

Vietnam in View

A CASBAA Market Research Report



In Association with Media Partners Asia



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1 Executive Summary

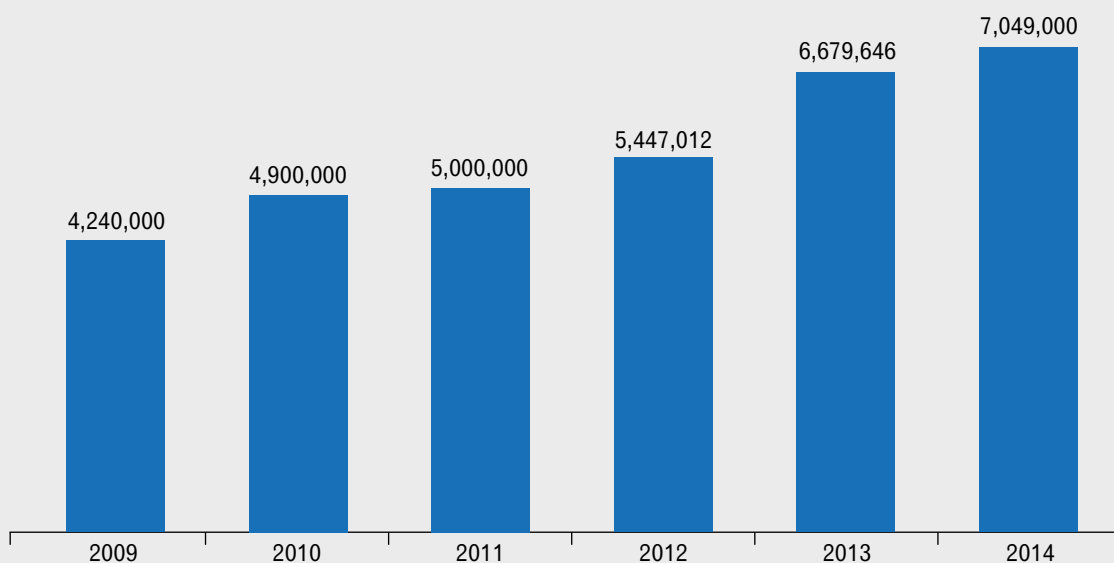
1.1 High growth but still under potential

With a population of 90 million and over 20 million TV households, Vietnam is a market to be reckoned with for the pay-TV industry. Subscriptions have been growing

at an average 8% annually for the last several years, totalling over seven million by the end of 2014. However, the penetration rate is still low at just about 30%, and ARPUs remain low.

Figure 1

PAY-TV SUBSCRIPTIONS: GROWTH 2009 – 2014



Source: Ministry of Information and Communications (MIC) and major pay-TV operators, CASBAA

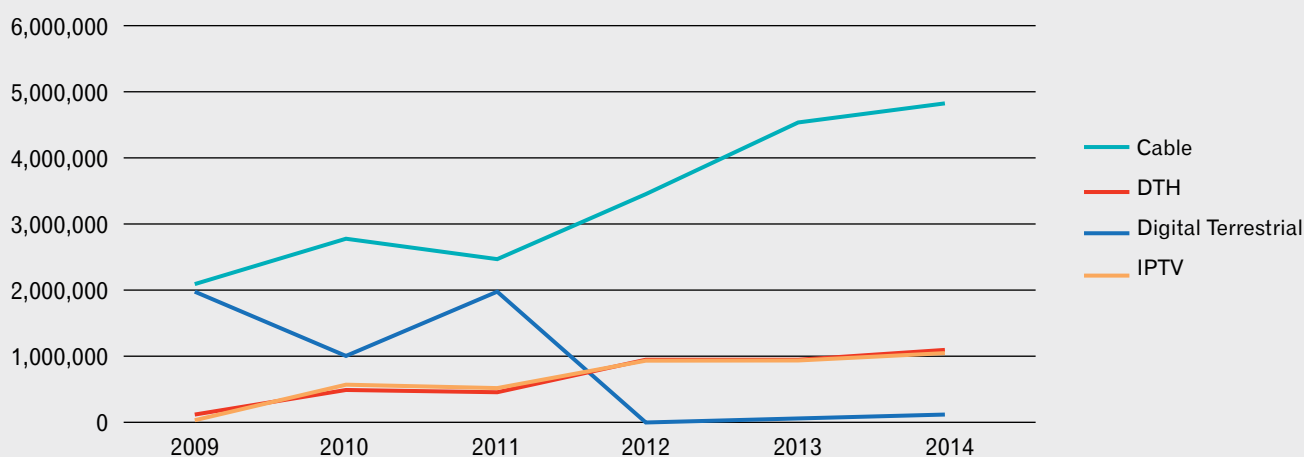
1.2 Cable is still king

Cable continues to be the dominant pay TV platform, accounting for roughly 70% of the market, with satellite and IPTV splitting the rest. Digital terrestrial (DTT) is mostly free, with a tiny percentage (less than 1% of the total market) being pay TV subscriptions, as the largest

DTT operator VTC has moved to a wholly ad-supported business model. All four distribution technologies, however, enjoyed spectacular growth of 50% – 90% between 2011 and 2012. But over the past two years, while DTH and IPTV have seen growth slowing down, cable has been able to develop large numbers of new subscriptions.

Figure 2

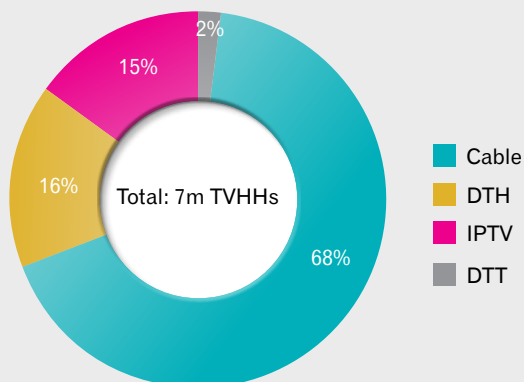
PAY-TV SUBSCRIPTION GROWTH BY DISTRIBUTION METHOD



Source: MIC;CASBAA/Operators

Figure 3

PAY-TV MARKET SHARE BY DISTRIBUTION METHOD, 2014



Source: MIC;CASBAA/Operators

1.3 Accelerated consolidation and competition

Issuance of the “Decision 20” pay TV regulations in 2011 forced the consolidation of the platforms, triggering a wave of acquisitions of smaller cable companies across the country over the past three years by SCTV and VTVcab, the two largest cable operators in Vietnam by far. As a result, the number of major cable operators in the country has been reduced to only 3, with Ho Chi Minh Television Technology and Media Services

(HTV-TMS – formerly HTVC) trailing far behind with only 600,000 subscriptions, a number that the company has fought hard to keep for the past several years against the backdrop of impressive growth enjoyed by SCTV and VTVcab with 2.1 million and 2 million subscriptions respectively.

Consolidation was not just caused by Decision 20 but also a natural response to increased competition both within each major platform and among platforms. Within the cable platform (both analogue and digital), SCTV and VTVcab are running neck-to-neck and are now competing directly, with each encroaching on the other’s own home turf despite the fact that they are both owned in part or in whole by the same mother company VTV.

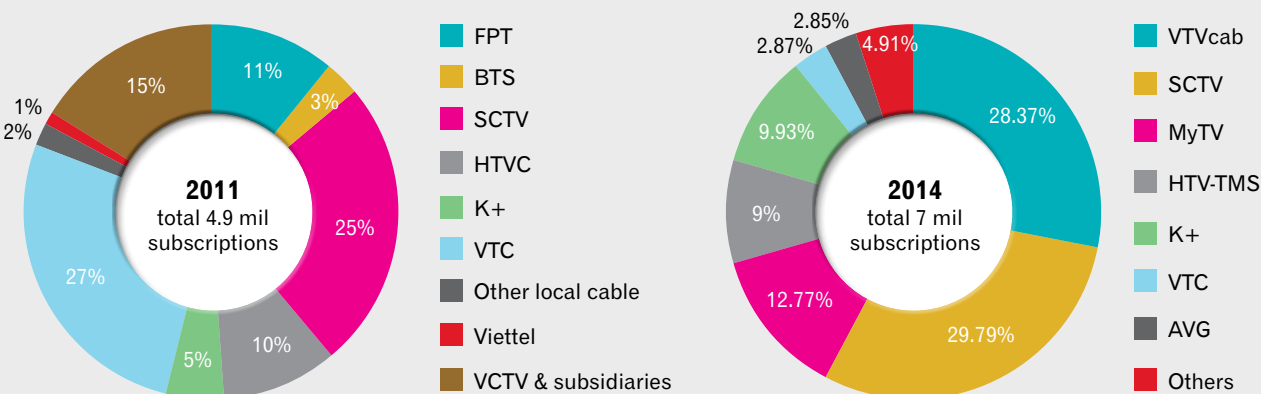
While competing fiercely with each other, these cable companies have joined force to lobby the government and National Assembly to prevent the telcos from entering the pay TV market, arguing that the telcos, which are state-owned companies (SOEs), are veering into their non-core business offering pay TV services. The government eventually still issued licenses to provide cable TV and IPTV services to 3 major telcos VNPT, Viettel and FPT, the last being a private company. VNPT has seen impressive growth in their IPTV service (MyTV) with over one million subscriptions, gaining a huge advantage over their same-platform competitor

FPT's OneTV which is still trying to figure out its business model. While VNPT has not decided on when or even whether they would start offering their cable TV service, Viettel is rolling out both cable and IPTV

services across the country. All the telcos are bundling broadband internet service and a host of other add-on features in their offerings, which has prompted the cable companies to follow suit.

Figure 4

MARKET SHARE BY OPERATORS: INCREASED CONSOLIDATION & COMPETITION



Source: MIC; CASBAA/Operators;MPA

The satellite services have to find their markets using different growth strategies and as they do so, they have faced fierce resistance from competitors within and from other technology platforms.

A number of small players have either left the market or been merged into bigger ones. VTC, the largest pay TV operator of both DTT and DTH platforms a few years ago has remarkably fallen behind in the pay TV race with a sharp drop in market share from 27% to just 6% today. The company has largely switched to a fully ad-supported model.

1.4 Huge need for high-quality content

The last three years have seen new and resourceful entrants to the pay TV market, most of which are deep-pocketed telcos with plans to provide national coverage. VNPT's MyTV is offering some 120 channels and thousands of hours of videos on demand via its IPTV service. Viettel is also rolling out both cable and IPTV services with over one hundred channels on each platform and similar VOD services. Unlike the major cable operators which both produce their own channels

and acquire programming from their mother companies which are the nation's largest production houses, the telcos do not have such easy access to domestic programming. They do not have the best bargaining chip in negotiations with the cable competitors and their mother companies about buying contents from the latter. Therefore, they have to rely on the domestic local channels and foreign channels. Most of the domestic channels have problems with quality and copyrights and the number of foreign channels is only limited to 41 at the moment. The telcos obviously need a lot more high quality content from both domestic and foreign sources to stay competitive in the market.

High quality content is not just critical for the telcos, but also a matter of life or death for all other operators. For smaller operators such as K+ and HTV TMS, high quality programming is their lifeline and they would rely much more than the bigger players on foreign programming to differentiate themselves. For bigger operators such as VTVcab and SCTV, they also need to improve the quality of both programming and technical service as viewers' expectation increases with their massive expansion plans.

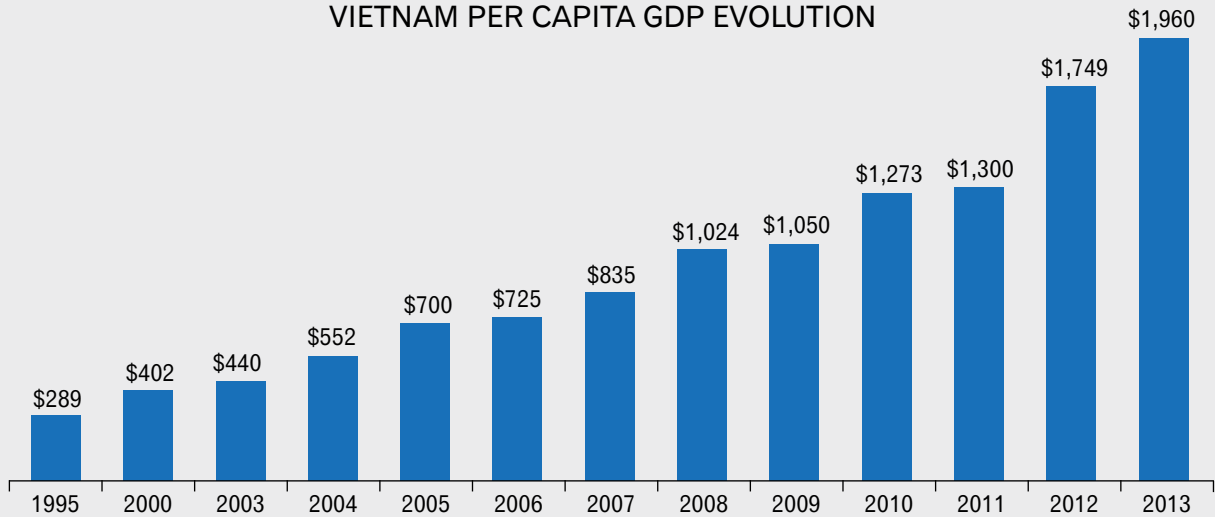
1.5 Consumer affluence

With a population of 90 million and a per capita GDP of roughly \$2,000, Vietnam presents huge opportunities for the pay TV industry.

The total revenue of the TV industry grew by over 25% from below \$2 billion to \$2.5 billion between 2011 and 2012, according to the Vietnam Competition Authority (VCA). Pay TV revenue contributed over \$200 million to that total in 2012, with cable service taking most of the credit at \$193.74 million, according to the Ministry of Information and Communications.

Figure 5

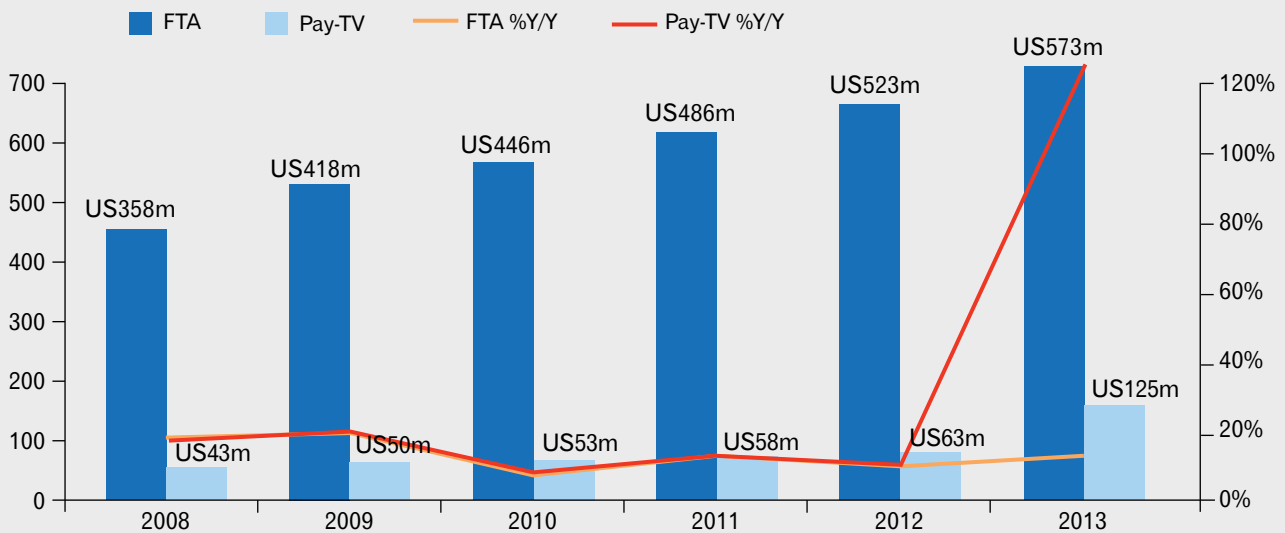
VIETNAM PER CAPITA GDP EVOLUTION



Source: GSO

Figure 6

TV ADVERTISING SPENDING IN VIETNAM, 2008 - 2013



Source: Media Partners Asia

Total net advertising has also grown steadily by over 28% from around \$700 million in 2010 to \$900 million in 2013 despite the economic downturn during that time, according to Media Partners Asia. TV continues to be by far the most

popular advertising medium, consistently accounting for nearly 80% of the total advertising market. Most notably, advertising on pay TV has risen sharply recently with almost a 100% year – on – year increase last year.

2 TV industry Data



2.1 Summary

Vietnam has about 90 million people in nearly 23 million households, with over 30% in urban areas and nearly 70% in rural areas. National TV penetration has reached over 90% of households. Pay-TV penetration was close to 30% by the end of 2013¹.

