

Subject: The latest Credit Suisse Asia Media & Internet Weekly is out: top stories and regional valuation**Date:** Monday, 21 January 2008 4:08 PM**From:** Ho, Marisa <marisa.ho@credit-suisse.com>**Conversation:** The latest Credit Suisse Asia Media & Internet Weekly is out: top stories and regional valuation

ANALYST CERTIFICATIONS ARE IN THE DISCLOSURE APPENDIX. FOR OTHER IMPORTANT DISCLOSURES, visit www.credit-suisse.com/researchdisclosures or call +1 (877) 291-2683. U.S. Disclosure: Credit Suisse does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the Firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Customers of Credit Suisse in the United States can receive independent, third party research on the company or companies covered in this report, at no cost to them, where such research is available. Customers can access this independent research at www.credit-suisse.com/ir or call 1 877 291 2683 or email equity.research@credit-suisse.com to request a copy of this research.

Asia Media & Internet Weekly, Monday 21 Jan 2008**Editor:** Marisa Ho/ Research Analyst (852 2101 7466, marisa.ho@credit-suisse.com)**Deputy Editor:** Desmond Cheung/ Research Analyst (852 2101 7146, desmond.cheung@credit-suisse.com)

****Please see attached for the operating stats and valuation comp across our Asia Media & Internet coverage universe.****

Material estimate change**Upgrade**

- **China Digital TV** (STV.N, US\$22.75, OUTPERFORM [V], TP US\$41.00) CY08E +10%

Ticker Tape and Editorial

- More reds than blacks last week, in a volatile market. Amid this, a few smaller companies turned out the outperformers: **UTV Software** (UTV IN, Rs911, not rated) +13.1%, **MCOT** (MCOT.BK, Bt29.50, UNDERPERFORM, TP Bt26.30) +11.3%, and **Dahe Media** (8243.HK, HK\$0.70, not rated) +9.4%.
- Negative performance aplenty. **TV Eighteen** (TLEI IN, Rs411, not rated) was our worst performer, -22.8%, **Tencent** (0700.HK, HK\$48.35, OUTPERFORM [V], TP HK\$62.50) -17.8%, **Baidu** (BIDU.OQ, US\$265.04, UNDERPERFORM [V], TP US\$196.00) -17.1%, **Kongzhong** (KONG.OQ, US\$5.20, NEUTRAL [V], TP US\$6.40) -17.0%, **Giant Interactive** (GA US, US\$11.00, not rated) -12.8%, **Sohu** (SOHU.OQ, US\$42.39, OUTPERFORM, TP US\$61.70) -12.7%, **NetDragon** (8288.HK, HK\$13.58, not rated) -11.8%, **Sun TV** (SUNTV IN, Rs366, not rated) -10.9%, **TOM Group** (2383.HK, HK\$0.60, not rated) -10.4%, **Wire & Wireless** (WNW IN, Rs74, not rated) -10.4%, **Shanda** (SNDA.OQ, US\$25.89, NEUTRAL [V], TP US\$28.00) -9.7%, **New Straits Times** (NSTP.KL, RM1.83, NEUTRAL, TP RM2.80) -9.4%, **Adlabs** (ADLF IN, Rs1,447, not rated) -9.2%, **G2R** (035000.KS, W9,680, not rated) -9.1%, **Sing Tao News** (1105.HK, HK\$1.24, not rated) -8.8%, **Hong Kong Economic Times** (0423.HK, HK\$4.75, not rated) -8.7%, **Qin Jia Yuan** (2366.HK, HK\$4.57, not rated) -8.4%, **SK Communications** (066270.KQ, W33,000, OUTPERFORM [V], TP W32,000) -8.3%, **Gravity** (GRVY.OQ, US\$3.00, not rated) -7.8%, **Beijing Media Corp** (1000.HK, HK\$5.00, not rated) -7.6%, **SEEC Media** (0205.HK, HK\$0.39, not rated) -7.1%, **i-CABLE** (1097.HK, HK\$1.46, not rated) -7.0%, **Media Prima** (MPR MK, RM2.54, not rated) -6.6%, **Clear Media** (0100.HK, HK\$7.50, NEUTRAL, TP HK\$7.10) -6.3%, **Dish TV** (DITV IN, Rs82, not rated) -6.0%, **Cheil Communications** (030000.KS, W264,500, NEUTRAL, TP W280,000) -5.9%, and **NHN** (035420.KQ, W227,800, OUTPERFORM, TP W305,000) -5.5%. (21-Jan-08, contact Marisa Ho at 852 2101 7466 or marisa.ho@credit-suisse.com)

