

**NOTE:** This is a draft of Recode's Interview with Magic Leap on February 13<sup>th</sup>, 2018 (<https://www.youtube.com/watch?v=m-Tp8-CAXPI>) used by KGOntech when writing the article for the blog post: <http://www.kgutttag.com/2018/02/16/hype-to-english-translation-of-magic-leaps-recode-interview/>

There is only mirror editing and transcribing correction that has been done and there are likely a few transcription errors. I paid the most attention to the questions directed to Rony Abovitz, the CEO of Magic Leap. I made some more corrections as I wrote the article that are not reflected in this draft.

This draft was generated by taking the YouTube's computer-generated transcript, identifying the speaker, adding punctuation, and minor obvious corrections.

**Bold** = Moderator or a person's name

Dark Red = Rony Abovitz

Dark Cyan = Adam Silver

Brown = Questions from the floor

**Mod:** I want to bring on the CEO of one of the buzziest startups we've heard about a long time. [I] haven't seen him on stage for quite some time and someone who heads one of the busiest entertainment and sports properties in the world. Please welcome Rony Abovitz and Adam Silver. [Applause] [Applause] and maids tail [sic] professional sports mixed reality we got all here. It's all happening already, Rony [and] Adam why are you guys on stage together?

**Adam:** well we're partners with magic leap and we're thrilled that we were invited to be here with Rony and be part of this presentation I think one of the things we spend a lot of time at the NBA is what the next-generation presentation of sports will be and you know we've we've watched sort of the trends over the years where where we've gone obviously the high definition which has made a huge difference to sports fans we've looked at virtual reality we looked at augmented reality and then Rony I think beginning about three years ago when we met came to me and said we have something that's going to blow you away that is far different than anything you've seen before and we've really enjoyed partnering with magic leap now and as I'll let Rony speak to the announcement that and and to the product that's coming to market but I think we're honored in essence to be one of their initial partners we're taking in SR our content our sports content and then looking for new ways to present it and to ultimately find better ways to engage fans because at the end of the day it's about storytelling and it's about bringing those experiences that we've all had when as sports fans when we were physically in arenas and working with technology to try to replicate that experience and and while we we've made a lot of progress over the years we've never quite found a way to take that experience that you have that emotional experience that you have at being in a game and and found a way to scale it and translate it through technology and that's where we see the opportunity with magic Leap.

**2:44 MOD:** I think everyone in this room knows what magic leap is but just on the off chance they don't let's just describe what the company is what you're working on

Adam: That's why he should have gone first what

How you're gonna work with Adam in the NBA

Rony: We make these really nutritious whole-grain bagels

Mod: **You go**

Rony: Okay, we're building a new computer platform, and our theory is that you know the economy was based on like this information age. And computing is really based upon transfer of information but kind of the got was its human experience is not just data it's its emotion. It's like feeling a presence and like something more than just data, and really we're building a computer for what we think of as the age of experience or experience economy

**3:27 MOD: [A] wearable product**

Rony: It's a wearable product we in December we had a reveal so Magic Leap One trader Edition will be shipping in 18 [2018] they'll be more news coming soon the next few months

**3:39 Mod: It's what most of us call augmented reality**

Rony: Right you're looking through it you can see the world and get you can bring

Adam: He gets upset when you call it that

**3:46 Yeah I know**

So the reason I call it spatial computing with digital [light] field and I'll give you the reason. So AR today tends to mean I hold up a phone and I see like stickers through a pass-through video. And there's like all these really cool AR tools, but most the world associates that with holding a phone up. And our device or technology experience are all fundamentally different from that so there used to be like the idea of augmented reality and science fiction that we're closer to, but the pop-culture word AR doesn't really apply to what we do anymore

**4:17 Moderator: So the story about you guys is you have this amazing technology everyone who goes down to Florida and signs an NDA comes back and says it's amazing and I can't tell you about it, but it's amazing. We could talk about some of that back history you did not bring the product here on stage we can't see it. And part of the challenge of even talking about this stuff is that you have to wear it to experience it. I have not been to Florida I have not signed your NDA I don't know what it's like we wanted to try to tell people a little bit more about it though right**

Rony: "Yeah sure so what we revealed it's uh there's a component we called light wear which is really an important part of what I think of as spatial computing. Its senses you so we're actually you get like emotional state you can get like information and biomarkers about a person you sense the world around you because if you don't have context and you just have like something floating in space makes no sense.

