

Global Entertainment and Media Outlook: 2006–2010*

Forecasts and economic analyses of 14 industry segments

The Global Entertainment and Media Outlook is a forecast for the 2006–2010 period of spending in 14 entertainment and media segments. For ordering instructions, please refer to the next page of this book.

Reprinted from the Global Entertainment and Media Outlook: 2006–2010

*connectedthinking

Global Entertainment and Media Outlook: 2006–2010

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The publication is available for sale as follows:

- The full global forecast which includes the Global Overview is sold in both print and electronic format.
- The Global Overview is available separately in either print or electronic format.
- Individual industry segments are sold in electronic format.

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†Totals in tables and charts may not total arithmetically due to rounding.

Key to Symbols Used in the Tables and Charts
p = Preliminary
NA = Not Available
— = No spending that year

June 2006

To Our Clients and Friends in the Entertainment and Media Industry:



I am pleased to welcome you to the seventh annual edition of PricewaterhouseCoopers' *Global Entertainment and Media Outlook*, covering the forecast period 2006–2010. This edition follows the same format as last year's book, including in-depth forecasts and analyses of 14 major industry segments across five regions of the world—the United States, EMEA (Europe, Middle East, Africa), Asia Pacific, Latin America, and Canada—plus a Global Overview.

This year we renamed and expanded coverage in a relatively new chapter, Casino and Other Regulated Gaming, which now includes online gaming in every region except for the United States, where it is illegal. Additionally, we have provided some new country-specific data in the Recorded Music, Video Games, Theme Parks and Amusement Parks, Sports, Business Information, and Casino and Other Regulated Gaming chapters.

Overall, we see that the entertainment and media industry is well into a recovery pattern with increases during the past two years exceeding growth during 2001–03. Physical media formats are still important but are growing more slowly as the availability of licensed digital distribution services provides consumers with an authorized alternative to piracy. Continued expansion in the broadband household universe and the rollout of next generation wireless handsets and high-speed wireless networks will stimulate the market.

Asia Pacific remains the fastest-growing region, with double-digit percentage spending increases in the Internet, TV Distribution, Casino and Other Regulated Gaming, and Video Games segments. While the U.S. will remain the largest E&M market, it will grow more slowly than the other regions, and Latin America and Central and Eastern Europe will be other high growth regions.

It continues to be an exciting time to be part of the entertainment and media industry, and all of us at PwC continue to stay on top of new trends and developments that may impact your business now and in the future.

We appreciate your feedback and ask that you continue to tell us what we can do to make the Outlook more useful to you. If we can be of service to your business in any way, please contact the PricewaterhouseCoopers Entertainment & Media professional nearest you (see opposite page). Thank you for your support.

Sincerely,

A handwritten signature in cursive script that reads "Wayne".

R. Wayne Jackson
Global Leader
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PricewaterhouseCoopers' Entertainment & Media Practice—Global Contacts

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Global Entertainment and Media Outlook: 2006–2010

Global Overview

Introduction

We are pleased to present PricewaterhouseCoopers' *Entertainment and Media Outlook: Global Overview*. The objective of the Overview is to identify key trends and developments affecting the industry and relate them to spending forecasts across 14 entertainment and media segments for the 2006–2010 period. The *Overview* is only a summary of the full range of data and information provided in the *Outlook* as a whole. The *Outlook* covers a wide array of issues in depth and provides detailed industry and country data for the various components of each media segment.

The entertainment and media industry is now well into a recovery pattern, with increases during the past two years exceeding growth during 2001–03, reflecting improved economic conditions in most countries. Digital distribution technologies are becoming established and are changing the way consumers acquire entertainment and media content. It is now common for wireless telephones to serve as media centers when people are away from home, while the Internet is becoming a media center within the home. The Internet will be the fastest-growing segment during the next five years, and revenues generated from distribution over the Internet will contribute to growth in TV distribution, recorded music, video games, business information, book publishing, and casino and other regulated gaming. Revenue generated from distribution to mobile devices will help drive video games, recorded music, TV networks, and sports.

The rapid take-up in broadband Internet households—households with high-speed Internet connections that facilitate the downloading of high-volume content such as music and movies—fosters growth in digital distribution. Continued expansion in the broadband household universe will be a major driver of growth. Similarly, increases in the number of wireless telephone subscribers and the rollout of next-generation handsets and high-speed wireless networks will stimulate the mobile markets.

While piracy continues to cut into legitimate sales, piracy growth will slow during the next five years as more-aggressive enforcement of existing laws and more-aggressive actions by industry trade associations in suing unauthorized users make piracy more expensive. The availability of legal digital alternatives and rising incomes serve to increase demand for spending through authorized channels. Although piracy still cannibalizes sales in many markets, its incremental impact on legitimate sales will lessen.

We also expect changing demographics to have a positive impact on the market. Growth in the number of young people in Asia Pacific and Latin America will contribute to advertising growth in those regions, while large increases in the number of people in their prime earning years in all regions will contribute to end-user spending growth. As the number of people in their prime earning years increases, aggregate savings will grow. Higher savings will lead to increased investment, including increased investment in entertainment and media. Asia Pacific, Latin America, and Central and Eastern Europe will be principal beneficiaries of entertainment and media investment.

By the end of the forecast period, the current recovery will be in its eighth year, a time during previous economic cycles when economic growth tends to slow. We expect the entertainment and media industry to moderate during 2009–10, but growth will still remain stronger than it was during the early part of the decade.

The *Overview* takes into account these and other developments, and it addresses the underlying factors affecting forecast spending. It begins on page 11 with the Global Entertainment and Media Market by Region chart, showing the forecast for spending and growth through 2010 across each of the five regions covered—United States, EMEA (Europe, Middle East, Africa), Asia Pacific, Latin America, and Canada—in the following 14 entertainment and media segments:

- Filmed Entertainment
- Television Networks: Broadcast and Cable
- Television Distribution
- Recorded Music
- Radio and Out-of-Home Advertising
- Internet Advertising and Access Spending
- Video Games
- Business Information
- Magazine Publishing
- Newspaper Publishing
- Book Publishing
- Theme Parks and Amusement Parks
- Casino and Other Regulated Gaming
- Sports

The chart is followed by Global Dynamics—a section that examines underlying developments that have an impact on the global entertainment and media market (pages 12 to 13). The next section, Principal Industry Drivers, focuses on the key trends fueling—or thwarting, as the case may be—entertainment and media growth.

The Overview is then divided into three main sections of forecasts:

- Global advertising and consumer/end-user spending by industry segment and within each region, pages 19 to 21
- Analysis and forecasts for global spending by individual industry segment across all regions, pages 22 to 30
- Analysis and forecasts for spending by region across all industry segments, pages 31 to 56



Methodology

Historical information is obtained principally from confidential and proprietary sources. In instances in which third-party sources are used, their information is used either indirectly, as part of our calculus for the historical data, or directly, from government agencies, trade associations, or related entities that seek to have their data disseminated in the public domain. The sources of such information are explicitly cited.

Recent trends in industry performance are analyzed, and the factors underlying those trends are identified. The factors considered include economic, demographic, technological, institutional, behavioral, competitive, and other drivers that may affect each of the entertainment and media markets.

Models are then developed to quantify the impact of each factor on industry spending. A forecast scenario for each causative factor is created, and the contribution of each factor on a prospective basis is identified. Proprietary mathematical models and analytic algorithms are used in the process to provide an initial array of prospective values. Our professional expertise and institutional knowledge are then applied to review and adjust those values if required. The entire process is then examined for internal consistency and transparency vis-à-vis prevailing industry wisdom.

Forecasts for 2006–2010 are based on an analysis of the dynamics of each segment in each region and on the factors that affect those dynamics. We recognize that cataclysmic events, such as the terrorist attacks of September 11, 2001, can occur at any time and can affect the outlook, but due to their unpredictable nature, such events are not contemplated in this forecast.

We provide annual growth rates for 2001–10 and a compound annual growth rate (CAGR) that covers the 2006–2010 forecast period. In our calculation of the CAGR, 2005 is the beginning year; there are five growth years during the forecast period: 2006, 2007, 2008, 2009, and 2010; and 2010 is the end year. The formula follows:

$$\text{CAGR} = 100 * ((\text{Value in 2010} / \text{Value in 2005})^{(1/5)} - 1).$$

All figures are reported in nominal terms reflecting actual spending transactions and therefore include the effects of inflation. Segment spending consists of advertising and end-user spending directly related to entertainment and media content. We do not include spending on hardware or on services that may be needed to access content because they do not represent spending on content itself. In the television, radio, recorded music, filmed entertainment, and video game segments, for example, we do not include spending on television sets, radio sets, CD players or portable listening devices, DVD players, or video game consoles; only spending related directly to television and radio programs, music, videos, and video games themselves is counted. In the Internet segment, we do not include spending on computers or on ordinary telephone lines—only spending specifically for accessing the Internet through an Internet service provider or through a cable modem or high-speed telephone line. In the box office component of filmed entertainment and in the gate revenue component of sports, we do not include the purchase of food or other concessions because we do not view these items as entertainment content. In theme parks, by contrast, we count all purchases made at the park because we view all services provided at the park as integral parts of the theme park experience.

Spending is counted at the consumer or end-user level, not at the wholesale level, and includes retail markups when applicable. Advertising is measured net of agency commissions in all regions except the United States, where gross advertising is measured to be consistent with the way advertising is generally reported in the U.S. Each chapter introduction begins with a definition of which spending streams are included in the segment.

The regions comprise the countries listed below.

Regions/Countries Covered

United States

EMEA

<i>Western Europe</i>			<i>Central and Eastern Europe</i>	<i>Middle East/Africa</i>
Austria [‡]	Greece [‡]	Portugal [‡]	Czech Republic [‡]	Israel
Belgium [‡]	Ireland [‡]	Spain [‡]	Hungary [‡]	Saudi Arabia/Pan Arab [†]
Denmark [‡]	Italy [‡]	Sweden [‡]	Poland [‡]	South Africa
Finland [‡]	Netherlands [‡]	Switzerland	Romania ^{††}	
France [‡]	Norway	United Kingdom [‡]	Russia	
Germany			Turkey ^{††}	

Asia Pacific

Australia	Indonesia	Pakistan	Taiwan
China	Japan	Philippines	Thailand
Hong Kong	Malaysia	Singapore	
India	New Zealand	South Korea	

Latin America

Argentina	Colombia
Brazil	Mexico
Chile	Venezuela

Canada

[†]Comprises Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Syria, and United Arab Emirates.

[‡]European Union members.

^{††}European Union applicants.



Figures for EMEA, Asia Pacific, Latin America, and Canada are presented in U.S. dollars by using the average 2005 exchange rate held constant for each historical year and forecast year. In this way, the data reflect industry trends and are not distorted by fluctuations in international exchange rates. The following exchange rates were used for the individual countries in EMEA.

Exchange Rates per US\$		
EMEA	Currency	Exchange Rate
<i>Western Europe</i>		
Austria	Euro	0.80453
Belgium	Euro	0.80453
Denmark	Krone	5.99562
Finland	Euro	0.80453
France	Euro	0.80453
Germany	Euro	0.80453
Greece	Euro	0.80453
Ireland	Euro	0.80453
Italy	Euro	0.80453
Netherlands	Euro	0.80453
Norway	Krone	6.44476
Portugal	Euro	0.80453
Spain	Euro	0.80453
Sweden	Krona	7.34982
Switzerland	Franc	1.24577
United Kingdom	Pound sterling	0.55004
<i>Central and Eastern Europe</i>		
Czech Republic	Koruna	23.99048
Hungary	Forint	199.94397
Poland	Zloty	3.23820
Romania	New leu	2.93574
Russia	Ruble	28.29327
Turkey	Lira	1,351,886.01918
<i>Middle East/Africa</i>		
Israel	New shekel	4.49674
Saudi Arabia/Pan Arab†	Riyal	1.00000
South Africa	Rand	6.38113

†Comprises Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Syria, and the United Arab Emirates. Figures are estimated in US dollars.

The following exchange rates were used for the individual countries in Asia Pacific.

Exchange Rates per US\$		
Asia Pacific	Currency	Exchange Rate
Australia	Dollar	1.31234
China	Yuan (renminbi)	8.20329
Hong Kong	Dollar	7.77788
India	Rupee	44.11538
Indonesia	Rupiah	9,721.65181
Japan	Yen	110.12445
Malaysia	Ringgit	3.78860
New Zealand	Dollar	1.42065
Pakistan	Rupee	59.73501
Philippines	Peso	55.13999
Singapore	Dollar	1.66462
South Korea	Won	1,027.59332
Taiwan	Dollar	32.19914
Thailand	Baht	40.30610

The following exchange rates were used for the individual countries in Latin America.

Exchange Rates per US\$		
Latin America	Currency	Exchange Rate
Argentina	Peso	2.93074
Brazil	Real	2.43480
Chile	Peso	561.81443
Colombia	Peso	2,331.70526
Mexico	Peso	10.90482
Venezuela	Bolivar	2,110.56049

The following exchange rate was used for Canada.

Exchange Rate per US\$		
Canada	Currency	Exchange Rate
Canada	Dollar	1.21173

Global Entertainment and Media Market by Region

This forecast assesses the entertainment and media industry as 14 individual segments spanning five regions of the world. Together these segments constituted a \$1.3-trillion industry in 2005. In addition to analyzing economic data, the forecast also considers numerous strategic, operational, technological, demographic, political, and cultural factors affecting the industry's growth and evolution.

We project the entertainment and media industry in the United States, EMEA, Asia Pacific, Latin America, and Canada will increase from \$1.3 trillion in 2005 to \$1.8 trillion in 2010, growing at a compound annual rate of 6.6 percent. The United States will expand at a 5.6 percent compound annual rate—slowest of the five regions—rising from \$553 billion in 2005 to \$726 billion in 2010. EMEA will increase from \$430 billion in 2005 to \$580 billion in 2010, growing at 6.1 percent compounded annually. Spending in Asia Pacific will average 9.2 percent annual growth—the highest of all of the regions—increasing from \$274 billion in 2005 to \$425 billion in 2010. Excluding Japan, Asia Pacific will grow at a 12.2 percent compound annual rate. The People's Republic of China (PRC) will pass Japan in 2009 to become the largest market in Asia Pacific. The market in Latin America will total \$60 billion in 2010, up from \$40 billion in 2005 and advancing at a compound annual rate of 8.5 percent. In Canada, spending will increase from \$31 billion in 2005 to \$41 billion in 2010, for an average annual gain of 5.9 percent. Compared with the past five years, when growth averaged 5.1 percent compounded annually, the 6.6 percent projected advance will represent an improvement. The projected increase, however, will be somewhat slower than the 7.0 percent compound annual growth rate during 2004–05.

Global Entertainment and Media Market by Region (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	445,403	466,673	490,958	528,004	553,488	588,732	622,504	660,311	690,130	726,222	
% Change	-0.1	4.8	5.2	7.5	4.8	6.4	5.7	6.1	4.5	5.2	5.6
EMEA	349,462	364,516	379,878	407,893	430,425	460,644	487,032	518,681	547,515	579,574	
% Change	3.9	4.3	4.2	7.4	5.5	7.0	5.7	6.5	5.6	5.9	6.1
Asia Pacific	206,977	215,815	229,166	253,224	274,018	301,633	330,768	366,205	393,135	425,340	
% Change	3.1	4.3	6.2	10.5	8.2	10.1	9.7	10.7	7.4	8.2	9.2
Latin America	32,292	31,100	32,483	35,934	39,763	43,937	47,383	51,530	55,173	59,843	
% Change	0.7	-3.7	4.4	10.6	10.7	10.5	7.8	8.8	7.1	8.5	8.5
Canada	24,728	26,389	28,153	30,054	31,092	33,388	35,439	37,476	39,407	41,432	
% Change	5.1	6.7	6.7	6.8	3.5	7.4	6.1	5.7	5.2	5.1	5.9
Total	1,058,862	1,104,493	1,160,638	1,255,109	1,328,786	1,428,334	1,523,126	1,634,203	1,725,360	1,832,411	
% Change	2.0	4.3	5.1	8.1	5.9	7.5	6.6	7.3	5.6	6.2	6.6

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Global Dynamics

Favorable demographic shifts will support the entertainment and media industry, while efforts to restrain piracy will further help the market by reducing piracy's incremental impact on legitimate spending.

Global demographics

In addition to the economy and the various developments that affect the entertainment and media industry, the age composition of the population also plays a role. Advertisers typically prefer to target young people because they believe a younger audience has more flexible brand preferences and can more readily be influenced by advertising. Media that reach a relatively high proportion of young people have generally grown faster than older-skewing media. Multichannel television, for example, generally has a young audience mix, which has contributed to rapid growth in this sector. Newspapers, by contrast, have a relatively older demographic composition, a factor contributing to newspapers' relatively sluggish advertising growth.

The 18- to 49-year-old age group is considered the most important demographic segment for advertisers. Television audience reports, for example, typically include a measurement of viewing for that segment of the population. During the next five years, most regions will experience growth in that age group. In both Asia Pacific and Latin America, the number of people in the 18-to-49 age group will increase by 6.2 percent. Those two regions will also have the fastest-growing advertising markets. Advertising in Latin America will increase at a projected 9.4 percent compound annual rate, while Asia Pacific will advance at a 7.7 percent annual rate, a figure held down by relatively slow-growing markets in Japan and South Korea. Excluding Japan and South Korea, advertising growth for Asia Pacific will be 10.8 percent compounded annually.

Other regions will experience relatively little change in the size of the population aged 18 to 49. There will be small increases in the United States and Canada and a small decrease in EMEA. Accordingly, we expect demographic trends to have less of an impact in those regions. Absent a demographic boost, advertising—which is strongly influenced by prevailing economic conditions—will expand at mid-single-digit rates in the U.S., EMEA, and Canada. Globally, the population aged 18 to 49 will expand by 4.7 percent during the next five years.

Size of the 18-to-49 Population (Thousands)

Region	2005	2010	Percent Change (%)
United States	135,168	135,852	0.5
EMEA	359,175	356,657	-0.7
Asia Pacific	1,564,014	1,660,333	6.2
Latin America	204,181	216,774	6.2
Canada	15,403	15,411	0.1
Total	2,277,941	2,385,027	4.7

Sources: PricewaterhouseCoopers LLP, U.S. Census Bureau International Database, Wilkofsky Gruen Associates

Size of the 40-to-64 Population (Thousands)

Region	2005	2010	Percent Change (%)
United States	95,566	102,016	6.7
EMEA	234,351	248,729	6.1
Asia Pacific	796,188	924,682	16.1
Latin America	96,440	111,904	16.0
Canada	11,372	12,235	7.6
Total	1,233,917	1,399,566	13.4

Sources: PricewaterhouseCoopers LLP, U.S. Census Bureau International Database, Wilkofsky Gruen Associates

One of the paradoxes of prevailing advertising strategy is that young people typically have lower incomes than older people and therefore have less buying power. The prime earning years for most people are the ages of 40 to 64. That age group has the most money and is most likely to have discretionary income available for entertainment. The entertainment and media industry also tends to be income elastic, which means that as incomes rise, spending on entertainment and media grows more than proportionally. Thus, expansion in the number of people in their prime earning years has a positive impact on end-user spending.

The demographic outlook for the 40- to 64-year-old population is highly favorable. Each region will experience large increases in this demographic segment during the next five years. Asia Pacific and Latin America will be the fastest growing, with increases of 16.1 percent and 16.0 percent, respectively. Other regions will record mid- to high-single-digit gains. For all five regions as a whole, the size of the population aged 40 to 64 will rise by 13.4 percent, a development that will have a positive impact on end-user spending. We expect global end-user spending to increase at a 6.8 percent compound annual rate, averaging faster growth compared with all but one of the past five years.

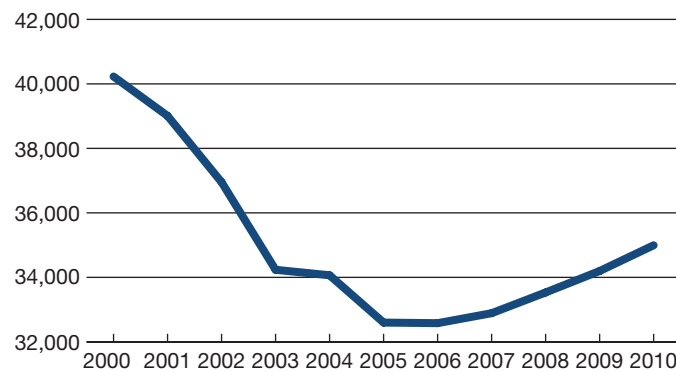
Piracy

Piracy has hurt the entertainment and media market during the past five years because people have been able to access music, videos, cable/satellite television service, and even books without paying for them through legitimate channels. Consequently, reported sales have been less than actual demand. Piracy has had a particularly severe impact in Asia Pacific and Latin America. During the past few years, however, there have been several developments that lead us to believe that piracy will play less of an incremental role in cutting into legitimate sales. Industry trade associations have become more aggressive in initiating legal action against people who acquire product through unauthorized means. Governments are more concerned about copyright protection and have been more proactive in enforcing laws and prosecuting offenders.

These developments have increased the risk of piracy, which raises the implicit cost to perpetrators. At the same time, attractively priced alternatives have emerged that enable consumers to acquire product over the Internet through licensed channels. One of the appealing features of unauthorized downloading of entertainment was its convenience. With the advent of convenient licensed alternatives, one of the drivers of piracy has been eliminated. Improved economic conditions are also working to limit piracy. As incomes rise, the incentive to incur the risk of obtaining content through unauthorized channels is reduced because more people can afford to pay for product acquired through legal means.

