New approaches for greater diversity of cinema in Europe?

Analyses of experiments launched in the context of the preparatory action[1]

"Circulation of European films in the digital era"

(European Parliament & European Commission)

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I. INTRODUCTION

The film industry is going through a period of far-reaching change during which its business models will no doubt have to evolve. These changes, brought about by digital technology and its many consequences, significantly threaten the situations of equilibrium established over many years, but also represent opportunities to break longstanding deadlocks. Cultural diversity, or at least the aspect of it that concerns the circulation of films in Europe, is faced with these deadlocks that the new, digital, modes of dissemination make it possible partly to overcome. At a time when those calling for culture to play a central role in the European project are making their voices heard it is useful to examine the obstacles hindering the creation of the Europe of culture, and ways of approaching this goal.

Video on Demand (VOD) is one of the new modes of distribution that can change the rules of the game. As well as being a new technology creating a new economy, VOD is above all a new set of emerging practices that must be taken into consideration rather than being treated with contempt. Of course, the risk that this practice will imperil the very foundation of the cinematographic experience, watching a film in the theatre, cannot be excluded. But the risks involved in not taking it into account are still greater, for as the history of the cultural industries over the last decade has harshly reminded us, any fight against spontaneous habits of use is a losing battle. So VOD should not be seen as the opponent of exhibition in the theatre, but placed in a context where theatres are in competition with piracy. Moreover it can always be supposed that going to the cinema to see a film will always possess some unique qualities that distinguish it from other modes of viewing, and will therefore be protected.

The European Parliament has launched a Preparatory Action, "Circulation of European Films in the Digital Era," aimed at experimenting new modes of film distribution in Europe through simultaneous or quasi-simultaneous releases in several territories. The goal is to learn and understand - this is the meaning of an 'experiment' - with no bias other than that of seeing the new modes of film distribution, whatever risks they may involve, as a potential source of opportunities. This experiment has been carried out in the framework of three projects, sponsored by different players in the European film industry, all of whom share the concern to seek new outlets for films for which access to European theatres is every day more difficult. These three projects have led to the distribution of 9 films to date, in 15 territories, totalling 86 releases, 39 of them on a Day-and Date (D&D) basis, that is with simultaneous release in theatres and on VOD. These figures are already a success in themselves, given the considerable difficulties that became apparent during the experiment in combining the demands of day-and-date and multi-territory release.

This report is a preliminary analysis of the results of these experiments. In view of the fragmented and provisional nature of the data obtained, the small number of films in the sample, and above all the idiosyncratic nature of each film release in a given territory, it does not pretend to draw definitive conclusions. Its ambition is to highlight a certain number of results from the three points of view of spectator access to films, the economics of the films, and the economics of the distribution network.

The first part will situate the experiment in its general context. The second presents the experiment itself. The third looks at the results and the first lessons that can be learned from them.

This is an independent report. Nevertheless it has benefited from the input of various people involved in the experiments. Thanks are due to all of them, and in particular Lucie Girre and Aurélia Porret, both of them for meticulous collection of data, the second for precious help given throughout the study.

II. CONTEXT AND ISSUES

The market for films faces two underlying trends which raise questions as to its evolution. These trends originate in two long-term processes, globalization and the implementation of digital technologies, which have impacts notably in terms of access to screens for films and changes in habits of consumption.

1. THE CREATION OF A DUAL ECONOMY

While globalization was already present from the early days of cinema, as is apparent in the regular industrial or political conflicts between Europeans and Americans[1], it has no doubt taken on a special form these days, in that two economies co-exist in different territories: on one hand a "global" cinema, essentially Hollywood-based, that derives its revenues from multi-national releases backed by massive advertising campaigns; on the other hand films that are confined to their national markets, with minuscule resources compared to the former category. This coexistence leads to competition, by definition unequal, for access to screens and for promotional visibility. National box-office receipts, in countries that still have a film industry, are thus divided between American blockbusters, present in all territories, and national films, often restricted to a domestic market. In this overview mention should be made of art-house films, which have an international audience: on account of their limited potential at a national level these films face difficulties in obtaining access to theatres in all the territories where they are distributed.

TABLE 1: AVERAGE NATIONAL MARKET SHARES, IN TERMS OF ADMISSIONS, IN THE EUROPEAN UNION, IN 2012 (OEA DATA)

American films (or with an American partner)	63.1 %
Non-national European films	12.5 %

In 2012 box-office listings in the European Union were headed by the Sam Mendes film *Skyfall*, an Anglo-American production, with 44 million admissions. Among the next 24 films there are only three non American productions: *The Intouchables*, by Eric Toledano and Olivier Nakache

[1] Benghozi P.J. & C. Delage (ed.) (1997). *Une histoire économique du cinéma français, 1895-1995: regards croisés franco-américains.* L'Harmattan. Puttnam D. (1997). *The Undeclared War: Struggle for Control of the World's Film Industry*, HarperCollins. Ulff-Möller J. (2001). *Hollywood's Film Wars with France, Film-Trade Diplomacy and the Emergence of the French Film Quota Policy*, University of Rochester Press.

(24 million), *Taken 2*, by Olivier Megaton (9.3 million) and Juan Antonio Bayona's *The Impossible* (6.5 million). The two-speed economy is clearly visible in this ranking: a comparison between the first ten American films and the first ten non-American films highlights the fact that the former have an audience that is widely distributed throughout the European Union, while that of the latter is highly concentrated. The leading market represents 27% of European admissions for the former category, 69% for the second; the top three markets concentrate 56% of admissions for American films, 86% for European films. 83 % of the admissions for *The Intouchables*, for example, concern just three territories; for *The Impossible,* 90% were on home territory and virtually 100% in three territories. For films in the first category Europe is one outlet among many, while for the second it is almost if not entirely unique. For a film like *The Intouchables* the weight of Europe in its audience is four times higher than the average for the top ten American films in the European box-office[2].

TABLE 2: DEGREE OF CONCENTRATION OF ADMISSIONS
FOR AMERICAN AND EUROPEAN FILMS

	Share of European admissions on a single territory	Share of European admissions on three territories[3]
American films (or with an American partner)	26.65 %	56.37 %
European films (no American partner)	69.33 %	85.78 %

According to Lumière data

The phenomenon of globalization thus leads to the creation of a dual economy, in which European films enjoy only limited circulation. It is difficult to determine whether this is due to the absence of a shared culture, and thus to the form and actual content of the films, since Hollywood has built into its production system both the necessity of creating universal films and strategies designed to impose its own codes[4]. However one answers this question, it is clear that today the economics of film distribution in Europe structurally limits the circulation of films.

[2] In the absence of world-wide admission figures, this figures is obtained by comparing the ratio of European admissions (source LUMIERE) to world box-office receipts (source IMBD). World-wide box-office receipts are not available for most non-American films in this ranking.
[3] Market share on top three territories, in terms of admissions.
[4] Paris T. (éd.) (2002). « Quelle diversité face à Hollywood ? », *CinémAction*, Corlet.

2. SATURATION OF THEATRES AND LIMITATION ON THE CIRCULATION OF FILMS IN EUROPE

Added to this is the concentration of the exhibition of films (number of screens per film) and the growing increase in the number of films distributed, which combine to limit the possibilities of screening for a large number of films, mainly those belonging to the second category. The French example no doubt illustrates trends also apparent in other countries where the national film industry is not so flourishing. The Bonnell report recently underlined these trends once again:

"*b. American films are distributed in smaller numbers but more intensively. During the first week of release they are screened on average in twice as many points of sale (269 in 2011) as French films (131 in 2011). For one French film out of two, less than 50 prints circulate. Less than a quarter of American films are in this situation.*

c. The relative proportion of films programmed in more than 500 establishments during the first week of exclusive release has remained stable at around 7 to 10 % for the last ten years. This includes a majority of American films, particularly in the group in over 700 points of sale where they are always four times more numerous.

d. On the other hand, the number of films screened in less than 50 outlets has increased by about a third in ten years. This represents half of all releases. Depending on the year chosen, there are 3 to 4 times more French films than American films in this category. The widening gap noted in the scale of releases is thus due more to a fragmentation of the distribution of films with less commercial impact than to an increase in the number of outlets available for blockbusters."[5]

The saturation of cinema screens is a widespread phenomenon. It is determined by infrastructure limitations (the theoretical maximum potential for exploitation of a film depends on the total number of screenings offered in a given zone), but above all by programming habits, which imply unity of programming of one film per week on one screen[6], and programming with a certain number of prints over several weeks. Once films benefiting from widespread exposure have been programmed, little room remains for the others.

[5] Bonnell R. (2013). "Le financement de la production et de la distribution cinématographiques à l'heure du numérique", report for the President of the CNC, December.

[6] This habit has been partly called into question by the development of multiprogramming which enables some films to share a screen while others, with greater potential, can be programmed on several screens in a multi-screen complex.

TABLE 3: FACTORS DETERMINING SCREEN SATURATION[7]

Country/Capital	Number of screens in the capital	Number of exclusive first releases	Number of screenings
Germany/Berlin	266	563	
Spain/Madrid	543	472	
France/Paris	373	615	737 300
UK/London	617	647	

The number of films on exclusive first release is tending to increase, with a rise for example from 400 to over 600 in France between 1996 and 2013, or 600 to 650 in the UK between 2007 and 2012. This increase leads to greater pressure on theatres, which in turn makes it difficult for some films to obtain access to adequate exposure. This leads to a decreased lifetime for films[8], and a lessening of the number of screens available for less visible films. In the UK 35 to 40% of films distributed between 2007 and 2012 had fewer than 10 prints in circulation. In France, non-national European films were screened in 60 to 110 theatres on average between 2003 and 2012.

At European level the number of films benefiting from exclusive first release in a given territory correlates with population figures[9]. This may appear obvious in economic terms but is in fact not completely logical, as it might be supposed that the number of films distributed correlated with the size of the largest conurbation. Whatever the reasons behind it, this state of affairs has striking consequences from an individual point of view: the choice available to a cinema-goer depends, quantitatively, on his or her country of residence. The inhabitant of a "little" country will have access to a much more restricted choice of films than the inhabitant of a more populated country, even when the country offers a large number of films per inhabitant.

[7] Sources: CNC, MCU, FFA, BFI. 2013 figures for Germany, 2012 for the other territories.
[8] "Durée de vie des films en salles", CNC, July2008
[9] But not exclusively: it is also related to the number of theatres.

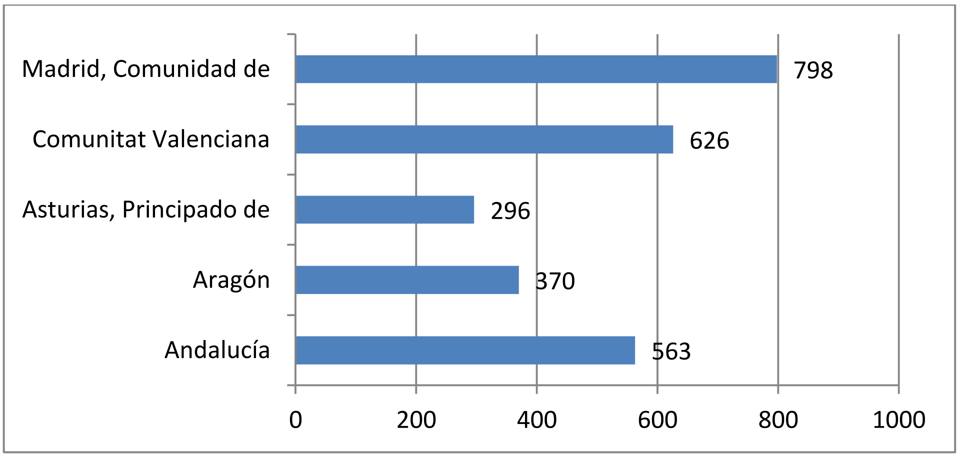
TABLE 4: NUMBER OF EXCLUSIVE FIRST RELEASES IN SOME EUROPEAN TERRITORIES

	Population (M)	Exclusive first releases (2012)
Germany	83	551
UK and Eire	67	647
France	66	615
Italy	61	363
Spain	47	472
Romania	22	186
Netherlands	17	406
Portugal	11	264[10]
Sweden	10	217
Denmark	6	231

It depends even more strongly on the place of residence, for in each of these territories the available offering is linked to the size of the catchment area to which one belongs. 14 % of the European population has no cinema within 30 minutes of home (the figure is as high as 37% in Romania)[11].

The offer available falls off very sharply as one moves from the capital to large provincial cities, as the following examples show.

FIGURE 1: FILMS DISTRIBUTED IN SPAIN IN 2012[12]



[10] 2010 figures

[11] Attentional, Headway International and Harris Interactive (2014).

[12] total number of films, whether exclusive first releases or otherwise. Source: Ministerio de Educación, Cultura y Deporte. Instituto de Cinematografía y de las Artes Audiovisuales. Estadística de Cinematografía: Producción, Exhibición, Distribución y Fomento.

FIGURE 2: NUMBER OF FILMS DISTRIBUTED IN FRANCE IN 2012[13]

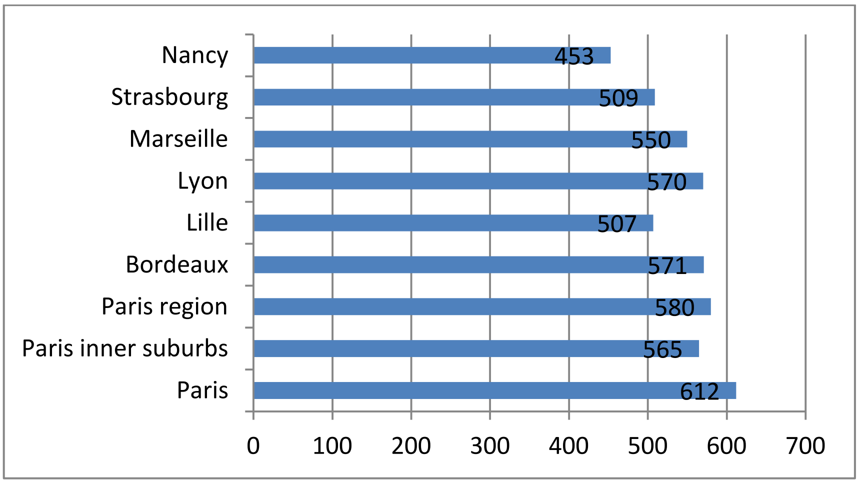
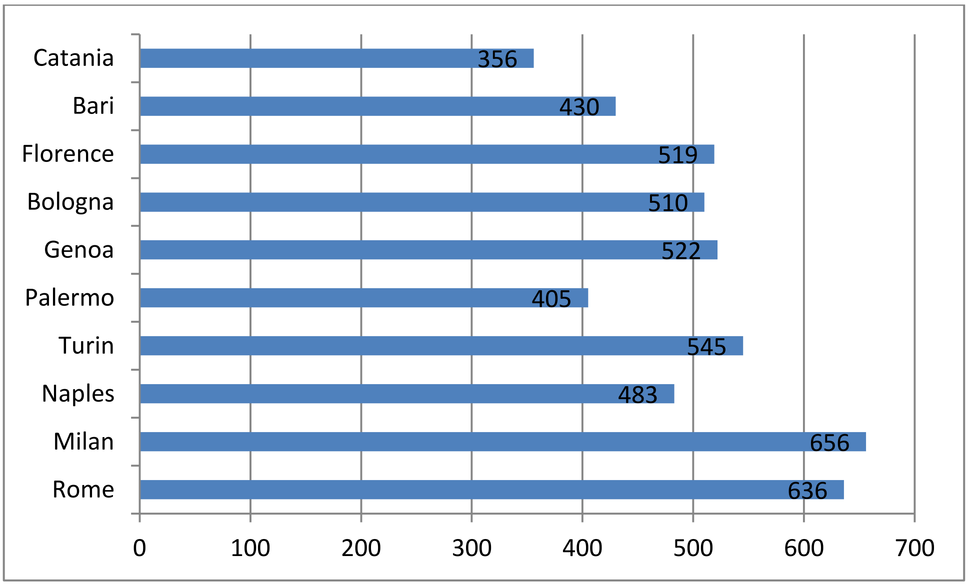


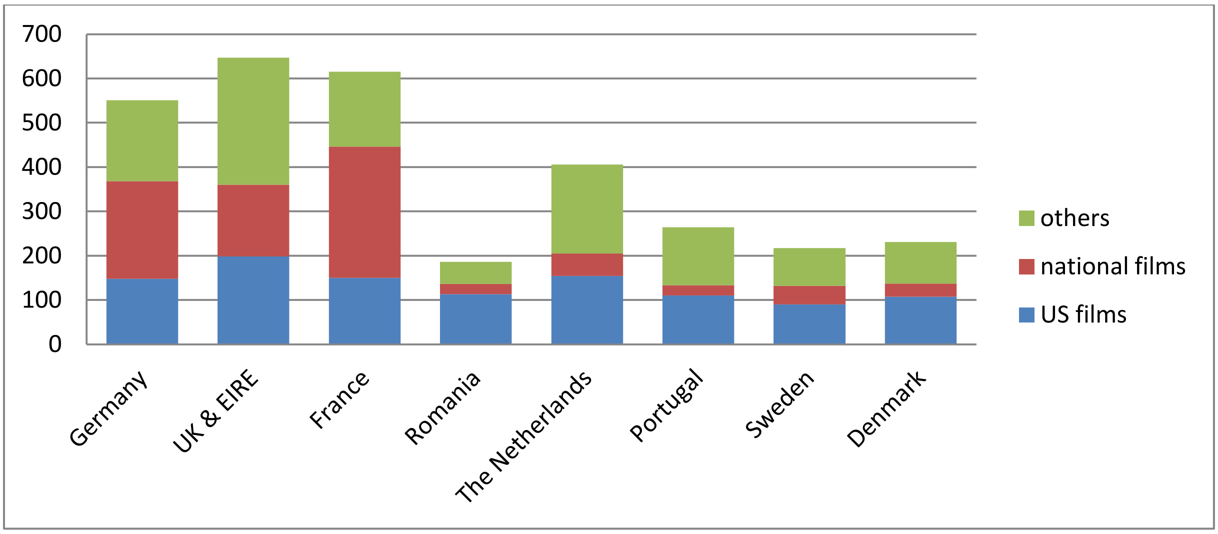
FIGURE 3: NUMBER OF FILMS DISTRIBUTED IN ITALY IN 2013[14]



On a European scale, the variation in the accessible offering from one area to another works mainly to the detriment of third-country films (neither national nor American) and national films. In the territories of the previous sample the number of films distributed varies in the ratio of 1 to 3 from one territory to another, but for American films the ratio is only 1 to 2. It is true that the number of national films varies from 10 to 1, but this is linked to differences in national production potential.

[13] First exclusive release. CNC data.
[14] First exclusive release or subsequent release. Source: Cinetel.

FIGURE 4: NUMBER OF FILMS DISTRIBUTED IN 2012,
BY NATIONALITY, IN SOME EUROPEAN TERRITORIES[15]



These figures highlight a structural obstacle to the distribution in theatres of certain films, including European films for which the ability to circulate from one territory to another is limited by effective distribution capacity. This gives European cinema-goers the impression that their choice is curtailed. A recent study by the European Commission recently showed that 30% of the people questioned and who were free down-loaders used the Internet source because many films they wanted to see were simply not available in their country[16].

These figures should be compared with those for production. 1,299 films were produced in the European Union in 2012[17], and 200 American films were distributed there.

TABLE 5: CAPACITY FOR DISTRIBUTION OF FILMS IN EUROPE

Available films (annual European production + American films distributed)	1,500
Distribution capacity (maximum number of films distributed in European cities)	650
Distribution capacity for third-country films (after deduction of American films and national films)	290

Without entering into the debate on the cultural obstacles to the circulation of films from one territory to another, it can nevertheless be considered that these obstacles to distribution are very strong and that, simply because more films are being produced, they concern a growing number of films.

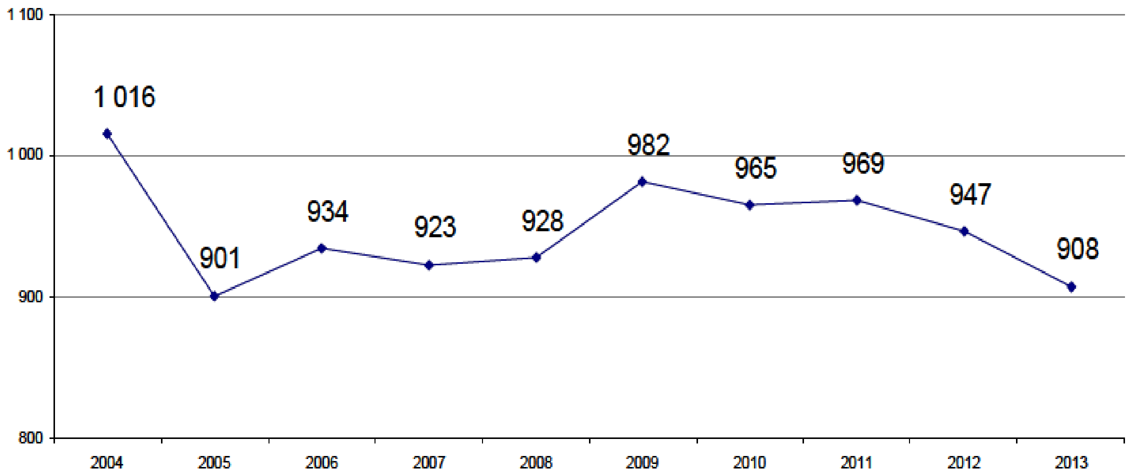
[15] Sources: FFA, BFI, CNC, Ministero dei beni e delle attivita' culturali e del turismo, ICAA, CNC (Romania), Nederlands Film Fonds, ICA, Swedish Film Institute, Danish Film Institute.
[16] Attentional, Headway International, Harris Interactive (2014). "A profile of current and future audiovisual audience", study for the European Commission.
[17] Source: FOCUS 2013.

3. NEW MODES OF CONSUMPTION

Digital technology has provoked a fundamental transformation of the cinema that has already lasted several years, acts on several levels, and is still having an impact.

Among modes of consumption, cinema attendance has changed in recent years. Although it is not clear whether this is structural, a decline began in the European Union in 2009, and 2013 marked the second lowest level since the beginning of the century. The drop is more severe in some countries than others; Spanish cinemas lost 46% of their audiences between 2001 and 2013.

FIGURE 5: CINEMAS AUDIENCES IN THE EUROPEAN UNION[18]

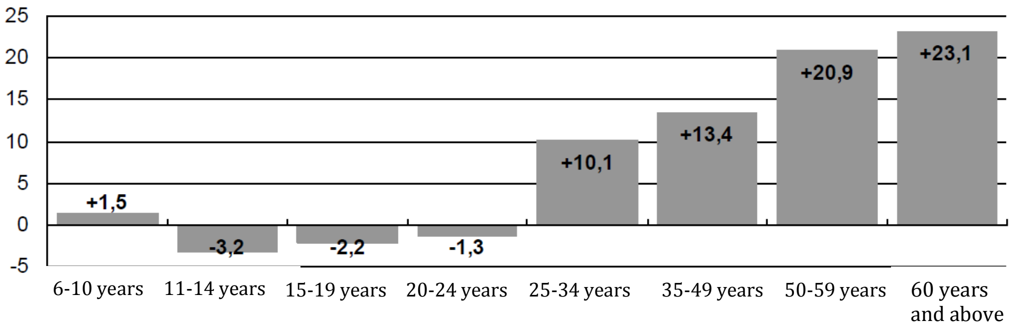


Source: European Audiovisual Observatory

It is characterized also by a change in the average profile of audiences. In France a recent survey by the CNC showed the change in cinema audiences over 20 years, highlighting that, while consumption increased in absolute terms for almost all age groups, it had grown above all among seniors. And in certain age groups between 11 and 24 the film-viewing population, characterized by occasional consumption, was in decline.

[18] Provisional data for 2013. In millions, estimates; proforma calculations taking into account new member states.

FIGURE 6: CHANGE 2012/1993 IN PENETRATION OF CINEMA BY AGE GROUP (POINTS)



Source: CNC-Médiamétrie Enquête 75 000 Cinéma – 6 ans et plus

Young people, who were for many years the prime audiences for films, now go to the cinema less often and in smaller numbers: the average number of admissions was the same in 2003 as in 2012 but it has gone down in the 11-14 and 15-19 age groups, and for the last 3 years there has been a declining trend in the 20-24 age group.

