Digital terrestrial television report
Deployment phases 1 to 4
23 March 2007

This report presents the market share of the incumbent TDF and its competitors on the digital terrestrial TV transmission services market, which has recently been opened to competition.

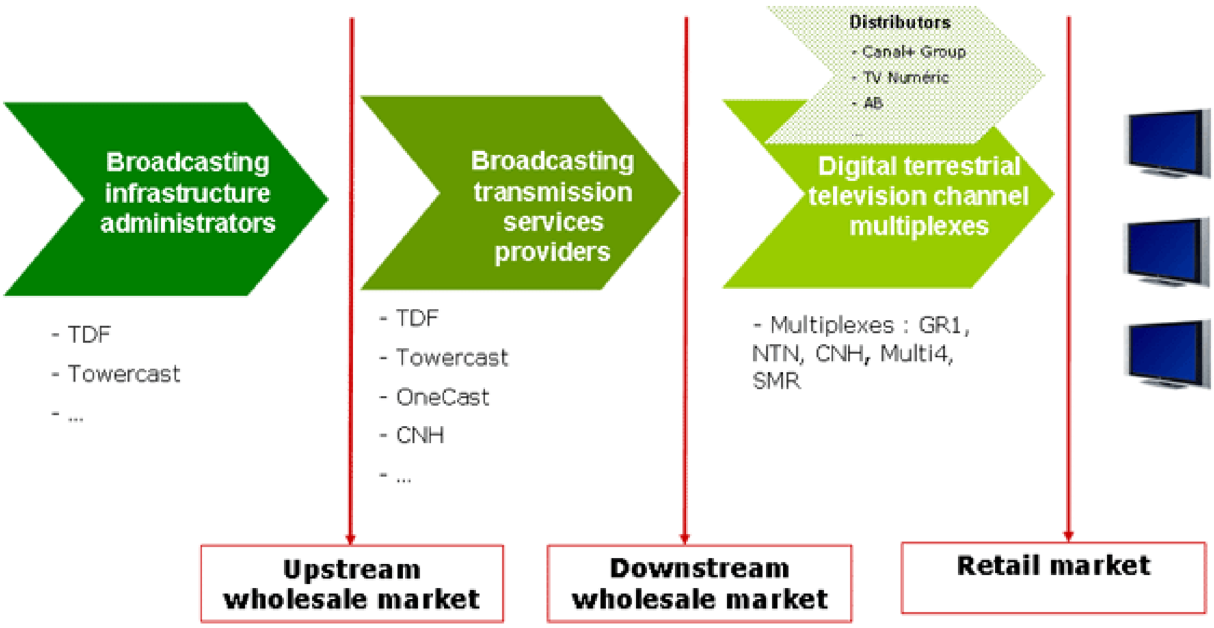
Context

The audiovisual broadcasting sector has progressively been opened to competition:

