

Residuals and Foreign Levies

The Guild recorded \$241.2 million in residuals during 2005, an increase of \$10.0 million, or 4 percent, from 2004. The results in 2004 had been lower than in 2003 because the Guild had prioritized sending checks to members over recording the transactions on the Guild's books. These results in 2005 show the expected rebound. The total in 2005 is 2.5 percent higher than the \$235.3 million two years earlier in 2003.

Television residuals grew 3 percent between 2004 and 2005, from \$100.7 million to \$103.7 million. The television residuals total in 2005 remains lower than the two highest years on

record in 2003 and 2002. The major factor in the lower figures since these seasons is the presence of reality series on network schedules as a replacement for both original production and repeats of drama series with serialized elements.

Residuals for feature films increased by 5 percent in 2005. The area of greatest growth was, perhaps unexpectedly, in pay television. Home video residuals declined by 4 percent due to the decline in the release of film library titles.

The Guild distributed \$7.9 million in foreign copyright levies in the year ending March 2006, more than the prior year and more than the \$6.4 million received.

TOTAL RESIDUALS COLLECTED BY PROGRAM TYPE AND REUSE MARKET

| | <i>(Millions of \$)</i> | | |
|---------------------------------------|-------------------------|----------------|-----------------------|
| | 2004 | 2005 | PERCENT CHANGE |
| TELEVISION PROGRAMS | | | |
| Network & Domestic Syndication | \$50.7 | \$54.5 | 7% |
| Foreign Free TV | 17.9 | 15.3 | -15% |
| Basic Cable | 23.5 | 24.3 | 3% |
| Videocassette/DVD/Pay TV | 8.2 | 9.0 | 10% |
| Other Television Program Reuse | 0.4 | 0.6 | 50% |
| Total Television Program Reuse | \$100.7 | \$103.7 | 3% |
| THEATRICAL FILMS | | | |
| Domestic & Foreign TV & Cable | \$34.2 | \$37.6 | 10% |
| Videocassette/DVD | 50.4 | 48.4 | -4% |
| Pay TV | 34.3 | 38.9 | 13% |
| DVD Script Publication Fee | 1.3 | 1.0 | -23% |
| Total Theatrical Film Reuse | \$120.2 | \$125.9 | 5% |
| CREATOR ROYALTIES | \$7.6 | \$7.2 | -5% |
| OTHER RESIDUALS | \$2.7 | \$4.4 | 63% |
| TOTAL RESIDUALS | \$231.2 | \$241.2 | 4% |

Source: WGAw records. Note: Prior year figures are updated to include adjustments.