SONY BMG
U.S. Only

$ Millions	2000 Total SONY BMG	2001 Total SONY BMG	2002 Total SONY BMG	2003 Total SONY BMG	2004 Total SONY BMG	2005 Total SONY BMG	2006 Total SONY BMG
Net Product Sales - Physical Product	1,867.8	1,397.6	1,284.9	1,925.7	1,758.4	1,535.3	1,331.8
Net Product Sales - Digital Online	-	-	-	-	-	123.0	210.6
Net Product Sales - Digital Mobile	-	-	-	-	-	104.0	139.0
Net Product Sales - Digital Other	-	-	-	12.0	104.0	-	-
Total Net Product Sales	1,867.8	1,397.6	1,284.9	1,937.7	1,862.4	1,762.3	1,681.4
Total Royalty Income Net	179.3	172.7	149.0	191.3	249.6	215.4	200.9
Net Revenue	2,047.1	1,570.3	1,433.9	2,129.0	2,112.0	1,977.7	1,882.3
Total Cost of Sales	907.4	561.3	491.8	1,111.9	991.5	872.8	907.3
Advertising	96.3	72.5	44.2	38.9	50.8	73.3	69.3
Promotion	138.1	158.8	118.7	99.8	91.1	95.8	75.1
Other Variable Marketing Costs	158.9	181.0	52.6	115.4	83.5	42.7	65.2
Total Variable Marketing	393.3	412.3	213.5	254.1	225.4	211.8	209.6
Variable Contribution	746.4	596.7	728.6	763.0	895.1	893.1	765.4
SG&A Expenses	704.6	734.7	760.1	825.1	766.0	801.3	729.1
Other Income/(Expense)	(3.0)	17.0	(71.9)	28.5	(37.7)	(4.1)	(19.6)
Equity Income/(Loss)	-	-	-	(7.5)	5.7	5.5	(.2)
Interest Income/(Expense)	(9.1)	(30.4)	(36.4)	1.2	.1	.3	.6
Pretax Income	29.7	(151.4)	(139.8)	(40.0)	97.3	93.4	17.1
Tax (Expense)	(11.9)	60.6	55.9	16.0	(38.9)	(37.4)	(6.8)
Net Income	17.8	(90.8)	(83.9)	(24.0)	58.4	56.0	10.3

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SONY BMG
U.S. Only

$ Millions	2005 Total SONY BMG	2006 Total SONY BMG
Summary:		
Advertising	73.3	69.3
Promotion	95.8	82.8
Other Variable Marketing Costs	42.7	57.5
Total Variable Marketing	211.8	209.6
Details:		
Advertising:		
Radio Advertising	31.1	24.2
TV Advertising	42.2	45.1
Promotion:		
Promotion Video Expense	51.0	48.2
Promotion Free Goods	10.9	8.3
Independent Sales Promo	0.0	0.0
Promotion Events	8.9	7.6
Press & Publicity	25.1	18.6
Other:		
Radio Placement	13.3	10.0
TV Placement	34.4	35.1
Other	(5.0)	12.4

SONY BMG
U.S. Only

$ Millions	2000 Sony	2000 BMG	2000 Total SONY BMG	2001 Sony	2001 BMG	2001 Total SONY BMG	2002 Sony	2002 BMG	2002 Total SONY BMG
Net Product Sales - Physical Product	1,044.8	823.0	1,867.8	792.1	605.5	1,397.6	613.8	671.1	1,284.9
Net Product Sales - Digital Product	-	-	-	-	-	-	-	-	-
Total Net Product Sales	1,044.8	823.0	1,867.8	792.1	605.5	1,397.6	613.8	671.1	1,284.9
Total Royalty Income Net	121.7	57.6	179.3	112.7	60.0	172.7	84.8	64.1	149.0
Net Revenue	1,166.5	880.6	2,047.1	904.8	665.5	1,570.3	698.6	735.2	1,433.9
Total Cost of Sales	485.2	422.2	907.4	305.6	255.7	561.3	182.6	309.2	491.8
Advertising	38.9	57.4	96.3	26.5	46.0	72.5	27.1	17.1	44.2
Promotion	102.7	35.4	138.1	118.9	39.9	158.8	74.1	42.6	116.7
Other Variable Marketing Costs	111.7	47.2	158.9	142.9	38.1	181.0	7.3	45.3	52.6
Total Variable Marketing	253.3	140.0	393.3	288.3	124.0	412.3	108.5	105.0	213.5
Variable Contribution	428.0	318.4	746.4	310.9	285.8	596.7	407.6	321.0	728.6
SG&A Expenses	330.3	301.1	704.6	334.0	294.7	734.7	459.0	271.6	760.1
Other Income/(Expense)	16.1	(19.1)	(3.0)	6.5	10.6	17.0	1.2	(73.1)	(71.9)
Equity Income/(Loss)	-	-	-	-	-	-	-	-	-
Interest Income/(Expense)	-	(9.1)	(9.1)	-	(30.4)	(30.4)	-	(36.4)	(36.4)
Pretax Income			29.7			(151.4)			(139.8)
Tax (Expense)	(0.1)	(21.1)	(11.9)		12.1	60.6	0.6	(2.0)	55.9
Net Income/(Loss)	113.7	(32.0)	17.8	(16.6)	(16.7)	(90.8)	(48.6)	(62.1)	(83.9)
Restructuring/Integration:									
US recorded directly			0.0		52.2	52.2		(2.5)	(2.5)
Corporate/US			0		7.4	7.4			0
International			0			0	993.1		993.1
Worldwide	0.0	0	0	0.0	0	0	0.0	0	0
Total	0	0.0	0.0	0	59.6	59.6	993.1	-2.5	990.6
US share									
US + Corp/US	0.0	0.0	0.0	0.0	59.6	59.6	0.0	-2.5	(2.5)
US share of WW	-		0.0	-		0.0	-		0.0
Total US			0.0			59.6			-2.5
Intl recorded music revenue									
Corporate/Shared Services	49	127.9		34.8	91.2		29.9	64.5	
(Sony includes Manuf and Publ)									
Worldwide Revenue	3,830.9	1,932.1		3,660.0	1,604.0		3,773.0	1,787.9	
US share of Corp	14.9	58.3	73.2	8.6	37.8	46.4	5.5	26.5	32.1

