people who can benefit most from it. OneVision is committed to making DTT an inclusive and accessible service. We want to work with all relevant stakeholders to ensure that no one suffers discrimination when the country switches to digital.

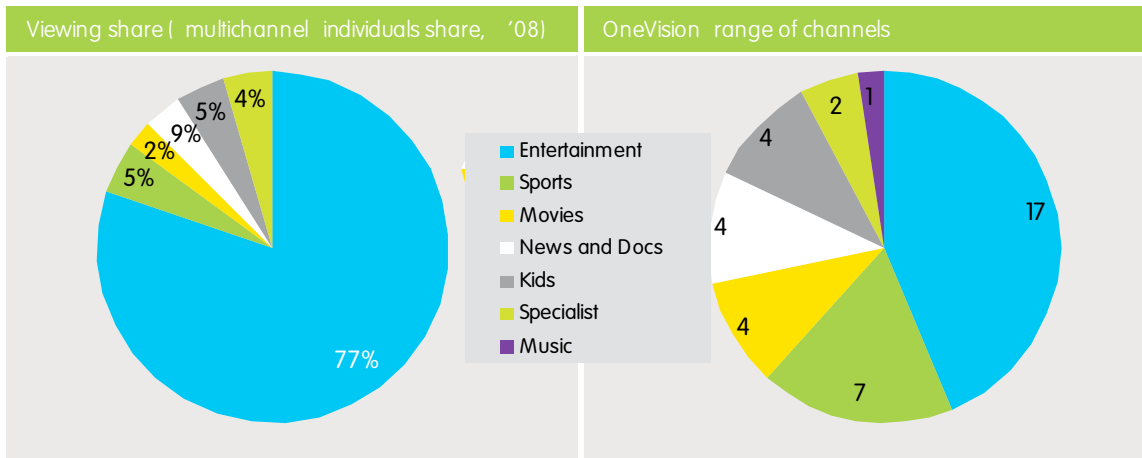
3.5.1.k. How will the range and type of content proposed extend choice to viewers? To what extent will it appeal to a variety of tastes and interests?

The OneVision service will extend choice to viewers by offering:

- **An extended range of channels to FTA viewers:** viewers who currently only experience four FTA channels will for the first time experience the opportunities, and the wide choice of content afforded by DTT. It will also represent the lowest entry level point that this group of customers have ever had to pay to get this type of service
- **A wider choice of channels:** it offers both existing basic analogue cable and MMDS customers more channels than they currently experience
- **A more accessible price point:** for Satellite and Digital customers it offers them an alternative to get the 'must have' channels at a significantly lower price
- **A more affordable route to premium content:** for premium sports and movies fans, access to content will be cheaper than ever
- **Brand new Irish content:** TV3's two new channels will be available for the first time on the OneVision platform
- **More Irish content:** Setanta Ireland will be available in basic pack, something not available to satellite homes

The OneVision service will appeal to a variety of tastes and interests by including **both the most popular channels and a range of genres**

Figure 48: Range of channels



Source: Nielsen

This range of services has been selected to cater for all tastes, and for all age groups and genres. There is something here for everyone; indeed one could argue that there is diversity and choice even within each genre, thereby widening choice and range for all.


3.5.1.1. To what extent are the range and type of programming proposed innovative and/or not already available to audiences in the State?

The four companies that make up this consortium have innovation at their core and will endeavour to ensure that this is reflected in the new platform and the channel line-up. Acknowledging this, it is important to stress that the consortium believes that the new DTT platform needs to establish itself by providing the most popular channel line up possible in order to ensure the best possible start for the platform in what is a very competitive environment. DTT will be playing “catch up” with the other more established platforms, and while this is not an insurmountable obstacle, the platform will need to demonstrate popularity and growth from its launch. To this end many of the channels proposed by the consortium are already available to Irish audiences.

New channels

However, TV3 will launch two new services on the OneVision DTT platform. These channels will be available from the platform inception.

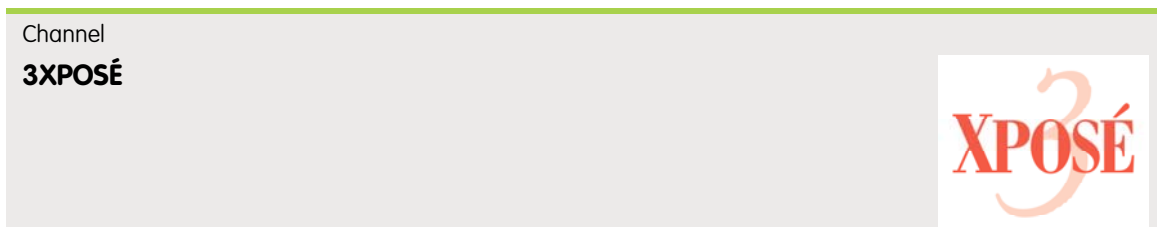
Figure 49: 3TODAY description

| | |
|---|--|
| <p>Channel</p> <p>3Today</p> |  |
| <p>Description:</p> <ul style="list-style-type: none"> • 3TODAY builds on TV3’s recent repositioning of its News output to deliver a channel which is a contemporary look at Ireland and the World. 3TODAY will deliver a compelling Irish and international schedule of bespoke News and Current Affairs, as well as drama, comedy and documentary titles from some of the world’s best producers. It will complement TV3’s current populist, mainstream proposition. • Extending TV3’s successful News and Current Affairs brands with spin-offs and original News programming, 3TODAY will showcase key industry figures in formats such as Face to Face – an interview show that will | |

feature in-depth interviews with iconic Irish personalities. 3TODAY will draw on the best talent in Irish journalism from all media, providing an additional outlet for the best print, radio and broadcast journalists, in addition to TV3's in-house team.

- 3TODAY will also seek out a new Irish talent to head up its very own 19:00 News.
 - 3TODAY will give Irish viewers the first chance to see TV3 original series and acquisitions such as School Run and The Tudors.
 - 3TODAY will provide showcase slots for independent Irish producers to broadcast their own productions free of station editorial control in "Indie Hour"
 - 3TODAY is aimed at an audience willing to invest in challenging programming, that takes risks with ideas, themes, and personalities that currently only exist on the periphery of mainstream channels
 - 3TODAY is independent and a complementary alternative to the Establishment. It is Irish. It is international. 3TODAY *is* modern Ireland
-

Figure 50: 3XPOSÉ description



Description:

- 3XPOSÉ is a channel built on TV3's new blockbuster entertainment brand, Ireland's leading entertainment brand for women. A channel packed with the world's best entertainment shows, 3XPOSÉ will mix domestic and international titles and classic and contemporary shows that will deliver the perfect entertainment formula for Ireland's entertainment television junkies
 - 3XPOSÉ will go back and forth across the decades to deliver a programme schedule that will range from award-winning comedies such as Arrested Development and 30 Rock, to popular classics such as I Love Lucy, Cheers and Taxi
 - Spin-offs from TV3's successful entertainment show Xposé will provide an Irish flavour to the channel, with a particular focus on local events in towns and cities throughout the island of Ireland
 - It will complimentary schedule TV3's X Factor with X Factor Xtra on 3XPOSÉ
 - It will feature key international Daytime successes like The Ellen Degeneres Show, Martha Stewart and The View
 - 3XPOSÉ will have 1" News bulletins on the hour, keeping it relevant to Ireland's news-hungry audience and thereby extending TV3's news brand across all its channels and platforms
 - 3XPOSÉ will also be another chance for viewers to catch soaps and soap omnibuses at alternative times to TV3
-

Local content

We will also examine ways that we can encourage new indigenous content onto the platform through channel sharing content on the BBC World channel. During certain hours of the day that channel slot could potentially carry a community channel (if available). We will also look to make this capacity available for non-national content to cater for the "New Irish".

In addition, we will have four radio channels available for local content. We believe that this is a strong way of introducing local programming that has wide appeal.

3.5.1.m. Please provide details of the proposed broadcast schedule illustrating how content would be fitted into an overall schedule of broadcasting across the multiplex and indicate the time/s of the day and the day/s of the week on which each service will be broadcast and the target audience(s).

The broadcast times will be those of the individual broadcasters. Of note is that BBC3 and CBeebies currently share a channel slot (they are broadcast at different times of day), as do BBC4 and CBBC. It is OneVision's intention to allow broadcasters to show their full schedule of content from opening transmission to close of transmission daily, or 24 hours if that is the case. Appendix 7 has daily broadcasting schedules for all channels in our proposition.

As mentioned above, we will actively consider using slot sharing as a way to enable more programming – such as more indigenous content – on the platform.

3.5.1.n. For each television channel/compilation of programme material, please detail the period for which it is proposed such material will be carried. Please indicate whether the proposed material has already been secured by way of formal agreement between the applicant and the source of the content.

It is OneVision's intention to launch the platform in Q3 of 2009 and this is the period from which contracts with channel providers will commence.

We envisage that the majority of carriage agreements will last for an initial period of three years. OneVision is committed to the success of this platform and therefore have engaged with all the content providers to get letters of intent for this project.

We see this commitment as key to ensuring that realistic carriage agreements can be agreed when the licences are awarded. To this end, representatives from the consortium have approached each channel provider or the official representatives of each channel provider and in the absolute majority of cases have received agreement in principle to carry the channel subject to further agreements/negotiations and or rights clearances.

Confidential Appendix H includes official letters of intent from all the channels included in proposed line-up. No formal legal agreements exist with channel providers due to both time constraints and the fact that the multiplex licences have not yet been awarded. Representatives from the consortium have many years of experience of dealing with channel operators in this market place and are comfortable that the proposed channel line-up can be delivered to match the business case.

We then expect to be able to successfully re-negotiate these agreements to enable to offer a service that continues to fit the vision laid out in this proposal for the duration of the licence period.

3.5.1.o. Where the continued inclusion of a channel/compilation of programme material has not been secured, what are the applicant's proposals for either (i) securing the material's continued inclusion and the period of time for which such continued inclusion will be sought or (ii) obtaining alternative content?

The consortium will ensure that the proposed channels will be contracted to the platform for initial minimum period of 3 years, subject to performance. From initial approaches some channel providers are keen to engage in longer-term contracts.

Capacity is the limiting factor on DTT. We are confident that, unlike other less-constrained platforms, broadcasters will be extremely keen to be carried on the platform, and therefore we do not envisage major difficulties in populating the capacity with good quality services.

Where the consortium is unable to reach commercial terms with a broadcaster, we will enter into discussions with alternative channels. Indeed, we have already been approached by a number of content providers who do not appear in our current line-up.

3.5.1.p. Multiplex operators are responsible for ensuring that all content carried on their multiplexes are licensed. Please confirm that all content is appropriately licensed or, if appropriate, describe what plans you have to address this requirement.

Citizens of the State already benefit from a clear and unambiguous rights regime, so that they already receive a wide range of programming free-to-air. Any DTT multiplex operator will need to clear rights for terrestrial broadcast for all programme content carried by any proposed channel. Where those terrestrial rights are held by an existing Irish terrestrial broadcaster those channels will have to obtain clearance if possible from those rights holders. Should clearance not be obtained those programmes cannot be shown.

We will include provisions in our contracts with broadcasters to ensure that all services have all relevant programme rights, regulatory clearances and licences and those broadcasters will have ongoing legal obligations to ensure the continued compliance of their services. We will ensure that services are either licensed by the BCI, or where relevant have suitable regulatory approval from the national regulatory authority of another TVWF⁸⁰ State.

3.5.1.q. Where relevant, applicants must explain the type of content proposed in HD format and comment on the steps it proposes to take to source and fund the content. The applicant should explain how it proposes to accommodate such content on the multiplex and describe the impact that carriage of HD content may have on the range and type of programming going forward.

As mentioned previously, OneVision acknowledges that HD will become a major component of television broadcasting over the duration of the licence period.

Whilst we do not propose any HD content from launch, we would hope to offer the Setanta Ireland channel in HD in the near future.

In the medium term, as more HD content becomes available and the MPEG4 compression matures making capacity available, OneVision will actively seek to foster HD content to match rising customer demand.

Given the current pace of change in broadcasting and platforms we would envisage that in years 5 to 10 HD content will be pervasive on the platform. However this must always be subject to capacity constraints and other developments in broadcasting.

3.5.1.r. Please describe the extent to which the programme proposals utilise spectrum efficiently and comment on the expected levels of audio and visual quality and

⁸⁰ The "Television Without Frontiers" Directive (TVWF) was adopted in 1989, revised in 1997 and in 2007 to become the "Audiovisual Media Services Directive" to provide an up to date regulatory framework for the European audiovisual sector.
http://ec.europa.eu/avpolicy/reg/twvf/index_en.htm

explain how this has influenced the rationale behind your programming strategy.

The content line-up on the platform is key to its viewer appeal and ultimately, therefore, to its success. Over time content will change and this potentially impacts the performance of the multiplex platform. Arqiva's experience operating its two multiplexes in the UK is that it is essential to undertake tests of representative content to assess the performance of the live system. The consortium has developed an initial allocation and distribution of the channels on the three multiplexes, but although the capacity "budgets" allocated to the channels are reasonable, it will be necessary to validate performance through testing of the actual content to assess the operational picture quality. The premium content proposed by OneVision has a number of sports channels, which will have to be given special consideration when engineering the multiplex solution. The amount of channels with such demanding content has a direct impact on the number of channels that the multiplex can support. Football is particularly demanding due to fast player movement and panning grass shots. It is recommended that commercial agreements with Channel Providers allow the multiplex operator the freedom to move the channels around on the platform to balance the load if required to ensure consistent picture quality.

OneVision's proposal for the three multiplexes might provide an opportunity to configure two as pay multiplexes and one as free-to-air, which would potentially avoid the additional costs of conditional access support on one of the three platforms. However our view of the proposed content mix is that the sports content should be more evenly distributed. In order to support the ten channels assumed in the business plan, we would recommend the premium content is distributed across all three platforms to maintain the desired quality. This will be more costly, but the final configuration will be governed by the overall content mix.

3.5.1.s. Please describe what non-programme data would be included in the proposed service(s) and the amount of capacity allocated to it.

Each of OneVision's multiplexes will accommodate the following non-programme data⁸¹:

- System Information (SI): – 256Kbits/s
- Programme Specific Information (PSI) – 275Kbits/s
- Clock reference – 50Kbits/s
- CA (EMM): a component of the conditional access system – 300Kbits/s
- CA (ECMS): a component of the conditional access system – 300Kbits
- Overhead for download: capacity for downloading software or programming to the STB – 50Kbits.

⁸¹ Programme data includes EPG, Teletext and assistive services

3.6. 9(2)(d)

In the case of a television multiplex, the proposals by the applicant for promoting the acquisition by persons in the proposed coverage area of equipment capable of – (i) receiving all of the television multiplexes available or expected to be available in that area, including the national multiplex referred to in section 3(2)(a), and (ii) enabling such persons to keep themselves informed of the choice of programme material included in those multiplexes

3.6.1. Reception of all television multiplexes

International experience demonstrates that set-top box / digital receiver strategy is one of the most, if not the most, critical success factors for the DTT platform. OneVision's central strategy on receiver equipment will ensure high adoption of DTT in Ireland and is based on four principles:

- Lowest possible price
- Widely available through a strong and nation-wide retail presence
- Officially certified to ensure consistent quality of service to all customers, meeting the BCI requirements
- Aggressively promoted through the OneVision parent companies

3.6.1.a. Describe generally your strategy for promoting the acquisition of equipment capable of receiving all multiplexes available or expected to be available in the coverage area proposed.

Our strategy for promoting the acquisition of digital receiver equipment is based on four basic principles

1. Lowest possible price

OneVision acknowledges the vital importance of receiver equipment to the success of DTT in Ireland – and in particular, the provision of affordable but compatible set-top boxes. One of our consortium members, Setanta, brings to OneVision the experience gained in selecting, distributing STB and partnering with retailers as part of the UK DTT platform. Setanta launched in the retail market in the UK in July 2007 and have a large number of retail partners actively driving sales of Setanta DTT in the UK, be it in store, online or in catalogue. As the leading communications provider in Ireland eircom, has unmatched experience in selecting, developing, delivering and supporting large volumes of Customer Premises Equipment (CPE). In addition to this relevant Irish experience

OneVision can draw on vast internal experience and vendor relationships to deliver a STB solution that will be fully compliant in receiving and displaying FTA content from the RTÉ multiplex, currently, and any other multiplex owner in the future. OneVision has been in contact with various digital equipment suppliers (listed in Section 3.4.1.e) to accurately forecast the price of receivers at launch and the expected price of receivers in the medium to long term. OneVision will look to leverage the buying power of its parent companies to ensure a lower cost of STBs that will be passed onto the Irish viewer.

2. Widely available through a strong and nation-wide retail presence

OneVision plans to make the STBs as widely available as possible. The set-top box is the physical manifestation of the service therefore, from a sales and marketing point of view, we will be utilising the existing retail channels of the parent companies to ensure we can reach customers nation-wide across all economic and social boundaries.

The OneVision companies have a wealth of experience in marketing and selling to Irish consumers. eircom has sourced, distributed and supported in excess of 500,000 broadband modems in the past 3 years, with an equivalent number of handsets shipped to homes and businesses. One of the key strengths of the OneVision proposition is to ensure that the DTT service and related equipment is available and highly visible on a nation-wide basis. Having a strong sales channel strategy is critical to ensuring the success of the DTT service. We detailed the Sales channels strategy in Section 3.4.1.f and in 3.4.2.k. To summarise OneVision will be using the following sales channels to ensure the customer can get information about or purchase the DTT service with ease.

