



January 6, 2016

DEG: The Digital Entertainment Group today released its year-end 2015 Home Entertainment Report compiled by DEG members, tracking sources and retail input.*

Overall Spending Rises in 2015 Driven by Digital Sales

Electronic Sell-Through Up 18 Percent Compared to 2014

4K UHD TVs Top Five Million Households

The home entertainment business showed continued strength, with overall spending rising slightly, in line with box office growth. Consumers continued to build their digital film collections, with high margin digital sales again achieving double digit growth. Led by a strong slate and eight percent growth in Blu-ray Disc sales, the industry saw its best year over year physical retail performance since early 2014. The strength of the premium experience bodes well for the introduction of Ultra HD Blu-ray in 2016.

Among the highlights for 2015:

- U.S. home entertainment spending topped \$18 billion, edging up one percent from 2014.
- Overall electronic sell-through (EST) spending rose 17 percent in the fourth quarter versus the same period last year, up 18 percent for the year.
- Blu-ray disc sales rose eight percent in fourth quarter, leading to best physical performance since early 2014.
- Subscription VOD (SVOD) was up 22 percent in the fourth quarter of 2015 compared to 2014 and up 25 percent in 2015 from 2014.
- UltraViolet accounts grew by nearly 20 percent in 2015, with the total number currently at more than 25 million with 165 million movies and television shows in UltraViolet libraries. (Source: DECE).
- HDTV penetration is now at more than 114 million U.S. households. All Blu-ray playback devices (including set-tops and game consoles) are at 104 million U.S. households.
- Consumer sales of 4K UHD TVs increased a dramatic 287 percent in the fourth quarter of 2015. Household penetration is now at more than five million U.S. households.
- Among the year's top performing titles for both physical and digital formats are *Big Hero 6* (Walt Disney Studios), *Star Wars Collection* (Walt Disney Studios/Twentieth Century Fox Home Entertainment), *Jurassic World* (Universal Pictures Home Entertainment), *American Sniper* (Warner Bros. Home Entertainment), *Inside Out* (Walt Disney Studios), *Hunger Games: Mockingjay, Part 1* (Lionsgate), *Avengers: Age of Ultron* (Walt Disney Studios), *Furious 7* (Universal Pictures Home Entertainment), *Fifty Shades of Grey* (Universal Pictures Home Entertainment), *Hobbit: The Battle of the Five Armies* (Warner Bros. Home Entertainment), *Interstellar* (Paramount Home Media Distribution), *Equalizer*



(Sony Pictures Home Entertainment), *Fury* (Sony Pictures Home Entertainment), *Gone Girl* (Twentieth Century Fox Home Entertainment) and *Home* (DreamWorks Animation/Twentieth Century Fox Home Entertainment).

If you would like to discuss the DEG's Year-End 2015 Home Entertainment Report, please contact the DEG at 424-248-3809.

***Please note, these numbers are preliminary. Final numbers will be available in late January. Please contact the DEG for an updated version.**

