

NEWS AND DATA ON DIGITAL TERRESTRIAL TV FROM ITALY AND EUROPE

DIGITAL TRANSITION HAS STARTED IN PIEDMONT TOO

Between the 20th and 21st May, right on schedule, Rai2 and Rete4 switched to digital in Turin, Cuneo and in part of the Asti province, affecting a total of 568 municipalities in western Piedmont. Almost 3 million users involved in a process that will see definitive switch-off take place in September and October. This is the 4th region in Italy to switch-over, following Sardinia, Aosta and Trentino: Turin is the first big city, not just in Italy but in the whole of Europe, to turn digital. Yet another confirmation of Italy's leading position in the TV digitalisation process.

And this leading position has been made possible thanks to the commitment made by all those involved: the Government, through the Communications Dept. of the Ministry for Economic Development with their incentives to weaker population groups, their communication campaign and the setting up of an information call centre; the Piedmont Region which has been active in a number of ways; RAI which is undertaking an important information campaign, including letters sent to the millions of licence holders; Mediaset which has organised two days of events in Piazza San Carlo (Turin); and even local TV channels which have, through the Piedmont DTT Consortium, undertaken a meticulous information campaign throughout the territory. This is the right way forward for also keeping to schedule in Rome, Lazio and Campania and for all additional switch-offs scheduled after the summer. A way that must be followed, as it has been so far, in order to comply with institutional requirements, with the expectations of operators and, above all, with the needs of viewers.

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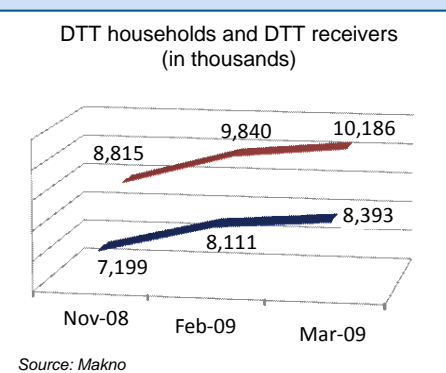
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DTT PENETRATION

8.4 MLN DTT HOUSEHOLDS

According to the latest data provided by Makno, the number of DTT households (those with at least one DTT receiver in the main family home) had reached 8,393,000 in March 2009. An increase of over 280 thousand units with respect to February.

Moreover, in March 2009, the overall number of DTT receivers in households overtook the 10 million mark standing at 10,186,000 implying a growth of 346,000 units with respect to the previous month.

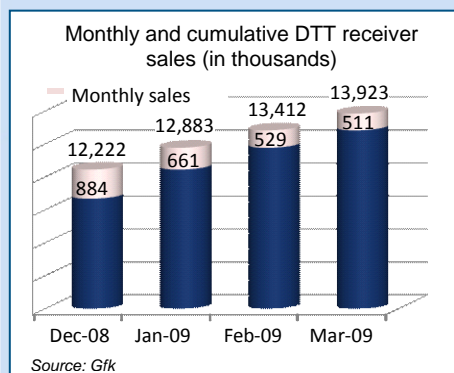


SALES OF DTT RECEIVERS

CLOSE TO 14 MILION

According to the latest data provided by research firm GfK, 511,000 DTT receivers were sold in March 2009. Of these 362,000 (71% of total) were integrated DTT receivers and the remaining 149,000 (29 % of total) were stand-alone STBs.

The cumulative sales of DTT receivers sold since February 2004 stood, at the end of March 2009, at 13,923,000. Of these 55.8% are stand-alone STBs and 44.2% (6.2 million) are integrated receivers.

