

## NEWS AND DATA ON DIGITAL TERRESTRIAL TV FROM ITALY AND EUROPE

### THE TIME HAS COME: SWITCH-OVER KICKS-OFF IN LAZIO AND PIEDMONT

"The time has come!" as states the claim in the TV ad for digital switch-over which, for the first time in the history of television, is being aired on all national and local channels alike.

And the time really has come. An AGCOM intervention has stopped European disputes and therefore made the planning and allocation of frequencies possible; all TV sets are now obliged, by law, to be sold with integrated digital receivers; consortiums have been created in Lazio and Piedmont for local broadcasters to begin territorial information campaigns; and funds have been made available for providing assistance to the weaker population groups in the two regions involved. The time has truly come.

Everything is set for the next stage which will make Rai Due and Rete Quattro all-digital in the areas of Turin, Cuneo, Rome and Lazio. In addition to Valle d'Aosta and Trento where switch-over is already underway and to Sardinia which switched-off last October. The time has come. And this re-confirms Italy's leading position in the European process of TV digital transformation.

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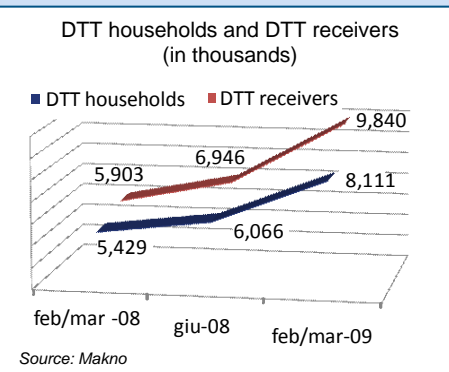
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#### DTT PENETRATION

##### 8.1 MLN DTT HOUSEHOLDS

According to the latest estimates by Makno, based on a sample survey of 3,000 households, the number of DTT households in February (those with at least one DTT receiver in the main family home) had reached 8,111,000. An increase of 2.7 million households in one year.

Moreover, in February, the overall number of DTT receivers in households stood at 9,840,000 (+3.9 million compared to the same period last year).

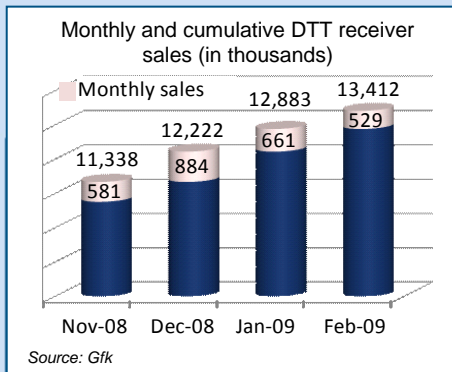


#### SALES OF DTT RECEIVERS

##### OVER 13 MILLION

According to the latest data provided by GfK, 529,000 DTT receivers were sold in February 2009 of which 384,000 (72.6%) were integrated DTT receivers and the remaining 145,000 (27.4% of total) were stand-alone STBs.

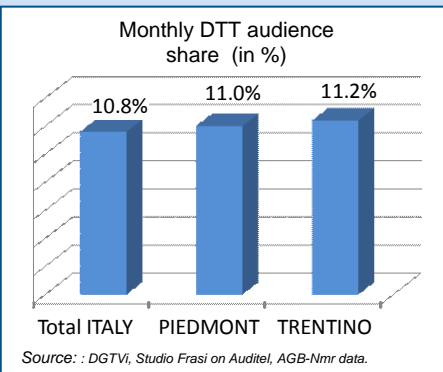
The cumulative sales of DTT receivers sold since February 2004 has overtaken the 13 million mark and stands at 13,412,000. Of these 56.8% are stand-alone STBs and 43.2% (5.8 million) are integrated receivers.



