

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

VIACOM INTERNATIONAL INC., ET AL.,)	
)	
Plaintiffs,)	
)	ECF Case
v.)	
)	Civil No. 07-CV-2103 (LLS)
YOUTUBE, INC., ET AL.,)	
)	
Defendants.)	
<hr/>		
THE FOOTBALL ASSOCIATION)	
PREMIER LEAGUE LIMITED, ET AL.,)	
on behalf of themselves and all others)	
similarly situated,)	
)	ECF Case
Plaintiffs,)	
)	Civil No. 07-CV-3582 (LLS)
v.)	
)	
YOUTUBE, INC., ET AL.,)	
)	
Defendants.)	
<hr/>		

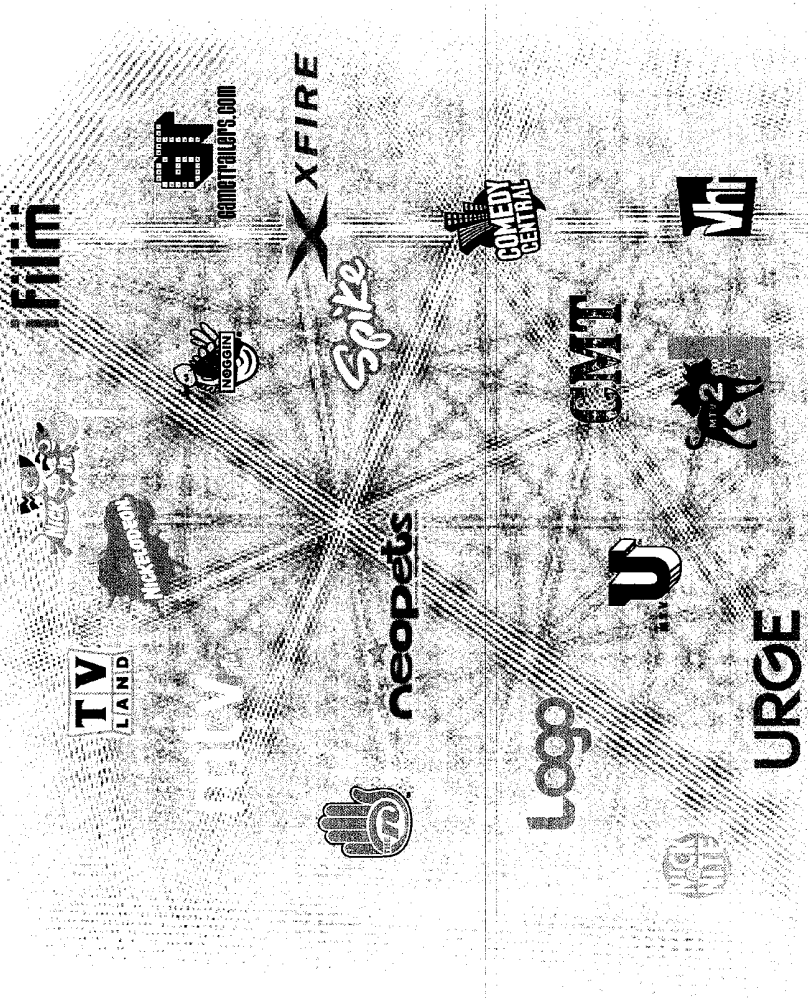
**SUPPLEMENT TO
THE DECLARATION OF ANDREW H. SCHAPIRO
IN SUPPORT OF DEFENDANTS’ OPPOSITION TO
PLAINTIFFS’ MOTIONS FOR PARTIAL SUMMARY
JUDGMENT AND DEFENDANTS’ OBJECTIONS TO
EVIDENCE AND MOTION TO STRIKE MATERIAL
FROM VIACOM’S SUMMARY JUDGMENT
SUBMISSIONS AND PUTATIVE CLASS PLAINTIFFS’
RULE 56.1 STATEMENT**

