



Global media markets: The Battlegrounds of 2008

Challenges and forecasts for the key media markets in the New Year

London 17th December 2007: Leading media analyst firm Screen Digest (www.screendigest.com), today releases its forecasts for the key media markets in 2008. Leading specialists in the games, mobile, cinema and video teams have put together their view of the challenges facing the key players next year, along with forecasts of which brands might win their respective markets.

2007, the year of the Wii, but 2008 will see PlayStation 3 step up its game

Christmas 2007 will be the first time that Sony's Playstation 3, Microsoft's Xbox 360 and Nintendo's Wii have competed on retailers' shelves side-by-side in all major territories. Screen Digest's Senior Games Analyst Piers Harding-Rolls predicts Nintendo will win the battle this year convincingly, but during 2008 the market climate may change significantly. Whereas in 2007 Nintendo has succeeded in expanding the appeal of the Wii to different consumers, including more females and older consumers to drive adoption, Sony's pipeline of exclusive content and the launch of multi-media services may result in a significant uplift for the PlayStation 3 in 2008.

"One of the market shifts to watch out for in 2008 will be the continued evolution of Xbox 360 and PlayStation 3 from games consoles to multi-media hubs. Now that these multi-media services – online video, IPTV, digital terrestrial TV and PVR functionality - are now available or poised to come on line in different markets, this 'hub' strategy is emerging as a key console battleground for Microsoft and Sony."

HD DVD and Blu-ray: Stalemate moves to checkmate

Arguably one of the most analysed and discussed media skirmishes, 2007 saw serious stalemate in the battle of the two high definition formats. The challenge for

both HD DVD and Blu-ray in 2008 is to engage consumers, who are beset with confusion and apathy around high definition.

Analyst Richard Cooper believes all that will change in the coming year. "Next year we expect to see shifting alliances, and with such a delicate stalemate, it's only going to take one major player to swap sides and the market will shift seismically. We believe this will happen over the course of 2008, with major players moving to format-agnostic or format-exclusive positions. Both formats must start to make an impact on the HDTV viewer next year if hi-def is to become more than just a niche market – we have seen hardware prices drop in 2007, but the battle over content in 2008 will be the year this storm breaks."

Mobile in 2008: Widespread mobile TV launches will miss key dates

Mobile TV has been talked up by its supporters and widely derided by its critics. 2008 will see significant launches of broadcast mobile TV in some major markets, including China, France and Germany. However, Screen Digest's Senior Mobile Media Analyst David MacQueen predicts that key dates will be missed. "Although services may launch, coverage will be far from nationwide when key sporting events kick off, namely the Olympics and UEFA Euro 2008 Championship. A key opportunity to measure European consumer desire for mobile TV services is likely to be lost. The 3G TV services, provided by operators such as Orange and Vodafone, will benefit most from any boost in viewing numbers these events provide.

However, where broadcast services have already launched, such as Italy and the US, these events could provide a significant surge in subscribers. Sports programming from the likes of Sky (in Italy) and ESPN (in the US) has already proved popular and could drive uptake of mobile TV in those countries."

The Digital Age of the Screen – 3D will take off in 2008

The November 2007 release of Paramount Pictures' Beowulf in the 3D format was proof, if it were needed, that 3D has the potential to rejuvenate the cinema-going experience. With a five fold increase in digital 3D screens worldwide to the current total of 1,300 (up from just 258 in 2006) and more films being released on the format, Screen

Digest Film and Cinema Analyst, Charlotte Jones, believes it will only continue to increase in popularity next year. "Our research has shown that 3D films can earn up to three times more revenue per screen, as film-goers continue to demonstrate a strong preference for the 3D screenings and are happy to pay more for the superior, immersive experience.

She continues "2008 will be the year that 3D movies really enter the mainstream multiplex environment as the 3D screen count more than doubles again to hit our forecasts of 3,000 by the close of 2008 on track to 6,000 by 2009. We'll see the highest number of 3D films released to date, including U2's concert film 'U23D' scheduled for a January release, plus New Line's 'Journey 3-D' and Disney animation 'Bolt'."

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About this research

The data and analysts in this press release are taken from four of Screen Digest's services, - Games, Video and DVD, Mobile and Cinema. Research data and analysis is collected on a continuous basis.

About Screen Digest - Global media intelligence

Screen Digest is the pre-eminent firm of industry analysts covering global media markets. Headquartered in London, with offices in New York and Carmel, California, we employ a team of 40 specialist analysts covering film, television, broadband, mobile, cinema, home entertainment and gaming. Our online services and reports provide the information and analysis that hundreds of media companies worldwide base their decisions on. Most recently we have launched Global Media Intelligence (GMI), a new service which provides research and analysis specifically for media-focused institutional investors.

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