

Entertainment & Media Outlook 2014-2018

A look at Global, Middle East and Africa trends

The Digital Mindset



Entertainment & Media (E&M) Outlook Highlights



Internet is driving 27.4% global E&M growth by 2018



China will overtake Japan as the world's second largest E&M market



Digital advertising revenue is outpacing consumer spending revenue



By 2018, Internet Advertising will be poised to overtake TV as the largest advertising segment



KSA is forecasted to be the highest growth video games market at CAGR 23.7%



For Middle East & Africa (MEA) total E&M spend will increase from US\$43.5 bn in 2014 to US\$65.9 bn in 2018



Mobile at 21.5% CAGR will outpace Classifieds to become the third largest revenue stream, after Search and Display, within Internet Advertising

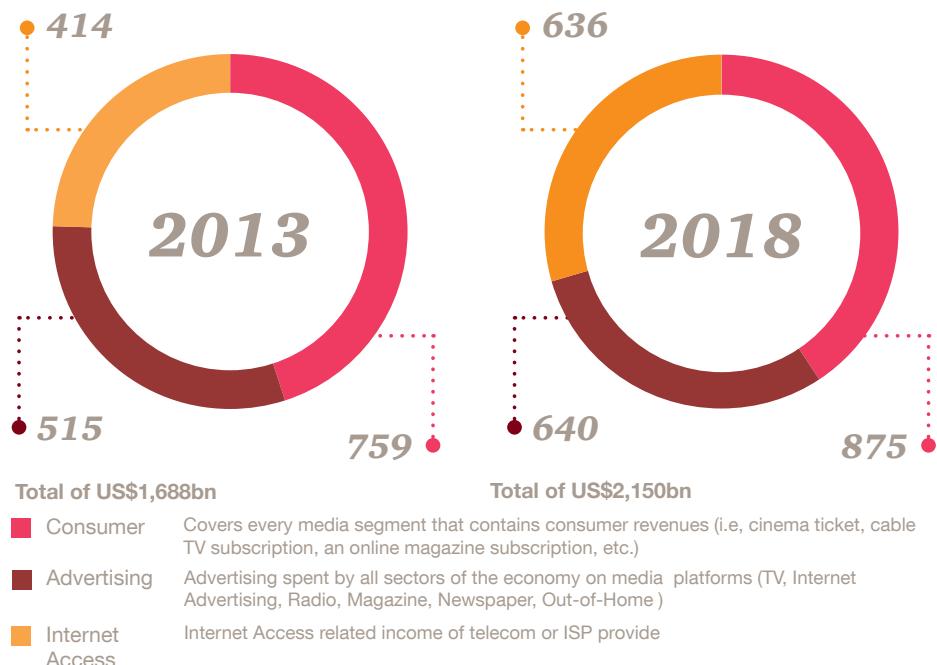


Mobile will generate \$3 out of every \$5 dollars spent on Internet Access in 2018

Global Entertainment & Media trends

By 2018, 52% of global households will have fixed broadband

and 55% of people will have mobile internet access



Traditional TV - not to be daunted by the rise of OTT

Despite the growth of over-the-top (OTT) services, traditional TV remains dominant:

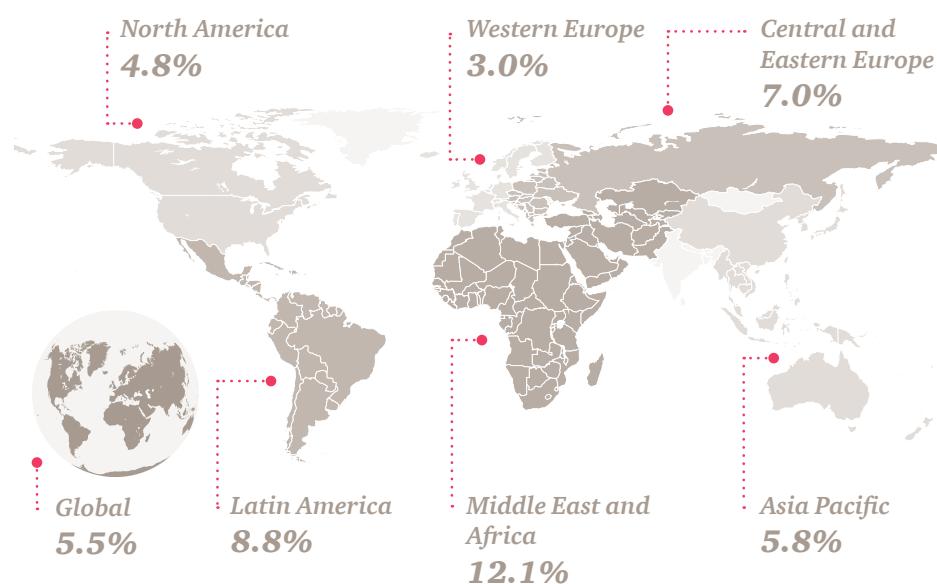
- TV advertising platform forecasted to reach US\$215 bn and TV subscription revenue forecasted to reach US\$236 bn in 2018
- Television and Internet will exceed 50% market share of advertising spent, growing at the expense of Print

