The Video market 2008
BVV Business Report

03 March 2009

BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V.
GEGRÜNDET 1982

Agenda

1 Business environment/ Entertainment markets

2 Cinema/ Home Video

3 Sell-through

4 Rental

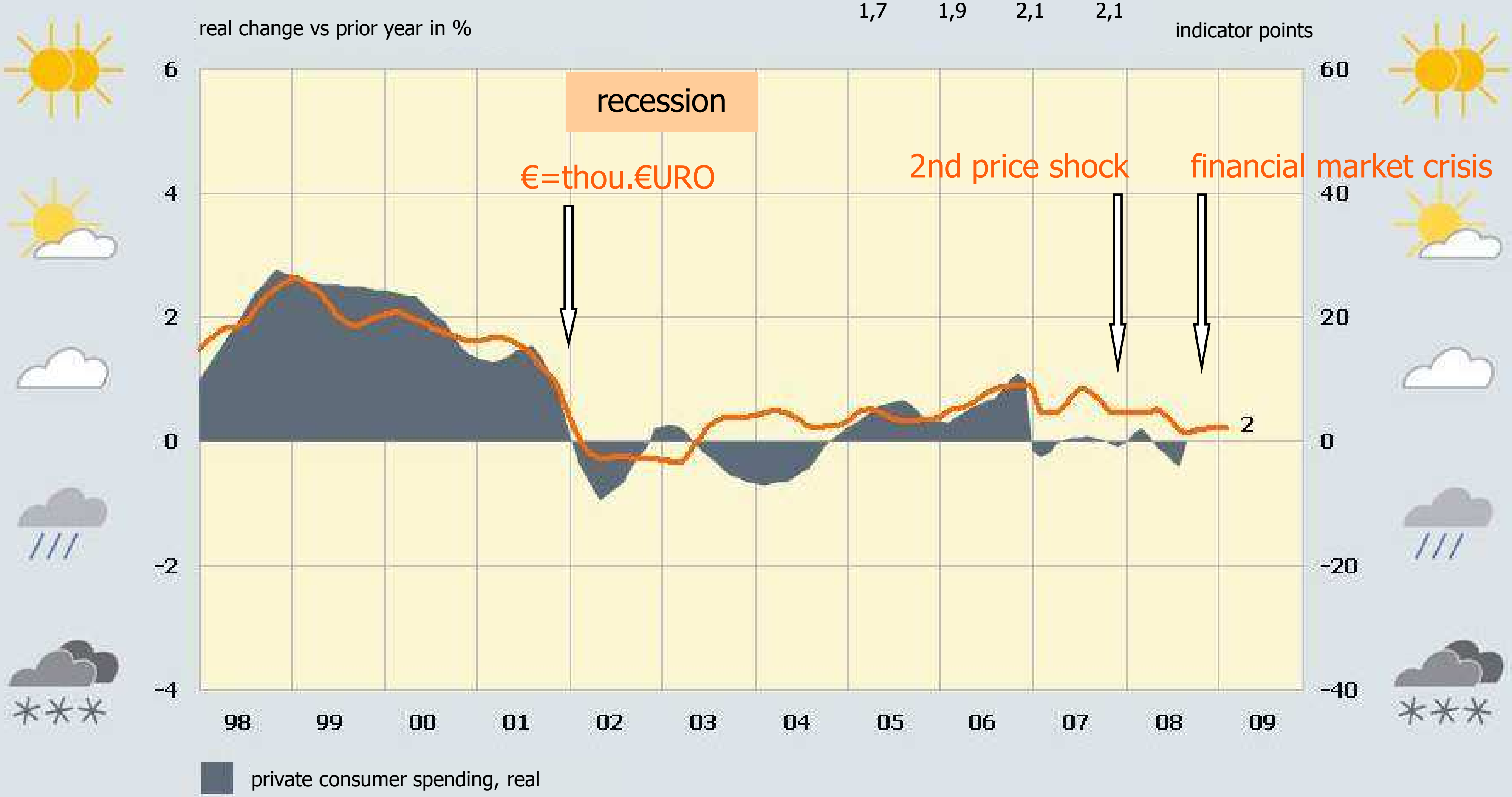
5 Forecast/ Summary

1 Business environment/ Entertainment markets

Business environment

GfK Indicator Consumer Climate

month	10/08	11/08	12/08	1/09
	1,7	1,9	2,1	2,1



1/09

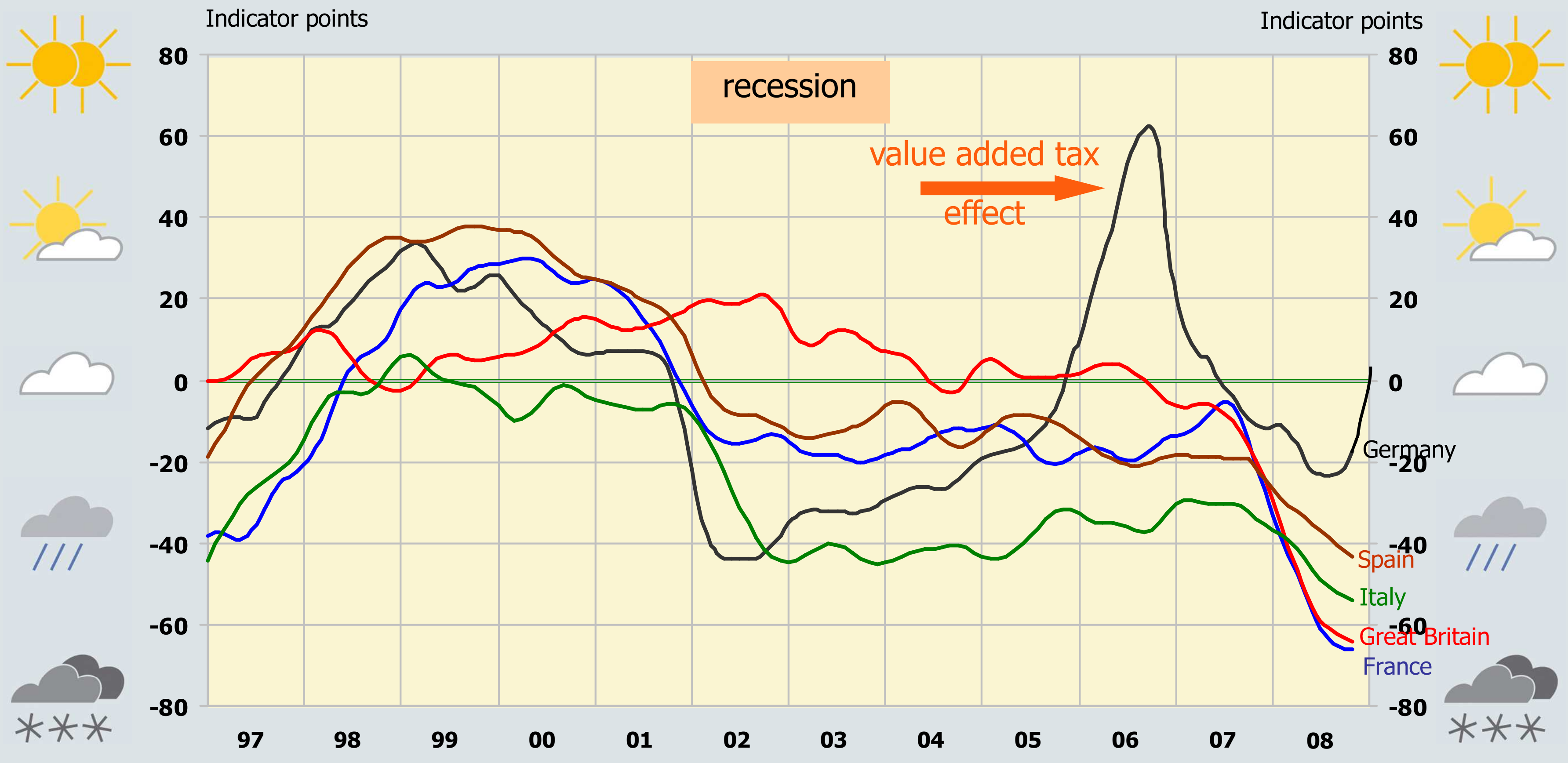
source: consumer survey of EU Commission,
indicator calculation GfK Marktforschung, domestic use of goods Stat. Bundesamt, GfK Marktforschung

GfK Indicator Economic Outlook
Income Expectations
Propensity to Buy

1/09

source: consumer survey of EU Commission,
indicator calculation GfK Marktforschung

Contrary to the recession in 2002/2003 consumers in Germany have the highest propensity to buy



11/08
Source: Consumer survey of EU Commission, GfK Marktforschung

Income and price shocks – Does these apply to all households ?

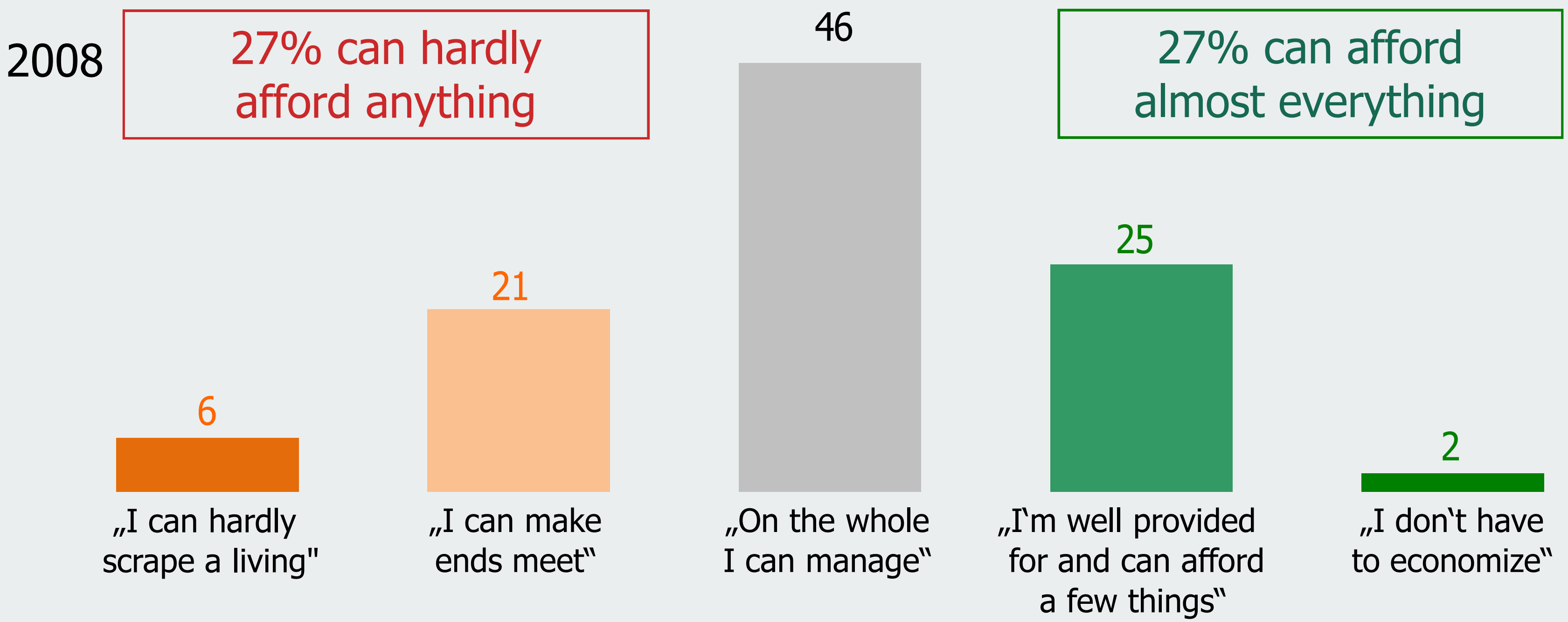
GfK Indicator Income Expectation

1/09
source: consumer survey of EU Commission,
indicator calculation GfK Marktforschung

Polarization of households increases …

Perception of households on their disposable income

- in % -

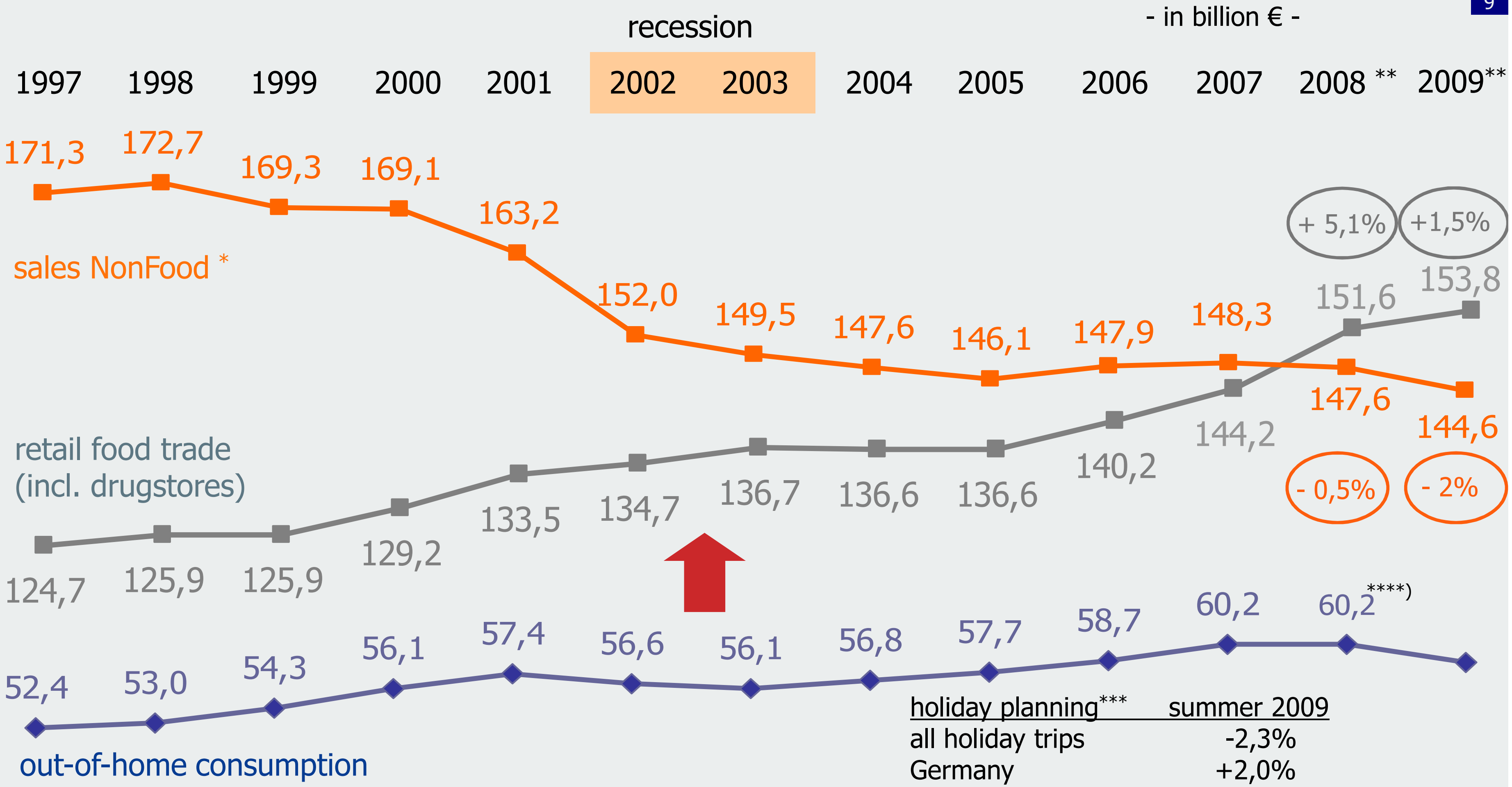


2005	25%	49%	26%
2002	19%	54%	27%

source: GfK 20.000 household panel GfK ConsumerScan, 2008

Retail food trade: a winner in the crisis

- in billion € -



holiday planning***	summer 2009
all holiday trips	-2,3%
Germany	+2,0%
abroad	-5,9%
air travel	-2,9%

source: GfK ConsumerScan, GfK ConsumerScope, Stat.BA * Non Food: consumer electronics/textiles/hardware ** GfK forecast of Oct. 2008/ own calculation basis GfK ConsumerScan
: GfK TravelScope, Nov 08 * In the last four months of 2008 drop in sales of - 8% for beverages out-of-home according to GfK Consumer TrinkTrends

1 **Business environment/ Entertainment markets**

General development: Entertainment markets

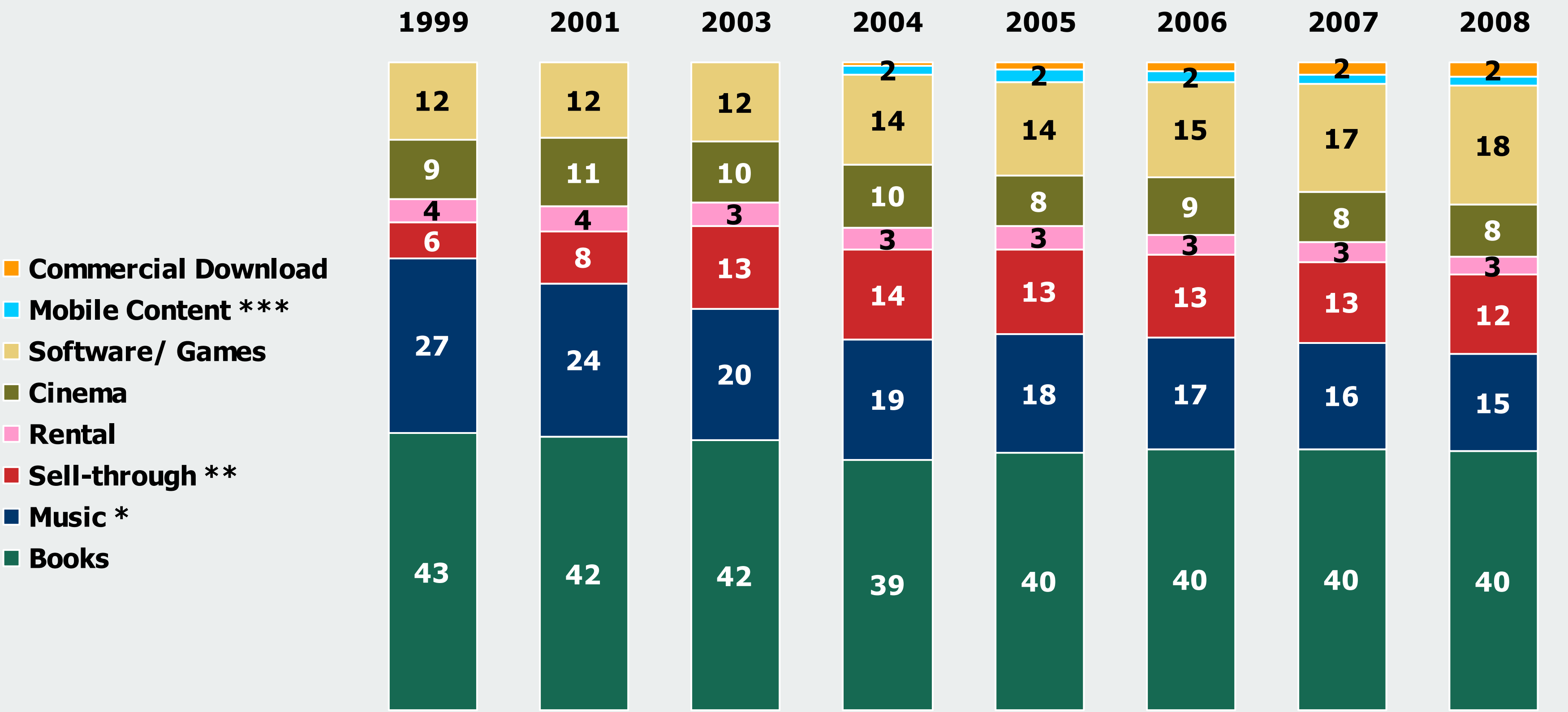
Development of Entertainment markets
Value in %

07 vs 06 (Jan-Dec)		08 vs 07 (Jan-Dec)
3	**TOTAL**	2
38	Commercial Download	23
15	Software/ Games	12
-6	Cinema	5
3	Books	1
2	Sell-through **	-2
-3	Rental	-4
-4	Music *	-6
-8	Mobile Content ***	-9

* Audio+Video incl. Music videos
** w/o Music videos
*** Forecast

Development of Entertainment markets

Value in %



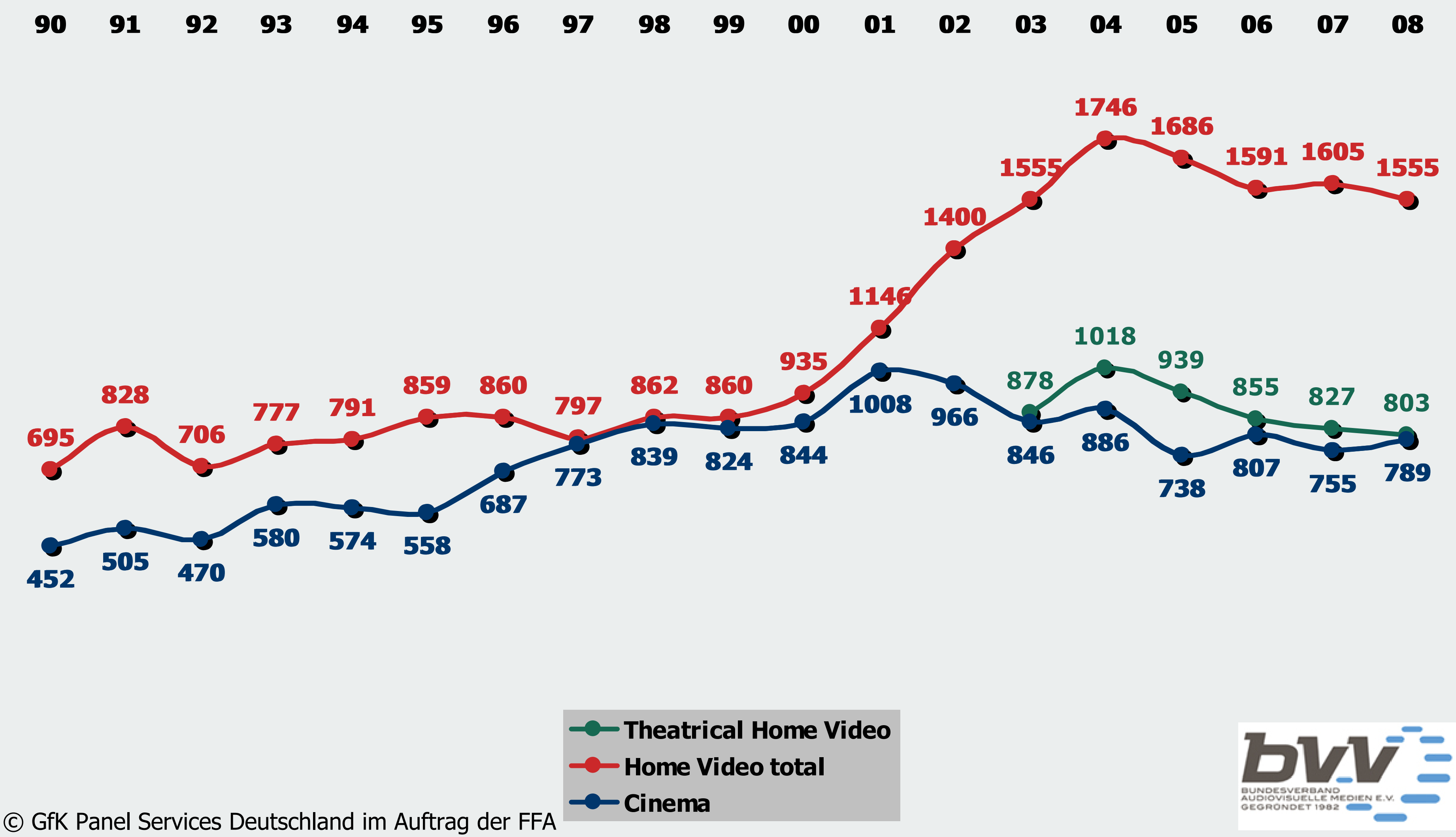
Basis in b €	1999	2001	2003	2004	2005	2006	2007	2008
	9.17	9.37	8.79	9.25	9.33	9.25	9.51	9.67

* Audio/ Video incl. Music videos
** w/o Music videos
*** Forecast
All periods: January-December

