



TV competing in the land of giants

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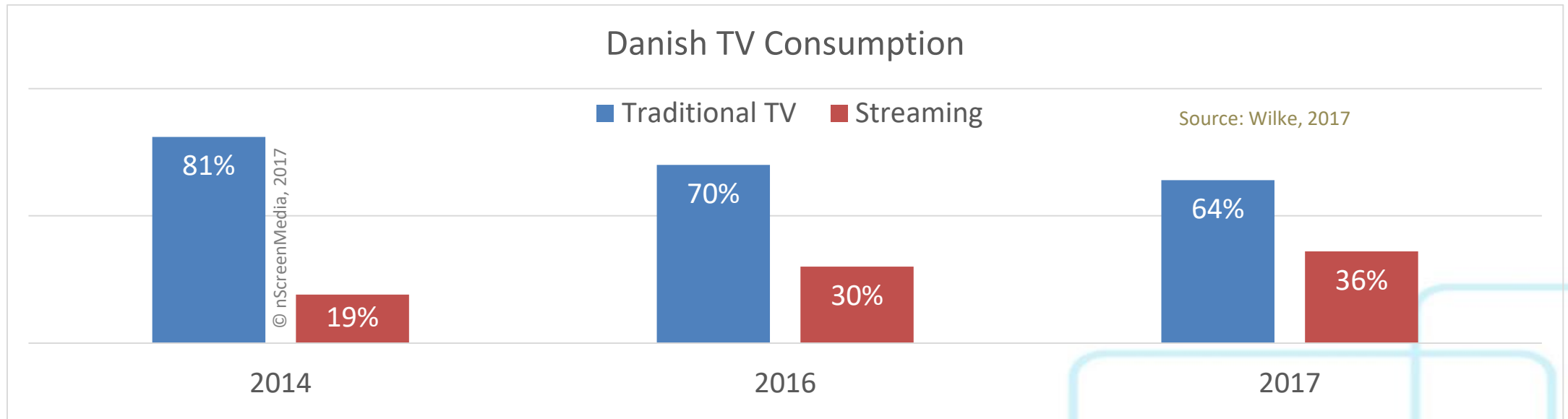
John Martin, CEO, Turner Networks CES 2018



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“My fear...is that by the time the industry gets to full addressability everybody is going to be watching on Hulu and Netflix.”

Live viewing is declining in Denmark



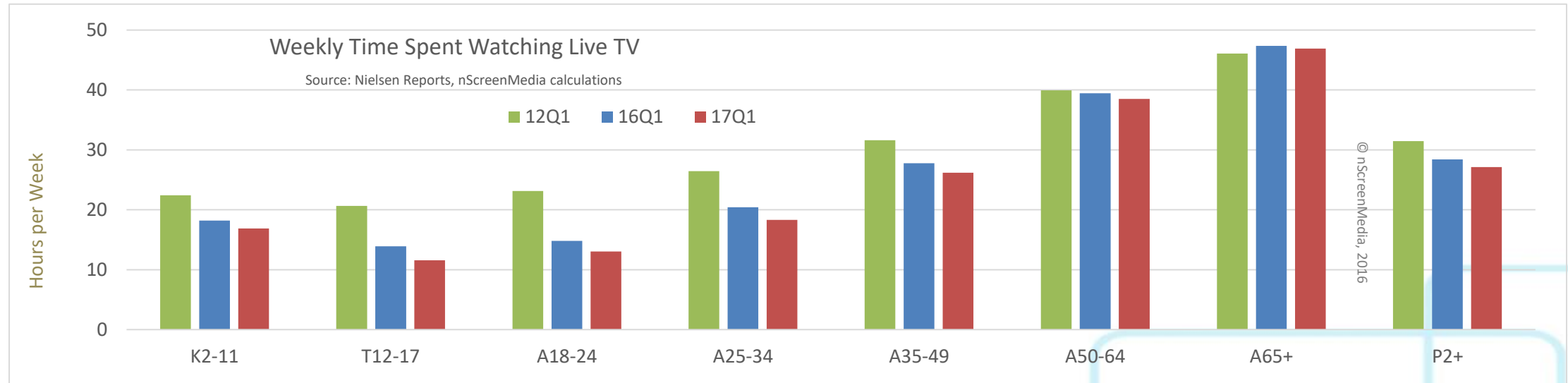
Flow TV consumption fallen consistently over last 4 years

- 81% of total TV viewing time in 2014
- 64% in 2017
- Down 17%

Online streaming grown strongly over the same period

- 19% of total TV viewing time in 2014
- 36% in 2017
- Up 17%

Live viewing is declining in the U.S.



