



Asia Pacific
MULTICHANNEL TV ADVERTISING

[2015]



About CASBAA

Established in 1991, CASBAA is the Association for digital multichannel TV, content, platforms, advertising and video delivery across geographic markets throughout the Asia Pacific. CASBAA and its members reach over 500 million connections within a regional footprint ranging from China to Australasia, Japan to Pakistan. The CASBAA mission is to promote the growth of multichannel TV and video content via industry information, networking exchanges, and events while promoting global best practices.

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501

million

MULTICHANNEL HOMES

CAN'T BE WRONG.

www.casbaa.com

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Executive Summary

It has been a topic of discussion for the past few years but it appears that TV Everywhere and Over the Top (OTT) services are beginning to truly take off in terms of acceptance and adoption. These alternate modes of video consumption are helping to extend viewing for consumers while allowing more opportunities for platforms, networks, and content creators to expand their businesses.

Data from the most recent Ericsson Consumer Insight Report found that 75% of people surveyed across 23 markets including China, Indonesia, Malaysia, Singapore, South Korea and Taiwan are now streaming video. This number illustrates the increased willingness for consumers to pay for the convenience of anywhere access and, as a result, viewing is increasing accordingly as access to more and better content becomes available.

As our world becomes progressively more mobile, we are finding viewing habits following suit. Place shifting, where consumers can start a video on one device and continue watching it on another, is now more commonplace as new services enable seamless access to video content. Technology is also allowing for instant access to favourite programs anytime, anywhere with more powerful Internet connections and devices including smartphones, tablets, and laptops making viewing on the go even easier.

However, linear television should not be written off just yet.

In the Asia Pacific, the growth of multichannel TV homes has now surpassed 500,000,000 – the largest number by region anywhere in the world today. The power of pay TV is also exemplified by the increasing viewing numbers for all and affluent audiences; advertising is on the up in the Asia Pacific and individual markets such as Indonesia, China, Malaysia and India are seeing strong growth.

While the future of broadcasting may depend on the hands of TV Everywhere and OTT services, there can be no denying that there is still enormous potential to be realized within linear TV in the region – success will depend on how well we can balance these two business streams.

CASBAA would like to thank Jane Buckthought, the Research Committee and the various network research, marketing, and sales teams who made this report possible.

Non-Terrestrial TV Connections

61%

**of homes in Asia
now receive
Multichannel TV.**

54%

PAKISTAN
11.6 MILLION

92%

INDIA
149 MILLION

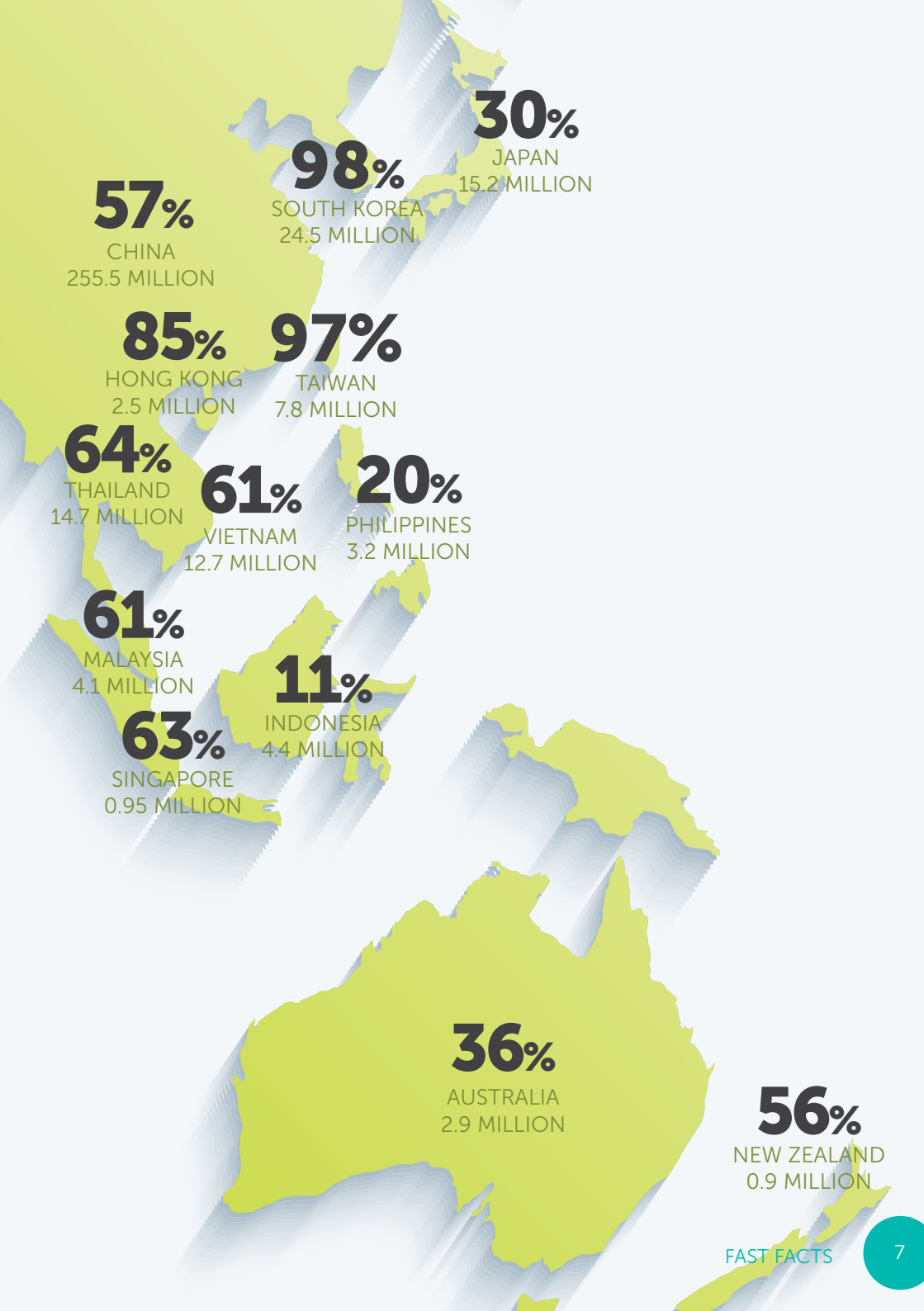
FAST FACTS

POPULATION	3,579,814,080
TOTAL HOMES.....	936,147,053
HOUSEHOLD SIZE	3.8
TELEVISION HOMES.....	824,757,429
MULTICHANNEL HOMES	500,639,000
INTERNET USERS	1,228,382,259

Note 1: This data includes multiple connections to non-terrestrial channels in 000s and multichannel homes penetration as a percentage.

Note 2: Thailand data under review as market in a state of flux.

Source: Casbaa, SNL Kagan, MCN, SARFT, CSM, TAM India, SKY, Gallup Pakistan, Starhub, Kantar, Nielsen, Astra, Astro, Video Research, TmNS.



57%
CHINA
255.5 MILLION

98%
SOUTH KOREA
24.5 MILLION

30%
JAPAN
15.2 MILLION

85%
HONG KONG
2.5 MILLION

97%
TAIWAN
7.8 MILLION

64%
THAILAND
14.7 MILLION

61%
VIETNAM
12.7 MILLION

20%
PHILIPPINES
3.2 MILLION

61%
MALAYSIA
4.1 MILLION

11%
INDONESIA
4.4 MILLION

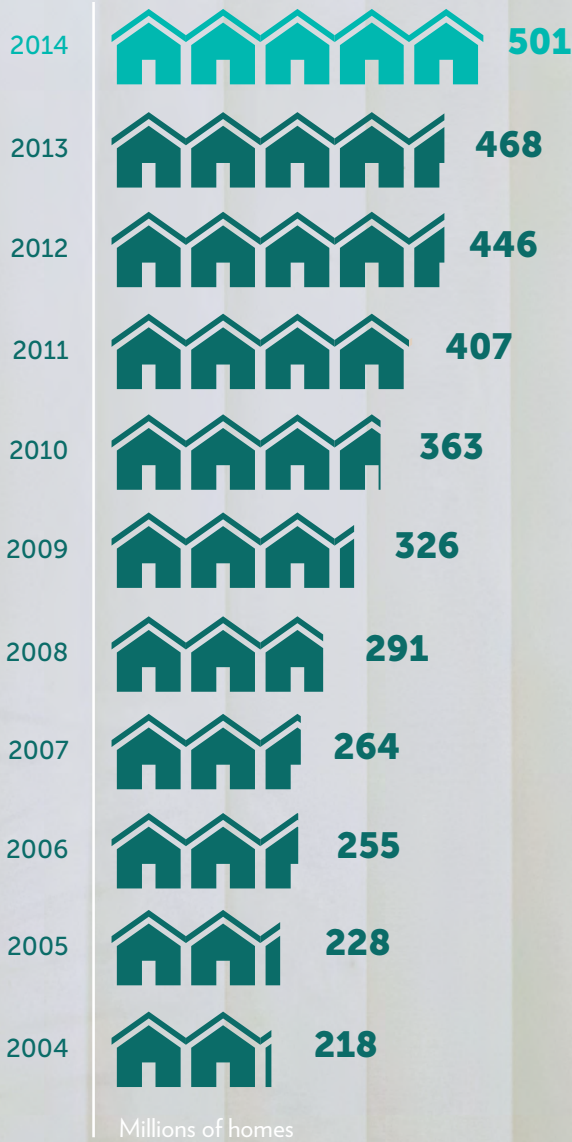
63%
SINGAPORE
0.95 MILLION

36%
AUSTRALIA
2.9 MILLION

56%
NEW ZEALAND
0.9 MILLION



Growth of Multichannel Homes



Source: Casbaa, SNL Kagan, MCN, SARFT, CSM, TAM India, SKY, Gallup Pakistan, Starhub, SingTel, Kantar, Nielsen, OzTAM, Video Research

GLOBAL OVERVIEW

Asia Pacific Leads the Way

Home to more than 500 million pay TV households in 2014, the Asia Pacific region is poised to strengthen its leadership as the largest multichannel video market globally in terms of subscribers.

While average revenue per user (ARPU) remains relatively low, the region's aggregate video subscription revenue is estimated to reach US\$36.2 billion by the end of 2014, trailing North America and Western Europe as the third-most-lucrative multichannel economy.

The Asia Pacific multichannel market is characterized by aggressive digitization efforts and increasing adoption of emerging IP technologies. In some markets, however, significant problems with piracy and regulatory barriers inhibit growth. SNL Kagan expects operators to pursue widespread digital infrastructure improvements, anchored by initiatives in India and China, that will drive lucrative pay TV revenue and technology gains long term. Competition, historically limited to cable versus direct-to-home satellite platforms, is poised to heat up in Asia as IPTV and digital terrestrial television (DTT) systems mature.

