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Editor: Teresa Mastrangelo

Industry News

Porting Content from PC to TV Makes Waves at CES

Portability was a major highlight of the 2007 Consumer Electronics Show (CES), as a number of vendors introduced solutions that will make it easier for consumers to merge the best of the Internet with the viewing and listening pleasure of the television and home entertainment center. In addition to porting content, both DIRECTV and Echostar, took service portability to a new level, by announcing new products that will allow customers to take their satellite TV service on the road.

Major Announcements included the following:

- ▶ Apple Inc. "officially" announced its Apple TV product, a wireless media router that allows videos, television shows and movies downloaded from iTunes to be viewed on a television set.
- ▶ Sling Media introduced the SlingCatcher, which offers the ability to download or stream content directly from the Internet, as well as two applications, the SlingProjector and the SlingPlayer. The SlingProjector application enables consumers to display streamed or downloaded content on a TV without the need for a PC to serve that content. The Sling Player application basically lets a consumer watch their TV on another TV.
- ▶ Microsoft announced its plans to integrate its IPTV platform directly into the Xbox 360 to create "a unique digital entertainment offering", or essentially a sophisticated set-top box. Users of IPTV on Xbox 360 will be able to watch broadcast television, on-demand programming, and access Xbox Live community-based features, such as voice chat and sending and receiving text messages, while watching TV. In addition, customers will be able to record television programming while playing a game.
- ▶ SanDisk Corporation introduced USBTV a proposed industry initiative that allows consumers to transport downloaded digital content from a PC, by using a small flash memory-enabled media player, and plug-and-play it directly on virtually any TV. USBTV players will be able to plug into the standard A/V sockets of most existing TV sets through an adapter cradle that connects to the player. In the future, USBTV players are expected to plug directly into new TV sets through a built-in port.

Other Portability Announcements:

- ▶ Sony announced the BRAVIA Internet Video Link
- ▶ D-Link introduced the newest of its MediaLounge Wireless Media Player, the DSM-750
- ▶ NETGEAR announced the Digital Entertainer HD (EVA8000)

I'll Take My Satellite TV to Go

EchoStar Communications and DIRECTV both announced new products (both available in Spring 2007) that will allow their customers to take their service with them when traveling outside the home.

Echostar introduced the MobileDISH in-car satellite service that allows DISH Network customers to watch live satellite television from their vehicles, even while in motion. While DIRECTV introduced a portable satellite and TV system - DIRECTV(R) Sat-Go (Satellite-To-Go) that comes in an easy-to-carry, briefcase-like design that includes a 17-inch LCD monitor with integrated DIRECTV Receiver, flat antenna and replaceable/rechargeable laptop-style battery.

BT Hits Two Major Milestone in January

In early January, BT announced it has reach 10 million broadband customers, smashing its initial target of five million connections by the end of 2006. Broadband availability now stands at 99.8 per cent. In addition, BT announced it had BT announced it had gained more than one million registered consumer customers for its Voice over Internet Protocol (VoIP) services, BT Broadband Talk and BT Softphone.

ARRIS To Acquire TANDBERG TV

On January 15, 2007, ARRIS announced its intent to acquire TANDBERG TV for approximately \$1.2 billion USD. The acquisition enables ARRIS to immediately take a leadership position in the emerging IP-TV market, but also fulfills a long-stated goal by ARRIS to be a leading provider of video solutions. The combined product lines enable ARRIS to increase its value proposition to cable operators by offering solutions that address the "triple-play" of VoIP, video and broadband data. With no product overlap, this acquisition provides ARRIS with immediate growth opportunities and the ability to not only expand its presence with Cable MSOs, but also with Telco, Satellite and Broadcast operators.

Verizon to Merge New England Operations into FairPoint

On January 16, 2007, Verizon announced it was spinning out is New England operations to FairPoint Communications for \$2.175 billion. The NE operators consists of 1.5 million access lines, approximately 180,000 DSL customers and approximately 600,000 long-distance customers (September 2006) in Maine, New Hampshire and Vermont. FairPoint, based in Charlotte, N.C., is a telecommunications provider with 31 local exchange companies in 18 states, primarily serving customers in rural and small urban markets. FairPoint supported 260,000 access lines and 57,000 DSL subscribers at the end of September 2006. FairPoint is expected to spend over \$200 million over the next two years to build out the broadband infrastructure in the acquired properties.

