

CONVENTION 06



Olympic-sized issues:
"FMCG brands are leading the race to benefit from Beijing 2008"



IPTV ahead:
"Worldwide subscribers are predicted to leap tenfold to 37 million by 2009"

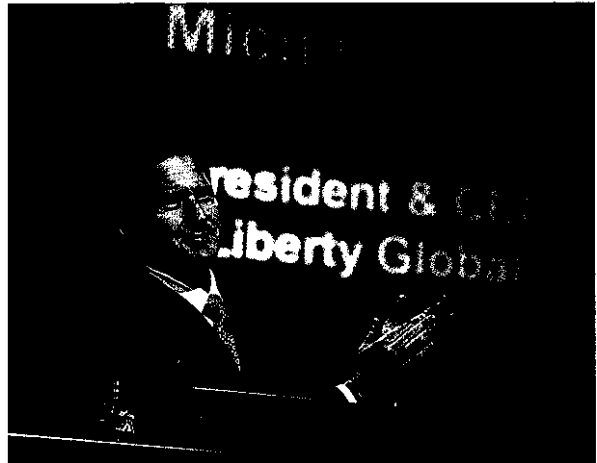


Networking to the Max:
The central theme at the Convention 2006

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CONVENTION 2006: THE SECRET SAUCE

The four-day CASBAA Convention 2006, tagged "From Bandwidth to Brandwidth", drew more than 1,500 attendees from over 30 countries. Held from 24 to 27 October, the CASBAA Convention is the most important annual gathering in the region for the pay-TV industry, providing debate on major issues such as the monetisation of newly-available communications bandwidth, the way to attract new investment to communications infrastructure and the provision of video value to customers.



Keynote speaker Michael Fries, President and CEO of US media conglomerate, Liberty Global, stressed that the future of pay-TV revenues and delivery is "all about capacity" and listed "Seven Basic Truths" for the pay-TV industry:

- 1) The pay-TV market is not moving as fast among consumers as many media professionals believe;
- 2) Technology remains ahead of consumer demand;
- 3) As service providers push network speed as a selling point, applications must catch up;
- 4) Managed services will prevail with a "flight to quality";
- 5) Interoperability will become the equivalent of McDonalds' "secret sauce";
- 6) The power of bundling remains, allowing customers to navigate in an increasingly complex market; and
- 7) "Consumers need help" and no-one should be left behind in the rush in to new technology.

Later in the conference program, numerous experts gave their insights on investment, the delivery of content via mobile TV, and IPTV, which nevertheless, remains a video delivery platform that has yet to mature in many markets.

The survey of pay-TV piracy in the Asia Pacific co-presented by CASBAA and Standard Chartered Bank confirmed that signal theft remains a huge problem. Pay-TV piracy cost the industry US\$1.13 billion this year, compared to US\$1.06 billion in 2005, a rise of over 6%, with illegal connections reaching 5.2 million.

Other highlights of the Convention included the CASBAA Technology Showcase 2006, The Sun Mobile Forum, CASBAA China Forum, CASBAA India Forum and Targeting Japan, with additional keynote addresses and "in Conversation" sessions.

"This year's event proved that the pay-TV players continue to work to deliver content via the most suitable media while making every effort to maximise the value of available bandwidth," said CASBAA Chairman Marcel Fenez. "We remain convinced that Asian subscribers will gain yet more access to the highest-quality content delivered through the most effective channels."



John II Kwun
Managing Director, The Carlyle Group

MONEY TALKING

John II Kwun, Managing Director and Founder of one of the world's largest private equity firms, the Carlyle Group, told the Convention that the exciting growth prospects for new technologies and services make telecoms and media attractive investment prospects.

Mr Kwun went on to note that steadiness of cash flow, and the defensibility of market positions that companies occupy are also important investment criteria.

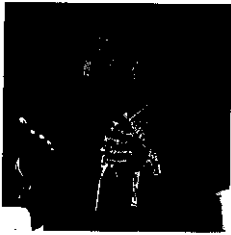
Carlyle now has approximately fifty per cent of its investments in telecoms and media with aerospace and defence accounting for less than five per cent of the total.

"Korea is a very important market for Carlyle. We expect strong future growth in the media and telecom sectors, where Korea is a leading global player," said Mr Kwun.

Carlyle recently paid US\$166 million for a 33.5 per cent stake in a South Korean cable TV unit, Hyundai Communications and Network. Meanwhile in Taiwan the Group acquired a leading cable TV operator.