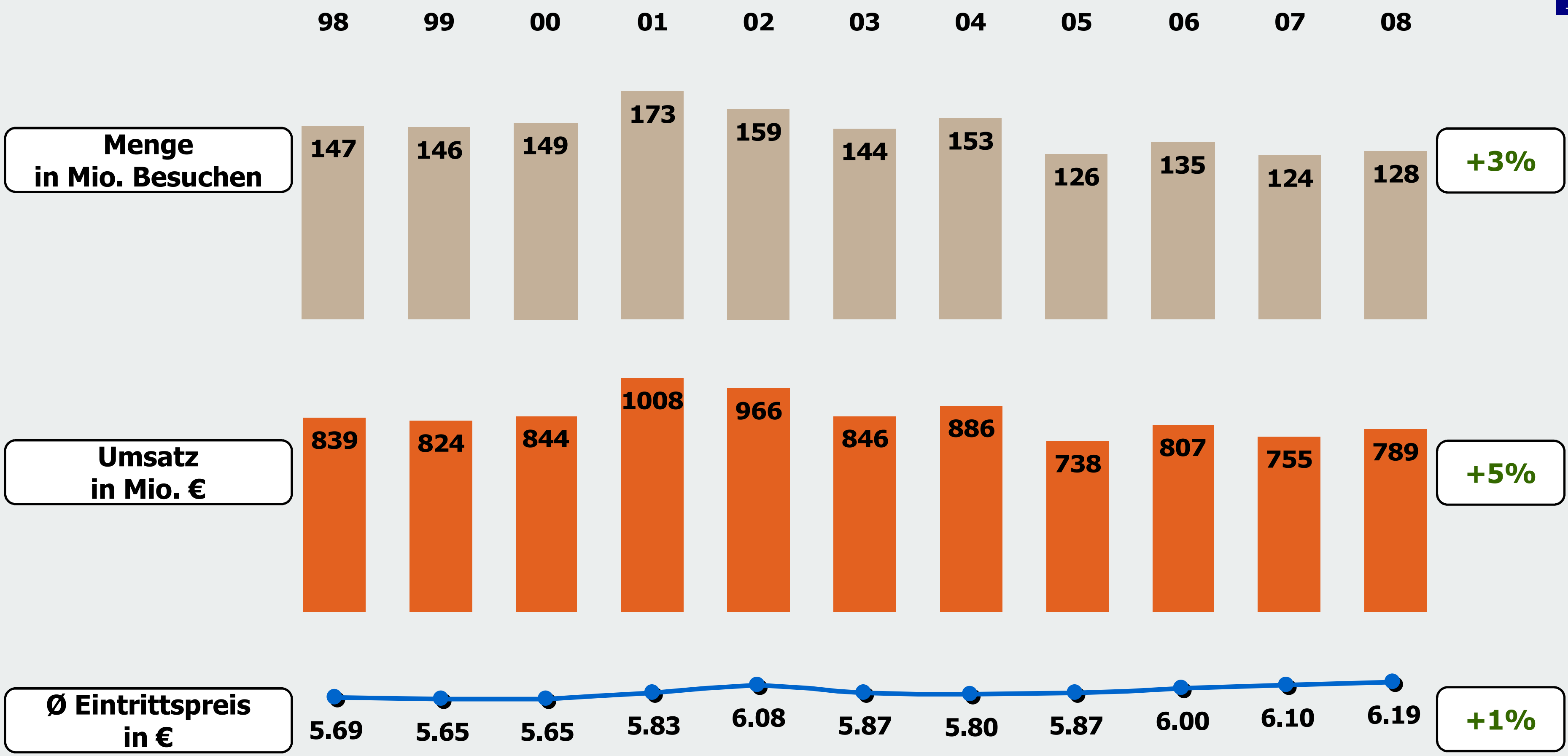
2 Cinema/ Home Video

Market Development Cinema/ Home Video

Value in m €



Generelle Marktentwicklung: Kino

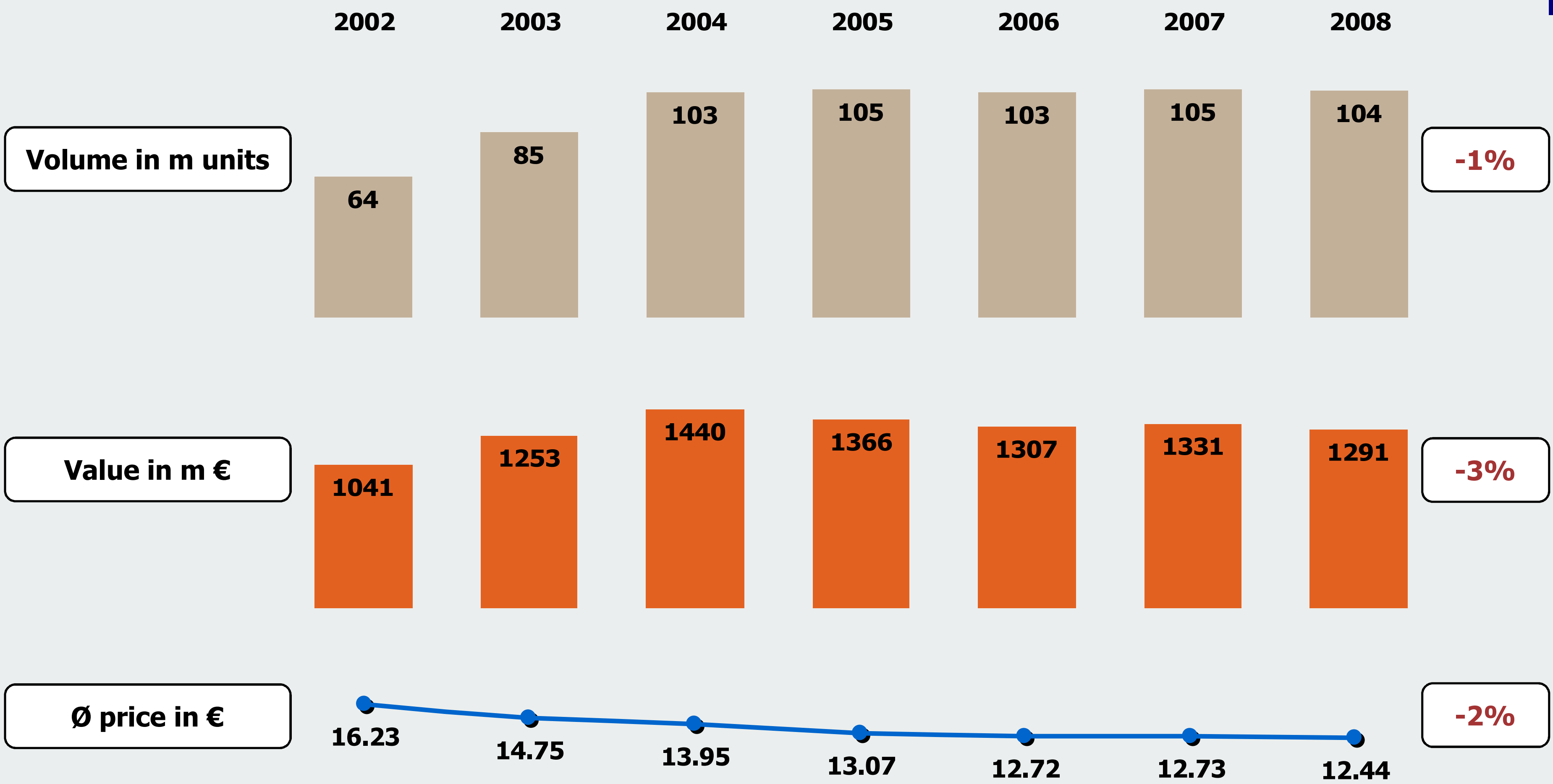


Alle Zeiträume: Januar-Dezember

3 Sell-through

General development

General market development



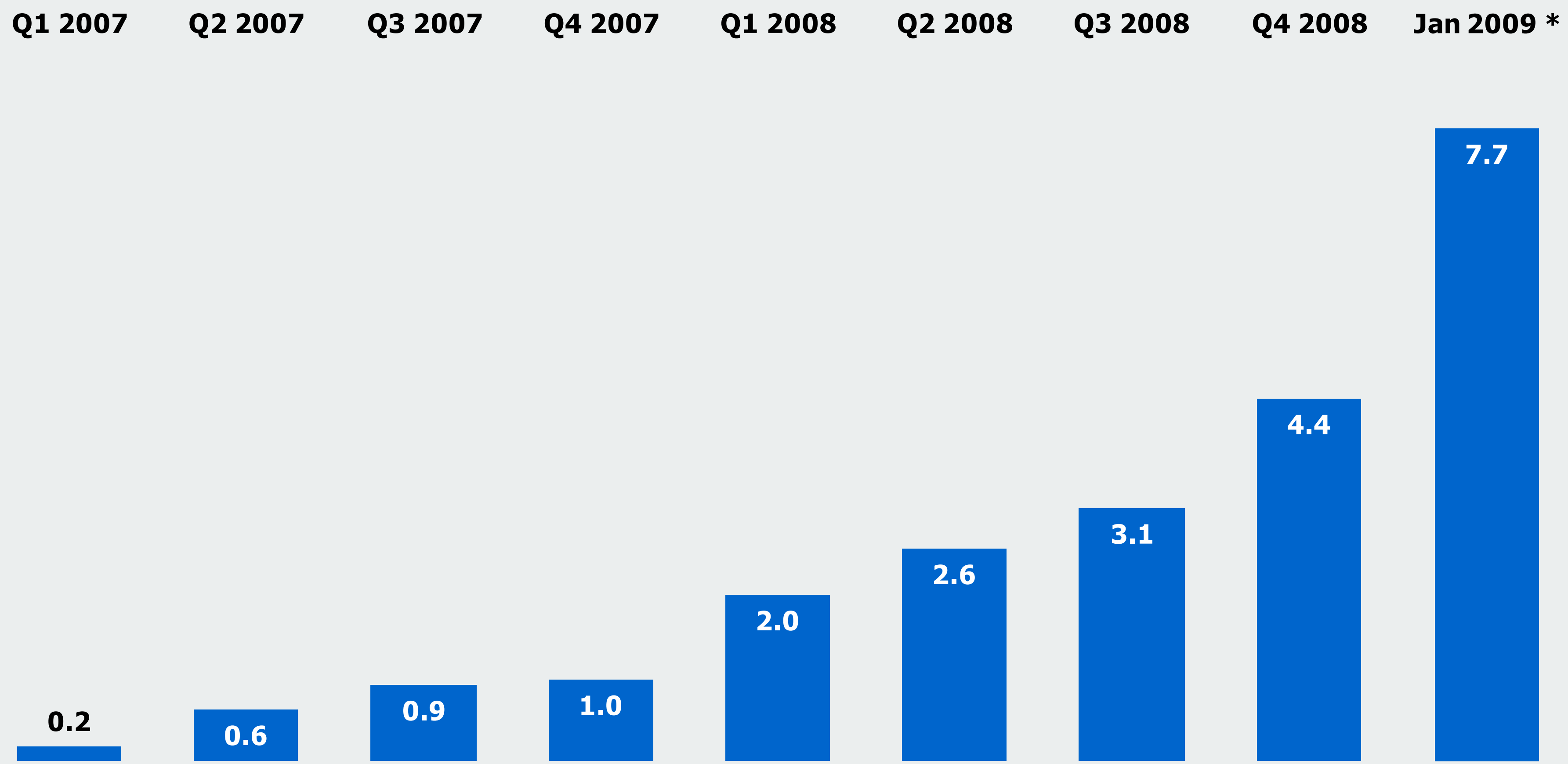
All periods: January-December

Market development

		2007	2008	08 vs 07
TOTAL	Volume in m units	104.5	103.7	-1%
	Value in m €	1331	1291	-3%
	Ø price in €	12.73	12.44	-2%
DVD	Volume in m units	103.3	101.3	-2%
	Value in m €	1313	1242	-5%
	Ø price in €	12.72	12.26	-4%
Blu-ray	Volume in m units	0.3	1.7	400%
	Value in m €	10	42	334%
	Ø price in €	29.13	25.24	-13%
HD-DVD	Volume in m units	0.1	0.5	273%
	Value in m €	4	6	47%
	Ø price in €	29.44	11.63	-60%
VHS	Volume in m units	0.8	0.2	-69%
	Value in m €	4	1	-70%
	Ø price in €	4.61	4.53	-2%

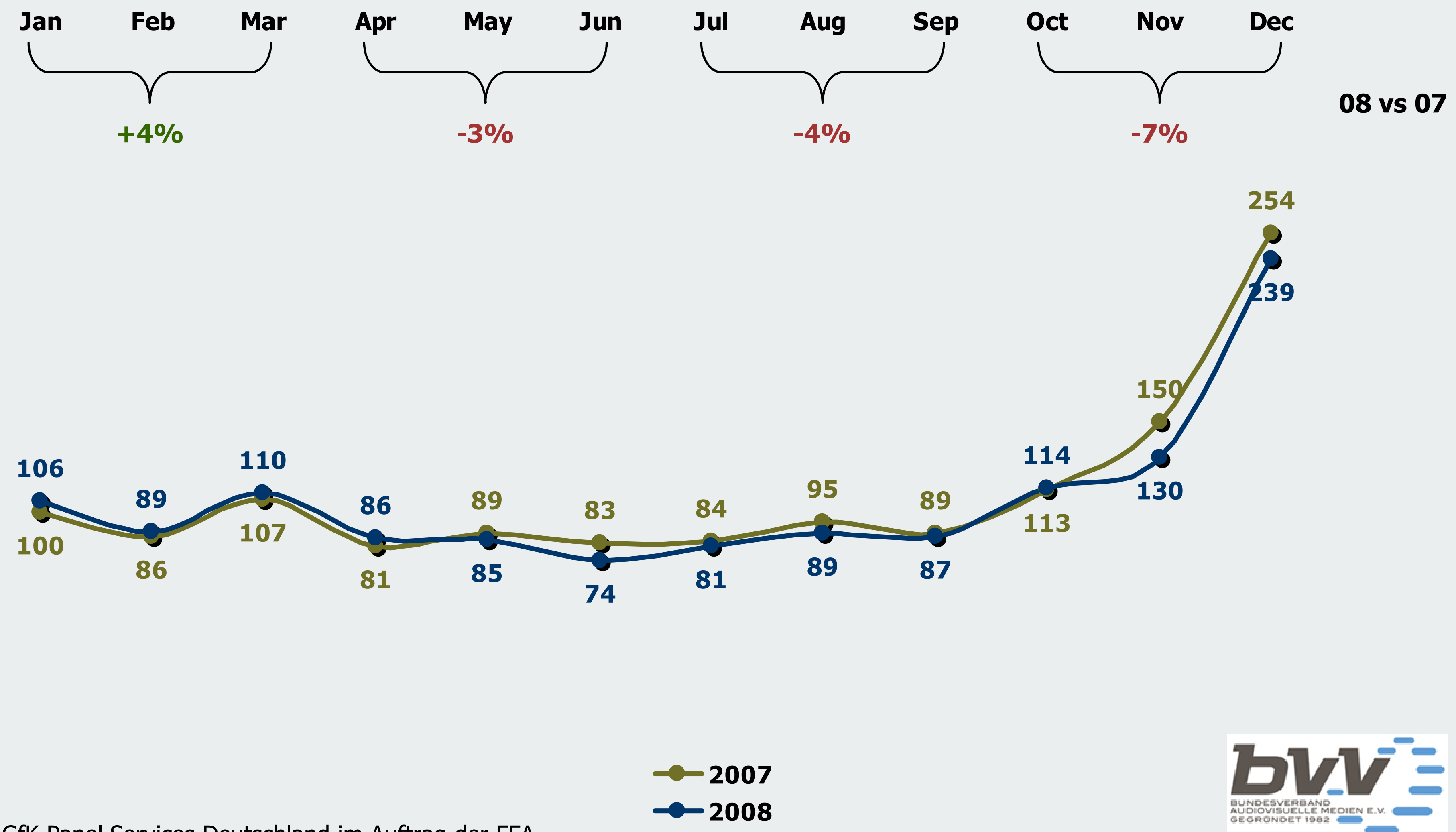
All periods: January-December

Market share: Blu-ray
Value in %

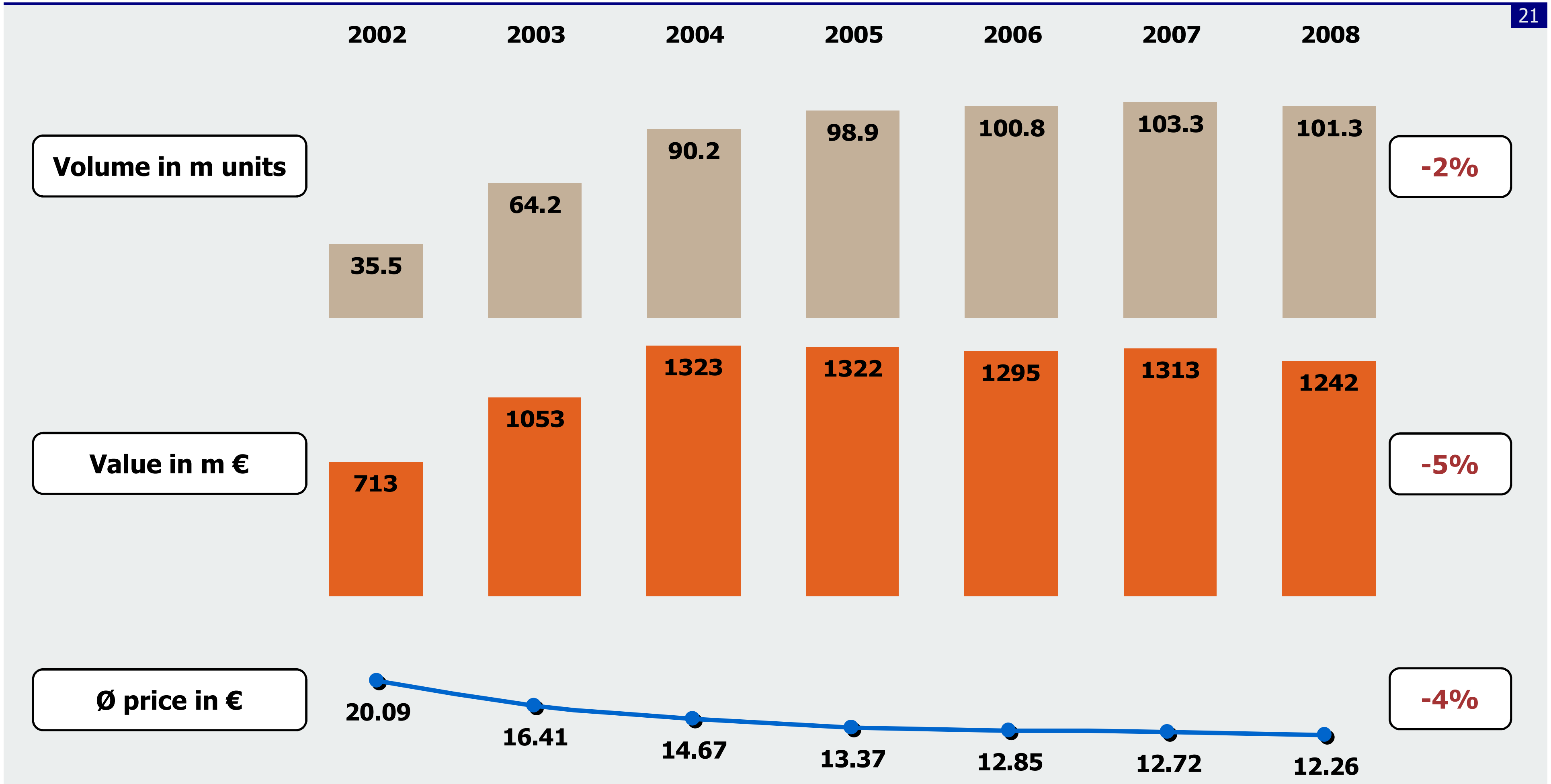


* Source: Media Control GfK International

Seasonality
Value in m €



General market development: DVD



All periods: January-December

3 Sell-through

Buyer/ demography

Key facts

Value
1291 m €
(1331 m €)
-3%

- **Volume**
  103.7 m units
  (104.5 m units)
  -1%
  - **Buyer**
    18.5 m persons
    (18.9 m persons)
    -2%
  - **Buying intensity**
    5.6 units/ consumer
    (5.5 units/ consumer)
    +1%
- **Ø price**
  12.44 €
  (12.73 €)
  -2%

Period: January-December 2008 (January-December 2007)

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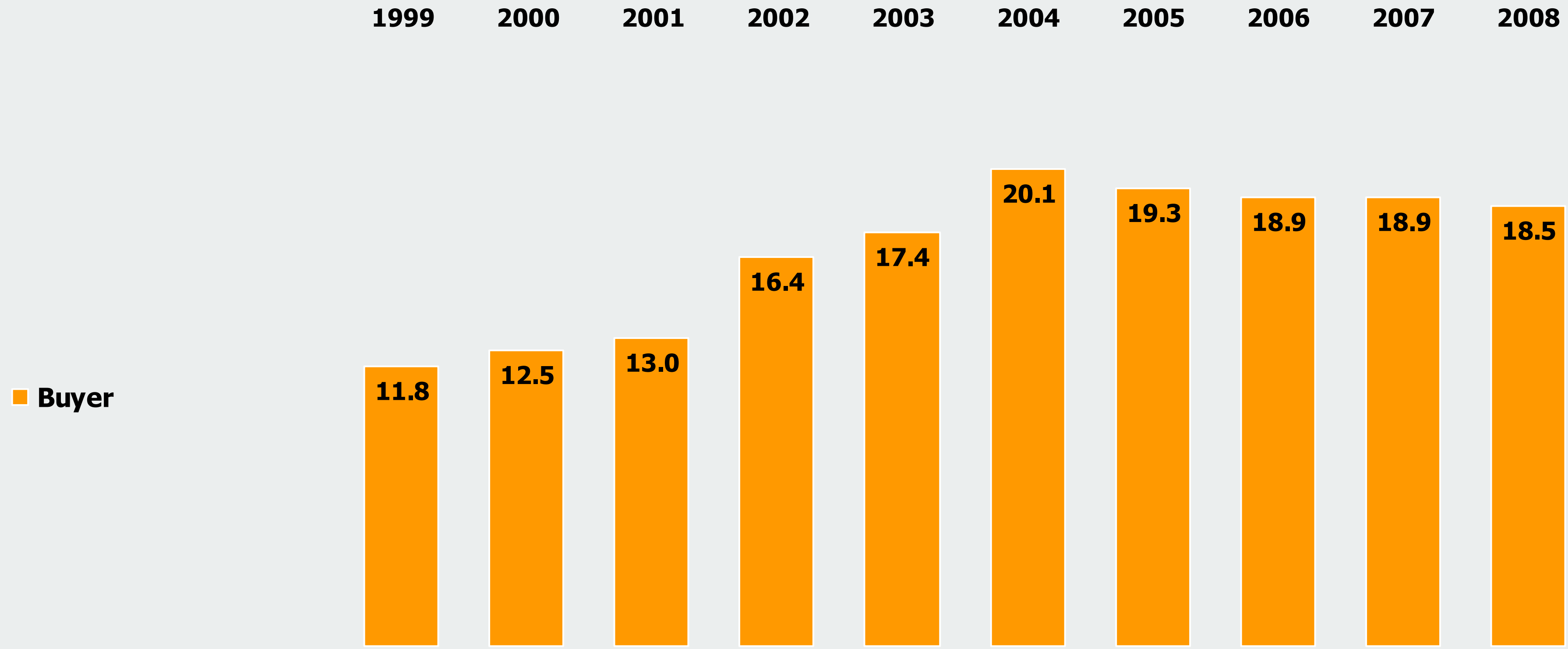
Key facts

	2004	2005	2006	2007	2008	08 vs 07
Buyer in m persons	20.1	19.3	18.9	18.9	18.5	-2%
Ø buying intensity units per consumer	5.1	5.4	5.4	5.5	5.6	1%
Ø spending € per consumer	72	71	69	70	70	-1%
Volume in m units	103.2	104.5	102.7	104.5	103.7	-1%
Value in m €	1440	1366	1307	1331	1291	-3%
Ø price in €	13.95	13.07	12.72	12.73	12.44	-2%

All periods: January-December

Buyer
Persons in m



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Penetration rate	19%	20%	21%	26%	27%	32%	30%	30%	30%	29%

All periods: January-December

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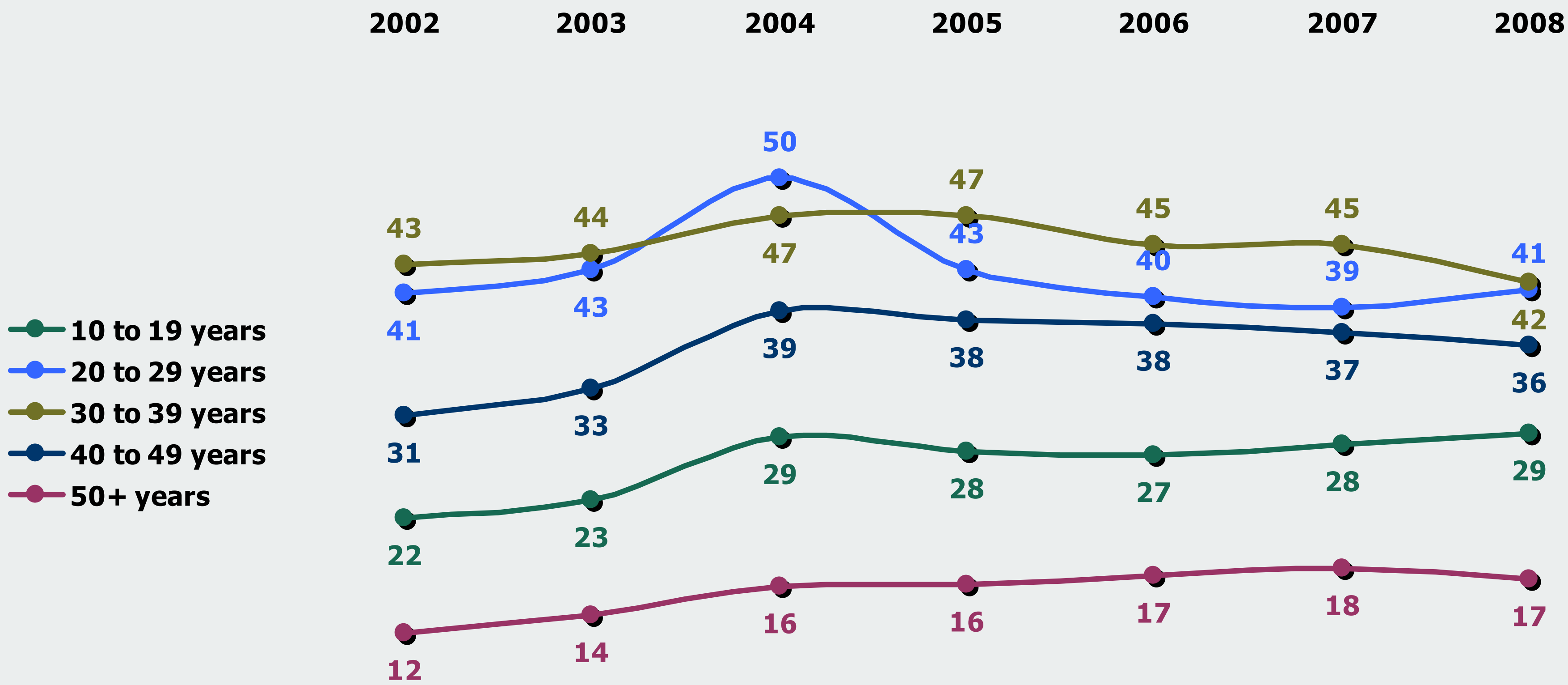
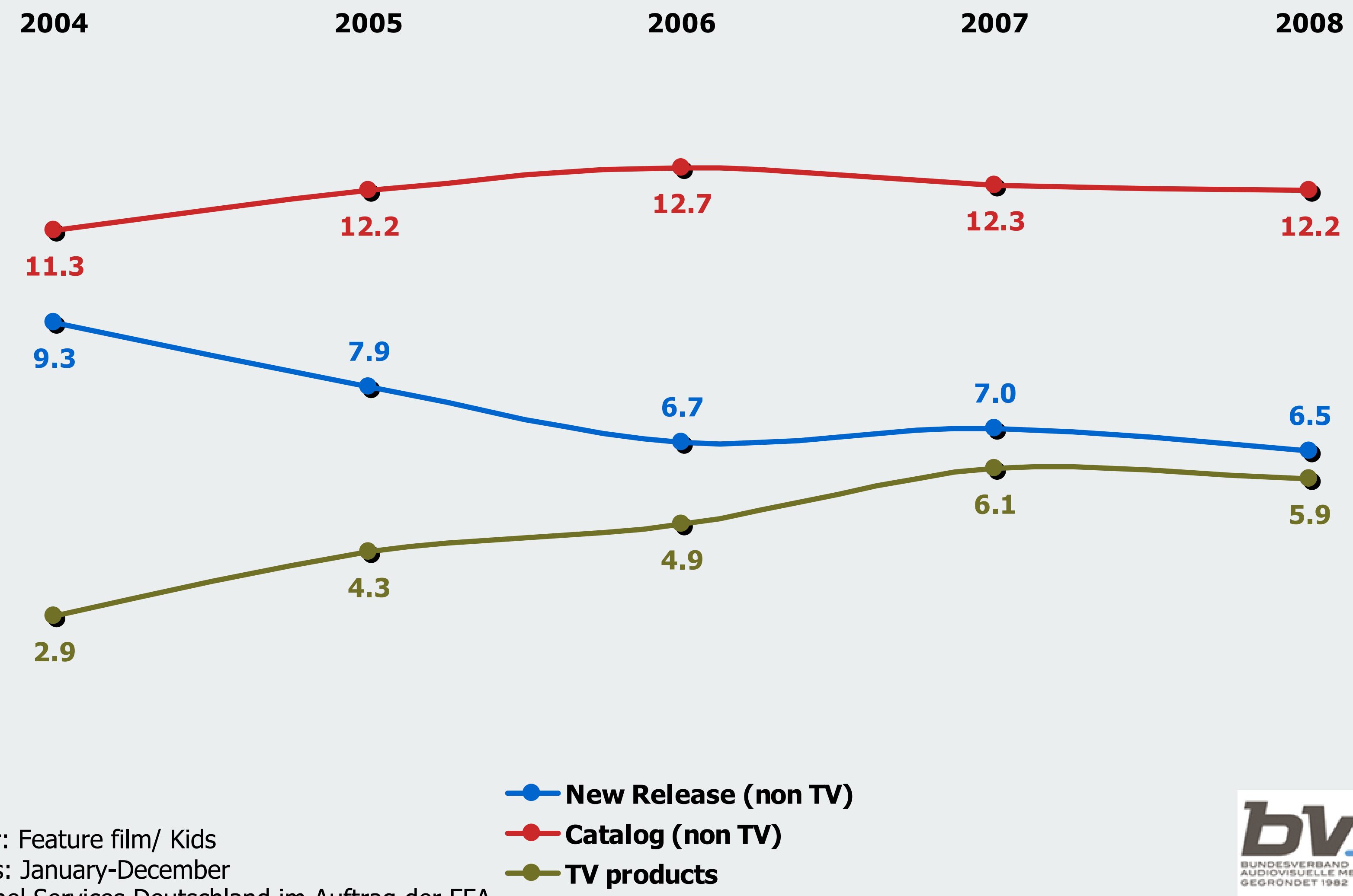
Age of buyer

