

■ DisplaySearch Releases 2007 Next Generation DVD Market Data and Insights: North America Over 80% of Market with Toshiba Dominating Standalone Players through Aggressive Pricing

AUSTIN, TEXAS, January 23, 2008—DisplaySearch, the worldwide leader in display market research and consulting, has reported that game console-related hardware still dominates global shipments with a cumulative 85% share during Q1-Q3'07, based on 2007 historical results compiled for its upcoming *Quarterly Global Next Generation DVD and Game Platform Hardware Shipment and Forecast Report*. DisplaySearch reported that console-related hardware from both the HD DVD and Blu-ray formats exhibited revenue growth over three times greater than the standalone players for each format from Q2'07 to Q3'07. The continued reliance on the console market indicates that the standalone Next Generation DVD segment remains in its early stages worldwide.

North America represents a growing majority of the market. During the Q1-Q3'07 period, North America consistently took both unit and revenue share from the rest of the world. North America increased its share of global Next Generation DVD hardware shipments, including console-related devices, to over 80% in Q3'07. Much of this can be attributed to aggressive pricing and promotions in North America from both formats.

Toshiba was the leading vendor of standalone devices worldwide during the Q1-Q3'07 period, cumulatively accounting for nearly 64% more standalone units than all Blu-ray brands combined. This can largely be attributed to aggressive pricing in North America. In Japan however, Sony was the leader in standalone device shipments thanks to the company's strength in the Blu-ray recorder segment.

Sony dominated the Blu-ray market with a 97% worldwide share during Q1-Q3'07, thanks to the Playstation 3. As the console strengthens in 2008 and beyond, Sony's firm hold over the Blu-ray market is expected to continue.

Three companies command nearly all of the worldwide market. Examining the cumulative market for Q1-Q3'07, including console hardware, Sony, Microsoft, and Toshiba combined had a 98% share of the world's hardware shipments. All other vendors each generated 1% or less of worldwide shipments.

According to Paul Erickson, Director of DVD and HD Market Research at DisplaySearch, "The market for Blu-ray Disc and HD DVD continues to grow, but our research continues to indicate that this market will face challenges not only in capturing mainstream sales, but also in expanding beyond a hardware ecosystem dominated by primarily only three companies. Due to consumer price sensitivity and satisfaction with regular DVD in North America, the substantial growth needed for Next Generation DVD to grow beyond a niche market dominated by consoles will require time, persistence, and aggressive pricing. This is expected to be a dynamic that will persist regardless of whether the market consolidates around a single format, or continues onward with the status quo."

DisplaySearch's Next Generation DVD market intelligence, including Blu-ray and HD DVD standalone player shipments and revenues, segmentation for game console-related hardware, rolling 16-quarter forecasts, as well as brand shares by format, region, and device type (players, recorders, and consoles), is available in the *Quarterly Global Next Generation DVD and Game Platform Hardware Shipment and Forecast Report*.

Among the questions answered by DisplaySearch's groundbreaking new report are

- How do the two formats vary in their penetration by region?
- How dependent is each region on game console-related hardware?
- What is the Playstation 3's specific role in the market, in both unit and revenue share?
- How large is the Blu-ray standalone player base outside of the Playstation 3?
- What is the current size of the market for Next Generation DVD recorders?
- What is the status of Next Generation DVD hardware abroad?
- What market entry opportunities exist for Next Generation DVD now and in the future?

The report is uniquely positioned as the only product on the market combining DisplaySearch's industry-leading market analysis on the HDTV industry with the strength of manufacturer-supplied shipment data and long-term forecasts for the next generation DVD market. The first portion of this report, covering 2007 historical data, is scheduled for release at the end of January, with the forecast portion slated for release shortly thereafter. For more detailed information on the *Quarterly Global Next Generation DVD and Game Platform Hardware Shipment and Forecast Report*, please contact Arie Braun at 512.687.1505 or arie@displaysearch.com.

About DisplaySearch

DisplaySearch, an NPD Group company, has a core team of 59 employees located in Europe, North America and Asia who produce a valued suite of FPD-related market forecasts, technology assessments, surveys, studies and analyses. The company also organizes influential events worldwide. Headquartered in Austin, Texas, DisplaySearch has regional operations in Chicago, Houston, Kyoto, London, San Diego, San Jose, Seoul, Shenzhen, Taipei and Tokyo, and the company is on the web at <http://www.displaysearch.com/>.

Contact

To contact DisplaySearch, call 1.888.436.7673 or 1.516.625.2452 or email contact@displaysearch.com

Media contact Stacey Voorhees, 1.925.336.9592 or email media@displaysearch.com
<http://www.displaysearch.com/>
<http://www.displaysearchblog.com/>