And then we really spent some massive amount of effort and capital building a digital light field signal. And all of that is really to look at your eye and brain evolved for millions of years into something that's many billions of years old. Like the physics of how light in the universe works with your biology. Our goal was like, let's not screw that up. And to not screw that up record going down a very difficult path and trying to understand what is going on there.

Like what's the physics? What's the neurotechnology what's the neuroanatomy happening and going that's not off-the-shelf stuff? And how do we like gently slipstream into that and not disrupt things so we want to talk to the visual cortex in a really biologically friendly way and that was this whole effort to make something new? So that you can put something on and have experiences that really feel kind of Magic Leap so

**5:57 MOD:** Easy for you to say. Why don't we go ahead around? So in lieu of being able to actually use it ourselves, we have we have someone describing what the this is like.

**Rony:** Sure yeah we have a we have an, unfortunately, couldn't be with us today but a little clue

**Shaq:** Hello my name is Shakeel there first of all I'd like to say welcome to the 2018 cold conference like to give a special shout-out to Rony and my good friend Adam when I went to Magic Leap I put on the parody glasses and I watched a full-court game right here not flat LeBron was right here I seen LeBron taken code like it was the most amazing thing and then I went over here and I'm watching the Orlando Magic play there's Los Angeles Lakers so I think the NBA once they get a hold of this technology the players are really gonna want to integrate their material and their content with Magic Leap and it's about to be a wonderful thing when I first saw the technology I begged the people America I said please let me be inside people's glasses when they put them on so I came and they put all the little balls on me and we did a few things and I actually saw it and then when I saw it it made me feel like I had a twin brother because I put these glasses on I saw the most beautiful tall black guy ever seen in my life and I said oh that's me make sure you get your son have fun at the 2018 cold conference Shaq signing off.

**Rony:** there you go it's great to get a sat at the Shaq that's a bucket list it

**7:30 Adam:** For me, you know the most incredible part of the technologies they found a pair of glasses that would fit on Shaq's head.

**7:37:** Those are production glasses

**7:37 MOD:** Yeah those are those are production glasses that's not a special Shaq-sized

**Rony:** That is a magic leap large that he's wearing so he hit the outer edge of our human [*design limit*]

**7:44 Mod: This points to one of the big challenges right of what you've been working on. And what you're eventually going to sell this year. Is it's people talking about what the experience is like so again maybe you guys can describe sort of what the NBA version of this. It's like, but then more broadly I'm thinking, this is a real marketing challenge for you guys. You've got a guy wearing glasses talking about what something's like well**

**Rony:** Here's the way we thought about it. I'll have Adam talked like there's sort of amazing experiences like the NBA basketball. [It] has been around for like more than a century, so we kind of know what the great basketball experiences are. So there's like on the court there's courtside there's like the skybox where you look down, and there's like the sports bar, and we were thinking like what is the ultimate fan experience.

And like what mobile and television don't really deliver but you have to actually go to the game or be a player meeting a player like actually meeting Shaq. Like he's he's like most beyond like 6:1 is something like Shaq. I'm like doing that too so actually seeing Shaq was in my office a few months back. And then seeing digital Shaq in my office last week like he's staying ups like the exact same head perspective areas like in my office.

The idea of like presence you can actually meet someone, so there's all these kind of super fan experiences were thinking about. So part of what we're doing is like what I call like skybox or tabletop there's like the arena. And and there's all the players running around, and then there's like something we call screens.

