



SAN SEBASTIAN FESTIVAL

EUROPA DISTRIBUTION'S MEETING

REPORT

SEPTEMBER, 28 & 29th 2007



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1. Distribution in Europe and Latin-America, workshops and case studies

1. 1 List of participants

Company		Country	Name
Primer Plano Film Group	Distribution	Argentina	Pascual Condito
Imovision	Distribution	Brasil	Jean-Thomas Bernardini
Match Factory	sales	Germany	Brigitte Suarez
Sherlock	Distribution	Spain	Ivan Barruedo
Alphaville	Distribution	Mexico	Alfonso Lopez
Filmsur	Distribution / exhibition	UK	Yos Rivas
lone communications	Production / sales	ES	Jone Aldave
filmsmith pictures	Production	San Francisco	Loren Smith
Cinema do Brasil	other		Rachel Monteiro
Jour 2 Fête	ED member	France	Etienne Ollagnier
	ED member		Sarah Chazelle
Cineart/Cinelibre	ED member	Belgium	Stephan de Potter
Europa Distribution	ED member	France	Anne Pouliquen
	ED member		Matthieu de Charrette
Haut et Court	ED member	France	Carole Scotta
	ED member		Caroline Benjo
Memento Films	ED member	France	Alexandre Mallet-Guy
Arthaus	ED member	Norway	Svend B. Jensen
Alta Classics	ED member	Spain	Enrique Gonzales Kuhn
Notro Films	ED member	Spain	Alex Lafuente
Wanda Vision	ED member	Spain	José Maria y Miguel Morales
Agora Films	ED member	Switzerland	José Michel Buhler
Cineworx	ED member	switzerland	Pascal Traechslin
Imagine Film	ED member	Belgium	Christian Thomas

1.2 Introduction

Introduction speakers :

Pascual Conditto, Primer Plano Film Group (Argentina)

Jean-Thomas Bernardini, Imovision (Brasil)

- *In Brazil, Imovision – Jean-Thomas Bernardini*

2 matters:

→ US market share: 90-92%,

→ Few independent cinemas.

Independent Brazilian screens:

43% European films

33% US/Canadian films

10% Latin American films

To make the film known, it's necessary to go to the festivals of Rio, Uruguay, Argentina... and present the director and actors to the public that don't know them as well as the European public. It's a very cheap way of launching a film.

- *In Argentina, Primer Plano film group – Pascual Conditto*

There is a huge difference of the public perception between US films (considered as a product) and European films.

It's very difficult to be seen with posters, trailers... Strong inequality with US films, it's so hard that many distributors stopped to release difficult or non American films.

The monopoly of US films and the lack of independent screens reduce the number of releases possible, so it reduces the cultural diversity, (majority of French films.)

The screens need to be more accessible to independent European films, to have more possibility of releases. Moreover, there is a real taste and sensibility for these films of the public, direct descendants of the Europeans.

1.3 Case study n°1: XXY – Lucia Puenzo

Speakers :

_ Miguel Morales, Wanda (Spain)

_ Svend Jensen, Arthaus (Norway)

_ Jean-Thomas Bernardini, Imovision (Brasil)

- *In Spain : Wanda vision – Miguel Morales*

Wanda vision has coproduced this film and distributed it in Spain. For them, the festival de Valladolid represent a good opportunity to have press reporting.

30 prints in Spain

30 prints in Argentina

16 prints in Italy first and 14 after

- *In Brazil : Imovision – Jean Thomas Bernardini*

Use the popularity of Ricardo Darin in Spain and Latin America

In Brazil, it's not easy to release but there are strong items:



- Ricardo Darin
- Argentinean film
- The theme



Festivals: Rio / Sao Paolo / Gay and lesbian festival

ADM expected: 30 000 / 40 000

Expectations: Lucia Puenzo & Ricardo Darin. The month of the release is decided in function of their coming.

- *In Norway; Arthaus - Svent B Jensen*

Less difficult to release than in Brazil because most of cinemas are public cinemas, so they have to put on screens independent films. The market is dominated by Oslo, which represent 67% of the market. In Norway, there are about 200 films every year.

Svent B Jensen saw this picture in Madrid, during the festival and thought it was the best film of the festival.