Schapiro Exhibit 215



mtvn.com

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MTVN Online
Vision/Approach

October 2006

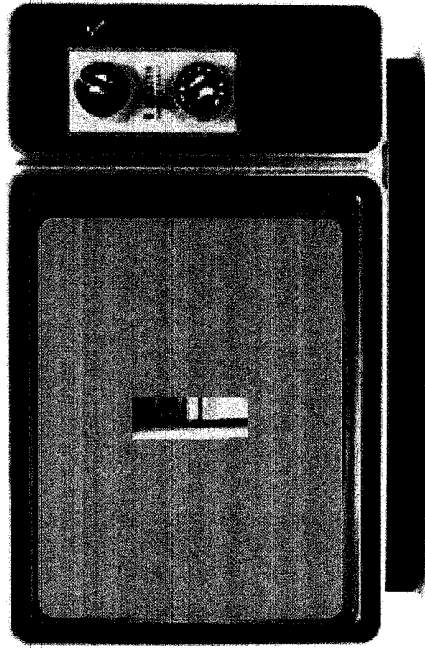
Jason Witt
Nada Stirratt
Todd Cunningham
Kenny Miller

Only 10% of Time Spent Online = Video

On TV—100% of Time Spent is with Content (and all of it is Video).

Online—Only 40% of Time Spent is with Content (and of that, only 1/4 is Video)

Total Time Spent Online (Millions of hours)		Total %
Commerce		17%
Communications		39%
Content	40%	40%
Search		5%
Total		100%



Online Video is only 10% of the Picture—If we want to grow ratings, we have to program for the entire experience.

Billions of Syndicated Streams = Ten Million Dollars

To Make another \$10M Online:

We'd need a Billion (or Two) Incremental Streams with partners

OR

We could increase Time Spent on our Sites by 5%

Video Streams on Distributed Sites Required to Generate \$10 Million for MTVN*						
Traffic Source	CPM	Rev Share	Effective CPM	Streams to Hit \$10M	% of MTVN Annual Streams*	
Viral (Embedded)	\$ 5	100%	5.0	2,000MM	110%	
HyperDistribution**	10	70%	7.0	1,428MM	79%	
Video Aggregators	15	70%	10.5	952MM	53%	
Yahoo/Portals	25	50%	12.5	800MM	44%	

*Excludes iFilm and Gametrailers
 **Assume 0% ad skip vs. current ~25% ad skip

91% of MTVN's Online Ad Revenues are Non-Video

**The Good News: We Monetize Time Spent Online—Not
Just Video Streams**

2006 Projected Online Ad Revenues

Video Advertising	Non-Video Advertising	Video as % of Total Online
\$ 15M	\$ 145M	9.4%

So How do We Increase Time Spent Online?

Starting Point: Consumer Research

- **MTVN is well-known as the most consumer-focused company in Television, if not all of media.**
- **We have leveraged a maniacal focus and understanding of the consumer to build this business.**
- **Now we have to understand consumers motivations, needs and behavior online. And enable it.**
- **We need more research....**

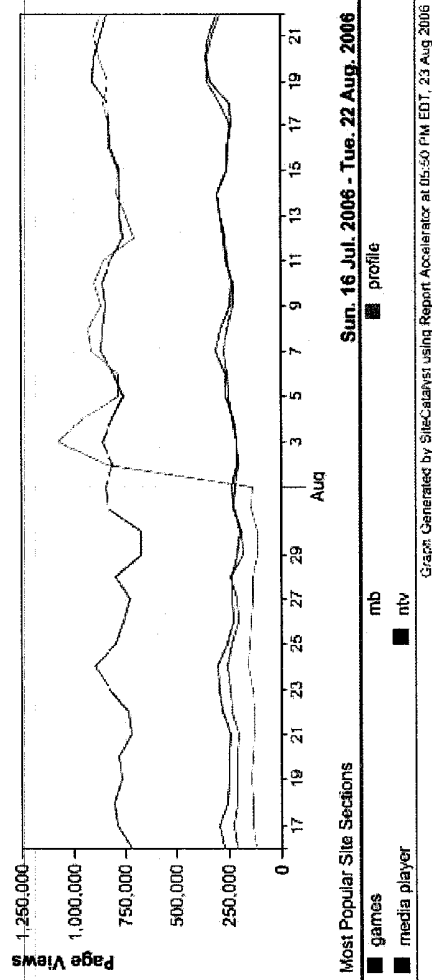


Based on What We Know Today—Embrace Community

Our audiences want to communicate, share, engage (build communities)

