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FOCUS 2010

World Film Market Trends
Tendances du marché mondial du film

MARCHÉ DU FILM
FESTIVAL DE CANNES

focus 2010

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OBSERVATOIRE EUROPÉEN DE L'AUDIOVISUEL
EUROPEAN AUDIOVISUAL OBSERVATORY
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Editorial

With its key indicators, *FOCUS 2010* gives you a complete overview of the film industry worldwide, and highlights new and up-and-coming areas such as Latin America and the Middle East.

It is an indispensable guide to understanding the undercurrents and changes in the international market, in a context where it has become vital to anticipate changes as they happen, to adjust strategies.

Jérôme Paillard
Executive Director

Le *FOCUS 2010* vous offre, avec ses indicateurs clés, une vue d'ensemble de l'industrie du cinéma mondiale, et met en valeur de nouveaux territoires en pleine expansion, comme l'Amérique Latine ou le Moyen-Orient.

Un guide indispensable pour comprendre les courants et les évolutions du marché international, dans un contexte où il devient indispensable d'anticiper les mutations en cours pour ajuster ses stratégies.

Jérôme Paillard
Directeur Délégué

FOCUS 2010 World Film Market Trends, appears for the thirteenth consecutive year. We are pleased to collaborate once again with the Marché du Film and value highly our work together.

Wolfgang CLOSS
Executive Director
European Audiovisual Observatory

FOCUS 2010, Tendances du marché mondial du film, paraît pour la treizième année consécutive. Nous nous réjouissons de cette collaboration avec le Marché du Film, à laquelle nous portons toute l'estime qu'elle mérite.

Wolfgang CLOSS
Directeur exécutif
Observatoire européen de l'audiovisuel

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➡ *Site Internet (http://www.obs.coe.int)*

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LEAD ARTICLE

Public Aid for Digital Cinema

The Lead Article takes a look at the legal questions raised by public support mechanisms aimed at facilitating the digitisation of cinemas. It looks at the legal construction and problems of three different variants of national funding schemes and at the EU law with which these constructions eventually need to comply. It also describes two state aid schemes that have already been approved by the EU Commission and a tax incentive scheme currently under investigation. Finally, the Lead Article points the way ahead by explaining ongoing policy and funding activities of the EU.

- **Digital Cinema**
- **State Aid for the Digitisation of Cinemas**
- **EU Actions**

RELATED REPORTING

Reality Check for Digital Roll-out

The Related Reporting supplements the information contained in the Lead Article and compares EU policy with the reality of promoting (or struggling with) digital cinema in various countries.

- **Aims and Concerns**
- **Spring Boards**
- **Stumbling Blocks**

ZOOM

Market Data

The Zoom section equips you with a solid understanding of the market of commercial digital cinema screens and sites by providing concrete figures on their country by country development in Europe.

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Saving Na'vi cinemas

The pace of cinema digitisation in Europe is undoubtedly quite surprising. Ten years after the unveiling of the first equipment, it seemed to be very slow but, to the surprise of many, accelerated in the latter half of 2009. According to Screen Digest, the number of digital screens worldwide went up by 89% in 2009 and represented about 15% of all modern screens at the end of December.

The role of James Cameron's film *Avatar* in this development is undeniable. What is paradoxical about this pleasantly ecological film is that it is in fact itself, the terrible weapon of the logic that it illustrates: the destructive efficiency of technologies once blindly unleashed on traditional environments. At this point in time, many European cinema professionals suddenly feel just as threatened as the Na'vi in *Avatar*.

Various elements have contributed to this acceleration of the digitisation process: the designation of the DCI format as the international standard, the development and propagation of the Virtual Print Fee (VPF) model by which distributors contribute, through third-party investors, to financing the digitisation of cinemas, and the arrival of 3D, which finally provided exhibitors with a commercial argument by offering the public a new cinema experience. The history of the cinema teaches us that major innovations become fairly quickly established throughout the world cinema system as soon as the costs are borne by the majors and the big cinema networks. The move to digital is now clearly underway and it is impossible to see anything that could stop it.

There is no reason to doubt that the digitisation of distribution is a step in the right direction. Like the development of multiplexes around ten years ago, the DVD and, more recently, Blu-ray and video on demand, digital cinema is an aspect of the modernisation of distribution that helps to keep the industry in good health.

However, this enthusiasm must not blind us to the risks inherent in the transition. These risks are obvious as far as something dear to the hearts of cinema professionals, *cinéphiles* and cinema policy-makers worthy of the name is concerned: the existence of a network of independent cinemas that ensure the diversity of the films offered and the circulation of minority interest works – European films and films originating from production and distribution channels other than the Hollywood based companies, such as Asian, Indian, South American and African films and independently produced films from North America or Oceania.

The conference entitled "The independent exhibition and the challenges of digitisation" organised in Barcelona (4-6 March 2010) by the Spanish presidency of the European Union served to highlight the concerns of independent exhibitors and the difficulties in introducing national or European policies. (1) The participants agreed that it was preferable for the transition process to be as short as possible since it led to cost duplication and therefore delayed achieving the economies of scale that could be generated for the benefit of the financially weakest.

Risk assessments for the film exhibition sector in the European Union have been produced by the European Investment Bank, according to whose figures 4.4% of screens are already digitised without recourse to the VPF. In most cases, these are screens belonging to certain major circuits that have decided to finance their transition themselves. About 5 400 screens out of 30 185 (or approx.17%) are allegedly unable to access the VPF system. However, this estimate presupposes that the integrators' rollout potential has been fully achieved. The integrators have already signed agreements for 4.7% of screens and are in negotiations with distributors for another 15.2%. In addition to the 17% considered at risk, there are accordingly more than 17 500 cinemas (or 58%) for which the validity of the VPF model still has to be demonstrated. This means there are considerable uncertainties. The financial situation of the third party integrators is not under discussion here but it seems clear that these new players are dependent on access to bank loans, which has been made more difficult by the crisis.

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(1) All the documents, speeches and conclusions of the conference are available at the Spanish Presidency's website: http://en.www.mcu.es/MC/PresidenciaUE2010/Conferencias/ImpactoTecnologia.html

Links to sources of information and reference documents can be found at the European Audiovisual Observatory's website: http://www.obs.coe.int/medium/digitalcinema_europe_links.html

In this context, it is now admitted that the VPF model, in its different guises, is not universal and that alternative models need to be developed. The ideal is clearly for the exhibitors to be able to finance the transition themselves, which would potentially strengthen their programming autonomy. However, there can be no doubt at all that the fact that investment capacities are often limited and the VPF model is not systematically applicable constitutes a failure of the market that justifies public intervention. It is against this background that public bodies at the European, national, regional and local levels are trying to come up with solutions to support the transition. In September 2009, the Council of Europe Committee of Ministers adopted a recommendation on national film policies, which states in particular that *"public policies should urgently and proactively take into account the need to support the emergence of business models for digital film and the development of new platforms and services for European cinema. Such models should respect the diversity and specificity of cinemas in Europe and of their programming, and make sure that distributors keep control of release plans. Models should also ensure that all theatres wishing to engage in such a 'digitisation process' can do so in a co-ordinated way, and within a reasonable timeframe. European participation in the ongoing international digital cinema standards definition process should be strengthened and enforcement of these standards should be ensured."*

The Barcelona conference illustrated the diversity of the solutions explored:

- At the European level, the European Commission launched a consultation of professionals in late 2009. The results should lead to the publication by the Commission of a Communication on Opportunities and Challenges for European Cinema in the Digital Era and the incorporation next autumn within the MEDIA 2007 Programme of a new support scheme for the digitisation of cinemas offering substantial European programming. Possible funding is also available, under certain conditions, through the structural funds, which involves the presentation of dossiers by the regions and not the exhibitors. The European Investment Bank is also starting to become involved. In the first instance, it is supporting the market solutions by facilitating access to funding (especially for the integrators). It then envisages becoming involved by supporting the other European and national public initiatives to assist with the transition those cinemas that are unable to access the VPF model.
- At the national level, several support schemes are already in operation. In the United Kingdom, the UK Film Council launched its Digital Screen Network scheme in 2005. In Norway, the Film&Kino network of municipal cinemas launched its scheme in 2006 and negotiates VPF agreements directly with the majors. In Finland, the new measures for supporting the cinema industry, which were approved by the European Commission in 2008, include aid for cinema digitisation. In Sweden, the Swedish Film Institute launched a pilot project to support the digitisation of 28 cinemas in 2009. In the Czech Republic, the State Fund for Support and Development of Cinematography launched a support programme in 2009. In Slovakia, a new fund was created in December 2009. In the Netherlands, in February 2010, the new Eye Film Institute has assigned the implementation of a project to PriceWaterhouse and this should commence in July 2010.
- At the regional level, the *Land* of Bavaria set up a support system in 2009. In Poland, the region of Małopolska (Cracow) has succeeded in obtaining aid from the Community structural funds as part of a project to develop tourism and the cultural industries.
- At the local level, there are a few municipalities that provide support for the digitisation of cinemas located in their area.

In several countries, support schemes have run up against political or legal difficulties. [2] In Germany, negotiations on the implementation of a support scheme worth 40 million euros, proposed in June 2009 by the Federal Film Board (Filmförderungsanstalt – FFA), was rejected in November 2009 by the federation of exhibitors, which does not accept the principle of this support being offered in exchange for the withdrawal of the exhibitors' complaint to the Federal Constitutional Court concerning their alleged unequal treatment: their contribution to the funding of the FFA is compulsory, whereas that of the television broadcasters is voluntary. In Italy, the tax credit plan proposed by the government in 2009 for the installation of digital projection equipment is being investigated by the European Commission's DG Competition. At the beginning of April 2010, the Commission had not yet issued its opinion. Finally,

(2) For a detailed analysis of the legal aspects of this question, see Digital Cinema, IRIS Plus, European Audiovisual Observatory, April 2010.

in France the plan for a mutual fund drawn up by the CNC in 2009 has had to be abandoned in response to the Opinion of the Competition Authority, which held that the system would have caused significant distortion of the market for funding the transition. The CNC was therefore forced to propose an alternative plan in March 2010.

The procedure opened by the Commission on the Italian case is particularly important for the whole of Europe: the Commission has to assess the compatibility of tax credits for exhibitors with Article 83(3)(c) of the EC Treaty or with the exception in the case of aid to promote culture provided for by Article 87(3)(d). The Commission accordingly has to check the need for the aid as well as its proportionality and relevance. The various comments sent to the Commission by the national agencies and professional bodies tend to support the need for public assistance and agree that the Italian government's proposal is appropriate.

The focus of the European debate is on the support available to film exhibition companies to enable them to finance their equipment. However, the impact of the transition on the different areas of the sector should not be underestimated: not only the impact on the technical industries – we are likely to witness the disappearance of print production facilities in a few years' time – but also on distribution and production. The rapid increase in cinema digitisation that took place in the second half of 2009 is forcing the independent distributors and sales agents to speed up making their own strategic choices. At the same time, the political and legal uncertainties affecting the transition timetable of the independent cinemas is a destabilising factor. The very nature of the business of managing the scarcity of prints is about to change, since digitisation will radically alter ways of accessing films. These uncertainties as far as distribution is concerned are clearly having an impact at the level of independent production, which is also going to be hit by the additional costs involved during the transition period and will probably also be affected by the uncertainties of the timetable. (3) All this will be compounded by the difficulty in Europe in responding to the announced flood of productions in 3D, a technology that requires big development and production budgets if it is to be successfully exploited. Some European producers of animated films are taking risks in this area but the market share effects produced by Hollywood observed in 2009 and the first quarter of 2010 are likely to continue in the months and years ahead.

It seems urgent that the European film industry emerge from the present confusion and for a timetable for completing the transition to be determined by mutual agreement between the parties. It is striking to compare the methods employed for the digital transition in the cinema sector with those of the television sector, where Europe has succeeded in laying down its standards, regulatory framework and transition timetable, with transition already completed in some countries and proceeding smoothly in most of the others. As far as the cinema is concerned, Europe has had no alternative but to adopt *de facto* the DCI standard chosen by the American distributors and registered as ISO standard, and it is still very difficult to establish common legal rules and a timetable. European television is a sector dominated by a few big private and public groups with significant planning and investment capabilities, and the issue of the release of spectrum used for analogue transmission has stirred the institutions and economic players into action. Despite the existence of a number of integrated groups, the European cinema sector, whether it be production, distribution or film exhibition, is still essentially one made up of micro- or even nano- companies with low profitability and weak investment capabilities.

It may be this structural fragility that accounts for the charm and romanticism of European film industry. This fragility, creative and rich in many different talents, enables it to lay claim to being an alternative to the Hollywood model, which, despite everything, is still dominated by planning and rationalisation. However, if Europe wants to continue to offer the world the wealth of its cinema, it is important for it to succeed in bringing about mutual co-operation between all the sector components, both public and private, in order to ensure a smooth transition. We believe this applies all the more because the digital surge definitely poses a threat to other Na'vi tribes worldwide whose resistance and investment capabilities are still weak and because the alternative European model is being monitored with great interest in other parts of the world.

André Lange

Head of the Department for Information on Markets and Financing
European Audiovisual Observatory

(3) It should be noted that the Council of Europe's Eurimages Fund offers producers financial assistance for the production of digital masters.

Saving Na’vi cinemas

Il faut en convenir : le rythme de la numérisation des salles en Europe est assez surprenant. Dix ans après la présentation des premiers équipements, celui-ci paraît à la fois très lent, et, cependant, l’accélération survenue au second semestre 2009 a surpris. Selon Screen Digest, le nombre des écrans numérisés dans le monde a augmenté de 89 % en 2009 et représentait fin décembre 2009 environ 15 % des écrans modernes.

Le rôle du film *Avatar* de James Cameron dans ce développement est indéniable. Le paradoxe de ce film gentiment écologiste est qu’il est en fait l’arme terrible de la logique qu’il illustre : la terrible efficacité destructrice des technologies pour bouleverser les environnements traditionnels, dès lors qu’elles sont propulsées de manière aveugle. Dans cette période, beaucoup de professionnels européens du cinéma se sentent brusquement aussi menacés que les Na’vi d’*Avatar*.

Divers éléments ont contribué à cette accélération : la définition du format DCI comme norme internationale, la mise au point et la propagation du modèle de la Virtual Print Fee (VPF) par lequel les distributeurs, via la médiation de tiers investisseurs, contribuent au financement de la numérisation des salles et l’arrivée de la 3D qui a enfin fournit un argument commercial aux exploitants en proposant au public une expérience nouvelle en salles. L’histoire du cinéma nous enseigne que les innovations majeures, dès lors qu’elles sont prises en charge conjointement par les majors et par les grands réseaux d’exploitants, s’imposent plus ou moins rapidement à l’ensemble du système cinématographique mondial. Le mouvement est à présent lancé, de manière indubitable, et on ne voit pas ce qui pourrait l’arrêter.

Que la numérisation de la distribution constitue un progrès positif, il n’y a pas lieu d’en douter. Comme le développement des multiplexes il y a une dizaine d’années, du DVD et, plus récemment du Blu-Ray et de la vidéo à la demande, le cinéma numérique est un élément de modernisation de la distribution qui bénéficie à la bonne santé de l’industrie.

L’enthousiasme, cependant, ne doit pas être aveugle. La transition comporte ses risques et ceux-ci sont évidents pour ce qui tient le plus à cœur des professionnels du cinéma, des cinéphiles et des responsables de politiques cinématographiques dignes de ce nom : l’existence d’un tissu de salles indépendantes assurant la diversité de l’offre, la circulation de ces œuvres généralement minoritaires que sont les films européens et les films issus des filières de production et de distribution autres que les filières hollywoodiennes, films asiatiques, indiens, sud-américains, africains, mais aussi films de production indépendante d’Amérique du Nord ou d’Océanie.

La Conférence “The independent exhibition and the challenges of digitization” organisée à Barcelone (4-6 mars 2010) par la Présidence espagnole de l’Union européenne a permis de mettre en évidence les inquiétudes des exploitants indépendants et les difficultés de mettre en place des politiques nationales ou européennes [1]. Les participants ont convenus qu’il était préférable que le processus de transition soit le plus court possible, dans la mesure où il engendre des doubles coûts, retardant ainsi les bénéfices d’échelle qui pourraient être engendrés au bénéfice des plus faibles.

Les évaluations des risques pour le secteur de l’exploitation de l’Union européenne ont été chiffrées par la Banque européenne d’investissement. Selon celle-ci, 4,4 % des écrans sont déjà numérisés sans recours à la VPF. Dans la plupart de cas, il s’agit d’écrans appartenant à certains grands circuits qui ont décidé de financer eux-mêmes leur transition. Environ 5400 écrans sur 30 185 (soit environ 17 %) ne seraient pas en mesure d’accéder au système de la VPF. Encore cette estimation suppose t’elle que le potentiel de déploiement des intégrateurs soit totalement atteint. Ceux-ci ont déjà signé des accords pour 4,7 % des écrans, sont en négociation avec les circuits pour 15,2 %. En plus des 17 % considérés à risque, il reste donc plus de 17 500 salles (soit 58 %) pour lesquelles la validité du modèle VPF reste à démontrer. C’est dire que les incertitudes sont importantes. On notera que la situation financière des tiers intégrateurs n’est pas débattue, mais il paraît évident que ces nouveaux acteurs sont tributaires de l’accès au crédit bancaire, rendu plus difficile par la crise.

Dans ce contexte, il est maintenant admis que le modèle de la VPF, dans ses différentes variantes, n’est pas universel et que des modèles alternatifs sont à élaborer. L’idéal est évidemment que les exploitants puissent financer eux-mêmes la transition, ce qui est de nature à renforcer leur autonomie de programmation. Cependant, le fait que les capacités d’investissements soient souvent faibles et que le modèle de la VPF ne soit pas systématiquement applicable constitue sans aucun doute une défaillance du marché, justifiant des interventions publiques.

C’est dans ce contexte que les pouvoirs et organismes publics européens, nationaux, régionaux, locaux tentent d’élaborer des solutions pour aider à la transition. En septembre 2009, le Comité des Ministres du Conseil de l’Europe a adopté une Recommandation sur les

1) L’ensemble des documents, interventions et conclusions de la Conférence sont disponibles sur le site de la Présidence espagnole : http://en.www.mcu.es/MC/PresidenciaUE2010/Conferencias/ImpactoTecnologia.html
On trouvera également un ensemble de liens vers les sources d’information et documents de références sur le site de l’Observatoire européen de l’audiovisuel : http://www.obs.coe.int/medium/digitalcinema_europe_links.html

politiques d'aide au cinéma qui stipule notamment que « *Les politiques publiques devraient tenir compte de façon urgente et proactive de la nécessité de favoriser l'émergence de modèles commerciaux adaptés au cinéma numérique et le développement de nouvelles plates-formes et de nouveaux services pour le cinéma européen. Ces modèles devraient respecter la diversité et les spécificités des salles de cinéma en Europe, y compris leur programmation, et garantir que les distributeurs gardent le contrôle sur les plans de sortie des films. Ils devraient aussi permettre de veiller à ce que toutes les salles souhaitant se lancer dans un « processus de numérisation » puissent le faire de manière coordonnée et dans un délai raisonnable. Il faudrait renforcer la participation des Européens au processus international en cours qui devrait déboucher sur la définition de normes pour le cinéma numérique, et veiller à l'application de ces normes.* »

La conférence de Barcelone a illustré la diversité des solutions explorées :

- Au niveau européen, la Commission européenne a lancé une consultation fin 2009 auprès des professionnels. Les résultats de cette consultation devraient conduire à la publication par la Commission d'une Communication sur les opportunités et défis pour cinéma européen à l'ère du numérique ainsi qu'à la mise en place à l'automne prochain au sein du programme MEDIA 2007 d'un nouveau mécanisme de soutien à la numérisation des salles de cinéma proposant une large programmation de films européens. Des possibilités de financement existent également, sous certaines conditions, à travers les fonds structurels, ce qui implique une introduction des dossiers par les régions et non par les exploitants. La Banque européenne d'investissement commence elle aussi à intervenir. Dans un premier temps, elle soutient les solutions issues du marché, en facilitant l'accès au financement (notamment pour les intégrateurs. Dans un second temps, elle envisage d'intervenir en soutenant les autres initiatives publiques européennes et nationales visant à favoriser la transition pour les salles qui ne peuvent accéder au modèle de la VPF.

- Au niveau national, plusieurs plans de soutien sont déjà opérationnels. Au Royaume-Uni, le UK Film Council a lancé en 2005 son programme « Digital Screen Network ». En Norvège, le réseau de salles municipales Film&Kino a lancé son programme en 2006 et négocié directement des accords de VPF avec les majors. En Finlande, les nouvelles mesures de soutien à l'industrie cinématographique, validées par la Commission européenne en 2008, incluent des mesures de soutien à la numérisation des salles. En Suède, le Swedish Film Institute a lancé en 2009 un projet visant à soutenir la numérisation de 28 salles.
  En République tchèque, le State Fund for Support and Development of Cinematography a lancé un programme de soutien en 2009. En Slovaquie, un nouveau fonds a été crée en décembre 2009. Aux Pays-Bas, en février 2010, le nouveau Eye Filminstitute a confié à PriceWaterhouse la mise en œuvre d'un projet, qui devrait commencer en juillet 2010.

- Au niveau régional, le Land de Bavière a créé un système de soutien en 2009. En Pologne, la région de Małopolska (Cracovie) a réussi à obtenir un soutien des Fonds structurels communautaires intégré dans un projet de développement du tourisme et des industries culturelles.

- Au niveau local, ici et là, des municipalités interviennent pour soutenir la numérisation de salles implantées sur leur territoire.

Dans plusieurs pays, les programmes d'aide ont rencontré des difficultés politiques ou juridiques [2]. En Allemagne, les négociations sur la mise en œuvre du projet de soutien à un niveau de 40 millions d'euros, proposé en juin 2009 par la FFA a été rejeté en novembre 2009 par la fédération des exploitants. Celle-ci n'accepte pas le principe qui cette aide soit proposée en échange du retrait de la plainte des exploitants devant la Cour fédérale constitutionnelle, au sujet de l'inégalité de traitement dont ils pensent être victimes : leur contribution au financement de la FFA est obligatoire, tandis que celle des diffuseurs de télévision est volontaire. En Italie, le projet de crédit d'impôt proposé en 2009 par le gouvernement pour l'installation d'équipements de projection numérique fait l'objet d'une investigation par la DG Concurrence de la Commission européenne. Début avril 2010, la Commission n'avait pas encore remit son avis. Enfin, en France, le projet de fonds de mutualisation élaboré par le CNC en 2009 a dû être abandonné suite à l'Avis de l'Autorité de la concurrence, qui a considéré que ce système aurait induit une distorsion importante sur le marché du financement de la transition. Le CNC a donc du proposer un projet alternatif en mars 2010.

La procédure ouverte par la Commission sur le cas italien revêt une importance toute particulière pour l'ensemble de l'Europe : la Commission doit en effet apprécier la compatibilité des crédits d'impôts en faveur des exploitants avec l'article 83, alinéa 3 (c) du Traité CE ou avec l'exception culturelle prévue à l'article 87, alinéa 3 (d).

2) Pour une analyse détaillée des aspects juridiques de cette question, voir *Le cinéma numérique*, IRIS *Plus*, Observatoire européen de l'audiovisuel, Avril 2010

La Commission doit donc vérifier la nécessité, la proportionnalité et la pertinence de l'aide. Les divers commentaires envoyés à la Commission par les agences nationales et les organisations professionnelles tendent à soutenir la nécessité des interventions publiques et la pertinence de la proposition du gouvernement italien.

Le soutien aux entreprises d'exploitation en vue de leur permettre le financement de leurs équipements est au cœur du débat en Europe. Encore ne faudrait-il pas sous-estimer l'impact de la transition pour les autres branches du secteur : les industries techniques, puisque l'ont devrait assister en quelques années à la disparition de l'activité de tirage de copies, mais aussi la distribution et la production. Pour les distributeurs indépendants et les agents de vente, l'accélération de la numérisation des salles intervenues au second semestre 2009 les oblige à accélérer leurs choix stratégiques. En même temps, les incertitudes politiques et juridiques sur le calendrier de la transition pour les salles indépendantes constituent un facteur déstabilisant. La nature même de leurs activités, qui était de gérer la rareté des copies, va changer, dès lors que la numérisation modifiera radicalement les possibilités d'accès aux films. Ces incertitudes de la distribution se répercutent évidemment au niveau de la production indépendante. Celle-ci va également être frappée par les surcoûts engendrés par la période de transition et devrait être elle aussi confrontée aux incertitudes de calendrier [3]. S'ajoute à cela la difficulté en Europe de répondre au déferlement annoncé de productions 3D, une technologie qui nécessite pour être maniée avec succès, des budgets de développement et de production importants. Quelques producteurs européens d'animation prennent des risques sur ce terrain, mais les effets de parts de marché par Hollywood, constatés en 2009 et au premier trimestre 2010, risquent de se prolonger dans les mois et les années à venir. A terme, tout le monde en convient, la numérisation devrait engendrer plus de flexibilité sur le marché de la distribution, et donc, en principe, favoriser la diversité. La question de savoir si cette flexibilité doit ou non être encadrée par des mesures de régulation de la programmation (telles qu'elles existent déjà en France, en Espagne ou qu'elles sont envisagées dans le projet italien) divise l'Europe, suivant une ligne assez similaire à celle qui la divisa à la fin des années 80 sur le principe des objectifs de programmation européenne par les chaînes de télévision. Le recours à la programmation de « contenus alternatifs », entendez autres que les films, divise également : en Suède, par exemple, le réseau des salles Digitala Hus le valorise comme enrichissant le dynamisme des salles de campagne, tandis qu'en France les associations professionnelles de producteurs et de distributeurs demandent un encadrement réglementaire d'une pratique jugée dangereuse.

Il paraît urgent que l'industrie cinématographique européenne sorte rapidement du désarroi actuel et qu'un calendrier pour mener à bien la transition soit déterminé de commun accord entre les parties. Il est frappant de comparer les méthodologies de transition vers le numérique du secteur cinématographique avec celui de la télévision. En matière de télévision, l'Europe est arrivée à définir ses normes, son cadre réglementaire et son calendrier de transition : la transition est déjà achevée dans un certain nombre de pays et se passe sans heurts majeurs dans la plupart des autres. En ce qui concerne le cinéma, l'Europe n'a eu d'autre solution que d'adopter *de facto* la norme DCI choisie par les distributeurs américains et l'élaboration d'une doctrine juridique et d'un calendrier reste laborieuse. La télévision européenne est un secteur où dominent quelques grands groupes, privés ou publics, dotés de capacités de planification et d'investissement et l'enjeu de la libération du spectre par la transmission analogique a mobilisé les institutions et les acteurs économiques. En dépit de l'existence de quelques groupes intégrés, le secteur cinématographique européen, qu'il s'agisse de la production, de la distribution et de l'exploitation reste essentiellement un secteur composé de micro, voire de nano entreprises, à la profitabilité et aux capacités d'investissement faibles.

Peut-être est-cette fragilité structurelle fait-elle le charme, le romantisme de l'activité cinématographique européenne. Cette fragilité créative, riche en talents divers, lui permet de s'afficher comme une alternative au modèle hollywoodien, qui, malgré tout reste dominé par la planification et la rationalisation. Mais si l'Europe veut continuer à proposer au monde la richesse de son cinéma, il est important qu'elle réussisse la concertation entre toutes les composantes du secteur, publiques et privées, en vue de maîtriser et de rendre opérationnelle une transition sereine. Ceci nous paraît d'autant plus vrai que la déferlante numérique menace certainement d'autres peuplades Na'vis à travers le monde, dont les capacités de résistance et d'investissement sont encore plus faibles et que le modèle alternatif européen est suivi avec attention dans les autres parties du monde.

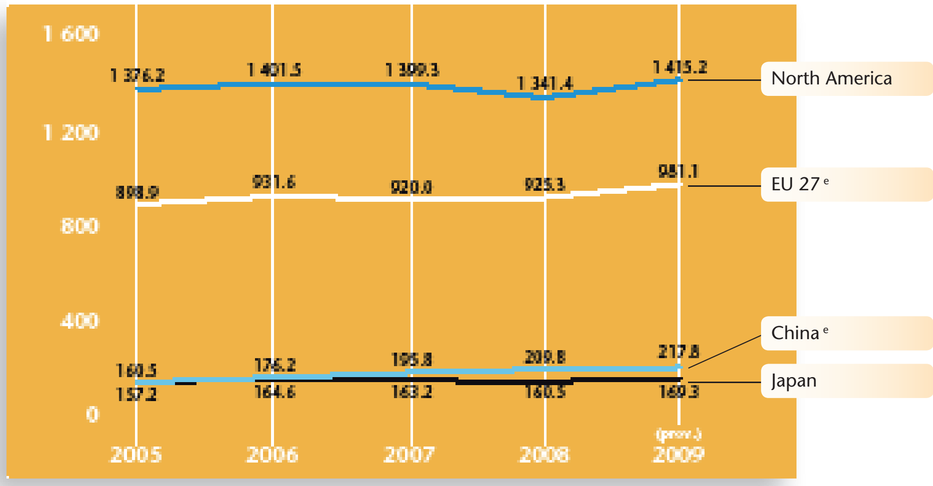
André Lange
Responsable du Département Information sur les marchés et les financements
Observatoire européen de l'audiovisuel

3) Notons que le Fonds Eurimages du Conseil de l'Europe propose une aide à la numérisation des copies qui s'adresse aux producteurs.