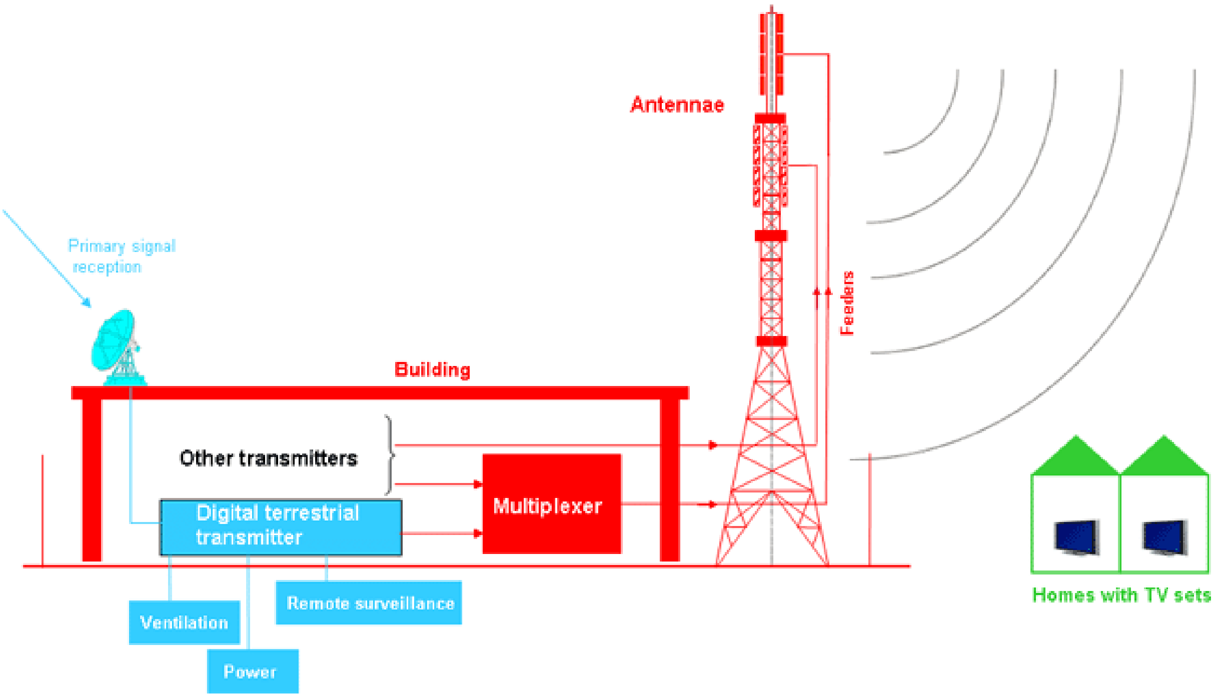
- for the transmission of private analogue terrestrial television since the adoption of the Act of September 30th, 1986;
- for the transmission of public analogue terrestrial television since July 25th, 2003;
- for the transmission of digital terrestrial television since its launch in March 2005.

In order to be able to broadcast content to TV viewers, digital terrestrial television broadcasters are indirectly dependent on two wholesale markets:

- on the "downstream" wholesale market, multiplexes carrying digital terrestrial television broadcasters purchase from an operator a broadcasting transmission service for their signals on different geographic areas, matching their coverage obligations;
- on the "upstream" wholesale market, broadcasting transmission services providerspurchase access to third-party infrastructures in order to install their own equipments, in areas where they manage no broadcasting infrastructures



On April 6th, 2006, ARCEP completed its analysis of the upstream wholesale market. TDF owns almost all infrastructures and is thus deemed to have significant market power . As such, TDF is required to publish an access offer to its pylons and broadcasting infrastructures in a transparent, non-discriminatory manner and at prices which are neither excessive nor predatory. The diagram below shows a broadcasting site.



Infrastructure-based competition

The following table gives the percentage of alternative sites chosen by one or several multiplexes for each deployment phase of digital terrestrial television. When two broadcasting sites are chosen for the same area, the usage rate of the alternative sites is calculated through a weighting of the number of contracts signed with the multiplexes, in other words, as a proportion of the frequencies.

	Proportion of alternative sites chosen
Phase 1	5,9%
Phase 2	6,7%
Phase 3	5,3%
Phase 4	6,7%
Phases 1 to 4	**6,1%**

