



Pace plc Annual General Meeting

19 April 2010



BRINGING TECHNOLOGY HOME

www.pace.com

Agenda



Company Update

Strategy and Business Review

1. Significant improvement in financial performance

- FY 2009: a global business with £1.133bn revenues, £69.9m PBT, debt free with £73.5m net cash
- FY 2008: revenues £745.5m, PBT £13.8m, cash £37.7m
- Entered FTSE 250 March 2009

2. Strengthened market position

- Global number two, from number eight
- Shipped over 17.2m boxes in 2009, including some of the world's most advanced and complex products for the payTV industry
- Working with more customers, on more platforms and in more markets than any competitor

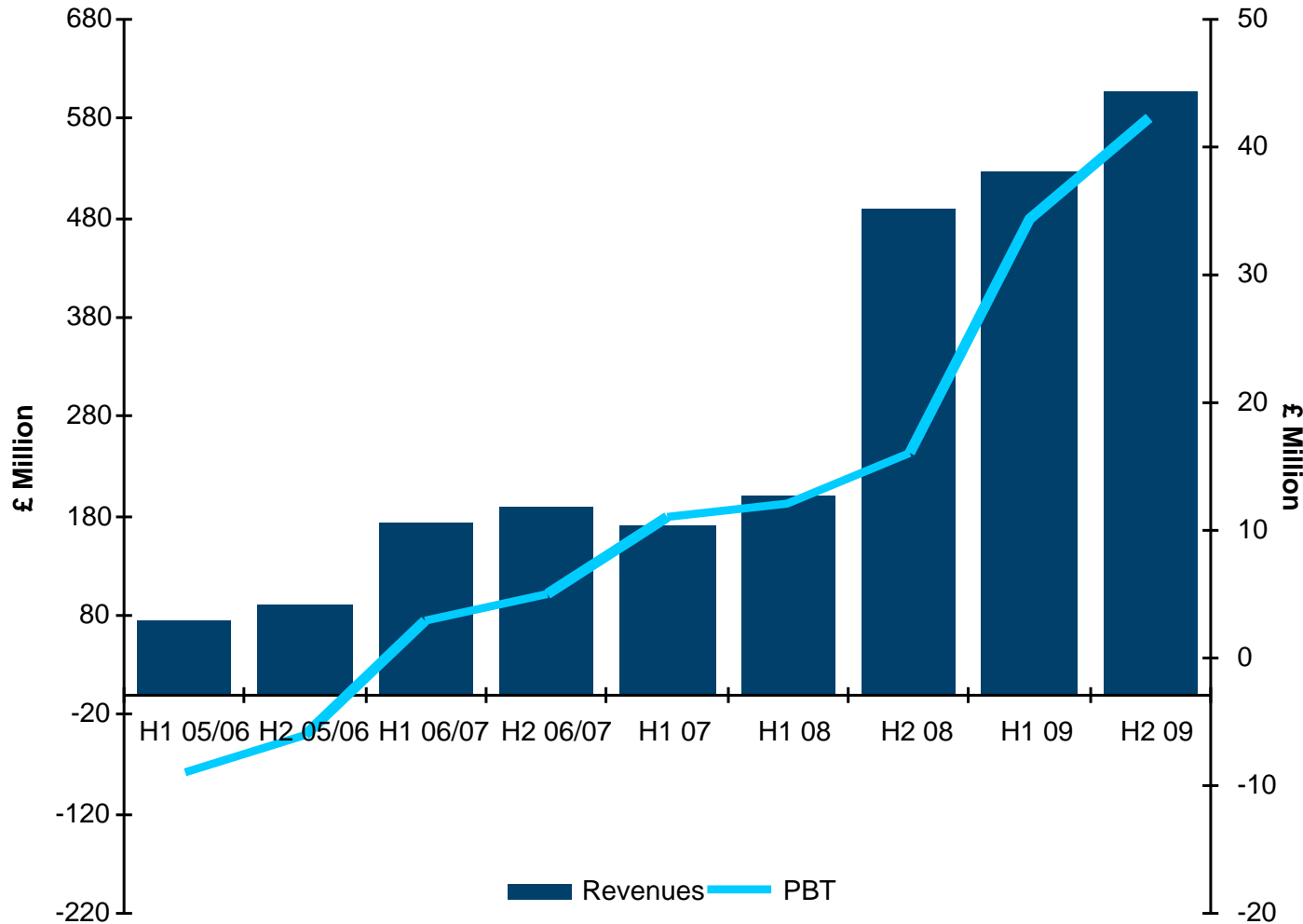
3. Global customer base

- Over 100 active payTV operator customers in all major global markets: 500% increase in three years
- Customer base includes over one third of the world's top 100 payTV operators
- Well-established in US, the world's largest market

