



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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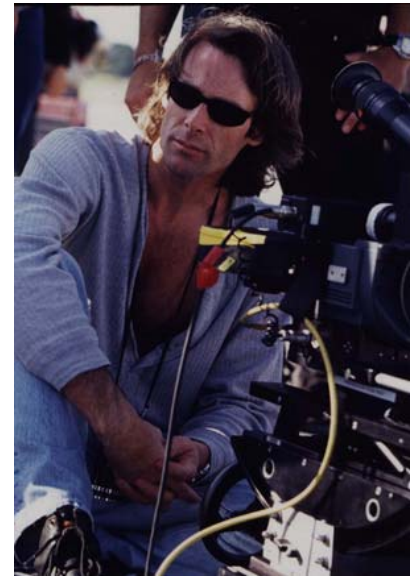
Transformers director comes out in support of Blu-ray Disc

Director Michael Bay's blockbuster movie, *Transformers*, was an HD hit from the first day of its release on October 16. According to the releasing studio, 190,000 copies were sold over the first week, leading Paramount to boast *Transformers* as, "the fastest and best-selling week one release on either High Definition format as well as the best selling HD DVD ever."

Whilst Paramount says *Transformers* sold 190,000 units during its first week in stores, *Home Media Magazine* market research and studio estimates puts the actual number of units that sold through to consumers closer to 115,000.

Despite Bay's great success on HD DVD with *Transformers*, the action director is showing little faith in the future of the High Definition optical format.

Speaking to *USA Today* regarding the release of *Transformers* on High Definition, Bay commented on Paramount and Dreamwork's decision to go HD DVD exclusive saying, "It's short-sighted and it has delayed consumers' moving to HD (home video). As a director, my critical eye is that Blu-ray is where my money is. Consumers are smart, and they are going to wait it out."



Michael Bay

"As a director, my critical eye is that Blu-ray is where my money is. Consumers are smart, and they are going to wait it out."

*Michael Bay
Transformers Director*

Positive outlook for Blu-ray Disc as Q4 approaches

"We would never say that all consumers must buy only one format: the fact is that there is a choice to be made and that is good for consumers and good for the market. Blu-ray Disc is not the cheapest option, but then our intention was never to develop a cheap solution."

*Victor Matsuda
Chairman
BDA Global Promotions
Committee*



Victor Matsuda

US-based *Home Media Magazine's* research branch, *Home Media Research*, has announced that between January 1 and September 30 this year the Blu-ray Disc format sold 2.6 million units versus a total sales of 1.4 million HD-DVD discs in the US.

This announcement, which indicates an almost 2 to 1 ratio of Blu-ray Disc sales to HD DVD, emphasizes a long-term trend where BD quickly caught up with the (earlier to market) HD DVD format and then established a strong lead.

Blu-ray Disc titles began outselling HD DVD titles early in the year and have consistently maintained an edge, week after week. Even Paramount Home Entertainment's release of the DreamWorks theatrical blockbuster *Transformers* exclusively on the HD DVD format didn't tip the scale last week.

Though there was no hot new Blu-ray Disc release, consumers continued to buy more Blu-ray Discs than HD DVDs for the week ended Oct. 21, albeit by a slim 51% to 49% edge.

Most analysts predict both formats will continue to co-exist as the audience for High Definition discs continues to increase, growth that likely would occur faster if there was only one format.

Tom Adams, president of Adams Media Research, predicts that for 2007 overall, consumers will spend \$186 million purchasing Blu-ray Discs, versus \$91 million for HD-DVD. In the run up to the strategically important Christmas holiday period the Blu-ray Disc Association has emphasised the importance of clarity and openness in a dynamic and fast growing market.

"High Definition offers the potential to completely revitalise the global consumer market and place it on a renewed growth path. The potential benefit for all sectors – from consumers to equipment manufacturers and movie studios - is immense," stated Victor Matsuda, Chairman of the BDA Global Promotions Committee. "However, the focus has to be the consumer. Whatever happens, consumers must be supported with clear and accurate information so that they buy the right format for them, for the right reasons."

Matsuda was talking at a time when the BDA feels confident that it is communicating its message effectively, with the Blu-ray Disc format rapidly growing a strong international base of users wishing to step up to High Definition home entertainment.

