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MOTION PICTURE INVESTOR™

An SNL Kagan Newsletter

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DVD retail losing juggernaut status

The once-unstoppable DVD sales business is beginning to flounder in these tough times — and Blu-ray may not be the savior of the home-video sector, as DVD was in the late 1990s.

A few current developments should dramatically change the home-entertainment landscape over the next decade. First, consumers are becoming more thrifty and are shifting back toward renting instead of buying.

As well as looking to save a dollar, consumers desire convenience, which is why the growth segments within the rental market are the DVD-by-mail and kiosk businesses.

Consumers' pursuit of thrift and convenience holds great potential for the Internet and multichannel VOD sector to gain traction in home entertainment.

We project DVD/Blu-ray retail won't again reach the heights it saw in 2004. After dropping 4.6% in 2008 to \$22.36 billion, we estimate another 6.6% decline to \$20.88 billion this year (see tables, P. 2-6).

We estimate the rental business will actually post growth this year, up 6.7% to \$8.03 billion, while sell-through takes a 13.3% hit to land at \$12.86 billion — near 2002 levels of revenue.

Going forward, we see rental having another year of growth in 2010 before beginning to decline steadily as the market takes the initial brunt of consumers switching to VOD. By 2018, we estimate the disc-rental market will have sunk to \$3.27 billion.

The sell-through market should follow a different trajectory, with revenues taking another big hit in 2010 before beginning a slow decline over the next decade. By 2018, we estimate the disc sell-through market will be worth \$9.95 billion.

We expect consumers will take a little longer to shift their home libraries to the digital space, as there are still issues with picture quality, storage, device interoperability and download speeds that will take longer to resolve.

We estimate the home-video retail market for discs will shrink to a total \$13.21 billion in 2018, nearly half what it was in 2004, as VOD puts the pressure on traditional retail.

Wade Holden

U.S. Home Video Retail Industry, 1999-2008

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	CAGR
Total TVHH	(mil.)	100.8	102.2	105.5	106.7	108.4	109.6	110.2	111.4	112.8	114.2	1.4%
Video as a % of TVHH	(%)	85.6%	88.0%	88.7%	91.4%	93.2%	93.5%	93.8%	94.0%	94.1%	94.0%	1.0%
Video HH	(mil.)	86.3	89.9	93.6	97.5	101.1	102.5	103.3	104.7	106.1	107.4	2.5%
Average Video HH	(mil.)	84.9	88.1	91.7	95.6	99.3	101.8	102.9	104.0	105.4	106.8	2.6%
VCR HH as a % of TVHH	(%)	85.6%	88.0%	88.7%	91.4%	93.2%	92.0%	88.5%	78.9%	74.8%	68.3%	-2.5%
Total VCR HH	(mil.)	86.3	89.9	93.6	97.5	101.1	100.8	97.5	87.9	84.4	78.0	-1.1%
Net new VCR HH	(mil.)	2.8	3.6	3.7	3.9	3.5	-0.2	-3.3	-9.6	-3.5	-6.3	-209.6%
Average VCR HH	(mil.)	84.9	88.1	91.7	95.6	99.3	100.9	99.2	92.7	86.1	81.2	-0.5%
DVD as a % of TVHH	(%)	4.8%	12.8%	24.0%	38.5%	52.7%	64.8%	74.3%	80.3%	86.3%	87.5%	38.0%
Total DVD HH	(mil.)	4.9	13.1	25.3	41.1	57.1	71.0	81.9	89.4	97.4	99.9	39.9%
Net new DVD HH	(mil.)	3.5	8.3	12.2	15.8	16.0	13.9	10.9	7.5	8.0	2.5	-3.7%
Average DVD HH	(mil.)	3.1	9.0	19.2	33.2	49.1	64.1	76.5	85.7	93.4	98.7	46.9%
High-Definition DVD HH												
Ded. HD DVD as a % of TVHH	(%)	-	-	-	-	-	-	-	0.3%	1.4%	3.1%	
Ded. HD DVD as a % of DVD HH	(%)	-	-	-	-	-	-	-	0.3%	1.6%	3.5%	
Dedicated High-Def DVD HH	(mil.)	-	-	-	-	-	-	-	0.3	1.5	3.5	
Net new Ded. High-Def DVD HH	(mil.)	-	-	-	-	-	-	-	0.3	1.2	2.0	
Average Ded. High-Def DVD HH	(mil.)	-	-	-	-	-	-	-	0.2	0.9	2.5	
Non-Ded. HD DVD as % of TVHH	(%)	-	-	-	-	-	-	-	0.8%	3.5%	6.0%	
Non-Ded. HD DVD % of DVD HH	(%)	-	-	-	-	-	-	-	1.0%	4.0%	6.9%	
Non-Ded. High-Def DVD HH	(mil.)	-	-	-	-	-	-	-	0.9	3.9	6.9	
Net new Non-Ded. H-D DVD HH	(mil.)	-	-	-	-	-	-	-	0.9	3.0	3.0	
Avg. Non-Ded. High-Def DVD HH	(mil.)	-	-	-	-	-	-	-	0.4	2.4	5.4	
Total HD DVD as a % of TVHH	(%)	-	-	-	-	-	-	-	1.0%	4.8%	9.1%	
Total HD DVD as a % of DVD HH	(%)	-	-	-	-	-	-	-	1.3%	5.6%	10.4%	
Total High-Def DVD HH	(mil.)	-	-	-	-	-	-	-	1.2	5.4	10.4	
Average High-Def DVD HH	(mil.)	-	-	-	-	-	-	-	0.6	3.3	7.9	
RENTAL VHS												
Video Rentals/HH/Mo.		2.9	2.5	2.3	1.8	1.2	0.6	0.3	0.1	0.0	0.0	-49.6%
Total rental turns	(mil.)	2,975.7	2,662.7	2,537.2	2,048.2	1,383.4	759.5	404.5	106.6	23.4	6.0	-49.9%
Average rental rate	(\$)	2.72	2.89	2.75	2.68	2.69	2.72	2.67	2.63	2.58	2.52	-0.8%
Total rental revenue	(\$ mil.)	8,081.2	7,695.2	6,966.0	5,482.8	3,721.7	2,063.6	1,079.9	280.4	60.3	15.0	-50.3%
VCR HH change	(mil.)	2.8	3.6	3.7	3.9	3.5	-0.2	-3.3	-9.6	-3.5	-6.3	-209.6%
VCR HH change	(%)	3.3%	4.2%	4.1%	4.2%	3.6%	-0.2%	-3.3%	-9.9%	-4.0%	-7.5%	
Turns/VCRHH change		-0.1	-0.4	-0.2	-0.5	-0.6	-0.5	-0.3	-0.2	-0.1	0.0	-20.1%
Turns/VCRHH change	(%)	-4.1%	-13.8%	-8.5%	-22.5%	-35.0%	-46.0%	-45.8%	-71.8%	-76.4%	-73.0%	
Total turns change	(mil.)	-30.7	-313.0	-125.5	-489.0	-664.8	-623.9	-355.0	-297.8	-83.2	-17.4	-6.1%
Total turns change	(%)	-1.0%	-10.5%	-4.7%	-19.3%	-32.5%	-45.1%	-46.7%	-73.6%	-78.1%	-74.5%	
Rental rate change	(\$)	0.05	0.17	-0.14	-0.07	0.01	0.03	-0.05	-0.04	-0.05	-0.05	-200.2%
Rental rate change	(%)	2.0%	6.4%	-5.0%	-2.5%	0.5%	1.0%	-1.7%	-1.5%	-2.0%	-2.1%	
Spend./avg. VCRHH/mo.	(\$)	7.93	7.28	6.33	4.78	3.12	1.70	0.91	0.25	0.06	0.02	-50.0%
Change in spending	(\$)	-0.18	-0.65	-0.95	-1.55	-1.66	-1.42	-0.80	-0.66	-0.19	-0.04	-14.6%
Change in spending	(%)	-2.2%	-8.2%	-13.1%	-24.4%	-34.7%	-45.5%	-46.7%	-72.2%	-76.9%	-73.6%	
Revenue change	(\$ mil.)	76.7	-386.0	-729.2	-1,483.2	-1,761.1	-1,658.1	-983.7	-799.5	-220.1	-45.2	-194.3%
Revenue change	(%)	1.0%	-4.8%	-9.5%	-21.3%	-32.1%	-44.6%	-47.7%	-74.0%	-78.5%	-75.1%	
RENTAL DVD												
Standard Definition:												
DVD Rentals/HH/Mo.		0.9	1.6	1.9	2.1	2.3	2.3	2.0	1.8	1.6	1.4	4.2%
Total rental turns	(mil.)	34.8	168.3	444.4	836.8	1,325.7	1,748.6	1,816.5	1,875.7	1,754.4	1,598.1	53.0%
Average rental rate	(\$)	3.47	3.50	3.15	3.12	3.15	3.18	3.24	3.28	3.31	3.51	0.1%
Total DVD rental revenue	(\$ mil.)	120.4	589.0	1,399.8	2,609.7	4,175.5	5,562.5	5,885.3	6,150.3	5,807.0	5,607.2	53.2%
Dedicated High-Def. Players:												
Ded. H-D DVD Rentals/HH/Mo.		-	-	-	-	-	-	-	0.5	1.0	1.2	
Total rental turns	(mil.)	-	-	-	-	-	-	-	0.9	10.6	36.3	
Average rental rate	(\$)	-	-	-	-	-	-	-	4.10	3.72	3.68	
Total Ded. H-D DVD rental rev.	(\$ mil.)	-	-	-	-	-	-	-	3.8	39.4	133.8	
Non-Ded. High-Def Players (PCs & Game Consoles):												
Non-Ded. Renting HH % N-D HH	(%)	-	-	-	-	-	-	-	94.0%	77.5%	62.5%	
Non-Ded. Renting H-D DVD HH	(mil.)	-	-	-	-	-	-	-	0.8	3.0	4.3	
Avg. Non-Ded. Renting H-D DVD HH	(mil.)	-	-	-	-	-	-	-	0.4	1.9	3.7	
Non-Ded. H-D DVD Rentals/HH/Mo.		-	-	-	-	-	-	-	0.5	0.7	0.8	
Total rental turns	(mil.)	-	-	-	-	-	-	-	2.3	17.1	32.9	
Average rental rate	(\$)	-	-	-	-	-	-	-	4.10	3.72	3.68	
Total Non-Ded. H-D DVD rental rev.	(\$ mil.)	-	-	-	-	-	-	-	9.3	63.6	121.1	

(continued on next page)