We could have like your sports bar you can get your sports bar on you have like five or six or seven or eight like televisions running different camera angles so suddenly you could be anywhere. Like we'd be sitting right here and just throw a bunch of TV screens, and now you're watching like one game from two perspectives. Or all your favorite games at the same time. And then it's like actually like meeting a player having like let's say someone like you know what Bron dunks and now we want to see that right now. So like part of the court appears someone is here full-scale dunking a basketball. So all of those things are possible and what wanted to do the NBA was like begin to like collaborate space

**What's the first iteration of this Adam?**

Well kind of where I started today is that from our standpoint while it's amazing what we've been able to do through television and taking experience to fans it doesn't come close to replicating what the experience is in the arena and so and I go then the next step is we're just even recently we used to say before we start getting involved with Magic Leap that the goal was to replicate that courtside experience but then when Rony sort of brought his vision to us it was well you can do even better than the Jack Nicholson courtside seat as he was just describing you can also have all kinds of screens of information available to you so you're watching the game and that you can instantly know statistics or probabilities and then beyond that where the courts here this the courts I see this here you can then be on the court you can be over the court you can have all sort of different perspective

**When this launches this year this is a we call us up do we call this an NBA app**

yes

**Am I watching a game that I can also watch on linear TV is it is it something it's not on linear TV how are you thinking this**

so our initial it's actually a three-way partnership with Turner Sports the NBA and Magic Leap so Turner owns for all platforms the games they license for up from us so they can take the games that you now see on TNT and then through this app and through people who have the light where equipment can then make those games also available and so yes they're available through conventional linear television but for those people who want this special experience and and for us really the opportunity is it's always to me an issue I keep coming back to of scale in that our buildings are largely sold out and and certainly all the courtside seats are sold out in every arena and the challenge has always been as we have I mean last year a billion people one out of seven people on the planet watched some portion of an NBA game which is quite unbelievable and our games are distributed in 210 countries but the question is but they're not quite sharing in that experience that Rony talked about those so-called lifelong memories that people have had from going to sporting events from experiencing them with friends and family members and we'll see I mean I'd say this is a first iteration and you know I signed the NDA too and I and and so I've seen a first generation of it but part of from the NBA standpoint our notion in entering this partnership was please use our content we would like you to experiment we have a lot of games and we think we until we start getting feedback from users we're really not gonna understand what's the most this is an experiment for you you're not real sure what it's going to be everything I mean it's it

**it's an experiment**

to the extent that I think any new product you put out there for consumers they haven't gotten feedback yet I think you know I have my own sense of what I think it'll be based on my reaction to it and having seen other technologies out there and have to experience with some of the other forms of reality that we've talked about before so I'm really excited about it but I have no doubt that what we're gonna see in five years is gonna be a lot better than what we're gonna see in this year and except

**13:06 MOD: There are a bunch of VR experiences to let you sit courtside or ringside or wherever you want to be at a sports event they haven't taken off. And then Rony you'll say that your tech is much better than theirs and so for argument's sake let's say that's the case. But the other argument is that actually watching tell television sports is great. You get million different angles you don't have to put a headset on. You can watch it with your friends. Maybe it's better to be live but watching on your couch is awesome. So what's the urge to improve upon that**

**Rony: Well I'm gonna say like so let's say we're all watching together. And what we're doing I don't lose you guys we could be hanging out I can wearing goggles. But I don't lose seeing you I still see you. I could still see family could still watch your kids, so you still see the real world. And then you have digital things not superimposed on there just actually integrated into it. Like you may have a 60-inch real TV now you have five digital TVs that just appeared. And you may have a part of your family room that didn't have anything there before, and suddenly there's part of the basketball court there. But you still see your dog running around so you don't lose the social aspect of being together. That's one thing I think that's fundamentally important if you actually shut out the world completely. Then I think it's very isolating so we're not isolating you at all you can you can like watch a game go to your kitchen grab a beer. You're still watching the game you say hi to friends go back and sit down. And it's aware of what you're doing like if you want to get up and go do something you can just pause everything. Because it knew you want you got up and went somewhere you can go upstairs get something. Suddenly the game**

reappears upstairs so have it has it's awareness of what you're doing so it takes everything you love about let's say normal television and amplifies that.

