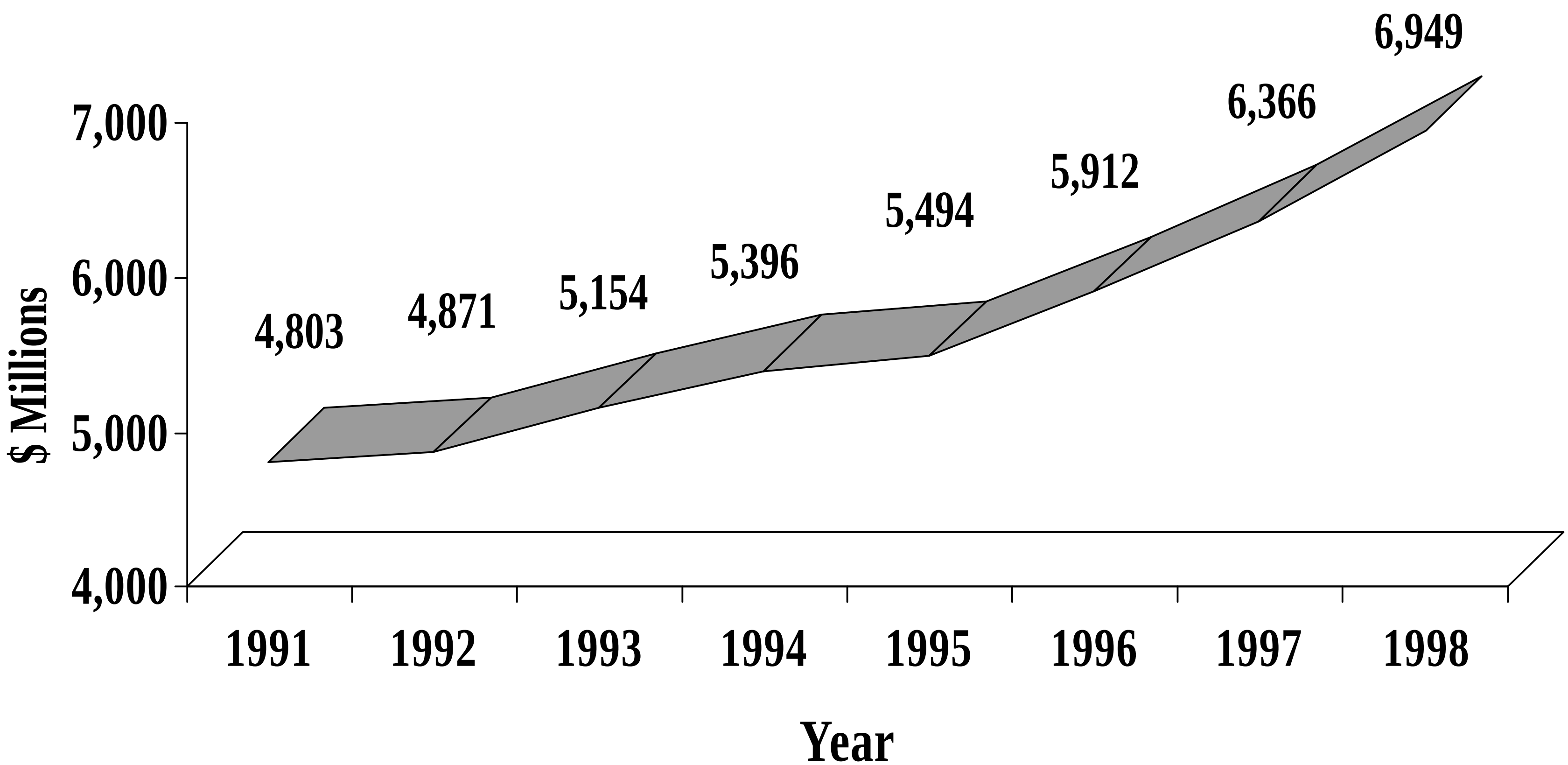
Since the beginning of the decade, US Box Office has grown by nearly 50% to reach almost $7 billion in 1998.



In addition, domestic gross box office saw the largest single-year growth in a decade, increasing by more than 9% to reach $6.95 billion in 1998.

Year	Box Office Gross	Yearly Change	1998 Versus
1998	$6,949.0	9.2%	--
1997	$6,365.9	7.7%	9.2%
1996	$5,911.5	7.6%	17.6%
1995	$5,493.5	1.8%	26.5%
1994	$5,396.2	4.7%	28.8%
1993	$5,154.2	5.8%	34.8%
1992	$4,871.0	1.4%	42.7%
1991	$4,803.2	-4.4%	44.7%
1990	$5,021.8	-0.2%	38.4%
1989	$5,033.4	--	38.1%

Strong growth in domestic box office was seen in the first three quarters, with the final quarter closing the year down from 1997.

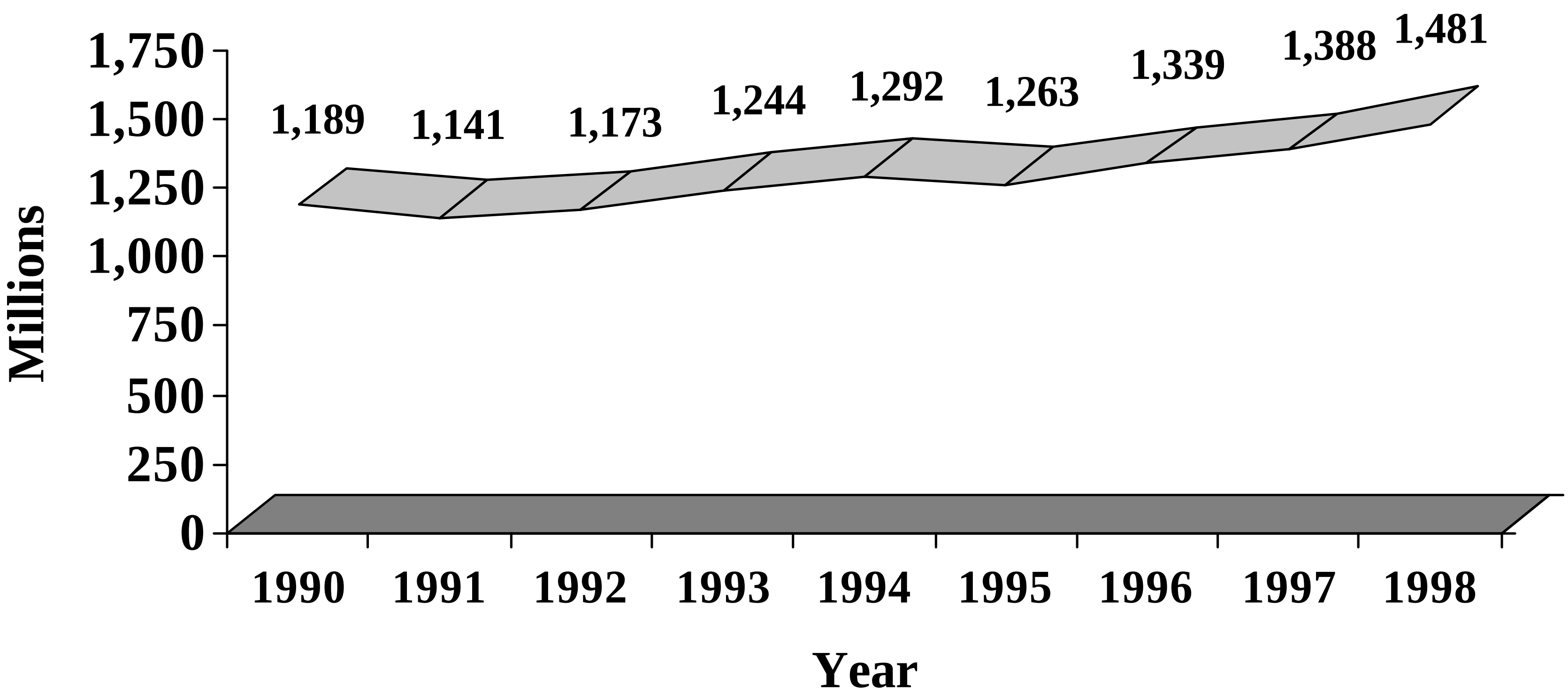
Quarter	1998	1997	% Change
First	1,789.4	1,502.3	19.1%
Second	1,826.9	1,576.1	15.9%
Third	1,873.6	1,720.8	8.9%
Fourth	1,459.1	1,566.6	-6.9%
Year	6,949.0	6,365.9	9.2%

US admissions increased by 6.7%, with 93 million more tickets in 1998, to reach a total of 1.48 billion -- the highest seen in over 40 years.

