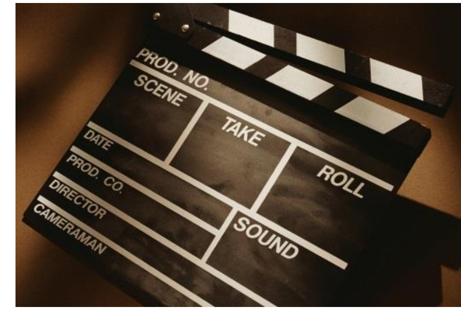


AICP: Annual Member Survey

Discerning Key Distinctions in Commercial Production

BOVITZ DESIGN-DRIVEN RESEARCH AND STRATEGY

Introduction

The 2013 Annual Member Survey was executed via an online survey from March 4th to April 2nd, 2013 among the AICP Member group. The table below illustrates the sample sizes and descriptions of the groups included in the study.

Total	Company Size**		
	Small (Sales <$5m)	Medium (Sales $5m-$9.99m)	Large (Sales $10m+)
N = 115*	N=69	N=16	N=30
	60%	14%	26%

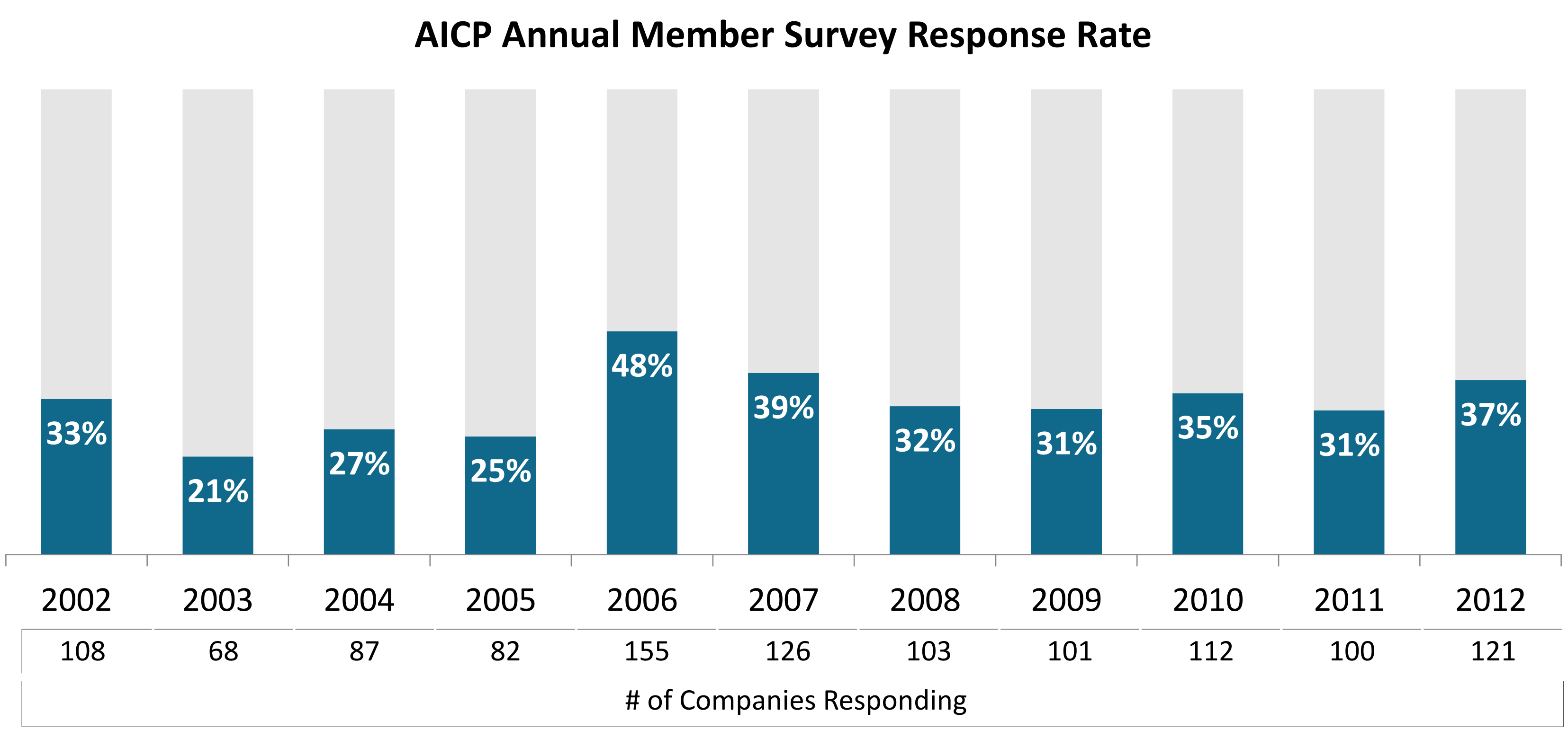
Total	Main Location		
	LA	NY	Other
N = 121	N=55	N=34	N=32
	45%	28%	26%

The following slides showcase a summary of 2012 member and industry findings from this year's study.

* Total N = 121; 6 companies have not specified their Gross Billings
** Company Size based on Gross Billings in 2012.

Annual Member Survey Response Rate

Response rate for the 2013 Annual Member Survey was higher than in recent years, at 37%.



* Response rate calculated based off 323 total members.

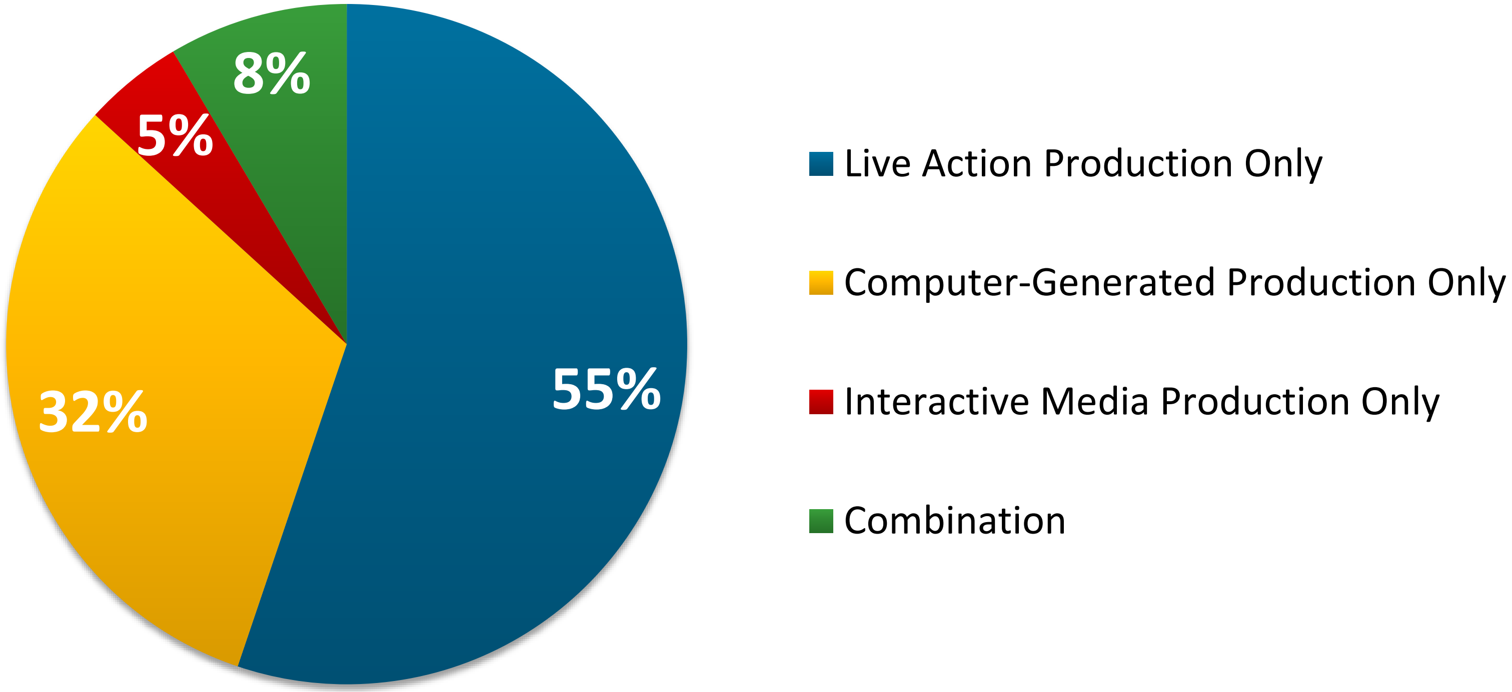
Methodological Considerations

Below are items to keep in mind when reading the report and its findings.

- Low Base Sizes: We recommend caution in drawing any conclusions in data that has a base size of less than 50. While this data can be seen as directional, fluctuations could also be attributed to a minimal number of responses.
- Top 2 Box: This term will be present where the data represents the highest two numbers in a scale. Consequently, the percentages on slides with the Top 2 Box designation will not add up to 100%.
- Extrapolations: These are calculated by multiplying the means or medians of each company type (live action, computer generated, interactive media, combination) by the incidence of each company type within the sample. These ratios are then used to project the numbers to actual membership size.

Member Company Production Type Breakdown

The majority of projects completed by AICP members in 2012 were live action production only. Computer-generated production now accounts for one-third of all projects, compared to just 21% last year, reflecting the growth of Digital members, as well as a move toward more digital work being done by all member companies.



N=121

PR3. Of the [RESPONSE FROM PR2] projects your company completed in 2012, how many of the following types were completed by your company:

Executive Summary

Projects Overview

- In 2012, the number of projects completed by AICP member companies increased by 39%, with members producing 42 commercials on average.
- Nearly 50% more companies completed over 50 commercials from the previous year.
- Along with the number of projects, total gross billings and total expenditures increased by 18% and 17%, respectively.
- While 88% of companies self-categorized themselves as primarily live action producers, 55% of the projects completed were live action only, down from 77% the prior year. About one-third were computer-generated only projects.

Gross Billings

- The average revenue for member companies increased by 18% in 2012 to $11.8 million, the highest average in five years.
- Live action productions accounted for 91% of the average gross billings for the year.

Executive Summary

Production Expenditures

- Total production expenditures in 2012 increased by 17% to $3 billion.
- Mirroring the gross billings trends, live action production accounts for nearly all expenditures (94%).
- While total expenditures in 2012 increased, California economic activity has remained stagnant. The growth can be attributed to regions outside of California.

Shoot Days & Locations

- While the number of projects, revenue, and expenditures all increased, the average number of shoot days remained flat from the previous year, suggesting more digital work was produced (i.e., computer-generated and interactive media projects) in 2012.
- Since 2008, Southern California shoot days have remained flat at around 50%. Given the decrease in share spent in the region, more is being spent per shoot day in regions outside of California compared to previous years.
- Live action shoot days on location have been steadily increasing since 2009, with over three-quarters now shot on location in 2012.
- Internationally, shoot days in Europe are most prominent, with those in Central and South America decreasing to 16%.

Executive Summary

Tax Incentives

- In 2012, fewer companies (23% vs. 29%) reported making decisions about locations based on tax incentives.

Payments

- There has been no change in receiving timely payments from clients.
- The top reason for delayed payments continues to be that the client has not paid the agency yet.
- Though there has been no change in receiving timely payments, significantly fewer members reported it as a problem for their company's overall health.
- For Live action production, first payment is generally made before the work starts (83%), while in computer generated and interactive media productions, these levels are much lower at 36% and 40%, respectively.

