



# Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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## Blu-ray Disc displays strong growth prospects despite economic downturn

As the 2009 International Consumer Electronics Show in Las Vegas opens its doors to the public the U.S. economy is experiencing some of the most challenging economic conditions in living memory. Despite this many analysts and other industry opinion formers are predicting that Blu-ray Disc offers a platform of stability in troubled times and the format's growth will help the home entertainment industry to maintain revenues over coming years.

Last year DVD revenue in the U.S. declined by eight per cent but a new research report entitled "The State of Home Video" released by SNL Kagan projects that it's only a matter of time before Blu-ray begins to compensate for these declining returns from traditional technologies, creating incremental strengthening of home entertainment revenues over the next several years.



SNL Kagan said that the growth in the installed base of Blu-ray Disc players will compensate for DVD declines. "We expect a resurgence over the next couple of years, thanks to High Definition," SNL Kagan forecasts in its report.

Confidence in Blu-ray Disc's ability to fight off the recession is found throughout the industry. CES' sponsors, The Consumer Electronics Association predicts that North American

consumers will spend will spend more on Blu-ray than on DVD in 2009, with \$1.3 billion on Blu-ray players outpacing the projected \$1.2 billion that will be spent on regular DVD players.

At CES, the smart money is betting that several product segments – including Blu-ray Disc - will enjoy healthy sales in 2009 and, in so doing, provide a much-needed

*"Consumers are making the conscious decision to spend more money on home entertainment. That's a result of the economy, but this was also beginning to happen well in advance of the economy."*

*Kurt Scherf  
VP/principal analyst  
Parks Associates*

underpinning for the international entertainment business. "In the midst of a dismal housing market and an overall economic slump, consumers are still expected to shell out cash for consumer electronic products," In-Stat analyst Stephanie Ethier says.

Kurt Scherf, VP/principal analyst at Parks Associates, says his company's research shows a boost for products in the home. "Consumers are making the conscious decision to spend more money on home entertainment," he explains. "That's a result of the economy, but this was also beginning to happen well in advance of the economy."

Scherf reports that penetration of HDTV sets is at 50% of U.S. households, with deluxe home theaters (large-screen TVs with 5.1 surround sound) at 20% penetration. Completing the picture, Scherf adds, are products that enhance existing household entertainment setups. "That includes Blu-ray players and game consoles at the center of so many home theaters," he says.

### **European analysts optimistic about Blu-ray Disc**

The strength of support for Blu-ray Disc spreads well beyond the U.S and Japan. As previously reported, the latest GfK Retail and Technology Japan figures have revealed that in the first week of November 2008 Blu-ray Disc Recorders surpassed a 50% market share for DVD Recorders in unit terms.

Now, also in Europe, the format has exceeded all expectations and posted strong sales performance over the Christmas sales period. "Once people see the benefits of Blu-ray for themselves, they soon realise the difference it can make," says Jim Bottoms, Managing Director, Corporate Development, Futuresource Consulting. "Seeing is believing after all. We fully expect Blu-ray to keep on bucking the current economic trend and continue its rapid growth over the next few months and beyond, stimulated by falling prices and even more bundling deals with large screen TVs."

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*Jim Bottoms,  
Managing Director,  
Corporate Development,  
Futuresource Consulting*

Blu-ray players are experiencing a strong upsurge in European sales that is expected to continue in the New Year. Futuresource predicts overall sales to more than triple in 2009, reaching 2.5 million units Europe wide – a figure that excludes PLAYSTATION 3 consoles.

Blu-ray Disc movies then hit a new high in the run-up to Christmas with 1.5 million discs being sold in the month of December – an increase of almost 400 % compared with the previous year. In total, the format has sold over 3.7 million units in the UK during 2008 (source: British Video Association / Official Charts Company).

In France, Blu-ray's share of the optical disc market is expected to double next year to 6%. Across Europe as a whole, over 6.5 million units of software have been sold to date, with year on year growth up 320 per cent, according to Futuresource.

"Globally, we live in challenging times and it is right that consumers think hard before making important purchasing decisions," commented Victor Matsuda,



Chairman of the Blu-ray Disc Association Global Promotions Committee. "However, in every territory we are seeing strong evidence that consumers are recognising the potential Blu-ray Disc has to revolutionise their home entertainment system.

