



**THE MARKET**

There's no doubt that Australians love their movies and games. With over 152 million units of DVDs and games rented and \$1.1 billion worth of movies and games bought each year, Australians invest more money per capita in home entertainment than any other country in the world.

Video Ezy's core market is DVD and Games rental, however over recent years, the company has been focusing on growth opportunities in the lucrative retail market, which has grown at a 60% rate year on year. Video Ezy has the lion's share of the Australian DVD

rental market, accounting for 40% of total market share, compared with 30% held by its nearest competitor.



Malaysia, Fiji and the United Arab Emirates. With almost 1000 stores worldwide, Video Ezy is highly respected within the home entertainment industry.

**HISTORY**

Video Ezy was established in 1983, with the first store in Sydney. Video Ezy is now the largest DVD rental and retail chain in Australia with 518 stores and 3 million active members.

The first Video Ezy store to be set-up overseas was in New Zealand in 1998, which quickly grew to 162 stores in New Zealand alone, making Video Ezy the market leader in that country with 40% market

share. Following this, Video Ezy expanded into the South East Asian market in March 1999. This market was considered by many as an impossible market to conquer, given the impact of piracy, but when Video Ezy opened its first store in Bangkok, it became apparent that consumers were enthusiastic for quality product and a brand they could trust.

The early success in Thailand led to further expansion throughout Asia. Video Ezy is now a truly international brand, with its 518 stores in Australia, 162 in New Zealand, 143 in

Thailand, 134 in Indonesia, 26 in Singapore, 9 in Malaysia, 3 in Fiji and 1 in the United Arab Emirates.

In August, 2005 Paul Uniacke together with Eddie

Nedelko who between them own 18 Video Ezy stores in Victoria, purchased the shares held in Video Ezy Australasia Pty Ltd by Perpetual Trustees and Ivany Investments, making them the major shareholders in Video Ezy.

Video Ezy is adapting quickly to new technologies, addressing challenges in the market, including DVD mail order, Pay TV and legal film downloads direct from distributors and non-traditional competition such as Telstra BigPond. Video Ezy has developed its own set top box, which will allow customers the opportunity to download movie content on demand. This will be released to customers in 2008.

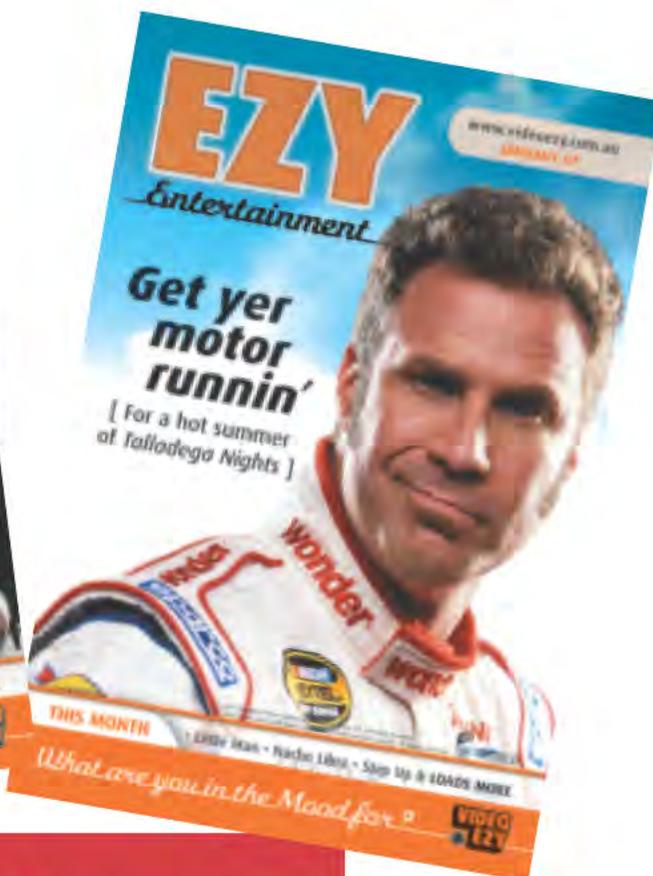
**ACHIEVEMENTS**

Video Ezy has the proud distinction of being one of Australia's best-loved brands. 100% Australian-owned, Video Ezy is the market leader in the video rental business for both Australia and New Zealand, and has stores in Thailand, Indonesia, Singapore,



