



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

21 May 2007

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European consumers talk at the tills - Blu-ray Disc is the favourite

"There is clear evidence of a strong and growing trend towards BD throughout Europe. Yes, it is early days and the figures reported represent relatively small volumes but still the market trend is clear for all to see."

*David Walstra
Vice Chairman
Blu-ray Disc Association
European Promotions
Committee.*

The impact of PLAYSTATION 3 on sales of Blu-ray Disc movies in North America and Japan after the launch last November was significant and much reported. Early market data sourced by this newsletter indicates that a similar trend is developing in Western Europe.

Industry data for the period spanning from 1 January until the end of April illustrates a startling change in market dynamics in the European HD software market.

Up until PS3's launch on 23 March, HD DVD was comfortably outselling Blu-ray Disc. However, in the week after PS3 was launched in Europe, Blu-ray Disc accounted for almost 87 per cent of all HD disc sales and this was the start of a sea change in consumer preferences. In the period since 23 March, Blu-ray Disc has consistently out sold its rival by a significant margin.

In the latest week that the figures report, Blu-ray Disc outsold HD DVD by a factor of more than three to one. Looking at this calendar year, and despite PS3 being available for only one month of this four-month period, BD software sales account for over 64 per cent of the total volume since the start of the year.

"Unfortunately, we find ourselves in the middle of a confusing period with two rival formats trying to establish themselves. However, these figures are clear and irrefutable," remarked David Walstra, Vice Chairman of the Blu-ray Disc Association European Promotions Committee. "There is clear evidence of a strong and growing trend towards BD throughout Europe. Yes, it is early days, but still the market trend is clear for all to see.



David Walstra

“What is impressive is that Blu-ray Disc is achieving this performance with just three players currently available to consumers,” Walstra added. “This summer will see many more players launched from a range of CE equipment manufacturers and this will increase consumer choice and decrease player price in a market which is set to grow significantly this year.”

Chapek: we're on the cusp of a home entertainment revolution

“The wind is at our backs with Blu-ray industry support. We are on the cusp of a revolution in the home entertainment business.”

*Bob Chapek
President
Buena Vista Worldwide
Home Entertainment*

This week, Buena Vista Worldwide Home Entertainment (BVWHE) drew format supporters from other studios and hardware makers and a broad contingent of press for its May 14 coming out party for the Blu-ray Disc versions of the first two *Pirates of the Caribbean* films, which include the studio's most technologically advanced bonus features to date.

At the Highlands Nightclub in the Hollywood & Highland shopping and entertainment complex here, BVWHE president Bob Chapek declared, “The wind is at our backs with Blu-ray industry support. We are on the cusp of a revolution in the home entertainment business.”

Chapek also used the event to announced that the studio is starting Blu-ray production for *The Chronicles of Narnia: The Lion, the Witch and the Wardrobe*.

Buena Vista's first two *Pirates* films, *Curse of the Black Pearl* and *Dead Man's Chest* are expected to be the most heavily stocked Blu-ray titles to date.

Chapek said the discs will fuel current sales trends, which have had Blu-ray software out-selling rival HD DVD by a margin of two-to-one or three-to-one in recent weeks.

BD Java interactivity

The *Pirates* titles represent the studio's most comprehensive use of BD Java, Blu-ray's interactivity software. BD Java-powered extras featured on the discs include “Scoundrels of the Sea” on *Curse of the Black Pearl*, an application that lets users create their own documentaries, and a game of “Liar's Dice” on *Dead Man's Chest*.

In each case, these extras are contained on a high-capacity 50GB disc with the feature film. Both titles include a second 25GB disc with extras that were part of the films' standard-definition versions.





Bob Chapek

"We think these two *Pirates* films represent the next leap forward for Blu-ray, where we are really beginning to showcase the opportunities of BD Java," said Gordon Ho, Buena Vista executive VP of worldwide marketing, creative content and business development. "Shipment figures are substantial. The demand for these titles is incredibly strong."

Studio support high

Studios mixing at the *Pirates* launch party likewise bodes well for Blu-ray, added Ho. "I think the industry is recognizing this is a superior format as a result of all of the great support that you are seeing here today," he said.

Blu-ray Disc supporting guests included Sony Pictures Home Entertainment execs David Bishop, president, and Lexine Wong, senior executive VP of worldwide marketing; Lori MacPherson, Buena Vista's general manager for North America; 20th Century Fox Home Entertainment senior VP of marketing communications Steve Feldstein; Pioneer Electronics' senior VP of advanced product development Andy Parsons; and Sony's VP of Blu-ray Disc Group Victor Matsuda.

Panasonic launches new BD player in the US

"With the continuing flow of hit movie titles on Blu-ray, combined with aggressive pricing and the increasing awareness of consumers about the unique entertainment experience provided by High Definition, the future looks very bright for Blu-ray."

*Gene Kelsey
Vice President
Entertainment Group
Panasonic (US)*

In the US, Panasonic has announced the availability of the DMP- BD10A, Panasonic's next generation Blu-ray Disc player, at a SRP of \$599.95.

