PICTURE THE FUTURE

THE WORLD AUDIENCES SUMMIT 2012

展绘未来　全球受众研究峰会

KANTAR MEDIA

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FACTS & FEARS BY

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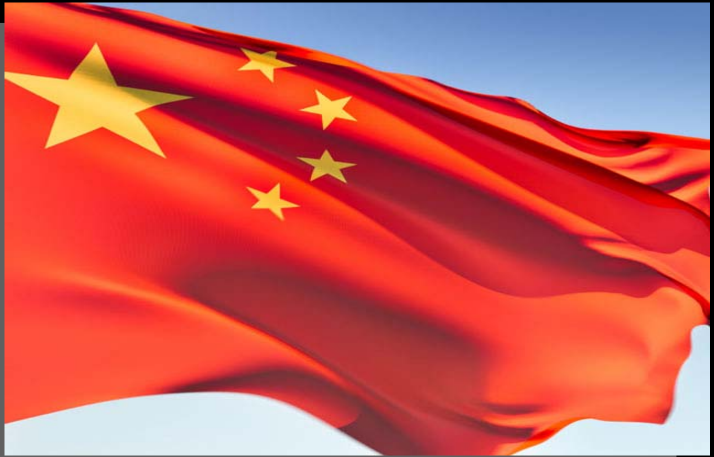
LET'S MAKE A QUICK COMPARISON



1.3 Billion

711 Million

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FIRST AND FOREMOST LET ME TRY AND EXPLAIN THE TV MARKET IN 1 MINUTE

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4 KEY FACTORS
WHICH EFFECT THE CHINA MEDIA MARKETS VIEWING

1. China cannot be measured as one country
2. Government regulations will continue to shape future viewership levels
3. Consolidation in the market will evolve the media landscape further
4. Last but not least, the rise of Digital

1

EACH CITY IS AT A DIFFERENT STAGE

SHANGHAI

XI'AN

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EACH MEDIA HAS A DIFFERENT STRENGTH BY MARKET

Media	Tier 1	Tier 2	T3 Cities	Penetration*
Television	97	99	**102**	95%
IPTV	**117**	89	98	2%
Newspaper yesterday	112	**102**	86	62%
Magazine	104	99	79	19%
Radio	127	98	90	22%
Internet Yesterday	**110**	91	82	54%
Internet Past week	46	**107**	**134**	54%
Cinema past week	66	61	**193**	3%

