MOTION PICTURE ASSOCIATION
Worldwide Market Research

US Entertainment Industry: 2004 MPA Market Statistics

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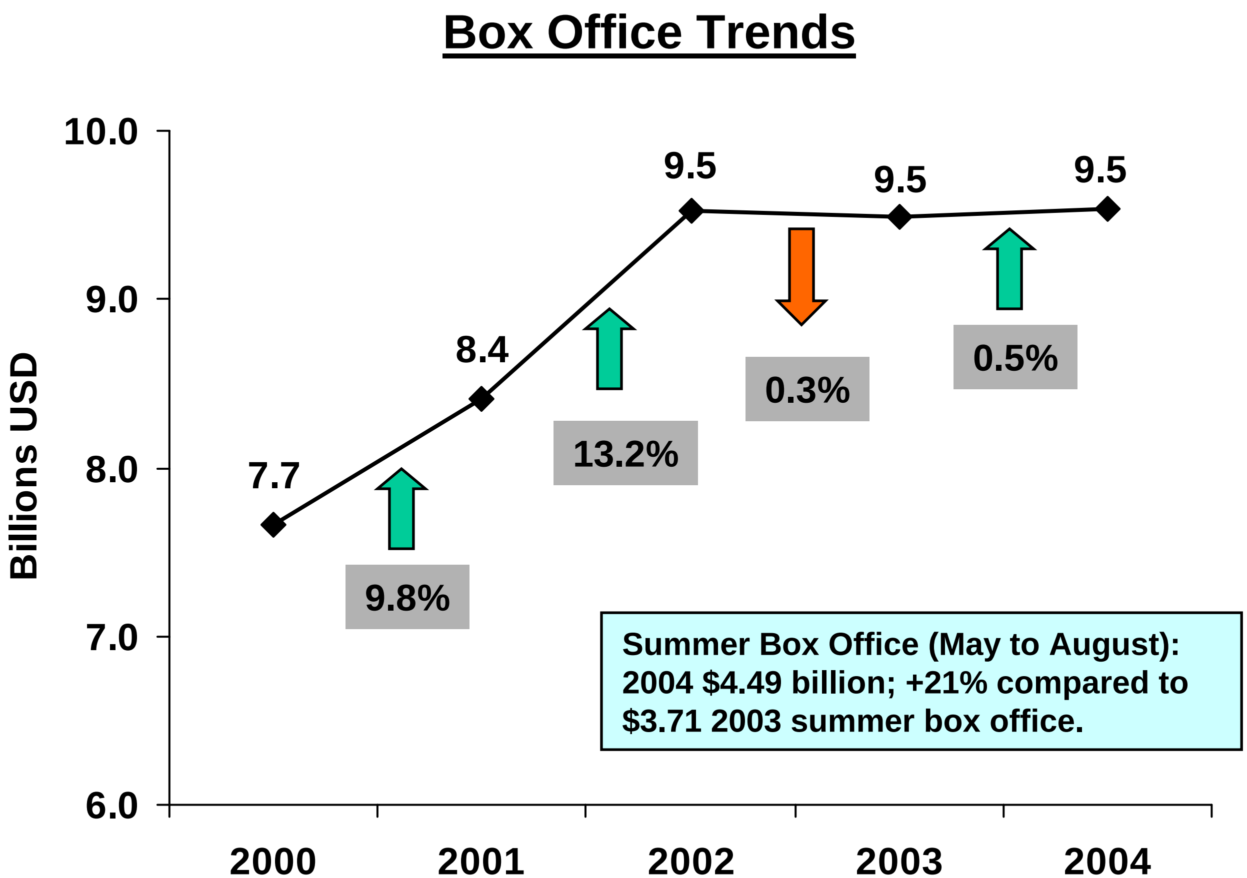
Box Office

Box office continued its momentum to gross $9.5 billion in 2004 - a 25% increase over five years ago. Close to half of this year's gross can be attributed to summer releases.



Source: MPAA

Box Office

Box Office Growth

Year	Box Office Gross (USD MM)	% Change Prev. Period	% Change 2004 vs.
2004	**$9,539.2**	**0.5%**	**-**
2003	9,488.5	(0.3)	**0.5%**
2002	9,519.6	13.2	0.2
2001	8,412.5	9.8	13.4
2000	7,660.7	2.9	24.5
1999	7,448.0	7.2	28.1
1998	6,949.0	9.2	37.3
1997	6,365.9	7.7	49.8
1996	5,911.5	7.6	61.4
1995	5,493.5	1.8	73.6
1994	5,396.2	4.7	76.8
1993	5,154.2	5.8	85.1
1992	4,871.0	1.4	95.8
1991	4,803.2	(4.4)	98.6
1990	5,021.8	(0.2)	90.0
1989	5,033.4	12.9	89.5
1988	4,458.4	4.8	114.0
1987	4,252.9	12.6	124.3
1986	3,778.0	0.8	152.5
1985	3,749.4	(7.0)	154.4
1984	4,030.6	7.0	136.7

Since 1991, box office has been steadily increasing and has grown by almost $6 billion over the past 20 years.

Source: MPAA

Box Office

Opening at $116 million *Spider-Man 2* claimed the top spot for 2004 and highest opening weekend of all time.

2004 High Grossing Opening Weekend

Rank	Title	Distributor	Release Date	Box Office (USD MM)
1	Spider-Man 2	Sony	June 30th	$115.8
2	Shrek 2	DreamWorks	May 19th	108.0
3	Harry Potter: Prisoner Azkaban	Warner Bros.	June 4th	93.7
4	The Day After Tomorrow	Fox	May 28th	85.8
5	The Passion of the Christ	NewMarket	February 25th	83.8
6	The Incredibles	Buena Vista	November 5th	70.5
7	The Bourne Supremacy	Universal	July 23rd	52.5
8	I, Robot	Fox	July 16th	52.2
9	Van Helsing	Universal	May 7th	51.7
10	The Village	Buena Vista	June 30th	50.7
11	Shark Tale	DreamWorks	October 1st	47.6
12	Troy	Warner Bros.	May 14th	46.9
13	Meet the Fockers	Universal	December 22nd	46.1
14	50 First Dates	Sony	February 13th	45.1
15	Ocean's Twelve	Warner Bros.	December 10th	39.2
16	The Grudge	Sony	October 22nd	39.1
17	Alien Vs. Predator	Fox	August 13th	38.3
18	National Treasure	Buena Vista	November 19th	35.1
19	Along Came Polly	Universal	January 16th	32.5
20	SpongeBob Squarepants	Paramount	November 19th	32.0

Opening Weekend Highest Grossing film:

2004: $115.8 million
1994: $37.2 million

Source: Variety

Box Office

Second quarter pulled in the highest grosses in 2004 totaling $3 billion, representing 32% of 2004 total box office.

Quarterly Box Office

Quarter	USD in millions 2003	2004	% Change
Q1	$1,887.8	$1,966.2	4.2%
Q2	2,353.4	3,027.6	28.6
Q3	2,618.6	2,557.1	(2.4)
Q4	2,628.8	1,988.4	(24.4)
Year	**$9,488.5**	**$9,539.2**	**0.5%**

2nd Qtr 2003 Box Office Hits

Rank	Title	Box Office* (USD in MM)
1	Finding Nemo	$339.7
2	The Matrix Reloaded	281.5
3	Bruce Almighty	242.6
4	X2: X-Men United	214.9
5	Anger Management	133.8
	Top 5 Total:	**$1,212.6**

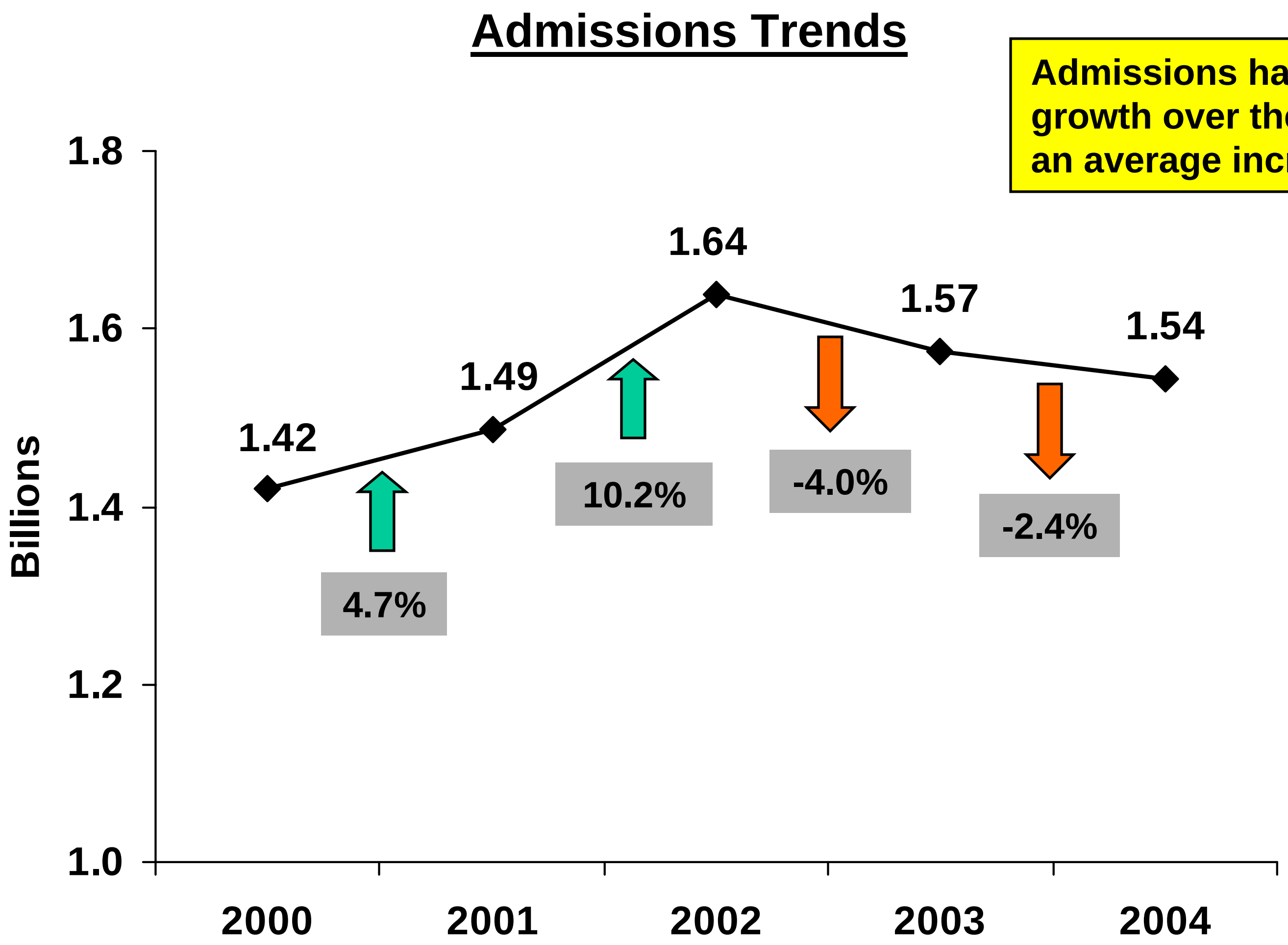
2nd Qtr 2004 Box Office Hits

Rank	Title	Box Office* (USD in MM)
1	Shrek 2	$436.3
2	Harry Potter: Prisoner of Azkaban	249.4
3	The Day After Tomorrow	186.7
4	Troy	133.3
5	Van Helsing	120.1
	Top 5 Total:	**$1,125.7**

Source: MPAA

***Box Office = total year, not 2nd qtr. receipts**

Admissions



Admissions have shown a steady growth over the past decade - with an average increase of 2% per year.

Source: MPAA

Note: Based on NATO average ticket price

Admissions

Admissions Growth

Despite the many choices in entertainment options, admissions have increased nearly 20% (↑ 244 million) over the last ten years .

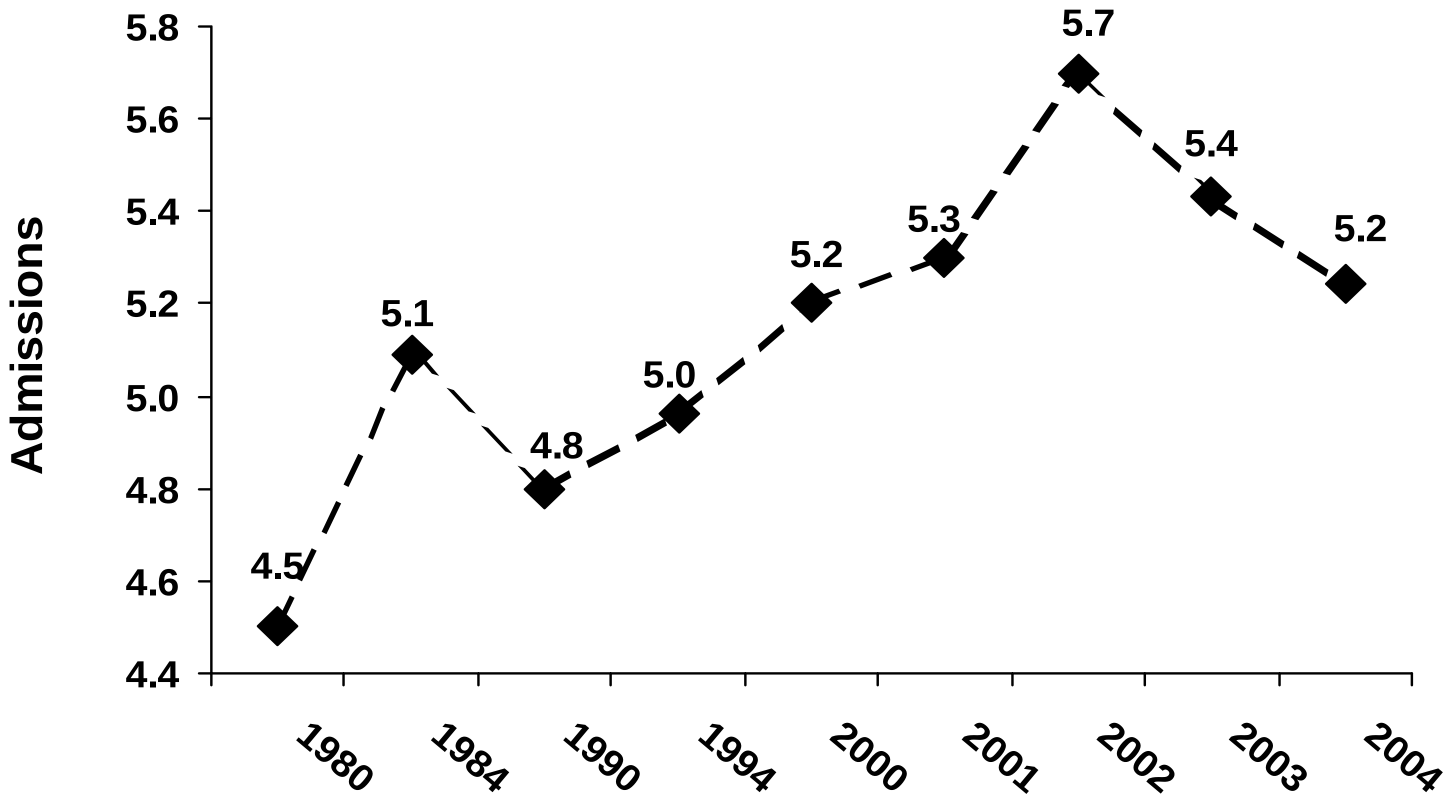
Year	Admissions	% Change Prev. Period	% Change 2004 vs.
2004	**1,536.1**	**-2.4%**	**-**
2003	1,574.0	-4.0%	(2.4)
2002	1,639.3	10.2%	(6.3)
2001	1,487.3	4.7	3.3
2000	1,420.8	(3.0)	8.1
1999	1,465.2	(1.0)	4.8
1998	1,480.7	6.7	3.7
1997	1,387.7	3.7	10.7
1996	1,338.6	6.0	14.8
1995	1,262.6	(2.3)	21.7
1994	1,291.7	3.8	18.9
1993	1,244.0	6.0	23.5
1992	1,173.2	2.9	30.9
1991	1,140.6	(4.0)	34.7
1990	1,188.6	(5.9)	29.2
1989	1,262.8	16.4	21.6
1988	1,084.8	(0.3)	41.6
1987	1,088.5	7.0	41.1
1986	1,017.2	(3.7)	51.0
1985	1,056.1	(11.9)	45.4
1984	1,199.1	0.2	28.1

