Satellite Executive BRIEFING

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SATELLITE Markets & Research

Industry Trends, News Analysis, Market Intelligence and Opportunities

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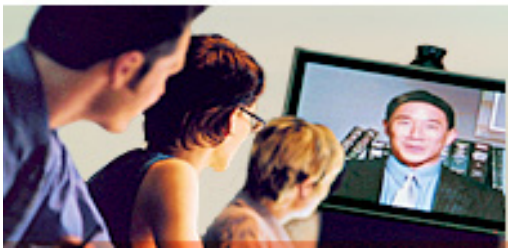
Opportunities in the Asian Satellite Market

by Tom van der Heyden



The current global economic turmoil is having an effect on Asia, but a brief review of history shows that Asia will weather the storm better than other regions and will in fact benefit in several ways from this financial crisis--as well as have a faster rebound.

Three of the satellite based businesses which show continued regional growth are; television broadcasting services (DBS/DTH), machine–to–machine (M-M) services for tracking and monitoring high value assets, and off-shore/ remote communication services supporting the oil & gas industry.

During the Asian financial crisis from 1997-98, Indonesia, Thailand, Malaysia, and the Philippines were all critically hurt by the devaluation of their currency. In the case of Indonesia for example, the national currency – the rupiah-dropped in value from roughly 2,000 to US$1 to, at various points in time during the crisis, 18,000 to US$1. Again in 2000 - 2001 these countries were hit by the dot.com crisis. These same economies rebounded and experienced incredible growth over the last six years.

There continues to be a requirement, a demand for these services driven by underserved populations in the case of television, by an increased concern for managing and protecting assets in the case of M-M, and the increased global demand for petrochemical products – when averaged over several years. By way of example, market statistics recorded during both of these periods showed families favored staying home and watching more television, versus participation in relatively more expensive activities during times of relative economic growth – in some markets viewing time more than doubled.

Opportunities

Typically one of two reasons holds the use of satellite service as the preferred choice over alternative options. The first; when geographical expanse, difficult/remote terrain, and off-shore conditions force the cost of terrestrial based infrastructure higher than that of satellite. Cost being measured in both CAPEX/OPEX expenditures and "time to market" (opportunity

(Continued on page 3)

From the Editor

Satellite Collision Raises Concerns

We are only six weeks into the new year and already we have seen the very first collision of two intact satellites in orbit; two geostationary satellite failures due to "technical anomalies" and to make matters even more disconcerting, the Islamic Republic of Iran launched its first domestically-built satellite with a promise to launch seven more--resulting in protests from the international community.

On February 10, two satellites--one a decommissioned Russian Cosmos 2251 and an operational Iridium satellite collided in low-earth orbit about 490 miles over Siberia, sending thousands of pieces of debris into space. This was the very first time such a collision of two intact satellites occurred since the launch of the first satellite in 1957. The incident raises questions on the congestion in space with over 3,000 satellites parked in various orbits and many hundreds more decommissioned satellites drifting in space. Analysts said that it took fifty years for this to happen, but the next one could happen as early as 10 years from now. Not to mention, the thousand pieces of space debris that it caused that can endanger other satellites now.

The timing of the launch of the first home-made Iranian satellite, Omid (which means "Hope" in Farsi), which was designed for "meteorological and research" purposes, raised alarm bells among Western countries similar to the reaction when China used an anti-satellite weapon to shoot down an aging weather satellite in January 2007. Public pronouncements after the launch by the Iranian government that it plans to launch seven more satellites by 2010 probably did not help allay fears from its critics. News of the launch came as satellite imagery showed the possibility of North Korea testing its Taepondong-2 ballistic missile. Western countries have been urging economic sanctions against Iran to stop its nuclear program. This recent launch of its first satellite raised concerns that the development of satellite launch technology by Iran can be used to develop missile systems.

It's sad but inevitable that satellite technology can be used for offensive military purposes. Satellites in space are vulnerable to attack which revives the need for some Missile Defense system to counteract any anti-satellite moves by rouge regimes.

These recent events have also revived the discussion of problem of space congestion and space debris and the need for international cooperation and action to prevent any further collisions in space.

Virgil Labrador
Editor-in-Chief

Satellite Executive Briefing
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loss). The second is when the target market occupies a geographically large area which can best be served by point-to-multi-point transmission, such as the direct broadcast of television programming.

We see continued growth in petrochemical exploration driven activities which follow 10 and 15 year business development plans. Construction of exploration vessels and off-shore rigs, which requires years, continues as does exploration both regionally and globally. Crews may be operating in Africa and South America but the CEO, CFO and procurement offices are here - just down the street.

While today's economic problems may adversely impact the rate of service growth, satellite communications remains the delivery method of choice. *It is in these Asian markets that opportunities can continue to be developed.*

The Market: "Capital vs. Product" – The Direct Broadcast Satellite Example

The emerging markets of Asia, measured in the billions of consumers, are characterized as having significant and growing populations, largely rural and in underserved regions, and are populations where the majority of people are below 35 years of age. While capital markets have taken a beating globally, the demand for television in Asia (by all transmission means-internet, IPTV, satellite, terrestrial) continues to grow.

The principal Asian market consists largely of huge populations in areas yet unserved or poorly served by any form of multi-channel television. The number of homes in Asia ready for pay-TV, could be reduced by one half and it would still take another 10 years to satisfy their viewing needs.

"Television, which supports arguably the vast majority of the satellite communications demand in Asia, has shown little measurable effect from the economic crisis." This was the sentiment expressed by television programmers and satellite platform operators alike at the recent CASBAA conference held in Hong Kong.

