

Profitability of Copyright-Intensive Industries

Jonathan Band

Jonathan Gerafi

policybandwidth

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Summary

Firms in the copyright-intensive industries frequently complain that copyright infringement causes significant lost sales, lost revenues, lost profits, and lost jobs. However, as has been noted in numerous impartial studies, the actual impact of infringement on individual firms, on industry sectors, and on the U.S. economy as a whole, is extremely difficult to quantify.¹

In contrast, what can be quantified with relative ease is the performance of firms in the copyright-intensive industries in terms that matter to investors: revenue, profit, and most importantly, profitability. Furthermore, the performance of firms in the copyright-intensive industries can readily be compared with the performance of firms in other industries. While such a comparison may not demonstrate the effect of infringement, it could provide guidance to policymakers as to whether the copyright-intensive industries require additional government assistance in the form of new legislation or law enforcement resources.

In this study, we have examined the performance over the past ten years of five leading firms in three copyright-intensive industries: motion pictures, publishing, and software.² We then examined the performance of five leading firms in three other industries: construction, transportation, and mining. Finally, we compared the profitability of the firms in these six industries.³

We found that the firms in the copyright-intensive industries were more profitable than the firms in the other industries in every period examined:

Profit Margin By Industry

Year	Construction	Mining	Transportation	Film	Publishing	Software
2003	0.29%	1.52%	5.52%	11.17%	11.35%	23.92%
2007	3.95%	13.23%	4.67%	16.79%	16.07%	26.41%
2012	1.45%	0.37%	3.23%	17.56%	13.92%	25.80%

Additionally, in this ten-year period, the copyright-intensive industries' profit margins on average grew by 3.98%, while the other industries' profit margins on average decreased by 0.75%.

There certainly may be other industry sectors that are more profitable than some of the copyright-intensive industries. Moreover, the firms in the copyright-intensive industries may have been even more profitable if they did not have to contend with copyright infringement. Nonetheless, the high

¹ See, e.g., National Research Council, *Copyright in the Digital Era: Building Evidence for Policy* (2013); U.S. Government Accountability Office, *Intellectual Property: Observation on Efforts to Quantify the Economic Effects of Counterfeit and Pirated Goods; The Impact of Innovation and the Role of IP Rights on U.S. Productivity, Competitiveness, Jobs, Wages and Exports*, GAO-10-423 16 (2010).

² We did not separately report on the three major record labels in the music industry. However, according to *The Wall Street Journal*, major label Sony Music Entertainment produced 16% of the profits of Sony Corporation even though it generated only 6.5% of the company's total revenue. In other words, the music unit was more profitable than the company as a whole. Daisuke Wakabayashi, "Sony Pressed By Investor," *The Wall Street Journal*, May 15, 2013. Similarly, Vivendi, the owner of Universal Music Group, is highly profitable, with profit margins of 10.61% in 2003, 20.85% in 2007, and 7.26% in 2012.

³ The performance data is based on the companies' annual reports.

level of profitability of the copyright-intensive industries suggests that the copyright system serves these industries effectively, and that they are not in need of special assistance from Congress or the Executive Branch.⁴

⁴ Because so many of the firms in the copyright-intensive industries are foreign owned, the profitability of these industries does not indicate that U.S. trade policy should favor them. See J. Band and J. Gerafi, *Foreign Ownership of Firms in IP-Intensive Industries* (2013), available at <http://infojustice.org/archives/28840>.

Motion Pictures

The six major film studios are all units within larger companies. Detailed financial information for the films units is not available for all the companies, so the numbers reported below are for the companies as a whole. Sony Corp., the owner of Sony Pictures, which in turn owns Columbia Pictures, is not reflected below. However, according to the *Wall Street Journal*, in 2012, Sony Pictures generated 21% of Sony's profits even though it produced only 11% of the company's revenue. Thus, the film division was significantly more profitable than the company as a whole. The profitability of the film and music divisions has led investors to demand that the entertainment divisions be spun off from the electronics operation.⁵

Revenue and Profit Margins, Motion Pictures, 2003

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Comcast	\$18,348.00	-\$137.61	-0.75%	\$3,240.00	17.66%
News Corp.	\$30,657.94	\$3,062.73	9.99%	\$798.60	2.60%
Time Warner	\$39,496.00	\$4,545.99	11.51%	\$2,657.00	6.73%
Viacom	\$7,304.40	\$1,956.12	26.78%	\$338.50	4.63%
Walt Disney	\$27,061.00	\$2,254.18	8.33%	\$1,267.00	4.68%

Revenue and Profit Margins, Motion Pictures, 2007

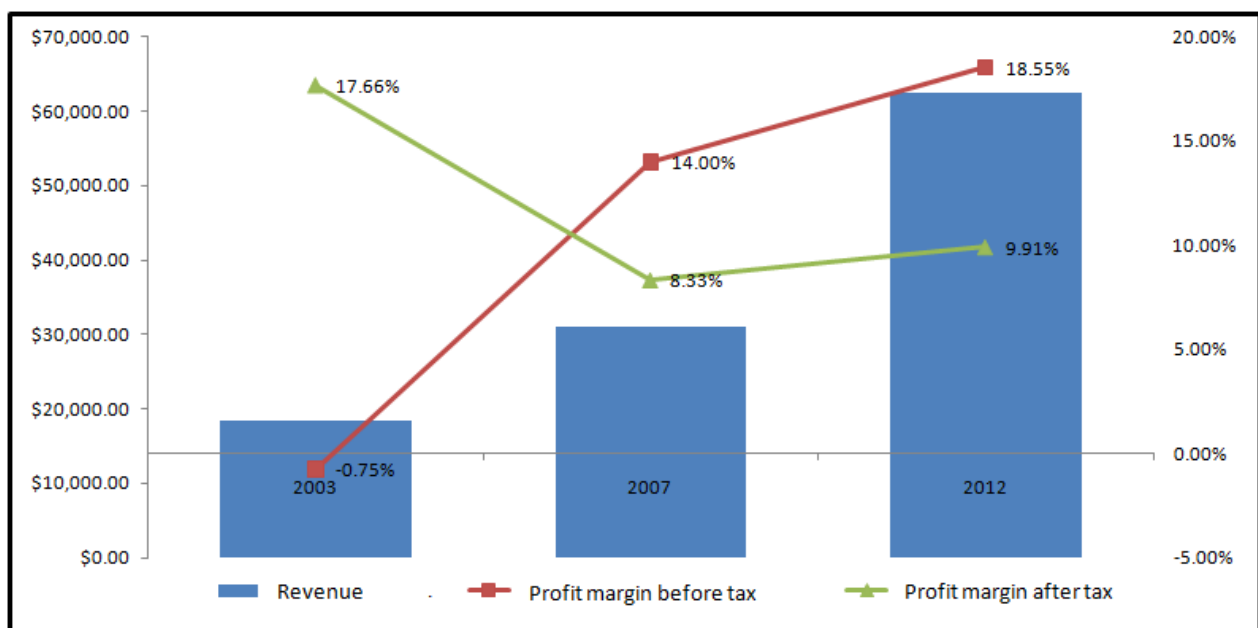
Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Comcast	\$31,060.00	\$4,348.40	14.00%	\$2,587.00	8.33%
News Corp.	\$28,655.00	\$5,306.91	18.52%	\$3,426.00	11.96%
Time Warner	\$26,211.00	\$2,746.91	10.48%	\$4,387.00	16.74%
Viacom	\$13,423.00	\$2,579.90	19.22%	\$1,838.00	13.69%
Walt Disney	\$35,510.00	\$7,723.43	21.75%	\$4,687.00	13.20%

Revenue and Profit Margins, Motion Pictures, 2012

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Comcast	\$62,570.00	\$11,606.74	18.55%	\$6,203.00	9.91%
News Corp.	\$33,706.00	\$2,211.11	6.56%	\$1,179.00	3.50%
Time Warner	\$28,729.00	\$4,542.05	15.81%	\$3,001.00	10.45%
Viacom	\$13,887.00	\$3,470.36	24.99%	\$1,981.00	14.27%
Walt Disney	\$42,278.00	\$9,258.88	21.90%	\$5,682.00	13.44%

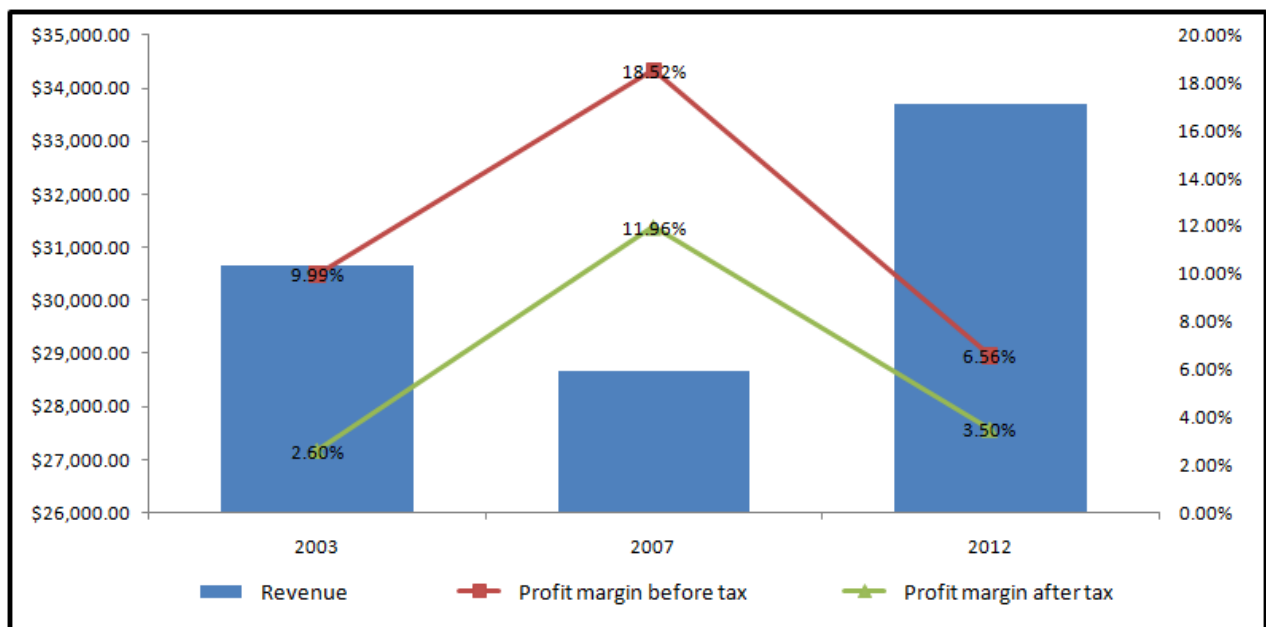
⁵ Daisuke Wakabayashi, "Sony Pressed By Investor," *The Wall Street Journal*, May 15, 2013.

Revenue and Profit Margin, Comcast



Comcast acquired 51% of NBCUniversal in 2011. It purchased the remaining 49% in 2013. NBCUniversal includes Universal Studios as well as the NBC television network. Comcast also provides cable television and Internet access services.

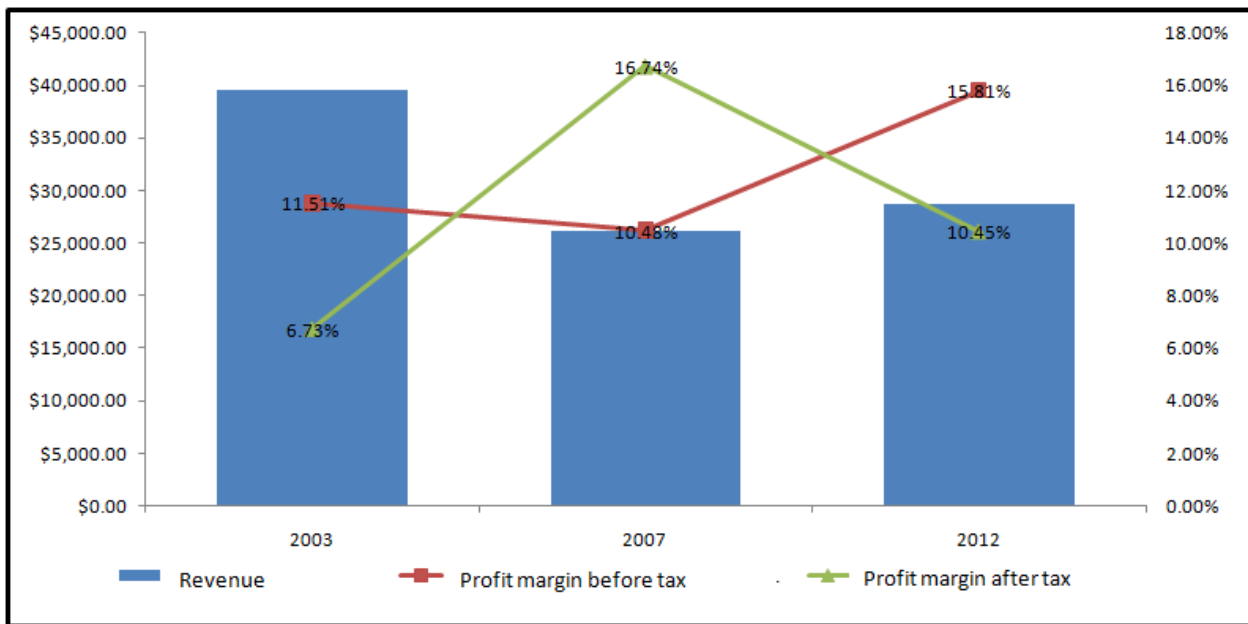
Revenue and Profit Margin, News Corporation