4. Highly effective organisation

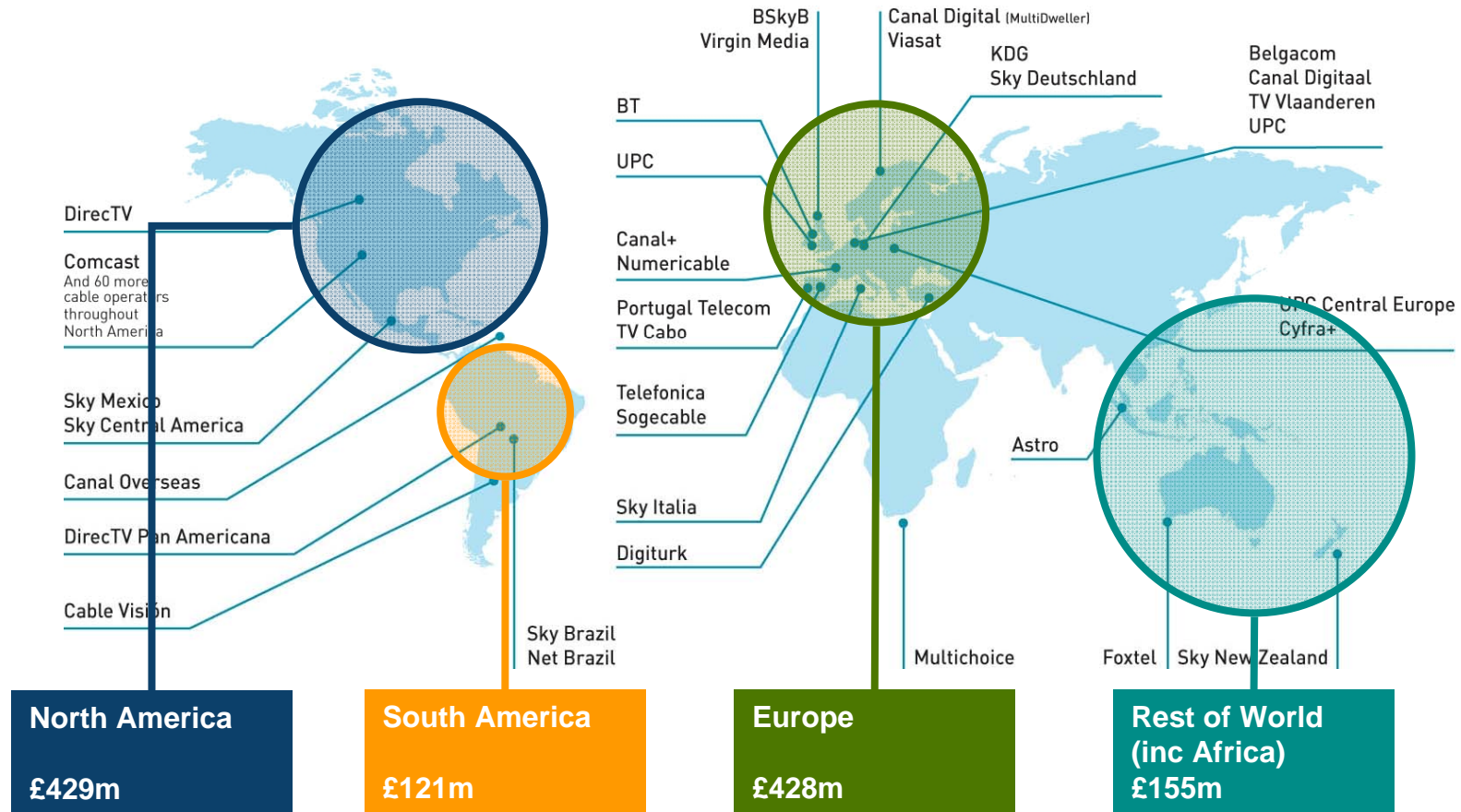
- Pace continues to deliver through its strategy, structure and culture
- Leading technology innovation
- Successfully integrated and transformed Philips set-top box business, moving it from £15m loss to £8m profit within 8 months

Continued performance improvements



4 In 2007 Pace had a seven month financial year as it moved to Dec 31 fiscal year end. In this chart H1 2007 is the first six months of that seven month financial year, the one month second half is not included in this chart. Impact of the Pace acquisition of the Philips set-top box business is included from 21 April 2008.