**14:48 Adam** your ratings are up you're one of the few people in TV doing better than you did last year and better than you did two years ago do you feel like this is something you have to do to make sure that keeps happening?

Adam: no I . . . I think I think it is something we feel we have to do and I think we keep looking to push the envelope and if you look at what you know Disney and ABC and ESPN have done with our telecast and our partners at Turner versus where we were five years ago and ten years ago it's a much different experience now it's a combination of much better video quality through High Definition it's better audio that you get it's better access that you get and I guess my answer to your question would be remember it's not so long ago that people used to say people used to feel when these games were made available on television we had to block them out in markets in order to sell tickets now to me we're sort of looking at a very the notion of why we're doing this if it's a good experience on television people still want to go to the arena's even though these games are available in high-definition beautiful large monitors that are fairly affordable people almost all agree that if they could get a courtside ticket to an Emmy a game to Lakers or Clippers in town here the Warriors that that's the best possible experience so our view is there's still a large segment of the marketplace that well they may not be able to afford or have the ability or even the vast majority of our fans don't even live in the United States let alone get to an arena and if you could the closest thing possible to bring that experience to them through net new technology we think it's they'll be enormous demand for it

**16:24 MOD:** Rony when you said 2018 want to narrow that down for when we're actually gonna have these things in our hands

Adam: that's this year 2018 it makes it sound like that off in this year

**16:34 Mod:** So, Shipping this year. May we get into that *[roughly corrected due to people talking over each other]*

**Rony:** We are continuously seeding early acts of developers. We've been doing that since last summer. So that's happening.

**16:47 MOD:** What are they going to cost

Sometime in the spring, we'll be announcing more

**MOD:** You'll announce more information what are they gonna cost

We'll announce pricing the day and date of sale

**16:51** Someone who seemed like they knew something told me that they were ballparking it around a thousand bucks is that in the range?

I think we're pricing it 's a premium computer so I would think of it that way

**17:04 MOD:** It's an expensive computer you're gonna put on your face who do you think the audience for this first iteration is?

So Magic Leap one we call it creator edition. So it's people who are enthusiasts, developers, creators, brands, artists, partners, people that want to get an early taste of what the future looks. Like it's not necessarily for everyone right away, but it is for people. But we're not saying it's all it's not a dev kit in the sense that you know we're not blocking anyone could be a creator. If you have like creator and you want to tinker, and you want to play with what's coming, Magic Leap Creator Edition for you and

**17:37 Mod: Where do you need to get it to pricing wise where you think this is a mass-market product**

Rony: I think the Magic Leap One creator edition price point, we will have a product line in at price point probably for the company's history. And we'll probably have some above, and we'll have some below so I think we're trying to establish certain tiers like we're not gonna be a single product company over time. So just like you know other companies have like you know they have a cascade of like you know really high-end for like prosumers professionals. I think of this as like prosumer-ish, and then we'll have even higher end for like you know hyper pro, and then we'll have like you know wide mass market right

**18:13 Mod: That's what's a wide mass-market price 200 bucks 300 bucks you know up to that**

Rony: No, I think I think magic leap is like you know like think higher and mobile phone to higher and tablet zone is probably our floor

**18:24 That's your floor, so that's my iPhone X is a thousand bucks right?**

Rony: Without naming anybody, yeah yeah, okay

**18:28 So this is not something you're gonna dip into casually so you've got to get really great content like the NBA presumably how much more stuff do you need before you can make this**

Rony: Also as a device, you get multiple computers. You don't have to buy another computer you get a full-blown computer in your pocket. You have like this whole computer or machine in one system with a digital light field there. So the number of devices it's potentially replacing, if you actually add all that up, like at some point. We're not saying for ML-One everyone will go down this path. But your phone's your televisions your laptops your tablets. That adds up to thousands or tens of thousands of dollars all get virtualized. So the economy of what we're building actually can replace not on day one, but over the next you know let's say Gen 2 - Gen 3. A whole suite of consume. Ok?