Table 1: Summary of Vietnam

Population	89,708,900
Total households	24,655,600
TV households	22,609,185
TV penetration	91.7%*
Free-to-air (including digital terrestrial)	70% (FTA-only HH)
Pay TV penetration	29.54%
Cable penetration	20.23%
DTH penetration	4.36%
IPTV penetration	4.42%
Paid DTT penetration	0.53%

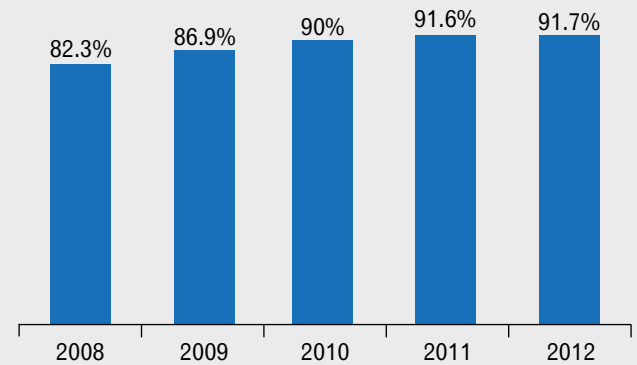
Source: Vietnam Ministry of Information and Communications (all figures are updated as of December 2013 unless otherwise indicated)

2.2 TV penetration

TV penetration rose steadily in Vietnam over the past decade and has almost reached a saturation point in urban areas. There are only a few small islands and distant mountainous areas with low TV penetration rate due to the low income of the households there. The Government of Vietnam says that Vietnamese TV signals cover the entire territory of the country, including the islands and territorial waters.

Figure 7

PERCENTAGE OF HOUSEHOLDS WITH A TV SET



Sources: MIC

Free-to-air (FTA) terrestrial reception (both analogue and digital) is still the dominant mode of TV access for Vietnamese, accounting for roughly 70% of total TV households. However, in major urban centers such as Ho Chi Minh City, Hanoi, Can Tho and Da Nang, reliance solely on FTA consumption has dropped significantly over the last several years, giving way to pay-TV platforms such as cable, IPTV and DTH. FTA is more common in rural and remote areas where cable service isn't available while IPTV and DTH services are still costly for the average household there. The phased-in analogue switch-off starting in 2015 in major cities will further decrease the number of FTA households over the next several years.

1. These figures come from the 2014 ICT White Book published by Vietnam Ministry of Information and Communications.

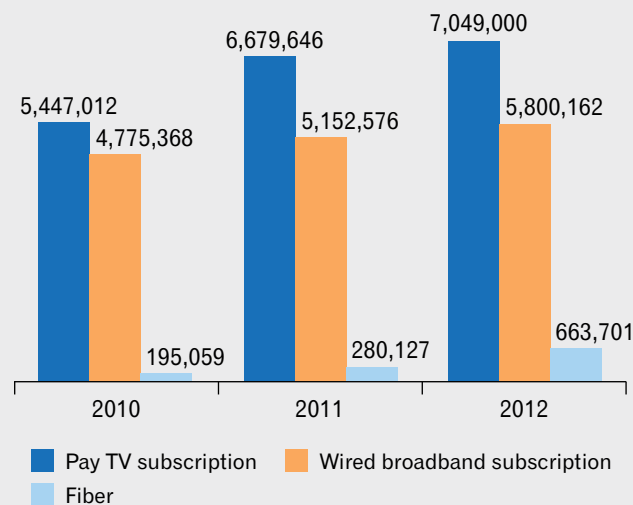
Cable is by far the most popular pay TV platform with over 20% of total TV households, most of which concentrate in major urban centers. Satellite and IPTV services are running neck to neck with roughly 4.4% penetration rate each. While there is still a lot of room for growth for these two platforms, it has been quite a struggle for operators to expand their subscription base due to competition by cable in major urban centers and perceived high entry costs by viewers outside the big cities.

Digital terrestrial (DTT) has gone from the second most popular TV platform a few years ago to a very small service today as the biggest operator VTC Digital has stopped its offerings in this technology (DVB-T). AVG is now the biggest DTT operator serving around 100,000 DTT subscribers in a newer technology (DVB-T2) and has also been struggling to grow DTT subscription over the past several years. With the analogue switch-off beginning to take effect in 2015, DTT is expected to become much more popular in the coming years.

2.3 Internet broadband penetration

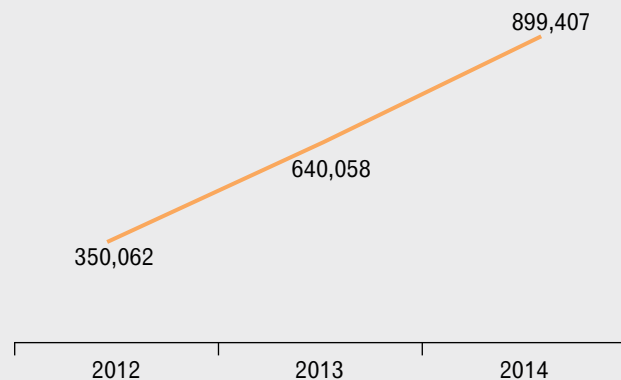
Broadband internet connections are increasing popular in Vietnam. The number of users getting high-speed internet via a physical cable (traditionally ADSL and now increasingly fiber-to-the-home) has been enjoying about the same growth rate as pay TV subscriptions and now stands at almost 6 million, compared to roughly 7 million of the latter (Figure 8+9). Equally importantly, internet bandwidth has been growing exponentially, with international bandwidth totalling 900,000 mpbs today, a 160% increase in capacity over 2 years, enabling all broadband connections to carry video content. While there is a great deal of demographic overlapping between these two groups (i.e. broadband internet users tend to subscribe to pay TV), the recent entry of major Telcos into the pay TV market could potentially affect how many Vietnamese will be receiving their TV programming in the coming years (i.e. via traditional pay TV platforms vs. IPTV and OTT).

Figure 8



Sources: MIC; CASBAA/Operators

Figure 9



Sources: MIC

2.4 Pay TV revenue

According to MIC, total pay TV revenue reached \$276.43 million dollars in 2013, a 38% increase over the previous year. Cable continues to account for the lion's share, accounting for 82.29% of total revenue. ARPU has stabilized and is hovering over \$40/year across all platforms (Table 3). While the government imposes no price cap, operators have found it very hard to increase subscription fees due to a combination of market resistance and competition from deep-pocketed new entrants – the major Telcos.

Table 2: Pay-TV revenue 2012 - 2013 (million USD)

	2012	2013	Change
Cable	193.74	227.47	17.41%
DTH	4.94	44.21	794.94%
Digital Terrestrial	1.52	4.75	212.50%
Total	200.20	276.43	38.08%

Table 3: Average revenue per user (USD)

	2012	2013	Change
Cable	43.91	40.82	-7.05%
DTH	5.08*	44.80	782.36%
Digital Terrestrial	25.33	39.58	56.25%
Total	36.77	41.38	12.56%

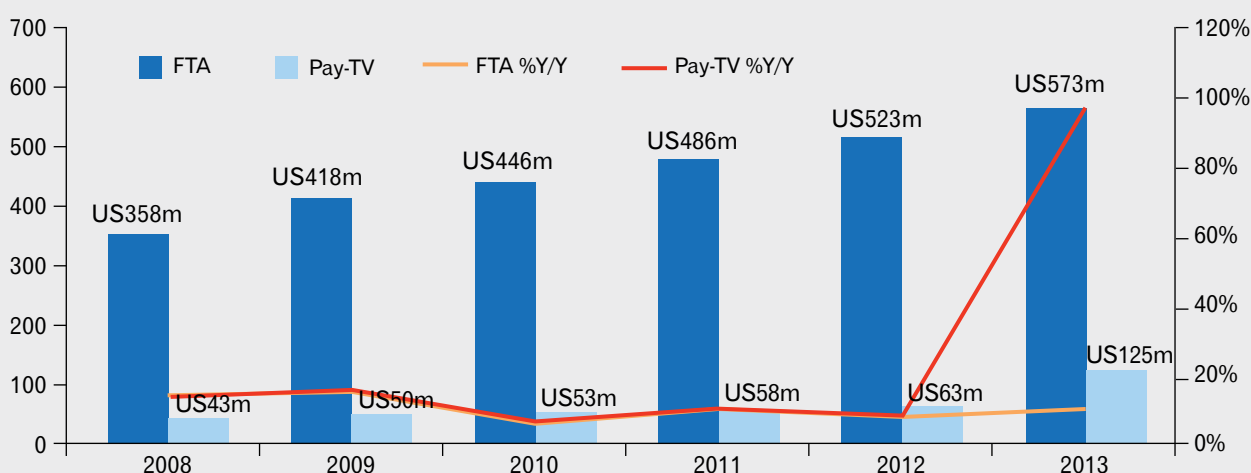
* Low ARPU due to subsidies and trial packages from newly-established DTH players.

2.5 Advertising Spending

With a population nearing 90 million and per capita income of close to \$2,000 and increasing, Vietnam is an attractive market for consumer goods and thus the advertising industry. Total net advertising has grown steadily by over 28% from around \$700 million in 2010 to \$900 million in 2013 despite the economic downturn during that time, according to Media Partners Asia. TV continues to be by far the most popular advertising medium, consistently accounting for nearly 80% of the total advertising market. Most notably, advertising on pay TV has risen sharply recently with almost a 100% year – on – year increase last year (figure 10). However, ad spending per capita in Vietnam is still very low compared to other countries in the region. There is still a lot of untapped potential (figure 11).

Figure 10

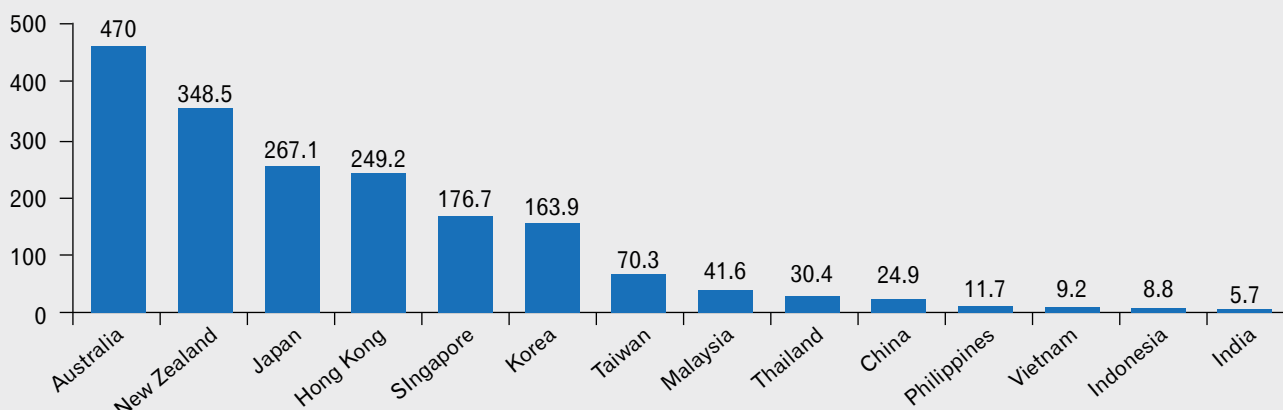
TV ADVERTISING SPENDING IN VIETNAM, 2008 - 2013



Source: Media Partners Asia

Figure 11

2013 US\$ ADVERTISING EXPENDITURE PER CAPITA



Source: Media Partners Asia

3 Pay-TV Industry



3.1 Overview

Vietnam's TV industry has been undergoing some transformative changes over the past couple of years since our last report. The most notable trends are consolidation and competition, which so far have seemed to benefit consumers in terms of choice and quality of service.

The Prime Minister's Decision 20, which issued comprehensive pay TV regulations in 2011 forced the consolidation of the platforms, triggering a wave of acquisitions of smaller cable companies across the country over the past three years by SCTV and VTVcab (formerly VCTV), the two largest cable operators in Vietnam by far. As a result, the number of major cable operators in the country has been reduced to only 3, with Ho Chi Minh Television Technology and Media Services (HTV TMS – formerly HTVC) trailing far behind with only 600,000 subscriptions, a number that the company has fought hard to keep for the past several years against the backdrop of impressive growth enjoyed by SCTV and VTVcab with 2.1 million and 2 million subscriptions respectively.

Consolidation was not just caused by Decision 20 but also a natural response to increased competition both within each major platform and among platforms. Within the cable platform (both analogue and digital), SCTV and VTVcab are running neck-to-neck, and now competing directly, with each encroaching on the other's own home turf despite the fact that they are both owned in part or in whole by the same mother company VTV.

While competing fiercely with each other, these cable companies joined forces to lobby the government and National Assembly in an attempt to prevent the Telcos from entering the pay TV market, arguing that the Telcos, which are state-owned companies (SOEs), are veering away from their core business by offering pay TV services. The government eventually still issued licenses for provision of cable TV and IPTV services to 3 major Telcos: VNPT, Viettel and FPT, the last being a private company. VNPT has seen impressive growth in their IPTV service (MyTV) with over 1 million subscriptions, gaining a huge advantage over their same-platform competitor FPT's OneTV, which is still trying to define its business model. While VNPT has not decided on when or even whether they would start offering their cable TV service, Viettel is rolling out both cable and IPTV services across the country. All the Telcos are bundling broadband internet service and a host of other add-on features in their offerings, which has prompted the cable companies to follow suit.

3.2 Pay-TV growth

3.2.1 MAJOR PLATFORMS ARE MODERN

Vietnam is fairly receptive of new technologies and almost all modern TV platforms are now available in Vietnam. However, only cable, satellite, IPTV and digital terrestrial (DVB-T2) services are fully commercial. With the exception of free – to – air, all other technologies are being offered on a trial basis.

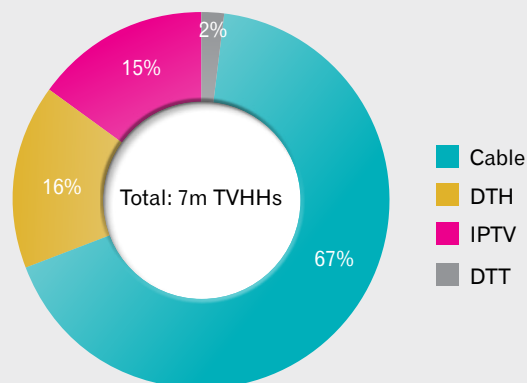
Table 4: Major TV Distribution method

Platform	Subscriptions
Cable (analogue and digital)	5,816,000
Digital Cable	2,035,600
Analogue Cable	3,780,400
DTH	1,103,000
IPTV	1,050,000
Digital Terrestrial	130,000
MobileTV Streaming	N/A
OTT	N/A
Mass Transit TV (Train, Ferry)	N/A

Source: CASBAA. Statistics as of October 2014 provided by operators

Figure 12

PAY-TV MARKET SHARE BY DISTRIBUTION METHOD



Source: CASBAA. Statistics as of October 2014 provided by operators

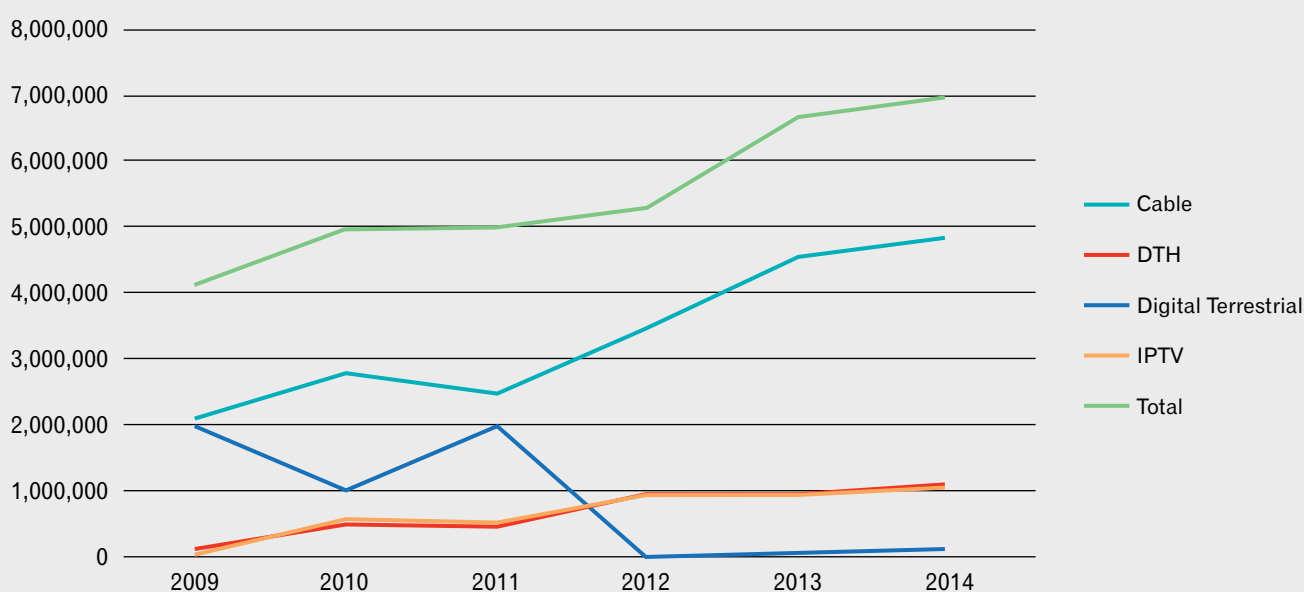
3.2.2 Cable continues to be king of the market

Cable continues to be by far the most popular pay TV platform, accounting for 67% of total market share. The

service has also enjoyed steady growth for the last several years, reaching nearly 5 million subscriptions in 2014.

