

# MONTHLY REPORT EXTRACT

The first Annual DTT Report, summarising DTT progress since it was launched in November 2005, was presented on 3 April 2008. The figures foretell excellent growth figures for DTT this year with 1.2 million DTT set-top boxes sold in the first two months, resulting in a net increase of 2.5 percentage points of DTT screen time and 1 million new viewers in the first quarter.

## HIGHLIGHTS

- **DDT penetration level** in homes by the end of March 2008 has been estimated by Sofres at around **30%, almost 3 percentage points higher than in the first quarter of 2008**
- 9.3 million DTT STBs have been sold since they were launched, including almost **half a million units** sold in the latest period studied (**February 2008**).
- **Over the last year (from March 2007 to February 2008), 1.8 integrated units have been sold for every non-integrated unit. The unstoppable increase in sales** of integrated DTT units has continued thanks to the permanent growth in sales of **flat-screen LCD television sets**.
- **A drastic fall in the number of analogical television sets sold in February 2008 has been registered, totalling only 78,000 units**, which implies 45% less than the average monthly sales for previous periods
- **The number of external set top boxes sold in the first two months of 2008 totalled 400,000 units**, 20% more than in the same period in 2007.
- **Concerning the number of DTT sets in every thousand homes, Spain comes in second among the major European countries immersed in the transition process, with a total of 585.**
- **DTT screen time has grown by 2.5 net percentage points in the first quarter of 2008, reaching 12%**, as broadcasters increasingly adapt their contents.

## PRESENTATION OF THE FIRST IMPULSA ANNUAL DTT REPORT

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The first **Annual DTT Report in Spain covering the year 2007**, prepared by Impulsa over recent months, was presented to relevant sector players on 3 April 2008.

Mr. Francisco Ros, Secretary of State of Telecommunications and the Information Society opened and closed the said event. His speech was followed by a presentation offered by Mr. Bernardo Lorenzo, Director General of Telecommunications and Information Technology, which was, in turn, followed by Mr. Eladio Gutiérrez, current Chairman of Impulsa TDT, who offered a summary of the general contents of the 2007 DTT Report.

The said report, which can be viewed at [http://www.impulsatdt.es/pdf/ponencias/ANUARIO\\_TDT\\_2007.pdf](http://www.impulsatdt.es/pdf/ponencias/ANUARIO_TDT_2007.pdf), includes the main indicators used by the Observatory to monitor the DTT transition process, as well as the most significant regulatory and the audiovisual market milestones.

## DTT PENETRATION IN HOMES

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According to data from TNS Audiencia de Medios (TNS Media Audiences), **DTT penetration in Spanish homes** grew by 1.3 percentage points in March, **reaching 30.5%**.

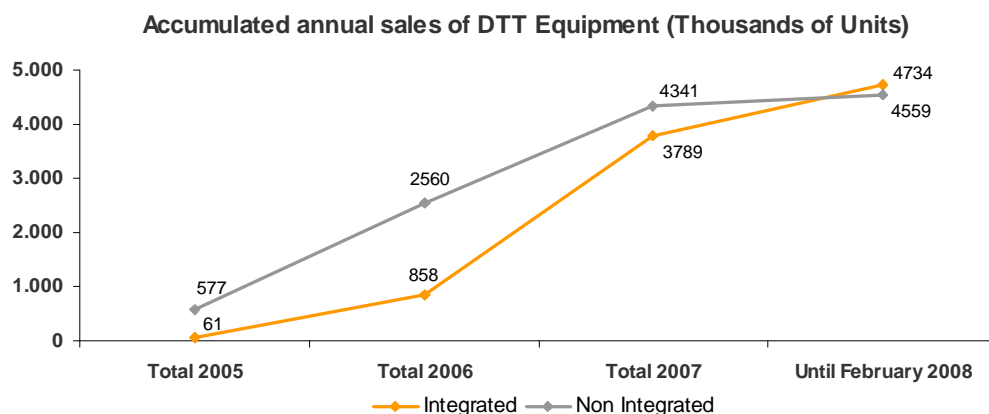
The monthly increase is similar to that of the previous month. Consequently **the balance for the first quarter of the year has displayed an accumulated increase of 2.5 percentage points**.