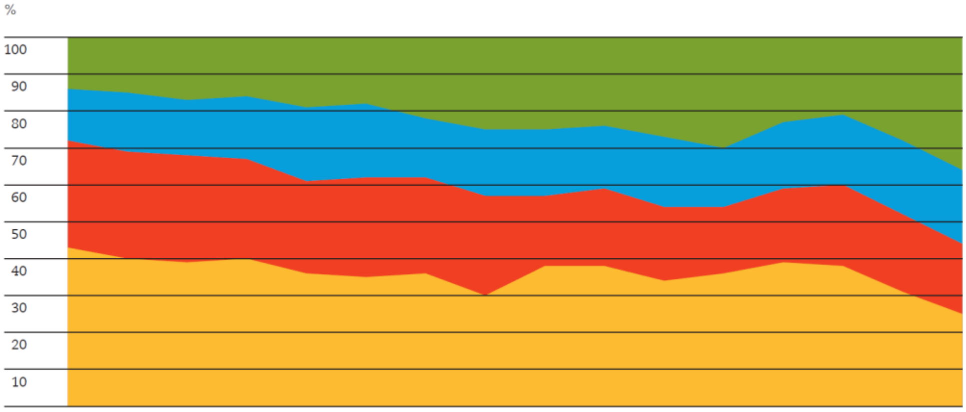
TABLEAU 6: AVERAGE NUMBER OF ADMISSIONS ACCORDING TO AGE

	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
6-10 years	2,7	3,5	2,8	4,0	3,8	4,0	3,4	4,1	3,5	3,1
11-14 years	4,8	5,6	4,4	4,8	4,3	4,2	6,2	4,6	5,0	3,8
15-19 years	7,4	7,6	6,4	6,3	6,8	6,6	7,6	6,4	5,5	6,8
20-24 years	7,3	8,3	7,9	7,4	8,3	7,7	8,1	8,5	7,7	7,8
25-34 years	5,9	5,5	5,1	5,3	4,3	5,6	4,8	5,2	5,6	6,7
35-49 years	4,9	5,3	4,5	5,3	4,8	4,5	4,5	4,7	5,0	4,3
50-59 years	5,2	7,1	6,0	5,4	5,8	4,9	5,6	4,4	5,1	4,5
60 years and above	4,6	5,3	5,5	5,1	4,4	5,1	6,0	5,7	5,8	5,8
Total	**5,4**	**5,9**	**5,3**	**5,4**	**5,1**	**5,2**	**5,6**	**5,4**	**5,4**	**5,4**

Source: CNC-Médiamétrie Enquête 75 000 Cinéma – 6 ans et plus

The British Film Institute's statistics for the UK show a similar trend: a drop in the proportion of the 15-24 and 25-34 age groups, and a relative increase in audiences aged 35-44.

FIGURE 7: DISTRIBUTION OF CINEMA AUDIENCES (AGED 15 AND ABOVE) IN THE UK, 1997-2012

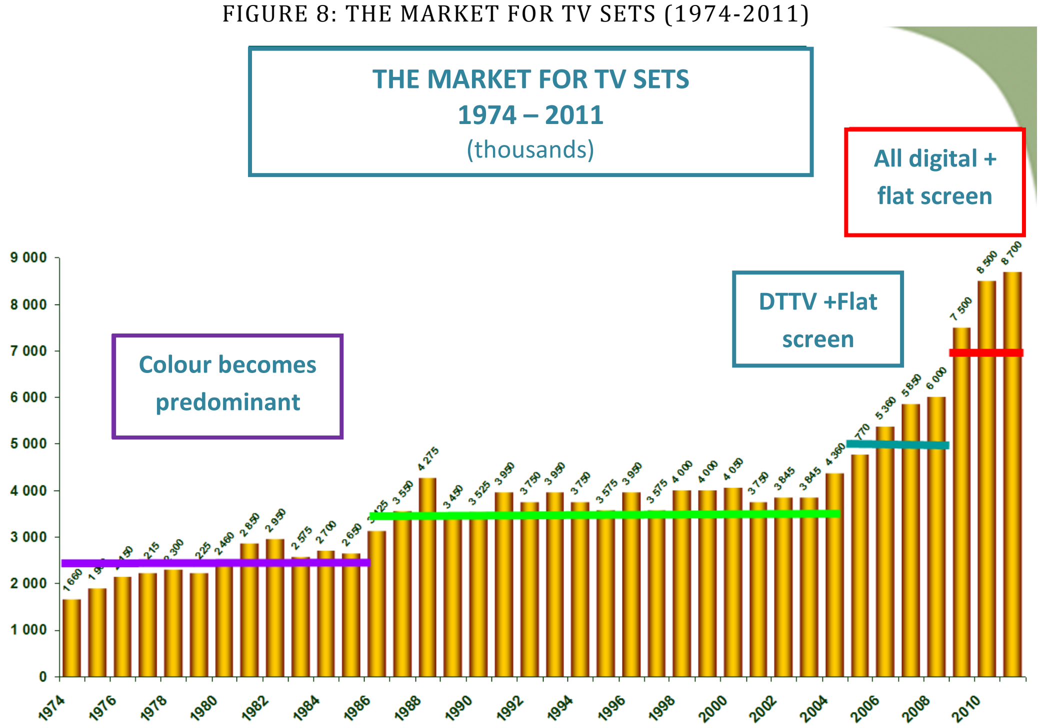


	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
15-24	43	40	39	40	36	35	36	30	38	38	34	36	39	38	31	25
25-34	29	29	29	27	25	27	26	27	19	21	20	18	20	22	21	19
35-44	14	16	15	17	20	20	16	18	18	17	19	16	18	19	20	20

Source: BFI (British Film Institute) Statistical Yearbook, 2013

These figures should be related to the modes of domestic consumption of films. The market for TV sets has been extremely dynamic for the last ten years, boosted by the successive impacts of DTTV, flat screen development, and in some countries the total switch to digital. In France the market doubled between 2005 and 2012. At the same time the average size of screens sold rose from 58 cm to 94 cm.

FIGURE 8: THE MARKET FOR TV SETS (1974-2011)



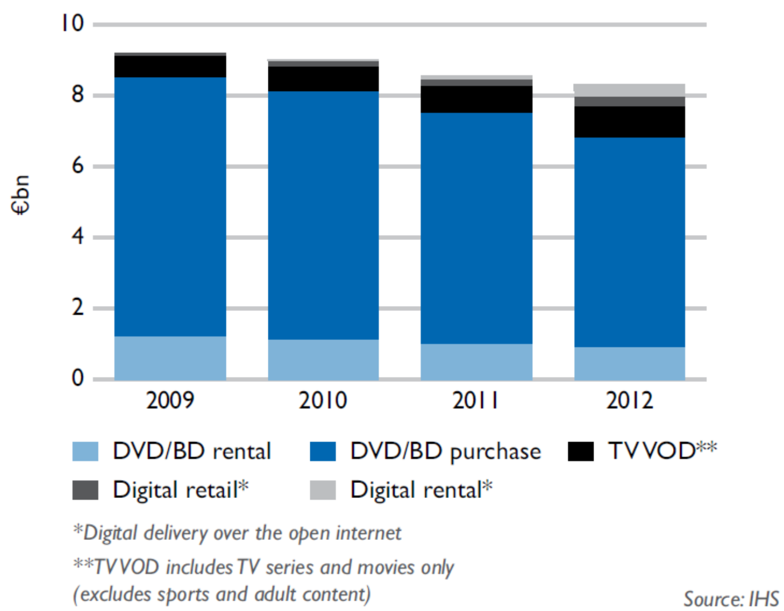
Source : Simavelec

Finally, the different varieties of non-linear consumption of films are constantly increasing, whether in legal form (VOD, SVOD) or illicit. The European Commission's study on consumer habits thus showed that viewers now watch films using a wide range of supports and sites: 85%

of respondents now watch films on their computers (87% in cinemas, 90% on TV, 67% on DVD)[19].

This leads to the declining importance, in habits of consumption, of the physical equipment on one hand and the act of purchase on the other, replaced by new models giving priority to dematerialized formats and rental (pay-as-you-go or subscription).

FIGURE 9: EUROPE: TOTAL CONSUMER SPENDING ON HOME ENTERTAINMENT



Source: European Video Yearbook 2013

These changes herald a switch by cinema to a new paradigm. This is not to say, over-hastily, that cinemas and TV as we know them today are extinct, but rather to take note of the fact that a new order will replace the old, and that business models, models of consumption and vectors of distribution will be subject to finer segmentation, as can already be seen in the music industry[20]. Each mode of film distribution will find a new place on the basis of its own characteristics; and those that are made obsolete by technological changes that modify the parameters of consumer value will disappear. The cinema, which retains its specific attributes, those of an outing and a collective experience, is not threatened, but its relative situation in the consumption of films will no doubt change.

[19] Attentional, Headway International, Harris Interactive (2014). "A profile of current and future audiovisual audience", study for the European Commission.
[20] Benghozi P.J., Paris T. : « L'industrie de la musique à l'âge d'Internet », Magazine *Gestion 2000*, 2, March-April 2001, pp.41-60.

4. PRESCRIPTION AND VALUE CHAIN: REVOLUTIONS IN VIEW

The economic model of films, like that of any cultural product, depends on the way consumption is encouraged. The main principles have remained broadly unchanged for decades, and campaigns are still based on centrally-organized promotion, at territorial scale, with some local adaptations. According to the countries concerned and the applicable legislation, they will give pride of place to poster campaigns, promotions in the various media, and advertising in cinemas themselves through poster displays and trailers. Distributors have integrated digital media and social networks into their promotion, but these new means of communication have not brought about a revolution in the way works are recommended and the way they acquire a reputation[21].

Revolution in promotion is not a certainty, but the new potential generated by knowledge of consumer habits, the processing of big data, geolocalization and viral marketing nevertheless suggest that it might well occur.

The other major impact expected from digital technologies, and already clearly visible, is an upheaval in the value chain caused by new players or those with high-tech or Internet backgrounds. Many of the leading players in today's cinema and audiovisual business did not exist twenty years ago: examples are iTunes, Hulu, Netflix, YouTube or DailyMotion. And the stir caused over the last few months by the arrival of Netflix in Europe is indicative of the potential shock-wave it may create. These new players not only come from different backgrounds, but bring with them new approaches, on one hand because they are global, on the other because for them content is often just one element in a broader strategy.

[21] Beuscart J.S. & K. Mellet (2012). *Promouvoir les œuvres culturelles - Usages et efficacité de la publicité dans les filières culturelles*, La Documentation française.

5. A ONE-HUNDRED-YEAR-OLD ORGANIZATION

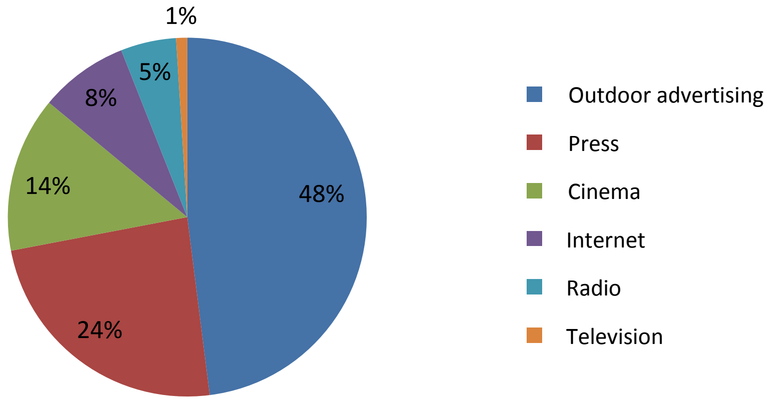
The organization of the film industry and its business model have been handed down from its very beginnings, when on 28 December 1895 the Lumière brothers from Besançon sold tickets for the screening of a film to an audience in the Indian Salon of the Grand Café. Since then the cinema has remained the place where cinematographic works achieve consecration, with other modes of distribution progressively slotting into the sequence of release windows, or the "media chronology". Whether it be imposed by custom, legislation or professional agreements, this media chronology has always obeyed two main principles: on one hand the overall optimization of income derived from films; on the other, maintenance of a balance between the different modes of distribution and in particular the protection of cinemas.

Territorial division of rights is another invariable element in the economics of the film industry. Even in Europe the national market remains the relevant territory: rights are linked to a territory, most players act at national level, release timetables are drawn up nationally, and marketing campaigns are put together at this level. Even space purchases on the Internet take place on a national scale.

Finally, while marketing has integrated new forms of communication it also operates according to traditional models based mainly on one-way communication (posters, press, trailers in cinemas), national campaigns (via the national media) and a hierarchy of investments depending on the modes of distribution. In 2009 a study of the French situation by Orange Labs SENSE showed that the three media traditionally used for film promotion, i.e. posters, the press and trailers in cinemas, still accounted for 86% of expenditure as against 8% for the Internet[22].

[22] Beuscart J.S. & K. Mellet (2012). *Promouvoir les œuvres culturelles - Usages et efficacité de la publicité dans les filières culturelles*, La Documentation française.

FIGURE 10: MULTIMEDIA EXPENDITURE BY THE CINEMA INDUSTRY IN FRANCE IN 2009[23]



Marketing investments are predicated on the fact that income is derived mainly from exhibition in cinemas and therefore concentrate on the release in theatres. A potential viewer may therefore be exposed to promotion for a film in a place to which he or she has no access and will have no access until several months later, according to the release windows.

[23] *ibid.*

III. THE EXPERIMENT

1. ISSUES AT STAKE IN THE EXPERIMENT

The experiment takes place in this context, characterized on one hand by the appearance of various tensions and on the other by a potentially significant on-going mutation.

TABLE 7: THE ISSUES UNDERLYING THE EXPERIMENT

Category of player	Issue
European Union	Encourage the circulation of European films in Europe Contribute to the construction of a Europe of film, by encouraging releases on a European scale. Help films benefiting from support funds to find an audience
Producers / distributors	Increase the exposure of films, increase overall audience figures, improve their profitability Benefit from economies of scale in promotion
Spectators	Enjoy access to a diversified offering, be able to see films that are promoted
Distributors	Increase understanding of the potential of the Web Try out alternative distribution systems
All the players	Combat the development of illegal practices by improving the quality of the legitimate offering Anticipate possible future upheavals in the industry
	Maintain a balance between modes of distribution and protect the economics of cinemas
	Generate knowledge that can help understanding of future changes
	Question mindsets that were established in the context of a now-challenged paradigm

Solutions could no doubt be imagined for each of the issues foregrounded. They would require the introduction of regulations that could limit over-exposure of some films, guarantee minimum exhibition to others, encourage a better geographical distribution, etc. However at first sight there are no simple levers making this possible. The approaches suggested would require complex and no doubt relatively ineffective tools; they would encounter resistance on the part of certain players and some of their effects would be undesirable.

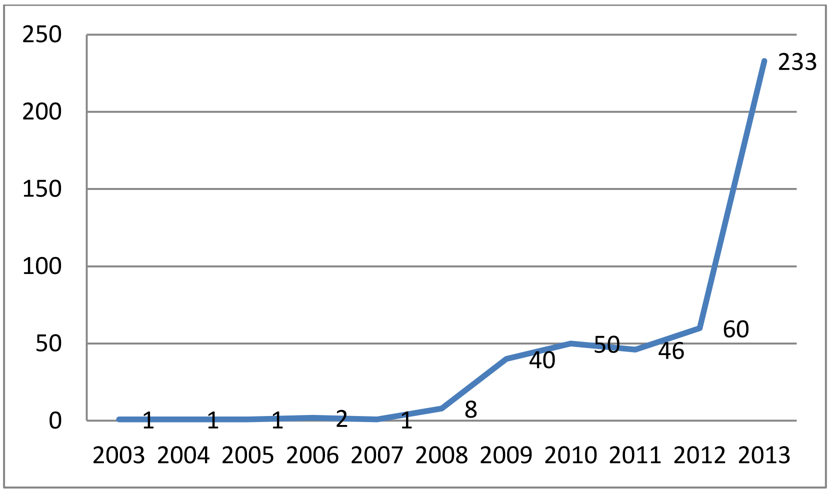
2. EXPERIMENTAL RELEASES AS A SPONTANEOUS SOLUTION

In some countries alternative modes of release have been spontaneously adopted by distributors as a solution to some of these problems. The first experiments caused a considerable stir. In 2005 *EMR*, by James Erskine and Danny McCullough, was announced as the first film in the world to be released simultaneously in cinemas and on VOD and DVD. This release was organized by Dogwoof Digital in the UK. In 2006 Steven Soberbergh's *Bubble* became the first film to be released simultaneously in theatres and on VOD and DVD in the USA (distributor: Magnolia). The avowed aim of the director and the distributor was to combat piracy.

By keeping a watching brief on the Internet and in the general and specialist press we have identified 438 experimental releases outside the traditional release windows between 2003 and 2013. These experiments mostly took place in the USA (77%). Among the countries participating in the MEDIA programme we have identified 92 experiments, 44 of them in the UK[24]. Apart from the USA and the UK these experiments remain sporadic.

Nevertheless a clear general acceleration can be noted, first in 2009, then since 2013.

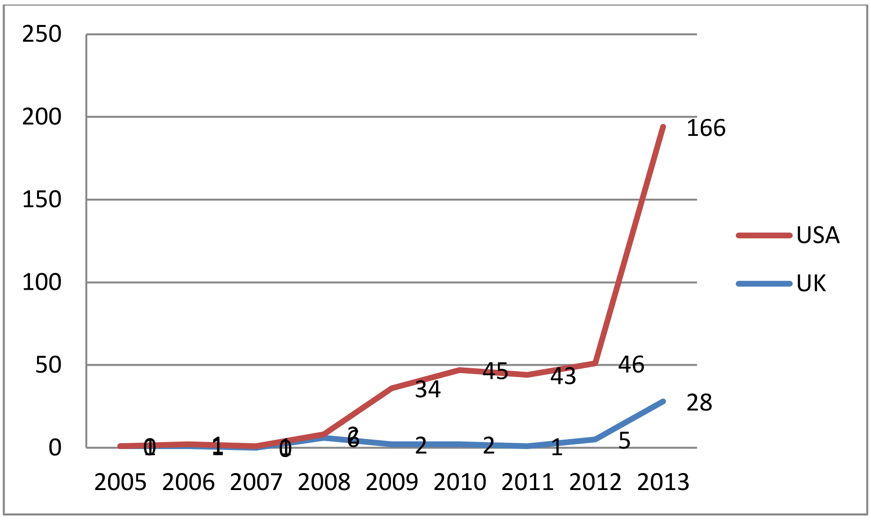
FIGURE 11: EXPERIMENTS OUTSIDE RELEASE WINDOWS NOTED WORLDWIDE



[24] This concerns experiments identified in the press and on the Internet: the figure is not exhaustive. The Curzon Home Cinema platform alone had for example released 74 films on a D&D basis up until 2013.

This acceleration concerns the countries that have progressed furthest with these experiments, the USA and the UK.

FIGURE 12: EXPERIMENTS OUTSIDE RELEASE WINDOWS NOTED IN THE UNITED STATES AND THE UNITED KINGDOM



Finally it can be noted that this acceleration is essentially due to the action of a few distributors. The increase in the number of releases using these modes seems to confirm that the experiments are seen as successful by these distributors. In 2007 in the USA Magnolia launched its "ultra-VOD label" with the Brian de Palma movie *Redacted* (release via HDnet Movies). Since then almost a score of films have thus been released exclusively on VOD for a month and only then in cinemas. IFC has released almost 200 independent films on a D&D basis (theatre and VOD) since 2009, that is between 30 and 40 films a year. In the autumn of 2011 The Weinstein Company announced the creation of a subsidiary, RADiUS-TWC, to handle D&D and ultra-VOD releases: the company is "dedicated to making the highest quality films available where, when, and how you want".

FIGURE 13: EXPERIMENTS OUTSIDE RELEASE WINDOWS BY THREE DISTRIBUTORS

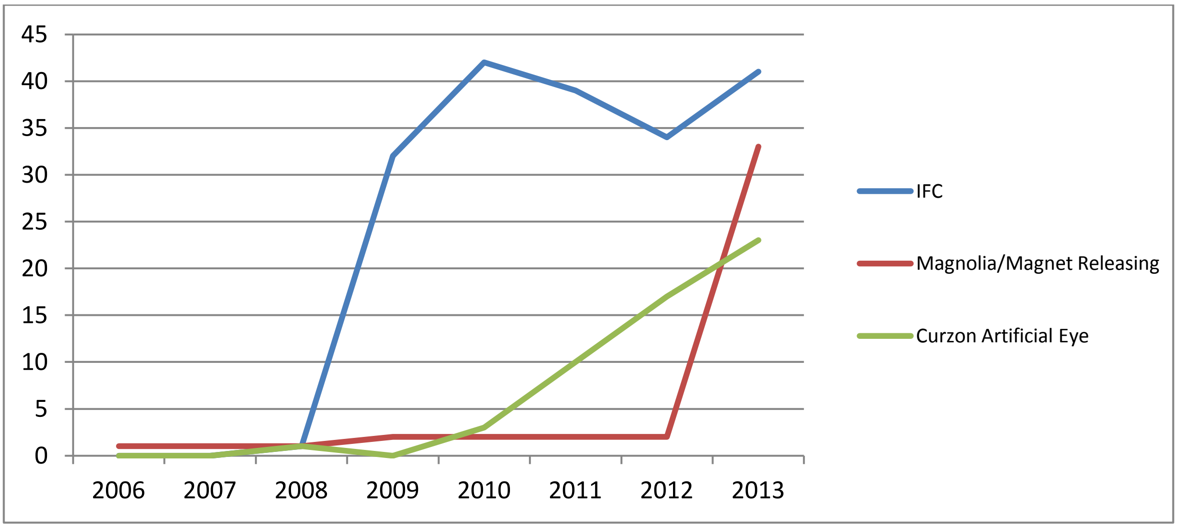
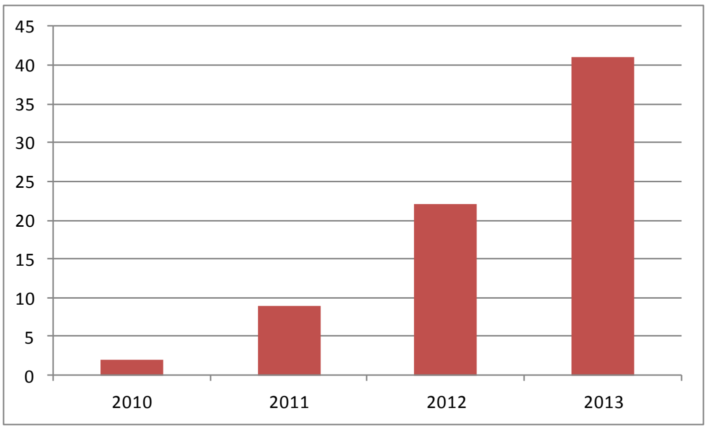


FIGURE 14: NUMBER OF D&D FILM RELEASES ON VOD BY CURZON HOME CINEMA



Source: Curzon Home Cinema

In the press, alternative release strategies involving VOD are presented as promising approaches for numerous independent films, allowing them to overcome the problems of access to cinemas and benefit from much greater visibility than with exclusive theatrical release, while also improving profitability. For certain individual experiments it has even been suggested that overall VOD income (D&D and traditional VOD) can sometimes exceed theatre box-office sales.