#### DTT AUDIENCE FIGURES

##### DTT SHARE REACH 10.8%

DTT in Italy reached 10.8% of overall TV viewing time in March. The growth of DTT is still consistent in Trentino Alto Adige where, in 104 municipalities, Rai Due and Rete 4 are exclusively broadcast in digital; one month since digital switch-over, DTT has already overtaken 25% of audience share, registering 26.3% in March. The next areas to turn digital will be part of Piedmont and Lazio; in these regions DTT audience share is respectively 11% and 11.2% as of March 2009.

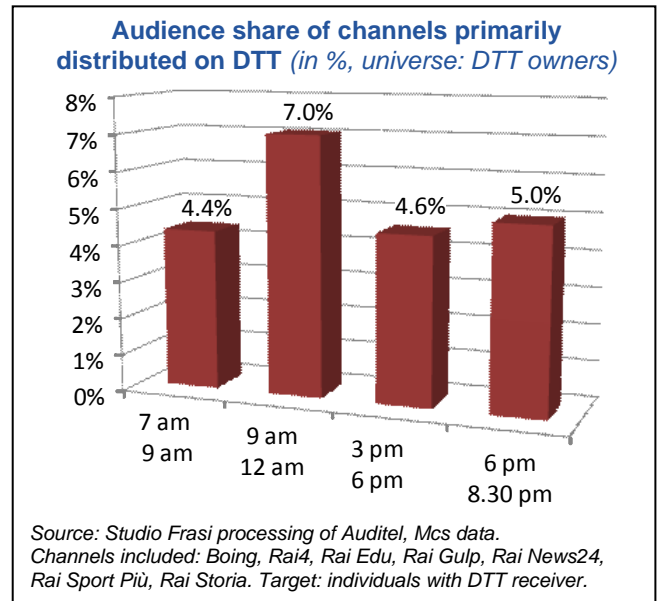


# DIGITAL TERRESTRIAL TV VIEWING

(by Studio Frasi)

Two DTT channels have overtaken the one million mark of average daily reach; during the month of March both Rai 4 and Boing overtook this figure. The children's channel Boing generates an 11.3% share among 4-14 year olds in families with a DTT receiver.

Among individuals with DTT receivers, the channels primarily distributed on DTT (excluding national analogue channels) reach an average quota of 3.5% over a 24 hour period. Moreover these channels register much higher peaks in certain time slots, touching, for instance, the 7% mark between 9am and midday. They also maintain a constant 5% quota in two other important time slots: between 3pm and 6pm and during access prime time, that is between 6pm and 8.30pm.



## NEW IN ITALY

### WITH DIGITAL TRANSITION 5 NATIONAL MULTIPLEXES CALL FOR TENDERS

On the 8th of April the Regulating Authority for the Communications Industries approved the criteria for the complete digitalization of national TV networks. AGCOM has established that, with definitive switch-off to digital at the end of 2012, five national multiplexes will be calling for tenders: three will be reserved for new operators wishing to enter the TV market whereas the other two will be also open to "traditional" broadcasters.

This call for tenders for allocating TV frequencies will "certainly kick-off before the end of the year" as was recently explained by Paolo Romani, the Undersecretary in the Communications Dept of the Ministry for Economic Development. The approved programme concerns national broadcasting. Local broadcasters in each switch-off area will be guaranteed, as required by law, at least one third of available transmission capacity.

This move has been defined as a "turning point in the TV market configuration" by the AGCOM President Corrado Calabrò, who also announced that "the European Union Commission has stopped the dispute procedures" started in 2006 against Italy due to the "Gasparri law". But that is not all: the EU will close these procedures definitively once it sees complete implementation of the new regulations also at a legislative level.

### CONSUMER ELECTRONICS' DISTRIBUTION TEAMS UP WITH SWITCH-OFF

Tivù, together with DGTVi and AIREs, the association for retailers of consumer electronics, in order to prepare for DTT transition in western Piedmont and Lazio, organised a special workshop day with marketing directors from the main distribution chains of consumer electronics on the 8th of April in Rome.

