

Millions of Receivers from Globalsat

- **GLOBALSAT opens a new production facility in Zhuhai (west of Shenzhen)**
- **Production capacity of up to 8 million units per year**
 - **More than 100 engineers in R&D**
- **New multimedia receiver in 2nd quarter of 2011**
- **Distribution of their own brand name by 2012**
 - **Sales numbers expected to double in 2011**

With a new production facility that will just be starting operations when this issue of TELE-satellite hits the newsstands, Globalsat in China is launching a new offensive in 2011 in the manufacturing of high-quality receivers; and this includes boxes for satellite TV, terrestrial TV and IPTV. The export of these boxes to Europe and America tops the list for this expansion.

To accomplish this, Globalsat is planning on doubling their production capacity from the current four million boxes per year: the new pro-

duction facility will be able to handle a maximum of eight million receivers every year. We met up with Alvin Sun, Globalsat's Sales and Marketing Director, in their current office in Shenzhen to learn more about what's going.

Globalsat was founded in 2004 by Mike Miao together with a team of investors and partners including Sales Manager Alvin Sun, R&D Hardware Manager Ian Wu and R&D Software Manager Bean Zhou. In their first year 210,000 units were produced and were delivered



■ This is the China Youse building on Shennan Boulevard, the main street that runs directly through Shenzhen on which many manufacturers in the digital TV sector have their headquarters.

as OEM boxes primarily to the Middle East. Up until 2008, the Middle East was their primary target market but then the company set up a sales team for Europe. "Back then we concentrated our efforts mostly on Germany, England, Italy, Turkey as well as Russia and the Ukraine", says Alvin Sun, "We sold OEM satellite and DVB-T receivers to local distributors."

Another region was added in 2009: the incorporation of the terrestrial TV standard ISDB-T in Brazil opened up this enormous market to Globalsat. Glo-

balsat also set up a sales team for Australia for the DVB-T receiver business there. Globalsat more than anything is a design firm. All four founders were previously employed with similar receiver companies in the past. In the beginning in 2004, there were six employees; in 2005 that number increased to 20 and by 2010 there were 200 employees. Alvin Sun comments, "Half of our workforce, 100 engineers in all, work in the Development Department." Their far-reaching expertise in software can be seen in the impressive number of cooperative agreements: Globalsat designs applica-

tions for almost every chip maker including NXP/CONEXANT, BROADCOM, ST, FUJITSU, NATIONAL CHIP and SUNPLUS.

Globalsat is an OEM manufacturer that produces boxes for local distributors and name brands. The Operator business, that is, boxes for programming providers, was up until now not really part of their business strategy. That will be changing. "We already have the licenses for Conax, Crypton and XCrypt and are working on acquiring the licenses for Nagra, Irdeto and NDS", explains Alvin Sun. Globalsat already has the licenses

■ Mike Miao is Globalsat's founder. He develops the company's strategy and is consistently involved in driving the company forward. He managed in just the few years that the company has been in existence to elevate it into the league of million-unit manufacturers and is now determined to raise it to the upper-most level of high-quality manufacturers.

GLOBALSAT
Receiver Mass Manufacturer, China
www.globalsatdvtb.com



Millions of Receivers from Globalsat

www.TELE-satellite.com/TELE-satellite-1103/eng/globalsat.pdf

Company Details

Engineers in Research & Development | Total Number of Employees
0 125 250

Average Turnover (Previous, This, Next Year Estimates)
0 75 150 Mio US\$

Production Certificates
RoHS, FCC, UL, CE, DVB, ISO

Main Products
Receiver for HDTV and SDTV in DVB-S/S2, DVB-T, DVB-C, ISDB-T, HD+, C+ and HbbTV, Multimedia Receiver, IPTV Boxes, Media Player

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Available online starting from 28 January 2011



LED TV LCD TV 3D TV

for HDMI, CI+, Macrovision, Dolby and WMV; soon DTS and DivX will be added to the list. This makes Globalsat fully prepared to manufacture for all of these markets. Alvin Sun expands on this: "In 2010 we shipped less than 5% of our products to programming providers; in 2011 we expect that to increase to 15%."

President Mike Miao gave us some insight into their long-term strategy: "Thus far we outsourced our production but with our own manufacturing facility we'll be able to offer even better quality products as well as comply with all the different standards." This involves mostly the RoHS and ISO standards and the safety standards of the FCC, UL and CE. Once the production facility is fully operational, expected to be around mid 2011, Globalsat will be able to guarantee all the standards placing them in the elite circle of high-quality manufacturers. Sales, which for 2010 were around 80 million US dollars, are expected to nearly double thanks to the new production facility. "We're expecting sales of around 150 million USD in 2011", predicts Mike Miao.



■ Alvin Sun is Globalsat's Sales and Marketing Director and one of the founding partners. Here he is showing us a model of a 3D TV that is currently being distributed domestically under their own label SVC. He can easily imagine this product eventually being exported but for the time being Globalsat is concentrating on exporting their HD and multimedia receiver products that are manufactured in their own facility. Globalsat also manufactures LED and LCD TVs for the domestic market.



