

Digital TV Update

Chart pack for Q4 2010
Published April 2011

Background on survey methodology

- The GfK consumer research used in this report is based on a panel of 12,000 homes surveyed quarterly via the internet and by telephone.
- The survey provides data on ownership and acquisition of television sets and other receiving equipment such as set-top boxes.
- The ratio of online to telephone interviews is designed to specifically meet demographic representative quotas. **The error margin for the research results is estimated to be within 1-2 percentage points (up to +/- 500,000 homes).**

Figure 1

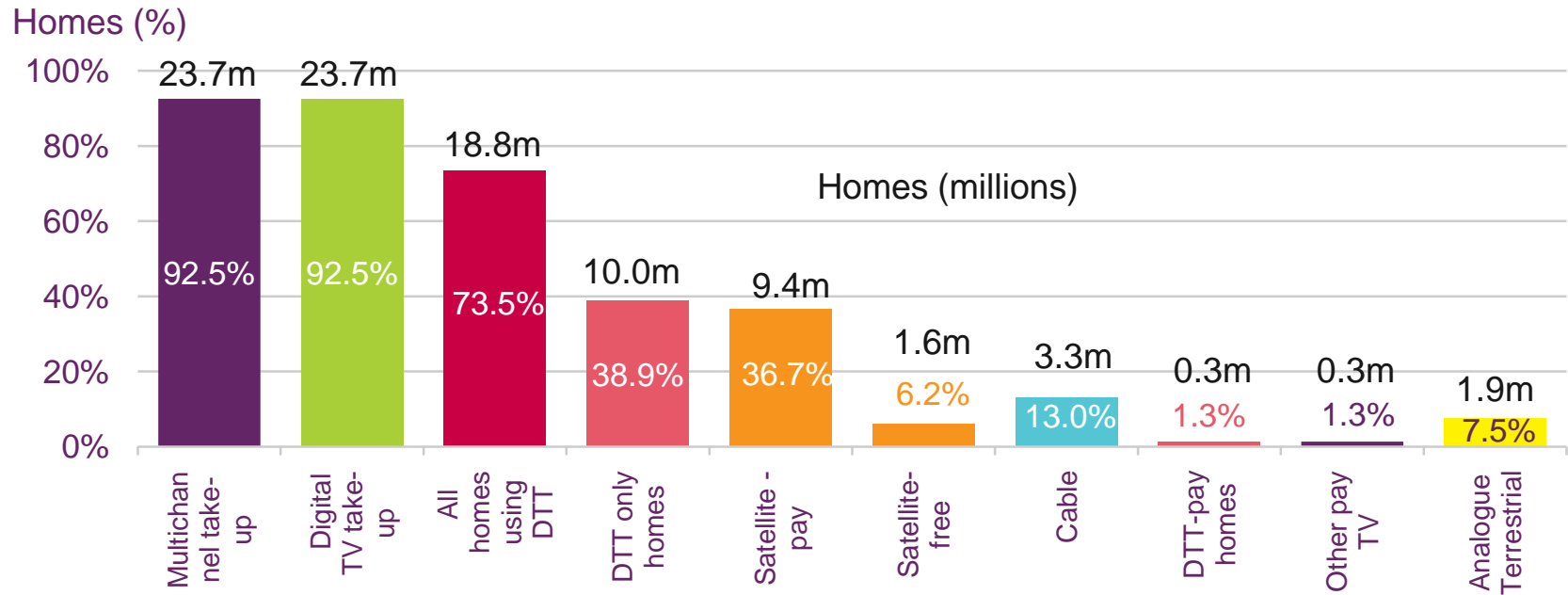


Platform take-up survey results Q4 2010

(Homes with access to each platform)

Annual change + 1.1pp + 1.1pp + 0.9pp - 0.7pp + 0.9pp + 3.7pp + 0.6pp - 0.9pp 0.0pp - 1.2pp

Quarterly change - 0.1pp - 0.1pp + 0.1pp - 0.2pp - 0.1pp - 0.2pp - 0.1pp - 0.7pp + 0.3pp + 0.1pp



Source: Ofcom / GfK NOP consumer research

Analogue terrestrial includes a very small amount of foreign satellite.

Chart figures; m = million, pp = percentage points.