"We could not find more challenging launch conditions, but still we predict solid and substantial growth in 2009. Many exhibitors at CES are showcasing exciting new products and these will provide consumers with yet more choice. We see a significant increase in the number of BD products, as well as many examples of companies using the potential of the format to offer new enhancements to the consumer experience," concluded Matsuda.

## New Pioneer BD-Live players deliver cinematic quality performance

*"In our relentless pursuit to envelop home audiences in their movie and music selections, Pioneer designed a new Blu-ray Disc player lineup that incorporates an extensive series of customization capabilities and best-in-class performance features that compliment consumers' entertainment and installation needs."*

*Chris Walker  
Blu-ray Disc marketing and  
product planning  
Pioneer Electronics (USA)*

At CES, Pioneer Electronics (USA) Inc. has debuted a complete series of BD-Live Blu-ray Disc players for entertainment junkies who seek cinematic-quality performance along with a premium and unique user experience. The two **Pioneer BDP-120** and **BDP-320** models and the **Elite BDP-23FD** are outfitted with expandable or built-in memory to deliver on the promise of BD-Live right out of the box. Pioneer's players combine supreme features, sophisticated internal construction with a rigid chassis design ensuring the highest quality playback of Blu-ray Disc, DVD and CD entertainment. With RS-232, the Elite BDP-23FD offers seamless home automation design that simplifies custom installation projects.

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Pioneer designed a new Blu-ray Disc player lineup that incorporates an extensive series of customization capabilities and best-in-class performance features that

compliment consumers' entertainment and installation needs," said Chris Walker, senior manager of Blu-ray Disc marketing and product planning for Pioneer Electronics (USA) Inc.



**Pioneer BDP-320**

### **Immediate BD-Live Enjoyment**

BD-Live is the interactive component of the Blu-ray Disc format that gives home audiences the innovative opportunity to download and enjoy bonus trailers and movie features, participate in online gaming as well as synchronize viewing, chat live and video message with other BD-Live players. Providing immediate enjoyment of these exciting entertainment capabilities, Pioneer plans to introduce its BDP-120 with a one gigabyte (GB) flash drive, while the BDP-320 and Elite

BDP-23FD both feature one GB of internal on-board memory, eliminating the need for consumers to purchase additional memory for basic operation of BD-Live. An integrated USB port in all three players allows connection to flash drives as well as hard drives for additional BD-Live storage. An Ethernet connection port lets owners seamlessly upgrade their player with the latest firmware updates as soon as they are available online.

The new models combine a state-of-the-art chip set and video processing solutions with Pioneer's 1080p True24FPS (frame per second) feature to deliver detailed, natural imagery that is unmatched by other players.

Recognizing that high end home theater is as much about sound presentation as on-screen images, Pioneer utilizes professional-grade digital audio decoders (DAC) and jitter-reduction advancements in all three Blu-ray Disc players for noticeably enhanced movie and music sound reproduction. With full support of all new high resolution audio formats, the models also provide Dolby TrueHD and DTS-HD bitstream output while top two models offer 7.1-channel analog output.

#### **Blu-ray Disc Developed for Home Integration**

Pioneer has designed the new Elite BDP-23FD exclusively for the custom installation market and builds upon the advanced features of its Pioneer brand players to incorporate industry-leading capabilities such as:

- **RS-232C Interface** – Custom installers have the ability to further simplify the user experience with this home automation interface that provides complete control of the player when integrated in a larger home theater system
- **KURO Link Picture Mode** – When the player is connected to a KURO television an entirely new, dedicated A/V mode is activated on the flat-panel display that optimizes video reproduction between the two devices to deliver a perfectly synced image \*KURO LINK Picture Mode is also deployed BDP-320



***Pioneer Elite BDP-23FD***



- **Precision Quartz Lock System (PQLS) Multi-Channel** – Elevating the current level of PQLS performance, users gain jitter-free audio transmission of all advanced audio formats including Dolby TrueHD and DTS-HD Master

The Pioneer BDP-120 and BDP-320 models as well as the Elite BDP-23FD Blu-ray Disc players will begin shipping in May 2009 with pricing to be determined.

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## Disney unveils Blu-ray Disc – DVD combo packs for 2009

As more and more families transition to High Definition, Walt Disney Studios Home Entertainment (WDSHE) concentrates its efforts on offering consumers unprecedented quality, value and portability in the purchases of their favorite Disney Blu-ray movies with the announcement of its new Blu-ray + DVD Combo Packs.