TABLEAU 8: VOD BREAKOUTS OF SOME DAY-AND-DATE RELEASES IN THE US

Title	**VOD Gross**	**US Box-Office**
Margin Call	**$4M***	**$3,9M**
Melancholia	**$2M***	**$1,2M**
Black Death	**$4M**	**$22K**
13 Assassins	**$4M**	**$802K**
All Good Things	**$6M**	**$582K**

*** expected gross**

Source: The Wrap[25]

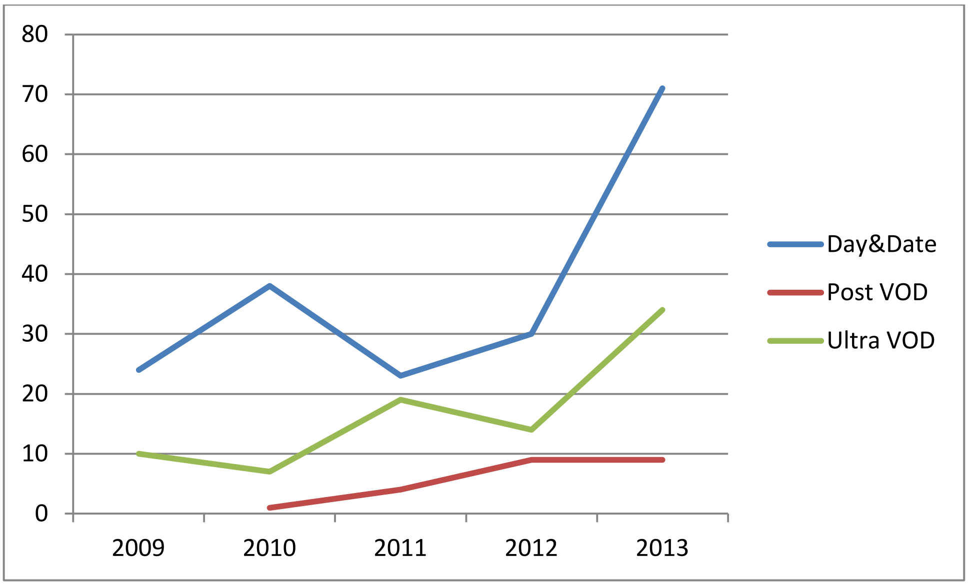
[25] "VOD Rides to the Rescue of Indie Film", November 28, 2011

The IFC case

IFC is the distributor that has acquired the most experience with experiments outside normal release windows. Its first recorded experiment dates back to 2008, and it has released 190 films in this way since then.

These experiments have led IFC to adopt the Day-and-Date model which is clearly its preferred strategy today.

FIGURE 15: DISTRIBUTION OF EXPERIMENTS BY IFC



On Ultra-VOD, IFC first experimented with near-simultaneous releases: between 2 and 9 days between the VOD release and the theatrical release in 2009 and 2010 before settling on an average of 22 days from 2011 onwards (with the exception of Michel Tully's *Septien* in 2011, released on VOD 164 days before the theatrical release).

In the UK Curzon Artificial Eye, at the origin of one of the three projects selected by MEDIA for the preparatory action, seems to be the most innovative distributor in terms of experimental releases. Among its main D&D releases are *A Late Quartet* (Yaron Zilberman), *What Maisie Knew* (Scott McGehee, David Siegel), *Le Havre* (Aki Kaurismäki), *The Selfish Giant* (Clio Barnard), *Lore* (Cate Shortland). *A Late Quartet* and *What Maisie Knew* were in fact part of a day-and-date trial coordinated by the BFI[26].

Other independent distributors in the UK have experimented with day-and-date releases: Dogwoof, Trinity Films, Soda Pictures, Axiom, Verve Pictures, Network, Peccadillo Pictures, New Wave, Picturehouse Entertainment, etc.

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[26] the reports are available: www.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-insight-what-maisie-knew-2013-10.pdf and www.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-insight-report-a-late-quartet-2013-10.pdf

In France, some experiments have caused an uproar, triggering lively reactions and debates on release windows (*Film Socialisme* by Jean-Luc Godard, Anne Emond's *Nuit #1„* Marcos Prado's *Artificial Paradises.* Others went relatively unnoticed, such as the Jean-Paul Lilienfeld film *Skirt Day* or *The Girl with the Dragon Tattoo* by Niels Arden Oplev and *The Girl who played with fire*, by Daniel Alfredson, which were shown on TV before their theatrical release.

In Spain Paco Léon's pseudo-documentary *Carmina o Revienta* was the object of the first trial of a simultaneous theatrical, VOD and DVD release. It was a great success, partly because the director was very well known, with a large following in the social media. Despite this success the follow-up, *Carmina y Amén*, was not given a D&D release. The reasons put forward were that the budget was larger and the fact that the film was to be presented at the Malaga festival.

Two other simultaneous release experiments took place on 25 January 2013: *Coriolanus* by Ralph Fiennes, released on the same day in theatres and on VOD and video, and the James Marsh film *Project Nim*, released in cinemas, on VOD and video, and programmed on TV by Canal+ on the day of release.

The films involved in these experiments had average-sized budgets: the median for films for which budget figures are available is around EUR 3M. Budgets span a wide range, however, from EUR 17k up to EUR 150M for Tim Burton's *Alice in the Wonderland*.

Various configurations have been trialled: exclusive VOD releases preceding the theatrical release (Ultra-VOD), simultaneous theatrical and VOD release (day-and-date or D&D), VOD releases very shortly after the theatrical release (post-VOD), VOD previews, simultaneous theatrical and TV release, TV screening preceding theatrical release, simultaneous theatrical and DVD release, direct VOD release, etc. 92% of experiments nevertheless concern VOD-cinema link-ups, whether by way of simultaneous release (296 experiments, i.e. 60% of those noted), ultra-VOD (22%), post-VOD (8%) or previews (2%).

3. DESIGN OF EXPERIMENTS

The experiments launched by the MEDIA programme take place in the context described above, and have two goals. From a scientific point of view the aim is to build knowledge of the economics of the film industry - in the broadest sense - in the era of digital technology and globalization. From a practical point of view the idea is to encourage film distribution practices that turn out to be beneficial with respect to the criteria listed previously: as is well known, any innovation has to overcome obstacles, some technical and some deriving from human reticence, and it must create a dynamic of adoption. Without pre-judging the "scientific" results of the experiment, this dynamic must be encouraged whenever necessary.

On the scientific side, the experiments were designed to:

- test alternative release schemes for films,
- better understand the changes in the film industry in a context of digital development
- question the prior assumptions underlying the current distribution model, implicit in its territorial logic and its hierarchical ranking of distribution channels involved in value creation.

From a theoretical point of view these experiments were part of a totally open approach that considered no constraint as being *a priori* inevitable. This attitude made it possible to envisage tests of three variables:

1. Territories

Films are released territory by territory. Would it be possible, in what conditions and with what benefit, to envisage multi-territorial releases? One of the underlying hypotheses is to benefit from the buzz which, particularly via the social media, spills over from one territory to another.

2. Promotion

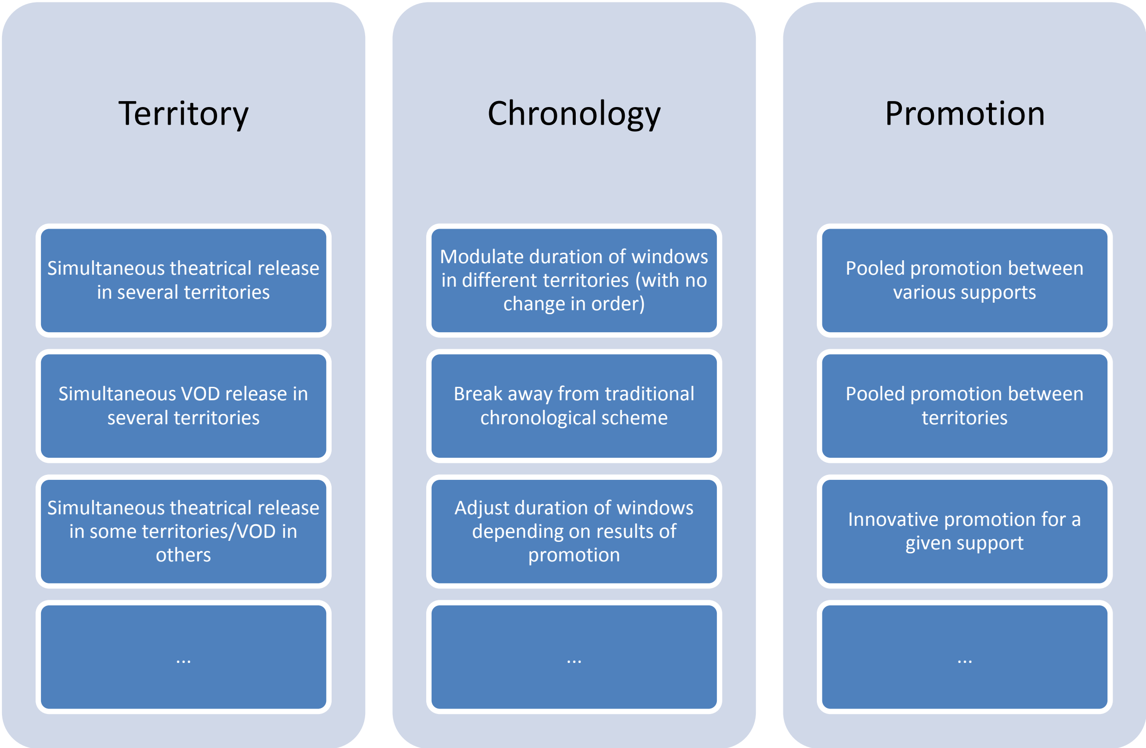
Film promotion relies on systems that are dependent on the mode of distribution: poster campaigns, radio and TV for theatrical releases, online promotion for VOD releases, etc. Can one imagine innovative types of promotion for a given support, for example a poster campaign for a VOD release? Furthermore, promotion and distribution are defined upstream of releases and allow little room for adapting to empirical outcomes (buzz, results). Can one imagine more flexible forms of interaction for steering promotion and the overall distribution plan (involving the various supports)?

3. Release windows

Release windows, as applied in practice, are a compromise between issues relating to the protection of different modes of exploitation, and a logic aimed at achieving maximum income for a film. Would other release patterns produce better economic results without endangering the modes of exploitation?

In this theoretical approach numerous experiments could be envisaged.

FIGURE 16: EXPERIMENTS SEEN FROM A THEORETICAL VIEWPOINT



Academic research has shown that the main obstacles to innovation often derive from cognitive obstacles, that is the rules and constraints players feel obliged to respect but that are sometimes not (or no longer) valid.

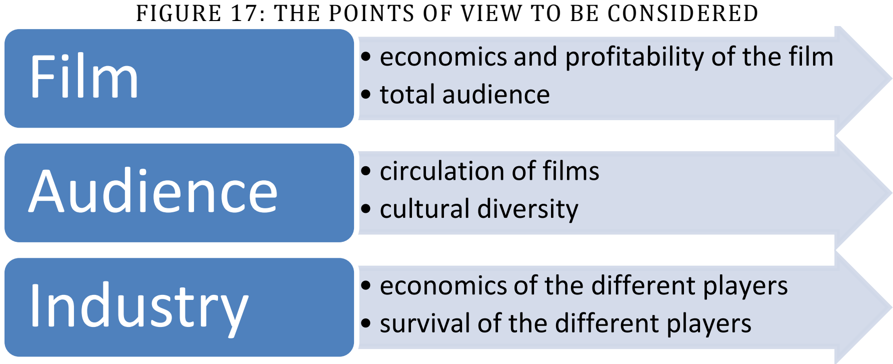
The experiment is therefore designed to question the validity of the cognitive patterns underlying the organization of the cinema industry. The point is not to deny them, but to ask to what degree these patterns, valid at a given moment, are still applicable in a changed or changing context.

TABLE 9: IMPLICIT RULES TO BE QUESTIONED

Implicit rule	Questions
The territory is the relevant unit for film distribution	With the social media, how far does desire generated by promotion spill over frontiers (and channels) ?
Among the variables that determine the logic of discrimination underlying the release window chronology, time and price are the most important (compared with the quality of the experience)	Is discrimination by support sufficient? (What proportion of the audience is diverted away from the theatre by a D&D release? What extra audience is gained by VOD?)
The value of a film appears when it is screened in a cinema	The success of series suggests that well-known works can develop a career on other supports. Can the value of a film be recognized without theatrical screening, with promotion similar to that for the theatre?
The prospect of waiting gives rise to the perception of an exclusive experience (remote releases for other channels)	How much does frustration encourage piracy?
Promotion is specific to a channel: desire to see a film is created in the audience for this channel	What is the lag time of desire generated by promotion? (launch the video so as to benefit from the desire created by the theatrical release)
Marketing budgets are based on the potential of the film in the channel under consideration	The self-fulfilling dimension of the definition of budgets for promotion makes it impossible to judge the real potential of certain channels: insofar as few resources are devoted to a particular channel because the return is low, its true potential cannot be appreciated. With comparable promotion budgets, what would be the potential of the different channels?
The release window chronology is a compromise between maximizing revenue for a film and ensuring the survival of the various channels	Could other models increase overall revenues, without endangering the survival of the different channels?

Finally, the experiments were conducted on the basis of a "panoramic" logic: the results should be analyzed from the point of view of the economics of the films, the overall balance and long-term health of the industry, the circulation of films and their availability.

FIGURE 17: THE POINTS OF VIEW TO BE CONSIDERED



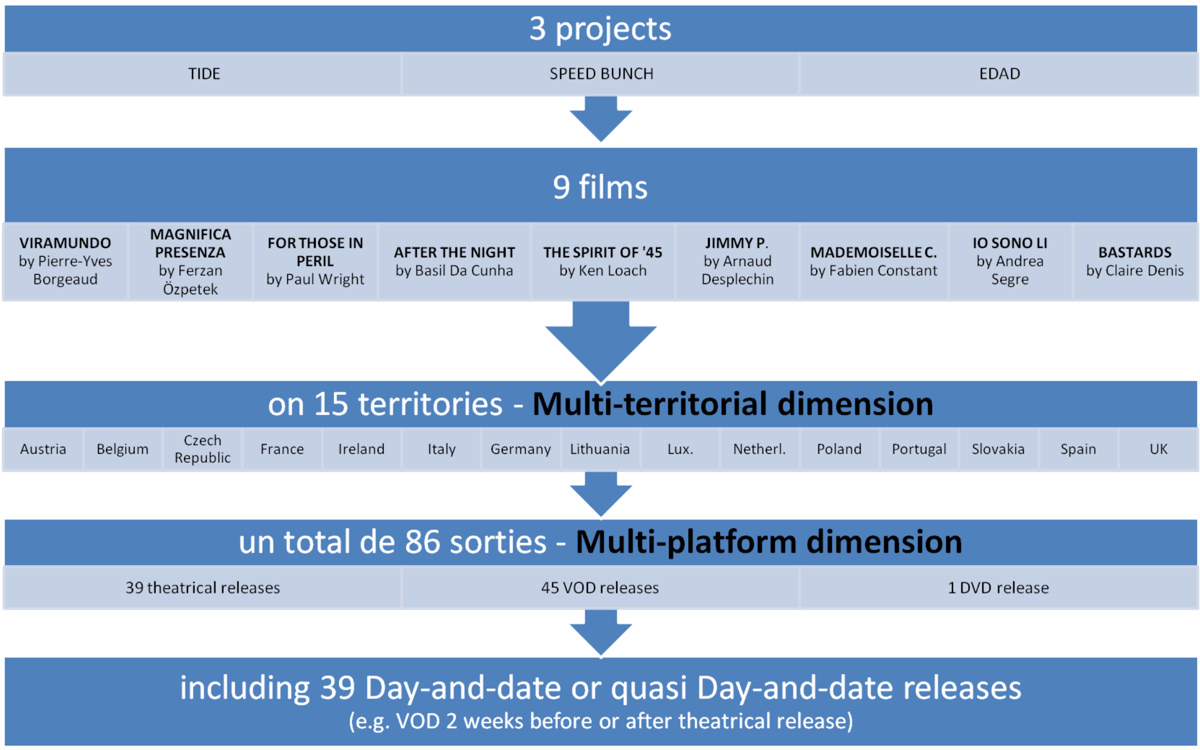
The field of experimentation, thus circumscribed, has been defined theoretically. In practice the experiments had to be a compromise, taking into account the reality of film distribution: economic and technical constraints, reticence on the part of players, etc.

4. THE EXPERIMENTS IN PRACTICE

In practice experimentation covered three projects, EDAD, Speed Bunch, and Tide, involving 25 companies or organizations. It comprised the releases of 9 films on 15 European territories, for a total of 86 releases: 39 in cinemas, 45 on VOD and one on DVD. In all, 39 were day-and-date releases or with a shortened time interval between theatrical release and VOD.

In all the territories, releases complied with existing regulations governing release windows. In Germany and France no day-and-date releases were programmed. On the other hand, ultra-VOD releases in France and direct-to-VOD in Germany were tested.

FIGURE 18: THE EXPERIMENTS IN PRACTICE



The three projects involved in the experiment were based on widely differing organizational structures: Speed Bunch was part of a single group present in four European territories, TIDE was composed of a grouping of international sales agents and other players around L'ARP, and EDAD was a group formed of two international sales agents and five European distributors.

The variety of contexts represented in these three structures enriched the results of the experiment.

Speed Bunch, a project sponsored by a multi-territorial group

The Speed Bunch project was sponsored by the Wild Bunch group, which distributes and finances films in the French, Italian, Spanish and German markets.

The aim of Wild Bunch was to contribute, through this project, to improving the exposure of European films in several territories of the European Union, by recreating a real cultural and commercial value for cinematographic works that were perhaps no longer suited to traditional forms of release. In this context the company proposed to test release strategies that partly broke away from the traditional rules of release window chronology, and to plan new multi-territorial and multimedia marketing or promotional approaches appropriate to the markets concerned. For Wild Bunch the issue was also to convince the players in the value chain that changes could be discussed and simulated in a pragmatic and effective way with no hostile intentions towards any of those involved.

Speed Bunch makes use of a traditional business model with its "in-house" distributors:

- Minimum Guarantee, with commissions according to the media, negotiated between the sales agent and the local distributor;

- or direct distribution with a commission of 20 to 25 % on all revenue streams.

The choice of films should correspond to the wish to demonstrate that several media chronologies were possible, according to the type of film involved: it was thus important to select titles from different categories (documentary, genre films, art house movies, films with wider audience appeal, etc.) which could attract theatre and VOD audiences.

TIDE, a nucleus of five international sales agents

The TIDE project is coordinated by L'ARP and involves five international sales agents, one professional organization, a VOD aggregator and a professional association. A marketing agency, The Film Agency, is also involved as an associate partner.

TIDE's business model has been structured so as to eliminate any financial transactions between sales agents and distributors when rights are acquired and make them jointly responsible for income.

TABLE 10: THE TIDE MODEL

Relationship between sales agents and distributors	No MG at moment of rights acquisition. Share of revenue from first euro, limited for the distributor to an amount of between 25% and 35% of net income from theatres and 25% for VOD. Remaining revenues are the share of the sales agent. Duration of VOD and theatrical rights limited to 2 years.
Marketing	TIDE responsible for local P&A. Setting up of a cross-border pan-European marketing campaign
Digital distribution	Management of digital rights and relationships with global VOD platforms (iTunes, Sony, Google, Amazon...) handled by Under the Milky Way. Management of VOD rights for local platforms handled by distributors.

EDAD, a project involving five European distributors and two international sales agents

The EDAD project is coordinated by Curzon Film World and comprises two international sales agents and five European distributors covering 8 territories: Belgium, Netherlands, United Kingdom, Ireland, Spain, Portugal, Czech Republic and Slovakia.

Through this project, the EDAD group aimed to extend day-and-date release experiments to European territories where this type of release is still relatively rare, in response to increasing congestion in the distribution market, particularly for foreign-language and art-house films. Curzon has already trialled simultaneous theatrical and VOD releases in the UK and Ireland with positive results.

Initially EDAD's intention was to make *ad hoc* acquisitions of films on which all the original partners had reached agreement. When this strategy turned out to be too complex EDAD switched to a different operating mode: it identified films that had already been acquired by a certain number of European distributors and then contacted these distributors to encourage them to experiment day-and-date release in their territories.

EDAD is based on a traditional business model in which MG and calculation of recoupment and allocation of revenues are defined during negotiations between each distributor and the international sales agent according to the potential of each territory. This model allows experiments to be conducted while remaining close to "normal" conditions of acquisition of film rights

TABLE 11: PROJECTS INCLUDED IN THE EXPERIMENT

Projects	Companies and organizations
EDAD	Curzon Film World (d), Cinemien (d), Golem (d), Associacao Il Sorpasso (d), Artcam (d), Adriana Chiesa(is), Wild Bunch (is)
Speed Bunch	Wild Bunch Group : Wild Bunch (is), Elle Driver (is), Wild Bunch Distribution (d), Wild Side Video (ag ; d), BIM Distribuzione (d), Wild Bunch Germany (d), Vertigo (d), FilmoTV (dd)
TIDE	L'ARP (po), Fandango (is), Portobello (is), Goldcrest (is), Protagonist (is), Urban Distribution International (is), Wide (is), Europa Distribution (po), Under the Milky Way (ag.), IPEDA (po), associated partner: The Film Agency (ma)

ag. : VOD aggregator, d: distributor, dd: digital distributor,
is: international sales, ma: marketing agency, po: professional organization

Choice of films

For each of the groups the choice of films was dictated by a genuine desire to experiment, that is, to put together a panel of films that was as diversified as possible in terms of genre, subject, nationality and potential. The aim in every case was to choose films with international potential so as to organize the experiment on several territories with different characteristics (audience levels, number of cinemas, diversity of offering, national film production, etc.).

In practice the choice was a compromise taking into account the characteristics and constraints of each of the groups. Real difficulties emerged in choosing the films, mainly because most rights holders considered that D&D release involved a double risk: economic risk (loss of income) and political risk (fear of the reactions of some exhibitors, such as boycott of their films).

For the Speed Bunch project the coordinator engaged in long discussions with the distributors, trying to persuade them to choose strong, emblematic films so that the experiments should be fully meaningful. Priority was given to films by well-known directors, commercial films and genre films. For the selection of the first three films, *The Spirit of '45*, by Ken Loach, *Jimmy P*, by Arnaud Desplechin and *Mademoiselle C,* by Fabien Constant, almost 25 films were reviewed from December 2012 onwards. For various reasons (sales in one or another of the territories covered by the project, legal risk, refusal by rights holders, limited international potential, etc.) many of these films were rejected. For the TIDE project films were selected by the distributors from a list submitted by each of the international sales agents involved in the action. Almost 32 different films were finally submitted to the distributors.

TABLE 12: CRITERIA FOR FILM SELECTION

Project	Selection criteria
SPEED BUNCH	European films for which Wild Bunch or Elle Driver is international sales agent
	Films for which rights are available, allowing the experiment to be launched in at least three of the following territories: France, Spain, Germany, Italy.
	Emblematic films with international potential.
TIDE	European films available in a minimum number of territories.
	Selection of films by the distributors, members of Europa Distribution, or potentially interested in the offer made by international sales agents and in a D&D release.
EDAD	European films acquired by a significant number of European distributors willing to test D&D release.

In addition each of the groups attempted, as far as possible, to avoid bias induced by the fact that a distributor agreed to commit to a film because of the assurance that this commitment was covered by a subsidy. For example at least one distributor, for one film, limited its promotion budget to the sum covered by the experiment. One of the ways of avoiding this risk, for EDAD, was to choose films among those that had been acquired by distribution partners outside the framework of the preparatory action. This was a means to ensure that the films selected were films the distributors believed in and for which they would have made an effort with or without the experiment. For TIDE the risk was present insofar as the distributors paid no MG to the international sales agents, and their release costs were covered by the experiment. But it turned out that the distributors involved were all extremely active in their support of the film releases. The theoretical risk was thus not observed in practice, no doubt thanks to their professionalism, and perhaps to some additional reasons: maintenance of links with traditional and potential partners, desire to benefit from experience acquired with D&D releases, and regular follow-up by TIDE coordination.

Finally, a significant number of film releases occurred because of the experiment: distributors took on the films because they were part of this context. This represents an undoubted bias. At the same time, it makes it possible to analyze D&D releases as fall-back solutions for films that cannot find a distributor.

IV. RESULTS AND LESSONS

Before presenting the results of the experiments it is appropriate to stress their limitations:

- Each film and each release is unique. It is therefore difficult to draw general conclusions from individual cases;
- Comparing the results of an experimental release with those of a traditional release is an exercise in pure speculation, insofar as only the results of the former are actually available, the other, by definition, not having taken place;
- All these results were obtained in the framework of an experiment, which necessarily influences the conditions: the commitment of the various players involved and also the media interest in the films concerned were biased by their inclusion in this experiment;
- The experimental sample - nine films - was too small to allow strict statistical analysis;
- The observations that can be made in the context of this very marginal experiment are in no way indicative of the impact it might have, particularly on the economics of the industry, if it were generalized or made part of a permanent system.

Following these precautionary remarks it is nevertheless possible to underline certain results obtained during the experiments and the many lessons learned.

