



Remarkable growth of digital portable audio in France

The total French CE market shows a negative trend in the first half of the year 2002 (-2% vs. first semester 2001. There was a growth of 2% at the same period the year before). This was mainly impacted by the decreases of home audio. The portable audio market managed to remain stable in terms of value so far, even if an important part of the yearly sales is traditionally made over the end of the year. Surprisingly, among 'traditional' products, which are on a rather declining trend, the radio recorders market manages to grow by 3% in volume on period June-July 2002 vs. June-July 2001. At the moment the portable audio market is mostly pushed by personal CD players and audio digital compression related products. Especially through MP3 compatible personal CD which increased by 463 % in units. The MD players with integrated long play (and newly arrived Net MD) function increased by 163 %. A positive competition is growing between these markets. Each one benefiting from the success of those new technologies. This dynamic situation is also allowing new actors to make an impressive breakthrough on these promising markets.