



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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Blockbuster to expand Blu-ray Disc to 1,700 stores

"We intend to meet the demands of our customers and based on the trends we're seeing, we're expanding our Blu-ray inventory to ensure our stores reflect the right level of products,"

*Matthew Smith
SVP Merchandising
Blockbuster.*



In response to the growing demand for High Definition DVDs, Blockbuster Inc. has announced that it is rolling out an expanded Blu-ray Disc inventory for rental to 1,700 corporate-owned BLOCKBUSTER® stores by mid-July. The Company will continue to offer both Blu-ray Disc and HD DVD titles through its online rental service, <http://www.blockbuster.com/>, and will continue to offer both formats only at its initial 250 stores that currently carry both High Definition formats.

"We intend to meet the demands of our customers and based on the trends we're seeing, we're expanding our Blu-ray inventory to ensure our stores reflect the right level of products," said Matthew Smith, SVP Merchandising for Blockbuster. "While it is still too early to say which High Definition format will become the industry standard, we will continue to closely monitor customer rental patterns both at our stores and online, so we can adjust our inventory mix accordingly and ensure that Blockbuster is offering customers the most convenient access to the movies they want, in the format they want."

When Blu-ray Disc and HD DVD were introduced to the marketplace in 2006, Blockbuster began offering the High Definition formats on all titles in which it was available through [blockbuster.com](http://www.blockbuster.com). The Company also introduced both formats on select titles in 250 stores in November of 2006. With Blu-ray Disc rentals significantly outpacing HD DVD rentals at its BLOCKBUSTER stores, the Company made the decision to expand the number of stores offering the Blu-ray Disc format only.



With the expansion in July, the 1,700 stores will be carrying more than 170 titles in Blu-ray Disc and will continue to add titles in the format as they are released from the studios. "We are excited to be able to make more High Definition titles

available to our customers in those stores where our research indicates there will be the most demand," said Smith.

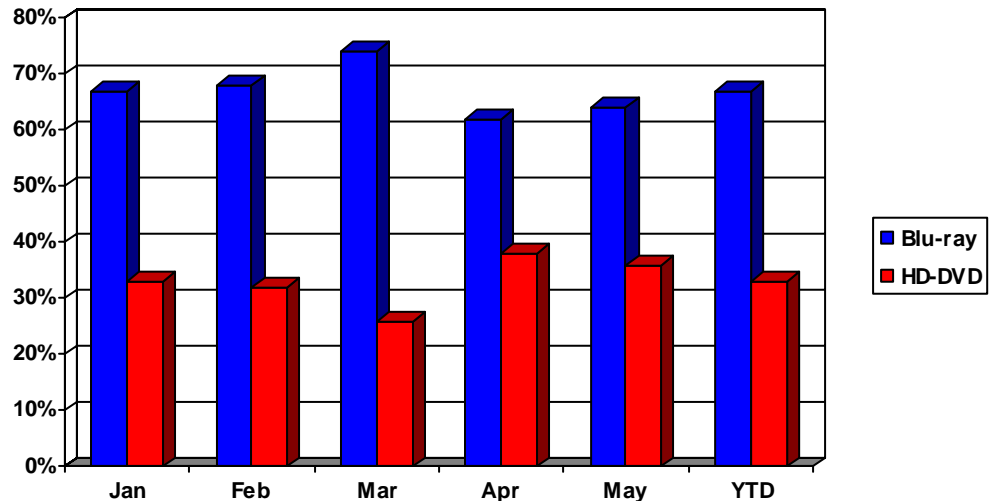
US market intelligence guides consumers towards Blu-ray Disc

New North American market intelligence released by the Blu-ray Disc Association (BDA) has reinforced Blockbuster's assessment of the High Definition video market. The BDA believes that the data reveals clear indicators in consumer preferences and hopes that these trends will help guide consumers who are about to invest in their next generation High Definition home entertainment system.

According to research carried out by Home Media Research, the four-week period ending 27 May saw BD achieve 64 per cent market share in the US. In the first five months of 2007, Blu-ray Disc has outsold HD DVD by a 2 to 1 ratio and achieved a market share of 67 per cent over that period.

These cumulative figures reflect consumer preferences and buying decisions during a period when consumer hardware and software products have been available in both High Definition formats. To understand the true extent of the groundswell of popular support for Blu-ray Disc, you must look at the list of top-selling titles compiled by Home Media Research.

