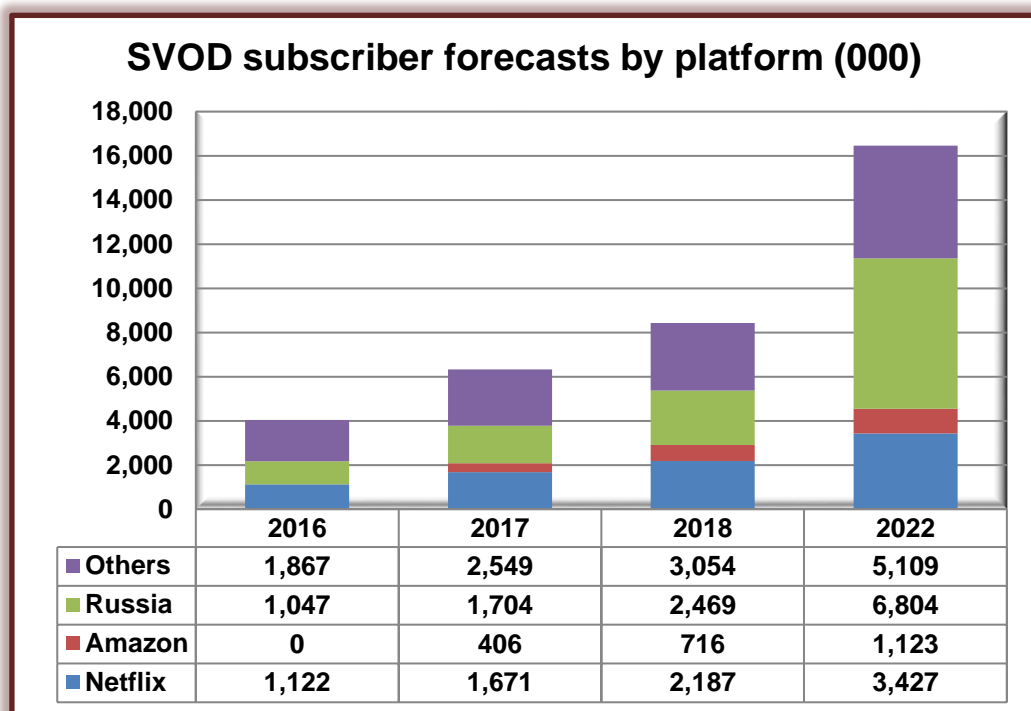


PRESS RELEASE

11th September 2017

Netflix expected to withdraw from Russia

Netflix and Amazon Prime Video will boost the Eastern European SVOD sector considerably. [The Eastern Europe OTT TV & Video Forecasts report](#) estimates that Netflix will have 3.43 million subscribers by 2022, nearly triple its 2016 result. Amazon Prime Video's achievements will be less impressive, but will still have 1.12 million subscribers by 2022.



Source: Digital TV Research

Simon Murray, Principal Analyst at Digital TV Research, said: "These numbers may seem modest, but they will be accomplished without any subscribers in Russia. The Russian regulator has recently introduced a 20% foreign ownership equity limit on OTT platforms [with more than 100,000 subscribers]. We believe that this will force Netflix and Amazon Prime Video to abandon their standalone platforms. This is a major blow to their global ambitions.

"Instead, they are likely to license their original content to a local platform. Amediateka already brands itself "home of HBO", so deals with other platforms are possible. Netflix has already done something similar in China with IQiyi."

Excluding Russia's 6.80 million SVOD subscribers by 2022, Netflix will control 35% of SVOD subscribers in the remaining 21 countries. Amazon Prime Video will contribute a further 12%.

Digital TV Research forecasts 16.5 million SVOD [subscription video on demand] subscribers across 22 Eastern European countries by 2022; quadruple the 4.0 million recorded by end-2016.

SVOD will become the region's largest OTT revenue source in 2017. SVOD revenues will total \$1,300 million by 2022 (57% of total OTT revenues) – up from \$190 million in 2016 (34% of total OTT revenues).

OTT TV episode and movie revenues for 22 Eastern European countries will reach \$2.23 billion in 2022; quadruple the \$552 million recorded in 2016. Russia will account for 46% of the region's OTT revenues by 2022, with Poland generating a further 19%.

For more information [on the Eastern Europe OTT TV & Video Forecasts report](#), please contact: Simon Murray, simon@digitaltvresearch.com, Tel: +44 20 8248 5051