



For Immediate Release

Channel Islands and Atlanta DTH successfully demonstrate targeted ad insertion for Broadcasters, Cable & IPTV providers in China

October 23rd, 2009 – Shanghai, China and San Diego, California - Channel Islands and Atlanta DTH partner to demonstrate a new targeted advertising solution for linear television in Shanghai, China. This targeted, addressable ad insertion system uses a software-only approach called Directed Channel Change developed by recent Emmy winner Scott Hamilton of Fox and Mark Eyer of Sony.

Recently television system operators have engaged in testing targeted advertising systems and acknowledge that significant capital expenditures and resource constraints make the deployment of such systems unlikely. The requirements necessary to splice individual ads into streams directed to selected households is simply too daunting a task for any wide-scale deployment. The Directed Channel Change approach relieves the burden on the headend systems and, instead, distributes the workload among the set-top-boxes or television sets. This software only approach allows all operators to deploy truly addressable

advertising systems (linear and VOD) into their networks at the lowest cost possible with virtually no additional capex required.

“We developed Directed Channel Change nearly ten years ago with the idea it would be used for ATSC Digital Terrestrial Television”, said Scott Hamilton of Fox. “By having the client device find the ad content by tuning to a pre-determined channel, a great deal of the work-load could be transferred from the headend to the television set or set-top-box. This means an elegant software-only solution can be applied to this problem. The approach trades off bandwidth use for implementation simplicity”.

“I’ve been around the world four times in the last eighteen months asking operators what they want”, says Ross Cooper, CEO of Channel Islands. “Almost all of these operators would like to deploy targeted advertising systems in order to increase revenues through improved CPM rates. When asked if they would prefer a software-only solution that requires no additional capex, the answer is an emphatic yes. Leading the charge into low cost targeted advertising, Atlanta DTH has chosen to partner with Channel Islands to deploy systems in China and the surrounding area.”

“We believe this technology will be widely used by most of the large operators in China and will soon be used routinely in more than 50 million set-top-boxes ”, says Michael Day, CEO of Atlanta DTH. “Our plan is to deploy several IPTV systems first and then deploy a large digital cable system next. We are very happy to partner with Channel Islands in order to pioneer this new technology that will soon be delivered as a standard software module within all of our set-top-boxes.”

About Channel Islands

Channel Islands is a software company serving cable operators, IPTV providers and satellite distributors. The founders of Channel Islands pioneered popular software-only, conditional access systems, session-based watermarking and watermarking for Academy Award and Golden Globe screeners.

The company is currently developing DiVA, its targeted advertising system. DiVA delivers specific commercials to specific set-top-boxes depending on the market profile of the household or business. The most compelling aspect of the DiVA system is its architecture as a scalable, carrier-class, software-only solution.

Founded in 2008, Channel Islands is a privately held company with headquarters in San Diego and offices in London, Shanghai, and Tokyo.

For more information please visit: www.channelislands.com

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About Atlanta DTH

Atlanta DTH is a hardware and software company that provides state-of-the-art, market-competitive electronics products to the greater television industry. The line of Atlanta DTH set-top-boxes for Satellite, Cable and IPTV are considered world-class in their technical innovations and their price competitiveness.

Founded in 1993, Atlanta DTH has offices in Atlanta Georgia, Los Angeles, and Shanghai China.

For more information please visit: www.adth.com

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