Penetration rate in %



All periods: January-December

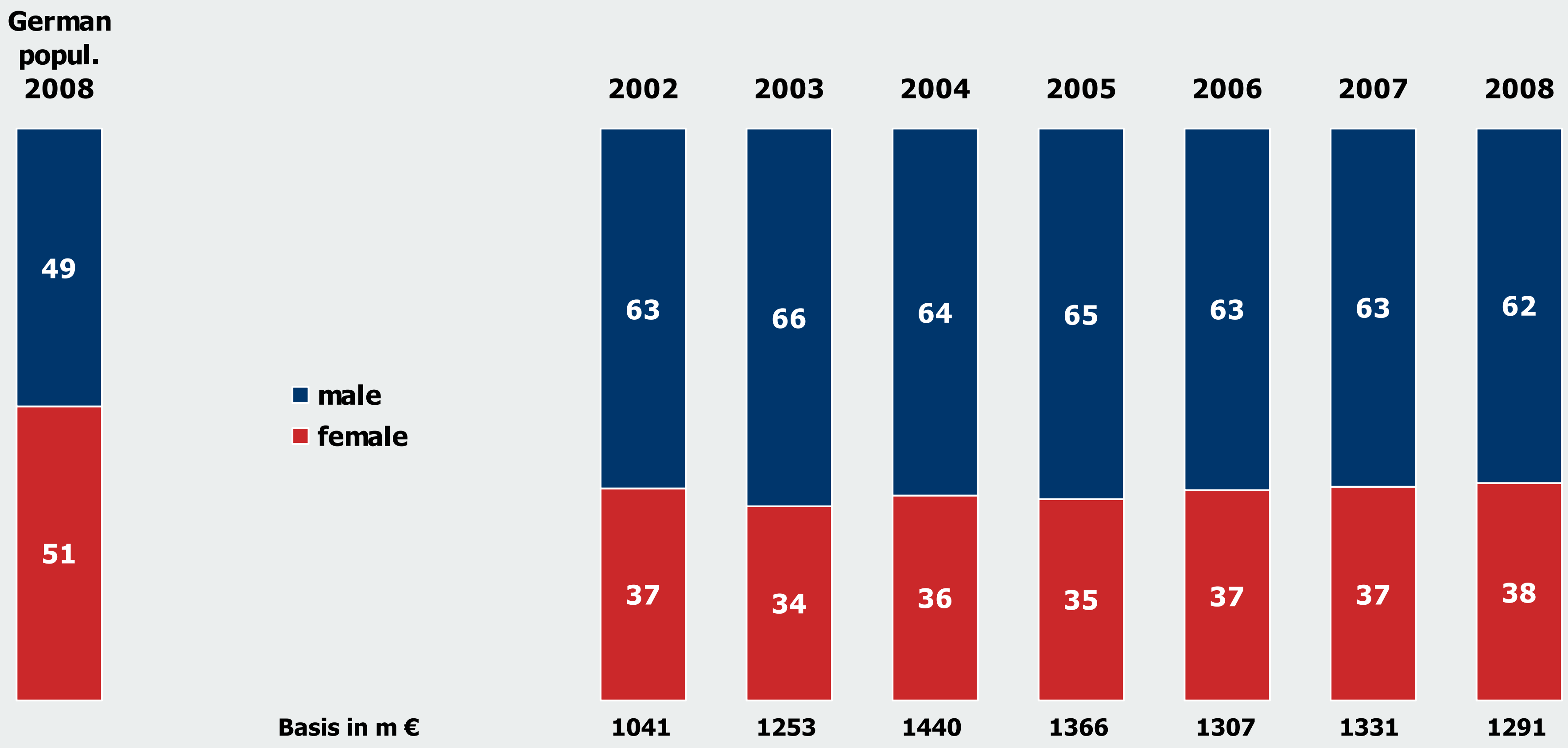
Buyer development: DVD/ Blu-ray/ HD-DVD
Buyer in m persons



Shown for: Feature film/ Kids
All periods: January-December

Gender of buyer

Value in %



All periods: January-December

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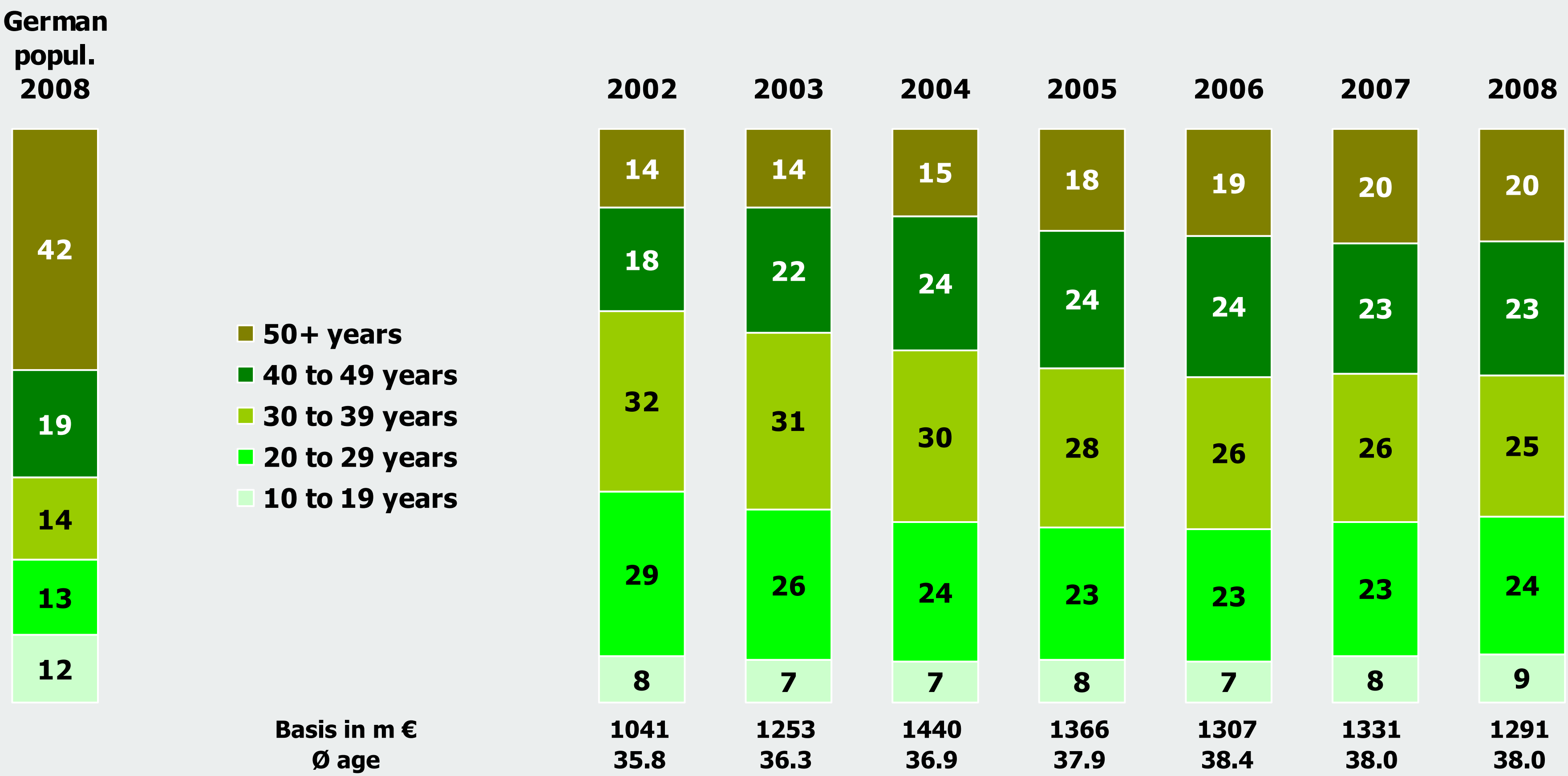
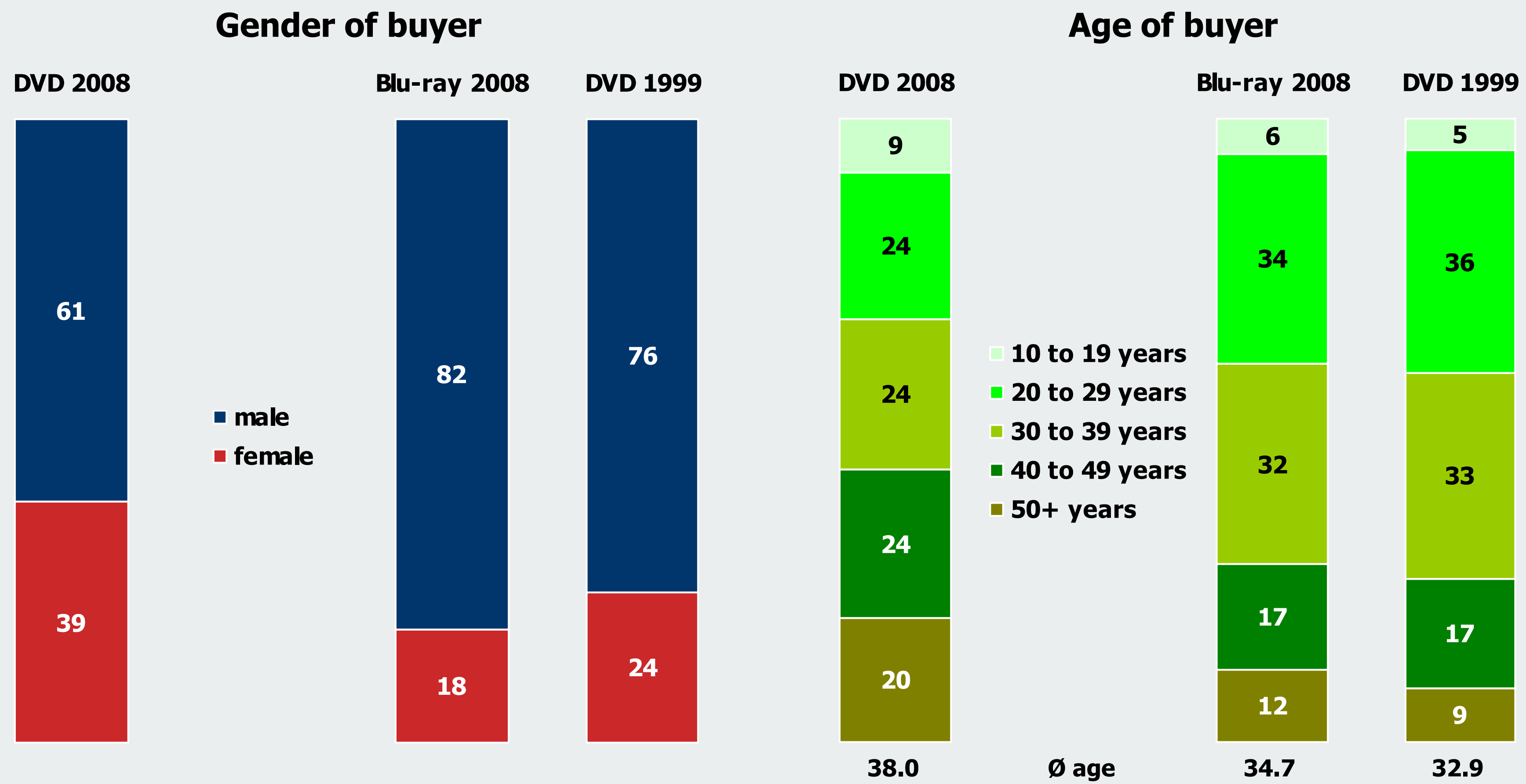
Age of buyer
Value in %



All periods: January-December

DVD vs Blu-ray: Gender/ age of buyer
Value in %



Period: January-December 2008

Age of buyer: Top titles
Volume

10 to 19 years	20 to 29 years	30 to 39 years	40 to 49 years	50+ years
Keinohrhasen	Keinohrhasen	Keinohrhasen	Keinohrhasen	Mamma Mia! - Der Film
Die Simpsons - Der Film	The dark knight	Mamma Mia! - Der Film	Mamma Mia! - Der Film	Keinohrhasen
Ratatouille	Die Simpsons - Der Film	Der goldene Kompass	Casino Royale	Unsere Erde
Mamma Mia! - Der Film	Mamma Mia! - Der Film	Ratatouille	Ratatouille	Ratatouille
Harry Potter und der Orden des Phönix	Ratatouille	The dark knight	Indiana Jones und das Königreich d. Kristallschädels	Harry Potter und der Orden des Phönix
I am legend	Transformers	Die Simpsons - Der Film	Harry Potter und der Orden des Phönix	10.000 BC
Lissi und der wilde Kaiser	Stirb langsam 4.0	John Rambo (Uncut)	Stirb langsam 4.0	Indiana Jones und das Königreich d. Kristallschädels
High School Musical 2 (Extended Edition)	Harry Potter und der Orden des Phönix	Harry Potter und der Orden des Phönix	Lissi und der wilde Kaiser	Der Teufel trägt Prada
Das Streben nach Glück	Das Streben nach Glück	Indiana Jones und das Königreich d. Kristallschädels	Der goldene Kompass	Kung Fu Panda
Mr. Bean macht Ferien	I am legend	Pirates of the caribbean - Fluch der Karibik 2	I am legend	Der goldene Kompass

Period: January-December 2008

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Top Titel: Kaufvideos DVD 2008

Gesamt

01	Keinohrhasen
02	Mamma Mia! Der Film
03	Ratatouille
04	Die Simpsons - Der Film
05	Harry Potter und der Orden des Phönix
06	The Dark Knight
07	Der goldene Kompass
08	Indiana Jones und das Königreich des Kristallschädels
09	Stirb langsam 4.0
10	Unsere Erde

Deutsche Produktionen

01	Keinohrhasen
02	Unsere Erde
03	Lissi und der wilde Kaiser
04	Das Parfum - Die Geschichte eines Mörders
05	7 Zwerge - Der Wald ist nicht genug
06	Die wilden Kerle 5 - Hinter dem Horizont
07	Mein Führer - Die wirklich wahrste Wahrheit über Adolf Hitler
08	Hui Buh, das Schloßgespenst
09	Wer früher stirbt, ist länger tot
10	Die wilden Hühner und die Liebe

Zeitraum: Januar-Dezember 2008

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3

Sell-through

Buying intensity

Key facts

Value
1291 m €
(1331 m €)
-3%

Volume
103.7 m units
(104.5 m units)
-1%

Ø price
12.44 €
(12.73 €)
-2%

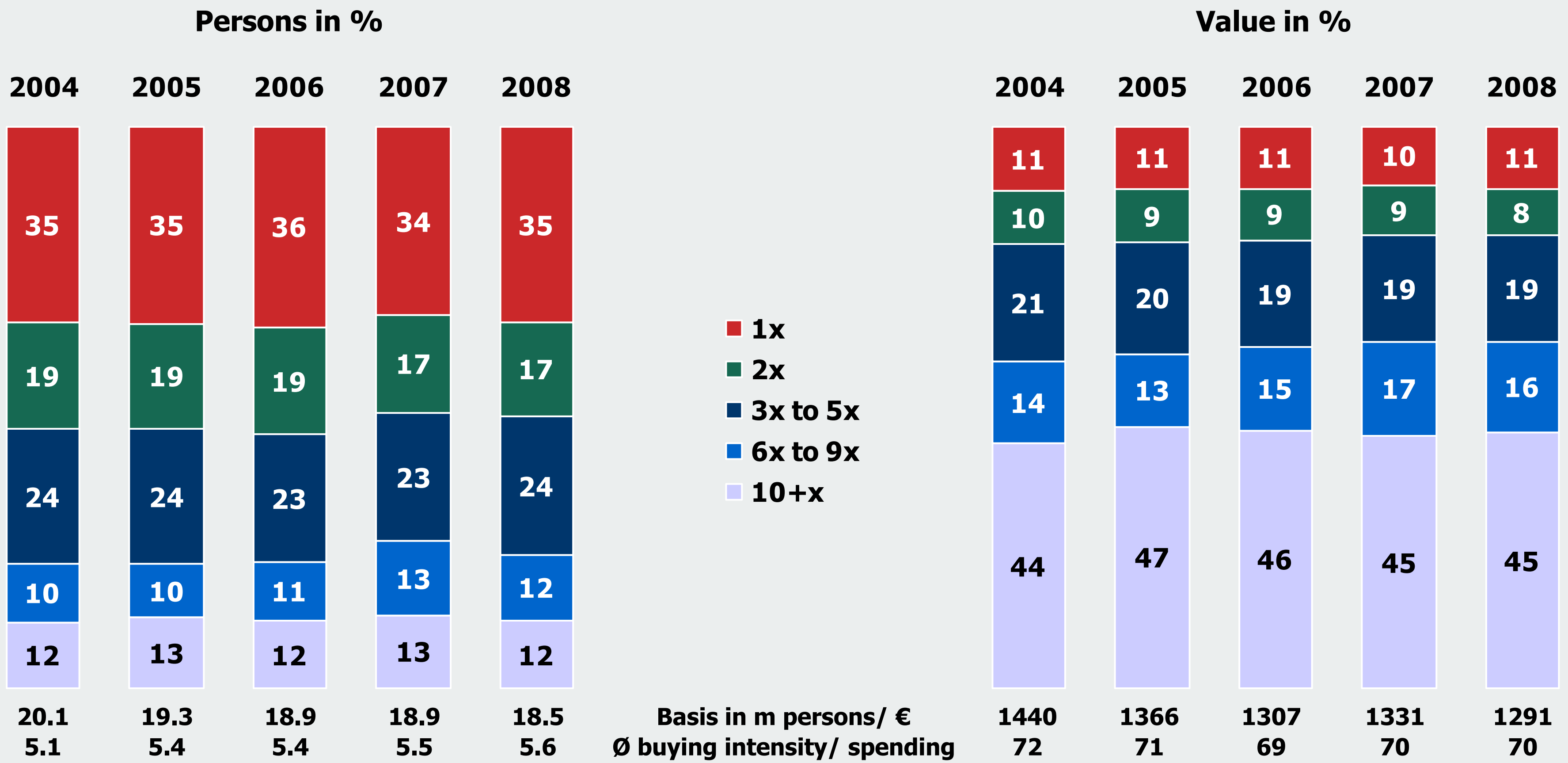
Buyer
18.5 m persons
(18.9 m persons)
-2%

Buying intensity
5.6 units/ consumer
(5.5 units/ consumer)
+1%

Period: January-December 2008 (January-December 2007)

BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V. GEGRÜNDET 1982

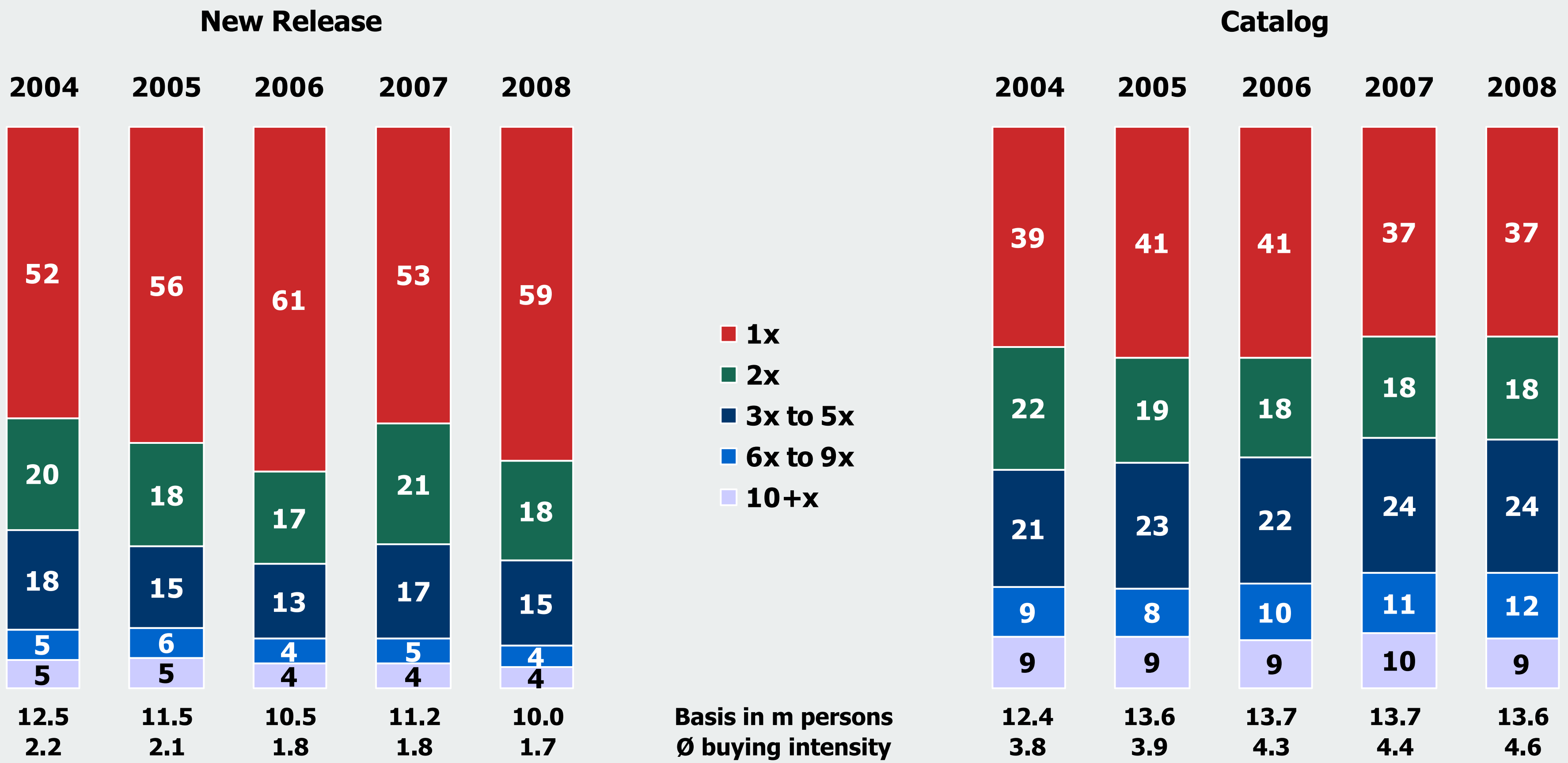
Buying intensity



All periods: January-December

Buying intensity New Release vs Catalog *

Persons in %



* DVD+Blu-ray+HD-DVD
Shown for: Feature film/ Kids
All periods: January-December

3 Sell-through

Price development

Key facts

Value
1291 m €
(1331 m €)
-3%

Volume
103.7 m units
(104.5 m units)
-1%

Ø price
12.44 €
(12.73 €)
-2%

Buyer
18.5 m persons
(18.9 m persons)
-2%

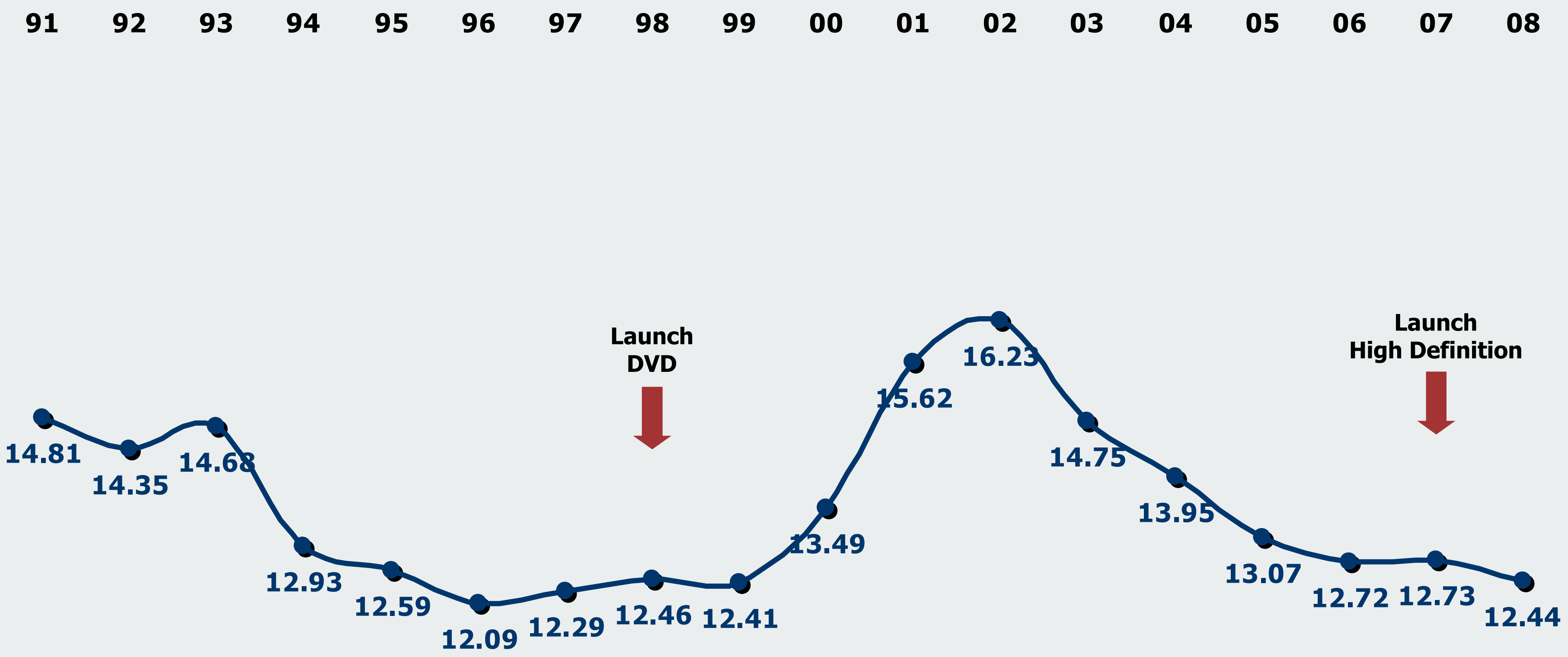
Buying intensity
5.6 units/ consumer
(5.5 units/ consumer)
+1%

