



Digital Video Consolidation: Avail-TVN Picks Up \$100M From Carlyle, Buys UK's On Demand Group For \$27M



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A double-whammy in the digital video space today: **Avail-TVN**, a video services provider that works with companies like NBC, Univision, and brands like Mattel, has **announced** that it has picked up \$100 million in financing led by the **Carlyle Group**, and it is using those funds to make an acquisition outside of the U.S., buying rival video service provider **On Demand Group** in the UK from its existing owner, SeaChange International, for \$27 million. Avail-TVN says that the deal will make it the largest provider of digital video services in the world.

The move is a sign of how the digital TV industry is already fairly large in its geographical reach, but in many cases is still only providing incremental revenue on top of more traditional TV revenue streams — and so companies that work in this space, which can be capital intensive, are best suited to bulk up their scale to survive.

Carlyle is leading the round that also includes existing investors Columbia Capital, Valhalla Partners, Novak Biddle and Pioneer Ventures. With the round of financing Carlyle, which already has **an extensive amount of holdings in the media industry**, becomes Avail-TVN's largest investor. Avail-TVN will also use the funds for product development and for wider international expansion targeting content providers and multichannel video service providers.

Avail-TVN already had a customer base extending outside of its U.S. headquarters, but this deal will extend that even further: it will now have customers in 25 countries covering 70 million households. Regions covered will be North America, Caribbean, Latin America, Europe, the Middle East and Asia.

“Our strategy has been to invest in leading players across the digital media ecosystem and incorporate them into one company to build Avail-TVN into the largest provider of advanced digital video services worldwide,” said Ramu Potarazu, Avail-TVN's chief executive officer, said in a statement. “The Carlyle Group's investment supports that vision, and provides the capital and global network to build upon this foundation both domestically and internationally.”

Avail-TVN already works with provides to provide enhanced interactive digital TV services: for example, it is powering the multi-platform video coverage that NBC will run during the London 2012 Olympics this summer. Adding ODG to the mix will bump up the kinds of services it can offer to customers: ODG helps broadcasters with a range of things from content acquisition and strategic consulting services, through to powering video-on-demand services for mobile, online and digital TV services. Its customers include Virgin Media in the UK, Disney, Cablevision and others. Its existing CEO, Tony Kelly, will stay on and become a part of the bigger executive management team, and will now report to Avail-TVN's CEO, Ramu Potarazu.

There is also some debt funding involved in this deal from Silicon Valley Bank, RBS Citizens, N.A. and Bank of America, N.A.