- **Selling through traditional retail channels** – Both eircom and Setanta has the existing traditional retail partners. OneVision will leverage these strong networks to ensure that the DTT service and its related equipment are accessible and highly visible throughout the country. Working with existing partners (3G, Harvey Norman, PC World, D.I.D, Dixons, Cantec, and Curry's) will ensure that the service is visible on the high street therefore leading to a greater understanding and awareness of the DTT service and impending digital switchover. OneVision has and will continue to work with Groups such as the Consumer Electronics Distribution Association (CEDA) in relation to distribution. In addition, we will ensure we will provide adequate incentives to our retailers, in the form of activation bonuses, to ensure that the DTT platform gets the visibility on the shop floor we think is necessary for a successful platform. In the UK 80% of STBs are shipped by two large multiples (Tesco and Argos), we fully anticipate these multiples to be as important in the Irish markets and OneVision will leverage Setanta's existing relationships with these retail partner.
- **Direct sales** – potential customers will be able to ring the OneVision Sales desk to firstly check if they can receive the service and if so they can order the service. OneVision will send the customer their set top box and welcome pack including clear instructions on installing the service and online and phone help addresses if they are having issues with their installation
- **Online sales channel** – through the web site for OneVision the potential customer will be able to check if they can avail of the service, find out information about when the service will be available and order the service. Both eircom and Setanta have well established online sales channels and are looking to channel this experience into the OneVision website
- **Selling through parent companies** – eircom and Setanta are well established and experienced in selling services to Irish consumers. Both companies will be looking to sell the DTT service to their existing customer base; this will have the effect of driving sales of the OneVision services. eircom has been very successful in marketing bundles of packages into Irish homes and will look to promote the DTT service in a similar manner to help increase adoption of the service

Predominately through eircom and learning from the experience of Setanta's extensive retail partnerships in the UK, the OneVision group has gained significant retailing experience. This will enable ONEVision to establish the necessary relationships (with both retailers and suppliers), the necessary channels to market and the necessary logistics and support arrangements in place to ensure an efficient and effective DTT service can be launched. These critical relationships and skills are ready to be replicated to support the OneVision group.

3. Officially certified to ensure consistent quality of service to all customers, meeting the BCI requirements

A certification program for Digital receiver equipment for DTT is of great benefit to the public. In Ireland's case is specifically important given the fact that the UK approved standards will not be compatible with the Irish DTT service. Many Irish consumers will be familiar with the Digital UK and Freeview symbols that appear on the television sets they presently purchase. These sets are sold as 'Digital ready', but due to the fact that the encoders in the TV sets are MPEG2 compliant and the Irish standard will be MPEG4, they will NOT be capable of receiving the DTT service in Ireland. There is an important education piece around DTT equipment to ensure consumers are informed about the TV sets / digital equipment they are purchasing.

OneVision is committed to actively participating in DTT Champion effort. The certification of digital receiver equipment is core to this initiative, along with the establishment of an Irish test centre to test and approve receiver equipment. It will be critical to agree with a wide range of stakeholders an 'Irish DTT ready' cert / logo that can be placed on receivers / iDTVs to give the Irish consumer confidence that the equipment they are purchasing is fit for purpose in Ireland.

Section 3.10.1.h outlines in detail our proposals for the DTT Champion and how we are at the centre of driving this process

4. Aggressively promoted through the OneVision companies

In order to ensure that a service such as DTT can be launched on a national basis it requires well-established brands and channels to promote the service into a market that has two large incumbents dominating the landscape.

In Setanta and TV3, OneVision can call on airtime to launch and promote the DTT service into the Irish market. In eircom, OneVision can promote the service via the eircom.net portal website that sees 1.2m users pass through it each month. All three companies have large capacity and experience in terms of what they spend on marketing in the Irish market. All three companies are recognised and respected by the Irish public. The OneVision service will be leveraging these attributes to ensure the public is aware the service and the benefits of choosing the DTT service.

OneVision will look to use eircom and Setanta as a retail partner to push the DTT service nation-wide and ensure that consumers have a choice of how they wish to avail of the service.

3.6.1.b. How will you ensure that consumers can obtain equipment that meets or exceeds the functionality requirements set out in section 2.2.2?

Although antennae will be required to enable DTT reception, ONEVision's assessment is that the majority of households in urban areas will be able to use either existing antennae that would be in place for analogue reception, or a small, low cost, indoor antennae. Feedback from the DTT Pilot users (based on STB distributed by eircom and TV3) is that indoor reception within the Dublin area is of a high quality using small, indoor antennae. This has been tested in a variety of locations and property types.

Although rooftop aerial may be required for some users, in more rural locations, ONEVision's assessment is that the majority of households who plan to switch to DTT, will already have rooftop Antennae in situ, as these will have been in place for analogue TV reception. The roof top Antennae installed for existing analogue reception will function well in receiving DTT.

ONEVision plans to put in place an information service, to advise viewers considering DTT, of the requirements for reception of the service, based on their location. This advise will include details of suitable equipment, suppliers and installers. Based on experience from the UK, ONEVision are confident that the requirement for aerial installation will not be a significant barrier to the adoption of the DTT service.

To ensure consumer can obtain equipment that meets or exceeds the functionality requirements set out in section 2.2.2, the OneVision group sent a minimum requirement specification to set top box manufacturers outlining that the following minimum specification:

-
- Support MPEG 4 high definition compression format;
 - Support MHEG 5-capable middleware applications; and
 - Enable sub-titling.

To provide the Irish consumer with confidence that the equipment they purchase meets or exceeds the functionality requirements set out by the BCI, OneVision proposes a certification scheme for all receiver equipment for DTT in Ireland. This scheme will form part of our initiative to establish a working group – “Digital Ireland Group” – that will oversee the testing, certification and distribution of interoperable receivers. Full details of our proposals for the Digital Ireland Group are described further in Section 3.10.h and 3.10.1.i.

In reviewing certification it is important to ensure that both set top boxes and IDTVs are part of the certification process.

Set-top boxes

Our proposal to develop and certify STBs/receivers to the required specifications will enable our proposition to be flexible to address viewer’s needs and will allow the platform to be developed more quickly in the longer term.

Ensuring a certification program is in place is beneficial to the consumer from a quality control point of view but also to ensure that the equipment they buy is future proof for additional functionality that may be offered on the platform.

Integrated digital televisions

Integrated digital televisions (iDTVs) are becoming more prevalent in markets across Europe and the UK. These, however, are currently MPEG2 devices and therefore will not decode the OneVision broadcast signal directly in the short-term. The production of iDTVs will evolve to MPEG4; however, the timescales associated with the transition for the wider market are unknown. We believe that a significant number of households will receive their DTT channels through iDTVs and, therefore, ensuring the compatibility of iDTVs is essential for a strong take-up of DTT in the Irish DTT market.

In specifically reviewing the minimum requirements as set out in Section 2.2.2 OneVision can confirm that our Digital receiver equipment will meet the minimum requirements:

Receive and display FTA content for RTÉ and BCI licensed MUXes

In particular, we propose to use a common system to manage EPG data on a centralised basis. The output of the system would be in the DVB EIT schedule format for which numerous compliant receivers and middleware solutions are available on the open market. The central system would be loaded with schedule information by programme providers or programme aggregators using an appropriate file transfer protocol. The schedule database length would exceed the transmitted schedule length to allow uploading of data well in advance of the transmitted programme content. The output of the system would be added in to reserved capacity in all four multiplexes, thereby providing a cross-consistent open-standard format for the whole platform. Cross-carriage effectively happens at this playout stage with each multiplex carrying schedule data relating to all four multiplexes. Table repetition rates will be individually profiled within each transport stream to provide a quicker update to the ‘actual’ multiplex i.e. that being viewed.

Support MPEG4 compression format

Our certification program will ensure that all STBs that are sold in Ireland are MPEG4 compliant. We will work with industry to encourage the development of MPEG4 iDTVs in the marketplace as well as ensuring education

around the fact that present MPEG2 iDTV will not receive the DTT service in Ireland. Most sets today have a single Common Interface (CI) slot and support only one such module. We, therefore, propose to aid the development of a suitable CI Module for MPEG4 TVs to support our services, from launch.

Support MHEG5 middleware application

We confirm that our suppliers are able to provide us with MHEG5 middleware as requested by the BCI.

However, there are three main alternatives open standards of middleware to launch interactive services that can be chosen for a DTT platform. These are as follows:

- Java-based Multimedia Home Platform (MHP) standard
- Standard devised by the Multimedia and Hypermedia information coding Expert Group (MHEG), MHEG5 which is used by the UK's FreeView platform and;
- Standard Hypertext Mark-up Language (HTML)

MHEG5 has been chosen by the UK as the standard for interactive services, though the majority of other European countries have opted for MHP (either mandated or left open). The table below lists the interactive services standards by country.

Figure 51: Interactive services standards by country

| Country | Interactive standard |
|----------------|----------------------|
| UK | MHEG-5 |
| Italy | MHP |
| Denmark | MHP |
| France | MHP/MHEG-5 |
| Norway | MHP |
| Spain | MHP |
| Sweden | MHP |
| Finland | MHP |
| Poland | MHP |
| Hungary | MHP |
| Czech republic | MHP |
| Germany | MHP |
| Austria | MHP |
| Belgium | MHP |
| Australia | MHP |
| South Korea | MHP |

The choice of MHEG 5 as the interactive services standard may increase the pricing of the STB that will be used in Ireland. However, STB manufacturers have made it clear that they are relatively flexible in their ability to provide either MHEG5 or MHP, so any incremental cost should be minimal.

Enable subtitling

As part of our co-ordination with Red Bee over the EPG, we have ensured that all programmes broadcast with subtitling will be enabled on the DTT platform. Each channel will be afforded 50 kbits/s for subtitling. The table below details the total percentage of program content that supports subtitling.

Figure 52: Example of an STB



3.6.1.c. If you propose to employ Conditional Access (CA), please describe your approach to supplying the means of reception to authorised viewers and please provide the following information:

We propose to employ secure conditional access.

It is imperative to both OneVision and content owners that a secure conditional access system is in place. Recent piracy has been prevalent in cable systems in Ireland allowed premium content become un-encrypted and available for free over certain cable networks. Ensuring there is a safe and secure conditional access system in place can reduce the risk of piracy and therefore ensure that premium content providers feel safe in putting their content on the platform.

In Setanta, OneVision has a partner that has one of the most sought after premium content in the Premier League rights and part of this contract is to ensure that the means by which the content is distributed is secure. Setanta takes conditional access seriously and Setanta have been instrumental in selecting and discussing with conditional access providers a secure platform for the Irish DTT service. As detailed in section 3.4.1.e, OneVision approached many conditional access providers to discuss the methods to secure content over the DTT network.

To start viewing the DTT service, the customer must purchase a compatible set-top box or have a compatible integrated television. By simply plugging in all equipment the viewer will be able to access the four FTA Irish channels plus six or more FTA that will be provided by OneVision. If a viewer has signed up to a package with OneVision, i.e. a basic or a premium package), they will have to plug in a conditional access card. This card will be provided with the box if a pack is purchase in store, or will arrive in the post, if purchase direct through OneVision. The customer must then get their card activated (OneVision account activated

(i) How will your proposed implementation facilitate interoperability between multiplexes, such that viewers may receive all available DTT programme services on a single receiving device (subject to obtaining the necessary authorisations)?

As we are applying for all three commercial multiplexes, this will have the advantage of co-ordinating service based on a single platform wide conditional access system. Inconvenience to the consumer can be minimised by co-ordinating any future multiplex development through OneVision to ensure consistency, continuity and security on the DTT platform.

To clarify the FTA DTT service and our proposed DTT service will be available from the one set-top box and we would like to work to a certification of all boxes to ensure interoperability, under the aegis of the DTT Platform Working Group. (Further details of this working group can be found in section 3.10).

If further multiplex licenses are awarded at a later date, OneVision will explore a means of providing access to third party multiplex managers, to ensure that the benefits of a single CA system can be maintained.

(ii) Outline how inconvenience to consumers can be minimised in cases where more than one type of CA system may be deployed?

Certification of CA and STBs will be important to ensure the continued standardisation of equipment and the success of the platform in the future. OneVision would strongly recommend that only a single CA system is deployed, platform wide.

(iii) Confirm that any equipment proposed will meet the functionality requirements set out in section 2.2.2 and describe any additional features that exceed the core requirements for DTT receivers.

We confirm that any equipment proposed will meet the functionality requirements set out in section 2.2.2.

In addition to a standardised, low cost, specification compliant STB, OneVision plans to develop a range of advanced STB solutions to provide new and innovative service for the Irish market.

Additional requirements

In addition to the BCI's stated requirements, we believe that there are other key technical considerations that would aid the take-up of receivers and the DTT platform in general. This includes:

- High Definition capability
- PVR technology
- IP connectivity
- A stable and upgradeable software and hardware platform

High Definition capability

Although the BCI has not stated that it requires HD as standard in its equipment in section 2.2.2, we believe, in line with the BCI's step to future-proof the platform using MPEG4 compression, and the reference to HD compatible receivers in the BCI DTT Multiplex Licensing Policy 2008 (revised Edition) Section 2.4 -DTT Receivers that all receiver equipment be HD-ready from launch.

Although we do not envisage providing any HD content at the platform's inception, due to the fact that we wish to provide consumers with as wide a range of content as possible, we strongly believe that, as technology improves, HD content will be available on the platform in the medium to long-term.

Our stance on HD boxes has been drawn in part from discussion with several set-top box manufacturers. The majority of manufacturers do not, in fact, envisage making MPEG4 SD boxes for DTT at all.

PVR technology

At launch, we will offer our customers the opportunity to purchase a premium dual tuner STB with a personal video recorder (PVR). This will provide these additional premium services:

- Record a channel while watching another
- Pause/rewind live TV
- Provide access to a range of premium on demand content, generally known as push video on demand.⁸²

OneVision will look to develop assistive services in innovative and novel ways. We are committed to working with disability groups and content holders to launch television services that can utilise the functionality of PVRs. As detailed in Section 3.5.1.j we will work with special interest groups and content holders to maximise the availability of signed content. Content can be streamed overnight to users' PVRs and be available for them to view at their convenience. As we have also detailed in Section 3.5.1.j we will also be ensuring that our minimum set top box specification comes with Audio Description facility enabled.

Section 3.5.1.j details the amount of content that is available for assistive services for each of the channels we have in our proposed line up. OneVision is committed to using this content with the DTT / PVR technology and making it available to the people who can benefit most from it.

IP connectivity

OneVision will also provide customers with the option of a premium dual tuner STB with IP connectivity as soon as possible post-launch. We strongly believe that IP technology will enhance the proposition for our customers. eircom has been heavily involved in developing IPTV technology in Ireland has currently deployed hybrid IPTV/DTT set top boxes as part of an IPTV trial in south Dublin. The IP box will provide the following additional premium services:

- Enhanced interactive services by means of the IP return path; this will allow DTT customers to interact with DTT broadcasts in real time
- Access to additional content over the IP network. This will allow DTT customers to access even more channels via On Demand services

A stable, reliable and upgradeable software and hardware platform

In addition to receiver capability, we propose to ensure that STB software is forward compatible and easily upgradeable and updateable. We propose the use of the industry-standard DVB SSU protocols (ETSI TS 102 006) for over-the-air upgrading of receiver software. This provides a flexible architecture for providing software updates via any or all of the platform multiplexes. If system capacity constraints dictate that updates cannot be carried on all multiplexes sufficient signalling is provided by the standard to signal the presence of updates from any multiplex. This ensures optimum use of system capacity whilst maintaining the highest possible success rate. We also propose that a managed system be set up for the playout of downloads, offering capacity to manufacturers for a nominal carriage fee and publicising download availability to the industry on an appropriate website location.

OneVision through eircom has experience in remotely managing software updates to its broadband base.

⁸² Push VoD works by broadcasting premium content on spare MUX capacity, for example during off peak hours, which is then recorded onto the customer's disk for later on demand consumption.; the premium content is essentially pushed to the customer.

(i) Confirm if the receiving equipment will be rented, sold, provided free-of-charge or subsidized.

In line with the experience of the UK market it is envisaged that the vast majority of STBs will be sold directly to consumers, however, OneVision will additionally provide a rental option to consumers at launch to facilitate the segment that favours that solution.

We note with interest that other European governments have been quick to acknowledge that the price of the STB is a barrier and have given subsidies that have been cleared by the EU commission⁸³ OneVision welcomes the fact that the BCI are selecting a more future-proof solution in choosing MPEG4, but the drawback of this is the higher STB price to the commercial multiplex holders and the Irish consumer.

(i) Provide details of any proposals you may have in respect of associated customer support services (e.g. hotlines, repairs) and billing- and conditional access-related services to the consumer.

As part of a fully integrated customer services operation OneVision will have a single point of contact for all customer support issues in order to provide a seamless and best in class customer experience. OneVision believes this is a way to differentiate our offering against the two incumbent operators in the market today

All technical support and customer enquires will be handle through a single point of contact to our customer facing call centre and in additional self serve capability will be available through OneVision's website.

(iii) Confirm the status of ownership and operability of any receiving equipment upon termination/ suspension of a subscription contract.

Any customer who has purchased a STB from OneVision will continue to receive the PSB and Commercial mux free-to-air channels even if they cease their service with OneVision.

3.6.1.d. How do you propose to disseminate information to members of the consumer electronics retail and installation trades and to the public regarding the rollout and extent of coverage from the proposed network and any other information needed to obtain your service?

OneVision strongly believes that the close co-ordination of all stakeholders is essential to the success of the DTT platform. We summarise here the detailed proposals for DTT Champion that appears in Section 3.10.1.h. In essence, we propose the formation of two working groups – Digital Ireland Group and DTT Platform Group.

The former will be our voice to the public on all matters DTT and ASO; the latter will be working on coordination across the public service and commercial multiplexes to ensure a coherent viewer proposition is in place and will also jointly promote the DTT service. These two groups will be involved in the dissemination of information to all the stakeholders involved in the consumer electronics, retail and installation trades and to the public (including special interest groups), such that a regular, constructive and informative dialogue can be created to ensure that all interested parties can inform as much information as possible about the service, and the ability to receive it. All members of the OneVision group have participated in the DTT pilot workgroups and are looking to bring that experience and the cross party co-ordination to the full launch of the DTT service.

⁸³ Report for the Broadcasting Commission of Ireland. Overview Study into the experiences and practices of DTT in Austria. Page 15 and

The consumer electronics retail and installation trades

We have already engaged with the consumer electronics industry. eircom on behalf of the consortium, presented to CEDA our proposals for co-ordination and co-operation in the event our consortium was awarded the multiplex licence (please see Appendix 3.6 for the full presentation). In addition, through our existing relationships with the retailers we will be engaging both central buying level and store level as they will form important distribution channels for our set-top boxes. In section 3.4.1.f and 3.4.2.k both eircom and Setanta have demonstrated these existing distribution channel. We will use these relationships to properly educate retailers, both to the opportunity and their responsibilities.

