



Screen Digest Estimates that 67% of Western European Homes will have a DVD Video Player by 2007

By 2007, 67% or 110 million of Western European homes are expected to have a DVD Video player or recorder – a penetration rate it took the VCR almost 20 years to achieve!

DVD Hardware Prices are Plummeting

Plummeting DVD hardware prices have helped boost take-up of the new format beyond all expectations. During 2003, the number of European homes with a DVD player rose from less than 30m (19%) to over 50m (34%).

By the end of last year, 45% of UK households owned a DVD player. This figure will jump to 78% by 2007. The number of DVD households in the UK rose from 6.7m to 11.3 m (68% growth) during 2003.

The Home Entertainment Sector is a Vast and Growing Industry

In 2003, the 56m DVD households and 155m VCR households in Europe generated consumer spending of €13bn. This is primarily thanks to the launch of DVD.

Barely 5 years after its official launch in Europe, the digital format dominates the video sector. Spending on buying and renting DVDs overtook spending on VHS cassettes in 2002 and it has never looked back. By the end of 2007, DVDs will account for 93% of spending on video software.

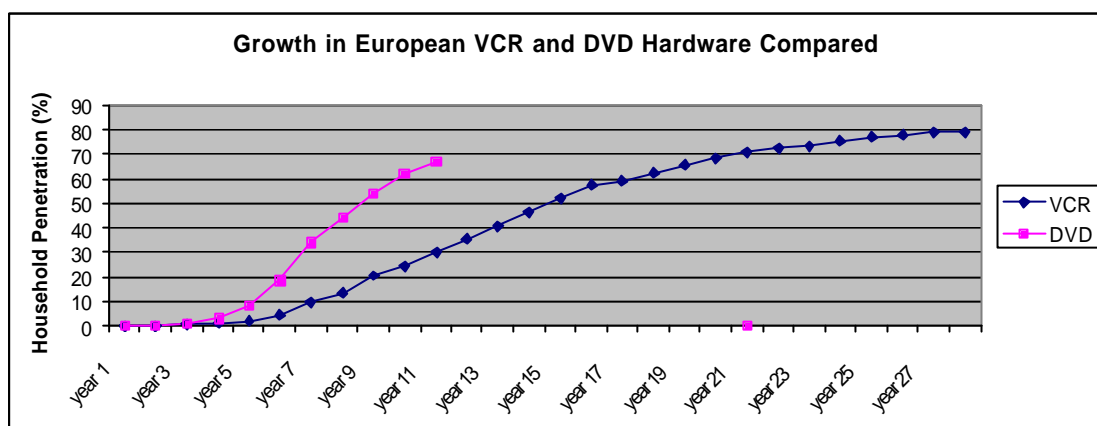
The UK market is the biggest in Europe, with spending on DVD software nearly twice as high as in its closest rival, France. British households alone spent €3bn (£2bn) on DVD software in 2003. The French spent €1.7bn (£1.1bn) during the same period.

Europeans Spend More on DVDs than Cinema and Games Combined

DVD has affected the way people choose to watch films – homes with a DVD player spend more on buying and renting DVDs than they ever did on VHS cassettes. Europeans already spend more on buying and renting DVDs than they do on going to the cinema or buying video games.

The format has also affected the very structure of the video business – European video distributors have been forced to reassess business models and release strategies in the face of changing consumer behaviour.

Helen Davis Jayalath, Senior Analyst at Screen Digest states: “Video has always been a key revenue stream, not only for Hollywood but also for other content providers such as European film producers and television companies. The collectability of DVD means that increasing numbers of consumers are opting to buy their favourite titles on disc, rather than rent them – a trend which has had major repercussions on the very structure of the video business in recent years.”



Europe's Leading Markets in Terms of DVD Software Spending:

Total Consumer Spending on DVD Software Ranked by 2003 Value			
	2003 (€m)	2007 (€m)	% Growth
UK	2,960	4,090	41%
France	1,710	2,380	39%
Germany	963	1,260	31%
Spain	441	820	86%
Netherlands	455	698	53%
Italy	368	830	126%

Editors' Notes

The data, forecasts and analysis contained in this press release are taken from the new Screen Digest report “European Video: Market Assessment and Forecasts to 2007.” For more information or to subscribe to **Screen Digest**, please visit our web site.

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