News Corporation owns Fox Filmed Entertainment, which in turn owns film studio 20th Century Fox. News Corp owns many other media and entertainment properties including: the HarperCollins book publishing company; newspapers and magazines such as the *Wall Street Journal*, the *New York Post*, *Barron's*; and the Fox Broadcasting Company and other cable and satellite networks. In 2004, Filmed Entertainment accounted for about \$5.4 billion of the company's total revenues, and it

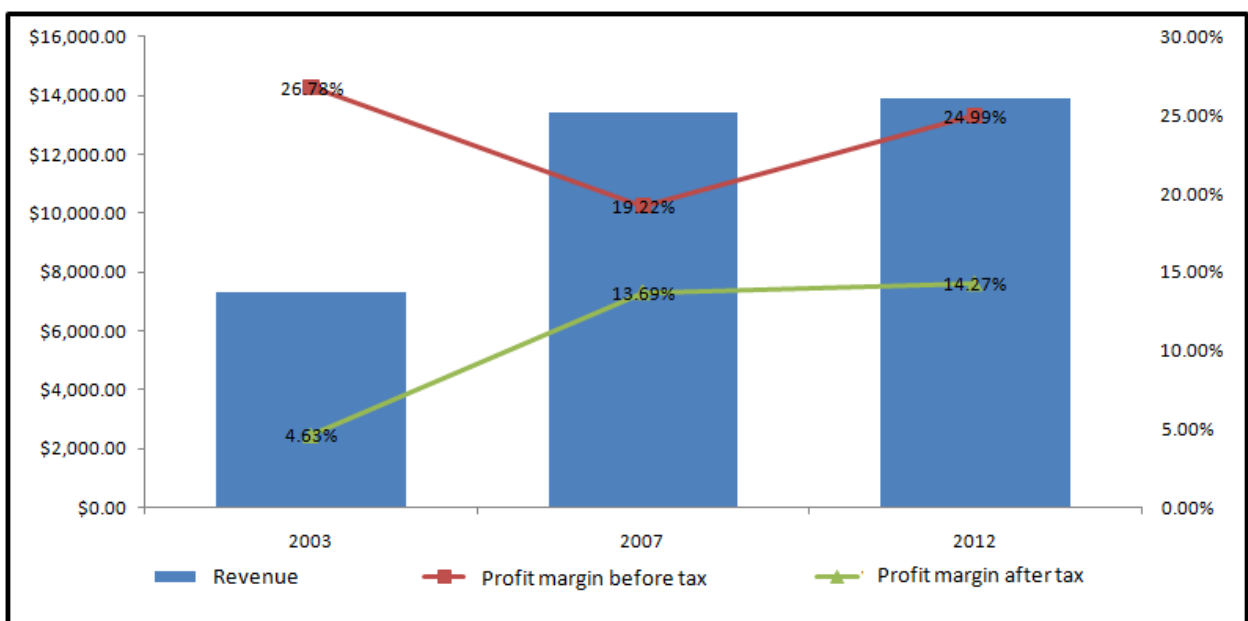
currently accounts for approximately 20% of the company's revenue. At the end of June 2013, News Corp. will be split into two publicly traded companies: News Corp. and 21st Century Fox. News Corp. will comprise the less profitable publishing side of the company, including HarperCollins and the *Wall Street Journal*, while 21st Century Fox will house the film studio and the television networks. Analysts expect 21st Century Fox to outperform the reconfigured News Corp.

Revenue and Profit Margin, Time Warner



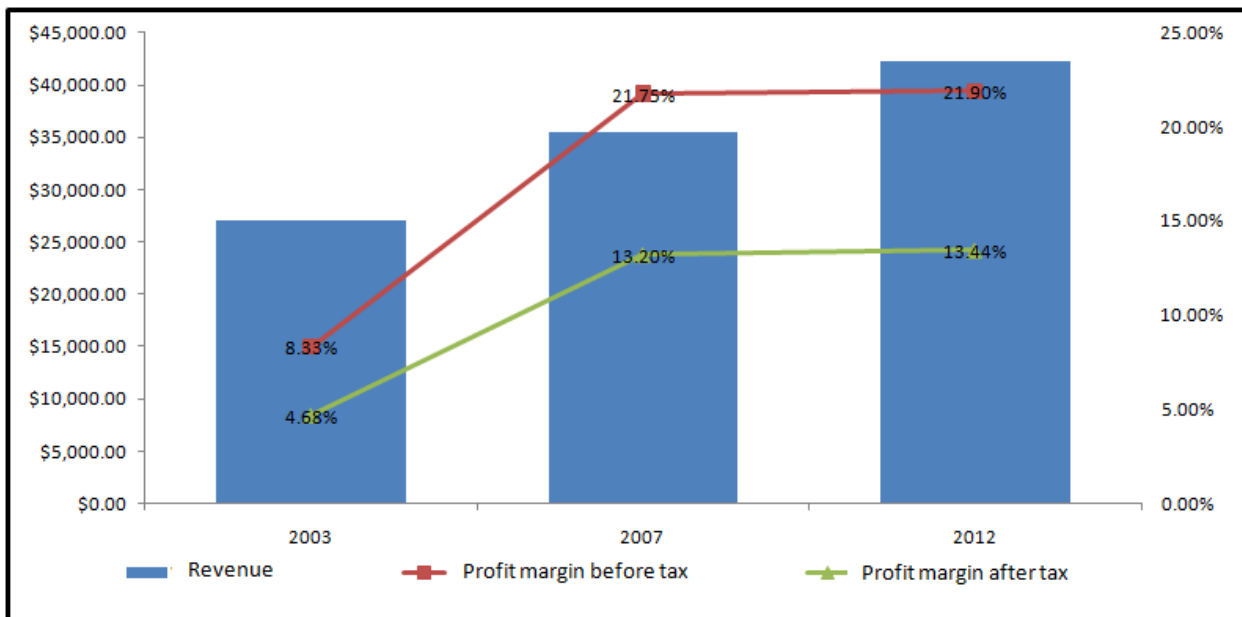
Time Warner owns the Warner Bros. film studio, as well as the HBO cable network, Turner Broadcasting Systems (which includes CNN), and magazine publisher TIME, Inc.

Revenue and Profit Margin, Viacom



Viacom owns Paramount Pictures, along with television channels such as MTV, BET, Nickelodeon, Showtime, and Comedy Central.

Revenue and Profit Margins, Walt Disney



The Walt Disney Company owns the Walt Disney Studios as well as the ABC television network, ESPN, and 14 theme parks around the world. In 2003, the Studio Entertainment division accounted for \$7.36 billion of revenues and \$620 million in net income for a profit margin of 8.4%. In 2007, the Studio Entertainment division generated \$7.49 billion or revenue and net income of \$1.2 billion, for a profit margin of 16%. In 2012, the Studio Entertainment division had \$5.82 billion in revenue and \$722 million in net income, for a profit margin of 12.4%.

Publishing

The publishers listed below, selected from the largest publishers in Gale's *Industry Profile of Book Publishing*, are not as diversified as the companies controlling the film studios discussed in the previous section.

Revenue and Profit Margins, Publishing, 2003

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
McGraw Hill	\$4,890.32	\$1,130.15	23.11%	\$687.65	14.06%
Pearson	\$11,000.50	\$882.24	8.02%	\$800.57	7.28%
Reed Elsevier	\$8,910.68	\$923.82	10.37%	\$594.52	6.67%
Scholastic	\$1,958.30	\$90.47	4.62%	\$58.80	3.00%
Wiley	\$853.97	\$112.55	13.18%	\$87.28	10.22%

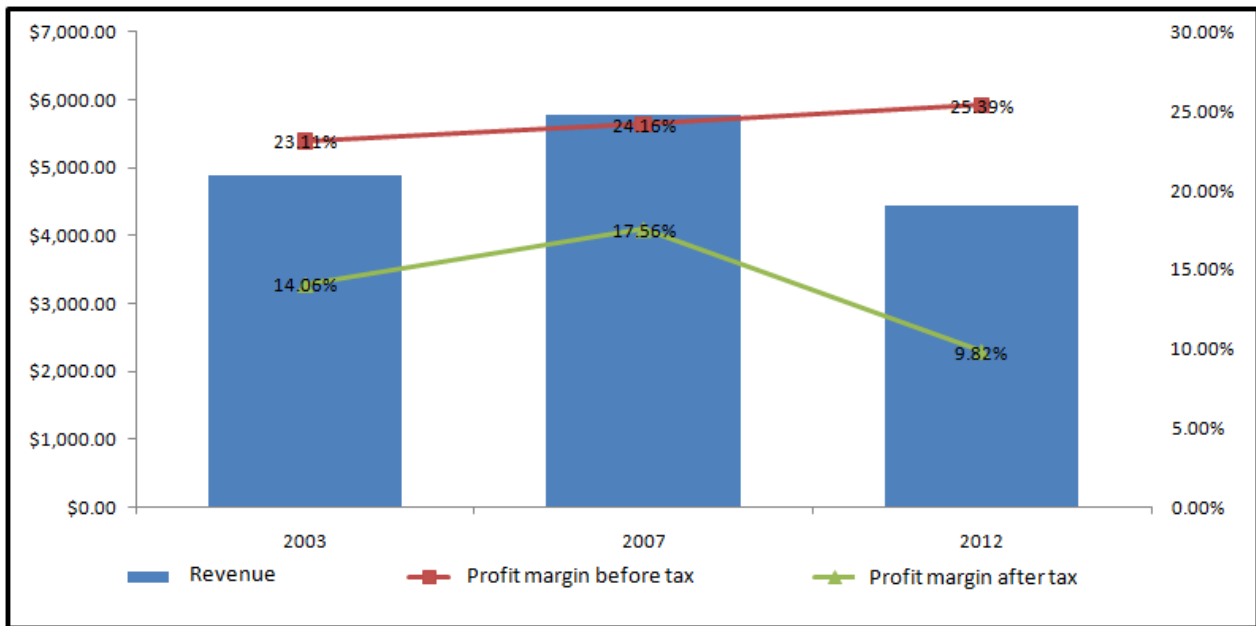
Revenue and Profit Margins, Publishing, 2007

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
McGraw Hill	\$5,772.28	\$1,394.58	24.16%	\$1,013.56	17.56%
Pearson	\$17,081.00	\$1,875.49	10.98%	\$1,137.93	6.66%
Reed Elsevier	\$18,432.00	\$3,253.25	17.65%	\$4,820.00	26.15%
Scholastic	\$1,870.60	\$125.14	6.69%	\$60.90	3.26%
Wiley	\$1,234.64	\$170.13	13.78%	\$99.62	8.07%

Revenue and Profit Margins, Publishing, 2012

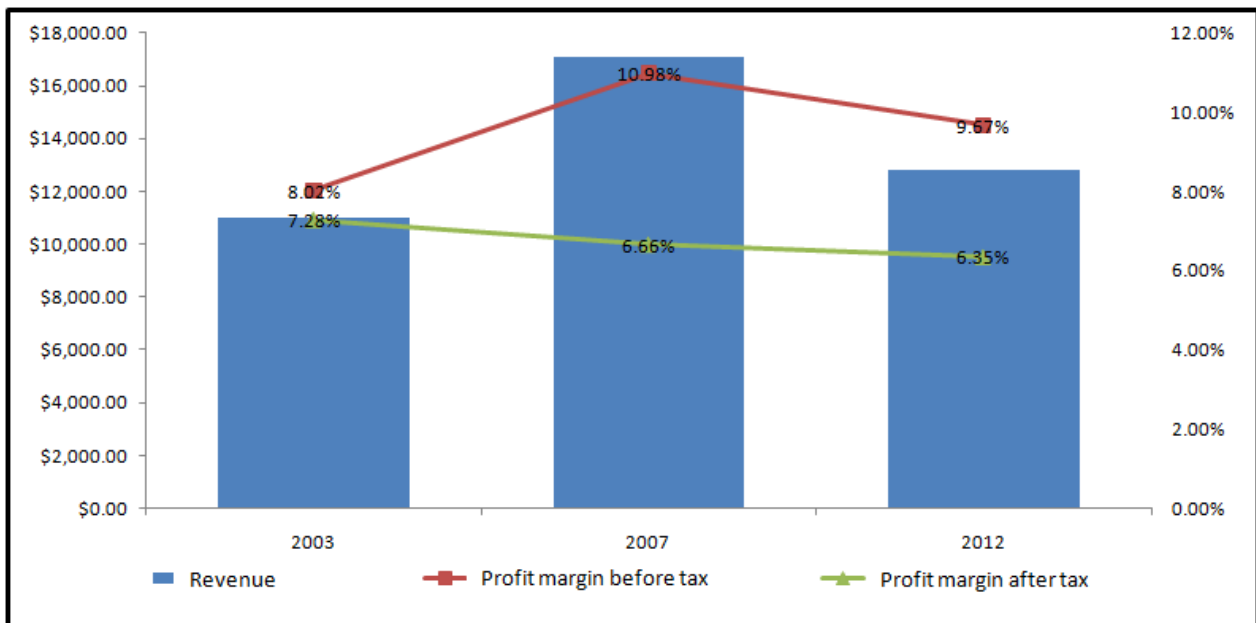
Company	Revenue	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
McGraw Hill	\$4,450.00	\$1,129.86	25.39%	\$437.00	9.82%
Pearson	\$12,798.82	\$1,237.65	9.67%	\$812.80	6.35%
Reed Elsevier	\$15,308.62	\$2,959.16	19.33%	\$2,678.10	17.49%
Scholastic	\$2,148.80	\$170.61	7.94%	\$102.40	4.77%
Wiley	\$1,782.74	\$272.05	15.26%	\$212.75	11.93%