Notes:
BMG pre-venture net revenue equals PIPAC net revenue less cost of royalty income and other costs of service sales, to match the SONY BMG definition.
Sony pre-venture revenue and net income equal SMUMKTG less Warehousing All warehousing expenses were adjusted out of Cost of Sales.

SONY BMG
U.S. Only

$ Millions	2000 Sony	2000 BMG	2000 Total SONY BMG	2001 Sony	2001 BMG	2001 Total SONY BMG	2002 Sony	2002 BMG	2002 Total SONY BMG
Advertising	38.9	57.4	96.3	26.5	46.0	72.5	27.1	17.1	44.2
Promotion	102.7	35.4	138.1	118.9	39.9	158.8	74.1	42.6	116.7
Other Variable Marketing Costs	111.7	47.2	158.9	142.9	38.1	181.0	7.3	45.3	52.6
Total Variable Marketing	253.3	140.0	393.3	288.3	124.0	412.3	108.5	105.0	213.5
Details:									
Advertising:									
Radio Advertising	22.5		22.5	8.0		8.0	5.5		5.5
TV Advertising	16.4		16.4	18.4		18.4	21.6		21.6
Other	0.0	57.4	57.4	0.0	46.0	46.0	0.0	17.1	17.1
Promotion:									
Promotion Video Expense	47.1		47.1	57.3		57.3	35.0		35.0
Promotion Free Goods	11.1		11.1	11.9		11.9	9.1		9.1
Point of Sale Material	0.0		0.0	9.6		9.6	0.0		0.0
Independent Sales Promo	29.9		29.9	27.0		27.0	19.3		19.3
Promotion Events	0.0		0.0	0.0		0.0	0.0		0.0
Press & Publicity	14.6		14.6	13.1		13.1	10.6		10.6
Other	0.0	35.4	35.4	0.0	39.9	39.9	0.0	42.6	42.6

