European Video: the industry overview

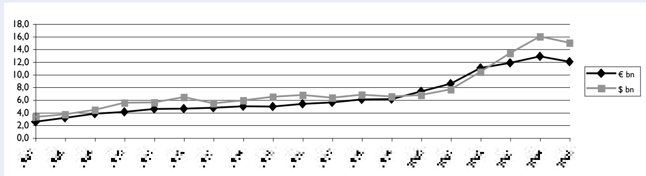
Growth in video sales slows in 2005

Retail DVD sales continued to grow in 2005 albeit at a slower rate than in previous years. Volume sales of DVD increased by 15 per cent to 657m units, accounting for 94 per cent of total European video sales. However, the gain in volume sales failed to be translated into spending as the average price of a retail DVD in Europe declined by around 13 per cent in 2005. This trend was exacerbated by particularly severe declines in price in three of the big five European markets – France, Italy and Spain – which each experienced a drop of around 20 per cent. Given that the big five – UK and Germany completing the top group – accounted for 75 per cent of DVD volume sales in 2005, price declines in these territories had a significant impact on the total market result. The deflation of average prices negated growth in volume sales and meant that spending on retail DVD was flat between 2004 and 2005. In total, European consumers spent €9.25bn on buying DVDs in 2004 compared to €9.23bn in 2005.

Western Europe – which, for the purpose of this overview, consists of 17 out of the 22 European countries assessed by Screen Digest – accounted for 98 per cent of total European spending on retail DVD in 2005. In spending terms, the largest five European territories, accounted for more than three quarters of the total European market, with just below 70 per cent generated by the top three countries. Germany and France generated 14 per cent and 19 per cent of spending respectively, while the UK alone contributed 35 per cent.

Of the five Central and Eastern (CE) European countries analysed, Hungary was responsible for the largest share of spending for the region at 26 per cent, although it accounted for just 0.4 per cent of total European spending. Russia boasted the greatest gain in DVD spending, with value sales in 2005 almost three times higher than in 2004 at €35.4m. The Russian DVD market was boosted by a dramatic increase in the penetration of DVD hardware which climbed over 20 percentage points to 26 per cent in 2005. This is slightly

European spending on video software 1987-2005



Source: Screen Digest/IVF

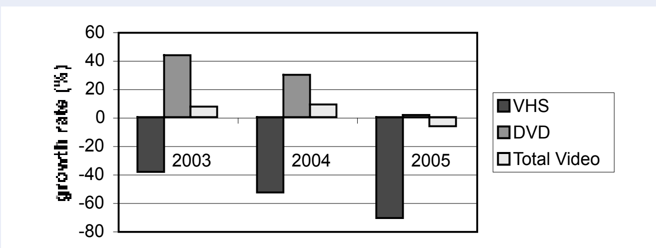
higher than the average for the region as a whole, with 25 per cent of CE European television households now believed to have at least one DVD player or recorder. And with DVD penetration in Western Europe reaching 65 per cent on average in 2005, DVD penetration in the wider European market has been taken past the halfway mark to 53 per cent.

So dominant is DVD in the European video market now that the VHS format is almost extinct. Spending on retail VHS in Western Europe fell by 70 per cent in 2005 from €857m in 2004 to €261m. Even in CE Europe, where the DVD market is less developed, the demand for VHS has declined almost as dramatically; spending on retail VHS totalled €27m, falling by 63 per cent compared to 2004. The market for retail VHS effectively disappeared altogether in Portugal in 2005, and effectively vanished in a great many more countries at trade level as returns exceeded shipments. In such cases, where the available data resulted in distorted average price and thus value data, Screen Digest has recorded zero values for both volume and value, rather than reporting misleading figures.

