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CINEMA ADVERTISING COUNCIL REPORTS
18.5% INCREASE IN CINEMA ADVERTISING SPENDING FOR 2007

***Rising On-screen Advertising across a Variety of Ad Categories Combined with
Substantial Increases in Lobby-based Marketing Spur Growth***

NEW YORK, JUNE 16, 2008 — The **Cinema Advertising Council (CAC)**, today unveiled its new report on cinema advertising revenues. According to the association's report, total cinema advertising industry revenues of CAC members grew by 18.5 percent to \$539,946,000 in 2007, as compared to a total of \$455,661,000 in 2006, confirming cinema among the country's fastest-growing advertising mediums. CAC members account for more than 82 percent of U.S. movie screens. The announcement of the report – which was independently tabulated by Miller, Kaplan, Arase & Co. LLP – was made today by Stu Ballatt, president and chairman of the CAC.

“More advertisers are using cinema more frequently, committing ad dollars ‘upfront’ for multiple flights as cinema has proven its value and efficiency as a sustaining media,” said Mr. Ballatt. He added “Further, many advertisers are taking advantage of the extensive off-screen options cinema has to offer; used in tandem through integrated campaigns, on-screen advertising combined with off-screen marketing in the theatre can, literally, double or triple the impact a brand can make on the moviegoer.”

The CAC report includes revenue data for both on-screen cinema advertising – including commercials airing in advance of movie previews and the feature presentation – as well as off-screen revenues – including those derived from audio programming, sampling, special events, concession-based promotions and lobby-based promotions. According to the report, on-screen advertising revenues increased 18.5 percent to \$494,622,000 in 2007 from \$417,401,000 in 2006, and off-screen revenues grew to \$45,324,000 in 2007, an 18.5 percent increase from \$38,260,000 in 2006.

On-screen revenues accounted for approximately 92 percent of total cinema advertising revenues. Additionally, approximately 74 percent of total revenue is from national or regional advertisers with growth attributable to increasing activity across a broad spectrum of national advertising categories including: Automotive, Broadcast/Cable, Government/Educational Institutions, Consumer Packaged Goods, Media, Movie Studios, Wireless, Retail/Stores and Telecommunications.

(more...)

Off-screen revenue growth is attributable to advertisers using a variety of media options including concession-area marketing (up +48 percent), in-lobby and in-auditorium audio programming (up +207 percent), and in-lobby sampling programs (up +374 percent).

Mr. Ballatt noted that cinema advertising's growth in 2007 was also buoyed by revenue growth in local advertising. Leading local advertising categories include: Auto Dealerships, Education, Government Services, Media, Medical Health Services, Restaurants, Telecommunications and Universities.

About The Cinema Advertising Council (CAC)

Established in 2003, the Cinema Advertising Council (<http://www.cinemaadCouncil.org>) is a national non-profit trade association which serves cinema advertising sellers, the theatrical exhibition community and the advertising community, acting as a central source of information for the industry. In addition to representing cinema advertising companies that account for over 82 percent* of U.S. cinema screens based on 38,794** cinema screens, the CAC's membership is also comprised of companies that provide services and products to the cinema advertising industry.

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* CAC data source: National CineMedia and Screenvision

** Source: NATO