Top stories of the week

together own 6%. (15-Jan-08, *International Herald Tribune*)

- **Redgate Media** (not listed) acquired Shanghai Hong Men Advertising, an outdoor display advertising company in Shanghai. Hong Men's network of billboards includes hundreds of Shanghai's most prestigious residential addresses. Its client base includes a host of domestic and international luxury and consumer goods advertisers and advertising agencies, and the company is planning to double its existing light-box inventory this year. (15-Jan-08, *Company*)
- Private equity fund China Broadband Capital Partners has taken a 23% stake in a Hong Kong-listed mainland media company, **Asian Union New Media** (0419.HK, HK\$0.178, not rated). The HK\$420 mn (US\$54 mn) deal, comprising ordinary shares, convertible bonds and warrants, is China Broadband's fifth media investment. (15-Jan-08, *SCMP*)

INDIA

- **Pyramid Saimira Theatre** (PSTL.NS, Rs454.8, not rated) aims to raise ~Rs1,600 crore (US\$400 mn) by Mar 08, to consolidate its international businesses and pursue global acquisitions and expansion. (18-Jan-08, *Business Standard*)

The reporting season

SINGAPORE

- **SPH's** (SPRM.SI, S\$4.39, OUTPERFORM, TP S\$5.25) core newspaper business performed better than expected. Driven by an 8% rise in print revenue and 3% decline in newsprint costs, its 1QFY08 newspaper and magazine pre-tax profit rose 12.9%. This is notwithstanding the 14.7% jump in staff costs due to higher variable bonus provisions in-line with the improved business, 6% headcount expansion from a year ago, and annual salary increases. However, revenue recognition in 1QFY08 for its Sky@eleven condominium project was much slower than expected – hence property segment revenue rose 'merely' 70% YoY to S\$43.5 mn as the company recognised only S\$16 mn revenue from Sky@eleven. Also, SPH's investment income was adversely affected by the tough financial markets. Expecting a pick-up in property and investment income, we are keeping our full year numbers unchanged. Looking ahead, the current pickup in private consumption expenditure in Singapore is expected to continue to boost ad revenue growth. We maintain our OUTPERFORM rating. Our target price of S\$5.25 represents 14% potential upside. Together with a projected dividend yield of 7%, SPH has an expected return of 21%. (15-Jan-08, *contact Sean Quek at 65 6212 3337 or sean.quek@credit-suisse.com*)

INDIA

- **NDTV** (NDTV.IN, Rs445.8, not rated) reported 3QFY3/08 net profit of Rs7.07 crore (US\$1.8 mn). Total revenue rose 32.5% to Rs89.47 crore (US\$22.8 mn). (18-Jan-08, *Business Standard*)
- **HT Media** (HTML.BO, Rs226.15, not rated), the publisher of *Hindustan Times*, reported 3QFY3/08 net profit rose 9.8% YoY to Rs36.86 crore (US\$9.4 mn). (18-Jan-08, *Business Standard*)

Other news & views

CHINA

- A spokesperson for **China Mobile** (0941.HK, HK\$123.00, OUTPERFORM, TP HK\$153.00) confirmed that China Mobile's parent company had terminated talks with **Apple** (AAPL, \$161.36, OUTPERFORM, TP \$210.00, MARKET WEIGHT) on the introduction of iPhone in China. (15-Jan-08, *Hong Kong Economic Journal, contact Jeff Tan at 852 2101 6569 or jeffrey.tan@credit-suisse.com*)
- The Chinese domestic **box office** grew 26% in 2007, reaching US\$455 mn. Foreign films, mostly from the US, made up 46% of China's box-office revenue last year, and American movies made US\$158 mn in China, +37.6% from 2006 despite the still rampant piracy issue. (16-Jan-08, *Wall Street Journal*)

HONG KONG