Global revenues





**To put Pace at the heart of convergence in digital TV,
creating a platform for long-term growth**

**To be the world's best set-top box company: to supply world
leading operators with leading products making a good ROI
for shareholders**

**To focus on core business and add related technologies that
will enable Pace to deliver growth and increase profitability
as the world continues to move to digital TV**

Targeting medium-term 8% return on sales

Performance in main geographic markets: Executive Summary



Europe

- Delivered 6.2m set-top boxes (2008: 4.7m)
- Europe's number one set-top box company
- Established leadership in HD and PVR - added Sky Deutschland
- Launch market for Pace Networks – Canal Digital, Quadriga & partner programme
- Leading the development of true hybrid products ahead of the competition e.g. Canal+ and Viasat
- Analogue switch-off underway, creating operator and retail opportunities
- Leading NDS and Nagravision CA partner

Rest of World

- Delivered 1.3m set-top boxes (2008: 1.1m)
- Continued success in Australasian markets
 - Foxtel
 - Sky New Zealand
- Developing business in Asia – new Astro HD business win
- Using the Group's HD expertise & CA partnerships to win new business and identify emerging opportunities
- Well placed to grow African and Middle East business through existing customer relationships

Performance in main geographic markets: Executive Summary



North America

- Delivered 7.3m set-top boxes (2008: 6.7m)
- Began HD shipments to Comcast
- Leading rollout of digital converters (DTA) in cable market
- Launched industry first whole home product, HCS, with a series of cable operators
- Product range developed to take advantage of all market opportunities
- Pace customers include the world's largest cable & satellite operators: Comcast & DIRECTV

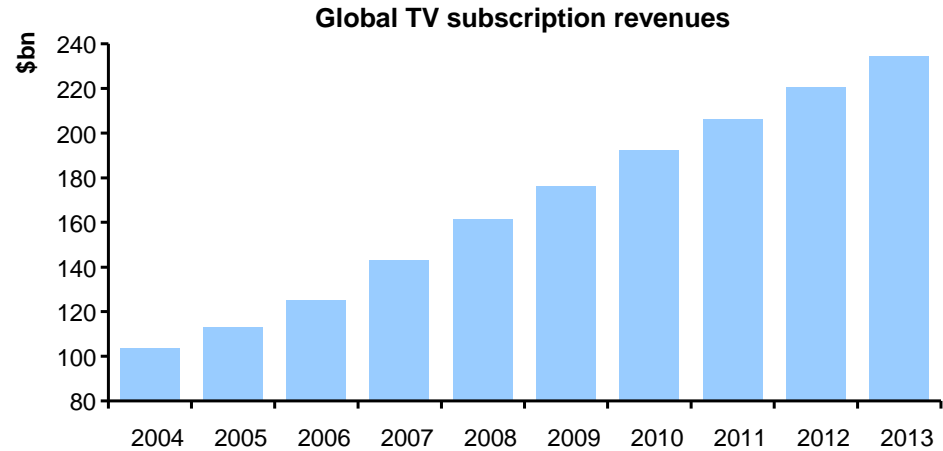
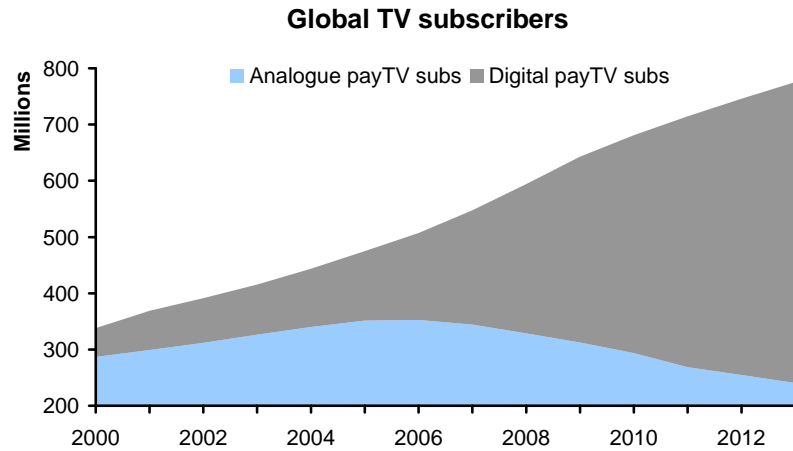
South America

- Delivered 2.4m set-top boxes (2008: 0.6m)
- One of fastest growing markets for digital TV technology
- A large market with growing HD-ready base
- Pace has a growing market position on all cable & satellite platforms
- Leveraging HD leadership, existing product platforms and CA partnerships to win new customer contracts: Net Brazil & Cablevision (Argentina)
- First non-European partner for Pace Networks: Visionbyte in Brazil