Mr Kwun also noted the importance of regulation to the attractiveness of media investment propositions.

The Carlyle Group was founded in 1987 in Washington DC. Mr Kwun said it currently manages companies with an aggregate revenue of US\$68 billion, employing 300,000 people.



Gabby Lopez
President & CEO, SkyCable

A WHOLE NEW MARKET

The Philippines' biggest media network is testing pay-as-you-go cable TV services that could revolutionise the pay-TV business model in Asia.

Gabby Lopez, President and CEO, SkyCable, told the BBC's Damian Grammaticus, that the new model is part of a scheme to modernise the country's cable TV system, including the introduction of digital set-top boxes.

"We are also testing pre-paid cable," said Mr Lopez. "We've found it hasn't affected the existing business at all. It's a whole new market. People buy it just for the weekend."

"We are following the 'sachet' model that consumer-product companies use for shampoo and hair care. This is the cable TV equivalent of the sachet, so you can buy one week, or three days or a month," he said.

"The weekend is a couple of [US] dollars. For the consumer, rather than going to the movies and bringing his whole family and then going to a restaurant, he can stay home and have 60 channels and watch 60 movies, and it's a lot cheaper than going to the mall!

"There really is a market for this. We're hoping that content providers will work with us because I think this is where the revenues are going to be generated in Asia," said Mr Lopez.



CONFLICTING EXPECTATIONS

Conflicts of interest between business and politicians have created a "choke point" in the development of pay-TV in India, the CASBAA India Forum heard.

Remi Hinduja, Co-Chairman of Hinduja TMT, one of India's leading information technology and media conglomerates and owner of the cable operator IN TV, told the Conference that until recently there had been no regulation at all in the Indian pay-TV market.

The result is that consumers, politicians, multiple service operators and content providers all have different and often conflicting expectations of pay-TV in matters of access, pricing and technical standards. Mr Hinduja believes the regulatory void has also prevented the development of franchises offering exclusive content.

On the issue of price caps, Mr Hinduja said that he firmly believes that this is a temporary arrangement put in place for the next six months, while a proper regulatory system balancing the interests of all parties can be established.

Meanwhile, Mr Hinduja said that he believes the Government will aim to get "significant penetration" of digital set-top boxes in Indian pay-TV homes in time for the 2010 Asian Games which India will host, thus allowing encryption to be rolled out and for the market to develop.



Remi Hinduja
Co-Chairman, Hinduja TMT

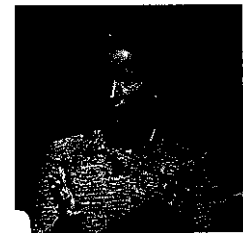
KEEPING COOL

Louise Sams, President of Turner Broadcasting System International and the CNN, TCM and Cartoon Network channels, believes that traditional television will withstand the challenge of the internet and mobile devices for some time. "I'm not willing to accept the demise of television just yet. More and more people watch TV today than ever before," she said.

Speaking to CASBAA Chairman Marcel Fenez, Ms Sams noted that many brand owners were uncomfortable about the idea of advertising on media such as YouTube or MySpace, because they couldn't predict what material would be alongside their advertising.

"The long term issue is whether the viewers who put YouTube where it is in terms of traffic, will stay with them if they perceive YouTube has joined the 'establishment'. They may decide YouTube's not cool any more," observed Ms Sams.

Copyright issues remain a priority issue for broadcasters. Ms Sams believes that YouTube is not adequately addressing IP concerns. However, new technologies such as Slingbox which can "placeshift" the viewer's live TV stream to a PC anywhere in the world, could be argued to be simply new revenue opportunities, as licence fees are paid for access to broadcasters' signals.



Louise Sams
President, Turner
Broadcasting System
International



SOUNDBITES BACK

"There is a demand for small screen TV — people just don't know it yet."

Casey Harwood, Senior Vice President, Digital Media, Turner Europe.

"2007 will be a tipping point for advertisers' spend on digital media in China."

Lawrence Wan, Digital Director Greater China, OMD

"For the first time in the history of our country there is total freedom of expression. As a result there are 86 stations and we are going to license another 78 in the next month."

Iftikhar Rashid, Chairman, Pakistan Electronic Media Regulatory Authority (PEMRA)

"The power of bundling is real and allows customers to navigate around pay television services in an increasingly complex market."

Mike Fries, President & CEO, Liberty Global

"Keep as light a regulatory hand as circumstances permit and don't get over focused on content at the expense of strategic issues."