Executive Summary

Green Guidelines

- Most of the AICP member companies recycle paper (86%) and plastic (79%).
- Most members have established rules in the past year for turning off electronics when they are not being used (55%), and using reusable water bottles and plates (45%).
- Eighty-eight percent of production is completed outside of AICP's green guidelines. Lack of awareness is the primary reason (19%), followed by the costs of implementing them (17%).

Company Demographics

- Almost half (45%) of member companies are headquartered in Los Angeles.
- Nearly one-quarter (22%) have been engaged for work based on their status and certification with diversity programs.
- Sixteen percent of member companies have been certified as minority owned, with 53% of that group designated as a Women-Owned Business Enterprise (WBE).

Projects Overview

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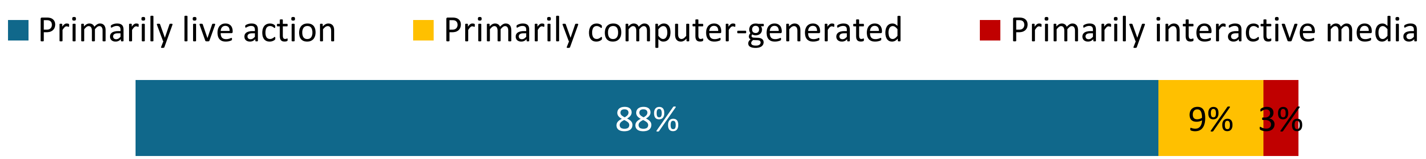
Average Number of Projects Trended

The average number of projects increased by approximately 40% over last year. Nearly all members continue to consider themselves producers of primarily live action work.

Mean Number of Projects Completed

2007	2008	2009	2010	2011	2012
35.75	31.46	32.58	33.17	30.57	42.40
N=126	*N=103*	*N=101*	*N=112*	*N=100*	*N=121*

Self Categorization of Production Work



PR1. How would you categorize the production work your company produces?
PR2. How many projects in total did your company complete in 2012? Projects include live action, computer-generated, and interactive media production.

Projects Completed Breakdown

One-quarter of companies completed more than 50 commercials in 2012.

Mean Number of Projects Completed

- **2008**
  - 31.46
- **2009**
  - 32.58
- **2010**
  - 33.17
- **2011**
  - 30.57
- **2012**
  - 42.40

	2008	2009	2010	2011	2012
Base	*103*	*101*	*112*	*100*	*121*
1-10 commercials	27%	37%	29%	32%	29%
11-30 commercials	38%	25%	33%	35%	31%
31-50 commercials	14%	16%	20%	16%	15%
51-100 commercials	17%	17%	13%	13%	17%
101+ commercials	4%	6%	6%	4%	8%

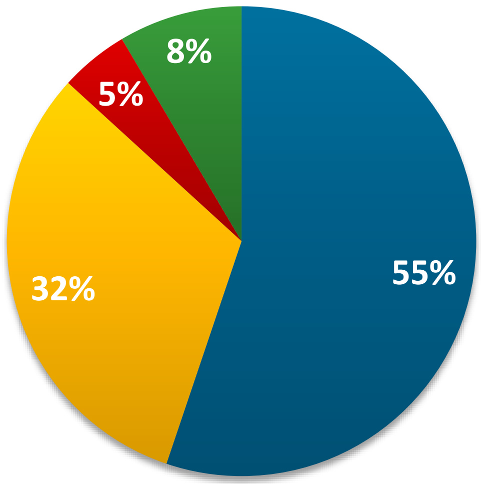
PR2. How many projects in total did your company complete in 2012? Projects include live action, computer-generated, and interactive media production.

Projects Completed & Production Categories Trended

The majority of projects completed were live action only. The average number of exclusively computer-generated projects more than doubled.

Mean Number of Projects Completed in Each Production Category

- 2008 • 31.46
- 2009 • 32.58
- 2010 • 33.17
- 2011 • 30.57
- 2012 • 42.40



Production Categories	# Projects *N=121*
Live Action Production Only	**23.40**
Computer-Generated Production Only	**13.39**
Interactive Media Production Only	**2.00**
Combination	**3.61**

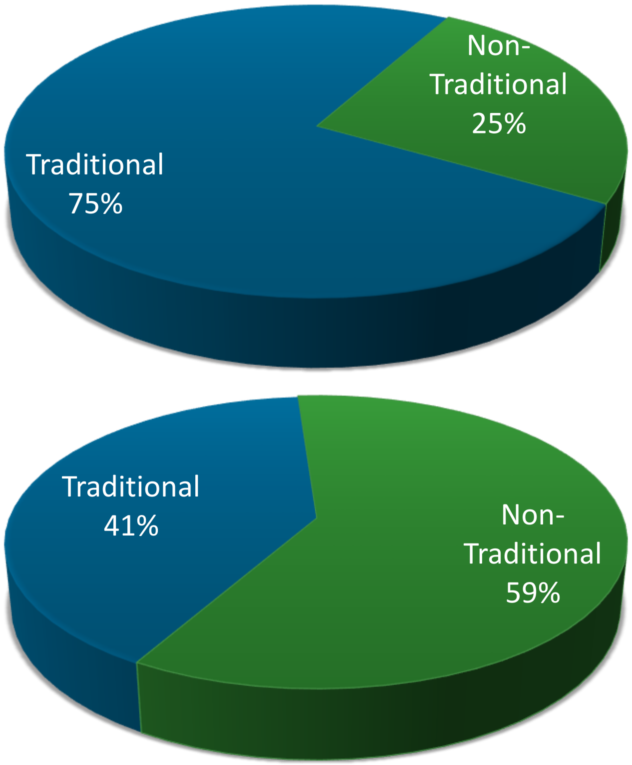
PR2. How many projects in total did your company complete in 2012? Projects include live action, computer-generated, and interactive media production.
PR3. Of the [RESPONSE FROM PR2] projects your company completed in 2012, how many of the following types were completed by your company:

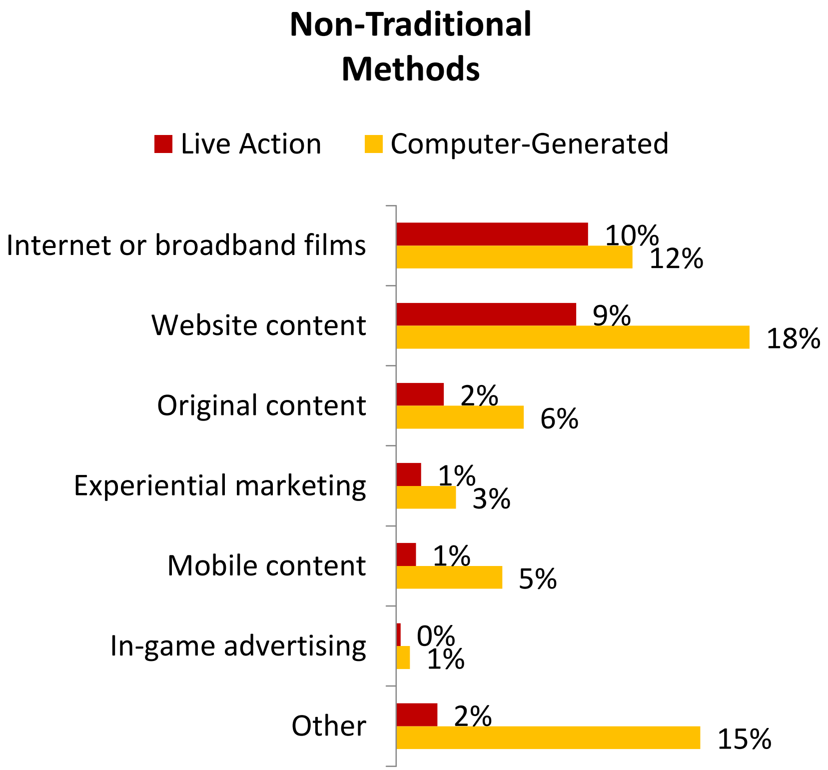
Live Action & Digital Distribution Breakdown

Traditional commercials remain the primary distribution method for live action production, while the share of Non-Traditional projects steadily increases. For digital production, website content and Internet films are the most popular non-traditional distribution methods.

Live Action
N=119

Computer-Generated
N=40





PR4. What percentage of your live action and computer-generated projects was intended for the following primary distribution methods?

Gross Billings

BOVITZ DESIGN-DRIVEN RESEARCH AND STRATEGY

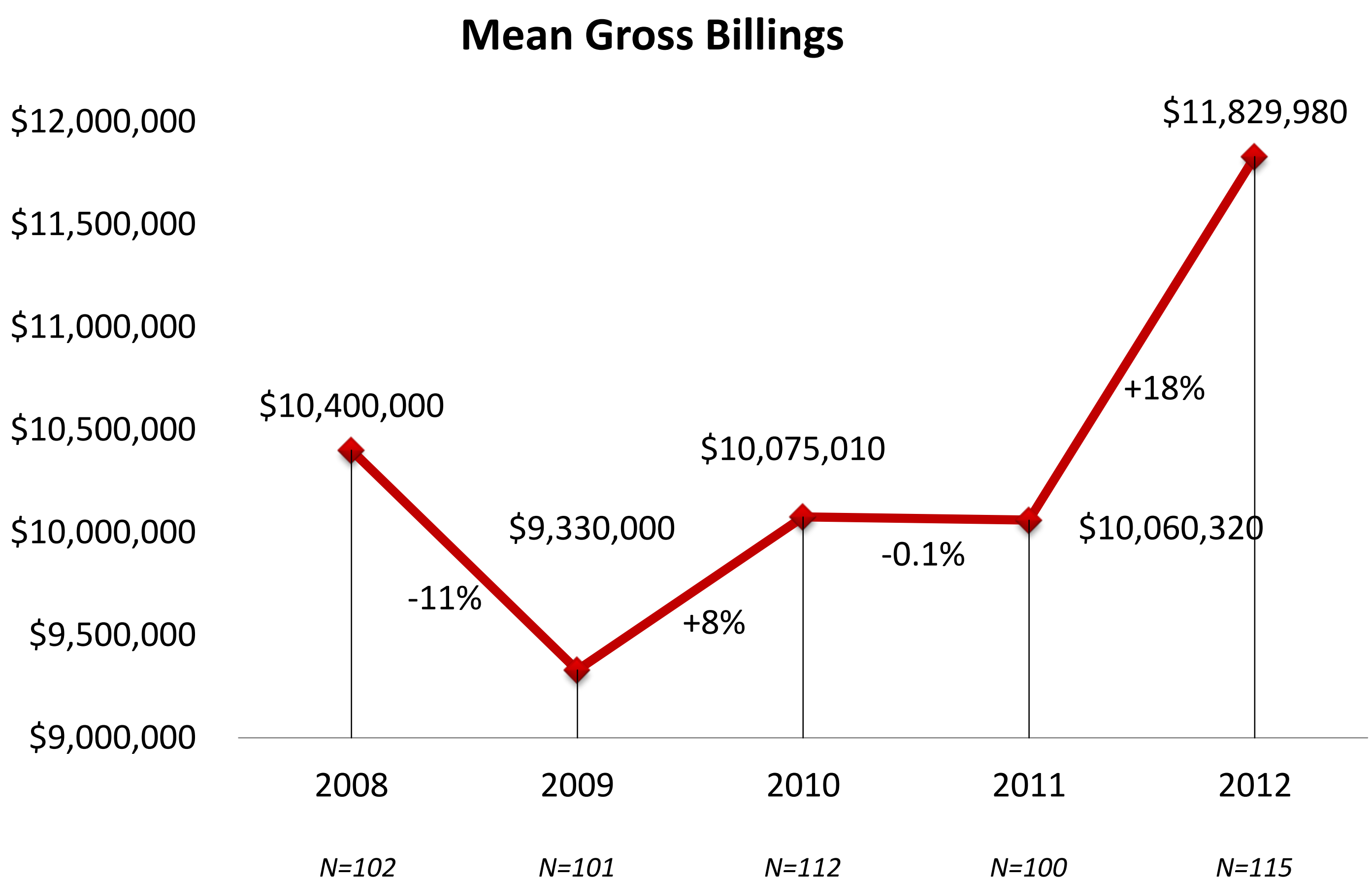
Industry Gross Billings by Total, Mean, Median Trended

	Total*	Mean	Median
2012	**$3,844,744,433**	**$11,829,980**	**$3,675,000**
	+18%		
2011	$3,253,083,930	$10,060,320	$2,905,500
	+6%		
2010	$3,078,970,740	$10,075,010	$3,000,000
	+7%		
2009	$2,870,000,000	$9,330,000	$2,790,000
	-4%		
2008	$3,000,000,000	$10,400,000	$3,950,000

GB1. For the commercial or advertising-related projects completed by your company in 2012, what were the total gross billings for your company, not including pass through items? *The total industry gross billings (billions) are estimates extrapolated from the mean to actual member size. Any fluctuation is attributable to rounding.

