

Germany

Germany: key data

Population	81.8m
TV households	39.1m
DVD households (penetration)	71.7%
Blu-ray Disc household (penetration)	13.0%
Distributor revenues from video software	€ 878.7m
Comparison with 2011	-7.4%
DVD/Blu-ray Disc split	€ 619.6m / € 259.1m
Video software rental/retail split	4/96
Consumer spending on video software	€ 1591.1m
Comparison with 2011	-2.9%
DVD/Blu-ray Disc split	€ 1194.3m / € 396.8m
Video software rental/retail split	14/86
Consumer spending on digital video and TV VOD	€ 188.8m
Comparison with 2011	65.3%
Digital video/TV VOD split (%)	66 / 34



In 2012, German consumers spent € 1,710 billion on video software (across all formats DVD, Blu-ray and Video on Demand – both retail and rental market). 2012 was the second best year in Germany's home entertainment history (2004: € 1,747 billion).

Whereas the retail market contracted by 1.1% (€ 1,411 billion, 82.5% of the total market volume), the rental market grew by 8.7% (€ 300 million, 17.5% of the total market volume). With a slight growth of 0.35%, the total market volume stayed almost at the same level as in 2011 with € 1,704 billion.

Growing sales of Blu-ray Discs (BD) and Video on Demand (EST, PpV and VoD) compensated for the slight loss in the DVD market. However, in 2012, DVD was still the dominating format, representing 69.8% (€ 1,194 billion) of the total market share. Blu-ray grew by 28.5% (€ 392 million) representing a market share of 22.9%. This means that 92.7% of the total turnover was still achieved by physical products. Online distribution grew by 59% (€ 124 million) with a market share of 7.3%.

Video on Demand (EST, PpV and VoD) and sales of DVDs/BDs over the Internet were the fastest growing distribution channels in 2012. For the first time in history, with a market share of 35%, the Internet became the biggest distribution channel in Germany (versus consumer electronic retailers: 32%).

In 2012, "Ziemlich beste Freunde" ('The Intouchables') was the top retail and rental title across all formats.

DVD retail and rental:

- DVD is still the dominating format, representing 79.5% (89.4 million units) of all volumes sold and 66.4% (66.1 million) of units shipped to the rental market. However, the German consumer spending in retail decreased by 9% to € 1,022 billion (€ 1,127 billion in 2011). For the 8th consecutive year, German consumer spending on rental DVD dropped to € 173 million (€ 194 million in 2011).
- The average price for a DVD at consumer level went up slightly by 3% to € 11.43 in 2012 (2011: € 11.13). With € 2.61 per transaction, the average rental fee was 6% higher than the year before (2011: € 2.47).

Blu-ray and 3D Blu-ray retail and rental:

- In Germany, almost every 5th household owns a Blu-ray player.
- With 23.1 million Blu-ray-discs sold in 2012, sales increased by 34% (17.2 million in 2011). In 2012, spending on consumer retail reached € 343 million, an increase of 28% compared to 2011 (€ 268 million). Blu-ray discs achieved a market share in retail of 24.3% in value.
- On the rental market, the Blu-ray format achieved a market share of 16.3% in value (16.2% in 2011).

Video market: Germany

- In 2012, the average price for a Blu-ray disc declined by 4% to € 14.87 compared with € 15.54 in 2011. The average rental fee for BDs increased to €2.61 (€ 2.44 in 2011) and equals the DVD rental fee of € 2.61.
- Blu-ray rental transactions grew considerably in 2012. Transactions increased from 15.9 million in 2011 to 18.9 million in 2012.
- In 2012, nearly twice as many 3D Blu-ray discs were sold than in the previous year (from 1.0 million in 2011 to 1.9 million in 2012). 3D Blu-ray discs sales increased by 69% to €39 million, which represented a market share of 11% in the total Blu-ray market. 499 titles were available on 3D Blu-ray, the average price per title was € 20.23 (2011: € 22.71).