> NB: the analyses presented in this report are based on the data available at the moment of its drafting. Some of the films released had not produced their full results, and full data were not available for all the films. For this reason the elements highlighted here are based on a few cases, depending on the available data.
>
> In addition the document does not report all the results presented for each release by the different groups. It must be stressed that this is an independent analysis, which implies a choice by the author of the lines of analysis which seem to him the most relevant.

1. THE AVAILABILITY OF FILMS

One of the issues at stake in these experiments was to improve the circulation and visibility of films in a context of restricted access to theatrical exhibition.

Most of the films included in the experiment did not have the possibility of being screened in many theatres. Some were released in certain territories only because they were part of the experimental project. Thus, alongside its purely experimental function, the experiment enabled these films to be shown to a European audience. For Pierre-Yves Borgeaud's *Viramundo*, Paul Wright's *For those in peril*, Ken Loach's *The Spirit of '45,* and Ferzan Özpetek's *Magnifica presenza*, the number of additional releases made possible by the experiment totals at least 15 (including one on VOD).

Apart from *Io sono li*, aka *Shun Li and the poet*, by Andrea Segre, which benefited from a significant release in the Netherlands (29 towns), Italy (not part of the experiment, 130 towns) and France (not part of the experiment, 320 towns), and *Magnifica presenza*, distributed in 308 urban areas in Italy (not part of the experiment), most releases involved only limited exposure.

TABLE 13: POTENTIAL AUDIENCE FOR THE FILMS IN THEATRES

Film	Territories of exhibition[27]	Territories studied	Urban areas of exhibition in EU 28[28]	Potential audience in Europe[29]	Coverage[30]
Viramundo	9	9	80	76 M	28 %
Magnifica Presenza	6	5[31]	353	71 M	35 %
The Spirit of '45	9	9	223	103M	38 %

In the territories where they were exhibited and for which we possess data, the films were effectively available only to part of the population, representing 15 to 40% of the total population of the territory. Even for *Magnifica Presenza*, which was exhibited in 410 Italian towns[32], the population of the corresponding urban zones represents only half the population of the country.

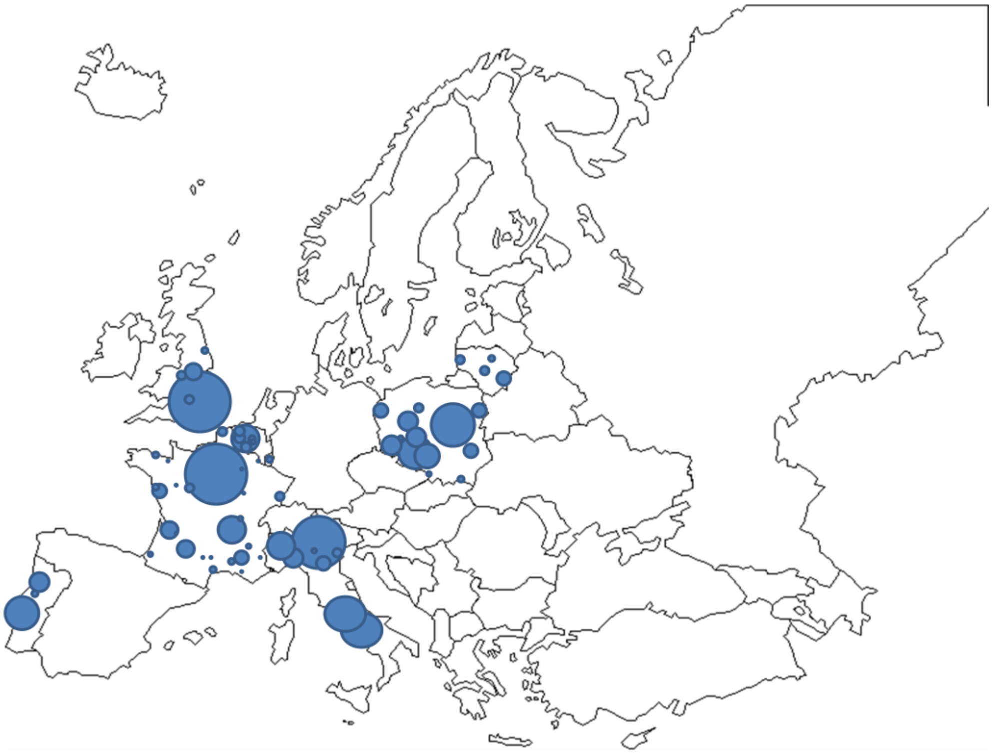
[27] Number of European territories in which the film was exhibited in theatres.
[28] The scope of the Preparatory Action covered the 27-country European Union, subsequently 28: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden. United Kingdom,
[29] Audiences having access to the film in theatres in Europe. This figure is an upper limit since it is based on the hypothesis that the population with access to a film is that of the urban area in which the film is distributed. In large cities the catchment area of a cinema is of course much more limited than this.
[30] Percentage of the population of the countries studied resident in the urban areas where the film is distributed.
[31] Austria, France, United Kingdom, Ireland, Italy. Data unknown: Hungary.
[32] The film was exploited in Italy outside the framework of the experiment.

Let us take *Viramundo* as an example. The film enjoyed variable exposure in the 9 territories where it was exhibited.

TABLE 14: AVAILABILITY OF *VIRAMUNDO* IN ITS TERRITORIES OF EXHIBITION[33]

Territory	Number of towns	Coverage
Poland	13	41%
Portugal	3	39%
Lithuania	4	34%
Italy	8	32%
France	31	24%
United Kingdom	7	17%
Netherlands	6	27 %
Belgium	7	29 %
Luxemburg	1	22 %

FIGURE 19: ZONES OF AVAILABILITY OF *VIRAMUNDO* IN THEATRES IN EU-28[34]



[33] The comparison between countries is to be treated with caution insofar as the definition of urban zones may vary from one territory to another.

In Poland, a territory in which availability was among the highest, it could nevertheless be seen in a theatre by only 40% of the population at most. In the United Kingdom and in Ireland a maximum of 17% of the population had the possibility of seeing the film in a theatre.

Simultaneous or almost simultaneous distribution of films on VOD broadens their potential audience and makes accessibility more homogeneous across the whole territory. The penetration rate of VOD in each territory provides a rough comparison of potential audiences for theatrical and VOD release[35]. We have noted penetration rates of between 7% (Spain) and 58% (Belgium)[36]. For purposes of estimation we have also adopted the hypothesis according to which all VOD users had access to the films proposed. In reality the films participating in the experiment were not offered by all platforms and were therefore available only to a proportion of VOD users.

[35] These estimates err on the side of caution insofar as the calculation of the potential theatre audience is based on an upper limit: the urban zone is used to estimate the catchment area population, and it is supposed that 50% of them are cinema-goers.
[36] On the basis of available data, or estimated in the absence of data.

TABLE 15: AVAILABILITY OF FILMS, ACCORDING TO MODE OF EXPLOITATION[37]

Film	Territory	Potential theatre audience (millions)	Potential VOD audience (millions)	Potential theatre + VOD audience[38] (millions)	Increase in the availability of the film[39]
Viramundo[40]	France	16	15	27	71 %
	Italy	20	4	22	14 %
	Lithuania	1.2	0.2	1.3	10 %
	Poland	16	1.9	17	7 %
	Portugal	4.2	1.1	4.9	16 %
	UK + Ireland	11	24	31	175 %
	Belgium	3.1	4.9	6.5	114 %
	Luxemburg	0.1	0.2	0.3	163 %
	Netherlands	4.6	3.5	7.1	56 %
	TOTAL	**78**	**56**	**121**	**55 % (43 M)**
Magnifica presenza[41]	Austria	2.9	1.3	3.7	29 %
	France	19	15	30	56 %
	UK + Ireland	17	24	35	105 %
	Italy	32	4	34	6 %
	TOTAL	**71**	**44**	**102**	**44 % (31 M)**
The Spirit of '45[42]	Belgium + Luxemburg	4	5.1	7.3	81 %
	France	24	15	34	40 %
	Italy	26	4	28	9 %
	Spain	13	2.1	15	12 %
	Germany	0	13	13	-
	UK + Ireland	30	24	41	39 %
	TOTAL	**97**	**63**	**138**	**42 % (41 M)**
Io sono li	Portugal	4	1.1	5	17 %
	Belgium + Luxemburg	5	5.1	10	109 %
	Netherlands	5	3,5	7	49 %
	UK + Ireland	15	24	33	128 %
	TOTAL[43]	**28**	**33**	**55**	**94 % (27 M)**

[37] In territories for which data are known.
[38] Estimated according to a hypothesis of homogeneous penetration of VOD over the whole territory considered.
[39] Percentage increase between potential theatre audience and total potential audience that could be reached by theatrical + VOD release.
[40] Except Switzerland (data not available)
[41] Except Hungary (data not available), and excluding Italy, where the film benefited from good visibility (410 towns).
[42] Sweden and Denmark are not taken into account (data not known).
[43] Solely for territories listed, and excluding other territories where the film was exploited: France, Italy, Slovenia, Spain, Hungary, Poland, Germany, Austria.

The combined availability of a film in theatres and on VOD thus increases the potential audience. This increase ranges from a few percentage points to doubling or even trebling in some cases.

In other cases VOD distribution enables a film to be made available in territories where it has no access to theatrical distribution. *The Spirit of '45* was thus offered on VOD in Germany without being exhibited in theatres.

According to the film concerned, several tens of millions of potential additional viewers could have access to the film at the moment of release, which corresponds to increases in the potential audience rising to as much as 175% for a given territory, and which are of the order of 40 to 55% over the whole of the territories of exploitation for the films analyzed.

It should be recalled that these are cautious estimates, and that the penetration rate of VOD rises sharply from one year to the next[44], which will automatically increase the potential VOD audience.

2. THE ECONOMICS OF THE FILMS

The positive impact of linked releases on the economic situation of films results from several factors:

- pooling of costs of creation of promotional material;
- pooling of costs of promotion for several platforms;
- pooling of costs of promotion for several territories;
- increase in revenues due to increase in market size.

Before going into details, mention should be made of the negative effects as they are perceived by the people concerned.

Perceived negative impact on the economic situation of films

Implementation of the experiments revealed significant reticence on the part of the various players involved: directors, producers, sales agents, distributors and exhibitors. For the rights holders they take the form of a perceived down-grading and an economic trade-off.

In most territories, where day-and-date releases are still a novelty, rights holders, directors and producers have some reservations concerning the financial risk they believe they are taking, and related to their feeling that a direct-to-VOD or day-and-date release corresponds to a sort of

[44] Between 2011 and 2012, the VOD market, according to country, posted growth rates of between 20 and 65 % (source : IVF).

down-grading of their film compared to an exclusive theatrical release. When sales agents have paid a minimum guarantee of several hundreds of thousands of euros for international distribution rights they give priority to sales to local distributors, which enable them, in turn, to benefit from a minimum guarantee, all the more so in that direct distribution entails an additional risk through P&A costs. In the case of Speed Bunch this reasoning led the rights holders to wait for the theatrical release of the film in France and the first box-office results before considering direct distribution in Italy, Spain and Germany: otherwise this was seen only as a last resort when all possibilities of sales of rights had been exhausted. This state of affairs explains why the Speed Bunch project had difficulty in finding films to participate in the experiment. For distributors, the decision whether or not to purchase rights to a film is based on the estimated theatrical potential. If they have already bought rights, the prospect of a D&D release raises fears of down-grading and of loss of revenue. Would the distributors of Speed Bunch have distributed *The Spirit of '45* or *Jimmy P.* outside the framework of this experiment?

In territories such as the United Kingdom, where day-and-date is much more common, this fear of economic loss does not exist for some distributors. Thus Curzon programmes day-and-date releases for most of its films, and they offer MGs for almost all of these films with confidence that they will meet their box office target and have access to the premium VOD revenue stream..

Generation of additional income

Making films available on VOD does not lead to a very large number of transactions (purchase or rental). In a given territory they total a few hundred and represent, on average, about 20% of the theatrical admissions in the territory. But this number varies enormously from one film and territory to another: it can be purely marginal (3% additional audience for *Viramundo* in Poland, 4 % for *The Spirit of '45* in Belgium), or on the contrary amount to a substantial increase in the audience of a film (73 % additional audience for *Viramundo* in Italy).

TABLE 16: ADDITIONAL AUDIENCES GENERATED BY VOD[45]

Film	Territory	Theatre admissions	Digital transactions[46]	Additional audience generated
Viramundo	France	3 583	277	7,7 %
	Italy	343	251	73 %
	Lithuania	659	170	26 %
	Poland	924	28	3.0 %
	Portugal	451	207	46 %
	Belgium	555	141	25 %
	Netherlands	413	134	32 %
	Luxemburg	170	0	0 %
	UK + Ireland	118	48	41 %
Magnifica Presenza	Austria	982	197	20 %
	France	10 397	1 383	13 %
	UK + Ireland	535	400	75 %
The Spirit of '45	Belgium + Luxemburg	1 249	346	28 %
	France	14 062[47]	664	4.7 %
	Italy	9 948	654	6.6 %
	Spain	10 765	1 523	14 %
	Germany	-	132	
For those in peril	France	2013	848	42 %
	Poland	503	228	45 %
	Netherlands	1 095	820	75 %
	Italy	488	881	181 %

The impact of the time-lag between the theatrical and VOD releases is noteworthy. In the few examples for which we have the data, the ratio between the number of VOD transactions and the number of theatre admissions is highest when the two releases are simultaneous. This becomes still clearer when the ratio is corrected to take into account the parameter of availability of the film[48]: the ratio between the number of VOD transactions and the number of theatre admissions is then less than 0.2 for non-simultaneous releases (0.4 for *For those in peril*, released on ultra-VOD), and varies between 0.16 and 0.35 for simultaneous releases (with the exception of *Viramundo* in Luxemburg).

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[45] In territories for which data are available.
[46] Sales +rentals during the first 15 weeks of exploitation
[47] Theatrical release by Why Not on 8 May 2013. Wild Bunch recovered VOD rights only and exploited them in the framework of Speed Bunch.
[48] The corrected ratio is obtained by multiplying the ratio by the ratio of theatre and VOD coverage rates.

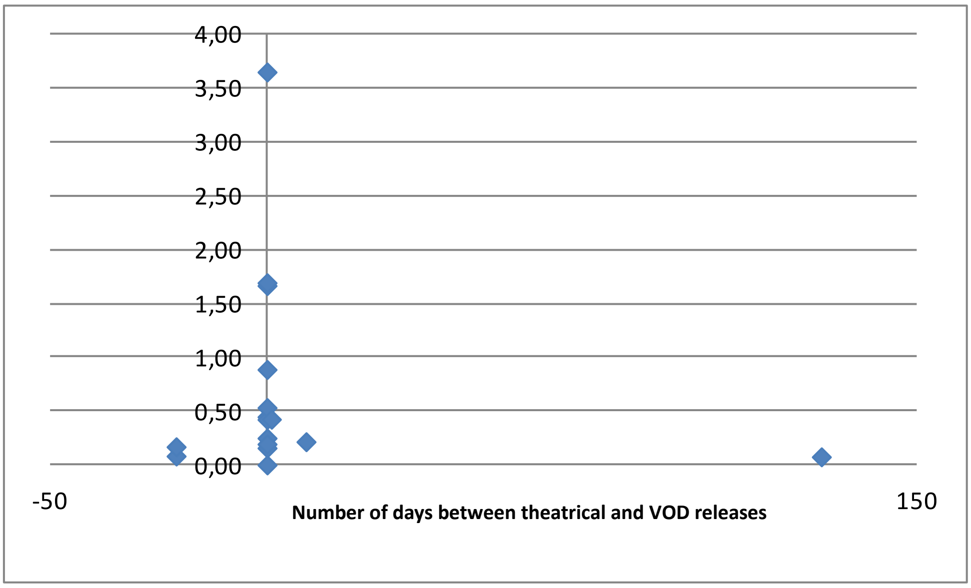
TABLE 17: INFLUENCE OF THE DATE OF VOD RELEASE ON AUDIENCE[49]

		Time theatre-VOD (days)[50]	Ratio VOD/theatre[51]	Corrected ratio[52]
Viramundo	France	-21	0.08	0.08
Magnifica presenza	France	-21	0.13	0.17
Viramundo	Poland	0	0.03	0.25
The Spirit of 45	Spain	0	0.14	0.89
Magnifica presenza	Austria	0	0.20	0.45
Viramundo	Lithuania	0	0.26	1.67
Viramundo	UK + Ireland	0	0.41	0.19
Viramundo	Portugal	0	0.46	1.69
Viramundo	Italy	0	0.73	3.65
Viramundo	Belgium	0	0.25	0.16
Viramundo	Netherlands	0	0.32	0.42
Viramundo	Luxemburg	0	0.00	0.00
Magnifica presenza	UK + Ireland	0	0.75	0.53
The Spirit of 45	Italy	1	0.07	0.42
The Spirit of 45	Belgium + Lux	9	0.28	0.22
The Spirit of 45	France	128	0.05	0.08

[49] The figures for *For those in Peril* could not be taken into account, since no figures relating to the visibility of the film were available, making calculation of the corrected ratio impossible.
[50] Number of days between theatrical release and VOD release. A negative number means the film was first released on VOD.
[51] Number of VOD transactions (over 15 weeks) over number of theatrical admissions.
[52] Ratio between the number of VOD transactions over potential VOD audience (coverage rate), and the number of theatrical admissions over the potential theatre audience (coverage rate).

This gives the following distribution:

FIGURE 20: RELATIVE PERFORMANCE OF VOD, DEPENDING ON THEATRE-VOD INTERVAL

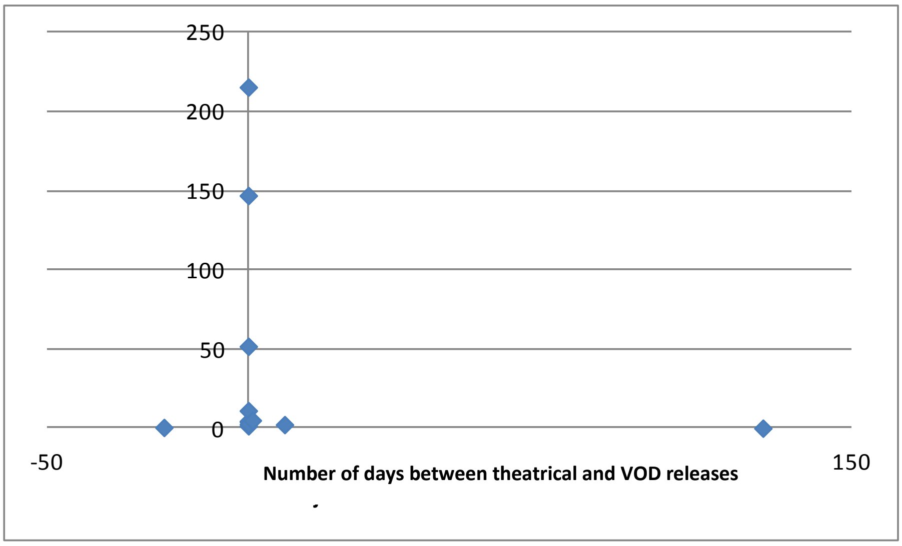


This graph shows that VOD sales reach a relative maximum (with respect to the number of theatrical admissions) when releases are simultaneous. A VOD release three weeks before or several weeks after the theatrical release, according to the traditional media chronology, leads to a much lower relative number of transactions.

The impact of marketing expenditure, often concentrated around the moment of theatrical release, is a possible source of bias. However when this marketing bias is taken into account, by relating the relative performance to the same marketing investment[53], the shape of the cloud is not modified: simultaneous releases remain more effective.

[53] The ratio obtained is divided by the announced cost (less possible rebates) of advertising space purchased for the period around the VOD release date. In the case of a D&D release this corresponds to the announced cost of all space purchases.

FIGURE 21: RELATIVE PERFORMANCE OF VOD, DEPENDING ON THEATRE-VOD INTERVAL, FOR A GIVEN MARKETING EFFORT[54]



Pooling of release costs

The experiments made it possible to test the advantages and drawbacks of coordinated multi-territorial releases, whether simultaneous or not.

The European release plan for *The Spirit of '45* was drawn up on a collaborative basis by the Wild Bunch coordinator and the teams from BIM, Cinéart, Vertigo, Wild Bunch Germany, Wild Side and FilmoTV. While according to a traditional release plan each distributor would take delivery of the elements validated for international promotion of the film and would then be free to draw up his own release strategy, using these elements or creating others, in this case the distributors made the effort to coordinate their actions at several levels.

[54] On the x-axis, the number of days between the theatrical release and the VOD release; on the y-axis, the corrected ratio of VOD sales over theatrical admissions.

TABLE 18: INTER-TERRITORIAL COORDINATION EFFORTS FOR *THE SPIRIT OF '45*

Pooling between territories	Advantage
Coordination in the selection and creation of material (visuals, extracts, bonus, etc).	Economies of scale
Creation of a joint master for all territories, for VOD exploitation.	Economies of scale
Definition of a common release date.	Potential synergies
Coordinated definition of a visual identity for the film, shared by all territories.	Potential synergies
Centralized management of relationships with French and international professional press, concerning the experiment and the coordinated release plan. Fixing of the communication date defined with all distributors. Communication devoted to the film is handled locally by each distributor.	Potential synergies
Creation of a joint bonus. Exclusive interview with Ken Loach by FilmoTV made available to all VOD distributors.	Economies of scale
Centralization of relationships with iTunes for all territories.	Economies of scale
Attempt to sell multi-territorial TV rights: in the name of all the distributors in the group, Vertigo launched negotiations with History Channel and National Geographic for TV broadcasting of the film simultaneously in all territories. These negotiations did not lead to an agreement.	Negotiation of multi- territorial TV rights

Other advantages have been highlighted for the other films.

- Faster access to material: for example, centralized preparation of web banners in different languages by a single supplier makes it possible to obtain them more quickly.

- Easier management of digital distribution.

Global platforms like iTunes offer centralized management interfaces and harmonized technical specifications for all territories. iTunes also allows a film to be exploited in many territories and in different linguistic versions from a single video file accompanied by an unlimited number of tracks with sub-title, visuals and meta-data in different languages. Joint releases in several territories can be managed more easily. Moreover, multi-territory releases in a short space of time allow films to benefit from cross-border handling by the platform instead of being managed at local level by the editorial managers in each territory. The "cross-border" manager centralizes information, creates the necessary visuals in all languages and decides on a pricing policy - all this for all the countries involved in the release. The editorial decision to give visibility to a film is thus taken by a single person, and the others simply implement the "strategy" created at a global level.

- Pooling of promotion

A grouped European release can optimize the possibilities for mobilizing all the talent available to represent the film in each country, in the form of previews or live interviews. In view of the structurally overloaded timetables of stars this possibility cannot be guaranteed. During the experiment Gilberto Gil was only available for two previews in Paris, on the same day. Paul Wright, director of *For those in peril*, was interviewed by the British press. For the other territories his timetable finally did not enable him to make himself available. But for the moment it is still planned that Basil da Cunha, director of *After the night*, will visit the 4 countries covered by TIDE with this film: France, UK, Belgium and Spain.

- Abolition of negative spillover

Grouped releases make it possible to avoid the spillover of poor results from one territory to another. These poor results may be due to many factors that have nothing to do with the quality of the film. Simultaneous releases make it possible to avoid being dragged into a negative spiral whereby distributors reduce their investment and exhibitors review their scheduling because a film has performed badly in another country.

Efforts to introduce coordination and resource pooling have also revealed difficulties of several kinds:

- Release scheduling problems for the distributors

The various distributors have little room for manoeuvre in their scheduling on account of their line-ups and the local release timetables, and this makes simultaneous releases difficult to programme. In addition some periods of the year are structurally complex. It was for example impossible for the distributors of the Speed Bunch group to schedule a release between mid-December and the end of February 2014 since this is a very busy period on account of the releases of films in the running for prizes (Golden Globes, Bafta, Oscars, etc.).

For three of the four TIDE releases, although the release dates had been decided jointly by the various distributors, several of them finally had to postpone those dates. Release schedules were thus staggered in most cases over a period of three months, and in some cases up to six months because of the constraints faced by some distributors.

