European Video: the industry overview

DVD sales continue to rise steadily in 2006

Growth in the DVD retail market was maintained in 2006, with volume sales in Europe increasing by 10 per cent in 2006, up from 663.5m units in 2005 to 727.6m. Once again however, the rise in the number of units sold did not fully translate into growth in value as the average consumer price of a retail DVD decreased by 8 per cent year-on-year, from around €14.00 in 2005 to about €12.90 in 2006. Nevertheless, this represents an improvement on the 13 per cent decline in average DVD price that the market registered in 2005. More reassuring was the fact that the four of the big five European markets experienced only modest declines in average price. In France for instance, the average price of a retail DVD fell by just 2 per cent compared with the equivalent figure in 2005, reflecting in part a substantial reduction in the number of 'super-budget' DVDs on sale. The UK was the only one of the big five markets to experience a double-digit decline in price (-10 per cent). The moderate decreases in average price in the five major territories – which accounted for 69 per cent of total volume sales in 2006 – meant that the impact of steeper price declines in other markets was less pronounced overall. Thus, total consumer spending on DVD retail in Europe was sustained at €9.4bn, a marginal increase on the €9.3bn generated in 2005.

Western Europe – which, for the purpose of this overview, consists of 17 out of the 22 European countries assessed by Screen Digest – represented 95 per cent of total European spending on retail DVD in 2006. The contribution from the big five European markets was slightly smaller in 2006 than it was in 2005, with their share of total consumer spending falling from 77 per cent to 74 per cent. The UK boasted the single largest share of value sales at 34 per cent, followed by France with 18 per cent and Germany with 14 per cent.

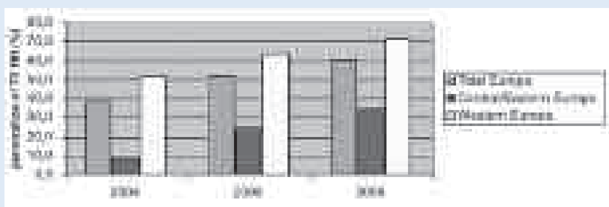
Consumer spending on DVD retail in the five Central and Eastern (CE) European countries analysed totalled €424.9m in 2006. This represents an impressive 56 per cent increase on the €273.2m spent by CE European consumers in 2005. Russia was chiefly responsible for this growth, with DVD retail spending almost doubling between 2005 and 2006 from €163.9m to €309.1. Growth in the Russian market has been fuelled by a rapid rise in the penetration of DVD hardware combined with a significant upturn in the number of legitimate DVDs bought per DVD household, arguably a result of a significant reduction of the price of legitimate DVDs by 45 per cent in 2004. In 2006, DVD penetration reached 37 per cent, up from 25 per cent in 2005 and just 4 per cent in 2004. This translates into 18.0m DVD households, giving Russia the third largest installed DVD base in Europe, just behind Germany and the UK at 27.6m and 20.2m respectively. The relative size of Russia's installed DVD base has boosted average DVD penetration in CE Europe by 10 percentage points over 2006, from 24 per cent in 2005 to 34 per cent, despite slower growth in other countries in the region. Nonetheless, it still lags some way behind the average DVD penetration in Western Europe, which exceeded 71 per cent in 2006, up from 64 per cent in 2005.

Meanwhile, the market for retail VHS has now almost completely collapsed. Total European spending in this sector fell by 81 per cent in 2006 from €287.5m in 2005 to €55. Retail VHS is effectively extinct in a number of territories, with trade level returns exceeding shipments. Where this situation has resulted in the available data showing distorted average prices and thus value data, we have opted to report zero values rather than provide misleading figures.

