



MINDPOWER SOLUTIONS

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Worldwide Digital Camera Market focusing on DSLR Cameras

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Industry Overview

The camera market consists of three sub-markets: the lens-shutter compact camera (lens-shutter camera), the focal plane shutter camera (SLR camera), and the digital-camera market. Both SLR and lens-shutter cameras record light images on photosensitive material, film, while digital cameras record the image using an electronic sensor chip.

Global Photo Market

In 2009, the global photo market faced the heat of economic downturn but once again in 2010 showed signs of recovery and started experiencing growth from mid of 2010, after some regions recorded a decline in 2009. For 2010, sales of XXX million digital cameras are expected, which even represents an increase on the high levels seen in 2008.

The electronic consumer goods market in the first half of 2010 grew by XXX% and photo sector grew by almost XXX%-XXX% as compared to the same period in 2009. The major markets are Asia, Eastern Europe and Latin America. The factors driving the industry growth are digital and multimedia cameras – products that can be used both to take photographs and to play videos and are sometimes equipped with audio functions or voice recording.

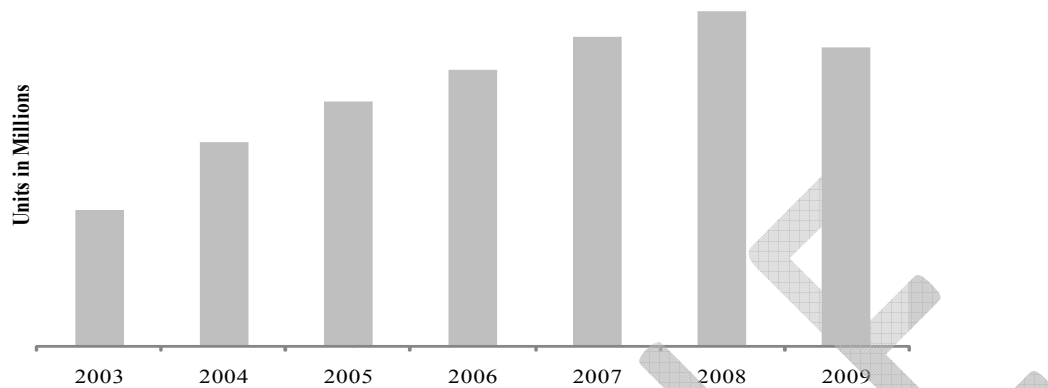
The digital SLR market is strongly driven by growth in Asia, especially in China where sales of almost XXX million cameras are expected in 2010 which is predicted to reach XXX million by 2011.

Global Digital Camera shipments

Performance in Jan09-Jan 10

In terms of shipments, total digital camera shipment worldwide went up by XXX% compared to the same period last year. DSLR camera market is around XXX% of the total digital camera shipments, and yet generated XXX% of values (in Yen). Worldwide DSLR cameras shipments showed a good growth by geography in Jan 2010 compared to a year earlier when there was a downturn in the economy. Shipment to Japan is about XXX% of the global market and it went up XXX% when compared to January 2009. Shipment to Europe is the largest at XXX% of global market and it went up XXX% while shipment to Asia is at XXX% and went up XXX%. The most impressive is the shipment of DSLR camera to America is around XXX% of global market but it actually went up over XXX times when compared to January 2009.

Worldwide Shipments for Digital Camera by Volume (2003-2009)

