



**MOTION PICTURE ASSOCIATION
Worldwide Market Research**

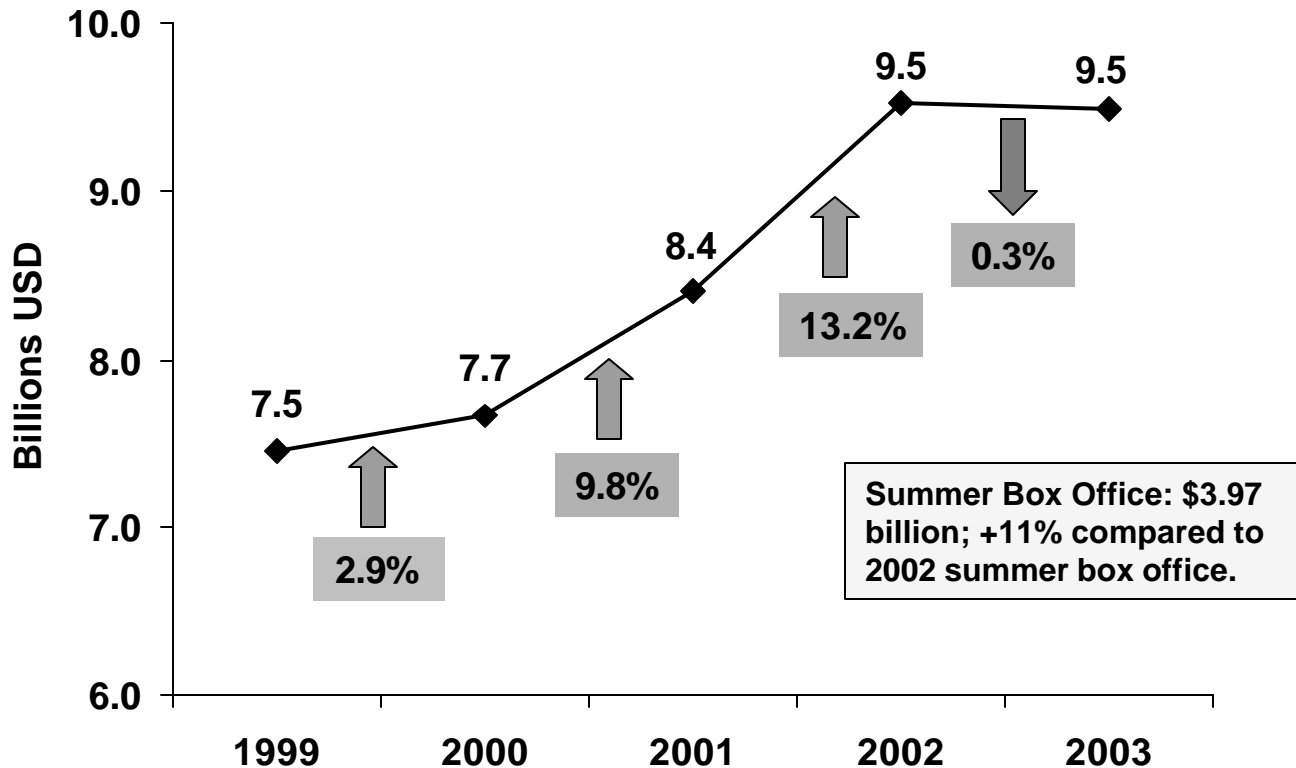
**U.S. Entertainment Industry:
2003 MPA Market Statistics**

Table of Contents

- **Box Office** 3-6
- **Admissions** 7-10
- **High Grossing Films** 11
- **Films Released** 12-14
- **Ratings** 15-16
- **Theatrical** 17-26
 - Negative Costs 17-19
 - Marketing Costs 20-22
 - Screens 23-24
 - Theaters 25-26
- **Employment** 27-28
- **Home Video** 29-36
 - VCR Statistics 29-30
 - DVD Statistics 30-36
- **Television** 37-46
 - Television Statistics..... 37-39
 - Cable Statistics..... 40-46
- **Technology** 47-56
 - PC Statistics 47-49
 - Internet Statistics 50-56
- **Media Consumption** 57-60

After a record breaking year in 2002, US box office continued the momentum - grossing \$9.49 billion in 2003. This year's box office was boosted by a strong slate of films released during the summer months.

Box Office Trends



Source: MPAA

Box Office

Box Office Growth

Year	Box Office Gross (USD MM)	% Change	
		Prev. Period	2003 vs.
2003	\$9,488.5	-0.3%	-
2002	9,519.6	13.2	-0.3%
2001	8,412.5	9.8	13.2%
2000	7,660.7	2.9	23.9
1999	7,448.0	7.2	27.4
1998	6,949.0	9.2	36.5
1997	6,365.9	7.7	49.1
1996	5,911.5	7.6	60.5
1995	5,493.5	1.8	72.7
1994	5,396.2	4.7	75.8
1993	5,154.2	5.8	84.1
1992	4,871.0	1.4	94.8
1991	4,803.2	(4.4)	97.5
1990	5,021.8	(0.2)	88.9
1989	5,033.4	12.9	88.5
1988	4,458.4	4.8	112.8
1987	4,252.9	12.6	123.1
1986	3,778.0	0.8	151.2
1985	3,749.4	(7.0)	153.1
1984	4,030.6	7.0	135.4
1983	3,766.0	-	152.0

Box Office has increased over \$6 billion in the past 20 years.

Source: MPAA

7 films grossed over \$50 million on their opening weekend, with *The Matrix Reloaded* claiming the top spot (opening at \$92 million).

2003 High Grossing Opening Weekend

Rank	Title	Distributor	Release Date	Box Office (USD MM)
1	The Matrix Reloaded	Warner Bros.	May 15th	\$91.8
2	Bruce Almighty	Universal	May 23rd	85.7
3	X2: X-Men United	Fox	May 2nd	85.6
4	Lord of the Rings: Return King	New Line	December 17th	72.6
5	Finding Nemo	Buena Vista	May 30th	70.3
6	The Hulk	Universal	June 20th	62.1
7	2 Fast 2 Furious	Universal	June 6th	50.5
8	The Matrix Revolutions	Warner Bros.	November 5th	48.5
9	Scary Movie 3	Miramax	October 24th	48.1
10	Pirates of the Caribbean	Buena Vista	July 9th	46.6
11	Bad Boys 2	Sony	July 18th	46.5
12	Daredevil	Fox	February 14th	45.0
13	Terminator 3: Rise of the Machines	Warner Bros.	July 2nd	44.0
14	Anger Management	Sony	April 11th	42.2
15	Dr. Seuss' The Cat in the Hat	Universal	November 21st	38.3
16	Charlie's Angels: Full Throttle	Sony	June 27th	37.6
17	S.W.A.T.	Sony	August 8th	37.1
18	Freddy vs. Jason	New Line	August 15th	36.4
19	American Wedding	Universal	August 1st	33.4
20	Spy Kids 3D: Game Over	Miramax	July 25th	33.4

Source: Variety

Fourth quarter pulled in the highest grosses again in 2003 totaling \$2.6 billion, fourth quarter represents 28% of 2003 total box office.

Quarterly Box Office

Quarter	USD in millions		% Change
	2002	2003	
Q1	\$1,991.9	\$1,887.8	-5.2%
Q2	2,490.8	2,353.4	-5.5
Q3	2,334.1	2,618.6	12.2
Q4	2,702.8	2,628.8	-2.7
Year	\$9,519.6	\$9,488.5	-0.3%

4th Qtr 2002 Box Office Hits

Rank	Title	Box Office* (USD in MM)
1	Harry Potter: Chamber of Secrets	\$247.4
2	Lord of the Rings: Two Towers	236.0
3	Die Another Day	150.8
4	The Santa Clause 2	137.5
5	The Ring	127.0
Top 5 Total:		\$898.7

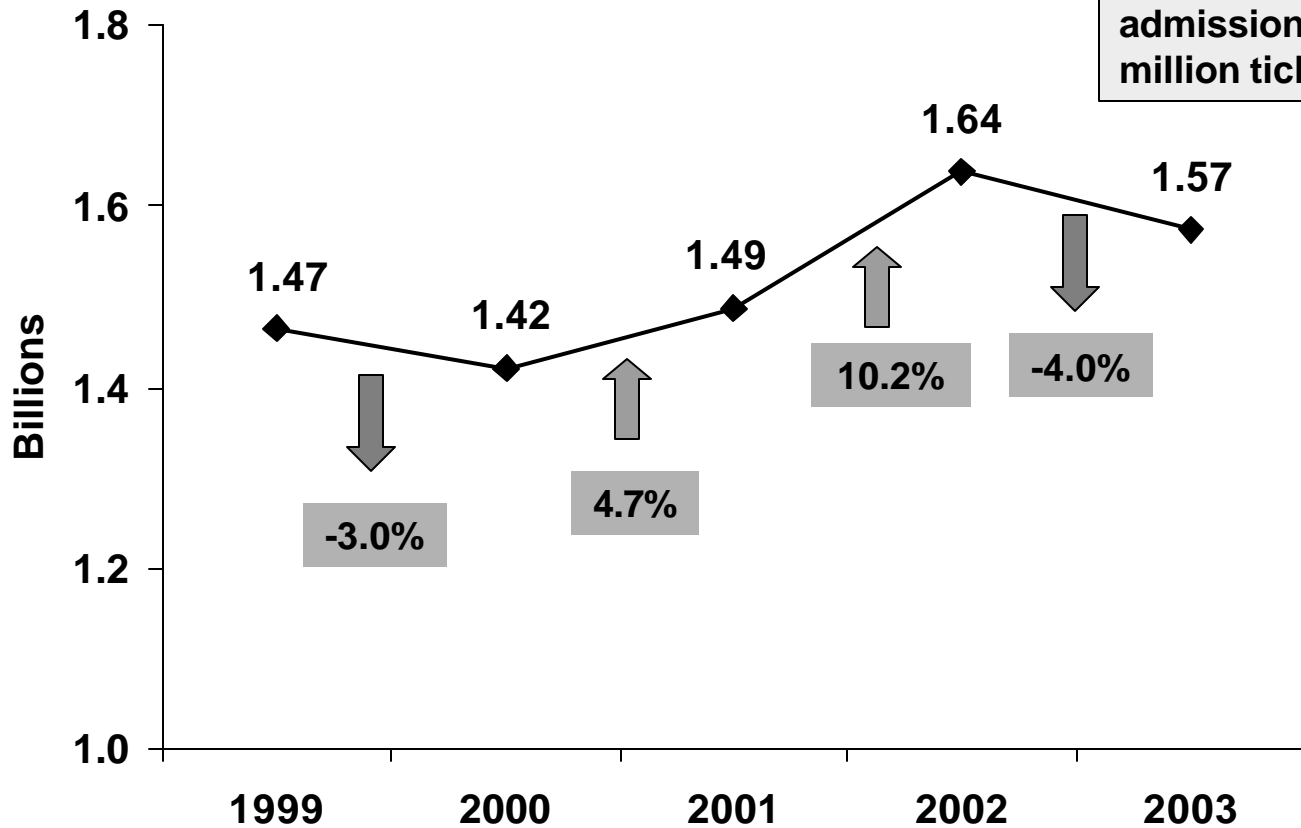
4th Qtr 2003 Box Office Hits

Rank	Title	Box Office* (USD in MM)
1	Lord of the Rings: Return of the King	\$290.4
2	Elf	170.8
3	The Matrix Revolutions	138.3
4	Scary Movie 3	109.6
5	Dr. Seuss' The Cat in the Hat	99.4
Top 5 Total:		\$808.5

Source: MPAA

Admissions

Admissions Trends



US Admissions decreased slightly (-4.0%) in the wake of 2002's strong slate of blockbusters, but remained the 2nd highest admissions of all time -- almost 87 million tickets ahead of 2001.

Source: MPAA

Note: Based on NATO average ticket price

Admissions

Admissions Growth

In the past decade, admissions have increased nearly 27% (- 330 million) .