The DMP-BD10A features an audio upgrade package that brings high end surround audio to the viewing experience via the inclusion of 7.1 channel surround, Dolby True HD and dts-HD High Resolution Audio decoding technology. The DMP-BD10A also incorporates Panasonic's proprietary EZ-Sync system for integrated one-touch operation of Panasonic home-theater components.

Panasonic's DMP-BD10A further distinguishes itself with the bundling of five mega hit Blu-ray discs. Included with each DMP-BD10A are - *Pirates of the Caribbean, Curse of the Black Pearl* and *Pirates of the Caribbean Dead Man's Chest* from Buena Vista Worldwide Home Entertainment, *Transporter* and *Fantastic 4* from Fox and *Crash* from Lionsgate.

"Panasonic is deeply committed to the success of Blu-ray," commented Gene Kelsey, Vice President, Entertainment Group, Panasonic. "High Definition entertainment is a truly unique experience and nothing powers the HD experience like Blu-ray. With that in mind, we feel



BDP-10A

strongly about providing the ultimate High Definition entertainment to the consumer and are thrilled to offer five Blu-ray mega hits with the purchase of the BD10A.

"From our format development activities and advanced Blu-ray authoring at the Panasonic Hollywood Lab to our Blu-ray player, Panasonic has been instrumental in the development of Blu-ray from the start and I feel we are in the forefront of one of the most significant technological advances in home entertainment since the arrival of the DVD a decade ago. For the ultimate 1080p High Definition experience, the consumer can pair the DMP-BD10A with one of Panasonic's 2007 line of award-winning plasmas."

"From our format development activities and advanced Blu-ray authoring at the Panasonic Hollywood Lab to our Blu-ray player, Panasonic has been instrumental in the development of Blu-ray from the start and I feel we are in the forefront of one of the most significant technological advances in home entertainment since the arrival of the DVD a decade ago."

In addition to playing pre-recorded Blu-ray movie discs, the DMP-BD10A plays conventional standard-definition DVDs (with automatic 1080p up-conversion via HDMI) and conventional CDs. Other key features of the DMP-BD10A include proprietary P4HD technology for performing IP conversion at the pixel level for ultra-fine details, a 297MHz 14bit Video D/A Converter with 4X oversampling, video noise shaping that improves signal-to-noise ratios by shifting noise to an unused band, and theoretical support for nearly 4400 billion colors. The DMP-BD10A also incorporates Dolby Digital Plus, Dolby Digital and dts decoding, and BD-J (Java application) interactive capability. The compatibility between the DMP-BD10A and the High Definition camcorder (HDC-DX1), via the AVCHD (H.264) codec, is a prime example of Panasonic's dedication to the high definition digital lifestyle.

"With the continuing flow of hit movie titles on Blu-ray, combined with aggressive pricing and the increasing awareness of consumers about the unique entertainment experience provided by high definition, the future looks very bright for Blu-ray," added Kelsey.

Disney chief calls for consumer focus and Blu-ray Disc support



Bob Iger

In a recent quarter's end conference call with the Walt Disney Company, company president and CEO Bob Iger reiterated his company's stance behind the Blu-ray Disc format.

When Iger was asked if he could consider supporting HD DVD should that format prove to be more successful than Blu-ray Disc, he replied, "We made our bed with Blu-ray because we believed more in that format for a variety of reasons; some technical in nature, some due to the fact that it simply had broader support from a variety of industries, notably the motion picture studios but also what I'll call the consumer electronics and the tech industry."

"What we are seeing lately is that sales of Blu-ray discs are outpacing HD discs by at least two to one," Iger continued. "As more quality Blu-ray product comes on the market, which is going to happen, notably with *Pirates* on May 22, we actually believe that the difference or the advantage of Blu-ray is only going to widen."

Iger acknowledges that both formats are still in their infancy, with HD DVD and Blu-

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*Bob Iger
President and CEO
Walt Disney Company*

ray Disc both recently hitting the one million unit mark, and lays part of the blame on the consumer uncertainty generated from the apparent format war. "What we are also seeing is that the adoption of the platform right now is being held back a bit by a perception among consumers, really, that there is a format war; and that the hardware or the players are too expensive," Iger said, adding that he expects that the price of players to drop by the Christmas season.

"We also believe that if Blu-ray continues to outpace HD DVD the retailers are ultimately going to weigh in, because they only have a limited amount of shelf space, and they are going to have to choose a format in order to manage their own shelf space. Once that happens, the advantage is going to go even more in Blu-ray's direction," states the Disney CEO. "The best thing that could happen is for the format war to end, which will be very pro-consumer, particularly as hardware comes down."

Iger points out that the format war is something that doesn't apply to all consumer markets. For example, Blu-ray Disc holds an overwhelming command in Japan. "If you look across the globe, the only place there is really a format war is in the United States," said Iger "In other markets where next-gen DVD is starting to penetrate, Blu-ray is winning, and substantially; so much so there isn't even a perceived format war."

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to help

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