



1-2-3 tv

Germany's first multichannel auction house:
Bid more, pay less!

As of June 2013

- **Business Model**
 - Germany's first multichannel auction house

- Customers
 - Purchasing power and open to innovation

- Assortment and Presentation
 - Variety and information

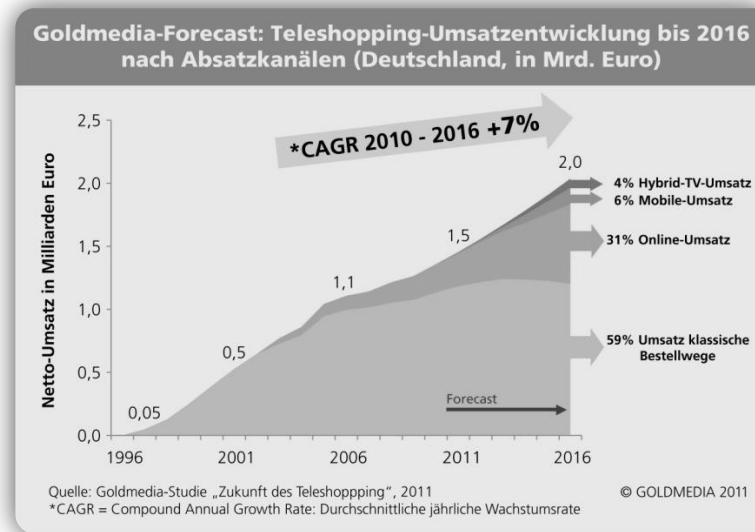
- Service and Transmission
 - Simple, secure, convenient

- Contact

Part of a growing market

- The first players' market entrance (HSE24, 1995) initiated the development of the market
- Since 2010, market growth has reached 7% per year; increase in online growth is disproportionately high
- Thanks to substantial multichannel sales expertise, extensively field-tested fulfillment processes, and a solid customer base, 1-2-3.tv is well equipped for multichannel shopping in the future

