

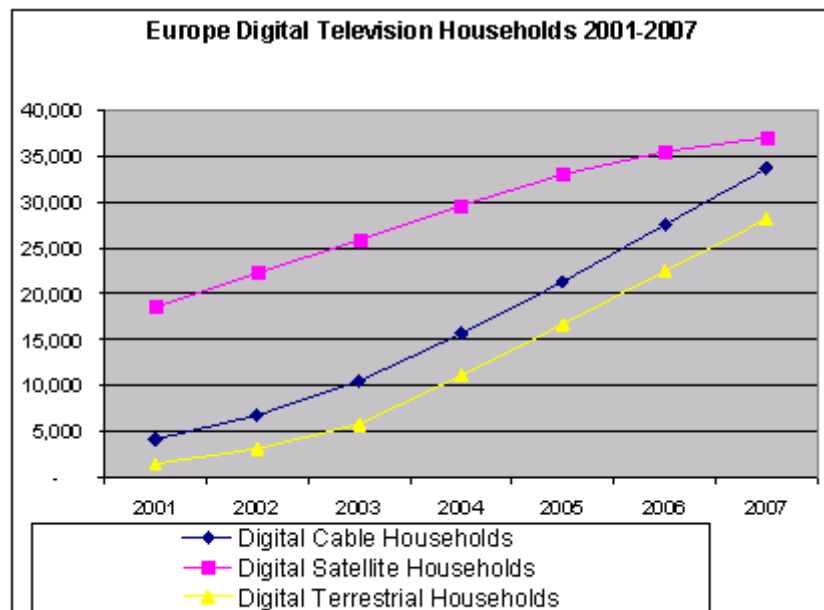
# **Low cost set top boxes kick start Digital TV market in Europe**

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According to the latest analysis from Internet research firm Jupiter MMXI, current predictions of the future penetration for DTV in Europe underestimate the potential size of the market.

Jupiter MMXI predicts that by 2006 more European households will be watching digital TV than will be using the Internet. This huge growth will be driven by a number of factors:

- Pay satellite and cable operators migrating their subscribers from analogue to digital TV services.
- An increase in free-to-air digital terrestrial TV channels from the BBC and commercial broadcasters, accessed either through low cost digital set top boxes or through digital TV sets.
- More interactive features for the viewing audience. By 2007, 91% of DTV households will be using interactive services, such as PVR - personal video recorder and VOD - video on demand. These services will transform the way TV is consumed.
- By the second quarter of 2002, low cost set top boxes will come onto the market, allowing viewers access to all free-to-air digital channels without the need to subscribe to a pay TV service. Jupiter MMXI believes they will have reached critical mass by 2004.
- Those European countries that currently have little cable coverage are likely to experience the biggest growth in digital terrestrial services.



Source: Jupiter MMXI, European DTV Forecasts, 2001-2007

	<b>Unit</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Total Digital TV Households</b>	<b>000</b>	24,271	32,225	42,208	56,387	71,047	85,512	98,855
<b>Total Digital TV Penetration</b>	<b>%</b>	15%	20%	26%	35%	43%	52%	59%

Daniel Stevenson, author of the report says "Until recently, the industry had underestimated the potential of digital terrestrial free-to-air TV. Growth of this platform will inevitably make life more difficult for cable and satellite pay TV operators. Interactive services, although at present basic, will develop rapidly and will transform