**19:16 MOD: You're out here with the NBA you're pitching this as a consumer product. A lot of folks think that VR, AR, mixed reality, spatial computing, this is a this is eventually gonna be an enterprise product. This is gonna be something that the military uses you use in a factory, police use it, that seems more practical than asking people to wear these things on their face.**

I think it's totally about experience. I think right now what we've got is a mismatch. Like I call Information Age companies, like shoving information aids stuff onto a device which is really experiential. What I mean by experiential is like the visual quality has to make you feel and like it's amazing. There's no other way to get that.

It's not like just data in front of me. It's not a data appliance beautiful sound field like just stuff that actually moves you so that you're, you know, just like you put on a really great pair of headphones to get amazing sound like a concert they're not the prettiest things in the world. They're like World War II headphone cans, but you do. It cuz the sounds amazing and you want that's amazing sonic experience.

Then you have little tiny earbuds for just an everyday phone call. So think of what we're doing is people want an amazing visual, sonic experience. we're putting that on versus like driving for two hours in traffic and spending hundreds of dollars to go do something else it's not digitally brought to my home so the convenience factor at some point will be kind of amazing relative to like what you need to do to get that same experience in other way

**20:34 MOD: One of the other parts of the Magic Leap narrative is people going on to Florida. They sign the NDA they say it's amazing. And then they say quietly, I don't I don't think this thing is/can be a product. It seems like they are ways away from making this an actual product that consumers can get their hands on. There was a piece a year and a half ago that said you guys were having real trouble with. That you've been working on us for years. You've raised two billion dollars. What is what and you say this year is it's coming out. What is the thing you had to solve to actually get this in people's hands**

Rony: So the company literally started my garage and if you go to go to Magic Leap fall 2014 the light field signal generator. It is like half of a room. It's like this multi-hundred-pound gigantic beast, so that's where we are, and all that was doing was the visual signal. So today we shrunk that down it's a something that's a nanostructure wafer. So we took microelectronics and large-scale optoelectronics, and we built an entire factory. Even designing the machines that make our wafers almost like what Intel might do for silicon is -

**21:33 Was there one key thing that you had to solve before this could show up?**

Rony: So like we put a mass amount energy solving the digital light field problem. That was like number one, and then we had to marry that to perception. And really perception is computer vision and sensing of the world and you at the same time. In real time against what our digital light feels signal. It was like a bunch of nearly impossible problems incredibly hard problems. So if you were joining Magic Leap mid-2014 you were super brave and 15 you were super brave and 16 you're super brave. [And by] 17 you know like obviously you could see the light. And now like it looks like oh it's all these problems have been solved. I mean the first few years of the company were just intense it's like joining SpaceX when there's just a hangar and a whiteboard saying we're gonna go like shoot stuff into orbit.

**22:19 Mod: And for a while, you were showing people this is what it looks like. And then you got blowback because it actually wasn't what it looked like. It was a rendering it wasn't the actual experience. Why you didn't show us sort of what do you hope to pass through. You weren't showing us what it looks like with the product on your face it was Shaq describing it.**

Rony: So what we showed Shaq wearing is actually a Magic Leap one yeah he's wearing.

**22:44 MOD: But you're not seeing it from his eyes. You still have to put the thing on to actually understand what it's like, right?**

Rony: So one of the dilemmas was we did a shot through Magic Leap tech videos. And we also did like here's what the experience is like. And it's a little bit tricky because you actually need to experience it directly.

