MARCHÉ DU FILM

FOCUS 2012

WORLD FILM MARKET TRENDS
TENDANCES DU MARCHÉ MONDIAL DU FILM

MARCHÉ DU FILM
FESTIVAL DE CANNES

focus 2012

World Film Market Trends
Tendances du marché mondial du film

OBSERVATOIRE EUROPÉEN DE L'AUDIOVISUEL
EUROPEAN AUDIOVISUAL OBSERVATORY
EUROPÄISCHE AUDIOVISUELLE INFORMATIONSSTELLE

MARCHÉ DU FILM
FESTIVAL DE CANNES

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Editorial

While the European Audiovisual Observatory is in Cannes celebrating its 20th anniversary, the *FOCUS* is celebrating its own 15th edition!

Having already traveled a long road together, an exemplary collaboration has enabled our two institutions to provide, year after year, the global industry with an essential source of streamlined information.

See you in another five years for our next milestone birthday!

Jérôme Paillard
Executive Director

Alors que l'Observatoire européen de l'audiovisuel fête cette année à Cannes son 20ème anniversaire, le *FOCUS* célèbre déjà sa 15ème édition !

Déjà un long chemin ensemble, et une collaboration exemplaire qui a permis à nos deux institutions de fournir à l'industrie mondiale, année après année, une source d'information synthétique devenue indispensable.

Rendez-vous dans 5 ans pour un nouvel anniversaire !

Jérôme Paillard
Directeur Délégué

FOCUS 2012 World Film Market Trends, appears for the fifteenth 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 2012, Tendances du marché mondial du film, paraît pour la quinzième 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

The European Audiovisual Observatory was set up in December 1992. It is a public-service body whose mission is to gather and distribute information on the audiovisual industry (film, television, video and multimedia) in Europe. 38 European states are members, along with the European Community represented by the European Commission. The Observatory operates within the framework of an extended partial Agreement of the Council of Europe. It carries out its mission with the help of a network of partners, correspondents and professional organisations. The Observatory provides information on markets, financing and legal aspects of the audiovisual sector.

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

Créé en décembre 1992, l'Observatoire européen de l'audiovisuel est un organisme de service public consacré à la collecte et à la diffusion de l'information sur l'industrie audiovisuelle (cinéma, télévision, vidéo et multimédia) en Europe. 38 Etats européens en sont membres ainsi que la Communauté européenne représentée par la Commission européenne. L'Observatoire fonctionne dans le cadre d'un Accord partiel élargi du Conseil de l'Europe et remplit sa mission avec un réseau de partenaires, de correspondants et d'organismes professionnels. L'Observatoire fournit des services d'informations sur les marchés, les financements et le cadre juridique du secteur audiovisuel.

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

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Statistical landscape in the mist

The nostalgic nature of the title of this editorial is easy to explain. On the one hand, this is an opportunity for the author of these lines to pay tribute to Theo Angelopoulos, whose untimely death last January left a sadness that, like a beautiful shot by that master filmmaker, will take a long time to fade. On the other hand, it enables me to draw attention once again to one of my favourite *transparency blues*: while the European Audiovisual Observatory is celebrating its twentieth anniversary this year, the current situation of statistics in the film industry and, more generally, the audiovisual sector, remains very unsatisfactory. Investors, policymakers, rights holders, analysts and journalists continue to point out that the statistical information at their disposal is insufficient or unsatisfactory for understanding the rapid developments taking place.

It has admittedly been possible to make some progress on gathering statistics on the cinema in the last twenty years, and the Observatory is proud to have made its own contribution, especially with regard to summarising core European (and, in this *Focus*, international) data on the more traditional indicators (number of films produced, admissions, box office receipts and market shares). The *LUMIERE* database [(1)] (which is also accessible via *Cinando* [(2)]) on annual admissions to films distributed in Europe is a much appreciated tool that provides authors, directors, producers and sales agents worldwide with a more complete picture of the success of their films. The co-operation, which we have intensified over the years, with the heads of the film agencies' research and statistical services through the EFARN network has also enabled significant progress to be made on speeding up the circulation of information, on clarifying methodologies and on the discussion of new questions arising from the development of distribution channels or cinema digitisation. At the global level, the UNESCO Institute for Statistics has made efforts to modernise its method of collecting data on the cinema and to facilitate access to the results. [(3)] A number of specialised private companies are engaged in large-scale work collecting data on box office results, on the audiences of films broadcast on TV and on DVD sales volume. In some countries, they are also beginning to develop data on the success of VoD services and of films distributed in this way. The number of internet-accessible databases on the cinema, especially filmographies, has proliferated. Here too, the trade press is not lagging behind and is playing a major role in the provision of information on professional activities, including, in some cases, the publication of original statistics.

However, the situation is far from perfect, hence the use of the fog metaphor in the title.

Harmonisation headaches for production, investment and tax incentives

The main problem involved in the international harmonisation of statistics (especially those relating to the number of films produced or co-produced) remains that these figures are produced in the context of national procedures and in accordance with specific criteria, and the national agencies generally do not possess the resources necessary to reprocess data according to international criteria (which may, incidentally, vary depending on the respective standards of the various international organisations that initiate collection processes). When does the counting take place: at the moment production approval is given, when the film is completed, when it receives a rating from classification boards or when it is commercially exploited? Are feature documentaries included or not? How are minority co-productions or co-funding not covered by co-production treaties taken into account? How are films produced in a country thanks to investments by the major Hollywood studios to be counted? To complicate matters, the same agency may decide to modify its criteria. For example, in its last report the BFI decided to include for the first time films with a production budget less than GBP 500 000. As a result, the figure for the number of films produced in the United Kingdom rose dramatically: for 2010 alone it went up from 128 to 322. Of the 169 domestic UK features registered in 2011, 98 had budgets under GBP 500 000.

The fact that statistics are often produced in the context of the national agencies' administrative procedures may have a significant skewing effect. The possibility offered by digital technologies of producing films at lower cost has led to the proliferation of "unofficial films", that is to say works made without any public funding and, therefore, in most cases not counted in the official statistics. In Norway, for example, a change in the support arrangements has led producers to make films using own investment with the hope that they will benefit from ex-post support if sales prove favourable.

(1) http://lumiere.obs.coe.int
(2) http://www.cinando.com
(3) http://www.uis.unesco.org/Culture/Pages/movie-statistics.aspx

Seven feature-length films were produced in 2011 without being included in the official statistics.

The inclusion in or omission from production statistics of feature-length documentaries may also lead to significant discrepancies. In the case of Europe, the Observatory has succeeded in clarifying the situation thanks to its co-operation with the various agencies, but the figures we are publishing in this *Focus* for the other regions of the world may or may not include this type of production.

The gaps and statistical problems are even more obvious when an attempt is made to measure the volume of investments and public funding. As far as assessing the amounts invested is concerned, very few countries are able to provide systematic data, and when they do so the figures they give are generally based on the estimates of production costs submitted by producers as part of the support application procedure. To our knowledge, no national agency produces its statistics on the basis of audits of producers' accounts (which audits are, incidentally, not conducted systematically).

There are also many gaps with regard to how the size of public funding is measured. In Europe, the transparency of direct public funding is relatively well established and the European Audiovisual Observatory recently published a new study that puts the total amount in 2009 at 2.1 billion euros. (4) However, summary data on the extent of tax reductions granted by states in connection with policies to provide incentives to invest in film and audiovisual production are, to our knowledge, neither available for Europe nor for the other regions of the world (especially the United States, where the amounts are probably significant).

Analysing the circulation and success of films

Analysing the circulation and success of films also remains a significant problem. The monitoring of box-office takings on the initiative of film agencies, professional organisations or copyright collecting societies is still limited to a relatively small number of countries. Even on markets as big as North America or the United Kingdom, the only information available is that produced by private companies (especially Rentrak), which collect data from exhibitors. In a significant number of countries, the only data available are in the form of statements from distributors, which are usually obtained by the trade press. Systems based on the mere willingness of exhibitors or individual distributors to provide information quite clearly have their limits. It may sometimes be rendered impossible to analyse a market with any precision if one of the principal players simply refuse to communicate the results of the films it distributes, as recently occurred in Belgium. And in many countries – including some in Europe – there is no system for collecting data on admissions and box-office receipts.

The situation is even more dramatic if data on video distribution are considered, whether they relate to physical videos or to video on demand. As far as an analysis of general market trends is concerned, consumers' final expenditure can be modelled – as done in the case of Europe by IHS Screen Digest in co-operation with the International Video Federation – on the basis of revenue statements from the principal distributors. For the major markets, the success of individual titles is measured by companies that specialise in tracking the trade in cultural goods in mass distribution outlets. However, data cost a great deal of money to obtain and, despite their joint efforts, the European Audiovisual Observatory and the national agencies have so far not managed to negotiate access to this type of data at the European level.

The transparency of the VoD market: a major challenge

The rapid rise of video on demand, which is available on different networks (the internet, IPTV, cable, satellite broadcasting and digital terrestrial television) and via different models (rental, purchase, subscription, etc.) is becoming more and more noticeable. In February 2012, the Observatory counted no less than 381 dedicated online VoD services established in Europe (not including catch-up television services and services offering adult content). Most of these services mainly provide a catalogue of films, and services with other types of content (TV programmes, music or education) are less numerous. As far as the European online VoD market is concerned, it is necessary also to include services established in the United States (such as Mubi or, more recently, Google Play) or even services established in other regions of the world (such as Shofta, which is offered by the Egyptian group Orascom Telecom Holding and provides access to a catalogue of Arabic films, often with an English version, accessible worldwide). In addition to online VoD services, there are also services available via IPTV networks (more than 70 have been identified in Europe), cable networks (around fifty services),

(4) S. Newman-Baudais, *Public Funding for Film and Audiovisual Works in Europe*, European Audiovisual Observatory, Council of Europe, Strasbourg, September 2011.

some VoD services on digital terrestrial television platforms, various models of VoD or NVoD services employed by satellite platforms, the first VoD services for smart TV, etc. The rapid proliferation of these services, which is only just beginning to be dealt with by audiovisual regulators, has so far drawn little attention from the national film agencies (apart from the CNC, with its pioneering "VoD Observatory"), and the European Audiovisual Observatory has limited resources at its disposal to monitor these developments. Counting these services is in itself complex, but assessing the market (sales and rental volumes, turnover, analysis of success by title) is an altogether more difficult undertaking. Not only are there methodological difficulties in compiling relevant data but neither can it be said that there is a general desire for transparency among the principal providers of services. So many will be surprised by the fairly widespread reluctance of public bodies to tackle this question of the transparency of the new services.

Transparency as the key to market access

The lack of attention to matters concerning the economic transparency of the film markets should, in my opinion, be analysed as a factor that restricts access or distorts these markets. Unfortunately, the conclusions of the meeting of an expert working group held by the OECD in April 2011 on restrictions to accessing the audiovisual markets did not include my proposal on this subject. As far as the cinema is concerned, according to the summary drawn up by the OECD, which simply reiterates traditional themes, most of them emphasised by the United States participants:

"The main barriers affecting trade in motion picture services mentioned by participants include ownership restrictions (both discriminatory equity limits and non-discriminatory cross ownership limitations), quotas (e.g. broadcast time or screen time at cinemas), and different kinds of subsidies and fiscal incentives. Public ownership was additionally raised as an important impediment, and so was lack or limited protection of IPRs. Restrictions on advertising (e.g. domestic content obligations) or dubbing also play an important role, and participants discussed whether language and censorship should be considered as trade barriers as well. While some of these restrictions affect the production of motion pictures, many of them pertain to the distribution process, which is at least as important. The favoured liberalisation approach in the movie sector relies on bilateral coproduction agreements, which can be complex and costly for firms." (5)

In my opinion, the lack of a policy of transparency in the film and audiovisual sector should be considered an additional way of restricting market access.

Since its inception, the film industry has developed in a dynamic international environment often counter-balanced by policies of economic and/or cultural protectionism and by the impact of distribution structures facilitating some kind of *de facto* protectionism. The international strategy of the big international groups (especially the American majors and the pay-TV companies) has generally been to set up national affiliates, thus resulting in a minimum of information being reported to the national authorities and making it possible only to have a minimal understanding of the markets. The *Manual on Statistics of International Trade in Services* (6), adopted in 2010 by the WTO, the European Commission, the IMF, the OECD, UNCTAD and the United Nations, also recognised the importance of taking account of the flows of the "foreign affiliates", especially in the audiovisual sector. But the fact that it is now possible to provide on-demand audiovisual services at the international level by simply setting them up in their country of origin without "foreign affiliates" or, sometimes, by creating an affiliate in a host country less strict on matters of economic transparency constitutes a new challenge for proper market transparency, and therefore for balanced and fair competition.

The creation of the European Audiovisual Observatory twenty years ago was an important step by Europe to improve both the legal and economic transparency of its film market. Some States in other regions of the world are admittedly making similar efforts but all the major players in this sector should do likewise and there should be international co-ordination with the aim of achieving greater harmonisation and comparability.

Let us not forget that mist was one of the factors that led to the sinking of the Titanic. Moreover, I can say from personal experience that the introduction of 3D glasses only blurred things even more…

André Lange

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(5) OECD Experts Meeting on Trade in Audiovisual Services, 19-20 April 2011, Highlights of Discussion, OECD, Paris, 2011, http://www.oecd.org/dataoecd/56/41/48509354.pdf

(6) http://www.wto.org/english/res_e/statis_e/its_manual_e.htm

Top 10 markets worldwide by gross box office | 2007-2011 e

In USD billion. Converted at average annual exchange rates.

Sources: OBS, MPAA, Rentrak, IHS Screen Digest

Rank	Market	2007	2008	2009	2010	prov. 2011	Annual growth rate e 2007-11	Annual growth rate e 2010-11
1	US & Canada	9.63	9.63	10.61	10.58	10.19	1.4%	-3.7%
2	Japan	1.69	1.89	2.20	2.52	2.26	7.6%	-10.0%
3	China	0.43	0.61	0.91	1.50	2.03	47.1%	35.1%
4	France	1.45	1.68	1.72	1.73	1.91	7.1%	10.3%
5	UK	1.64	1.58	1.48	1.53	1.67	0.4%	9.3%
6	India	1.73	1.84	1.40	1.35	1.47	-4.1%	8.4%
7	Germany	1.04	1.17	1.36	1.22	1.33	6.5%	9.3%
8	Russian Federation (1)	0.57	0.83	0.74	1.04	1.17	19.8%	11.5%
9	Australia	0.75	0.81	0.86	1.04	1.13	10.8%	8.6%
10	South Korea	1.09	0.88	0.88	1.04	1.11	0.5%	7.4%
World total		*26.2*	*27.7*	*29.4*	*31.6*	*32.6*	*5.6%*	*3.2%*
Growth rate - World		~	5.7%	6.1%	7.5%	3.2%	5.6%	3.2%
Growth rate - Top 10		~	4.5%	5.9%	6.3%	3.0%	4.9%	3.0%
Growth rate - Top 10 (without India)		~	4.3%	8.8%	6.9%	2.7%	5.7%	2.7%

(1) Data refer to Russian Federation and other member states of the Commonwealth of Independent States (excluding Ukraine).

Top 10 markets worldwide by admissions | 2007-2011 e

In million. Ranked by 2011 admissions.

Sources: OBS, UNESCO

Rank	Market	2007	2008	2009	2010	prov. 2011	Annual growth rate e 2007-11	Annual growth rate e 2010-11
1	India	3 290	3 251	2 917	2 706	~	-6.3%	~
2	US & Canada	1 399	1 341	1 415	1 341	1 285	-2.1%	-4.2%
3	China	130	170	200	290	370	29.9%	27.6%
4	France	178	190	201	207	217	4.9%	4.7%
5	Mexico	175	182	178	190	205	4.1%	8.2%
6	UK	162	164	173	169	172	1.4%	1.4%
7	Russian Federation (1)	107	124	139	166	165	11.6%	-0.5%
8	South Korea	159	151	157	147	160	0.2%	8.6%
9	Japan	163	160	169	174	145	-3.0%	-17.0%
10	Brazil	89	90	113	134	144	12.9%	7.0%
World total e		*7 043*	*7 007*	*6 949*	*6 645*	~	*-1.9%*	~
Growth rate - World e		~	-0.5%	-0.8%	-4.4%	~	-1.9%	~
Growth rate - Top 10 e		~	-0.6%	-2.8%	-3.0%	~	-2.2%	~
Growth rate - Top 10 (without India) e		~	0.1%	6.4%	1.4%	1.5%	2.3%	1.5%

(1) Data refer to Russian Federation and other member states of the Commonwealth of Independent States (excluding Ukraine).

Top 10 markets worldwide by number of screens | 2007-2011 e

In units.

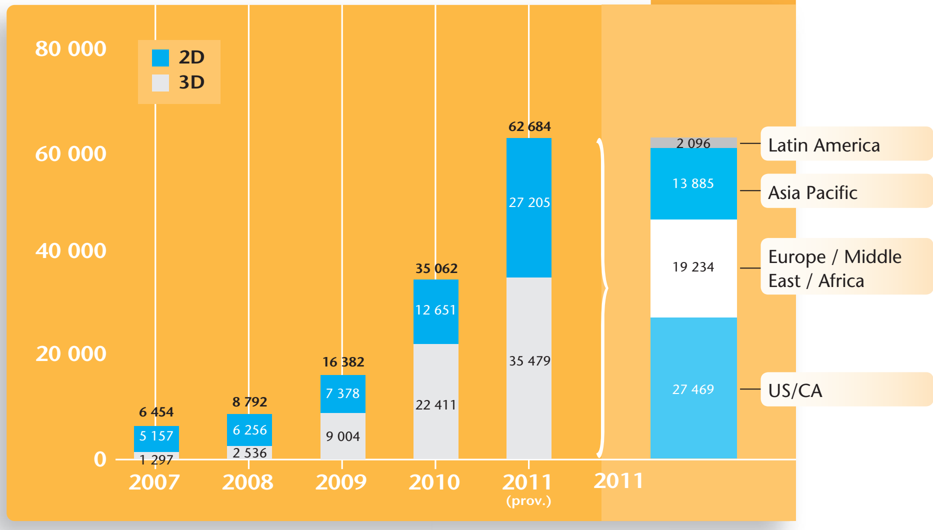
Sources: OBS after MPAA, IHS Screen Digest

Rank	Market	2007	2008	2009	2010	prov. 2011	Annual growth rate e 2007-11	Annual growth rate e 2010-11
1	US	38 974	38 834	39 233	39 547	39 641	0.5%	0.2%
2	India	10 189	10 120	10 070	10 020	10 020	-0.4%	0.0%
3	China (1)	3 527	4 097	4 723	6 256	9 286	27.4%	48.4%
4	France	5 332	5 424	5 470	5 478	5 464	0.6%	-0.3%
5	Mexico	3 907	4 200	4 480	5 200	5 166	7.2%	-0.7%
6	Germany	4 832	4 810	4 734	4 699	4 640	-1.0%	-1.3%
7	Spain	4 296	4 140	4 082	4 080	4 040	-1.5%	-1.0%
8	Italy	3 819	3 847	3 879	3 873	~	0.5%	~
9	UK	3 514	3 610	3 651	3 671	3 767	1.8%	2.6%
10	Japan	3 221	3 359	3 396	3 412	3 339	0.9%	-2.1%
World total		*116 895*	*119 369*	*120 344*	*122 951*	*123 740*	*1.7%*	*0.6%*
Growth rate - World e		~	*2.1%*	*0.8%*	*2.2%*	*0.6%*	*1.7%*	*0.6%*
Growth rate - Top 10 e		~	*1.0%*	*1.5%*	*3.0%*	*3.5%*	*2.3%*	*3.5%*

(1) Modern screens.

Worldwide number of digital and 3D screens | 2007-2011 e

Source: MPAA



Top 10 markets worldwide by number of films produced (1) | 2007-2011 e

In units.

Sources: OBS, IHS Screen Digest

Rank	Market	2007	2008	2009	2010	prov. 2011	Annual growth rate e 2007-11	2010-11
1	India (2)	1 164	1 325	1 288	1 274	~	3.1%	~
2	US (3)	789	773	751	795	817	0.9%	2.8%
3	China (4)	402	406	456	526	588	10.0%	11.8%
4	Japan (5)	407	418	448	408	441	2.0%	8.1%
5	France	228	240	230	261	272	4.5%	4.2%
6	UK	~	251	290	322	233	-2.4%	-27.6%
7	South Korea	124	113	138	152	216	14.9%	42.1%
8	Germany (5)	172	185	219	193	205	4.5%	6.2%
9	Spain	172	173	186	200	199	3.7%	-0.5%
10	Italy	123	155	133	142	155	6.0%	9.2%
World total e		5 560	5 459	5 602	5 669	5 837	1.2%	3.0%
Growth rate - World e		~	-1.8%	2.6%	1.2%	3.0%	~	3.0%
Growth rate - Top 10 e		~	5.4%	2.5%	3.2%	3.0%	3.5%	3.0%

(1) Including minority co-productions.

(2) Films certified.

(3) Revised data. Includes minority co-productions. Does not include feature documentaries, films with budgets below M USD 200 or student films.

(4) Does not include films produced outside the SARFT's system of script and final print approval.

(5) Feature films released.

Top 20 films worldwide by gross box office | 2011

USD million.

	Original title	Country of origin	Studio	North American box office	International box office	Total
1	Harry Potter and the Deathly Hallows: Part 2 *	GB inc/US	Warner Bros.	381	964	1 345
2	Transformers: Dark of the Moon *	US	Paramount	352	771	1 123
3	Pirates of the Caribbean: On Stranger Tides *	US	Walt Disney	241	804	1 045
4	Kung Fu Panda 2	US	Paramount	165	500	665
5	The Twilight Saga: Breaking Dawn - Part 1 (1)	US	Summit Entertain.	276	371	648
6	Fast Five	US	Universal Pictures	210	419	629
7	The Hangover Part II	US	Warner Bros.	254	320	574
8	The Smurfs *	US	Sony Pictures	143	418	561
9	Cars 2 *	US	Walt Disney	191	369	560
10	Rio *	US	20th Century Fox	144	343	487
11	Rise of the Planet of the Apes	US	20th Century Fox	177	306	483
12	Thor *	US	Paramount	181	268	449
13	Puss in Boots *	US	Paramount	145	275	420
14	The King's Speech (2)	GB inc/US	Weinstein	116	273	389
15	Captain America: The First Avenger *	US	Paramount	177	192	369
16	Mission: Impossible - Ghost Protocol (1)	US/AE	Paramount	132	227	359
17	X-Men: First Class	US	20th Century Fox	146	208	354
18	Tangled * (2)	US	Walt Disney	33	263	296
19	Black Swan (2)	US	Fox Searchlight	59	230	289
20	Bridesmaids	US	Universal Pictures	169	118	287

* Films available in 3D distribution.

Sources: *Variety*, OBS

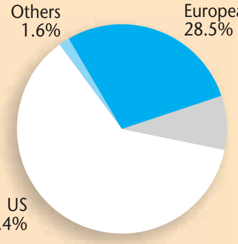
(1) Still on release in 2012.

(2) 2011 GBO to films released in 2010.

European Union

Population 2011 e	502 million
GDP per capita 2011 e	34 982 USD
Gross box office 2011 e	6.40 bn EUR (8.91 bn USD)
Admissions 2011 e	962 million
Average ticket price 2011 e	6.6 EUR (9.2 USD)
Average admissions per capita 2011	1.92
Screens 2010 | 2011 e	29 719 | 29 626
Digital screens 2010 | 2011 e	8 768 | 15 910
Digital 3D screens 2010 | 2011 e	6 968 | ~

Market shares 2011 e



GBO creeps to record high as admissions stabilise

2011 was a year of stabilisation at the European box office. The marked upward trend of the past two years came to a halt with EU gross box office returns increasing only marginally - by 0.7% from EUR 6.37 billion to EUR 6.4 billion - still the highest level on record. Cinema attendance remained stable with an estimated 962 million tickets sold. Though the number of 3D releases as well as 3D screens increased notably in 2011, the format seemed to be maturing in some markets and failed to swell average ticket prices as had been the case in 2009 and 2010. The EU-wide average ticket price thus increased by only 0.2% to EUR 6.6 (USD 9.2). On the level of individual European markets 2011 cinema-going trends varied significantly, with admissions decreasing in 11 and increasing in 15 markets for which data were available, while GBO increased in 14 and decreased in 12 markets. Theatrical markets which performed particularly well were France (GBO record up 4.7%), the UK (+5.2%) and Germany (+4.1%).

Comeback of European films

2011 saw European films claiming back market share which they had lost to US 3D blockbusters in 2009 and 2010. Based on provisional figures, estimated market share for European films in the EU climbed from 25.2% to 28.5% in 2011, back to the 'pre-3D' levels of 2007 and 2008. Market share for US films on the other hand fell from 68.5% to an estimated 61.4% as market share for European films produced in Europe with incoming US investment, such as *Harry Potter and the Deadly Hallows Part 2* and *The King's Speech,* increased from 5.0% to 8.4%. The comeback of European films was driven by a series of local comedies such as *Intouchables* (FR), *The Inbetweeners* (UK), *Kokowääh* (DE) or *Che bella giornata* (IT), all of which performed extremely well, particularly on their home markets. National market share consequently increased in 14 of the 22 EU member states for which data were available, eight of which achieved the highest market share in the past five years.

EU production levels keep growing

EU production levels continued to grow to 1 285 feature films in 2011, 59 films more than in 2010 and a new record high. Growth was driven both by an increase in fiction films, up 26 films, as well as feature documentaries, up 33 films. Total production volume splits into 915 fiction films (71% of total feature films) and at least 370 feature documentaries (29%). With 207 national feature films in 2011 France reached a historic record high and became once more the country with the highest production output in Europe, followed by the UK with 233 films produced.

