SNL Kagan

CTAM Europe

Cable's Health across Western and Eastern Europe

Webinar in association with CTAM Europe for Eurosummit 2014

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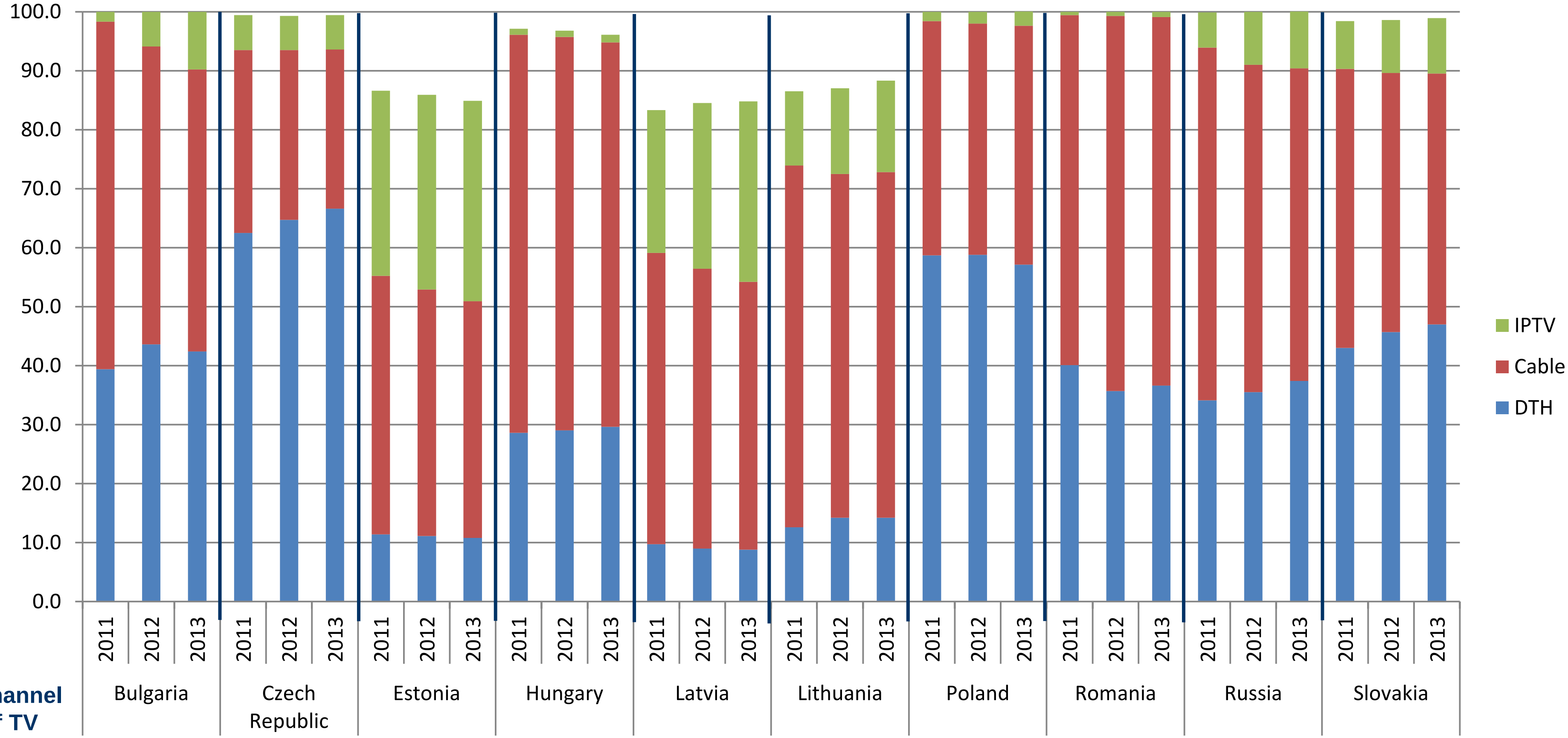
Agenda

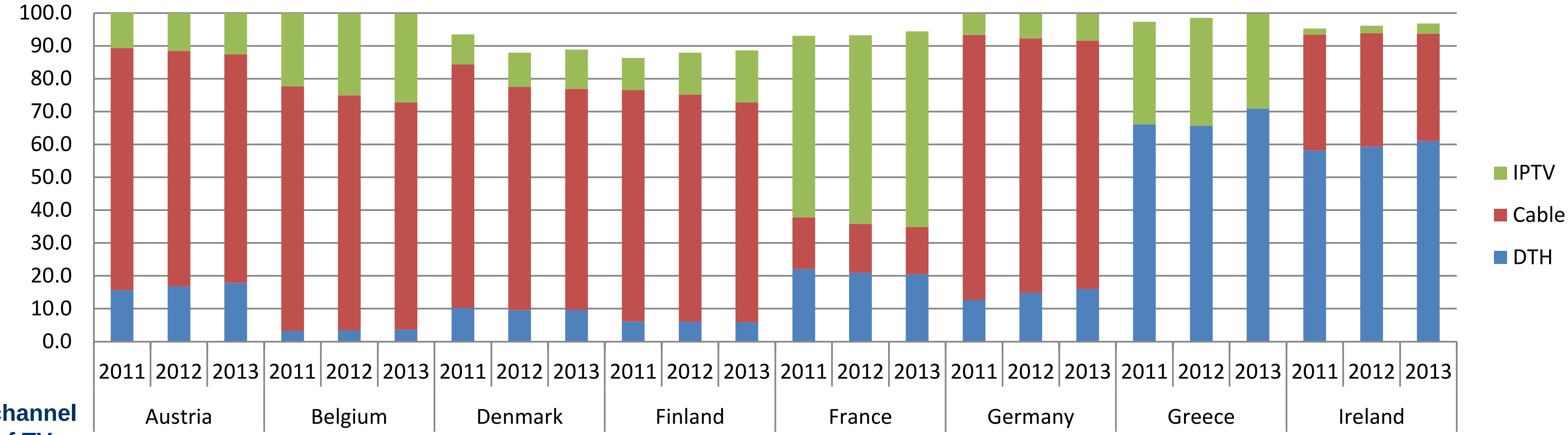
- Europe platform share of multichannel HHs. 2011-2013
- Europe digital cable net adds 2010-2013
  - Cable digitization rates 2013
  - Broadband net adds in Europe
- DTH in W Europe – Cord-cutting?
  - Selected DTH operator subscriber growth
  - DTH in the Nordics
- Poland
  - Cyfrowy Polsat
  - UPC Polska
  - Vectra and Multimedia
- Czech Republic
  - UPC
- Russia
  - Market Overview
- Europe M&A
  - Deals Values
  - Cable Landscape and Opportunity for M&A

Eastern Europe platform share of multichannel HHs. 2011-2013

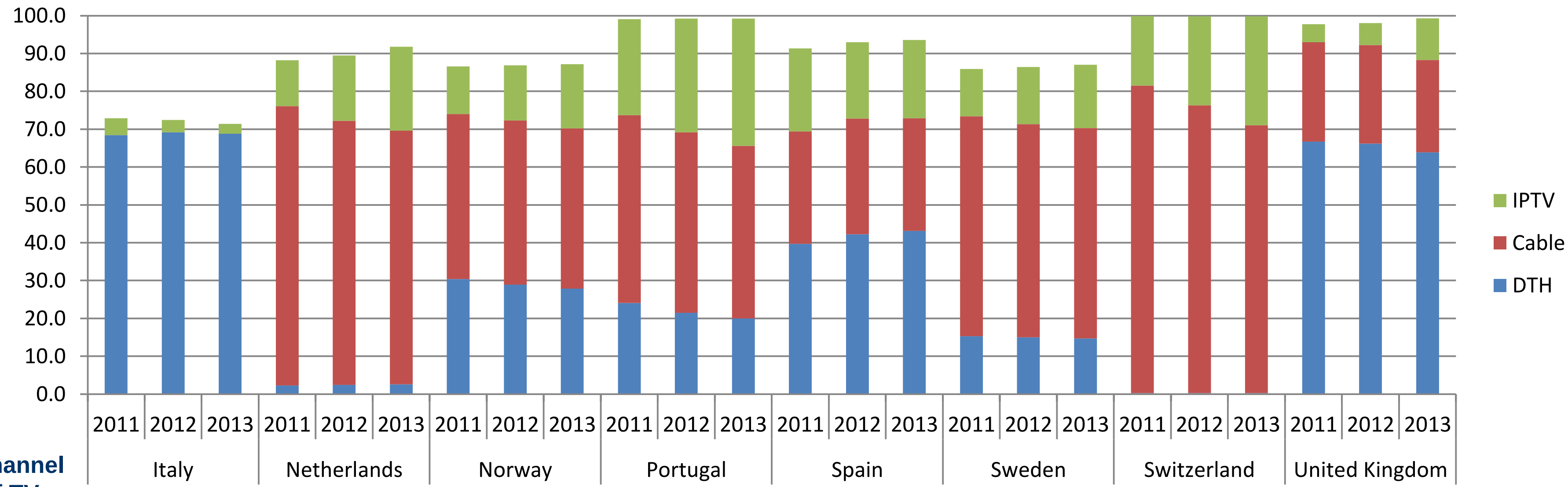


Multichannel as % of TV HHs 2011-2013	Bulgaria	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Russia	Slovakia
	56% to 62%	61% to 69%	77% to 83%	77% to 80%	70% to 80%	54% to 60%	90% to 89%	77% to 87%	53% to 64%	80% to 90%

Western Europe platform share of multichannel HHs. 2011-2013

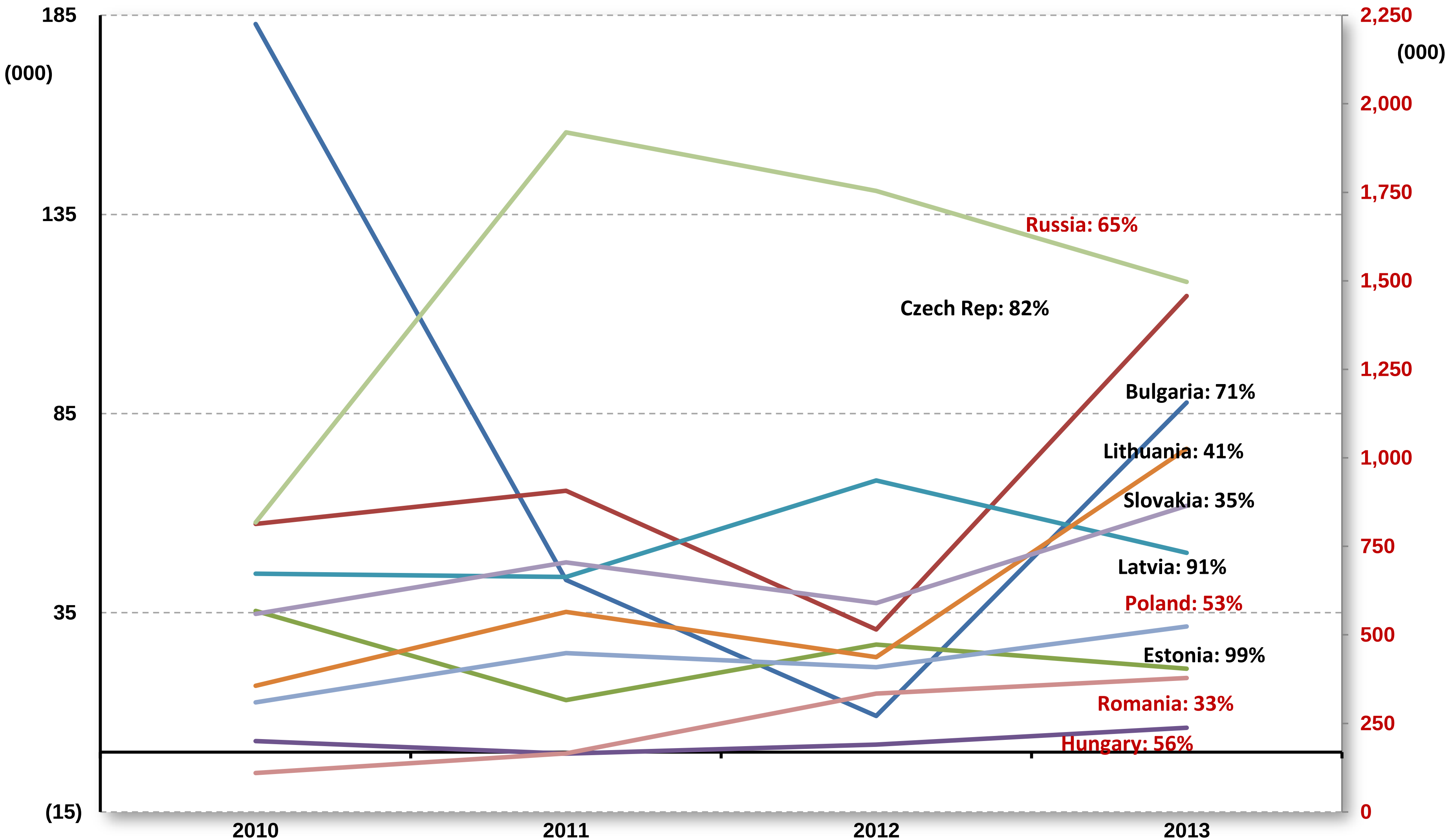


	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland
Multichannel as % of TV HHs 2011-2013	52% to 54%	99% to 99%	111% to 116%	73% to 78%	76% to 80%	59% to 59%	17% to 24%	74% to 73%



