



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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Blu-ray helps beat High Street credit crunch

"BD is a new format which offers so much more entertainment and infotainment potential than any of its predecessor formats. It will take time to build awareness and recognition of its strengths, but it will come and with recognition comes acceptance and then unprecedented consumer demand. We are looking forward to a very busy and successful remainder of the year."

*Victor Matsuda
Chairman
Blu-ray Disc Association
Global Promotions
Committee*

Global sales of Consumer Electronics (CE) equipment rose 15% in 2007 to reach \$480bn and look set to rise another 7.6% to \$516bn in 2008, despite the impact of the credit crunch on consumer confidence and an unwillingness to spend in key markets like the USA and UK. Desire for flat panel TVs, laptop PCs and other hot products like videogames continue to be buoyant in Western Markets, while increasing CE consumption in Emerging Markets like China, India and Russia is helping sustain global market growth.

This is one conclusion of a recently completed analysis by Understanding & Solutions, published as part of its Digital Consumer Electronics market information service, sponsored by many major CE vendors worldwide.

The consumer electronics market is segmented out into three main equipment categories, each with a broadly different usage and consumer interest profile:-

'AV-Centric' products (TV, video, audio), accounted for 33% of ex-factory CE sales in 2007. The share of 'AV-Centric' equipment has stabilized over the last 3 years as the flat panel boom has driven up the value of the global TV market at 15% per annum.

'Infotainment' devices (PCs, peripherals and networking), accounted for 26% of the CE market in 2007. Consumer spending on computers has been driven by 30%+ p.a. increases in shipments of laptop computers, offsetting single digit growth in desktop PC products. Growth in demand for consumer laptops will remain strong



Blu-ray Disc bolsters CE sales

for several more years as it has become the 'must have' infotainment product for an increasingly Web-centric population.

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Understanding & Solutions

'Mobility' (cellphones and converged handheld devices), accounted for 24% of CE ex-factory sales (although handsets are often subsidised or even free to consumers at point of sale). The wireless market continues to expand due to growth in Emerging Markets and buoyant replacement demand in mature countries. These three main segments together account for 80% of all CE sales.

The global videogame market has more than doubled in size since 2005, driven by new generation consoles from Sony and Microsoft plus Wii from Nintendo, which has broadened the demographic of game ownership. Sales of handheld games were also strong in 2007.



Although videogame hardware sales of \$16bn represented only just over 3% of the CE market in 2007 (including consoles and handhelds) the sector is strategically important as it is shared by just three competitors and opens the door to another \$30bn+ in software sales, plus the development of online services and added value functionality like Blu-ray High Definition videodiscs, so *Understanding & Solutions* says.

The Blu-ray Disc Association recognizes that a global economic downturn is not the most progressive environment in which to launch a new and radically different home entertainment format. However, research from analysts indicates that when compared like-for-like, Blu-ray Disc is establishing itself faster than DVD did at the same stage in its environment.

“In every market sector from games to movie playback and PCs we are registering major consumer interest in Blu-ray Disc,” stated Victor Matsuda, Chairman of the Blu-ray Disc Association Global Promotions Committee. “BD is a new format which offers so much more entertainment and infotainment potential than any of its predecessor formats. It will take time to build awareness and recognition of its strengths in the marketplace, but it will come and with recognition comes acceptance and then unprecedented consumer demand. We are looking forward to a very busy and successful remainder of the year”

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**Blu-ray Forum.cz
opens up new
European market**

Another indication of Blu-ray Disc's increased momentum comes with news from Prague of the establishment of a new Blu-ray Disc format promotion task force within the Czech Republic.

Established in March 2008, Blu-ray Forum.cz includes amongst its founder members Sony, Samsung, Brickbox and BontonFilm. Co-members include MagicBox, Forum Home Entertainment and Basys (Pioneer).



The Forum's main objective is to locally promote the BD format within the Czech Republic - it is mainly focused on software promotion and the in-store promotion of Blu-ray products.

To introduce itself more publically, Blu-ray Forum.cz staged a press conference on 6 May at which over 50 TV, radio, online and print journalists attended. After two hours of presentations and demonstrations, the event resulted in two slots of CT24, the national Czech TV news channel, together with a range of coverage within leading national media outlets from HDMag.cz to IDnes, Technet and Marketing& Media.

"In the Czech Republic as everywhere, Blu-ray Disc is the most exciting development in the home entertainment market for many years," explained Lukáš Paskovský, Trade Marketing Manager Home Video, HiFi at Sony Czech. "Through teaming up, we intend to create a solid launch pad for Blu-ray in our country and judging by initial press reactions this will be an exciting introduction."

Panasonic forges ahead with third generation BD-Live player in US

Panasonic Corporation of North America has announced the introduction of the anticipated DMP-BD50, Panasonic's third generation Blu-ray disc player. Blu-ray media offers a wide range of functions that foster the transition to HD - including 1080p image quality, lossless Dolby TrueHD and DTS-HD Master Audio and versatile Picture-in-Picture applications. The BD50 adds the new BD-Live function, which uses the internet to further enhance the consumer's entertainment experience. The DMP-BD50 will be available this spring and will have an SRP of \$699.95.

