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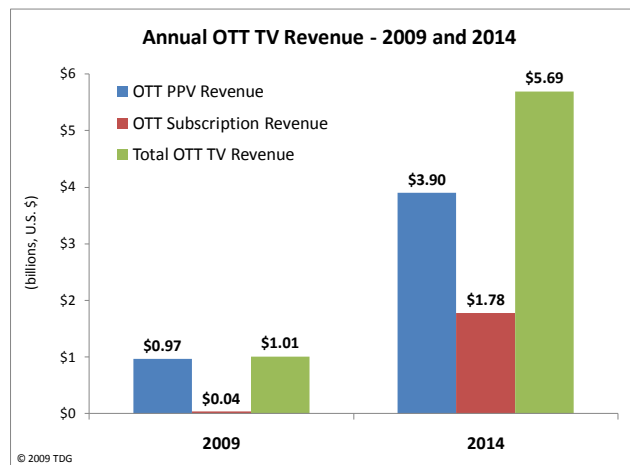
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TDG – Over-the-Top TV Revenue to Top \$5.6 Billion by 2014

Dramatic Growth in Diffusion of Broadband-Enabled TVs Will Drive Use of On-Demand Internet Pay-per-View Services

Dallas, TX (September 14, 2009) – According to a new report from The Diffusion Group, revenue from the delivery of Internet video to the TV will grow nearly six-fold in the next five years, from a meager \$1 billion in 2009 to \$5.7 billion in 2014. These forecasts are part of TDG’s latest digital media analysis, [Broadband Enabled TV: Rise of the OTT Provider](#), authored by TDG senior partner and digital video expert, Colin Dixon.

Dixon posits that in 2009, pay-per-view services will account for 96% of global OTT revenue, leaving subscription revenue with only 4% of the revenue mix. By 2014, however, annual OTT subscription revenue will have grown 50-fold and account for 31% of global revenue.



Dixon points to current hardware trends as fueling this growth, specifically the ongoing shift to broadband-enabled TVs and the rapid diffusion of ancillary web-enabled platforms such as game consoles, Blu-ray players, and hybrid set-top boxes. Widespread penetration of such platforms will set the stage for a rapid uptake of Internet-to-TV video services, both pay-per-view and subscription-based.

As these platforms more widely diffuse and consumers become more comfortable with using Internet-based TV services, the market will be primed for the arrival of full-fledged PayTV replacement services. Subsequently, TDG expects major OTT service announcements in virtually all global regions in 2010 and 2011, both in terms of stand-alone OTT and hybrid PayTV/OTT TV services, both of which will help fuel growth in OTT subscription revenue to \$1.8 billion worldwide by 2014. At that time, North America will account for the vast majority of global OTT subscription revenue (\$830 million) followed by Asia (\$490 million), and Europe (\$407 million). Other global regions will collectively account for only \$60 million of this total.

[Broadband Enabled TV: Rise of the OTT Provider](#) is the first of a two-part report series by Colin Dixon on the emerging opportunities associated with Over-the-Top video services. The initial report analyzes and forecasts global demand for Over-the-Top (OTT) services, and revenue associated with both pay-per-view and subscription video services, as well as the diffusion of broadband-enabled TVs. The second report in the series will provide forecasts for a variety of web-enabled video platforms including game consoles, Blu-ray players, hybrid set-top boxes, Internet extenders, and others.

The report is now available for purchase at www.tdgresearch.com or by contacting TDG directly at 469-287-8050.

About TDG:

TDG is the leading voice in the digital video ecosystem providing market planning and research services to keep our clients In Front of the Curve™. Since 2004, TDG has helped more than 250 technology leaders, media companies, and service providers to master the quantum shifts impacting how consumers access, navigate, distribute, and consume broadband media - whenever and wherever they may be.