54% of EU screens digitised

According to provisional figures provided by MEDIA Salles the number of digital screens in the European Union almost doubled and reached 15 910 digital screens by the end of 2011. This represents an estimated 54% of the EU's total screen base. In contrast to the two previous years roll-out was for the first time driven by 2D screens. This suggests that roll-out has entered its second major phase and is now driven primarily by full conversions of larger circuits under VPF schemes and by public initiatives.

Sources: OBS, MEDIA Salles

Information on the number of European digital screens is taken from 'The European Digital Cinema Report' jointly published by MEDIA Salles and the European Audiovisual Observatory and refers uniquely to digital screens equipped with DLP Cinema or SXRD technology. The report can be ordered at http://www.obs.coe.int/oea_publ/market/european_digital_cinema.html

Number of feature films produced in the European Union | 2007-2011

In units.

Country		2007	2008	2009	2010	prov. 2011	Sources
Austria	100% national fiction	4	7	7	10	14	OFI
	maj. co-prod. fiction	2	7	5	4	6	OFI
	min. co-prod. fiction	6	3	5	6	15	OFI
	Feature documentaries	20	13	17	24	16	OFI
Belgium [e]	100% national fiction	20	14	13	7	9	MFB/OBS
	maj. co-prod. fiction	11	15	15	15	11	MFB/OBS
	min. co-prod. fiction	28	30	24	47	50	MFB/OBS
	Feature documentaries	15	20	25	16	15	MFB/OBS
Bulgaria	100% national fiction	4	4	11	6	6	NFC
	maj. co-prod. fiction	1	1	0	1	2	NFC
	min. co-prod. fiction	0	2	4	3	1	NFC
	Feature documentaries	3	2	10	5	6	NFC
Czech Republic	100% national fiction	18	18	21	16	21	Min.Cult.
	maj. co-prod. fiction	5	5	8	4	4	Min.Cult.
	min. co-prod. fiction	0	4	4	5	9	Min.Cult.
	Feature documentaries	7	12	12	15	20	Min.Cult.
Denmark	100% national fiction	8	14	14	16	16	DFI
	maj. co-prod. fiction	9	6	7	8	3	DFI
	min. co-prod. fiction	7	6	7	7	6	DFI
	Feature documentaries	4	4	2	7	7	DFI/OBS
Estonia	100% national fiction	7	3	2	0	4	EFSA
	maj. co-prod. fiction	2	1	1	3	3	EFSA
	min. co-prod. fiction	0	1	3	1	0	EFSA
	Feature documentaries	3	9	3	8	14	EFSA/OBS
Finland	100% national fiction	9	9	12	12	15	FFF
	maj. co-prod. fiction	5	4	4	2	5	FFF
	min. co-prod. fiction	3	5	4	5	7	FFF
	Feature documentaries	4	1	5	13	8	FFF
France	100% national	133	145	137	143	152	CNC
	maj. co-prod.	52	51	45	60	55	CNC
	min. co-prod.	43	44	48	58	65	CNC
Germany	100% national fiction	77	81	87	61	63	SPIO
	maj. co-prod. fiction	16	15	42	23	29	SPIO
	min. co-prod. fiction	29	29	20	35	31	SPIO
	Feature documentaries	50	60	70	74	82	SPIO
Greece [e]	100% national fiction	10	12	16	~	~	GFC/OBS
	maj. co-prod. fiction	0	2	3	~	~	GFC/OBS
	min. co-prod. fiction	5	2	0	~	~	GFC/OBS
	Feature documentaries	10	15	6	~	~	GFC/OBS
Hungary	100 % national	26	25	22	26	38	Min.Cult./AHFD/NFO
	maj. co-prod.	2	1	1	1	2	Min.Cult./AHFD/NFO
	min. co-prod.	0	4	4	9	4	Min.Cult./AHFD/NFO
Ireland	100% national fiction	5	7	8	4	4	IFB
	maj. co-prod. fiction	3	6	6	10	9	IFB
	min. co-prod. fiction	2	12	6	9	4	IFB
	Feature documentaries	13	14	13	15	15	IFB
Italy	100 % national	93	128	101	115	132	CCH/DGCin
	maj. co-prod.	16	18	14	14	14	CCH/DGCin
	min. co-prod	14	9	18	13	9	CCH/DGCin

Continued overleaf

Continued

Number of feature films produced in the European Union | 2007-2011

In units.

Country		2007	2008	2009	2010	*prov.* 2011	Sources
Latvia	100% national fiction	5	3	3	2	4	NFCL
	maj. co-prod. fiction	0	0	1	1	0	NFCL
	min. co-prod. fiction	1	1	0	0	1	NFCL
	Feature documentaries	1	2	6	8	11	NFCL
Lithuania	100% national fiction	2	6	5	4	2	Min. Cult./ Baltic Films
	maj. co-prod. fiction	0	0	1	1	0	Min. Cult./ Baltic Films
	min. co-prod. fiction	1	1	0	0	0	Min. Cult./ Baltic Films
Luxembourg	100% national fiction	0	0	1	1	0	LFF
	maj. co-prod. fiction	2	0	4	1	3	LFF
	min. co-prod. fiction	2	11	12	14	12	LFF
	Feature documentaries	4	2	1	5	1	LFF
The Netherlands [e]	100% national fiction	29	21	28	22	25	NFF/NVF/OBS
	maj. co-prod. fiction	4	6	6	10	12	NFF/NVF/OBS
	min. co-prod. fiction	8	18	6	14	15	NFF/NVF/OBS
	Feature documentaries	10	17	11	15	21	NFF/NVF/OBS
Poland	100% national fiction	30	28	31	38	24	PISF/Min. Cult./OBS
	maj. co-prod. fiction	4	4	7	4	3	PISF/Min. Cult./OBS
	min. co-prod. fiction	5	8	4	2	8	PISF/Min. Cult./OBS
	Feature documentaries	1	5	7	2	1	PISF/Min. Cult./OBS
Portugal	100% national fiction	8	7	9	12	9	ICA
	maj. co-prod. fiction	4	6	3	6	4	ICA
	min. co-prod. fiction	0	1	2	4	5	ICA
	Feature documentaries	3	2	9	15	11	ICA
Romania	100% national fiction	9	7	11	9	9	CNC
	maj. co-prod. fiction	0	2	3	8	2	CNC
	min. co-prod. fiction	3	2	4	2	1	CNC
	Feature documentaries	2	2	1	2	1	CNC/OBS
Slovakia	100% national fiction	3	1	1	1	2	SKFI
	maj. co-prod. fiction	2	3	5	1	4	SKFI
	min. co-prod. fiction	3	3	7	2	2	SKFI
	Feature documentaries	2	5	5	4	4	SKFI
Slovenia	100% national fiction	4	9	3	4	5	SFC
	maj. co-prod. fiction	4	0	0	0	0	SFC
	min. co-prod. fiction	3	3	1	3	2	SFC
	Feature documentaries	2	3	2	0	0	SFC
Spain	100 % national	115	124	135	151	151	ICAA
	maj. co-prod.	26	26	20	34	29	ICAA
	min. co-prod.	31	23	31	15	19	ICAA
Sweden	100% national fiction	16	12	18	20	16	SFI
	maj. co-prod. fiction	7	9	14	10	7	SFI
	min. co-prod. fiction	6	8	5	8	5	SFI
	Feature documentaries	7	16	10	16	15	SFI
United Kingdom	100 % national (1)	70	82	89	77	71	BFI
	maj. co-prod.	15	10	10	17	19	BFI
	min. co-prod.	14	17	27	14	21	BFI
	Inward features (2)	23	20	28	30	24	BFI/OBS
Total fiction films EU 27 [e] (3)		***804***	***850***	***892***	***889***	***915***	OBS
Total feat. documentaries EU 27 [e] (4)		***242***	***298***	***299***	***337***	***370***	OBS
Total feature films EU 27 [e] (4)		***1 047***	***1 148***	***1 191***	***1 226***	***1 285***	OBS

(1) Includes only feature films with budgets exceeding GBP 500 000.

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

(3) May include feature documentaries in ES, IT, GR, HU.

(4) May double count minority co-produced feature documentaries. No comprehensive data for feature documentaries available for CY, ES, IT, GR, HU, LT, MT, RO.

Admissions in the European Union | 2007-2011

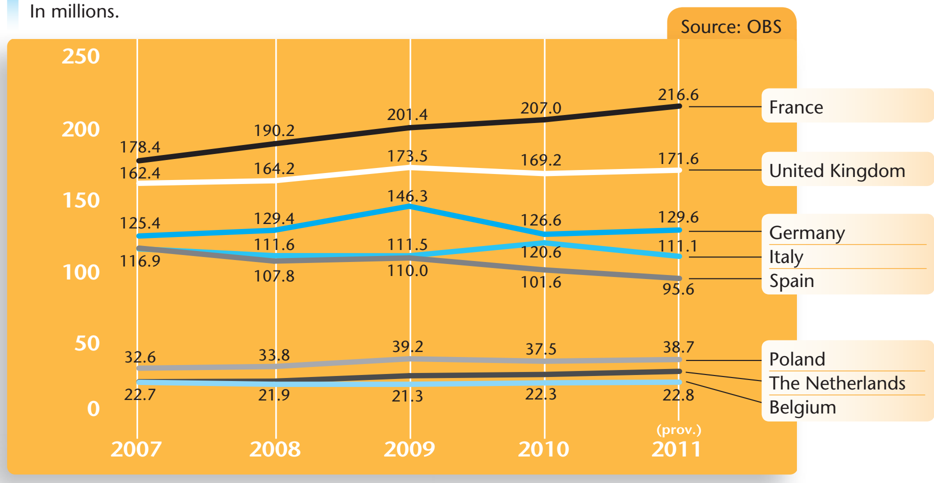
In millions.

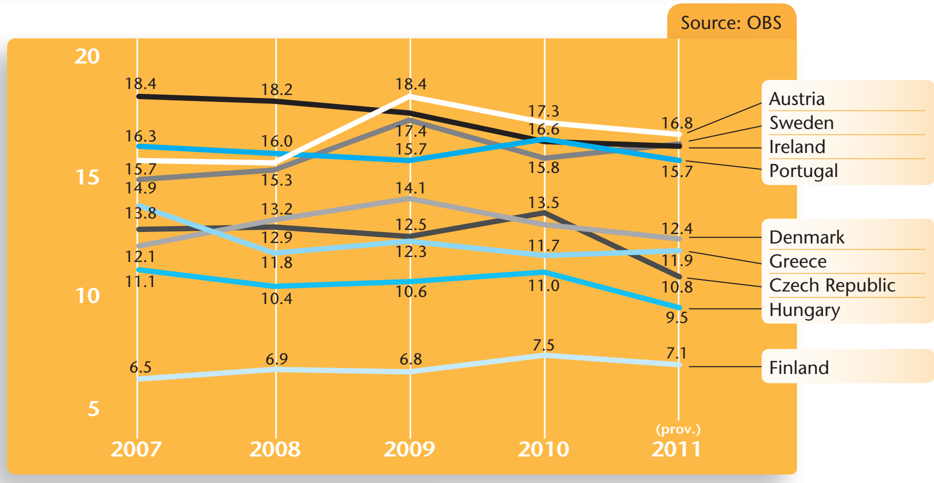
Country	2007	2008	2009	2010	prov. 2011	2011/10	Sources
Austria	15.7	15.6	18.4	17.3	16.8	**-3.1%**	FMA
Belgium [e]	22.7	21.9	21.3	22.3	22.8	**2.2%**	INS/FCB
Bulgaria	2.5	2.8	3.2	4.0	4.7	**18.7%**	National Film Center
Cyprus	0.9	0.9	0.9	0.9	0.9	**2.5%**	Min. Cult./Media Salles
Czech Republic	12.8	12.9	12.5	13.5	10.8	**-20.3%**	Ministry of Culture/UFD
Denmark	12.1	13.2	14.1	13.0	12.4	**-4.0%**	Danish Film Institute
Estonia	1.6	1.6	1.8	2.1	2.5	**15.9%**	Estonian Film Foundation
Finland	6.5	6.9	6.8	7.5	7.1	**-5.3%**	Finnish Film Foundation
France	178.4	190.2	201.4	207.0	216.6	**4.7%**	CNC
Germany	125.4	129.4	146.3	126.6	129.6	**2.3%**	FFA
Greece	13.8	11.8	12.3	11.7	11.9	**2.1%**	Media Salles/GFC
Hungary	11.1	10.4	10.6	11.0	9.5	**-13.4%**	National Film Office
Ireland	18.4	18.2	17.7	16.5	16.3	**-0.8%**	Carlton Screen Advertising/Nielsen EDI
Italy [e]	116.4	111.6	111.5	120.6	111.1	**-7.9%**	SIAE/CCH/Cinetel/OBS
Latvia	2.4	2.4	1.9	2.1	2.1	**-2.1%**	National Film Centre
Lithuania	3.2	3.3	2.7	2.6	3.0	**13.2%**	Baltic Films
Luxembourg	1.2	1.1	1.3	1.2	1.3	**5.4%**	CNA/Media Salles
Malta [e]	1.0	1.0	1.0	0.9	~	~	MFC/Media Salles
Poland	32.6	33.8	39.2	37.5	38.7	**3.3%**	boxoffice.pl
Portugal	16.3	16.0	15.7	16.6	15.7	**-5.3%**	Instituto do Cinema e do Audiovisual
Romania	2.9	3.8	5.3	6.5	7.2	**11.2%**	Centrul National al Cinematografiei
Slovakia	2.8	3.4	4.1	3.9	3.6	**-7.8%**	Slovak Film Institute
Slovenia	2.4	2.4	2.7	2.9	2.9	**0.6%**	Slovenian Film Center
Spain	116.9	107.8	110.0	101.6	95.6	**-5.9%**	ICAA/MEDIA Salles
Sweden	14.9	15.3	17.4	15.8	16.4	**3.8%**	Swedish Film Institute
The Netherlands	23.1	23.5	27.3	28.2	30.4	**8.0%**	NFC/NFF/MaccsBox - NVB & NVF
United Kingdom	162.4	164.2	173.5	169.2	171.6	**1.4%**	Cinema Advertising Association/Nielsen EDI
EU 27 - Total [e]	***920***	***925***	***981***	***963***	***962***	***-0.1%***	European Audiovisual Observatory

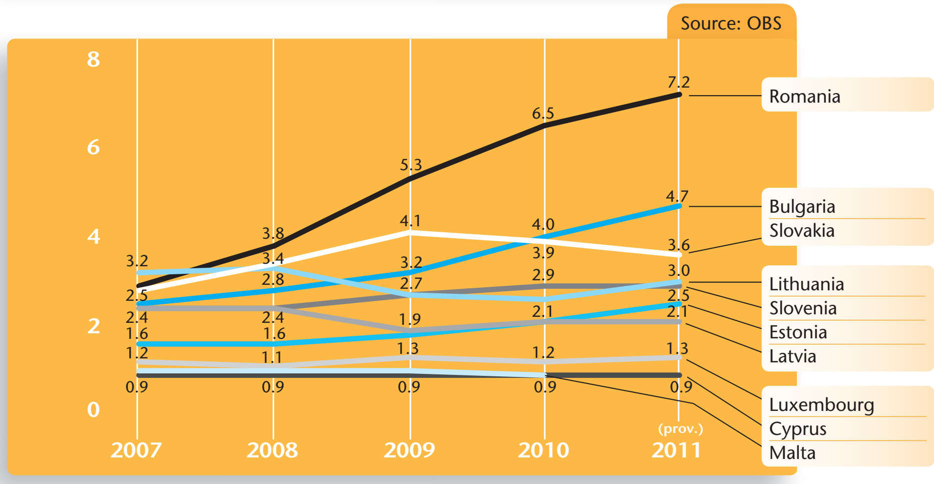
Source: OBS

Admissions in the European Union | 2007-2011

In millions.

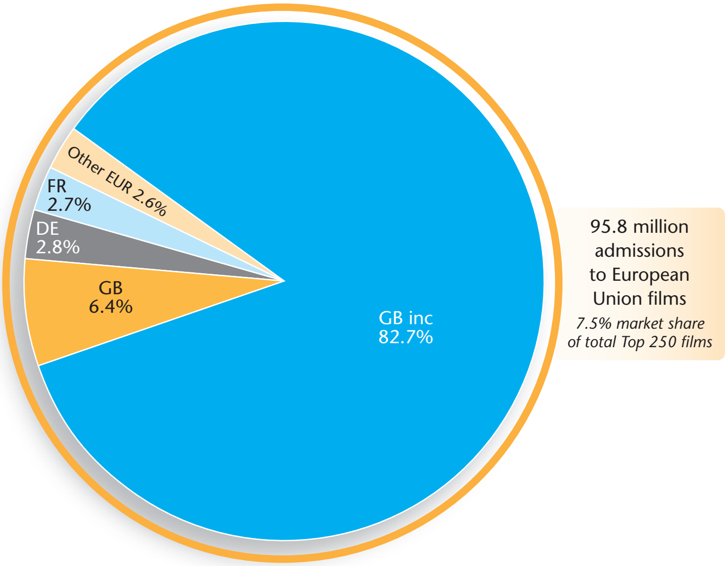






Breakdown of admissions to European Union films on the North American market | 2011 [e]

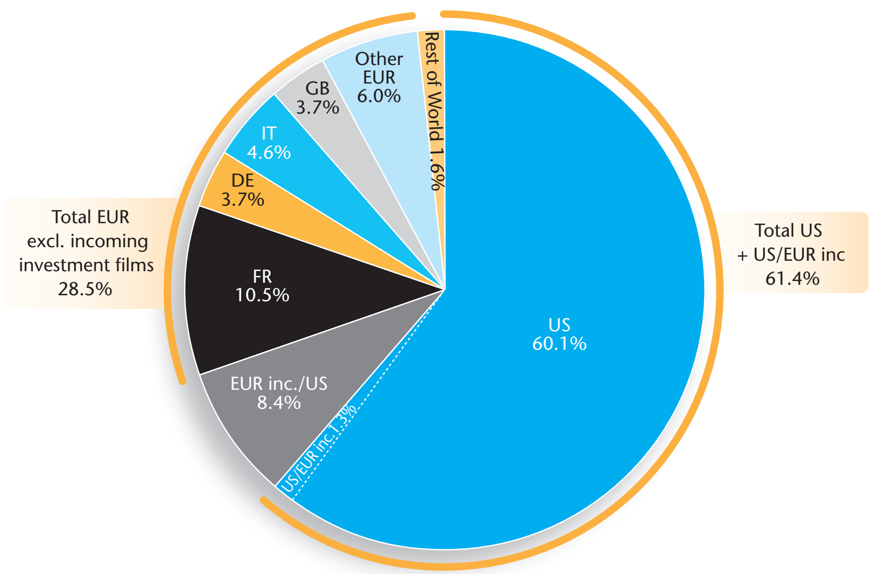
Percentage share of admissions in the United States and Canada.
Admissions estimated based on average ticket price of 7.93 USD.



Note: Based on Top 250 films in the 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 | 2011 *prov.*



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

Sources: OBS, LUMIERE

European Union

The tables below are provisional rankings on the basis of partial data from 23 European Union member states – around 88% of total admissions in the European Union are analysed.

Top 25 films by admissions in the European Union | 2011 *prov.*

	Original title	Country of origin	Year	Director	*prov.* Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	2011	David Yates	37 513 719
2	Pirates of the Caribbean: On Stranger Tides	US	2011	Rob Marshall	25 133 294
3	The Twilight Saga: Breaking Dawn - Part 1	US	2011	Bill Condon	21 955 742
4	The King's Speech (1)	GB inc/US	2010	Tom Hooper	19 800 908
5	The Hangover Part II	US	2011	Todd Phillips	18 634 903
6	The Smurfs	US	2011	Raja Gosnell	16 888 963
7	Intouchables	FR	2011	O. Nakache, E. Toledano	15 698 471
8	The Adventures of Tintin	US/NZ	2011	Steven Spielberg	15 422 354
9	Transformers: Dark of the Moon	US	2011	Michael Bay	14 861 739
10	Cars 2	US	2011	John Lasseter, Brad Lewis	14 430 415
11	Fast Five	US	2011	Justin Lin	14 347 838
12	Kung Fu Panda 2	US	2011	Jennifer Yuh	13 566 774
13	Black Swan	US	2010	Darren Aronofsky	12 516 245
14	Rise of the Planet of the Apes	US	2011	Rupert Wyatt	12 290 674
15	Puss in Boots	US	2011	Chris Miller	12 063 363
16	Rio	US	2011	Carlos Saldanha	11 408 106
17	Tangled (2)	US	2010	N. Greno, B. Howard	10 585 442
18	Rien à déclarer	FR/BE	2010	Dany Boon	9 834 928
19	Johnny English Reborn	GB/FR/US	2011	Oliver Parker	8 304 282
20	Thor	US	2011	Kenneth Branagh	7 909 467
21	The Inbetweeners Movie	GB	2011	Ben Palmer	7 494 467
22	Sherlock Holmes: A Game of Shadows	US	2011	Guy Ritchie	7 393 179
23	Midnight in Paris	US/ES	2011	Woody Allen	7 177 712
24	Che bella giornata	IT	2011	Gennaro Nunziante	6 830 405
25	X-Men: First Class	US	2011	Matthew Vaughn	6 788 546

(1) 144 866 admissions in EU in 2010. (2) 8 916 023 admissions in EU in 2010. Sources: OBS, LUMIERE

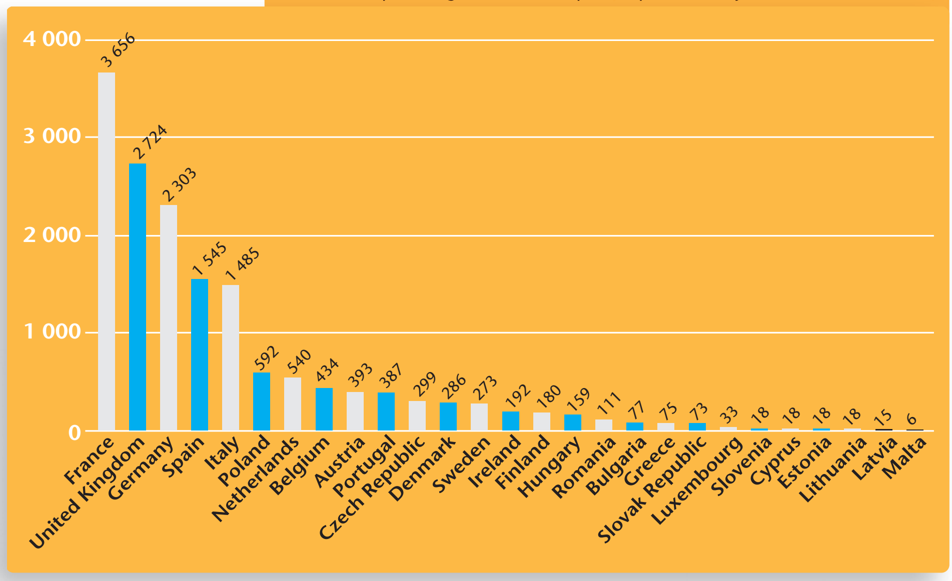
Top 25 European Union films by admissions in the European Union | 2011 *prov.*

	Original title	Country of origin	Year	Director	*prov.* Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	2011	David Yates	37 513 719
2	The King's Speech (1)	GB inc/US	2010	Tom Hooper	19 800 908
3	Intouchables	FR	2011	O. Nakache, E. Toledano	15 698 471
4	Rien à déclarer	FR/BE	2010	Dany Boon	9 834 928
5	Johnny English Reborn	GB/FR/US	2011	Oliver Parker	8 304 282
6	The Inbetweeners Movie	GB	2011	Ben Palmer	7 494 467
7	Che bella giornata	IT	2011	Gennaro Nunziante	6 830 405
8	Arthur Christmas	GB inc/US	2011	Sarah Smith, Barry Cook	5 766 538
9	Kokowääh	DE	2011	Til Schweiger	4 627 459
10	The Three Musketeers	DE/GB/FR	2011	Paul W.S. Anderson	3 582 181
11	One Day	GB inc/US	2011	Lone Scherfig	2 874 647
12	Les femmes du 6ème étage	FR	2010	Philippe Le Guay	2 659 519
13	Tinker Tailor Soldier Spy	GB/DE/FR	2011	Tomas Alfredson	2 651 531
14	Torrente 4	ES	2011	Santiago Segura	2 630 033
15	Immaturi	IT	2011	Paolo Genovese	2 600 849
16	Qualunquemente	IT	2011	Giulio Manfredonia	2 486 638
17	Harry Potter and the Deathly Hallows: Part 1 (2)	GB inc/US	2010	David Yates	2 415 357
18	Listy do M.	PL	2011	Mitja Okorn	2 361 811
19	Polisse	FR	2011	Maïwenn	2 341 773
20	Die Konferenz der Tiere (3)	DE	2010	R. Klooss, H. Tappe	1 983 896
21	Wickie auf großer Fahrt	DE	2011	Christian Ditter	1 977 595
22	Femmine contro maschi	IT	2011	Fausto Brizzi	1 972 297
23	La piel que habito (The Skin I Live In)	ES	2011	Pedro Almodóvar	1 918 334
24	Gooische vrouwen	NL	2011	Will Koopman	1 914 379
25	Habemus Papam	IT/FR	2011	Nanni Moretti	1 851 967

(1) 144 866 admissions in EU in 2010. (2) 31 275 121 admissions in EU in 2010. Sources: OBS, LUMIERE
(3) 1 901 234 admissions in EU in 2010.