Teens Age 12 to 17
 Top Categories - Average Minutes Per Visitor
 February 2006 vs. February 2005

	Year over Year Growth	Percentage of Time Spent
Instant Messenger	41%	40%
Email	33%	14%
Discussion/Chat	46%	13%
Total	40%	67%



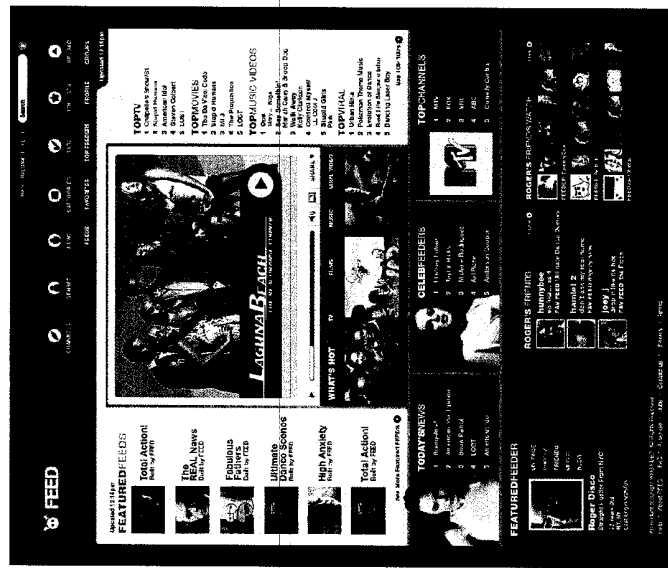
And when we let them, the results are amazing.

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Based on What We Know Today—Build Experiences

MTVN can give our audiences the deep-tailored "Experiences" that they crave—not just more content

VIDIOTS



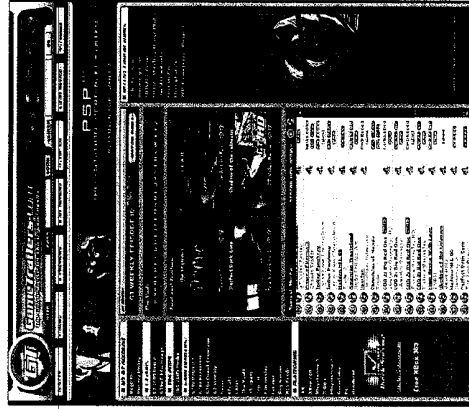
BRAND LOYALISTS



SUPERFANS



RICH HORIZONTALS



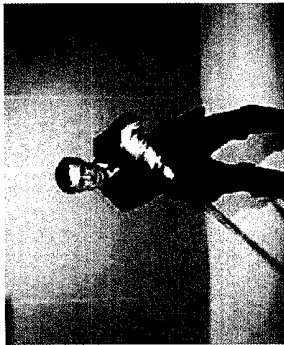
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Consumers Spend Over an Hour a Day with Us

TV provides a crucial distinction—and critical advantage.

- TV initiates behavior and induces shared passions and experiences
- MTVN consistently demonstrates unparalleled creative leadership
- We are the Inventors of breakthrough genres and content
- We Innovators of popular culture
- Our audiences want deep tailored "Experiences" that are easy to use--not just more content
- Watching an event as it happens gives an indescribable jolt to those most engaged – quickening their concentration, giving them a sense of participation

MTVN On-Air Activates Behavior Online



Initiation: Colbert films himself in mock light-saber fight in front of green screen.

