

While significant focus on online piracy has been on movies, music and software, recent advances in live video streaming technology are posing a growing threat to revenue generated from the broadcast rights to sports and other live events streamed over the Internet. Nielsen Online reports that in 2009 Internet users are spending nearly 50% more time each month watching streaming video content online. In 2008 revenue for subscription sports programming increased 16% over the year before to \$147 million, according to AccuStream iMedia. Online live events streaming is a valuable asset to protect. Each league sells the rights to its live games to broadcasters for billions of dollars. More important, each is trying to expand its revenue base by selling rights for games on mobile phones and the Web.

The proliferation of new broadcast technologies has enabled sports rights holders to generate substantial new revenue streams. The parallel rise in technology enabling the practice of viewing illegal live streaming of sports content constitutes a threat not only to the value of new media rights but also to the value of live television, broadband streaming and mobile rights.

Internet video accounts for nearly a third of all consumer Internet traffic – not counting video downloaded via peer-to-peer networks, according to a new report released by Cisco. The report projects that all forms of video; TV, video on demand,

Internet, and P2P; will account for more than 90 percent of global consumer traffic by 2013 with Internet video alone accounting for over 60 percent of all consumer Internet traffic.

BayTSP has established itself as the industry leader in providing online monitoring and enforcement for major concerts, sporting and pay-per-view events and our clients include some of the world's largest sports franchises and pay-per-view event producers. The success of our coverage is evident in recent postings on a UFC fan site:

“There were many streams up of UFC 97, as Brian Stann was walking in to the Octagon to fight. Shortly after being posted online all streams were taken down simultaneously and some people were saying that they could see Copyright notices and DMCA take down letters”.

“One minute it was up and I was watching the fight, the next the stream was pulled off of two channels.”

broadcast

post broadcast



Single Event Example:

37 Streaming Sites

157,000 Viewers

\$9 million in revenue protected

UGC - Able to enforce on up to 400 UGC sites

CyberLocker - Over 150 hosting sites covered

P2P – Top P2P file sharing systems are covered extensively

Streaming – Coverage of all major live streaming sources

PHASE 1 OF COVERAGE

- Our Comprehensive technology identifies and eliminates pirate feeds of our client's content.
- Identifying potential suppliers of illegal online streams prior to the event and monitor their activity.
- Infiltrate online users that are viewing illegal feeds.
- Follow migration of users to new streams as we eliminate currently viewed streams.

PHASE 2 OF COVERAGE

- The content is encapsulated in a discrete file after the live event has completed.
- Our Content Authentication Platform (CAP) scans UGC sites using content identification technology to track and remove unauthorized postings.

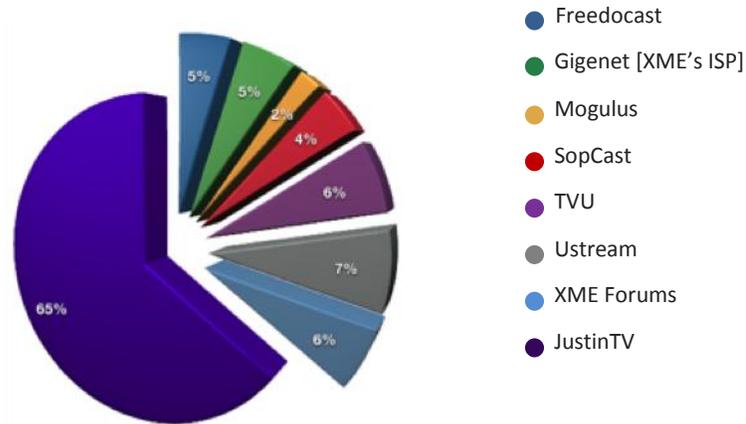
Live Events White Paper

MAJOR PAY PER VIEW EVENT COVERAGE RESULTS

A recent assessment of a major pay-per-view boxing event we covered resulted in some stunning statistics. The 37 eliminated streams BayTSP removed represented a total of 157,605 viewers. Additionally, following the live event BayTSP had removed close to 1,700 UGC videos of the fight and close to 1,000 cyber locker postings.

