



PRESS RELEASE

for immediate release

Tuesday, 30 March 2004

Research reveals continued hunger for digital television despite confusion over government switchover plans

New independent research¹, released today by the DTI and DCMS, suggests that the vast majority of UK households (70-80%) will voluntarily equip themselves to receive television signals via digital means by 2010. Millions are becoming accustomed to the increased channel choice, sharper pictures and better sound enabled by digital signals.

This research is consistent with high street trends as the buoyant sales of digital 'freeview' receivers continue to be a welcome surprise for retailers, subscribers to pay TV services offered on Cable and Satellite platforms continue to increase and the range of receiving products available continues to expand. More homes now have digital TV than do not.

The research endorses the need for an early announcement of government switchover intentions as called for in January speeches at the DTG AGM from John Clare (Chief Executive of the Dixons Group) and Steve Dowdle (Managing Director of Sony UK Sales Company and Vice President of Consumer Sales). These market leaders in the manufacturing and retailing of television technology alerted industry to be ready for the likely change in consumer purchasing behaviour once an announcement regarding switchover is made.

Such a healthy attitude to digital is perhaps all the more surprising given that the research also indicates ignorance and confusion over government plans to switch off existing analogue signals. The report authors suggest that if the government clearly sets out the rationale for switchover and publishes a firm timetable for withdrawing existing analogue signals then all but 5% of households would convert.

Commenting on the research, Marcus Coleman, Director General of the Digital Television Group, said: "Digital switchover is largely considered to be a technological inevitability as television follows in the footsteps of telephony, video and photography. Maintaining the current analogue system is not only costly but is a technical barrier to the introduction of new services such as high definition and mobile television, these are already being enjoyed by consumers in other parts of the world."

Coleman also drew attention to the primary report recommendations noting that: "the Digital Television Group with its unique cross industry membership continues to play a pivotal role in the development of digital products and services. Through this collaborative environment we are committed to helping the supply chain prepare for the increased product demand that switchover announcements will create. We share the logical conclusion drawn in the research – the sooner consumers are alerted to government plans, the longer they and the supply chain will have to prepare."

David Johnston, Digital Director at Philips, said: "Even though digital television opens up a whole new world of consumer opportunity, careful management is key. It would be preferable for industry and government to work in partnership through the digital television group to create a



market environment that provides consumers with accurate and reliable information, easy to use and readily available equipment.”

1. Attitudes to Digital Television and Digital Switchover, Final report of the Human Aspects of Digital Television Study. Scientific Generics Limited. Dr J Klein, S Karger, K Sinclair.
www.digitaltelevision.gov.uk/publications/pub_attitudes_to_switchover.html

For more information contact:

Richard Lindsay-Davies, Director of Public Affairs

rdavies@dtg.org.uk 07880 783044

Marcus Coleman, Director General

mcoleman@dtg.org.uk 07971 178648

NOTES FOR EDITORS:

About the Digital Television Group

The DTG was formed in 1995 as an industry association to set technical standards for the implementation of digital terrestrial television (DTT) in the UK and now encompasses all digital TV platforms and convergence issues on a world-wide basis.

Membership of the DTG is open to all companies involved in digital TV broadcasting on all platforms with a commitment to published standards and open markets. We now have over 100 member companies which include broadcasters, platform operators, manufacturers, retailers, regulators and others, including a growing number of world affiliates.

The DTG...

- works in support of digital switchover and convergence.
- encourages an open market in receivers and set-top boxes.
- supports regulators' requirements for interoperability and open access.
- acts as a technical clearing house, publicising the work of members and providing a user-group to implementers around the world.
- has established a wholly-owned subsidiary, DTG Testing Ltd., to provide interoperability testing services to the industry.
- fulfils marketing and regulatory roles on behalf of its members and the industry.
- is actively working to enhance broadcasting with interactivity and internet technology.
- is an active member of the DVB Project.
- is a founder member of DigiTAG.
- advises on DTT implementation world-wide.