



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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US Blu-ray Disc sales rocket while PS3 outsells Xbox 360

US consumers have spent \$194 million on Blu-ray high-def discs in the first six months of 2008 – an increase of more than 350 percent over sales of both Blu-ray and HD DVD titles in the first six months of last year.

US unit sales of Blu-ray discs were up 340 percent in the first half of 2008, with the number of discs sold around 7.4 million. I Am Legend is the leading high-def disc seller with 305,000 unit sales, followed by National Treasure 2: Book of Secrets with 145,000.

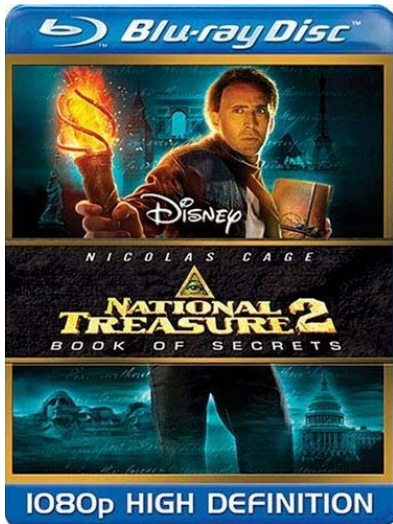
Going into 2008 Blu-ray Disc was experiencing a groundswell of popular demand in every geographic region from Asia, through Europe to North America. Then the news in February that the format war was effectively ended gave Blu-ray another massive boost.

Now, news from the US is starting to show just how dramatic the increase in interest for Blu-ray Disc has become during the first half of this year. According to *The Hollywood Reporter*, US consumers have spent \$194 million on Blu-ray high-def discs in the first six months of 2008 – an increase of more than 350 percent over sales of both Blu-ray and HD DVD titles in the first six months of last year.

The publication adds that Blu-ray sales revenue alone should triple the amount of digital downloading revenue in 2008. One analyst says the high-def disc's advantage is evidence that Wall Street doesn't understand the tech industry. Many Wall Street analysts have said digital downloads - downloading movies over the Net directly to your home TV - will soon replace both Blu-ray and the standard-def DVD.

"Most analysts are techno-geeks with plenty of money and not much time, while most Americans are not technically savvy, and they have plenty of time but not much money," said Tom Adams, president of Adams Media Research. "The fact is, despite what many on Wall Street seem to think, there is very little digital downloading going on. We're talking about \$118 million in 2007 spending, and about \$254 million this year - so





against a \$24 billion packaged media market (Blu-ray and standard-def DVD) it's really not making much of a dent at this point."

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In further encouraging Blu-ray Disc-related sales news, Bloomberg reports that US sales of PLAYSTATION 3 (PS3) have exceeded Xbox 360 between January and May this year, with the PS3 and Xbox 360 selling 1.2 million and 1.12 million units respectively over the 5 months. According to the NPD Group, Sony's best month was May, where it sold 208,700 PS3s compared to 186,600 Xbox 360s. With new games and features exclusive to the PS3, including "Metal Gear Solid 4" and Blu-ray movie disc playback, this may be enough to keep the PS3 sales ahead of the Xbox 360 for quite a while.

Blu-ray Disc Association announces IFA Berlin press conference

Strong and rapidly rising demand for Blu-ray Disc format products is a global phenomenon. In Europe, the Blu-ray Disc Association (BDA) is seeing rapid growth in software and hardware sales with unprecedented interest in new product announcements.

Traditionally, the IFA Trade Fair in Berlin is the European location where many CE manufacturers announce their new product introductions for the important autumn run-up to Christmas.

Following a pattern established over recent years, the BDA will hold a major press conference at this year's IFA. Being hosted by Sony Europe, the event will feature a number of major announcements and presentations from many different sectors of the home entertainment industry.

Alongside the crop of CE hardware new product announcements, the press conference will hear from senior figures within the Hollywood movie studios as well as from a major European retailer.

BDA representatives will report on the latest initiatives to move Blu-ray into the mainstream.