Figure 13

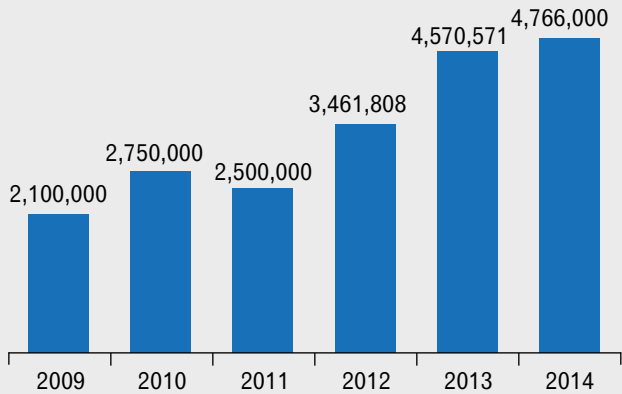
PAY-TV SUBSCRIPTION GROWTH BY DISTRIBUTION METHOD



Source: MIC;CASBAA/Operators

Figure 14

CABLE TV SUBSCRIPTION GROWTH IN VIETNAM



Sources: MIC, CASBAA/Operators

Although cable networks have reached all 63 provinces in Vietnam, subscriptions concentrate mostly in Ho Chi Minh city (close to 1.5 million) and Hanoi (over 1 million), the two largest cities. Cable is also the most popular TV reception mode in smaller urban centers such as Can Tho, Da Nang, Hai Phong, Hai Duong, Binh Duong, Ba Ria Vung Tau, Dong Nai and Nghe An, mostly due to the service's availability and affordable pricing compared to other pay-TV services and the larger number of channels and better signal compared to free-to-air broadcasting.

Over the past 18 months, the pay TV market in Vietnam has seen a spectacular competition between the two by far biggest players, SCTV and VTVcab, both of which are cable multi-system operators (MSOs), which are, ironically, owned in part or whole by the same mother company VTV. SCTV, whose traditional and largest market is Ho Chi Minh city, seems to have initiated what many in the industry here call a "cable war" with its sister company by partnering with BTS, a local cable operator owned by the Hanoi Municipal Government, to provide SCTV services to residents in the capital, which is VTVcab's home turf. This is part of SCTV's larger consolidation effort to acquire smaller cable operators across the country to give it a leg up over its competitors which include not only VTVcab but also the new Telco entrants. VTVcab responded by both restructuring itself

(VTVcab is now an independent company owned 100% by VTV as opposed to its former status as a division of VTV named VCTV) and carrying out an aggressive acquisition campaign in all the provinces, including Ho Chi Minh city. As a result, both operators have grown their subscriptions significantly over the past two years. This race has left other cable operators trailing far behind or driven them out of the market.

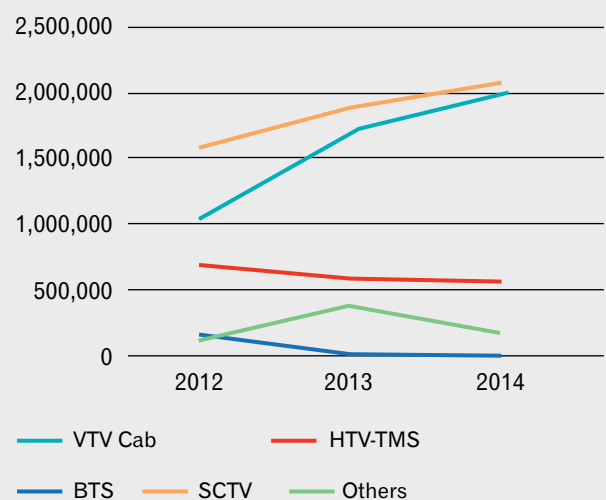
Table 5: Major cable operators, 2014

Operator	Subscription	Location
SCTV	2,100,000	Ho Chi Minh city, Hanoi and other cities (National coverage license)
VTVcab	2,000,000	Hanoi, HCMC, and other cities (National coverage license)
HTV-TMS	600,000	Ho Chi Minh city and neighboring cities (licensed to cover 29 provinces)
BTS	16,000	Hanoi

Source: Operators/CASBAA

Figure 15

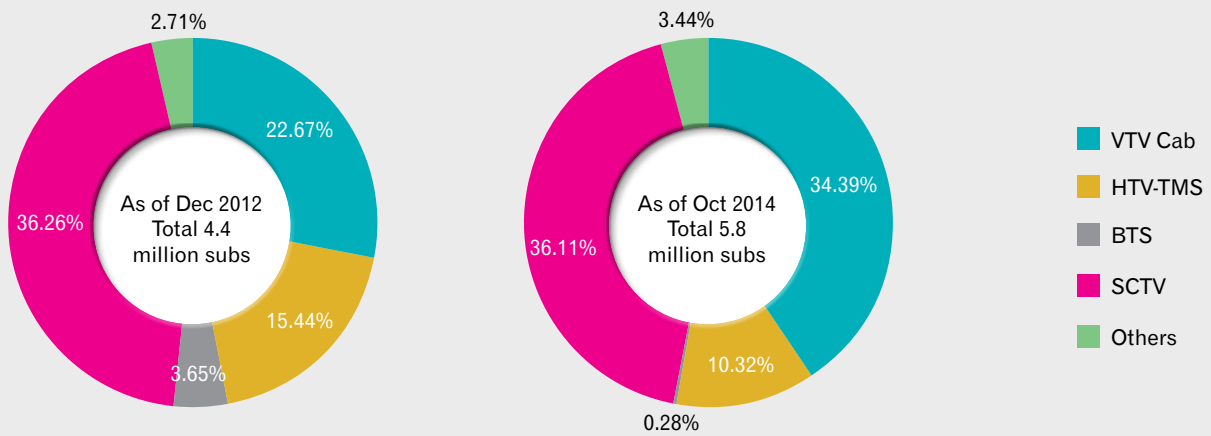
CABLE GROWTH BY OPERATOR



Source: MIC;CASBAA/Operators

Figure 16

CABLE MARKET SHARE BY OPERATOR: EVOLUTION FROM 2012 TO 2014



Source: MIC; Operators/CASBAA

There are over 30 licensed cable TV businesses across the country, the majority of which are state-owned (centrally or locally). These are allowed to produce, acquire and distribute TV programming in their respective jurisdictions. All programming is delivered through a total of half a dozen cable network operators, some of whom also operate cable TV businesses (They are: SCTV, VTVcab, HTV-TMS, Viettel, BTS and DRT-Arico.) The number of cable network operators has shrunk to today's level as a result of Decision 20 which imposed heavy requirements for technical infrastructure and capital investment. Smaller network operators could no longer exist lawfully under the new rules and have been bought by major ones such as SCTV and VTVcab.

Despite its huge potential, the cable business has not been an easy investment for the Telcos. VNPT, Viettel and FPT all got their respective cable licenses in 2013 despite fierce opposition from SCTV, VTVcab and other existing pay TV operators, but so far only Viettel is rolling out its cable service. The other two Telcos are still pondering what to do with their licenses. And Viettel, which announced a whopping \$330m investment in a national cable network and cable TV service in 2012 and promised that the service would be up and running by the end of that year, failed to meet its target. It postponed rolling out its pay TV services several times and only began its offerings early this year. Its subscription growth is still low.

3.2.3 Satellite TV is still a fledgling market

The successful launch in 2008 of Vinasat-1, Vietnam's first wholly owned satellite, boosted not only national pride but also the domestic satellite television business. DTH subscriptions jumped by almost 3 times from 130,000 in 2009 to half a million in 2010 and almost doubled again to 973,000 in 2012.

In January 2009, VTC launched its DTH service which offered the first HD channels in Vietnam. After four years, VTC's satellite TV subscriptions reached 420,000, or 43% of the market.

In June 2009, VCTV announced its \$54-million joint venture with the French-owned pay-TV group Canal+ called VSTV, to provide premium DTH packages under the new brand K+. After four years, VSTV has managed to grow its DTH subscriptions from 130,000 (previously serviced by VCTV) to almost 423,000, a 225% increase.

AVG, a joint-venture between Binh Duong TV and the An Vien Group, officially rolled out its DTH (and DTT) service on November 11, 2011 and managed to get 130,000 subscriptions within a year.

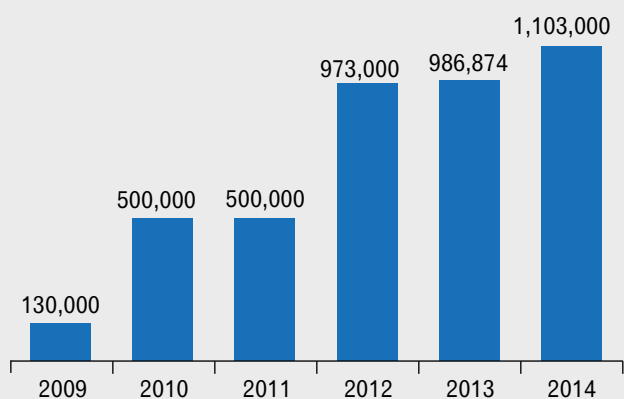
As Vinasat-1's capacity was quickly used up by satellite TV operators, the Vietnamese government wanted to build on this success and launched another spacecraft,

Vinasat-2, in May 2012. Many were hoping that this would help spur another wave of impressive growth in DTH subscriptions as the first satellite did.

In reality, it didn't. Total DTH subscriptions have flattened out since 2012, reaching just a little over 1 million in 2014.

Figure 17

SATELLITE SUBSCRIPTION GROWTH



Sources: MIC, CASBAA/Operators

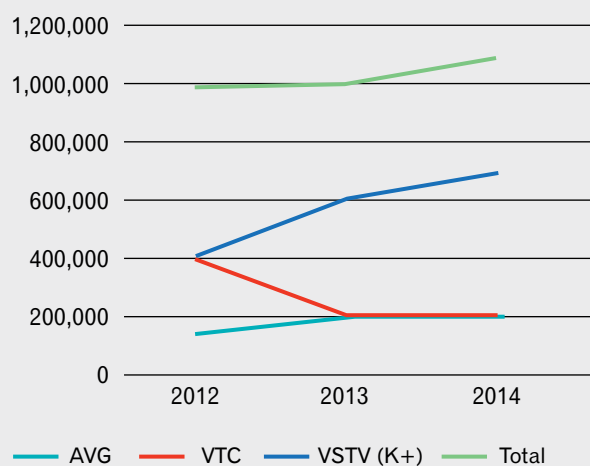
A host of issues combined to keep satellite pay TV from growing faster, but one major factor could be the negative impact of the Decision 20 pay TV regulations in 2011. As relative new comers to the pay TV market compared to cable and digital terrestrial (DVB-T), the DTH operators were betting on differentiation with richer programming content (more channels, especially premium foreign channels) and higher signal quality, among other things. But in the wake of the issuance of Decision 20, the number of foreign channels was more than halved, dropping from around 70 to just 30. This dealt a huge blow to DTH operators' growth plans which promised viewers scheduled increases in the number of channels (mostly foreign) in their offerings.

While competition from revamped cable services, especially SCTV and VTVcab, also helped cause DTH subscriptions to grow below potential over the past 3 years, it was the crisis in the business model of VTC, a major operator of both DTH and DTT platforms, that was responsible for the loss of hundreds of thousands of subscriptions. From the peak of 420,000 subscriptions,

or 43% of the market in 2012, VTC's customer base shrank by more than 50% to below 200,000 within a year and the company is now struggling to keep this number. In the same period (2012 – 2013), K+ and AVG enjoyed impressive growth at almost 39% and 54% respectively. However, in 2014, both VTC and AVG are struggling to grow their subscriptions while K+ managed to grow by over 19%.

Figure 18

DTH SUBSCRIPTIONS GROWTH BY OPERATOR

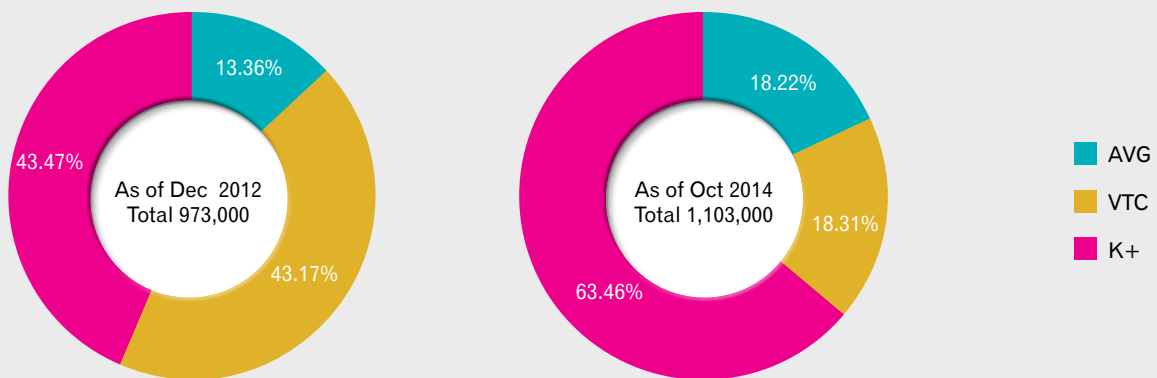


Source: MIC;CASBAA/Operators

From one of the two market leaders, VTC has now turned into one of the two underdogs, the other being AVG. K+ has successfully maintained itself as the biggest DTH operator with growing market share (figure 19). In fact, K+ should get the credit for introducing professional pay-TV best practices to Vietnam, prompting competitors to embark upon radical transformation to keep themselves relevant. K+ was the first operator in the market to introduce the concept of premium and/or exclusive content, and has consistently established itself as a premium service, offering subscribers a new level of experience not just in terms of content and signal quality, but complete with user-friendly equipment and interface and customer care service. The company also invests significantly in obtaining premium content, particularly popular international sports programs, while its competitors tend to focus more on increasing the number of channels in their offerings by adding local channels (FTA and pay-TV channels) and increasing revenue from "carriage fees".

Figure 19

SATELLITE TV MARKET SHARE BY OPERATOR: EVOLUTION FROM 2012 TO 2014



Source: MIC

Table 6: Satellite TV Operators

Operator	2012 Subscription	2014 Subscription	Coverage	Note
K+	422,963	794,000	National	Joint venture with VTV
VTC	420,044	202,000	National	Wholly owned by MIC
AVG	129,993	201,000	National	Private; Started November 2011

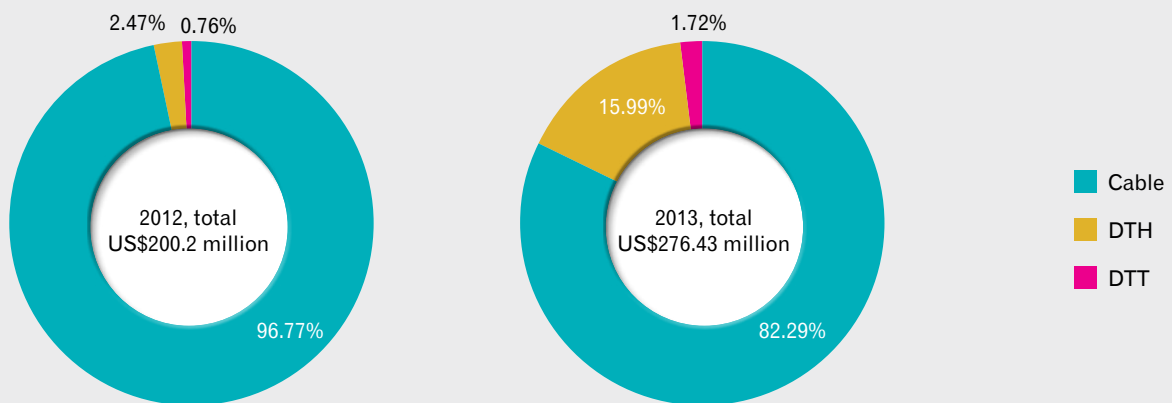
Source: MIC; Operators/CASBAA

However, both K+ and AVG have been running at a loss so far, and VTC's operation only turned a small profit (roughly \$2.5 million) for the first time in 2013. The good news is revenue from DTH services has seen impressive

growth from roughly \$5 million in 2012 to over \$44 million in 2013. This platform also has the highest ARPU of \$44.80 compared to cable's \$40.82. As a result, DTH's share of total pay TV revenue has increased at the expense of cable's (figure 20).

Figure 20

PAY TV REVENUE SHARE EVOLUTION



Source: MIC; Operators/CASBAA

3.2.4 Digital terrestrial remains a potential competitor

Digital terrestrial (DVB-T) was once an attractive platform with over 5 million decoders sold by the end of 2009, most of which were used to receive VTC's programming. However, VTC had no way to collect subscription fees from owners of these decoders because about 3 million of them were bought through unauthorized grey-market dealers/smugglers. The number sold by VTC itself was just about 2 million. In an effort to improve monetization and deny illegal decoders access to their programming, VTC sold new decoders with new conditional access technology. However, the old decoders sold by VTC are not compatible with the new CA technology and so could only receive free channels just as the illegal decoders do. VTC did not offer a trade-in program for owners of their old decoders and these households, hugely upset by this, declined to buy the new decoders, resulting in the loss of about 1 million DTT subscribers for VTC in 2012. By 2013, VTC officially stopped support for set-top-boxes with the old DVB-T technology and focused on deploying the newer DVB-T2 technology. As the company went through a painful restructuring process, it was losing hundreds of thousands of subscriptions across all platforms and its DTT subscriptions now stand at around only 70,000.

Despite its huge investment in the newer and superior DVB-T2 technology, AVG has been struggling to grow DTT subscriptions in any significant way. After three years (since late 2011), the company has only been able

to get around 60,000 subscriptions, splitting the market with VTC.