Rental market on the decline

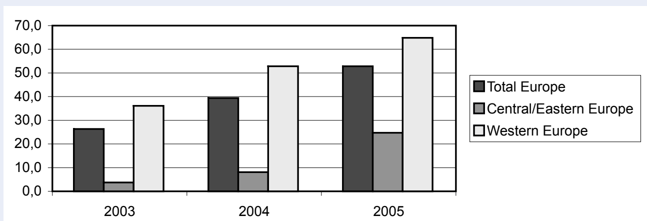
Total spending on rental video in Europe declined for the third consecutive year in 2005, falling by seven per cent compared to

European video software consumer spending growth rates 2003 - 2005



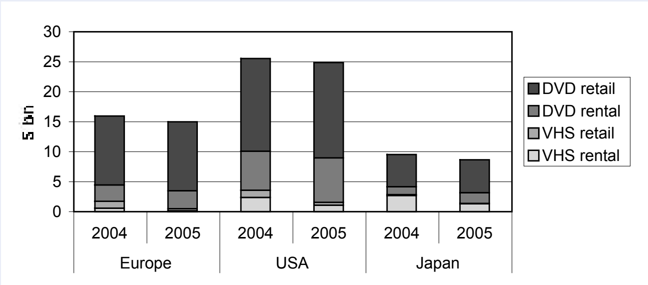
Source: Screen Digest/IVF

Penetration of DVD video players/recorders in Europe 2003 - 2005



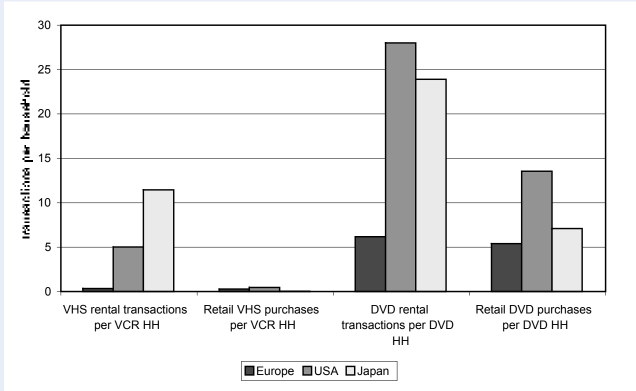
Source: Screen Digest/IVF

International consumer spending on video software 2004-2005



Source: Source: Screen Digest/IVF/Adams Media Research

International per household video activity 2005



Source: Source: Screen Digest/IVF/Adams Media Research

2004. The decline of the rental VHS sector was to blame, as a nine per cent rise in spending on DVD rental could not compensate for a 75 per cent fall in VHS rental spending. In fact, our research indicates that the VHS rental market almost entirely evaporated in 2005, generating just €121m across all 22 countries analysed and accounting for only five per cent of total rental spending. VHS boasts a greater share of rental spending in CE Europe – 34 per cent – despite the fact that in Russia, the largest of the CE markets, it is considered that neither DVD nor VHS rental will be viable for much longer thanks to extremely high levels of piracy. The price of a pirate DVD is cheaper than the cost of a night's rental, rendering the latter unattractive for Russian consumers.

DVD rental in Europe grew steadily in 2005 but is no longer recording the double digit growth seen in previous years. Consumer spending on the sector rose by nine per cent in 2005 compared to 34 per cent in 2004. The market did however witness a decrease in the average number of rentals per DVD household. DVD rental tie ratios (the number of DVDs rented annually per DVD household) in Western Europe declined by nine per cent in 2005 to less than seven. The decline was even more pronounced for the total European market (-17 per cent) due to the failure of DVD rental transactions in CE Europe to grow at the same rate as DVD hardware adoption.

Online DVD rental services expand across Europe

The online DVD rental sector cannot be blamed for conditions in the market overall, having generated one and a half times as much spending as in 2004. According to Screen Digest analysis, DVD-by-post services accounted for around five per cent of total rental spending in Europe in 2005 compared to two per cent in 2004.

A number of key players in the online DVD rental market expanded their local operations into wider Europe in 2005. UK-based company Video Island entered the Nordic market with the acquisition of Sweden-based online rentailer Brafilm. The purchase also offered Video Island a foothold in Norway, another territory in which Brafilm operated. However, it was Video Island's biggest rival in the UK, LoveFilm, which was the most active in this respect. LoveFilm's majority shareholder, venture capital company Arts Alliance Media (AAM), launched its own foray into the Scandinavian market with the purchase of a controlling stake in Swedish rentmailer Boxman and the acquisition of Danish online video rental service Digitarian. LoveFilm also established itself in the Irish market at the turn of the year, acquiring its local equivalent Screenclick. LoveFilm and Video Island subsequently joined forces to create LoveFilm International, the largest online DVD rental company in Europe. Both firms brought strong portfolios to the deal, each having a range of strategic online partnerships in place, as well as white-label services, with various UK brands including AOL, CD Wow, Channel 4, Dixons Store Group, easyGroup, Guardian Newspapers, ITV, MSN, News International, Odeon, Sainsbury, Tesco and Vue cinemas.