FOR EXTERNAL DISTRIBUTION

2015- Year end
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DEG REPORT: U.S. CONSUMER SPENDING BY FORMAT 2015																														
U.S. Consumer Spending (in millions)																														
(\$ in millions)	Q-1 2014			Q-1 2015			Q-2 2014			Q-2 2015			Q3-2014			Q3-2015			Q-4 2014			Q-4 2015			YOY			YTD Q-4		
			YOY			YOY			YOY			YOY			YOY			YOY			YOY			YOY			YOY			YOY
Sell-Thru Packaged Goods -All	\$ 1,822.51	\$ 1,579.83	-13.32%	\$ 1,440.63	\$ 1,219.45	-15.35%	\$ 1,332.32	\$ 1,145.66	-14.01%	\$ 2,339.35	\$ 2,155.56	-7.86%	\$ 6,934.81	\$ 6,100.50	-12.03%															
Sell-Thru (including EST)	\$ 2,240.45	\$ 2,089.97	-6.72%	\$ 1,800.72	\$ 1,650.14	-8.36%	\$ 1,712.19	\$ 1,578.72	-7.80%	\$ 2,782.43	\$ 2,672.43	-3.95%	\$ 8,535.79	\$ 7,991.26	-6.38%															
Rental:																														
Brick and Mortar Rental	\$ 183.60	\$ 168.91	-8.00%	\$ 167.36	\$ 155.02	-7.37%	\$ 166.93	\$ 138.30	-17.15%	\$ 174.70	\$ 156.79	-10.25%	\$ 692.59	\$ 619.03	-10.62%															
Subscription (physical only)	\$ 212.87	\$ 176.73	-16.97%	\$ 202.83	\$ 167.37	-17.49%	\$ 192.37	\$ 160.74	-16.44%	\$ 185.04	\$ 162.23	-12.33%	\$ 793.11	\$ 667.06	-15.89%															
Kiosk	\$ 505.72	\$ 512.11	1.26%	\$ 434.70	\$ 437.18	0.57%	\$ 424.43	\$ 392.13	-7.61%	\$ 471.96	\$ 442.84	-6.17%	\$ 1,836.81	\$ 1,784.27	-2.86%															
Total Rental (excluding VOD)	\$ 902.19	\$ 857.76	-4.92%	\$ 804.90	\$ 759.57	-5.63%	\$ 783.72	\$ 691.17	-11.81%	\$ 831.70	\$ 761.86	-8.40%	\$ 3,322.51	\$ 3,070.36	-7.59%															
Total Rental (including VOD)	\$ 1,474.73	\$ 1,409.10	-4.45%	\$ 1,273.58	\$ 1,202.72	-5.56%	\$ 1,207.23	\$ 1,110.37	-8.02%	\$ 1,348.37	\$ 1,279.85	-5.08%	\$ 5,303.90	\$ 5,002.04	-5.69%															
Total Subscription (Streaming & Disc)	\$ 1,143.32	\$ 1,365.72	19.45%	\$ 1,192.43	\$ 1,414.40	18.62%	\$ 1,236.78	\$ 1,456.88	17.80%	\$ 1,286.87	\$ 1,510.62	17.39%	\$ 4,859.40	\$ 5,747.61	18.28%															
Digital:																														
Electronic Sell-Thru	\$ 417.93	\$ 510.14	22.06%	\$ 360.09	\$ 430.70	19.61%	\$ 379.88	\$ 433.06	14.00%	\$ 443.08	\$ 516.87	16.65%	\$ 1,600.98	\$ 1,890.76	18.10%															
VOD	\$ 572.54	\$ 551.34	-3.70%	\$ 468.68	\$ 443.15	-5.45%	\$ 423.51	\$ 419.20	-1.02%	\$ 516.67	\$ 517.99	0.26%	\$ 1,981.39	\$ 1,931.68	-2.51%															
Subscription Streaming *	\$ 930.45	\$ 1,188.98	27.79%	\$ 989.60	\$ 1,247.04	26.01%	\$ 1,044.41	\$ 1,296.14	24.10%	\$ 1,101.83	\$ 1,348.39	22.38%	\$ 4,066.29	\$ 5,080.55	24.94%															
Total Digital	\$ 1,920.92	\$ 2,250.46	17.16%	\$ 1,818.36	\$ 2,120.88	16.64%	\$ 1,847.80	\$ 2,148.40	16.27%	\$ 2,061.58	\$ 2,383.25	15.60%	\$ 7,648.66	\$ 8,902.99	16.40%															
Total U.S. Home Entertainment Spending	\$ 4,645.63	\$ 4,688.05	0.91%	\$ 4,063.89	\$ 4,099.90	0.89%	\$ 3,963.83	\$ 3,985.23	0.54%	\$ 5,232.63	\$ 5,300.67	1.30%	\$ 17,905.98	\$ 18,073.85	0.94%															
Box Office in Billions	\$3.04	\$2.95	-2.77%	\$2.01	\$1.98	-1.10%	\$2.02	\$1.76	-12.77%	\$3.38	\$3.96	17.26%	\$10.44	\$10.66	2.10%															

* Paid subscribers only and does not include sVOD bundled with other services.