However, both VTC and AVG are betting on the digitalization roadmap which is supposed to begin in major cities in 2015. According to the roadmap, analogue broadcasting will be phased out in Da Nang by July 2015 and other major cities including Hanoi, Ho Chi Minh, Can Tho and Hai Phong by the end of 2015. But the number of TV households that rely only on analogue FTA for their television needs in these cities is small anyway due to the prevalence of cable, IPTV and satellite services which offer superior service quality and affordable prices. Hanoi, Ho Chi Minh and Can Tho have also requested to delay the analogue switch-off by one year (till December 31, 2016) citing technical reasons.

The roadmap sets the target of full digitization across the country by 2020 but that goal is looking increasingly unfeasible as, given the current economic downturn, there is no way to mobilize billions of dollars required to buy set-top-boxes or new TV sets (as of January 1, 2014, all new TV sets on sale in Vietnam must have a built-in DTT tuner) for millions of households in the country.

Under the roadmap, DTT services (both pay TV and free-to-air) will be delivered through a total of 6 to 8 network operators including VTV, VTC and AVG, which have national coverage and also operate pay TV services, and 3 to 5 regional network operators which are not operational yet.

Table 7: Digital Terrestrial TV operators

Operator	Subscription	Technology	Coverage	Note
AVG	60,000	DVB-T2	National	Already made heavy investment in DVB-T2 technology which can carry HD channels. Service started in November 2011
VTC	70,000	DVB-T2	National	Revamping DTT service
VTV	insignificant	DVB-T2	Hanoi, HCMC	Still in trial mode

Source: MIC, Operators/CASBAA

3.2.5 IPTV is now a mainstream pay TV service

IPTV has elevated hopes of the major telecom players in Vietnam. With a wired broadband subscriber base of 5.8 million (as of October 2014) and rising fast, all major Telcos in Vietnam see IPTV as an important source of revenue. After several years offering the service on a trial basis, VNPT, Viettel and FPT finally got their official licenses in 2013. However, it has not been an easy game for all players.

VTC, through its subsidiary VTC Digicom, launched their IPTV service in May 2009 in provincial capitals via VNPT's broadband internet network. They also partnered with other ISPs such as EVN Telecom (now owned by Viettel) to deliver this service. They market their service under a localized brand, such as HueTV for Hue, HoaLuTV for Ninh Binh, SongLamTV for Nghe An, LamSonTV for Thanh Hoa, and SongHanTV for Da Nang. By 2012, VTC's total IPTV subscriptions stood at 50,000. But as the company went through a structural reform over the last couple of years, VTC's IPTV service was dropped, as was its cable service CEC.

Viettel, the second largest broadband operator in Vietnam rolled out its own IPTV service (branded NetTV) in 2010. After two years, they could only get 30,000 subscriptions. They tried to tweak their business model and technical infrastructure and re-branded their service NextTV but subscriptions still couldn't grow faster. In the latter half of 2014, the service was revamped again and expected to expand at a more impressive pace as Viettel is bundling this TV Service with its new fibre-to-the-home internet broadband package.

FPT has also had a hard time figuring out a viable business model with IPTV. While the company accounts for only 6.17% of a total of over 22 million broadband (wired and mobile) subscriptions, they are the second largest wired broadband (capable of delivering TV screen-size videos) provider with 26.8% of the market compared to VNPT's 56.25% and Viettel's 9.74% (figure 22). Like Viettel, FPT has modified its business model and rebranded its service a couple of times (now marketed as OneTV), but has not been able to grow its

subscriptions to 100,000. Unlike Viettel, FPT has not committed a significant investment in this service so OneTV is not likely to see its subscriptions grow much more in the coming months.

The most spectacular rise in the IPTV segment came from VNPT, by far the largest of the two national Telcos (the other being Viettel). VNPT's IPTV service (branded MyTV), had its official commercial launch in September, 2009. With about 60% wired broadband internet market share, the giant state-owned Telco has grown its IPTV subscriptions from virtually zero to 550,000 by the end of 2011 and the number almost doubled to 850,192 the following year. However, subscriptions began to flatten out and have only grown very slowly over the past two years, reaching just about 900,000 in 2014.

IPTV services offered by these Telcos include over 100 TV channels (SD and HD), videos on demand (VOD) and other interactive features. The services are being marketed in a triple-play package that includes IP telephony, broadband internet and IPTV.

Figure 21

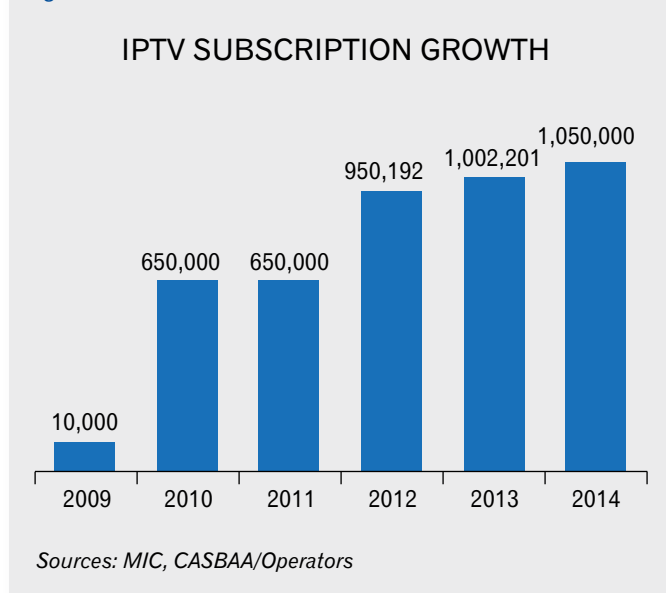


Table 8: IPTV Operators

Operator	Subscription	Service Brand	Coverage	Note
FPT	70,000	OneTV	HCMC, Hanoi and other cities	Slowly growing
VNPT	900,000	MyTV	Nationwide	Growth is slowing down
Viettel	80,000	NextTV	Nationwide	Expected to grow fast

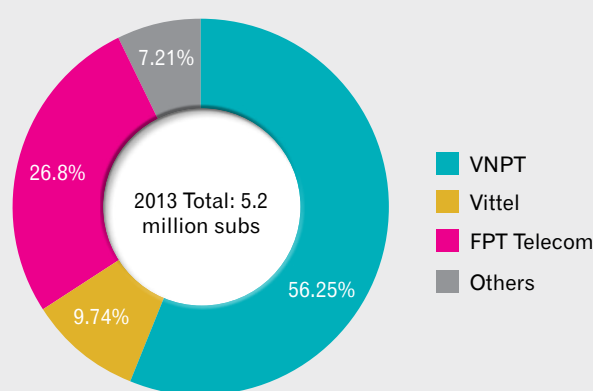
Source: MIC, Operators/CASBAA

It's one thing to offer the IPTV service on a trial basis and quite another when it comes to monetizing the technology. Despite their vast resources and natural advantage in network infrastructure vis-à-vis traditional pay TV operators, the Telcos are also experiencing challenges unique to themselves. While content is still king in the pay TV industry, the Telcos have virtually zero production capacity as opposed to their traditional pay TV competitors, particularly cable operators, who are respectable production houses. This, coupled with the tightening of foreign channels' access to Vietnam's pay TV market as a result of Decision 20, puts all new entrants, including the Telcos, at a huge disadvantage vis-à-vis the established players.

In addition, there is no longer easy money within these Telcos to throw in IPTV investments. Mobile services, the cash cow for VNPT and Viettel, have seen declining margins over the last couple of years. Funding within these companies, therefore, has become much more competitive among various projects and IPTV is a capital-intensive investment. VNPT has had to cut back on its IPTV investment, which explains the stagnation in its MyTV subscription growth over the last couple of years. For Viettel and FPT, scarcer resources force them to spend more time figuring out the best business model, which is why they have not tried as aggressively as VNPT to grow subscriptions.

Figure 22

WIRED INTERNET BROADBAND MARKET SHARE BY PROVIDER



Source: MIC

However, with increasing prevalence of wired broadband internet service, it's only a matter of time before the Telcos figure out the right model and grow their IPTV business to be a major pay TV service on their "walled garden" infrastructure. Obviously, growing internet availability and bandwidth will not just facilitate IPTV but will also help catapult OTT services (both legitimate and illegitimate). How much one platform develops versus the other will depend largely on the regulatory environment which currently is quite vague and thus liberal for OTT services.

3.3 Industry structure

3.3.1 RELATIONSHIPS BETWEEN PLAYERS

The television industry is still essentially government-run in Vietnam. Vietnam Television (VTV) is the national broadcaster which receives funding to produce free-to-air programming to advance the government's socio-political agenda. Each of Vietnam's 64 cities/provinces

has a local broadcast operation responsible for relaying VTV's FTA programming to its respective population. Local broadcasters provide both television and radio services except in Ho Chi Minh city where these two services are provided by separate broadcasters.

In major cities and provinces (HCMC, Hanoi, Da Nang, Can Tho, Hai Phong), local broadcasters have strong revenues thanks to their government mandate. There are over 30 local broadcasters with licenses from MIC to operate cable TV service. (This number has been reduced from over 40 to the current level over the past two years due to acquisitions by major operators). Licenses allow them to do production, acquisition and distribution of content over the local cable network. However, most of these broadcasters do not have stakes in cable networks and utilize cable infrastructure provided by half a dozen cable network operators across the country. Consumer services are sold to the end users either by local broadcasters, network operators (service provider) or their sales agents.

FREE-TO-AIR BROADCASTING STRUCTURE



Each broadcaster (national and local) offers traditional FTA service and pay-TV services (mostly cable). The cable service delivers FTA programming along with pay-TV content. The pay-TV platform (VTVcab, K+, HTVC, SCTV, VTC, etc.) gets programming from a combination of sources: in-house production, FTA production, foreign distributors and increasingly from joint-ventures with private companies. In recent years, many such private

companies (owned by Vietnamese or by joint-ventures with foreign partners) have been formed and have made significant investments in programming production.

Bigger players now produce entire channels and pay distribution platforms to air their programs. This “rent” (or carriage fee) varies from \$100,000 to several hundred thousand dollars per year, depending on the platform and the channel. Channel owners (private companies and small local broadcasters) generate revenues by selling advertising.

Sometimes, local broadcasters have helped themselves to programs without authorization: major channel owners, such as VTV for instance, complain that many small local broadcasters air their VTV pay-TV content without paying for it or asking for permission.

In 2012, HTVC and VCTV were restructured as independent businesses from their respective mother companies (i.e. HTV and VTV) and now renamed as HTV-TMS and VTVcab respectively. Under the new structure, these cable TV companies continue to receive FTA programming and editorial control from their respective mother companies but have autonomous decision making power regarding budgetary and production issues. This gives HTV-TMS and VTVcab the same legal status as other pay-TV operators such as SCTV and K+, which will help the former compete better in the market.

Although local production capacity has improved significantly over the past several years, the expansion of platform bandwidth has been growing at a much faster rate. Major broadcasters could only self-produce less than 30% of total programming. The remaining 70% comes from foreign channels and to a lesser extent fellow broadcasters (national and local).

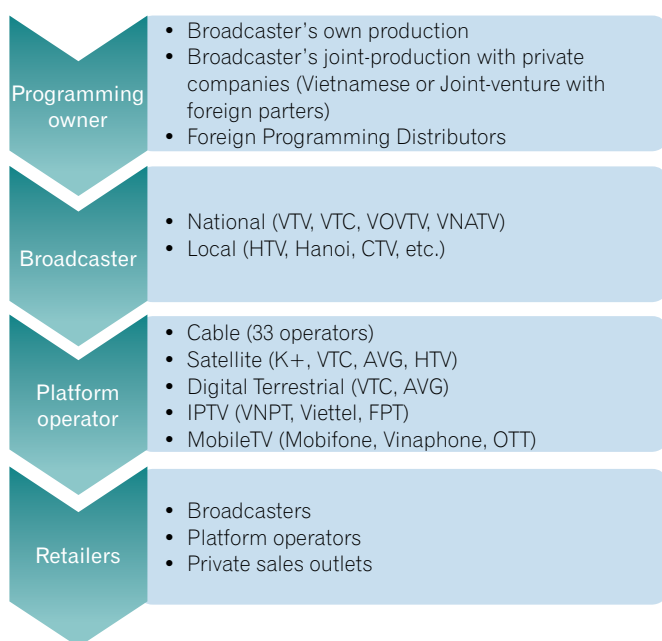
3.3.2 PAY-TV ASSOCIATION

Some pay-TV operators, most notably SCTV, have been claiming that license fees for foreign programming are too high and keep increasing. On April 23, 2011 the Vietnam Pay Television Association (VNPAYTV) was officially launched with the blessing of the Ministry of Information and Communications. Retiring VTV Director General Vu Van Hien was elected President and SCTV

Director General Tran Van Uy General Secretary. Mr. Uy runs the day-to-day business of the association. One of the biggest goals of the organization is to unify all Vietnamese players under one umbrella in licensing negotiations with foreign counterparts. VNPAYTV founders were hoping that with only one negotiator representing the entire Vietnam market, foreign licenses would have no choice but to reduce the fees. The foreign programming then would be equally shared with members of VNPAYTV.

However, some major players are highly skeptical of the VNPAYTV model which is plagued with inherent conflicts of interests and lack of transparency. These operators are competing neck-to-neck with SCTV and they fear that if VNPAYTV has the full negotiating power for Vietnam, that will work to SCTV's advantage as Mr. Uy, as VNPAYTV's General Secretary, is the key decision maker. As a result, although all key players in Vietnam's TV industry are on VNPAYTV's membership roster, few major players believe it will work. They haven't agreed on giving VNPAYTV full negotiating power. VNPAYTV also tried unsuccessfully to block the Telcos from entering the markets, which further alienated the association from these powerful players. As a result, three years since its inception, the organization has not had any major activity. It doesn't even have a functioning website as of this writing (November 2014).

3.3.3 STRUCTURE OF PAY-TV PROGRAMMING DISTRIBUTION



At present, there are four national broadcasters but only VTV and VTC have significant operations. VOVT and VNATV are new entrants and do not have their own broadcasting infrastructure. Their channels are carried on a mandatory basis by all pay-TV platforms as "channels disseminating the nation's essential political messages".

VTV's FTA programming is broadcast via a network of 8 regional stations and over 60 relay stations. VTCab, a cable operator wholly owned by VTV, also reaches the capital cities of over 40 provinces besides Hanoi and HCMC.

K+, a joint-venture between VTV and Canal+ to deliver satellite TV service, now uses a combination of VTV's programming (FTA and some cable content) and foreign channels in its offer.

VTV has another joint-venture with Saigontourist Holding Co. to offer cable TV service in HCMC called SCTV. SCTV uses a mix of VTV's programming, local channels and foreign channels in its offer. VTV has the largest production capacity in the country with major production centers in Hanoi, HCMC, Can Tho, Da Nang, Hue and Phu Yen.

VTC is the second biggest national broadcaster, owned by the Ministry of Information and Communications. VTC has a significant production capacity. It is allowed to broadcast nationally via digital terrestrial and satellite platforms which it offers as two separate services. (VTC got a license to provide national cable TV coverage in 2013 but has made no indication as to when it would roll out the service).

The relationship between VTV and VTC has always been uneasy. Originally an offshoot of VTV, VTC eventually severed its ties with the parent to come under direct management of MIC and emerge as a national challenger. In the process, VTC also carved off a good part of VTV's talent pool offering more competitive compensation schemes.

Over the past two years, VTC has been undergoing a painful restructuring program which split the company into two entities: VTC the Digital Broadcaster, which is

essentially a production house, and Vietnam Multimedia Corporation (VTC), which among other things, owns VTC Digital Television Service Company, which is a pay-TV operator. VTC Digital Television Service Company now offers only DTH services and has not made public its plans to resume digital terrestrial service (in terms of selling new set-top-boxes) although it is still broadcasting ad-supported channels via this platform. All of VTC's lesser services (cable, IPTV and mobile TV) have been discontinued.

Vietnam Multimedia Corporation also owns NetViet Multimedia, Jsc., which produces VTC10, a culture and family entertainment channel targeting Vietnamese overseas and advertising revenue. The company has proactively participated in professional industry fora (including membership with CASBAA) and reached out to foreign partners to learn best practices. As a result, it has been able to increase VTC10's international coverage substantially over the past several years.

AVG is a new entrant with a national broadcasting infrastructure on DTT and DTH platforms. But AVG is officially not a "national broadcaster" because it is a private company and not an approved press agency like VTV, VTC, VOVT and VNATV or provincial broadcasters. (All these national and provincial TV broadcasters are government agencies). AVG has a modest production capacity and gets most of its programming from foreign and domestic channels.

"Cross-carriage" has become increasingly popular among different pay-TV platforms where one operator offers its viewers, with an extra charge beyond the regular subscription fee, the choice of watching other channels licensed to or owned by competing operators on an a-la-carte or tiering basis. Cross-carriage agreements, however, are encouraged by MIC but not mandatory. Major operators such as K+, SCTV and VTVcab offer their channels to other operators and collect additional revenue, either from the other operators or directly from the consumers. Smaller operators (MyTV, OneTV, AVG, NextTV, VTVplus) see this as an opportunity to increase consumer choice, particularly when it comes to exclusive contents such as English Premier League games whose broadcast rights in Vietnam are owned by K+. This model works better for small operators

than buying entire channels as the latter requires much larger upfront payments.

In the digital radio and TV broadcasting roadmap which is targeted to be completed by 2020, there will be 3 national digital TV broadcasters (VTV, VTC and AVG) and 3 to 5 regional broadcasters. All of these broadcasters will have to carry unencrypted "must-carry" channels.

