



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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Blu-ray Disc builds strong launch pad in Europe



Yesterday, at a packed press conference at the CEBIT trade fair in Hanover Germany, the Blu-ray Disc Association (BDA) announced continued strong growth in the format's popularity on a global scale and a series of very strong indicators that predict continued rapid growth in all geographic zones, especially Europe.

Chairman of the BDA's European Promotion Committee, Frank Simonis (*pictured left*), announced to the audience of journalists that the BDA was picking up at CEBIT where it left off at CES Las Vegas in January. "Blu-ray Disc resonates with consumers where it matters most," commented Simonis. "We are delivering a 'double whammy' to the market in the form of a greater variety and volume of movie, music and games titles from a far larger number of content creators. At the same time, Blu-ray Disc offers the widest variety of hardware products in every category from CE players to PC-based devices. In particular, through PLAYSTATION 3, we have the only HD gaming console with built-in HD movie playback," he continued.

"Blu-ray Disc is a strategic High Definition format, developed by the largest ever community of committed companies within the BDA. Its core features demonstrate the creativity that has resulted from this exceptional cross industry co-operation. BD has provided write-once and rewritable recording formats from day one. It offers superior storage capacity with a current maximum capacity of 50GB and it features the highest ever recording speed (sustainable 144 Mb/sec). Also, its compatibility with DVD demonstrates that this format has been developed with a clear focus on the consumer," Frank Simonis emphasized.

In Europe, eyes are focused on the launch of PLAYSTATION 3 later this month to provide a catalyst for Blu-ray Disc's explosion in the region. By referring to industry statistics and market intelligence, Simonis demonstrated that whilst the PlayStation effect should not be under-rated this is a deeply seated entertainment industry

revolution, which is being fueled by a great many companies in both the hardware and software sectors.

Simonis reported to the press conference that market research indicates that by the end of Q4 2006 Blu-ray Disc had captured 96 per cent of the High Definition player market in Japan.

"We know that content makes formats and in this respect Blu-ray is the clear and unequivocal winner. Consumers want to watch their favourite movies in HD and both the quantity and quality of blockbuster releases emerging on Blu-ray Disc puts us in a very strong position as we proceed into this landmark year for the BDA."

*Frank Simonis
Chairman
BDA European Promotion
Committee*

With respect to movie titles, Blu-ray's advantage is even more marked, so Simonis said. "Since the end of the first week in January this year, weekly sales of BD have outsold HD-DVD by over 2:1," he explained. "Despite an earlier start by HD-DVD the total cumulative sales of BD exceeded those of HD-DVD during the week ending 18th February."

The key difference between the two competing formats is that seven out of eight major Hollywood studios support Blu-ray Disc and five of these studios are releasing High Definition content exclusively on Blu-ray Disc. This software advantage was clearly illustrated by the fact that of the top 20 selling DVD titles in 2006 18 were released by studios that are aligned with Blu-ray Disc (and 15 titles are from studios that are aligned exclusively to BD), whereas just four are available from studios that are aligned to HD-DVD.

With 48 new titles released on BD since January 2007, the effect of the differing studio support is becoming much more marked. "We know that content makes formats and in this respect Blu-ray is the clear and unequivocal winner," concluded Frank Simonis. "Consumers want to watch their favourite movies in HD and both the quantity and quality of blockbuster releases emerging on Blu-ray Disc puts us in a very strong position as we proceed into this landmark year for the BDA."

PLAYSTATION 3 set to take Europe by storm

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*Nick Sharples
Sony Computer Entertainment
Europe*

One of the most eagerly anticipated contributors to the BDA's CEBIT press conference was Nick Sharples, Director of Corporate Communications at Sony Computer Entertainment Europe. Sharples updated the conference regarding the North American and Japanese launches of PLAYSTATION 3 before confirming details of what will be the world's largest ever console launch in Europe this month.

"PLAYSTATION 3 enjoyed a stunning launch in both Japan and North America and we are delighted to be able to launch PS3 in Europe on 23rd March with one million units available at retail and the strongest ever launch line-up of game titles, all on Blu-ray disc," explained Nick Sharples.

Sharples confirmed that as of the end of December 2006, Sony Computer Entertainment had shipped over 1.84 million PLAYSTATION 3 units with over 1.03 million going into the North American market. At the same time the company shipped over 5.2 million software units with a tie ratio of 2.8. Sharples confirmed that Sony had not changed its forecast of shipping six million PLAYSTATION 3 units worldwide by the end of the 2006/7 financial year.



Some 90 per cent of current PS3 users have already watched a Blu-ray movie on their console. Over 80 per cent responded that they plan to buy Blu-ray movies and almost three quarters of respondents stated their intention to rent a Blu-ray movie in the near future.”

