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Trends and Perspectives

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## CE Industry Sales and Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Growth</td>
<td>13.9</td>
<td>8</td>
<td>5.7</td>
<td>-7.7</td>
<td>0.7</td>
</tr>
</tbody>
</table>

### Revenues in Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (Billion)</td>
<td>137.3</td>
<td>156.4</td>
<td>168.9</td>
<td>178.6</td>
<td>164.9</td>
<td>166</td>
</tr>
</tbody>
</table>

21 Percent Growth Over Six Years

*Source: CEA, CE Sales and Forecasts, July 2009*
Compositional Shifts

Percent of Total Industry Revenues

1990s

- Home Info: 37%
- Portable Audio: 16%
- Home Audio: 12%
- Video: 25%
- Mobile: 6%
- Other CE*: 4%

2009

- Home Info: 31%
- Portable Audio: 18%
- Home Audio: 6%
- Video: 4%
- Mobile: 2%
- Other CE*: 2%

* Includes Gaming, Blank Media, Digital Imaging, Accessories
## Growth Categories in 2009

<table>
<thead>
<tr>
<th>Product</th>
<th>Unit Growth</th>
<th>Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blu-Ray Players</td>
<td>112%</td>
<td>48%</td>
</tr>
<tr>
<td>E-Readers</td>
<td>106%</td>
<td>101%</td>
</tr>
<tr>
<td>Netbooks</td>
<td>85%</td>
<td>83%</td>
</tr>
<tr>
<td>Soundbars</td>
<td>65%</td>
<td>57%</td>
</tr>
<tr>
<td>LCD Displays</td>
<td>24%</td>
<td>2%</td>
</tr>
<tr>
<td>Smartphones</td>
<td>8%</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Source: CEA, CE Sales and Forecasts, July 2009*
Overarching Trends

- Telework and home offices
- Shifting content
- Location-based devices and services
- Embedded Internet
- Biometrics
- Nanotechnology
Product Trends

1. (No) Strings Attached
   Cutting cords; attaching services; shifting usage locations

2. Evolving Command, Control and Display
   Touch screens; voice activation; motion sensing; 3D displays

3. The Embedded Internet
   Localization; services; communication; commerce

4. Green as a Differentiator
   Materials and packaging; energy efficiency; recycling programs
“TechHome” Trends

• Energy management through integrated systems and home automation
• Comfort, cost control, ease-of-use
• Fifty-six percent of consumers show interest in “smart energy meters”
• Broadband networks and remote access
Consumer Electronics Market

- Rapid innovation
- Dynamic marketplace
- Highly competitive industry
- Significant time-to-market pressures
- Significant cost pressures
- Rapid rates of market penetration
- Rapid transition from one technology to another
Public Policy

• Encourage and support market-oriented approaches to energy efficiency in the consumer electronics sector that protect innovation, competition, economic growth and consumer choice.
CE Industry Initiatives

• Research and analysis
• Promotion of energy-efficient products
• Voluntary market-oriented programs
• Standards developed by industry
• Consumer education
• Energy use disclosures
Context

• Energy efficiency policy is formative

• Similar policy activity at all levels of government (local, national, regional and international): Are new measures needed? Are existing programs working?

• Informing and educating policy makers everywhere is critical
Challenges

• ENERGY STAR program policy shift from efficiency to consumption?
Challenges

• Provisions in H.R. 2454 (“American Clean Energy and Security Act of 2009”): Rating system within ENERGY STAR; “Smart Grid” and ENERGY STAR

• Provisions in S. 1462 (“American Clean Energy Leadership Act of 2009”): ENERGY STAR certification/verification; marketplace verification

• Governments mandating ENERGY STAR specifications
Opportunities

• Utility rebate incentives tied to ENERGY STAR
• Financial incentives, advertising campaigns
• Networking
• ENERGY STAR and home systems installers and integrators
• Energy use disclosures