



High Definition Computing

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Enabling
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Agenda

- High Definition Computing Segments
- Recent History 2004
- 2005 -Expectations, Challenges, Opportunities
- The Future - 2006 an beyond

High Definition Computing Segments

- Professional: Financial, Engineering, etc.
- Semi-Professional: Photography
- Entertainment: Multimedia

Professional: Financial, Engineering, etc.

- Values:
 - High Cost/High Margin
 - Driven by Applications
- Differentiators
 - Graphics Performance
 - Relative Cost
 - >>System Noise

Semi-Professional: Photography

- Values:
 - Secondary Sales
(Printers/Cameras/Monitors)
 - Driven by Peers
- Differentiators:
 - Color Accuracy
 - Graphics Performance
 - Storage/Memory

Entertainment: Multimedia

- Gaming
 - Console
 - PC
- Media Consumption
 - Music
 - Commercial Movies/TV
 - Pictures/Home Movies
 - Security/Communications (dedicated Video)



Gaming

- Console
 - Massive Performance Focus
 - 5 year product Cycle
 - Collaboration Communication
 - Xbox 360: Connection to PC
- PC
 - Heavy Performance Focus (Granular)
 - 6 -12 month product Cycle

Media Consumption

- Values
 - Peer Driven (Envy)
 - Secondary Sales (speakers, wireless networks, receivers, displays, storage)
- Differentiators
 - Ease of Setup/Use
 - Design
 - >>Sound
 - Cost (sub \$500 target per node)

Recent History 2004

- Disappointing
 - Media Center PC
 - Media Extenders
 - Xbox Integration
 - CE Casing
 - \$500 starting Price
 - BTX
 - Media Servers - High Priced, low penetration
 - Linux based products bounced
 - Low quality/high price, No Marketing \$s, bad user experiences (UI/setup).



2005-Expectations

- Appliance
- Sub-\$500 price per node
- Dead quiet
- iPod Support

2005-Challenges

- Xbox (defines ideal node)
- Marketing (Consumer is not sold on concept)
- DRM trumps Easy of Use
- iPod (Apple doesn't play well)
- HD Content (Cable, Satellite access)
- Tivo/Set Top Box (good enough)

2005-Expectations, Challenges, Opportunities

- Massive under penetration (emerging market)
- Begs bundle/solution/ follow on sale (Monitor/Speakers/Receiver/High Speed Internal Network/storage/Camera)
- Potential Flagship/Halo Product (next iPod)
- Potential Subsidy (enables consumption)
- Visibility (News worthy)

The Future – 2006 and Beyond

- Moving towards a Media Server Model
 - One Central Protected Home Repository
 - Viao “X”
 - Services Wrapped
 - Standard Microsoft or ?
- Game Consoles will play increasing Roll
- Home Automation/Home Security Embedded
- Wireless Monitors
- Instant Setup / Unique Remote (Sonos)
- Dominant Solution: Personal/Home Stereo/Automotive/whole house/Built In