Revenue and Profit Margins, McGraw-Hill



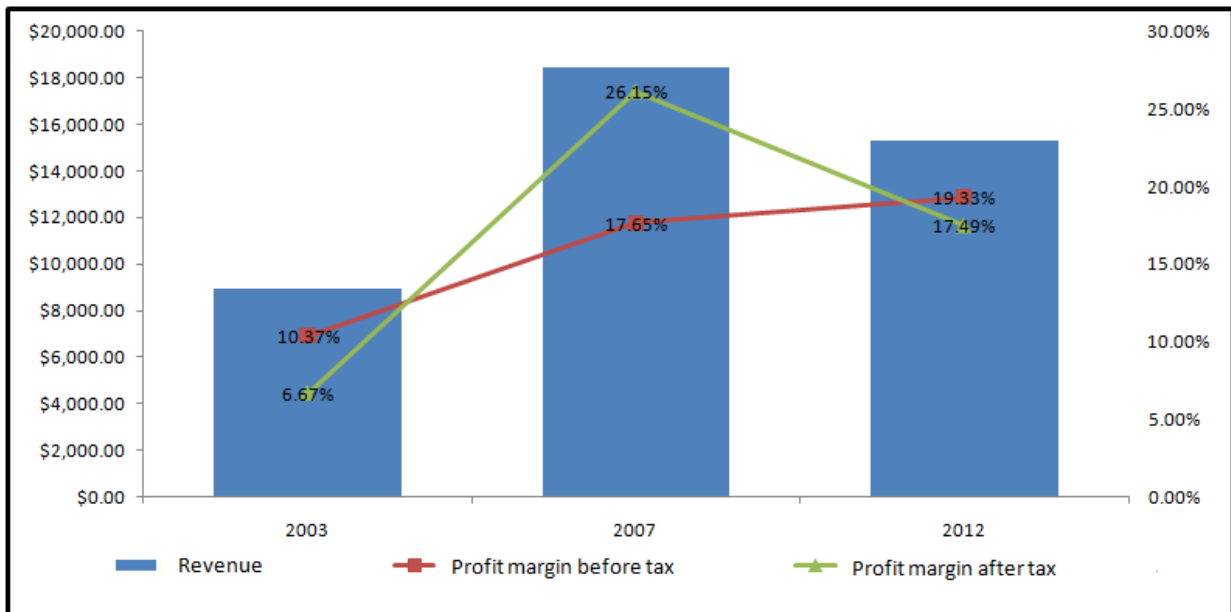
Until recently, McGraw-Hill was one of the leading education and financial publishers. In 2013, Apollo Global Management purchased the company's education division for \$2.4 billion. McGraw-Hill was renamed McGraw-Hill Financial, and continues to own and operate Standard & Poor's.

Revenue and Profit Margins, Pearson



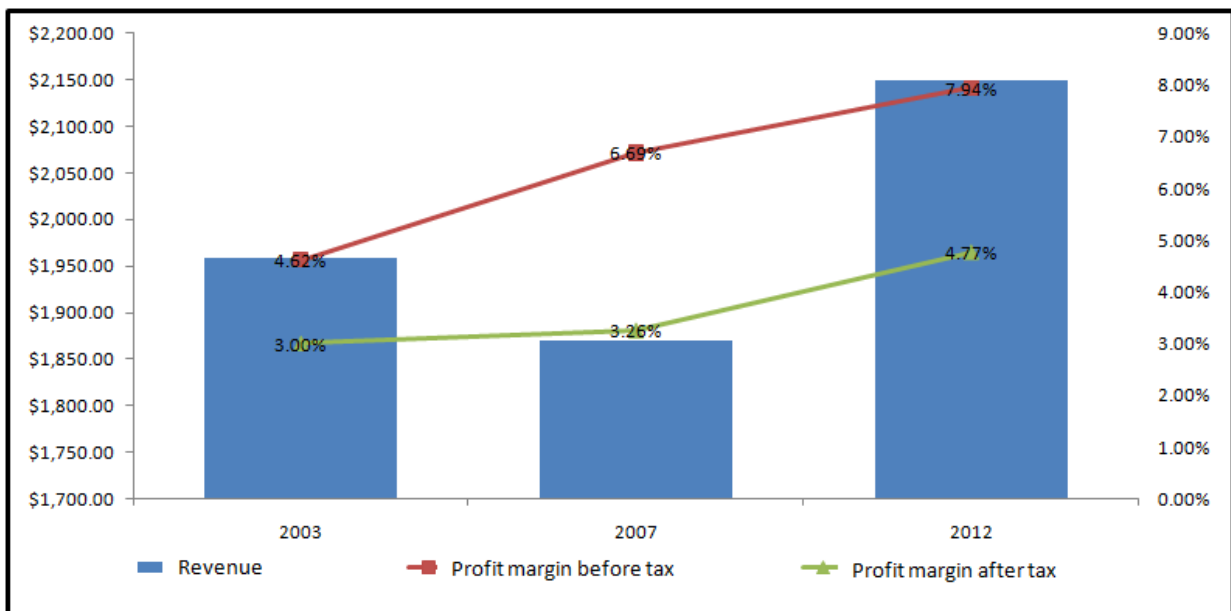
British based Pearson is one of the world's largest publishers. It has three divisions: the Penguin Group, which publishes books for the consumer market; Pearson Education; and the Financial Times Group. The Penguin Group and Random House, owned by German-based Bertelsmann, was in the process of merging to form Penguin Random House. Bertelsmann will own 53% of the new company, and Pearson will own the remaining 47%.

Revenue and Profit Margins, Reed Elsevier



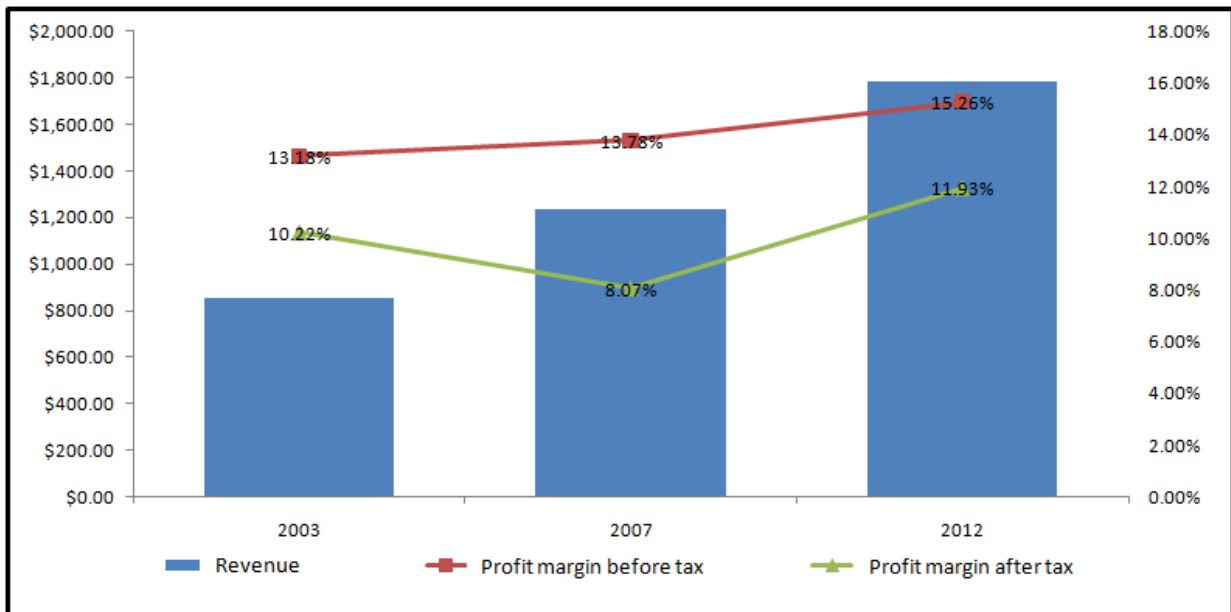
Reed Elsevier is one of the world's largest publishers in the science, medical, business, and legal sectors. It was formed by the merger of the British-based Reed International and Dutch-based Elsevier. It owns Lexis-Nexis and ScienceDirect.

Revenue and Profit Margins, Scholastic



Scholastic is one of the world's largest publishers and distributors of children's books and educational materials. It has the exclusive U.S. publishing rights for the *Harry Potter* and *The Hunger Games* series.

Revenue and Profit Margins, Wiley



John A. Wiley & Sons is a New York based publishing firm with three divisions: Scientific, Technical, Medical and Scholarly (known as Wiley-Blackwell); Professional Development; and Global Education. Wiley-Blackwell published journals for more the 700 professional and scholarly societies. The Professional Development brands include *For Dummies* and *Cliff Notes*.

Software

In its 2010 Software Benchmarking Industry Report, the SIIA reported that the U.S. software industry was coming out of the recession “stronger than ever.”

Revenue and Profit Margins, Software, 2003

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Adobe	\$1,294.75	\$380.53	29.39%	\$266.34	20.57%
EMC	\$6,236.81	\$571.29	9.16%	\$496.11	7.95%
IBM	\$89,131.00	\$9,412.23	10.56%	\$6,558.00	7.36%
Microsoft	\$32,187.00	\$11,053.02	34.34%	\$7,531.00	23.40%
Oracle	\$9,475.00	\$3,426.16	36.16%	\$2,307.00	24.35%

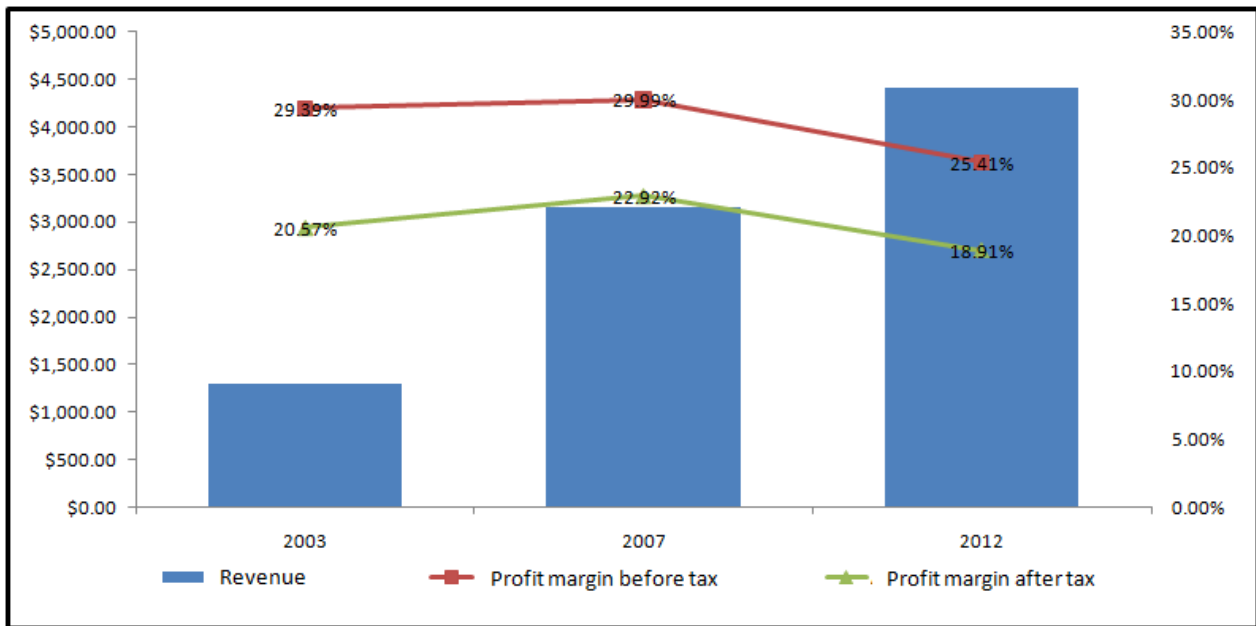
Revenue and Profit Margins, Software, 2007

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Adobe	\$3,157.88	\$947.05	29.99%	\$723.81	22.92%
EMC	\$13,230.21	\$1,962.04	14.83%	\$1,598.97	12.09%
IBM	\$98,786.00	\$14,491.91	14.67%	\$10,418.00	10.55%
Microsoft	\$51,122.00	\$20,101.17	39.32%	\$14,065.00	27.51%
Oracle	\$17,996.00	\$5,985.47	33.26%	\$4,274.00	23.75%

Revenue and Profit Margins, Software, 2012

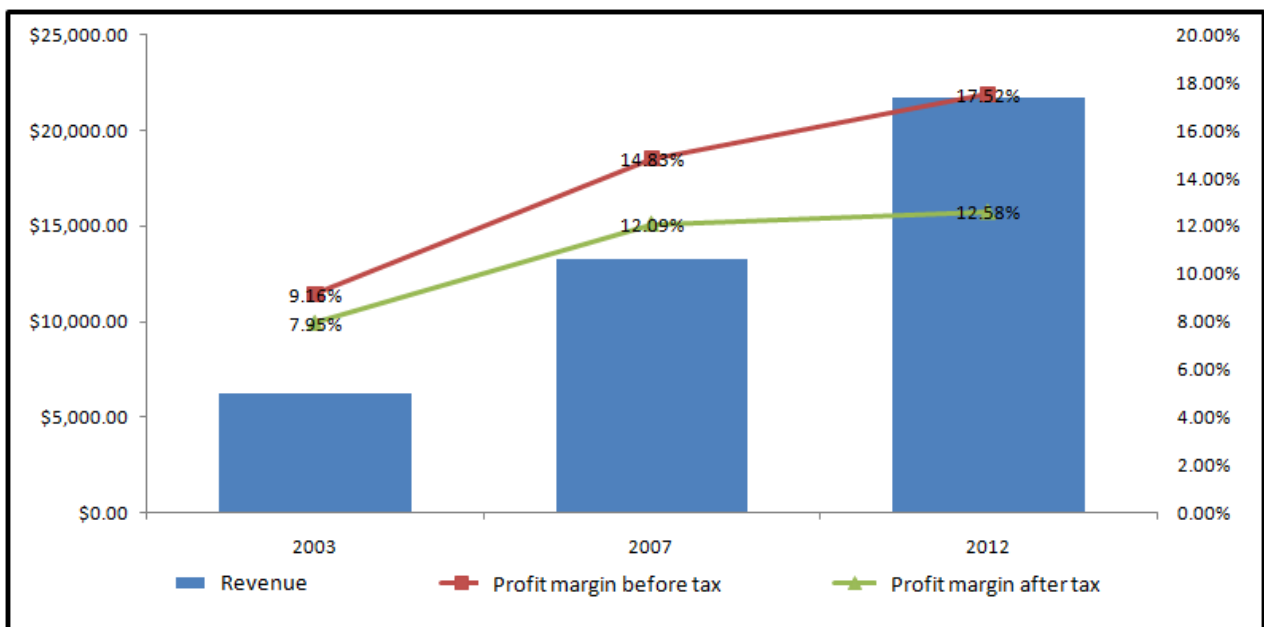
Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Adobe	\$4,403.68	\$1,118.97	25.41%	\$832.78	18.91%
EMC	\$21,713.90	\$3,804.28	17.52%	\$2,732.61	12.58%
IBM	\$104,507.00	\$21,904.67	20.96%	\$16,604.00	15.89%
Microsoft	\$73,723.00	\$22,264.35	30.20%	\$16,978.00	23.03%
Oracle	\$37,121.00	\$12,962.65	34.92%	\$9,981.00	26.89%