Number of digital screens in the European Union by country | December 2011

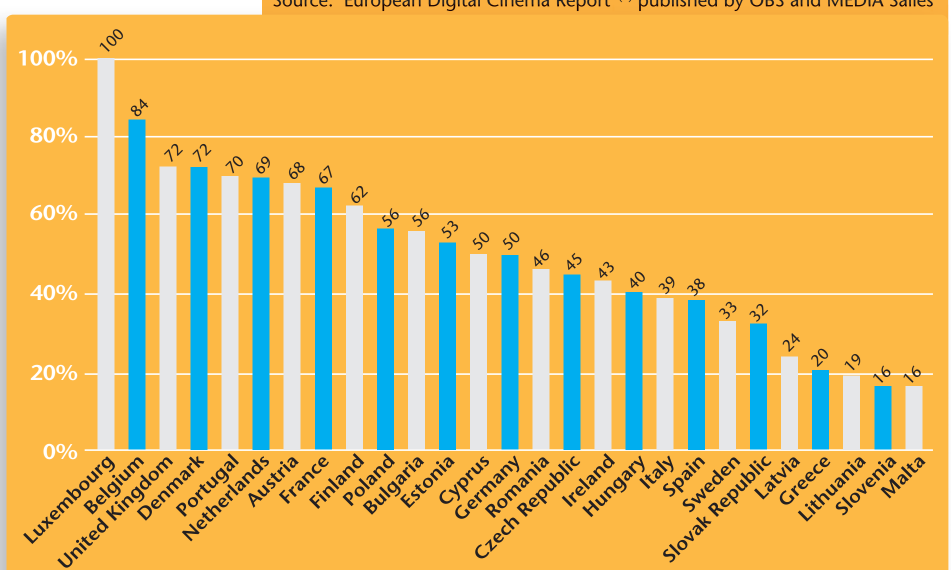
Source: 'European Digital Cinema Report' (1) published by OBS and MEDIA Salles



(1) http://www.obs.coe.int/oea_publ/market/european_digital_cinema.html

Digital screen penetration in the European Union by country | December 2011 *prov.*

Source: 'European Digital Cinema Report' (1) published by OBS and MEDIA Salles

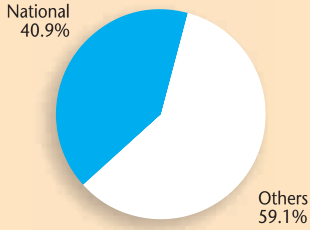


(1) http://www.obs.coe.int/oea_publ/market/european_digital_cinema.html

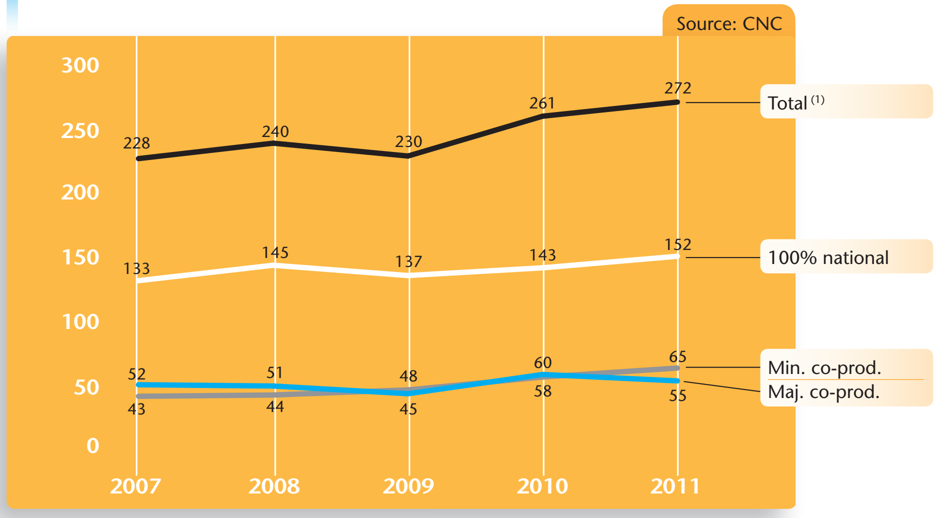
France

Population 2011 [e]	63.2 million
GDP per capita 2011 [e]	44 401 USD
Gross box office 2011 [e]	1.37 bn EUR (1.91 bn USD)
Admissions 2011 [e]	216.6 million
Average ticket price 2011 [e]	6.3 EUR (4.5 USD)
Average admissions per capita 2011 [e]	3.4
Screens 2010 I 2011	5 465 I 5 464
Digital screens 2010 I 2011	1 820 I 3 656
Digital 3D screens 2010 I 2011	1 387 I ~

Market shares 2011 *prov.*

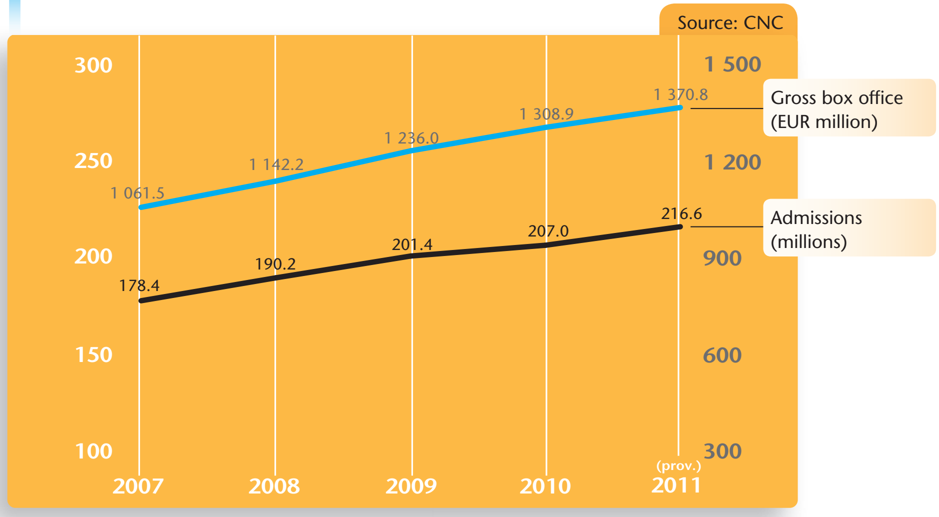


Number of feature films produced I 2007-2011



(1) Officially recognised films.

Admissions and gross box office I 2007-2011



Top 20 films by admissions in France | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Intouchables	FR	Nakache, Toledano	Gaumont Distribution	15 693 206
2	Rien à déclarer	FR/BE	Dany Boon	Pathé Distribution	8 148 204
3	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	6 535 125
4	The Adventures of Tintin	US/NZ	Steven Spielberg	Sony Pictures Releasing	5 308 461
5	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney Studios	4 755 081
6	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	SND Films	3 558 075
7	Rise of the Planet of the Apes	US	Rupert Wyatt	20th Century Fox	3 264 080
8	The King's Speech	GB inc/US	Tom Hooper	Wild Bunch Distr.	3 085 597
9	Puss in Boots	US	Chris Miller	Paramount Pictures	3 025 109
10	Cars 2	US	J. Lasseter, B. Lewis	Walt Disney Studios	2 973 544
11	The Smurfs	US	Raja Gosnell	Sony Pictures Releasing	2 773 800
12	Kung Fu Panda 2	US	Jennifer Yuh	Paramount Pictures	2 688 515
13	Transformers: Dark of the Moon	US	Michael Bay	Paramount Pictures	2 657 509
14	Black Swan	US	Darren Aronofsky	20th Century Fox	2 653 131
15	Fast Five	US	Justin Lin	Universal Pictures	2 526 198
16	The Hangover Part II	US	Todd Phillips	Warner Bros.	2 503 646
17	Rio	US	Carlos Saldanha	20th Century Fox	2 444 295
18	Polisse	FR	Maïwenn	Mars Dist. (StudioCanal)	2 337 525
19	Les femmes du 6ème étage	FR	Philippe Le Guay	SND Films	2 274 327
20	X-Men: First Class	US	Matthew Vaughn	20th Century Fox	2 103 106

Source: *Le film français*

Distribution and Exhibition

2012 was yet another record-breaking year for French cinemas. After a slow start admissions grew strongly in the second half to deliver a final total of 216.6 million tickets sold, 4.7% up on 2010 and the best result since 1966. GBO rose in parallel, going from EUR 1 309 to EUR 1 371 million (+4.7%), on the back of an almost stable average ticket price. 3D films continued to play an important role, accounting for an estimated 25% of total admissions, with a sharp increase in the number of titles released in the format (from 23 in 2010 to 43 in 2011). Market share for French films also showed a positive trend, going from 35.7% to 40.9%. *Intouchables* was the leading film of the year, registering almost 16 million admissions in France and promoting its distributor Gaumont (9.9%) to third place in the 2011 distributor rankings, just behind Warner Bros. and Paramount (both 10%). 2011 also marked a turning point in the process of screen digitisation, with 3 656 screens equipped as of December 2011, representing 67% of the national screen base. This rapid progress consolidated France's position as the largest digital screen base in Europe.

Production and Funding

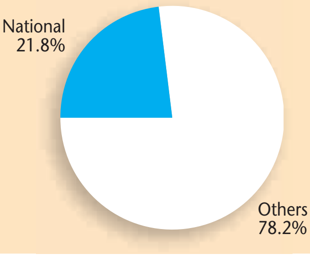
With 272 films receiving official recognition, French feature production also registered a new high, up 11 films from 2010. Despite the growth in numbers, overall investment in production fell back from the EUR 1.44 billion registered in 2010 to EUR 1.39 billion (-3.5%). French initiative and foreign majority films showed contrasting investment trends, with total investment in the former growing slightly (+1.4%) and the latter registering a sharp decline (down 20.2%). Average budgets for French initiative films remained stable at EUR 5.5 million. 2011 also saw noteworthy growth in the number of documentaries produced, with 36 films in total, of which 29 were French initiative. These French documentaries had an average budget of EUR 0.98 million and all were shot on digital video. Digital technologies continued to be a focus for public policy, with both the national agency, the CNC, and 21 of the 22 French regions providing funding for the conversion of smaller cinemas to digital projection. A new phase of this support policy was launched in April 2012, with the opening of support to seasonal and less active screens. In parallel, EU approval was given in early 2012 for an ambitious EUR 400 million 6-year long scheme to digitise France's film heritage, covering both catalogue films with a certain commercial potential and heritage works.

Sources: CNC, *Le film français*, IRIS Merlin, MEDIA Salles, OBS

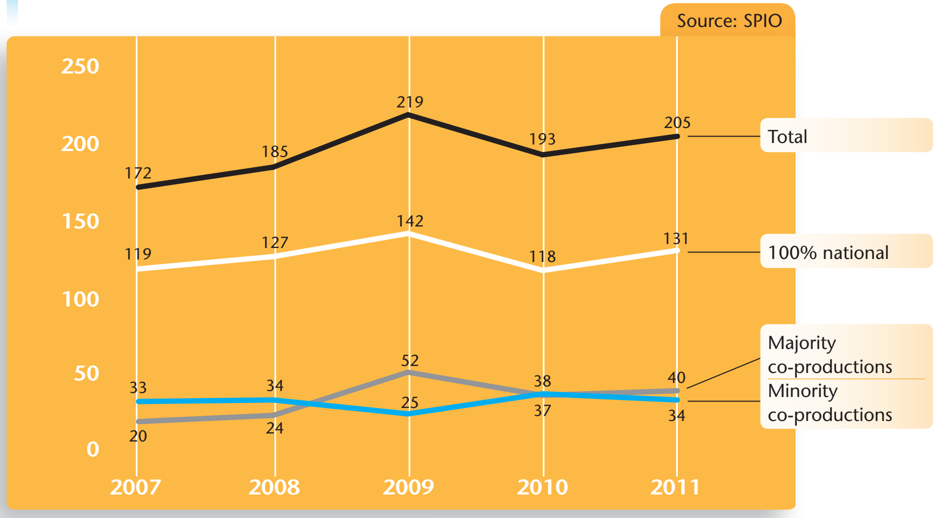
Germany

Population 2011 e	81.4 million
GDP per capita 2011 e	44 556 USD
Gross box office 2011 e	958.1 M EUR (1 334 M USD)
Admissions 2011 e	129.6 million
Average ticket price 2011 e	7.4 EUR (10.3 USD)
Average admissions per capita 2011 e	1.6
Screens 2010 I 2011	4 699 I 4 640
Digital screens 2010 I 2011	1 248 I 2 303
Digital 3D screens 2010 I 2011	1 114 I ~

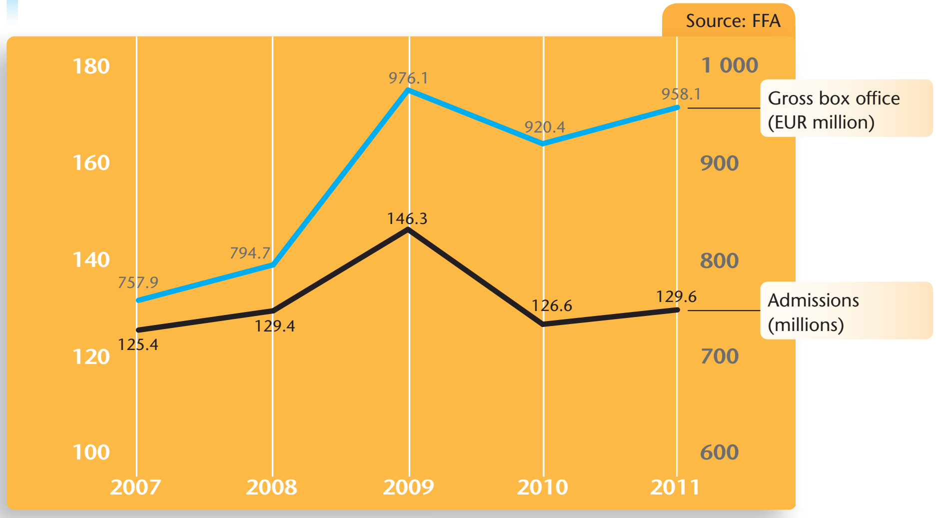
Market shares 2011



Number of German films on first release | 2007-2011



Admissions and gross box office | 2007-2011



Top 20 films by admissions in Germany | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	6 468 501
2	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	4 396 891
3	Kokowääh	DE	Til Schweiger	Warner Bros.	4 317 017
4	The Hangover Part II	US	Todd Phillips	Warner Bros.	4 089 523
5	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Concorde Filmverleih	3 181 591
6	The Smurfs	US	Raja Gosnell	Sony Pictures	2 701 742
7	Transformers: Dark of the Moon	US	Michael Bay	Paramount	2 575 383
8	Fast Five	US	Justin Lin	Universal Pictures	2 460 572
9	The King's Speech	GB inc/US	Tom Hooper	Senator Film Verleih	2 413 256
10	Black Swan	US	Darren Aronofsky	20th Century Fox	2 193 307
11	Puss in Boots	US	Chris Miller	Paramount	2 047 017
12	Zookeeper	US	Frank Coraci	Sony Pictures	1 956 622
13	Kung Fu Panda 2	US	Jennifer Yuh	Paramount	1 877 126
14	Bad Teacher	US	Jake Kasdan	Sony Pictures	1 861 579
15	Cars 2	US	J. Lasseter, B. Lewis	Walt Disney	1 837 081
16	What a Man	DE/US	M. Schweighöfer	20th Century Fox	1 786 156
17	Rio	US	Carlos Saldanha	20th Century Fox	1 744 927
18	Wickie auf großer Fahrt	DE	Christian Ditter	Constantin Film	1 743 795
19	Johnny English Reborn	GB/FR/US	Oliver Parker	Universal Pictures	1 615 772
20	Almanya - Willkommen in Deutschland	DE	Yasemin Samdereli	Concorde Filmverleih	1 427 072

Source: FFA

Distribution and Exhibition

In 2011 the German theatrical market mostly recovered from the significant downturn of the previous year with admissions increasing by 2.3% to 129.6 million and GBO growing by 4.1% to EUR 958 million. Ticket prices continued to increase and brought the average ticket price to EUR 7.4, compared to EUR 6.1 in 2008 before the digitisation process began in earnest. As in many other countries box office was dominated by US sequels, but it was the renewed interest in German films which actually drove the market recovery. After having almost halved in 2010, admissions to German films - once more led by a Til Schweiger film, *Kokowääh*, - increased from 21 million to 28 million capturing a market share of 21.8%. 3D films also increased their audience and cumulatively accounted for 22.8% of total admissions, slightly up from 20.4% in 2010. The total number of film releases climbed to 523, the highest level on record. The number of cinemas on the other hand continued to shrink for the sixth consecutive year, further reducing the number of towns offering a local cinema, now down to 926, compared to 1 016 five years ago. Backed by a variety of public support programmes both national as well as regional, digital screen penetration increased to 50%, though AG Kino, the leading association of arthouse cinemas in Germany, had called in September on their members to put a halt to their conversion efforts pending agreement by local distributors to contribute to the conversion costs by regular VPF payments.

Production and Funding

German production activity increased again and reached with 205 feature films released the second highest level since the record high of 219 films in 2009. The upswing in production might also have been stimulated by a federal court ruling in February 2011 which approved the controversial film funding law and hence enabled Germany's national film agency, FFA, to actually pay out its foreseen funding volumes. Pending the outcome of the law suit payments had to be held back in order to build up reserves. The current film law will however run out by the end of 2013 and the process of developing a new film funding law is already fully underway with the FFA calling for position papers from all stakeholders involved. The German Federal Film Fund (DFFF) also runs out at the end of 2012 but Minister of State Bernd Neumann already announced his intentions to prolong it for another 3-year period up until 2015.

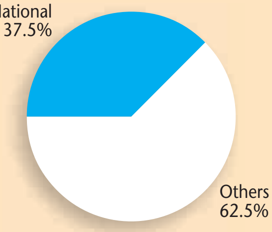
Sources: FFA, SPIO, *Blickpunkt Film*, MEDIA Salles, OBS

Italy

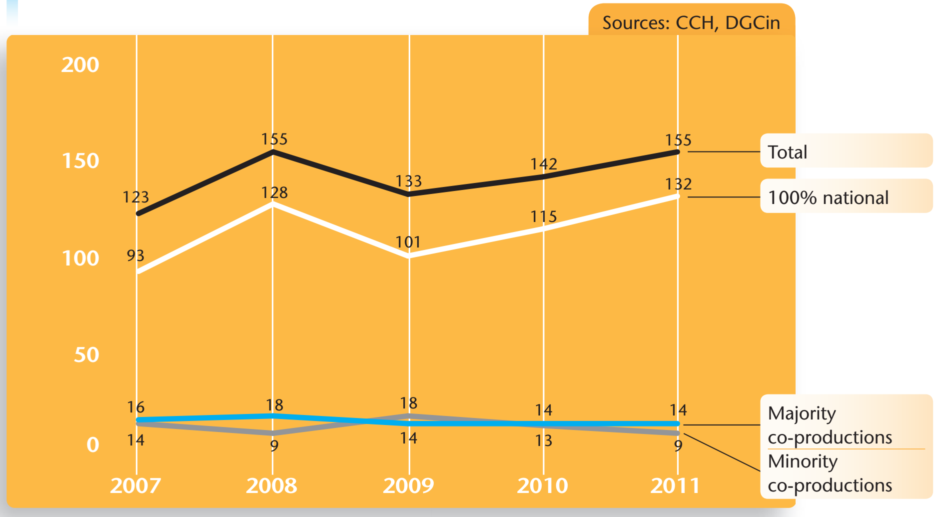
Population 2011 [e]	60.6 million
GDP per capita 2011 [e]	37 046 USD
Gross box office 2011 [e]	695.4 M EUR (968 M USD)
Admissions 2011 [e]	111.1 million
Average ticket price 2011 [e]	6.3 EUR (8.7 USD)
Average admissions per capita 2011 [e]	1.8
Screens 2010 I 2011 [(1)]	3 217 I 3 837
Digital screens 2010 I 2011	912 I 1 485
Digital 3D screens 2010 I 2011	842 I ~

(1) Screens covered by market research company Cinetel (covers ~95% of GBO).

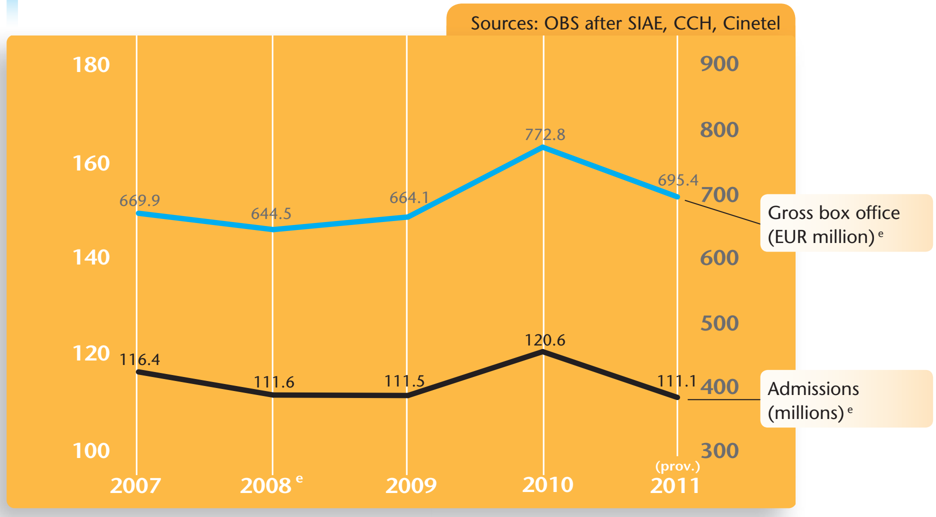
Market shares 2011 [e]



Number of feature films produced in Italy I 2007-2011



Admissions and gross box office I 2007-2011



Top 20 films by admissions in Italy | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Che bella giornata	IT	Gennaro Nunziante	Medusa Film	6 830 405
2	Immaturi	IT	Paolo Genovese	Medusa Film	2 600 849
3	Qualunquemente	IT	Giulio Manfredonia	01 Distribution	2 486 638
4	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Eagle Pictures	2 352 898
5	Sherlock Holmes: A Game of Shadows	US	Guy Ritchie	Warner Bros.	1 963 413
6	Femmine contro maschi	IT	Fausto Brizzi	Medusa Film	1 947 976
7	Fast Five	US	Justin Lin	Universal Pictures	1 665 422
8	I Soliti Idioti	IT	Enrico Lando	Medusa Film	1 659 169
9	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	1 625 655
10	La peggior settimana della mia vita	IT	Alessandro Genovesi	Warner Bros.	1 483 570
11	The King's Speech	GB inc/US	Tom Hooper	Eagle Pictures	1 432 392
12	The Hangover Part II	US	Todd Phillips	Warner Bros.	1 426 960
13	Vacanze di Natale a Cortina	IT	Neri Parenti	Filmauro	1 325 695
14	Nessuno mi può giudicare	IT	Massimiliano Bruno	01 Distribution	1 288 502
15	La banda dei babbi natale	IT	Paolo Genovese	Medusa Film	1 253 208
16	Midnight in Paris	US/ES	Woody Allen	Medusa Film	1 250 416
17	Hereafter	US	Clint Eastwood	Warner Bros.	1 243 597
18	Kung Fu Panda 2	US	Jennifer Yuh	Universal Pictures	1 243 444
19	Finalmente la felicità	IT	Leonardo Pieraccioni	Medusa Film	1 120 039
20	Manuale d'am3re	IT	Giovanni Veronesi	Filmauro	1 058 151

Source: Cinetel

Distribution and Exhibition

Despite the exceptionally strong performance of local films Italian box office declined significantly in 2011. Admissions dropped by 8% to 111 million tickets sold, about 10 million less than in 2010 and GBO fell by 10% from EUR 773 million to EUR 695 million (USD 968 million). The decline was primarily caused by a less successful year for US films which sold around 23 million tickets less than in 2010. As a result, US market share fell 10 percentage points to 47%. Led by hit comedy *Che bella giornata*, which became the highest grossing Italian film of all times, national films were the only ones to register an increase in cinema attendance. A total of 11 local films, mostly comedies, made it into the Top 20 and national market share climbed to a record high of 37.5%. Buoyed by the success of Italian films Medusa Film led the distribution market taking 26% of total admissions, followed by Warner Bros. at 17%. Average ticket price decreased slightly to EUR 6.3 (USD 8.7). Digital cinema roll-out faltered somewhat despite a market-wide VPF agreement signed between the distributors' and exhibitors' associations as well as a tax credit scheme available up to the end of 2013. However, many cinemas, in particular smaller ones, could not benefit from the tax credit due to insufficient taxable income. By the end of 2011 an estimated 39% of the country's screens had been converted to digital, one of the lowest digital screen penetration rates of Europe's major markets.

Production and Funding

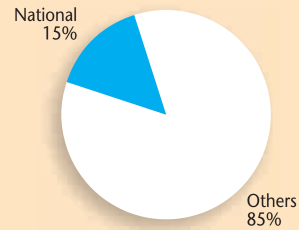
Italian production volume continued to grow to 155 feature films in 2011, 13 films more than in 2010. This upswing could have been facilitated by what some regard as a systemic change in Italian film policy. By prolonging its system of tax incentives up until 2013 and financing it by a tax on automobile fuel, Italy's government freed the industry from its dependence on the annual budget negotiations thus making its support system more predictable. The incentives include tax breaks for local producers (20%), foreign productions (25%) and financial investors (40%). Some market observers believe the latter will encourage a shift to an equity financing culture, replacing the industry's current dependence on direct subsidies. Average production cost of Italian films including minority co-productions amounted to EUR 2.7 million in 2011, down from EUR 3 and 3.4 million in the two previous years.