European consumer spending on video software 1987-2006

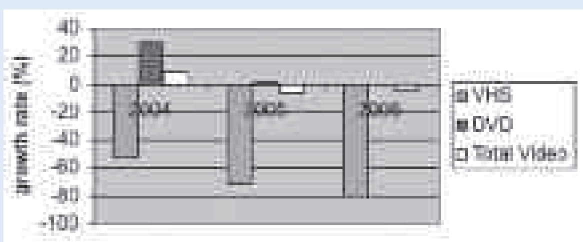
Source: Screen Digest/IVF

Penetration of DVD video players/recorders 2004-2006



Source: Screen Digest/IVF

Growth in European spending on video software 2004-2006



Source: Screen Digest/IVF

VD rental suffers decline

Total spending on rental video in Europe declined by over a tenth in 2006, from €2.5bn in 2005 to €2.2bn. It signals the fourth consecutive year of decline for the European rental market, and is the most severe decrease since the launch of DVD. This is due largely to the fact that consumer spending on DVD rental fell for the first time in 2006. In recent years, the downturn in video rental has been a result of the rapid decline in VHS rental, with growth in DVD rental not strong enough to compensate. That said, the decrease in VHS rental spending was a significant contributor to the decline in overall spending in 2006. The format generated just €24.4m in 2006, down 80 per cent on the €120.5m spent in 2005, to account for just 1 per cent of total rental spending. In fact research indicates that shipments of VHS rental cassettes to stores died out completely in approximately half of the Western European markets assessed, a fact which makes it impossible for us to continue to estimate consumer level VHS rental transactions in the vast majority of markets where there is no independent monitoring of rental transactions.

Consumer spending on DVD rental in Europe fell by 8 per cent in 2006, from €2.3bn in 2005 to €2.1bn. This is especially disappointing given that European consumer spending on DVD rental was still climbing in 2005 at 7 per cent. Tie ratios fell by over a fifth year-on-year, with European DVD households renting 4.7 units on average in 2006, compared with 6.0 units in 2005. Perhaps surprisingly, the decline in the DVD rental markets of CE Europe was even more pronounced than it was in Western Europe. Consumer spending on DVD rental in the former region fell by 15 per cent, with growth in DVD households failing to ignite the DVD rental market. Arguably the very high levels of piracy in these territories are seriously affecting the rental business. Meanwhile consumers in Western Europe spent 6 per cent less in 2006 than they did in 2005.

The online DVD rental sector continued to grow steadily, but could not counteract the decline in traditional DVD rental. According to Screen Digest analysis, spending on DVD 'rentmail' services increased by 60 per cent in 2006, from €98.8m in 2005 to €158.0m. This meant that whilst DVD-by-post services' contribution to total DVD rental spending remains modest, it almost doubled in 2006, from 4 per cent in 2005 to 7 per cent. It should be noted that since the last edition of the IVF Yearbook, Screen Digest has revised downwards its estimates of the size of the online rental business in several key markets, based on improved intelligence in this sector.

Online DVD rental market consolidates and diversifies

The early years of the online DVD rental market have been characterised by consolidation, and 2006 witnessed arguably the most significant merger to date, with LoveFilm and Video Island joining forces in the UK in March 2006. Independently, the companies were the two biggest players in the UK rent mail sector, but combined, they became easily the largest online DVD rental operator in Europe. The new entity, branded LoveFilm International (LFI), boasted more than 400,000 subscribers and a DVD library with over 64,500 titles at the end of last year. LFI had a 72 per cent market share in the UK in 2006 according to Screen Digest estimates, capturing nearly 15 per cent of total UK rental spending in 2006. The company also has a share of the online rental markets in Sweden, Denmark and Norway through previous acquisitions and a partnership with leading Irish player ScreenClick. LFI subsequently expanded into Germany in September 2006 with its first start-up in continental Europe. The move brought LFI into direct competition with established local players Amango and Amazon, as well as French online DVD rentailer Glowria. The latter entered the German market in March 2006 with the acquisition of local services Dividi Entertainment and, subsequently, InVideo.

LFI and Glowria are not only competing in the online DVD rental space; both also expanded into digital distribution in 2006. In January 2006, shortly before the merger with Video Island, LoveFilm became the world's first online DVD rentailer to offer premium content for downloading over the open Internet. Content was initially available for rental on a pay-per-view basis, then in April 2006, LFI began offering titles for digital retail (also known as 'download-to-own' or electronic sell-through). Universal's King Kong was the first title to be made available day-and-date with the DVD release on this basis. According to Screen Digest analysis, by early 2007 LFI was offering around 266 major studio titles for digital retail (download-to-own), and about 450 titles for digital rental. Glowria has also offered VOD on a PPV rental basis over the open Internet since July 2006, but unlike LFI, its service has been available direct to the TV in a walled garden environment since December 2006, via French ISP Neuf Cegetel's IPTV set-top boxes. In addition to digital rental, Glowria offers around 170 titles on a digital retail basis through its Internet portal. In October 2006, Spanish online DVD rentailer MediaXpress Cine (MXC) became the third major rentmailer to launch a VOD service. Available over the open Internet, alongside its online DVD rental service, it offers titles for digital rental on a pay-per-view basis and for digital retail. This activity is evidence of a growing trend as online DVD rentailers attempt to position themselves as 'one-stop-shops' for entertainment.