Result: (on YouTube ALONE)

- 88 Unique Mashups of Colbert fighting Bears, Monsters, the Star Wars Kid
- 7K Reviews and Ratings by viewers of Mashups
- 1.7 Million Video Streams (approx same number of mash-up streams as monthly streams of Colbert clips on Motherlode)

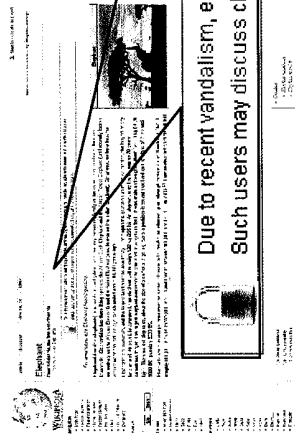
Colbert Report: Bridge Update & Hungary (8/22/06)



Initiation: Colbert urges viewers to vote for him on online poll to name new bridge in Hungary.

Result: Colbert leaps to first place with over 17M votes (leads second-leading votegetter by over 15M votes).

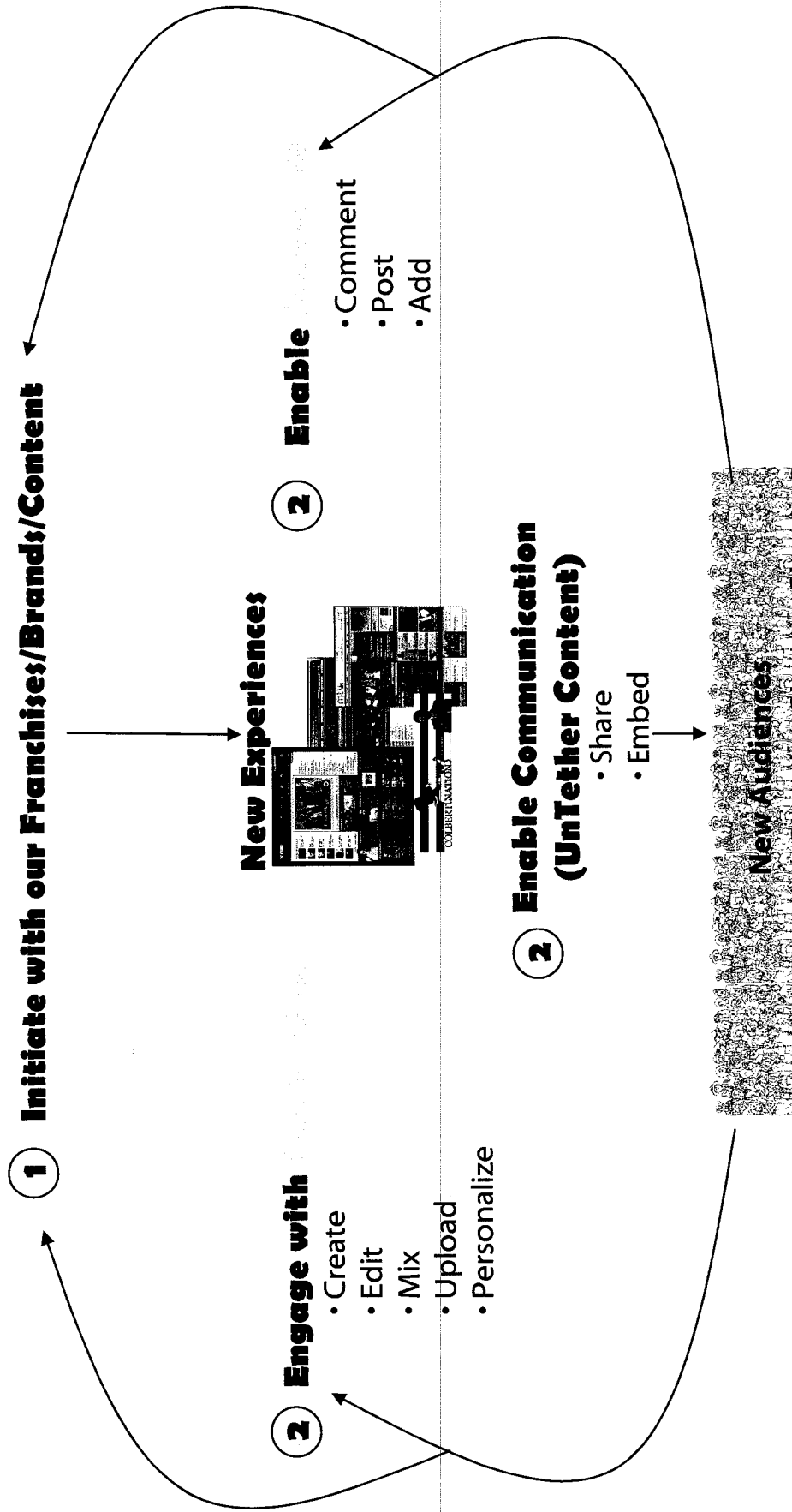
Initiation: Colbert encourages viewers to change Wikipedia entries to say the elephant population had tripled in the last six months. ["Any user can change any entry, and if enough other users agree with them it becomes true. If only the entire body of human knowledge worked this way."]



