Hulu to double revenue to $240M-plus this year

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(AP) -- Online video site Hulu is on pace to generate more than $240 million in revenue this year, more than double the $108 million in 2009.

The announcement Wednesday comes about five months after Hulu launched a $10-per-month subscription plan called Hulu Plus, which allows consumers to watch entire back seasons of shows from NBC, Fox and ABC such as "30 Rock," "Glee," and "Modern Family."

CEO Jason Kilar said, however, that most of the site's revenue still comes from advertising. He said Hulu attracted 352 advertisers in the third quarter, including all the country's top 25.

Kilar did not touch on profitability when he disclosed the revenue figures at a conference in San Francisco. In June, he told The Associated Press that Hulu had posted net income for two straight quarters and expected to do so again in the three months through June. He did not say then how much the earnings were.

Hulu is jointly owned by General Electric Co.'s NBC Universal, Fox owner News Corp., ABC owner The Walt Disney Co. and Providence Equity Partners.

At the NewTeeVee Live conference, in comments that were streamed online, Kilar highlighted several ways that Hulu was trying to make ads more effective.

The site allows viewers to choose which ads they'd like to watch; polls them about their purchasing intentions; gives them the choice of watching longer ads in exchange for fewer interruptions later; and promotes other shows that are favored by fans of the show on the screen.

Ads on Hulu are 55 percent more effective than ads on traditional TV channels when measuring whether consumers remembered the brand and the message shown, he said. That means advertisers get more for their money, and content owners will eventually be paid more, he said.

"We think that brand advertisers, in time, will be far less willing to pay for the waste that they've actually paid for over the last 60 years," Kilar said. "So this will be disruptive to existing brand advertising services and in the process, significant value will be created."

Research firm eMarketer estimates that U.S. revenue from advertising attached to online videos will grow 48 percent this year to $1.51 billion and another 43 percent to $2.15 billion next year.

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