

Sony's billion dollar studio writedown

Sony's \$1 billion writedown on its movie business was prompted by falling DVD/Blu-ray sales and a number of costly box office flops

RECENT MOVIE MISFIRES



Billy Lynn's Long Halftime Walk (2016)

Worldwide gross: **\$31m**

Budget: **\$40m**

Ghostbusters (2016)

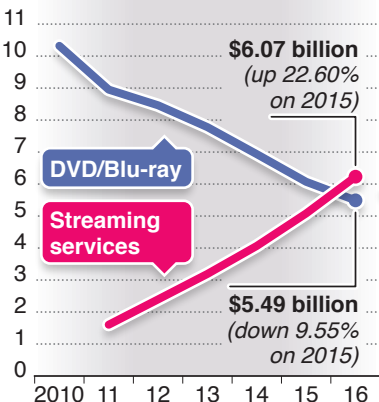
Worldwide gross: **\$229m**

Budget: **\$144m**

Sony loss: **\$75m**
(after marketing and publicity costs)

HOME ENTERTAINMENT SPENDING (U.S.)

\$12 billion



Blu-ray: Developed by Sony and released in 2006 to supersede DVD format. Offers greater storage capacity for showing movies at higher definitions

2016: DVD and Blu-ray disc sales eclipsed by subscription streaming numbers for first time

Popular U.S. streaming services

NETFLIX **amazon**
HBO **hulu**

Disc revenues being cannibalised by subscription streaming services which provide much lower profit margins to studios than physical media sales

Feb 2, 2017: Sony Pictures Entertainment CEO **Michael Lynton** steps down after for 13 years