Result: Under deluge of changes from audiences, Wikipedia bans further changes to Elephant entry.



If We Put It Together, We Win



Online

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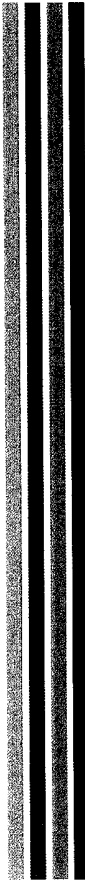


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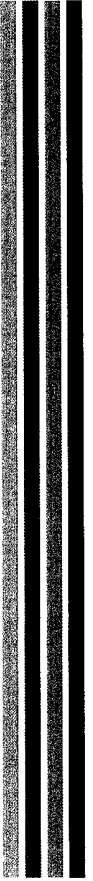
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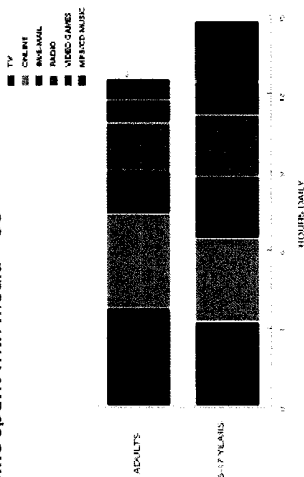


Why Online is screwing up the TV Ad Model



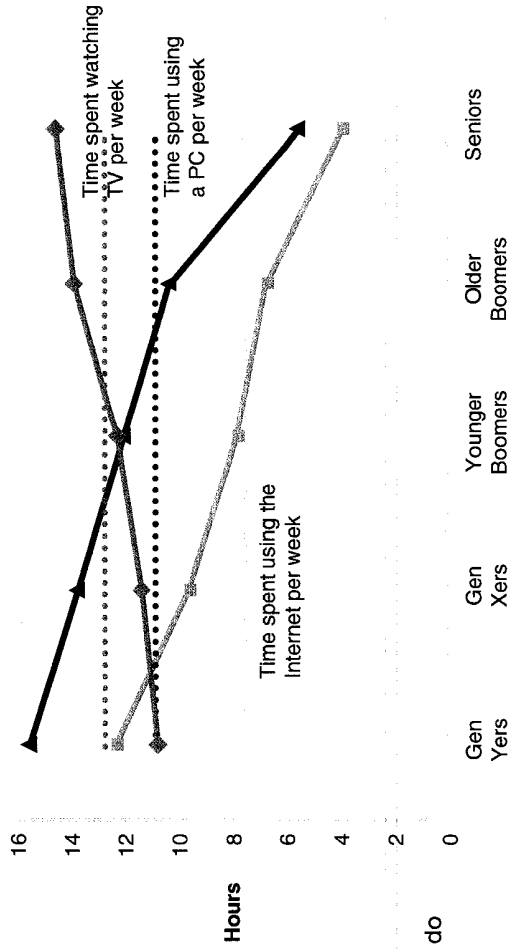
1. Viewership: Many Predict TV Consumption Will Shrink