- Constraints on delivery of technical items

Scheduling problems were exacerbated by the existence of incompressible time-scales linked to some technical processes, such as the creation of sub-titles for each local version. Similarly, the

VOD platforms lay down delivery lead times of 6 to 8 weeks, or even longer for some items such as trailers for D&D releases.

The different technical formats required by the media (VOD and theatres) limit possibilities for pooling in the preparation of promotional material (complementary to the trailer).

- Influence of specific local characteristics

Each market has its own specific characteristics, which local distributors take into account when planning releases and marketing actions. As a result, distributors are reluctant to lose part of their independence when it comes to making decisions on marketing campaigns. While these specific characteristics undoubtedly exist, it is difficult to evaluate how much impact the way they are perceived by distributors will have. This leads to real difficulties in sharing some items such as posters or trailers over all territories. The experiment was able to achieve some successes in this field, for example in the case of *For those in Peril* or *Viramundo*, where a single poster was created and used by several distributors, but other situations highlighted the existence of obstacles. For *The Spirit of '45* it was possible to create a single visual identity for all territories except for one distributor, who considered that the dominant colour chosen would not be suitable for his audience. For *Magnifica presenza* all distributors agreed on a joint positioning with the exception of one territory, which opted for a different stance. The two marketing approaches were difficult to reconcile, one foregrounding the element of fantasy in the film, the other presenting it as "Italian comedy for the summer".

- Time-consuming aspects of coordination

While pooling of promotional tools can lead to savings, these may be wiped out by the difficulties of coordination involved. The use of numerous service providers - those who habitually work with distributors - may require a high degree of coordination which is time-consuming for all concerned.

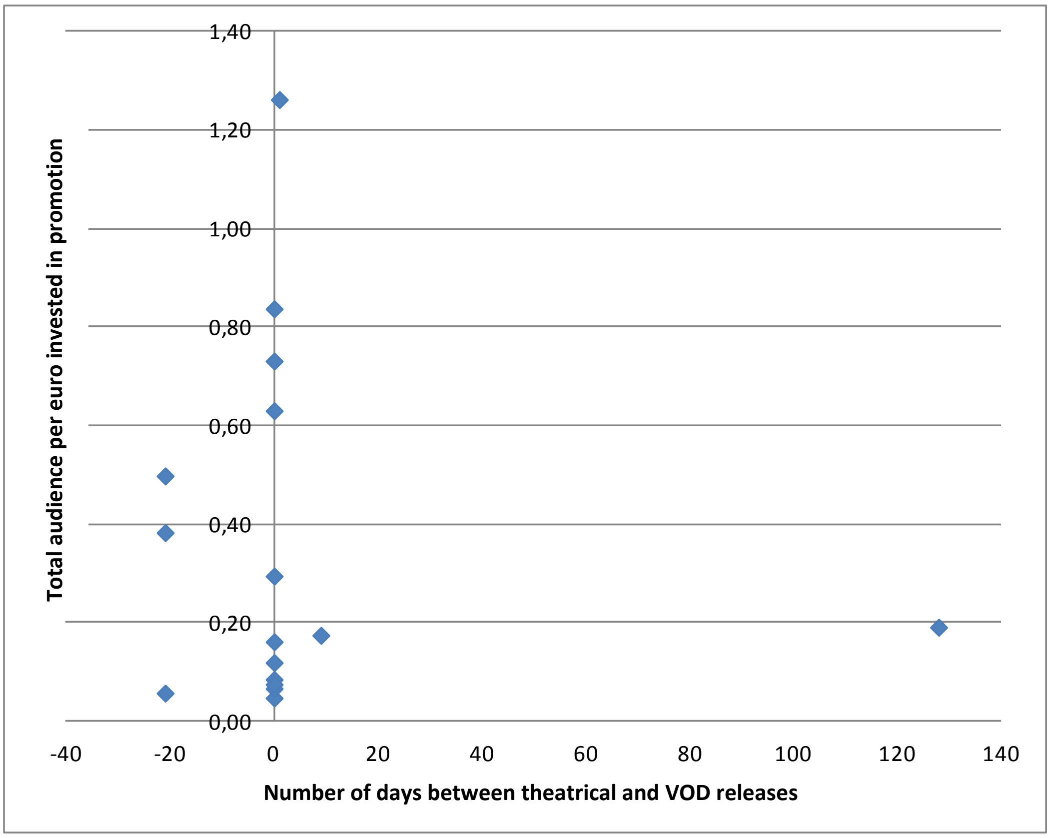
Inter-media synergies

Inter-media synergies reflect the fact that simultaneous release on several media generates a larger audience, for the same marketing investment, than releases spread out over time.

To assess this, one can compare the ratio between total audience (admissions + VOD transactions) and overall marketing investment (the sum of space purchases made for releases on each of the media) in different cases (one of which is a film on a single territory)[55].

Since these ratios depend on the unpredictability of the success of a film, a large sample of cases would be necessary to enable conclusions to be drawn. The results presented below are based on very few cases (16, with 4 films). They nevertheless suggest that the idea of the existence of significant synergies is highly plausible: the return, in number of transactions, for one euro invested in marketing is higher when releases are grouped in time[56].

FIGURE 22: EFFECTIVENESS OF PROMOTION WITH RESPECT TO MEDIA CHRONOLOGY[57]



[55] This comparison is based on the hypotheses that theatrical admissions and VOD sales generate revenues of the same order of magnitude for rights holders, and that territories are comparable in terms of the average return on investment of one euro spent on marketing.

[56] For the only film released according to the traditional media chronology (point bottom right), only marketing investments made at the moment of the VOD release have been taken into account, since no information was available on expenditure at the moment of theatrical release. For this film the effectiveness was therefore much lower than the graph suggests.

[57] Audience per euro invested as a function of the time lag between VOD and theatrical release.

Synergies between territories

The existence of synergies between territories is not easy to measure, since no two films are comparable. It would be possible to get some idea of inter-territorial synergies by comparing a large number of films, some of which were released simultaneously in several territories. The size of our sample did not make a serious comparison possible.

The existence of synergies can also be assessed by studying the "spillover" of marketing efforts made in one territory. One of the ideas motivating the simultaneous release of films in several territories is that, in the era of social media, marketing campaigns conducted on one territory could generate desire in adjacent territories where the film may or may not be distributed.

TIDE's films were followed up on the social media. The spillover rate corresponds to the number of signs of interest ("Like" on Facebook, Twitter clicks, YouTube views, etc.) shown by web users not located in territories where the film was promoted.

TABLE 19: SPILLOVER EFFECT OF PROMOTIONAL CAMPAIGNS

FILM	NETWORK	SPILLOVER RATE[58]
Magnifica presenza	Facebook	6 %
	Twitter	3 %
For those in peril	Facebook	1.5 %
	Interview with director	3.5 %

These results do not indicate any significant spillover effect in terms of interest created by films outside the territories where they are promoted.

Overall economics of the films

It is not possible to propose a summary of the economics of the different release schemes – day-and-date, direct to VOD, or release on several territories – compared to a traditional release. This would involve too many parameters relating to release territories (ticket prices and VOD transaction charges vary from one territory to another, as do revenue shares), to the volumes involved, and above all to the specific conditions linked to each film (minimum guarantee, revenue sharing).

[58] Number of signs of interest coming from European territories where the film has not been the object of a promotional campaign.

So by way of summary we shall simply indicate here the different impacts of the three possibilities: day-and-date, direct-to-VOD, simultaneous release in several territories, compared to the reference situation of traditional release in a single territory.

TABLE 20: SUMMARY OF EFFECTS OBSERVED ON THE ECONOMIC SITUATION OF FILMS

	Savings on release costs	**Synergies**	**Income**
Direct-to-VOD	Significant reduction in print costs Reduced promotion costs (better targeting)	Not applicable	Different target market (more or less different depending on country, and access to theatres)
Day-and-Date	Reduced print costs	Appreciable savings in promotion costs	Increase in market (+ 40 % on average) Variation in unit income variable
Multi-territorial release			

Dark blue: significant positive effect; Light blue: limited positive effect; Mauve: variable effect; Grey: no appreciable effect

This table reflects the results revealed by these limited experiments, performed in a particular context. This context is characterized both by technical constraints, for example the ability to organize trans-territorial promotion campaigns, and by cognitive obstacles, illustrated in particular by the fact that the only films proposed for the experiment were films seen as not having significant audience potential in theatres. Finally, the context is part of a specific temporal situation: growth in the penetration of on-line consumption of films against payment should change the effects observed, as will greater public familiarity with this type of release.

3. THE ECONOMICS OF DISTRIBUTION

One of the main causes of reluctance to experiment with day-and-date releases is the fear of endangering the overall economics of the distribution chain by undermining the position of theatres. This has led to frequent opposition to such experimentation.

> "UNIC, CICAE and Europa Cinemas reiterated their opposition to the initiative by issuing a joint statement claiming that the pilot project "threatens to disproportionally weaken cinemas" and adding that it was "not surprising that the overwhelming majority of film industry stakeholders have chosen to not participate in any of the projects financed under the first wave of the Preparatory Action."
>
> *Screen Daily*, 22/11/2013

For *The Spirit of '45*, Spanish exhibitors were not keen on the idea of a day-and-date release. In their view this would affect the number of admissions and thus the success of the film in the theatre. However they agreed to programme the film in their theatres since it was a film by Ken Loach, a director appreciated by Spanish audiences. Without the presence of this well-known name in European cinema they would certainly have opposed its programming. In Italy the simultaneous programming of VOD and theatrical release triggered no specific reaction on the part of exhibitors. The film was released with a limited number of prints, so as to be screened in cinemas that best corresponded to the audience for Ken Loach and documentaries. In Belgium, as the number of prints was limited, exhibitors raised no objections to the experiment, with the exception of one who, bitterly opposed to this mode of distribution, refused to programme this film although he normally screened all Ken Loach's work.

There was sometimes stronger opposition in other cases. In the Speed Bunch group, Vertigo rejected the day-and-date release of *9 month stretch* because of an unfortunate previous experience. The release of *Homeland* according to this model provoked strong reactions from exhibitors, and a categorical refusal by the major circuits. Consequently, Vertigo was able to program the film in only 21 of the 30 theatres initially planned, and only in small auditoriums. For *9 month stretch,* a candidate for inclusion in the Speed Bunch experiment, the distributor considered that a day-and-date release would have divided by three the number of theatres willing to distribute the film. Since there was a minimum guarantee for this film, which had potential both in independent theatres and in the major cinema circuits, Vertigo decided not to run any financial risk.

The question of cannibalization is not easy to analyze, mainly because it is difficult to calculate how many people would have gone to see the film in a theatre if it had not been released on VOD.

The experimental data can give some indications, but their value is limited by the small volume of sales figures on one hand and the heterogeneous nature of the territories on the other[59].

Nevertheless, for some cases it can be observed that VOD transactions were quite widely scattered and a significant proportion was located in areas where the film was not available in theatres: this proportion varies from 50 % to 78 % in the three cases analyzed: *Viramundo* in Italy and *The Spirit of '45* in Italy and Spain. The case of *The Spirit of '45* in France is an exception since only 30 % of VOD transaction originated in areas where the film was not distributed. But this film was released on VOD according to the usual release chronology, i.e. 128 days after theatrical release.

TABLE 21: GEOGRAPHY OF ITUNES SALES

Film	Territory	iTunes sales in areas where the film was distributed[60]
Viramundo	Italy	22 %
The Spirit of '45	Italy	49 %
	Spain	50 %
	France	70 %
	France (except Paris region)	34 %

Analysis of the distribution of VOD transactions highlights the special situation of the large conurbations: the Paris region in France, Milan and Rome in Italy, Madrid and Barcelona in Spain. These areas are those in which the consumption of cinema films is highest, but they are also the areas in which the notion of a film's availability needs to be qualified: conditions of travel mean that the catchment areas of cinemas are smaller than the urban area as a whole.

[59] The notion of an urban area does not have the same meaning, or the same sociological implications, in the different territories.

[60] To understand this table: 22 % of iTunes transactions in Italy originated in an area in which *Viramundo* was available in theatres.

TABLE 22: LIMITED EXPLOITATION IN LARGE URBAN AREAS

Film	City	Number of points of exhibition[61]
Viramundo	Milan	4
	Rome	2
The Spirit of '45	Milan	1
	Rome	4
	Barcelona	2
	Madrid	1
	Paris and Paris region	11

If we treat them separately we can see that outside these metropolitan areas VOD transactions were distributed across the whole territory and originated mainly in areas where the film was not available in theatres.

TABLE 23: DISTRIBUTION OF VOD TRANSACTIONS
DURING THE PERIOD OF THEATRICAL EXHIBITION OF FILMS

Film	Territory	VOD transactions in metropolitan areas[62]	VOD transactions in other zones where the film was exhibited[63]	VOD transactions outside zones where the film was exhibited [64]
Viramundo	Italy	22 %	6 %	72 %
The Spirit of '45	Italy	42 %	8 %	50 %
The Spirit of '45	Spain	46 %	4 %	50 %

The Spirit of '45 was exploited in France according to traditional release windows, with theatrical release preceding VOD release by 128 days. The distribution of VOD transactions was as follows:

TABLE 24: DISTRIBUTION OF VOD TRANSACTIONS FOR *THE SPIRIT OF '45* IN FRANCE

VOD transactions in Paris region	VOD transactions in other zones where the film was exhibited	VOD transactions outside zones where the film was exhibited
54 %	16 %	30 %

These few results do not make it possible to conclude that theatrical admissions were cannibalized by VOD transactions. Excluding the metropolitan zones, where the availability of the films was limited (see Table 20), the proportion of digital transactions originating in zones where the films were released in theatres remains very low: between 4 and 8 % for day-and-

[61] Number of theatres where the film was programmed in the area under consideration.
[62] Proportion of VOD transactions in metropolitan zones (urban areas of Barcelona and Madrid, Milan and Rome).
[63] Proportion of VOD transactions in zones where the film was released in theatres (outside metropolitan zones).
[64] Proportion of VOD transactions in zones where the film was not released in theatres (outside metropolitan zones).

date releases (*Viramundo* in Italy, *The Spirit of '45* in Italy and Spain). This figure rises to 16% for releases according to traditional release windows (*The Spirit of '45* in France), which would tend to suggest that consumption of films on VOD occurs mainly in zones where the film is not available in theatres.

Spectators who went to see *Viramundo*, *Magnifica presenza* and *For those in peril* in France were polled as they left the cinema. The results of these surveys indicate that the public was very little aware of the release of the film on VOD. People were in fact interested, but this interest does not suggest that they see VOD as a substitute offering: it is principally a means of access to films that are not available in the theatre. In the main this audience, composed mostly of regular cinema-goers, gives priority to the theatre, essentially because of the better viewing conditions there.

TABLE 25: RESULTS OF THEATRE EXIT POLLS[65]

Film	Respondents	Regulars[66]	Spectators aware of VOD release	Interested in the VOD offering[67]	Consumers of VOD
Viramundo	151	60 %	5 %	34 %	30%
Magnifica presenza	244		7 %	22 %	30%
For those in peril	262	83 %	10 %	25 %	32 %

Source : Etude OpinionFilm.fr, for The Tide Experiment

[65] The full results are presented in an appendix
[66] Proportion of respondents stating they went to the cinema at least once a week
[67] Proportion of spectators stating they might have been interested in the VOD offering

4. PROMOTION OF FILMS IN THE DIGITAL ERA

The experiment also concerned new forms of promotion using the Internet and the social media. In this field the actions undertaken remained very limited on account of the difficulty, at present, of understanding the effects of tools of this type, and the reluctance of stakeholders to take risks with uncertain actions.

Internet and the social media appear at first sight to be particularly well adapted to marketing campaigns for multi-territorial releases, for a number of reasons:

- these are by their very nature trans-national media,
- they seem to match the target audience, that of film fans,
- they lend themselves to targeted campaigns at limited cost,
- tools exist for the organization of promotion campaigns and the evaluation of their impact.

Several specific Internet tools were used for the different films in this experiment.

TABLE 26: EXPERIMENTS WITH FORMS OF DIGITAL PROMOTION

	Advantages	Difficulties encountered	Illustrations
Centralized on-line publicity campaigns	Economies of scale Centralization of message	Need for coordination between centralized organization and local strategies	
Web Site	Full information (list of theatres and VOD platforms) Possibility of installing a player (Distrify type), hence opportunity to increase number of views	Management of linguistic specificities Need for coordination with distributers' local strategies	*For those in peril*: the site was used by Dutch and Polish distributors for their local promotion, but not by the three others (Italy, Portugal, France)
Targeting of blogs (SEO)	Leverage of impact thanks to search engines (Google) Easier targeting	Difficulty of targeting and approaching blogs Support required from local distributors	
Dedicated operations	Demarcation effect thanks to event-type dimension Social media as relays Creation of content that can be used by theatres and VOD platforms	Attracting spectators to the event Keeping the attention of spectators throughout the event Geographical limitations for linguistic reasons	*For those in peril*: meeting between Paul Wright and Georges MacKay, live on Youtube + Dailymotion, and partnership with *Screen* (event covered in an article + a newsletter and rebroadcasting on the *Screen* site).
Partnerships	Take advantage of voice and image of partners to contact potential spectators Sharing of campaign costs	Absence of pan-European media partners (who can be easily identified by all European spectators) Attracting brands to films of limited potential Difficulties inherent in one-off operations (reluctance of a partner to install a player on his site)	
Social media	Well suited to multi-territory campaigns Simple management Interface, allowing adaptation to each territory/language Easy targeting	Creating a place for a page in an Internet environment inundated with information Creation of a community *ex nihilo*	

While the Internet is more and more widely used as a medium for film promotion its effects are still not well controlled since its benefits are not clearly apparent in practice. For example, the distributors of the Speed Bunch group did not think it useful to create a joint Facebook page to promote *The Spirit of '45*, but believed it was more pertinent to make use of their existing individual pages which benefit from an established fan base.

5. DIFFICULTIES ENCOUNTERED

Besides the reluctance of the various stakeholders (producers, directors, distributors, etc.) to include their films in the experiment, the three groups met with other difficulties in the selection of films and then in promoting the specific features of their release. Arrangements had to be made to deal with "holdback" clauses (e.g. no European release before the American release), or clauses that specifically excluded day-and-date release. Restrictions of this sort eliminated several films from the panels selected by the three groups.

The notion of simultaneous release (day-and-date) is not very familiar to the general public, more used to traditional release windows with differential promotion for theatrical and then video release. This means that special efforts had to be made to promote the message of the dual availability of films.

To this end various means were employed, all with their own advantages and drawbacks.

TABLE 27: MEANS USED TO HIGHLIGHT DAY-AND-DATE

	Advantages	Difficulties
Promotional material: posters, web banners, web site, etc.	Information on simultaneous availability in theatres and on VOD is visible at a glance. The message is perfectly clear.	Motivating distributors to mention this dual release on all supports since for them it is not yet automatic.
Press: local, national, international, trade, etc.	Mentioning the day-and-date mode in an article makes it possible to create public awareness of the innovative nature of this type of release and of the possibilities available for seeing the film.	In their relations with the press the distributors highlighted the day-and-date release mode. But finally this was scarcely mentioned in the articles…

In addition the groups prepared multi-media editorial content such as dedicated operations (live interview) or specific bonuses. However the notion of a live event does not necessarily correspond to the off-line, discontinuous nature of VOD consumption. On the other hand, bonuses created for the VOD platform are of little interest for promotion in cinemas. Cinema audiences come to experience an immediate event. The difficulty, therefore, lies in identifying promotional supports that are equally appropriate for theatres and VOD.

The question of VOD pricing policy is another issue. Should the "best price" be determined with respect to average box-office prices, or estimates of VOD sales? Should they be high to underline the exceptional nature of the release, or on the contrary low so as to attract as many consumers as possible and create a buzz that could benefit theatrical admissions and VOD sales? Fixing the right price is important when it comes to creating a lasting balance between the different modes of consumption.

Finally, concerning the multi-territorial aspect of releases, the main difficulty for each of the groups lay in finding a common release date, or at least dates as close to one another as possible. European distributors in fact programme the release of independent European films on the basis of their own line-ups without reference to release dates in neighbouring territories. They have to take account of specific national factors when choosing release dates (school holidays, national festivals, competitions, etc.) so as to attract audiences. The market potential of the films chosen to take part in the experiments hardly justified an upheaval in their priorities. However, by looking further ahead in the choice of films it was possible to make significant reductions in the exploitation cycle (interval between the first and last release), as is shown by the release timetables of the 4 TIDE films: the cycle of 19 weeks for *Viramundo* was reduced to 16 for *Magnifica presenza* and then to 15 for *For those in Peril*.

FIGURE 23: SHORTENING OF TIDE'S RELEASE TIMETABLE

<--- cycle 19 weeks --->

Viramundo	R date	S16	S17	S18	S19	S20	S21	S22	S23	S24	S25	S26	S27	S28	S29	S30	S31	S32	S33	S34		S46
France	17/04/2013*	VoD																				
Luxemburg	05/06/2013																					
Lithuania	20/06/2013																					
Poland	28/06/2013																					
Italy	10/07/2013																					
UK	26/07/2013																					
Ireland	26/07/2013																					
Netherlands	15/08/2013																					
Portugal	22/08/2013																					
Belgium	13/11/2013																					

<--- cycle 16 weeks --->

Magnifica Presenza	R date	S28	S29	S30	S31	S32	S33	S34	S35	S36	S37	S38	S39	S40	S41	S42	S43
France	10/07/2013*	VoD															
Austria	23/08/2013																
UK	25/10/2013																
Ireland	25/10/2013																

<--- cycle 15 weeks --->

For Those in Peril	R date	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12	S13	S14	S15	S16	S17	S18
Netherlands	16/01/2014																
France	22/01/2014*																
Poland	24/01/2014																
Italy	06/03/2014																
Portugal	24/04/2014																

<--- cycle 3 weeks --->

Até ver a luz	R date	S15	S16	S17	S18	S19	S20	S21	S22	S23	S24	S25	S26	S27	S28	S29
France	09/04/2014*															
Spain	16/04/2014															
Belgium	23/04/2014															
UK	25/04/2014															

* in France the release dates mentioned are those for the VOD release (theatres 3 weeks later)

V. CONCLUSION

The experiments performed have revealed some interesting results. The first, as might be expected, is the new visibility provided by innovative release modes, day-and date or direct-to-VOD. In a saturated market this represents a breath of fresh air for a certain number of films that can benefit from greater exposure at less cost. Spectators too benefit: day-and-date releases can make certain films accessible in the whole of a given territory, rather than being limited to some towns even though promotion is nation-wide. For spectators exposed to promotional campaigns, this legal offering can replace an illegal offering: this is an important factor, bearing in mind that one of the aims of the experiment was to combat piracy. Similarly, thanks to direct-to-VOD releases the populations of some countries can benefit from the possibility of seeing films to which they would not otherwise have had access.

Concerning the economics of films, the advantages of these innovative releases concern three items: extra revenue generated by VOD, savings in print costs, and possible synergies on the level of promotion costs. Finally, for the distribution circuit as a whole, the experiments do not seem to indicate any major risk: VOD consumption mainly concerns zones where the film is not visible, or only to a limited degree, in theatres.

These experiments have also enabled the stakeholders to extend their knowledge and to prepare, if necessary, for still faster changes in working methods. They have no doubt had a marginal impact in changing habits of thought, often inherited from a specific system, that of the traditional economics of the film industry, which are difficult to apply to a new system.

These experiments have been performed at a time when the use of VOD is not well developed compared with what it will no doubt be like in a few years' time, when the social media still play only a limited role in the promotion of films compared with the part they will no doubt be called on to play very shortly, and when the Europe of cinema is embryonic compared with what it may become in the long term, particularly thanks to these new tools.

The economics of the cinema industry are still in a state of flux. Change will continue due to the impact, among other things, of the arrival or development of Netflix, which will accelerate the practice of on-demand consumption of films. These experiments do not seem to endanger the economics of cinema in Europe. They will no doubt help it to adapt to these changes.