Sources: ANICA, Cinetel, MEDIA Salles, *Giornale dello Spettacolo, Variety, Screen International*, OBS

Spain

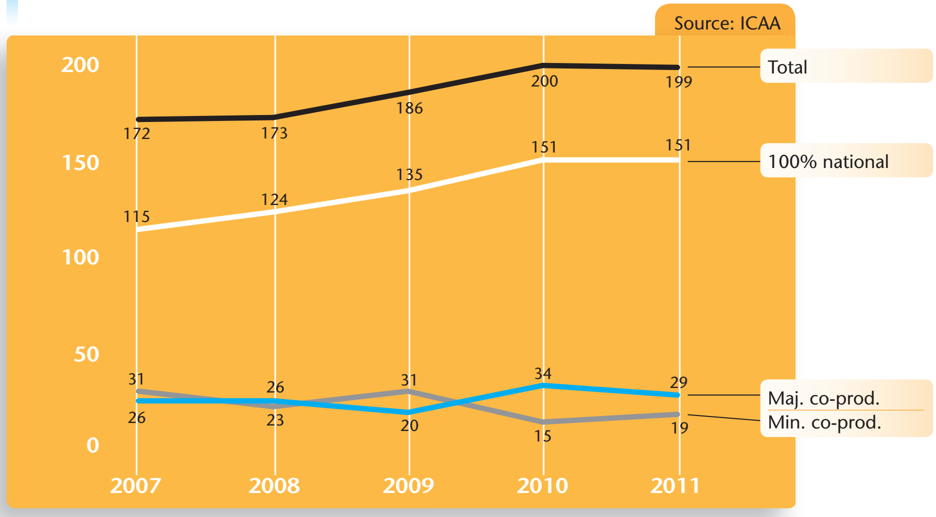
Population 2011 e	46.1 million
GDP per capita 2011 e	33 298 USD
Gross box office 2011 *prov.*	630.0 M EUR (877.2 M USD)
Admissions 2011 *prov.*	95.6 million
Average ticket price 2011 e	6.6 EUR (9.2 USD)
Average admissions per capita 2011 e	2.1
Screens 2010 I 2011	4 080 I 4 040
Digital screens 2010 I 2011 e	758 I 1 545
Digital 3D screens 2010 I 2011 e	604 I ~

Market shares 2011 *prov.*



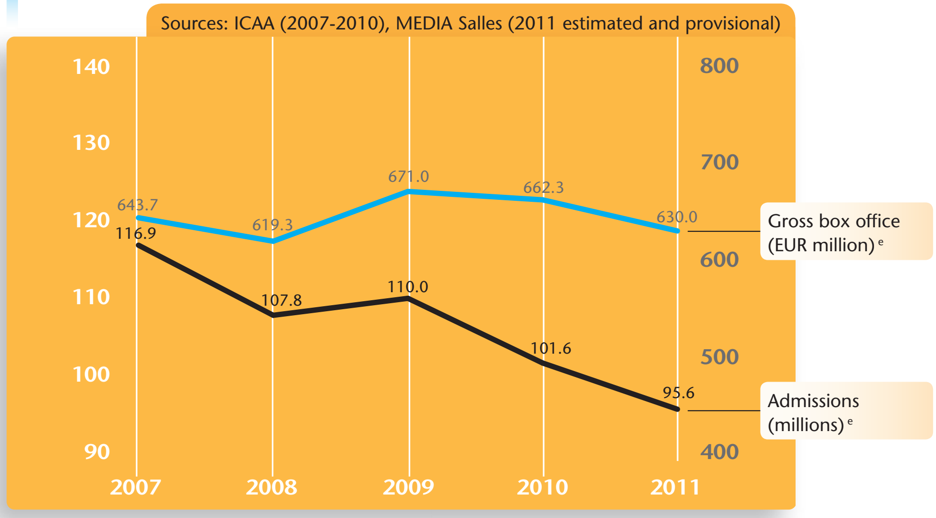
Number of Spanish feature films produced I 2007-2011

Source: ICAA



Admissions and gross box office I 2007-2010

Sources: ICAA (2007-2010), MEDIA Salles (2011 estimated and provisional)



Top 20 films by admissions in Spain | 2011 *prov.*

	Original title	Country of origin	Director	Distributor	Admissions[e] (in million)
1	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Aurum Producciones	3.00
2	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	2.77
3	Torrente 4	ES	Santiago Segura	Warner Bros.	2.64
4	The Adventures of Tintin	US/NZ	Steven Spielberg	Sony Pictures	2.60
5	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	2.29
6	Rise of the Planet of the Apes	US	Rupert Wyatt	Hispano Fox Film	2.26
7	The Smurfs	US	Raja Gosnell	Sony Pictures	2.10
8	Puss in Boots	US	Chris Miller	Paramount	1.98
9	Tangled	US	Greno, Howard	Walt Disney	1.90
10	Super 8	US	J.J. Abrams	Paramount	1.70
11	The King's Speech	GB inc/US	Tom Hooper	DeAPlaneta	1.60
12	Cars 2	US	Lasseter, Lewis	Walt Disney	1.60
13	Black Swan	US	Darren Aronofsky	Hispano Fox Film	1.58
14	Fast Five	US	Justin Lin	Universal	1.55
15	Hereafter	US	Clint Eastwood	Warner Bros.	1.47
16	Rio	US	Carlos Saldanha	Hispano Fox Film	1.31
17	Kung Fu Panda 2	US	Jennifer Yuh	Paramount	1.26
18	Midnight in Paris	US/ES	Woody Allen	Alta Films	1.20
19	Thor	US	Kenneth Branagh	Paramount	1.18
20	Transformers: Dark of the Moon	US	Michael Bay	Paramount	1.10

Source: ICAA

Distribution and Exhibition

At the time of writing no official figures for the Spanish box office market have been published. According to provisional figures published by MEDIA Salles, GBO declined by 4.9% to EUR 630 million (USD 877 million) in 2011. Cinema attendance continued its downward trend of recent years, dropping to 95.6 million tickets sold, down 6.9% from 2010. This the lowest level since 1995 which also was the last year for admissions not to pass 100 million. Provisional data suggest that market share for Spanish films was up, increasing from 12.7% to about 15%. The industry blamed piracy and the overall difficult economic environment as main factors for the ongoing market decline. According to a report by local industry lobbying group Coalicion de Creadores digital piracy increased by 25% between June 2010 and June 2011 and caused the industry a loss of USD 1.9 billion. Addressing the issue, a new piracy law, which foresees the closure of illegal websites within 10 days, became effective in March 2012. Netflix had been reported to launch its services in Spain in mid-2011 but much to the industry's disappointment put its launch plans consequently on hold. With about 1 545 digital screens roughly 38% of all screens had been converted by the end of 2011.

Production and Funding

Spanish production volume remained stable in 2011 with 199 feature films, including feature documentaries, produced. 2012 however will be a challenging year for Spanish film producers as direct public funding was cut significantly and a new tax break system will not become effective before 2013. When the Spanish government presented its budget in April, large parts of the film industry were in shock as Spain's main cinema body, ICAA, was forced to reprioritize its aid to the sector cutting seven out of 11 lines of support, due to the reduction of its budget. Though production support will be maintained, the budget of the country's largest fund, the Cinema Protection Fund, was reduced by 36% down to EUR 49 million. As EUR 35 million of these funds are already spoken for, going to repayments for feature films released in 2010 and 2011, there will be very limited support for new productions. According to recent figures presented by Spanish producers the number of films shooting in the first quarter of 2012 halved compared to 2011, with productions down from 66 to 33 films.

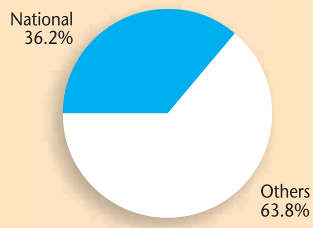
Sources: ICAA, MEDIA Salles, *Screen International*, *Variety*, Cineuropa, OBS

United Kingdom

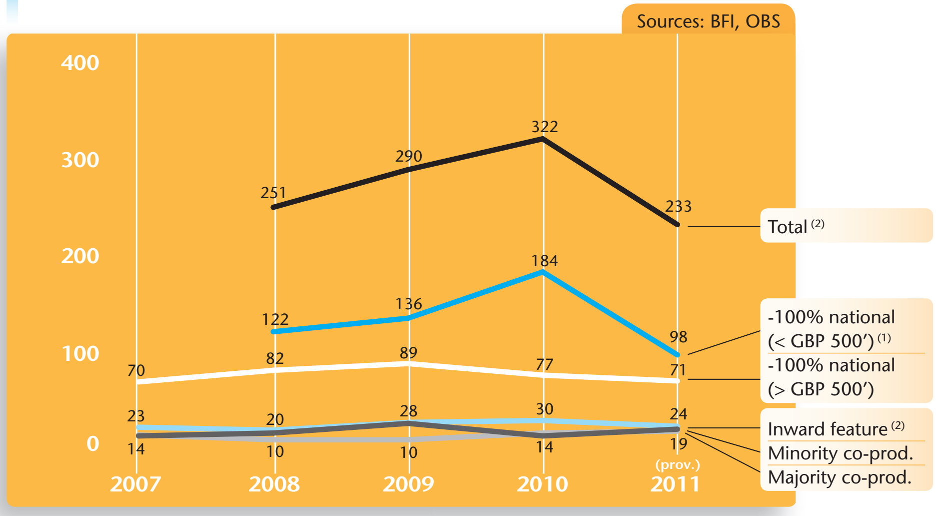
Population 2011 [e]	62.6 million
GDP per capita 2011 [e]	39 604 USD
Gross box office 2011	1.04 bn GBP (1.67 bn USD)
Admissions 2011	171.6 million
Average ticket price 2011	6.1 GBP (9.7 USD)
Average admissions per capita 2011	2.7
Screens 2010 I 2011	3 671 I 3 767
Digital screens 2010 I 2011	1 408 I 2 724
Digital 3D screens 2010 I 2011	1 096 I 1 475

(1) Based on gross box office up to 15 January 2012.

Market shares 2011 [e (1)]

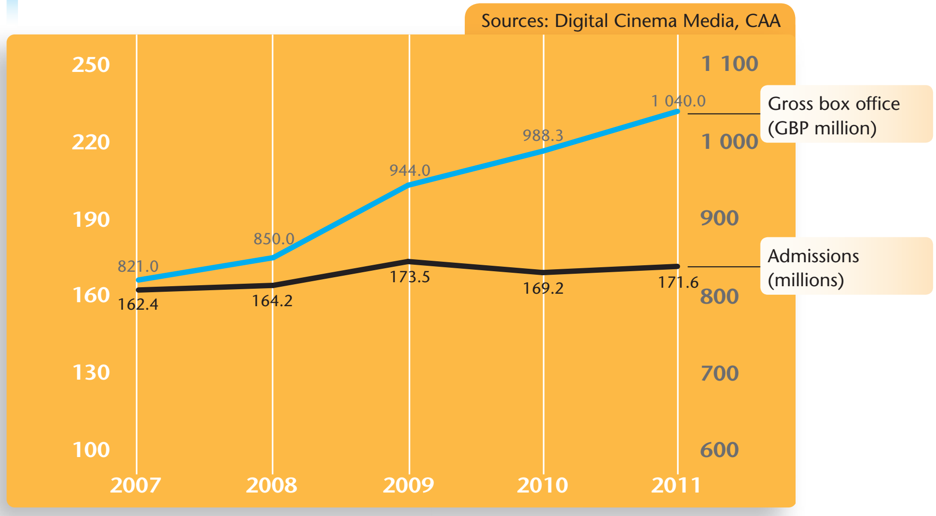


Number of films produced in the United Kingdom I 2007-2011



(1) The decline in 100% national films with budgets below GBP 500 000 could be partly due to a time lag in obtaining data.
(2) Including Inward Feature Co-productions but excluding inward features involving only VFX work in the UK.

Admissions and gross box office I 2007-2011



Top 20 films by admissions in the United Kingdom & Ireland | 2011 e (1)

Estimated admissions based on average ticket price of 6.06 GBP.

	Original title	Country of origin	Director	Distributor	Admissions e
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	12 061 747
2	The King's Speech	GB inc/US	Tom Hooper	Momentum/Alliance	7 538 414
3	The Inbetweeners Movie	GB	Ben Palmer	Entertainment	7 430 478
4	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	5 431 718
5	The Hangover Part II	US	Todd Phillips	Warner Bros.	5 418 065
6	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	EOne Films	5 055 576
7	Transformers: Dark of the Moon	US	Michael Bay	Paramount Pictures	4 637 920
8	Bridesmaids	US	Paul Feig	Universal Pictures	3 798 099
9	Rise of the Planet of the Apes	US	Rupert Wyatt	20th Century Fox	3 426 936
10	Arthur Christmas	GB inc/US	Cook, Smith	Sony Pictures	3 426 487
11	Sherlock Holmes: A Game of Shadows	US	Guy Ritchie	Warner Bros.	3 420 550
12	Johnny English Reborn	GB/FR/US	Oliver Parker	Universal Pictures	3 401 562
13	Tangled	US	Howard, Greno	Walt Disney	3 378 669
14	Fast Five	US	Justin Lin	Universal Pictures	3 056 301
15	The Smurfs	US	Raja Gosnell	Sony Pictures	2 844 292
16	Kung Fu Panda 2	US	Jennifer Yuh	Paramount Pictures	2 783 935
17	Black Swan	US	Darren Aronofsky	20th Century Fox	2 672 056
18	The Adventures of Tintin	US/NZ	Steven Spielberg	Paramount Pictures	2 669 065
19	Gnomeo and Juliet	US/GB inc	Kelly Asbury	EOne Films	2 611 285
20	Cars 2	US	Lasseter, Lewis	Walt Disney	2 577 347

(1) Based on admissions up to 15 January 2012.

Source: OBS, BFI

Distribution and Exhibition

UK gross box office crossed the one billion pound threshold for the first time in history, reaching GBP 1.04 billion (USD 1.7 billion), 5% up on its 2010 record. Growth came primarily from increasing average ticket prices, swelling from GBP 5.8 in 2010 to GBP 6.1 (USD 9.7) in 2011. Cinema attendance also rose, up 1.4% to 171.6 million tickets sold, the third highest level of the past decade. Market share for US studio fare market actually declined as independent British films recorded their best year ever, taking 13.5% of total box office. National market share climbed to 36%, up from 24% in 2010. This figure includes US-financed films considered to be British, such as the last *Harry Potter* and *The King's Speech*, Buoyed by the success of *Harry Potter*, which became the third biggest film on record in the territory, Warner Bros was the leading distributor for the second consecutive year, capturing 18.4% of GBO. The Pay-TV market became a centre of interest, with the arrival of Netflix, the US market leader in subscription-based VoD services, in the UK, and an investigation into the market for films on Pay-TV currently underway at the UK Competition Commission. Digital screen penetration reached 72%, making the UK the most advanced major market in Europe.

Production and Funding

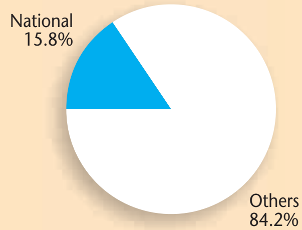
On the production front, the picture seems less rosy, with the number of feature starts in the UK plummeting from 322 to 233 films in 2011. Though total production spend increased thanks to a record high of GBP 1 billion for inward investments (80% of total production spend), expenditure on UK domestic films fell again to GBP 194 million, down from GBP 214 million in 2010. 2011 and early 2012 were eventful times for film policy in the UK: the BFI took over the responsibilities of the abolished UK Film Council, including distribution of lottery funding and tax credit certification; regional agencies were partially reshaped into Creative England, which went into operation in October 2011, and a major review of film policy was published in January 2012, proposing among 56 recommendations the enhancement of producers' recoupment, an increasing involvement of broadcasters in production and an easing of the VPF burden for independent distributors. Finally in March changes were announced to the Enterprise Investment Scheme (EIS), which provides tax breaks for smaller businesses. The industry hopes that these vehicles will incite corporate as well as individual investment in feature production.

Sources: British Film Institute (BFI), Digital Cinema Media, *Screen International*, MEDIA Salles, OBS

Russian Federation

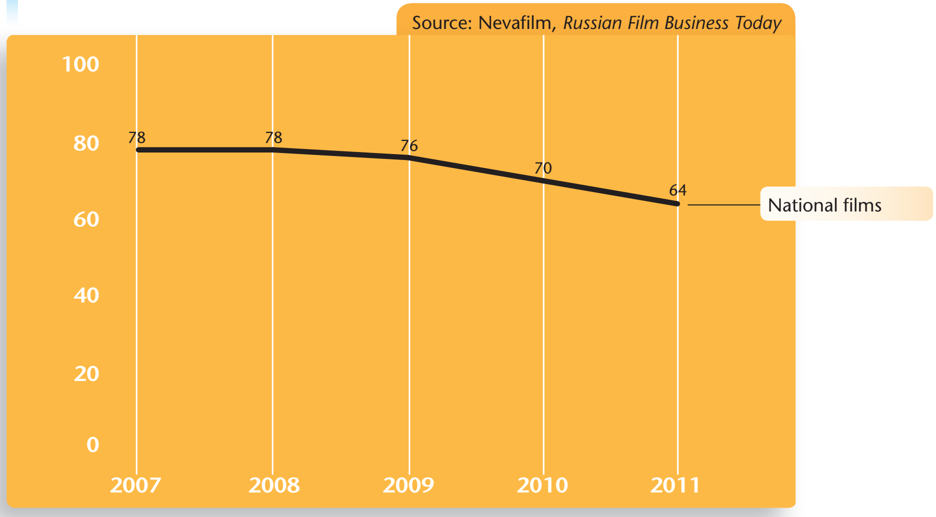
Population 2011 [e]	142.4 million
GDP per capita 2011 [e]	13 236 USD
Gross box office 2011 (1)	34.27 bn RUB (1.17 bn USD)
Admissions 2011 (1)	165.2 million
Average ticket price 2011 (1)	207 RUB (7.1 USD)
Average admissions per capita 2011 [e]	1.2
Screens 2010 | 2011 [e]	2 424 | 2 726
Digital screens 2010 | 2011 [e]	941 | 1 473
Digital 3D screens 2010 | 2011 [e]	937 | 1 434

Market shares 2011 [e]

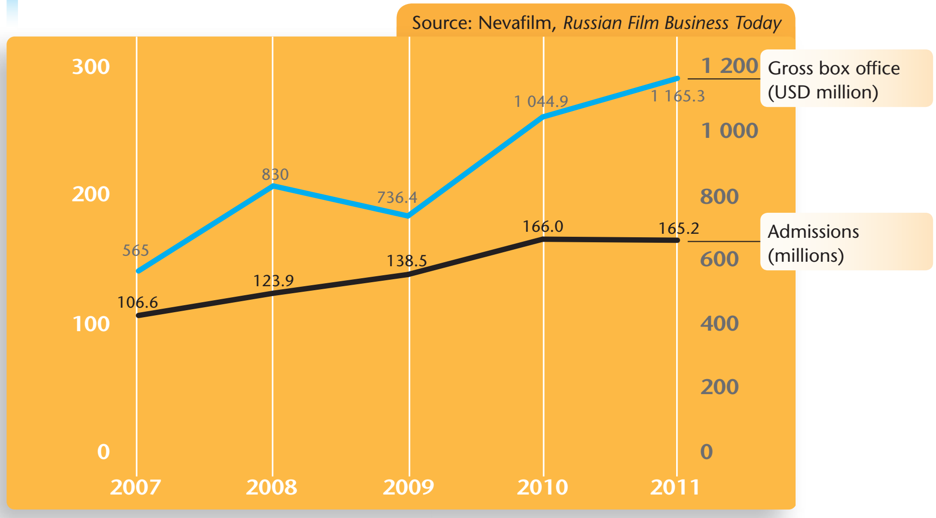


(1) Data refer to Russian Federation and other member states of the Commonwealth of Independent States (excluding Ukraine).

Number of Russian films on first release | 2007-2011



Admissions and gross box office in CIS (1) | 2007-2011



(1) Data refer to Russian Federation and other member states of the Commonwealth of Independent States (excluding Ukraine).

Top 20 films by admissions in the Russian Federation & CIS [1] | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney/Sony	7 427 478
2	Puss in Boots	US	Chris Miller	Central Partnership	6 798 605
3	Transformers: Dark of the Moon	US	Michael Bay	Central Partnership	5 131 412
4	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	West	5 023 671
5	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Karo PM	4 596 171
6	Kung Fu Panda 2	US	Jennifer Yuh	Central Partnership	4 486 155
7	Fast Five	US	Justin Lin	UPI	4 342 731
8	Vysotskiy. Spasibo, chto zhivoy	RU	Pyotr Buslov	WDSSPR	4 156 581
9	Real Steel	US/IN	Shawn Levy	WDSSPR	3 326 242
10	Rio	US	Carlos Saldanha	20th Century Fox	3 169 592
11	Yolki 2	RU	Bekmambetov, Baranov	Bazelevs	3 151 052
12	Cars 2	US	J. Lasseter, B. Lewis	Walt Disney/Sony	3 014 412
13	The Tourist	US/FR	F.H v. Donnersmarck	Walt Disney/Sony	2 711 106
14	Final Destination 5	US	Steven Quale	Karo PM	2 333 388
15	In Time	US	Andrew Niccol	20th Century Fox	2 241 008
16	Gulliver's Travels	US	Rob Letterman	20th Century Fox	2 115 679
17	Rango	US	Gore Verbinski	Central Partnership	2 066 640
18	Immortals	US	Tarsem Singh	Paradise/Our Movie	1 981 376
19	The Smurfs	US	Raja Gosnell	Walt Disney/Sony	1 953 547
20	Vykrutasy (Lucky Trouble)	RU	Levan Gabriadze	Walt Disney/Sony	1 949 974

(1) Excluding Ukraine.

Source: *Russian Film Business Today*

Distribution and Exhibition

Russia confirmed its position as Europe's third largest theatrical market in terms of admissions though its impressive growth trend of recent years came to a halt in 2011 [1]. Admissions in the CIS [2] stagnated at 165 million tickets sold, down 0.5% from record year 2010. Gross box office revenues increased however by over 11% to a new record high of USD 1.2 billion (RUB 34.3 billion) driven by the appreciation of the Ruble and an ever-increasing average ticket price, which rose from USD 6.3 in 2010 to USD 7.1, reflecting higher 3D prices. Most of the box office is taken by US films while national market share continued to decline to only 15.8% of total admissions, compared to around 25% up until 2009. Though the number of modern cinemas has been constantly growing, Russia can still be considered as an 'underscreened' market, particularly in smaller cities. Some believe that increasing screen numbers in these areas would help to bring national market share back to its former levels. In order to improve transparency exhibitors have been obliged since 2010 to introduce a standardised electronic ticket sales reporting system operated by the Ministry of Culture. However the adoption rate seems to be unsatisfactory and a new draft law published earlier this year foresees a significant increase in the fines to be paid by exhibitors failing to do so, and ultimately leading to closure of the cinema. Digital screen penetration reached approximately 54% by the end of 2011.

Production and Funding

Despite a booming box office, Russian films have been losing market share and production volume has been constantly decreasing with the number of Russian film releases dropping from 78 to 64 over the past three years. A new public funding system has been put in place since 2010 channeling the majority of public support to only seven leading production companies via the newly created Cinema Fund. Total public support is reported to reach RUB 5.3 bn (USD 159 million) in 2012, of which the Cinema Fund would receive RUB 3.8 bn (USD 114 million). Earlier this year the Fund called for a reform of the current system by linking public support to box office results. The Cinema Fund also aims to increase the number of international co-productions and provides dedicated support. Russia also joined the European co-production fund Eurimages in 2011 and signed several international co-production treaties, including one with Germany, currently Russia's most frequent co-production partner.

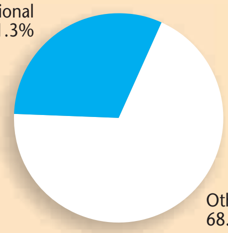
(1) Playing year from Dec. 1 to Nov. 30.
(2) Commonwealth of Independent States (excl. Ukraine).

Sources: Nevafilm, *Russian Film Business Today*, *Screen International*, The Hollywood Reporter, OBS

Poland

Population 2011 e	38.1 million
GDP per capita 2011 e	13 967 USD
Gross box office 2011 e	716.2 M PLN (243.3 M USD)
Admissions 2011 e	38.7 million
Average ticket price 2011 e	18.5 PLN (6.3 USD)
Average admissions per capita 2011 e	1.0
Screens 2010 I 2011	1 048 I 1 048
Digital screens 2010 I 2011	324 I 592
Digital 3D screens 2010 I 2011	310 I 451
Films produced 2010 I 2011	46 I 36

Market shares 2011 e



Top 10 films by admissions in Poland I 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Listy do M. (Letters to Santa)	PL	Mitja Okorn	ITI Cinema	2 331 523
2	Och, Karol 2	PL	Piotr Weresniak	Interfilm	1 705 789
3	1920 Bitwa Warszawska (Battle of Warsaw 1920)	PL	Jerzy Hoffman	Forum Film	1 518 240
4	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Forum Film	1 368 687
5	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	1 222 594
6	The Hangover Part II	US	Todd Phillips	Warner Bros.	1 164 507
7	Cars 2	US	John Lasseter, Brad Lewis	Forum Film	1 010 872
8	Wyjazd integracyjny	PL	Przemyslaw Angerman	Kino Świat	923 444
9	The King's Speech	GB inc/US	Tom Hooper	Kino Świat	920 582
10	The Smurfs	US	Raja Gosnell	UIP	829 293

Sources: boxoffice.pl, OBS

Distribution and Exhibition

2011 proved to be an excellent year for Polish cinema. Box office growth was entirely driven by local films which saw their admissions more than double from 5.4 million to 11.6 million. National market share consequently jumped to over 31%, having plummeted to only 14% of admissions in 2010. This marks the highest national market share in recent history. Driven by the renewed interest in national films cinema attendance increased by 3.3% to 38.7 million tickets sold, reversing the downward trend of 2010 when high ticket prices, online piracy and economic challenges provoked a 4.3% decline in admissions. While average ticket prices increased in most other European markets, Polish price levels decreased slightly from PLN 18.8 to PLN 18.5 (USD 6.3). Gross box office hence grew by 1.9% to PLN 716 million (USD 243 million), the highest level on record. The charts were topped by three Polish films, the comedies *Listy do M.* and *Och*, *Karol 2* followed by war drama *Battle of Warsaw 1920*. The success of national films came at the expense of US and other European fare (1) whose respective market shares dropped significantly from 67% to 54% and from 13% to 5%. With a market share of 16.7% UIP led the Polish distribution market, closely followed by local distributors Kino Świat, ITI Cinema and Forum Film taking between 13% and 15% of total admissions. In the exhibition sector the number of screens stabilised at 1 048, about half of which were situated in multiplex cinemas. More than 56% of total screens had been converted to digital by the end of 2011, around 90% of which were equipped for 3D screenings.