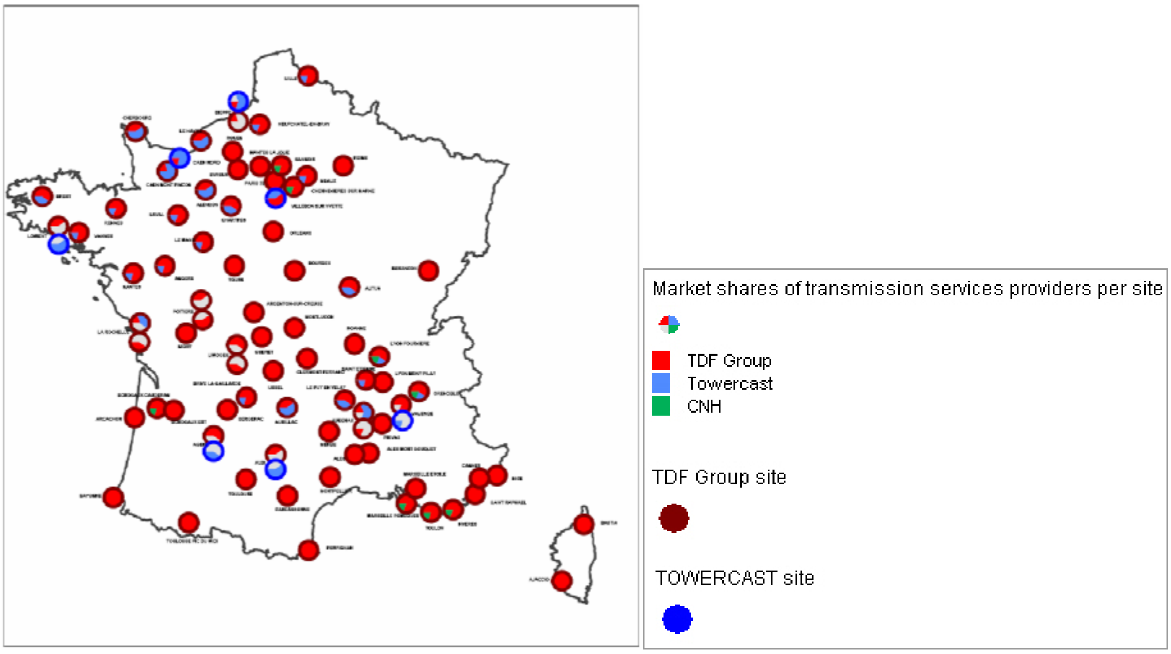
Competition on the broadcasting market

The table below gives the market share of alternative broadcasting transmission services providers, as a proportion of the number of frequencies they broadcast for each deployment phase of digital terrestrial television and for all multiplexes. This percentage does not reflect the market share in sales because broadcasting tariffs vary from site to site.

	Proportion of the market of alternative broadcasters as a number of frequencies broadcast
Phase 1	15,3%
Phase 2	21,3%
Phase 3	16,8%
Phase 4	19,2%
Phases 1 to 4	**18%**

The following map shows the administrator of the site or sites chosen by the multiplexes For each of the areas defined by the CSA, as well as the market share of the broadcasters on each of them. “Groupe TDF” refers to both the company TDF and Antalis TV, which was bought by TDF in October 2006.

As a general rule, multiplexes choose a single broadcasting site per area. However, on occasion they are divided between two sites. This is the case in Agen, Albi, Aubenas, Dieppe, La Rochelle, Limoges, Lorient, Poitiers and Valence.



GLOSSARY

Channel: entity which publishes television services (simultaneously received by the entire audience or by a category of the audience, a main program composed of a series of programs composed of images and sound).

Multiplex: entity responsible for signing broadcasting contracts for terrestrial digital television channels which share a frequency and which it represents.

Commercial distributor: entity which establishes contractual relations with the channels to establish a service offer for the public via an electronic communications network. The distribution function is related to the concept of paid television.

Broadcaster: entity made responsible by the multiplexes for providing the technical service of broadcasting the programmes of the channels they represent.

Broadcasting infrastructure administrator: entity owning the site or administrator of the infrastructures which belong to third parties (e.g. territorial units).

Terrestrial digital television: television channel offer, whether free to air or pay, broadcasted digitally via radio waves. Since March 2005, it covers 35% of the Metropolitan French population (Phase 1 – 17 broadcasting areas), 50% of the French population since September 2005 (Phase 2 – 32 broadcasting areas), 58.5% of the population since June 2006 (Phase 3 – 51 broadcasting areas) and 65% of the population since October 2006 (Phase 4 – 75 broadcasting areas). It is expected to cover 85% of the population by the end of 2007.