Year	Admissions	% Change	
		Prev. Period	2003 vs.
2003	1,574.0	-4.0%	-
2002	1,639.3	10.2%	(4.0)
2001	1,487.3	4.7	5.8
2000	1,420.8	(3.0)	10.8
1999	1,465.2	(1.0)	7.4
1998	1,480.7	6.7	6.3
1997	1,387.7	3.7	13.4
1996	1,338.6	6.0	17.6
1995	1,262.6	(2.3)	24.7
1994	1,291.7	3.8	21.9
1993	1,244.0	6.0	26.5
1992	1,173.2	2.9	34.2
1991	1,140.6	(4.0)	38.0
1990	1,188.6	(5.9)	32.4
1989	1,262.8	16.4	24.6
1988	1,084.8	(0.3)	45.1
1987	1,088.5	7.0	44.6
1986	1,017.2	(3.7)	54.7
1985	1,056.1	(11.9)	49.0
1984	1,199.1	0.2	31.3
1983	1,196.9	--	31.5

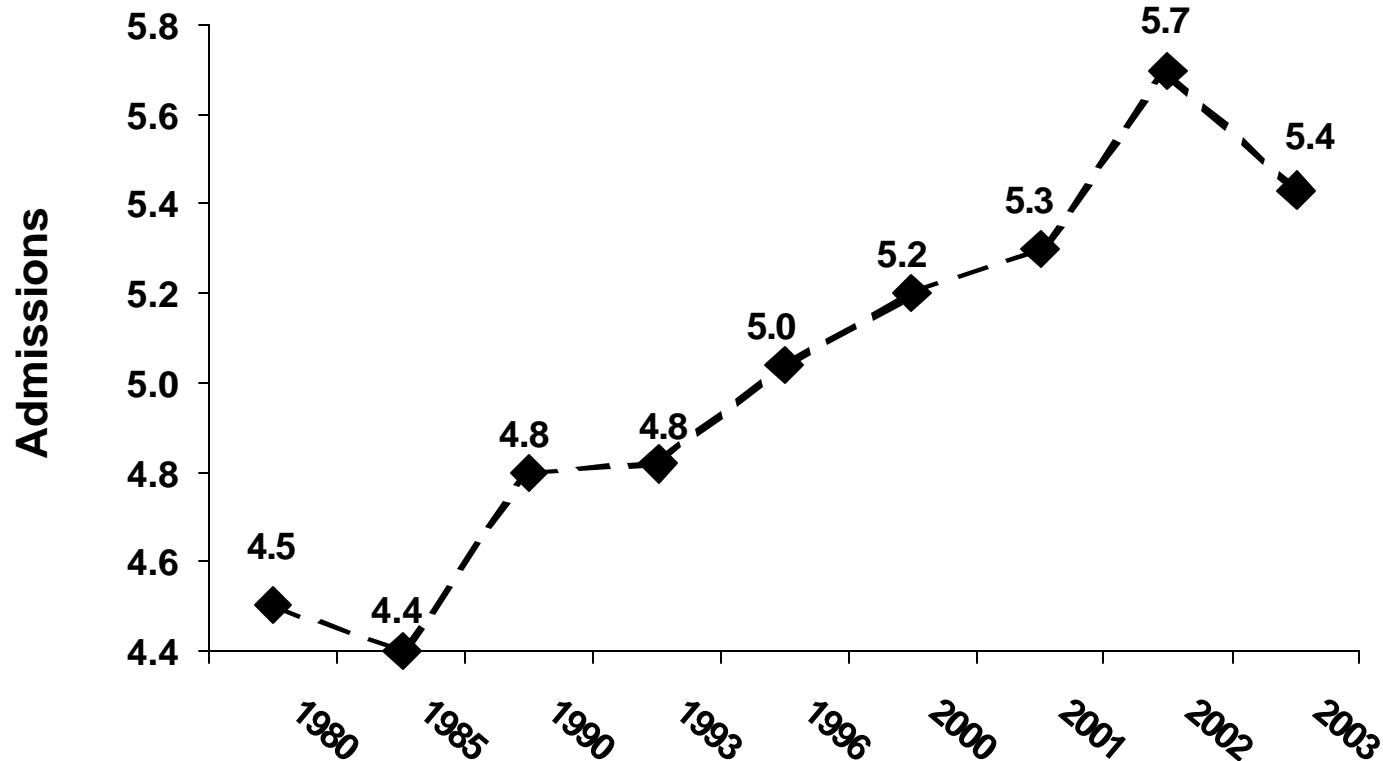
Note: 1989 to present based on NATO average ticket price

Source: MPAA

Admissions

For the past seven years, each U.S. resident attended an average of at least 5 movies per year.

Admissions Trends Per Capita



Source: MPAA

Average Annual Admission Price

Year	Avg. Annual Admission Price (USD)	% Change		% Change CPI
		Prev. Period	2003 vs.	
2003	\$6.03	3.8%	-	1.9
2002	5.81	2.7	3.8%	2.4
2001	5.66	4.9	6.6%	1.6
2000	5.39	6.1	11.8	3.4
1999	5.08	16.8	18.6	2.7
1995	4.35	4.8	38.5	1.7
1992	4.15	(1.7)	45.2	2.9
1990	4.23	19.0	42.7	3.3
1985	3.55	31.9	69.8	2.5
1980	2.69	--	124.0	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.

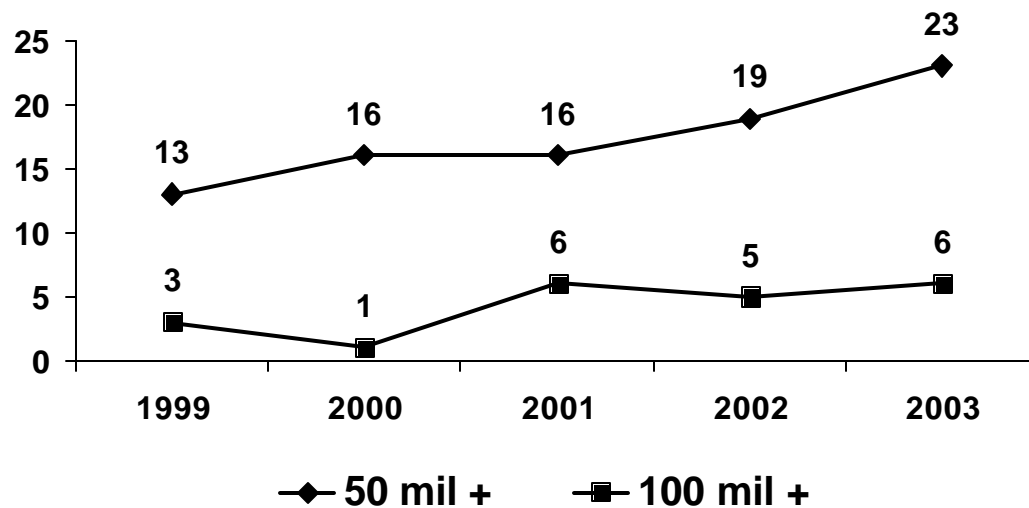
Source: MPAA

Film Rental

Titles grossing >\$50 Million

	<u>Total Box Office</u>
Elf	\$170.8
Chicago*	\$161.4
Terminator 3: Rise Of The Machines	\$150.4
Bad Boys 2	\$138.4
The Matrix Revolutions	\$138.3
Anger Management	\$133.8
The Hulk	\$132.1
2 Fast 2 Furious	\$127.1
Seabiscuit	\$120.2
S.W.A.T.	\$116.6
Freaky Friday	\$110.2
Daddy Day Care	\$104.2
Charlie's Angels: Full Throttle	\$100.8
Dr. Seuss' The Cat In The Hat	\$99.4
Lord of the Rings: Two Towers*	\$80.7
Total	\$1,987.0
% of Total Box Office	21%

Number of High Grossing Features: Film Rentals



Titles grossing >\$100 Million

	<u>Total Box Office</u>
Finding Nemo	\$339.7
Pirates of the Caribbean	\$305.4
The Matrix Reloaded	\$281.5
Bruce Almighty	242.6
X2	214.9
Total	\$1,674.6
% of Total Box Office	18%

* Amount represents 2003 box office figures only.

Source: MPAA

Number of Theatrical Films Produced, Rated, & Released

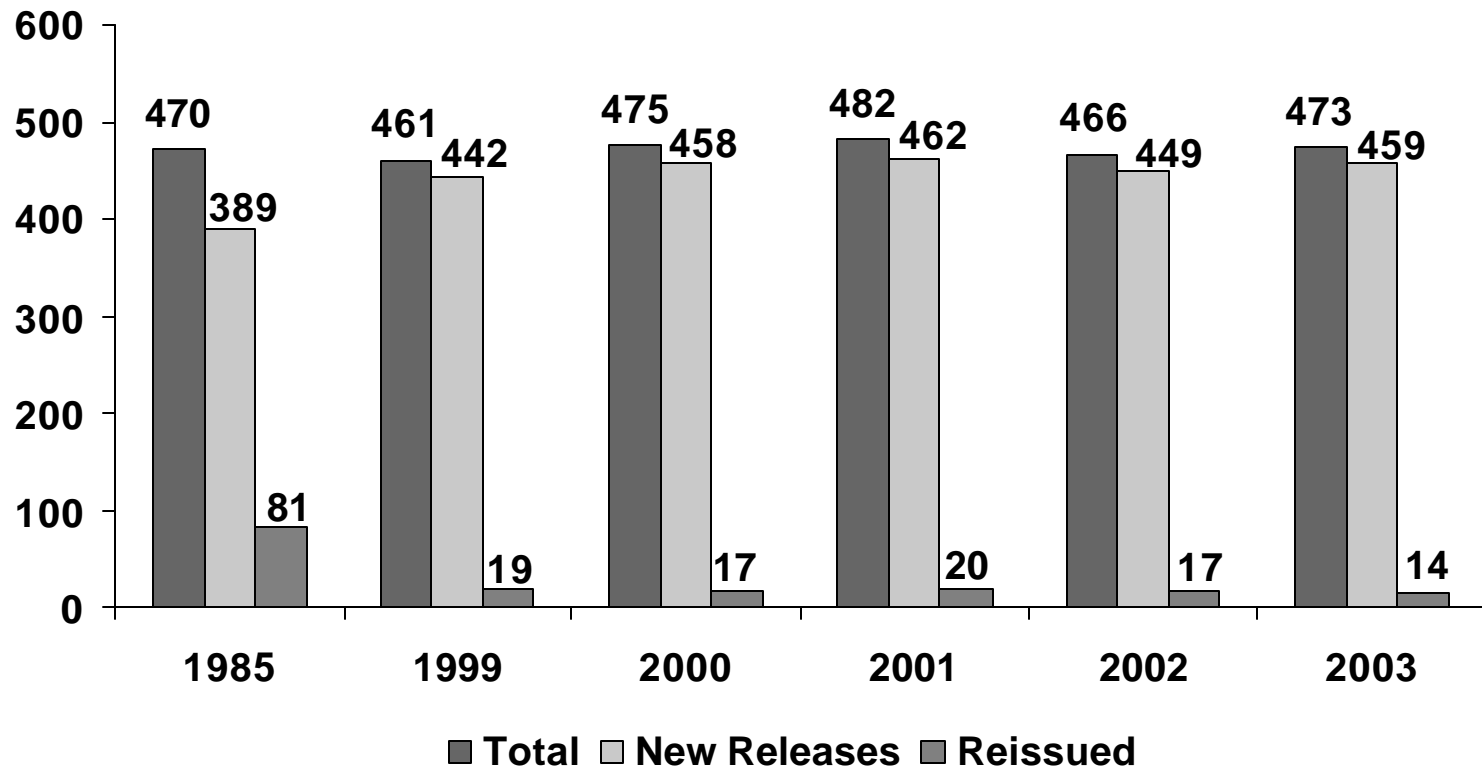
<u>Year</u>	<u>Produced</u>	<u>Rated</u>	<u>Released</u>
2003	593	940	473
2002	543	786	467
2001	611	739	482
2000	683	762	478
1999	758	677	461
1998	686	661	509
1997	767	673	510
1996	735	713	471

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

Films Released in the US



Source: MPAA

Films Released

The total number of films released in 2003 increased 1.5%. MPAA new releases grossed an average of \$41.6 million- an increase of 27% over the prior year.

Average Box Office of New Releases

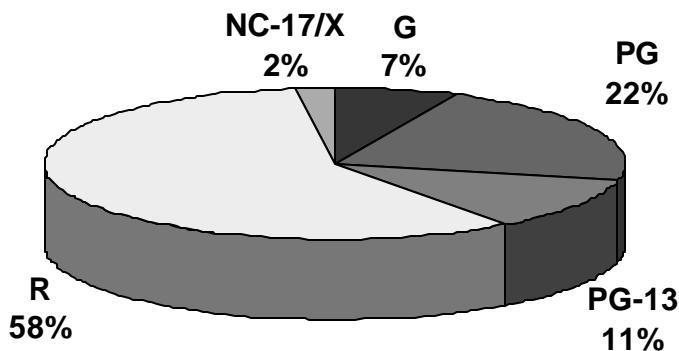
Year	All New Releases	MPAA New Releases
2003	\$20.7	\$41.6
2002	21.2	32.8
2001	18.2	34.8
2000	16.7	30.0
1999	16.9	27.5

Feature Films Released in the US

Year	New Films			Reissued Films		
	MPAA	All Other Distributors	Total New Releases	MPAA	All Other Distributors	Total Reissues
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
1999	213	229	442	5	14	19
1985	212	158	370	22	19	41

Source: MPAA

Percent of films by Rating
1968 to 2003



Top Grossing Films by Rating 1968 to 2003

Rank	Title	Distributor	Box Office (USD MMI)	Rating	Release Date
1	Finding Nemo	Buena Vista	339.7	G	May-03
2	The Lion King	Buena Vista	312.9	G	Jun-94
3	Monsters, Inc.	Buena Vista	255.9	G	Dec-04
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	E.T.	Universal	435.0	PG	Jun-82
3	Star Wars: Phantom Menace	Fox	431.1	PG	May-99
4	Harry Potter: Sorcerer's Stone	Warner Bros.	317.6	PG	Nov-01
5	Star Wars: Attack of the Clones	Fox	310.7	PG	May-02
1	Titanic	Paramount	600.8	PG-13	Dec-97
2	Spider-Man	Sony	403.7	PG-13	May-02
3	Jurassic Park	Universal	357.1	PG-13	Jun-93
4	Lord of the Rings:Two Towers	New Line	341.7	PG-13	Dec-02
5	Forrest Gump	Paramount	329.7	PG-13	Jun-94
1	The Matrix Reloaded	Warner Bros.	281.5	R	May-03
2	Beverly Hills Cop	Paramount	234.8	R	Dec-84
3	The Exorcist	Warner Bros.	232.7	R	Dec-73
4	Saving Private Ryan	Dreamworks	216.2	R	Jul-98
5	Terminator 2	TriStar	204.8	R	Jul-91

Source: MPAA

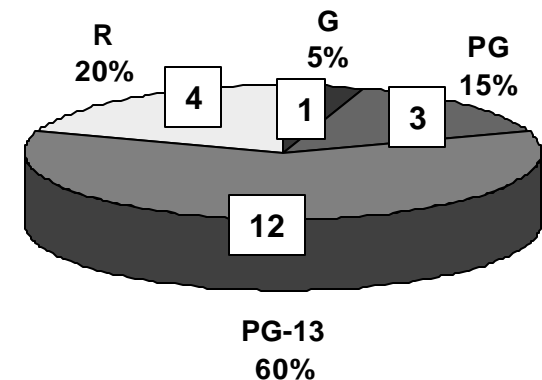
Ratings

PG-13 films represent 60% of the top 20 films in 2003. PG and PG-13 films account for 75% of 2003's top 20 films.