Mean Gross Billings Trended

After a handful of flat years, gross billings increased significantly (18%) in 2012.



GB1. For the commercial or advertising-related projects completed by your company in 2012, what were the total gross billings for your company, not including pass through items?

Gross Billings Breakdown Trended

	2007	2008	2009	2010	2011	2012
Base	*116*	*102*	*101*	*112*	*100*	*115*
Mean Gross Billings	$11,600,000	$10,400,000	$9,300,000	$10,075,010	$10,060,320	$11,829,980
Less than or equal to $1 Million	25%	20%	28%	25%	26%	25%
> $ 1 Million to $ 3 Million	22%	26%	23%	26%	26%	23%
> $ 3 Million to $ 5 Million	15%	12%	12%	12%	11%	14%
> $ 5 Million to $ 10 Million	12%	14%	10%	8%	7%	12%
> $ 10 Million	26%	28%	27%	29%	30%	26%

GB1. For the commercial or advertising-related projects completed by your company in 2012, what were the total gross billings for your company, not including pass through items?

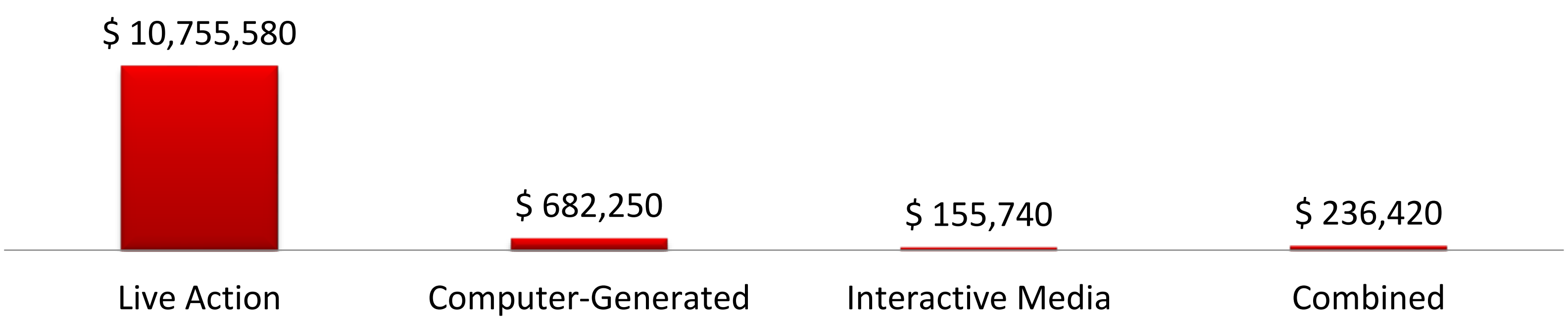
Gross Billings by Production Type

Live action production accounted for 91% of total gross billings in 2012, with computer-generated accounting for only 6% of the total.

2012 Gross Billings
N=115

Total*	Mean	Median
$3,844,744,433	$11,829,980	$3,675,000

Mean Gross Billings



GB1. For the commercial or advertising-related projects completed by your company in 2012, what were the total gross billings for your company, not including pass through items?
GB2. Of your total gross billings of [PIPE IN RESPONSE FROM GB1] in 2012, what amount of these gross billings was for:

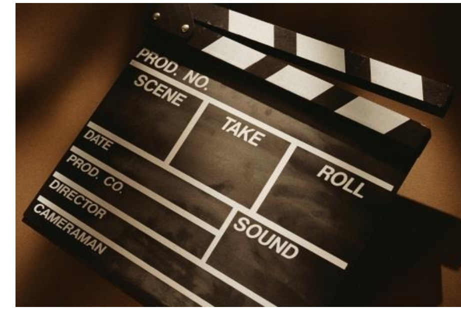
Gross Billings Distribution Breakdown

Live action production was primarily intended for broadcast commercials.

	Live Action	Computer-Generated
Base	*112*	*25#*
Traditional (Broadcast) commercials	**77%**	**50%**
Non Traditional (Net)	**23%**	**50%**
Internet or broadband films	7%	13%
Mobile content	1%	4%
Original content	3%	7%
In-game advertising	0%	2%
Experiential marketing	1%	3%
Website content	7%	16%
Other	2%	4%

GB3. Of your live action and computer-generated project gross billings in 2012, what percentage of these gross billings of content was intended for the following primary distribution methods?
#Caution: Low base size under N=50





Production Expenditures

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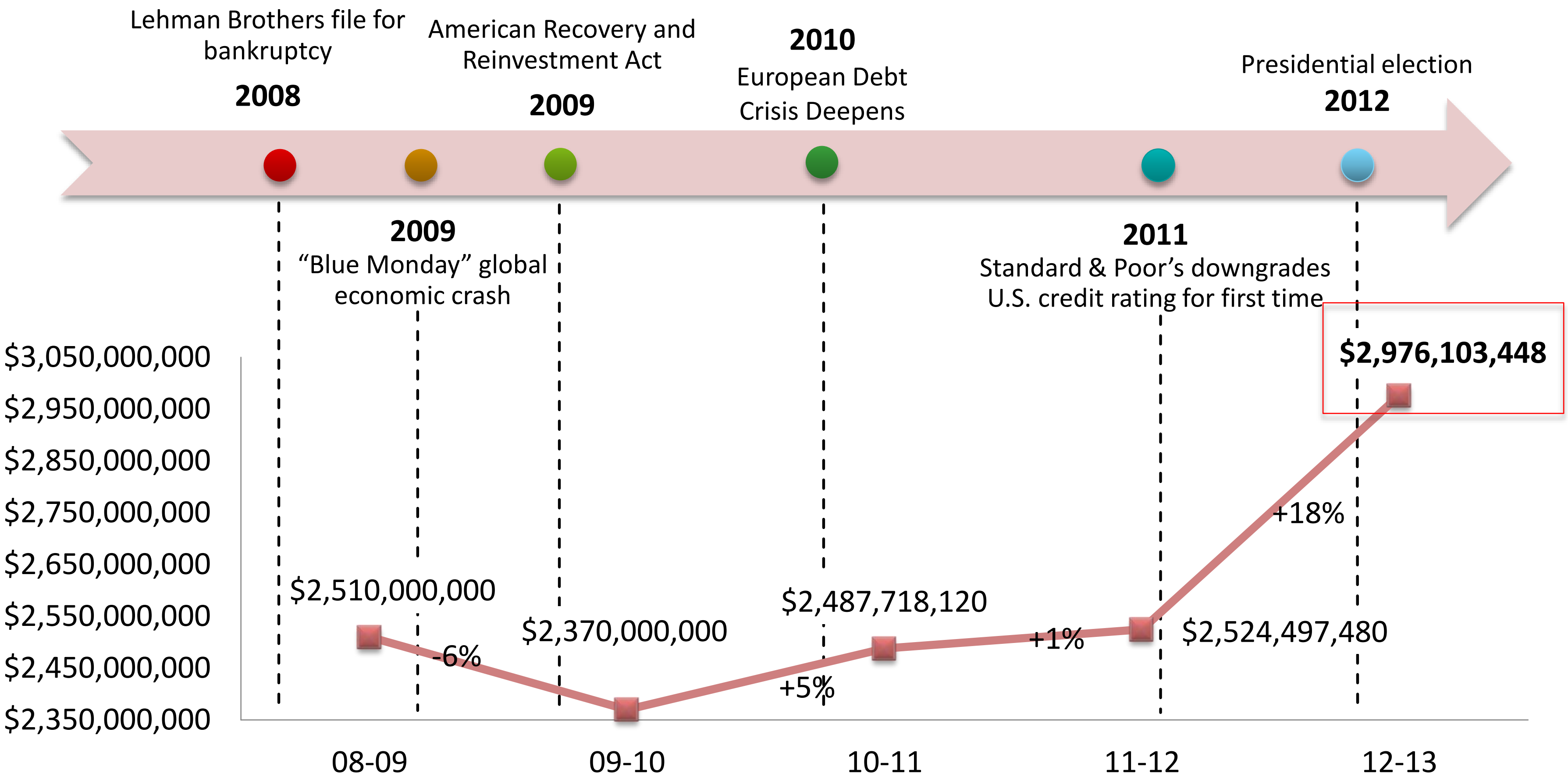
Direct Production Expenditures* Trended



Other expenditures such as talent payments, music and post-production costs are not reflected in these direct production expenditures. Along with all other ancillary and associated costs, this results in a total economic impact of $5 billion to the commercial production industry.

*Numbers are estimates extrapolated from the mean to actual member size. Any fluctuation is attributable to rounding.

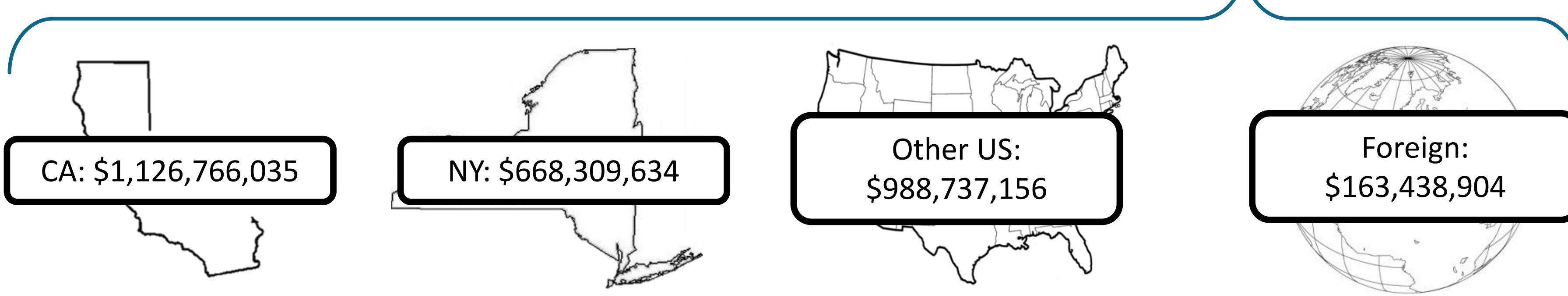
E1. For the commercial or advertising-related projects completed by your company in 2012, what were the total production expenditures for your company?