Europe on the world stage

Total consumer spending on video software (retail and rental, DVD and VHS) declined by 3 per cent in Europe in 2006, from $15.0bn (€11.5bn) in 2005 to $14.6bn (€11.4bn), giving the region a 28 per cent share of worldwide video spending. In Japan consumer spending fell slightly further, down by 7 per cent from $7.6bn (€5.6bn) in 2005 to $7.1bn (€5.3bn) to account for 14 per cent of the global market. The US – where consumer spending was stable at €24.9bn (€20.3bn) – fractionally increased its 47 per cent share of total worldwide video spending.

The DVD format accounted for almost all spending (99 per cent) in Europe and the US in 2006 as VHS nears extinction in both regions. In Japan, the VHS business has proved more resilient, which means that DVD's dominance is not quite as pronounced. That said, the DVD format's share of total video spending in Japan increased by 10 percentage points in 2006, from 79 per cent in 2005 to 89 per cent.

Nonetheless, average DVD buy rates declined in Europe in 2006, falling by 6 per cent from 5.4 units in 2005 to 5.1 units. The decrease was smaller than in 2005 – when average buy rates fell by 15 per cent – but it means that European DVD households bought one unit fewer in 2006 than they did in 2004 when the retail DVD tie ratio was 6.4. The average buy rate in the US declined in line with that in Europe but remains significantly higher at 12.8 units. In Japan, where rental is still relatively important, the retail DVD tie ratio fell by close to a quarter from 5.2 units in 2005 to just 4.0 in 2006.

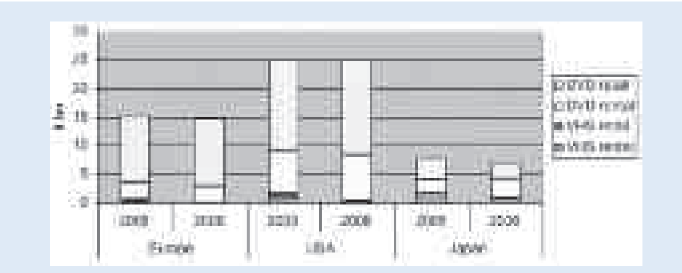
The decline in software attach rates is a typical characteristic of maturing consumer electronics markets. Given that DVD was launched around a decade ago it is not surprising that buy rates are falling, despite a steady rise in hardware penetration. The trend reflects the entry of 'late adopters' buying DVD hardware and expanding the installed base, but who are less enthusiastic about the platform, so purchase fewer units, and therefore depress overall tie ratios.

Rental tie ratios also declined in Europe in 2006, falling by over a fifth from 6.0 units in 2005 to 4.7 units. In the US, consumers rented one DVD fewer on average in 2006 than in 2005 as the tie ratio fell from

28.1 units to 27.2. In Japan – which has historically boasted a much stronger DVD rental market than Europe – the DVD rental tie ratio actually increased by 28 per cent, from 33.4 units in 2005 to a staggering 42.8 units, the highest worldwide.

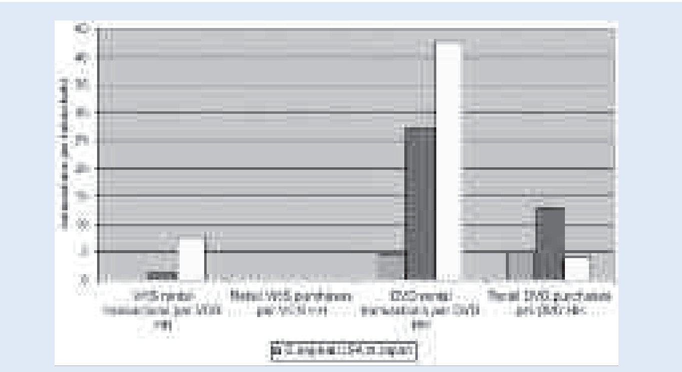
Meanwhile, VHS tie ratios crashed in 2006 with VCR households in Europe and the US buying just 0.1 units on average in 2006. In Japan, the average VHS buy rate was even lower than 0.1 units but it is home to the highest VHS rental tie ratio at 7.8 units, thanks to the relative strength of its rental market. In the US and Europe, VHS rental tie ratios fell to 1.3m units and 0.1 units respectively.