Admissions | 2005-2009

In millions.

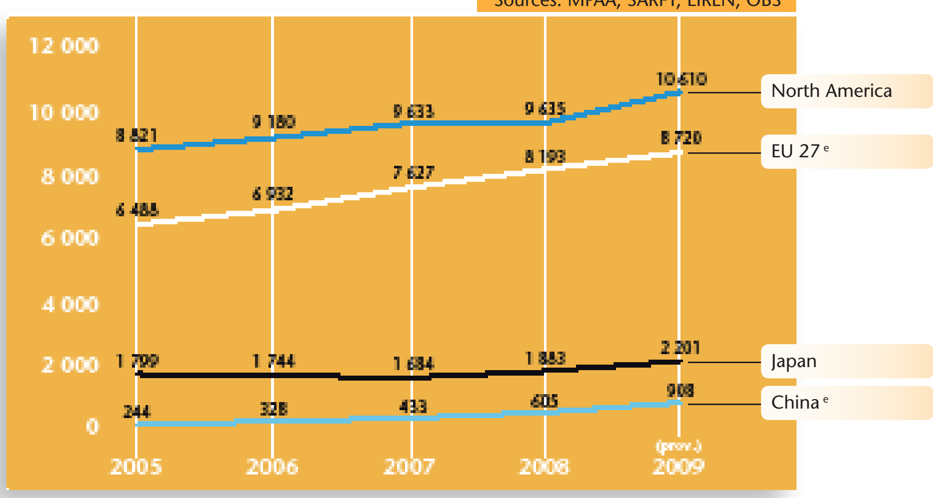
Sources: MPAA, OBS, EIREN, Screen Digest



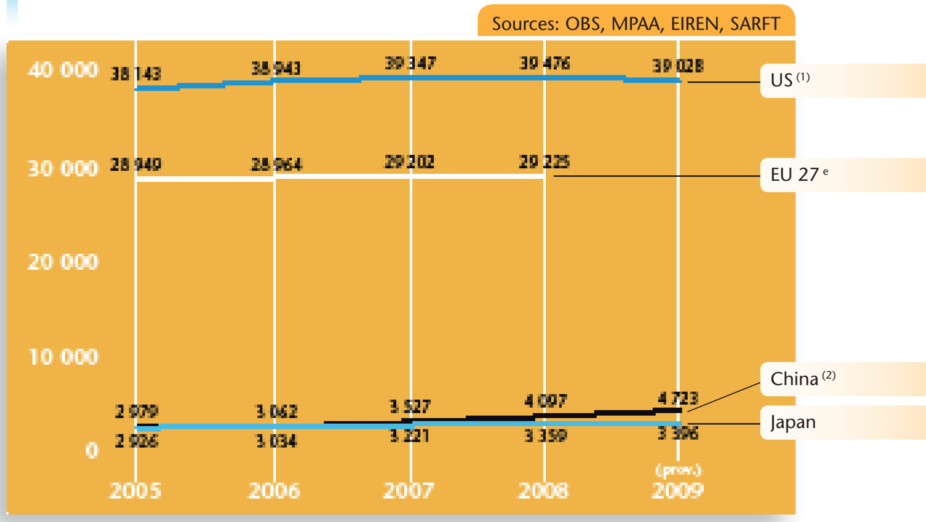
Gross box office | 2005-2009

In USD million. National currencies converted at average annual interbank exchange rates.

Sources: MPAA, SARFT, EIREN, OBS



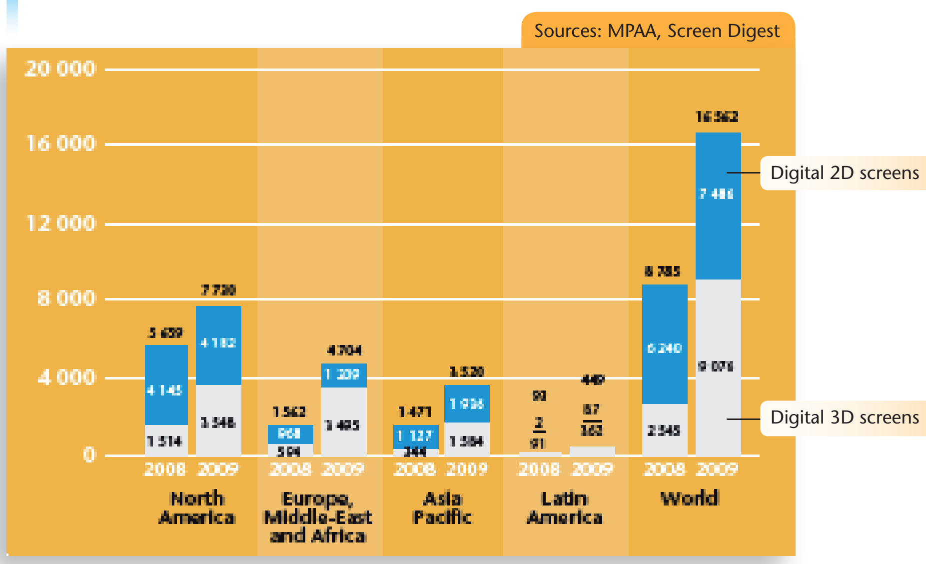
Number of screens | 2005-2009



(1) Excluding drive-in screens.

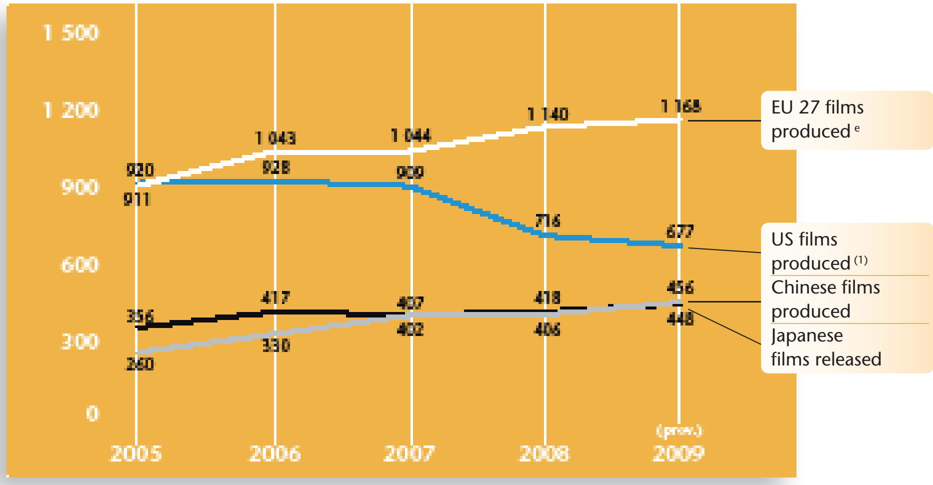
(2) Modern screens.

Number of digital and 3D screens | 2008-2009



Number of feature films produced in the European Union, the United States and Japan | 2005-2009

Sources: OBS, MPAA, EIREN



(1) Revised series.

Top 20 films worldwide by gross box office | 2009

USD million.

	Original title	Studio	Country of origin	North American box office	International box office	Total
1	Harry Potter and the Half-Blood Prince	Warner Bros.	GB inc/US	302	632	934
2	Avatar [(1) (2)]	Fox	US/GB	352	547	899
3	Ice Age: Dawn of the Dinosaurs [(2)]	Fox	US	197	691	888
4	Transformers: Revenge of the Fallen	Paramount	US	402	433	835
5	2012 [(1)]	Sony	US/CA	163	591	754
6	Up [(2)]	Disney	US	293	417	710
7	New Moon [(1)]	Summit	US	288	400	688
8	Angels & Demons	Sony	US	133	352	485
9	The Hangover	Warner Bros.	US/DE	277	190	467
10	Night at the Museum: Battle of the…	Fox	US/CA	177	238	415
11	Star Trek	Paramount	US	258	128	386
12	Monsters vs. Aliens	Par- D'Works	US	198	183	381
13	X-Men Origins: Wolverine	Fox	US	180	195	375
14	Terminator Salvation	WB-Sony	US	125	247	372
15	Fast & Furious	Universal	US	155	208	363
16	Inglourious Basterds	Weinstein-U	US/DE	121	199	320
17	The Proposal	Disney	US	164	153	317
18	A Christmas Carol [(1)]	Disney	US	137	174	311
19	G.I. Joe: The Rise of Cobra	Paramount	US/CZ	150	152	302
20	G.Force	Disney	US	119	165	284

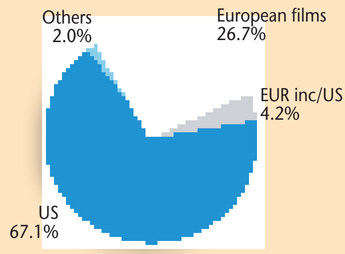
(1) Still on release in 2010.
(2) Films available in 3D distribution.

Sources: *Variety*, OBS

European Union

Population 2009 e	501.3 million
GDP per capita 2009 e	30 609 USD
Gross box office 2009 (billion) e	6.27 bn EUR (8.72 bn USD)
Admissions 2009 e	981.1 million
Average ticket price 2009 e	6.39 EUR (8.89 USD)
Average admissions per capita 2009	1.96
Screens 2008 | 2009	29 225 | ~
Screens in multiplexes 2008 | 2009 e	40.9% | ~
Digital screens 2008 | 2009	1 335 | 4 134
3D screens 2008 | 2009 e	~ | 2 723

Market shares 2009 e



Admissions near 1 billion

3D and a generally strong line-up of titles helped European Union admissions grow by 6%, with an estimated 981.1 million tickets sold in 2009. This represents the highest level since 2004. Rapid growth in the number of 3D screens allowed 3D blockbusters to create strong interest among audiences and realise their full potential, with *Ice Age 3*, *Up* and *Avatar* selling a cumulative 86 million tickets throughout the EU. All three titles made it into the top 5 films of the year. Premium prices for 3D screenings also drove up average ticket prices, generating an estimated EU gross box office total of EUR 6.27 billon (USD 8.72 billion), an impressive 12% year-on-year increase and the highest level on record. 2009 was also a year in which the European cinema landscape was more than ever dominated by blockbusters, with the number of films generating more than 5 million admissions increasing from 34 to 42 and market share for the top 100 films increasing from 69% to 75%. Theatrical markets which performed particularly well were Germany, up 13.1%, France (+5.7%) and the United Kingdom (+5.6%).

EU production continues to grow

2009 saw EU production levels continue to grow, though at a slower pace, despite a difficult economic environment. The European Audiovisual Observatory estimates that 1 168 feature films were produced within EU member states in 2009, 28 films more than 2008, and a new record high. Overall growth was primarily the result of a strong increase in German fiction films, growing from 96 film releases in 2008 to 129 in 2009 (+33). Overall, the number of European fiction films increased from 859 in 2008 to 887 (+28) while the production of theatrical feature documentaries remained stable at 281 productions. Fiction films accounted for an estimated 80% of total European production volume, feature documentaries for around 20%. With 194 feature films released in 2009, including 65 feature documentaries, Germany became, for the first time in recent history, the country with the highest production output in Europe, followed by former leader France, which saw production levels fall from 196 features to 182.

European films' share slightly down

European films achieved an estimated market share of 26.7%, down from 28.2% in 2008. Market share for European films produced in Europe with incoming US investment, such as *Harry Potter and the Half Blood Prince*, decreased slightly from 4.4% to 4.2%. Market share for US films climbed from 65.6% to an estimated 67.1%. The most successful European films without incoming US investment were *Slumdog Millionaire*, attracting an audience of over 16 million people, followed by Swedish thriller *Män som hatar kvinnor (The Girl with the Dragon Tattoo)* which sold 6.6 million tickets across the European Union.

EU digital screen base takes off

According to figures provided by MEDIA Salles the number of digital screens in the European Union more than tripled in 2009, growing from 1 335 in 2008 to 4 134 digital screens. 3D proved to be the single most important force for digital conversion in 2009. On average there were 2.1 digital screens per digital cinema site. With 904 installations, France overtook the UK to become the clear leader with regard to digital roll-out in the EU, followed by the UK (668) and Germany (592). There were 2 723 digital 3D screens operational by year-end, representing 66% of the total EU digital screen space.

Sources: OBS, MEDIA Salles

Information on the number of European digital screens is provided by MEDIA Salles and refers uniquely to digital screens equipped with DLP Cinema and Sony 4K technology.

Number of feature films produced in the European Union | 2005-2009

In units.

Country		2005	2006	2007	2008	prov. 2009	Sources
Austria	100% national fiction	5	8	4	7	7	OFI
	maj. co-prod. fiction	4	8	2	7	5	OFI
	min. co-prod. fiction	3	0	6	3	5	OFI
	Feature documentaries	18	17	20	13	17	OFI
Belgium [e]	100% national fiction	10	11	20	14	13	MFB, OBS
	maj. co-prod. fiction	10	14	11	15	15	MFB, OBS
	min. co-prod. fiction	20	32	28	30	23	MFB, OBS
	Feature documentaries	6	12	15	20	23	MFB, OBS
Bulgaria	100% national fiction	2	4	4	2	8	NFC
	maj. co-prod. fiction	1	3	1	3	0	NFC
	min. co-prod. fiction	3	3	2	4	3	NFC
	Feature documentaries	7	5	3	6	0	NFC, OBS
Czech Republic	100% national fiction	17	28	18	18	21	Min.Cult.
	maj. co-prod. fiction	4	1	5	5	8	Min.Cult.
	min. co-prod. fiction	6	6	0	4	4	Min.Cult.
	Feature documentaries	4	10	7	12	12	Min.Cult.
Denmark	100% national fiction	11	13	8	13	14	DFI
	maj. co-prod. fiction	9	7	9	7	7	DFI
	min. co-prod. fiction	4	4	7	6	7	DFI
	Feature documentaries	7	9	4	4	2	DFI
Estonia	100% national fiction	6	5	7	3	2	EFSA, OBS
	maj. co-prod. fiction	0	3	2	3	1	EFSA, OBS
	min. co-prod. fiction	0	2	0	1	3	EFSA, OBS
	Feature documentaries	2	1	3	6	9	EFSA, OBS
Finland	100% national fiction	8	12	9	9	12	FFF
	maj. co-prod. fiction	3	5	5	4	4	FFF
	min. co-prod. fiction	4	6	3	5	4	FFF
	Feature documentaries	4	3	4	1	5	FFF
France	100% national	126	127	133	145	137	CNC
	maj. co-prod.	61	37	52	51	45	CNC
	min. co-prod.	53	39	43	44	48	CNC
Germany	100% national fiction	60	78	77	81	87	SPIO
	maj. co-prod. fiction	18	20	16	15	42	SPIO
	min. co-prod. fiction	25	24	29	29	21	SPIO
	Feature documentaries	43	52	50	60	70	SPIO
Greece [e]	100% national	21	18	20	25	20	GFC, OBS
	maj. co-prod.	2	2	0	3	5	GFC, OBS
	min. co-prod.	1	2	5	2	0	GFC, OBS
Hungary	100 % national	17	37	26	25	22	Min.Cult., AHFD, NFO
	maj. co-prod.	1	9	2	1	1	Min.Cult., AHFD, NFO
	min. co-prod.	8	0	0	4	4	Min.Cult., AHFD, NFO
Ireland	100% national fiction	~	~	5	7	8	IFB
	maj. co-prod. fiction	~	~	3	6	6	IFB
	min. co-prod. fiction	~	~	2	12	6	IFB
	Feature documentaries	~	~	13	14	13	IFB
Italy	100 % national	70	90	93	128	101	CCH
	maj. co-prod.	13	12	16	18	14	CCH
	min. co-prod	15	15	14	9	18	CCH
Latvia	100% national fiction	0	0	5	3	4	NFCL
	maj. co-prod. fiction	1	2	0	0	1	NFCL
	min. co-prod. fiction	0	2	1	1	1	NFCL
	Feature documentaries	1	2	1	3	9	NFCL

Continued overleaf

Continued

Number of feature films produced in the European Union | 2005-2009

In units.

Country		2005	2006	2007	2008	*prov.* 2009	Sources
Lithuania	100% national fiction	0	1	2	6	5	Min.Cult., Baltic Films
	maj. co-prod. fiction	1	2	0	0	1	Min.Cult., Baltic Films
	min. co-prod. fiction	1	0	1	1	0	Min.Cult., Baltic Films
Luxembourg	100% national fiction	1	0	0	0	1	LFF
	maj. co-prod. fiction	1	3	2	0	4	LFF
	min. co-prod. fiction	11	9	2	11	12	LFF
	Feature documentaries	0	2	4	2	1	LFF
The Netherlands e	100% national fiction	23	16	27	22	27	NFF, NVF, OBS
	maj. co-prod. fiction	5	6	4	6	5	NFF, NVF, OBS
	min. co-prod. fiction	3	8	8	18	6	NFF, NVF, OBS
	Feature documentaries	20	17	10	17	14	NFF, NVF, OBS
Poland	100% national fiction	19	23	30	28	31	PISF, Min.Cult., OBS
	maj. co-prod. fiction	2	1	4	4	7	PISF, Min.Cult., OBS
	min. co-prod. fiction	2	2	5	8	4	PISF, Min.Cult., OBS
	Feature documentaries	0	1	1	5	0	PISF, Min.Cult., OBS
Portugal	100% national fiction	8	3	8	7	9	ICA
	maj. co-prod. fiction	3	11	4	6	3	ICA
	min. co-prod. fiction	4	7	0	1	2	ICA
	Feature documentaries	8	13	3	2	9	ICA
Romania	100% national fiction	9	14	9	7	11	CNC
	maj. co-prod. fiction	2	1	0	2	3	CNC
	min. co-prod. fiction	9	3	3	2	4	CNC
	Feature documentaries	0	0	2	2	1	CNC, OBS
Slovakia	100% national fiction	1	0	3	1	1	SKFI
	maj. co-prod. fiction	1	0	2	3	5	SKFI
	min. co-prod. fiction	4	2	3	3	7	SKFI
	Feature documentaries	2	1	2	5	5	SKFI
Slovenia	100% national fiction	6	1	4	9	3	FSRS
	maj. co-prod. fiction	1	0	4	0	0	FSRS
	min. co-prod. fiction	2	3	3	3	1	FSRS
	Feature documentaries	1	0	2	3	2	FSRS
Spain	100 % national	89	109	115	124	135	ICAA
	maj. co-prod.	29	23	26	26	22	ICAA
	min. co-prod.	24	18	31	23	29	ICAA
Sweden	100% national fiction	27	29	15	8	~	SFI, OBS
	maj. co-prod. fiction	15	12	10	13	~	SFI, OBS
	min. co-prod. fiction	8	2	7	1	~	SFI, OBS
	Feature documentaries	3	3	5	14	~	SFI, OBS
United Kingdom	100 % national	51	55	70	77	71	UKFC, OBS
	maj. co-prod.	12	18	15	10	5	UKFC, OBS
	min. co-prod.	53	33	13	12	17	UKFC, OBS
	Inward feature (1)	48	28	26	18	23	UKFC, OBS
Total fiction films EU 27 e (2)		**714**	**822**	**808**	**859**	**887**	OBS
Total feat. documentaries EU 27 e (3)		**197**	**221**	**236**	**281**	**281**	OBS
Total feature films EU 27 e		**911**	**1 043**	**1 044**	**1 140**	**1 168**	OBS

(1) Excluding inward features involving only VFX work in the UK.

(2) May include feature documentaries in GR, HU.

(3) May double count minority co-produced feature documentaries. No detailed data for feature documentaries available for ES, IT, GR, HU, LT, RO.

Admissions in the European Union | 2005-2009

In millions.

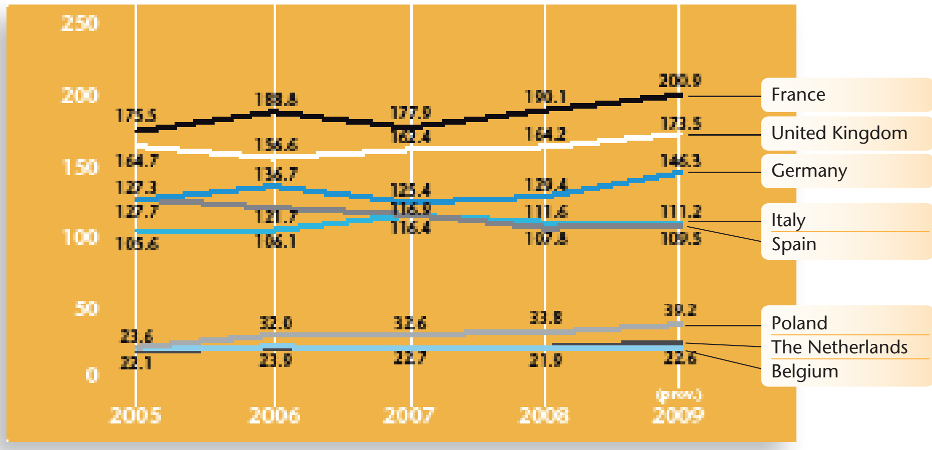
Country	2005	2006	2007	2008	prov. 2009	2009/08	Sources
Austria	15.7	17.3	15.7	15.6	18.4	17.8%	FAFO
Belgium e	22.1	23.9	22.7	21.9	22.6	2.9%	INS, SGA (2009)
Bulgaria	2.4	2.4	2.5	2.8	3.2	12.2%	National Film Center
Cyprus	0.8	0.8	0.9	0.9	0.9	3.9%	Min. Ed. Cult., Media Salles
Czech Republic	9.5	11.5	12.8	12.9	12.5	-3.3%	Ministry of Culture, UFD
Denmark	12.2	12.6	12.1	13.2	13.9	5.2%	DFI, Statistics Denmark
Estonia	1.1	1.6	1.6	1.6	1.8	9.2%	Estonian Film Foundation
Finland	6.1	6.7	6.5	6.9	6.7	-2.4%	Finnish Film Foundation
France	175.5	188.8	177.9	190.1	200.9	5.7%	CNC
Germany	127.3	136.7	125.4	129.4	146.3	13.1%	FFA
Greece	12.7	12.8	13.8	11.8	12.3	3.9%	Media Salles
Hungary	12.1	11.7	11.1	10.4	10.6	2.4%	National Film Office
Ireland	16.4	17.9	18.4	18.2	17.7	-3.2%	Carlton Screen Advertising, Nielsen EDI
Italy e	105.6	106.1	116.4	111.6	111.2	-0.4%	CCH, Cinetel, OBS
Latvia	1.7	2.1	2.4	2.4	1.9	-17.4%	National Film Centre
Lithuania	1.2	2.4	3.2	3.3	3.4	3.2%	Baltic Films
Luxembourg e	1.2	1.3	1.2	1.1	1.2	4.0%	CNA, Media Salles
Malta e	1.0	0.9	1.0	1.0	1.0	1.0%	MFC, Media Salles
Poland	23.6	32.0	32.6	33.8	39.2	16.1%	boxoffice.pl
Portugal	15.8	16.4	16.3	16.0	15.7	-1.7%	Instituto do Cinema e do Audiovisual
Romania	2.8	2.8	2.9	3.8	5.3	39.0%	Centrul National al Cinematografiei
Slovakia	2.2	3.4	2.8	3.4	4.1	23.3%	Slovak Film Institute
Slovenia	2.4	2.7	2.4	2.4	2.8	15.5%	Slovenian Film Fund
Spain	127.7	121.7	116.9	107.8	109.5	1.5%	ICAA, OBS
Sweden	14.6	15.3	14.9	15.3	17.4	13.5%	Swedish Film Institute
The Netherlands	20.6	23.4	23.1	23.5	27.3	16.0%	MaccsBox - NVB & NVF
United Kingdom	164.7	156.6	162.4	164.2	173.5	5.6%	Cinema Advertising Association, Nielsen EDI
EU 27 e	**898.9**	**931.6**	**920.0**	**925.3**	**981.1**	**6.0%**	European Audiovisual Observatory

Source: OBS

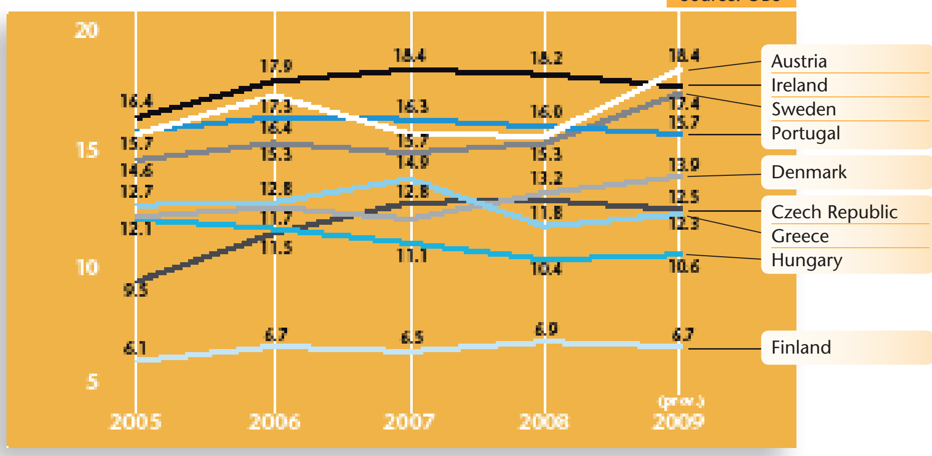
Admissions in the European Union | 2005-2009

In millions.

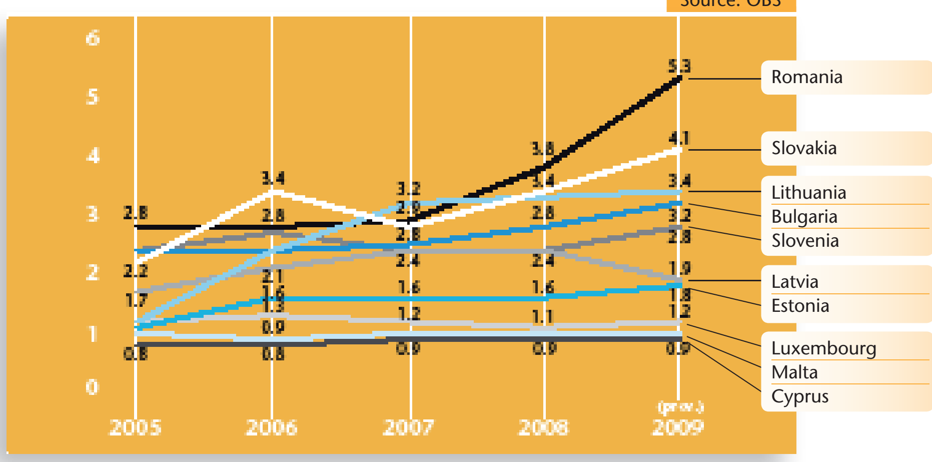
Source: OBS



Source: OBS

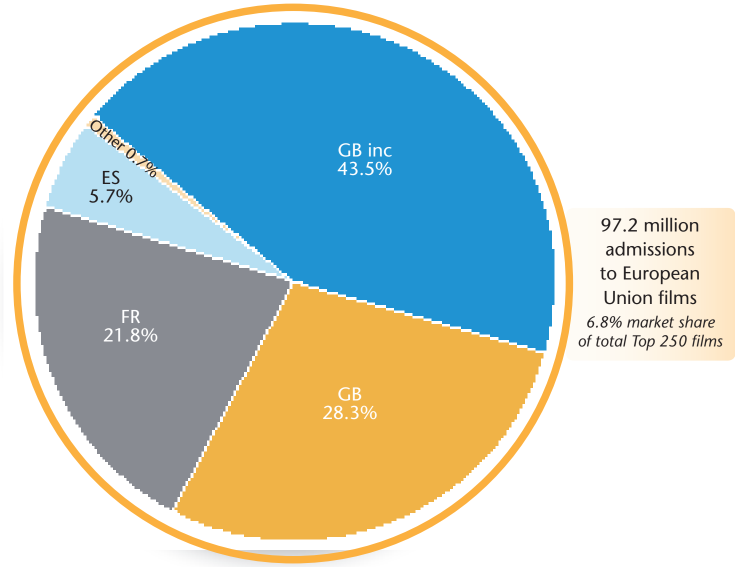


Source: OBS



Admissions to European Union films on the North American market | 2009 [e]

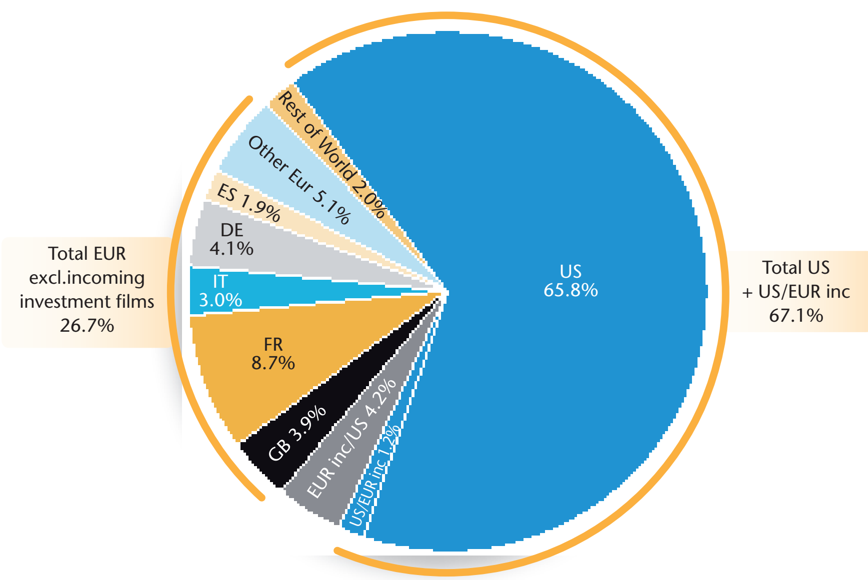
Estimated admissions in the United States and Canada based on an average ticket price of USD 7.50.