Using copper and fiber, in emerging markets costs too much in both money and time to market. Wireless, both satellite and terrestrial [Wi-Max/LTE/3G], deliver services faster than wired, but even when terrestrial service is the approach there remains a satellite component supporting backhaul and programming distribution.

The subset of these countries, which will offer the greatest likelihood for continued market growth, is one further refined by taking into account the impact of friendlier regulatory environments and one where the services offered are associated with television broadcast and programming distribution. *These countries are - India, Indonesia, the Philippines and Vietnam - which over the next five years will reach a combined population of 1.7 billion.*

"In the face of economic problems our market continues to grow and so do we," said Rahadi Arsyad, President Director & CEO of Indonesia's TelKomVision.

Rahadi sees a growing business ahead telling me that Indonesia, with its 220 million population and 45 million television households, still has significant room to grow when one understands that today the pay television market has less than 2% penetration. He explained that with the current stability brought by the present administration, people are staying home for affordable entertainment during these times of financial crisis. Rahadi believes that with the program packaging his team has developed at

Cover Story

TelKomVision, within the affordability of Indonesia's largest economic segment, they will attract the millions of existing free to air satellite viewers who are watching 12 national terrestrial channels on the TelKom 1 and Palapa C satellites.

Opportunities are There to be Developed

The two principal satellite services associated with television delivery are Direct To Home television broadcast (DTH/DBS) and Fixed Satellite Services (FSS) - supporting program distribution.

Recent growth in FSS service demands, fueled by cellular backhaul, will decrease as more and more cellular operators reduce or postpone 3G expansion and Wi-Max service implementation plans to serve their wireless internet market – both of which require substantial backhaul bandwidth. This leaves video distribution for cable head-ends and terrestrial redistribution as the major FSS market segments for the near term.

There are opportunities today in Asia for equipment manufacturers who have cash reserves to take advantage of the economics challenges facing those who have no access to needed resources - opportunities in terms of finding manufacturing partners and regional system integrators - as well as market expansion through strategic partnerships and/or acquisition.

With the availability of lower cost money, manufacturers can also increase their opportunities through vendor financing. With the uncertainty associated with both currency exchange rates and the cost of money, any manufacturer who offers Vendor Financing will multiply their short term sales effectiveness and improve their long term markets.

Probably one of the greatest opportunities/ advantages for equipment manufacturers comes from a reduction in regional presence by their competition. In 1998 and again in 2000 Asia saw many North American companies pull back from their international business development activities. They left Asia before they left Europe – often due to issues of cultural comfort. Companies with senior management uncomfortable with international markets, are already exhibiting a "knee jerk" reaction - retracting from continued much less expanded presence-leaving the door open even wider for those who determined long ago that Asia, one way or another, held their future market.

During this economic crisis, as far as the Asian market is concerned, retracting from the market is pretty much the worst thing a company can do. Retraction from the market will open the doors even wider, not only for existing competitors but

Opportunities in the Asian Satellite Television Market

- The Asian market for television, in both the pay and free to air services, is largely underserved.
- In Indonesia, a country of 50 million homes, fewer than one million are served by multi channel (cable or satellite) television services.
- Asia has gone through several economic crises during the last 10 years. During each, many people stayed home to watch television and reduced activities outside the home.
- India has 120 million TV homes that are almost as many as the US and the second largest number of any country in Asia, and there is no shortage of content - Bollywood produced more than 1,000 full length feature films in 2006.
- This last summer Reliance Communications, India's second largest mobile services provider, announced plans to launch "Big TV DTH" and had ordered 5 million MPEG-4 Set Top Boxes from vendors in Korea and Taiwan. During the first 50 days of service (September & October 2008) Big TV DTH signed up and set up more than 500,000 DTH services and is currently signing up approximately 10,000 DTH customers a day.

Digital TV

- All of Asia is focused on Digital Television Services.
- In the more mature markets governments have set dates and mandated conversion to Digital on average within the next 5 years.
- China has set 2015 as the year for the last analog television transmission.
- IP-TV has been proven in Hong Kong, is being installed in Japan, Korea, Singapore and Korea, and is being planned in every Asian country.
- In the Emerging Markets Digital distribution and delivery is the only service being installed.

Satellite TV

- Recent investments in satellite capacity by new national and commercial operators have upcoming launches to include; AsiaSat-5, Intelsat-15, Measat-3A, Palapa-D, Protostar 2, ST-2, Telkom-3, VinaSat-2 and Pakistan's recently announced PakSat-1R.
- Vietnam just launched their domestic satellite and is looking for ways to speed up satellite based service delivery, not only for television, but also for the more traditional Fixed Satellite Services of voice and data supporting backhaul.
- PLDT is launching DBS in the Philippines – scheduled for first quarter of 2009.
- In India over the last two years six DBS operators have begun service where before there was none.

also for "Made in Asia" products and services. In particular China, with its huge cash reserves, lower cost of manufacturing supported by their own domestic market, and growing technology prowess, will have little problem establishing its market dominance as a supplier, especially if it is the only one to show. Once the economy improves it will be too late or, as a minimum, very expensive to re-enter the Asian market in the face of companies who stayed.

Continued growth in the demand for satellite space segment may slow down a little, but with the program providers are committed to Asia, and with Asia being the only place in the world to have the market size and demand, and with the space segments already paid for and in place or being launched, there is no reason to believe that there will be any significant diminishing of opportunities in Asia, in fact, just the *opposite*.