Online distribution:

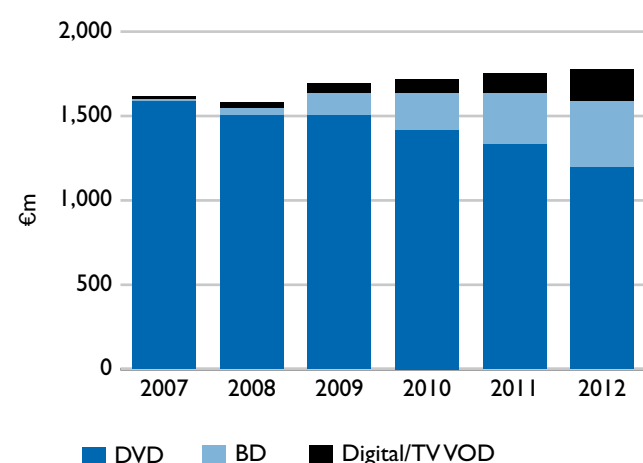
- In 2012, 23% of German households owned a Smart-TV with Internet connection. 58% of TVs sold in December 2012 had an Internet connection. This consumer trend shows the high potential for Video on Demand (VoD/PpV, EST) in the German home entertainment market.
- In 2012, the online market increased by 59% to € 124 million (19.5 million in volume). 4.9 million EST units were sold to 1.0 million consumer in 2012 (4.2 million in 2011). In 2012, transactions via streaming increased

by 56% to 14.6 million (with 2.8 million renters), compared with 9.4 million rental transactions 2011.

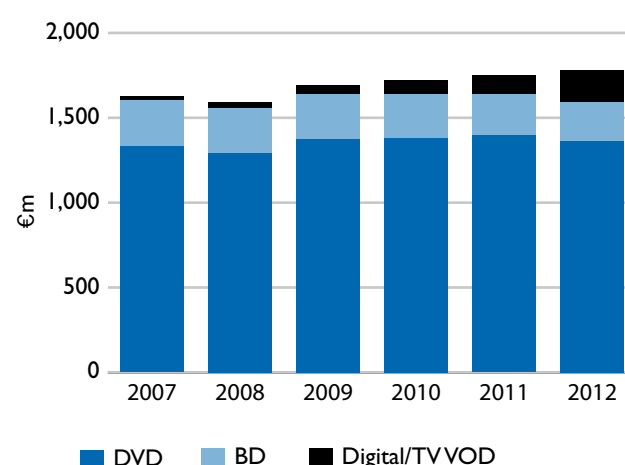
- In 2012, the average price for an EST title was € 9.41, 21% higher than in 2011 (€ 7.80). The average price for a VoD/PpV title was € 3.79, 11% higher than in 2011 (€ 3.41) and 45.2% more than for a rental DVD.
- The digital format and online distribution are becoming more and more popular in Germany. To give greater impetus to this positive trend, the BVV and its working group "Digital Business" launched the website www.was-ist-vod.de. On this website, consumers are informed about the benefits of digital online distribution, receive information on technical issues and get an overview of more than 30 legal VoD platforms in Germany, Austria and the German-speaking part of Switzerland. The VoD campaign has been launched in August 2012 at the IFA (the world's leading trade show for consumer electronics and home appliances in Berlin), with a press campaign and several online and mobile marketing tools.
- While video stores still dominate the physical rental market, VoD and PpV meanwhile take a share of 26% of the total rental sales volume (€ 77 million).

This commentary was provided by the BVV, the German video association.

Consumer spending by format



Consumer spending by sector



		2007	2008	2009	2010	2011	2012	12/11
EXCHANGE RATES								
Exchange rate: \$1 =	Euro	0.73	0.68	0.72	0.75	0.72	0.78	
GENERAL								
Population	m	82.3	82.3	82.2	82.1	81.9	81.8	-0.2%
Households	m	40.0	40.1	40.2	40.2	40.3	40.3	0.1%
HARDWARE								
TV households	m	38.6	38.7	38.8	38.9	39.0	39.1	0.2%
DVD sector								
DVD Video player/recorder households	m	28.3	28.8	29.2	28.8	28.4	28.0	-1.2%
Penetration of TV households	%	73.5	74.4	75.2	74.1	72.7	71.7	
DVD console households	m	5.0	5.5	5.8	6.0	6.3	6.3	-0.5%
Penetration of TV households	%	12.9	14.2	14.9	15.5	16.3	16.2	
BD sector								
BD standalone player households	m	0.007	0.117	0.636	1.736	3.300	5.081	54.0%
Penetration of TV households	%	0.0	0.3	1.6	4.5	8.5	13.0	
PS3 console households	m	0.375	0.910	1.610	2.298	3.109	3.865	24.3%
Penetration of TV households	%	1.0	2.4	4.1	5.9	8.0	9.9	