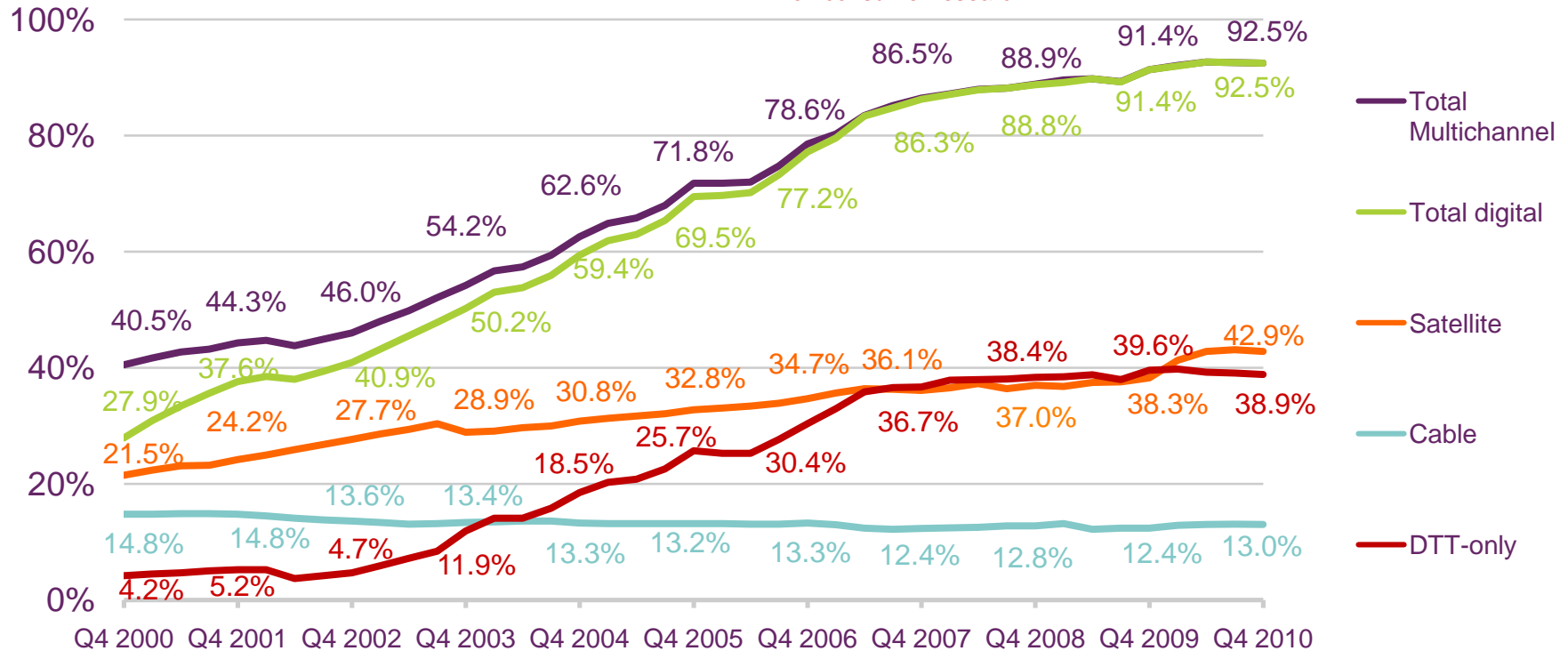
Figure 2



Digital / Multichannel TV progress 2000-2010

Households (% take-up)

Data from Q1 2007 is based on consumer research



Source: Ofcom, GfK NOP research from Q1 2007, previous quarters include subscriber data and Ofcom market estimates for DTT and free satellite