Conclusion

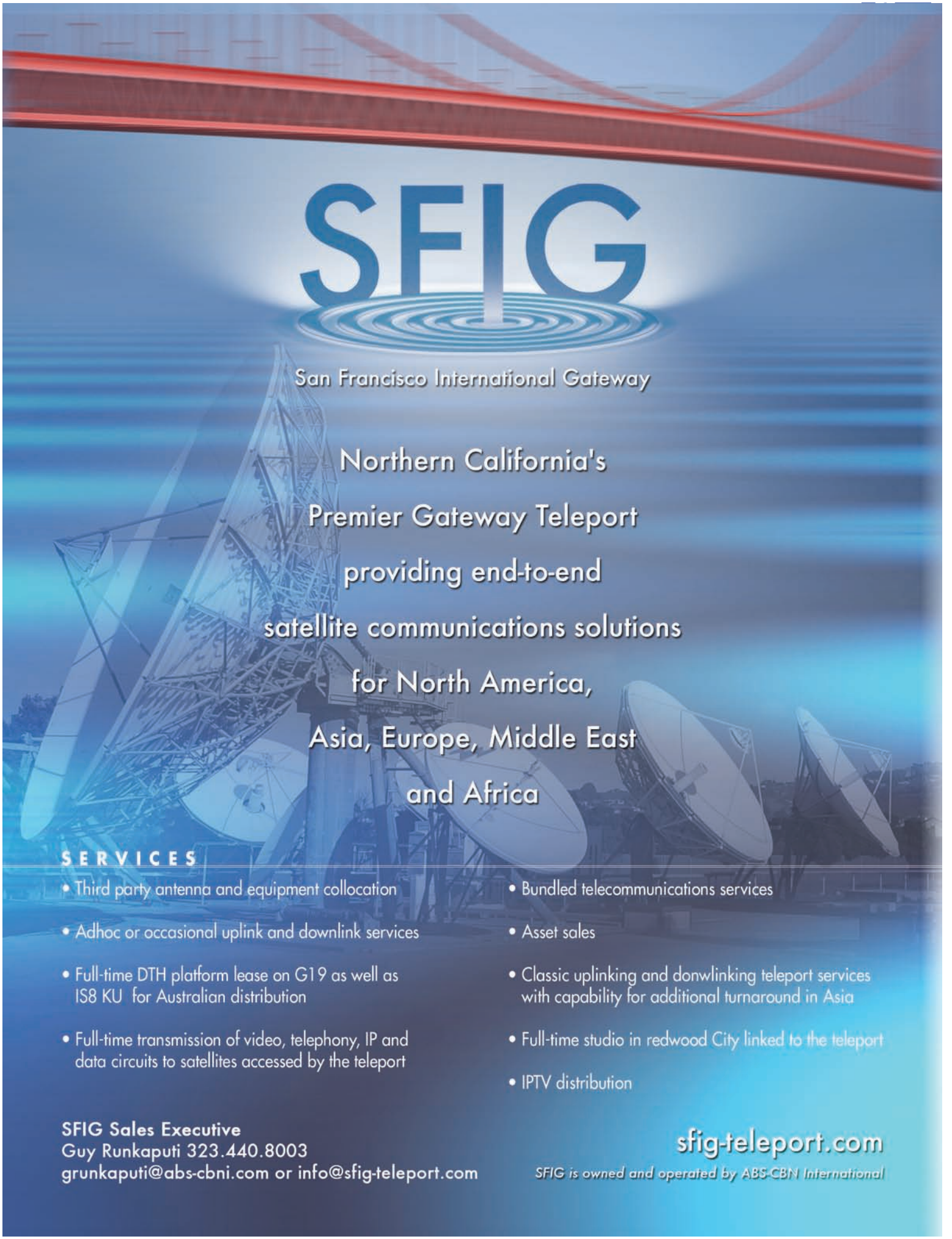
Today, solutions are selling, not boxes. For both equipment manufacturers and service suppliers opportunities in Asia exist to develop and deliver standards based, regionally supported solutions, which offer reduced operational costs. In recent meetings with a Chinese off-shore exploration company shopping for an advanced communications system for their new vessels, after hours of technical and business discussions, the president had only one question of his team, "**Does the solution offered solve our problems and reduce operational costs?**"

For satellite owners/operators the opportunities are in developing **strategic partnerships** with service providers - sharing near term risk and long term rewards.

And for large telephone and media broadcasting companies, facing slow subscriber growth in their home markets, it is the right time to bring out the war chest and **develop win-win strategic partnerships** in Asia.

Companies can manage costs while not losing out, by **developing alternatives to "that's how we do it."** Alternatives include; not flying sales managers in, a substantial cost in both time and travel expenses, but rather hiring top flight regional talent who know the market, culture and people; finding and developing great strategic partners by investing in the selection and education process-understanding that the partner will likely still be with the company long after the ones who selected them have left.Opportunities exist for our industry but there is something we can't afford to forget if we are going to be successful – while Asia is made up of thirty some countries and hundreds of cultures, all at different levels of economic growth, they all have one thing in common - business is all about **relationships and long term commitment** - not quarterly sales projections.

Tom van der Heyden, a Hong Kong based consultant and satellite communications pioneer, has been building satellite communication and broadcast systems in Asia over 25 years. He can be reached at tom.vanderheyden@asia-pacific.net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Feature

Thriving in the Teleport Business

Many industry observers are quick to note that the teleport business, which has been undergoing considerable consolidation in the last few years, is not as viable a business as it used to be. One relatively new entrant to the teleport business is trying to disprove the doubters.

ABS-CBN International (ABS-CBNi), the U.S.-based subsidiary of ABS-CBN Broadcasting, one of Asia's largest entertainment and broadcasting company, purchased a struggling teleport facility in Northern California from satellite operator Loral Skynet in November 2005. ABS-CBNi received Federal Communications Commission licensing approval in April 2006 and retained the name of the teleport-San Francisco International Gateway or SFIG. In just over two years of operation, it has achieved profitability by serving a niche market of ethnic programmers from its facilities in Richmond, California and Manila, Philippines.