“What is really interesting to see from the launch data is the very strong tie between PLAYSTATION 3 and Blu-ray Disc to the extent that the product and the format have almost become synonymous with, and indivisible from each other,” stated Sharples. “Our North American PS3 owner survey illustrates this. Some 90 per cent of current PS3 users have already watched a Blu-ray movie on their console. Over 80 per cent responded that they plan to buy Blu-ray movies and almost three quarters of respondents stated their intention to rent a Blu-ray movie in the near future.”

Sony Computer Entertainment Europe is using this market intelligence to gear up for its biggest ever new product launch on 23 March. The company intends to have one million PS3 units with retailers on the launch date and the first 500,000 buyers will receive a free copy of the James Bond blockbuster *Casino Royale* on a 50GB Blu-ray Disc. On launch day, customers will have over 130 movie titles available to purchase.

“PLAYSTATION 3 is fulfilling all the promises we made and the market is responding very positively,” concluded Nick Sharples. “We are geared up for a very exciting and dynamic launch period in Europe. The complementary relationship between PS3 and Blu-ray Disc will prove to be a strong market driver in Europe and will benefit the entertainment industry as a whole.”

‘BD Light’ targets independent content providers

Whilst Blu-ray Disc has garnered strong support from the major Hollywood studios, the Blu-ray Disc Association (BDA) is aware of the need to cater for the needs of independent content providers. This important group of entertainment companies work around a different business model from the major studios – their releases are geared around lower sales volumes and in this scenario licensing fees can sometimes prove prohibitively expensive for these companies.

Now, in a strategic move designed to empower the independent content providers to release their product on Blu-ray Disc, the BDA has revised and extended its licensing structure. ‘BD Light’ is a new version of the BDA license for independent content providers where the license fee is reduced from US\$ 3000 to just \$500.

“The independent sector is key to the long-term success of the Blu-ray Disc format and we have been working hard within the association to create a licensing channel that works for these companies,” commented David Walstra (*pictured left*), Vice Chairman, BDA European Promotion Committee. “With ‘BD Light’, these independent content providers can release titles on Blu-ray Disc using all the logos that the format provides.

“This is key to the format’s continued growth and prosperity since it will enable a diversity of special interest programmes, movies and other content to be published



on Blu-ray. We believe this is a key development in BD's introduction process," continued Walstra.

Sony DADC announces 50GB Blu-ray Disc manufacturing partnership

Last year, when the dual-layer 50GB Blu-ray Disc was introduced it caused a stir amongst the content creation industry. This exceptionally high storage capacity means that movie studios can present their titles in the very best High Definition visual and audio quality. Furthermore, these huge capacity discs provide ample opportunity to load added value content, such as deleted scenes, interviews with the actors and production team plus rich interactivity designed to provide a complete entertainment process.

Subsequently, all the major studios have announced their intentions to utilize the unique 50GB discs and demand for manufacturing capacity worldwide has soared.

In response to this strong demand, and aimed at boosting disc replication capacity rapidly, Sony DADC announced that it has started an initiative to develop manufacturing technology and production equipment for dual layer Blu-ray Discs. Sony DADC has agreed to co-develop mass production technology for the 50 GB Dual Layer Blu-ray Disc with Oerlikon Balzers Coatings, Switzerland, and Singulus Technologies, Germany.

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'We are pleased that Singulus Technologies and Oerlikon Balzers Coatings - both system integrators of disc replication equipment - will make available replication machines that will provide replicators world-wide with the ability to manufacture pre-recorded Dual Layer Blu-ray Discs in a short period of time,' commented Dieter Daum, Chief Executive Officer at Sony DADC. "Oerlikon Balzers Coatings and Singulus Technologies will design and manufacture Dual Layer BD-ROM replication lines for mass production using experience and know how from Sony DADC. Production machines from both companies will be available in summer of this year.'

"The good co-operation with Sony DADC offers Singulus a big opportunity to establish itself even faster in the market for the new disc formats as the leading partner of the Hollywood studios and to gain enormous competitive advantages", comments Stefan A. Baustert, Chief Executive Officer of Singulus Technologies.

"We had a great start into the Blu-ray market with installations at all key manufacturers covering pre-recorded as well as recordable BD media," commented Peter Tinner, Head of Oerlikon Balzers Coating / Systems. "Our customers have highly welcomed the new partnership with Sony and the 50GB initiative, as the market is strongly demanding the larger storage capacity. We will launch our embossing based system later this year and give all customers the option to upgrade their installed lines to dual layer media."

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to help

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