Total video software market

		2007	2008	2009	2010	2011	2012	12/11
CONSUMER LEVEL ALL VIDEO								
<i>Total market figures include spending on both physical and digital video</i>								
Total spending on all video	Euro m	1,627.0	1,590.4	1,694.2	1,719.3	1,752.3	1,779.9	1.6%
TRADE LEVEL PHYSICAL VIDEO								
<i>Total market figures include revenues from legacy formats not broken out separately (eg, VHS, HD-DVD, UMD) where relevant.</i>								
Total revenues from video software	Euro m	963.8	979.1	967.9	983.0	948.5	878.7	-7.4%
Total revenues from retail video	Euro m	894.5	920.5	905.4	934.9	906.5	843.5	-6.9%
Total revenues from rental video	Euro m	69.3	58.6	62.5	48.0	42.0	35.2	-16.2%

Video market: Germany

		2007	2008	2009	2010	2011	2012	12/11
CONSUMER LEVEL PHYSICAL VIDEO								
<i>Total market figures include spending on legacy formats not broken out separately (eg,VHS, HD-DVD, UMD) where relevant.</i>								
Total spending on video software	Euro m	1,604.3	1,555.9	1,637.0	1,635.2	1,638.1	1,591.1	-2.9%
Total spending on retail video	Euro m	1,330.3	1,290.8	1,376.4	1,381.8	1,395.0	1,365.0	-2.2%
Total spending on rental video	Euro m	274.0	265.2	260.6	253.5	243.1	226.1	-7.0%

		2007	2008	2009	2010	2011	2012	12/11
CONSUMER LEVEL DIGITAL VIDEO								
<i>The purchase or rental of movies and TV series delivered over the open internet through transactional models (also known as EST, DTO, Internet VOD) or on a subscription basis.</i>								
Total spending on digital video	Euro m	7.4	13.3	28.5	50.6	70.7	125.3	77.1%
CONSUMER LEVEL TV VOD								
<i>The delivery of movies and TV content on a transactional (VoD, NVoD/PPV) basis via cable/satellite/IPTV services.</i>								
Total spending on TV VOD	Euro m	15.3	21.2	28.7	33.5	43.5	63.5	46.0%

Retail video market

		2007	2008	2009	2010	2011	2012	12/11
Outlets stocking retail video	no.	10,000	10,000	10,000	10,000	10,000		
Retail chains with 10 or more outlets	no.	20	20	20	20	20		
Kiosks stocking retail video	no.	500	500	500	500	500		

Trade level: DVD retail

Revenues from retail DVD	Euro m	869.4	860.7	781.1	742.6	669.7	595.5	-11.1%
Retail DVD units shipped to trade	m	109.8	110.2	108.2	106.2	109.0	94.6	-13.2%
Average trade price	Euro	7.92	7.81	7.22	6.99	6.14	6.30	2.5%
Number of titles released	no.	9,100	8,600	9,460	6,600	6,200	6,806	-6.1%

Trade level: BD retail

Revenues from retail BD	Euro m	16.415	59.1	124.3	192.3	236.8	248.0	4.7%
Retail BD units shipped to trade	m	0.847	3.267	8.9	16.4	21.3	23.5	10.1%
Average trade price	Euro	19.38	18.10	13.89	11.72	11.10	10.55	-5.3%

Consumer level: DVD retail

Spending on retail DVD	Euro m	1,313.0	1,242.0	1,257.8	1,189.0	1,127.0	1,022.0	-9.3%
Retail DVDs sold to consumers	m	103.3	101.3	106.5	103.2	101.2	89.4	-11.7%
Average consumer price	Euro	12.71	12.26	11.81	11.52	11.14	11.43	-3.3%

Consumer level: BD retail

Spending on retail BD	Euro m	10.472	41.8	118.6	192.8	268.0	343.0	28.0%
Retail BDs sold to consumers	m	0.340	1.650	6.2	12.0	17.2	23.1	34.3%
Average consumer price	Euro	30.76	25.30	19.19	16.03	15.58	14.85	-2.8%

