

# NEWS, INFORMATION AND ENTERTAINMENT –

i-CABLE IS THERE WHENEVER AND WHEREVER YOU NEED THEM



*“I saw the breaking news on CABLE TV just as I was leaving for a meeting with a client. I was well prepared to discuss its impact on the financial markets and he was very impressed.”*

**WILLIAM CHEUNG**  
*Investment Advisor*



**i-CABLE:** A Way of Hong Kong Life Today



## Pay TV Service

The 2002 FIFA World Cup, new tiering packages offered with expanded channel capacity following digitisation, and aggressive marketing efforts helped the Group to achieve an 8% growth year-on-year in Pay TV subscriber homes in spite of a weak economy. This was a rate comparable to that of a year ago.

At the end of December 2002, Pay TV subscribers recovered to surpass the 600,000 mark reached during the World Cup period, representing a penetration rate of 31% of all “cable ready homes”. Average churn rate fell to 1.6% per month, from 1.8% in 2001.

As a result of that and higher commercial airtime sales, turnover rose 7% to HK\$1,711 million. ARPU increased by HK\$1 to HK\$233 per month. EBITDA, however, declined by HK\$6 million to HK\$629 million while operating profit fell by 5% to HK\$332 million due primarily to the higher one-off programming costs associated with the World Cup.

The digitisation initiatives for our broadcasting service taken over the past year are beginning to bear fruit in terms of containing pirated viewing and raising revenue by

expanding our programming bouquet. By the end of December, more than one-third of our subscribers were already receiving their service in digital.

The Group began to introduce new channels in April 2002. By the end of the year, a total of 25 new channels had been added on the Group’s digital platform. The channels were either included in the basic service or marketed as tier packages to derive additional revenues from existing as well as new subscribers. Market response has been very positive.

In February 2003, the Group brought the World Cricket Cup live to Hong Kong viewers for the first time, as “pay-per-event” on two dedicated channels. It not only enhanced the Group’s image, but also drew very encouraging response from subscribers.

The Group will continue to introduce new channels and programmes, making full use of the expanded capacity generated by digitisation. Furthermore, the Group has secured rights for popular content through exclusive carriage arrangements.