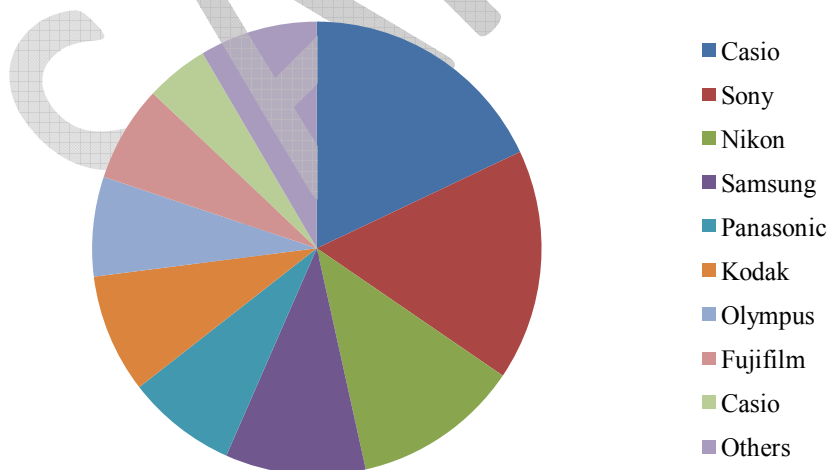


Source: A&M Mindpower Estimates

Global Digital Camera Brands Market Share

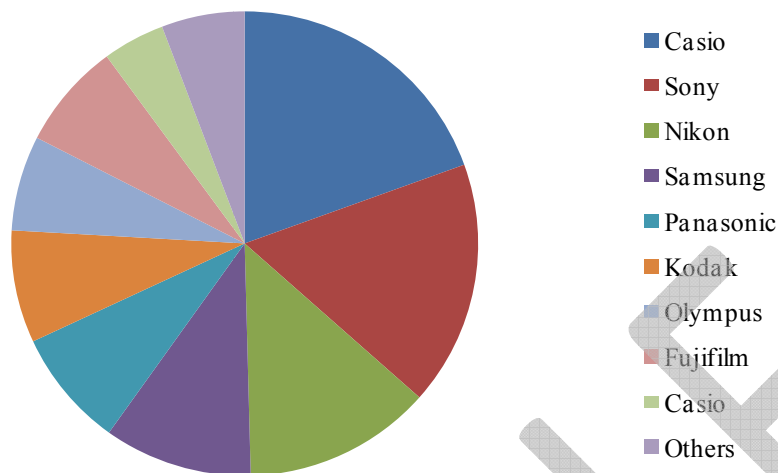
Despite growing market penetration and market saturation at the household level, digital camera sales are still achieving amazing rates of growth. With market penetration at over 60% in households within the markets that set the trends, this growth was achieved primarily as a result of booming SLR (single lens reflex) sales and also through replacement sales of digital compact cameras.

Worldwide Digital Camera Brands Market Share in 2009



Source: A&M Mindpower Estimates

Worldwide Digital Camera Brands Market Share in 2010E

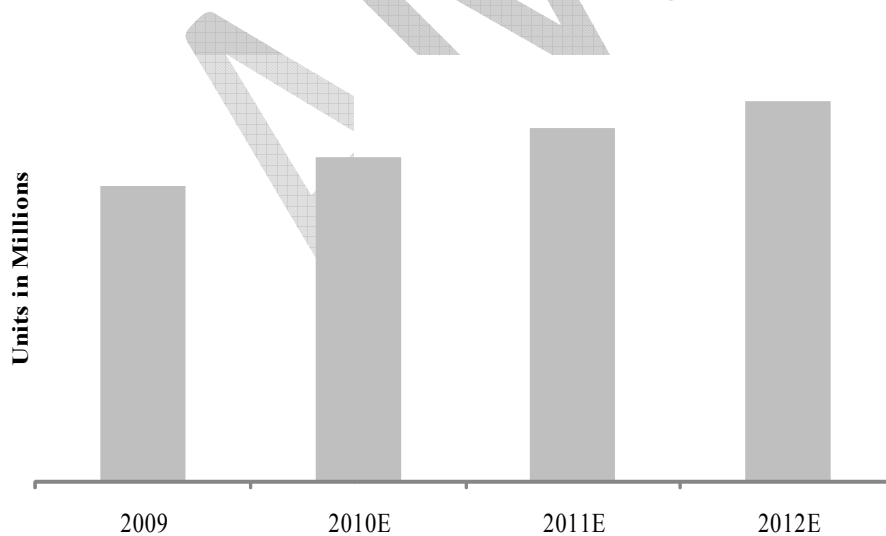


Source: A&M Mindpower Estimates

Future Outlook

The 2010 global shipments of digital cameras (including DSLR models) will increase XXX% from 2009 to XXX million units.

Worldwide Shipment Forecast for Digital Camera (2009-2012E)



Source: A&M Mindpower Estimates

Changing Consumer's Buying Behaviour

A&M Mindpower estimates the market for compact digital camera to showcase a decline of more than XXX-XXX% in 2010, nevertheless the demand for SLR cameras and expensive compact cameras are set to increase. The presence of photo processing kiosks into retail locations in Australia is on a rise. It is expected that stores like Harvey Norman would add further to the existing kiosks in the region.

The demand for SLR is expected to hold good in 2010, but the same could not be said for the compact camera sales whose growth have been hindered with the introduction of new mobile phones equipped with an inbuilt camera of up to 12 MP. Australia, Switzerland and Asia are the growing markets for DSLR's.

Asian DSLR Industry

Demand and Trends

Asia with XXX% of the market share is one of the robust markets for DSLR cameras. In April 2010, an increase of XXX-XXX% in worldwide shipment of total digital camera was registered compared to the same period a year back. DSLR cameras constitute approximately XXX% of the total digital camera shipment and generate XXX% of value (in Yen). In 2009, the market for digital cameras increased by XXX-XXX% and reached US\$XXX billion compared to year before. The nine markets in the entire Asian region registered an increase in growth. Hong Kong and South Korea are the prime markets, while Philippines and Vietnam are the developing markets.

