

**Western European TV households split by platform (%):** Source: Digital TV Research Ltd

	2010	2011	2012	2013	2014	2015	2016
Digital cable subs	16%	18%	21%	23%	24%	25%	26%
Analog cable subs	13%	10%	8%	6%	5%	3%	1%
Pay IPTV subs	7%	8%	9%	10%	11%	11%	12%
Pay DTH	17%	18%	19%	19%	19%	19%	20%
Digital free DTH	10%	10%	10%	10%	11%	11%	11%
Analog DTH	2%	1%	0%	0%	0%	0%	0%
Analog terrestrial	6%	4%	1%	0%	0%	0%	0%
Primary FTA DTT	27%	29%	30%	31%	31%	31%	31%
Primary pay DTT	5%	5%	6%	6%	6%	6%	6%

Digital TV penetration will reach 99% by 2016, up from 79% in 2010 – or 172 million homes compared with 133 million. However, only 104 million of the 2016 total will pay for digital signals, compared with 73 million in 2010. “The pay TV sector considers every FTA home – DTT or DTH – as a lost subscriber,” explained Murray.

Despite the onslaught from younger, rival digital platforms, cable will maintain subscriber and penetration levels, with 45 million subs and 27% penetration expected by 2016. However, cable TV revenues will drop US\$2 billion between 2011 and 2016, to US\$11.3 billion. Digital cable TV revenues will climb by US\$1.7 billion during this period to US\$10.7 billion, with analog cable TV falling from US\$4.2 billion to US\$0.6 billion.

By 2016, 78% of digital cable subs will take triple-play bundles, with a further 13% paying for dual-play – leaving just 9% as standalone. This compares with 52% standalone, 13% dual-play and 35% triple-play at end-2006. However, triple-play will take only 68% of digital cable TV subscription revenues by 2016.

The number of homes paying for IPTV will increase by 45% between 2011 and 2016 to 19.5 million – or 12% of TV households. IPTV revenues will grow by US\$1.1 billion over the same period to reach US\$4.0 billion.

Pay DTH subscriptions will increase by 11.2% between 2011 and 2016 to 31.9 million – or 20% of TV households. However, revenues will remain flat at US\$19 billion, though it will still be the largest subscription revenue generator by platform. Our forecasts also calculate 17.3 million FTA DTH homes (11% penetration) by 2016, with German-speaking territories contributing 12.3 million of the total.

By end-2011, 46.5 million homes will be primary FTA DTT (watching DTT on their main TV set) – or 29% of the total. Nearly 6 million more homes will be added by end-2016 (31% penetration). Murray advised: “Only Portugal and Ireland are likely to miss the EC’s recommended 2012 analog switch-off deadline.”

“In addition, we forecast 9.7 million pay DTT homes by 2016 (6% penetration), generating revenues of US\$2 billion. With no cable TV and limited IPTV penetration, Italy is the pay DTT protagonist, with 5.3 million subs (21% penetration) creating revenues of US\$1.1 billion in 2016.”