

HBO Now has 800,000 paying subscribers since April launch

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In this March 9, 2015, file photo, HBO CEO Richard Plepler talks about HBO Now for Apple TV during an Apple event in San Francisco. HBO Now has gained about 800,000 paying subscribers since it launched on Apple TV in April 2015, contributing significantly to the 2.7 million net new HBO customers in the latest quarter. The figure was revealed by Plepler in a conference call following the release of parent Time Warner Inc.'s quarterly earnings results, Wednesday, Feb. 10, 2016. (AP Photo/Eric Risberg, File)

HBO Now, the standalone online version of the premium TV channel, has gained about 800,000 paying subscribers since it launched in April, contributing significantly to the 2.7 million net new HBO customers last year.

The figure was revealed by HBO CEO Richard Plepler in a conference call following the release of parent Time Warner Inc.'s quarterly earnings results.

The gains didn't seem to wow investors, as Time Warner shares fell 3.5 percent to \$61.02 in afternoon trading Wednesday.

Stifel analyst Benjamin Mogil said the 3.2 percent gain in HBO subscriber revenue was lower than the 4.7 percent rise that Wall Street expected.

Initially available for \$15 a month only on Apple TV and other Apple devices, HBO Now has steadily rolled out to other platforms including Amazon, Roku, Google's Chromecast and certain smart TVs.

Plepler said the service has yet to be offered on two major game platforms—PlayStation and Xbox, which accounts for 20 percent of viewing of the HBO Go app that is available to traditional HBO subscribers. Nor has it debuted new content it is investing in, including shows by Jon Stewart and Bill Simmons and a news show by the upstart network Vice.

"That of course will catalyze a great deal of marketing, digitally and otherwise, which we think will drive subscriptions," Plepler said. "So, we are very excited about where we are."

For Time Warner as a whole, revenue in the quarter through December fell 6 percent to \$7.08 billion, below the \$7.55 billion expected by

analysts polled by Zacks. Earnings of \$1.06 per share beat the \$1.01 that analysts expected.

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