China Demand and Trends

The demand for SLR is increasing despite the decline observed in the China's digital market. Despite the affect of economic recession which would continue to affect the economy this year as well, the sale of professional digital cameras would register a tremendous growth. In 2009, with approximately XXX% of the market share, Canon is the largest player operating in the Chinese digital camera market followed by Sony, Samsung and Nikon Canon has registered growth of approximately XXX-XXX% in last few years in China which makes it the third biggest market for Canon after the US and Japan.

Japan Demand and Trends

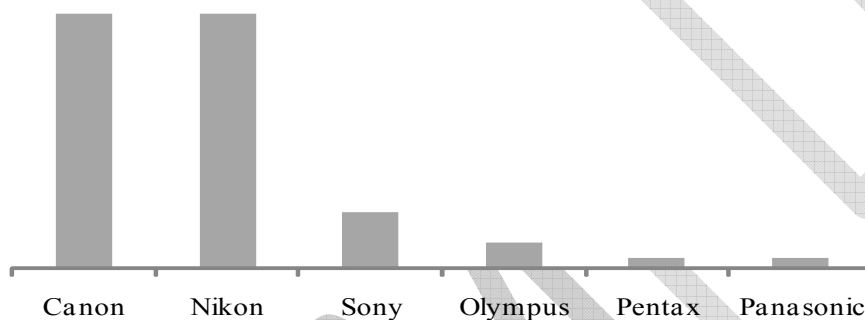
The digital home appliances business in Japan is blooming and one of the pivotal roles is played by the Japan's digital camera industry. The market for digital camera in Japan is nearly saturated with local companies engaged in fierce rivalry.

Japan Shipments of Digital Still Camera Volume by Segments Jan-Oct 2010

Particulars	Oct-10	Jan-Oct 2010
Digital Still Camera total	XXX	XXX
Camera with Built-in Lens	XXX	XXX
SLR with Interchangeable Lens	XXX	XXX

Source: CIPA

DSLR (Digital SLR) Market Share in Japan in 2008

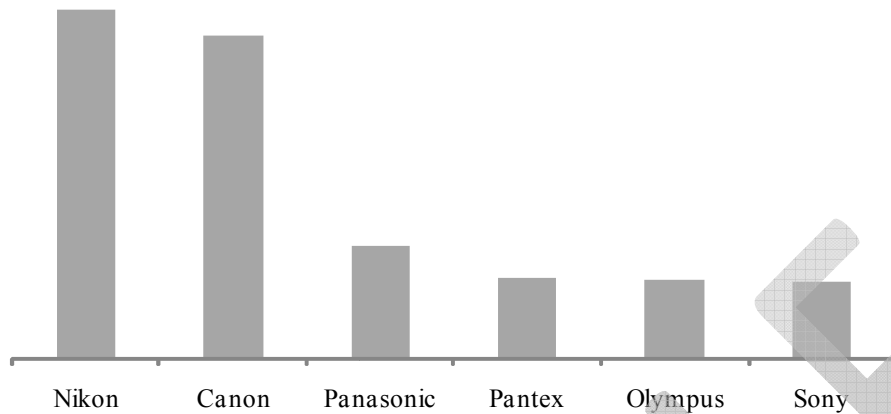


Source: Company Reports

Japan Market Share in SLR Mirror less and Digital SLR cameras market in first half 2010

Nikon has gripped the No.1 position in the DSLR market in Japan with XXX% as compared to Canon which holds No. 2 position with XXX% market share in the first half of 2010. Panasonic was placed at third place with XXX% because of the smart achievements and innovation in the mirror less segment. Other players such as Pentax were at the fourth place with XXX% market share, followed by Olympus with XXX% market share and Sony with XXX% market share. All the other players in Japan are battling to eat up the market share of the leader, in this attempt Canon has lost XXX% market share. Canon has dominated the DSLR market in Japan until 2009.