Time spent with media – US

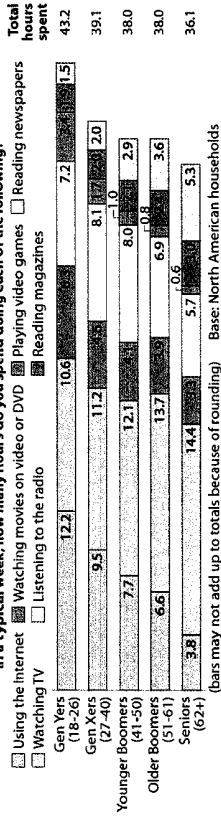


Source: The Myers Survey Defining the Evolving Consumer of Media 3.0. The Audience.

For younger users, the Internet displaces TV



"In a typical week, how many hours do you spend doing each of the following?"



Source: Forrester's North American Consumer Technology Adoption Study 2006 Benchmark Survey

FORRESTER

July 2006, Data Overview "The State Of Consumers And Technology: Benchmark 2006"

Gen Yers spend more time online every week than they do watching television

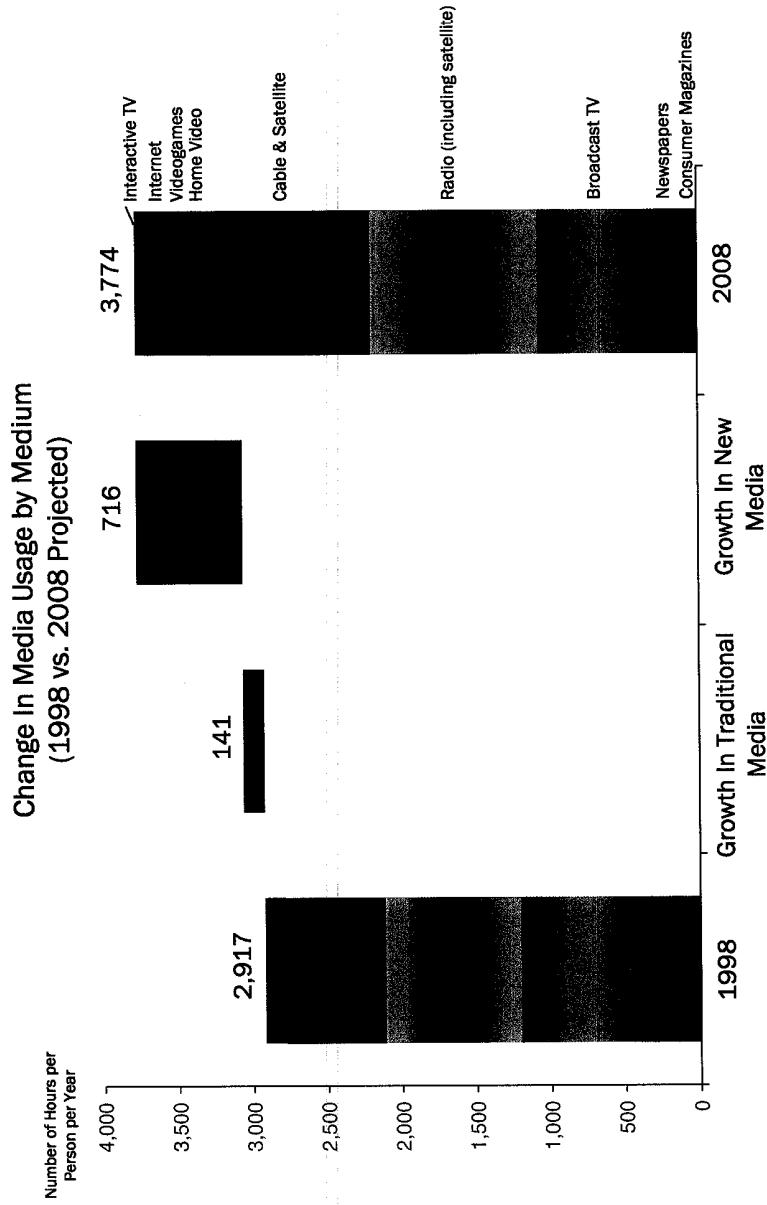
Base: North American households
Source: Forrester's North American Consumer Technology Adoption Study 2006 Benchmark Survey