Note: 1989 to present based on NATO average ticket price

Source: MPAA

Admissions

Admissions Trends Per Capita



Source: MPAA

Admissions

Average Annual Admission Price

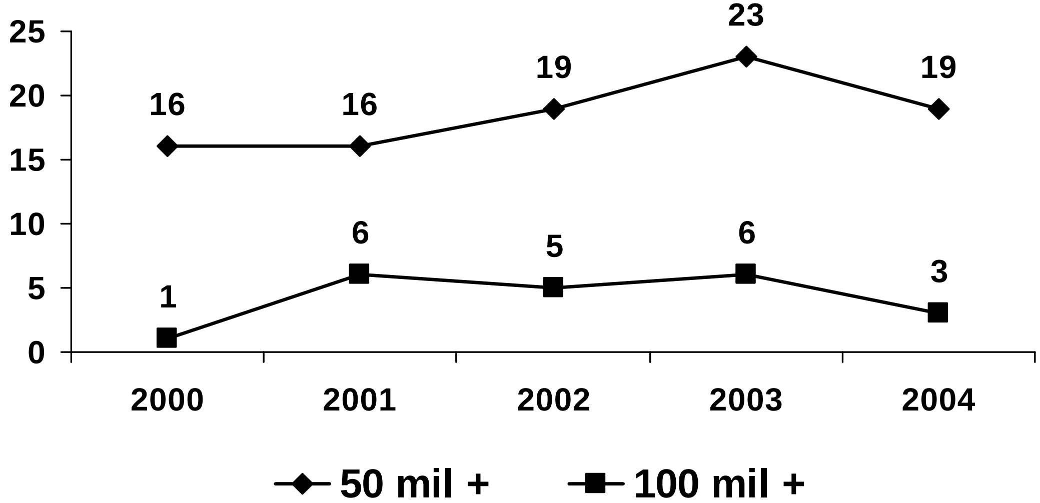
Year	Avg. Annual Admission Price (USD)	% Change Prev. Period	% Change 2004 vs.	% Change CPI
2004	**$6.21**	**3.0%**	**-**	**3.3**
2003	6.03	3.8	3.0%	1.9
2002	5.81	2.7	6.9%	2.4
2001	5.66	4.9	9.8%	1.6
2000	5.39	29.1	15.2	3.4
1994	4.18	(1.1)	48.6	1.7
1990	4.23	25.7	47.0	3.3
1994	3.36	24.9	84.8	2.5
1980	2.69	--	130.8	2.7

Note: NATO average ticket price based on NSNB survey and reflects average price paid for all admissions to movie theaters, inclusive of first run, subsequent runs, senior citizens, children, and all special pricing.

Source: MPAA, Bureau of Labor Statistics

Film Rental

Number of High Grossing Features: Film Rentals



Titles grossing >$50 Million

	Total Box Office
The Day After Tomorrow	$186.7
The Bourne Supremacy	176.1
National Treasure	154.5
Polar Express	155.1
Meet The Fockers	162.5
I, Robot	144.8
Troy	133.3
Lord of the Rings: Return of the King*	78.9
50 First Dates	120.8
Van Helsing	120.1
The Village	114.2
Cheaper by the Dozen	64.0
Dodgeball: A True Underdog Story	114.3
The Grudge	110.2
Barbershop2: Back in Business	65.0
Ocean's Twelve	107.0
Total	**$1,820.7**
% of Total Box Office	**19%**

Titles grossing >$100 Million

	Total Box Office
Spider-Man 2	$373.4
Harry Potter: Prisoner Of Azkaban	249.4
The Incredibles	251.7
Total	**$874.4**
% of Total Box Office	**9%**

** Amount represents 2004 box office figures only.*

Source: MPAA

Films Released

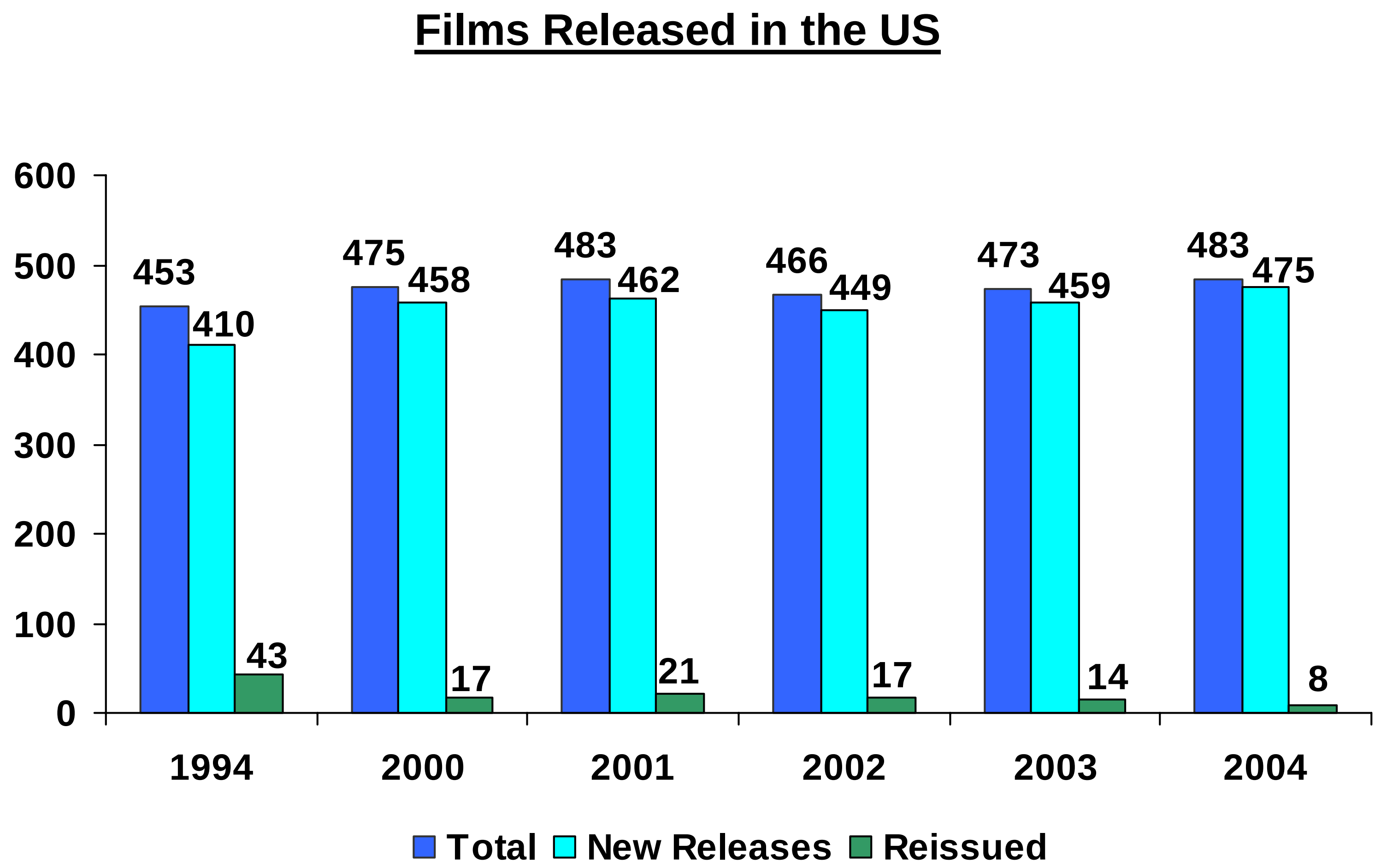
Number of Theatrical Films Produced, Rated, & Released

Year	Produced	Rated	Released
2004	**611**	**871**	**483**
2003	593	940	473
2002	543	786	467
2001	611	739	483
2000	683	762	478
1999	758	677	461
1998	686	661	509
1997	767	673	510

Note: Films rated may be higher than films produced for a given year because films may be rated or rerated months or even years after production.

Source: MPAA

Films Released



Source: MPAA

Films Released

The total number of films released in 2004 increased 2.1%. MPAA new releases grossed an average of $34.6 million- an increase of 15%over the past five years.

Average Box Office of New Releases

Year	All New Releases	MPAA New Releases
2004	**$20.0**	**$34.6**
2003	20.7	41.6
2002	21.2	32.8
2001	18.2	34.8
2000	16.7	30.0

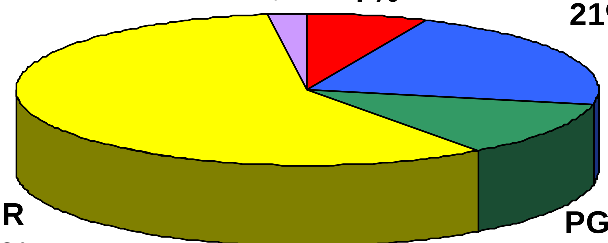
Feature Films Released in the US

	New Films			Reissued Films		
Year	MPAA	All Other Distributors	Total New Releases	MPAA	All Other Distributors	Total Reissues
2004	**199**	**276**	475	**1**	**7**	8
2003	194	265	459	4	10	14
2002	220	229	449	5	12	17
2001	188	274	462	8	13	21
2000	191	267	458	6	11	17
1994	166	244	410	17	26	43

Source: MPAA

Ratings

Percent of films by Rating 1968 to 2004



Top Grossing Films by Rating 1968 to 2004

Rank	Title	Distributor	Box Office (USD MMl)	Rating	Release Date
1	Finding Nemo	Buena Vista	339.7	G	May-03
2	The Lion King	Buena Vista	328.5	G	Jun-94
3	Monsters, Inc.	Buena Vista	255.9	G	Nov-01
4	Toy Story 2	Buena Vista	245.9	G	Nov-99
5	Aladdin	Buena Vista	217.4	G	Nov-92
1	Star Wars	Fox	461.0	PG	May-77
2	Shrek 2	DreamWorks	436.7	PG	May-04
3	E.T.	Universal	435.0	PG	Jun-82
4	Star Wars: Phantom Menace	Fox	431.1	PG	May-99
5	Harry Potter: Sorcerer's Stone	Warner Bros.	317.6	PG	Nov-01
1	Titanic	Paramount	600.8	PG-13	Dec-97
2	Spider-Man	Sony	403.7	PG-13	May-02
3	Lord of the Rings: Return of the King	New Line	377.0	PG-13	Dec-03
4	Spider-Man 2	Sony	373.4	PG-13	Jun-04
5	Jurassic Park	Universal	357.1	PG-13	Jun-93
1	The Passion of the Christ	NewMarket	370.3	R	Feb-04
2	The Matrix Reloaded	Warner Bros.	281.5	R	May-03
3	Beverly Hills Cop	Paramount	234.8	R	Dec-84
4	The Exorcist	Warner Bros.	232.7	R	Dec-73
5	Saving Private Ryan	Dreamworks	216.2	R	Jul-98

Source: Variety, MPAA

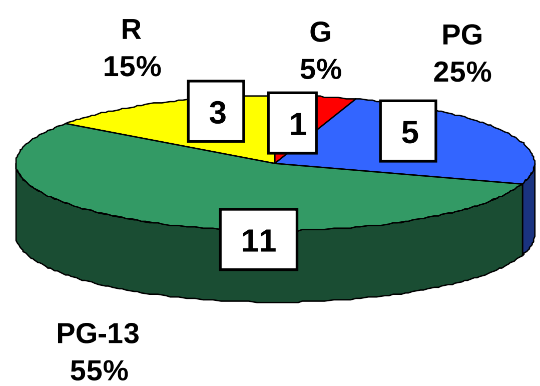
Ratings

In 2004, 11 of the top 20 films were rated PG-13. PG and PG-13 films account for 80% of 2004's top 20 films.

