

# MONTHLY REPORT EXTRACT

**Data findings taken from the first term in 2008, places Spain in a very good position within the changeover process with the sale of tuners passing the 10 million mark and a penetration which now reaches 33% of homes. These figures, together with the expected announcement for the definitive shutdown date in Soria this coming July 23<sup>rd</sup>, mark the start of the countdown in the Spanish changeover process.**

## HIGHLIGHTS

- In harmony with data provided by Fenitel, 54.2% of buildings now have a collective aerial fitted to receive DTT.
- Over 10 million set of DTT equipment has now been sold in Spain, of which more than 2 million units have been purchased in the first term of 2008.
- A new all time low is reached in the sale of analogue televisions with only 58,000 sets of this kind being purchased in the month of April.
- According to Sofres, DTT penetration reaches 33% of homes in May.
- DTT achieves a 13.8% share in May, eight tenths higher than the previous month.
- In the first five months of 2008, DTT racks up a growth of 4.3 points in screen share.
- The share recorded for DTT in May overtakes cable screen share for the very first time.
- DTT average daily reach rises in the month of May to 6.6 million people.
- The highest growth is found in subject-based channels, and now makes up 2.5% of total TV viewing in Spain.

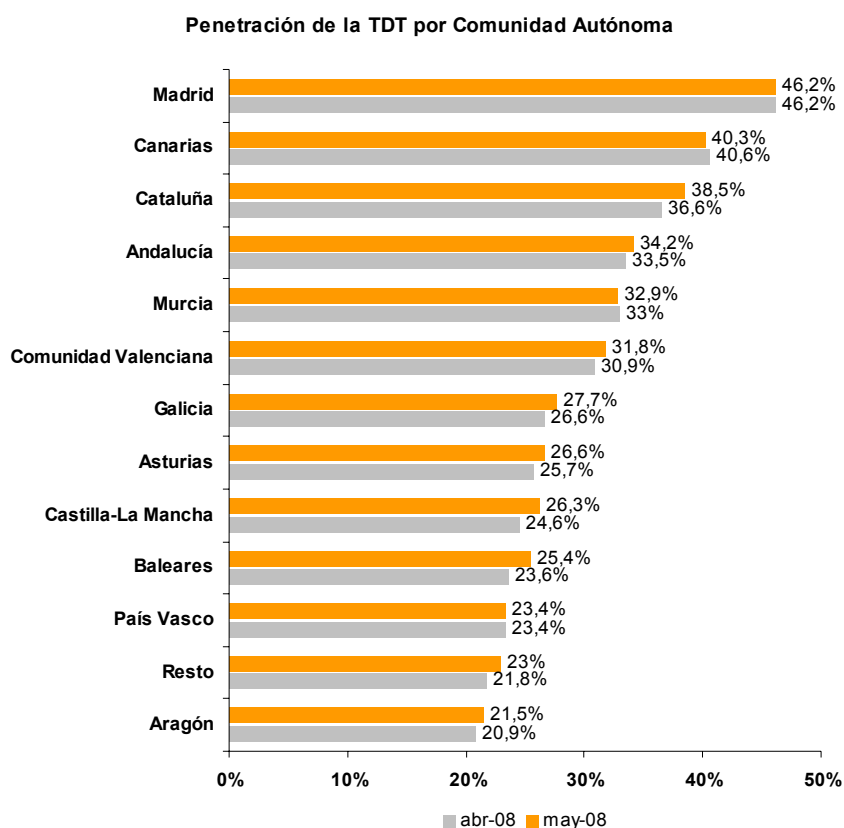
## AERIAL ADAPTATION

Figures from Fenitel which correspond to the first quarter of 2008 show that the number of buildings with a collective aerial adapted to pick up DTT makes up 54.2% of the total. This figure is two and a half points higher than the forecast which was made for the previous quarter, and if we are to compare data with the same period in 2007, the developmental balance over the last year is some 8 points.

