

NEWS AND DATA ON DIGITAL TERRESTRIAL TV FROM ITALY AND EUROPE

AFTER VALLE D'AOSTA, THE NEW STEPS TOWARDS 2010

Val d'Aosta too has now become all-digital. Following on from Sardinia, the first all-digital region in Europe, this second experimental area in Italy, comprising around 60,000 additional households, has completed its transition confirming the success of the Italian process based on the protection of consumers through collaboration between institutions, businesses and organisations.

And the busy calendar for the last few months of 2009 continues: western Piedmont, with Turin being, to date, the largest urban digital area in Europe, is in the process of switching-off as we go to press. It will be followed by Trentino Alto Adige, Campania and Lazio: a total of 6 million households will be switching to digital over the next 75 days.

Increasing information at all levels, frequency allocation for Lazio and Campania and the definition of a 2010 calendar to include support to local broadcasters. These are just some of the main issues to be tackled in order to continue the process to definitive switch-off with the same intensity. Thus, confirming commitments and deadlines in order to ensure success to the entire system and to all the those involved.

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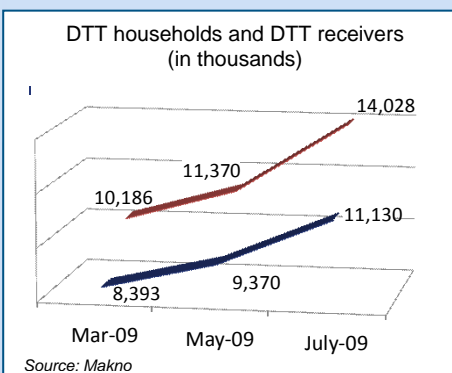
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DTT PENETRATION

OVER 11 MLN DTT HOUSEHOLDS

According to the latest data provided by Makno, the number of DTT households at the end of July 2009 (those with at least one DTT receiver in the main family home) had reached 11,130,000. An increase of around 656,000 units in just one month.

In July, the overall number of DTT receivers in households stood at 14,027,825 implying a growth of 826,000 units with respect to June.

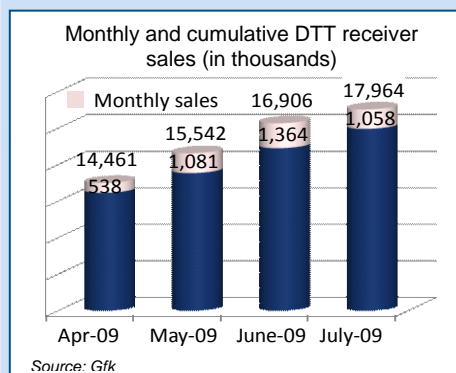


SALES OF DTT RECEIVERS

SALES CLOSE TO 18 MILLION

Last July, for the third consecutive month, DTT receiver sales overtook the 1 million mark. Of the almost 1.1 million receivers sold in July, 505,000 (48%) were integrated receivers whereas 553,000 (52%) were STBs.

The cumulative sales of DTT receivers sold has come close to the 18 million mark standing at 17,964,425. Of these 56.2% are stand-alone STBs and 43.8% (7.9 million) are integrated receivers.

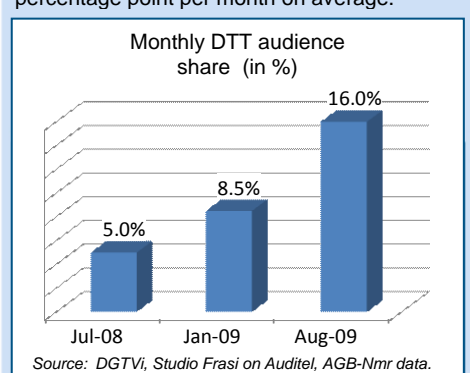


DTT AUDIENCE FIGURES

DTT AUDIENCE SHARE OVER 13%

The DTT audience share has tripled in just one year reaching 16% in August 2009. The figure in July 2008 stood at just 5%. Since January this year there has been an 88% increase.