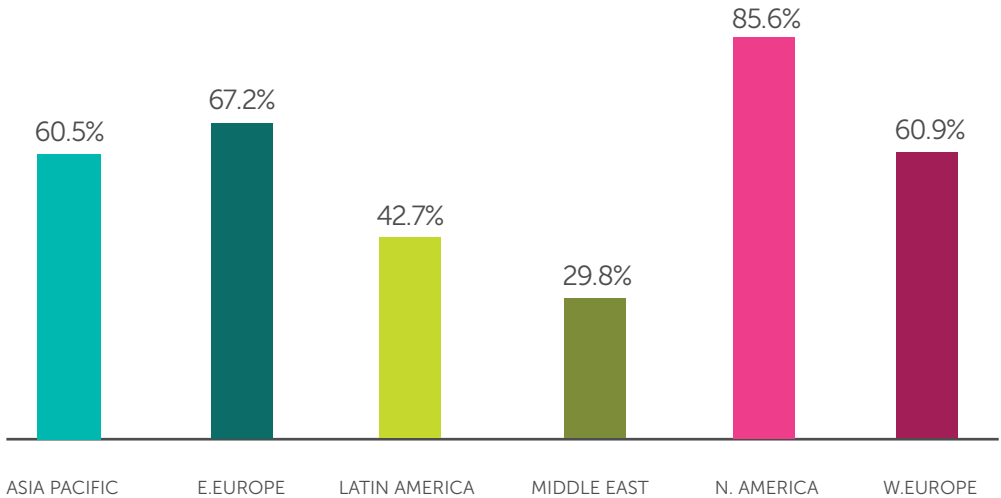
Cable dominates the Asia Pacific multichannel landscape, with China and India hosting the largest cable populations in the world. Although increasing competition is set to reduce cable market share over the coming ten years, the platform's dominance is expected to endure long-term.

DTH MARKET SUMMARY

Although cable dominates multichannel households in a majority of Asia Pacific markets, DTH holds the highest share of multichannel subscribers in Malaysia, New Zealand, Indonesia and Australia.

With 35.8 million active pay DTH subscribers, India is the largest DTH market in the Asia Pacific region, accounting for the majority of the region's total DTH connections. The market is also home to the top DTH providers in the region by subscriber base, including Dish TV India, Tata Sky, Sun Direct, Videocon D2H, Bharti Airtel and Reliance Communications.

Multichannel TV Homes Penetration 2015



Historically, the Chinese government has prohibited the general population from accessing DTH signals, with the exception of unencrypted state-affiliated channels via the CBTV platform. At present, free-to-air DTH service is available extensively via SARFT’s Huhutong project, which aims to bring TV and radio access to millions of residents living in rural and mountainous areas not covered by cable or terrestrial signals. SNL Kagan expects SARFT-sanctioned pay DTH services will phase in long term after the Huhutong project has established a sufficient DTH base.

CABLE MARKET SUMMARY

With 224 million cable TV households in China and close to 100 million in India, cable connections dominate the Asia Pacific multichannel landscape. SNL Kagan analysis indicates approximately 80% of pay TV households in the region are connected via cable.

GLOBAL OVERVIEW

Asia Pacific Leads the Way

Market fragmentation has posed a fundamental challenge in several of Asia's cable markets, including India, the Philippines and Thailand, as localized ownership of last-mile networks impedes digital upgrades. Adjustments to ownership regulation enabling consolidation are paving the way for digitization initiatives. In China, regional cable systems are implementing a government-mandated "one province, one network" directive which has formed some of the biggest cable operations in the world.

SNL Kagan believes cable's grip on the Asia Pacific pay TV market will slip over the coming years as DTH and IPTV services capture market share. However, increasing competition is not expected to impede cable revenue growth as advanced services including HD, VOD and DVR drive cable service revenues.

IPTV MARKET SUMMARY

The Asia Pacific region features the world's third-largest IPTV economy after North America and Western Europe, with China Telecom hosting the largest single IPTV subscriber population in the world. South Korea's KT Corporation and Japan's Sky Perfect JSAT Corporation also rank among the top IPTV providers in the region.

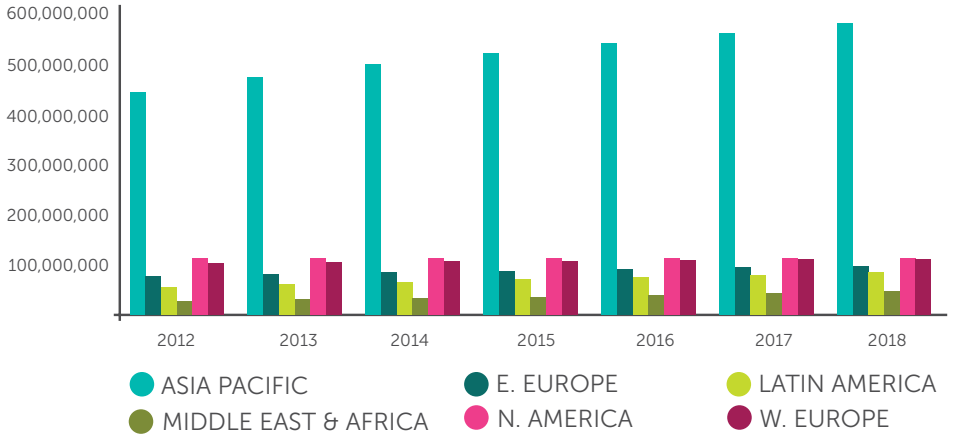
SNL Kagan analysis indicates IPTV will be the fastest-growing multichannel platform in the Asia Pacific over the coming years, with China, Japan and South Korea ranking as key markets for growth. Many governments in the region, including those in Australia, New Zealand, Malaysia and Singapore, are funding fiber rollouts, which is expected to foster the IPTV landscape long term.

DTT MARKET SUMMARY

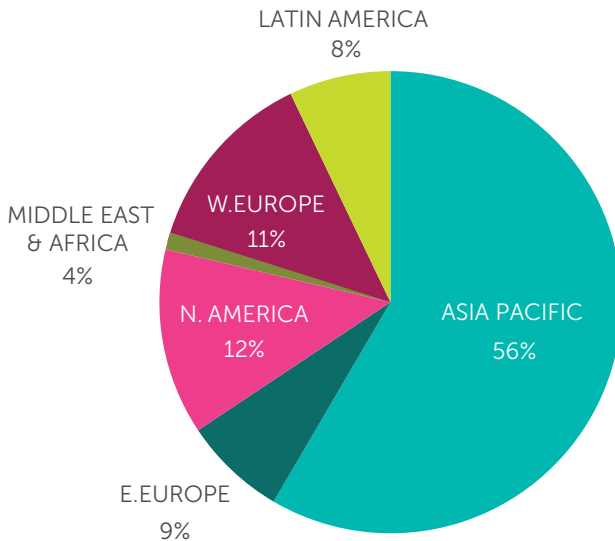
SNL Kagan does not count free-to-air DTT as multichannel service, given that it is not subscription-based. In the Asia Pacific, digital terrestrial infrastructure provides leverage for pay TV service deployments in Indonesia, New Zealand and Vietnam. These operations form a niche position in the region's multichannel landscape, accounting for a tiny fraction of the Asia Pacific total pay TV subscriber base. SNL Kagan does not expect widespread pay DTT activities to emerge in the Asia Pacific region long term.

Source: SNL Kagan

Total Multichannel TV Homes 2012-2018



Share Of Multichannel TV Homes By Region 2015



Source: SNL Kagan

GLOBAL OVERVIEW

Asia Pacific Leads the Way - TV Everywhere

COUNTRY	OPERATOR	PLATFORM	TVE LAUNCH DATE	SMART TV	
Australia	FOXTEL	DTH/Cable	Oct-09	yes	
South Korea	CJ HelloVision	Cable	May-10	yes	
Japan	NTT Plala Inc.	IPTV	Aug-11	yes	
Singapore	StarHub Ltd	Cable	Jun-12	yes	
Taiwan	Vee Telecom Multimedia	Cable	Oct-12	no	
Japan	SKY Perfect JSAT Corporation	DTH/IPTV	Oct-11	yes	
Hong Kong	PCCW	IPTV	Dec-09	no	
Thailand	TOT	IPTV	Jan-13	yes	
Taiwan	Chunghwa Telecom	IPTV	Dec-09	no	
New Zealand	SKY Network Television Ltd	DTH	Jan-11	no	
South Korea	KT Corporation	DTH/IPTV	Apr-11	no	
Japan	J:COM	Cable	May-12	no	
Singapore	SingTel	IPTV	Jul-12	yes	
Malaysia	Astro	DTH/IPTV	Jun-12	no	
Thailand	TrueVisions	DTH/Cable	May-13	no	
China	Beijing Gehua	Cable	Jun-11	no	
India	Dish TV India Ltd.	DTH	Oct-13	no	
India	Tata Sky Ltd.	DTH	Oct-13	no	
Malaysia	Telekom Malaysia	IPTV	Jul-13	no	
Indonesia	First Media	Cable	Feb-14	no	
Indonesia	PT MNC Sky Vision	DTH	Jun-14	no	
Philippines	Cignal TV	DTH	Jul-13	no	
Australia	FetchTV	IPTV	Dec-13	no	
India	Bharti Airtel	DTH	Mar-14	no	
Hong Kong	i-Cable Communications	Cable	Feb-12	no	
Total	25			7	

CONNECTED DEVICE SUPPORTING TV EVERYWHERE SERVICE

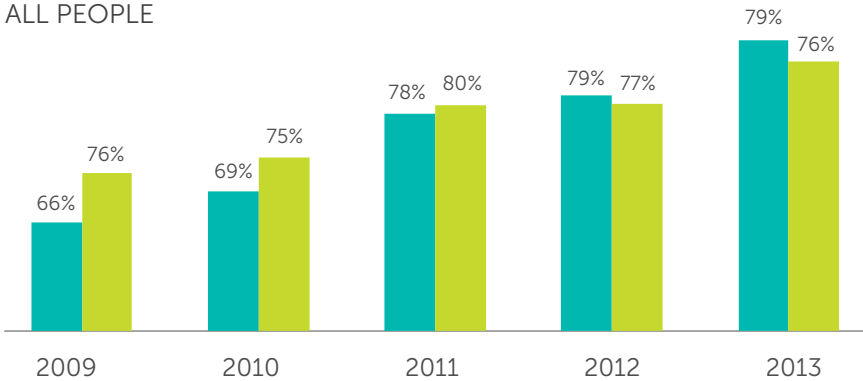
	SMARTPHONE	TABLET	GAME CONSOLE	PC/MAC	DEVICE COMPLETION SCORES	# OF TV CHANNELS
	yes	yes	yes	yes	5	up to 74 channels
	yes	yes	no	yes	4	199 channels
	yes	yes	no	yes	4	N/A
	yes	yes	no	yes	4	up to 71 channels
	yes	yes	yes	yes	4	N/A
	yes	yes	no	yes	4	59 channels
	yes	yes	yes	yes	4	6 channels
	yes	yes	no	yes	4	145 channels
	yes	yes	no	yes	3	N/A
	yes	yes	no	yes	3	up to 11 channels
	yes	yes	no	yes	3	70 channels
	yes	yes	no	yes	3	up to 77 channels
	yes	yes	no	no	3	up to 19 channels
	yes	yes	no	yes	3	up to 30 channels
	yes	yes	no	yes	3	up to 102 channels
	yes	yes	no	yes	3	up to 46 channels
	yes	yes	no	yes	3	27 channels
	yes	yes	no	yes	3	54 channels
	yes	yes	no	yes	3	up to 57 channels
	yes	yes	no	yes	3	50 channels
	yes	yes	no	yes	3	N/A
	yes	yes	no	no	2	up to 14 channels
	yes	yes	no	no	2	N/A
	yes	no	no	no	1	150 channels
	yes	no	no	no	1	6 channels
	25	23	3	20		

The Multichannel TV Viewer in Asia

- Across Asia Pacific, viewing of multichannel TV services are measured by people meter TV. Audiences remain strong at 79% of all people watching in the past month.
- Multichannel TV average audiences are higher than terrestrial.
- The Ipsos Affluent Survey shows that multichannel TV audiences in the main markets on Asia are more likely to travel more, purchase new technology, and keep up-to-date with new trends.