2004 Top 20 Grossing Films

Rank	Title	Distributor	Box Office (USD MM)	Rating
1	Shrek 2	DreamWorks	$436.7	PG
2	Spider-Man 2	Sony	373.4	PG-13
3	The Passion of the Christ	NewMarket	370.3	R
4	The Incredibles	Buena Vista	252.7	PG
5	Harry Potter: Prisoner of Azkaban	Warner Bros.	249.4	PG
6	The Day After Tomorrow	Fox	186.7	PG-13
7	The Bourne Supremacy	Universal	176.1	PG-13
8	Meet the Fockers	Universal	175.8	PG-13
9	Shark Tale	DreamWorks	160.9	PG
10	The Polar Express	Warner Bros.	156.6	G
11	National Treasure	Buena Vista	156.3	PG
12	I, Robot	Fox	144.8	PG-13
13	Troy	Warner Bros.	133.3	R
14	50 First Dates	Sony	120.8	PG-13
15	Van Helsing	Universal	120.1	PG-13
16	Fahrenheit 9/11	Lions Gate	119.1	R
17	Dodgeball	Fox	114.3	PG-13
18	The Village	Buena Vista	114.2	PG-13
19	The Grudge	Sony	110.2	PG-13
20	Ocean's Twelve	Warner Bros.	110.0	PG-13

2004 Top 20 Films by Rating



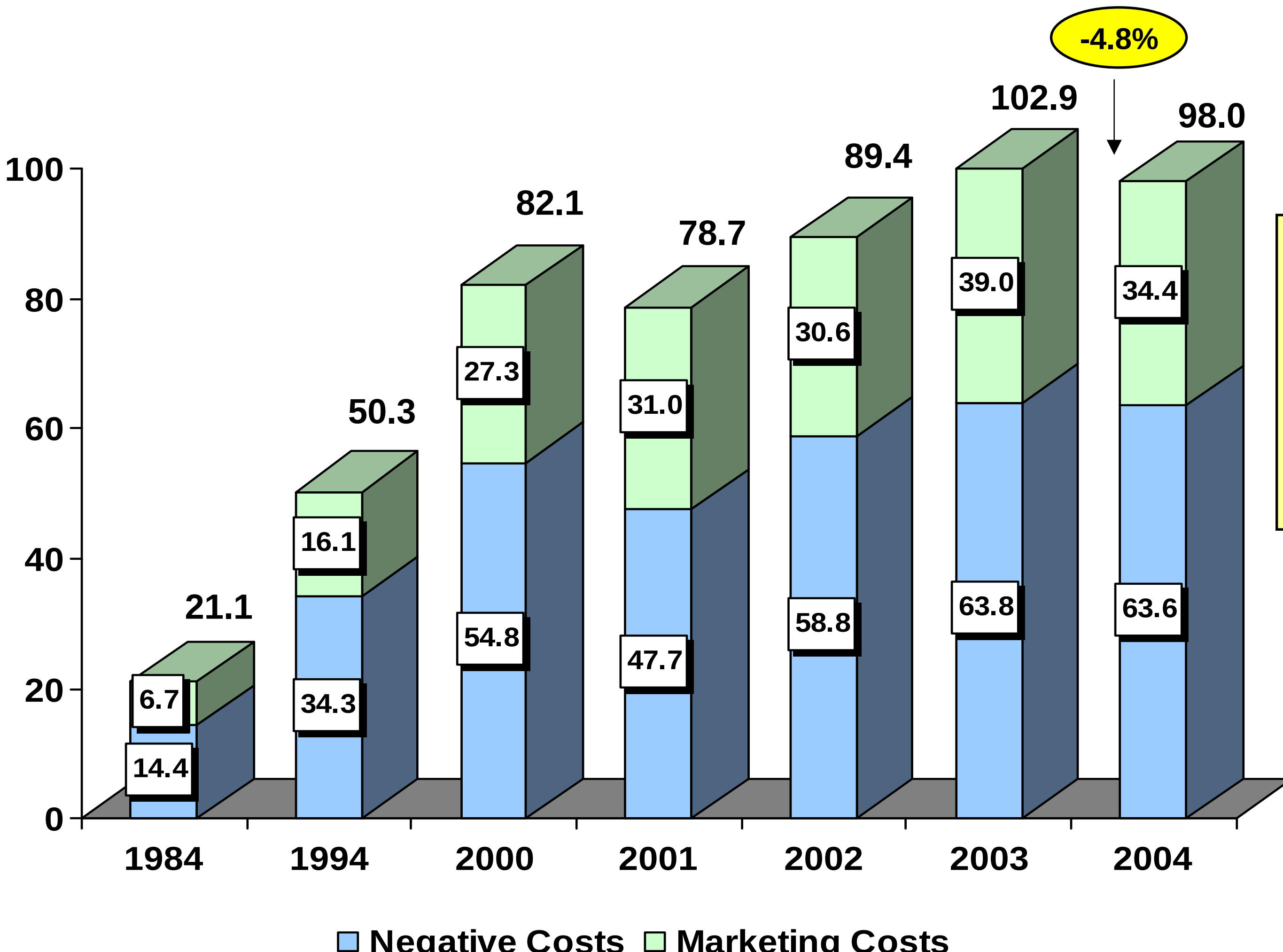
Top 20 Grossing

Year	G	PG	PG-13	R
2004	**5%**	**25%**	**55%**	**15%**
2003	5%	15%	60%	20%
2002	5%	30%	65%	0%
2001	10%	20%	55%	15%

Source: MPAA

United States — Theatrical Costs

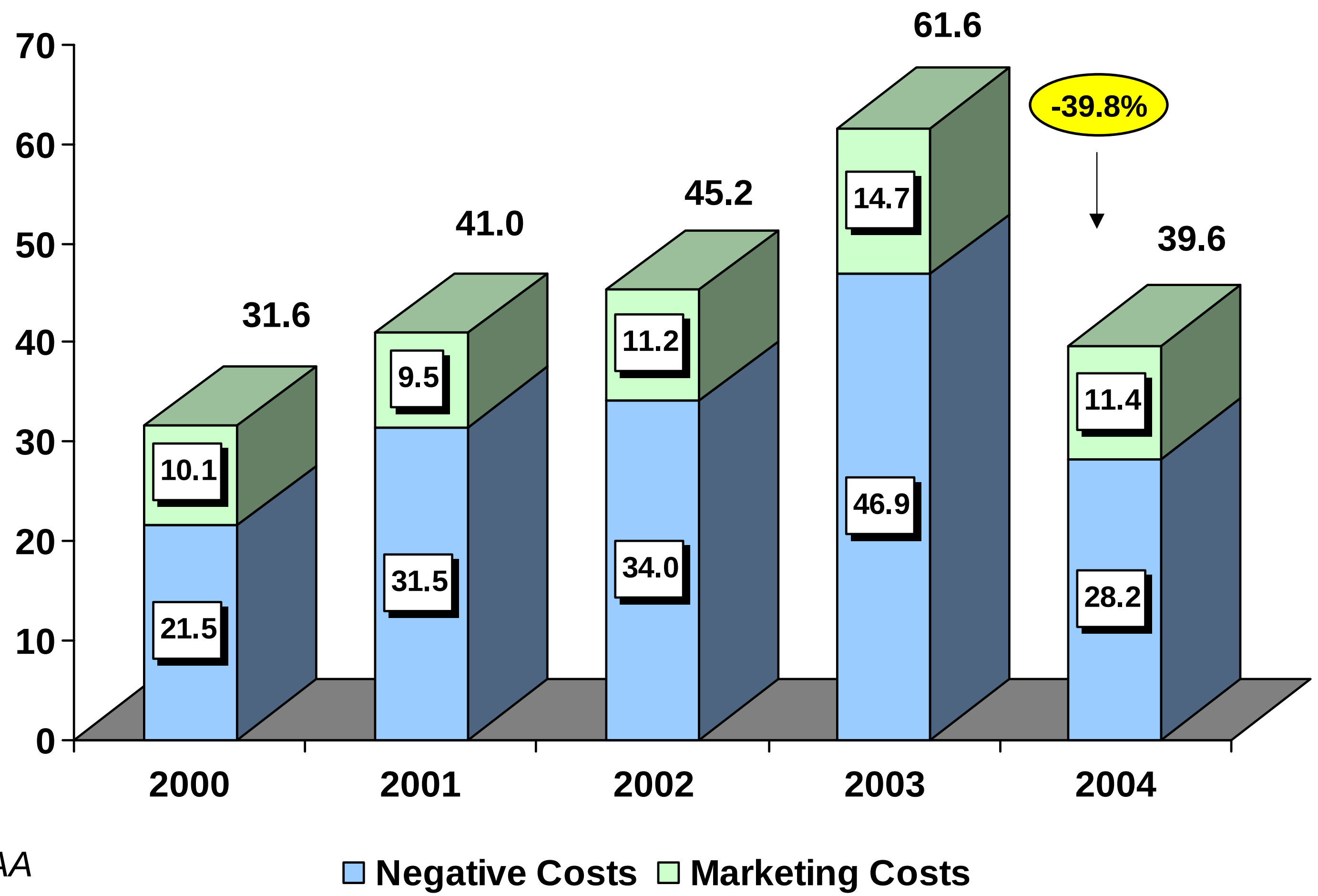
MPAA Member Company Average Theatrical Costs



The 5% decrease in Member Company theatrical costs can be attributed to the 12% decrease in domestic marketing costs.

Source: MPAA

MPAA Member Subsidiary / Affiliate Average Theatrical Costs



Source: MPAA

MPAA Average Negative Costs *

(includes production costs, studio overhead and capitalized interest)

Year	Average Negative Cost Per Feature (USD in MM)	% Change Prev. Period	% Change 2004 vs.
2004	**$63.6**	**-0.3%**	**-**
2003	63.8	0.1	**-0.3%**
2002	58.8	23.3	8.2
2001	47.7	(13.0)	33.4
2000	54.8	59.8	16.1
1994	34.3	137.9	85.5
1984	14.4	**-**	341.3

MPAA Subsidiary/Affiliate Average Negative Costs *

(includes production costs, studio overhead and capitalized interest)

Year	Average Negative Cost Per Feature (USD in MM)	% Change Prev. Period	% Change 2004 vs.
2004	**$28.2**	**-39.8%**	**-**
2003	46.9	0.1	**-39.8%**
2002	34.0	8.0	(17.0)
2001	31.5	46.6	(10.4)
2000	21.5	**-**	31.3

** Subsidiaries include studio “classics” divisions such as Sony Pictures Classics, Fox Searchlight, New Line, Miramax,Warner Independent Pictures etc.*

Source: MPAA

Theatrical

MPAA Member Company Average Marketing Costs of New Feature Films

All amounts USD in millions

Year	Print	Advertising	Total P&A
2004	**$3.74**	**$30.61**	**$34.35**
2003	4.21	34.84	39.05
2002	3.31	27.31	30.62
2001	3.73	27.28	31.01
2000	3.30	24.00	27.30
1994	2.19	13.87	16.06
1984	1.29	5.36	6.65

↓12%

MPAA Member Subsidiary*/ Affiliate Average Marketing Costs of New Feature Films

All amounts USD in millions

Year	Print	Advertising	Total P&A
2004	**$1.29**	**$10.13**	**$11.43**
2003	1.87	12.80	14.67
2002	1.42	9.76	11.18
2001	1.21	8.29	9.5
2000	0.75	8.96	9.71

** Subsidiaries include studio "classics" divisions such as Sony Pictures Classics, Fox Searchlight, New Line, Fine Line, Miramax, etc.*

Source: MPAA

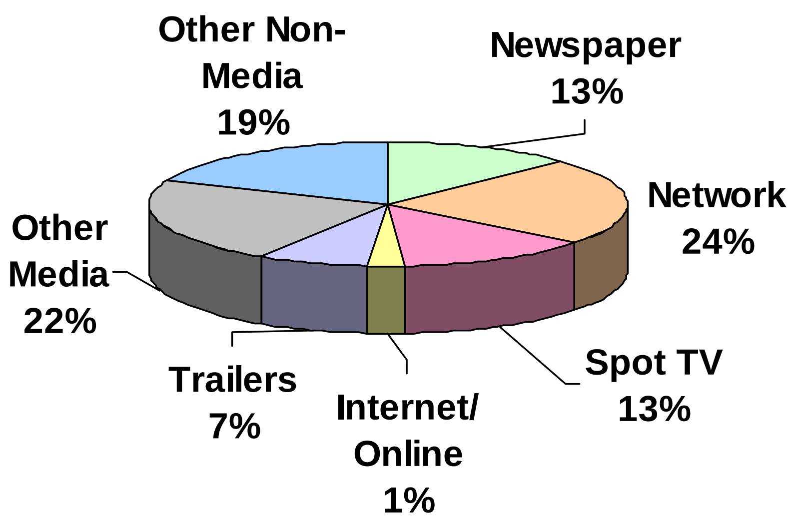
MPAA Member Company Distribution of Advertising Costs by Media

% of Total

Year	Total $	Newspaper	Network	Spot TV	Internet/ Online	Trailers	Other Media	Other Non-Media
2004	**$30.61**	**12.8%**	**22.9%**	**13.3%**	**2.4%**	**7.4%**	**22.2%**	**19.0%**
2003	34.84	13.9	23.2	15.7	1.3	4.4	21.9	19.5
2002	27.31	13.5	23.0	17.6	0.9	4.5	21.4	19.1
2001	27.28	13.1	25.4	16.9	1.3	5.1	20.2	17.9
2000	24.00	15.6	23.8	18.3	0.7	6.4	18.8	16.3

Other Media includes:
- Cable TV/Network TV
- Network Radio
- Spot Radio
- Magazines
- Billboards

Other Non-Media includes:
- Production/Creative Services
- Exhibitor Services
- Promotion & Publicity
- Market Research



Source: MPAA

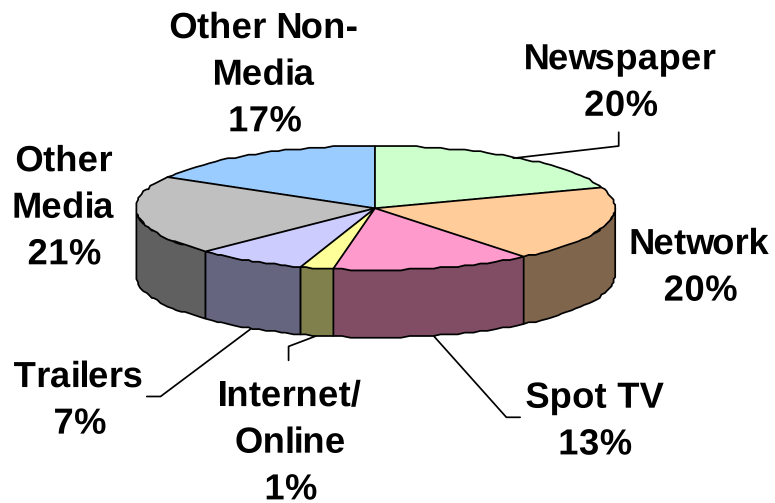
MPAA Member Company Subsidiary* / Affiliate Distribution of Advertising Costs by Media

