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**HD DVD Rallies Consumer Audience in 2007
Driving Nearly One Million Dedicated Player Sales
in North America**

*HD DVD software sales increase during key holiday season,
consistent with higher player ownership*

LAS VEGAS – Jan. 6, 2008 – At the 2008 Consumer Electronics Show in Las Vegas, the companies of the HD DVD Promotional Group recapped a breakthrough year for the high definition format, reaching nearly one million dedicated HD DVD players sold in North America and delivering on the promise of affordability, quality and a consistent experience on every machine. With a leading install base of dedicated players, there are now more than 400 titles available in the US and more than 1,000 titles available worldwide. During the key five week holiday selling period, HD DVD software sales grew at nearly twice the rate of Blu-ray, which was consistent with increased player growth.

“Our focus from day one has been to deliver the highest quality hardware and the best, most immersive home entertainment experiences for consumers at affordable prices,” said Jodi Sally, vice president of marketing, Toshiba’s Digital A/V Group. “With nearly one million dedicated players in the market in North America, and a leading position in the PC market worldwide, we’re seeing software growth follow suit.”

As the industry looks for a format that can break into the mainstream consumer market, HD DVD continues to be the affordable, high quality leader, setting the bar for a

positive consumer experience. Through a combination of quality and price, HD DVD meets the essential requirements for any format to successfully reach the mass market.

Strong Hardware and Title Growth

In 2007, HD DVD reached a broader group of consumers than ever before, showing strong movie title sales and high attach rates stemming from the major influx of dedicated HD DVD players on the market. Based on Nielsen data, when comparing first week consumer sales, “The Bourne Ultimatum” on HD DVD outsold “Spiderman 3” on Blu-ray. Among all high definition formats, HD DVD still maintains the highest attach rates – more than twice the rate of Blu-ray.

“The HD DVD camp has always stuck to a simple set of principles,” said Ken Graffeo, executive vice president of HD strategic marketing for Universal Studios Home Entertainment, and co-president of the HD DVD Promotional Group. “Give consumers who buy into HD DVD what they paid for. In fact, give them more than they expected. Show them that quality and value go hand in hand with HD DVD. Show them what advanced interactivity really means and how it can enrich your favorite movies that you watch over and over.”

To this point, Toshiba’s HD DVD players received several Editor’s Choice and Product of the Year awards from respected media outlets, including Sound & Vision, Electronic House, E-Gear, and Ultimate AV.

On the PC front, the HD DVD Promotional Group announced that by the end of 2007, HD DVD-enabled PCs represented more than 80% of all high definition-capable PCs. The HD DVD companies expect notebook PCs in particular to be the variable that

helps keep quality high, but prices low, by driving down manufacturing costs for drives across all HD DVD players.

Global Studio Support

A critical milestone for HD DVD in helping to drive strong sales across the board was the strong support from Hollywood studios and global content providers. In 2007, HD DVD went from being supported by 41 studios and distributors worldwide to 65.

Groundbreaking Interactive Features

Using Microsoft's HDi technology, HD DVD led the way in 2007 with never-before-seen interactive experiences that have changed how consumers interact with their favorite movies. HD DVD was the first to offer true picture in picture director's commentary in 2007 with Warner's "300". This feature was not included in the Blu-ray version, and showcases a key HD DVD feature that caters directly to the fan community. Universal's "Heroes" and Paramount's "Transformers" also included picture in picture features that enhance the experience for fans.

HD DVD was also the first to deliver web-connected content, offering bonus material on titles such as "The Bourne Ultimatum," "Heroes: Season 1," and "Transformers" – all offering downloadable content that's continually updated so fans of the movie can return for new features. The interactive elements are all designed to promote an enhanced "second look" environment and to rally the fan communities around key titles. In addition, Universal launched U-Shop, an extension of the U-Control feature, letting you buy items related to a movie directly through the guaranteed internet

connection on every HD DVD player. Universal's "Evan Almighty" was the first title to showcase this, illustrating what can be done when every player on the market can access these features.

As the official successor to DVD, HD DVD has added to the heritage of the most successful consumer electronics format ever, bringing the highest quality HD experiences to consumers at the most affordable prices. The HD DVD Booth at CES 2008 is located in South Hall 1 (booth #21266).

About HD DVD

HD DVD is the next generation, post-DVD standard for high capacity, high definition optical discs, approved by the DVD Forum. The DVD Forum develops and defines DVD formats. Its more than 200 strong membership brings together leaders in movies and entertainment, computing, consumer electronics and software. HD DVD is fast becoming the primary visual medium for the age of high-definition TV. The North American HD DVD Promotional Group, Inc. is an organization established to promote the HD DVD format and educate consumers in North America. For more information and a complete listing of HD DVD launch titles please visit <http://www.TheLookAndSoundOfPerfect.com>.

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