

MONTHLY REPORT EXTRACT

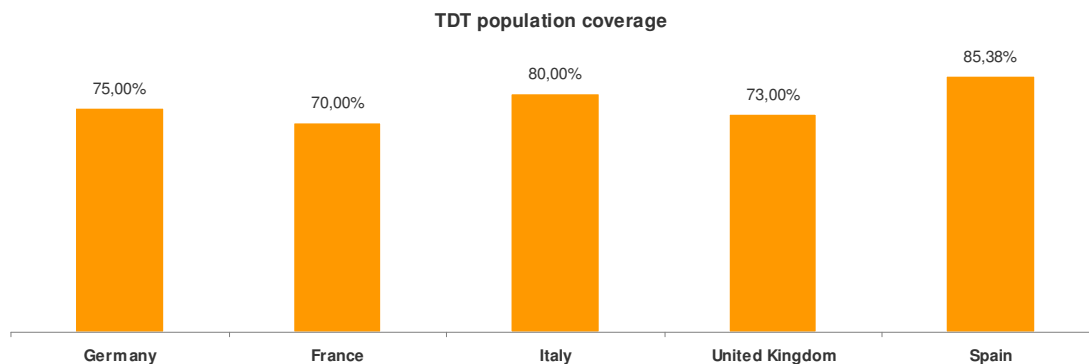
The continued growth in the purchase of TDT equipment, together with the increase in the use of this technology and the positive rating of its users highlights the fine development in the implementation of the new technology of Digital Television in its second year.

HIGHLIGHTS

- The **coverage** of national TDT stations now reaches **85.38% of the Spanish population**.
- **5.78 million TDT tuners been sold in Spain**, according to data from Gfk. **In July 2007, 371,694 set of TDT equipment** was bought, reaching a **new historic high in monthly sales** outside the Christmas campaign.
- **Flat-screen televisions with integrated TDT tuners represent the driver for the increase in sales of equipment**. In June and July 316,420 televisions with TDT have been sold, 40,306 more than total sales during the Christmas period. Nevertheless, **the sale of external decoders remains stable**. This growth is important for the total adaptation of “all” analogue televisions before April, 2010.
- According to data provided by Sofres, the month of **August ended with a 7.4% market share for TDT**, which is practically **3 points higher than the beginning of 2007**. **Daily average TDT viewing** in August was **2.9 million** with a **daily average consumption of 63 minutes**.
- According to a survey carried out by Impulsa TDT, **81.5% of Spaniards stated that they knew about TDT, and 40.3% were aware of the “Shutdown of Analogue Television”**.
- **Spaniards who have TDT rate the new technology with 7 points**, (on a scale of 1 to 10), and **26.9% of those surveyed are fully satisfied** with digital television technology. The vast majority of Spaniards who already have TDT recommend it to others who do not have it.

DIGITAL TELEVISION COVERAGE

By the end of July, **coverage** of national channels in TDT increased to **85.38%** of the Spanish population¹. This figure places **Spain at the top of European countries** with the highest percentage of the population receiving television signal coverage through digital distribution.



Sources: DigiTAG (Germany), CSA (France), DGTVi (Italy), Freeview (United Kingdom) y Abertis Telecom (Spain)

TDT EQUIPMENT IN HOUSEHOLDS

According to Gfk, **sales of TDT tuners** in the months of June and July once again show a **positive trend** in the rate of adaptation to TDT in homes. The number of TDT set of equipment purchased came to 308,327 and 371,694 respectively. The **accumulative sales figure** to date has reached **5,780,613 units**.

In July 2007, the volume of **TDT tuners sold represents a new historic high**, with the exception of sales achieved during the months of the last Christmas campaign. Given the season in question and its affect on the product, this is considered by Impulsa as something extraordinary as it occurs in a month where a reduction in family spending on TDT equipment was forecast as a result of the effect of summer holidays.