Kip Meek, Chief Policy Partner, Ofcom & President, European Regulators Group (2006)

"Television companies need to get out there and take some risks."

Scott Zimmer, Special Advisor, EchoStar Communications

"The battle for High Definition TV is already won. This year 11.7 million HD sets have been sold in the United States alone."

Randall Dark, President, HD Vision Studios

"There is tremendous juice still in the cable and satellite business in Japan."

Peter Bullard, EVP & MD, MTV Networks Japan

"Despite predictions that TV is dying, it is seeing its highest ever viewing levels. And if you look at those homes that have deployed HDTV, the bump in viewing is pronounced."

Irwin Gotlieb, Global CEO, Group M





COKE LIGHTS UP

2006 Winners

Best Under-18s TVC

Helicopter
Beijing Li-Ning Sports Goods

Best Business / Corporate TVC

IPSTAR (Pizza)
Shin Satellite

Best Travel and Tourism TVC

Network & Frequency Campaign
"Born to Move"
Cathay Pacific Airways

Best Sports and Leisure TVC

2006 Torino Olympic Campaign
Panasonic

Best TVC Greater China

Heineken "Are You In?"
Heineken Trade (Shanghai)

Most Creative Use of TV

Coke Light "A Light Affair"
F&N Coca-Cola

Best Use of Sponsorship

Heineken "Are You In?"
Heineken Trade (Shanghai)

John Doherty Trophy for

"Campaign of the Year"
Coke Light "A Light Affair"
F&N Coca-Cola

Coke Light "A Light Affair" took Campaign of the Year and Most Creative Use of TV trophies at the CASBAA TV Advertising Awards 2006 ceremony. Now in their third year, the awards recognise and promote creative excellence in multi-channel TV in Asia Pacific.



AsiaSat CEO takes CASBAA Chairman's Award



The prestigious CASBAA Chairman's Award 2006 for his outstanding

contribution to the Asia Pacific multi-channel cable, satellite and broadband pay-TV industries in the previous 12 months was made to Peter Jackson,

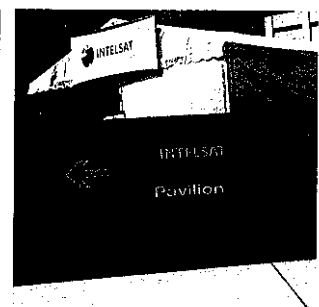
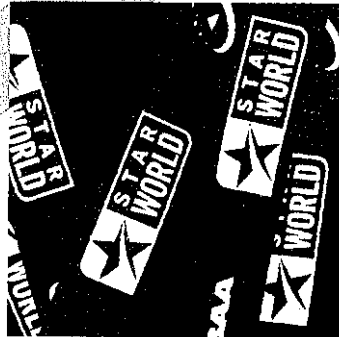
CEO of satellite system operator AsiaSat. Mr Jackson has been a member of CASBAA for almost all of the Association's 15-year history and a Member of the Board of Directors for seven years. Marco Perez, the Chairman of CASBAA, said: "For more than a decade Peter Jackson has been an outstanding executive in one of our industry's most

commercially and technically challenging sectors, satellite services. Peter's deep understanding of both media and telecoms issues has largely benefited the industry and the Association. His other accolades were CEO, Marketing TV, STAR-TV, Standard and Marketing Magazine (Singapore).

CASBAA CONVENTION 2006

THANK YOU!

The biggest 'thank you' goes to our biggest sponsors: InvestHK, Intelsat, Turner, Walt Disney Channel, STAR, and PGCW with a round of applause. Here is to you in 2007!



CONVENTION TEES OFF

Over 60 golfers battled it out on the Discovery Bay Golf and Country Club at this year's Time Warner CASBAA Golf Masters. This year's Individual Champion was Jeffrey Leung of HBO, while the Best Team prize went to Mark Patterson of GroupM, Edward Huang of Morgan Stanley, Marcel Fenez of PricewaterhouseCoopers and Jasper Donat of Branded.

Other awards made were:

Indoor Putting Competition
Wayne Chou (Celestial) & Arjan Hoekstra (Eurosport)

Longest Drive Hole #6
Manfred Von Nostitz, Time Warner

Nearest the Pin Hole #13
Vincent Teo, HBO

Best Gross Score
Paul Aiello, STAR Group

1st Runner Up (Net)
Charlie Attenborough, Time Warner



TURNER


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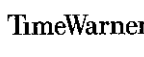



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Save the date!
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