Year	Annual Admissions	Yearly Change	1998 Versus
1998	1,480.7	6.7%	--
1997	1,387.7	3.7%	6.7%
1996	1,338.6	6.0%	10.6%
1995	1,262.6	-2.3%	17.3%
1994	1,291.7	3.8%	14.6%
1993	1,244.0	4.7%	19.0%
1992	1,173.2	2.9%	26.2%
1991	1,140.6	-4.0%	29.8%
1990	1,188.6	--	24.6%
1985	1,056.1	--	40.2%
1980	1,021.5	--	45.0%

Source: 1989 to Present, based on NATO average ticket price

US Theatrical Admissions



Source: 1989 to Present, based on NATO average ticket price

On average, each US resident is attending one more movie each year than they were in the beginning of the decade.

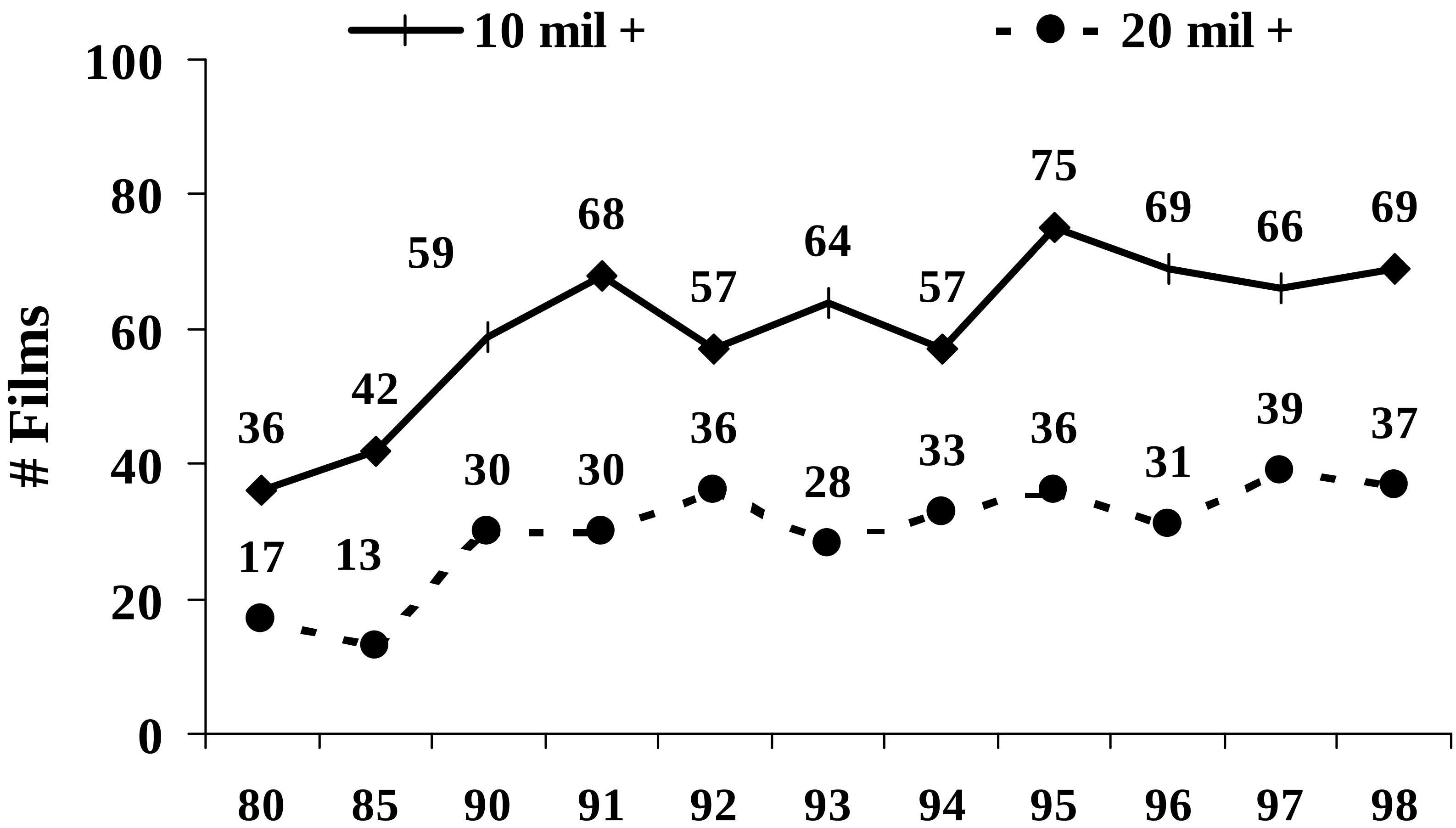
Year	Admissions Per Capita	Yearly Change	1998 Versus
1998	5.5	5.8%	--
1997	5.2	2.7%	5.8%
1996	5.0	5.1%	8.6%
1995	4.8	-3.2%	14.1%
1994	5.0	2.8%	10.5%
1993	4.8	4.9%	13.6%
1992	4.6	1.7%	19.2%
1991	4.5	-5.1%	21.2%
1990	4.8	--	15.1%
1985	4.4	--	23.5%
1980	4.5	--	22.0%

Average Admission Price

Year	Ave. Annual Admission Price	Yearly Change	1998 Versus	CPI Change
1998	4.69	2.4%	--	1.6%
1997	4.59	3.8%	2.4%	1.7%
1996	4.42	1.6%	6.3%	3.3%
1995	4.35	4.1%	8.0%	2.5%
1994	4.18	1.0%	12.4%	2.7%
1993	4.14	-0.3%	13.5%	2.7%
1992	4.15	-1.4%	13.2%	2.9%
1991	4.21	-0.2%	11.6%	3.1%
1990	4.23	--	11.4%	6.1%
1985	3.55	--	32.4%	3.8%
1980	2.69	--	74.7%	--

