

## MARKET RELEASE

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### **ARQIVA SIGNS BBC DIGITAL CONTRACT**

18 September 2006, Sydney – Challenger Infrastructure Fund (ASX:CIF) announced today that Arqiva has signed contract terms with the BBC for the design, deployment and operation of its new high-powered digital terrestrial television (DTT) network, and the build out and operation of the planned expansion of the its DAB digital radio network.

The contract is expected to be worth in excess of £1.8bn (taking into account inflation) over the contract period, with services being delivered by Arqiva until 2031 for DTT and 2023 for DAB.

CIF's Fund Manager and Director of Arqiva, Steve Bickerton said "The completion of the negotiations between Arqiva and BBC is a very pleasing outcome. Arqiva continues to perform strongly, providing CIF with a sound revenue base and new organic growth opportunities."

Please find attached the joint BBC and Arqiva press release for further details.

Previous guidance for CIF's June 2007 distribution remains unchanged at 28.8 cents per unit.

*ENDS*



## **JOINT PRESS RELEASE**

Date: 18 September 2006

### **BBC and Arqiva take major step towards Digital Switch Over**

- **£1.8 billion contract signed for digital terrestrial TV and DAB digital radio**
- **Two public-service TV multiplex networks from 1154 transmitters**
- **DAB digital radio extension of up to 160 transmitters**

The BBC and Arqiva have concluded contract negotiations for the design, deployment, and operation of its new high-power digital terrestrial television (DTT) network which will replace both the BBC's analogue television networks and the current low-power DTT network. Arqiva will also build and operate additional transmitters to expand the coverage of the BBC's DAB digital radio network, with the possibility of up to a further 160 new DAB transmitters being ordered in the coming years.

The deal is expected to be worth, taking into account inflation, in excess of £1.8bn over the contract period. Under the terms of the contract, the new DTT services will be introduced on a region-by-region basis between 2008 and 2012 and the service will continue to be delivered by Arqiva until 2031 (2023 for DAB). The BBC's two public-service multiplexes will be broadcast from all 1154 existing transmitter sites, delivering digital TV to 98.5% of the population via rooftop aerials.

Richard Waghorn, Controller of Distribution at the BBC, said: "We are delighted to take this next step in the process of Digital Switch Over. The delivery of high-power digital signals to the whole country is crucial if the BBC is to help deliver a fully digital UK."

Steve Holebrook, Arqiva's Managing Director, Terrestrial Media Solutions, added: "Digital Switch Over is a complex and challenging task and we are absolutely delighted to have been chosen by the BBC to deliver their future television broadcast network. We have a long history in broadcast transmission and we're proud that we'll be playing such a major role supporting the BBC in the future."

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### More on Arqiva

Arqiva has a 50-year history in transmission and has helped pioneer the technologies of the digital age. The company has five operating divisions:

- **Terrestrial Media Solutions** – provides national transmission for UK commercial television including ITV, Channel 4, Five and associated digital multiplexes, playing a leading role in the run-up to digital switchover. Transmission services also provided to vast majority of UK independent radio stations, both analogue and digital.
- **Satellite Media Solutions** – provides high quality and flexible solutions to a diverse range of international customers. Includes permanent and occasional broadcast services as well as IP, voice, data and digital media networks. Operational bases in London, Gerrards Cross, Winchester, Feltham and Bedford.
- **Mobile Media Solutions** – new division dedicated to the delivery of content to handheld devices. Recent technology developments open up new service concepts and revenue streams for broadcasters, content providers and mobile operators alike. Arqiva is platform-neutral and has mounted pioneering technical and commercial trials with partners such as Microsoft, O2 and Nokia.
- **Wireless Solutions** – provides market-leading, 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
- **Public Safety** – 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](http://www.arqiva.com)

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