As of this writing, only two of these regional broadcasters have been set up, one for the north and one for the south. RTB, or Red River Delta TV broadcasting company, is a joint-venture of 4 companies, all owned in whole or in part by Hanoi city, including Hanoi TV (a local broadcaster). Hai Phong TV is expected to become the 5th shareholder in the near future. RTB plans to develop the network over the next couple of years to cover Hanoi and 14 provinces in the north.

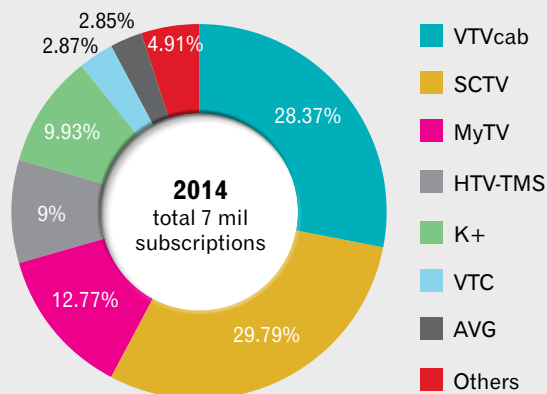
In the south, Ho Chi Minh city TV (HTV) and Vinh Long TV, both local broadcasters, have joined force to set up a southern regional digital broadcasting company to provide DTT service to 22 provinces here. There is no indication of any local digital TV broadcaster being set up for central Vietnam.

3.3.4 A MORE MATURE MARKET DOMINATED BY THE NEED TO MONETIZE INVESTMENTS

Over the past two years since our 2012 report, the Vietnam pay-TV industry has seen major developments towards a more mature market. SCTV and VTVcab, the two biggest players, have transformed their business strategy and made new and significant investments. They are not only providing more services (broadband internet, video on demand, interactive features) with their pay TV service but also offering the bundle in more places (in almost all urban centers across the country) to many more households. Together, these two cable operators account for the lion's share of the total pay TV market (figure 23).

Figure 23

PAY TV MARKET SHARE BY OPERATOR 2014, TOTAL 7 MILLION SUBS



Source: Operators/CASBAA

As mentioned in 3.2.2, the competition between SCTV and VTVcab has largely defined the pay TV landscape in Vietnam over the past two years.

Over the same period, VTC has gone from one of the biggest players (the largest DTT operator and one of the two largest DTH operators in 2012) to a minor operator today, accounting for barely 3% of the total market, on a par with new comer AVG. In a similar fashion, BTS, once a prominent cable operator in Hanoi, has almost disappeared from the scene and now serves fewer than 20,000 customers.

Both HTV-TMS and MyTV (owned by VNPT) have been struggling to keep their subscriptions but they are expected to have modest growth in the near future.

K+ seems to be on the right track as it has consistently gained market share albeit at a much slower rate than that of SCTV and VTVcab while its DTH competitors (AVG and VTC) are still in trouble. (K+ is growing through acquisition of individual subscribers, while SCTV and VTN Cab also have grown by acquiring smaller cable operators.)

Smaller players have either been driven out of the market or merged with the bigger players.

Viettel is now aggressively rolling out its pay-TV service in both cable and IPTV platforms after several delays. The company expects to catch up with the second-tier players (K+, HTV-TMS, MyTV) in terms of subscriptions in the next couple of years

3.4 Programming

Of the 30 or so pay-TV operators, only a handful have significant operations. The rest comprise small provincial operators which have to partner with major operators to provide pay-TV services (typically cable service) to local markets.

The number of channels provided by pay-TV operators has increased steadily over the past several years. Major cable operators now offer a range of 70 – 140 channels without tiering on analogue cable networks and with tiering on digital cable networks. The digital cable TV service offers 15 – 30 HD channels. K+’s satellite service offers different packages with up to 86 channels including 12 HD channels. VTC’s DTH service also offers up to 105 channels including 15 HD channels.

The IPTV operators offer a mix of tiered digital content (video and music) with over 100 channels, including several HD channels, and on-demand programming.

The typical channel/program mix offered by pay-TV operators includes national FTA channels, local FTA channels, foreign channels, in-house channels and locally commissioned channels (produced by the private sector companies). The proportion of foreign channels ranges from 30% to over 40%, a sharp decrease from the 40% - 70% range before Decision 20 took effect.

3.4.3 FTA CHANNELS

There are 104 FTA channels in Vietnam. About 15 are national channels operated by VTV, VTC, VNATV and VOVT, while the rest are local and provincial. Pay-TV operators in each province have to carry at least one local FTA channel in addition to mandated national programming. The most profitable channels in Vietnam are FTA channels which have strong advertising revenues (VTV3, HTV7, VL1, VTV1)

3.4.4 TURN-AROUND CHANNELS

As of December 2014, there are 41 international turn-around channels carried by Vietnamese pay-TV operators. This number has dropped sharply from 70 before Decision 20. Some free foreign channels and some English-language pay-TV channels have neither Vietnamese dubbing or subtitles. Other English-language channels offer Vietnamese subtitles provided by channel owners while a few other foreign pay-TV channels (typically movie channels) have Vietnamese dubbing. Under the current pay-TV regulations, foreign channels have to be translated to some degree and/or reviewed by a state broadcasting agency (see more in the Pay-TV Regulatory Environment section).

3.4.5 COMMISSIONED PROGRAMS

Generally speaking, Vietnamese pay-TV operators do not have the resources to commission a full slate of programming and therefore they sell programming blocks on a channel, or entire channel schedules, to private-sector media companies. To do this, the pay-TV operator and the company (which can be wholly-owned by Vietnamese or a joint-venture between Vietnamese and foreign partners) enter into a joint-production contract whereby the operator is responsible for the appropriateness of the programming content. The private partner generates revenues by selling ads.

The number of privately produced channels has grown to about 30. Privately-produced programming blocks are also common. BHD, a Ho Chi Minh City-based content producer, is the biggest undertaker of this type of programming with popular internationally licensed TV formats such as Vietnam Idol carried on VTV3.

3.4.6 IN-HOUSE CHANNELS

In-house channels produced by major pay-TV operators have grown rapidly to about 60. Some try to identify themselves as specialized channels (focusing on soccer or sports in general, women, Vietnamese culture, kids, etc.) though most are, in fact, general entertainment services. Their program grid is sometimes unpredictable and includes a mix of news, movies, music, education and other programs. Channels produced by smaller

local broadcasters have also increased exponentially, and now total over 70. But they are able to produce only less than 40% of their content and have to obtain programming from other broadcasters and foreign channels, sometimes without authorization.

3.4.7 PROGRAMMING COSTS

There is no official data on programming costs but industry players say each minute of programming costs between US\$120 and US\$200 to produce, depending on the type and sophistication of the program. Most producers operate within the \$120 - \$150 range, which is considered very costly by Vietnamese standards. State-owned operators, for example, spend in the area of \$30 - \$70 per minute and operators in smaller provinces spend even less.

3.5 Pricing

Generally speaking, pay-TV remains an inexpensive mass market offering in Vietnam. Each household pays about 4 – 5 dollars a month for the basic package. Widely available cable service is the most competitively priced in urban areas and starts with lower start-up costs (zero for analogue cable; \$17 - \$40 for digital service). Higher priced satellite and digital terrestrial services are less popular in the cities. Set-top boxes can run between \$70 - \$150 each). These services are more widely used in areas not served by cable. Industry players say although there is no official regulation to control pay-TV pricing, it is very difficult to raise the fees as the market would not accept it. Consumers are used to low fees and there are many choices of competing service providers now.

3.6 Market potential

3.6.1 CONSUMER AFFLUENCE

Vietnam's economy was expanding steadily with annual GDP growth averaging around 8% for years, until the current slowdown that started in 2009. Annual per capita GDP data still documents the country's growth story vividly.

Figure 24

VIETNAM PER CAPITA GDP EVOLUTION



Source: General Statistics Office

Vietnam's new wealth has not been distributed evenly. In 2012, there were about 2.9 million households (13% of the total households) with annual income above \$9,000 (A level in the tables below) across the country. Most of them reside in the cities, especially Ho Chi Minh city (population 7.8 million) and Hanoi (7 million), where the middle class is also growing fast. 76% of the households in these cities have annual income above \$4,500 (B level in the tables below).

Rising wealth and its concentration in major urban centers has spurred consumerism. Many of the world's top luxury brands now boast showrooms and/or stores in HCMC and Hanoi.

Household Income Band (HIB) Classification System Overview. This classification system is based on gross monthly income.

Table 9: HIBs of Urban Hanoi and Urban HCMC

HIB	2012		
	Hanoi	HCMC	HCMC & Hanoi
	Urban	Urban	Urban
A2+	1%	3%	2%
A1	18%	16%	17%
A	20%	19%	19%
B	41%	36%	38%
C	33%	34%	34%
D	6%	10%	8%
E	0%	1%	1%

Table 10: Household Income Band Definition

HIB Definition	Unit: VND
A5	150,000,000 or higher
A4	75,000,000 - 149,999,999
A3	45,000,000 - 74,999,999
A2	30,000,000 - 44,999,999
A1	15,000,000 - 29,999,999
A	15,000,000 or higher
B	7,500,000 - 14,999,999
C	4,500,000 - 7,499,999
D	3,000,000 - 4,499,999
E	1,500,000 - 2,999,999
F	0 - 1,499,999

Table 11: Vietnam HIBs

HIB	2012		
	Vietnam		
	Urban	Rural	Total
A2	1%	0%	1%
A1	11%	3%	6%
A	12%	4%	6%
B	33%	15%	21%
C	40%	37%	38%
D	13%	30%	25%
E	2%	11%	8%
F	0%	2%	2%

Source: Nielsen database 2012

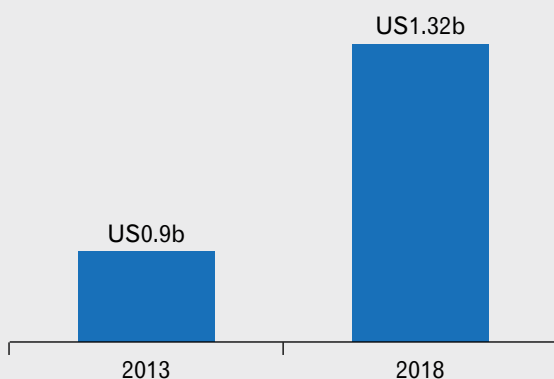
3.7 TV advertising

MARKET HIGHLIGHTS

- While Vietnam's economic outlook has stabilized, growth will remain below potential as the banking sector, state-owned enterprises (SOEs) and real estate all have issues. Real GDP is projected to grow at a 5.5% CAGR from 2013-18.
- Media Partners Asia forecasts total net advertising expenditure to grow from US\$900 mil. in 2013 to US\$1.3 bil. in 2018--an 8.0% CAGR.
- TV advertising revenues totalled US\$698 mil. in 2013. It is the dominant ad medium as it accounts for 78% of total advertising.
- TV is the only mass media--its daily reach is nearly 90%.
- TV advertising is expected to grow its share of total net advertising from 78% in 2013 to 80% in 2018 as free-to-air (FTA) spending maintains share and pay-TV grows share.
- Advertising with other media is forecast to grow at a 5.9% CAGR from US\$202 mil. in 2013 to US\$269 mil. in 2018.
- Advertising growth for all other media will be concentrated on online & mobile and out of home (OOH).

Figure 25

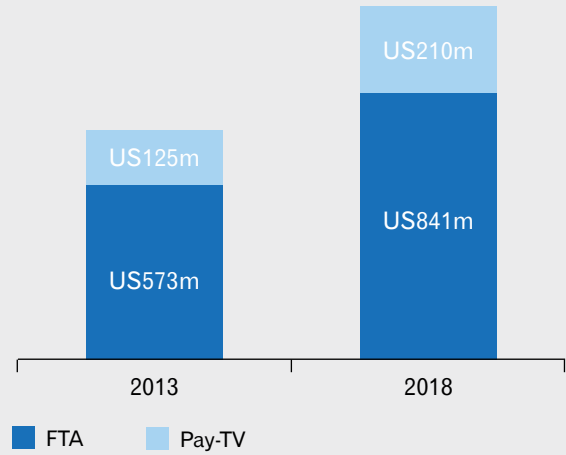
TOTAL ADVERTISING TRENDS IN VIETNAM, 2013 VERSUS 2018 (FORECAST)



Source: Media Partners Asia

Figure 26

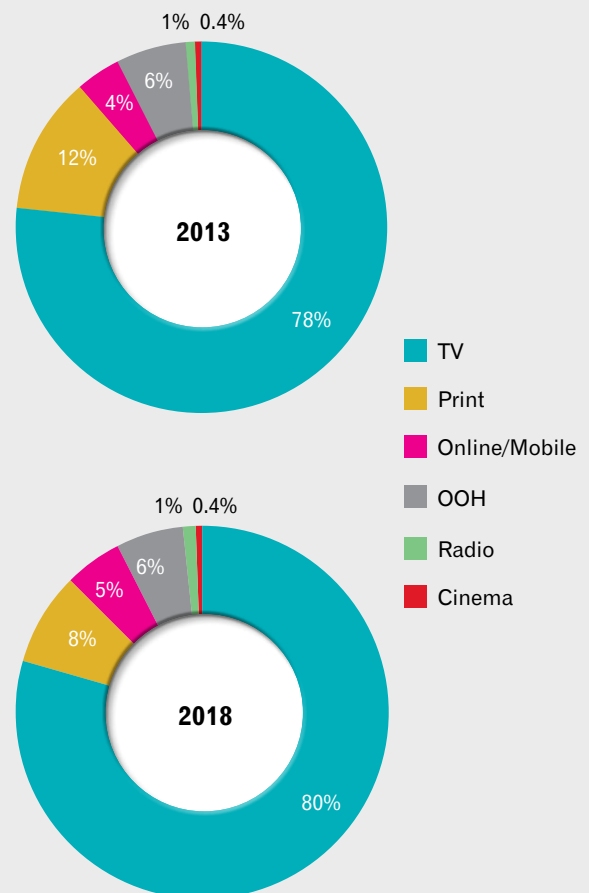
TV ADVERTISING TRENDS IN VIETNAM, 2013 VERSUS 2018 (f)



Source: Media Partners Asia

Figure 27

ADVERTISING MARKET SHARE BY MEDIA, 2013 VERSUS 2018 (f)



Source: Media Partners Asia

2013 MACRO OVERVIEW

Concerns over the banking sector subsided as weak banks were provided liquidity and mergers were facilitated. Inflation, which peaked at 18% in 2011, stabilized at a manageable 6% in 2013 and further declined to less than 4% in 2014. Real GDP grew 5.4% in 2013 and 5.6% in 2014 and the Vietnamese Dong (VND) retained its value in the foreign exchange markets. Political tensions with China have increased with China's more aggressive posturing in the South China Seas. This warrants scrutiny given the importance of Chinese trade to the Vietnamese economy.

In 2013, the government initiated numerous policies to spur economic growth, including: (1) Lowering key lending rates; (2) Delaying collection of corporate income taxes; and (3) Reducing income taxes for small and medium sized real estate enterprises. In addition, the government established the Vietnam Asset Management Company (VAMC) to acquire bad loans from the banking sector and aid with the restructuring and recapitalization of domestic banks.

While the government has affirmed its intention to restructure its SOEs, there have been limited results as key government ministries and organizations have yet to agree on priorities and a framework for managing these businesses.

The recapitalization of the banking system remains incomplete as the size of non-performing loans remains large but nebulous. An oversupply of real estate also weighs on the economy.

Due to these issues, 2013 GDP growth was 5.4% and below potential. Going forward, growth should gradually increase as the global economy improves and as domestic reforms are implemented. The IMF calls for annual GDP growth to gradually increase to 5.9% by 2018.

REGULATORY BACKGROUND

The Ordinance on Advertising, 2001, and the Advertising Decree, 2003, are the two main codifications covering advertising in Vietnam. The Ministry of Information and Communications (MIC) and the Ministry of Culture are the primary regulatory bodies, with the Ministries of Health, Agriculture, and Planning also playing important roles.

Advertisements detrimental to the state and the communist party are banned, as are those which discriminate based on country, ethnicity or religion. Violence and false claims are prohibited. Tobacco, spirits, and pharmaceutical advertisements are generally not allowed. All advertisements must be censored, typically with a news agency fulfilling this role.

TV advertisements are capped at 5% of total airtime. Advertising on newspaper and magazine covers is restricted. Transit advertising is restricted with limited advertising allowed on buses. The cap on the tax deduction of advertising expenses is 10% of total company expenses and a decree is circulating which would increase this to 15%.

TV RATINGS MEASUREMENT AND THE TV CHANNEL LANDSCAPE

Prior to 2013, Kantar Media measured ratings and audience shares in Ho Chi Minh City (HCMC) via people meters and in Hanoi via diary. In 2013, it commenced measurement of Hanoi and Can Tho viewership via people meters, and it also initiated diary measurement services in Danang, Hai Phong, Nha Trang and nationally. The transition from diary measurement to people meters enhanced the accuracy of the ratings service. The geographic expansion of the service has helped highlight regional differences in viewer preferences.

