

ADVERTISEMENT CAKE 2014

Advertising Revenue Survey of the
Hungarian Television Market
2014

19 February 2015



EY

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working world

 **MEME**

ADVERTISEMENT CAKE 2014

- ▶ Methodology follows the practice of recent years.
- ▶ The data used to determine the size of the advertising market was provided directly by television companies and sales houses – most of them members of the Association of the Hungarian Electronic Broadcasters (hereinafter referred to as MEME).
- ▶ 51 television channels provided data.
- ▶ Data collection and analysis was performed by EY.
- ▶ All collected data have been destroyed after the analysis.

List of data providers: 51 channels

- ▶ ATV
- ▶ AXN
- ▶ Cartoon Network
- ▶ CBS Reality
- ▶ Comedy Central
- ▶ Cool
- ▶ Discovery Channel
- ▶ Disney Channel
- ▶ Duna TV
- ▶ Duna World
- ▶ FEM3
- ▶ Film Café
- ▶ Film Mánia
- ▶ Film+
- ▶ Film+2
- ▶ Fishing and Hunting**
- ▶ FOX
- ▶ LifeNetwork
- ▶ M1
- ▶ M2
- ▶ M3
- ▶ Minimax
- ▶ MTV
- ▶ Musicmix*
- ▶ Music Channel
- ▶ Muzsika
- ▶ Nat Geo Wild
- ▶ National Geographic
- ▶ Nickelodeon
- ▶ OzoneNetwork
- ▶ Paramount
- ▶ PRO4
- ▶ PV TV**
- ▶ RTL II
- ▶ RTL Klub
- ▶ RTL + / Prizma
- ▶ Sláger TV
- ▶ Sorozat+
- ▶ Spektrum
- ▶ Spektrum Home
- ▶ Sport 1
- ▶ Sport 2
- ▶ Story 4
- ▶ Story 5
- ▶ SUPERTV2
- ▶ TV Paprika
- ▶ Tv2
- ▶ Universal Channel
- ▶ Viasat 3
- ▶ Viasat 6
- ▶ Viva

* No advertising sales from June 2014

** PVTV + F&H are together from 15th May 2014

Net-net revenue was used for our analysis

- ▶ Net-net revenue, i.e. revenue after deducting discounts and agency commissions, was used.
- ▶ No barter revenue was included.
- ▶ No other revenue data were included (e.g. premium rate calls or text message charges, revenues from events or merchandise).
- ▶ Sponsorship contained revenue from product placement but in the case of sponsored programs it did not contain production costs.
- ▶ All data are presented in million HUF.