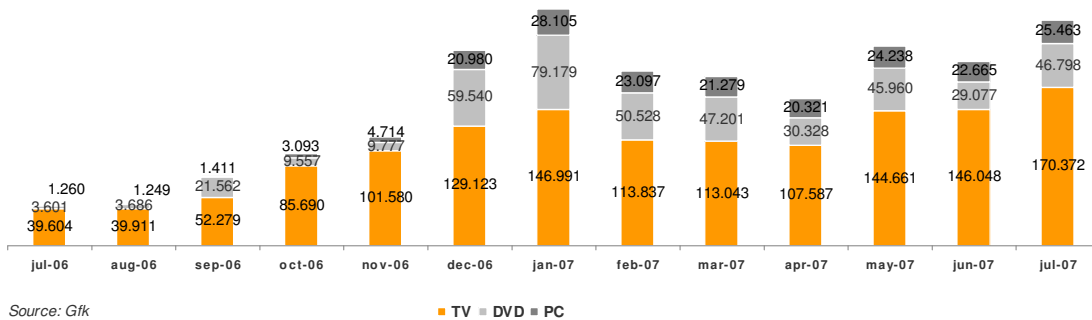
¹ Estimated figure by Abertis Telecom as to forecasts on coverage of TDT stations associated with broadcasters on a national scale.

The adaptation of households to TDT continues to increase as in June and July nearly 11% more tuners were purchased than in the previous months of April and May.

Analysis of TDT receivers purchased (integrated and external)

65% of the total sales of TDT equipment in July 2007, (242,633 units) correspond to integrated sets, making televisions with TDT the driver for the growth of TDT tuner total sales.

Sales of TDT receivers by typology (thousands of units)

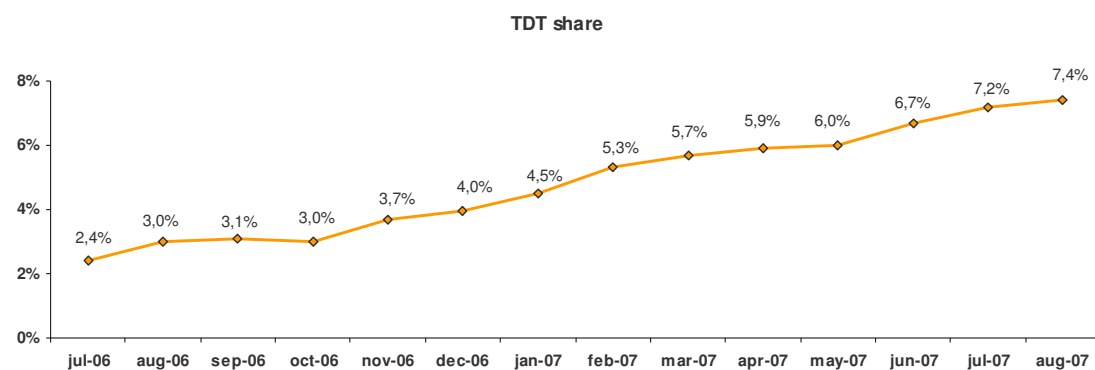


In June and July, 316,420 televisions with TDT were sold, 40,306 more than the total of those sold over the Christmas period.

The other 35% of TDT tuners sold last month have been external or non-integrated decoders, a total of 129,060 units, which is 7.4% above the average sales figure of this typology reached during the five previous months. Nevertheless, last year’s trend in sales of this type of TDT external receivers shows stability. To advance in the digitising of televisions in Spanish homes, **sales of this type of external TDT receivers must increase, with a view to adapting “all” analogue televisions before April, 2010, the date of total analogue shutdown, and this adaptation must not be limited only to the “main television of the house”.**

TDT AUDIENCES

TDT screen share has not stopped growing over summer in spite of the substantial reduction in television viewing. **August ended with a 7.4% share which is practically 3 points higher than the beginning of 2007.**



Source: Sofres

In the Community of Madrid, TDT share reached a record 14.7% after a monthly growth of nine tenths. In other words, this territory is twice as high as the national average.

The Community of Valencia (10.0%) and the Canary Islands (10.1) are either equal to or overtake the national average for the first time.