The public

With regard to the dissemination of information to members of the public we believe our marketing campaigns will help educate and create awareness and stimulate demand. This campaign will include a substantial spend at a national level but will also include local advertising and information dissemination.

In addition, we would support the following elements that would be used to help disseminate information - Post code checker (subject to the introduction of post codes), phone number check on coverage, dedicated website, telephone helpline, training sessions, POS materials, regular supply chain seminars, host a regular industry-wide forum for retailers, manufacturers, installers, special interest groups and broadcasters.

Section 3.10.1.h outlines in detail our plans to work with all stakeholders in the DTT field to ensure the public is aware of the implications of ASO, can feel safe that the equipment they purchase is Irish DTT ready and have access to information about the switch over and the DTT service in general.

3.6.1.e. Are you prepared to support a common information dissemination strategy, involving all multiplex contractors, to provide such information through a single source? What commitment would you be willing to make in supporting any such entity? Please include details of any associated financial implications in section 3.4.

We are prepared to support a common information dissemination strategy involving all multiplex contractors.

We strongly believe that a common information dissemination strategy is essential to the successful take-up of the platform. As previously mentioned, we will lead the establishment of Digital Ireland, a working group in charge of co-ordinating all stakeholders towards the shared goal of establishing the success of the DTT platform. We would be willing to support such an entity through participation, providing expertise and proportional funding together with RTÉ and other interested parties.

We have outlined our thoughts on how such a group might be formed and the roles that this group could please in relation to supporting the DTT platform in Section 3.10.1.h.

3.6.2. Keeping Informed of Choices

3.6.2.a. What are your proposals for keeping consumers up-to-date with programme service offerings, including any proposals relating to the development and operation of an EPG?

The OneVision customer will be able to use several methods of keeping up-to-date with content: on TV, via an innovative but simple EPG; online, via a dedicate website; on the move, via SMS text services and our mobile

website; and through other media, such as advertising and TV listings. In addition we will be co-ordinating EPG policy with the Public Service Multiplex owner RTÉ to ensure consistency.

The Electronic Programme Guide

We are committed to developing and designing a simple but effective EPG. We understand that this may be the first time that many of our customers will have been exposed to an EPG so it is essential that it is as user-friendly as possible. Below we illustrate what the proposed EPG could look like.

Figure 53: The OneVision sample EPG



Development and design of the EPG user interface

We have engaged with Red Bee Media to work with us to develop and design the EPG for DTT in Ireland. This will be an extensive piece of work to be carried out over up to 30 weeks. It will include:

- Understanding the needs of the EPG – brand proposition, service positioning, advertising strategy, technical specifications and ultimate outcomes
- Defining the user experience and conceptualising these needs into the design of the graphic interface
- Taking these concepts and developing all elements required including templates for the service, as well as all the other required screens and any animated elements

Ongoing metadata EPG updates

We propose to offer a programme of at least 7-days schedule. These will be updated and downloaded daily across all channels. This will be delivered over a secure VPN and will be of the highest service level, "Near Real Time".

The OneVision website

OneVision is committed to making the most of the broadcasting and online skills that reside in our parent's organisations. For example, our customers will also be able to access the schedule on the OneVision website. In addition, we are reviewing options for the OneVision website that could give users functionality such as being able to record TV programmes and set up reminders online.

Viewer perspective: Billy is working late and is eager not to miss any of the action from the final of the X Factor. As there is no one at home and Billy is stuck in the office he thinks he will miss the action. However, as Billy is a Pay DTT customer and has Broadband at home, he can log into his OneVision account and set his PVR to record the X Factor. Once he gets home he will be able to watch his show and even fast forward through the bits he does not want to watch.

OneVision mobile

OneVision is also dedicated to providing the latest available technology to our customers. By having a telecoms partner within our consortium, we will be able to provide seamless mobile services. These will include schedule updates, alerts, keeping customers informed at all times. eircom are currently participating and supporting a mobile TV trial with the Digital Media Forum, representing a range of local digital content companies.

Other media

Of course, the content available on OneVision's platform will be displayed in TV listings and other advertising media.

3.6.2.b. **If you propose to develop and operate an EPG, what is your policy towards providing such a service on a common basis with other multiplex contractors and how this would be implemented in practice? What commitment would you be willing to make to the support of any such joint arrangement?**

A common EPG

We proposed to use a common system to manage EPG data on a centralised basis. The output of the EPG system would provide a consistent open-standard format for the whole platform. As we are applying for all three commercial multiplexes, we will discuss in detail our proposals with RTÉ and the other broadcasters on the PSB multiplex and co-ordinate effort on this work.

Logical Channel Number Administration

Of vital importance is logical channel number (LCN) administration – the process by which channels are allocated a position on the EPG. Our consortium, through Arqiva's work in the UK, has detailed understand on how difficult this process is to implement given the various public sector obligations and commercial services offered on the platform. We will adopt the principals of the guidelines as set out by the DTT Multiplex Operators Limited (DMOL), the body responsible for LCN allocation in the UK (See Appendix 3.6 for full details).

We will establish a similar set of guidelines with the following rule examples, in order of priority:

-
- FTA PSB channels will be allocated appropriate prominence
 - Channels with predominantly Irish content (and Irish-originated channels) will appear higher than their UK counterparts
 - Channels will be grouped by genre; for example: general entertainment, kids, news

The policy of OneVision will be that Irish channels are listed at the top of the EPG.

For newly created capacity

For newly created capacity, we proposed to follow a similar example to the UK and adopt a fair, reasonable and non-discriminatory (FRND) policy. This provides a sound basis for allocation. This intends to ensure that broadcasters have equal opportunity to acquire capacity on the platform when it becomes available. The relatively limited number of channels that a DTT platform can support means that there is often much competition to secure capacity. Broadcasters need therefore to prove financial security, that they have access to desirable content; that the mix of content on the platform is not diminished.

3.7. 9(2)(e)

In the event that the Commission has specified a minimum coverage area pursuant to section 8(5), the extent of the coverage area proposed to be achieved by the applicant

The OneVision consortium will exceed the BCI's requirement of 90% coverage of the population by ASO.

We will make OneVision services available to 92% of the population at ASO by taking advantage of the maximum number of sites offered by the network operator, RTÉNL. This will become 93% by the end of Q1 2013.

We will reach the minimum requirement of 90% one year before ASO. We will adopt the transmission sites as soon as they become available to us by RTÉNL.

We believe that our vision to make DTT available to as many people as possible, as quickly as possible, is central to the success of a credible and sustainable DTT platform. **We will give DTT in Ireland the best possible start in life.**

Figure 54: Coverage milestones⁸⁴

| The predicted evolution roadmap for the network comprises of six milestones | | |
|---|-----------------------------------|--|
| • End Q3 2009 | launch of service | 28 active sites that cover 87% of the population |
| • End Q3 2010 | extended to rural areas | 48 active sites that cover 90% of the population |
| • End Q3 2011 | all remaining sites covered | 53 active sites that cover 91% of the population |
| • End Q3 2012 | Irish ASO – capacity gain | coverage increases to 92% of the population |
| • End Q1 2013 | UK/NI ASO – further capacity gain | coverage increases to 93% of the population |

3.7.1.a. In relation to this criterion, applicants are required to set out their proposals for achieving, and, if appropriate, exceeding, this coverage requirement, by providing maps showing computer-predicted coverage plots, together with any supporting information necessary for the correct interpretation of the maps.

3.7.1.b. These maps should indicate predicted transmission coverage at:

the launch of the service

annually thereafter or at other major rollout-phase milestones and

analogue switch-off.

We have provided the BCI with the relative coverage maps in Appendix 2 and as high resolution images in the attached CD. Maps showing the coverage provided by each antenna have also been provided in Appendix 2. We have also provided national plots of coverage that will be achieved at each stage of the roll-out overleaf (as well as in Appendix 5).

⁸⁴ Capacity gains from 91% to 92% and from 92% to 93% result from the removal of analogue signals when ASO occurs first in Ireland and then in Northern Ireland.

Figure 55: Predicted coverage at launch of the service (Q3 2009)

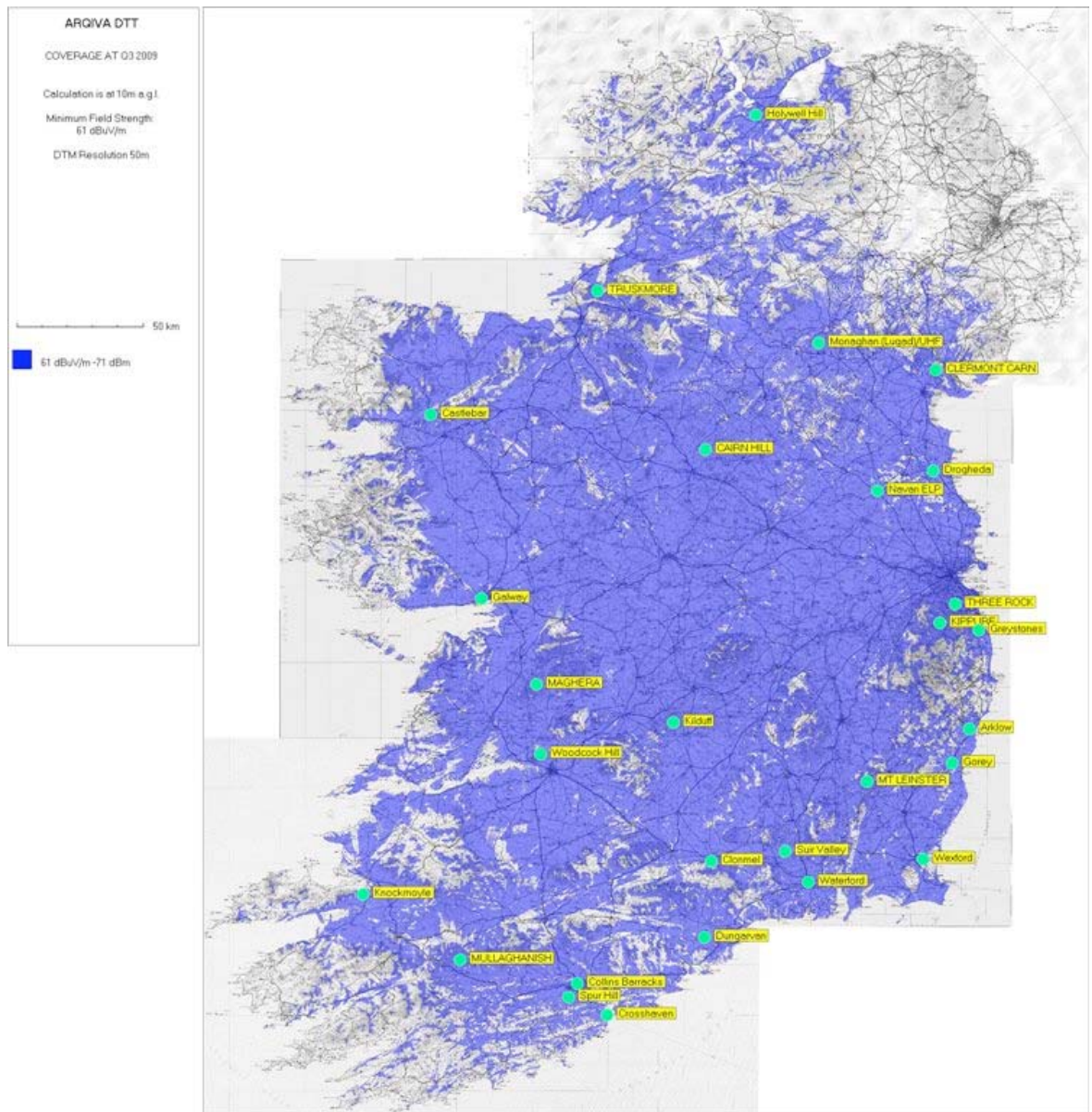


Figure 56: Predicted coverage at Q3 2010

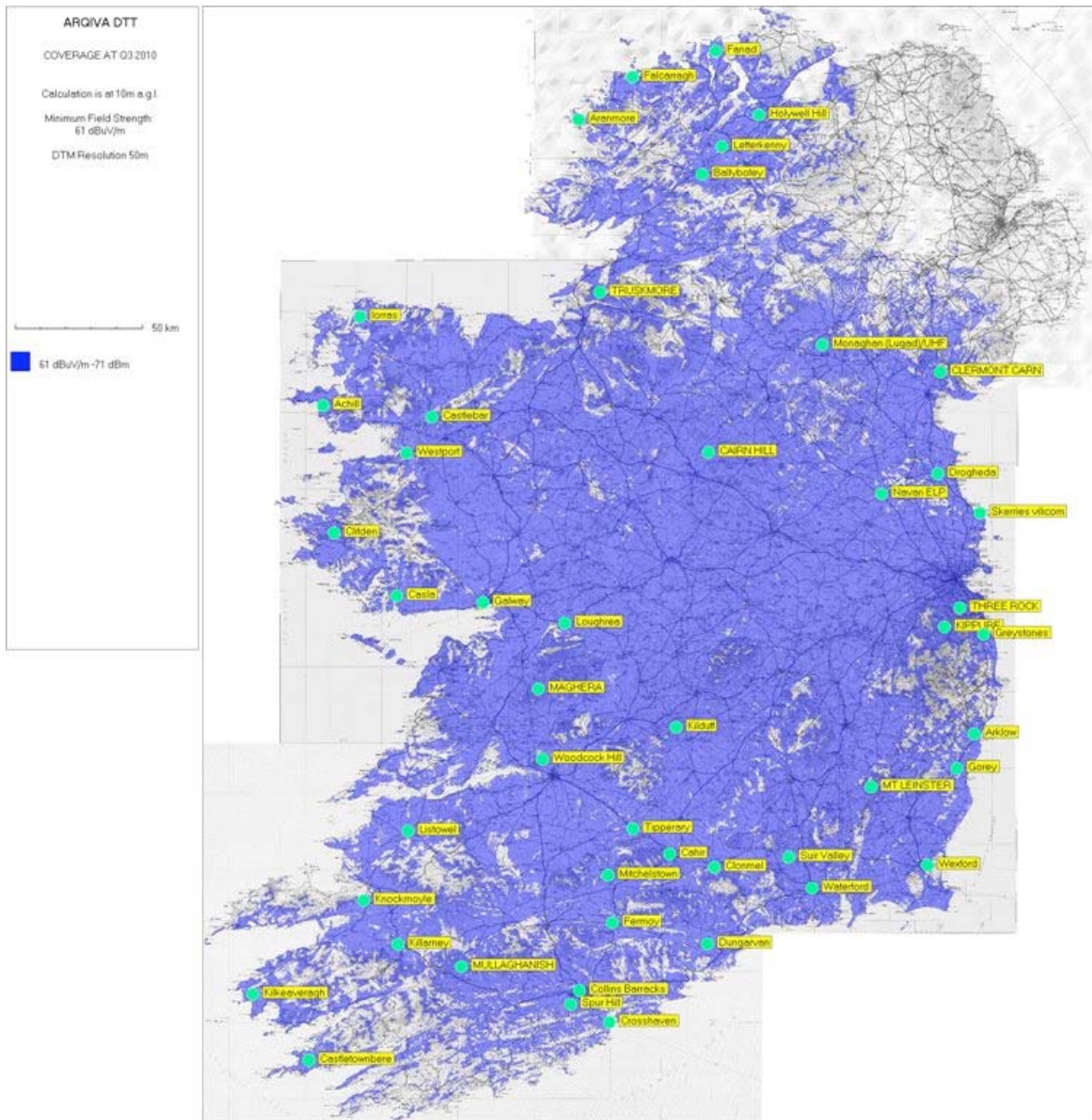
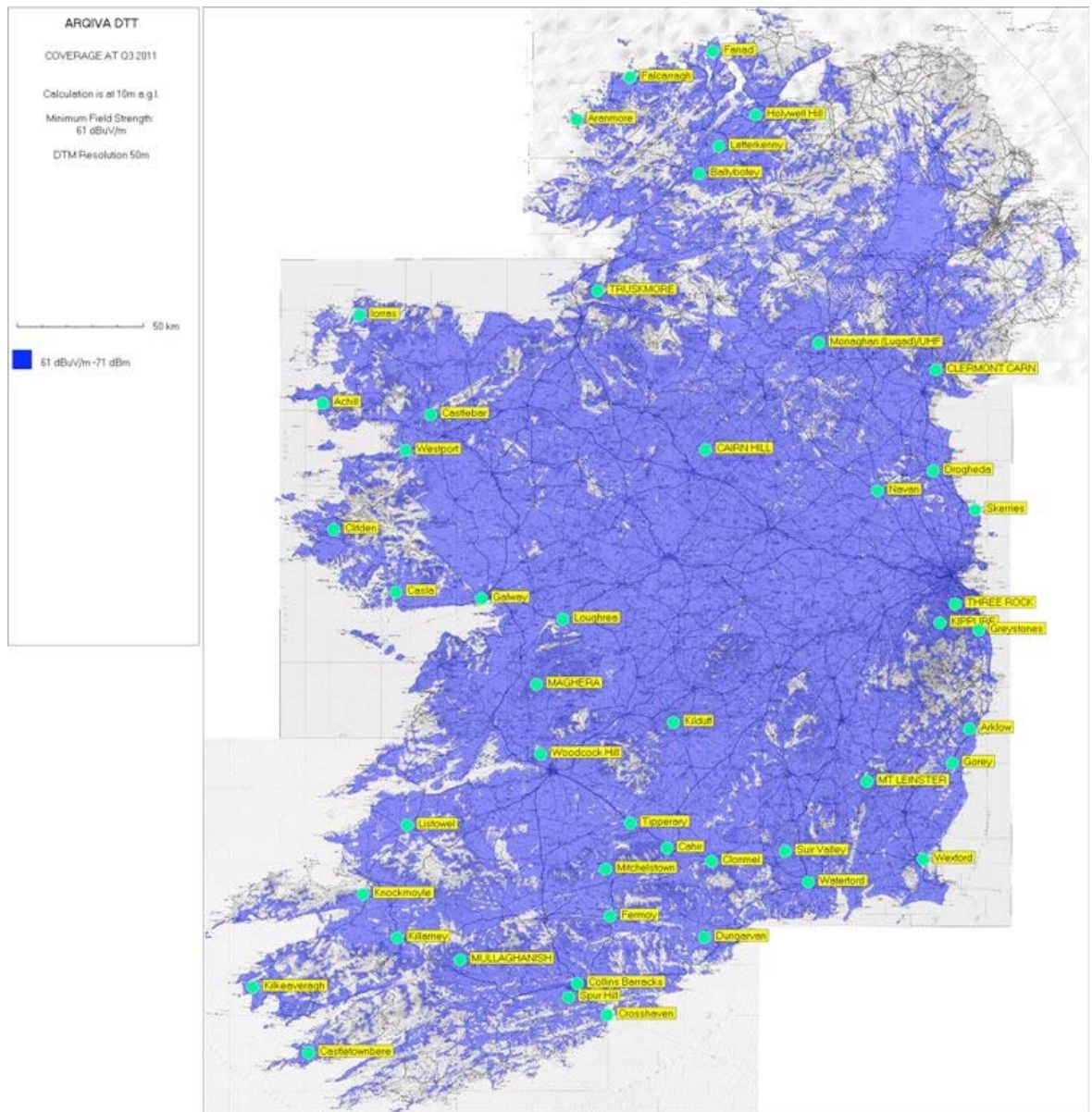


Figure 57: Predicted coverage at Q3 2011



The upgraded distribution system will be available in 2008 and our multiplexing centres (provided by Arqiva) are not critical path items.