## DTT PENETRATION IN HOMES

Figures from TNS Audiencia de Medios (Media Viewing) which correspond to the month of May indicate that the penetration of DTT is placed at 33% of households, nine tenths higher than the previous month.

The communities with the highest DTT penetration are Madrid (46.2%), the Canary Islands (40.3%) and Catalonia (38.5%). This last community shows a remarkable monthly increase of nearly two points. Furthermore, 10 communities have a penetration which surpasses 25%.

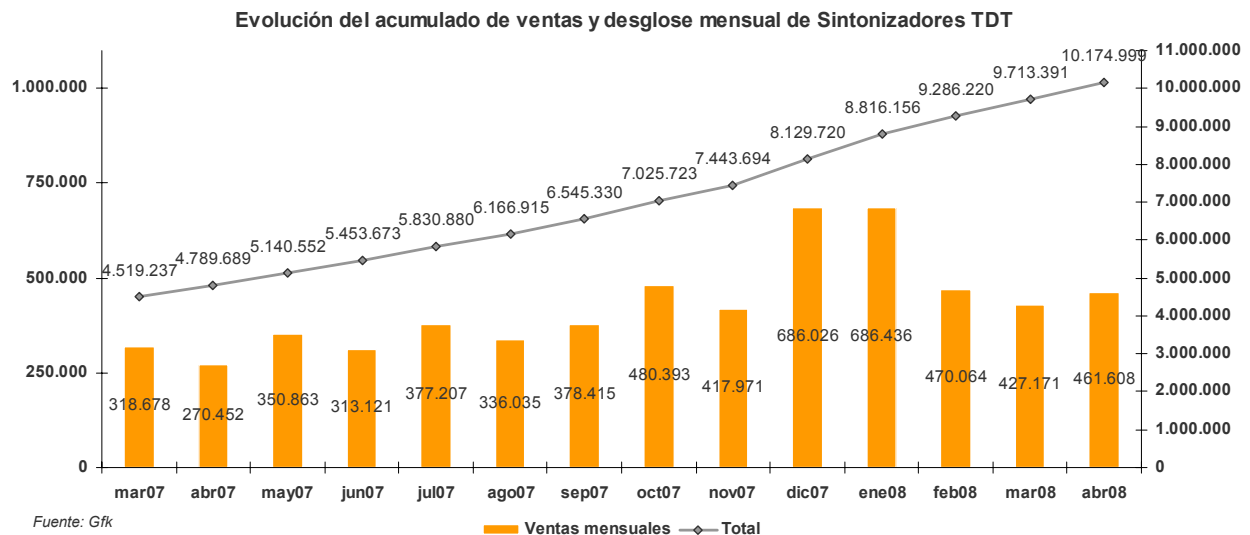


Fuente: Sofres

## **DEVELOPMENT IN THE SALE OF DTT EQUIPMENT**

### ***The sale of DTT tuners hits the 10 million mark***

Figures for April supplied by the retailing board of Gfk indicate that the purchase of DTT tuners by the Spanish public has now passed the 10 million mark. In particular, the cumulative figures at the close of the month are 10,174,999 units. The monthly net increase amounts to 461,608 set of equipment and since the start of 2008 the total sale slightly surpasses two million.



### **The sale's rate for digital TVs holds steady and analogue sales fall**

April is a month which, from the point of view of selling electrical appliances, can usually be termed as "flat". Nevertheless, the sale of TVs with DTT has maintained high homogeneity with some 209,000 televisions being sold, practically the same amount as that recorded for the previous month.

In the same vein, it is important to point out a further drop in the number of analogue TVs sold in the month of April, with a total numbering 58,000 units. This spells out another all time low for this kind of device.

## DTT VIEWING

### **DTT nears a 14 point share**

The share achieved by the whole range of DTT broadcasting has grown another 0.8 points last month and is now makes up 13.8% of the total television viewing in Spain.