The recorded music industry has been the most affected by piracy because unauthorized downloads, CD burning, and counterfeit discs have reduced spending on legitimate product. The recorded music market therefore serves as a barometer of the impact of piracy. From 2000 to 2003, global sales of physical music and licensed digital downloads fell by more than \$6 billion, a compound annual decrease of 5.2 percent. During the past two years, however, the decline moderated to 2.4 percent compounded annually, and the market is showing signs of bottoming out. Piracy rates are beginning to decline in some countries, including the PRC, indicating that sales losses are moderating. The combination of slower declines in physical sales and increases in licensed digital downloads will stabilize the market in 2006.

Global Spending on Physical Recorded Music and Licensed Digital Downloads (US\$ Millions)



Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Although we expect physical sales to continue to decline, the primary competition will come from licensed services rather than from unauthorized downloads or counterfeit product. The result will be a pickup in overall spending on combined physical and licensed digital music downloads beginning in 2007. From 2006 to 2010, spending will increase by \$2.4 billion, recapturing some of the sales that were lost during 2001–05.

The turnaround in physical sales and digital downloads in recorded music will be reflected in other segments that have been hurt by piracy. Piracy will not be eliminated, and legitimate sales will continue to be cannibalized. In the TV distribution market in Asia Pacific, for example, piracy remains a significant problem that is showing no signs of improvement. However, for the entertainment and media industry as a whole, it appears that incremental losses to piracy are slowing, which will have a positive impact on the overall end-user market.

Principal Industry Drivers

This section discusses developments in entertainment and media during 2005 and summarizes the principal drivers underlying our estimates of forecast spending.

Review of 2005

Total global entertainment and media spending grew by 5.9 percent in 2005. This was an improvement compared with growth during 2001–03 but was less than the 8.1 percent rise in 2004. Spending associated with major international sporting events and political campaigns that fueled growth in 2004 was absent in 2005. Global advertising rose by 5.5 percent, led by a 36.7 percent increase in Internet advertising. Out-of-home was the next-fastest-growing category, with a 7.0 percent increase, nearly matching the 7.1 percent rise in 2004. Television advertising growth, however, slowed from 10.6 percent in 2004 to 4.7 percent in 2005, the result of a loss of spending related to the Olympics and other sports events. Magazine advertising rose 4.5 percent, continuing its mid-single-digit gain after falling sharply from 2000 to 2002 and growing slowly in 2003. Newspaper and radio advertising, however, were sluggish, increasing by 3.2 percent and 3.1 percent, respectively.

Consumer/end-user spending increased by 6.0 percent, which, in contrast with advertising, was the slowest gain during the past five years. Internet access and casino and other regulated gaming each posted double-digit growth. Rising broadband subscribership helped propel access spending by 16.3 percent, and online gaming and new casinos bolstered the gaming market, which grew at 10.9 percent. TV distribution rose 9.7 percent, boosted by growth in subscription TV households and an expanding video-on-demand market. Radio and TV networks were next, with increases of 8.0 percent and 6.2 percent, respectively. A surging satellite radio subscription market in the United States offset slow increases in public radio license fees in EMEA and Asia Pacific. Rising cable network license fees in North America spurred TV network spending.

Business information improved to a 5.8 percent increase, helped by rising corporate profits. Offsetting the faster-growing segments already mentioned, growth was less than 4 percent in the remaining eight segments. Filmed entertainment was the only segment to record a decline, falling by 1.8 percent as weak box office spending and a slowdown in home video spending abruptly halted the trend of healthy increases during the prior four years.

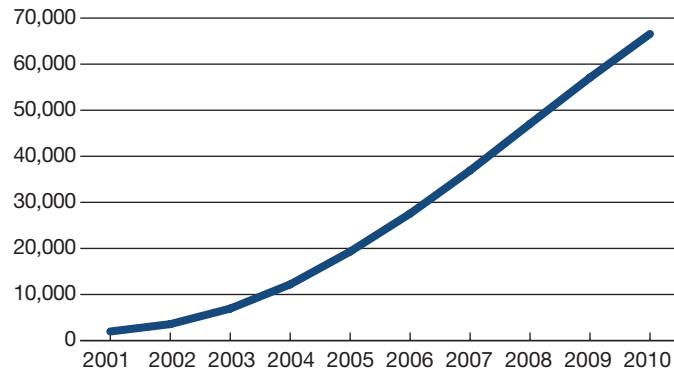
Key Themes: 2006–2010

- Digital and mobile distribution will become a significant component of the entertainment and media market, fueled by rising broadband and wireless subscribership.
- Economic growth will support spending in the near term, but higher gasoline prices are raising the cost of purchasing products away from home, and maturation in the recovery will lead to slower entertainment and media growth during 2009–10.
- Physical formats will continue to dominate, but growth will be slow as consumers migrate to digital and mobile distribution.

Digital and mobile distribution

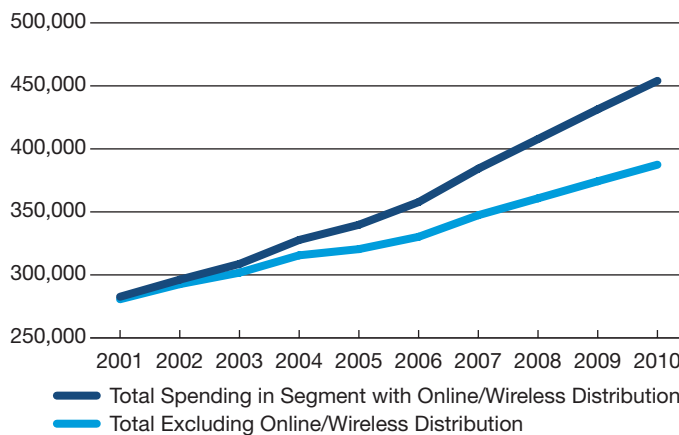
Virtually every segment of the entertainment and media industry is being influenced by distribution of content online or to mobile devices or by digital technologies in general. In filmed entertainment, online rental subscriptions, video streaming of movies, and high-definition DVDs will revitalize the home video market, and digital cinemas will enhance box office. Digital broadcasting, HD television, and distribution of TV programs to mobile devices will play growing roles in the TV network market. Digital cable and satellite platforms, Internet protocol television (IPTV), and video-on-demand will drive the TV distribution market. Licensed digital downloads and mobile music will be the only expanding components of recorded music during the next five years. Digital audio broadcasting and digital satellite radio will contribute to the radio market, while digital billboard technologies will boost out-of-home advertising. Broadband will be the principal driver of the Internet segment, and online and wireless games will be the fastest-growing components of the video game market. Business information is now largely digital; online editions will help the magazine and newspaper markets; and electronic books

Global Spending on Content Distributed Online and to Wireless Devices (US\$ Millions)



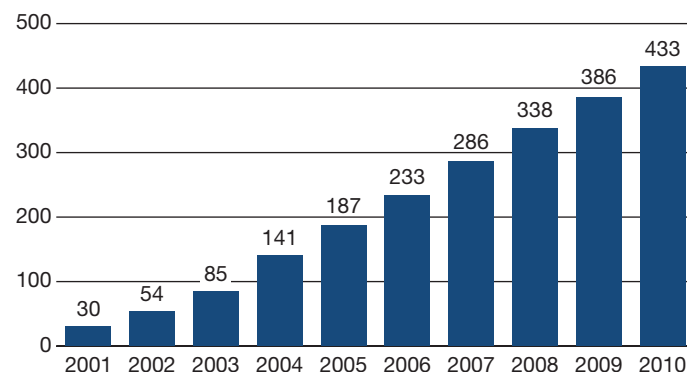
Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Segments with Online/Wireless Content (US\$ Millions)



Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Broadband Households (Millions)



Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

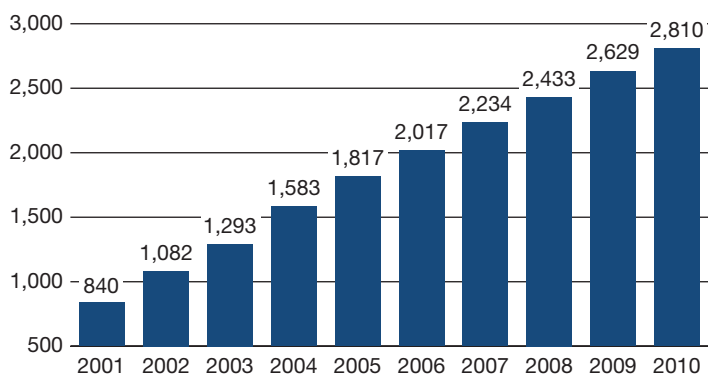
and digital search capabilities will expand book publishing. Online gaming will be a major driver of casino and other regulated gaming, and Internet and mobile rights will fuel the sports market.

Direct spending on content distributed through online channels and to wireless devices represents only a portion of the impact of these technologies on entertainment and media, because digital and mobile technologies facilitate an array of spending, much of which we do not directly measure because there is not yet sufficient data to break it out into separate revenue streams. For example, we do not break out advertising on HDTV programs, TV content distributed to mobile phones, or separate advertising on terrestrial DAB radio; we do not distinguish between business information transmitted digitally and all business information; and we do not have breakouts for the contribution of Web sites to the magazine and newspaper industries (except for newspapers in the U.S.). Even so, there is no doubt that online and wireless distribution will become a significant component of the market. Measured global spending through online and wireless channels consists of online rental subscriptions and digital streaming in filmed entertainment, licensed digital downloads and mobile music in recorded music, online and wireless video games, electronic books, and online casino gaming. These five categories generated \$19 billion in 2005 and will increase to \$67 billion by 2010.

Digital and mobile content will have a significant impact on overall spending in the five segments, accounting for 41 percent of total growth in those segments during the next five years. Collectively, the segments will expand at a 6.0 percent compound annual rate. Excluding digital and mobile content, growth will drop to 3.9 percent compounded annually.

Online distribution is being facilitated by rapid growth in the number of households that access the Internet through a broadband connection. In 2005, the broadband universe totaled 187 million, up from only 30 million in 2001. By 2010, there will be an additional 246 million broadband households, bringing the total to 433 million. Content can be downloaded much faster through broadband, making it more attractive. As the broadband market more than doubles during the next five years, demand for content distributed online will soar.

Wireless Telephone Subscribers (Millions)



Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

The number of people with a wireless telephone subscription is also growing rapidly, with a total of 1.8 billion globally in 2005. That figure will rise to 2.8 billion by 2010, adding 1 billion potential customers to mobile content during the next five years. Moreover, as existing wireless telephone subscribers upgrade their handsets, a larger percentage will be able to download music, play video games, and watch TV programs. Growth in the wireless telephone market will fuel demand for mobile content.

Economic growth

The economy plays a significant role in the entertainment and media industry because most segments are cyclically sensitive. When economic conditions were weak during the early part of the decade, the entertainment and media industry grew slowly. During the past two years, however, faster economic growth contributed to faster entertainment and media growth.

In 2005 the global economy was in a recovery phase following 2001–02, when economic conditions in most countries were weak. Economic conditions began to improve in 2003, and growth shot up in 2004—the typical pattern during the early phase of the cycle, when pent-up demand and the availability of idle resources allow for large increases in economic activity. Each region grew faster in 2004 than in 2003, with Latin America posting the most dramatic gain, rising by 14.0 percent. During 2001–02, however, nominal gross domestic product (GDP), which includes the effects of inflation, fell by 15.7 percent in Latin America. We do not expect such volatile swings in Latin America during the next five years.

The global economy is now in the next phase of an expansionary cycle, with GDP continuing to grow, but at more-moderate rates compared with the bounce-back year of 2004. Each region expanded more slowly in 2005 than in 2004, but at faster rates compared with 2001–03. Overall GDP rose by 5.4 percent in 2005. The United States and Latin America were the fastest-growing regions, with increases of 6.4 percent each. Asia Pacific was next, at 5.9 percent, but that average masks wide discrepancies in the region. Double-digit growth in the PRC, India, Indonesia, and the Philippines was offset by slow growth in Japan, which has the region's largest economy. Excluding Japan, GDP in Asia Pacific rose by 9.5 percent.

We expect global GDP during the next three years to expand at rates comparable to the rate in 2005 as the expansionary cycle continues, with annual increases remaining above 5 percent. By 2009–10, however, the recovery will be seven to eight years old, the point at which economic growth tends to moderate. Based on the experience of prior economic cycles, we look for global GDP to begin to slow in 2009 to 4.9 percent and to further subside in 2010 to 4.5 percent.

Asia Pacific is expected to be the fastest-growing region during the next five years, expanding by 6.0 percent on a compound annual basis, equal to its average increase during 2004–05. While double-digit annual increases in the PRC and other countries cannot be sustained indefinitely once resources are fully employed, improved growth in Japan will support overall GDP expansion. Nevertheless, Japan will continue to be the slowest-growing country in Asia Pacific. Excluding Japan, growth in Asia Pacific will average 8.2 percent compounded annually.

Latin America will be the next-fastest-growing region, with a projected 5.5 percent increase compounded annually. Like Asia Pacific, that region is attracting international investment. Additionally, several countries will benefit from oil exports and rising fuel costs. The U.S. economy will grow at a 5.3 percent annual rate, with successively slower gains during the next five years compared with 2004–05.

EMEA was the slowest-growing region during 2004–05, and we expect it will continue to be the slowest growing during the next five years. However, we expect relatively little moderation compared with 2005, as continued mid- to high-single-digit increases in Central and Eastern Europe buoy the region. Canada will continue to expand at rates ranging from 4.5 to 4.9 percent during 2006–08, but growth will taper off in 2009–10.

Global GDP will increase at a 5.0 percent compound annual rate during 2006–2010, representing an improvement compared with 2001–03 but slower increases compared with 2004–05.

Nominal GDP Growth (%)											
Region	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2006–10 CAGR
United States	3.2	3.4	4.8	7.0	6.4	5.8	6.0	5.5	5.0	4.4	5.3
EMEA	3.9	4.2	4.4	6.0	4.1	4.2	4.4	4.3	4.0	3.7	4.1
Asia Pacific	2.5	2.5	4.0	6.1	5.9	5.7	5.8	6.7	6.2	5.8	6.0
Latin America	-3.4	-12.7	4.0	14.0	6.4	5.5	6.0	5.9	5.2	4.9	5.5
Canada	3.0	4.3	5.2	6.2	4.9	4.9	4.5	4.5	4.1	3.6	4.3
Total	2.9	2.7	4.4	6.6	5.4	5.2	5.3	5.3	4.9	4.5	5.0

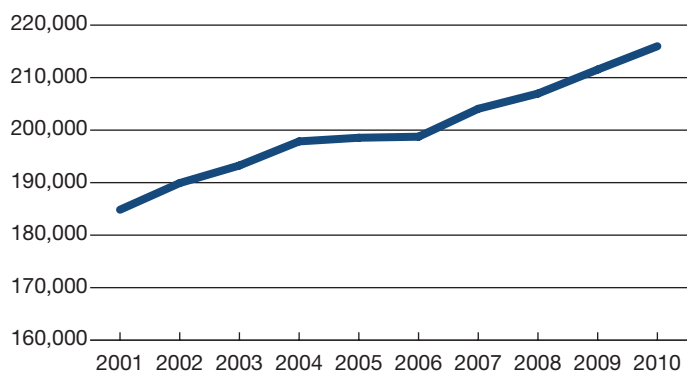
Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates, World Bank

In addition to the influence of the overall economy on entertainment and media, rising fuel prices are affecting the industry as well. Higher fuel costs, of course, reduce the income available for entertainment and media, affecting all segments. In some cases, however, consumers must leave their homes to purchase products, and the cost of gasoline for trips made by auto adds to the overall cost of the product. On one hand, with gas prices rising in many countries, the cost of making an out-of-home purchase is also rising. It is now more expensive to go to the movies and to record stores, video stores, and bookstores. On the other hand, consumers do not have to travel to download music over the Internet, order movies online, stream movies to their computers, order books online, or download electronic books. Beyond the specific factors that affect the mix of spending between physical and digital formats, because higher gas prices increase the out-of-pocket expense of buying products in physical formats away from home, digital distribution enjoys an even greater cost advantage, a factor that will continue to adversely affect physical formats while favoring digital formats.

Physical formats

While digital distribution is gaining ground and cutting into traditional distribution channels, physical formats are not going away. Global spending on in-store videos, music in physical formats, and print books totaled \$199 billion in 2005. Growth, however, slowed noticeably in 2005, and we expect spending to remain virtually flat in 2006. During 2007–10, we look for modest expansion as high-definition DVDs stimulate in-store video spending and digital search technologies stimulate the print book market. Physical recorded music spending, however, will continue to fall at double-digit annual rates. By 2010, global spending on these formats—physical music, in-store videos, and print books—will collectively total \$216 billion, still a significant market.

Physical Music, In-Store Videos, Print Books (US\$ Millions)



Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Growth in categories historically dominated by physical formats, however, has been slow during the past five years. Consumers are attracted to digital distribution technologies that enable them to buy products anytime and anywhere and have them delivered instantaneously. These technologies are changing consumer behavior. Migration from traditional distribution to online distribution will offset other factors that will propel these markets and keep physical growth at only 1.7 percent compounded annually through 2010. During the next decade, as digital channels become fully established, we would expect an even greater shift from physical to electronic distribution.

Conclusion

The global entertainment and media industry is continuing to recover from the 2001–03 slowdown. The improvements achieved during the past two years will be sustained through most of the forecast period. New revenue streams are growing rapidly, physical formats are still important but growing more slowly, and the availability of licensed digital distribution services is providing consumers with an authorized alternative to piracy.

The following three sections provide analysis and five-year forecasts of the global entertainment and media marketplace by advertising and consumer/end-user spending, by industry segment, and by region. The section on advertising and consumer/end-user spending is broken out in order to quantify the industry's two principal revenue streams. Industry forecasts are divided into the 14 segments covered in the *Global Entertainment and Media Outlook: 2006–2010*, and the regional analysis consists of the five principal global regions.



Global Advertising and Consumer/End-User Spending

This section summarizes major developments in the areas that constitute the two principal sources of revenue across the individual industry segments: advertising spending and consumer/end-user spending. We have provided historical trends and forecasts for those two areas, each of which is affected by the economy, geopolitics, and other factors.

Advertising spending

We project global advertising will increase at a 6.2 percent compound annual rate during the 2006–2010 period, rising to \$521 billion in 2010 from \$385 billion in 2005. The market is characterized by even-year spikes related to advertising associated with the Olympic Games and, in 2006 and 2010, with FIFA World Cups. The improvement in growth achieved during the past two years will be sustained through 2008, but more-moderate increases are projected during 2009–10 as the current economic recovery in many countries begins to falter. We do not expect growth in any of the forecast years to match the 8.3 percent increase during 2004. At the same time, in no forecast year will the market be as weak as it was during 2001–03.

Internet advertising, which plunged by 16.9 percent from 2000 to 2002, soared by 35.3 percent on a compound annual basis during the past three years. The rebound in Internet advertising coincided with the surge in the number of households accessing the Internet through a broadband connection. Broadband users spend more time online than dial-up users do, they visit more Web sites, and they buy more products online. Broadband also facilitates full-motion video ads. Sponsored keyword search, rich-media advertising, and increased use of the Internet by a broad array of advertisers propelled spending. We expect the Internet to remain the fastest-growing advertising medium, with a projected 18.1 percent compound annual increase to \$52 billion in 2010. The Internet will constitute nearly 10 percent of global advertising in 2010 compared with less than 3 percent in 2002.

Out-of-home will be the second-fastest-growing advertising medium, with a projected 7.3 percent compound annual increase. Consumers are less able to avoid exposure to out-of-home ads than to other advertising, making out-of-home an attractive medium for advertisers. Digital technologies will also allow for the creation of visually striking displays that increase the effectiveness of out-of-home.

Television will expand at a 6.8 percent compound annual rate, boosted by advertising on new channels supported by expanding digital platforms. Advertising associated with the Turin Winter Olympics in Italy and the FIFA World Cup in Germany will boost spending in 2006. The Beijing Summer Olympics in 2008 will lift the market that year as well, and in 2010 the FIFA World Cup in South Africa and the Winter Olympics in Vancouver, British Columbia, will attract incremental advertising. Television is the largest advertising medium, at \$145 billion in 2005, and will rise to a projected \$202 billion in 2010.

Radio, magazines, and newspapers will each grow by less than 5 percent annually, losing share during the next five years.

Global Advertising (US\$ Millions)

Segment	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Television	115,673	120,248	125,616	138,895	145,457	157,918	165,312	180,720	187,576	202,075	
% Change	-5.0	4.0	4.5	10.6	4.7	8.6	4.7	9.3	3.8	7.7	6.8
Internet	9,886	9,067	11,603	16,425	22,453	28,829	35,172	41,393	46,693	51,598	
% Change	-9.3	-8.3	28.0	41.6	36.7	28.4	22.0	17.7	12.8	10.5	18.1
Magazines	49,324	46,679	47,399	49,785	52,012	54,296	56,874	59,869	62,353	64,541	
% Change	-9.5	-5.4	1.5	5.0	4.5	4.4	4.7	5.3	4.1	3.5	4.4
Newspapers	106,475	103,628	106,217	111,659	115,196	119,797	124,254	130,318	134,557	140,113	
% Change	-6.6	-2.7	2.5	5.1	3.2	4.0	3.7	4.9	3.3	4.1	4.0
Radio	27,964	29,002	30,085	31,371	32,342	34,012	35,362	37,172	39,065	41,153	
% Change	-5.9	3.7	3.7	4.3	3.1	5.2	4.0	5.1	5.1	5.3	4.9
Out-of-Home	16,329	16,555	17,202	18,416	19,706	21,173	22,736	24,559	26,164	28,043	
% Change	0.1	1.4	3.9	7.1	7.0	7.4	7.4	8.0	6.5	7.2	7.3
Total	325,651	325,179	336,906	365,010	385,139	413,325	436,210	469,631	491,108	521,323	
% Change	-6.2	-0.1	3.6	8.3	5.5	7.3	5.5	7.7	4.6	6.2	6.2

Note: Beginning in 2003, newspaper Web site advertising in the United States is included in both the newspaper and Internet segments but is counted only once in the overall total. Prior to 2003, newspaper Web site advertising in the U.S. is included only in the Internet segment.

