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>
> – Jack Valenti –

others, our little magazine made its mark in the movie world.

Despite our efforts, In Focus could not grow beyond providing an important source of information for our members. We attempted consumer outreach at Los Angeles newsstands and other distribution channels, but to little effect. We tried to move beyond our base, but it did not work.

Essentially, there were three publications in the same space: BOXOFFICE, In Focus and Film Journal International. In Focus had its purpose as NATO's magazine to be distributed to members and other industry insiders. Film Journal had its place as a complement to Nielsen and Bob Sunshine's extraordinary industry conventions. And BOXOFFICE remained the industry standard, steeped in the understanding and relevance that only history can provide.

Still, BOXOFFICE had become a bit stale. Follow the same paradigm for too long and you risk boredom. We considered making a play for BOXOFFICE. We thought the industry publication space could use one unified and informative voice, but the crunch of other priorities—and, unfortunately, our lack of expertise—prevented the move.

Meanwhile, New York entertainment lawyer and movie lover Peter Cane decided to follow his passion—not just his pocketbook. Given the opportunity to take over a slightly dated but historically grounded publication, Peter bought all rights to BOXOFFICE and became the storied magazine's publisher. Peter loves the movie and exhibition business and infuses his passion into everything he does at the magazine.

Peter suggested that we combine our efforts to better serve the industry. He offered to distribute BOXOFFICE to our NATO members gratis if we would sponsor his magazine and contribute content. A publication born in 1920—and a trade association founded in 1948—finally came together in 2007. Our partnership has exceeded my expectations. The style and look of the magazine and its sister website have improved significantly. More importantly, BOXOFFICE continues to offer our industry the most relevant and timely information. The publication simply constitutes a "must read" for everyone who cares about the movie distribution and exhibition business. And vendors know that advertisements in BOXOFFICE are *the* way to sell to cinema operators.

Ninety years after its birth, BOXOFFICE remains the most significant voice in our industry. As Jack Valenti used to say: "Nothing lasts that long in this brutal marketplace unless it is doing something that benefits the people it aims to serve." The more things change, the more they stay the same.

Throughout BOXOFFICE's ninety-year history, the entertainment and information world has undergone tremendous change. 1920 had no Internet, no video games, no portable communications devices and no television. Indeed, 1920 is the year that commercial radio was born, spawning WWJ in Detroit, and KDKA in Pittsburgh (Both still thrive today). Motion picture theaters had already been established and were doing quite well. Given the lack of competition in moving image entertainment, exhibition had a booming monopoly. Exhibition excelled between 1920 and the late '40s. Box office hit a peak of $1.594 billion in 1947. Then television, as they say, kicked exhibition in the keister.

Between 1946 and 1951, the number of television sets in use in the U.S. grew from 6,000 to more than 12 million. By 1955, half of all U.S. homes had televisions. The impact on exhibition was dramatic. Total box office receipts in 1969 ($1.294 billion) were lower than they had been two decades before ($1.448 billion)—and this is *without* taking inflation into account. Americans had simply fallen in love with their television sets, their TV dinners and their couches. At the dawn of the '70s, many believed that the great cinema experience would die a noble death.

Beginning in the '70s and continuing to the present, however, exhibition defied expectations by returning to a pattern of gradual growth. Admissions have grown in each subsequent decade (see chart).

| DECADE | AVERAGE ANNUAL ADMISSIONS |
|---|---|
| 1971 – 1980 | $995 MILLION PER YEAR |
| 1982 – 1990 | $1.13 BILLION PER YEAR |
| 1991 – 2000 | $1.28 BILLION PER YEAR |
| 2001 – 2008 | $1.447 BILLION PER YEAR |

It's true that television has dealt a significant blow to the motion picture theater industry, however no subsequent technological advance has had a similar impact. Indeed, the opposite has been the case. With the onset of new and better ways to watch movies in the home, cinema operators have sold more and more tickets. As the chart indicates, cinema admissions continued to grow through the introduction of VHS in 1977 and DVD in 1996. In 1976, the year before the onset of VHS, U.S. exhibitors sold 957 million tickets. In 1995, the year before DVD, admissions came to 1.21 billion. And this decade, ticket sales have averaged more than 1.4 billion. The returns in box office receipts have been even more impressive, as total dollars spent for movie tickets climbed from $2.115 billion (1975) to $3.479 billion (1985) to $5.269 billion (1995) and $8.832 billion (2005). And as I write this column, 2009 looks like the first $10 billion year in the history of the business!

These data—and the studies conducted to understand them—suggest that people who love movies love them *everywhere*. Those with the most diverse home technologies to watch movies also go to the cinema most frequently. Essentially, when Americans first fell in love with their television sets, they stayed home in droves. Then their infatuation broke: as even more technologies were developed for home entertainment, movie fans flocked back to the cinema in growing numbers. The more things change, the more they stay the same.

We look forward to many more decades of growth in our business—and to our ongoing partnership with BOXOFFICE.