■ Sharon Yan is at the reception desk and greets visitors with a smile.



■ Josie Yang is Globalsat's Marketing Manager. She is standing here in front of a display wall with a selection of OEM products manufactured by Globalsat.

Globalsat will continue its position as an OEM manufacturer. Don't waste your time looking for receivers with the Globalsat logo. "Maybe in 2012 we'll start with receivers under our own brand name", reveals Sales and Marketing Director Alvin Sun to us.

Domestically, Globalsat has been very successful with the brand name SVC: TV sets are produced under this name. A completely new field involves 3D TVs; Alvin Sun believes that it won't be too long before they are offered internationally. For now, Globalsat only exports receivers: "In 2010 we exported 70% SD receivers and 30% HD boxes." In 2011 this ratio will substantially change with their new production facility: "The portion of HD receivers should increase to more than 50%."

Globalsat even has a Super Receiver in development. It should become available in the second quarter of 2011 and will come with a twin tuner for DVB-S2, an IPTV receiver section, web browser and most notably 3D graphics plus games as well as WiFi support and of course a PVR. The latter feature comes with the option to record the original signal. This makes this box compatible with HD+ and CI+; HbbTV is also being worked on. The TELE-satellite test team can't wait to get their hands on a sample receiver so that we can introduce it to you as soon as possible.

The sales team provided us with some numbers highlighting geographical distribution. In 2010 70% of all shipments still went to the Middle East with 15% going to Europe and the Americas. In 2011 a



substantial shift will be seen here: the Middle East, which has been their primary target market since the founding of the company, will be further reduced to 50% while Europe will climb to 30%, South America will be around 15% with North America receiving the remaining 5%. For South America it will be mostly ISDB-T receivers and in North America Globalsat will be focusing on IPTV and media players.

Globalsat has set some lofty goals for themselves in 2011: "We're planning on production of seven to eight million receivers as well as 500,000 TV sets and 20,000 signal analyzers", lists Alvin Sun.

The reason for this is the startup of their own factory that will be used to manufacture high-quality products for the European and North American markets thus greatly expanding their position in the OEM market.

You'll find Globalsat at almost every appropriate trade show. Marketing Manager Josie Yang gives us an overview: "For 2011 Globalsat will be at CES, CSTB, CABSAT, CCBN, ANGA, SET, IBC as well as the two KDTC shows in the Spring and in the Fall."

Globalsat is clearly on an expansion course. The original business plan of

■ It's not quite ready yet but it won't be long before this production facility kicks into high gear. Administration will also move into this building which is located in Zhuhai, west of Shenzhen opposite Macao.

manufacturing inexpensive boxes for the Middle East has been replaced by the start of a high-quality production line: now with high-quality products the European and North American markets are in focus. The company Globalsat is in the process of taking the next step in their development: they are moving from a manufacturer of inexpensive boxes to one of high-quality products that come with all the features that are expected by today's customers. It's a very forward-looking strategy!



■ One of the many new products by Globalsat: an ISDB-T + DVB-S2 HD Combo, model name IS1-19HD. Some technical specifications: ISDB-T Compliant (MPEG-II/ MPEG-IV/ H.264), DVB-S/S2 Compliant (MPEG-II/ MPEG-IV/ H.264), SCPC & MCPC receivable from Ku and C band satellites, Universal, Single, Single Ku & C Band Wideband LNB compatible, Sensitive Tuner with Loop-Through, DiSEq C 1.0/1.1/1.2/1.3(USALS), SCR Support, PAL/SECAM/NTSC, Blind Search, variable aspect ratio (4:3, 16:9) with PAN&SCAN, CE, FCC, DTV compliant, supports Closed Caption (CC) function, optional Conditional Access (e.g. Conax) embedded. This Combo model is for the Brazilian market, but a European model with DVB-T plus DVB-S2 HD has been launched simultaneously.





Hardware Design at Globalsat

1. Ian Wu is in charge of the Hardware R&D team. He is also one of Globalsat's founding partners and runs a team of 22 engineers.
2. The hardware for Globalsat's boxes is designed here.
3. Sample units are manually assembled and checked out here to see if they can be produced that way.
4. These two employees solder sample circuit boards together for the sample units. In this way the theoretical units designed by the engineers can be tested in practice before they go into production.



Globalsat Sales Team

1. Anna Zhang is the sales team leader for northern and eastern Europe
2. Belinda Bi is in charge of the sales team for southern and western Europe as well as for Australia.
3. Ryan Wang is the sales team leader for OEM customers in North and South America.
4. The Middle Eastern team leader is Fenny Ji
5. A look at the sales team: the orders from the OEM customers are handled by four teams that may each consist of up to four employees.



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2



3

1. The design team: not only is the packaging for their products fashioned here, but also the front panel as well as the rear panel of the boxes. Even the chassis' are designed here.

2. Production samples are tested here. Five engineers work here to identify production flaws as quickly as possible.

3. The accounting team: customer invoices are prepared here.