Figure 3

MCTV take-up by platform % homes

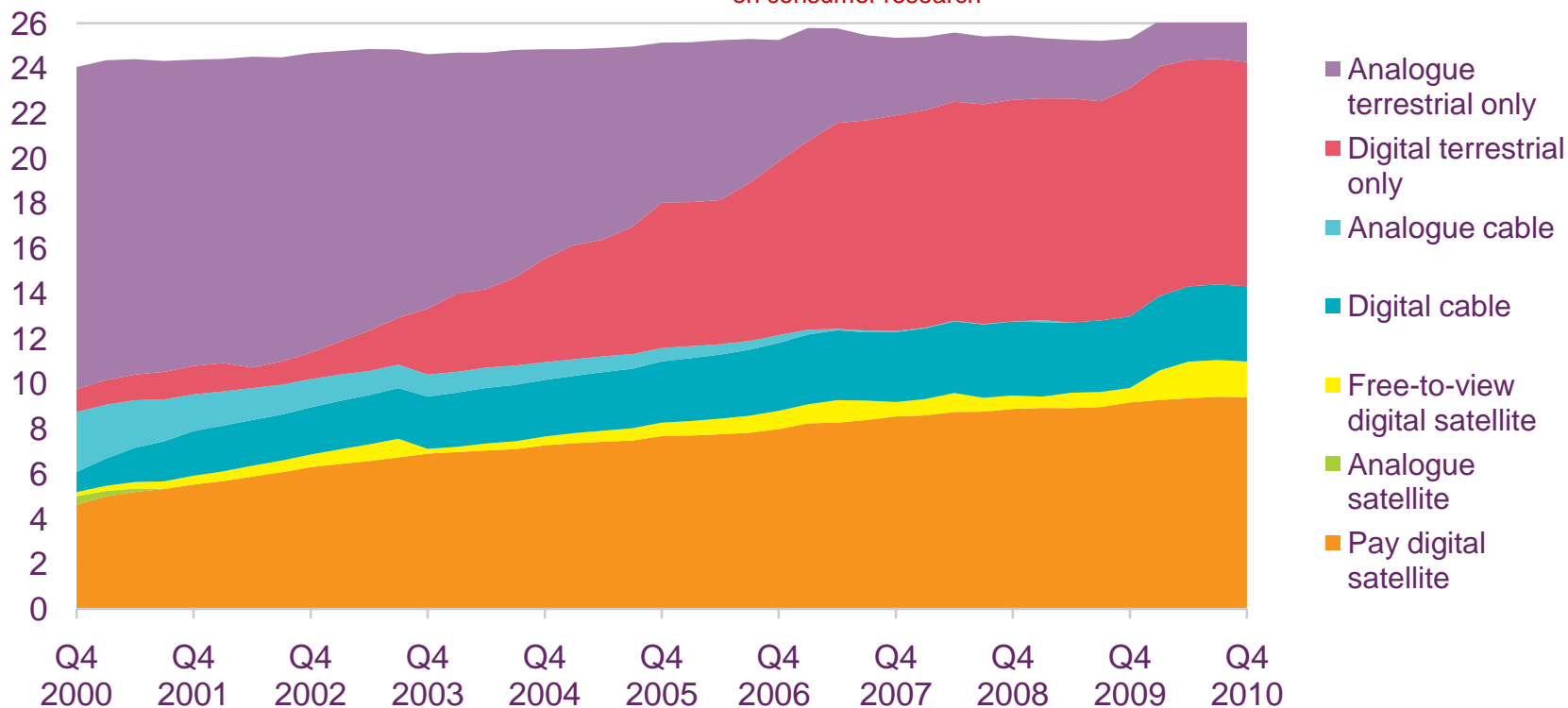


% of homes

40.5% 44.3% 46.0% 54.2% 62.6% 71.8% 78.6% 86.5% 88.9% 91.4% 92.5%

TV Households (m)

Data from Q1 2007 is based on consumer research



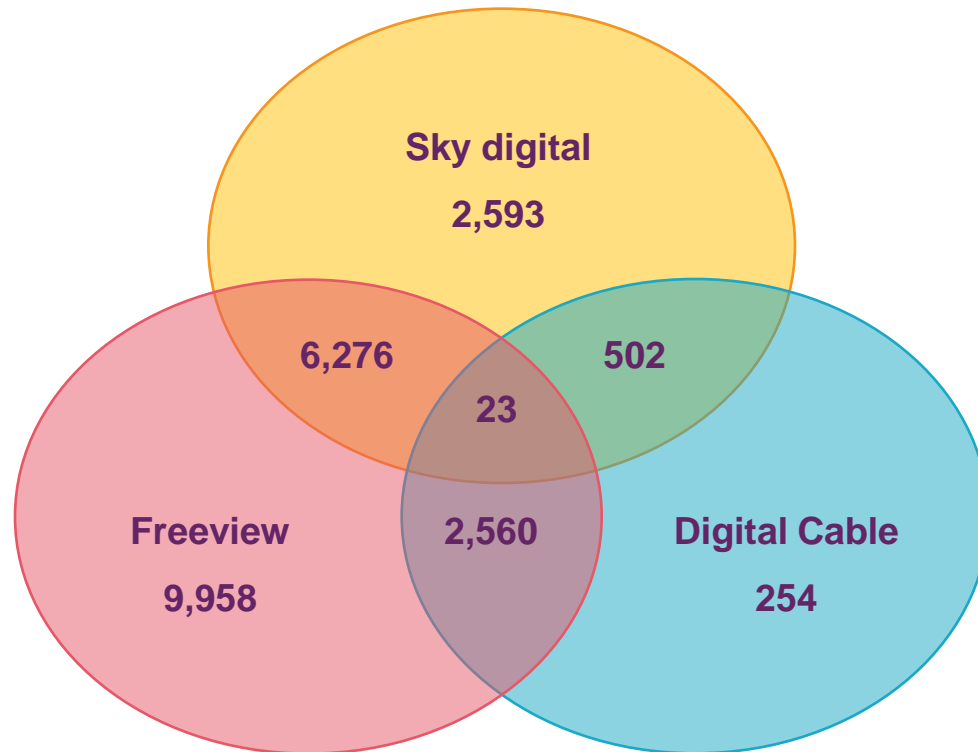
Source: Ofcom, GfK NOP research from Q1 2007, previous quarters include subscriber data and Ofcom market estimates for DTT and free satellite