During this period OneVision will verify constantly the quality and reliability of the service offered by the outsourcer and work to assure that all target coverage is achieved or exceeded where possible.

3.7.1.c. A table should be provided that sets out the predicted population coverage (as a percentage of the total population in the State) at:

the launch of the service

annually thereafter or at other major rollout-phase milestones and

analogue switch-off.

Figure 78A

| Date | Timeline | Predicted population coverage | Transmission sites |
|--------------------|---|-------------------------------|--------------------|
| End Q3 2009 | Launch of the service Main urban areas | 87% | 28 |
| End Q3 2010 | Further urban and some rural areas | 90% | 48 |
| End Q3 2011 | All remaining areas | 91% | 53 |
| End Q3 2012 | Irish ASO | 92% | 53 |
| End Q1 2013 | UK/NI ASO | 93% | 53 |

Please note that the increases in coverage in the last two steps are a result of the remove of analogue signals.

3.7.1.d. Please **confirm** that the predicted coverage will meet the 90% minimum predicted population coverage requirement at completion of ASO.

We confirm that the predicted coverage will meet (and exceed) the 90% minimum predicted population coverage.

The coverage maps are built by dividing the terrain into squares of 50m x 50m (pixels) and calculating the received signal strength within each square. The factors that have to be taken into account in this calculation are;

- The location, height, power and antenna pattern of the transmitting antenna (i.e. how much power is fired in which direction)
- The distance between the transmitting antenna and the receiving point
- Any obstacles between the two (hills, buildings, etc.)
- The nature of the terrain at the receiving point (whether it is rural or densely built up urban environment)

If the received signal strength exceeds a threshold (61dB_V/m) the square is deemed served. Even within a square the signal strength will not be uniform; the more built-up the area the greater the variation. If greater than 95% of a square is above the threshold then the square is deemed covered.

The limits to coverage are when the signal reduces to below the threshold simply because of distance from the transmitter or when it is screened by terrain. Coverage limited in this way is described as noise-limited.

In some cases the limit will be due to interference from another distant transmitter on the same channel; in this case the coverage is described as interference limited. From the coverage prediction, it is possible to calculate the number of people served by that transmitter.

The system employed for population analysis has been enhanced for DTT coverage engineering to improve accuracy. The enhanced datafile has c. 1,700,000 data points (house locations) and the Central Statistics Office 2006 census population data is spread across the 1,700,000 house locations to give an average number of people per house (RTÉNL understands that the population datafile currently used by ComReg and BCI is similar to the datafile that RTÉNL used until recently and used c. 5000 data points to spread the population).

By totalling the data-points and average number of people at those data-points that lie within a predicted coverage area, the total population covered by a transmitter can be calculated. This calculation can be done for each of the transmitters but it is not valid to then add the population coverage of each as there will be some overlap between transmitters (which would lead to a double count). Where there is an overlap, the overlapping area has to be allocated to one or other transmitter (best server or the site providing the best signal to that location). This will ensure that the total coverage is correct but will give rise to the counter intuitive effect of the coverage of one transmitter reducing when an extra one is added in order to increase the total. This will be particularly apparent as infill stations are added thus increasing the overall coverage but apparently reducing the coverage of the main stations.

The transmitting antenna pattern is a very important factor in determining coverage. The starting point for this is a template which is internationally co-ordinated and sets the maximum power that can be transmitted in any direction. From the template a theoretical antenna design is developed and the coverage predicted from this. There is a degree of iteration, optimising the antenna pattern for best population coverage. The next steps are the component design and manufacturer, the build, the worktests, and then the installation. There will inevitably be small changes in pattern from the theoretical to the installed and the installed pattern is verified by aerial and ground measurements. The predictions currently available are derived from the optimised patterns. There will be some deviation from design to final installation however the overall change in total percentage population covered will be negligible.

The other two important factors are the accuracy of the terrain model and the degree to which the terrain is built up (clutter). The terrain model has a vertical resolution of 50m. The model does not have detailed data on each building but classifies the terrain as being rural, urban or dense urban and applies a correction factor for each.

Although the techniques have been developed and improved over many years, it must be accepted that coverage prediction is just that and cannot guarantee absolute accuracy especially at the edge of the coverage area, in rough terrain and in heavily built up areas.

RTÉNL has used 61dB_V/m for all predictions. This is the highest signal level listed in Annex 3 of the BCI document and therefore the overall predictions are slightly conservative. RTÉNL has also used Q1 2013 best server population figures for the infill sites (with all 53 sites in service) at all stages in the rollout stage calculations. Again this produces slightly conservative figures for the earlier stages.

3.8. 9(2)(f)

The technical proposal, including a timetable for implementation, regarding the establishment, maintenance and operation of the multiplex

OneVision is dedicated to developing a world-leading DTT network in Ireland. In committing to offering over 93% network transmission coverage and having one of the leading experts in DTT distribution and multiplexing in our consortium, we believe that we are best-placed to provide this capability.

As outlined in Section 3.7, our transmission network will be rolled out as fast as RTÉNL can provide the sites.

The distribution to these sites, again provided by RTÉNL, will be based on the new distribution network which RTÉNL are building to support the DTT network. This is designed as a stable and resilient system.

Our multiplexing will be built and operated by Arqiva, one of OneVision's consortium members. In Arqiva, we have one of the leading experts in the building, operating and maintenance of DTT networks and multiplexing centres. The multiplexing centre is built deploying a fully redundant design.

As part of our multiplexing strategy, we want to ensure that the DTT platform offers a compelling proposition that is accessible to all. Arqiva has already been testing MPEG4 capability and is committed to delivering 12 high quality channels per multiplex as well as sufficient capacity for accessibility services. Arqiva have already been carrying out live tests with MPEG4 in the UK: this gives us the confidence to propose the capability to carry 12 channels per multiplex in Ireland, without any compromise in quality. In the UK, MUX A already has ten channels broadcasting in MPEG2. This includes broadcasting two PSB channels, S4C and Five.

We are, therefore, confident about being able to provide, technically, a high quality, accessible, service on DTT for the Irish public.

The network system

Individual programme channels/stream and additional data will be collated at two multiplexing centres. The first will be Arqiva's Network Management Centre (NMC), a new dedicated Irish multiplexing centre that will be established in a building adjoining Arqiva's current Dublin premises. This centre will be the master centre, controlling two of our three multiplexes (as well as the public service multiplex). The third multiplex will collate UK programming feeds at one of Arqiva's operational sites in London, William Road, before feeding this multiplexed signal into the master centre in Dublin. The proximity to UK feeds to William Road was a key technical consideration. (William Road also houses multiplexes for a number of UK broadcasters.)

The multiplex signals will be delivered via diverse fibre routing to RTÉ Studios in Donnybrook. From Donnybrook, the distribution will be managed by RTÉNL to the transmission sites via RTÉNL microwave distribution network to 13 main transmitter sites.

The main RTÉNL sites will be constructed with N+1 transmission equipment, split antennas, back-up generators. Finally, the infill sites receive their signals from the main sites.

This design has been proven in other territories to provide high resilient high availability broadcast transmission network

3.8.1.a. What is your proposed strategy in relation to transmission coverage? How will coverage be rolled out over the duration of the contract?

The OneVision consortium is strongly committed to exceeding the BCI's requirement of 90% coverage of the population by ASO.

We will make OneVision services available to 92% of the population at ASO by taking advantage of the maximum number of sites offered by the network operator, RTÉNL. This will become 93% by the end of Q1 2013.

We will reach the minimum requirement of 90% one year before ASO. We will adopt the transmission sites as soon as they become available to us by RTÉNL.

To this end, multiple meetings have been held with RTÉNL to assure that every effort possible is made to offer a quality service to the highest percentage of the population while guaranteeing sustainable costs over time.

During this period OneVision will verify constantly the quality and reliability of the service offered by the outsourcer and work to assure that all target coverage is achieved or exceeded where possible.

The build phases and coverage have been laid out in Sections 3.7.1.a and 3.7.1.b above and in Appendix 5.

3.8.1.b. Provide details of the transmission sites proposed by the applicant and the associated technical characteristics.

Please see Appendix 2 for details of the transmission sites that we propose and their associated technical characteristics.

3.8.1.c. The antenna radiation pattern proposed in respect of each multiplex transmitted at a site should be provided. In cases where both HP and VP are used at the site, a pattern for each polarisation should also be provided. Confirmation is required from the site/mast owner/operator that this radiation pattern can be accommodated in the manner proposed.

Please see Appendix 2. Appendix 2 includes:

- Antenna radiation patterns, HRP, VRP
- Site coverage map - noise limited
- Site coverage map - best server

We have confirmation from the site/mast owner/operator that this radiation pattern can be accommodated in the manner proposed.

This information has been received from RTÉNL as part of the tender response for network provision. Arqiva, as a major European broadcaster, actively participate in the European frequency co-ordination, in conjunction with Ofcom, Comreg, RTÉNL and other European regulatory bodies and broadcasters.

3.8.1.d. What are the details of the modulation scheme, FEC code rate and guard interval proposed for each multiplex (see ComReg 07/90b, section 2.3.4 and table 19)?

The modulation is 64 QAM, 2/3 FEC code rate and 1/32 guard interval.

3.8.1.e. The required transmission coverage must be achieved with a satisfactory level of technical quality and reliability. Please confirm your commitment to achieve a 99.8% service operational availability at the main transmission sites (analogous to those listed in Annex 1) and demonstrate how this will be achieved, including details of the proposed equipment and redundancy provisions. If such a level of availability cannot be guaranteed, please explain what level can be achieved and how, in your view, this is sufficient to ensure the technical quality and reliability of the multiplex service.

The design specification for transmitters, combiners and antennas stipulates that each system shall be capable of operating at the specified output power during its lifetime. The equipment is designed for continuous unmanned operation 365.25 days a year, 24 hours a day at rated full power.

The availability of a system is determined by the reliability (how often it goes wrong) coupled with how long it takes to repair it. The first is a function of the system design and the quality of the equipment whilst the second is a function of maintenance response times and spares availability.

RTÉNL have chosen an optimal balance between cost to provide and how much redundancy there is in the system to meet the required availabilities and have a national maintenance organisation and spares logistics arrangements in order to minimise the time to repair.

RTÉNL employs continuous, rigorous maintenance routines that ensure the reliability of the transmission systems. The system is designed to allow routine maintenance and repair to be carried out with minimum disruption to the services and without compromising safety for staff.

Main Transmission Sites

To ensure the availability requirements are met RTÉNL has designed the DTT transmission systems to incorporate dual drive transmitters with each drive capable of automatically switching between two independent input signal sources.

Furthermore there is a "hot" standby (N+1) transmitter in the event of a transmitter failure, a standby transmitter of equal output power will automatically switch into service instead of the failed (or reduced output power) transmitter.

To calculate the full system availability all aspects of the infrastructure that contribute to the transmission sites operation have to be included. In addition to the transmitters, the power system and antenna systems must be included. Using a combination of manufacturer data and empirical data gathered from real-world industry transmission experience main transmission sites equipped, as RTÉNL have designed the main transmission sites (single electrical supply with generator backup (N+G), N+1 transmitter system and split antenna) will have an availability of better than 99.97% (excluding planned outages. Failure is defined as services being greater than 3dB less than nominal ERP).

The main transmission sites offered by RTÉNL are designed to exceed our understanding of the reliability requirement set out by the BCI (99.8%).

Infill Transmission Sites

Infill sites are intended to serve small population centres and therefore the majority are not built with the same level of redundancy as the main sites. Using a combination of manufacturer data and empirical data gathered from real-world industry transmission experience the infill sites equipped, as RTÉNL have designed the least

robust infill transmission site (a single electrical supply, single transmitter system and single antenna) will have an availability of better than 99.89% (excluding planned outages). Failure is defined as services being greater than 3dB less than nominal ERP.

Some of the RTÉNL infill sites have backup generation fitted and some have split antenna and therefore are designed to exceed 99.89%. All the infill sites offered by RTÉNL are designed to exceed our understanding of the reliability requirement set out by the BCI (99.8%) for the main transmission sites.

As part of the OneVision consortium, Arqiva will review RTÉNL plans, and as part of the close relationship which already exists with RTÉNL, will offer any learning experiences gathered from UK networks to RTÉNL, to ensure optimum roll-out in Ireland.

3.8.1.f. How do you propose to ensure that timing and synchronisation are maintained in Single Frequency Networks (SFN)? What is the proposed approach, and rationale for any such approach, for dealing with a situation in which synchronisation of one or more transmitters in an SFN is lost?

It is intended to operate Kippure and Three Rock as an SFN.

The distribution network is locked to a Global Positioning System (GPS) clock sourced from two geographically separate locations. Additionally at SFN stations the SFN adapter is also GPS locked. These facilities are duplicated thus protecting against loss of synchronisation unless there is a problem with the GPS transmission. In such circumstances the adapter will free run and may drift out of synchronisation over time with the other station(s) in the network. The effect on the ground will be that the areas of constructive and destructive interaction will move. In the extreme it may be necessary to shut down one of the transmitters until the GPS signal is restored. The Global Positioning System (GPS) is the only fully functional Global Navigation Satellite System (GNSS). Utilising a constellation of at least 24 Medium Earth Orbit satellites that transmit precise microwave signals, the system enables a GPS receiver to determine its location, speed, direction, and time. As GPS signals are used for major civil and military operations, it is unlikely an interruption to signals will be of any significant duration.

3.8.1.g. What is your proposed strategy for distributing the combined content from the multiplex facility to the proposed transmission sites?

The distribution to these sites will be provided by RTÉNL and will be based on a stable and resilient system..

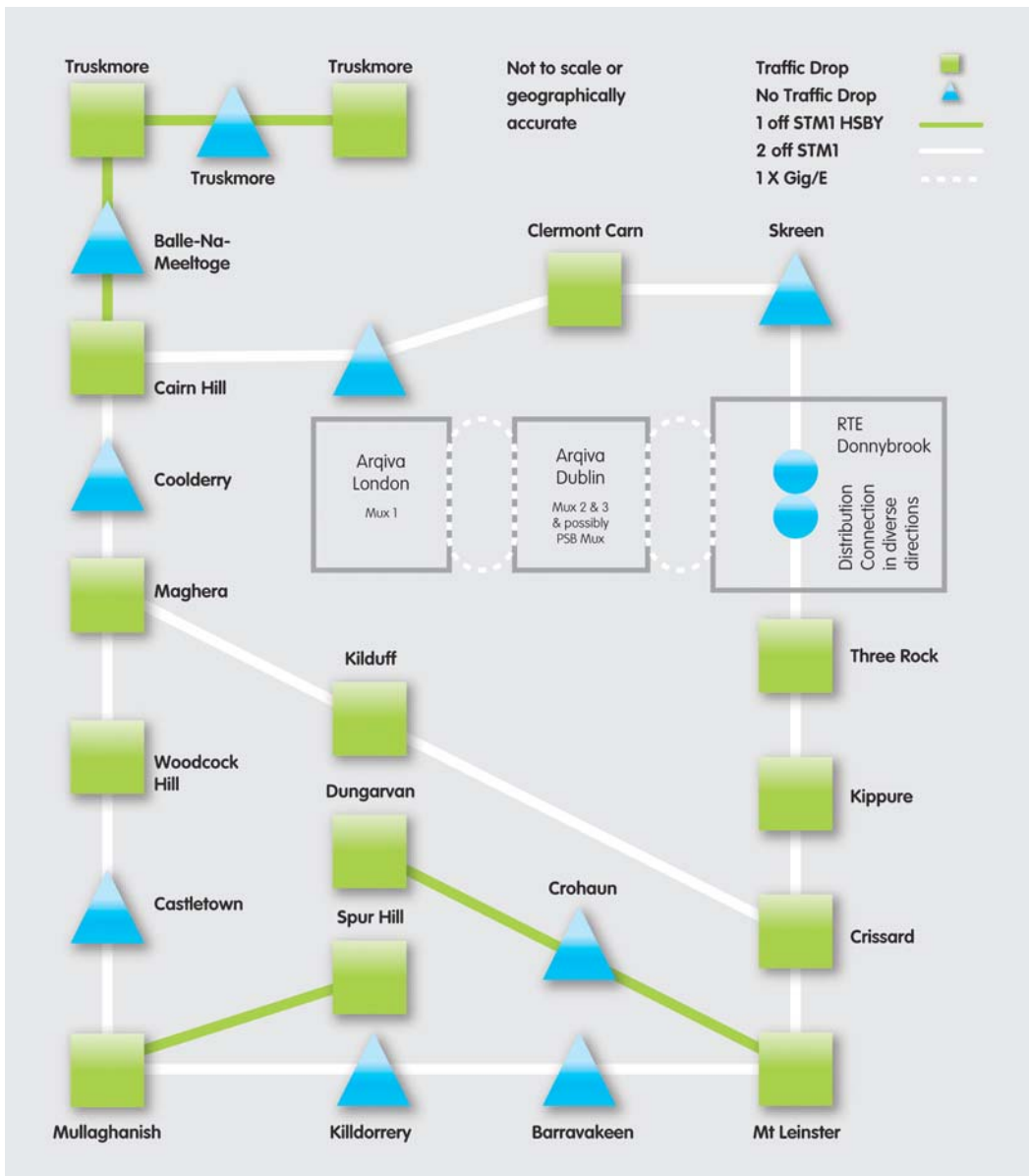
Individual programme channels/stream and additional data will be collated at two multiplexing centres. The first will be Arqiva's Network Management Centre (NMC), a new dedicated Irish multiplexing centre that will be established in a building adjoining Arqiva's current Dublin premises. This centre will be the master multiplexing centre, controlling two of our three multiplexes (as well as the public service multiplex). The third multiplex will collate UK programming feeds at one of Arqiva's operational sites in London, William Road, before feeding this multiplexed signal into the master centre in Dublin. The proximity to UK feeds to William Road was a key technical consideration in locating a multiplex in UK. William Road also houses multiplexes for a number of UK broadcasters.