Note: Based on Top 250 films in United States of America and Canada.
'Inc' refers to films produced in Europe with US incoming investment.

Sources: *Variety*, OBS

Breakdown of European Union admissions by the origin of films | 2009 *prov.*



Note: 'inc' refers to films produced in Europe with incoming investment from the US.

Sources: OBS, LUMIERE

The tables below are provisional rankings on the basis of data from 22 European Union member states – around 89% of total admissions in the European Union are analysed.

Top 25 films by admissions in the European Union | 2009

	Original title	Country of origin	Year	Director	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	2009	C. Saldanha, M. Thurmeier	40 223 466
2	Harry Potter and the Half-Blood Prince	GB inc/US	2008	David Yates	33 868 313
3	Up	US	2009	Pete Docter, Bob Peterson	23 652 729
4	Avatar	US/GB	2009	James Cameron	22 484 740
5	New Moon	US	2009	Chris Weitz	22 378 521
6	2012	US/CA	2009	Roland Emmerich	21 554 739
7	Angels & Demons	US	2009	Ron Howard	21 108 692
8	Slumdog Millionaire (1)	GB	2008	D. Boyle, L. Tandan	16 004 477
9	Inglourious Basterds	US/DE	2009	Quentin Tarantino	14 134 503
10	Transformers: Revenge of the Fallen	US	2009	Michael Bay	13 781 084
11	The Hangover	US/DE	2009	Todd Phillips	12 882 962
12	The Curious Case of Benjamin Button	US	2008	David Fincher	12 389 590
13	Night at the Museum: Battle of the Smithsonian	US/CA	2009	Shawn Levy	11 586 601
14	Monsters vs. Aliens	US	2009	R. Letterman, C. Vernon	10 799 827
15	Fast & Furious 4	US	2009	Justin Lin	10 793 039
16	Bolt (2)	US	2008	B. Howard, C. Williams	10 206 785
17	Gran Torino	US/AU	2008	Clint Eastwood	9 881 882
18	G-Force	US	2009	Hoyt Yeatman	9 408 476
19	X-Men Origins: Wolverine	US	2009	Gavin Hood	9 232 078
20	The Proposal	US	2009	Anne Fletcher	9 133 874
21	Terminator Salvation	US	2009	McG	9 077 827
22	A Christmas Carol	US	2009	Robert Zemeckis	8 734 798
23	This Is It	US	2009	Kenny Ortega	7 625 990
24	Twilight (3)	US	2008	Catherine Hardwicke	7 526 582
25	Seven Pounds	US	2008	Gabriele Muccino	7 236 669

(1) 221 173 admissions in EU in 2008. (2) 2 843 389 admissions in EU in 2008.
(3) 5 873 616 admissions in EU in 2008.

Sources: OBS, LUMIERE

Top 25 European Union films by admissions in the European Union | 2009

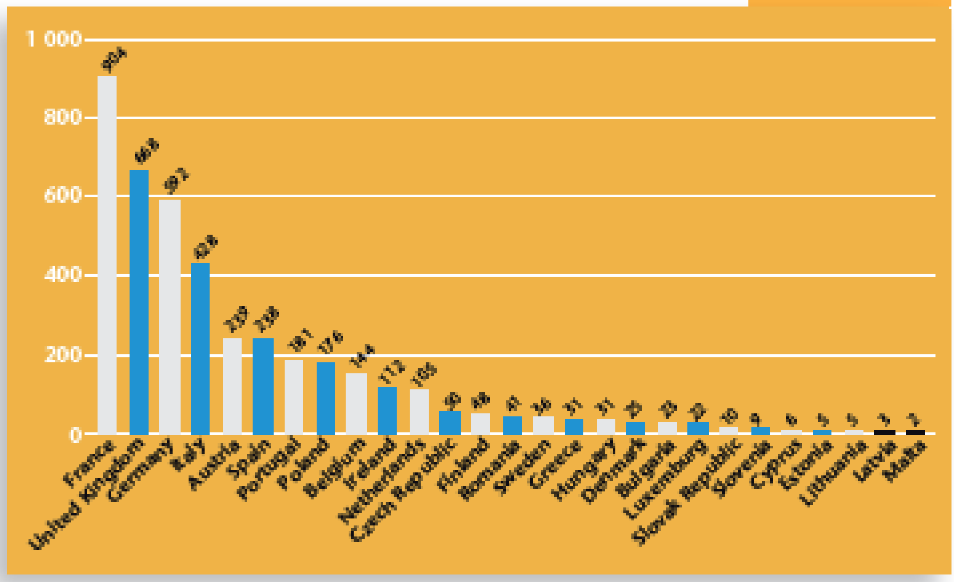
	Original title	Country of origin	Year	Director	Admissions
1	Harry Potter and the Half-Blood Prince	GB inc/US	2008	David Yates	33 868 313
2	Slumdog Millionaire (1)	GB	2008	D. Boyle, L. Tandan	16 004 477
3	Män som hatar… (The Girl with the Dragon Tattoo)	SE/DK/DE	2009	Niels Arden Oplev	6 556 631
4	Le petit Nicolas	FR/BE	2009	Laurent Tirard	5 876 649
5	Wickie und die starken Männer	DE	2009	Michael Herbig	5 687 255
6	Arthur et la vengeance de Maltazard	FR	2009	Luc Besson	4 081 302
7	LOL (Laughing Out Loud)	FR	2008	Lisa Azuelos	3 929 125
8	Zweiohrküken	DE	2009	Til Schweiger	3 600 871
9	Agora	ES	2009	Alejandro Amenábar	3 366 916
10	Los abrazos rotos	ES	2009	Pedro Almodóvar	3 269 603
11	Planet 51	ES/GB/US	2009	Jorge Blanco, Javier Abad	3 258 992
12	Coco	FR	2009	Gad Elmaleh	3 109 677
13	Coco avant Chanel	FR	2009	Anne Fontaine	3 043 643
14	Flickan som lekte med elden	SE/DK/DE	2009	Daniel Alfredson	2 884 593
15	OSS 117: Rio ne répond plus	FR	2009	Michel Hazanavicius	2 652 940
16	Natale a Beverly Hills	IT/US	2009	Neri Parenti	2 552 835
17	The Boat That Rocked	GB/DE/US/FR	2009	Richard Curtis	2 512 101
18	Neuilly sa mère !	FR	2009	Gabriel Laferrière	2 495 607
19	The Imaginarium of Doctor Parnassus	GB/CA/FR	2009	Terry Gilliam	2 441 022
20	Die Päpstin	DE/GB/IT/ES	2009	Sönke Wortmann	2 339 213
21	Männerherzen	DE	2009	Simon Verhoeven	2 094 192
22	Cado dalle nubi	IT	2009	Gennaro Nunziante	2 078 499
23	Safari	FR	2009	Olivier Baroux	2 023 353
24	Italians	IT	2009	Giovanni Veronesi	1 988 535
25	De l'autre côté du lit	FR	2009	Pascale Pouzadoux	1 949 029

(1) 221 173 admissions in EU in 2008.
Note: 'inc' refers to films produced in Europe with incoming investment from the US.

Sources: OBS, LUMIERE

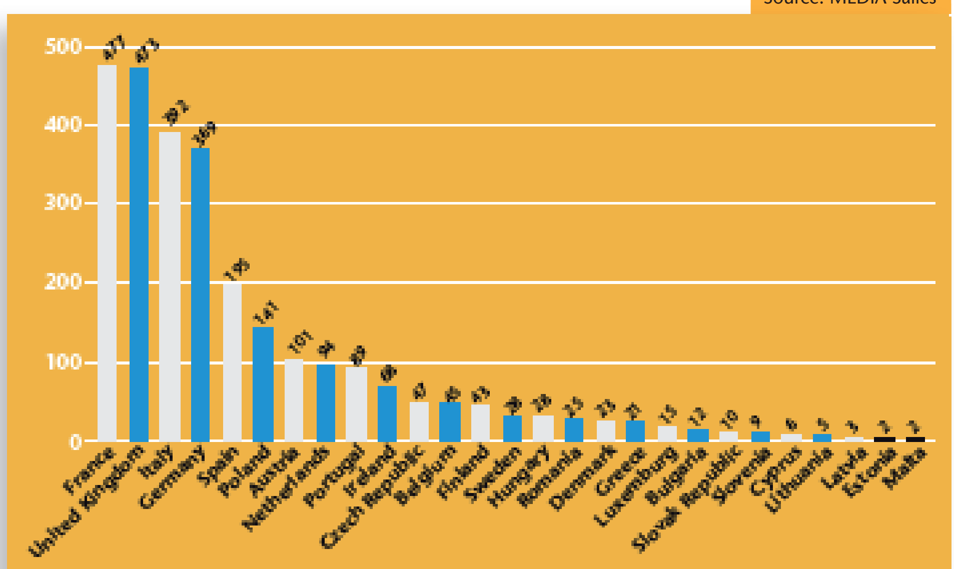
Number of digital screens in the European Union by country | December 2009

Source: MEDIA Salles



Number of digital 3D screens in the European Union by country | December 2009

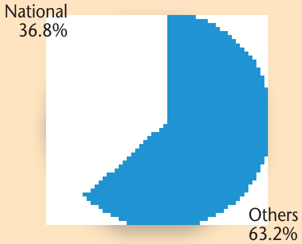
Source: MEDIA Salles



France

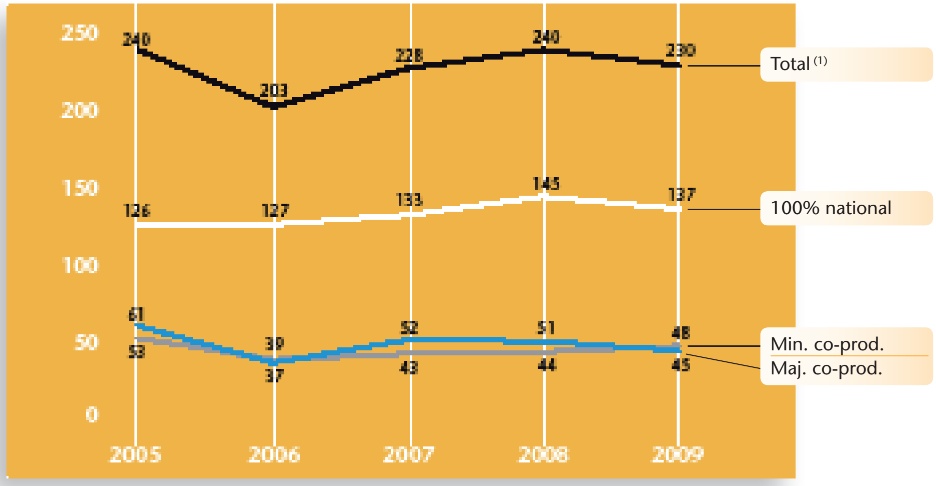
Population 2009 e	64.7 million
GDP per capita 2009 e	39 922 USD
Gross box office 2009 (billion)	1.23 bn EUR (1.71 bn USD)
Admissions 2009	200.9 million
Average ticket price 2009	6.14 EUR (8.53 USD)
Average admissions per capita 2009	3.11
Screens 2008 | 2009	5 418 | 5 522
Screens in multiplexes 2008 | 2009 e	34.6% | ~
Digital screens 2008 | 2009	253 | 904
3D screens 2008 | 2009	~ | 477

Market shares 2009 e



Number of feature films produced | 2005-2009

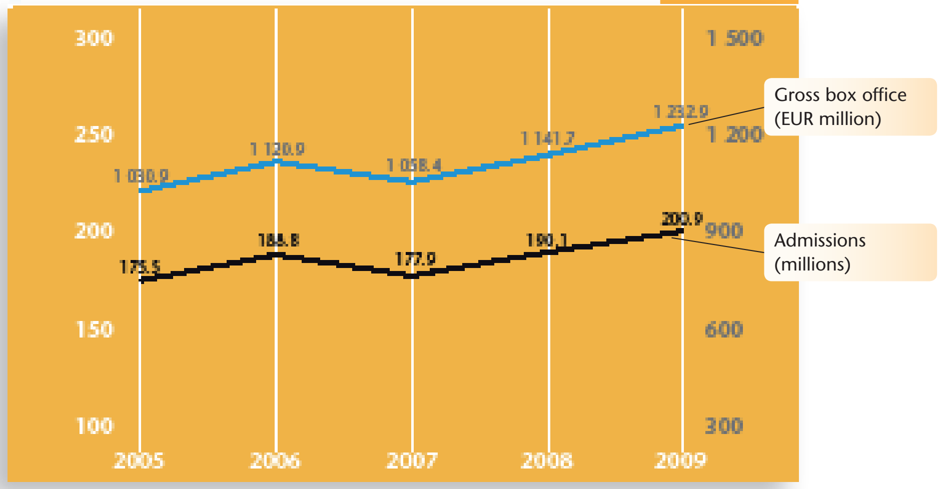
Source: CNC



(1) Officially recognised films.

Admissions and gross box office | 2005-2009

Source: CNC



Top 20 films by admissions in France | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	7 821 650
2	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	6 096 446
3	Avatar	US/GB	James Cameron	20th Century Fox	5 573 683
4	Le petit Nicolas	FR/BE	Laurent Tirard	Wild Bunch Distrib.	5 462 264
5	2012	US/CA	Roland Emmerich	Sony Pict. Releasing	4 608 851
6	Up	US	P. Docter, B. Peterson	Walt Disney Studios	4 471 647
7	New Moon	US	Chris Weitz	SND Films	4 117 983
8	LOL (Laughing Out Loud)	FR	Lisa Azuelos	Pathé Distribution	3 649 758
9	Gran Torino	US/AU	Clint Eastwood	Warner Bros.	3 448 009
10	Arthur et la vengeance de Maltazard	FR	Luc Besson	EuropaCorp	3 346 900
11	Coco	FR	Gad Elmaleh	StudioCanal	3 008 677
12	Bolt	US	Howard, Williams	Walt Disney Studios	2 939 074
13	Inglourious Basterds	US/DE	Quentin Tarantino	UIP	2 834 807
14	Twilight	US	Catherine Hardwicke	SND Films	2 798 966
15	Slumdog Millionaire	GB	D. Boyle, L. Tandan	Pathé Distribution	2 694 389
16	The Curious Case of Benjamin Button	US	David Fincher	Warner Bros.	2 606 052
17	OSS 117: Rio ne répond plus	FR	Michel Hazanavicius	Gaumont Distrib.	2 560 290
18	Neuilly sa mère !	FR	Gabriel Laferrière	UGC Distribution	2 452 007
19	Transformers: Revenge of the Fallen	US	Michael Bay	Paramount Pictures	2 252 691
20	Angels & Demons	US	Ron Howard	Sony Pict. Releasing	2 042 698

Source: *Le film français*

Distribution and Exhibition

2009 saw French admissions increase to 200 million tickets sold, up 5.7% year-on-year and the highest level since 1982. GBO climbed by 8% to EUR 1.2 billion (USD 1.7 billion). However, it was primarily the big, and to a lesser extent, the mid-sized theatre chains benefitting from this box office growth, while smaller cinemas faced flat revenues, hinting at a growing gap within the country's exhibition industry. After an exceptional year for French films in 2008, national market share dropped from 45.3% to 36.8%, with admissions to local films falling by 13.5%. US films, on the other hand, registered an annual growth of 21.8% to reach 100 million tickets sold,taking 49.7% of the market. As in most countries, 3D blockbusters were a driving force not only for box office growth but for the acceleration of digital cinema roll-out. Digital screens increased from only 253 to 904 deployed entities (477 3D screens) by the end of the year, making France the clear leader in Europe. After the French Competition Authority's opinion according to which the CNC's proposed mutual fund scheme to support the digitisation àprocess unduly distorted competition, the CNC is currently developing an alternative scheme to offer public support primarily targeting screens in circuits of less than 50 screens. The CNC aims to make its scheme operational in the second half of the year. As part of the fight against copyright infringements the 'HADOPI 2' Act came into force in October 2009, foreseeing the suspension of internet access for unlawful downloading when imposed by a judge. In the same context, release windows, which are overseen by the government and the industry in France, were reduced in 2009, bringing VOD in line with DVD (4 months after theatrical release) as well as reducing windows for Pay-TV (12 months) and free-to-air broadcasters (22 months).

Production and Funding

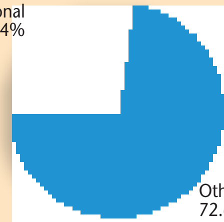
French film production peaked off from its previous year's record high, with 230 films receiving official recognition, 10 less than in 2008. Average production costs decreased from EUR 6.4 million to EUR 5.1 million and the total value of French initative production fell below the 1 billion benchmark to EUR 928 million, down 26.3% from 2008. France hopes to attract more foreign productions with a new 20% tax rebate on local spend, capped at EUR 4 million per project, which became effective in December 2009.

Sources: CNC, *Le film français*, *Screen International*, *Variety*, OBS

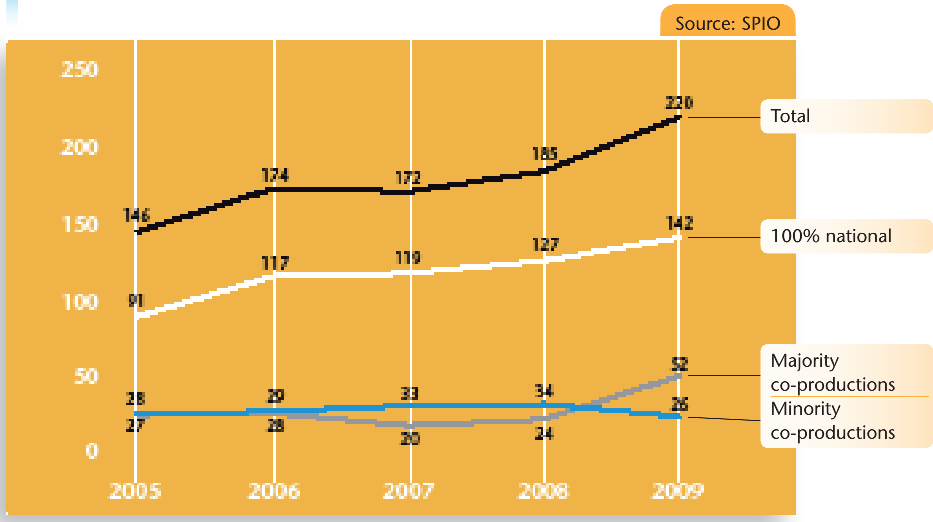
Germany

Population 2009 [e]	81.9 million
GDP per capita 2009 [e]	37 307 USD
Gross box office 2009 (million)	976.1 M EUR (1 357 M USD)
Admissions 2009	146.3 million
Average ticket price 2009	6.67 EUR (9.28 USD)
Average admissions per capita 2009	1.79
Screens 2008 | 2009	4 810 | 4 734
Screens in multiplexes 2008 | 2009	27.1% | ~
Digital screens 2008 | 2009	162 | 592
Digital 3D screens 2008 | 2009	~ | 369

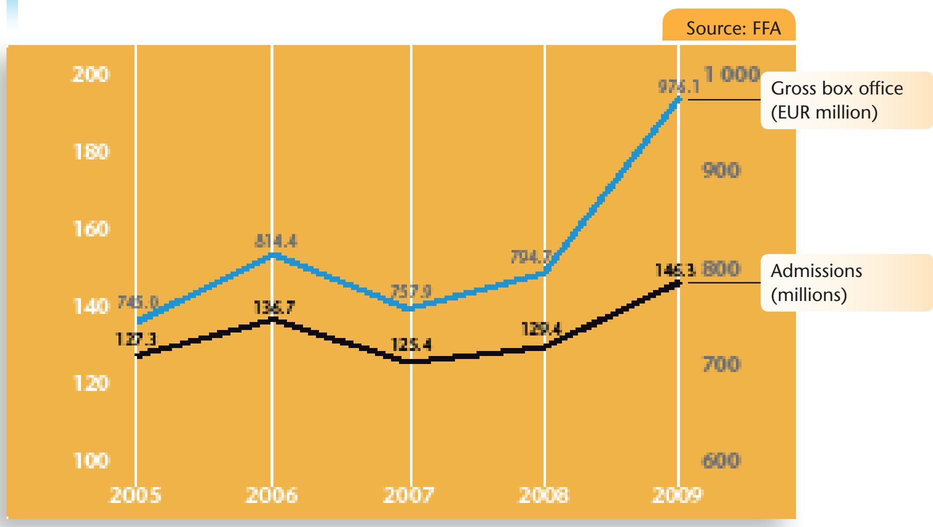
Market shares 2009



Number of national feature films released | 2005-2009



Admissions and gross box office | 2005-2009



Top 20 films by admissions in Germany | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	8 705 891
2	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	6 128 515
3	Wickie und die starken Männer	DE	Michael Herbig	Constantin Film	4 891 161
4	Angels & Demons	US	Ron Howard	Sony Pict. Releasing	4 584 368
5	Avatar	US/GB	James Cameron	20th Century Fox	3 379 380
6	Zweiohrküken	DE	Til Schweiger	Warner Bros.	3 340 379
7	New Moon	US	Chris Weitz	Concorde Filmverleih	3 299 499
8	2012	US/CA	Roland Emmerich	Sony Pict. Releasing	3 224 981
9	Up	US	Docter, Peterson	Walt Disney Studios	2 946 831
10	Twilight	US	Catherine Hardwicke	Concorde Filmverleih	2 777 690
11	Night at the Museum: Battle of…	US/CA	Shawn Levy	20th Century Fox	2 369 843
12	Die Päpstin	DE/GB/IT/ES	Sönke Wortmann	Constantin Film	2 339 213
13	The Reader	US/DE	Stephen Daldry	Senator Film Verleih	2 187 327
14	The Hangover	US/DE	Todd Phillips	Warner Bros.	2 136 313
15	Inglourious Basterds	US/DE	Quentin Tarantino	Universal Pictures	2 104 523
16	Männerherzen	DE	Simon Verhoeven	Warner Bros.	2 094 192
17	The Curious Case of Benjamin Button	US	David Fincher	Warner Bros.	2 080 378
18	Slumdog Millionaire	GB	D. Boyle, L. Tandan	Prokino Filmverleih	2 068 485
19	The Proposal	US	Anne Fletcher	Walt Disney Studios	2 012 307
20	Transformers: Revenge of the Fallen	US	Michael Bay	Paramount	1 906 345

Source: FFA

Production and Funding

German production activity, measured in terms of film releases, reached the highest level in recent years with a total of 220 German feature films released in 2009, up 35 films from 2008. International co-productions significantly contributed to this increase with 78 co-productions being released, 20 more than in 2008 and the highest number on record. 2009 proved to be a difficult year for public funding however, with the German Administrative Court ruling in early 2009 that the current cinema levy used to finance the German Federal Film Board (FFA) was unconstitutional and the case being referred to the Federal Constitutional Court for a final decision yet to be taken at the time of writing. This created a fair amount of uncertainty with regard to the future of German film funding and will probably affect local film production activity in 2009 and 2010. In order to bring the action to an end, the Federal Cabinet agreed on a new film funding law in early 2010 which foresees statutory contributions to the FFA by public and private broadcasters, which, unlike exhibitors and the video industry, until now had been able to negotiate their contributions. The government is aiming to have the revised legislation come into force before the 2010 summer recess. Meanwhile, the German Federal Film Fund (DFFF) has been extended with slight modifications for another three year period until 2012. Between 2007 and 2009 the DFFF has supported 302 projects with a total of EUR 178.1 million.

Distribution and Exhibition

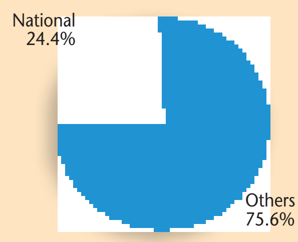
2009 proved to be an excellent year for the German theatrical market with 3D blockbusters and national films driving admissions to grow by 13% to 146.3 million tickets sold, the best result in the past five years. Boosted by increasing average ticket prices, primarily due to premium prices for 3D screenings, GBO even rose by 22.8% to EUR 976 million (USD 1.4 billion). National films reached an all-time record market share of 27.4%, attracting 39.9 million admissions, the highest level on record. Germany's screen base continued to shrink despite increasing box office takings however, with screens falling to 4 734, down 76 from 2008, and the number of towns offering a local cinema falling below the 1 000 benchmark for the first time. This trend could continue, as the industry failed to agree on an all-industry solution for a nationwide digital roll-out, leaving many smaller cinemas, unable to finance the transition on their own, at risk.