Period: January-December 2008 (January-December 2007)

BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V. GEGRÜNDET 1982

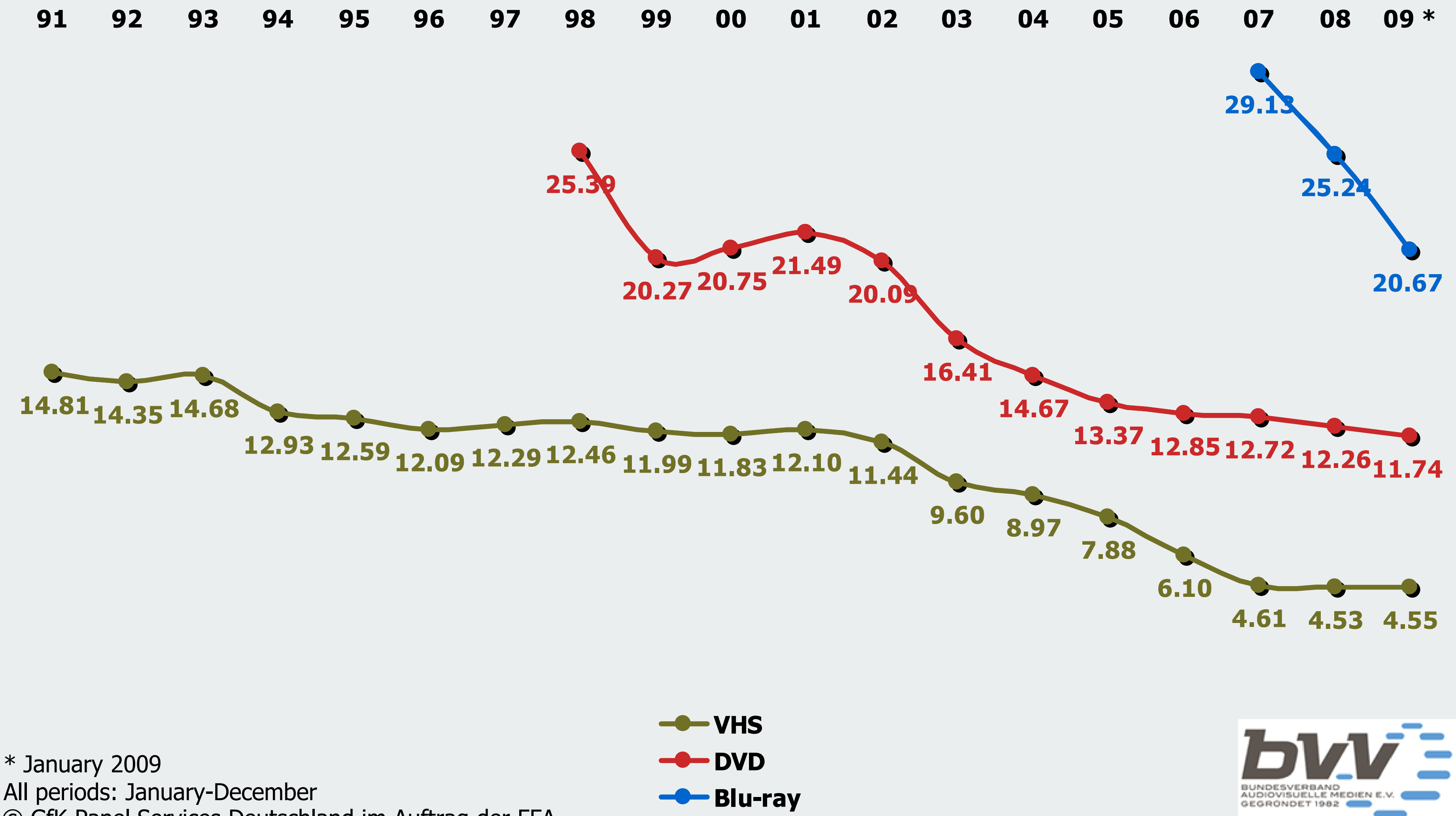
Price development

Ø price in €



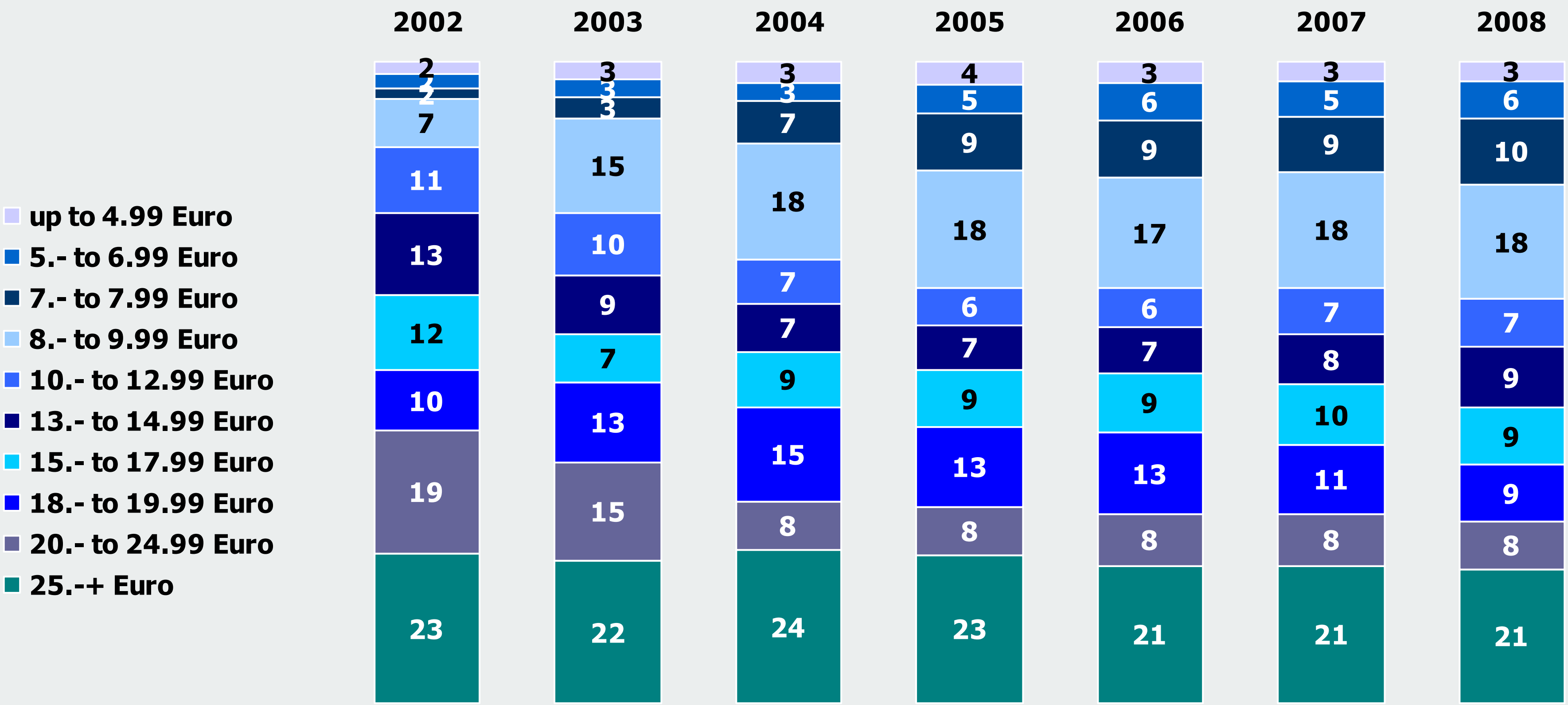
All periods: January-December

Price development
Ø price in €



* January 2009
All periods: January-December

Price groups
Value in %



	2002	2003	2004	2005	2006	2007	2008
Basis in m €	**1041**	**1253**	**1440**	**1366**	**1307**	**1331**	**1291**
Ø price	**16.23**	**14.75**	**13.95**	**13.07**	**12.72**	**12.73**	**12.44**

All periods: January-December

BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V. GEGRÜNDET 1982

Price development
Ø price in €

	2004	2005	2006	2007	2008	08 vs 07
Feature film	13.97	12.96	12.59	12.64	12.18	-4%
Kids	11.95	11.72	11.29	11.22	10.94	-2%
Special Interest	17.42	16.04	15.04	14.09	16.64	18%
Music	16.87	14.97	15.15	15.96	15.66	-2%
Theatrical (new) *	13.89	12.04	11.49	11.06	10.60	-4%
Theatrical old *	9.68	8.93	8.61	8.48	8.30	-2%
TV products (3+ discs) *	49.35	37.76	30.82	27.80	25.83	-7%
Boxsets (3+ discs) *	46.62	36.29	30.63	26.89	24.89	-7%

* DVD+Blu-ray+HD-DVD, shown for: Feature film/ Kids
All periods: January-December

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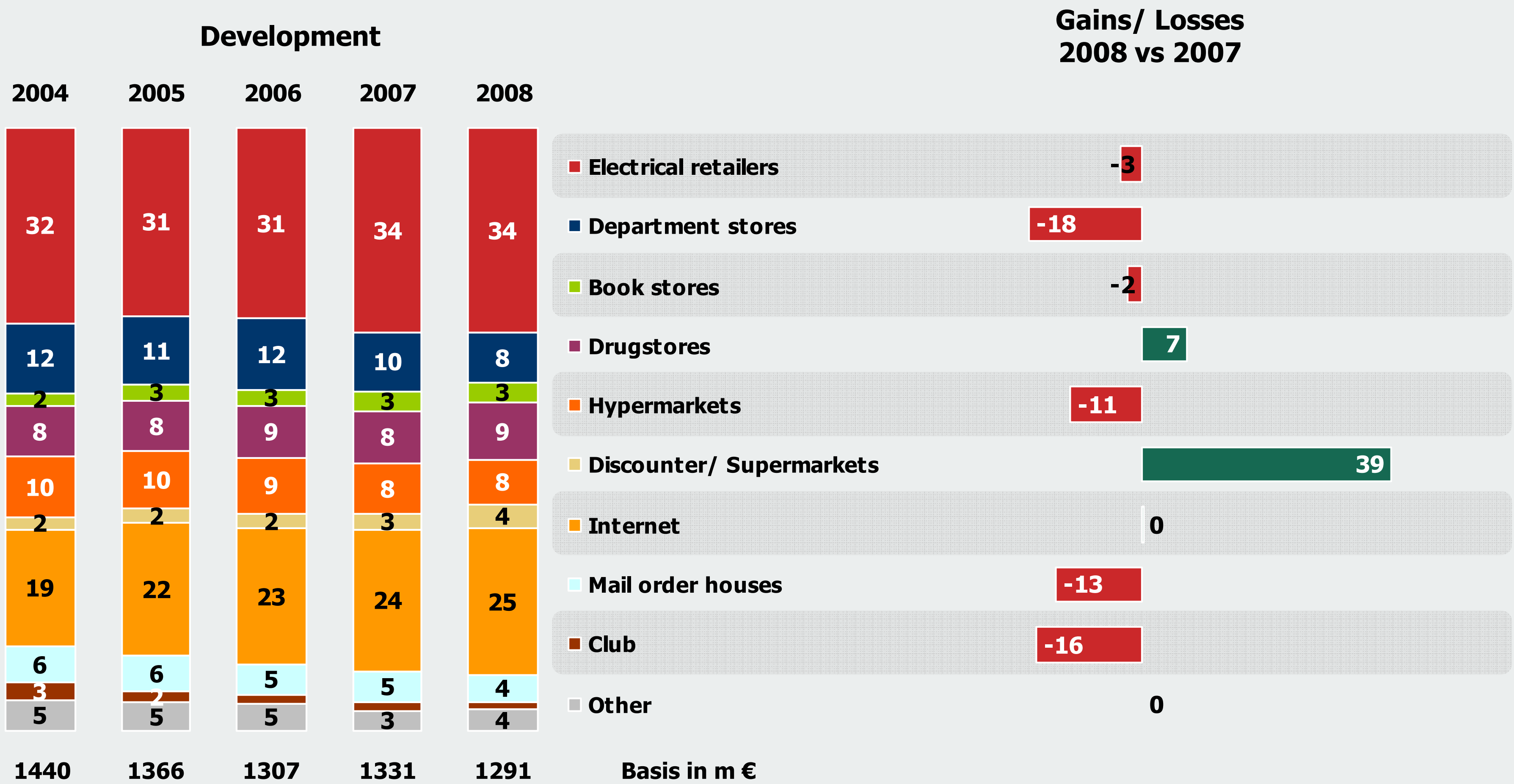
3 **Sell-through**