% of Total

Year	Total $	Newspaper	Network	Spot TV	Internet/ Online	Trailers	Other Media	Other Non-Media
2004	**$10.13**	**19.7%**	**19.9%**	**13.1%**	**2.2%**	**7.5%**	**21.0%**	**16.7%**
2003	12.80	18.6	20.9	7.3	1.6	4.7	28.0	19.0
2002	9.76	22.0	25.7	5.6	0.9	6.1	21.1	18.6
2001	8.29	18.6	42.8	3.2	0.4	5.2	9.9	19.9
2000	8.96	20.5	36.4	6.1	0.5	5.5	13.8	17.3

Other Media includes:
- Cable TV/Network TV
- Network Radio
- Spot Radio
- Magazines
- Billboards

Other Non-Media includes:
- Production/Creative Services
- Exhibitor Services
- Promotion & Publicity
- Market Research



Source: MPAA

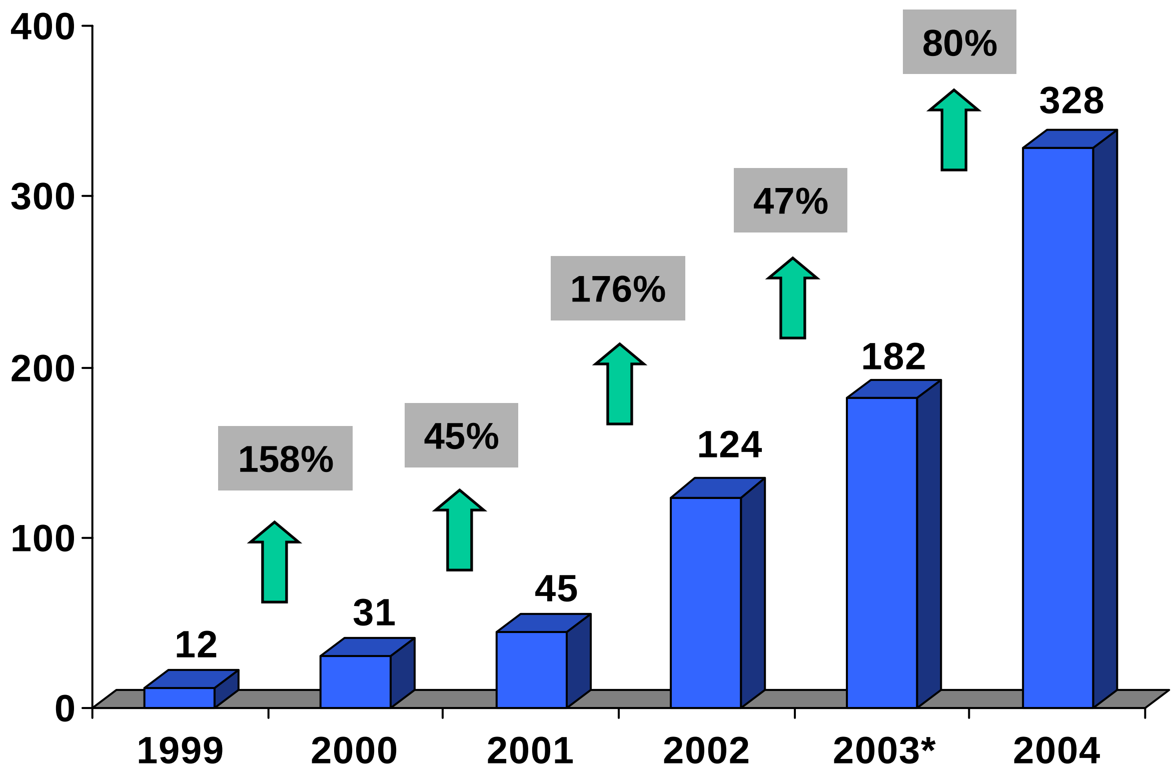
** Subsidiaries include studio "classics" divisions such as Sony Pictures Classics, Fox Searchlight, New Line, Fine Line, Miramax, etc.*

Total Number of Screens

Year	Total Screens	% Change 2004 vs.	Indoor Screens	% Change 2004 vs.	Drive-In Screens	% Change 2004 vs.
2004	**36,594**	**-**	**35,993**	**-**	**601**	**-**
2003	35,786	**2.2%**	35,499	**1.4%**	647	**-7.1%**
2002	35,280	3.7	34,630	3.9	650	(7.5)
2001	36,764	(0.5)	36,110	(0.3)	654	(8.1)
2000	37,396	(2.1)	36,679	(1.9)	717	(16.2)
1994	26,586	37.6	25,701	40.0	885	(32.1)
1990	23,689	54.5	22,774	58.0	915	(34.3)
1984	20,200	81.2	17,368	107.2	2,832	(78.8)
1980	17,590	108.0	14,029	156.6	3,561	(83.1)

Source: MPAA

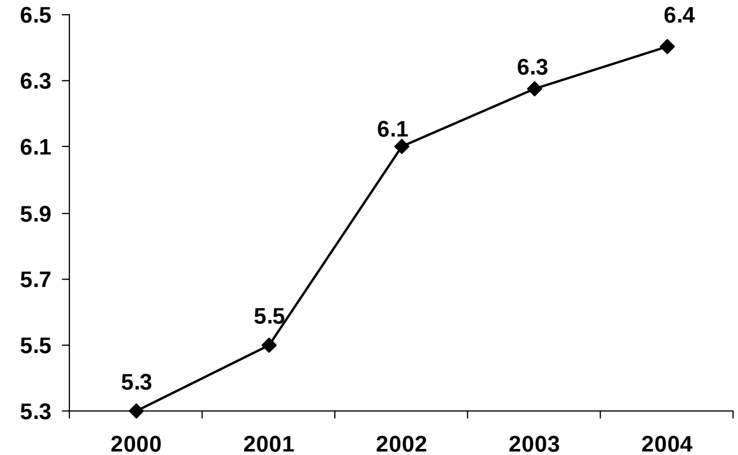
Worldwide Digital Cinema Screens



Source: Screen Digest

*Updated by source

Average Screens per Indoor Theater



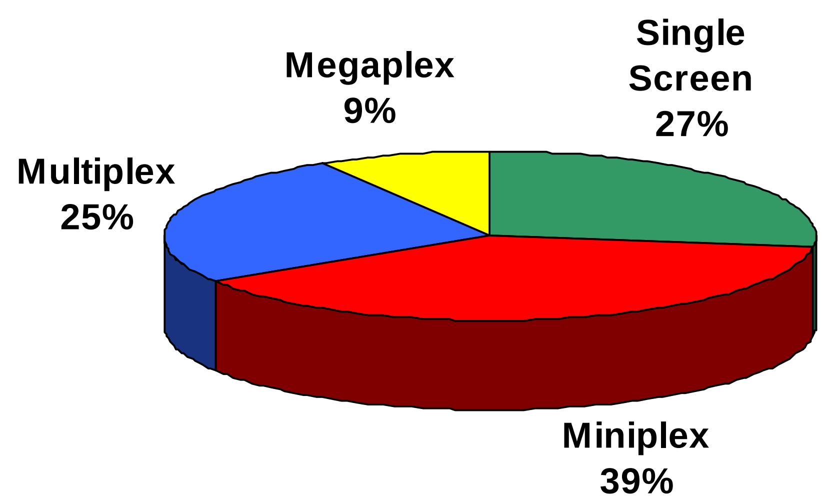
Total Number of Theaters

Year	Total Theaters	% Change 2004 vs.	Indoor Theaters	% Change 2004 vs.	Drive-In Theaters	% Change 2004 vs.
2003	**6,012**	-	**5,620**	-	**392**	-
2003	6,066	-0.9%	5,658	-0.7%	408	-3.9%
2002	6,050	(0.6)	5,635	(0.3)	415	(5.5)
2001	7,070	(15.0)	6,596	(14.8)	474	(17.3)
2000	7,421	(19.0)	6,909	(18.7)	512	(23.4)
1995	7,744	(22.4)	7,151	(21.4)	593	(33.9)

Source: MPAA

Theaters by Number of Screens

Type	2003	2004	% Change
Single Screen	1,684	1,629	-3.3%
Miniplex (2 to 7 screens)	2,419	2,337	(3.4)
Multiplex (8 to 15 screens)	1,473	1,523	3.4
Megaplex (16 or more screens)	490	523	6.7



Total Number of Theaters: 6,012

Source: MPAA

Employment

US Motion Picture Industry Employment Areas
(000s)

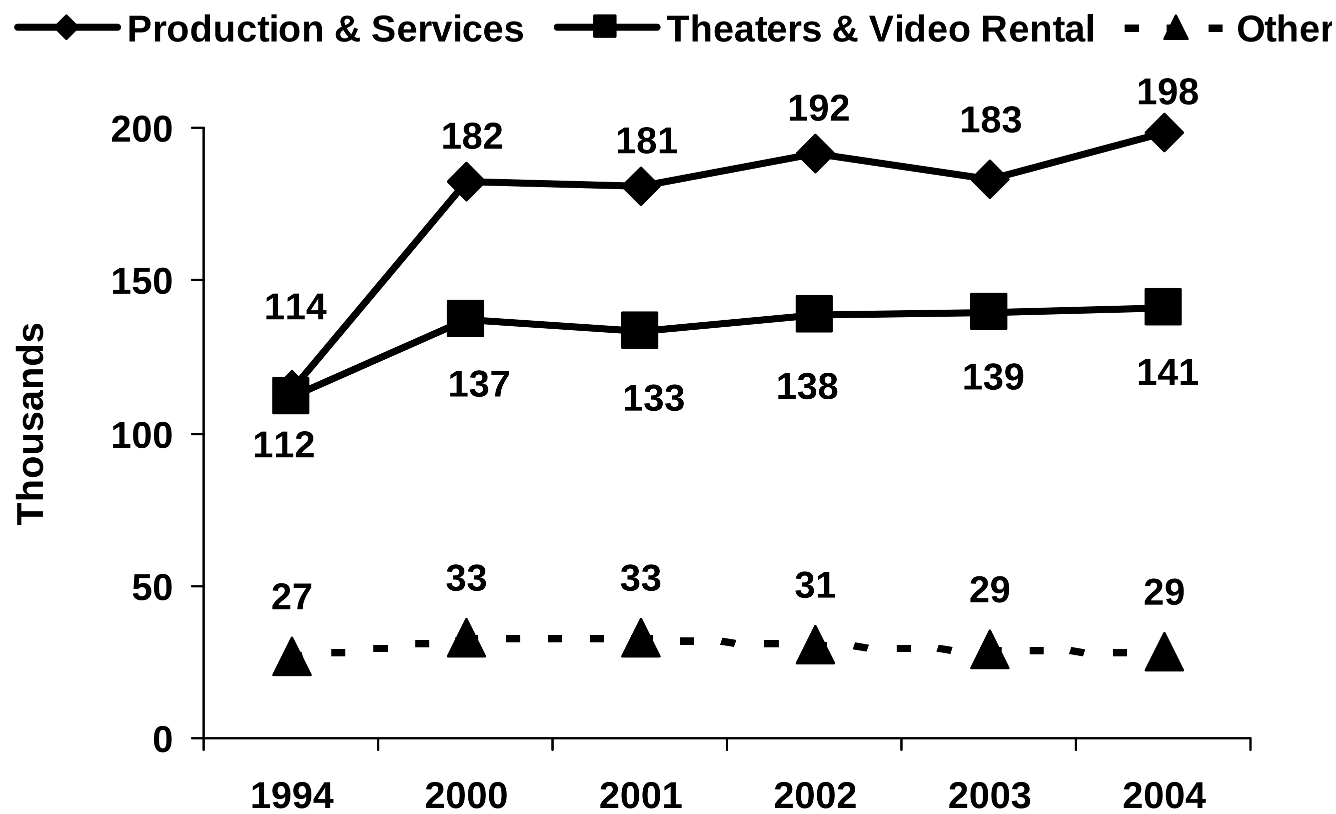
Year	Production & Services	Theaters and Video Tape Rental	Other	Total	% Change Yearly	% Change 2004 vs.
2004 (p)	**198.3**	**141.0**	**28.6**	**367.9**	**4.9%**	**--**
2003	183.1	139.2	29.4	350.6	(2.8)	4.9%
2002	191.7	138.4	30.6	360.7	4.0	2.0
2001	180.9	133.2	32.6	346.7	(1.4)	6.1
2000	182.1	136.9	32.6	351.6	0.9	4.6
1999	182.5	133.2	32.9	348.6	2.9	5.5
1998	172.0	135.0	31.7	338.7	4.9	8.6
1997	159.6	131.2	32.2	323.0	5.6	13.9
1996	149.8	122.2	33.9	305.9	7.8	20.3
1995	135.2	117.1	31.4	283.7	12.0	29.7

Source: Bureau of Labor Statistics

(p) preliminary estimate

Employment

Motion Picture Industry Employment Areas



Source: Bureau of Labor Statistics

*All figures have been updated to represent Bureau of Labor Statistics NAICS reclassification.