Sources: FFA, SPIO, *Blickpunkt Film*, *Screen International*, OBS

Italy

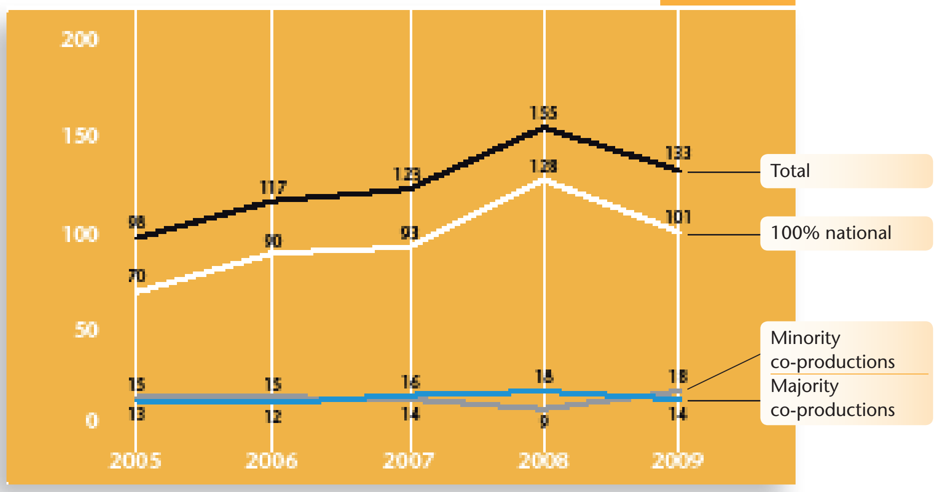
Population 2009 [e]	59.8 million
GDP per capita 2009 [e]	33 253 USD
Gross box office 2009 (million)	676.1 M EUR (940.1 M USD)
Admissions 2009	111.2 million
Average ticket price 2009	6.08 EUR (8.46 USD)
Average admissions per capita 2009	1.86
Screens 2008 | 2009	3 141 | 3 208
Screens in multiplexes 2008 | 2009 [e]	1 184 | ~
Digital screens 2008 | 2009	80 | 428
Digital 3D screens 2008 | 2009	~ | 392

Market shares 2009 [e]



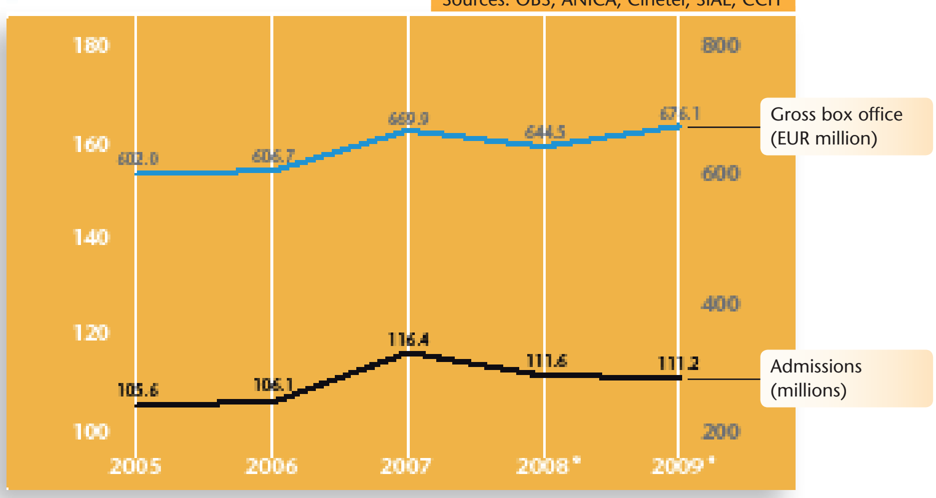
Number of feature films produced in Italy | 2005-2009

Source: CCH



Admissions and gross box office | 2005-2009 [e]

Sources: OBS, ANICA, Cinetel, SIAE, CCH



Top 20 films by admissions in Italy | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	4 054 481
2	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	2 994 664
3	Angels & Demons	US	Ron Howard	Sony Pictures	2 988 759
4	New Moon	US	Chris Weitz	Eagle Pictures	2 554 730
5	Natale a Beverly Hills	IT/US	Neri Parenti	Filmauro	2 552 835
6	2012	US/CA	Roland Emmerich	Sony Pictures	2 246 384
7	Cado dalle nubi	IT	Gennaro Nunziante	Medusa Film	2 078 499
8	Italians	IT	Giovanni Veronesi	Filmauro	1 988 535
9	Up	US	P. Docter, B. Peterson	Walt Disney	1 957 829
10	Seven Pounds	US	Gabriele Muccino	Sony Pictures	1 824 887
11	Baarìa	IT/FR	Giuseppe Tornatore	Medusa Film	1 802 652
12	The Curious Case of Benjamin Button	US	David Fincher	Warner Bros.	1 789 250
13	Ex	IT/FR	Fausto Brizzi	01 Distribution	1 766 991
14	Gran Torino	US/AU	Clint Eastwood	Warner Bros.	1 524 314
15	Inglourious Basterds	US/DE	Quentin Tarantino	Universal	1 507 738
16	Io e Marilyn	IT	Leonardo Pieraccioni	Medusa Film	1 358 691
17	Transformers: Revenge of the Fallen	US	Michael Bay	Universal	1 333 991
18	Fast & Furious 4	US	Justin Lin	Universal	1 313 891
19	La matassa	IT	G. Avellino, Ficarra	Medusa Film	1 297 815
20	Yes Man	US/AU	Peyton Reed	Warner Bros.	1 286 564

Source: Cinetel

Distribution and Exhibition

While Italian admissions remained fairly stable with an estimated 11.2 million tickets sold, premium priced 3D tickets helped local box office to grow 4.9% to an estimated EUR 676 million (USD 940 million). Box office was driven by US blockbusters, particularly 3D titles, while local films struggled, seeing their market share drop to an estimated 24%, down from 28% in 2008. As in most European countries, the 3D boom was made possible by a significant increase in 3D screens, jumping from 40 in January 2009 to 416 in January 2010: 3D becoming the major growth driver for digital roll-out. In order to promote further digitisation of its screen base, Italy plans to introduce a tax incentive scheme for digital projection offering exhibitors a 30% tax credit for their conversion costs. Bigger cinemas would have to fulfil programming requirements, showing cultural films for 50% of the screenings, and to convert at least 50% of their screens in order to benefit from the scheme which is currently under formal investigation by the European Commission. In order to fight piracy estimated to have caused damage amounting to EUR 530 million in 2009, the Italian Audiovisual Anti-Piracy Federation (FAPAV) launched a landmark case against Telecom Italia earlier this year, suing the latter for damages resulting from failing to stop its clients from illegal downloading.

Production and Funding

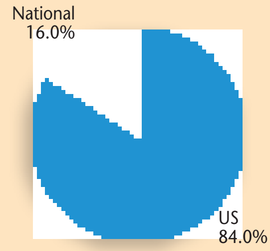
The resurgence in Italian production activity came to an abrupt halt in 2009, with the total number of film productions dropping from 155 in 2008 to 133. The cutback in production activity was entirely caused by a sharp decrease in the production of 100% national films, falling from 128 to 101. Co-productions slightly increased from 27 to 32, driven by a doubling of minority co-productions (18), while Italian majority co-productions declined to 14. Producers blamed the lack of available government funding as one of the major reasons for this downturn. According to figures from film industry association ANICA public funds almost halved in 2009, plunging from EUR 55 million in 2008 to EUR 29 million, representing a mere 10% of total production investment, compared to what used to be about 50% just five years ago. The new EUR 104 million tax shelter and tax credit scheme announced in 2008 became effective in May 2009 and will run until December 2010. The scheme was recently complemented by another EUR 82 million tax incentive scheme for film investment and distribution.

Sources: ANICA, DG Cinema, *Variety, Screen International,* OBS

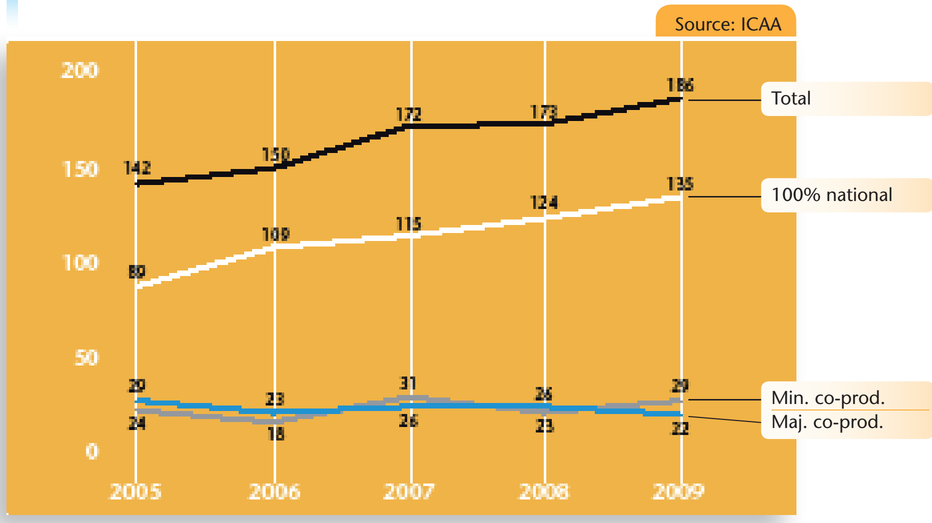
Spain

Population 2009 [e]	46.1 million
GDP per capita 2009 [e]	30 251 USD
Gross box office 2009 (million)	667.8 M EUR (928.5 M USD)
Admissions 2009	109.5 million
Average ticket price 2009	6.10 EUR (8.48 USD)
Average admissions per capita 2009	2.38
Screens 2008 | 2009	4 140 | 4 083
Screens in multiplexes 2008 | 2009 [e]	64.6% | ~
Digital screens 2008 | 2009 [e]	50 | 238
Digital 3D screens 2008 | 2009	~ | 195

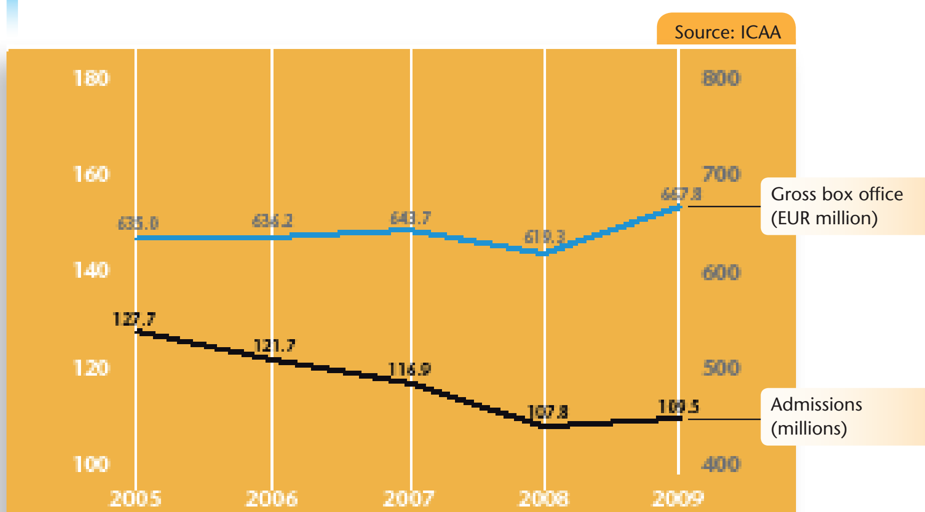
Market shares 2009 [e]



Number of feature films produced | 2005-2009



Admissions and gross box office | 2005-2009



Top 20 films by admissions in Spain | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Up	US	P. Docter, B. Peterson	Walt Disney	3 726 039
2	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	Hispano Fox Film	3 331 654
3	Agora	ES	Alejandro Amenábar	Hispano Fox Film	3 318 399
4	New Moon	US	Chris Weitz	Aurum Producc.	3 088 254
5	Avatar	US/GB	James Cameron	Hispano Fox Film	3 057 717
6	Angels & Demons	US	Ron Howard	Sony Pictures	2 614 057
7	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	2 393 080
8	2012	US/CA	Roland Emmerich	Sony Pictures	2 311 585
9	Gran Torino	US/AU	Clint Eastwood	Warner Bros.	2 094 875
10	The Curious Case of Benjamin Button	US	David Fincher	Warner Bros.	2 027 137
11	Inglourious Basterds	US/DE	Quentin Tarantino	UPI	1 784 366
12	Slumdog Millionaire	GB	D. Boyle, L. Tandan	SOGEDA	1 738 874
13	Seven Pounds	US	Gabriele Muccino	Sony Pictures	1 661 961
14	Planet 51	ES/GB/US	J. Blanco, J. Abad	DeA Planeta	1 643 634
15	Män som hatar kvinnor	SE/DK/DE	Niels Arden Oplev	Vertigo Films	1 555 356
16	Monsters vs. Aliens	US	Letterman, Vernon	Paramount	1 467 126
17	Celda 211	ES/FR	Daniel Monzón	Paramount	1 400 422
18	X-Men Origins: Wolverine	US	Gavin Hood	Hispano Fox Film	1 386 563
19	Australia	AU/US	Baz Luhrmann	Hispano Fox Film	1 251 395
20	G-Force	US	Hoyt Yeatman	Walt Disney	1 251 096

Source: ICAA

Distribution and Exhibition

2009 finally put a halt to Spain's downward trend in admissions, as attendance increased slightly by 1.5% to 109.5 million tickets sold. This was still the second lowest level since 1997. Boosted by an increasing average ticket price, GBO, however, saw a strong increase to EUR 668 million (USD 929 million), up 7.8% year-on-year and the second best result in history. Box office growth was driven by 3D blockbusters as well as local films. Led by *Agora* Spanish films generated 22% more admissions than in 2008, taking 15% of the total market. Admissions to US and European films remained flat while films from other parts of the world showed a downward trend. This tendency could possibly change with new funding rules making European and Latin American films eligible for distribution subsidies, formerly only available to films qualifying as Spanish. 3D also drove digital cinema with digital screens climbing from 50 digital screens in 2008 to 238 by year end, while the overall screen base continued to decrease to 4 083 screens. 195 3D screens were operational by end 2009. A new anti-piracy bill has been submitted to the national parliament allowing the federal court to close or block websites streaming or offering unauthorized downloads of film and music content. Complaints would be channelled through an intellectual property commission to be set up at the Ministry of Culture.

Production and Funding

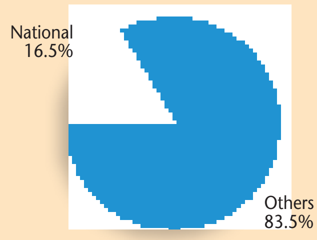
Production levels reached a new record high with a total of 186 Spanish feature films produced in 2009, up 13 from 2008. While co-productions remained fairly stable, the production of 100% national films continued its ongoing growth trend, up by 11 productions to a total of 135 feature films. The Spanish production landscape is currently facing changes in its film financing and funding structures. On the one hand, ICAA, the national film agency, is increasing state support for individual films and distribution, aiming to stimulate the development of higher-quality projects by binding a significant amount of funds to a film's commercial success. On the other hand, mandatory production quotas for private TV broadcasters, which used to be a significant source of financing, have recently been cut from 5% to 3% of their annual revenues and have to be spread among several projects. With falling TV revenues along with decreasing prices for TV rights, this development could make it more difficult for large scale projects to complete their financing.

Sources: ICAA, *Screen International*, *Variety*, OBS

United Kingdom

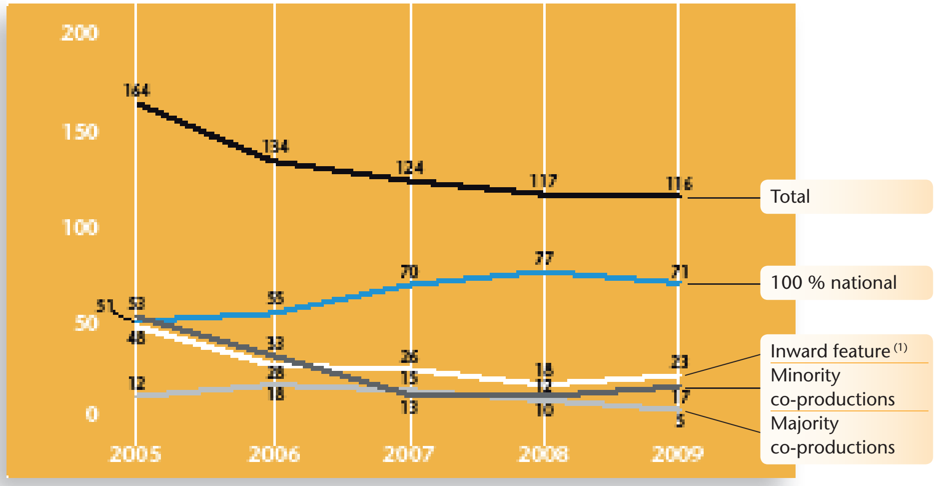
Population 2009 [e]	61.2 million
GDP per capita 2009 [e]	32 798 USD
Gross box office 2009 (million)	944 M GBP (1 472 M USD)
Admissions 2009	173.5 million
Average ticket price 2009	5.44 GBP (8.49 USD)
Average admissions per capita 2009	2.83
Screens 2008 | 2009	3 661 | 3 696
Screens in multiplexes 2008 | 2009	64.6% | ~
Digital screens 2008 | 2009	303 | 668
Digital 3D screens 2008 | 2009	~ | 473

Market shares 2009



Number of films produced in the United Kingdom | 2005-2009

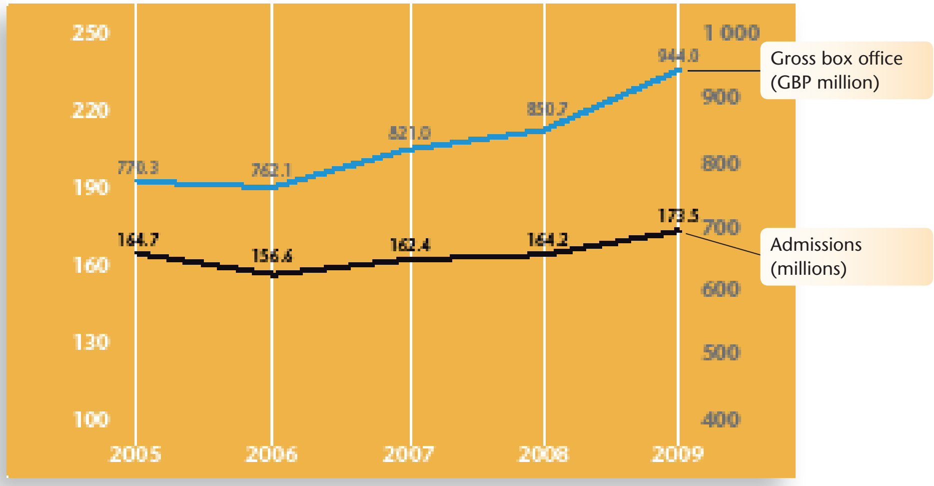
Sources: UK Film Council, OBS



(1) Including Inward Feature Co-productions but excluding inward features involving only VFX work in the UK.

Admissions and gross box office | 2005-2009

Sources: Digital Cinema Media, CAA, Nielsen EDI



Top 20 films by gross box office in the United Kingdom & Ireland | 2009

	Original title	Country of origin	Director	Distributor	Gross box office (in GBP)
1	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner	50 723 508
2	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	35 022 205
3	Up	US	PDocter, Peterson	Walt Disney	34 395 456
4	Avatar	US/GB	James Cameron	20th Century Fox	32 815 618
5	Slumdog Millionaire	GB	D. Boyle, L. Tandan	Pathe Distribution	31 664 346
6	Transformers: Revenge of the Fallen	US	Michael Bay	Paramount	26 940 924
7	New Moon	US	Chris Weitz	E1 Entertainment	26 888 092
8	The Hangover	US/DE	Todd Phillips	Warner	22 121 062
9	Monsters vs. Aliens	US	Letterman, Vernon	Paramount	21 297 434
10	Star Trek	US	J.J. Abrams	Paramount	21 223 959
11	A Christmas Carol	US	Robert Zemeckis	Walt Disney	20 107 127
12	Night at the Museum: Battle of the…	US/CA	Shawn Levy	20th Century Fox	20 031 705
13	2012	US/CA	Roland Emmerich	Sony Pictures Int.	19 460 639
14	Angels & Demons	US	Ron Howard	Sony Pictures Int.	18 582 023
15	Bolt	US	Howard, Williams	Walt Disney	17 937 595
16	X-Men Origins: Wolverine	US	Gavin Hood	20th Century Fox	16 275 324
17	Brüno	US	Larry Charles	Universal Pictures	15 662 792
18	Marley & Me	US	David Frankel	20th Century Fox	15 251 996
19	Terminator Salvation	US	McG	Sony Pictures Int.	14 205 059
20	Fast & Furious 4	US	Justin Lin	Universal Pictures	13 578 749

Sources: UK Film Council, Nielsen EDI

Production and Funding

Feature film production output remained stable in 2009 while UK production spend reached a record of GBP 957 million (USD 1.5 billion), due to a surge in inward investment (GBP 753 million) from US studios, encouraged by a favourable exchange rate, the UK film tax relief and the end of the writers' strike in the US: The independent UK production sector, however, remained under pressure with median budgets of domestic films falling to GBP 1.5 million and production levels continuing their downward trend. Including co-productions the number of UK independent films with budgets of over GBP 500 000 fell from 163 in 2003 to 94 in 2009, reflecting a tougher economic environment for independent productions and changes in the tax relief system now exclusively focusing on UK spend. Reacting to significant cuts in its budget, the UKFC undertook a major re-organisation of its operations aiming to cut its overheads by 20%, e.g. by merging its former Premiere, New Cinema and Development funds into one single GBP 15 million (USD 23 million) production fund: the Film Fund, which became operational in April 2010 and will focus on creative excellence and put more emphasis on first- and second-time filmmakers. In parallel, merger discussions between the UKFC and the British Film Institute continue.

Distribution and Exhibition

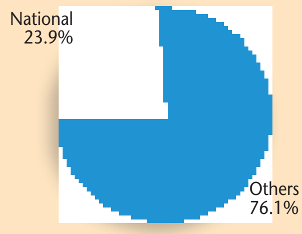
US blockbusters helped UK cinema admissions to grow by 5.6% to 173.5 million, the second highest level since 1971. GBO even increased by 11% to reach GBP 944 million (USD 1.5 billion), the highest level on record. Led by three 3D hits, *Avatar*, *Ice Age 3* and *Up*, US films accounted for about 81% of the box office, significantly up from 65% in 2008. Market share for UK films, including inward investment films financed by US studios, dropped dramatically from 31% in 2008 to 16.5%, illustrating dependency on a small number of high-grossing titles. UK independent films took 8.5% of total box office, celebrating their best result of the last decade. 3D also boosted growth in digital screens as the number increased by 365 to a total of 668 digital screens. In order to help smaller cinema negotiate financial support in the form of VPFs to digitise their screens, the CEA formed the UK Digital Funding Group which became a separate legal entity in January 2010 and represents some 500 independent screens at present.

Sources: UK Film Council (UKFC), Digital Cinema Media, *Screen International*, Cinema Exhibitors Association (CEA)

Russian Federation

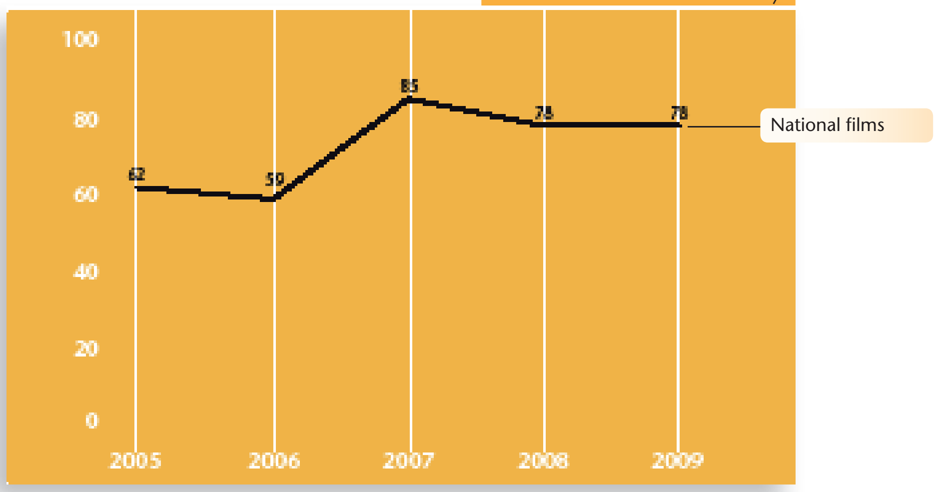
Population 2009 e	141.4 million
GDP per capita 2009 e	8 230 USD
Gross box office 2009 (million)	23 406 M RUB (735.7 M USD)
Admissions 2009	138.5 million
Average ticket price 2009	169 RUB (5.31 USD)
Average admissions per capita 2009	0.98
Screens 2008 | 2009	1 886 | 2 102
Screens in multiplexes 2008 | 2009	~ | ~
Digital screens 2008 | 2009	90 | 352
Digital 3D screens 2008 | 2009	89 | 346

Market shares 2009



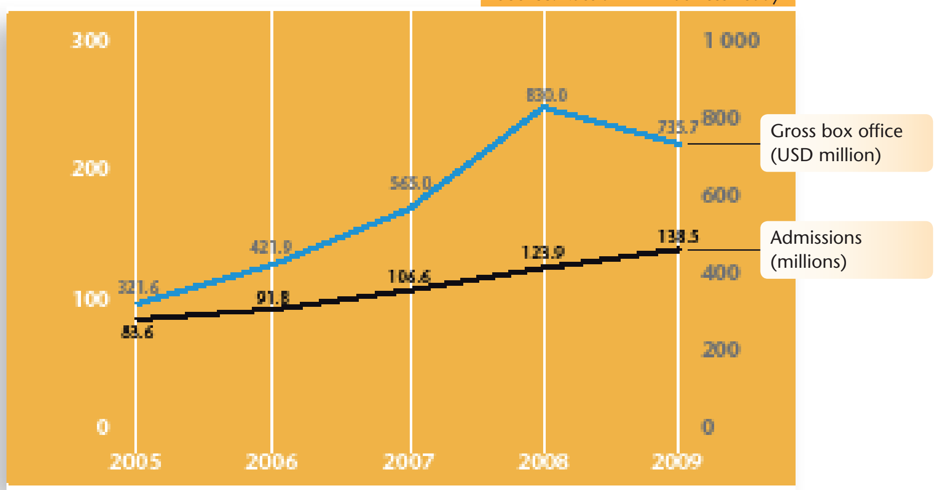
Number of Russian films on first release | 2005-2009

Source: *Russian Film Business Today*



Admissions and gross box office | 2005-2009

Source: *Russian Film Business Today*



Top 20 films by admissions in the Russian Federation & CIS (1) | 2009 e

Estimated admissions based on average ticket price of 5.31 USD.

	Original title	Country of origin	Director	Distributor	Admissions e
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	8 418 736
2	2012 (2)	US/CA	Roland Emmerich	BVSPR	6 898 604
3	Obitaemyy ostrov (The Inhabited…)	RU	Fyodor Bondarchuk	Caroprokat	4 120 396
4	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Caro Premier	3 538 415
5	New Moon (2)	US	Chris Weitz	West	3 509 434
6	Transformers: Revenge of the Fallen	US	Michael Bay	Central Partnership	3 428 472
7	Lubov morkov 2 (Lovey-Dovey 2)	RU	Maksim Pezhemsky	Caroprokat	3 368 057
8	Kanikuly strogogo rezhima	RU	Igor Zaytsev	20th Century Fox	3 314 340
9	Taras Bulba	RU	Vladimir Bortko	Central Partnership	3 215 245
10	Stilyagi (Hipsters)	RU	Valeriy Todorovskiy	Central Partnership	3 171 774
11	Terminator Salvation	US	McG	BVSPR	2 737 283
12	Fast & Furious 4	US	Justin Lin	UPI	2 699 302
13	The Final Destination	US	David R. Ellis	Caro Premier	2 671 208
14	Angels & Demons	US	Ron Howard	BVSPR	2 565 698
15	Monsters vs. Aliens	US	Letterman, Vernon	Central Partnership	2 551 660
16	A Christmas Carol (2)	US	Robert Zemeckis	BVSPR	2 473 170
17	Samyy luchshiy film 2	RU	Oleg Fomin	BVSPR	2 423 755
18	Up	US	P. Docter, B. Peterson	BVSPR	2 263 755
19	Night at the Museum: Battle of…	US/CA	Shawn Levy	20th Century Fox	2 079 811
20	Kniga masterov (The Book of Masters)	RU	Vadim Sokolovsky	BVSPR	2 041 509

(1) Excluding Ukraine. (2) Still on release after November 2009. Sources: *Russian Film Business Today*, OBS

Production and Funding

The Russian film production industry is currently facing a period of uncertainty with the yet to be announced new public support scheme potentially bringing with it significant changes in the local film production landscape. State funding had been a primary source of financing for both blockbusters as well as art-house films, spurring on local production activity until 2008 when the Federal Agency for Cinematography and Culture was closed down and its functions taken over by the Ministry of Culture. No public funding was granted to any new film projects in 2009 due to a temporary freeze on film grants, with only previously agreed grants to be paid from the state's annual USD 140 million film fund. The number of Russian films consequently stagnated at 78 releases in 2009 and is likely to go down in 2010. Up until now, no details of the new state support systems have been announced. Many art-house filmmakers fear that the future system will focus on funding a very limited number of large-scale productions leaving art-house productions struggling. This development will likely see an increased amount of consolidation, further pressure on production costs as well as more Russian producers turning to international co-productions, which have been comparatively rare in the past due to sufficient local funding, in order to finance their projects.

Distribution and Exhibition

Despite the financial crisis the Russian Federation continued its impressive growth trend with modern screens increasing by 11.5% driving admissions to grow by 11.8% to reach 138.5 million tickets sold. However, with the Russian ruble losing around 20% of its value against the US dollar in 2009, GBO reported in US dollars dropped from USD 830 million in 2008 to USD 736 million last year. As in past years, box office was dominated by US and local productions, the latter taking a market share of 23.9%. A clear trend towards 'blockbusterization' could be observed with admissions to the top 50 films increasing by 6.4% year-on-year, while admissions to the films ranking between 51 and 100 decreased by almost 30%. A new regulation introducing a mandatory uniform ticket sales reporting system for all film theatres is supposed to come into force on May 1, 2010. It responds to claims by local producers that theatres were systematically retaining a portion (5-6%) of their revenues. Driven almost exclusively by 3D screens, digital cinema jumped from 90 digital screens to 352 by year-end.