Note: Digital terrestrial relates to DTT-only homes

Figure 4

Digital Platform Overlap Q4 2010

(Homes 000's)

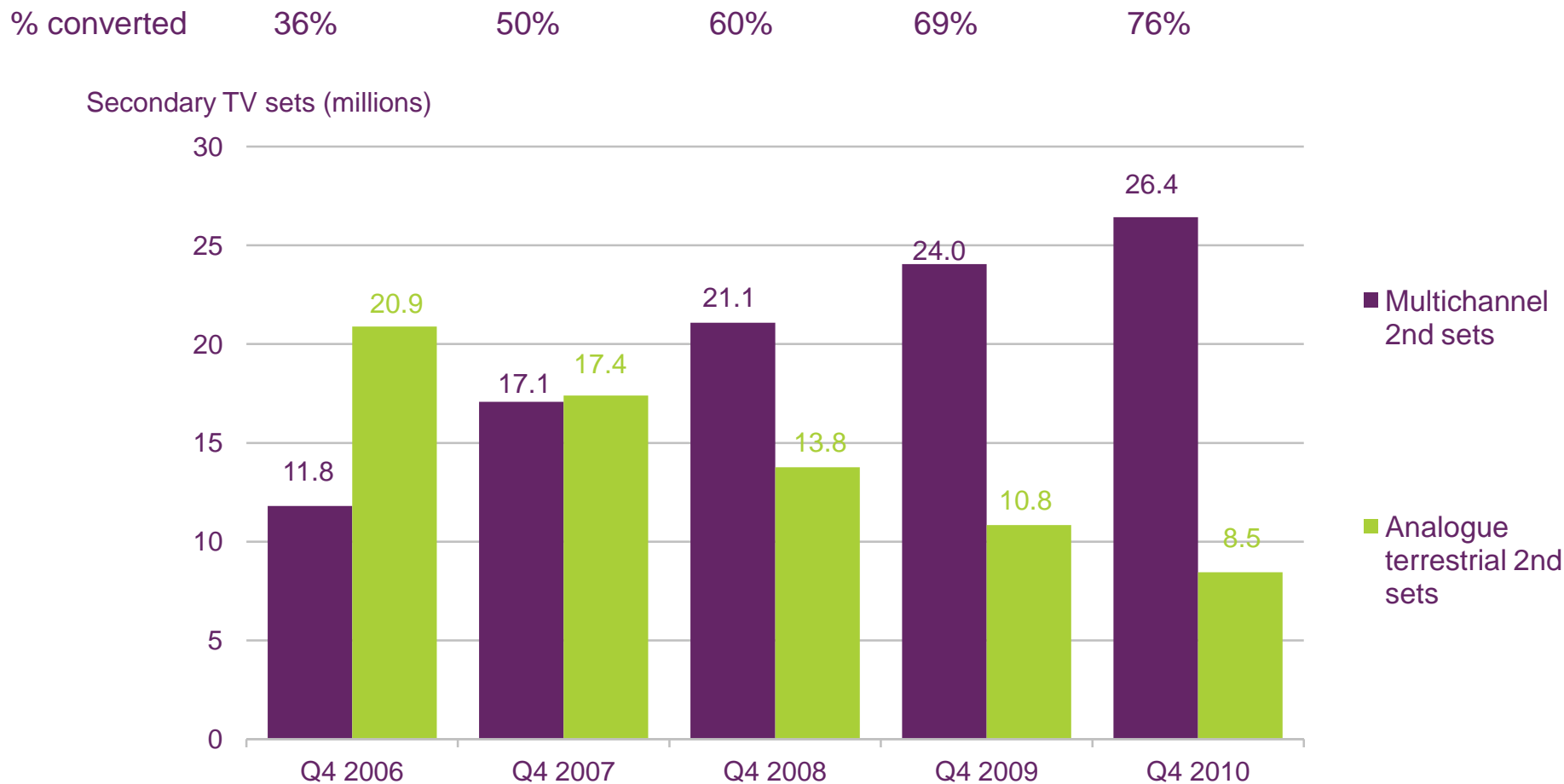


Source: Ofcom / GfK NOP consumer research

Note: Due to the smaller sample size it is not possible to depict the overlap among other multichannel platforms.