Average adult in the US watches about 31 hours 27 minutes of TV per week

- About 4 hrs. 30 mins per day
- 5% year-over-year decline
- Down 14% from 2012

In the young decline much more rapid

- 18-24 down 12%YoY, 44% down since 2012
- 12-17 down 44% since 2012
- 50-63 down 4% since 2012

Agenda

HBO

MGM

Disney

Amazon



HBO Now driving growth

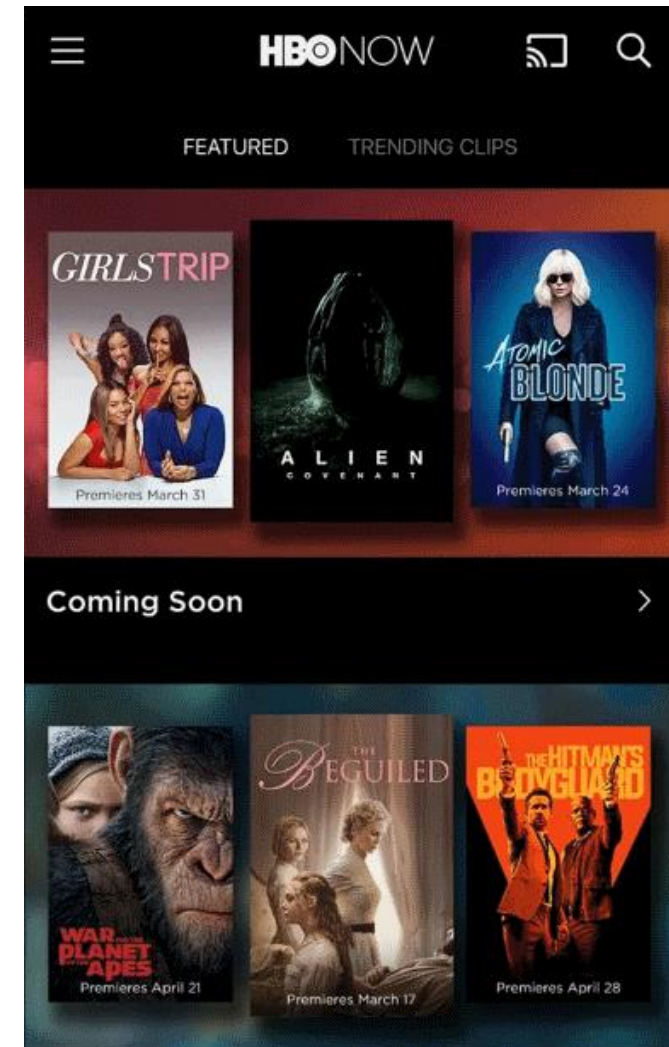
HBO Now launched in the U.S. April 2015

- A risky strategy at the time
- Took two years to amass 2 million subs
- Gained 3 million more Feb-Dec 2017

Overall HBO subs grew

- HBO increased total subscribers 5 million in 2017
- 70% from new online customers
- Driven by 1.8 million increase in broadband-only homes
 - **6 million altogether**

HBO Now subs are worth more



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MGM gets personal

MGM one of Hollywood's oldest studios

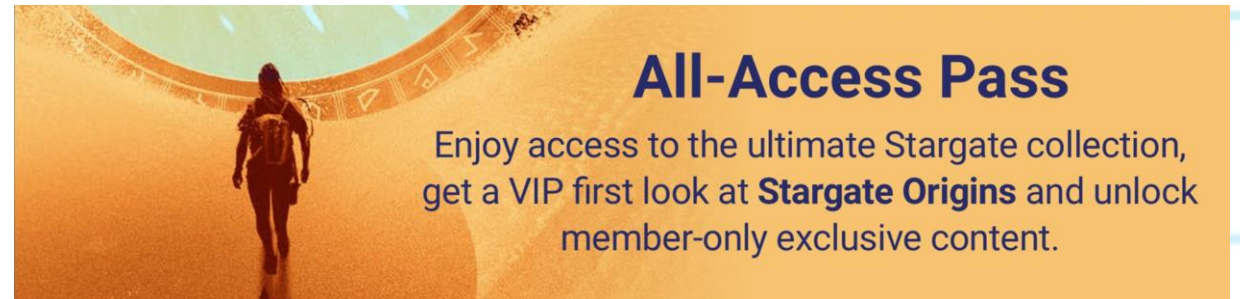
- James Bond, Stargate, Gone With the Wind
- TV brands including Shark Tank, The Voice, Stargate
- Works through distributors