SFIG has achieved intial success in the teleport business by focusing on niche markets like distribution of ethnic programming. (SFIG photo)

"The fact that a successful ethnic broadcaster like us also operates a teleport is an advantage to our customers. Since ABS-CBN International is primarily in the business of content distribution, we understand exactly what our customers from media and entertainment need. We can provide them with know-how and experience that teleports offering basic transmission and plain vanilla uplink services are not able to do," said Chinky de Jesus, Managing Director of ABS-CBN International.

"SFIG's business grew naturally as a result of our intent to maximize the utilization of assets that ABS-CBN had. We are initially focusing on the area where we have an advantage - by virtue of our California location and the capabilities of our Asian teleport, we are in the best position to provide transport services for customers to and from Asia," said Sherry Ann Supelana, SFIG's Director of Engineering & Technical Services.

SFIG is a "carrier class" satellite communications facility and is one of the few independent and multi-platform capable operators in the world. SFIG provides access to communication satellites serving North America, Asia, Latin America and select European satellites, and in cooperation with other facilities, also provides services to the Middle East and Africa.

Recently, SFIG announced completion of technology upgrades and the launch of "triple play" services for voice, video and data services at their satellite uplink center located in Richmond, Calif.

"We are expanding our fiber network as well as our network monitoring system so that we can better support voice and data services via the internet in addition to providing transport services for the program content of our customers. The expansion allows for an OC48 ring capability to be available into the teleport to link our point of interconnection (POI) located in LA for various customers located there as well as for customers coming from Asia. In short, we are preparing SFIG to provide end-to-end services tailored-fit for our customer requirements.," added Supelana.

With its initial success in the teleport business, ABS-CBNi's de Jesus is very bullish about the business, even with the economic downturn. "I am very confident that the teleport sector will continue to thrive in spite of the global economic crisis. With the changing dynamics in the industry, our goal is to add more services to our portfolio. While transmission services remain at the core of SFIG's operations, we will include more non-transmission services in the mix. To cite an example, we have recently been offering video and audio production and post-production services through our state-of-the-art full-service studio. The goal is to become a total solutions provider to our customer and we are doing this by expanding capabilities and establishing partnerships," said de Jesus.

Economic Downturn will not Stop IPTV Growth-In-Stat

Not even a global financial meltdown can stop IPTV. Despite the worldwide economic crisis, subscribers to telco TV, which includes TV delivered by telecom operators via IP as well as other technologies, will grow more than three-fold by the end of 2012, reports In-Stat. In several key markets, like Brazil, Korea, and India, recent regulatory changes have given telco TV a real boost, the high-tech market research firm says.

"A number of new countries, including places as varied as Montenegro, Jordan, and Ghana, saw the launch of their first commercial IPTV offerings in 2008," says Michelle Abraham, In-Stat analyst. "Only a few markets, like Japan and Argentina, remain hamstrung by restrictions that hinder incumbent operators." Highlights include:

- Telco TV subscribers will grow to 71.6 million, worldwide, by 2012.
- In the same period, worldwide subscriber revenues will increase to $26.6 billion.
- Quadruple-, double-, and single-play packages are joining triple-play offerings.
- Convergence applications, like the ability to control set-top boxes from PCs and mobile phones and multi-platform video distribution, are beginning to emerge.

Recent In-Stat research, *Worldwide Telco TV Services 2008: Explosive Growth Continues*, covers the worldwide market for Telco TV. It discusses:

- Where telco TV services are growing

- Who is providing telco TV

- How successful they have been to date

- What types of services are being offered

Worldwide five-year forecasts for subscribers and subscription revenues based on ARPU are included. The research also looks at key players including AT&T, Verizon, France Telecom, Telefonica, Deutsche Telecom, and China Telecom as well as other incumbent and emerging operators around the world.

For more information on this research or to purchase it online, visit: http://www.instat.com/catalog/Ccatalogue.asp?id=288

Online Video Shaping the Future of TV-CASBAA

China, Japan and Korea will drive the next wave of online video development. China will draw further attention as it emerges as the largest wired broadband market in the world with 190 million connections in 2012, according to the Cable and Satellite Broadcasting Association (CASBAA).

Home access accounts for 74.1% of all connections in China, whilst Internet Cafés are the source of access for almost 40% of the youth market. Some 75% of respondents to a survey conducted by the China Internet Network Information Center (CNNIC) indicate that they share the network video of all kinds with other netizens.

Meanwhile, 33.2% of South Koreans are watching movies online in some form and, according to a recent survey by the Korean Film Council, this is having a devastating effect on the domestic DVD and movie industries. Some 47% of the all respondents had illegally downloaded feature movies without paying, or paid less than 50 cents per title during the past year.

"Although movie piracy has become rampant in both China and Korea, Japan remains a relatively strong copyright protected regime. Traditional sources of paid content are still popular in Japan," said Simon Twiston Davies, CEO of CASBAA.

Nevertheless, according to the CASBAA, online video advertising represents a strong growth opportunity as audiences migrate to the web. Tudou, a popular video sharing site in China, claimed that advertising revenue reached CNY11.296 million (US$1.65 million) in the first half of 2008. Other sites drawing big audiences include Nico Nico Douga (Smiley Smiley video) in Japan, and Pandora TV in Korea.

Ultimately China's online population will surpass Korea's more developed digital advertising market, but the sophistication and maturity of the Japanese market will support its continued growth.

Overall, online advertising for China, Japan and Korea is forecasted to grow from US$10.3 billion in 2009 to US$15.1 billion in 2012.