Figure 5

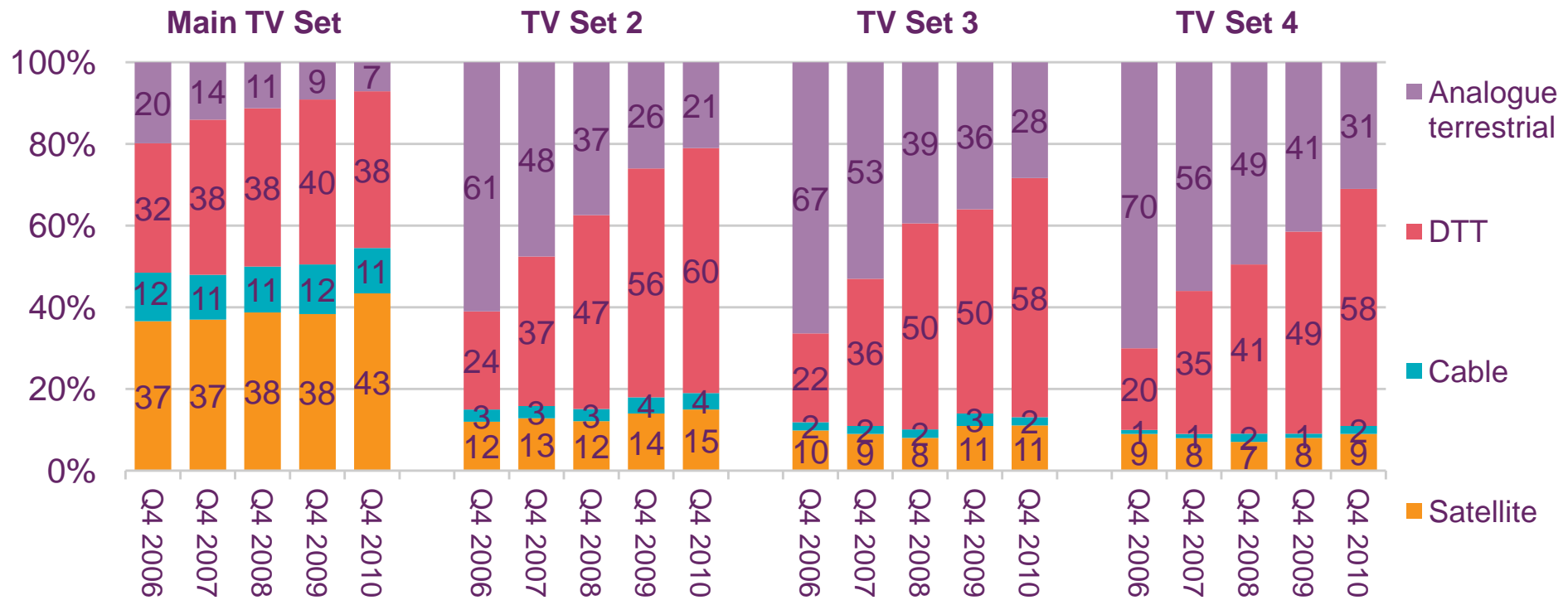
Total secondary digital sets across all platforms (millions)