U.S. Home Video Retail Industry, 1999-2008 (continued)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	CAGR
Combined High-Definition:											
Total H-D DVD Rentals/HH/Mo.	-	-	-	-	-	-	-	0.2	0.4	0.6	
Total High-Def rental turns (mil.)	-	-	-	-	-	-	-	3.2	27.7	69.2	
Average High-Def rental rate (\$)	-	-	-	-	-	-	-	4.10	3.72	3.68	
Total High-Def DVD rental rev. (\$ mil.)	-	-	-	-	-	-	-	13.1	103.0	254.9	
Combined SD & HD DVD Rental:											
Average DVD HH (mil.)	3.1	9.0	19.2	33.2	49.1	64.1	76.5	85.7	93.4	98.7	46.9%
DVD Rentals/HH/Mo.	0.9	1.6	1.9	2.1	2.3	2.3	2.0	1.8	1.6	1.4	4.6%
Total rental turns (mil.)	34.8	168.3	444.4	836.8	1,325.7	1,748.6	1,816.5	1,878.9	1,782.0	1,667.3	53.7%
Average rental rate (\$)	3.47	3.50	3.15	3.12	3.15	3.18	3.24	3.28	3.32	3.52	0.2%
Total DVD rental revenue (\$ mil.)	120.4	589.0	1,399.8	2,609.7	4,175.5	5,562.5	5,885.3	6,163.4	5,910.0	5,862.1	54.0%
DVD Subscription Rental Service:											
DVD rental svc. subs % of DVDHH (%)	2.2%	2.3%	2.0%	2.2%	2.8%	4.4%	6.6%	9.5%	10.9%	11.7%	20.4%
DVD rental service subs (mil.)	0.1	0.3	0.5	0.9	1.6	3.1	5.4	8.5	10.6	11.7	68.5%
Average DVD rental service subs (mil.)	0.1	0.2	0.4	0.7	1.3	2.4	4.3	6.9	9.5	11.1	67.5%
Average revenue/sub/year (\$)	45.36	179.92	198.54	229.73	230.73	219.73	194.47	179.20	162.45	147.77	14.0%
DVD Subscription Revenue (\$ mil.)	4.9	36.8	80.2	162.0	288.8	521.3	828.9	1,245.0	1,551.0	1,645.3	91.0%
Total DVD Rental:											
Total DVD Rental Revenue (\$ mil.)	125.3	625.8	1,480.0	2,771.7	4,464.3	6,083.8	6,714.2	7,408.4	7,461.0	7,507.4	57.6%
Change (\$ mil.)	107.8	500.5	854.2	1,291.7	1,692.6	1,619.5	630.4	694.2	52.6	46.4	-8.9%
Change (%)	617.8%	399.5%	136.5%	87.3%	61.1%	36.3%	10.4%	10.3%	0.7%	0.6%	
TOTAL RENTAL											
Turns per Video HH/mo.	3.0	2.7	2.7	2.5	2.3	2.1	1.8	1.6	1.4	1.3	-8.9%
Change in Turns (mil.)	-1.1	-179.5	150.6	-96.5	-176.0	-201.1	-287.1	-237.6	-194.9	-148.0	72.9%
Total Turns (mil.)	3,010.4	2,831.0	2,981.6	2,885.1	2,709.1	2,508.1	2,220.9	1,983.3	1,788.4	1,640.4	-6.5%
Average rental price (\$)	2.73	2.93	2.81	2.80	2.92	3.04	3.14	3.25	3.34	3.58	3.1%
Total rental revenue (\$ mil.)	8,206.5	8,321.0	8,446.0	8,254.5	8,186.0	8,147.4	7,794.1	7,688.8	7,521.3	7,522.5	-1.0%
Change (\$ mil.)	184.5	114.5	125.0	-191.4	-68.5	-38.6	-353.3	-105.3	-167.5	1.2	-42.9%
Change (%)	2.3%	1.4%	1.5%	-2.3%	-0.8%	-0.5%	-4.3%	-1.4%	-2.2%	0.0%	
SELL-THROUGH VHS											
Sell-thru buys/VCRHH/yr.	9.3	8.5	6.8	4.1	2.4	1.2	0.4	0.2	0.1	0.0	-46.5%
Units sold thru (mil.)	788.8	752.9	627.3	392.0	234.2	119.1	36.3	20.3	9.6	2.7	-46.8%
Average retail price (\$)	10.44	10.34	10.23	10.03	9.53	9.05	8.78	12.73	12.89	12.83	2.3%
Retail sell-thru revenue (\$ mil.)	8,235.0	7,782.1	6,418.6	3,931.3	2,231.4	1,077.6	318.4	258.9	123.3	34.7	-45.5%
Change (\$ mil.)	-249.0	-453.0	-1,363.5	-2,487.3	-1,699.8	-1,153.8	-759.2	-59.5	-135.6	-88.6	-10.8%
Change (%)	-2.9%	-5.5%	-17.5%	-38.8%	-43.2%	-51.7%	-70.5%	-18.7%	-52.4%	-71.9%	
SELL-THROUGH DVD											
Standard Definition:											
Sell-thru units/DVDHH/yr.	23.5	16.3	15.2	15.3	14.5	15.2	14.0	12.5	11.4	10.2	-8.8%
DVD software units sold (mil.)	72.7	146.6	291.5	507.5	713.0	976.6	1,072.4	1,069.3	1,063.4	1,007.5	33.9%
Average retail price (\$)	18.95	19.50	18.40	17.11	15.83	15.51	14.95	15.19	14.65	14.19	-3.2%
DVD retail revenue (\$ mil.)	1,378.6	2,858.7	5,364.3	8,684.0	11,285.7	15,148.9	16,036.3	16,245.6	15,575.0	14,298.6	29.7%
Change (\$ mil.)	985.4	1,480.1	2,505.6	3,319.6	2,601.7	3,863.2	887.4	209.4	-670.6	-1,276.4	-202.9%
Change (%)	250.6%	107.4%	87.6%	61.9%	30.0%	34.2%	5.9%	1.3%	-4.1%	-8.2%	
Dedicated High-Def Players:											
Sell-thru units/Ded. HDDVDHH/yr.	-	-	-	-	-	-	-	4.2	6.7	6.3	
Ded. H-D DVD software units sold (mil.)	-	-	-	-	-	-	-	0.7	6.1	16.0	
Avg. High-Def DVD retail price (\$)	-	-	-	-	-	-	-	23.75	23.38	22.21	
Total Ded. High-Def DVD retail rev. (\$ mil.)	-	-	-	-	-	-	-	15.5	143.3	354.6	
Change (\$ mil.)	-	-	-	-	-	-	-	15.5	127.8	211.4	
Change (%)	-	-	-	-	-	-	-	100.0%	825.9%	147.5%	
Non-Ded. High-Def Players (PCs & Game Consoles):											
Non-Ded. Buying HH % N-D HH (%)	-	-	-	-	-	-	-	94.0%	77.5%	62.5%	
Non-Ded. Buying H-D DVD HH (mil.)	-	-	-	-	-	-	-	0.8	3.0	4.3	
Avg. N-D Renting H-D DVD HH (mil.)	-	-	-	-	-	-	-	0.4	1.9	3.7	
Sell-thru units/N-D HDDVDHH/yr.	-	-	-	-	-	-	-	1.4	1.9	1.8	
N-D H-D DVD software units sold (mil.)	-	-	-	-	-	-	-	0.6	3.7	6.7	
Avg. High-Def DVD retail price (\$)	-	-	-	-	-	-	-	23.75	23.38	22.21	
Total N-D H-D DVD retail rev. (\$ mil.)	-	-	-	-	-	-	-	13.8	86.4	148.9	
Change (\$ mil.)	-	-	-	-	-	-	-	13.8	72.6	62.6	
Change (%)	-	-	-	-	-	-	-	100.0%	525.7%	72.4%	
Combined High-Definition:											
Sell-thru units/HDDVDHH/yr.	-	-	-	-	-	-	-	1.1	1.8	2.2	
H-D DVD software units sold (mil.)	-	-	-	-	-	-	-	1.2	9.8	22.7	
Avg. High-Def DVD retail price (\$)	-	-	-	-	-	-	-	23.75	23.38	22.21	
Total High-Def DVD retail rev. (\$ mil.)	-	-	-	-	-	-	-	29.3	229.6	503.5	

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U.S. Home Video Retail Industry, 1999-2008 (continued)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	CAGR
Combined Standard & High-Def DVD Sell-Thru:											
Average units sold per DVDHH	23.5	16.3	15.2	15.3	14.5	15.2	14.0	12.5	11.5	10.4	-8.6%
Sell-thru units sold (mil.)	72.7	146.6	291.5	507.5	713.0	976.6	1,072.4	1,070.5	1,073.3	1,030.2	34.2%
Blended price per unit (\$)	18.95	19.50	18.40	17.11	15.83	15.51	14.95	15.20	14.73	14.37	-3.0%
Total retail revenue (\$ mil.)	1,378.6	2,858.7	5,364.3	8,684.0	11,285.7	15,148.9	16,036.3	16,274.9	15,804.6	14,802.2	30.2%
Change (\$ mil.)	985.4	1,480.1	2,505.6	3,319.6	2,601.7	3,863.2	887.4	238.7	-470.3	-1,002.4	-200.2%
Change (%)	2.5	1.1	0.9	0.6	0.3	0.3	0.1	1.5%	-2.9%	-6.3%	
TOTAL SELL-THROUGH											
Total sell-thru revenue (\$ mil.)	9,613.7	10,640.8	11,782.9	12,615.2	13,517.1	16,226.5	16,354.6	16,533.8	15,927.9	14,836.9	4.9%
Change (\$ mil.)	736.4	1,027.1	1,142.1	832.3	901.9	2,709.4	128.2	179.2	-605.9	-1,091.0	-204.5%
Change (%)	8.3%	10.7%	10.7%	7.1%	7.1%	20.0%	0.8%	1.1%	-3.7%	-6.8%	
Sell-thru units retailed (mil.)	861.5	899.5	918.8	899.5	947.2	1,095.7	1,108.7	1,090.9	1,082.8	1,032.9	2.0%
Change (mil.)	69.8	38.0	19.3	-19.3	47.7	148.4	13.0	-17.8	-8.0	-49.9	-196.3%
Change (%)	8.8%	4.4%	2.1%	-2.1%	5.3%	15.7%	1.2%	-1.6%	-0.7%	-4.6%	
Blended VHS/DVD price (\$)	11.16	11.83	12.82	14.02	14.27	14.81	14.75	15.16	14.71	14.36	2.8%
SUMMARY OF RETAIL VHS/DVD:											
Rental VHS (\$ mil.)	8,081.2	7,695.2	6,966.0	5,482.8	3,721.7	2,063.6	1,079.9	280.4	60.3	15.0	-50.3%
Rental DVD (\$ mil.)	125.3	625.8	1,480.0	2,771.7	4,464.3	6,083.8	6,714.2	7,408.4	7,461.0	7,507.4	57.6%
Sell-thru VHS (\$ mil.)	8,235.0	7,782.1	6,418.6	3,931.3	2,231.4	1,077.6	318.4	258.9	123.3	34.7	-45.5%
Sell-thru DVD (\$ mil.)	1,378.6	2,858.7	5,364.3	8,684.0	11,285.7	15,148.9	16,036.3	16,274.9	15,804.6	14,802.2	30.2%
Total retail spending (\$ mil.)	17,820.2	18,961.8	20,228.9	20,869.8	21,703.1	24,373.9	24,148.8	24,222.6	23,449.2	22,359.3	2.6%
Change (\$ mil.)	920.9	1,141.6	1,267.1	640.9	833.3	2,670.8	-225.1	73.9	-773.4	-1,089.9	-201.9%
Change (%)	5.4%	6.4%	6.7%	3.2%	4.0%	12.3%	-0.9%	0.3%	-3.2%	-4.6%	
Retail spending/Avg. Video HH/yr. (\$)	209.90	215.27	220.52	218.41	218.59	239.51	234.70	232.88	222.41	209.45	0.0%
Change (\$)	4.47	5.36	5.26	-2.11	0.17	20.93	-4.82	-1.82	-10.46	-12.97	-212.6%
Change (%)	2.2%	2.6%	2.4%	-1.0%	0.1%	9.6%	-2.0%	-0.8%	-4.5%	-5.8%	

