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FORMER ninemsn Head of Video, Jimmy Storrier, is launching an online TV & Movie content service to help curb the increasing trend of illegal downloading in Australia

Mr Storrier, who left Ninemsn in March, formed Juno Interactive (www.junointeractive.com.au) with business partner and former Head of Media Production at Yahoo!7, David Morrison. The pair began work on the new online video service after realising the extent of the latent demand in Australia for paid, premium TV and movie content online.

"Australians illegally download more TV shows and movies than any other country in the world." Mr Storrier said. "15% of all people, globally, who downloaded the final episode of *Lost* illegally via torrents, were Australian. That's truly remarkable when you consider Australia is home to only 0.3% of the world's population."

Nielsen estimated that just over 1 million Australians visited some of the most popular BitTorrent sites, such as Mininova, The Pirate Bay and IsoHunt in April last year. However, according to BitTorrent news service TorrentFreak (<http://www.torrentfreak.com>) data logs requested from one of the more popular torrent search engines, Mininova, suggested that Australian visits to its site alone in April 2009 were significantly higher at over 6 million Australian visits. It's unlikely the growth of online piracy has slowed in Australia since then, and with the increasing popularity of illegal streaming services and non-torrent based downloads from newsgroups, online piracy in Australia presents a serious problem for content owners.

However, Mr Storrier asserts piracy isn't a cultural problem nor is it due to our convict heritage: "Australians don't have access to anywhere near the number of legal online content services that residents of the US and UK do, which I'd say would account for the fact that online piracy is less of a problem in those countries than it is here."

"This is an accessibility issue. Piracy is unlikely to be caused by Australians thinking content should be free."

Bolstering the argument that Australians are illegally downloading content out of convenience rather than to avoid paying for it, news.com.au and CoreData recently released results of a survey that indicated that 2/3rds of people illegally downloading TV show and movie content in Australia

would be happy to pay for that content, if they knew of a legal alternative to piracy. This is despite existing paid offerings in Australia from major players, such as iTunes and Bigpond Movies.

In the US, NetFlix, Amazon, Hulu and the Pay TV providers offer a wide range of choice and different models for people wanting to access TV shows and movies online. The UK has BBC's iPlayer, and VOD offerings from Channel 4, Channel 5 and ITV. In February a new streaming service, SeeSaw, launched in the UK, into what might be considered by some as a crowded market. Despite not being related to the major UK broadcasters anymore, SeeSaw uses technology and branding developed by a consortium of the BBC, Channel 4 and ITV under the codename Project Kangaroo, which was sold to transmission company Arqiva last year for around £8 million, amid controversy surrounding the project raised by the UK's Competition Commission.

"The US and UK markets are significantly different to Australia. Only 30% of Australian household have Pay TV, where in the US and UK, paid cable and satellite services are in 80% and 50% of homes respectively. Both of those territories also have a number of online services complementing strong Free Digital and Paid TV offerings. Compared to Australia, residents of the US and UK are spoiled for choice when it comes to TV content."

Australian television also often suffers from restrictive windowing of overseas content, particularly with popular niche titles like *Entourage* and *Gossip Girl* that don't have mainstream appeal, whereby airings of these shows in Australia can be delayed by months on Free to Air and Pay TV.

"When you consider the availability of video entertainment content in overseas markets, we're practically a content wasteland down under. A couple of recent launches of IPTV services hardly fill the existing void."

Mr Storrier is leading conversations locally between his new venture Juno Interactive, the major US content studios, and a number of other US, UK and Australian based content producers about distributing their content on the soon to be launched service.

"Most content owners generally have been very receptive to our initial advances and are usually rather surprised when we show them the extent of the piracy problem here. I think they recognise the need for a greater availability of their content online and more competition in the Australian market, particularly before illegal downloading and streaming becomes an irreversible habit."

"I think a lot of lessons have been learned from watching what has happened to the music industry over the past 5 to 10 years. As broadband speeds and download limits increase, no-one wants to see TV shows and movies commoditised in the way music files are today."

"I think everyone in the industry realises that sitting and waiting to see what happens online isn't a great strategy. The opportunity arises from being proactive and that sometimes means rethinking traditional business models."

David Morrison is leading the development of Juno Interactive's technology platform, codenamed simply "Juno" at this stage and said: "We're on track to put our product into a closed beta in August, and will look to commercially launch the product with a new brand either late this year, or early in 2011. What we're building will be significantly different to and more accessible than current offerings in the Australian market. You won't need proprietary hardware for our service as you do with some other recent offerings that have launched locally."

"We're determined to provide people with convenient, legal access to TV shows and movies online, something a lot of Australians don't think is possible today, and they seem to be suggesting that they'd be more than happy to pay for the privilege to do so."

Regarding the recent court battle between ISP iiNet and the Australian Federation Against Copyright Theft, Mr Storrier went on to say:

"I think the point really is that most people are honest and don't have any desire to break the law. There's no doubt you'd see a change in online downloading behaviour if we had a range of different legal options for Australians to access their favourite shows and movies online and we then wouldn't need to create scapegoats of ISPs for what is essentially a distribution problem."

"A bit of healthy competition between media companies can also only be a good thing for consumers."

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