Media Fact Sheet.

Freeview|HD™, the next step in digital broadcasting…

This time last year we were getting ready to launch Freeview and on Wednesday May the 2nd 2007 it became a reality. New Zealander's had access to free-to-air digital television and radio for the first time.

On Monday the 14th April 2008 **Freeview|HD™**, our new digital terrestrial service will officially launch, further expanding the options that Kiwi's have to access their favourite programmes in digital quality for free. It will also provide a world class platform for broadcasters to deliver an ever expanding array of compelling content.

As with the initial launch of Freeview we thought a Q&A document would be useful to answer some questions relating to the launch of **Freeview|HD™**. We also wanted to take the opportunity to re-cap on some issues.

If you require further clarification on any points raised in this document please email freeviewadmin@freeviewnz.tv.

Regards

Steve Browning

General Manager

Freeview Limited

What is Digital TV?

In the past the pictures on television seen by the majority of New Zealanders were by virtue of analogue transmission.

In May 2007 Freeview launched a digital satellite service giving Kiwis' the option of watching their favourite programmes in crystal clear digital quality, free- to-air, for the first time.

Within twelve months we are approaching 100,000 (or 6% of) NZ homes that have access to the Freeview satellite service.

Freeview|HD™ will launch in April and the evolution of New Zealand free-to-air broadcasting takes its next major next step forward.

Why is this happening?

The Government has announced that the current analogue service will eventually be switched off, probably in the next 4-7 years. The current policy is that a target date will be set once 60% of homes have digital television and a switch off date finalised once 75% of homes have digital TV. We are currently at approximately 47%.

Freeview's aim is to ensure that world class digital technology is not only available and affordable but that it also offers a superior broadcasting experience for all New Zealanders. The goal is to make this a reality for Kiwis through choice, not compulsion.

When is the launch date for the Freeview|HD™ service?

Wednesday the 2nd of April 2008 is when the network will go-live and digital terrestrial receivers will be available from appliance retailers to access the service. The official launch event will be on the 14th April 2008.

What does Freeview|HD™ deliver in addition to the Freeview satellite offering?

Where the Freeview satellite service made bad reception a thing of the past by delivering crystal clear standard definition pictures, Freeview|HD™ will provide crystal clear digital pictures and sound on all channels with the added bonus of

some of your favourite **programmes broadcast in High Definition**.

TVOne, TV2, and TV3 will broadcast in a high definition format. There will be no standard definition signal for these channels meaning no need to simulcast in SD and HD. TVOne and TV2 will broadcast in the 1280 * 720 progressive (720p) format, while TV3 will broadcast in the 1920 * 1080 interlace (1080i) format. Both provide stunning HD picture quality.

On day one not all programmes on these channels will be true HD (i.e. shot, edited, stored, and broadcast in HD). As such the balance of the schedules will be 'up-converted' (or up-scaled) from standard definition to the appropriate HD format.

What High Definition programming will there be?

As stated above the TVOne, TV2, and TV3 schedules will be 'up-converted' (or up-scaled) from standard definition to the appropriate HD format.

Initially, TV3 will offer about 12 hours a week in true HD.

TVNZ will broadcast this year's Beijing Olympics in High Definition on TVOne.

We expect that each channel will look to increase the quantity of true HD programmes throughout 2008 and into 2009.

In addition, Freeview will provide an HD demonstration channel (channel 100) to showcase true HD from the Freeview | HD™ service launch.

What do I need?

Freeview does not sell digital receivers or carry out installations. It does, however, certify receivers to ensure quality and it also accredits retailers who wish to promote Freeview and sell compatible products.

Once you have an approved digital receiver you can access Freeview | HD™ from UHF aerial or for the Freeview satellite service a satellite dish.

What are your take-up projections?

Initial projections for the Freeview satellite service's first year (at 30,000) were proven to be conservative as Kiwis' quickly embraced the chance of receiving crystal clear digital quality pictures and sound for free. As stated above, within

twelve months we are approaching 100,000 (or 6% of) NZ homes that have access to the Freeview satellite service.

With the launch of Freeview | HD™ we expect take-up of this service to be low initially and tracking upwards over time as the number of devices that contain a digital receiver increase and the channels accessible through Freeview grows.

Once again it is hard to predict how the take-up of Freeview | HD™ will unfold, but given the increasing number of homes with HD capable TV's (approximately 300,000 homes) looking for the best digital quality experience, we are confident that we will see over 50,000 NZ homes with the Freeview | HD™ service by June 2009.

Why are you deploying two separate technologies (satellite and terrestrial)?

By having two platforms Freeview will provide 100% national coverage, different cost options, features and ultimately more choice for New Zealanders who wish to receive crystal clear television and radio services.

Both platforms have different strengths and merits and by combining the two we have been able to deliver a digital broadcasting service that uses the latest technology and places New Zealand right at the forefront of global broadcasting capability.

Most OECD countries have or are planning dual digital broadcast platforms to ensure ubiquitous access for its citizens. We are the first country to have a digital satellite and terrestrial, free-to-air, service available under one brand.

