



# CORPORATE NEWS

Issue No 8

## Financial institutions collapse has delayed MNH start up dates.

Wall Street Convulsions continue to reverberate across the globe and are highlighted by the demise and sale of two of the largest investment banks in just the past 24 hours, and this unsettling news may further erode Financial transactions. Our company has also suffered from the crash of Banks and Insurances companies on the global stock markets. MNH after

spreading the pressure, will need additional, about one month more cashflow for trade operations and credit lines concerned. This gap will not affect the Business Model but will slightly change our forecasts for Y1 removing one month of incomes and expenses as well. We continue to build our partnerships, receive strong support from the industry and we remain confident that our plans are on schedule!



## MNH Human resources Overview

Thanks to its multi partnerships and subsidiaries companies in Europe and Asia, MNH can rely on some 200 people working directly or indirectly for the holding. Every local partner has responsibilities for 1 to 3 territories with staff of approximately 10 people covering Advertising sales, Content Production, Broadcasting and administration. Our London offices will welcome 20 people for the holding and the UK domestic TV exploitation. From Portugal till Kazakhstan and from Iceland to Israel and Turkey, MNH will develop its network and develop our image and brand recognition.

countries such as Angola, Nigeria, Namibia and South Africa representing new and strong growth market opportunities.

MNH has a presence in Hong Kong for TV shopping activities representing 4 personnel, 2 people will represent MNH in South Africa for the African continent development, some high growth

## Bernadette Tynan leaving MNTV.

Bernadette Tynan, who was in Charge of Kid Programs and related TV shopping has decided to discontinue her collaboration with MNTV UK. The main reason is that with Mrs Tynan's other business obligations, she would not be able to dedicate the time required to complete the work. This change does not affect the prospects for MNTV UK.

## Hunan TV

A growing communications empire

### PARIS LUXURY INSIGHT

A sales window into Chinese homes for your marketing and sales

- A weekly prime time show, broadcast live (Around 7PM) with 3 additional shows throughout the week
- One brand with one product featured per week.
- 40' show in prime time with 5 mini documentary films about the brand edited by Antetime (Chairman interview, flag-ship store visit, meeting with the designer)
- An elegant dress code respecting western fashion and modern styles
- A TV studio decorated with the brand's colours
- Antetime representatives will conduct product training and education for the 400 hotline telephone sellers
- A marketing plan which incorporates subsidiary TV stations within the Hunan TV group

- Hunan TV group is first TV channel for Hunan
- 76,8 % of urban Chinese households have subscriptions to its satellite channel which provides the largest coverage in Chinese cities.
- +100 millions viewers at the final « Super Girl » in 2006, (the local star academy)
- The fourth Chinese TV in prime-time (each vote generates more than 25 M text messages)
- A strong and faithful audience: over 30 programmes acclaimed in China, 10 have been broadcast on Hunan TV
- HunanTV broadcasts on Terrestrials and satellites TV, Movie studios, several radios, magazines and daily newspapers, Hotels, and Amusement parks The company is listed on the Shenzen Stock Exchange with a market capitalisation of 6 billion euros.



## Great Commercial Opportunity For Motion Network

By Budd Margolis Director of TV Shopping & eCommerce

Economic downtrends provide opportunity as well as a change in viewing and spending behaviour which is driven by consumer confidence. The trends we are seeing are favourable for Motion Network's business plans and strategy.

Already we are seeing the signs of a personal budget tightening trend with the sharp increase in pizza orders and value per order and the length of lines in DVD rental stores. This is a good indicator that peoples habits have changed to accommodate their worries over the economy and their personal finances.

This "cocooning" trend is upon us and people will stay at home more and spend more for home entertainment. People are spending more for HiDef screens, cinema surround audio systems, game consoles, an upgrade of furniture and broadband services so that they can stream content to their homes.

The trends all lead us to see an increased demand from advertisers and viewer for Motion Network content. Motion Network answers the advertisers concerns over how to reach this market and do so across Europe in an efficient and effective manner. And the consumer viewer trends lead us to see an upside to the rather dreary financial news.

Finally convergence is upon us and Motion network is working to enhance our traditional TV strategy with Internet TV and mobile TV capabilities. Interactive viewing and ordering will increase viewership by offering convenience (self scheduling: you will watch anything - time - anywhere), security and portability.

The soon to be released Nokia N96 will provide BBC iplayer access and QVC is rolling out their M-QVC order system. SlingMedia delivers your TV system via any PC or Symbian/Smart enabled mobile phone.

