

Entertainment & Media Outlook 2015-2019
A look at Global, Middle East and Africa trends

Beyond Digital



Entertainment & Media (E&M) Outlook Highlights



Global smartphone connections are forecasted to rise from 1.92 bn in 2014 to 3.85 bn in 2019



By 2017, more than half of the world's population will be mobile internet subscribers



Globally, mobile internet advertising is expected to surpass display advertising as early as 2018



Internet and video grows the fastest in advertising spend from 2014-2019, at a CAGR of 12.1% and 10.8% respectively



Total Middle East & Africa E&M spend will increase from \$38.8 mn in 2014 to \$61.1 mn in 2019



Saudi Arabia is expected to have the highest film market revenue growth at a CAGR of 18.5% from 2014-2019, driven by OTT/streaming



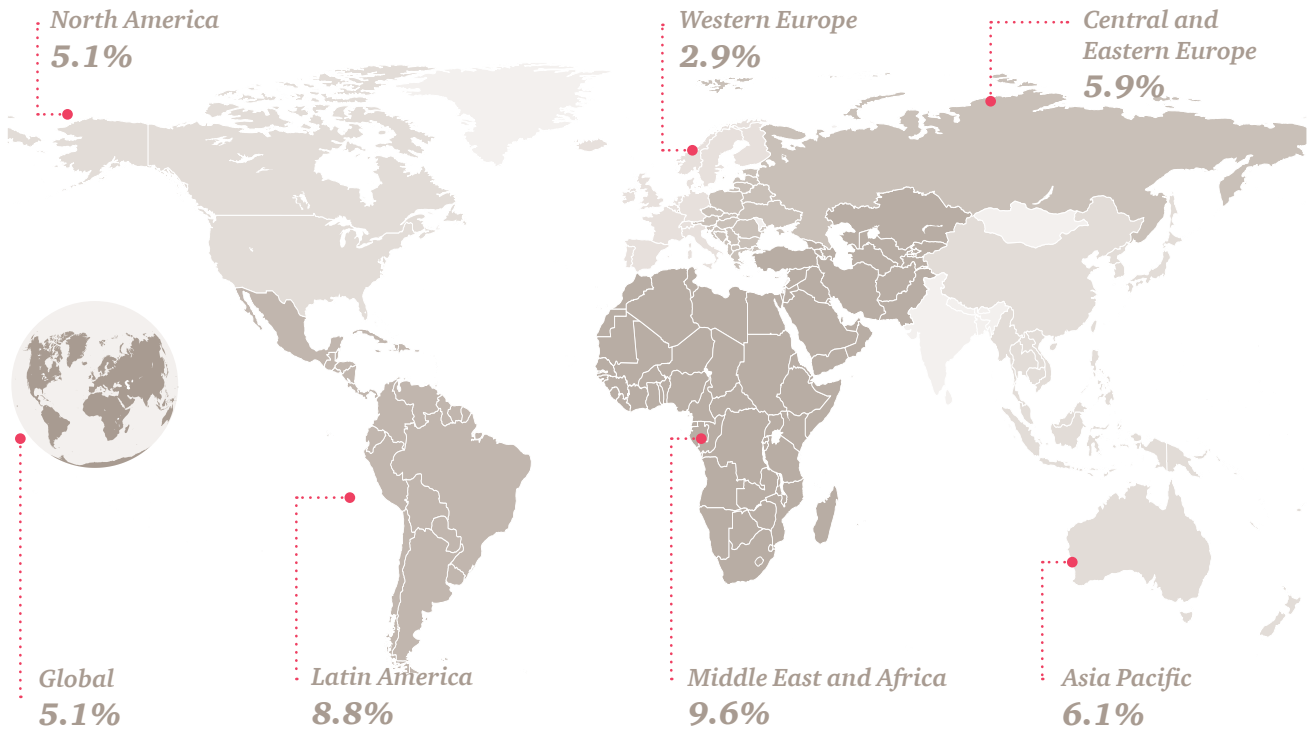
Consumers want flexible, on-demand tv and film viewing across platforms, with OTT/streaming reaching \$19.2 bn globally by 2019



Globally, digital music streaming will overtake digital music downloading by 2017

Global Entertainment & Media trends

E&M Spend 2014 – 2019 CAGR by region (%)



