

Paul Brown-Kenyon, the newly-appointed Vice President (VP) of Sales and Marketing at Malaysia's Binariang/MEASAT, was interviewed by Giovanni Verlini, Editor of *Satellite Evolution Asia (SEA)*.

MEASAT



## Moving to a global stage



**Banking on its experience** and strong reputation gained as a regional satellite operator, Binariang/MEASAT has ambitious plans for the future: launch three new spacecraft in the next five years, thus strengthening its presence in the Asia-Pacific region and eventually move on to become a global service provider covering areas such as the Middle East, Europe and Africa.

**Question: Congratulations on your appointment as Vice President (VP) of Sales and Marketing at Binariang Satellite Systems/MEASAT. Can you tell us a little bit about yourself and your new role?**

**Paul Brown-Kenyon:** Thank you, and thank you for the opportunity to share some thoughts here today. As a quick background, I joined Binariang Satellite Systems (BSS)/MEASAT from McKinsey & Company - a global management consultancy firm - where I worked in the telecom and media practice.

I spent six years with McKinsey, four of which were in the Asia-Pacific region working with television companies and telecom operators across a range of strategic and operational issues. Prior to McKinsey, I was with the International Mobile Satellite Organisation in London.

I have joined BSS/MEASAT as VP of Sales and Marketing. In this role, I oversee the company's sales and marketing, customer engineering and corporate communications activities. I am also involved in a number of the company's business development initiatives. I am very excited about joining MEASAT which brings together my experience in working across the Asia-Pacific region, in the satellite industry, as well as with telecom and media companies.

**Q: How would you introduce BSS/MEASAT to the readers of *Satellite Evolution Asia (SEA)*?**

**PBK:** BSS is the owner and operator of the MEASAT satellite network, a regional satellite operator that provides quality satellite transmission services to broad-

cast and telecommunications companies across the region. MEASAT is the leading supplier of satellite services to premier Asian Direct-To-Home (DTH) operators, and hosts one of the strongest neighbour-



An artist's impression of MEASAT 3.



MEASAT's control room

hoods of Southeast Asia broadcasters and telecommunications providers.

MEASAT has already established a strong regional presence, and has a clear vision to grow into a global operator. We have recently taken one major step in this direction with the procurement of our third satellite, MEASAT-3, for launch in 2005. Plans are also well advanced for the launch of our fourth and fifth satellites, MEASAT-4 and MEASAT-5, which will be launched between 2006 and 2008.

**Q: What is the reason for having two names, one for the company and one for the satellite system?**

**PBK:** This is due to historical reasons and the way the company was structured. However, it is important to note is that we market our satellite services

under the MEASAT name, and will continue to do so moving forward.

**Q: Can you describe the types of clients that you currently have on the MEASAT fleet?**

**PBK:** Today we serve a prestigious selection of customers coming from the DTH, broadcast, telecommunications and Internet Service Provider (ISP) arenas. For example, we carry the ASTRO DTH service in Malaysia and Brunei, which has a customer base of over 1.2 million households, and the VTV DTH platform that serves Vietnam.

In terms of broadcasters, we serve GMA7 and ACQ-KBN in the Philippines, RTM and TV3 in Malaysia, as well as A-Sky Net in Australia. We also support a number of major telecommunications operators including Malaysia's Maxis and Telekom Malaysia, Globe Telecom from the Philippines, ST Teleport from Singapore and Indonesia's CSM and Patrakom.

This is just a selection of our customers but, hopefully, will provide the reader with an insight into the range and quality of our customer base.

**Q: What is the split between domestic and international customers?**

**PBK:** At present, approximately 40 per cent of our customers are domestic, while the remaining 60 per cent are regional.

**Q: Do you foresee a change in the composition of your customer base?**

**PBK:** I would say that while domestic customers will continue to represent our core market and an important focus for us, over time we expect the proportion of international customers to increase significantly with the launch of MEASAT-3. This is a spacecraft that will

### Binariang to use ILS Proton to launch Malaysia's next generation satellite

Binariang Satellite Systems Sdn. Bhd. has announced the execution to procure the Proton Breeze M launch vehicle from International Launch Services (ILS) for the launch of the MEASAT-3 satellite in 2005. Financial details were not disclosed.

