



European network of independent distributors

## EUROPA DISTRIBUTION MEETING 11<sup>th</sup> January 2007 – Paris

### LIST OF PRESENCE

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Society	Name	Surname	Country
A Film	Peijnenburg	Frank	Holland
ABC	Krakowski	Chantal	Belgium
Agora	Dutoit	Laurent	Switzerland
Alta Classics	Gonzales Kuhn	Enrique	Spain
Arthaus	Jensen	Sven	Norway
Artificial Eye	Beeson	Robert	UK
Bac Films	Labadie	Jean	France
Bim	Medici	Antonio	Italy
Camera	Foss	Kim	Denmark
Cinemien	Den Breejen	Nicolaine	Holland
Folkets Bio	Booberg	Marie	Sweden
Frenetic	Weibel	Monika	Switzerland
Golem	Moreno	Josetxo	Spain
ID Memento	Mallet-Guy	Alexandre	France
Indie Circle	Caillol	Laurent	Europe
Losange	Paredes	Eva	France
Losange	Vial	Régine	France
Lucky Red	Occhipinti	Andrea	Italy
Mikado	Bandel	Emilia	Italy
Non Stop Entertainment	Scheynius	Ignas	Sweden
Notro Films	Blanco Lucas	Adolfo	Spain
Oro Films	Hoffart	Age	Norway
Paradiso	Mortagne	Olivier	Holland
Paradiso	Uyttendaele	Martien	Belgium
PCV	Carajopoulou	Peggy	Greece
Pyramide	Vonier	Fabienne	France
Soda Pictures	Fletcher	Edward	UK
Wanda	Morales	Miguel	Spain

### INTRODUCTION

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Régine Vial introduced the meeting recalling the last actions carried out by Europa Distribution.

- She reminded the meetings in Brussels, Rome and Paris (Europa Cinemas Conference).
- She referred to the study on independent distribution in Europe. In that study, some facts stand out particularly relevant: for instance for the past three years roughly 85% of the European films included in the Official Selection at the Cannes Film Festival, have been distributed by independents. On this basis independent companies should be identified as the defenders of cultural diversity and especially European cinema.



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- She also reminded the letter that was sent to V. Reding concerning the cancellation of Media video support.
- Moreover, Régine Vial and Adeline met MEDIA representatives on Thursday 9<sup>th</sup> January.

### ***DISCUSSION ABOUT MEDIA PROGRAM***

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It is important to underline that Europa Distribution is more and more considered as **a very valuable interlocutor by MEDIA** that brings new ideas and propositions.

Concerning 2007, the budgets are reconducted with the current directive lines.

- AUTOMATIC SUPPORT : 13M€
- SELECTIVE SUPPORT : 12M€
  - 11M€ (film support)
  - 1M€ (Slate Funding)
- VOD : 4M€
- No more video support

However, for 2008, the European Parliament claims for new ideas in order to boost the circulation of European films (and independent ones). MEDIA is looking for new proposals, and the deadline is March 2007. We have to grasp on this opportunity to say what we want to improve in the system and how. MEDIA representatives seem to be quite ignorant about the realities and the difficulties of the independent distributors.

Concerning our demands, the first point is that it seems difficult to obtain commitments regarding a definition of the "independent distributor". Despite of it we believe that it remains necessary to keep on this way. Amongst the other propositions we made, two other points were considered:

- **A reform of the MEDIA automatic support.** The idea was to do more to help independent distributors and to limit the risks they take by releasing fragile films. Our suggestion for Media lies in **the increase of the automatic support on a first rung of admissions** (for example 150% or 200%), then to maintain it (100%) on a second rung of admissions and then to decrease it on a third rung of admissions (50%). These rungs of admissions will vary from country to country. We are doing the simulations at the moment and we're working on the percentages, the rungs of admissions, the caps, and the groups of country. Laurent Dutoit from Agora in Switzerland is working on it.

#### **- A reform of the MEDIA selective support.**

##### FILM SUPPORT : 11M€

In discussion :

- The eligible movies have to have a production budget under 20M€ (instead of 25M€).

##### SLATE FUNDING : 1M€

In discussion :

- Statement : The slate funding for distributors cannot be given to a program of movies that haven't been released yet because in this case the distributor doesn't know if his movies won't have the current selective support. Slate funding can only be given afterwards.
- Proposition : this support should be given to distributors who have already released a certain percentage of European movies in the past year (cf Europa Cinemas). The distributor who has released a certain percentage of European Movies (National and European Non National ENN) gets a "Europa Distribution label" (for example) at the end of the year which takes the form of a financial bonus that has to be reinvested in P&A in a movie which would not have had MEDIA SELECTIVE and which should fit some criterions.

We have to propose an efficient rate to put aside non-independent societies.



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Régine Vial suggested 80%. Alexandre Mallet-Guy (from Memento Films) answered back that 80% would probably be a too high rate (60 or 70% would be more realistic). Antonio Medici added that the movies in which this bonus is reinvested should fit a certain number of criterions because this bonus represents a small amount of money and would be useless for the promotion of a big European movie (like The Queen..): movies of specific geographic areas, first or second movies, fidelity to an author (if the distributor has already released his previous movies).

Europa Cinemas system is: 60% European films and 30% of Non National European films.

- **The VOD issue:** 4 millions of euros should be spent but MEDIA has no idea regarding the allocation of this support. It would be great if the money was spent for independent actors but on which level (for platforms? for distributors, for film?)