Production and Funding

Spurred by increasing public support from the Polish Film Institute (PISF), which provided EUR 22.5 million in production support in 2011, as well as a network of eleven regional funds, production activity had increased to between 40 and 50 feature films per year in recent years. However PISF figures for 2011 show a total of 36 feature films produced, 10 less than in 2010. International co-production may provide a partial response, with a new co-production agreement signed with France in early 2012. This revision of an earlier framework notably provides for lower minimum investment thresholds, opening the door for reciprocal minority participations by producers from both countries.

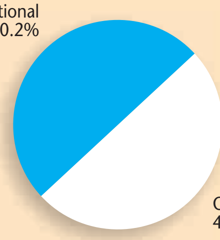
(1) Excluding EUR inc films like the *Harry Potter* franchise.

Sources: Polish Film Institute (PISF), boxoffice.pl, *Variety*, Film New Europe, MEDIA Salles, OBS

Turkey

Population 2011 e	72.2 million
GDP per capita 2011 e	10 576 USD
Gross box office 2011	398.4 M TRY (238.7 M USD)
Admissions 2011 e	42.3 million
Average ticket price 2011 e	9.4 TRY (5.6 USD)
Average admissions per capita 2011	0.6
Screens 2010 | 2011	1 968 | 2 093
Digital screens 2010 | 2011	205 | 266
Digital 3D screens 2010 | 2011	202 | ~
Films produced 2010 | 2011	65 | 70

Market shares 2011 e



Top 10 films by admissions in Turkey | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Eyyvah Eyvah 2	TR	Hakan Algül	UIP	3 947 988
2	Ask Tesadüfleri Sever (Love Just a Coincidence)	TR	Ömer Faruk Sorak	UIP	2 418 090
3	Allah'In Sadik Kulu (God's Faithful Servant: Barla)	TR	Orhan Öztürk Esin	Özen Film	2 186 696
4	Kurtlar Vadisi Filistin (Valley of the Wolves: Palestine)	TR	Zübeyr Sasmaz	Özen Film	2 028 057
5	Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Tiglon Film	1 365 497
6	Anadolu Kartallari	TR	Omer Vargi	Tiglon Film	1 179 190
7	Pirates Of The Caribbean: On Stranger Tides	US	Rob Marshall	UIP	1 170 783
8	The Smurfs	US	Raja Gosnell	Warner Bros.	1 141 812
9	Dedemin Insanlari	TR	Cagan Irmak	Warner Bros.	1 090 335
10	Harry Potter And The Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	798 414

Source: *Sinema Gazetesi*

Distribution and Exhibition

The Turkish theatrical market continued its growth trend of recent years reaching the highest level since *Antrakt Sinema Gazetesi* started tracking 22 years ago. A record 42.3 million tickets were sold in 2011, up 3% from 41.1 million in 2010, and GBO grew 5% to TRY 398 million (USD 239 million). Turkey hence strengthened its position as the seventh largest European market in terms of admissions. Growth was partly driven by the strong increase in screens – on average 140 new screens have opened every year since 2005 – bringing the total to 2 093 screens at end 2011, 53% of which were located in shopping malls. The cinema-going rate in Turkey however still remains comparatively low with the average Turk going to the cinema only once every two years. In order to exploit this growth potential and to increase cinema occupancy rates from the current 10% to 25%, the Government announced plans to collaborate with the cinema sector to discount movie tickets targeting audiences over the age of 30 and to promote cinemas outside of shopping malls. By December 2011 the number of digital screens had increased to 266, representing about 13% of the country's total screen base and indicating that Turkey is clearly lagging behind in terms of digital cinema roll-out. Led by chart-topping comedy *Eyyvah Eyvah 2*, the 73 local film releases took a market share of 50.2% of total admissions, the highest national market share for any European country. Once more UIP Türkiye dominated the distribution market, achieving a market share of 34% of total GBO in 2011, followed by Warner Bros. (21%) and Tiglon Film (19%).

Production and Funding

Turkish film production has been growing significantly over the past years. While there were only 16 national films released ten years ago, this increased to around 70 films in each of the past three years. The Turkish Culture and Tourism Ministry hopes to increase this number to 100 productions annually by the end of 2013. A new support mechanism dedicating more funds to family films and films with high box-office potential is planned to be put into operation in 2012, causing protests from producers and directors who fear a negative impact on arthouse productions. In response to this the Ministry stated that support for 'art' films would be maintained. The Ministry also plans to introduce new support measures to encourage foreign productions shooting in Turkey. In addition to VAT rebates the new regulations are expected to include financial support ranging from 5% to 25% for films meeting certain criteria with regard to promoting Turkey.

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

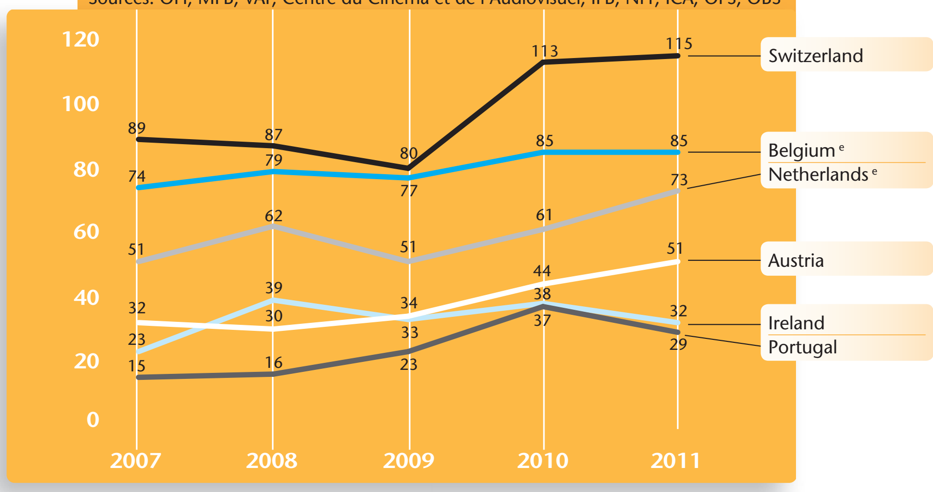
Other Western Europe

	Austria	Belgium	Ireland	Netherlands	Portugal	Switzerland
Population 2011 e (millions)	8.4	11.0	4.6	16.7	10.7	7.8
GDP per capita 2011 e (USD)	50 504	48 110	48 517	51 410	22 699	84 983
Gross box office 2011 e (M USD)	177.2	204.3	155.7	334.2	111.3	261.5
Admissions 2011 e (millions)	16.8	22.8	16.3	30.4	15.7	14.9
Average ticket price 2011 e (USD)	10.6	9.2 (1)	9.5	11.0	7.1	17.6
Average admissions per capita 2011 e	2.0	2.1	3.6	1.8	1.5	1.9
Screens 2011	577	515 (1)	444	777 (1)	554	547
Digital screens 2011	393	434	192	540	387	315
Digital 3D screens 2011	208 (1)	102 (1)	96 (1)	231 (1)	205	216
National market shares 2011 e	3.6%	10.7%	4.0%	22.4%	0.7%	5.1%

(1) 2010

Number of feature films produced by selected Western European countries | 2007-2011

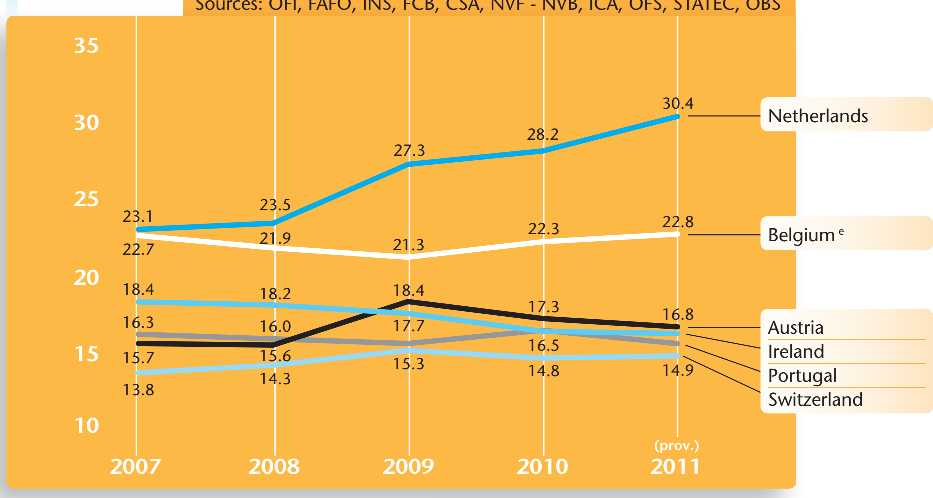
Sources: OFI, MFB, VAF, Centre du Cinéma et de l'Audiovisuel, IFB, NFF, ICA, OFS, OBS



Cinema attendance in selected Western European countries | 2007-2011

In millions.

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



Top 10 films by admissions in Austria | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	The Hangover Part II	US	Todd Phillips	Warner Bros.	624 121
2	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	611 322
3	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	603 200
4	The Smurfs	US	Raja Gosnell	Sony Pictures	423 368
5	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Constantin Film	417 912
6	Puss in Boots	US	Chris Miller	Universal Pictures	359 896
7	Fast Five	US	Justin Lin	Universal Pictures	337 605
8	Kung Fu Panda 2	US	Jennifer Yuh	Universal Pictures	325 209
9	Kokowääh	DE	Til Schweiger	Warner Bros.	310 442
10	Rio	US	Carlos Saldanha	20th Century Fox	298 892

Sources: Austrian Film Institute, Rentrak EDI

Top 10 films by admissions in Switzerland | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	509 410
2	The Hangover Part II	US	Todd Phillips	Warner Bros.	492 955
3	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	483 715
4	The King's Speech	GB inc/US	Tom Hooper	Elite-Film	409 275
5	Intouchables	FR	Nakache, Toledano	Frenetic Films	344 013
6	Rio	US	Carlos Saldanha	20th Century Fox	330 533
7	Rien à déclarer	FR/BE	Dany Boon	Pathé Films	322 120
8	Fast Five	US	Justin Lin	UIP	300 017
9	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Elite-Film	297 945
10	Black Swan	US	Darren Aronofsky	20th Century Fox	289 442

Source: Office fédéral de la statistique

Top 10 films by admissions in the Netherlands | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Gooische vrouwen	NL	Will Koopman	Independent Films	1 914 379
2	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	1 378 512
3	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	1 073 579
4	The Smurfs	US	Raja Gosnell	Sony Pictures	877 569
5	The Hangover Part II	US	Todd Phillips	Warner Bros.	765 993
6	Nova zembla	NL	Reinout Oerlemans	Benelux Film Distrib.	624 327
7	Cars 2	US	J. Lasseter, B. Lewis	Walt Disney	574 576
8	Rio	US	Carlos Saldanha	20th Century Fox	525 965
9	The King's Speech	GB inc/US	Tom Hooper	Paradiso Entertainm.	500 916
10	Kung Fu Panda 2	US	Jennifer Yuh	Universal Pictures	463 605

Sources: MaccsBox, NVB & NVF

Top 10 films by admissions in Portugal | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Lusomundo Audiovis.	493 761
2	The Smurfs	US	Raja Gosnell	Lusomundo Audiovis.	478 221
3	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Lusomundo Audiovis.	476 881
4	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Lusomundo Audiovis.	470 051
5	Fast Five	US	Justin Lin	Lusomundo Audiovis.	446 450
6	Puss in Boots	US	Chris Miller	Col. TriStar Warner	427 444
7	The Tourist	US/FR	FH von Donnersmarck	Col. TriStar Warner	422 180
8	Cars 2	US	J. Lasseter, B. Lewis	Col. TriStar Warner	408 654
9	Rio	US	Carlos Saldanha	Col. TriStar Warner	406 626
10	The Hangover Part II	US	Todd Phillips	CLMC Multimedia	395 490

Source: ICA

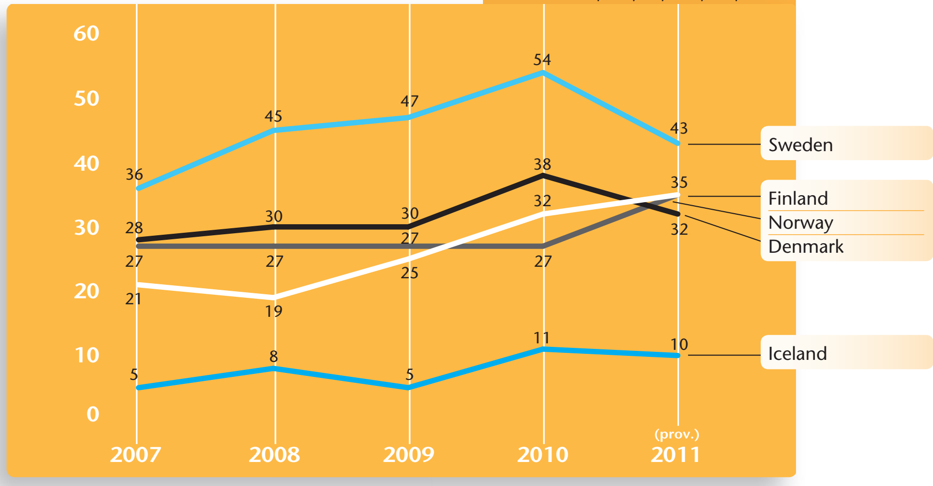
Nordic countries

	Denmark	Finland	Iceland	Norway	Sweden
Population 2011 e (millions)	5.5	5.4	0.3	5.0	9.4
GDP per capita 2011 e (USD)	63 003	50 090	43 226	96 591	61 098
Gross box office 2011 e (M USD)	175.2	91.2	11.5 (2)	185.5	241.9
Admissions 2011 e (millions)	12.4	7.1	1.6 (1)	11.7	16.4
Average ticket price 2011 e (USD)	14.1	12.8	6.7 (2)	15.9	14.7
Average admissions per capita 2011 e	2.2	1.3	5.0 (1)	2.3	1.8
Screens 2011 e	396 (1)	289 (1)	42 (1)	422	830
Digital screens 2011 e	286	180	29	423	273
Digital 3D screens 2011 e	130 (1)	180	14 (1)	264	251
National market shares 2011 e	27.0%	17.0%	7.1% (2)	24.5%	21.3%

(1) 2010 (2) 2009

Number of feature films produced in the Nordic countries | 2007-2011

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

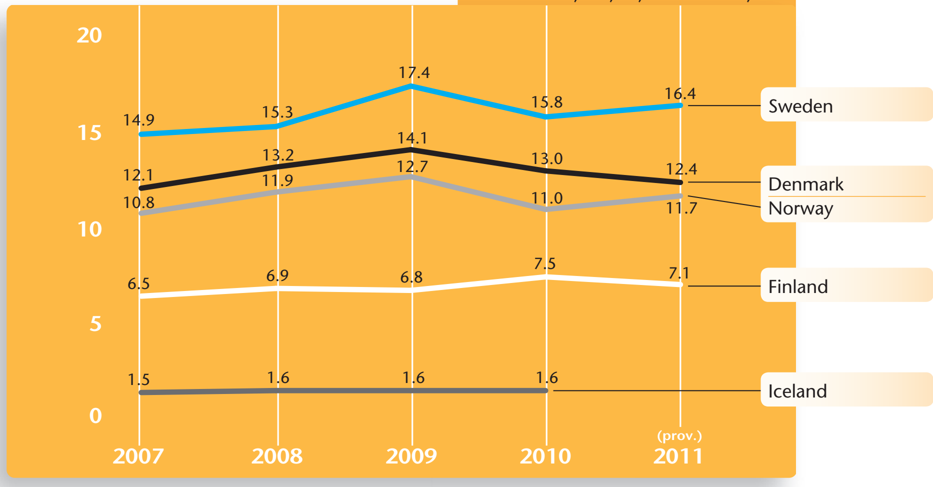


Note: Danish figures refer to the number of feature films receiving public funding in a given year.

Cinema attendance in the Nordic countries | 2007-2011

In millions.

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



Top 10 films by admissions in Denmark | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Sandrew Metronome	651 546
2	Dirch (A Funny Man)	DK	Martin Zandvliet	Nordisk Film	471 819
3	Klassefesten (The Reunion)	DK	Niels N. Hansen	Nordisk Film	462 026
4	The Adventures of Tintin	US/NZ	Steven Spielberg	Sony Pictures	439 007
5	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	408 547
6	Far til fire - tilbage til naturen	DK	Claus Bjerre	Scanbox Entertain.	385 824
7	Alle for én (All For One)	DK	Rasmus Heide	Nordisk Film	368 110
8	Tangled	US	Greno, Howard	Walt Disney	352 085
9	Cars 2	US	Lasseter, Lewis	Walt Disney	301 115
10	Kung Fu Panda 2	US	Jennifer Yuh	UIP	288 661

Sources: Statistics Denmark, DFI

Top 10 films by admissions in Finland | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	FS Film	386 520
2	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	359 463
3	Johnny English Reborn	GB/FR/US	Oliver Parker	Finnkino	276 581
4	Cars 2	US	Lasseter, Lewis	Walt Disney	253 654
5	Vares - Pahan suudelma	FI	Anders Engström	Nordisk Film	202 466
6	The King's Speech	GB inc/US	Tom Hooper	FS Film	194 763
7	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Nordisk Film	183 490
8	Black Swan	US	Darren Aronofsky	FS Film	169 994
9	Tangled	US	Greno, Howard	Walt Disney	168 700
10	Rio	US	Carlos Saldanha	FS Film	154 039

Source: Finnish Film Foundation

Top 10 films by admissions in Norway | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	SF Norge	568 290
2	Hodejegerne (Headhunters)	NO/DK	Morten Tyldum	Nordisk Film	557 920
3	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	507 672
4	Cars 2	US	Lasseter, Lewis	Walt Disney	361 388
5	Knerten i knipe (Knerten in Trouble)	NO	A. Ommundsen	Scanbox	313 442
6	The Hangover Part II	US	Todd Phillips	SF Norge	277 491
7	Tangled	US	Greno, Howard	Walt Disney	274 851
8	Blåfjell 2 - Jakten på det magiske horn	NO	Arne L. Næss	Norsk Filmdistrib.	272 741
9	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Nordisk Film	266 191
10	Kung Fu Panda 2	US	Jennifer Yuh	UIP	263 948

Source: Film og Kino

Top 10 films by admissions in Sweden | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	869 490
2	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	717 256
3	The Adventures of Tintin	US/NZ	Steven Spielberg	Sony Pictures	684 526
4	Jägarna 2 (False Trail)	SE	Kjell Sundvall	SF Film	536 614
5	Tangled	US	Greno, Howard	Walt Disney	506 466
6	Änglagård - Tredje gången gillt	SE	Colin Nutley	SF Film	496 268
7	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Nordisk Film	494 894
8	Cars 2	US	Lasseter, Lewis	Walt Disney	477 311
9	The King's Speech	GB inc/US	Tom Hooper	SF Film	393 736
10	Hur många lingon finns det i världen?	SE	Lena Koppel	SF Film	375 090

Source: Swedish Film Institute

Baltics and Central Europe

	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Slovakia	Slovenia
Population 2011 ^{e} (millions)	10.5	1.3	10.0	2.2	3.3	5.4	2.0
GDP per capita 2011 ^{e} (USD)	20 925	16 880	14 808	12 226	13 190	17 889	25 939
Gross box office 2011 ^{e} (M USD)	68.5	14.0	57.4	11.6	14.9	24.0	18.1
Admissions 2011 ^{e} (millions)	10.8	2.5	9.5	2.1	3.0	3.6	2.9
Average ticket price 2011 ^{e} (USD)	6.3	5.7	6.04	5.6	5.0	6.7	6.2
Average admissions per capita 2011 ^{e}	1.0	1.9	1.0	0.9	0.9	0.7	1.4
Screens 2011 ^{e}	668	34	395	63	95	227 (1)	111
Digital screens 2011 ^{e}	299	18	159	15	18	73	18
Digital 3D screens 2011 ^{e}	164	15	55 (1)	13	13 (1)	58	16 (1)
Films produced 2011 ^{e}	54	21	44	16	2	12	7
National market shares 2011 ^{e}	28.5%	7.0%	7.2% (1)	4.5%	10.5%	10.1%	4.5%

(1) 2010

Top 10 films by admissions in the Czech Republic | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Muži v nadeji	CZ	Jirí Vejdelek	Falcon	852 199
2	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	708 718
3	The Smurfs	US	Raja Gosnell	Falcon	519 188
4	Lidice	CZ/SK	Petr Nikolaev	Bioscop/Magic Box	511 064
5	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Falcon	456 061
6	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Bontonfilm	304 249
7	Cars 2	US	Lasseter, Lewis	Falcon	258 507
8	Tangled	US	Greno, Howard	Falcon	224 532
9	Transformers: Dark of the Moon	US	Michael Bay	Bontonfilm	206 526
10	Perfect Days - I ženy mají své dny	CZ	Alice Nellis	Bontonfilm	199 860

Source: Unie Filmovvych Distributoru

Top 10 films by admissions in Hungary | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Intercom	500 549
2	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Forum-Hungary	388 508
3	The Hangover Part II	US	Todd Phillips	Intercom	337 758
4	Transformers: Dark of the Moon	US	Michael Bay	UIP	337 501
5	Üvegtigris 3 (Glass Tiger 3)	HU	Péter Rudolf	Szuez Film	295 366
6	Tangled	US	Greno, Howard	Forum-Hungary	282 885
7	Cars 2	US	Lasseter, Lewis	Forum-Hungary	270 882
8	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	ProVideo	248 189
9	Puss in Boots	US	Chris Miller	UIP	228 893
10	Rio	US	Carlos Saldanha	Intercom	214 990

Source: National Film Office

Top 10 films by admissions in Slovakia | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Continental Film	212 933
2	Obcanský prukaz	CZ	Ondrej Trojan	Contin. Film/PubRes	145 927
3	The Smurfs	US	Raja Gosnell	Itafilm	141 810
4	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Tatra Film	126 802
5	Lóve	SK/CZ	Jakub Kroner	Continental Film	113 000
6	Muži v nadeji	CZ	Jirí Vejdelek	Continental Film	109 184
7	The Hangover Part II	US	Todd Phillips	Continental Film	108 518
8	Tangled	US	Greno, Howard	Saturn Entertainment	98 584
9	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Saturn Entertainment	96 692
10	Kung Fu Panda 2	US	Jennifer Yuh	Tatra Film	90 915

Sources: Slovak Film Institute, UFD

South-Eastern Europe

	Bosnia-Herzegovina	Bulgaria	Croatia	Cyprus	Greece	Romania
Population 2011 e (millions)	3.9	7.5	4.4	0.8	11.2	21.4
GDP per capita 2011 e (USD)	4 715	7 243	14 529	31 435	27 875	8 666
Gross box office 2011 e (M USD)	1.7	26.1	18.4	9.9	129.5	41.0
Admissions 2011 e (millions)	0.5	4.7	3.3	0.9	11.9	7.2
Average ticket price 2011 e (USD)	3.5	5.5	5.5	11.4	10.9	5.7
Average admissions per capita 2011 e	0.1	0.6	0.8	1.1	1.0	0.3
Screens 2011 e	40	138	136	35	370 (1)	241
Digital screens 2011 e	3 (1)	77	84	18	75	110
Digital 3D screens 2011 e	~	61	51	17	54 (1)	81
Films produced 2011 e	7	15	10	4	~	13
National market shares 2011 e	0.9%	14.2%	3.3%	~	10.0%	1.4%

(1) 2010

Top 10 films by admissions in Romania | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Forum Film Romania	343 307
2	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Media Pro Distribution	204 614
3	The Hangover Part II	US	Todd Phillips	Media Pro Distribution	200 232
4	Fast Five	US	Justin Lin	Ro-Image 2000	193 010
5	Tangled	US	Greno, Howard	Forum Film Romania	187 594
6	Puss in Boots	US	Chris Miller	Ro-Image 2000	176 569
7	Immortals	US	Tarsem Singh	Media Pro Distribution	171 475
8	Transformers: Dark of the Moon	US	Michael Bay	Ro-Image 2000	165 996
9	The Three Musketeers	DE/GB/FR/US	P. W.S. Anderson	Media Pro Distribution	155 027
10	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Media Pro Distribution	149 998

Source: Centrul National al Cinematografiei

Top 10 films by admissions in Bulgaria | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Forum Film	222 784
2	Love.net	BG	Ilian Djevelekov	Aleksandra	206 793
3	Operation Shmenti Kapelli	BG	Ivan Mitov	Gold Chain	168 360
4	Fast Five	US	Justin Lin	Forum Film	150 842
5	Tilt	BG/DE	V. Chouchkov	A Plus Cinema	145 515
6	The Smurfs	US	Raja Gosnell	Aleksandra	118 981
7	Transformers: Dark of the Moon	US	Michael Bay	Forum Film	117 424
8	The Hangover Part II	US	Todd Phillips	Aleksandra	105 604
9	Rio	US	Carlos Saldanha	Aleksandra	102 207
10	Immortals	US	Tarsem Singh	Tandem	91 622

Source: National Film Center

Top 10 films by admissions in Croatia | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	The Smurfs	US	Raja Gosnell	Sony Picture Releasing	134 926
2	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	121 333
3	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Blitz Film & Video Distr.	118 742
4	The Hangover Part II	US	Todd Phillips	Warner Bros.	116 077
5	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	104 586
6	Johnny English Reborn	GB/FR/US	Oliver Parker	Universal	92 173
7	Kung Fu Panda 2	US	Jennifer Yuh	Paramount	88 582
8	Koko i duhovi	HR	Daniel Kusan	Continental Film	73 566
9	Rio	US	Carlos Saldanha	20th Century Fox	71 232
10	Puss in Boots	US	Chris Miller	Paramount	69 872