Based on CNRS coverage 60+ cities

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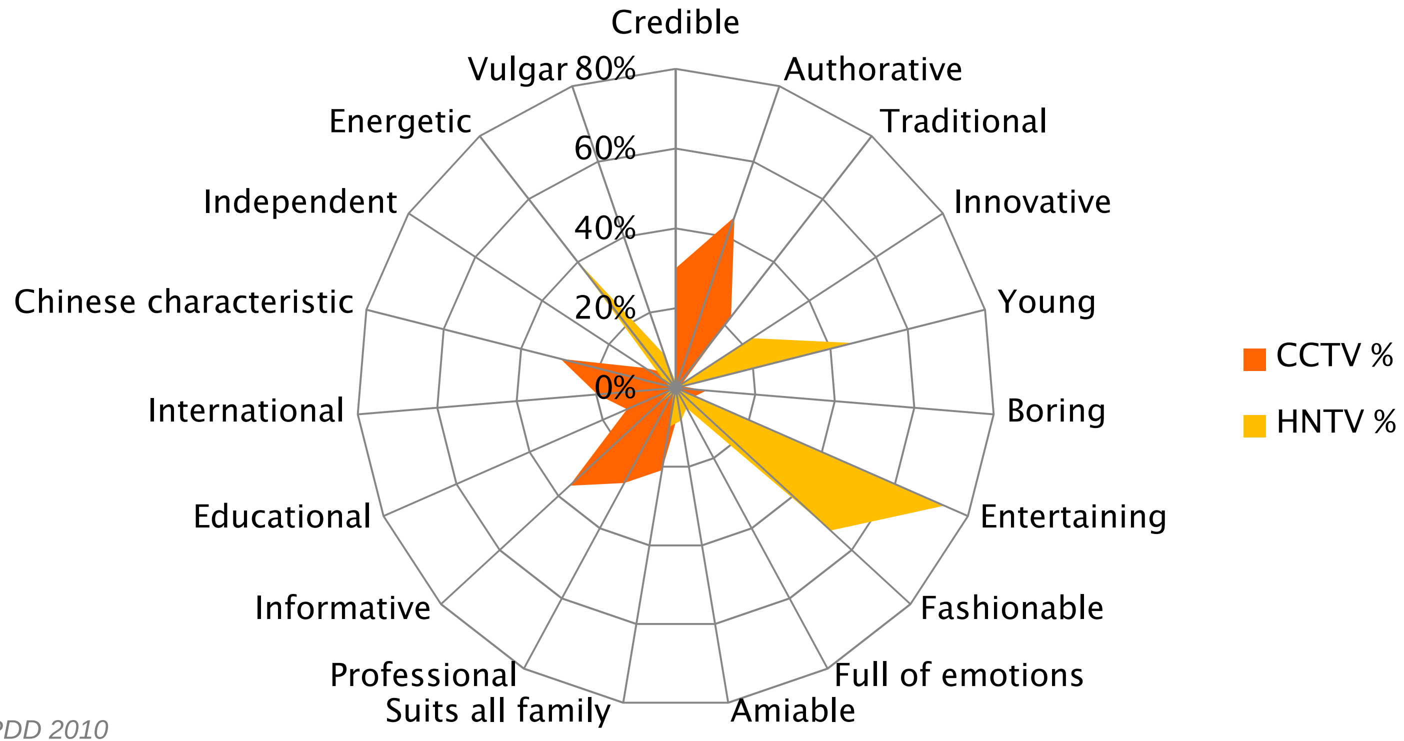
ONE TELEVISION SPOT CAN DELIVER DIFFERENT VIEWING LEVELS BY MARKET

Program	CCTV NEWS	快乐大本营 HAPPY CAMP	非诚勿扰	海飞丝 中国达人秀 TALENT
Beijing	1.7	2.1	4	1.2
Qingdao	1.6	3.1	3.5	1.8
Dalian	1.5	0.2	3.8	2.7
Shanghai	0.3	1	0.8	5.0
Hangzhou	0.3	1.9	2.3	4.6
Guangzhou	0.5	1.7	2.6	1.5

THE RATINGS MAY BE THE SAME BUT THE PERCEPTION IS COMPLETELY DIFFERENT : CCTV 1 VERSUS HUNAN PSTV



PDD 2010

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2

GOVERNMENT REGULATIONS WILL CONTINUE TO SHAPE VIEWERSHIP

SARFT

1. More wholesome viewing required : Polluting the China youth
2. Too much of the *wrong* entertainment
3. Television viewing declining at the expense of online

