

PRESS RELEASE

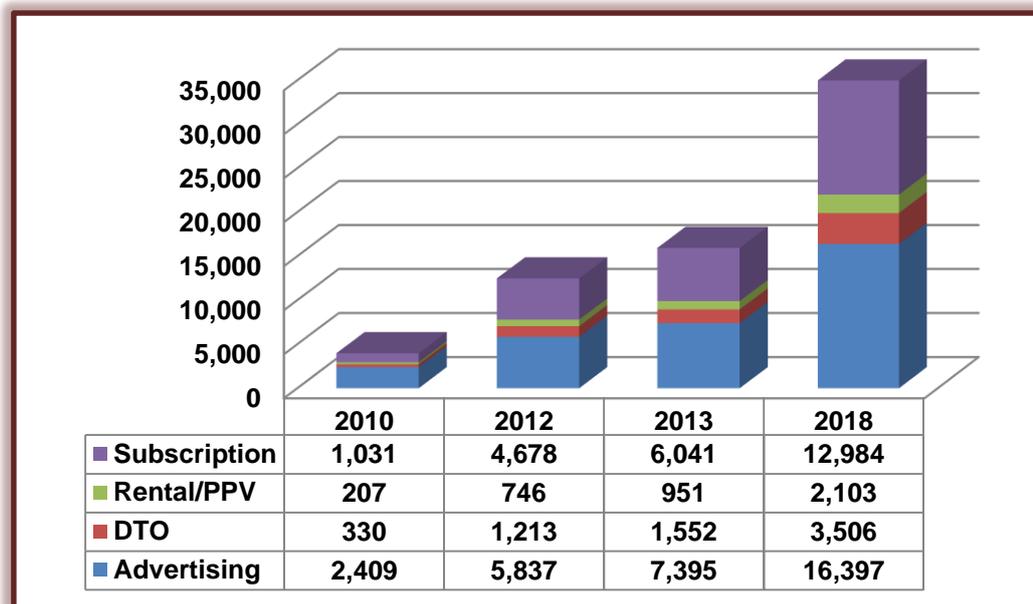
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Online TV & video to generate \$35 billion by 2018

Global online TV and video revenues (over fixed broadband networks) will reach \$34.99 billion in 2018, a massive increase from the \$3.98 billion recorded in 2010 and the \$15.94 billion expected in 2013, according to the **Online TV and Video Forecasts** report from Digital TV Research. By 2018, 520 million homes in 40 countries will watch online television and video (both paid-for and ad-supported), up from 182 million in 2010.

Simon Murray, Principal Analyst at Digital TV Research, said: “The OTT [over-the-top] TV sector is on the brink of a huge take-off as the key players expand internationally, broadband penetration increases, technology advances and as new partnerships are announced on a daily basis.”

Global online TV and video revenues by source (\$ million)



Source: Digital TV Research

Online TV and video advertising has been the key driver for the OTT sector, with revenues of \$7.4 billion expected in 2013, up from \$2.4 billion in 2010. Rapid advertising expenditure growth will continue, to reach a global total of \$16.4 billion in 2018. However, advertising's share of total OTT revenues will fall from 60.6% in 2010 to 46.9% in 2018.

The fastest growing paid-for OTT revenue stream will be subscription services. Although the likes of Netflix and Hulu Plus are already reasonably well established as streaming subscription services in North America, international markets have been relatively untouched - until now.

Online television and video subscription revenues (SVOD) will soar from \$1 billion in 2010 to \$6 billion in 2013 and onto \$13 billion in 2018. The number of homes paying a monthly fee to receive SVOD packages will climb from 21.9 million in 2010 to 67.8 million by end-2013 and onto 160.6 million in 2018.

The move towards subscription services will stifle the pay-per-view or rental market somewhat as they provide similar consumer propositions. However, online TV and video rental/pay-per-view revenues will still expand rapidly, climbing from \$207 million in 2010 to \$2,103 million in 2018.

The fast take-up of subscription services will also adversely affect download-to-own buying patterns. However, DTO revenues are forecast to be \$3,506 million in 2018, up from \$330 million in 2010.

*For more information about the **Online TV & Video Forecasts** report, please contact: Simon Murray, simon@digitaltvresearch.com, Tel: +44 20 8248 5051*