Asia Pacific Monthly Cumulative Audience

ALL PEOPLE



Asia Pacific Monthly Cumulative Audience

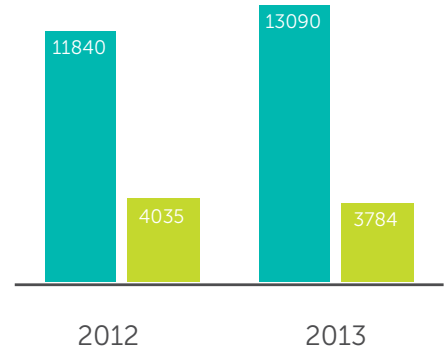
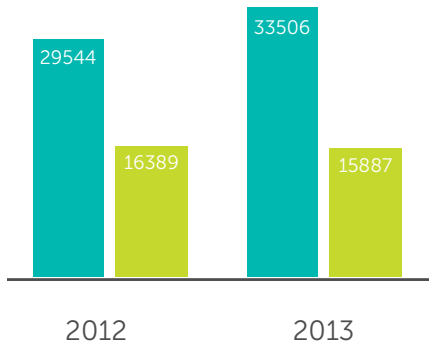
AFFLUENT PEOPLE



Asia Pacific Average Audience: All Time

ALL PEOPLE (000S)

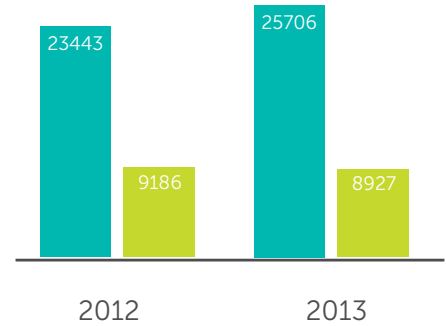
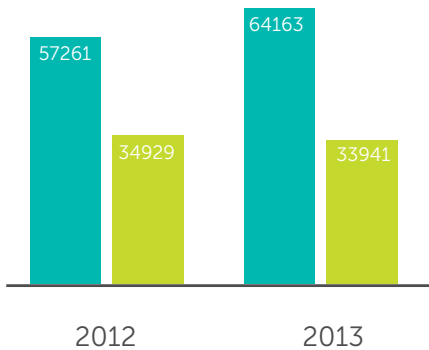
AFFLUENT PEOPLE (000S)



Asia Pacific Average Audience: Prime Time

ALL PEOPLE (000S)

AFFLUENT PEOPLE (000S)



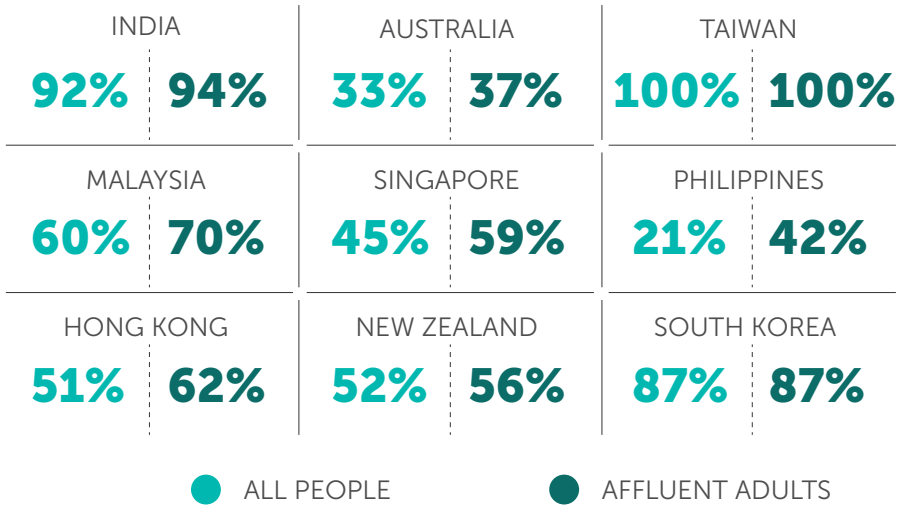
● MULTICHANNEL TV

● TERRESTRIAL TV

Prime Time 1800-2359

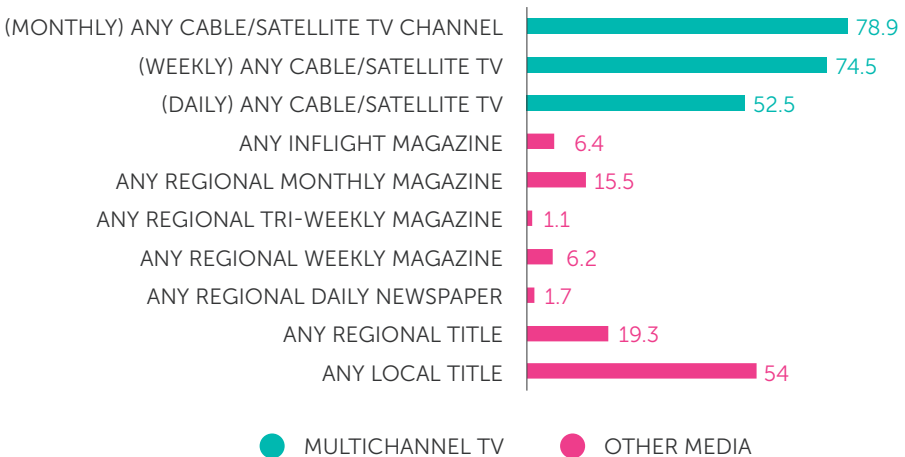
Source: Peoplemeter, Asia Pacific includes: India, Australia, Taiwan, Malaysia, Singapore, Philippines, Hong Kong, New Zealand, South Korea

Multichannel TV Monthly Reach



Source: Peoplemeter India, Australia, Taiwan, Malaysia, Singapore, Philippines, Hong Kong, New Zealand, South Korea

Multichannel TV Consumed More Than Other Media



Source: Ipsos Affluent Survey Asia Pacific Q3-Q4 2013
 Average Base Index: 100. Bangkok or Hong Kong or Jakarta or Kuala Lumpur or Manila or Singapore or Taipei or Seoul or Sydney or Melbourne or India

Affluent Viewers Strongly Agree That...

INDEX	WATCH PAY TV	DON'T WATCH PAY TV
I am always one of the first to use innovative tech products	113	91
I have confidence in purchasing products/ services that have been advertised	115	90
I tend to go for premium rather than standard goods/services	120	86
I have expensive tastes	107	95
Gaining knowledge and becoming better informed is a priority for me	106	96
People come to me for advice before buying new things	109	94



Source: Ipsos Affluent Survey Asia Pacific Q3-Q4 2013
Average Base Index: 100. Bangkok or Hong Kong or Jakarta or Kuala Lumpur or Manila or Singapore or Taipei or Seoul or Sydney or Melbourne or India Viewed International Channels Yesterday

Affluent Viewers Are Early Adopters...

WATCH PAY TV
(INDEX)

110



SMARTPHONE

119



TABLET

118



SMART TV

124



HOME THEATRE
SOUND SYSTEM

105



DIGITAL VIDEO CAMERA

DON'T WATCH PAY TV
(INDEX)

93

87

88

83

97

Source: Ipsos Affluent Survey Asia Pacific Q3-Q4 2013

Average Base Index: 100. Bangkok or Hong Kong or Jakarta or Kuala Lumpur or Manila or Singapore or Taipei or Seoul or Sydney or Melbourne or India Viewed or Not Viewed International Channels Yesterday

...and Decision Makers...

WATCH PAY TV
(INDEX)

105



CAR OWNER

112



OWN PLATINUM
CREDIT CARD

105



BUSINESS DECISION
MAKER

111



TOP MANAGER

104



HOUSEHOLD MONTHLY
INCOME US \$15,000+

DON'T WATCH PAY TV
(INDEX)

97

92

96

93

90

...and Travelers Too.

WATCH PAY TV (INDEX)

133



TAKE A BUSINESS TRIP
IN PAST 12 MONTHS

149



6+ BUSINESS TRIPS IN
PAST 12 MONTHS

143



FLY 1ST OR
BUSINESS CLASS

127



12+ NIGHTS IN A HOTEL IN
PAST 12 MONTHS

132



3+ LEISURE TRIPS IN
PAST 12 MONTHS

DON'T WATCH PAY TV (INDEX)

77

66

70

81

78

Source: Ipsos Affluent Survey Asia Pacific Q3-Q4 2013
Average Base Index: 100. Bangkok or Hong Kong or Jakarta or Kuala Lumpur or Manila or Singapore or Taipei or Seoul or Sydney or Melbourne or India Viewed or Not Viewed International Channels Yesterday



TV Audience Measurement 2014

COUNTRY	RESEARCH COMPANY	PEOPLEMETER PANEL SIZE (HOMES/HOUSEHOLDS)	PANEL COVERAGE
Australia	Nielsen TAM on behalf of OzTAM	"3,500 (Metropolitan), 1,413 (National subscription TV)"	Metro areas (5 cities) & nationally for Subscription TV
	Nielsen TAM on behalf of Regional TAM	2,135 (Regional)	Queensland, Northern NSW, Southern NSW, Victoria, Tasmania & Regional Western Australia
Cambodia	Kantar Media	810 Diary	Phnom Penh, Siem Riep & Battambang
China	CSM	33,000	"National 1 / Provincial 25 / City 148 "
Hong Kong	Nielsen	800	HK Region
India	TAM Media Research	10,150	Urban India
Indonesia	Nielsen	2,273 (Terrestrial), 300 (Pay TV)	Terrestrial: 11 cities, Pay TV: Jakarta
Japan	Video Research Ltd	6,600 National panel & separate Subscription TV Panel 600 *	Tokyo & Osaka
Malaysia	Nielsen	1,100	Peninsular Malaysia
New Zealand	Nielsen	600	National
Pakistan	Medialogic Pakistan	1000+ HH ,6000+ Individuals	Top 20 Cities Incl. 3 Metros
	Gallup Pakistan	National Panel: 4,000 HH , 5500 Individuals (3,600 Urban HH & 400 Rural HH)*	National (Urban+Rural)
Philippines	Nielsen	"National Panel 3,500. (2,000 Urban homes (NUTAM) and 1,500 Rural homes (RTAM)) "	National (Urban+Rural)
	Nielsen	"Metro Panel 2,220. (1,190 Mega Manila homes (MEGATAM) and 1,030 homes for 8 other Metros)"	Metro Cities
Philippines	Kantar Media	1,350	National Urban
	Kantar Media	900	National Rural
Singapore	Kantar Media	800	National
South Korea	Nielsen	4,320	National
	TNmS	3,200	National
Taiwan	Nielsen	2,000	National
Thailand	Nielsen	1,800	National
Vietnam	Kantar Media	3065(diaries) & 1070 (peplemeter)	"National (6 cities)"

