



Accelerating the World of Digital Entertainment







Introducing a whole new way to look at entertainment

The digital entertainment era is arriving in living rooms everywhere, and consumers are now demanding more control over the movies, music, games and television they enjoy. This sea change in the entertainment experience is causing a radical transformation in the way content owners and service providers do business.

Accelerating the transformation

Intel is accelerating this digital transformation with an innovative platform that gives consumers the power to customize and personalize their entertainment experience from the comfort of the couch. Intel® Viiiv™ technology¹ offers a whole world of new digital possibility for everyone in the entertainment pipeline: content producers and distributors, service providers, advertisers, and most importantly, consumers.

Not long ago, Intel helped ignite a similar revolution in Wi-Fi with the introduction of Intel® Centrino® mobile technology for notebook computers. Intel strategically formed an ecosystem including PC OEMs, wireless equipment suppliers, service providers and hot spot environments to make wireless Internet easily accessible to all. As a result,

today wireless access is nearly as ubiquitous as cellular phone access. And now Intel is working to bring about similar change for digital entertainment.

Working together to make entertainment history

Historically, new consumer products and services arrive side-by-side, but seldom in concert, resulting in conflicting usability and baffled consumers. Intel established common ground where all the major players can collaborate to ensure an easy, universal digital-entertainment experience. By working with the PC, CE and mobile industries, and helping content owners and distributors stay aligned on digital interoperability, Intel is helping to make sure the consumer experience is always engaging, and effortless.



New Entertainment Choices

Movies + TV	Music	Games	Photos
Movies	Radio	AAA	Photo Services
TV Series	Music Tracks	Mainstream	Photo Applications
News	Music Videos	Casual	Video Applications
Special Interest	Concerts		
Sports Packages	KaZuke		
Fantasy Sports			

Intel® Viiv™ technology combines a performance PC built for high-definition entertainment and connectivity to deliver the latest online entertainment and CE-like features for simplified content delivery. It enables consumers to enjoy the very latest digital entertainment—online and off—right out of the box. It combines the best of the TV experience with options for control and personalization enabled by the PC.

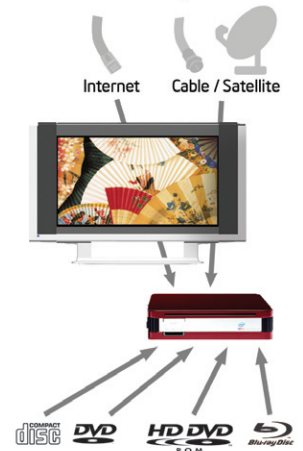
The promise of the ultimate entertainment portal

Broadband offers the promise of an innovative entertainment experience—diverse, high-quality digital content accessible all in one place—a PC based on Intel Viiv technology. The use of open interoperability specifications in this new platform allows the digital entertainment industry to create and distribute products and services that work together, both expanding consumer choices and simplifying the consumer experience.

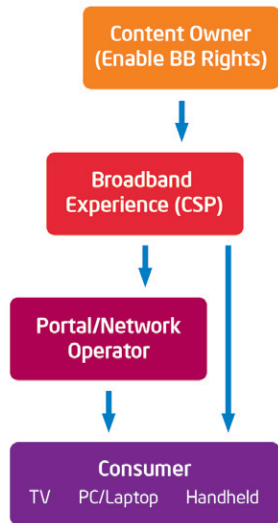
As of January 2006, 60 companies announced they would provide services that consumers can enjoy on Intel Viiv technology-based PCs. To facilitate this process, Intel has developed comprehensive specifications, toolkits, enabling technology, and a certification lab to help content and service providers deliver consistent and simple consumer offerings.

Digital media in the home offers content owners and distributors all kinds of fresh opportunities to delight consumers with new entertainment options, delivered over broadband Internet, traditional broadcast (using a TV tuner card), and via physical media (CD, DVD*, HD-DVD*, and Blu-ray Disc*). And Intel has built strategic relationships with many key players in the supply chain, working side-by-side to lead the way into the new digital era.

