

Evolving Media: Will Content, Distribution or New Platforms Dominate?



Mike Milken
Chairman
Milken Institute



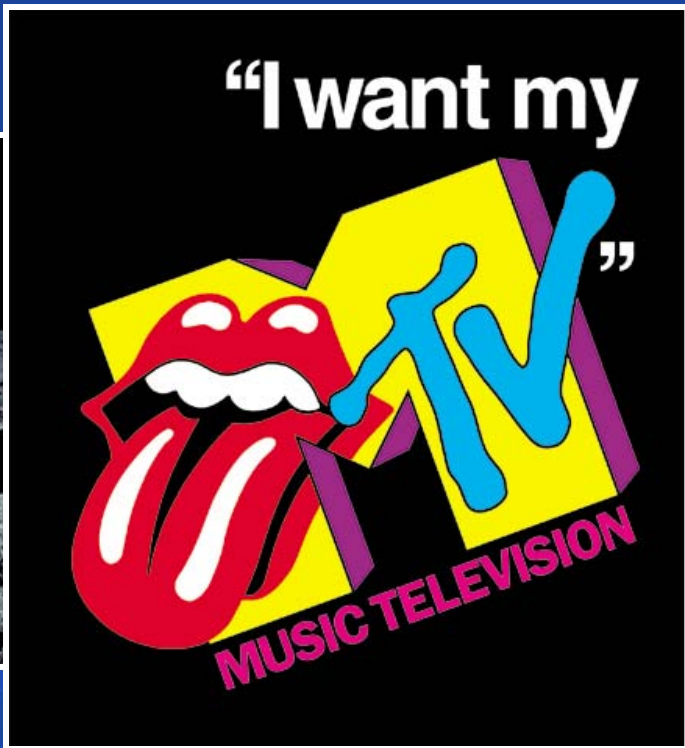
Chase Carey
Deputy Chairman,
President and COO
News Corp.



Charlie Ergen
Chairman and Co-founder
Dish Network

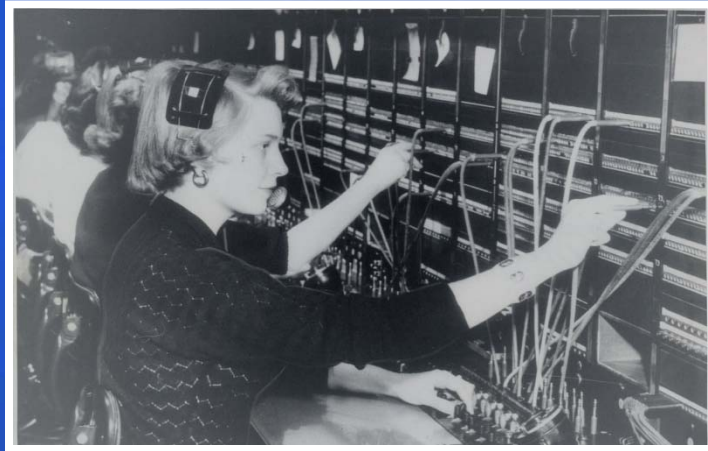


Robert Pittman
CEO, Clear Channel
Communications



1957 America

**International Phone Call:
~\$12/Minute**



Cost of a 1-Minute Phone Call from the U.S. to India

1975

\$10

2012

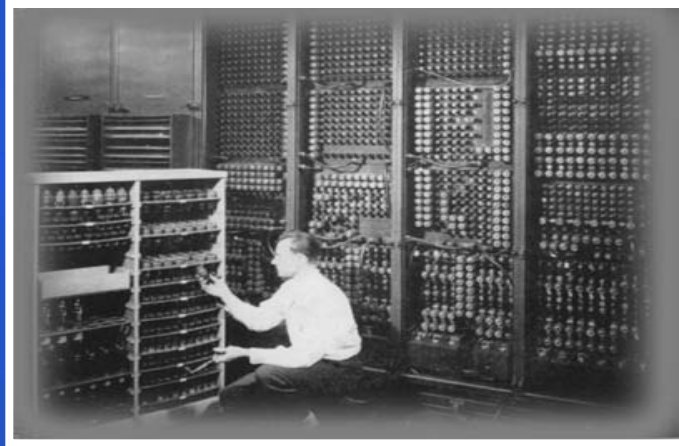
\$.01



Telecommunications cost to business approaches zero.

