



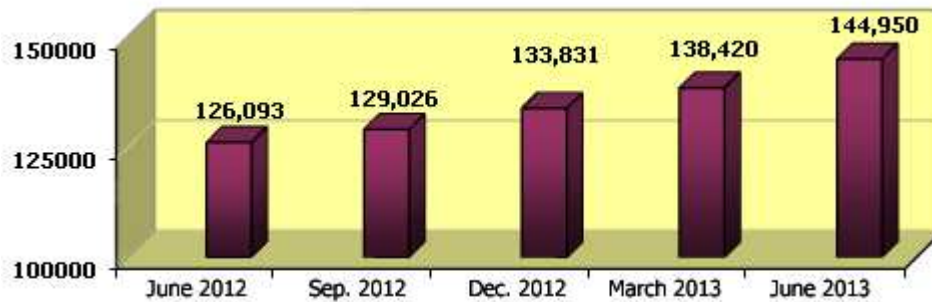
Montenegro
AGENCY FOR ELECTRONIC MEDIA
No: 02 – 721
Podgorica, 8 July 2013

MARKET REPORT
ON RADIO AND TV PROGRAMME DISTRIBUTION TO END USERS
- JUNE 2013 -

Pursuant to the licences awarded by the Agency for Electronic Media, the following seven operators have the right to distribute radio and TV programmes to the end users in the authorized service zone: four cable operators, and one MMDS, IPTV and DTH operator each.

As at 30 June 2013, the number of connections for the distribution of radio and TV programmes over different CDS/MMDS/DTH/IPTV platforms was **144,950**.

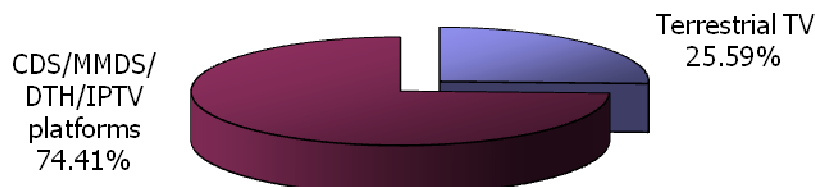
Compared with the number of connections at the end of March 2013, a positive trend in the development of the radio and TV programme distribution services has been recorded. Over a period of three months, the number of connections increased by 6,530 or **4.72%**.



Graph 1: Number of connections (CDS/MMDS/DTH/IPTV)

Presuming that all or most of the data on connections account for the users belonging to the category of households, on the basis of cross-referencing with the number of households in Montenegro¹, it is possible to get an estimate of the primary technology used by Montenegrin households for the reception of radio and TV programmes.

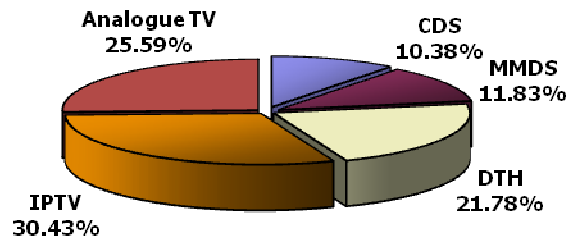
The conclusion is that **25.59%** of Montenegrin households use only terrestrial (analogue) i.e. free-to-air reception of radio and TV programmes. On the other hand, the remaining **74.41%** of households have opted for one of the alternative platforms for distribution of radio and TV programmes.



Graph 2: Household structure by primary platform for reception of radio and TV programmes

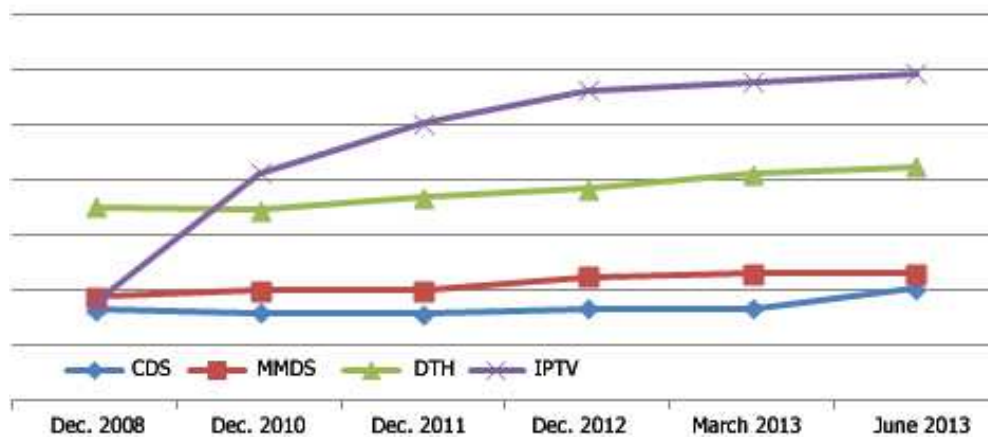
¹ *Census of 2011 – Source: Monstat "2011 Census of Population, Households and Dwellings in Montenegro"*

Looking at the data from the aspect of individual platforms the households use for the reception of radio and TV programme, it can be concluded that the IPTV platform (30.43%) has the highest market share compared with the terrestrial (analogue), i.e. free-to-air reception of radio and TV channels (25.59%), followed by the DTH distribution (21.78%), MMDS (11.83%) and CDS platform (10.38%). The individual platforms have the following market share:



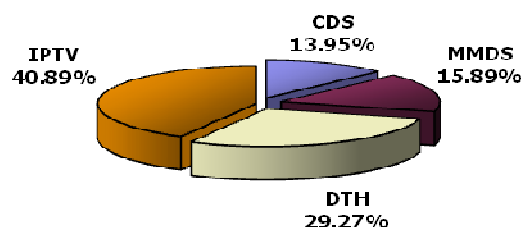
Graph 3: Market share by individual platforms

In addition to a 4.72% increase in the number of connections at the level of the conditional access market, every individual platform saw a growth in the number of users in the reporting period. CDS platform saw a 20.85% increase in the number of users, followed by DTH (3.47%), IPTV (2.63%) and MMDS (0.44%) operators.