Continues to work with distributors online

- Produced *Handmaids Tale* for Hulu

Now going direct

- Using digital to revitalize old brands
- Stargate Command
 - **Including new live action series**
- “New story-tellers to reimagine the brands and reinvigorate them for an entirely new audience”
 - **Sam Toles, Head of Digital, MGM**



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Disney finally moving online

Disney has stood behind pay TV in the U.S.

- Only online delivery only with TV Everywhere
- Experimenting in UK with Disney Life

Changed in April

- Launched ESPN Plus
- Minor sports for \$2.99 a month
 - **Subscribe to seasons of baseball, soccer etc.**

Disney branded service in 2019

- After agreement with Netflix expires
- Buying 21st Century Fox to bolster library

Looks a lot like Netflix

- Name brand service, content
- Probably ad-free
- BAMTech
- Below Netflix price



“Over time, our intention would be for that app to be the app that people experience ESPN on.”
Bob Iger, CEO Disney

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Amazon leaving no business model untapped

Amazon has been focused on ad-free SVOD

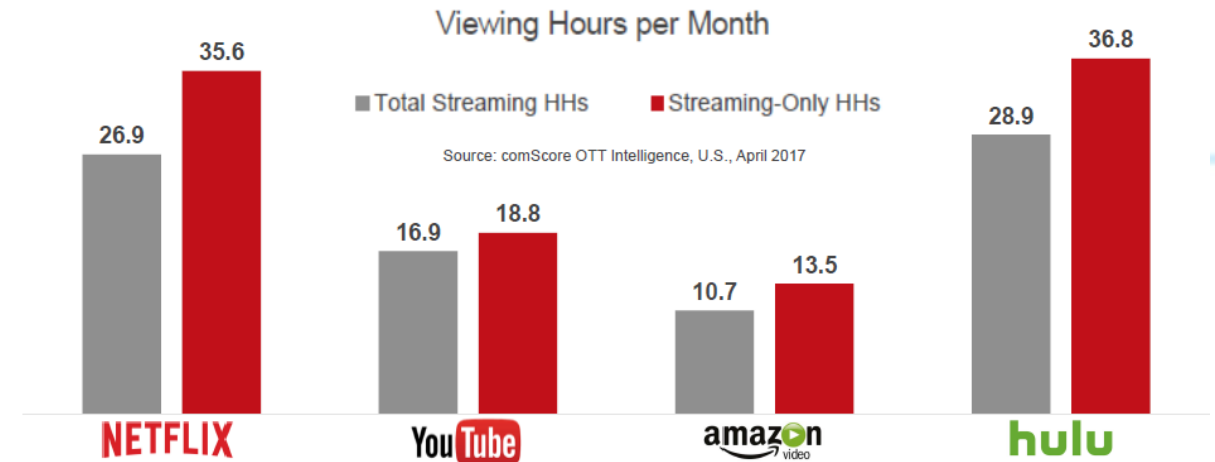
- 100+ services in the U.S.
- Launched subscription linear TV in UK, Germany 2017
 - **Eurosport, Discovery**
 - **Part of Amazon Channels program**

Rich Au, Head of Channels, says will launch ad-supported services in US

- Separate to the Channels program
- vMVPD? Maybe not.
 - **4-in-5 consumers want a la carte**
- Expect Discovery, CBS to be part of solution

Amazon could use free linear content

- To boost weak engagement



Competing in the land of the giants



About nScreenMedia

nScreenMedia is a resource to the Digital Media Industry as it transitions to the new infrastructure for multi-screen delivery. Through a mix of informed opinion, news, information and research nScreenMedia helps you make sense of multi-screen media.

www.nscreenmedia.com

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