2003 Top 20 Grossing Films

Rank	Title	Distributor	Box Office (USD MM)	Rating
1	Finding Nemo	Buena Vista	\$339.7	G
2	Pirates of the Caribbean	Buena Vista	305.4	PG-13
3	Lord of the Rings: Return of the King	New Line	290.4	PG-13
4	The Matrix Reloaded	Warner Bros.	281.5	R
5	Bruce Almighty	Universal	242.6	PG-13
6	X2: X-Men	Fox	214.9	PG-13
7	Elf	New Line	170.8	PG
8	Chicago*	Miramax	161.4	PG-13
9	Terminator 3: Rise of the Machines	Warner Bros.	150.4	R
10	Bad Boys II	Sony	138.4	R
11	The Matrix Revolutions	Warner Bros.	138.3	R
12	Anger Management	Sony	133.8	PG-13
13	Bringing Down the House	Buena Vista	132.6	PG-13
14	The Hulk	Universal	132.1	PG-13
15	2 Fast 2 Furious	Universal	127.1	PG-13
16	Seabiscuit	Universal	120.2	PG-13
17	S.W.A.T	Sony	116.6	PG-13
18	Spy Kids 3-D: Game Over	Miramax	111.7	PG
19	Freaky Friday	Buena Vista	110.2	PG
20	Scary Movie 3	Paramount	109.6	PG-13

2003 Top 20 Films by Rating



Year	Top 20 Grossing			
	G	PG	PG-13	R
2003	5%	15%	60%	20%
2002	5%	30%	65%	0%
2001	10%	20%	55%	15%
2000	5%	15%	60%	20%

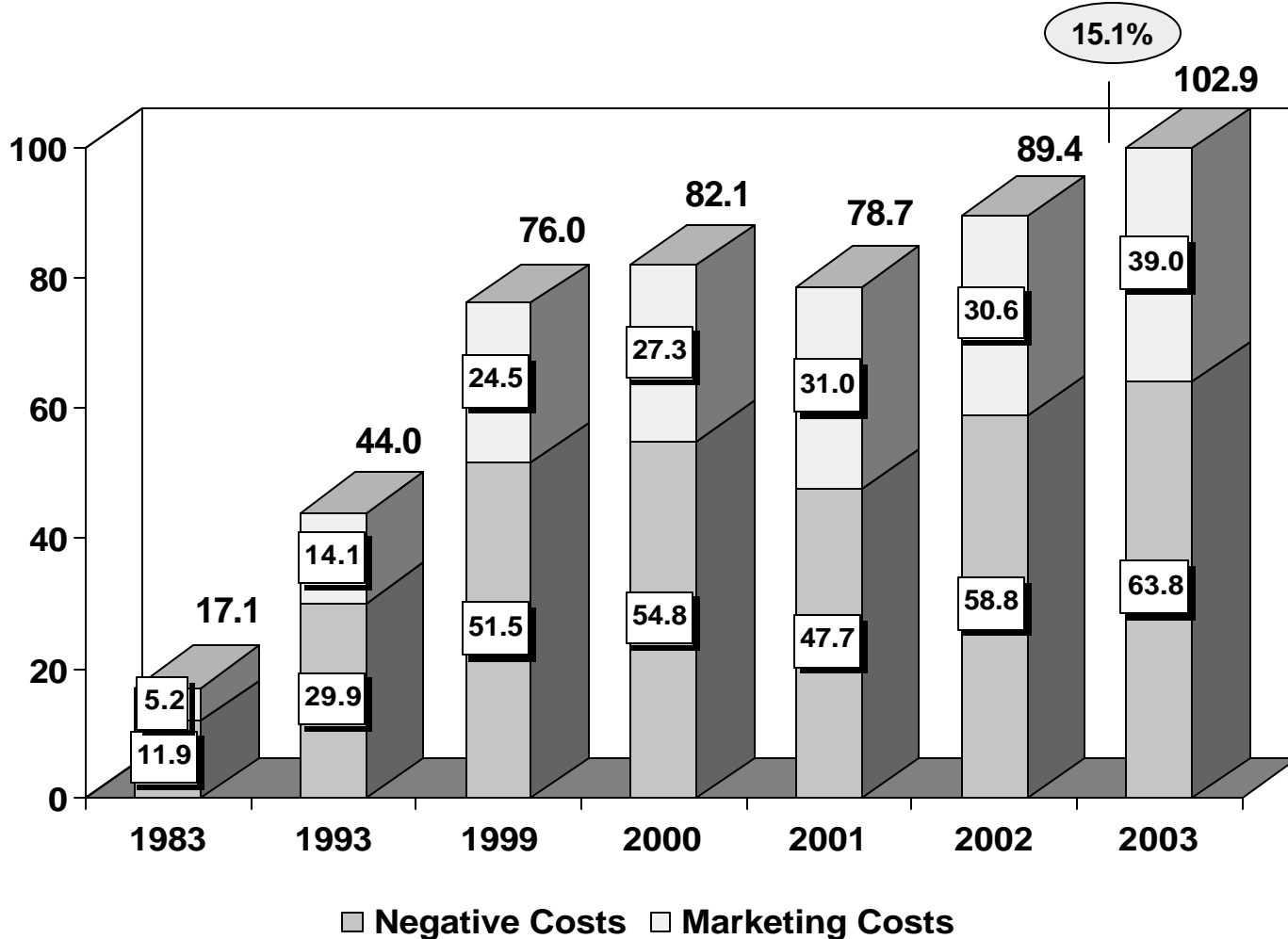
Source: MPAA

*Films released prior to 2003, box office reflects 2003 gross only

United States

Theatrical Costs

MPAA Member Company Average Theatrical Costs

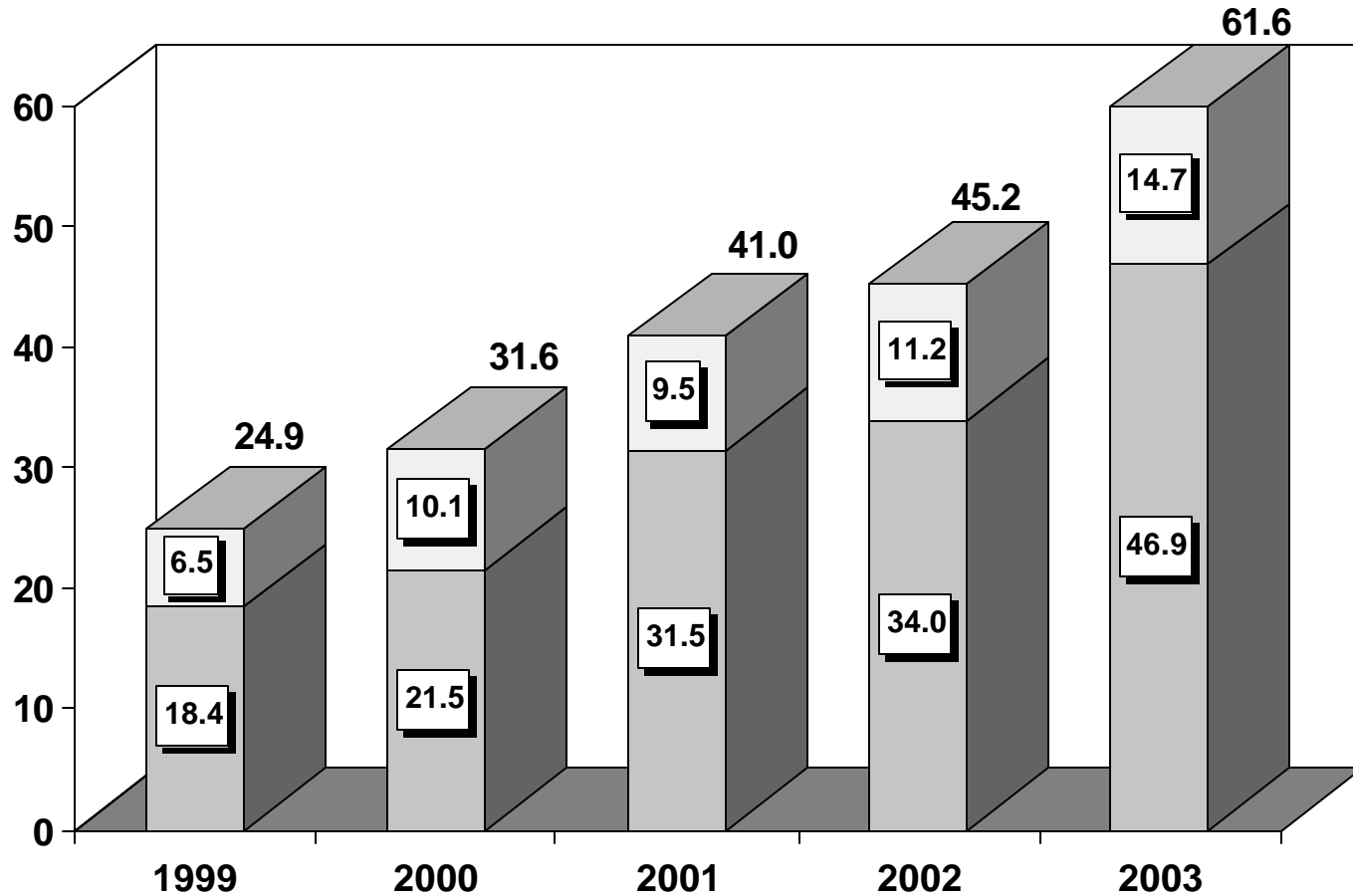


The 28% increase in Member Company marketing costs can be attributed to the significant increase in the cost of advertising on television, which represents 39% of total advertising costs for new releases.

15.1%

Source: MPAA

MPAA Member Subsidiary / Affiliate Average Theatrical Costs



Source: MPAA

■ Negative Costs □ Marketing Costs

Theatrical

MPAA Average Negative Costs *

(includes production costs, studio overhead and capitalized interest)

Year	Average Negative Cost Per Feature (USD in MM)	% Change	
		Prev. Period	2003 vs.
2003	\$63.8	8.6%	-
2002	58.8	23.3	8.6%
2001	47.7	(13.0)	33.9
2000	54.8	6.5	16.5
1999	51.5	97.7	24.0
1993	29.9	3.5	113.5
1983	11.9	0.8	436.3

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	2003 vs.
2003	\$46.9	37.7%	-
2002	34.0	8.0	37.7%
2001	31.5	46.6	48.7
2000	21.5	16.9	118.0
1999	18.4	-	154.9

** Due to changes in financial reporting regulations in year 2000, abandoned project costs are no longer included in studio overhead, and as such are no longer a part total Negative Costs.*

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

Source: MPAA

MPAA Member Company Average Marketing Costs of New Feature Films

Year	All amounts USD in millions		
	Print	Advertising	Total P&A
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
1999	3.13	21.40	24.53
1993	1.94	12.13	14.07
1983	1.02	4.18	5.20

27.5%

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

Year	All amounts USD in millions		
	Print	Advertising	Total P&A
2003	\$1.87	\$12.80	\$14.67
2002	1.42	9.76	11.18
2001	1.21	8.29	9.50
2000	0.75	8.96	9.71
1999	0.78	5.74	6.52

* 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

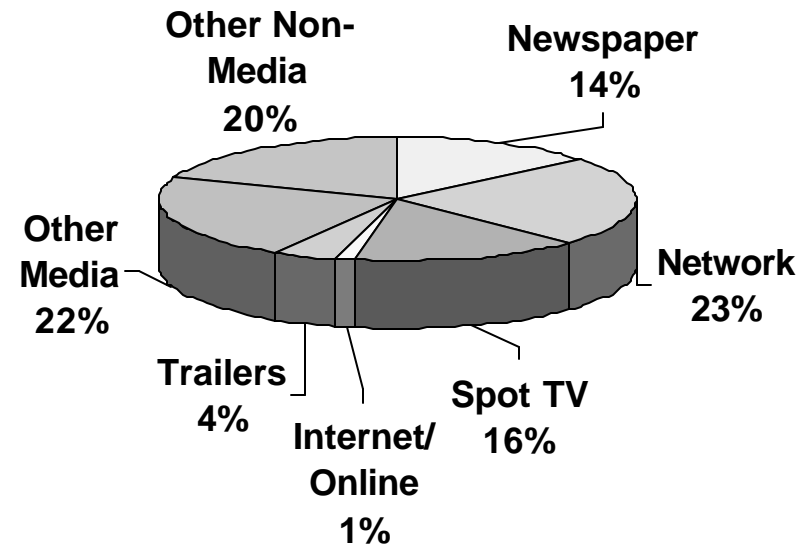
Year	Total \$	% of Total						
		Newspaper	Network	Spot TV	Internet/ Online	Trailers	Other Media	Other Non-Media
2003	\$34.84	13.9%	23.2%	15.7%	1.3%	4.4%	21.9%	19.5%
2002	27.31	13.5	23.0	17.6	0.9	4.5	21.4	19.1
2001	27.28	13.1	25.4	16.9	1.3	5.1	20.2	17.9
2000	24.00	15.6	23.8	18.3	0.7	6.4	18.8	16.3
1999	21.40	17.6	23.5	19.8	0.5	7.8	15.4	15.5

