



The IPTV Company



CAVALIER TELEPHONE AND KASENNA

A PORTALTV SUCCESS STORY

Overview

Cavalier Telephone (CavTel) is a competitive provider of telecommunications and data services with headquarters in Richmond, Virginia. Operating throughout the mid-Atlantic region, CavTel currently serves 215,000 residential customers, 35,000 business customers, and is growing at a rate of approximately 15,000 new customers per month. IPTV was designated a strategic initiative for CavTel as it was clear that it could increase Average Revenue per User (ARPU), increase the customer base, reduce churn, and yield a rapid ROI. Following extensive research into IPTV system suppliers, CavTel selected Kasenna PortalTV as their solution. Kasenna PortalTV has a major impact in each of these areas. Since its inception, Cavalier Telecom has focused on delivering advanced services, and Kasenna PortalTV allows them to continue this strategy in the video market.

Rolling out today: CavTel's Triple Play

Cavalier launched its Broadband TV service in May 2006. CavTel's service rollout has begun in Richmond, and will follow with coverage in Norfolk, Baltimore, Philadelphia and metro Washington D.C. Kasenna PortalTV was selected, in part, because its open platform approach and distributed content network capabilities enable the large scale and extended reach needed to deliver service to the estimated 250,000 homes passed in their multi city rollout plan.

Bundled with telephone and Internet services, CavTel's Broadband TV customers will realize a significant savings over individual services from other carriers. With Kasenna PortalTV, CavTel is positioned for significant revenue growth. In addition to providing the full software solution for offering 150 TV channels, PortalTV is also their platform for video-on-demand service. PortalTV includes both the VOD infrastructure (standards-based, software server platform with a video network management application), and VOD programming from major motion picture studios and other content providers (supplied by Kasenna subsidiary ViewNow).

A full Triple Play with a robust VOD service isn't CavTel's only competitive advantage. Kasenna PortalTV, operating seamlessly with other network elements such as the video headend, encryption system, network access equipment and set top boxes, is allowing CavTel to do today what many are only talking about. CavTel is the first telephone provider in the United States to deploy advanced MPEG-4 digital encoding to deliver crystal clear channels over its broadband network. A fully interactive electronic program guide allows customers to smoothly move through the service suite; from setting parental controls and viewing on-screen caller ID, to watching broadcast, pay-per-view and VOD programs. Kasenna PortalTV's open software structure allows CavTel customization using ordinary web programming. Cavalier Telecom truly 'owns' the customer experience. The result is a unique brand appearance that they can easily and economically adapt as their offering changes.

Cavalier Telephone Facts:

- Headquartered in Richmond, VA
- 215,000 residential customers
- Growing at 15,000 customers per month

Cavalier Telephone IPTV Solution Partners:

- Middleware: Kasenna LivingRoom
- VOD Servers: Kasenna MediaBase
- Encryption: SecureMedia
- Headend: Tut Systems
- Set-top Box: Amino 124
- EAS: Monroe Electronics
- Caller ID: Innovative Systems

Cavalier Telephone IPTV System Facts:

- Digital Format: MPEG-4 (H.264)
- # TV Channels: 150
- Bit-rate: 2 Mb/s

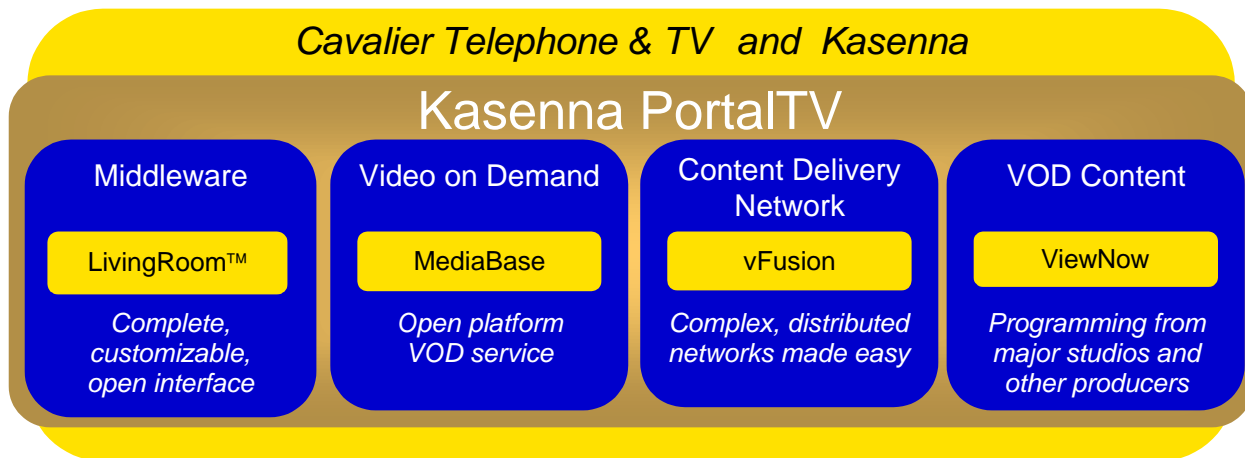


Rolling out the future: Advanced, Rich-media, IP-based Services

Cavalier Telephone & TV is already planning their next services. On the horizon are applications such as TV mail, interactive programming and gaming. CavTel knows IP-based video networks will enable TV-based services of offerings that now come only through home 'media' computers, cell phones and PDAs. There will certainly be new rich-media services that haven't even been thought of yet. And, customers will want those services in the living room, on their television.

Kasenna PortalTV will allow Cavalier to remain at the cutting edge of advanced service offerings. Openness and flexibility in the network structure and software applications are the key. Kasenna PortalTV's open platform structure and standards-based, open software interfaces provide the flexibility for easy change and customization – by both Kasenna and by CavTel.

As CavTel's content delivery network grows and becomes more complex with regional headends and VOD servers, Kasenna PortalTV will scale with it. It provides central control with automated workflows to distributed server operations that allow video streams to flow from wherever they are stored to wherever the customer demands. As CavTel's service offerings grow and become more complex, Kasenna PortalTV will enable and accommodate their changing needs with open software developments easily added to the robust core.



The CavTel & Kasenna Success

Cavalier Telephone & TV entered the IPTV arena with several business objectives: increase Average Revenue per User (ARPU), increase their customer base, reduce churn, and yield a rapid ROI. Kasenna PortalTV has a major impact in each of these areas. ARPU increases go beyond the simple addition of TV service to also include VOD revenue. Further, the open technology structure of PortalTV makes it possible for CavTel to easily add new revenue generating services as the IPTV environment evolves to become a true multi-media center in the living room. Increasing the customer base and reducing churn result from the superior end-user experience made possible by Portal TV's ability to deliver "what they want, when they want it", and the ease with which CavTel can localize the look and content of their offering. And, rapid ROI is realized by the speed with which CavTel can roll out PortalTV's pre-integrated solution, the ready availability of VOD content, and the ease with which its open solution can scale and be distributed across a wide geographic area. CavTel and Kasenna are proving the continuing success of a PortalTV IPTV solution.