



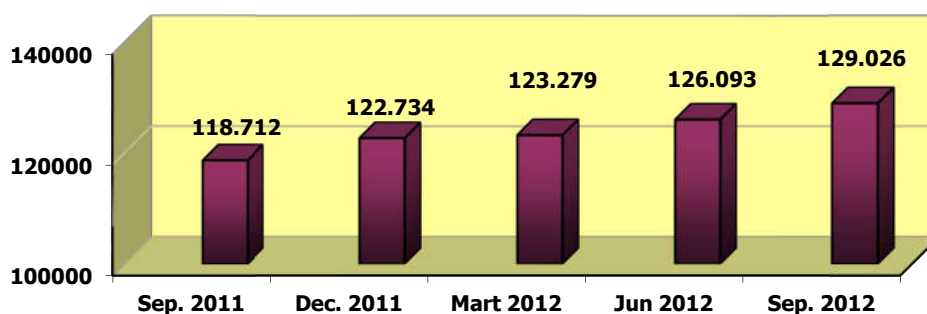
Montenegro
Agency for Electronic Media
No: 02 – 942
Podgorica, 9 October 2012

MARKET REPORT
ON RADIO AND TV PROGRAMME DISTRIBUTION TO END USERS
- SEPTEMBER 2012 -

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 DHT operator each.

As at 30 September 2012, the number of connections for the distribution of radio and TV programmes over different CDS/MMDS/DTH/IPTV platforms was **129,026**.

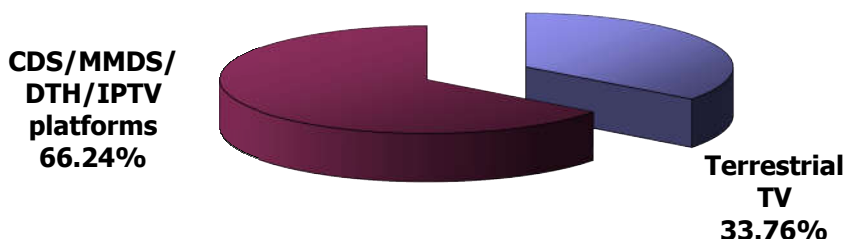
Compared to the number of connections at the end of June 2012, a positive trend in the development of the radio and TV programme distribution services is evident. Over a period of three months, the number of connections increased by 2,933 or **2.33%**.



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

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

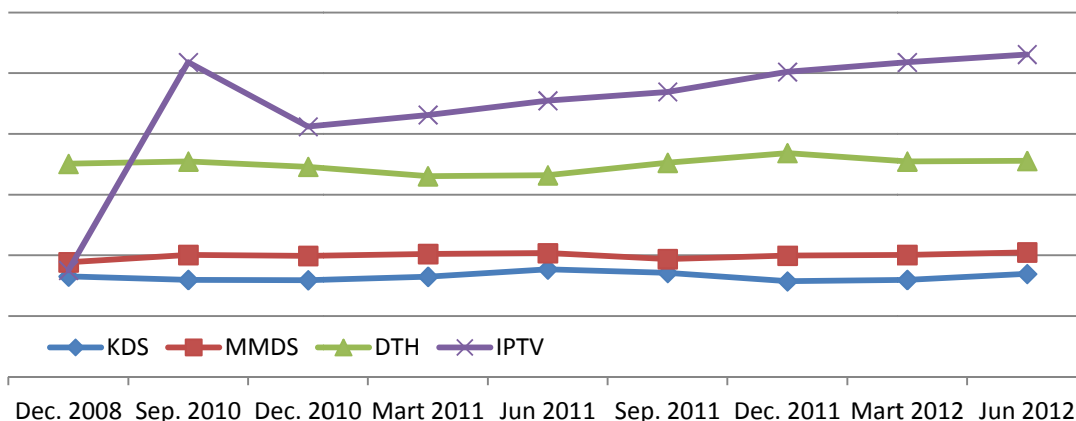
The conclusion is that **33.76%** of Montenegrin households use only terrestrial (analogue) i.e. free-to-air reception of radio and TV programmes. On the other hand, the remaining households, **66.24%** of them, have opted for one of the alternative platforms for distribution of radio and TV programmes.



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

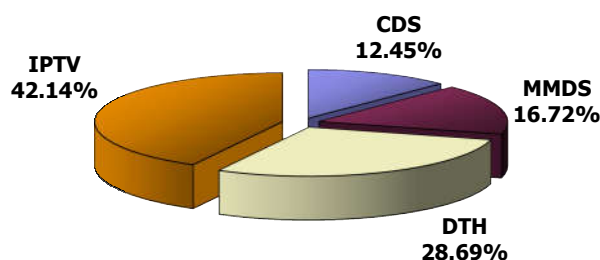
¹ The Census of 2011 – Source: Monstat „2011 Census of Population, Households and Dwellings in Montenegro”

Although the reporting period saw a 2.33% increase at the market level, different platforms registered significant differences in market penetration. While MMS, DTH and IPTV operators saw an increase in the number of connections (MMDS 5.21%, DTH 4.12% and IPTV 2.41%), CDS platform saw a decrease in the number of connections (CDS -5.20%).