In order to continue to question the modes of distribution of films in the digital era, several possible approaches emerge. The experiments have shown that participants can at least break even economically, so they could now be repeated with a larger number of stakeholders, seeking new solutions in response to the major changes impacting the film industry, but also in a spirit of apprenticeship so as to learn how to prepare for the challenges of tomorrow. Some of these approaches can be suggested here:

- multiple distribution schemes could be tested, varying the duration of release windows: the aim is to study more precisely the relationship between theatrical release and digital distribution, and to understand what types of use, audiences and films these different modes best correspond to;

- synergies between traditional marketing, better suited to cinemas, and the new forms of marketing, which have greater impact on audiences used to digital consumption, could be tested in more depth: the aim here is to continue to develop the marketing of films to adapt to the new context;

- the multi-territorial dimension can be extended. The disappointing results so far must be seen in a context in which the simultaneous availability of films is not a reality for film-viewers in Europe, and in which the role of trans-frontier viral publicity still remains limited. It can be argued that an increase in multi-territorial releases would make film audiences more sensitive to this type of situation, and that synergies due to distribution in several territories would be increased.

All these experiments, past and future, whether in the framework of the Preparatory Action or spontaneous, should lead to better understanding of the multiple economy that is now becoming established. It may be thought that the main effect of digital technology on the film industry will be the same as that observed in other sectors[68], that is the establishment of a multi-channel economy, in which each film will give rise to its own business model. Increasing the number of experiments in this framework will make it possible to relax the rules and adjust them to the specific requirements of each work, while maintaining an overall balance within the system. Enabling the rules to take account of the diversity of works will allow the diversity of those works to be fully expressed.

[68] cf. Benghozi & Paris (2001), *op. cit.*

VI. ANNEXES

1. GLOSSARY

Preparatory action 'Circulation of films in the digital era'[69] (or the Action):

The aim of the action is to try out innovative strategies for distributing European films (cinemas, DVD, video on demand, festivals, television channels, etc.). A particular aim is to define those conditions likely to increase complementarity between distribution media in order to improve transnational circulation and the global audience for European films within the European Union. In order to test the possible beneficial impact on a film's global audience of simultaneous or quasi-simultaneous release on all existing distribution media and in a number of territories, this action pursues three complementary and inseparable objectives:

- Improving conditions for the circulation of European works within the European Union;
- Increasing and expanding the global audience for European films;
- Informing markets and local authorities of changes likely to improve complementarity between distribution media.

VOD preview: release of a film on one or several VOD platforms a few days or weeks before theatrical release. The exploitation on VOD platforms of films released on a VOD preview basis in the framework of the Action in France ceases the day before theatrical release, and resumes only three or four months later, thereby respecting the agreements on media chronology that are applicable in France.

Media chronology (or Release windows): A rule, laid down by regulations or by agreements within the profession, or resulting from an established situation, defining the order and the timetable according to which a cinematographic work can be exploited on different media (video, pay per view, VoD, television, etc.) after its theatrical release.[70]

Day-and-date (or day-to-date): simultaneous release of a film in one or several windows of exploitation.

Direct-to-VOD / Direct-to-DVD: release of a film straight to VOD/DVD without any theatrical exploitation.

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[69] http://ec.europa.eu/dgs/education_culture/more_info/awp/docs/c_2013_1780.pdf

[70] *La vidéo à la demande en Europe* (A study by NPA Conseil carried out for the *Direction du développement des médias* and the *European Audiovisual Observatory*) – 2007

EST (Electronic Sell Through) or download to own: refers to the purchase of a film or content on VOD as distinct from rental (see T-VOD). The programme file is downloaded and acquired by the client for unlimited consumption (with or without the possibility of storing the file on DVD, download to burn).

VOD: Video on Demand means that a programme is made available to final consumers at their demand, at the moment of their choice, through all electronic communications networks and in particular over the Internet, by terrestrial broadcasting, by cable, by satellite and by telecommunications networks, by all forms of encrypted distribution such as streaming or downloading, for viewing on all types of device, with all forms of security, and this after payment of a fee, for consumption in the "family circle" or in closed circuits.[71]

SVOD: by paying a subscription, generally monthly, the spectator has access to unlimited viewing during this period of a catalogue or a limited number of programmes covered by the offering.[72]

T-VOD (transactional VOD): T-VOD allows the spectator to rent a film for unlimited viewing but for a limited period of time. The viewing periods and prices vary depending on the platforms, countries and works. T-VOD is not the same thing as purchase (EST).

Ultra-VOD, ultra-VOD release: the film is available exclusively on VOD several days or several weeks before its theatrical release.

Quasi-simultaneous release or Post-VOD: the film is released on VOD almost immediately after its theatrical release.

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[71] CNC report « L'économie de la VoD en France », March 2008, page 5

[72] *La vidéo à la demande en Europe* (A study by NPA Conseil carried out for the *Direction du développement des médias* and the *European Audiovisual Observatory*) – 2007

2. FILM INFO SHEETS

AFTER THE NIGHT aka ATE VER A LUZ by Basil da Cunha

BASTARDS by Claire Denis

FOR THOSE IN PERIL by Paul Wright

IO SONO LI by Andrea Segre

JIMMY P by Arnaud Desplechin

MADEMOISELLE C. by Fabien Constant

MAGNIFICA PRESENZA by Ferzan Ozpetek

THE SPIRIT OF 45 by Ken Loach

VIRAMUNDO by Pierre-Yves Borgeaud

ATE VER A LUZ (After the Night) by Basil da Cunha

Après la nuit (France)
After the Night (Belgique et Royaume-Uni)
Hasta Ver la Luz (Espagne)

Directed by Basil da Cunha (1st feature)
With Pedro Ferreira, Joao Veiga, Nelson da Cruz Duarte Rodrigues
Nationality: Switzerland/Portugal – **Year:** 2013
Producers: BOX Productions, HEAD - Geneva
Genre : Drama
Festivals : La Quinzaine des Réalisateurs 2013, Festival de Rotterdam 2014

Synopsis: *Straight out of jail, Sombra returns to his life as a drug dealer in the creole slum of Lisbon. In between the money he has lent and can't get back, the money he owes, a fanciful iguana, an invasive little girl and a ringleader who begins to mistrust him, he starts to think that he might have been better off in the clink...*

Distributed by: Numéro Zéro (Belgium), Capricci Films Espana (Spain) Capricci Films (France) and Capricci UK (United Kingdom).
International Sales: Urban Distribution International

Film spotted in the catalogue of Urban Distribution International by Capricci and European partners, interested in a multi-territory and multi-platform release via The Tide Experiment.

3 day-and-date releases , 1 VOD preview release

4 territories

- Belgium, Spain, France and United Kingdom

5 languages

- English , Castilian, Catalan, Flemish and French

17 VOD platforms

- Multiterritorial: iTunes (4 local stores), Google (3 local stores),
- Belgium: Unvisciné, DVDPost, Plush, Voo, Belgacom
- France: La Vod d'Orange, FilmoTV, Distrify
- Spain: Filmin
- United Kingdom: Curzon Home Cinema

20 screens (1st week of exploitation)

1. Marketing

Joint positioning

- **Target audience:** 25-45 age-group, well-informed, connected film fans

- **Release dates:** release periods grouped within 3 weeks

<--- 3-week cycle --->

Até ver a luz	Release date	S15	S16	S17	S18	S19	S20	S21	S22
France*	09/04/2014 (VOD) 23/04/2014 (theatre)	VOD		Theatre					
Spain	16/04/2014								
Belgium	23/04/2014								
United Kingdom	25/04/2014								

* in France, *Après la nuit* was released on VOD 2 weeks (9 April) before the theatrical release (23 April) and its VOD preview exploitation ceased the day before theatrical release.

- **Pooled tools – a shared visual identity**
  - Common poster and trailer;
  - Organization and live on-line streaming on Dailymotion of a debate between the director, Basil da Cunha, and Joël Farges, author-director-producer, member of L'ARP (material subsequently reused for promotion on social media);
  - Promotion on social media centralized and coordinated, on a shared Facebook page (geolocalization) ;
  - Pooled Internet advertising campaign: videoseeding (placing of trailer on targeted sites with advertising message (call to action) and advertising campaign on Facebook;
  - Relationships with influential European bloggers (newsletters);

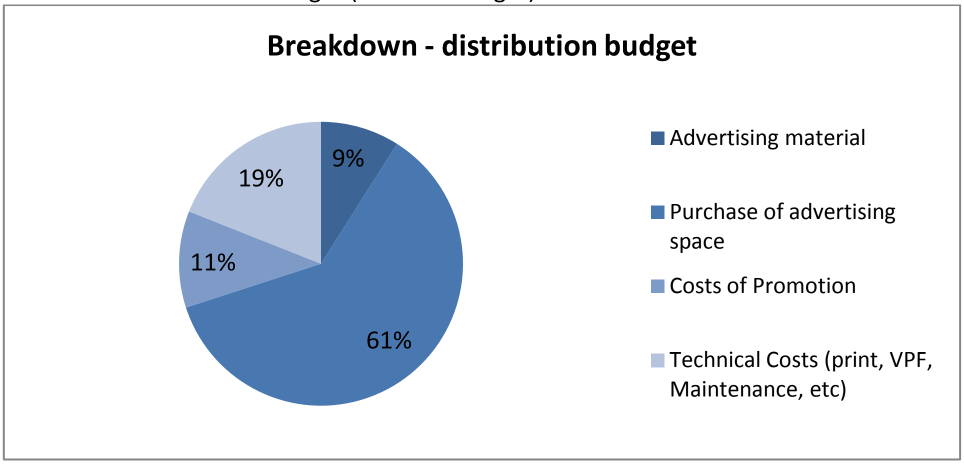
Local promotion campaigns (and cross-border tools):

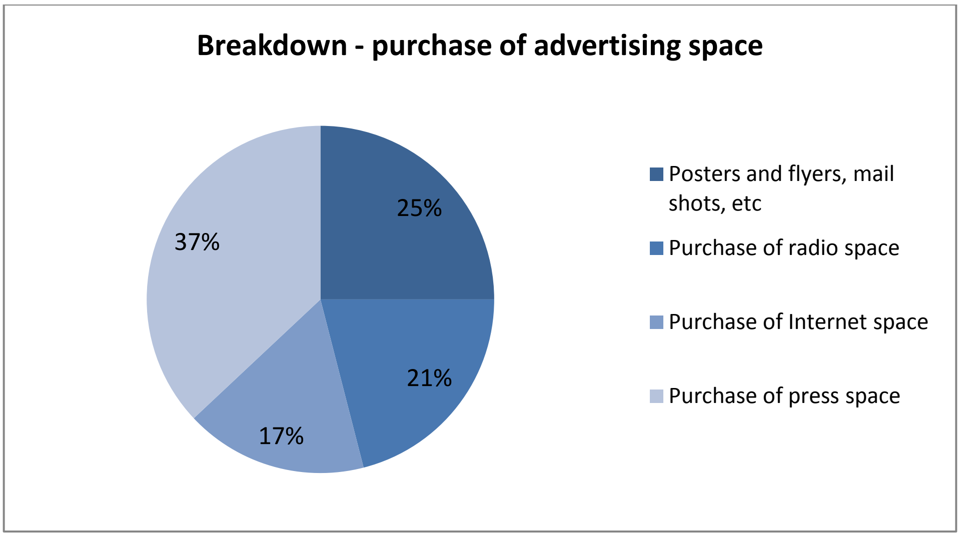
Local promotion campaigns systematically highlighted the multiplatform release:

- Mention of the two platforms on all promotional supports;
- Purchase of advertising space on different media, whether or not they traditionally target one or other mode of exploitation (posters, press inserts, Internet banners, etc.);
- Highlighting in the local press of the exceptional release scheme. A partnership with the magazine *So Film* also made it possible to promote the film, particularly by making it available to readers on the Internet (solution already proposed to the distributors of *For Those in Peril*).

The director, Basil da Cunha, made himself readily available, being present at previews and evening debates (Paris, London, Barcelona), and granting interviews to the local press (RFI, Le Mouv', France Inter, El Pais, BTV, etc.) and local VOD platforms (FilmoTV – interview by Laurent Delmas).

- Breakdowns – Distribution Budget (forecast budget)





EDAD

BASTARDS by Claire Denis

Director: Claire Denis
With Vincent Lindon, Chiara Mastroianni, Julie Bataille, Lola Créton, Michel Subor
Nationality: France – **Year:** 2013
Producers: Alcatraz Film, Wild Bunch
Genre: Drama
Festivals: Festival de Cannes 2013: nominated in Un Certain Regard, Prague French Film Festival, Fabiofest film festival (Slovakia)

Synopsis: *A man commits suicide, leaving his affairs in chaos and wife in a state of distress. She contacts her brother (Vincent Lindon), who gives up his job as a merchant sea captain to investigate what happened. But the truth may be something that no one ever wants revealed. Acclaimed French filmmaker Claire Denis (White Material, Beau Travail) returns with arguably her most mysterious work since 2004's L'intrus.*

EDAD Distributors: Artcam (Czech Republic), Curzon Film World (UK + Eire), ASFK (Slovakia), Golem (Spain)
International sales: Wild Bunch

Key arguments why we chose *bastard* for EDAD:
- Claire Denis is one of the most acclaimed European directors
- The cast had the potential to appeal to a foreign, arthouse audience
- 4 European distributors were willing to release the film day-and-date

5 day-and-date releases

- Theatrical: 28 November 2013 in Czech Republic, 14 February 2014 in the UK and Eire, 21 March 2014 in Spain and Slovakia
- VOD: strictly day-and-date with the theatrical release in all territories

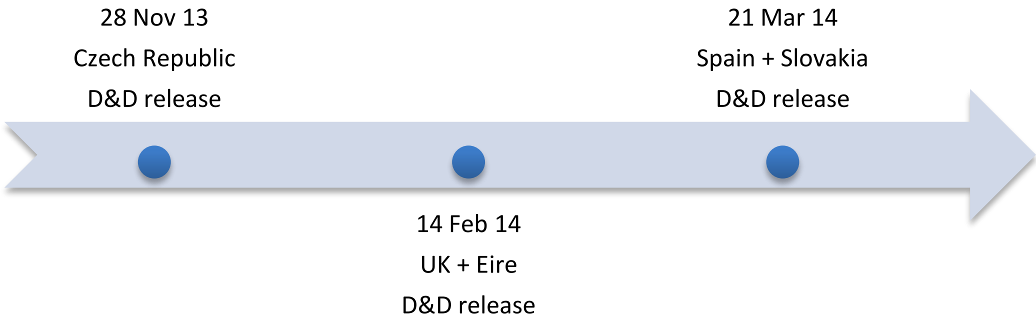
5 territories

- Czech Republic, UK, Eire, Spain, Slovakia

9 VOD platforms

- Czech Republic + Slovakia - SVOD: Voyo.cz (48 hours only) / TVOD: Aerovod.cz
- UK + Eire - Premium VOD: Curzon Home Cinema / Filmflex / BFI Player / GFT Player (Glasgow Film Theatre) / Current VOD: iTunes
- Spain - Filmin, Imagenio

1. **<u>Release schedule</u>**



2. **<u>Marketing Plan</u>**

- Title: The film was released under three different titles according to the local specs of each territory : *Parchanti spí dobře* in Czech Republic and Slovakia, *Bastards* in the UK and Eire, *Los Canallas* in Spain.

- In all five territories, the film was meant to appeal to an arthouse cinema audience, males and females aged 40 to 60 with an urban profile. The French community along with fans of Claire Denis were also targeted.

- The marketing campaign emphasized as much as possible that the film was released day-and-date in theatres and on demand.

- Press advertising focused on general newspapers (Periodico de Cataluna in Spain, The Observer and The Guardian in the UK), cultural magazines (Time Out in the UK, A2 in Czech Republic) and film magazines (La Guia del Ocio and Cine 200 in Spain).

- Online advertising was key to make people aware of the day-and-date release. All four distributors used Facebook and Twitter promoted posts. Web banners and/or trailers were displayed on Cinepur.cz (Czech Republic), The Guardian website (UK), Preview Network (Spain).

- Special events were organised to raise awareness around the film : Claire Denis came to the UK for a Q&A following the UK premiere of the film and was in Madrid to promote the film on the 19 March 2014. In Czech Republic, the film pre-premiered at the Prague French Film Festival with a reception and the release was followed by a Claire Denis retrospective at the National Film Archive. In Slovakia the release took place during the Febiofest Film Festival as one of the first D&D release of a foreign film in the territory.

- The UK, Eire and Czech Republic also ran competitions around the film online and on the radio.

- Posters, flyers, postcards were created and displayed.

3. Results

THEATRICAL

Territory	Release date	Screens (opening)	Screens (total)	Box-office (opening weekend)	Admissions (opening)	Box-office (total)	Admissions (total)
Cz Rep.	28.11.2013	4	21	2,075 €	790	2,611 €	966
UK + Eire	14.02.2014	10	24	13,889 €	1,781	40,260 €	5,162
Slovakia	21.03.2014	4	12	1,245 €	345	1,837 €	515
Spain	21.03.2014	12	16	8,181 €	1,113	22,549 €	3,864

VIDEO ON DEMAND

Territory	Number of platforms	Release date	Number of views	Gross revenue
Cz Republic	2	28.11.2013	322*	99 €
UK + Eire	5	14.02.2014	246	2,027 €
Slovakia	1	21.03.2014	205	34 €
Spain	2	21.03.2014	341**	670 €

* includes day-and-date SVOD views from voyo.cz

** includes day-and-date SVOD views from filmin.es

FOR THOSE IN PERIL by Paul Wright

For Those in Peril (France and Netherlands)
Il superstite (Italy)
Za tych, co na morzu (Poland)
Por Aqueles em Perigo (Portugal)

Directed by Paul Wright (1st feature film)
With George Mackay, Kate Dickie, Nichola Burley
Nationality: UK – **Year:** 2013
Producers: Warp X, Film 4, BFI, Creative Scotland
Genre: drama
Festivals : Semaine de la Critique (Cannes 2013), Edinburgh International Film Festival 2013, Stockholm International Film Festival, Dinard Festival of British Cinema, BAFTA

Synopsis: *Aaron, a young misfit living in a remote Scottish fishing community, is the lone survivor of a strange fishing accident that claimed the lives of five men including his older brother. Spurred on by sea-going folklore and local superstition, the village blames Aaron for this tragedy, making him an outcast amongst his own people. Steadfastly refusing to believe that his brother has died, he sets out to recover him and the rest of men.*

Distributed by: Alambique (Portugal), Amstel Films (Netherlands), Distrib Films (France), Nomad Films (Italy) and Tongariro Releasing (Poland).
International sales: Protagonist Pictures
Film suggested to TIDE by Protagonist Pictures following the 2013 Cannes Festival.

4 day-and-date releases, 1 VOD preview release

5 territories

- France, Italy; Netherlands, Poland and Portugal

5 languages

- French, Italian, Dutch, Polish and Portuguese.

27 VOD platforms

- Multiterritorial: iTunes (5 local stores) and Distrify
- France: FilmoTV, La Vod d'Orange
- Italy: OwnAir, MyMovies
- Netherlands: Videoland, MovieMaxOnline, Mejane, Mubi
- Poland: Vod.pl, Kinoplex, Vectra
- Portugal: MEO, Vodafone, Screenburn, Vodafone, Optimus, Cabovisao

40 screens (1st week)

1. Marketing

Joint positioning

- **Target audience:** film fans (Art House)

- **Release dates:** initially the European releases were grouped in early 2014, but the release timetables (of distributors and their local competitors) obliged the Portuguese and Italian distributors to postpone their releases of *For Those in Peril*.

<--- 15-week cycle --->

For Those in Peril	Release dates	S3	S4		S7		S10		S17	S18
Netherlands	16/01/2014									
France*	22/01/2014 (VOD) 12/02/2014 (salle)		VoD		Theatre					
Poland	24/01/2014									
Italy	06/03/2014									
Portugal	24/04/2014									

* in France, *For Those in Peril* was released on VOD 3 weeks (22 January) before the theatrical release (12 February) and its VOD preview exploitation ceased the day before theatrical release.

- **Comparisons:**
  - *Beasts of the Southern Wild* (2012) by Benh Zeitlin
  - *The Hunt* (2012) by Thomas Vinterberg

- **Pooled and pan-European promotional tools:**

A genuine consensus on the positioning of the film made it possible to:

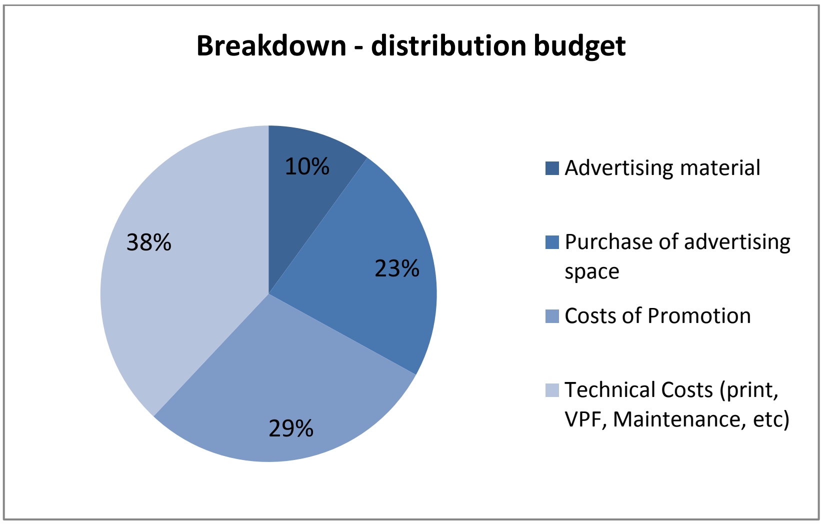
- Fully develop a common visual identity and aim at pan-European awareness: common poster, trailer, Internet banners and Web site. All the more so in that other distributors outside the scope of TIDE used the same identity (Non-Stop Entertainment in Sweden and Soda Pictures in the UK) and helped to maintain live awareness (see below);
- Encourage cross-cutting promotion. Thus the shared Web site informed audiences about different release sites (links to VOD platforms and theatres);
- Launch new joint promotion actions: videoseeding (placing of trailer on targeted sites with advertising message (call to action), actions targeting specialized cinema bloggers (SEO) and launch of a dedicated operation (with live streaming on Youtube and Dailymotion) of an interview of Paul Wright, director of *For Those in Peril*, and the lead actor, Georges MacKay, moderated by a BBC journalist. This event was used for promotion on social media and through bloggers.

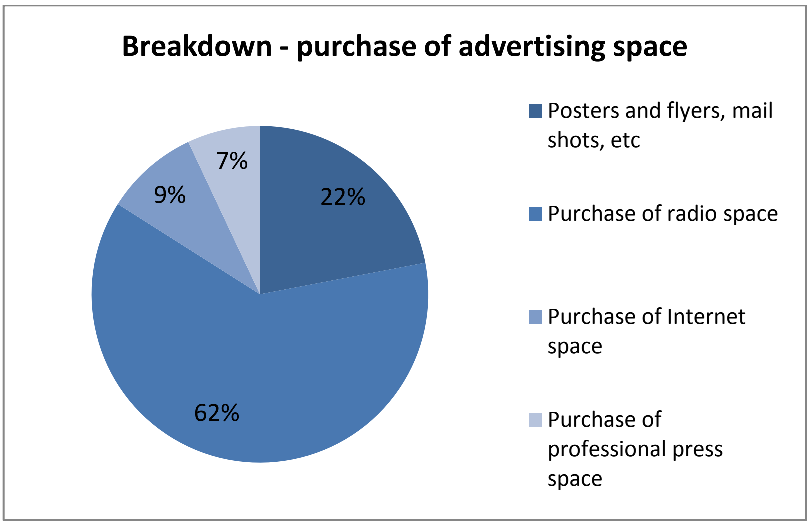
Local promotion campaigns (and cross-border tools):

The distributors worked to implement cross-cutting strategies:

- In contacts with the press. However the local media did not really cover the event despite the exceptional character of the releases and the proposal made by the distributors, at the instigation of TIDE, to involve them in the release by making the film available on line on their sites (following the model proposed by *The Guardian*). The local media in fact showed little interest in this initiative.