1957 America

**Computer Storage:
\$2 million per megabyte**



IBM System 370/168 in 1976

- 8 megabytes for \$8 million
- Cost per megabyte: \$1 million



Apple iPad 3

- 64 gigabytes for \$699
- Cost per megabyte:
\$0.01



Blockbuster vs. Netflix - 2002

Market Value

28 Netflix = 1 Blockbuster

Netflix
\$0.16 billion

Blockbuster
\$4.5 billion



Blockbuster vs. Netflix

Market Value

Netflix
\$16 billion

7/13/2011

Blockbuster
\$0

Blockbuster vs. Netflix

Market Value

- **Netflix lost \$2 billion in value within 8 hours following announcement to split services (Sept. 2011)**
- **Netflix lost 800,000 subscribers in Q3 '11, most of them DVD subscribers**

Blockbuster vs. Netflix

Market Value

Netflix
\$16 billion

7/13/2011

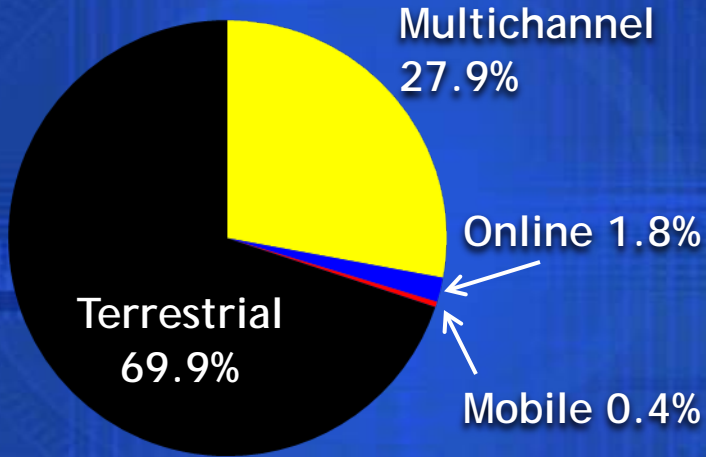
5/1/2012

Netflix
\$4.5billion

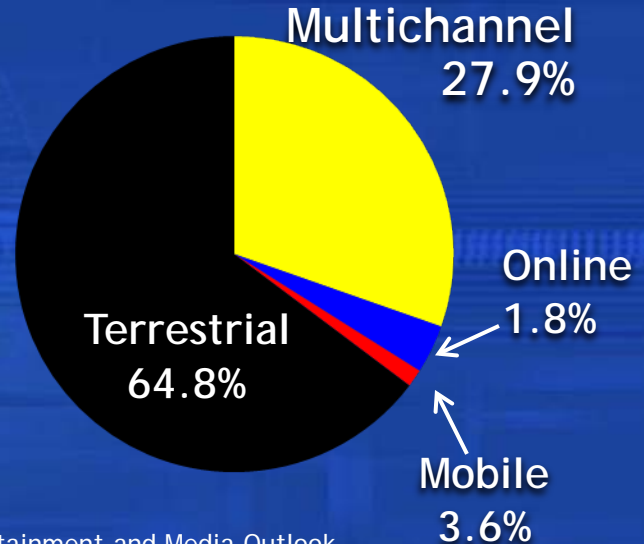
Blockbuster
\$0

Growth of Mobile TV Advertising

2010

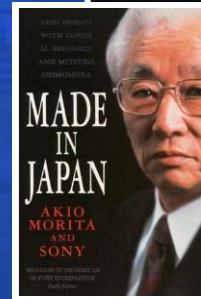
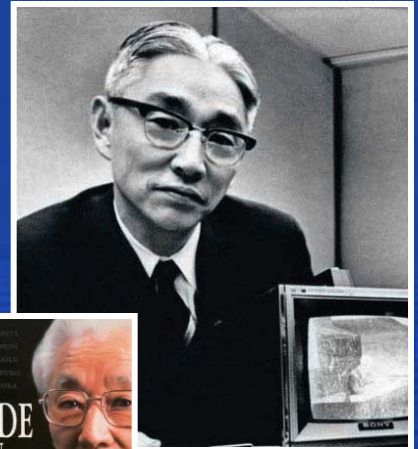


2015



Sony: Five Decades of Innovation

- Tape recorder and transistor radio (1950s)
- 5-inch micro TV (1962)
- Trinitron Color TV (1965)
- U-matic video tape system (1969)
- Beta-Max (1975)
- Sony Walkman (1979)
- Compact discs and player (1982)
- Handycam 8mm video camera (1985)
(Sony sales and profits triple during the 1980s)
- Sony Play Station (1994)