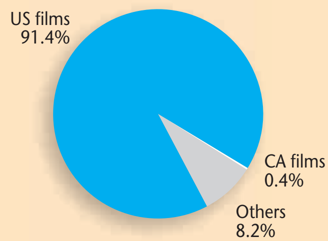
Source: Hrvatski audiovizualni centar

North America

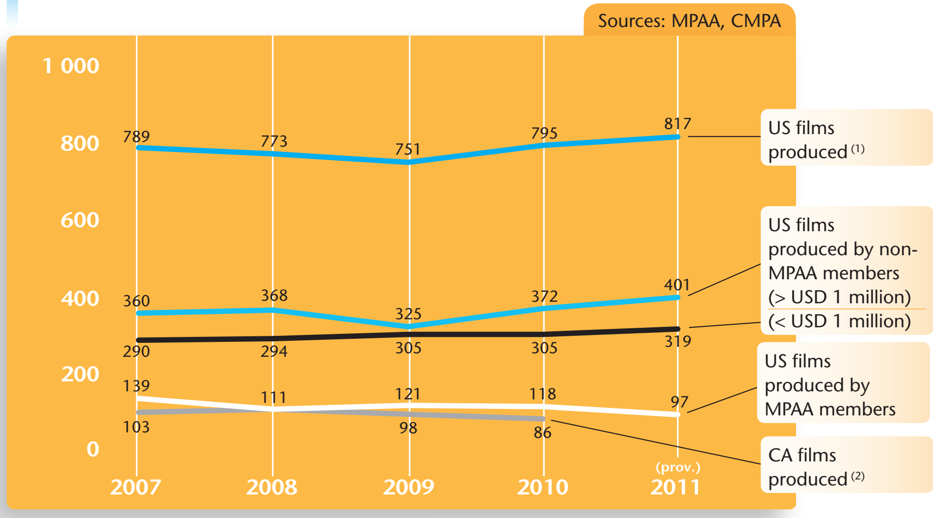
	North America	US	Canada
Population 2011 e (millions)	347.3	312.9	34.4
GDP per capita 2011 e (USD)	48 444	48 147	51 147
Gross box office 2011 e (USD bn)	10.19	9.61 (1)	0.10 (1)
Admissions 2011 e (millions)	1 285	1 237 (1)	105 (1)
Average ticket price 2011 e (USD)	7.9	7.8 (1)	9.5 (1)
Average admissions per capita 2011 e	3.7	4.0 (1)	3.1 (1)
Screens 2011 e	42 390	39 641	2 749
Digital screens 2011 e	27 469	25 621	1 848
Digital 3D screens 2011 e	13 695	12 620	1 075

(1) 2010

Market shares 2011 e

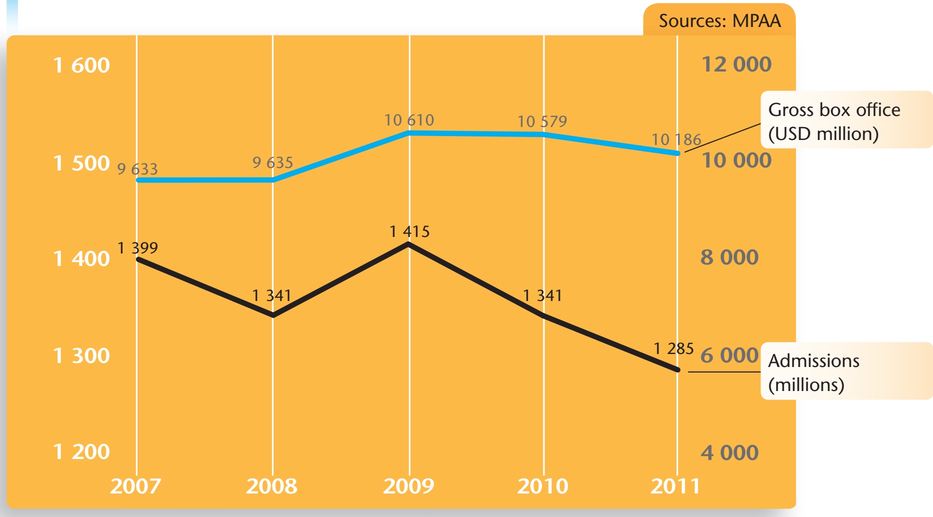


Number of US and Canadian feature films produced | 2007-2011



(1) Revised data. Includes minority co-productions. Does not include feature documentaries, films with budgets below USD 200 000 or student films.
(2) Revised data. Based on fiscal year April to March, e.g. 2010 data refer to period April 2010 to March 2011.

Admissions and gross box office in the US & Canada | 2007-2011



Top 20 films by admissions in North America | 2011 e

Estimated admissions based on average ticket price of 7.93 USD.

	Original title	Country of origin	Director	Distributor	Admissions e
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	48 046 812
2	Transformers: Dark of the Moon	US	Michael Bay	Paramount Pictures	44 437 647
3	The Twilight Saga: Breaking Dawn - Part 1 (1)	US	Bill Condon	Summit Entertainment	34 745 364
4	The Hangover Part II	US	Todd Phillips	Warner Bros.	32 088 815
5	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	30 399 975
6	Fast Five	US	Justin Lin	Universal Pictures	26 461 245
7	Cars 2	US	Lasseter, Lewis	Walt Disney	24 142 799
8	Thor	US	K. Branagh	Paramount Pictures	22 828 578
9	Rise of the Planet of the Apes	US	Rupert Wyatt	20th Century Fox	22 290 061
10	Captain America: The First Avenger	US	Joe Johnston	Paramount Pictures	22 276 735
11	The Help	US/IN/AE	Tate Taylor	Walt Disney	21 374 470
12	Bridesmaids	US	Paul Feig	Universal Pictures	21 324 934
13	Kung Fu Panda 2	US	Jennifer Yuh	Paramount-Dreamworks	20 838 469
14	X-Men: First Class	US	M. Vaughn	20th Century Fox	18 462 586
15	Puss in Boots	US	Chris Miller	Paramount Pictures	18 345 985
16	Rio	US	C. Saldanha	20th Century Fox	18 110 947
17	The Smurfs	US	Raja Gosnell	Sony Pictures	17 984 156
18	Mission: Impossible - Ghost Protocol (1)	US/AE	Brad Bird	Paramount Pictures	16 696 858
19	Sherlock Holmes: A Game of Shadows (1)	US	Guy Ritchie	Warner Bros.	16 507 408
20	Super 8	US	J.J. Abrams	Paramount Pictures	16 015 659

(1) Film still on release in 2012.

Source: *Variety*, OBS

Distribution and Exhibition

3D could no longer save the North American box office from decreasing 3.7% to USD 10.19 billion in 2011. The drop in box office was caused entirely by a receding interest in 3D films. Despite an increasing number of 3D screens and 3D film releases, 3D box office plummeted by 18% earning about USD 400 million less than in 2010 while 2D box office remained stable. This indicates the maturing of the 3D format which accounted for 17.7% of total GBO, down from 20.8% in 2010. Despite the significant drop in 3D box office average ticket price continued to increase marginally to USD 7.9, the highest level on record. This suggests that 2D ticket prices have been increased possibly reflecting increased costs faced by exhibitors from digitisation. Cinema attendance dropped 4.2% to 1.28 billion tickets sold, the lowest level since 1995. A total of 610 films were theatrically released, 41 films more than in 2010. The number of 3D releases increased from 26 to 45 films. A total of 29 films crossed the USD 100 million benchmark, compared to 28 films in 2010. Led by the latest instalments of *Harry Potter* and *Transformers*, sequels and spin-offs dominated US box office accounting for 15 out of the top 20 grossing films. Buoyed by *Transformers* and Marvel adaptations *Thor* and *Captain America* Paramount became the market leading studio taking an estimated 19% of total box office, closely followed by Warner Bros. (18%). Digital cinema roll-out continued at high speed with the number of digital screens increasing from 15 483 to 27 469 by the end of 2011, representing 65% of North America's total screen base. About half of all digital screens were 3D capable.

Production

According to revised MPAA figures 817 feature fiction films involving a US production company began production in 2011, 22 more than in 2010. The increase in production levels stems from non-MPAA members which produced 401 films with budgets above USD 1 million (up from 372) and 319 features with budgets between USD 200 000 and 1 million (up from 305). Production activity of MPAA member studios however continued to shrink to 97 films in 2011, compared to 139 five years ago. This reflects a trend of US majors reducing their production slate as they increasingly focus on producing and distributing tent pole productions with franchise potential. In Canada production volume dropped to 86 feature films produced between April 2010 and March 2011, down from 98 in the previous period.

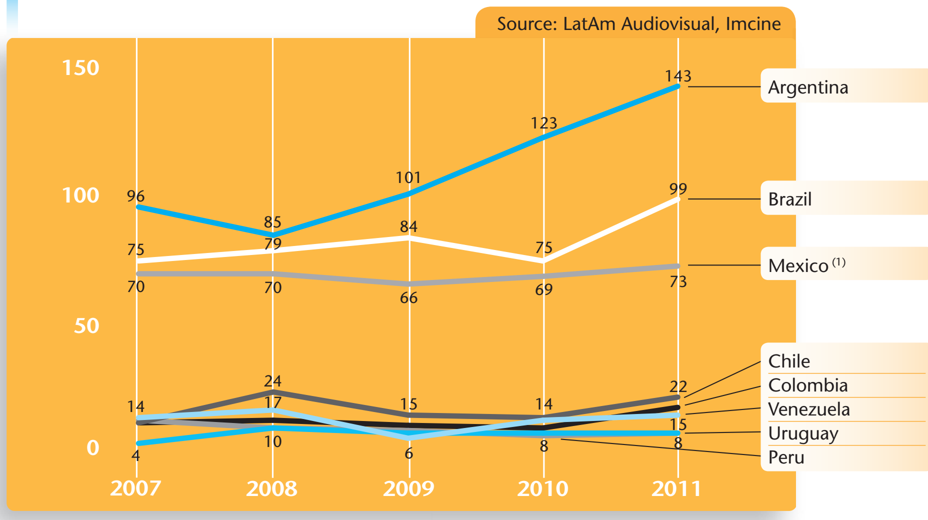
Sources: MPAA, *Screen International*, *Variety*, *The Hollywood Reporter*, Box Office Mojo, CMPA, Telefilm Canada, IHS Screen Digest, OBS

Latin America

	Argentina	Bolivia	Brazil	Chile	Colombia	Mexico	Peru	Uruguay	Venezuela
Population 2011 e (millions)	40.9	10.6	194.9	17.4	46.1	109.7	30.0	3.4	29.8
GDP per capita 2011 e (M USD)	10 640	2 246	12 917	13 970	6 980	10 803	5 614	14 672	10 409
Gross box office 2011 e (M USD)	235.7	8.9 (2)	862.4	94.9	147.0	788.2	102.2	16.6	121.0 (1)
Admissions 2011 e (millions)	42.5	2.3 (2)	143.9	15.7	38.0	205.2	26.7	2.3 (1)	30.0
Average ticket price 2011 e (USD)	5.5	3.9 (2)	6.0	6.0	3.9	3.8	3.8	5.1 (1)	4.2 (1)
Average admissions per capita 2011 e	1.0	0.2 (2)	0.7	0.9	0.8	1.9	0.9	0.7 (1)	1.0
Screens 2011 e	800	87 (1)	2 373	311 (1)	633	5 166	388	61	435
Digital screens 2011 e	153	12	471	68	182	1 000	75	18	40
National market shares 2011 e	7.5%	~	12.4%	5.4%	5.0%	6.8%	0.8%	4.3%	4.7%

(1) 2010 (2) 2009

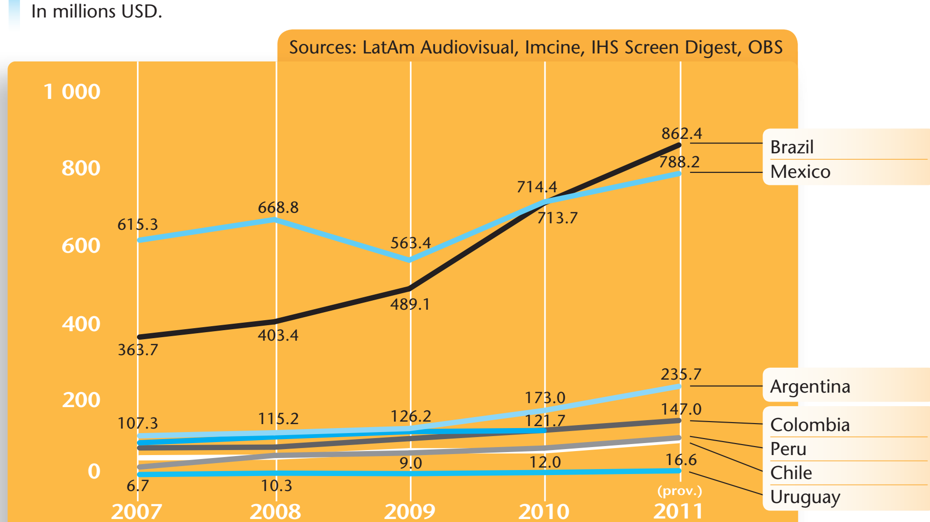
Number of national feature films released in Latin America | 2007-2011 e



(1) Films produced. Fiction films only.

Gross box office in Latin America | 2007-2011 e

In millions USD.



Mexico

Both admissions and GBO continued to grow to new record heights in 2011. GBO climbed by 8% to MXN 9.76 billion (USD 788 million) and cinema attendance increased 8.2% to 205 million, strengthening Mexico's position as the world's fifth largest market in terms of cinema attendance. Led by the last *Harry Potter* instalment and *Fast Five* US studio films continued to dominate the market, taking 89% of total admissions. The 62 Mexican films released took a market share or 6.8%, slightly up from 6.1%, though none of them made it into the top 20. Mexican distribution and exhibition markets are fairly concentrated with MPAA studios cumulatively taking a market share of 81% and the two leading exhibition chains, Cinépolis and Cinemex accounting for 89% of total GBO. The number of digital cinema screens increased from 650 to around 1000 by the end of 2011, representing 19% of the country's total screen base. For most of 2011 digital screens were almost exclusively reserved for 3D screenings of US blockbusters. Admissions to 3D screenings consequently increased 4.6% to 23.7 million (12% of total admissions). Production volume increased slightly to 73 feature fiction films produced in 2011, 4 films more than in 2010. About 80% of these films received public support either through direct public funding or fiscal stimuli. While overall production levels remained stable over the past 5 years, the number of international co-productions increased from 6 in 2007 to 14 in 2011, representing almost 20% of total production volume. The increase of co-productions is likely linked to Mexico's tax rebate programs instituted in 2006 and 2010.

Brazil

Boosted by new screen openings and a rising average ticket price Brazilian box office increased by 14% to BRL 1.44 billion (USD 862 million), the highest level on record. Cinema attendance increased by 7% to 143.9 million tickets sold in 2011, almost 10 million more than in 2010, as average ticket price rose to USD 6.0, up 7%. Box office was once more dominated by US films, particularly 3D blockbusters which accounted for 8 out of the top 10 films, while admissions to local films declined from 25.7 million to 17.9 million tickets sold. National market share consequently dropped from 19% to 12.4%. Romantic comedies *De Pernas pro Ar* and *Cilada.Com* became the two highest grossing local films taking rank 11 and 13 in the charts. In Brazil the growth of cinema screens is closely linked to the growth of shopping malls. With several new shopping malls opening in 2011 Brazil's screen count increased to a total of 2 373 screens, up 135 screens. Industry insiders however believe that in order to achieve a satisfactory screen coverage it will be necessary to open and maintain cinemas outside of shopping malls and in smaller and mid-sized cities. It is estimated that between 40% and 50% of the country's screens are operated in old mono-screen cinemas. It remains to be seen how many of these cinemas will be able to convert to digital as roll-out picks up speed. By the end of 2011 about 20% screens (471 screens) had been converted, practically all of them equipped for 3D. In January 2012 a group of 15 exhibitors, comprising about 1000 screens, entrusted Beyond All LLC as their integrator to start VPF negotiations with both US majors as well as local independent distributors in order to speed up roll-out. Production volume climbed to 99 Brazilian feature films released in 2011, the highest level in recent history.

Argentina

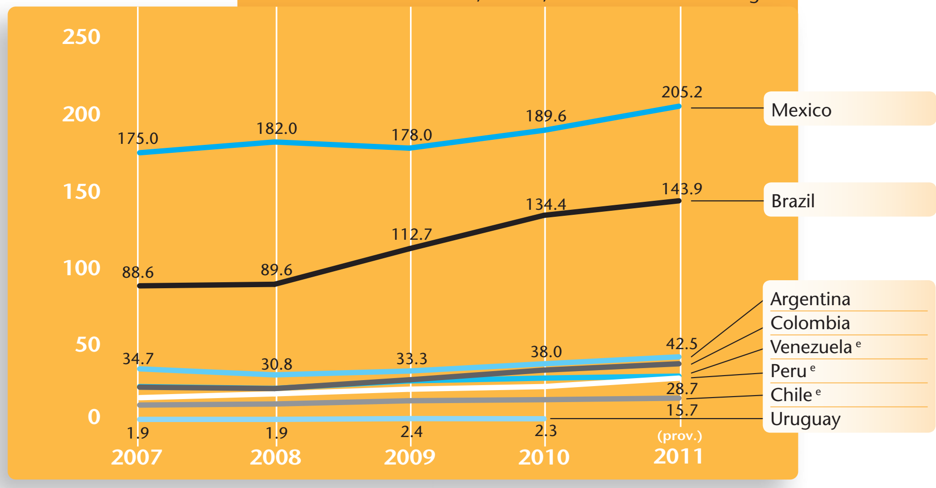
2011 was a good year for the Argentinean theatrical market as gross box office surged from ARS 678 million to ARS 973 million (USD 236 million), up 44% from 2010 and the highest level on record. Cinema attendance increased by 12% to 42.5 million tickets sold, about 4.5 million more than in 2010. Boosted by an increasing number of 3D screens and the success of 3D blockbusters, which accounted for nine out of the top 10 grossing films in 2011, average ticket price surged 28% from ARS 17.8 to ARS 22.9 (USD 5.5). Box office was driven by US films as market share for local films continued to fall from 9.2% to 7.5%, the lowest level in recent history. Boosted by public support production volume, however, continued to increase with the number of local film releases climbing to 143 films, 20 films more than in 2010. This makes Argentina the most prolific film producing country in Latin America. Like in Mexico or Brazil, about 19% (153 screens) of Argentina's 800 screens had been converted to digital by the end of 2011.

Sources: LatAm Audiovisual, INCAA, Imcine, Ancine, *Screen International*, Variety, OBS

Admissions in Latin America | 2007-2011 e

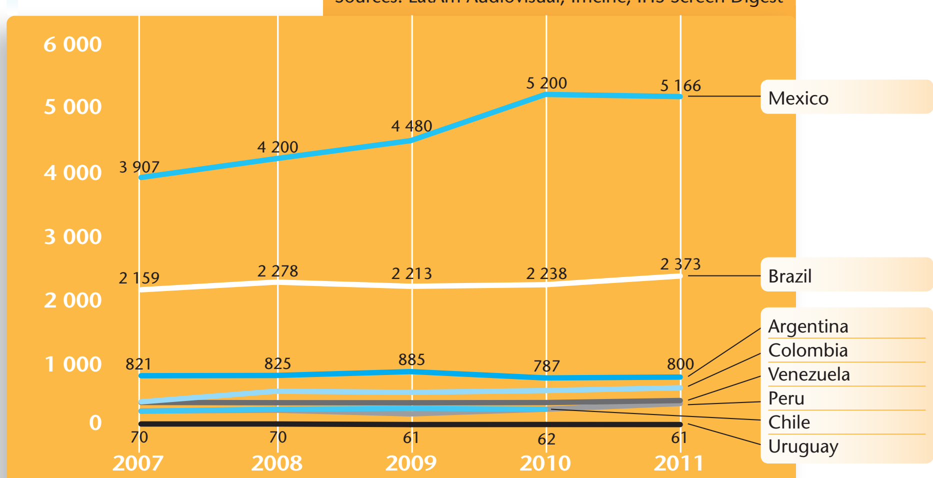
In millions.

Sources: LatAm Audiovisual, Imcine, OBS after IHS Screen Digest



Number of screens in Latin America | 2007-2011 e

Sources: LatAm Audiovisual, Imcine, IHS Screen Digest



Top 10 films by admissions in Mexico | 2011 e

	Original title	Country of origin	Director	Admissions e
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	7 956 000
2	Fast Five	US	Justin Lin	6 957 000
3	Transformers: Dark of the Moon	US	Michael Bay	6 692 000
4	Cars 2	US	John Lasseter, Brad Lewis	6 464 000
5	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	6 427 000
6	Rio	US	Carlos Saldanha	6 231 000
7	Kung Fu Panda 2	US	Jennifer Yuh	5 975 000
8	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	5 841 000
9	The Smurfs	US	Raja Gosnell	5 274 000
10	Captain America: The First Avenger	US	Joe Johnston	4 883 000

Source: Imcine

Top 10 films by admissions in Brazil | 2011 e

	Original title	Country of origin	Director	Admissions e
1	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	7 020 756
2	Rio	US	Carlos Saldanha	6 352 260
3	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	5 577 760
4	The Smurfs	US	Raja Gosnell	5 075 834
5	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	4 428 934
6	Tangled	US	Byron Howard, Nathan Greno	3 933 495
7	Puss in Boots	US	Chris Miller	3 793 626
8	Fast Five	US	Justin Lin	3 612 706
9	Cars 2	US	John Lasseter, Brad Lewis	3 394 461
10	Transformers: Dark of the Moon	US	Michael Bay	3 134 578

Source: Ancine

Top 10 films by gross box office in Argentina | 2011 e

Estimated admissions based on average ticket price of 22.89 ARS.

	Original title	Country of origin	Director	Admissions e
1	Cars 2	US	John Lasseter, Brad Lewis	2 223 668
2	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	2 168 576
3	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	2 024 057
4	Kung Fu Panda 2	US	Jennifer Yuh	1 709 170
5	Rio	US	Carlos Saldanha	1 707 512
6	Transformers: Dark of the Moon	US	Michael Bay	1 495 567
7	Tangled	US	Byron Howard, Nathan Greno	1 492 041
8	The Smurfs	US	Raja Gosnell	1 453 888
9	Fast Five	US	Justin Lin	1 146 575
10	Puss in Boots	US	Chris Miller	1 119 594

Source: Incaa

Top 10 films by gross box office in Chile | 2011 e

Estimated admissions based on average ticket price of 2 883 CLP.

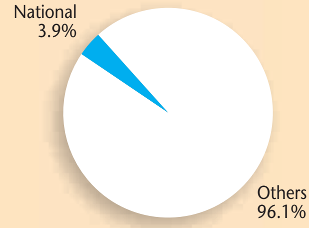
	Original title	Country of origin	Director	Admissions e
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	1 008 875
2	Rio	US	Carlos Saldanha	969 279
3	Cars 2	US	John Lasseter, Brad Lewis	836 420
4	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	808 862
5	Kung Fu Panda 2	US	Jennifer Yuh	708 008
6	Transformers: Dark of the Moon	US	Michael Bay	697 995
7	The Smurfs	US	Raja Gosnell	687 833
8	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	480 724
9	Yogi Bear	US/NZ	Eric Brevig	407 659
10	Real Steel	US/IN	Shawn Levy	373 288

Source: CNAC

Australia

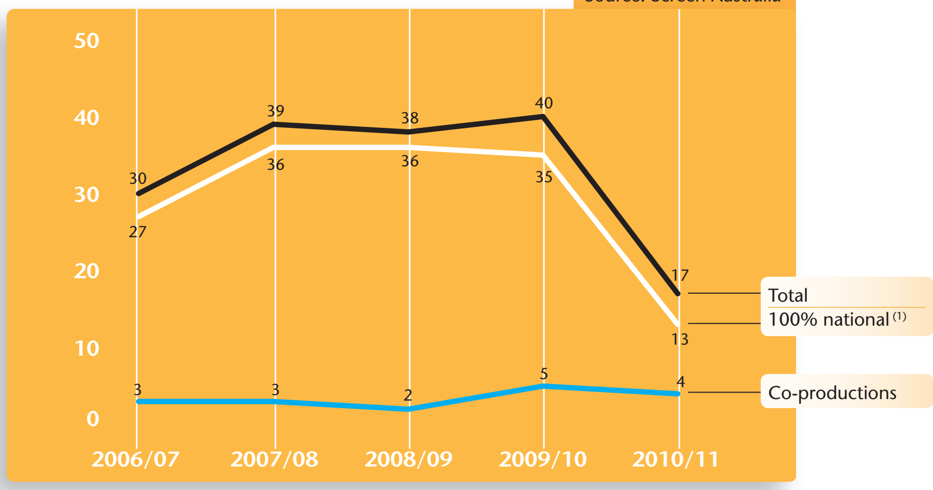
Population 2011 [e]	22.5 million
GDP per capita 2011 [e]	66 984 USD
Gross box office 2011	1.09 bn AUD (1.13 bn USD)
Admissions 2011	85.0 million
Average ticket price 2011	12.9 AUD (13.3 USD)
Average admissions per capita 2011	3.8
Screens 2010 | 2011	1 994 | 1 991
Digital screens 2010 | 2011	452 | 704
3D screens 2010 | 2011	376 | 687

Market shares 2011 [e]



Number of Australian feature fiction films produced | 2006/07-2010/11

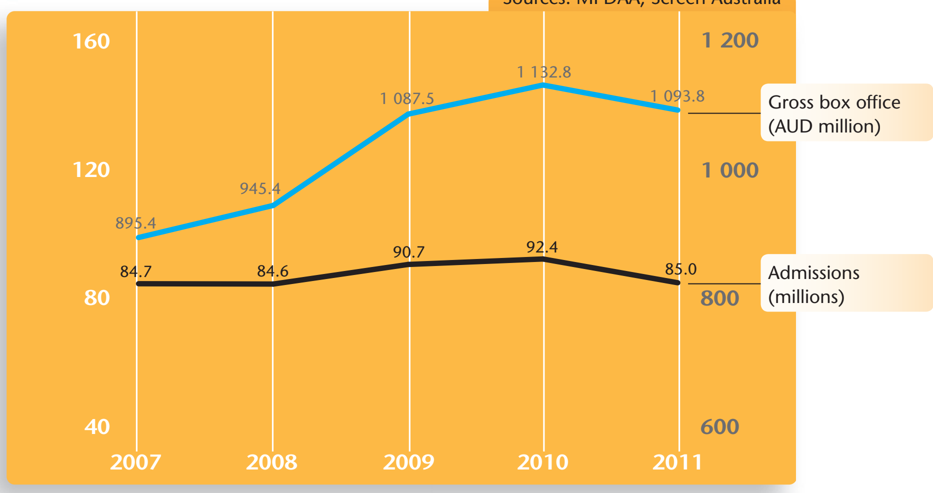
Source: Screen Australia



(1) Includes films under Australian creative control but 100% foreign financed.