French-based online DVD rental operator Glowria began its own market consolidation in the early part of 2006, making two acquisitions in the neighbouring German market. Glowria acquired German online DVD rentailer DiViDi Entertainment and Palago, owners of German DVD-by-post company inVDeo. By expanding its service beyond its native France, Glowria now appears to be heading for direct competition with the new, unified pan-European operation LoveFilm International, although the latter has not entered the German market.

Europe on the world stage

The European video market generated $15.0bn in spending in 2005, accounting for 27 per cent of worldwide video spending, with Western Europe alone representing just over 26 per cent of the global market. The US market accounted for the largest proportion of the market at 45 per cent as US consumers spent $24.9bn whilst the Japanese spent $8.8bn, which translates into 16 per cent of video spending worldwide. Consumer spending on video in the US fell by just three per cent in 2005, a more gentle decline than in Europe and Japan in 2005 where video spending fell by six per cent and nine per cent respectively.

The DVD format is now more dominant in Europe than in either the US or Japan. DVD generated 97 per cent of total consumer spending within the region in 2005 compared to 94 per cent and 84 per cent in the US and Japan respectively. In 2004, DVD's share of spending was the same in Europe and the US but in 2005 the ascendancy of DVD in the European market accelerated beyond that in the US. This is due to the fact that the decline of the VHS market has been more rapid in Europe – where consumer spending on VHS fell by 71 per cent – than in the US market where consumer spending decreased by 57 per cent.

Average DVD buy rates also declined in 2005, falling by 15 per cent in Europe. The retail DVD tie ratio fell at a slightly slower rate in the US (-6 per cent) but deteriorated even faster in Japan (-20 per cent). However, the latter's buy rate remains superior to its European equivalent at 7.1 compared to 5.4. The US tie ratio trumps

both at 13.5.
The decline in buy rates reflects a slowdown in volume sales despite steady growth in hardware adoption. This trend, common in the consumer electronics sector, is caused by the arrival of late adopters who purchase fewer units and therefore depress overall tie ratios. DVD rental tie ratios also fell slightly faster in Europe than in the other major markets in 2005, with European consumers renting around one disc less per year on average in 2005 than they did in 2004. In the US and Japan – which have historically boasted stronger rental markets than anywhere in Europe – the equivalent tie ratios actually increased slightly, rising by one per cent and five per cent respectively.

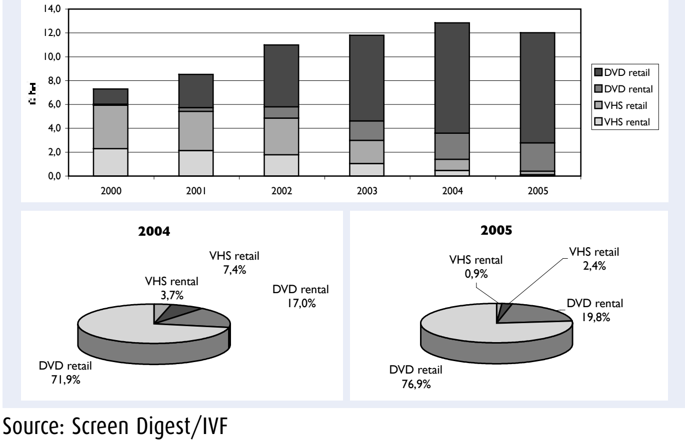
The downturn in European VHS rental tie ratios (-70 per cent) was also more pronounced than the declines in the US (-51 per cent) and Japan (-47 per cent) as European consumers exhibit a now almost exclusive preference for DVD over the analogue format. The declines in retail VHS tie ratios for the three markets were much closer, falling by 62 per cent in Europe, 62 per cent in the US and 66 per cent in Japan.