Revenue and Profit Margins, Adobe



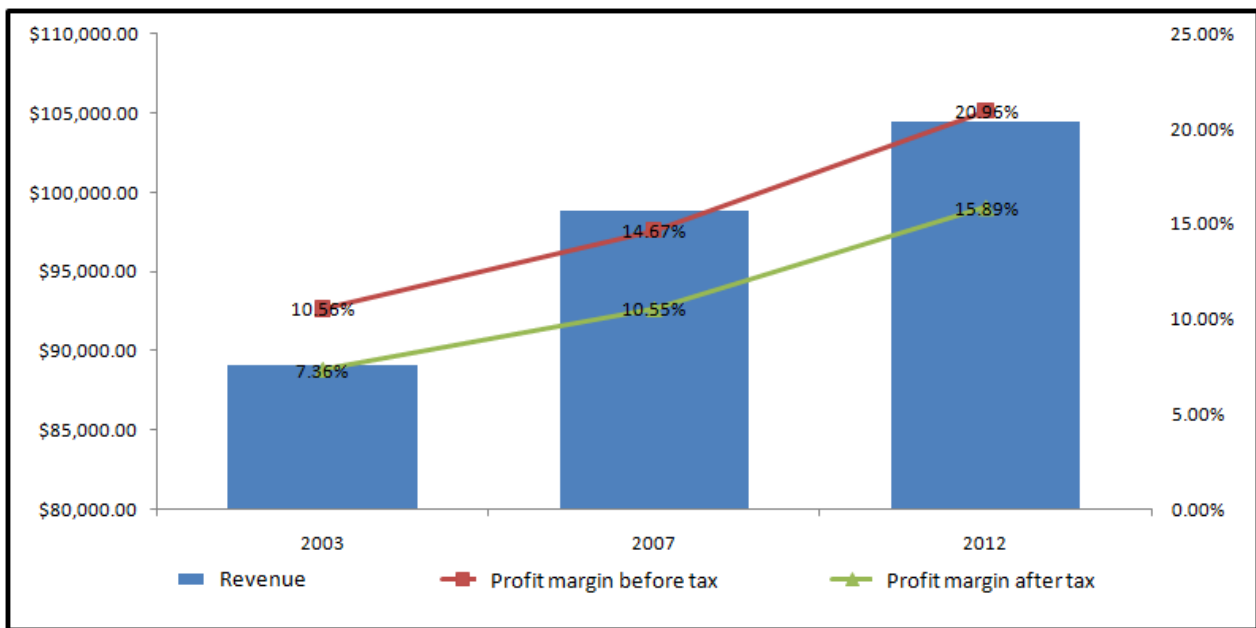
Adobe develops digital media software. It created the Portable Document Format (PDF), and the Adobe Acrobat and Reader software. It also develops web design programs such as Adobe Dreamweaver, and desktop software such as Adobe Photoshop.

Revenue and Profit Margins, EMC



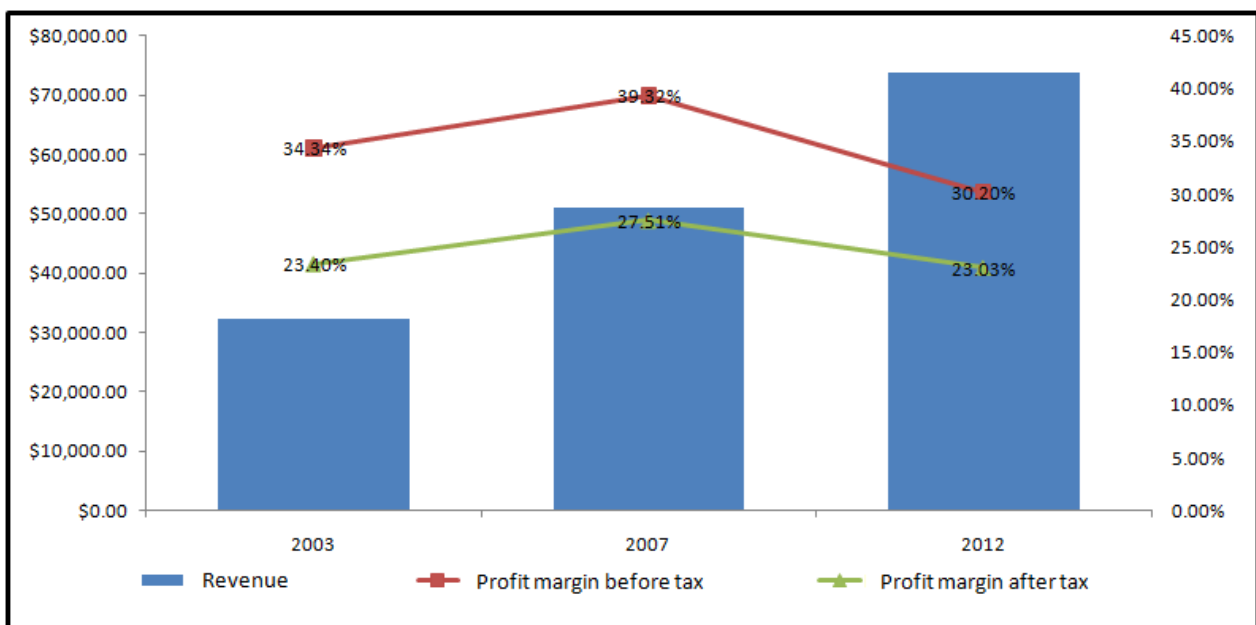
EMC develops computer data storage hardware and software, and provides IT consulting services and integrated infrastructure discovery and performance monitoring solutions.

Revenue and Profit Margins, IBM



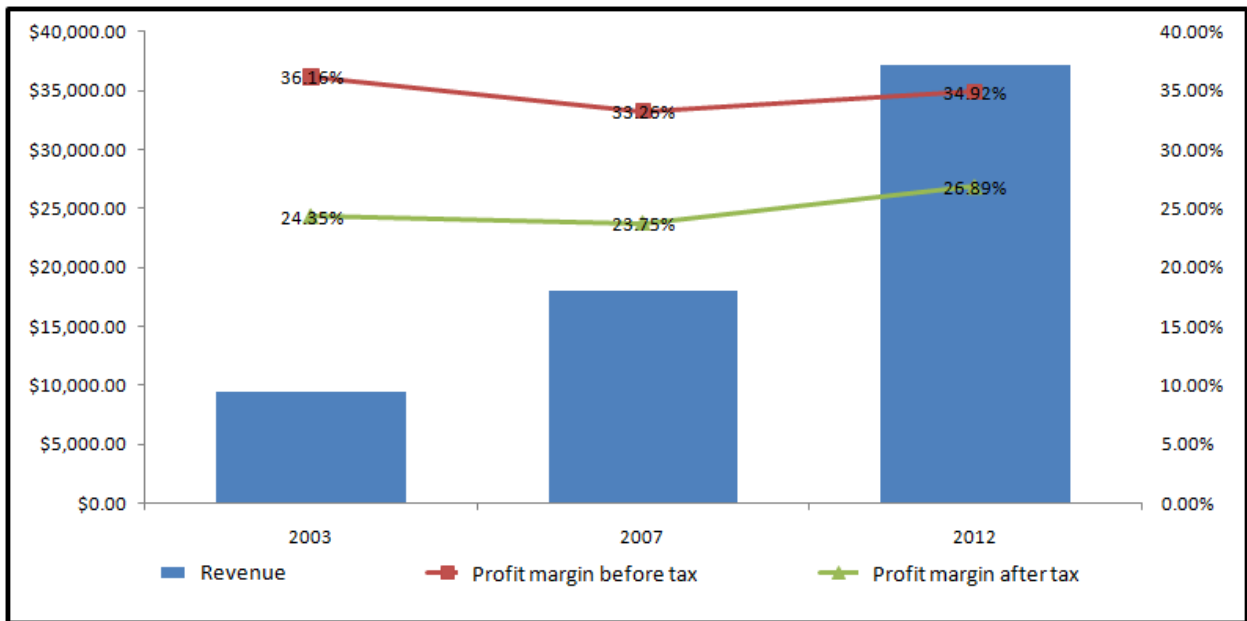
IBM develops both software and hardware, and provides infrastructure, hosting, and consulting services.

Revenue and Profit Margins, Microsoft



Microsoft dominates the PC operating system and office suite markets. It also operates the second largest Internet search engine, Bing, and develops the Xbox video game system.

Revenue and Profit Margins, Oracle



Oracle develops enterprise software products, particularly database management software. It also develops middle-tier software, enterprise resource planning software, customer relationship management software, and supply chain management software.

Construction

The following companies were selected from the largest contractors in the United States in Gale's *Market Share Reporter* for 2008.

Revenue and Profit Margins, Construction, 2003

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Bovis Lend Lease (Lend Lease Group)	\$4,414.87	-\$252.53	-5.72%	-\$318.19	-7.21%
Fluor	\$8,805.70	\$267.69	3.04%	\$157.45	1.79%
KBR	\$8,863.00	-\$105.47	-1.19%	-\$133.00	-1.50%
Skanska AB	\$2,502.33	\$76.57	3.06%	\$51.99	2.08%
Tutor Perini	\$1,374.10	\$30.92	2.25%	\$49.62	3.61%

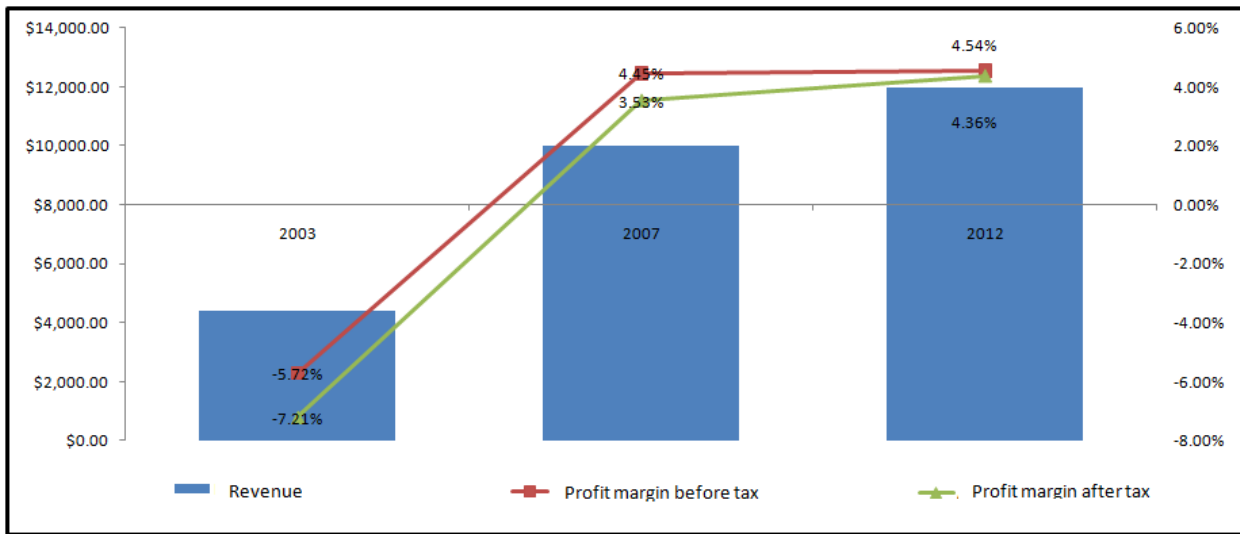
Revenue and Profit Margins, Construction, 2007

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit Margin after tax
Bovis Lend Lease (Lend Lease Group)	\$9,995.56	\$444.80	4.45%	\$352.67	3.53%
Skanska AB	\$3,375.61	\$137.72	4.08%	\$99.63	2.95%
Fluor	\$16,691.03	\$659.30	3.95%	\$521.68	3.13%
KBR	\$8,745.00	\$341.93	3.91%	\$302.00	3.45%
Tutor Perini	\$4,628.36	\$154.59	3.34%	\$97.11	2.10%