Rental video market

		2007	2008	2009	2010	2011	2012	12/11
<i>Rental video market data includes both store-based rental and physical rent-by-mail operations where relevant.</i>								
Video rental outlets	no.	4,137	3,508	3,009	2,795	2,795	2,800	
Rental chains with 10 or more outlets	no.	15	15	15	15	15	15	
Trade level: DVD rental								
Revenues from rental DVD	Euro m	68.8	57.4	56.0	38.9	30.8	24.1	-21.9%
Rental DVD units shipped to trade	m	4.7	4.2	4.6	3.4	2.9	2.1	-26.6%
Average trade price	Euro	14.65	13.60	12.19	11.41	10.64	11.32	6.4%
Number of titles released	no.	425	420	462	400	376	420	-6.0%
Trade level: BD rental								
Revenues from rental BD	Euro m	0.47	1.202	6.479	9.1	11.2	11.1	-0.5%
Rental BD units shipped to trade	m	0	0.048	0.311	0.6	0.9	0.8	-7.0%
Average trade price	Euro	24.23	25.09	20.80	15.35	12.59	13.48	7.0%
Number of titles released	no.	200	357	393	400	424	400	6.0%
Consumer level: DVD rental								
Spending on DVD rental	Euro m	274.0	260.1	245.9	228.6	203.6	172.3	-15.4%
DVD rental transactions	m	108.5	106.1	99.6	92.0	79.6	71.8	-9.7%
Average rental price	Euro	2.52	2.45	2.47	2.48	2.56	2.40	2.9%
Consumer level: BD rental								
Spending on BD rental	Euro m	0.03	5.053	14.7	24.9	39.5	53.8	36.2%
BD rental transactions	m	0.01	1.860	5.6	9.7	15.9	21.7	36.5%
Average rental price	Euro	2.47	2.72	2.63	2.57	2.48	2.48	-3.3%

Source: IHS/IVF/BVW

Population and household figures: IHS Global Insight

Note: Distributor level excludes and consumer level includes VAT/sales tax.

Retail market split

Retail channels	% share all video	% share DVD	% share Blu-ray Disc
General retailers/ department stores	1	2	1
Supermarkets	8	8	7
Consumer electronics stores	33	31	42
Internet	36	34	42
Mail order (off-line)	3	4	1
Other	19	21	7

Source: GfK

Blu-ray Disc retail top 10

Rank	Title	Distributor
1	The Dark Knight Rises	Warner Bros.
2	Sherlock Holmes: Spiel im Schatten	Warner Bros.
3	Marvel's The Avengers	Walt Disney
4	Ziemlich beste Freunde	Senator Home Entertainment
5	Breaking Dawn - Bis(s) zum Ende der Nacht, Teil I	Concorde Home Entertainment
6	Avatar - Aufbruch nach Pandora	Twentieth Century Fox
7	Ice Age 4 - Voll verschoben	Twentieth Century Fox
8	Ted	Universal Pictures
9	Battleship	Universal Pictures
10	Die Tribute von Panem - The Hunger Games	Studiocanal

Source: GfK

Notes: 1. Ranking based on retail sales by volume
2. Units sold based on available data

Retail market by genre

	% share DVD	% share Blu-ray Disc
Feature Film (theatrical, made for cinema)	39	59
Direct to video	17	27
Music	5	3
TV programming (inc. TV series, comedy, etc.)	33	7
Other	6	4

Source: GfK

Rental market split

Rental channels	% share
Video on Demand	26
Vending machine	10
Internet & Post	2
Rental Store	62

Source: GfK

DVD retail top 10

Rank	Title	Distributor
1	Ziemlich beste Freunde	Senator Home Entertainment
2	Ice Age 4 - Voll verschoben	Twentieth Century Fox
3	Breaking Dawn - Bis(s) zum Ende der Nacht, Teil I	Concorde Home Entertainment
4	Sherlock Holmes: Spiel im Schatten	Warner Bros.
5	The Dark Knight Rises	Warner Bros.
6	Die Tribute von Panem - The Hunger Games	Studiocanal
7	Ted	Universal Pictures
8	Marvel's The Avengers	Walt Disney
9	Türkisch für Anfänger	Highlight
10	Snow White & the Huntsman	Universal Pictures

Source: GfK

Notes: 1. Ranking based on retail sales by volume
2. Units sold based on available data