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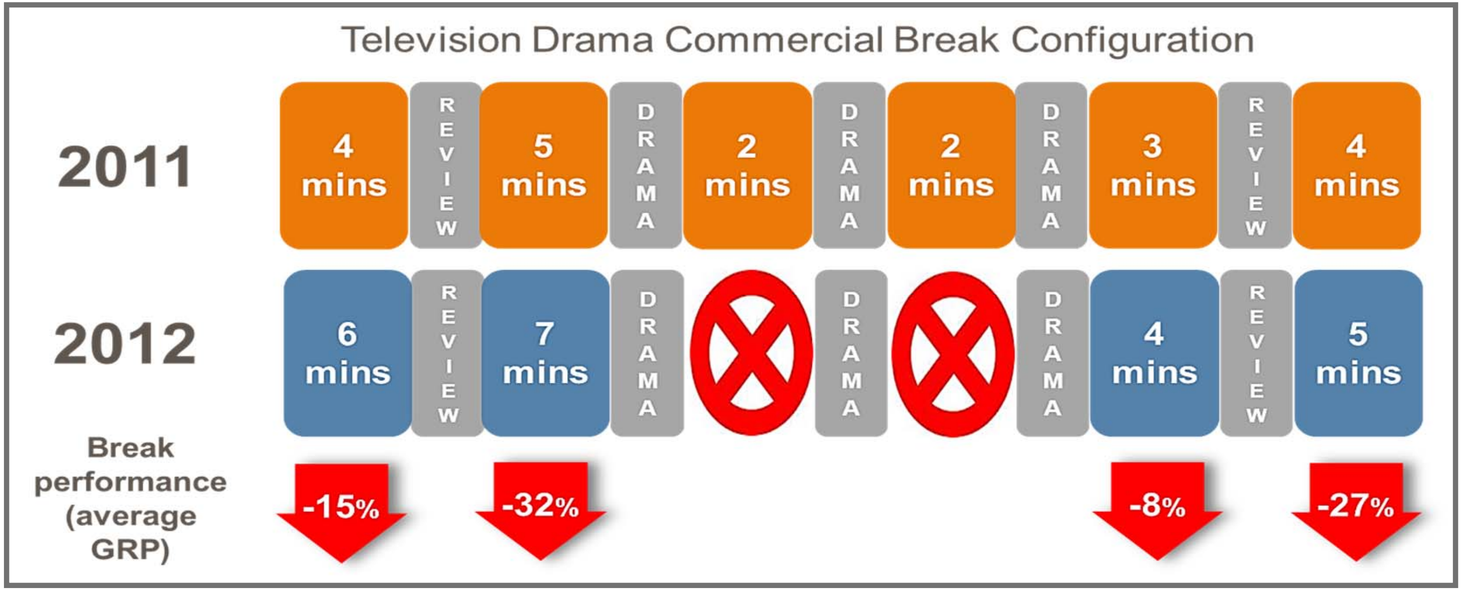
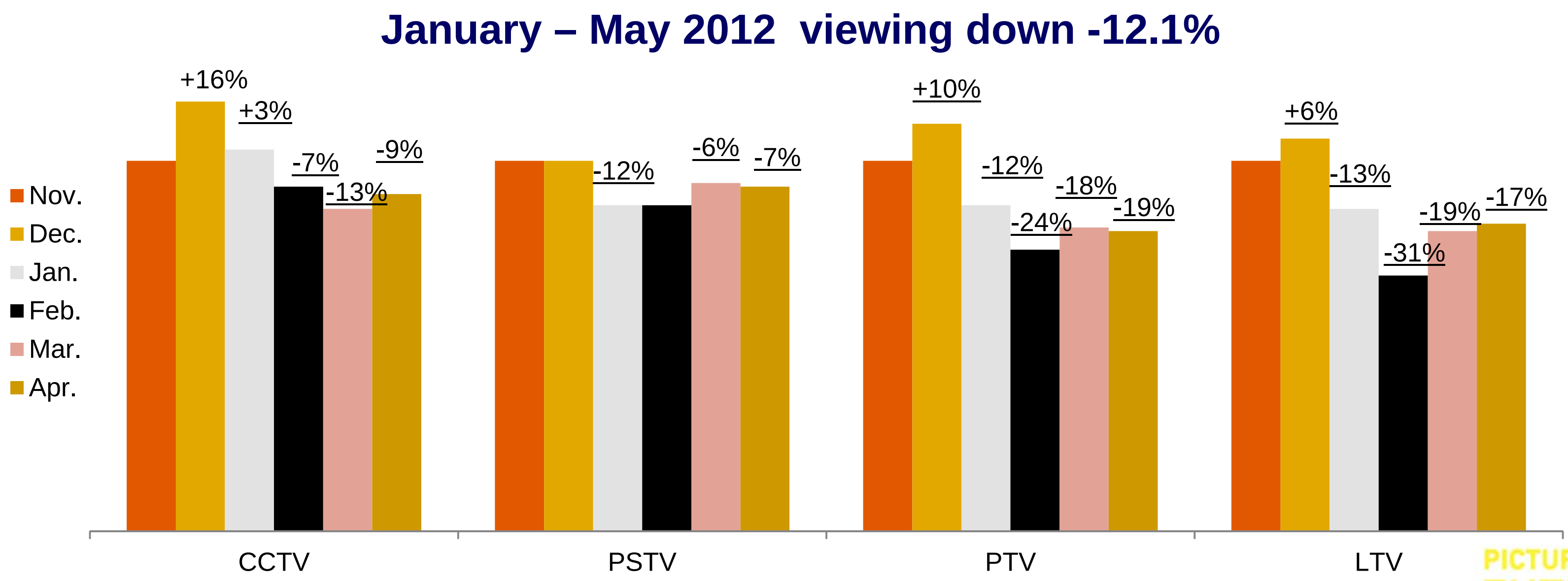
LATEST ROUND OF REGULATIONS: SARFT 66TH RULING 2012