DTT is soon likely to overtake the satellite platform (overall figures, including free+pay): the gap between DTT and satellite has decreased to less than a single percentage point (0.6), when just one year ago it stood at over ten points. In fact satellite audience share has remained static at around 16% with a peak of 17% in July and a minimum of 14.9% in October 2008. DTT on the other hand has shown a constant growth of approximately one percentage point per month on average.



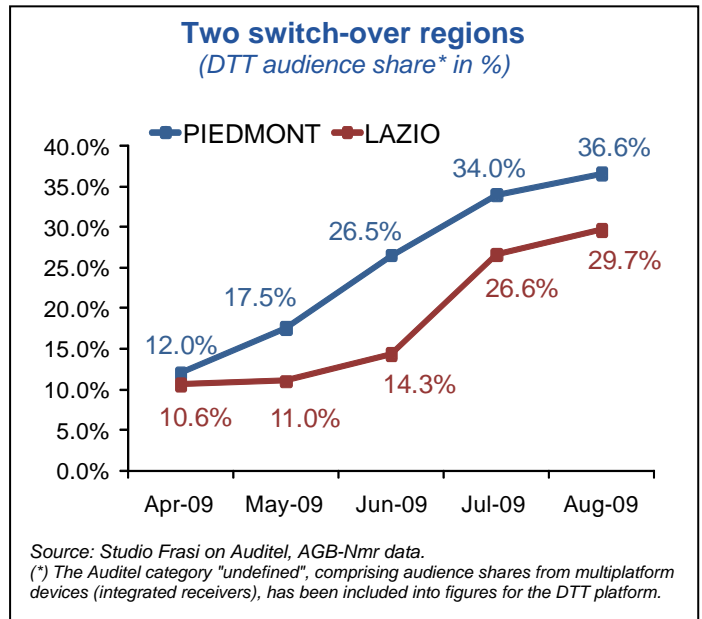
DIGITAL TERRESTRIAL TV VIEWING

(by Studio Frasi)

THE SWITCH-OVER EFFECT

In Piedmont and Lazio, the largest areas to start the transition by switching Rai Due and Retequattro to digital, DTT audience share has triplicated in just a few months and is already well over the national average. What's more, in Piedmont, where only the western part of the region was involved in the 20th May switch-over, the DTT audience share has gone from 12% to 36% between April and August this year.

In Lazio, where transition started more recently, on the 16th June, DTT share has already reached 29.7% compared to 10% last April. In October the Campania region kicks-off its digitalisation process: according to Auditel-AGB data processed by Studio Frasi, the usage of the digital terrestrial platform in the Campania region stood at 14% in August.



NEW IN ITALY

VAL D'AOSTA ENTERS SWITCH-OFF SEASON

Switch-off in Val d'Aosta, the first all digital area on the Italian peninsula, was concluded on the 22nd September. Analogue switch-off started Monday the 14th September in northern Val d'Aosta around Courmayeur and then spread to the neighbouring valleys. The most intense days were the 15th and 16th of September which involved the bottom of the valley comprising 45 municipalities including Aosta: over a 48 hour period 33,000 households switched to digital on a regional total of 58,600 in 74 municipalities. 484 transmitters were involved.

From a technical point of view the transition was carried out successfully despite the awkward geographical positions of a number of mountain transmitters. Daily updates on the Region's website assisted inhabitants with tuning problems created by the introduction of the channelization of European Band III and the reception of interactive Televideo and Mediavideo services.

Support to inhabitants was guaranteed by the joint effort of the call center set up both by the Ministry for Economic Development and Communication (around 800 phone calls received of which 50% requiring technical assistance), and the Regione Val d'Aosta call center which handled around 8,000 since it opened on the 17th August, of which approximately 70% of calls were concentrated on, or around, switch-off days. Free onsite technical support was widely used for installation of receivers, signal testing, channel tuning and for receiving instructions for use. It was provided to residents with fully paid up-to-date TV licenses and financed by the Regione Val d'Aosta which refunds 50 Euros per visit to credited technicians: onsite assistance was provided to over 3,000 households of which 2,300 just in the switch-off period. This incentive is available until the 15th November.