Graph 4: Trend of growth in the number of connections by platforms

With a 40.89% market share, the IPTV operator kept its leading position in the market of radio and TV programme distribution services to the end users. It is followed by DTH distribution (29.27%), MMDS (15.89%) and CDS platform (13.95%). The individual market share of different platforms has the following structure:

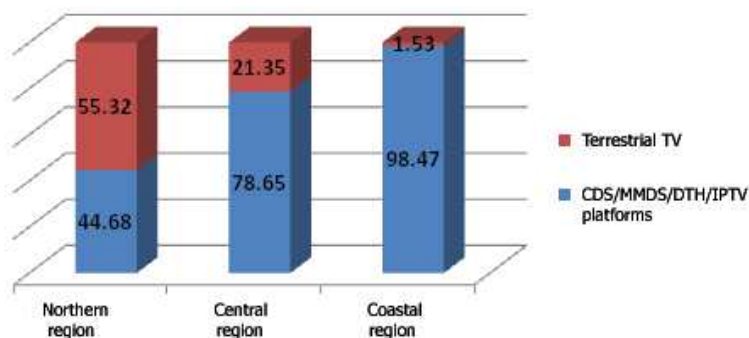


Graph 5: Market share of CDS/MMDS/DTH/IPTV platforms

A demand for radio and TV programme distribution service is different in the northern, central and coastal region² of Montenegro. In proportion to the number of households, the demand is highest in the

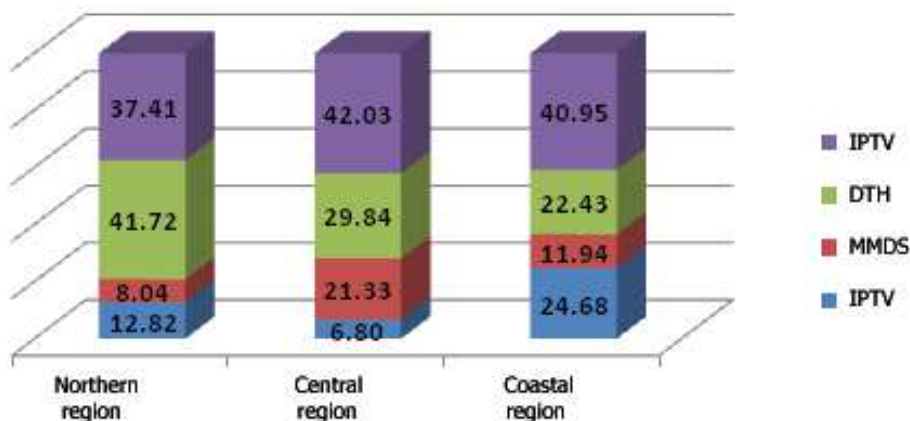
² The Northern region: Andrijevica, Berane, B.Polje, Kolašin, Mojkovac, Plav, Pljevlja, Plužine, Rožaje, Šavnik Žabljak.
The Central region: Cetinje, Danilovgrad, Nikšić, Podgorica.
The Coastal region: Bar, Budva, H.Novi, Kotor, Tivat, Ulcinj.

coastal region, with as much as 89.47%. It is followed by the central region with 78.65%, and northern region, where 44.68% of households use the services of operators. Considering the above data from the aspect of primary technology used by households in different regions for reception of radio and TV programmes, a conclusion can be drawn that terrestrial (analogue) reception of radio and TV programmes still prevails in the northern region.



Graph 6: Structure of households by primary platform used for reception of radio and TV programs – by region

Across the regions, the share of individual CDS/MMDS/DTH/IPTV platforms is slightly different compared with the overall share:



Graph 7: Market share of CDS/MMDS/DTH/IPTV platforms – by region

In the reporting period, the average price of the basic tier was €9.57 (between €10.95 and €5.95). The basic tiers offer 70 TV channels on average (between 101 and 29). Five operators do not have any radio stations in their basic tiers, while the remaining two operators offer four and 14 radio stations respectively.

Three operators do not have any additional tiers available, while the remaining four operators offer six additional tiers on average (between 7 and 4). An average price of an additional tier is €5.97 (between €21.50 and €2.50).

A demand for additional tiers is also different across the regions. Compared with the number of basic tier subscribers, a demand for additional tiers in the coastal and central region is 32.28% and 29.38% respectively, as opposed to 14.45% in the northern region.

According to the structure of additional tiers, film and sports channels have the highest share, followed by adult channels. The best selling additional tier on the territory of Montenegro is HBO (32.90% of the total number of additional tiers sold). It is followed by the ARENA sports tier (28.33%), and the PINK tiers (11.50%).

Taking into account the overall scope of the radio and TV programme distribution services provided to the end users, i.e. the total number of basic and additional tiers sold, a household using this type of service pays an average of €10.66 per month.