- **The digital cinema issue:** one of the MEDIA's roles should be to help distributors for the financing of the digital masters of European non-national films.

**A focus group was designed to work on these issues:** L. Dutoit (Agora / Switzerland), M. Weibel (Frenetic /Switzerland), S. Massenzi (Lucky Red/Italy), Régine Vial (Losange / France), Age Hoffart (Oro films / Norway), Peggy Carajopoulou-Vavali (PCV / Greece)

L. Dutoit is working on the simulations of Media automatic support.

A small meeting will be organized by MEDIA in Berlin on Tuesday 13 February (9:30 – 12:00) to work on those proposals. A few distributors from ED will be invited.

### ***PREPARATION OF THE MEETING WITH THE EFAD (during the Berlinale)***

On Monday 12 February, the EFAD (which gathers the national cinema agencies) will meet and invite Europa Distribution (presentation session then questions during one hour). The different countries should be represented by one spokesman.

#### **A platform should be presented, including the independents problems and propositions.**

- The definition of "independent distributor". The national agencies, as well as the European deputies, have to be aware of the independents' problems and we have to do some pedagogic work. The definition of the "independent distributor" is a too political issue for MEDIA, so we need to talk to National representatives and European Parliamentarians (especially the members of the Education and Culture Committee). They must be aware of the fact that cultural diversity and also European cinema could not exist without independent distributors.
- The digital transition challenge
- The problem of the decreasing broadcast of European films on European televisions.
- The propositions made to the MEDIA program.

Following this EFAD meeting, we want to organize in Cannes a meeting with the European Ministries of Culture.

Regarding the definition of the independent distributor, **the common denominator = companies which are not affiliated to TV channels, medias groups or US majors.**

Enrique Gonzalez Kuhn announced the preparatory work for the new law on cinema in Spain.

So far "independence" has been more or less defined as the fact for a company to be free from any kind of link (whether it be capitalistic or commercial – more than 80% of the turnover) with companies having non-EU capitals, TVs, telecom groups, or companies with public equity. According to this definition, only independents could benefit public subsidies. As far as televisions are concerned, they would have to invest (acquisitions) 5% in European cinema, including 3% in Spanish cinema. 40% of these acquisitions should concern independent companies.



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Kim Foss explained the problem of this definition regarding the Scandinavia's context, where US majors are not physically present (they have not their own local offices). In Fact, in Scandinavia, all the companies would fit this definition despite output deals.

Stefano Massenzi answered that the problem is not the access to majors' programs. The real problem is that the distributors linked to a TV network have a granted access to TV and therefore they have no difficulty to get their return on investment because they can sell to themselves the distributed films every time it is necessary and at the prices they wish.

All the members have to read the Europa Distribution platform and to approve it before Berlin.

### **OTHER TOPICS**

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**- Meeting with sales agents:** many European distributors told they have problems regarding some rights. We will organize a small discussion in Berlin with sales agent's representatives (the European association of sales agents) regarding specific points. This meeting can be a good start in term of new contracts' perspectives.

Some points:

- Internet Rights
- VOD (in Scandinavia : streaming = rental / download = sales)
- Pay TV (not only cable and satellite anymore but mobile, IPTV, Internet...)

**- The question about the association's expansion** was raised: a proposition of an advertising campaign was made by Valerio de Paolis.

However, if national distributors promote ED in their country, and each company brings another company (simply by a call) into the association, it also could be an easy and excellent way to make the association become bigger.

**- The Website Project:** we are still working on that project (creation of a data base, of a forum... ). The French Ministry for Foreign Affairs gave to the association a 10 000 euros subsidy and the CNC a 3 000 euros one.

**- The budget question:** Concerning the 2007 fees, it was decided that companies belonging to the large countries' group (regarding MEDIA classification) would pay 750 euros, companies belonging to the medium countries' group 500 euros and companies belonging to the small countries' group 350€. Public subsidies and new members should complete the Europa Distribution budget.

- Large countries : Germany, Spain, France, Italy
- Medium countries : Austria, Belgium, Denmark, Holland, Norway, Polen, Sweden, UK
- Small countries : Bulgaria, Check republic, Estonia, Finland, Greece, Hungary, Island, Ireland, Leetonia, Lithuania, Luxemburg, Malta, Portugal, Slovakia, Slovenia

**- National Representatives:** To make the work of the association more efficient, it has been decided to have one representative per country in order to

- Represent his country in meetings
- Keep the other national members of ED informed

Please find the temporary list below (some countries haven't answered yet).

Country	Name	Society	
Belgium	Stephan de Potter	Cineart	
Cseck Republic			
Denmark	Kim Foss	Camera	



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France	Régine Vial	Losange	
Germany	Fabien Arseguet	Alamode	
Greece	Peggy Carajopoulou-Vavali	PCV	
Holland			
Italy	Antonio Medici	Bim	
Norway	Age Hoffart	Oro Films	
Poland	Marcin Piasecki	Kino Swiat	
Spain	Enrique Gonzales Kuhn	Alta Classics	
Sweden	Marie Booberg	Folkets Bio	
Switzerland	Monika Weibel	Frenetic	political questions
Switzerland	Laurent Dutoit	Agora	technical questions
UK	Edward Fletcher	Soda Pictures	
Ungary	Gabor Csurdi	Budapest Films	