Expenditures by Region Breakdown

While total expenditures increased in 2012, California's share decreased by 7 points to 41%, partly due to incentive offerings in other states. New York's share increased 5 points.

	2009	2010	2011	2012
	Domestic: 86% *N=100*	Domestic: 91% *N=111*	Domestic: 92% *N=95*	Domestic: 94% *N=115*
	California: 42%	California: 50%	California: 48%	California: 41%
	New York: 15%	New York: 15%	New York: 15%	New York: 20%
	Other US: 29%	Other US: 26%	Other US: 29%	Other US: 33%
	International: 14%	International: 9%	International: 8%	International: 6%

Approximate Total Live Action Expenditures by Region*



*Numbers are estimates extrapolated from the mean to actual member size. Any fluctuation is attributable to rounding.

E3. Of the [PIPE IN RESPONSE FROM E1] you SPENT on production in 2012, including live action and non-administrative labor for computer-generated and interactive media production, what percentage did you SPEND in each of the following regions?

Digital and Work Days Trended

Staff work days on computer-generated and interactive media projects directionally increased by 44%.

	2008		2009		2010		2011		2012
Staff	91	-10%	82	-4%	79	+33%	105	+44%	151
Freelance	67	-13%	58	+21%	70	+23%	86	+8%	93
	N=28#		*N=42#*		*N=33#*		*N=26#*		*N=26#*

E5. For your computer-generated and interactive media production projects completed in 2012, how many work days did your company have in each of the following categories:

#Caution: Low base size under N=50

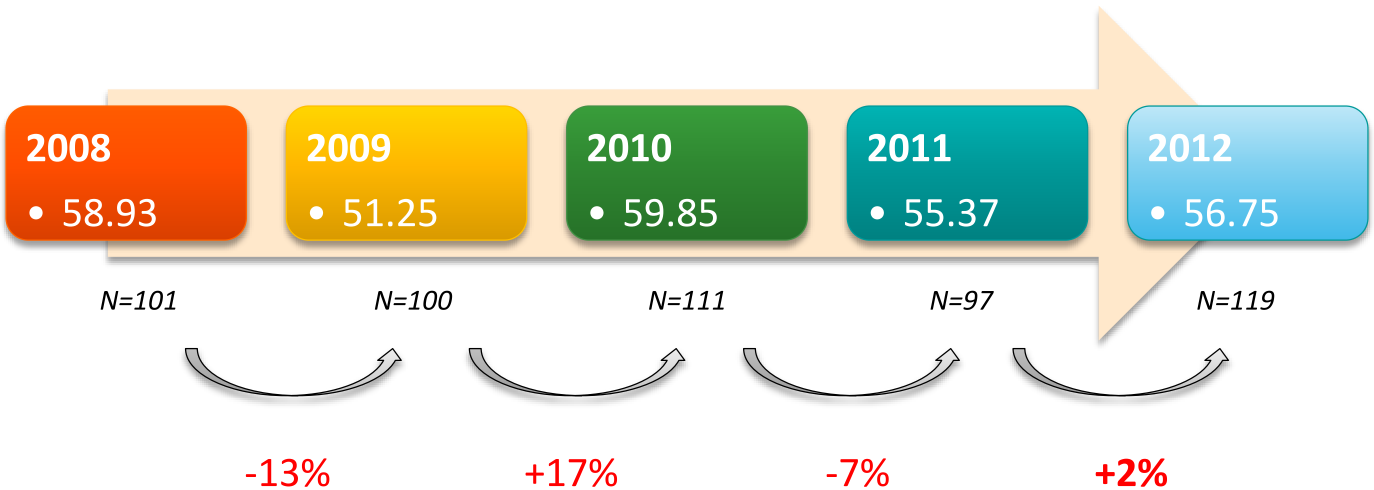
Shoot Days & Locations

BOVITZ DESIGN-DRIVEN RESEARCH AND STRATEGY

Shoot Days and Distribution Trended

Despite an increase in expenditures and gross billings, the average number of shoot days remains flat.

Live Action Shoot Days



PR7A. How many live action shoot days did your company have for 2012?

Stage vs. On-Location Shoot Days Trended

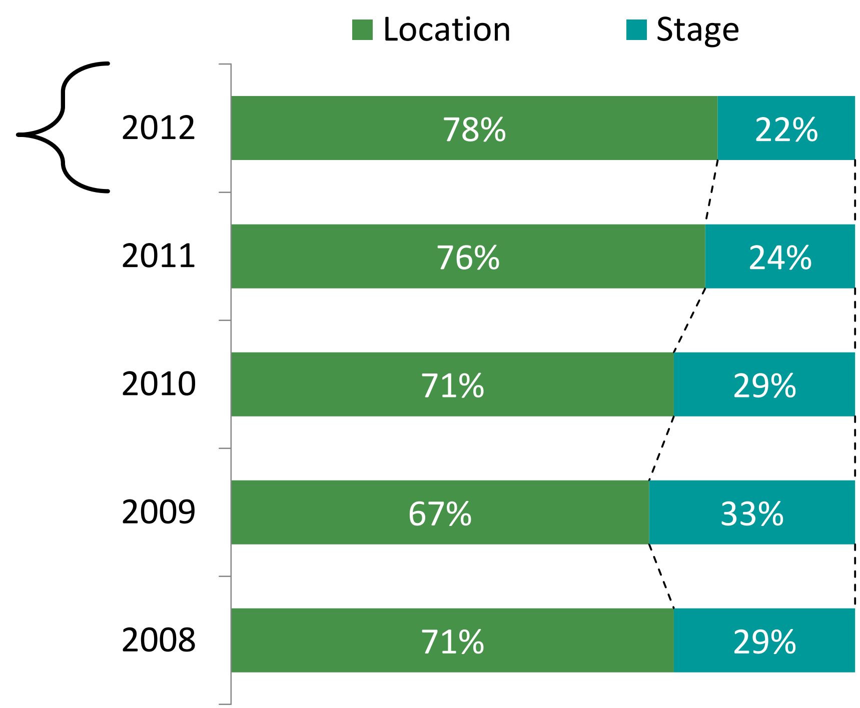
The proportion of shoot days on location has steadily increased since 2009, with more projects being shot on location versus on stage.

Live Action Shoot Days: 56.75

Location: 44.38

Stage: 12.37

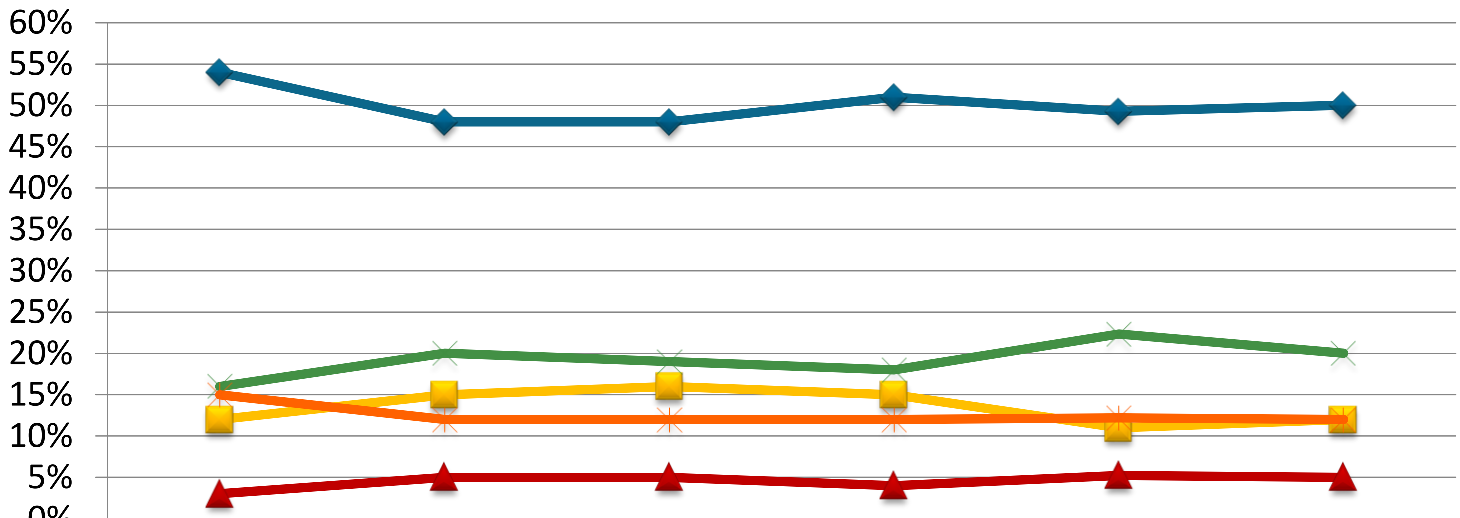
N=119



PR7A. How many live action shoot days did your company have for 2012?
PR7B. Of the live action shoot days you completed in 2012, how many were conducted on location and how many were conducted on a stage?

Shoot Days by Region Trended

Production levels remained stagnant across regions despite a significant increase in expenditures outside of California, indicating an increase in expenditures per shoot in other regions.



	2007	2008	2009	2010	2011	2012
So Cal	54%	48%	48%	51%	49%	50%
New York	12%	15%	16%	15%	11%	12%
Illinois	3%	5%	5%	4%	5%	5%
Other US	16%	20%	19%	18%	22%	20%
Foreign	15%	12%	12%	12%	12%	12%
	N=109	*N=100*	*N=98*	*N=111*	*N=97*	*N=118*

PR8. Of your [PIPE IN RESPONSE FROM PR7A] live action shoot days in 2012, how many were shot in each of the following regions?”