A 50 billion adcake in year 2014

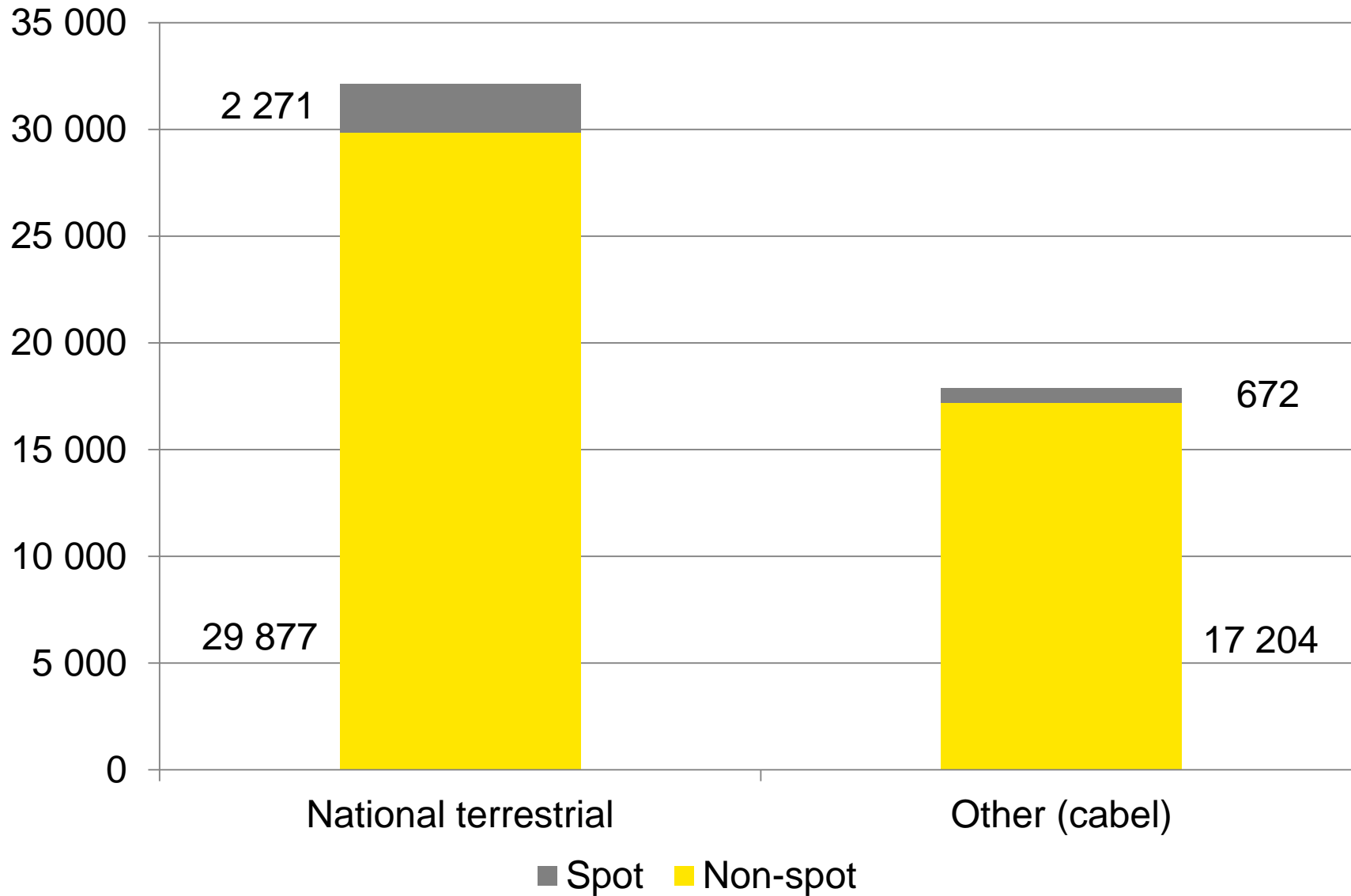
- ▶ Based on the calculation of EY, the total revenue of the television advertising market in 2014 is:

50 024
MILLION HUF

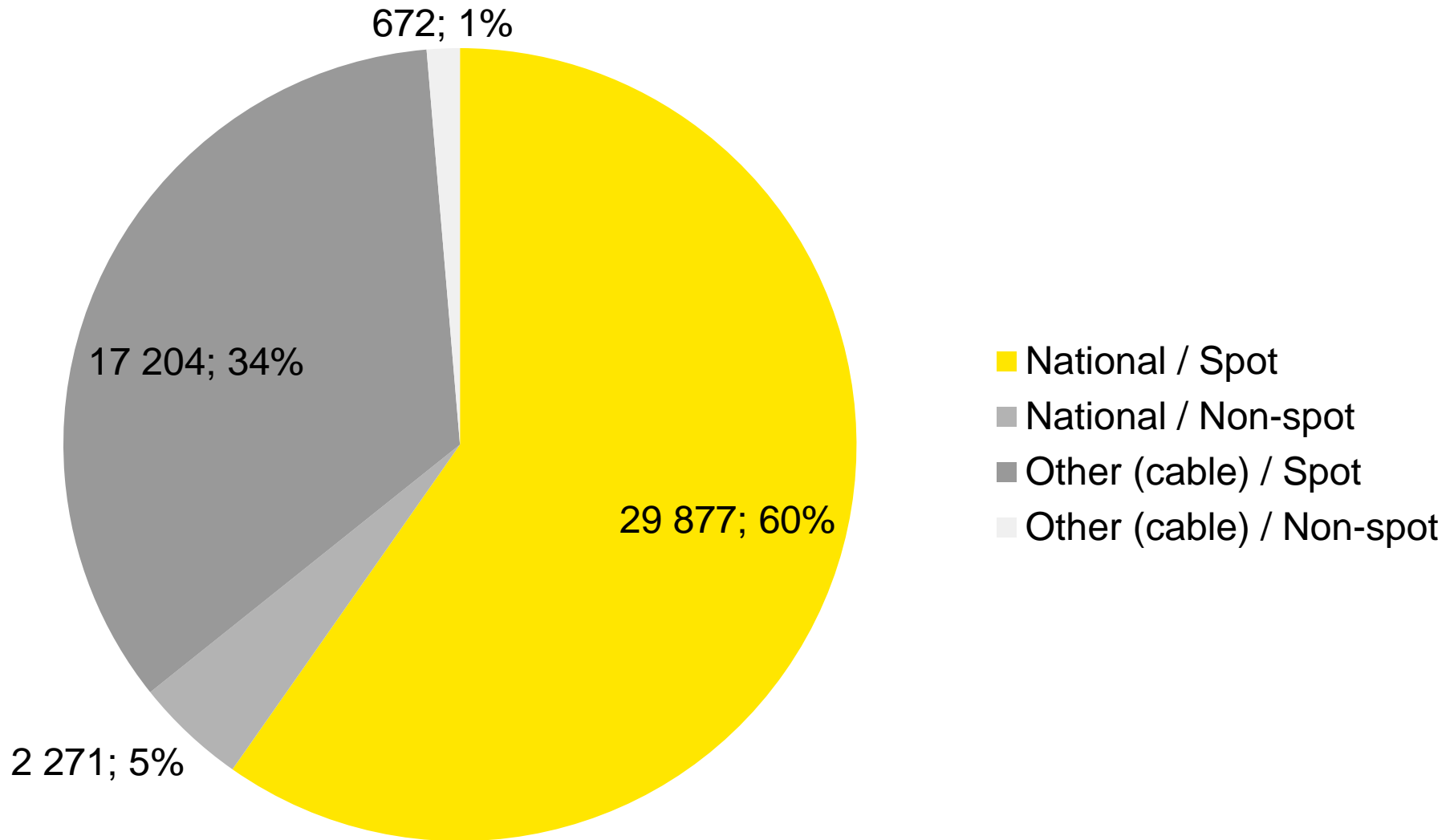
- ▶ The market share of the participating television companies based on television viewership data is approximately 99%.*

* Within the 18–49 age range, 2-26 hours range (data provided by MEME)

Advertisement cake 2014 (in million HUF)