1-2-3.tv: Growth of teleshopping market



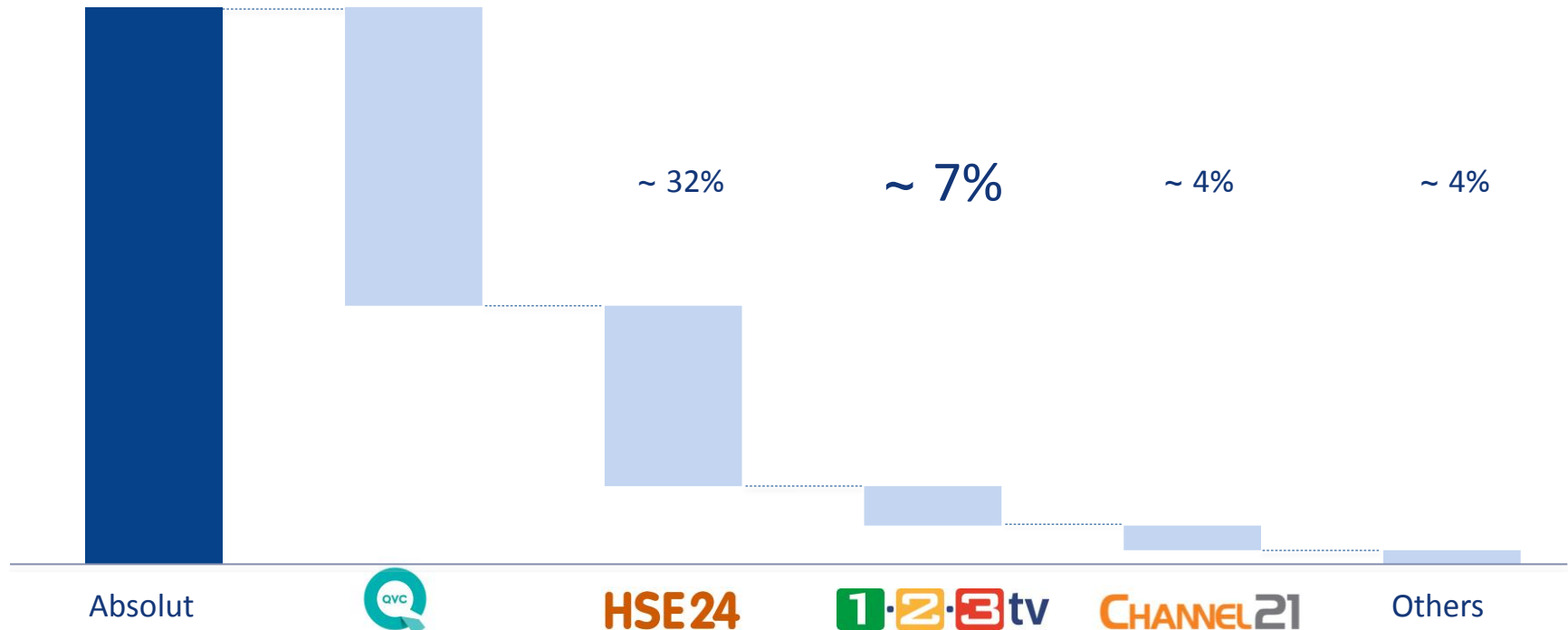
No fear of the competition

- Despite being the youngest player, 1-2-3.tv is already the clear number three in the German teleshopping market

Market share

(sales volume 2012¹)

€1,450 million



Source: Top 100 of the German Mail-Order Market 2011/2012, Versandhausberater August 2012

Groundwork of a success story

Shareholders

- Cipio Partners (31.7%)
- Iris Capital (24.8%)
- Target Partners (20.3%)
- Wellington Partners (13.9%)
- 1-2-3.tv management and founders (8.9%)
- Cuneo AG (0.3%)

Founders

- Dr. Andreas Büchelhofer
- Henning Schnepfer

Launch

- TV: October 2004
- Web: June 2005

Broadcasting

- 20 hours of live shopping daily from 6 a.m. to 2 a.m.

Transmission

- More than 30 million homes in Germany/Austria via satellite, cable, and DVB-T

Facts and figures 2012

Auctions

- Over 65,000

Highest auction volume

- “Vodafone 550 CallYaY” cell phone: 1,200 items in 12 minutes, turnover € 40,000

Most expensive offer

- 1964 Vatican coin for € 6,305

Sales figures

- 6,8 million products out of an assortment with about 25,000 various offers

Customers

- More than one million

Online

- 29% share of all revenue (2011: 27%)

Staff

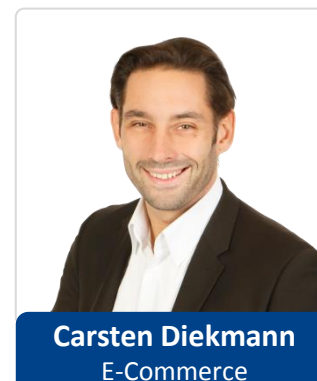
- 90 full-time employees
- 15 presenters
- Approx. 370 jobs in TV production and fulfillment

Locations

- Munich/ Unterfoehring: head office
- Braunschweig: warehouse
- Halle/ Berlin: call centers

Expertise and pioneering spirit

- Qualities that set the management of 1-2-3.tv apart. The eight management team members are among the most experienced and successful players in the German home-shopping business:



Germany's first multichannel auction house

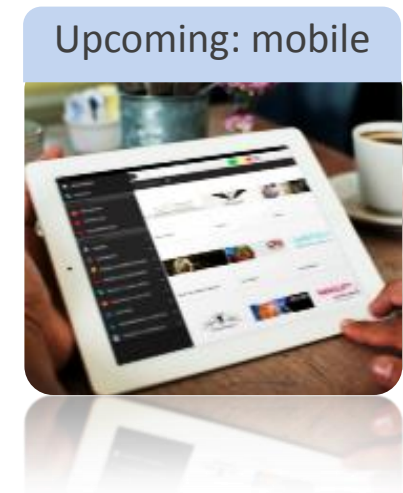
- 1-2-3.tv successfully combines exciting auctions with a service-oriented multichannel mail-order business
 - “Dutch auction” principle:
The price drops continuously during the auction. The auction ends when each item offered has found its buyer. The special attraction: all buyers then pay only the last and therefore the lowest price
 - 1-2-3.tv offers its complete range of products in its Web shop at fixed prices
- A continuously increasing number of customers use all the distribution channels and their specific benefits



Each offer in detail



The entire range at a glance



Any time, any place

Transparency and information

1-2-3.tv: Auction principle

- Product information graphics with product name and order number

- Display of current price and number of items left for real-time monitoring of product availability