BD-Live opens up a myriad of interactive possibilities for the consumer. In the future BD-Live will allow users to connect the DMP-BD50 to the internet to download such data as images and subtitles, and to join in multi-player interactive games that are linked to bonus movie content contained on Blu-ray discs.

For optimum image quality the DMP-BD50 features the PHL Reference Chroma processor and P⁴HD i/p conversion processor, which combine to create Uniphier, a

precise digital video processor that produces sharp, crisp, natural colors that are extremely faithful to the original movie. Uniphier reflects the advance encoding and authoring technologies developed by Panasonic Hollywood Laboratory.



Panasonic
ideas for life

"The beauty of the Blu-ray player is that we can now see movies the way the film maker intended, in glorious HD video and audio."

*Paul Sabo
National Marketing Manager
Entertainment Group
Panasonic*

The true to the original source images are complimented by an exceptionally pure, accurate sound achieved through Audio Re-master and integrated decoders for the lossless Dolby True HD and DTS-HD Master Audio formats. Furthermore, the DMP-BD50 can be combined with a 7.1 channel amplifier and speakers for full 7.1 channel surround sound.

Networking is an essential product of the DMP-BD50. The included SD Memory Card slot allows for easy transferring of images from an HD camcorder or digital still camera via an SD Memory card. The consumer simply inserts the SD card into the BD50 and then can view the images on a large screen HD flat panel television with AVCHD format video images or JPEG stills in full 1920 x 1080 resolution. In addition the DMP-BD50 has been awarded the Energy Star certification.

"Panasonic was the first to bring a Blu-ray player with Bonus View (Final Standard Profile 1.1) to market and now with the DMP-BD50 we are again leading the industry with the inclusion of BD-Live," said Paul Sabo, Panasonic, National Marketing Manager Entertainment Group. "The beauty of the Blu-ray player is that we can now see movies the way the film maker intended, in glorious HD video and audio."

Replication technology company, Singulus ups Blu- ray business forecast

Singulus Technologies has reported that it has received numerous orders for Blu-ray lines from Europe and Asia in the 1st quarter 2008. A first major order for Blu-ray was also received from the US in the 1st quarter.

These new orders confirm Singulus' expectations with regards to growth of the Blu-ray market. Since the settlement of the format dispute at the beginning of January 2008 and with the strategic acquisition of the Blu-ray Disc equipment operations from Oerlikon on January 31, 2008 Singulus has further improved its position for Blu-ray Disc.

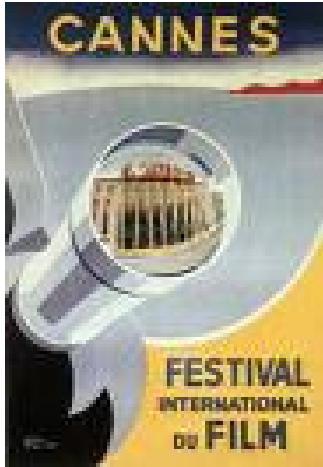
Due to these favourable trends Singulus has lifted its own order forecast from 20 Blu-ray machines to about 30 machines for 2008. For the Blu-ray segment a market share of more than 65% is anticipated.

The MediaTech Expo 2008, the largest trade fair for the optical disc industry worldwide, which took place in Frankfurt, Germany this month, was predominantly devoted to Blu-ray according to Singulus representatives. At MediaTech, the positive expectations for Blu-ray were underlined by the leading market research institutes.



Blu-line from Singulus

Sony launches Base project to foster Blu-ray growth in Europe



Tapping into Europe's film culture

With its 400 million inhabitants, Europe is the most important Blu-ray Disc market in the world. To support this dynamic market, where the HD household penetration is significantly lower than in the US and in Japan, Sony has decided to launch the BASE project: **Blu-ray Authoring and Solution Europe**.

A team based in France and entirely dedicated to this project will be in charge of providing technical support to the European studios and Blu-ray Disc authoring facilities. With Sony's specialist technology and knowledge on Blu-ray Disc, the presence of the team will encourage European AV production companies and content providers to produce and release BD movie titles. The team will be operational around autumn and coordinate between operations in the Japanese, North-American and European markets.

Sylvain Antol, President of Sony France and Senior Vice President Engineering, Manufacturing and Service Europe commented: "With this BASE project, Sony shows once again the importance given by Sony Group to the European market, on the one hand, and to the Blu-ray Disc and High Definition, on the other hand".

By locating its office in Paris - one of the cultural centres in Europe - the importance of High Definition and the appeal of the Blu-ray format will be strengthened so that BASE will continue to spread the Blu-ray message throughout Europe.

For the coming years, the BASE team has ambitious objectives in terms of market penetration, to help establishing Blu-ray Disc authoring environment and increasing the number of exciting Blu-ray Disc titles in Europe.

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