

Annex 5

Updated market share estimates based on customer contract values (accounting for recent contract wins/losses) for the supply of linear playout services in the UK

Company (alphabetical)	Value (£) per annum	In-house and outsourced (share (%))	Outsourced only (share (%))
Arqiva	[5-10]m	[5-10]%	[5-10]%
Encompass	[10-20]m	[5-10]%	[10-20]%
Ericsson	[10-20]m	[5-10]%	[10-20]%
GlobeCast	[5-10]m	[0-5]%	[0-5]%
In-house	[40-50]m	[20-30]%	-
Others	[10-20]m	[5-10]%	[10-20]%
Red Bee Media	[50-60]m	[30-40]%	[40-50]%
WRN	[0-5]m	[0-5]%	[0-5]%
<i>Ericsson and RBM</i>	<i>[60-70]m</i>	<i>[40-50]%</i>	<i>[50-60]%</i>
Total (outsourced)	[100-110]m	-	100%^[1]
Total (all)	[150-160]m	100%^[1]	-

[1] Due to rounding, the percentages in this column add up to 101.1%

Notes:

- (i) The UK linear playout services market has certain characteristics which make the calculation of market shares based on current contracted customer base very difficult, and consequently not a meaningful reflection of current competitive strengths. In particular:
- (a) the scope of services provided varies considerably on a contract-by-contract basis, thus affecting the value of contracts and making it very difficult to draw like-for-like comparisons;
 - (b) the figures may understate the value of the in-house segment, as it is almost impossible to calculate the values which should be ascribed to in-house provision, particularly for those broadcasters which have never sought to outsource this function; and
 - (c) RBM's contract with the BBC **[confidential]**.
- (ii) In addition, there is no clear metric on which to base volume shares as an alternative (number of contracts held is too simplistic, number of channels does not work given the proliferation of small, lower-cost channels, as well as delayed (“+1”) channels and different versions of channels (e.g. SD/HD and different platforms) and regional variations of channels (e.g. S4C). In addition,

audience numbers bear no relation to the services provided). Shares have therefore been calculated by value only.

- (iii) As set out in the Initial Submission (see paragraphs 5.47 to 5.48), the parties believe that an assessment of the market by reference to value market shares (which are skewed by the **[confidential]** contracts awarded many years ago) does not give sufficient weight to recent contract tenders. Shares based on contracts tendered in the last five years are set out again below for ease of reference:

Market shares based on value of contracts tendered 2009-2013^[1]

Company	Value (£)	Share (%)
Arqiva	[5-10]m	[20-30]%
Encompass	[5-10]m	[20-30]%
GlobeCast	[0-5]m	[0-5]%
In-house	[0-5]m	[10-20]%
RBM	[5-10]m	[10-20]%
Technicolor	[0-5]m	[0-5]%
Unknown/ongoing	[0-5]m	[10-20]%
Vision 247	[0-5]m	[0-5]%
WRN	[0-5]m	[5-10]%
TOTAL	[30-40]m	100%

Source: Parties

Notes:

- (i) Technicolor has only secured two contracts since 2009: (i) **[confidential]** and (ii) one channel playout services for Fatstone, a UK-based service for a Norwegian customer. **[confidential]**
- (ii) Arqiva's share and the total figure includes the £[0-5]m attributed to the ESPN contract on the basis that it was tendered during this period.