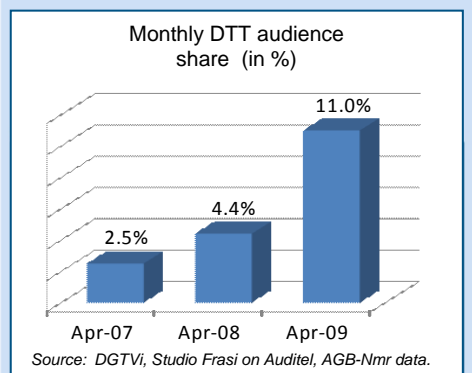


DTT AUDIENCE FIGURES

DTT SHARE REACHES 11%

DTT reached an 11% average monthly share during April. A year ago its share was 4.6%. Growth is therefore above 100% and during these first few months of 2009 stands at 29.4%.

DTT usage is also increasing in Sardinia, the only all-digital region to date, with a growth of one percentage point in the past month alone, from 78.2% in March to 79.3% in April. The growth of DTT has seen a consequential decrease in satellite viewing share which went from 21.8% to 20.7%.

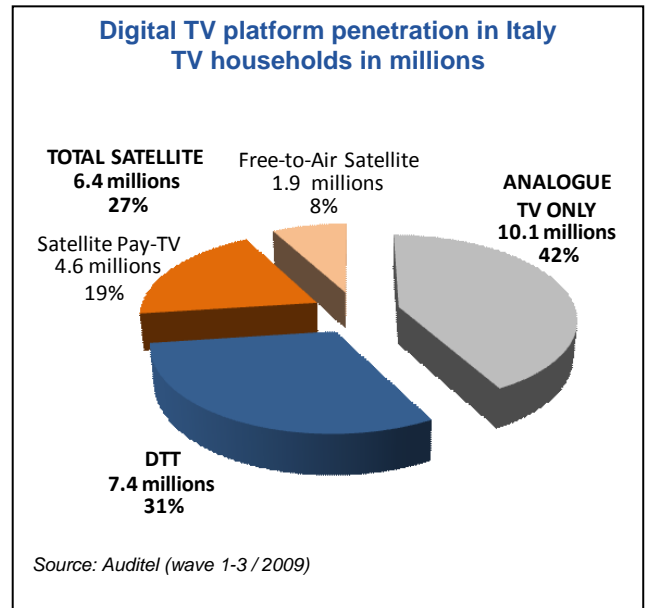


DIGITAL TERRESTRIAL TV VIEWING

(by Studio Frasi)

Auditel has verified that in May the number of DTT households has overtaken the number of satellite TV households (whether Free-To-Air or Pay-TV). DTT households currently stand at 7,363,103, that is 31% of all Italian households, where as satellite households stand at 6,445,830 (27%), of which 4,587,432 (19%) subscribe to Sky Italia packages.

The data provided by the latest survey update (put together by Ipsos for Auditel) on the technological equipment present in households, brings the estimates into alignment with those made by other research institutes – Makno (on equipment ownership) and GFK (sales of receivers) – which had for sometime now already ratified the leading position of DTT in Italy. The overtake takes place thanks to the significant growth in DTT which registers an increase of 15% between December 2008 and April 2009.



NEW IN ITALY

LAZIO: A TASK FORCE MEETING FOR SWITCH-OVER

The Lazio Task Force met on the 13th May at the Communications Department of the Ministry for Economic Development in Rome, in view of the upcoming switch-over scheduled for Rai2 and Rete4 on the 16th June.

During the meeting the Ministry confirmed that it will adopt the same criteria for providing assistance to the weaker segments of the population of Lazio as it did for those in Piedmont. Citizens over the age of 65, with a valid RAI licence and an income below 10,000 euros will receive a 50 euro subsidy from the government for purchasing a receiver.

The Ministry has sent out letters to 150,000 inhabitants in the Lazio region informing them of the benefits of digital TV and letting them know that, from the 16th May, applications for the subsidy will be available from certified retailers.

From the 22nd May, in the municipalities involved in the Rai2 and Rete4 digital switch-over, the two broadcasters will transmit announcements to citizens informing them that, from the 16th June, Rai2 and Rete4 will only be receivable with a DTT receiver.