The European DVD hardware landscape

Penetration of DVD hardware reached 53 per cent in Europe in 2005 which translates into 122m 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. Around 105m of Europe's DVD households are concentrated in the Western region where DVD penetration reached 65 per cent on average at the end of 2005.
The DVD market in CE Europe is yet to match the level of maturity reached by the neighbouring region with average penetration at 25 per cent.

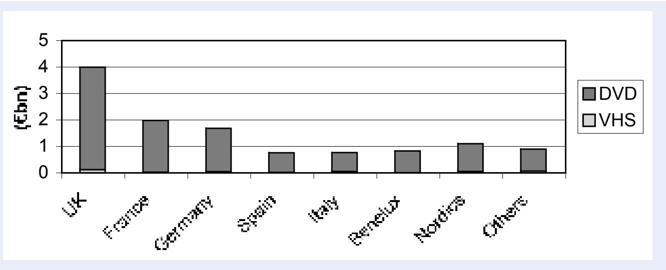
Norway boasted the highest penetration rate of all the European territories in 2005 with 80 per cent of TV households being equipped with DVD hardware. However, the largest installed base belonged to the German market; it reached 26m in 2005. It was Russia that made the greatest strides in terms of DVD hardware in 2005, with penetration rising by 21 percentage points to 26 per cent. This is relatively low compared to the European average, but nevertheless, Russia's installed DVD base is now one of the largest in Europe at 12m, larger even than that of Spain – one of Europe's big five markets – which has 10m DVD households. Russia is not alone as a European market with significant room for growth, in both Finland and Greece for instance, DVD penetration is below the 40 per cent mark.

European consumer spending on video software by sector 2000-2005



Source: Screen Digest/IVF

European consumer spending on video software 2005



Source: Screen Digest/IVF

Europe now accounts for approximately 35 per cent of DVD households worldwide, making it the largest region – larger than North America, Asia Pacific or Latin America – in the worldwide video market.

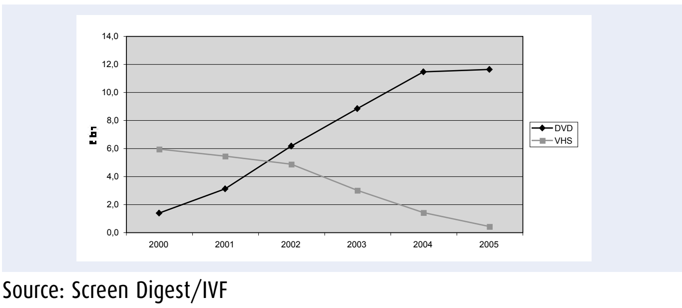
Budget product depresses average prices

The European retail video market witnessed a further fall in average DVD prices in 2005; prices have now been falling for seven consecutive years, ever since the format was launched. The average price of a retail DVD decreased by just over €2 from €16 to €14 which translates into a reduction of around 13 per cent compared to a 10 per cent decline in 2004. This is despite hopes in early 2005 that the fall in prices was slowing.

Spain was home to the most significant drop in average price in 2005 as the cost of a retail DVD fell by almost a quarter. Prices held up better in neighbouring Portugal, falling by just four per cent, the second smallest decrease in Western Europe behind Austria where prices were stable. Despite this, however, the Portuguese video market suffered the worst decline in Western Europe in 2005, with spending on retail DVD down 17 per cent and total video spending falling by more than 28 per cent. Of the big five European markets, our research shows that the UK recorded the highest average price with a retail DVD costing around €16. This in part reflects the high proportion of TVDVD product sold in the territory, which helps to prop up average prices thanks to the higher price points typically applied to series box sets.

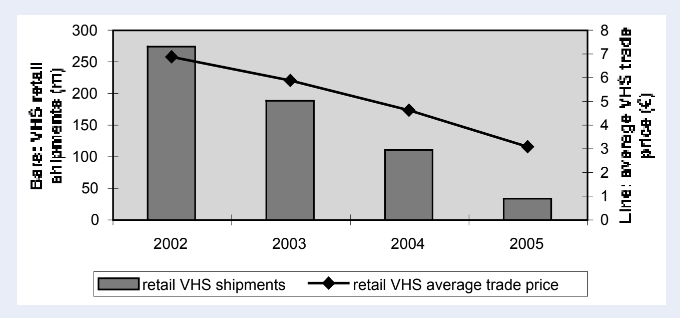
Whilst price pressure continued on video product in the traditional retail market in 2005, the growth in volume sales of budget product also helped depress total spending. In France, for instance, budget DVDs (product priced below €3) represented 16 per cent of total DVD volume sales in 2005 but just two per cent of spending. In markets such as Italy, Spain and France similarly low-priced titles have been available for some time through the country's news kiosks,