Sources: Nevafilm, RFilms, *Russian Film Business Today, Screen International*, OBS, Planeta-Inform

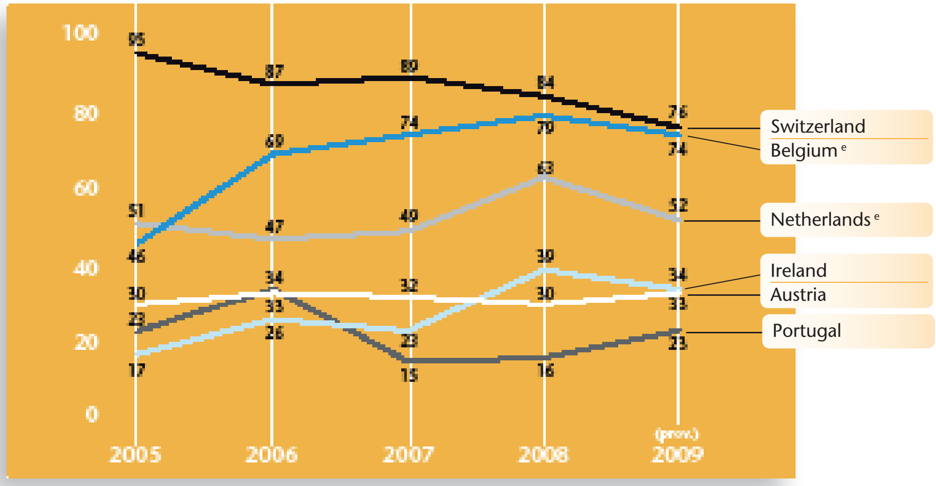
Other Western Europe

	Austria	Belgium	Ireland	Netherlands	Portugal	Switzerland
Population 2009 e (millions)	8.4	10.8	4.5	16.6	10.6	7.8
GDP per capita 2009 e	43 570	40 019	49 096	44 259	19 624	61 741
Gross box office 2009 (million USD)	181.6	187.3 (1)	173.3	279.5	102.7	211.4
Admissions 2009	18.4	22.6	17.7	27.3	15.7	15.3
Average ticket price 2009 (USD)	9.86	8.54 (1)	9.81	10.24	6.54	13.86
Average admissions per capita 2009	2.20	2.08	3.97	1.65	1.48	1.97
Screens 2009	577	491 (1)	442	649 (1)	577	559
Digital screens 2008 | 2009	84 | 239	98 | 144	38 | 112	56 | 105	44 | 181	17 | 63
Digital 3D screens 2009	101	45	68	94	89	54
National market shares 2009 e	8.0%	7.9%	0.2%	17.4%	2.7%	3.4%

(1) 2008

Number of feature films produced in selected Western European countries | 2005-2009

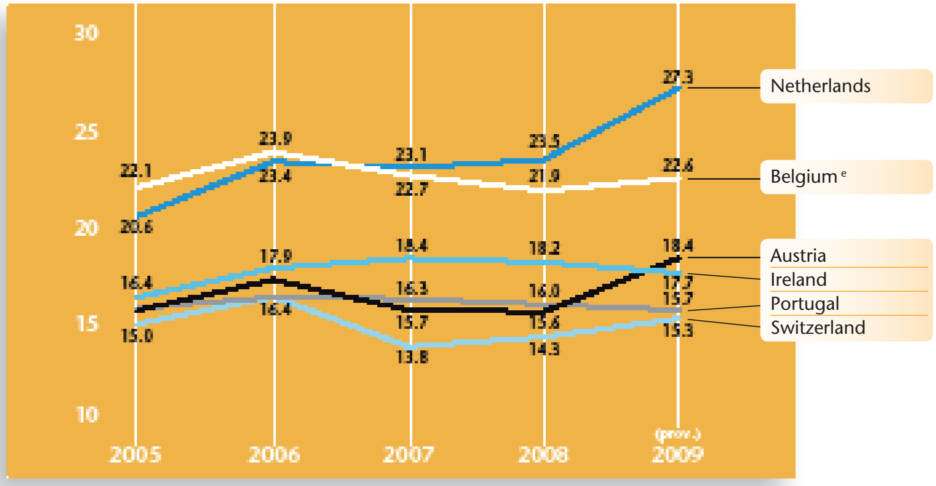
Sources: OFI, MFB, VAF, SGA, NFF, ICA, IFB, OFS, OBS



Admissions in selected Western European countries | 2005-2009

In millions.

Sources: SGA, FAFO, INS, FCB, CSA, NVF-NVB, ICA, OFS, STATEC, OBS



Top 10 films by admissions in Austria | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	1 272 648
2	Wickie und die starken Männer	DE	Michael Herbig	Constantin Film	796 094
3	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	556 145
4	Angels & Demons	US	Ron Howard	Sony Pictures	507 545
5	The Hangover	US/DE	Todd Phillips	Warner Bros.	441 699
6	Inglourious Basterds	US/DE	Quentin Tarantino	Universal Pictures	385 720
7	Avatar	US/GB	James Cameron	20th Century Fox	375 125
8	2012	US/CA	Roland Emmerich	Sony Pictures	359 841
9	New Moon	US	Chris Weitz	Constantin Film	344 501
10	The Proposal	US	Anne Fletcher	Walt Disney	333 165

Sources: Austrian Film Institute, Nielsen EDI

Top 10 films by admissions in Switzerland | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	1 029 015
2	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	469 966
3	Slumdog Millionaire	GB	D. Boyle, L. Tandan	Pathé Films	429 892
4	Angels & Demons	US	Ron Howard	Walt Disney Studio	407 476
5	2012	US/CA	Roland Emmerich	Walt Disney Studio	398 580
6	Up	US	P. Docter, B. Peterson	Walt Disney Studio	344 909
7	Avatar	US/GB	James Cameron	20th Century Fox	337 800
8	The Hangover	US/DE	Todd Phillips	Warner Bros.	335 679
9	New Moon	US	Chris Weitz	Elite-Film	319 619
10	Australia	US/AU	Baz Luhrmann	20th Century Fox	293 293

Source: Office fédéral de la statistique

Top 10 films by admissions in the Netherlands | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	1 357 884
2	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	1 134 483
3	Komt een vrouw bij de dokter	NL	Reinout Oerlemans	Benelux Film Distrib.	922 129
4	Up	US	P. Docter, B. Peterson	Walt Disney Studio	788 231
5	De storm	NL/BE	Ben Sombogaart	Universal Pictures Int	729 629
6	Angels & Demons	US	Ron Howard	Sony Pict. Releasing	704 258
7	Inglourious Basterds	US/DE	Quentin Tarantino	Universal Pictures Int	629 010
8	2012	US/CA	Roland Emmerich	Sony Pict. Releasing	565 144
9	Slumdog Millionaire	GB	D. Boyle, L. Tandan	Cinéart Nederland	536 788
10	This Is It	US	Kenny Ortega	Sony Pict. Releasing	513 041

Sources: MaccsBox, NVB & NVF

Top 10 films by admissions in Portugal | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	CLMC Multimedia	667 684
2	2012	US/CA	Roland Emmerich	Col. TriStar Warner	530 741
3	New Moon	US	Chris Weitz	Lusom. Audiovisuais	513 328
4	Angels & Demons	US	Ron Howard	Col. TriStar Warner	504 740
5	Up	US	P. Docter, B. Peterson	Lusom. Audiovisuais	469 668
6	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Col. TriStar Warner	434 514
7	Avatar	US/GB	James Cameron	CLMC Multimedia	424 088
8	The Curious Case of Benjamin Button	US	David Fincher	Col. TriStar Warner	397 244
9	Slumdog Millionaire	GB	D. Boyle, L. Tandan	Lusom. Audiovisuais	382 753
10	Inglourious Basterds	US/DE	Quentin Tarantino	Lusom. Audiovisuais	339 658

Source: ICA

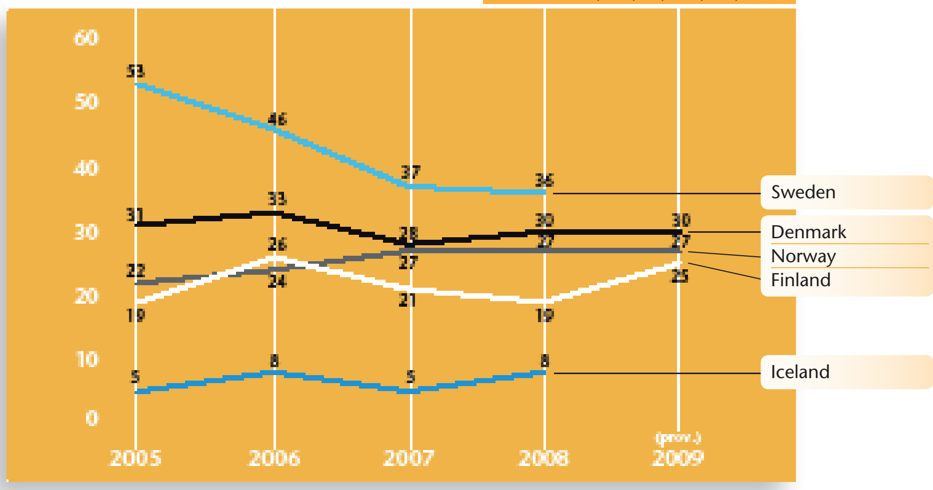
Nordic countries

	Denmark	Finland	Iceland	Norway	Sweden
Population 2009 e (millions)	5.5	5.4	0.3	4.9	9.3
GDP per capita 2009 e	52 815	44 217	36 878	70 644	38 960
Gross box office 2009 (million USD)	192.0	80.6	11.3	165.5	202.0
Admissions 2009	13.9	6.7	1.7	12.7	17.4
Average ticket price 2009 (USD)	13.78	12.04	6.71	13.03	11.61
Average admissions per capita 2009	2.5	1.3	5.3	2.6	1.9
Screens 2009	397 (1)	315	33	422	848 (1)
Digital screens 2008 | 2009	10 | 25	12 | 48	7 | 7	48 | 61	8 | 36
Digital 3D screens 2009	23	43	7	28	28
National market shares 2009 e	17.3%	15.0%	10.3%	20.6%	32.7%

(1) 2008

Number of feature films produced in the Nordic countries | 2005-2009

Sources: DFI, FFF, HI, NFI, SFI, OBS

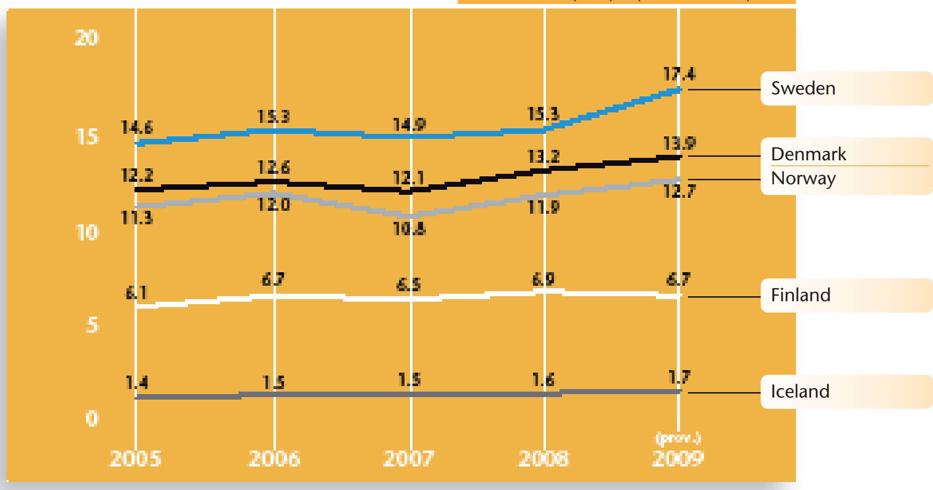


Note: Danish figures refer to number of feature films receiving public funding in a given year.

Admissions in Nordic countries | 2005-2009

In millions.

Sources: DFI, FFF, HI, Film & Kino, SFI



Top 10 films by admissions in Denmark | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Män som hatar kvinnor	SE/DK/DE	Niels Arden Oplev	Nordisk Film	959 207
2	Flickan som lekte med elden	SE/DK/DE	Daniel Alfredson	~	784 701
3	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Sandrew Metronome	596 291
4	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	~	515 583
5	Up	US	P. Docter, B. Peterson	~	496 825
6	Angels & Demons	US	Ron Howard	~	494 143
7	Sorte Kugler	DK	Anders Matthesen	~	404 777
8	Luftslottet som sprängdes	SE/DK/DE	Daniel Alfredson	~	404 504
9	Avatar	US/GB	James Cameron	~	322 038
10	Bolt	US	B. Howard, C. Williams	~	258 715

Sources: Statistics Denmark, DFI

Top 10 films by admissions in Finland | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	FS Film	390 778
2	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Sandrew Metronome	346 170
3	Rööperi	FI	Aleksi Mäkelä	Nordisk Film Film	256 307
4	Up	US	P. Docter, B. Peterson	Disney	218 506
5	Angels & Demons	US	Ron Howard	Disney	200 797
6	Slumdog Millionaire	GB	D. Boyle, L. Tandan	FS Film	187 156
7	Inglourious Basterds	US/DE	Quentin Tarantino	Finnkino	181 234
8	New Moon	US	Chris Weitz	Nordisk Film Film	179 638
9	Bolt	US	B. Howard, C. Williams	Disney	162 129
10	Twilight	US	Catherine Hardwicke	Nordisk Film Film	155 426

Source: Finnish Film Foundation

Top 10 films by admissions in Norway | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	859 617
2	Max Manus	NO/DK/DE	Roenning, Sandberg	Nordisk Filmdistrib.	758 445
3	Män som hatar kvinnor	SE/DK/DE	Niels Arden Oplev	Nordisk Filmdistrib.	532 167
4	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Sandrew Metronome	517 138
5	Flickan som lekte med elden	SE/DK/DE	Daniel Alfredson	Nordisk Filmdistrib.	487 637
6	Knerten	NO	Åsleik Engmark	Scanbox	355 771
7	Julenatt i Blåfjell	NO	Uthaug, Launing	Sandrew Metronome	343 746
8	Angels & Demons	US	Ron Howard	Walt Disney Studios	325 725
9	Up	US	P. Docter, B. Peterson	Walt Disney Studios	325 157
10	New Moon	US	Chris Weitz	Nordisk Filmdistrib.	274 822

Source: Film og Kino

Top 10 films by admissions in Sweden | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Män som hatar kvinnor	SE/DK/DE	Niels Arden Oplev	Nordisk Film	1 217 018
2	Flickan som lekte med elden	SE/DK/DE	Daniel Alfredson	Nordisk Film	1 029 295
3	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner	754 497
4	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	668 038
5	Sommaren med Göran - En midsom…	SE	Staffan Lindberg	Nordisk Film	550 085
6	Luftslottet som sprängdes	SE/DK/DE	Daniel Alfredson	Nordisk Film	509 122
7	New Moon	US	Chris Weitz	Nordisk Film	466 158
8	Up	US	P. Docter, B. Peterson	Walt Disney	461 412
9	Avatar	US/GB	James Cameron	20th Century Fox	453 296
10	Angels & Demons	US	Ron Howard	Sony Pict. Releasing	400 701

Source: Swedish Film Institute

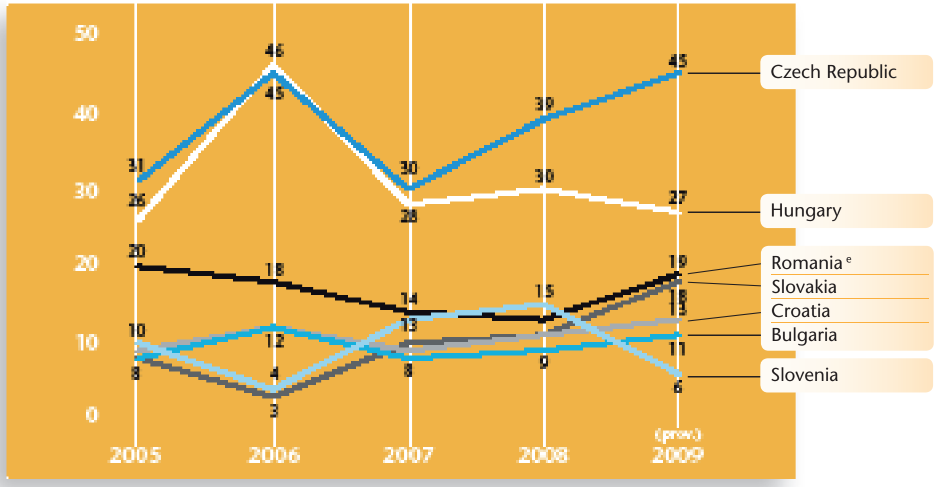
Central and South-Eastern Europe

	Bulgaria	Croatia	Czech Republic	Hungary	Romania	Slovakia	Slovenia
Population 2009 e (millions)	9.3	4.4	10.5	10.0	21.5	5.4	2.1
GDP per capita 2009 e	6 823	13 220	16 684	12 531	7 774	16 241	24 181
Gross box office 2009 (million USD)	17.9	15.9	65.5	55.5	28.4	23.5	16.2
Admissions 2009	3.2	3.3	12.5	10.6	5.3	4.1	2.8
Average ticket price 2009 (USD)	5.65	4.89	5.26	5.24	5.39	5.67	5.80
Average admissions per capita 2009	0.3	0.7	1.2	1.1	0.2	0.8	1.4
Screens 2009	94 (1)	112 (1)	695	415	182	235 (1)	103
Digital screens 2008 | 2009	17 | 23	7 | 8	2 | 50	7 | 31	14 | 41	0 | 10	9 | 9
Digital 3D screens 2009	12	8	47	28	25	10	9
National market shares 2009 e	1.6%	1.6%	25.6%	9.3%	2.3%	12.4%	1.9%

(1) 2008

Number of feature films produced in Central and South-Eastern Europe | 2005-2009

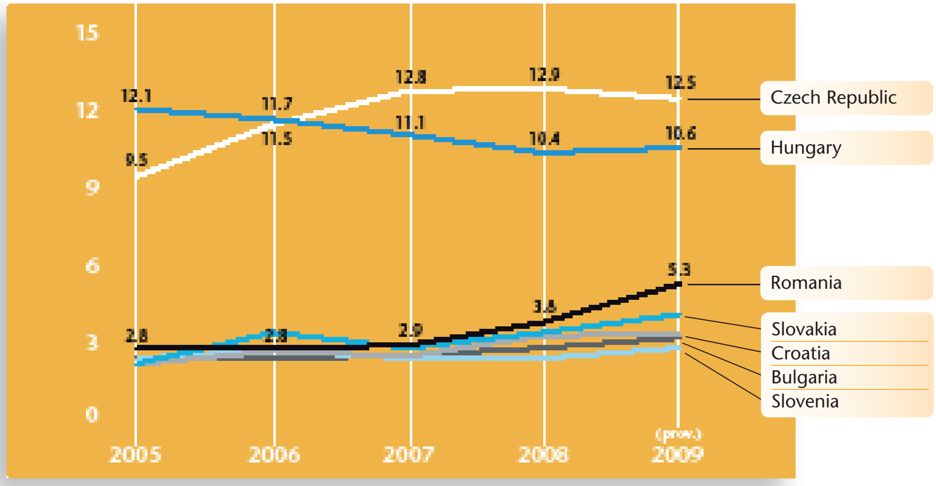
Sources: HAVCR, NFO, Ministry of Culture of the Czech Republic, CNC, SKFI, FSRS, NFC



Admissions in Central and South-Eastern Europe | 2005-2009

In millions.

Sources: OBS, NFO, UFD, CNC, HAVCR , SKFI, FSRS, NFC



Top 10 films by admissions in the Czech Republic | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Líbáš jako B h	CZ	Marie Poledňáková	Falcon	904 589
2	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	Bontonfilm	852 067
3	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	684 247
4	Avatar	US/GB	James Cameron	Bontonfilm	375 733
5	2 Bobule	CZ	Vlad Lanne	Bioscop/Magic Box	357 373
6	Angels & Demons	US	Ron Howard	Falcon	308 144
7	This Is It	US	Kenny Ortega	Falcon	291 505
8	Peklo s princeznou	CZ	Milos Smídmajer	Bioscop/Magic Box	269 593
9	2012	US/CA	Roland Emmerich	Falcon	260 202
10	Inglourious Basterds	US/DE	Quentin Tarantino	Bontonfilm	247 017

Source: Unie Filmovvych Distributoru

Top 10 films by admissions in Hungary | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	Intercom	652 823
2	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Intercom	491 597
3	Avatar	US/GB	James Cameron	Intercom	369 962
4	The Hangover	US/DE	Todd Phillips	Intercom	318 719
5	Angels & Demons	US	Ron Howard	Intercom	286 973
6	New Moon	US	Chris Weitz	Fórum-Hungary	277 543
7	The Proposal	US	Anne Fletcher	Fórum-Hungary	270 628
8	Up	US	P. Docter, B. Peterson	Fórum-Hungary	205 642
9	2012	US/CA	Roland Emmerich	Intercom	222 774
10	Inglourious Basterds	US/DE	Quentin Tarantino	UIP Dunafilm	244 288

Source: National Film Office

Top 10 films by admissions in Romania | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	Odeon Cineplex	334 217
2	2012	US/CA	Roland Emmerich	Intercomfilm	288 991
3	Avatar	US/GB	James Cameron	Odeon Cineplex	255 590
4	New Moon	US	Chris Weitz	Mediapro	134 340
5	A Christmas Carol	US	Robert Zemeckis	Prooptiki	120 397
6	The Final Destination	US	David R. Ellis	Intercomfilm	115 830
7	The Hangover	US/DE	Todd Phillips	Intercomfilm	107 573
8	The Proposal	US	Anne Fletcher	Prooptiki	101 796
9	Angels & Demons	US	Ron Howard	Intercomfilm	97 515
10	Inglourious Basterds	US/DE	Quentin Tarantino	Ro-Image 2000	96 017

Source: Centrul National al Cinematografiei

Top 10 films by admissions in the Slovak Republic | 2009

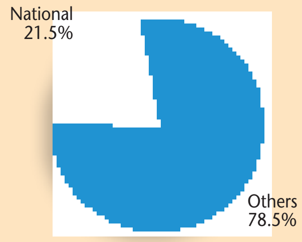
	Original title	Country of origin	Director	Distributor	Admissions
1	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	Tatra Film	399 454
2	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Continental Film	205 564
3	Janosik. Prawdziwa historia	PL/SK/CZ	A. Holland, K. Adamik		151 845
4	Angels & Demons	US	Ron Howard	Itafilm	131 942
5	Pokoj v dusi	SK	Vladimír Balko	Anna Kovacova	116 800
6	Avatar	US/GB	James Cameron	Tatra Film	109 584
7	Fly Me to the Moon	BE/US	Ben Stassen	Intersonic SK	107 679
8	Nestyda	CZ	Jan Hrebejk		93 470
9	New Moon	US	Chris Weitz	SPI SK	88 534
10	Twilight	US	Catherine Hardwicke	SPI SK	87 331

Source: Slovak Film Institute

Poland

Population 2009 [e]	38.1 million
GDP per capita 2009 [e]	10 583 USD
Gross box office 2009 (million)	681.3 M PLN (218.1 M USD)
Admissions 2009	39.2 million
Average ticket price 2009	17.39 PLN (5.57 USD)
Average admissions per capita 2009	1.03
Screens 2008 | 2009	1 043 | ~
Screens in Multiplexes 2008 | 2009 [e]	44.5% | ~
Digital screens 2008 | 2009	53 | 176
Digital 3D screens 2008 | 2009	~ | 141

Market shares 2009



Top 10 films by admissions in Poland | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Madagascar: Escape 2 Africa	US	Darnell, McGrath	UIP	2 105 476
2	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	Imperial Cinepix	1 990 248
3	2012	US/CA	Roland Emmerich	UIP	1 526 437
4	Kochaj i tancz	PL	Bruce Parramore	ITI Cinema	1 336 102
5	Popieluszko. Wolnosc jest w nas	PL	Rafal Wieczynski	Kino Swiat	1 312 230
6	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner	1 157 551
7	Angels & Demons	US	Ron Howard	UIP	1 059 911
8	U2 3D	US	Pellington, Owens	Forum Film	903 477
9	Monsters vs. Aliens	US	Letterman, Vernon	UIP	792 397
10	New Moon	US	Chris Weitz	Monolith	744 338

Source: boxoffice.pl

Distribution and Exhibition

Poland saw impressive 16.1% growth in cinema attendance in 2009, setting a record high of 39.2 million tickets, compared to 33.8 million in 2008. Gross box office takings increased by 24.5% year-on year to reach PLN 681.3 million (USD 218 million), spurred by an increasing average ticket price. Polish films could not quite reach 2008's exceptionally high market share of 24.1%, but managed to attract 21.5% of total admissions, confirming the strong come-back of Polish films over the past years, coming from a market share of just 3.4% in 2005. Three US blockbusters, the latest instalments of *Madagascar* and *Ice Age* as well as *2012* topped the Polish charts in 2009, followed by local productions *Love and Dance* and *Popieluszko: Freedom Is Within Us*, a biopic about Jerzy Popiełuszko, a Catholic priest associated with Solidarnosc and murdered by the internal intelligence agency in 1984. US films accounted for an estimated 65% of total market volume. The distribution market was once more dominated by US major UIP taking the lead (26.8%) followed by Forum Film (12.8%) and Imperial Cinepix (11.9% each). The Polish exhibition sector is highly concentrated with the three leading chains, Cinema City (37.4%), Multikino-SilverScreen (24.5%) and Helios-Kinoplex (19.7%) accounting for a cumulative 81.5% of the market. Despite the fact that a national programme for the digitisation of cinemas is still under discussion, digital screens increased from 53 screens in 2008 to 176 in 2009. The national support scheme aims at supporting up to 350 cinemas in installing digital projectors obliging participating cinemas to reserve 15% of their screenings for Polish films and 20% for European films.

Production

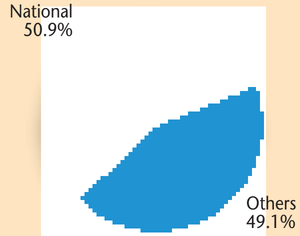
According to figures from the Polish Film Institute (PISF), there were 42 feature films produced in 2009, 3 less than in 2008. While significantly decreasing between 2000 and 2004, local production levels started to grow again with public funding schemes developed by the Polish Film Institute becoming operational in May 2006 as well as the creation of several regional film funds. In 2009 the PISF spent over PLN 132.6 million (USD 42.5 million) on supporting film production, 15% more than in 2008 and almost double the amount allocated in earlier years.

Sources: Polish Film Iinstitute (PISF), boxoffice.pl, Film New Europe, OBS

Turkey

Population 2009 [e]	70.4 million
GDP per capita 2009 [e]	7 840 USD
Gross box office 2009 (million)	308.2 M TRY (198.0 M USD)
Admissions 2009	36.9 million
Average ticket price 2009	8.35 TRY (5.37 USD)
Average admissions per capita 2009	0.52
Screens 2008 | 2009	1 575 | ~
Screens in Multiplexes 2008 | 2009 [e]	24.8% | ~
Digital screens 2008 | 2009	20 | 62
Digital 3D screens 2008 | 2009	~ | 59

Market shares 2009



Top 10 films by admissions in Turkey | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Recep Ivedik 2	TR	Togan Gökbakar	Ozen Film	4 333 116
2	Günesi gördüm	TR	Mahsun Kirmizigül	Pinema	2 491 454
3	Nefes: Vatan sagolsun	TR	Levent Semerci	Medyavizyon	2 419 136
4	2012	US/CA	Roland Emmerich	Warner Bros.	1 468 855
5	Ice Age: Dawn of the Dinosaurs	US	C. Saldanha, M. Thurmeier	Tiglon	1 408 523
6	New Moon	US	Chris Weitz	Tiglon	1 195 932
7	Neseli hayat	TR	Yilmaz Erdogan	Cinefilm	1 071 580
8	Kurtlar vadisi: Gladio	TR	Sadullah Sentürk	Ozen Film	862 947
9	Issiz adam	TR	Cagan Irmak	Cinefilm	771 747
10	Avatar	US/GB	James Cameron	Tiglon	721 582

Source: *Sinema Gazetesi*

Distribution and Exhibition

Turkish theatrical admissions decreased by 4.1% to 36.9 million tickets sold in 2009. With the average ticket price increasing by 7% overall gross box office takings, however, grew to TRY 308 million (USD 198 million), up 2% from 2008. First releases accounted for 94.3% of total admissions. The number of first released decreased slightly from 265 in 2008 to 255, out of which 69 films were of Turkish origin (27%). Led by *Recep Ivedik 2*, which became the country's most watched film in recent years, selling more than 4.33 million tickets, national films took a market share of 51%. This represents a significant drop from 2008's record high of 58.3% as admissions to local films decreased by 19% year-on-year. US films accounted for 33% of all releases, taking an estimated market share of 42%, compared to only 33% in 2008. The distribution branch in 2009 was led by Warner Bros. achieving a market share of 19.3% of total GBO, followed by Tiglon Film (18.9%), Özen Film (18.1%) and UIP Türkiye. (15.1%). On a cumulative basis the five leading distributors took 83.5% of the total market. Turkey's screen base continued to grow with 1 575 screens by year-end 2008, 111 up from the previous year. Multiplex screens accounted for about 25% of the total screen base in 2008. Digital roll-out remained moderate with the number of digital screens increasing from 20 at the end of 2008 to 62 by end 2009. Turkey is currently considering an amendment of its anti-piracy regulations based on the French model of Internet Service Providers having to monitor illegal film and music downloads and perpetrators having their internet connections disconnected for two to twelve months.

Production and Funding

Driven by increasing demand for local films and public support Turkish film production has been growing significantly over the past years. While there were only 18 national films released six years ago, this increased to 43 in 2007, 51 in 2008 and 69 in 2009. The success of local films at the box office has helped to attract funding from broadcasters and even private money, but profitability remains a key issue for many productions with experts estimating that about 30 out of the 69 Turkish films made in Turkey are struggling to make a profit. The Turkish film industry is eagerly awaiting the country's first 3D production, expected to become Turkey's most expensive film to date, to be released by year-end.

