

Hungary

Hungary: key data

Population	10m
TV households	3.7m
DVD households (penetration)	66.0%
Blu-ray households (penetration)	2.5%
Distributors revenues from physical video software	forint 6.5bn / € 23.6m
Comparison with 2009 (local currency)	-8.5%
DVD/ Blu-ray Disc split	€ 21.9m / € 1.7m
Video software rental/retail split (%)	6/94
Consumer spending on physical video software	forint 10.4bn / € 37.6m
Comparison with 2009 (local currency)	-4.7%
DVD/ Blu-ray Disc split	€ 34.4m / € 3.2m
Video software rental/retail split (%)	4/96



DVD and Blu-ray market

The Hungarian economy stabilized in 2010 following the introduction of strict measures and an IMF-arranged financial assistance package which had come into force in 2008-09.

The installed base of DVD players in Hungary stayed relatively stable in 2010, growing just 0.7 per cent to 2.5m households. In 2010 the take-up of Blu-ray Disc (BD) players remained low with 72,000 units sold to consumers, a penetration of just 2.5 per cent of TV households.

Total consumer spending on DVD and BD retail and rental declined by 4.7 per cent to HUF 10.4 billion (EUR 37.6 million) in 2010, following the double digit declines in the previous year. Total trade level revenues declined 8.5 per cent from HUF 7.1 billion (EUR 25.3 million) in 2009 to HUF 6.5 billion (EUR 23.6 million).

Retail

The number of DVDs sold to consumers in Hungary fell by 5.6 per cent in 2010, reaching 6.1 million units. The average price of a DVD fell 6.1 per cent to HUF 1,490 (EUR 5.40), resulting in a decline of consumer spending of 11.3 per cent to HUF 9.1 billion (EUR 32.8 million).

Sales of Blu-ray Discs reached 134,000 units and generated HUF 878.5 million (EUR 3.2 million) in consumer spending. The high definition format remained niche in Hungary with little local product and limited retail support. As a result, the average price of BD remained relatively high compared to some other European markets at HUF 6,553 (EUR 21.50).

Rental

The video rental market in Hungary declined for the fifth consecutive year in 2010. The sector accounted for just 4 per cent of consumer spending on video in 2010. Rental DVD shipments dropped by 12.7 per cent and revenues decreased by 15.2 per cent, to HUF 393.7 million (EUR 1.4 million).

The number of consumer video rental transactions (including DVD and Blu-ray Disc) dropped to one million, accounting for HUF 431 million (EUR 1.6 million), a decrease of 9.5 per cent.

Online Distribution

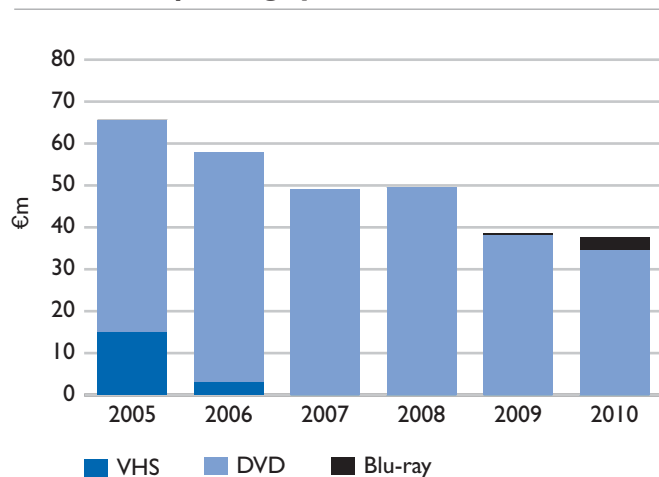
A number of VoD operators were active in Hungary in 2010. UPC, T-Magyar Telekom and Digi TV were the largest of these services.

There were also four active online video distributors in Hungary. The principal local service was Origo Téka run by the local incumbent telecoms company (a subsidiary of Deutsche Telekom).

