



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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Format war will cease in 2008, so says Gartner

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*Hiroyuki Shimizu
Principal analyst
Gartner Japan*

In today's international markets the backing (or lack of it) for new technology by specialist industry analysts can have a significant impact on its long-term fortunes. Now, well-regarded market research firm Gartner is taking sides in the next generation High Definition format discussion, and is speaking on no uncertain terms. According to Gartner's principal research analyst for Japan, Hiroyuki Shimizu, by the end of 2008 the Blu-ray disc format will have won and the high-def format war will be over, and HD DVD's attempts to appeal to consumers are merely "useless resistance."

"Gartner believes that Toshiba's price-cutting may prolong HD DVD's life a little, but the limited line-up of film titles will inflict fatal damage on the format," Shimizu wrote in Gartner's *Semiconductor DQ Monday Report*. "Gartner expects that, by the end of 2008, Blu-ray will be the winning format in the consumer market, and the war will be over."

Blu-ray Disc currently counts five of the seven major movie distribution studios in its camp, while Paramount and Universal are the only studios exclusively backing HD DVD.

Toshiba has announced steep price cuts on HD DVD players—dropping prices on its HD-A3 player to \$149.99 from \$299.99—following Warner Brothers' announcement that it would cease producing both Blu-ray Disc and HD DVD titles and start releasing exclusively on Blu-ray Disc. Toshiba's higher-priced HD DVD player models are now priced at \$199.99 and \$299.99.

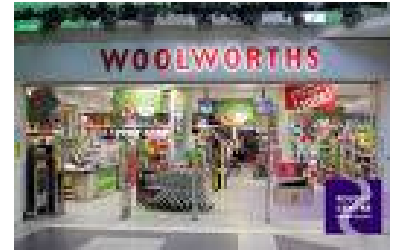
Woolworths backs Blu-ray Disc, drops HD DVD

UK high street retail chain, Woolworths, reportedly the UK's biggest retailer of next-gen DVD discs, is to exclusively back Blu-ray Disc moving forward this year.

The chain has announced it is only to stock Blu-ray discs in store from March, with HD DVD movies being dropped from shop shelves, only to be sold online.

The move is apparently the a result of a decision made after Christmas sales stats were studied - it seems Blu-ray discs outsold HD DVDs by ten-to-one in "Woolies" stores over the festive sales period.

"Sales figures clearly show that the market is moving towards one format of High Definition DVD," says Woolworths DVD buyer Steven McGunigel.



"The main reason is the success of Sony's PLAYSTATION 3 machine. Because it plays Blu-Ray discs, there are over three quarters of a million homes in the UK that can view the new High Definition format. There is no where near that number of HD DVD players around."

"Switching to Blu-ray only will provide one clear offer to customers in the format they want to watch High Definition movies in."

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Woolworths DVD buyer*

Sonic Solutions targets Blu-ray Disc growth, drops HD-DVD development

In further news that sees another company strengthen its support for Blu-ray Disc whilst simultaneously dropping support for HD DVD, Sonic Solutions is ending work on HD DVD authoring systems, since an "overwhelming majority" of customers want Blu-ray Disc-based solutions, Rolf Hartley, senior vice president and general manager of Sonic's professional products group says. Sonic, through its Scenarist brand, is a major supplier of Blu-ray Disc and HD DVD authoring tools to many top replicators, including Technicolor and Cinram.

Sonic will keep providing "bug fixes" and maintenance service for its base of HD DVD authoring systems through its advanced technology group, but will throw its "going forward" development effort behind Blu-ray Disc, Hartley said. The switch will let the company "centralize" R&D as it prepares for the expansion of BD-Java and BD-Live, plus DVD download-to-burn under Sonic's Qflix brand, Hartley said. Sonic's Roxio consumer DVD burning software will continue to support both formats, he said.

"The overwhelming majority of our customers are asking us for BD solutions," Hartley said. "It's a question of where should we spend the majority of our time. Our customers are asking, 'What are we doing for BD-J,' or 'How can we make that more stream-lined?'" Sonic's decision "was based around the dynamics within our



own business, what our customers were asking for and where we really see the business opportunities for them," he said.

Hartley wouldn't speculate on the impact of Sonic's move on HD DVD's fate, denying the company sought to tip any scales in Blu-ray Disc's favour. "We don't comment on the dynamics of the format war and we're not trying to leverage that in either case," Hartley said. "What we are doing is focusing on our customers' business and their opportunities." Sonic see the opportunities as "much broader" on the Blu-ray Disc "path," he said.