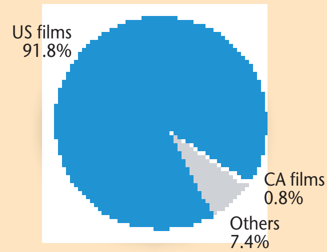
Sources: *Sinema Gazetesi, Variety, Hürriyet*, OBS

North America

	North America	US	Canada
Population 2009 e (millions)	341.0	307.4	33.6
GDP per capita 2009 e (USD)	44 667	45 550	36 589
Gross box office 2009 (million USD)	10.6	9 629 (1)	863 (1)
Admissions 2009 e (millions)	1 420	1 364 (1)	108 (1)
Average ticket price 2009 (USD) e	7.50	7.18 (1)	8.01 (1)
Average admissions per capita 2009 e	4.3	4.47 (1)	3.2 (1)
Screens 2009 e	41 861	39 028	2 833 (1)
Digital screens 2009	7 736	7 418	318
National market shares 2009 e	92.7%	91.8%	0.8%

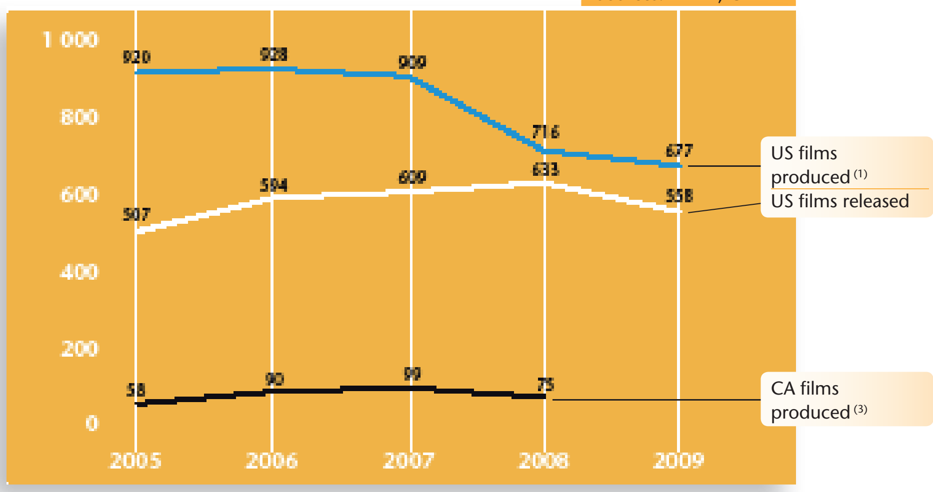
(1) 2008

Market shares 2009 e



Number of feature films produced in the United States and Canada | 2005-2009

Sources: MPAA, CFTPA

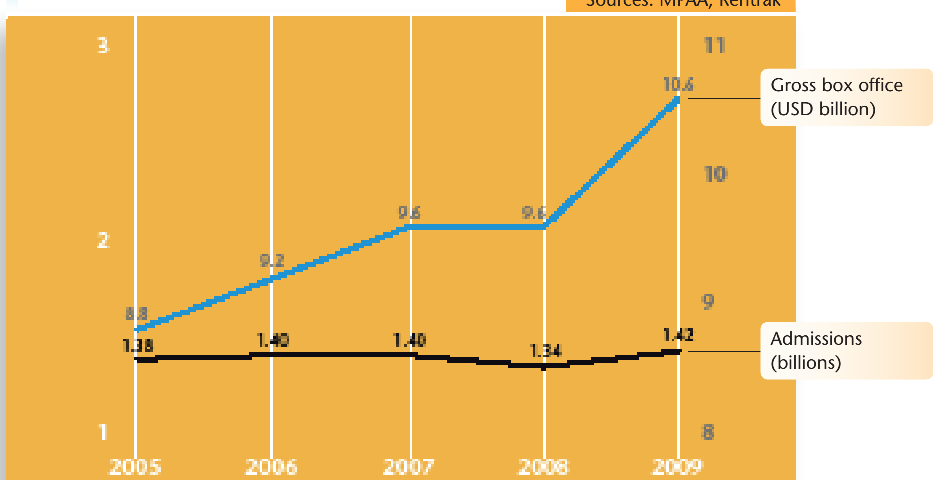


(1) Historical data has been updated due to change of sources. Does not include feature documentaries.

(2) Based on fiscal year April to March.

Admissions and gross box office in the US & Canada | 2005-2009

Sources: MPAA, Rentrak



Distribution and Exhibition

2009 proved to be an excellent year for the North American theatrical market with gross box office growing for the fourth consecutive year in a row. Driven by 3D blockbusters and successful sequels GBO takings in the US and Canada increased by an impressive 10.1% year-on-year to reach USD 10.6 billion, the highest level on record. After falling for two years in a row, cinema attendance grew to 1.42 million tickets sold, up 5.5% from 2008 and representing the highest level in five years. With 4.3 cinema tickets bought by each citizen on average per year, the North American market boasts the highest cinema going rate per person among the world's major theatrical markets. Swelled by premium 3D prices, average ticket prices increased from USD 7.18 in 2008 to USD 7.50. Besides 3D titles, high-profile franchise films dominated the 2009 box office. Led by *Transformers 2*, the latest *Harry Potter* instalment as well as *New Moon*, sequels or spin-offs accounted for almost half of the 20 most successful films in the North American box office in 2009. The number of film releases dropped significantly from 633 films in 2008 to 558 films released in 2009. While the number of major studio releases actually increased from 108 to 111, the drop in overall releases stems exclusively from a dramatic decline in the independent distribution sector. US films took an estimated market share of 91.8% of the North American market, Canadian films accounting for 0.8%. European films, including films produced in Europe with incoming investment from the US, accounted for 6.8%, 1.3% percentage points up from 2008. A total of 32 films crossed the USD 100 million benchmark, compared to 25 films in 2008 and 28 in 2007. Warner Bros. became the market leading studio in 2009, taking an estimated 20% of the total box office, followed by Paramount (13.9%), Sony/Columbia (13.7%) and 20th Century Fox (13.2%).

3D and Digital Cinema

2009 marked the first year in which 3D cinema had a significant impact on the overall market. 3D screenings generated a GBO of USD 1.14 billion, accounting for 10.7% of total GBO. This compares to GBO takings of USD 240 million and a share of only 2,5% in the previous year. In 2009 a total of 20 digital 3D films were released, compared to 6 to 8 films between 2005 and 2008. The huge success of 3D films was made possible by US and Canadian theatres increasing their 3D screen base and the release of high-quality productions such as James Cameron's *Avatar, Up, Monsters vs. Aliens* and *Ice Age 3*, all of which made it into the top 10 films of the year. The number of digital 3D screens in the region more than doubled, growing by 134% to 3 548 screens, and represents 46% of the total digital screen base, which grew by 36.7% to 7 736 screens in 2009. Accounting for 7 418 of these digital screens, US exhibitors had converted about 19% of their total indoor screen base to digital by the end of 2009. In Canada the conversion rate is estimated at around 11%.

US Production

According to revised MPAA figures, US production volume continued its downward trend in 2009. After plummeting from well above 900 feature fiction films between 2005 and 2007 to 716 in 2008, production activity dropped by another 39 films to 677 feature fiction films produced in 2009. It remains to be seen whether this decrease in production activity remains a temporary phenomenon caused by labour issues, such as the strike of the Writer's Guilds of America in 2007 and 2008, and the challenging overall economic environment, or whether US production levels will remain at such comparatively low levels for some time to come, indicating a trend towards 'blockbusterization' with major studios focusing on producing and distributing big budget blockbusters while the independent sector is struggling to find screen space in an increasingly digital world.

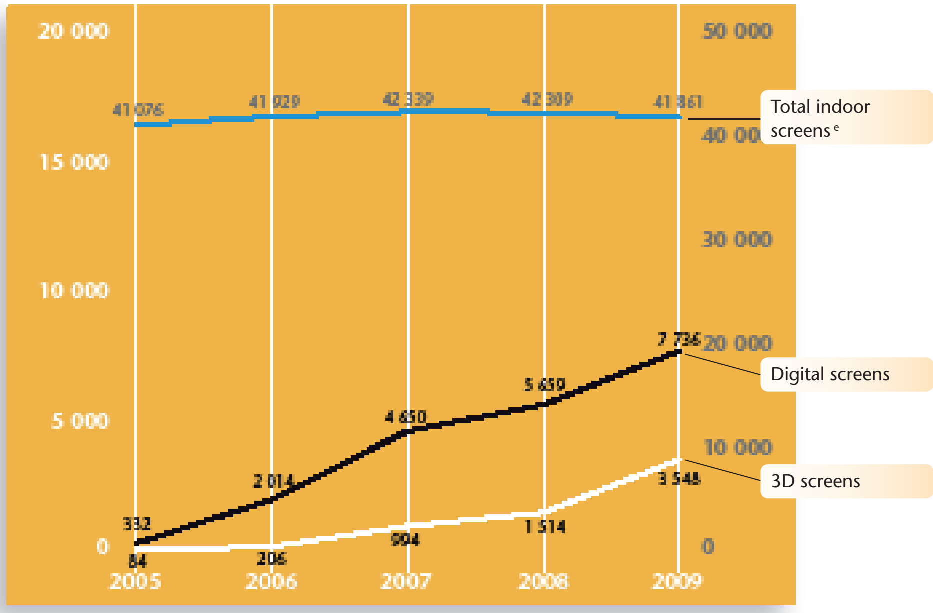
Canada

According to data from Telefilm Canada, Canadian GBO increased by 9.5% to CAD 1 billion (USD 886 million) with local market share for Canadian films increasing from 2.9% to 3.3%. The Canadian Film and Television Production Association (CFTPA) have moved the publication date of their 2008/09 report on film production to December 2010, so that there are currently no recent figures available on Canadian production activity, except for theatrical production investment which decreased by 21.8% to CAD 235 million in the period between April 2008 and March 2009, the lowest level since 2000/01. In 2007/08 Canadian production companies produced 75 feature films. Median production costs had amounted to CAD 2.1 million.

Sources: MPAA, *Screen International*, *Variety*, BoxOfficeMojo, CFTPA, Observatoire de la culture et des communications de Québec, OBS

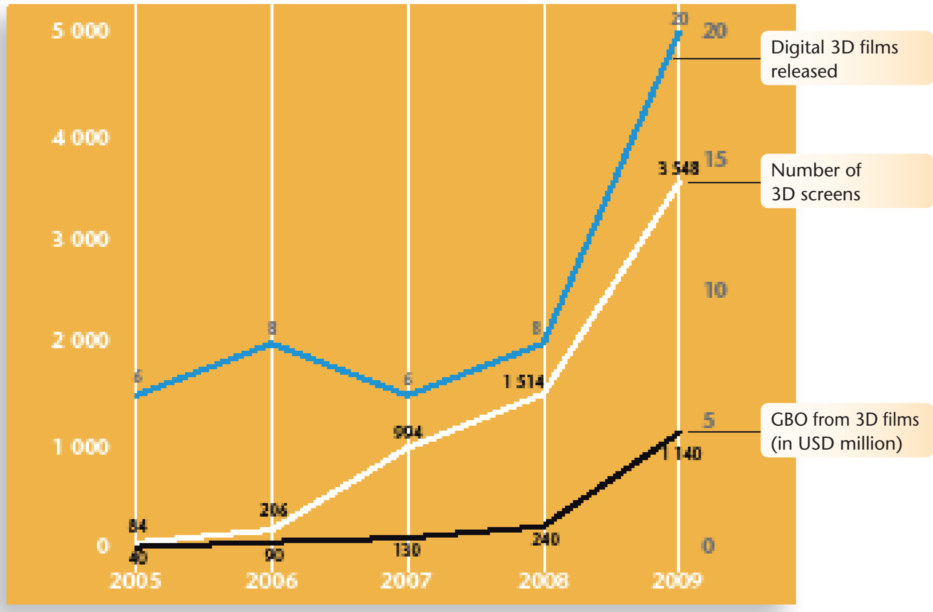
Screen development in the United States and Canada | 2005-2009

Sources: MPAA, Rentrak



3D development in the United States and Canada | 2005-2009

Sources: MPAA, Rentrak, Sceen Digest



Top 20 films by gross box office in North America | 2009

	Original title	Country of origin	Director	Distributor	Gross box office (in USD)
1	Transformers: Revenge of the Fallen	US	Michael Bay	Paramount Pict.	402 111 870
2	Avatar (1)	US/GB	James Cameron	Fox	352 114 898
3	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	301 959 197
4	Up	US	P. Docter, B. Peterson	Disney	293 004 164
5	New Moon (1)	US	Chris Weitz	Summit	287 954 655
6	The Hangover	US/DE	Todd Phillips	Warner Bros.	277 322 503
7	Star Trek	US	J.J. Abrams	Paramount Pict.	257 730 019
8	The Blind Side (1)	US	John Lee Hancock	Warner Bros.	208 476 067
9	Monsters vs. Aliens	US	Letterman, Vernon	Param.-DreamW.	198 351 526
10	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	Fox	196 573 705
11	X-Men Origins: Wolverine	US	Gavin Hood	Fox	179 883 157
12	Night at the Museum: Battle of the Smith…	US/CA	Shawn Levy	Fox	177 243 721
13	The Proposal	US	Anne Fletcher	Disney	163 958 031
14	2012 (1)	US/CA	Roland Emmerich	Sony	163 442 128
15	Alvin and the Chipmunks: The Squeakquel (1)	US	Betty Thomas	Fox	155 913 935
16	Fast & Furious 4	US	Justin Lin	Universal Pictures	155 064 265
17	G.I. Joe: The Rise of Cobra	US/CZ	Stephen Sommers	Paramount Pict.	150 201 498
18	Paul Blart: Mall Cop	US	Steve Carr	Sony	146 336 178
19	Taken	FR	Pierre Morel	Fox	145 000 989
20	Gran Torino	US/AU	Clint Eastwood	Warner Bros.	141 211 171

(1) Still on release in 2010.

Source: *Variety*

Top 20 films by admissions in Québec | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	De père en flic	CA	Émile Gaudreault	Alliance Vivafilm	1 242 275
2	New Moon	US	Chris Weitz	Les Films Séville	840 004
3	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	817 971
4	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	20th Century Fox	676 491
5	Transformers: Revenge of the Fallen	US	Michael Bay	DreamWorks Pict.	644 099
6	Angels & Demons	US	Ron Howard	Columbia Pictures	603 537
7	2012 (1)	US/CA	Roland Emmerich	Columbia Pictures	507 379
8	Avatar (1)	US/GB	James Cameron	20th Century Fox	478 693
9	Fast & Furious 4	US	Justin Lin	Universal Pictures	462 864
10	X-Men Origins: Wolverine	US	Gavin Hood	20th Century Fox	415 813
11	Slumdog Millionaire	GB	D. Boyle, L. Tandan	Fox Searchl. Pict.	411 232
12	Star Trek	US	J.J. Abrams	Paramount Pict.	408 518
13	Taken	FR	Pierre Morel	20th Century Fox	367 553
14	Up	US	P. Docter, B. Peterson	Walt Disney	356 595
15	Inglourious Basterds	US/DE	Quentin Tarantino	Alliance Vivafilm	329 546
16	The Proposal	US	Anne Fletcher	Walt Disney	313 656
17	The Curious Case of Benjamin Button	US	David Fincher	Paramount Pict.	311 321
18	G.I. Joe: The Rise of Cobra	US/CZ	Stephen Sommers	Paramount Pict.	297 528
19	Monsters vs. Aliens	US	Letterman, Vernon	DreamW. Anim.	292 043
20	District 9	US/NZ	Neill Blomkamp	Sony Pictures	291 959

(1) Still on release in 2010.

Source: Institut de la statistique du Québec

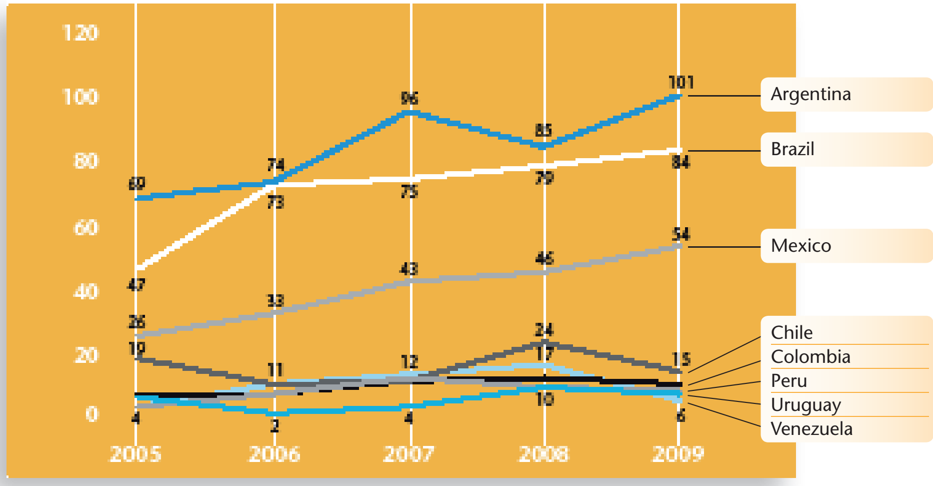
Latin America

	Argentina	Bolivia [e]	Brazil	Chile	Colombia	Mexico	Peru	Uruguay	Venezuela
Population 2009 [e] (millions)	40.1	10.2	194.4	17.0	49.0	107.4	29.1	3.2	28.6
GDP per capita 2009 [e] (USD)	7 732	1 783	6 526	7 994	4 047	7 703	4 225	9 112	10 286
Gross box office 2009 (million USD)	126.1	2.9 (1)	482.9	66.6	91.7	562.5	62.6	10.0	163.6
Admissions 2009 (millions)	33.3	1.7 (1)	112.7	11.9 (1)	27.3	178.0	18.5 (1)	2.4	22.0 (1)
Average admissions per capita 2009	0.83	1.67 (1)	0.58	5.08 (1)	0.56	1.66	3.04 (1)	0.75	5.82 (1)
Average ticket price 2009 (USD)	3.79	0.17 (1)	4.28	0.71 (1)	3.36	3.16	0.65 (1)	4.16	0.78 (1)
Screens 2009	885	49 (2)	2 213	300	593	4 480	170	70	414 (1)
Digital screens 2009	35	~	97	16	14	180	11	6	3
National market shares 2009 [e]	16.0%	~	14.3%	3.7%	4.8%	7.5%	4.0%	3.0%	0.6%

(1) 2008 (2) 2007

Number of national feature films released in Latin America | 2005-2009

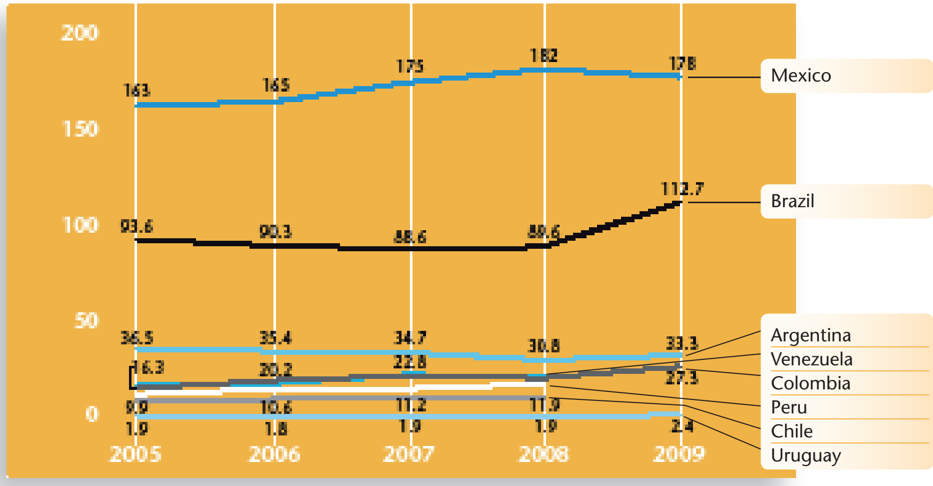
Source: Observatorio del Cine y el Audiovisual Latinoamericano



Admissions in Latin America | 2005-2009

In millions.

Source: Observatorio del Cine y el Audiovisual Latinoamericano



Mexico

Struggling with the swine flu epidemic and economic crisis, Mexican cinema attendance could not match the strong growth trend experienced in most other Latin American markets, with admissions decreasing by 2.2%, down from a record 182 million in 2008 to 178 million. Thanks to increasing average ticket prices GBO revenues reached MXN 7 604 million (USD 562 million), up 2.9% from 2008. The Mexican distribution sector remains a difficult one for independent productions to secure screen space in a market dominated by US blockbusters. In this environment a higher number of national releases, 54 in 2009, failed to boost national market share. In another year where not one domestic film made it into the top 10, national market share remained fairly stable at around 7.5%. During 2009 the local film industry successfully fought off proposed budget cuts in public funding and obtained the strengthening of the 226 tax incentive programme, now also accessible to international co-productions, allowing producers a refund of up to 17.5% of their total local spend. With these measures Mexico is hoping to bring back large-scale foreign productions and fight off competition from other Latin American countries like Colombia, Puerto Rico and Costa Rica which had managed to attract foreign shoots with attractive incentive schemes and low pay scales. The country's screen base grew by 6.7% to 4 480, with the number of digital screens increasing from 25 to 180, making Mexico the clear leader with regard to digital roll-out in Latin American.

Brazil

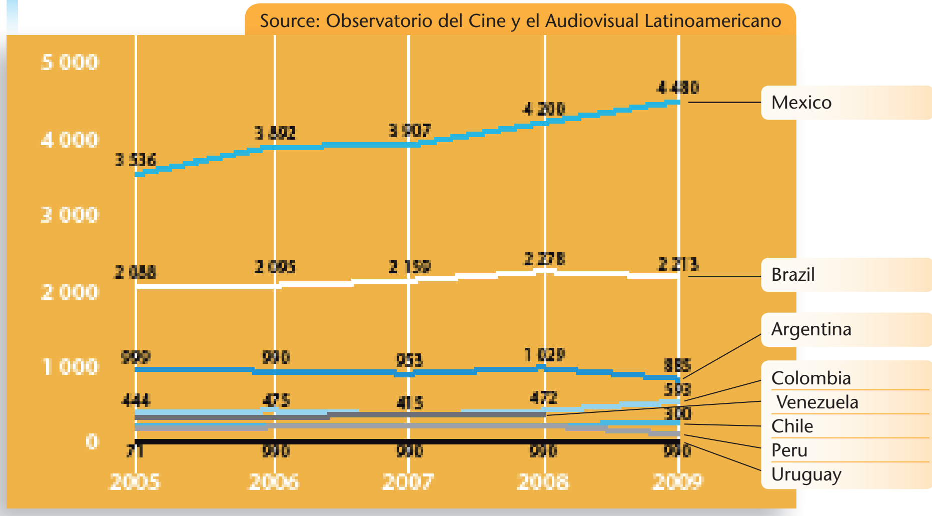
Boosted by an economic recovery and the strong performance of local films, Brazilian cinema attendance rose by an impressive 25.8% to 112.7 million tickets sold, the highest level since 2004. Thanks to an increase in 3D screens, rising from 20 at the beginning of the year to 97 by the end of the year, higher average ticket prices swelled 2009 GBO by 33.3% reaching a record BRL 970 million (USD 483 million). A wave of local hits led by *Se Eu Fosse Voce 2*, a sequel to the 2006 romantic comedy, which sold some 5.5. million tickets and became the highest-grossing domestic film in recent history – only *Ice Age 3* scored higher –, turned out to be a driving market force beside the traditionally strong US blockbusters. National market share was up 4.5% to 14.3%, halting a downward trend which had seen market share for domestic films fall from 21.4% in 2003 to 9.8% in 2008. It has been argued among industry players that the public funding incentive schemes introduced in the early 1990s had succeeded in reviving a practically non-existent film production sector, continuously growing from virtually zero to 84 film releases in 2009. However these schemes targeted the production of art-house feature films not designed for mainstream success, hence their failure to boost national market shares. In order to correct this development the Brazilian cinema agency Ancine introduced a new market-driven incentive scheme, the so-called Sector Fund, in 2009. The new fund will support the local film and TV industry with an annual average of BRL 100 million (USD 46 million), buying shares in the films' rights and focusing on films with market potential. The fund also foresees a special credit line for international co-productions and digital roll-out support of the country's exhibition sector, which at year end boasted 97 digital screens. The total number of theatrical screens decreased by 2.9% to 2 213.

Argentina

Despite the economic crisis, swine flu and a shrinking number of screens, cinema attendance grew by 8.8% to 33.3 million tickets sold in 2009. Driven by a strong increase in average ticket price from ARS 11.8 to ARS 14.2 (USD 3.79), GBO grew by 29.3% measured in local currency to ARS 471 million (USD 126 million). Besides US blockbusters, it was the strong performance of local titles which drove the overall box office. Led by the award-winning *El secreto de sus ojos*, a co-production with Spain and topping the charts in 2009 with more than 2.2 million admissions, national films significantly increased their market share from 11.9% to 16%. This development could also reflect an impact of the stiffening of exhibition regulations introduced in early 2009 by the country's film institute INCAA, forcing exhibitors to screen local films for at least two weeks in order to secure screen space in a market which is traditionally dominated by US films distributed on large numbers of prints. As of March 2009 there were 11 digital screens operational in Argentina. The closure of a net 144 screens saw Argentina's total screen base decrease significantly from 1 029 to 885 in 2009, the lowest level in recent years.

Sources: Observatorio del Cine y el Audiovisual Latinoamericano, INCAA, Imcine, Ancine, *Screen International, Variety*

Number of screens in Latin America | 2005-2009



Top 10 films by admissions in Mexico | 2009 e

Estimated admissions in Mexico based on average ticket price of 42.72 MXN (3.16 USD).

	Original title	Country of origin	Director	Admissions e
1	Ice Age: Dawn of the Dinosaurs	US	Carlos Saldanha, Mike Thurmeier	12 236 101
2	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	6 581 189
3	2012	US/CA	Roland Emmerich	6 033 959
4	Transformers: Revenge of the Fallen	US	Michael Bay	5 869 863
5	Avatar	US/GB	James Cameron	5 786 475
6	New Moon	US	Chris Weitz	5 764 637
7	Up	US	Pete Docter, Bob Peterson	4 402 792
8	Angels & Demons	US	Ron Howard	4 156 194
9	Fast & Furious 4	US	Justin Lin	4 103 631
10	Monsters Vs. Aliens	US	Rob Letterman, Conrad Vernon	3 283 525

Sources: Observatorio del Cine y el Audiovisual Latinoamericano, BoxOfficeMojo, OBS

Top 10 films by admissions in Brazil | 2009 e

Estimated admissions in Brazil based on average ticket price of 8.61 BRL (4.28 USD).

	Original title	Country of origin	Director	Admissions e
1	Ice Age: Dawn of the Dinosaurs	US	Carlos Saldanha, Mike Thurmeier	9 426 793
2	Se Eu Fosse Você 2	BR	Daniel Filho	5 534 146
3	New Moon	US	Chris Weitz	5 333 363
4	2012	US/CA	Roland Emmerich	4 991 315
5	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	4 204 839
6	X-Men Origins: Wolverine	US	Gavin Hood	3 178 599
7	Angels & Demons	US	Ron Howard	3 254 624
8	Avatar	US/GB	James Cameron	3 425 057
9	Night at the Museum: Battle of the Smithsonian	US/CA	Shawn Levy	2 454 226
10	A Mulher Invisível	BR	Cláudio Torres	2 382 130

Sources: Ancine, OBS

Top 10 films by admissions in Argentina | 2009 e

Estimated admissions in Argentina based on average ticket price of 14.16 ARS (3.79 USD).

	Original title	Country of origin	Director	Admissions e
1	El secreto de sus ojos	AR/ES	Juan José Campanella	2 202 925
2	Ice Age: Dawn of the Dinosaurs	US	Carlos Saldanha, Mike Thurmeier	1 861 435
3	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	986 949
4	Angels & Demons	US	Ron Howard	773 893
5	Bolt	US	Byron Howard, Chris Williams	674 345
6	2012	US/CA	Roland Emmerich	769 593
7	New Moon	US	Chris Weitz	750 417
8	Night at the Museum: Battle of the Smithsonian	US/CA	Shawn Levy	569 573
9	Bedtime Stories	US	Adam Shankman	512 785
10	Transformers: Revenge of the Fallen	US	Michael Bay	566 520

Source: Incaa, OBS

Top 10 films by gross box office in Venezuela | 2009 e

GBO in Venezuela has been converted to USD based on an average exchange rate of 1 USD = 2.15 VEF.

