



# Blu-ray Disc Association CES 2007

Blu-ray Disc: The Leader in HD Entertainment



# Agenda

- Key Factors for Consumer Adoption – Why Blu-ray Will Win
- The Hollywood Perspective – Announcements & Comments from Seven of the Eight Major Studios
- Q&A



# 1. Content Advantage



# Blu-ray Disc Content Availability

## Blu-ray Now Leads in Titles Available to Consumers

US Titles as of 1/8/07



Source: Available to Buy on Amazon.com as of 1-8-07



# Content Support

- The most important factor for consumers
  - Seven of eight major Hollywood studios support BD
  - Five are exclusive to Blu-ray
    - You cannot watch films from these five studios on HD DVD
  - More content means more consumers can be attracted to BD
    - More important than any other factor for a format's success



Only on  
Blu-ray Disc





# Impact of 7 of 8 Studios

## The Top Selling 20 DVD Titles in 2006:



1. Pirates of the Caribbean: Dead Man's Chest



2. The Chronicles of Narnia



3. Cars



4. Harry Potter & the Goblet of Fire



5. Wedding Crashers



6. Walk the Line



7. King Kong



8. Over the Hedge



9. The Da Vinci Code



10. Ice Age: The Meltdown



11. Chicken Little



12. Click



13. X-Men: The Last Stand



14. Talladega Nights: The Ballad of Ricky Bobby



15. Flightplan



16. Superman Returns



17. The Devil Wears Prada



18. High School Musical



19. Bambi II



20. Grey's Anatomy - Season 2

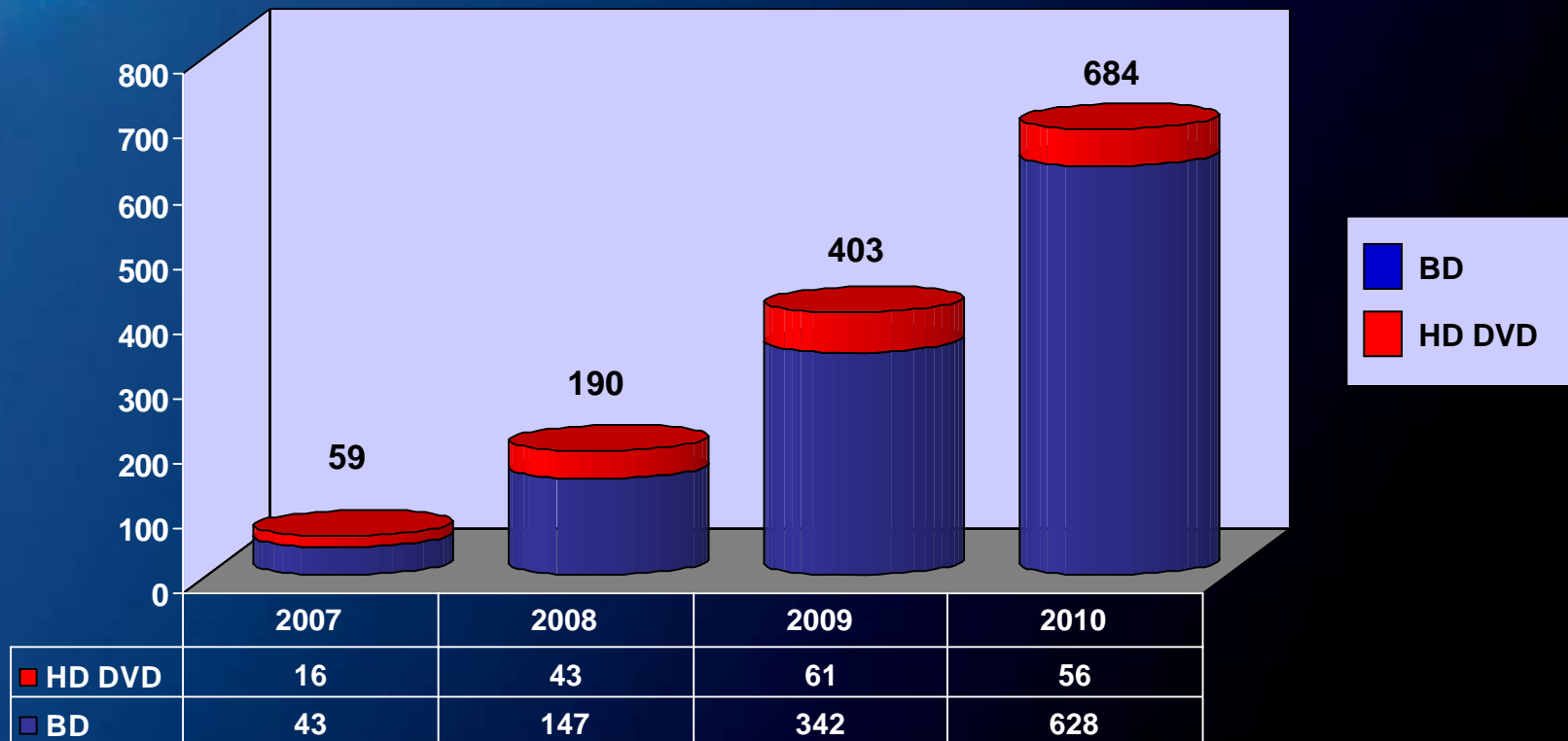
Illustrates current HD format alignment of releasing studio