The multiplex signals will be delivered via diverse fibre routing to RTÉ Studios, in Donnybrook, for onward transmission on RTÉNL distribution network.

3.8.1.h. Please describe the specific means (e.g. terrestrial radio link, fibre/copper wire, or satellite/dual feed satellite) which you propose to use for carriage of multiplexes from the head end to the transmission sites.

The main body of the distribution network consists of two STM-1 microwave radio circuits in a figure of 8-configuration with three STM-1 spurs (integrated N+1 & hot standby). The connection between the multiplexing centre and the microwave radio system will be based on a dual resilient fibre routing from the multiplexing centre to the Link Houses (a geographically separate, physically resilient and uncontended point-to-point Gigabit Ethernet over fibre connection). The DVB ASI transport stream output from each of the multiplexes is transported to the main transmission sites via this network.

Figure 60: Distribution System Overview



Distribution to the infill transmission sites is by reception of off air signals from a main transmission sites and retransmitting these signals on a new channel.

The proposed network design is similar to that which Arqiva designed and are currently building for BBC national network in the UK. The UK design utilises dedicated broadband circuits, albeit Fixed Line, to 80 mains sites, with re-broadcast radio links to secondary and tertiary 1104 sites.

3.8.1.i. The information should be provided in a table, on a site-by-site basis, in the format below or in an equivalent graphical representation.

For information, on a site-by-site basis please see Appendix 3.

3.8.1.j. Please confirm that antenna and equipment locations are available at the sites proposed to support your proposal.

The microwave primary distribution system is in place and is currently being upgraded for use as described above for DTT (complete in September 2008). With the exception of Kilduff, all locations, structures and ancillary infrastructure in the distribution system are in place. Whilst it is quite time consuming to replace a mast structure, and the structure at Kilduff may require replacing / upgrading, there is sufficient time allowed to upgrade this site in advance of the planned timescale for this site to adopt the DTT service. It is therefore not a critical path issue.

3.8.1.k. Please confirm your commitment to achieve 99.99% service operational availability (equivalent to a total outage of 52 minutes per year per path) for the distribution system, and demonstrate how this will be achieved, including details of proposed equipment and system redundancy. If such a level of availability cannot be guaranteed, please explain what level of availability the system is designed to achieve and how, in your view, this will ensure a sufficiently high level of technical quality and reliability for the multiplex service.

We are committed to achieving 99.995% service operational availability.

The design specification for microwave radio equipment and fibre optic cable equipment stipulates that each system shall be capable of operating at the specified output power during its lifetime. The equipment is designed for continuous unmanned operation 365.25 days a year, 24 hours a day at rated full power.

The availability of a system is determined by the reliability coupled with how long it takes to repair it. The first is a function of the system design and the quality of the equipment whilst the second is a function of maintenance response times and spares availability.

RTÉNL has chosen an optimal balance between cost to provide and how much redundancy there is in the system to meet the required availabilities and have a national maintenance organisation and spares logistics arrangements in order to minimise the time to repair.

RTÉNL employs continuous, rigorous maintenance routines that ensure the reliability of the distribution systems. The equipment is designed to allow routine maintenance and repair to be carried out without disruption to the service and without compromising safety for staff.

To calculate the availability of the distribution system all aspects of the infrastructure that contribute to the distribution systems operation have to be included. In addition to the radio and distribution multiplexing equipment, the power system, radio RF system and route diversity must be included. Using a combination of manufacturer data and empirical data gathered from real-world industry distribution experience, the distribution system as designed by RTÉNL (all main components of multiplexers and radio links N+1, single electrical supply

with generator and Uninterrupted Power Supply (UPS) backup (N+G+U), route diversity, hot standby, etc.) has a designed availability of better than 99.995% measured from the multiplexing centre to the furthest point (excluding planned outages).

This meets our understanding of the requirement set out by the BCI (99.99%).

3.8.1.1. What is your proposed strategy in relation to the multiplexing of content?

Our multiplexing will be operated by Arqiva, one of OneVision's consortium members. In Arqiva, we have 10 years experience in building, operating and maintenance of DTT networks and multiplexing centres. Most importantly, **having a member of OneVision controlling the multiplexing will enable us to react quickest to harness improvements in multiplexing technologies**. These improvements will allow us to provide additional content (and HD content) to our customers as soon as is commercially feasible.

We want to ensure that our multiplexing can deliver the compelling proposition that we believe will appeal to the Irish public and that it is available to all.

After consideration of the programme line-up and the allocation of programmes to each multiplexes, Arqiva propose to co-locate one multiplex with its mux centre in London to take advantage of the availability of programme material at contribution quality and to locate the other two in Dublin, with the capability of provision of a third mux in Dublin for the PSB channels, at the purpose built Clonshaugh facility.

From discussions already held with RTÉNL, it is understood that RTÉNL would be willing to consider favourably the outsourcing of the PSB multiplex to OneVision consortium, in particular Arqiva, should we be successful in the BCI process. The facility provided by Arqiva would be further scalable to house the additional 2 muxes which would come online in 2012 following ASO. This will lead to a very cost effective and technically robust design.

Individual programme channels/stream and additional data will be collated at two multiplexing centres.

Our first multiplex will collate UK programming feeds at Arqiva's UK site at William's Road in London before feeding these onwards to the master mux centre in Dublin.

The proximity to UK feeds was a key technical consideration in this design concept. The location of the source programme material is particularly important. To ensure quality is maintained, and to ensure value-for-money in operation, the programme contribution into the mux centre must be of high quality and the source material gathered at high quality, whilst minimising the cost of the contribution circuits from source material to the Multiplexing centre. The alternative solution of taking programming off a satellite feed will lead to a reduction in the quality of the signal. This is because the satellite feed has already been processed through one level of decoding and re-coding.

Of course, from the operations and maintenance perspective, it is preferable to co-site the multiplexes with operational staff, to ensure expedient response to operational support matters. Arqiva have operational staff both at William Road and in Clonshaugh in Dublin.

From discussions already held with RTÉNL, it is understood that RTÉNL would be willing to favourably consider the out-sourcing of the multiplexing of their Public Service Broadcasting multiplex to OneVision consortium, in particular Arqiva, should we be successful in the BCI process. The facility provided by Arqiva would be further scalable to house the additional 2 muxes which would come on-line in 2012 following ASO. This will lead to a very cost effective and technically robust design.

As part of our multiplexing strategy, we want to ensure that the DTT platform offers a compelling proposition that is accessible to all. Arqiva's leading technical development allows us to deliver 12 high quality channels per

multiplex as well as sufficient capacity for accessibility services. Arqiva have already been carrying out live tests with MPEG4, along with CA encryption in UK, which gives the confidence to propose the capability to carry 12 channels per multiplex in Ireland.

Recent live encoder modelling by National Grid Wireless supports only a safe level of improvement in such channel capacity as a multiple of 1.3. Arqiva is currently achieving nine 24*7 video streams in MPEG2 64 QAM on Mux A in the UK. Applying the NGW multiplier supports 12 channels and our Business Case is built on the basis of 12 TV channels per mux. Priority in the allocation of capacity on the muxes will be dedicated to this aim which is why at this time we have not majored too heavily in our application on additional services which may well be possible in respect of radio of other data based services.

National Grid Wireless's experience, in the operation of DTT Muxes C & D in the UK, is that by careful management of the allocation of overhead within the muxes it is possible to free up more capacity over time to support the introduction of more radio and non broadcast data services, and by refreshing the compression equipment regularly, to add new TV channels. At launch in 2002, Mux D only carried 4 TV 24*7 video streams but due to improvements in compression technology since then, Mux D now carries 6 TV 24*7 video streams without any change in the standards used or the modulation. This 50% increase in capacity was achieved without any degradation of quality. The BBC muxes have not sought to increase their channel capacity. Clearly the incentives and approach between a PSB and Commercial multiplex operator are different. The PSB multiplex operator typically has less incentive to launch more channels as it does not gain additional benefits in financial terms for doing so.

Clearly, by the time of launch robust testing of the multiplexes and their capacity carrying capability will be firmly established by Arqiva by undertaking trials and tests to balance and optimise the muxes performance and quality. So by the time of launch any such issues will have been addressed and the services to be broadcast by the OneVision consortium will be 12 channels per mux or such other number that we consider it absolutely safe to do so. Our Business Case is not sensitive to having to cut this back to 11 or 10 channels because our costs in respect of subscription channels are based for the most part on subscriber uptake rather than fixed costs.

Our modelling and live trials by Arqiva's sister company, National Grid Wireless, supports 12 channels. However, it should be noted that MPEG4 is still in its infancy and we are experiencing rapid developments in the compression equipment that supports it. Arqiva, by the very nature of its UK interests, is in daily contact with world class manufacturers of the latest compression technology and equipment. MPEG4 is on the cusp of additional considerable improvements. Before we even have to consider purchasing this type of equipment for Ireland it will be early 2009 which gives the OneVision consortium more time to reap some of these benefits and to work closely with the compression equipment manufacturers to deliver an optimised compression technology solution which may well support a case for more rather than less TV channels by July 2009; 15 months from now in technology terms is a long time.

3.8.1.m. What, in percentage terms, do you expect the use of capacity on the multiplex to be for
 (i) programme and programme-related content and
 (ii) non-programme related data? How do you intend to ensure that the programme and programme-related data will always exceed the eighty percent (80%) minimum requirement (see section 2.2.3)?

To maximise the value to the customers over 90% of the multiplexes capacity is dedicated to programming and programming related data (on average 85% to programming only - see table below).

To ensure that the programme and programme-related data will always exceed 80%, we will allocated a statistical multiplexing pool in exceed of 80% of the usable multiplex capacity. [Tables needs to equals 24.13]. A A multiplex operating in MPEG4 64 QAM, 2/3rds FEC and 1/32 guard interval is capable of providing 24.1818 Mbits per second of capacity. The allocations detailed below are all within this threshold.

Figure 61: Use of Multiplex 1

| Purpose | Mbits/s | % of capacity used |
|---|---------|--------------------|
| Programme and programme-related content | 22.353 | 92.4% |
| Non-programme related data | 1.829 | 7.6% |

3.8.1.n. What, in percentage terms, do you expect the use of capacity on the multiplex to be for the following purposes?

Figure 62: % use of Multiplex 1

| Purpose | % of capacity used |
|--|--------------------|
| Television content (SD and HD content) | 84.49% |
| Digital teletext | 1.07% |
| Other interactive services | 0.00% |
| EPG | 1.46% |
| SI | 1.07% |
| Radio content | 1.60% |
| Assistive services | 4.41% |
| Other | 5.92% |

3.8.1.o. Please indicate your proposed approach to ensuring a sufficiently high level of technical quality for the multiplex service, including necessary video and audio bit-rates for programme content.

Arqiva (and NGW) have considerably experience in optimising the line-up of multiplexes, from the operation of the various platforms in the UK. OneVision propose to use industry-standard video quality measurement devices which will ensure that each videostream is allocated the capacity it needs to provide sufficiently high levels of technical quality. From experience gained on these other platforms, OneVision have carefully planned the allocation of content across the 3 muxes, so the more demanding services, e.g. sports and movies, are balanced with less demanding services, e.g. news & documentary content, on each mux.

Prior to start-up of the services rigorous subjective testing will take place and suitable thresholds established for the measurement device of choice. These thresholds will then be used for automated ongoing monitoring of the radiated services. Great care will be taken to ensure that representative service types are used to populate the statistical multiplexing pool and that tests are conducted over a sufficient length of time to capture a representative range of conditions across all services.

The utilisation of MPEG4 that is proposed is a technology that is still developing. Significant developments over the next few years will enable the quality of services to be maintained whilst reducing the bitrate. With one of our members of the consortium at the forefront of these developments, and most importantly running our multiplexes, we expect to be able to react very quickly to these changes and be able to provide our customers with additional and even HD content as soon as is commercially feasible.

The choice of audio bitrates will be based upon experience and general industry practice as only a limited range of 'standard' bitrates are available from encoders.

Our expected bitrates are tabulated below;

Figure 63: Multiplex 1

| Prog. Service name or genre | Typical audio bit rate / parameters | Coding algorithm Audio / video | SD or HD | Subject to statistical multiplexing | Average / typical video bit rate | Minimum / maximum video bit rate (Mbits/s) | Total average bit rate |
|-----------------------------|-------------------------------------|--------------------------------|----------|-------------------------------------|----------------------------------|--|------------------------|
| Setanta Ireland | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 1.5 Mbits/s | 1 / 2.5 | 1.692 Mbits/s |
| Channel 6 | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 1.5 Mbits/s | 1 / 2.5 | 1.692 Mbits/s |
| 3TODAY | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 1.5 Mbits/s | 1 / 2.5 | 1.692 Mbits/s |
| 3XPOSÉ | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 1.5 Mbits/s | 1 / 2.5 | 1.692 Mbits/s |
| Film Four | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 1.5 Mbits/s | 1 / 2.5 | 1.692 Mbits/s |
| Living TV | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 1 Mbits/s | 1 / 2.5 | 1.192 Mbits/s |
| UKTV Gold | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 1 Mbits/s | 1 / 2.5 | 1.192 Mbits/s |
| Sky One | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 1.5 Mbits/s | 1 / 2.5 | 1.692 Mbits/s |
| MTV | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 1 Mbits/s | 1 / 2.5 | 1.192 Mbits/s |
| Setanta Sports 1 | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 2 Mbits/s | 1 / 2.5 | 2.192 Mbits/s |
| Setanta Sports 2 | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 2 Mbits/s | 1 / 2.5 | 2.192 Mbits/s |
| Setanta Golf | 192 Kbits/s | AAC 5.1 / MPEG 4 | SD | Yes | 2 Mbits/s | 1 / 2.5 | 2.192 Mbits/s |
| Digital Teletext | N. A. | N. A. | N.A. | No | 256 Kbits/s | N. A. | 350 Kbits/s |
| SI | N. A. | N. A. | N.A. | No | 256 Kbits/s | N. A. | 256 Kbits/s |
| PSI | N. A. | N. A. | N.A. | No | 275 Kbits/s | N. A. | 275 Kbits/s |
| EPG | N. A. | N. A. | N.A. | No | 350 Kbits/s | N. A. | 350 Kbits/s |
| Clock reference | N. A. | N. A. | N.A. | No | 50 Kbits/s | N. A. | 50 Kbits/s |
| CA (EMM) | N. A. | N. A. | N.A. | No | 300 Kbits/s | N. A. | 300 Kbits/s |
| CA (ECMS) | N. A. | N. A. | N.A. | No | 300 Kbits/s | N. A. | 300 Kbits/s |
| Overhead | N. A. | N. A. | N.A. | No | 50 Kbits/s | N. A. | 50 Kbits/s |

| Prog. Service name or genre | Typical audio bit rate / parameters | Coding algorithm Audio / video | SD or HD | Subject to statistical multiplexing | Average / typical video bit rate | Minimum / maximum video bit rate (Mbits/s) | Total average bit rate |
|-----------------------------|-------------------------------------|--------------------------------|----------|-------------------------------------|----------------------------------|--|------------------------|
| (download) | | | | | | | |
| Subtitling | N. A. | N. A. | N.A. | No | 6 x 64 Kbits/s | N. A. | 384 Kbits/s |
| Audio Description | N. A. | N. A. | N.A. | No | 400 Kbits/s | N. A. | 400 Kbits/s |
| 3% headroom | N. A. | N. A. | N.A. | No | 720 Kbits/s | N. A. | 720 Kbits/s |
| Radio 3 | 192 Kbits/s | AAC 5.1 | N.A. | No | N.A. | N. A. | 192 Kbits/s |
| Radio 4 | 192 Kbits/s | AAC 5.1 | N.A. | No | N.A. | N. A. | 192 Kbits/s |

3.8.1.p. How will the Service Information (SI) be compiled and what is the mechanism proposed for SI cross-carriage?

Service information will be generated by a centralised system to ensure consistency across the platform. The quasi-static elements of SI such as the NIT and SDT will be set up and maintained by trained staff, using well-established graphical interface applications and controlled service change procedures. Dynamic content (the now/next and schedule contents) will be provided by the programme providers, using automated connections from playout systems wherever possible.

The centralised SI system will ensure consistent cross-carriage of SI data by generating all data from a single source database at all times.

SI compilation will take place at the Arqiva facility at Clonshaugh. The mux feed from London will have SI_other added at the Arqiva facility. If RTÉ co-site for multiplexing SI will be added to the RTÉ multiplex.

3.8.1.q. Please provide details of the middleware proposed to support the proposed EPG service, if any, and confirm whether, and if so how, over-the-air software updates will be provided.

We do not propose the use of any specific middleware to support EPG provision as this could potentially stifle market growth. Instead we propose the use of EIT schedule for the distribution of schedule data as this facilitates the use of many existing receiver and middleware types and promotes a healthy receiver market.

We propose the use of the industry-standard DVB SSU protocol (ETSI TS 102 006) for over-the-air updating of receiver software. This provides a flexible architecture for providing software updates via any, or all of, the platform multiplexes. If system capacity constraints dictate that updates cannot be carried on all multiplexes sufficient signalling is provided by the standard to signal the presence of updates from any multiplex. This ensures optimum use of system capacity whilst maintaining the highest possible success rate for updates. We propose that a managed system be set up for the playout of downloads, offering capacity to manufacturers for a nominal carriage fee and publicising download availability to the industry on an appropriate website location.

