

PRESS RELEASE

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Netflix heading for 17 mil international subs

Netflix is expected to achieve 17 million paying subscribers to its international operations by the end of 2014, following its announcement of 14.4 million international subs in September. Launches in six European countries during September will help to boost the total.

Netflix paying streaming subscribers by country (000)					
	Start date	Dec-11	Dec-12	Dec-13	Sep-14
USA		20,153	25,471	31,712	36,265
International		1,447	4,892	9,722	14,389
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Canada	Sep-10	1,138	2,050	3,180	3,475
Argentina		57	130	295	480
Brazil		85	275	1,285	2,174
Chile		27	65	150	230
Colombia		45	110	307	535
Mexico		65	227	765	1,200
Other		30	50	140	235
Latin America	Oct-11	309	857	2,942	4,854
Ireland		0	80	150	190
UK		0	1,400	2,250	2,850
UK & Ireland	Jan-12	0	1,480	2,400	3,040
Denmark		0	120	245	420
Finland		0	85	205	400
Norway		0	95	210	380
Sweden		0	205	440	800
Nordics	Oct-12	0	505	1,100	2,000
Netherlands	Sep-13	0	0	100	700
Belgium	Sep-14	0	0	0	30
Luxembourg	Sep-14	0	0	0	10
France	Sep-14	0	0	0	100
Germany	Sep-14	0	0	0	125
Austria	Sep-14	0	0	0	30
Switzerland	Sep-14	0	0	0	25

Source: Digital TV Research estimates from Netflix totals

Simon Murray, Principal Analyst at Digital TV Research, said: “We have made several adjustments to our previous estimates [based on the June results]: subscriber numbers are now a lot higher in Latin America (and a little higher in Canada). Subscriber numbers are now a lot lower in the UK (and a little lower in the Nordic countries).”

He continued: “We underestimated Latin America last time due to the historic payment problems that Netflix encountered (low credit card ownership; little electronic banking; low broadband penetration etc). Netflix has introduced simpler payment methods (such as prepaid cards) which has boosted take up. However, economic slowdown is expected in the region, especially in Argentina and Venezuela, which could hit Netflix take-up.”

These international figures do not include subscribers to the US service who are based abroad (these homes are included in the US figures). It is relatively easy to do this by using unblocker software, VPNs and DNS proxies. This is more common in Latin America and Canada than in Europe. The US service provides more titles and more recent titles.

Netflix has announced plans to launch in Australia and New Zealand next March. However, more than 200,000 Australian homes already subscribe to the US service.

Netflix international subscribers (000)				
	Dec-11	Dec-12	Dec-13	Sep-14
Total	1,858	6,121	10,930	15,843
Paying	1,447	4,892	9,722	14,389
Non-paying	411	1,229	1,208	1,454
Source: Netflix				

How many homes are receiving Netflix for free (usually as part of a trial)? The table above shows the number of non-paying members is as high as it has ever been, but it is not as high as some suggest. We believe that much of the increase in the quarter to September was down to the expansion in six new European markets.

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