Coming next is western Piedmont with 840 Municipalities and 1,415 transmitters involved in the provinces of Turin and Cuneo and a number of neighbouring areas. Analogue transmissions will switch-off in stages between the 24th September and 9th October. The bulk of transition is concentrated on the 7th, 8th and 9th October with 3.4 million inhabitants involved, including Turin and Cuneo.

Two weeks before switch-off DTT penetration was estimated at 77% in the province of Turin and 70% in Cuneo (source: Makno). This implies a growth of 10 percentage points since switch-over. The level of information was very high even before the communication campaign kicked-off in the second half of September: 96% of individuals over the age of 15 have said to be aware of the transition.

ANITEC DIGITAL TV PANEL: IN VIEW OF SWITCH-OFF MORE INFORMATION ON SALES POINTS

The Anitec Digital TV Panel press conference was held on the 18th September in Turin, on occasion of Cineshow (a film, TV and multimedia trade fair). The joint round table promoted by Confindustria ANIE/ANITEC, brings together: DGTVi, AIRE (Italian Association of Retailers in Specialist Household Appliances), FEDERDISTRIBUZIONE, CNCU (National Consumer Committee), CNA-Installation and Equipment (National Confederation of Artisans and Small and Medium Businesses), CONFARTIGIANATO-Aerial Technicians and, more recently, ANCC Coop (National Association of Consumer Cooperatives): that is all the associations representing areas involved in the transition to digital TV.

The panel presented an initiative aimed at strengthening the information provided to consumers in a key-moment of transition, since 30% of Italian households will have switched to digital by the end of this year. In order to help consumers purchase the most suitable digital receiver, retail outlets across the country will provide product labeling and explanatory leaflets describing the technical characteristics of the receivers on sale.

Transition from analogue TV to DTT has already resulted in an exponential growth in sales of receivers: more than one million DTT receivers have been sold nationally every month since last May, when western Piedmont switched-over Rai Due e Retequattro, followed a few weeks later by Lazio. Despite the general lack of inclination to shopping during the summer period, June actually saw a record peak in sales with 1.3 DTT receivers sold, mainly due to switch-over in Rome.

AN OVERVIEW OF SWITCH-OFF IN EUROPE

Following the pilot schemes started in 2008, the transition to digital process is now entering a decisive phase in the main European countries. The last few months of this year will see Italy and Spain in the spotlight (and to a lesser extent the UK), whereas switch-off in France will be in full-swing from the beginning of 2010.

The first pilot switch-off scheme in the **UK**, involving approximately 52 million households, took place between the 6th and 20th November 2008 in an area of the Border region served by the Selkirk transmitter. In 2009 the transition process has already taken place in the West Country, in part of Wales and in the remaining areas of the Border region. Overall 1.5 million households have been involved. According to the schedule published by Digital UK, the no-profit organisation that coordinates the transition, by the end of the year switch-off will also take place in the areas served by the Llanddona, Moel-y-Parc and Long Mountain transmitters in Wales and the entire Granada region. Transition will involve, respectively, 250 thousand and 3 million households and will take place between the 21st October and the 4th November.