- Breakdowns – Distribution Budget (forecast budget)





2. Operating results

Theatres (sources: information from distributors and Rentrak)

	NUMBER OF CINEMAS (1st WEEK)	NUMBER OF CINEMAS (TOTAL)	NUMBER OF ADMISSIONS 1st week	NUMBER OF ADMISSIONS 4th week	NUMBER OF ADMISSIONS 8th week	TOTAL NUMBER OF ADMISSIONS	TOTAL GROSS BOX-OFFICE
Netherlands	5	-	428	979	1095	**1 095**	**7 462.42€**
France	7	-	1 328	1 530	-	**2 013**	**11 138.00€**
Poland	22	37	344	488	503	**503**	**1 664.68€**
Italy	6	-	248	488	-	**488**	**2 357.00€**
Portugal	-	-	-	-	-	**-**	**-**
Total	**40**	**-**	**2 348**	**4 813**	**1598**	**4 099**	**22 622.10€**

VOD (sources: information from distributors and VOD aggregator)

	NUMBER OF PLATFORMS	PLATFORMS	AUDIENCE FIRST 4 WEEKS (NUMBER OF RENTALS)	AUDIENCE FIRST 8 WEEKS (NUMBER OF RENTALS)	TOTAL AUDIENCE (NUMBER OF RENTALS)	TOTAL GROSS VOD INCOME
Netherlands	6	Videoland, MovieMaxOnline, Mejane, Mubi, Distrify, iTunes	534	816	**820**	**3 902.00€**
France	4	La VoD d'Orange, FilmoTV, Distrify, iTunes	848	-	**848**	**2 328.45€**
Poland	5	Vod.pl, Kinoplex, Vectra, Distrify, iTunes	138	-	**228**	**633.56€**
Italy	4	Mymovies, Ownair, Distrify, iTunes	881	-	**881**	**2 235.13€**
Portugal	8	MEO, Vodafone, Screenburn, Vodafone, Optimus, Cabovisao, Distrfy, iTunes	-	-	**-**	**-**
Total			**2 401**	**816**	**2 777**	**9 099.14€**

EDAD

IO SONO LI by Andrea Segre

Director: Andrea Segre
With: Tao Zhao, Rade Serbedzija
Nationality: Italy – **Year**: 2011
Producers: Jole Film, Aeternam Films
Genre: Drama
Festivals: Venice Film Festival, London Film Festival, 8 ½ - Festa do Cinema Italiano (Lisbon), Panazorean (Faial), Brussels Film Festival, Festival du Film Européen de Virton, Mooov festival (Turnhout), etc.

Synopsis: *Andrea Segre's intimate drama tells the story of Shun Li, a Chinese immigrant forced to move from Rome in order to work in a bar on a small island in the Veneto lagoon. Though lonely at first, she meets Bepi, a Slavic fisherman, nicknamed the Poet, who befriends her. However, the locals are not so happy about this. Tao Zhao and Rade Serbedzija are impressive as the oddly matched pairing in this evocative drama.*

EDAD Distributors: Curzon Film World (UK + Eire), Cinemien (Belgium + The Netherlands), Associação Il Sorpasso (Portugal)
International sales: Adriana Chiesa

Key arguments why we chose *Io Sono Li* for EDAD:
- a European film *par excellence* given its subject matter
- Andrea Segre already involved in expanding the audience for art-house films, having co-founded the distribution network ZaLab
- 3 European distributors were willing to release the film day-and-date

5 day-and-date releases

- Theatrical: 21 June 2013 in the UK and Eire, 17 July 2013 in Belgium, 18 July 2013 in the Netherlands and 30 September 2013 in Portugal
- VOD: strictly day-and-date with the theatrical release in the UK and Eire, maximum 2 weeks after the theatrical release in Belgium, the Netherlands and Portugal

5 territories

- UK, Eire, Belgium, the Netherlands, Portugal

8 VOD platforms

- UK, Eire - Day-and-date: Curzon Home Cinema/ Current: iTunes, Blinkbox, Volta
- Belgium, the Netherlands: Belgacom, Cinemalink.tv, Chello
- Portugal: Mubi

1. **<u>Release schedule</u>**

2. **<u>Marketing Plan</u>**

- In all five territories, the film was meant to appeal to the Italian community, but also to a wider audience made of males and females aged 25 to 55, yet limited to a niche, "art-house" crowd.

- Our press campaign emphasized as much as possible that the film was released day and date in theatres and on demand. It was more focused on general newspapers and magazines in the UK and Eire (15x5 in The Observer and The Guardian, ½ page in Time Out…) whereas Belgium and the Netherlands concentrated on more specific film press (VPRO Gids, Filmagenda, De Filmkrant). In the Netherlands, the film was also advertised on local TV through the AT5 film magazine.

- Internet and social networks were used as a core media to promote the film in all five territories. Online banners and super-headers were displayed on newspapers websites such as theguardian.co.uk or Ilgiornale.nl. Facebook promoted posts and email newsletters also helped us to raise awareness of the film being released day and date.

- Special, interactive marketing: Curzon Cinemas ran a competition that went live on their *curzoncinemas.com/win page*. A partnership was established with London cinema Cine Lumiere who also ran a competition via their newsletter (50K suscribers) a week prior to the release. Both the UK and Portugal organised a special screening followed by a Q&A ("Questions & Answers") with the director Andrea Segre – within the framework of their partnership with Cine Lumiere for Curzon Film World, and at the Cinemateca Portuguesa, Museu do Cinema for Il Sorpasso.

- All five territories shared their experience and sought advice from each other via regular phone calls and emails as well as in meetings in Berlin and Cannes.

3. **Results**

THEATRICAL

Territory	Release date	Screens (opening)	Screens (total)	Box-office (opening weekend)	Admissions (opening)	Box-office (total)	Admissions (total)
UK, Eire	21.06.2013	3	13	3,143 €	396	13,602 €	1,715
Belgium	17.07.2013	4	16	1,407 €	207	20,711 €	3,369
Netherl.	18.07.2013	8	57	3,569 €	478	60,629 €	8,419
Portugal	19.09.2013	2	2			1,437 €	394

VIDEO ON DEMAND

Territory	Number of platforms	Release date	Number of views	Gross revenue
UK, Eire	4	21.06.2013	250	1,143 €
Belgium	1	01.08.2013	366	1,173 €
Netherlands	3	01.08.2013	203	851 €
Portugal*	1	30.09.2013	*tbc*	*tbc*

** results to be confirmed*

SPEED BUNCH

JIMMY P. by Arnaud Desplechin

Director: Arnaud Desplechin
With Benicio Del Toro, Mathieu Amalric,
Nationality: France – **Year:** 2013
Producers: Why Not Productions
Genre: Drama
Festivals: Official Selection, Competition - Festival de Cannes 2013

Synopsis: *At the end of World War II, Jimmy Picard, a Native American Blackfoot who fought in France, is admitted to Topeka Military Hospital in Kansas - an institution specializing in mental illness. Jimmy suffers from numerous symptoms: dizzy spells, temporary blindness, hearing loss... and withdrawal. In the absence of any physiological causes, he is diagnosed as schizophrenic. Nevertheless, the hospital management decides to seek the opinion of Georges Devereux, a French anthropologist, psychoanalyst and specialist in Native American culture. JIMMY P. (Psychotherapy of a Plains Indian) tells the story of the encounter and developing friendship between two men who would never normally have met, and who appear to have nothing in common. Together, they embark on an exploration of Jimmy's memories and dreams, an experiment they conduct like a couple of detectives, and with an ever-growing complicity.*

Distributors: BiM Distribuzione (Italy), Vertigo (Spain) and Wild Bunch Germany (Germany)

International sales: Wild Bunch

Key arguments in the selection of this title for the Speed Bunch project:
- Arnaud Desplechin is a well-known European director
- JIMMY P benefited from good visibility during the 2013 Cannes Film Festival where it was part of the official selection.
- Well-known international cast: Benicio del Toro, Mathieu Amalric

2 day-and-date releases and 1 direct-to-VOD release

- Theatre: March 20, 2014 in Italy and March 21 in Spain
- VOD: March 20 in Italy and March 21 in Spain and Germany

3 territories

- Germany, Spain, Italy

3 languages

- German, Spanish, Italian

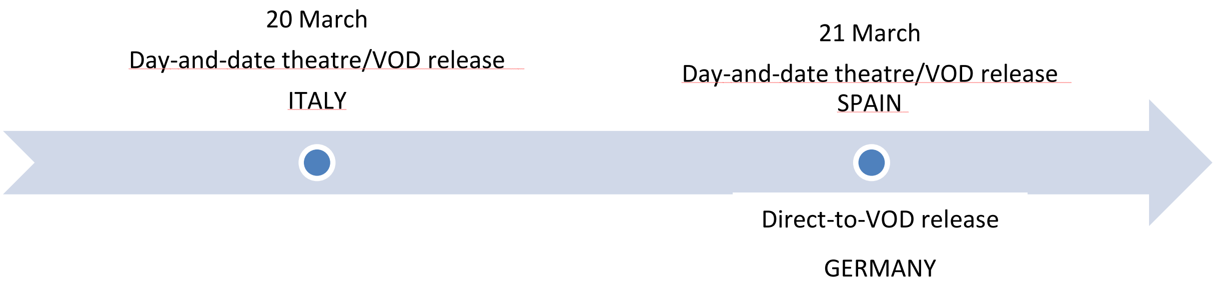
16 VOD platforms

- Multiterritorial: iTunes (3 local stores)
- Italy: MyMovies, GooglePlay, Infinity, PremiumPlay, Chili, Cubovision
- Spain: Yomvi(Canal+), Wuaki, Filmin, Imagenio, Ono, Nubeox
- Germany: Maxdome

13 cinemas

1. <u>Marketing</u>

- **Common release date:** choice of a common release date taking into account applicable regulations, the respective line-ups and markets of each distributor and following one rule: release the film on all territories and all medias concerned within the shortest possible time-frame.



- **Shared visual identity**: use of the same designer to draw up a joint graphics charter. However, freedom for each distributor to adapt to his own market and the expectations of his local audience.
- **Promotion on VOD platforms**:
  - Multiterritorial platform: iTunes
    - Promotion on home pages of local stores (sliders+bricks)
    - Promotion on iTunes Facebook pages
  - Local platforms: highlighting on their home pages, promotion in their newsletters
- **Promotion on social media** of distributors' VOD platforms
- **Web campaign**: targeted by territory with banners mentioning the VOD release and also the theatrical release for the countries concerned.
- **Press coverage** with articles in national newspapers. Same difficulty as was encountered during the first release of *THE SPIRIT OF '45* concerning coverage of the experimental aspect of day-and-date releases. Few articles in fact mentioned this information.
- **Focus on the partnership with MYmovies**, the Italian VOD platform: creation of an official site, cover of the newsletter, post-roll trailer 14 days before the release (140.000 hits), highlighting on the home page, banners, Facebook and Twitter posts and also an exceptional VOD preview on release day. On this occasion, MYMOVIES pre-bought 300 VOD transactions and offered them to the first 300 applicants (sold out several days before release).

2. Operating results

THEATRICAL EXPLOITATION

Territory	Date	Week	Sites	Screens	Weekend admissions	Weekday admissions	Total admissions to date	Final total of admissions
Italy	20/03/2014	1	2	2	771	1 056	1 056	1 515
Italy	27/03/2014	2	4	5	350	459	1 515	1 515
Spain	21/03/2014	1	6	6	346	677	677	858
Spain	28/03/2014	2	2	2	_	110	787	858
Spain	04/04/2014	3	2	2	_	71	858	858

Source: Rentrak + local distributors

Total number of admissions in the 2 territories: 2 373

VOD EXPLOITATION

	Number of platforms	Platforms	Number of transactions VOD/EST
ITALY	7	iTunes, MyMovies, GooglePlay, Infinity, PremiumPlay, Chili, Cubovision	2 016
GERMANY	2	iTunes, Maxdome	750
SPAIN	7	iTunes, Yomvi(Canal+), Wuaki, Filmin, Imagenio, Ono, Nubeox	574
TOTAL			**3 340**

NB: received reports from the VOD platforms are for March & April 2014 for certain platforms, and for March only for some others.

SPEED BUNCH

MADEMOISELLE C. by Fabien Constant

Director: Fabien Constant
Nationality: France – **Year**: 2013
Producers: Black Dynamique Films, Tarkovspop
Genre: documentary

Synopsis: *Carine Roitfeld is French, and the most renowned fashion editor on the planet along with her opposite number at American Vogue, Anna Wintour. During her 10 years as editor-in-chief at Vogue Paris she was noted for her successes and scandals ("porno chic" was her creation). Last year, she left Vogue Paris with the greatest challenge to date, to create a new fashion magazine: CR, the ultimate fashion magazine, the most unpredictable, glamorous and innovative. CR will be the anti-Vogue. It will be even more chic, more exclusive, more ambitious. Having been granted unprecedented access, the aim of this documentary is to follow the making of a magazine from the first editorial meeting through to the extravagant launch party in New York. The filmmaker's take on this subject is not to be too edgy but instead amusing and upbeat. Fashion, drama, power, models, all circle around this most iconic of fashion editors, the most Parisian, the Eiffel Tower in 12 cm heels: the irreverent Mademoiselle C. We, the viewers, are fully immersed in the creative process of producing a new magazine: the "just to see" photo shoots for the pilot issue that get trashed and do not make it into the magazine, the chaos of fashion week, greeting the designers, previewing new collections, press trips, glamorous soirees, choosing photographers, finding new talents, creating surprise, photo shoot disasters, shopping expeditions, award ceremonies, front row, backstage. This is the hectic life of one of the few people in the world who does not make the wheel of fashion turn, but has the wheel of fashion turning around her. But above all else, behind the surface glamour, this film takes the viewer behind the fantasy and tries to understand the way the fashion industry really functions.*
On this journey… Karl Lagerfeld, Kanye West, Riccardo Tisci, Albert Elbaz, Jean-Paul Gaultier, Puff Daddy, Alicia Keys, Cassie, Cate Blanchett, Diane Von Furstenberg, Mario Sorrenti, Natalia Vodianova, Proenza Schouler, Alexander Wang, Donatella Versace, Mario Testino, Matthew Avedon, Nick Knight, Tom Ford to name but a few.

Distributors: BiM Distribuzione (Italy); Wild Bunch Germany (Germany); Vertigo (Spain)
International sales: Elle Driver

Key arguments in the selection of this title for the Speed Bunch project:
- Carine Roitfeld is a famous personality of the fashion world business, which is a key element to define a target audience in each one of the territories.
- Documentaries sell well on VOD

2 day-and-date releases and 1 direct-to-VOD release

- Theatre: June 20, 2014 in Italy and June 21 in Spain
- VOD: June 20, 2014 in Italy and June 21 in Spain and Germany

3 territories

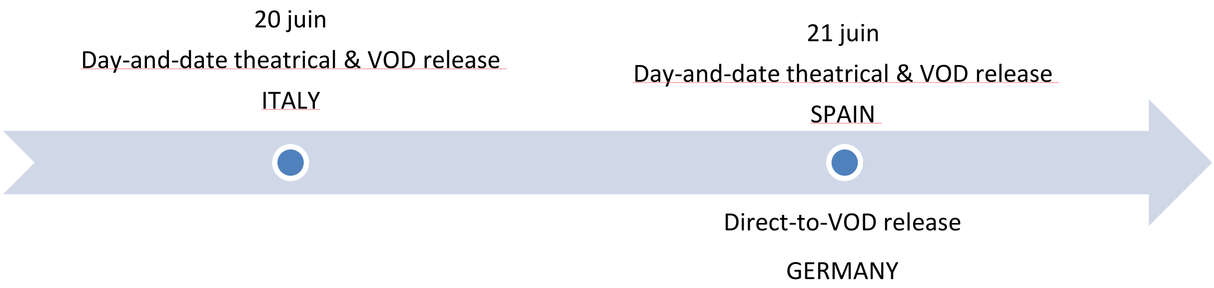
- Italy, Germany and Spain

3 languages

- Italian, German and Spanish

1. <u>Marketing</u>

- **Common release date:** choice of a common release date taking into account regulations applicable in France, the respective line-ups and markets of each distributor and following one rule: release the film In all territories and ON all medias concerned within the shortest possible time-frame.



Marketing plan not yet defined at the time of closure of this report.

2. <u>Operating results</u>

Unknown at the time of closure of this report.

MAGNIFICA PRESENZA by Ferzan Ozpetek

Magnifica Presenza (Austria and France)
A Magnificient Haunting (UK and Ireland)

Director: Ferzan Ozpetek (9th film feature)
With Elio Germano, Paola Minaccioni, Beppe Fiorello
Nationality: Italy – **Year:** 2012
Producers: Fandango, Faros Film, Rai Cinema
Genre: comedy
Festivals: Moscow International Film Festival, Montreal World Film Festival, Cinema Made in Italy (London), Brussels Mediterranean Film Festival

Synopsis: *Twenty eight year old Pietro, a lonely soul who works nightshifts in a bakery, has just moved to Rome into a beautiful apartment which is badly in need of repair but crucially has low rent. He soon starts noticing objects have been moved and there are strange noises coming from empty rooms…*

Distributed by: Distrib Films (France), Film Laden (Austria) and Peccadillo Pictures (UK and Ireland).
International sales: Fandango Portobello
Film suggested to TIDE by Fandango Portobello as from December 2012 among 6 other films.

3 day-and-date releases, 1 VOD preview release

4 territories

- Austria, France, Ireland and United Kingdom

3 languages

- German, English and French

11 VOD platforms

- Multiterritorial: iTunes (4 local stores)
- Austria: FilmLaden VOD, Flimmit
- France : La Vod d'Orange
- Ireland: Volta
- United Kingdom: Blinkbox, Distrify, Filmflex

32 screens

1. Marketing

Joint positioning

- **Target audience:** over-30s, occasional or regular cinema-goers for commercial and Art House films.

- **Release dates:** initially fixed around summer 2013; the distributor Peccadillo Pictures finally preferred to release the film in the autumn and focus his strategy on the fantastic aspect of the film (rather than the "Italian summer comedy" approach chosen by the two other distributors).

<--- 16-week cycle --->

	Release dates	S28	S29	S30	S31	S32	S33	S34	S35	S36	S37	S38	S39	S40	S41	S42	S43
France*	10/07/2013 (VOD) 31/07/2013 (theatre)	VoD			Theatre												
Austria	23/08/2013																
UK	25/10/2013																
Ireland	25/10/2013																

* in France, *Magnifica Presenza* was released on VOD 3 weeks (10 July) before the theatrical release (31 July) and its VOD preview exploitation ceased the day before theatrical release.

- **Comparisons:**
  - *His Secret Life* (2001) by Ferzan Ozpetek
  - *La Finestra di fronte* (2003) by Ferzan Ozpetek
  - *Saturno Contro* (2008) by Ferzan Ozpetek
  - *Mine Vaganti* (2010) by Ferzan Ozpetek
  - *Un Giorno Speciale* (2012) by Francesca Comencini

- **Pooled tools:** pan-European promotion, slightly disturbed by specific local market positioning. The European distributors chose slightly different marketing positions in different countries, either stressing the "Italian summer comedy" genre of *Magnifica Presenza* or its fantastic aspect.
  - an extended release period: between July/August (for France and Austria) and the Christmas holidays for the UK and Ireland;
  - two posters: one for exploitation in Austria, Ireland and the UK, the other for France only.
  - Nevertheless, consensus was reached concerning several joint actions:
  - a common trailer for all territories;
  - a joint participative social media campaign (via geolocalization) based on pooled marketing materials;
  - no real consensus on the positioning of the film (between Italian comedy and "fantastic").

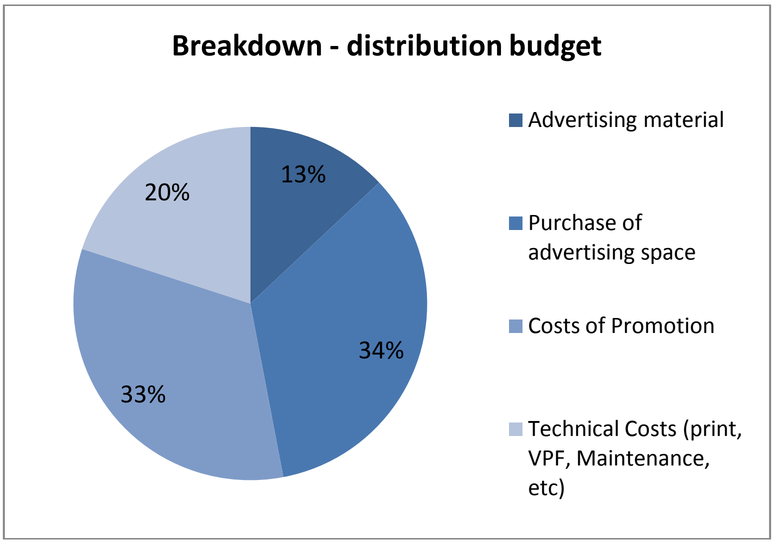
Local promotion campaigns (and cross-border tools):

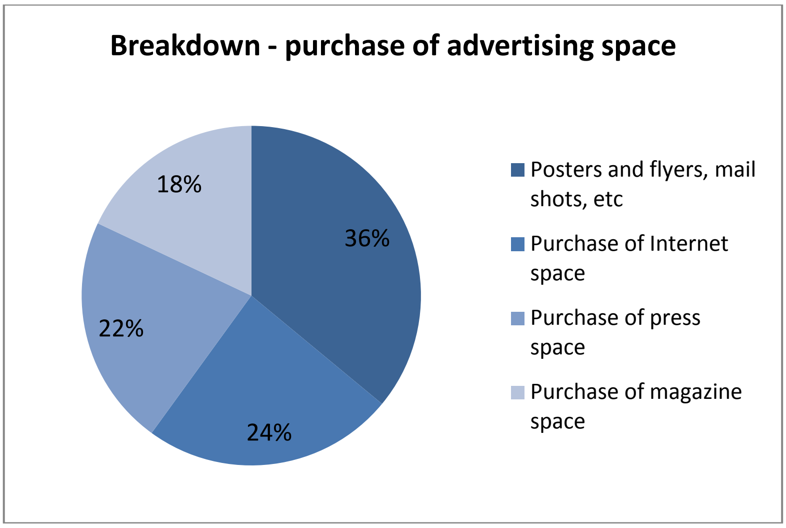
A genuine attempt by distributors to create and implement innovative cross-cutting tools for both modes (theatre and VOD) and go beyond the traditional parallel campaigns for the two supports:

- systematic mention of the two platforms concerned (and when applicable the two release dates); space purchases; contacts with the press; etc.

However this special effort often ran up against the habits of the profession. Film journalists covered only the theatrical releases, despite the still-exceptional nature (at least in Austria and France) of (quasi)simultaneous releases.