1. Viewership: But we Have A Problem Even if it Doesn't

Media Consumption is Growing. New Media is growing faster than TV.

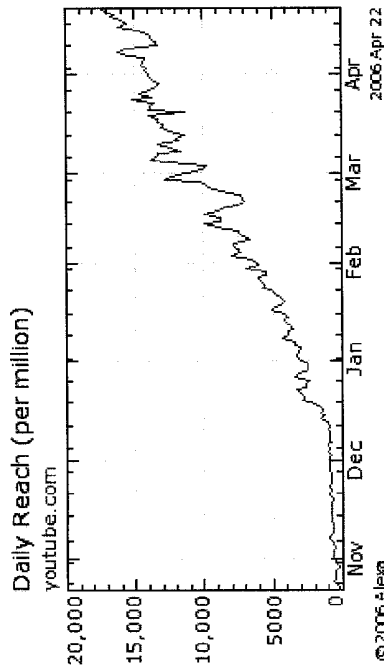
Problem: If there are more “impressions” split among same Ad Dollars.

TV can grow Ratings and Still Shrink as % of Total Media Consumption.



Source: Veronis Suhler

2. Ad Sales: Online is Stealing our Buzz



Debatable: The Profitability of Many New Media Business Models.

Not Debatable: That almost no one cares.

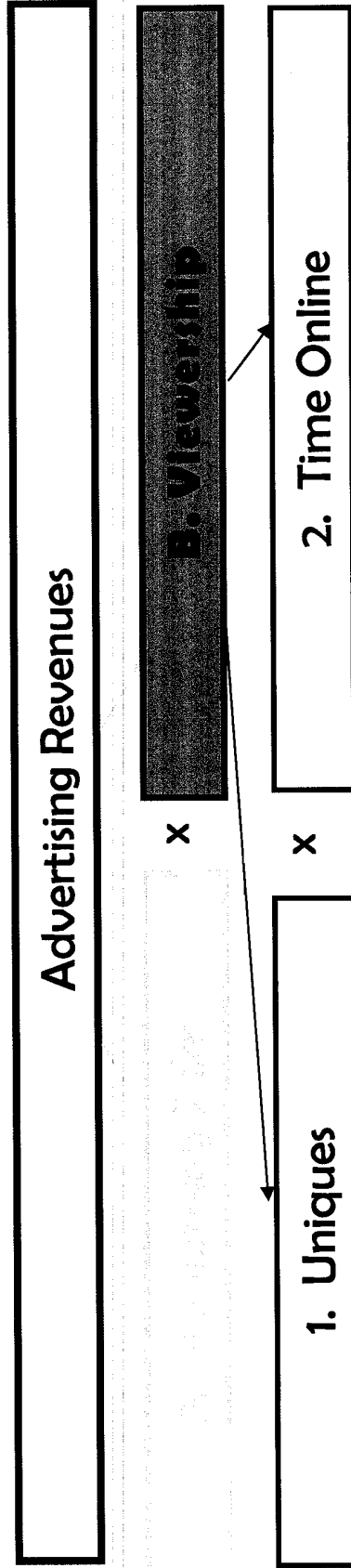
Rummormonger: Facebook turned down Yahoo's \$1.4 billion

YouTube Nearly Doubles Traffic In May

MySpace Rules the Web
>>> Traffic Patterns

Why Online Video Alone is Not the Answer

1. Viewership



“More TV” Online HAS NOT Increased Unique Users

Despite the online video explosion, we’ve seen modest online growth (excluding Nick).