Source: 1989 to Present, based on NATO average ticket price

High Grossing Features -- Film Rentals

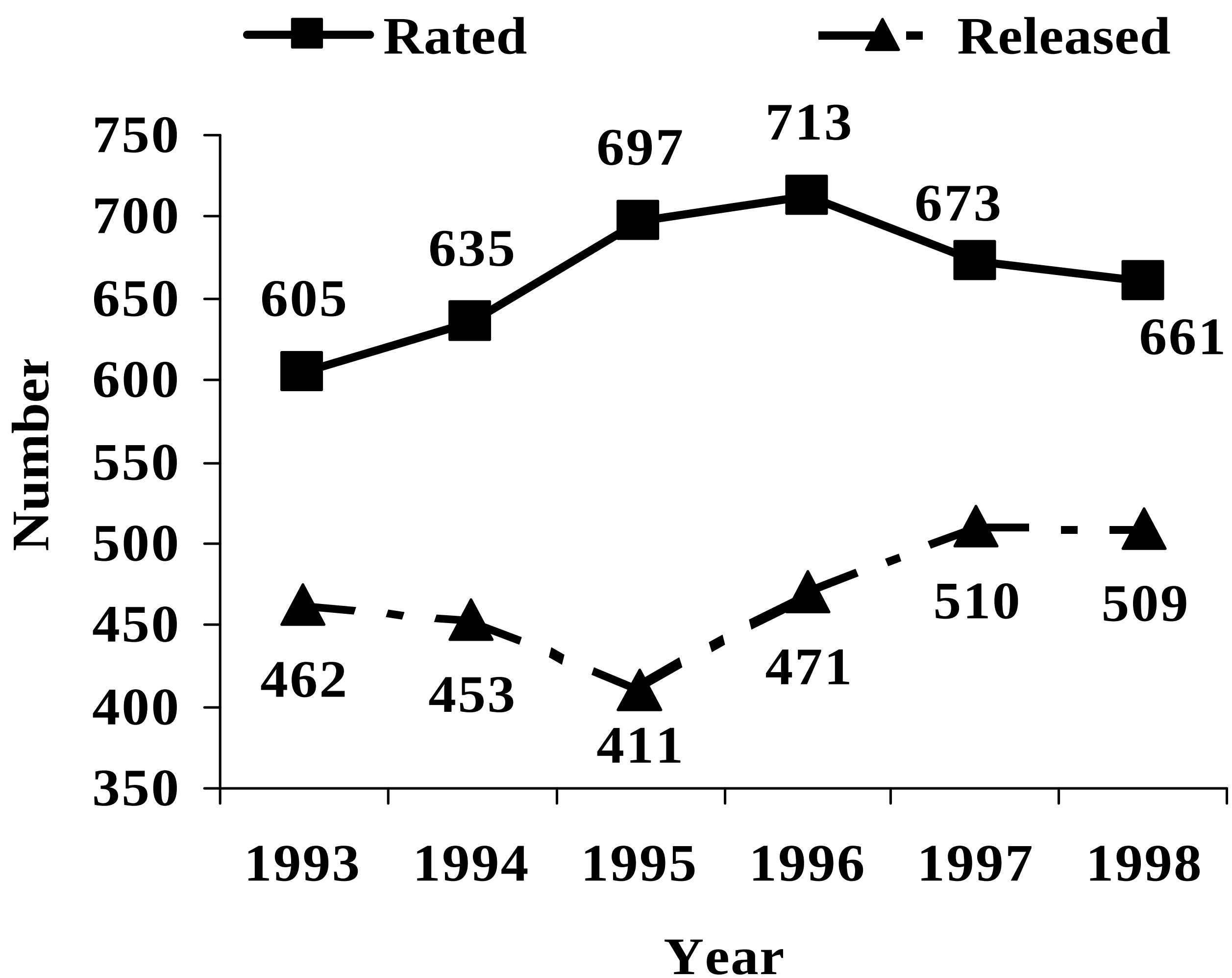


Films Released

Number of Theatrical Films Rated & Released in the US

Year	Rated	Released
1998	661	509
1997	673	510
1996	713	471
1995	697	411
1994	635	453
1993	605	462
1990	N/A	410
1980	N/A	233
1970	N/A	306
1960	N/A	248
1950	N/A	483

Films Rated, and Released in the US



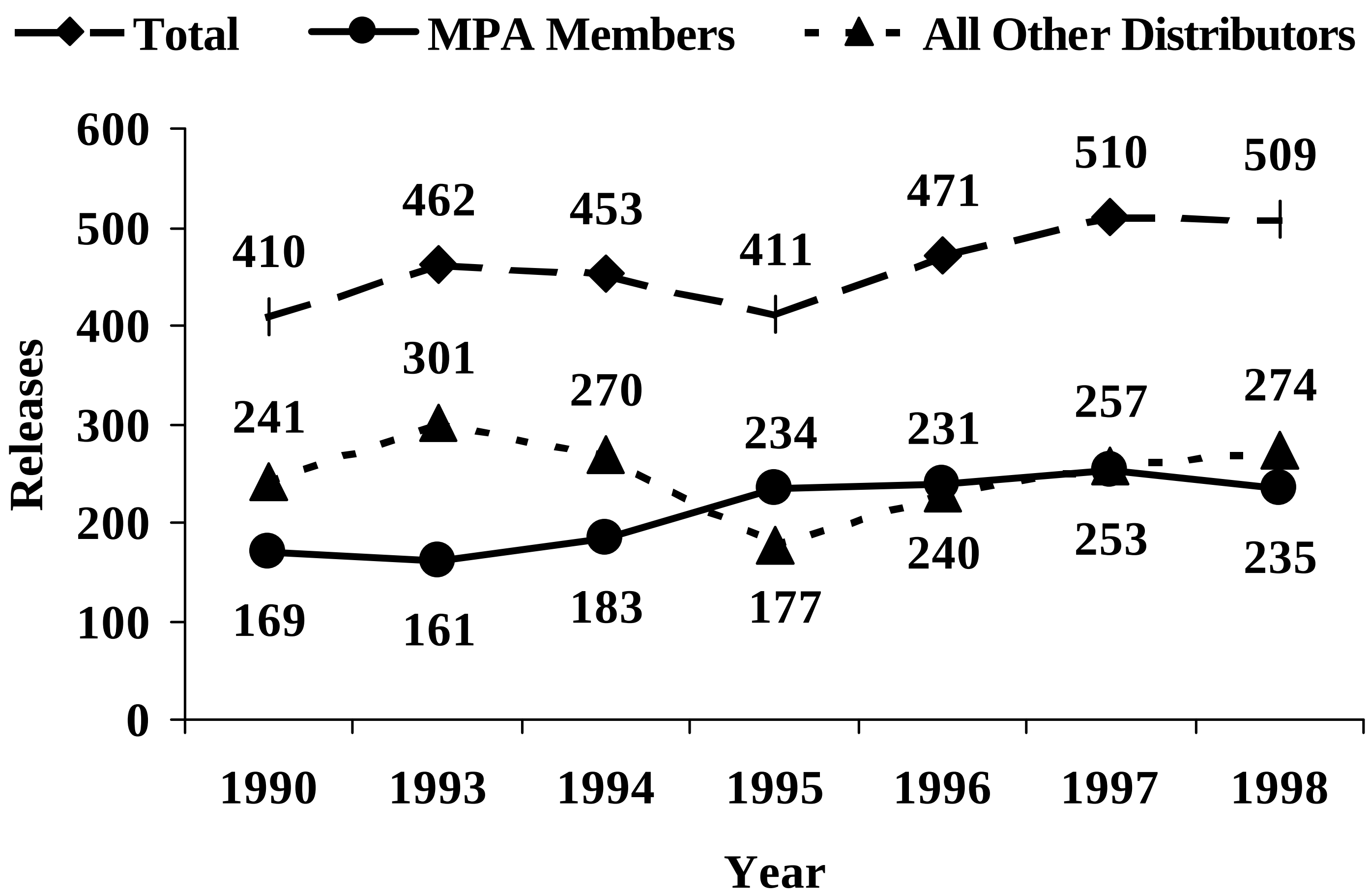
New Features Released in the US

Year	MPAA	1998 Versus	All Other Distributors	1998 Versus	Total New Releases	1998 Versus
1998	221	--	269	--	490	--
1997*	219	0.9%	242	11.2%	461	6.3%
1996	215	2.8%	205	31.2%	420	16.7%
1995	212	4.2%	158	70.3%	370	32.4%
1994	166	33.1%	244	10.2%	410	19.5%
1993	156	41.7%	284	-5.3%	440	11.4%
1992	141	56.7%	284	-5.3%	425	15.3%
1991	150	47.3%	273	-1.5%	423	15.8%
1990	158	39.9%	227	18.5%	385	27.3%
1985	138	60.1%	251	7.2%	389	26.0%
1980	134	64.9%	57	371.9%	191	156.5%

Reissued Features Released in the US

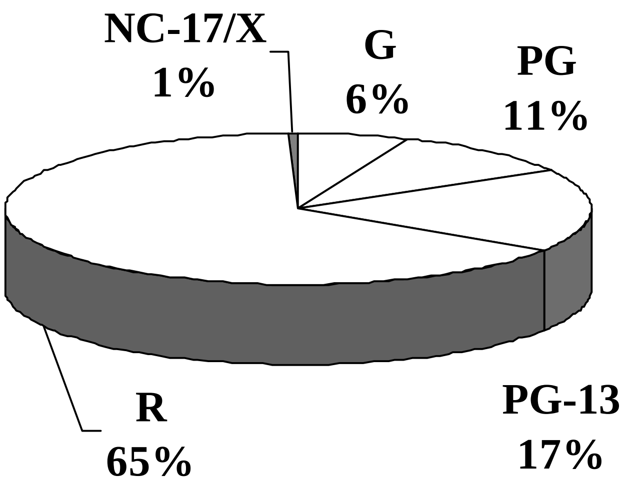
Year	MPAA	1998 Versus	All Other Distributors	1998 Versus	Total Reissued	1998 Versus
1998	14	--	5	--	19	--
1997	34	-58.8%	15	-66.7%	49	-61.2%
1996	25	-44.0%	26	-80.8%	51	-62.7%
1995	22	-36.4%	19	-73.7%	41	-53.7%
1994	17	-17.6%	26	-80.8%	43	-55.8%
1993	5	180.0%	17	-70.6%	22	-13.6%
1992	9	55.6%	46	-89.1%	55	-65.5%
1991	14	0.0%	21	-76.2%	35	-45.7%
1990	11	27.3%	14	-64.3%	25	-24.0%
1985	15	-6.7%	66	-92.4%	81	-76.5%
1980	27	-48.1%	15	-66.7%	42	-54.8%