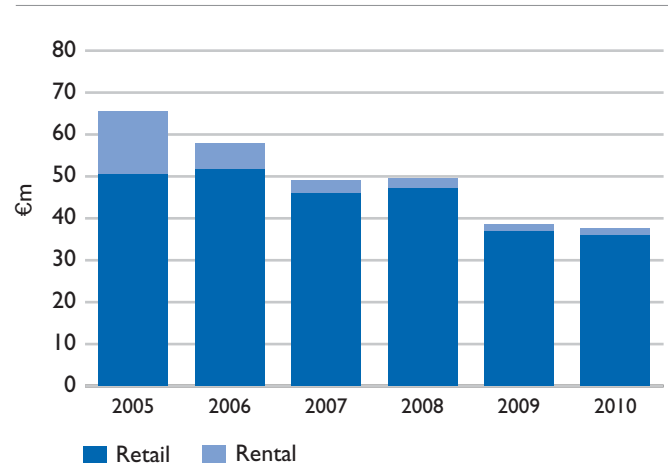
This commentary was provided by IHS Screen Digest.

Video market: Hungary

Consumer spending by format



Consumer spending by sector



		2005	2006	2007	2008	2009	2010	10/09
EXCHANGE RATES								
Exchange rate: Euro l =	Forint	248.54	264.91	252.05	252.43	281.15	275.94	
Exchange rate: \$ l =	Forint	199.94	210.83	184.02	172.70	202.37	208.25	
Exchange rate: \$ l =	Euro	0.80	0.80	0.73	0.68	0.72	0.75	
GENERAL								
Population	m	10.10	10.08	10.07	10.05	10.03	10.01	-0.2%
Households	m	3.72	3.71	3.71	3.70	3.70	3.69	-0.1%
HARDWARE								
TV households	m	3.7	3.7	3.7	3.7	3.7	3.7	0.6%
DVD sector								
DVD Video player/recorder households	m	1.400	1.668	1.945	2.206	2.437	2.453	0.7%
Penetration of TV households	%	38.1	45.5	53.0	60.0	66.0	66.0	
DVD console households	m							
Penetration of TV households	%							
BD sector								
BD standalone player households	m				0.0	0.0	0.1	327.9%
Penetration of TV households	%				0.0	0.6	2.5	
PS3 console households	m							
Penetration of TV households	%							

Total video software market

		2005	2006	2007	2008	2009	2010	10/09
TRADE LEVEL PHYSICAL VIDEO								
Total revenues from video software	Forint m	9,329.2	9,467.5	7,945.0	8,025.2	7,102.9	6,502.0	-8.5%
Total revenues from video software	Euro m	37.5	35.7	31.5	31.8	25.3	23.6	-6.7%
Total revenues from retail video	Forint m	7,960.1	8,626.0	7,280.1	7,492.7	6,635.8	6,108.3	-7.9%
Total revenues from retail video	Euro m	32.0	32.6	28.9	29.7	23.6	22.1	-6.2%
Total revenues from rental video	Forint m	1,369.1	841.6	664.8	532.5	467.1	393.7	-15.7%
Total revenues from rental video	Euro m	5.5	3.2	2.6	2.1	1.7	1.4	-14.1%

Video market: Hungary

		2005	2006	2007	2008	2009	2010	10/09
CONSUMER LEVEL PHYSICAL VIDEO								
Total spending on video software	Forint m	16,326.8	15,337.7	12,381.5	12,510.2	10,877.1	10,365.8	-4.7%
Total spending on video software	Euro m	65.7	57.9	49.1	49.6	38.7	37.6	-2.9%
Total spending on retail video	Forint m	12,543.3	13,666.0	11,547.8	11,876.3	10,366.6	9,934.2	-4.2%
Total spending on retail video	Euro m	50.5	51.6	45.8	47.0	36.9	36.0	-2.4%
Total spending on rental video	Forint m	3,783.5	1,671.8	833.7	633.8	510.5	431.7	-15.4%
Total spending on rental video	Euro m	15.2	6.3	3.3	2.5	1.8	1.6	-13.8%

		2005	2006	2007	2008	2009	2010	10/09
CONSUMER LEVEL DIGITAL VIDEO*								
Total spending on digital video	Forint m	0.0	0.8	7.8	11.7	14.4	16.6	14.9%
Total spending on digital video	Euro m	0.0	0.0	0.0	0.0	0.1	0.1	17.0%

		2005	2006	2007	2008	2009	2010	10/09
CONSUMER LEVEL TV VOD**								
Total spending on TV VOD	Forint m		2.5	14.4	78.4	227.3	463.3	103.8%
Total spending on TV VOD	Euro m		0.0	0.1	0.3	0.8	1.7	107.7%

*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.