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U.S. Home Video Retail Industry, 2009-2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Total TVHH (mil.)	115.7	117.1	118.6	120.1	121.6	123.1	124.6	126.2	127.8	129.4	1.3%
Video as a % of TVHH (%)	94.1%	94.2%	94.3%	94.4%	94.5%	94.6%	94.7%	94.8%	94.8%	94.8%	0.1%
Video HH (mil.)	108.8	110.3	111.8	113.3	114.9	116.4	118.0	119.6	121.1	122.6	1.3%
Average Video HH (mil.)	108.1	109.6	111.1	112.6	114.1	115.7	117.2	118.8	120.4	121.9	1.3%
VCR HH as a % of TVHH (%)	62.4%	55.5%	46.6%	36.8%	27.3%	20.2%	15.0%	11.1%	8.2%	6.1%	-22.8%
Total VCR HH (mil.)	72.2	65.0	55.2	44.2	33.1	24.9	18.6	14.0	10.5	7.9	-21.8%
Net new VCR HH (mil.)	-5.9	-7.2	-9.7	-11.0	-11.0	-8.3	-6.2	-4.7	-3.5	-2.6	-8.5%
Average VCR HH (mil.)	75.1	68.6	60.1	49.7	38.7	29.0	21.7	16.3	12.2	9.2	-20.8%
DVD as a % of TVHH (%)	88.5%	89.2%	89.7%	91.1%	92.9%	94.6%	94.7%	94.8%	94.8%	94.8%	0.8%
Total DVD HH (mil.)	102.4	104.4	106.4	109.4	112.9	116.4	118.0	119.6	121.1	122.6	2.0%
Net new DVD HH (mil.)	2.5	2.0	2.0	3.0	3.5	3.5	1.6	1.6	1.5	1.5	-5.4%
Average DVD HH (mil.)	101.2	103.4	105.4	107.9	111.2	114.7	117.2	118.8	120.4	121.9	2.1%
High-Definition DVD HH											
Ded. HD DVD as a % of TVHH (%)	8.9%	17.3%	27.0%	38.2%	50.1%	61.6%	72.0%	78.9%	81.8%	82.6%	28.1%
Ded. HD DVD as a % of DVD HH (%)	10.1%	19.4%	30.1%	42.0%	53.9%	65.1%	76.0%	83.2%	86.3%	87.1%	27.1%
Dedicated High-Def DVD HH (mil.)	10.3	20.3	32.0	45.9	60.9	75.8	89.7	99.5	104.5	106.8	29.7%
Net new Ded. High-Def DVD HH (mil.)	6.8	10.0	11.7	13.9	15.0	14.9	13.9	9.9	4.9	2.3	-11.2%
Average Ded. High-Def DVD HH (mil.)	6.9	15.3	26.1	39.0	53.4	68.3	82.7	94.6	102.0	105.6	35.4%
Non-Ded. HD DVD as % of TVHH (%)	4.8%	2.7%	1.3%	3.1%	4.4%	5.8%	4.2%	3.4%	2.3%	3.6%	-3.0%
Non-Ded. HD DVD % of DVD HH (%)	5.4%	3.1%	1.5%	3.4%	4.7%	6.1%	4.4%	3.5%	2.5%	3.8%	-3.8%
Non-Ded. High-Def DVD HH (mil.)	5.5	3.2	1.6	3.7	5.3	7.2	5.2	4.2	3.0	4.7	-1.8%
Net new Non-Ded. H-D DVD HH (mil.)	-1.3	-2.3	-1.6	2.2	1.6	1.8	-1.9	-1.0	-1.2	1.7	-202.9%
Avg. Non-Ded. High-Def DVD HH (mil.)	6.2	4.4	2.4	2.7	4.5	6.2	6.2	4.7	3.6	3.8	-5.2%
Total HD DVD as a % of TVHH (%)	13.7%	20.0%	28.3%	41.3%	54.5%	67.4%	76.2%	82.2%	84.1%	86.2%	22.7%
Total HD DVD as a % of DVD HH (%)	15.5%	22.5%	31.6%	45.4%	58.7%	71.2%	80.4%	86.8%	88.7%	90.9%	21.8%
Total High-Def DVD HH (mil.)	15.8	23.5	33.6	49.6	66.2	82.9	94.9	103.8	107.5	111.5	24.2%
Average High-Def DVD HH (mil.)	13.1	19.7	28.5	41.6	57.9	74.6	88.9	99.3	105.6	109.5	26.6%
RENTAL VHS											
Video Rentals/HH/Mo.	-	-	-	-	-	-	-	-	-	-	-
Total rental turns (mil.)	-	-	-	-	-	-	-	-	-	-	-
Average rental rate (\$)	-	-	-	-	-	-	-	-	-	-	-
Total rental revenue (\$ mil.)	-	-	-	-	-	-	-	-	-	-	-
VCR HH change (mil.)	-5.9	-7.2	-9.7	-11.0	-11.0	-8.3	-6.2	-4.7	-3.5	-2.6	-8.5%
VCR HH change (%)	-7.5%	-10.0%	-15.0%	-20.0%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%	
Turns/VCRHH change	-	-	-	-	-	-	-	-	-	-	-
Turns/VCRHH change (%)	-100.0%	-	-	-	-	-	-	-	-	-	-

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U.S. Home Video Retail Industry, 2009-2018 (continued)

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Total turns change	(mil.)	-6.0	-	-	-	-	-	-	-	-	-	-
Total turns change	(%)	-100.0%	-	-	-	-	-	-	-	-	-	-
Rental rate change	(\$)	-2.52	-	-	-	-	-	-	-	-	-	-
Rental rate change	(%)	-100.0%	-	-	-	-	-	-	-	-	-	-
Spend./avg. VCRHH/mo.	(\$)	-	-	-	-	-	-	-	-	-	-	-
Change in spending	(\$)	-0.02	-	-	-	-	-	-	-	-	-	-
Change in spending	(%)	-100.0%	-	-	-	-	-	-	-	-	-	-
Revenue change	(\$ mil.)	-15.0	-	-	-	-	-	-	-	-	-	-
Revenue change	(%)	-100.0%	-	-	-	-	-	-	-	-	-	-
RENTAL DVD												
Standard Definition:												
DVD Rentals/HH/Mo.		1.4	1.3	1.2	0.9	0.7	0.5	0.4	0.3	0.3	0.2	-18.6%
Total rental turns	(mil.)	1,638.6	1,613.0	1,454.5	1,191.2	981.7	708.9	579.8	470.1	381.0	308.6	-16.9%
Average rental rate	(\$)	3.54	3.58	3.61	3.65	3.69	3.72	3.76	3.80	3.84	3.88	1.0%
Total DVD rental revenue	(\$ mil.)	5,806.8	5,773.3	5,258.0	4,349.2	3,620.0	2,640.3	2,180.9	1,786.1	1,462.0	1,196.1	-16.1%
Dedicated High-Def. Players:												
Ded. H-D DVD Rentals/HH/Mo.		1.2	1.2	1.0	1.0	0.8	0.6	0.4	0.3	0.2	0.2	-20.4%
Total rental turns	(mil.)	99.4	220.0	313.5	467.4	512.6	524.8	444.7	356.0	268.7	194.8	7.8%
Average rental rate	(\$)	3.54	3.58	3.61	3.65	3.69	3.72	3.76	3.80	3.84	3.88	1.0%
Total Ded. H-D DVD rental rev.	(\$ mil.)	352.4	787.3	1,133.2	1,706.6	1,890.2	1,954.4	1,672.9	1,352.7	1,031.2	755.0	8.8%
Non-Ded. High-Def Players (PCs & Game Consoles):												
Non-Ded. Renting HH % N-D HH	(%)	52.5%	40.0%	30.0%	23.8%	15.0%	12.5%	10.0%	10.0%	10.0%	10.0%	-16.8%
Non-Ded. Renting H-D DVD HH	(mil.)	2.9	1.3	0.5	0.9	0.8	0.9	0.5	0.4	0.3	0.5	-18.3%
Avg. Non-Ded. Renting H-D DVD HH	(mil.)	3.6	2.1	0.9	0.7	0.8	0.8	0.7	0.5	0.4	0.4	-22.0%
Non-Ded. H-D DVD Rentals/HH/Mo.		0.6	0.5	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0	-33.8%
Total rental turns	(mil.)	27.2	12.1	3.2	1.9	1.2	0.8	0.4	0.2	0.1	0.1	-48.4%
Average rental rate	(\$)	3.54	3.58	3.61	3.65	3.69	3.72	3.76	3.80	3.84	3.88	1.0%
Total Non-Ded. H-D DVD rental rev.	(\$ mil.)	96.4	43.2	11.5	7.1	4.5	3.0	1.4	0.7	0.4	0.3	-47.9%
Combined High-Definition:												
Total H-D DVD Rentals/HH/Mo.		0.7	0.8	0.8	0.8	0.6	0.5	0.4	0.3	0.2	0.1	-15.5%
Total High-Def rental turns	(mil.)	126.6	232.1	316.7	469.4	513.8	525.6	445.1	356.2	268.8	194.9	4.9%
Average High-Def rental rate	(\$)	3.54	3.58	3.61	3.65	3.69	3.72	3.76	3.80	3.84	3.88	1.0%
Total High-Def DVD rental rev.	(\$ mil.)	448.8	830.5	1,144.7	1,713.7	1,894.7	1,957.4	1,674.3	1,353.4	1,031.5	755.2	6.0%
Combined SD & HD DVD Rental:												
Average DVD HH	(mil.)	101.2	103.4	105.4	107.9	111.2	114.7	117.2	118.8	120.4	121.9	2.1%
DVD Rentals/HH/Mo.		1.5	1.5	1.4	1.3	1.1	0.9	0.7	0.6	0.4	0.3	-14.8%
Total rental turns	(mil.)	1,765.3	1,845.1	1,771.2	1,660.6	1,495.5	1,234.5	1,024.9	826.3	649.8	503.5	-13.0%
Average rental rate	(\$)	3.54	3.58	3.61	3.65	3.69	3.72	3.76	3.80	3.84	3.88	1.0%
Total DVD rental revenue	(\$ mil.)	6,255.5	6,603.8	6,402.7	6,062.9	5,514.7	4,597.8	3,855.3	3,139.5	2,493.5	1,951.3	-12.1%
DVD Subscription Rental Service:												
DVD rental svc. subs % of DVDHH	(%)	12.8%	13.4%	13.3%	12.8%	12.0%	11.0%	10.3%	10.0%	9.8%	9.7%	-3.1%
DVD rental service subs	(mil.)	13.1	14.0	14.1	14.0	13.6	12.9	12.1	12.0	11.9	11.8	-1.1%
Average DVD rental service subs	(mil.)	12.4	13.6	14.1	14.1	13.8	13.2	12.5	12.1	12.0	11.9	-0.5%
Average revenue/sub/year	(\$)	142.87	139.24	138.70	137.39	134.18	131.84	130.25	125.15	117.05	110.69	-2.8%
DVD Subscription Revenue	(\$ mil.)	1,771.2	1,888.9	1,953.5	1,935.4	1,852.4	1,742.8	1,625.4	1,508.9	1,401.5	1,315.3	-3.3%
Total DVD Rental:												
Total DVD Rental Revenue	(\$ mil.)	8,026.7	8,492.7	8,356.1	7,998.3	7,367.1	6,340.5	5,480.7	4,648.4	3,895.1	3,266.6	-9.5%
Change	(\$ mil.)	519.3	466.0	-136.6	-357.8	-631.1	-1,026.6	-859.9	-832.3	-753.3	-628.5	-202.1%
Change	(%)	6.9%	5.8%	-1.6%	-4.3%	-7.9%	-13.9%	-13.6%	-15.2%	-16.2%	-16.1%	
TOTAL RENTAL												
Turns per Video HH/mo.		1.3	1.4	1.3	1.2	1.1	0.9	0.7	0.6	0.4	0.3	-14.0%
Change in Turns	(mil.)	97.7	94.9	-65.0	-109.4	-164.4	-260.6	-209.2	-198.3	-176.4	-146.3	-204.6%
Total Turns	(mil.)	1,738.1	1,833.0	1,768.0	1,658.6	1,494.3	1,233.7	1,024.5	826.2	649.7	503.4	-12.9%
Average rental price	(\$)	3.60	3.60	3.62	3.66	3.69	3.73	3.76	3.80	3.84	3.88	0.8%
Total rental revenue	(\$ mil.)	8,026.7	8,492.7	8,356.1	7,998.3	7,367.1	6,340.5	5,480.7	4,648.4	3,895.1	3,266.6	-9.5%
Change	(\$ mil.)	504.3	466.0	-136.6	-357.8	-631.1	-1,026.6	-859.9	-832.3	-753.3	-628.5	-202.5%
Change	(%)	6.7%	5.8%	-1.6%	-4.3%	-7.9%	-13.9%	-13.6%	-15.2%	-16.2%	-16.1%	
SELL-THROUGH VHS												
Sell-thru buys/VCRHH/yr.		-	-	-	-	-	-	-	-	-	-	-
Units sold thru	(mil.)	0.5	-	-	-	-	-	-	-	-	-	-
Average retail price	(\$)	12.77	-	-	-	-	-	-	-	-	-	-
Retail sell-thru revenue	(\$ mil.)	6.4	-	-	-	-	-	-	-	-	-	-
Change	(\$ mil.)	-28.3	-6.4	-	-	-	-	-	-	-	-	-
Change	(%)	-81.6%	-100.0%	-	-	-	-	-	-	-	-	-