ADM expected: 5000

1. 4 Case study n°2: Auf Der Anderein Seite - Fatih Akin

The edge of heaven, de Fatih Akin (Turquy / Germany)

- _ Brigitte Suarez, Match Factory (Germany)
- _ Svend Jensen, Arthaus (Norway)
- _ Pascal Traeschlin, Cineworx (Switzerland)
- _ Stephan de Potter, Cineart (Belgium)

- *The Match Factory – World sales company – Brigitte Suarez*

After Head-on, they contacted all the distributors of Head-on that really want to follow him. They worked closely with Pandora films (Germany).

They sold the film in forty territories; the film will represent the Oscar for Germany.

- *In Switzerland: Cineworx - Pascal Trächslin*

Swiss market:

16 380 000 ADM

Germany: 67%

French: 30%

Italian 3%

Average distributors ticket price: 4EUR

Average ticket price: 14.53 CHF (8.55 EUR)

Cinemas:

- Number of cinemas: 319
- Number of screens: 547
- Number of arthouse cinemas: 60

Market share of German films in 2006: 6%

Three different releases for each movie

Influence by the German/French medias

Acquisition and initial position:

Cineworx successfully released HEAD ON (30'000 admissions) and CROSSING THE BRIDGE. They want to follow up on the success of Fatih Akin. He's the most popular director in their library. Fatih Akin told them the story of the film in the summer 2005 during his stay to promote CROSSING THE BRIDGE in Switzerland. They read the script and started to negotiate with World Sales the Match Factory and signed the contract in Berlin 07.

THE EDGE OF HEAVEN participated in the Competition in Cannes and won the Prize for the Best Script and the Prize of the Ecumenical Jury. Fatih Akin is known to a wider audience after his Berlin Festival winning Film HEAD ON.

THE EDGE OF HEAVEN is more complex and more subtle than HEAD ON. With Hanna Schygulla the film a star, who is also known to an older audience. THE EDGE OF HEAVEN has very interesting female characters with a high potential for identification.

- THE EDGE OF HEAVEN can not be started before Germany. So Cineworx decided to release the film as close as possible to German release (27.9.07)
 - > release German part Switzerland: 4.10.07
- Starting prints: 12 prints
- Admissions in the German part: 30'000
- Admissions to get break even: 23'100

Target audience:

Primary:

- Arthouse-audience (age: 20-50, m/f: 40:60)
- Generation of «Fassbinder» (age: 45-65, m/f: 50:50)
- Turks living in Switzerland

Secondary:

- Feminist movement
- People interested in subjects about migration and human rights

Market

Primary:

- Arthouse cinemas in key-cities: (Zurich, Basel, Berne, Lucerne, Aarau, St. Gallen, Baden)

Secondary:

- Cinemas in midsize-cities: (Zug, Winterthur, Schaffhausen, Solothurn, Biel, Chur, Brugg, Olten und Thun)

Tertiary:

- Cinemas in little towns and villages

Promotion strategy

- An early and wide distribution of the poster (man on the beach) to get more recognition
- Good word-to-mouth through previews, «Lunchkino» and a big premiere in collaboration with the Turkish Embassy
- As THE EDGE OF HEAVEN is the second part of the trilogy «Love, Death and Devil», they have to tie in with HEAD ON.
- Using Hanna Schygulla as a cart-horse for the «Fassbinder-Generation»

Promotion concept

- Dramaturgy with advertisements, placards and the placement of posters in and around public transports to establish the film
- Previews in key cities with media partners
- Allocation of flyers in libraries, bars and clubs
- Flyers with a contest for bookshops
- Collaboration with a travel agency
- Collaboration with the Turkish Embassy

Press strategy

- Press screenings
- Movie press (magazines and reviews in daily press)
- Female magazines (SI, Annabelle)
- Weekly magazines (Weltwoche, WOZ)
- Covers (Züri-Tipp, Movie-News, Ensuite)
- TV stations
- Radio stations
- Internet

Advertising material

- Folder A6: 40'000
- Postcards A5/6 (with a promotion partner and distributed in bookshops): 12'000
- Postcards A5/6 (without a promotion partner and distributed in cinemas, bars and clubs): 10'000
- Posters A0, A1, A2, A3, F12, F4
- Trailers: 60
- Stills
- Press books
- EPK
- Ad-slicks
- Internet banner
- Trailer E-Ad

Budget

Publicity material	EUR	9'100
Advertising	EUR	30'800
Promotion	EUR	9'800
Prints & production	EUR	<u>20'300</u>
TOTAL P&A	EUR	70'000

- *In Belgium : Stephan de Potter-cineart/cinelibre*

They release at the same time for the two part of Belgium.