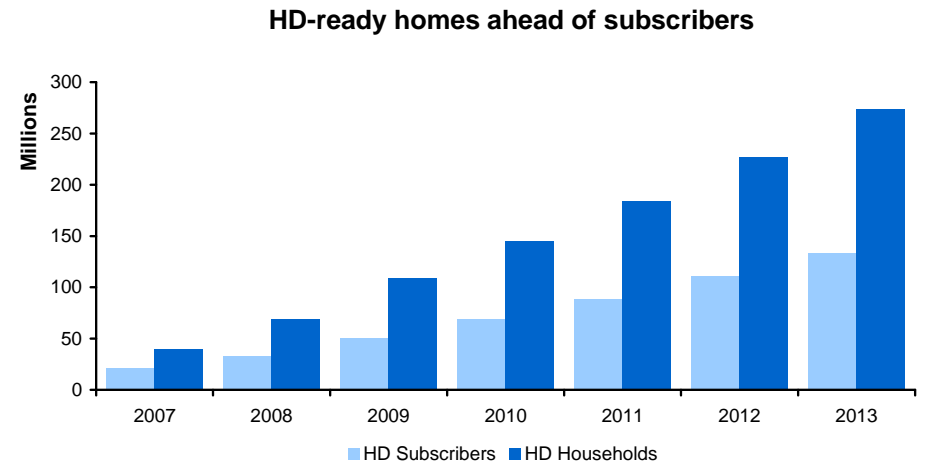
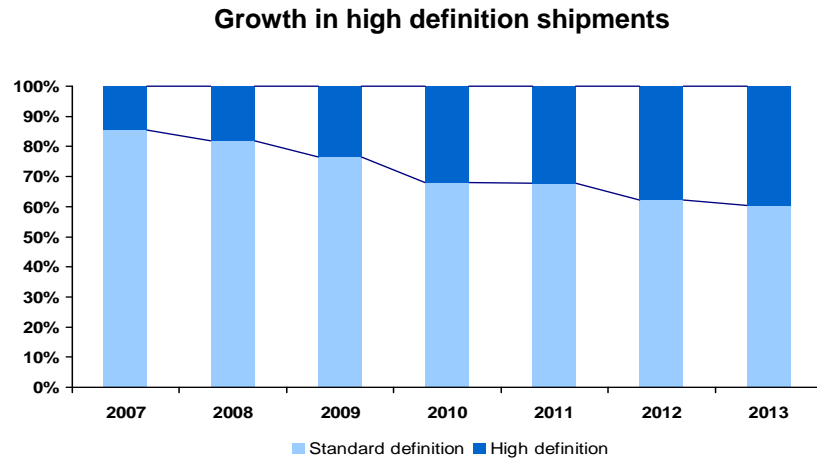


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| 1 | Consumer demand for digital home entertainment |
| 2 | Continued global shift from analogue to digital |
| 3 | Ongoing momentum to PVR and high definition |
| 4 | Hybrid set-top box technology |
| 5 | Whole home convergence |
| 6 | 3D & ultra HD... |

Pay TV market growth drivers*



The quality of, demand for and spend on digital home entertainment is growing rapidly



High definition is an important market with a significant base of HD-ready homes

Pace is now global number 2 in the payTV market

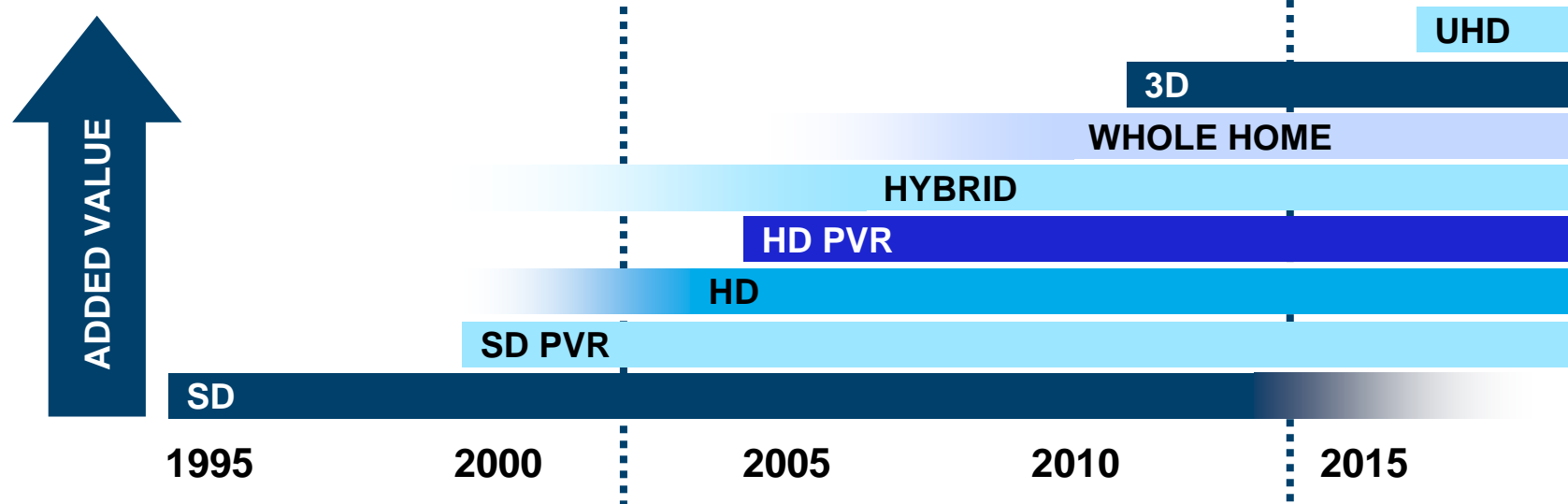
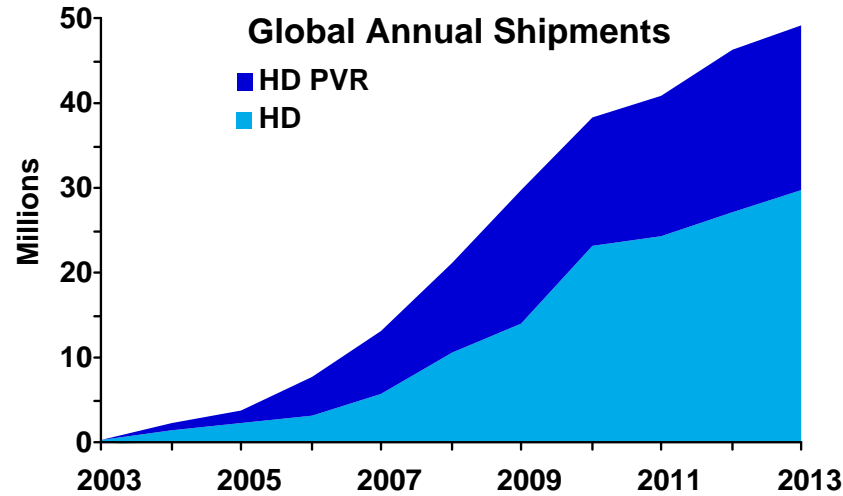