The improved ratings reveal a significant levelling of national channel ratings and share. Leaders still include Vietnam Television (VTV), Vinh Long TV (THVL) and Ho Chi Minh TV (HTV), but roughly half of the top 20 channels in the key urban areas are pay-TV channels, including domestic, foreign and out-sourced channels. Noteworthy pay channels include TVM's HTV 3, IMC's VTC 7 and Lasta Entertainment's VTC 9, all of which are out-sourced channels as well as Saigon Tourist Cable Television Company's (SCTV's) in-house drama channel, SCTV 9. Foreign channel operators are making inroads. Examples include Fox International Channels (FIC), Disney, and Turner. Foreign channels with dedicated Vietnam feeds allow for more profitable local ad insertions. Advertising spend is still concentrated on the top three broadcasting groups, but the improved ratings information should create additional advertising and subscription revenue opportunities for the other channels.

ADVERTISING MARKET

The 2013 net advertising market totalled US\$900 mil., 0.53% of GDP. For 2013-18, total advertising is projected to grow at a CAGR of 8.0% to US\$1.3 bil. TV will remain the dominant ad medium, increasing its share of total ad spend from 78% to 80%, as additional ad budgets are allocated to FTA and pay-TV channels.

Spending on other advertising media is forecast to grow from US\$202 mil. in 2013 to US\$269 mil. in 2018. Growth will be concentrated in online & mobile as multinational and local advertisers leverage the media's cost-effectiveness as it matures. OOH will also grow as the retail trade modernizes and in-store advertising becomes increasingly important.

KEY CATEGORIES & ADVERTISERS

Similar to most developing economies, key advertising categories are FMCG products, including hair care, detergent, toothpaste, beverages, milk powder, noodles and other personal care.

Underdeveloped advertising categories include retail, which is modernizing, and motorcycles, which is largely controlled by Honda. With the ongoing restructuring of SOEs and the decline in real estate values, telecommunications and property advertising have been hurt.

Unilever is the largest advertiser and P&G the second-largest. Combined, they account for approximately 20% of total advertising. Unilever's Comfort and OMO and P&G's Downy and Pantene are prominently advertised brands. Other major international advertisers include Nestle, Friesland, Coca-Cola, Fonterra, and Pepsi. Local FMCGs are also important, the largest of which are Vinamilk, Tan Hiep Phat Beverages and Masan Food. Over the next several years, the list of major advertisers is expected to be relatively stable. However, the restructuring of SOEs and the recapitalizing of banks could impact some domestic advertisers. While advertisers rely mainly on television, most major media campaigns also use other media.

Going forward, advertisers are expected to increase their focus on the rural market, where two-thirds of Vietnam's population lives. Major FTA operators will be the main beneficiaries of the growing rural target market as local and provincial operators are disadvantaged with content acquisitions.

Television. Television is the dominant media platform in Vietnam, with 78% of total advertising in 2013. TV advertising in 2013 reached US\$698 mil., up 11% from US\$631 mil. in 2012. The TV landscape consists of over 90 national, provincial and metropolitan FTA channels, ~100 domestic pay-TV channels, and 41 licensed foreign channels. FTA channels, often leveraging their national reach, accounted for US\$573 mil. in advertising. VTV channels, namely VTV 1 and VTV 3, accounted for nearly 30% of FTA TV revenues and rate particularly well in the north. THVL and HTV each account for 10-15% and rate better in the south. Generally, news and game shows perform better in the north while movies and dramas are preferred in the south. Localized formats are popular.

Pay-TV advertising totalled US\$125 mil., and its growth rate exceeds FTA's. Unilever, P&G and other FMCGs allocate increasing amounts to efficient and targeted pay channel advertising. Important pay channels in Vietnam include several in-house SCTV channels and out-sourced channels such as HTV 3. Foreign channels, particularly those with domestic sales offices and local feeds, are also growing ad revenues, led by brands owned and operated by FIC.

Other media. Advertising on other media, which includes print, online & mobile, OOH, radio and cinema, totalled US\$202 mil. in 2013. Print accounts for about half of this figure and it is the slowest growing media. Major dailies include *Cong An*, *Tuoi Tre*, and *An Ninh The Gioi*, and there are over 100 magazine titles. Print readership is concentrated in major urban centers. All major FMCG companies advertise online. Popular sites include Google, Facebook, YouTube, Coccoc, Zing and VNExpress. The online & mobile advertising ecosystem includes numerous small players leveraging the cost-effective, geographic targeted advertising which the medium allows. OOH is dominated by billboards, but also includes nascent in-store advertising. Radio and cinema advertising is nominal.

FUTURE OUTLOOK (2013-2018)

MPA forecasts indicate that total advertising will grow from US\$900 mil. in 2013 to US\$1.3 bil. in 2018, a CAGR of 8.0%.

As the only ad medium with national reach, TV will continue to be dominant, growing from US\$698 mil. in 2013 to US\$1.1 bil. in 2018. Its share of total advertising will increase from 78% in 2013 to 80% in 2018, with pay-TV marginally increasing share from 14% in 2013 to 16% in 2018. FTA TV price inflation is an issue that the leading channels will need to manage.

Advertising with other media is expected to grow from US\$202 mil. in 2013 to US\$269 in 2018, a 5.9% CAGR. Print media's share of total advertising will decline as print advertising migrates to online & mobile. OOH, particularly in-store, will also contribute to the growth of other media. Radio and cinema will remain sub-scale and uncompetitive versus other media.

Table 12: Vietnam Advertising – By Media (in USD)

Net Advertising Market (US\$ mil.)	2013	2014	2015	2016	2017	2018	% CAGR 2009-18	% CAGR 2013-18
TV	698	767	837	907	978	1,051	8.7%	8.5%
FTA	573	624	677	731	786	841	8.1%	8.0%
Pay-TV	125	143	160	176	193	210	11.3%	10.9%
Print	106	108	108	108	109	109	1.5%	0.4%
Newspapers	63	62	61	60	58	57	0.1%	-1.8%
Magazines	44	45	47	49	50	51	3.4%	3.4%
Online/Mobile	33	40	47	53	59	66	22.7%	15.0%
OOH	52	56	62	67	74	81	7.6%	9.3%
Radio	8	8	8	8	8	8	3.1%	1.3%
Cinema	3.5	3.8	4.1	4.4	4.8	5.2	9.0%	8.3%
Total Net Advertising	900	982	1,065	1,148	1,234	1,320	8.1%	8.0%

Source: Media Partners Asia

3.8 Technological issues

3.8.1 ENCRYPTION AND CONDITIONAL ACCESS SYSTEMS

Pay-TV Operators	Platform	Conditional Access System
VTVcab	Analogue cable	None
VTVcab	Digital cable	CONAX
K+	DTH	Viaccess, Nagravision
SCTV	Analogue cable	None
SCTV	Digital cable	CONAX: CATV DIGITAL
HTV-TMS	Analogue cable	None
HTVC-TMS	Digital cable	Viaccess, CRYPTOWORKS
VTC	Digital terrestrial	Irdeto
VTC	DTH (DVB-S2)	Irdeto
BTS/Hanoi	Analogue cable	None
AVG	Digital terrestrial	CONAX
AVG	DTH (DVB-S2)	CONAX
FPT/OneTV	IPTV	Verimatrix
VNPT/MyTV	IPTV	Verimatrix
Viettel	Analogue cable	None
Viettel/NextTV	IPTV	Verimatrix

(Data as available.)

3.8.2 SATELLITES AND SATELLITE BANDS

Since the successful launch of Vinasat-1 in 2008, all Vietnamese satellite users have begun switching to this satellite. There are now three commercial DTH

operators: VTC and K+ and AVG. Their services cover all of Vietnam and overspill on parts of Laos, Cambodia, Thailand and Myanmar. HTV's DTH service is still in the trial phase.

Operator	Satellite	Band	Transponders	Coverage	Receiver size
VTC	Vinasat-1,2	Ku	4	Wide	60cm, 75 cm
VSTV/K+	Vinasat-1	Ku	6	Wide	60 cm
AVG	Vinasat-2	Ku	2	Wide	75cm
HTV*	Vinasat-2	Ku	2	Wide	60 cm
VTV**	Vinasat-1	C	1	Wide	60 cm

*HTV is broadcasting about 20 channels free on a trial basis.

**For FTA channels VTV1, VTV2, VTV3, VTV4, VTV5, VTV6. These are also free via K+.

3.8.3 DIGITAL MIGRATION

The government has set a goal for all major urban centers to switch to digital television by 2015 and by 2020 all analogue broadcasting will be stopped. From January 1, 2013, all television sets produced and imported into Vietnam must have digital reception capability to support MPEG 4 and MPEG 2 audio visual encoding. Digital terrestrial broadcasting technology is DVB-T and later (DVB-T2). As mentioned in 3.2.4 above, while the government has not indicated any change in the 2020 analogue switch-off target, there have been some delays in rolling out digital broadcasting, especially free-to-air, due to limited resources, and it may be difficult to meet the target. This could change as the economy recovers in the next couple of years.

3.9 Future developments

As discussed in 3.3.3, Vietnam's pay TV market is growing more mature with the more professional players gaining market share and offering better services (SCTV, VTVcab and K+). Cable will continue to be the broadest-based service in the next several years but IPTV, DTH and DTT services are also expected to see higher growth in the near future as the economy recovers and regulations ease.

3.9.1 EXISTING PLAYERS

At present, SCTV, VTVcab, HTVC, K+ and VTC are established players in the industry although MIC has granted licenses to a total of 33 cable operators, 5 satellite operators, 3 digital terrestrial operators, and 4 IPTV operators.

3.9.1.1 VTVcab

As the country's second largest cable operator with 2 million subscriptions, VTVcab has transformed itself over the last two years and is now running neck to neck with SCTV with a full range of services including analogue and digital cable with HD contents and broadband internet. It has completed a restructuring process and is now an independent business wholly owned by national broadcaster VTV. (i.e. VTV no longer micro-manages VTVcab's day-to-day operations). This allows VTVcab management team to take bold reforms become much more innovative and efficient. It has dropped or postponed indefinitely plans to offer mobile TV, satellite and IPTV services and focused instead on what it does best: cable service and production.

3.9.1.2 K+

The VTV-Canal+ joint venture K+ stresses exclusivity and high-quality content as its marketing advantage. It continues to have exclusive rights over a package of the very popular English Premier League programming in Vietnam. The company plans to obtain more exclusive contents in the future. It is also the only DTH operator in

Vietnam to give consumers the ability to watch different channels simultaneously within the home, using a single dish antenna. K+ is now by far the largest DTH operator in the country and has seen steady growth over the past several years although it could have done better had more foreign channels been allowed to enter the Vietnamese market.

3.9.1.3 VTC

National broadcaster VTC has been delivering programming to its viewers via many platforms including digital terrestrial, DTH, IPTV, cable TV and mobile TV. However, as it went through a radical restructuring over the past two years (mentioned in 3.3.2), it is now split into two entities: VTC the digital broadcaster, which is a production house and VTC Digital, which, among other things, is a pay-TV operator. As a result, all other services have been discontinued and the company now only keeps the DTH (pay TV) and DTT services (free - to - air). If VTC was of the biggest players in the market just a few years ago, VTC Digital is now just a minor pay TV operator in terms of subscriptions.

3.9.1.4 HTVC/HTV-TMS

HTV-TMS (formerly HTVC) used to split the market with rival SCTV in HCMC and surrounding provinces a couple of years ago but has now been left behind in the cable race. HTV-TMS is still the second biggest cable operator in HCMC, offering analogue cable and digital cable services, including HD contents. It is an offshoot of HTV, a local HCMC broadcaster and second largest player in the country in terms of revenue (the biggest player being national broadcaster VTV). HTV-TMS will represent HTV in a joint-venture with Vinh Long TV to provide DTT service to 22 provinces in the south, including HCMC, as part of the implementation of the national roadmap for digital broadcasting.

3.9.1.5 SCTV

The Saigontourist- VTV joint-venture SCTV is now the country's largest cable TV operator with key markets in HCMC, Hanoi and surrounding areas. SCTV has an ambitious expansion plan. It has been buying a controlling stake in many smaller local cable companies over the past several years, growing its total market share significantly. Its subscriptions are expected to continue to grow. It is now offering analogue cable,

digital cable, IPTV with interactive features, VOD and broadband internet services separately or in a bundle.

3.9.1.6 BTS/Hanoi

Subscriptions have not been growing well due to competition from VTVcab, K+, VTC and MyTV. BTS is struggling and has had to partner with other players, notably SCTV.

3.9.1.7 FPT/OneTV

In August 2013, FPT got its official license to provide digital wired TV (defined by MIC as including IPTV and digital cable TV) across the country and analogue cable TV to 56 provinces except major urban centers such as Hanoi, HCMC, Can Tho, Da Nang and Hai Phong. However, as discussed in 3.2.5, FPT's IPTV service, now branded as OneTV, has not seen much growth in subscriptions as the company has been trying to figure out a viable business model.

3.9.1.8 VNPT/MyTV

VNPT's IPTV service MyTV is now by far the biggest IPTV operator and one of the top four Vietnamese pay TV operators in terms of subscriptions (SCTV, VTVcab, MyTV and K+). The company has made significant investments in the technical infrastructure as well as acquisition of programming contents. However, its subscription growth has slowed down recently as entry cost is still relatively high compared to alternative platforms for low-income households.

3.9.2 NEW ENTRANTS

3.9.2.1 AVG

AVG is known as the first and only private pay TV operator in Vietnam, which is true on a de facto basis. But as Vietnam's rules do not allow for a private company to be a "press agency", the definition of which includes pay TV operator, in reality, AVG has to operate with a license for a joint-venture between AVG and Binh Duong TV, a local broadcaster in the southern province of Binh Duong. AVG officially launched its DTH and DTT services in November 2011 in Hanoi, Ho Chi Minh city and a few other urban centers. Its DTT service has now reached much of the country. However, subscriptions have not been growing well for the company due to competition and lack of expertise.

3.9.2.2 Viettel TV

After several delays over the past two years, Viettel TV, a business of national Telco Viettel, is finally rolling out its IPTV and cable TV services on a large scale in the latter half of 2014. It is bundling this with its new fibre-to-the-home internet broadband package. Subscriptions have been growing well for the past several months and this trend is expected to continue in the coming months.

3.9.2.3 VTV Plus

VTV Plus is a joint-venture between VTCab and Medianet Corporation, a local private company. Started in 2013 and still in trial mode, VTV Plus is an OTT service provided via apps on various platforms such as smart TV, iOS devices, PC (Mac & Windows), Android (mobile devices and TV dongles), media players, etc. VTV Plus offers “must-carry” channels for free and all other contents, including foreign channels, on an a-la-carte basis via in-app purchases. The company claims millions of downloads of its apps but it is unclear how many users are actually paying to watch the contents. But the service is becoming more and more popular, especially where broadband internet speed improves.

3.10 Growth constraints

The challenges that prevented Vietnam’s pay-TV industry from developing even faster in the past 18 months may continue in the next few years.

3.10.1 PROGRAMMING QUALITY

From a producer’s perspective, the growth in the number of locally-produced channels is not matched by local production capacity. As operators compete and increase the number of channels they offer, the quality of the programming, especially on channels produced by Vietnamese producers, is uneven at best among the channels. There are a host of reasons for this: high programming cost, reliance on advertising revenue and a limited talent pool.

While the TV industry in Vietnam is decades old, pay-TV is very new, so professional production companies are few. Production costs are considered very high from the investor’s perspective (while producers say they are low). Most production companies cannot afford

a long period of planned losses for a new program or channel. Consequently, they rely chiefly on advertising revenue to finance production. As a result, viewers have been increasingly complaining about too much advertising. Creative and skilled people in the production industry are also in short supply, and recruiting and maintaining capable teams is undermined by poaching by new entrants offering better pay. (This is not a new problem for Vietnam: high talent churn is typical in other fast-changing sectors such as media, information technology, and financial and banking services).

3.10.2 SIGNAL QUALITY

Another challenge to growth is the signal quality. As cable subscriptions increase rapidly, customers in HCMC have been complaining increasingly about deteriorating signal quality (on both SCTV and HTV-TMS services). The service distribution structure (which relies on a complicated web of small individual agents/service providers) does not allow cable operators to address these issues properly. For example, providers don’t have the means to monitor how many TV sets are hooked up to a single connection: While each household typically subscribes to one set, all sets in the household end up sharing the connection.

3.10.3 CUSTOMER SERVICE

Complaints about service quality (programming and signal) have been increasing sharply but few operators have been able to address them adequately. This is blamed partly on limited resources (limited investment in infrastructure and programming) and partly on the lack of professionalism.

3.10.4 PRICING

Pay-TV operators also find it hard to increase fees (subscription, entry fees, and others) not because they are prohibited from doing so but because of intense competition (among operators and platforms) and the fact that most Vietnamese have been used to free and cheap TV services for years. While analogue cable is becoming increasingly affordable, other platforms still have entry costs that are prohibitively expensive for many households.

3.10.5 SIGNAL PIRACY BY USERS

Signal piracy is a huge problem for operators across most major platforms. Analogue cable is hit most as there is no effective control over how many TV sets can hook up to one connection. Operators seem to have accepted this reality and haven't taken any significant measures to stop or reduce the theft. VTC's DTT operation was also hit by grey-market STBs, which were readily available for about half the price of the authentic version. The company eventually stopped its basic DTT service (DVT-T1), thereby rendering millions of DTT boxes useless. Although less popular, illegal versions of the decoders of DTH operators are also available on the market.