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Consumer/end-user spending

Global consumer/end-user spending will increase from \$944 billion in 2005 to \$1.3 trillion in 2010, growing by 6.8 percent compounded annually. Internet access and video games will be the fastest-growing segments, with respective increases averaging 11.9 percent and 11.4 percent compounded annually. Internet access will be boosted by increases in broadband penetration, while video games will be fueled by new games associated with next-generation console platforms and rapidly growing online and wireless markets.

TV distribution and casino and other regulated gaming will be the next-fastest-growing segments at 9.3 percent and 8.8 percent, respectively. Subscription TV household growth in Asia Pacific, EMEA, and Latin America will drive the TV distribution market. Growth in online gaming and new casinos in Asia Pacific and other regions will fuel the casino and other regulated gaming market. A relatively small but rapidly expanding satellite radio subscription market in the United States, Canada, and, to a lesser degree, India will offset large but slow-growing public radio license fees in EMEA and Asia Pacific, propelling end-user spending on radio by 7.5 percent compounded annually. The sports market will grow at a 7.0 percent annual rate, fueled by a rebound in TV rights fees, an expanding sponsorship and merchandising market, and major international sporting events in 2006, 2008, and 2010.

Filmed entertainment and business information will each grow at an annual rate of 5.3 percent. Filmed entertainment will be boosted by the introduction of high-definition DVDs that will enhance a maturing home video market, and digital cinemas and modern theaters will help box office spending. Business information will be fueled by generally favorable economic conditions compared with the early part of the decade, by increased global competition, by interest in the penetration of expanding markets such as the PRC and India, and by technologies that provide real-time transactions data. Recorded music will average 5.2 percent annual growth as digital and mobile music spending offsets continued declines in physical distribution.

The remaining five segments will each grow by less than 5 percent compounded annually. The end-user component of the TV network market will be boosted in North America by increased carriage fees paid by cable and satellite providers for basic and premium networks, but slow-growing public TV license fees in EMEA and Asia Pacific will keep growth at 4.7 percent compounded annually. Theme parks will benefit from increased tourism and new parks in Asia Pacific, expanding by 4.5 percent on a compound annual basis. The print media—magazines, newspapers, and books—will continue to grow at low-single-digit rates, each of them averaging less than 3 percent during the next five years.

Global Consumer/End-User Spending (US\$ Millions)

Segment	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006-10 CAGR
Filmed Entertainment	64,169	71,543	76,367	81,968	80,473	82,846	86,904	92,077	98,140	104,060	
% Change	11.6	11.5	6.7	7.3	-1.8	2.9	4.9	6.0	6.6	6.0	5.3
TV Networks: Broadcast and Cable	36,813	40,665	43,038	46,246	49,105	51,679	54,158	56,513	59,039	61,662	
% Change	8.5	10.5	5.8	7.5	6.2	5.2	4.8	4.3	4.5	4.4	4.7
TV Distribution	84,515	92,121	102,127	113,054	124,011	135,692	148,514	162,564	177,587	193,122	
% Change	10.0	9.0	10.9	10.7	9.7	9.4	9.4	9.5	9.2	8.7	9.3
Recorded Music	39,008	37,290	35,504	36,699	37,123	38,965	41,287	43,722	45,854	47,927	
% Change	-3.0	-4.4	-4.8	3.4	1.2	5.0	6.0	5.9	4.9	4.5	5.2
Radio	10,189	10,553	10,830	11,350	12,260	13,318	14,231	15,260	16,447	17,603	
% Change	4.6	3.6	2.6	4.8	8.0	8.6	6.9	7.2	7.8	7.0	7.5
Internet Access Spending	55,731	68,762	83,900	104,940	122,060	140,615	160,591	179,333	197,372	213,963	
% Change	34.7	23.4	22.0	25.1	16.3	15.2	14.2	11.7	10.1	8.4	11.9
Video Games	20,631	22,215	23,584	26,193	27,054	31,116	36,834	40,951	44,009	46,462	
% Change	5.6	7.7	6.2	11.1	3.3	15.0	18.4	11.2	7.5	5.6	11.4
Business Information	71,112	70,292	70,571	73,762	78,022	82,838	87,665	92,440	96,946	101,226	
% Change	-0.3	-1.2	0.4	4.5	5.8	6.2	5.8	5.4	4.9	4.4	5.3
Magazines	43,434	43,751	44,074	45,220	46,441	47,709	49,041	50,398	51,752	53,044	
% Change	0.9	0.7	0.7	2.6	2.7	2.7	2.8	2.8	2.7	2.5	2.7
Newspapers	61,300	61,954	62,423	63,008	63,564	64,248	65,114	66,021	66,992	68,016	
% Change	1.0	1.1	0.8	0.9	0.9	1.1	1.3	1.4	1.5	1.5	1.4
Books	103,419	105,071	107,257	108,754	112,953	114,382	119,788	122,471	126,477	130,533	
% Change	0.2	1.6	2.1	1.4	3.9	1.3	4.7	2.2	3.3	3.2	2.9
Theme Parks and Amusement Parks	19,035	20,022	20,514	21,403	22,117	23,187	24,178	25,237	26,281	27,551	
% Change	3.4	5.2	2.5	4.3	3.3	4.8	4.3	4.4	4.1	4.8	4.5
Casino and Other Regulated Gaming	55,428	60,111	66,004	74,113	82,166	90,470	99,478	108,598	116,907	125,019	
% Change	9.2	8.4	9.8	12.3	10.9	10.1	10.0	9.2	7.7	6.9	8.8
Sports	68,427	74,964	77,539	83,389	86,298	97,944	99,133	108,987	110,449	120,900	
% Change	6.0	9.6	3.4	7.5	3.5	13.5	1.2	9.9	1.3	9.5	7.0
Total	733,211	779,314	823,732	890,099	943,647	1,015,009	1,086,916	1,164,572	1,234,252	1,311,088	
% Change	6.1	6.3	5.7	8.1	6.0	7.6	7.1	7.1	6.0	6.2	6.8

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Global Entertainment and Media Market by Segment

We have provided historical results and spending forecasts for each of the 14 entertainment and media segments covered in *Entertainment and Media Outlook: 2006–2010*. This section discusses overall market spending by segment and summarizes the principal factors driving growth or contraction.

Global Entertainment and Media Market by Segment (US\$ Millions)											
Segment	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	64,169	71,543	76,367	81,968	80,473	82,846	86,904	92,077	98,140	104,060	
% Change	11.6	11.5	6.7	7.3	-1.8	2.9	4.9	6.0	6.6	6.0	5.3
TV Networks: Broadcast and Cable	127,048	132,653	140,326	154,161	164,222	177,087	186,920	201,993	211,915	226,577	
% Change	0.6	4.4	5.8	9.9	6.5	7.8	5.6	8.1	4.9	6.9	6.6
TV Distribution	109,953	120,381	130,455	144,034	154,351	168,202	181,064	197,804	212,287	230,282	
% Change	3.4	9.5	8.4	10.4	7.2	9.0	7.6	9.2	7.3	8.5	8.3
Recorded Music	39,008	37,290	35,504	36,699	37,123	38,965	41,287	43,722	45,854	47,927	
% Change	-3.0	-4.4	-4.8	3.4	1.2	5.0	6.0	5.9	4.9	4.5	5.2
Radio/Out-of-Home Advertising	54,482	56,110	58,117	61,137	64,308	68,503	72,329	76,991	81,676	86,799	
% Change	-2.3	3.0	3.6	5.2	5.2	6.5	5.6	6.4	6.1	6.3	6.2
Internet Advertising and Access Spending	65,617	77,829	95,503	121,365	144,513	169,444	195,763	220,726	244,065	265,561	
% Change	25.5	18.6	22.7	27.1	19.1	17.3	15.5	12.8	10.6	8.8	12.9
Video Games	20,631	22,215	23,584	26,193	27,054	31,116	36,834	40,951	44,009	46,462	
% Change	5.6	7.7	6.2	11.1	3.3	15.0	18.4	11.2	7.5	5.6	11.4
Business Information	71,112	70,292	70,571	73,762	78,022	82,838	87,665	92,440	96,946	101,226	
% Change	-0.3	-1.2	0.4	4.5	5.8	6.2	5.8	5.4	4.9	4.4	5.3
Magazine Publishing	92,758	90,430	91,473	95,005	98,453	102,005	105,915	110,267	114,105	117,585	
% Change	-4.9	-2.5	1.2	3.9	3.6	3.6	3.8	4.1	3.5	3.0	3.6
Newspaper Publishing	167,775	165,582	168,640	174,667	178,760	184,045	189,368	196,339	201,549	208,129	
% Change	-4.0	-1.3	1.8	3.6	2.3	3.0	2.9	3.7	2.7	3.3	3.1
Book Publishing	103,419	105,071	107,257	108,754	112,953	114,382	119,788	122,471	126,477	130,533	
% Change	0.2	1.6	2.1	1.4	3.9	1.3	4.7	2.2	3.3	3.2	2.9
Theme Parks and Amusement Parks	19,035	20,022	20,514	21,403	22,117	23,187	24,178	25,237	26,281	27,551	
% Change	3.4	5.2	2.5	4.3	3.3	4.8	4.3	4.4	4.1	4.8	4.5
Casino and Other Regulated Gaming	55,428	60,111	66,004	74,113	82,166	90,470	99,478	108,598	116,907	125,019	
% Change	9.2	8.4	9.8	12.3	10.9	10.1	10.0	9.2	7.7	6.9	8.8
Sports	68,427	74,964	77,539	83,389	86,298	97,944	99,133	108,987	110,449	120,900	
% Change	6.0	9.6	3.4	7.5	3.5	13.5	1.2	9.9	1.3	9.5	7.0
Total	1,058,862	1,104,493	1,160,638	1,255,109	1,328,786	1,428,334	1,523,126	1,634,203	1,725,360	1,832,411	
% Change	2.0	4.3	5.1	8.1	5.9	7.5	6.6	7.3	5.6	6.2	6.6

Note: Beginning in 2003, newspaper Web site advertising in the United States is included in both the newspaper and Internet segments but is counted only once in the overall total. Prior to 2003, newspaper Web site advertising in the U.S. is included only in the Internet segment.

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Filmed entertainment

Filmed entertainment declined 1.8 percent in 2005 to \$80 billion, following four years of double-digit and high-single-digit increases. Decreases at the box office and a sharp slowdown in home video spending caused the downturn. Key factors affecting the market in any given year are the quality of releases and their appeal to consumers, a development we cannot predict but that may have contributed to the weak performance of filmed entertainment in 2005. We expect a rebound in box office spending during the next five years, helped by the construction of modern theaters and more screens in Central and Eastern Europe, Asia Pacific, and Latin America and by digital cinemas in the United States, EMEA, and Asia Pacific. The introduction of high-definition DVDs will boost home video in the United States and Asia Pacific, film-streaming services will generate incremental revenue in the United States and EMEA, and online DVD rental services will augment rental spending. We expect the market to expand at a 5.3 percent compound annual rate, rising to \$104 billion in 2010.

Filmed Entertainment Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006-10 CAGR
United States	28,961	31,703	33,297	34,971	34,399	35,108	36,669	38,856	41,530	44,175	
% Change	10.2	9.5	5.0	5.0	-1.6	2.1	4.4	6.0	6.9	6.4	5.1
EMEA	17,031	19,988	21,540	23,568	22,772	23,702	25,082	26,676	28,502	30,291	
% Change	17.1	17.4	7.8	9.4	-3.4	4.1	5.8	6.4	6.8	6.3	5.9
Asia Pacific	14,049	14,647	15,575	16,561	16,470	16,957	17,712	18,688	19,824	20,882	
% Change	7.6	4.3	6.3	6.3	-0.5	3.0	4.5	5.5	6.1	5.3	4.9
Latin America	1,281	1,394	1,529	1,782	1,767	1,849	1,943	2,047	2,150	2,261	
% Change	4.3	8.8	9.7	16.5	-0.8	4.6	5.1	5.4	5.0	5.2	5.1
Canada	2,847	3,811	4,426	5,086	5,065	5,230	5,498	5,810	6,134	6,451	
% Change	18.5	33.9	16.1	14.9	-0.4	3.3	5.1	5.7	5.6	5.2	5.0
Total	64,169	71,543	76,367	81,968	80,473	82,846	86,904	92,077	98,140	104,060	
% Change	11.6	11.5	6.7	7.3	-1.8	2.9	4.9	6.0	6.6	6.0	5.3

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Television networks

The TV network market rose 6.5 percent in 2005, down from a 9.9 percent gain in 2004 but otherwise the largest increase during the past five years. The slowdown in 2005 reflects the absence of spending associated with the Olympics. Digital platforms will support new channels and fuel multichannel advertising, which will be the principal driver during the next five years. New analog channels, digital broadcasting, and HDTV will increase the appeal of free-to-air channels. Distribution to mobile phones will further expand viewing and advertising. Public TV license fees in EMEA and Asia Pacific will continue to be slow-growing components of the market. Central and Eastern Europe and Latin America will post large increases, helped by stronger and more-stable economies. We project spending will increase at a 6.6 percent rate compounded annually to \$227 billion in 2010 from \$164 billion in 2005.

Television Network Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006-10 CAGR
United States	39,782	43,566	47,354	54,304	59,138	64,160	68,525	74,620	79,080	84,470	
% Change	0.5	9.5	8.7	14.7	8.9	8.5	6.8	8.9	6.0	6.8	7.4
EMEA	49,387	50,325	52,125	55,652	58,224	61,995	64,730	68,254	71,156	75,061	
% Change	1.2	1.9	3.6	6.8	4.6	6.5	4.4	5.4	4.3	5.5	5.2
Asia Pacific	30,365	31,250	32,733	35,003	36,406	39,332	41,387	45,578	47,434	51,201	
% Change	0.3	2.9	4.7	6.9	4.0	8.0	5.2	10.1	4.1	7.9	7.1
Latin America	4,558	4,396	4,742	5,672	6,770	7,751	8,259	9,348	9,875	11,299	
% Change	-6.8	-3.6	7.9	19.6	19.4	14.5	6.6	13.2	5.6	14.4	10.8
Canada	2,956	3,116	3,372	3,530	3,684	3,849	4,019	4,193	4,370	4,546	
% Change	8.0	5.4	8.2	4.7	4.4	4.5	4.4	4.3	4.2	4.0	4.3
Total	127,048	132,653	140,326	154,161	164,222	177,087	186,920	201,993	211,915	226,577	
% Change	0.6	4.4	5.8	9.9	6.5	7.8	5.6	8.1	4.9	6.9	6.6

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Television distribution

The television distribution market globally increased by 7.2 percent in 2005, the slowest increase since 2001, reflecting maturation in the subscription market in the United States and a decline in advertising on television stations. Excluding the United States, TV distribution growth in 2005 was 12.3 percent. Saturated markets will continue to dampen growth in the United States and will hold down growth in Canada as well. Conversely, in EMEA, Asia Pacific, and Latin America, large increases in the number of subscription TV households will generate double-digit gains. Continued piracy problems in Asia Pacific, however, will limit market potential in that region. Video-on-demand will expand in all regions, contributing to overall market growth. The introduction of IPTV will contribute to subscriber growth, and the migration of subscribers to higher-priced digital services will increase revenue per subscriber. We expect the market to reach \$230 billion in 2010 from \$154 billion in 2005, an 8.3 percent compound annual increase.

TV Distribution Market (US\$ Millions)											
Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	67,957	74,942	79,723	86,798	90,090	96,010	99,901	106,513	110,244	117,114	
% Change	-1.0	10.3	6.4	8.9	3.8	6.6	4.1	6.6	3.5	6.2	5.4
EMEA	21,746	24,867	27,955	31,306	35,188	39,653	44,511	49,986	55,496	60,958	
% Change	15.6	14.4	12.4	12.0	12.4	12.7	12.3	12.3	11.0	9.8	11.6
Asia Pacific	10,583	11,866	13,836	16,413	18,736	21,196	24,114	27,553	31,555	35,957	
% Change	8.9	12.1	16.6	18.6	14.2	13.1	13.8	14.3	14.5	14.0	13.9
Latin America	7,102	5,991	6,005	6,401	7,026	7,809	8,755	9,728	10,716	11,744	
% Change	4.5	-15.6	0.2	6.6	9.8	11.1	12.1	11.1	10.2	9.6	10.8
Canada	2,565	2,715	2,936	3,116	3,311	3,534	3,783	4,024	4,276	4,509	
% Change	8.0	5.8	8.1	6.1	6.3	6.7	7.0	6.4	6.3	5.4	6.4
Total	109,953	120,381	130,455	144,034	154,351	168,202	181,064	197,804	212,287	230,282	
% Change	3.4	9.5	8.4	10.4	7.2	9.0	7.6	9.2	7.3	8.5	8.3

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Recorded music

The recorded music market rose by 1.2 percent in 2005, the second consecutive rise following four years of decline. Large increases in mobile music and licensed digital distribution offset declines in music distributed in traditional physical formats. Rising broadband subscribership will continue to fuel digital distribution, while an expanding wireless telephone universe and upgrades to next-generation wireless networks will foster growth in mobile music. In the mobile music market, the shift from ring tones to higher-priced ring tones—actual music tracks—will enhance spending. Antipiracy initiatives are beginning to cut into piracy losses, but competition from licensed distribution channels will continue to reduce spending on physical formats. However, as the spending mix shifts increasingly from physical to Internet/mobile, it will boost overall growth rates because the fast-growing digital component constitutes a larger share of total spending and the declining physical component represents a smaller share of the total. We project spending to rise at a 5.2 percent compound annual rate to \$48 billion in 2010 from \$37 billion in 2005.

Recorded Music Market (US\$ Millions)											
Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	13,741	12,643	12,025	12,762	12,270	12,639	13,250	13,845	14,299	14,739	
% Change	-4.1	-8.0	-4.9	6.1	-3.9	3.0	4.8	4.5	3.3	3.1	3.7
EMEA	15,034	14,731	13,989	13,880	14,002	14,616	15,301	16,209	17,193	18,160	
% Change	0.4	-2.0	-5.0	-0.8	0.9	4.4	4.7	5.9	6.1	5.6	5.3
Asia Pacific	8,222	8,048	7,764	8,120	8,739	9,447	10,287	11,048	11,573	12,002	
% Change	-4.7	-2.1	-3.5	4.6	7.6	8.1	8.9	7.4	4.8	3.7	6.6
Latin America	1,133	1,063	942	1,167	1,277	1,395	1,538	1,653	1,743	1,899	
% Change	-17.5	-6.2	-11.4	23.9	9.4	9.2	10.3	7.5	5.4	9.0	8.3
Canada	878	805	784	770	835	868	911	967	1,046	1,127	
% Change	-5.8	-8.3	-2.6	-1.8	8.4	4.0	5.0	6.1	8.2	7.7	6.2
Total	39,008	37,290	35,504	36,699	37,123	38,965	41,287	43,722	45,854	47,927	
% Change	-3.0	-4.4	-4.8	3.4	1.2	5.0	6.0	5.9	4.9	4.5	5.2

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Radio and out-of-home advertising

The radio and out-of-home market rose 5.2 percent in 2005, matching the 2004 increase for a five-year high. Satellite radio subscriptions offset sluggish radio advertising in the United States, double-digit advertising increases propelled Latin America, and out-of-home advertising in all regions was strong. Digital broadcasting will lead to improved radio advertising. Satellite radio will boost spending in the United States and Canada and will provide a modest contribution in Asia Pacific. Slow-growing public radio license fees will hold down overall growth in EMEA and Asia Pacific. Out-of-home will benefit from new digital technologies and its relative immunity to the ad avoidance that characterizes other media. Consumers need only be in the vicinity of out-of-home ads to be reached, because such ads are much more difficult to avoid compared with ads in most other media. We expect the radio/out-of-home market to increase to \$87 billion in 2010, a 6.2 percent compound annual increase from \$64 billion in 2005.

Radio/Out-of-Home Advertising Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006-10 CAGR
United States	23,055	24,133	24,734	25,809	27,283	29,465	31,423	33,813	36,502	39,315	
% Change	-6.0	4.7	2.5	4.3	5.7	8.0	6.6	7.6	8.0	7.7	7.6
EMEA	19,635	20,093	20,900	22,117	23,131	24,266	25,482	26,729	27,932	29,186	
% Change	1.3	2.3	4.0	5.8	4.6	4.9	5.0	4.9	4.5	4.5	4.8
Asia Pacific	9,736	9,863	10,026	10,625	11,045	11,557	12,110	12,870	13,373	14,068	
% Change	0.3	1.3	1.7	6.0	4.0	4.6	4.8	6.3	3.9	5.2	5.0
Latin America	949	893	1,239	1,340	1,541	1,826	1,834	1,983	2,129	2,278	
% Change	-14.0	-5.9	38.7	8.2	15.0	18.5	0.4	8.1	7.4	7.0	8.1
Canada	1,107	1,128	1,218	1,246	1,308	1,389	1,480	1,596	1,740	1,952	
% Change	5.0	1.9	8.0	2.3	5.0	6.2	6.6	7.8	9.0	12.2	8.3
Total	54,482	56,110	58,117	61,137	64,308	68,503	72,329	76,991	81,676	86,799	
% Change	-2.3	3.0	3.6	5.2	5.2	6.5	5.6	6.4	6.1	6.3	6.2

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

The radio market will grow by 5.7 percent compounded annually to \$59 billion in 2010 from \$45 billion in 2005, and out-of-home will rise at a 7.3 percent compound annual rate from \$20 billion in 2005 to \$28 billion in 2010.