- Breakdowns – Distribution Budget (forecast budget)





2. Operating results

Theatres (sources: information from distributors and Rentrak)

	NUMBER OF WEEKS OF EXPLOITATION (TOTAL)	NUMBER OF CINEMAS (1st WEEK)	NUMBER OF CINEMAS (TOTAL)	NUMBER OF ADMISSIONS 1st week	NUMBER OF ADMISSIONS 4th week	NUMBER OF ADMISSIONS 8th week	TOTAL NUMBER OF ADMISSIONS	TOTAL GROSS BOX-OFFICE
Austria	6	8	24	592	933	982	**982**	**6 831,30€**
France	-	17	73	4 683	9 920	10 397	**10 431**	**66 748.24€**
Ireland	1	1	1	24	-	-	**24**	**162.60€**
UK	14	6	12	193	201	289	**511**	**3 951.63€**
Total		**32**	**110**	**5 492**	**11 054**	**11 668**	**11 948**	**77 963.77 €**

VOD (sources: information from distributors and VOD aggregator)

	NUMBER OF PLATFORMS	PLATFORMS	AUDIENCE FIRST 4 WEEKS (NUMBER OF RENTALS)	AUDIENCE FIRST 8 WEEKS (NUMBER OF RENTALS)	TOTAL AUDIENCE (NUMBER OF RENTALS)	TOTAL GROSS VOD INCOME
Austria	3	FilmLaden VOD, Filmmit, iTunes	137	160	**197**	**781.05€**
France	2	La VoD d'Orange, iTunes	1383	-	**1 383**	**4 847.69€**
Ireland	2	Volta, iTunes	10	12	**16**	**75.84€**
UK	4	Blinkbox, Distrify, Filmflex, iTunes	250	314	**392**	**2 143.03€**
Total			**1 780**	**486**	**1 988**	**7 847.61€**

SPEED BUNCH

THE SPIRIT OF '45 by Ken Loach

Directed by Ken Loach
Nationality: UK – **Year**: 2013
Producers: Sixteen Films
Genre: documentary, history
Festivals: Berlinale Special 2013

Synopsis: *1945 was a pivotal year in British history, when great changes in the post-war social and political landscape helped redefine how Britain was run. The film is about the spirit of a new kind of socialism that shaped that era, and reflects upon where those ideals are now.*

Distributors: BiM Distribuzione (Italy) ; Cinéart (Benelux) ; Vertigo (Spain) ; Wild Bunch Germany (Germany) ; Wild Side (France – VOD rights only)
International sales: Wild Bunch

Key arguments in the selection of this title for the Speed Bunch project:
- Ken Loach is a great name in European cinema
- Ken Loach displays a genuine desire to innovate and a definite interest in this type of test, as witnessed by the release plan for the film in the United Kingdom (http://www.thespiritof45.com/)
- Documentaries sell well on VOD

3 day-and-date releases, 1 direct-to-VOD release and 1 traditional VOD release

- Theatre: September 4, 2013 in Belgium, September 12 in Italy and September 13 in Spain
- VOD: September 13 in all territories and on all platforms

7 territories

- Belgium, France, Germany, Italy, Luxemburg, Netherlands and Spain

5 languages

- Dutch, French, german, Italian and Spanish

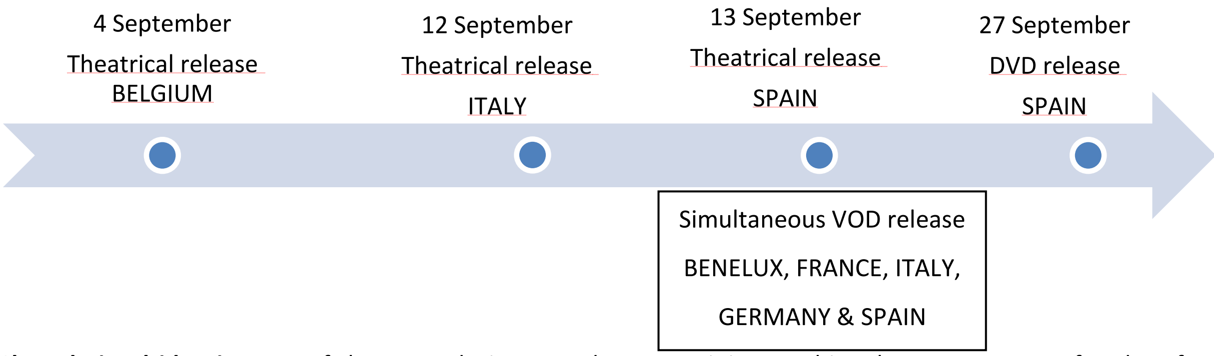
26 VOD platforms

- Multiterritorial: iTunes (7 local stores)
- France: FilmoTV, CanalPlay, Orange, SFR, Videofutur, GooglePlay
- Italy: Chili, Cubovision, OwnAir, MyMovies
- Spain: Filmin, Wuaki, Nubeox, Canal+, Yomvi, Ono, Movistar
- Benelux: Belgacom, Voo et UniversCiné

33 cinemas

1. **Marketing**

- **Common release date:** choice of a common release date taking into account regulations applicable in France, the respective line-ups and markets of each distributor and following one rule: release the film In all territories and ON all medias concerned within the shortest possible time-frame.



- **Shared visual identity**: use of the same designer to draw up a joint graphics charter. However, freedom for each distributor to adapt to his own market and the expectations of his local audience.
- **Common bonus:** Exclusive interview of Ken Loach by FilmoTV made available to all distributors.
    - Multiterritorial platform: iTunes
        - Promotion on home pages of local stores (sliders+bricks)
        - Promotion on iTunes Facebook pages
    - Local platforms: highlighting on their home pages, promotion in their newsletters, exclusive content (extracts, interview of Ken Loach by FilmoTV)
- **Promotion on social media** of distributors' VOD platforms
- **Web campaign**: targeted by territory with banners mentioning the VOD release and also the theatrical release for the countries concerned.

Territory	**Sites**
France	Le nouvel Obs, Culture G, Evene.fr, Deezer
Germany	History.de, Spiegel.de, Taz.de
Spain	Ccoo, Notodo.com, Fnac, The Cult
Italy	Il Fatto Quotidiano, MyMovies, Facebook
Benelux	Lalibre.be, Lesoir, BeTV

- **Press coverage** with articles in national newspapers and competitions to win cinema tickets. Despite an effort to highlight the experimental aspect of day-and-date releases, few articles mentioned this information.
- **Event-type previews**:
    - Italy: final evening of a workshop devoted to the economy and social protection in the presence of Wilma Labate (Italian director), Elio Germano (Italian actor - best actor award in Cannes in 2010) and Giovanni Spagnoletti (film critic)
    - Spain: preview in partnership with Sensacine introduced by a historian and special preview for CC.OO, major Spanish trade-union.
- **Search for European partnership**: In the name of all the distributors of the group, Vertigo launched negotiations with History Channel and National Geographic in order to obtain a TV screening of *THE SPIRIT OF '45* simultaneously in all the territories. While these negotiations did not lead to an agreement, they did make it possible to promote the Speed Bunch project and the preparatory action to channels in several European

territories. The distributors keep in mind the idea of concluding a multi-territorial TV sales deal for forthcoming titles in the project.

2. <u>Operating results (Source: rentrak + distributors)</u>

THEATRICAL EXPLOITATION

Territory	Date	Week	Sites	Screens	Weekend admissions	Weekday admissions	Total admissions to date	Final total admissions
Spain	13/09/2013	1	8	8	1 734	3 065	3 065	10 765
Spain	20/09/2013	2	7	7	1 255	2 240	5 305	10 765
Spain	27/09/2013	3	5	5	1 115	1 778	7 083	10 765
Spain	04/10/2013	4	2	2	787	1 233	8 316	10 765
Spain	11/10/2013	5	3	3	599	937	9 253	10 765
Spain	18/10/2013	6	3	3	476	1 235	10 488	10 765
Spain	25/10/2013	7	1	1	277	277	10 765	10 765
Italy	05/09/2013	- 1	-	-	-	486	486	9 948
Italy	12/09/2013	1	8	8	3 179	4 305	4 305	9 948
Italy	19/09/2013	2	7	8	1 504	2 120	6 425	9 948
Italy	26/09/2013	3	8	11	1 265	1 812	8 237	9 948
Italy	03/10/2013	4	1	1	86	116	8 353	9 948
Italy	10/10/2013	5	1	1	87	342	8 695	9 948
Italy	17/10/2013	6	1	1	13	13	8 708	9 948
Italy	24/10/2013	7	1	1	67	254	8 962	9 948
Italy	31/10/2013	8	-	-	-	155	9 117	9 948
Italy	07/11/2013	9	1	1	22	73	9 190	9 948
Italy	14/11/2013	10	-	-	-	169	9 359	9 948
Italy	21/11/2013	11	1	1	226	226	9 585	9 948
Italy	09/01/2014	18	1	1	99	99	9 684	9 948
Italy	30/01/2014	21	-	-	-	13	9 697	9 948
Italy	13/02/2014	23	1	1	251	251	9 948	9 948
Belgium	04/09/2014	1	1	1	-	162	162	1 249
Belgium	11/09/2014	2	3	3	-	385	547	1 249
Belgium	18/09/2014	3	2	2	-	148	695	1 249
Belgium	25/09/2014	4	1	1	-	49	744	1 249
Belgium	continuation	NC	NC	NC	-	-	1249	1 249

Total number of admissions in the 3 territories: 21 962

VOD EXPLOITATION

	Number of platforms	Platforms	Number of VOD/EST transactions: Sept-2013 (i.e. the first 2 weeks of exploitation)	Number of VOD/EST transactions: Sept-Dec 2013 (i.e. the first 15 weeks of exploitation)
FRANCE	7	iTunes, FilmoTV, CanalActive, Orange, SFR, VideoFutur, Google	208	664
ITALY	5	iTunes, MyMovies, Own Air, Chili, Cubovision	405	654
GERMANY	1	iTunes (exclusivity)	86	132
SPAIN	7	iTunes, Yomvi(Canal+), Wuaki, Filmin, Imagenio, Ono, Nubeox	873	1817
BENELUX	6	iTunes (3 stores locaux), Belgacom, UniversCiné, Voo	127	346
TOTAL			**1 699**	**3 613**

NB: for certain platforms we are still awaiting some reports.

VIRAMUNDO by Pierre-Yves Borgeaud

Director: Pierre-Yves Borgeaud (2nd film)
With Gilberto Gil
Nationality: Switzerland / France **- Year:** 2013
Producers: Dreampixies, Urban Factory
Genre: documentary
Festival: Visions du Réel Film Festival 2013

Synopsis: *After decades of sold out shows and international recognition, musician Gilberto Gil embarks on a new kind of world tour through the southern hemisphere. From Bahia, he travels to the land of the Aborigines of Australia and the townships of South Africa, ending in the Brazilian Amazon region. With the same passion, Gil continues the work he began as Brazil's first black Minister of Culture – promoting the power of cultural diversity in a globalized world and sharing his vision for our future: a diverse, interconnected planet filled with hope, exchange… and of course music!*

Distributed by: Alambique (Portugal), BrunBro Films (Benelux), Gutek Film (Poland), Kaunas International Film Festival (Lithuania), Nomad Films (Italy), Urban Distribution (France) & Soda Pictures (Ireland and UK).
International sales: Urban Distribution International

Film proposed by Urban Distribution International as from December2012 among eight other films.

8 day-and-date releases, 1 VOD preview release, 1 direct-to-VOD release

10 territories

- Belgium, France, Ireland, Italy, Lithuania, Luxemburg, Netherlands, Poland, Portugal and United Kingdom.

7 languages

- Dutch, English, French, Italian, Lithuanian, Polish and Portuguese.

26 VOD platforms

- Multiterritorial: iTunes (10 local stores)
- Belgium: UniversCiné
- France: La VoD d'Orange
- Ireland/UK: Curzon-on-demand, Blinkbox, The Guardian
- Italy: MyMovie, Filmit
- Lithuania: Gala
- Netherlands: Universcine
- Poland: Kinoplex
- Portugal: MEO, Vodafone, Screenburn, Vodafone, Optimus, Cabovisao

100 cinemas

1. Marketing

Joint positioning

- **Target audience:** women over 30, world music, interested in cultural, social and environmental questions, not necessarily film fans but keen to watch documentaries…

- **Release dates:** initially fixed before/during summer, but the Benelux distributor preferred to postpone the release to the autumn (Belgium) and benefit from buzz that might be created by the Ghent Festival. The release period thus spanned 19 weeks.

<--- 19-week cycle --->

	Release dates	S16	S17	S18	S19	S23	S24	S25	S26	S27	S28	S29	S30	S33	S34	S46
France*	17/04/2013 (VOD) 08/05/2013 (salle)	VOD			Theatre											
Lux	05/06/2013															
Lithuania	20/06/2013															
Poland	28/06/2013															
Italy	10/07/2013															
UK	26/07/2013															
Ireland	26/07/2013															
N'lands	15/08/2013															
Portugal	22/08/2013															
Belgium	13/11/2013															

* In France, *Viramundo* was released on VOD 3 weeks (17 April) before the theatrical release (8 May) and its VOD preview exploitation ceased the day before theatrical release.

- **Comparisons:**
  - *Buesna Vista Social Club* (1999) by Wim Wenders
  - *Baraka* (1999) by Ron Fricke
  - *Retour à Gorée* (2007) by Pierre-Yves Borgeaud
  - *Benda Bilili* (2010) by Renaud Barret et Florent de La Tullaye
  - *Marley* (2012) de Kevin Macdonald

- **a single visual identity and pooled tools:** the European distributors reached a broad consensus as to the choice of focusing promotion on the cultural and political personality of Gilberto Gil and/or the "world music" angle developed in the documentary. The popularity of Gilberto Gil varies considerably from one country to another: very popular in Portugal but unknown in Poland or Lithuania.

  - a common poster and trailer (France nevertheless chose to adapt the common trailer so as to underline the political personality of Gilberto Gil);

  - a joint participative social media campaign (via geolocalization) based on pooled marketing materials.

In addition, most distributors had focused their local marketing on Gilberto Gil and his participation in local events (concerts, interview, etc.). But unfortunately his tour schedule did not allow him to respond to all these demands.

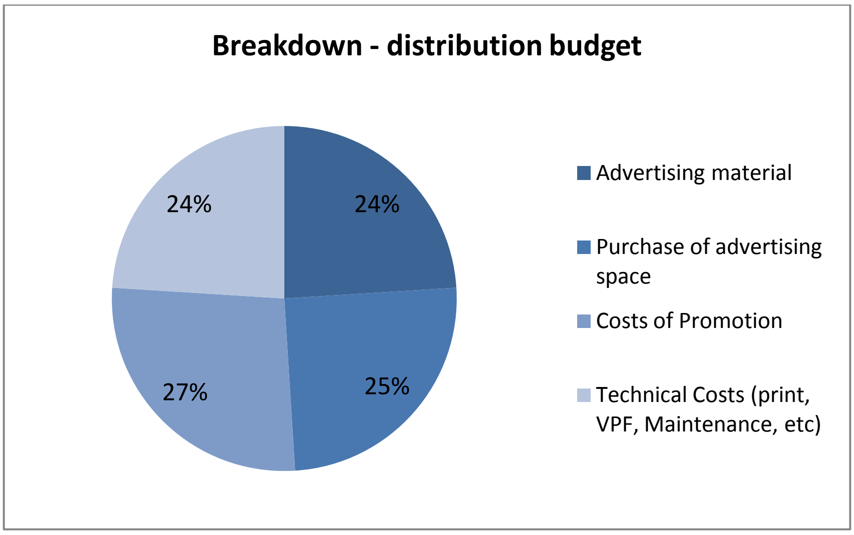
Local promotion campaigns (and cross-border tools):

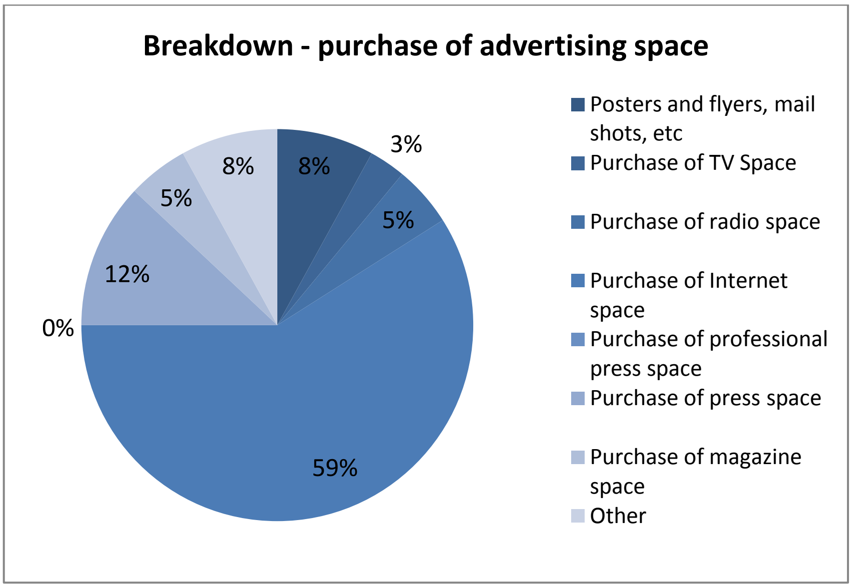
In most countries promotion was based on a fairly traditional model:

- juxtaposition of two parallel strategies, each linked to one platform, with no real pooling,
- a strategy oriented more towards the theatre than towards VOD

Nevertheless in several countries these unusual releases enabled distributors to form partnerships with local VOD platforms. Thus, in Poland and Lithuania (countries where it was perhaps difficult to change the habits of web users, accustomed to Internet piracy) communication actions were undertaken jointly by the platforms and the distributors.

- Breakdowns – Distribution Budget (forecast budget)





2. Operating results

Theatres (sources: information from distributors and Rentrak)

	NUMBER OF WEEKS OF EXPLOITATION (TOTAL)	NUMBER OF CINEMAS (1st WEEK)	NUMBER OF CINEMAS (TOTAL)	NUMBER OF ADMISSIONS 1st week	NUMBER OF ADMISSIONS 4th week	NUMBER OF ADMISSIONS 8th week	TOTAL NUMBER OF ADMISSIONS	TOTAL GROSS BOX-OFFICE
France	16	9	42	1 405	2 650	3 259	**3 583**	**17 446.11€**
Poland	7	12	18	323	767	924	**924**	**3 082.64€**
Portugal	2	3	3	321	451	-	**451**	**3 858.44€**
Italy	3	6	8	195	343	-	**343**	**2 062.00€**
Lithuania	9	3	7	495	583	610	**659**	**850.33€**
UK	5	1	7	16	100	-	**118**	**1 379.10€**
Netherlands	4	5	7	-	-	-	**413**	**3 016.55€**
Belgium	2	4	7	-	-	-	**555**	**2 956.00€**
Luxemburg	1	1	1	-	-	-	**170**	**900€**
Total		**44**	**100**	**2 755**	**4 894**	**4 793**	**7 294**	**35 551.17€**

VOD (sources: information from distributors and VOD aggregator)

	NUMBER OF PLATFORMS	PLATFORMS	AUDIENCE FIRST 4 WEEKS (NUMBER OF RENTALS)	AUDIENCE FIRST 8 WEEKS (NUMBER OF RENTALS)	TOTAL AUDIENCE (NUMBER OF RENTALS)	TOTAL GROSS VOD INCOME
France	2	La VoD d'Orange, iTunes	277	-	**277**	**1 815,14€**
Poland	2	Kinoplex, iTunes	14	19	**28**	**73.71€**
Portugal	7	MEO, Vodafone, Screenburn, Vodafone, Optimus, Cabovisao, iTunes	208	266	**291**	**895.66€**
Italy	3	MyMovie, Filmit, iTunes	135	195	**251**	**1 301.78€**
Lithuania	2	Gala, ITunes	129	145	**170**	**492.35€**
UK/Ireland	4	Curzon-on-demand, Blinkbox, The Guardian, iTunes	37	39	**48**	**449.84€**
Netherlands	2	Universcine, iTunes	113	133	**142**	**583.06€**
Belgium	2	Universcine, iTunes	112	131	**134**	**445.58€**
Luxemburg	1	iTunes	0	0	**0**	**0.00€**
Total			**1 025**	**1 205**	**1 368**	**6 057.13€**

UK Exit Polls - Summary

EDAD / Bastards (Les Salauds)

> Project Details

> Methodology:

Self-completion questionnaires were handed out to audience members as they entered the auditorium and were completed at the end of the screening.

> Fieldwork:

The following show times were covered on Saturday 15th February 2014 (opening weekend in the UK):

Curzon, Soho (London) .... 18:45 ; 21:05

Bristol Watershed (Bristol) 20:30

> Completion rate:

Across the screenings, a 89% completion rate was achieved.

> Sample Sizes:

Soho 65

Bristol 35

TOTAL 100

> Results

> Sample Profile:

The sample for these opening weekend exit polls of BASTARDS had a slight male skew (53% vs. 47% female), with an average age of 42 years. Most attended with their partner (41%) and were frequent cinema-goers, with an average attendance of at least once a month (64%).

> Ratings:

BASTARDS was met with a muted response – 12% rated the film 'excellent', less than half the 30% UK norm. In line with ratings, 'definite' recommendation was also soft, with 20% recommending the film to friends (vs. 50% norm).

> Day-and-date:

A fourth were aware that BASTARDS was available to be seen immediately on Video on Demand (26%).

Of those who were aware, most claimed that they prefer the cinema experience in general (70%): A third (35%) wanted to see the film on a 'bigger screen,' with many drawn in by better sound quality (30%) and a higher quality screen (22%). Besides the cinema experience, around a further third wanted 'to have a night out' instead of watching it at home (35%).

Amongst respondents who were not previously aware, less than a fifth (16%) would consider watching it at home rather than at the cinema.

THE TIDE EXPERIMENT/*Viramundo*

> Definition	Survey of spectators of the film *Viramundo* in Paris concerning the project "The Tide Experiment"
> Methodology	Self-administered questionnaire
> Number of questions	10
> Polling period	from Saturday 11 to Wednesday 15 May 2013
> Terrain	Cinemas screening the film *Viramundo*
> Cinemas	3 parisian theatres
> Screenings	13:15, 13:50, 14:00, 17:30, 21:30, 19:00
> Number of respondents	151

>> The sample interrogated is composed of regular cinema-goers, 60% of whom go to the cinema one or several times a week.

>> While fewer than one in ten stated that they knew *Viramundo* was available on VOD three weeks before its release in theatres, more than four out of ten nevertheless said that they might be interested in this VOD offering.

>> Spectators who answered YES to the question "*Did you know the film was available on VOD three weeks previously?*" prefer to see a film in the theatre rather than on VOD for "the viewing conditions" (100%), "because nothing can replace the cinema" (38%). They are interested in the simultaneous offering to see recent films (63%), to have greater choice (25%) and to see films not programmed in their usual cinema (25%).

>> Among spectators who did not know that *Viramundo* was available on VOD before its release, but who would have been interested in this offering, 88% prefer to see a film in the theatre rather than on VOD for "the viewing conditions" and 34% "because nothing can replace the cinema". They are interested in the simultaneous offering to see recent films (78%), to have greater choice (34%) and to see films not programmed in their usual cinema (28%).

>> A trend is nevertheless apparent: the more people go regularly to the cinema, the more aware they are, and the more aware they are, the more open they are to the idea of VOD. However to validate this interest VOD must offer very recent films, or even give preview access to films.

>> This study tends to show that spectators for the film *Viramundo* would in any case not have opted for the VOD offering if they had had the possibility, thus eliminating the idea of possible cannibalization between theatre and VOD.

> Definition	Survey of spectators of the film *Magnifica Presenza* in Paris concerning the project "The Tide Experiment"
> Methodology	Self-administered questionnaire
> Number of questions	10
> Polling period	from Friday 2 to Sunday 4 August 2013
> Terrain	Cinemas screening the film *Magnifica Presenza*
> Cinemas	3 parisian cinemas
> Screenings	12:00, 13:30, 14:00, 18:00, 20:00, 22:00
> Number of respondents	244

>> Nearly half (47%) of the survey sample is composed of older viewers 50 years and older.

>> The audience interrogated, mainly composed of film fans, is strongly attached to seeing films in theatres, which remains it first choice (73%), especially for the conditions of screening (74%)

>> It can be noted nonetheless that the possibility of a Day & Date offering generates genuine interest. Almost half the people questioned in the 35-50 age group answered "YES, perhaps", to the question *Might you have been interested in this VOD offering?* More than a third of the 25-34-year-olds questioned said they were interested in this VOD offering.

>> This is based on the need to improve access to films, and clearly raises the question of the rate of rotation of prints. The interest of spectators in the simultaneous theatre/VOD offering appears above all to be a solution making it possible to see films that remain programmed for too short a time (56%) or films to which they would not have access in their regular cinema (22%).

>> The results of our survey tend to show that one cannot talk of a risk of theatre/VOD cannibalization in the case of a film like *Magnifica Presenza*, since the two modes are not founded on the same original motivation.

> Definition	Survey of spectators of the film *For those in peril* in Paris concerning the project "The Tide Experiment"
> Methodology	Self-administered questionnaire
> Number of questions	10
> Polling period	from Wednesday 12 to Saturday 15 February 2014
> Terrain	Cinemas screening the film *For those in peril*
> Cinemas	3 parisian cinemas
> Screenings	13:20, 14:00, 15:20, 15:45, 18:00, 18:45, 20:05, 20:15, 20:30, 22:15
> Number of respondents	262

>> The audiences interrogated during this survey are composed mainly of regular cinema-goers who are very much attached to seeing films in cinemas.

>> While a significant proportion (25%) of the audience admitted to being interested in the Day & Date theatre/VOD offering, this relates mostly (and in all circumstances) to films that people would not have gone to see during their exhibition in a cinema: 61% for "recent films which often disappear from the programme before I have had time to see them", and 24% for "films that are not programmed in my usual cinema".

>> Although aware of the almost-simultaneous release on VOD informed spectators chose the cinema massively for one reason, that is the viewing conditions (83%). Similarly, more than 60% of spectators interrogated declare an exclusive preference for the cinema ("Nothing can replace the cinema" + "What I like is going to the cinema").

>> 50% of VOD consumers are not interested in a VOD offering like that proposed for *For those in peril*. While one third of them declare that they might potentially be interested in this offering, it would once again be for films that they had not had time to see during their theatrical exploitation (78%) or films not programmed in their usual cinema (29%).