Content Delivery Methods



Digital Entertainment Content Ecosystem



Creating a digital content ecosystem

The digital entertainment content ecosystem starts with the content owners establishing rights for broadband distribution of TV programs, movies, music and games. This opens new opportunities for content service providers to create entertainment bundles that are delivered directly to their customers. Additionally, Internet portals are able to deliver a vast number of experiences to the living room that meet their target markets. Intel has been working with content owners, CSPs and portals worldwide providing technologies, investments, matchmaking and marketing programs to spur innovation.

Satellite providers like DIRECTV* are already embracing the change, and have announced plans to integrate their set-top boxes with DLNA standards-based home networks. Cable broadcast companies worldwide are developing broadband services to make their content available on Intel® Viiv™ technology-based PCs. Having made huge investments in high-speed networks and content distribution, these network operators are driven to generate consumer interest by offering new services, such as On Demand and special packages.

Media content owners see digital entertainment as an opportunity to increase their total revenue from their entertainment offerings by making content available to consumers through the Internet any time, without being restricted by fixed schedules. And digital distribution substantially lowers overhead and eliminates the challenge of too much content fighting for too little shelf space in retail outlets. In addition, content owners can create deeper brand connections by selling new forms of content—with more flexibility in terms of length, storyline, and target audience—directly to the consumer. One example

is Clickstar, Inc. co-founded by Morgan Freeman, which will soon offer first-run, “while in theater” release films and artist created entertainment channels as part of its online services.

Internet portals are transforming into media companies,

offering a variety of television programming on demand. AOL* is a prime example, with its new In2TV* service, a broadband television network that will offer such classic programs as Welcome Back Kotter, Babylon 5, Lois & Clark, and La Femme Nikita. Consumers will soon be able to use their Intel Viiv technology-based PC to access In2TV using a remote control from the comfort of their sofa. AOL has also announced plans to work with sister company Warner Bros.* to begin producing video programming specifically for the Internet.

Traditional media companies are forging tighter connections with their customers

by developing Internet portals that offer broadcast programming online. Grupo Televisa, S.A., the largest media company in the Spanish-speaking world, recently announced that it will begin offering its popular telenovelas (soap operas), movies, sports, news, late-night shows and music from its recently launched Tarabu* digital music service, to consumers using Intel Viiv technology-enabled PCs.

Movie producers and distributors can reach new audiences,

crossing boundaries and serving special-interest groups much more cost-effectively than ever before. Eros International, the single largest international distributor of Indian films outside of India, will begin delivering its premium content library over broadband Internet connections to more than 50 million South Asian consumers and millions of others around the globe with Intel Viiv technology.



Sports programming changes dramatically in the on-demand world, with opportunities to reach viewers

with more content choices and more camera angles, offering consumers more control over what they watch. In the U.S., NBC Universal offered exclusive on-command highlights of the 2006 Winter Olympic Games in high-resolution video via the Internet. And select online sports programming from ESPN Motion is now accessible at high-resolution quality on Intel® Viiv™ technology-based PCs.

Gaming opportunities expand with Intel Viiv technology, as players are able to experience an even more immersive level of play on large screens anywhere in the house, and challenge players anywhere in the world. They can spend more time playing and less time waiting for new releases with favorite titles online and on demand. Turner Broadcasting System's* Gametap* is based on a monthly subscription offering access to more than 300 of the greatest videogames, including Pong*, Pac-Man® and Tom Clancy's Splinter Cell*, to Sonic* and Myst*.

Your personal memories become larger than life when displayed from Intel Viiv technology-based PCs onto large screen televisions. Applications like Adobe Photoshop Elements*, Pinnacle Studio* and AOL You've Got Pictures Service* make it easier for consumers to organize, edit, enhance, store and share favorite memories with others.

New business models evolve in the new digital domain

The global players mentioned are already operating with a variety of revenue models, including download-to-own, pay-per-view, and various subscription options, as well as free-to-consumer sites that draw revenues from advertising—an industry also on the verge of a dramatic transformation. In the digital era, advertising can be integrated even more seamlessly into online entertainment. Personalization and recommendation engines enable dynamic new connections between advertiser and consumer.