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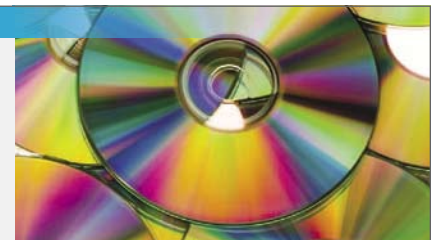
U.S. Home Video Retail Industry, 2009-2018 (continued)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
SELL-THROUGH DVD											
Standard Definition:											
Sell-thru units/DVDHH/yr.	8.4	7.2	6.2	5.2	4.3	3.6	3.1	2.8	2.6	2.3	-13.3%
DVD software units sold (mil.)	852.3	740.5	649.2	564.9	483.0	408.6	367.6	335.3	315.9	284.7	-11.5%
Average retail price (\$)	13.65	13.02	12.32	11.57	10.78	9.96	9.13	8.30	7.48	6.69	-7.6%
DVD retail revenue (\$ mil.)	11,629.7	9,640.3	7,998.9	6,535.7	5,205.3	4,068.7	3,354.7	2,781.7	2,362.5	1,903.3	-18.2%
Change (\$ mil.)	-2,669.0	-1,989.4	-1,641.4	-1,463.1	-1,330.5	-1,136.6	-714.0	-573.0	-419.1	-459.3	-17.8%
Change (%)	-18.7%	-17.1%	-17.0%	-18.3%	-20.4%	-21.8%	-17.5%	-17.1%	-15.1%	-19.4%	
Dedicated High-Def Players:											
Sell-thru units/Ded. HDDVDHH/yr.	7.3	8.0	8.4	8.7	9.2	8.7	7.9	7.3	6.9	6.9	-0.6%
Ded. H-D DVD software units sold (mil.)	50.3	122.3	219.7	337.4	490.2	596.0	656.6	690.8	707.6	725.5	34.5%
Avg. High-Def DVD retail price (\$)	20.54	17.98	16.18	14.56	12.38	11.76	11.40	11.29	11.18	11.07	-6.6%
Total Ded. High-Def DVD retail rev. (\$ mil.)	1,032.9	2,199.2	3,554.0	4,912.4	6,067.2	7,006.9	7,488.2	7,800.2	7,909.9	8,028.4	25.6%
Change (\$ mil.)	678.3	1,166.3	1,354.8	1,358.3	1,154.8	939.8	481.3	312.0	109.7	118.4	-17.6%
Change (%)	191.3%	112.9%	61.6%	38.2%	23.5%	15.5%	6.9%	4.2%	1.4%	1.5%	
Non-Ded. High-Def Players (PCs & Game Consoles):											
Non-Ded. Buying HH % N-D HH (%)	52.5%	40.0%	30.0%	23.8%	15.0%	12.5%	10.0%	10.0%	10.0%	10.0%	-16.8%
Non-Ded. Buying H-D DVD HH (mil.)	2.9	1.3	0.5	0.9	0.8	0.9	0.5	0.4	0.3	0.5	-18.3%
Avg. N-D Renting H-D DVD HH (mil.)	3.6	2.1	0.9	0.7	0.8	0.8	0.7	0.5	0.4	0.4	-22.0%
Sell-thru units/N-D HDDVDHH/yr.	2.5	3.0	3.4	3.4	3.5	3.4	3.4	3.3	3.3	3.3	2.8%
N-D H-D DVD software units sold (mil.)	9.1	6.3	3.0	2.3	2.9	2.9	2.4	1.6	1.2	1.3	-19.8%
Avg. High-Def DVD retail price (\$)	20.54	17.98	16.18	14.56	12.38	11.76	11.40	11.29	11.18	11.07	-6.6%
Total N-D H-D DVD retail rev. (\$ mil.)	187.6	112.8	48.1	34.0	36.1	34.2	27.4	17.9	13.3	13.9	-25.1%
Change (\$ mil.)	38.7	-74.8	-64.7	-14.1	2.1	-2.0	-6.8	-9.5	-4.5	0.6	-37.6%
Change (%)	26.0%	-39.9%	-57.3%	-29.3%	6.2%	-5.4%	-19.9%	-34.7%	-25.4%	4.1%	
Combined High-Definition:											
Sell-thru units/HDDVDHH/yr.	3.8	5.5	6.6	6.8	7.4	7.2	6.9	6.7	6.6	6.5	6.3%
H-D DVD software units sold (mil.)	59.4	128.6	222.7	339.7	493.1	598.9	659.0	692.4	708.8	726.8	32.1%
Avg. High-Def DVD retail price (\$)	20.54	17.98	16.18	14.56	12.38	11.76	11.40	11.29	11.18	11.07	-6.6%
Total High-Def DVD retail rev. (\$ mil.)	1,220.5	2,312.0	3,602.2	4,946.4	6,103.3	7,041.1	7,515.6	7,818.1	7,923.3	8,042.2	23.3%
Combined Standard & High-Def DVD Sell-Thru:											
Average units sold per DVDHH	9.0	8.4	8.3	8.4	8.8	8.8	8.8	8.6	8.5	8.3	-0.9%
Sell-thru units sold (mil.)	911.7	869.2	871.8	904.6	976.1	1,007.4	1,026.6	1,027.7	1,024.7	1,011.4	1.2%
Blended price per unit (\$)	14.10	13.75	13.31	12.69	11.59	11.03	10.59	10.31	10.04	9.83	-3.9%
Total retail revenue (\$ mil.)	12,850.2	11,952.3	11,601.0	11,482.1	11,308.6	11,109.8	10,870.2	10,599.7	10,285.8	9,945.5	-2.8%
Change (\$ mil.)	-1,952.0	-897.9	-351.2	-118.9	-173.5	-198.8	-239.6	-270.5	-313.9	-340.3	-17.6%
Change (%)	-13.2%	-7.0%	-2.9%	-1.0%	-1.5%	-1.8%	-2.2%	-2.5%	-3.0%	-3.3%	
TOTAL SELL-THROUGH											
Total sell-thru revenue (\$ mil.)	12,856.6	11,952.3	11,601.0	11,482.1	11,308.6	11,109.8	10,870.2	10,599.7	10,285.8	9,945.5	-2.8%
Change (\$ mil.)	-1,980.3	-904.3	-351.2	-118.9	-173.5	-198.8	-239.6	-270.5	-313.9	-340.3	-17.8%
Change (%)	-13.3%	-7.0%	-2.9%	-1.0%	-1.5%	-1.8%	-2.2%	-2.5%	-3.0%	-3.3%	
Sell-thru units retailed (mil.)	912.2	869.2	871.8	904.6	976.1	1,007.4	1,026.6	1,027.7	1,024.7	1,011.4	1.2%
Change (mil.)	-120.7	-43.0	2.7	32.8	71.5	31.3	19.1	1.2	-3.0	-13.3	-21.7%
Change (%)	-11.7%	-4.7%	0.3%	3.8%	7.9%	3.2%	1.9%	0.1%	-0.3%	-1.3%	
Blended VHS/DVD price (\$)	14.09	13.75	13.31	12.69	11.59	11.03	10.59	10.31	10.04	9.83	-3.9%
SUMMARY OF RETAIL VHS/DVD:											
Rental VHS (\$ mil.)	-	-	-	-	-	-	-	-	-	-	-
Rental DVD (\$ mil.)	8,026.7	8,492.7	8,356.1	7,998.3	7,367.1	6,340.5	5,480.7	4,648.4	3,895.1	3,266.6	-9.5%
Sell-thru VHS (\$ mil.)	6.4	-	-	-	-	-	-	-	-	-	-
Sell-thru DVD (\$ mil.)	12,850.2	11,952.3	11,601.0	11,482.1	11,308.6	11,109.8	10,870.2	10,599.7	10,285.8	9,945.5	-2.8%
Total retail spending (\$ mil.)	20,883.3	20,445.0	19,957.1	19,480.4	18,675.7	17,450.3	16,350.9	15,248.1	14,180.9	13,212.1	-5.0%
Change (\$ mil.)	-1,476.1	-438.3	-487.8	-476.7	-804.7	-1,225.4	-1,099.5	-1,102.7	-1,067.3	-968.7	-4.6%
Change (%)	-6.6%	-2.1%	-2.4%	-2.4%	-4.1%	-6.6%	-6.3%	-6.7%	-7.0%	-6.8%	
Retail spending/Avg. Video HH/yr. (\$)	193.19	186.59	179.69	173.04	163.67	150.88	139.48	128.34	117.82	108.41	-6.2%
Change (\$)	-16.26	-6.60	-6.90	-6.65	-9.37	-12.79	-11.40	-11.15	-10.52	-9.40	-5.9%
Change (%)	-7.8%	-3.4%	-3.7%	-3.7%	-5.4%	-7.8%	-7.6%	-8.0%	-8.2%	-8.0%	

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Film exhibitors riding high in tough times

As the domestic home video market flounders, the theatrical exhibition sector is going through a massive resurgence as families turn to the cinema box office for affordable entertainment.

Box office gross and admissions are thriving, and films that might not previously have done so are drawing massive crowds. As a result, total domestic box office gross in 2009 has hit the \$1 billion, \$2 billion and \$3 billion marks faster than ever before.

We appear to be on track for a record-setting year (see P. 8-9), with plenty of blockbusters set to debut in the summer as well as a technological revolution that is making the theater experience even more attractive to audiences.

3-D has made great strides from the days of cardboard glasses with blue and red lenses. "Monsters vs. Aliens" demonstrated the success of

the technology as \$33.2 million of its \$59.3 million opening gross came from 2,080 3-D screens versus just \$26.1 million from 5,349 analog screens.