European spending on VHS and DVD in Europe 2000-2005



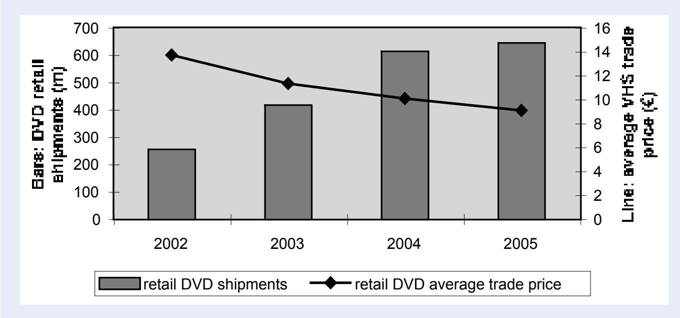
Source: Screen Digest/IVF

VHS retail shipments in Europe v average VHS retail trade price 2002-2005



Source: Screen Digest/IVF

DVD retail shipments in Europe v average DVD retail trade price 2002-2005



Source: Screen Digest/IVF

but their proliferation in mainstream retail outlets is a newer phenomenon. If sales through kiosks were added into the total market figures, instead of being monitored separately, the average price in these markets would have fallen even further.
The absence of a kiosk market in the UK and Germany has not prevented the use of covermounted DVDs as a promotional tool in these markets. In the UK, where the number of covermounts reached epic proportions in 2005, the decision by newspapers to give titles away for free (instead of charging a nominal premium over their usual publication price) has made the practice even more controversial.

Meanwhile, VHS prices collapsed as retailers attempted to offload their stock. Despite boasting one of the most stable average DVD prices in 2005, Portugal was home to the steepest decline in average VHS prices which fell by 70 per cent. Sweden was the only European territory in which average VHS prices were stable in 2005.

Non-traditional distribution channels gain importance

The shape of the traditional retail video market in Europe is shifting. It is no longer dominated by the specialist retailers and consumer electronics stores that pushed the DVD format in the early years following its launch. Instead, generalist stores and supermarkets are coming to the forefront of Europe's video retail. Mass merchants have become popular amongst consumers by combining the convenience of a wide product range with a below-average price point for DVD as they use DVD to generate store traffic and boost sales of core product.

This is exemplified in the UK where mass merchants carved out a 27 per cent share of DVD volume sales in a market with a historically strong specialist sector. Leading supermarket Tesco single-handedly accounted for 11 per cent of the market in 2005. The ascendance of such retailers is even more pronounced in Spain where supermarkets represented 43 per cent of the local DVD market in terms of unit sales. This trend is not evident in all European territories however. In Norway for instance, supermarkets' share of total video sales was just nine per cent. This is perhaps an indicator that the diversification of the video market has been slower to occur in Scandinavia than in the larger European markets.

Arguably just as significant as the changes in bricks and mortar distribution channels was the continuing ascent of digital delivery in 2005. Internet video-on-demand (VoD) services have been arriving gradually in Europe since 2000, and 2005 witnessed the launch of the first platform in the UK. This means that four of the big five markets now feature at least one premium Internet VoD service, Spain being the exception. Online DVD rentailer LoveFilm was behind the UK's first VoD platform, offering movies for download on a pay-per-view rental basis. French company Glowria subsequently launched a service in early 2006, marking a trend as online DVD rental services look to digital distribution to reduce delivery time and overheads. Both services, and a number of others across Europe, have since added digital retail to their business models suggesting that 2006 is becoming a watershed year for movie downloading.

Meanwhile, the European video industry is gearing up for the arrival of high definition DVD at some point in late 2006. As this report went to press it was looking increasingly likely that the market will face a format war between rival standards Blu-ray Disc (BD) and HD-DVD. The battle is already underway in the US when BD was released onto the market in June 2006 alongside HD DVD which was launched in April 2006.

