

## PAY TV

### MARKET ENVIRONMENT AND COMPETITION

In Poland, pay TV services are offered by DTH operators, cable TV operators and IPTV providers.

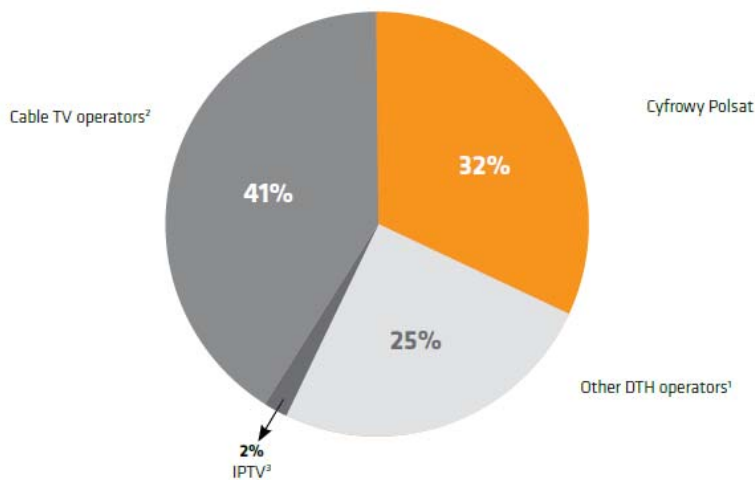
By our estimates, at the end of 2012, Polish operators provided pay TV services to approximately 11 million subscribers.

According to AC Nielsen's data (Establishment Survey 2012), excluding households using more than one pay TV service, the pay TV market saturation in Poland was approximately 66% at the end of 2012.

Cable TV was once the main form of access to pay TV services in Poland. Cable TV operators focus on customers in densely populated areas, where extensive infrastructure already exists or can be developed at a relatively low cost per subscriber. On the other hand, DTH operators are able to offer their services to customers in both urban areas, as well as less densely populated areas with non-existent or poorly developed cable TV infrastructure, without the need to increase costs.

The IPTV market in Poland is growing relatively slowly, mainly due to technological constraints resulting from the lack of modern infrastructure of capacity sufficient to provide high-quality and profitable services.

### PAY TV MARKET IN POLAND



<sup>1</sup> Based on own estimates and data published by the operators (annual reports of the TVN Group and the Telekomunikacja Polska Group for 2012).

<sup>2</sup> Based on own estimates and data published by the Polish Chamber for Electronic Communication (PIKE).

<sup>3</sup> Based on own estimates and data published by the operators (annual reports of the Telekomunikacja Polska Group and Netia S.A. for 2012).

### DIGITAL SATELLITE PAY TV OPERATORS

In Poland, there are currently, two main DTH platforms in Poland: Cyfrowy Polsat, nc+.

Nc+ platform is a result of a partnership of ITI Group and Groupe Canal+, and fusion of "n" and Cyfra+ platforms. It was launched on March 21<sup>st</sup>, 2013. Nc+ has over 2,5 million clients. Since 2006, Cyfrowy Polsat has been the leader of the Polish DTH market in terms of subscriber base and market share, with more than 3.5 million subscribers and an approximately 56% share in the domestic market (as at December 31st 2012).

### CABLE TV OPERATORS

According to the Polish Chamber for Electronic Communication (PIKE), the Polish cable TV market is dominated by three major operators, whose combined market share as at the end of Q3 2012 was approximately 67%. PIKE estimates that the overall number of subscribers to domestic cable service providers is approximately 4.6 million.

In 2012, the three major cable TV operators in Poland were UPC Polska, Multimedia Polska and Vectra.

#### **INTERNET PROTOCOL TELEVISION (IPTV)**

The leading IPTV provider in Poland is Orange Polska, while the second largest IPTV operator is Netia S.A.