Despite the current uncertainties over rights, regulation and business models of online video services, the emerging online video landscape offers opportunities for content owners, broadcasters, advertisers and subscription television players. "It is time for the TV industry to review new strategies to provide offerings to this new breed of customers," added Twiston Davies.

News Briefs

A summary of the major news developments, key contract signing and executive moves in the global satellite industry from February 1-16, 2009, categorized by region.

Americas

Top Stories

Boeing Wins Two Insurance Arbitration Cases

The International Chamber of Commerce ruled in favor of Boeing in two insurance arbitration cases filed by Thuraya and Space Communications Corp. In the Thuraya case, insurers were seeking US$ 365 million after a Boeing model 702 satellite was lost due to "power anomalies." In the Space Communication Corp. case, insurers sought $240 million after a Superbird-6 communications satellite was put into a low orbit that allegedly damaged the spacecraft.

AT&T, DirecTV Enter Co-Branding Deal

AT&T started on Feb. 1 marketing its co-branded satellite service with DirecTV called "AT&T/DirecTV." The launch of the new service follows the termination of AT&T's agreement with Echostar's Dish network which ended Jan. 31. AT&T is offering a number of different quad-play bundles and said it plans to offer DirecTV content to its broadband and wireless platforms.

Key Contract Signings

•Space Systems/Loral wins a contract from SES to build the Quezsat-1 satellite that will cover North and Central America. QuetzSat-1, scheduled for a 2011 launch, is fully contracted to a subsidiary of EchoStar Corporation and will be used in part by Dish Mexico, for DTH services in Mexico.

•Globecomm Services Maryland has received a one-year service contract from a major U.S. Government prime contractor valued at $13.7 million.

•Comtech Mobile Datacom Corporation received orders totaling US$ 1.4 million under its Movement Tracking System, or MTS contract, with the U.S. Army.

•Comtech EF Data Corp., received a US$ 1.9 million satellite communications equipment order that will be deployed by the United States military to support the expansion of an existing network.

•The U.S. Air Force has awarded the Lockheed Martin/Northrop Grumman Transformational Satellite Communications System (TSAT) Space Segment Team a US$ 75-million, six-month extension to its Risk Reduction and System Definition (RR&SD) contract.

•CapRock Communications has contracted with New Skies Satellite 18 MHz of C-Band capacity on the NSS-7 satellite at 338 degrees East. CapRock also renewed an existing contract for 5.8 MHz in Ku-Band on the same satellite.

Executive Moves

•Wavestream Corporation announced that Clifton L. Cooke, Jr. has been appointed President and Chief Executive Officer (CEO) and Michael Mollin as Chief Financial Officer. Chris Branscum, former Chairman/CEO intends to stay on as a consultant to ensure the smooth transition of leadership.

•Matt Smith has joined Inlet Technologies as senior director, systems architecture.

Telesat Holdings Inc. appointed Ian Scott as Executive Director of Government and Regulatory Affairs.

•CapRock Communications appointed Philip Harlow as chief technology officer.

Iran's Safir-2 which launched Feb. 2 its first domestically-built satellite.

EMEA

Top Stories

Russian Satellite Collides with Inmarsat Satellite in Space

A decommissioned Rusian Cosmos 2251 satellite collided with a operational Iridium satelltie in low-earth orbit above Siberia, Feb. 10. It was the first known collision between two intact satellites since satellites were first launched 52 years ago. The collision resulted in space debris that some experts fear might affect other satellites.

Arianespace Launches Four Spacecraft

In its first launch for 2009, Arianespace's Ariane 5 rocket launched the Hotbird-10 and NSS-9 communciatins satelliites and two military payloads, Feb. 12. The launch represents the 29th successful launch in a row for Arianespace.

New Satellite Operator in the the Middle East

SmartSat, A joint-venture between Jordanian and Kuwaiti investors, was launched as the first privately-owned satelltie operator in the Middle East. SmartSat aims to provide satellite services to Eastern Europe, The Middle East and NorthAfrica and will be headquartered in Dubai, UAE.

Iran Launches its First Indigenous Satellite

The Islamic Repubic of Iran launched Feb. 2 on a Safir-2 rocket the meteorological satellite, Omid (Hope)--its first fully domestically-built satellite. The Iranian government subsequently announced that it will be building seven more satellites.

Proton Rocket Successfully Launches RSCC Satellites

A Proton rocket successfully launched two satellties for the Russian satellite operator RSCC, Feb. 11. The Express AM44 and MD2 satellites, built by Thales Alenia Space was launched from the Baikonur Cosmodrome in Kazakhstan.

Key Contract Signings

•Arianespace has won the contract to launch two new satellites, Yamal-401 and Yamal-402, .for Gazprom Space Systems. The two satellites

News Briefs

A Proton rocket successfully launched the Express AM44 and MD2 satellties for the Russian satellite operator RSCC, Feb. 11.

are being built by Thales Alenia Space. and are expected to launch in the second half of 2011.

•The Arab Satellite Communications Organization (Arabsat) has signed contracts for two new satellites, 5C and Badr 7. Arabsat contracted EADS Astrium and Thales Alenia Space for the manufacture of the satellites and Arianespace for the launch.

•Arianespace signed a contract with Hispasat to launch the Hispasat 1E satellite, The satellite will be built by Space Systems/Loral using an LS 1300 platform and launched by an Ariane 5 rocket at the end of 2010 from the Guiana Space Center in Kourou, French Guiana.

•Satlynx announced a €6.7M agreement with the Polish Government through its military systems partner WZL (Wojskowe Zak³ady £¹cznoœci Nr 1) to provide a range of satellite equipment. In addition, Satlynx and GE have entered an Offset Agreement with the Polish Ministry of Economic Affairs as a commitment to invest in Polish business, goods and services to a value of €17M over the next five years.