	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	United Kingdom
Multichannel as % of TV HHs 2011-2013	31% to 29%	97% to 98%	98% to 99%	75% to 78%	25% to 21%	92% to 92%	107% to 115%	56% to 60%

Eastern Europe digital cable net adds 2010-2013 and cable digitization rates 2013



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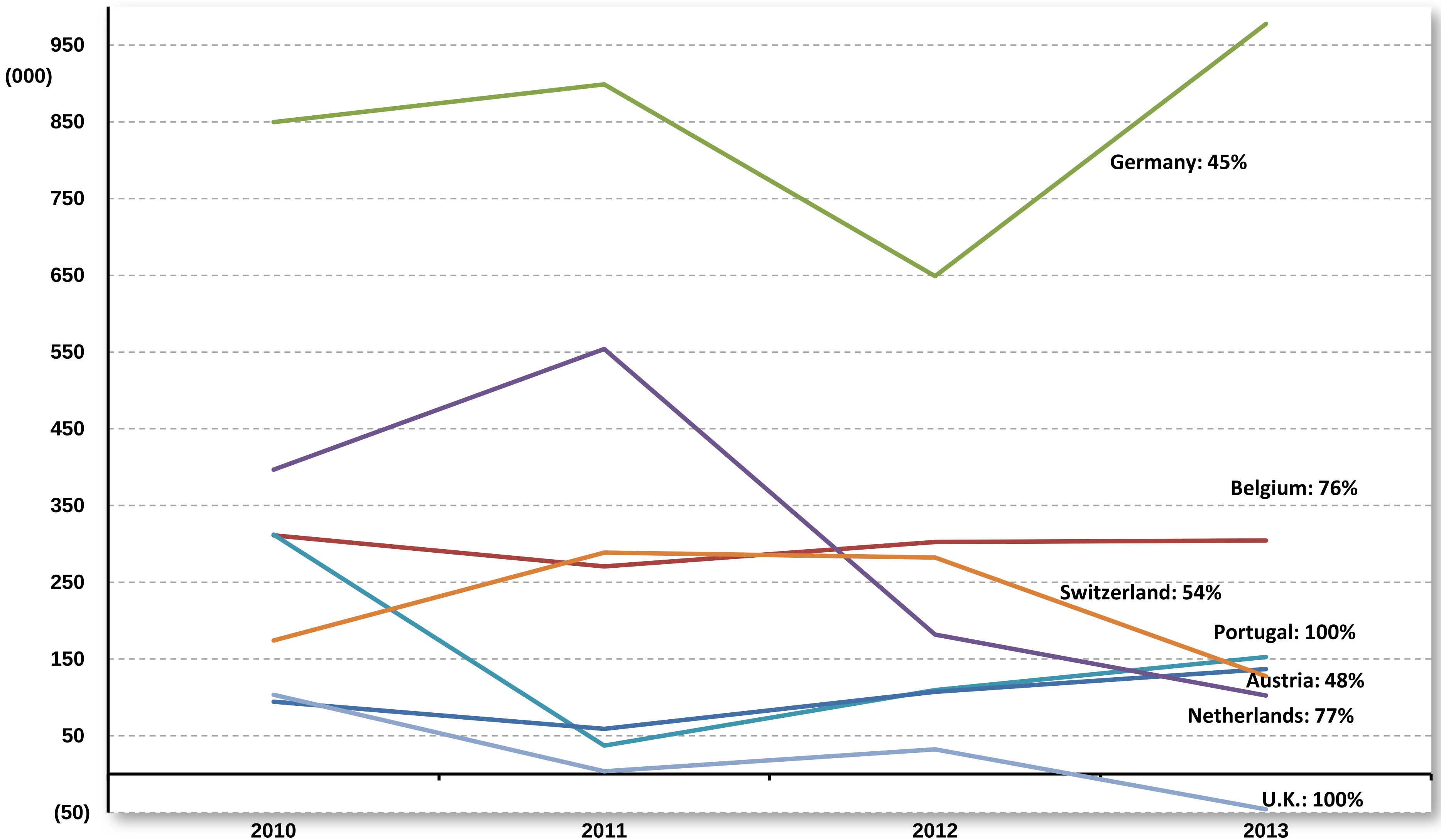
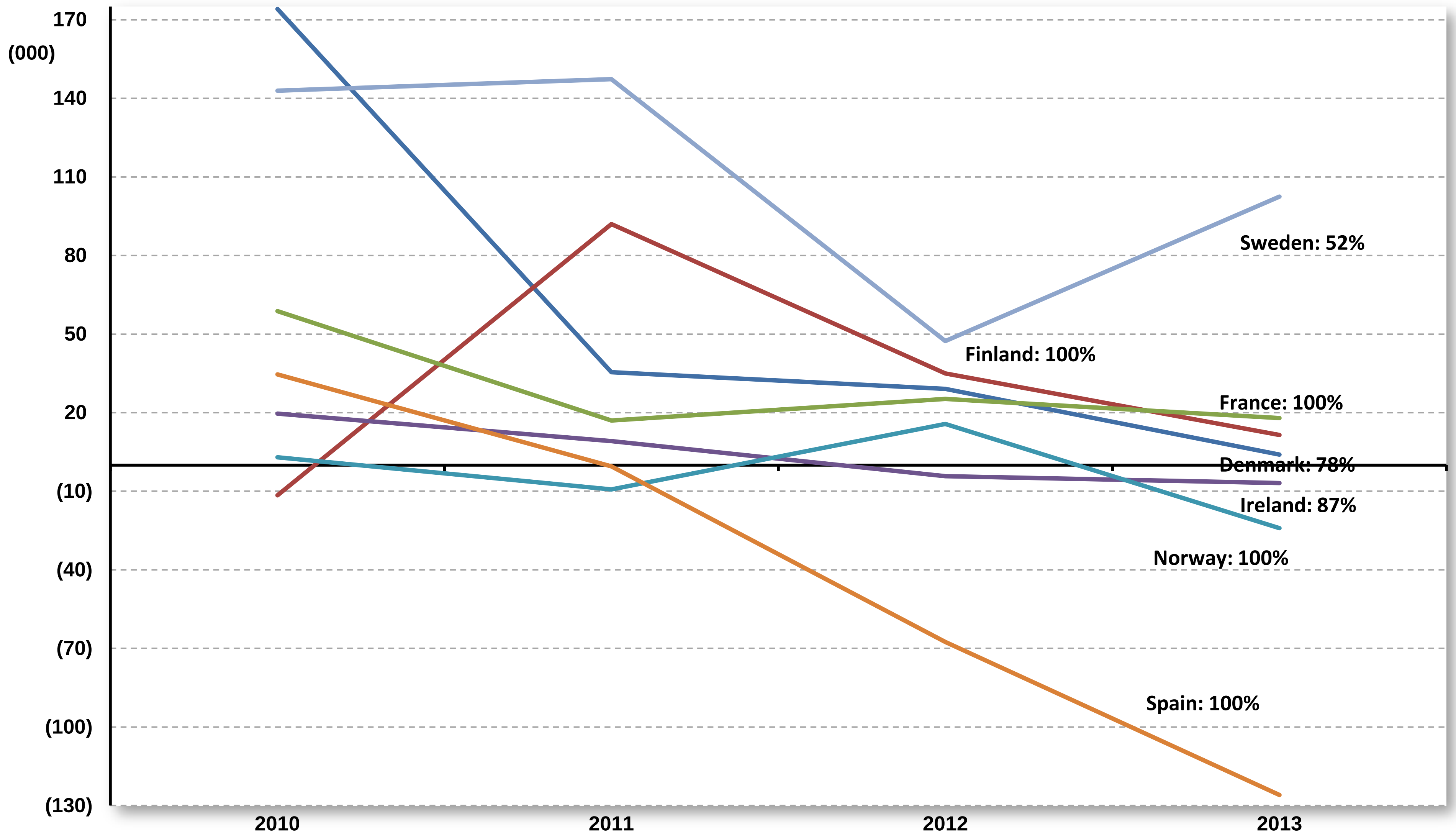
Western Europe digital cable net adds 2010-2013 and cable digitization rates 2013

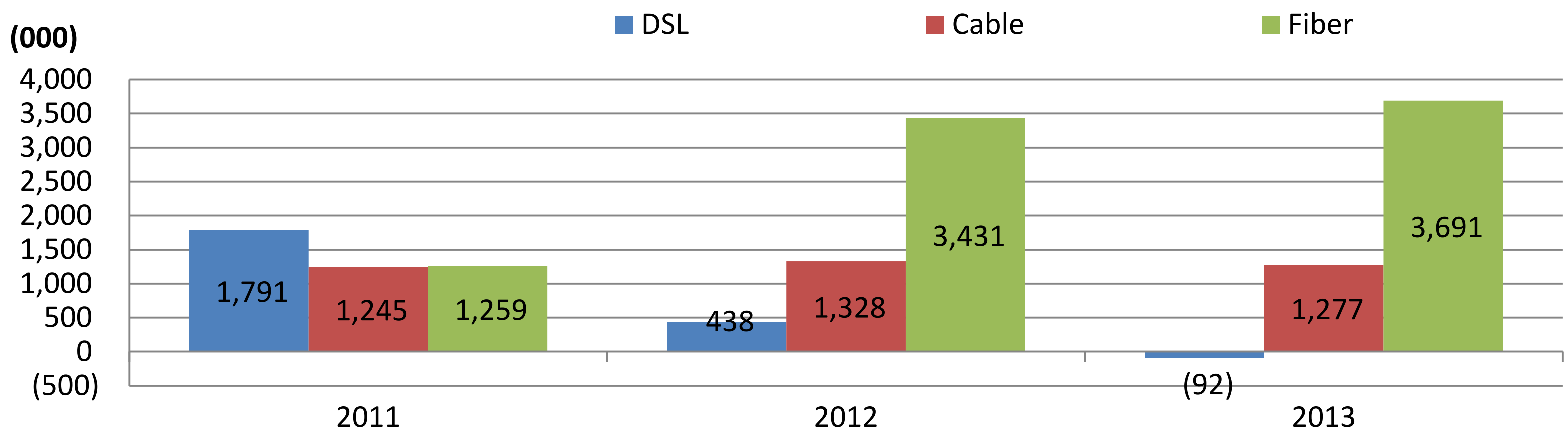


Western Europe digital cable net adds 2010-2013 and cable digitization rates 2013 continued

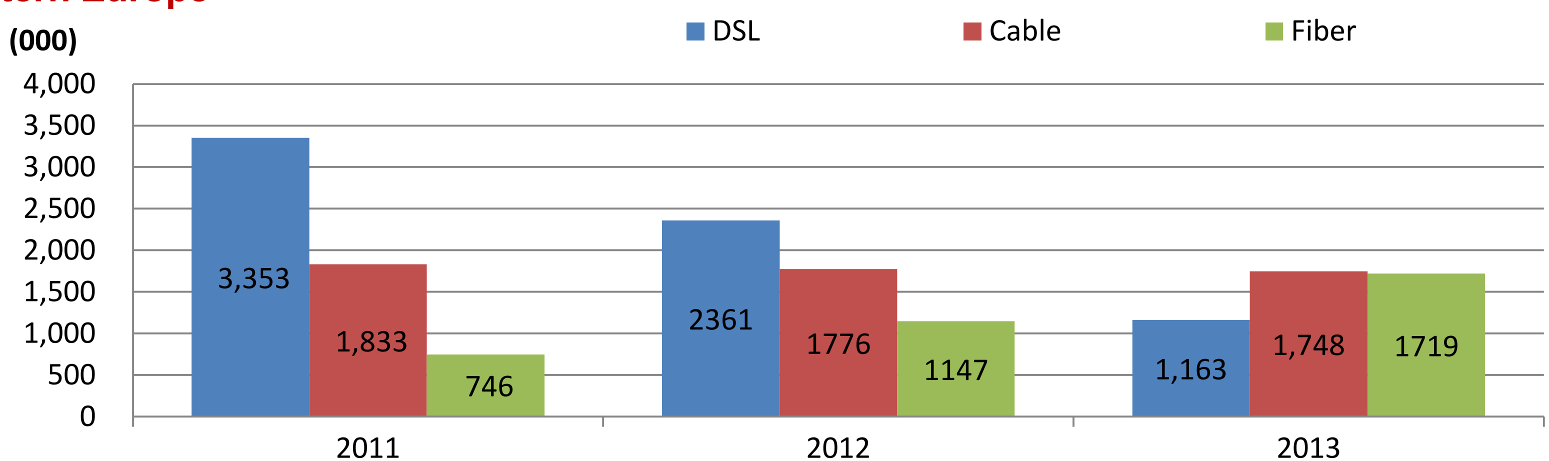


Broadband Adoption Europe (Subscriber Net Adds)

