

World IPTV statistics Q1 2010

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Introduction

IPTV is still showing strong growth rates. The first quarter of 2010 saw over 2.6 million subscribers added to the total, which is now over 36.3 million subscribers worldwide.

That's around 7.7% of total broadband lines. Discounting cable, which is not generally considered to run IPTV services, around 9.7% of broadband subscribers also have an IPTV subscription.

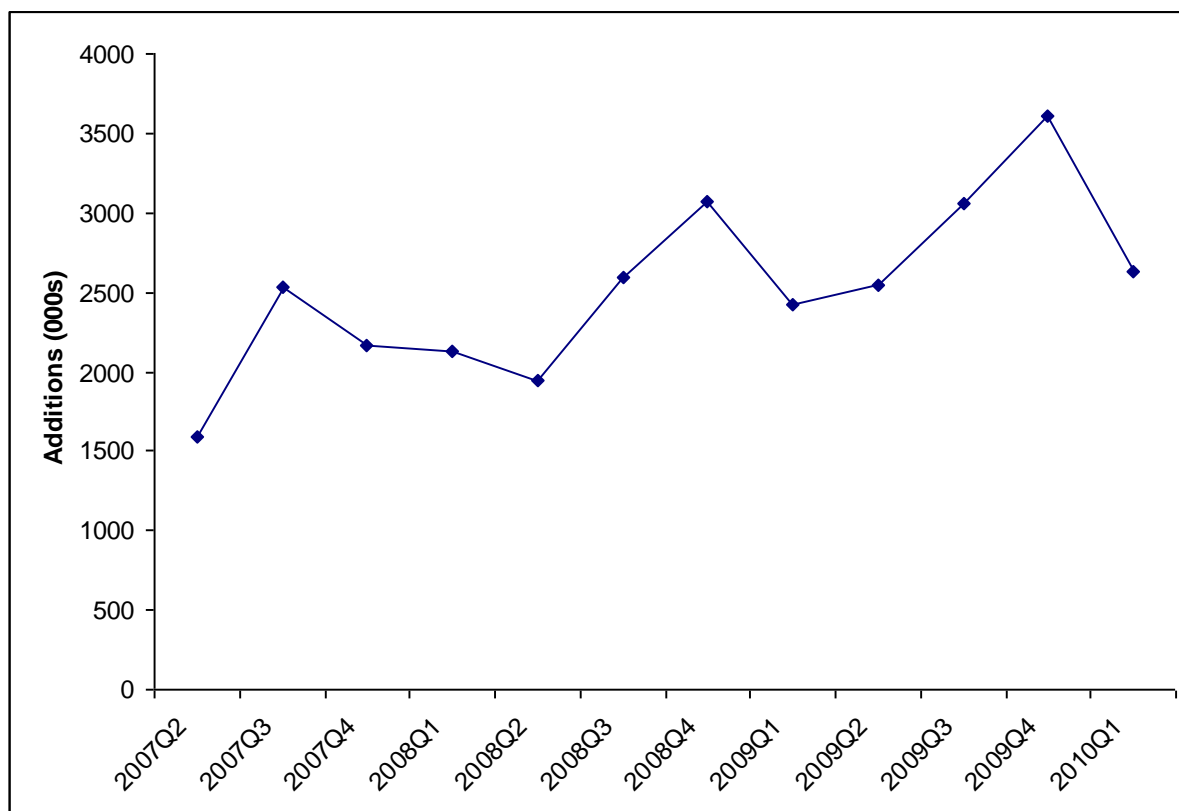
So, although subscribers numbers are not as high as for VoIP, growth remains steady, with significant room for expansion in most markets.

Global and Regional

Figure 1 below shows the upward trend in quarterly segments. This is underlying the quarterly variation, which often sees a relatively weaker performance in the first half of the year.

