

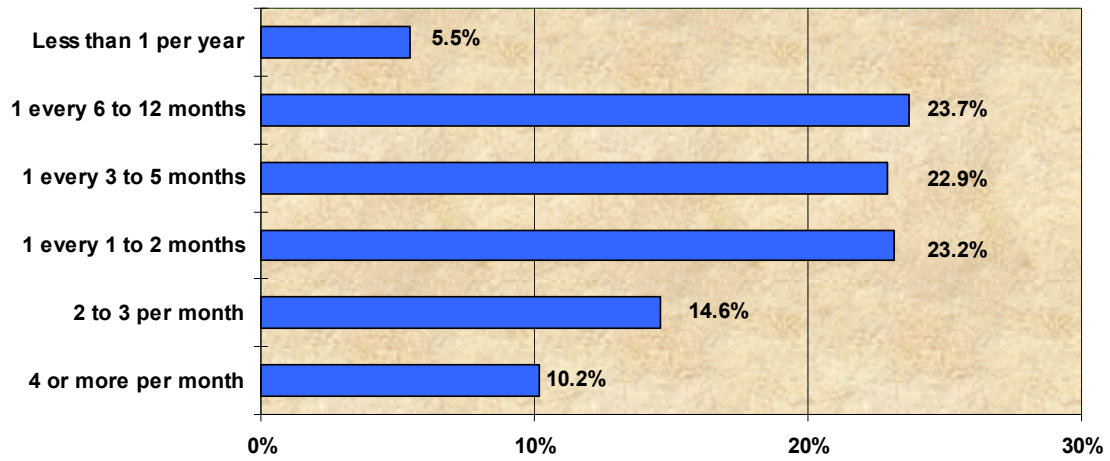
Executive Summary

These survey results show that the greater flexibility provided by DVD playback (vs. VCR tapes), are resulting in changing consumer habits as they often play them while traveling, while at school, or elsewhere. We believe that this flexibility is heavily influencing consumers to record more commercial-free content for later viewing, as shown by our survey's data on commercial-free content recording.

A summary of some of the survey results shows:

- Consumers are becoming more active in recording their own DVDs
- DVD recorders are being used to burn DVDs of personal content from home videos and digital photos, as well as TV shows and movies
- Consumers are more likely to record TV series shows with their PVR/DVR with built in DVD recorder than any other type of programming
- Personal computers, stand-alone DVD recorders, and PVR/DVRs with built in DVD burners are all being used for "do it yourself" DVD burning
- A segment of respondents record 2 or more DVDs per month
- About 1/3 of respondents would be willing to pay for rights to permit them to download and record commercial-free versions of their favorite TV shows or mini-series
- Many are willing to pay up to \$25 to be able to download and record a commercial-free version of a complete season of a TV show
- Over 1/3 of respondents are likely to purchase a DVD even if they have already recorded it
- About 70% of respondents are unaware of shareware software that enables recording backups of purchased DVDs using the DVD burner built into their PC

Table 1. Volume & Frequency of PC DVD Drive Burning



Source: In-Stat, 8/05

N = 384