There were several years of minimal growth before digital projection took off in 2006 with a total of 2,003 screens. The digital footprint hit 5,474 screens at the end of 2008 — 13.6% of the 40,194 total screens.

3D screens are ramping up rapidly at the urging of the studios and reached 2,000 screens at the end of 2008. Studios are hoping that there will be 7,000 to 8,000 3-D screens by the end of 2010 — enough for two 3-D wide releases to be in theaters at the same time.

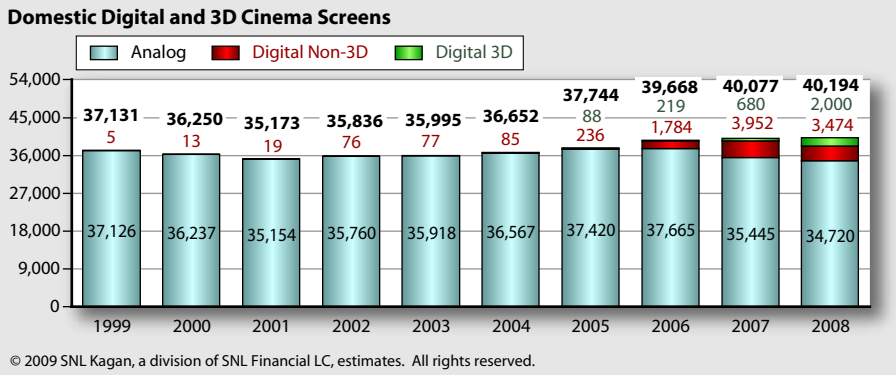
The domestic box office posted its second-best showing last year, at \$9.62 billion, but admissions were down 4.7% to 1.34 billion. The drop in admissions led to a decline in concessions revenue. Overall total exhibitor revenue dipped from \$14.21 billion to \$14.07 billion in 2008.

Margins also fell in 2008, leading to cash flow going from \$2.30 billion to \$1.91 billion. Applying an 8x multiple, the sector value becomes \$15.26 billion, compared to \$18.39 billion in 2007.

We estimate the box office will be \$10.12 billion this year, while concessions and other revenue will remain fairly flat. Total revenues should climb to \$14.58 billion while margins improve and cash flow hits \$1.99 billion. Using the 8x multiple, the sector value climbs to \$15.89 billion.

We expect average ticket prices to grow as 3-D penetrates the sector and drives domestic box office up to \$14.01 billion by 2018. Total revenues are estimated to be \$18.93 billion by then, with a sector value of \$24.57 billion based on \$3.07 billion in cash flow and an 8x multiple.

Wade Holden



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Exhibition Market Projections, 1999-2008

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	CAGR '99-'08
Domestic Financial Data												
Admissions	(mil.)	1,523	1,401	1,457	1,602	1,523	1,492	1,437	1,398	1,406	1,340	-1.4%
Admissions growth	(%)	6.5%	-8.0%	4.0%	9.9%	-4.9%	-2.1%	-3.7%	-2.7%	0.6%	-4.7%	
Avg. ticket price	(\$)	5.08	5.39	5.66	5.80	6.03	6.21	6.41	6.55	6.88	7.18	3.9%
Ticket price growth	(%)	8.3%	6.1%	5.0%	2.5%	4.0%	3.0%	3.2%	2.2%	5.0%	4.4%	
Box office ticket sales	(\$ mil.)	7,735	7,550	8,249	9,292	9,185	9,264	9,211	9,157	9,674	9,623	2.5%
B.O. growth	(%)	15.3%	-2.4%	9.3%	12.7%	-1.2%	0.9%	-0.6%	-0.6%	5.6%	-0.5%	
Distributor's avg. box office split	(%)	53.3%	53.1%	53.0%	53.3%	52.9%	52.3%	52.7%	52.4%	52.9%	53.2%	0.0%
Distrib. rental rev./exhib. rental cost	(\$ mil.)	4,119	4,007	4,376	4,948	4,856	4,845	4,855	4,798	5,118	5,119	2.4%
Exhibitor ticket revenue	(\$ mil.)	3,616	3,543	3,873	4,344	4,329	4,418	4,356	4,359	4,556	4,503	2.5%
Concessions ratio	(%)	41.1%	40.3%	39.3%	40.1%	39.0%	39.3%	38.7%	39.8%	40.6%	40.2%	-0.3%
Concessions revenue	(\$ mil.)	3,178	3,042	3,241	3,730	3,578	3,645	3,564	3,649	3,930	3,865	2.2%
Concessions/admission	(\$)	2.09	2.17	2.22	2.33	2.35	2.44	2.48	2.61	2.79	2.88	3.7%
Other revenue ratio	(%)	10.7%	10.1%	8.4%	9.4%	10.1%	11.1%	9.8%	8.5%	6.3%	6.0%	-6.2%
Other revenues	(\$ mil.)	830	764	690	875	931	1,030	905	783	612	580	-3.9%
Other revenues/admission	(\$)	0.54	0.55	0.47	0.55	0.61	0.69	0.63	0.56	0.43	0.43	-2.5%
Total theater level revenue	(\$ mil.)	10,913	10,592	11,489	13,023	12,763	12,909	12,774	12,806	13,604	13,488	2.4%
Total exhibitor revenues	(\$ mil.)	11,743	11,355	12,179	13,897	13,693	13,939	13,680	13,589	14,216	14,068	2.0%
Total revenue/admission	(\$)	7.71	8.11	8.36	8.67	8.99	9.34	9.52	9.72	10.11	10.50	3.5%
Theater level cash flow margin	(%)	18.8%	16.6%	19.3%	22.5%	23.1%	23.2%	21.8%	23.2%	19.4%	17.9%	-0.5%
Theater level cash flow	(\$ mil.)	2,053	1,757	2,222	2,926	2,952	2,990	2,785	2,971	2,642	2,416	1.8%
Cash flow margin	(%)	13.6%	11.7%	15.1%	17.6%	18.9%	17.9%	17.6%	18.3%	16.2%	13.6%	-0.1%
Cash flow	(\$ mil.)	1,602	1,326	1,839	2,449	2,584	2,493	2,408	2,487	2,299	1,908	2.0%
C.F. multiple	(x)	6.5	6.0	6.5	7.0	7.5	8.0	8.0	8.0	8.0	8.0	2.3%
Sector value	(\$ mil.)	10,412	7,956	11,954	17,145	19,383	19,941	19,261	19,894	18,393	15,261	4.3%
Screen and Location Data												
Indoor screens		36,448	35,567	34,490	35,170	35,361	36,012	37,096	38,943	39,347	39,476	0.9%
Indoor screen growth	(%)	8.6%	-2.4%	-3.0%	1.9%	0.4%	1.8%	3.0%	5.1%	1.0%	0.3%	
Avg. indoor screens/yr.		34,944	36,008	35,029	34,830	35,266	35,687	36,554	38,020	39,145	39,412	1.3%
Drive-in screens		683	683	683	666	634	640	648	725	730	718	0.6%
Drive-in screen growth	(%)	-8.4%	0.0%	0.0%	-2.5%	-4.8%	0.9%	1.3%	11.9%	0.7%	-1.6%	
Avg. drive-in screens/yr.		715	683	683	675	650	637	644	687	728	724	0.1%
Total screens		37,131	36,250	35,173	35,836	35,995	36,652	37,744	39,668	40,077	40,194	0.9%
Screens added/yr.		2,945	(881)	(1,077)	663	159	657	1,092	1,924	409	117	-30.1%
Avg. screens/yr.		35,659	36,691	35,712	35,505	35,916	36,324	37,198	38,706	39,873	40,136	1.3%
Net new screens/yr. growth	(%)	8.3%	2.9%	-2.7%	-0.6%	1.2%	1.1%	2.4%	4.1%	3.0%	0.7%	
No. locations		7,477	6,992	6,253	6,144	6,100	6,031	6,114	6,356	6,277	6,269	-1.9%
Avg. locations/yr.		7,448	7,235	6,623	6,199	6,122	6,066	6,073	6,235	6,317	6,273	-1.9%
Net new locations/yr.		59	(485)	(739)	(109)	(44)	(69)	83	242	(79)	(8)	
Screens/loc.		5.0	5.2	5.6	5.8	5.9	6.1	6.2	6.2	6.4	6.4	2.9%
Screens/location growth	(%)	7.8%	4.4%	8.5%	3.7%	1.2%	3.0%	1.6%	1.1%	2.3%	0.4%	
No. admissions/avg. screen	(000)	43	38	41	45	42	41	39	36	35	33	-2.7%
No. admissions/avg. location	(000)	204	194	220	258	249	246	237	224	223	214	0.5%
Ticket rev./avg. screen	(\$ 000)	217	206	231	262	256	255	248	237	243	240	1.1%
Concessions rev./avg. screen	(\$ 000)	89	83	91	105	100	100	96	94	99	96	0.9%
Other rev./avg. screen	(\$ 000)	23	21	19	25	26	28	24	20	15	14	-5.2%
Total rev./avg. screen	(\$ 000)	329	309	341	391	381	384	368	351	357	351	0.7%
Ticket rev./avg. loc.	(\$ 000)	1,039	1,044	1,246	1,499	1,500	1,527	1,517	1,469	1,532	1,534	4.4%
Concessions rev./avg. loc.	(\$ 000)	427	420	489	602	584	601	587	585	622	616	4.2%
Other rev./avg. loc.	(\$ 000)	111	106	104	141	152	170	149	126	97	92	-2.0%
Total rev./avg. loc.	(\$ 000)	1,577	1,570	1,839	2,242	2,237	2,298	2,253	2,179	2,251	2,243	4.0%
Cash flow/avg. screen	(\$ 000)	45	36	51	69	72	69	65	64	58	48	0.6%
Value/screen	(\$ 000)	292	217	335	483	540	549	518	514	461	380	3.0%
Cash flow/avg. location	(\$ 000)	215	183	278	395	422	411	396	399	364	304	3.9%
Value/location	(\$ 000)	1,398	1,100	1,805	2,766	3,166	3,288	3,172	3,191	2,912	2,433	6.3%