Home Video

VCR Penetration in US TV Households

Year	TV Households (MM)	VCR Households (MM)	% Change VCR HHs		VCR Penetration Rate (% TV HHs)
			Prev. Period	2004 vs.	
2004	**109.6**	**98.9**	**0.5%**	**-**	**90.2%**
2003	108.4	98.4	0.8	0.5%	90.8
2002	106.7	97.6	1.5	0.5	91.5
2001	105.5	96.2	9.2	1.3	91.2
2000	102.2	88.1	21.0	2.8	86.2
1994	94.2	72.8	11.4	2.8	77.3
1990	93.1	65.4	335.7	35.8	70.2
1984	85.3	15.0	710.8	51.3	17.6
1980	78.0	1.9	-	5,243.8	2.4

Source: Nielsen Media Research

Home Video

Sales of Home Entertainment to US Dealers*

VHS

	Units in MM			% of Change	
Year	Rental Cassettes	Sell -Through Cassettes	Total Cassettes	Prev. Year	2004 vs.
2004	**33.0**	**115.7**	**148.7**	**-49.4%**	**-**
2003	47.5	240.2	293.6	(39.0)	-49.4%
2002	73.6	407.4	481.0	(23.1)	(69.1)
2001	86.2	539.6	625.8	(5.8)	(76.2)
2000	99.4	565.0	664.4	--	(77.6)

DVD

	Units in MM			% of Change	
Year	Rental DVDs	Sell -Through DVDs	Total DVDs	Prev. Year	2004 vs.
2004	**149.1**	**1,313.1**	**1,462.2**	**33.3%**	**-**
2003	111.8	985.0	1,096.8	50.3	33.3%
2002	79.1	650.5	729.6	88.5	100.4
2001	37.1	350.0	387.1	105.6	277.7
2000	13.9	174.4	188.3	--	676.5

Source: Adams Media Research

*Historical figures have been updated by source

Home Video

2004 Top 20 Home Entertainment Titles
by Unit Sales*

Rank	Title	Distributor	Box Office (USD MM)	Units Sold (MM)
1	Shrek 2	DreamWorks	$436.7	22.22
2	Lord of the Rings: Return of the King	New Line	377.0	17.29
3	The Passion of the Christ	Fox	370.3	12.67
4	Harry Potter: Prisoner of Azkaban	Warner Bros.	249.4	12.29
5	Spider-Man 2	Sony	373.4	11.08
6	The Lion King 1-1/2	BV/Disney	DTV**	9.16
7	Elf	New Line	173.4	8.92
8	Brother Bear	BV/Disney	85.3	8.46
9	The Day After Tomorrow	Fox	186.7	6.70
10	Star Wars Trilogy	Fox	N/A	6.20
11	The Matrix Revolutions	Warner Bros.	139.3	5.78
12	Kill Bill Vol.1	BV/Miramax	70.1	5.66
13	Cheaper by the Dozen	Fox	138.6	5.59
14	American Wedding	Universal	104.4	5.49
15	The Bourne Supremacy	Universal	176.0	5.28
16	The Last Samurai	Warner Bros.	111.1	5.22
17	Shrek	DreamWorks	267.7	5.16
18	Aladdin - Special Edition	BV/Disney	271.0	5.03
19	Dr. Seuss' The Cat in the Hat	Universal	100.4	4.91
20	Princess Diaries 2: Royal Engagement	BV/Disney	95.1	4.60

Source: Home Media Retailing

* includes both DVD and VHS

** DTV = Direct to Video

DVD Penetration in US TV Households

Year	TV Households (MM)	DVD Households (MM)	DVD Penetration Rate (% TV HHs)	DVD Households (MM)	% Change Prev. Period	% Change 2004 vs.
2004	**109.6**	**65.4**	**59.7%**	**65.4**	**40.1%**	-
2003	108.4	46.7	43.1	46.7	20.3	40.1%
2002	106.7	38.8	36.4	38.8	56.5	68.6
2001	105.2	24.8	23.6	24.8	90.8	163.8
2000	102.2	13.0	12.7	13.0	-	403.3

Source: Nielsen Media Research, Adams Media Research

Home Video

DVD Statistics

	2000	2001	2002	2003	2004
DVD Players Shipped to Dealers (in thousands)	8,499	12,706	17,090	21,994	20,000
Installed Consumer Base (in thousands)	14,700	31,400	56,500	90,187	127,313
Average DVD Player Price (in USD)*	$204	$153	$136	$103	$90
DVD Software Units Shipped to Dealers [1] (in MM)	182	364	685	1,023	1,518
Titles Available on DVD [2]	8,500	13,000	20,000	29,000	40,000

[1] *Includes Sell-Through and Rental DVD*

[2] *Titles available on DVD include movies and music videos*

** 2002-2003 price revised per source*

Source: CEA, Digital Entertainment Group, NPD Group

DVD Player Shipments to Retailers

Month	2003	2004	Change
January	797,058	1,111,285	39.4%
February	743,488	919,295	23.6
March	1,613,649	1,545,112	(4.2)
April	1,272,337	1,161,857	(8.7)
May	1,332,897	1,369,035	2.7
June	2,100,432	1,388,971	(33.9)
July	999,508	1,314,934	31.6
August	1,436,878	1,231,961	(14.3)
September	2,496,497	3,257,574	30.5
October	2,491,871	2,322,691	(6.8)
November	3,682,691	2,723,920	(26.0)
December	3,027,083	1,653,278	(45.4)
Total	**21,994,389**	**19,999,913**	**-9.1%**

Source: Consumer Electronics Association

Home Video

DVD Player Sales to US Consumers

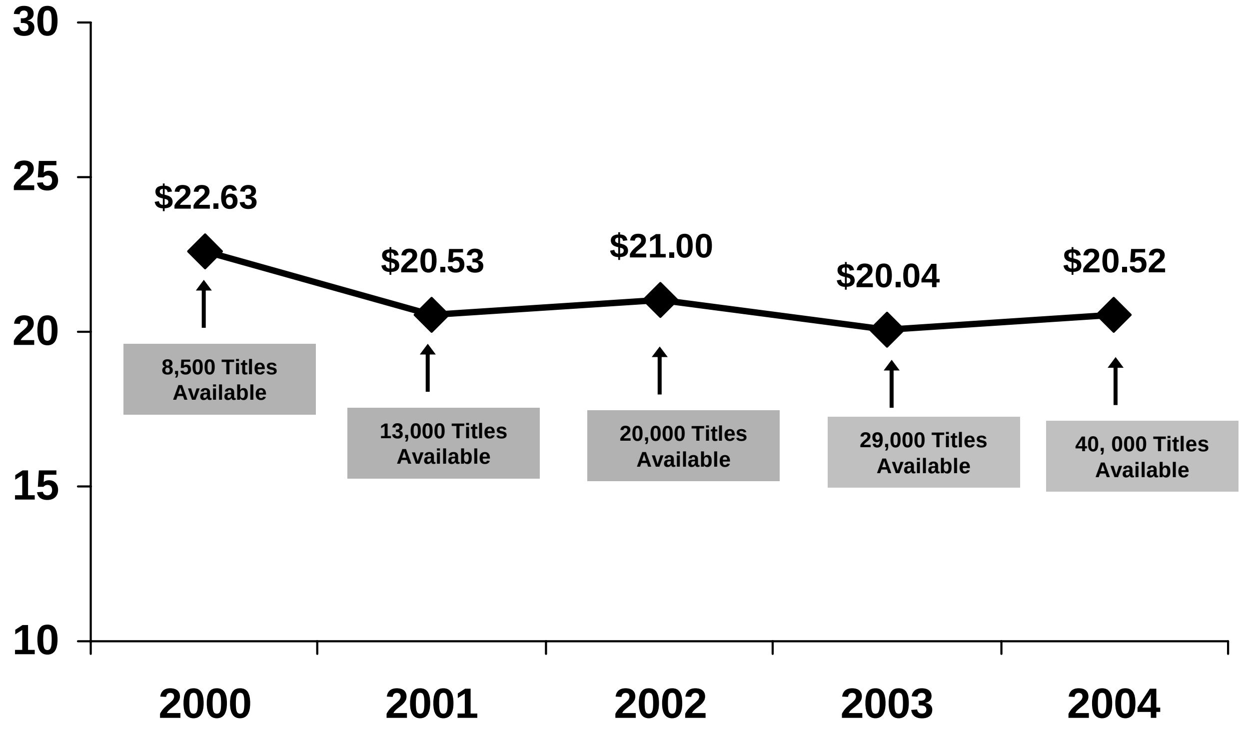
DVD Titles Available

Year	DVD Players (000's)	Yearly Change	2004 Versus	Titles Available	Yearly Change	2004 Versus
2004	**37,000**	**9.8%**	--	**40,000**	**37.9%**	--
2003	33,700	34.3	9.8%	29,000	45.0	37.9%
2002	25,100	50.3	47.4	20,000	53.8	100.0
2001	16,700	68.7	121.6	13,000	52.9	207.7
2000	9,900	178.9	273.7	8,500	70.0	370.6
1999	3,550	273.7	942.3	5,000	233.3	700.0
1998	950	--	3,794.7	1,500	--	2,566.7

Source: DVD Report/Phillips Business Information, Digital Entertainment Group

Home Video

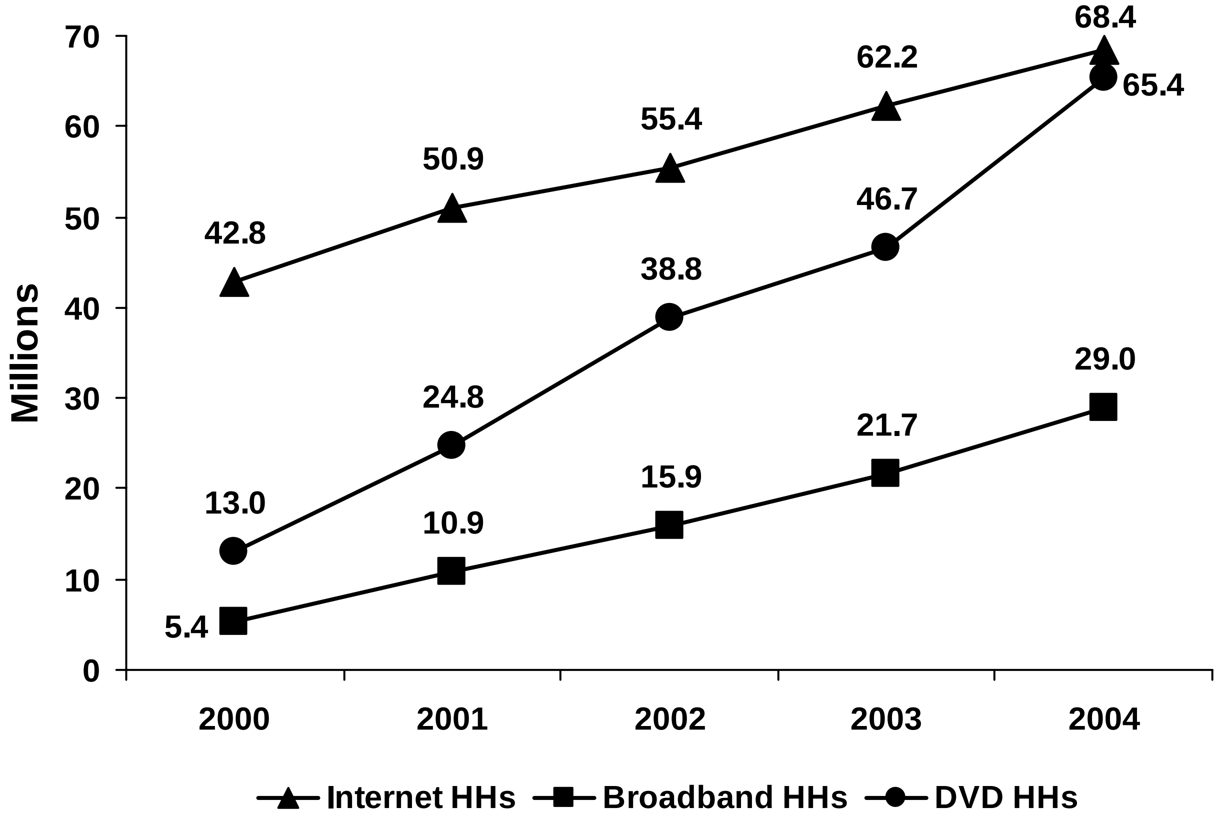
US Average Price per DVD Title



Source: Digital Entertainment Group

Home Video

US HH Growth: Internet vs. Broadband vs. DVD



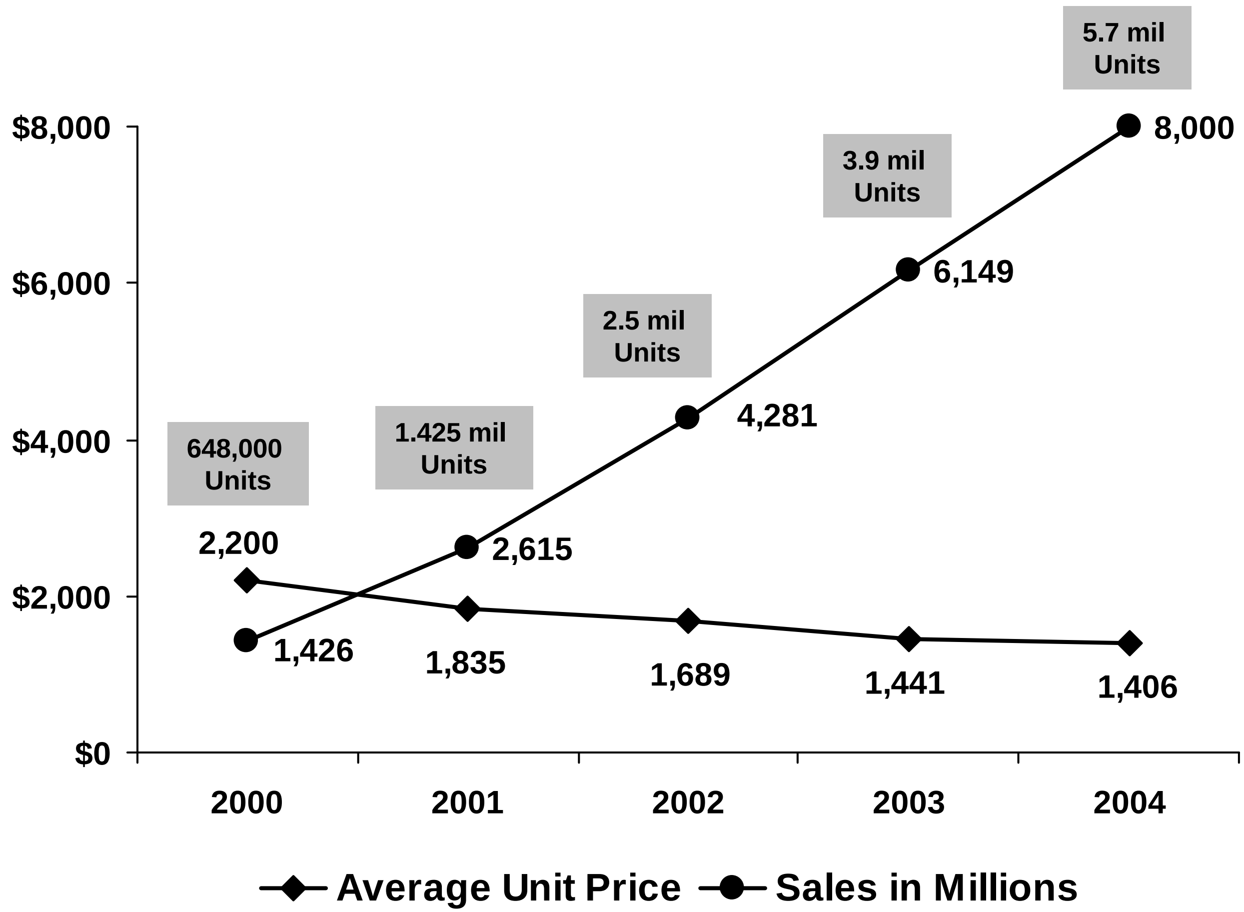
Source: IDC, Nielsen Media Research, Adams Media Research