Revenue and Profit Margins, Construction, 2012

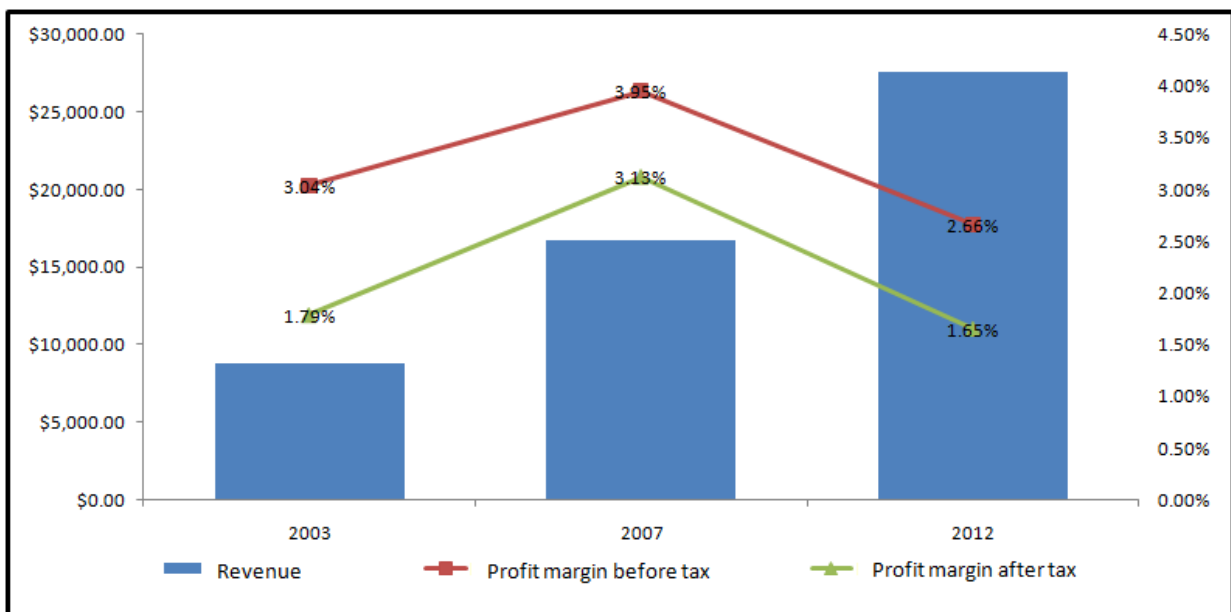
Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Bovis Lend Lease (Lend Lease Group)	\$11,950.72	\$542.56	4.54%	\$521.20	4.36%
KBR	\$7,921.00	\$288.32	3.64%	\$143.00	1.81%
Skanska AB	\$3,062.48	\$89.42	2.92%	\$67.55	2.21%
Fluor	\$27,577.14	\$733.55	2.66%	\$456.33	1.65%
Tutor Perini	\$4,111.47	-\$267.66	-6.51%	-\$265.40	-6.46%

Revenue and Profit Margins, Bovis Lend Lease



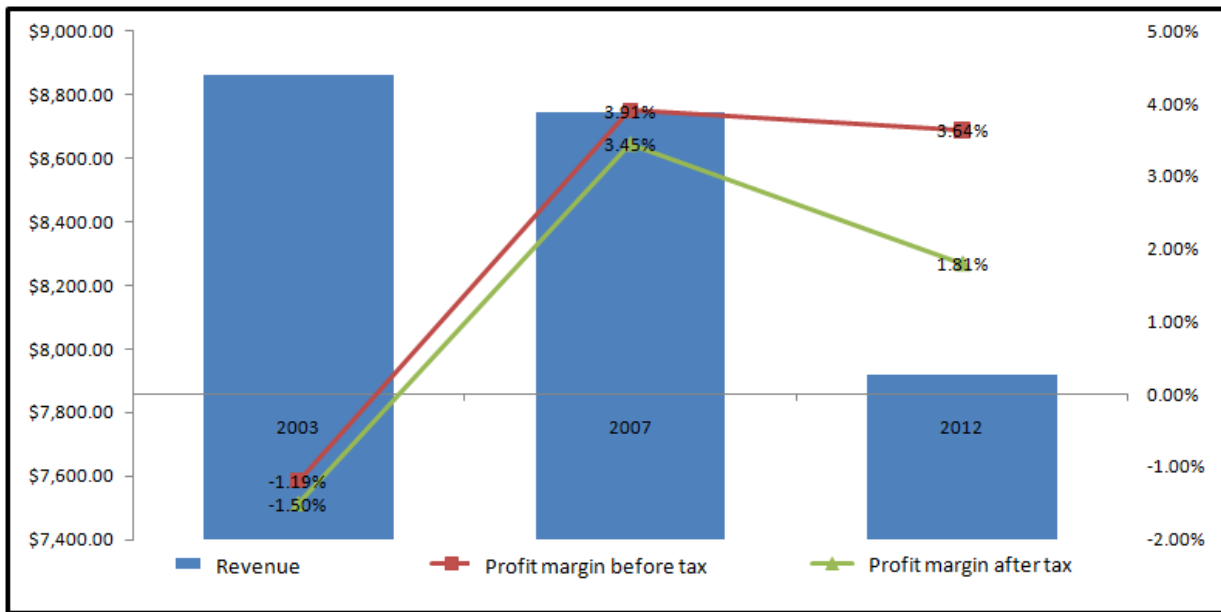
The British construction firm Bovis was acquired in 1999 by the Australian property and infrastructure firm Lend Lease. Bovis Lend Lease was renamed Lend Lease Management & Construction. It constructed the World Trade Center Memorial and Museum as well as the Trump International Hotel and Tower in New York City.

Revenue and Profit Margins, Fluor



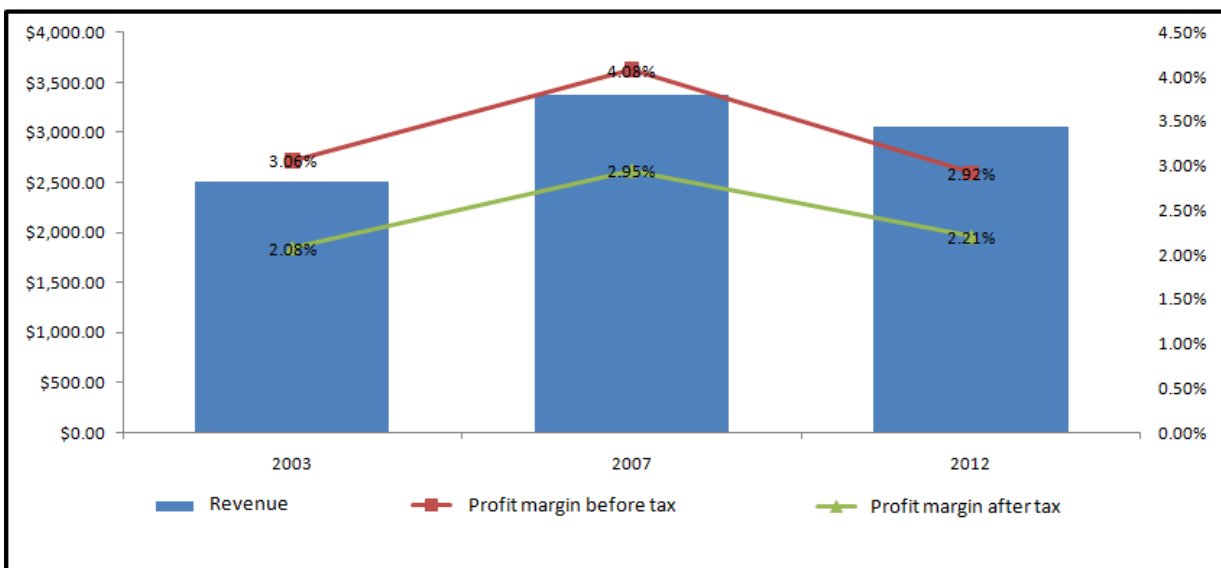
Texas-based Fluor provides engineering, procurement, construction, maintenance, and project management services. Major projects include the Trans-Alaska Pipeline System and the replacement span of the San Francisco Bay Bridge.

Revenue and Profit Margins, KBR



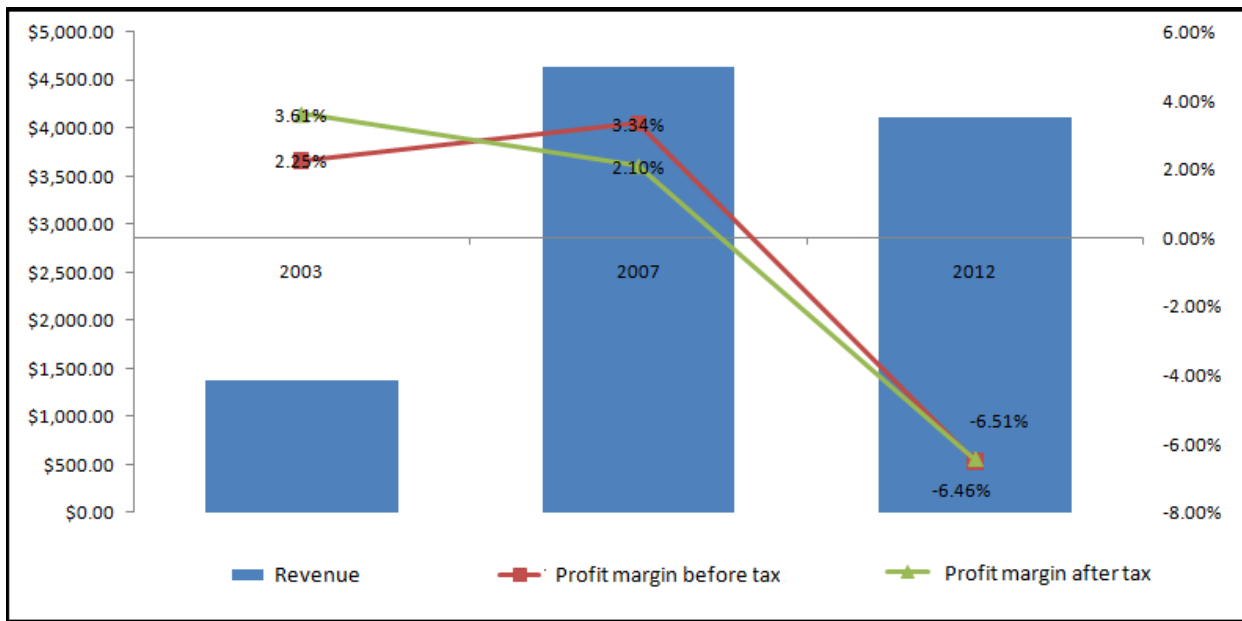
KBR (formerly Kellogg Brown & Root) is a Texas-based engineering, construction, and private military contracting firm. It was a subsidiary of Halliburton for more than 40 years.

Revenue and Profit Margins, Skanska



Swedish based Skanska is one of the largest construction firms in the United States and the world. It constructed MetLife Stadium in New Jersey, and is building the new World Trade Center Transportation Hub.

Revenue and Profit Margins, Tutor Perini



California-based Tutor Perini is one of the largest general contractors in the United States. In addition to Iraq War reconstruction projects, the company has constructed numerous hotels and casinos in Las Vegas, including CityCenter.

Transportation

The following companies are among those identified as the top logistics firms in North America in Gale's *Market Share Reporter* for 2008. This sector of the transportation industry provides inbound and outbound transportation management, fleet management, warehousing, materials handling, order fulfillment, logistics network design, inventory management, supply and demand planning, third party logistics management, and other support services.

Revenue and Profit Margins, Transportation, 2003

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
CH Robinson	\$3,613.65	\$178.51	4.94%	\$107.37	2.97%
DB	\$37,260.96	-\$175.56	-0.47%	-\$323.40	-0.87%
Excel Americas (Deutsche Post)	\$64,724.25	\$3,048.51	4.71%	\$2,083.11	3.22%
Ryder Systems	\$4,802.29	\$212.26	4.42%	131.436	2.74%
UPS (UPS Supply Chain Solutions)	\$33,485.00	\$4,369.79	13.05%	\$2,898.00	8.65%

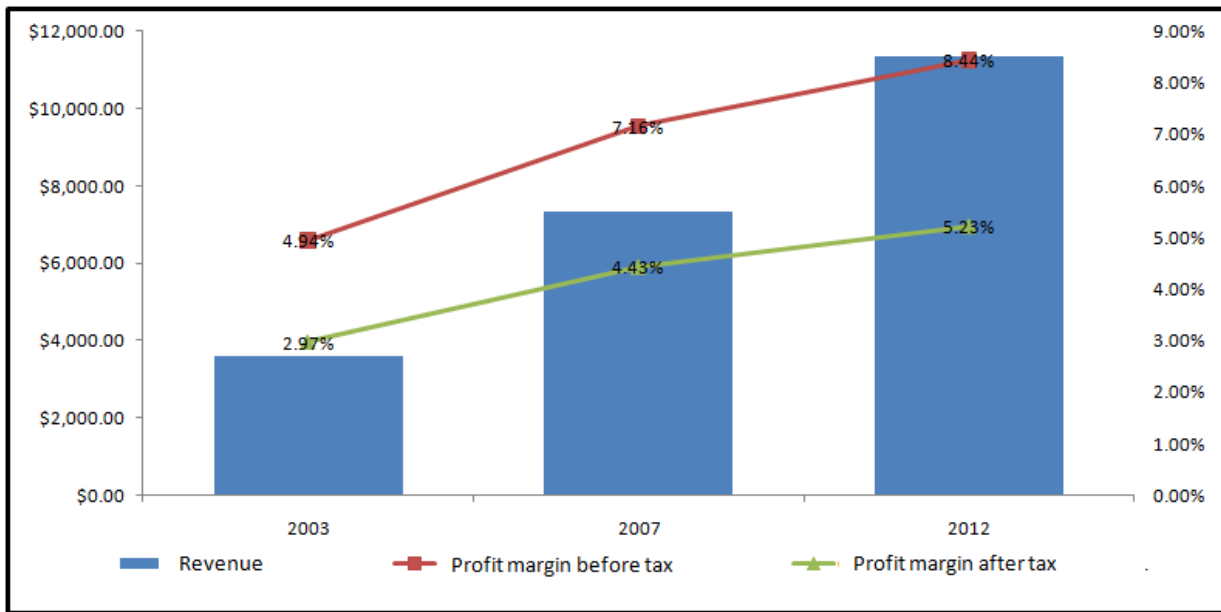
Revenue and Profit Margins, Transportation, 2007