Frank Simonis

"We are at a tremendously exciting stage of Blu-ray's establishment in Europe and IFA 2008 will prove to be a key staging post in the format's European roll-out," commented Frank Simonis, Chairman of the BDA European Promotions Committee. "Journalists need to be kept abreast of developments and we intend to do this through an intensive series of press events over three days. We look forward to meeting our journalist colleagues in Berlin."



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The BDA press conference is planned for Thursday 28 August, starting at 17.00hrs with a short formal presentation and followed by a more relaxed press reception. For more information on this event, please email euro-press@blu-ray-news.net.

Chinese Blu-ray Disc market exhibits awesome growth potential

"We are obviously very excited about the market potential for Blu-ray Disc in China: the huge population coupled with tremendous economic development presents fantastic opportunities for us now."

*Sumitaka Matsumura
BDA China Task Force*

Last week saw the SinoCES trade event staged in China and at a specially convened press conference in Beijing the Blu-ray Disc Association (BDA) announced several important developments in the establishment of the Blu-ray Disc format within this strategically important market.

The BDA has established a China Task Force with 14 Board of Director member companies actively supporting it. Until recently, the main focus of the Task Force has been to establish and foster communication and strong relationships with various government groups. Also, the Task Force has organized a successful series of technical seminars and lectures designed to help companies start to develop their Blu-ray Disc business models.

"The series of announcements last week – from the incorporation of Chinese-developed technology within the Blu-ray Disc format to the opening of a Blu-ray Disc testing centre and companies such as Sony investing in BD production resources in China are very important milestones for this country," commented Sumitaka Matsumura, Chairman of the BDA China Task Force and Executive Director of the Pioneer Corporation. "Our announcements have been very well received and have been widely reported in Chinese national newspapers and trade & technical magazines."



Sumitaka Matsumura

The BDA believes that the Chinese market is at a critical stage in its acceptance of Blu-ray Disc. "We are obviously very excited about the market potential for Blu-ray Disc in China: the huge population coupled with tremendous economic development presents fantastic opportunities for us now," remarked Matsumura.

"Until now, we have focused our efforts on increasing the understanding of the Chinese government and industry people, but now, we also feel that it is critical that we expand our efforts on consumer awareness and education," explained Sumitaka Matsumura. "Just as in many other regions throughout the world, in order to enhance consumers' HD experience, the market for large-screen displays is really exploding in China. We are expecting a corresponding development for BD products as consumers demand the best HD experience."

“The huge (Chinese) population and tremendous economic growth offer unmatched market potential.”

BDA China Task Force



BDA and CESI representatives celebrate the establishment of China's first authorized BD testing center

Matsumura-san is enthusiastic about Blu-ray's long-term potential in China. "Again, the huge population and tremendous economic growth offer unmatched market potential," concluded Sumitaka Matsumura. "I see similar trends to Japan, the U.S., and Europe in terms of the increase in large-screen TVs to accommodate High Definition content and the influx of digital broadcasting. These trends in China are currently slightly behind other regions, but already, we are seeing sharp increases in the uptake of

products and services and we are excited about the opportunities that the sheer numbers indicate."

BDA wins HEW Special Recognition Award

The BDA European Promotions Committee received Hollywood-style red carpet treatment at the recent Home Entertainment Week Awards in London. One of Europe's premier home entertainment industry publications, the magazine presented the BDA with its *Special Recognition Award*.

According to Andy Clough, publisher of HEW, the award reflects the BDA's efforts in securing Blu-ray Disc as the single HD format moving forwards. By successfully avoiding a prolonged format war, HEW recognizes the BDA's marketing effort – in particular moving the focus onto the format's new and unique capabilities such as BD-Live.



Andy Clough (left) presents the award to BDA representatives Tracy Harris and Niels Liebbrandt

HEW believes that this achievement will keep the physical market buoyant and inject growth into the home entertainment industry.

"We are proud and honored to accept this award on behalf of the Blu-ray Disc Association and all its members," comments Niels Liebbrandt, Senior Manager Technology Marketing at Sony Home Entertainment Marketing Europe. "From the outset, we have designed the Blu-ray Disc formats to meet the needs of 21st century consumers. We are pleased that we avoided a protracted format war and we believe that Blu-ray will serve the market for many years to come."



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