"Blu-ray Disc has been developed, and is supported by more than 170 of the world's leading technology and entertainment companies. It provides a most robust solution to the global market's needs that will last at least as long as DVD has – probably much longer.

“In the time since we launched our proposition the market has responded and is showing that it understands and values the Blu-ray Disc proposition.”

“It represents a revolutionary approach and revolutions don’t happen overnight. We weren’t the first to market, simply because something as robust as Blu-ray Disc takes time to evolve.

“We were happy to allow that evolution to happen and then bring an advanced solution to market. In the time since we launched our proposition, the market has clearly responded and is showing that it understands and values the Blu-ray Disc proposition.”

“It is no fluke or mistake that we are outperforming HD DVD by such a large margin. BD offers the consumer great choice with many top brand players, PC-based solutions and PS3 already on the market. Where consumers have a choice they back Blu-ray Disc,” concluded Victor Matsuda.

Meijer offers only Blu-ray Disc on on-line retail site



“Blu-ray is currently outselling HD DVD with a ratio of four-to-one.”

*Dawn Bronkema
Director of e-commerce marketing
Meijer*

A good illustration of the large and growing demand for Blu-ray Disc products amongst consumers is the growing number of retailers that are deciding to stock only BD titles in their stores and on-line retail sites.

This has been a long term trend – at the start of the summer Blockbuster was amongst the first retailer to opt for a Blu-ray Disc only policy. More recently, this was followed in Europe by a similar decision by Dutch retailer, Free Record Store.

Now, the latest news reverts back to the U.S.A where regional mass merchant Meijer has begun offering Blu-ray titles exclusively on its Web site in mid-September.

The site (www.meijer.com) offers about 300 Blu-ray Disc titles, which is a full representation of BD releases that studios have released to this point.

Numbering about 180 outlets across Michigan, Indiana, Illinois, Kentucky and Ohio, Meijer does offer a limited number of both Blu-ray Disc and HD DVD titles in stores.

Meijer director of e-commerce marketing Dawn Bronkema said there are plans to also carry HD DVD titles on the site, but current in-store sales trends pushed the retailer to act first on expanding its Blu-ray Disc selection. “Blu-ray is currently outselling HD DVD with a ratio of four-to-one,” Bronkema said.

Korean market warms to Blu-ray Disc

Blu-ray discs are taking an edge over HD-DVD discs in the fledgling Korean High Definition (HD) video market with strong support from big firms such as Samsung Electronics and Korea Telecom, so reports The Korea Times.

According to the country’s leading daily newspaper, Samsung is working together with Sony on Blu-ray Disc movie titles and players in Seoul. Korea Telecom also

forged a strategic partnership with the Japanese company to launch an Internet-based TV service based on PLAYSTATION3 console next month.



**COEX in Seoul
provides Korean BD
showcase**

“The local Blu-ray market is starting to heat up as the supply of Full HD TVs and Full HD projectors is increasing and more movie titles are released,” said Jun Dong-soo, executive vice president of Samsung's audio and video division. “We will spur the growth of the market with new players that can satisfy consumers in both price and quality.”

Initially, Samsung was an ardent supporter of the Blu-ray Disc format and it had downplayed the HD-DVD format. But since last year, the firm changed its position to a neutral one because the relatively low sales of both formats made it hard for Samsung to predict which would be the eventual winner. So instead of devoting itself to Blu-ray Disc, Samsung introduced a dual player that can play both Blu-ray Disc and HD-DVD formats.

Recent moves, however, showed that the electronics giant has continuing strong support for the Blu-Ray Disc format through an aggressive pricing policy of its BD players. Last week, it launched a 600000 won Blu-Ray Disc player - significantly more affordable than the one-million won model first introduced last year. The following weekend, the firm held a public showcase for the P1400 player and other projectors at the COEX exhibition center in southern Seoul together with Sony Pictures. The event was watched by members of DVD Prime, a prominent movie society on the Internet.

Korea Telecom, the telephone and Internet line operator, made a more ambitious move to utilize the HD video groundswell. The company said last month that it would soon connect its Internet-based TV broadcasting service to Sony's PLAYSTATION 3 game console for the first time in the world. This is supposed to be a win-win strategy, as consumers will be able to use the console box as a Blu-ray player and set-top box for HD TV, it said.

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