

Exhibit 1 Estimated Sizes of Various Segments of the Markets for Rentals and Sales of Movies, TV Episodes, and Video Games in the United States, 2006–2009 (\$ millions)

	2009	2008	2007	2006
In-store rentals of movies and TV episodes on DVDs	\$ 5,118	\$ 5,674	\$ 6,215	\$ 7,000
Vending machine rentals	917	486	198	75
By-mail rentals	2,114	1,949	1,797	1,250
Total physical DVD rentals	\$ 8,149	\$ 8,109	8,210	8,400
Cable video-on-demand (VOD)	\$ 1,277	\$ 1,094	\$ 1,038	\$ 570
Digital VOD	142	71	28	10
Subscription VOD	265	200	11	0
Total digital rentals of movies and TV episodes	\$ 1,684	\$ 1,365	\$ 1,077	\$ 580
Total rentals of films and TV episodes	\$ 9,833	\$9,474	\$ 9,287	\$ 9,000
Physical DVD sales of movies/TV episodes at retail	\$13,008	\$14,516	\$15,932	\$16,400
Digital download sales at retail	617	403	90	20
Total retail sales of movies and TV episodes	\$13,625	\$14,919	\$16,022	\$16,400
Video game software (rentals and sales at retail)	\$ 9,916	\$10,998	\$ 6,016	\$ 4,800
Total U.S. market for film rentals, film sales, and video game software	\$33,374	\$35,391	\$31,325	\$30,700

Source: Based on Blockbuster's compilations from reports and information published by Adams Media Research and NPD Group and included in Blockbuster's 2009 10-K report, p. 4, and 2008 10-K report, p. 5.

release periods, including making new-release titles available to VOD providers or for online purchase on the same date as the DVD release. Other movie studios had implemented or announced their intention to implement policies preventing movie rental providers from renting movie DVDs until 30 to 45 days following release of a DVD title for sale by retailers. TV episodes were often made available for Internet viewing shortly after the original airing date. Movie studios and TV networks were expected to continue to experiment with the timing of the releases to various distribution channels and providers, in an ongoing effort to discover how best to maximize revenues.

Market Trends in Home Viewing of Movies

The wave of the future in viewing movies at home was widely thought to be in streaming rented movies directly to big-screen HDTVs. Streaming

had the advantage of allowing household members to order and instantly watch the movies they chose to rent. Renting a streamed movie could be done either by using the services of Netflix, Blockbuster Online, Amazon Video-on-Demand, Apple's iTunes, and other streaming video providers or by using a TV remote to place orders with a cable or satellite provider to instantly watch a movie from a list of several hundred selections that changed periodically. Providing VOD had been technically possible and available for many years prior to 2010, but it had not garnered substantial usage because movie studios were leery of the potential for movie-pirating and doubtful of whether they could earn acceptable profits from a VOD business model. However, streaming video was less subject to pirating than downloading movie rentals, and ongoing advances in streaming video technology had improved the likelihood that VOD would emerge as the dominant movie rental channel by 2015.