Exhibition Market Projections, 2009-2018

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR '09-'18
Domestic Financial Data												
Admissions	(mil.)	1,380	1,401	1,412	1,405	1,376	1,363	1,376	1,389	1,400	1,393	0.1%
Admissions growth	(%)	3.0%	1.5%	0.8%	-0.5%	-2.0%	-1.0%	1.0%	0.9%	0.8%	-0.5%	
Avg. ticket price	(\$)	7.33	7.55	7.85	8.16	8.47	8.78	9.10	9.42	9.74	10.06	3.6%
Ticket price growth	(%)	2.1%	3.0%	4.0%	3.9%	3.8%	3.7%	3.6%	3.5%	3.4%	3.3%	
Box office ticket sales	(\$ mil.)	10,119	10,579	11,085	11,460	11,657	11,968	12,523	13,077	13,632	14,011	3.7%
B.O. growth	(%)	5.2%	4.5%	4.8%	3.4%	1.7%	2.7%	4.6%	4.4%	4.2%	2.8%	
Distributor's avg. box office split	(%)	52.8%	52.3%	52.7%	52.3%	52.9%	53.2%	52.8%	52.2%	52.6%	52.3%	-0.1%
Distrib. rental rev./exhib. rental cost	(\$ mil.)	5,345	5,528	5,837	5,999	6,161	6,361	6,608	6,827	7,171	7,328	3.6%
Exhibitor ticket revenue	(\$ mil.)	4,775	5,051	5,248	5,461	5,496	5,607	5,915	6,250	6,461	6,683	3.8%
Concessions												
Concessions ratio	(%)	38.4%	37.3%	35.9%	34.7%	33.5%	32.5%	31.7%	30.9%	30.2%	29.5%	-2.9%
Concessions revenue	(\$ mil.)	3,882	3,944	3,982	3,974	3,910	3,890	3,968	4,044	4,117	4,138	0.7%
Concessions/admission	(\$)	2.81	2.81	2.82	2.83	2.84	2.85	2.88	2.91	2.94	2.97	0.6%
Other revenue ratio	(%)	5.7%	5.4%	5.3%	5.3%	5.3%	5.3%	5.3%	5.4%	5.5%	5.5%	-0.3%
Other revenues	(\$ mil.)	574	576	592	607	613	631	663	702	743	777	3.4%
Other revenues/admission	(\$)	0.42	0.41	0.42	0.43	0.45	0.46	0.48	0.51	0.53	0.56	3.3%
Total theater level revenue	(\$ mil.)	14,001	14,523	15,067	15,433	15,567	15,858	16,491	17,121	17,749	18,149	2.9%
Total exhibitor revenues	(\$ mil.)	14,575	15,100	15,659	16,040	16,180	16,489	17,153	17,824	18,492	18,925	2.9%
Total revenue/admission	(\$)	10.56	10.78	11.09	11.42	11.75	12.10	12.46	12.83	13.21	13.59	2.8%
Cash Flow												
Theater level cash flow margin	(%)	18.1%	18.3%	18.4%	18.5%	18.6%	18.9%	19.2%	19.5%	19.8%	20.1%	1.2%
Theater level cash flow	(\$ mil.)	2,533	2,653	2,766	2,848	2,901	3,000	3,166	3,337	3,511	3,644	4.1%
Cash flow margin	(%)	13.6%	13.7%	13.7%	13.8%	13.9%	14.1%	14.4%	14.9%	15.5%	16.2%	2.0%
Cash flow	(\$ mil.)	1,986	2,068	2,150	2,213	2,255	2,333	2,475	2,649	2,858	3,071	5.0%
C.F. multiple	(x)	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	0.0%
Sector value	(\$ mil.)	15,890	16,545	17,200	17,707	18,040	18,660	19,801	21,191	22,866	24,572	5.0%
Screen And Location Data												
Indoor screens		39,512	39,470	39,348	39,148	39,031	39,070	39,109	39,226	39,422	39,501	0.0%
Indoor screen growth	(%)	0.1%	-0.1%	-0.3%	-0.5%	-0.3%	0.1%	0.1%	0.3%	0.5%	0.2%	
Avg. indoor screens/year		39,494	39,491	39,409	39,248	39,089	39,050	39,089	39,167	39,324	39,462	0.0%
Drive-in screens		702	681	653	618	572	515	446	365	276	185	-13.8%
Drive-in screen growth	(%)	-2.2%	-3.0%	-4.0%	-5.5%	-7.4%	-10.0%	-13.4%	-18.1%	-24.5%	-33.1%	
Avg. drive-in screens/year		710	692	667	636	595	544	481	406	320	230	-11.8%
Total screens		40,214	40,151	40,001	39,766	39,603	39,585	39,555	39,591	39,698	39,686	-0.1%
Screens added/year		20	(64)	(149)	(236)	(163)	(18)	(30)	36	107	(12)	
Avg. screens/year		40,204	40,182	40,076	39,884	39,684	39,594	39,570	39,573	39,645	39,692	-0.1%
Net new screens/year growth	(%)	0.2%	-0.1%	-0.3%	-0.5%	-0.5%	-0.2%	-0.1%	0.0%	0.2%	0.1%	
Locations												
No. locations		6,252	6,229	6,198	6,154	6,122	6,111	6,099	6,098	6,107	6,098	-0.3%
Avg. locations/year		6,261	6,240	6,213	6,176	6,138	6,117	6,105	6,099	6,102	6,102	-0.3%
Net new locations/year		(17)	(24)	(31)	(44)	(33)	(10)	(12)	(2)	9	(9)	
Screens/loc.		6.4	6.4	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	0.1%
Screens/location growth	(%)	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Revenue												
No. admissions/avg. screen	(000)	34	35	35	35	35	34	35	35	35	35	0.2%
No. admissions/avg. location	(000)	220	225	227	227	224	223	225	228	229	228	0.4%
Ticket rev./avg. screen	(\$ 000)	252	263	277	287	294	302	316	330	344	353	3.8%
Concessions rev./avg. screen	(\$ 000)	97	98	99	100	99	98	100	102	104	104	0.9%
Other rev./avg. screen	(\$ 000)	14	14	15	15	15	16	17	18	19	20	3.6%
Total rev./avg. screen	(\$ 000)	363	376	391	402	408	416	433	450	466	477	3.1%
Revenue per Location												
Ticket rev./avg. loc.	(\$ 000)	1,616	1,695	1,784	1,856	1,899	1,957	2,051	2,144	2,234	2,296	4.0%
Concessions rev./avg. loc.	(\$ 000)	620	632	641	643	637	636	650	663	675	678	1.0%
Other rev./avg. loc.	(\$ 000)	92	92	95	98	100	103	109	115	122	127	3.7%
Total rev./avg. loc.	(\$ 000)	2,328	2,420	2,520	2,597	2,636	2,696	2,810	2,923	3,030	3,101	3.2%
Cash Flow												
Cash flow/avg. screen	(\$ 000)	49	51	54	55	57	59	63	67	72	77	5.1%
Value/screen	(\$ 000)	395	412	429	444	455	471	500	535	577	619	5.1%
Cash flow/avg. location	(\$ 000)	317	331	346	358	367	381	405	434	468	503	5.3%
Value/location	(\$ 000)	2,538	2,651	2,768	2,867	2,939	3,051	3,243	3,475	3,747	4,027	5.3%

Monsters, Aliens team up to win April KPI

March 2009 produced two blockbusters, one of which showed family films are as big a draw as ever, while the other cast some doubt on the idea of the "serious" super-hero movie.

"Monsters Vs. Aliens," the year's top-grossing film, is at the top of this month's Kagan Profitability Index (KPI) Flash with a 1.96 KPI, which is above the 1.75 profitability benchmark.

We estimate the film will gross \$185.2 million at the box office and eventually reap \$763.7 million in revenues against \$390.6 million in costs. Over half of the costs come from negatives and P&A.

The only other film to break the profitability mark is Lionsgate's "Haunting in Connecticut" with an estimated \$181.0 million in revenues and \$100.1 million in costs for a 1.81 KPI.

KPI Flash Projections—April 2009

Distrib.	Title	Theat. Release	Dom. Gross	Neg. Cost	Prints & Ads	Video Units	Total Revs.	Total Costs	KPI
			-----(\$ mil.)-----			(000)	-----(\$ mil.)-----		
DreamWorks Animation	Monsters Vs. Aliens	03/27	185.2	179.2	67.8	7,409	763.7	390.6	1.96
Lionsgate Films	Haunting in Connecticut	03/27	57.3	20.8	27.7	2,294	181.0	100.1	1.81
Paramount	I Love You, Man	03/20	70.4	28.2	41.0	2,466	209.2	142.5	1.47
Summit Entertainment	Knowing	03/20	79.6	51.4	48.4	2,787	256.6	187.0	1.37
Buena Vista	Race to Witch Mountain	03/13	65.7	51.0	47.4	2,299	252.3	184.1	1.37
Warner	Watchmen	03/06	107.5	153.8	59.5	4,300	445.1	327.8	1.36
Universal	Last House on the Left	03/13	32.8	25.0	34.8	1,312	104.4	119.0	0.88
Universal	Duplicity	03/20	41.4	62.3	42.6	1,658	142.7	177.9	0.80
Fox	12 Rounds	03/27	12.5	22.9	26.8	564	57.3	94.2	0.61
Fox Searchlight	Miss March	03/13	4.5	15.4	20.0	205	16.3	67.4	0.24
Average (10 films)			65.7	61.0	41.6	2,529	242.9	179.1	1.36
Average from April 2008 (13 films)			44.1	35.5	26.1	2,460	172.2	112.1	1.54
Average from April 2007 (15 films)			57.8	37.0	27.9	3,005	196.6	119.5	1.65
Average from April 2006 (16 films)			43.3	33.8	26.4	2,431	143.5	106.7	1.34
Average from April 2005 (11 films)			53.2	41.7	30.7	3,993	194.7	115.0	1.69

The Kagan Profitability Index (KPI) is a ratio of a film's estimated revenue against total costs. Revenues are for all release windows including video, pay and free TV but exclude merchandising and second-cycle video & TV revenue. Costs include negatives, prints & ads, video advertising and replication but exclude distribution fees, overhead, interest, profit participations and residuals. Most films tend not to be profitable unless a KPI of approximately 1.75 is reached, although the benchmark varies for studio-released films and indies and can be as low as 1.40 for major releases. Extraordinary events such as awards and re-releases can significantly affect Flash Report projections. © 2009 SNL Kagan, a division of SNL Financial LC, estimates. All rights reserved.

The other blockbuster of the month was "Watchmen," which we peg to gross \$107.5 million. Unfortunately, the film cost \$153.8 million and total costs are estimated to be \$327.8 million. Total revenues should hit \$445.1 million, giving the film a 1.36 KPI.

The results cast a bit of a shadow on the serious turn super-hero genre films like "The Dark Knight" have taken.

The R rating was a hindrance — most hero films have a PG-13 rating — as was the fact the characters are not well-known to the general public.

The 10 films on the KPI Flash Report this month averaged \$65.7 million at the box office, with \$242.9 million in revenues and \$179.1 million in costs for a 1.36 KPI.

Wade Holden

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 SNL Kagan

Spring box office hits record high

The domestic box office hit a small rough patch in March but got firmly back on the growth track in April to propel the Spring season to record heights.

Total gross for the season was up 17.7% to nearly \$3.25 billion compared to \$2.76 billion last year. Prior to 2009, the top-grossing Spring was in 2004, when moviegoers spent nearly \$2.83 billion.

Admissions also had a major rebound as more and more people are choosing the movies for inexpensive entertainment. Total admissions were up 15.3% to 442.9 million after experiencing a 5% drop at this time last year.

There has also been a shift among the top 25 films of the year, as the family-friendly "Monsters vs. Aliens" has taken the top spot with a \$174.8 million domestic gross. "Fast and Furious," the fourth film in the action franchise, has moved into second place with \$145.4 million, while former number-one film "Paul Blart: Mall Cop" has slipped to third with \$145.2 million.

There are now seven blockbusters on the books this year, averaging \$139.9 million at the box office. At this time last year, there were two blockbusters, with top-ranked "Horton Hears a Who!" grossing \$148.0 million.

In terms of market share, Time Warner Inc. has taken over as the top distributor of the year with its 16 films in release grossing \$554.6 million for a 17.1% share and averaging \$34.7 million.