SWITCH-OFF BEGINS IN WESTERN PIEDMONT

Since the 20th May, Rai2 and Rete4 are only transmitted digitally in 568 municipalities in the provinces of Turin, Cuneo, Asti and surrounding areas (involving 2.9 million individuals). As switch-over drew closer Makno carried out a survey for DGTVi, just as it did in Sardinia and Valle d'Aosta, to verify the overall penetration of the digital platforms, including *prospective* households ("full analogue" TV homes intending to acquire a digital TV within 6 months) as well as the level of information provided in the affected areas. The research (1000 CATI, 29th April-6th May) revealed that:

- ✓ overall penetration of digital TV (at least one platform on at least one TV set) is 65% (80% if *prospective* households are included);
- ✓ over 50% of households in Turin (33% in Cuneo) are equipped with DTT, satellite (free + pay) stands at 30% in Turin (44% in Cuneo) and IPTV stands at 3% (1.5% in Cuneo);
- ✓ over 40% of households have access to more than one digital platform.

Less than a month before switch-over the level of information was high: over 90% of those interviewed were aware of the imminent switch-over and only 28% could not remember the exact date. The information campaign promoted by the Piedmont DTT Consortium (all the region's local channels) and supported by the Ministry for Economic Development-Communications Dept, started at the end of April with TV, radio and press adverts. Rai2 and Rete4 broadcast announcements in all the municipalities involved, informing citizens of events and providing the free-phone information number (800.022.000) made available by the Ministry (www.decoder.comunicazioni.it).

To celebrate this transition Turin hosted the Mediaset Days on the 16th and 17th May in Piazza San Carlo. Two days of music, performances and information. The migration to digital of all other channels will be concluded between the 24th September and the 9th October.

➔ **RAI TUTORIAL PROVIDES A GUIDE TO DTT RECEPTION** - To make switch-over and switch-off user friendly, Rai has created a series of information advertisements in which an Italian family talks directly to the viewers telling them, in the first one which receiver to buy, in the second one how to install it and in the third one how to control the efficiency of antennae reception. The announcements last approximately 90 seconds and are broadcast within Rai programmes from the last week of May.

MINI-GENERALIST CHANNELS INCREASE IN EUROPE

The analysis carried out on the editorial categories of the Free-to-Air channels available on DTT in the main European countries (France, Italy, UK and Spain), highlights the growing trend of mini-generalist channels. These are a kind of “new generation” of entertainment channels, generally concentrated on just a few (3 or 4) main genres and often aimed at a specific audience group (children, young adults etc.)

We can establish the success of these channels on the basis of two indicators:

- ✓ in terms of their quantity within the DTT offers. The number of DTT mini-generalist channels in the 4 countries considered, has almost doubled: from the 13 available in 2005 to the current 24.
- ✓ in terms of audience share, as is proved by the results obtained by these channels particularly in France and in the UK.

It is the **UK** which in fact has the widest range of mini-generalist TV offers. In addition to the simulcasting of the five generalist channels (BBC One, BBC Two, Channel 4, ITV and Five), there are also an additional 12 mini-generalist channels within Freeview (plus a further three in time-shifting). Of these, nine are edited by the traditional broadcasters (BBC, Channel 4, ITV and Five / RTL) already present on Analogue Terrestrial TV.

As a whole, the mini-generalist channels available on DTT saw an overall audience share in 2008 of 13.3% within the universe of multichannel households (those equipped with at least one digital platform). In 2006 their