CABLE/ SATELLITE MEASURED	DTT MEASURED	COMMERCIAL BREAK RATINGS FOR PAY TV CHANNELS	COMMERCIAL SPOT LOGS FOR PAY TV CHANNELS	PAY TV REACH & FREQUENCY AVAILABLE	SOFTWARE	TABLETS, SMARTPHONES, INTERNET
Yes	Yes	No	No	Yes	User choice*	Yes - Desktop & Laptop
Yes	Yes	No	No	Yes	User choice*	Yes - Desktop & Laptop
Yes	Yes	No	No	No	Infosys+	No
Yes	Yes	No	No	Yes	Infosys+	Yes
Yes	Yes	No	No	Yes	Arianna	Yes - Laptop/ Desktop
Yes	No	Yes	Yes	Yes	Media X*Press	No
Yes	No	No	No	Yes	Arianna	No
Yes	No	No	No	Yes	RVCS	No
Yes	No	Yes	Yes	Yes	Arianna	No (under discussion)
Yes	Yes	Yes	Yes	Yes	Arianna	No
Yes	N/A	Yes (80 channels)	Yes (80 channels)	Yes	InfoSys+ (Kantar)	No
Yes	N/A	Yes	Yes	Yes	Reporter	No
Yes	No	Yes	Yes	Yes	Arianna	Plan for online campaign ratings Q1 2015
Yes	No	Yes	Yes	Yes	Arianna	
Yes	Yes	Yes	Yes	Yes	InfoSys+	No
Yes	No	Some	Some	Yes	InfoSys+	No
Yes	Some	No	No	Yes	InfoSys+	No
Yes	Yes	Yes	Yes	Yes	Arianna	Yes - Desktop & Laptop
Yes	Yes	Yes	Yes	Yes	Infosys	No
Yes	Yes	Yes	Yes	Yes	Arianna	No
Yes	Yes	Yes	Yes	Yes	Arianna	No
Yes	Yes	Yes	Yes	Yes	Infosys+	No

Survey: Audience Measurement

SURVEY	RESEARCH COMPANY	SAMPLE SIZE	PANEL COVERAGE	METHODOLOGY
Media Atlas China	Ipsos	30,600	National / Provincial / City	Door to door / CATI
Media Atlas Hong Kong	Ipsos	5,000	National	CATI/Online/F2F
Affluent Asia	Ipsos	18,800	10 APAC Markets	CATI / Online
BE Asia	Ipsos	3,500	8 Asian Markets	CATI, Postal & Online
Media Index	Nielsen	6,000+	Hong Kong	Face-to-face/Online
Consumer & Media View	Nielsen	100,000+	Australia	Online
		12,000	New Zealand	Face-to-face
		23,000^	Indonesia, 11 cities	Face-to-face
		10,000	Malaysia, Peninsular	Face-to-face
		10,000	Philippines, National Urban	Face-to-face
		4,200+	Singapore	Face-to-face
		9,000+	Thailand	Face-to-face
China CNRS	CTR	100,000	60 1-4 tier cities	F-F /self completed/ On-line
India	IMRB	51,000	National	F-F /self completed
South Korea	Hankook	9,000	National	F-F /self completed
Sri Lanka	IMRB	3,000	National	
Vietnam	Kantarmedia	13,560	6 cities	F-F /self completed

Survey Notes:

Australia,OzTAM: Peoplemeter. 5 City Metro Markets: Sydney, Melbourne, Brisbane, Adelaide & Perth & nationally for Subscription TV. RegionalTAM

Australia, User Choice* Gold Standard accredited software suppliers for OzTAM & RegionalTAM Data : TV Map (Broadcast M.A.P), R8ting Library for MediaWise (Day 8 Technology), AdQuest eTAM (Landsberry & James), Pinergy (MediaCom), Arianna (NielsenTAM), TARDIS (Starcom MediaVest Group), AdvantEdge (TechEdge)

Cambodia. Kantar Media.

China,CSM: Peoplemeter & Diary. 1 national meter panel, 79 city meter panels, 11 provincial meter panels, 69 diary city panels, 14 diary provincial panels

India,TAM Media Research: Peoplemeter. 225 urban cities covered (from Jan 2013).

Indonesia, Nielsen: Terrestrial: 11 cities: Jakarta, Surabaya, Medan, Semarang, Bandung, Makassar, Yogyakarta, Palembang, Denpasar, Banjarmasin and Surakarta. Pay TV: Greater Jakarta.

Japan,Video Research Ltd: Peoplemeters in Tokyo & Osaka. Non-continuous measurement,2 week sweeps conducted every two months (12 weeks/year). Subscription TV panel is separate from national terrestrial TV panel of 6,600 homes, 52 weeks reporting /year

DEMOGRAPHIC	OVERVIEW	CAB/SAT MEASURED	DTT	SOFTWARE	REACH & FREQUENCY
12 - 64	Media and Product Consumption	Yes	No	Telmar	No
12 - 64		Yes	Yes	User choice	No
Affluent 25-64		Yes	No	User choice	Yes
Elite		Yes	No	User choice	
12 - 64	Media and Product Consumption				
14+					
10+					
10+					
15+					
10+					
15+					
12+					
15-69					
15-55 ABC					
11-64					
15-55					

Pakistan, Medialogic: 9 key cities - Karachi, Lahore, Islamabad, Faisalabad, Multan, Hyderabad, Sukkur, Gujranwala and Peshawar

* Pakistan, Gallup Pakistan: National diary panel include all 3 Metros (Karachi, Lahore, Islamabad/Rawalpindi: 2,100 individuals) , 5 Large Cities (Faisalabad, Hyderabad, Multan, Peshawar, Quetta : 1,100 individuals), 10 Small Cities & Towns (Gujrat, Jacobabad, Kasur, Mardan, Pashin, Rajanpur, Rohri, Sahiwal, Sargodha, Thatta : 1,500 individuals) , Rural 800 individuals

Philippines: NUTAM (National Urban), Mega TAM (Metro Manila & suburbs), MCTAM (Metro cities).

South Korea, TNmS: Peoplemeter Panel and also DMB measurement, Car navigation device (310 panel) and Smartphone of Android OS (700 panel). And Return Path Data panel size is 10,000 homes of KT IPTV

(Seoul, Incheon, Busan, Gwangju, Daejeon, Daegu, Ulsan, Gyungi Province, Kangwon Province, North Chungcheong Province, South Chungcheong Province, North Gyeongsang Province, South Gyeongsang Province, North Jeolla Province, South Jeolla Province, Jeju Island)

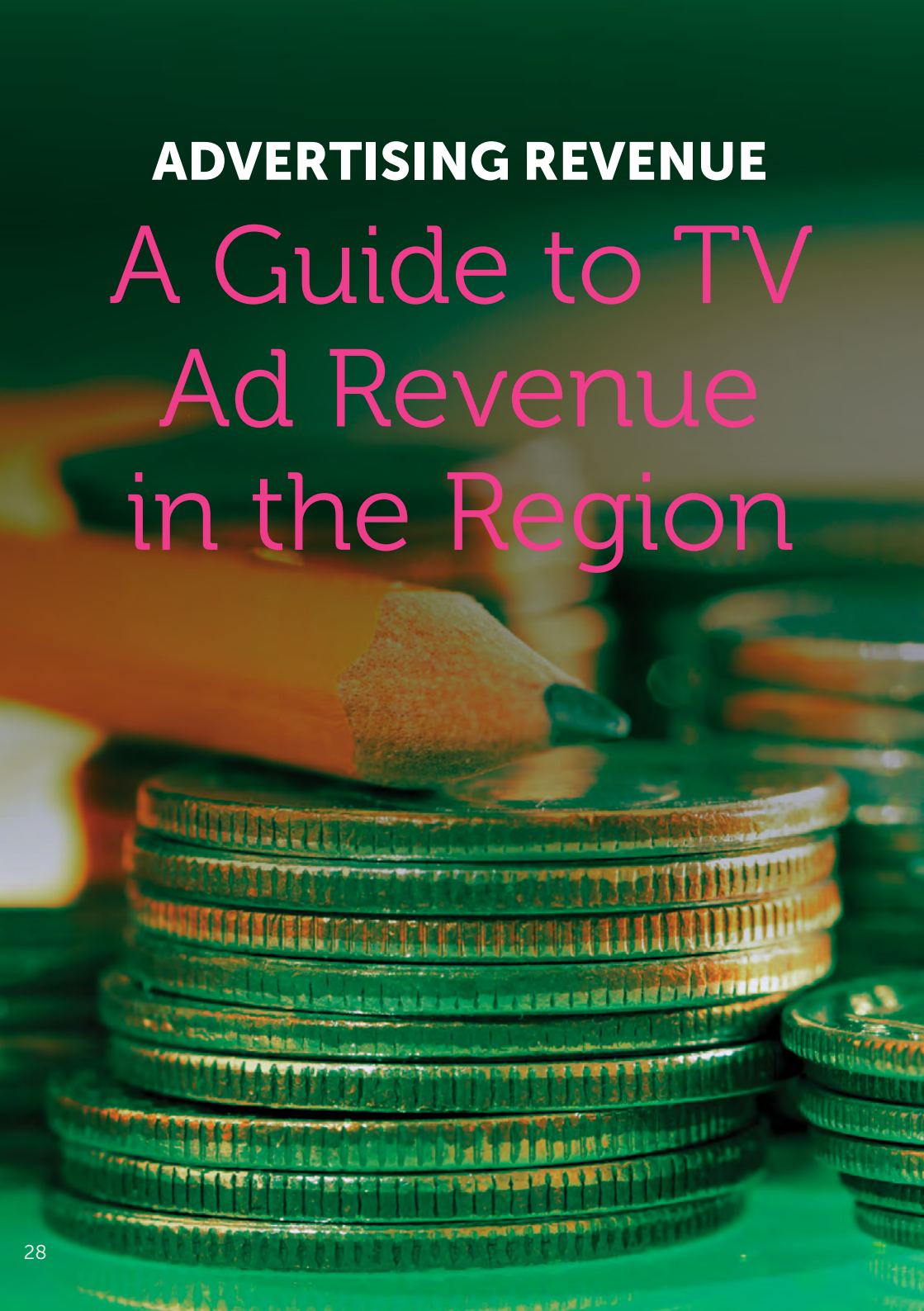
Vietnam, Kantarmedia : People meter & Diary, 1 National diary panel, 3 cities diary panel: Danang, Hai Phong & Nha Trang, 3 People meter cities: HCMC, Hanoi and Can Tho

^: CMV Indonesia sample include CMV + Fusion with TV data

Note: Please contact the research company for a complete report on measurement.