SONY BMG
U.S. Only

$ Millions	2003 Sony	2003 BMG	2003 Total SONY BMG	2004 Jan-Jul Sony	2004 Jan-Jul BMG	2004 Jan-Jul Total SONY BMG	2004 Aug-Dec Total SONY BMG	Total 2004 Total SONY BMG	2005 Total SONY BMG	2006 Total SONY BMG
Net Product Sales - Physical Product	981.5	944.2	1,925.7	504.5	416.1	920.6	837.8	1,758.4	1,535.3	1,331.8
Net Product Sales - Digital Online									170.0	216.5
Net Product Sales - Digital Mobile									57.0	130.4
Net Product Sales - Digital Other	6.0	6.0	12.0	26.0	26.0	52.0	52.0	104.0	-	-
Total Net Product Sales	**987.5**	**950.2**	**1,937.7**	**530.5**	**442.1**	**972.6**	**889.8**	**1,862.4**	**1,762.3**	**1,678.7**
Royalty Income 3rd Party Net	48.3	25.7	74.0	28.7	22.2	50.9	5.5	56.4	60.0	101.8
Royalty Income I/C Net	50.4	66.9	117.3	48.2	46.7	94.9	98.3	193.2	155.4	99.1
Total Royalty Income Net	**98.7**	**92.6**	**191.3**	**76.9**	**68.9**	**145.8**	**103.9**	**249.6**	**215.4**	**200.9**
Net Revenue	**1,086.2**	**1,042.8**	**2,129.0**	**607.4**	**511.0**	**1,118.4**	**993.6**	**2,112.0**	**1,977.7**	**1,879.6**
Total Cost of Sales	586.3	525.6	1,111.9	307.6	208.3	515.9	475.5	991.5	872.8	907.3
Advertising	19.2	19.7	38.9	13.5	7.8	21.3	29.5	50.8	73.3	69.3
Promotion	45.0	54.8	99.8	26.1	25.8	51.9	39.2	91.1	95.8	75.1
Other Variable Marketing Costs	11.1	104.3	115.4	4.5	32.1	36.6	46.9	83.5	42.7	65.2
Total Variable Marketing	75.3	178.8	254.1	44.1	65.7	109.8	115.6	225.4	211.8	209.6
Variable Contribution	**424.6**	**338.4**	**763.0**	**255.7**	**236.9**	**492.6**	**402.5**	**895.1**	**893.1**	**762.7**
SG&A Expenses	387.1	313.4	625.1	212.6	138.3	454.5	311.5	766.0	801.3	729.0
Other Income/(Expense)	0.5	27.9	28.5	0.5	(10.4)	(10.0)	(27.7)	(37.7)	(4.1)	(19.6)
Equity Income/(Loss)	-	(7.5)	(7.5)	-	(1.8)	(1.8)	7.5	5.7	5.5	(.2)
Interest Income/(Expense)	-	1.2	1.2	-	(0.0)	(0.0)	.1	.1	.3	.6
Pretax Income			(40.0)			26.3	70.9	97.3	93.4	14.5
Tax (Expense)	(0.4)	(2.3)	16.0	(1.2)	(0.6)	(10.5)	(28.4)	(38.9)	(37.4)	(5.8)
Net Income	**37.7**	**44.2**	**(24.0)**	**42.4**	**85.8**	**15.8**	**42.6**	**58.4**	**56.0**	**8.7**
Restructuring/Integration:										
US recorded directly	28.4	18.3	46.7	13.6	34.4	48.0	8.8	56.8	1.3	40.8
Corporate/US		10.7	10.7		7.7	7.7	50.1	57.8	97.7	71.2
International	21.9	41.3	63.2	22.9	41	63.9	136.3	200.2	157.2	38.6
Worldwide	41.1	0	41.1	36.2	0	36.2		36.2		
Total	91.4	70.3	161.7	72.7	83.1	155.8	195.2	351.0	258.2	150.6
US share										
US + Corp/US	28.4	29.0	57.4	13.6	42.1	55.7	58.9	114.6	99.0	112.0
US share of WW	17.3		17.3	16.1		16.1	0.0	16.1	0.0	0.0
Total US			74.7			71.7	58.9	130.6	99.0	112.0
Intl recorded music revenue	1500.9			761.3						
Corporate/Shared Services	36.8	86.8	123.6	27.5	54.1	81.6	57.5	139.1	143.5	102.1
(Sony includes Manuf and Publ)										
Worldwide Revenue	3,760.4	2,305.6		1,972.6	1,178.6		2,295.5		4,381.5	4,159.1
US share of Corp	10.6	39.3	49.9	6.5	23.5	31.9	24.9	56.8	64.8	46.1

Notes:
BMG pre-venture net revenue equals PIPAC net revenue less cost of royalty income and other costs of service sales, to match the SONY BMG definition.
Sony pre-venture revenue and net income equal SMUMKTG less Warehousing. All warehousing expenses were adjusted out of Cost of Sales.

SONY BMG
U.S. Only

$ Millions	2003 Sony	2003 BMG	2003 Total SONY BMG	2004 Jan-Jul Sony	2004 Jan-Jul BMG	2004 Jan-Jul Total SONY BMG	2004 Aug-Dec Total SONY BMG	Total 2004 Total SONY BMG	2005 Total SONY BMG	2006 Total SONY BMG
Advertising	19.2	19.7	38.9	13.5	7.8	21.3	29.5	50.8	73.3	69.3
Promotion	45.0	54.8	99.8	26.1	25.8	51.9	39.2	91.1	95.8	82.8
Other Variable Marketing Costs	11.1	104.3	115.4	4.5	32.1	36.6	46.9	83.5	42.7	57.5
Total Variable Marketing	75.3	178.8	254.1	44.1	65.7	109.8	115.6	225.4	211.8	209.6
Details:										
Advertising:										
Radio Advertising	4.3		4.3	3.3		3.3	12.0	15.2	31.1	24.2
TV Advertising	14.8		14.8	10.2		10.2	17.5	27.7	42.2	45.1
Other		19.7	19.7		7.8	7.8	0.0	7.8		
Promotion:										
Promotion Video Expense	16.4		16.4	10.5		10.5	20.7	31.2	51.0	48.2
Promotion Free Goods	8.3		8.3	4.6		4.6	3.4	8.0	10.9	8.3
Independent Sales Promo	12.6		12.6	6.2		6.2	5.1	11.3	0.0	0.0
Promotion Events	0.0		0.0	0.0		0.0	0.5	0.5	8.9	7.6
Press & Publicity	7.7		7.7	4.8		4.8	9.6	14.4	25.1	18.6
Other		54.8	54.8		25.8	25.8	0.0	25.8		
Other:										
Radio Placement			0.0			0.0	7.3	7.3	13.3	10.0
TV Placement			0.0			0.0	14.4	14.4	34.4	35.1
Other	11.1	104.3	115.4	4.5	32.1	36.6	25.2	61.8	(5.0)	12.4