



## **HD Race is on for the World Cup**

London, 16<sup>th</sup> March 2006: With only 12 weeks to go before the World Cup kicks off in Germany, European pay TV operators have only just started to ship HD ready set top boxes. European players are struggling to get HD-capable set-top-boxes in sufficient numbers for consumers to be able to view the World Cup in high definition quality. These delays have been caused by a shortage of the necessary MPEG-4 chipsets.

Premiere in Germany, TPS in France, Sky Italia in Italy, Canal Digital in the Nordic and the BBC will all be broadcasting games in HD format but without the adequate set-top boxes the 'HD ready' households (those who own 'HD ready' TV sets) will not be able to watch them in HD quality.

A new report from media research company Screen Digest - *High Definition Television: Global uptake and assessment to 2010* - paints a rosier bigger picture and believes that all the necessary conditions are now in place for a sustainable lift off of HD television in Europe in the mid-term.

Vincent Létang, Screen Digest Senior Analyst and author of the report states: "The June World Cup in Germany was supposed to be the perfect kick-start for HD in Europe and its full thrust will be partly missed, but this does not jeopardize the introduction of HDTV. The strongest driver for HD TV is the fantastic success of flat panel television sets in Europe at the moment and the fact that a growing proportion of those are featuring HD resolution screens, which are standardised by the 'HD ready' Europe-wide label introduced in 2005."

At the end of 2005 there were already 2m 'HD ready' TV households in Europe and by 2010 there will be more than 50m 'HD ready' TV sets, creating large opportunities for European pay TV operators. Screen Digest predicts that by 2010 there will be approximately 100 HD channels available in Europe and more than 11m households will be actually watching television in HD quality (receiving HD broadcasts on HD ready sets and set-top boxes).

Across the globe HD has already made its mark and in early 2006, HD broadcasts were available in 12 countries: USA, Canada, Japan, Australia, South Korea, China, Germany and Austria, and the Nordic markets (Sweden, Finland, Denmark, Norway). By the end of 2005 there were 19m households with HDTV sets in the US (17% of total TV households) with 11m of these watching HD

broadcasts. At the same time 14% (6.7m) of TV households in Japan were HD ready.

On a global basis, by the end of 2010 the number of HD ready households will reach 174m or 22% of TV households. The figure will be 59% in the US, 66% in Japan and 30% in Western Europe.

In a maturing pay TV market European operators have great expectations for HD as an effective marketing tool to increase revenue per subscriber, to reduce churn and to increase subscriber numbers. Consumer surveys show that consumers are more than ever demanding higher quality television and are ready to pay for the necessary hardware and service. BSkyB identifies HD as a key factor in its quest to reach 10m subscribers by 2010.

Létang also states: 'The HD proposition will come progressively but ultimately high definition will become the standard quality of television. In the mid term, pay TV operators will be able to extract direct new revenue from HD early adopters through HD tiers and next-generation HD-capable PVR set-top boxes. And this will drive a global migration to MPEG-4, resulting in savings in transmission in the long term'.

### European HD Launches in 2005 - 2006



Source: Screen Digest

## **Editors' Notes**

The data, forecasts and analysis contained in this press release are taken from the new Screen Digest report: "High Definition Television: Global uptake and assessment to 2010." The report provides a detailed analysis of the prospects for HDTV in free-to-view and pay TV markets in 19 territories worldwide. Historical and forecast data to 2010 is provided for HD TV sales, HD ready households and HD platforms and channels.

To find out more about this please contact [sales@screendigest.com](mailto:sales@screendigest.com) or call +44 20 7424 2820

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