The mission will use the Russian-built Proton rocket with a Breeze M upper stage to place MEASAT-3 at 91.5 degrees East longitude. The high powered, Boeing designed and manufactured MEASAT-3 will provide high quality and reliable satellite services for communications applications in Asia, Africa, the Middle East, Eastern Europe and Australia. This is the fifth contract for a commercial Proton launch signed this year with ILS.

ILS is a US-Russian joint venture that markets and manages the commercial launch missions for the Proton vehicle, built by Khruichev State Research and Production Space Center, as well as for the American Atlas rocket, built by Lockheed Martin Corp.

"Based on the ILS team's outstanding reputation for success in supporting its customers' sat-

ellite launches, Binariang feels confident in selecting the Proton rocket launcher for Malaysia's next generation satellite, MEASAT-3," said Tun Hanif Omar, Chairman of Binariang Satellite Systems. "The launch of MEASAT-3 ensures that Binariang will continue to provide a full range of satellite services to the Direct-To-Home (DTH), broadcast, telecommunications, Very Small Aperture Terminal (VSAT) and Internet services within the region, as well as expand its presence to the global arena.

MEASAT-3, co-located with MEASAT-1 at 91.5 degrees East longitude will continue to serve the existing and growth requirements of our customers, while providing in-orbit redundancy. MEASAT-3 is employed with 24 C-band transponders, which will provide premium services in Asia, Australia Middle East, Africa and Eastern Europe, while the 24 Ku-band transponders will provide high powered flexible spot beams in Malaysia, India, Indonesia and China. ■

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provide coverage over the entire Asian continent, East Africa, Australia and Eastern Europe.

**Q: What is the split amongst different applications such as DTH, video distribution, Very Small Aperture Terminal (VSAT) networks, etc?**

**PBK:** We have a relatively equal split between DTH/television and telecommunications operators. While they represent a smaller number of customers, we also serve some ISPs.

**Q: What is the level of use of the satellites' transponder capacity (C-band, Ku-band)?**

**PBK:** Our strategy has always been to develop satellites that are tailored to our customer's requirements - both in terms of size and coverage area. As a consequence, today we have an excellent utilisation rate of approximately 80 per cent on our system. At this utilisation level, we have enough capacity to support customer growth requirements between now and the launch of MEASAT-3 in 2005.

**Q: What about prices? How much do you charge for your transponder capacity? Have prices gone up or down over the past 12 months?**

**PBK:** I do not think it is appropriate to simply discuss pricing as a stand alone issue. When customers evaluate a satellite provider they obviously consider pricing, but they also consider a host of additional factors such as quality of the satellite services provided (signal strength, coverage and look angle), status of ITU protection for the satellite, availability of in-orbit redundancy, operational responsiveness etc.

Today, at MEASAT we provide a highly competitive offering. With the launch of MEASAT-3 in 2005, when we are also able to provide high-powered C-band and Ku-band coverage over the entire region as well as features such as natural in-orbit redundancy (with two satellites operating from a slot at 91.5 degrees East), I believe that our offering will become distinctive compared to that of our competitors.

**Q: How do you see the current Asian market for satellite services? Is there overcapacity in the transponder marketplace? Where is the market heading to?**

**PBK:** I think it is clear that there has been increasing pricing pressure in the market over the last few years.

This has been driven by over investment in space segment capacity and a failure of traffic in specific segments to grow as expected.

Moving forward, I think you will see two general trends. The first is industry consolidation - a number of operators both at the global level and within the Asia-Pacific region, are struggling today to fill capacity. While I think the short-term impact of this will be heavy discounting of pricing in some markets, I would expect unsustainable pricing to lead to a deep industry shakeout and consolidation. This, while painful in the short-term, will be good for the long term stability of the industry.

**Q: What is the second trend that you were mentioning?**

**PBK:** In addition to consolidation, I also think you will see an increasing distinction between 'high quality' satellite services (ie, operators with strategically lo-



*A panoramic view of MEASAT Satellite Control Centre.*



cated and co-ordinated high-powered satellites focused on responsive customer service), and that of lower quality systems competing primarily on discounted price.

