

[DCIS

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THE DIGITAL CONTENT INCUBATOR SCHEME

[Digital Britain]

The ambition of Digital Britain is that this country remains a source of innovation in content and applications disproportionate to the relative global size of its overall economy and that the UK market, rights and regulatory frameworks maintain Britain's place as one of the most attractive destinations for mobile investment in content, applications and services.

*Digital Britain Report
June, 2009*



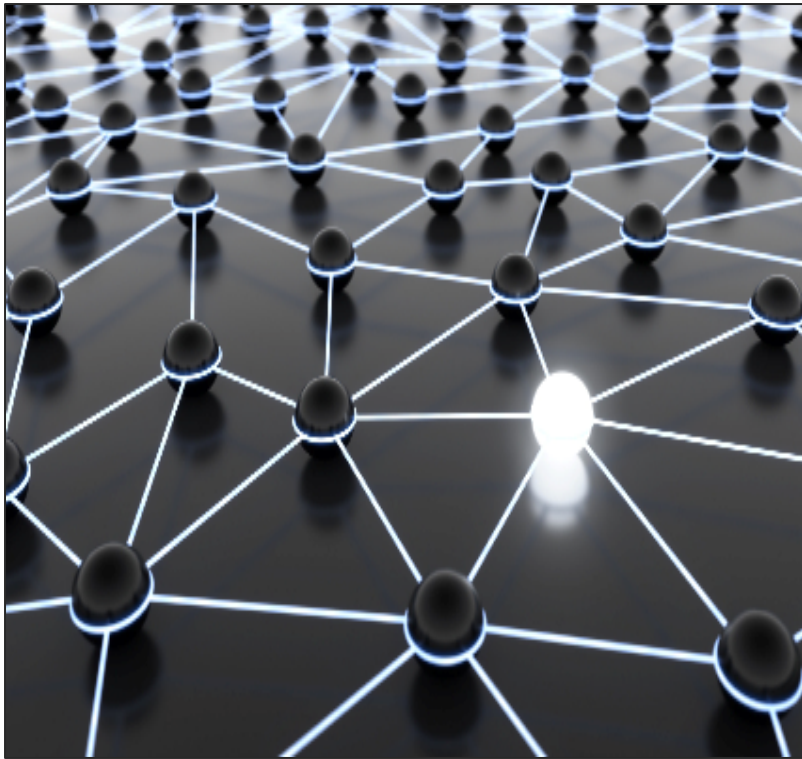
Investment in Digital Content Services

"At the Billboard Music and Money Symposium in New York Thursday, several investors spoke hesitantly about putting money into [the digital music] space. They see two major hurdles for digital music start-ups: the threat of litigation from music labels over licensing rights and a lack of innovative revenue streams....."

Wall Street Journal Online, March 6th 2009



[Incubators & Test Beds]



All business models will, for obvious reasons, be based around where an individual or firm can gain advantage. But that leaves a wide range of cross-sectoral issues that require cooperation or where no one party has an interest in driving to a solution. In these circumstances Government may have a role in bringing the parties together in a 'safe harbour'. for pre-competitive innovation or in addressing wider social barriers to take-up that would otherwise act to frustrate the market. These models are the Digital Test Beds for Digital Britain."

Digital Content Services: the problems for Rightsholders

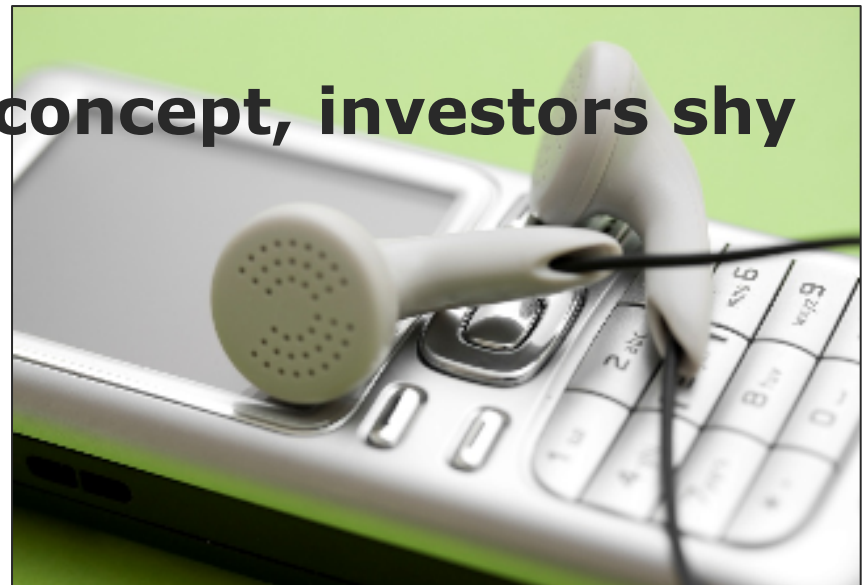
Record labels, performers, songwriters, music publishers face.....