Akio Morita
Co-
founder

Apple vs. Sony 1997

Market Value

21 Apple = 1 Sony

Apple
\$1.65 billion

Sony
\$34.3 billion

Apple vs. Sony 2012

Market Value

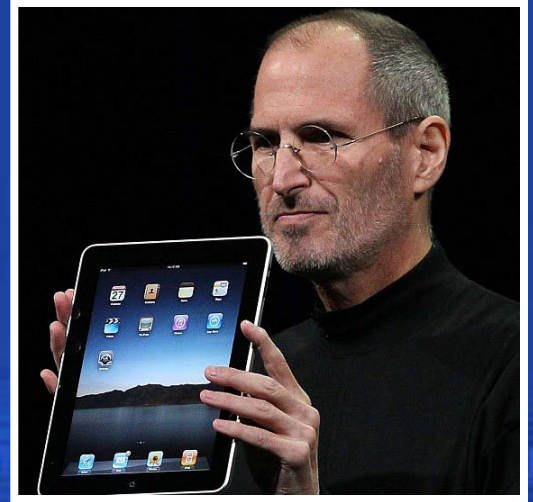
Apple
\$554 billion

34 Sony = 1 Apple

Sony
\$16 billion

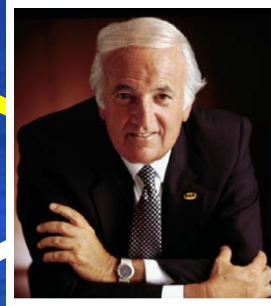
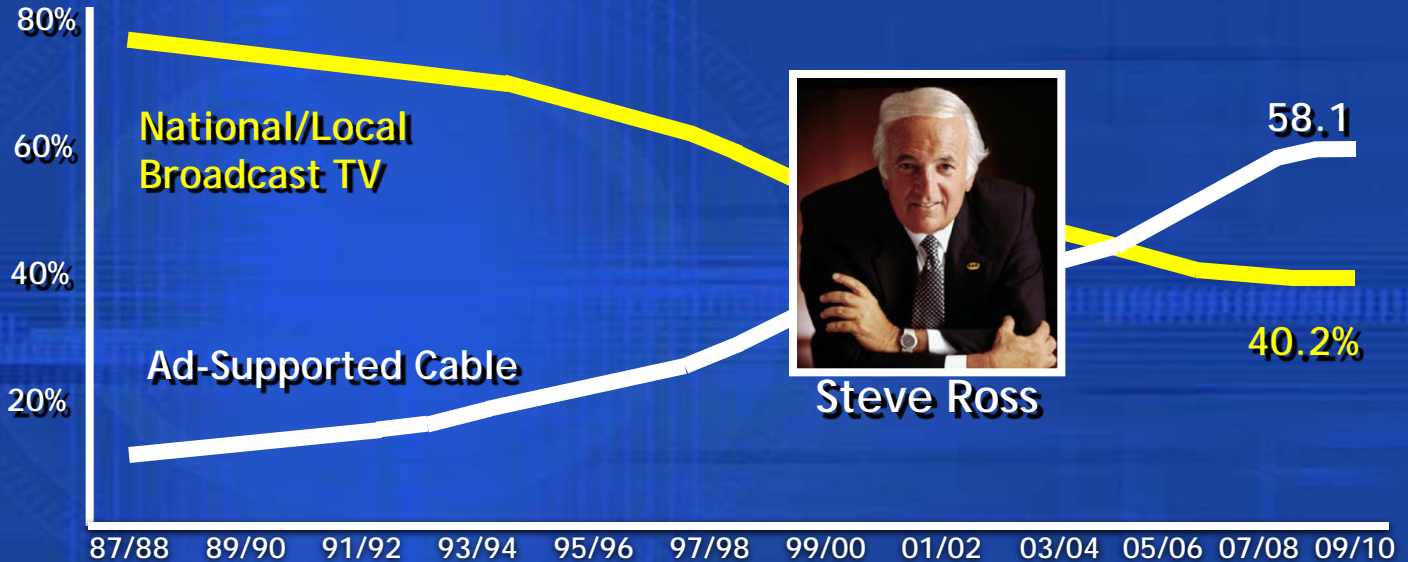
“Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's about the people you have [and] how you're led.”

-Steve Jobs



Primetime Viewing Shares

Broadcast vs. Cable



Steve Ross