



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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Blu-ray Disc player sales set to triple in Europe during 2009

Unit sales of Blu-ray Disc set-top players in the five largest Western European markets will triple next year to more than 1.8 million units, according to U.K.-based research firm Futuresource.

“Without doubt, we are in the middle of one of the worst economic downturns in living memory but still all market indicators point towards strong growth in Blu-ray Disc player sales for the remainder of 2008 and continuing into 2009,” stated the Blu-ray Disc Association European Promotion Group’s chairman, Frank Simonis. “It is an illustration of the format’s appeal that it can withstand the current economic maelstrom and continue to establish itself throughout the European zone.”

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Futuresource. The estimate, which doesn’t count Sony’s Blu-ray-equipped PlayStation 3, is consistent with reports forecasting a jump in North American Blu-ray player sales over the next few years.



Frank Simonis

Where cash-strapped consumers will make concessions, however, is with the size of flat-screen TVs they buy to watch their high-def movies, according to the Futuresource research. Western European retailers are dropping prices by about 25% from a year earlier for TVs with screen sizes larger than 42 inches, Futuresource said.

Futuresource estimated U.S. flat-panel TV unit sales to rise 10% annually over the next two years, while the average U.S. and Western European price for a 52-inch

TV bought over the Internet last month fell 30% and 36%, respectively, from a year earlier, NPD Group unit DisplaySearch reported yesterday.

The Futuresource forecast is consistent with many electronics and entertainment analysts who've said the victory of the Blu-ray Disc format over the Toshiba-led HD DVD platform earlier this year will cause a surge in demand for high-def discs this year. Last month, NPD Group unit DisplaySearch said Blu-ray player unit sales will triple this year, double next year and by 2010, unseat the PlayStation 3 as the most popular hardware player for the format.

For more information, or to contact a BDA spokesperson, please respond to info@blu-ray-news.net

Will US Main Street CE sales feel Blu this Christmas?

This year, Blu-ray won the war. However, now it faces another battle as consumers face some of the worst global economic conditions experienced in a generation.

Technology analysts say the world's economic roller coaster could mean consumers will be holding onto their money instead of buying pricey Blu-ray players and discs - the High Definition DVD format.

Analyst Roger Kay predicts a "dramatic" drop in Blu-ray sales for the fourth quarter and beyond, pushing back adoption of the technology long enough to allow other forms of video over cable, satellite and the Internet to shut the window of opportunity for Blu-ray.

"If you can get movies over the wire on demand and have an entire library at your disposal on the screen a la Netflix, that's the way you're going to go," said Kay, president of Endpoint Technologies Associates.

But Andy Parsons, chairman of the Blu-ray Disc Association's U.S. promotions committee, counters that naysayers also predicted doom for the original DVD players, which survived a shaky start to become the fastest-selling consumer electronics device in history, even during the dot-com implosion this decade.



Andy Parsons

"We're hopeful even though things are getting a little tough out there, economically speaking," said Parsons. "Everyone thinks of DVD as an overnight success, but it actually took several years for that overnight success to happen."

In February, the Blu-ray Disc format became the standard for high-def DVDs when Toshiba decided to cease development of its rival HD DVD technology. The format

battle held back sales for both sides because consumers were hesitant about choosing the wrong side in the war.

With that roadblock cleared, Blu-ray backers hoped to see the start of an upswing in sales this year, especially as the holiday shopping season approached.

Research firms such as Parks Associates in Dallas have projected worldwide sales of BD players would grow strongly over the coming four-year period.

Kurt Scherf, principal analyst for *Parks Associates*, added that Blu-ray player sales will total 5 million units globally this year (excluding the Sony PLAYSTATION 3), up 625 percent from 2007 where 800,000 players were sold. Scherf says by 2012 there will be 40 million units sold.

Hollywood is still betting on the format, releasing more home video titles on Blu-ray Disc. Major studios such as Disney and 20th Century Fox have recently begun releasing Blu-ray discs enhanced with an interactive feature called BD-Live, which allows owners to set up Internet chats and access more content beyond the disc.