**The delivery of movies and TV content on a transactional (VoD/NVoD/PPV) basis via cable/satellite/IPTV services.

Retail video market

		2005	2006	2007	2008	2009	2010	10/09
Outlets stocking retail video	no	570	570	560	531	560	570	
Retail chains with 10 or more outlets	no	25	25	25				
Kiosks stocking retail video	no							

Trade level: DVD retail

Revenues from retail DVD	Forint m	7,034.0	8,440.7	7,280.1	7,480.0	6,500.0	5,651.9	-13.0%
Revenues from retail DVD	Euro m	28.3	31.9	28.9	29.6	23.1	20.5	-11.4%
Retail DVD shipped to trade	m	3.5	5.5	6.4	6.8	6.5	6.0	-7.4%
Average trade price	Forint	2,030.00	1,522.50	1,141.88	1,100.00	1,000.00	939.39	-6.1%
Average trade price	Euro	8.17	5.75	4.53	4.36	3.56	3.40	-4.3%
Number of titles released	no	925	950	915	900	885	865	-2.3%

Trade level: BD retail

Revenues from retail BD	Forint m				12.7	135.8	456.4	236.2%
Revenues from retail BD	Euro m				0.050	0.483	1.654	242.5%
Retail BD shipped to trade	m				0.003	0.035	0.141	305.9%
Average trade price	Forint				4567.98	3904.77	3234.13	-17.2%
Average trade price	Euro				18.10	13.89	11.72	-15.6%

Consumer level: DVD retail

Spending on retail DVD	Forint m	11,157.3	13,388.8	11,547.8	11,864.8	10,207.2	9,055.7	-11.3%
Spending on retail DVD	Euro m	44.9	50.5	45.8	47.0	36.3	32.8	-9.6%
Retail DVD sold to consumers	m	3.5	5.5	6.4	6.8	6.4	6.1	-5.6%
Average consumer price	Forint	3,220.00	2,415.00	1,811.25	1,744.83	1,586.21	1,490.07	-6.1%
Average consumer price	Euro	12.96	9.12	7.19	6.91	5.64	5.40	-4.3%

Consumer level: BD retail

Spending on retail BD	Forint m				11.5	159.4	878.5	451.3%
Spending on retail BD	Euro m				0.046	0.567	3.184	461.7%
Retail BD sold to consumers	m				0.002	0.030	0.134	353.7%
Average consumer price	Forint				6371.40	5392.48	6553.10	21.5%
Average consumer price	Euro				25.24	19.18	23.75	23.8%

Rental video market

		2005	2006	2007	2008	2009	2010	10/09
Video rental outlets	no	900	600	500	300	270	270	
Rental chains with 10 or more outlets	no	3	2	1				
Trade level: DVD rental								
Revenues from rental DVD	Forint m	1,076.9	841.6	664.8	532.5	467.1	393.7	-15.7%
Revenues from rental DVD	Euro m	4.333	3.177	2.638	2.109	1.661	1.427	-14.1%
Rental DVD shipped to trade	m	0.360	0.292	0.239	0.198	0.180	0.157	-12.7%
Average trade price	Forint	2,991.50	2,886.80	2,785.76	2,688.26	2,594.17	2,503.37	-3.5%
Average trade price	Euro	12.04	10.90	11.05	10.65	9.23	9.07	-1.7%
Number of titles released	no	425	450	410	350	290	220	-24.1%
Consumer level: DVD rental								
Spending on DVD rental	Forint m	1,468.8	1,128.3	833.7	633.8	510.5	431.7	-15.4%
Spending on DVD rental	Euro m	5.9	4.3	3.3	2.5	1.8	1.6	-13.8%
DVD rental transactions	m	2.4	2.0	1.6	1.3	1.1	1.0	-15.4%
Average rental price	Forint	612.00	569.16	529.32	500.00	450.00	450.00	
Average rental price	Euro	2.46	2.15	2.10	1.98	1.60	1.63	1.9%

Source: IHS Screen Digest/IVF

Population and household figures: Economist Intelligence Unit

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