Radio Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006-10 CAGR
United States	17,862	18,901	19,229	19,975	20,982	22,625	24,043	25,813	27,862	29,915	
% Change	-7.4	5.8	1.7	3.9	5.0	7.8	6.3	7.4	7.9	7.4	7.4
EMEA	13,222	13,569	14,061	14,823	15,341	15,881	16,427	16,962	17,478	18,029	
% Change	1.1	2.6	3.6	5.4	3.5	3.5	3.4	3.3	3.0	3.2	3.3
Asia Pacific	5,433	5,448	5,574	5,780	5,933	6,154	6,395	6,709	6,977	7,301	
% Change	0.9	0.3	2.3	3.7	2.6	3.7	3.9	4.9	4.0	4.6	4.2
Latin America	761	734	1,072	1,147	1,302	1,562	1,549	1,674	1,797	1,922	
% Change	-13.0	-3.5	46.0	7.0	13.5	20.0	-0.8	8.1	7.3	7.0	8.1
Canada	875	903	979	996	1,044	1,108	1,179	1,274	1,398	1,589	
% Change	4.5	3.2	8.4	1.7	4.8	6.1	6.4	8.1	9.7	13.7	8.8
Total	38,153	39,555	40,915	42,721	44,602	47,330	49,593	52,432	55,512	58,756	
% Change	-3.3	3.7	3.4	4.4	4.4	6.1	4.8	5.7	5.9	5.8	5.7

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Out-of-Home Advertising Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	5,193	5,232	5,505	5,834	6,301	6,840	7,380	8,000	8,640	9,400	
% Change	-0.8	0.8	5.2	6.0	8.0	8.6	7.9	8.4	8.0	8.8	8.3
EMEA	6,413	6,524	6,839	7,294	7,790	8,385	9,055	9,767	10,454	11,157	
% Change	1.7	1.7	4.8	6.7	6.8	7.6	8.0	7.9	7.0	6.7	7.4
Asia Pacific	4,303	4,415	4,452	4,845	5,112	5,403	5,715	6,161	6,396	6,767	
% Change	-0.5	2.6	0.8	8.8	5.5	5.7	5.8	7.8	3.8	5.8	5.8
Latin America	188	159	167	193	239	264	285	309	332	356	
% Change	-17.5	-15.4	5.0	15.6	23.8	10.5	8.0	8.4	7.4	7.2	8.3
Canada	232	225	239	250	264	281	301	322	342	363	
% Change	6.9	-3.0	6.2	4.6	5.6	6.4	7.1	7.0	6.2	6.1	6.6
Total	16,329	16,555	17,202	18,416	19,706	21,173	22,736	24,559	26,164	28,043	
% Change	0.1	1.4	3.9	7.1	7.0	7.4	7.4	8.0	6.5	7.2	7.3

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Internet advertising and access spending

The Internet market rose 19.1 percent, the fastest-growing segment in 2005. It was also the fastest-growing segment during the past five years, averaging 22.6 percent compounded annually since 2000. Access spending in 2005 rose 16.3 percent—fueled by growth in the number of broadband subscribers—and Internet advertising soared by 36.7 percent. Increased broadband access will be the principal driver of future growth, but it will come at the expense of dial-up spending in the United States, EMEA, and Canada. Dial-up will continue to grow in Asia Pacific and Latin America because those regions still have relatively low Internet penetration rates. Triple-play service bundles that combine broadband Internet access with telephone service and television are making broadband an increasingly attractive option. Increased telecommunications investment is enlarging the landline telephone market, contributing to overall Internet household growth in Asia Pacific, Central and Eastern Europe, and Latin America. Internet advertising will continue to grow at double-digit rates, buoyed by an expanding broadband subscriber base, by keyword search, and by full-motion video advertising. We expect the market to increase to \$266 billion in 2010, growing at a 12.9 percent compound annual rate from \$145 billion in 2005. The Internet will continue to be the fastest-growing segment during the next five years.

Internet Advertising and Access Spending Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	24,217	26,147	30,755	36,343	40,209	45,081	49,950	53,825	57,244	60,168	
% Change	20.4	8.0	17.6	18.2	10.6	12.1	10.8	7.8	6.4	5.1	8.4
EMEA	21,319	26,881	32,986	42,180	49,524	56,942	64,227	71,365	77,838	83,421	
% Change	34.3	26.1	22.7	27.9	17.4	15.0	12.8	11.1	9.1	7.2	11.0
Asia Pacific	17,188	21,330	27,644	37,656	48,418	59,886	72,905	85,802	98,246	110,282	
% Change	22.0	24.1	29.6	36.2	28.6	23.7	21.7	17.7	14.5	12.3	17.9
Latin America	1,766	2,141	2,639	3,469	4,341	5,261	6,156	6,990	7,815	8,581	
% Change	38.3	21.2	23.3	31.5	25.1	21.2	17.0	13.5	11.8	9.8	14.6
Canada	1,127	1,330	1,479	1,717	2,021	2,274	2,525	2,744	2,922	3,109	
% Change	23.2	18.0	11.2	16.1	17.7	12.5	11.0	8.7	6.5	6.4	9.0
Total	65,617	77,829	95,503	121,365	144,513	169,444	195,763	220,726	244,065	265,561	
% Change	25.5	18.6	22.7	27.1	19.1	17.3	15.5	12.8	10.6	8.8	12.9

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Video games

The video game market was in a transition year in 2005, awaiting the introduction of the next-generation consoles. Growth slumped to 3.3 percent, the slowest increase during the past five years. Introduction of the Xbox 360 in late 2005 and anticipated introduction of Sony's PlayStation 3 and Nintendo's Wii (formerly known by its code name *Revolution*) in 2006 will contribute to double-digit growth during 2006–08 as consumers buy new games for the new platforms. Online and wireless will become important distribution channels for video games, helped by growing broadband penetration, new mobile phones capable of downloading games, and the movement toward 3G wireless networks that will facilitate distribution of more-advanced wireless games. We project the video game market will expand from \$27 billion in 2005 to \$46 billion in 2010, an 11.4 percent compound annual increase. Video games will be the second-fastest-growing segment during the next five years.

Video Game Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	6,479	7,218	7,557	8,211	8,439	9,524	11,026	11,973	12,519	12,953	
% Change	6.9	11.4	4.7	8.7	2.8	12.9	15.8	8.6	4.6	3.5	8.9
EMEA	5,406	5,872	6,434	7,188	7,582	8,846	10,672	12,014	13,050	13,942	
% Change	3.8	8.6	9.6	11.7	5.5	16.7	20.6	12.6	8.6	6.8	13.0
Asia Pacific	7,986	8,165	8,504	9,593	9,770	11,296	13,383	15,034	16,398	17,413	
% Change	5.6	2.2	4.2	12.8	1.8	15.6	18.5	12.3	9.1	6.2	12.3
Latin America	341	452	516	544	531	589	715	775	803	835	
% Change	4.3	32.6	14.2	5.4	-2.4	10.9	21.4	8.4	3.6	4.0	9.5
Canada	419	508	573	657	732	861	1,038	1,155	1,239	1,319	
% Change	10.3	21.2	12.8	14.7	11.4	17.6	20.6	11.3	7.3	6.5	12.5
Total	20,631	22,215	23,584	26,193	27,054	31,116	36,834	40,951	44,009	46,462	
% Change	5.6	7.7	6.2	11.1	3.3	15.0	18.4	11.2	7.5	5.6	11.4

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Business information

Business information spending rose 5.8 percent in 2005, the largest increase during the past five years and one of only two segments to grow faster in 2005 than in 2004. Favorable economic conditions and increased corporate profits led companies to become more focused on growth. Information helps companies develop productive growth strategies. Renewed interest in fee-based services that provide more-efficient searches than do advertiser-supported search engines will contribute to growth during the next five years. Increased global competition will stimulate the demand for information, as will the desire of international companies to sell products in the PRC, India, and other rapidly expanding markets. Technologies that provide real-time transactions data will further stimulate demand, but moderating economic growth during the latter part of the forecast period will lead to slower growth during 2009–10. We expect the market to rise at a 5.3 percent compound annual rate to \$101 billion in 2010 from \$78 billion in 2005.

Business Information Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	38,800	38,300	38,500	40,650	43,300	46,200	49,000	51,600	54,000	56,100	
% Change	-2.9	-1.3	0.5	5.6	6.5	6.7	6.1	5.3	4.7	3.9	5.3
EMEA	20,695	20,577	20,639	21,317	22,372	23,635	24,958	26,395	27,767	29,234	
% Change	3.7	-0.6	0.3	3.3	4.9	5.6	5.6	5.8	5.2	5.3	5.5
Asia Pacific	6,379	6,229	6,237	6,447	6,797	7,210	7,645	8,109	8,581	9,053	
% Change	3.1	-2.4	0.1	3.4	5.4	6.1	6.0	6.1	5.8	5.5	5.9
Latin America	1,323	1,269	1,259	1,296	1,348	1,407	1,470	1,532	1,593	1,653	
% Change	2.4	-4.1	-0.8	2.9	4.0	4.4	4.5	4.2	4.0	3.8	4.2
Canada	3,915	3,917	3,936	4,052	4,205	4,386	4,592	4,804	5,005	5,186	
% Change	0.2	0.1	0.5	2.9	3.8	4.3	4.7	4.6	4.2	3.6	4.3
Total	71,112	70,292	70,571	73,762	78,022	82,838	87,665	92,440	96,946	101,226	
% Change	-0.3	-1.2	0.4	4.5	5.8	6.2	5.8	5.4	4.9	4.4	5.3

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Magazine publishing

Magazine publishing increased 3.6 percent in 2005 to \$98 billion. Rising incomes will fuel growth in Eastern Europe, Latin America, and portions of Asia Pacific because of magazines' ability to target upscale readers. Online editions will help stimulate print circulation in the United States, EMEA, and Asia Pacific. Expansion within the 15- to 44-year-old population—the principal demographic segment for magazines—will have a positive impact in Latin America and in a number of countries in Asia Pacific. However, a decline in that demographic segment will hurt the market in EMEA. Rising newsstand sales in North America will help cushion near-term declines in subscription circulation that stem from higher costs associated with postal rate increases. We project magazine publishing to expand at a 3.6 percent compound annual rate to \$118 billion in 2010.

Magazine Publishing Market (US\$ Millions)											
Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	34,156	32,588	32,999	34,481	35,744	37,072	38,635	40,438	41,879	42,880	
% Change	-12.4	-4.6	1.3	4.5	3.7	3.7	4.2	4.7	3.6	2.4	3.7
EMEA	39,679	39,152	39,260	40,486	41,613	42,954	44,383	45,904	47,445	48,988	
% Change	0.4	-1.3	0.3	3.1	2.8	3.2	3.3	3.4	3.4	3.3	3.3
Asia Pacific	15,171	15,274	15,649	16,231	17,052	17,749	18,465	19,285	19,934	20,656	
% Change	-0.7	0.7	2.5	3.7	5.1	4.1	4.0	4.4	3.4	3.6	3.9
Latin America	2,514	2,205	2,333	2,554	2,764	2,937	3,119	3,299	3,477	3,662	
% Change	-0.3	-12.3	5.8	9.5	8.2	6.3	6.2	5.8	5.4	5.3	5.8
Canada	1,238	1,211	1,232	1,253	1,280	1,293	1,313	1,341	1,370	1,399	
% Change	-0.6	-2.2	1.7	1.7	2.2	1.0	1.5	2.1	2.2	2.1	1.8
Total	92,758	90,430	91,473	95,005	98,453	102,005	105,915	110,267	114,105	117,585	
% Change	-4.9	-2.5	1.2	3.9	3.6	3.6	3.8	4.1	3.5	3.0	3.6

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Newspaper publishing

Newspaper publishing increased 2.3 percent in 2005, down from the 3.6 percent advance in 2004 but an improvement compared with 2001–03. Free papers attracting young readers and new advertisers will contribute to advertising growth. Improved economic conditions will boost classified advertising in newspapers even as the Internet captures a larger share of overall classified spending. Newspaper Web sites are attracting online advertising while helping enhance the newspaper brand. Smaller declines in paid unit circulation will lead to a relative improvement in circulation spending. The overall newspaper market will expand from \$179 billion in 2005 to \$208 billion in 2010, growing at a 3.1 percent compound annual rate.

Newspaper Publishing Market (US\$ Millions)											
Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	55,087	55,128	57,380	59,232	60,344	62,034	63,786	65,880	67,546	69,739	
% Change	-7.0	0.1	4.1	3.2	1.9	2.8	2.8	3.3	2.5	3.2	2.9
EMEA	62,163	60,532	60,195	62,209	63,616	65,027	66,630	68,360	70,161	72,031	
% Change	-3.8	-2.6	-0.6	3.3	2.3	2.2	2.5	2.6	2.6	2.7	2.5
Asia Pacific	43,060	42,534	43,666	45,465	46,594	48,343	49,913	52,670	54,026	56,159	
% Change	-0.7	-1.2	2.7	4.1	2.5	3.8	3.2	5.5	2.6	3.9	3.8
Latin America	4,816	4,729	4,699	4,955	5,371	5,709	6,040	6,365	6,686	7,002	
% Change	1.1	-1.8	-0.6	5.4	8.4	6.3	5.8	5.4	5.0	4.7	5.4
Canada	2,649	2,659	2,700	2,806	2,835	2,932	2,999	3,064	3,130	3,198	
% Change	-2.9	0.4	1.5	3.9	1.0	3.4	2.3	2.2	2.2	2.2	2.4
Total	167,775	165,582	168,640	174,667	178,760	184,045	189,368	196,339	201,549	208,129	
% Change	-4.0	-1.3	1.8	3.6	2.3	3.0	2.9	3.7	2.7	3.3	3.1

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Book publishing

The book publishing market rose 3.9 percent in 2005—its largest increase during the past five years—and was the only other segment apart from Business Information to grow faster in 2005 than in 2004. Spending was boosted by large sales of the sixth installment of the Harry Potter series. The introduction of digital search capabilities will help make readers aware of titles, stimulating sales in the United States and EMEA. Increased funding will boost the educational book market, but declining enrollment will limit growth in EMEA, Latin America, and some countries in Asia Pacific. Improved economic conditions will benefit professional books, but migration to electronic formats will cut into the print market. The seventh and final Harry Potter installment will bolster spending in the U.S. and EMEA in 2007 and in Asia Pacific in 2008. For the forecast period as a whole, spending will increase at a 2.9 percent compound annual rate to \$131 billion in 2010 from \$113 billion in 2005.

Book Publishing Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	30,793	32,073	33,956	34,066	36,080	35,633	38,037	38,389	39,803	41,237	
% Change	0.2	4.2	5.9	0.3	5.9	-1.2	6.7	0.9	3.7	3.6	2.7
EMEA	45,437	45,990	46,507	47,078	48,374	48,857	50,468	51,201	52,527	53,925	
% Change	0.7	1.2	1.1	1.2	2.8	1.0	3.3	1.5	2.6	2.7	2.2
Asia Pacific	21,576	21,456	21,213	21,938	22,650	23,885	25,066	26,496	27,567	28,601	
% Change	-0.5	-0.6	-1.1	3.4	3.2	5.5	4.9	5.7	4.0	3.8	4.8
Latin America	4,064	4,001	4,021	4,088	4,193	4,306	4,423	4,539	4,657	4,773	
% Change	-3.1	-1.6	0.5	1.7	2.6	2.7	2.7	2.6	2.6	2.5	2.6
Canada	1,549	1,551	1,560	1,584	1,656	1,701	1,794	1,846	1,923	1,997	
% Change	1.0	0.1	0.6	1.5	4.5	2.7	5.5	2.9	4.2	3.8	3.8
Total	103,419	105,071	107,257	108,754	112,953	114,382	119,788	122,471	126,477	130,533	
% Change	0.2	1.6	2.1	1.4	3.9	1.3	4.7	2.2	3.3	3.2	2.9

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Theme parks and amusement parks

The theme park market rose 3.3 percent in 2005, down from 4.3 percent growth in 2004 and the second-slowest increase during the past five years. The opening of Hong Kong Disneyland in late 2005 and new parks expected in the PRC, India, and other countries will boost spending in Asia Pacific. Construction of hotels at a number of parks in EMEA will create mini-destination areas that will increase attendance. The weak U.S. dollar will help destination parks in the United States. Major new parks will boost the market in Asia Pacific, but few new parks are expected in other regions. We project spending to increase from \$22 billion in 2005 to \$28 billion in 2010, growing at a 4.5 percent compound annual rate.

Theme Parks and Amusement Parks Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
United States	9,600	9,903	10,300	10,775	11,245	11,665	12,095	12,535	12,979	13,436	
% Change	0.0	3.2	4.0	4.6	4.4	3.7	3.7	3.6	3.5	3.5	3.6
EMEA	3,417	3,678	3,740	3,943	4,098	4,294	4,492	4,695	4,911	5,150	
% Change	3.1	7.6	1.7	5.4	3.9	4.8	4.6	4.5	4.6	4.9	4.7
Asia Pacific	5,432	5,837	5,872	6,035	6,110	6,537	6,872	7,259	7,612	8,154	
% Change	10.5	7.5	0.6	2.8	1.2	7.0	5.1	5.6	4.9	7.1	5.9
Latin America	243	249	243	247	236	243	254	265	277	290	
% Change	-0.4	2.5	-2.4	1.6	-4.5	3.0	4.5	4.3	4.5	4.7	4.2
Canada	343	355	359	403	428	448	465	483	502	521	
% Change	2.4	3.5	1.1	12.3	6.2	4.7	3.8	3.9	3.9	3.8	4.0
Total	19,035	20,022	20,514	21,403	22,117	23,187	24,178	25,237	26,281	27,551	
% Change	3.4	5.2	2.5	4.3	3.3	4.8	4.3	4.4	4.1	4.8	4.5

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Casino and other regulated gaming

Casino and other regulated gaming rose by 10.9 percent, the second-fastest-growing segment in 2005. A jump in tribal casinos and increased tourism and convention business that bolstered Nevada casinos boosted the U.S. market. Rapid growth in online gaming in other regions and a new Las Vegas-style casino in Macao contributed to market growth. New casinos will propel growth in each region, with Asia Pacific expected to experience the largest increase as new casinos in Macao will make that portion of the PRC a major casino gaming destination. New casinos in other countries in Asia Pacific will further enhance growth during the next five years. A new gaming law in the United Kingdom will lead to faster growth in that market, and new casinos will generate growth in South Africa. Online gaming, buoyed by the popularity of online poker, will contribute to overall market growth. We expect spending to increase from \$82 billion in 2005 to \$125 billion in 2010, an 8.8 percent compound annual increase.

Casino and Other Regulated Gaming Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006-10 CAGR
United States	38,494	41,247	43,840	48,328	53,368	57,805	62,480	67,000	70,540	74,525	
% Change	9.2	7.2	6.3	10.2	10.4	8.3	8.1	7.2	5.3	5.6	6.9
EMEA	7,966	9,031	10,607	12,037	13,439	15,034	16,793	18,824	20,786	22,373	
% Change	6.8	13.4	17.5	13.5	11.6	11.9	11.7	12.1	10.4	7.6	10.7
Asia Pacific	6,515	7,236	8,686	10,651	11,918	13,801	15,971	18,196	20,694	22,969	
% Change	15.3	11.1	20.0	22.6	11.9	15.8	15.7	13.9	13.7	11.0	14.0
Latin America	121	88	82	85	90	95	108	122	138	159	
% Change	-16.6	-27.3	-6.8	3.7	5.9	5.6	13.7	13.0	13.1	15.2	12.1
Canada	2,332	2,509	2,789	3,012	3,351	3,735	4,126	4,456	4,749	4,993	
% Change	4.5	7.6	11.2	8.0	11.3	11.5	10.5	8.0	6.6	5.1	8.3
Total	55,428	60,111	66,004	74,113	82,166	90,470	99,478	108,598	116,907	125,019	
% Change	9.2	8.4	9.8	12.3	10.9	10.1	10.0	9.2	7.7	6.9	8.8

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Sports

Sports increased 3.5 percent in 2005, down from the 7.5 percent increase in 2004 as the absence of spending associated with the Summer Olympics in Athens, Euro 2004, and other events limited growth. The cancellation of the National Hockey League (NHL) season also reduced growth in North America. Improved television finances will lead to increased TV rights fees in all regions. Merchandising and sponsorships will be helped by generally favorable economic conditions and by growing revenues from Internet, mobile phones, and other new revenue streams. The market in 2006 will be bolstered by the FIFA World Cup in Germany, the Winter Olympics in Turin, and the return of the NHL in North America. The market in 2008 will be boosted by the Beijing Summer Olympics, and in 2010, the FIFA World Cup in South Africa and the Winter Olympics in Vancouver will provide further enhancements. While these major international events provide the largest increase for the host countries, TV rights fees and merchandising and sponsorship spending in all regions will also increase. We expect the sports market to expand at a 7.0 percent compound annual rate to \$121 billion in 2010 from \$86 billion in 2005.

