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## Qtelmedia finds Asia's best kept secret in Malaysia

By Lee Wei Lian

CYBERJAYA : It may have Irish origins but live mobile TV broadcaster Qtelmedia has definitely found a welcoming "home" in Malaysia.

Since the company established its first commercial operations centre in Cyberjaya in March 2006, it has signed up Maxis and DiGi as partners and is using Malaysia as a base to penetrate the region, starting with Bangladesh, Pakistan and the Middle East.

"There is such a fantastic talent pool here," its chief executive officer Sinead O'Sullivan told The Edge Financial Daily in an interview.

"We evaluated Hong Kong and Singapore but chose Malaysia because of the combination of the people's skills, and their will and desire to succeed.

"The Multimedia Development Corporation's supportiveness and the fact that we get a 10-year-tax free benefit with our MSC status was also a factor. We have really benefited from our decision. Malaysia is really Asia's best kept secret"

While O'Sullivan declined to disclose revenue numbers, she revealed that revenue growth was a consistent 20% to 25% a month.

The company is not profitable at the moment due to its expansion activities. The subscriber base of over 20,000 is growing at a rate of 15% to 20% a month.

As a result of Qtelmedia's decision to start operations in Malaysia before even its home country of Ireland, Maxis subscribers were first in the world to enjoy live audio and near-live visual feeds of Barcelona, Liverpool and Arsenal matches on their mobile phones courtesy of their exclusive tie-ups with Qtelmedia.

Qtelmedia currently has 50 staff, which will be ramped up to between 85 and 100 within the next 12 months.

O'Sullivan is actively recruiting engineers' business development managers and other professionals to meet expansion requirements. About 95% of the management is made up of locals.

She said the regional expansions would be driven by her Malaysian staff. The Dubai office will be opened by October and O'Sullivan expects contract signings in mobile network operators in Pakistan and Bangladesh soon.

Its office in Plaza Sentral, Kuala Lumpur will be the Asia corporate headquarters while its Cyberjaya operations centre will format content for the Asia-Pacific.

Apart from regional expansion, O'Sullivan said Qtelmedia is also seeking deeper domestic penetration and is in talks with Celcom, Time and MiTV.

Qtelmedia's endorsement of Malaysia is an encouraging sign of its ambition to be a major player in the content industry. Content has been identified as key economic growth areas under the Ninth Malaysian Plan.

Qtelmedia works with about 15 local content companies and O'Sullivan has extended an open invitation to local content providers. "We will give them the same revenue sharing model that we give to big companies like EMI", she said.

"All they have to do is give us the content and we will format it for the mobile phone and broadcast it. If their content is popular, they will get paid."

She also assured the companies that their content would not be viewed for free. "Our technology is secure so that nobody can view the content without the content owner – such as Barcelona FC – getting paid."

Qtelmedia's most watched channel is SCTV, offered over DiGi. It serves mainly Indonesian dramas and is popular with housewives and the Indonesian worker population.

Other popular channels are music, sports and locally produced global Chinese language entertainment channel Jia Yu.

O'Sullivan expects to cover the lull during the European football season with clips of interviews with football stars.

While many mobile TV broadcasters are struggling to find their footing, the good response to Qtelmedia was due to reasonable price points, wide variety of supported mobile phone models and streaming quality without requiring investment in a 3G phone, she said.

To support her argument, she said 99% of the subscribers were on pre-paid plans and 95% of them watch mobile TV over GPRS connection speeds.

"We are zero-rate – meaning we do not charge you each time you watch a channel," she said. Instead subscribers can choose from "all-you-can-eat" monthly packages for RM14.90 to cheaper weekly or even daily packages.