



BEYOND ONLINE

CEO Tom Kennedy

The Broadband Content Future?



Is Content Important?

- Radio without music, news, talkback is just static.
- TV without programming is just a test pattern.
- Broadband is not just about speed, access and the "last mile".
- Content in its many forms can drive social, cultural, economic and national outcomes.
- Content is not 'King' a balanced approach between supply & demand is required.
- The debate over the role of content in broadband has just begun but it does have a key role.



Content trends/issues

- “Web tone”, always on, high speed access, will change user patterns and demand for content, applications and services.
- This “network effect” can enhance economic benefit and will be critical for growth particularly in the SME sector.
- What makes Broadband content different from other media forms?

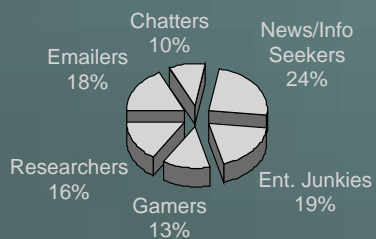


Broadband supports a more sophisticated and intensive use of online content.

- New interactive applications & services aimed at consumers and SME's
- e-learning,
- interactive games,
- Video & music on demand,
- Entertainment
- User generated material (email ver 2.0)



Distinct Broadband User Segments



Source: Mckinsey & Co - Gearing up for Broadband Jun 2001

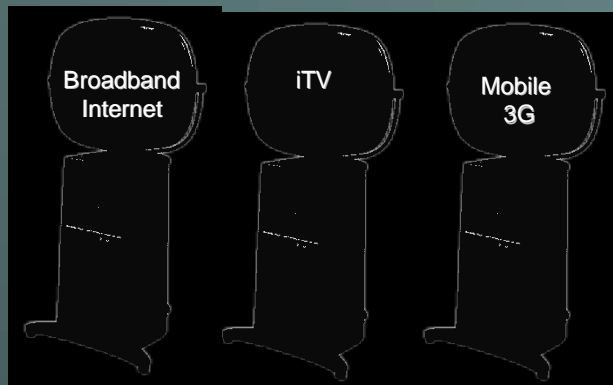


Content Revenue models

- Free content supported by advertising.
- Subscription based services.
- Bundled content with access.
- Pay per view (live & on-demand)
- Tiered access (Gold Pass)
- Hybrid- (Some or all of the above)



Convergence of Delivery Options for content producers.

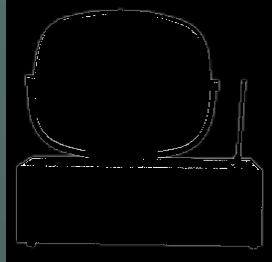


Content Rights

- Globalization of media makes control of IP/Rights both critical and challenging.
- Understanding of technology - current and future is essential to protect rights.
- Engaging x-platform content comes at a cost and must be valued.



Broadband Case Study



Telstra



Australian Overview

- 67% of Australian Households have a PC
- 52% of Households connected to internet
- Home Broadband connections continue to lag dial up access at >5% internet users.
- Broadband Market size approx 180k users.

State of play report Noie.gov.au April 2002



State of Play

- New Federal Broadband Advisory Group formed April 2002 to look at supply & demand issues.
- Australian Film Commission Content Funding 2.1M/ 3yrs.
- New Telstra \$50M Content fund.
 - \$10m content/2yrs
 - \$15m matching funds/5 yrs
 - \$20m international bandwidth
 - \$5m education



Background

Beyond Online has formed an alliance with Telstra to produce a network of broadband channels exclusive to Telstra Bigpond Broadband subscribers