Drama Centre Breaks banned all Commercial Advertising



AVERAGE DAILY COMMERCIAL VIEWED BY INDIVIDUAL



CSM Nov.2011- Apr.2012 (exclude 1.22-1.28) P25-44 1800-2400 32PM City Group

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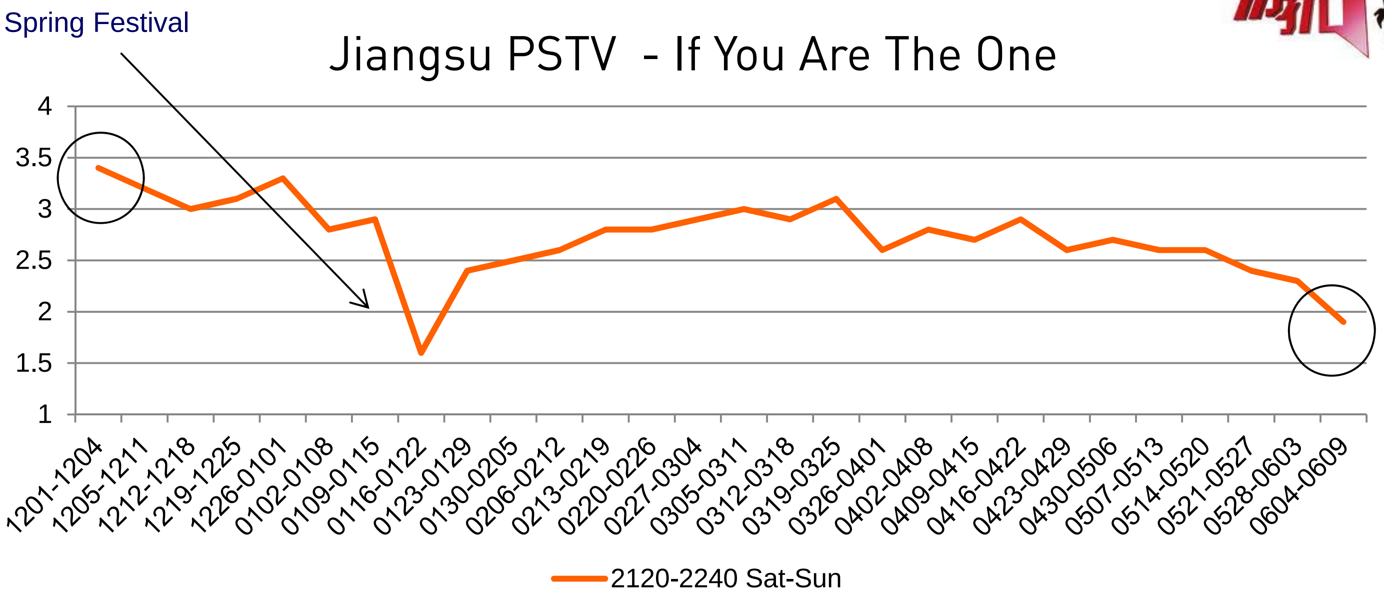
RESTRICTIONS ON ENTERTAINMENT SARFT 66TH RULING