Sports Market (US\$ Millions)

Region	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006-10 CAGR
United States	34,281	37,082	39,754	42,815	43,606	49,036	51,227	55,424	57,265	61,571	
% Change	5.7	8.2	7.2	7.7	1.8	12.5	4.5	8.2	3.3	7.5	7.1
EMEA	20,547	22,799	23,001	24,932	26,490	30,823	29,303	32,069	32,751	36,854	
% Change	8.8	11.0	0.9	8.4	6.2	16.4	-4.9	9.4	2.1	12.5	6.8
Asia Pacific	10,715	12,080	11,761	12,486	13,313	14,437	14,938	17,617	16,318	17,943	
% Change	1.4	12.7	-2.6	6.2	6.6	8.4	3.5	17.9	-7.4	10.0	6.2
Latin America	2,081	2,229	2,234	2,334	2,508	2,760	2,769	2,884	3,114	3,407	
% Change	9.1	7.1	0.2	4.5	7.5	10.0	0.3	4.2	8.0	9.4	6.3
Canada	803	774	789	822	381	888	896	993	1,001	1,125	
% Change	6.4	-3.6	1.9	4.2	-53.6	133.1	0.9	10.8	0.8	12.4	24.2
Total	68,427	74,964	77,539	83,389	86,298	97,944	99,133	108,987	110,449	120,900	
% Change	6.0	9.6	3.4	7.5	3.5	13.5	1.2	9.9	1.3	9.5	7.0

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

The Outlook for Global Entertainment and Media Spending by Region

United States

The United States expanded by 4.8 percent in 2005 as double-digit growth in Internet advertising and access spending and in casino and other regulated gaming, combined with a high-single-digit increase in TV networks, offset declines in recorded music and filmed entertainment as well as slow growth in sports, newspaper publishing, and video games.

We do not expect any segment to average double-digit growth during the next five years. Video games and the Internet will be the fastest-growing segments, with compound annual increases of 8.9 percent and 8.4 percent, respectively. Next-generation console games and rapid growth in online and wireless games will propel the video game market. Increased broadband penetration will enhance Internet access spending and stimulate online advertising. Radio/out-of-home, TV networks, and sports will be the next-fastest-growing segments. Radio and out-of-home will grow at a 7.6 percent annual rate, helped by satellite radio subscriptions, an emerging satellite radio advertising market, and new billboard technologies and increased street furniture advertising that will boost the out-of-home market. TV networks will be bolstered by continued growth in cable network license fees, high-single-digit increases in cable network advertising, and mid-single-digit growth in broadcast network advertising. TV networks' growth will average 7.4 percent compounded annually. Sports will grow at a 7.1 percent compound annual rate, fueled by Internet, mobile phone, satellite radio, and other rights fees, three Olympic Games events during the next five years, and continued merchandising growth.

Casino and other regulated gaming will benefit from tourism and convention growth in Las Vegas, continued expansion of tribal casinos, and new slot parlors and racinos in Pennsylvania. Spending will increase at a 6.9 percent compound annual rate. TV distribution, business information, and filmed entertainment will be the only other segments expected to grow at annual rates exceeding 5 percent. A surging video-on-demand market and mid-single-digit growth in other components will result in a 5.4 percent compound annual increase for TV distribution. Business information will grow by 5.3 percent compounded annually, helped by the improved economy, by growing demand for information on international markets, and by renewed interest in fee-based services. Filmed entertainment will average 5.1 percent compounded annually, as high-definition DVDs revitalize the home video market and digital cinemas enhance the box office experience. The remaining segments will each grow by less than 5 percent, and the overall market will expand at a 5.6 percent compound annual rate to \$726 billion in 2010 from \$553 billion in 2005.



Entertainment and Media Market (US\$ Millions)

United States	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	28,961	31,703	33,297	34,971	34,399	35,108	36,669	38,856	41,530	44,175	
% Change	10.2	9.5	5.0	5.0	-1.6	2.1	4.4	6.0	6.9	6.4	5.1
TV Networks: Broadcast and Cable	39,782	43,566	47,354	54,304	59,138	64,160	68,525	74,620	79,080	84,470	
% Change	0.5	9.5	8.7	14.7	8.9	8.5	6.8	8.9	6.0	6.8	7.4
TV Distribution	67,957	74,942	79,723	86,798	90,090	96,010	99,901	106,513	110,244	117,114	
% Change	-1.0	10.3	6.4	8.9	3.8	6.6	4.1	6.6	3.5	6.2	5.4
Recorded Music	13,741	12,643	12,025	12,762	12,270	12,639	13,250	13,845	14,299	14,739	
% Change	-4.1	-8.0	-4.9	6.1	-3.9	3.0	4.8	4.5	3.3	3.1	3.7
Radio/Out-of-Home Advertising	23,055	24,133	24,734	25,809	27,283	29,465	31,423	33,813	36,502	39,315	
% Change	-6.0	4.7	2.5	4.3	5.7	8.0	6.6	7.6	8.0	7.7	7.6
Internet Advertising and Access Spending	24,217	26,147	30,755	36,343	40,209	45,081	49,950	53,825	57,244	60,168	
% Change	20.4	8.0	17.6	18.2	10.6	12.1	10.8	7.8	6.4	5.1	8.4
Video Games	6,479	7,218	7,557	8,211	8,439	9,524	11,026	11,973	12,519	12,953	
% Change	6.9	11.4	4.7	8.7	2.8	12.9	15.8	8.6	4.6	3.5	8.9
Business Information	38,800	38,300	38,500	40,650	43,300	46,200	49,000	51,600	54,000	56,100	
% Change	-2.9	-1.3	0.5	5.6	6.5	6.7	6.1	5.3	4.7	3.9	5.3
Magazine Publishing	34,156	32,588	32,999	34,481	35,744	37,072	38,635	40,438	41,879	42,880	
% Change	-12.4	-4.6	1.3	4.5	3.7	3.7	4.2	4.7	3.6	2.4	3.7
Newspaper Publishing	55,087	55,128	57,380	59,232	60,344	62,034	63,786	65,880	67,546	69,739	
% Change	-7.0	0.1	4.1	3.2	1.9	2.8	2.8	3.3	2.5	3.2	2.9
Book Publishing	30,793	32,073	33,956	34,066	36,080	35,633	38,037	38,389	39,803	41,237	
% Change	0.2	4.2	5.9	0.3	5.9	-1.2	6.7	0.9	3.7	3.6	2.7
Theme Parks and Amusement Parks	9,600	9,903	10,300	10,775	11,245	11,665	12,095	12,535	12,979	13,436	
% Change	0.0	3.2	4.0	4.6	4.4	3.7	3.7	3.6	3.5	3.5	3.6
Casino and Other Regulated Gaming	38,494	41,247	43,840	48,328	53,368	57,805	62,480	67,000	70,540	74,525	
% Change	9.2	7.2	6.3	10.2	10.4	8.3	8.1	7.2	5.3	5.6	6.9
Sports	34,281	37,082	39,754	42,815	43,606	49,036	51,227	55,424	57,265	61,571	
% Change	5.7	8.2	7.2	7.7	1.8	12.5	4.5	8.2	3.3	7.5	7.1
Total	445,403	466,673	490,958	528,004	553,488	588,732	622,504	660,311	690,130	726,222	
% Change	-0.1	4.8	5.2	7.5	4.8	6.4	5.7	6.1	4.5	5.2	5.6

Note: Beginning in 2003, newspaper Web site advertising is included in both the newspaper and Internet segments but is counted only once in the overall total. Prior to 2003, newspaper Web site advertising is included only in the Internet segment.

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Advertising

Advertising rose 4.5 percent in 2005, led by Internet advertising, which soared by 30.3 percent, fueled by large gains in keyword search, full-motion video, and growing use of the medium by national advertisers as an integral component of overall advertising campaigns. Out-of-home was the next-fastest-growing medium, with an 8.0 percent advance, followed by TV networks, which rose 7.7 percent. TV station advertising, however, declined, and radio advertising rose by only 1.9 percent.

We expect continued double-digit growth in Internet advertising through 2009, with growth averaging 15.2 percent compounded annually through 2010, stimulated by online commerce, rising broadband penetration, and increases in full-motion video and keyword search. Out-of-home will remain the second-fastest-growing category, with a projected 8.3 percent compound annual increase, because out-of-home ads are typically seen regardless of media usage as long as people are in the vicinity of the ad. TV networks will be next, with growth averaging 7.1 percent compounded annually. The Olympic cycle will boost spending in 2006, 2008, and 2010, and new distribution outlets will provide incremental revenue for programs while stimulating interest in viewing shows at their regularly scheduled times.

Magazines will grow at a 4.5 percent rate, moderating from the 5.1 percent increase in 2005 as economic growth during the latter part of the forecast period is expected to weaken. Radio will improve to 4.3 percent compound annual growth, helped by the expansion of HD radio, a growing satellite radio market, and a modest improvement in traditional terrestrial radio. TV distribution will increase at a 4.1 percent annual rate. Declines in cable households will hurt aggregate cable system ad sales, while the introduction of digital broadcasting will help sustain TV station audiences and advertising. Newspapers will remain the slowest-growing segment, at 3.5 percent, but that will be an improvement compared with 2005 as expanding newspaper Web site advertising and growth in print classifieds offset sluggish increases in national and retail advertising.

The U.S. advertising market as a whole will increase at a 5.4 percent compound annual rate to \$230 billion in 2010 from \$177 billion in 2005.

Advertising (US\$ Millions)											
United States	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006-10 CAGR
TV Networks: Broadcast and Cable	26,962	28,046	30,004	34,284	36,938	39,850	42,325	46,440	48,770	51,950	
% Change	-5.1	4.0	7.0	14.3	7.7	7.9	6.2	9.7	5.0	6.5	7.1
TV Distribution	25,438	28,260	28,328	30,980	30,340	32,510	32,550	35,240	34,700	37,160	
% Change	-13.8	11.1	0.2	9.4	-2.1	7.2	0.1	8.3	-1.5	7.1	4.1
Radio	17,861	18,877	19,104	19,590	19,970	20,760	21,479	22,411	23,494	24,695	
% Change	-7.4	5.7	1.2	2.5	1.9	4.0	3.5	4.3	4.8	5.1	4.3
Out-of-Home	5,193	5,232	5,505	5,834	6,301	6,840	7,380	8,000	8,640	9,400	
% Change	-0.8	0.8	5.2	6.0	8.0	8.6	7.9	8.4	8.0	8.8	8.3
Internet	7,210	6,010	7,267	9,626	12,542	15,550	18,500	21,300	23,500	25,500	
% Change	-12.3	-16.6	20.9	32.5	30.3	24.0	19.0	15.1	10.3	8.5	15.2
Magazines	22,325	20,660	21,165	22,351	23,497	24,550	25,820	27,320	28,460	29,230	
% Change	-17.1	-7.5	2.4	5.6	5.1	4.5	5.2	5.8	4.2	2.7	4.5
Newspapers	44,304	44,102	46,155	48,244	49,435	51,160	52,860	54,925	56,550	58,700	
% Change	-9.0	-0.5	4.7	4.5	2.5	3.5	3.3	3.9	3.0	3.8	3.5
Total	149,293	151,187	156,312	169,368	176,996	188,520	197,414	211,236	218,814	230,435	
% Change	-10.2	1.3	3.4	8.4	4.5	6.5	4.7	7.0	3.6	5.3	5.4

Note: Beginning in 2003, newspaper Web site advertising is included in both the newspaper and Internet segments but is counted only once in the overall total. Prior to 2003, newspaper Web site advertising is included only in the Internet segment.

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Consumer/end-user spending

Consumer/end-user spending rose by 5.0 percent in 2005, the slowest increase during the past five years. Declines in recorded music, filmed entertainment, and newspaper publishing as well as a dramatic slowdown in Internet access spending offset double-digit growth in TV networks, casino and other regulated gaming, and the small satellite-radio market. After growing at double-digit rates during each of the prior four years, Internet access growth slumped to 3.6 percent in 2005, reflecting declining access prices and slower growth in overall penetration as the market matures.

Rising cable network license fees contributed to growth in TV networks, healthy convention and tourist business fueled Nevada casinos, and tribal casinos continued their double-digit advance, boosting the casino and other regulated gaming market. Satellite radio subscriptions nearly tripled from a small base. TV distribution was next, with a 7.0 percent increase, buoyed by double-digit growth in video-on-demand and pay-per-view. Business information grew at 6.5 percent, helped by rising corporate profits that contributed to increased investment in information. The book publishing market grew 5.9 percent on the strength of the latest Harry Potter release, pent-up demand for elementary and high school textbooks, and large growth in the small electronic-book market.

During the next five years, growth in consumer/end-user spending will average 5.7 percent compounded annually, increasing from \$376 billion in 2005 to \$496 billion in 2010. Except for radio, which will continue to post high-percentage increases driven by satellite radio subscriptions, single-digit compound annual increases are anticipated across the segments. Video games will be the second-fastest-growing segment, at a projected 8.9 percent compound annual increase, fueled by new console games associated with the next-generation hardware and expanding online and wireless markets. TV networks will be next, at 7.9 percent compounded annually, but will not match the double-digit increases of the past five years as subscriber growth slows. Sports will benefit from the return of the NHL; growing satellite, online, and mobile rights fees; TV rights fees associated with the Olympics; increased national TV rights fees for team sports; and rising merchandising and sponsorship revenues and will grow at a projected 7.1 percent rate compounded annually.

Casino and other regulated gaming will rise at a 6.9 percent annual rate, helped by new casinos in Nevada and new slot parlors and racinos in Pennsylvania, but the tribal casino market will moderate. TV distribution will average 6.0 percent growth compounded annually, led by video-on-demand and mid-single-digit increases in subscription spending and pay-per-view. Business information will rise by 5.3 percent compounded annually, helped by near-term corporate profit growth. Filmed entertainment will expand at a 5.1 percent rate compounded annually, led by a rebound in DVD sales stemming from the introduction of high-definition DVDs, an emerging online DVD subscription market, and new digital streaming revenues. Internet access spending will average 4.6 percent growth compounded annually as the market approaches saturation. Recorded music will increase at a 3.7 percent annual rate as licensed digital distribution and mobile music offset continued declines in physical distribution. Theme parks will increase by 3.6 percent compounded annually, the result of slow growth in admissions and per capita spending. The remaining segments will grow by less than 3 percent annually.

Consumer/End-User Spending (US\$ Millions)

United States	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	28,961	31,703	33,297	34,971	34,399	35,108	36,669	38,856	41,530	44,175	
% Change	10.2	9.5	5.0	5.0	-1.6	2.1	4.4	6.0	6.9	6.4	5.1
TV Networks: Broadcast and Cable	12,820	15,520	17,350	20,020	22,200	24,310	26,200	28,180	30,310	32,520	
% Change	14.8	21.1	11.8	15.4	10.9	9.5	7.8	7.6	7.6	7.3	7.9
TV Distribution	42,519	46,682	51,395	55,818	59,750	63,500	67,351	71,273	75,544	79,954	
% Change	8.7	9.8	10.1	8.6	7.0	6.3	6.1	5.8	6.0	5.8	6.0
Recorded Music	13,741	12,643	12,025	12,762	12,270	12,639	13,250	13,845	14,299	14,739	
% Change	-4.1	-8.0	-4.9	6.1	-3.9	3.0	4.8	4.5	3.3	3.1	3.7
Radio	1	24	125	385	1,012	1,865	2,564	3,402	4,368	5,220	
% Change	—	2,300.0	420.8	208.0	162.9	84.3	37.5	32.7	28.4	19.5	38.8
Internet Access Spending	17,007	20,137	23,488	26,717	27,667	29,531	31,450	32,525	33,744	34,668	
% Change	43.0	18.4	16.6	13.7	3.6	6.7	6.5	3.4	3.7	2.7	4.6
Video Games	6,479	7,218	7,557	8,211	8,439	9,524	11,026	11,973	12,519	12,953	
% Change	6.9	11.4	4.7	8.7	2.8	12.9	15.8	8.6	4.6	3.5	8.9
Business Information	38,800	38,300	38,500	40,650	43,300	46,200	49,000	51,600	54,000	56,100	
% Change	-2.9	-1.3	0.5	5.6	6.5	6.7	6.1	5.3	4.7	3.9	5.3
Magazines	11,831	11,928	11,834	12,130	12,247	12,522	12,815	13,118	13,419	13,650	
% Change	-1.9	0.8	-0.8	2.5	1.0	2.2	2.3	2.4	2.3	1.7	2.2
Newspapers	10,783	11,026	11,225	10,988	10,909	10,874	10,926	10,955	10,996	11,039	
% Change	2.3	2.3	1.8	-2.1	-0.7	-0.3	0.5	0.3	0.4	0.4	0.2
Books	30,793	32,073	33,956	34,066	36,080	35,633	38,037	38,389	39,803	41,237	
% Change	0.2	4.2	5.9	0.3	5.9	-1.2	6.7	0.9	3.7	3.6	2.7
Theme Parks and Amusement Parks	9,600	9,903	10,300	10,775	11,245	11,665	12,095	12,535	12,979	13,436	
% Change	0.0	3.2	4.0	4.6	4.4	3.7	3.7	3.6	3.5	3.5	3.6
Casino and Other Regulated Gaming	38,494	41,247	43,840	48,328	53,368	57,805	62,480	67,000	70,540	74,525	
% Change	9.2	7.2	6.3	10.2	10.4	8.3	8.1	7.2	5.3	5.6	6.9
Sports	34,281	37,082	39,754	42,815	43,606	49,036	51,227	55,424	57,265	61,571	
% Change	5.7	8.2	7.2	7.7	1.8	12.5	4.5	8.2	3.3	7.5	7.1
Total	296,110	315,486	334,646	358,636	376,492	400,212	425,090	449,075	471,316	495,787	
% Change	6.0	6.5	6.1	7.2	5.0	6.3	6.2	5.6	5.0	5.2	5.7

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Europe, Middle East, Africa (EMEA)

Spending in EMEA totaled \$430 billion in 2005, up 5.5 percent from 2004. That increase did not match the 7.4 percent gain in 2004 but exceeded growth during 2001–03. Growth was paced by double-digit increases in Internet advertising and access spending, TV distribution, and casino and other regulated gaming. Sports were next, with a 6.2 percent increase, and video games rose by 5.5 percent. The above growth was offset as the remaining segments rose by less than 5 percent, with filmed entertainment posting a 3.4 percent decline.

During the next five years, TV distribution, Internet advertising and access spending, and casino and other regulated gaming will continue to record double-digit increases, as will video games. New consoles and online and wireless gaming will propel the video game market, subscription TV penetration gains will enhance TV distribution, broadband growth and surging advertising will fuel the Internet market, and rapid growth in online gaming and new casinos in some countries will boost casino and other regulated gaming.

Sports will grow at a 6.8 percent annual rate, helped by a revitalized TV rights fees market, the 2006 FIFA World Cup in Germany, the 2010 FIFA World Cup in South Africa, the Turin Olympics in 2006, and rising levels of growth in merchandising and sponsorships. Filmed entertainment will grow at a 5.9 percent rate as online rentals and video streaming enhance the traditional home video market, while digital cinemas and new and refurbished screens in Central and Eastern Europe help the box office market rebound. Business information will grow by 5.5 percent, helped by improved economic conditions, recorded music will expand at a 5.3 percent rate as mobile music and digital distribution offset declining physical distribution, and TV networks will rise by 5.2 percent compounded annually, boosted by growth in multichannel advertising. The remaining segments will each grow less than 5 percent. The entire market will average 6.1 percent annual growth, with spending increasing to \$580 billion by 2010.