**Q: What do you think are going to be the future killer applications for satellite communications?**

**PBK:** When you are providing a key element of your customers' infrastructure, I would say that it is always the basics that matter the most. In particular, I am referring to high-quality/reliable satellite coverage and great customer service. While we are in the process of developing additional services/applications for our customers, and will be improving the value proposition in a series of other areas, I believe our primary focus should always be on making sure that we are doing the basics better than our competitors.

**Q: What are Binariang/Measat's plans for the future?**

**PBK:** A lot of things are happening here at the moment. Let me share some with you. As I mentioned above, MEASAT-3 is one of our major focuses at the moment. Scheduled for launch in 2005, and to be co-located with MEASAT-1 at 91.5 degrees East, MEASAT-3 will provide us with a big step in extending our reach providing high-powered C and Ku-band coverage over Asia, Eastern Europe, East Africa and Australia.

This new satellite is exciting in many ways: first and foremost it is going to help us serve our existing customer's growth requirements. But in addition it is going to allow us to offer the same value proposition to customers in new geographic markets such as South Asia and Middle East. Finally, it is going to allow us to

develop a compelling offering for new key customer segments - such as international cable operators, who require the high powered wide regional distribution that MEASAT-3 will offer.

In addition to MEASAT-3, we are in the final stages of planning for MEASAT-4 and MEASAT-5. MEASAT-4, to be located at 91.5 degrees East, is being designed as a replacement for MEASAT-1. MEASAT-5, however, located at 5.7 degrees East, will provide a platform for premium broadcast, Internet and telecommunications throughout Africa, the Middle East and Southern Europe. MEASAT-5 will enable the African countries to connect seamlessly with each other through cost effective intra-Africa networks, and will provide global interconnectivity through the MEASAT satellite network.

To date, MEASAT has been very successful by focusing on customers needs. In addition to the three satellite projects I mentioned above, we have a number of other projects that will extend even further our ability to serve our customers. We will be able to announce more about these over the next 12 months.

**Q: What is the future of satellite communications? How do you see this marketplace evolving?**

**PBK:** I think I have covered these topics with my earlier answers. In summary, I would say that the satellite marketplace is an exciting arena at the moment, but also one that presents a host of challenges to operators. Given MEASAT's strong experience of providing high-quality satellite and customer services in the market, we are well positioned for the future. We will play a central role moving forward both in the regional market as well as on a more global stage. ■

**MEASAT and ST Teleport form strategic partnership to provide remote telecommunications connectivity**

Binariang Satellite Systems Sdn. Bhd. has announced the execution of an agreement with ST Teleport, a full service satellite communications and broadcasting solution provider and wholly-owned subsidiary of Singapore Technologies Telemedia, for the provision of satellite services geared to provide Very Small Aperture Terminal (VSAT) and Internet Protocol (IP) services for remote telecommunications connectivity in Bangladesh, Indonesia and the Indochina region.

"MEASAT's strong satellite positioning, continued proven capabilities and high quality flexible customer services have continually supported many of ST Teleport's satellite applications services over the years," informed Paul Brown-Kenyon, Vice President (VP), Sales and Marketing, Binariang Satellite Systems.

"MEASAT, which hosts one of the strongest Direct-To-Home (DTH) neighbourhood in Asia and one of the strongest telecommunications and broadcast neighbourhoods in South East Asia, is delighted to be working with ST Teleport in further supporting their ventures and collaborating to extend their services into established and new

markets. We are also looking forward to the launch of MEASAT-3 in the near future which we believe will enable us and our partners to grow our combined services in the markets in the Middle East and extend our combined reach."

ST Teleport will be employing MEASAT-2 to provide highly reliable and cost-effective network services to remote sites within Bangladesh and South East Asia with little or no access to reliable terrestrial telecommunications infrastructure. MEASAT-2 will provide uninterrupted satellite signal transmission to support ST Teleport's point-to-point and point-to-multipoint VSAT services as well as high speed global Internet connections, which will be designed to put specified remote areas in touch with the world instantly.

Launched in November 1996, MEASAT-2, a Boeing 376 HP satellite, is located at 148 degrees East longitude. This satellite employs a payload of up to 6 C-band and up to 7 Ku-band transponders, which offers coverage, to support DTH, Internet and Telecommunications needs, throughout the East and South Asia, as well as Australasia. ■