Films Released in the US

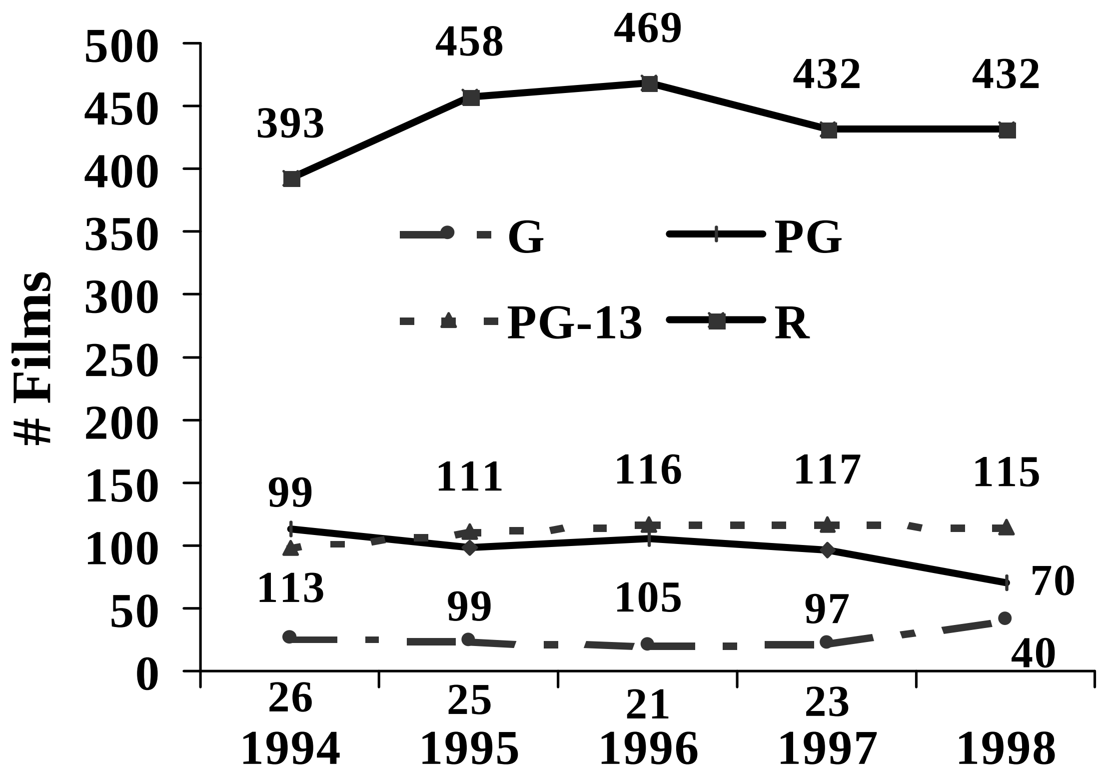


The number of "R" rated films has remained constant at 432 over the past two years, down from a high in the mid-90s of 469.

1998 Films Rated

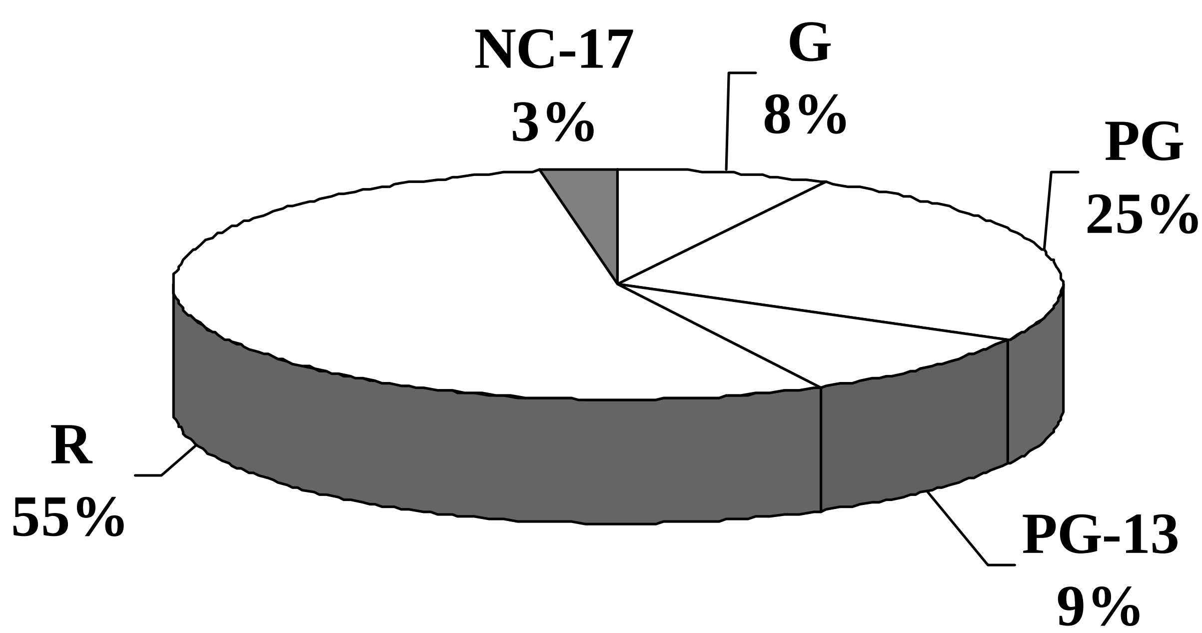


Film Rating Trends



Around one-half of the 14,926 films rated since 1968 have received the grade “R”, with “G” and PG” films accounting for a third.

<u>Percent of Films by Rating - 1968 to 1998</u>



Theatrical Costs

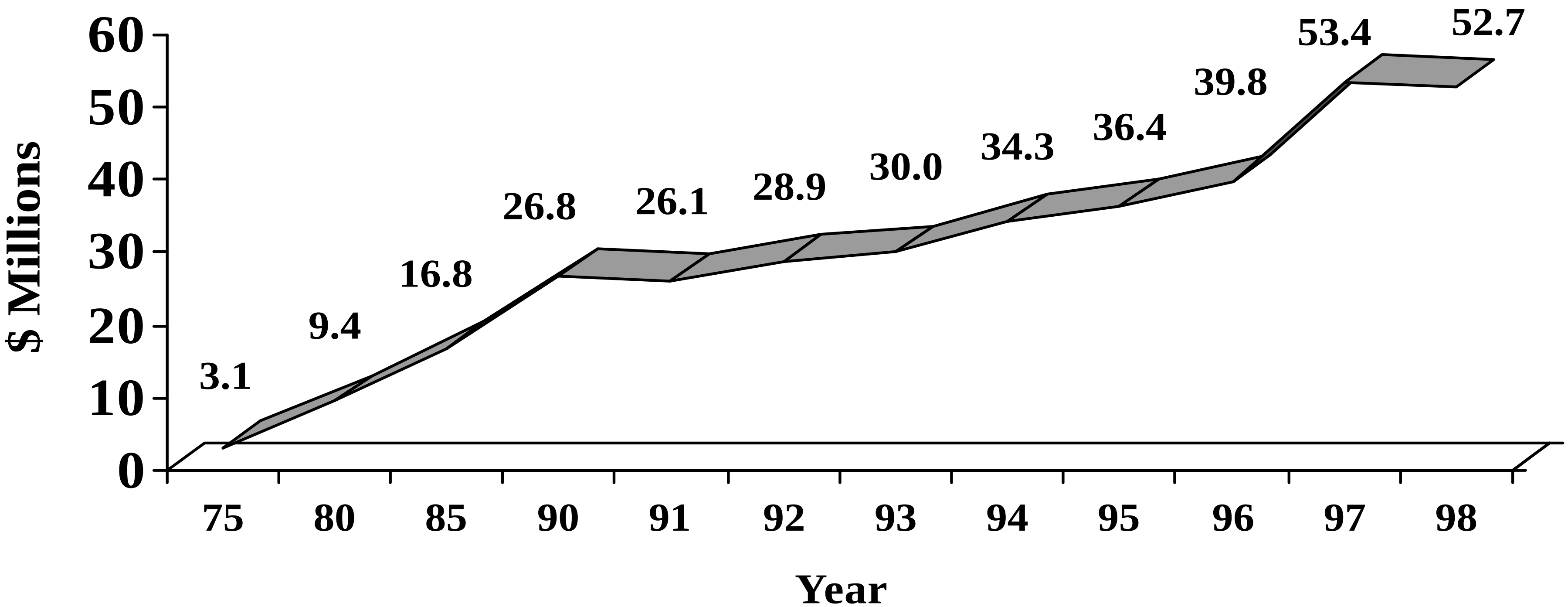
MPAA Average Negative Costs

(includes studio overhead and capitalized interest)

Year	Cost Per Feature*	Yearly Change	1998 Versus
1998	52.7	-1.4%	--
1997	53.4	34.1%	-1.4%
1996	39.8	9.5%	32.2%
1995	36.4	6.1%	44.8%
1994	34.3	14.6%	53.6%
1993	29.9	3.6%	76.1%
1992	28.9	10.4%	82.5%
1991	26.1	-2.4%	101.5%
1990	26.8	14.2%	96.6%
1989	23.5	29.9%	124.6%
1988	18.1	-9.9%	191.6%
1987	20.1	14.9%	162.7%
1986	17.5	4.0%	201.7%
1985	16.8	16.4%	213.9%
1984	14.4	21.3%	265.4%
1983	11.9	0.3%	343.2%
1982	11.8	4.5%	344.5%
1981	11.3	20.8%	364.6%
1980	9.4	--	461.3%