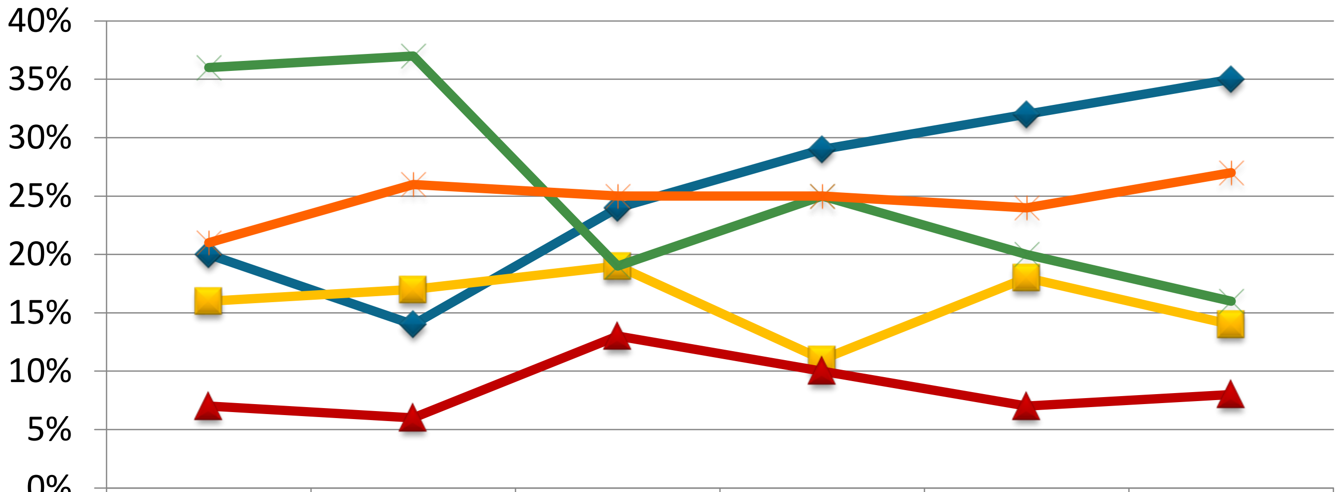
2012 Shoot Days by Region Breakdown

N=118	Sum of all shoot days in this location	% of all shoot days	% of domestic shoot days	Mean for those with shoot days	Median for those with shoot days	Mean for those who shoot in this location	Median for those who shoot in this location
Los Angeles County	3079	46%	52%	26	8	37	16
Southern California	305	5%	5%	3	0	8	5
Northern California	193	3%	3%	2	0	6	3
New York City	761	11%	13%	6	1	12	6
New York State	59	1%	1%	1	0	4	4
Connecticut/Massachusetts	56	1%	1%	0	0	4	3
Illinois	365	5%	6%	3	0	12	4
Florida	242	4%	4%	2	0	5	3
Georgia	92	1%	2%	1	0	5	2
Southeast	96	1%	2%	1	0	4	4
Louisiana	41	1%	1%	0	0	4	3
Texas	151	2%	3%	1	0	5	2
Southwest	56	1%	1%	0	0	4	3
Other U.S. locations	436	6%	7%	4	0	8	5

PR8. Of your [PIPE IN RESPONSE FROM PR7A] live action shoot days in 2012, how many were shot in each of the following regions?”

Shoot Days by International Locations Trended

Commercial production has decreased in Central and South America; conversely, Europe has seen an increase in production since 2008.



	2007	2008	2009	2010	2011	2012
Europe/UK	20%	14%	24%	29%	32%	35%
Vancouver	16%	17%	19%	11%	18%	14%
Toronto/Other Canada	7%	6%	13%	10%	7%	8%
Central/South America	36%	37%	19%	25%	20%	16%
Other Foreign	21%	26%	25%	25%	24%	27%
	N=109	*N=100*	*N=98*	*N=111*	*N=97*	*N=118*

PR8. Of your [PIPE IN RESPONSE FROM PR7A] live action shoot days in 2012, how many were shot in each of the following regions?”

2012 Shoot Days by International Locations Breakdown

N=118	Sum of all shoot days in this location	% of all shoot days	% of foreign shoot days	Mean for those with shoot days	Median for those with shoot days	Mean for those who shoot in this location	Median for those who shoot in this location
Vancouver	118	2%	14%	1	0	5	4
Toronto	51	1%	6%	0	0	3	2
Other Canadian locations	13	0%	2%	0	0	4	2
United Kingdom/Western Europe	162	2%	20%	1	0	8	5
Central/Eastern Europe	124	2%	15%	1	0	7	5
Australia/New Zealand	41	1%	5%	0	0	6	6
South Africa	73	1%	9%	1	0	5	4
Mexico and Central America	22	0%	3%	0	0	2	2
South America	109	2%	13%	1	0	6	4
Other non-U.S. locations	108	2%	13%	1	0	7	6

PR8. Of your [PIPE IN RESPONSE FROM PR7A] live action shoot days in 2012, how many were shot in each of the following regions?”

Payments

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Payments and Timing Trended

While final payment prior to the due date has increased, over half of member companies are subjected to late payments from clients.

<table>
<tr><th></th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th></tr>
<tr><td>Base</td><td>126</td><td>103</td><td>101</td><td>112</td><td>100</td><td>119</td></tr>
<tr><td>Prior to Due Date</td><td>6%</td><td>6%</td><td>6%</td><td>5%</td><td>8%</td><td>11%</td></tr>
<tr><td>On Time</td><td>34%</td><td>34%</td><td>31%</td><td>41%</td><td>40%</td><td>35%</td></tr>
<tr><td>1 -15 Days Late</td><td>18%</td><td>16%</td><td>21%</td><td>17%</td><td>15%</td><td>14%</td></tr>
<tr><td>16-30 Days Late</td><td>16%</td><td>16%</td><td>18%</td><td>18%</td><td>12%</td><td>16%</td></tr>
<tr><td>31-45 Days Late</td><td>12%</td><td>14%</td><td>13%</td><td>9%</td><td>8%</td><td>9%</td></tr>
<tr><td>46-60 Days Late</td><td>8%</td><td>7%</td><td>7%</td><td>5%</td><td>6%</td><td>6%</td></tr>
<tr><td>61-90 Days Late</td><td rowspan="3">7%</td><td rowspan="3">7%</td><td rowspan="3">4%</td><td rowspan="3">4%</td><td>6%</td><td>4%</td></tr>
<tr><td>91-120 Days Late</td><td>2%</td><td>3%</td></tr>
<tr><td>More than 120 Days Late</td><td>2%</td><td>1%</td></tr>
<tr><td>No Payments</td><td>0%</td><td>0%</td><td>1%</td><td>0%</td><td>0%</td><td>0%</td></tr>
</table>

PA2. A major issue in the commercial production industry has been timely payment of agreed-upon agency contracts. In 2012, approximately what percentage of final payments from your clients arrived during each of the following ranges of time?

2012 Payments and Timing by Company Size

		Company Size (Sales)					
		Small		Medium		Large	
	Total	Sales<$1m	$1m-$4.99m	$5m-$9.99m	$10m-$19.99m	$20m-$49.99m	$50m+
Base	*119*	*27#*	*42#*	*16#*	*8#*	*16#*	*6#*
Prior to Due Date	11%	19%	10%	7%	18%	8%	6%
On Time	35%	42%	40%	18%	35%	26%	41%
1 -30 Days Late	30%	25%	27%	42%	31%	39%	25%
31-60 Days Late	15%	11%	12%	25%	11%	17%	15%
61-90 Days Late	4%	1%	6%	6%	3%	5%	6%
91-120 Days Late	3%	2%	3%	2%	1%	3%	4%
More than 120 Days Late	1%	1%	2%	0%	1%	2%	3%
No Payments	0%	0%	0%	0%	0%	0%	0%

PA2. A major issue in the commercial production industry has been timely payment of agreed-upon agency contracts. In 2012, approximately what percentage of final payments from your clients arrived during each of the following ranges of time?
#Caution: Low base size below N=50

Payments and Top Reasons for Tardiness Trended

The client not paying the agency remains the top reason for delayed payment to member companies.

	2008	2009	2010	2011	2012
Base	*103*	*101*	*112*	*100*	*119*
Client hasn't paid agency yet	83%	82%	85%	83%	80%
The agency billing-payment procedures do not allow it	10%	8%	6%	9%	5%
Other	0%	1%	3%	3%	3%
None/Not Sure	7%	9%	6%	5%	12%

PA3. When trying to collect late payments, which of the following is the explanation you hear most frequently to explain why you have not been paid?

Payments and Health of Company Trended

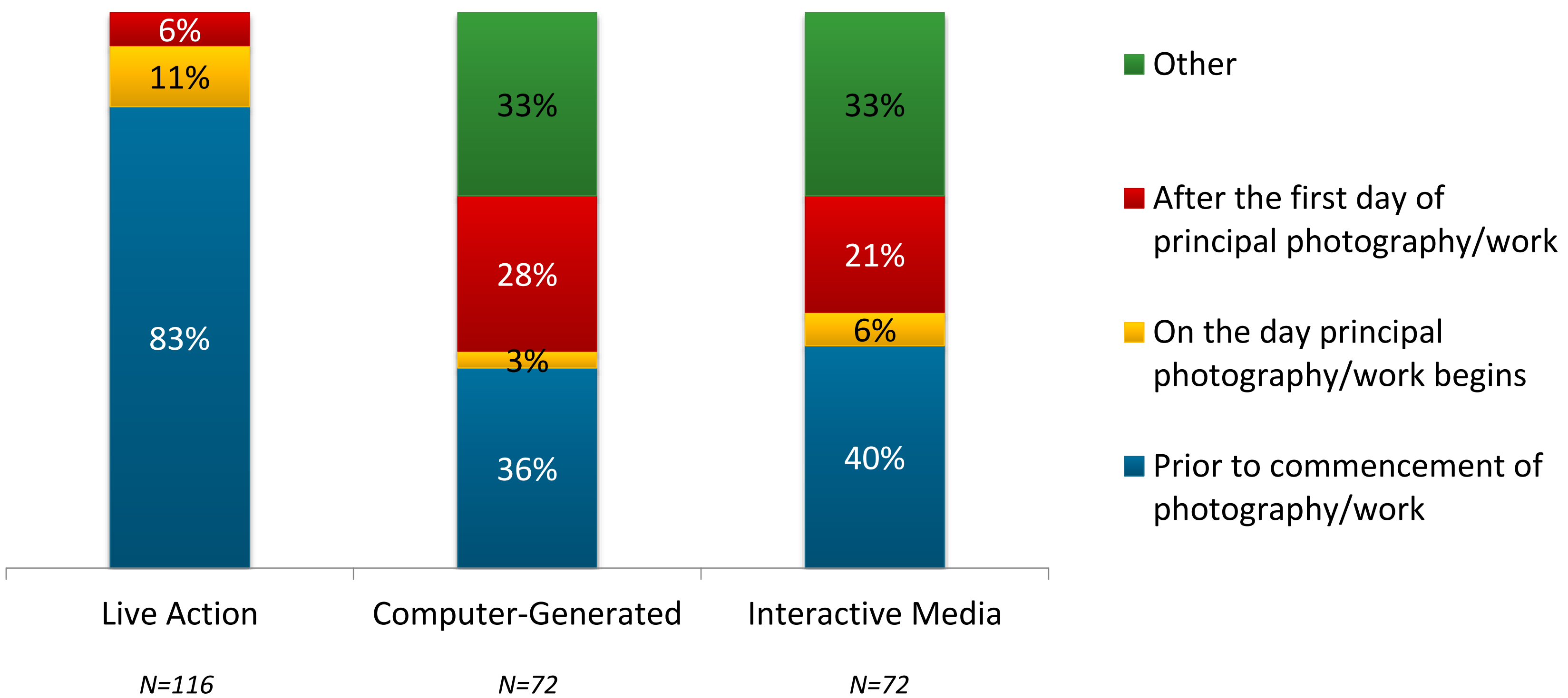
Timely payments, client guidelines, and contract liability issues had less of an impact on the company health in 2012. This is likely a reflection of the improved economic environment.

<table>
<tr><th>Top 2 Box</th><th>2007</th><th>2008</th><th>2009</th><th>2010</th><th>2011</th><th>2012</th></tr>
<tr><td>Base</td><td>126</td><td>103</td><td>101</td><td>112</td><td>100</td><td>119</td></tr>
<tr><td>Timely payments</td><td>78%</td><td>85%</td><td>82%</td><td>59%</td><td>62%</td><td>53%</td></tr>
<tr><td>Client guidelines</td><td>42%</td><td>58%</td><td>50%</td><td>47%</td><td>38%</td><td rowspan="2">34%*</td></tr>
<tr><td>Influence of cost consultants</td><td>38%</td><td>48%</td><td>44%</td><td>46%</td><td>51%</td></tr>
<tr><td>Contract liability issues</td><td>31%</td><td>19%</td><td>26%</td><td>17%</td><td>19%</td><td>17%</td></tr>
</table>

**Client guidelines* & *Influence of cost consultants were combined into one answer for this year's survey.*
NOTE: Top 2 Box refers to the top two answer options on a 5 or 10 point scale. The percentages are those who reported each factor has very/somewhat high impact on the health of the company. This question allows for totals to be greater than 100%.
PA4. Please rate the impact of each of the following factors on the health of your company.