He released the Fatih Akin's film: crossing the bridge, and wants to follow him. He saw The Edge of Heaven during the day of first screenings in Cannes where all the Benelux distributors was here !

He releases the film with 14 prints, with the same date than France.

The release date is good (November 14th) because there is no real competition in the week before and after.

Fatih Akin will be in Belgium for festivals. Closing film in the gay and lesbian film festival.

He also worked with schools: children have to make a file, homework on the film that talk about migration, relation Turkey-Europe...

Budget 100 000 euros / 25 000 from media

- *In Norway : Svent Bjensen – Arthaus*

Date of release: 4th January, good date because no competition.

There will be an addition film by a famous Norwegian artist. He already made that before, and it was very successful.

20 000euros from media

2. Meeting with Spanish producers

Speaker:

Joan Ginard, Just films, Spain

2.1 Introduction

2.1.1 Audiovisual sector in Spain

Some figures

Audiovisual turnover: 1726 millions of euros

Cultural industry growth: 6, 2% / around 3% of the GDP since 2000

2007: turnover of 2000 millions of euros

2000 – 2005: growth of the turnover of 6, 5%

2000 – 2005: the number of producers has been multiplied by 2 (180 to 350)

ICAA national support fund of 50-60 millions of euros.

The supports change a lot depending on the autonomous regions (a total of 33 millions of euros).

percentage of public incentive support by autonomous regions	
Cataluña	37%
Galicia	24%
Andalucía	14%
Pais Vasco	10%

International sales

2006: 95, 8 millions euros (cinema 64%, TV 36%)

2000: 45, 9 millions euros

The international sales have doubled in 6 years because of:

- the creation of specialized companies
- the support of ICEX for international releases,
- The success of some directors.

The international sales are concentrated in few companies, in 2002, 5 companies and in 2005 only 3. The destinations are Europe (44%) and United States (30%). But the European market share decrease whereas the Latin American one increase (5% en 2000, 20% now)

Strong impulse of television products in 2006 with 20%

2.1.2 Cinema

En 2006, there was 150 features films produced: it's the highest number of films produced for the last 25 years (of which 41 co productions).

Distribution

	2006		2005	
TOTAL NUMBER OF PRINTS		44 133		
MORE THAN 300 PRINTS	35	10500	41	12300
MORE THAN 500 PRINTS	5	2500	3	1500

Importation of films: 224 US, 138 European, for a total of 425.

Exhibition

Decrease of the number of cinemas between 2000 (1298) and 2006 (936) but increase of the number of screens (4299 in 2006, 3500 in 2000)

Number of films released between 2000 and 2006: 1750

The receipts for Spanish films double in 6 years: 53, 74 in 2000 to 98, 41 in 2006. That's still 5 times less than the foreign films.

Receipts for foreign films: 537, 75 millions de euros

15, 42%: Spanish films market share in receipts.

Number of films upper of 1 million euros of budget: 6 films

Box office (10 first): 62, 2% of the receipts.

10 first American films: 31, 4%

Average receipts for Spanish films: 264 541 euros

Average receipts for US films: 684 356 euros

DVD market

In 2006, 68, 3% of Spanish homes have a DVD player

34% of Spanish homes have internet

Number of DVD: 6371

Number of Spanish DVD: 1005

Number of European DVD: 2982

Number of US DVD: 2384

2.1. 3 New law on independency

Spanish problems :

- No recovery of the investment
- The changes in the exhibition: new and various supports
- Dissemination of the legislation and qualifications between the different ministers (Culture, Industry, Economy, foreign office...)
- The allocations system is for making films with a bigger budget, and more competitive.

- No differentiation in the chain of values between producers and distributors.
- No equality between Spanish cinema and others, and mostly the Hollywood ONE: numbers of prints, the acquisition of the Majors films by package, publicity budget...
- Lack of Tax shelter
- No implication of TV channels in the audiovisual
- The growth of the piracy and lack of political, legal measures.

The important points of the new law :

- The definition of the independent producer, to make the difference between transmitter and producer, because of the inequality with communication group and TV operator.
- Tax shelter with a tax deduction of 18% on all the investments.
- Consolidation of the cinema protection fund. (100 millions of euros), strong growth of the amount of this fund that stay below others European funds.
- The inclusion in the "Registro de Bienes Muebles", to guarantee the rights of the producers without filling any register.
- Creation of a state agency
- The counting of the SCREEN QUOTA by sessions and not only by days.