- Bidder list for real-time monitoring of auction participants

- Shipping fee

- Order and service hotline

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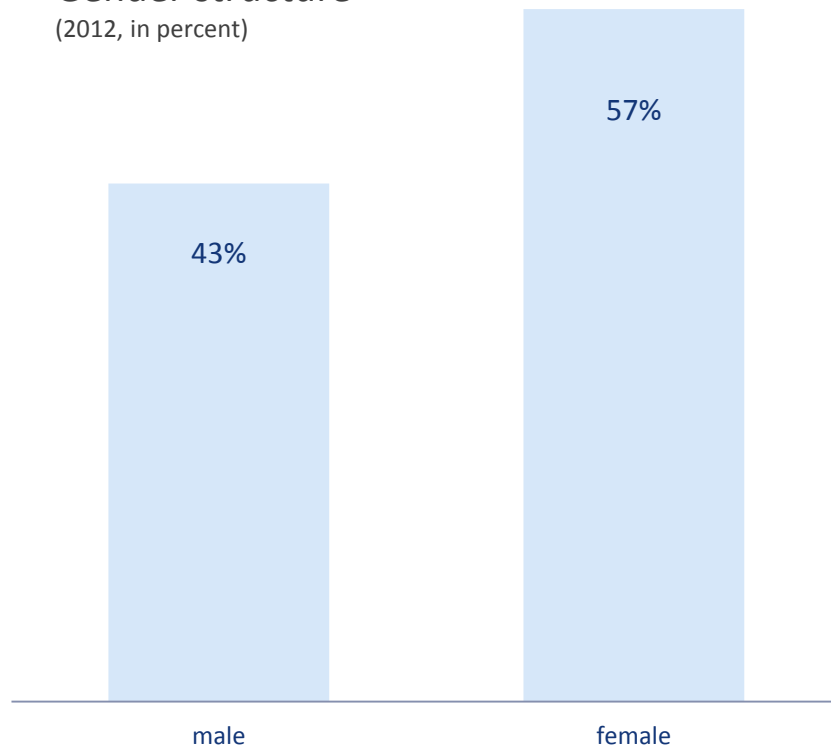
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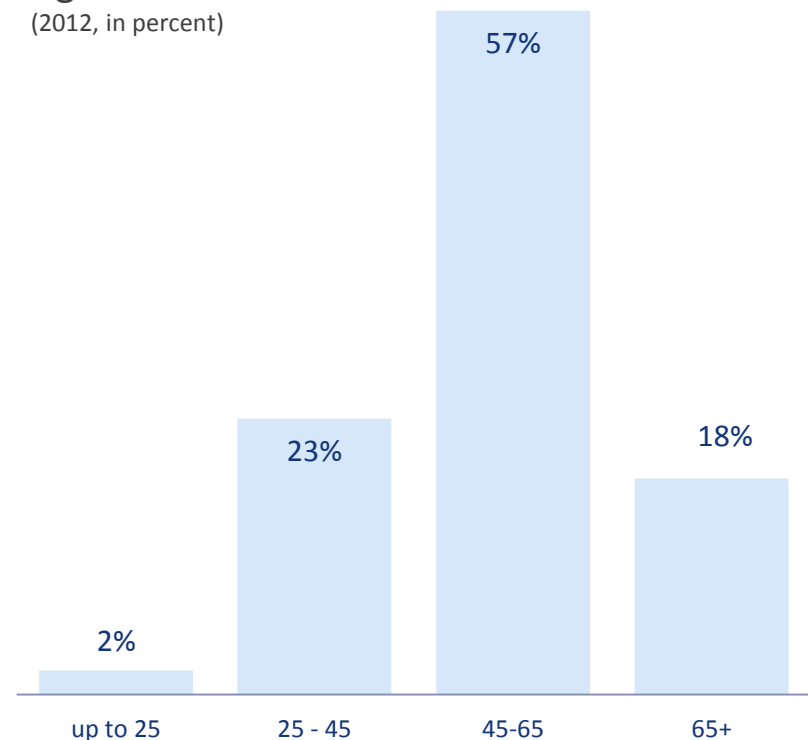
1-2-3.tv customers : large number of over-50s

- According to a GfK survey, they are the most loyal group with the most spending power and are also growing thanks to demographic changes

Gender structure
(2012, in percent)



Age structure
(2012, in percent)



Mark of one million customers exceeded

- More and more people convinced by the principle: “Bid more, pay less!”

