

Cash & Carry

HD channels are sizzling in Asia, with factual programmers leading the way. CFOs may still be ultra cool on the delivery costs involved, but there's strength in numbers say the companies who have joined forced to push the market forward and – hopefully – prices down.

At the end of last year, VOOM HD Networks took what it hoped was the first step towards creating a neighbourhood of high-definition channels that will drive take-up of high-definition services in Asia.

The new push involved Malaysia's satellite operator, Measat Satellite Systems, and broadcast service provider, Ascent Media. The three-party deal made VOOM HD the first 24-hour satellite delivered HD channel in the region.

VOOM previously delivered its HD services to Hong Kong (Now TV, PCCW) and to Singapore (Mio TV, SingTel) via fibre. VOOM HD Network's general manager, Greg Moyer, is encouraging other HD broadcasters to join the platform.

"No one has a channel that's good enough to be the only one," he says, highlighting collaboration as the best way to fast-track take-up of the new standard.

When the deal was announced, hopes were that HD penetration would accelerate beyond Hong Kong and Singapore by early 2008. "We're happy to be the first... but we hope this is the start of a neighbourhood," Moyer added.

The migration to satellite-delivered HD channels hasn't happened as quickly as it might have, perhaps, but there's little doubt that things are happening.

Measat says the switch from fibre to satellite delivery is being driven by the costs involved in delivering HD signals to more than two or three markets.

For instance, platforms in Thailand and India have expressed interest, along with broadcasters in the Middle East and South Africa, which are also under the Measat-3 footprint. Delivering via fibre to multiple markets is not cost effective.

Five to six channels would be enough to kick off the HD neighbourhood. Original hopes were that this would have happened by March or April. Despite taking a little longer than hoped, Measat says it's not a matter of if, but when. A couple of launches are expected by mid year, with at least six expected to be on board the MPEG04 distribution platform by the end of 2008.

"We are even more positive about the opportunity than ever," says Measat chief operating officer, Paul Brown-Kenyon.

Measat has been demonstrating its HD/MPEG4 platform since the BroadcastAsia show in Singapore in June 2007, and is offering its HD carriage in collaboration with Tandberg, Ascent Media and Pacific Century Matrix (PCM).

Bleakley acknowledges the time it's going to take to make money from HD services, and says Measat has adapted its pricing to reflect this.

"The key to success is the number of channels [in the HD bouquet]," Bleakley says, quoting BSkyB's success in the U.K. with a 10-channel bundle that attracted 250,000 HD subscribers in its first year.

Moyer stresses diversity and choice in creating an HD package that subscribers are happy to pay for. "Users want to be able to surf in HD," he says. "There has to be enough choice."

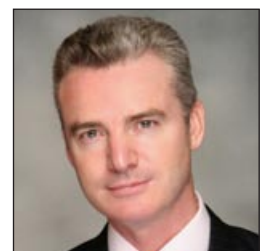
VOOM HD, which has 15 channels in the U.S., is also exploring distribution opportunities in the region for its other channels.

"We are definitely thinking about additional genres. Our destiny is more than one channel," Moyer says. "But it's early days. This is a credible beginning."

"No one has a channel that's good enough to be the only one... we hope this is the start of an HD neighbourhood."

*Greg Moyer
General Manager
VOOM HD Networks*

"The key to success is the number of channels in the HD bouquet."



*Terry Bleakley
Vice President, Sales and Marketing
Measat*