•Avanti Communications Group has signed a contract to supply wholesale broadband services to Parabolica S.A. of France and Digisat Media S.A of Spain.

Executive Moves

•Norbert Hölzle has been appointed new CEO of ND SatCom effective March 1, 2009. The new chief executive takes over the responsibility from Padraig McCarthy who served as an interim CEO since September 2008 and will continue in his role as SES ASTRA Chief Financial Officer and member of the ND SatCom shareholder committee. ND SatCom's Board of Managing Directors now consists of Norbert Hölzle (CEO), Heiner Luntz (Chief Financial Officer) and Johann Pohany (Chief Technology Officer and Chief Operating Officer).

•John Hardie has been appointed as CEO of Jetix Europe. Hardie will begin work immediately, succeeding Paul Taylor, who has announced his resignation from Jetix Europe following Disney's December announcement that it intends to acquire 100% of the shares in Jetix Europe.

•Tom Mockridge, the chief executive of News Corp's European television operations, is to become a non-executive director of BSkyB. Mockridge will take the place of Chase Carey, CEO of DirecTV, who is stepping down from the board after six years. In addition to his European TV role, representing News Corp's interests in Germany, Bulgaria and Turkey, Mockridge is also CEO of Sky Italia.

Asia-Pacific

Key Contract Signings

•News Corp. subsidiary NDS announced that Mediascape, a new satellite delivered digital TV platform in the Philippines, had deployed several of its pay-TV support systems — including VideoGuard conditional access, MediaHighway middleware and a customized EPG — as part of the rollout of Mediascape's new Cignal Digital TV service.

• Japan's Broadcasting Satellite System Corporation (B-SAT) has selected Integral Systems to deliver a turnkey satellite control system for the BSAT-3b and BSAT-3c satellites, scheduled for launch in 2010 and 2011, respectively. The EPOCH Integrated Product Suite (IPS) system for the two new satellites will be integrated with the BSAT-3a EPOCH IPS satellite control system, which was provided by Integral under a previous contract.

•Gilat Satellite Networks Ltd. has been selected by Telecommunications Consultants India Ltd (TCIL) to provide Nepal Telecom (Nepal Doorsanchar Nigam Ltd.) with a SkyEdge broadband satellite communications network covering hundreds of sites.

•The Australian Satellite Communications Pty Ltd (ASC) has chosen the iDirect Evolution platform to implement a DVB-S2 network covering Australia and New Zealand.

•AsiaSat has signed a C-Band capacity deal with Fashion TV (FTV). The deal is for C-band capacity on AsiaSat 2 to launch FTV HD, the new HD channel by FTV, in Asia.

•C-COM Satellite Systems Inc. has received an initial order for a number of iNetVu Mobile systems from its reseller, Numix Engineering Sdn Bhd in Malaysia. The mobile satellite antenna systems are going to be deployed by Telekom Malaysia Berhad (TM) for its mobile retail outlet, which will comprise a fleet of vehicles fully customized to operate as a "one stop center" for its sales & marketing activities.

•Thaicom signed a deal with Real Metro Co. to distribute seven channels across Thailand. The total contract value is approximately US$6.68 million.

Executive Moves

•NDS appointed Alan Dishington to the position of Director of Sales for NDS India. Dishington will be based in New Delhi, reporting to Sue Taylor, Senior Vice President and General Manager of NDS Asia Pacific.

Calendar of Events

March 24-27, 2009 SATELLITE 2009 Walter E. Washington Convention Center, Washington, D.C. USA Tel: +1 (301) 354-2000 E-mail: inquiry@satellite2009.com web: www.satellite2009.com/

April 6-9, 2009 SatCom Africa 2009 Sandton Convention Center, Johannesberg, South Africa Tel: +27-11-516-4015 E-mail: jaylene.naidoo@terrapinn.co.za web: http://www.satcomafrica.com/

April 18-23, 2009 NAB 2009 Las Vegas Convention Center, Las Vegas, Nevada, USA Tel: +1 (202) 429-5300 E-mail: register@nab.org web: www.nabshow.com

June 2-4, 2009 ISCe 2009 San Diego Marriot Hotel and Marina, San Diego, California, USA Tel: +1 (562) 901-9191 Fax: +1 (562) 901-9192 E-mail: info@isce.com web: /www.isce.com

June 16-19, 2009 CommunicAsia 2009 Encompassing BroadcastAsia2009, EnterpriseIT2009, InteractiveDME, Held in conjunction with CG Overdrive 2009, Singapore Expo Convention Center, Singapore, Tel: +65- 6233-6638 web: www.communicasia.com

July 6-7, 2009 MultiPlatform Matrix Content Distribution Expo 2009 Universal City Hilton, Los Angeles, California USA Tel: +1 (562) 901-9191 Fax: +1 (562) 901-9192E-mail: lguiang@hfusa.com web: www.multiplatformmatrix.com

September 7-10, 2009 World Satellite Business Week 2009 Paris, France Tel: +33-(1) 49 23 75 2 4 E-mail: mandeng@euroconsult-ec.com web: http://www.satellite-business.com

September 10-15, 2009 IBC Conference and Expo 2009 RAI Exhibtion Center, Amsterdam, The Netherlands Tel: +44-(0) 20-783-24100 E-mail: show@ibc.org web: http://www.ibc.org/

September 29-October 1, 2009 APSCC 2009 Satellite Conference and Exhibition, Kuala Lumpur, Malaysia. Tel: +82 31 783 6246 web: www.apscc.or.kr e-mail: info@apsc.or.kr

October 5-9, 2009 ITU Telecom World 2009, Geneva, Switzerland. Tel: +41 22 730 6161 web: http://www.itu.int/WORLD2009/ e-mail: itutelecom@itu.int