Rank 2009	Company	2009 Share	2008 Rank
1	Motorola	16%	1
2	Pace	14%	3
3	Technicolor	14%	2
4	Humax	6%	8
5	Cisco	6%	4

**Global rankings for the payTV market
based on volume shipments***

Product Evolution

Technology enabled services

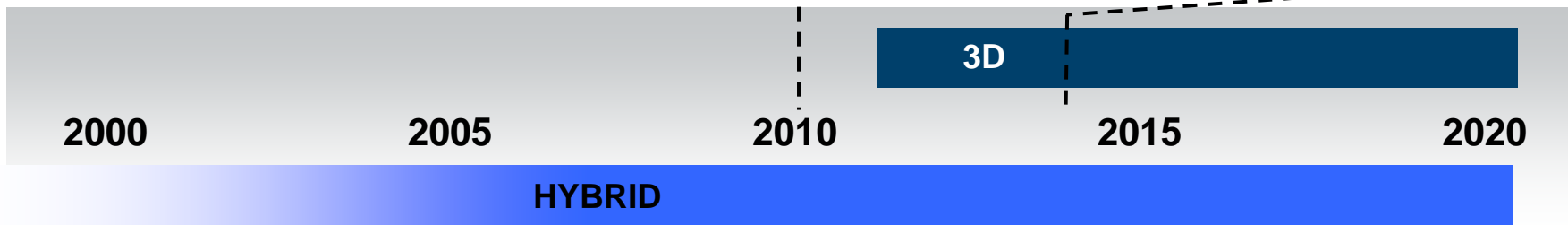
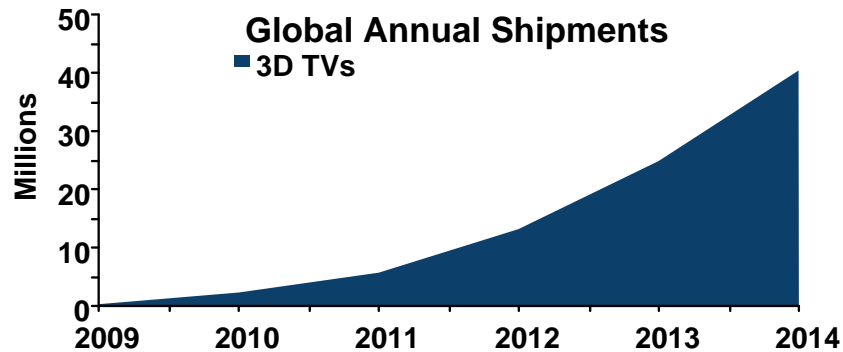


Technology: 3D & Hybrid



Stereoscopic 3D:

- Single view 'half-resolution'
- 'Full HD resolution'
- Multiview Point Coding, H.265...
- 'Object Wave' Holographic



Hybrid:

- Enhancing Broadcast with Broadband interactive services
- Either 'managed' or 'over-the-top'

Technology:

- Flash, HbbTV, Tru2way...

