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Cable Modem Service, Digital Cable TV Critical To Cable Industry Growth

SCOTTSDALE, Ariz., November 2, 2005 With the number of analog cable TV subscriber households either flat or declining in many developed countries, the cable TV industry's future depends more and more on cable modem service and digital video services, reports In-Stat (<http://www.in-stat.com>). The high-tech market research firm states that there are currently 44 million digital cable TV households around the world, and it further projects that the total number of worldwide digital cable TV subscribers will rise to over 108 million by the end of 2009. At the same time, In-Stat notes that worldwide cable modem subscribers are projected to reach 50 million at the end of 2005, and rise to 99 million by 2009.

"As key parts of a cable operator's "triple play" service bundle, cable modem and digital cable video subscriber growth patterns receive a great deal of attention from the cable industry," says Mike Paxton, In-Stat analyst. "In most regions of the world, the near-term growth trends for both services remain positive, although alternative video and high-speed data service bundles will pose a serious challenge to the cable industry in the years to come."

A recent report by In-Stat found the following:

- There are currently 347 million worldwide cable TV subscriber households. Three countries, China, India, and the United States, account for 60% of worldwide cable TV households.
- Growth in US cable TV subscriber households will be modest over the next few years. US cable TV subscriber households are projected to rise from 69 million at the end of 2005 to 72 million in 2009. However, cable TV subscriber growth is projected to be significant in both China and in the Asia-Pacific region.
- North America accounts for 55% of all worldwide cable modem subscribers. The Asia-Pacific region is the next largest region with 24% of worldwide cable modem subscribers.
- Cable modem services are becoming a "cash cow" for cable TV operators. Worldwide revenues grew to \$19 billion in revenues in 2004, and are projected to reach \$22 billion this year.