Disney's Combo Pack will be extended across an exciting new slate of Disney-branded theatrical and Platinum titles releasing on Blu-ray between February and October of 2009. Some of the upcoming Blu-ray + DVD Combo Pack titles families

can look forward to include the teen phenomenon **High School Musical 3: Senior Year** (February 17), Walt Disney's animated classic **Pinocchio: 70<sup>th</sup> Anniversary Platinum Edition** (March 10) and all those leading up to the highly anticipated release of **Snow White and the Seven Dwarfs Platinum Edition** in October.

"These unique Combo Packs provide the opportunity for consumers around the world to take advantage of the quality of Blu-ray with the portability of a DVD disc in a single package, comments Bob Chapek, President of Walt Disney Studios Home Entertainment. "As always, we are committed to offering our consumers exceptional quality and value when purchasing our products."

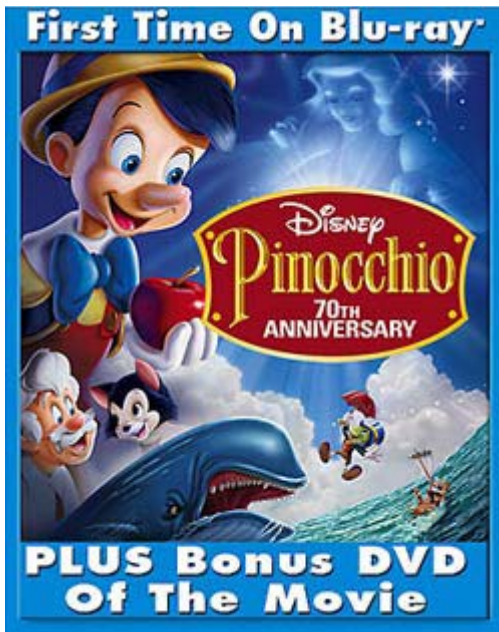
WDSHE first successfully introduced a Blu-ray + DVD Combo Pack (Blu-ray + DVD in a single package) with the release of *Sleeping Beauty's 50<sup>th</sup> Anniversary Platinum Edition* in 2008 across limited markets. The inclusion of the feature film on standard definition DVD allowed

consumers without Blu-ray players to "future proof" their collections.

In addition, WDSHE North America will be packaging 14 of its hot new Blu-ray titles releasing in the U.S. and Canada with a DisneyFile digital copy of the movie for consumers to enjoy anytime, anywhere on their Mac, PC or compatible portable devices. Digital copies will be made available in both iTunes and Windows Media file formats and are set to be included with such titles as **High School Musical 3: Senior Year**, **Beverly Hills Chihuahua**, **Monsters Inc.**, and **A Bug's Life**.

As part of its continued worldwide Blu-ray release efforts, WDSHE is adding many exciting new titles to the line-up in North America, Europe and Asia. Titles include new theatrical releases, catalog, direct-to-video, top television series and some of America's most requested movies.

WDSHE North America will be releasing several new theatrical titles to Blu-ray day-and-date with the DVD including **Swing Vote** (Touchstone Pictures) on January 13; **Miracle At St. Anna** (Touchstone Pictures) on February 10; **Blindness** (Miramax) on February 10; **High School Musical 3: Senior Year** (Walt Disney Pictures) on February 17; **Beverly Hills Chihuahua** (Walt Disney Pictures) on March 3; **Morning Light** (Walt Disney Pictures) in summer of 2009; as well as an all new direct-to-video **Space Buddies** (Walt Disney Pictures) on February 3.



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Walt Disney Studios Home Entertainment.



In addition, WDSHE North America will also be expanding its Blu-ray catalog library with more than 30 exciting releases including such titles as ***Pretty Woman*** (Touchstone Pictures) on February 10; ***High School Musical Remix Edition*** (Walt Disney Pictures) on February 17; ***Monsters Inc.*** (Disney/Pixar); ***A Bug's Life*** (Disney/Pixar); ***Microcosmos*** (Miramax); ***Rounders 10<sup>th</sup> Anniversary Edition*** (Miramax); ***Lost: The Complete First and Second Seasons*** (ABC); ***Sin City*** (Miramax); ***Miracle*** (Walt Disney Pictures); ***Sling Blade*** (Miramax); ***The Greatest Game Ever Played*** (Walt Disney Pictures); ***Pulp Fiction Special Edition*** (Miramax); ***Good Will Hunting Special Edition*** (Miramax) and many more to follow in 2009.