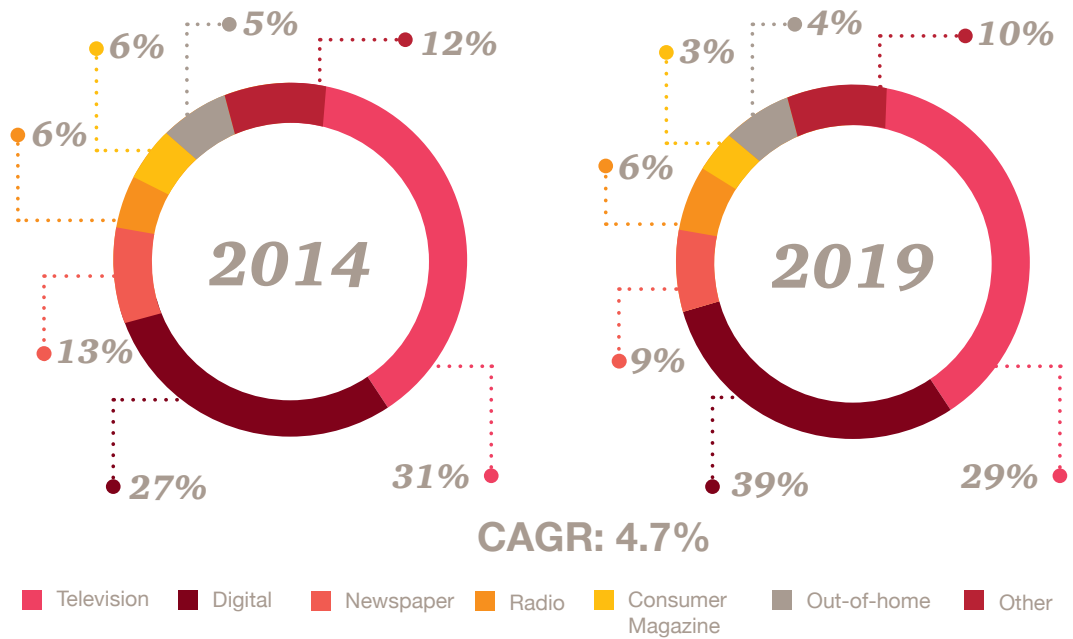
The Rise of Mobile Internet – an opportunity for data driven advertising

The mobile device is now the digital extension of the individual, sitting at the heart of their personal proximity network and constantly monitoring their activities and surroundings

This shift opens up new opportunities for advertisers to target consumers and to anticipate user needs by using data analytics to track consumer preferences. At a base level, this data may provide for advertisers the basis for addressable advertising, whether to sell a product or brand reinforcement.

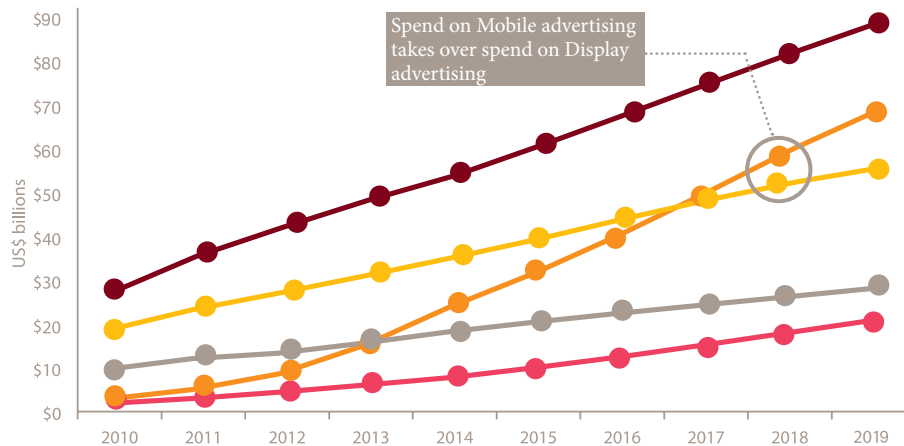
This is especially important for advertisers in areas like MEA, where mobile internet subscribers are expected to grow at a CAGR of 21.9% from 2014 to 2019. Globally, mobile internet advertising spend is forecasted to surpass display by 2018, growing at a CAGR of 23.1%.