Year-To-Date Domestic Box Office Summary, Week 17

	2007 (mil.)	2008 (mil.)	2009 (mil.)	'07-'08 Chg. (%)	'08-'09 Chg. (%)
Total Gross Year-to-Date	\$2,781.3	\$2,757.8	\$3,247.1	(0.8)	17.7
Year-to-Date Admissions	404.3	384.1	442.9	(5.0)	15.3
Spring Season B.O. Gross	\$2,781.3	\$2,757.8	\$3,247.1	(0.8)	17.7
Week 17 Box Office Gross	\$103.1	\$120.5	\$149.3	16.9	23.9

Key Film Index: Spring Season

	2007 (mil.)	2008 (mil.)	2009 (mil.)	'07-'08 Chg. (%)	'08-'09 Chg. (%)
Number of Key Films*	88	85	73	(3.4)	(14.1)
Avg. Key Film B.O. Gross:	\$30.6	\$31.6	\$43.4	3.3	37.3
Spring Key Film B.O. Gross:	\$2,691.3	\$2,685.7	\$3,166.3	(0.2)	17.9
Week 17 Key Film B.O. Gross:	\$96.4	\$113.6	\$145.1	17.8	27.7

Note: Week 17 ending 04/19/09, 04/20/08 and 04/22/07. 2009 Spring Season: 12/29/08 to 4/26/09. 2008 Spring Season: 12/31/07 to 04/27/08. 2007 Spring Season: 01/01/07 to 04/29/07. © 2009 SNL Kagan, a division of SNL Financial LC, estimates. All rights reserved.

Top 25 Films: Year-To-Date, Week 17

	Distributor	Release Date	Rel. Yr. B.O. (\$ mil.)	Cume B.O. (\$ mil.)
2008 Film				
Dr. Seuss' Horton Hears...	20th Century Fox	03/14/08	148.0	148.0
Juno	Fox Searchlight	12/05/07	117.4	143.4
National Treasure: Book...	Buena Vista	12/21/07	95.3	219.3
10,000 B.C.	Warner Bros	03/07/08	93.4	93.4
Bucket List	Warner Bros	12/25/07	92.2	92.9
Cloverfield	Paramount	01/18/08	80.0	80.0
Jumper	20th Century Fox	02/14/08	79.3	79.3
27 Dresses	20th Century Fox	01/18/08	76.7	76.7
Alvin and the Chipmunks	20th Century Fox	12/14/07	75.8	217.2
21	Columbia	03/28/08	75.8	75.8
Vantage Point	Columbia	02/22/08	72.3	72.3
Spiderwick Chronicles	Paramount	02/14/08	70.9	70.9
Fool's Gold	Warner Bros	02/08/08	69.6	69.6
H. Montana/Miley Cyrus...	Buena Vista	02/01/08	65.3	65.3
I Am Legend	Warner Bros	12/14/07	61.9	256.4
Step Up 2 the Streets	Buena Vista	02/14/08	57.8	57.8
College Road Trip	Buena Vista	03/07/08	43.3	43.3
Rambo	Lionsgate Films	01/25/08	42.7	42.7
Welcome Home Roscoe...	Universal	02/08/08	42.2	42.2
Meet the Browns	Lionsgate Films	03/21/08	41.7	41.7
There Will Be Blood	Par. Vantage	12/26/07	39.9	40.2
Atonement	Focus Features	12/07/07	39.7	50.9
Nim's Island	20th Century Fox	04/04/08	39.0	39.0
Forbidden Kingdom	Lionsgate Films	04/18/08	38.2	38.2
Meet the Spartans	20th Century Fox	01/25/08	38.2	38.2

	Distributor	Release Date	Rel. Yr. B.O. (\$ mil.)	Cume B.O. (\$ mil.)
2009 Film				
Monsters Vs. Aliens	DWks. Animation	03/27/09	174.8	174.8
Fast and Furious	Universal	04/03/09	145.4	145.4
Paul Blart: Mall Cop	Columbia	01/16/09	145.2	145.2
Gran Torino	Warner Bros	12/12/08	142.9	147.1
Taken	20th Century Fox	01/30/09	142.6	142.6
Slumdog Millionaire	Fox Searchlight	11/12/08	121.7	141.2
Watchmen	Warner Bros	03/06/09	107.1	107.1
He's Just Not That Into You	New Line	02/06/09	93.6	93.6
Marley and Me	20th Century Fox	12/25/08	92.4	143.2
Madea Goes to Jail	Lionsgate Films	02/20/09	90.5	90.5
Curious Case of Benjamin...	Paramount	12/25/08	88.8	127.5
Knowing	Summit Ent.	03/20/09	76.8	76.8
Coraline	Focus Features	02/06/09	74.9	74.9
Hotel For Dogs	Paramount	01/16/09	72.6	72.6
Bedtime Stories	Buena Vista	12/25/08	72.0	110.0
I Love You, Man	Paramount	03/20/09	67.8	67.8
H. Montana: The Movie	Buena Vista	04/10/09	65.7	65.7
Friday the 13th	New Line	02/13/09	65.0	65.0
Race to Witch Mountain	Buena Vista	03/13/09	64.4	64.4
Bride Wars	20th Century Fox	01/09/09	58.7	58.7
Haunting in Connecticut	Lionsgate Films	03/27/09	54.2	54.2
Valkyrie	United Artists	12/25/08	53.6	83.1
My Bloody Valentine 3-D	Lionsgate Films	01/16/09	51.5	51.5
Yes Man	Warner Bros	12/19/08	47.9	97.7
Underworld: Rise...	Screen Gems	01/23/09	45.8	45.8

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(continued on next page)

Distributor and Studio Box Office Grosses and Market Share, 2007-2009 (By '09 Share Through Week 17)

	- Domestic B.O. Gross -			--- Market Share ---			-----2008-----		-----2009-----	
	2007 (\$ mil.)	2008 (\$ mil.)	2009 (\$ mil.)	2007 (%)	2008 (%)	2009 (%)	Films in Rel.	B.O./ Film (\$ mil.)	Films in Rel.	B.O./ Film (\$ mil.)
Time Warner	541.0	467.2	554.6	19.5	16.9	17.1	21	22.2	16	34.7
Warner Bros.	444.2	386.8	370.0	16.0	14.0	11.4	12	32.2	11	33.6
New Line	89.1	78.4	184.6	3.2	2.8	5.7	5	15.7	5	36.9
Warner Indep.	7.7	1.9	-	0.3	0.1	-	4	0.5	-	-
News Corp.	315.2	648.1	532.6	11.3	23.5	16.4	16	40.5	15	35.5
20th Cent. Fox	239.3	501.4	343.9	8.6	18.2	10.6	11	45.6	10	34.4
Fox Searchlight	55.3	146.7	188.7	2.0	5.3	5.8	5	29.3	5	37.7
Fox Atomic	20.6	-	-	0.7	-	-	-	-	-	-
Viacom	503.8	308.1	498.7	18.1	11.2	15.4	15	20.5	9	55.4
Paramount	476.4	235.8	267.5	17.1	8.6	8.2	7	33.7	5	53.5
Par. Vantage	24.5	63.4	51.3	0.9	2.3	1.6	6	10.6	2	25.7
DWks. Animation	2.9	2.4	179.9	0.1	0.1	5.5	1	2.4	2	90.0
Par. Classics	-	6.6	-	-	0.2	-	1	6.6	-	-
NBC Universal	231.0	271.8	419.8	8.3	9.9	12.9	13	20.9	12	35.0
Universal	202.0	212.6	325.1	7.3	7.7	10.0	9	23.6	9	36.1
Focus Features @	29.0	59.2	94.7	1.0	2.1	2.9	4	14.8	3	31.6
Sony	490.2	335.3	356.0	17.6	12.2	11.0	21	16.0	22	16.2
Columbia	355.4	217.0	242.2	12.8	7.9	7.5	6	36.2	6	40.4
Sony Classics ^	134.7	118.3	113.8	4.8	4.3	3.5	15	7.9	16	7.1
Walt Disney	426.5	328.5	334.7	15.3	11.9	10.3	12	27.4	15	22.3
Buena Vista	360.4	281.6	294.0	13.0	10.2	9.1	8	35.2	11	26.7
Miramax	66.1	46.9	40.7	2.4	1.7	1.3	4	11.7	4	10.2
MGM *	78.4	46.9	54.2	2.8	1.7	1.7	9	5.2	4	13.5
DWks. SKG	-	-	-	-	-	-	-	-	-	-
Total	2,586.1	2,405.9	2,750.6	93.0	87.2	84.7	107	22.5	93	29.6
Lionsgate &	60.1	187.8	234.1	2.2	6.8	7.2	6	31.3	6	39.0
Summit Ent.	-	34.3	133.8	-	1.2	4.1	2	17.1	4	33.5
Weinstein Co.	1.4	14.4	34.3	0.1	0.5	1.1	7	2.1	5	6.9
Thinkfilm	1.7	1.3	0.0	0.1	0.0	0.0	8	0.2	1	0.0
Other indies (est.)	132.0	114.1	94.2	4.7	4.1	2.9	173	0.7	148	0.6
Indies Total	195.2	351.9	496.5	7.0	12.8	15.3	196	1.8	164	3.0
All Distrib. Total	2,781.3	2,757.8	3,247.1	100.0	100.0	100.0	303	9.1	257	12.6

* Including G2 and United Artists. @ Including Rogue. ^ Including Screen Gems. & Including Artisan.

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DVD Release Report: May 2009 (By Domestic DVD Revenue)

Distributor	Title	Theat. Release	Domes- tic B.O. (\$ mil.)	DVD Rel.	DVD Units (000)	Avg. Whsl. Price (\$)	Dom. DVD Rev. (\$ mil.)
Columbia	Paul Blart: Mall Cop	01/16/09	144.0	05/19	5,725	19.43	111.2
Paramount	Curious Case of Benjamin...	12/25/08	127.4	05/05	5,100	20.10	102.5
MGM	Valkyrie	12/25/08	83.1	05/19	2,910	20.10	58.5
Lionsgate Films	My Bloody Valentine 3-D	01/16/09	51.5	05/19	2,060	20.10	41.4
Columbia	Underworld: Rise of the...	01/23/09	45.8	05/12	1,830	19.43	35.6
Lionsgate Films	New In Town	01/30/09	16.7	05/26	750	20.10	15.1
Anchor Bay	Last Chance Harvey	12/25/08	14.8	05/05	670	20.10	13.5
Lionsgate Films	High Hopes	02/24/89	1.2	05/12	55	18.09	1.0
Warner	Chandni Chowk to China	01/16/09	0.9	05/05	40	18.76	0.8
Facets	Quo Vadis	11/08/51	22.1	05/26	35	20.10	0.7
Buena Vista	Enchanted April	07/31/92	13.2	05/05	20	20.10	0.4
Weinstein Co.	Fanboys	02/06/09	0.7	05/19	30	13.40	0.4
Paramount	Virtuosity	08/04/95	23.9	05/12	40	6.70	0.3
Anchor Bay	O Jerusalem	10/17/07	0.2	05/12	10	18.09	0.2
Columbia	Passengers	10/24/08	0.3	05/12	10	16.75	0.2
Universal	We're Back! A Dinosaur's...	11/24/93	8.8	05/26	15	10.05	0.2
Kino	Momma's Man	08/22/08	0.1	05/05	5	20.10	0.1
Strand	Of Time and the City	01/21/09	0.0	05/12	5	18.76	0.1
Koch Lorber	Just Another Love Story	01/09/09	0.0	05/05	5	18.09	0.1
Anchor Bay	Look	12/14/07	0.0	05/05	5	18.09	0.1
Magnolia Films	Yonkers Joe	01/09/09	0.0	05/19	5	18.09	0.1
Paramount	Plumm Summer	04/25/08	0.1	05/05	5	16.75	0.1
New Video	Crips and Bloods: Made...	01/23/09	0.1	05/26	5	13.40	0.1
Weinstein Co.	Killshot	01/23/09	0.0	05/26	5	13.40	0.1
Weinstein Co.	Outlander	01/23/09	0.2	05/19	5	13.40	0.1
Magnolia Films	Thousand Years of Good...	09/19/08	0.1	05/26	5	13.40	0.1
	Average (26 titles)		8.7		244	16.75	4.8
	May 2008 Average (38 titles)		14.1		665	17.68	12.7
	May 2007 Average (55 titles)		14.1		616	17.65	12.0
	May 2006 Average (49 titles)		12.3		744	17.57	14.7
	May 2005 Average (42 titles)		24.3		1,050	15.04	18.4

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Box office (continued)

Viacom Inc. leads the pack, however, in average gross as its nine films have averaged \$55.4 million. This is in large part due to DreamWorks Animation SKG Inc., with two films averaging \$90.0 million.