How long before Freeview's broadcast infrastructure will need to be updated again?

The current analogue television network has been in service now for over 30 years. And whilst it is very hard to predict what the future will bring we have endeavoured to future proof the Freeview platforms as much as practically possible.

The **Freeview | HD™** digital terrestrial platform's HD capability, coupled with decisions by TVNZ (TVOne and TV2) and TV3 to broadcast on this platform in HD only, place New Zealand alongside the world's leading HD platforms in terms of

not just the technology deployed but also in providing our 'most watched' channels in HD.

Internationally, HD broadcasting has been led by pay-tv operators who have charged premium subscriptions for access to HD channels. Other than in the USA, Japan, and Australia, HD channels are almost exclusively pay-tv channels, not free-to-air.

What digital receiver products will Freeview provide?

Freeview **does not manufacture or sell** any digital reception hardware.

What we do is work with leading manufacturers and their NZ importer/distributor partners to produce technical specifications so that they are confident to make receivers for Freeview services.

To provide both manufacturers and consumer confidence in these products we do, however, provide a testing and certification service. As such Freeview has receivers rigorously tested to ensure that they are easy to install, automatically tune-in new channels when they launch, have the ability to access interactive TV content as it becomes available, work with the Freeview Guide (EPG), and as part of the warranty have technical support and service available throughout New Zealand. Overall certified products undergo and pass over 5,000 tests.

The digital satellite receiver and digital terrestrial receiver technical specifications are complete and available to any manufacturer, importer or distributor. Through 2008 we are likely to see the following products available from retailers:

- **Digital Receivers** – a stand alone digital receiver which connects to the satellite dish or UHF aerial and then to the television. A digital satellite receiver is different from a digital terrestrial receiver so it's important to make sure it matches the chosen Freeview service.
- **Integrated Digital Televisions (iDTV's)** – a TV with a built-in digital receiver. This means there's no need to buy a separate digital receiver if you haven't already purchased an HD Ready analogue TV. The iDTV must have the minimum requirements for displaying High Definition programmes.

- **Gaming consoles** – for example, PlayStation are developing an add-on digital receiver which will enable the PS3 to be used as a digital television recorder as well as a gaming console.
- **PC cards / adaptors** – turning your computer into a digital TV. For this you need to either install a digital TV PC card (this means getting inside the computer) or, if you have a modern PC with a fast USB-2 socket, you can plug in a digital TV USB adapter. You use the supplied software to tune in and watch FTA digital TV.

Next we will provide a Digital Television Recorder (DTR) specification. We are hoping to see Freeview approved DTRs in the market later in the year. They are essentially a smart digital receiver that records programmes to a hard drive. Programmes you want to record can be selected directly from the on-screen programme guide (EPG). Some have advanced features such as the ability to pause live TV, record multiple channels while simultaneously playing pre-recorded programmes, time shifting and series recording.

Which areas will be able to receive the new Freeview|HD™ service?

Freeview|HD™ is broadcast on a digital terrestrial network and received via a UHF aerial. It will be available in the Auckland, Hamilton, Tauranga, Napier, Hastings, Palmerston North, Wellington, Christchurch, and Dunedin. That's **75% of New Zealand homes**.

Full coverage maps for each area are available at www.freeviewnz.tv.

Outside of these areas, which equates to about 25% of homes, the Freeview satellite service provides free-to-air access to digital television.

How many channels does Freeview have and are there plans for any more in the next 12 months?

The number of channels that have joined the Freeview service currently sits at fifteen – **thirteen television and two radio channels**. We launched with five television and two radio channels on May 2nd 2007.

The currently available capacity of the satellite and terrestrial platforms is around twenty television channels. As such there is still room for more services and we are regularly approached by potential broadcasters looking to become part of the Freeview family.

Broadcasters can choose whether to broadcast their channels on satellite and/or

terrestrial so the channel offering may differ between the two platforms. The Freeview | HD™ service will launch with the following channels: TV ONE, TV2, TV3, C4, MAORI TV, TVNZ6, TVNZ7, TVNZ SPORT EXTRA, PARLIAMENT TV, TV CENTRAL (Waikato & BoP only), RNZ NATIONAL, RNZ CONCERT.

How do the public find out more?

They simply need to visit www.freeviewnz.tv, call 0800-Freeview, or ask a sales person at a Freeview accredited appliance retailer.

Structure and scope of activity…

Shareholders:

Television New Zealand, TVWorks (owner of TV3 and C4), Maori Television Service, and Radio New Zealand

Freeview Limited (Limited Liability Company) - Incorporated Joint Venture:

- Board / Governance structure
- Defines rules for entry/exit of broadcasters on platform
- Defined scope of business activity
- HR / Employee Function

Financials:

- Funded by shareholding broadcasters and non-shareholding broadcasters through service fees, and through government funding.

Day-to-day Management:

Management contract for day-to-day operations:

- Marketing Communications
- Managing & maintaining technical standards
- Product testing & approval

Third Party Partnerships:

- Retailers & Hardware Distributors
- Contact Centre
- Receiver Testing

[ENDS]