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

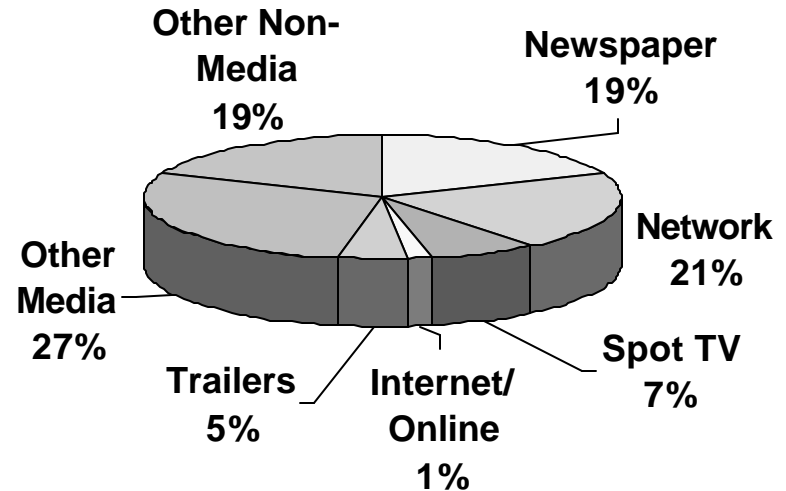
Year	Total \$	% of Total						
		Newspaper	Network	Spot TV	Internet/ Online	Trailers	Other Media	Other Non-Media
2003	\$12.80	18.6%	20.9%	7.3%	1.6%	4.7%	28.0%	19.0%
2002	9.76	22.0	25.7	5.6	0.9	6.1	21.1	18.6
2001	8.29	18.6	42.8	3.2	0.4	5.2	9.9	19.9
2000	8.96	20.5	36.4	6.1	0.5	5.5	13.8	17.3
1999	5.74	23.8	35.4	6.8	0.3	4.1	10.5	19.1

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



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

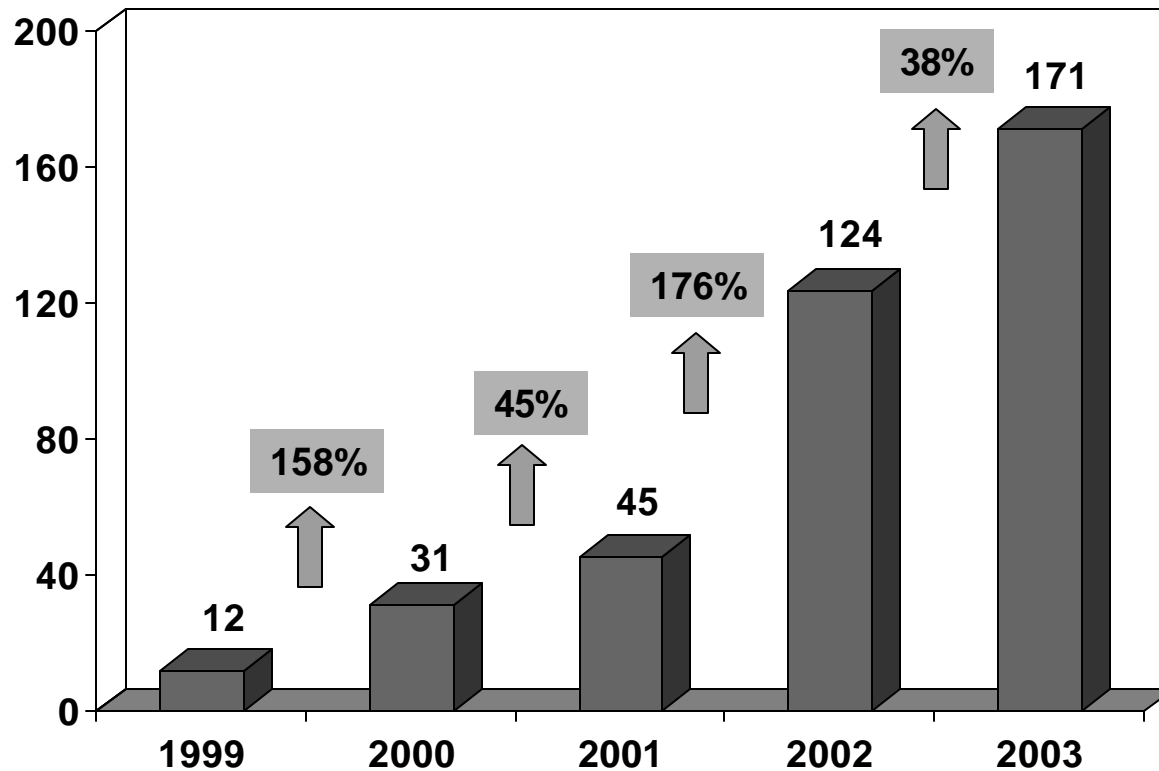
Source: MPAA

Total Number of Screens

Year	Total Screens	% Change 2003 vs.	Indoor Screens	% Change 2003 vs.	Drive-In Screens	% Change 2003 vs.
2003	35,786	-	35,499	-	647	-
2002	35,280	1.4%	34,630	2.5%	650	-0.5%
2001	36,764	(2.7)	36,110	(1.7)	654	(1.1)
2000	37,396	(4.3)	36,679	(3.2)	717	(9.8)
1999	37,185	(3.8)	36,448	(2.6)	737	(12.2)
1995	27,805	28.7	26,958	31.7	847	(23.6)
1990	23,689	51.1	22,774	55.9	915	(29.3)
1985	21,147	69.2	18,327	93.7	2,820	(77.1)
1980	17,590	103.4	14,029	153.0	3,561	(81.8)

Source: MPAA

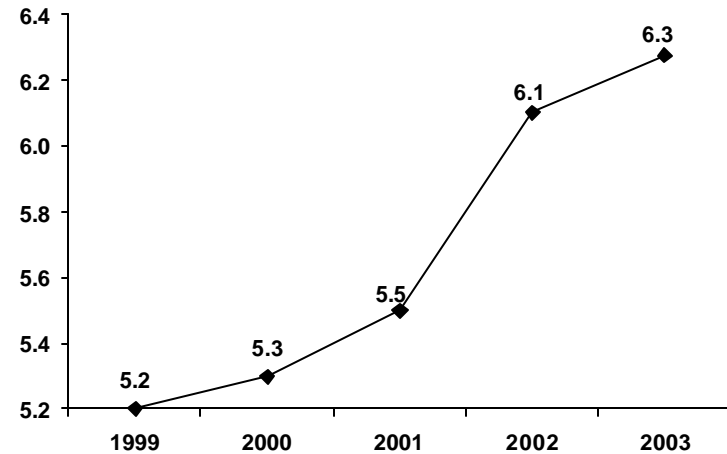
Worldwide Digital Cinema Screens



Source: Screen Digest

Total Number of Theaters

Average Screens per Indoor Theater

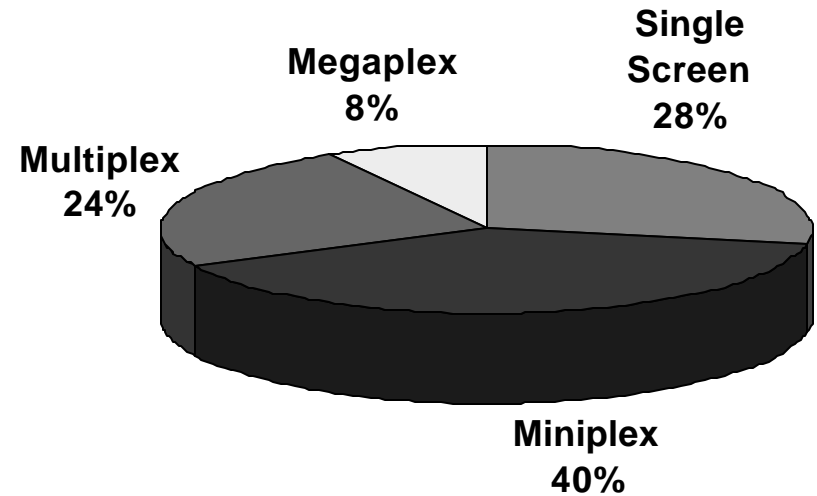


Year	Total Theaters	% Change 2003 vs.	Indoor Theaters	% Change 2003 vs.	Drive-In Theaters	% Change 2003 vs.
2003	6,066	-	5,658	-	408	-
2002	6,050	0.3%	5,635	0.4%	415	-1.7%
2001	7,070	(14.2)	6,596	(14.2)	474	(13.9)
2000	7,421	(18.3)	6,909	(18.1)	512	(20.3)
1999	7,551	(19.7)	7,031	(19.5)	520	(21.5)
1995	7,744	(21.7)	7,151	(20.9)	593	(31.2)

Source: MPAA

Theaters by Number of Screens

Type	2002	2003	% Change
Single Screen	1,682	1,684	0.1%
Miniplex (2 to 7 screens)	2,457	2,419	(1.5)
Multiplex (8 to 15 screens)	1,437	1,473	2.5
Megaplex (16 or more screens)	474	490	3.4



Total Number of Theaters: 6,066

Source: MPAA

US Motion Picture Industry Employment Areas*
(000s)

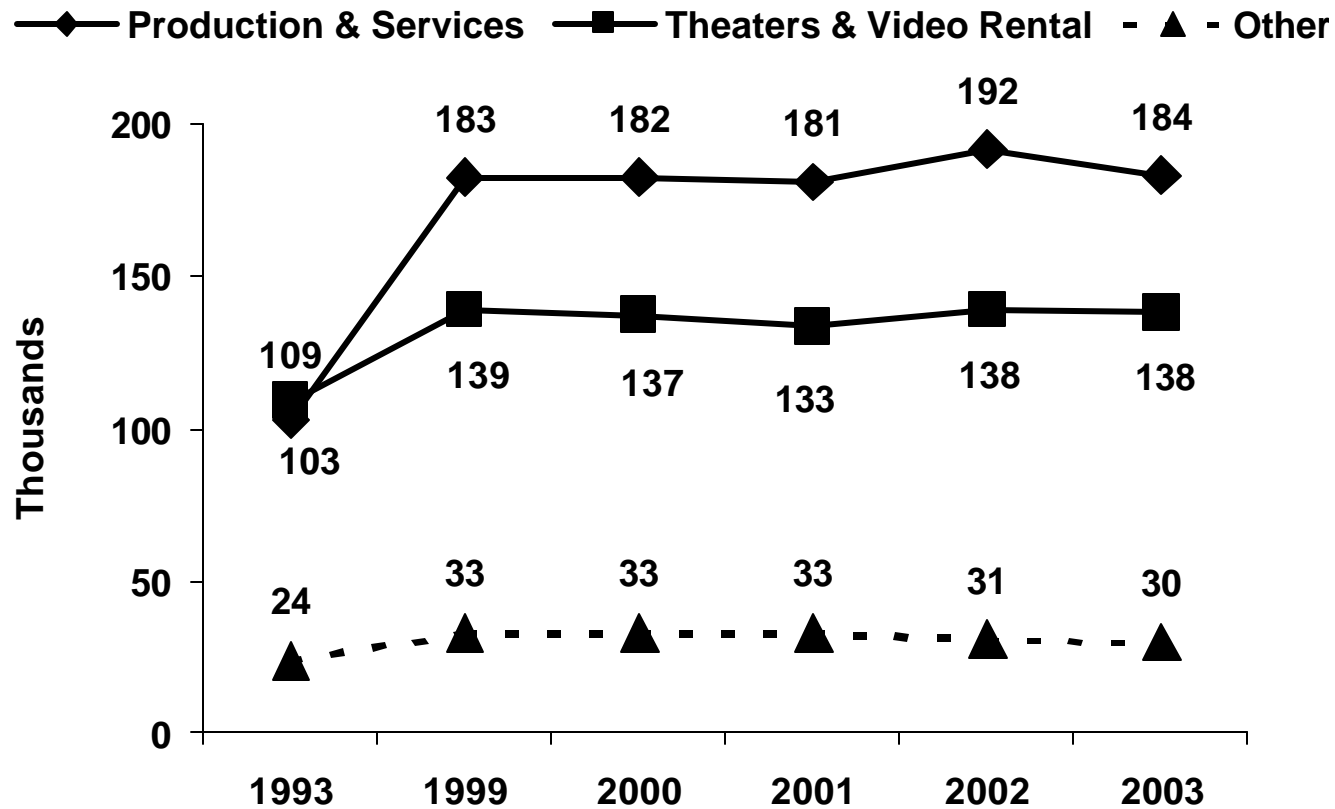
Year	Production & Services	Theaters and Video Tape Rental	Other	Total	% Change	
					Yearly	2003 vs.
2003(p)	183.5	137.7	29.5	350.6	-2.8%	—
2002	191.7	138.4	30.6	360.7	4.0	-2.8%
2001	180.9	133.2	32.6	346.7	(1.4)	1.1
2000	182.1	136.9	32.6	351.6	0.9	(0.3)
1999	182.5	133.2	32.9	348.6	2.9	0.6
1998	172.0	135.0	31.7	338.7	4.9	3.5
1997	159.6	131.2	32.2	323.0	5.6	8.5
1996	149.8	122.2	33.9	305.9	7.8	14.6
1995	135.2	117.1	31.4	283.7	12.0	23.6
1994	114.2	111.9	27.1	253.2	7.6	38.5
1993	102.8	109.1	23.5	235.4	--	48.9

