Euroconsult EC

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Part 1: Strategic Issues & Forecasts

The video transmission market remains strong in spite of economic crisis

- Close to 25,000 TV channels distributed on satellite in 2010
- A limited impact of the economic crisis on the satellite usage
- Nearly \$16 billion in market value from video transmission services in 2010

The multiplication of TV channels will be led by emerging markets and standards

- HD and 3D to drive video transmission revenues in the next decade
- Emerging digital TV markets serves as a new growth engine for the broadcast sector
- Personalization of content is gaining ground

Changes in usage pattern have an impact on the video transmission market

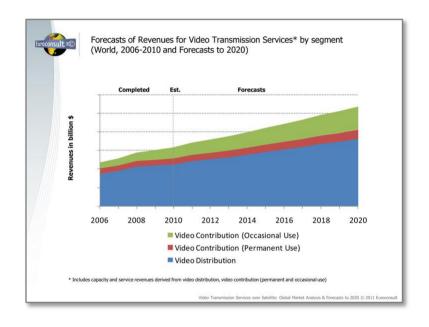
- Broadcasters require more complex services
- The increase of end-to-end solutions could lead to a higher level of concentration for video transmission providers
- New video services to drive video transmission growth

Technological improvements will continue to impact the development of the video transmission market

- Ka-band should be used for some video transmission applications
- Terrestrial networks should represent a limited threat for the satellite video transmission market
- The transition to Mpeg-4 to favor growth in video transmission services

Video transmission services to generate \$27 billion in revenues by 2020

- Expected launch of 12,000 new satellite TV channels between 2010 and 2020
- Capacity requirements to increase by an average annual 5% in the next decade
- Increasing integrated services should drive service revenues up by 2020



Part 2: Value Chain & Company Profiles

Satellite service providers enjoying a sustained growth in the TV broadcasting market

- From TV channel origination to distribution: A three-step process
- Content production: A global industry
- Media conglomerates as major editors of TV channels
- Pay-TV content distributed by close to 130 satellite pay-TV platforms in 2010

Satellite operators leasing capacity and providing limited value-added services

- A market dominated by four players, and several growing regional operators
- Satellite remains the most efficient tool to deliver TV services
- Satellite operators & service providers are involved in long-term partnerships

Vertical integration characterizes the market

- Four main types of players provide video transmission services
- Teleports: a key component of the video transmission business
- Consolidation and strategic partnerships to reinforce regional presence

Equipment manufacturers

- Hundreds of equipment providers around the world
- Investment in R&D remains a priority



Selected company profiles

- Arqiva
- FBU
- Globecomm Systems
- RRSat
- SWE- DISH

- Ascent Media
- Globecast
- Media Broadcast
- TIBA
- Vislink

Part 3: Distribution Strategy for TV Channels

Key Trends in the Demand for TV Channel Transmission Services

A range of services and options to address the needs of broadcasters

- Overview of primary transmission and content management services
- Extending the range of value-added services as a strategic issue for specialized service providers
- New video technologies and consumption behaviors impact transmission needs
- Transmission strategies depend on the geographic distribution and financial capabilities of channels

Growth in demand for transmission services driven by the multiplication of brands and channels

- Four levels to assess for transmission services: Upbrands, brands, "unique TV channels" and satellite TV channels/signals
- A steady increase in the number of up-brands and brands seeking distribution
- Close to 20,000 "unique" channels were broadcast by satellite in 2010
- A 13% CAGR in satellite TV channels between 2005 and 2010, with an increase in the number of channels per brand
- Thematic TV channels represent more than 70% of total TV channels transmitted

Selected drivers that supported video transmission growth in the last five years

- Pay-TV platforms, including over satellite and other networks
- HD channels have multiplied, with a CAGR of 73% in the last five years
- The take-off of digital TV in emerging markets is boosting video transmission requirements

Review of channels' transmission trends by region

- North America is the largest market in terms of channels broadcast by satellite
- Emerging digital TV markets are changing the regional distribution of TV channels by origination point
- The globalization of demand requires a complex distribution infrastructure

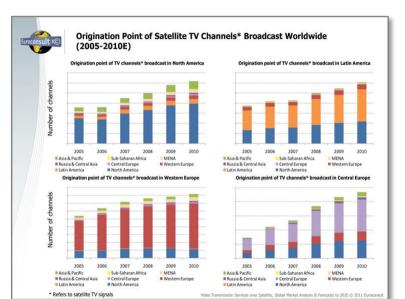
Strategic Issues Impacting Future Demand

The economic downturn has left its mark on the transmission market

- Broadcasters have modified their use of video transmission services
- Slowing demand for satellite capacity have highlighted the delay of new expansion projects