Games



Catch-upTV
VoD



Shopping



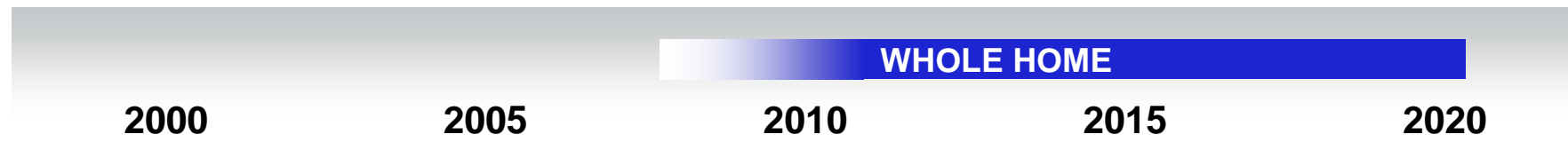
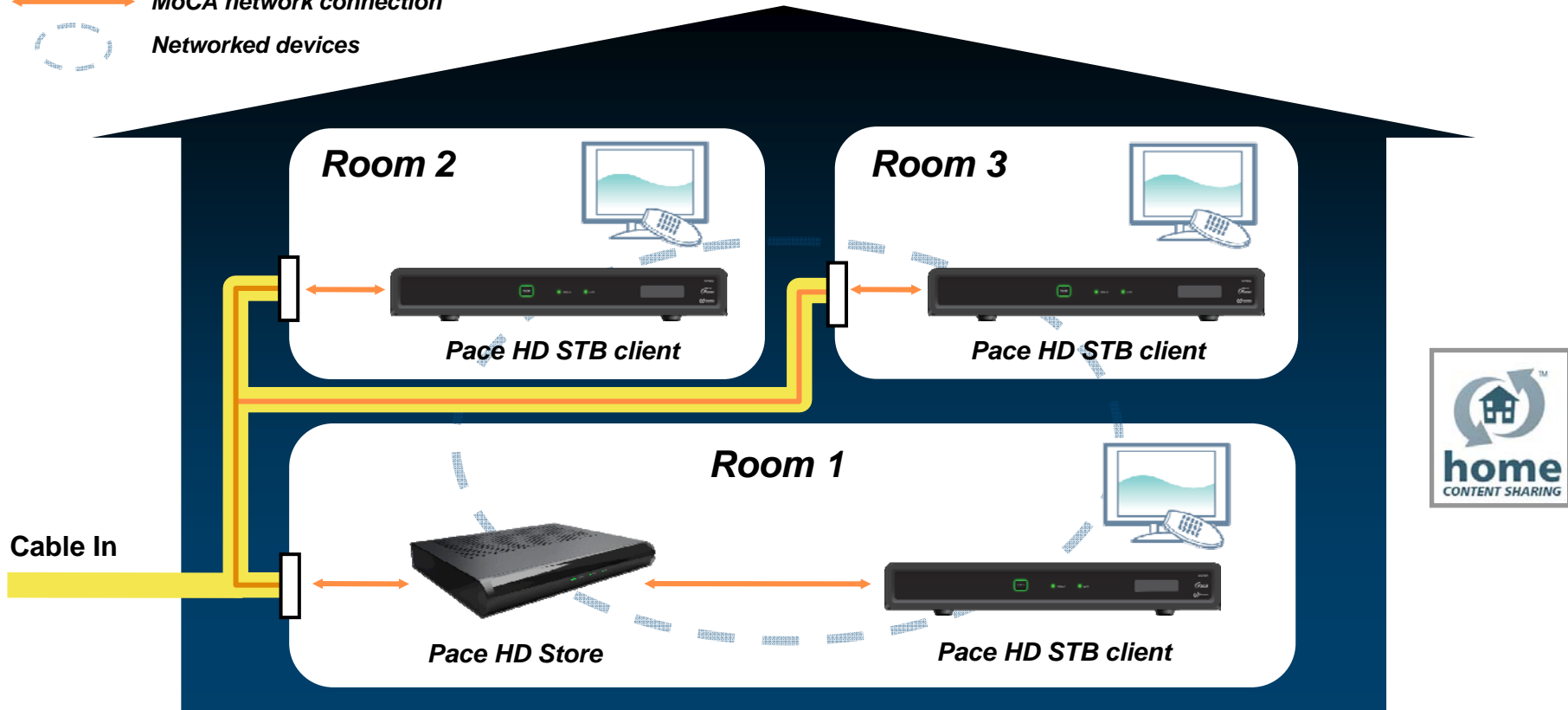
Social
Networking

PayTV for the 'Whole home'