3.10.6 ONLINE PIRACY

Online piracy has become a huge problem over the past two years as broadband internet has become more prevalent and affordable and bandwidth vastly increased. OTT services are mushrooming which offer all contents, domestic and foreign, for free. These services do not bother about copyrights and collect revenue from selling ads on their websites or apps downloaded onto users' devices. Some businesses are selling "black box" streaming media players that can hook up to OTT services with uncopyrighted contents. Some of these services are hosted offshore and others onshore in Vietnam but none of them have been interdicted so far. Legitimate content owners such as VTV have been calling for tough actions on these illegal services but response from regulators has been slow. This trend to greater piracy online is expected to continue to grow in the coming months.

3.11 Piracy and unauthorized distribution

Unauthorized redistribution is a problem in HCMC and surrounding areas and a few other cities. For cable service, this can be outright theft in which an unauthorized dealer steals the signal and sells the TV services to "subscribers" who may or may not know they are using an illegitimate service; or it might mean a more popular practice of rule-breaking whereby authorized dealers hugely under-report subscriptions they sell to operators. Some estimates suggest under-reporting runs as high as 30% in HCMC.

As noted above, illegal versions of DTH receivers are also available in HCMC, Hanoi and some smaller cities. The National Survey on the Penetration of Telephone, Internet and Audio Visual Home Appliances conducted in June 2010 found 3,272,416 households "with a parabolic antenna" while DTH operators only report a total of 500,000 subscriptions. This indicates that over 2 million DTH receivers were likely smuggled into Vietnam, mostly from China, and sold (chiefly to the rural population) for half the price of legitimate models.

Unauthorized redistribution in many cases is also carried out by small local broadcasters who broadcast entire programs or channels (foreign and domestic) without permission from copyright owners. At the national level, there have been instances where a national operator was broadcasting entire bouquets of unlicensed foreign channels until authorities ordered it to stop. Incidents of unauthorized redistribution still surface from time to time.

Many Vietnamese TV operators and producers are both villains and victims of piracy. Officially, piracy victims (foreign and domestic) can take up the issue with competent authorities at the Ministry of Information and Communications and the Ministry of Culture, Sports and Tourism. But so far no major actions seeking punitive fines or charges have been taken. The victim can also file suit in court but this has yet to happen either.

Following is the list of enforcement agencies empowered to handle a copyright complaint.

1. Chief Inspector Vu Xuan Thanh, Ministry of Culture, Sports and Tourism, 51 Ngo Quyen St., Hanoi, Vietnam; Tel: +84 (4) 38263558; Fax: +844 39446223; Tel: 0913396211; thanhtra@bvhttdl.gov.vn
2. Mr. Vu Ngoc Hoan, Deputy Director General, Copyright Office of Vietnam, 151 Hoang Hoa Tham St., Hanoi, Vietnam, Tel: +84438236908; Fax: +84438432630 Email: hoanvn@cov.gov.vn
3. Mr. Hoang Vinh Bao, Director General, Authority of Broadcasting and Electronic Information, 17 Tran Quoc Toan St., Hanoi, Vietnam; Tel: +84 (4) 39448033, Fax: +84 (4) 39448036, Email: hvbao@mic.gov.vn
4. Deputy Chief Inspector Do Thi Tinh, Ministry of Information and Communications, 18 Nguyen Du - Hanoi (Building B, 3 floor), Hanoi, Vietnam; Tel: +84 4.35563853, Fax: +84 (4) 35563855; Email: dtinh@mic.gov.vn

4 Investment environment



Analysis by Media Partners Asia

4.1 Historical Investment Environment

Media is a sensitive and tightly controlled sector in Vietnam. Per Vietnamese law, all Vietnamese pay-TV platforms, television broadcasting operations, as well as FTA and pay-TV channels are government-owned unless a specific exemption is granted by the Prime Minister's Office. The only exception granted thus far is to the AVG pay-TV operator, which transmits channels both on DTT and DTH platforms. AVG is owned by the An Vien Group, a privately-held conglomerate active in real estate. Another notable investment exception was the creation of the foreign-invested joint-venture VSTV, which is 51%-owned by VTV and 49%-owned by Canal Plus. This joint venture was facilitated by government-to-government contacts, with Canal Plus being supported by the French government. The VTV-Canal Plus agreement was signed in 2007 and VSTV launched in 2009. As part of this agreement, VSTV is allowed to operate its own channels, and Canal Plus has a major role in managerial operations; however, VTV has editorial control over all content aired.

Traditionally, Vietnamese FTA and pay-TV platforms were not incorporated bodies. Instead, they were governmental entities that reported to government ministries, committees and other bodies. For example, VTV is a ministry-level government body which reports to the Prime Minister's Office, and Ho Chi Minh City Television (HTV) is an administrative unit reporting to

the Ho Chi Minh City People's Committee. Given these reporting structures, government officials managed these units and profits were contributed to the state budget.

Beginning in 2005, several pay-TV platforms began launching in-house channels to meet Vietnamese viewers' expanding demand for content. By 2007-09, these platforms had launched ~100 domestic pay channels. Per Vietnamese law, the government owned these new channels. Many of these domestic pay channels were financial failures. To minimize the costs associated with operating these unsuccessful pay channels, cable platforms outsourced the rights to operate these channels under long-term leases to private companies, which would program these channels and collect advertising revenues. (These channels are known in local terminology as "socialized" channels; we will refer to them as "outsourced" channels.) Lease terms were usually for 10-15 years. The commercial terms of these outsourced channel leases varied but included fixed annual and revenue share payments to the sponsoring pay-TV platform. By 2013, there were approximately 70 of these outsourced channels in Vietnam and nearly all investors were Vietnamese individuals and companies.

4.2 Current & Future Developments – Incorporation of Media Bodies

While current regulations lack specific mandates for digitalization of pay-TV platforms, digital switchover has begun and platform operators are aware that capital will be required to fund this transition. To facilitate the raising of capital, major pay-TV platform operators

became incorporated entities in 2013. Most platforms have only one shareholder and are incorporated as single-shareholder limited liability companies. The Prime Minister has also mandated that all state-owned enterprises (SOEs) privatize up to 49% of their equity by 2016. Accordingly, these single-shareholder companies will convert to joint stock companies, thus removing the cap on total shareholders and allowing (minority) foreign investment. The conversion to joint stock companies could come as early as late 2014 or in 2015. The actual percentage of shareholding to be equitized is still being evaluated. Given the sensitivity of the media sector, less than 49% of the companies' equity may ultimately be divested and some limitations on foreign investment may be adopted. Additional sub-licenses may be required as the provisions pertaining to the media sector are still being finalized.

4.3 Current & Future Developments – Status of Digitalization

At present, FTA channels are being transitioned to digital terrestrial television (DTT) transmission in Ho Chi Minh City (HCMC), Hanoi, Danang, Can Tho and Haiphong. As noted in 3.7.3, national digital conversion is scheduled to be complete in 2020, but some delays are already slowing the process. Nevertheless, the FTA DTT transition is indirectly promoting digital pay-TV conversion as digital set top boxes are installed. Cable platforms are also phasing out analogue networks by mandating that new subscribers adopt digital packages, provided the digital infrastructure exists. Competitive forces are also a factor as cable needs to compete with high-quality digital satellite signals; VSTV's DTH service is well regarded and now has almost 800,000 subscribers.

4.4 Investment Opportunities

Investment opportunities should arise with all three leading cable operators – VTV Cable (VTVcab), Saigontourist Cable Television Company (SCTV) and Ho Chi Minh Television Technology & Media Services (HTV-TMS, formerly Choice Center). VTV Cable is the second largest and fastest-growing cable operator with 2 mil. subscribers as of year-end 2014. Consolidation of provincial cable operators has been the key to its

growth. VTV, the ministry level national broadcaster, is highly influential and owns 100% of VTV Cable. SCTV, with 2.1 mil. subscribers, is the leading cable operator in southern Vietnam. The SCTV business is particularly valuable given the higher spending power of its southern subscriber base. Its sponsorship is strong because it is a joint venture between VTV and Saigontourist Holding Company. HTV-TMS has 600,000 subscribers. While smaller than VTV Cable and SCTV, its subscribers are concentrated in HCMC, Vietnam's most prosperous commercial center.

All three of these operators will need additional capital and equitization of these businesses will likely be their main source of funding. Some of these funds will be used to acquire the remaining 15-20 independent provincial cable operators. MPA expects that VTV Cable and SCTV will become full-fledged MSOs and acquire the majority of the remaining system operators (SOs) and HTV-TMS will also expand its footprint. VTV and the Ministry of Information and Communications (MIC) are actively encouraging the consolidation. The political push for consolidation is also a competitive response to Viettel, Vietnam's largest mobile telecommunications operator. Viettel now has a national cable license and it is looking to expand its operations. While targeting the rural market, many believe that urban markets will be a focus too. Viettel's sponsorship is strong, with the Ministry of Defense owning 100% of the company.

Digital conversion from analogue to digital will also require significant funding. Assuming a robust infrastructure with broadband capabilities, MPA estimates that the cost of digitalizing Vietnam's 4.5 mil. analogue cable subscribers at US\$350-400 mil. While this digital upgrade will be phased in over several years, it represents a significant capital outlay for the three major cable operators.

4.5 Content Monetization Opportunities

Most foreign channel operators broadcast regional feeds into Vietnam. According to the Decision 20 pay TV regulations, these foreign channels require landing licenses and editorial permits, which entails in most cases localization of content. Payout and domestic broadcast are managed by VTV and Vietnam News

Service. Over 40 foreign channels are broadcast under this regime, and another 20-30 are currently seeking regulatory approval from the MIC. Analogue channel slots are limited, so a key criterion for approval is that new channels must enhance the Vietnamese television channel lineup.

Given that the market is largely analogue-based, many foreign channel operators have opted for relatively straightforward minimum guarantee arrangements with domestic content aggregators. MPA believes that foreign channel operators should increase their focus on domestic ad sales, as the incremental revenue potential can equal existing subscription revenues. Localized feeds also allow channel operators to explore locally produced sponsorship programming. Smaller channel operators can work with domestic media agents to exploit these opportunities.

In the medium term, digitalization will allow addressability, and foreign channel operators will offer more sophisticated and higher margin bundles. The transition to digital tiers will need to be managed, as premature or delayed transitioning of channels to digital platforms will impact viewership and monetization.

A second and relatively unexploited opportunity for foreign channel operators is monetizing content on outsourced channels. Originally, cable operators created these channels as standard pay channels. Most were unprofitable and cable operators sought to stem their losses. As all domestic channels are legally state-owned, the actual channels could not be sold and were leased instead, usually for 10-15 year terms. While lease terms vary widely, the cable operators are usually responsible for channel distribution and are compensated with either a revenue share or a fixed annual payment.

Unlike foreign pay channels, outsourced channel revenues are almost exclusively advertising-driven. These channels are usually licensed for particular genres and with specific target demographics. The channels' licensed genre and target demographic are loosely regulated, but may be more strictly enforced in the future. All outsourced channels are operated by Vietnamese corporate entities. While the outsourced channel licenses are not transferable, investment

(including foreign direct investment) in the Vietnamese holding company is allowed. Foreign ownership levels vary depending on the channel, but acquiring a controlling stake in an outsourced channel holding company is possible. While several of these channels are successful, including VTC 7's Today's TV and VTC 9's Let's Viet, many are loss-making and potentially looking for capital and expertise. Furthermore, accessing the Vietnamese audience via outsourced channels allows foreign channel operators to avoid the bottleneck of applications associated with Decision 20.

IPTV and VOD present additional opportunities. While most major studios are actively licensing content to leading Vietnamese FTA and pay channels, the expansion of IPTV platforms such as VNPT's MyTV, which has 900,000 subscribers, and other IPTV and VOD services such as Viettel's NextTV and FPT's OneTV also create opportunities. While these services have limitations, technological improvements will enhance the viewing experience and increase revenue opportunities for owners of international content in the future.



5 Pay-TV regulatory environment

Pay-TV is governed by two sets of laws and regulations in Vietnam: the Press Law, which governs the programming side, and the Telecom Law, which governs the technical and commercial aspects. While the telecom regulations are fairly progressive and growth-oriented, the press rules are much more restrictive and vague. The government maintains full control of all press contents, including TV programming. Businesses involved in the TV industry have to go through a lengthy bureaucratic process to obtain permission and approval from various agencies. These authorities sometimes have different interpretation of the regulations which adds further uncertainty to the process. Most Vietnamese businesses have learnt to adapt to this unpredictable regulatory environment, but it presents significant obstacles for foreign players.

The pay-TV regulations issued in March 2011 (Decision 20) tried to establish a clear and enabling framework for the development of the industry. However, it is a huge challenge to reconcile the government's control objectives with the industry's multiplatform growth. As a result, the regulations contain many provisions, especially on the programming side, that potentially hinder the development of Vietnam's pay-TV industry. After three years in enforcement, the shortcomings of Decision 20 have caused serious impacts on the pay-TV industry although some businesses (VINASAT, K+, HTV-TMS) were hit harder than others (SCTV, VTVcab). The government is now planning to issue a decree on broadcasting services, which will replace and hopefully improve the existing pay-TV regulations.

5.1 Key players

The TV regulatory environment in Vietnam is fluid at best, with dynamic interactions among various players in both the formal and informal power structures. The broadcast industry is regulated in two major aspects: content and business, in that order of priority. The CPV Central Commission for Education and Popularization, or CCEP, (Ban Tuyen Giao Trung Uong, formerly Central Commission for Culture and Ideology) develops, among other things, the strategy for cultural and educational development of Vietnam. Like other grand policy strategies, this is adopted by the CPV and implemented by the government through more specific policies.

While the CPV is taking an increasingly hands-off approach to other policy areas, particularly economic matters (leaving these to the prime minister and his cabinet), it still maintains a close hands-on approach to media matters, including the broadcasting business. The CCEP pretty much deals with the day-to-day business of the media industry and thus is its ultimate regulator. It meets regularly with MIC, MPS, MCST, VTV,VOV, VNA, and VTC, on the state of the media in the country.

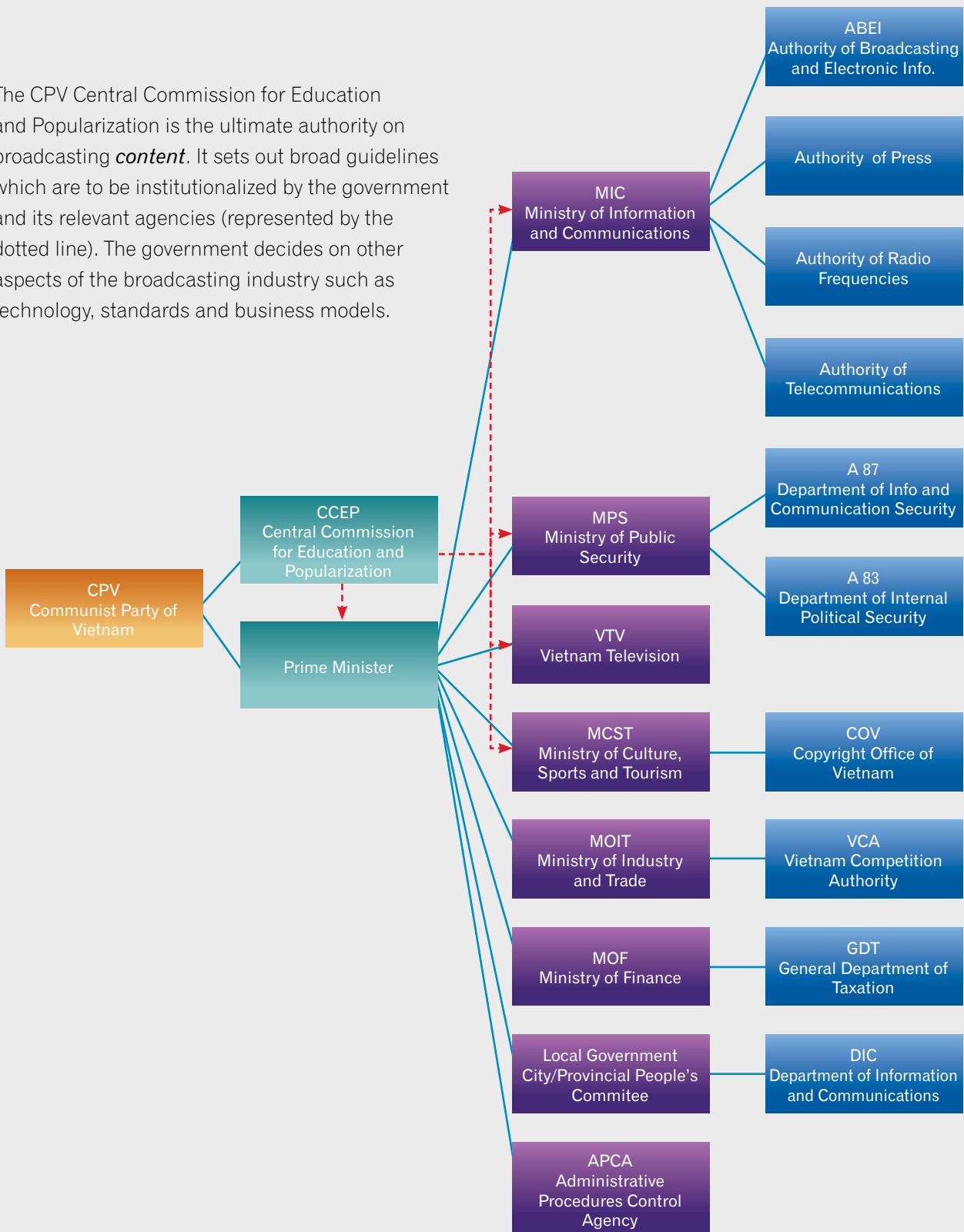
MIC is the primary government agency that regulates the television industry according to provisions set out in the Press Law (which governs content) and the Telecommunications Law (which governs the business aspect of the industry). The Authority of Broadcasting and Electronic Information (ABEI) within MIC is the primary day-to-day regulator. MIC has viewed the broadcasting business as falling solely within its purview, so horizontal consultation with other

agencies is quite limited. (The fact that it receives direct instructions from CCEP helps perpetuate this thinking).