Admissions and gross box office | 2007-2011

Sources: MPDAA, Screen Australia



Top 20 films by admissions in Australia | 2011 e

Estimated admissions based on average ticket price of 12.87 AUD.

	Original title	Country of origin	Director	Distributor	Admissions e
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	4 088 461
2	Transformers: Dark of the Moon	US	Michael Bay	Paramount Pictures	2 917 917
3	The Hangover Part II	US	Todd Phillips	Warner Bros.	2 539 189
4	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Hoyts	2 183 160
5	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	2 118 927
6	Bridesmaids	US	Paul Feig	Universal Pictures	2 109 615
7	The King's Speech	GB inc/US	Tom Hooper	Param./Transmission	2 085 104
8	Fast Five	US	Justin Lin	Universal Pictures	1 968 147
9	Tangled	US	Howard, Greno	Walt Disney	1 727 510
10	Red Dog	AU	Kriv Stenders	Roadshow	1 657 377
11	Cars 2	US	Lasseter, Lewis	Walt Disney	1 569 446
12	The Smurfs	US	Raja Gosnell	Sony Pictures	1 557 554
13	Kung Fu Panda 2	US	Jennifer Yuh	Paramount Pict.	1 521 206
14	Thor	US	K. Branagh	Paramount Pict.	1 477 304
15	Rio	US	Carlos Saldanha	20th Century Fox	1 273 952
16	Rise of the Planet of the Apes	US	Rupert Wyatt	20th Century Fox	1 136 497
17	Black Swan	US	D. Aronofsky	20th Century Fox	1 130 523
18	Yogi Bear	US/NZ	Eric Brevig	Warner Bros.	1 129 581
19	X-Men: First Class	US	M. Vaughn	20th Century Fox	1 112 586
20	Puss in Boots	US	Chris Miller	Paramount Pict.	992 978

Sources: Screen Australia, MPDAA

Distribution and Exhibition

Despite ever increasing ticket prices GBO declined by 3.4% to AUD 1.09 billion (USD 1.1 billion) as admissions dropped 8% to 85 million. Driven by ‘premium offers’ the average ticket price climbed from AUD 11.2 to AUD 12.9 (USD 13.3) within the past 3 years. This makes Australia one of the world’s most expensive countries to see a film in theatres. Box office was again dominated by US blockbusters and Warner Bros./Roadshow and Paramount became the most successful distributors in 2011 taking 25% and 21% of total box office. Led by *Red Dog*, which became the only Australian film to make it into the top 10 and the first in two decades to earn over AUD 20 million (USD 21 million), the 44 Australian films captured a market share of only 3.9%, down from 4.5% in 2010. The number of digital screens increased from 452 to 704 (35% of total screens) as the country’s three leading chains signed VPF deals with six US majors. Independent cinemas however were struggling to convert but reportedly reached an agreement with US facilitator Cinedigm in early 2012 to act as an intermediary to negotiate VPF payments.

Production and Funding

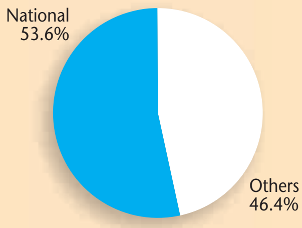
Production activity in Australia dropped significantly in the 12 months up to June 2011 with only 17 Australian feature fiction films starting principal photography, compared to about 40 productions in the three preceding years. The number of small- and mid-budget productions (< AUD 6 million) plummeted from around 30 to only 10 while the number of big budget productions has remained comparatively stable (7 films) over the past four years. Direct public funding decreased from AUD 51 to 18 million supporting 11 feature films instead of 25. According to federal film agency Screen Australia this however does not reflect a decrease in funding provided but was related to the timing of several productions. In 2011 following a film policy review the minimum budget for qualifying for the Producer Offset (a 40% production tax rebate) was reduced from AUD 1 million to AUD 500 000 and the range of eligible costs was broadened in order to facilitate access to the tax rebate. In addition, the tax rebate for visual effects and other post-production work was raised from 15% to 30% in order to attract more foreign production. Total production expenditure nonetheless dropped from AUD 449 million to AUD 119 million due to the lack of big budget productions shooting in Australia. The strong local currency ultimately rendering local tax incentives uncompetitive.

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

People's Republic of China

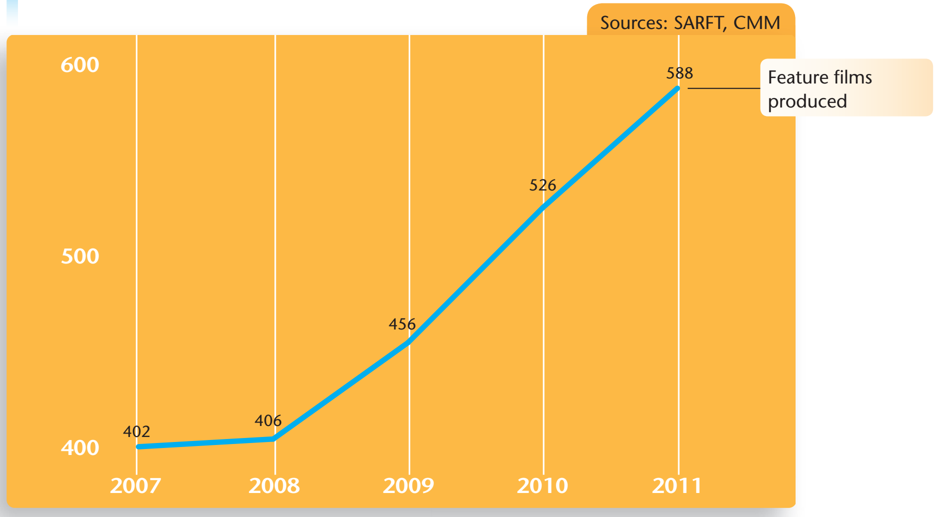
Population 2011 [e]	1 348 million
GDP per capita 2011 [e]	5 184 USD
Gross box office 2011 [e]	13.12 bn CNY (2.03 bn USD)
Admissions 2011 [e]	370 million
Average ticket price 2011 [e]	35.4 CNY (5.5 USD)
Average admissions per capita 2011 [e]	0.3
Screens 2010 | 2011 [e]	6 256 | 9 286
Digital screens 2010 | 2011 [e]	4 100 | 7 853
Digital 3D screens 2010 | 2011 [e]	2 020 | ~4 400

Market shares 2011



Number of Chinese feature films produced [(1)] | 2007-2011

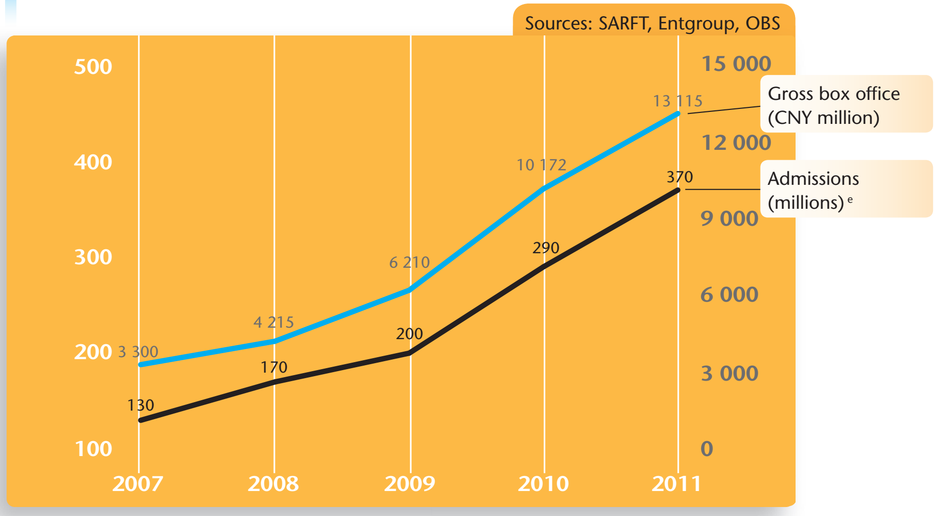
Sources: SARFT, CMM



(1) Does not include films produced outside the SARFT's system of script and final print approval.

Admissions and gross box office | 2007-2011

Sources: SARFT, Entgroup, OBS



Top 10 films by gross box office in China | 2011

	Original title	Country of origin	Director	Gross box office (in USD million)
1	Transformers: Dark of the Moon	US	Michael Bay	172
2	Kung Fu Panda 2	US	Jennifer Yuh	98
3	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	75
4	Jin líng shí san chai (The Flowers of War) (1)	CN/HK	Yimou Zhang	74
5	The Founding of a Party (The Beginning of the Great Revival)	CN	J. Huang, S. Han	67
6	Long men fei jia (Flying Swords of Dragon Gate) (1)	CN	Hark Tsui	66
7	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	64
8	Shi Lian 33 Tian (Love is not Blind)	CN	Hua-Tao Teng	56
9	Fast Five	US	Justin Lin	41
10	The Smurfs	US	Raja Gosnell	40

(1) As of Jan 11, 2012.

Sources: SARFT, CMM

Top 10 foreign films by gross box office in China | 2011

	Original title	Country of origin	Director	Gross box office (in USD million)
1	Transformers: Dark of the Moon	US	Michael Bay	172
2	Kung Fu Panda 2	US	Jennifer Yuh	98
3	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	75
4	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	64
5	Fast Five	US	Justin Lin	41
6	The Smurfs	US	Raja Gosnell	40
7	Battle Los Angeles	US	Jonathan Liebesman	36
8	Rise of the Planet of the Apes	US	Rupert Wyatt	33
9	Real Steel	US/IN	Shawn Levy	22
10	The Green Hornet	US	Michel Gondry	22

Sources: SARFT, CMM

Distribution and Exhibition

China is the fastest growing theatrical market worldwide. In 2011 GBO increased by 29% to CNY 13.1 billion (USD 2 billion) and admissions climbed 28% to 370 million. 3D films took about 39% of total GBO. Growth was driven primarily by a rapid expansion in the number of screens, up almost 50% to 9 286 screens. Despite this, China remains significantly 'underscreened' with one screen serving an average of 145 000 people, compared to 16 800 in the EU. This and a very low cinema-going rate of 0.3 admissions per capita indicate the enormous growth potential yet to be exploited. Market access however is limited by import quotas, censorship and highly regulated film distribution which generally secure national films a market share of around 55%. In early 2012 China announced a small lift in its import quotas to allow for 14 films in 3D or IMAX formats to be released in addition to the 20 films already permitted. Furthermore revenue share of foreign distributors will be lifted from the current 13% to 25%. No change however was announced with regard to abolishing the mandatory usage of one of the two state-controlled distribution companies. It remains to be seen which effect these changes will have on the ground as some experts believe that censorship could be used as compensatory tool to protect national market share. In another regulatory change China recently reduced exhibitors' box office share from 57% to 50% and is considering regulating ticket prices which are regarded as too expensive.

Production and Funding

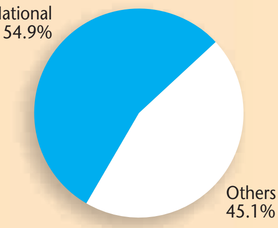
Spurred by a variety of public support programmes, China's production volume increased to 588 feature films in 2011. The majority of these films do not however get a theatrical release. In 2010 only 110 out of 526 films produced were theatrically released according to local distributors, and only about 10% of those films which got released in 2011 made a profit or broke even. As a means to gain access to production know-how and increase the export of Chinese film culture, China has signed several co-production treaties and set up a fund to support co-productions with the US early in 2012. Co-productions remain the only legal way to film in China and are considered as domestic films, hence do not fall under the import quota and allow foreign companies to gain easier access to the Chinese market.

Sources: SARFT, CMM, *Screen International, Variety, Chinafilmbiz, China Times*, Italian Trade Commission, OBS

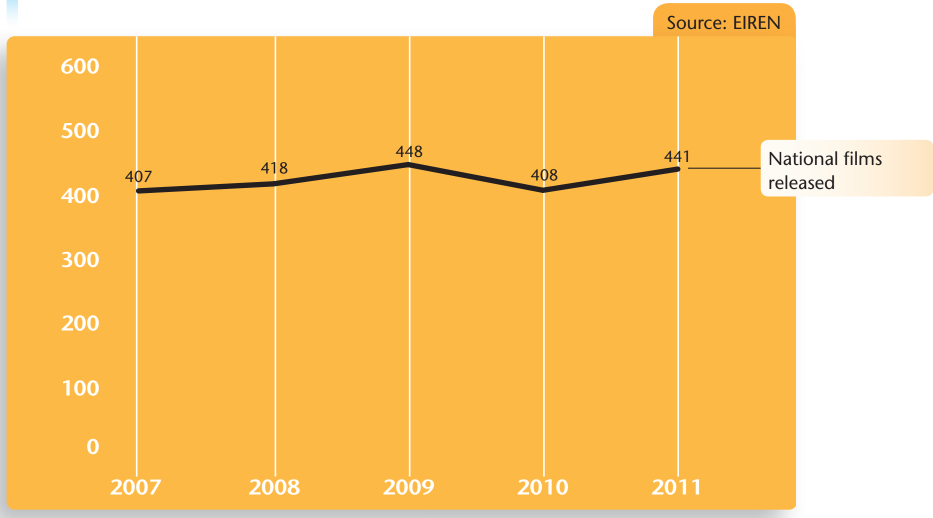
Japan

Population 2011 [e]	127.9 million
GDP per capita 2011 [e]	45 774 USD
Gross box office 2011 [e]	181.2 bn JPY (2.3 bn USD)
Admissions 2011 [e]	144.7 million
Average ticket price 2011 [e]	1 252 JPY (15.7 USD)
Average admissions per capita 2011 [e]	1.1
Screens 2010 | 2011 [e]	3 412 | 3 339
Digital screens 2010 | 2011	983 | ~2 000
Digital 3D screens 2010 | 2011	763 | ~970

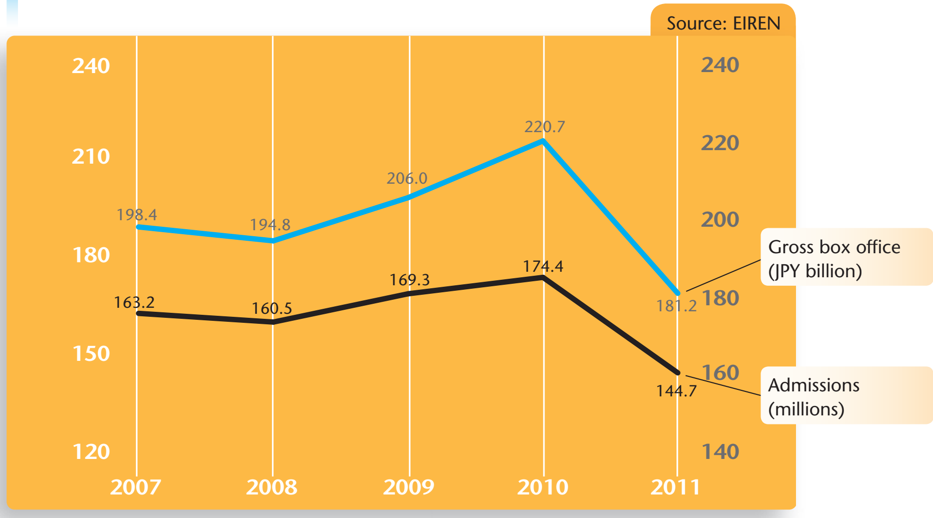
Market shares 2011



Number of Japanese films released | 2007-2011



Admissions and gross box office | 2007-2011



Top 20 films by admissions in Japan | 2011 e

Estimated admissions based on average ticket price of JPY 1 252.

	Original title	Country of origin	Director	Distributor	Admissions e
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	7 723 642
2	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Walt Disney	7 084 665
3	Harry Potter and the Deathly Hallows: Part 1	GB inc/US	David Yates	Warner Bros.	5 479 233
4	Kokuriko-zaka kara (From Up on Poppy Hill)	JP	Goro Miyazaki	Toho	3 562 300
5	Pokèmon the Movie: White - Victini…	JP	Kunihiko Yuyama	Toho	3 458 466
6	Sutekina kanashibari (A Ghost of a Chance)	JP	Koki Mitani	Toho	3 418 530
7	Transformers: Dark of the Moon	US	Michael Bay	Paramount Pict.	3 394 569
8	Space Battleship Yamato	JP	Takashi Yamazaki	Toho	3 274 760
9	Gantz	JP	Shinsuke Sato	Toho	2 755 591
10	SP: The Motion Picture II	JP	Takafumi Hatano	Toho	2 659 744
11	Aibô: Gekijô-ban II (Partners: The Movie II)	JP	Seiji Izumi	Toei	2 539 936
12	Meitantei Conan: Chinmoku no kuôtâ	JP	Kobun Shizuno	Toho	2 515 974
13	Cars 2	US	Lasseter, Lewis	Walt Disney	2 404 153
14	Gantz: Perfect Answer	JP	Shinsuke Sato	Toho	2 252 396
15	The Chronicles of Narnia: The Voyage of…	US/GB inc	Michael Apted	20th Century Fox	2 148 562
16	Tangled	US	Howard, Greno	Walt Disney	2 044 728
17	Doraemon the Movie: Nobita and the Steel…	JP	Teramoto Yukiyo	Toho	1 964 856
18	Rise Of The Planet Of The Apes	US	Rupert Wyatt	20th Century Fox	1 932 907
19	Black Swan	US	Darren Aronofsky	20th Century Fox	1 908 946
20	Anfea: The Answer (Unfair: The Answer)	JP	Shimako Sato	Toho	1 869 010

Sources: EIREN, OBS

Distribution and Exhibition

In 2011 Japan suffered its worst post-war disaster with the March earthquake triggering a tsunami which caused thousands of casualties and brought the country to the edge of a nuclear catastrophe. Following the quake Japan's entertainment industry practically came to a halt with many theatres closing temporarily or pulling what were deemed inappropriate films. Though audiences returned to theatres later in the year – often seeking distraction and encouragement – admissions dropped by 17% to 144.7 million, down 30 million from record breaking 174 million in 2010. GBO even plummeted by 18% to JPY 181 billion (USD 2.3 billion). The strong decline in box office was however not entirely due to the disaster. Market insiders also blamed a comparatively weak line-up with no local film breaking JPY 5 billion for the first time in 11 years. A decline in admissions to higher-priced 3D screenings caused average ticket price to decline slightly to JPY 1 252 (USD 15.7), still one of the world's priciest. The quake also caused the loss of several screens which declined (73 closures) for the first time in 18 years when multiplex construction had started. While the number of multiplex screens remained constant, smaller cinemas continued their decline. By the end of 2011 over 83% of Japan's screens were located in multiplexes which have shaped cinema going in the past decade and caused a crisis in Japan's arthouse sector which saw many smaller cinemas and independent distributors go out of business. However, even multiplexes have been faced by stagnating or declining admissions over the past three years and are looking for new concepts to renew audience attraction. With around 60% of its screen base converted to digital by the end of 2011 Japan is one of the digitally most advanced theatrical markets in the world.

Production and Funding

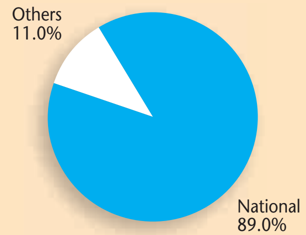
Production activity bounced back to 441 national films released in 2011 which took almost 55% of total gross box office. In 2011 the Japanese government introduced for the first time a subsidy for foreign co-productions. The Agency for Cultural Affairs Co-production Subsidy can cover up to 20% of production expenditure but is capped at USD 625 000. It is aimed at live action and animation feature films with a minimum budget of USD 1.25 million and requires a Japanese co-producer. This signals a change in film policy as Japan traditionally has not offered any major tax or cash incentives to shoot in the territory.

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

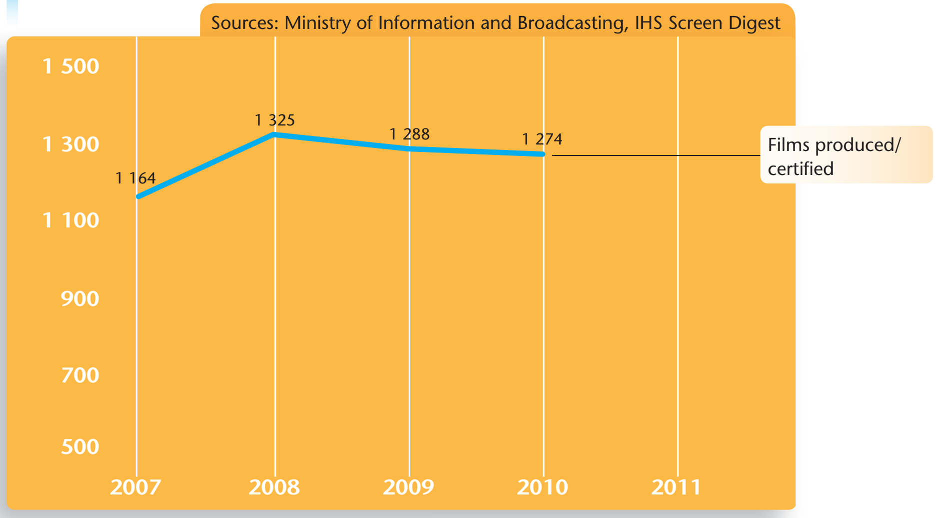
India

Population 2011 e	1 207 million
GDP per capita 2011 e	1 527 USD
Gross box office 2011 e	68.8 bn INR (1.47 bn USD)
Admissions 2010 e	2 706 million
Average ticket price 2010 e	22.9 INR (0.5 USD)
Average admissions per capita 2010 e	2.2
Screens 2010 I 2011 e	10 020 I ~
E-Cinema screens 2010 I 2011 e	3 600 I 5 175
D-Cinema screens 2010 I 2011 e	235 I 543
3D screens 2010 I 2011 e	~115 I ~160

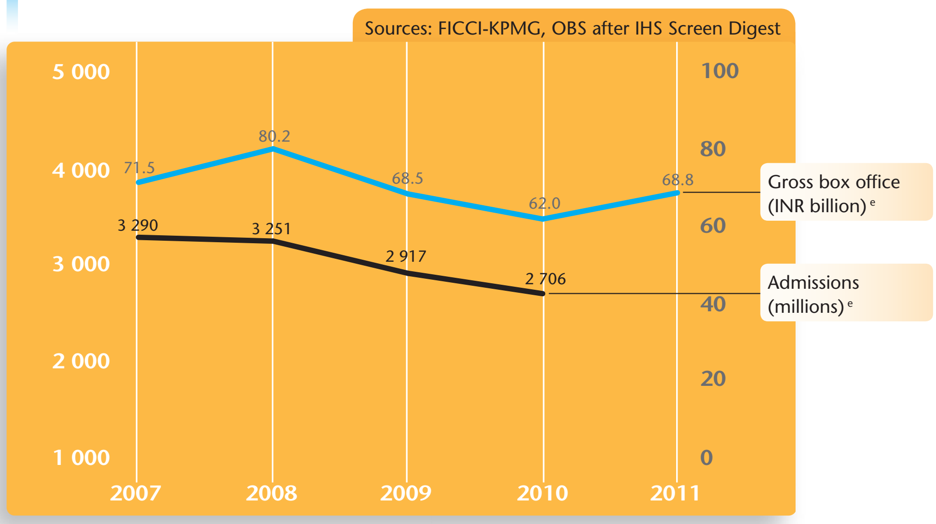
Market shares 2009 e



Number of Indian feature films produced/certified I 2007-2011



Admissions and gross box office I 2007-2011 e



Top 10 Hindi films by gross box office in India | 2011

GBO in USD calculated using an average exchange rate of 1 INR equals 0.02 USD.

	Original title	Country of origin	Director	Distributor	Gross box office (in USD) e
1	Ready	IN	Anees Bazmee	T-Series	28 925 400
2	Zindagi Na Milegi Dobara	IN	Zoya Akhtar	Eros International	19 080 540
3	Singham	IN	Rohit Shetty	Reliance Entertainment	11 817 240
4	Double Dhamaal	IN	Indra Kumar	Reliance Entertainment	10 089 810
5	Rascals	IN	David Dhawan	~	9 050 370
6	Yamla Pagla Deewana	IN	Samir Karnik	Top Angle	8 617 980
7	Haunted	IN	Vikram Bhatt	Reliance Entertainment	8 545 560
8	No One Killed Jessica	IN	Raj Kumar Gupta	~	7 623 270
9	Murder 2	IN	Mohit Suri	~	7 601 970
10	Delhi Belly	IN	Abhinay Deo, Akshat Verma	UTV Motion Pictures	6 762 750

Sources: IBOS network, IMDB

Top 10 US films by GBO in India | 2011 (1)

GBO in USD calculated using an average exchange rate of 1 INR equals 0.02 USD.