ADVERTISING REVENUE

A Guide to TV Ad Revenue in the Region

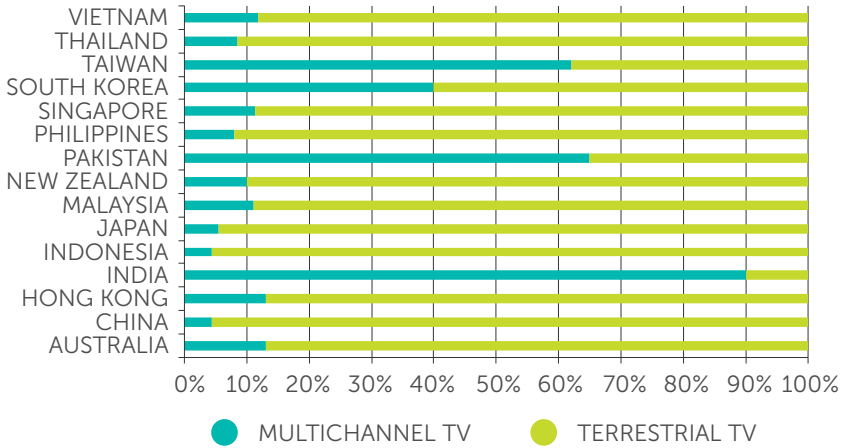


ADVERTISING REVENUE

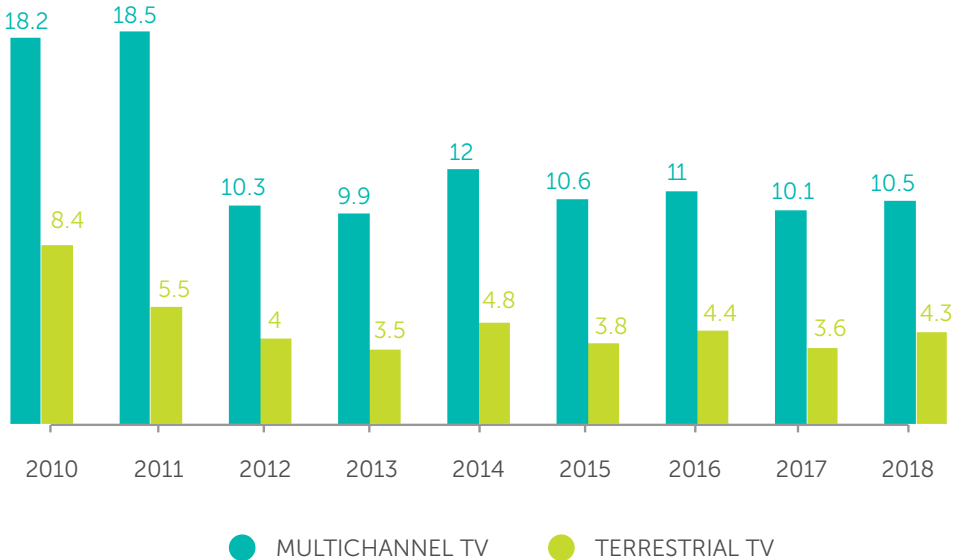
A Guide to TV Ad Revenue in the Region



Asia Pacific Share of TV Advertising 2013



Asia Pacific TV Advertising Growth Percentage



Source: PWC LLP, Informa Telecoms and Media 2014

While growth prospects for traditional pay TV are slowing in a number of markets, the need for innovation around delivering enhanced consumer experiences needs to take center stage.

MARCEL FENEZ

Global Leader, Entertainment & Media, PwC



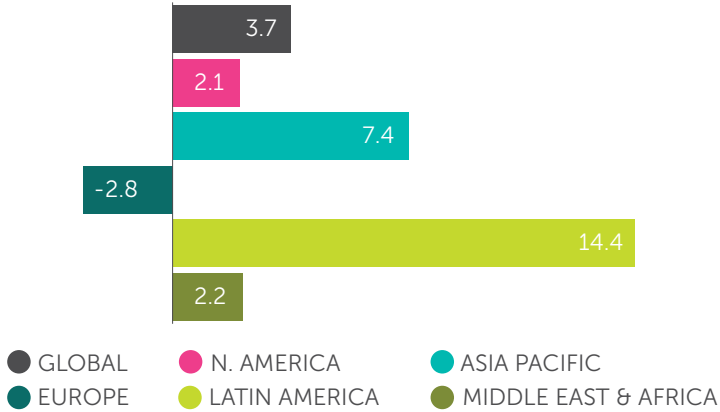
ADVERTISING REVENUE

A Guide to TV Ad Revenue in the Region

Global Ad Market Jumps 3.7% in 2013

Asia Pacific drives growth with a 7.4% increase in spending.

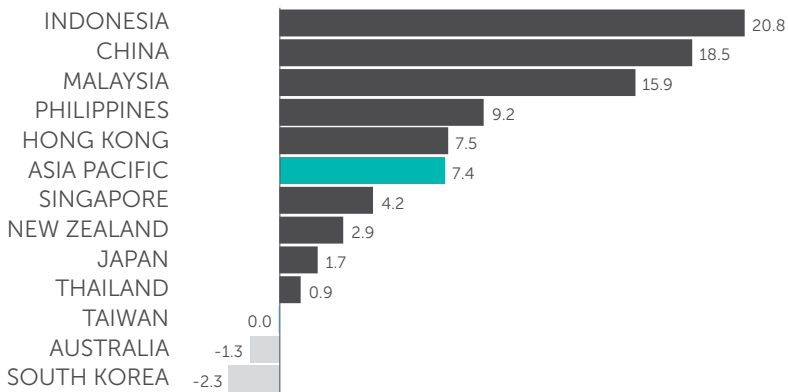
GROWTH OF ADVERTISING SPENDING BY REGION IN 2013 VS 2012 (%)



Emerging Markets Lead Growth

Indonesia, Malaysia, and Philippines increasingly seen as stable investment markets.

GROWTH OF ADVERTISING SPENDING BY APAC MARKETS 2013 VS 2012 (%)

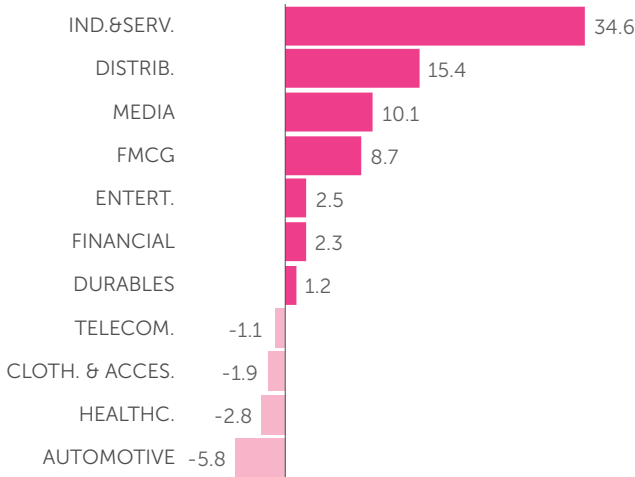


Source: Nielsen Global AdView Pulse Q4 2013
Based on net figures estimated with Nielsen Global AdView weighting factors

Industry & Services Boost Budgets in APAC

Industry & Services companies in APAC invested 34.6% more on advertising in 2013, led by impressive increases in property advertising.

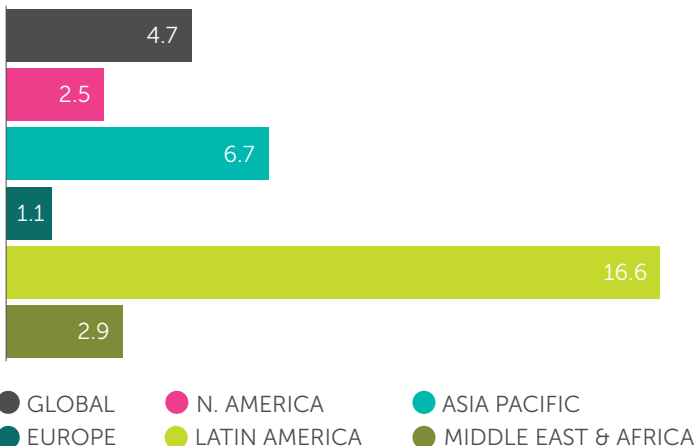
APAC AD INVESTMENT TREND 2013 VS 2012 (%)



Asia Pacific Second Strongest TV Ad Revenue Growth

TV is one of the few media types to see growth in all regions.

GROWTH OF TV AD SPENDING BY REGION, FULL YEAR 2013 VS 2012 (%)



Source: Nielsen Global AdView Pulse Q4 2013
Based on net figures estimated with Nielsen Global AdView weighting factors

ADVERTISING REVENUE

A Guide to TV Ad Revenue in the Region

The pay TV advertising market continues to grow in Asia Pacific, with an estimated +9.4% YOY for 2014; this compares to +7.6% for the total advertising market. We predict a CAGR of +10.5% for pay TV over the next 5 years.

TV is predicted to maintain a strong 40% of all advertising spend by 2019 in Asia Pacific; only slightly down from the 41% we see today. There is opportunity for the industry to continue to expand beyond the traditional TV set as we estimate online video will increase to 11% of total advertising spend and mobile video to 5%.

From virtually no advertising spend against online & mobile video in 2005; we estimate that US\$ 3.8 billion will be invested in 2014 in Asia Pacific. Looking forward, this is expected to increase to US\$ 12.3 billion in 2019. This represents a CAGR of 26.5% over the next 5 years.

In addition to the advertising opportunities, this growth in digital video has an impact on content marketing for advertisers, agencies and broadcasters.

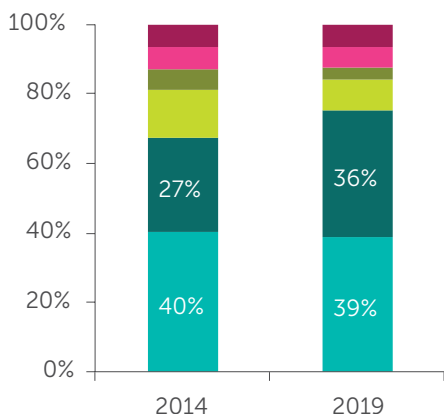
CRAIG HARVEY

Head of Research, IPG Mediabrands Hong Kong

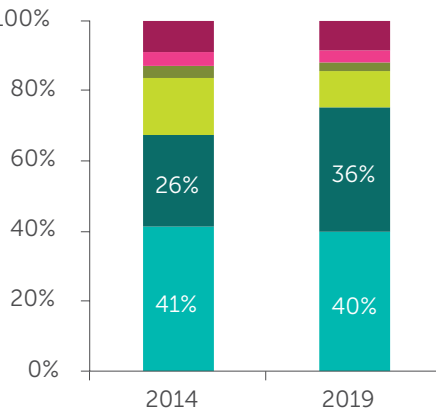


Share of Media

GLOBAL



ASIA PACIFIC

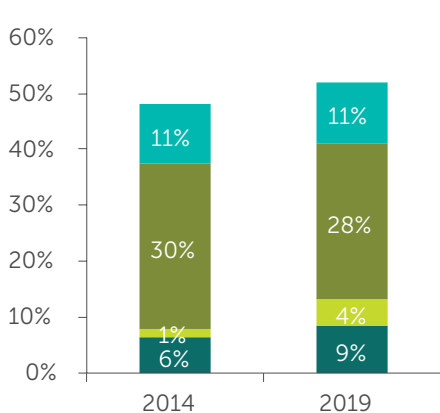


● TV ● INTERNET ● NEWSPAPERS ● MAGAZINES ● RADIO ● OUTDOOR

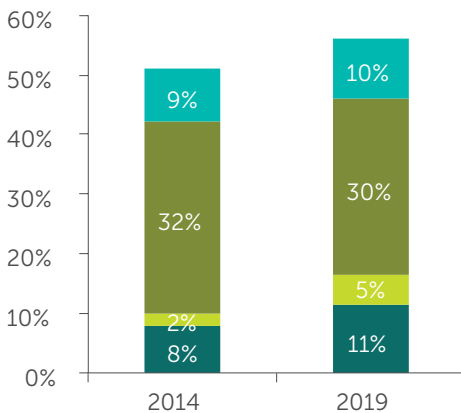
The Rise of Online and Mobile Video

Percent share of media

GLOBAL



ASIA PACIFIC



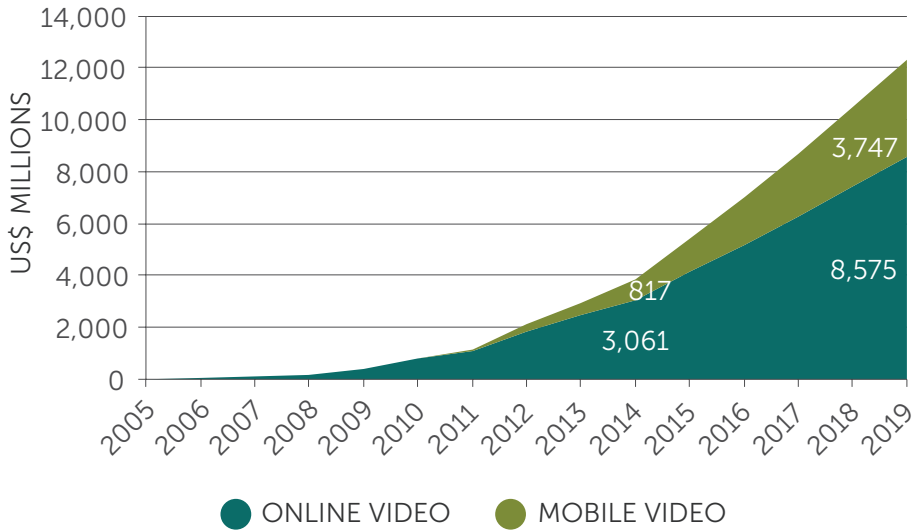
● ONLINE VIDEO ● FTA TV ● MOBILE VIDEO ● PAY-TV