2012 Payments and First Payment Receipt Breakdown

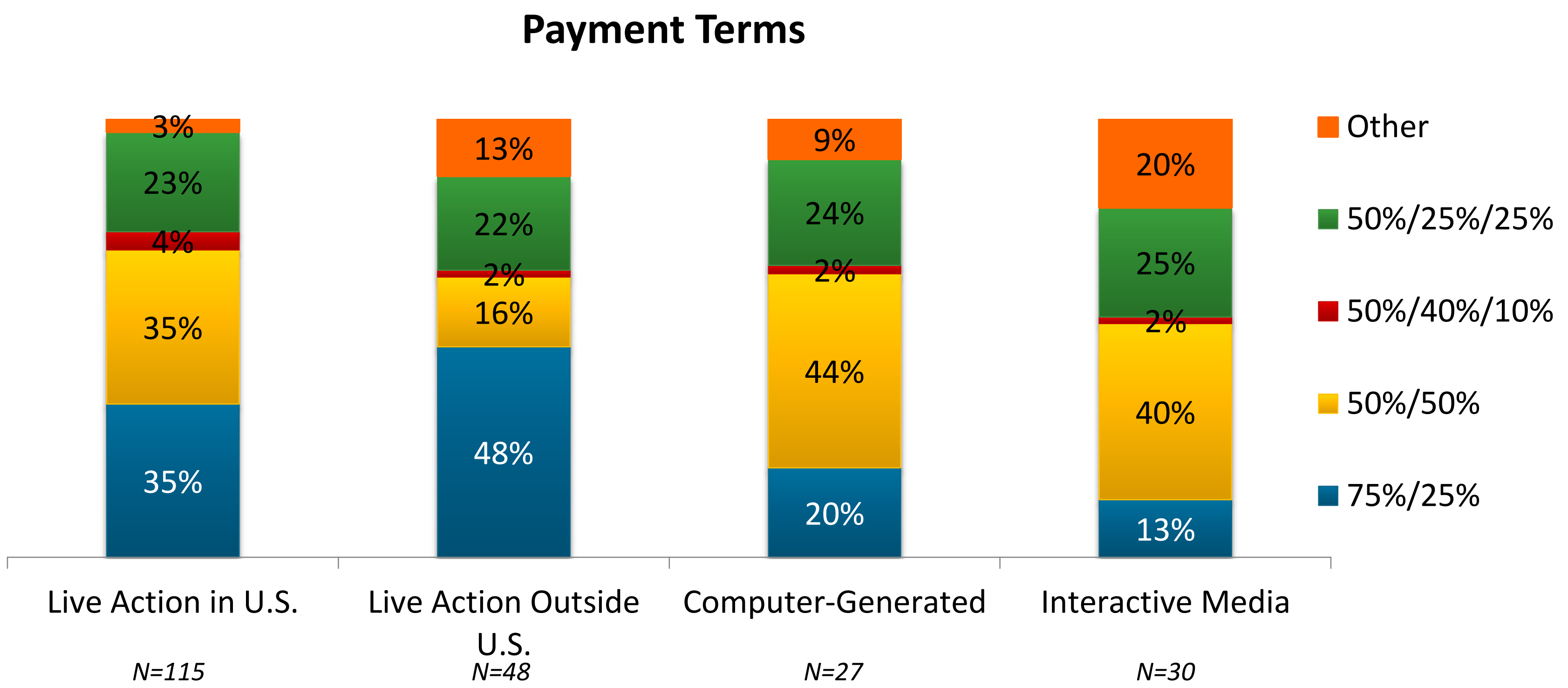
More than 4 in 5 companies receive first payment prior to commencement of work in the case of live action production. For other productions, first payment generally comes through later.



PA1. When do you usually receive the contractually agreed upon first payment?

Payment Guidelines

Live action work in the U.S. is generally paid on a 75/25 or a 50/50 payment term. Outside the U.S., live action work is generally paid on a 75/25 payment term.



PA5. In 2012, what percentage of your projects was paid using the following payment terms?

Digital & Non-Traditional

BOVITZ DESIGN-DRIVEN RESEARCH AND STRATEGY

Digital Production Techniques Trended

Computer-generated projects were evenly split across all digital production methods; a development not seen until 2012.

	2007	2008	2009	2010	2011	2012
Base	*52*	*28#*	*42#*	*33#*	*26#*	*40#*
Visual Effects	29%	24%	28%	24%	32%	28%
Animation	20%	26%	25%	22%	28%	24%
Graphic Design	27%	21%	32%	29%	18%	24%
Interactive Design	-	-	-	-	16%	-
Other	24%	29%	16%	26%	7%	24%

PR5. In 2012, what percentage of your company's computer-generated production was accounted for by the following digital production focus?
#Caution: Low base size below N=50

Digital Assets Outside Contract

Nearly half of member companies get paid for additional digital assets delivered.

Are you asked to deliver those additional assets? 2.72

1=Never (22%) | Rarely (14%) | Sometimes (42%) | Often (14%) | 5=Always (8%)

N=50

Do you deliver those additional assets? 2.98

1=Never (22%) | Rarely (12%) | Sometimes (24%) | Often (27%) | 5=Always (14%)

N=49#

Do you get paid for those additional assets? 2.60

1=Never (20%) | Rarely (29%) | Sometimes (33%) | Often (7%) | 5=Always (11%)

N=45#

* N/A are excluded from base
C2. Regarding digital assets outside of the deliverables originally contracted on a computer-generated or interactive media project, how often…
#Caution: Low base size below N=50

Compensation by Project Type and Distribution Method

Companies are generally paid a percentage of production costs, more so for live action productions. For computer-generated and interactive media productions, a fee may be built into the rates for services.

Top 2 Box	Project Type		
	Live Action	Computer-Generated	Interactive Media
Base	*Variable*		
A percentage of production costs	81%	51%	54%
A combination of a percentage of production costs and a creative fee	15%	19%	26%
A fee built into the rates for services	11%	38%	33%
A creative fee not related to production costs	6%	13%	10%
A licensing fee and the retention of ownership of the materials produced	0%	6%	7%
Other compensation	1%	4%	4%

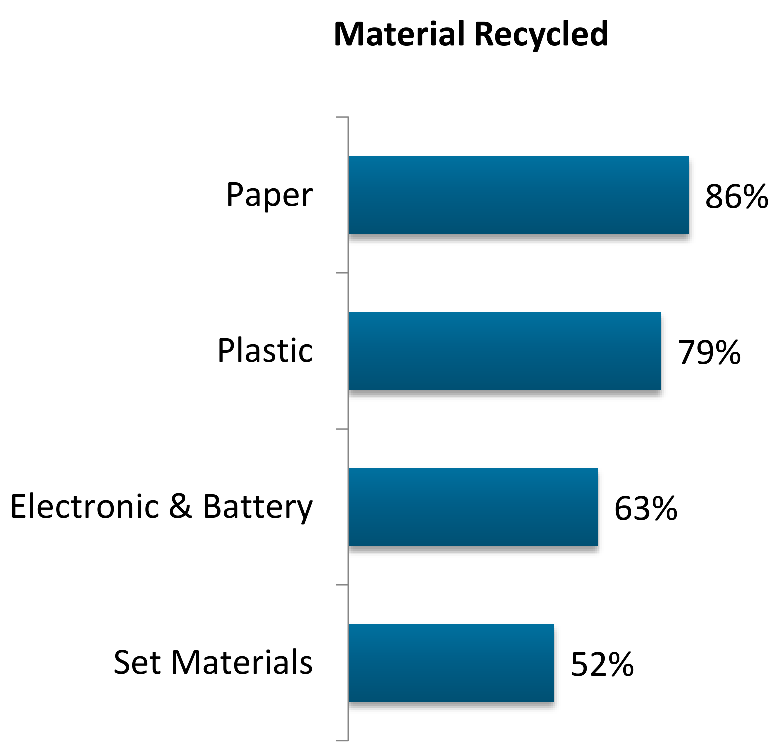
NOTE: Top 2 Box refers to the top two answer options on a 5 or 10 point scale. The percentages are those who reported each factor has very/somewhat high impact on the health of the company. This question allows for totals to be greater than 100%.
C1. How often are you compensated in the following ways for each project type?

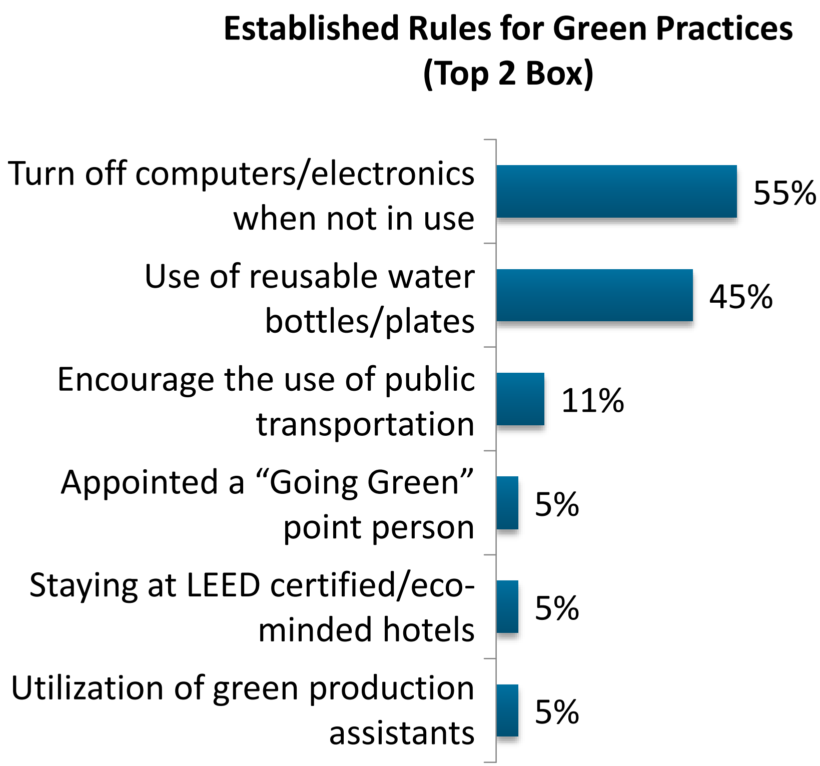
Green Guidelines

BOVITZ DESIGN-DRIVEN RESEARCH AND STRATEGY

Recycling and Sustainability

Paper and Plastic are the most recycled materials. The majority of companies have rules established for turning off electronics.