MEA region is dominated by pan regional free to air satellite services. With increasing TV penetration and growing maturity, the TV advertising market has seen double digit growth despite the economic and political turbulence. We forecast MEA to be the fastest-growing region globally with 12.1% CAGR for TV advertising. TV subscription is expected to grow at 7.3%, with KSA's forecasted CAGR of 16%.

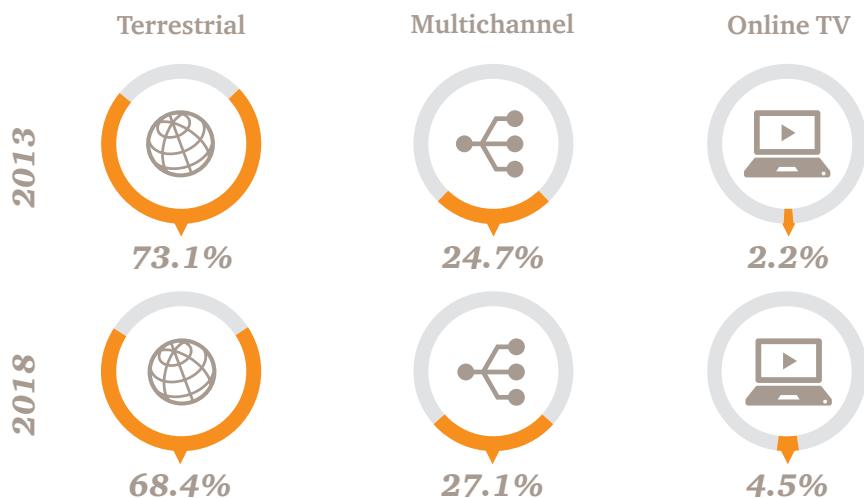
TV On Demand (TVOD) in the MEA is expected to increase to US\$132 mn, up from virtually nothing.

Failure to embrace new audience measurement metrics will see TV lose advertising revenue to other digital media players (smartphones, tablets and PCs)