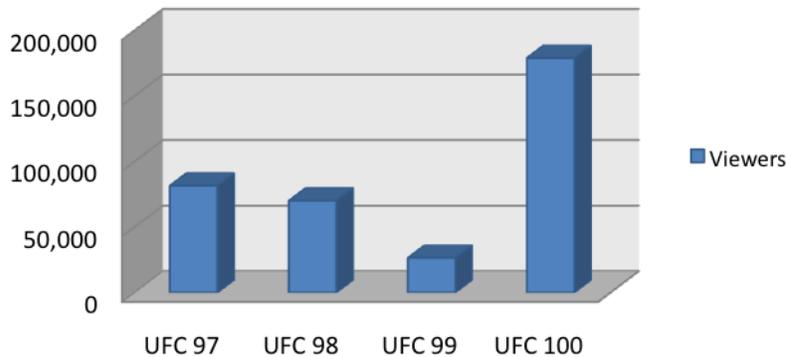
Breakdown of Hosting Sites of Streams Removed

ENFORCEMENT PROFILE



BayTSP has covered the last four major UFC broadcasts. Successfully removing illegitimate streams of the fight while broadcast. At an average fight buy of \$60, this year BayTSP has saved the UFC \$21M in broadcast revenue. The cost of watching the fight was \$60 per buy, this equates to approximately \$9 million in pay-per-view revenue which was illegally streamed online.

Total Removed Live Streams

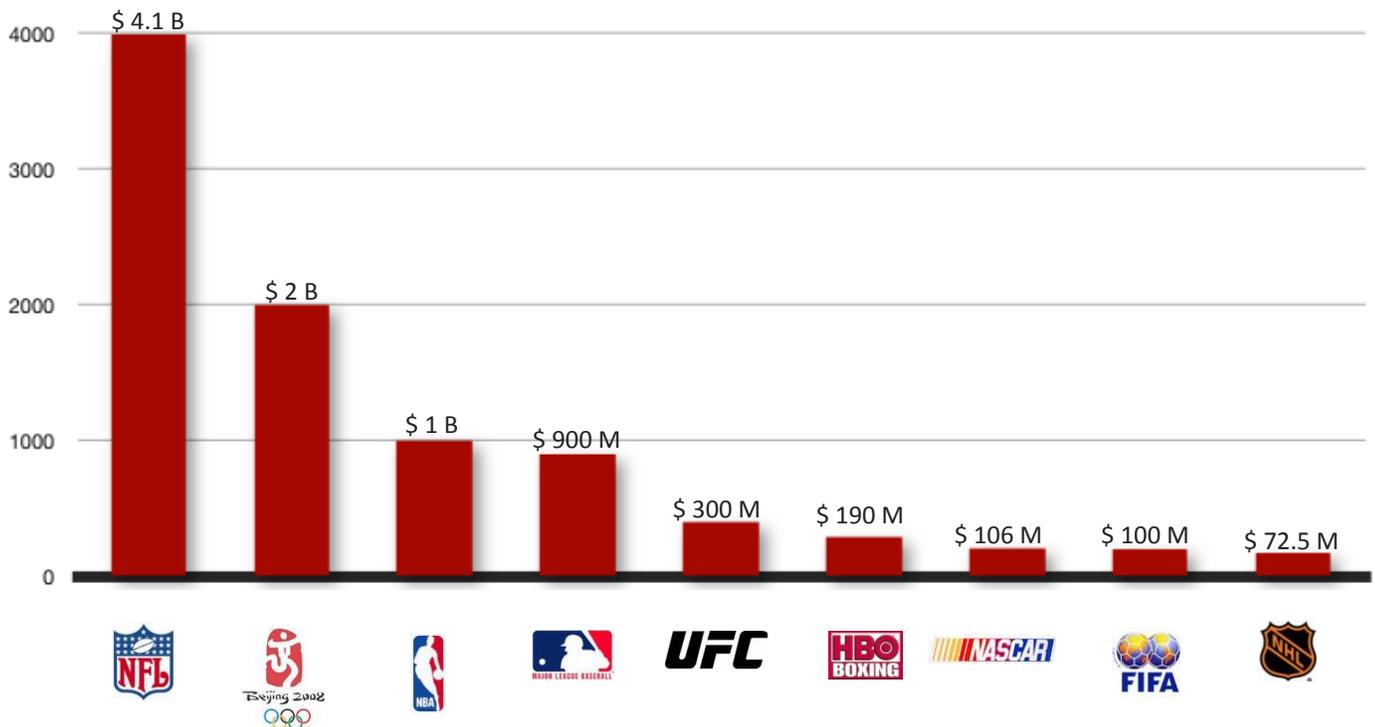


Live Events White Paper

Professional sports leagues are emerging as one of major players in the online video space. Consider that within the last week, reports emerged that the New York Yankees would become baseball's first team to have its games streamed live over the Internet within its home market, and that an iPhone 3G application is adding live game streaming features.

The major sports leagues live broadcast revenue from 2008 illustrates the significant amount of revenue to be protected from illegal live event streaming.

2008 Broadcast Revenue



CONCLUSION

The demand for live streaming video will only increase as people worldwide discover the convenience of watching live events via video streamed to their computers and laptops. This presents new revenue opportunities for content owners and providers, but at the same time poses a substantial risk from people watching pirated video streams. BayTSP delivers a comprehensive solution that helps broadcasters minimize piracy and maximize profits.