Total global growth

Figure 1 Net IPTV additions by quarter, (000s)



Regional Growth

Figure 2 – IPTV subscribers by region Q1 2010

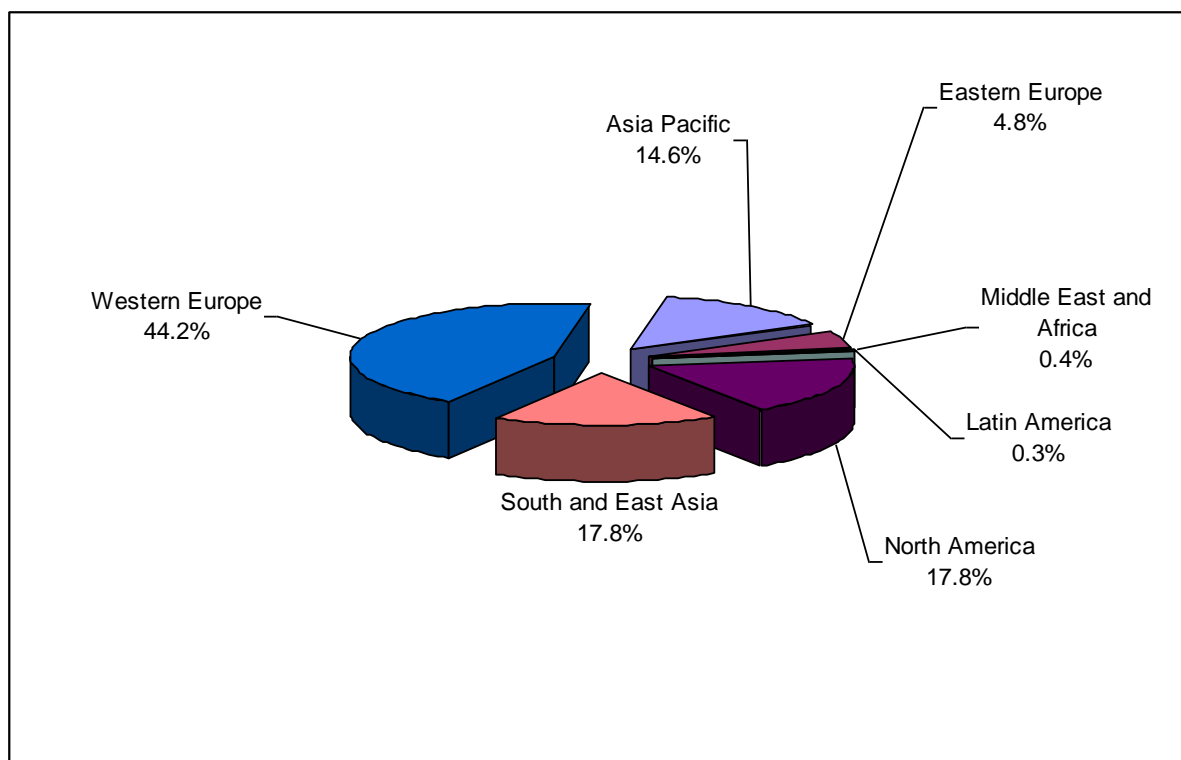


Figure 2 shows how Western Europe remains the most important IPTV region, with over 16 million subscribers by 31 March 2010. Point Topic estimates that over half of these subscribers are in France alone. Here, the disruptive business model of the alternative network operator Free stimulated rival SFR and incumbent France Telecom/Orange to launch similar low cost IPTV bundles that effectively come free with broadband.

South and East Asia includes the large Chinese market, with over 5 million IPTV subscribers estimated by Q1 2010.