The major distributors have grossed \$2.75 billion from 93 films compared to \$2.41 billion from the 107 films in release at this time last year. Their market share, however, has dipped from 87.2% to 84.7%.

Lions Gate Entertainment Corp. is leading the batch of independent distributors with its six films grossing \$234.1 million and taking a 7.2% share of the box office, greater than Metro Goldwyn Mayer Inc.'s 1.7% share.

Wade Holden

Blart Cops Top Of DVD Chart

The year's first theatrical hit is set to debut on retail shelves in both standard DVD and Blu-ray next month and *Paul Blart: Mall Cop* looks to extend its streak to home video. We estimate the comedy will make \$120.9 million in wholesale video revenue from nearly 6.1 million discs shipped, with \$111.2 million coming from 5.7 million standard discs and another \$9.6 million from 360,000 Blu-ray units.

The Curious Case of Benjamin Button should also do well on home video — an estimated \$111.1 million in wholesale video revenue. Standard DVD should account for \$102.5 million and Blu-ray should provide the remaining \$8.6 million.

Rounding out May's top five are *Valkyrie* (3.1 million units, \$64.1 million), *My Bloody Valentine 3-D* (2.2 million units, \$44.9 million) and *Underworld: Rise of the Lycans* (1.9 million units, \$38.6 million).

The 26 titles on our standard DVD release chart averaged 244,000 units shipped and \$4.8 million in video revenue, down significantly from last year's averages. Among the 52 Blu-ray titles, *Paul Blart* was fourth on the list. The top Blu-ray title is pegged to be Tim Burton's *Batman* with 630,000 units shipped and \$14.8 million in revenue. *Terminator 2* is second with \$10.3 million and *There's Something About Mary* is third with \$10.2 million in video revenue.

Wade Holden

May Top Ten Video Releases

Title	Dom. B.O. -- (\$ mil.)	Vid. Rev. --	B.O./Video Rev. (%)	Theat. Window (days)
Paul Blart: Mall Cop	144.0	120.9	119.1	123
Curious Case of Benjamin...	127.4	111.1	114.7	131
Valkyrie	83.1	64.1	129.6	145
My Bloody Valentine 3-D	51.5	44.9	114.8	123
Underworld: Rise of...	45.8	38.6	118.5	109
New In Town	16.7	16.1	103.4	116
Last Chance Harvey	14.8	14.4	103.0	131
High Hopes	1.2	1.0	119.8	7,382
Chandni Chowk to China	0.9	0.8	122.7	109
Quo Vadis	22.1	0.7	3142.1	21,019
Average	50.8	41.3	123.0	2,939

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Blu-ray Release Report: May 2009 (By Domestic DVD Revenue)

Distributor	Title	Theat. Release	Domes-tic B.O. (\$ mil.)	DVD Release	DVD Units (000)	Avg. Whsl. Price (\$)	Dom. DVD Rev. (\$ mil.)
Warner	Batman	06/23/89	251.2	05/19	630	23.45	14.8
Lionsgate	Terminator 2	07/02/91	204.5	05/19	510	20.10	10.3
Fox	There's Something About Mary	07/15/98	174.7	05/12	435	23.45	10.2
Columbia	Paul Blart: Mall Cop	01/16/09	144.0	05/19	360	26.80	9.6
Paramount	Curious Case of Benjamin...	12/25/08	127.4	05/05	320	26.80	8.6
Paramount	Bug's Life	11/20/98	162.8	05/19	405	20.10	8.1
Warner	Robin Hood: Prince of Thieves	06/14/91	165.5	05/26	415	19.43	8.1
Paramount	Saturday Night Fever	01/01/77	155.8	05/12	390	20.10	7.8
Paramount	Grease	01/01/78	153.1	05/12	385	20.10	7.7
Fox	Big	06/03/88	113.6	05/12	285	23.45	6.7
Paramount	Wayne's World	02/14/92	121.7	05/12	305	20.10	6.1
Universal	Seabiscuit	07/25/03	120.1	05/26	300	20.10	6.0
MGM	Valkyrie	12/25/08	83.1	05/19	210	26.80	5.6
Columbia	Grudge	10/22/04	110.2	05/12	275	19.43	5.3
Paramount	How to Lose a Guy in 10 Days	02/07/03	105.8	05/12	265	20.10	5.3
Universal	Inside Man	03/24/06	88.5	05/26	220	20.10	4.4
Paramount	Star Trek IV: The Voyage Home	11/26/86	109.7	05/12	275	15.41	4.2
101 Distrib.	Full Monty	08/13/97	45.9	05/12	115	35.51	4.1
Paramount	Ferris Bueller's Day Off	06/13/86	69.9	05/12	175	20.10	3.5
Lionsgate	My Bloody Valentine 3-D	01/16/09	51.5	05/19	130	26.80	3.5
Universal	Changing Lanes	04/12/02	66.8	05/26	165	20.10	3.3
Universal	Spy Game	11/21/01	62.3	05/19	155	20.10	3.1
Universal	Field of Dreams	04/21/89	62.2	05/26	155	20.10	3.1
Columbia	Underworld: Rise of the...	01/23/09	45.8	05/12	115	26.80	3.1
Fox	Cinderella Man	06/03/05	61.6	05/12	155	19.43	3.0
Paramount	Star Trek II: The Wrath of Khan	06/04/82	78.9	05/12	195	15.41	3.0
Paramount	Star Trek III: The Search for...	09/18/84	76.0	05/12	190	15.41	2.9
Paramount	Without a Paddle	08/20/04	58.2	05/12	145	20.10	2.9
Paramount	Star Trek VI: The Undiscovered...	12/06/91	74.7	05/12	185	15.41	2.9
Paramount	Star Trek: The Motion Picture	01/01/79	73.7	05/12	185	15.41	2.9
Paramount	Paycheck	12/25/03	53.8	05/19	135	20.10	2.7
Paramount	Enemy at the Gates	03/16/01	51.4	05/19	130	20.10	2.6
Paramount	Major League	04/07/89	49.8	05/12	125	20.10	2.5
Paramount	Wayne's World 2	12/10/93	47.1	05/12	120	20.10	2.4
Warner	Falling Down	02/26/93	40.9	05/26	100	23.45	2.3
Columbia	Roxanne	06/19/87	40.1	05/12	100	20.10	2.0
Paramount	Star Trek V: The Final Frontier	06/09/89	52.2	05/12	130	15.41	2.0
MGM	License to Kill	07/12/89	33.2	05/12	85	23.45	2.0
Columbia	It Could Happen to You	07/29/94	37.8	05/12	95	19.43	1.8
Universal	Children of Men	12/29/06	35.3	05/26	90	20.10	1.8
Paramount	Black Sheep	02/02/96	32.4	05/12	80	20.10	1.6
MGM	Man with the Golden Gun	12/19/74	21.0	05/12	55	23.45	1.3
MGM	Fargo	03/10/96	24.5	05/12	60	20.10	1.2
Lionsgate	New In Town	01/30/09	16.7	05/26	40	26.80	1.1
Anchor Bay	Last Chance Harvey	12/25/08	14.8	05/05	35	26.80	0.9
Paramount	Three Days of the Condor	01/01/75	18.8	05/19	45	20.10	0.9
United Artists	Lions for Lambs	11/09/07	15.0	05/19	35	23.45	0.8
MGM	Good, the Bad & the Ugly	01/01/68	16.8	05/12	40	20.10	0.8
Warner	True Romance	09/10/93	12.3	05/26	30	19.43	0.6
Buena Vista	Black Sheep	06/22/07	0.1	05/19	5	26.80	0.1
Columbia	Passengers	10/24/08	0.3	05/12	5	23.45	0.1
Paramount	Machinist	10/22/04	1.1	05/19	5	20.10	0.1
Average (52 Blu-ray titles)			97.3		243	21.12	5.1

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Movie Index



Studio Index



Motion Picture Stocks Performance

Stock		-----52-Week-----				-----Percent Change-----				
		High	Low	12/31/08	3/30/09	4/29/09	High-4/29	Low-4/29	12/31-4/29	3/30-4/29
Marcus	MCS	20.00	6.39	16.23	8.03	12.69	- 36.6	+ 98.6	- 21.8	+ 58.0
Carmike Cinemas	CKEC	9.61	1.00	3.65	2.72	4.20	- 56.3	+ 320.0	+ 15.1	+ 54.4
IMAX Corp.	IMAX	8.28	2.41	4.46	4.17	6.41	- 22.6	+ 166.0	+ 43.7	+ 53.7
News Corp.	NWSA	19.44	4.95	9.09	6.48	8.15	- 58.1	+ 64.6	- 10.3	+ 25.8
Viacom	VIA.B	40.74	11.60	19.06	17.26	20.44	- 49.8	+ 76.2	+ 7.2	+ 18.4
Disney	DIS	35.02	15.14	22.69	17.85	21.01	- 40.0	+ 38.8	- 7.4	+ 17.7
DreamWorks	DWA	32.73	17.32	25.26	21.20	23.87	- 27.1	+ 37.8	- 5.5	+ 12.6
Regal Entmt.	RGC	19.19	6.72	10.21	12.87	13.35	- 30.4	+ 98.7	+ 30.8	+ 3.7
Lions Gate	LGF	10.97	3.65	5.50	5.00	5.05	- 54.0	+ 38.4	- 8.2	+ 1.0
Cinemark Hldgs.	CNK	16.30	6.73	7.43	9.38	8.87	- 45.6	+ 31.8	+ 19.4	- 5.4
Reading Intl.	RDI	9.60	2.90	3.94	3.70	3.41	- 64.5	+ 17.6	- 13.5	- 7.8

Broad-Market Index	-----52-Week-----				-----Percent Change-----				
	High	Low	12/31/08	3/30/09	4/29/09	High-4/29	Low-4/29	12/31-4/29	3/30-4/29
SNL Kagan Studio	226.93	86.06	129.97	103.22	122.98	- 45.8	+ 42.9	- 5.4	+ 19.1
SNL Kagan Movie	1059.15	406.62	605.27	489.16	579.05	- 45.3	+ 42.4	- 4.3	+ 18.4
NASDAQ	2549.94	1268.64	1577.03	1501.80	1711.94	- 32.9	+ 34.9	+ 8.6	+ 14.0
NYSE	9603.01	4226.31	5757.05	4899.05	5516.14	- 42.6	+ 30.5	- 4.2	+ 12.6
S&P 500	1426.63	676.53	903.25	787.53	873.64	- 38.8	+ 29.1	- 3.3	+ 10.9
Dow Jones Ind.	13058.20	6547.05	8776.39	7522.02	8185.73	- 37.3	+ 25.0	- 6.7	+ 8.8
SNL Kagan Theater	7.21	3.09	3.99	4.50	4.81	- 33.4	+ 55.6	+ 20.4	+ 6.8

All SNL Kagan indexes are market-value weighted; i.e., an institution's effect on an index is proportional to that institution's market capitalization.