**23:01 MOD: Right**

Rony: There's not really a monitor. And this is probably the most interesting thing about building a computer where your brain is the monitor. And you're not looking at a monitor. So you actually need to close the loop on the system. And you have to directly experience it. So actually filming that automatically makes that not the experience anymore. So showing that in video was like very tricky because it's not.

**23:25 MOD: yeah**

Presence, like your present now, but looking at a photo of you is not like Peter

**23:30 Really a real marketing challenge you have. To go stick it on people's heads individually Adam**

well I only say about that I mean however you know Rony is describing it we brought it to Adam I think when you see it then he'll either see there's value or not I think I signed the NDA too so I'm not allowed to say more but I think it's just it's for the people here or watching it it is I understand the challenge in sort of describing it in that video

**23:54 Steve Jobs brought the iPhone Apple took it right his pocket said here's the phone right and then he sat down and**

But I think will be it you know Rony will be at that point soon and then people will judge for themselves

**24:06 MOD: Adam I mentioned earlier your ratings are up everything else is down the NFL is down grammars are down it makes sense because there's lots of things competing with TV for your time so you guys are up held your figures up across them is it luck that you're from a smaller base in the NFL but is it luck that you guys are increasing your ratings?**

well I only say well it's true that the NFL for example was down a bit from an absolute standpoint they're the highest rated programming on television yep that's interesting if you look at the trend over you know roughly the last two decades so in 2017 eighty one of the highest-rated 100 programs were live sports and if you go back to 2000 it was 13 so both on an objective standard and on a relative basis live sports are more than holding their own so while other leagues have absent flows and their ratings that I think of anything right now live sports are what are holding the bundle together it's the programming that is differentiated and exclusively available through cable and satellite that while there's some small packages that are available through some of the over-the-top services if you are a sports fan you still need to get those conventional packages to get sports and when in an aggregate we're more popular than we've ever been so I certainly don't think that's luck and you know enormous amount of credit goes to our players of course were these incredible athletes and I think one of the things that attracted magic leap one Rony to the NBA was this notion again of replicating that experience through technology because it's so enthralling to see it in person but again we're just limited in scale by the size of our arenas

**25:47 One of the narratives around the I don't had a different thing about why the NFL ratings are down and mine is because there's a snapchat lots of things to watch but one of the arguments was oh people are turned off socially they don't they don't like the protests or Trump has affected them the NBA is socially very progressive you've got a lot of really outspoken players we're really on those sort of generally the left side of the political spectrum you got coaches like Steve Kerr Gregg Popovich who**

**are very vocal about their dislike for Trump why is the NBA more outspoken as a league why are the players and coaches more vociferous and why do you think that hasn't hurt the league?**

it's a good question I think it has more to do with the the nay of our league than anything that's happening at the moment if you look back over the course of let's say 50 years at the the original of the activists who in the 60s and early people like Bill Russell you know people like Wayne Embry you know and and others Bob Cousy was one of the early pioneers of The Players Association in our league who went out and fought for civil rights for human rights I mean Bill Russell was stood with Martin Luther King for as I have a dream speech on the mall in Washington and I think it's this is it's it's part of what is the fabric of our league that's been passed down from generation to generation I feel like that that's something that I've inherited as part of this league and I know that's what a political for a while and

**MOD: Michael Jordan famously said "Republicans wear shoes too"**

Adam: and for a lot of them people weren't as active politically well some weren't some weren't and that was Michael but I think also that was his personal choice at the time but I'm saying if you look back over the history of this league there's a very clear through line in terms of it's not just political being politically outspoken but I think it's one based on what the core values of this league are and I think there are things that are inherent in this sport that maybe differentiates us from others I think that I think for example it's a sport that lends itself to social media because the players are not hidden by helmets or tucked under a cap or in dugouts during between innings I mean they their culture ated around this game where they're this close to fans and

