



Media Release

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OXFORD TRIAL REVEALS STRONG CONSUMER DEMAND FOR MULTI-CHANNEL BROADCAST TV ONTO THEIR MOBILE

- **Clear consumer demand for the creation of a nationwide, mass-market, multi-channel mobile broadcasting service**
- **Usage and viewing duration are exceptionally high and the vast majority of consumers are satisfied with the services**

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Interim results from a user trial of multi-channel broadcast TV to mobile handsets have revealed a high level of consumer interest in a commercial Mobile Broadcasting service in the UK. The first phase results from the Oxford Mobile TV trial, a partnership between O2 and Arqiva, which offers 24 hour, live access to 16 TV channels, show that 83% of triallists are satisfied with the end-to-end service provided. In addition, 76% of triallists indicate that they would take up the service within 12 months.

Highlights from the trial to date include indications that the 375 triallists, all O2 customers representing a wide range of demographics, are choosing to access TV on their mobiles for an average of 23 minutes per session, with 1 to 2 sessions per day. Overall, triallists are viewing for around an average of 3 hours per week, with one group of enthusiasts viewing over 5 hours per week. Demand is high in the morning and in the early evening, with viewers using the service mainly in the home, at work and on the daily commute. For 31¹% of triallists, the trial has given them their first access to multi-channel TV not currently available to them on their normal TV - heralding mobile broadcast's role in bringing digital TV services to the mass market in the UK.

¹ Number of triallists from analogue TV only homes

Interestingly, the results also demonstrate a lunchtime viewing peak higher than the normal TV pattern, suggesting that viewers are enjoying news, sports and their favourite daytime soaps while on their lunch break.

The strong channel line-up on offer in the Oxford Mobile TV trial, which includes a selection of terrestrial channels from the BBC, ITV, Channel 4 and Five, coupled with programming from Sky, MTV and other content providers, has proven to be a key factor in the high satisfaction levels. Ease of use and high picture and sound quality were additional factors.

As well as having the choice of 16 channels, viewers benefit from a wide selection of content genres suitable for viewing on their mobile handset. The most popular being: news, soaps, music, documentaries and sports. 33% of triallists also indicated that they are looking for some made for mobile programming, and even some long-form content (e.g. movies) is proving suitable for watching on mobile handsets.

Demand for additional multi-media services is high including digital radio, interactive services and 'live' links to channel web-sites. 7 out of 10 triallists would like to have digital radio channels included in a commercial service.

Dave Williams, O2's chief technology officer, said: "This trial is further illustration that we are moving from a verbal only to a verbal and visual world in mobile communications, and we are encouraged to see the trial results confirm this. We already see a powerful trend amongst O2 customers to use a wide range of visual services such as video downloads and streaming, interactive games, various messaging services with live or streamed video, music including radio and a whole host of web portal services.

"Broadcast TV for mobile can be a powerful new service that further enables users to personalise their mobile handset so that they can always have the content they want. We call this trend 'Personal TV' and the addition of TV content digitally broadcast straight to your mobile is a huge part of that vision."

Dr. Hyacinth Nwana, Arqiva's managing director, Mobile Media Solutions, added: "The Oxford Mobile TV trial has proved there is a market for mobile broadcasting and now we're looking to make it happen with the collaboration of the whole industry. The trial is proving that mobile multi-channel broadcasting, including TV and Radio, is mass market in addition to meeting consumer demand for content and choice of programmes. We have also demonstrably proven scalability, even if we have to deliver to millions of handsets simultaneously."

O2 and Arqiva expect to announce final results from the Oxford Mobile TV trial in the spring of 2006.

-Ends-

More about the Arqiva/O2 Oxford Mobile TV Trial:

- Trial commenced 29 September 2005.
- TV channels available in the trial:
BBC ONE, BBC TWO, BBC News 24, ITV 1, ITV 2, Channel 4, Five, British Eurosport, Cartoon Network, CNN, Discovery Channel, MTV, Shorts TV, Sky News, Sky Sports News and Sky Travel.
- The technology:
The service is based on the new DVB-H (digital video broadcasting – handheld) transmission technology and works by beaming a signal to a digital TV receiver, which is attached to Nokia's specially adapted 7710 smartphone, transforming it into a portable TV. DVB-H is ideally suited to sending good-quality, reliable digital TV pictures from a single source to multiple users in a way that complements the one-to-one video streaming which is already possible via today's GPRS and 3G mobile data networks.
- The triallists:
*375 users taking part – delivering a representative sample of UK population
Aged between 18-44, predominantly spending most of their time in Oxford i.e. live, work or study
Even mix of O2 contract and prepay customers
Good spread of triallists whose normal TV is analogue, Freeview, cable or satellite*

O2 plc

O2 plc has 100% ownership of mobile network operators in three countries - the UK, Germany and Ireland - as well as a leading mobile Internet portal business. All of these businesses are branded as 'O2'.

The company is a founding member of Starmap Mobile Alliance, has operations on the Isle of Man (Manx Telecom) and owns Airwave O2 - an advanced, digital emergency communications service. In addition, O2 has established the Tesco Mobile and Tchibo Mobilfunk joint venture businesses in the UK and Germany respectively.

O2 has more than 25 million customers and some 15,000 employees. It reported revenues for the year ended 31 March 2005 of £6.683 billion.

Arqiva

Arqiva has a 50-year history in transmission and has helped pioneer the technologies of the digital age. 22 million UK homes receive ITV, Channel 4 and Five via Arqiva's national transmitter networks. The company also provides transmission for most UK independent radio stations, both analogue and digital. In addition Arqiva provides end-to-end media solutions to the broadcast industry across terrestrial and satellite platforms. This includes satellite uplinking, satellite newsgathering, outside broadcast facilities, programme presentation, play-out and distribution. The Wireless Solutions division provides multi-operator infrastructure systems and services to wireless telecoms, transport and interior public space businesses. This is done through a portfolio of over 2400 towers, masts and managed sites, plus InBuilding (indoor coverage) and CityCell (urban coverage) products. The Public Safety division provides frontline communications for the UK emergency services, government agencies and commercial organisations including design and installation, system maintenance and fully managed services for mobile radio, telecommunications and mobile data solutions.

www.arqiva.com

For further information, contact:

O2 plc

Simon Gordon
Head of Media Relations
O2 plc
simon.gordon@o2.com
t: +44 (0) 771 007 0698

O2 UK

Louie St Clare / Nicola Green
Press Office
O2 UK
t: 01753 565656

All O2 Group news releases can be accessed at our web site: www.o2.com

Arqiva contacts

Niamh O'Grady/Emma Hutchinson
Nelson Bostock Communications
Tel: +44 (0)20 7792 7412
emma.hutchinson@nelsonbostock.com

Bruce Randall
Arqiva, Winchester
Tel: +44 (0)1962 822582
press.office@arqiva.com