

MONTHLY REPORT

EXTRACT

The DTT adjustment process has accelerated as a result of the Christmas sales campaign. Thanks to this the figure of 8.8 million receivers has been achieved, an audience of 11.5% and an average daily reach of close to 6 million viewers. Furthermore, the switch to DTT was one of the central topics at the AEDEMO Seminar, which was held in February 2008.

HIGHLIGHTS

- **DTT penetration reaches 29.2%** (according to an estimate by Sofres), which means that one out of every 3 homes receives DTT by the close of the 2007/2008 Christmas campaign.
- **1,371,000 DTT tuners were purchased over the Christmas period (December 2007- January 2008)**, 48% more when compared to the previous Christmas campaign (06-07). Almost 700,000 DTT receivers have been sold in each of the last two periods, which is practically double the figure for average monthly sales last year.
- **The growth in sales of external DTT decoders is 12% higher than the last Christmas campaign (2006-2007)**, thus breaking the period of stagnation which has characterized the last periods. Developments over the next periods will greatly depend on the sales trend for flat-screen televisions, together with the pace of the switch to DTT for the second TV in households (rather than the main one).
- **In January** televisions with integrated DTT devices **broke their sales record registering nearly 300,000 units**. All of this shows that the price-fall experienced during the time of special offers and sales was not a significant factor, not to mention that currently, we find ourselves in a particularly sensitive time with regard to prices.
- The acceleration seen in the sale of receivers during the Christmas sales campaign can be described in February as an excellent growth in viewing, **reaching an audience of 11.5% (26% of such viewing comes from channels which do not transmit in analogue) and an average daily reach of close to 6 million viewers**. In addition, DTT average daily viewing rose to a little over an hour and a half.

DTT ACCORDING TO AEDEMO GRANADA 2008

The XXIV AEDEMO Seminar was held on the 6th -8th February. As its objective was to shed light upon what the future holds for television in Spain, many discourses focused on the important role that DTT will play in the future. Among the reports presented we feel two of them are worthy of special mention:

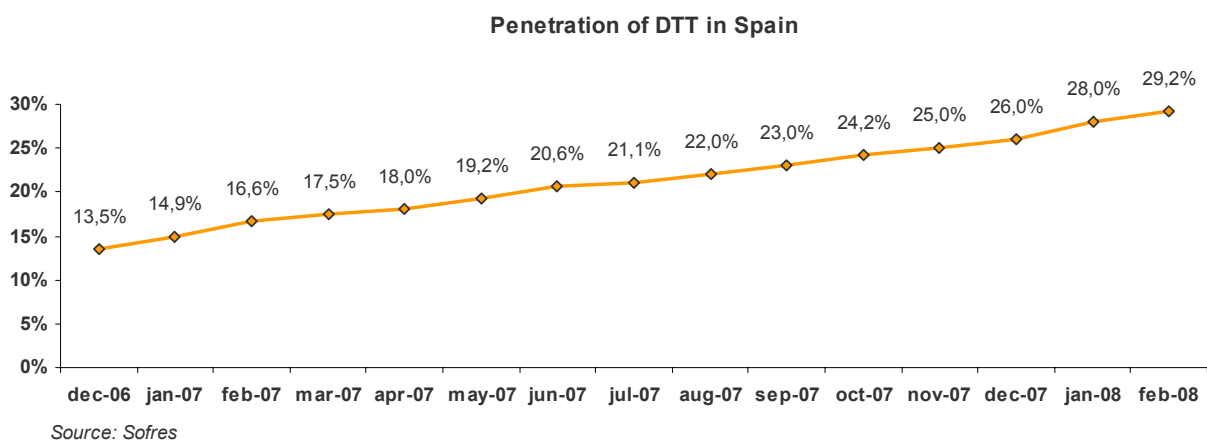
The presentation given by Teresa Matilla (Impulsa TDT) and José Andrés Gabardo (AIMC) entitled *¿TD QUÉ? (DT WHAT?)*. The most relevant conclusion brought out is that despite the fact there is a very wide awareness of DTT, this cannot be applied to the cease of analogue transmissions, in fact, 50% of those surveyed state that they have not heard of the “analogue shutdown.”

The prize for the most innovative discourse went to *Homo Digi-Gratis (Homo Digi-Free)*, given by Jesús Olivar y Alfonso Sánchez (Mediaedge:cia) which explained household viewing habits in the switchover process to DTT.

PENETRATION OF DTT IN HOMES

According to data from TNS Audiencia de Medios (TNS Media Audiencias), **DTT penetration in February 2008 reached 29.2% of the total number of homes in the country.**

This figure is 1.2 points higher than that registered in January 2008, and when compared to the same month in 2007, the percentage of digital terrestrial penetration has practically doubled.



Madrid is the community that leads the percentage of households with access to DTT and now passes 40%. The Canary Islands are coming close to this figure with 38.5% after experiencing a growth of over one point in February. Catalonia and Murcia are placed in third and fourth position, both of whom are over the national average.