Source: GfK NOP research

Figure 6

Platform shares for TV sets 1 – 4



Source: GfK NOP consumer research

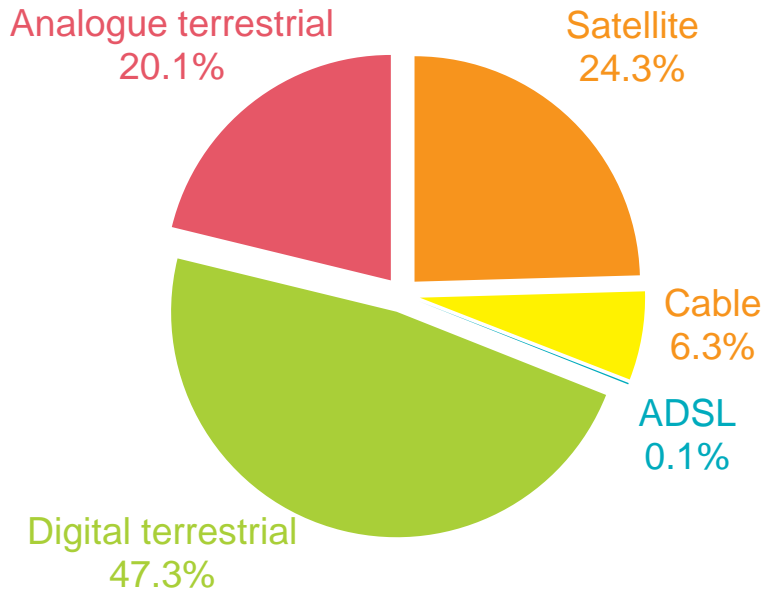
Figure 7

Market share of platforms across all TV sets Q4 2010

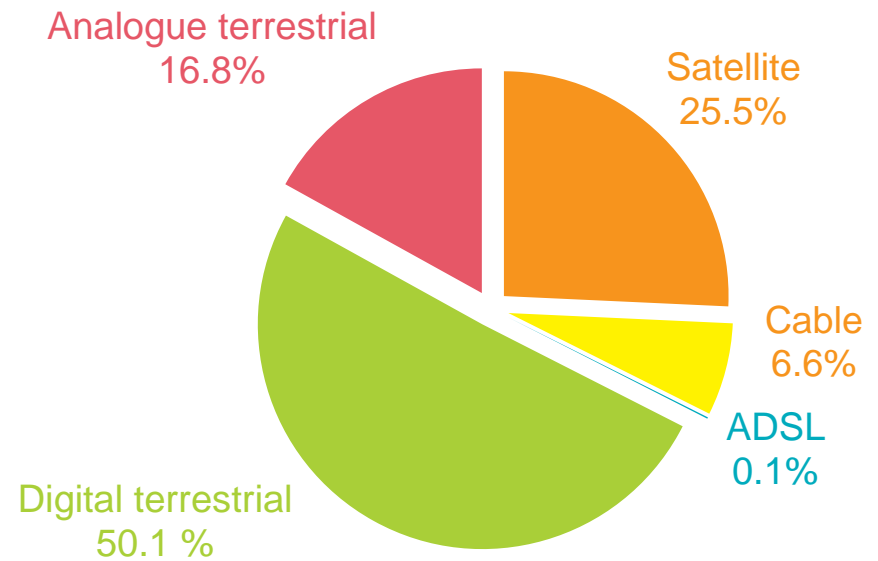
Total TV sets = 60 million

% take-up of TV homes

Q4 2009



Q4 2010



Source: GfK research

Figure 8

Summary: take-up and share of primary TV sets



Homes (%)	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Multichannel take-up						
Cable	12.4%	12.4%	12.9%	13.0%	13.1%	13.0%
Satellite	37.6%	38.3%	41.3%	42.9%	43.1%	42.9%
DTT	38.0%	39.6%	39.8%	39.3%	39.1%	38.9%
Other platforms ¹	1.4%	1.4%	1.2%	1.2%	1.0%	1.3%
Total multichannel ²	89.5%	91.4%	92.1%	92.7%	92.6%	92.5%
Pay TV take-up						
Cable	12.4%	12.4%	12.9%	13.0%	13.1%	13.0%
Pay satellite	35.0%	35.8%	36.2%	36.5%	36.8%	36.7%
Pay DTT	1.9%	2.3%	2.0%	2.0%	2.0%	1.3%
Other pay platforms ¹	1.4%	1.4%	1.2%	1.2%	1.0%	1.3%
Total pay TV ²	49.3%	51.8%	52.3%	52.7%	52.9%	52.4%
Share of multichannel TV market						
Cable	14.1%	13.5%	13.6%	13.5%	13.6%	13.6%
Satellite	42.7%	41.8%	43.4%	44.5%	44.8%	44.6%
DTT	43.2%	43.2%	41.8%	40.8%	40.6%	40.4%
Other platforms ¹	1.5%	1.5%	1.3%	1.2%	1.1%	1.4%

Source: Ofcom / GfK NOP research

Note: 1. Other platforms includes homes with BT Vision and Talk Talk TV (formerly Tiscali TV). Top Up TV homes are included in DTT and also shown separately in pay DTT.

2. Totals may not correspond to the individual platform figures due to an element of platform overlap and figures being rounded.

Figure 9

BSkyB Q4 2010 results

Pay digital satellite – BSkyB	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Pay-TV satellite subscribers*	9,708,000	9,770,000	9,860,000	9,956,000	10,096,000
ARPU (annualised)**	£492	£503	£508	£514	£541
Churn**	9.6%	9.9%	10.5%	11.2%	9.5%
Basic package price	£18.00	£18.00	£19.00	£19.00	£19.50
Sky Multiroom	1,999,000	2,062,000	2,121,000	2,158,000	2,219,000
Sky +	6,455,000	n/a***	n/a***	n/a***	n/a***
Sky + HD	2,082,000	2,510,000	2,939,000	3,154,000	3,497,000

Source: BSkyB quarterly results 2009/10-2010/11

* These figures are for BSkyB's subscribers in the UK and the Republic of Ireland.

** BSkyB's ARPU and churn rates relate to their total consumer division (services including TV, telephone, and internet).