- **A constant flow of licence requests**
- **From start ups and would be licensees with untested models and systems**
- **With no assurance of long term royalty streams**
- **And no guarantee of security for content**



Digital Content Services: The Problems for Start Ups

- **Rightsholders demand high cash advances to license their content**
- **Negotiating the licence can take many months**
- **Without content, effective proof of concept is not possible**
- **Without proof of concept, investors shy away**



[**DCIS** : The Idea]

***DCIS** is an initiative to allow developers of digital content services to experiment with new business models for a limited period of time and to allow rightsholders and scheme participants to learn from these trials*



[**DCIS: Invest to Innovate**]



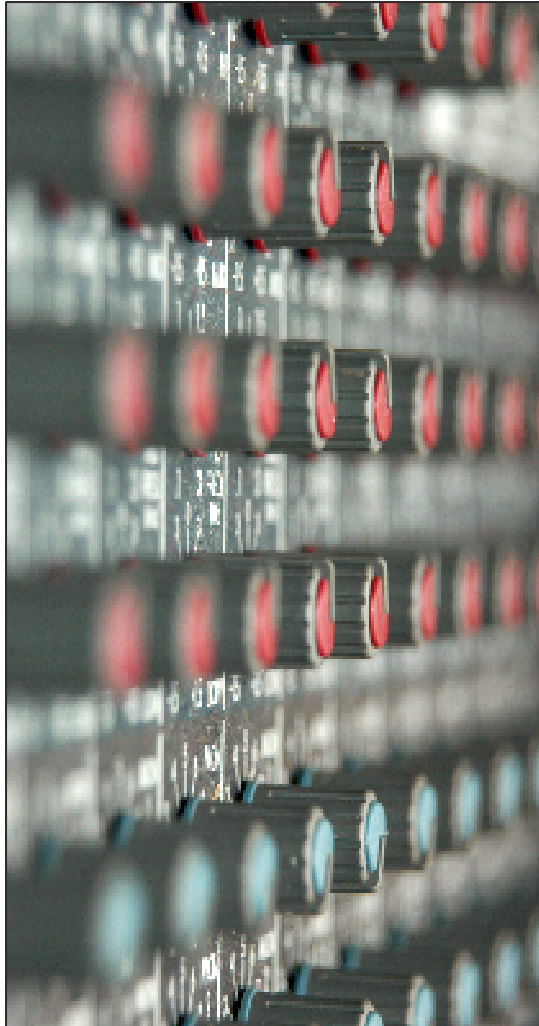
Just as real estate markets are driven by the availability of credit, so the digital content industries are driven by the availability of venture capital.

DCIS *will reverse the migration of venture capital away from the sector.*

[DCIS

How it works

- Would-be licensees compete to join the Scheme
- Applications are adjudicated by a panel of international experts
- Successful applicants get authorisation for beta testing & access to content from a centralised delivery platform



- Content can be used for 6 months in for testing technology and business models in the UK.

[**DCIS** & Digital Britain]

- **DCIS** will promote the UK as a regional hub and incubator for digital content services
- **DCIS** will channel both local and foreign investment in new digital content services into UK based innovation
- Best of breed services will drive world class cultural creativity



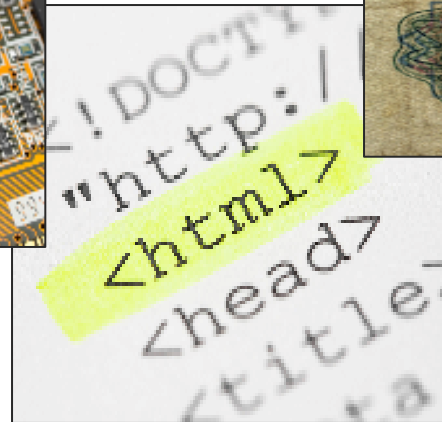
[**DCIS** Copyright]

DCIS will promote respect of
copyright law by digital content services and
their consumers



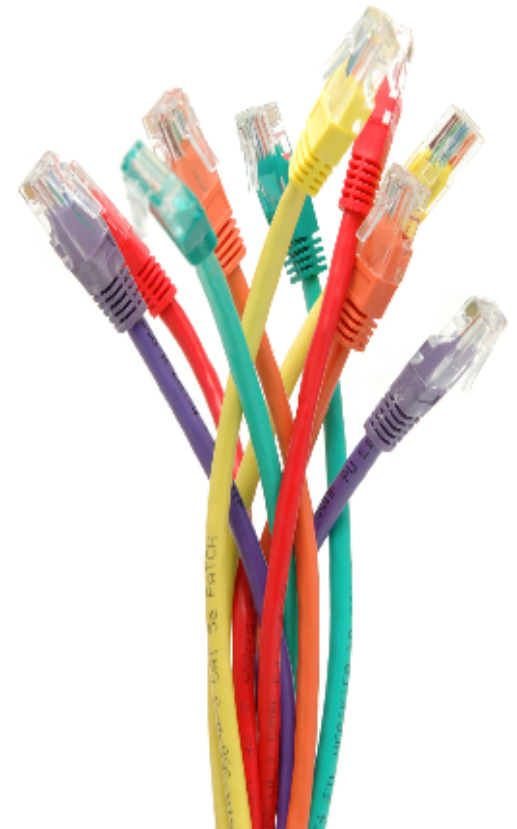
[DCIS Content Security]

DCIS will promote state of the art content security systems



[DCIS : Who benefits?]

- **Creators & Rightsholders** get the opportunity to partner with the best new services at an early stage in their development at no risk. They also benefit from being able to receive detailed analysis of the beta results.
- **Licensees** They get access to the content they need when they need it to test and promote their services. They gain in funding opportunities and in time to market.
- **Investors.** They can base early stage investment decisions on working models rather than ideas, projections and untested assumptions.
- **Industry.** New digital services provide new opportunities for the technology, communications and consumer electronics industries
- **Consumers.** They get access to new services and the new content they support.



[More Information]

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