You may have seen the recently the release of the intel Atom processor based mini Laptop in shop windows? Although the smaller keyboards take some time to get used to, they provide another choice for consumers and open up new opportunities for mobile computing.

Shopping opportunities will open up as the implementation of convergence grows. Retailers are slow to respond to change but once the case is obvious they jump in with both feet.

In a recent Deloitte report of British viewing habits, just 4 per cent of the UK population consider it "very important" to be able to receive TV via the Internet, while 47 per cent still regard it as not important at all. This is common when the enabling technology has yet to be deployed. But as availability of content and equipment increases, prices drop and quality improves the uptake will expand quickly.

TV industry executives see the Internet as broadcast commercials' greatest threat in 2008 with 69 per cent of

executives fearing the movement of advertising revenue away from television to online.

Motion Network has to respond to future trends and prepare for new platforms and formats.

Television executives worry about the future of the traditional television commercial due to the movement of advertising revenue away from television to online (69 per cent).

But TV and the internet work very well together and support increased audiences & revenues and tracking capabilities which are important for reporting effectiveness and campaign ROI. Then trend towards HiDef commercials and programming as well as interactive and live advertisements is just the first sign of a search for more influential formats. The trend is for more campaigns to use integrated multi-platforms so that TV and the internet refer and rely upon each other. This is convergence in practical use and

Motion Network must take advantage of emerging opportunities but must also be careful to make sure that the technology we employ and strategies we embrace have an immediate and highly perceived viewer benefit.

### Western Brands Increase your brands exposure and accelerate sales in China

In Mainland China, the household consumption is rapidly expanding with 15% growth in 2006. The middle and upper classes are developing wealth and becoming sophisticated consumers who demand the latest and best products.

To satisfy these expectations, HunanTV - the 1st Private Chinese TV group launched the shopping channel HappiGo in 2006. The concept is to provide a spectacular television selling experience with great products, gigantic shows and the presence of stars and models. It is a shopping center in an entertaining show format delivered to the home!

The success of HappiGo was immediate: €50 millions turnover in 2006, €100 millions in 2007 and more than €207 millions projected for 2008! With 160 million viewers and 1,5 million subscribers to its loyalty card, HappiGo made €1,200 in sales per minute in 2007 and represents a tremendous commercial springboard for western brands.

#### Western Brands : Consumers' priority request.

October, 2008: To answer the demands of consumers inquiries, HappiGo decides to create the first TV program dedicated to 100 % western products and baptized "Paris Luxury Insight".

This 40min. programme broadcast live and in repeated airings, will focus brand information, detailed and compelling presentation in a direct marketing environment.

#### A simple and viable commercial process

HappiGo entrusts the marketing of the presented products and the control of this content to the French company Antetime Production which buys products from the brand in euro's and handles the logistics up to the when the product is accepted at the Hunan-TV warehouses in time to meet the TV schedule. HappiGo broadcasts the show and sells the products while a Antetime on-site representative monitors and reports on the entire marketing operation.

#### A commercial agreement respecting your deals with existing distributors.

In China, the consumers buy only what they know, and to become known it is necessary to communicate on a media market of 600 television channels, 9 400 magazines and 2 000 newspapers.

Relying on a powerful distribution channel, in a controlled environment where we take time to properly engage and educate the audience about your brand is an excellent way to increase awareness and sales.

According to the objectives sought by the brand (visibility, turnover or products' sales end), the show can present the products of the current collection or those of the previous collection.

Prices on the TV shopping channel will be identical and possibly superior to the retail local price which will not disrupt your current distribution agreements. Exposure on HappiGo will also drive recognition, store traffic and sales.

Special offers, bundled assortment of products, special editions or other incentives can also be accommodated to differentiate your offering.

In 2006, Chinese have bought 12% of luxury goods sold worldwide . By 2015, China will acquire 30% of luxury goods sold worldwide

\*Source Golden Sachs Research/

#### HappiGo

China's 1st and most unique TV shopping channel

Extensive broadcasting distribution to the wealthiest Chinese households Broadcasting 15 hours live per day, 1/3 of China covered with 470 million TV viewers (the most industrially developed zone)

By 2010 the viewership will expand to more than 800 million TV viewers

A channel that is 100% focused on the quality of the service to the end user

A distribution sustained by a call center with + 400 TV actors 800 employees for a dedicated 24/7 service

A website to extend the sales

A VPC magazine filled with special offers sent to 1.5M privileged subscribers

Share Info  
Motion Network Holding plc  
WKN: A0M910  
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Symbol: HORA  
Frankfurt Stock Exchange  
Stuttgart Stock Exchange  
Xetra



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