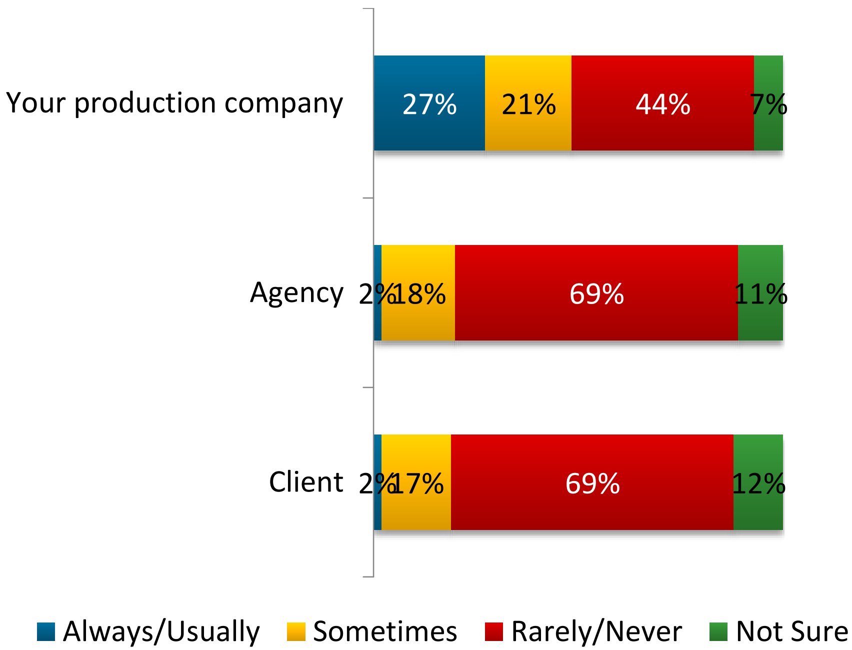
N=121

GI1. Does your company recycle any of the following in office/on set?
GI2. In the past year, how often has your company established rules for any of the following green practices?

Green Guidelines and Costs

Member companies are responsible for 89% of the costs for implementing green practices. However, green guidelines are rarely requested or factored into bids.

Request for Green Guidelines



N=121

Responsible for …

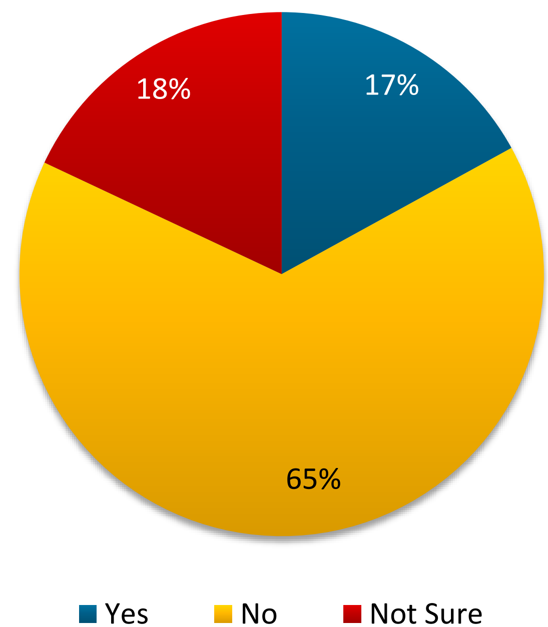
89% Costs

6% Costs

5% Costs

N=58

Are Green Guidelines Costs Factored into Bids?

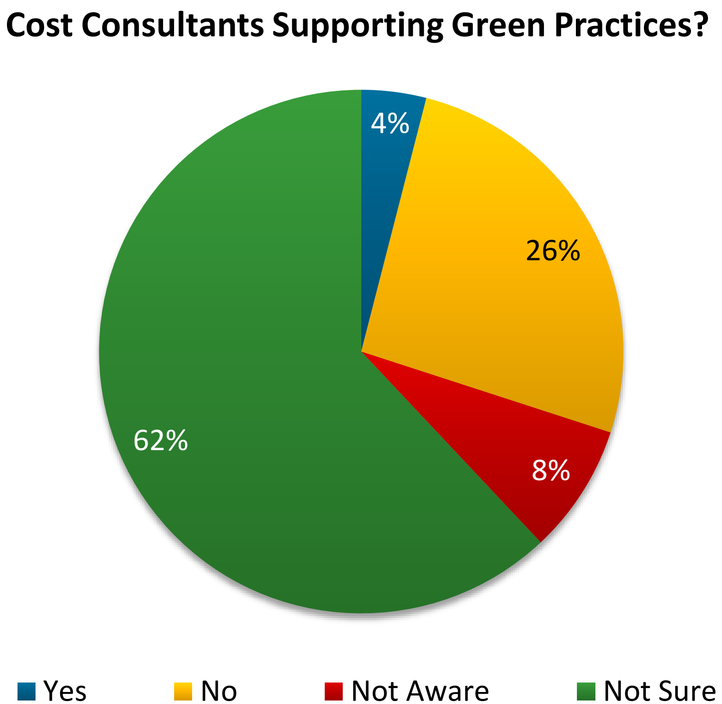


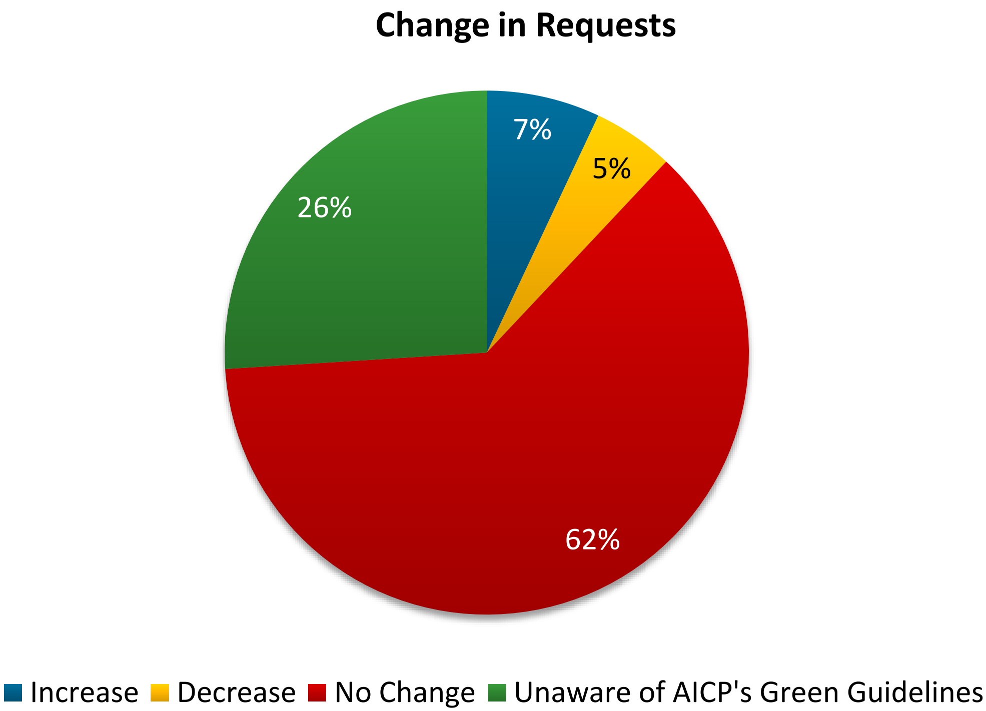
N=78

GI3. How often do the following entities request that productions follow a set of green guidelines? GI4. What percentage of the costs for implementing green practices is each entity responsible for? GI5. Are the related green guideline costs factored into bids?

Green Practices and Change in Requests

The majority of member companies have not seen a change so far in 2013 in the number of requests to follow AICP's green guidelines.



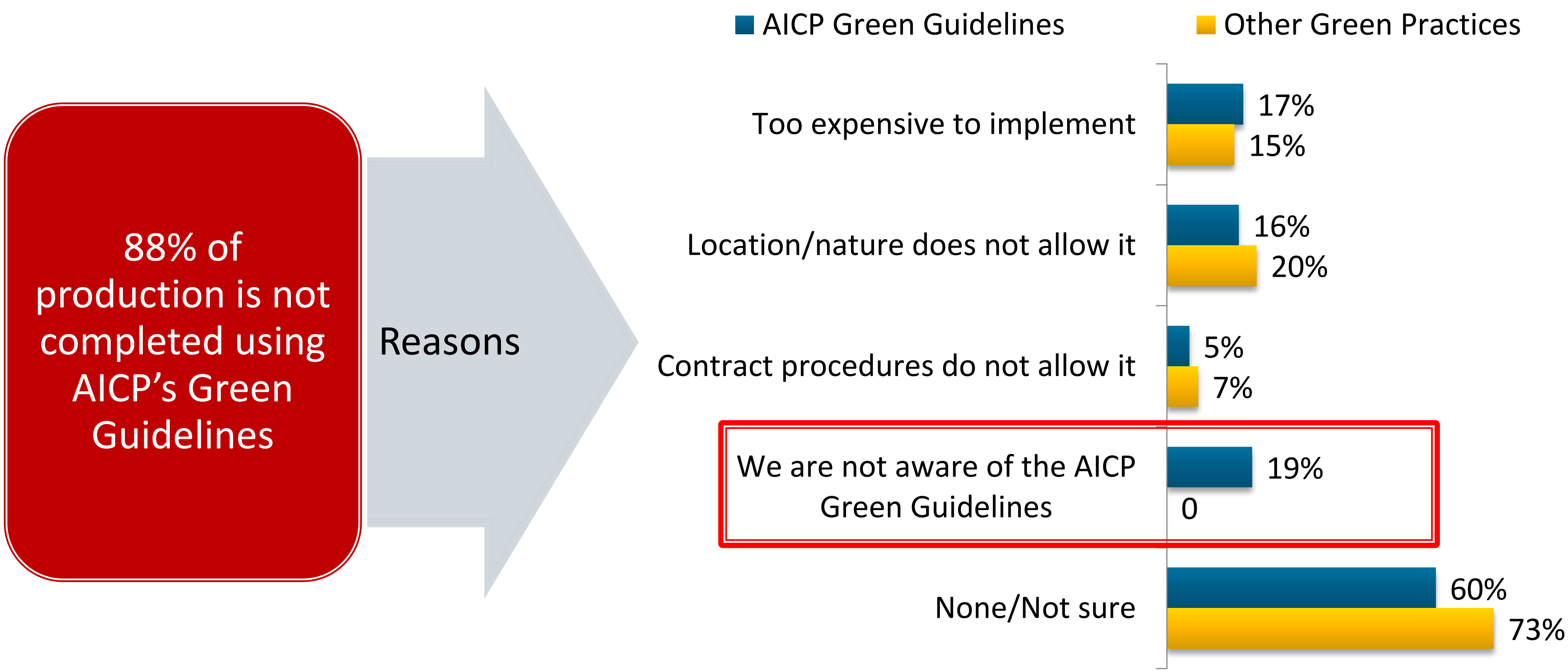


N=121

GI6. Are any of your cost-consultants supporting green production practices?
GI7. Comparing your experience in 2012 to your experience so far in 2013, have you seen an increase, decrease, or no change in the number of requests from agencies or clients to follow AICP's Green Guidelines?

Reasons for Not Following Guidelines

Lack of awareness is the primary reason why AICP Green Guidelines are not followed on shoots.



N=121

GI8. Which of the following best describes why AICP Green Guidelines (or similar Green practices) are not being followed on your shoots?
GI9. In 2012, what percentage of your production was completed using the AICP's Green Guidelines for production?

Company Demographics

BOVITZ DESIGN-DRIVEN RESEARCH AND STRATEGY

Employees

The average number of employees on staff increased by 3 in 2012.

Year	2010	2011	2012
Employees on Staff	13.19 *N=112*	11.64 *N=99*	14.61 *N=120*
Full Time	97% *N=96*	95% *N=84*	97% *N=106*
Part Time	3% *N=96*	5% *N=84*	3% *N=106*

CD4. How many employees does your company currently have on staff?
CD5. Of the [PIPE IN RESPONSE FROM CD4] staff employees (not to be confused with freelance employees) who work at your company, how many are full time versus part time employees?