Parsons notes Blu-ray disc sales have already jumped from 5.6 million units in all of 2007 to 8.8 million by the end of August. In addition, he said the market penetration for HDTVs in the U.S. continues to grow, priming the desire to eventually upgrade to a high-resolution video player.

Parson said Blu-ray's window of opportunity will be open for several years, and compared predictions of an all-digital video market to predictions that offices would one day become paperless. "Everybody remembers that as a rational, reasonable prediction that was absolutely wrong," he said.

Looking beyond the U.S., signs of awareness, demand and sales growth in Blu-ray Disc look optimistic. In Japan, the rapid proliferation continues. For the month of September, BD hardware exceeded 40 per cent of the total DVD recorder market on a unit basis. Expectations are that this trend will only accelerate so that by the year's end, more than half the market will be Blu-ray Disc. As reported in the previous story, Europe is experiencing strong demand for Blu-ray products across the range of CE players, games systems and software.

"In times of recession, home entertainment in the form of the hi-def movie-viewing experience certainly becomes a prudent yet very compelling option," commented Victor Matsuda, Chairman of the BDA Global Promotions Committee.

"The HDTV business continues to be the most important product category for most retailers in all regions of the world and a Blu-ray Disc player is the perfect partner for these devices – for a relatively low additional investment you can exploit the full entertainment potential from your HDTV," continued Matsuda.

"Times of economic uncertainty are worrying for us all, but we believe that Blu-ray is a positive factor, helping people through these times. Evidence shows that Blu-ray sales figures are standing up well – if we can weather this storm, we are well positioned for the future. A Blu Christmas can be a very happy one."

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**PARKS
ASSOCIATES**



Kurt Scherf
Principal Analyst
Parks Associates

For more information, or to contact a BDA spokesperson, please respond to info@blu-ray-news.net

Blu-ray Disc helps UK Home Theatre sales remain buoyant



GfK Retail & Technology says that despite the total UK market for Consumer Electronics having suffered year on year declines in both unit sales and turnover in the last three months, the Home Theatre product category continues to find favour among consumers.

"This can be partly attributed to the continued growth in volume sales for Flat Panel TVs which are often sold in a package that includes a Home Theatre System," says GfK. "However, we should not dismiss the credentials of a market which is now worth £152 million (up 23%) and 638,000 units (up 22%) in the 52 weeks ending July 2008. In addition, the average price has hardly altered in four years (£255 in 2004 against £239 in 2008)."

The report says that this relatively high price has been sustained by the excellent performance of independent retailers, whose own average price is almost double the market average at £451 and where there are some products costing in excess of £2000. A consequence of these high average prices is a market share for independents of 29% of total Home Theatre turnover.

"There has been further growth for two channel products although they are still worth less than 20% of the Home Theatre market. These are another example of turnover potential with an average price of £326 in the last 52 weeks against £221 for more traditional five channel models."

"The case for surround sound is further strengthened by speaker systems, traditionally the preserve of High End specialist HIFI manufacturers (who are also responsible for some excellent business in Home Theatre Systems referred to above), while volume sales have been boosted by the Mass Merchandisers distribution channel in the last two years. The upshot is a total market approaching 150,000 units a year at an average price of nearly £200," says GfK.



SC-BT100

Not just in the UK, but throughout Europe, CE manufacturers are experiencing strong demand for their new Blu-ray Disc player products. One such company, Panasonic Europe, is gearing up for a strong sales period in Europe during the run-up to Christmas.

"Despite of the economic environment we experience a tremendous growth of our Blu-ray Disc equipped products. This applies for the stand alone players as well as for our Blu-ray equipped Home Theatre System, the SC-BT100. We expect this strong trend to continue so that Blu-ray Disc Players will be one of the hottest products for 2008

Christmas sales. Despite of the current uncertainty about the economic perspectives we expect for Blu-ray disc products a continuous strong growth in

2009." stated Michael Friedrich, Manager Product Marketing Home AV of Panasonic Marketing Europe.

