

## Optical Media Market in 2005

The optical media market in 2005 was very challenging for everyone involved, for a variety of reasons.

First, the consumer demand for DVD films has been slowing down and was even slower than expected; this was attributed largely to an absence of strong *Titanic*-like titles. Sales of DVD recorders (to replace VHS) were also far lower than expected, with the effect that sales of recordable DVD (DVDR) suffered.

Threats to the audio CD market from Internet downloads were seen (and widely reported) last year. Surprisingly, in some significant markets, CD sales rose due to poor quality downloads, leading to consumers buying the discs. This is similar to the issue of video content available for download but of poorer quality.

Despite all this, DaTARIUS had a relatively good year in 2005. Key achievements for the year included increasing market share for pre-recorded DVD and CD test systems and stronger than expected sales for a new range of Optimize products –these offer energy savings and improved production efficiency, along with a product for recycling disc waste material. Despite the weakness of the DVDR market, DaTARIUS enjoyed a successful launch of various quality control products for DVD-R.

Major R&D investments were made in 2005 regarding the next generation blue laser formats – BD (Blu-ray Disc) and HD DVD (High Definition DVD). These are projected to become well established over the next five years as HD TV (High Definition TV) gains general market acceptance. Key to the company's entry into test systems for 3<sup>rd</sup> generation formats is its technology, developed over the past three years in Reutte, which has culminated in the revolutionary test platform DaTABANK™.

The outlook for the business is now very encouraging. Strong growth in the next generation BD and HD DVD formats is now starting, and DaTARIUS is well placed to gain a dominant share of this market with the DaTABANK™ platform. Growth continues in the Optimize sector, and a number of new developments are underway to allow expansion into other technologies and markets that complement the existing focus on optical media.



### ***About DaTARIUS Technologies GmbH***

*The DaTARIUS Group is a global company focused on providing solutions throughout the optical media manufacturing industries. DaTARIUS developed the first commercial CD test system and has over 20 years' experience in the manufacture and distribution of equipment for inspecting, measuring and optimizing at every stage of the optical media manufacturing process.*

*DaTARIUS is unique in providing equipment for the entire production process right through from pre-mastering to print and packaging. Its products are suitable for every optical media format – pre-recorded and recordable – from CD & DVD through to the new blue laser BD and HD DVD formats.*

*In addition, DaTARIUS also develops and supplies process optimization equipment, such as sprue recycling and mould temperature regulations systems. This broad product range is supplemented by consulting and training services.*

*With headquarters in Reutte, Austria (R&D, sales and service), and regional offices in America and Hong Kong, the DaTARIUS Group has a global team of 100 plus employees and partners with an extensive sales and service support network covering every major market of the globe: North America, South America, Europe, the Middle East, and the Pacific Rim.*

*For more information on the company and its products, visit [www.DaTARIUS.com](http://www.DaTARIUS.com)*

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