**they're in shorts**

and they're in shorts they have barely anything on people they're they're they play offense and defense the star players are on the floor for virtually the entire game and again I think that they what's happening I think that technology is in part responsible for what we're seeing in the league because social media has allowed them to speak directly to fans and to demonstrate that they are the multi-dimensional people they are and so it's not just a function of what they do on the court and I think to their credit they've taken advantage of that platform and I mean sometimes it's it's warts-and-all it's not it's it not all that makes us more popular it turns some people off or even some of the things completely apolitical that players are talking about that people don't appreciate and but but I accept that it they're they're highly relevant to everything that's happening

**social media has increased your television ratings**

yes to me no question about it I you know when I look at what in you know as I said before you know one out of seven people on the planet and watched a portion of our game we have a social media community that's we estimate with globally at about 1.4 billion when you look at the followings for teams individual players the league our partnerships with companies like \$0.10 in China its enormous and and in it it's a new port

**people are consuming it on social and more likely to watch it on TV**

yes because I think it comes back a lot of what Rony and I have talked about about these experiences that the richer the experiences are the more that you bring people into the lives of these players the more they care about the stories the more attractive they are to the telecast so it's not just one-

dimensional players running up and down the court that they they're you know they're from somewhere they overcame certain obstacles it's like watching the Olympics now I'm sure a lot of us are drawn to watch sporting events that will who won't watch for another four years but I think NBC does a fantastic job giving you the back story telling you why you should care about these individual athletes and I think that's what social media has done for our players and I say not all that appeals to everyone but there's virtually something for everyone and when you have a league where 25% of our players for example were born outside of the United States and there they're diverse they're in so many different ways that I think that in many ways they are the the new face of America you know and so when and and for it demonstrates the what the opportunities that come from inclusion that come from open borders by taking the very best players from all around the world and having them play in one league based in the United States and Canada you know so I think it's a great statement also about about our country **it's almost like you're Pro immigration** absolutely

**30:56 MOD I have other questions but we should let you guys ask them if you're brave and if not we'll just keep talking there's someone here I take great questions**

**31:03 Q1: So I am a subscriber to NBA League Pass.**

ADAM: thank you

**Q1 The most expensive version of it by**

Thank You again

**Which which which takes out ads and replaces a lot of the all that ad space with actually the in arena action**

right

Which oh it's funny like not a lot of people I feel like know about that. But I have to tell you it is literally the most transporting thing. And that's just happening on a two-dimensional television set right? And so it literally feels like I'm routing I go for Kevin Durant to somebody like trying to make a bucket to

**31:38 Rony wants to sell you an expensive [cut off by Rony]**

Rony: No he is a really like basically describing why we're building them

**Q1: So I guess the question is how with the experience getting better outside of the arena right. And actually getting better in the home. How are how are the team owners reacting to a lot of these efforts? You know when you know that the experience in the arena is actually competitive to the experience that you're building.**

Well you know first of all I you know it's up to Rony I don't know what the rules are in saying their names but three of our NBA owners actually are investors in Magic Leap so that's one way they're reacting. But I mean and the particular you know product you're talking about again it was more in some ways a more primitive way of sharing that experience than what Magic Leap will do but I learned it from traveling internationally where fans in China and India and in South Africa were saying you know what's going on in your arenas when we're otherwise going to commercials and when you're in our Weena's it's nonstop entertainment and again there was a time when people read our back famously fought mascots and dancers and said I want none of that and now all 30 teams do it but there was sense that it is more than

a basketball game and if we could deliver that it would increase the entertainment value and I think our owners are reacting very well to it of course it's a different economic model when you're increasing the subscription price in exchange you know like a lot of products doing interchange for taking out the ads but in our case it's not just taking out the ads we're substituting it with other programming you wouldn't otherwise see on television and so again you know I credit our owners I mean many of them technology people like Paul Allen and Mark Cuban and and Paul Jacobs you know a lot of them are very much technologists and are pushing the league office and saying you should be experimenting with companies like magic leap and others that are represented in this room and finding new ways to again replicate that great arena experience through technology