Source: Magna Global Advertising Forecasts (June 2014), IPG Mediabrands

ADVERTISING REVENUE

A Guide to TV Ad Revenue in the Region

Video: From Zero to Hero in Asia Pacific



Source: Magna Global Advertising Forecasts (June 2014), IPG Mediabrands



IPG Mediabrands: APAC TV Advertising Revenue

ASIA PACIFIC

	2014 TOTAL (US\$ MILLIONS)			2014 % OF TOTAL ADVERTISING REVENUE		2014 % OF TOTAL TV REVENUE	
	FTA	PAY TV	TOTAL	FTA	PAY TV	FTA	PAY TV
Asia Pacific	48,563	13,117	149,956	32%	9%	79%	21%
Australia	3,334	499	12,374	27%	4%	87%	13%
China	13,368	5,322	50,858	26%	10%	72%	28%
Hong Kong	985	46	3,415	29%	1%	96%	4%
India	245	2,575	7,051	3%	37%	9%	91%
Indonesia	4,232	19	7,837	54%	0%	100%	0%
Japan	18,663	1,306	43,099	43%	3%	93%	7%
Malaysia	774	321	2,950	26%	11%	71%	29%
New Zealand	491	57	1,811	27%	3%	90%	10%
Pakistan	32	169	316	10%	53%	16%	84%
Philippines	986	54	1,623	61%	3%	95%	5%
Singapore	687	69	2,122	32%	3%	91%	9%
South Korea	1,713	1,413	8,885	19%	16%	55%	45%
Taiwan	147	760	2,194	7%	35%	16%	84%
Thailand	2,215	348	4,410	50%	8%	86%	14%
Vietnam	691	159	1,011	68%	16%	81%	19%
	FTA	PAY TV	TOTAL				
2014 vs. 2013 % Change	4.6%	9.4%	7.6%				

Note: Data excludes revenue from regional campaigns.

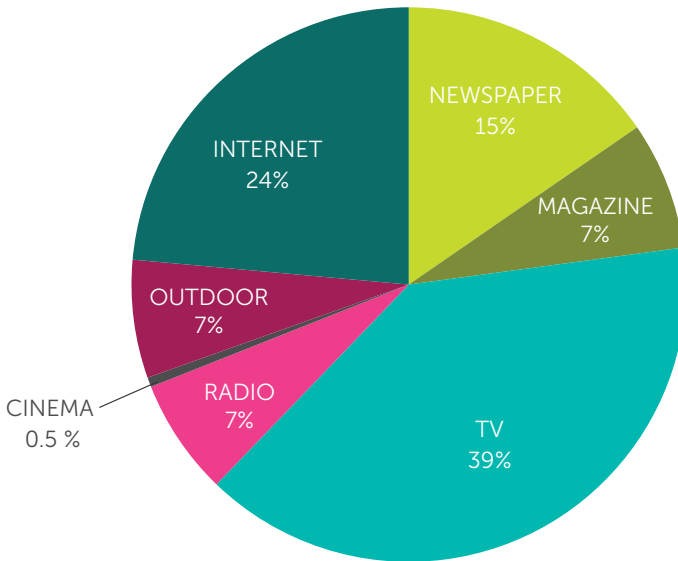
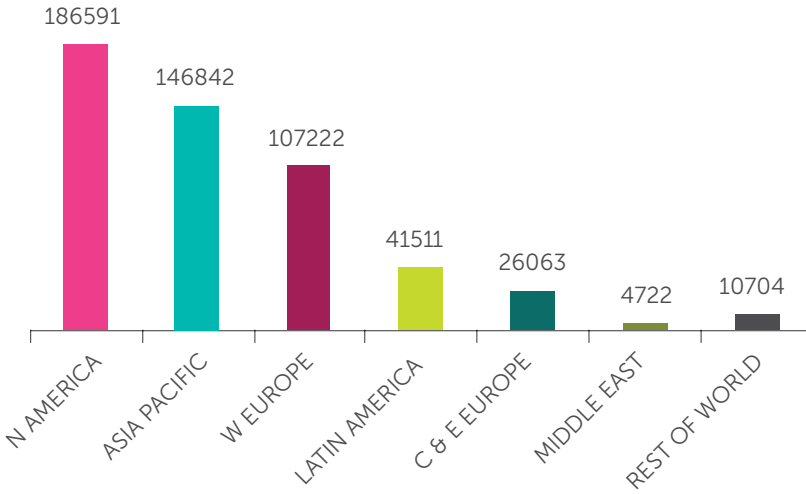
Source: Magna Global Advertising Forecasts (June 2014), IPG Mediabrands

ADVERTISING REVENUE

A Guide to TV Ad Revenue in the Region

Global Ad Expenditure & Share 2014

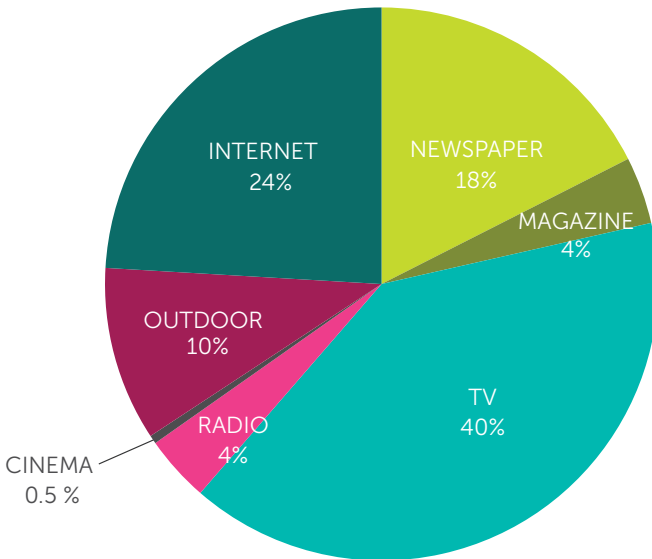
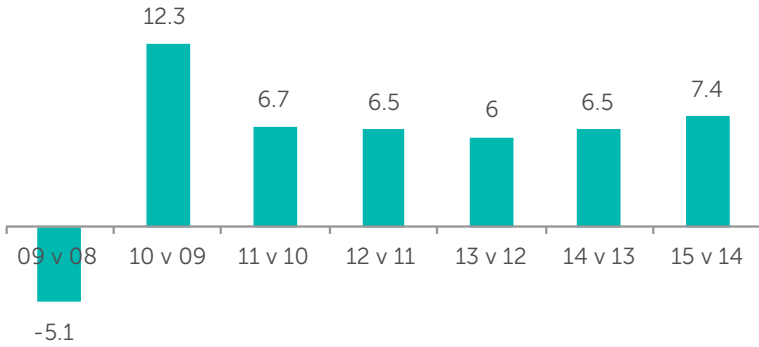
US\$ Millions



Source: Zenith Optimedia Advertising Expenditure Forecasts June 2014 (TV, print, radio, cinema, outdoor, Internet)

Asia Pacific Ad Expenditure Growth & Share 2014

Year on year change at current prices (%)



Source: Zenith Optimedia Advertising Expenditure Forecasts June 2014 (TV, print, radio, cinema, outdoor, internet)

ADVERTISING REVENUE

A Guide to TV Ad Revenue in the Region

Television is the dominant advertising medium in Asia Pacific, attracting 40% of all ad expenditure this year, and ZenithOptimedia forecasts it to grow at an average of 5% a year until at least 2016. Meanwhile online video offers high-quality content that viewers can watch whenever they want and – using smartphones and tablets – wherever they want. Video advertising as a whole will remain the best way to build brand awareness and engagement for many years to come.

JONATHAN BARNARD

Head of Forecasting, ZenithOptimedia

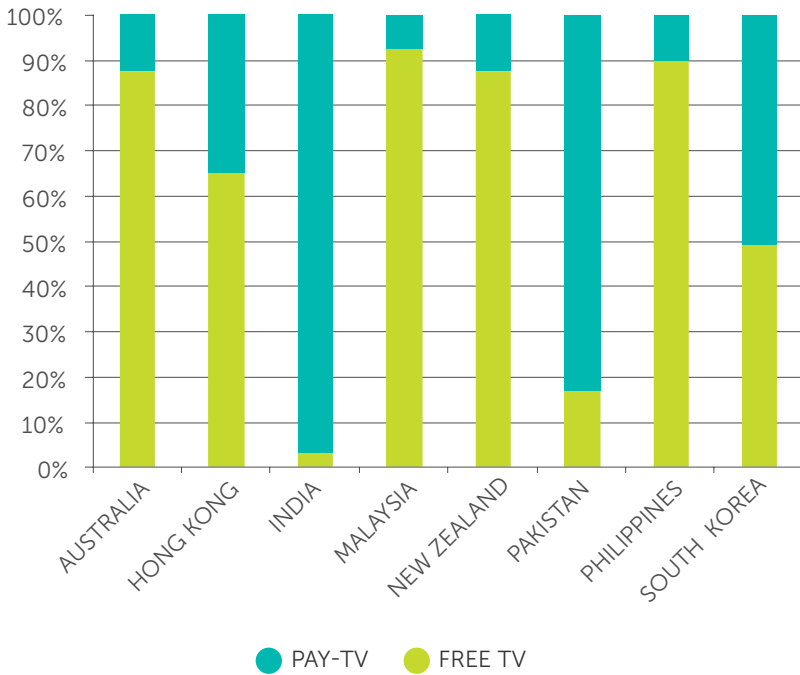


Top 20 Countries by Advertisers' Major Media Expenditure (US\$ Million at Current Prices) 2014