DVD sales source: *Daily Variety* 1/5/2007



# High Definition Title Demand: USA

(Title Shipments in Millions)



Source: Understanding & Solutions, Ltd. 9/06



## 2. Hardware Advantage





# Q4 2006: A Big One for BD Players...



Samsung BD-P1000  
(June '06)



Philips BDP9000



Sony BDP-S1



Panasonic DMP-BD10



Pioneer Elite BDP-HD1



Sony PlayStation 3

Q2

Q3

**Q4**



## Q4 2006: A Bigger One in Japan...

Market Research indicates that by the end of Q4, 2006 Blu-ray has captured 96% of the high definition player market in Japan



# Technology From Leading Brands...

- Every major CE company in the BDA is also a major provider of HDTV displays...



The leaders in HDTV technology are also leaders in Blu-ray Disc

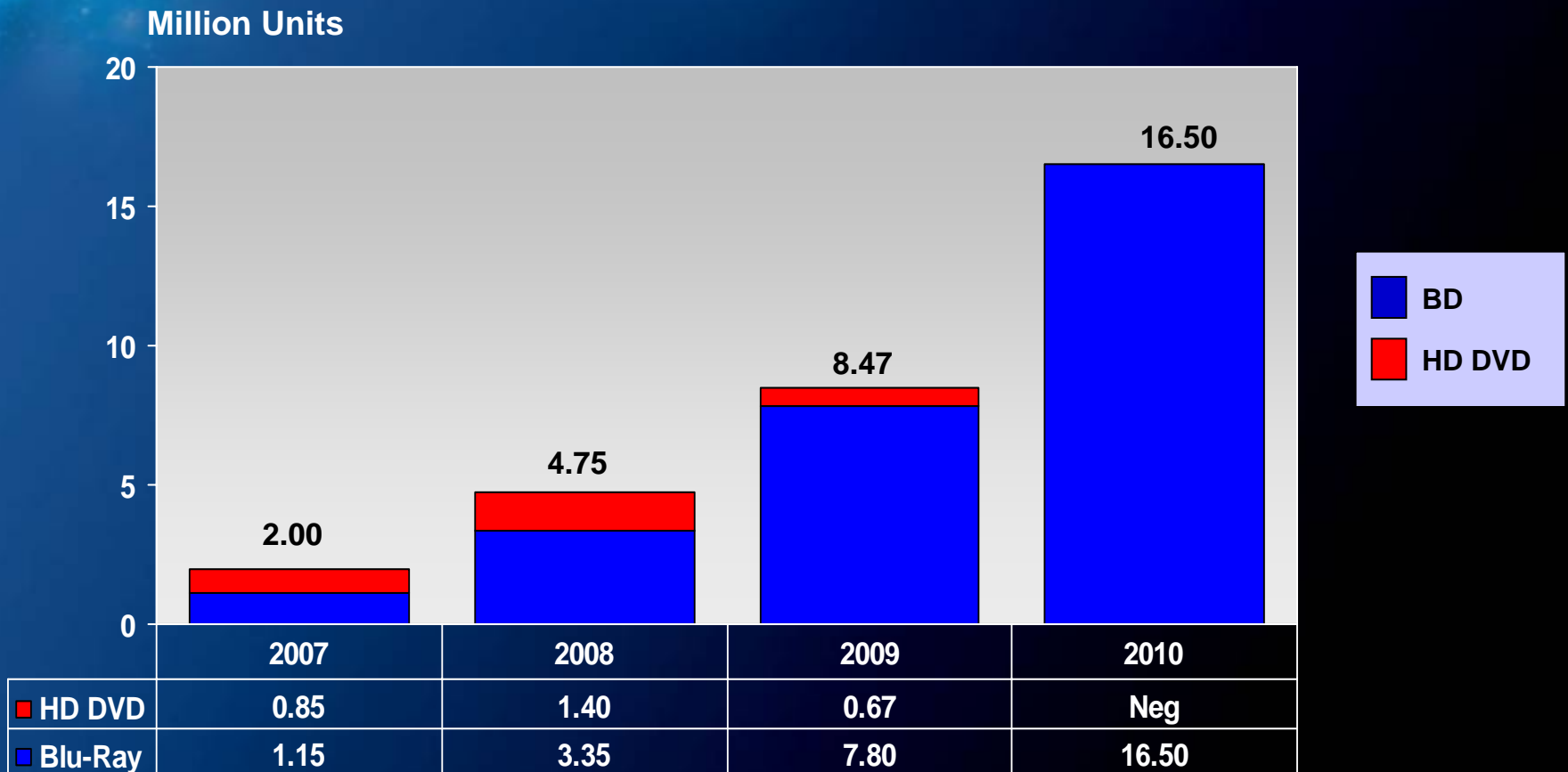


# BD Hardware Available Today





# High Definition Video Player Demand Forecast: USA



Source: Understanding & Solutions, Ltd. 9/06



## 3. The PlayStation 3 Advantage



# PlayStation & Movies

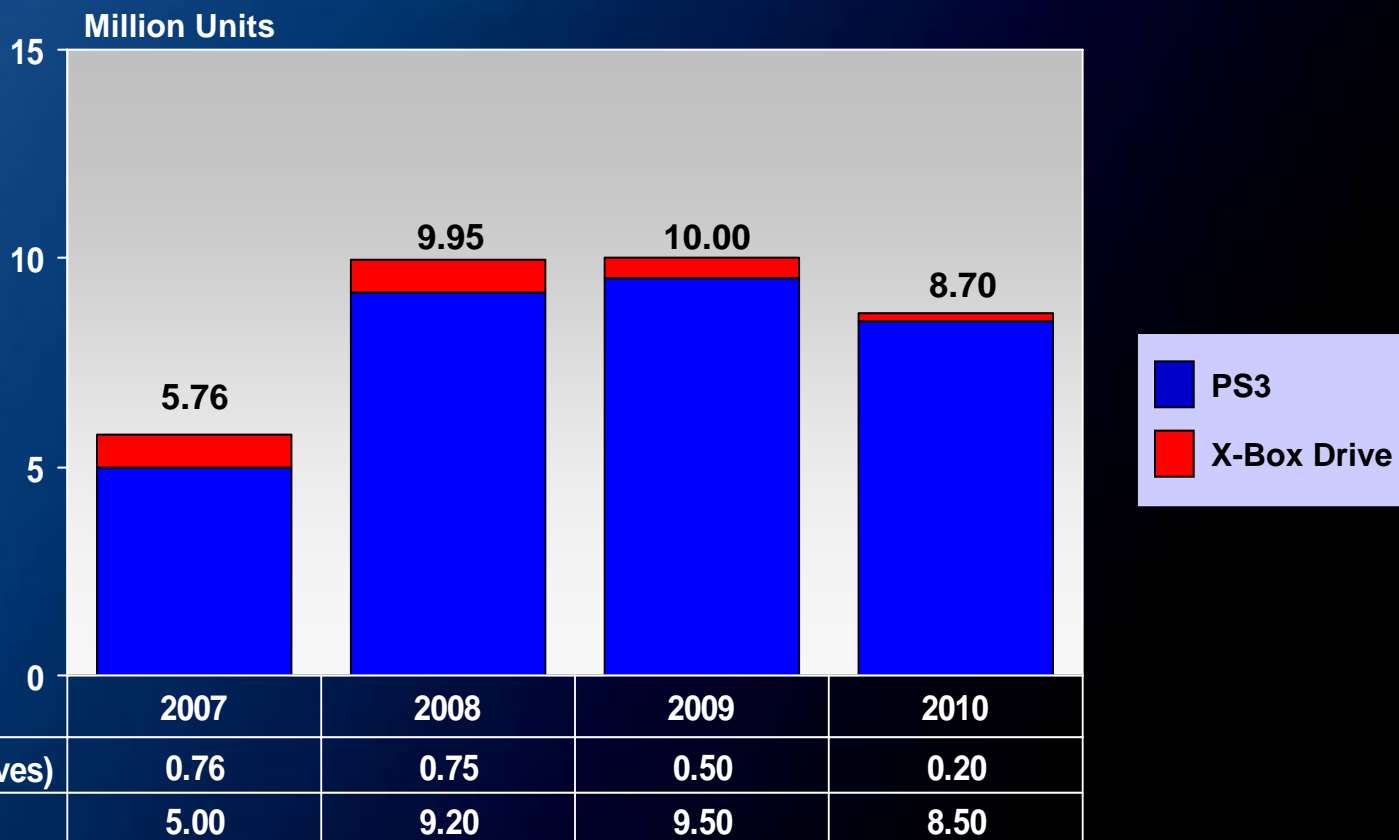
- Sony has shipped 1,000,000 PS3's as of Dec. 31, 2006
- A new survey of 10,000+ PS3 owners revealed that:
  - **80%** of the respondents plan to purchase Blu-ray movies to view on their PS3
  - **Over 75%** of respondents plan to use their PS3 as a primary device for watching movies