* millions

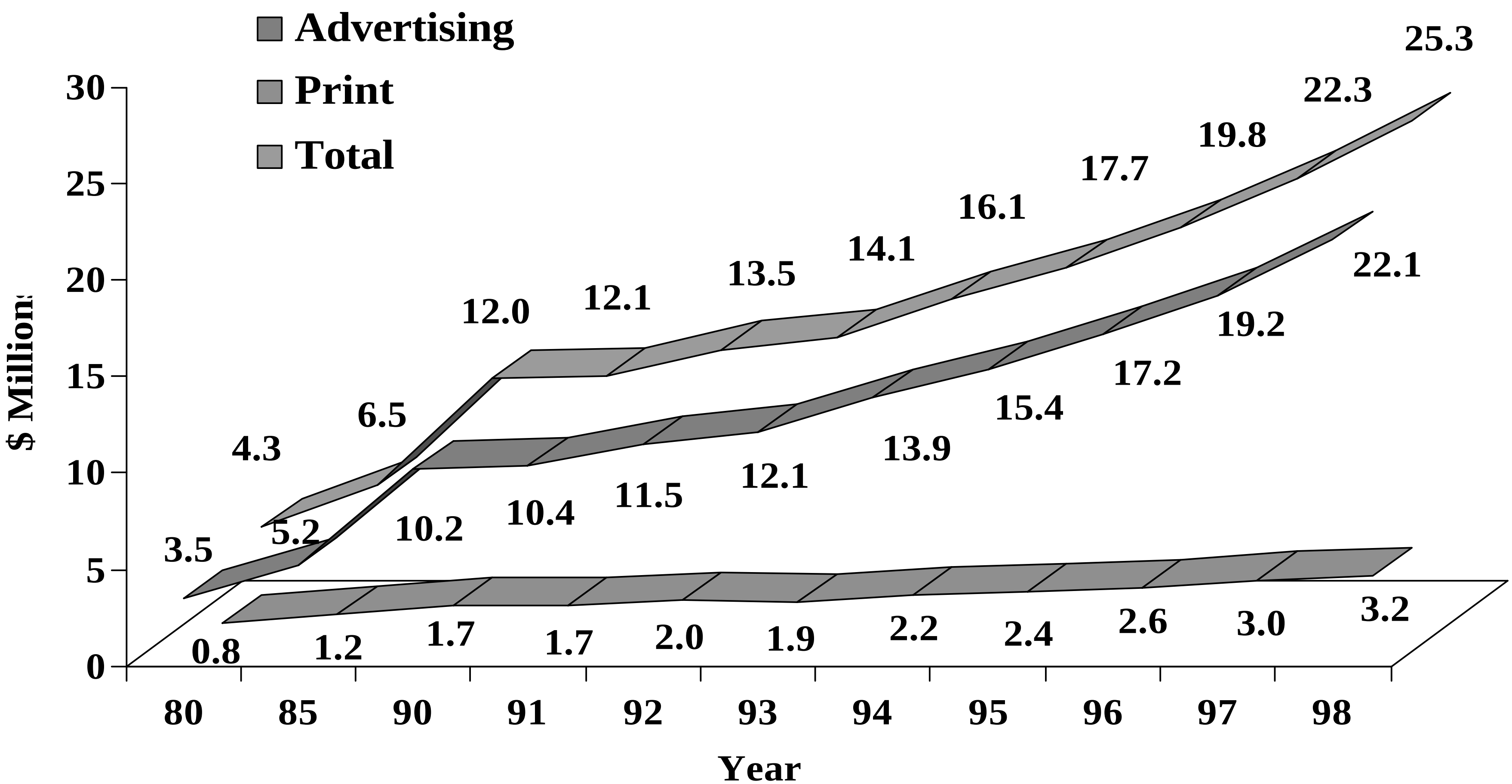
Average Negative Costs Trends



Average Marketing Costs of New Feature Films (millions)

Year	Total P&A	Print	Advertising
1998	$25.3	$3.2	$22.1
1997	22.3	3.0	19.2
1996	19.8	2.6	17.2
1995	17.7	2.4	15.4
1994	16.1	2.2	13.9
1993	14.1	1.9	12.1
1992	13.5	2.0	11.5
1991	12.1	1.7	10.4
1990	12.0	1.7	10.2
1989	9.2	1.4	7.8
1985	6.5	1.2	5.2
1980	4.3	0.8	3.5

Average Marketing Cost Trends



Distribution of Advertising Costs by Media

Year	Newspaper	Network	Spot TV	Trailers	Other Media*	Other Non-Media*
1998	15.9%	24.1%	18.2%	4.7%	18.2%	18.9%
1997	15.8%	23.8%	21.0%	4.5%	34.9%	
1996	18.2%	23.9%	22.4%	5.2%	30.2%	
1995	19.5%	23.0%	24.4%	4.6%	28.4%	
1994	21.8%	21.3%	22.8%	4.6%	29.5%	
1993	22.0%	21.5%	22.7%	4.4%	29.4%	
1990	23.8%	21.2%	23.0%	N/A	32.0%	

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

Total US Motion Picture Industry Employment*

Year	No. of Employees	Yearly Change	1998 Versus
1998	564.8	3.0%	--
1997	548.1	4.5%	3.0%
1996	524.7	7.6%	7.6%
1995	487.6	10.5%	15.8%
1994	441.2	7.1%	28.0%
1993	412.0	2.8%	37.1%
1992	400.9	-2.4%	40.9%
1991	410.9	0.8%	37.5%
1990	407.7	8.8%	38.5%
1989	374.7	9.9%	50.7%
1988	340.9	--	65.7%

Source: BLS

* revised from previous years to reflect year end, annualized figures

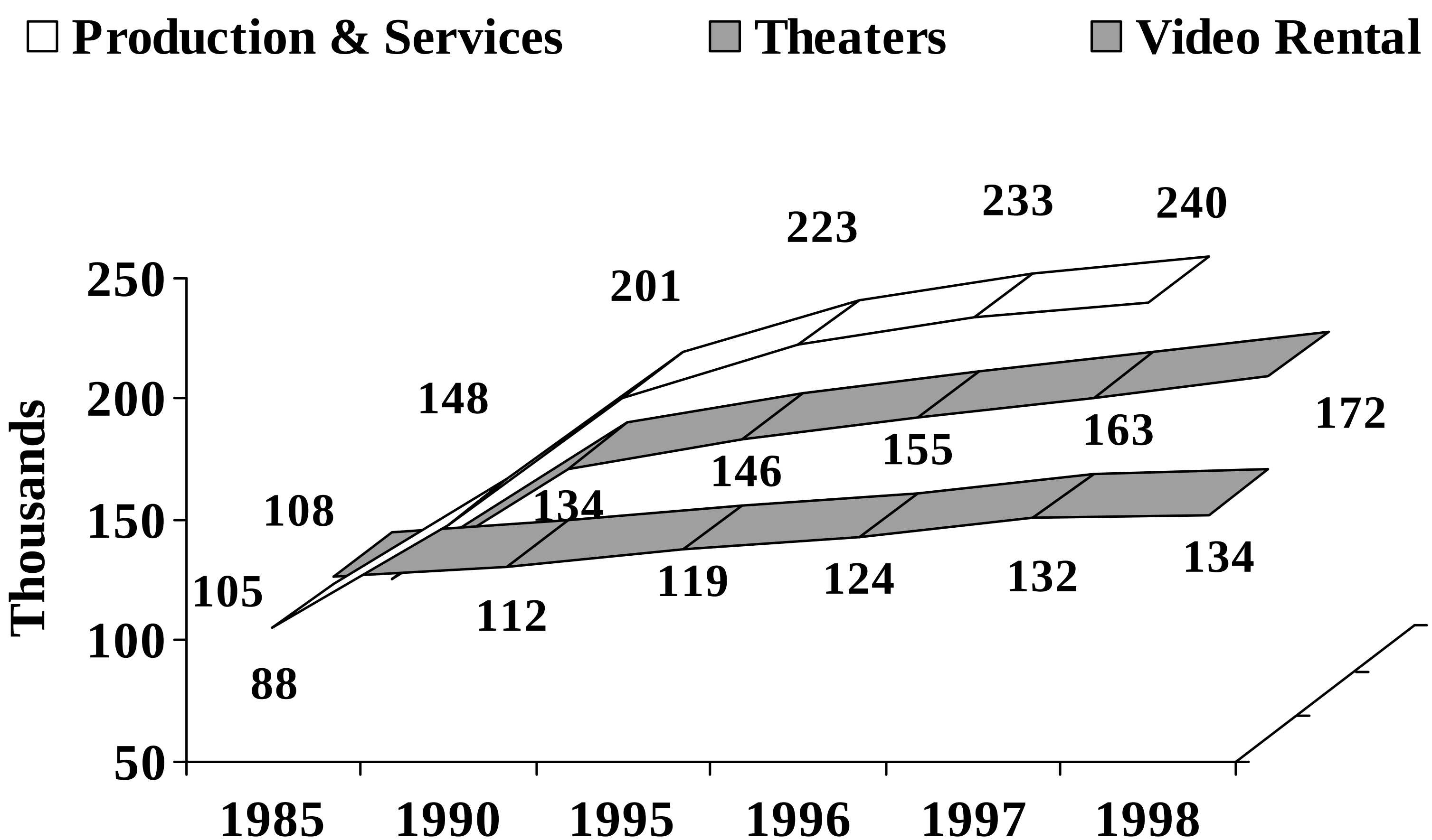
US Motion Picture Industry Employment Areas*