Path to Convergence

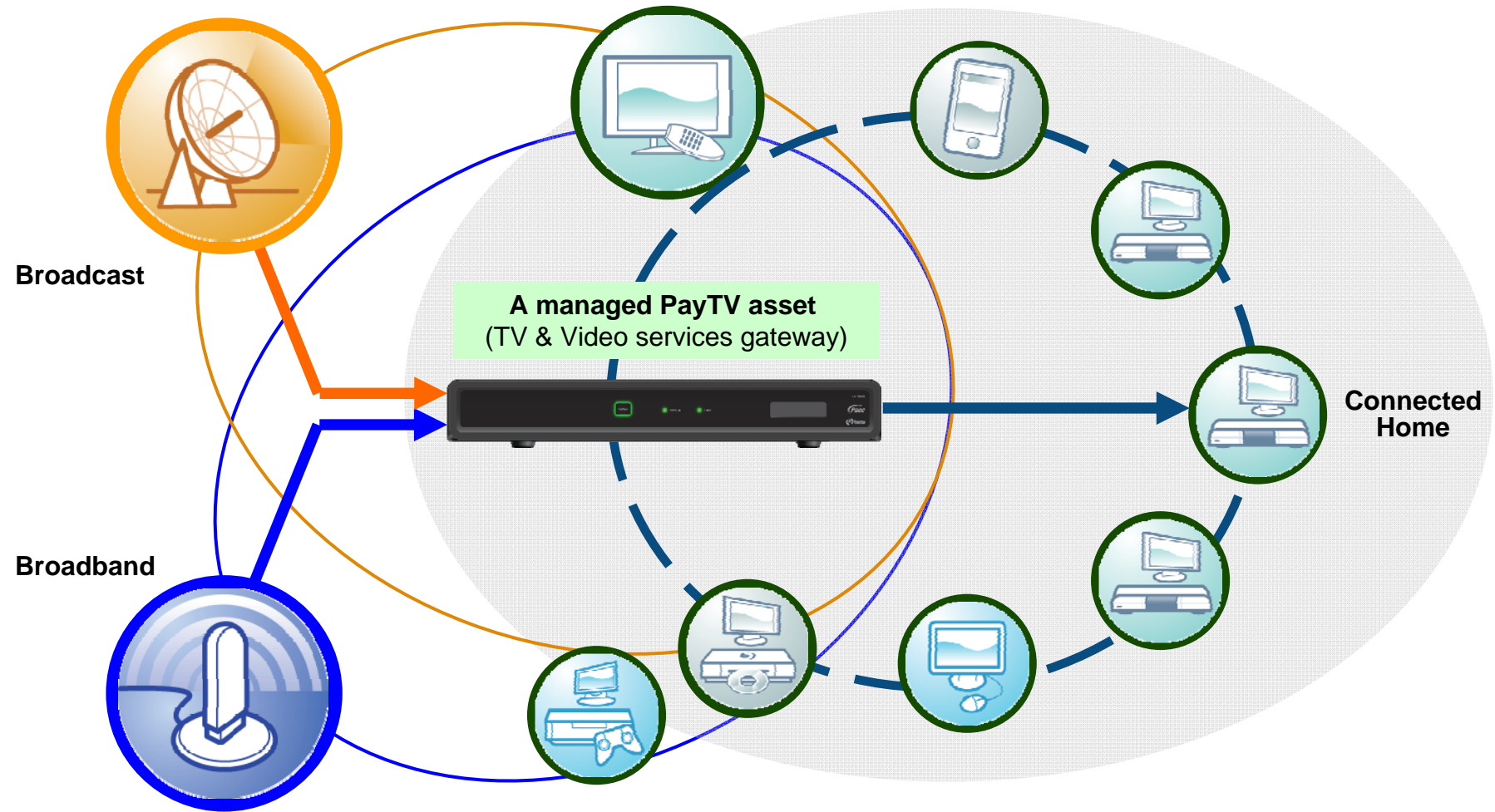


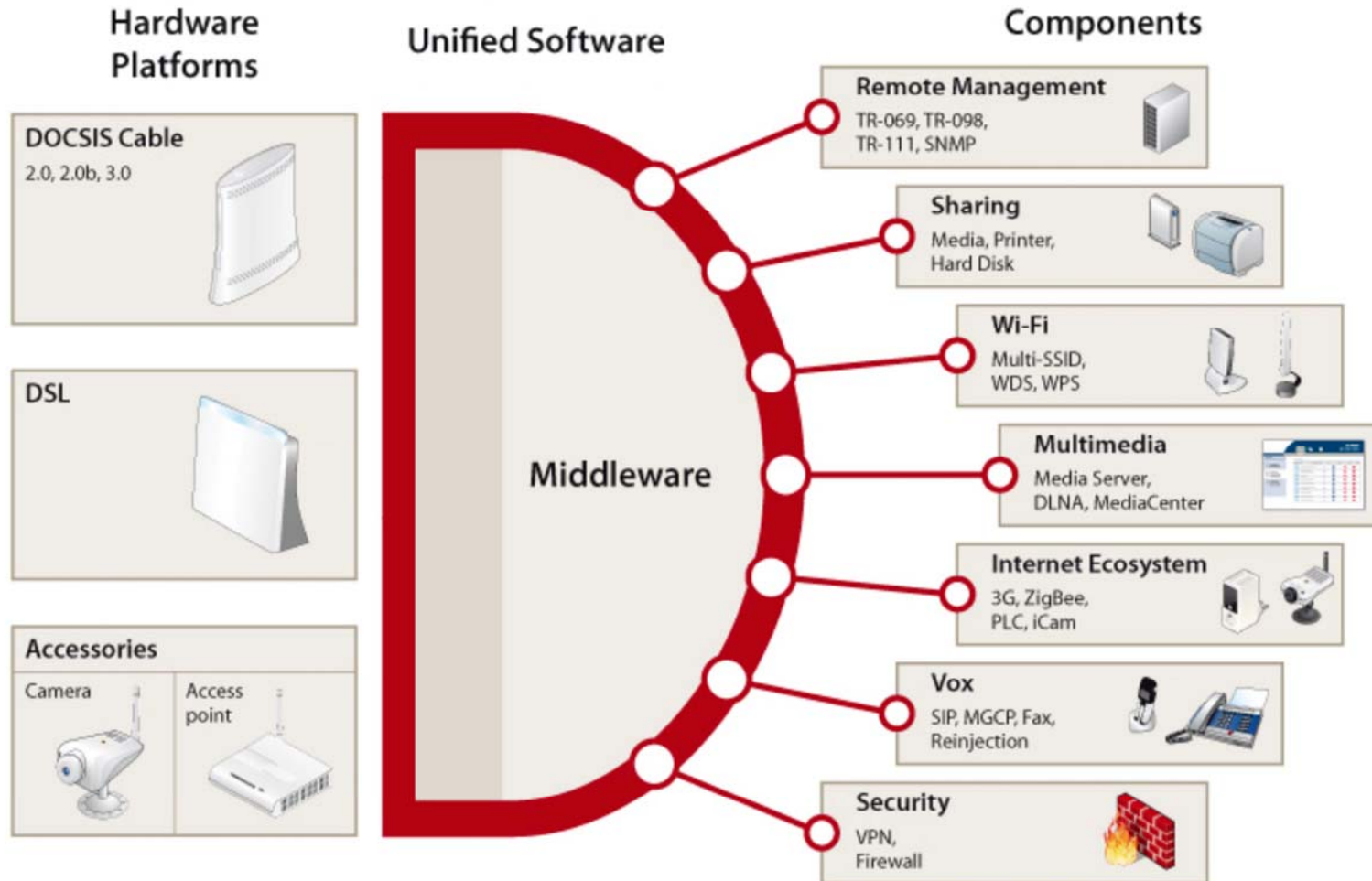
- Existing In-Home Coax
- MoCA network connection
- Networked devices



Convergence

PayTV at the heart of home entertainment





Set-top boxes



Full range of satellite, cable and IPTV products for payTV markets in standard and high definition

Networks



Intelligent service gateways for broadcast & broadband service delivery, with MultiDweller®, the first product

Residential gateways



Full range of xDSL, DOCSIS and Gigabit residential gateways and complimentary range of ecosystem accessories: PLC adapters, home automation, wireless IP cameras etc

- Pace Networks products are highly cost-competitive solutions that enable service providers to extend and enhance digital services
- For example
 - PayTV operators can target subscribers in hard-to-reach towns and regions where it is currently un-economic to upgrade to digital and high definition
 - The hospitality industry can offer enhanced TV and broadband services to their clients
- MultiDweller®
 - Is an intelligent service gateway for broadcast & broadband service delivery
 - The first in a line of products planned for Pace Networks, extending reach into 'last mile' digital distribution



Business progress

2009 Trials and first customer launches

- Canal Digital, to increase its reach across hard-to-reach multidwelling subscribers in the Nordic market
- Quadriga, a strategic business partner to many of the world's leading hotels, to deliver a unique, tailored portal for the TV in guest rooms



Networks Approved Partner Programme

- Eight distributors in place
- Includes Auriga in Italy and Visionbyte in Brazil

2010 Adding customers and distributors – expecting to breakeven for year

2011 Major market rollout



Outlook



- Pace has entered 2010 in a strong operational and financial position
- The payTV market continues to be positive and there is good demand for the Group's products
- Trading has continued in line with expectations and Pace continues to deliver well against plan
- Overall the Group looks forward to another successful year building on its position as a leading global player in the digital payTV market



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