

Bulletin

DATE: NOVEMBER 15, 2004 04-0606

TO: DIRECT SALES
GROUP ONE REPRESENTATIVES

FROM: ROBERT WILLOX, THERESA ALESSO, TOM MYKIETYN, LINDA WHITE,
PETER DIIORIO, ROBIN RICHARDS, ANDRE FLOYD, BARB ELA, KOICHI
YAMANAKA

SUBJECT: HIGH DEFINITION SELECT PROGRAM



Nothing is driving purchases in the broadcast, cable and production industries like the migration to HD. And nobody has a better portfolio of HD solutions than Sony. Now is the time to capitalize on our years of HD experience. That is why we are introducing our HD Select™ program.

"Synergy" occurs when working together generates results that are far more powerful than working alone. Sony's HD Select program embodies that concept completely. It's a systems selling approach that rewards customers for buying complete Sony solutions. It's an approach that will change the perception of Sony as "the VTR and camcorder company." It's an approach that will drive Sony switcher and XPRI® sales as never before. And it's an approach that we will be supporting with full-color advertising spreads in the magazines that your customers read every week!

HD Select systems promote our entire HD value chain and demonstrate how Sony-centric systems offer distinct workflow advantages, cost savings and road-tested solutions. Think of how powerful our HD portfolio has become with the recent introductions of the cost-effective MFS-2000 switcher, the "S" and "M" series HDCAM® VTRs, the HDCAM SR™ format, LUMA™ monitors, the XPRI V7 editor and the continued strong sales of our HDC and HDW series cameras. Sony HD solutions are without equal. Your customers need to know that Sony is the key supplier of HD infrastructure products, with open ended solutions that integrate fully with third-party vendors. The message? Sony is a necessary part of every customer's HD migration. HD Select systems will help you get this message across as never before.

HIGH DEFINITION SELECT PROGRAM

BULLETIN # 04-0606

PAGE TWO

The HD Select program is a building block approach that breaks down any HD migration plan into easy steps. The packages start with the foundation of Sony HDCAM and HDCAM SR format VTRs, on which customers can build field or studio acquisition, and then complete the system with Sony XPRI non linear or MVS switcher products.

We will outline the workflow advantages and value points. The systems will also show the synergy between our families of equipment: how our VTRs integrate with our switchers, how our systems can operate in either an SD or Multi Format-HD environments. We trust that showing the interoperability of our equipment will help your customers understand our true depth as well as introduce our new key technologies.

HD Select systems: The Sony Building Block Approach



HD VTRs and Monitors: Building Block "A" Bulletin #04-0550

Our strategy is to keep this as simple as possible for your end users. Our first building block gets your foot in the door with VTRs and monitors. Choose from either an "S" or "M" series HDCAM VTR and a BVM-D series monitor and the customer will receive 15% off our suggested list price. Production-oriented customers can also purchase an SRW-5000 bundle with a BVM-F24 series monitor at 12% off suggested list price.

There's more. This offer *can be combined* with the trade-in promo bulletin 04-0521. If your customer has legacy DVW-500 series or BVW-70 series edit recorders, the customer can choose to leverage a trade-in on a one-to one basis on the promo packages. Also, if your customer is interested in the SRW-5000 VTR bundle, we will even offer a trade-in against Panasonic D-5 HD equipment. Combining these promo offers results in a *very* cost effective upgrade!

HD Camcorders: Building Block "B"

The second building block is camcorder centric. Add an HDW-730S HDCAM camcorder to the above HDCAM "S" or "M" series VTR/monitor package and the combined discount on the VTR and monitor bundled with the camcorders will increase to 20% off suggested list pricing under this program. Add an HDW-F900 camcorder to an SRW-5000 bundle and the discount will increase to 15% off suggested list pricing on the combined bundles.

These acquisition promotions are available to customers with the purchase of a VTR/Monitor bundle on a one-to-one basis. For each camcorder, there must be a matching VTR and monitor. Please see the terms and conditions outlined below for further details.

**HIGH DEFINITION SELECT PROGRAM
 BULLETIN # 04-0606
 PAGE THREE**

XPRI V7/Switchers/HDC-900: Building Blocks "C," "D" and "E" (Discount Structure Change)

With these next building blocks, the proposition starts to get even more valuable to your customers. Our third step is to add a configured MVS/MFS switcher and/or a configured XPRI system, and/or a configured HDC-900 series studio camera to the above packages. The purchase of a configured Sony system with any three building blocks mentioned ups the ante with a *three year SupportNET contract* on the qualifying bundled equipment at no additional charge.

Configure a HDC studio system, XPRI system and/or an MVS switcher and apply the appropriate suggested discount as shown in Table 1. The system discount can be added to the anchor acquisition and VTR promotions mentioned as building blocks "A" and "B." If the customer has chosen a total deal inclusive of any three building blocks, we will then offer a three year SupportNET contract on the gear within the building blocks at no additional charge. (Of course, SupportNET service is available for any additional Sony products at the regular price but is not included as part of this initiative.)