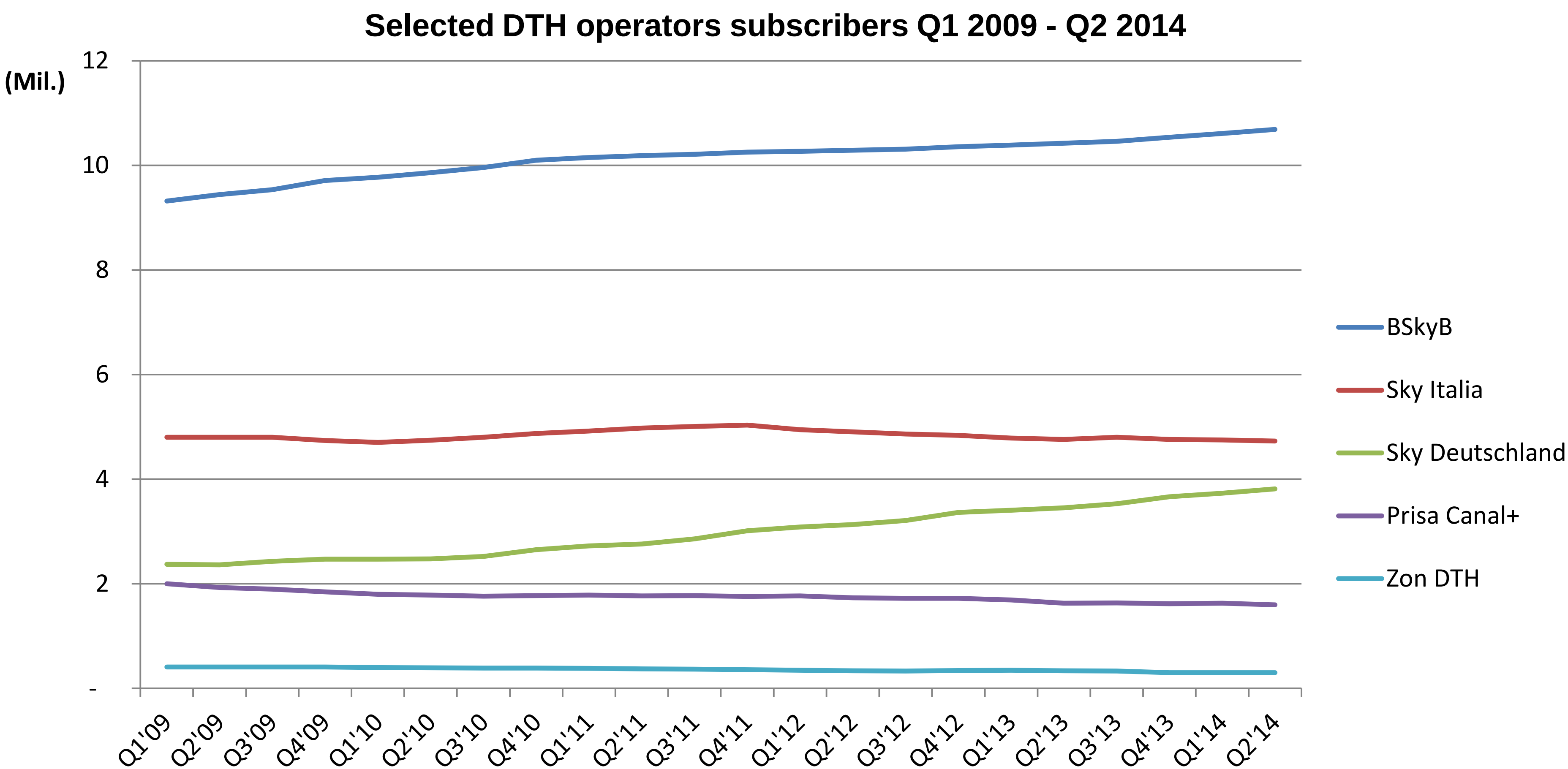
Eastern Europe



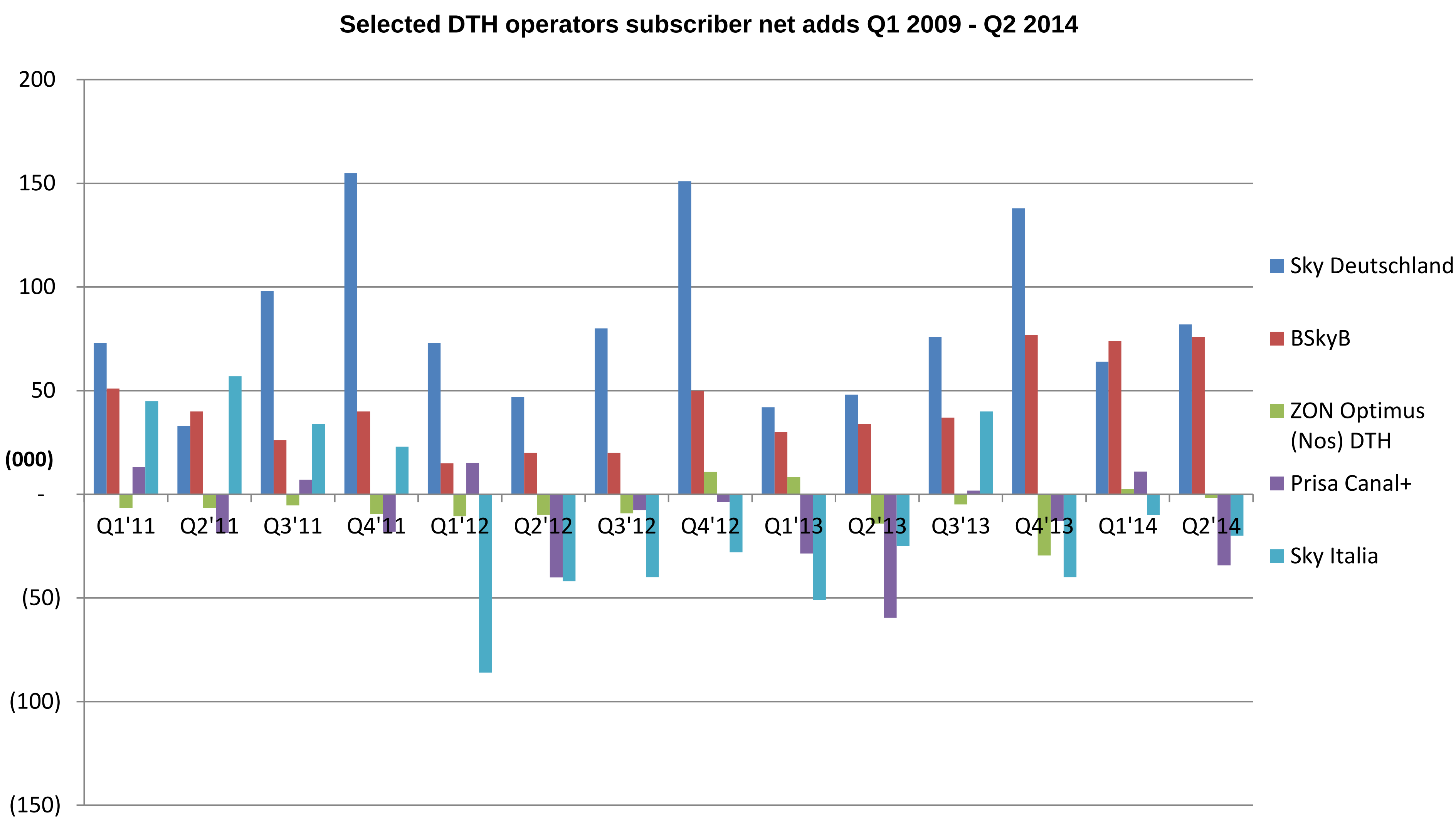
Western Europe



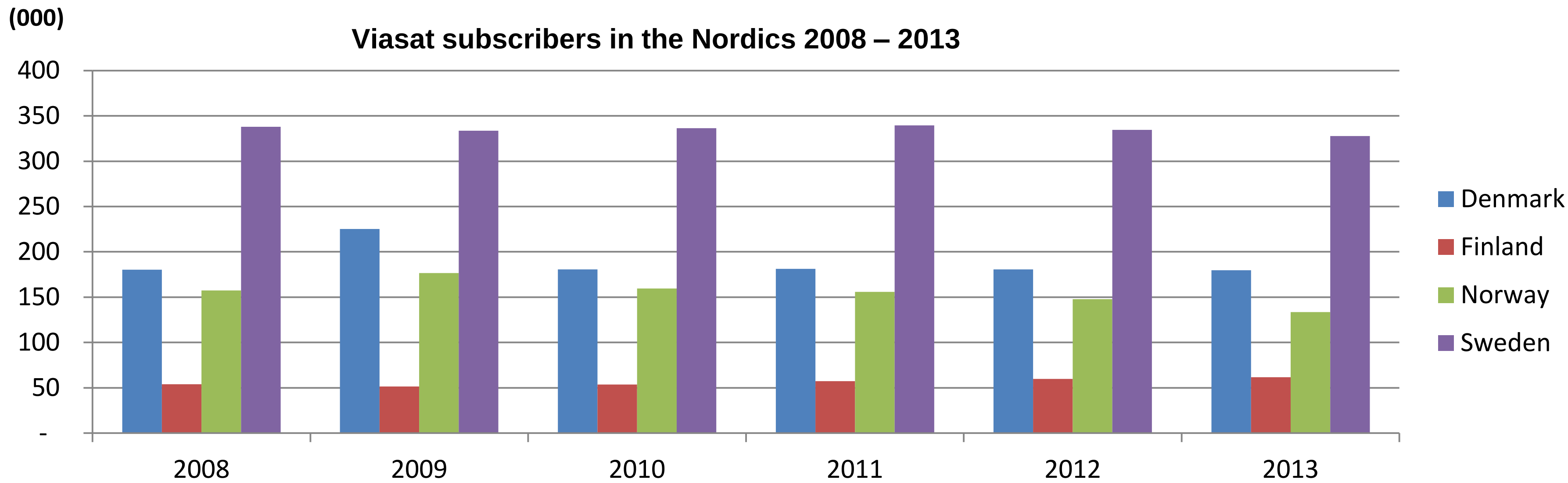
DTH in Western Europe – Cord-cutting?

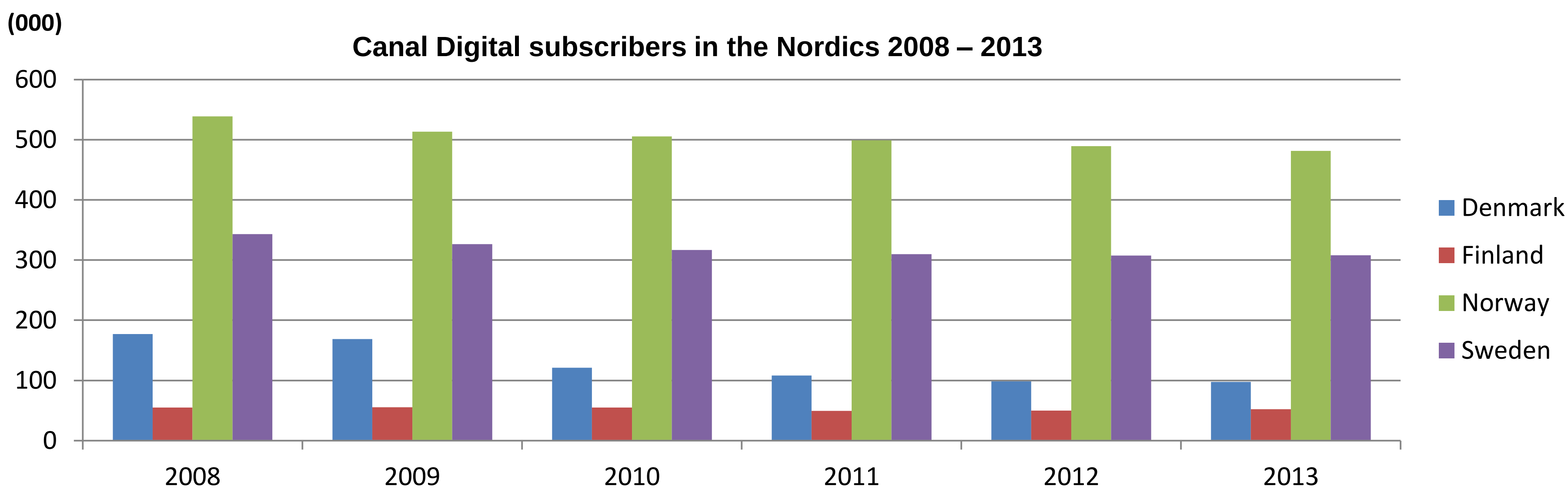


DTH in Western Europe – Cord-cutting?

