European cable TV bucks recessionary trends

Latest Screen Digest report puts total revenue at €18.8bn for 2008

London, 27July 2009: The latest research from media analyst Screen Digest, carried out in collaboration with trade body Cable Europe, reveals that Europe's cable industry showed strong performance in 2008, experiencing an increase in total revenues of 5.4 percent, considering the challenging economic climate. Total revenue reached €18.8bn in Europe during 2008, of which €17.4bn was generated by European Union countries.

Triple-play pivotal in cable's success

The last few years have seen competition intensifying in the TV market with new IPTV, satellite and DTT services vying with cable. The result has been a slowing of growth in the number of households with cable but an increase in ARPU explained by a higher uptake of triple-play services. Triple-play has had a crucial role in maintaining growth across Europe's cable markets, enabling revenue growth even in markets where the core subscriber base is declining. The average number of services taken by subscriber is 1.29 in Europe overall, 1.40 in the EU and 1.42 in Western Europe. This suggests that cable operators still have ample margin for triple-play growth. At present, triple-play is most popular in the UK and Spain.

Screen Digest believes that digital cable TV will continue to drive revenue over the coming years. The UK remains Europe's largest digital cable TV market with 3.5m digital homes, followed by Germany with 3.3m directly served digital homes and the Netherlands at 2m homes.

Europe’s ARPU leaders

At the end of 2008 ARPU in the European Union stood at €21.54, compared to €20.79 in 2007 and €21.90 in Europe as a whole up from €21.06 in 2007. There remains a contrast between Western and Eastern Europe in terms of revenues and earnings per subscriber, with overall ARPU in Western Europe at €24.05, compared to €14.14 in Eastern Europe.

Major players investing in DOCSIS 3.0

DOCSIS 3.0 will be a key investment for cable companies throughout 2009 and in the coming years, allowing speeds as high as 160Mbits/s. Operators in most Western European markets are investing heavily in the technology and offers of 50Mbps are already available in some markets.

Guy Bisson, Senior Analyst at Screen Digest says “In most countries the position of cable operators within the television market has changed drastically in recent years. Although TV remains core to the cable industry’s business model, investments in triple-play services are allowing cable operators to maintain revenue growth in the face of intense competition and the economic downturn.”

Key European cable statistics:

- At the end of 2008 there were 67.5m unique cable homes in the European Union and 71.6 m in Europe as a whole
- Total digital penetration in the EU stood at 29 per cent, bringing the number of digital cable homes to 18m
- 27 percent of EU cable homes subscribe to cable Internet services
- 21 per cent of EU cable homes subscribe to telephony services from their cable provider
- The UK that has the largest number of cable digital TV, cable Internet and cable telephony subscribers in Europe.

Ends

For more information please contact:

UK Media enquiries: Geraldine Gitel, PR Consultant
Tel: +44 (0) 7917 885380 ggitel@greenfieldscommunications.com
Screen Digest: Fay Hamilton, PR and Promotions Manager
Tel: +44 (0) 20 7424 2847 fay.hamilton@screendigest.com

About this report

The ninth edition of this best selling report is the only study of the European cable industry that is fully endorsed by Cable Europe (previously ECCA) and its members. The report contains a detailed analysis of 26 countries in Western and Eastern European cable markets as well as Israel. All member states of the European Union in which cable is available are covered. For each country coverage includes homes passed, cable TV, telephony, Internet, unique cable homes, digital versus analogue as well as breakouts for cable TV, telephony and Internet revenues. Based information from industry insiders including Cable Europe's membership of leading cable operators and Screen Digest's proven track record in media reporting and analysis, this year's report is an authoritative publication for those wishing to understand the latest state of the cable market. The report contains data that will not be found anywhere else and is presented with Screen Digest's customary reliability and attention to detail.

About Screen Digest

Screen Digest is the pre-eminent firm of industry analysts covering global media markets. Headquartered in London, with offices in New York and Monterey, California, we employ a team of 40 specialist analysts covering film, television, broadband, mobile, cinema, home entertainment and gaming. Our online services and reports provide the information and analysis that hundreds of media companies worldwide base their decisions on. Most recently we have launched Global Media Intelligence (GMI), a new service which provides research and analysis specifically for media-focused institutional investors. www.screendigest.com. To find out more, please contact Screen Digest sales@screendigest.com Tel: +44 (0) 20 7424 2820

About Cable Europe:

Cable Europe is a trade association that groups all leading broadband cable TV operators and their national associations throughout Europe. The aim of Cable Europe's 30 members in 21 countries is to promote and defend the industry's policies and business interests at European and international levels, and to foster cooperation among its members. The European cable TV industry services more than 94 million broadband, TV and telephony subscriptions throughout the EU 27 (approximately 70 million households). www.cable-europe.eu