But this is likely to change as the business side of the industry grows in significance, a topic discussed below.

TV REGULATORY ORGANIZATION CHART

The CPV Central Commission for Education and Popularization is the ultimate authority on broadcasting *content*. It sets out broad guidelines which are to be institutionalized by the government and its relevant agencies (represented by the dotted line). The government decides on other aspects of the broadcasting industry such as technology, standards and business models.



VTV used to be the sole executive authority over the sector, receiving direct guidelines from CCEP's predecessor, the Central Commission for Culture and Ideology. Over the years, that authority has shifted, especially since MIC was reorganized and assumed much of VTV's regulatory power. Relieved of its policymaking burden, VTV was left to focus more on programming and making money, two things it seems to be getting better at. With its monopoly status gone and so many new players emerging regionally and nationally, VTV has welcomed the chance to develop as a competitive broadcaster in Vietnam's increasingly open environment.

MPS is charged with ensuring national security, which includes making sure official cultural and ideological policies are safeguarded. The ministry's Department of Information and Communication Security (A87) and Department of Internal Political Security (A83) and their provincial counterpart units (PA83) do their job with both pre-emptive and punitive measures. They can exert veto power over issues deemed harmful to national security.

MCST is in charge of copyrights, cultural products, the movie industry, and advertising policy, among other things. Since it is not directly related to the broadcasting industry from a regulatory standpoint, it rarely "flexes its muscles" and when it does, the effect is limited.

Recently, the Departments of Information and Communications (DIC) of Ho Chi Minh city and a few other provinces have grown increasingly assertive of their power over local broadcasters. While DICs do not have the authority to grant or revoke licenses, they can easily find fault with operators and affect business. The HCMC DIC convinced MIC to order VTC to cease broadcasting analogue FTA channels in the city in 2009 after years of running so-called "trial" operations. DICs in other provinces have also fined pay-TV service providers thousands of dollars for selling services without proper business licenses.

The private sector has played a significant role in the spectacular development of Vietnam's TV industry, especially in the last several years. Seeing that the industry offered attractive business opportunities, private investors, many with long experience in the government

and broadcasting industry themselves, were among the major drivers of new policies that allow greater private-sector participation in the TV business. While some in the CPV and the government more widely are concerned about the potential weakening of state control over the media as a result of more private-sector involvement, proponents of liberalization find a lot of support among policy makers for what they call a policy of "socialization of the TV industry"; this reasons that since government's resources are limited, the private sector is needed.

Growth of broadcasting's business side has brought with it more involvement by other government agencies such as the Ministry of Finance (MOF, on tax and pricing issues, for example), the Ministry of Industry and Trade (MOIT), and the Ministry of Planning and Investment (MPI). Like it or not, MIC is likely to have to increase horizontal consultation with these agencies and industry groups on any major policy initiative that affects Vietnam's broadcasting business.

5.2 Reforms in the state regulatory apparatus

In 2007 the Ministry of Information and Communications was formed with the merger of the former Ministry of Post and Telecommunications (MPT) and the Directorate of Press and the Directorate of Publishing of the former Ministry of Culture and Information (MCI). With this, the government hoped to concentrate authority over the media business, including broadcasting, in MIC, to have more effective control and streamline the regulatory process to spur development. Within MIC, the Authority of Broadcasting and Electronic Information (ABEI) was formed in 2008 and charged with, as its name suggests, overseeing radio, television and internet information platforms. ABEI is staffed with people from different departments of MPT and MPI. Those in charge of drafting new regulations for the TV industry came to ABEI with significant influence from their days in the Press Department of the old MCI.

ABEI is still in the process of coming to terms with its new mandate and power but what is clear is that this authority will grow over time as the agency gains more expertise and thus respect from the industry and other agencies. ABEI is still evolving.

VTV's regulatory role is much reduced now, but the national television agency played a significant role in liberalizing the industry as an early supporter of private-sector involvement. It did this not by passing new regulations, but by allowing private investors to partner with its various units in producing new programs and channels, exploiting a regulatory vacuum in this area. This would have been much more difficult, if not impossible, for other broadcasters to do. Simply put, VTV's status as the sole national broadcaster provided a safe umbrella. VTV did well, both in terms of improved programming quality and revenue earned from its partnerships. And thus private-sector participation has become an open reality - and indispensable to Vietnam's TV industry.

At the Ministry of Culture, Sports and Tourism (MCST), the mandates of specific offices such as the Copyright Office of Vietnam (COV) remain basically the same as under the pre-2007 regulatory structure; the good news is their capacity to carry out their work is constantly improving, which in most cases is a positive sign for the TV industry. These offices will increasingly assert their authority over their jurisdictions. When it wants to, MCST can exert considerable power and drive policy initiatives its way. For example, the ministry successfully got the government to waive visa requirements and/or make them less burdensome for incoming tourists over the early objections of the Ministry of Public Security and Ministry of Foreign Affairs.

APPENDIX

Major TV Operators

1. VTV (VIETNAM TELEVISION)

Platform : analogue free to air
Coverage : national
Address : 43 Nguyen Chi Thanh Street, Ba Dinh, Hanoi
Tel : +84 (4) 3771 6172
Fax : +84 (4) 3835 5332
Website : www.vtv.org.vn/en/
Contact : Mr. Tran Binh Minh, General Director
Mr. Ho Kien, General Director of
International Cooperation Department
E-mail : hokien@vtv.gov.vn

Founded in 1970, VTV is still Vietnam's sole national terrestrial TV broadcaster as of this writing. It is under direct management by the Prime Minister along with other state media organizations such as Vietnam News Agency (VNA) and Radio Voice of Vietnam (VOV). VTV's General Director has a ministerial status though not a cabinet member.

2. VTCAB (VIETNAM CABLE TELEVISION)

Platform : Cable
Coverage : national
Address : 844 La Thanh Street, Ba Dinh, Hanoi
Contact : Mr. Bui Huy Nam, Deputy General Director
Email : huynam@vtcab.vn
Mobile : +84 (4) 6295 7233
Website : www.vtcab.vn

On July 10, 2012, VCTV was officially incorporated as an independent company. VTV owns a 100% stake. It is now renamed VTCab. The company is the country's second largest cable operator.

3. VSTV/K+

Platform : satellite DTH
Coverage : national
Address : 15/F, Tower A, Handi RESCO Tower 521 Kim
Ma, Ba Dinh, Ha Noi, Vietnam
Contact : Le Chi Cong, General Director
Tel : (+84-4) 6272 6600;
Fax : (+84-4) 3771 4781

Email:
Mobile : +84 987 797 772

VSTV is the joint-venture between VTV and Canal+ announced in May 2009 with a 49% foreign stake.

4. VINASAT

Platform : satellite DTH
Coverage : national
Address : 12/F HH3 Building, My Dinh Urban Areas,
Me Tri Commune, Tu Liem District, Hanoi,
Vietnam
Contact : Le Thanh Nam, Director
Tel : 84 4 3787 5521
Fax : 84 4 3787 5520
E-mail : lethanhnam@vti.com.vn
Web Site : www.vinasat.com.vn

VINASAT is a company under MIC and now operates two wholly-owned satellites Vinasat-1 and Vinasat-2. While Vinasat-1 is now at capacity, there is still substantial available capacity on the second satellite as local satellite pay-TV operators recalculate their growth strategies.

5. VTC DIGITAL BROADCASTER

Platform : Digital terrestrial (DVB-T2)
Coverage : national
Address : Level 9, 23 Lac Trung street, Hai Ba Trung
District, Hanoi
Contact : Mr. Nguyen Thanh Lam, Director
E-mail : lamnt@mic.gov.vn
Mobile : +84 903424243

VTC Digital Broadcaster was split from VTC in 2013 to focus on production and digital terrestrial service. It is wholly owned by MIC and still in a restructuring process.

6. VTC DIGITAL (VTC DIGITAL TELEVISION SERVICE COMPANY)

Platform : Satellite DTH
Coverage : national
Address : 65 Lac Trung street, Hai Ba Trung District,
Hanoi
Contact : Mr. Phan Minh The, Director
Tel : +84 (4) 44501185
Fax : +84 (4) 39876583
Website : truyenhinhso.vn/

VTC Digital is a subsidiary of Vietnam Multimedia Corporation (VTC) which is wholly owned by MIC. It offers a full range of satellite pay-TV service. The company also carries over 60 free-to-air channels (most of which are local/provincial channels) on its satellite service and charges carriage fee. VTC Digital was the first and only satellite TV operator to turn a profit in 2013 with roughly \$2.5 million.

7. HANOI RADIO AND TELEVISION

Platform : analogue free to air
Coverage : Hanoi
Address : 3-5 Huynh Thuc Khang street, Hanoi
Contact : Mr. Tran Gia Thai, CEO, Editor-in-chief
Tel : +84 (4) 37730092
Fax : +84 (4) 38350280
Website : www.hanoitv.vn/

Hanoi Radio and Television is a local broadcaster under the management of the People's Committee of Hanoi. Its subsidiary, BROTESCO (BTS) delivers pay-TV service (see below).

8. BTS (BROTESCO)

Platform : cable
Coverage : Hanoi
Address : 30 Trung Liet Street, Dong Da, Hanoi
Contact : Mr. Le Dinh Cuong, Director
Tel : +84 (4) 35375548-49
Fax : +84 (4) 38572782
Email : dichvu@hctv.com.vn
Website : www.hctv.com.vn

BROTESCO is an affiliation of Hanoi Radio and Television. The company offers a range of services including cable TV, internet and TV commercial production. It also operates a cable network in Hanoi.

9. HTV (HCMC TELEVISION)

Platform : analogue free to air
Coverage : HCMC and surrounding provinces
Address : 14 Dinh Tien Hoang street, District 1, HCMC
Contact : Mr. Nguyen Quy Hoa, Editor-in-Chief
Tel : +84 (8) 38291667
Fax : +84 (8) 38298457
Website : www.htv.com.vn/

HTV is a local broadcaster under the management of the People's Committee of HCM city. Its subsidiary, HTV-TMS (see below) provides cable and (planned) satellite TV services to HCMC and surrounding provinces.

10. HTV-TMS (HTV TECHNOLOGY MEDIA SERVICES COMPANY, LTD.)

Platform : cable (analogue and digital, SD and HD formats), planned satellite, digital terrestrial, IPTV, VOD service
Coverage : HCMC and surrounding provinces
Address : 19 Vo Van Tan Street, Ward 6, District 3, Ho Chi Minh City, Vietnam
Contact : Mr. Nguyen Duc Hoa, Chairman and Board Member
Tel : +84 (8) 39101212
Fax : +84 (8) 39106161
E-mail : duchoahv@yahoo.com
Website : tms.com.vn

HTV-TMS is the second largest cable operator in HCMC.

11. SCTV (SAIGONTOURIST CABLE TV COMPANY)

Platform : cable (analogue and digital, SD and HD formats)
Coverage : HCMC and surrounding provinces
Address : 31-33 Dinh Cong Trang Street, Dist. 1, HCMC
Email : info@sctv.com.vn
Web Site : www.sctv.com.vn
Contact :
1. Mr. Tran Van Uy, Director
Tel: +84 (8) 3820-5605
Fax: +84 (8) 3820-5705
Mobile: +84 903839154
2. Le Thi Minh Thuy, Advertising & Licensing Manager
Tel: +84 (8) 3936 2005
E-mail: thuy.ltm@sctv.com.vn

SCTV is a joint-venture between VTV and Saigontourist Holding Co.to offer cable TV service in HCMC in the beginning. SCTV has now become the largest cable operator with national coverage.

12. BINH DUONG TELEVISION (BTV)

Platform : analogue free to air
Coverage : Binh Duong and surrounding provinces
Address : 46 Binh Duong Avenue, Thu Dau Mot, Binh Duong
Contact : Mr. Truong Van Sang, Deputy Director
Tel : +84 (650) 3828453
Fax : +84 (650) 3840859
Email : hanhchanh@btv.org.vn

Founded in 1997, BTV is under the management of the People's Committee of Binh Duong province. BTV initially partnered with VTC to experiment digital terrestrial broadcasting in Binh Duong and surrounding provinces. Now that VTC has developed into a major national player, BTV has just found a new partner, An Vien Group (AVG), which is a private company. The AVG/BTV joint-venture was given permission directly from the Prime Minister in June 2009 to apply on a trial basis digital terrestrial (DVB-T2) and satellite broadcasting. AVG is now rolling out these services on a national scale.

13. AVG (AN VIEN GROUP)

Platform : second-generation digital terrestrial (DVB-T2) and satellite
Coverage : National
Address : 15A Ho Xuan Huong Street, Hanoi
Contact : Mr. Pham Nhat Vu, General Director
Tel : +84 (4) 39435555
Fax : +84 (650) 39448749
E-mail : info@truyenhinhanvien.vn
Web Site : truyenhinhanvien.vn

14. FPT TELECOM/ONETV

Platform : IPTV
Coverage : HCMC, Hanoi and other major urban centers
Contact : Mr. Nguyen Hoang Linh, Vice President, FPT Telecom
Address : U37-39A Road 19, Tan Thuan EPZ, Dist 7, HCMC, Vietnam
Email : Linh@FPT.COM.VN
Website : www.onetv.vn/

OneTV is an IPTV service provided by FPT Telecom, a subsidiary of Vietnam's technology conglomerate FPT. It is offering this service as a stand-alone pay-TV service or as part of a triple-play package that includes also IP phone and broadband internet (VDSL).

15. VASC SOFTWARE & MEDIA COMPANY IPTV CENTER

Platform : IPTV
Coverage : HCMC, Hanoi and other major urban centers
Address : 33 Thai Ha street, 6F, Hanoi
Contact : Mr. Nguyen Van Hai, Director
Tel : +84 (4) 37722728
Fax : +84 (4) 35148365

Mr. Nguyen Van Tan, Vice Director
Tel : +84 (4) 3537 9005
Fax : +84 (4) 3772 2733
E-mail : tannv@vasc.com.vn
Website : www.vasc.com.vn; www.mytv.com.vn

VASC/IPTV is a subsidiary of state-owned Telco VNPT, offering IPTV-based Pay-TV services under the MyTV brand. With over 60% of the broadband internet market share, VNPT is currently the leader in IPTV service.

16. VIETTEL TELEVISION COMPANY – A BRANCH OF VIETTEL GROUP

Platform : cable, IPTV
Coverage : national
Address : 4th floor, CT2 Building, Trung Van, To Huu street, Nam Tu Liem District, Hanoi, Vietnam
Contact : Mr. Nguyen Nguyet Phuong, Vice Director
Mobile : +84 913909190
Email : phuongnn8@viettel.com.vn

Viettel Television Company is a division of Viettel, one of Vietnam's fastest growing telecom companies, operating television services including IPTV and cable TV.

List of Distributors/Agents for Free-to-air and pay-TV programming

1. Q.NET COMMUNICATION & ENTERTAINMENT CO., LTD

Address : Q.net building #02-01, 2/F, 29T1 Building,
Trung Hoa Urban Zone Hoang Dao Thuy
Street, Ha Noi, Viet Nam
Contact : Ms. Nguyen Hanh, President
Tel : +84 (4) 6282 4205
Fax : +84 (4) 6282 4207
Mobile : +84 9 1320 7792
Email : nguyenhanh@qnet.com.vn
Website : www.qnet.com.vn

2. BHD

Address : 11th Fl, Hong Ha Building, 25 Ly Thuong Kiet
Street, Hoan Kiem district, Hanoi, Vietnam,
Tel : +84 (4) 39434133
Fax : +84 (4) 39434135
Website : www.bhdvn.com
Contact : Ms. Ngo Bich Hanh, Vice President:
email : bichhanh.ngo@bhdvn.com
mobile: : +84 90 3406275
Ms. Hoang Yen
email : hoangyen@bhdvn.com
mobile : +84 904110857
Assistant : Ms. Nguyen Thi Bao Mai
email : baomai@bhdvn.com

3. THAOLE ENTERTAINMENT.

Address : 13B-B2 Hoa Dao, Phu Nhuan District, Ho
Chi Minh City
Contact : Sophie Le, Managing Director
Tel : +84 83 517-8989
Mobile : +84 938 10 79 88
Email : sophie@thaole-entertainment.com
web : <http://www.thaole-entertainment.com>

4. GELTEC (GENERAL ELECTRONICS TECHNOLOGIES COMPANY)

Address : Reg. Office: 95 Hang Bac street, Hoan Kiem
district, Hanoi, Vietnam
Operation Office : 2/F PUNACO Building, 352 Giai
Phong Road, Hanoi, Vietnam
Contact : Mr. Hoang Huu Huan, CEO
Tel. : +84 (4)39352693
Mobile : +84 913213282
Email : huan.hh@geltecjsc.com



About CASBAA

Established in 1991, CASBAA is the Association for digital multichannel TV, content, platforms, advertising and video delivery across a variety of 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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