## THE PRODUCT

Video Ezy is Australia's number one choice when it comes to renting movies, but the company is more than simply a rental store. In fact, Video Ezy has everything to satisfy its customers' home entertainment needs – to get what they want, when they want it – all under one roof. Whether it's renting movies and games; buying brand new DVDs; or buying their favourite new releases as a quality-guaranteed ex-rental DVD, Video Ezy ensures that customers can "enjoy it any way they want it". Video Ezy also offers customers a range of complementary services to enhance their entertainment experience. Customers can top-up their pre-paid mobile accounts via e-pay; or purchase treats to enjoy with their movie or game. Customers can get all the latest movie news, interviews and competition information via Video Ezy's free in-store magazine and company website; take advantage of Video Ezy's extended trading hours; or pick up a bargain at Video Ezy's popular movie sales.



## RECENT DEVELOPMENTS

Video Ezy's windows-based point-of-sale system, 'EzyRetail', is the most advanced and powerful POS software system in the industry. It has been designed specifically for the home entertainment market. This has allowed Video Ezy to build one of the most comprehensive single customer view database, representing nearly 1 in 4 Australian households. This enables information to be centrally created and pushed down the line to the stores, and provides comprehensive reporting capabilities, inventory management, direct marketing, and collection abilities.

Using this rich customer data, Video Ezy has created a retail-first CRM (customer relationship management) system, offering the latest real time marketing technology to drive a personalised, relevant communication to the customer. Customers love their Movie Passes with average redemption rates above 15%, and 50 million printed since the program's inception. Video Ezy is currently partnering with other CRM empowered companies around Australia to deliver an even greater variety of targeted offers and rewards to its customer base.

## PROMOTION

Video Ezy is known and valued for innovative marketing campaigns and first mover advantage in the home entertainment industry. Video Ezy's Movie Guarantee ("Get it first time, or get it free") was launched in 1993 and reshaped the home entertainment industry in Australia forever. Increases in copy depth for major titles became an industry standard, customer satisfaction reached an all-time high and the Movie Guarantee model received international praise as one

of the most innovative and industry-defining campaigns ever embarked upon.

The Movie Guarantee concept was relaunched in May 2007, covering not only a rental guarantee of 'rent it now or rent it free', but ex-rental and price as well, guaranteeing quality on all ex-rental stock, and guaranteeing the lowest price in Australia on selected retail titles.

Recent promotions include the Video Ezy Rent and Win competition, offering members the chance to win various prizes, including a grand jackpot of \$1 million.

## BRAND VALUES

As a brand, Video Ezy needs little introduction to the majority of Australians. Its aim has always been to understand clearly what the home entertainment customer wants, and deliver it better than anyone else. The brand's popularity shows how successful that has been. Video Ezy strives to present more than the generic movie offer with quality in-store presentation and simple language, which encourages positive consumer interaction with the environment they visit, and the offer with which they are presented. This allows each customer to enjoy entertainment any way they want it – rent it now, buy it new, or buy it ex-rental. Video Ezy likes to inspire and



Clearance  
**SALE**  
Starts Saturday  
**10 February**  
VIDEO EZY

empower customers with choice and information, and has built a team which embodies the brand values. Team members make a store visit a personal experience with their knowledge of product, their down-to-earth attitude, their love of movies, their dedication to customers, and their distinct local flavour. Video Ezy will pursue innovative and 'Ezy' offers as it continuously reassesses consumer needs, and will adopt new technologies as the member base develops.

## THINGS YOU DIDN'T KNOW ABOUT VIDEO EZY

- Video Ezy is 100 per cent Australian owned.
- Each week Video Ezy communicates with over 1 million customers.
- In the busiest hour on an average Saturday, Video Ezy stores serve approximately 100,000 Australians.
- The 'asterisk' on the Video Ezy logo is actually the spool from inside a VHS tape.
- Video Ezy is the largest independent magazine printer in Australia, averaging 400,000 copies every month.
- Video Ezy has over 5000 team members working in over 500 stores across Australia.
- 50 million Movie Passes have been printed since the CRM program's inception in 2002.