International consumer spending on video software 2005-2006



Source: Screen Digest/IVF

International per household video activity 2006



Source: Screen Digest/IVF

The European DVD hardware landscape

Average DVD penetration in Europe reached 60 per cent in 2006, up from 52 per cent in 2005. This translates into 142m DVD households. These figures are based on TV households equipped with at least one stand-alone DVD Video player or DVD recorder. They do not include households equipped with a DVD enabled games consoles or PC. Western Europe accounted for around 118m of Europe's DVD households at the end of 2006, with DVD penetration reaching 71 per cent on average. The development of the DVD market in CE Europe remains some way behind that of Western Europe but continues to grow steadily. DVD penetration reached 34 per cent in 2006, up from 24 per cent in 2005. At the end of 2006 there were 24m DVD households in CE Europe, three-quarters of which were in Russia.

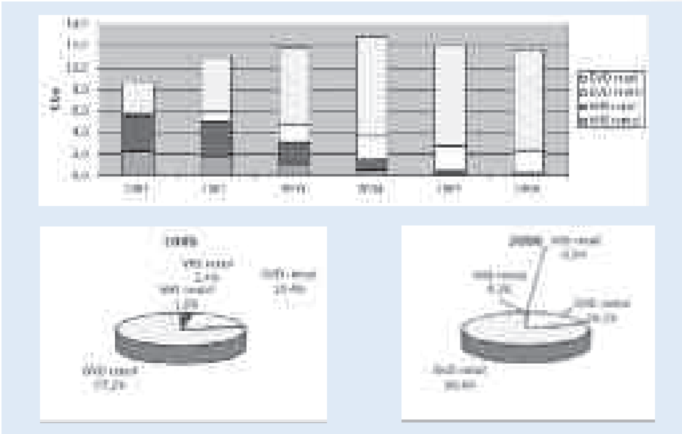
Denmark was home to the highest penetration rate in Europe in 2006 with 83 per cent of TV households being equipped with DVD hardware. Germany boasted the highest number of DVD households though at 27.6m. For the second year running Russia recorded the strongest growth in DVD households, with its installed base rising by 50 per cent from 12.0m in 2005 to 18.0m. This meant Russia became the third largest DVD market in Europe in terms of equipped households.

At the end of 2006 the European market represented 36 per cent of DVD households worldwide, making it larger than any other region, including North America, Asia Pacific and Latin America.

Decline in average prices decelerates

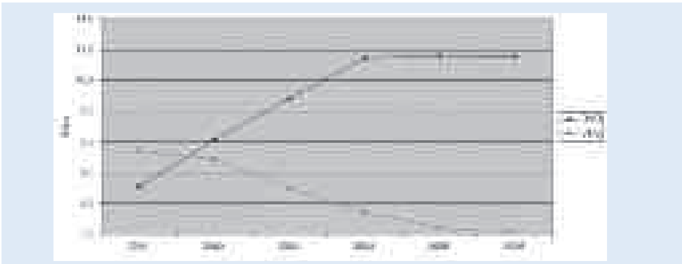
The rapid downturn in average prices, which has depressed consumer spending on DVD in recent years, decelerated in 2006. The average consumer price of a retail DVD in Western Europe continued to decline in 2006 – falling by 7 per cent year-on-year to €13.28 – but at a slower rate than in 2005 and 2004, when it dropped by 12 per cent and 10 per cent

European consumer spending on video software by sector 2001-2006



Source: Screen Digest/IVF

European spending on VHS and DVD in Europe 2000-2005



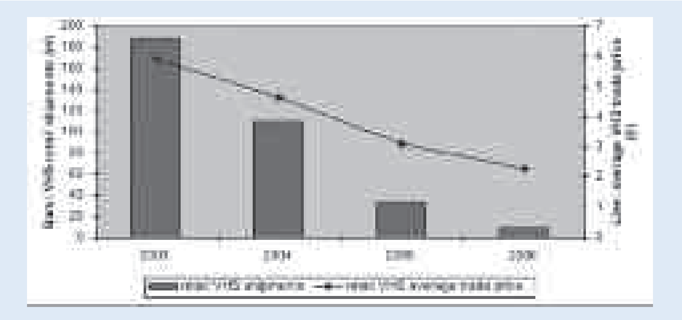
Source: Screen Digest/IVF

respectively. It would appear that the stabilisation of average prices was due in part to the fact that 'budget' DVDs are accounting for an increasingly smaller proportion of volume sales than in previous years.

