



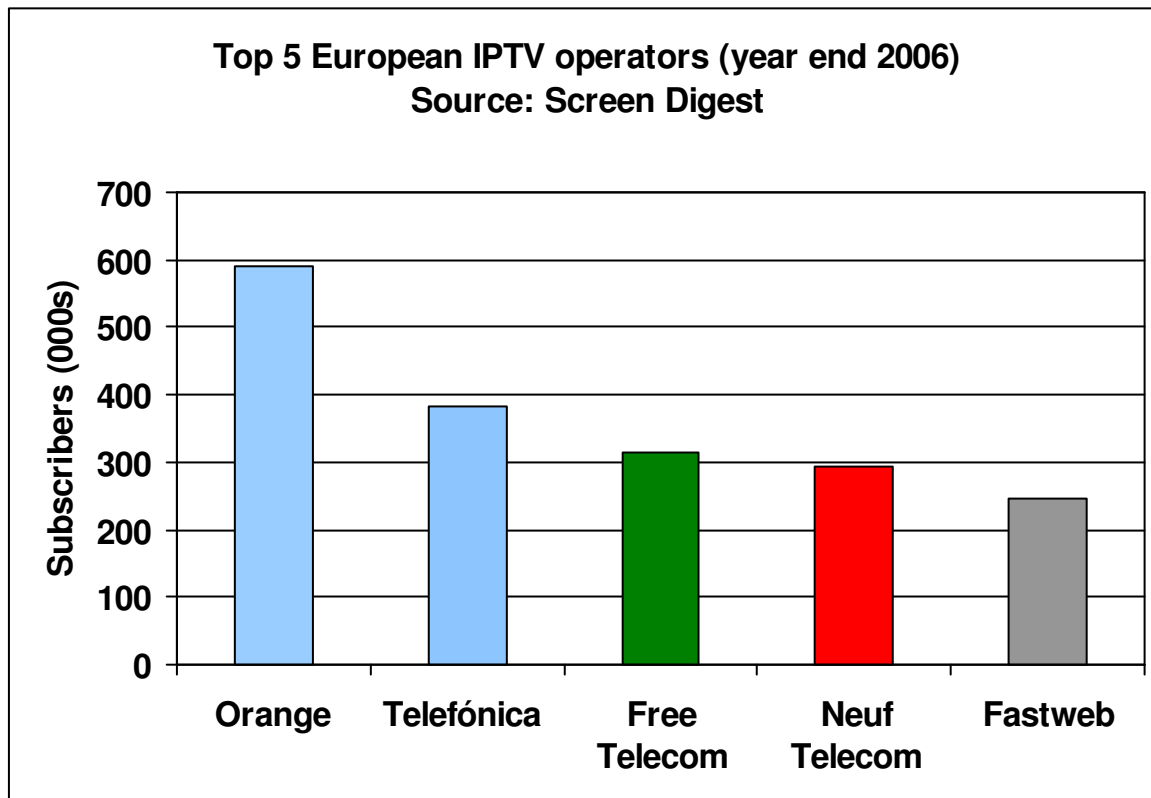
IPTV in Europe: A battle of the brands as subscriber numbers are set to double in 2007

London 2nd April 2007: The European market for IPTV will double in 2007, according to the latest figures from media analysts Screen Digest. The research examines the 54 IPTV services across Europe, 19 of which are in operation in the five European markets of the UK, France, Italy, Germany, and Spain.

IPTV is the fastest growing pay-TV platform by far, outstripping all other platforms combined. Screen Digest forecasts that subscriptions to IPTV services across Europe will almost double from 2.9m in 2006 to 5.6m in 2007, with subscription revenues from IPTV increasing from €470m to over €1bn. Almost 1m of those new customers will be in France.

Europe's Top Five Operators

The top five IPTV operators in Europe – Orange, Telefónica, Free Telecom, Neuf Telecom and Fastweb - accounted for 60 per cent of the total IPTV market in the five countries at the end of 2006. Screen Digest expects that these operators will remain in their respective positions throughout 2007, with Neuf Telecom and Free Telecom vying for second place in France.