	Original title	Country of origin	Director	Gross box office (in USD) e
1	Ice Age: Dawn of the Dinosaurs	US	Carlos Saldanha, Mike Thurmeier	11 579 756
2	2012	US/CA	Roland Emmerich	8 001 814
3	Up	US	Pete Docter, Bob Peterson	7 209 321
4	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	6 573 273
5	G-Force	US	Hoyt Yeatman	5 154 643
6	Avatar	US/GB	James Cameron	2 539 845
7	Fast & Furious 4	US	Justin Lin	4 578 534
8	Angels & Demons	US	Ron Howard	4 420 037
9	Night at the Museum: Battle of the Smithsonian	US/CA	Shawn Levy	4 348 542
10	Transformers: Revenge of the Fallen	US	Michael Bay	4 008 200

Sources: CNAC, OBS

Top 10 films by gross box office in Peru | 2009 e

GBO in Chile has been converted to USD based on an average exchange rate of 1 USD = 3.05 PEN.

	Original title	Country of origin	Director	Gross box office (in USD) e
1	Ice Age: Dawn of the Dinosaurs	US	Carlos Saldanha, Mike Thurmeier	4 728 421
2	2012	US/CA	Roland Emmerich	2 911 229
3	Avatar	US/GB	James Cameron	2 103 459
4	Transformers: Revenge of the Fallen	US	Michael Bay	2 073 812
5	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	1 955 229
6	G-Force	US	Hoyt Yeatman	1 870 837
7	New Moon	US	Chris Weitz	1 816 376
8	Up	US	Pete Docter, Bob Peterson	1 450 911
9	Angels & Demons	US	Ron Howard	1 316 272
10	Night at the Museum: Battle of the Smithsonian	US/CA	Shawn Levy	1 212 880

Sources: Conacine, OBS

Top 10 films by gross box office in Chile | 2009 e

GBO in Chile has been converted to USD based on an average exchange rate of 1 USD = 569.89 CLP.

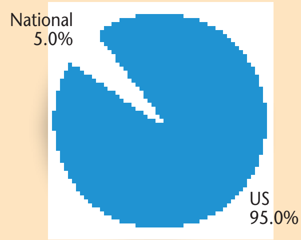
	Original title	Country of origin	Director	Gross box office (in USD) e
1	Ice Age: Dawn of the Dinosaurs	US	Carlos Saldanha, Mike Thurmeier	7 059 639
2	2012	US/CA	Roland Emmerich	3 975 408
3	Up	US	Pete Docter, Bob Peterson	3 611 904
4	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	3 457 955
5	Avatar	US/GB	James Cameron	3 249 669
6	New Moon	US	Chris Weitz	2 392 780
7	Angels & Demons	US	Ron Howard	2 190 863
8	Transformers: Revenge of the Fallen	US	Michael Bay	2 028 449
9	G-Force	US	Hoyt Yeatman	1 580 500
10	Night at the Museum: Battle of the Smithsonian	US/CA	Shawn Levy	1 368 452

Sources: Observatorio del Cine y el Audiovisual Latinoamericano, BoxOfficeMojo, OBS

Australia

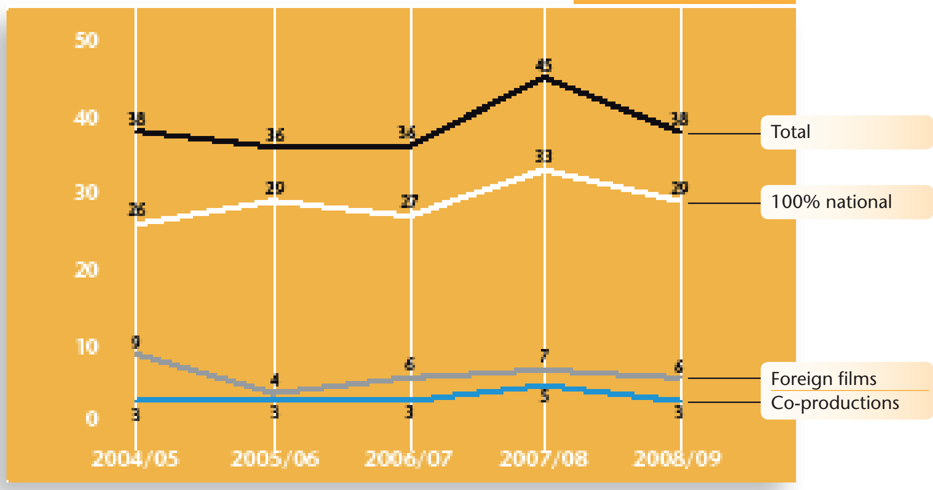
Population 2009 [e]	21.6 million
GDP per capita 2009 [e]	34 974 USD
Gross box office 2009 (million)	1 087 M UD (848.4 M USD)
Admissions 2009	90.7 million
Average ticket price 2009	12.0 AUD (9.29 USD)
Average admissions per capita 2009	4.20
Screens 2008 | 2009	1 980 | 1 989
Digital screens 2008 | 2009	54 | 311
3D screens 2008 | 2009	~ | 299

Market shares 2009



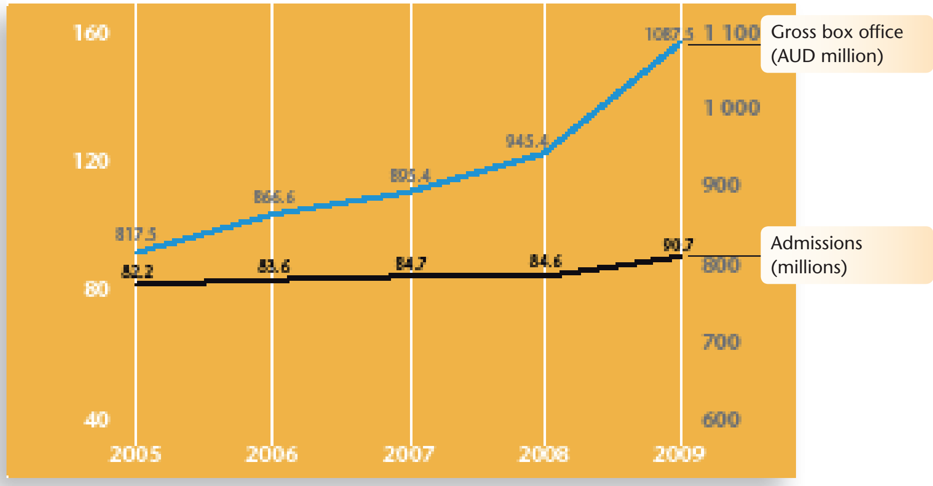
Number of films produced in Australia | 2005-2009

Source: Screen Australia



Admissions and gross box office | 2005-2009

Sources: MPDAA, Screen Australia



Top 20 films by admissions in Australia | 2008

Estimated admissions based on average ticket price of 11.99 AUD.

	Original title	Country of origin	Director	Distributor	Admissions[e]
1	Harry Potter and the Half-Blood Prince	GB Inc/US	David Yates	Warner Bros	3 385 939
2	Transformers: Revenge of the Fallen	US	Michael Bay	Paramount	3 364 544
3	Avatar	US/GB	James Cameron	Fox	3 236 901
4	New Moon	US	Chris Weitz	Hoyts	3 082 343
5	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	Fox	2 484 856
6	Up	US	Docter, Peterson	Walt Disney	2 334 520
7	The Hangover	US/DE	Todd Phillips	Warner Bros	1 785 266
8	Monsters vs. Aliens	US	Letterman, Vernon	Paramount	1 716 822
9	2012	US/CA	Roland Emmerich	Sony Pictures	1 674 935
10	Slumdog Millionaire	GB	D. Boyle, L. Tandan	Icon	1 574 461
11	X-Men Origins: Wolverine	US	Gavin Hood	Fox	1 549 244
12	Angels & Demons	US	Ron Howard	Sony Pictures	1 511 115
13	Night at the Museum: Battle of the...	US/CA	Shawn Levy	Fox	1 441 455
14	Fast & Furious	US	Justin Lin	Universal	1 428 826
15	The Proposal	US	Anne Fletcher	Walt Disney	1 385 780
16	Gran Torino	US/AU	Clint Eastwood	Roadshow	1 358 210
17	Star Trek	US	J.J. Abrams	Paramount	1 338 916
18	Mao's Last Dancer	AU	Bruce Beresford	Roadshow/Hopscotch	1 250 358
19	Terminator Salvation	US	McG	Sony Pictures	1 248 877
20	He's Just Not That Into You	US/DE	Ken Kwapis	Roadshow	1 227 628

Sources: Screen Australia, MPDAA, OBS

Distribution and Exhibition

2009 saw Australia setting a new GBO record for the second consecutive year, growing by 15% to AUD 1.1 billion (USD 848 million), breaking the AUD 1 billion benchmark for the first time in history. GBO growth was driven both by an increase in cinema attendance, up 7.2% year-on-year to 90.7 million admissions, and ticket price increases. With an annual average of 4.2 cinema tickets bought per citizen, Australia enjoys one of the highest cinema going rates per person in the world. In 2009 a total of 349 films were released, the highest level on record, and 48 films more than in 2008. Led by *Mao's Last Dancer* the 46 national releases took a 5% share of total GBO. US films continued to dominate the market, accounting for half of all films released in 2009 and taking a market share of 83%. Australian screen count remained fairly stable with a total of 1 989 screens, up 9 from 2008. The arrival of a number of 3D blockbusters gave a boost to digital roll-out with digital screens increasing from just 54 in 2008 to 311 by end 2009.

Production and Funding

Local feature film production activity decreased from 45 films to 38 films shooting in 2008/09, breaking down into 29 entirely national films, 3 co-productions and 6 foreign films. Total production spend in Australia, however, increased by 31% to AUD 359 million, primarily driven by two local high-budget titles, *Guardian of Ga'Hoole* and *Happy Feet 2*. Due to a strong Australian dollar, foreign spend collapsed, falling from AUD 105 million in 2007/08 to a mere AUD 2 million in 2008/09. Public funding for local productions, including co-productions, accounted for just 9% of their total budget in 2008/09, compared to a 5-year average of 23%. This development reflects an overall decrease in direct public funding for feature films. This funding is primarily administered by Screen Australia, established in 2008 and bringing together the country's previous three film related agencies. On the other hand, the 40% producer tax offset introduced in September 2008, seems to have spurred investment from local film, TV industry sources, increasing from AUD 37 million to AUD 130 million in 2008/09 and accounting for 33% of total financing, compared to a 5-year average of 16%. Having contributed 18% in the previous year, Australian private investors pulled out of film financing, accounting for a mere 1% of total budgets, leaving the majority financing of local film production to foreign investors (57%).

Sources: Screen Australia, MPDAA, *Screen International*, OBS

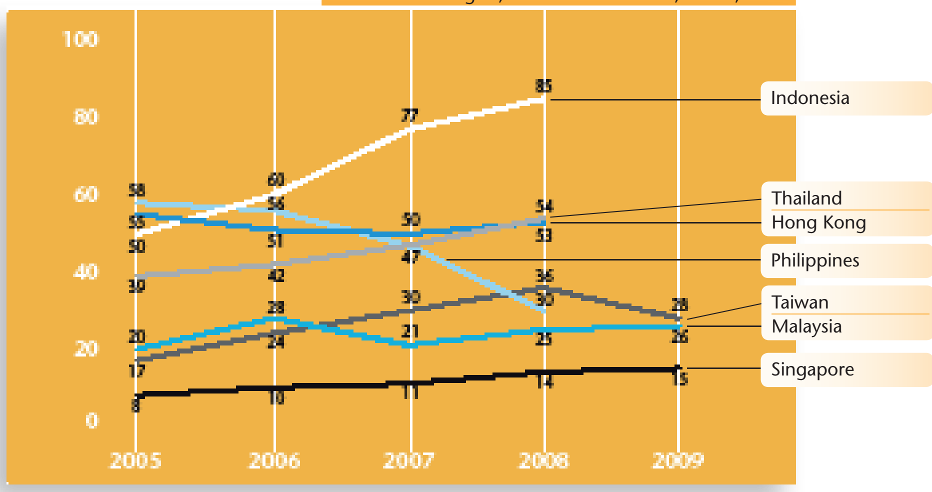
Asia

	Hong Kong	Indonesia	Malaysia	Philippines	Singapore	Taiwan	Thailand
Population 2009 e (millions)	7.1	230.8	27.8	92.2	4.8	23.2	67.1
GDP per capita 2009 e (USD)	29 172	2 030	26 513	1 698	37 170	14 365	4 005
GBO 2009 e (million USD)	152.2	102.2 (1)	114.1	113.8 (1)	115.3	172.3	101.3 (1)
Admissions 2009 e (millions)	20.1 (1)	50.1 (1)	44.1	65.4 (1)	22.0	23.6	27.1 (1)
Average ticket price 2009 e (USD)	6.95 (1)	2.04 (1)	2.59	1.74 (1)	5.25	7.29	3.74 (1)
Average admissions per capita 2009 e	2.9 (1)	0.22 (1)	1.59	1.74 (1)	4.63	1.02	0.30 (1)
Screens 2009	221 (1)	712 (1)	485	770 (1)	175	565	737 (1)
Digital screens 2008 | June 2009	13 | 41	6 | ~	5 | ~	5 | ~	28 | 23	29 | 38	18 | ~
National market shares 2009 e	21.0%	~	13.7%	~	3.8%	2.3%	37.5% (1)

(1) 2008

Number of feature films produced in Asia | 2005-2009

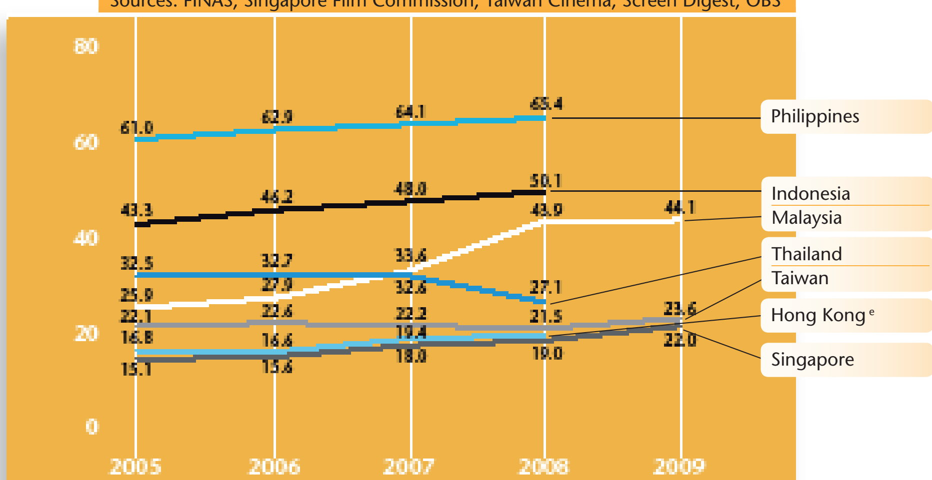
Sources: Taiwan Cinema, Singapore Film Commission, Screen Digest, Screen International, FINAS, OBS



Admissions in selected Asian countries | 2005-2009

In millions.

Sources: FINAS, Singapore Film Commission, Taiwan Cinema, Screen Digest, OBS



Top 10 films by gross box office in Hong Kong | 2009

	Original title	Country of origin	Director	Gross box office (in USD million)
1	Avatar	US/GB	James Cameron	8.43
2	Transformers: Revenge of the Fallen	US	Michael Bay	6.21
3	2012	US/CA	Roland Emmerich	6.06
4	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	5.87
5	Up	US	Pete Docter, Bob Peterson	5.05
6	Ice Age: Dawn of the Dinosaurs	US	C. Saldanha, M. Thurmeier	4.16
7	Night at the Museum: Battle of the Smithsonian	US/CA	Shawn Levy	3.65
8	Ga yau hei si (All's Well, Ends Well)	HK	Vincent Kok	3.18
9	The Curious Case of Benjamin Button	US	David Fincher	3.15
10	Slumdog Millionaire	GB	D. Boyle, L. Tandan	3.13

Source: *Screen International*

Top 10 films by gross box office in Singapore | 2009 [e]

GBO in Singapore has been converted to USD based on an average exchange rate of 1 USD = 1.45 SGD.

	Original title	Country of origin	Director	Gross box office (in USD million) [e]
1	Avatar	US/GB	James Cameron	7.08
2	Transformers: Revenge of the Fallen	US	Michael Bay	5.43
3	2012	US/CA	Roland Emmerich	4.13
4	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	3.23
5	Night at the Museum: Battle of the Smithsonian	US/CA	Shawn Levy	2.82
6	Up	US	Pete Docter, Bob Peterson	2.61
7	Ice Age: Dawn of the Dinosaurs	US	C. Saldanha, M. Thurmeier	2.54
8	X-Men Origins: Wolverine	US	Gavin Hood	2.34
9	G.I. Joe: The Rise of Cobra	US/CZ	Stephen Sommers	2.34
10	Alvin and the Chipmunks: The Squeakquel	US	Betty Thomas	2.13

Sources: Singapore Film Commission, OBS

Distribution and Production

2009 GBO results were up in all mid-sized Asian markets for which 2009 data were available. Taiwan, representing the largest Asian market in terms of GBO behind Japan, China, South Korea and India, saw its GBO rising by 13.4% to USD 172.3 million, followed by Hong Kong (+8.3%; USD 152 million), Singapore (+9.8%; USD 115 million) and Malaysia (+5.9%; USD 114 million). It was generally US blockbusters driving market growth in these territories, with national market shares down in Hong Kong (decreasing from 23% to 21%), Taiwan (from 12% to 2.3%), Singapore (from 9% to 3.8%) and only Malaysian films able to increase their market share from 12% to 13.7%. On the production side, there is growing discussion of interdependence within Asian cinema and the growing importance of co-productions, particularly among China, Hong Kong and Taiwan.

3D and Digital Cinema

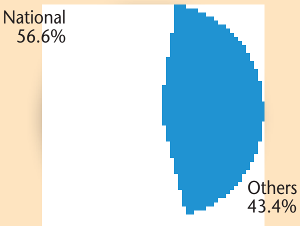
Though at the fore-front of digital roll-out in its early years, Asia has been lagging behind North America and Europe in the last couple of years. Generally the lack of regional third-party integrators and the comparatively small size of cinema circuits have impeded large-scale roll-out. Some hope that digitisation is going to accelerate with the arrival of high-profile 3D blockbusters. However, in territories with a traditionally high national market share, the development of local 3D films will have to play an important role in truly driving digital conversion. According to Screen Digest the number of digital 3D screens increased from 344 in 2008 to 1 584 screens throughout Asia in 2009. 3D screens accounted thereby for about 45% of the total digital screen base of more than 3 500 screens in the region, the vast majority of which were installed in China, Japan and South Korea. In many other Asian territories exhibitors are cautious about the economics of digital conversion with many consumers not being able to afford multiplex ticket prices, let alone 3D premium prices, instead turning to pirated 2D versions of 3D films. Hong Kong, however, went ahead, warmly embracing the format with around 80 (40%) of its total 201 screens being equipped with 3D projection systems by March 2010.

Sources: *Screen International*, MPIA, FINAS, Taiwan Cinema, Screen Digest, OBS

People's Republic of China

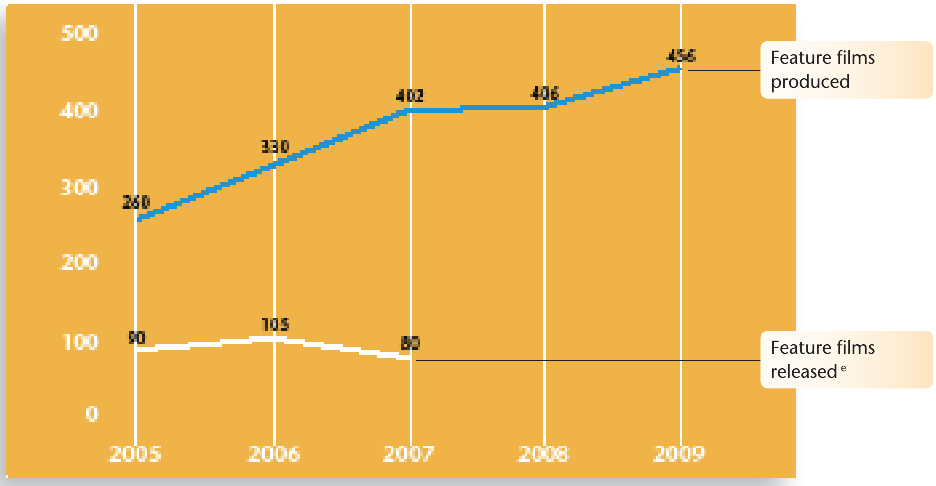
Population 2009 [e]	1 334.3 million
GDP per capita 2009 [e]	3 622 USD
Gross box office 2009 (million)	6 200 M CNY (906.3 M USD)
Admissions 2009 [e]	217.8 million
Average ticket price 2009	28.5 CNY (4.16 USD)
Average admissions per capita 2009	0.16
Modern screens 2008 | 2009	4 097 | 4 723
Digital screens June 2009 | 2009	1 195 | 1 800
3D screens 2008 | 2009	110 | 750
Film VOD services 2008 | 2009	~ | ~

Market shares 2009



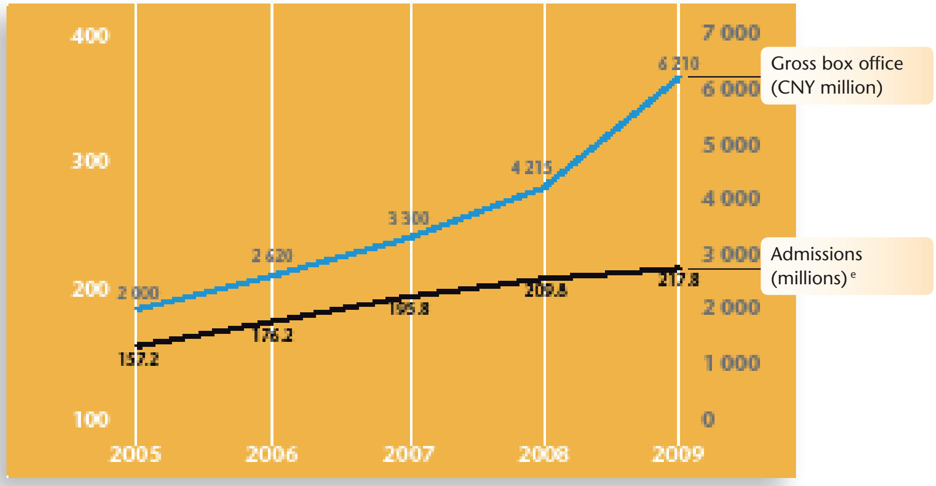
Number of feature films produced and released in China | 2005-2009

Sources: SARFT, Screen Digest, *Screen International*, CMM Intelligence



Admissions and gross box office | 2005-2009

Sources: SARFT, *Screen International*, Screen Digest, OBS



Top 10 films by gross box office in China | 2009

	Original title	Country of origin	Director	Distributor	Gross box office (in USD million)
1	2012	US/CA	Roland Emmerich	China Film Group (CFG)	67,5
2	Transformers: Revenge of the Fallen	US	Michael Bay	Huaxia Film/CFG	63,0
3	Jian… (Founding of a Republic)	CN	S. Han, J. Huang	China Film Group	61,5
4	Chi bi xia: Jue zhan… (Red Cliff II)	CN	John Woo	China Film Group	37,9
5	San… (A Simple Noodle Story)	CN	Yimou Zhang	China Film Group	34,0
6	Shi… (Bodyguards and Assassins)	CN/HK	Teddy Chan	Polybona Film/CFG	30,5
7	Nanjing!… (City of Life and Death)	CN/HK	Chuan Lu	China Film Group	25,2
8	Feng sheng (The Message)	CN	K. Chen, Q. Gao	Huayi Bros./Taihe Invest.	32,8
9	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	~	23,0
10	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	China Film Group	22,8

Sources: *Screen International*, OBS

Distribution and Exhibition

Primarily driven by a surge in new cinema screens, 2009 gross box office revenue grew to CNY 6.2 billion (USD 910 million). This represents a 44% increase year-on-year and the highest growth rate in six years during which China has seen its box office rising by more than 30% per year on average. This impressive growth in box office is primarily attributed to the higher number of modern screens, up by 626 to 4 723 screens in 2009, primarily in multiplexes in major cities. The increasing screen base has led to Chinese GBO records falling on a regular basis. Previously held by Titanic (CNY 360 million) since 1998, it first was broken by the *Transformers* sequel in mid-2009, only to be broken a couple of months later by *2012* and finally *Avatar* in early 2010. In August 2009 a World Trade Organization ruling ordered China to stop forcing US content owners to use government-controlled distribution companies. It did not, however, address China's import quotas including an annual quota of 20 revenue-sharing films and another 30-40 films which can be distributed on a flat-fee basis. China's appeal on this ruling was rejected by the WTO in December 2009. Earlier on this year China's State Council reiterated a 2002 rule limiting the distribution of foreign films to one-third of total cinema screen time. China's growth trend is likely to continue with the State Administration of Radio Film And Television (SARFT) considering building screens in small and medium-sized cities as well as bringing ticket prices more in line with average incomes.

Digital Cinema

Thanks to public support, digital cinema rollout picked up speed in 2009, with about 1 800 DCI compliant digital screens operational by the end of year, 1 000 screens up from 2008. According to China Film Group there were about 750 3D screens. This makes China by far the second largest territory in terms of digital cinema, ranking only behind the US. By November 2009 a total of 102 films had been released in digital format grossing a combined USD 167 million. This compares to 62 digital films in 2008 grossing USD 76 million. In its efforts to support digital cinema SARFT granted China Film Digital in 2008 special approval to import 3D films outside of the annual 20 quota. China Film Digital was reported to have planned the import of five films for 3D-only release in 2009 including *Up, Ice Age: Dawn of the Dinosaurs, Monsters vs. Aliens* and *Fly me to the Moon.*

Production

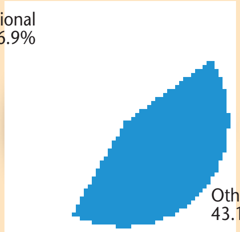
Feature fiction film production increased to 456 productions in 2009, up 50 films from 2008. Led by *The Founding of a Republic*, by far the most successful Chinese film of all time, national films captured a market share of about 57%, down from 61% in 2008. In order to finance high budget blockbusters and improve the export of Chinese films, co-productions, particularly with Hong Kong and Taiwan, could become increasingly important for the Chinese film landscape. Also, in what appears to be a major change, large production companies are encouraged to look for funding via the stock markets, thus opening up to foreign capital. Huayi Bros, for example, intends to raise USD 91 million from an IPO on the Shenzhen Stock Exchange's ChiNext, China Film Group plans to get listed in the first half of 2010 and Beijing Polybona intends to go public in the US in 2011.

Sources: SARFT, *Screen International, Variety, Beijing Review, The Hollywood Reporter,* Screen Digest, CMM Intelligence

Japan

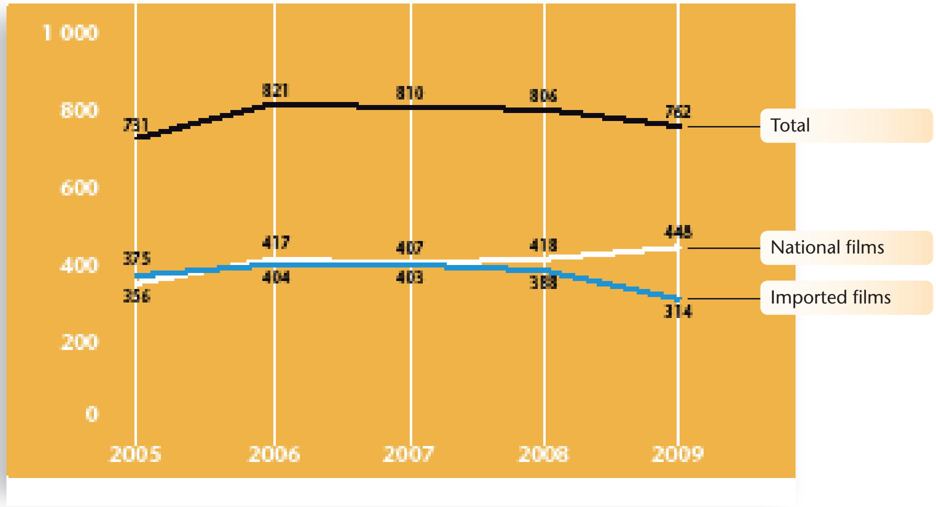
Population 2009 e	127.6 million
GDP per capita 2009 e	39 116 USD
Gross box office 2009 (billion)	206.0 bn JPY (2.2 bn USD)
Admissions 2009 e	169.3 million
Average ticket price 2009	1 217 JPY (13.00 USD)
Average admissions per capita 2009	1.3
Screens 2008 | 2009	3 359 | 3 396
Screens in Multiplexes 2008 | 2009 e	79% | 80%
Digital screens June 2008 | June 2009	94 | 229

Market shares 2009



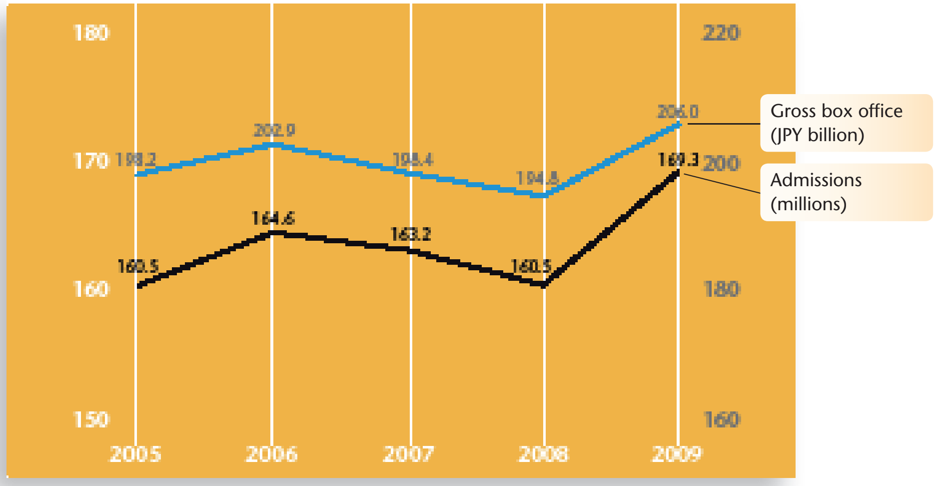
Number of films released in Japan | 2005-2009

Source: EIREN



Admissions and gross box office | 2005-2009

Source: EIREN



Top 20 films by admissions in Japan | 2009 [e]

Estimated admissions based on average ticket price of JPY 1 217.