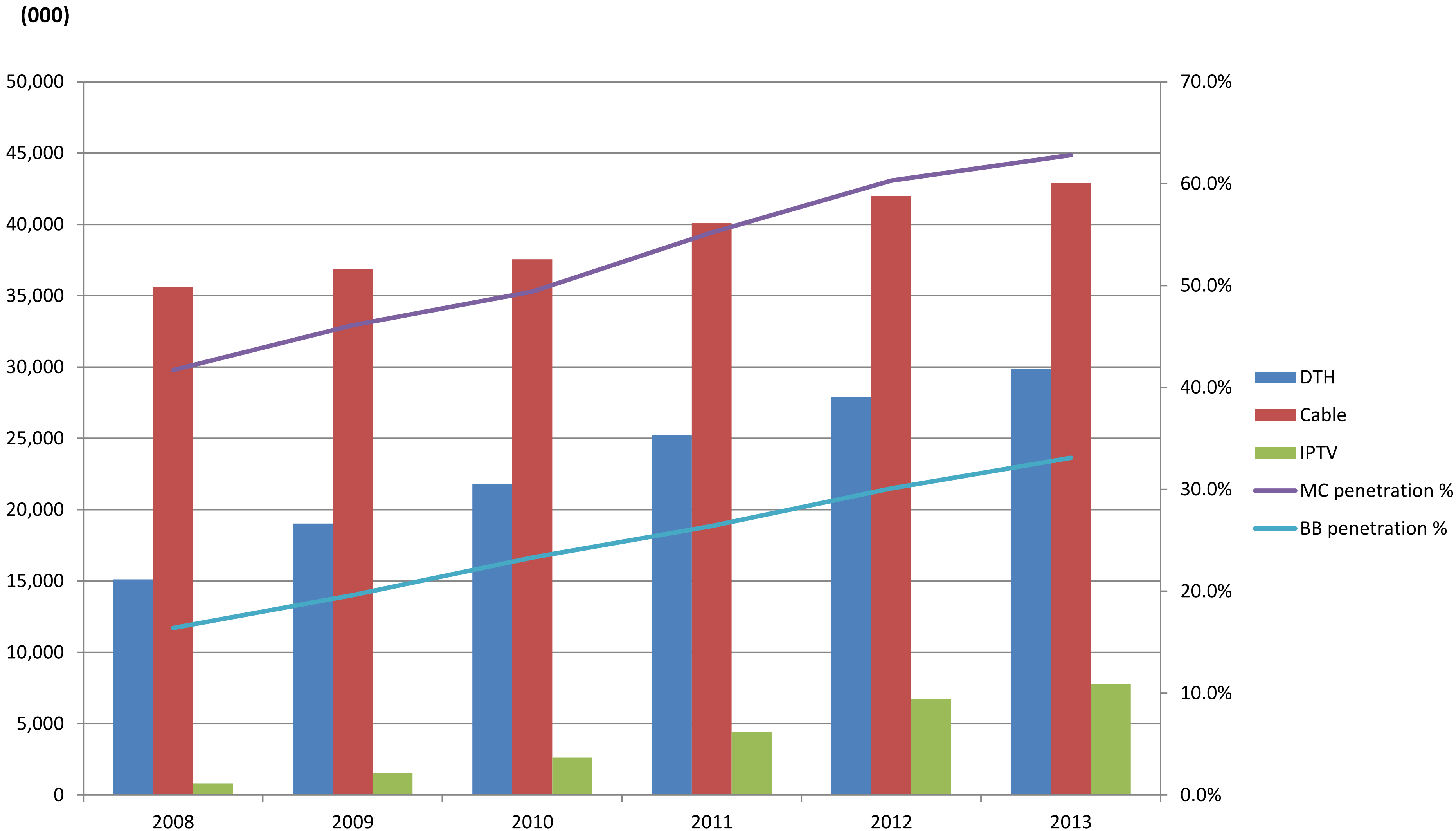


Viasat and Canal Digital Nordic DTH subs 2008 - 2013



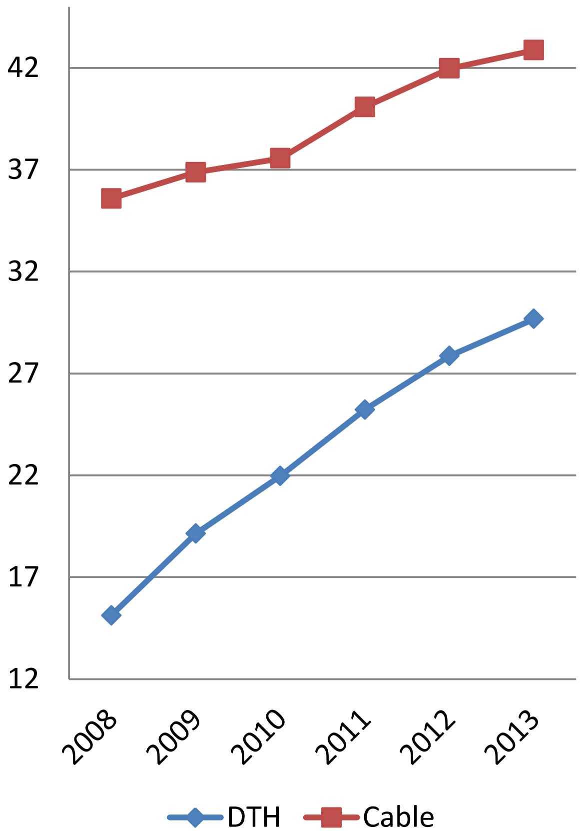


Eastern Europe TV and broadband overview

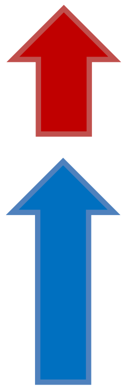


Eastern Europe – DTH versus Cable

Growth of Cable vs Growth of DTH in Eastern Europe



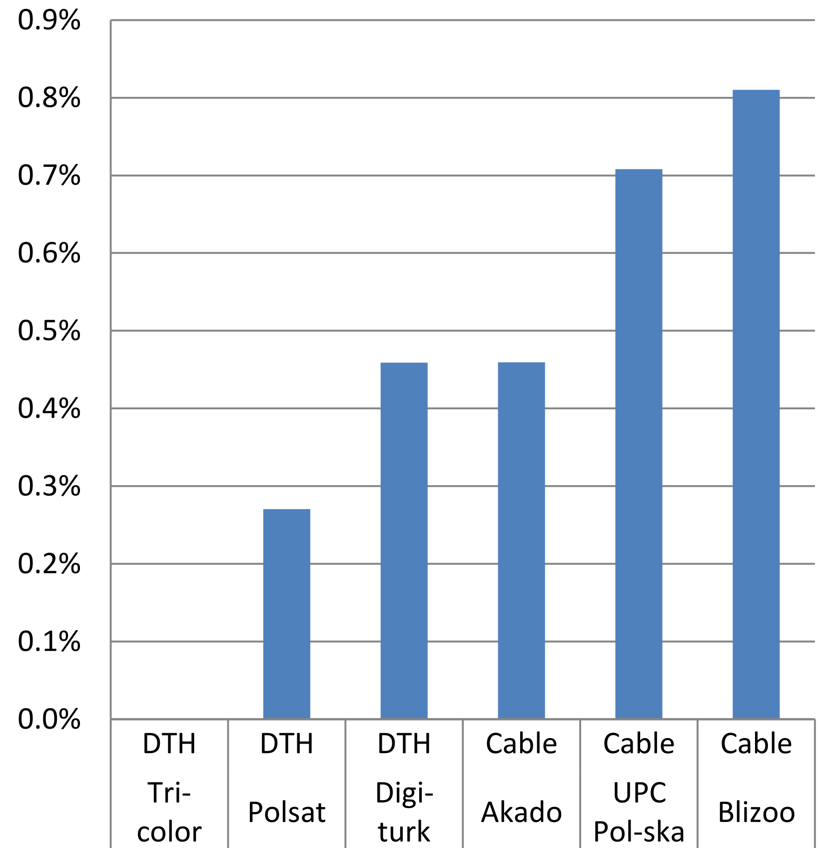
Why ?