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

(p) preliminary estimate

Source: Bureau of Labor Statistics

Motion Picture Industry Employment Areas



Source: Bureau of Labor Statistics

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

VCR Penetration in US TV Households

Year	TV Households (MM)	VCR Households (MM)	% Change VCR HHs		VCR Penetration Rate (% TV HHs)
			Prev. Period	2003 vs.	
2003	108.4	98.4	0.8%	-	90.8%
2002	106.7	97.6	1.5	0.8%	91.5
2001	105.5	96.2	9.2	1.5	91.2
2000	102.2	88.1	2.7	10.8	86.2
1999	100.8	85.8	2.0	13.8	85.1
1995	95.4	75.8	4.1	28.8	79.5
1990	93.1	65.4	-	49.3	70.2
1985	86.1	23.5	-	315.4	27.3
1980	78.0	1.9	-	5,038.4	2.4

Source: Nielsen Media Research

Sales of Home Entertainment to US Dealers*

	Units in MM			% of Change	
	Rental Cassettes	Sell -Through Cassettes	Total Cassettes	Prev. Year	2003 vs.
VHS					
Year					
2003	53.2	240.4	293.6	-39.0%	-
2002	73.6	407.5	481.1	(23.1)	-39.0%
2001	86.2	539.6	625.8	(5.8)	(53.1)
2000	99.4	565.0	664.4	2.7	(55.8)
1999	86.2	561.0	647.2	(5.3)	(54.6)
1998	57.0	626.4	683.4	-	(57.0)

	Units in MM			% of Change	
	Rental DVDs	Sell -Through DVDs	Total DVDs	Prev. Year	2003 vs.
DVD					
Year					
2003	110.9	985.3	1,096.2	50.2%	-
2002	79.3	650.6	729.9	88.6	50.2%
2001	37.1	350.0	387.1	105.6	183.2
2000	13.9	174.4	188.3	88.5	482.2
1999	8.6	91.3	99.9	191.3	997.3
1998	1.6	32.7	34.3	-	3095.9

Source: Adams Media Research

*Historical figures have been updated by source

DVD Penetration in US TV Households

Year	TV Households (MM)	DVD Households (MM)	DVD Penetration Rate (% TV HHs)	DVD Households (MM)	% Change	
					Prev. Period	2003 vs.
2003	108.4	46.7	43.1%	46.7	20.3%	-
2002	106.7	38.8	36.4	38.8	56.5	20.3%
2001	105.2	24.8	23.6	24.8	90.8	88.3
2000	102.2	13.0	12.7	13.0	182.6	259.2
1999	100.8	4.6	4.6	4.6	283.3	915.0
1998	99.4	1.2	1.2	1.2	-	3790.8

Source: Nielsen Media Research, Adams Media Research

DVD Statistics

	1999	2000	2001	2002	2003
DVD Players Shipped to Dealers (in thousands)	4,100	8,499	12,706	17,090	21,674
Installed Consumer Base (in thousands)	4,800	14,700	31,400	56,500	90,187
Average DVD Player Price (in USD)	\$275	\$204	\$153	\$140	\$122
DVD Software Units Shipped to Dealers ¹ (in MM)	98	182	364	685	1,023
Titles Available on DVD ²	5,000	8,500	13,000	20,000	29,000

¹ Includes Sell-Through and Rental DVD

² Titles available on DVD include movies and music videos

Source: CEA, Digital Entertainment Group

Home Video

DVD Player Shipments to Retailers

Month	2002	2003	Change
January	542,698	797,058	46.9%
February	736,118	743,488	1.0
March	1,404,026	1,613,649	14.9
April	1,095,930	1,272,337	16.1
May	950,412	1,332,897	40.2
June	1,632,032	2,100,432	28.7
July	966,129	999,508	3.5
August	884,288	1,436,878	62.5
September	2,299,864	2,496,497	8.5
October	1,704,148	2,491,871	46.2
November	2,544,130	3,682,691	44.8
December	2,330,048	3,027,083	29.9
Total	17,089,823	21,994,389	28.7%

Source: Consumer Electronics Association

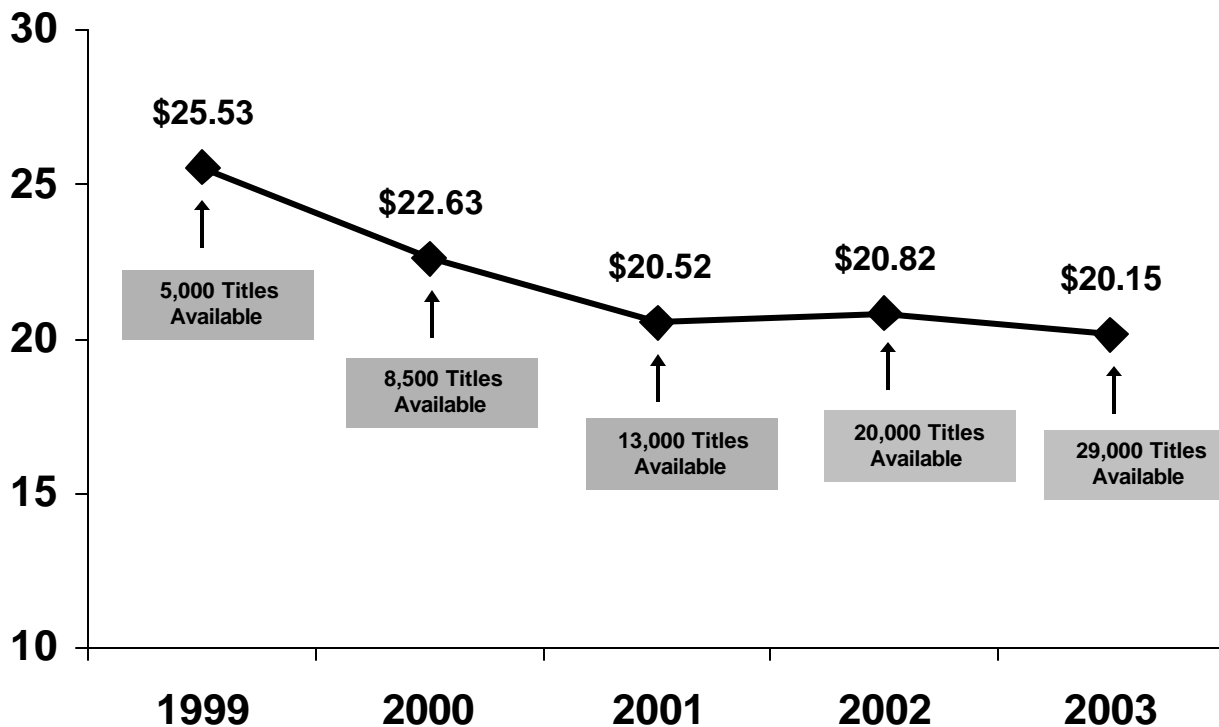
DVD Player Sales to US Consumers

DVD Titles Available

Year	DVD Players (000's)	Yearly Change	2003 Versus		Titles Available	Yearly Change	2003 Versus
2003	33,700	34.3%	--		29,000	45.0%	--
2002	25,100	50.3	34.3%		20,000	53.8	45.0%
2001	16,700	68.7	101.8		13,000	52.9	123.1
2000	9,900	178.9	240.4		8,500	70.0	241.2
1999	3,550	273.7	849.3		5,000	233.3	480.0
1998	950	--	3447.4		1,500	--	1833.3

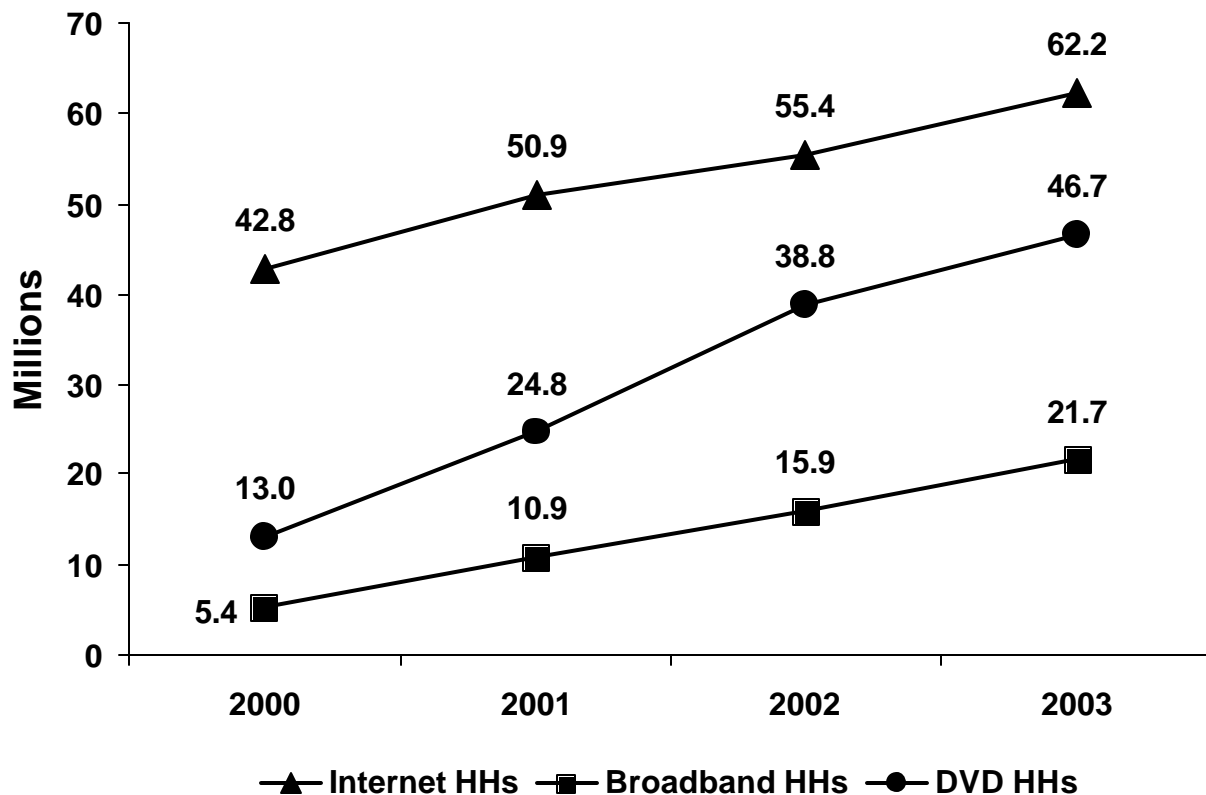
Source: DVD Report/Phillips Business Information, Digital Entertainment Group

US Average Price per DVD Title



Source: Digital Entertainment Group

US HH Growth: Internet vs. Broadband vs. DVD



Source: IDC, Nielsen Media Research, Adams Media Research

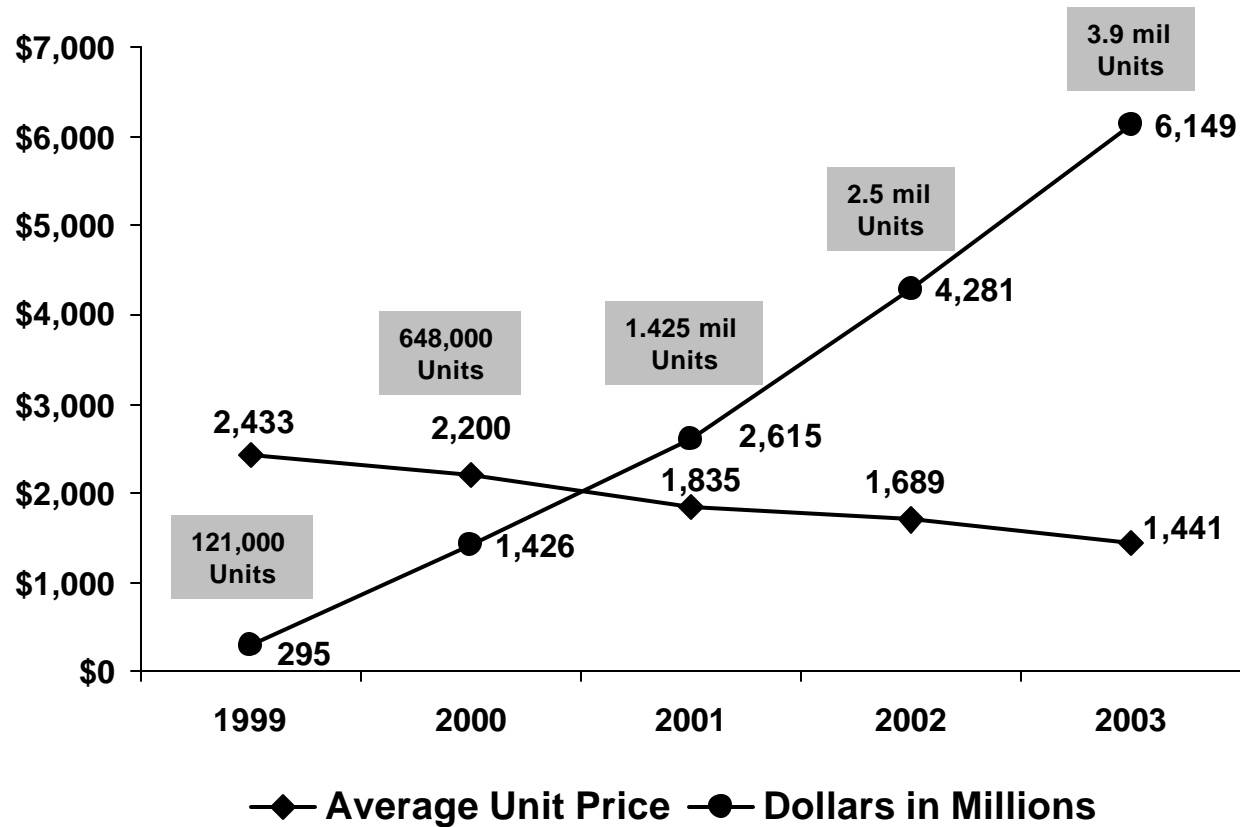
Note: Revised 2000-2002 Internet & Broadband Household figures reflect change in source.