Purchasing power

- Over 50% have more than €2,000 net monthly household income

Loyalty

- Approx. 90% watch the program several times a week and 45% of them follow the shopping offers daily for more than an hour¹

Order value

- Average order value over €35; annual order value over €300
- Each customer orders more than 20 items a year on average

Satisfaction

- From order to return: consistently “very satisfied” to “satisfied”¹
- A low return rate (compared to the industry average) is the second convincing indicator

Repeat customers

- Two thirds of customers are active repeat buyers

Communication

- 20% recommend the program to friends and acquaintances

¹ Quelle: 1-2-3.tv Kundenbefragung Q1 2011

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Over 25,000 products in 2012!

- Permanent range of 6,500 products online – from brand-name items to innovative household gadgets

1-2-3.tv: Has and makes strong brands

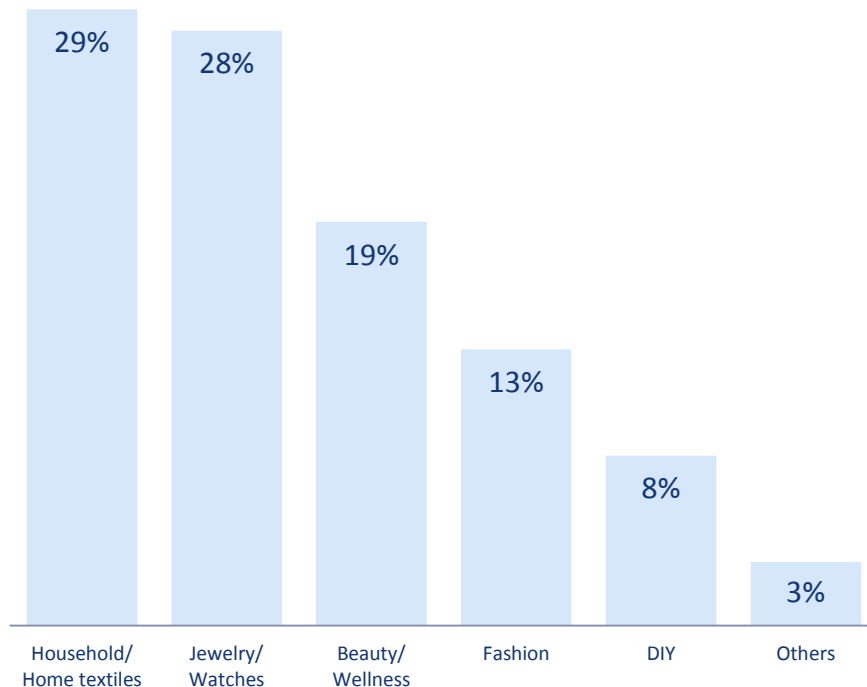


Attractive, innovative, fair in terms of pricing and performance

- The 1-2-3.tv purchasing team researches products that cater to customers' desires and meet the company's quality criteria

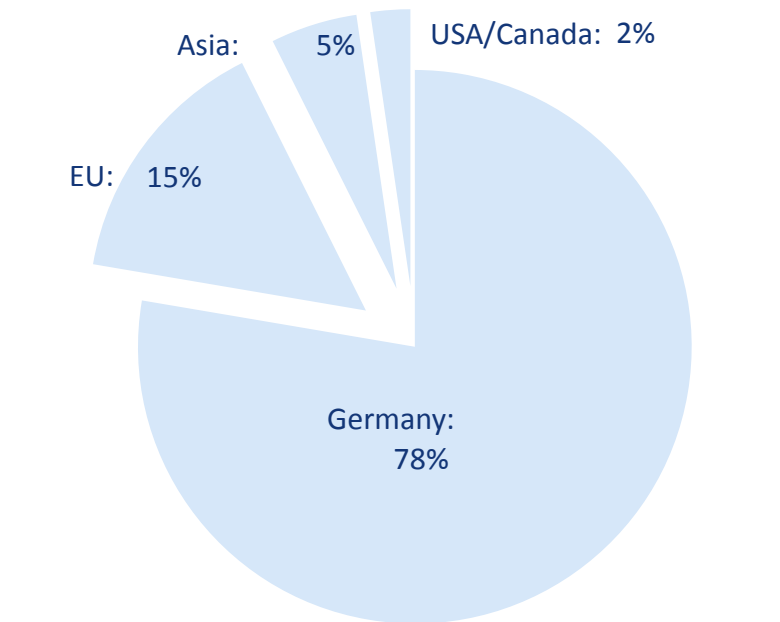
Assortment categories

(2012, in percent)



Origin of suppliers

(2012, in percent)



Fast, flexible, and highly effective:

- The decisive advantages of Germany's first multichannel auction house

Cross-promotion

- Product USPs are stringently advertised with cross-media promotion on TV, the Web, and mobile devices

365 - 7 - 20 hours live!