For more information on Panasonic's Blu-ray Disc business in Europe, please contact Peter Weber at Peter.Weber@eu.panasonic.com

US-based Acutrack debuts Blu-ray Disc production service

In the US, Acutrack, Inc. has announced a comprehensive Blu-ray supply chain solution that includes authoring, replication and worldwide distribution services. Acutrack is among the first company's in California's bay area to offer a complete Blu-ray Disc authoring, production and packaging service.

"With Acutrack's in-depth knowledge and experience in standard definition DVD authoring, it was the next logical step for us to offer our clients Blu-ray," said Asheesh Barman, Executive VP who manages the DVD authoring and digital media divisions of Acutrack. "As the popularity of Blu-ray continues to grow, we see this as an important step in maintaining our status as the area's leading service bureau."

For more information on Acutrack's Blu-ray Disc business, please contact Mike Kapur at mkapur@acutrack.com



Sony Australia introduces 8X Blu-ray Disc writer for computer aftermarket

In Australia, Sony has announced its third generation internal Blu-ray Disc writer for the computer aftermarket, which achieves a new level of speed and affordability for BD enthusiasts.

The new BWU300S model burns single and dual layer BD-R media at up to 8X speed, recording a full 25GB disc in about 15 minutes and a full 50GB disc in about 30 minutes. The drive is twice the BD recording speed of its predecessor – the BWU200S. The 8X recording speed is

achieved using 6X compatible BD-R media. The drive also records DVDs at up to 16X, CDs up to 48X and supports DVD-RAM recording. This makes it ideal for data backup and a replacement burner for a standard DVD drive, while offering all the benefits of Blu-ray Disc technology.



Included with the drive is CyberLink's software suite for capturing, authoring, editing, burning, and viewing high definition personal content.



"Adoption of the Blu-ray Disc format continues to grow, and with this increased interest comes the demand for better performance and price, which Sony is delivering with the BWU300S drive," said Vincent Bautista, Product

Manager for Data Storage at Sony Australia. "Not only does this new drive provide state of the art hardware, but it also comes with a comprehensive software bundle for all consumer needs."

The BWU300S drive can record up to 50GB of data for random access storage and backup on BD-R (write once) or BD-RE (rewritable) discs, or up to 230 minutes of high definition HDV 1080i video on a BD-R/RE 50GB disc. It also supports recording on standard single layer 4.7GB DVD+R/+RW/-RAM discs, 8.5GB DVD+R double/dual layer discs and CDs.

For more information about this product, or Sony Australia's Blu-ray Disc business, please contact Adrian DiGiacomo on Adrian@hausmann.com.au

Microsoft works on support for Blu-ray Disc through Windows Vista

As reported in *PC, CE News*, Microsoft is providing an update on its latest work for Windows Vista that will include support for Blu-ray recording.

According to the news source, Microsoft has released the first beta version of Service Pack 2 for Windows Vista to a small group of Technology Adoption Program customers for evaluation.

According to Windows 7 corporate VP Mike Nash, "...the final release date for Windows Vista SP2 will be based on quality."

Windows Vista SP2 Beta contains previously released fixes focused on addressing specific reliability, performance, and compatibility issues. Microsoft expects Windows Vista SP2 to retain compatibility with applications that run on Windows Vista and Windows Vista SP1 and are written using public APIs.



Windows Vista SP2 also contains changes focused on supporting new types of hardware and adding support for several emerging standards. The SP2 adds Windows Search 4.0 for faster and improved relevancy in searches, it contains

the Bluetooth 2.1 Feature Pack supporting the most recent specification for Bluetooth Technology, supports the VIA 64-bit CPU and adds the ability to record data on to Blu-Ray media. However, Microsoft did not specify whether a revised Windows Media Player would play Blu-ray movie discs.

Other improvements of the Vista SP2 include support for Windows Connect Now (WCN) that simplifies Wi-Fi Configuration. Windows Vista SP2 will also enable the exFAT file system to support UTC timestamps, which allows correct file synchronization across time zones.

Final version of the Windows Vista SP2 is expected to be released in the first half of 2009, according to Microsoft.

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to help

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