Distribution channels/ retailer

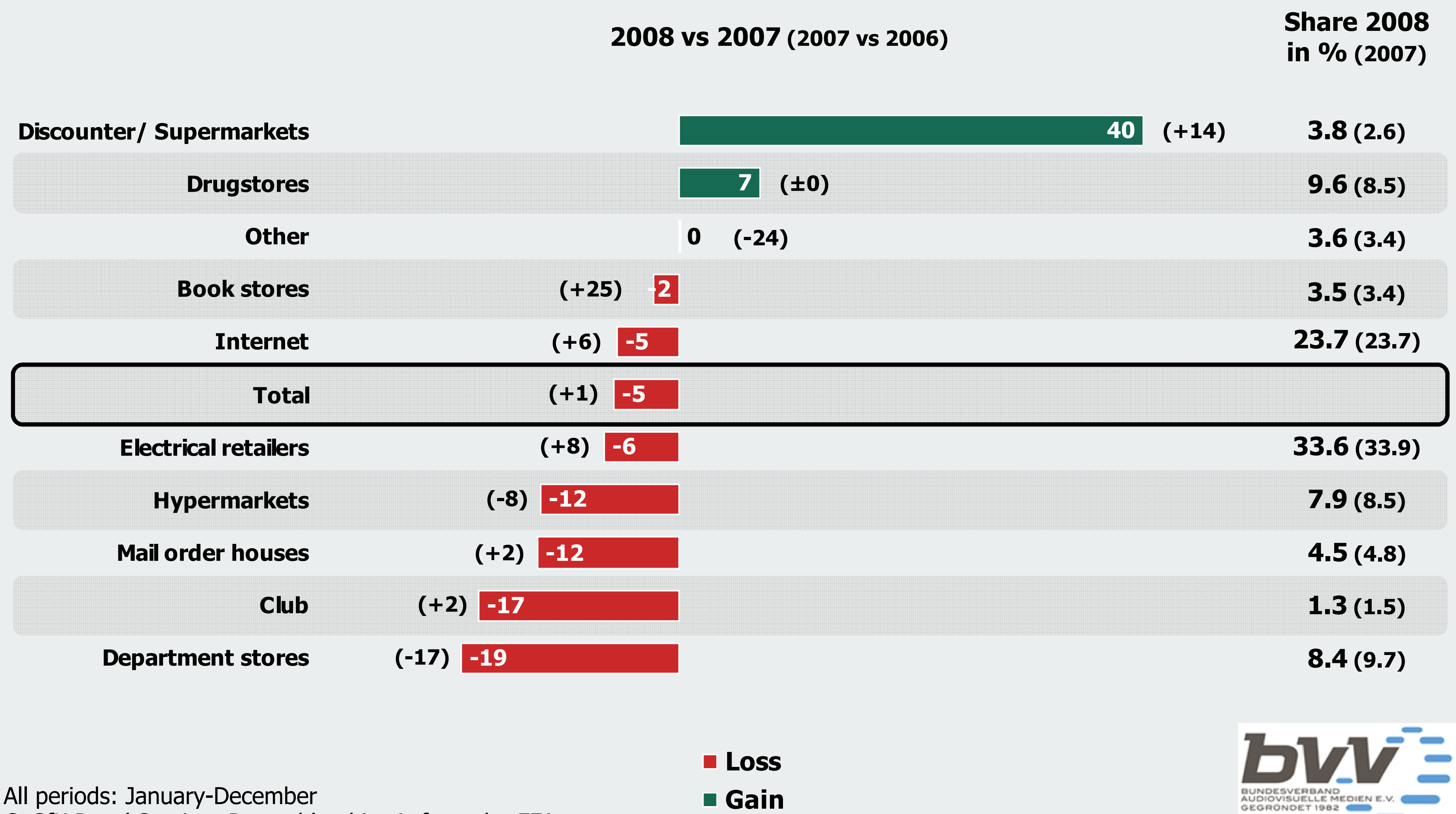
Distribution channels
Umsatz in %



All periods: January-December

Gains and Losses: Distribution channels DVD

Change (value) in %

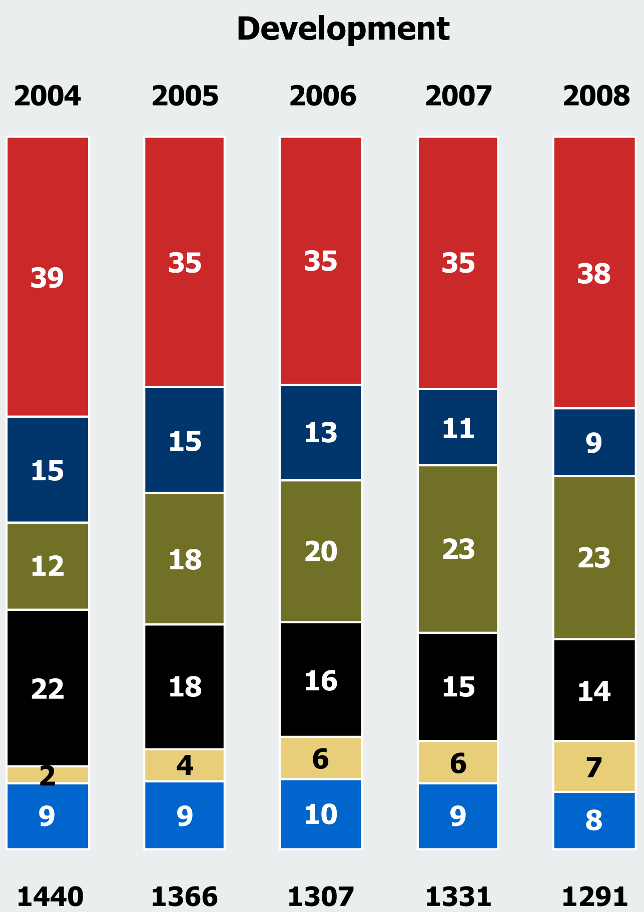


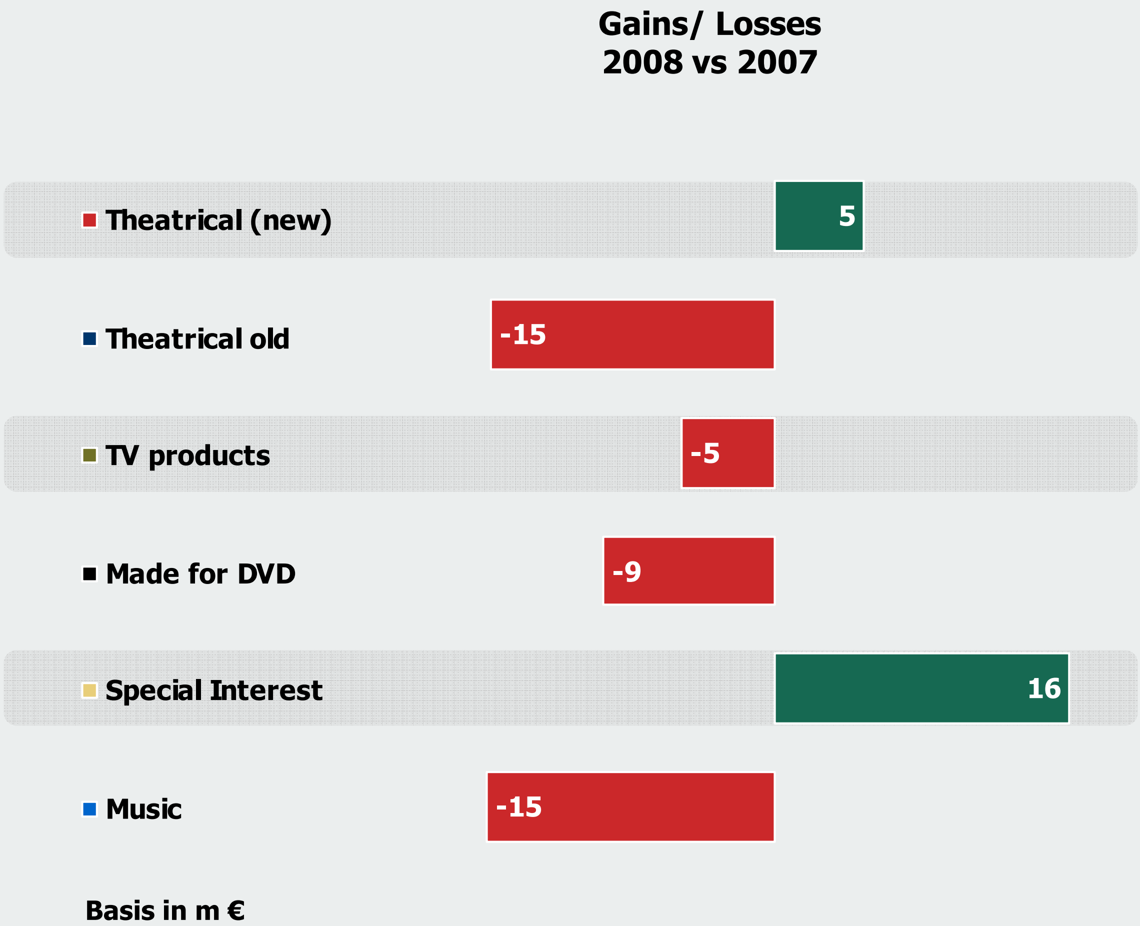
All periods: January-December

3 Sell-through

Segments

Segments
Umsatz in %





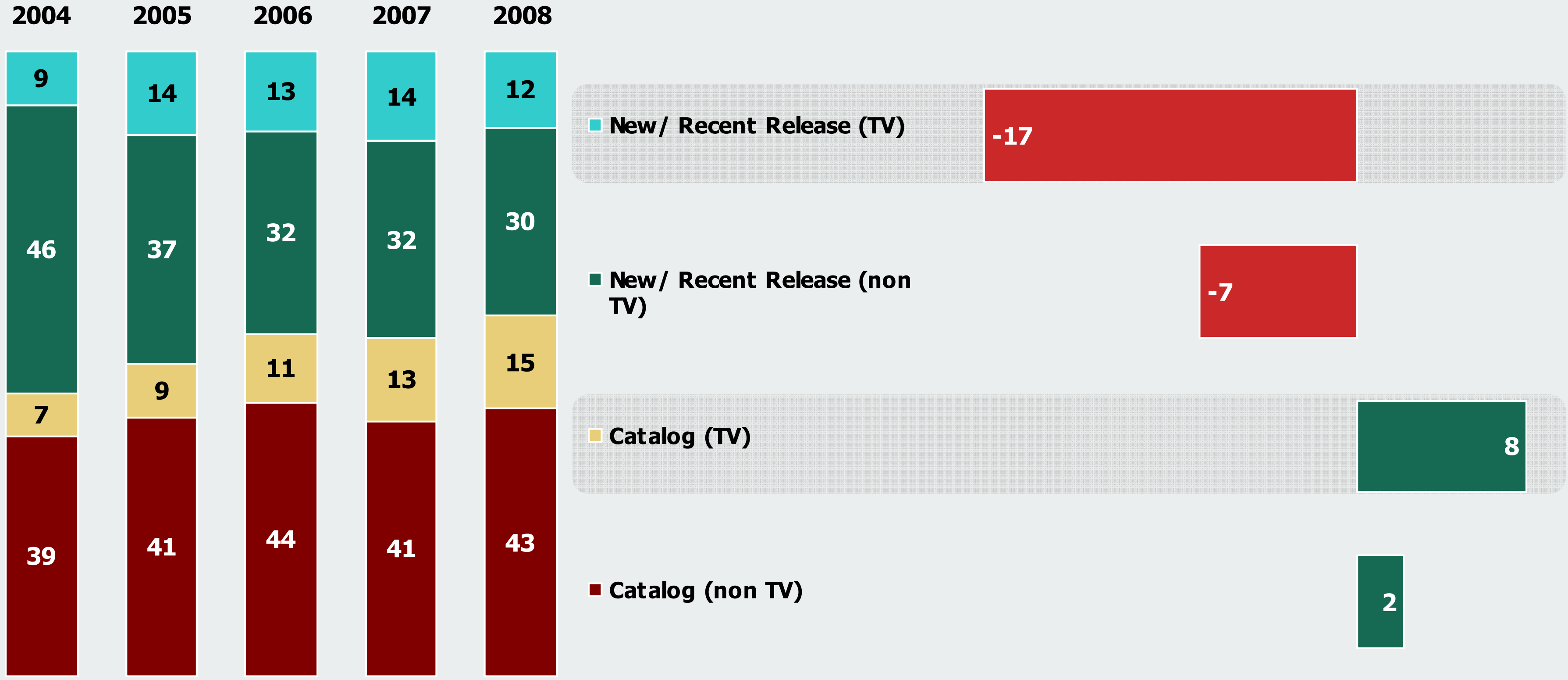
All periods: January-December

Release: DVD/ Blu-ray/ HD-DVD

Umsatz in %

Development

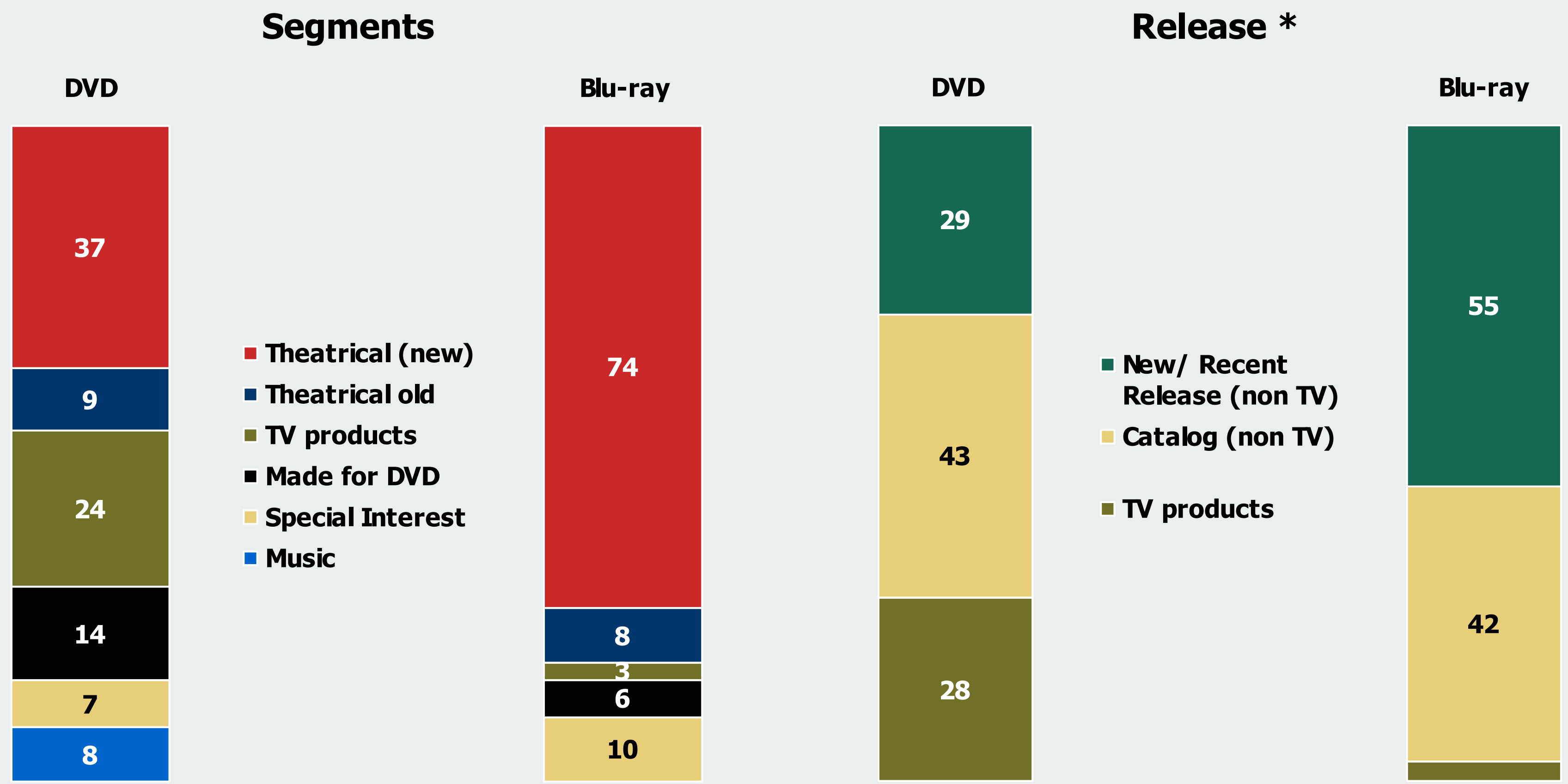
Gains/ Losses 2008 vs 2007



1157 1133 1089 1125 1094 Basis in m €

Shown for: Feature film/ Kids
All periods: January-December

DVD vs Blu-ray: Segments/ Release
Value in %



* Shown for: Feature film/ Kids
Period: January-December 2008

3

Sell-through

Blu-ray

Price development: High Definition Hardware
Ø price in €

	Dec 2007	Dec 2008	08 vs 07
HD Ready TV	903	602	-33%
Full HD TV	1822	1158	-36%
HD-DVD player	333	195	-41%
Blu-ray player	536	289	-46%
HD/ Blu-ray Combo	1249	617	-51%
HD player Xbox	157	45	-71%
Playstation 3	433	401	-7%

Source: GfK Marketing Services, Retail Panel

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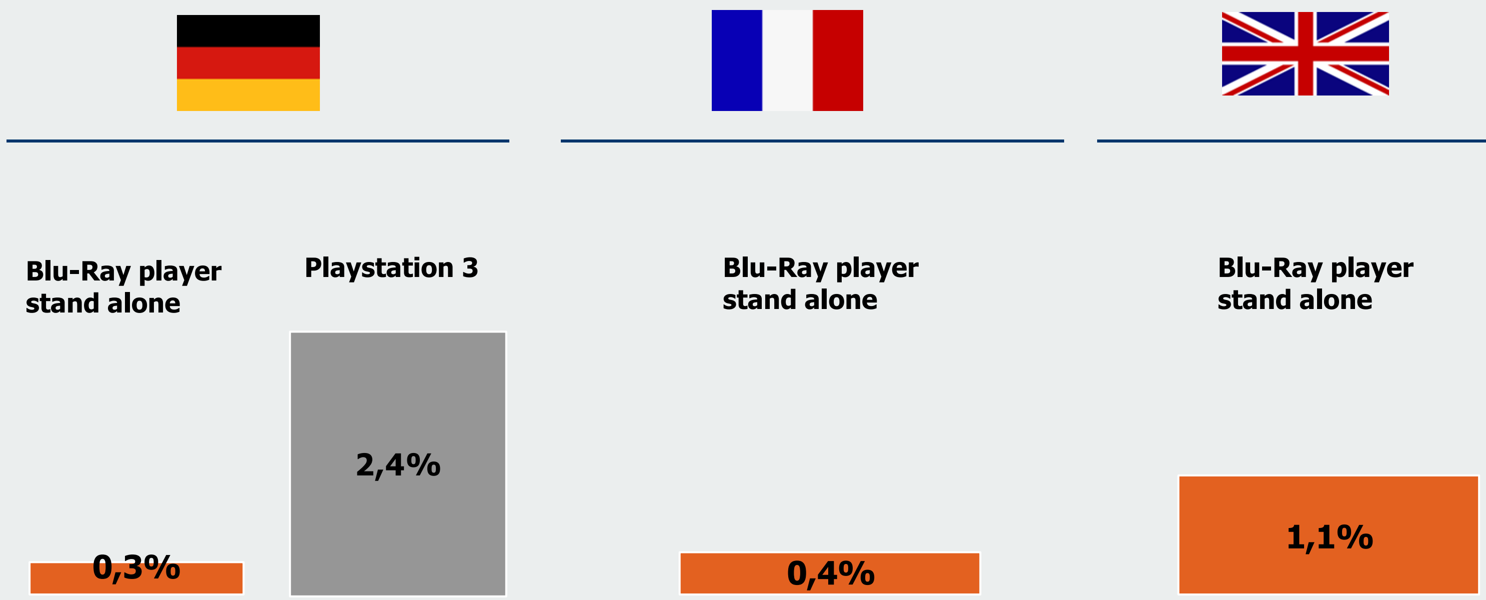
Blu-Ray hardware household penetration



	Germany: Blu-Ray player stand alone	Germany: Playstation 3	France: Blu-Ray player stand alone	UK: Blu-Ray player stand alone
Sales units since launch in Dec 08 in THSD	112	800	106	265
Average price Dec 08 in EUR	290	401	308	196

Source: GfK Marketing Services, Retail Panel

Key facts: Blu-ray

Value
41.7 m €
(9.6 m €)
+334%

Volume
1.65 m units
(0.33 m units)
+400%

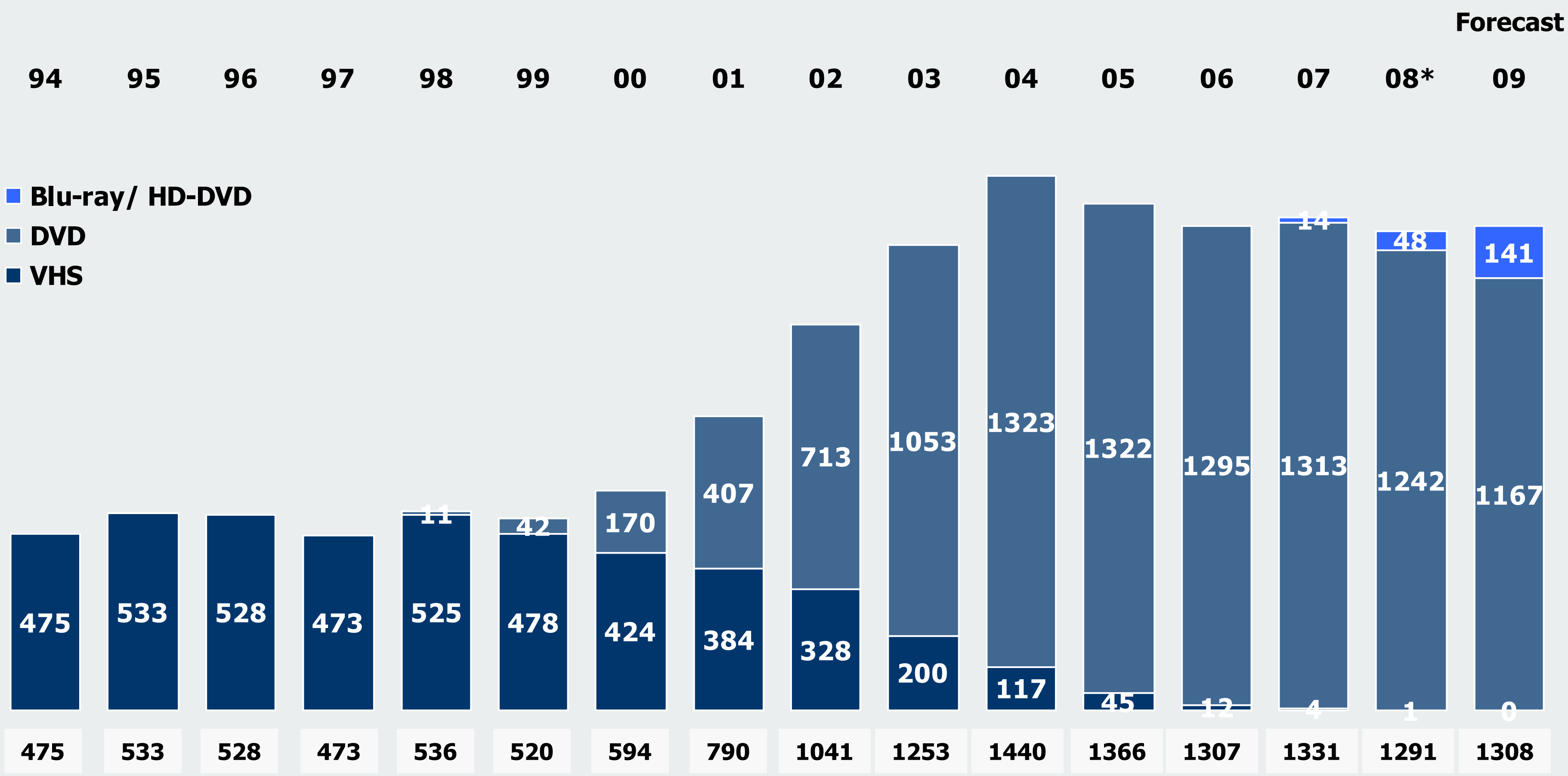
Ø price
29.13 €
(25.24 €)
-13%

Buyer
0.38 m persons
(0.10 m persons)
+350%

Buying intensity
4.4 units/ consumer
(3.3 units/ consumer)
+31%

Period: January-December 2008 (January-December 2007)

Forecast
Value in m €



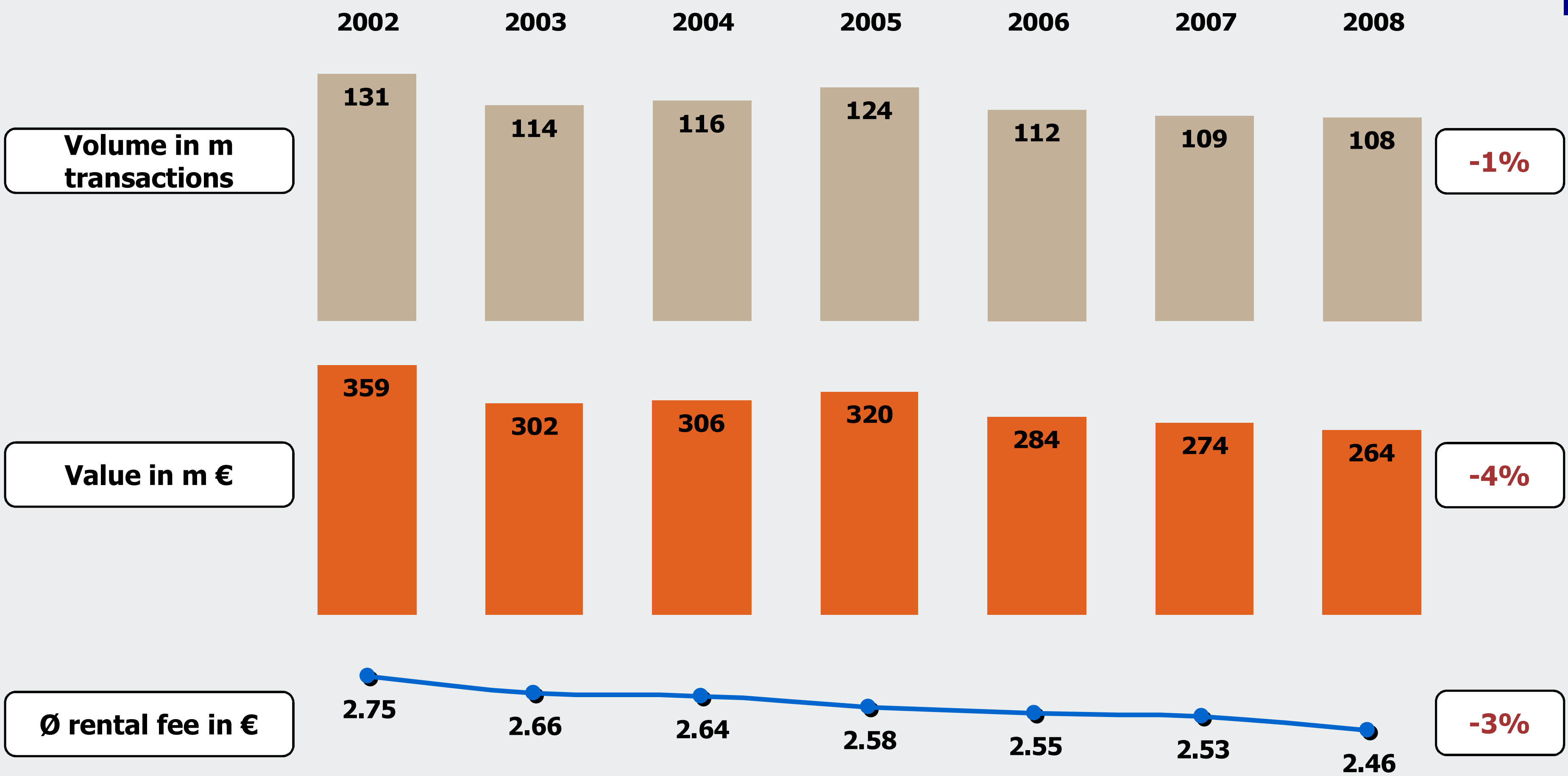
*HD-DVD = 6 m €

4

Rental

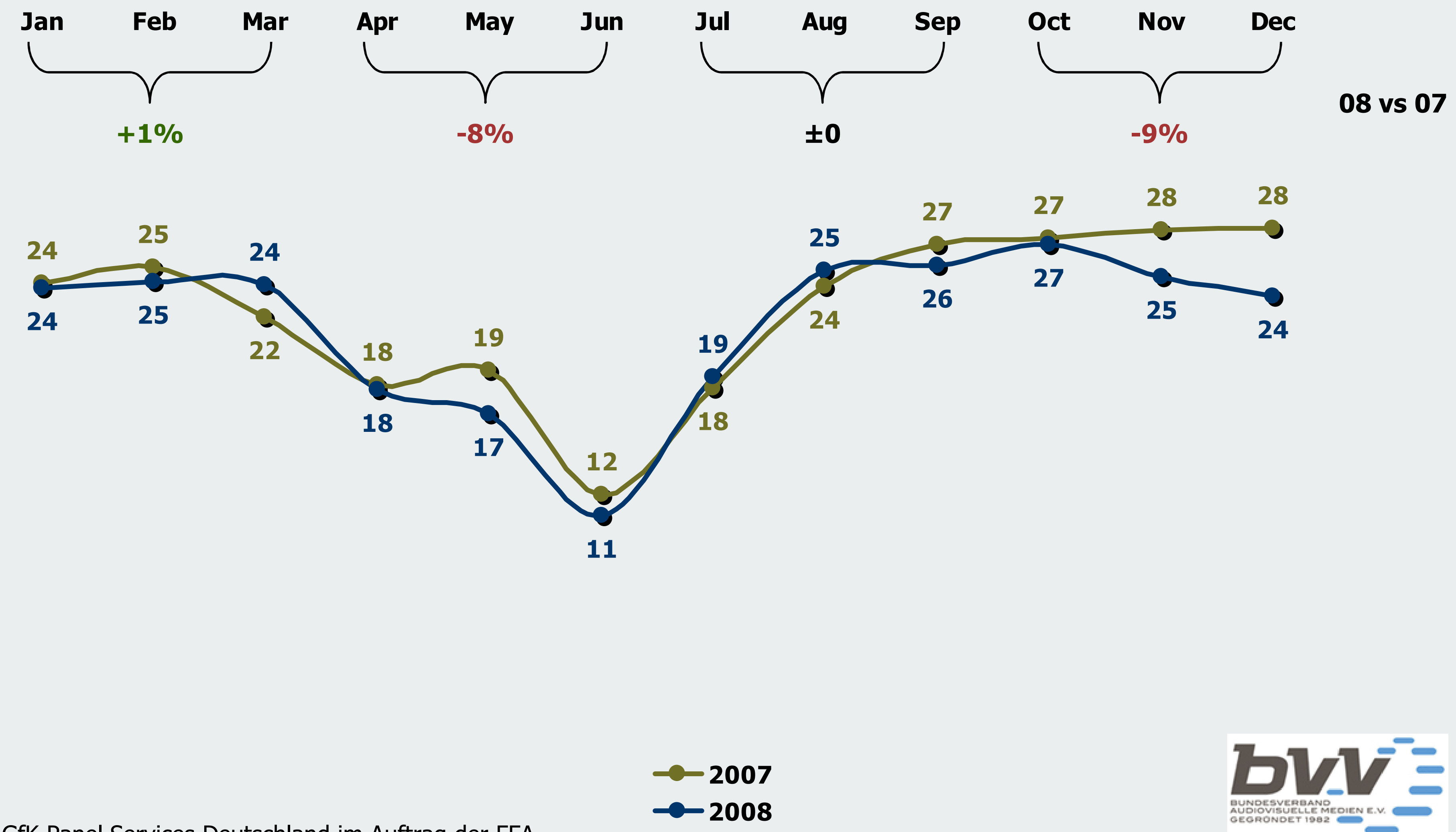
General development

General market development



All periods: January-December

Seasonality
Value in m €



Market development

		2007	2008	08 vs 07
TOTAL	Volume in m transactions	108.5	107.5	-1%
	Value in m €	274	264	-4%
	Ø price in €	2.53	2.46	-3%
DVD/ VHS	Volume in m transactions	108.2	105.6	-2%
	Value in m €	273	259	-5%
	Ø price in €	2.53	2.45	-3%
Blu-ray/ HD-DVD	Volume in m transactions	0.3	1.9	626%
	Value in m €	1	5	436%
	Ø price in €	3.65	2.70	-26%

All periods: January-December

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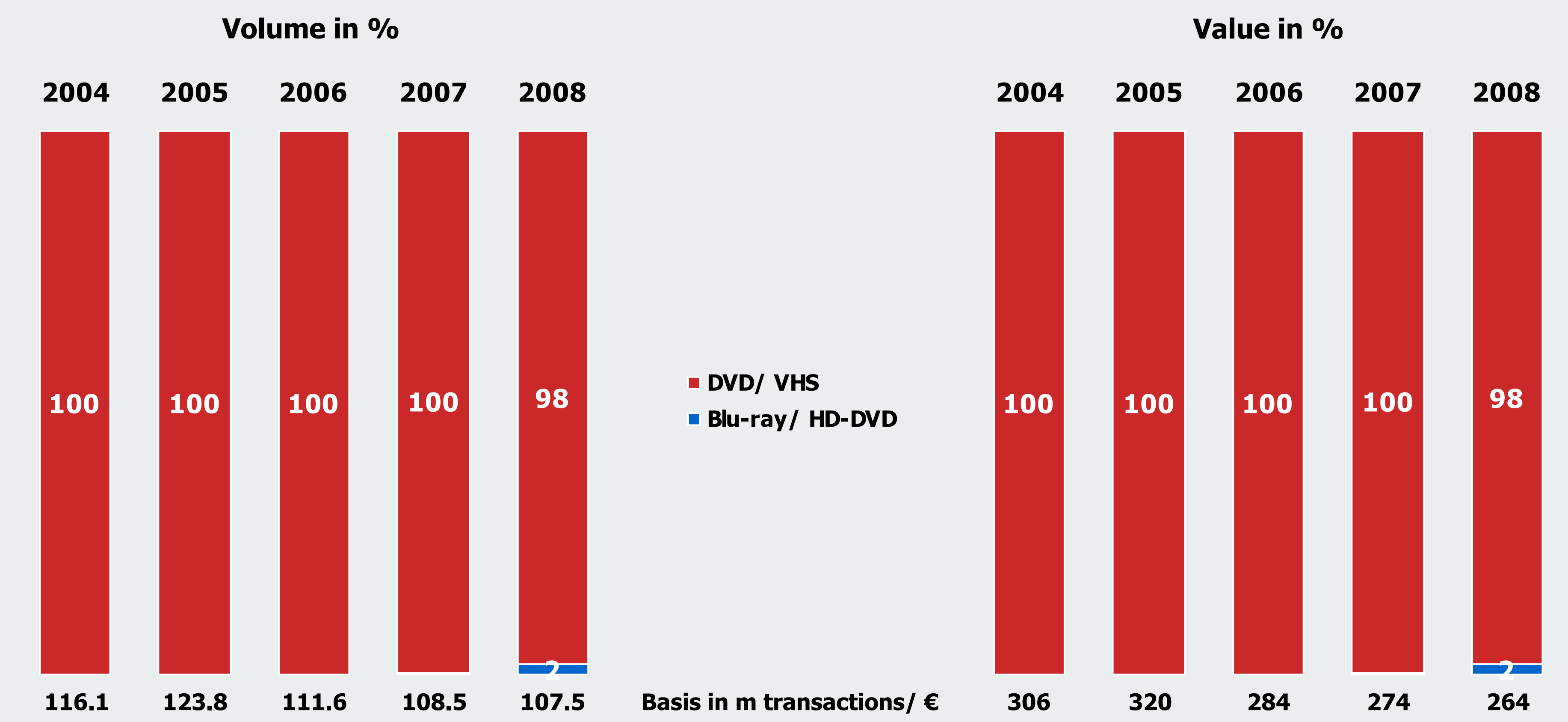
Format



