



Beijing Olympics boosts China's cable market

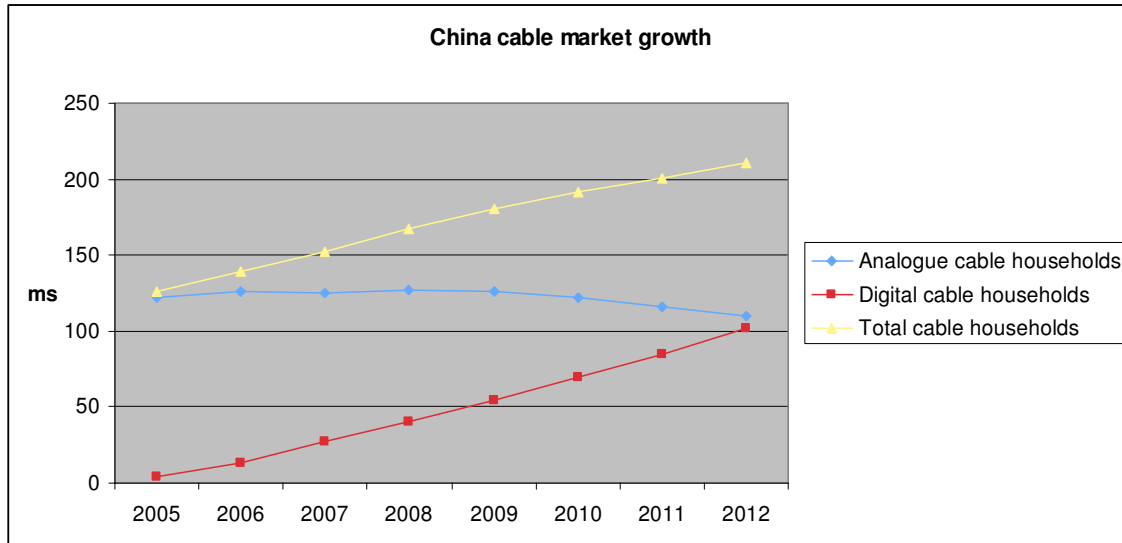
Chinese converting to digital in readiness for the sporting event

London 26th March 2008: Screen Digest's (www.screendigest.com) latest report, 'China Cable Television Market: Assessment and Forecast to 2012' is published today. Prepared in collaboration with R&TI Research (part of SARFT, China's State Administration of Radio Film and Television), the report concludes that the world's largest TV market is enjoying a period of strong growth and despite regulatory hurdles still offers significant investment opportunities for global technology suppliers. In particular, the Beijing Olympics is driving domestic digital cable take-up which is set to grow from 18 per cent at the end of 2007 to 24 per cent by the end of Olympics year.

The world's biggest TV market

With 378 million TV households and 152 million cable TV households at the end of 2007, China is the world's largest TV market. Its cable TV industry generated €3.4bn in revenue in 2007 and is expected to grow at over seven per cent year-on-year to be worth €4.8bn by 2012. Cable dominates the multi-channel industry as satellite reception is banned and IPTV is in its infancy. As a result 40% of all homes have cable TV, and it accounts for 99% of the pay TV market.

With significant investment in the technological infrastructure across the country, the cable industry is rapidly converting to digital in time for the planned analogue switch-off in 2015. The Olympics is acting as a catalyst for this – as the Beijing Olympics will be the first all-HD Olympic Games. Digitisation and a raft of interactive TV services will drive average revenue per subscriber up.



Source: Screen Digest/R&TI

Leading international technology providers like Thomson, Tandberg, Kudelski, Harmonic, NDS, Scientific Atlanta, Miranda, Arris and Irdeto are among foreign companies already finding success in China. Others like European cable giant Liberty Global are seeking to enter the market.

Contracts there for the taking for foreign technology suppliers

Despite the restrictions on foreign investment in the media industry, ample opportunities exist for overseas technology providers. In particular, those that supply head-end and studio equipment, video-on-demand systems, last-mile components and conditional access should be examining the marketplace closely. Although local competition is tough, foreign companies that take the time to understand the intricacies of the market have the potential to reap substantial rewards from such a huge marketplace.

Lingjie Wang, Screen Digest TV and Video Analyst and author of the report says “The opportunities in China for those that understand the market are huge. But China operates like no other territory in the world. Media is central to government policy and as the primary form of multi-channel television distribution cable holds a key place within that policy. With the Beijing Olympics fast approaching, the rate of change currently being witnessed by cable operators is unprecedented. Digital and HD roll out are firmly on the policy agenda and the changes set in motion throughout 2007 and 2008 will continue to impact business for many years to come.”

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About this research

'China Cable Television Market: assessment and forecast to 2012' provides a 15-year span of key data that includes five-year forecasts to 2012 for China's cable industry. Analysis includes total market size data and detailed data and forecasts for the 20 largest cable operators in the country including provincial and city-level operators. The report is the result of collaboration between Screen Digest and China's State Administration for Radio, Film & Television research unit RT&I.

About Screen Digest

Screen Digest is the pre-eminent firm of industry analysts covering global media markets. Headquartered in London, with offices in New York and Carmel, California, we employ a team of 40 specialist analysts covering film, television, broadband, mobile, cinema, home entertainment and gaming. Our online services and reports provide the information and analysis that hundreds of media companies worldwide base their decisions on. Most recently we have launched Global Media Intelligence (GMI), a new service which provides research and analysis specifically for media-focused institutional investors.

About R&TI

R&TI Research is a professional research organization within SARFT (State Administration of Radio Film and Television). It publishes the industry-leading R&TI (Radio & Television Information) magazine. Established in July 2002, R&TI Research specializes in industry research and market analysis in the fields of digital media, radio and TV. It has close relationships with the Science and Technology Commission and Cable TV Committee of China. Since 2003, its annual China DTV Industry Report has become a leading reference work. It also publishes the China Mobile TV Industry Report, which not only details mobile TV, but also examines the introduction of the CMMB standard for the broadcasting industry. Its China Automobile TV Industry Report provides an in-depth investigation of this emerging digital media field. Within China R&TI Research is widely recognised for its accurate policy trend judgment and detailed market data analysis.

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