USA	175,380	RUSSIA	10,704
CHINA	46,001	ITALY	8,701
JAPAN	44,139	INDONESIA	8,289
GERMANY	24,643	MEXICO	6,589
UK	22,390	ARGENTINA	6,246
BRAZIL	16,571	SWITZERLAND	5,814
FRANCE	13,193	INDIA	5,792
AUSTRALIA	12,511	SPAIN	5,772
SOUTH KOREA	11,670	BELGIUM	5,102
CANADA	11,211	NETHERLANDS	5,097

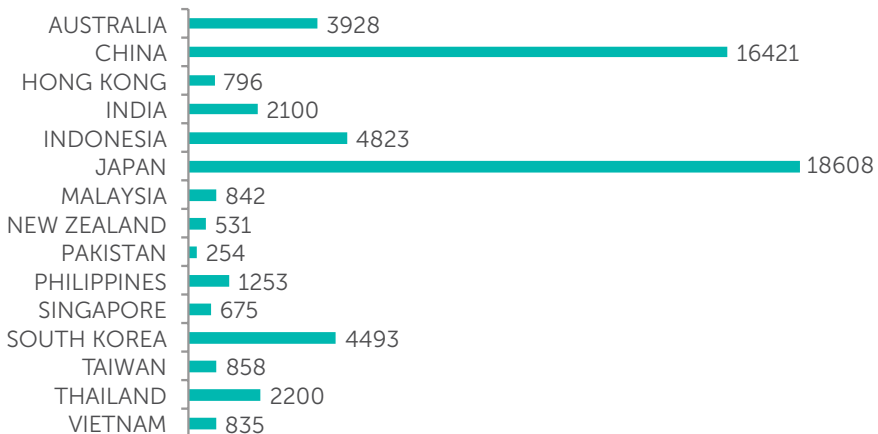
Source: Zenith Optimedia Advertising Expenditure Forecasts June 2014

Television Advertising Expenditure Share 2014



Television Advertising Expenditure 2014

US Million (\$) at Current Prices



Source: Zenith Optimedia Advertising Expenditure Forecasts June 2014

Indonesia with its shining growth performance this year, will take pole position in 2015.

Growth in the world economy slowed slightly in 2013 and so did media investments recording a modest 3.5% increase in measured global ad investment to stand at USD511 billion at today's exchange rates. However we forecast 2014 ad growth to rise to 4.5% and yield a USD535 billion despite various PEST* factors.

(*Political, Economic, Social & Technological).

Asia Pacific's contribution to the global ad dollars will net out at 33% in 2014, sliding past North America with what will look like a photo finish. Clearly, we can now herald the region as the lead contributor to the world ad economy with significant contributions coming from China and Japan.

Early predictions for 2015 on media spend growth for Asia Pacific indicates a revival to about 7.1% over 2014. With new leaders at the helm in India and Indonesia, watch out for renewed confidence and marketing boosts in 2015 for these two markets.

ASEAN's growth performance in 2014 was considerably reduced from what was a bullish 2013, the degrowth coming from Malaysia, Singapore, Philippines, Thailand and Vietnam. From political turmoil to leadership instability, the region was struggling to match up to 2013 – Thailand being the worst hit. The onus was laid on Indonesia to lift the sub-region with its healthy 20% YOY growth. As predicted, Indonesia emerged the shining star this year.

The rise of China continued and will yield just about 10% growth, it is expected to end at US\$76bn. Its neighbours in South Korea struggled to get back to their heyday, which was several years ago. Hong Kong meanwhile has the world's highest per-capita ad investment and in 2014 should be the first ever to pass USD 1,000!



In most regions, TV investment growth and share of media is stagnating or declining. In Asia Pacific the same is declining since 2012 and has grown only by 3% in 2014. Amongst this slowdown, Indonesia is the only market where we saw TV growing by 20% while Singapore saw a negative trend.

Overall digital media growth in APAC is slowing down to about 22%. But as a region it will still deliver the most promising growth on digital spends in 2014 and 2015. We see Australia, China and Indonesia with declining growth rates year-on-year as the saturation effect takes on. In China the digital share of media is now at a staggering one-third of total media spend and has overtaken even Western Europe. The phenomenal growth in online video has skyrocketed spends on the digital platform. The exponential growth of mobile devices has made advertisers recognize the power of this screen and shift dollars to it.

As inflation in FTA costs is slowly coming to control, we also observe decline in growth for radio, magazines and press.

DEEPIKA NIKHILENDER

Leader - Business Planning Asia Pacific, Mindshare Asia Pacific



ADVERTISING REVENUE

A Guide to TV Ad Revenue in the Region

Asia Pacific Net Advertising Revenue Overview

FULL YEAR 2013

BY COUNTRY	Total Advertising spends in US\$ M	Advertising Expenditure as a % of Asia Pacific	Total spends on TV in US\$ M	TV as a % of total spends
Australia	12,352	7.5	3,750	30.4
Bangladesh	292	0.2	121	41.4
China	69,207	41.9	34,824	50.3
Hong Kong	7,150	4.3	2,367	33.1
India	6,423	3.9	2,802	43.6
Indonesia	2,061	1.2	1,352	65.6
Japan	43,078	26.1	18,947	44.0
Malaysia	1,653	1.0	439	26.6
New Zealand	1,848	1.1	575	31.1
Pakistan	778	0.5	610	78.4
Philippines	2,673	1.6	2,240	83.8
Singapore	1,671	1.0	563	33.7
South Korea	9,473	5.7	3,147	33.2
Taiwan	1,875	1.1	854	45.5
Thailand	3,303	2.0	1,931	58.5
Vietnam	1,523	0.9	1,348	88.5
BY REGION	Total Advertising spends in US\$ M	Advertising Expenditure as a % of Asia Pacific	Total spends on TV in US\$ M	TV as a % of total spends
Asia Pacific (All)	165,360	100	75,871	45.9
North Asia	130,783	79.1	60,139	46.0
South Asia	7,493	4.5	3,533	47.1
Asean	12,884	7.8	7,874	61.1
Australia/NZ	14,200	8.6	4,325	30.5



Asia Pacific Net Advertising Revenue Overview

FORECAST 2014

BY COUNTRY	Total Advertising spends in US\$ M	Advertising Expenditure as a % of Asia Pacific	Total spends on TV in US\$ M	TV as a % of total spends
Australia	11,966	6.8	3,826	32.0
Bangladesh	323	0.2	139	43.0
China	75,979	43.4	35,533	46.8
Hong Kong	7,824	4.5	2,645	33.8
India	7,229	4.1	3,216	44.5
Indonesia	2,456	1.4	1,621	66.0
Japan	43,805	25.0	19,354	44.2
Malaysia	1,747	1.0	462	26.4
New Zealand	1,919	1.1	610	31.8
Pakistan	723	0.4	558	77.2
Philippines	2,698	1.5	2,284	84.7
Singapore	1,628	0.9	549	33.7
South Korea	9,763	5.6	3,187	32.6
Taiwan	2,008	1.1	896	44.6
Thailand	3,325	1.9	1,939	58.3
Vietnam	1,738	1.0	1,550	89.2
BY REGION	Total Advertising spends in US\$ M	Advertising Expenditure as a % of Asia Pacific	Total spends on TV in US\$ M	TV as a % of total spends
Asia Pacific (All)	175,131	100	78,369	44.7
North Asia	139,379	79.6	61,615	44.2
South Asia	8,275	4.7	3,913	47.3
Asean	13,592	7.8	8,405	61.8
Australia/NZ	13,885	7.9	4,436	31.9

North Asia: China, Hong Kong, Taiwan, South Korea & Japan

South Asia: India, Pakistan, Bangladesh

South East Asia: Indonesia, Malaysia, Philippines, Singapore, Thailand & Vietnam

Australasia: Australia & New Zealand

US\$ conversions are subject to fluctuation from the time of analysis.

Pay TV's share of media advertising dollars in Asia Pacific should be significantly higher than the 9% it garnered in 2013.

Stronger macro foundations combined with structural improvement (i.e. new ratings systems and the growth of addressable digital distribution) in large, accessible pay TV advertising market, (i.e. India), are encouraging for the future. Improving macro foundations will also prove significant for important pay TV ad markets such as Australia, Korea and Taiwan – the last being especially key as the ad market has been in the doldrums for some time.

Southeast Asia is the one big cluster where pay TV advertising has the most scope to improve as local multichannel operators take a bigger chunk of FTA TV budgets and capitalize on better ratings and systems, which have long remained inadequate. Return-path ratings data developed by the largest pay TV distribution platforms in Malaysia, Singapore and Indonesia, will also have a role to play.

During 2014, economies have been rocky but Media Partners Asia's (MPA) view is that economic growth will remain fairly dynamic in most Asian markets over the medium term as both new and old governments help drive structural reform and market driven liberalization. This will help foster income growth and the expansion of middleclass households, which in turn will broadly sustain consumer spend on pay TV and support advertising growth.

In terms of industry trends, rising media fragmentation and complexity continues to pose a big challenge to pay TV companies, who have to sustain impact and audience share, while maintaining revenue and profit.

The pay TV companies that can deliver integration with their own multimedia platforms, to amplify the viewing experience and bring more value to brand-owners – pre, during and post broadcast – will succeed more often in the fragmented world. However, fragmentation will also lead to cheaper media.

TRACKING TRENDS

According to MPA analysis, pay TV advertising is already a significant force in markets such as China, India, Korea and Taiwan. In Australia, growth has ebbed and flowed, but MPA still predicts an incremental upside in this market.

Return path ratings data, leveraging set top boxes, will become important in markets such as Malaysia, Indonesia and Singapore in addition to Australia, India and Korea. This will enable local platforms and channels to capitalize on analytics and grow advertising.

Pan-regional advertising dollars will become increasingly challenged with the rise of online media and lower CPMs on rival digital platforms such as YouTube.

Pay TV Penetration vs. Pay TV Share of Total Advertising 2014

	% PAY TV SHARE OF TOTAL ADVERTISING	% PAY TV PEN./TVHH
Australia	7.2%	30%
China	11.0%	53%
Hong Kong	3.3%	89%
India	40.4%	80%
Indonesia	2.0%	11%
Japan	1.3%	29%
Korea	15.8%	100%
Malaysia	10.5%	55%
New Zealand	3.7%	52%
Philippines	7.3%	14%
Singapore	4.8%	68%
Taiwan	29.8%	89%
Thailand	3.0%	28%
Vietnam	14.6%	28%

Source: Media Partners Asia

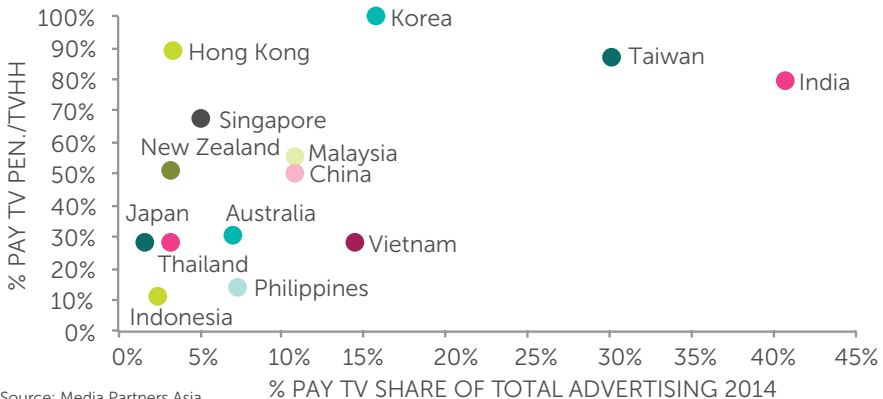
FIGHTING FOR THE FUTURE

Key market highlights from MPA's analysis include:

- India.** Improved political stability will help boost corporate advertising expenditure and buoy TV advertising in particular. MPA analysis indicates that India's TV advertising market will grow by 9.5% in 2014, improving to 11.0% growth in 2015. Pay TV advertising expanded by 9.0% in 2013 to reach ~US\$2.3 bil., equivalent to more than 40% share of the total ad market. Pay TV advertising is projected by MPA to grow by 9.7% in 2014 and 11.3% in 2015.