Television Households

Year	Total Households (MM)	TV Households (MM)	TV Penetration Rate (% Total HHs)
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
1999	103.9	100.8	97.0
1995	98.9	95.4	96.5
1990	93.3	93.1	99.8
1985	92.8	86.1	92.8

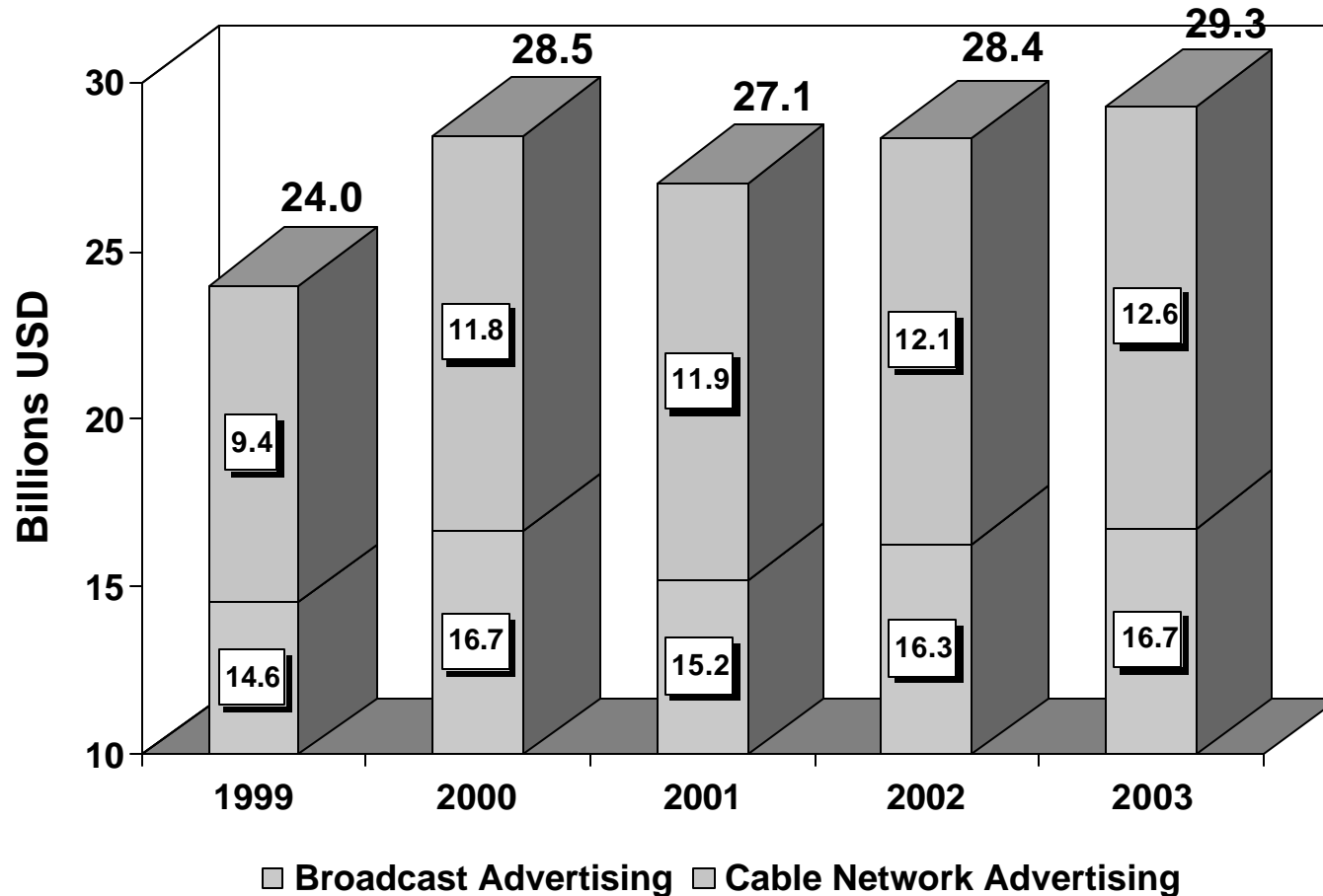
Source: Nielsen Media Research, Census Bureau

Factory Sales of Digital TV Sets and Displays



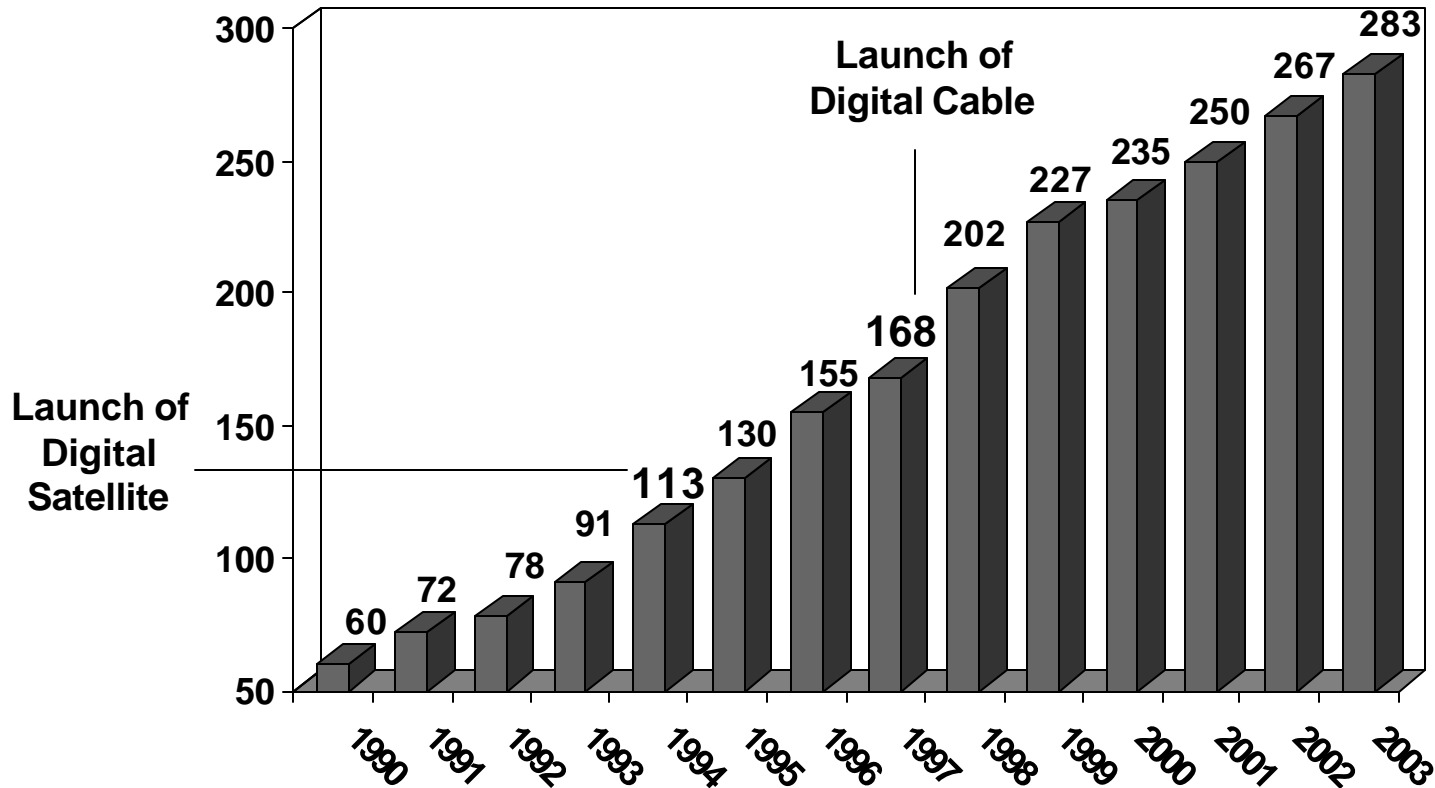
Source: Consumer Electronics Association

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

Basic Cable Households *

Year	TV Households (MM)	Basic Cable Households (MM)	% Change Basic Cable HHs		Basic Cable Penetration Rate (% TV HHs)
			Prev. Year	2003 vs.	
2003	108.4	73.9	2.2%	-	68.1%
2002	106.7	72.2	(1.3)	2.2%	67.7
2001	105.5	73.2	5.3	0.9	69.4
2000	102.2	69.5	1.3	6.3	68.0
1999	100.8	68.6	2.4	7.7	68.1
1995	95.4	62.7	5.0	17.8	65.7
1990	93.1	54.9	-	34.5	59.0
1985	86.1	39.8	-	85.6	46.2
1980	78.0	17.6	-	319.7	22.6

* Refers to wired cable households with basic cable

Source: Nielsen Media Research

According to the FCC, as of July, 2002, the average subscriber paid \$14⁴⁵/month for basic cable and \$37.⁰⁷/month for expanded basic cable.

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	2003 vs.	
2003	108.4	40.0	16.1%	-	36.9%
2002	106.7	34.4	0.9	16.1%	32.2
2001	105.5	34.1	1.2	17.2	32.3
2000	102.2	33.7	6.3	18.5	33.0
1999	100.8	31.7	-	26.0	31.4
1995	95.4	30.4	-	31.4	31.9
1990	93.1	27.0	-	48.0	29.0
1985	86.1	22.8	-	75.2	26.5

* Refers to wired cable households subscribing to premium channels.

Source: Nielsen Media Research, FCC

US Addressable Cable Households *

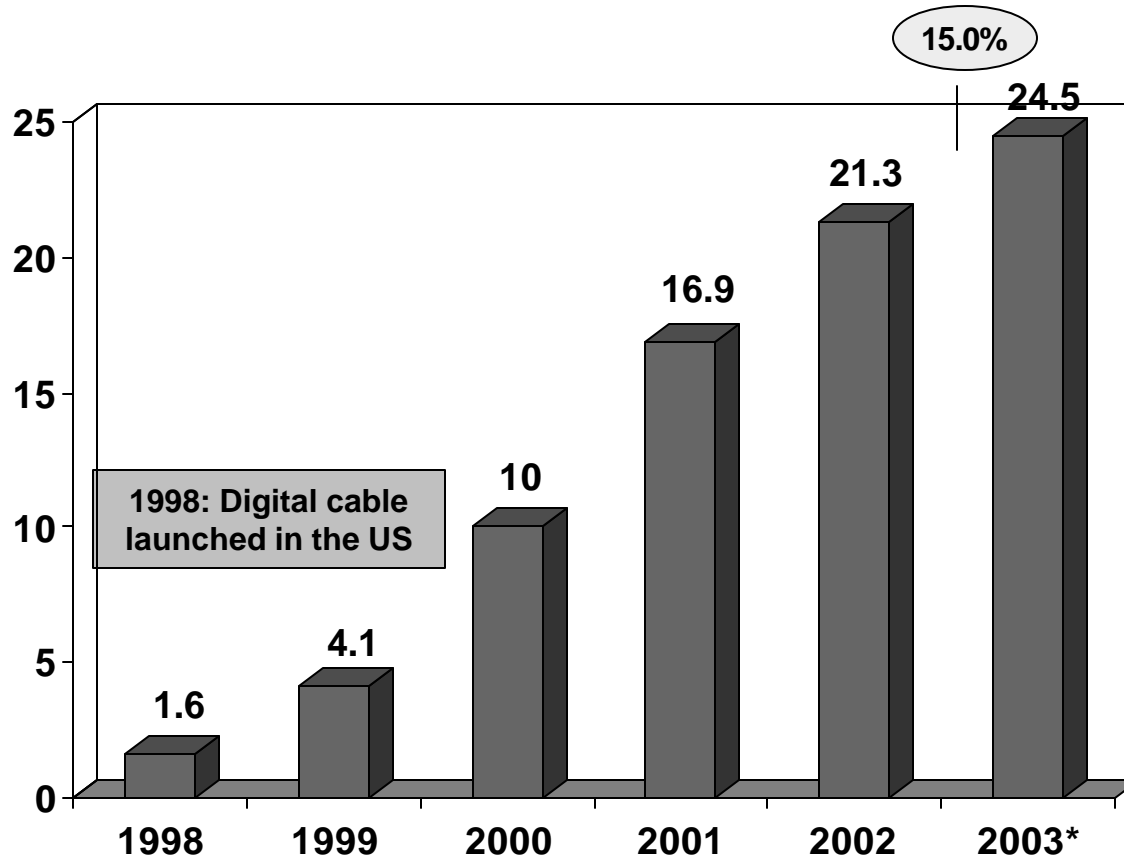
Year	Addressable Households (in MM)**	% Change	
		Prev. Period	2003 vs.
2003	36.0	2.0%	-
2002	35.3	10.3	2.0%
2001	32.0	(14.7)	12.5
2000	37.5	6.5	(4.0)
1999	35.2	6.0	2.3
1995	28.7	8.3	25.4
1990	22.0	-	63.6
1985	9.0	-	300.0

** 2003 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



*Preliminary

Source: Adams Media Research

Satellite Households

Year	Satellite Households (MM)	% Change	
		Prev. Period	2003 vs.
2003	19.4	10.2%	-
2002	17.6	36.4	10.2%
2001	12.9	34.4	50.4
2000	9.6	11.6	102.1
1999	8.6	3.6	125.6
1998	8.3	29.7	133.8
1997	6.4	45.5	203.2
1996	4.4	33.3	341.0
1995	3.3	-	488.0

Source: Nielsen Media Research

According to Adams Media Research, the average VOD price was \$3⁹⁵.