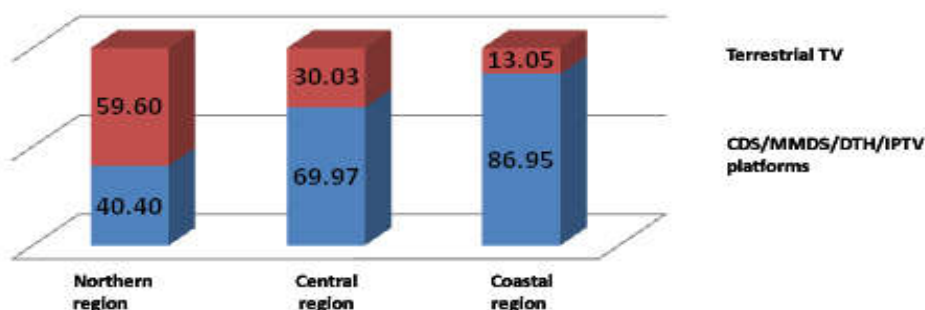
Graph 3: Trend of growth in the number of connections by platforms

With a 42.14% market share, the IPTV operator has kept its leading position in the market of radio and TV programme distribution services to the end users. It is followed by DTH distribution (28.69%), MMDS (16.72%) and CDS platform (12.45%). The individual market share of different platforms has the following structure:



Graph 4: Market share of CDS/MMDS/DTH/IPTV platforms

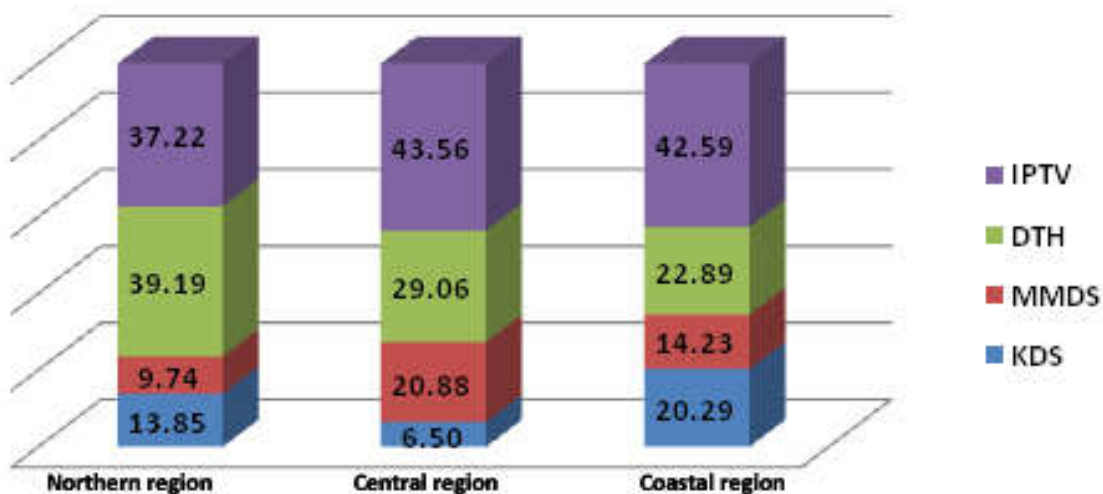
A demand for radio and TV programme distribution service is different in the northern, central and coastal region² of Montenegro. In proportion to the number of households, the demand is highest in the coastal region, as much as 86.95%. It is followed by the central region with 69.97%, and northern region, where 40.40% of households use the services of operators. Considering the above data from the aspect of primary technology used by households in certain 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 5: Structure of households by primary platform used for reception of radio and TV programs – by region

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.

Across the regions, the share of individual platforms is slightly different compared with the overall share:



Graph 6: Market share for CDS/MMDS/DTH/IPTV platforms – by region

In the reporting period, the average price of the basic tier was €9.43 (between €10.85 and €5.95). The basic tiers offer 68 TV channels on average (between 101 and 35). Five operators do not have any radio stations in their basic tiers, while the remaining two operators offer four and 13 radio stations respectively.

Two operators do not have any additional tiers available, while the remaining four operators offer four additional tiers on average (between 7 and 1). An average price of an additional tier is €5.62 (between €21.50 and €2.50).

A demand for additional tiers is also different across the regions. Compared to the number of basic tier subscribers, a demand for additional tiers in the central and coastal region is 37.34% and 38.26% respectively, as opposed to 16.73% 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 (39.09% of the total number of additional tiers sold). It is followed by the ARENA sports tier (25.30%), and the PINK tiers (12.83%)

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 service pays an average of €10.88 per month.