## EVOLUTION OF DTT EQUIPMENT IN HOMES

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GfK panel data on the monitoring of DTT devices sold until February 2008 **show a historical accumulated total of 9.3 million DTT units. The monthly sales figures for DTT units in February totalled 480,000 units.**

**For the first time since DTT was launched, the accumulated number of integrated DTT units has exceeded the number of non-integrated or external units** (4,734,000 internal compared with 4,559,000 external units). This fact confirms that the DTT adaptation pace observed over recent months is due, to a large extent, to the preference most people reveal of purchasing flat screen television sets.



All in all, **over the last year (from March 2007 to February 2008), 1.8 integrated units have been sold for every non-integrated unit.**

### **Significant fall in the number of analogical television sets sold**

Impulsa TDT is clearly concerned about the hypothetical transfer of analogical television receivers from European Union countries where commercialisation was forbidden at the beginning of 2008 to the Spanish market. However, in this sense, February indicators show a significant fall in the number of non-DTT television sets purchased, falling to a total of 78,000 units in the said month; a historical figure.

## **EUROPEAN INDICATORS**

Within the European context, DTT penetration rates into Spanish homes are relatively satisfactory.

**In terms of units sold per one thousand homes**, a measure used to compare sales due to the different population density in different countries, **Spain occupies second place among the five major markets in the continent, with an average of 585 DTT units sold for every one thousand homes**, a figure only exceeded by the United Kingdom.

## **DTT AUDIENCE LEVELS**

DTT audience levels in March 2008 were relatively affected by two types of factors:

- The recent changes to the offer of national channels that has re-configured the DTT channel offer

- The general elections of 9th March, which had a significant effect on television. The DTT platform contributed to the extraordinary audience levels achieved by the electoral debates, registering figures of around one and a half million viewers (1.52 million during the debate on 25 February and 1.39 during the debate on 3 March).

### **DTT screen time reached 12%**

The audience indicators for March establish the positive growth in the number of DTT television viewers. **Digital terrestrial technology totalled 12.0% of total television viewing in the month, half a percentage point higher than in February.**

**The first quarter of 2008 saw the overall DTT audience share rise by 2.5 net percentage points.** Compared with March of the previous year, the DTT share has doubled over the last twelve months.

### **Most popular programmes on DTT**

The most popular programmes on DTT throughout March are not very different from those included in the general ranking: football matches broadcast by general national channels. The main difference when we compare DTT with the general audience classification comes from a number of programmes broadcast on the new national channels, such as football on La Sexta and the series "House" on Cuatro.

#### RANKING OF PROGRAMMES ON GENERAL DTT CHANNELS

Date TNS. Total Spain, individual 4+ years

Title	Channel	Date	Day	Time	Length	Thousands	DTT Share
CHAMPIONS LEAGUE: SEVILLA-FENERBAHCE (PENALTIES)	A3 (DT)	04/03/2008	Martes	23:14:03	14	787	35,8
AIDA	T5 (DT)	30/03/2008	Domingo	22:29:26	66	745	32,3
C.S.I.	T5 (DT)	31/03/2008	Lunes	22:24:00	49	785	31,7
FOOTBALL FRIENDLY: SPAIN-ITALY	TVE1 (DT)	26/03/2008	Miércoles	22:00:14	113	622	26,2
CAMERA CAFE	T5 (DT)	30/03/2008	Domingo	21:35:46	53	588	26,1
2008 DEBATE: ZAPATERO-RAJOY	TVE1 (DT)	03/03/2008	Lunes	22:00:17	109	531	20,9
FOOTBALL KING'S CUP: VALENCIA-BARÇA	LA SEXTA (DT)	20/03/2008	Jueves	20:47:53	109	550	32,0
HOUSE	CUATRO (DT)	04/03/2008	Martes	22:33:19	46	524	22,5
SPANISH FOOTBALL LEAGUE: SEVILLA-AT.MADRID	LA SEXTA (DT)	22/03/2008	Sábado	22:03:11	112	492	26,6
MOTOCYCLE RACES SPAIN G.P.	TVE1 (DT)	30/03/2008	Domingo	14:00:53	46	525	43,5