20% Cable

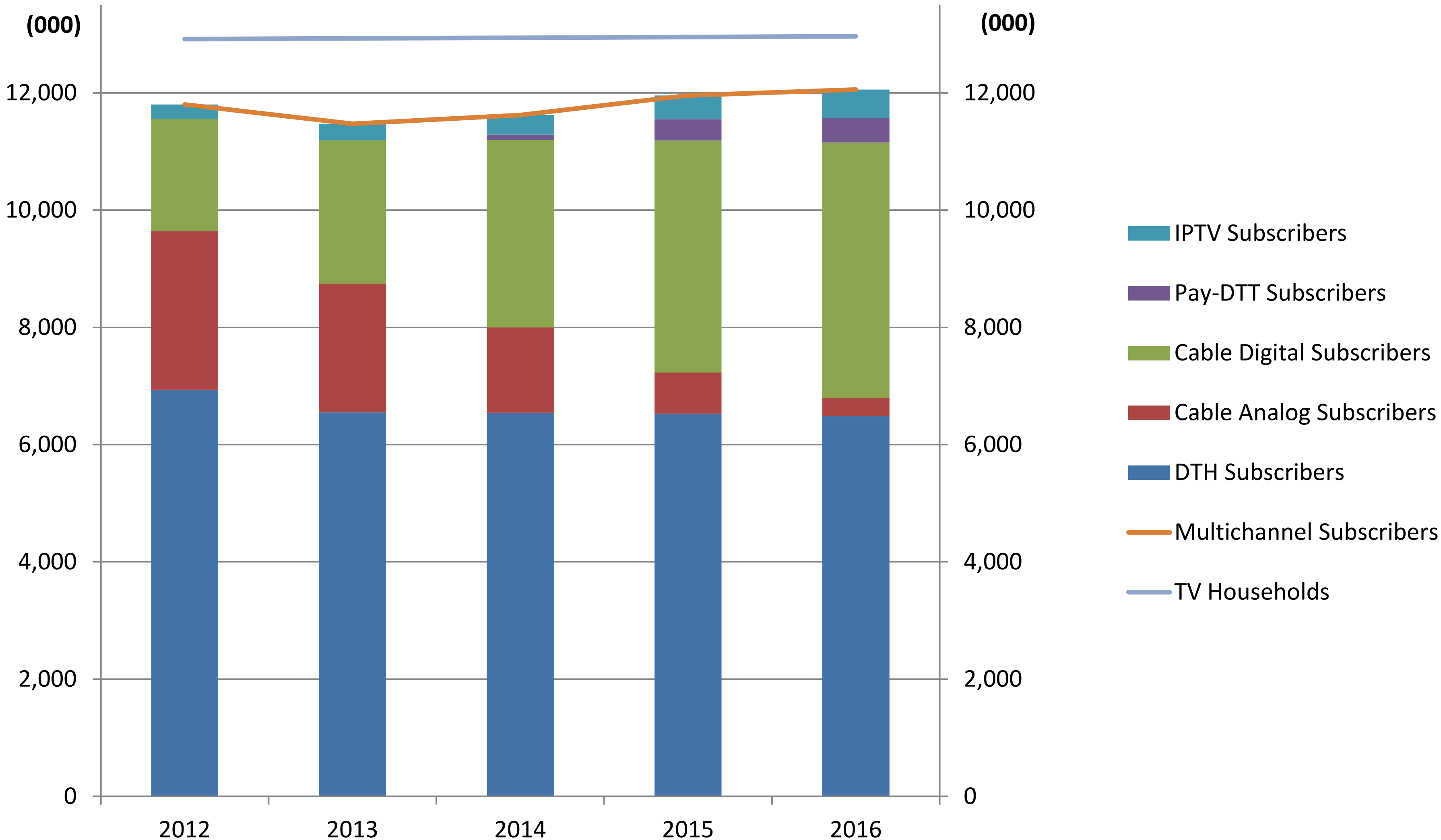
96% DTH

Basic pack affordability

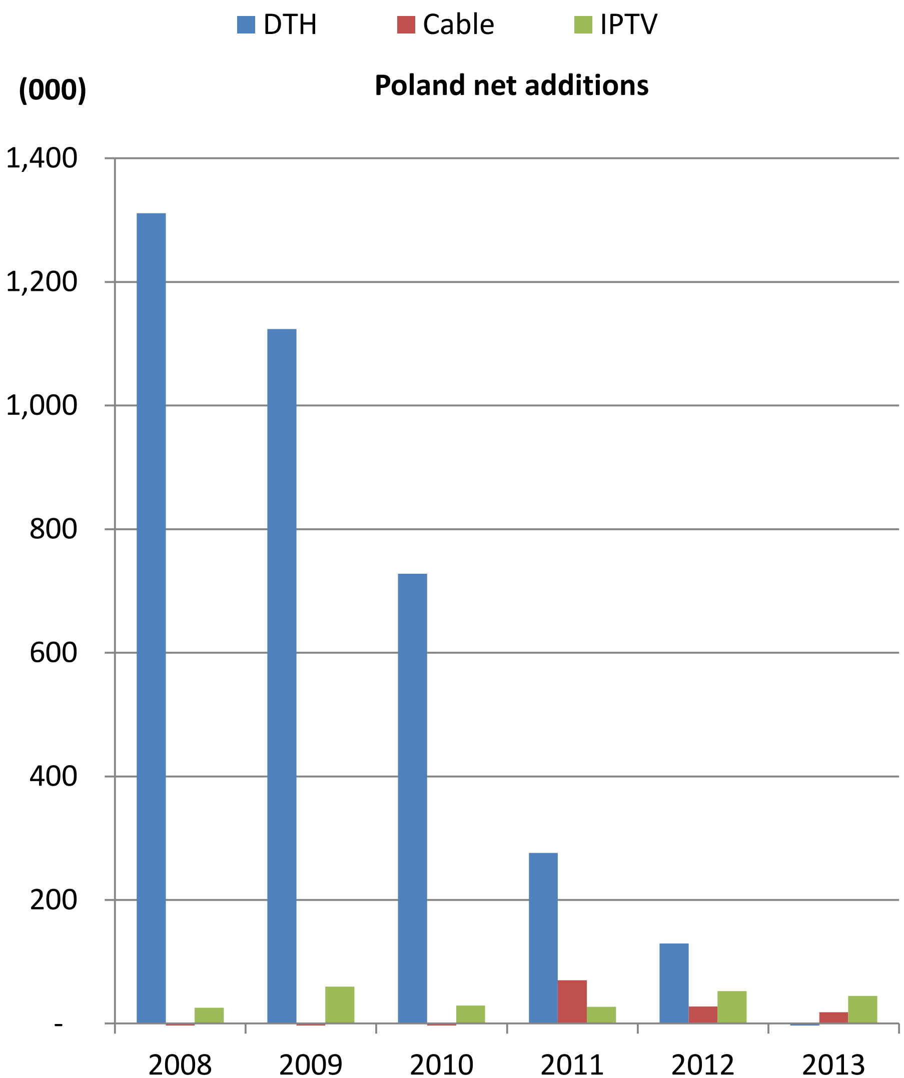


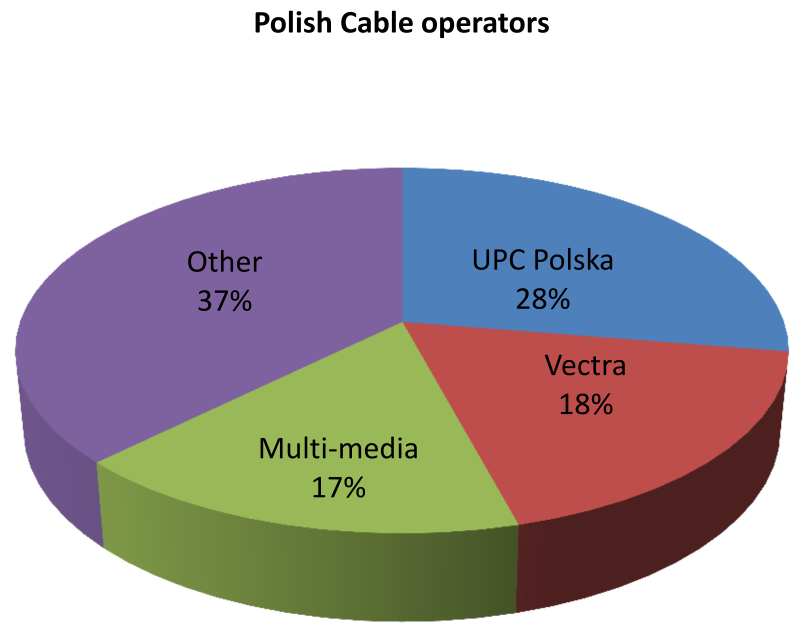
	DTH Tri-color	DTH Polsat	DTH Digi-turk	Cable Akado	Cable UPC Pol-ska	Cable Blizoo
affordability	0.0%	0.3%	0.5%	0.5%	0.7%	0.8%

Poland TV and broadband universe 2012 - 2016

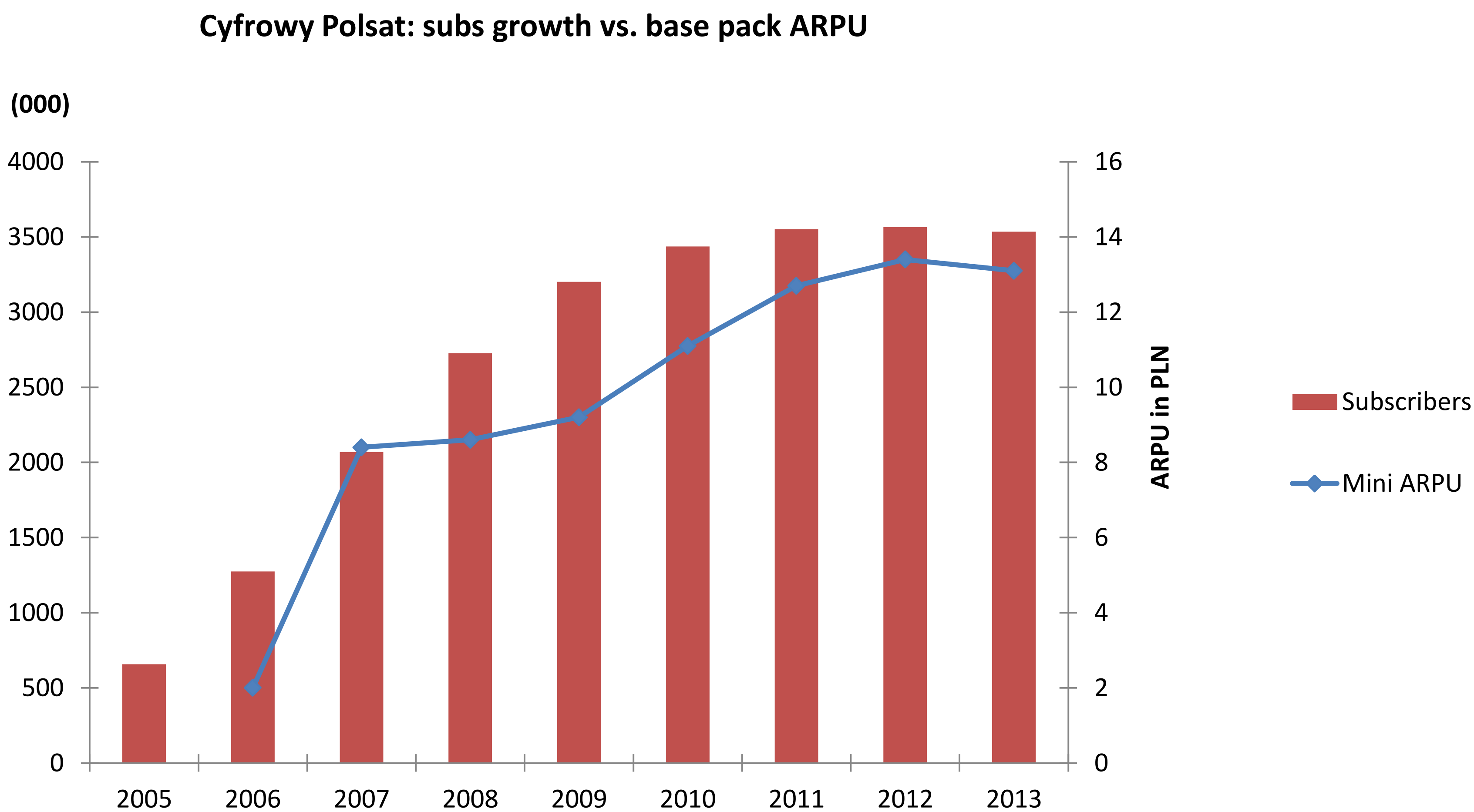


Poland multichannel net adds and market shares



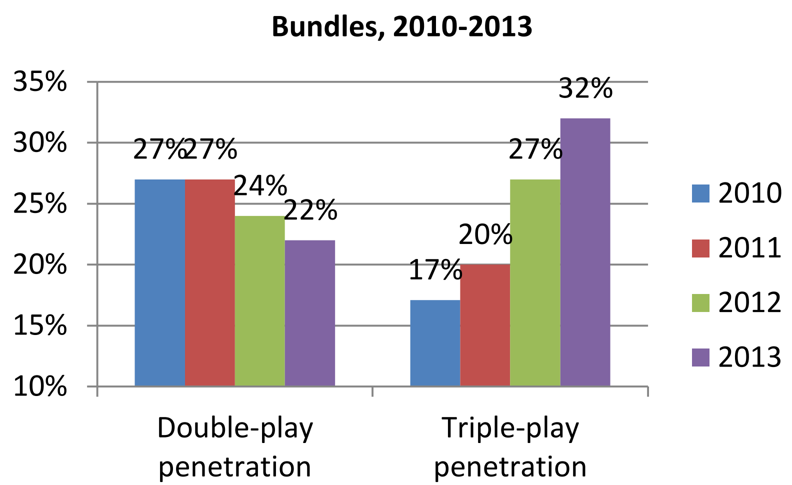


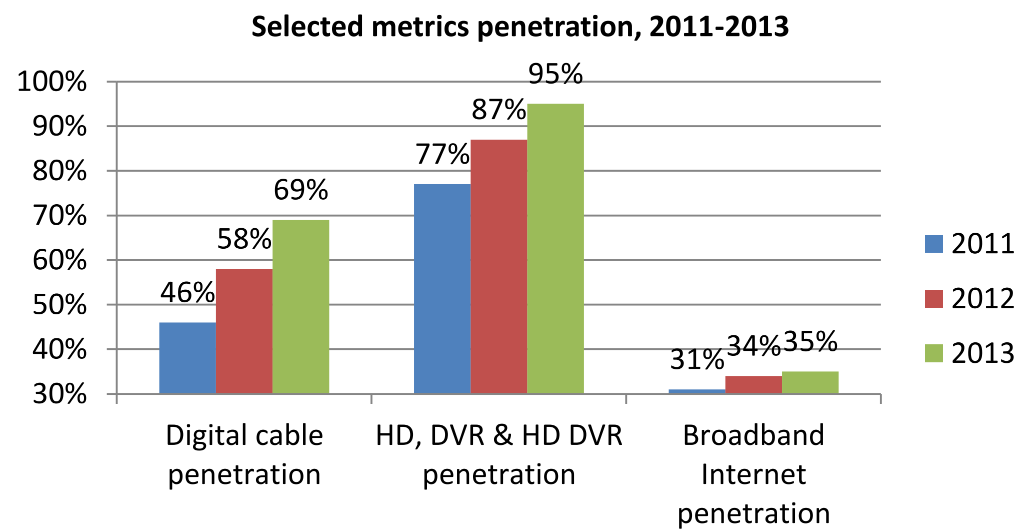
Total Cable subscribers in 2013: 4,477,000

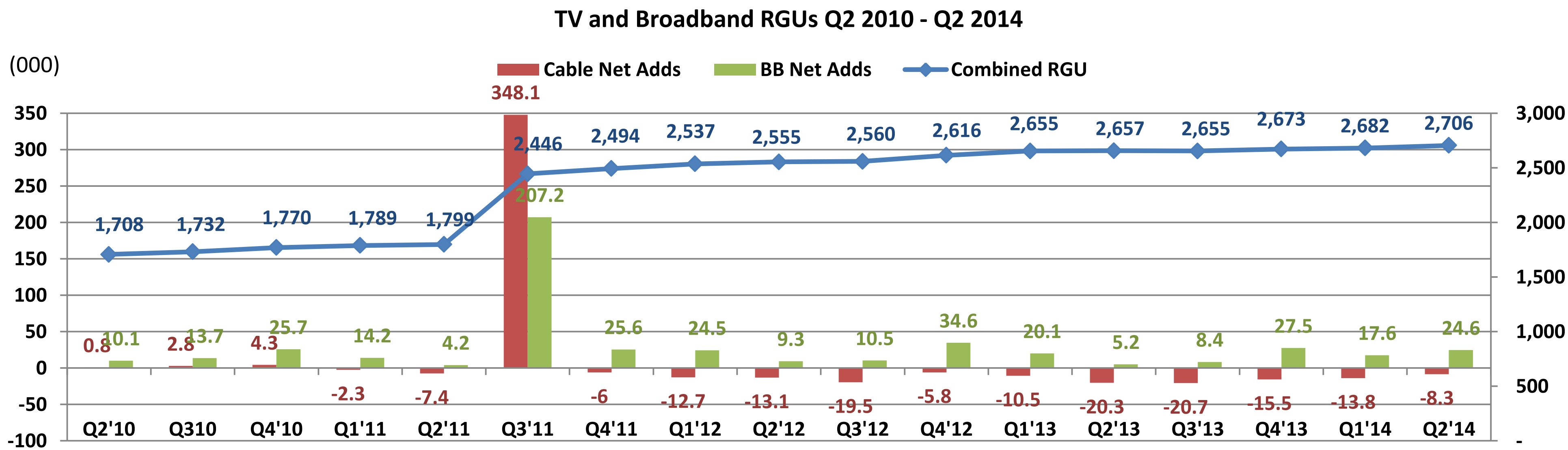


Cyfrowy Polsat: subs growth vs. base pack ARPU
(000)
4000
3500
3000
2500
2000
1500
1000
500
0
16
14
12
10
8
6
4
2
0
ARPU in PLN
2005
2006
2007
2008
2009
2010
2011
2012
2013
Subscribers
Mini ARPU