Piracy

The Hollywood majors lost around $6.1bn to piracy worldwide in 2005 according to a recent study commissioned by the Motion Picture Association and prepared by LEK. Approximately 21 per cent – around $1.3bn – of this was lost in the big five European markets. According to the new research, which is based on a survey of over 20,000 movie consumers in 22 countries, Spain has the highest piracy rate of the big five at 32 per cent, followed closely by Italy where approximately 25 per cent of the potential market is estimated lost to piracy. However, it is in the UK, rather than either of these territories, where most potential studio revenues are lost, according to the analysis, with the studios missing out on around $406m in 2005.

The study also attempted to quantify revenue losses for the wider movie industry, stating that independent and local producers and distributors lost around $1.6bn in the big five European markets, with France the worst affected (accounting for 58 per cent of these losses) due to the strength of its domestic film market. Indeed, according to the MPA, the shortfall in potential revenues for independents ($903m) was actually greater than that for the Hollywood majors ($604m).

Physical piracy remains the biggest drain on revenues, accounting for 61 per cent of total estimated losses to the movie industry at $11.0bn according to LEK's worldwide analysis. Internet piracy – which, for the purpose of the LEK study, was defined as obtaining movies by either downloading them from the Internet without authorization or acquiring hard copies of illegally downloaded movies from friends or family – was responsible for estimated losses of around $7.1bn.

RETAIL VHS UNITS SOLD

	2005 (m)	2004 (m)	% change
Belgium	0,3	1,6	-82,1
Denmark	0,5	3,0	-82,7
France	3,6	10,4	-65,2
Germany	5,6	13,0	-56,9
Ireland	0,9	2,0	-55,0
Italy	4,9	8,6	-43,1
Netherlands	0,8	2,0	-57,7
Norway	1,2	2,4	-50,0
Portugal	0,6	2,5	-77,3
Spain	1,1	3,4	-66,5
Sweden	2,5	6,0	-59,4
Switzerland	0,2	1,0	-83,4
UK	10,4	37,1	-72,0
All Western Europe	**34,9**	**97,8**	**-64,3**
Croatia	0,1	0,1	-10,0
Hungary	0,7	1,3	-44,0
Poland	0,8	1,1	-30,0
All Europe	**38,6**	**111,1**	**-65,2**

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

RETAIL DVD UNITS SOLD

	2005 (m)	2004 (m)	% change
Belgium	23,0	23,1	-0,5
Denmark	13,4	10,0	33,7
France	115,7	98,0	18,1
Germany	98,7	90,2	9,5
Ireland	8,0	6,0	33,3
Italy	31,5	24,6	28,0
Netherlands	31,4	29,1	7,9
Norway	14,8	9,3	59,1
Portugal	7,9	9,2	-14,0
Spain	36,8	28,8	27,9
Sweden	20,1	14,2	41,9
Switzerland	14,9	14,9	0,0
UK	211,2	196,5	7,5
All Western Europe	**642,6**	**566,2**	**13,5**
Croatia	0,2	0,2	55,6
Hungary	2,5	2,0	22,9
Poland	3,6	2,7	33,7
All Europe	**657,2**	**574,2**	**14,4**

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

VHS RENTAL TRANSACTIONS

	2005 (m)	2004 (m)	% change
Belgium	0,1	3,6	-97,4
Denmark	0,2	1,8	-90,1
France	0,3	1,6	-77,7
Germany	1,8	13,1	-86,1
Ireland	2,0	6,0	-66,7
Italy	7,4	19,9	-62,8
Netherlands	0,7	6,1	-88,0
Norway	0,2	2,0	-90,0
Portugal	0,0	0,3	-100,0
Spain	5,1	25,0	-79,6
Sweden	2,8	8,4	-66,2
Switzerland	0,1	0,5	-87,1
UK	7,4	35,6	-79,2
All Western Europe	**29,9**	**130,8**	**-77,2**
Croatia	0,6	2,6	-75,0
Hungary	6,5	9,3	-30,0
Poland	4,1	6,8	-40,0
All Europe	**47,8**	**172,5**	**-72,3**

