

DREAMWORKS ANIMATION CORPORATE TAXATION

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EFFECTIVE TAX RATE

DWA loss before income taxes for the year ended December 31, 2012, the company effective tax rate was less than the 35% statutory federal tax rate due to an increase in their foreign valuation allowance.

EFFECTIVE TAX RATE

In addition, DWA's ability to benefit from certain prior year tax deductions and the net tax benefits recognized from the Tax Basis Increase is able to reduce its effective tax rate as well. Moreover, the benefit from income taxes recognized during 2010 was primarily a result of the release of substantially all of the company valuation allowance previously held against company deferred tax assets.

STRUCTURE, RATE, 3 YR TREND

	2012	2011	2010
Income Taxes (\$ million)	17.2	36.4	(284.1)-benefit
Effective tax rate	30.6%	30.9%	(161.9%)