Television Households

Year	Total Households (MM)	TV Households (MM)	TV Penetration Rate (% Total HHs)
2004	**111.3**	**109.6**	**98.4%**
2003	110.3	108.4	98.3
2002	109.3	106.7	97.6
2001	108.2	105.5	97.5
2000	104.7	102.2	97.6
1995	98.9	95.4	96.5
1990	93.3	93.1	99.8
1985	92.8	86.1	92.8

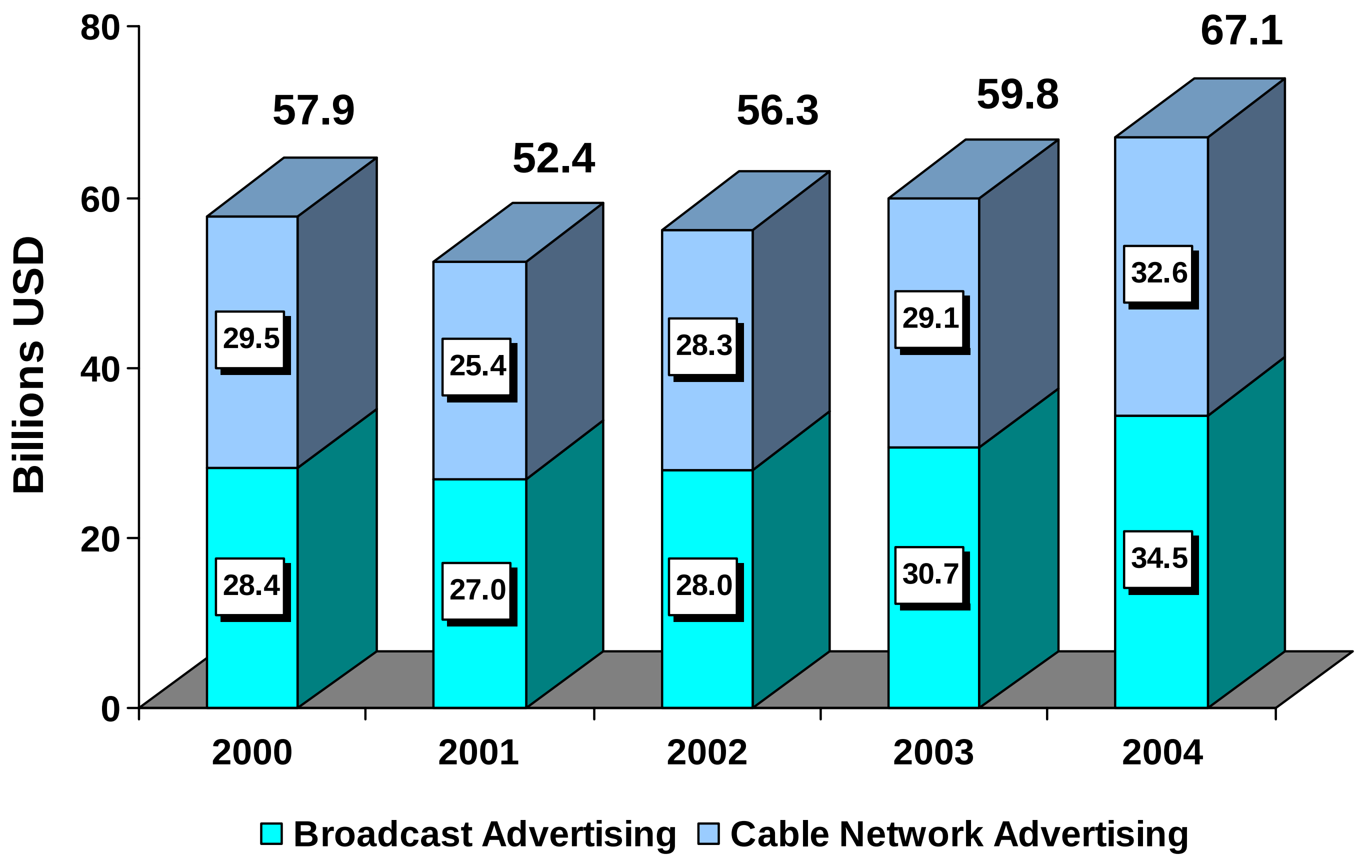
Source: Nielsen Media Research, Census Bureau

Factory Sales of Digital TV Sets and Displays



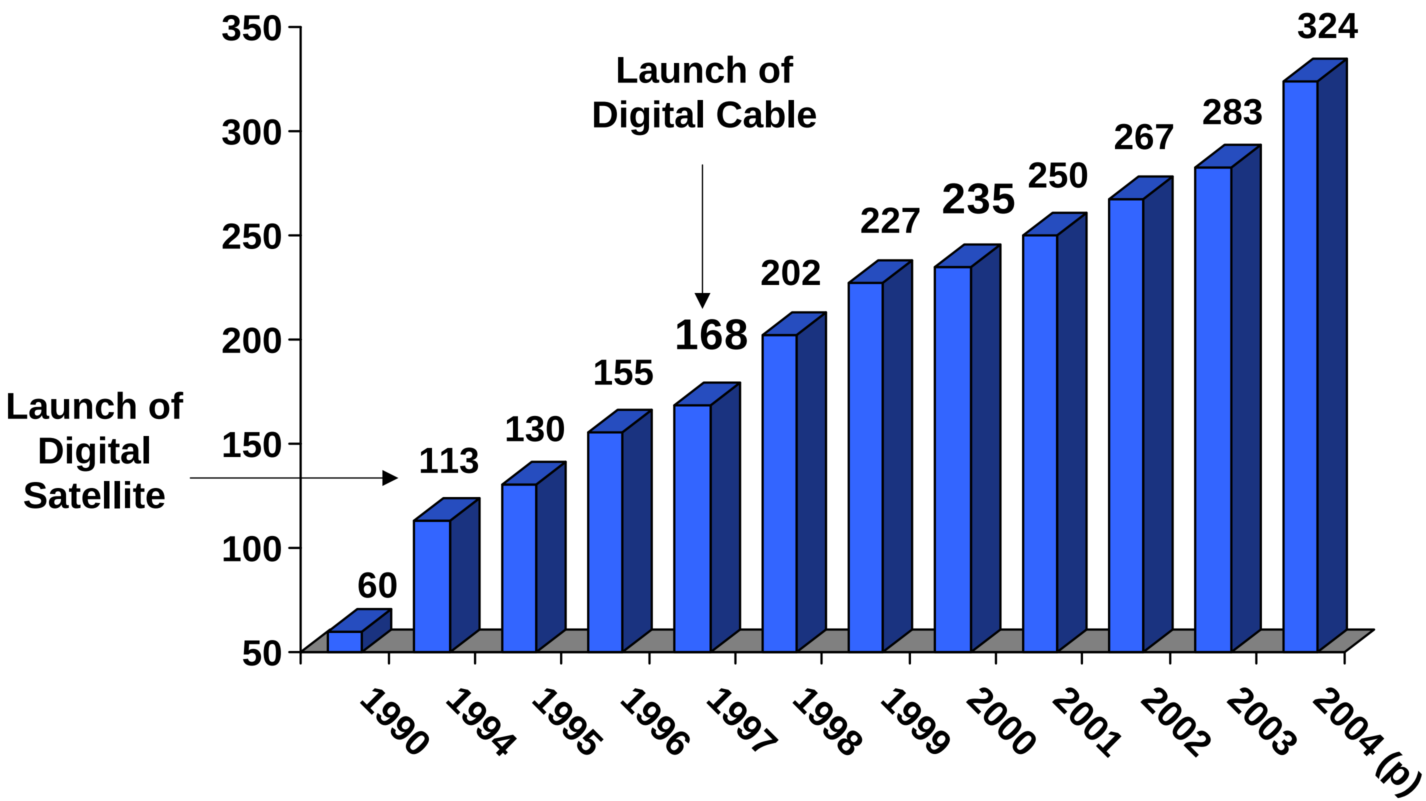
Source: Consumer Electronics Association

Television Advertising Expenditures



Source: PriceWaterhouseCoopers

Number of Cable and Satellite Channels



- **372% increase in cable and satellite channels since 1990**
- **25% increase in cable since 1999**

Source: Screen Digest

(p) preliminary estimate

Basic Cable Households *

Year	TV Households (MM)	Basic Cable Households (MM)	% Change Basic Cable HHs Prev. Year	% Change Basic Cable HHs 2004 vs.	Basic Cable Penetration Rate (% TV HHs)
2004	**109.6**	**73.9**	**0.1%**	**-**	**67.5%**
2003	108.4	73.9	2.2	0.1%	68.1
2002	106.7	72.2	(1.3)	2.3%	67.7
2001	105.5	73.2	5.3	1.0	69.4
2000	102.2	69.5	10.8	6.4	68.0
1995	95.4	62.7	14.2	17.9	65.7
1990	93.1	54.9	37.9	34.7	59.0
1985	86.1	39.8	126.1	85.8	46.2
1980	78.0	17.6	-	320.1	22.6

** Refers to wired cable households with basic cable*

Source: Nielsen Media Research

According to the FCC, as of January 2004, the average subscriber paid $\$45^{\underline{32}}$/month for expanded basic cable for a 5.4% increase from the previous year. An additional $\$16^{\underline{05}}$/month was paid to add digital tier, an increase of 5.6% since 2003.

Pay Cable Households *

Year	TV Households (in MM)	Pay Cable Households (in MM)	% Change Pay Cable HHs		Pay Cable Penetration Rate (% TV HHs)
			Prev. Year	2004 vs.	
2004	**109.6**	**35.1**	**-12.2%**	**-**	**32.0%**
2003	108.4	40.0	16.3	-12.2%	36.9
2002	106.7	34.4	0.9	2.1%	32.2
2001	105.5	34.1	1.2	3.0	32.3
2000	102.2	33.7	10.9	4.2	33.0
1995	95.4	30.4	-	15.5	31.9
1990	93.1	27.0	-	30.1	29.0
1985	86.1	22.8	-	54.0	26.5

** Refers to wired cable households subscribing to premium channels.*

Source: Nielsen Media Research, FCC

US Addressable Cable Households *

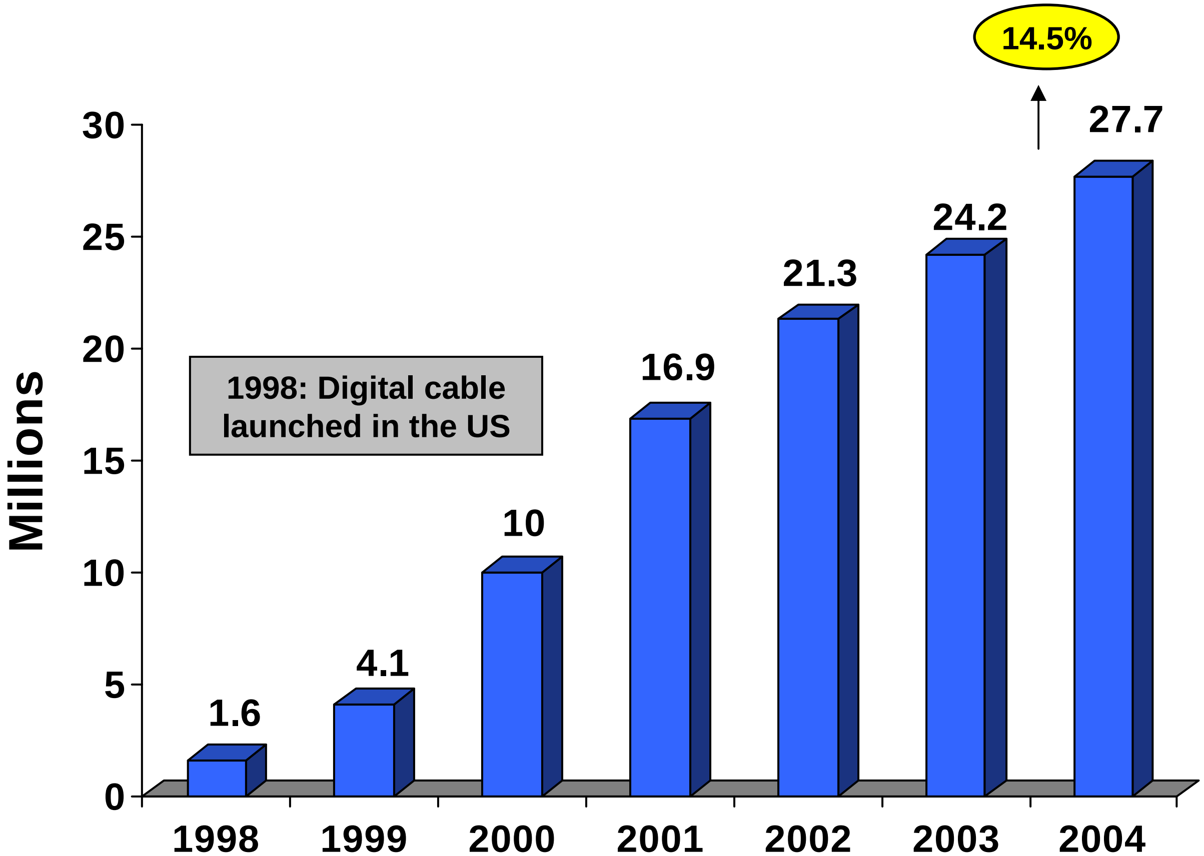
Year	Addressable Households (in MM)**	% Change	
		Prev. Period	2004 vs.
2004	**36.8**	**2.2%**	-
2003	36.0	2.0	2.2%
2002	35.3	10.3	4.2
2001	32.0	(14.7)	15.0
2000	37.5	-	(1.9)

*** 2004 figure is preliminary*

**Cable homes which have set-top boxes (usually for pay-per-view purposes) that can be tracked to an exact location in the home.*

Source: Kagan Media Money

US Digital Cable Subscribers



Source: Adams Media Research

Satellite Households

Year	Satellite Households (MM)	% Change Prev. Period	% Change 2004 vs.
2004	**22.2**	**14.6%**	-
2003	19.4	10.2	14.6%
2002	17.6	36.4	26.3%
2001	12.9	34.4	72.3
2000	9.6	15.7	131.5
1998	8.3	29.7	167.8
1997	6.4	45.5	247.3
1996	4.4	33.3	405.1
1995	3.3	-	573.5

Source: Nielsen Media Research

Television

According to Adams Media Research, the average VOD price was \$3.87 in 2004.