A new version of Sonic's Scenarist BD authoring software, to be released this spring, will upgrade existing systems. Sonic released Scenarist BD 4.3 last spring. Hartley declined to give full specs on the new software, but it likely will dive deeper into BD-Live and BD-Java support.



"We have a real opportunity to leverage our expertise" in BD-Live and BD-Java and "give our creative customers that power they need to deliver some applications for that use," Hartley said. This will include "delivering specific kinds of messaging" for Blu-ray titles rather than the "scatter-gun" approach seen in the past, Hartley said. "When you have appropriately textural messaging those things start to become a service rather than a message."

Sonic's decision on HD DVD won't mean layoffs or earnings charges, executives said. "It's a realignment more than anything and has nothing to do with our headcount," Hartley said. "The proposition for creating a lot of advanced content across both formats has been daunting for a lot of non-technical folks and we're focusing on making a much approachable business production environment."

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*Rolf Hartley
Senior vice president
and general manager
Sonic Solution's
Professional Products
Group*

Singulus ramps up Blu-ray Disc production capacity

German CD and DVD equipment maker Singulus expects to win more orders for its Blu-ray disc machines than previously forecast thanks to the purchase of Oerlikon's Blu-ray Disc unit, chief executive Stefan Blaustert was quoted on Saturday as saying.

"The probability of us delivering more Blu-ray machines 2008 than the 15 originally planned has clearly increased," Blaustert told German weekly Euro am Sonntag. "I expect to book the first orders in this quarter," he added in the report, details of which were released on Saturday.

Singulus said last month it was upbeat about demand for its Blu-ray Disc High Definition video replication machines this year after Warner Bros. announced it would exclusively use Blu-ray Disc for new titles starting in May.

Blaustert said Singulus was now able to produce more machines after it bought the Blu-ray Disc business of Switzerland's Oerlikon this week. The two companies had



Singulus BLU-LINE

not disclosed financial details but Blaustert said the acquisition "was low-priced in our eyes. And it was done in such a way that it was especially easy on our cash-position".

The purchase is likely to allow Singulus to reach a market share of 75 percent worldwide, Blaustert said.

Finnish film distributor backs Blu-ray Disc in preference to HD DVD

Another fallout of the Warner announcement, Finnish distributor FS Film will now support Blu-ray exclusively.

They currently have distribution rights to titles from many different studios, but appear to focus most of their efforts on releasing Fox titles. Soon after Warner Brothers announced that they would support Blu-ray exclusively this summer, all HD DVD product listings on their website disappeared.

It has now been confirmed that they have dropped the format in favour of Blu-ray Disc.



New Blu-ray Disc testing and advisory service opens in US

The days when a studio could master a DVD and rapidly get it to market with minimal testing are fading fast. The latest Blu-ray movie titles are essentially a sophisticated blend of advanced interactive software and High Definition video and audio. As such, they require advanced testing methodologies to ensure they deliver functionality as intended in all the latest Blu-ray players.

To ensure that studios can be certain that the latest box-office hit will operate issue-free in any Blu-ray Disc player, a new company has launched. Founded by industry experts with years of expertise in DVD/Blu-ray Disc engineering and production, BluFocus aims to address the emerging need for advanced methodologies for Blu-ray Disc title testing and quality assurance.

"Existing standard DVD testing approaches do not address the complexities of the advanced Blu-ray platform; we are filling this gap by offering state-of-the-art Blu-ray title testing experience to all stakeholders in the production process," said Paulette E. Pantoja, founder and CEO of newly formed BluFocus Inc. "We address the needs of all of the Blu-ray constituents: studios, authoring facilities, players manufacturers, and the emerging developers of Blu-ray disc tools."

BluFocus is particularly familiar with the qualification of Blu-ray Disc Java (BD-J). BD-J is the interactive platform supporting advanced bonus content for Blu-ray Disc. It allows content on Blu-ray Disc titles to be far more sophisticated than





Paulette Pantoja

content provided by standard DVD, and offers the potential for interactive features, network access, picture-in-picture and access to local storage.

“We believe that the testing methodologies currently in place—while appropriate for DVD titles—are not sufficient for Blu-ray discs. No one in the business wants to see a title released to the market with problems, but this will be an increasingly common event unless the quality assurance process is scoped out to include the advanced features of the Blu-ray format,” said Pantoja.

BluFocus is already working with several movie studios to qualify certain titles, complementary service providers, and a leading BD Live technology developer in order to offer authorized testing for network connected BD-J features.

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to help

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