However, this trend was not consistent across Europe. In four of the big five European markets the decrease in average DVD price was less pronounced than the overall average. France boasted the slimmest decrease of the big five, the average price of a retail DVD fell by just 2 per cent to €15.11, followed by Spain (down 3 per cent to €12.10), Germany (down 4 per cent to €12.86) and Italy (down 6 per cent to €12.30). In the UK, the average price of a retail disc fell by 10 per cent to €13.87, making it the only one of the big five markets to experience a double-digit decline in price. The UK was also one of the few territories where prices fell further in 2006 than they did in 2005. Nevertheless, the average price in the UK remains higher than the European average.

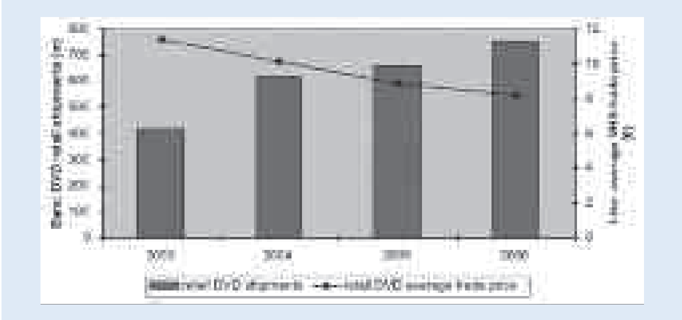
Ireland was home to the most resilient DVD retail pricing in Western Europe, with the average cost of a DVD actually increasing by 4 per cent to €16.85. Given that Ireland is often considered to be around two years behind the neighbouring UK market in terms of development, this could reflect an increase in sales of premium-priced box sets such as TV DVD

VHS retail shipments in Europe v average VHS retail trade price 2003-2006



Source: Screen Digest/IVF

DVD retail shipments in Europe v average DVD retail trade price 2003-2006



Source: Screen Digest/IVF

series collections. Average retail DVD prices fell furthest in Iceland (down by 19 per cent) but at €16.99 was actually the highest price in Europe.

In CE Europe the average price of a retail DVD fell slightly further than that of its Western counterpart, down 10 per cent, making it around €5 lower by comparison at €8.13. This is a significant improvement on the 30 per cent drop recorded in 2005. This was due in part to the slowdown in the decline of average price in Russia, which fell by just 6 per cent year-on-year compared with a 17 per cent decline in 2005 as well as to a reduction, as in several western markets, in the proportion of mega-budget titles available.

The VHS market collapsed completely in a number of territories in 2006, and in those markets where the format continued to generate modest revenues in 2006, the average price of a retail cassette fell sharply. The average price for Europe overall was €5.28, which represents a 29 per cent decline on the equivalent figure in 2005.

Hi-def video starts slowly

The next generation of video arrived in Europe in the final months of 2006 in the shape of the high-definition video standards Blu-ray Disc (BD) and HD DVD. The formats BD and HD DVD were launched within weeks of each other. Both suffered hardware delays from consumer electronics and games console manufacturers alike, and these had a knock-on effect for the software strategies of several publishers and distributors, resulting in smaller than anticipated release slates.

At launch, BD had the support of Sony and Panasonic, among others, on the hardware side, and Sony Pictures, Disney and Fox on the software side, with Warner and Paramount remaining 'format agnostic' and releasing titles on both formats. Universal is the only US studio currently publishing on HD DVD alone, whilst on the hardware side the latter format is supported by Toshiba and Microsoft (in the form of an add-on drive for its Xbox 360 games console).
In contrast with the US, BD players arrived in Europe ahead of their HD DVD equivalents, as Panasonic unveiled its first standalone BD device in the region in October 2006. The HD DVD add-on drive for the Xbox 360 was the first HD DVD hardware to reach European shores when it landed in late November 2006.

By the end of 2006,43 titles had been released in Europe on HD DVD; 29 from major studios and the rest from 4 different European independents. A further 7 European independent publishers had announced HD DVD releases although in most cases for distribution in just one or two territories. BD had a similar-sized release slate with 44 titles available but had a higher proportion of studio titles with just 4 titles from the independent sector. Studio titles were priced on both formats at around €25 for catalogue product and €30 for new releases.

With both formats launching close to the end of 2006, there was scant empirical evidence in the case for either BD or HD DVD. As this report went to press, the formats continue to jostle for position with the March 2007 launch of the PS3 swinging the hardware balance in BD's favour, but the jury still out on the longterm impact of the games console on software sales. By the end of 2007 the picture for hi-def video should be clearer.

