



DVD Tracker™

Trends for DVD Recorder/Writer and Media Markets

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EXECUTIVE SUMMARY—QUARTER 1, 2009

DVD recordable technology registered sales of \$1.6 billion in the first quarter, a change of -9%. This sales figure includes two DVD recorder segments—DVD writers (attached to PCs) and DVD video recorders (consumer devices attached to televisions)—as well as complementary media. Revenue was influenced by a decrease in writer unit sales and decreases in unit sales both in the media and in the recorder markets; pricing was more stable in these segments in Q1 but media registered a slight decline. DVD recorder sales represented 84% of revenue, with media supporting the balance.

The writer segment registered a -8% change in unit sales during the quarter influenced by the economy and slower sales of personal computers. Branded DVD writers decreased in volume in the first quarter of 2009 and represented 17% of the market. PC-OEM sales increased during the quarter, influenced by growth in the notebook computer segment.

Slim writers represented 61% of the unit sales in Q1, with half-high writers making up the balance. Most manufacturers now include RAM (SuperMulti) in their multi-function writers; this segment now accounts for 85% of the market, with dual writers (\pm) accounting for most of the balance. The SuperMulti devices allow wide-scale compatibility with all media formats and are widely accepted in the PC-OEM and branded segments of the market.

The Asia/Pacific market represents the largest market for writer sales with 51%, influenced by OEMs that assemble PC drives in this region. This next largest market is the Americas, with 19%; Europe, with 17%; and Japan, with 12%.

Five primary types of media are sold into the DVD-recordable market: DVD-RW, DVD-R, DVD-RAM, DVD+RW, and DVD+R. These products combined represented revenues of \$264 million in Q1, with the DVD R segment (DVD+R and DVD-R) representing 96% of disc sales.

The Americas represents the largest market for media sales with 36%, followed by Europe with 33%; Asia/Pacific, with 14%; and Japan, with 17%. Blu-ray recordable media is a minor factor in the market but will likely offer better margins and could help the overall profitability of the DVD disc business in the future.