All periods: January-December

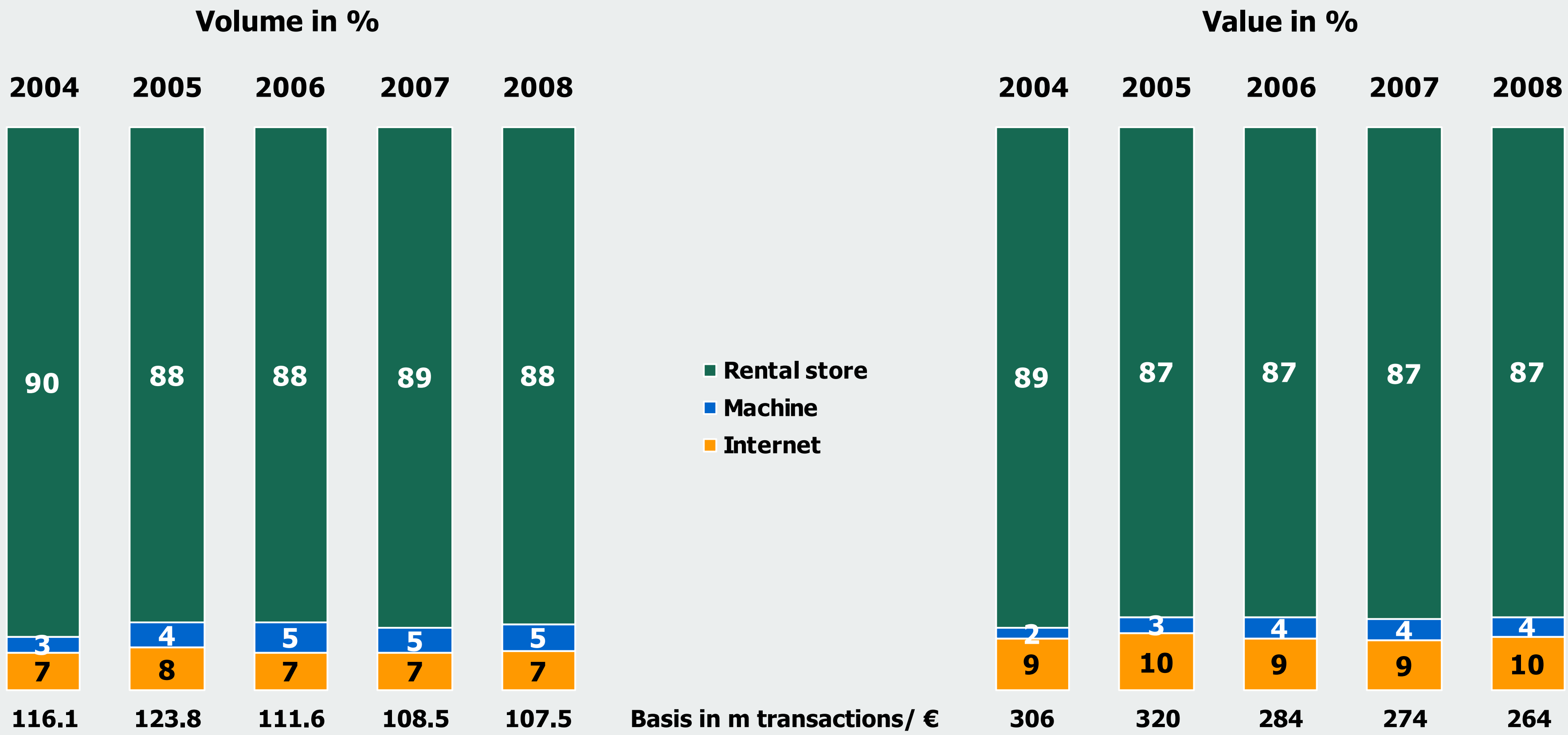
Market development

		2007	2008	08 vs 07
TOTAL	Volume in m transactions	108.5	107.5	-1%
	Value in m €	274	264	-4%
	Ø price in €	2.53	2.46	-3%
Rental store	Volume in m transactions	96.4	95.1	-1%
	Value in m €	240	229	-4%
	Ø price in €	2.49	2.41	-3%
Rental machine	Volume in m transactions	5.0	4.9	-4%
	Value in m €	10	9	-5%
	Ø price in €	1.93	1.90	-2%
Internet	Volume in m transactions	7.0	7.6	8%
	Value in m €	25	25	3%
	Ø price in €	3.52	3.35	-5%

All periods: January-December

bvv BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V. GEGRÜNDET 1982

Where rented



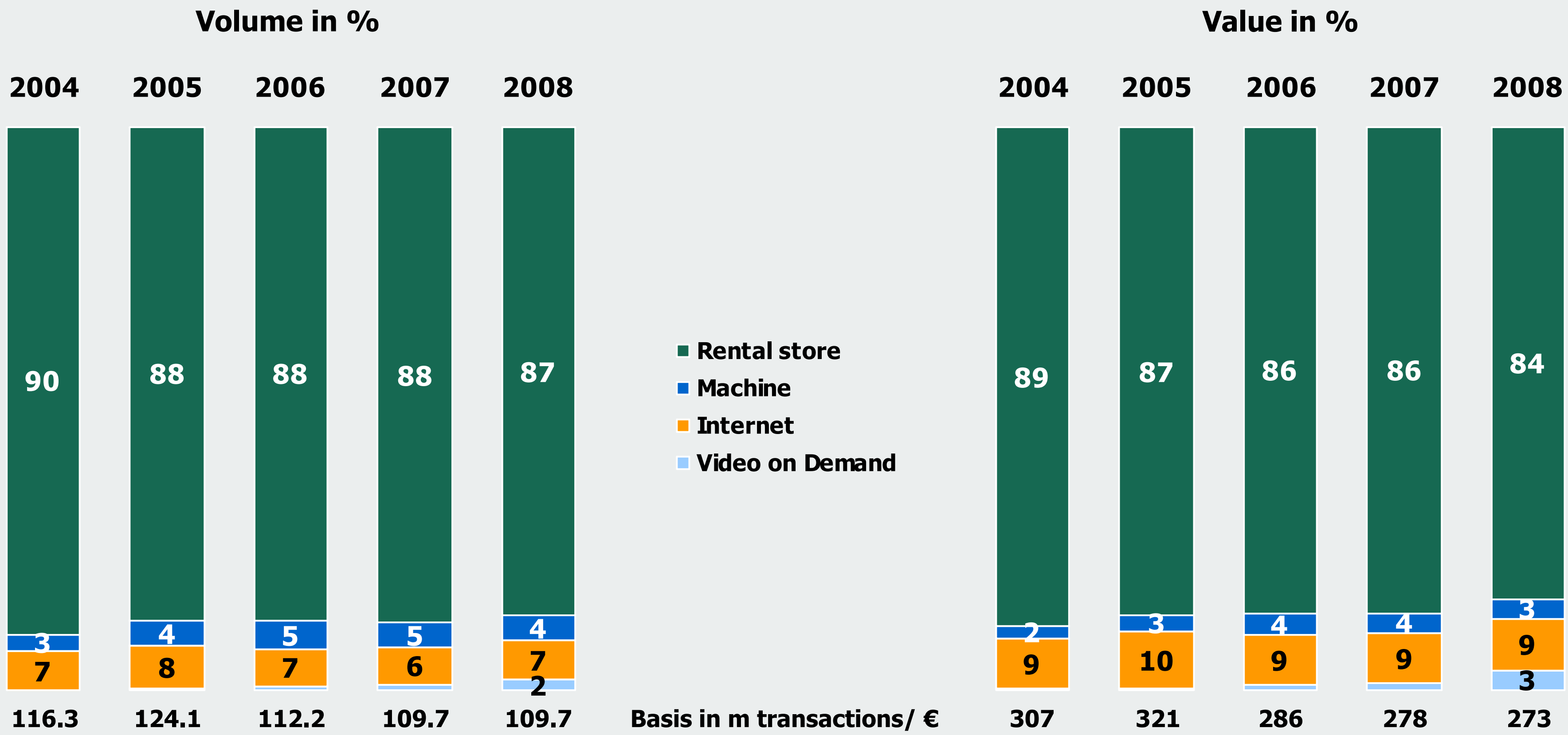
All periods: January-December

Market development *

		2007	2008	08 vs 07
TOTAL	Volume in m transactions	109.7	109.7	0%
	Value in m €	278	273	-2%
	Ø price in €	2.53	2.49	-1%
Rental store	Volume in m transactions	96.4	95.1	-1%
	Value in m €	240	229	-4%
	Ø price in €	2.49	2.41	-3%
Rental machine	Volume in m transactions	5.0	4.9	-4%
	Value in m €	10	9	-5%
	Ø price in €	1.93	1.90	-2%
Internet	Volume in m transactions	7.0	7.6	8%
	Value in m €	25	25	3%
	Ø price in €	3.52	3.35	-5%
VoD	Volume in m transactions	1.2	2.2	80%
	Value in m €	3	9	177%
	Ø price in €	2.79	4.28	53%

* incl. VoD (Forecast)
All periods: January-December

Where rented *



* incl. VoD (Forecast)
All periods: January-December

4 **Rental**

Buyer/ demography

Key facts

Value
264 m €
(274 m €)
-4%

Volume
107.5 m transactions
(108.5 m transactions)
-1%

Ø rental fee
2.46 €
(2.53 €)
-3%

Renter
8.2 m persons
(9.1 m persons)
-10%

Renting intensity
13.2 transact./ renter
(12.0 transact./ renter)
+10%

Period: January-December 2008 (January-December 2007)

BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V.
GEGRÜNDET 1982

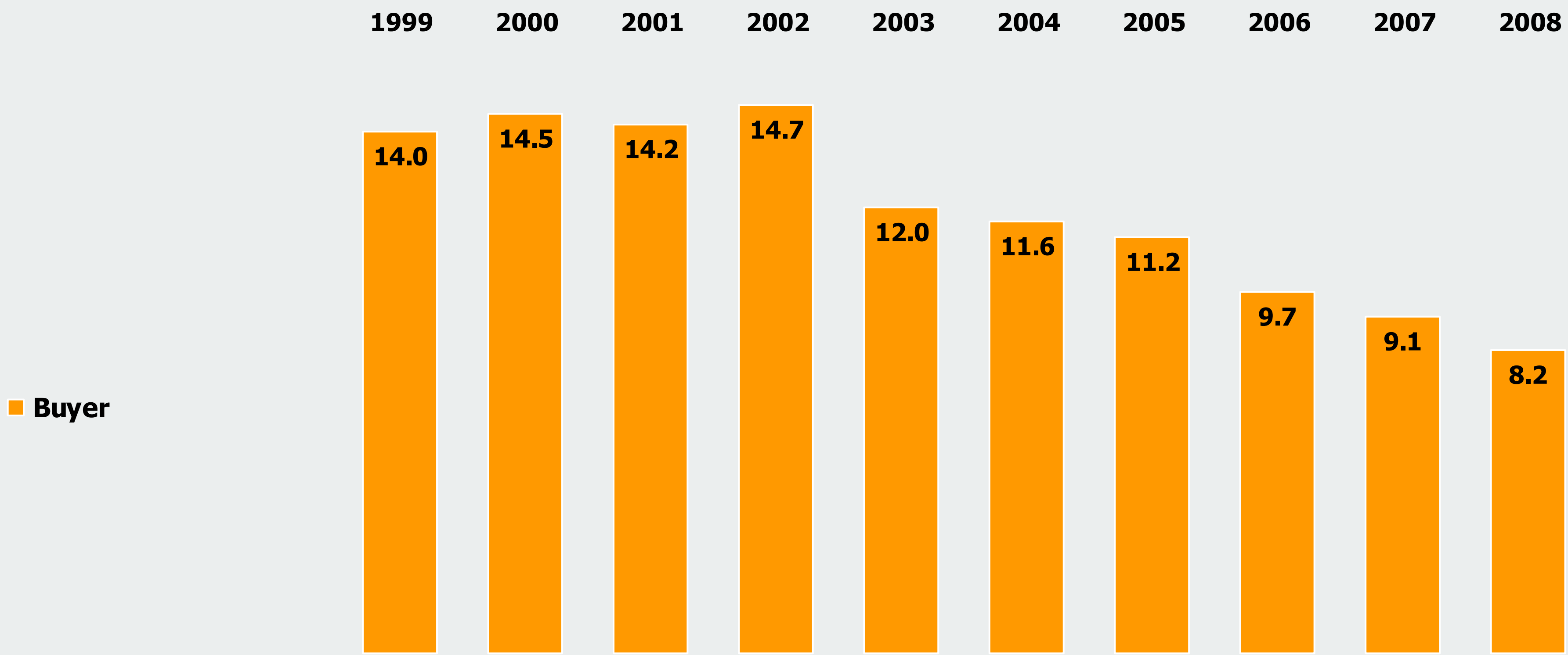
Key facts

	2004	2005	2006	2007	2008	08 vs 07
Renter in m persons	11.6	11.2	9.7	9.1	8.2	-10%
Ø renting intensity transactions/ consumer	10.0	11.1	11.5	12.0	13.2	10%
Ø spending € per consumer	26	29	29	30	32	7%
Volume in m transactions	116.2	123.8	111.6	108.5	107.5	-1%
Value in m €	306	320	284	274	264	-4%
Ø rental fee in €	2.64	2.58	2.55	2.53	2.46	-3%

All periods: January-December

BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V. GEGRÜNDET 1982

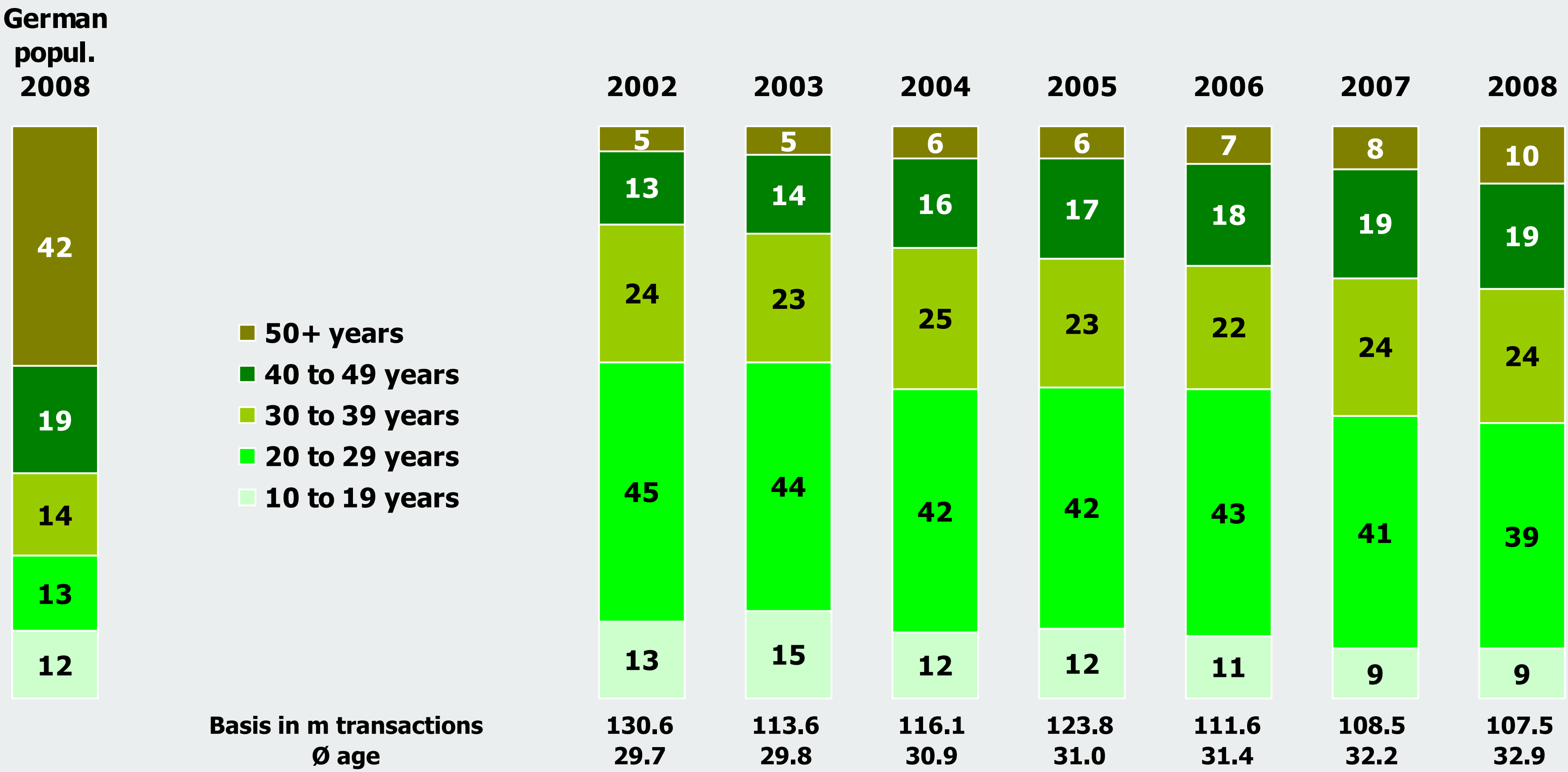
Renter
Persons in m



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Penetration rate	22%	23%	22%	23%	19%	18%	18%	15%	14%	13%

All periods: January-December

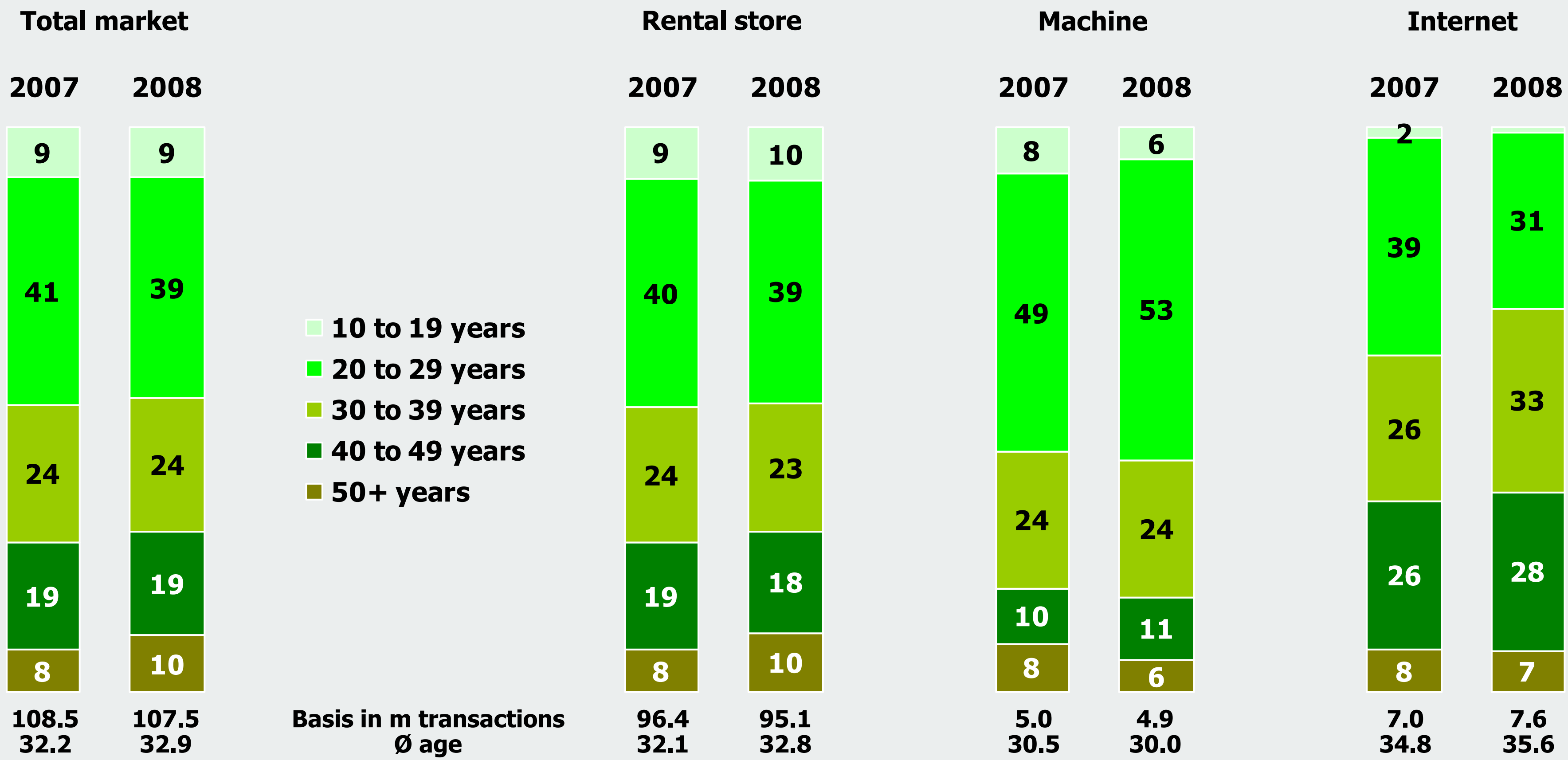
Age of renter
Volume in %



All periods: January-December

Where rented: Age of renter

Volume in %



All periods: January-December

Key facts

Value
264 m €
(274 m €)
-4%

Volume
107.5 m transactions
(108.5 m transactions)
-1%

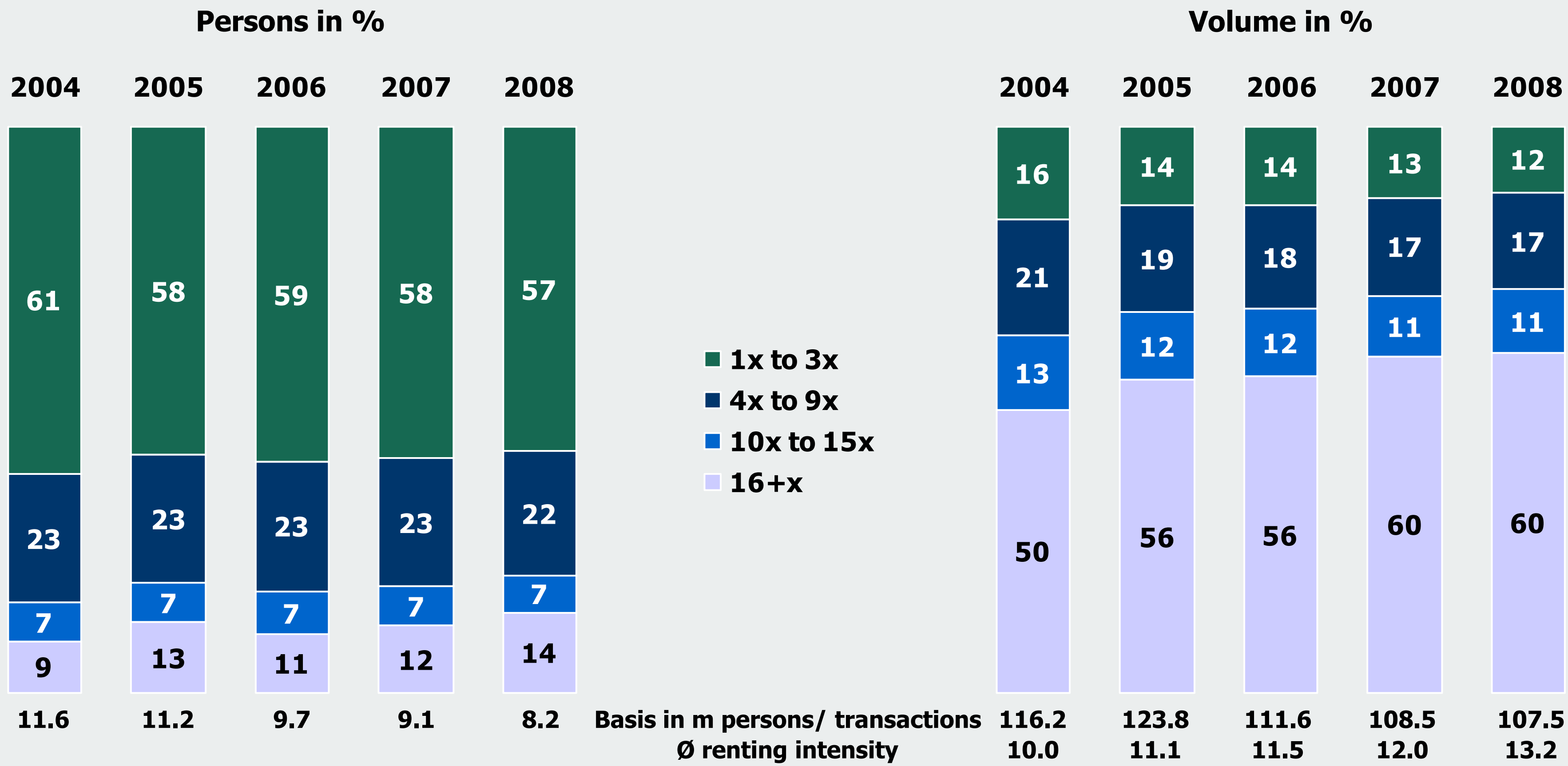
Ø rental fee
2.46 €
(2.53 €)
-3%

Renter
8.2 m persons
(9.1 m persons)
-10%

Renting intensity
13.2 transact./ renter
(12.0 transact./ renter)
+10%

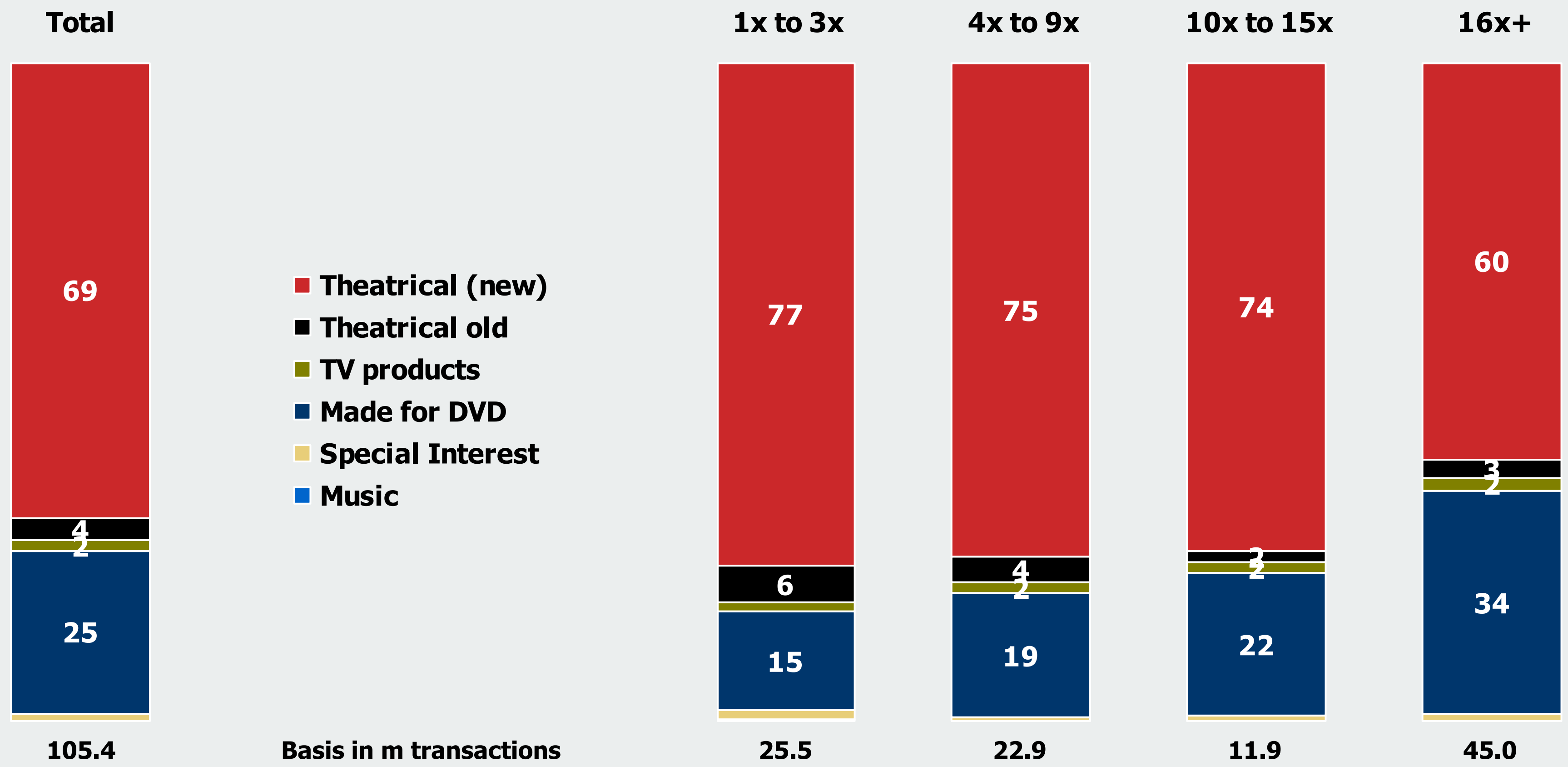
Period: January-December 2008 (January-December 2007)