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2007 Year to Date BD versus HD-DVD title sales percentages

Source: Home Media Research

In the combined format HD Top 20 List, 19 of the 20 are available on Blu-ray Disc and 12 are available exclusively on Blu-ray Disc.

"At the Blu-ray Disc Association our concern is that consumers make investments which yield the greatest dividend in terms of their home entertainment experience," commented Andy Parsons, Chairman, Blu-ray Disc Association US Promotions Committee. "We believe that a clear trend is now evident in the market. Consumers

are making their buying decisions and this should help guide others that are contemplating a move up to Hi Def.

Blu-ray Disc offers the greatest choice, the most sophisticated viewing experience and the best option moving forwards. We are seeing a number of new product introductions this summer and fall, extending choice in the world's favourite High Definition home entertainment platform."

Europe kicks-off cross industry BD format promotion campaigns

Recognizing that distribution channels and market dynamics vary significantly between one European country and another, the core group of companies has established a series of BD format promotion task forces throughout a number of local country markets.

In Europe, Blu-ray Disc has achieved critical mass with three manufacturers (Samsung, Panasonic and Sony) marketing dedicated Blu-ray Disc players and over 1 million PLAYSTATION 3 consoles having been sold across the PAL territories. In terms of software titles in Europe, there exists a clear and consistent 2 to 1 advantage by Blu-ray Disc over HD DVD. And as in the U.S., Blockbuster UK has been carrying only BD titles within its stores for some time.

Market indicators suggest that the Blu-ray Disc is entering a strategically important period when it is possible for the format to gain momentum rapidly in mainstream markets. In this situation, a group of consumer hardware and software companies have decided that the time is right to place significant resources behind the promotion of Blu-ray Disc to the consumer markets in Europe.

Recognizing that distribution channels and market dynamics vary significantly between one European country and another, this core group of companies has established a series of BD format promotion task forces throughout a number of local country markets. Whilst being a separate entity from the Blu-ray Disc Association, this initiative is supported by the BDA.

The core group reports that teams are active in the Benelux countries, France, Germany, Italy, Spain and the UK. These teams are providing local press events and retail promotions including in-store promotions, roadshows and local language websites, which are specifically tailored for consumers within that country.



In store BD format promotion on Oxford Street, London

For more information on the specific promotion campaigns, visit www.blurayrevolution.co.uk; www.bluray-facile.com and www.bluray-club.es

Sony experiences BD confidence in US and Europe

Just as the HD DVD Promotional Group is set to cut global sales forecasts for HD DVD players, Sony has said that U.S. shipments of its Blu-ray disc players could jump to about 600,000 this year.

The company attributes growing demand for Blu-ray Disc to movie titles released exclusively for the Blu-ray disc format. Out of the top 20 blockbusters "there were 14 or 15 that were exclusive to Blu-ray", Sony's Randy Waynick told a journalist meeting in San Francisco.

Simultaneously, the U.S. sales target for HD DVD players has been lowered to 1 million from the previous 1.8 million prediction. "Obviously we are going to have to lower our previous global estimate," Toshiba's Yoshihide Fujii said, according to Bloomberg.

At the same time in Europe, last week saw the appearance in UK shops of Sony Europe's first Blu-ray Disc Player. Announced in March, the BDP-S1E targets enthusiasts who demand the very best home theatre experience with uncompromised HD images and sound.

"While Blu-ray already features in some VAIO PCs and PlayStation3 in Europe, this is the first Sony Blu-ray Disc product specifically for the home cinema market."

*Hodaka Irikuchi
Business Manager
Home Video Europe
Sony Europe.*



According to Sony sources, it's also a serious statement about its strategic commitment to the Blu-ray Disc format. The BDP-S1E is central to Sony's long-term 'HD World' strategy in Europe.

"While Blu-ray already features in some VAIO PCs and PlayStation3 in Europe, this is the first Sony Blu-ray Disc product specifically for the home cinema market", notes Hodaka Irikuchi, Business Manager, Home Video Europe at Sony Europe.

Flat screen TV sales are booming across Europe. And as they become more affordable, Sony reports significant demand for Full HD displays. These are capable of displaying images at 1920 x 1080p (progressive) resolution – the highest possible HD quality and higher than TV broadcasts.

"Apart from a very limited number of European broadcasters, there's no 1080p content for viewers to enjoy on their Full HD TVs", explains Irikuchi. But now the first wave of movie releases on Blu-ray Disc is available in stores. "With its 1080p replay capability, the BDP-S1E at last lets consumers enjoy the ultimate Sony HD entertainment experience in their living rooms."

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to help

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