If we only focus on national thematic channels, viewers prefer the animation series on Antena. Neox and some youth series on the same channel, such as  $\pm$ Life on Marsq and  $\pm$ Angelq Cartoons are also mentioned thanks to a number of programmes broadcast by Clan TVE. Sport is represented by foreign football matches offered on Teledporte, while cinema is well considered with three films on different channels in the first ten places, including the "new arrival", FDF-Telecinco.

## RANKING OF PROGRAMMES ON THEMATIC CHANNELS - DTT

Date TNS. Total Spain, individuals 4+ years

Title	Channel	Date	Day	Time	Length	Thousands	DTT Share
LOS SIMPSON	ANTENA.NEOX (DT)	09/03/2008	Domingo	21:35:38	21	279	10,6
SHIN-CHAN	ANTENA.NEOX (DT)	25/03/2008	Martes	20:44:53	21	204	12,5
CINEMA: ESTADO DE SITIO	ANTENA.NOVA (DT)	09/03/2008	Domingo	22:02:28	105	182	7,5
LIFE OF MARS	ANTENA.NEOX (DT)	09/03/2008	Domingo	22:00:02	51	179	7,1
ENGLISH PREMIER LEAGUE: MANCHESTER-LIVERPOOL	TELEDEPORTE (DT)	23/03/2008	Domingo	14:32:16	111	168	11,1
CINE: SIETE AÑOS EN EL TÍBET	FDF-T5 (DT)	09/03/2008	Domingo	22:00:02	142	144	6,5
CINE NEOX: STUART LITTLE	ANTENA.NEOX (DT)	27/03/2008	Jueves	22:00:01	89	127	5,7
MOBY DICK Y EL SECRETO	CLAN TVE (DT)	10/03/2008	Lunes	19:47:25	23	125	9,5
UEFA CUP: PSV-TOTTENHAM (PENALTIES)	TELEDEPORTE (DT)	12/03/2008	Miércoles	23:17:03	13	124	5,9
ANGEL	ANTENA.NEOX (DT)	01/03/2008	Sábado	22:00:01	41	120	5,7

## CONCLUSIONS AND ASSESSMENT

During the presentation of the first DTT Report for 2007, the scope of this transition process was stressed and qualified as the greatest phenomenon of a social and **technical** dimension in the audiovisual world over the last 50 years. The said event also highlighted a number of other aspects:

- Transition to DTT is a **replacement** phenomenon, which means that analogical broadcasts will come to an end and will not co-exist with digital broadcasts.
- This **change will take place at world level, and Spain is in an excellent position** in relation to this transition process if compared with other European countries.
- The success of the said transition within the deadline established (3 April 2010) requires **all the agents involved to concentrate on their efforts and fulfil their commitments**.
- **Encouragement of the broadcasting and development**, however incipient, of **new interactive services** for the digital terrestrial platform as a way of strengthening the differential value of DTT and to providing new opportunities.
- **Significant and necessary encouragement and support from the Autonomous Regions**, by developing pilot projects and improving coverage levels established in the National Telecommunications Plan

Lastly, the figures achieved in March have led us to conclude that, just as 2007 brought the beginning of the acceleration in the adaptation to DTT and its familiarisation, 2008 will see an increase in that adaptation rate and the consolidation of this technology.

Document compiled with data from Gfk and Sofres, with the co-operation of Aptoivo Consulting and Corporación Multimedia