- Always open: your product is highlighted through-out Germany and Austria 365 days a year, 7 days a week, 20 hours a day live on TV and around the clock on the Web

One-stop logistics

- With partners and systems, specially designed for the requirements of TV shopping

Product presentation

- From purchaser to prop manager and presenter: expert and professional preparation of the TV product presentation to help customers make informed decisions

Rapid processing

- Tested, stored, planned: just five weeks on average from the first contact with the supplier to quality assurance and on-air appearance

1-2-3.tv-presenters

- In-depth product knowledge and professional media skills for modern “sales-tainment” combining fun with solid product features
- Their approach: detailed and comprehensible information on the features and use of all items to enable the customer to make an informed purchasing decision



Benedikt
Garsky



Christian
Giese



Martin
Heyne



Christina
Knebel



Tanja
Nowak



Norman
Magolai



Jürgen
Peters



Arina
Pirayesh



Johannes
Riem



Chris
Schröder



Magdalena
Vogt



Steffen
Wischmann



Agnes
Zimmermann

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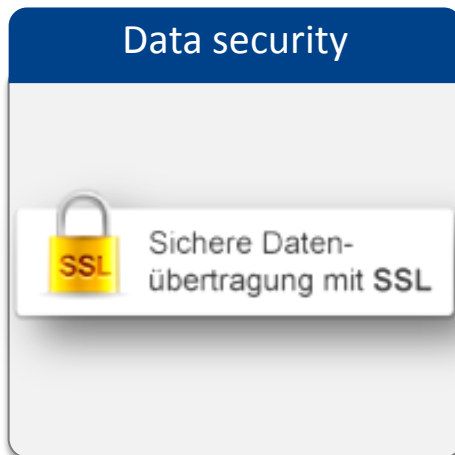
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Customer-friendly, competent, credible, certified ...

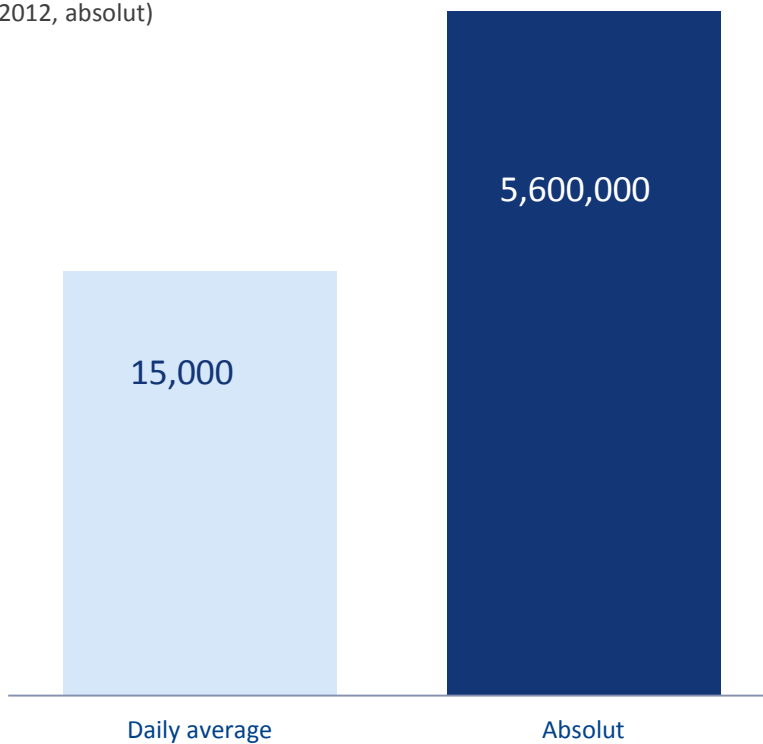
- 1-2-3.tv calls in the inspectors:
External experts subject the range of services the auction house offers to thorough and regular checks



