

PRESS RELEASE

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Global pay TV revenues crawl to \$200 billion

Based on forecasts for 80 countries, pay TV revenues will climb to US\$200 billion in 2017, up by US\$23 billion on 2011 but up by only US\$2 billion (1%) on 2016, according to a new report from Digital TV Research. The forecasts are based on subscription and on-demand revenues.

The **Digital TV World Revenue Forecasts** report concludes that DTH (DBS) revenues will overtake cable TV revenues in 2015. DTH revenues will reach US\$91 billion in 2017, up from US\$76 billion in 2011.

Simon Murray, report author, said: “Brazil will add the most DTH revenues [US\$3.86 billion] between 2011 and 2017 – nearly doubling its total in the process. The US will grow by US\$3.1 billion, meaning that Brazil and the US will contribute nearly half of the extra revenues.”

He continued: “However, DTH revenues will decline for 17 countries between 2011 and 2017. Much of this is due to greater competition forcing down ARPUs. Furthermore, low-cost DTH packages are making a significant impact in several countries.”

Cable TV revenues will begin to slide in 2014, with revenues falling by US\$3.2 billion between 2011 and 2017 to US\$85 billion. However, cable operators will gain extra revenues by converting subscribers to bundles.

Digital cable TV revenues will climb from US\$62 billion in 2011 to US\$81 billion in 2017 (up by 32%) – a faster increase than DTH. China will add US\$4.1 billion in digital cable TV revenues over this period, followed by Japan with an extra US\$3.6 billion. Digital cable TV revenues will fall by US\$1.1 billion in the US over the same period. In fact, digital cable TV revenues will drop for 12 countries.

Analog cable TV revenues will decline by US\$23 billion between 2011 and 2017 to only US\$4.1 billion in 2017. India will account for half of the remaining 2017 total.



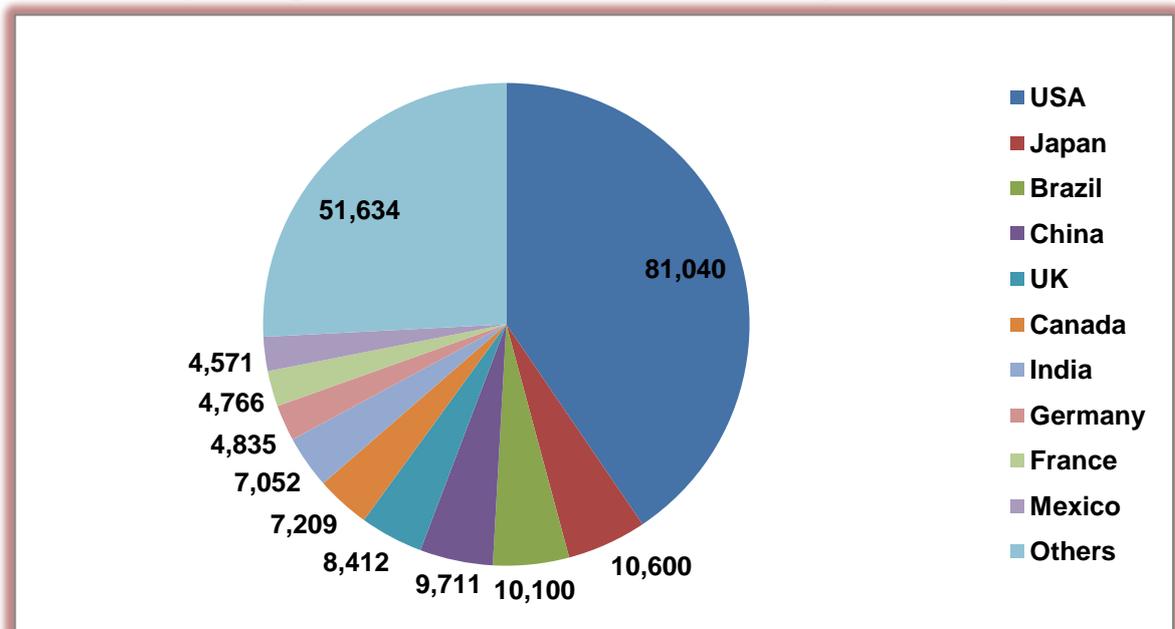
digital TV research

IPTV revenues will climb to US\$21.3 billion in 2017, up from US\$9.7 billion in 2011. The US will remain the largest IPTV revenue earner by taking a third of the 2017 total. Despite being relative newcomers, Fios TV and U-Verse, in particular, have made impressive subscriber gains in the US mainly at the expense of the cable operators, due to aggressive pricing campaigns.

Global pay TV revenues will only grow by 13.5% between 2011 and 2017. Revenues will fall in North America and will only grow by 3.5% in Western Europe. However, Latin America will enjoy a 57.5% increase, followed by Eastern Europe (48.5%) and Asia Pacific (40.1%).

The US will remain the world's largest pay TV revenue earner by some distance. However, its revenues will fall by US\$1.2 billion between 2011 and 2017 as homes convert to bundles and as competition forces down prices. On the other hand, Brazil's revenues will double over the same period (adding US\$4.8 billion), with India (up US\$3.2 billion) also enjoying impressive growth.

Top 10 digital TV revenue countries in 2017 (US\$ million)



Source: Digital TV Research Ltd

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