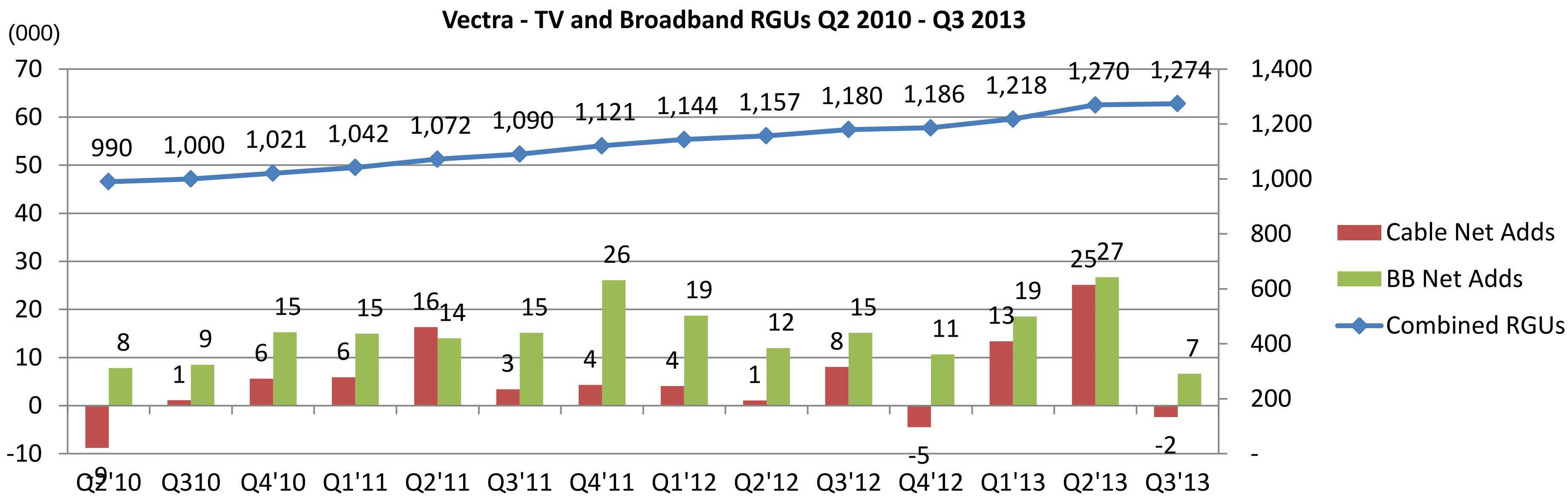
Poland – UPC Polska

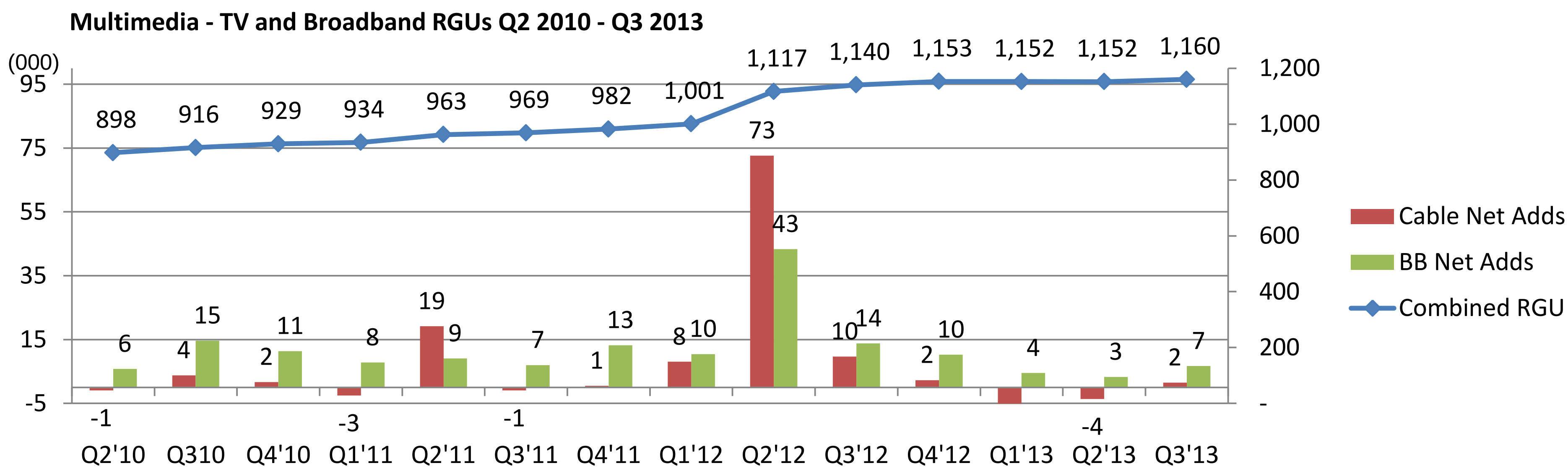




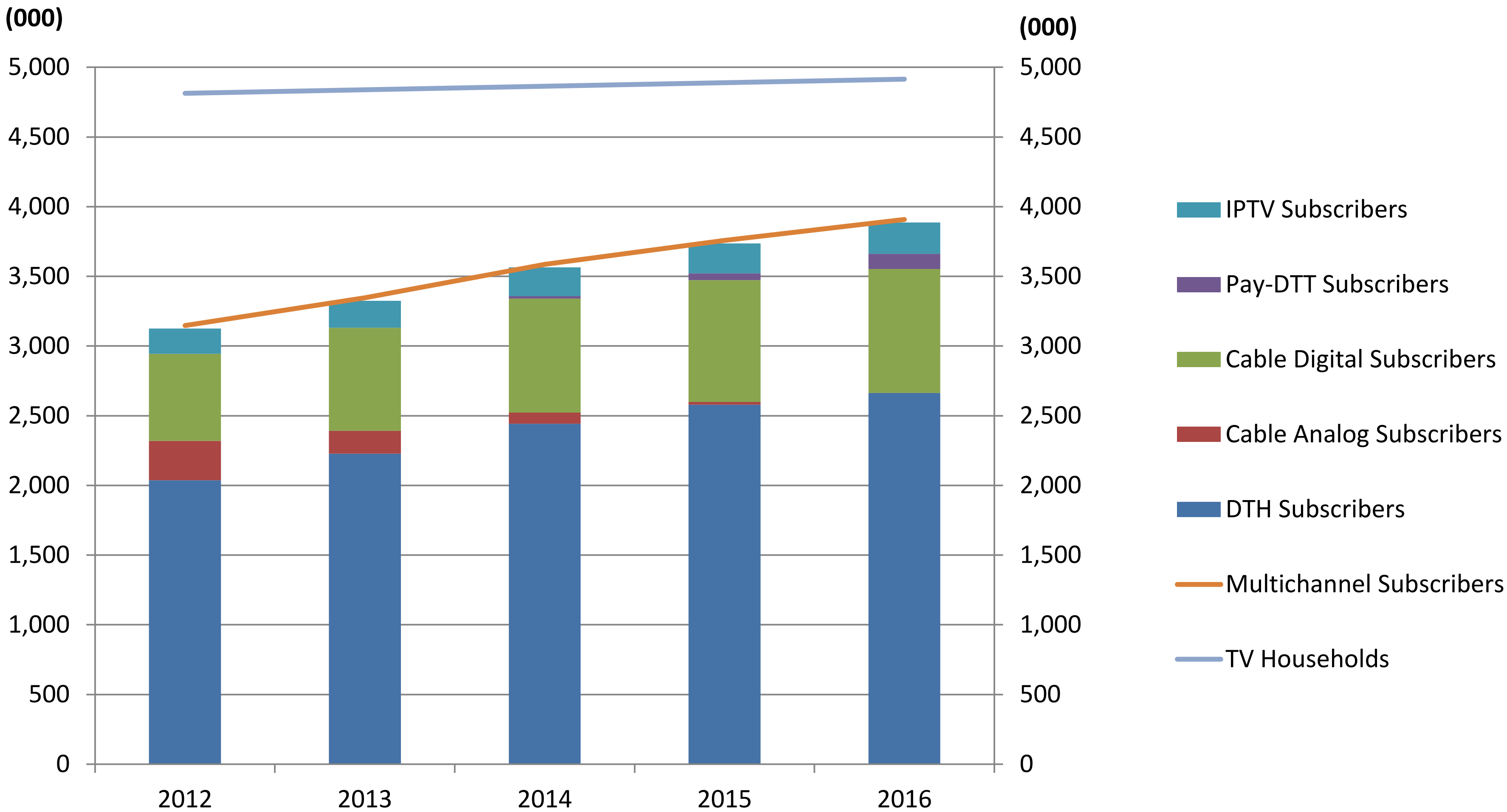


Poland – Vectra and Multimedia

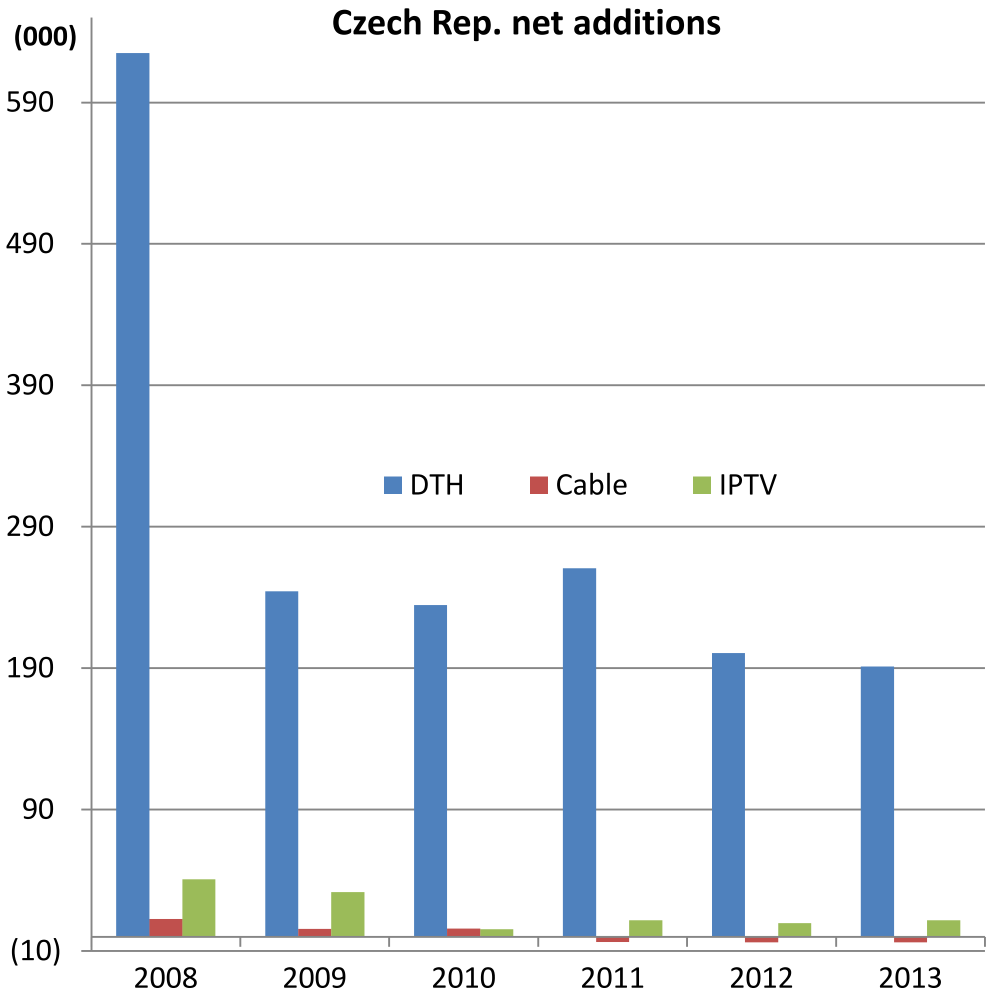




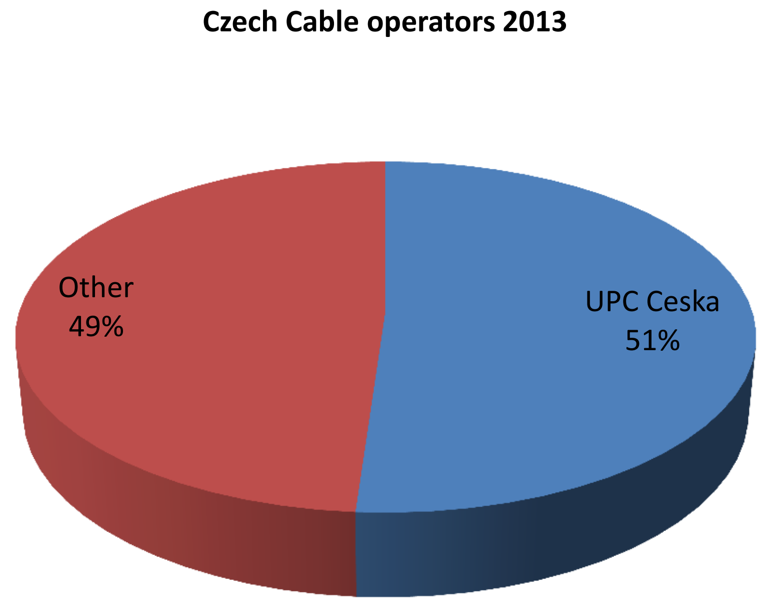
Czech Republic TV and broadband universe 2012 - 2016