DISCOUNT STRUCTURE CHANGE

Product Group	Previous AM 1 Discount	New AM 1 Discount	Rep Commission
HD Studio Cameras	25%	35%	10%
MVS HD Switchers	25%	30%	10%
MFS-2000HD	25%	30%	10%
XPRI HD	15%	25%	10%

Please see the terms and conditions outlined below for further details.

AM, Rep and SI Participation

The HD Select program has been designed from the outset to enable participation across the board by Sony AM, Rep and SI accounts. We have increased the discount schedule on the HD Studio Camera, HD MVS Switcher and the XPRI category for inclusion in these systems. More importantly, AM, Rep and SI accounts will be able to take advantage of the no additional charge, three years SupportNET contract on purchases of any three building blocks. As with direct accounts, your customer will of course have the option to add SupportNET service on equipment not listed in the bundles at the regular price.



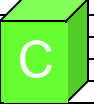
HIGH DEFINITION SELECT PROGRAM
BULLETIN # 04-0606
PAGE FOUR

Example 1

You receive an order for an SRW deck, a BVMF24U monitor, an HDW-F900 camcorder and an XPRI system. You also receive an order for wireless microphones and PVM monitors. The SRW VTR, BVMF24U, HDW-F900 camcorder and the XPRI system come with a three-year SupportNET contract. The other Sony products purchased are only covered by our standard warranty. If the customer would like a quotation for SupportNET service on the other products, it would be sold separately from the bundled solution.

The same concept applies to discounting. Only the equipment listed as part of the bundles qualifies for the bundled discount. In this case, the wireless and PVM monitors would only have regular AM one discounting applied.

HIGH DEFINITION SELECT PROGRAM
BULLETIN # 04-0606
PAGE FIVE

Building Block	List Price	AM discount	Bundle Program	Bundle	3 Year	SupportNet	Total	Total
		Before Bundle Pricing	Pricing	Savings	SupportNet	3 YR OnSite Basic	SupportNet	Savings
VTR/Monitor/Camera								
 SRW-5000	\$88,000	\$82,720	SRWF900PAC		Y	11,016.00		
HKSR5001	\$10,000	\$9,400			Y	1,360.80		
HKSR5003	\$10,000	\$9,400			Y	550.80		
BVMF24U	\$35,980	\$30,583			Y	1,728.00		
 HDWF900PAC3C	\$109,340	\$103,132.10			Y	19,440.00		
A & B Sub-total:	\$253,320	\$235,235.10	\$215,640.75	\$19,594.35	Y	34,095.60	34,095.60	\$53,689.95
WRT822B62/64	\$1,150	\$977.50	\$977.50	no change	N	511.20		
WRR862B62/64	\$3,700	\$3,145.00	\$3,145.00	no change	N			
HD XPRI								
 DMWS05NL/FC*	\$40,000	\$34,000	\$30,000		Y	7,290.00		
DMW-C1	\$500	\$425	\$375		Y	111.60		
DMW-C2	\$1,000	\$850	\$750		Y	183.60		
DMW-C3	\$1,000	\$850	\$750		Y	183.60		
DMW-C4	\$500	\$425	\$375		Y	111.60		
DMW-IF02	\$5,000	\$4,250	\$3,750		Y	331.20		
DMW-IF01	\$1,500	\$1,275	\$1,125		Y	219.60		
DMW-RT02	\$30,000	\$25,500	\$22,500		Y	3,646.80		
DMW-ST73	\$15,000	\$12,750	\$11,250		Y	2,296.80		
C Sub-Total:	\$94,500	\$80,325	\$70,875	\$9,450	Y	14,374.80	14,374.80	\$23,824.80
LMD-230WS/2	\$3,950	\$3,160	\$3,160	no change	N	183.60		
Total:	\$356,620	\$322,842.60	\$293,798.25	\$29,044.35		49,165.20	48,470.40	\$77,514.75

HIGH DEFINITION SELECT PROGRAM
BULLETIN # 04-0606
PAGE SIX

Example 2

You receive an order for an MVS Switcher and Studio Cameras. Unless your customer adds a VTR, Camcorder or XPRI package, they do not qualify for the three-year SupportNET contract. The inclusion of the SupportNET contract is contingent on a bundle of a minimum of three of the building blocks mentioned. (The standard 2 year SupportNET contract would be in place for the MVS switchers). Please check with your Service Contract Account Manager for specific details about SupportNET.

While these discounts and service incentives are powerful, they're just the beginning. We have much more to offer any potential end user.

