



CES ETF Presentation

January 2005

Digeo Vital Facts

- ♣ **Funding:** Paul Allen's Vulcan Ventures
- ♣ **Mission:** Offer services for cable subscribers that they can't live without and satellite can't replicate
- ♣ **Products:** Media Centers for Motorola DigiCipher and SA PowerKey customers
- ♣ **Progress:** Now shipping tens of thousands per month to Charter, Adelphia, Comcast and other MSOs
- ♣ **Recognition:** Emmy award for the Moxi user interface and service offering

Set Top Box's Vital Role

- ♣ **Tens of billions of infrastructure dollars wasted if the STB constrains the services ultimately delivered**
 - ♣ A key reason for satellite's rise at Cable's expense
 - cable slowness with DVR, HDTV, all-digital quality
- ♣ **Underpowered STB can cost tens of millions**
 - ♣ DCT6208 – a cautionary tale
- ♣ **How to measure a set top box**
 - ♣ What services and revenues does it enable?
 - ♣ What impact will it have on churn?
 - ♣ How long will the STB be competitive and depreciable?
 - ♣ How much will it cost?



Set Top Box – Past and Future Capabilities

Past

♣ Grid guide

- ♣ Clumsy U/I for DVR
- ♣ Non-integrated VoD search
- ♣ Inadequate paradigm to present new services

♣ Video only

- ♣ DOCSIS not integrated or not enabled

♣ Single-TV experience or limited multi-TV

- ♣ No pause, scheduled recording or HDTV on secondary TVs

Future (now)

♣ Media navigation

- ♣ Powerful content search
- ♣ Video services (DVR, VoD, DVD)
- ♣ Voice and data services
- ♣ Jukebox, photos, games etc.

♣ Combine video, VoIP, data services

- ♣ DVR
- ♣ DOCSIS 2.0
- ♣ Home networking

♣ Whole home

- ♣ All services on all TVs
- ♣ Integration of PC content

Consistent Interface (see it in the Motorola booth – 8545)

Moxi Menu (EPG)



Recorded TV



VoD



Music Jukebox



Photos



Games



Digeo's Media Center Evolution

1st Generation (shipping now)

♣ **Struggle against dysfunctional silicon architectures**

- ♣ **Slow embedded processors**
- ♣ **Limited design choices forced by single-vendor designs**
- ♣ **Inadequate security to allow disk-based software**
- ♣ **Sub-standard DOCSIS implementations**
- ♣ **Expensive or inadequate A/V networking choices**

♣ **Working around these limitations wasn't easy, but it was worth it**

- ♣ **Increased service revenues**
- ♣ **Increased customer satisfaction**
- ♣ **Decreased churn**
- ♣ **Now shipping tens of thousands per month**

Coming Later This Year – MC-2

♣ **Based on Digeo-designed silicon – X-Stream**

- ♣ 4 video tuners with DVR capability
- ♣ DOCSIS2.0 with DSG and eDOCSIS
- ♣ Multi-stream CableCARD and legacy CA
- ♣ Integrated home networking capable of high-definition A/V streaming to 4 TVs simultaneously
- ♣ Leverages PC CPU and graphics technology for order of magnitude higher U/I performance vs. competition

♣ **Expect to see PCs and other devices using X-Stream technology to broaden Cable's reach and give customers more choices**

Measuring Up

- ♣ **DVR, HDTV, DVD, VoD, VoIP, new applications and games all increase subscriber revenue**
- ♣ **Customers (and Emmy voters ;-) prefer a consistent user interface and purchase more content than with a grid guide**
- ♣ **Churn is significantly lower for Moxi customers**
- ♣ **A platform with a 1GHz CPU, ample memory and high-performance graphics has a longer useful life and is a better investment than less powerful platforms**
- ♣ **Silicon integration delivers cutting edge performance at significantly lower cost**