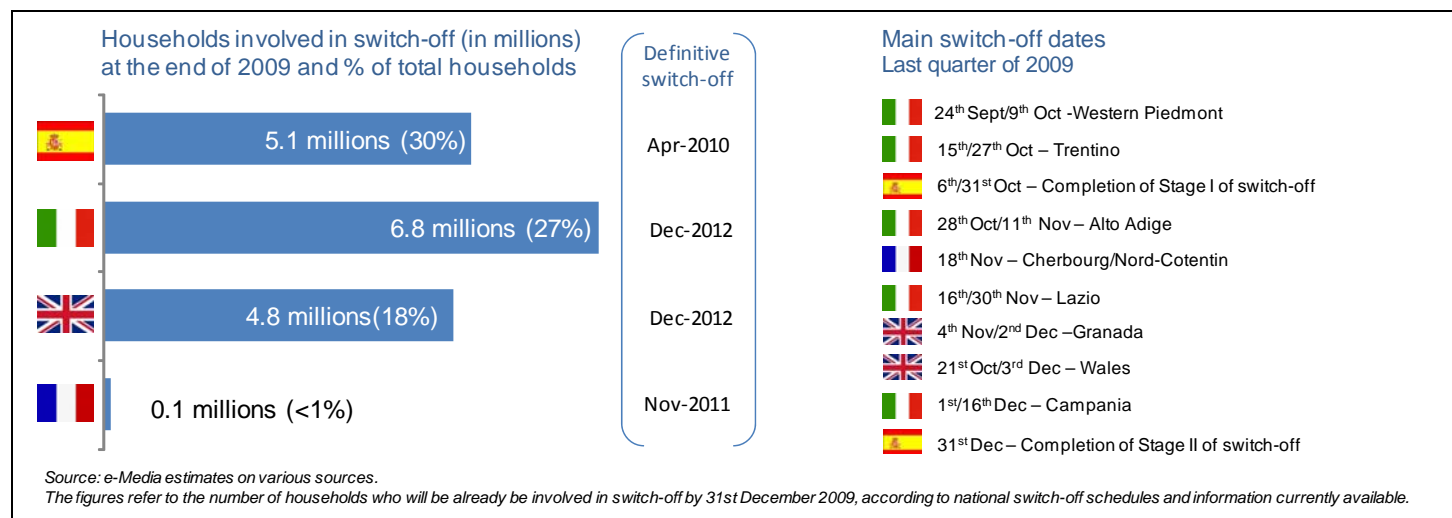
In **France**, as oppose to other European countries, the switch-off process only started in 2009: on the 4th February and on the 27th May two pilot schemes were completed in the areas of Coulommiers and Kaisersberg which affected an overall 22,000 individuals. According to the switch-over schedule defined by the CSA (Conseil Supérieur de l'Audiovisuel), switch-off will take place in the Cherbourg / Nord-Cotentin region, involving over 80,000 households, in November 2009. The calendar does not have any other major schemes scheduled until 2010 when, starting in Alsace on the 2nd February, around half of the entire population of France will be involved in the switch-off process. Meanwhile the first national information

campaign on the transition process was launched on the 20th September.

In **Spain**, where the transition to digital calendar has scheduled four stages and 90 technical areas, the pilot schemes that were completed in 2008 involved 447,000 individuals equals to 1% of the population. On the 30th June 2009 switch-off was completed, as scheduled, in 22 technical areas included in stage 1 of the transition programme (Oviedo, San Juan Bautista, northern Madrid etc.) involving around 4.3 million individuals (9% of the overall population).

As recently confirmed by the Impulsa Association, between the 6th and 30th October switch-off will take place in a further 9 technical areas, still part of stage 1, but for which switch-off had been postponed. Stage 2 of the national calendar should also be completed by the 31st December 2009, involving 25 technical areas and 9 million inhabitants. In view of the definitive switch-off scheduled for April 2010, the last quarter of 2009 is a vital step. In Spain, DTT has reached a penetration of 67% of all households. For the first time DTT audience share overtook analogue TV in July, becoming the primary audience platform.

Like Spain **Italy** is ready for an accelerated pace in the last few months of this year. Following switch-off in Sardinia (with an impressive 1.6 million individuals involved) Val d'Aosta too became all digital on the 22nd September. The first part of 2009 also saw analogue transmissions of RaiDue and Retequattro being switched-off in the Provinces of Trento, western Piedmont and Lazio. Between now and the end of 2009 these three areas, together with Campania, will switch-off definitively to digital.



DIGITA

Issue n. 14 – Rome Tribunal authorization n° 218/2008 dated 30th May 2008.
Publisher: Associazione DGTVi, with headquarters in Rome, Viale Regina Margherita 286, C.F. 07760701008, email: newsletter@dgtvi.it
DGTVi partners: Aeranti-Corallo, Dfree, FRT, Mediaset, Rai, Telecom Italia Media.
Chief Editor: Egidio Viggiani
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