Piracy

In the legitimate video market, the digital delivery of movies is still much too insignificant to have any impact on DVD sales. For video pirates however, the shift to digital is already well under way, according to data from the International Federation of the Phonographic Industry (IFPI) which tracks the 'business' of piracy. The organisation reports that professionally (albeit illegally) pressed discs accounted for less than 25 per cent of the 31.6m DVDs seized in 2006, with burned DVD-Rs and blank discs accounting for the remaining 75 per cent. This indicates that DVD piracy is moving away from the pressed discs – those created in the same fashion as legitimate DVDs – that have historically dominated the black market, and towards burned DVD-Rs containing unauthorized copies of copyright material or blank DVD-Rs intended for copying. As is often the case, this trend was first seen in the audio sector, where CD-Rs and blank discs accounted for almost 97 per cent of seizures last year.

The UK's Federation Against Copyright Theft (FACT) confirms this trend and underlines how dramatic the shift from pressed discs to DVD-Rs has been in mature markets. According to FACT, following rapid growth in the early years of this century, pressed DVDs accounted for around 80 per cent of optical disc seizures in 2003 and 2004. In 2006, DVD-Rs accounted for over 90 per cent of all seizures, and pressed DVDs less than 10 per cent. Over this period the total number of units seized declined significantly, from a peak of 3.0m discs in 2004 to 1.5m in 2006, with the reduction primarily driven by the decline in illegally pressed DVDs. Pirates operating with DVD-Rs rather than pressed discs are able to burn more copies if demand outstrips supply, so are able to carry less pirate 'stock', thereby protecting themselves against harsher penalties if apprehended. According to FACT, this has led to street sellers carrying on average 150-200 discs, with sellers operating at markets carrying even fewer.
According to both IFPI and FACT, the shift from pressed discs to DVD-R reflects two things: the greater reliability and affordability of DVD burners; and the increased level of action taken to close down plants pressing illegal DVDs. Burning DVDs locally is a far more efficient and lower-risk pirating method than mass-producing pressed DVDs outside the destination territory and then smuggling them in. DVD-Rs can be burnt to order by small pirate production centres within the country, with shorter lead times and without the added risk of detection brought by smuggling.

RETAIL VHS UNITS SOLD

	2006 (m)	2005 (m)	% change
Belgium	0,0	0,4	-100,0
Denmark	0,0	0,5	-100,0
France	1,0	3,6	-72,7
Germany	2,3	5,6	-58,8
Ireland	0,2	0,9	-80,0
Italy	2,6	4,9	-46,9
Netherlands	0,2	0,8	-75,8
Norway	0,0	1,2	-98,5
Portugal	0,0	0,0	0,0
Spain	0,0	1,5	-100,0
Sweden	0,0	2,5	-100,0
Switzerland	0,1	0,2	-57,7
UK	0,8	10,4	-91,9
All Western Europe	**7,7**	**34,9**	**-77,9**
Croatia	0,1	0,1	-12,0
Hungary	0,6	0,7	-21,2
Poland	0,6	0,8	-24,3
All Europe	**10,5**	**38,6**	**-72,9**

RETAIL DVD UNITS SOLD

	2006 (m)	2005 (m)	% change
Belgium	24,5	23,1	6,1
Denmark	16,9	13,4	26,0
France	109,5	113,5	-3,5
Germany	100,7	98,7	2,0
Ireland	11,1	8,0	38,8
Italy	34,8	31,5	10,5
Netherlands	33,6	31,4	7,0
Norway	16,7	14,8	12,8
Portugal	9,8	7,9	24,5
Spain	31,8	31,0	2,4
Sweden	26,8	20,1	33,2
Switzerland	14,7	13,4	9,4
UK	227,0	211,2	7,5
All Western Europe	**675,3**	**633,2**	**6,6**
Croatia	0,2	0,2	24,2
Hungary	3,1	2,7	15,3
Poland	3,8	3,6	8,0
All Europe	**727,6**	**663,5**	**9,7**

VHS RENTAL TRANSACTIONS

	2006 (m)	2005 (m)	% change
Belgium	0,0	0,1	-100,0
Denmark	0,0	0,2	-100,0
France	0,0	0,3	-100,0
Germany	0,3	1,8	-83,5
Ireland	0,3	2,0	-87,5
Italy	4,4	7,4	-40,5
Netherlands	0,0	0,7	-100,0
Norway	0,0	0,2	-100,0
Portugal	0,0	0,0	0,0
Spain	0,0	5,1	-100,0
Sweden	0,0	2,8	-100,0
Switzerland	0,0	0,0	-100,0
UK	0,3	7,4	-95,8
All Western Europe	**5,5**	**30,3**	**-81,7**
Croatia	0,2	0,6	-68,8
Hungary	3,6	6,5	-44,8
Poland	2,1	4,1	-48,8
All Europe	**11,7**	**48,2**	**-75,7**