In 2004, PVR households reached 10% of US households, according to Video Store Magazine.

VOD

Year	TV Households (in MM)	VOD Households* (in MM)	VOD Penetration Rate (% TV HHs)	VOD Consumer Spending (MM)
2004	**109.6**	**16.9**	**15.4%**	**\$337.2**
2003	108.4	9.5	8.8	202.4
2002	106.7	6.0	5.6	122.2
2001	105.5	2.5	2.4	28.6
2000	102.2	0.4	0.4	9.8
1999	100.8	0.0	0.0	0.8

*Historical figures have been updated by source

VOD = Video on Demand; An advanced pay-per-view programming service which enables viewers to order and watch movies on demand and to pause, rewind or fast-forward them.

Source: Nielsen Media Research, Adams Media Research, Video Store Magazine

Technology

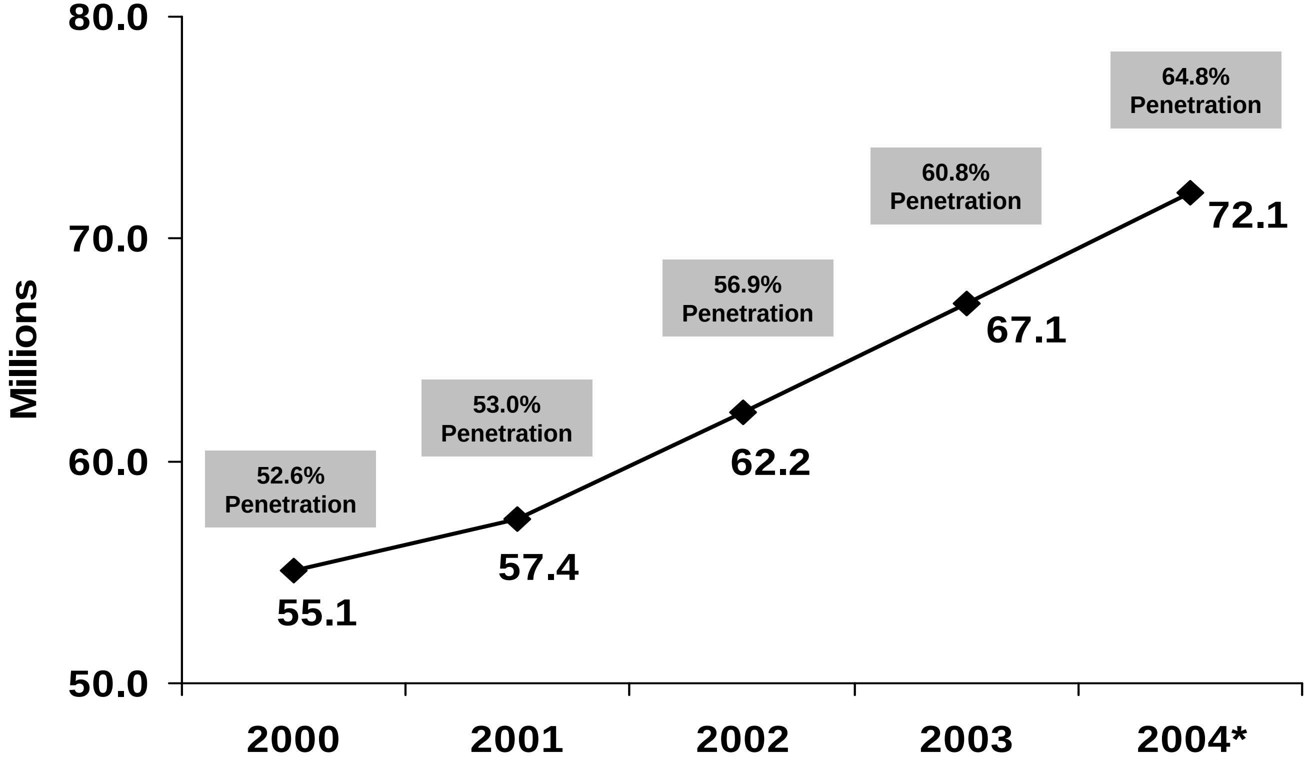
PC Households

Year	PC Households (in MM)	% Change 2004 vs.	PC Penetration Rate (% of Total US HHs)
2004*	**72.1**	**-**	**64.8%**
2003	67.1	7.5%	60.8
2002	62.2	15.9	56.9
2001	57.4	25.6	53.0
2000	55.1	30.9	52.6

**Preliminary*

Source: US Census Bureau, IDC

US PC Households



Source: US Census Bureau, IDC

*Preliminary

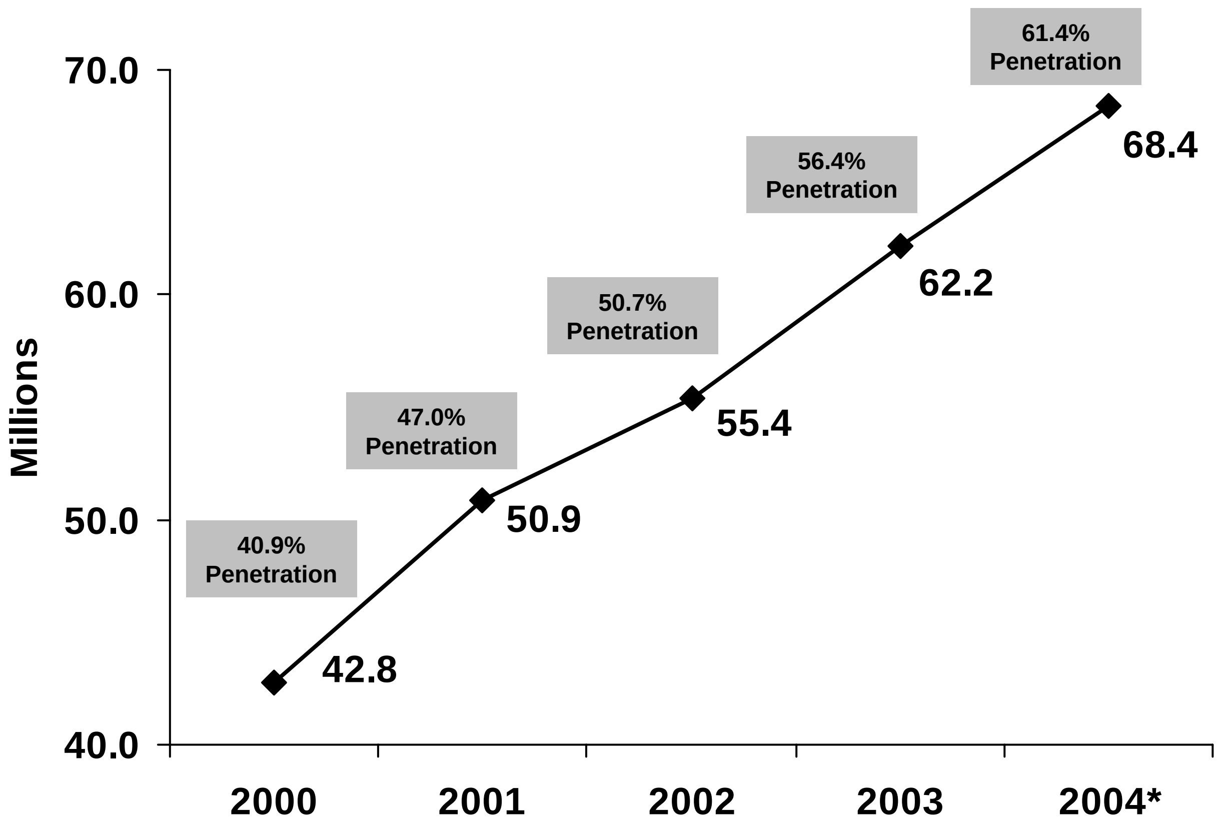
Number of Households with Internet Access

Year	Internet Households (in MM)	% Change 2004 vs.	% of PC HHs	% of Total US HHs
2004*	**68.4**	**-**	**94.9%**	**61.4%**
2003	62.2	10.0%	86.3	56.4
2002	55.4	23.5	76.8	50.7
2001	50.9	34.4	70.6	47.0
2000	42.8	59.8	59.4	40.9

Source: US Census Bureau, IDC

*Preliminary

US Internet Households



Penetration is calculated as a percentage of total US households

*Preliminary

Source: US Census Bureau, IDC

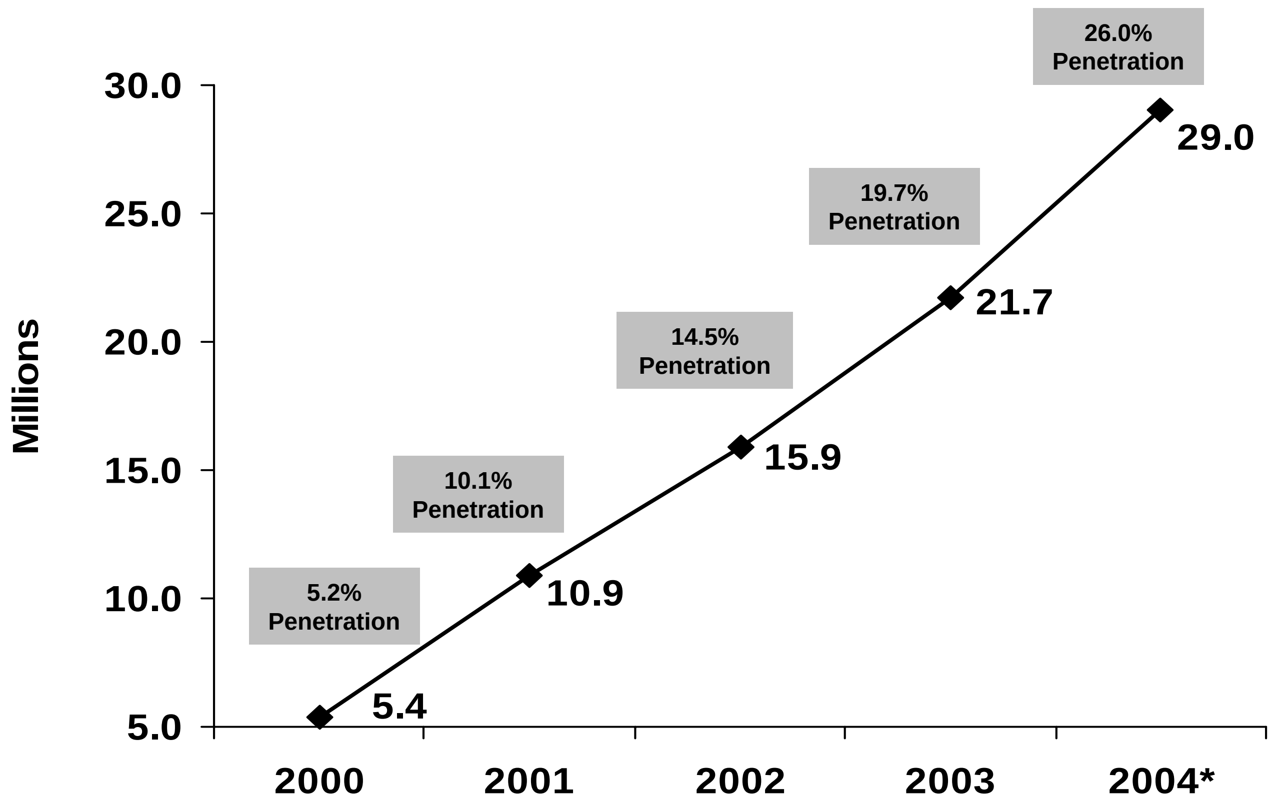
Number of Households with Broadband Internet Access

Year	Broadband Households (in MM)	% Change 2004 vs.	% of Internet HHs	% of Total US HHs
2004*	**29.0**	**-**	**42.4%**	**26.0%**
2003	21.7	33.6%	34.9	19.7
2002	15.9	82.4	28.7	14.5
2001	10.9	166.1	21.4	10.1
2000	5.4	437.0	12.6	5.2