Global advertising spend by platform (share of total spend)

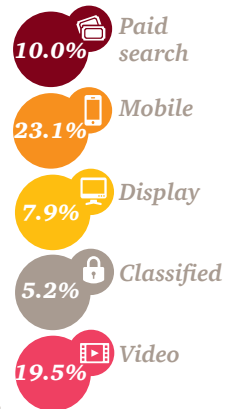


Filmed Entertainment – flexibility in consumption platforms

Global Internet advertising spend by category

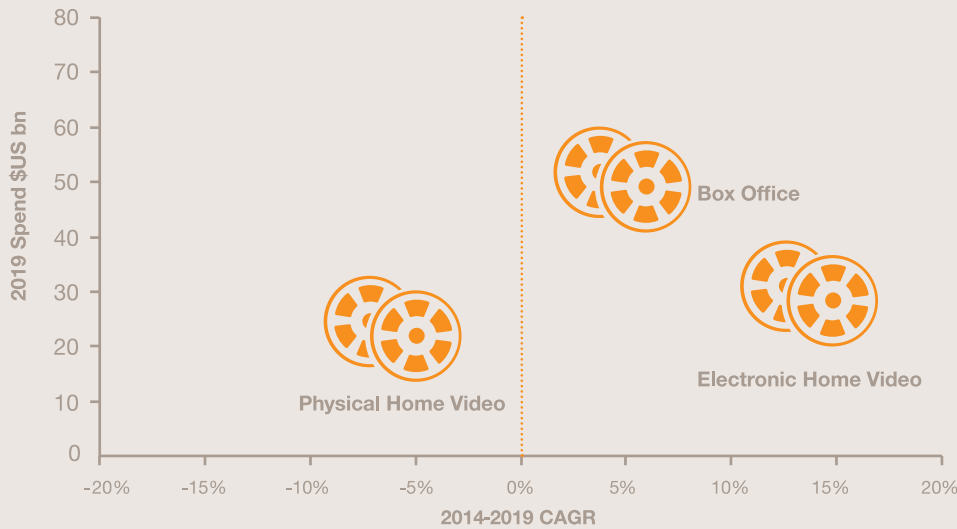


2014 – 2019 CAGR



Filmed Entertainment – flexibility in consumption platforms

Global filmed entertainment spend by segment



Consumer interviews indicate that the average American is less interested in going to cinemas, with 71% of consumers very/somewhat interested in watching newly released movies in their own homes



Global box office spend is expected to reach \$48.4 bn by 2019 and remain the largest filmed entertainment segment



Electronic home video (EHV) continues to be the fastest growing segment for global filmed entertainment spend, at a CAGR of 14.7% from 2014-2019

Key reasons for decreasing US consumer interest in going to the cinemas focus on methods of video consumption, including:

30%

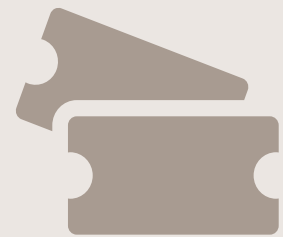
Prefer to watch movies on their own schedule

24%

Can see movies at home (on demand) shortly after they are released in the theatre

13%

Online paid content/series is just as entertaining

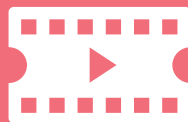


\$141.9mn

The UAE has a relatively large filmed entertainment industry for the region, expected to reach \$141.9 mn by 2019



KSA remains the highest growth country for filmed entertainment spend from 2014-2019, driven by OTT/streaming growth at a CAGR of over 100%



The entrance of new over-the-top (OTT) service providers are creating fragmented, often overlapping content services



\$1.45bn

Filmed entertainment spend in the Middle East/Africa is expected to reach \$1.45 bn by 2019



In the UAE, popular TV and film IPs (Intellectual Properties) are being integrated beyond the big screen into leisure attractions, including several upcoming theme parks

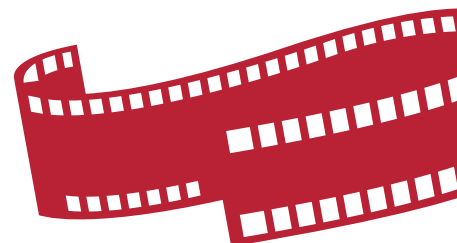
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About the Outlook



*One comparable
online source
of consumer
and advertising
spend*



*5 year historic &
5 year forecast data*



*54 countries
Middle East & Africa region
includes:*

- Saudi Arabia
- United Arab Emirates
- Egypt
- Kenya
- Nigeria
- South Africa
- North Africa
- Rest of Middle East



13 segments

- Internet access spending
- Internet advertising
- TV subscriptions and license fees
- Television advertising
- Filmed entertainment
- Video entertainment
- Music
- Consumer magazine publishing
- Newspaper publishing
- Radio
- Out-of-home advertising
- Consumer and educational book publishing
- Business-to-business

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