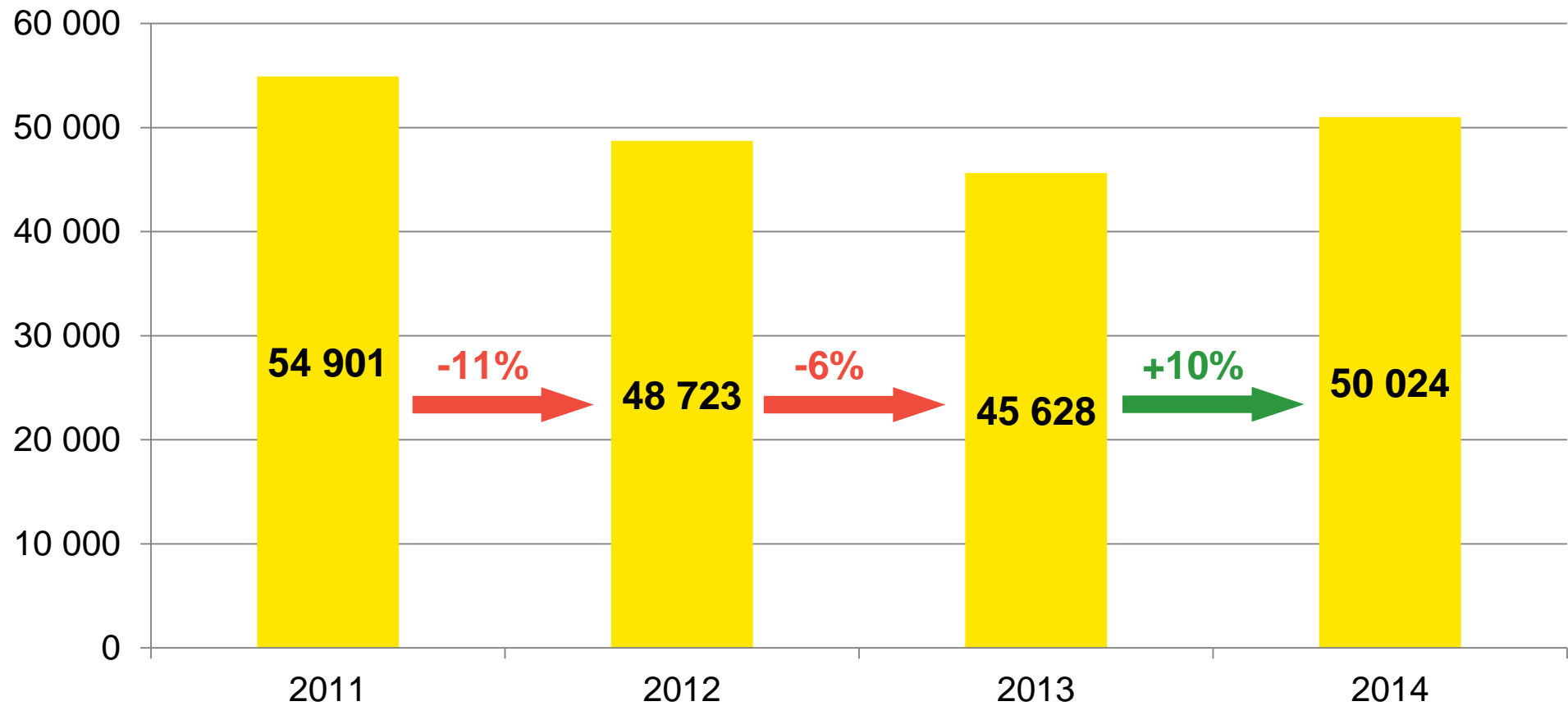


Adcake 2014 (in million HUF and percentage)