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

DVD RENTAL TRANSACTIONS

	2005 (m)	2004 (m)	% change
Belgium	23,0	19,0	20,7
Denmark	15,5	13,3	16,8
France	60,5	56,5	6,9
Germany	121,8	103,1	18,2
Ireland	14,0	11,0	27,3
Italy	86,8	77,6	11,8
Netherlands	34,0	36,9	-7,9
Norway	19,2	18,2	5,6
Portugal	14,3	13,9	3,2
Spain	131,5	124,1	5,9
Sweden	25,3	19,4	30,4
Switzerland	3,3	3,5	-5,1
UK	130,1	125,8	3,4
All Western Europe	**721,7**	**640,3**	**12,7**
Croatia	4,0	3,2	24,6
Hungary	2,4	2,0	20,0
Poland	5,8	4,8	20,0
All Europe	**753,0**	**673,1**	**11,9**

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

AVERAGE ANNUAL VHS SALES PER VCR HH

	2005 (m)	2004 (m)	% change
Belgium	0,1	0,5	-81,1
Denmark	0,3	1,5	-81,7
France	0,2	0,6	-64,5
Germany	0,2	0,5	-53,9
Ireland	1,1	2,3	-52,7
Italy	0,3	0,5	-41,0
Netherlands	0,2	0,4	-54,4
Norway	0,8	1,5	-48,1
Portugal	0,3	1,3	-76,8
Spain	0,2	0,4	-63,3
Sweden	0,8	1,9	-58,6
Switzerland	0,1	0,5	-82,5
UK	0,5	1,6	-71,1
All Western Europe	**0,3**	**0,8**	**-62,7**
Croatia	0,4	0,4	-10,9
Hungary	0,6	0,9	-41,8
Poland	0,1	0,2	-29,8
All Europe	**0,3**	**0,7**	**-64,8**

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

AVERAGE ANNUAL DVD SALES PER DVD HH

	2005 (m)	2004 (m)	% change
Belgium	10,0	14,3	-30,6
Denmark	8,4	8,3	0,3
France	6,8	6,5	5,0
Germany	3,8	4,1	-6,1
Ireland	11,5	10,4	10,5
Italy	2,5	3,1	-18,8
Netherlands	6,6	7,5	-12,4
Norway	9,9	8,2	21,6
Portugal	4,1	7,6	-45,6
Spain	3,8	3,8	-0,8
Sweden	8,8	7,5	18,0
Switzerland	7,5	9,8	-23,7
UK	11,4	12,5	-8,8
All Western Europe	**6,1**	**6,7**	**-8,3**
Croatia	1,2	1,2	5,1
Hungary	1,8	2,0	-12,3
Poland	1,4	1,5	-7,9
All Europe	**5,4**	**6,4**	**-15,3**

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

AVERAGE ANNUAL VHS RENTALS PER VCR HH

	2005 (m)	2004 (m)	% change
Belgium	0,0	1,2	-97,3
Denmark	0,1	0,9	-89,5
France	0,0	0,1	-77,2
Germany	0,1	0,5	-85,1
Ireland	2,4	6,8	-64,9
Italy	0,5	1,3	-61,4
Netherlands	0,1	1,1	-87,0
Norway	0,1	1,2	-89,6
Portugal	0,0	0,2	-100,0
Spain	0,7	3,1	-77,6
Sweden	0,9	2,6	-65,5
Switzerland	0,0	0,2	-86,5
UK	0,3	1,6	-78,6
All Western Europe	**0,3**	**1,1**	**-76,1**
Croatia	1,9	7,6	-75,2
Hungary	5,1	7,0	-27,2
Poland	0,6	1,0	-39,8
All Europe	**0,3**	**1,2**	**-69,9**

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

AVERAGE ANNUAL DVD RENTALS PER DVD HH

	2005 (m)	2004 (m)	% change
Belgium	9,9	11,8	-15,8
Denmark	9,7	11,0	-12,4
France	3,6	3,7	-4,9
Germany	4,7	4,6	1,3
Ireland	20,1	19,1	5,4
Italy	7,0	9,8	-28,9
Netherlands	7,1	9,6	-25,3
Norway	12,9	16,0	-19,3
Portugal	7,5	11,5	-34,7
Spain	13,4	16,3	-17,8
Sweden	11,1	10,3	8,4
Switzerland	1,7	2,3	-27,6
UK	7,0	8,0	-12,6
All Western Europe	**6,9**	**7,6**	**-9,0**
Croatia	20,0	23,8	-15,8
Hungary	1,7	2,0	-14,3
Poland	2,2	2,7	-17,3
All Europe	**6,2**	**7,5**	**-17,2**