DSLR (Digital SLR) Market Share in Japan in 1H2010



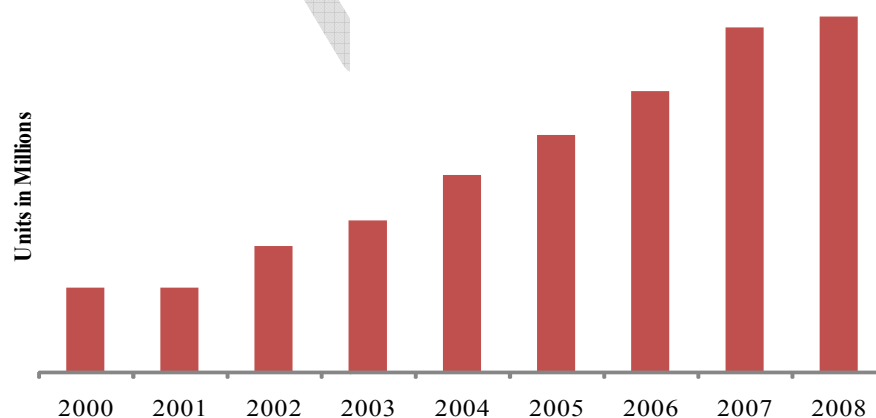
Source: Company Reports

The US Digital Camera Market

Demand and Trends

In 2008, digital camera market growth slowed in the US reaching to almost XXX million units and SLR shipments reached to XXX million in the same year. Digital camera shipments grew by almost XXX% in 2007 and XXX% in Q4 2007 from Q4 2006, to XXX million units. For the full year of 2007, the US market shipments reached to XXX million units. Canon was the market leader and followed by Sony and Kodak.

US Digital Camera Market by Volume (2000-2008)



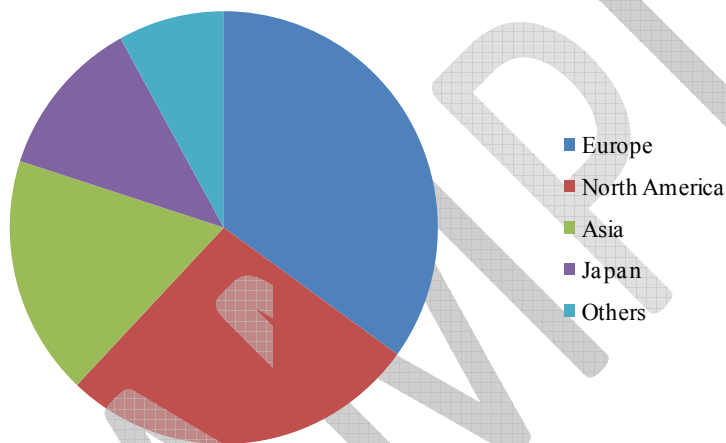
Source: A&M Mindpower Estimates

European DSLR Industry

Overview of SLR Market in 2009 and 2010

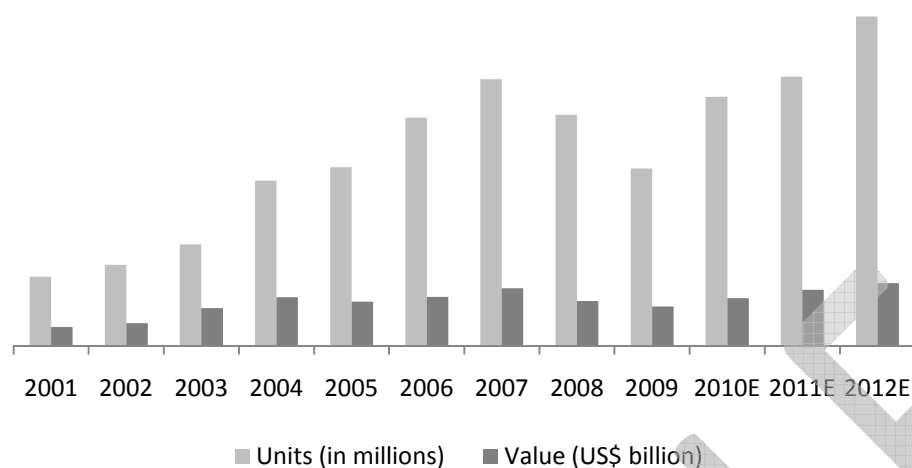
The positive trends in the European photo market have paved the way for the demand for SLRs. There was huge difference in the manner in which Western and Eastern European markets have reacted to the economic crisis in 2009. While, the market has stagnated in Western Europe, Eastern Europe has suffered a serious blow. Even regions such as the Baltic, Hungary, the Czech Republic and Poland along with Romania and Bulgaria were badly hit by the deprived economic conditions in 2009.

DSLR Market Share by Geography in 2009



Source: A&M Mindpower Estimates

Europe Digital Camera Market and forecast by Value/Volume (2001-2012E)



Source: A&M Mindpower Estimates

The United Kingdom

Sales of DSLR cameras have risen by XXX-XXX% in January 2009 and the value has grown by nearly XXX% as compared to January 2008. In December 2008 and January 2009, consumers in the UK have bought almost XXX DSLRs.



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