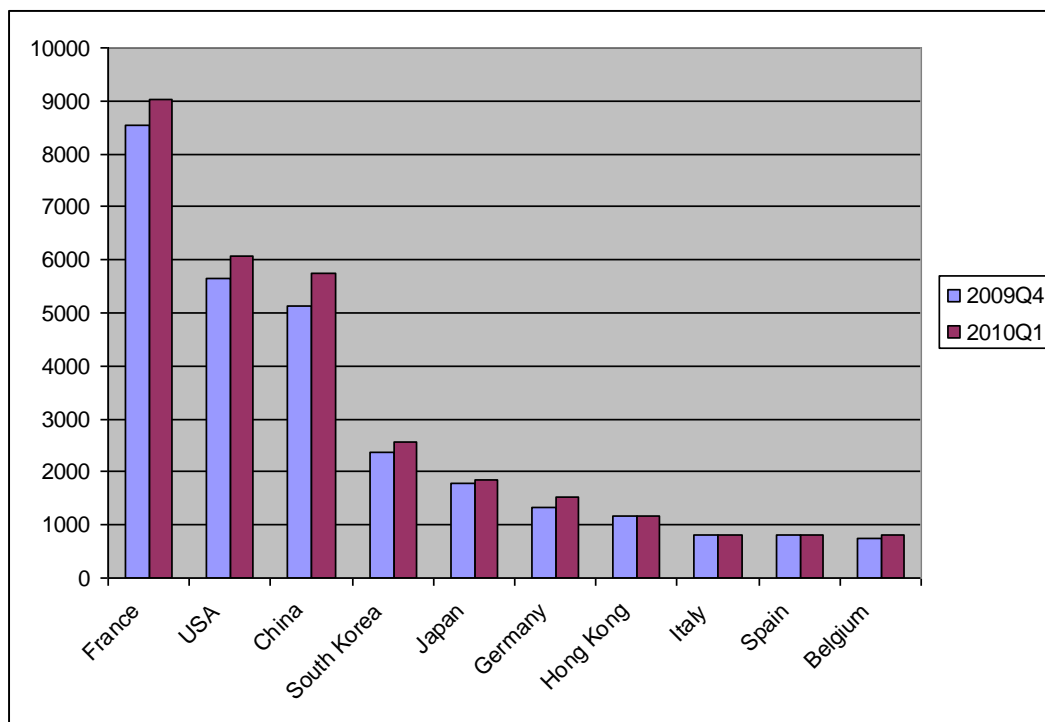
But as Figure 3 shows, the USA remains the second largest IPTV market, with strong performances from both Verizon and AT&T.

Services are also developing in other regions. For example, in Africa Algerie Telecom launched its SAFIR IPTV service in February 2010. And in the Middle East, du in the UAE reported over 74,000 subscribers in Q1 2010.

Top 10 Countries

Figure 3 Top 10 IPTV countries Q1 2010

In terms of additions, China was the strongest performing IPTV market in Q1 2010, with 630,000 IPTV subscriber added. There remains a significant difference between the 'big



3' markets of France, the USA and China, and the rest in terms of quarterly growth rates. This could alter as these markets become more saturated and existing markets accelerate.

Figure 4 Top 10 IPTV markets by additions in Q1 2010, (000s)