**80% of 1,000,000 equals an installed base of 800,000 Blu-ray players hungry for high definition motion picture content**

Source: Sony Corp.



# HD Capable Games Console Sales : USA



Source: Understanding & Solutions, Ltd. 9/06





## 4. Putting It All Together



# Blu-ray Disc = Massive Support

## Movies



Buena Vista  
Home Entertainment



LIONSGATE

## Music



## Games



## Consumer Electronics



## Computing





# The Bottom Line...

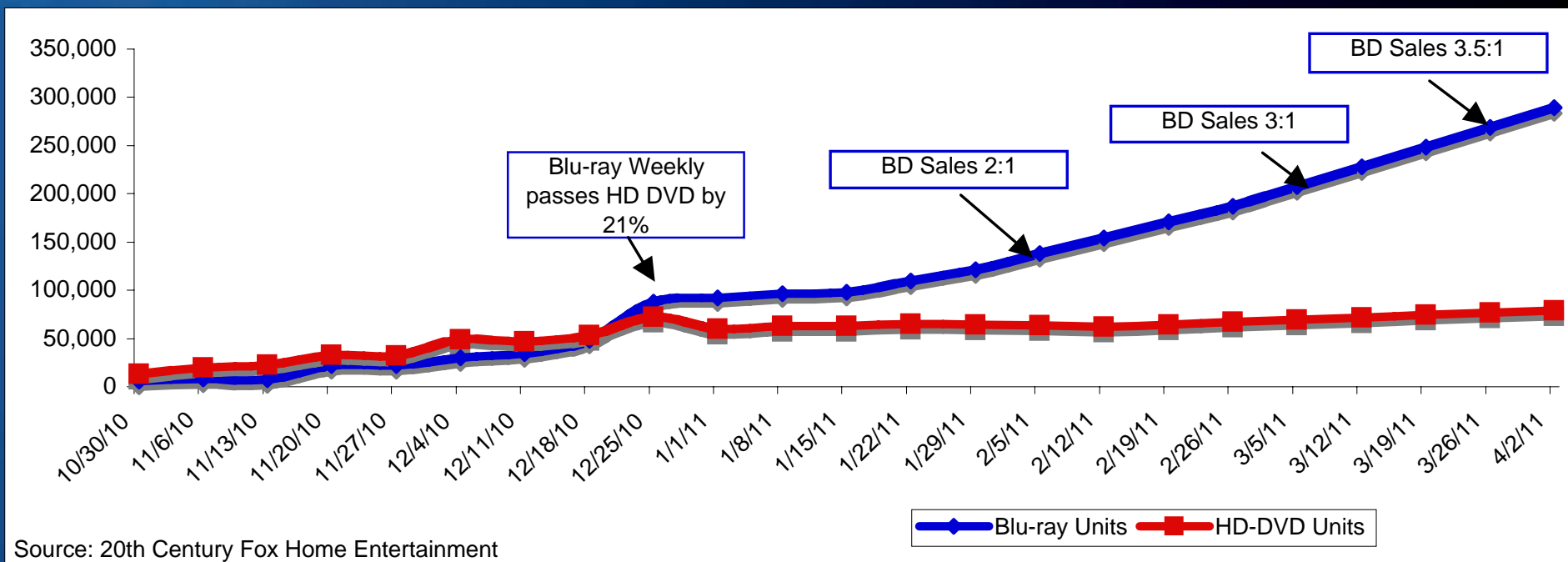
- Blu-ray Disc resonates with *consumers* where it matters most:
  - ✓ The largest variety of titles (movies, music, games)
  - ✓ The widest variety of hardware products
  - ✓ The only HD gaming console with built-in HD movie playback
  - ✓ Write-once & rewritable recording formats from day one
  - ✓ Compatibility with DVD
- Consumers have the final word – and the word is Blu-ray