Entertainment and Media Market (US\$ Millions)

EMEA	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	17,031	19,988	21,540	23,568	22,772	23,702	25,082	26,676	28,502	30,291	
% Change	17.1	17.4	7.8	9.4	-3.4	4.1	5.8	6.4	6.8	6.3	5.9
TV Networks: Broadcast and Cable	49,387	50,325	52,125	55,652	58,224	61,995	64,730	68,254	71,156	75,061	
% Change	1.2	1.9	3.6	6.8	4.6	6.5	4.4	5.4	4.3	5.5	5.2
TV Distribution	21,746	24,867	27,955	31,306	35,188	39,653	44,511	49,986	55,496	60,958	
% Change	15.6	14.4	12.4	12.0	12.4	12.7	12.3	12.3	11.0	9.8	11.6
Recorded Music	15,034	14,731	13,989	13,880	14,002	14,616	15,301	16,209	17,193	18,160	
% Change	0.4	-2.0	-5.0	-0.8	0.9	4.4	4.7	5.9	6.1	5.6	5.3
Radio/Out-of-Home Advertising	19,635	20,093	20,900	22,117	23,131	24,266	25,482	26,729	27,932	29,186	
% Change	1.3	2.3	4.0	5.8	4.6	4.9	5.0	4.9	4.5	4.5	4.8
Internet Advertising and Access Spending	21,319	26,881	32,986	42,180	49,524	56,942	64,227	71,365	77,838	83,421	
% Change	34.3	26.1	22.7	27.9	17.4	15.0	12.8	11.1	9.1	7.2	11.0
Video Games	5,406	5,872	6,434	7,188	7,582	8,846	10,672	12,014	13,050	13,942	
% Change	3.8	8.6	9.6	11.7	5.5	16.7	20.6	12.6	8.6	6.8	13.0
Business Information	20,695	20,577	20,639	21,317	22,372	23,635	24,958	26,395	27,767	29,234	
% Change	3.7	-0.6	0.3	3.3	4.9	5.6	5.6	5.8	5.2	5.3	5.5
Magazine Publishing	39,679	39,152	39,260	40,486	41,613	42,954	44,383	45,904	47,445	48,988	
% Change	0.4	-1.3	0.3	3.1	2.8	3.2	3.3	3.4	3.4	3.3	3.3
Newspaper Publishing	62,163	60,532	60,195	62,209	63,616	65,027	66,630	68,360	70,161	72,031	
% Change	-3.8	-2.6	-0.6	3.3	2.3	2.2	2.5	2.6	2.6	2.7	2.5
Book Publishing	45,437	45,990	46,507	47,078	48,374	48,857	50,468	51,201	52,527	53,925	
% Change	0.7	1.2	1.1	1.2	2.8	1.0	3.3	1.5	2.6	2.7	2.2
Theme Parks and Amusement Parks	3,417	3,678	3,740	3,943	4,098	4,294	4,492	4,695	4,911	5,150	
% Change	3.1	7.6	1.7	5.4	3.9	4.8	4.6	4.5	4.6	4.9	4.7
Casino and Other Regulated Gaming	7,966	9,031	10,607	12,037	13,439	15,034	16,793	18,824	20,786	22,373	
% Change	6.8	13.4	17.5	13.5	11.6	11.9	11.7	12.1	10.4	7.6	10.7
Sports	20,547	22,799	23,001	24,932	26,490	30,823	29,303	32,069	32,751	36,854	
% Change	8.8	11.0	0.9	8.4	6.2	16.4	-4.9	9.4	2.1	12.5	6.8
Total	349,462	364,516	379,878	407,893	430,425	460,644	487,032	518,681	547,515	579,574	
% Change	3.9	4.3	4.2	7.4	5.5	7.0	5.7	6.5	5.6	5.9	6.1

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Advertising

Advertising in EMEA grew 5.9 percent in 2005—below the 8.2 percent increase in 2004 but well above the 2001–03 period. Internet advertising rose 48.0 percent, out-of-home increased by 6.8 percent, TV networks posted a 5.7 percent advance, radio expanded by 4.5 percent, and newspapers and magazines each rose by 3.2 percent.

We expect the generally stable economic outlook to sustain advertising growth at mid-single-digit levels, but we do not expect increases to match those of 2004. The Internet will continue to expand at double-digit rates, and out-of-home will accelerate to 7.4 percent compounded annually, because advertisers view the medium as a way to reach consumers who cannot readily avoid exposure to out-of-home ads. TV networks will increase by 7.0 percent compounded annually, because new channels on digital platforms attract advertising. New stations will also enhance radio advertising, which will grow at a 5.7 percent compound annual rate. Slower growth of 4.0 percent and 3.3 percent compounded annually is anticipated for magazines and newspapers, respectively. Advertising as a whole will increase at a 6.3 percent compound annual rate, reaching \$158 billion in 2010 from \$116 billion in 2005.

Advertising (US\$ Millions)											
EMEA	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
TV Networks: Broadcast and Cable	31,581	31,585	33,027	36,184	38,255	41,733	44,057	47,387	50,081	53,751	
% Change	-1.2	0.0	4.6	9.6	5.7	9.1	5.6	7.6	5.7	7.3	7.0
Radio	5,325	5,374	5,740	6,289	6,575	6,968	7,370	7,809	8,230	8,681	
% Change	-4.6	0.9	6.8	9.6	4.5	6.0	5.8	6.0	5.4	5.5	5.7
Out-of-Home	6,413	6,524	6,839	7,294	7,790	8,385	9,055	9,767	10,454	11,157	
% Change	1.7	1.7	4.8	6.7	6.8	7.6	8.0	7.9	7.0	6.7	7.4
Internet	1,536	1,659	2,352	3,845	5,689	7,745	9,726	11,694	13,397	14,896	
% Change	-6.9	8.0	41.8	63.5	48.0	36.1	25.6	20.2	14.6	11.2	21.2
Magazines	19,739	18,906	18,889	19,727	20,367	21,164	22,000	22,940	23,890	24,838	
% Change	-1.9	-4.2	-0.1	4.4	3.2	3.9	4.0	4.3	4.1	4.0	4.0
Newspapers	36,846	34,958	34,703	36,513	37,699	38,846	40,138	41,502	42,918	44,369	
% Change	-6.6	-5.1	-0.7	5.2	3.2	3.0	3.3	3.4	3.4	3.4	3.3
Total	101,440	99,006	101,550	109,852	116,375	124,841	132,346	141,099	148,970	157,692	
% Change	-3.5	-2.4	2.6	8.2	5.9	7.3	6.0	6.6	5.6	5.9	6.3

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Consumer/end-user spending

The consumer/end-user market increased 5.4 percent in 2005, the second-slowest gain during the past five years. Internet access spending, TV distribution, and casino and other regulated gaming grew at double-digit rates, sports rose 6.2 percent, and video games increased 5.5 percent, but low-single-digit growth in several other segments held down the overall market.

We expect video games to be the fastest-growing segment, with a 13.0 percent compound annual increase, boosted by new console games and growth in online and wireless video games. TV distribution and casino and other regulated gaming will continue to average double-digit increases, but Internet access spending will drop to single-digit gains as penetration growth slows. Subscription household growth will fuel TV distribution, and new casinos in a number of countries and an expanding online gaming market will propel casino and other regulated gaming.

Sports will grow by 6.8 percent compounded annually, filmed entertainment will increase at a 5.9 percent rate, business information will grow by 5.5 percent, and recorded music spending will average 5.3 percent growth on a compound annual basis. Theme parks will continue to increase at mid-single-digit rates, averaging 4.7 percent compounded annually, and the remaining segments will each advance by less than 3 percent annually. Total consumer/end-user spending will increase from \$314 billion in 2005 to \$422 billion in 2010, growing at a 6.1 percent compound annual rate.

Consumer/End-User Spending (US\$ Millions)											
EMEA	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	17,031	19,988	21,540	23,568	22,772	23,702	25,082	26,676	28,502	30,291	
% Change	17.1	17.4	7.8	9.4	-3.4	4.1	5.8	6.4	6.8	6.3	5.9
TV Networks: Broadcast and Cable	17,806	18,740	19,098	19,468	19,969	20,262	20,673	20,867	21,075	21,310	
% Change	5.9	5.2	1.9	1.9	2.6	1.5	2.0	0.9	1.0	1.1	1.3
TV Distribution	21,746	24,867	27,955	31,306	35,188	39,653	44,511	49,986	55,496	60,958	
% Change	15.6	14.4	12.4	12.0	12.4	12.7	12.3	12.3	11.0	9.8	11.6
Recorded Music	15,034	14,731	13,989	13,880	14,002	14,616	15,301	16,209	17,193	18,160	
% Change	0.4	-2.0	-5.0	-0.8	0.9	4.4	4.7	5.9	6.1	5.6	5.3
Radio	7,897	8,195	8,321	8,534	8,766	8,913	9,057	9,153	9,248	9,348	
% Change	5.3	3.8	1.5	2.6	2.7	1.7	1.6	1.1	1.0	1.1	1.3
Internet Access Spending	19,783	25,222	30,634	38,335	43,835	49,197	54,501	59,671	64,441	68,525	
% Change	39.1	27.5	21.5	25.1	14.3	12.2	10.8	9.5	8.0	6.3	9.3
Video Games	5,406	5,872	6,434	7,188	7,582	8,846	10,672	12,014	13,050	13,942	
% Change	3.8	8.6	9.6	11.7	5.5	16.7	20.6	12.6	8.6	6.8	13.0
Business Information	20,695	20,577	20,639	21,317	22,372	23,635	24,958	26,395	27,767	29,234	
% Change	3.7	-0.6	0.3	3.3	4.9	5.6	5.6	5.8	5.2	5.3	5.5
Magazines	19,940	20,246	20,371	20,759	21,246	21,790	22,383	22,964	23,555	24,150	
% Change	2.7	1.5	0.6	1.9	2.3	2.6	2.7	2.6	2.6	2.5	2.6
Newspapers	25,317	25,574	25,492	25,696	25,917	26,181	26,492	26,858	27,243	27,662	
% Change	0.7	1.0	-0.3	0.8	0.9	1.0	1.2	1.4	1.4	1.5	1.3
Books	45,437	45,990	46,507	47,078	48,374	48,857	50,468	51,201	52,527	53,925	
% Change	0.7	1.2	1.1	1.2	2.8	1.0	3.3	1.5	2.6	2.7	2.2
Theme Parks and Amusement Parks	3,417	3,678	3,740	3,943	4,098	4,294	4,492	4,695	4,911	5,150	
% Change	3.1	7.6	1.7	5.4	3.9	4.8	4.6	4.5	4.6	4.9	4.7
Casino and Other Regulated Gaming	7,966	9,031	10,607	12,037	13,439	15,034	16,793	18,824	20,786	22,373	
% Change	6.8	13.4	17.5	13.5	11.6	11.9	11.7	12.1	10.4	7.6	10.7
Sports	20,547	22,799	23,001	24,932	26,490	30,823	29,303	32,069	32,751	36,854	
% Change	8.8	11.0	0.9	8.4	6.2	16.4	-4.9	9.4	2.1	12.5	6.8
Total	248,022	265,510	278,328	298,041	314,050	335,803	354,686	377,582	398,545	421,882	
% Change	7.2	7.1	4.8	7.1	5.4	6.9	5.6	6.5	5.6	5.9	6.1

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Country spending

The United Kingdom is the largest market in the region, at \$90 billion in 2005, followed by Germany, at \$78 billion, and France, at \$54 billion. Central and Eastern Europe was the fastest-growing area in EMEA, with a 16.4 percent increase in 2005. Middle East/Africa rose 10.6 percent, and Western Europe expanded by 4.2 percent. Russia was the fastest-growing country in 2005, with a 23.5 percent increase, and we expect it will continue to be the growth leader, averaging 15.7 percent compounded annually during 2006–2010. Led by Russia, Central and Eastern Europe will again be the fastest-growing area in EMEA, rising by 12.0 percent compounded annually. Middle East/Africa will grow at an 8.2 percent rate,

and Western Europe will increase by 5.0 percent compounded annually. Regional spending consists of those spending streams in EMEA for which we do not have country breakouts. This includes online DVD rentals and digital streaming in filmed entertainment; video-on-demand in TV distribution; digital distribution and mobile music in recorded music, except for France, Germany, and the U.K., for which we do provide country figures; video games, except for France, Germany, Ireland, Italy, the Netherlands, Spain, and the U.K.; business information, except for France, Germany, and the U.K.; electronic books in book publishing; theme parks, except for France, Germany, the Netherlands, and the U.K.; online gaming, except for Germany and the U.K.; and sports, except for France, Germany, Italy, Spain, and the U.K. Regional spending will grow at a 16.1 percent compound annual rate.

Entertainment and Media Market (US\$ Millions)										
EMEA	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010
Western Europe										
Austria ^{††}	6,816	7,116	7,422	7,771	8,109	8,438	8,728	9,016	9,289	9,593
Belgium ^{††}	6,156	6,619	7,101	7,599	7,839	8,154	8,472	8,807	9,145	9,485
Denmark ^{††}	5,727	6,058	6,600	7,171	7,636	8,112	8,608	9,143	9,644	10,198
Finland ^{††}	4,179	4,338	4,629	5,053	5,391	5,708	5,964	6,173	6,348	6,505
France ^{††}	45,555	47,298	48,849	51,552	53,514	56,506	59,040	61,992	64,439	67,379
Germany ^{††}	73,652	73,583	73,616	75,912	77,974	82,306	84,491	88,170	91,276	94,959
Greece ^{††}	3,475	3,884	4,297	4,662	4,961	5,310	5,590	5,922	6,231	6,583
Ireland ^{††}	2,147	2,279	2,490	2,746	2,962	3,189	3,414	3,667	3,871	4,124
Italy ^{††}	32,518	33,358	34,296	37,000	38,794	41,593	43,579	46,324	48,668	51,788
Netherlands ^{††}	13,622	13,905	13,968	14,445	14,824	15,394	16,043	16,655	17,256	17,838
Norway	5,666	6,115	6,476	6,944	7,313	7,713	8,094	8,475	8,831	9,183
Portugal ^{††}	2,888	3,077	3,203	3,503	3,686	3,924	4,132	4,386	4,611	4,872
Spain ^{††}	23,559	24,382	25,463	27,504	29,254	31,349	33,110	35,571	37,765	40,152
Sweden ^{††}	7,885	8,365	8,611	8,990	9,372	9,786	10,201	10,605	10,993	11,359
Switzerland	7,563	7,645	7,722	8,193	8,455	8,792	9,121	9,471	9,833	10,189
United Kingdom ^{††}	72,377	76,846	80,274	86,069	89,769	95,462	100,438	106,500	111,894	117,470
Western Europe Total	313,785	324,868	335,017	355,114	369,853	391,736	409,025	430,877	450,094	471,677
Central and Eastern Europe										
Czech Republic ^{††}	1,976	2,037	2,169	2,367	2,552	2,761	2,947	3,155	3,362	3,579
Hungary ^{††}	2,087	2,346	2,598	2,943	3,253	3,626	3,962	4,334	4,701	5,114
Poland ^{††}	5,948	6,263	6,810	7,742	8,387	8,993	9,614	10,249	10,877	11,555
Romania ^{††}	854	898	974	1,086	1,193	1,289	1,391	1,487	1,578	1,671
Russia	6,201	8,032	10,370	13,491	16,666	19,781	23,436	27,237	30,953	34,483
Turkey ^{††}	1,513	1,863	2,030	2,656	3,207	3,767	4,291	4,788	5,282	5,718
Central and Eastern Europe Total	18,579	21,439	24,951	30,285	35,258	40,217	45,641	51,250	56,753	62,120
Middle East/Africa										
Israel	2,219	2,199	2,209	2,293	2,387	2,447	2,535	2,614	2,694	2,783
Saudi Arabia/Pan Arab [†]	2,248	2,508	2,678	3,062	3,504	3,920	4,317	4,665	5,008	5,321
South Africa	3,806	4,285	4,876	5,564	6,190	6,875	7,570	8,282	8,939	9,787
Middle East/Africa Total	8,273	8,992	9,763	10,919	12,081	13,242	14,422	15,561	16,641	17,891
Country Subtotal	340,637	355,299	369,731	396,318	417,192	445,195	469,088	497,688	523,488	551,688
Regional Spending	8,825	9,217	10,147	11,575	13,233	15,449	17,944	20,993	24,027	27,886
Total	349,462	364,516	379,878	407,893	430,425	460,644	487,032	518,681	547,515	579,574

[†]Comprises Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Syria, and the United Arab Emirates.

^{††}European Union members.

^{†††}European Union applicants.

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Entertainment and Media Market Growth (%)

EMEA	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Western Europe											
Austria ^{††}	2.8	4.4	4.3	4.7	4.3	4.1	3.4	3.3	3.0	3.3	3.4
Belgium ^{††}	4.9	7.5	7.3	7.0	3.2	4.0	3.9	4.0	3.8	3.7	3.9
Denmark ^{††}	6.1	5.8	8.9	8.7	6.5	6.2	6.1	6.2	5.5	5.7	6.0
Finland ^{††}	4.7	3.8	6.7	9.2	6.7	5.9	4.5	3.5	2.8	2.5	3.8
France ^{††}	2.7	3.8	3.3	5.5	3.8	5.6	4.5	5.0	3.9	4.6	4.7
Germany ^{††}	1.2	-0.1	0.0	3.1	2.7	5.6	2.7	4.4	3.5	4.0	4.0
Greece ^{††}	2.9	11.8	10.6	8.5	6.4	7.0	5.3	5.9	5.2	5.6	5.8
Ireland ^{††}	7.5	6.1	9.3	10.3	7.9	7.7	7.1	7.4	5.6	6.5	6.8
Italy ^{††}	1.1	2.6	2.8	7.9	4.8	7.2	4.8	6.3	5.1	6.4	5.9
Netherlands ^{††}	1.0	2.1	0.5	3.4	2.6	3.8	4.2	3.8	3.6	3.4	3.8
Norway	5.2	7.9	5.9	7.2	5.3	5.5	4.9	4.7	4.2	4.0	4.7
Portugal ^{††}	4.5	6.5	4.1	9.4	5.2	6.5	5.3	6.1	5.1	5.7	5.7
Spain ^{††}	3.9	3.5	4.4	8.0	6.4	7.2	5.6	7.4	6.2	6.3	6.5
Sweden ^{††}	3.5	6.1	2.9	4.4	4.2	4.4	4.2	4.0	3.7	3.3	3.9
Switzerland	1.3	1.1	1.0	6.1	3.2	4.0	3.7	3.8	3.8	3.6	3.8
United Kingdom ^{††}	6.3	6.2	4.5	7.2	4.3	6.3	5.2	6.0	5.1	5.0	5.5
Western Europe Total	3.2	3.5	3.1	6.0	4.2	5.9	4.4	5.3	4.5	4.8	5.0
Central and Eastern Europe											
Czech Republic ^{††}	10.0	3.1	6.5	9.1	7.8	8.2	6.7	7.1	6.6	6.5	7.0
Hungary ^{††}	11.0	12.4	10.7	13.3	10.5	11.5	9.3	9.4	8.5	8.8	9.5
Poland ^{††}	14.6	5.3	8.7	13.7	8.3	7.2	6.9	6.6	6.1	6.2	6.6
Romania ^{††}	2.4	5.2	8.5	11.5	9.9	8.0	7.9	6.9	6.1	5.9	7.0
Russia	34.4	29.5	29.1	30.1	23.5	18.7	18.5	16.2	13.6	11.4	15.7
Turkey ^{††}	4.4	23.1	9.0	30.8	20.7	17.5	13.9	11.6	10.3	8.3	12.3
Central and Eastern Europe Total	17.9	15.4	16.4	21.4	16.4	14.1	13.5	12.3	10.7	9.5	12.0
Middle East/Africa											
Israel	-11.1	-0.9	0.5	3.8	4.1	2.5	3.6	3.1	3.1	3.3	3.1
Saudi Arabia/Pan Arab [†]	6.4	11.6	6.8	14.3	14.4	11.9	10.1	8.1	7.4	6.3	8.7
South Africa	4.7	12.6	13.8	14.1	11.3	11.1	10.1	9.4	7.9	9.5	9.6
Middle East/Africa Total	0.4	8.7	8.6	11.8	10.6	9.6	8.9	7.9	6.9	7.5	8.2
Country Subtotal	3.8	4.3	4.1	7.2	5.3	6.7	5.4	6.1	5.2	5.4	5.7
Regional Spending	5.4	4.4	10.1	14.1	14.3	16.7	16.1	17.0	14.5	16.1	16.1
Total	3.9	4.3	4.2	7.4	5.5	7.0	5.7	6.5	5.6	5.9	6.1

[†]Comprises Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Syria, and the United Arab Emirates.

^{††}European Union members.

^{‡‡}European Union applicants.

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Asia Pacific

The entertainment and media market in Asia Pacific rose 8.2 percent in 2005, led by double-digit increases in Internet advertising and access spending, TV distribution, and casino and other regulated gaming. Penetration growth fueled the Internet and TV distribution markets, and rapid growth in online gaming and continued growth from a new casino that opened in 2004 in Macao contributed to the 11.9 percent increase in casino and other regulated gaming. (Macao is part of the PRC, but casino gaming is not permitted on the mainland.) Recorded music rose 7.6 percent, its best performance during the past five years and its second consecutive advance, boosted by a large increase in mobile music that offset a decrease in physical distribution. Sports rose 6.6 percent on the strength of high-single-digit growth in merchandising and sponsorships. Business information rose 5.4 percent, and magazine publishing, 5.1 percent, benefiting from an improved economy. The remaining segments each grew by less than 5 percent.

We expect Asia Pacific to be the fastest-growing region during the next five years. Growth will be led by double-digit increases in the Internet, TV distribution, casino and other regulated gaming, and video game segments. The region will also have the fastest overall economic growth, which will support steady increases in each of the other segments. With no segment growing by less than 3.8 percent compounded annually, Asia Pacific will be the only region with no slow-growing segments during the next five years. Overall, we expect spending to increase to \$425 billion in 2010 from \$274 billion in 2005, growing at a 9.2 percent compound annual rate. Excluding the surging Internet access market, the region will expand at a 7.2 percent compound annual rate. Without Japan, however, growth would be 12.2 percent compounded annually.