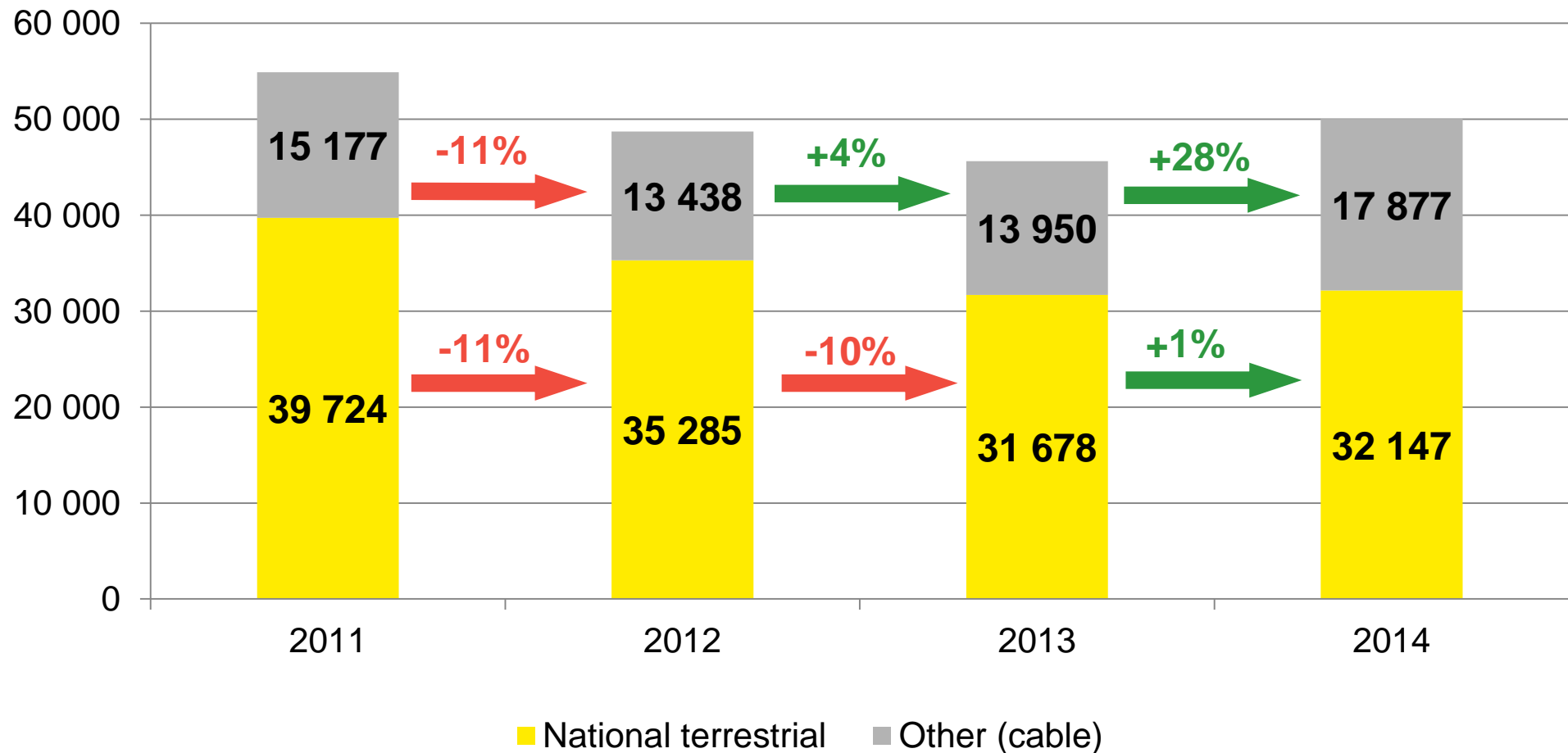
Television advertising revenue increased by 10%

Advertising revenue of the last years (million HUF)