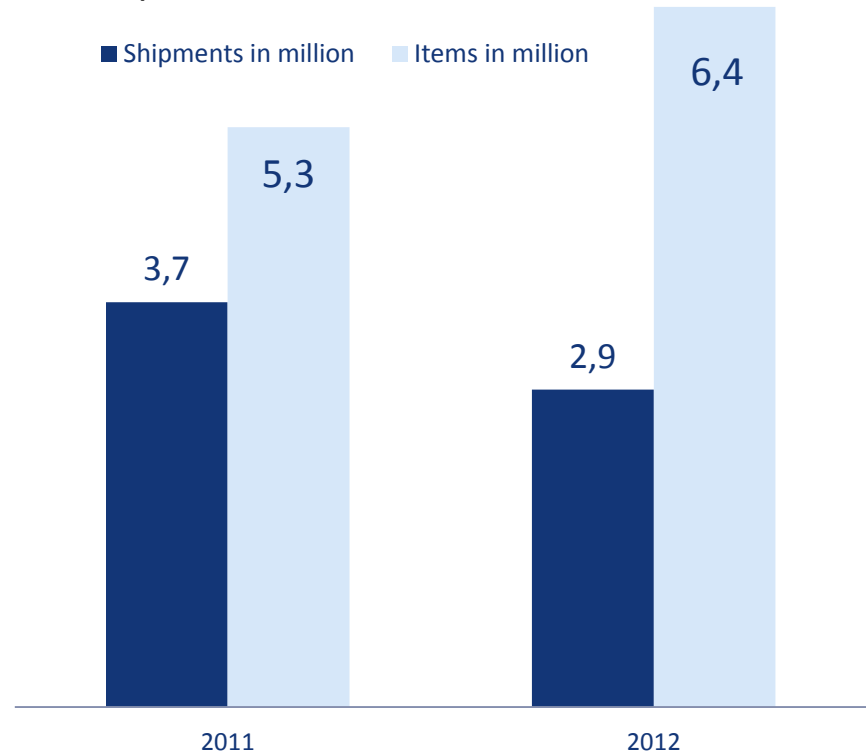
Seen, sold, shipped:

- New service “bundling of the daily orders” well accepted
- Number of items sold increased by 20% to six million

Customer calls
(2012, absolut)



Shipment volume



Reliable, high standards of the German mail-order business

Auction hotline: +49-1377-170-123

- Fully automated hotline connects every call in real time to the 1-2-3.tv systems; €1 per call: protection against users with hoax bids

Service hotline: +49-1806-001-020

- Registration, product or services queries: our friendly call center agents will be glad to help
- Every day from 8 a.m. to 9:30 p.m.

Personal bidding assistant

- “Bidding assistant” service: on request, customers can get individual assistance during the bidding process (or automatically in the event of an input error)

“Bundling” of the daily auctions and orders

- All orders made on the same day are combined in a single shipment; up to three items can be won in an auction, but the shipping fee is only payable once

Shipment in 3 to 5 workdays

- Just as required, our reliable partner DHL delivers all orders directly to the customer’s home or, if desired, to the nearest depot

Payment

- Customers pay securely and conveniently by invoice, credit card, immediate bank transfer, PayPal, or direct debit

Unrestricted right of cancellation

- 1-2-3.tv customers have a one-month unrestricted right of cancellation – without stating reasons

24-month warranty

- 1-2-3.tv is the customer’s contractual partner and offers a 24-month warranty on all items sold

More than 30 million households in Germany and Austria:

- Via satellite, analog and digital cable, DVB-T, and Livestream

1-2-3.tv: Expansion

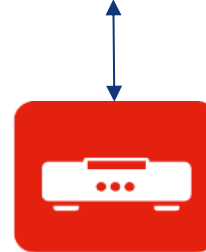
Via satellite in SD (standard definition) and HD (high definition)

SD: ASTRA 1H, 19.2° east

HD: ASTRA 2C, 19.2° east



▪ In all German digital cable networks



▪ 1-2-3.tv also diffuses its sales-tainment service in many analog cable networks e.g. in North Rhine-Westphalia, Berlin-Brandenburg, Saxony, and elsewhere



- 78% of homes: for video-stream auctions or online browsing, the broadband network is continuously growing



- The omnipresent television:
The launch was in Berlin-Brandenburg in 2012; the Munich area followed in April 2013. Since then, over half a million households have been able to receive Germany's first DVB-T auction house

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If you have any questions, please feel free to contact us

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Thank you very much ...

for your attention and interest.