*** BSkyB did not report a Q1-Q4 2010 figure for the standard Sky + service

Figure 10

Free-to-view satellite Q4 2010 survey results

Free-to-view digital satellite (000's)	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Free-to-view satellite households	643	1,307	1,625	1,633	1,585

Source: GfK NOP consumer research

Figure 11 Virgin Media Q4 2010 results

Cable – Virgin Media	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Digital TV subscribers	3,656,200	3,702,800	3,728,700	3,745,900	3,759,600
Total TV subscribers	3,693,900	3,729,600	3,751,900	3,766,700	3,778,800
Total subscribers (TV, telephony, internet)	4,723,500	4,761,800	4,768,900	4,783,000	4,800,100
TV penetration rate *	29.4%	29.7%	29.9%	30.0%	30.2%
ARPU ** (annualised)	£538	£540	£551	£557	£554
Churn **	14.4%	13.2%	15.6%	19.2%	15.6%
Basic package price	£11.99	£11.99	£11.99	£11.99	£12.50
Virgin DVR (V+ and V+HD)	862,000	939,900	1,198,900	1,421,000	1,512,900

Source: Virgin Media quarterly results 2009-10

* TV penetration rate is based on the number of homes passed by the Virgin Media cable network. The number of homes passed and marketed had reached over 12.5 million by Q2 2009.

** Virgin Media's ARPU and churn rates relate to its total consumer division, excluding non-cable and mobile operations.

Figure 12

DTT households and sets estimates

DTT sets and households (millions)	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Total number of DTT enabled sets	28.5m	28.8m	28.6m	29.6m	30.2m
Percentage of all TV sets (%)	47.3%	47.8%	47.5%	49.2%	50.1%
Total number of homes using DTT equipment	18.6m	18.7m	18.7m	18.8m	18.8m
Homes percentage (%)	72.6%	73.1%	73.2%	73.4%	73.4%
Number of homes where DTT is the only digital platform	10.1m	10.2m	10.1m	10.0m	10.0m
Homes percentage (%)	39.6%	39.8%	39.3%	39.1%	38.9%