Entertainment and Media Market (US\$ Millions)

Asia Pacific	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	14,049	14,647	15,575	16,561	16,470	16,957	17,712	18,688	19,824	20,882	
% Change	7.6	4.3	6.3	6.3	-0.5	3.0	4.5	5.5	6.1	5.3	4.9
TV Networks: Broadcast and Cable	30,365	31,250	32,733	35,003	36,406	39,332	41,387	45,578	47,434	51,201	
% Change	0.3	2.9	4.7	6.9	4.0	8.0	5.2	10.1	4.1	7.9	7.1
TV Distribution	10,583	11,866	13,836	16,413	18,736	21,196	24,114	27,553	31,555	35,957	
% Change	8.9	12.1	16.6	18.6	14.2	13.1	13.8	14.3	14.5	14.0	13.9
Recorded Music	8,222	8,048	7,764	8,120	8,739	9,447	10,287	11,048	11,573	12,002	
% Change	-4.7	-2.1	-3.5	4.6	7.6	8.1	8.9	7.4	4.8	3.7	6.6
Radio/Out-of-Home Advertising	9,736	9,863	10,026	10,625	11,045	11,557	12,110	12,870	13,373	14,068	
% Change	0.3	1.3	1.7	6.0	4.0	4.6	4.8	6.3	3.9	5.2	5.0
Internet Advertising and Access Spending	17,188	21,330	27,644	37,656	48,418	59,886	72,905	85,802	98,246	110,282	
% Change	22.0	24.1	29.6	36.2	28.6	23.7	21.7	17.7	14.5	12.3	17.9
Video Games	7,986	8,165	8,504	9,593	9,770	11,296	13,383	15,034	16,398	17,413	
% Change	5.6	2.2	4.2	12.8	1.8	15.6	18.5	12.3	9.1	6.2	12.3
Business Information	6,379	6,229	6,237	6,447	6,797	7,210	7,645	8,109	8,581	9,053	
% Change	3.1	-2.4	0.1	3.4	5.4	6.1	6.0	6.1	5.8	5.5	5.9
Magazine Publishing	15,171	15,274	15,649	16,231	17,052	17,749	18,465	19,285	19,934	20,656	
% Change	-0.7	0.7	2.5	3.7	5.1	4.1	4.0	4.4	3.4	3.6	3.9
Newspaper Publishing	43,060	42,534	43,666	45,465	46,594	48,343	49,913	52,670	54,026	56,159	
% Change	-0.7	-1.2	2.7	4.1	2.5	3.8	3.2	5.5	2.6	3.9	3.8
Book Publishing	21,576	21,456	21,213	21,938	22,650	23,885	25,066	26,496	27,567	28,601	
% Change	-0.5	-0.6	-1.1	3.4	3.2	5.5	4.9	5.7	4.0	3.8	4.8
Theme Parks and Amusement Parks	5,432	5,837	5,872	6,035	6,110	6,537	6,872	7,259	7,612	8,154	
% Change	10.5	7.5	0.6	2.8	1.2	7.0	5.1	5.6	4.9	7.1	5.9
Casino and Other Regulated Gaming	6,515	7,236	8,686	10,651	11,918	13,801	15,971	18,196	20,694	22,969	
% Change	15.3	11.1	20.0	22.6	11.9	15.8	15.7	13.9	13.7	11.0	14.0
Sports	10,715	12,080	11,761	12,486	13,313	14,437	14,938	17,617	16,318	17,943	
% Change	1.4	12.7	-2.6	6.2	6.6	8.4	3.5	17.9	-7.4	10.0	6.2
Total	206,977	215,815	229,166	253,224	274,018	301,633	330,768	366,205	393,135	425,340	
% Change	3.1	4.3	6.2	10.5	8.2	10.1	9.7	10.7	7.4	8.2	9.2

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Advertising

Advertising rose 5.7 percent in 2005, with Internet advertising soaring by 42.6 percent and the remaining segments growing at low- to mid-single-digit rates. Out-of-home grew 5.5 percent, magazines increased 5.2 percent, and TV networks, newspapers, and radio rose by 4.4 percent, 3.6 percent, and 3.0 percent, respectively.

Rapidly expanding markets in the PRC and India, a robust Australia, and improved growth in Japan and South Korea will propel advertising by 7.7 percent compounded annually. The Internet will continue to be the fastest-growing category, rising at a 21.7 percent compound annual rate, driven by increased online penetration and an expanding broadband market. TV networks will grow by 7.9 percent compounded annually, with a double-digit spike in 2008 associated with the Olympics in Beijing and high-single-digit gains in 2006 and 2010 reflecting advertising associated with the Winter Olympics and FIFA World Cups. The remaining segments will also grow at rates in excess of 5 percent compounded annually. Advertising in Asia Pacific will increase from \$72 billion in 2005 to \$104 billion in 2010.

Advertising (US\$ Millions)											
Asia Pacific	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
TV Networks: Broadcast and Cable	25,022	25,806	27,173	29,335	30,617	33,434	35,377	39,457	41,200	44,862	
% Change	0.0	3.1	5.3	8.0	4.4	9.2	5.8	11.5	4.4	8.9	7.9
Radio	3,142	3,114	3,190	3,349	3,451	3,624	3,813	4,073	4,285	4,543	
% Change	0.1	-0.9	2.4	5.0	3.0	5.0	5.2	6.8	5.2	6.0	5.7
Out-of-Home	4,303	4,415	4,452	4,845	5,112	5,403	5,715	6,161	6,396	6,767	
% Change	-0.5	2.6	0.8	8.8	5.5	5.7	5.8	7.8	3.8	5.8	5.8
Internet	988	1,176	1,707	2,590	3,694	4,840	6,073	7,358	8,609	9,869	
% Change	11.3	19.0	45.2	51.7	42.6	31.0	25.5	21.2	17.0	14.6	21.7
Magazines	5,713	5,668	5,810	6,053	6,369	6,698	7,054	7,493	7,772	8,121	
% Change	-2.7	-0.8	2.5	4.2	5.2	5.2	5.3	6.2	3.7	4.5	5.0
Newspapers	20,355	19,614	20,295	21,550	22,325	23,700	24,832	27,138	28,009	29,636	
% Change	-2.6	-3.6	3.5	6.2	3.6	6.2	4.8	9.3	3.2	5.8	5.8
Total	59,523	59,793	62,627	67,722	71,568	77,699	82,864	91,680	96,271	103,798	
% Change	-1.0	0.5	4.7	8.1	5.7	8.6	6.6	10.6	5.0	7.8	7.7

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Consumer/end-user spending

Consumer/end-user spending increased 9.1 percent in 2005, led by 27.5 percent growth in Internet access spending and double-digit increases in TV distribution and casino and other regulated gaming. Without Internet access spending, growth in 2005 was only 4.8 percent. We expect faster growth during the next three years and a 9.7 percent compound annual increase through 2010, fueled by continued increases in Internet households and broadband subscriptions that will propel access spending at a 17.6 percent compound annual rate. Excluding Internet access, growth will average 7.0 percent compounded annually. TV distribution will grow by 13.9 percent annually, the result of an increase of 128 million in the number of subscription TV households; new casinos in Macao and other markets and large increases in online gaming that will spur casino and other regulated gaming to a 14.0 percent compound annual increase; and a 12.3 percent annual increase projected for video games, boosted by rising online and wireless growth and by new console games.

Rapidly growing mobile music products will offset further decreases in physical music spending, resulting in a 6.6 percent compound annual increase in recorded music. Sports will increase by 6.2 percent compounded annually, with a boost in 2008 from the Beijing Olympics. New openings will drive the theme park market and the expanding economy will stimulate business information, with each projected to grow at a 5.9 percent rate compounded annually. Filmed entertainment and book publishing will grow at compound annual rates of 4.9 percent and 4.8 percent, respectively. TV networks (public TV license fees), radio (public radio license fees and a small satellite-radio subscription market in India), magazines, and newspapers will each grow by less than 4 percent compounded annually. Spending will total an estimated \$322 billion in 2010, up from \$202 billion in 2005.

Consumer/End-User Spending (US\$ Millions)

Asia Pacific	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	14,049	14,647	15,575	16,561	16,470	16,957	17,712	18,688	19,824	20,882	
% Change	7.6	4.3	6.3	6.3	-0.5	3.0	4.5	5.5	6.1	5.3	4.9
TV Networks: Broadcast and Cable	5,343	5,444	5,560	5,668	5,789	5,898	6,010	6,121	6,234	6,339	
% Change	2.0	1.9	2.1	1.9	2.1	1.9	1.9	1.8	1.8	1.7	1.8
TV Distribution	10,583	11,866	13,836	16,413	18,736	21,196	24,114	27,553	31,555	35,957	
% Change	8.9	12.1	16.6	18.6	14.2	13.1	13.8	14.3	14.5	14.0	13.9
Recorded Music	8,222	8,048	7,764	8,120	8,739	9,447	10,287	11,048	11,573	12,002	
% Change	-4.7	-2.1	-3.5	4.6	7.6	8.1	8.9	7.4	4.8	3.7	6.6
Radio	2,291	2,334	2,384	2,431	2,482	2,530	2,582	2,636	2,692	2,758	
% Change	2.0	1.9	2.1	2.0	2.1	1.9	2.1	2.1	2.1	2.5	2.1
Internet Access Spending	16,200	20,154	25,937	35,066	44,724	55,046	66,832	78,444	89,637	100,413	
% Change	22.7	24.4	28.7	35.2	27.5	23.1	21.4	17.4	14.3	12.0	17.6
Video Games	7,986	8,165	8,504	9,593	9,770	11,296	13,383	15,034	16,398	17,413	
% Change	5.6	2.2	4.2	12.8	1.8	15.6	18.5	12.3	9.1	6.2	12.3
Business Information	6,379	6,229	6,237	6,447	6,797	7,210	7,645	8,109	8,581	9,053	
% Change	3.1	-2.4	0.1	3.4	5.4	6.1	6.0	6.1	5.8	5.5	5.9
Magazines	9,458	9,606	9,839	10,178	10,683	11,051	11,411	11,792	12,162	12,535	
% Change	0.5	1.6	2.4	3.4	5.0	3.4	3.3	3.3	3.1	3.1	3.2
Newspapers	22,705	22,920	23,371	23,915	24,269	24,643	25,081	25,532	26,017	26,523	
% Change	1.0	0.9	2.0	2.3	1.5	1.5	1.8	1.8	1.9	1.9	1.8
Books	21,576	21,456	21,213	21,938	22,650	23,885	25,066	26,496	27,567	28,601	
% Change	-0.5	-0.6	-1.1	3.4	3.2	5.5	4.9	5.7	4.0	3.8	4.8
Theme Parks and Amusement Parks	5,432	5,837	5,872	6,035	6,110	6,537	6,872	7,259	7,612	8,154	
% Change	10.5	7.5	0.6	2.8	1.2	7.0	5.1	5.6	4.9	7.1	5.9
Casino and Other Regulated Gaming	6,515	7,236	8,686	10,651	11,918	13,801	15,971	18,196	20,694	22,969	
% Change	15.3	11.1	20.0	22.6	11.9	15.8	15.7	13.9	13.7	11.0	14.0
Sports	10,715	12,080	11,761	12,486	13,313	14,437	14,938	17,617	16,318	17,943	
% Change	1.4	12.7	-2.6	6.2	6.6	8.4	3.5	17.9	-7.4	10.0	6.2
Total	147,454	156,022	166,539	185,502	202,450	223,934	247,904	274,525	296,864	321,542	
% Change	4.9	5.8	6.7	11.4	9.1	10.6	10.7	10.7	8.1	8.3	9.7

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Country spending

Japan is the dominant market in the region, at \$104 billion in 2005, with the PRC next, at \$60 billion, followed by South Korea, at \$30 billion, and Australia, at \$19 billion. The PRC was the fastest-growing country in the world in 2005, with a 26.0 percent increase. We expect it to continue to be the growth leader during the next five years, with an 18.0 percent compound annual gain. We project that the PRC will pass Japan in 2009 and grow to \$137 billion in 2010.

We anticipate that improved economic conditions in Japan and South Korea will lead to faster entertainment and media growth in those countries during the next five years. Japan will expand at a projected 3.4 percent compound annual rate compared with only 0.7 percent growth in 2005, while South Korea, which rose by 1.9 percent in 2005, will increase at a 4.8 percent annual rate. In addition to the PRC, we project double-digit average increases in India, Indonesia, and Pakistan during the next five years. Regional spending consists of categories for which we do not have country breakouts. It includes online DVD rentals in filmed entertainment; video-on-demand in TV distribution; digital distribution in recorded music except for Australia, Japan, and South Korea, for which we do provide country figures; video games except for Australia, the PRC, Japan, and South Korea; business information except for the PRC, Japan, and South Korea; electronic books in book publishing; theme parks except for Australia, the PRC, Hong Kong, Japan, and South Korea; online gaming; and sports. Regional spending will grow by 13.4 percent compounded annually.

Entertainment and Media Market (US\$ Millions)										
Asia Pacific	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010
Australia	14,401	14,729	16,287	17,759	18,855	20,049	21,219	22,425	23,515	24,773
China	23,287	28,763	35,850	47,685	60,068	74,178	89,617	106,869	121,586	137,423
Hong Kong	3,192	3,194	3,295	3,771	4,219	4,746	5,022	5,363	5,625	5,933
India	6,196	6,689	7,272	8,070	9,091	10,280	11,922	13,875	16,035	18,392
Indonesia	1,406	1,659	1,970	2,405	2,771	3,247	3,752	4,516	5,162	5,696
Japan	102,031	99,792	100,065	103,221	103,963	107,407	110,831	115,346	118,597	122,695
Malaysia	1,627	1,789	1,993	2,217	2,357	2,552	2,743	2,959	3,149	3,372
New Zealand	2,661	2,814	3,052	3,278	3,407	3,558	3,689	3,856	3,982	4,151
Pakistan	527	575	649	785	901	1,021	1,152	1,305	1,451	1,600
Philippines	1,634	1,704	1,770	1,945	2,156	2,313	2,512	2,884	3,340	3,782
Singapore	1,440	1,559	1,653	1,818	1,890	1,981	2,069	2,170	2,352	2,516
South Korea	23,777	25,560	27,270	29,022	29,571	31,125	32,788	34,533	35,968	37,437
Taiwan	8,220	8,290	8,687	9,412	9,784	10,264	10,746	11,284	11,782	12,320
Thailand	2,643	2,830	2,979	3,296	3,465	3,705	3,992	4,308	4,613	4,956
Country Subtotal	193,042	199,947	212,792	234,684	252,498	276,426	302,054	331,693	357,157	385,046
Regional Spending	13,935	15,868	16,374	18,540	21,520	25,207	28,714	34,512	35,978	40,294
Total	206,977	215,815	229,166	253,224	274,018	301,633	330,768	366,205	393,135	425,340

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Entertainment and Media Market Growth (%)

Asia Pacific	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Australia	-2.2	2.3	10.6	9.0	6.2	6.3	5.8	5.7	4.9	5.3	5.6
China	13.6	23.5	24.6	33.0	26.0	23.5	20.8	19.3	13.8	13.0	18.0
Hong Kong	3.9	0.1	3.2	14.4	11.9	12.5	5.8	6.8	4.9	5.5	7.1
India	8.8	8.0	8.7	11.0	12.7	13.1	16.0	16.4	15.6	14.7	15.1
Indonesia	14.2	18.0	18.7	22.1	15.2	17.2	15.6	20.4	14.3	10.3	15.5
Japan	0.8	-2.2	0.3	3.2	0.7	3.3	3.2	4.1	2.8	3.5	3.4
Malaysia	4.8	10.0	11.4	11.2	6.3	8.3	7.5	7.9	6.4	7.1	7.4
New Zealand	2.7	5.7	8.5	7.4	3.9	4.4	3.7	4.5	3.3	4.2	4.0
Pakistan	4.6	9.1	12.9	21.0	14.8	13.3	12.8	13.3	11.2	10.3	12.2
Philippines	0.1	4.3	3.9	9.9	10.8	7.3	8.6	14.8	15.8	13.2	11.9
Singapore	7.0	8.3	6.0	10.0	4.0	4.8	4.4	4.9	8.4	7.0	5.9
South Korea	4.1	7.5	6.7	6.4	1.9	5.3	5.3	5.3	4.2	4.1	4.8
Taiwan	3.9	0.9	4.8	8.3	4.0	4.9	4.7	5.0	4.4	4.6	4.7
Thailand	11.2	7.1	5.3	10.6	5.1	6.9	7.7	7.9	7.1	7.4	7.4
Country Subtotal	3.1	3.6	6.4	10.3	7.6	9.5	9.3	9.8	7.7	7.8	8.8
Regional Spending	3.0	13.9	3.2	13.2	16.1	17.1	13.9	20.2	4.2	12.0	13.4
Total	3.1	4.3	6.2	10.5	8.2	10.1	9.7	10.7	7.4	8.2	9.2

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Latin America

Latin America's entertainment and media market rose 10.7 percent, the fastest-growing region in 2005. Spending was paced by double-digit increases in Internet advertising and access spending, TV networks, and radio and out-of-home advertising as well as by high-single-digit increases in TV distribution, recorded music, sports, and newspaper and magazine publishing. Theme parks, video games, and filmed entertainment, however, declined in 2005.

Double-digit increases in the next five years are anticipated for Internet access and advertising, casino and other regulated gaming, TV networks, and TV distribution, with high-single-digit growth projected for video games, recorded music, and radio/out-of-home. Increased Internet household penetration and an emerging broadband market will fuel Internet spending, new casinos and emerging online gaming will boost a small casino and other regulated gaming market, and subscription household growth and rising multichannel advertising will drive the TV network and TV distribution markets. New consoles will enhance the video game market, mobile music will propel the recorded music market, and radio and out-of-home advertising will benefit from the expanding economy. We project overall growth to average 8.5 percent compounded annually during the next five years. Spending will rise to \$60 billion by 2010 from \$40 billion in 2005.



Entertainment and Media Market (US\$ Millions)

	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Latin America											
Filmed Entertainment	1,281	1,394	1,529	1,782	1,767	1,849	1,943	2,047	2,150	2,261	
% Change	4.3	8.8	9.7	16.5	-0.8	4.6	5.1	5.4	5.0	5.2	5.1
TV Networks: Broadcast and Cable	4,558	4,396	4,742	5,672	6,770	7,751	8,259	9,348	9,875	11,299	
% Change	-6.8	-3.6	7.9	19.6	19.4	14.5	6.6	13.2	5.6	14.4	10.8
TV Distribution	7,102	5,991	6,005	6,401	7,026	7,809	8,755	9,728	10,716	11,744	
% Change	4.5	-15.6	0.2	6.6	9.8	11.1	12.1	11.1	10.2	9.6	10.8
Recorded Music	1,133	1,063	942	1,167	1,277	1,395	1,538	1,653	1,743	1,899	
% Change	-17.5	-6.2	-11.4	23.9	9.4	9.2	10.3	7.5	5.4	9.0	8.3
Radio/Out-of-Home Advertising	949	893	1,239	1,340	1,541	1,826	1,834	1,983	2,129	2,278	
% Change	-14.0	-5.9	38.7	8.2	15.0	18.5	0.4	8.1	7.4	7.0	8.1
Internet Advertising and Access Spending	1,766	2,141	2,639	3,469	4,341	5,261	6,156	6,990	7,815	8,581	
% Change	38.3	21.2	23.3	31.5	25.1	21.2	17.0	13.5	11.8	9.8	14.6
Video Games	341	452	516	544	531	589	715	775	803	835	
% Change	4.3	32.6	14.2	5.4	-2.4	10.9	21.4	8.4	3.6	4.0	9.5
Business Information	1,323	1,269	1,259	1,296	1,348	1,407	1,470	1,532	1,593	1,653	
% Change	2.4	-4.1	-0.8	2.9	4.0	4.4	4.5	4.2	4.0	3.8	4.2
Magazine Publishing	2,514	2,205	2,333	2,554	2,764	2,937	3,119	3,299	3,477	3,662	
% Change	-0.3	-12.3	5.8	9.5	8.2	6.3	6.2	5.8	5.4	5.3	5.8
Newspaper Publishing	4,816	4,729	4,699	4,955	5,371	5,709	6,040	6,365	6,686	7,002	
% Change	1.1	-1.8	-0.6	5.4	8.4	6.3	5.8	5.4	5.0	4.7	5.4
Book Publishing	4,064	4,001	4,021	4,088	4,193	4,306	4,423	4,539	4,657	4,773	
% Change	-3.1	-1.6	0.5	1.7	2.6	2.7	2.7	2.6	2.6	2.5	2.6
Theme Parks and Amusement Parks	243	249	243	247	236	243	254	265	277	290	
% Change	-0.4	2.5	-2.4	1.6	-4.5	3.0	4.5	4.3	4.5	4.7	4.2
Casino and Other Regulated Gaming	121	88	82	85	90	95	108	122	138	159	
% Change	-16.6	-27.3	-6.8	3.7	5.9	5.6	13.7	13.0	13.1	15.2	12.1
Sports	2,081	2,229	2,234	2,334	2,508	2,760	2,769	2,884	3,114	3,407	
% Change	9.1	7.1	0.2	4.5	7.5	10.0	0.3	4.2	8.0	9.4	6.3
Total	32,292	31,100	32,483	35,934	39,763	43,937	47,383	51,530	55,173	59,843	
% Change	0.7	-3.7	4.4	10.6	10.7	10.5	7.8	8.8	7.1	8.5	8.5

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Advertising

Advertising in Latin America soared by 16.0 percent in 2005, the largest increase in five years, with each segment growing at double-digit rates. Sustained economic growth and a stable economic environment set the stage for the continued expansion of advertising in Latin America. Internet advertising was the fastest-growing category in 2005, at 49.6 percent, followed by out-of-home, at 23.8 percent; TV networks, at 19.4 percent; radio, at 13.5 percent; and magazines and newspapers, at 11.0 percent and 10.8 percent, respectively. This is the only region in which publishing achieved such high growth rates. Economic expansion, the entrance of international magazine publishers into the region, and rising newspaper circulation fueled publishing growth.

Stimulated by an emerging broadband market, Internet advertising will grow at a 23.1 percent compound annual rate through 2010. TV advertising will grow at a 10.8 percent rate, buoyed by healthy economic growth, the FIFA World Cup in 2006 and 2010, and the Olympics in 2008. Out-of-home will be helped by new billboard technologies and will grow at a projected 8.3 percent compound annual rate. Publishing will also remain strong, with compound annual increases of 7.6 percent for magazines and 6.8 percent for newspapers. We project advertising during the next five years will increase at a 9.4 percent compound annual rate, rising from \$13 billion in 2005 to \$21 billion in 2010.