3.8.1.r. Do you propose to carry access services (audio description (AD), subtitling, signing)? If so, please indicate how these services will be originated and sourced and detail the mechanism for provision including (i) whether the AD service will be provided by a separate audio stream for user mixing with programme sound, or whether a composite audio stream containing both audio description and programme sound will be premixed and provided as an additional audio service and (ii) the typical bit rate proposed for such services. Supporting information should be provided using the format below:

We have made capacity available for the provision of audio description (AD) and subtitling for all relevant services and will encourage broadcasters to provide a positive experience for all viewers.

Where provided, audio description will be conveyed on a separate mono audio channel for mixing in the receiver. Signalling data to control the fade and pan characteristics of the receiver will be embedded in the stream in accordance with TS 101 154. The audio description stream will have a bit-rate of 64kb/s.

Figure 64: Audio description and subtitling

| Prog Service Name | Audio Description (pre-mixed or user mixable) | Subtitling / signing (sub only, sign only, sub + sign) | Rebroadcast link / direct / satellite | Reason why |
|-------------------|---|--|---------------------------------------|------------|
| Setanta Ireland | User mixable | sub + sign | Direct | |
| Channel 6 | User mixable | sub + sign | Direct | |
| 3TODAY | User mixable | sub + sign | Direct | |
| 3XPOSE | none | none | Direct | |
| FilmFour | User mixable | sub + sign | Direct | |
| Living TV | User mixable | sub + sign | Direct | |
| UKTV Gold | User mixable | sub + sign | Direct | |
| Sky One | User mixable | sub + sign | Direct | |
| MTV | User mixable | sub + sign | Direct | |
| Setanta Sports 1 | TbD | sub + sign | Direct | |
| Setanta Sports 2 | TbD | sub + sign | Direct | |
| Setanta Golf | TbD | sub + sign | Direct | |

3.8.1.s. How will the programme services, to be carried on the multiplex, be sourced, e.g. terrestrial rebroadcast link, satellite, direct input (including fibre or terrestrial radio link from studio)?

The intention is to carry all programming to the multiplex centre by direct input, mainly by fibre. Other means, such as satellite and off-air feeds would only be used as a backup or if a direct feed is prohibitively expensive. As described in Section 3.8.1.i, OneVision has decided to locate one multiplex at Arqiva's William Road facility in London to take advantage of the direct feed input from UK-based content providers and to optimise signal quality.

The rationale behind this is to maintain the best possible quality and minimise the number of times a signal is decoded and recoded, particularly between MPEG2 and MPEG4.

Programmes intended for delivery to broadcasters (referred to as "contribution") are maintained at high quality and high bit rate. This is to allow further processing whilst maintaining the quality to a level suitable for final delivery to the home.

Taking a signal “off air” or off a satellite intended for domestic reception and then recoding usually results in a significantly reduced signal quality and results in an unacceptable quality and visible artefacts. This means of signal sourcing should be avoided if possible.

3.8.1.f. Please indicate your commitment to achieve a 99.99% service operational availability of the multiplex facility (equivalent to a total outage of 52 minutes per year) and demonstrate how this will be achieved with reference to location, equipment, and equipment redundancy. If such a level of availability cannot be guaranteed, please provide the level of availability proposed and how, in your view, this will provide a sufficiently high level of technical quality and reliability for the multiplex service.

Arqiva are committed to 99.99% availability at the multiplex facility. This availability would be measured over a rolling 12 month period and relates to the entire multiplex output.

Within the main multiplexing centre, a mux system will have:

- Redundant input feeds to protect against loss of a contribution circuit.
- Duplicated input switcher to the mux system
- Encoders operated in 12+2 redundancy
- Duplicated multiplexers and telecoms interface
- Duplicated hot standby system control computers
- Dual diverse circuits from the mux centre to RTÉ Donnybrook

The mux centre will have diesel generator mains backup as well as all essential equipment fed from duplicated mains supplies. The ventilation system will be duplicated and the equipment areas fitted with fire suppression.

This level of redundancy is standard within Arqiva systems and the mux system in London will be to the same standard.

The availability at individual stream levels depends mainly upon the system receiving a valid stream within the intended bit rate limits. Arqiva’s operational systems achieve 99.99% availability over a 12-month rolling average.

3.9. 9(2)(g)

The duty imposed on the Commission under section 4(5)

Section 4(5) states:

It shall be the duty of the Commission to endeavour to arrange for the broadcasting of any television broadcasting service in Northern Ireland that is notified to the Commission by the Minister, being a service that is receivable throughout the whole of Northern Ireland and is provided by terrestrial means, by digital means under a multiplex contract.

In this section we demonstrate how and to what extent we will accommodate Northern Irish services in the event that a notification, as referred to under section 4 (5), is made by the Minister at a point in the future.

The BCI have given clarification that four such channels will be affected: BBC1, BBC2, UTV and Channel 4⁸⁵. As we believe these channels to be a core part of our proposition, we intend to carry these channels from launch. As such, we anticipate no impact on our business, should a notification be made.

3.9.1.a. How might one or more such services be accommodated on the multiplex? Your response should set out the capacity, if such is available, to accommodate any such service, the means proposed for channel sourcing and any issues you anticipate might arise in respect of SI, EPG or other signalling.

At present only four such Northern Irish television services are available by terrestrial: these are BBC1, BBC 2, UTV and Channel 4. We, with the guidance of the BCI, expect that this will continue to be the case until analogue switch-off in Northern Ireland. After analogue switch-off, the BCI has anticipated that three public service multiplexes, carrying a broad range of programme material, will be available throughout Northern Ireland. In the short-term, it is anticipated that any notification that may be made by the Minister would, therefore, apply to BBC1, BBC2, UTV and Channel 4, as these are transmitted terrestrially throughout the whole of Northern Ireland.

We confirm that BBC1, BBC2, UTV and Channel 4 will be broadcast as part of our *Basic* pack. Indeed, we believe that these four channels are central to the appeal of our proposition. The availability of the UK terrestrial channels has been discussed with representatives from Reed Smith Richards Butler LLP and is subject to all necessary arrangements.

In case of overlap

The possibility will remain that there may be areas of overlap in the North of the State. STBs located in these areas will pick up transport streams from both the State and Northern Ireland. The transport streams carry with them information pertaining to the country of origin, e.g. country code 1 for the State and 2 for the UK.

In summary, we confirm that any STB conforming to the baseline specifications located in the State will identify the Services as being those generated from the State by the country code and will place such service at the EPG number designated to it by OneVision. The transport stream for the Services generated from the UK will be hosted by the STB at an appropriate EPG number normally the next available slot.

⁸⁵ BCI response to DTT queries – for circulation 01.04.08.

3.9.1.b. How would such a notification impact on the television programme content already carried on the multiplex and agreements entered into by you in respect of the carriage of content?

We anticipate that such a notification could have two main areas of impact: capacity on the multiplex and content rights issues.

Capacity on the multiplex

As we expect to include the four UK terrestrial channels in our content line-up, we anticipate no capacity effects on the television programme content already carried on the multiplex.

Content rights issues

In order for OneVision to carry these channels it will be necessary for the individual Northern Irish FTA broadcasters to ensure that the rights for all programmes broadcast by them on their channels supplied to OneVision are cleared for terrestrial transmission in the Republic of Ireland. This will apply at launch, and would continue to apply in the event of receipt of notification.

From our combined experience gained from DTT pilot, we understand that some content could be subject to lengthy negotiation. However, as these discussions are already well advanced, we strongly believe that the required content will be made available to us.⁸⁶

3.9.1.c. What impact do you anticipate such a notification may have on your business plans and financial projections?

We do not anticipate any effect on our business plans or financial projections, given that these channels are already included in our proposition.

3.9.1.d. How is your ability to accommodate such a notification affected by the attachment, or not as the case may be, of any conditionality to this application?

Our ability to accommodate such a notification is not affected, in any way, by the conditionality to this application.

⁸⁶ Please note that it will always be the case that some content cannot be made available to the Irish public. Rights holders may well require the black out or certain programmes. This will be the case for any multiplex owner.

3.10. 9(2)(h)

Any other matters which the Commission considers to be necessary to secure the orderly establishment, maintenance and operation of multiplexes

In this section, we outline any additional matters that we believe are central to our applications. These include:

- Timeframe for commencement of transmission;
- Media concentration considerations; and
- Achievement of statutory and BCI Policy objectives.

Timeframe for Commencement of Transmission

3.10.1.a. Are any consents, clearances, permissions or approvals (including EC Merger approval) necessary or appropriate, or other conditions needing to be met either before or after the contract is awarded?

The OneVision consortium anticipates no problems with regulatory permissions or approvals for the formation and incorporation of OneVision or in terms of media concentration considerations.

The supply of content, software and hardware is all subject to contract negotiations. Our consortium has made significant progress with a number of suppliers for each service required – totalling some 20 to 30 companies. To this extent, we have obtained letters of intent from all of our preferred suppliers and the vast majority of the rest. If we were to be awarded the licences, we would seek to continue negotiations immediately.

3.10.1.b. Please submit a critical path analysis identifying all key actions and decisions required on the applicant's part and their timescale from the time of the award of the contract to the on-air date.

The key factor on the critical path to the launch of the DTT service will be the speed with which RTÉ NL can build the network that delivers the DTT service. DTT members such as Arqiva and TV3 have worked with RTÉ NL on similar projects and we are looking forward to working with RTÉ NL to explore the specific details of how we can assist in the network planning and roll out.

Arqiva will share their expertise / experience in this area and build on existing relationships with RTÉ NL to ensure that Ireland has a stable and future proof terrestrial network on which to broadcast. Critical path will include:

- Jul 2008 - Decision from BCI on licences
- Q3 2008 - Initiate and drive the formation of the Digital Ireland Group and the DTT Platform Group (Section 3.10.1.h)
- Q3 2008 – Incorporate OneVision with proposed board and management structure
- Q3 2008 – OneVision Management team in place
- Q3 2008 - Commercial negotiation with RTÉ NL on final network cost
- Q3 2008 - Finalise network roll out details with RTÉ NL
- Q3 2008 - Contract with the BCI around the licensing arrangements
- Q4 2008 - Finalising channel contracts for the service
- Q1 2009 - STB laboratory testing

-
- Q1 2009 - Full end to end Pilot test
 - Testing the Multiplexing
 - Testing the transmission network
 - Testing the equipment in homes
 - Testing the EPG
 - Testing the Conditional Access system
 - Establish Customer service centre
 - Q2 2009 - Finalisation
 - Test Customer service
 - PR Launch
 - Q3 2009 - Nation-wide and marketing launch

3.10.1.c. How is your ability to progress to commencing transmissions affected, if at all, by the attachment, or not as the case may be, of any conditionality to this application?

The ability is not affected in any way by the conditionality of the application.

3.10.1.d. With reference to the information provided in section 3.3, please identify and provide details of the following:

All substantial interests held (either directly or indirectly) by the applicant or by any member of the applicant or by any director of the applicant in the communications media in the State;

1. The proposed and agreed directors of the new limited company and details of their substantial interests in, and control of, the communications media in the State are as follows:

(a). Alan Douglas Watson: No such interest or control.

(b). Tom Meikle Bennie: No such interest or control

(c). Cathal Magee: No such interest or control

(d). Michael O'Rourke and (e). Leonard Ryan

Setanta Radio Limited ("Setanta Radio") is owned by Michael O'Rourke and Leonard Ryan. Setanta Radio owns 17.62% of the issued share capital of News 106 Limited (trading as Newstalk 106) which operates a national sound broadcasting service, and 12% of the issued share capital of CK Broadcasting Limited (trading as KCLR) which operates a local sound broadcasting service in the Carlow/Kilkenny area.

(f). David McRedmond

David McRedmond is the Chief Executive Officer of TV3 Television Network Limited and is a board member of Setanta Sports Holdings Limited. Tullamore Alpha Limited owns a substantial minority interest in Setanta Sports Holdings Limited. He is a director of TV3 Television Network Limited and Tullamore Alpha Limited.

David McRedmond holds 3.00% of the issued share capital of Tullamore Alpha Limited which indirectly holds the entire issued share capital of TV3. David McRedmond also has non voting Redeemable preference shares in Tullamore Alpha.

(g) 2 other directors are proposed to be appointed

The Applicant confirms that, while the foregoing is subject to change, it will advise the BCI in a timely manner of any such change along with a declaration of details of any substantial interests in, and control of, the communications media in the State.

Control - exercised directly or indirectly, by the applicant or by any member of the applicant or by any director of the applicant - of any communications media in the State.

The Applicant is a consortium of 4 members. The Applicant's members are listed below with details of their substantial interests in (direct or indirect) and control of (directly or indirectly) communications media in the State as follows:

1. Setanta Sports Channel Ireland Limited ("Setanta")
2. TV3 Television Network Limited ("TV3")
3. Arqiva Limited ("Arqiva")
4. eircom Limited ("eircom")

Setanta Sports Channel Ireland Limited:

Gaiety Investments Limited owns 20% of the issued share capital of Setanta Sports Channel Ireland Limited, the remainder being held by Setanta Sport Holdings Limited (see section 2 regarding TV3 for further details regarding Setanta Sport Holding Limited interest in media). Gaiety Investments Limited is a relevant person by virtue of the fact that it owns 14% of the issued share capital in Dublin Rock Radio Limited which has been awarded a sound broadcasting contract to operate an independent rock music station in Dublin.

Setanta operate the Setanta Ireland television channel but has no other interest (substantial or otherwise) in any media business in the State.

Furthermore, Setanta does not have the ability to exercise decisive influence (directly or indirectly, or solely or jointly with any other undertaking) in any communications media in the State.

TV3 Television Network Limited ("TV3"):

TV3 is the Television Programme Contractor as contemplated by Section 17 of the Radio and Television Act 1988 and is contracted by the BCI to provide the national commercial terrestrial television service.

The entire issued share capital of TV3 is legally and beneficially owned by TV Three Enterprises Limited ("Enterprises"). The entire issued share capital of Enterprises is legally and beneficially owned by Tullamore Beta Limited (Registered Number 419695) ("Beta"). The entire issued share capital of Beta is legally and beneficially owned by Tullamore Alpha Limited (Registered number 422974) ("Alpha").

Members of the TV3 Management Team hold shares representing 13.375% of the issued ordinary share capital of Alpha on a diluted basis.

The remainder of the issued share capital of Alpha is held by Tullamore S.à.r.l. ("TSL"), a société à responsabilité limitée registered in Luxembourg under registration number B121012.

Officers Nominees Limited (one of 5 shareholders in DHC) holds 5.5% of the issued share capital of DHC. The remainder of the issued share capital of DHC is held by the following shareholders ("the DH Nominees"):

- Doughty Hanson & Co IV Nominees One Limited
- Doughty Hanson & Co IV Nominees Two Limited
- Doughty Hanson & Co IV Nominees Three Limited
- Doughty Hanson & Co IV Nominees Four Limited

Each of the DH Nominees holds its shares in DHC for a limited partnership whose general partner (with sole management and control) is a company which is wholly owned by Doughty Hanson & Co Limited ("Doughty Hanson").

The management and control of each such limited partnership has been delegated to a company which is wholly owned by Doughty Hanson.

The entire issued voting share capital of Doughty Hanson is held by Nigel Doughty and Richard Hanson.

Tullamore Alpha Limited, which indirectly owns the entire issued share capital in TV3 owns an interest of approximately 21.8% in Setanta Sport Holdings Limited ("Setanta Holdings") calculated both on a non-diluted basis and on a fully-diluted basis taking into account its options to acquire additional equity share capital from existing shareholders in Setanta Holdings. Setanta Holdings and its subsidiaries are party to a number of contracts with the BCI as follows:-

| | |
|--|---|
| Setanta group company | Broadcasting Contracts |
| Setanta Sports Channel Ireland Limited | Provision of Content (Satellite Subscription Contract |

| | |
|-------------------------------------|--|
| | Provision of Content (Cable – MMD) Contract |
| Setanta Sport (PPV) Limited | Provision of Content (Satellite Commercial -Subscription) Contract |
| Setanta Sport North America Limited | Provision of Content (Satellite Subscription) Contract |

TV3 has no other interest (substantial or otherwise) in any communications media in the State. Furthermore, TV3 does not have the ability to exercise control (directly or indirectly, solely or jointly with any other undertaking) in any other communications media in the State.

Arqiva Limited (Arqiva):

Arqiva has no interest (substantial or otherwise) in any communications media in the State.

Furthermore, Arqiva does not have the ability to exercise control (directly or indirectly or solely or jointly with any other undertaking) in any communications media in the State.

eircom Limited (eircom):

Subject to the following comments regarding eircom net, which it does not believe amounts to communications media, eircom has no interest (substantial or otherwise) in any communications media in the State.

eircom net is an internal business unit of eircom Limited. This manages the Internet portal which, inter alia, carries a feed of the Setanta Sports TV channel for its customers along with a selection of news items. It offers a range of services and content based on the model of other European and US Internet Service Providers. It has been in this business for eleven years and does not consider its business to be a communications medium.

Furthermore, eircom does not have the ability to exercise control (directly or indirectly, solely or jointly with any other undertaking) in any communications media in the State

3.10.1.e. The applicant should state why, in its view, the award of one (or more) DTT multiplex contract(s) to the applicant would not result in the applicant having control of, or substantial interests in, an undue amount of the communications media in the State. Applicants should discuss the context in which their statement is made, with reference to the following:

(i)_ The totality of the communications media in the State

(ii) The share of the total audience of the various communications media in the State

The Applicant believes that the award of one (or more) DTT multiplex contract(s) to the Applicant would not result in the Applicant having control of, or substantial interests in, an undue amount of the communications media in the State.

The Totality of the Communications Media in the State and the Share of the Total Audience of the Various Communications Media in the State:

The Applicant is a new entrant to the television platform provision sector and its entry to this sector would increase competitiveness and diversity in the provision of the services.

The Applicant, if successful will be providing a platform for the provision of television programming to the State. There are two main sectors at issue, namely the provisions of television platform services to the Irish consumer and also the provision of platform services to television programme service provider (TV Channels).