Unprecedented interactivity allows consumers to actually click on "placed" products to access online stores. The possibilities are endless.

Advertising reach and response measurements can now be narrowed down to individual mouse movements. Audiences can be targeted more specifically, so that messaging is tailored for finer and finer segments. These advances are changing the way media outlets charge for access, as pricing and measurement models more accurately track consumer reactions.

Intel's goal is to give consumers the freedom to choose from a broad and compelling array of digital content that is reasonably priced, while protecting content owners and service providers against piracy. Intel Viiv technology provides the platform for realizing that goal. The inherent flexibility of the open standards of Intel architecture—combined with the innovative thinking of players in the PC, CE, mobile, and entertainment industries—have resulted in the ideal platform upon which the new digital entertainment era will soon become an everyday reality.

Intel's Role

Intel is working with the larger industry to expand the possibilities of digital entertainment. For the past few years, Intel has been working with content owners, distributors and producers to shape new business models for the Digital Entertainment Industry.

Intel's role in the new digital entertainment ecosystem takes many forms:

- Establishing baseline functionality by driving industry standards
- Ensuring consistent user experiences by providing technical guidance and toolkits
- Providing the platforms that drive consumer usage models (Intel® Viiv™ technology-based PCs in the home; Intel® Centrino® mobile technology for mobility)

- Speeding innovation by offering programs specifically targeted at the content creator, portal and network operator communities
- Growing the digital entertainment ecosystem by creating alliances, forming business ventures and making direct investments through Intel Capital
- Creating excitement for Intel Viiv technology, content owners and service providers through marketing programs that educate and engage customers
- Exposing consumers to new entertainment experiences and helping to generate demand through integrated co-advertising and co-marketing campaigns

Digital Entertainment Reaches Audiences Worldwide

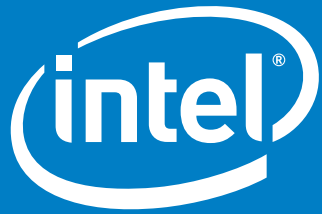


Content Protection and Piracy

Digital technology brings about many changes for the entertainment industry. Movies can be created and distributed with exceptional quality, realism, and impact. Music can be recorded and duplicated digitally with incredible clarity. But of course this same digital technology also allows consumers to create and distribute copies of that same entertainment—without paying for them.

Intel has been a pioneer in the effort to create more effective industry standards and solutions that protect intellectual property, while balancing the rights of consumers to enjoy legitimate digital content anytime, anywhere, and on any device. Technology and licensing elements must combine to enhance the consumer experience, not limit it. Digital Rights Management must provide the capability for everyone to win. Intel has also been working with key industry participants to find ways to eliminate the incentive to steal; experience shows that consumers who can't get the entertainment content they want will almost certainly find a back channel to access it. Intel is convinced that the answer lies in making content "easier to buy than it is to pirate."

Applied more broadly, this means proactively providing consumers with good value—compelling, high-quality content that is easy to access, fairly priced, attractively packaged, and transparently protected.



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Entertainment will never be the same

In the span of a decade, PC-based entertainment has evolved from a grassroots phenomenon to the very vehicle through which all forms of entertainment are expressed. Connecting the PC to the TV has created a new realm of possibility and creativity.

The amazing evolution that is occurring in the entertainment industry is transforming the living room into the new multiplex, concert hall and global media mall; the comfy couch has become the epicenter of entertainment possibility. And Intel will continue to enable and accelerate this transformation.

Learn more at www.intel.com/go/viiv_info

¹ Home networking capability and many Intel® Viiv™ technology-based usage models will require additional hardware devices, software or services. Functionality of Intel Viiv technology verified devices will vary; check product details for desired features. System and component performance and functionality will vary depending on your specific hardware and software configurations.

² Requires a TV tuner card. See www.intel.com/go/viiv_info for more information. Features and benefits shown are subject to change.

[^] Remote may be sold separately.

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