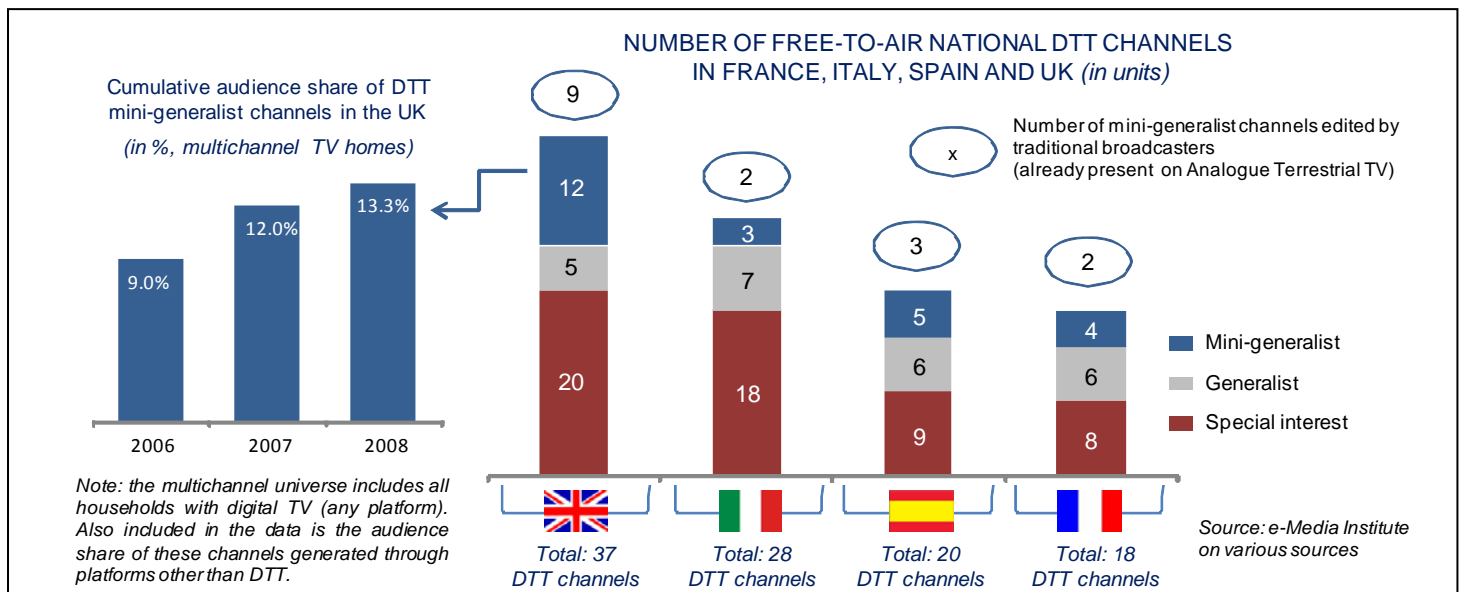
audience share stood at just 9%.

In **France**, of the 18 national Free-To-Air channels available on DTT, six are the simulcasts of generalist channels (that is TF1, France 2, France 3, France 4, M6 and Canal+) and four are mini-generalist channels edited by traditional broadcasters (Métropole Télévision and Groupe TF1), or by operators who are new to the terrestrial platform (such as AB Groupe and Bolloré).

In France, the success of the generalist offer is clearly shown by the results obtained in audience share among DTT-only households. According to the data collected by Médiamétrie for the February-April 2009 quarter, the six generalist channels within this universe hold 71% of viewing, while the four mini-generalist channels have an overall share of 12.4%

In **Spain**, where there are 20 national DTT channels, there are currently 5 mini-generalist channels in addition to six generalist channels already transmitted in analogue. Of the “new” mini-generalist channels, three are edited by traditional broadcasters (Telecinco and La Sexta). The newcomer Veo Television is the editor of the other two mini-generalist channels: Veo and Set en Veo, the latter in partnership with Sony.

Italy, which counts 28 Free-To-Air DTT channels, has, to date, privileged a thematic offer even though there is an increasing interest shown by operators for the launch of new generalist offers. There are currently three Free-To-Air mini-generalist channels available on DTT (Iris, Rai Quattro and SAT2000) in addition to the 7 generalist TV channels already available on Analogue Terrestrial TV.



DIGITA

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Chief Editor: Egidio Viggiani

Collaborators: Fabio Carera, Carlotta Ca' Zorzi, Teresa Damato, Vito Di Marco,

Tonio Di Stefano, Alberto Sigismondi, Elena Cappuccio, e-Media Institute, Studio Frasi.