In January 2014, TRAI introduced a set of policy guidelines for TV rating agencies. According to the new guidelines, TV rating agencies will have to register with the Ministry and comply with ownership rules. These rules do not allow more than a 10% cross holding between the rating agencies and broadcasters, advertisers and media buyers. A minimum panel size of 20,000 is to be implemented. Kantar Media, the WPP company which has a 50% stake in TAM Media Research, India's only operational rating agency, is set to become redundant. While the future of TAM is uncertain, broadcasters and agencies are hopeful that new metrics will be introduced by BARC, a new agency, by end-2014.

The onus is on pay channels to justify the increase through programming.



Source: Media Partners Asia



FIGHTING FOR THE FUTURE

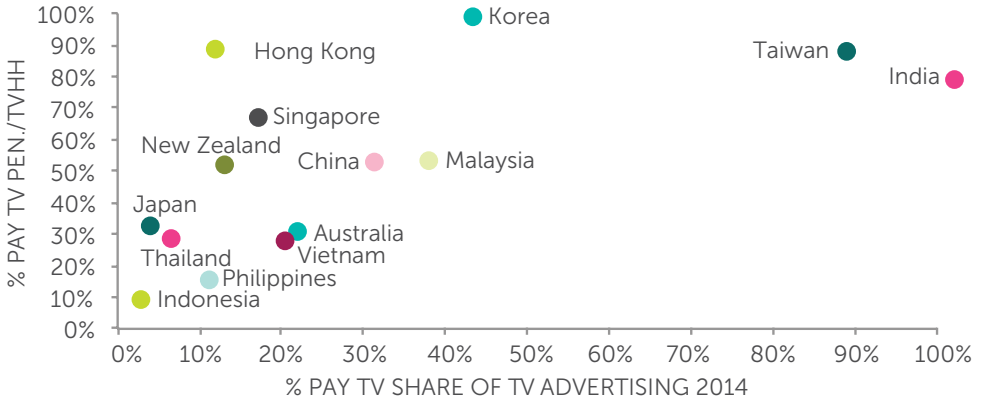
- Korea.** Net pay TV advertising grew by 3% in 2013 to reach ~US\$1.3 billion in net terms with cable accounting for more than 90% of this pie. Cable ad dollars were up only 1% in 2013 but ad sales on DTH and IPTV platforms grew at a significant pace from a low base. The ad market is expected to grow by 3-4% in 2014 and pay TV by 6% though there are risks to this forecast because of economic volatility. Pay TV advertising continues to gain share relative to free-to-air networks, accounting for 42% of the total TV advertising pie in 2013.

The pay TV channels market is dominated by: (1) CJ E&M; (2) Pay channels from SBS, MBC and KBS; (3) Pay channels from MSOs such as Tbroad and C&M; and (4) New “comprehensive” channels from media groups such as Joongang and Chosun. In 2013, CJ channels had 17% audience share in pay-homes followed by 26% for comprehensive channels; 19% for terrestrial owned pay channels; 14% for cable MSO owned pay channels; and 24% for the remainder.

Pay TV Penetration vs. Pay TV Share of Total TV Advertising 2014

	% PAY TV SHARE OF TOTAL TV ADVERTISING	% PAY TV PEN./TVHH
Australia	20.4%	30%
China	28.5%	53%
Hong Kong	10.6%	89%
India	92.8%	80%
Indonesia	2.9%	11%
Japan	3.9%	29%
Korea	39.8%	100%
Malaysia	34.0%	55%
New Zealand	11.9%	52%
Philippines	10.4%	14%
Singapore	15.6%	68%
Taiwan	81.4%	89%
Thailand	5.0%	28%
Vietnam	18.6%	28%

Source: Media Partners Asia



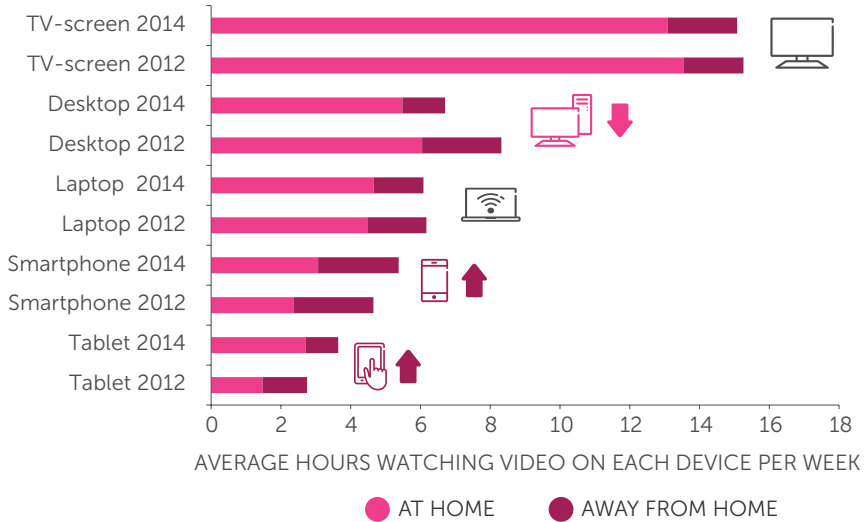
Source: Media Partners Asia

- Malaysia.** Dominant pay TV operator Astro’s pay TV advertising sales grew 16% in 2013 to reach ~US\$102 mil.; additional revenue that accrued to external/turnaround channels was marginally flat at US\$20-25 mil. Pay TV advertising remains a significant growth opportunity. According to MPA analysis, Astro only has a 31-32% share of the TV advertising market in 2013 in spite of 47% TV viewership share. With an expanding customer base, and the growing appeal of its mass-market local content (key shows now consistently reach over 1 mil. viewers per episode), Astro will invariably generate higher audience share, and grab more advertising share. One key lever is that advertisers value the bundles that Astro provides across all its media platforms, including pay TV, radio, publications and digital.
- Philippines.** FTA remains the default TV medium for advertisers who want a broad reach, while pay TV remains ideal for targeted audiences. Media buyers indicate that pay TV channels could be getting nearly twice their current share of total TV ad budgets (7-8% in 2013) due to their targeted reach. The onus is on pay channels to justify the increase through programming.

Broadcasters are therefore looking at creating more content unique to pay channels through local production. Fox International Channels (FIC), for instance, has created a local channel (Fox Filipino) and may invest in local production to compete with popular dramas on FTA. In March 2014, NBC Universal announced a local reality series to be aired on the E! channel. Broadcasters are also launching more local feeds to secure local advertising. Net pay TV advertising revenues will reach only US\$80 million in 2014 and have significant scope for future growth.

Device Viewing

25% increase in willingness to pay for anywhere access compared to 2012.

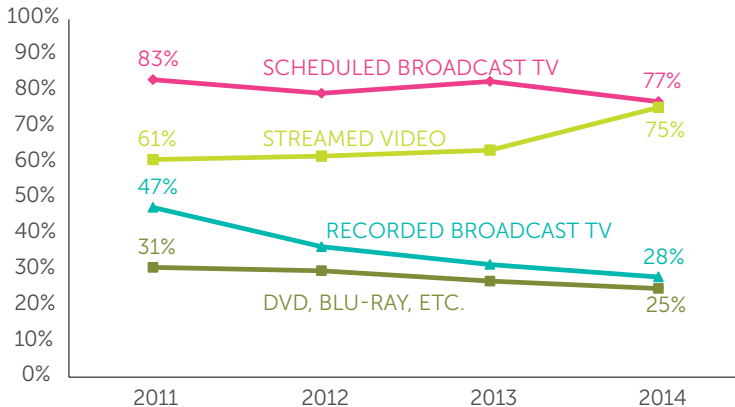


Base: Base 9 Markets [Those who have and use respective device]; Source: Ericsson ConsumerLab TV & Media 2014 Study

Changes in Viewing

On demand content make up for an increasing part of consumers viewing habits, especially streaming.

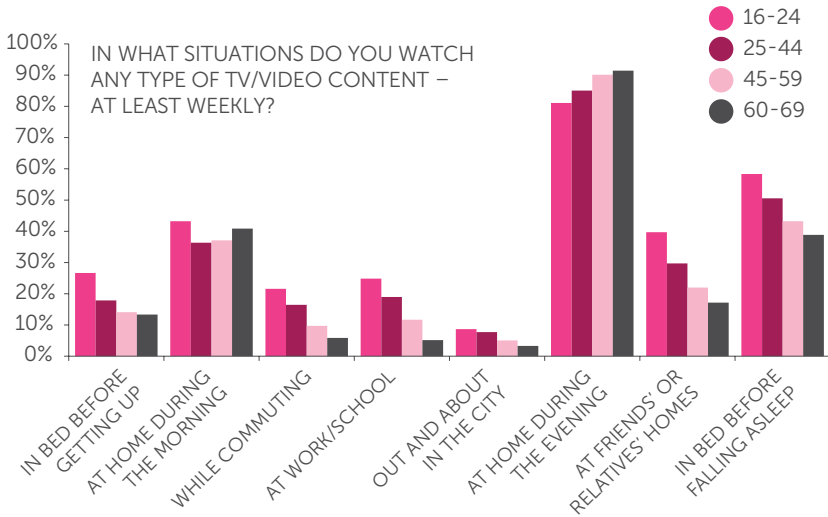
CONSUMER TV/VIDEO CONSUMPTION ON A MORE THAN WEEKLY BASIS



Base: Base 9 Markets (Brazil, China, Germany, South Korea, Spain, Sweden, Taiwan, UK, US) [Showing: Use several times a week or more]; Source: Ericsson ConsumerLab TV & Media 2014 Study

Viewing Situations

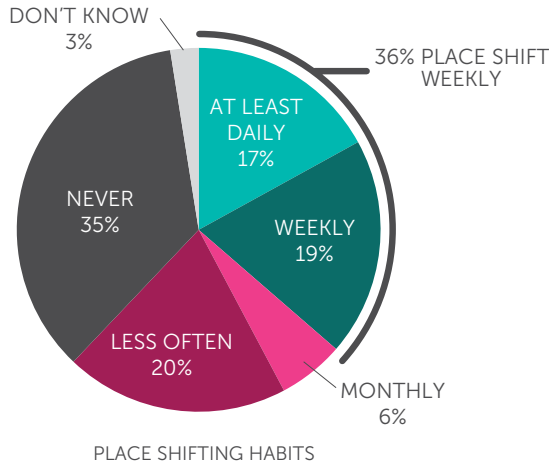
Younger TV viewers have more flexible viewing habits. They watch more in non-traditional viewing situations than older viewers.



Base: Base 23 markets; Source: Ericsson ConsumerLab TV & Media 2014 Study

Place Shifting

Easy to use streaming S-VOD services encourage place-shifting.



Source: Ericsson ConsumerLab TV & Media 2014 Study

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