In Europe/Australia, WDSHE will roll-out the following Blu-ray titles beginning with ***Space Buddies*** (Walt Disney Pictures) and ***High School Musical 3: Senior Year*** (Walt Disney Pictures) in February; ***Pinocchio: 70<sup>th</sup> Anniversary Platinum Edition*** (Walt Disney Pictures) in March and ***Beverly Hills Chihuahua*** (Walt Disney Pictures) in April; and ***Monsters Inc.*** (Disney/Pixar) sometime in 2009.

Japan will see the following WDSHE Blu-ray releases starting with ***Pinocchio: 70<sup>th</sup> Anniversary Platinum Edition*** (Walt Disney Pictures) in March; ***Tinker Bell*** (Walt Disney Pictures) and ***WALL-E*** (Disney/Pixar) in April; and ***High School Musical 3: Senior Year*** (Walt Disney Pictures), ***Monsters Inc.*** (Disney/Pixar) and ***Beverly Hills Chihuahua*** (Walt Disney Pictures) to follow at later dates.

## Ascent Media, Akamai Technologies and Sofatronic develop BD-Live workflow

*"We are able to offer studios a new solution to BD-Live functionality which simplifies the process of delivering this new and exciting interactive experience to the consumer."*

Jose Royo  
CEO  
Ascent Media Group.

Ascent Media Group has teamed with Akamai Technologies, Inc. and Sofatronic to create an integrated digital workflow and distribution solution for the production, hosting and delivery of BD-Live functionality for Blu-ray Discs.

Available through Ascent Media's Blink Digital, the platform provides a more efficient and cost effective way for movie studios and content creators to harness the full power of BD-Live's Internet-enabled features, such as bonus content, online community, and interactive and e-commerce applications.

"In partnership with industry leaders Akamai and Sofatronic, we are able to offer studios a new solution to BD-Live functionality which simplifies the process of delivering this new and exciting interactive experience to the consumer," said Jose Royo, CEO of Ascent Media Group. "Our head-to-toe package still leaves room for flexibility, plus our best-in-breed partnership allows us to deliver high-quality performance with greater efficiencies for our studio and Blu-ray distribution partners."



**Jose Royo**

Under the joint initiative, Sofatronic is responsible for the development of a new software platform based off its Kaleidoscope technology, a development platform for interactive entertainment

on Blu-ray. Akamai's global distribution platform will enable Internet-connected devices to support large file downloads and acceleration of rich, interactive media content and applications. Blink Digital is responsible for providing creative delivery, design, authoring and programming services and BD-Live integration for high quality Blu-ray Disc production.

"Blu-Ray is one of the first convergent devices to hit scale in the connected living room," said Akamai's Chief Strategist, Digital Media, Tim Napoleon. "Studios recognize the power of the Internet, and with that, the entertainment paradigm is shifting. BD-Live is designed to help studios build social communities around entertainment content and get more for their investment through a platform for merchandising brands, promoting future sales and creating direct relationships with consumers. Akamai's expertise in delivering rich, dynamic content coupled with Sofatronic's unmatched BD-Live development tools and Blink Digital's proven track record of high-quality authoring services, will give studios an edge when developing a BD-Live experience."

Together, the three companies have addressed many of the outstanding industry issues that previous BD-Live platforms have experienced by providing improved authoring tools, better disc quality assurance, increased menu functionality, secure retailing interface, improved bonus content download times, and fixed disc pricing.

"Sofatronic is exclusively focused on Blu-ray and interactive TV technology development," said Isaac Larbi, CEO of Sofatronic USA. "Through this partnership, we are better able to meet consumer demand for progressive Blu-ray entertainment by offering a seamless one-stop development solution to studios and Blu-ray distribution partners."

BD-Live offers a wide array of interactive features to the home entertainment ecosystem. With the highly interactive BD-Live platform, personalized avatars can be created, subtitles can be frequently updated and viewers can simultaneously interact with others while watching a movie. By instantly connecting users to the Web and empowering them to browse and download online content with special features, new trailers and games, BD-Live enables content creators to deliver an interactive service, as opposed to a static product that becomes obsolete once it has been shipped

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*Isaac Larbi  
CEO  
Sofatronic USA*

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## LG Electronics debuts new Blu- ray Disc players and Home Theater systems

Building on the success of its BD300 Network Blu-ray Disc Player – the world's first Blu-ray player to instantly stream Netflix – LG Electronics introduced two new Network Blu-ray Disc Players (BD370, BD390) and three Network Blu-ray Disc Home Theater Systems (LHB954, LHB977, LHB979) with expanded content options and wireless connectivity.