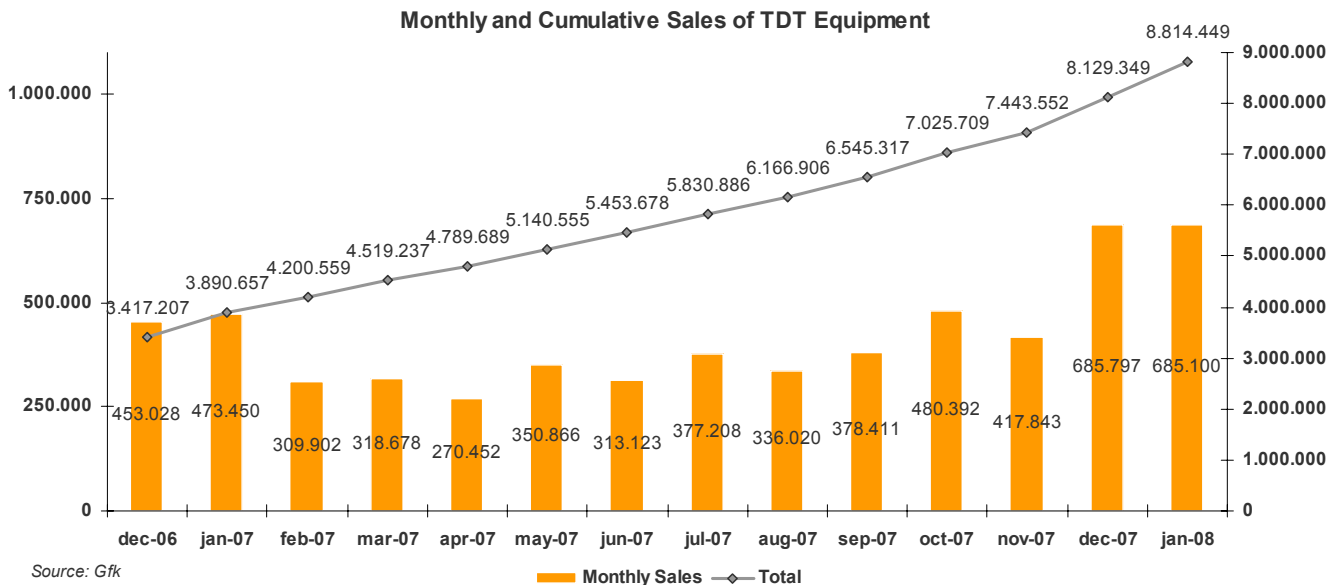
DEVELOPMENT OF DTT EQUIPMENT IN HOMES

The sale of DTT tuners closed the month of January with very positive data: **685,000 units sold** which is very similar in number to the growth recorded for the month of December.

The Kings campaign (three wise men), the start of the seasonal sales, the advertising effort carried out by Impulsa TDT and DTT’s own momentum over the past months, show that the growth in the volume of sales continued with much higher figures to those recorded in the 2006/2007 Christmas campaign.

In fact, the total sales figure for December 2006 and January 2007 shows a net result of 926,000 units, while the cumulative figure for the last two months of the Christmas period reached 1,371,000 set of equipment, which relates to a 48% increase.

Hence, **DTT tuners had risen to the 8.8 million-mark by 31st January 2008.**



When we take these 8.8 million devices, 4.6 million correspond to external decoders, which make up more than half of the total DTT equipment. This is due to the fact that external decoders were the driving force for growth in the change to this new technology in 2006.

However, a period of stagnation was seen in sales of this typology in 2007 which then rose spectacularly with the purchase of televisions with integrated DTT devices.

Televisions with integrated DTT actually overtook their own sales record in **January with sales of around 300,000 units.**

DTT AUDIENCE

DTT audience **grew one point in February and now reaches 11.5% of total television viewing** in Spain. Therefore, the increase has been **21% higher than the DTT audience which was recorded at the end of 2007.**

The fine pace of DTT implementation is also confirmed by its average daily reach. In February 2008 this indicator **rose to a record 5,735,000 people**, which means a net increase of 557,000 people when compared to the previous month.

Currently, DTT users spend a little over an hour and a half watching digital terrestrial television each day, 92 minutes was the average for February (one daily minute 'per cápita' more than in January).

Other good news is that for the first time 26% of the total DTT viewing was with channels which are not transmitted on an analogue signal.

CONCLUSIONS AND EVALUATIONS

The 2007/2008 Christmas campaign has accelerated the process of adjustment to DTT. Some factors which back up this trajectory are:

- **An increase in DTT penetration in households of 3.2 percentage points** in only the first two months of 2008.
- **A two point increase in DTT screen-share in these first two months** and a growth rate of one percentage point each month.
- **An growth in average daily reach**, rising to a record **5,735,000 people, which means a net increase of 1.1 million additional people** over the last month of 2007, who have daily contact with the new digital technology.
- A rate of sales which leaves DTT receivers in record highs, passing 1.3 million set of equipment in only 2 months.

Primarily due to the Easter period, we believe that the month of March will show a slightly slower growth rate. Nevertheless, other important factors will help to maintain the successful switch to DTT:

- The approved **subsidies** in different CCAA which favour the adjustment to DTT, either in the form of benefits to change a collective aerial or in the purchase of a DTT tuner.
- Initiatives which many broadcasters are taking that are beginning to highlight the profitability of digital technology (26% of viewing takes place with channels that are not transmitting on an analogue signal) and an increase in DTT **investment**.
- The upcoming **advertising campaign** to promote the adjustment to DTT that will be carried out by Impulsa TDT and will take place in the month of April.
- The approaching end of analogue transmissions in Soria, the acceleration of the new technology's implementation and the ever-nearer shutdown date for analogue transmissions have encouraged a number of Communities to invest in spending in order to **bring forward and extend** DTT coverage with local budgets.

Lastly, Impulsa TDT wishes to call on the Public Works and Administration so that they put adopt procedures which will stop the sale of televisions that are not equipped to receive DTT, thus following the course of other European countries since January 2008.

Document compiled with data from Gfk, Sofres, Mediaedge:ncia;
And the collaboration of Aptivo Consulting and Corporación Multimedia