Over the next few weeks, with more than 3,400,000 households in Piedmont and Lazio involved in DTT transition, the role of retail outlets will be particularly important. Firstly because of logistics, which must be meticulously organised and planned since, in a relatively short time frame, sales of an estimated 3 million receivers (integrated or STBs) will be handled in addition to the 4 million integrated TV sets and 2 million STBs that are already sold annually in Italy. And also because of the vital role as information points that retail outlets must have due to their direct contact with consumers.

To this end, Tivù has planned an important communication campaign in the main retail outlets in Lazio and in western Piedmont, including the distribution of information material and the presence, particularly on Saturday afternoons, of special information points with expert staff.

➔ **NEW TV CAMPAIGN** – The "Ci siamo" ("The time has come") TV campaign kicked-off in mid March. It is the first campaign ever to be shared by all broadcasters, whether national or local, public or private. A total of 26 personalities from national and local channels have acted as testimonials for communicating the imminent DTT transition. The campaign, formed by nine 30 second adverts, has, to date, already been aired over 2000 times.

➔ **THE RADIOTV FORUM 2009 BY AERANTI-CORALLO** will take place in Rome on the 19th and 20th May at the Congress Hall in the Hotel Melià Roma Aurelia Antica. The various companies taking part from the broadcasting, audio, video and services sector will be presenting their novelties in this large exhibition space. There are also a number of other events planned, dedicated both to radio and local TV broadcasting as well as seminars providing updates on technical and legal aspects. The event will be opened by the Undersecretary for Economic Development, Paolo Romani. For further information and pre-enrolment: [www.radiotvforum.it](http://www.radiotvforum.it).

## FREE-TO-AIR DTT OPERATORS IN EUROPE

A classification into typologies of DTT operators in the UK, Italy, Spain and France highlights four basic categories:

- “traditional” public or private broadcasters already active on Analogue Terrestrial TV;
- national TV operators already active on other platforms (cable, satellite) before the launch of DTT;
- “extra TV” : national operators with main activities in other media (such as radio or publishing);
- foreign operators.

In general, the analysis highlights two particularly important aspects:

- ✓ historical broadcasters, already transmitting on analogue terrestrial TV, maintain a significant central position even on the DTT platform. Traditional operators account for around two thirds of the Free-to-Air DTT channels available across the 4 countries.
- ✓ the DTT platform, thanks to the increase in the number of available channels, has allowed for “extra TV” or international operators to gain access to national TV markets.

The **U.K.** has the highest number of broadcasters covering all the four highlighted categories. Of the wide choice made available by Freeview (37 channels excluding local, interactive and time-shifted ones), a little

over half are made by the four historical broadcasters, the lowest percentage in any of the countries considered for this analysis.

Together with these, which represent around one fifth of the total number of DTT operators, there are several “extra TV” players (six in total, including Media Trust, the retailer Ideal Shopping Direct and the GemsTV Group) as well as international broadcasters such as MTV Networks, Turner Broadcasting System Europe and Liberty Media.

**Italy** is second to the UK in terms of “extra TV” players and foreign broadcasters with a total of eight. As well as the five analogue broadcasters (Rai, Mediaset, Telecom Italia Media, MTV Networks Europe and the newcomer Gruppo L'Espresso), free-to-air DTT in Italy also has three “extra TV” operators (Anica Flash, Class Editori e Sat2000) and a grand total of five foreign broadcasters (BBC, Holland Interactive Group, Turner Broadcasting System Europe, TF1 and France Télévisions).

**Spain**, counts five analogue operators who are joined by the foreign broadcasters Sony Entertainment and Disney Group. They both gained access to the Spanish DTT market thanks to partnerships with, respectively, Veo Television (part of Unidad Editorial) and with the Vocento Group, which are primarily active in the publishing market.

And finally as far as **France** is concerned, there are no foreign broadcasters on the DTT platform but there is a greater number of national “extra TV” operators. Among these are the Njr Group and Nextradio TV, which are both primarily radio broadcasters, as well as the Lagardère Group and the Parliament with the LCP channel.