Entertainment restricted to 2 primetime shows per week in prime time Television



NEW FORMATS ARE SHAPING THE LANDSCAPE

The Birth of
“Edutainment”
Wholesome
viewing

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3

CONSOLIDATION IN THE CHINA MARKET WILL EVOLVE THE MEDIA LANDSCAPE FURTHER

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4 MEDIA OWNERS : 2 ISSUES

On line content costs are increasing

Merged operations 2012

土豆网

youku 优酷 .com

SMG
上海东方传媒集团有限公司
SHANGHAI MEDIA GROUP

4 LAST BUT NOT LEAST - THE RISE OF DIGITAL

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2011

CHINA DIGITAL MILESTONES AT A GLANCE

Internet:
China reached 513m internet users (CNNIC)
Netizens in first-tier cities spent more time online than watching TV in 2011 (CNRS)

Online Advertising:
China's online ad market grew at 57% to reach RMB 51 billion in 2011 and online ad spending surpassed print advertising (iResearch, GroupM)

Social + Commerce:
90% of Sina Weibo users also visit e-commerce sites (comScore)

E-Commerce:
China had 38% growth in e-commerce traffic in 2011 vs 4% in the US (comScore)
E-Commerce transaction volume topped $100 billion as B2C comes to the fore (iResearch)

Weibo:
Weibo users jumped from 63m to 250m in 2011 with Sina Weibo momentum still rising (CNNIC)

Mobile:
China has 356m mobile internet users, over 120 million 3G users, and nearly 80 million smartphones (CNNIC, GroupM)

Online Video:
Hours spent watching online video nearly doubled; online video site revenue more than doubled in 2011 (comScore, iResearch)

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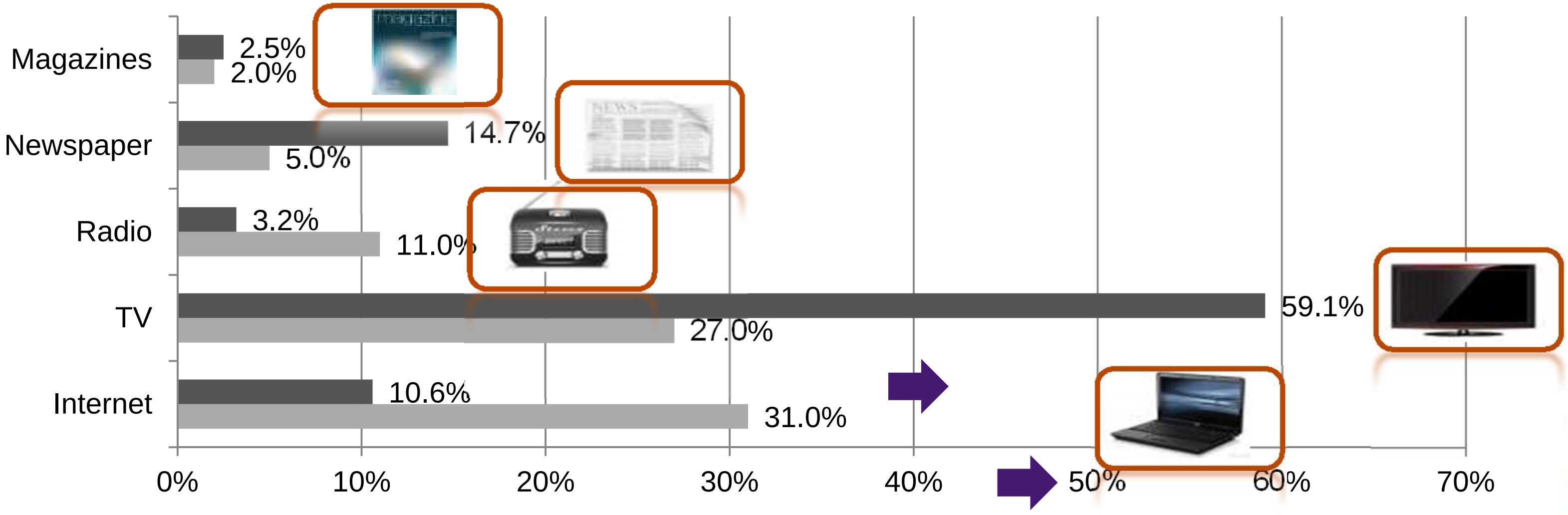
CHINA'S ONLINE AD SPENDING STILL TRAILS FAR BEHIND CONSUMER TIME SPENT ONLINE