Year	Total	Production & Services	Theaters	Video Tape Rental	Other
1998	564.8	240.2	133.5	171.9	19.2
1997	548.1	233.4	131.8	162.9	20.0
1996	524.7	222.5	123.9	155.1	23.2
1995	487.6	200.7	118.7	146.1	22.1
1994	441.2	169.6	113.4	138.8	19.4
1993	412.0	152.7	110.6	132.4	16.3
1992	400.9	148.8	110.2	127.1	14.8
1991	410.9	153.1	112.0	131.2	14.6
1990	407.7	147.8	112.1	133.7	14.1
1989	374.7	133.9	109.9	118.2	12.7
1988	340.9	113.7	108.0	103.3	15.9

Source: BLS

* revised from previous years to reflect year end, annualized figures

US Motion Picture Industry Employment Areas

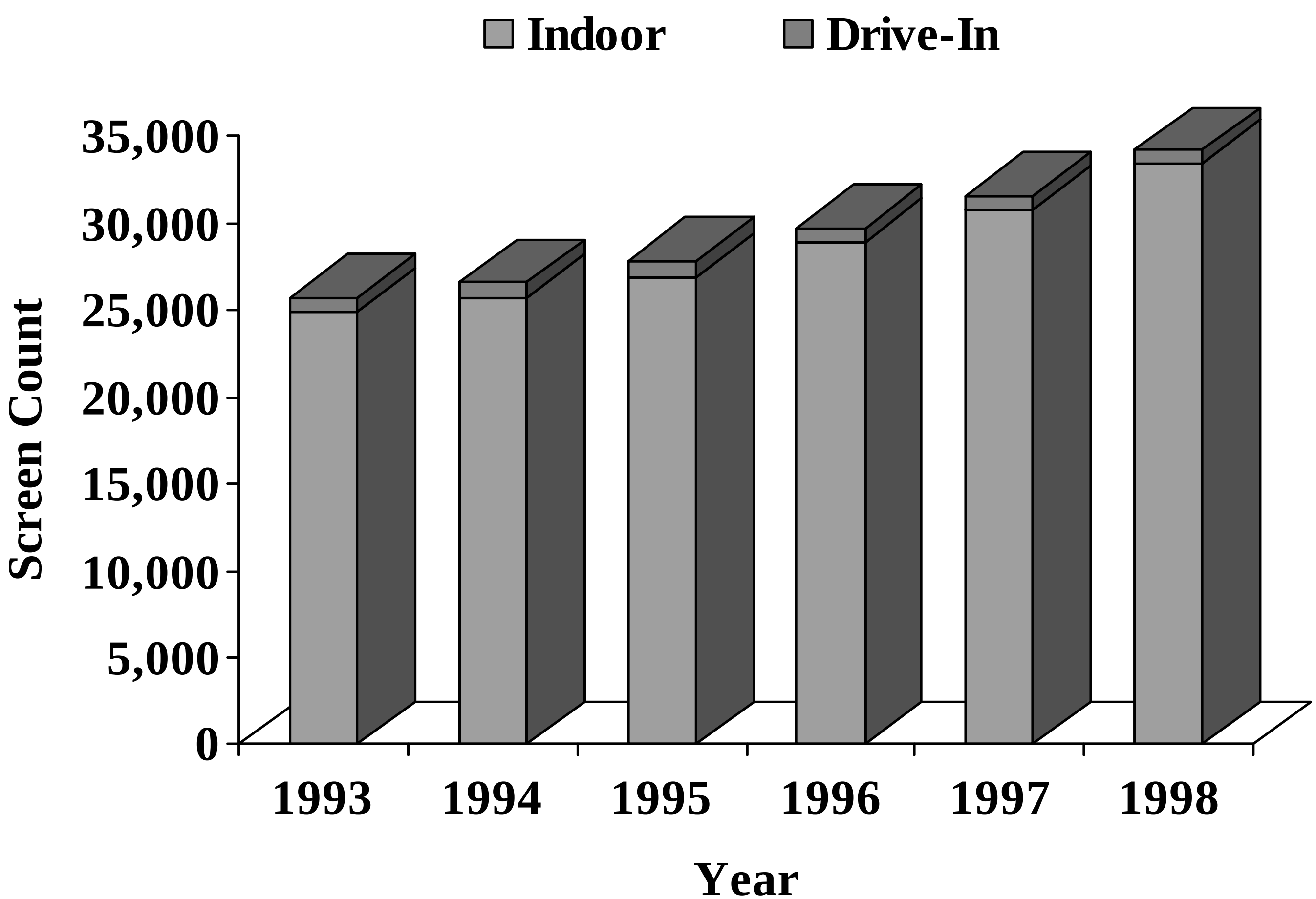


Source: BLS

Domestic Screen Counts Trends

Year	Total Screens	1998 Versus	Indoor Screens	1998 Versus	Drive-In Screens	1998 Versus
1998	34,186	--	33,440	--	746	--
1997	31,640	8.0%	30,825	8.5%	815	-8.5%
1996	29,690	15.1%	28,864	15.9%	826	-9.7%
1995	27,805	22.9%	26,958	24.0%	847	-11.9%
1994	26,586	28.6%	25,701	30.1%	885	-15.7%
1993	25,737	32.8%	24,887	34.4%	850	-12.2%
1990	23,689	44.3%	22,774	46.8%	915	-18.5%
1985	21,147	61.7%	18,327	82.5%	2,820	-73.5%
1980	17,590	94.3%	14,029	138.4%	3,561	-79.1%

Domestic Screen Count Trends



Number of US VCR Households
(millions)

Year	Households	Yearly Change	1998 Versus
1998	84.1	4.7%	--
1997	80.4	2.0%	4.7%
1996	78.8	4.0%	6.8%
1995	75.8	4.1%	11.0%
1994	72.8	1.6%	15.6%
1993	71.7	1.9%	17.4%
1992	70.3	4.3%	19.6%
1991	67.5	3.2%	24.7%
1990	65.4	--	28.7%
1985	23.5	--	258.0%
1980	1.9	--	4448.1%

Source: Nielsen

VCR Penetration in US TV Households (millions)

Year	VCR Households	TV Households	Penetration Rate
1998	84.1	99.4	84.6%
1997	80.4	98.0	82.0%
1996	78.8	95.9	82.2%
1995	75.8	95.4	79.5%
1994	72.8	94.2	77.3%
1993	71.7	93.1	77.0%
1992	70.3	93.1	75.6%
1991	67.5	92.0	73.3%
1990	65.4	93.1	70.2%
1985	23.5	86.1	27.3%
1980	1.9	78.0	2.4%

Source: Nielsen

Sales of Pre-Recorded Videocassettes to US Dealers (millions)

Year	Total Cassettes	Yearly Change	1998 Versus
1998	709.8	5.4%	--
1997	673.9	5.2%	5.4%
1996	640.5	22.6%	10.8%
1995	522.4	20.1%	35.9%
1994	434.9	19.9%	63.2%
1993	362.7	22.0%	95.7%
1992	297.4	12.8%	138.7%
1991	263.6	9.0%	169.3%
1990	241.8	--	193.5%
1985	40.9	--	1635.5%
1980	3.0	--	23560.0%

Source: Adams Media Research

Sales of Pre-Recorded Rental & Sell-Through Videocassettes to US Dealers (millions)

