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TITLE: Measuring IPTV: The experience of France

Measuring IPTV: the experience of France

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ARCEP has access to two data sets on IPTV

- Through its quarterly and annual collections from electronic communications operators registered with ARCEP.
  - In this context, the collection requires a decision of the College. This decision:
    - establishes the legal framework for the collection;
    - designates interviewed operators;
    - sets objectives;
    - approves the questionnaire and sets the reply deadline for the operators.
  - The regulatory framework does not allow ARCEP to collect the number of accesses to other TV technologies (DTT, satellite, etc. ..) from unregistered operators.
- Through a consumer survey carried out by an external service provider (Médiamétrie-GFK). This study compares the evolution of IPTV with other technologies.

The democratization of IPTV in France was made possible by the apparition of triple play offers

- The first box appeared in France in 2002 and was distributed by the operator Free. This box did not allow to watch IP TV.

- The commercialization of the first triple play box happened at the beginning of 2004. From there, alternative operators started to provide similar offers (and similar boxes).

- Nevertheless, triple play offers could differ greatly depending on the provider in 2004:
  - Free offered an all-inclusive triple play subscription for 29,99€
  - Orange France, the incumbent, sold separately the various services (internet, Voice over IP, IP TV). IP TV was available for 7€ per month.

- Gradually, every internet provider started to offer bundled services at the same price than Free.

Number of subscriptions to an IP TV service: the definition of ARCEP

- *<u>Definition</u>: this indicator includes all the eligible subscriptions to an IPTV service, meaning that subscribers are able to access the service, independently of the number of available channels and of the chosen subscription plan. The indicator takes into account the subscriptions included in "multiple play" offers which allow access to one or several other services in addition to television (internet access, telephony).*

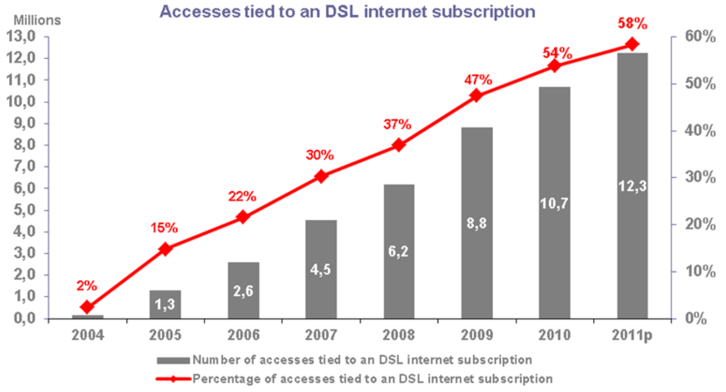
- The indicator includes all the customers:
  - With a subscription (or an option in addition to the subscription) including an IPTV service.
  - Those customers must be eligible, which mean that the length of the line must allow to access the service.
  - However, there is no notion of use of the service in this definition.

- <u>Regarding the publication</u>, the number of subscriptions published by ARCEP does not include solely the IPTV subscriptions. It also takes into account the number of satellite subscriptions that are bundled to a DSL subscription.

- When customers are not eligible to IPTV, some operators offer to provide a television service through satellite without any additional cost.

The data collected by ARCEP are published on a quarterly basis as well as in the definitive annual report.

- The number of accesses tied to an DSL internet subscription reached 12,3 million by the end of 2011. It has increased at a rhythm of 1 to 2 million per year since 2004. In 2011, the number of additional accesses amounted to 1,6 million in comparison with 2010.

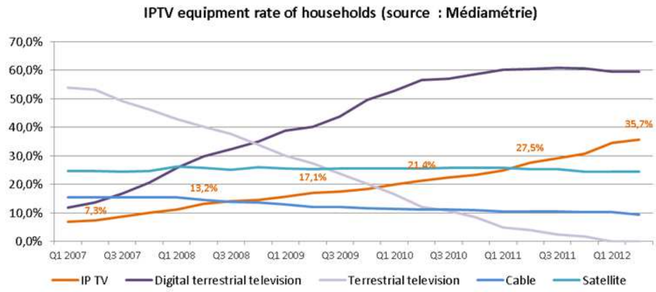


The data from Médiamétrie : methodology and definition

- This study is based on the quarterly polling of a representative sample constituted by 6 000 individuals from 15 years-old and above. Each person of the sample participates quarterly to a face to face interview that focuses on the multimedia equipment of the household.
- The face-to-face interviews take place inside the interviewee's home to allow the in situ observation of the multimedia equipment.
- The simultaneous study of audiovisual, phone and micro computing equipment as well as of internet access allow to get an overview of the multimedia equipment of households and of its evolution.
- The study is focused on metropolitan France. It does not include oversea territories.

Médiamétrie : the IPTV equipment rate has steadily increased since 2007 whereas the TNT equipment rate has stagnated since 2011

- The IPTV equipment rate of households has been increasing since 2007 at a constant pace. 35,7 % of households have access to IPTV in the second quarter of 2012.
- TNT has been gradually replacing analogical television. Henceforth, 60 % of households have access to television through TNT.



European comparisons: the data published by the European Commission

- Every year, the European commission publishes data regarding the penetration rate of IPTV.
- Those data are collected from the national regulatory authorities.
- In order to answer the questionnaire of the European Commission, ARCEP modifies the published data in two ways:
  - Satellite TV subscriptions tied to a DSL internet access are not taken into account;
  - TV subscriptions over optic fiber are included in the indicator.
- The European Commission also publishes a comparison of DSL with other technologies such as cable and satellite.

European Commission data on IP TV

Figure 87: IPTV household penetration, July 2011

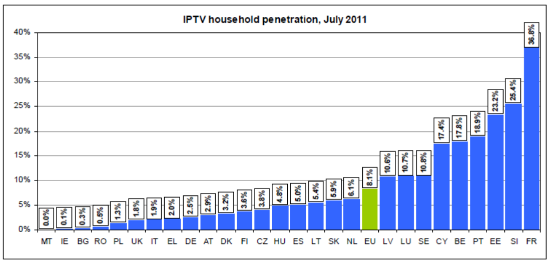
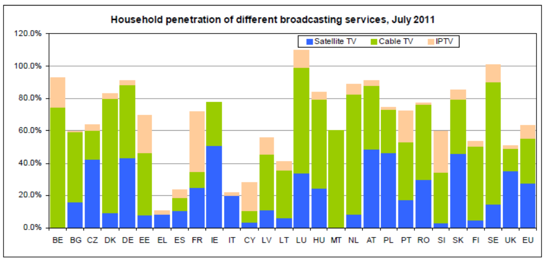


Figure 86: Household penetration of different broadcasting services, July 2011



- The IP TV penetration rate is very high in France.
- The French IP TV equipment rate is superior to the other technologies equipment rates (such as cable and satellite) whereas in the majority of other European countries, cable TV is prevalent.

Thank you