



News Release

AMPLE SUPPLY OF NINE MILLION DIGITAL TV CONVERTER BOXES NOW IN PIPELINE FOR END OF DIGITAL TRANSITION

Retailer Orders, Manufacturing Output Provide More than 33 Million Low-Cost Converters for Analog TV Viewers over past year

Top Brands Account for Lion's Share of Market

January 16, 2009 – Dallas, TX – With only one month until full-power analog TV broadcasting is scheduled to conclude, new research from Digital Tech Consulting concludes that retailers and manufacturers have worked together to ship an estimated 33.5 million digital-to-analog converter boxes into the U.S. marketplace, with approximately nine million converters available for those who've waited until the end of the transition to make a purchase. Sales of the popular converter boxes have been growing exponentially since the product first appeared on the market one year ago, fueled by the federal government's \$40 discount coupon program.

From the first quarter of last year when the first converter boxes appeared at retail, Digital Tech Consulting is estimating a total of 33.5 million converter boxes have shipped into distribution channels through the end of the fourth quarter of 2008. The findings are the result of analysis of government data, interviews with converter box manufacturers and component suppliers, and discussions with major retailers.

"While the Congress works out the last-minute issues surrounding the waiting list for government coupons, the NTIA program has resulted in sales of nearly 20 million coupon-eligible converter boxes. And our research shows that as many as four million additional boxes

have been sold to consumers without coupons,” said Myra Moore, principal at Digital Tech Consulting of Dallas, Texas. “With America’s major electronics retailers only carrying one or two models of converter boxes, we’ve been able to carefully monitor retail sell-through and accurately estimate not only the most popular converter boxes but also the cumulative totals from the past year’s sales. As a result, we believe there is ample supply of nearly nine million boxes in retail warehouses and store shelves ready for an onslaught of last-minute buyers.”

Unless Congress moves the transition date, America’s full-power analog TV broadcasters are scheduled to shut off their old-style transmissions on the evening of Tuesday, February 17th in favor of digital TV broadcasts that have already been on-the-air for several years. Viewers relying on terrestrial antenna reception now have one month to either buy a converter box, purchase a new TV, or sign up for pay-TV service.

Relatively modest shipments of only 1.3 million units occurred in the first quarter of last year. Shipment growth was 29% in the third quarter, and 54% in the crucial fourth quarter selling period. During the last three months of 2008, nearly 15 million converter boxes were shipped into distribution channels as broadcasters, consumer electronics interest groups, and others ramped up myriad public education programs.

DTC’s top market share leaders by brand include RCA, Magnavox, Insignia, and Zenith.

“If anything, the market for digital-to-analog converter boxes has been even stronger than our original forecast of 30 million units -- which some considered too generous. Of course, the cost-relieving coupon program as well as some consumers buying boxes without coupons has helped to boost sales.” Moore noted.

Even with the ample supply, DTC expects retailers and manufacturers to carefully manage demand planning to insure that there isn’t a glut of converter boxes left after the majority of consumers have purchased the boxes they need. While it is expected that converters will be

available throughout 2009, most demand will fall off precipitously after next month's analog switch-off.

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About Digital Tech Consulting:

Digital Tech Consulting, Inc. (DTC) provides market research to help companies succeed in the consumer digital marketplace where the ever-changing landscape demands reliable intelligence and strategic analysis, product and services forecasts, business model analysis and in-depth profiles of players in the industries we study. Find us at www.DTCReports.com