Year	Rental Cassettes	1998 Versus	Sell-Through Cassettes	1998 Versus
1998	49.6	--	660.2	--
1997	38.6	28.5%	635.3	3.9%
1996	40.4	22.8%	600.1	10.0%
1995	38.7	28.2%	483.7	36.5%
1994	36.5	35.9%	398.4	65.7%
1993	35.8	38.5%	326.9	102.0%
1992	33.3	48.9%	264.1	150.0%
1991	31.6	57.0%	232.0	184.6%
1990	32.3	53.6%	209.5	215.1%
1985	15.2	226.3%	25.7	2468.9%
1980	2.0	2380.0%	1.0	65920.0%

Source: Adams Media Research

Sales of Blank Videocassettes to US Consumer Market (millions)

Year	Blank Cassettes	Yearly Change	1998 Versus
1998	420.0	5.5%	--
1997	398.0	-2.5%	5.5%
1996	408.0	6.3%	2.9%
1995	384.0	0.3%	9.4%
1994	383.0	1.6%	9.7%
1993	377.0	5.3%	11.4%
1992	358.0	-1.1%	17.3%
1991	362.0	7.1%	16.0%
1990	338.0	--	24.3%
1985	233.0	--	80.3%
1980	15.0	--	2700.0%

Source: EIA

US DVD Statistics

	1998	(Mar '97) Since Launch
DVD Players Shipped to Retailers	1,100,000	1,450,000
DVD Players Sold to Consumers	N/A	1,000,000 (est.)
DVD Software Units Shipped to Retailers	20,000,000	24,560,000
DVD Software Units Sold to Consumers	11,800,000	14,300,000
Title Available on DVD	1,500	2,100

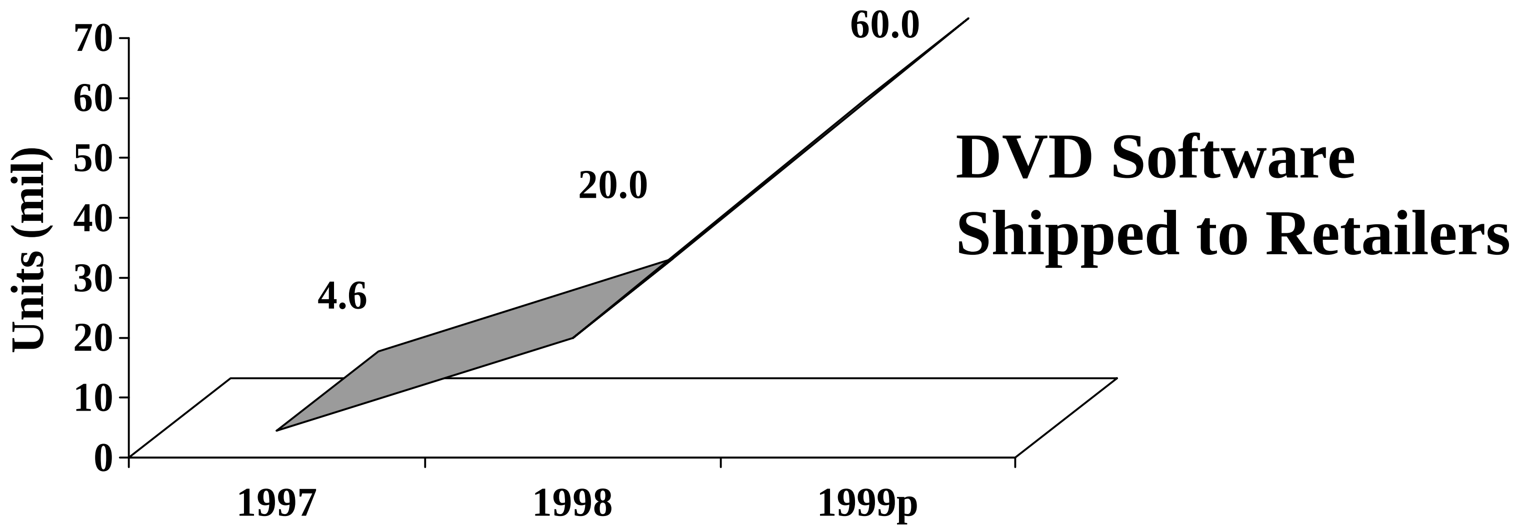
Source: CEMA

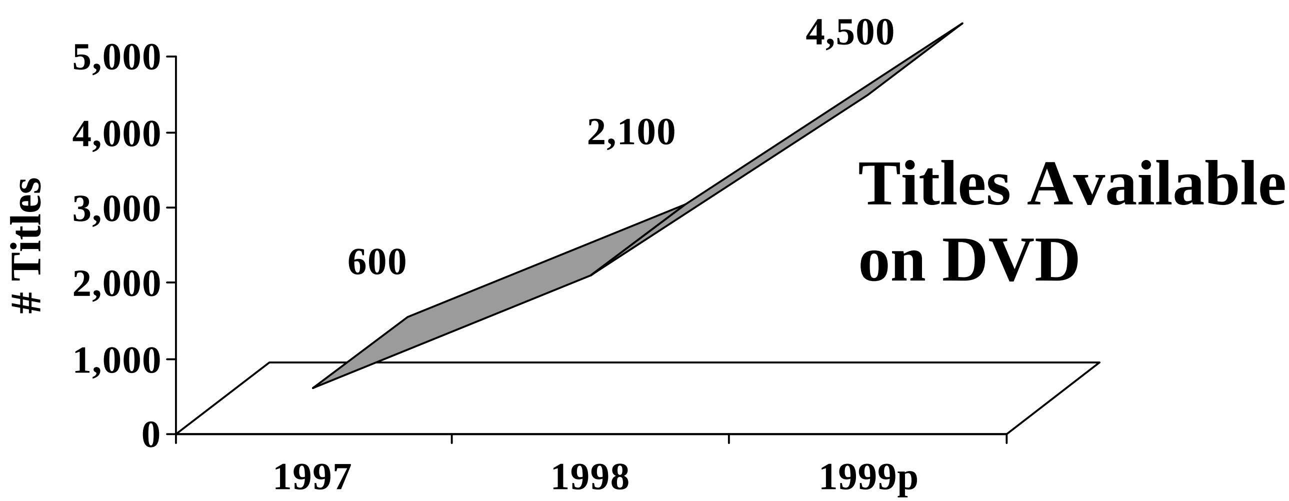
DVD Player Shipments to Retailers

Monthly Sales	1997	1998	Change
January	-	34,007	N/A
February	-	34,236	N/A
March	-	38,336	N/A
April	34,601	42,889	24.0%
May	27,051	47,805	76.7%
June	29,037	79,044	172.2%
July	19,146	84,709	342.4%
August	34,021	81,170	138.6%
September	34,371	113,558	230.4%
October	56,047	163,074	191.0%
November	37,657	136,908	263.6%
December	78,069	244,264	212.9%
Total	350,000	1,100,000	214.3%

Source: CEMA

DVD Software Estimates





Source: CEMA

In the US, DVD has become the fastest growing new format in history, exceeding all industry expectations of growth.

Length of Time to Reach
One Million Units Shipped

Technology	Months	Year
DVD Player	23	1.9
CD Player	32	2.7
Big-Screen TV	50	4.2
VCR	55	4.6
Color TV	106	8.8

Source: Video Investor

US Basic Cable Households
(millions)

Year	Basic Cable Households	Yearly Change	1998 Versus
1998	67.0	1.6%	--
1997	66.0	3.1%	1.6%
1996	64.0	2.1%	4.7%
1995	62.7	4.9%	6.9%
1994	59.7	2.6%	12.2%
1993	58.2	1.7%	15.1%
1992	57.2	2.6%	17.1%
1991	55.8	1.5%	20.1%
1990	54.9	--	22.0%
1985	39.8	--	68.4%
1980	17.6	--	280.1%

Source: Nielsen

US Addressable Cable Households (millions)

Year	Addressable Households	Yearly Change	1998 Versus
1998	33.2	6.4%	--
1997	31.2	1.0%	6.4%
1996	30.9	7.6%	7.5%
1995	28.7	8.3%	15.7%
1994	26.5	2.3%	25.3%
1993	25.9	2.8%	28.1%
1992	25.2	5.0%	31.7%
1991	24.0	9.1%	38.3%
1990	22.0	--	50.9%
1985	9.0	--	268.1%
1982	1.5	--	2113.3%

Source: Nielsen

US Pay Cable Subscribers (millions)

Year	Subscribers	Yearly Change	1998 Versus
1998	41.5	17.4%	--
1997	35.4	7.9%	17.4%
1996	32.8	7.4%	26.7%
1995	30.5	14.1%	36.1%
1994	26.8	4.5%	55.3%
1993	25.6	0.8%	62.3%
1992	25.4	-1.8%	63.6%
1991	25.9	-2.9%	60.6%
1990	26.6	--	56.0%
1985	24.2	--	71.7%
1982	13.4	--	210.1%

