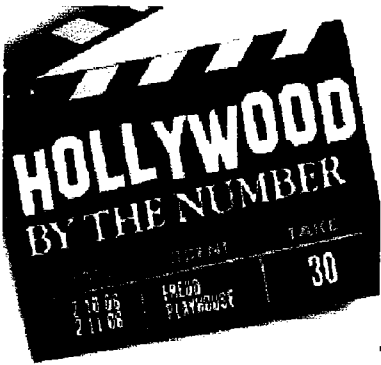


Tim Falls

From: R Epstein [repstein@pcgequity.com]
Sent: Tuesday, January 18, 2011 1:35 PM
To: Tim Falls
Subject: Fwd: Overall Movie Attendance Down Sharply

Warner Bros Wins 2010 Film Market Share; Year's Box Office Grosses Not A Record; Overall Movie Attendance Down Sharply; Should Studios Slash Number Of 3D Pics?

By NIKKI FINKE Friday December 31, 2010 @ 3:34am PST



The movie moguls hate it whenever their studios are judged by market share. Which is why it's so much fun to spotlight at the end of the year. Final figures aren't in yet, but the order isn't going to change: Warner Bros is No. 1 (for the third straight year), followed by Paramount, then Fox, then Disney, then Sony, and finally the bomb factory known as Universal. Next comes the mini-majors with Summit Entertainment, and Lionsgate bringing up the rear. The only surprise is the high placement of Fox even though it took a terrible beating from the media all year, and the low order of Sony which appeared to dominate box office week in and week out. Go figure.



As for overall grosses, 2010 alas was not a record-setting year. My pal Paul Dergarabedian over at Hollywood.com is projecting that when full year revenues come in by Monday, the expected figure of \$10.5 billion will fall just short of 2009's record \$10.6 billion. "This is only the second time in box office history that full year revenues will top the \$10 billion mark. However, the last time that

attendance this year will see a 5.36% downturn vs. 2009 giving us the biggest percentage drop year over year since 2005 when attendance fell a whopping 8.14% vs. 2004."



He says this will also be the second lowest attended year of the decade (only 2008 was lower). This past summer was the lowest attended in over a decade, and the current holiday season looks to

down around 12% - "a staggering number for an industry that expected 3D technology to motivate people to get out of their houses and go to the movies," he says. "The U.S. consumer is becoming increasingly less interested in 3D movies. While the horror and gross-out comedy genres may benefit from 3D (think *Saw 3D* or *Jackass 3D*), the vast majority of 3D movies this year have been disappointing at best (the exceptions being *Alice in Wonderland*, *Toy Story 3*, and *Despicable Me*)."

Greenfield calls this "A Recipe for Disaster: Hollywood is combining substantial price increases (\$3.25 3D upcharge is the average in the US on a \$7.00-\$7.25 average 2D ticket), with annoying glasses that substantially dim the light of a movie and which young children spend more time playing with than wearing, with sub-par content (not to mention the fact that 3D gives some people headaches and others cannot see 3D imagery at all). While you may think of us as the '3D Grinch', we fundamentally believe content and story are the key factors to success and that technology alone is not a long-term path to success or profits. The movie industry should reduce the number of 3D movies it has planned or at least substantially scale back the upcharge as they are simply charging way too much for poor content. Did a Jack Black comedy, *Gulliver's Travels* really need to be in 3D? We suspect even if the movie was bad, lowering pricing (to 2D levels) would have ended up selling more tickets."

Although others' projections for 2011 and 2012 box office are upbeat, Greenfield maintains that much less