Employees

Employees on Staff: 14.61

N=120

Full-time: 97%

N=106

Part-time: 3%

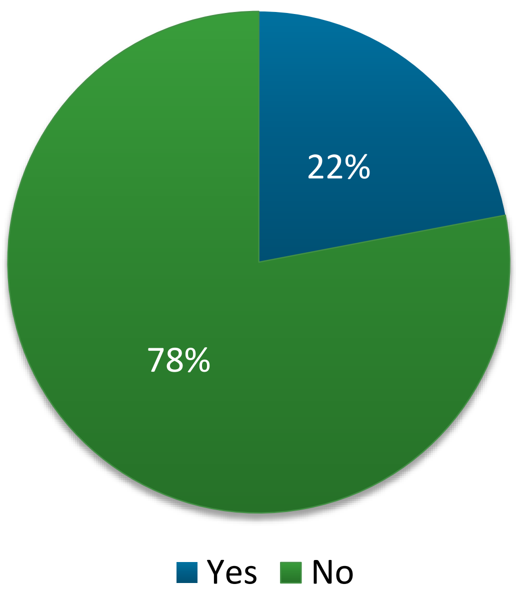
N=106

	< $1M	$1M-$5M	$5M-$10M	$10M-$20M	$20M-$50M	$50M+
Base:	*26#*	*42#*	*16#*	*8#*	*16#*	*6#*
Average Employees	5.69	7.40	20.63	9.00	31.44	38.17
Base:	*17#*	*37#*	*16#*	*8#*	*16#*	*6#*
Full Time	99%	93%	92%	97%	98%	98%
Part Time	1%	7%	8%	3%	2%	2%

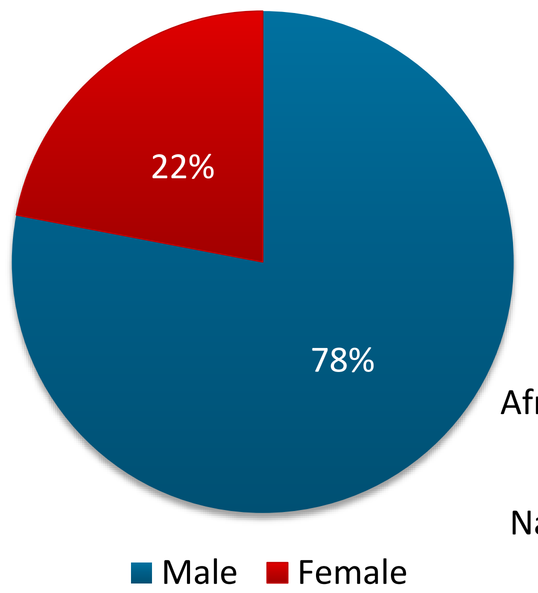
CD4. How many employees does your company currently have on staff?
CD5. Of the [PIPE IN RESPONSE FROM CD4] staff employees (not to be confused with freelance employees) who work at your company, how many are full time versus part time employees?
Caution: Low base size under N=50

Diversity Initiatives

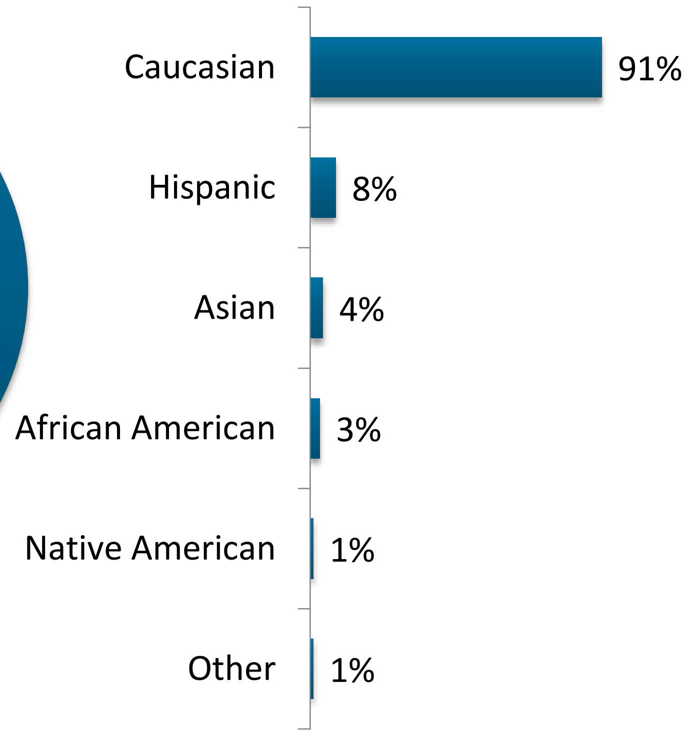
Has your company been engaged for work based on diversity initiatives?



Gender of the majority ownership



Ethnicity of the majority ownership



N=121

CD6. Has your company been engaged for work based on diversity initiatives?
CD7. Please indicate the gender and ethnicity of the majority ownership.

Diversity Initiatives

Sixteen percent of member companies report being minority owned and participating in a wide array of government-sponsored programs on behalf of diversity initiatives.

Is your company certified as minority owned?

Yes

- **16%**

No

- **84%**

N=121

If so, please identify which programs your company currently has certification for:

Base	*19#*
WOMEN-OWNED BUSINESS ENTERPRISE (WBE)	53%
MINORITY BUSINESS CONCERN (MBE)	32%
WOMEN-OWNED SMALL BUSINESS CONCERN (WBC)	26%
SMALL BUSINESS CONCERN (SBC/SBE)	5%

If your company is not certified, is it because:

Base	*102*
Have not applied, but plan to	6%
Have elected not to apply	5%
Are in the application process	5%
Do not qualify	84%

CD8. Is your company certified by appropriate government agencies as minority owned?
CD9. If your company is not certified, is it because:
CD10. Please identify which programs your company currently has certification for.
#Caution: Low base size under N=50

Office Location

Nearly two-thirds of member companies have offices in California.

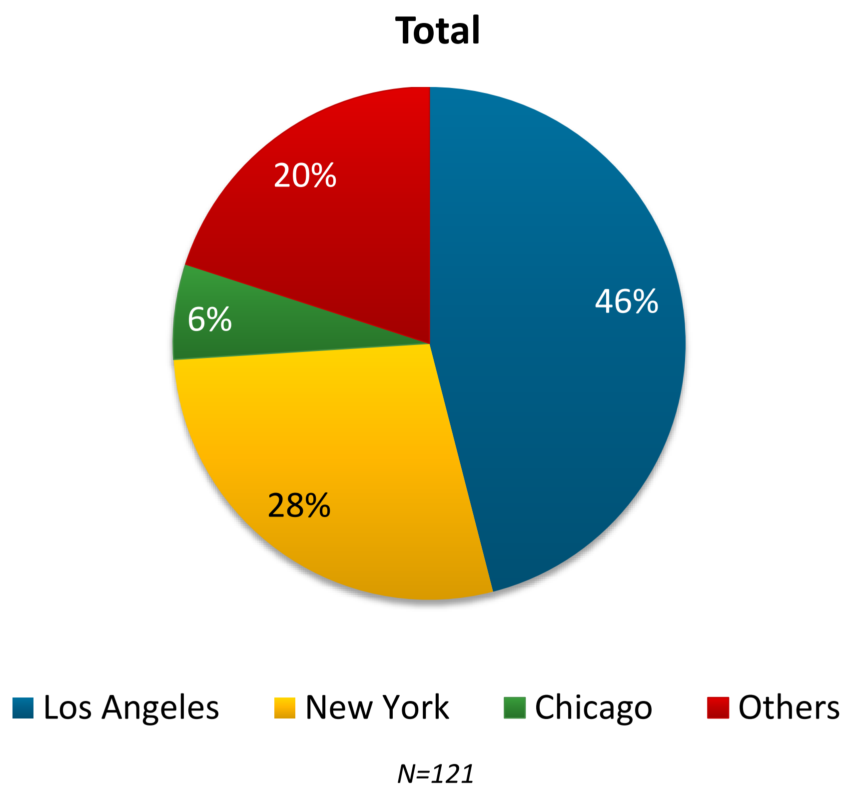
		Sales					
	Total	<$1M	$1M-$5M	$5M-$10M	$10M-$20M	$20M-$50M	$50M+
Base	*121*	*27#*	*42#*	*16#*	*8#*	*16#*	*6#*
California	62%	44%	45%	69%	88%	100%	100%
New York	42%	30%	38%	38%	25%	75%	67%
Illinois	8%	19%	7%	13%	0%	0%	0%
London	8%	4%	2%	6%	0%	25%	33%
Florida	2%	4%	2%	0%	0%	0%	0%
Georgia	2%	0%	7%	0%	0%	0%	0%
Minnesota	2%	4%	5%	0%	0%	0%	0%
Texas	2%	0%	5%	0%	13%	0%	0%
Other	15%	19%	19%	13%	0%	0%	33%

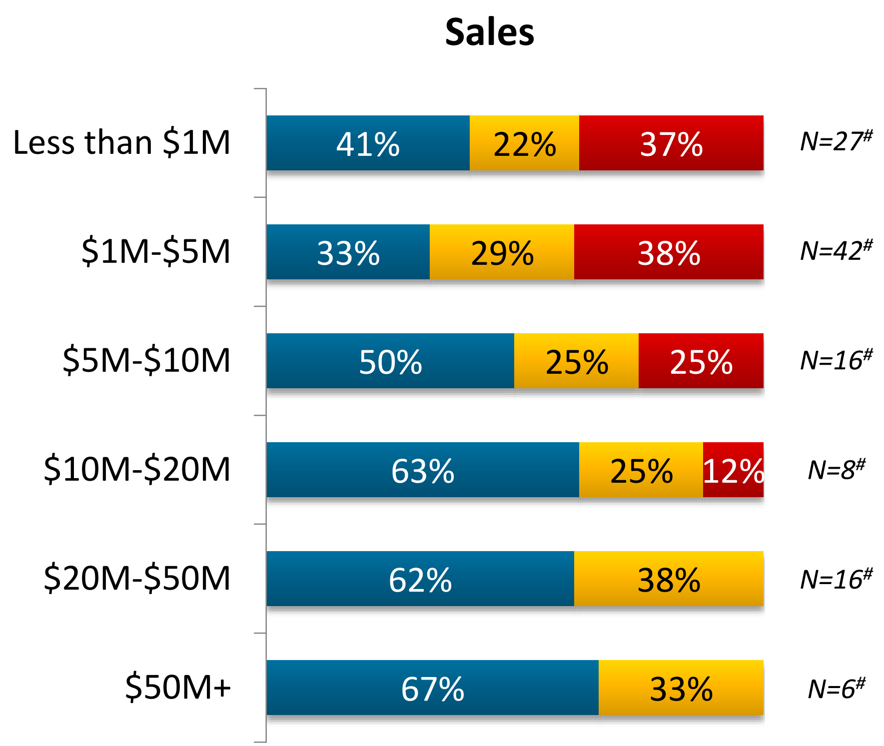
CD3. In which of the following locations do you have offices?

Caution: Low base size under N=50

Headquarter Location

Nearly half of member companies are headquartered in Los Angeles.





CD1. In what city and country is your company headquartered?

#Caution: Low base size under N=50