Accelerating technological innovation impacts the full value chain

- TV channels have to embrace new technologies and usages, optimize their transmissions and define new economics
- Technological solutions turn out to be effective against piracy
- An increasing number of broadcasters use Mpeg-4
- The migration to HD and 3D is costly





Pricing and regulatory issues

- Lease rates for satellite capacity are linked to the strength of orbital positions
- The pricing strategy of service providers can be very flexible, in line with the range of solutions offered
- Regulation as a major market inhibitor

Forecast of Future Market Demand for TV Channel Distribution

HDTV and emerging digital TV markets should drive channel and capacity growth in the next decade

- More than 37,000 TV signals by 2020
- Strong growth in the number of "unique" channels in the next decade
- Over 4,000 transponders could be used for distribution of TV channels in 2020

Revenues from video distribution services for TV channels are expected to reach \$18 billion in 2020

- Service revenues are expected to grow by 60% in the next decade
- Revenues are expected to be driven by the increase in TV channels and by the increase in complexity of demand

Part 4: Video Contribution: Permanent & Occasional Use

Definition & Market Landscape

Permanent transmission capabilities secured to address part of the contribution needs

- Channel growth favors a continuous increase in video contribution requirements
- A 5% CAGR for permanent video feeds over satellite between 2005 and 2010

Overview of occasional use broadcast services & special events

- The global TV industry requires instant access to worldwide events
- Four types of Occasional Use services are available
- Satellite operators offer dedicated Occasional Use capacity

Benchmark of "news" gathering solutions

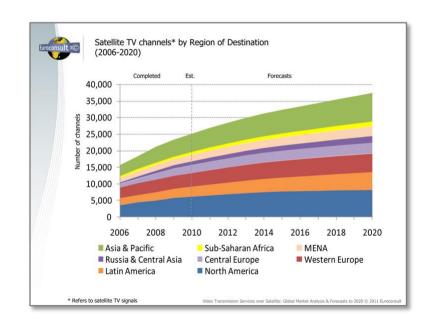
- Satellite-based news gathering solutions
- Terrestrial news gathering solutions

Market demand is led by news and sports events

- Occasional use services are limited to a few themes
- Scheduled, long duration and recurrent events are the most attractive

The supply of occasional use transmission services remains a fragmented market

- A large number of service providers exist for occasional use
- The manufacturing market still offers opportunities for new entrants



Key Trends & Strategic Issues

22,000 occasional use terminals in service at the end of 2010

- MSS terminals are the widest available occasional use terminals in 2010
- Several thousand SNG units sold per year
- Occasional use terminals were used close to 5 million hours in 2010

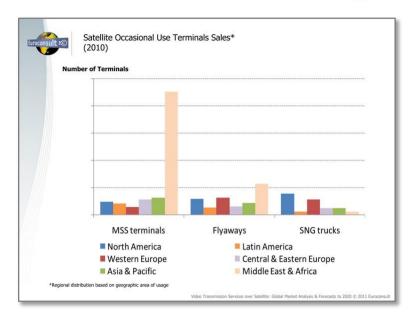


The increase in terminals per channel and technical improvements drive the SNG market

- The number of terminals per channel increased significantly in the last five years
- The occasional use market benefits from more efficient transmission standards

Strategic issues impacting the occasional use market

- HD and 3D are expected to slowly replace SD in the occasional use market
- Satellite remains a key component of the global network for occasional use...
- ...But terrestrial competition is growing strongly
- Ka-band is an opportunity to increase occasional use traffic on satellite



Forecasts of Future Market Demand for Occasional Use Services

The satellite video contribution market should continue to grow in the coming decade

- Close to 5,300 feeds carried by satellite in 2020
- More than 1,300 transponders for video contribution services in 2020

Satellite occasional use terminals to more than double by 2020

- MSS terminals should represent more than 40% of all satellite occasional use terminals in 2020
- Total occasional use traffic could more than triple in the next 10 years

Most of the revenue growth will come from transmission services

- Occasional use terminal sales are expected to represent an average \$500 million annual market for manufacturers in the next decade
- An expected 6% CAGR for video contribution revenues in the next decade

Part 5: Digital Cinema

Digital cinema is impacting the international filmmaking industry

- Digital Cinema delivers higher quality pictures to movie theaters
- Digital Cinema is transforming the film industry around the world

A limited market size

- A market dependent on the number of movie theaters and the box office
- A globally consolidated market

3D is driving digital cinema growth

- The North American market as leader for digital cinema
- 55% of worldwide digital screens were 3D screens in 2009

Digital Cinema offers satellite services a significant niche opportunity

- Complementarity of satellite with alternative solutions
- Satellite service providers and satellite operators are involved in digital cinema
- The number of satellite-enabled theaters is increasing rapidly