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
CH Robinson	\$7,316.22	\$523.84	7.16%	\$324.26	4.43%
DB	\$46,024.23	\$2,963.52	6.44%	\$2,522.52	5.48%
Excel Americas (Deutsche Post)	\$140,873.32	\$4,747.43	3.37%	\$3,005.78	2.13%
Ryder Systems	\$6,363.13	\$433.97	6.82%	\$252.29	3.96%
UPS (UPS Supply Chain Solutions)	\$49,692.00	\$611.21	1.23%	\$496.00	1.00%

Revenue and Profit Margins, Transportation, 2012

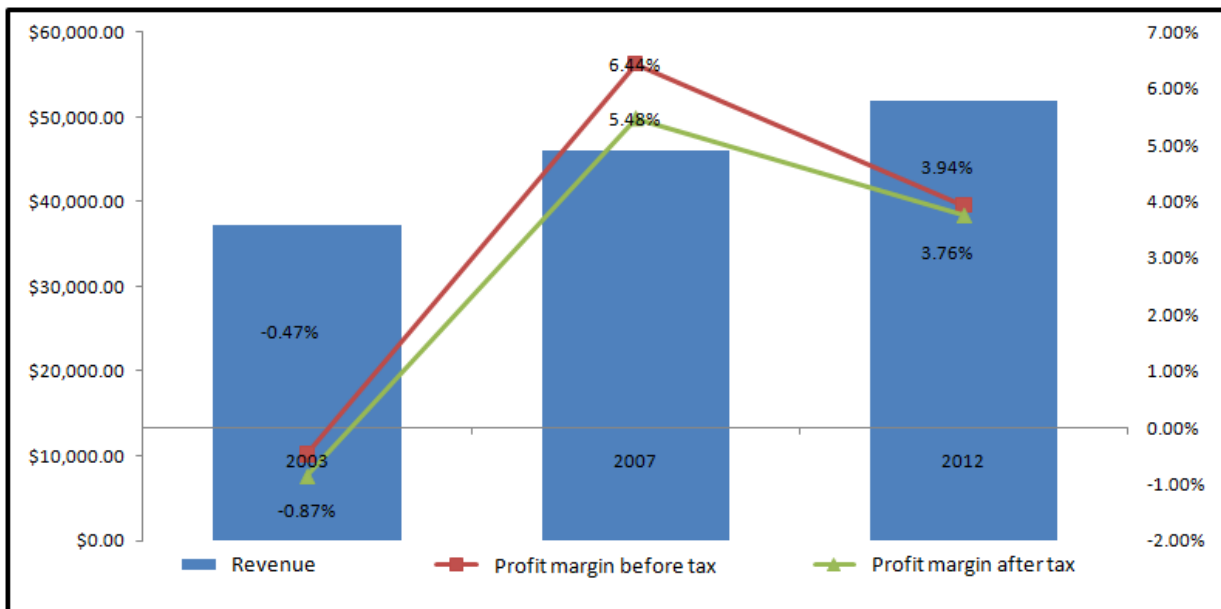
Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
CH Robinson	\$11,359.11	\$958.71	8.44%	\$593.80	5.23%
DB	\$51,870.72	\$2,043.36	3.94%	\$1,949.64	3.76%
Excel Americas (Deutsche Post)	\$99,052.21	\$3,902.66	3.94%	\$2,887.59	2.92%
Ryder Systems	\$6,256.97	\$302.84	4.84%	\$207.41	3.31%
UPS (UPS Supply Chain Solutions)	\$54,127.00	\$974.29	1.80%	\$807.00	1.49%

Revenue and Profit Margins, CH Robinson



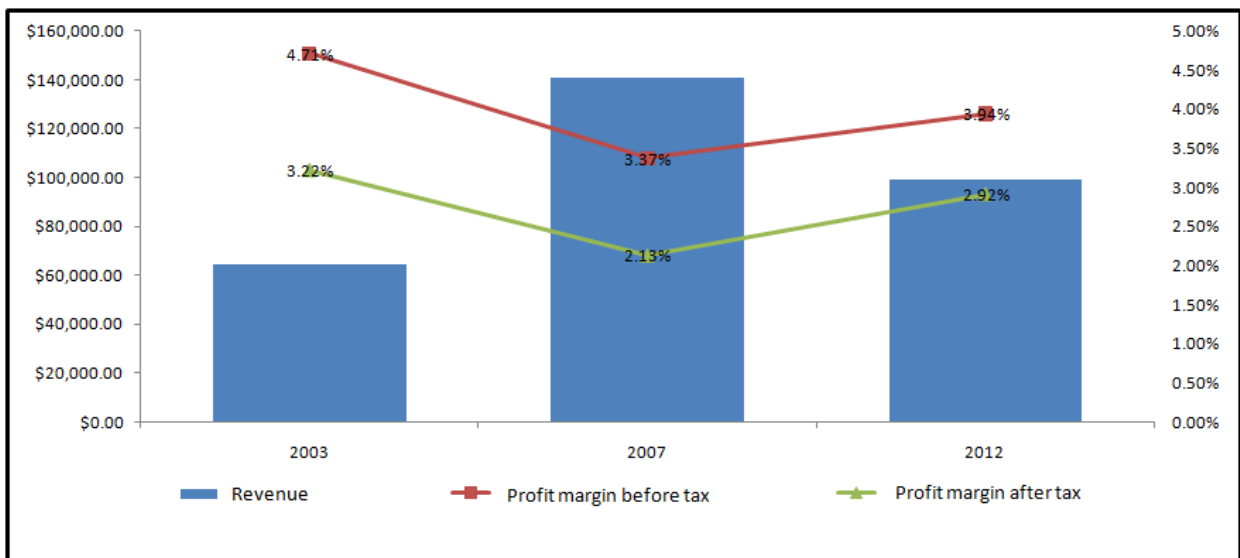
CH Robinson is a Minnesota-based provider of multimodal transportation services and logistics solutions. As a third party logistics provider, CH Robinson does not own the transportation equipment used to transport its customers' freight. Rather, it works with a network of transportation providers, mainly contracted motor carriers.

Revenue and Profit Margins, DB



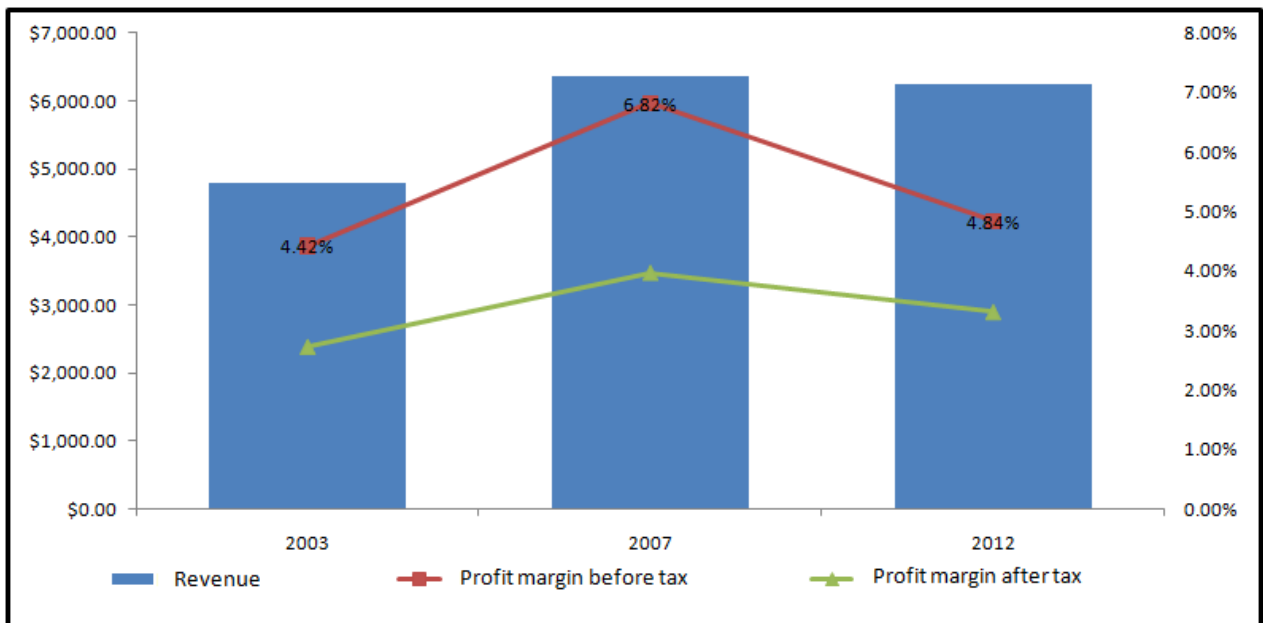
DB (Deutsche Bahn AG) is considered the second-largest transport company in the world, after Deutsch Post. DB owns and operates the railways in Germany, and is the largest railroad and infrastructure owner in Europe. Its logistics arm, DB Schenker, is Europe's largest rail freight company.

Revenue and Profit Margins, Excel



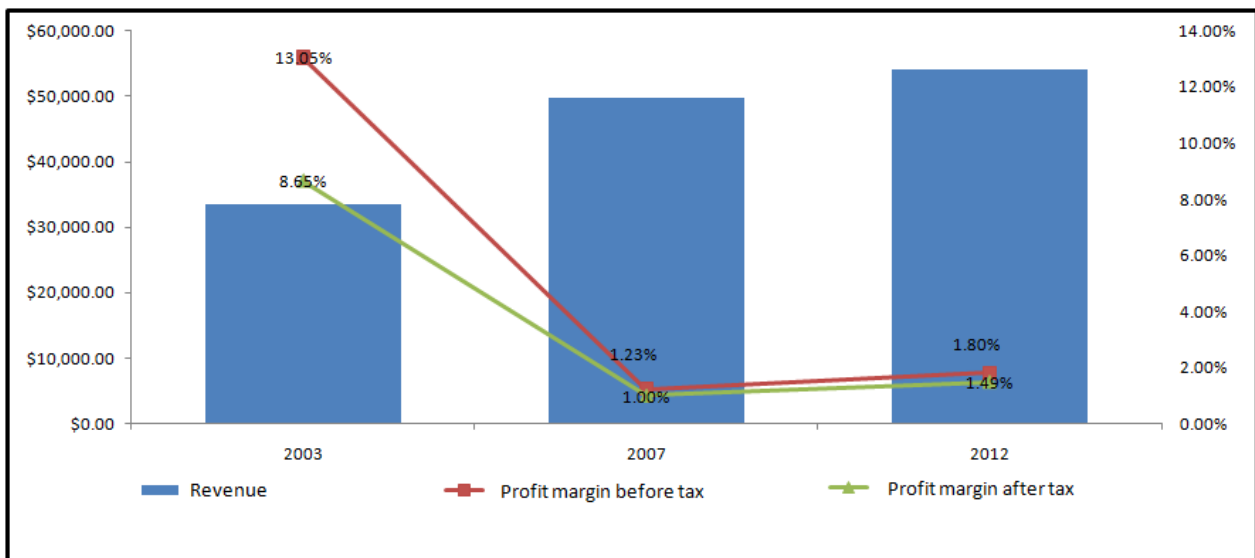
Excel Americas is the leading contract logistics provider in the Americas. It is part of the supply chain division of Deutsche Post DHL, the world's largest logistics group. Deutsche Post DHL is the parent of DHL, a leading firm in international express, overland transport, and air freight.

Revenue and Profit Margins, Ryder Systems



Ryder Systems is a Florida-based provider of transportation and supply chain management products. It operates in three sectors: fleet management (primarily leasing trucks), supply chain management; and dedicated contract carriage.

Revenue and Profit Margins, UPS



UPS (United Parcel Service) provides time-definite delivery of packages and documents worldwide. UPS expanded into the heavy freight business with the acquisition of Menlo Worldwide Forwarding, which it rebranded as UPS Supply Chain Solutions. This division now includes UPS's forwarding and contract logistics operations, UPS Freight, and other related units.

Mining and Metals

The following companies were selected from the list of “Key Mining Firms” in *United States Mining Report, Q1 2013*, Business Monitor International (2013).