% of Time spent by media VS % of Advertising spend, China 2011



Source: Time: CMMS ; Media Spend: GroupM 2011

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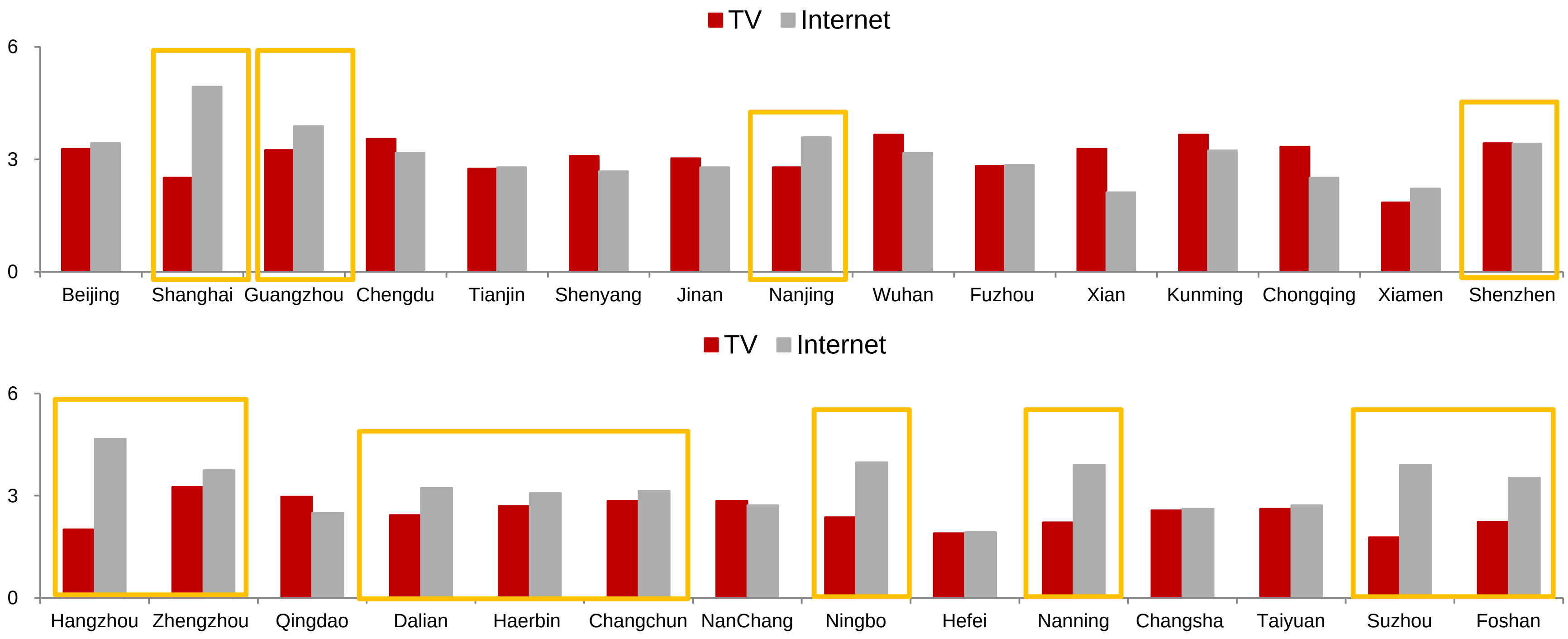
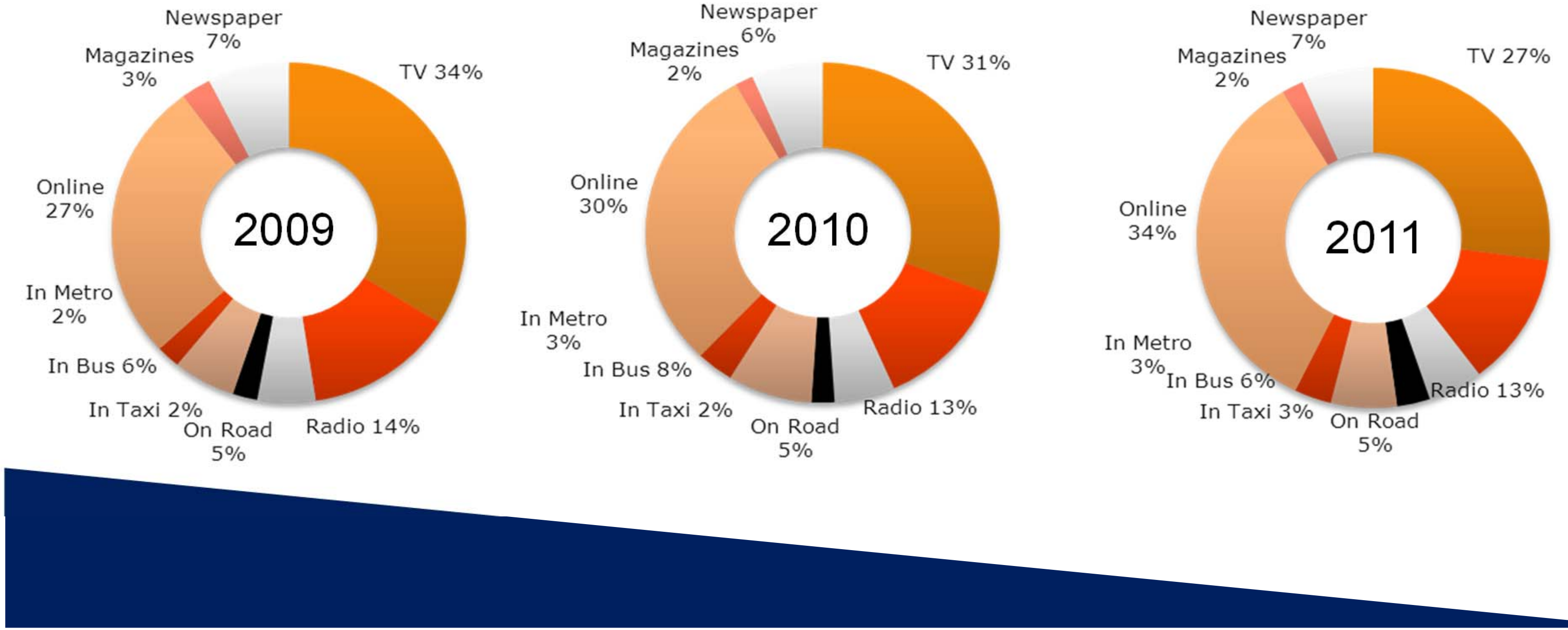
2011 TIME SPENT ONLINE IS OUTPACING TV ACROSS MANY OF TIER 1 & 2 CITIES



Data Source: CM09S China Marketing & Media Survey 2011/ Target: Female 20-40/ TV & Internet: Hours spend per day

IN TIER 1 MARKETS I.E SHANGHAI, ONLINE IS THE DOMINANT PLAYER



Since 2009, TV has lost 7% share points mostly to online

IS THIS THE DEATH OF TELEVISION ?

LET'S SUMMARIZE THE IMPACTS ON THE FOUR KEY FACTORS

Television will continue to shape and form opinions in China

- When entering the China markets - one size does not fit all
- Local insights can make or break a brand
- Media costs will continue to rise and therefore understanding the data is paramount to a successful campaign
- Key TV vendors will converge and adapt into Digital to maintain advertising share
- The Government will continue to have the biggest say in content and will guide the nations feel good factor

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