Renting intensity



All periods: January-December

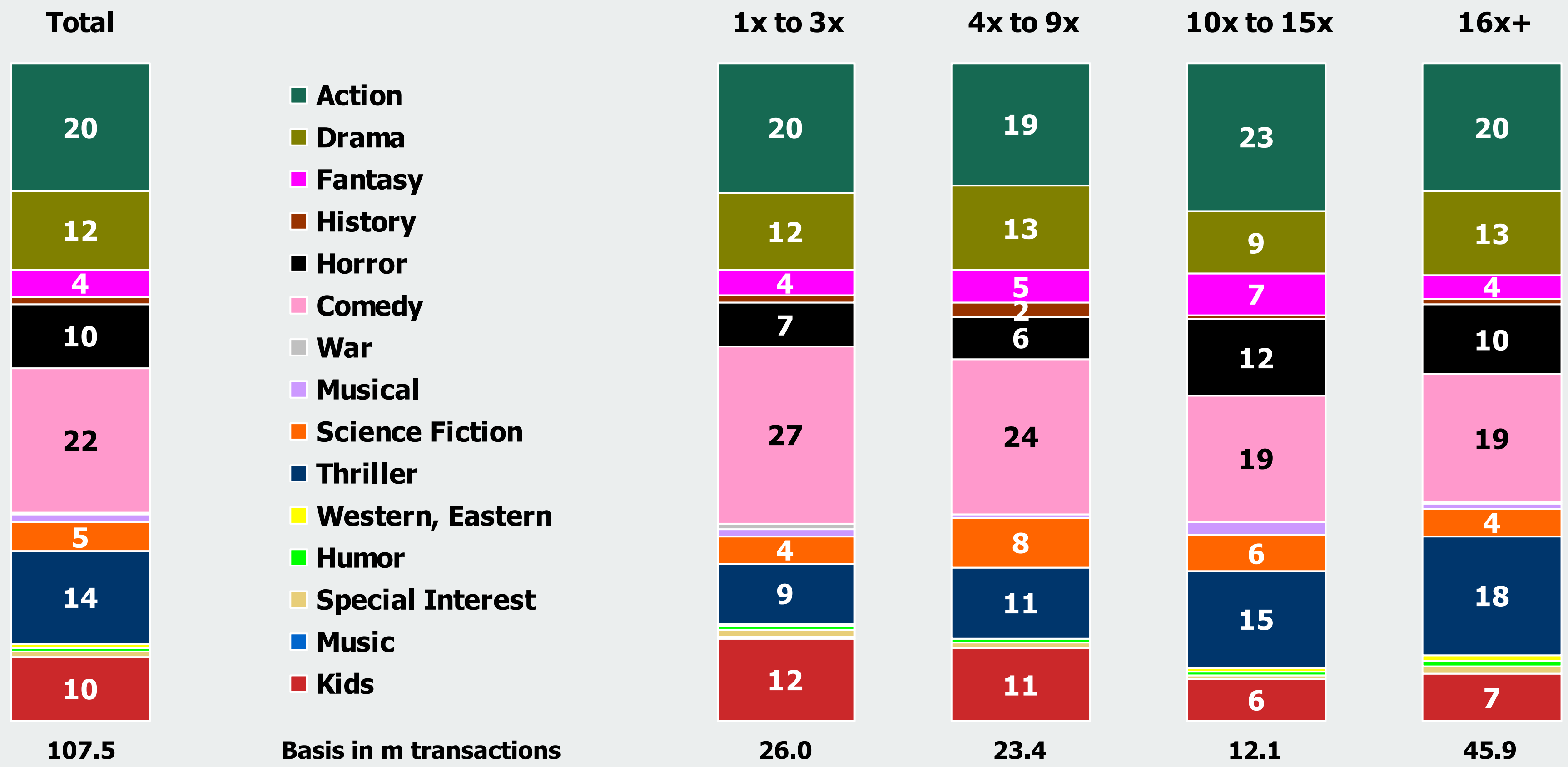
Analysis of renting intensity: Segments DVD
Volume in %



Period: January-December 2008

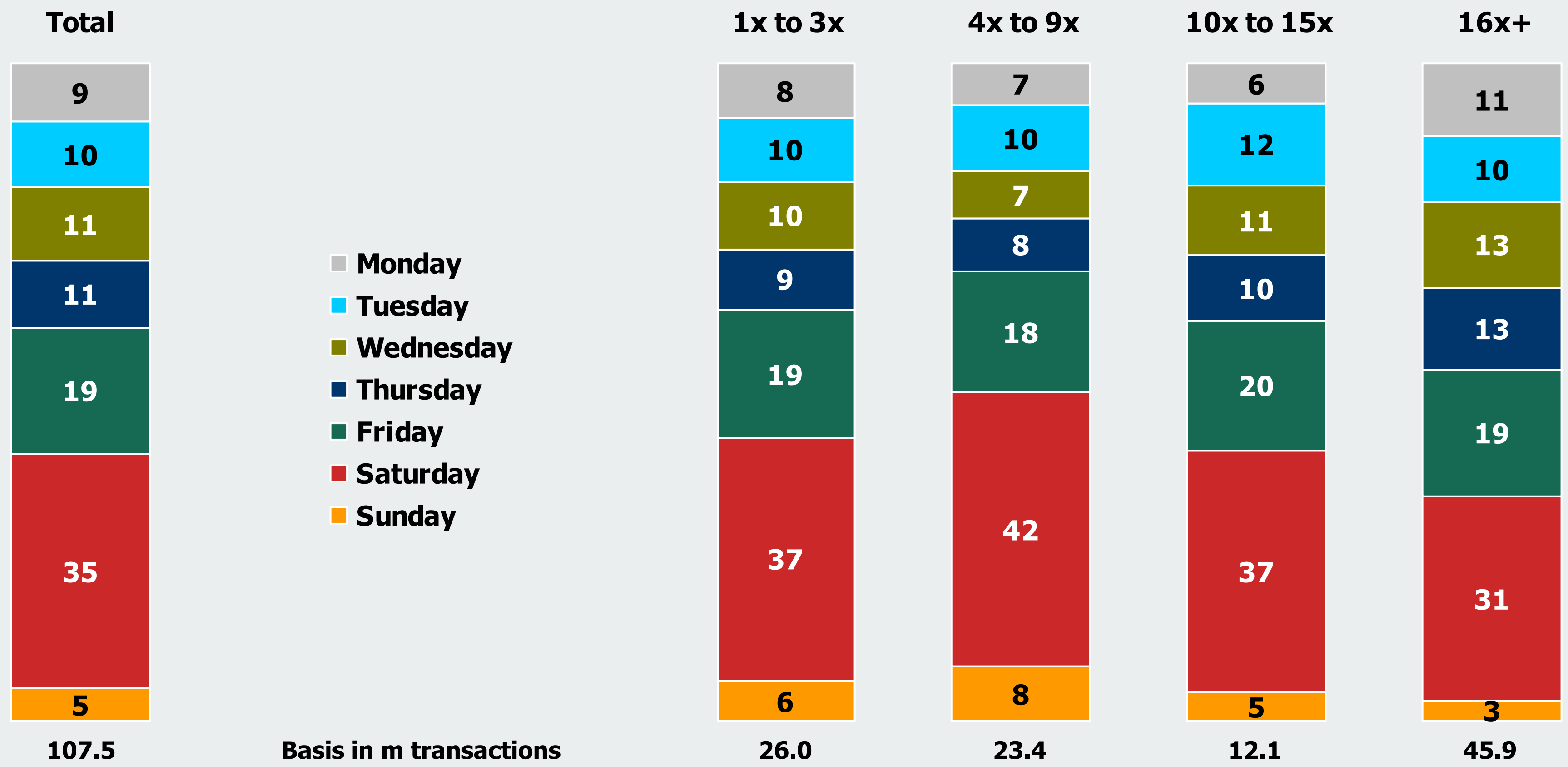
BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V. GEGRÜNDET 1982

Analysis of renting intensity: Genres
Volume in %



Period: January-December 2008

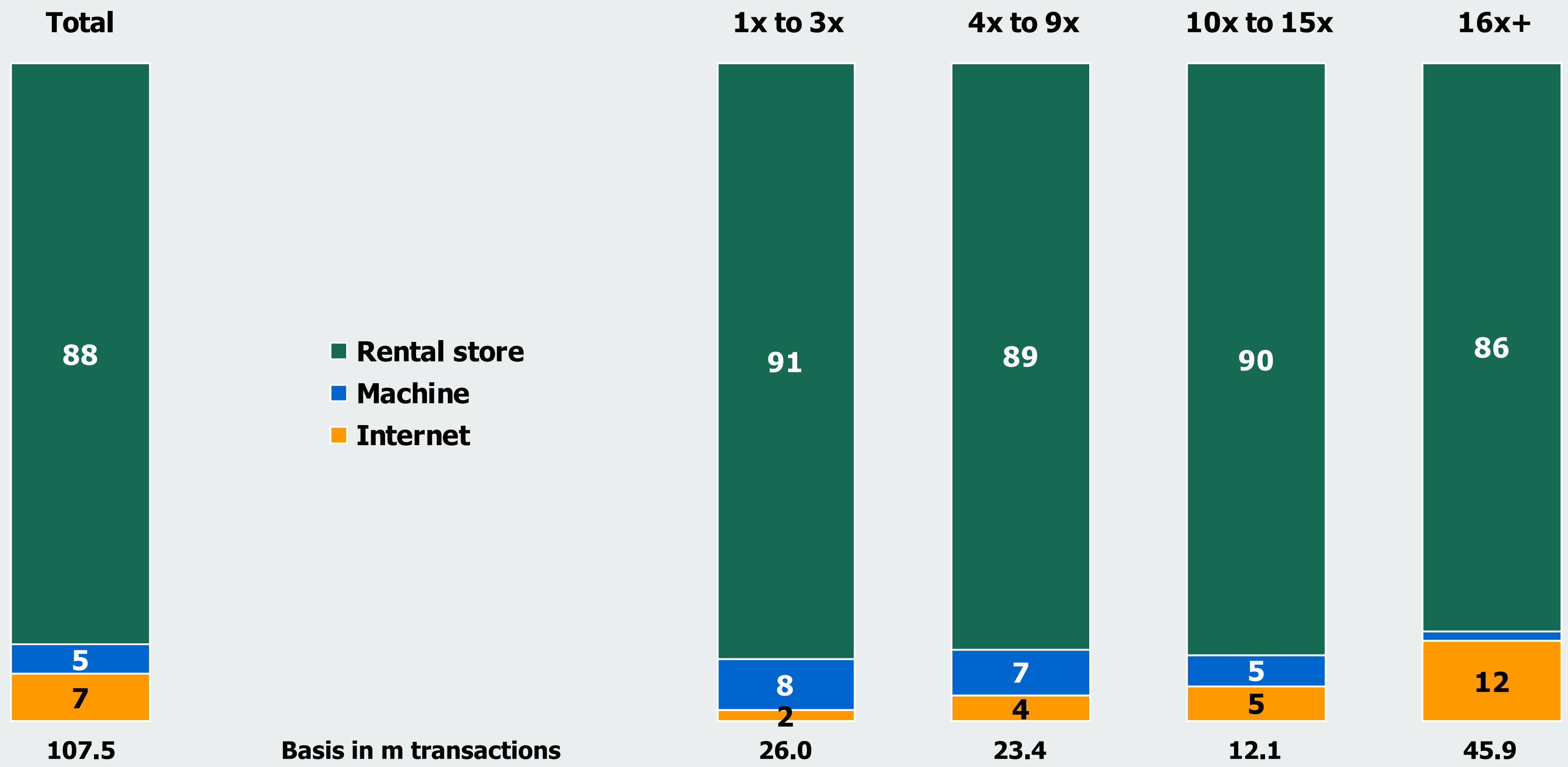
Analysis of renting intensity: Weekdays
Volume in %



Period: January-December 2008

Analysis of renting intensity: Where rented

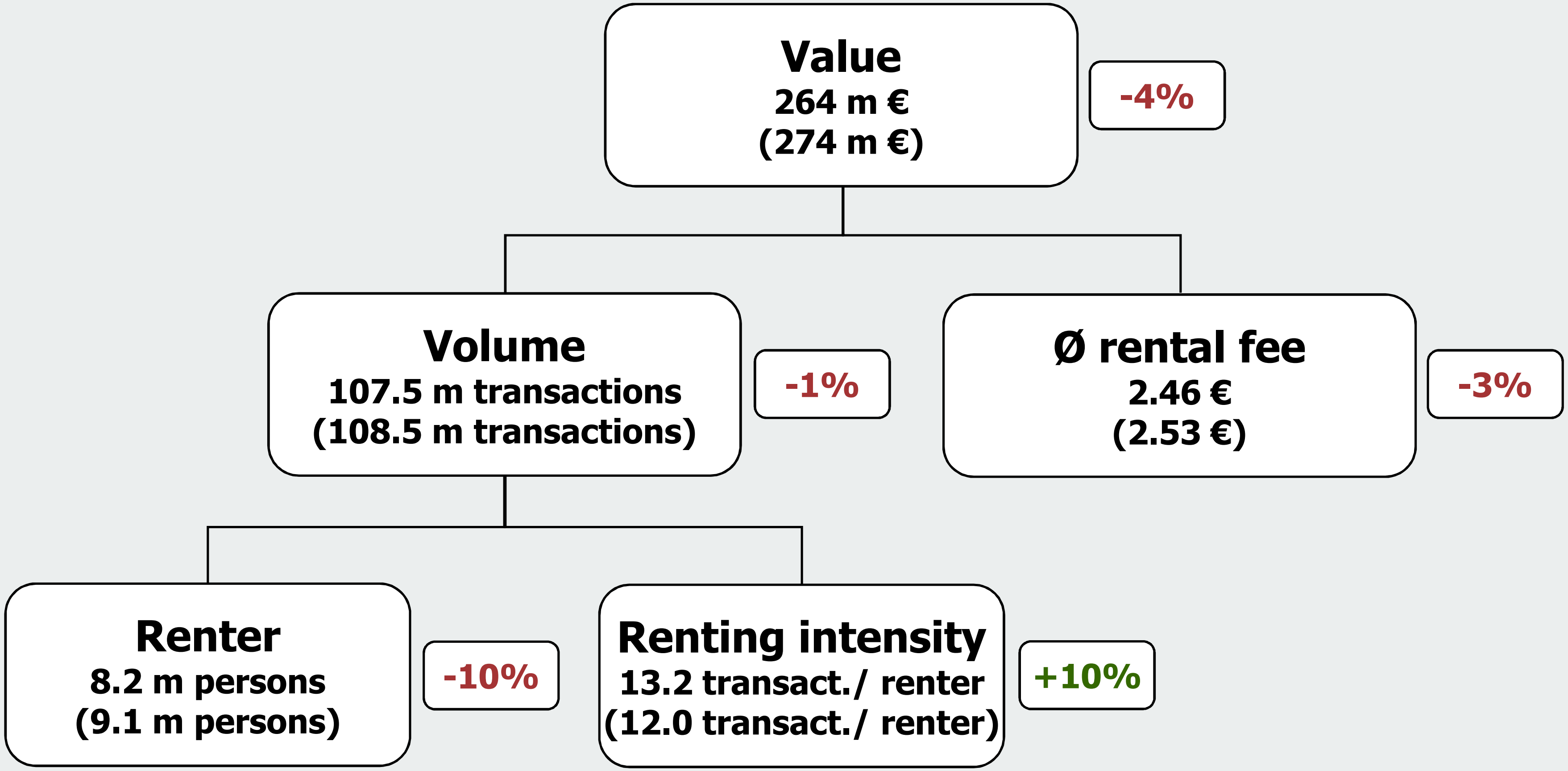
Volume in %



Period: January-December 2008

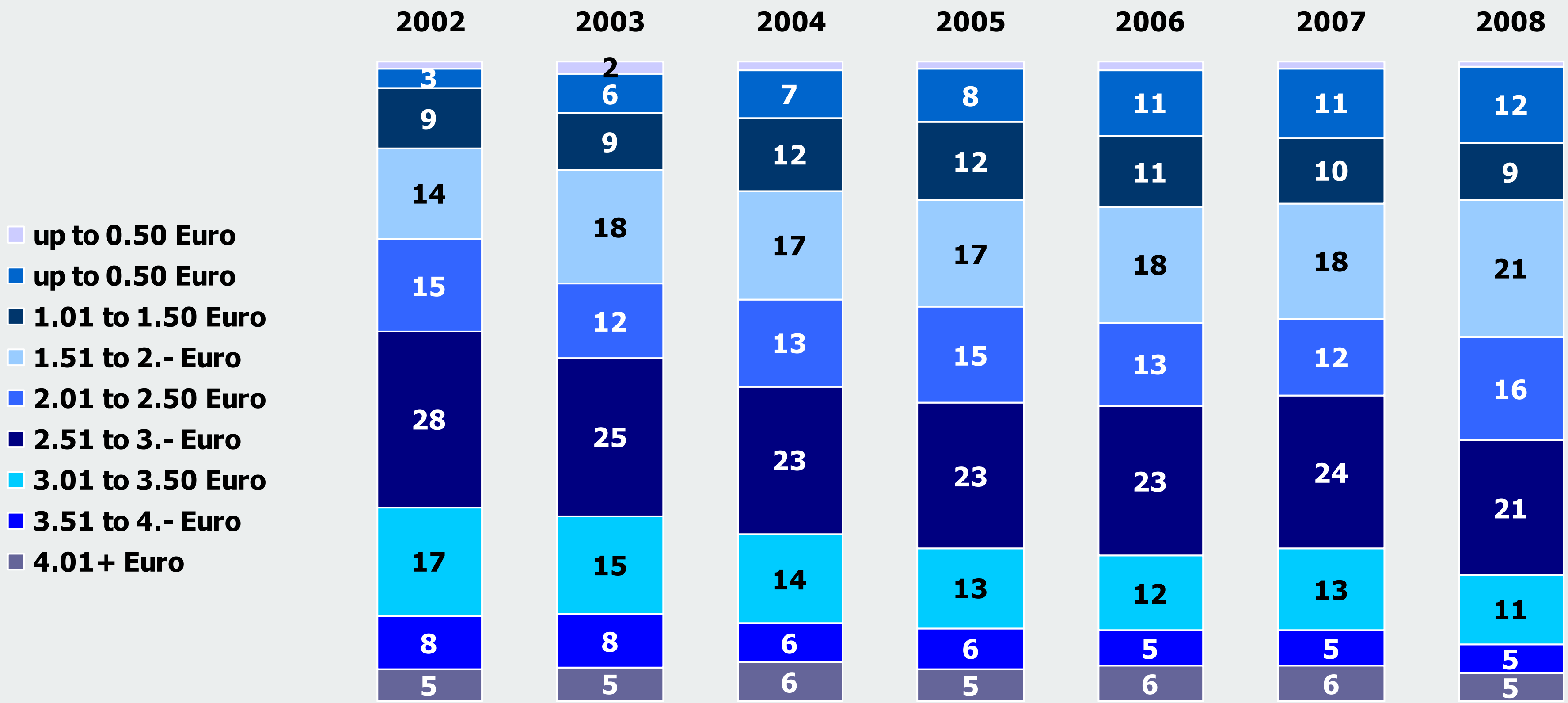
BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V. GEGRÜNDET 1982

Key facts



Period: January-December 2008 (January-December 2007)

Rental fee
Volume in %

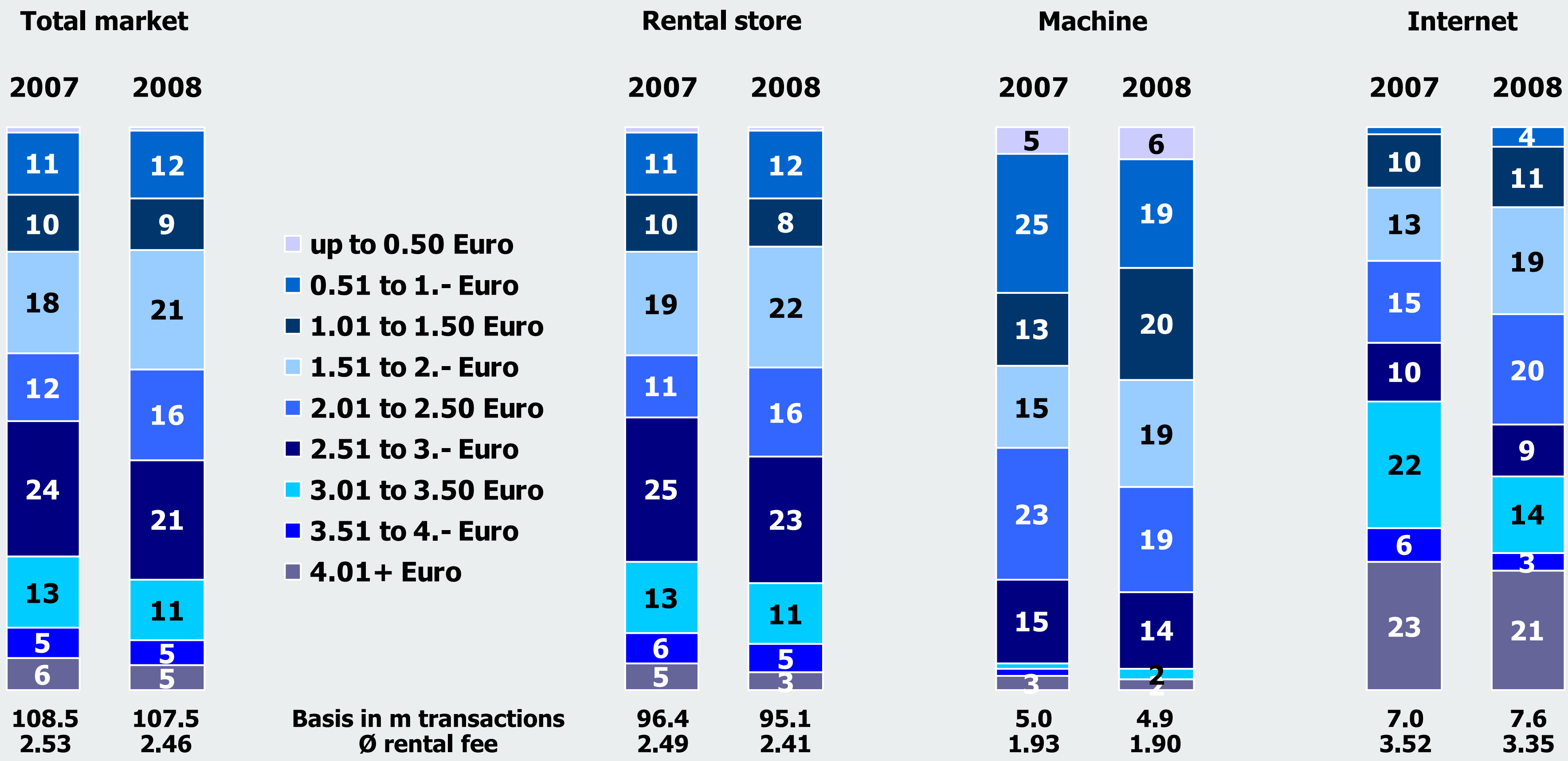


	2002	2003	2004	2005	2006	2007	2008
Basis in m transactions	130.6	113.6	116.1	123.8	111.6	108.5	107.5
Ø rental fee	2.75	2.66	2.64	2.58	2.55	2.53	2.46