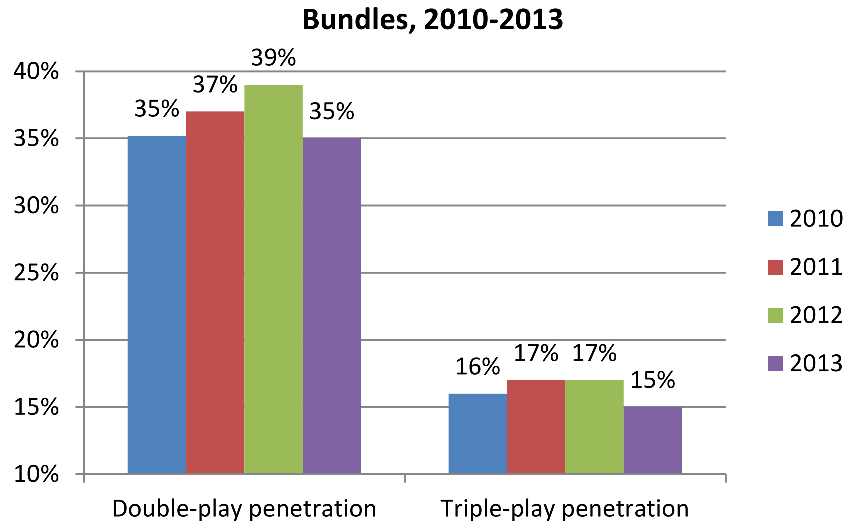
Czech Republic multichannel net adds and market shares

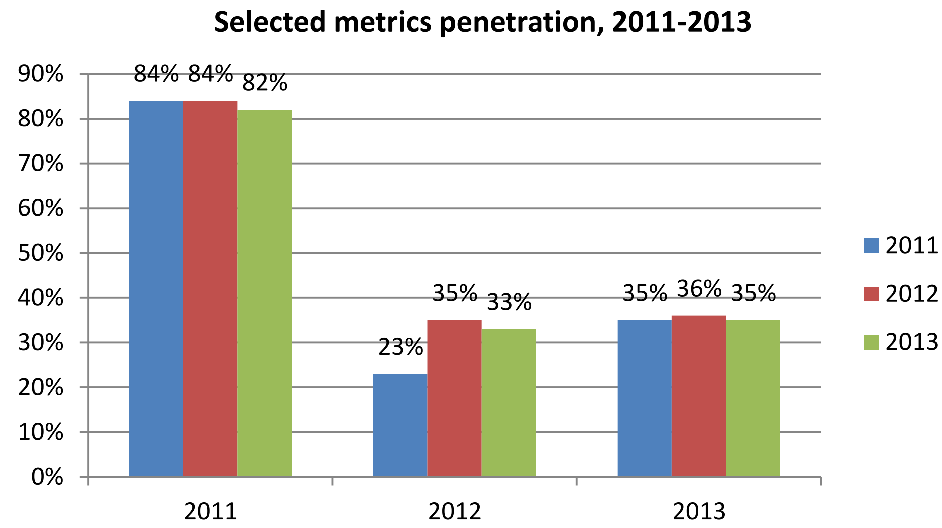


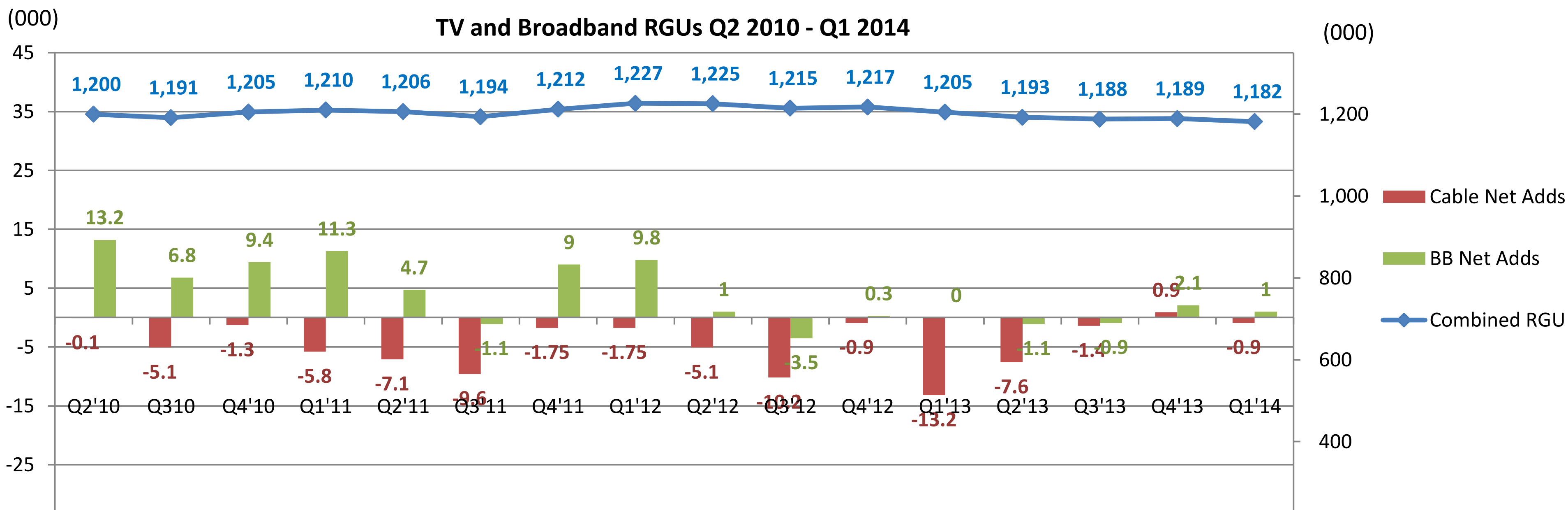
Total Cable subscribers in 2013: 902,000