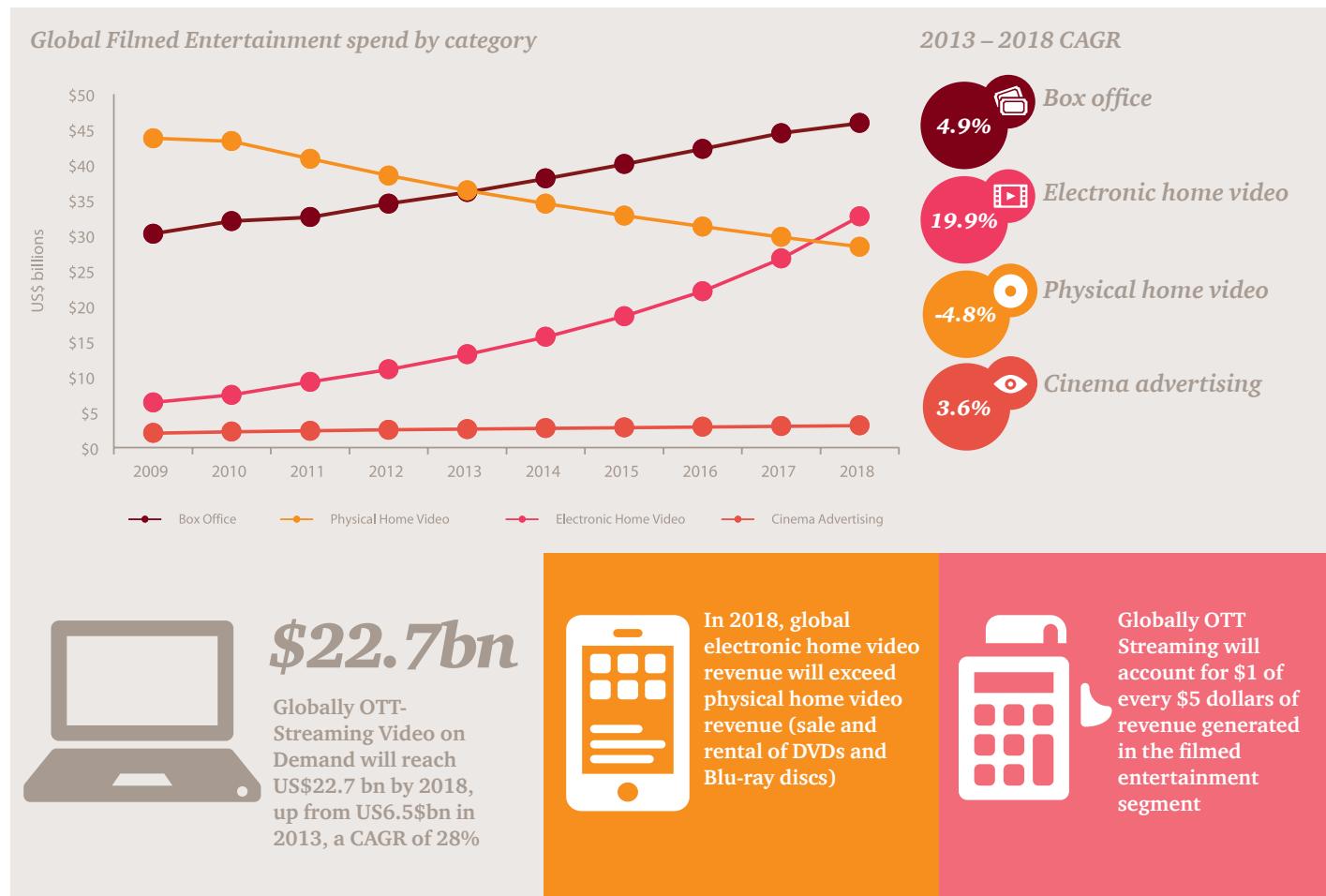
TV advertising revenue, CAGR by region (%), 2013 – 2018



Global TV advertising revenue market share (%) by category, 2013-2018



Filmed Entertainment - China driving global growth



\$22.7bn

Globally OTT-Streaming Video on Demand will reach US\$22.7 bn by 2018, up from US\$6.5\$bn in 2013, a CAGR of 28%



In 2018, global electronic home video revenue will exceed physical home video revenue (sale and rental of DVDs and Blu-ray discs)



Globally OTT Streaming will account for \$1 of every \$5 dollars of revenue generated in the filmed entertainment segment



Filmed Entertainment revenue will surpass US\$100 bn by 2018 as emerging markets drive growth. China is expected to become the 3rd largest global market for filmed entertainment in 2018 (behind US and UK, and overtaking Japan)

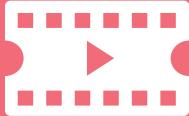


\$5.9bn

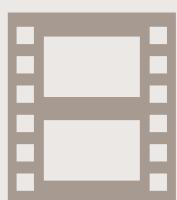
China's box office resilience underscores the continuing popularity of the cinematic experience hence, we forecast it to rise from US\$3.1 bn in 2013 to US\$5.9 bn in 2018



KSA is the highest growth country for filmed entertainment at 36% CAGR driven by home video



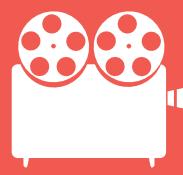
As new platforms grow in popularity, traditional distribution of video content and release windows will continue to contract and evolve



7.2%

MEA CAGR forecast for Filmed Entertainment

Egypt has been the traditional leader of Arabic films...



...UAE has played an active role in recent years, with the government fostering investments in the infrastructure, and providing assistance for film and TV production to nurture a local media industry

Your Entertainment & Media experts



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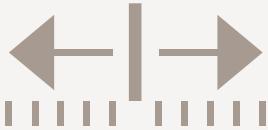
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Digital success is not about technology. It's about applying a 'digital mindset' to build the right behaviours to be ever closer to the customer

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