VOD

Year	TV Households (in MM)	VOD Households (in MM)*	VOD Penetration Rate (% TV HHs)	VOD Consumer Spending (MM)*
2003	108.4	9.5	8.8%	\$167.8
2002	106.7	6.0	5.6	101.8
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

* 2003 figure is preliminary

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

PC Households

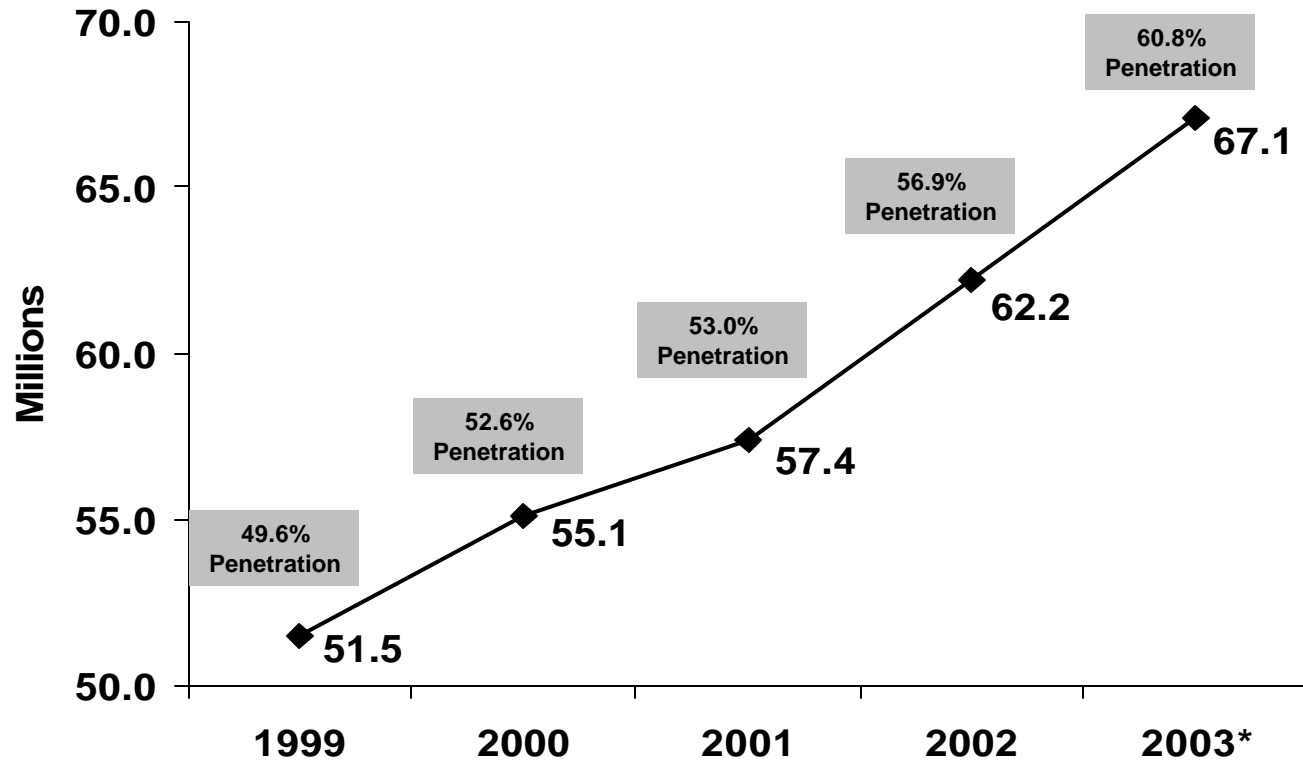
Year	PC Households (in MM)	% Change 2003 vs.	PC Penetration Rate (% of Total US HHs)
2003*	67.1	-	60.8%
2002	62.2	7.9%	56.9
2001	57.4	16.9	53.0
2000	55.1	21.8	52.6
1999	51.5	30.3	49.6
1995	33.6	99.7	34.0
1990	21.9	206.4	23.5

*Preliminary

Note: 2000-2003 PC Household figures reflect change in source.

Source: US Census Bureau, IDC

US PC Households



*Preliminary

Source: IDC

Note: 2000-2003 PC Household figures reflect change in source.

PC shipments in the US are estimated to increase by 5% in 2003. A 6% increase is expected for worldwide PC shipments.

PC Shipments (Units in MM)

Worldwide	2000	2001	2002	2003*	2004e
Consumer	52.6	47.5	48.7	51.9	57.3
Commercial	87.5	87.0	87.8	93.5	102.8
TOTAL	140.1	134.6	136.5	145.2	160.1

PC Shipments (Units in MM)

US	2000	2001	2002	2003*	2004e
Consumer	19.3	15.5	16.9	18.7	21.2
Commercial	32.7	30.5	30.7	31.4	34.2
TOTAL	52.0	46.1	47.5	50.0	55.4

*Preliminary

Source: e-Marketer, IDC

Number of Households with Internet Access

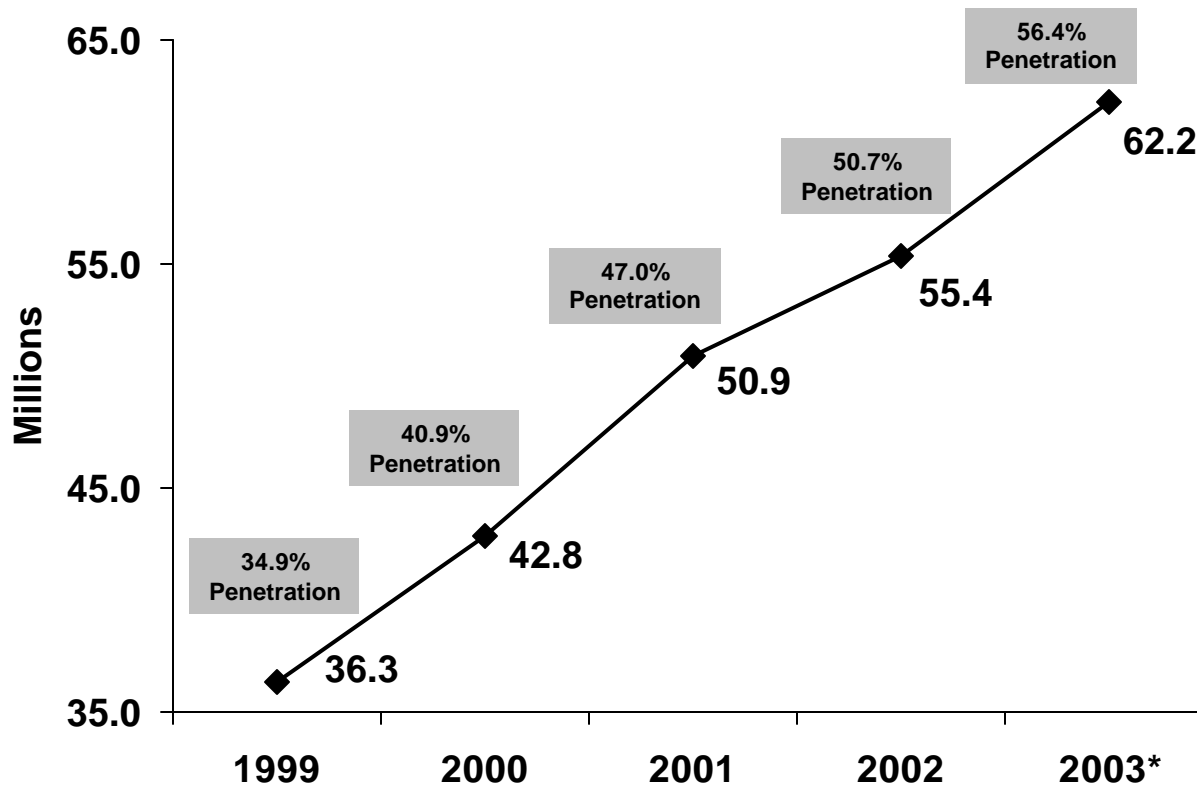
Year	Internet Households (in MM)	% Change 2003 vs.	% of PC HHs	% of Total US HHs
2003*	62.2	-	92.7%	56.4%
2002	55.4	21.1%	89.1	50.7
2001	50.9	31.8	88.7	47.0
2000	42.8	56.8	77.7	40.9
1999	36.3	84.8	70.5	34.9
1995	9.4	613.8	28.0	9.5
1990	1.6	4093.8	7.3	1.7

*Preliminary

Source: MPAA, US Census Bureau, IDC

Note: 2000-2003 Internet Household figures reflect change in source.

US Internet Households



*Preliminary

Source: IDC

Penetration is calculated as a percentage of total US households

Note: 2000-2003 Internet Household figures reflect change in source.

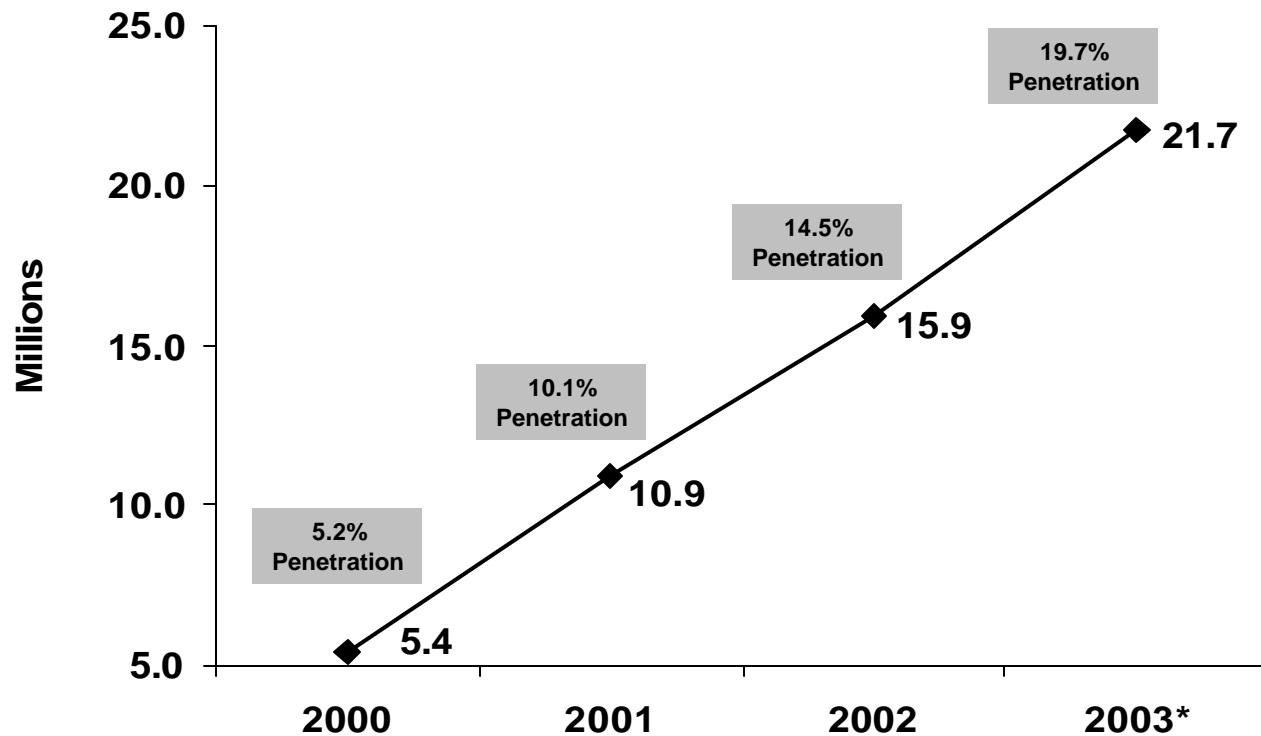
Number of Households with Broadband Internet Access

Year	Broadband Households (in MM)	% Change 2003 vs.	% of Internet HHs	% of Total US HHs
2003*	21.7	-	34.9%	19.7%
2002	15.9	322.0%	28.7	14.5
2001	10.9	515.6	21.4	10.1
2000	5.4	1142.6	12.6	5.2