The problems of the law

It's not a homogeneous law: some articles are not enough precise, and some too precise:

- The definition of authors of some professionals that should not be.
- The state agency is not well described, and not enough functions.
- Some of the criteria for the nationality of a film is too limiting. (EX: the European nationality for the director is obligatory)
- The confused redaction
- the temporality of thus measure

Omissions

- No mentions of the new technologies
- Reversion system for the recovery of rights of intellectual property rights of the films produced with the audiovisual service provider; outright sale for a maximum of 7 years.
- Absence of the commitment of investment of TV operators. No legislation on the new operators (Internet, new channels of TV, TDT (Digital TV))
- A better commitment with the public TV, for the expansion to others formats (animation, documentary) with an obligation to invest (1% for the animation, 1% for documentaries). And a stronger obligation in the promotion of the purchases, y en general for the Spanish cinema.

2. 2 Meeting with the producers

In collaboration with the FAPAE, the producers met the distributors for a “speed dating” to present their new projects of films which are very various: animation, documentary, feature films...

Distributors who participate:

Christian Thomas, Imagine films, Belgium
 Renaud Davy, Wild Bunch, France
 Sarah Chazelle et Etienne Ollagnier, Jour2fete, France
 Svent B Jensen, Arthaus, Norway
 Pascal Traschin, Cineworx, Switzerland
 Alex Lafuente, Notro films, Spain
 Gabor Csardi, Budapest film, Hungary

Producers who participate:

Raul Perales, Alta Realitat, Spain for :

- *the frost*, Ferran Audi, feature film, 100 minutes, psychological drama, 2 260 330euros, with 41,5% already financed.

Xavier Berzosa, Irusoin, Spain for :

- *Lucio*, Aitor Arregi, Jose Mari Goenaga, documentary, 93mn, 500 000 euros, with 100% financed, film already released in Spain.

Tania Arellano, Millimetros, Spain

- *RH+ the vampire of Seville*, Antonio Zurera, animation, 80mn, comedy-adventures, 2 200 000 euros
- *D'Fenders*, Angel Izquierdo & Antonio Zurera, animation, 80mn, adventures
- *Dragon Hill*, Angel Izquierdo, animation, 80mn, comedy – adventures
- *The magic cube*, Angel Izquierdo, animation, 80mn, comedy – adventures
- *The Adventures and Misadventures of Don Quixote*, Angel Izquierdo, 80mn, adventures – educational

Joan Ginard, Just films, Spain for:

- *the Big House*, Paul Martinez, feature film, 90mn, comedy, 1 500 000 euros with 55% financed.
- *The Intruders*, Juan Carlos Claver, feature film, 90mn, fantastic, 1 800 000 euros with 1 500 000 euros already financed.
- *The Shadow of the Sun*, David Blanco, feature film, 90mn, drama, 1500 000 euros with 800 000 already financed.

Oscar Bernacer Martinez, Terratremol produccions, Spain for :

- *The two shores*, Oscar Bernacer Martinez, documentary, 85-90mn, 327 500 euros with 76000 already financed

Jaume Vilata, Factotum, Spain for :

- *Little Ashes*, Paul Morrison, feature film, 90mn, drama, 3 000 000 euros with 2 500 000euros financed.
- *Monica*, Paco Betriu, docufiction, 90mn, 511.000 euros with 400.000 already in place.

3. Digital cinema, distribution and exhibition in Europe

Speakers:

Claude Eric Poiroux, Europa Cinema
Thierry Delpit, CN films.

Participants :

Stephan de Potter, Cineart/Cinelibre, Belgium
Christian Thomas, Imagine films, Belgium
Jean Thomas Bernardini, Imovision, Brazil
Sarah Chazelle and Etienne Ollagnier, Jour2fete, France
Carole Scotta and Caroline Benjo, Haut et Court, France
Pascal Trachslin, Cineworx, Switzerland
Elisabeth Berradouan, XDC
Gabor Csurdi, Budapest films, Hungary
Svend B Jensen, Arthaus, Norway

After a presentation of the principal technical and economical issues by Claude Eric Poiroux, distributors and professionals have debated on the practical consequences of the digital technology: changes in the relation between exhibitors and distributors, the potential third investor, the transition period for the cinemas...