IMS Forum successfully completes first IMS Plugfest

On January 19, 2006, the IMS Forum completed its first IMS Plugfest at the University of New Hampshire InterOperability Lab (UNH-IOL) in Durham, NH. The event was attended by Ditech, Empirix, Ixia, Reef Point Systems, NE Technologies, Starent Networks, Tektronix, Tekelec, Sonus, Valid8, and sponsored by Empirix, Ditech, Sonus, GlobalTouch Telecom, Trendium and VOX.

The event demonstrated end-to-end IMS multi-vendor interoperability; developed a methodology to accelerate IMS testing, and tested multi-domain VoIP calls. Using dual-mode mobile phones and a number of VoIP, WiFi, user equipment simulators, the IMSF Plugfest demonstrated voice services, including fixed-mobile services, IP Centrex and PSTN gateway. A second IMS Plugfest is being planned for the second quarter of 2007.

Mergers, Acquisitions, Funding

- Tiscali sells German operations to freenet.de AG (February 1, 2007)
- AudioCodes to acquire CTI Squared Ltd. (February 1, 2007)
- Aperto Picks up \$19M in Series E Funding (January 31, 2007)
- Cisco invest in Personeta (January 31, 2007)
- Cambridge Broadband Raises \$22.5 Million (January 22, 2007)
- Actelis Raises \$22 Million (January 22, 2007)
- Stoke intros Convergence Gateway; Raises \$20 Million (January 22, 2007)
- Brightcove Raises \$59.5 Million in Series C Round (January 18, 2007)
- Verizon to merge NE operations with Fairpoint (January 16, 2007)
- ARRIS to Acquire TANDBERG Television (January 15, 2007)
- Avaya Announces Tender Offer to Acquire Ubiquity Software (January 12, 2007)
- Knology Acquires PrairieWave Communications (January 9, 2007)
- Hungarian Telephone & Cable Acquires Invitel (January 9, 2007)
- Verso Technologies acquires Zhone's iMarc product line (January 4, 2007)

New Reports

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<http://www.broadbandtrends.com/services.htm>

Recently published research includes the following:

► **Industry Perspective:** *"M&A Activity Expected to Accelerate in 2007"*

Published January 31, 2007

► **Research Note** *"ARRIS Acquires TANDBERG TV: Immediate Growth Opportunities"*

Published January 18, 2007

► **Research Note** *"New Solutions Ease the Pain of Porting Content from PC to TV"*

Published January 12, 2007

Selected News Highlights (January 3 to February 2, 2007)

A full listing of news articles is available at http://www.broadbandtrends.com/news_archives.htm

- Calix and Aztek Networks Form Strategic Partnership (February 2, 2007)
- UTStarcom to Deliver First IPTV Service in India With MTNL (February 2, 2007)
- GENBAND Ships its Millionth Gateway Port (January 31, 2007)
- C-COR and Comcast Media Center intro "VOD in a Box" (January 31, 2007)
- Covergence Introduces Access-Edge Session Border Control (January 29, 2007)
- Ruckus Adds "Dual Zone" Capabilities to MetroFlex (January 29, 2007)
- KEYMILE selected for ntl: Telewest Next Generation Access (January 26, 2007)
- Tellabs: One Million ONTs Shipped (January 25, 2007)
- Cablevision switches with BigBand Networks (January 24, 2007)
- Universal Powerline Association Triple Members in 2006 (January 24, 2007)
- Nortel and Microsoft intro solutions for Unified Communications (January 18, 2007)
- BT Selects Siemens and Nortel for Carrier Ethernet for 21CN (January 15, 2007)
- Cox and Samsung Partner for OCAP-based Interactive TV
- Comcast and Panasonic Partner for OCAP-based Interactive TV
- J:COM to launch Super High Speed Internet - 160Mbps (January 5, 2007)
- Sprint Nextel Adds Nokia as WiMAX Supplier (January 5, 2007)
- Chunghwa to Spend \$4 Billion to Upgrade Network (January 4, 2007)

Next Issue: February 28, 2007

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