**33:38 Q1 It's great, Thank you**

33:40 Mod: **thank you so good questions yeah there's smart people who show up to this event**

**33:47 Q2: A question for both Adam and Rony in the short term I guess one to two years out based on your experience with the Magic Leap technology what do you guys think are the most compelling consumer applications of it.**

Adam: Well I only know one NBA game

Rony: I'll send around since we're since we were talking about the NBA if you were doing like a league pass trying to be experienced first of all just imagine being able to conjure up you know like four or six maybe even eight screens just anywhere like here they're hanging out at the beach at some point or in your living room and then let's say you pick a game and now you're getting broadcasts from different camera angles and then suddenly be you can have like this skybox view where you see that and also the players small are running on the court you're seeing all that with like stats and data you could freeze that and let's say there's an amazing moment you know there's like this like twirl dunk and your smashes the backboard and like that's amazing you're like I want to see that that just like shows up I think you're gonna see that in next one to two years and we're gonna we're gonna be very agile and iterate and like you know the early superfans gonna say more of this less of that like more you know I want an actual Shaq or my living room or I want small Shaq dunking like you'll basically be telling us if you're in early you got to dictate what we're is going to go so would you say it's a stationary multi-screen experience so imagine you have a whole bunch of screens and you have like a real like arena with small players and you can have a volume as like volumetric cinematography there's actually like a player and like a court there in your living room give all that going on at the same time so it's not a stationary it's it's like basically having pieces of that like amazing experience Adams talking about like in your home or in some other space that you could decide I want this right don't want that so it gives you a lot of control and let's say the best feelings of being in like let's say the ultimate is being in the everything in the arena we're trying to bring the best moments and experience of that to you wherever you are.

**35:51 Q2: got it thank you times be awesome**

## **one last quick question**

**I'm Dan hunger from Surfer it's curious to get both of your thoughts on the rise of eSports and how you see each of your different areas really playing into that in the next few years**

Sure I'll start so we're actually launching an eSports league in the spring of this year with our partners that take to sew around our NBA 2k game which is enormously popular and we're watching what's happening on Twitch with an enormous you know 100 million people month you know approximately you know two hours a day of consumption of eSports so it's something we're fascinated with and and for us it's it's a bit of a twofer in that you know both were experimenting in eSports but it's also around an NBA game and I think along the same lines that that you guys live in twitch now right we're twitch now what we're actually streaming g-league our minor league games on Twitch will likely do something on Twitch with our new eSports League as well but in the same way I think that your question before about does social media consumption of NBA lead to people watching more games we also see a direct correlation with the consumption that the playing of NBA 2k with the desire to watch the real product as well the difference is just so it's clear an NBA 2k the game if you buy it you're playing in the character of for the most part a current NBA player our eSports League will have nothing to do with those NBA players they'll be an entirely new set of professional gamers athletes who will be competing five on five so I'm fascinated with it I you know I think it creates a big opportunity and just looking back to the data and when you see the amount of consumption that's happening on Twitch YouTube as well it's not as much live but enormous amount of you know I've talked to Susan about an enormous number of consumption hours of eSports there so it's the other thing I'll say as we look to expand our league we're starting we're launching seventeen of our 30 NBA teams or launching as part of this league and I think will fairly quickly get to 30 but in in the world of eSports we can add a team in Shanghai we can add a team and Mumbai something that at least based on the constraints of air travel right now I think is almost impossible in our in NBA league.

**We're gonna leave it there we're gonna take a really quick break enough time for you go to the bathroom grab a cup of coffee come back at 4:40 Rony Adam thanks so much [Applause]**