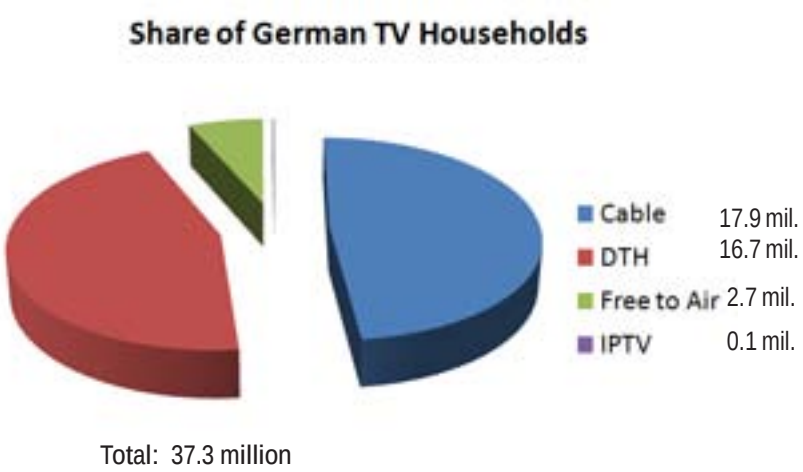
October 7-11, 2009 CeBIT Eurasia Bilisim International Trade Fair for Information Technology, Telecommunications, Software + Services, held in conjunction with CeBIT Broadcast, Cable+Satellite Eurasia International Trade Fair and Conference for Turkey, South East Europe and the Middle East, Istanbul, Turkey Tel: +90 (212) 334 69 69 Fax: +90 (212) 334 69 70 E-mail:mailto:info@cebitbilisim.com web: http://www.cebitbilisim.com/index.html and http://www.cebit-bcs.com/en/index.html

October 13-14, 2009 Satcon 2009, Javits Convention Center, New York City, USA, Tel. +1-203-371-6322 E-mail: info@jdevents.com web: http://www.satconexpo..com

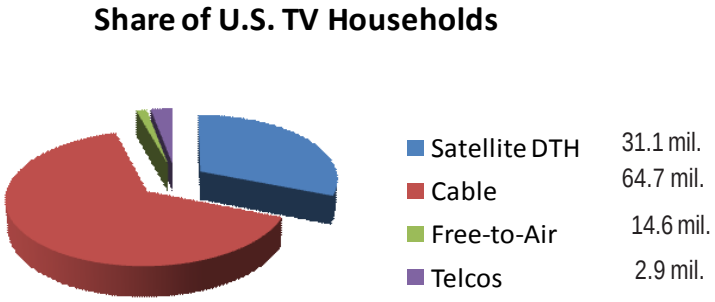
Vital Statistics

The German Television Market

The German Television market is the largest in Europe with 37 million TV households. Of this number 17.9 million are served by cable and 16.7 by satellite Direct-to-Home services. Over 90 percent of German TV household receive digital services. In contrast, the total number of U.S. TV households is 113.3 million according to National Cable and Telecommunications Association (NCTA) (as of June 2008). With 64.7 subscribers, cable still leads all media with 57 percent share.



Total: 37.3 million



Total: 113.3 million

For more Vital Statistics go to www.satellitemarkets.com/node/9

The Satellite Markets 25 Index™

Company Name	Symbol	Price (Feb. 16)	52-wk Range	% Change from Year High
Satellite Operators				
AsiaSat	1135.HK	7.90	4.61 -16.90	-53.25%
Eutelsat Communications	ETL.PA	7.41	14.40 - 20.50	-16.41%
Hughes Communications Inc.	HUGH	11.49	10.00 - 55.99	-79.48%
Inmarsat	ISAT.L	411.00	300.00 - 585.00	-29.74%
SES	SES.F	14.24	11.36 - 17.06	-16.48%
Satellite and Component Manufacturers				
Boeing	BA	40.48	36.17 - 88.29	-54.15%
COM DEV International Ltd.	CDV.TO	2.97	2.21 - 3.95	-24.81%
Lockheed Martin Corp.	LMT	78.37	67.38 -120.30	-34.77%
Loral Space and Communications	LORL	13.57	6.02 - 30.52	-49.23%
Orbital Sciences Corp.	ORB	16.93	14.24 - 27.89	-39.30%
Ground Equipment Manufacturers				
C-COM Satellite Systems Inc.	CMI.V	0.22	0.15 - 0.51	-56.86%
Comtech Telecommunications Corp.	CMTL	40.74	37.59 - 45.65	-20.45%
CPI International, Inc.	CPII	6.88	5.07-16.02	-57.05%
EMS Technologies, Inc.	ELMG	23.53	16.20 - 31.78	-25.96%
Viasat	VSAT	20.72	15.15 - 28.07	-26.18%
Satellite Service Providers				
Gilat Satellite Networks Ltd.	GILT	**3.43**	2.17 -11.20	-69.38%
Globecomm Systems Inc.	GCOM	5.19	3.96 -11.14	-52.56%
Internatinal Datacasting Corp.	IDC.TO	0.28	0.15 - 0.70	-60.00%
ORBCOMM Inc.	ORBC	1.96	1.29 - 6.87	-71.47%
Skyterra Communications	SKYT.OB	3.46	3.55 - 8.85	-60.90%
Consumer Satellite Services				
British Sky Broadcasting Group	BSY	26.38	19.90 - 47.55	-24.53%
The DIRECTV Group	DTV	23.24	13.70 - 29.10	-20.14%
ECHOSTAR Communications	DISH	13.58	8.34 - 36.11	-62.39%
Globalstar, Inc.	GSAT	0.25	0.15 - 9.25	-97.06%
Sirius XM Radio Inc.	SIRI	0.1049	0.08 - 3.89	-97.30%

The Satellite Markets 25 Index™ is a composite of 25 publicly-traded satellite companies worldwide with five companies representing each major market segment of the industry: satellite operators; satellite and component manufacturers; ground equipment manufacturers; satellite service providers and consumer satellite services. The base data for the Satellite Market Index is January 2, 2008--the first day of operation for Satellite Market and Research. The Index equals 1,000. The Satellite Market Index™ provides an investment benchmark to gauge the overall health of the satellite industry.