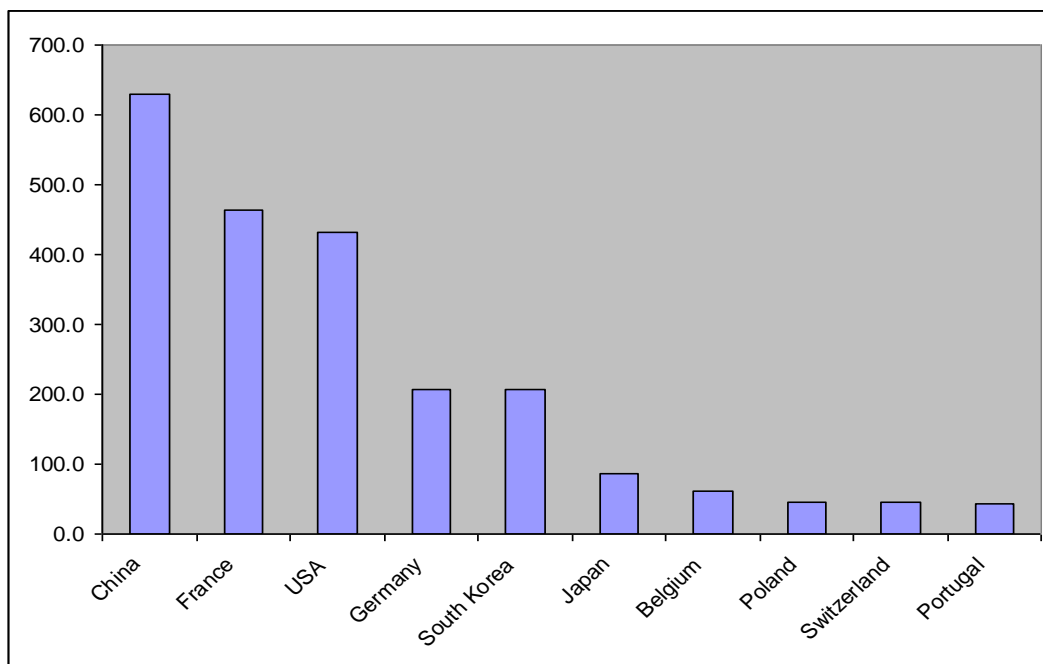
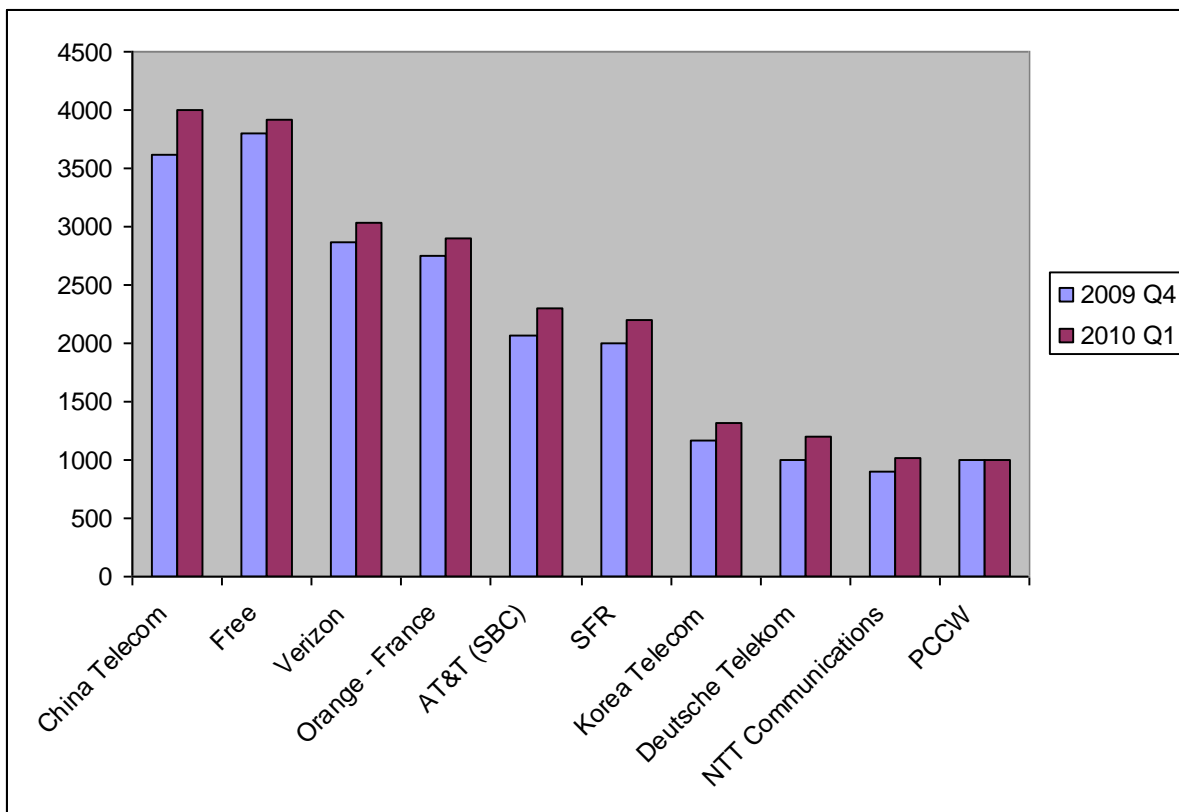


Figure 5 – Top 10 IPTV operators



Again, the 3 major country markets dominate the list of strongest performing operators. PCCW in Hong Kong remains in the top 10, but it has already achieved a high penetration rate, so could expect to be overtaken soon.

Conclusion

IPTV continues to grow, and has significant further room for growth.

PCCW has around 69% of its broadband lines taking IPTV. Belgacom has 44%. Most operators are nowhere near this. So the potential is there. And France shows what is possible in a large market, if the offer and the price is right.

The quarterly effect means the addition in Q1 2010 lower than that in Q4 2009.

Notes on methodology

Subscriber numbers are based wherever possible on published information sources released by operators. Where these are not available, we make estimates based on information from regulators and other agencies.

Point Topic has revised upwards our estimates for IPTV in China, based on a figure of 4.7 million total subscribers at the end of 2009. We have also revised our estimate for French IPTV subscribers upwards, based on better data for subscribers of operator SFR.

Together, this means that we estimate the total for IPTV subscribers in Q3 2009 to be 30.3 million, instead of 29.7 million as we previously published.