The 2009 Network Blu-ray Disc Players with LG's "NetCast Entertainment Access" offer consumers a virtually endless array of content-on-demand options through new alliances with CinemaNow and YouTube, as well as access to the growing library of HD streaming titles from Netflix. Through its alliance with CinemaNow,

the first Web site to offer Pay-Per-View movies from major studios and the first broadband distributor of high definition (HD) content, LG offers consumers access to more than 14,000 titles from the major movie studios, broadcast and cable television shows, more than 250 independent film titles and music videos from all major labels.



***LG Electronics' BD 370 player***

Offering unlimited access to online content, LG's alliance with YouTube will allow consumers to instantly stream millions of Web videos directly from the Internet to an LG Network Blu-ray Player for viewing on their television (without a personal computer). Easy searching, thumbnail previews and multiple screen size viewing options will allow consumers to enjoy endless video content from current events to viral videos at the touch of a button.

"With LG, consumers do not have to compromise flexible entertainment options for exceptional sound and picture quality," said Peter Reiner, senior vice president, marketing and strategy, LG Electronics USA, Inc. "Whether it's through new content or a wireless connection, our new network Blu-ray

disc players and home theater systems allow consumers to personalize their entertainment experience."



***LHB979 Home Theater System***

All of LG's 2009 Network Blu-ray Disc Players and Home Theater Systems incorporate advanced technologies and entertainment options that allow consumers to enjoy content on-demand instantly with exceptional sound and video quality. LG's Network Blu-ray Disc Players and Home Theater Systems are BD-Live capable, giving consumers access to a wide variety of real-time content via a network connection, such as movie scene extras, new previews, games, chats and more. The line also includes BonusView technology for picture-in-picture access to special features, allowing users to

simultaneously watch their favorite movie scenes and added bonus features on compatible discs.

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Master rapper  
Ludacris  
introduces fans  
to High-Def  
world of Blu-ray  
Disc

Monster Music and Grammy award-winning rap superstar Ludacris have announced that a special DVD and Blu-ray Disc version of Ludacris' critically-acclaimed new album "Theater of the Mind" will be released under the Monster Music label. Following the rollout of consecutive new singles and videos, the eagerly awaited sixth album from the hip-hop music mogul was released in November 2008 by Ludacris' own Disturbing Tha Peace label.



**Grammy award-winning Rap artist - Ludacris**

The Monster Music DVD and Blu-ray versions are scheduled for release in February 2009. Like other Monster Music releases, the label's special "Theater of the Mind" version will be released on a Monster Music High Definition Surround (HDS) SuperDisc. The disc will include mixes by Head Monster Noel Lee that will provide listeners with an elevated surround sound experience, designed to maximize the capabilities of 5.1 home theater systems and bring out all the excitement of great audio and great audio equipment claims Monster Music.



**Ludacris speaks at Monster's CES press conference**

"Everyone at Monster Music is very excited about our upcoming DVD and Blu-ray Disc versions of 'Theater of the Mind,'" commented Lee. "Part of our mission at Monster is to help consumers embrace the latest 'higher definition' video and music formats, and by offering this terrific new album in Blu-ray with exclusive added footage and videos, we hope to reach a whole new audience with the message that with Blu-ray video and HDS surround sound audio, brand new worlds of enjoyment are opened up for both music and video."

Both the Monster Music DVD and Blu-ray Disc versions of "Theater of the Mind" will feature music-only CD versions of the new Ludacris album, a value-added extra for fans that allows them to load the album onto their computer or portable music player. The Monster releases will also feature a wide variety of exclusive video content, including both music videos and behind-the-scenes footage. In addition to the elevated audio quality made possible by Monster HDS, the Monster Music releases of "Theater of the Mind" will feature video content in 1080p Full HD resolution for the finest High Definition video performance.

*For more information, or to contact a spokesperson, please respond to Alison Giella, [agiella@dba-pr.com](mailto:agiella@dba-pr.com) or Daniel Graham [dgraham@monstercable.com](mailto:dgraham@monstercable.com)*

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to help

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