



Media and Entertainment
Vertical Solutions and Beyond

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Autodesk®

Media and Entertainment *Customer Segments*

Film



Advertising



Television



Games



Media and Entertainment Solutions

Film	Television	Advertising	Games
Inferno	Flint	Smoke	3ds Max
Fire	Smoke	Flame	
Lustre	Lustre	Lustre	
Toxik	3ds max	Stone Shared	
3ds max	Combustion		
Combustion			
Stone Shared			



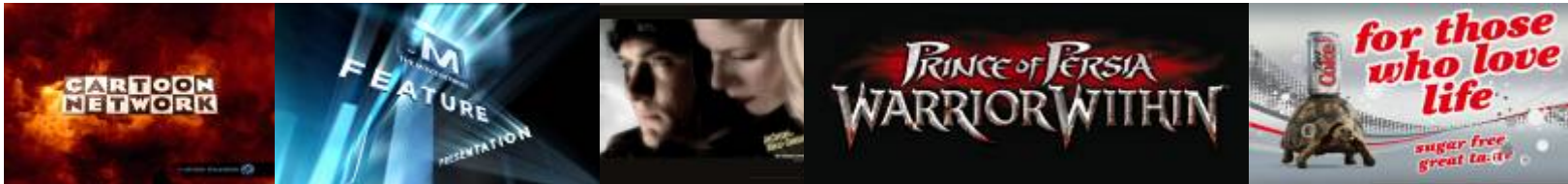
Media and Entertainment Industry Trends

New Technology

- Film digitization
- High Definition (HD) production solutions
- Next-generation platforms

Increased focus on ROI

- Midrange seat expansion
- Content proliferation
- Integrated 2D/3D workflow
- Media and data management



Film Business is Growing

Market Growth

- 2004 box office grew 10% over 2003
- 2004 DVD revenue grew 18% over 2003

Digital film is at its infancy

- Over 4000 globally released films in 2003; less than 100 used a digital intermediate workflow
- Less than 50 films globally acquired content digitally
- Less than 1% of all movie screens are digital
- Collaboration is still a highly manual process



Film Market is at Early Adopter Stage

- **Technicolor Creative Services** invested over \$5.5M in Autodesk digital film workflow solutions globally
- **NBC Universal** invested \$1M in Autodesk solutions for film trailers
- **Kodak** invested \$2.1M in Autodesk digital film solutions
- **Asylum** is the first company to deploy an all Autodesk digital workflow for film effects, grading and data-centric collaboration



Television Market is Growing

- Sale of High Definition (HD) televisions growing 50% annually
- Global marketplace for content is accelerating as content's value increases
- Growth of graphically oriented sports
- Increased focus on station branding and promos
- Trendwatch reports that 81% of all facilities and studios have yet to invest in HD production solutions



HD Customer Adoption is Just Beginning

- **NBC** has spent \$1M on Autodesk solutions for HD promotions
- **Paramount** invested in HD solution to convert “I Love Lucy” to HD
- **ABC, CBS, Fox, Australian Broadcasting Company, Beijing TV, Videoland Taiwan and Star TV-India** all invested in standard definition and high definition production solutions



Advertising is Back on Track

- Global advertising will grow 5.8% to \$363B in 2005
- Television advertising is expected to grow 12.5% in 2005 to \$143B
- Cinema advertising is the 3rd fastest growing medium behind the Internet and TV and grew 10.7% in 2004 to \$1.5B
- China is now the third largest ad market (in revenue) trailing the US and Japan
- Autodesk provides the industry's best client facing solutions
 - Best of breed creative toolset to solve any production problem
 - Ability to work in multiple formats
 - Industry Leading ROI



New Platforms and Formats Fuel Retooling in the Advertising Industry

- **Optimus** invested over \$1M in Autodesk HD solutions replacing competitor's solutions
- **Derwin** invested in their first ever Autodesk SD and HD solutions
- **GTN, Nice Shoes** and **Universal Images** all standardized on Autodesk digital workflows for advertising



Games

- Game market is now larger than worldwide film market
 - WW sales are expected to be \$20B in 2005
- Next generation game consoles will be available within next 18 months from Sony, Microsoft and Nintendo
 - Positioned to become next generation HD/DVD player
- Budgets on best selling games exceed \$10M with over 150 artists and programmers
 - Grand Theft Auto: San Andreas contains over 8 kilometers of cityscape modeled in 3ds Max



More than Half of All Games Released in 2004 were Created with **Autodesk 3ds Max**

- Top Titles included Halo 2, World of Warcraft and Grand Theft Auto: San Andreas
- Ubisoft's latest Tom Clancy's Splinter Cell game, had over 1.4M pre-orders
- Next generation game development will be fueled by development partnerships
 - Microsoft's XNA
 - Sony's Collada



Media and Entertainment Summary

- Industry shift to digital entertainment is just beginning
- Customers need to invest in collaborative, digital workflows to support digital entertainment creation
- Growth over last year has been driven by early adopters
- Autodesk will continue to lead this transition with:
 - Technical innovation
 - Workflow and collaboration solutions
 - Creative functionality