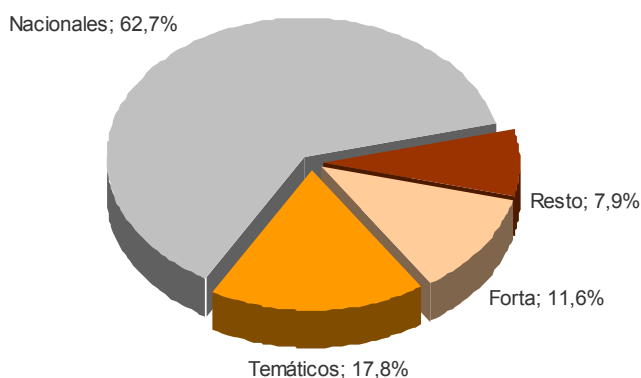
DTT screen share has grown by 4.3 net points since the beginning of 2008 which relates to a percentage increase of 45% over the result achieved at the end of 2007.

We wish to highlight a very telling figure which is that DTT share in May is equivalent to an average daily reach of 31 minutes 'per cápita', thus overtaking cable for the very first time. Furthermore, given the stability of the pay-to-view television platforms in the first months of 2008, it is DTT which is exclusively contributing to the "erosion" of analogue television, which once again registers an all time low: only 67.4% of total viewing.

### **Generalist vs. Subject-based**

On the other hand, the 8 point growth experienced by DTT in the month of May brings one detail to light which is that theme-based channels are spearheading the increase with a rise in share of four tenths which now relates to 2.5% of total TV viewing in Spain.

**Cuota de pantalla sobre total audiencia TDT (mayo 08)**



Fuente: Sofres

### **6.6 million people view DTT daily**

In conclusion, it must be stressed that DTT viewing has enjoyed uninterrupted growth since the summer of 2007. The total number of viewers in May comes to 6,563,000 people (four years of age and older) who have taken advantage of some of the services which DTT has on offer each day. This is 234,000 more than the number recorded in April.

## **CONCLUSIONS AND EVALUATIONS**

The sale of equipment in the beginning of spring has had a favorable effect on DTT growth thanks to a series of circumstances that have been taking place which continue to ensure that this technology is now a reality for everybody.

It is clear that companies are making an effort in terms of advertising in order to support the changeover to the new digital technology, and are making TV viewers well aware of the fact that DTT is not something anecdotal or even optional but rather the new way to watch television.

On the other hand, the announcement made by the Minister of Industry, Tourism and Commerce regarding the definitive end of analogue broadcasting in the Soria area, which is set for the 23rd July, has aided the changeover project immensely. The SoriaTDT pilot project covers 161 localities in addition to the Soria capital, which amounts to 18,550 households that will be watching TV by means of digital broadcasting from the above-mentioned date. According to official figures, in the month of March more than 78% of homes possess DTT tuners and 97% of resident buildings have an adapted aerial. Coverage now reaches 96.8% and it is estimated to reach 100% by the close of this report.

Furthermore, the months ahead will bring some of the year's long-awaited events to our screens; such as the Roland Garros final, the 2008 Eurocup and the Olympic Games, rebroadcasts which will play a key role in taking DTT viewing even further.

We also wish to especially highlight, both as a result of its high profile and impact, the news that Disney will start broadcasting in DTT from July 1<sup>st</sup>. In this manner DTT will be at the fingertips of all Spanish families, as long as their homes are adapted to receive the digital signal.

In the same favorable line of technological migration, the Ministry of Health and Trade has announced that tough measures and sanctions will be taken against shops that fail to inform anyone who buys a television without an integrated receiver, that their TV set will be obsolete from April 3<sup>rd</sup> 2010 onwards, and that to be able to continue using it, an external decoder will have to be purchased. If this decision does not remove the chance of finding nearly obsolete TVs in establishments, we believe at Impulsa TDT that it is certainly a step in the right direction.

Document compiled with data from Gfk and Sofres, and with the contribution of Aptivo

Consulting y Corporación Multimedia