In terms of **consumption**, each TDT user has watched an average of **63 minutes**.

THE PUBLIC'S APPRAISAL OF TDT

Impulsa TDT has set in motion a quantitative study directed at Spanish homes and individuals, by means of a telephone survey. The main conclusions are:

81.5% of Spaniards state that they know about TDT, while this percentage is reduced by half when asked about the “Shutdown of Analogue television” (40.3%).

Spaniards who have TDT grade **their level of satisfaction as very good (7 points on a scale of 1 to 10)**. Furthermore, **26.9%** of those surveyed are **fully satisfied with digital television technology**.

Households without Internet value TDT in a more positive way than those with Internet access. The percentage of those fully satisfied falls to 16.6% in homes with Internet connection.

Another clear indicator of user satisfaction is that the **vast majority of Spaniards** who already have TDT **recommend this technology to a third party**. The primary reasons for recommending TDT are its **large number of channels with free access and its improved technology**, which results in higher quality in both image and sound.

Regarding plans for the adaptation to TDT, **24% of Spaniards who presently do not have TDT state their intention to have it shortly**.

EUROPEAN MONITORING

According to CSA, **TDT coverage in France** has increased in July 2007 to reach up to 70% of the metropolitan population and it **is forecast to reach 85% by the end of this year, thus equalling Spanish coverage**. On the other hand, the viewing of free

channels by means of digital television reached 6.3% in June. **This figure for French viewing is slightly lower to that of Spain** which was 6.7% in the same month in question.

In **Italy, RAI has received 33 million euros in aid** from the Ministero delle Comunicazioni with a view **to increasing the coverage of TDT public and national channels to reach 85% of the population** by the end of the year.

The United Kingdom continues to lead the transition to digital television in Europe. **By March 2007, 18.4 million TDT tuners had been sold and penetration has grown to reach up to 46.4 % of British homes.**

CONCLUSIONS AND APPRAISAL

At the close of August 2007, the appraisal made by Impulsa TDT to the adaptation process of digital television with only 950 days remaining before the “Analogue shutdown”, is positive.

However, **the public has to carry to be informed of the benefits of the new technology** (more free channels with an improved quality in both image and sound), and **the date of the upcoming analogue** shutdown should have a bearing on this, as only one in two people is aware of it and the fact that TDT will not be optional **must be made clear, but rather the only free television signal from next April, 2010.** Furthermore, presidents of neighbourhood communities should be informed of the **importance of adapting shared antennas.** This is a necessary step to be taken in buildings constructed prior to 2001, and one in which Impulsa TDT is presently carrying out a strong campaign at a national level.

The progress of the penetration of TDT will also depend on the differential contents which are offered by broadcasters and the increase of **the coverage of the TDT signal** (currently at 85%), in accordance with the established phases in RD 920/2006 to zones with no coverage.

Households will have to do their part and **adapt their analogue televisions by purchasing external decoders thus permitting them to receive the TDT signal in “all” their present analogue televisions**, not just in the main television set in the home, **or substituting them for televisions which have such technology integrated inside** (the first option is much more economical than the latter.) In addition, a progressive evolution of television consumption will be necessary from analogue channels towards **TDT consumption (currently at 63 minutes per day)** as both TDT and the analogue signal currently work together in “simulcast,” yet, this will come to an end from April, 2010, when TDT will be the only free signal for television.

At Impulsa TDT, we foresee an important increase in the penetration of TDT in homes in the third wave of the EGM in 2007 (next December 2007) given the recent rise in coverage from 80% to 85% of the population which provides access to more homes and therefore the possibility to convert to the new digital technology, added to the steady increase in the purchase of TDT equipment seen over the last few months, mainly in the purchase of flat-screen televisions with TDT tuners inside, according to data released by GFK.

Impulsa TDT, as well as their associates, carries on with the development of new communication and promotion operations in the field of Digital Technology with a view to continuing the advancement of its development and expansion.

Sources: Fenitel, AIMC, Gfk, Sofres, AIMC and Random;

And with the collaboration with *Doxa Consulting* and *Corporación Multimedia*.