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PRESS RELEASE

For Immediate Release

At the Media-Tech Conference in Miami, Florida, USA last week, experts in manufacturing compact discs discussed the future of their industry, and the consensus was that they could look to the future with security.

Speakers believe that the internet will be used more to view video, especially short videos such as news items, but for a true viewing experience, unless you have a media center, where computer and TV are merged, probably big and preferably high definition is the near future. A comparison was drawn that TV did not replace the cinema, nor will the internet replace the TV.

Viewers will soon have even more choices on where to source their video. Adding to the video hire and sales markets, several USA retail and web stores are burning movies on demand in MPEG-2 quality, protected by the industry standard CSS copy protection system.

Unfortunately, like the music industry who procrastinated on developing on-line distribution, the major studios are slow in releasing titles. When this system is finally accepted viewers will be able to order almost any movie ever made. This concept of the 'long tail' has been used by online publishers like Amazon who find that a large proportion of their sales are from small orders from a large range of products.

The DVD will still be the main medium for distributing video, and with the high density war won by Sony's Blu-Ray, (could they ever have afforded to lose again, after Betamax) Blu-Ray optical disc production is expected to boom.

There is another technology threatening optical disc - Flash memory. A 4 GB DVD costs only 30 cents, while A grade 4 GB flash will cost about \$20.00. But flash is dropping in price rapidly. We are expecting \$1.00 ROM – read only flash by years end.

Disc duplicators are adding Flash memory duplicators to their production lines. CD-ROM Services Pty Ltd in North Sydney has been supplying disc duplicators world-wide software and instructions to build their own flash duplicating systems. They are now also supplying the ready to go Aleratec USB and SD card duplicators in Australia. These units are sold by major retailers such as Best Buy, Circuit City, Walmart and others in the USA., starting from AUS\$1,495.00.

CD-ROM Services Pty Ltd still sees a long life for the compact or optical disc. The computer never did bring us the paperless office, or nor will the internet replace portable storage and physical distribution. Not in the foreseeable future!

Flash memory will boom in the portable device market. The phone, music player, PDA, GPS and computer. Flash still has sufficient novelty to be a great marketing tool, and offers security that is not available online.

Say Bernhard Kirschner, Managing Director of CD-ROM Services Pty Ltd and President of the IDDA: "New technologies do not change our basic needs. Quick or instant printing replaced the old Roneo or Gestetner. The first copiers were expensive and unreliable, but now they are a domestic product. This has not stopped the Instant Print services growing from short runs to production printing. CD-Rom Services believe that the media duplication industry that duplicates discs and memory card duplication will follow a similar trend. We look forward to bigger more sophisticated jobs in house, while our customers slowly start doing the small jobs themselves as cheaper and more reliable office duplicators become available."

CD-ROM Services see many of their customers buying small disc duplicators, and using their disc duplicating service for the longer, rush or more complicated jobs. They currently operate over 30 larger Rimage automatic DVD and CD duplicators, with inbuilt printers, making it feasible to do large runs in days if not hours.

For more information and Press Kit please contact Bernhard Kirschner at 0416 23 7667.