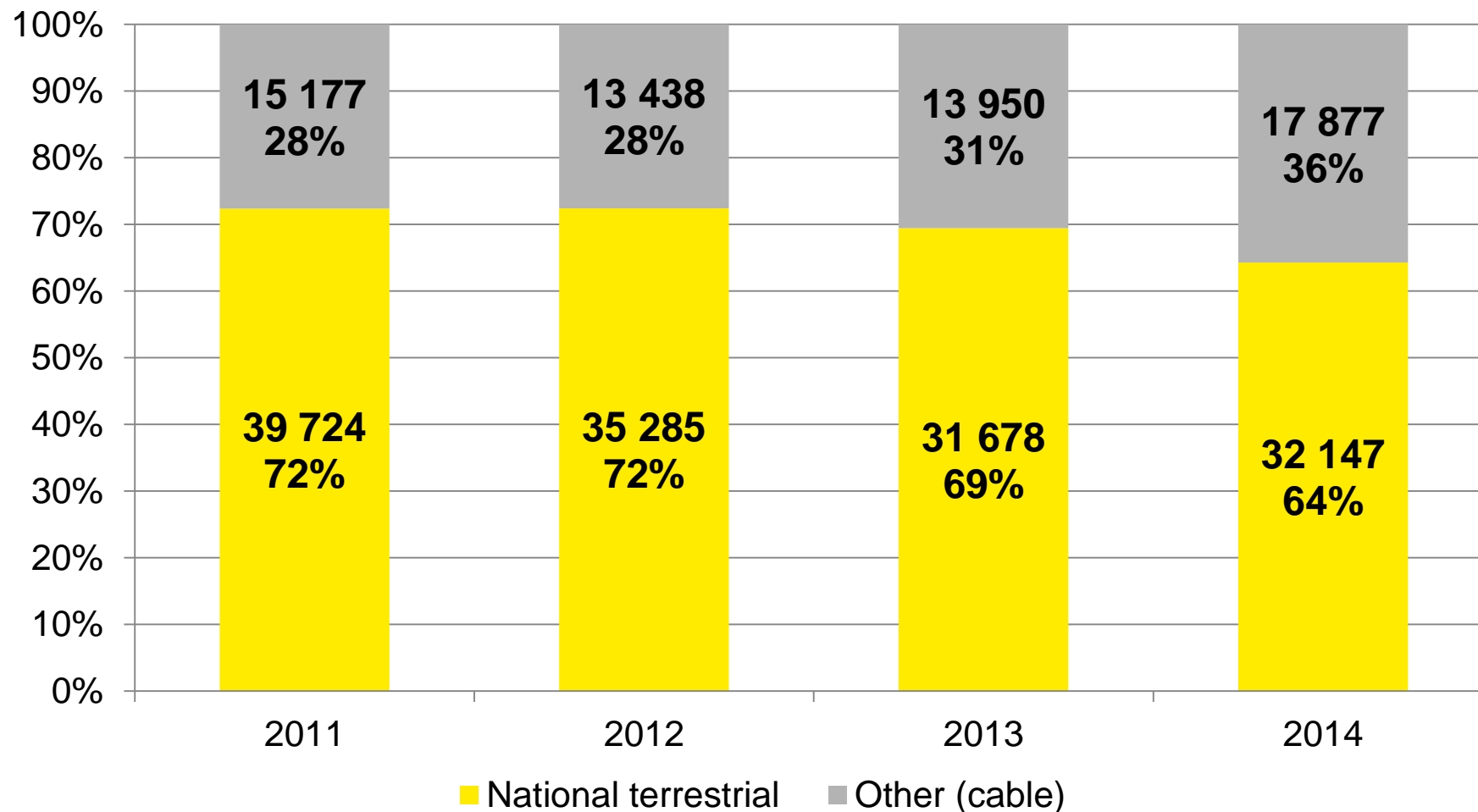
28% growth at the non-terrestrial channels

Television Advertising Revenue by Type of Broadcasting
Terrestrial vs. Non-terrestrial broadcasting (in million HUF)