Revenue and Profit Margins, Mining and Metals, 2003

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Alcoa	\$20,871.00	\$1,669.68	8.00%	\$936.00	4.48%
Cliffs Natural Resources	\$825.10	-\$35.23	-4.27%	-\$32.70	-3.96%
Nucor Corp	\$6,265.82	\$67.04	1.07%	\$62.78	1.00%
Peabody Energy	\$2,815.30	-\$3.10	-0.11%	\$31.35	1.11%
Reliance Steel & Aluminum	\$1,885.77	\$54.88	2.91%	\$34.01	1.80%

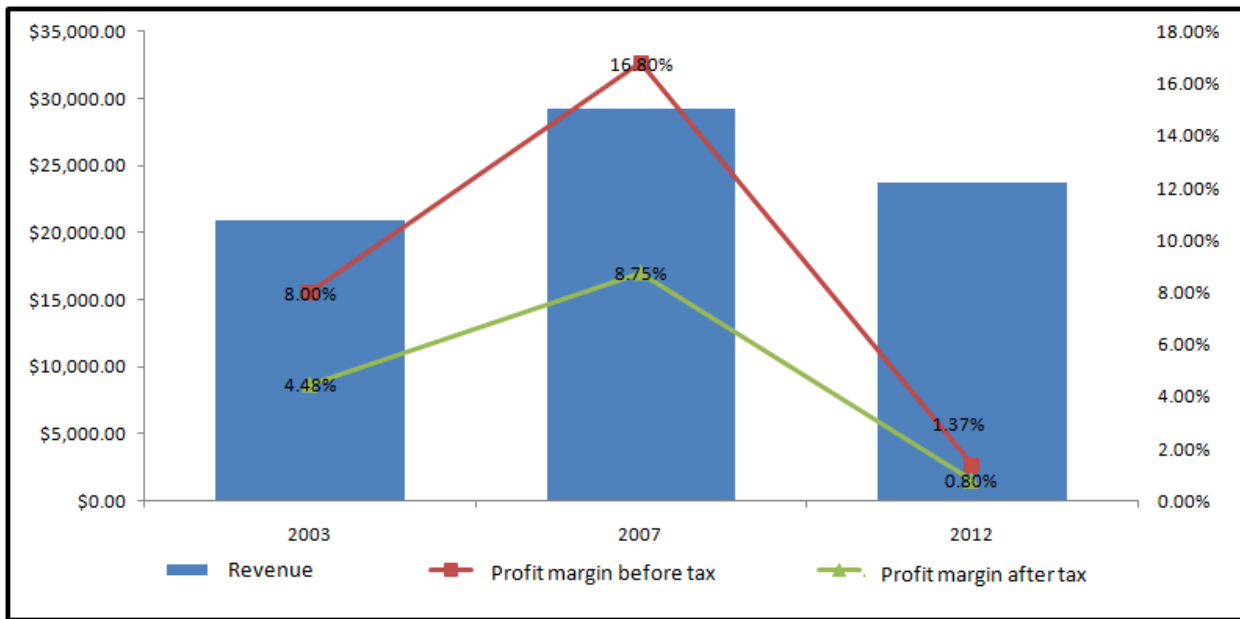
Revenue and Profit Margins, Mining and Metals, 2007

Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Alcoa	\$29,280.00	\$4,919.04	16.80%	\$2,562.00	8.75%
Cliffs Natural Resources	\$2,275.20	\$381.32	16.76%	\$264.80	11.64%
Nucor Corp	\$16,592.98	\$2,547.02	15.35%	\$1,467.71	8.85%
Peabody Energy	\$4,523.80	\$370.95	8.20%	\$262.60	5.80%
Reliance Steel & Aluminum	\$7,255.68	\$654.46	9.02%	\$407.96	5.62%

Revenue and Profit Margins, Mining and Metals, 2012

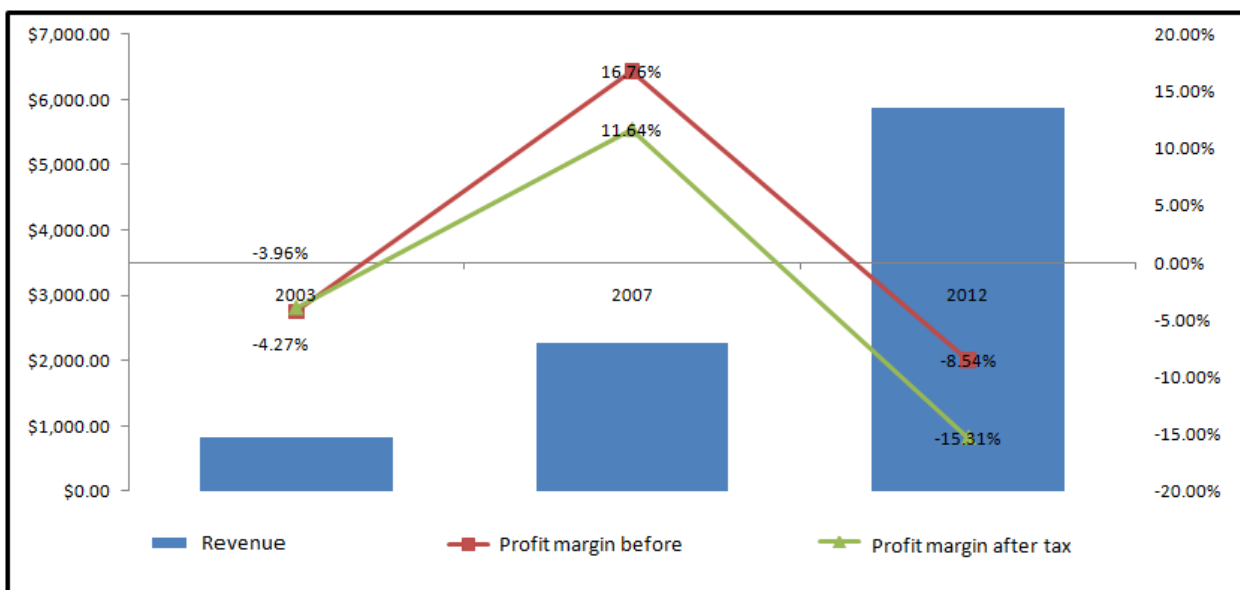
Company	Revenue (\$M)	Profit before tax (\$M)	Profit margin before tax	Profit after tax (\$M)	Profit margin after tax
Alcoa	\$23,700.00	\$324.69	1.37%	\$189.00	0.80%
Cliffs Natural Resources	\$5,872.70	-\$501.53	-8.54%	-\$899.40	-15.31%
Nucor Corp	\$19,429.27	\$852.95	4.39%	\$502.91	2.59%
Peabody Energy	\$8,077.50	-\$208.40	-2.58%	-\$585.70	-7.25%
Reliance Steel & Aluminum	\$8,442.30	\$609.53	7.22%	\$403.50	4.78%

Revenue and Profit Margins, Alcoa



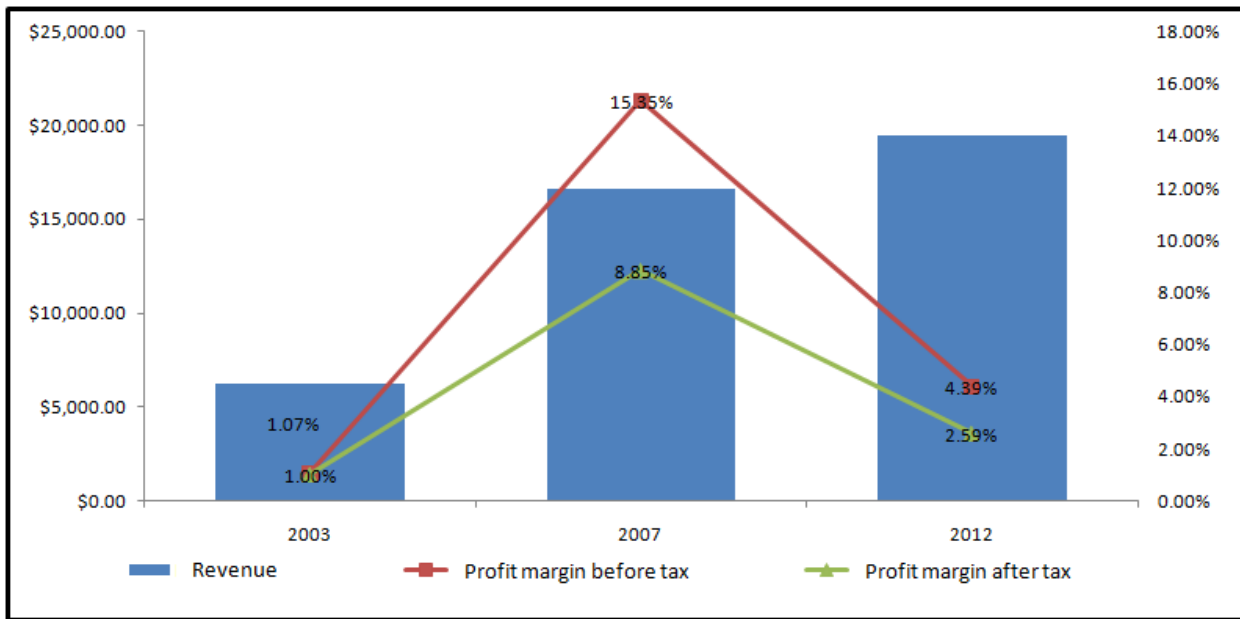
Alcoa is the world's third largest producer of aluminum. It participates in all aspects of the industry: mining of bauxite, refining, smelting, fabricating, and recycling.

Revenue and Profit Margins, Cliffs Natural Resources



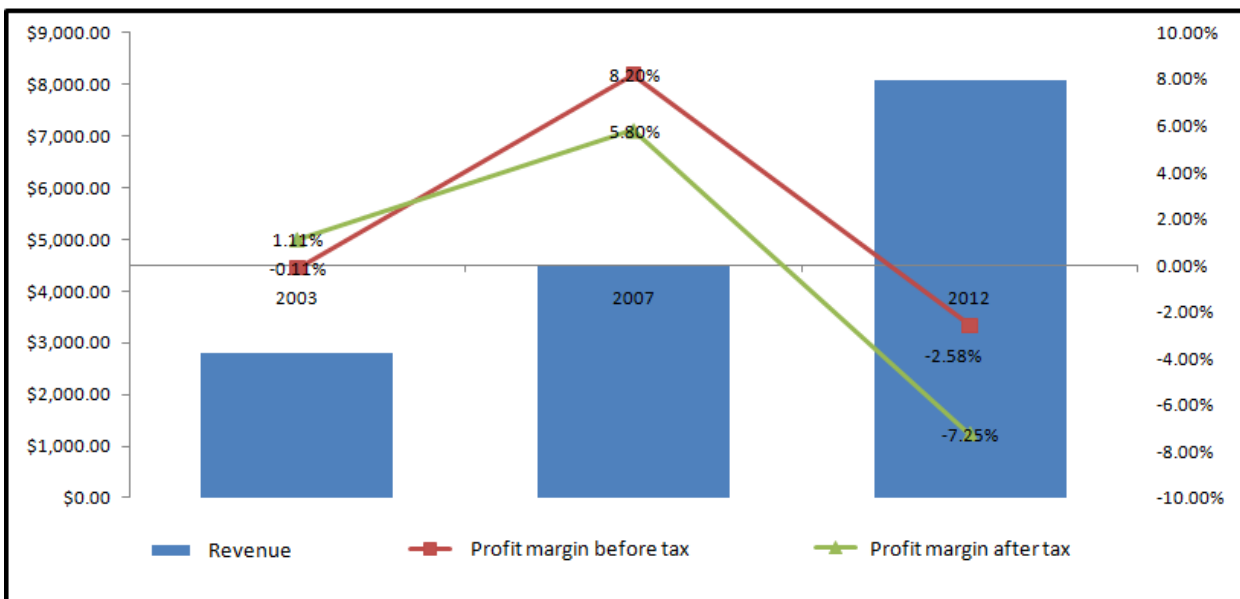
Ohio-based Cliffs Natural Resources specializes in the mining of coal and iron ore. The company owns mines in the United States, Brazil, and Australia.

Revenue and Profit Margins, Nucor Corp.



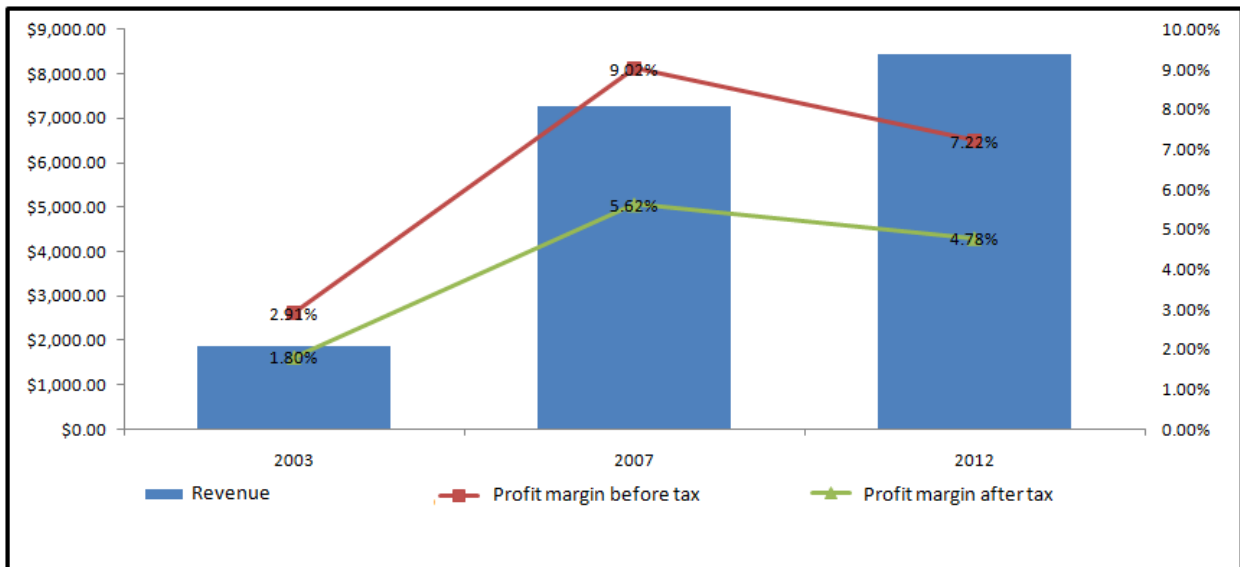
North Carolina-based Nucor is the largest steel producer in the United States. It is also the largest recycler in North America of any material.

Revenue and Profit Margins, Peabody Energy Corp.



Peabody Energy Company is the largest private-sector coal company in the world. It owns mines in the United States and Australia.

Revenue and Profit Margins, Reliance Steel & Aluminum Co.



Reliance Steel and Aluminum Co. is the largest metals service center company in the North America. It provides metal processing services and distributes 50,000 metal products.

