DIGITAL RADIO UK PRESS RELEASE

INDUSTRY WELCOMES GOVERNMENT CONFIRMATION OF DIGITAL FUTURE AND INVESTMENT IN LOCAL DAB COVERAGE

At the Go Digital Conference held today at the iconic BBC Radio Theatre, Ed Vaizey, Minister for Culture, Communications and Creative Industries, confirmed Government's vision of a digital future for radio and said he wanted to continue to improve the service, and reach coverage and listening criteria before a radio switchover.

Digital Radio UK and the BBC, Global Radio, Bauer Media and Arqiva welcomed the confirmation of Government and broadcaster investment in new local DAB transmitters, bringing local stations to local commercial FM coverage, which was heralded as good news for listeners and car drivers. They also welcomed the announcement of a second national commercial multiplex in 2014 which will allow for new national stations on DAB. These major initiatives will help towards meeting the switchover coverage and listening criteria, and so support the preparations for a future radio switchover.

Minister Ed Vaizey confirmed that we are not ready for a radio switchover and that consumer listening and DAB coverage criteria would need to be met in order for switchover dates to be set. He said that funding was in place for Ofcom to develop a route to digital for small local stations. The Minister stated at the conference that the DVLA was preparing to include information about digital radio in all vehicle tax reminders.

Digital Radio UK, together with radio and vehicle manufacturers, also welcomed the announcement of a new digital 'tick' mark for radios and installers [below], which would be licenced for approved radio sets which meet minimum criteria (including DAB and FM) as set out in the Government-industry Digital Radio Action Plan, and for registered installers who successfully pass a training programme.



QUOTES:

Ed Vaizey, Minister for Culture, Communications and the Creative Industries, said: "I absolutely believe that the future of radio in this country is digital. We cannot go backwards. The radio listener will get a much better service, and better functionality. There will be far more choice, with many more stations. The UK is at the forefront of developments in digital radio. This package of measures is intended to cement this and herald in a digital age, as and when the consumer is ready."

Ford Ennals, CEO of Digital Radio UK, said: "We welcome the Minister's confirmation of a digital future for radio in the UK and today's announcements about Government investment in DAB coverage and the ability to launch new national stations on DAB, which benefit listeners and enable the switchover criteria to be met. We will continue to plan for a radio switchover and the achievement of the criteria, and look forward to the future confirmation of a switchover date which will give industry the certainty it needs. We also welcome Government's announcement of the digital radio 'tick' mark, which means that consumers can make informed purchase decisions."

Helen Boaden, BBC Director of Radio, said: "We welcome today's announcement of the expansion of DAB coverage for BBC local stations over the next few years. By the end of 2015 our national network will also benefit from the addition of 162 new transmitters."

Ashley Tabor, Founder & Executive President of Global, said: "This is the biggest boost to local DAB coverage in many years, and a great result for listeners all over the country. We are delighted that local DAB coverage will finally match FM coverage for local commercial radio stations. We want all our local stations, that are part of the Capital and Heart networks, to enjoy good coverage on DAB, and this will soon be a reality as a result of this agreement. The real winner here is the listener."

Paul Keenan, CEO of Bauer Media, said: "Today's announcement from the Minister is a positive step forward for our industry. This announcement and the support promised by the Government is vital to all those who work in the radio sector. The continued growth of DAB means listeners will benefit from an increased choice of stations, a better radio listening experience and a certainty that they can tune in 24/7 to the best radio content on offer worldwide."

Steve Holebrook, Managing Director of Terrestrial Broadcast, Arqiva, said: "Arqiva is committed to radio's digital future. Over the last 18 months we have built seven new local muxes giving 6 million listeners access to local DAB services. We have also launched national DAB in Northern

Ireland for the very first time. Over the next two years we will be expanding the BBC's national services to cover 97% of the population, adding 2.5 million new DAB listeners, as well as supporting the newly announced local coverage expansion."

Significant industry announcements also made today:

- Partnership between Frontier Silicon and Imagination delivers Chorus 4 fourth generation
 highly integrated digital radio chip. The single chip offers support for all global digital radio
 standards and legacy analogue radio formats and offers lower cost and greater energy
 efficiency. This new chip will see digital radio be implemented in a broader range of devices
 than ever before including portable radios for under £20, devices with Bluetooth
 connectivity and will make it possible for digital radio to be integrated into mobile devices.
- Partnership between STMicroelectronics and Imagination to deliver a next generation highly
 integrated multi-standard programmable radio solution covering all radio formats for car
 radios. With STMicroelectronics as a leading provider for electronics for automotive, this
 partnership is set to positively move penetration of digital radio in automotive forward.
- Halfords announced today that their radio range would be 100% digital in 2015 and that digital radio trained installers would be available in their 460 stores, within 20 minutes' travel for 90% of the population.
- Kwik Fit said they would offer digital radio installation initially through its network of Kwik Fit Plus centres.
- Pure will support the new 'digital tick' specification in all its products from 2014.
- Ford of Britain announced that the UK's top-selling van, the Transit, will have digital radio and that the All-New Transit Courier and All-New Transit Connect will feature DAB as standard.
 The All-New Transit and Transit Custom will have DAB available as an option priced at £75+VAT.
- Radioplayer, the online listening platform backed by the BBC and commercial radio, has been chosen as Ford's launch partner for their new SYNC AppLink technology, bringing online radio into Ford cars.
- Argos now offers a £24.99 Bush digital radio adapter, which is capable of converting domestic analogue radios to receive DAB.

DIGITAL RADIO SWITCHOVER CRITERIA:

Government criteria for setting a date for digital radio switchover are:

- Digital listening share to reach 50% of all listening hours
- When local commercial and national DAB coverage reaches FM equivalence
- Significant progress on conversion of cars to digital radio

DIGITAL RADIO FACTS AND FIGURES:

- Digital listening now 35.6%, up 14% year on year from 31.3% (Rajar Q3 2013)
- DAB is the most popular device for digital listening (65% of all digital hours) and 24 million adults have access to a DAB digital radio, up 10% year on year
- All platforms show growth in hours, with DAB up 13% year on year, online/apps up 37% and DTV up 7%
- 51% of the population tunes in via a digital platform each week, up 13% year on year
- Digital listening hours up 14% year on year from 320 million to 366 million
- The share of analogue listening in home is below 50%, at 49.7%
- 41.6% of new car registrations now have digital radio as standard (CAP/SMMT Q3 2013). This was 33.3% in Q2 2012 and 20.8% in Q2 2011

ABOUT DIGITAL RADIO UK

Digital Radio UK works with Government, broadcasters, manufacturers, retailers, and a wide range of stakeholders to accelerate digital listening, to enable the expansion of the digital radio platform, and to ensure that industry meets the consumer-led criteria to be achieved for a proposed radio switchover. Digital Radio UK's Board comprises representatives from the BBC, RadioCentre, Arqiva, Global Radio, Bauer Media, Real and Smooth Ltd. and Absolute Radio, together with Intellect and the Society of Motor Manufacturers and Traders.

For further information

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