1. Provision to the Consumer of Television Services in the State and Substitutability:

There are a number of platforms available for the provision of television services in the Republic of Ireland, namely Cable, Satellite and Analogue Terrestrial. Approximately 36% of Irish homes have cable services within the State whilst approximately 37% of Irish homes have satellite services (there are some Irish homes which avail of services from multiple platforms). Accordingly there are already a number of other well established alternatives to DTT operating within the State as already set out and it will be noted that consumers currently use multiple platforms (for example, both cable and satellite within the same home) for the reception of television programme services.

In regard to terrestrial television services, the Broadcasting Amendment Act 2007 mandates that the current FTA television services will be made available via RTE. As such there will not only be an alternative platform to the Applicant's platform, there will, in fact, be an alternative provided by RTE within the same platform. This sector is already well-developed and highly competitive within the State and the provision of another terrestrial platform will in fact increase competition and consumer choice.

Provision of Platform Services to Television Channels in the State and Substitutability:

The points as made above apply also to the provision of services to Television Channels. We also note that the BCI will make it a condition of licences that access to the platform by television channels will be on a fair, transparent and non discriminatory basis and the applicant accepts and welcomes that.

As stated above, services are already provided and will continue to be provided by a variety of other platform operators. If the Applicant is successful this will indeed provide for an additional platform within the terrestrial platform sector as the applicant's services will be additional to those provided by RTE.

The Applicant Will Not Have the Ability to Influence Opinion-Forming Power:

The Applicant has addressed the issue of substitutability above in the context of media concentration issues.

As a result of the above as well as for the reasons concerning dominance below, the Applicant does not believe that the award of one (or more) DTT multiplex contract(s) to the Applicant would result in the Applicant having control of, or substantial interests in, an undue amount of the communications media in the State.

The interests held by each of the members of the Applicant in communications media in the State are not significant and are minority interests. These interests are set out in our answer to question 3.10.1.d above.

Of relevance are:

the 17.62% holding in News 106 Limited held by Setanta Radio Limited;

the 12% holding in CK Broadcasting held by Setanta Radio Limited;

the indirect holding by Tullamore Alpha Limited of the entire issued share capital of TV3; and

the holding by Tullamore Alpha Limited (owner of the applicant, TV3) of 21.8% of Setanta Sport Holdings Limited.

Radio Sector in the State:

The national radio share of Newstalk in the national radio broadcast media sector is approximately 3.3% according to the November 2007 JNLR figures. KCLR is a regional radio station and as such its reach does not register at a national level.

It is the belief of the Applicant that minority shareholdings held by Setanta Radio, in Newstalk 106 and KCLR Radio would not allow it to act to an appreciable extent (or at all) independently of its customers and competitors in the relevant national radio broadcast sector in State. Therefore, these holdings would not be sufficient to amount to dominance in the radio sector in the State.

Television Sector in the State:

The national sector share of Setanta in the Television broadcast media sector in the State is approximately 1% according to the most recent trends from the AGB Nielsen Media Research reports. The national share of TV3 in this sector is approximately 12%.

It is the belief of the Applicant that the shareholdings held directly or indirectly by Tullamore Alpha Limited in TV3 Television Network Limited or Setanta Sport Holdings Limited would not be sufficient to allow it to act to an appreciable extent (or at all) independently of its customers and competitors in the relevant national television sector in Ireland. Therefore, the holdings would not be sufficient to constitute dominance in the TV sector in the State.

Summary:

The Applicant believes that the award of one (or more) DTT multiplex contracts would not lead to any adverse effect on any aspect of the media sector in the State. In particular, the award of one (or more) DTT multiplex contract(s) to the Applicant would not result in the Applicant having control of, or substantial interests in, an undue amount of the communications media in the State.

3.10.1.f. Applicants are invited to comment on their proposals in the context of the above tests.

(Please reference 3.10.1.e for this answer)

3.10.1.g. Please provide a general statement on the nature and duration of your commitment to the orderly establishment, maintenance and operation of DTT in Ireland.

OneVision is firmly committed to building a successful DTT platform in Ireland. The nature of this commitment is absolute as evidenced by the funds committed by our shareholders to establish, maintain and operate DTT in Ireland. Additionally as OneVision has no conflicts of interest in ensuring that the platform is a success we can actively promote the service against the existing alternatives in the market. The complementary skills set and

capability of the four partners in the consortium ensure OneVision has the requisite competencies needed to build, maintain, and operate the DTT platform.

Our commitment in the bid initially extends to the 12 years of the licence, however we would endeavour to extend beyond the initial 12-year period and would welcome discussions in this regard following successful deployment of the DTT platform in Ireland.

The parent companies of OneVision are committed to ensure the timely and sustainable creation of a DTT platform in Ireland. The respective boards of each of the companies have approved proceeding with this bid in the knowledge that the commitment of our shareholders funds is required to bring the entity to profitability and in the knowledge that this service is entering a market dominated by two major players and a market that already has high levels of Pay TV penetration.

Orderly establishment

In relation to orderly establishment of DTT in Ireland, OneVision will outline (Section 3.10.1.h) its plans to initiate the creation of the Digital Ireland Group and a DTT Platform group. This group of stakeholders needs to drive all the required DTT initiatives that are essential to ensure that the country is ready for the Digital switch over. Groups such as these have proven to be a key component of successful DTT launches in other countries and OneVision is ready and willing to actively participate to ensure we have an Digital Ireland Group in place and operational during 2008.

The other critical component of having an orderly establishment is ensuring that the network is built and operational in a timely manner. OneVision brings Arqiva to the partnership, who are leading experts in the field of DTT networks and maintenance of those networks. We are excited about the opportunity of building an Irish Multiplex centre to house some of the existing and future DTT Multiplexes and in Arqiva have the people best qualified to build and work with RTÉNL to ensure the orderly establishment of the network elements of DTT.

Maintenance and Operation

In relation to the maintenance and operation of a DTT platform, we would again point to the strengths of Arqiva in this regard who bring the experience of maintaining and operating the DTT platforms in the UK. We have outlined our multiplexing strategy (Section 3.8.1.i) and we feel that Arqiva's experience in this regard brings credibility to the OneVision bid that can give the BCI and other stakeholders the assurance that this service will be operated by the best in class providers to ensure that Irish viewers get quality digital service.

In regard to the maintenance of the DTT platform from a commercial viewpoint, the OneVision group has TV3 who broadcast into 95% of Irish homes on a daily basis and have vast experience on the viewing habits of Irish viewers. In Setanta OneVision has the experience required to package, sell and support pay elements of a television service into Irish homes. In eircom the OneVision group has the customer relationships and all the required experience to drive and support a large scale consumer operation such as launching and selling a Pay TV platform.

In appointing Frank Brown as Head of Technical Services we are ensuring that the OneVision entity has the experience of the UK DTT operation and maintenance to call on from the outset. Frank will play a key role in working with RTÉNL and the wider stakeholders to ensure the Irish public can receive a quality digital service in their homes from 2009.

Commercial Operation

As well as looking at the technical components of what is required to launch a service, it is also important to review the commercial considerations of what is required to build and launch a nation-wide television service. When looking to launch a service such as the proposed DTT service, a start up company must fight hard to help give it the required visibility in the market place. OneVision has a significant advantage in this regard as it will be calling on the existing business relationships, the expertise and experience and the credibility that the three consumer facing parties in the consortium bring to the table.

Some of the key components that can ensure the OneVision can establish the platform in an orderly fashion:

- Ensuring customer support centre is in place - Both eircom and Setanta have the relationships in place to ensure a customer support centre is up and running prior to the full commercial launch of the service. eircom prides itself on continuous improvement in relation to serving its Irish customer base. eircom has worked hard with our call centre partners (Capita and Stream) to ensure that our customers are serviced in a manner that enhances the eircom brand and gives the customer trust in what eircom provide them. Our continuous improvement in this area of the business has been recognised by our peers. OneVision has had initial discussions with two parties (Capita and Stream) on the supplying customer support services for the group. In appointing Annette Hickey as the customer support manager, OneVision has put one of eircom's most trusted and experienced employees in this area in charge of the customer support function. Annette has extensive experience of managing call centres and managing outsourced relationships. eircom houses its call centres in Ireland, OneVision will also look to provide more growth to the Irish economy by ensuring the OneVision helpdesk is located in Ireland.
- Sales Channels – Given the lack of awareness around DTT (OneVision research finding only 21% of Irish people were aware of the Analogue Switch Off, Section 3.10.1.i) it is imperative that any service launch is highly visible in relevant places. OneVision will be utilising the numerous sales channels that eircom presently has in place to sell its services. Having the DTT certified set top boxes highly visible in retailers such as Dixon's, Harvey Norman's, PC World or Curry's helps increase the awareness of DTT. This is a huge advantage to the OneVision group; that has the sales channels lined up as well as the existing customer relationships of close to 1 million households through eircom's customer base. Any entity looking to start from a standing base would not have the drive or credibility to ensure this service is launched and visible to the extent that it needs to be. In bringing DTT to the masses we will look to extend our partnerships to include the larger multiples such as Tesco, Dunnes Stores and Argos. Setanta has existing relationships with both Tesco and Agros in the UK and is looking to extend this partnership in Ireland for the OneVision service.

In appointing Dwyer McCaughley Head of Commercial, OneVision puts someone with first hand experience in driving the development of television platforms in this country and also someone who has detailed experience in securing content and carriage agreements both in Ireland and in the UK market, including the DTT UK market.

On the 'nature' and 'duration' of OneVision's commitment to the DTT platform, as we outlined in section 3.4.2.r each of the parent companies of OneVision have no conflict of interests in relation to ensuring that the DTT platform is a success and we can actively promote the service against the existing services on offer in the market. The eircom, Setanta and TV3 brands are highly visible and credible in Irish homes and our companies are all based in Ireland. The strength and experience of the management team that we have put in place for OneVision is a large measure of the nature of our commitment to building a successful DTT platform in Ireland.

Our business case has outlined the major financial commitment that we have put behind this proposal. We are committed not only to applying the best economic principals to ensure that the commercial DTT platform is a success but we are also committed to ensuring that we play a key role in the education and promotion of DTT in the run up to analogue switch-off in 2012. We have outlined plans to offer six additional Free-to-air channels on the service, by doing so increasing the attractiveness of DTT to the Irish public and helping the move to digital switch over. Our business case has assigned €5m million for initial launch costs with a further €4.3m to spend on

marketing the service in the lead up to ASO. . This gives a clear indicate of the nature of our commitment to the DTT launch in Ireland.

Over the course of the contract, the business plan estimates that we would pay a total of €121m contribution to the network that is owned by RTÉNL. This money ensures long-term employment to the network operator RTÉNL, it ensures the viability of Ireland having a terrestrial broadcasting network and it decreases the risk of taxpayers' money being used to support the national broadcasting network.

3.10.1.h. What proposals, if any, do you have for co-operating with other multiplex operators in the promotion of the platform, both at the launch of DTT and over the period of the multiplex contract?

We propose to fully co-operate with the Public service Multiplex licence holder should we win the commercial licences. Sections 3.10.1.h and 3.10.1.i are closely related so we have combined our response in the next section.

3.10.1.i. What are your proposals for the establishment, operation and funding of a platform driver?

In relation to becoming a DTT Champion we have clear views on what is required from both a platform promotion prospective but also from a wider digital switchover perspective. We would propose and look to take a leading role in two structures to develop and promote DTT and the facilitation of digital switchover

1. 'Digital Ireland' Group

This group will take a leading role in the public and commercial considerations in the run up to Digital Switch Over. It is a group that includes all public and private stakeholders in the DTT process.

The key responsibilities for Digital Ireland will be:

- Educate the public and raise awareness for digital switchover
- Ensure co-operation between diverse stakeholders
- Understand the needs of marginalised groups
- Agree standards for receiver equipment
- To ensure a swift transition to all digital terrestrial networks.

2.. DTT platform working Group

OneVision envisages that the holders of all four multiplex licences and the network / multiplex operator will work together to promote the DTT platform as a reliable and viable platform for television in Ireland. The DTT platform group would work together to ensure:

- the Multiplex licence holders have a co-ordinated vision for the delivery, marketing and rollout of DTT
- and also agreeing a co-ordinated approach to EPG design and functionality

A further outline of the roles and responsibilities that could be included in each group is detailed below.

1. 'Digital Ireland' Group

Public education on digital switchover and analogue switch-off

Research that OneVision undertook in relation to public awareness of digital switch over showed that a mere 21% of those researched had any understanding of Digital Switch Over and its impact on the Irish public. In the over

65 category this figure decreased to 11%. This outlines the challenge ahead for all stakeholders in the process and the urgent need to have a group that can take responsibility and co-ordinate the lead up to Digital Switch Over in Ireland. OneVision will play its part in contributing to this objective in conjunction with all other stakeholders.

It is very important that the marketing of ASO is not underestimated. Marketing and communication will be critical to motivating consumers and driving equipment sales. It will involve actions such as:

- Running national media campaigns on ASO and its impact
- Ensure a web site is created containing all relevant DTT information
- Educating the public on UK ASO dates and the impact to viewers
- Local activities to increase awareness of DTT and the impact of ASO

A heavyweight campaign needs to be developed, and ready to implement, to promote DTT in Ireland within the limits of competition policy. A commitment to promotional support over the long term, tailoring the message to meet the needs of the market as it evolves towards digital switchover is required.

Ensure co-operation between diverse stakeholders

We believe that a unified marketing approach between key stakeholders:

- Government regulators such as BCI, Comreg
- Government departments such as the Department of Communication, Marine and Natural Resources and the Department of Family and Social Affairs
- Broadcasters – RTÉ, TV3 and TG4(both TV and radio)
- Multiplex licence holders
- RTÉNL
- Equipment manufacturers and distributors and Consumer Electronic Distributors Association (CEDA)
- Consumer groups, such as disability groups and consumer interest groups

will be necessary to deliver a single, clear message to the consumer. OneVision is fully committed to working with all stakeholders and to play its part in ensuring cross party co-operation. We believe a unified market approach is critical, in fact the experience of UK Freeview strongly supports this view and it took a number of years within the UK to achieve this objective.

Understanding and addressing the needs of marginalised groups

In addition to the general education of the public, the specific needs of marginalised groups will need to be understood in the context of ASO. In the UK this manifested itself as the Target Help Scheme that is funded through the BBC licence fee. There exists a significant piece of work to identify, research, and scope the level to which support needs to be provided to these groups in Ireland. Evaluation of the requirement in Ireland needs to be undertaken of which OneVision will play our part.

Agreeing standards / certification for digital receiver equipment

One of the key success factors in ensuring smooth transition to Digital is ensuring that the public are aware of and educated on the equipment they require to receive the FTA DTT and the Pay DTT service. One of the core functions of the Digital Ireland Group should be to ensure that there is a certification program in place that

certifies digital receivers are able to receive Irish DTT transmissions. The Digital Ireland Group should agree a standard in relation to basic STBs, STBs with PVR functionality, STBs with IP connections and iDTV Digital receivers. This standard will reflect that MPEG4 / MHEG5 standards outlined by the BCI. The group should agree on a standard logo that can be displayed on all certified equipment and on iDTVs that are MPEG4 DTT ready. A campaign should be co-ordinated with retailers to ensure that they and the public are aware of the Irish specific DTT requirements. Many Irish consumers may be familiar with the Digital UK and Freeview logos on TV sets but there is an important education around this as any UK DTT equipment will not work in Ireland due to the fact we are using MPEG4 and not MPEG2.

Customer perspective: Janet is looking for a new television. She has visited the Digital Ireland Group web site and can see that the Sony Model "2015" is approved by the Digital Ireland Group to receive both the FTA and the Pay DTT services. When Janet goes to the shop the salesperson offers her the Sony "2010" TV. The Television has the UK Freeview logo. Janet is aware that the Digital Ireland Group logo is not on the Television so asks for the Sony 2015 model. Creating a logo to give the public assurances around the equipment they are buying is a vital responsibility for all stakeholders in the DTT process.

As part of the Digital Ireland Group, OneVision would propose and look to lead the establishment of a certification centre in Ireland for STB and Digital receiver equipment. This would be a service similar to the Digital Television Group ("DTG") in the UK which undertakes testing and certification of STBs and ensures their compliance with the requisite standards. The key stakeholders to assist OneVision in driving this initiative would be the CEDA group and the public service Multiplex holder RTÉ. OneVision has a number of suitable facilities where this test centre could be accommodated.

In Arqiva, eircom and Setanta, OneVision brings a wealth of technical experience to a program such as certification of Digital receiver equipment. eircom has placed and supported the installation over half a million routers into people's home. eircom has a track record of working with the leading Electronics manufacturers around Europe to ensure that the equipment we place in Irish people's homes are simple to use and support. Setanta have direct experience of selecting DTT receiver equipment from the work in the UK on DTT. Setanta works very closely with the retailer and also works side by side with the manufacturers and distributors of Setanta DTT product in the UK. Sagem, Philips, Metronics, SmardTV and Siemssen are just a few of the partners and working in collaboration with them allows for a smooth and successful supply into retail as well as a linked up marketing plan. Arqiva as the network provider of DTT in the UK has experience in understanding the technical aspects of the receiver equipment and what is required to ensure that the receiver equipment can give the best quality picture available from the transmission. This combination of skills and experience will be brought to the Digital Ireland Group to work with other manufacturers in creating a test house for DTT equipment in Ireland.

We have included a concept logo that we envisage could be placed on digital receiver equipment that has passed the Digital Ireland Group. It is important that the Digital Ireland group agree standards and develop a logo to ensure that people buying televisions and receiver equipment are aware what they are buying will work in Ireland.

Figure 65: Digital Ireland Group possible logos



Ensuring progress towards ASO

- Firming up on dates and commitments to ensure ASO happens by end of 2012

The scale of planning and co-ordination for ASO in 2012 requires stakeholders to agree roles, responsibilities and funding in this calendar year. As OneVision research shows, public awareness of the process is low at 21%. This further emphasises the requirement for strong public education and awareness building.

- Working with equivalent UK / European groups on spectrum management

Co-ordinating with UK and European neighbours in relation to the Digital Switch over is an important planning task that can have an impact on the signal strength and therefore the quality of service that is available to the Irish DTT viewer. The DTT platform group should co-ordinate this effort with its UK / European equivalents to ensure smooth transition to Digital transmission.

