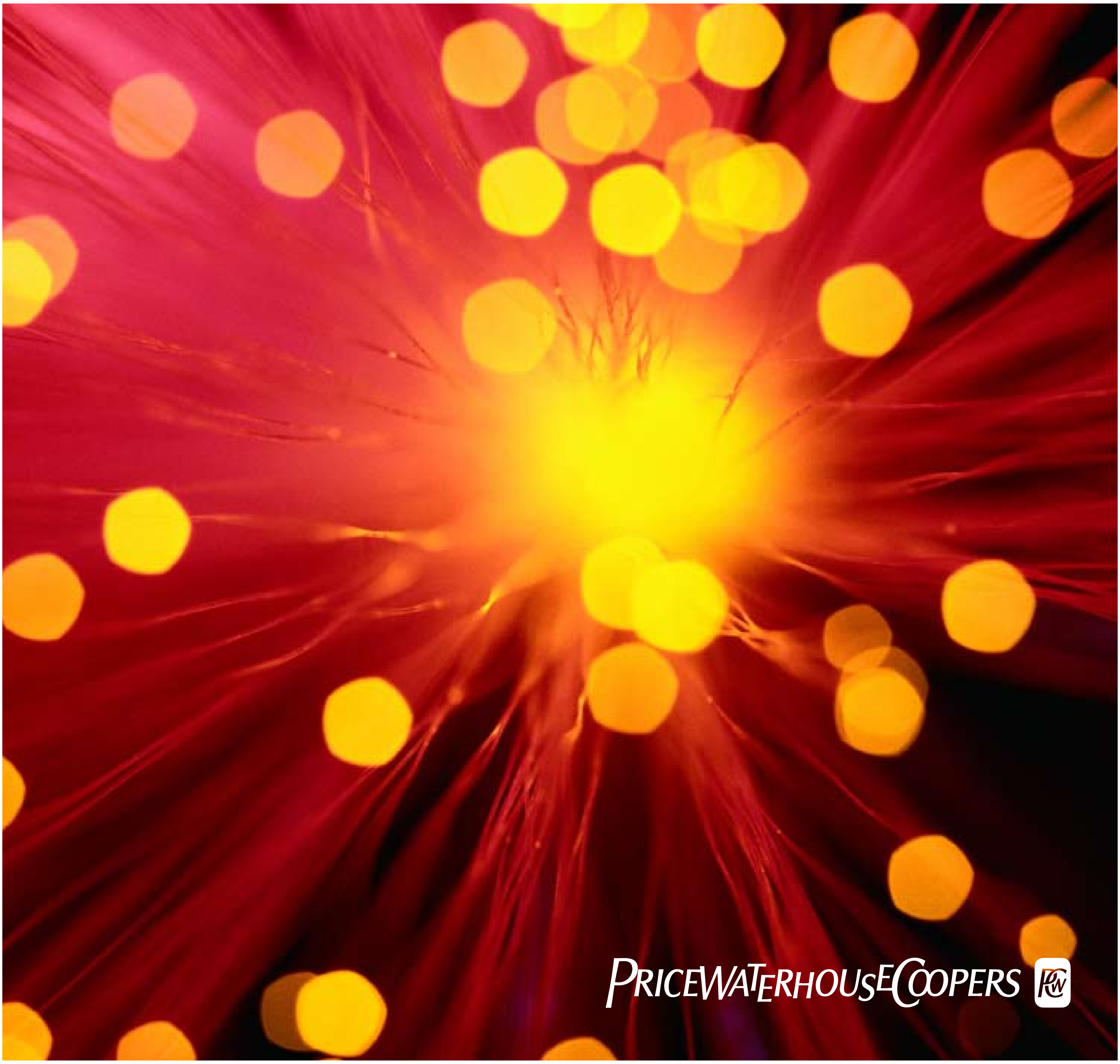
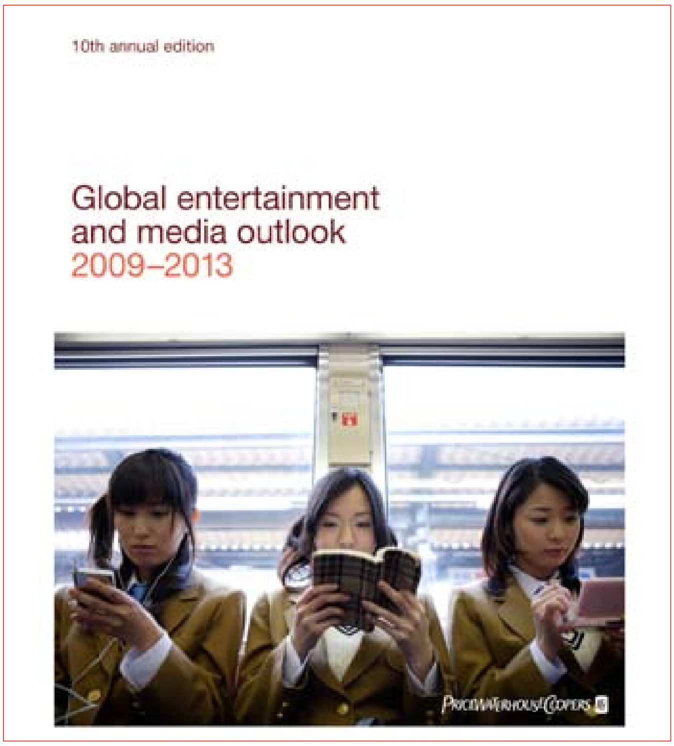
Entertainment & Media

