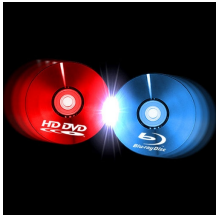


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By: Bogdan Botezatu, Hardware Editor



Toshiba lost \$1 billion in the format war
The Vine

Toshiba Posts \$1 Billion Loss on HD-DVD Pull-Out

Early HD format adopters also got fried

Japanese conglomerate Toshiba expects about \$1 billion yearly loss as the result of having shut down its HD DVD business. Toshiba conceded defeat last month after a few months of continual battle against Sony's Blu-Ray high-definition format. The news was broken by Japanese business daily Nikkey, that declined to name its sources. As expected, Toshiba refused to comment upon the estimations, as based on rumors. "The company is currently assessing the possible losses," a Toshiba spokeswoman said. "If we need to revise an earnings report, we will make an announcement at an appropriate time." Toshiba will phase out its HD-DVD optical units production later this month, and according to the same sources, it will post 50 billion yen in losses in shutting down its business alone. Toshiba's financial problems won't end here, however, as the company will also post similar losses in related fallout from DVDs, as well as in HD DVD advertising campaigns. The Japanese conglomerate dropped the HD-DVD format last month, right after its business partners had axed the HD-DVD new releases. One of the first studios to bail out was Warner Bros, followed by massive drops in HD-DVD units sales. Netflix, Best Buy, and Wal-Mart pulled HD-DVD units off-shelves immediately. Most retailers have come up with consumer-friendly return or credit plans, while others decided to swap the HD-DVD players with the longer-living Blu-Ray ones, with no additional fees or costs. Both Blu-Ray and HD-DVD formats offer cinematic-quality images and superior-quality multimedia experiences, but the major movie studios would only accept a single, unified standard. Toshiba is not the only part to lose from the deal. Early adopters of the HD-DVD format also lost the money they invested in a dying format, that is highly unlikely to get new movie titles released. Blu-Ray adopters can call themselves lucky and display the "I told you" grin on their face.