Cross Industry Comparison

Profit Margins Before Tax By Sector

Year	Construction	Mining	Transportation	Film	Publishing	Software
2003	0.29%	1.52%	5.52%	11.17%	11.35%	23.92%
2007	3.95%	13.23%	4.67%	16.79%	16.07%	26.41%
2012	1.45%	0.37%	3.23%	17.56%	13.92%	25.80%

Profit Margins After Tax By Sector

Year	Construction	Mining	Transportation	Film	Publishing	Software
2003	-0.25%	0.89%	5.21%	7.26%	5.31%	16.73%
2007	3.03%	8.13%	-15.56%	12.78%	13.15%	19.36%
2012	0.71%	-2.88%	4.76%	10.31%	7.80%	19.46%

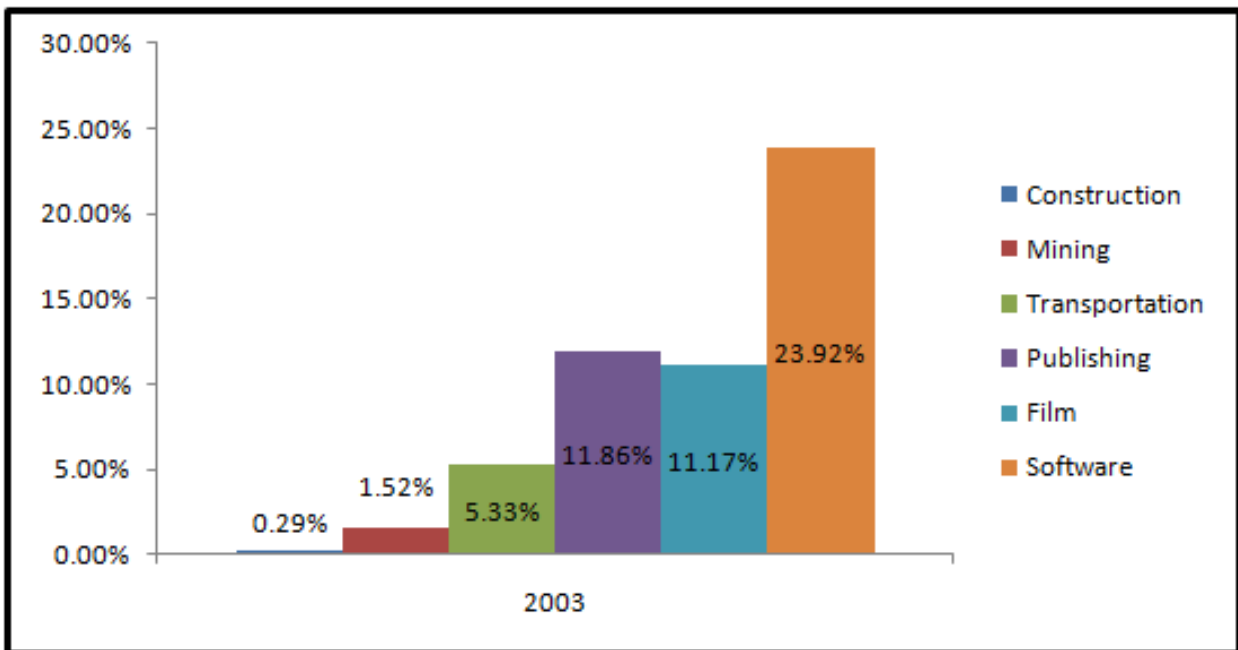
Change in Before Tax Profit Margins—2003-2012

Construction	1.16%
Transportation	-2.28%
Mining	-1.15%
Film	6.39%
Publishing	2.57%
Software	1.18%
Other Industry Average	-0.75%
Copyright Industry Average	3.98%

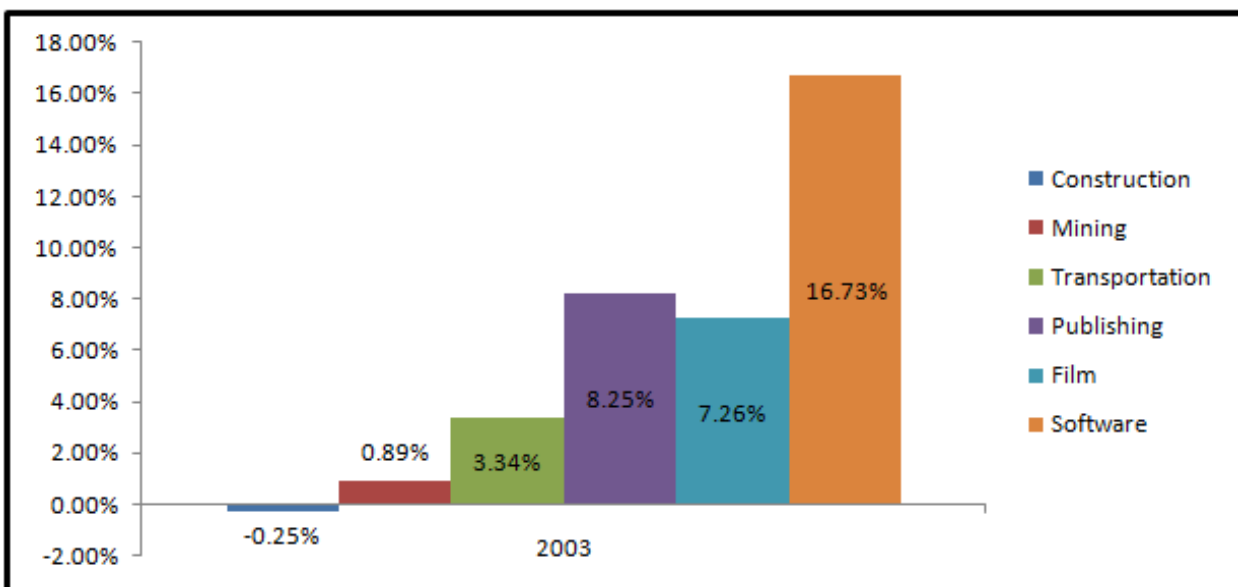
Change in After Tax Profit Margins—2003-2012

Transportation	-0.44%
Mining	-3.77%
Construction	0.96%
Film	3.05%
Publishing	2.49%
Software	2.73%
Other Industry Average	-1.08%
Copyright Industry Average	2.76%

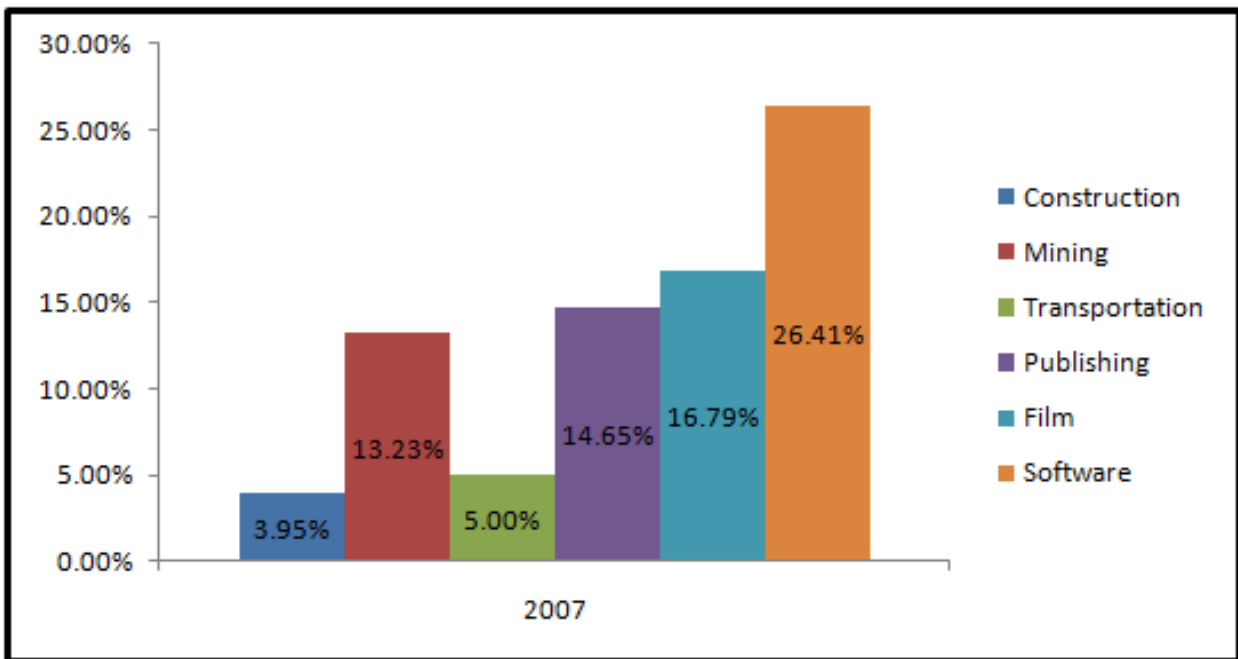
Profit Margins Before Tax By Sector, 2003



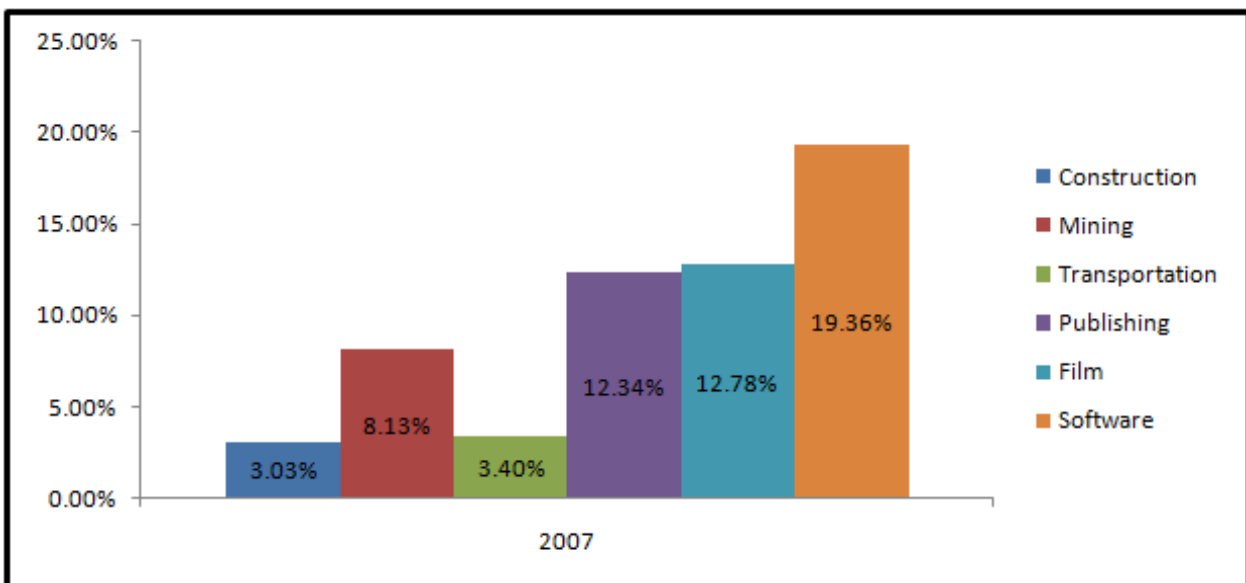
Profit Margins After Tax By Sector, 2003



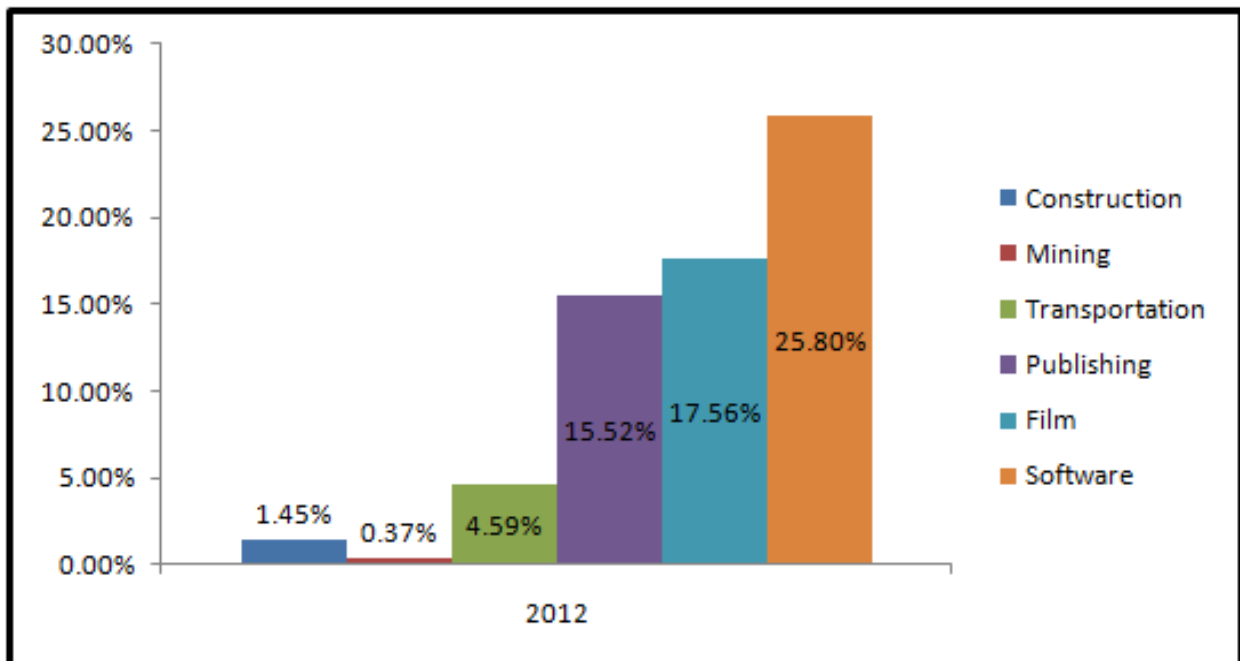
Profit Margins Before Tax By Sector, 2007



Profit Margins After Tax By Sector, 2007



Profit Margins Before Tax By Sector, 2012



Profit Margins After Tax By Sector, 2012