	Original title	Country of origin	Director	Distributor	Admissions [e]
1	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	7 025 472
2	Rookies: Sotsugyô	JP	Yûichirô Hirakawa	Toho	6 573 541
3	Chi bi xia: Jue zhan… (Red Cliff II)	CN	John Woo	Toho-Towa/Avex	4 560 394
4	This Is It	US	Kenny Ortega	Sony Pictures Ent.	4 272 802
5	Pokémon: Arceus and the Jewel of Life	JP	Kunihiko Yuyama	Toho	3 837 305
6	20-seiki… (20th Century Boys 3)	JP	Yukihiko Tsutsumi	Toho	3 623 665
7	Evangelion: 2.0 You Can (Not)Advance	JP	Masayuki, Tsurumaki	Klock Worx	3 286 771
8	Wall-E	US	Andrew Stanton	Walt Disney	3 286 771
9	2012	US/CA	Roland Emmerich	Sony Pictures Ent.	3 122 432
10	Amarufi: Megami no hôshû (Amalfi)	JP	Hiroshi Nishitani	Toho	2 999 178
11	Detective Conan: The Raven Chaser	JP	Taiichiro Yamamoto	Toho	2 875 924
12	Gokusen: The Movie	JP	Toya Sato	Toho	2 859 491
14	Angels & Demons	US	Ron Howard	Sony Pictures Ent.	2 728 020
15	Terminator Salvation	US	McG	Sony Pictures Ent.	2 728 020
13	Yomei 1-kagetsu no… (April Bride)	JP	Ryuichi Hiroki	Toho	2 588 332
18	Yattâman (Yatterman)	JP	Takashi Miike	Shochiku/Nikkatsu	2 580 115
16	Kurôzu zero II (Crows II)	JP	Takashi Miike	Toho	2 506 163
19	20-seiki… (20th Century Boys 2)	JP	Yukihiko Tsutsumi	Toho	2 481 512
17	Shizumanu taiyô (The Unbroken)	JP	Setsurô Wakamatsu	Toho	2 473 295
20	Mamma Mia!	US/GB inc/DE	Phyllida Lloyd	Toho	2 300 740

Sources: EIREN, OBS

Distribution and Exhibition

Japanese box office grew by 5.7% to JPY 206 billion (USD 2.2 billion) in 2009, hitting the second highest level of all time. Box office growth was principally due to an exceptional 5.5% increase in admissions up almost 9 million. Despite a significant drop in the number of foreign films released and a surge in local film releases, national market share dropped from its 2008 record share of 59.5% to 56.9%, hinting at an increasing polarization between a limited number of big local blockbusters and a large number of small-scale films struggling to recoup their investments. This causes an ever widening gap between a few top tier distributors like Toho and dozens of mid- and small sized distributors struggling to survive. This development is closely linked to the market dominance of multiplex cinemas, accounting for 80% of total screens and giving more screen space to popular titles. Market access for foreign films, particularly independent films, has become increasingly difficult with the number of international titles falling dramatically from 388 in 2008 to 314. This is due to a shift in audience taste towards local blockbusters and away from foreign films, particularly small and mid-budget titles, leading to an overall decrease in acquisitions and contributing to a crisis in the country's independent distribution sector which saw several players such as *Movie-Eye, Wise Policy, Rumble Fish* and *Xanadeux* go bankrupt in 2009. These difficulties have been compounded by the dramatic decrease of the video market which had been a vital revenue source for many smaller distributors.

Production

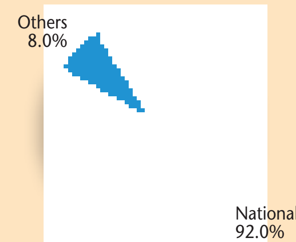
With 448 national productions released in 2009, Japan's production activity reached its highest level since the late 1960s-development which some regard as a Japanese film bubble. 2009 saw another year of films based on familiar content such as TV series and manga adaptations dominating the box office, with three of these films, baseball drama *Rookies* and the latest instalments of Pokémon and *20th Century Boys*, becoming the three most successful Japanese films in 2009. In what could be regarded as a specific characteristic of the Japanese film industry, the involvement of a TV network and its cross-promotion activities have become an essential factor for the box office and video success of a film. Just as in distribution, a widening gap between major and smaller producers can be observed.

Sources: EIREN, UNIJAPAN – *The Guide to Japanese Film Industry & Co-production, Screen International, Variety*

India

Population 2009 [e]	1 207 million
GDP per capita 2009 [e]	982 USD
Gross box office 2008 (billion)	80.54 bn INR (1.86 bn USD)
Admissions 2008	2.9 billion
Average ticket price 2008	27.7 INR (0.57 USD)
Average admissions per capita 2008	2.41
Screens 2008 | 2009	10 120 | ~
Digital screens 2008 | June 2009	112 | 115
3D screens 2008 | 2009	~ | 50

Market shares 2008



Top 10 Hindi films by net box office in India | 2009 [e]

GBO in USD million calculated using an average exchange rate of 48.85 INR.

	Original title	Country of origin	Director	Distributor	Net box office (in USD million) [e]
1	3 Idiots	IN	Rajkumar Hirani	Reliance Big Pictures	53.12
2	Ajab Prem Ki Ghazab Kahani	IN	Rajkumar Santoshi	Shemaroo	18.54
3	Love Aaj Kal	IN	Imtiaz Ali	Eros International	15.59
4	Wanted (2009)	IN	Prabhu Deva	~	15.23
5	De Dana Dan	IN	Priyadarshan	Venus	13.22
6	Kambakkht Ishq	IN	Sabir Khan	Eros International	12.89
7	Paa (2009)	IN	R. Balki, Ricky Sandhu	Reliance Big Pictures	12.61
8	All the Best: Fun Begins	IN	Rohit Shetty	~	12.29
9	Kaminey	IN	Vishal Bhardwaj	~	12.23
10	New York	IN	Kabir Khan	Yash Raj Films	10.91

Sources: IBOS network, IMDB, OBS

Distribution and Exhibition

Though reliable recent figures on the Indian film industry are virtually unavailable, it is fair to assume that 2009 proved to be a difficult year for the Indian box office. A two-month dispute between Indian producers with multiplex chains blacked out Indian multiplex screens at the beginning of April, with producers refusing to release any big films until their demands for higher revenue-sharing agreements were met in early June. Multiplex operators finally agreed on a 50:50 split regardless of cast or budget in the first week of a film's release. Nevertheless it seems unlikely that multiplexes, which – depending on the source – account for something between 50% and 70% of India's box office, were able to compensate in the second half of the year for the loss in admissions during the strike, with 2009 markets further negatively affected by swine flu and piracy. This assumption is backed by the Federation of Indian Chambers of Commerce and Industry reporting that in 2009 the total filmed entertainment revenues decreased by 19% from INR 109 billion (USD 2.4 billion) in 2008 to INR 89 billion (USD 2 billion). A report commissioned by the Motion Picture Distributors Association estimated India's total GBO at USD 1.8 billion for the financial year 2008/09. However, future box office growth should be ensured thanks to a surge of new multiplex screens announced by various old and new players. National films took a market share of 92% in 2008. There were a total of 115 DCI-compliant digital screens operational in India by mid-2009.

Production

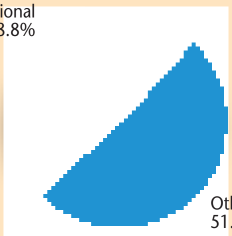
With a total of 819 Indian feature films in 21 languages certified in 2009, India's production levels dropped significantly from 1 132 in 2008 but the country remains the film industry with the highest production output in the world. Films in Hindi accounted for 20% of total output, followed by Telugu and Tamil films accounting for 17% and 14% respectively. The two month strike in the first half of 2009 created a bottleneck for screen space in multiplexes for the increased number of film releases scheduled for the second half of the year, making it more difficult for films to reach their full potential and intensifying the problems of many local films to recoup their costs, which have risen significantly in recent years.

Sources: FICCI, *Screen International*, *Variety*, Screen Digest, *Screenindia*

South Korea

Population 2009 [e]	48.7 million
GDP per capita 2009 [e]	14 946 USD
Gross box office 2009	10 928 bn KRW (854.4 M USD)
Admissions 2009	156.8 million
Average ticket price 2009	6 970 KRW
Average admissions per capita 2009	3.22
Screens 2008 | 2009	2 004 | 1 996
Digital screens 2008 | 2009	324 | 571
3D screens 2008 | 2009	~ | 129

Market shares 2009



Top 10 films by admissions in South Korea | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Haeundae	KR	Je-gyun Yun	CJ Entertainment	11 325 228
2	Gukga daepyo (Take off)	KR	Yong-hwa Kim	Showbox/Mediaplex	8 392 953
3	Transformers: Revenge of the Fallen	US	Michael Bay	CJ Entertainment	7 394 025
4	2012	US/CA	Roland Emmerich	Sony Pictures Releasing	5 374 975
5	Avatar	US/GB	James Cameron	20th Century Fox	5 111 742
6	Terminator Salvation	US	McG	Lotte Entertainment	4 500 912
7	Chilgeup… (My Girlfriend is…)	KR	Terra Shin	Lotte Entertainment	4 043 064
8	Kwasok scandle (Scandal Makers)	KR	Hyeong-Cheol Kang	Lotte Entertainment	3 848 813
9	Ssang-hwa-jeom (A Frozen Flower)	KR	Ha Yu	Showbox/Mediaplex	3 291 708
10	Geobugi dallinda (Running Turtle)	KR	Yeon-woo Lee	Showbox/Mediaplex	3 025 586

Source: KOFIC

Distribution and Exhibition

Thanks principally to local films, admissions increased by 4% to 156.8 million tickets sold, the second best result after the record year of 2007. Supported by an increase in ticket prices GBO increased by 11.6%, amounting to KRW 979 billion (USD 888 million). An increase in standard ticket prices was implemented by major exhibition chains in summer 2009, raising standard prices by KRW 1 000, up 14%, and this marks the first price increase in eight year according to exhibitors. With theatrical box office accounting for about 70% to 80% of the Korean film industry's total revenue – as DVD, ancillary markets and film exports are struggling – the move was regarded as an important factor in increasing the profitability of the local film industry. In contrast to Europe, US 3D blockbusters did not appear to be a major driving force of the market in 2009. This role was reserved for Korean films, which saw admissions rising by an impressive 19% year-on-year, claiming a market share of 48.8%, cautiously easing their way back to the levels of the golden years between 2003 and 2006. Admissions to all foreign films decreased significantly. A total of 361 feature films were released in 2009, including 142 US and 118 Korean releases. Distributor CJ Entertainment kept its market leading position with a market share of 29%, followed by Showbox / Mediaplex (15%) and Lotte Entertainment (12%). By the end of 2009 about 29% of the country's screen base had been converted to digital projection (571 screens), including 129 3D screens.

Production and Funding

After falling for the first time in many years in 2008, Korean production levels reached a new record high of 138 films in 2009, 25 films more in 2008. It remains to be seen whether, backed by the positive 2009 box office results, the Korean film industry will be able to return to making profits after having experienced negative earning rates for three consecutive years: 2006 (-28.4%), 2007 (-40.5%) and 2008 (-24.5%), pushing the local industry into a crisis. In November 2009 KOFIC presented a plan for reform, planning to merge departments and turn several advance financing programmes into "after-the-fact" rebates, i.e. awarding completed films rather than giving out pre-production funding. Earlier on this year KOFIC announced that it was increasing its support budget for the local 3D industry, particularly for training 3D professionals in the areas of film, games and animation.

Sources: Korean Film Council (KOFIC), *Screen International*, Screen Digest

Africa

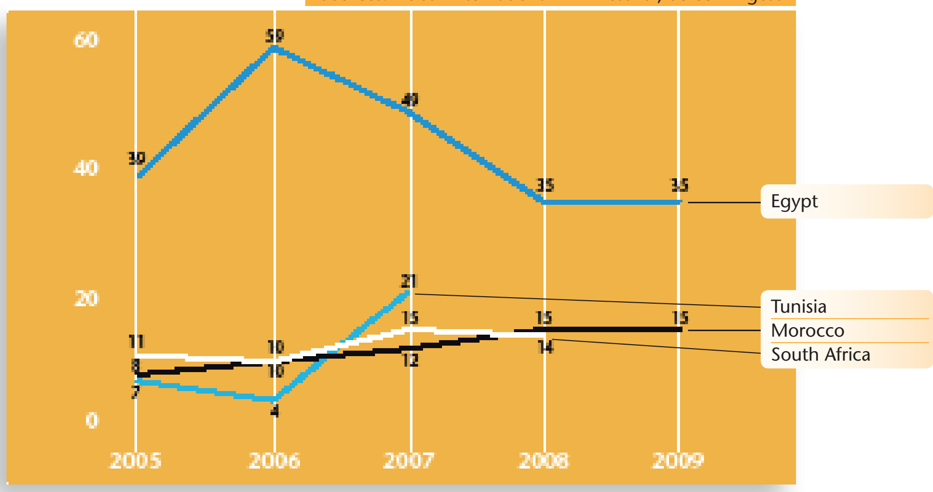
	Algeria	Egypt	Morocco	South Africa	Tunisia
Population 2009 e (millions)	35.3	76.5	31.9	49.2	10.4
GDP per capita 2009 e (USD)	3 640.5	2 456.8	2 655.2	4 943.2	3 812.9
Gross box office 2009 (million USD) e	0.02	54.9	8.5	52.3 (1)	~
Admissions 2009 e (millions)	0.03	25.6	3.0	26.1 (1)	~
Average ticket price 2009 (in USD) e	0.00	0.34	0.09	0.54 (1)	~
Average admissions per capita 2009 e	1.33	4.57	2.35	2.00 (1)	2.32
Screens 2009 e	19	400	74	836 (1)	18
Digital screens 2009 e	~	3	~	11 (1)	3
National market shares 2008 e	~	80%	15%	~	~

(1) 2008

Sources: Dubai International Film Festival, Screen Digest, *Variety*, Euromed

Number of feature films produced in selected African countries | 2005-2009

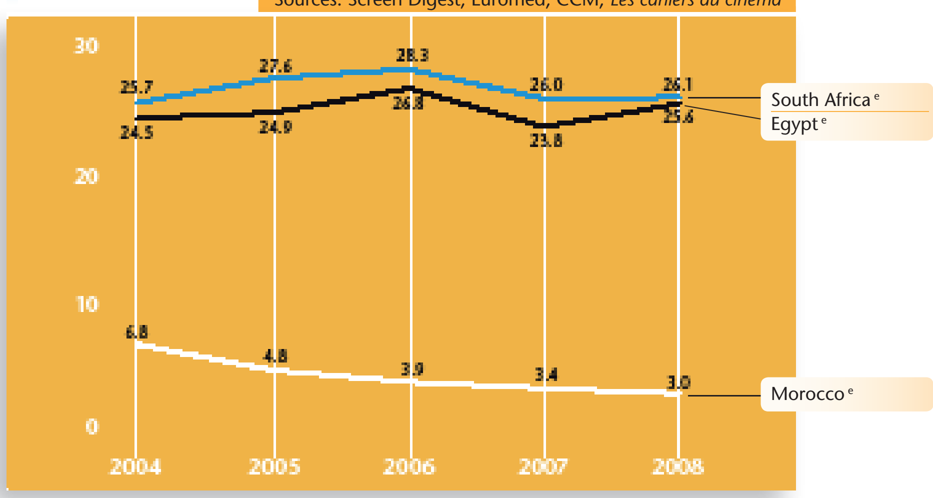
Sources: Dubai International Film Festival, Screen Digest



Admissions in selected African countries | 2004-2008

In millions.

Sources: Screen Digest, Euromed, CCM, *Les cahiers du cinéma*



Top 5 foreign films by admissions in Egypt (1) | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.UMP	80 559
2	The Curious Case of Benjamin Button	US	David Fincher	Warner Bros.UMP	76 045
3	Transformers: Revenge of the Fallen	US	Michael Bay	Paramount/4 Star	68 271
4	Night at the Museum: Battle of the…	US/CA	Shawn Levy	Fox/UMP	62 139
5	Twilight	US	Catherine Hardwicke	Universal/4 Star	60 224

(1) as of 7 October 2009.

Sources: Dubai International Film Festival, THR Internatinational, Nielsen EDI, OBS

Top 5 Arabic films distributed by The United Artist Group by admissions in Egypt (1) | 2009

Estimated admissions based on average ticket price of USD 4.57.

	Original title	Country of origin	Director	Distributor	Admissions e
1	Ramadan Mabrouk Abu Almaien…	EG	Wael Ehsan	United Art. Group	1 390 250
2	Omar wa Salma 2	EG	Ahmed Al badri	United Art. Group	949 048
3	Alf Mabrouk	EG	Ahmad Nader Jalal	United Art. Group	797 695
4	Bobos	EG	Wael Ehsan	United Art. Group	743 401
5	Ibrahim Al Abiad	EG	Marwan Ahmed	United Art. Group	619 664

(1) as of 13 October 2009. The United Artists Group accounts for 45-50% of the total market.

Sources: Dubai International Film Festival, THR International, Nielsen EDI, OBS

Top 10 films by admissions in Morocco (1) | 2009

	Original title	Country of origin	Director	Distributor	Admissions e
1	Fast and Furious 4	US	Justin Lin	UIP	413 032
2	Casanegra	MA	Nour Eddine Lakhmari	Sigma Production	207 082
3	Amours voilées	MA	Aziz Salmy	Films de Cléopâtre	176 786
4	Ex Chamkar	MA	Mahmoud Fritès	~	108 440
5	Coco	FR	Gad Elmaleh		54 146
6	Number One	MA	Zakia Tahri	~	27 410
7	Night at the Museum: Battle of the…	US/CA	Shawn Levy	20th Century Fox	26 823
8	Cabaret	EG	Sameh Abdel-Aziz	~	24 888
9	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Warner Bros.	22 492
10	Angels & Demons	US	Ron Howard	Sony	20 052

(1) as of 31 October 2009.

Sources: Dubai International Film Festival, IMDB

A continent with two types of film industries

A structured film industry based on existing networks of production studios, distribution and exhibitions chains comparable to international film industries can only be found in South-Africa and Egypt with about 26 million cinema tickets sold a year, as well as in Morocco with about 3 million admissions per year. Despite having reduced its film output from 100 films to about 35 films a year, Egypt remains the hub of Arabic-language film production, distributing its films into the entire Arab world. Budgets range from USD 1.3 to 5.5 million. Supported by distribution limitations for foreign films (maximum of 8 prints per title) national market share is about 80%. Thanks to public support the Moroccan film industry has seen significant uplift both in terms of rising production volumes as well as increasing national market share, with Moroccan films ranking second right after US films in 2009.

On the other hand, there is a video-based film industry which has been thriving in many African countries in recent years and has become a defining part of audiovisual culture. It is characterized by low-budget, high-volume film productions distributed primarily via VHS, DVD and TV networks across all of Africa. Inspired by 'Nollywood', Nigeria's film industry producing up to 1 000 films and more each year with average budgets traditionally ranging between USD 5 000 to 10 000, other African countries like Kenya and Ghana are increasingly producing low-budget films focussing on local themes.

Sources: African Film and TV Yearbook and Directory, Dubai International Film Festival, THR Intelligence, Nielsen Egypt, *Variety*

Middle East

	Bahrain	Israel	Kuwait	Lebanon	Qatar	United Arab Emirates
Population 2009 e (millions)	0.8	7.3	3.5	3.8	1.2	4.9
GDP per capita 2009 e (USD)	22 809	28 081	30 041	8 132	81 861	43 857
Gross box office 2008 (million USD)	16.9	105.8	19.8	12.2	13.0	74.2
Admissions 2008 e (millions)	2.2	10.0	2.2	2.0	1.5	8.8
Admissions per capita 2008	2.8	1.4	0.7	0.5	1.3	1.8
Average ticket price 2009 (USD) e	7.95	10.58	9.5	6.65	8.85 (1)	8.5 (1)
Screens 2009 e	52	380 (1)	57	80	37	236
Digital screens 2009 e	1	14 (1)	10	12	~	3
National market shares 2008 e	~	12%	~	~	~	~

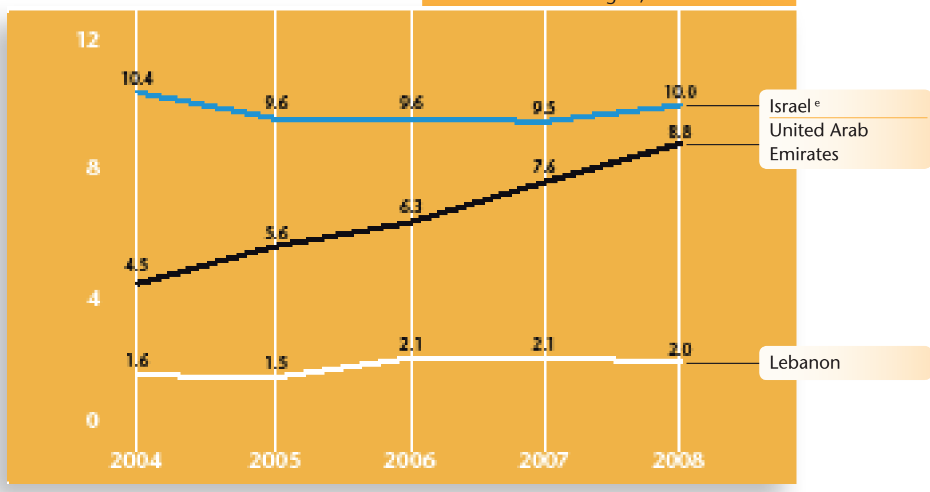
(1) 2008

Sources: Dubai International Film Festival, Screen Digest

Admissions in selected Middle Eastern countries | 2004-2008

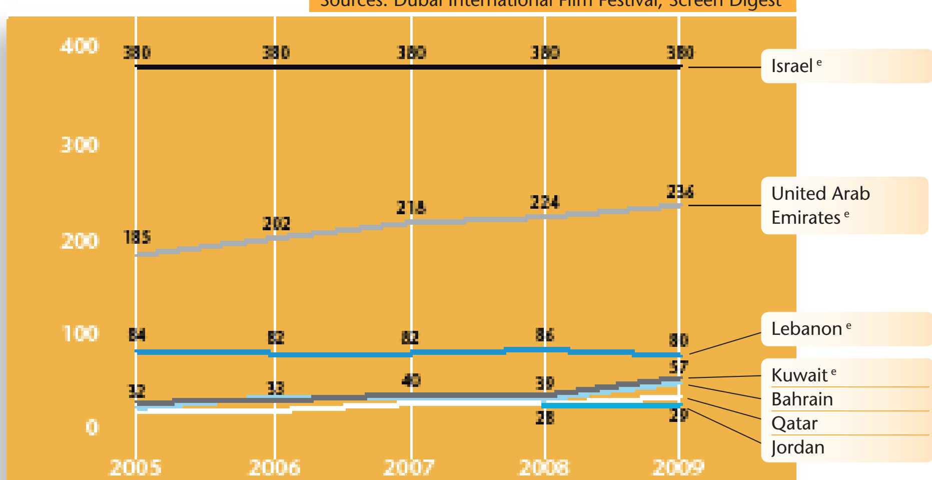
In millions.

Sources: Dubai International Film Festival, Screen Digest, Israel Film Fund



Screens in selected Middle Eastern countries | 2005-2009

Sources: Dubai International Film Festival, Screen Digest



Top 10 films by admissions in the United Arab Emirates (1) | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Transformers: Revenge of the Fallen	US	Michael Bay	UIP	260 894
2	Fast & Furious 4	US	Justin Lin	UIP	525 021
3	Terminator Salvation	US	McG	Gulf Film	185 957
4	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Fox	164 392
5	Ice Age: Dawn of the Dinosaurs	US	Saldanha, Thurmeier	Warner. Bros.	170 552
6	Slumdog Millionaire	GB	D. Boyle, L. Tandan	Gulf Film	157 386
7	G.I. Joe: The Rise of the Cobra	US/CZ	Stephen Sommers	UIP	144 946
8	Angels & Demons	US	Ron Howard	COL	127 079
9	Alf Mabrouk	EG	Ahmad Nader Jalal	Gulf Film	124 176
10	Night at the Museum: Battle of the…	US/CA	Shawn Levy	Fox	123 734

(1) as of 7 September 2009.

Sources: Dubai International Film Festival, THR Intelligence, Nielsen EDI

Top 10 films by admissions in Bahrain (1) | 2009

	Original title	Country of origin	Director	Distributor	Admissions
1	Omar wa Salma 2	EG	Ahmed Al badri	Gulf Film	61 849
2	Fast & Furious 4	US	Justin Lin	Gulf Film	49 558
3	Asif Ala El Ezaaj	EG	Khale Maraay	Gulf Film	42 165
4	Al Dada Doudy	EG	Ali Edrees	Gulf Film	36 058
5	Race to Witch Mountain	US	Andy Fickman	~	35 787
6	Ramadan Mabrouk Abu Al Almaien…	EG	Wael Ehsan	Gulf Film	33 836
7	Transformers: Revenge of the Fallen	US	Michael Bay	Gulf Film	33 313
8	Harry Potter and the Half-Blood Prince	GB inc/US	David Yates	Shooting Stars	27 632
9	Sokkan Shehata	EG	Khaled Youssef	Gulf Film	26 277
10	Terminator Salvation	US	McG	Gulf Film	26 277

(1) as of 3 October 2009.

Sources: Dubai International Film Festival, THR Intelligence, Nielsen EDI

Israel

With an estimated 10 million admissions, GBO of USD 85 million and some 380 screens, Israel represents the largest cinema market in the region for which data are available. With some 14 to 18 entirely national feature films, 3 to 5 international fiction co-productions and 5 to 10 feature documentaries a year Israel is also a prolific film producer in the region. The average budget ranges from USD 500 000 to 1 million.

Gulf Co-operation Council (GCC)

With a box office of about USD 74 million and 8.75 million admissions in 2008, the United Arab Emirates (UAE) represent the largest film market among the GCC. In comparison, Kuwait and Bahrain registered about 2.2 million admissions in 2008, while about 1.5 million cinema tickets were sold in Qatar. Throughout the region US films tend to dominate the local box office, especially in the UAE and Kuwait, while Arabic – mostly Egyptian – movies gained high market shares in Bahrain and Qatar. With 236 screens the UAE accounts for about 62% of the region's estimated total of 382 screens. However in terms of digital cinema, Kuwait is leading the way with 10 digital screens out of its total screen base of 57. The past two years have seen significant efforts to boost the region's film industry with Abu Dhabi launching TwoFour54,a multimedia park with production facilities, and its production arm Imagenation closing three major financing deals as well as Qatari media group Alnoor launching a USD 200 million film fund in late 2009.

Levant

The Levant cinema markets are significantly smaller with Jordan, the Palestinian Territories and Syria staying well below the 1 million admissions mark, which is only crossed by Lebanon with some 2 million cinema tickets sold in 2008. As in the GCC, US and Egyptian films dominate the markets. In terms of local production activity Palestine leads the way with 13 feature films in 2009, all of which are international co-productions, while Syria and Lebanon produce about 3 feature films a year. Lebanon accounts for 80 out of the Levant's estimated 149 screens and is at the forefront of digital cinema in the region with 12 digital screens by the end of 2009.

Sources: Dubai International Film Festival, THR Intelligence, Nielsen Egypt, *Variety, Screen International*

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FOCUS 2010 was prepared by the European Audiovisual Observatory. We would like to thank the following sources:

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Carlton Screen Advertising (CAA)	IE	www.carltonscreen.ie
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