Source: US Census Bureau, IDC

*Preliminary

Number of Households with Broadband Internet Access

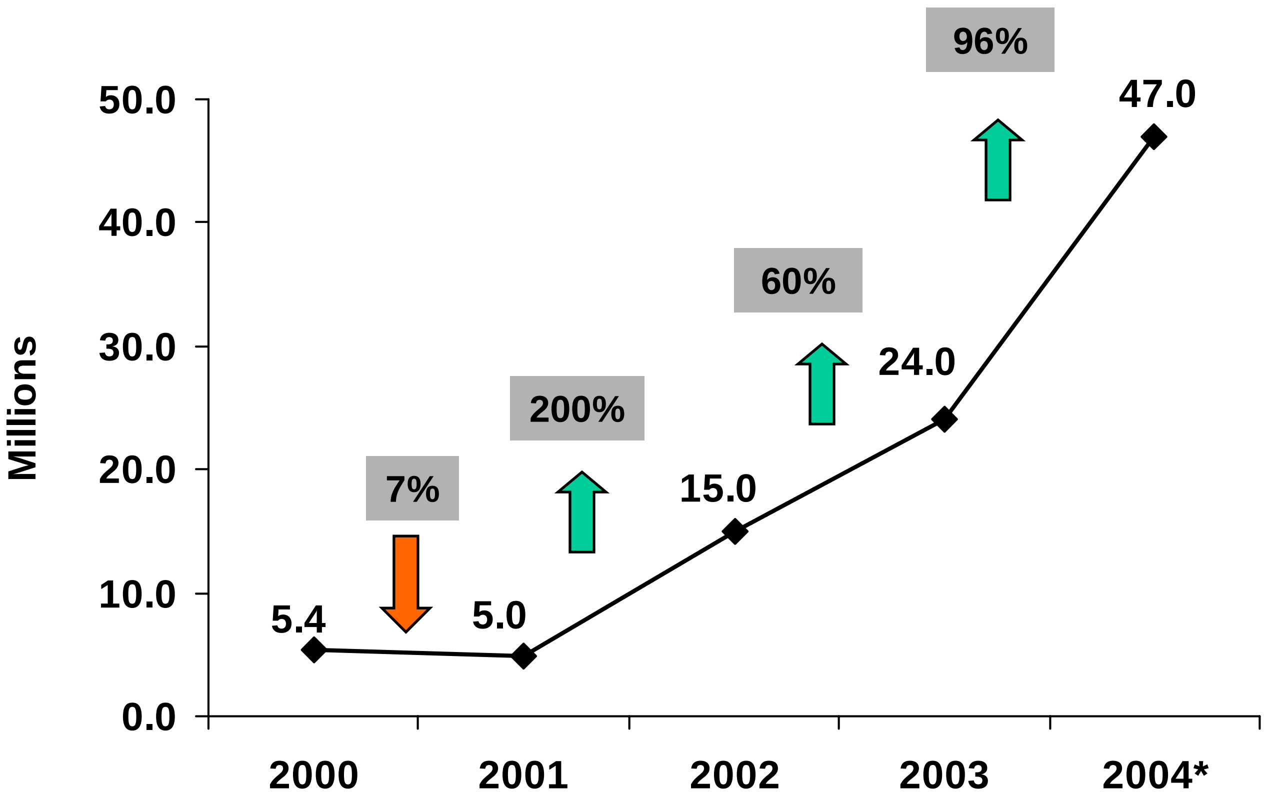


Penetration is calculated as a percentage of total US households

Source: US Census Bureau, IDC

*Preliminary

Number of US Mobile Internet Users



Source: IDC

*Preliminary

Media Consumption

Media Consumption based on Hours per Person*

	2000	2001	2002	2003	2004p	% Change 03-04	% Change 00-04p
Filmed Entertainment							
Cable & Satellite TV	769	843	918	975	1,010	3.6%	31.3%
Broadcast TV	866	833	787	769	782	-0.6	-8.4
Consumer Internet	107	139	158	176	189	7.4	76.6
Home Video[1]	51	56	65	70	78	11.4	52.9
Box Office	12	13	14	13	13	0.0	8.3
Interactive TV [2]	2	2	2	2	3	50.0	50.0
Subtotal	**1,807**	**1,886**	**1,944**	**2,005**	**2,075**	**3.5%**	**14.8%**
Other Entertainment							
Broadcast & Satellite Radio	943	955	990	1,002	1,035	3.3%	9.8%
Recorded Music	258	229	200	184	180	-4.2	-19.4
Daily Newspapers	180	177	175	171	169	-1.1	-5.4
Consumer Magazines	135	127	125	121	118	-1.7	-6.4
Consumer Books	109	106	109	108	107	-1.8	-10.8
Video Games	59	60	64	69	71	2.9	20.3
Subtotal	**1,684**	**1,654**	**1,663**	**1,655**	**1,680**	**1.5%**	**-0.2%**
Total	**3,491**	**3,540**	**3,607**	**3,660**	**3,755**	**2.6%**	**7.6%**

** Figures revised by source*

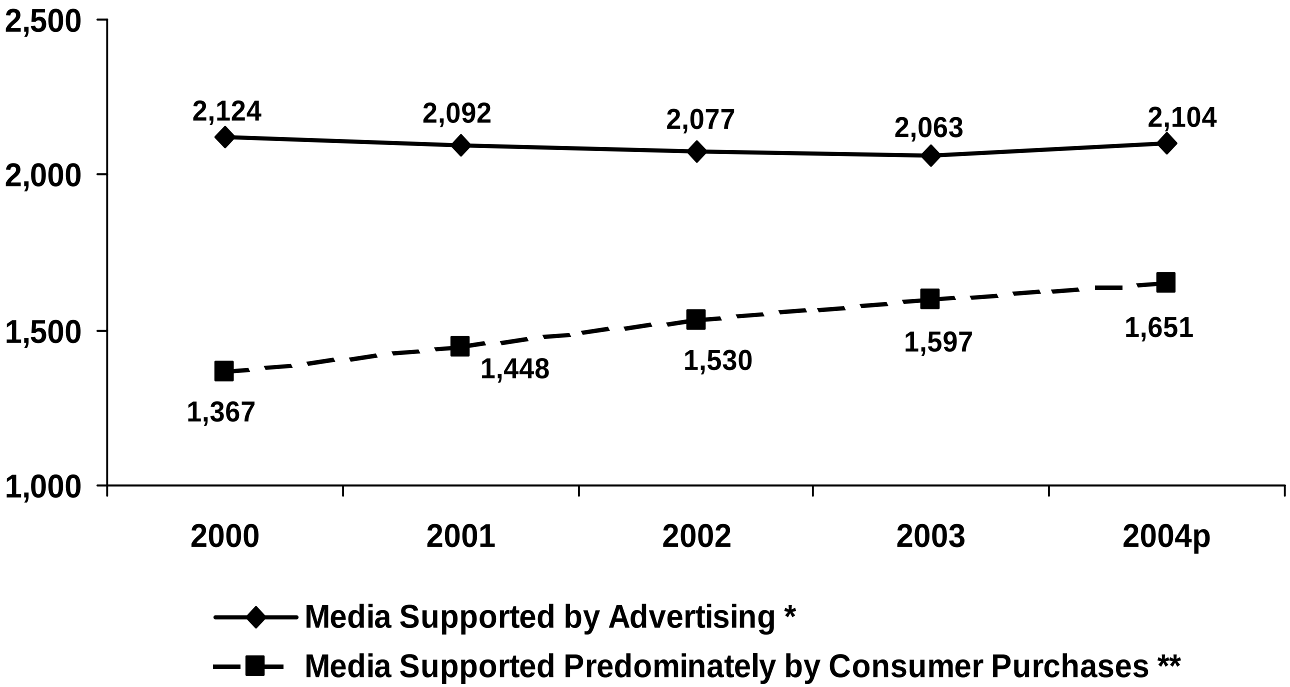
[1] Includes playback of prerecorded VHS cassettes and DVDs only

[2] Video-on-Demand only

Source: Veronis Suhler Stevenson

Media Consumption

Media Consumption based on Hours per Person per Year [1]



Following trends in previous years, it is estimated that the average person will spend the majority of their time with media supported by advertising (56%) in 2004. Within this category, 49% of the hours consumed will be spent listening to broadcast & satellite radio.

[1] Figures revised by source

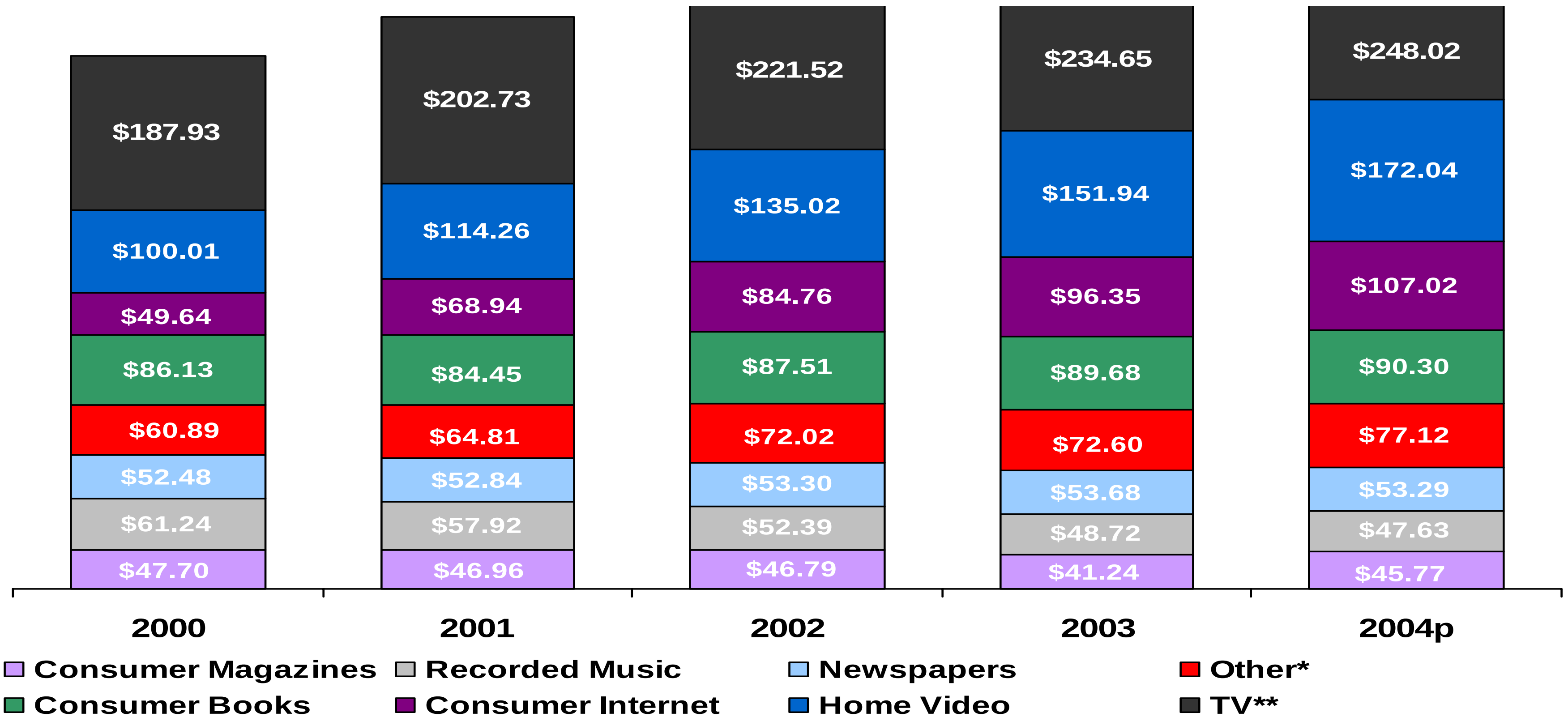
** Broadcast television, broadcast & satellite radio, daily newspapers, consumer magazines*

*** Cable & satellite television, box office, home video, interactive television, recorded music, video games, consumer Internet, consumer books*

Source: Veronis Suhler Stevenson

Media Consumption

Consumer Spending per Person per Year [1]
(USD)



* Other includes: Box Office, Video Games & Interactive TV

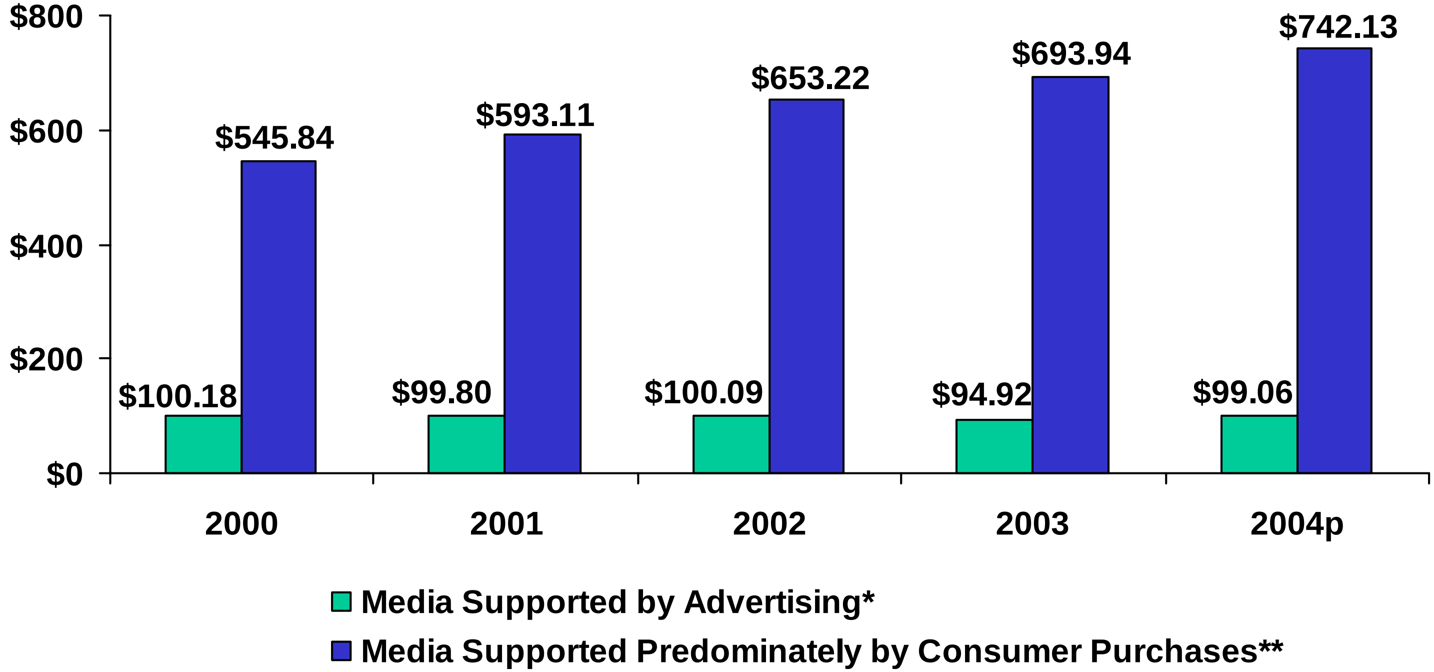
[1] *Figures revised by source*

** TV includes: Cable & Satellite TV (Basic & Premium services)

Source: Veronis Suhler Stevenson

Media Consumption

Consumer Spending per Person per Year [1]
(USD)



** Daily newspapers, consumer magazines*

*** Cable & satellite television, box office, home video, interactive television, recorded music, video games, consumer Internet, consumer books*

[1] Figures revised by source

Source: Veronis Suhler Stevenson