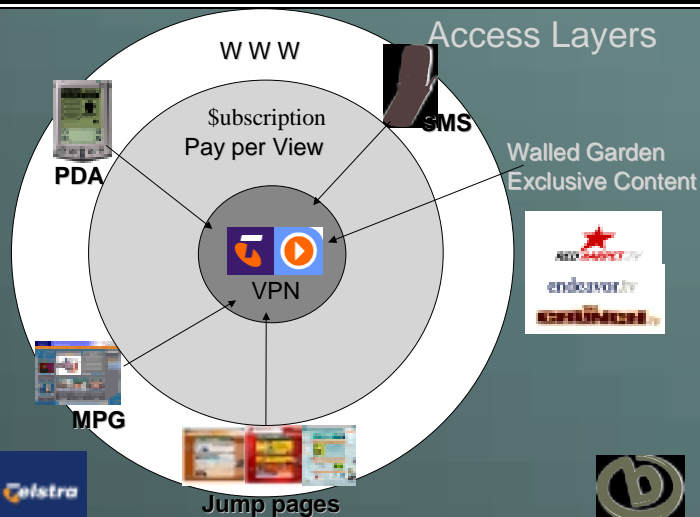
Telstra



Key Points

- Exclusive to Telstra for Australia & NZ.
- Use Channels to drive acquisition and retention of broadband customers.
- Each party focuses on key skills.
- Share revenue streams.
- Test content and interactive models
- international content syndication focus.

Telstra





Celstra



Current User Profile

- Age: 24-44
- Income \$50-\$100K+
- Occupation type: White collar professional
- Internet usage: More than 20 hours / week
- Married
- Lifecycle: Young Family
- Interests: Travel, Computing, sport & music.
- Pay TV: 30% have it, 65% Foxtel
- Time on the net: 12 months+

Celstra

Source: AC Nielsen Panorama

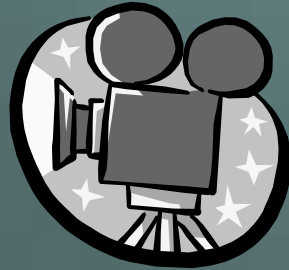


the broadband headquarters for delivering
popular culture, arts & general
entertainment.

Celstra



Video Clip



Celstra



Celstra



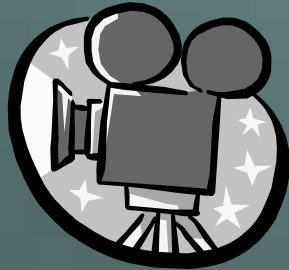
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engaging science which is both relevant
and irreverent.

Celstra



Video Clip



Celstra



THE CRUNCH.TV

human triumph in sport with humour & grit.

Celstra

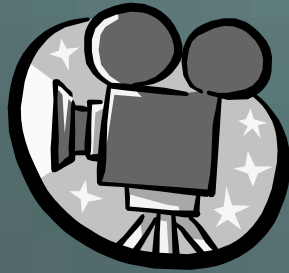




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Video Clip



Celstra




RED CARPET.TV

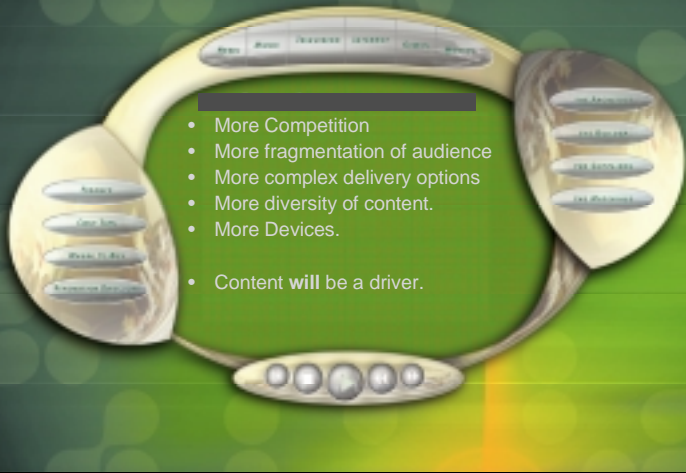

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THE CRUNCH.TV

Celstra



The Future of interactive Media is More...



Negroponete -1995

- Bit by Bit PC's are becoming TV's, or is it the other way around?
- There is no proof that consumers prefer faster data over better content.



BEYOND ONLINE

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