Funding

In relation to funding of initiatives to drive DTT, and as detailed in Section 3.10.1.g, OneVision is committed to spending €9m in the lead up to ASO on the promotion of the DTT platform.

As part of the €9m spend on launch and marketing of the service in the initial years the OneVision group has allocated funding towards the establishment of both the Digital Ireland Group and the DTT Platform group. The funding required for both groups will be directly dependant on the scope and responsibility that the groups are given. As detailed throughout this document, we fully support and will play our part in both of the groups outlined. We feel that both are critical to the success of the DTT platform and ensuring the analogue switch off occurs in a timely and efficient manner

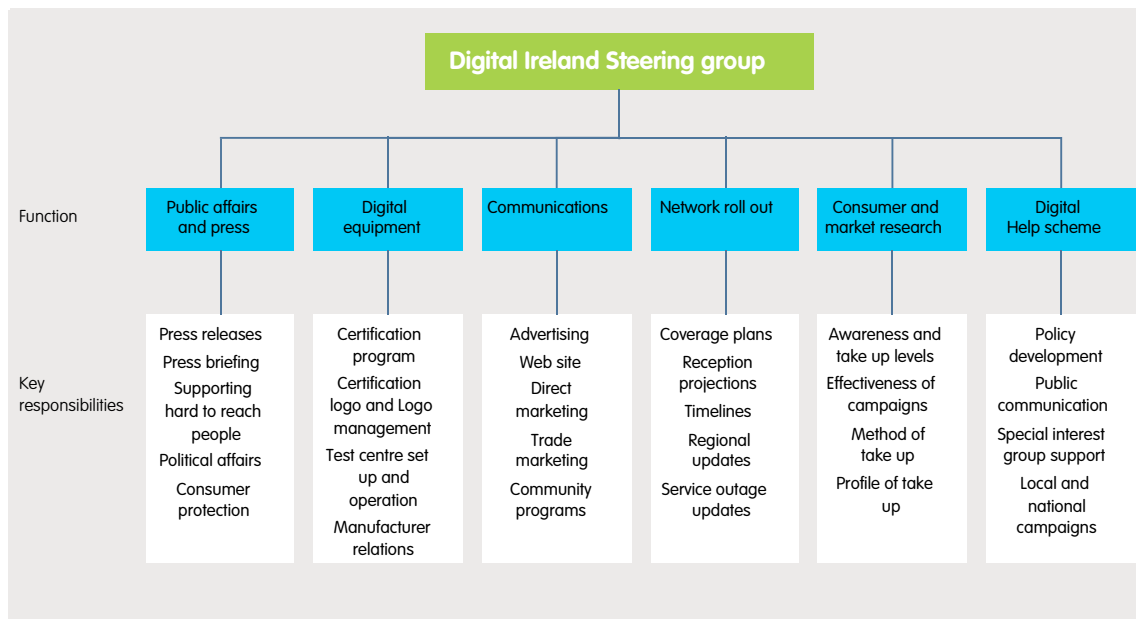
Government involvement

Our research and the research undertaken by the BCI in Austria and the UK showed that government plays a key role in establishing these groups. OneVision is committed to drive the forming of and participate in similar structures in Ireland. Should we win the commercial licences, high on our agenda would be to initiate appropriate discussions with all stakeholders to this end.

OneVision approached CEDA to discuss DTT and was delighted to be invited by CEDA to present its views on DTT and the impacts for the Consumer Electronics industry. OneVision also approached RTÉ to discuss plans for an inclusive Digital Ireland Group and also a DTT Platform working group. RTÉ responded and a meeting is scheduled to take place with RTÉ on Tuesday 29th April.

Below we outline a possible organisational and functional chart for the Digital Ireland Group; the outline is similar to the structure that the Digital UK group operates under.

Figure 66: Digital Ireland Group functions chart



2. DTT Platform Working Group

OneVision envisages that the holders of all four multiplexes and the network / multiplex operator will work together to specifically promote the DTT platform as a reliable and viable platform for television in Ireland. The DTT platform group would work together to ensure:

- the Multiplex licence holders have a co-ordinated vision for the delivery, marketing and rollout of DTT
- and also agreeing a co-ordinated approach to EPG design and functionality

Co-ordination of delivery, marketing and rollout of DTT

A key function of the DTT Platform group would be to ensure that the rollout of the Public service Multiplex occurs in a co-ordinated fashion with the Commercial Multiplexes. It is a common sense approach to take to ensure that all parties work together to educate the public on what is available to them, when it is available, what they need to do and in what time frame this will be happening.

OneVision is focused on ensuring that the DTT Commercial service is available to a large majority of the Irish public by Q3 2009. We will work with both RTÉ and RTÉNL to ensure we have a co-ordinated message to the Irish public on the impacts to them and why this is taking place.

OneVision has outlined plans to ensure an Irish Multiplex centre is built and operated in conjunction with the network provider RTÉNL. We believe the planning for and building of this centre should also fall under the remit of the DTT Platform group. Having a Multiplexing centre in Ireland will help ensure the smooth integration of further Multiplexes and their related service in the future as well as stimulate employment and technical skills in Multiplexing and broadcasting in Ireland.

A co-ordinated approach to the EPG

A co-ordinated approach to EPG is desirable to both the multiplex operators and the public in general. In this regards OneVision will take a lead role in all aspects of EPG management and implementation. We will consult with the relevant parties including the PSB Multiplex operator in this aspect of the operation.

OneVision believe that the formation of entities such as the proposed Digital Ireland Group and the DTT Platform Group are critical to the success and timely roll out of the DTT platform in Ireland. OneVision is committed to playing its part in these groups and looks forward to working within these inclusive groups to ensure the Irish public is informed and ready for the analogue switch-off.

3.10.1.j. What aspects, if any, of your application do you believe are innovative and will contribute to the success of DTT?

OneVision brings a range of innovative aspects to the DTT platform and customer proposition:

Free to air channel innovation – OneVision is looking to offer six free to air channels as part of our proposition that will give the Irish viewer more free to air channels and will help drive adoption of DTT in the lead up to ASO

Price / Package innovation – OneVision is offering the lowest possible retail price for a board range of quality digital channels. At €9.99 a month our price point is less than the existing entry-level offerings from Sky and UPC

Content innovation – OneVision has ensured that we use the capacity available to us in as efficient a manner as possible. We have outlined a content proposal that offers the Irish viewers the content they ‘must have’ and also offers channels that viewers in Ireland would not have had access to previously. OneVision is looking to develop, with content partners, options such as catch up or Video OnDemand services for the DTT platform

Distribution innovation – OneVision will be ensuring that the DTT service is highly visible and accessible nation-wide. We will be using the existing and proven distribution channels of the parent companies to ensure we can launch, distribute and support a large scale roll out of DTT from 2009

Innovative companies – The OneVision group represents companies who are always looking at innovative ways of bringing their businesses forward. TV3 has recently spent €2m in upgrading its playout capability to ensure it is HD ready. Setanta has quickly established itself a major player in premium sports content both in this country but also the UK, requiring agility and creative thinking to establish itself in a competitive market. eircom has been developing an IPTV platform on which the full benefits of interactivity and On Demand services can be delivered in real time. eircom is a keen promoter of innovation in Irish industry. It recently announced the web innovation fund that is worth €100,000 annually to promote and support innovation and development in web technologies with local companies. Arqiva is at the forefront of delivering innovative means of continuous improvement in its multiplexing capabilities for DTT networks in the UK.

Technology innovation – OneVision is developing enhancements to utilise the capability of PVRs to increase the user functionality that we can offer with the service. We have outlined plans for online / mobile phone interaction with PVR to record programs, and using PVRs to stream extra assistive services to viewers. We see IP enabled set top boxes as a component of our service post launch that will give the viewer more control over the content they consume and when they consume it. We also want to develop the SlingBox technology to further enhance view functionality

Brand innovation – the OneVision team is looking to launch this service with a new brand in the Irish market place. While having the backing of the established Irish brands (eircom, TV3, Setanta) OneVision is keen to have its own independent identity in the market place

Choice innovation – OneVision is ensuring the DTT offering is available nation-wide. We will be giving people who live outside cabled areas (circa 700,000 TV homes) a choice for Pay television that they did not have previously. We are also offering people who are restricted from putting up satellite dishes a new choice where none may have existed before. OneVision only sells DTT services, we do not sell any other TV service therefore are committed to the success of the DTT platform in Ireland

People innovation – OneVision has outlined a team of people that have the skills, experiences and the energy to deliver a DTT platform to the Irish public. We have put a team in place that has the confidence and backing of the companies behind OneVision and their respective shareholders

Innovative combination of companies - the combination of the OneVision group of companies is in itself innovative. Each partner brings diverse but relevant skills to the partnership that complement those of other partners and ensures that we have experience at each step of the DTT value chain

Multiplexing innovation – We bring the UK’s leading Multiplexing provider to the consortium to ensure that the multiplexing of the DTT service in Ireland can make the most efficient use of the technology and spectrum that is available to us.

The BCI will have regard to whether the success of the DTT platform is likely to be better served by awarding the three multiplex contracts to a single applicant (or two or more applicants acting in a coordinated manner) through a series of conditional applications or to three applicants acting independently.

3.10.1.k. What are the specific merits, if any, of your application viz a viz the inclusion or exclusion of any related conditionality with regard to the success of the DTT platform as a whole?

The OneVision Group of companies has come together as we believe that all three licensees should be awarded to one entity as opposed to splitting the licences across a numbers of operators. Each of the companies believe the opportunity to bid for one or two multiplexes is not commercially viable. Below are the factors that underpin this belief:

Simple customer proposition: Ensuring that DTT delivers a simple and coherent proposition to the Irish public is imperative to the future viability of the DTT platform. Splitting the MUX licences will lead to confusion over the services offered on DTT and could lead to different operators looking to offer the same or similar content over the different Multiplexes. Awarding one entity all three licences will ensure a clear service proposition for DTT

Co-ordination on digital receiver equipment / Conditional access: If the licences were split one operator may select receiver equipment / conditional access system that is not compatible with the other Multiplex licensee. The customer may therefore need to purchase two set top boxes to receive the DTT services offered by each of the operators. It is our strong belief that this business model would not be successful in the Irish market

Roll-out co-ordination: If three operators are awarded the three licences, they may have different plans to the roll out of the Commercial DTT service around Ireland. This fragmented approach would be detrimental to DTT as it would cause confusion in the market place about DTT

Capacity available: DTT is limited in the number of channels that it can offer. Incumbents offering Digital Cable or Digital Satellite can offer hundreds of channels. In order for the Commercial DTT operator to compete in this market it must operate all three Multiplexes to be in a position to deliver comparable offerings to those available in the market

Market size: Given the relatively small size of the Irish market and the fact that Ireland has a high penetration of Pay TV, the limited market opportunity requires an operator with scale and resources to launch and support a DTT service nation-wide. We do not believe a viable business case exists for someone entering this market operating just one or two multiplexes

Should the Commercial Multiplex platform fail it could jeopardise the future viability of the terrestrial broadcasting platform in Ireland or lead to public funds being used to support the network. OneVision can give the BCI a clear,

co-ordinated and compelling proposition to help ensure the future of the DTT network and therefore help secure the future of terrestrial broadcasting in the state. The conditionality of our bid is based on analysis of the opportunity and sound commercial fundamentals.

3.10.1.1. Are there any other aspects of your proposal not described in any of the above responses that you believe are relevant to realising the broad DTT objectives of the Broadcasting (Amendment) Act 2007 as well as the objectives of the BCI's DTT Multiplex Licensing Policy (2008)?

OneVision believes that its bid for the Commercial Multiplex licences covers all aspects of what the Broadcasting (Amendment) Act is looking to achieve on DTT (detailed in Sections 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9 and 3.10). We have built this response on the foundation of the BCI's DTT Multiplex Licensing Policy (2008).

In outlining other aspects of our proposal that are outside the specifics of the Broadcasting (Amendment) Act 2007 or the BCI's DTT Multiplex Licensing Policy (2008), we feel the following points are relevant to the broad DTT objectives

Create a third credible television platform in Ireland – as our analysis showed in section 3.4.1, the Irish Pay TV landscape is dominated by two players who compete with each other for the lion's share of the Irish market. New entrants have attempted to break into the TV market in Ireland to limited success. OneVision has been established and given the mandate and the resources required to establish a third credible force in the Irish Pay TV market. We are looking to offer a credible nation-wide alternative.

DTT is the sole business of OneVision. We will not be selling any other television services (Satellite / Cable) we are entirely focused on ensuring that a successful and sustainable DTT platform is created and maintained in Ireland

The OneVision group is backed by companies with pedigree and established foundations in the Irish market. Ensuring DTT is a success is complementary to each of the companies core businesses

The OneVision partnership is made up of equal partners. No one entity has control over the running of the business therefore ensuring continuity and focus on the primary goal of maximising DTT adoption in Ireland

Below we summarise how we are committed to achieving the goals that the BCI have set out in their DTT Multiplex Licensing Policy.

1. Network coverage

The OneVision group brings to the table the vast experience of Arqiva who have hands on experience of transmission, distribution and multiplexing DTT services in the UK and also from their work on the DTT pilot in Ireland. We have outlined our proposal to ensure the 90% coverage request is met (Section 3.7.1.c) and we also outlined plans for moving beyond the 90% coverage mark (Section 3.7.1.a). OneVision has an excellent working relationship with RTÉ NL. We look forward to working closely with them to ensure a timely nation-wide rollout of DTT services.

In addition, the OneVision group believes we are utilising the spectrum allocated with maximum efficiency. With Arqiva, Spectrum Value Partners and Greenfield Media Solutions we have formulated a Multiplexing solution to ensure all available spectrum is utilised to ensure an optimal service is available to viewers.

2. DTT Receivers (including Set-Top Boxes)

The OneVision group has outlined in detail the plans it has already undertaken and is looking to undertake in relation to Digital receiver equipment in Ireland. We are looking to lead this process and we also recognise that

this requires cross industry discussions and policies to ensure that Irish public are aware of the requirements for the equipment and are aware of the services that they can receive with the equipment. The certification of Digital receiver equipment is a key component to the success of DTT and the likely take up of DTT in the lead up to ASO. OneVision has a wealth of experience and existing relations with suppliers of this equipment and are ready to use this experience to drive receiver certification for DTT in Ireland. We will make DTT equipment highly visible in high streets though out the country. We will ensure that the public is aware of the DTT Certificate logo that ensures the equipment is ready for use in the Irish market.

3. Level, Range and Type of Television Content

The OneVision group has unveiled a content package that will prove attractive to both current free-to-air viewers and people who are presently paying for their Television service. The content line up reflects the existing viewing patterns of the Irish viewer but also outlines plans to launch two new channels from the Irish broadcaster TV3. We also unveiled choices around premium channels, giving people the choice of quality sports and movie content as part of the DTT offering.

The line up offers 'more for less', with OneVision supporting the quick take up of DTT services by offering the basic channel line up for €9.99. For the viewer, content is king and we are delighted to have secured such a strong line up to give the Irish viewer a credible / nation-wide alternative.

We have a content neutral policy in relation to selecting channels for the DTT platform, the emphasis is on the channel's attractiveness to the viewer and how it can enhance our service offering. We also have an open and transparent policy in relation to how channels can become part of the platform should capacity on the platform become available. We have outlined our belief that due to the fact that there are very few High Definition services available in the Irish market and the limited capacity that we have on the service, we see High Definition becoming a future part of Television in Ireland but will do so in the medium / long term as opposed to the short term.

The BCI's stated mission is that it will stimulate the development of an excellent indigenous broadcast industry that meets the diverse entertainment, education and information needs of the people of Ireland, while making effective use of a national resource. The OneVision group is looking to become part of this vision to ensure that Ireland has a strong and sustainable terrestrial broadcasting network where the people running the network are based and regulated in Ireland. We strongly believe and have outlined in this document (Section 3.5) that we have a compelling and diverse channel package that will be attractive to the people of Ireland.

The OneVision group is committed to ensuring that this service is available and assessable to all people who want to use the service. We have ensured that capacity is available for teletext and audio description services. We want to work with our channel partners to promote assistive services in their programming and we are looking to ensure that all interest groups are represented on the Digital Ireland group to ensure ASO and DTT are services that take into account the needs of all groups in Ireland. In eircom and TV3, OneVision has group members who have experience in delivery public service obligations and who are wholly committed to ensuring inclusive services. eircom won the O2 ability award (2007) for Retention and Well being, recognising eircom's retention and medical rehabilitation policies that are in place that assist with the retention of employees who have acquired a disability. eircom also offers a host of services to customers with special needs and we look forward to using this experience to offer DTT viewers an equivalent level of service.

4. DTT Champion

OneVision has outlined in detail its plans to lead the formation of two entities that champion the move to Digital Transmission in Ireland and also to promote the DTT Platform in conjunction with the Public service Multiplex

operator, RTÉ. The OneVision group of companies took an active role in the DTT Pilot. We are looking to lead a similar cross party group to ensure that ASO occurs in a timely and efficient manner and that the public are aware of the new Irish choice that they have in relation to selecting their television service.

We have outlined in detail in this document the business model that we believe can best ensure a sustainable and credible DTT service. We have engaged with media consultants (Spectrum) to ensure that our business modelling is reflective of other DTT platforms in operation around Europe and our user number assumptions are rational and achievable.

We are happy to work with all stakeholders in the DTT process and we have engaged with RTÉ to discuss the formation of a DTT Platform group with the aim of both entities promoting the DTT platform. The members of the OneVision group have no existing interest in the Pay TV market in Ireland; while TV3 and Setanta both provide content into this market they have no existing interest in the platform operation of Pay TV in Ireland. Each of the companies therefore has the non-conflicting goal to ensure that DTT is a huge success in Ireland. The fact that there are four parties in the group means that any change of ownership of one of the parties does not have an unstabilising effect of the operation of the platform. The group has outlined its belief that it is essential for the future success and sustainability of the DTT platform that one entity is awarded the three Multiplex licences. Should the licences be split we believe the co-ordination required could delay any DTT launch and there would still remain the risk that the customer proposition becomes so unclear that the service could not be successful.