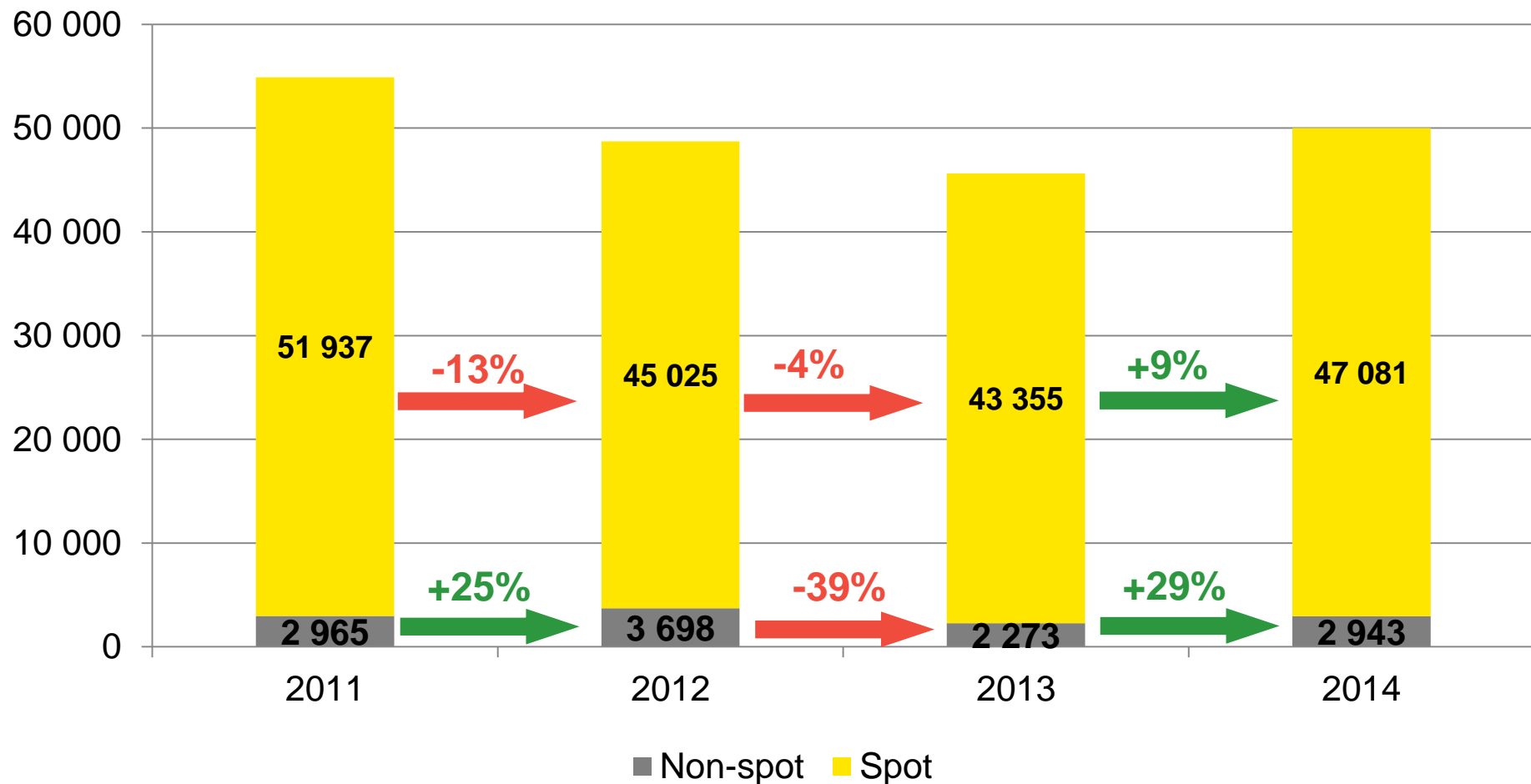
Increased advertising revenue share of the non-terrestrial channels