**Preliminary*

Source: US Census Bureau, IDC

Number of Households with Broadband Internet Access

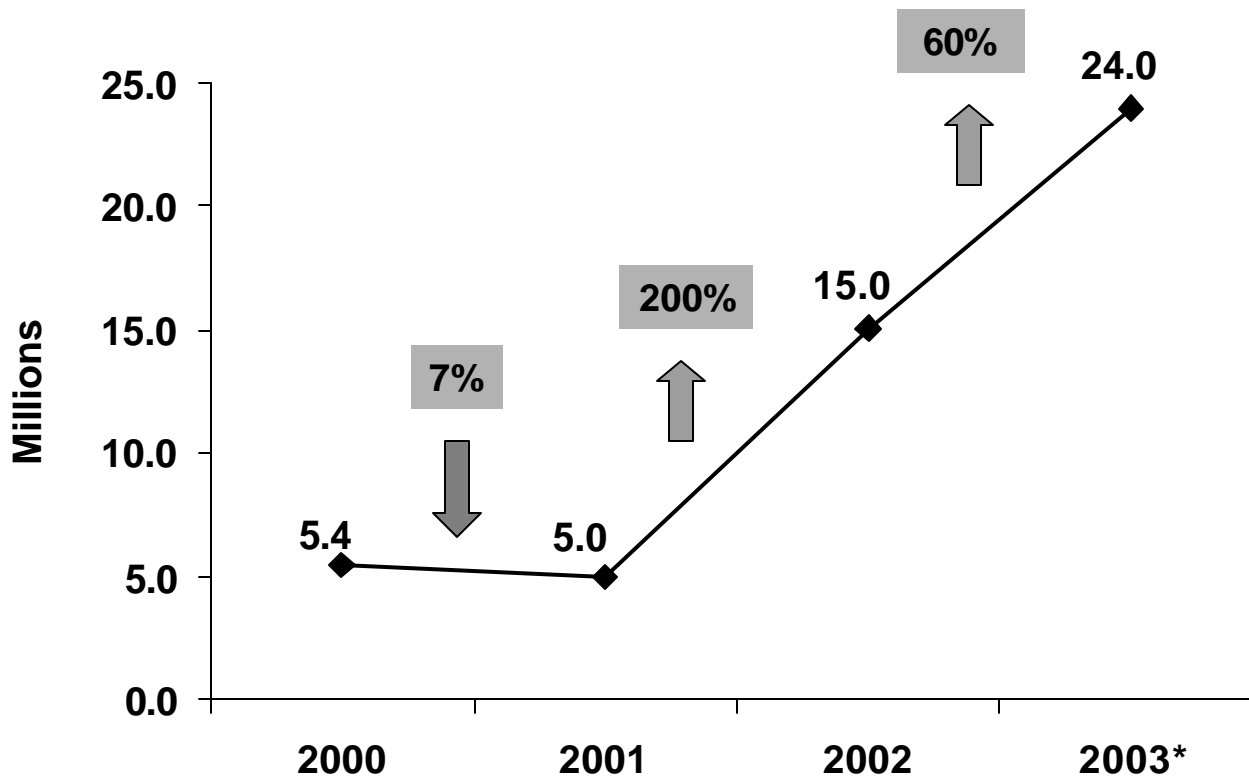


*Preliminary

Source: IDC

Penetration is calculated as a percentage of total US households

Number of US Mobile Internet Users



*Preliminary

Source: IDC

Media Consumption

Media Consumption based on Hours per Person

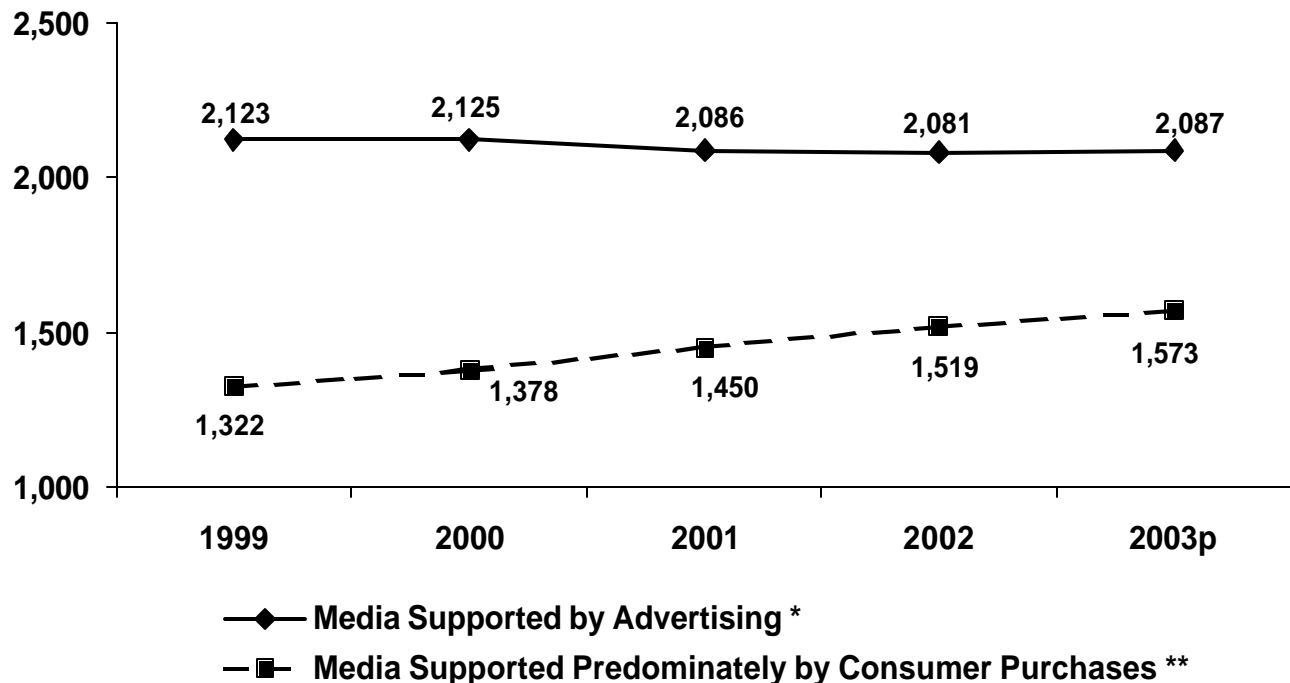
	1999	2000	2001	2002	2003p	% Change	
						02-03	99-03
Filmed Entertainment							
Cable & Satellite TV	720	774	844	914	949	3.8%	31.8%
Broadcast TV	867	865	828	786	778	-0.6	-8.4
Consumer Internet	80	107	136	154	169	9.7	111.3
Home Video ¹	55	57	60	58	67	15.5	21.8
Box Office	13	12	13	14	13	-7.1	0.0
Interactive TV ²	1	2	2	2	2	0.0	100.0
Subtotal	1,736	1,817	1,883	1,928	1,978	2.6%	13.9%
Other Entertainment							
Radio	939	945	953	994	1,013	1.9%	7.9%
Recorded Music	281	258	229	201	188	-4.2	-19.4
Daily Newspapers	183	180	177	176	173	-1.1	-5.4
Consumer Magazines	134	135	128	125	123	-1.7	-6.4
Consumer Books	119	109	106	109	110	-1.8	-10.8
Video Games	53	59	60	67	75	11.9	41.5
Subtotal	1,709	1,686	1,653	1,672	1,682	0.6%	-1.6%
Total	3,445	3,503	3,536	3,600	3,660	1.7%	6.2%

¹ Includes playback of prerecorded VHS cassettes and DVDs only

² Video-on-Demand only

Media Consumption

Media Consumption based on Hours per Person per Year



It is estimated in 2003 that the average person will spend most of their time (57%) with media that is supported by advertising. Hours spent using consumer Internet is expected to show the largest five year growth (111%) among all media categories.

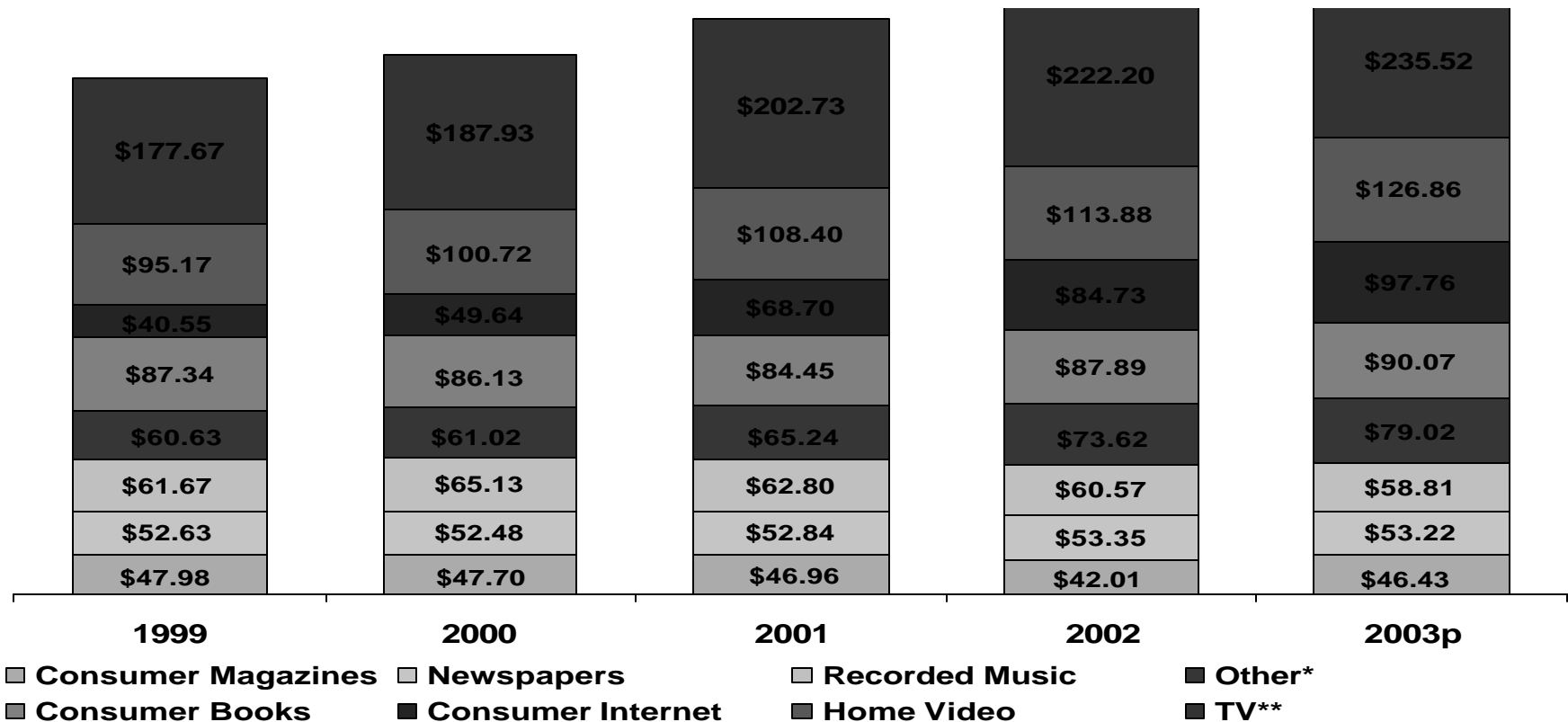
* Broadcast television, radio, daily newspapers, consumer magazines

** 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 (USD)



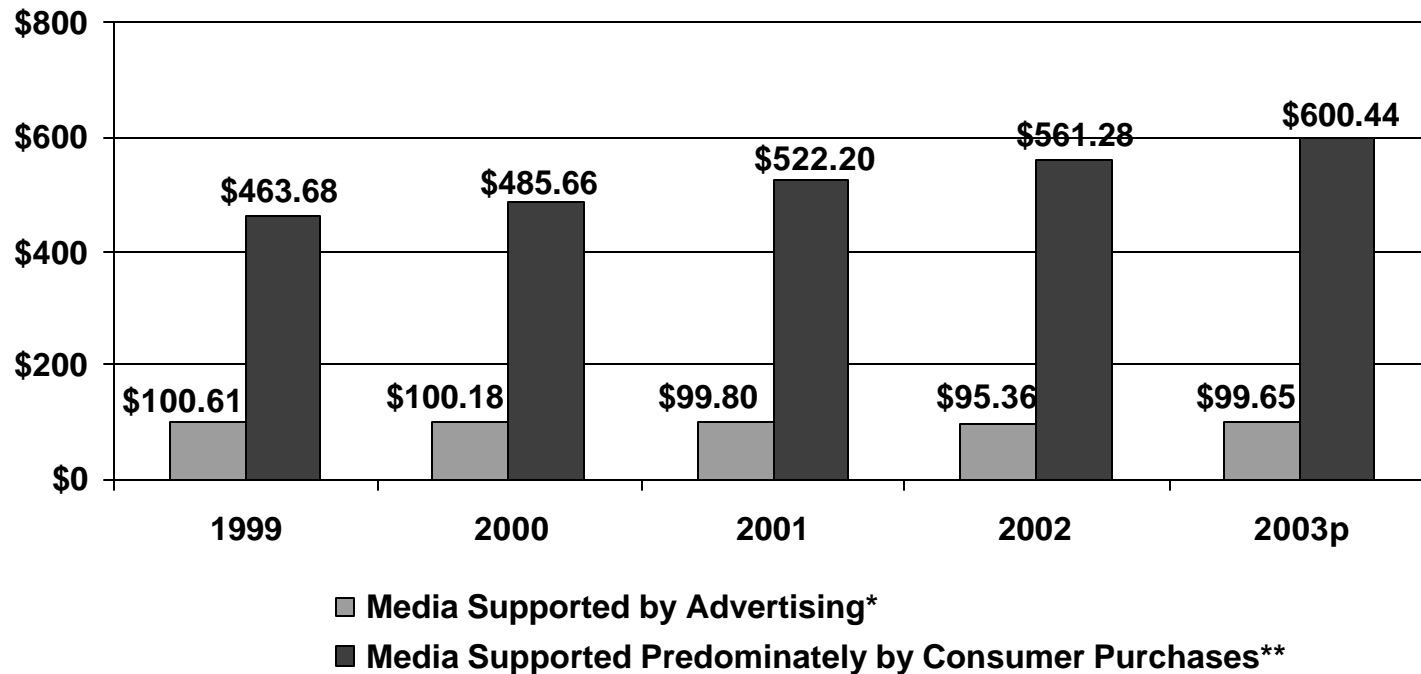
* Other includes: Box Office, Video Games & Interactive TV

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

Source: Veronis Suhler Stevenson

Media Consumption

Consumer Spending per Person per Year (USD)



* 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