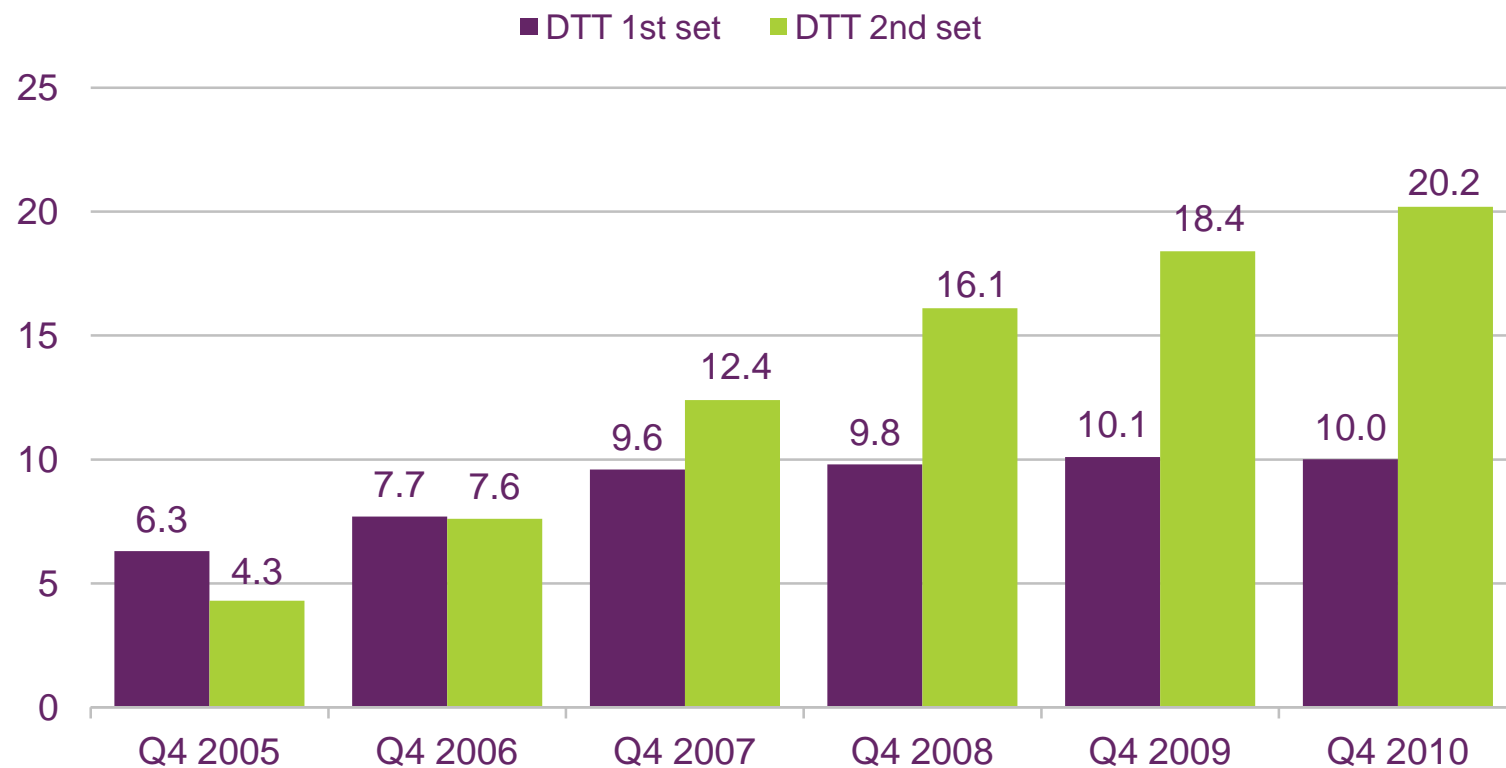
Source: GfK NOP research

Note: Figures in the table are rounded

Figure 13

DTT on primary and secondary TV sets

DTT on 1st and 2nd TV sets (millions)



Source: GfK NOP research

Figure 14

Digital terrestrial television (DTT) equipment quarterly sales

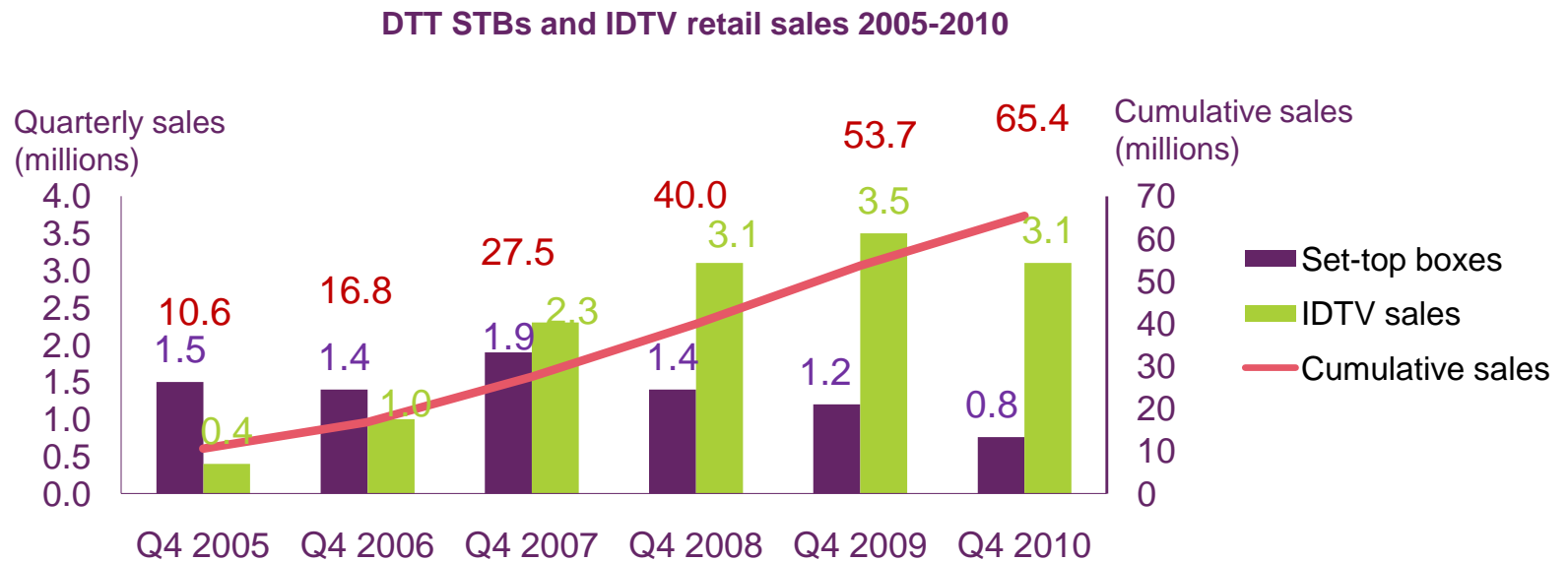
DTT quarterly sales (000's)	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Freeview set-top boxes	1,247	855	724	603	756
Integrated Digital Televisions (IDTVs)	3,491	2,540	2,341	1,896	3,099
Total sales	4,738	3,395	3,065	2,499	3,855
DTT DVR sales*	329	207	153	146	290

Source: Sales figures from GfK, as adjusted by Freeview. The 5% upwards adjustment represents Freeview's estimate of the number of DTT set-top boxes and IDTVs sold in Northern Ireland and offshore islands.

*DVR sales include devices that combine DVR and DVD recording functionality. DVRs sales listed above are also included in the total sales.

Figure 15

DTT equipment quarterly and cumulative retail sales



Source: Sales figures from GfK, as adjusted by Freeview