DVD RENTAL TRANSACTIONS

	2006 (m)	205 (m)	% change
Belgium	19,8	22,3	-11,0
Denmark	14,7	15,2	-3,5
France	54,9	58,6	-6,2
Germany	111,3	121,8	-8,6
Ireland	15,0	14,7	1,8
Italy	82,2	87,0	-5,6
Netherlands	27,3	32,5	-16,1
Norway	19,1	19,3	-0,6
Portugal	14,1	14,3	-1,5
Spain	114,9	131,4	-12,6
Sweden	29,9	25,6	17,0
Switzerland	2,9	3,3	-13,9
UK	115,6	130,1	-11,1
All Western Europe	**641,7**	**696,1**	**-7,8**
Croatia	4,4	4,0	10,5
Hungary	2,5	2,4	2,5
Poland	7,2	5,8	25,0
All Europe	**668,3**	**727,5**	**-8,1**

Source: Screen Digest/IVF
Note: Excluding Ireland and Switzerland the countries listed above are IVF members.

AVERAGE ANNUAL VHS SALES PER VCR HH

	2006 (m)	2005 (m)	% change
Belgium	0,0	0,1	-100,0
Denmark	0,0	0,3	-100,0
France	0,1	0,2	-70,0
Germany	0,1	0,2	-55,0
Ireland	0,2	1,1	-78,7
Italy	0,2	0,3	-45,9
Netherlands	0,0	0,2	-73,2
Norway	0,0	0,7	-100,0
Portugal	0,0	0,0	0,0
Spain	0,0	0,2	-100,0
Sweden	0,0	0,8	-100,0
Switzerland	0,0	0,1	-55,3
UK	0,0	0,5	-91,2
All Western Europe	**0,1**	**0,3**	**-76,2**
Croatia	0,3	0,4	-11,3
Hungary	0,5	0,6	-16,2
Poland	0,1	0,1	-21,8
All Europe	**0,1**	**0,3**	**-75,0**

AVERAGE ANNUAL DVD SALES PER DVD HH

	2006 (m)	2005 (m)	% change
Belgium	9,0	9,9	-9,3
Denmark	8,4	8,4	0,7
France	6,2	6,7	-7,4
Germany	3,7	3,8	-3,4
Ireland	12,7	10,7	18,6
Italy	2,1	2,5	-17,4
Netherlands	5,9	6,4	-8,4
Norway	10,1	9,3	8,9
Portugal	4,1	4,0	2,0
Spain	3,0	3,2	-3,8
Sweden	9,0	7,6	18,4
Switzerland	6,0	6,6	-8,9
UK	11,2	11,7	-4,2
All Western Europe	**5,7**	**6,0**	**-5,1**
Croatia	0,7	0,7	-1,5
Hungary	1,9	1,9	-0,1
Poland	1,2	1,4	-16,5
All Europe	**5,1**	**5,4**	**-5,9**

AVERAGE ANNUAL VHS RENTALS PER VCR HH

	2006 (m)	2005 (m)	% change
Belgium	0,0	0,0	-100,0
Denmark	0,0	0,1	-100,0
France	0,0	0,0	-100,0
Germany	0,0	0,1	-82,0
Ireland	0,3	2,4	-86,7
Italy	0,3	0,5	-39,4
Netherlands	0,0	0,1	-100,0
Norway	0,0	0,1	-100,0
Portugal	0,0	0,0	0,0
Spain	0,0	0,7	-100,0
Sweden	0,0	0,9	-100,0
Switzerland	0,0	0,0	-100,0
UK	0,0	0,3	-95,5
All Western Europe	**0,1**	**0,3**	**-80,3**
Croatia	0,6	1,9	-68,5
Hungary	3,0	5,1	-41,3
Poland	0,3	0,6	-47,1
All Europe	**0,1**	**0,4**	**-73,0**

AVERAGE ANNUAL DVD RENTALS PER DVD HH

	2006 (m)	2005 (m)	% change
Belgium	7,3	9,6	-23,9
Denmark	7,3	9,5	-22,9
France	3,1	3,5	-10,0
Germany	4,0	4,7	-13,5
Ireland	17,1	19,7	-13,0
Italy	4,9	7,0	-29,4
Netherlands	4,8	6,7	-28,1
Norway	11,6	12,1	-4,1
Portugal	5,9	7,3	-19,2
Spain	11,0	13,4	-17,9
Sweden	10,0	9,6	4,0
Switzerland	1,2	1,7	-28,3
UK	5,7	7,2	-20,8
All Western Europe	**5,4**	**6,6**	**-18,0**
Croatia	13,1	14,9	-12,3
Hungary	1,5	1,7	-11,1
Poland	2,2	2,2	-3,4
All Europe	**4,7**	**6,0**	**-21,2**

Source: Screen Digest/IVF
Note: Excluding Ireland and Switzerland the countries listed above are IVF members.