Mike Dunn  
*President*  
*20<sup>th</sup> Century Fox*  
*Worldwide Home Entertainment*



# Weekly Sales Rate of BD Movies to More than Triple HD DVD by End of First Quarter 2007

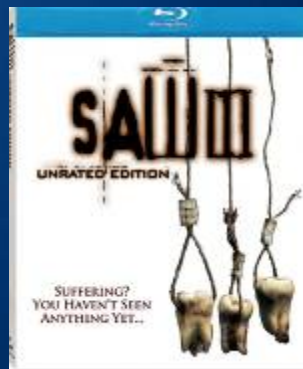
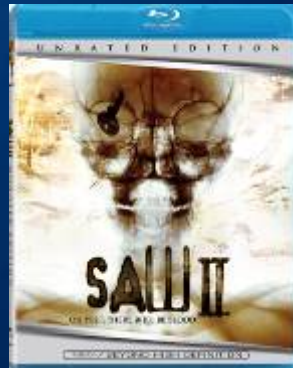




Steve Beeks  
*President*  
*Lionsgate*  
*Worldwide Home Entertainment*



# LIONSGATE





**Kelley Avery**  
*President*  
*Paramount*  
*Worldwide Home Entertainment*





David Bishop  
*President*  
*Sony Pictures*  
*Worldwide Home Entertainment*



# ***Blu-ray Benchmarks***



- **700% increase in software sales since mid-Nov. with the launch of PlayStation 3 and additional Blu-ray CE & IT Hardware**
- **Blu-ray weekly software sales have now surpassed weekly HD-DVD sales**
- **82% of survey respondents are more interested in purchasing Blu-ray movies after watching bundled Talladega Nights on their PlayStation 3**
- **SPHE targeting 90-100 titles for 2007**
- **SPHE Top 5 Selling Titles to Date in Order:  
Underworld Evolution, Talladega Nights, Fifth Element, Click, Ultraviolet**





# Coming Soon to Blu-ray from SPHE



- 1<sup>st</sup> Qtr New Release Highlights:

Casino Royale, *March 13* (AVC Encoded)\*

Gridiron Gang, *Jan 16*\*

Open Season, *Jan 30* (AVC Encoded)

Running With Scissors, *Feb 6*\*

Stranger Than Fiction, *Feb 27*\*

- ...and Coming Soon:

The Holiday

Rocky Balboa

Pursuit of Happyness

Curse of the Golden Flower

Ghost Rider

\*indicates BD50





Ron Sanders  
*President*  
*Warner Bros.*  
*Worldwide Home Entertainment*



Bob Chapek  
*President*  
*Buena Vista*  
*Worldwide Home Entertainment*