Distinct Customer Advantages

- **Experience**
 - Sony has been manufacturing and researching HD solutions for over 20 years. In that time, we've become the single largest provider of HD equipment to the cable, broadcast and production markets. Sony built the lion's share of the HD studio cameras, field cameras, VTRs and switchers in service today. We know what to recommend and we have options for any budget.
- **Proven Solutions**
 - This is not a science experiment. These bundled solutions are proven and in-service with leading broadcast, cable and production outlets and are creating programming every day. Customers such as CBS, NBC, Cablevision, Gannett and many others already have trusted Sony with their upgrade to high definition. Other manufacturers simply cannot offer the system solutions and support we can.
- **Legacy, Multi Format and Multi Resolution Options:**
 - Sony doesn't simply abandon a format technology in favor of the latest solution. Just as the Betacam SP® format had downward compatibility with the original Betacam® oxide tapes, we offer many HD VTRs with legacy playback of analog and digital SD recordings. The legacy materials can be upconverted to 1080i or 720P, aspect ratio corrected and adjusted for optimum playback.
 - Depending on the model, Sony HDCAM and HDCAM SR VTRs offer legacy playback for SD content created in Betacam SP, Betacam SX®, MPEG IMX or Digital Betacam formats.
 - The MFS-2000, XPRI V7, HDC studio camera, BVM and LUMA series monitors can create productions in either SD or Multi Frame Rate high definition.

HIGH DEFINITION SELECT PROGRAM

BULLETIN # 04-0606

PAGE SEVEN

- The HDCAM SR format, MVS and MFS series switchers, BVM and LUMA series monitors will produce in the 1080i, 1080p and 720P environments. Please consult the attached FAQs for 720P timing and software version implementation.
- **Cost of Ownership**
 - Capital cost is only the first hurdle of system ownership. Sony will minimize the ongoing cost of repair and replacement parts by offering the three-year SupportNET contract for qualifying system building blocks at no additional charge.
 - The SupportNET contract substantially reduces the cost of ownership by negating the cost of in-house spares and other replacement parts, as well as labor, under the three-year term. (See SupportNET contract terms and conditions for more information.)

As an added incentive, Sony will offer access to our Technical Assistance Network for customers who purchase in excess of \$150k. The Technical Assistance Network (TAN) provides customers with telephone support for the technical repair of broadcast, production and pro audio products. Call the toll free number at 866-766-9272 for more information.

Work Flow and Process Innovation

- Connect one Sony HD product together and the real HD synergy begins. Consider Virtual TD. This interface between the MVS/MFS switchers and the XPRI platform enables live and post production workflows to overlap in time.
- Customers can achieve maximum ROI because our switcher family can be used for both live events and post production. The plug-in editing controller enables our switcher to become a linear post production system. Remember that many processes such as adding titles and graphics still can be done faster in the HD linear domain than in an HD non-linear environment.
- For other key sales points for the bundled solutions, please see our website www.sony.com/HDSelect.
- **Customer Awareness:**
 - Sony will launch an HD Select print advertising campaign in November featuring three customers who have turned to Sony for their high definition upgrades. Three powerful spread ads will highlight broadcast, cable and religious customers. This media campaign will drive prospective customers to a website where they will receive more testimonial, product and service information and will go through pre-qualification.

HIGH DEFINITION SELECT PROGRAM
BULLETIN # 04-0606
PAGE EIGHT

- Customers who participate in the pre-qualification will be rewarded for their time with music downloads from the Sony Connect™ music service. Leads will be developed based on customers that are deemed “hot”, and these leads will be forwarded to the RGMs and then onto the appropriate sales channels.

HD is the selling opportunity of a lifetime. We are confident that this new HD Select program will enable you to take full advantage.

PROMOTION BULLETIN TERMS AND CONDITIONS

Promotion Period:	November 15, 2004 though March 28, 2005.
Orders	Eligible orders must be placed, credit cleared and shipped by March 28, 2005. Backorders for original orders placed within the promotion period will qualify. Future orders will not qualify.
Eligible Models	Refer to the attached list for Sony models that are eligible. A-stock or B stock models qualify.
Rep Commission:	Commission rate for this promotion is 10%.
Pricing Conditions:	Sony's direct sales force must adhere to standard pricing guidelines as shown on the Discount Structure Table.
Program Eligibility:	Only direct end users and authorized Group One Representatives are eligible for this program. If the direct customer has entered into a separate master purchase agreement, then products covered under that agreement are not eligible for this program. No trade-ins or trade-ups are permitted when payment becomes due.
Backorder/Future Order:	All orders must be shipped by March 28, 2005 to be eligible under this program. Orders with a requested delivery date past March 28 2005 will not be accepted. Backorders for original orders placed within the promotion period will qualify.
Mixing of Promotions:	Only the promotions mentioned above can be combined with this program.
Product Substitution:	There will be no model substitution.
Change/Cancellation:	Sony may change or cancel this promotion at any time.

Good Selling!

Robert Willox, General Manager
Content Creation Systems
Broadcast and Production Systems Division

You have received this email advertisement because you have indicated a desire to receive communications from Sony Electronics regarding products, promotions, updated information and services.