**Television Advertising Revenue by Type of Broadcasting
Terrestrial vs. Non-terrestrial broadcasting (in million HUF)**



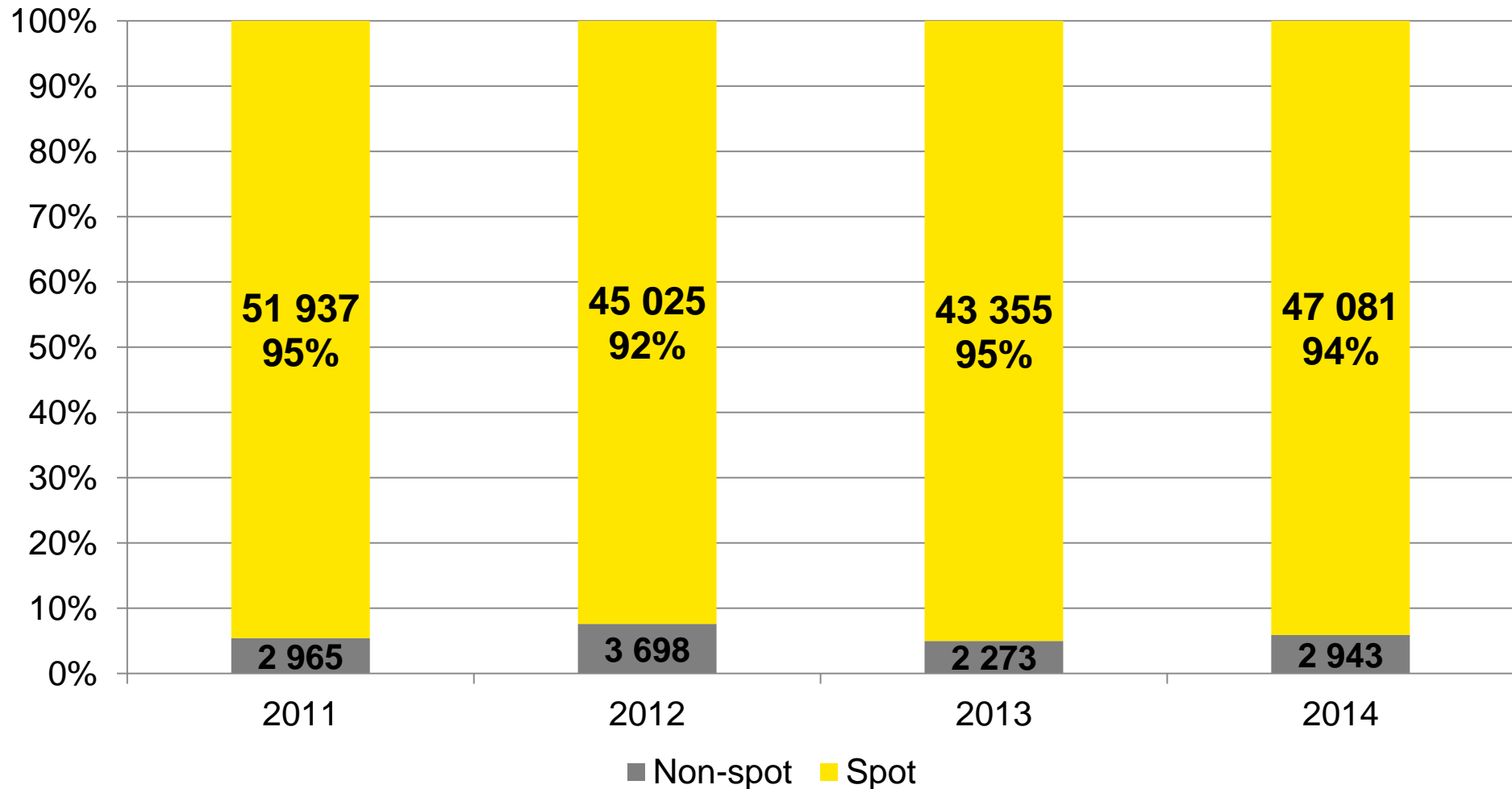
Non-spot advertising revenue increased by 29% compared to last year

Television Advertising Revenue by Type of Advertisement
Spot vs. Non-spot advertising (in million HUF)



Share of advertising revenue generated by spots decreased within the advertisement cake

Television Advertising Revenue by Type of Advertisement
Spot vs. Non-spot advertising (in million HUF)



Summary

- ▶ In 2014 the television advertising revenue exceeded 50 billion HUF
- ▶ Advertising revenue increased by 4 396 million HUF in 2014, which is equivalent to 10% growth
- ▶ 64% of the advertising revenue is coming from the terrestrial channels and 36% from the non-terrestrial broadcasting televisions.
- ▶ Regarding the split of advertising revenue a shift can be observed between the terrestrial and cable televisions for the benefit of the other (cable) channels. These channels increased their advertising revenues by 28%.
- ▶ After the 39% decrease of non-spot advertising revenue in 2013, this year showed its growth by 29% compared to the previous year.

Thank You!

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