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

AVERAGE CONSUMER PRICE OF RETAIL VHS CASSETTE

	2005 (€)	2004 (€)	% change
Belgium	6,6	7,9	-17,0
Denmark	6,0	6,8	-12,1
France	7,4	11,0	-32,3
Germany	8,0	9,0	-11,3
Ireland	6,1	8,5	-28,1
Italy	6,5	7,8	-16,7
Netherlands	4,2	7,0	-39,2
Norway	7,1	8,1	-12,4
Portugal	1,6	5,3	-69,7
Spain	7,8	9,8	-19,5
Sweden	6,3	6,4	-1,7
Switzerland	7,4	9,0	-18,6
UK	9,0	9,3	-3,2
All Western Europe	**7,5**	**8,8**	**-14,8**
Croatia	7,8	9,6	-18,9
Hungary	8,0	8,7	-8,7
Poland	6,0	5,4	11,9
All Europe	**24,1**	**17,5**	**38,0**

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

AVERAGE CONSUMER PRICE OF RETAIL DVD DISC

	2005 (€)	2004 (€)	% change
Belgium	10,8	12,4	-13,0
Denmark	14,7	16,8	-12,1
France	15,2	18,8	-19,2
Germany	13,4	14,7	-8,7
Ireland	13,7	14,9	-7,7
Italy	13,1	16,4	-20,3
Netherlands	12,4	14,8	-16,1
Norway	14,5	16,7	-13,2
Portugal	8,9	9,3	-3,5
Spain	11,9	15,6	-23,7
Sweden	10,3	12,2	-15,7
Switzerland	15,7	17,6	-10,9
UK	15,5	16,8	-7,7
All Western Europe	**14,1**	**16,2**	**-12,6**
Croatia	12,1	11,5	4,8
Hungary	16,1	18,2	-11,8
Poland	11,0	10,8	2,4
All Europe	**14,0**	**16,1**	**-12,8**

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

AVERAGE CONSUMER VHS RENTAL PRICE

	2005 (€)	2004 (€)	% change
Belgium	3,1	3,1	0,0
Denmark	4,7	4,7	-0,2
France	3,2	3,3	-3,0
Germany	2,6	2,6	-0,4
Ireland	4,0	4,2	-4,0
Italy	2,7	2,7	0,2
Netherlands	3,2	3,2	0,6
Norway	4,4	4,4	-0,1
Portugal	0,0	2,0	-100,0
Spain	2,3	2,3	-1,4
Sweden	4,5	4,6	-1,7
Switzerland	4,8	4,1	15,3
UK	4,3	4,2	0,7
All Western Europe	**3,4**	**3,3**	**2,2**
Croatia	1,3	1,3	4,8
Hungary	1,4	1,6	-9,8
Poland	1,3	1,2	12,5
All Europe	**2,5**	**2,7**	**-7,9**

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

AVERAGE CONSUMER DVD RENTAL PRICE

	2005 (€)	2004 (€)	% change
Belgium	3,2	3,1	1,3
Denmark	4,6	4,7	-1,1
France	3,2	3,3	-2,8
Germany	2,6	2,6	-2,1
Ireland	4,0	4,3	-6,4
Italy	3,4	3,4	1,5
Netherlands	3,3	3,2	1,8
Norway	6,1	6,2	-1,5
Portugal	2,0	2,0	0,0
Spain	2,3	2,3	0,7
Sweden	4,4	4,5	-3,5
Switzerland	4,8	4,1	15,3
UK	4,3	4,4	-2,9
All Western Europe	**3,2**	**3,4**	**-3,2**
Croatia	1,6	1,5	4,8
Hungary	2,6	2,4	8,7
Poland	1,4	1,3	4,7
All Europe	**3,2**	**3,3**	**-2,9**

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