Film industry covered by the Global Media Outlook 2009 – 2013



We are pleased to present the Tenth Anniversary edition of the PricewaterhouseCoopers Global Entertainment & Media Outlook, containing five year annual forecasts of revenues and industry trends for the 2009-2013 period across 12 major segments in 48 countries.



As we prepare the Outlook, the full extent of the impact on the economy from the international financial crisis, the shortage of credit, and cutbacks in consumer spending has yet to be determined. It also is not clear whether and to what degree the various stimulus packages and bailout plans will halt, slow, or reverse the slide. We do know that the global economy is more interrelated than ever, and that developments in one country or region can quickly affect others. Historical precedent, the benchmark from which forecasts are developed, is now a less reliable guide because the economic climate in most countries is more volatile than at any time in recent history.

The changes in the economic environment in 2009 could significantly affect the projections, we believe that many of the underlying trends that we identify in the Outlook and which are driving change in the industry will remain true.

The information in this publication reflects the collective wisdom of our large team of professionals who work with entertainment and media companies around the world. It is a unique resource for the industry, offering a five-year outlook for global consumer spending and advertising revenues, along with insights into the technology, government, political, consumer and business trends driving these forecasts.

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Filmed Entertainment

The filmed entertainment market consists of consumer spending at the box office for theatrical motion pictures, plus spending on rentals of videos at video stores and other retail outlets (the in-store rental market) and the purchase of home video products in retail outlets and through online stores (the sell-through market). It also includes online film rental subscription services, such as those in which physical DVDs are delivered via overnight mail, and streaming services whereby films are downloaded via a broadband Internet connection. The figures do not include either music videos (which are counted in the „Recorded music“ chapter) or video-on-demand, pay-per-view, or movie distribution by cable, satellite, or telephone companies (which are covered in the „TV subscriptions and license fees“ chapter).

Filmed entertainment will be the rare segment where we expect somewhat faster growth in 2009 than in 2008. That is due to improved box office spending from a larger array of 3-D releases and a modest gain in rental spending as the recession leads consumers to low-cost rentals for entertainment.

Czech film market is expected to grow by 2.8% over next five years.

We expect smaller price increases during the next two years as exhibitor’s moderate hikes in a difficult economic environment. During the latter part of the forecast period, when the share of 3-D screens becomes meaningul and those screens attract a larger share of admissions, we expect faster price growth.

The key drivers for the Czech Republic growth are to be generated by admission fees and box office prices which are about to grow by 2.6% and 5.5% respectivelly.

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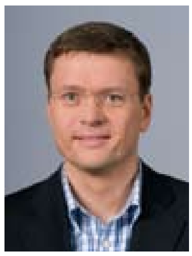

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