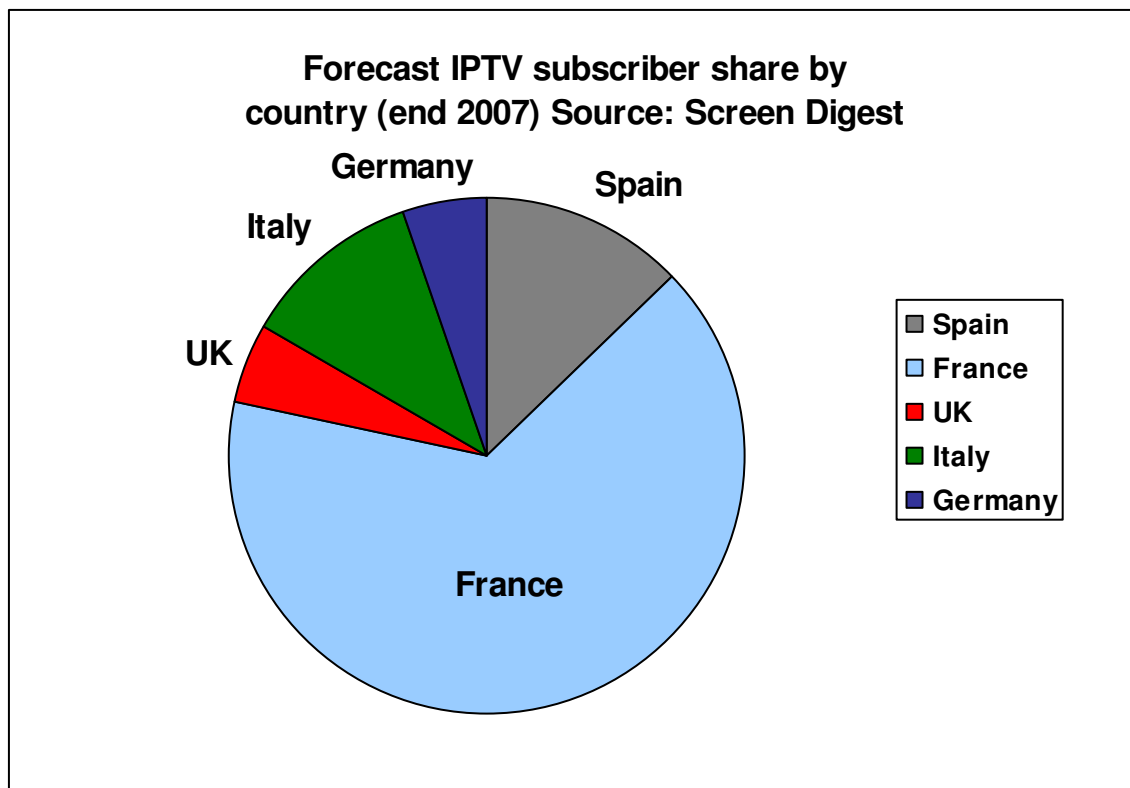


One key factor contributing to the strong growth in IPTV is that services are being offered by well known household names, giving consumers the confidence to subscribe. Orange, BT, Telefonica, Deutsche Telecom and Telecom Italia were already very established brand names in their markets, giving them a significant advantage when promoting the service.

Telco's on the defensive

Digital terrestrial TV (DTT) is one of the main driving forces of IPTV uptake in France, Spain and the UK, with ten IPTV services using hybrid DTT/IPTV boxes in the three markets. Such services are popular because they allow customers to access the DTT channels for free, and give them the option to take pay-TV and Video on Demand (VoD). BT in the UK and France's Darty are two operators using this model, with Italy's Rai currently trialling it.

For operators, the hybrid IPTV models provide a cheap and easy way to broadcast content. This explains why in some cases the customer's packages are inferior to cable or satellite offerings. Nine of the IPTV operations have free or reduced pay-TV, and even those with full services lack the channel range exhibited by their competitors. "IPTV is in many cases not designed to be a competitive alternative to existing pay-TV services, but has instead been launched by telcos fearful of losing their traditional revenue streams" comments Screen Digest Analyst Richard Broughton.



The outlook for 2007

Broughton expects to see more IPTV services on offer and an increasingly globalized industry this year, as major players look to create a presence across a number of markets. Telecom Italia was an early starter launching services in France and Germany, Tiscali will launch in Italy, and Swisscom will complete its acquisition of Italy's Fastweb.

The UK will experience the biggest growth in 2007, with Screen Digest forecasting that subscriber numbers will grow from 80,000 to 300,000 by the end of this year. This 250 per cent increase will be fuelled by the recent launch from incumbent BT as well as national launches from rivals Tiscali and France Telecom in the autumn.

“2007 is set to be the strongest year yet for IPTV. Companies which launched their services last year will be marketing in earnest, while those already established are well placed to build on last year's success.”

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About this research

The data in this press release is taken from Screen Digest's online service – TV Intelligence. The service continuously tracks and forecasts IPTV operators globally.

About Screen Digest - Global media intelligence

Screen Digest is the pre-eminent firm of industry analysts covering the global media markets. We employ a team of 30 specialist analysts covering television, broadband, mobile, home entertainment, cinema and gaming. Our online services and reports provide the information and analysis that hundreds of media companies worldwide base their decisions on.

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