All periods: January-December

Where rented: Rental fee

Volume in %



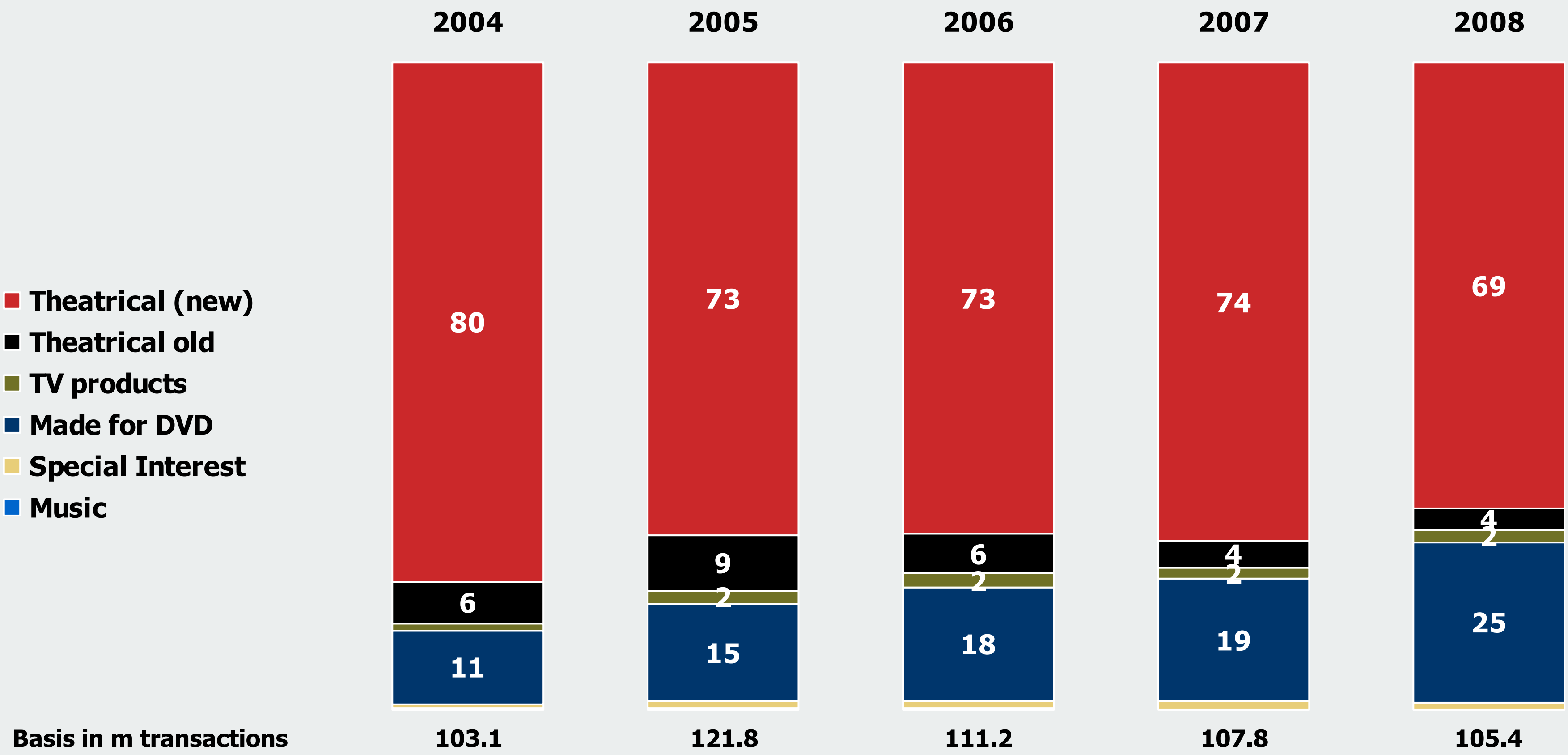
All periods: January-December

4

Rental

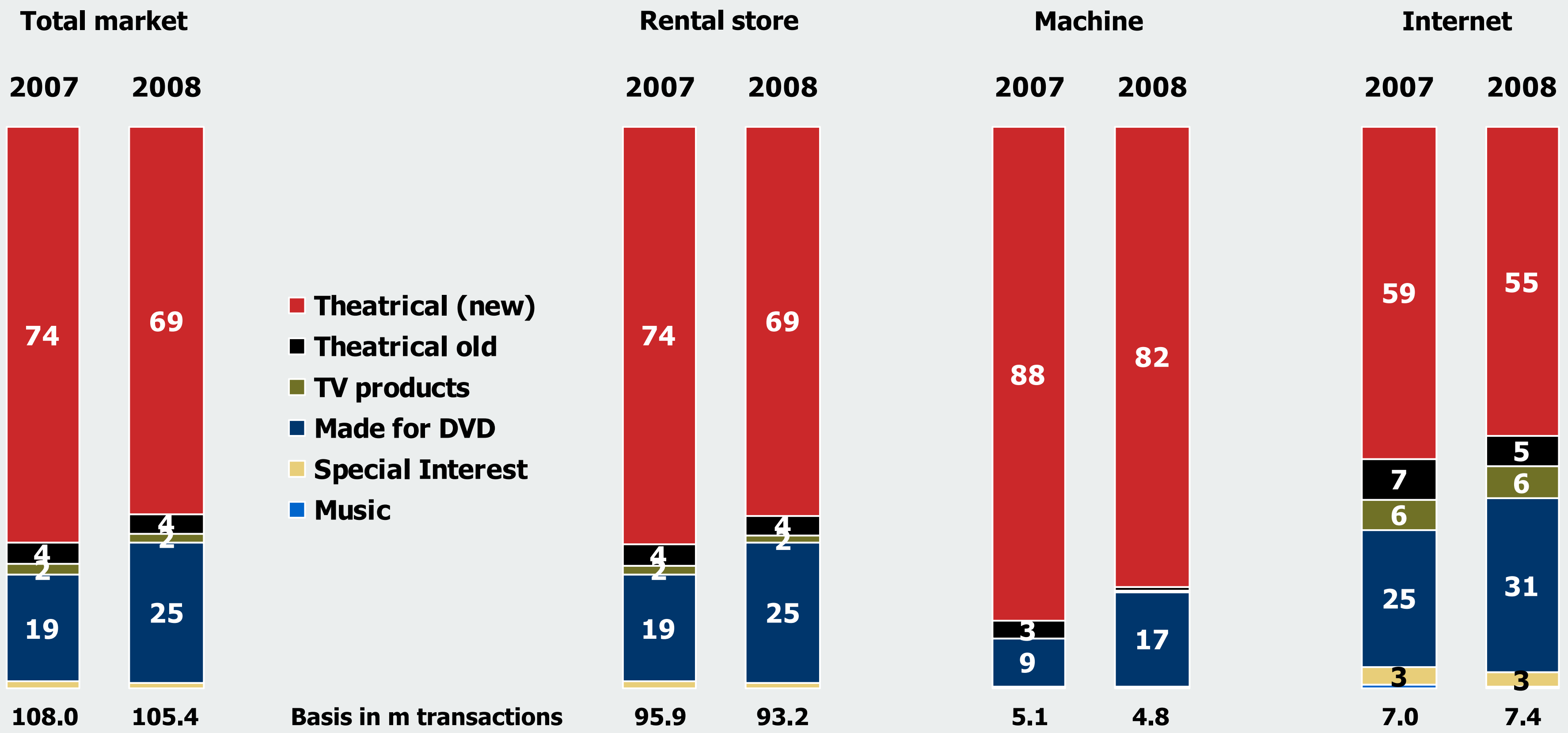
Segments/ Genres

Segments: DVD
Volume in %



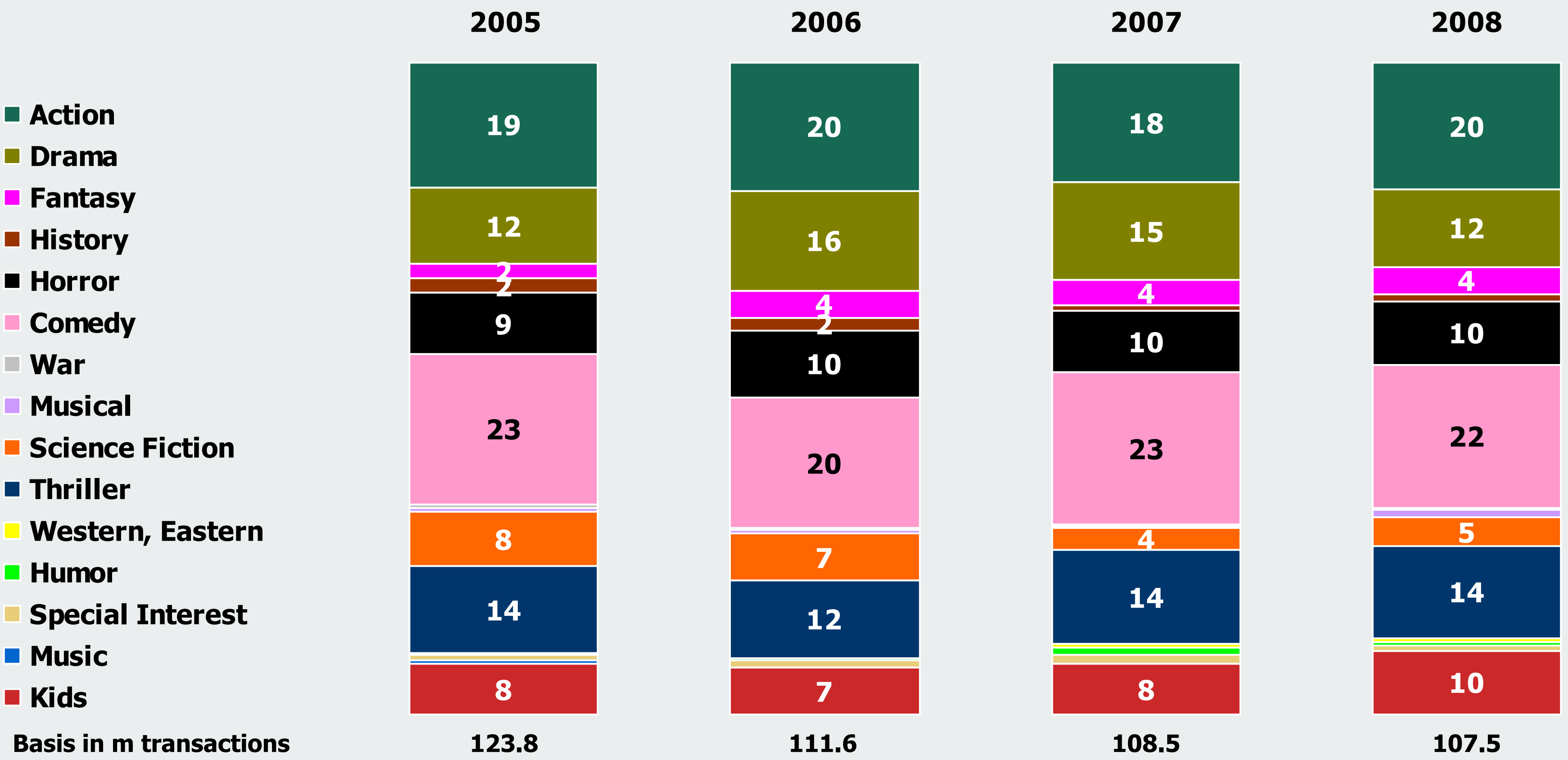
All periods: January-December

Where rented: DVD Segments
Volume in %



All periods: January-December

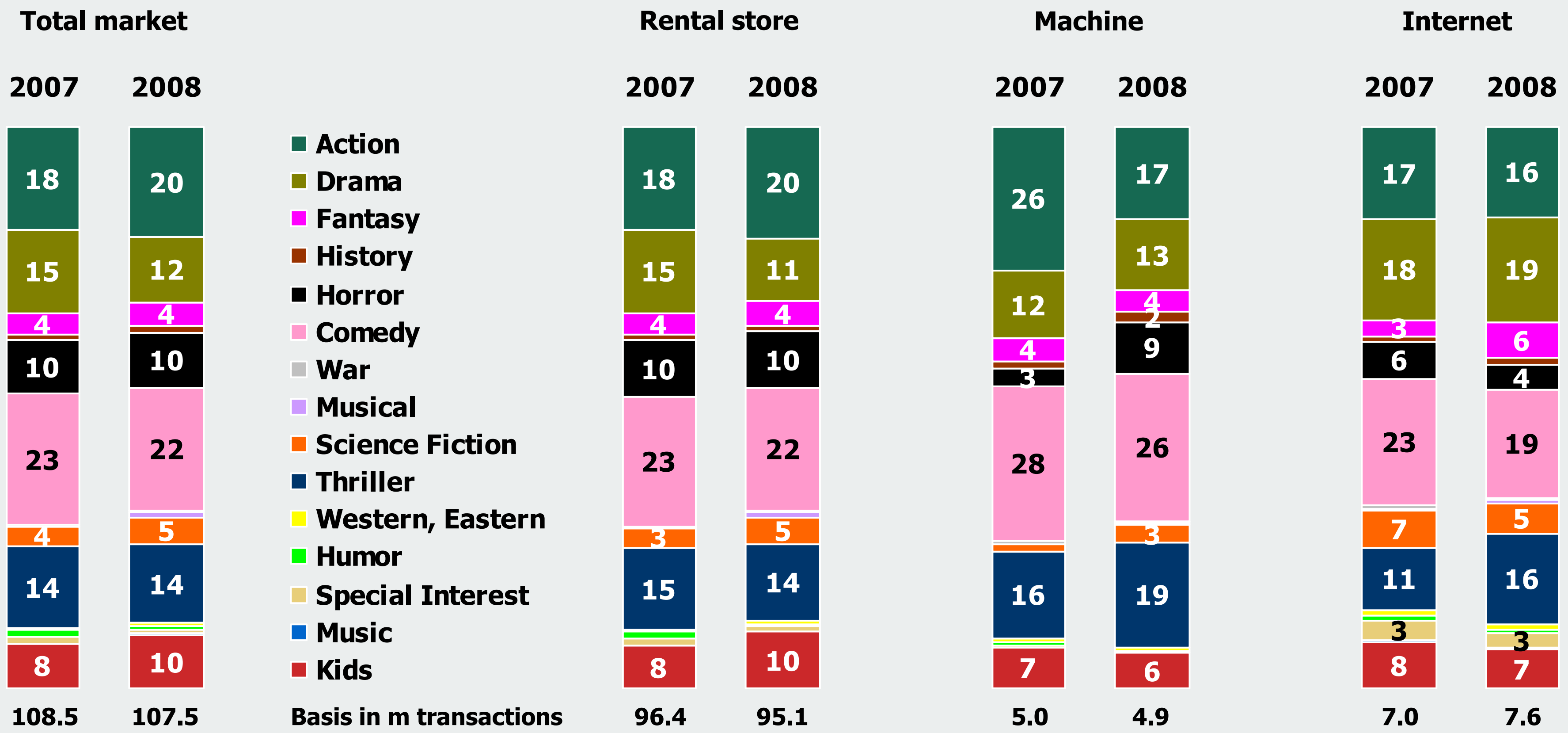
Genres
Volume in %



All periods: January-December

Where rented: Genres

Volume in %



All periods: January-December

Top Titel: Leihvideos 2008

Gesamt

01	Ratatouille
02	Keinohrhasen
03	I am Legend
04	Das Vermächtnis des geheimen Buches
05	Das Bourne Ultimatum
06	Indiana Jones und das Königreich des Kristallschädels
07	Kung Fu Panda
08	Hancock
09	10.000 BV
10	Der goldene Kompass

Deutsche Produktionen

01	Keinohrhasen
02	Lissi und der wilde Kaiser
03	Die Welle
04	Schwerter des Königs - Dungeon Siege
05	Die drei ??? - Das Geheimnis der Geisterinsel
06	Stellungswechsel
07	Warum Männer nicht zuhören und Frauen schlecht einparken
08	Unsere Erde
09	Der rote Baron
10	Neues vom Wixxer

Zeitraum: Januar-Dezember 2008

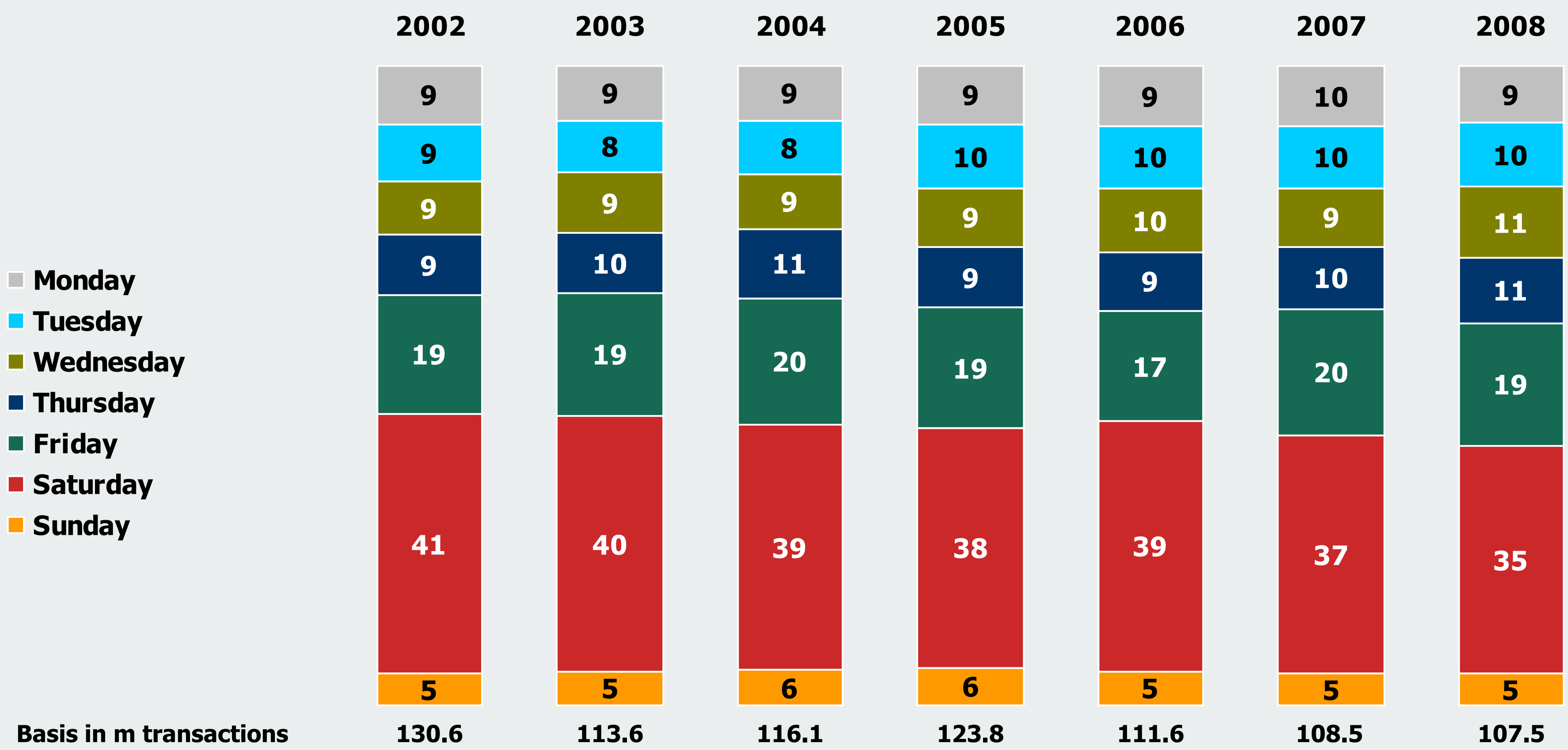
BUNDESVERBAND AUDIOVISUELLE MEDIEN E.V. GEGRÜNDET 1982

4

Rental

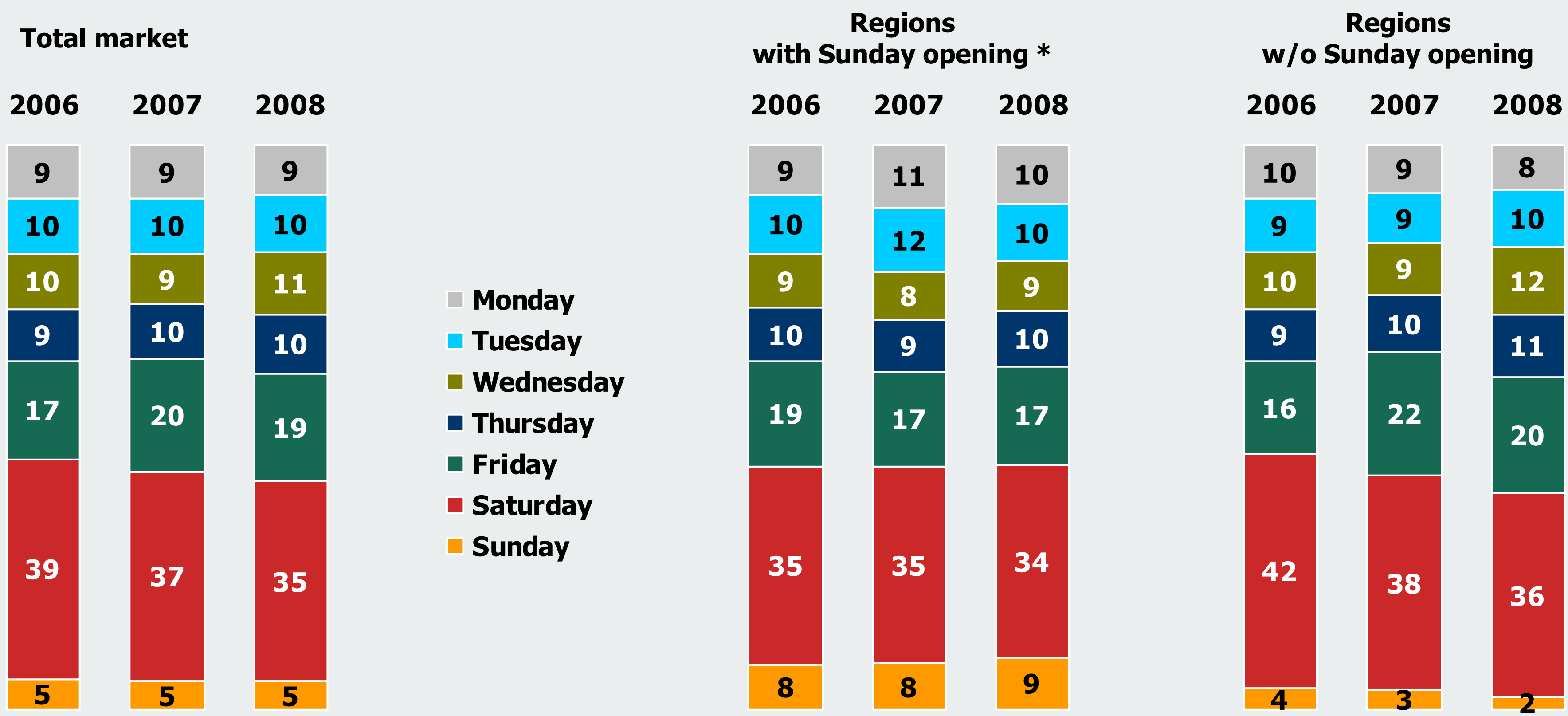
Weekdays

Weekday
Volume in %



All periods: January-December

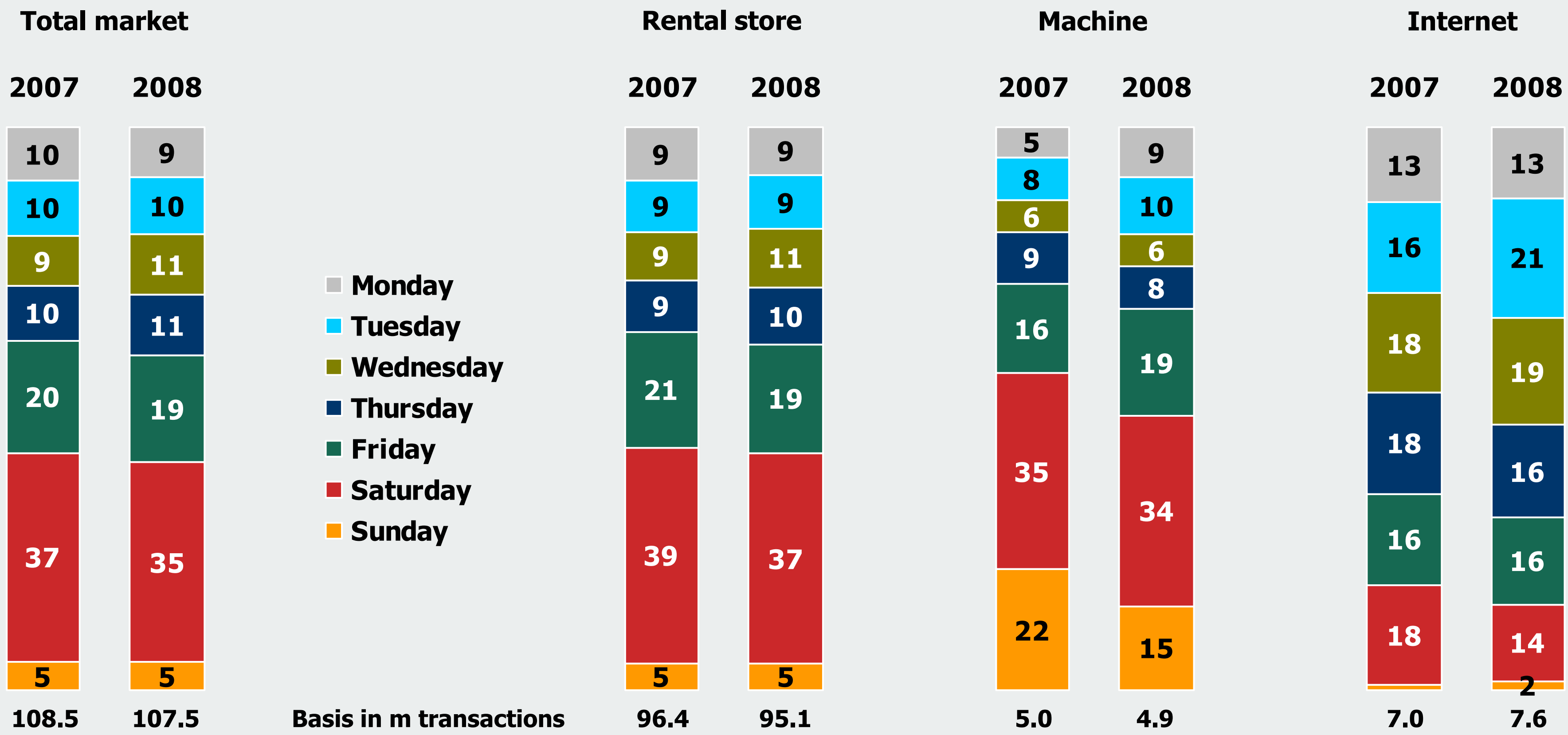
Weekday
Volume in %



•Berlin, Bremen, Brandenburg, Hamburg, Mecklenburg-Vorpommern, Niedersachsen, Rheinland-Pfalz, Sachsen-Anhalt, Schleswig-Holstein
All periods: January-December

Where rented: Weekday

Volume in %



All periods: January-December

5 Forecast/ Summary

Market development

Value in m €