Source: Nielsen

US Average Hours of TV Usage Per Household (Hours:Minutes)

(Sept-Aug) Season	Per Week	Per Day
97-98	50:44	7:15
96-97	50:24	7:12
95-96	50:44	7:15
94-95	50:42	7:15
93-94	50:50	7:16
92-93	50:24	7:12
91-92	49:25	7:04
90-91	48:40	6:57
89-90	48:29	6:56
88-89	49:19	7:02
87-88	49:04	7:00
86-87	48:22	6:54
85-86	50:16	7:10
84-85	50:00	7:07
83-84	49:58	7:08
82-83	48:31	6:55
81-82	47:44	6:48
80-81	47:07	6:43

Source: Nielsen

NTI Average Household Ratings – Prime Time (Average of Networks Combined)

(Sept-Aug) Season	Four Networks Rating	Four Networks Share	Three Networks Rating	Three Networks Share
97-98	32.0	55	25.6	44
96-97	33.7	59	26.9	47
95-96	36.2	62	29.7	51
94-95	38.2	66	31.4	54
93-94	40.8	68	33.9	57
92-93	40.6	70	33.6	58
91-92	N/A	N/A	34.6	60
90-91	N/A	N/A	33.9	60
85-86	N/A	N/A	44.4	73
80-81	N/A	N/A	50.1	84

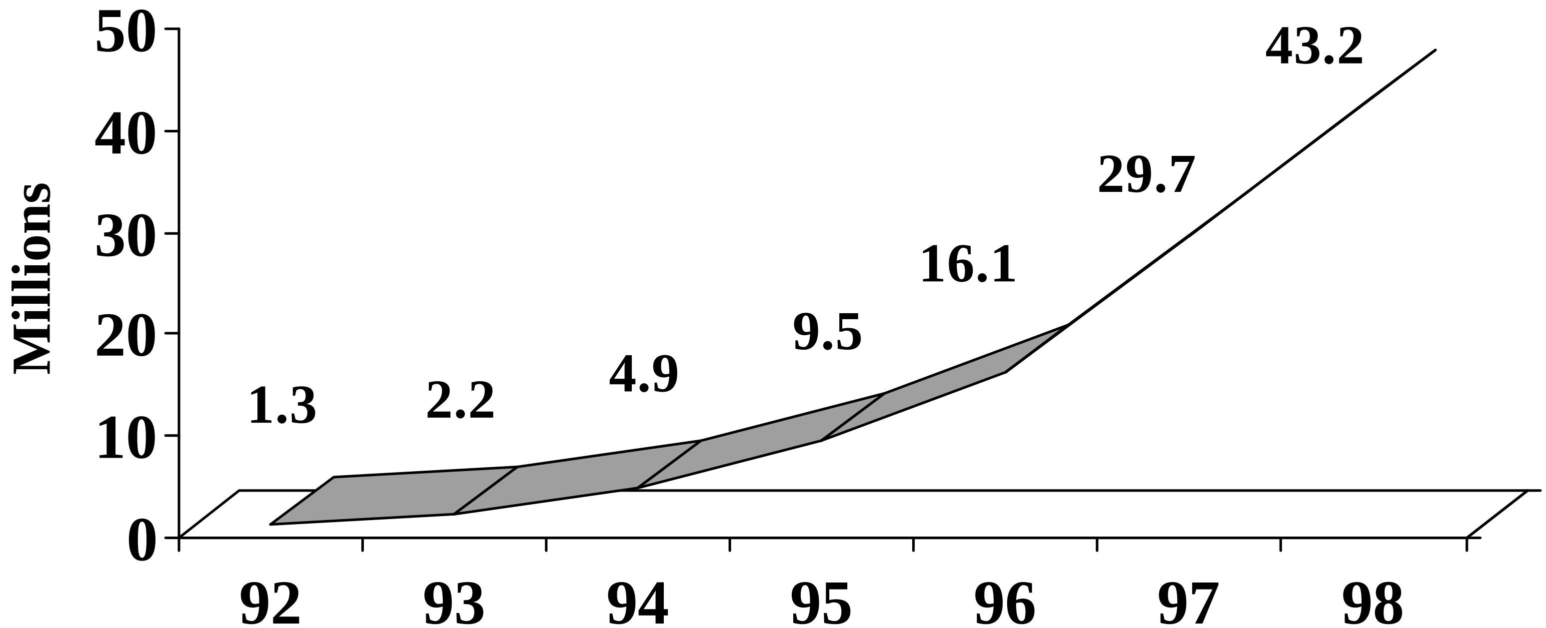
Source: Nielsen

US Computer Households
(millions)

Year	Computer HH	1998 Versus	Penetration Rate
1998	51.2	--	49.9%
1997	44.0	16.3%	43.6%
1996	38.7	32.2%	38.8%
1995	33.2	54.1%	33.5%
1994	32.0	59.6%	33.0%
1993	28.5	79.5%	29.6%

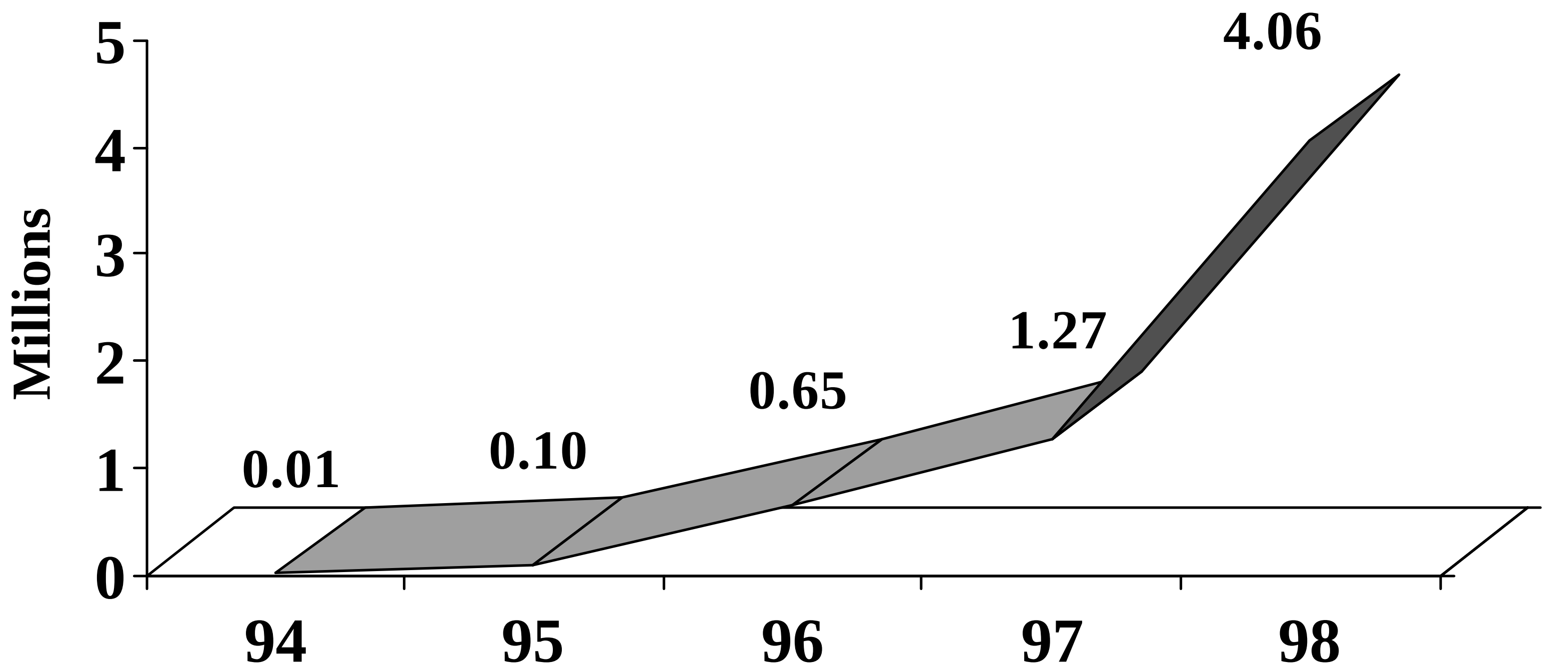
Source: MPAA/US Census Bureau

Number of Internet Hosts



Source: Network Wizards "www.nw.com"

Number of Web Sites



Source: MIT, Netcraft

Number US Homes Using the Internet

Year	Homes using Internet	1998 Versus	% of Computer HH
1998	31,713,000	--	62.0%
1997	21,800,000	45.5%	49.5%
1996	15,200,000	108.6%	39.3%
1995	9,400,000	237.4%	28.3%

Source: Jupiter Communications/MPAA