AVERAGE CONSUMER PRICE OF RETAIL VHS CASSETTE

	2006 (€)	2005 (€)	% change
Belgium	0,0	6,6	-100,0
Denmark	0,0	6,0	-100,0
France	4,3	7,4	-41,4
Germany	5,2	8,0	-35,4
Ireland	6,0	6,1	-1,8
Italy	3,5	6,5	-45,6
Netherlands	3,5	4,2	-17,5
Norway	5,7	7,1	-19,6
Portugal	0,0	0,0	0,0
Spain	0,0	5,8	-100,0
Sweden	0,0	6,3	-100,0
Switzerland	4,9	7,7	-36,0
UK	7,1	9,0	-20,8
All Western Europe	**4,7**	**7,5**	**-37,0**
Croatia	2,7	7,8	-65,0
Hungary	7,5	8,0	-6,0
Poland	6,0	6,0	-0,3
All Europe	**5,3**	**7,5**	**-29,2**

AVERAGE CONSUMER PRICE OF RETAIL DVD DISC

	2006 (€)	2005 (€)	% change
Belgium	9,9	10,5	-5,0
Denmark	12,5	14,7	-15,1
France	15,1	15,5	-2,4
Germany	12,9	13,4	-4,0
Ireland	16,8	16,3	3,7
Italy	12,3	13,1	-6,1
Netherlands	11,5	12,4	-7,4
Norway	14,8	14,5	2,3
Portugal	7,9	8,9	-11,6
Spain	12,1	12,5	-3,0
Sweden	9,7	10,2	-4,9
Switzerland	15,6	16,6	-6,0
UK	13,9	15,5	-10,7
All Western Europe	**13,3**	**14,3**	**-6,9**
Croatia	11,7	12,1	-3,0
Hungary	10,3	13,0	-20,8
Poland	11,6	11,0	4,7
All Europe	**12,9**	**14,0**	**-7,9**

AVERAGE CONSUMER VHS RENTAL PRICE

	206 (€)	2005 (€)	% change
Belgium	0,0	3,1	-100,0
Denmark	0,0	4,7	-100,0
France	0,0	3,2	-100,0
Germany	2,5	2,6	-1,8
Ireland	4,0	4,0	0,0
Italy	2,7	2,7	0,9
Netherlands	0,0	3,2	-100,0
Norway	0,0	4,4	-100,0
Portugal	0,0	0,0	0,0
Spain	0,0	2,3	-100,0
Sweden	0,0	4,5	-100,0
Switzerland	0,0	4,2	-100,0
UK	4,3	4,3	0,3
All Western Europe	**2,9**	**3,3**	**-13,6**
Croatia	1,1	1,3	-18,8
Hungary	1,4	1,4	-4,3
Poland	1,4	1,3	4,2
All Europe	**2,1**	**2,5**	**-17,3**

AVERAGE CONSUMER DVD RENTAL PRICE

	2006 (€)	2005 (€)	% change
Belgium	3,1	3,1	0,6
Denmark	4,7	4,7	0,1
France	3,0	3,2	-7,8
Germany	2,5	2,6	-1,6
Ireland	4,7	4,5	4,4
Italy	3,2	3,4	-6,4
Netherlands	3,3	3,3	1,3
Norway	6,2	6,1	2,3
Portugal	2,0	2,0	0,2
Spain	2,3	2,3	0,1
Sweden	4,3	4,3	-0,7
Switzerland	4,1	4,2	-1,6
UK	4,3	4,2	1,7
All Western Europe	**3,3**	**3,3**	**-0,4**
Croatia	1,6	1,6	1,5
Hungary	2,5	2,6	-4,3
Poland	1,4	1,4	4,2
All Europe	**3,2**	**3,2**	**0,2**

Source: Screen Digest/IVF
Note: Excluding Ireland and Switzerland the countries listed above are IVF members. Regional totals include some countries not listed.