Advertising (US\$ Millions)											
Latin America	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
TV Networks: Broadcast and Cable	4,558	4,396	4,742	5,672	6,770	7,751	8,259	9,348	9,875	11,299	
% Change	-6.8	-3.6	7.9	19.6	19.4	14.5	6.6	13.2	5.6	14.4	10.8
Radio	761	734	1,072	1,147	1,302	1,562	1,549	1,674	1,797	1,922	
% Change	-13.0	-3.5	46.0	7.0	13.5	20.0	-0.8	8.1	7.3	7.0	8.1
Out-of-Home	188	159	167	193	239	264	285	309	332	356	
% Change	-17.5	-15.4	5.0	15.6	23.8	10.5	8.0	8.4	7.4	7.2	8.3
Internet	72	77	81	121	181	240	308	377	444	512	
% Change	41.2	6.9	5.2	49.4	49.6	32.6	28.3	22.4	17.8	15.3	23.1
Magazines	874	791	850	937	1,040	1,127	1,219	1,311	1,402	1,498	
% Change	-3.1	-9.5	7.5	10.2	11.0	8.4	8.2	7.5	6.9	6.8	7.6
Newspapers	2,906	2,883	2,977	3,198	3,542	3,821	4,097	4,371	4,646	4,920	
% Change	1.6	-0.8	3.3	7.4	10.8	7.9	7.2	6.7	6.3	5.9	6.8
Total	9,359	9,040	9,889	11,268	13,074	14,765	15,717	17,390	18,496	20,507	
% Change	-4.5	-3.4	9.4	13.9	16.0	12.9	6.4	10.6	6.4	10.9	9.4

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Consumer/end-user spending

Consumer/end-user spending increased by 8.2 percent in 2005. Double-digit growth in Internet access spending and high-single-digit growth in TV distribution, recorded music, and sports paced the market. Magazines rose 6.6 percent, casino and other regulated gaming increased 5.9 percent, and newspapers, business information, and books each grew by less than 5 percent. Theme parks, video games, and filmed entertainment declined.

We expect Internet access spending to continue to grow at double-digit rates averaging 14.2 percent compounded annually. Casino and other regulated gaming will grow at a 12.1 percent rate during the next five years, helped by a stronger economy, new casinos in Chile and growth in online gaming. Growth in the number of subscription TV households will drive TV distribution to a 10.8 percent compound annual increase. Video games will return to double-digit growth during 2006–07—when the next-generation console platforms are introduced—and will average 9.5 percent on a compound annual basis. Recorded music will average 8.3 percent growth as the mobile music market expands, and mid-single-digit increases are expected in filmed entertainment and sports. The remaining segments will each grow by less than 5 percent annually.

Overall consumer/end-user spending in Latin America will increase from \$27 billion in 2005 to \$39 billion in 2010, growing at an 8.1 percent compound annual rate.

Consumer/End-User Spending (US\$ Millions)											
Latin America	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	1,281	1,394	1,529	1,782	1,767	1,849	1,943	2,047	2,150	2,261	
% Change	4.3	8.8	9.7	16.5	–0.8	4.6	5.1	5.4	5.0	5.2	5.1
TV Distribution	7,102	5,991	6,005	6,401	7,026	7,809	8,755	9,728	10,716	11,744	
% Change	4.5	–15.6	0.2	6.6	9.8	11.1	12.1	11.1	10.2	9.6	10.8
Recorded Music	1,133	1,063	942	1,167	1,277	1,395	1,538	1,653	1,743	1,899	
% Change	–17.5	–6.2	–11.4	23.9	9.4	9.2	10.3	7.5	5.4	9.0	8.3
Internet Access Spending	1,694	2,064	2,558	3,348	4,160	5,021	5,848	6,613	7,371	8,069	
% Change	38.2	21.8	23.9	30.9	24.3	20.7	16.5	13.1	11.5	9.5	14.2
Video Games	341	452	516	544	531	589	715	775	803	835	
% Change	4.3	32.6	14.2	5.4	–2.4	10.9	21.4	8.4	3.6	4.0	9.5
Business Information	1,323	1,269	1,259	1,296	1,348	1,407	1,470	1,532	1,593	1,653	
% Change	2.4	–4.1	–0.8	2.9	4.0	4.4	4.5	4.2	4.0	3.8	4.2
Magazines	1,640	1,414	1,483	1,617	1,724	1,810	1,900	1,988	2,075	2,164	
% Change	1.3	–13.8	4.9	9.0	6.6	5.0	5.0	4.6	4.4	4.3	4.7
Newspapers	1,910	1,846	1,722	1,757	1,829	1,888	1,943	1,994	2,040	2,082	
% Change	0.3	–3.4	–6.7	2.0	4.1	3.2	2.9	2.6	2.3	2.1	2.6
Books	4,064	4,001	4,021	4,088	4,193	4,306	4,423	4,539	4,657	4,773	
% Change	–3.1	–1.6	0.5	1.7	2.6	2.7	2.7	2.6	2.6	2.5	2.6
Theme Parks and Amusement Parks	243	249	243	247	236	243	254	265	277	290	
% Change	–0.4	2.5	–2.4	1.6	–4.5	3.0	4.5	4.3	4.5	4.7	4.2
Casino and Other Regulated Gaming	121	88	82	85	90	95	108	122	138	159	
% Change	–16.6	–27.3	–6.8	3.7	5.9	5.6	13.7	13.0	13.1	15.2	12.1
Sports	2,081	2,229	2,234	2,334	2,508	2,760	2,769	2,884	3,114	3,407	
% Change	9.1	7.1	0.2	4.5	7.5	10.0	0.3	4.2	8.0	9.4	6.3
Total	22,933	22,060	22,594	24,666	26,689	29,172	31,666	34,140	36,677	39,336	
% Change	3.0	–3.8	2.4	9.2	8.2	9.3	8.5	7.8	7.4	7.2	8.1

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Country spending

Brazil is the largest market in Latin America, at \$15 billion in 2005, with Mexico second, at \$10 billion. Argentina, Brazil, and Venezuela expanded at double-digit rates in 2005, and Mexico rose by 9.7 percent. A stable economic environment will help all countries in the region. We project continued double-digit growth in Venezuela, where a strong oil export market and relatively high inflation will boost nominal spending. Mexico will expand at a projected 9.4 percent annual rate, also benefiting from rising oil exports, with Argentina growing at a 9.0 percent rate and Brazil at 8.4 percent. Regional spending consists of categories for which we do not have country breakouts. It includes digital distribution and mobile music in recorded music; video games; business information; theme parks except for Argentina, Brazil, Colombia, and Mexico, for which we do provide country breakouts; online gaming; and sports. Regional spending will grow by 8.3 percent compounded annually.

Entertainment and Media Market (US\$ Millions)										
Latin America	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010
Argentina	4,630	3,641	3,976	4,678	5,385	5,991	6,584	7,164	7,719	8,294
Brazil	11,548	11,261	11,619	12,948	14,638	16,070	17,407	18,928	20,262	21,917
Chile	1,816	1,875	1,946	2,048	2,175	2,325	2,482	2,647	2,802	2,982
Colombia	2,328	2,270	2,248	2,355	2,421	2,535	2,661	2,817	2,960	3,118
Mexico	7,551	7,401	7,975	8,788	9,640	10,911	11,684	12,883	13,749	15,076
Venezuela	664	675	657	770	854	987	1,103	1,254	1,380	1,543
Country Subtotal	28,537	27,123	28,421	31,587	35,113	38,819	41,921	45,693	48,872	52,930
Regional Spending	3,755	3,977	4,062	4,347	4,650	5,118	5,462	5,837	6,301	6,913
Total	32,292	31,100	32,483	35,934	39,763	43,937	47,383	51,530	55,173	59,843

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Entertainment and Media Market Growth (%)											
Latin America	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Argentina	-4.3	-21.4	9.2	17.7	15.1	11.3	9.9	8.8	7.7	7.4	9.0
Brazil	-2.4	-2.5	3.2	11.4	13.1	9.8	8.3	8.7	7.0	8.2	8.4
Chile	4.8	3.2	3.8	5.2	6.2	6.9	6.8	6.6	5.9	6.4	6.5
Colombia	5.6	-2.5	-1.0	4.8	2.8	4.7	5.0	5.9	5.1	5.3	5.2
Mexico	3.2	-2.0	7.8	10.2	9.7	13.2	7.1	10.3	6.7	9.7	9.4
Venezuela	11.0	1.7	-2.7	17.2	10.9	15.6	11.8	13.7	10.0	11.8	12.6
Country Subtotal	0.0	-5.0	4.8	11.1	11.2	10.6	8.0	9.0	7.0	8.3	8.6
Regional Spending	6.1	5.9	2.1	7.0	7.0	10.1	6.7	6.9	7.9	9.7	8.3
Total	0.7	-3.7	4.4	10.6	10.7	10.5	7.8	8.8	7.1	8.5	8.5

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Canada

Canada was the slowest-growing region in 2005, with a 3.5 percent increase. A 53.6 percent decline in the sports market, the result of the cancellation of the NHL season, offset double-digit growth in Internet advertising and access spending, video games, and casino and other regulated gaming, and high-single-digit growth in recorded music. TV distribution increased 6.3 percent, theme parks increased 6.2 percent, radio/out-of-home rose 5.0 percent, and the remaining segments each grew by less than 5 percent or declined.

The return of the NHL will more than double the sports market in 2006, the Vancouver Winter Olympics will provide a boost in 2010, and the Beijing Summer Olympics will enhance spending in 2008. Sports during the five-year forecast will average 24.2 percent compounded annually. We also expect double-digit growth in video games, while high-single-digit increases are expected for the Internet, casino and other regulated gaming, and radio/out-of-home. Gains of 5 percent or more annually are projected for TV distribution, recorded music, and filmed entertainment, with increases of less than 5 percent anticipated for each of the remaining segments. The overall market will expand at a 5.9 percent compound annual rate to \$41 billion in 2010 from \$31 billion in 2005.



Entertainment and Media Market (US\$ Millions)

Canada	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	2,847	3,811	4,426	5,086	5,065	5,230	5,498	5,810	6,134	6,451	
% Change	18.5	33.9	16.1	14.9	-0.4	3.3	5.1	5.7	5.6	5.2	5.0
TV Networks: Broadcast and Cable	2,956	3,116	3,372	3,530	3,684	3,849	4,019	4,193	4,370	4,546	
% Change	8.0	5.4	8.2	4.7	4.4	4.5	4.4	4.3	4.2	4.0	4.3
TV Distribution	2,565	2,715	2,936	3,116	3,311	3,534	3,783	4,024	4,276	4,509	
% Change	8.0	5.8	8.1	6.1	6.3	6.7	7.0	6.4	6.3	5.4	6.4
Recorded Music	878	805	784	770	835	868	911	967	1,046	1,127	
% Change	-5.8	-8.3	-2.6	-1.8	8.4	4.0	5.0	6.1	8.2	7.7	6.2
Radio/Out-of-Home Advertising	1,107	1,128	1,218	1,246	1,308	1,389	1,480	1,596	1,740	1,952	
% Change	5.0	1.9	8.0	2.3	5.0	6.2	6.6	7.8	9.0	12.2	8.3
Internet Advertising and Access Spending	1,127	1,330	1,479	1,717	2,021	2,274	2,525	2,744	2,922	3,109	
% Change	23.2	18.0	11.2	16.1	17.7	12.5	11.0	8.7	6.5	6.4	9.0
Video Games	419	508	573	657	732	861	1,038	1,155	1,239	1,319	
% Change	10.3	21.2	12.8	14.7	11.4	17.6	20.6	11.3	7.3	6.5	12.5
Business Information	3,915	3,917	3,936	4,052	4,205	4,386	4,592	4,804	5,005	5,186	
% Change	0.2	0.1	0.5	2.9	3.8	4.3	4.7	4.6	4.2	3.6	4.3
Magazine Publishing	1,238	1,211	1,232	1,253	1,280	1,293	1,313	1,341	1,370	1,399	
% Change	-0.6	-2.2	1.7	1.7	2.2	1.0	1.5	2.1	2.2	2.1	1.8
Newspaper Publishing	2,649	2,659	2,700	2,806	2,835	2,932	2,999	3,064	3,130	3,198	
% Change	-2.9	0.4	1.5	3.9	1.0	3.4	2.3	2.2	2.2	2.2	2.4
Book Publishing	1,549	1,551	1,560	1,584	1,656	1,701	1,794	1,846	1,923	1,997	
% Change	1.0	0.1	0.6	1.5	4.5	2.7	5.5	2.9	4.2	3.8	3.8
Theme Parks and Amusement Parks	343	355	359	403	428	448	465	483	502	521	
% Change	2.4	3.5	1.1	12.3	6.2	4.7	3.8	3.9	3.9	3.8	4.0
Casino and Other Regulated Gaming	2,332	2,509	2,789	3,012	3,351	3,735	4,126	4,456	4,749	4,993	
% Change	4.5	7.6	11.2	8.0	11.3	11.5	10.5	8.0	6.6	5.1	8.3
Sports	803	774	789	822	381	888	896	993	1,001	1,125	
% Change	6.4	-3.6	1.9	4.2	-53.6	133.1	0.9	10.8	0.8	12.4	24.2
Total	24,728	26,389	28,153	30,054	31,092	33,388	35,439	37,476	39,407	41,432	
% Change	5.1	6.7	6.7	6.8	3.5	7.4	6.1	5.7	5.2	5.1	5.9

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Advertising

Advertising rose 4.8 percent in 2005, as a 42.8 percent surge in Internet advertising offset mid- to low-single-digit increases in the remaining segments. Radio, out-of-home, and Internet advertising each grew faster in 2005 than in 2004. Newspapers were the slowest-growing category, at 1.9 percent.

We expect the Internet to continue to be the fastest-growing category, at 18.8 percent, driven by broadband, followed by out-of-home, at 6.6 percent. Radio will grow at a 4.7 percent annual rate, TV networks will expand by 3.8 percent compounded annually, and newspapers and magazines will each grow by less than 3 percent annually. For the advertising market as a whole, spending will climb at a 4.5 percent compound annual rate, rising to \$9 billion in 2010 from \$7 billion in 2005.

Advertising (US\$ Millions)											
Canada	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
TV Networks: Broadcast and Cable	2,112	2,155	2,342	2,440	2,537	2,640	2,744	2,848	2,950	3,053	
% Change	4.2	2.0	8.7	4.2	4.0	4.1	3.9	3.8	3.6	3.5	3.8
Radio	875	903	979	996	1,044	1,098	1,151	1,205	1,259	1,312	
% Change	4.5	3.2	8.4	1.7	4.8	5.2	4.8	4.7	4.5	4.2	4.7
Out-of-Home	232	225	239	250	264	281	301	322	342	363	
% Change	6.9	-3.0	6.2	4.6	5.6	6.4	7.1	7.0	6.2	6.1	6.6
Internet	80	145	196	243	347	454	565	664	743	821	
% Change	-12.1	81.3	35.2	24.0	42.8	30.8	24.4	17.5	11.9	10.5	18.8
Magazines	673	654	685	717	739	757	781	805	829	854	
% Change	0.1	-2.8	4.7	4.7	3.1	2.4	3.2	3.1	3.0	3.0	2.9
Newspapers	2,064	2,071	2,087	2,154	2,195	2,270	2,327	2,382	2,434	2,488	
% Change	-3.1	0.3	0.8	3.2	1.9	3.4	2.5	2.4	2.2	2.2	2.5
Total	6,036	6,153	6,528	6,800	7,126	7,500	7,869	8,226	8,557	8,891	
% Change	1.1	1.9	6.1	4.2	4.8	5.2	4.9	4.5	4.0	3.9	4.5

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Consumer/end-user spending

Consumer/end-user spending rose 3.1 percent in 2005—the slowest increase during the past five years. Internet access spending, video games, and casino and other regulated gaming rose at double-digit rates. Rising broadband penetration boosted Internet access spending by 13.6 percent, and video games rose by 11.4 percent as a jump in online and wireless games offset declines in console and PC games. Casino and other regulated gaming was fueled by increases in the western part of the country that offset a flat market in the eastern provinces and grew by 11.3 percent. Recorded music rebounded in 2005 with an 8.4 percent increase, the first gain during the past five years and the result of a flat physical market and large increases in licensed digital and mobile music. TV distribution and theme parks followed at 6.3 percent and 6.2 percent, respectively. Double-digit increases in video-on-demand and pay-per-view combined with mid-single-digit growth in subscription spending in TV distribution. New rides in Canada's two main parks boosted theme park admissions in 2005. TV networks were next, with a 5.2 percent increase from rising cable network license fees. However, books, business information, and magazines each rose by less than 5 percent, while sports, newspapers, and filmed entertainment declined.

Satellite radio subscriptions, a new market in Canada, will total \$277 million in 2010. We expect continued large increases in sports, double-digit average growth in video games, and high-single-digit gains in casino and other regulated gaming. Video games associated with next-generation consoles and large increases in online and wireless games will fuel video game growth by 12.5 percent compounded annually. Casinos are being enlarged to facilitate more slot machines, which will enhance the casino and other regulated gaming market. We project that market to increase by 8.3 percent compounded annually, buoyed by a growing online gaming market. TV distribution and Internet access spending will each increase by 6.4 percent compounded annually. Video-on-demand will boost TV distribution, and the continued shift from

dial-up to broadband will drive Internet access spending. Recorded music will be next, with a projected 6.2 percent annual increase as mobile music and digital distribution growth offsets decreases in physical formats. Cable network license fees will grow at a projected 5.4 percent rate, and filmed entertainment will advance at a 5.0 percent rate, driven principally by box office price growth and online rental subscriptions. The remaining segments will each grow by less than 5 percent annually. Overall consumer/end-user spending will increase from \$24 billion in 2005 to \$33 billion in 2010, growing at a 6.3 percent compound annual rate.

Consumer/End-User Spending (US\$ Millions)											
Canada	2001	2002	2003	2004	2005p	2006	2007	2008	2009	2010	2006–10 CAGR
Filmed Entertainment	2,847	3,811	4,426	5,086	5,065	5,230	5,498	5,810	6,134	6,451	
% Change	18.5	33.9	16.1	14.9	-0.4	3.3	5.1	5.7	5.6	5.2	5.0
TV Networks: Broadcast and Cable	844	961	1,030	1,090	1,147	1,209	1,275	1,345	1,420	1,493	
% Change	18.9	13.9	7.2	5.8	5.2	5.4	5.5	5.5	5.6	5.1	5.4
TV Distribution	2,565	2,715	2,936	3,116	3,311	3,534	3,783	4,024	4,276	4,509	
% Change	8.0	5.8	8.1	6.1	6.3	6.7	7.0	6.4	6.3	5.4	6.4
Recorded Music	878	805	784	770	835	868	911	967	1,046	1,127	
% Change	-5.8	-8.3	-2.6	-1.8	8.4	4.0	5.0	6.1	8.2	7.7	6.2
Radio	—	—	—	—	—	10	28	69	139	277	
% Change	—	—	—	—	—	—	180.0	146.4	101.4	99.3	—
Internet Access Spending	1,047	1,185	1,283	1,474	1,674	1,820	1,960	2,080	2,179	2,288	
% Change	27.1	13.2	8.3	14.9	13.6	8.7	7.7	6.1	4.8	5.0	6.4
Video Games	419	508	573	657	732	861	1,038	1,155	1,239	1,319	
% Change	10.3	21.2	12.8	14.7	11.4	17.6	20.6	11.3	7.3	6.5	12.5
Business Information	3,915	3,917	3,936	4,052	4,205	4,386	4,592	4,804	5,005	5,186	
% Change	0.2	0.1	0.5	2.9	3.8	4.3	4.7	4.6	4.2	3.6	4.3
Magazines	565	557	547	536	541	536	532	536	541	545	
% Change	-1.6	-1.4	-1.8	-2.0	0.9	-0.9	-0.7	0.8	0.9	0.7	0.1
Newspapers	585	588	613	652	640	662	672	682	696	710	
% Change	-2.0	0.5	4.3	6.4	-1.8	3.4	1.5	1.5	2.1	2.0	2.1
Books	1,549	1,551	1,560	1,584	1,656	1,701	1,794	1,846	1,923	1,997	
% Change	1.0	0.1	0.6	1.5	4.5	2.7	5.5	2.9	4.2	3.8	3.8
Theme Parks and Amusement Parks	343	355	359	403	428	448	465	483	502	521	
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% Change	4.5	7.6	11.2	8.0	11.3	11.5	10.5	8.0	6.6	5.1	8.3
Sports	803	774	789	822	381	888	896	993	1,001	1,125	
% Change	6.4	-3.6	1.9	4.2	-53.6	133.1	0.9	10.8	0.8	12.4	24.2
Total	18,692	20,236	21,625	23,254	23,966	25,888	27,570	29,250	30,850	32,541	
% Change	6.5	8.3	6.9	7.5	3.1	8.0	6.5	6.1	5.5	5.5	6.3

Sources: PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Full discussions of the trends and drivers discussed here in the Global Overview are provided in the full edition of PricewaterhouseCoopers' *Global Entertainment and Media Outlook: 2006–2010* covering the United States, EMEA, Asia Pacific, Latin America, and Canada. Containing numerous tables and charts with summary data broken out into subcomponents, the full Outlook provides a far more detailed and granular depiction of the industry. Those tables and charts accompany in-depth forecasts and analyses for each of the 14 industry segments organized into 14 separate chapters. The full Outlook is available in a single volume, and individual chapters can also be acquired separately at www.pwc.com/outlook.

Global Entertainment and Media Outlook: 2006–2010, Global Overview

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