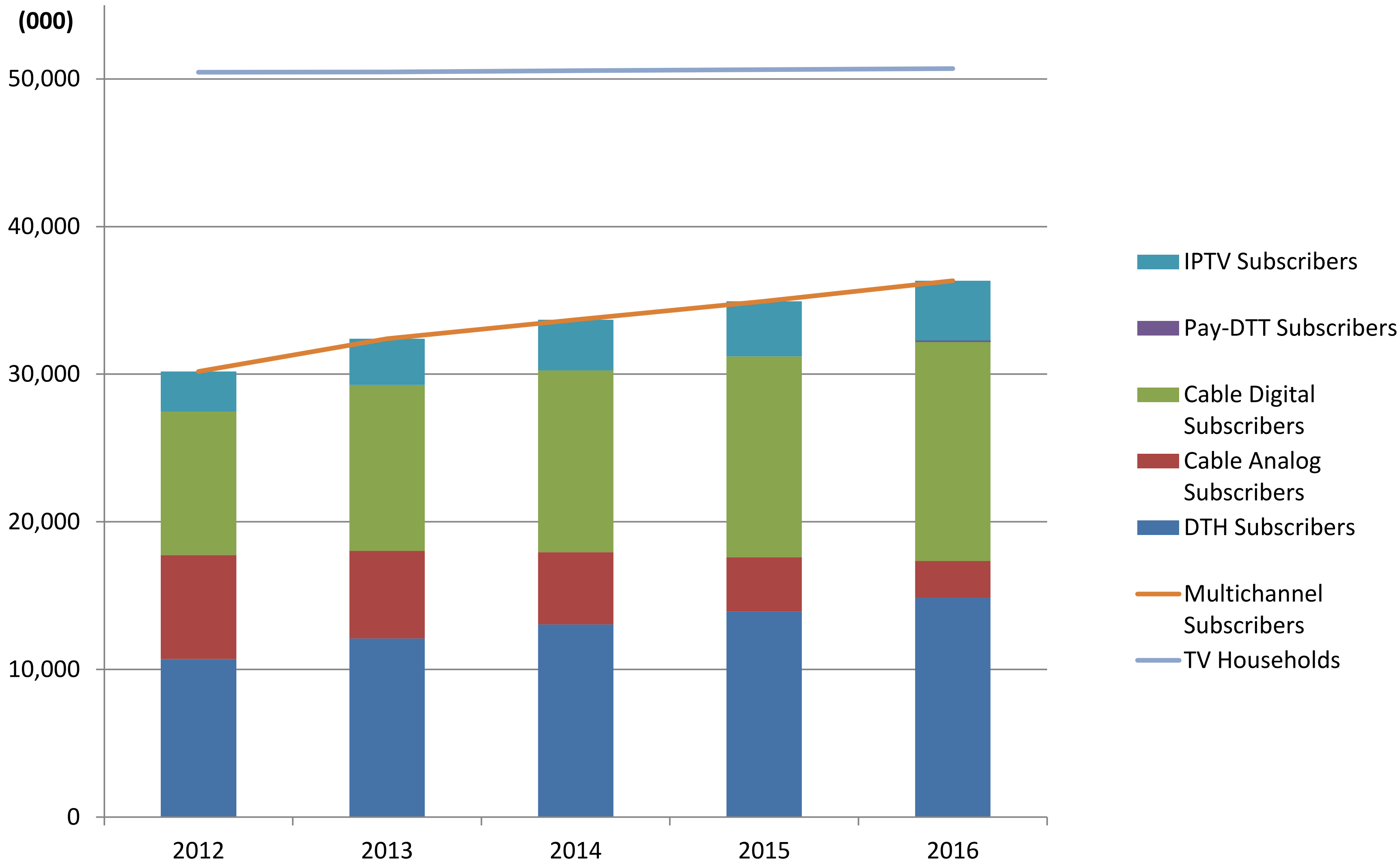
Czech Republic - UPC



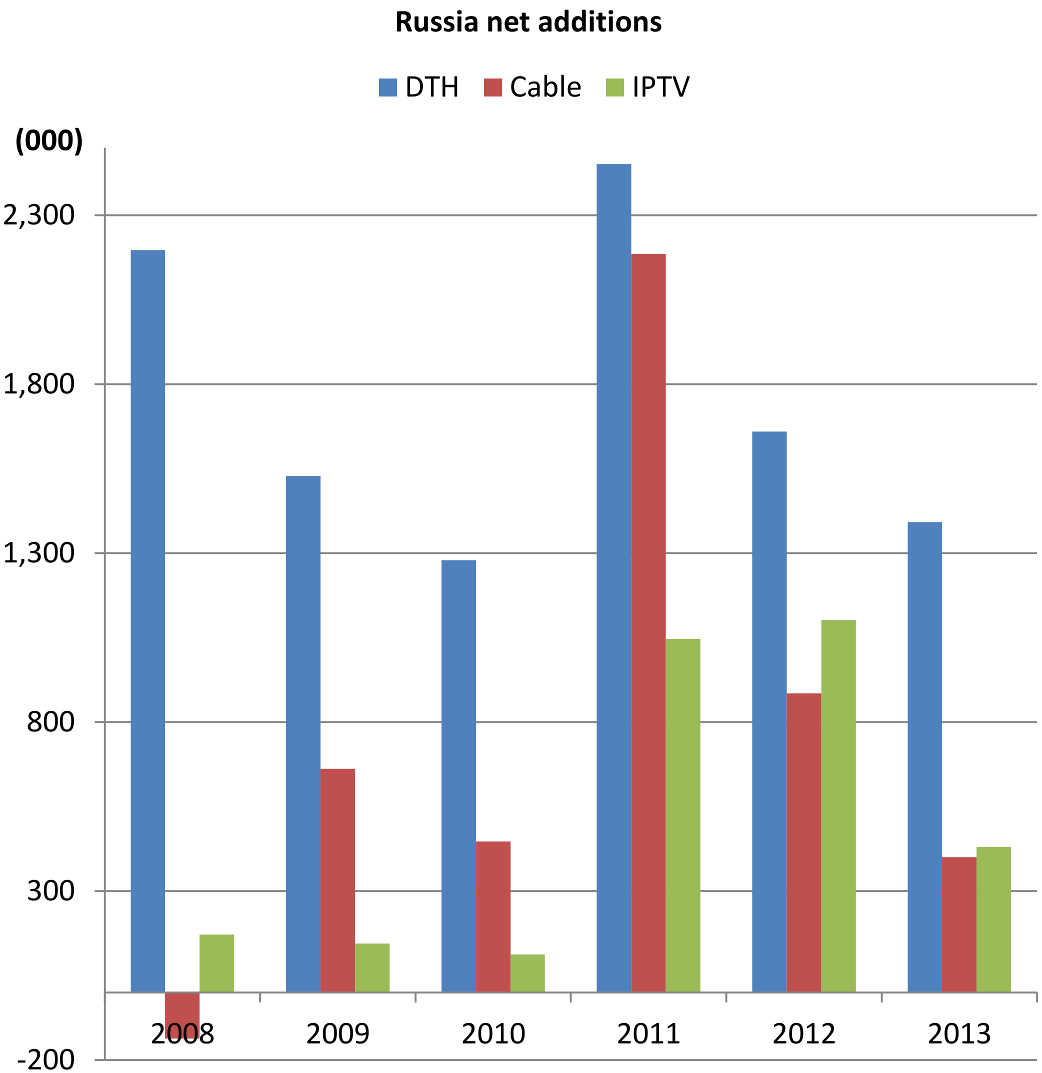


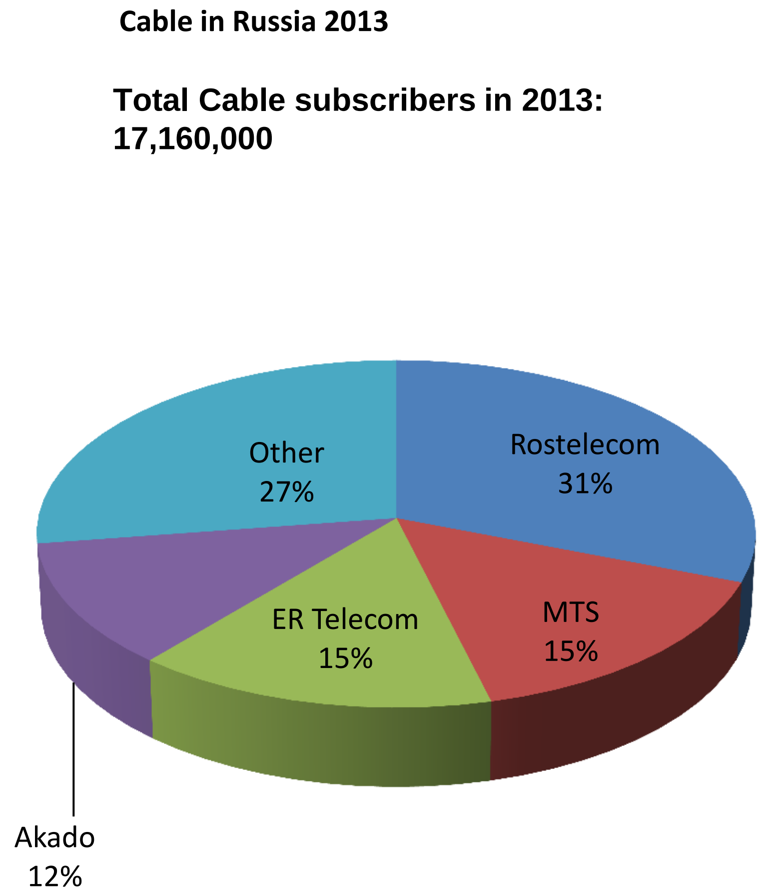


Russia TV and broadband universe 2012 - 2016



Russia multichannel net adds and market shares



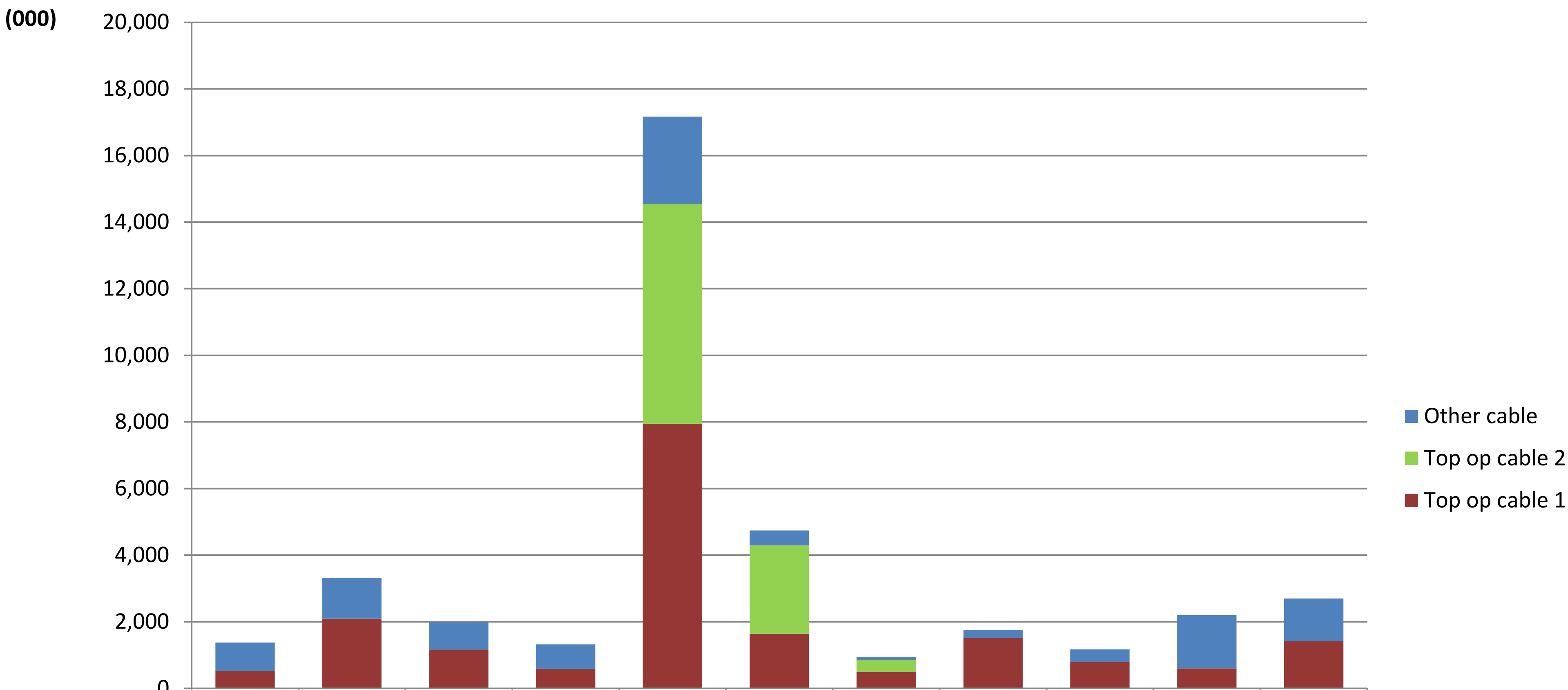


Value of M&A Deals in Western Europe 2013-present

Date*	Market	Buyer	Target	Subs Acquired by Platform Type	Price (Local Currency)	Value per Sub @
Feb-13	U.K.	Liberty Global	Virgin Media	3.8 Mil. TV HHs	£14,000,000,000	$5,702.69
Jul-13	Germany	Telefonica	E-Plus	24 Mil. mobile subs	€ 8,350,000,000	$455.06
Nov-13	Czech Rep. & Slovakia	PPF Group N.V	Telefónica Czech Rep.	0.9 Mil. BB HHs	€ 2,467,000,000	$5,719.22
				156,000 TV HHs	€ 2,467,000,000	$32,368.56
				5.1 Mil. mobile subs '&'	€ 2,467,000,000	$990.10
Dec-13	Hungary	Magyar Telekom	9 small cable networks	33,000 TV subs	€ 2,800,000	$116.28
Dec-13	Sweden	Telia	Zitius	55,000 fiber HHs	KR 473,000,000	$1,644.33
Dec-13	Germany	Vodafone	Kabel Deutschland	8 Mil. TV HHs	€ 7,700,000,000	$1,319.00
Jan-14	Netherlands	KPN ^	Reggefiber	1.5 Mil. fiber HHs	€ 138,500,000	$1,397.46
Feb-14	Netherlands	Liberty Global/UPC Netherlands	Ziggo	2.8 Mil. TV HHs	€ 10,000,000,000	$6,826.02
Feb-14	Czech	Deutsche Telekom	T-Mobile Czech Rep.	5.8 Mil. mobile subs	€ 800,000,000	$471.23
Mar-14	Spain	Vodafone	Ono	0.8 Mil. TV HHs	€ 7,200,000,000	$12,734.90
				1.6 Mil. BB HHs '&'	€ 7,200,000,000	$6,222.99
Apr-14	France	Altice/Numericable	SFR	14.6 Mil. mobile subs '&'	€ 5,700,000,000	$539.13
			SFR	5.2 Mil. BB HHs	€ 5,700,000,000	$1,513.70
May-14	Spain	Telefonica	Canal+	1.6 Mil. TV HHs	€ 725,000,000	$1,113.46
May-14	France	Altice/Numericable	Virgin Mobile	1.7 Mil. mobile subs	€ 325,000,000	$263.07
Jun-14	Macedonia	Telekom Austria	Blizoo	63,000 BB HHs '&'	€ 10,000,000	$215.78
				16,000 TV HHs	€ 10,000,000	$849.64
Jul-14	Norway	TeliaSonera	Tele2 Norway	1.2 Mil. mobile subs	KR 5,300,000,000	$647.63
Jul-14	Italy	Telefonica	Mediaset Premium	2 Mil. video subs	€ 100,000,000	$615.24

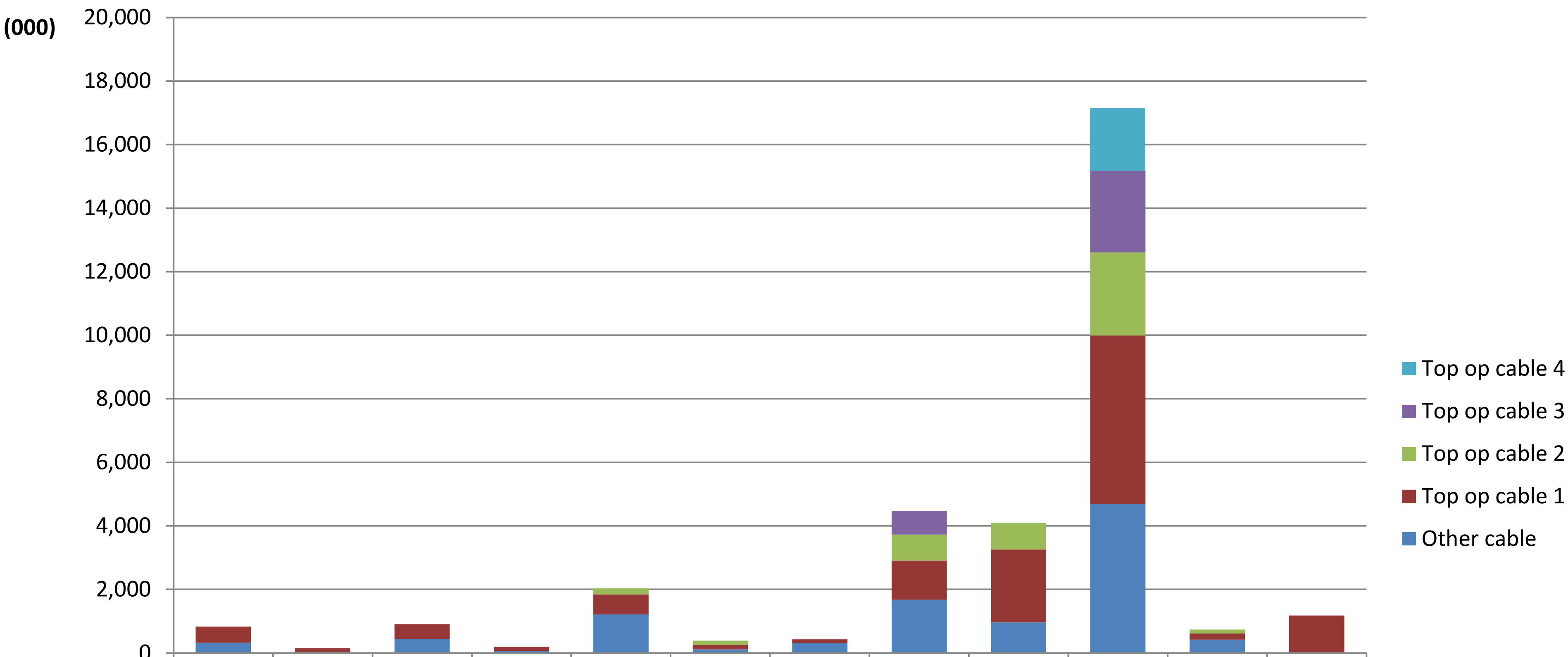
**Date refers normally to month of deal #Average exchange rate for month of deal @ % stake acquired is taken in to account when calculating value per sub & Value per sub is included for other platforms (i.e. mobile and broadband) for illustrative purposes to show the variants in value per sub across platforms or because this is the primary target of the buyer ^ KPN deal is average price of €116 mil.-€161 mil. range for 9% stake of 1.5 million HHs*

Visualizing Potential for Western Europe Cable M&A



	Austria	Belgium	Denmark	Finland	Germany	The Nether-lands	Norway	Portugal	Spain	Sweden	Switzer-land
Other cable	848	1,226	814	728	2,621	449	88	238	380	1600	1276
Top op cable 2					6,601	2,661	365				
Top op cable 1	524	2,093	1,166	591	7,947	1,632	491	1,518	790	597	1416

Visualizing Potential for Eastern Europe Cable M&A



	Bulgaria	Croatia	Czech Rep	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Russia	Slovakia	Turkey
Top op cable 4										1,991		
Top op cable 3								751		2,566		
Top op cable 2					191	134		817	842	2,613	124	
Top op cable 1	507	131	461	129	634	142	120	1,235	2,300	5,300	192	1,182
Other cable	318	19	441	65	1,211	111	308	1,674	958	4,690	421	

Thank you! Questions?

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