Comparison of Indexes	Index value (Feb. 16'09)	Percentage Change 2-Weeks Ago	January 2, 2008
Satellite Markets 25 Index™	750.72	-5.0%	-24.00%
S & P 500	826.84	+.13%	-42.86%

Executive View

Interview with Rafael Lopez

COO, ABS-CBN Global

ABS-CBN,one of Asia's largest media companies based in Manila, Philippines, bought in 2004 a struggling teleport in Northern California and turn it around to profitability in about two years. *Satellite Executive Briefing* Editor-in-Chief Virgil Labrador spoke to Rafael Lopez, COO of the parent company of San Francisco International Gateway, on how they did it and the prospects of the teleport business. Excerpts of the interview:

How did ABS-CBNI, an international programmer and content provider, come to a decision to get into the teleport and satellite services business?

When ABS-CBN Internationsl started its global subscriber service 15 years ago, the realization was made that satellite DTH technology would be the distribution solution. Back then, one analog transponder could accomodate only one channel. Only the big networks & content providers could afford satellite delivery. Intent on bucking this trend and on using satellite technology to distribute its content directly to its viewers, ABS-CBN International purchased a 27 Mhz transponder on Huges Satellite G4 and inked a long term deal with SFIG to provide the teleport services. When DVB technology matured and ABS-CBN International was able to sell the excess capacity to other ethnic broadcasters, we bundled the teleport services with the satellite capacity. Thus, once ABS -CBN began to sell satellite capacity, it was a natural decision to get into the teleport business.

How is the teleport business working out for you so far?

ABS-CBN International has been very successful at selling satellite capacity to ethnic broadcasters. Our own success in the ethnic broadcast space has made us a logical choice for broadcasters with similar business plans. Our ability to sell this capacity has played a critical role in our success and has proven to be a very profitable business for us.

What are your key areas of competencies and what unique qualities and features differentiates you from your competitors?

I think that the biggest differentiator is the fact that we are not just a capacity reseller but that we are a content producer who distributes our content all over the world. This has proven to be the big difference between us and others who sell satellite capacity.

Since you are a part of a programming company, will there be any conflict of interest if you take on other programmer's content on your network?

Although our parent company, ABS-CBN Broadcasting's main business is content production, our main business at ABS-CBN International is global content distribution. This means that we will distribute whatever content our customers wish to consume, even if it means taking other programmers' content.

How do you see the teleport business shaking out this year in the midst of the worldwide economic downturn?

It is difficult to predict how deeply the current crisis will affect the teleport business. Although we have no doubt that there will be some effect, there are many factors that need to be considered. For example, a broadcaster who relies solely on advertising might be more affected than one who relies on subscription. Thus, we may see a shift from ad revenue based broadcasters to premium channel subscription models.

Are there any other points you want to add?

The content distribution world is rapidly evolving and the survivors will be those with the ability to distribute content in the way their customers choose to consume it. Whether it is satellite, cable, IPTV or mobile, ABS-CBN International will be there to provide our customers with the content they choose on the platform of their choice. For this reason, I think that satellite & teleport services will always play a critical role.

/ Government & Administration Solutions
/ Defence Network Solutions
/ Broadcast & Media Solutions
/ Telecom & Enterprise Network Solutions
/ Customer Services

ND SatCom

Company Profile

San Francisco International Gateway

SAN FRANCISCO INTERNATIONAL GATEWAY (SFIG) is one of two commercial teleports located in Northern California with direct access to Pacific Ocean satellites. The facility is directly across the San Francisco Bay from the Golden Gate Bridge and is about 20 minutes from downtown San Francisco.

SFIG's 24x7 technical facility consists of 19 satellite earth station antennas, of various sizes from 13.0 meters to 2.4 meters to serve uplink and downlink requirements for C and KU band satellites. SFIG can access any USA domestic satellite as well as Canadian and Mexican satellites plus most Pacific Ocean satellites up to 169 degrees E longitude.

The Master Control room is equipped with Miranda iControl for monitoring and quality control of incoming and outgoing feeds.

SFIG provides teleport services such as:

- Third party antenna and equipment co-location;
- Adhoc or occasional use services for uplink and downlink of video/ audio programs;
- Full-time DTH platform lease on Galaxy 19, the premier broadcast satellite for North America as well as on PAS 8 Ku-Band for Australian DTH platform ;
- Full-time transmission of video, telephony, IP and data circuits to satellites operated by Intelsat, New Skies, SES Americom, SatMex, Telesat and other satellite operators.
- Bundled telecommunications services leveraging ABS-CBN's telecom capability using its NACT switch located in
- One Wilshire, Los Angeles;
- Standard teleport services including uplink and downlink as well as turn around services to fiber or other satellites;
- Asian teleport located in Manila, Philippines for additional turnaround and broadcast services;
- IPTV distribution; and
- Asset sales.

Other services include: SFIG is linked to a full-service studio in Redwood City, California which can be used for shooting your live or canned programs. Feeds from the Studio using fiber link to SFIG can be uplinked at the time of your broadcast.

For more info on SFIG, please visit **http://www.sfig-teleport.com**