

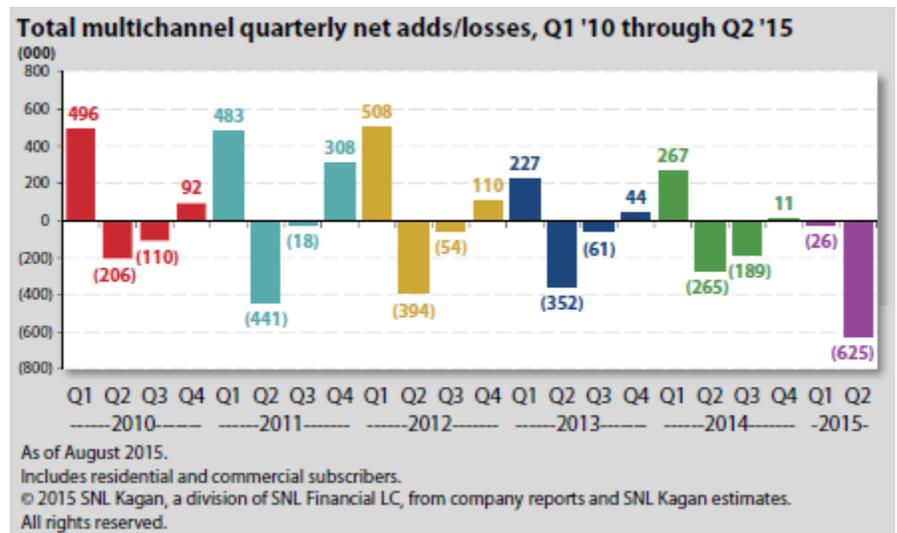
FOR IMMEDIATE RELEASE

SNL Kagan Releases 2nd-Quarter U.S. Multichannel Subscriber Report *Big Drop Elevates Specter of Cord Cutting*

Monterey, CA (August 13, 2015) – According to the most recent report from SNL Kagan, the inconclusive movement in U.S. multichannel subscriptions took a more decisive direction in the second quarter, producing the largest loss to date amid growing fears of cord cutting.

SNL Kagan estimates the U.S. cable, DBS and telco platforms collectively shed more than 600,000 video subscribers in the three months ended June 30, falling to 100.4 million combined residential and commercial subs at mid-year. The slide, which follows an uncharacteristically weak first quarter, points toward the likelihood of a much larger decline for full-year 2015 than the industry produced between 2010 and 2014, during what could essentially be seen as a period of general malaise.

The second-quarter crater was the product of a dramatic softening in the telco video sector, combined with an accelerated drop in DBS subscribers along with cable’s persistent decline. While cable sub losses slowed, they remain by far the greatest source of downward pressure on multichannel subscriptions. Speculation swirls around the decline in DISH Network subscribers coinciding with the promotion of the provider’s alternative Sling TV OTT offering, but the estimated loss from DISH was compounded by a decline at DIRECTV to drive the satellite total lower.



Additional highlights from SNL Kagan’s 2nd-Quarter U.S. Multichannel Subscriber report:

- Cable’s basic-subscriber losses, at 350,000, came in at their lowest level since 2008, when the segment shed 211,000 basic video customers in the seasonally weak period. For perspective, from 2009 through 2014, second-quarter net losses averaged 609,000.
- The telcos increasingly appear to be trading subscriber gains for improved financials. AT&T’s U-verse has aligned its strategy with DIRECTV’s focus on profitability. As a result of the belt tightening, the combined multichannel video subscribers served by FiOS and U-verse were flat at 11.7 million at the end of the second quarter, behind net adds of just 4,000.
- The DBS segment lost an estimated 304,000 subscribers, as DIRECTV and DISH Network both reported record declines. The DBS segment retreated to just under 34 million subs. (The DBS figure has moved from a reported total to an SNL Kagan estimate as DISH changed its financial reporting.)

About SNL Kagan

SNL Kagan, a division of SNL Financial LC, is a comprehensive resource for financial intelligence in the media and communications sector, including the broadcasting, cable, entertainment, motion picture, telecom, wireless, satellite, publishing and new-media industries. The SNL Kagan suite of products integrates breaking news, comprehensive data and expert analysis into an electronic database available online and updated around the clock. For more information, visit www.snlkagan.com.

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