	Original title	Country of origin	Director	Distributor	Gross box office (in USD) e
1	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	7 642 440
2	Mission: Impossible - Ghost Protocol	US/AE	Brad Bird	~	~
3	Transformers: Dark of the Moon	US	Michael Bay	~	7 631 790
4	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	~	7 231 350
5	Fast Five	US	Justin Lin	~	6 249 420
6	The Adventures of Tintin	US/NZ	Steven Spielberg	~	5 503 920
7	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	~	~
8	Kung Fu Panda 2	US	Jennifer Yuh	~	5 112 000
9	X-Men: First Class	US	Matthew Vaughn	~	4 686 000
10	Battle Los Angeles	US	J. Liebesman	~	4 260 000

(1) Published as of December 23, 2011.

Source: Koimoi.com

Distribution and Exhibition

According to the latest FICCI – KPMG report, Indian GBO grew 10.6% to INR 68.8 billion (USD 1.47 billion) in 2011, ending a 2-year downward trend. Due to a lack of reliable figures on admissions it is not clear to what extent GBO growth had been driven by an increase in ticket prices, which are among the world's lowest, or whether admissions actually increased after having declined for three consecutive years, down to 2.7 billion tickets sold in 2010. An increasing number of films now get released primarily in digital format, which allows cost savings of around 80% and hence wider releases of big and medium-budget films, which opened in 2011 on average on twice as many screens as in 2010. As Hollywood films take only about 10% of total box office, roll-out of costly DCI-compliant d-cinema screens has been limited, accounting for only 5% to 6% of India's screens at year end 2011. The vast majority of India's screens are single screens operated by individual exhibitors, primarily screening local films which do not require d-cinema standards. Most single screens hence opt for e-cinema solutions, which grew to 5 175 screens, around 55% of the country's estimated screen base. The e-cinema market is dominated by Real Image (Qube) and UFO Moviez which recently acquired a majority stake in Scrabble Entertainment, the country's only integrator of d-cinema solutions. Electronic/digital screens are installed in return for a 15% to 25% share of in-cinema advertisement revenues plus a monthly maintenance fee of up to USD 350.

Production

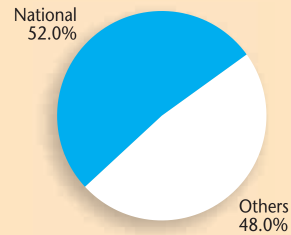
Though there are no official figures for 2011 production levels, industry sources sounded more optimistic about production activity picking up after having declined for two consecutive years down to 1 274 feature films certified in 2010, still by far the highest production volume of any country worldwide. The prolificacy of India's film industry is partly due to the country's cultural diversity with local films made in eight mainstream languages. Local films generally take about 90% of total box office which in turn accounted for an estimated 74% of total 2011 turnover of the Indian film industry.

Sources: FICCI (Federation of Indian Chambers of Commerce and Industry), KPMG, *Screen International, Variety, The Times of India*, IHS Screen Digest, OBS

South Korea

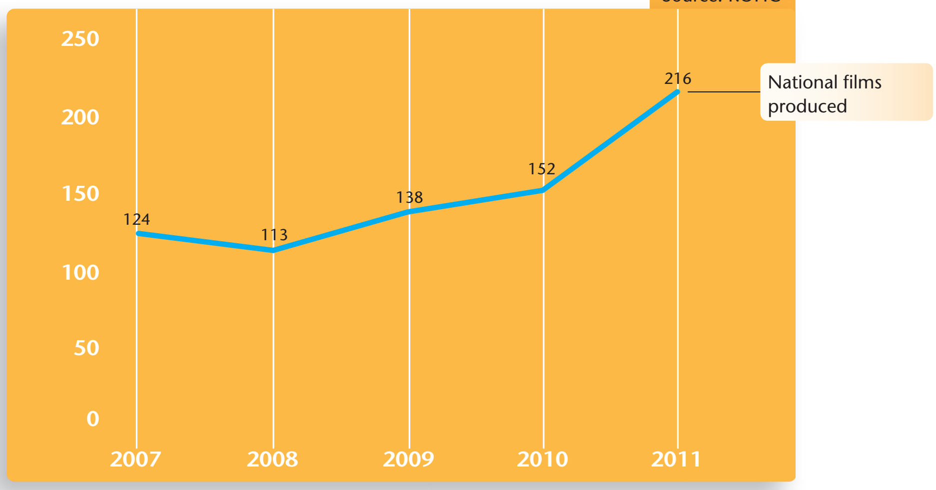
Population 2011 e	50.7 million
GDP per capita 2011 e	23 749 USD
Gross box office 2011	1 236 bn KRW (1.11 bn USD)
Admissions 2011 e	159.8 million
Average ticket price 2010 e	7 736 KRW (7.0 USD)
Average admissions per capita 2011 e	3.1
Screens 2010 I 2011	2 003 I 1 974
Digital screens 2010 I 2011	1 221 I 1 618
Digital 3D screens 2010 I 2011	573 I 766

Market shares 2011 e



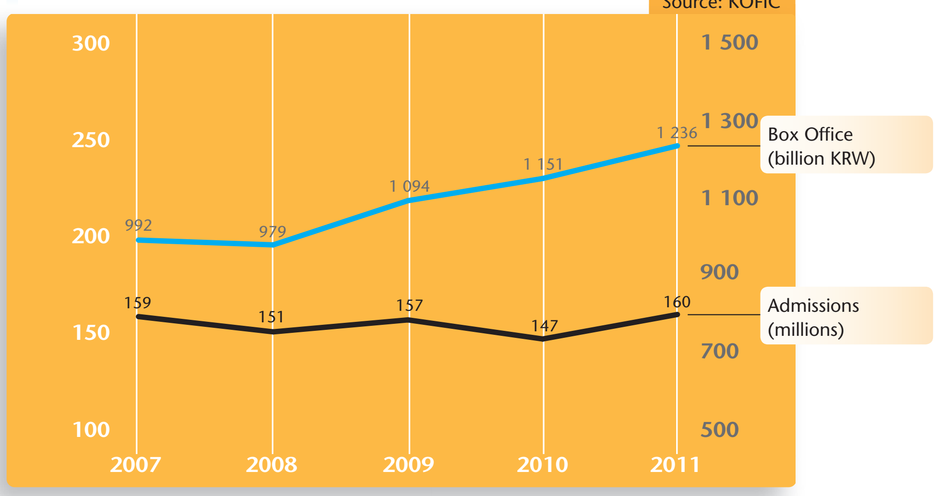
Number of Korean feature films produced I 2007-2011

Source: KOFIC



Admissions and gross box office I 2007-2011

Source: KOFIC



Top 20 films by admissions in South Korea | 2011

	Original title	Country of origin	Director	Distributor	Admissions
1	Transformers: Dark of the Moon	US	Michael Bay	CJ Entertainment	7 784 944
2	Choijongbyunggi Hwal (The Last Weapon)	KR	Han-min Kim	Lotte Entertainment	7 470 633
3	Sseo-ni (Sunny)	KR	Hyeong-c. Kang	CJ Entertainment	7 362 657
4	Wandeukyi (Punch)	KR	Han Lee	CJ Entertainment	5 309 928
5	Kung Fu Panda 2	US	Jennifer Yuh	CJ Entertainment	5 062 722
6	Mission: Impossible - Ghost Protocol	US/AE	Brad Bird	CJ Entertainment	5 042 164
7	Chosun Myungtamjeong (Detective K…)	KR	Seok-yoon Kim	Showbox/Mediaplex	4 786 259
8	Dogani (Crucible)	KR	Dong-h. Hwang	CJ Entertainment	4 662 822
9	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	Warner Bros.	4 400 298
10	Real Steel	US/IN	Shawn Levy	Sony Pictures	3 579 666
11	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Sony Pictures	3 130 046
12	Kwik (Quick!!)	KR	Beom-goo Jo	CJ Entertainment	3 125 069
13	Go-ji-jeon (The Front Line)	KR	Hoon Jang	Showbox/Mediaplex	2 945 137
14	O-ssak-han Yeon-ae (Spellbound)	KR	In-ho Hwang	CJ Entertainment	2 777 998
15	Rise of the Planet of the Apes	US	Rupert Wyatt	20th Century Fox	2 773 794
16	Wi-heom-han Sang-gyeon-rye (Clash of…)	KR	Jin-yeong Kim	Lotte Entertainment	2 595 625
17	X-Men: First Class	US	Matthew Vaughn	20th Century Fox	2 533 852
18	Eui-roi-in (The Client)	KR	Young-s. Sohn	Showbox/Mediaplex	2 393 086
19	Gamooneui Yeonggwang 4: Gamooneui…	KR	Tae-won Jeong	Next Entert. World	2 368 267
20	Beul-la-in-deu (Blind)	KR	Ahn Sang-hoon	Next Entert. World	2 367 942

Source: KOFIC

Distribution and Exhibition

2011 turned out to be a year of surprises for the South Korean theatrical market. While highly anticipated local blockbusters generally failed to meet expectations, several mid-sized films celebrated unexpected successes driving cinema attendance to a record high of 160 million tickets sold, up 8.6%. In contrast to other world markets, average ticket price decreased by 1.2% to KRW 7 736 (USD 7). As a result GBO grew by 'only' 7.4% to KRW 1.24 billion (USD 1.1 billion), still the highest level on record. The Korean Film Council interpreted these developments as the bursting of the 3D bubble and audiences valuing a good story and quality of films over spectacle. 3D films continued to do well but the number of 3D tickets sold is believed to have decreased in 2011, indicating the maturity of the format. Local films regained dominance by taking 52% of total admissions, up from 47% in 2010. Such strong results are particularly important for the Korean film industry which heavily depends on theatrical box office as ancillary markets have been weakening for years. By providing premium VoD services offering films right after the end of their theatrical release, IPTV seems to be emerging as the most profitable ancillary platform and is expected to marginalise DVD as well as online VoD services. The theatrical landscape in Korea is dominated by multiplexes which accounted for 93% of total screens in 2010. Most major multiplex chains are directly linked to distribution/production companies. This poses a challenge for 'independent' productions in finding screen space. Screen numbers have been declining since digitisation began in earnest in 2009. By the end of 2012 about 82% of the country's 1 974 screens had been converted to digital, one of the highest conversion rates worldwide.

Production and Funding

Korean production levels exploded in 2011, reaching a new record high of 216 feature films, 64 films more than in 2010. This represents the largest year-to-year growth in history. As a reaction to profitability problems average production costs had almost halved over the past five years but stabilized in 2011 at KRW 2.3 billion (USD 2 million). Export figures for completed films were up for the first time in five years, increasing by 16.5% to USD 15.8 million. A record total of 366 films were exported, primarily to other Asian markets which accounted for 59% of sales. In order to attract foreign productions KOFIC announced in 2011 a new production grant offering a 25% cash rebate primarily for foreign companies.

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

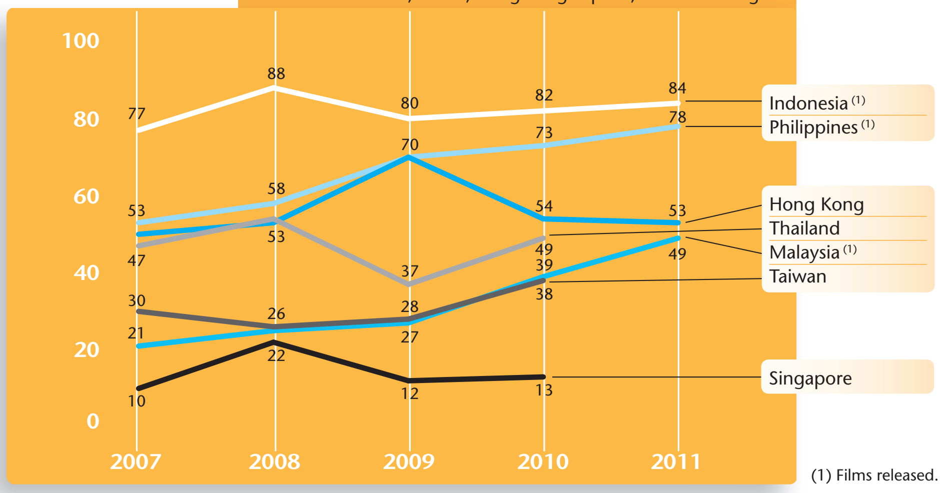
Other Asia

	Hong Kong	Indonesia	Malaysia	Philippines	Singapore	Taiwan	Thailand
Population 2011 e (millions)	7.2	240.5	28.7	95.8	5.3	23.4	64.3
GDP per capita 2011 e (USD)	34 393	3 469	8 617	2 255	50 714	21 592	5 281
Gross box office 2011 e (M USD)	179.1	126.5 (1)	196.7	153.0	150.9	271.0	124.9 (1)
Admissions 2011 e (millions)	22.5 (1)	52.3 (2)	59.5	48.0	22.1	26.4 (1)	28.3 (1)
Average ticket price 2011 e (USD)	7.7 (1)	3.0	3.3	3.2	6.8	7.7 (1)	4.4 (1)
Average admissions per capita 2011 e	3.2 (1)	0.2 (2)	2.1	0.5	4.2	1.1 (1)	0.4 (1)
Screens 2011 e	204	763	639	693	187	574	757 (1)
Digital screens 2011 e	155 (1)	34 (1)	~84	84 (1)	128	219 (1)	82 (1)
Digital 3D screens 2011 e	108 (1)	~	~	~	69	~	~
National market shares 2011 e	22.6% (1)	~	22.1%	25.7%	4.9%	17.5%	37.5% (3)

(1) 2010 (2) 2009 (3) 2008

Number of feature films produced in selected Asian countries | 2007-2011

Sources: OBS, Taiwan Cinema, Singapore Film Commission, Screen International, FINAS, Hong Kong Express, IHS Screen Digest

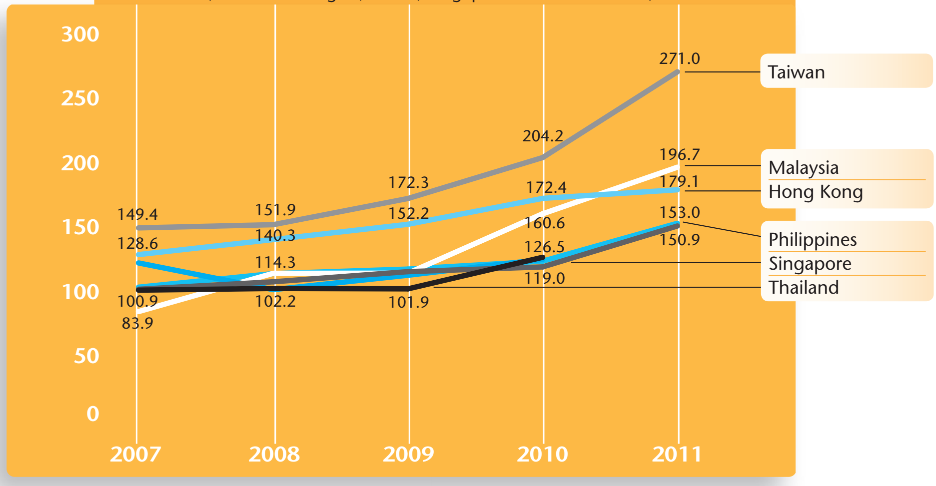


(1) Films released.

Gross box office in selected Asian countries | 2007-2011 e

In USD million. Local currencies converted at average annual exchange rates.

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



Top 10 films by gross box office in Hong Kong | 2011

	Original title	Country of origin	Director	Gross box office (in USD)
1	Transformers: Dark of the Moon	US	Michael Bay	10 883 894
2	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	9 866 229
3	You Are the Apple of My Eye	TW	Giddens Ko	7 975 115
4	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	5 827 510
5	Mission: Impossible - Ghost Protocol	US/AE	Brad Bird	5 704 387
6	3D Sex and Zen: Extreme Ecstasy	HK	Christopher Sun Lap Key	5 272 166
7	Kung Fu Panda 2	US	Jennifer Yuh	5 071 620
8	Sherlock Holmes: A Game of Shadows	US	Guy Richtie	3 531 422
9	I Love Hong Kong	HK	Eric Tsang	3 425 520
10	X-Men: First Class	US	Matthew Vaughn	3 325 094

Source: Box Office Mojo

Top 10 films by gross box office in Singapore | 2011 [e]

Estimated admissions based on average ticket price of 5.25 USD.

	Original title	Country of origin	Director	Admissions
1	Transformers: Dark of the Moon	US	Michael Bay	1 953 881
2	Kung Fu Panda 2	US	Jennifer Yuh	1 627 917
3	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	1 401 076
4	Mission: Impossible - Ghost Protocol	US/AE	Brad Bird	1 118 954
5	Johnny English Reborn	GB/FR/US	Oliver Parker	1 044 612
6	X-Men: First Class	US	Matthew Vaughn	972 175
7	Thor	US	Kenneth Branagh	932 144
8	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	932 144
9	Reel Steel	US/IN	Shawn Levy	777 740
10	Captain America - The First Avenger	US	Joe Johnston	766 303

Sources: Singapore Film Commission

Distribution and Exhibition

In 2011 the diverse landscape of mid-sized theatrical markets in Asia had one thing in common: gross box office (measured in USD) increased significantly, often by 20% to 30% and generally ranges between USD 150 and 200 million. In terms of box office Taiwan remained the largest of these markets with GBO increasing by 33% to an estimated USD 271 million, followed by Malaysia (USD 197 million). Hong Kong was the least dynamic market in the region with GBO growth of 'only' 4% (USD 179 million). Differing economic conditions, strict market regulations, significant differences in the theatrical infrastructure and price levels distinguish the theatrical markets in the region. In the more mature markets of Singapore, Hong Kong, and Taiwan average ticket prices range about USD 7 and there is one screen per 30 000 to 40 000 inhabitants. Whereas only about USD 3 are charged for a cinema ticket in markets like Indonesia, Philippines and Thailand which are comparatively underscreened with only one screen per 85 000 to 315 000 inhabitants. Digital cinema roll-out advanced in the more mature markets and allowed US majors like Fox to end the distribution of 35mm films in Hong Kong and Macau as of January 2012. Fox announced a switch to all-digital distribution in one or two other Asian countries during 2012. Less mature and geographically dispersed markets however struggle with the economies of d-cinema and good VPF deals are increasingly hard to obtain. Lower cost e-cinema solutions with satellite delivery may remain an alternative in some Asian markets.

Production

With around 80 feature films produced per year, Indonesia and the Philippines are the most prolific film producers among the group of mid-sized Asian film industries while most of the other countries produce around 40 to 50 feature films annually. National films take around and above 20% market share in most markets in the region. In some markets like Indonesia or Thailand national market share is protected by quotas and can be significantly higher. Film policy makers from all across Asia have pledged to work together on increasing regional co-operation particularly with regard to film production and related training.

Sources: MPIA, FINAS, Taiwan Cinema, IHS Screen Digest, *Screen International*, *Variety*, *Film Business Asia*, OBS

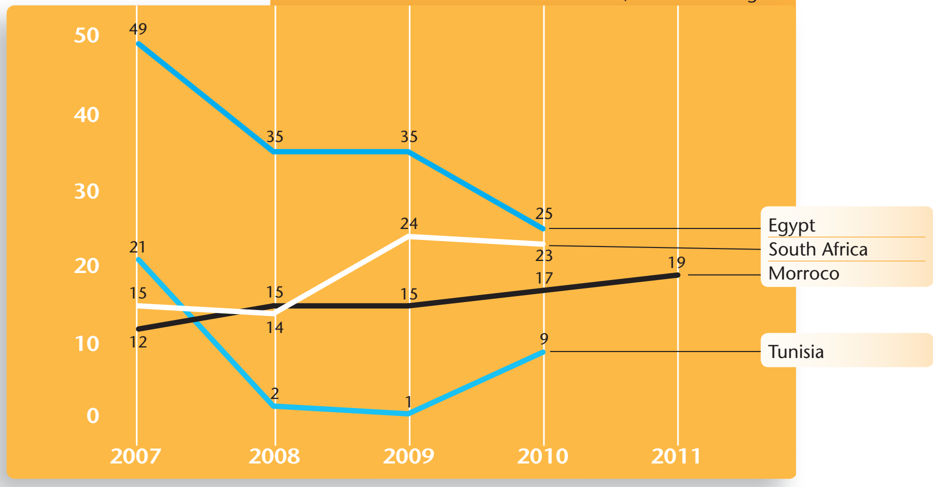
Africa

	Algeria	Egypt	Morocco	South Africa	Tunisia
Population 2011 e (millions)	36.7	79.4	32.2	50.6	10.7
GDP per capita 2011 e (USD)	5 001	2 922	3 162	8 342	4 593
Gross box office 2011 e (in M USD)	0.0 (2)	74.7 (1)	8.4	67.5 (1)	~
Admissions 2011 e (millions)	0.0 (2)	31.3 (1)	2.2	25.7 (2)	0.3 (4)
Admissions per capita 2011 e	0.0 (2)	0.4 (1)	0.1	0.5 (2)	0.0 (4)
Average ticket price 2011 e (in USD)	0.7 (2)	2.4 (1)	3.7	2.1 (2)	2.3 (2)
Screens 2011 e	19 (2)	341 (1)	68	857 (1)	16 (1)
Digital screens 2011 e	~	3 (1)	~	11 (1)	3 (2)
National market shares 2011 e	~	80%	19%	~	15% (4)

(1) 2010 (2) 2009 (3) 2008 (4) 2005

Number of feature films produced in selected African countries | 2007-2011

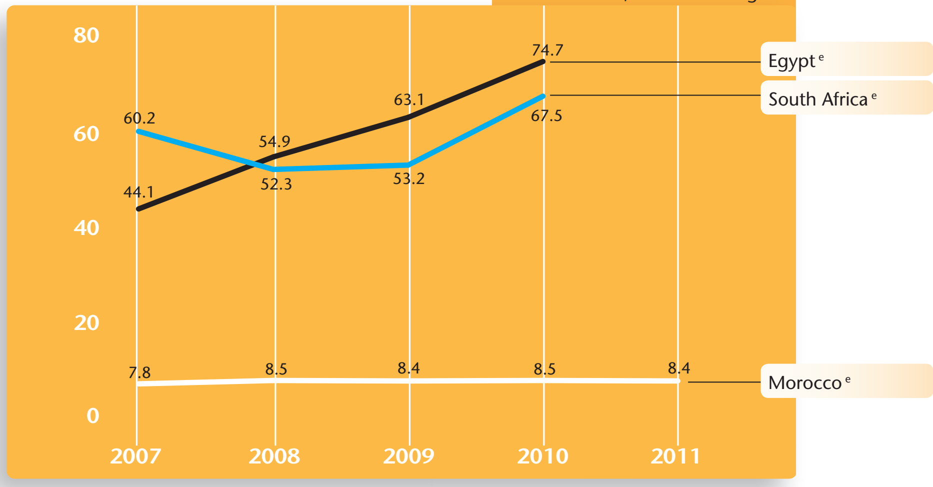
Sources: Dubai International Film Festival, IHS Screen Digest



Gross box office in selected African countries | 2007-2011 e

In USD million.

Sources: CCM, IHS Screen Digest



Top 10 films by gross box office in South Africa | 2011

	Original title	Country of origin	Director	Distributor	Gross box office (in USD)
1	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Nu Metro	3 898 762
2	The Smurfs	US	Raja Gosnell	Ster Kinekor	3 839 507
3	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	Ster Kinekor	3 651 559
4	Tangled	US	B. Howard & N. Greno	Ster Kinekor	3 090 559
5	Transformers: Dark of the Moon	US	Michael Bay	UIP	2 994 371
6	Rio	US	Carlos Saldanha	Nu Metro	2 942 794
7	Kung Fu Panda 2	US	Jennifer Yuh	UIP	2 920 855
8	Puss in Boots	US	Chris Miller	UIP	2 706 645
9	Fast Five	US	Justin Lin	UIP	2 686 639
10	The Hangover Part II	US	Todd Phillips	Nu Metro	2 648 601

Source: Box Office Mojo

Top 10 films by gross box office in Morocco | 2011

	Original title	Country of origin	Director	Gross Box Office (in USD) [e]
1	Nhar Tzad Tfa Dow	MA	Mohamed Karrat	301 166
2	Jnah L'Hwa (Les ailes de l'amour)	MA	Abdelhai Laraki	272 981
3	The Adventures of Tintin	US/NZ	Steven Spielberg	201 278
4	Harry Potter and the Deathly Hallows: Part 2	GB inc/US	David Yates	196 908
5	Bonne soirée	EG	Ahmed Awad	185 554
6	Femmes en miroirs	MA	Saâd Chraibi	166 645
7	Zahaymer	EG	Amr Arafa	164 116
8	The Hangover Part II	US	Todd Phillips	159 750
9	Pirates of the Caribbean: On Stranger Tides	US	Rob Marshall	158 271
10	Fast Five	US	Justin Lin	156 892

Source: Centre Cinématographique Marocain (CCM)

Overview

On the African continent structured film industries comparable to international markets, i.e. based on production studios, distribution and exhibitions chains, can only be found in South Africa, Egypt and Morocco. Led by Nigeria a number of video-based film industries have been developing in many other African countries in recent years. They are characterised by high-volume, low-budget film productions with local themes which are distributed primarily via VHS, DVD and TV networks.

Egypt and Morocco

With GBO of USD 75 million and 31 million admissions in 2010 Egypt is the largest theatrical market on the African continent. Protected by a quota system which limits the distribution of foreign films, local productions generally take about 80% of total GBO. Egypt traditionally is the most prolific African country in terms of theatrical film production and the centre of Arab filmmaking. In 2011 however the political instability seems to have caused production levels to fall to an unprecedented low of 25 feature films. No 2011 data were available to assess the impact of the Arab spring on box office but some insiders believe that the limited availability of local blockbusters could present a unique opportunity for US studio films to increase their market share. In Morocco public support has contributed to a constant increase both in terms of production volumes as well as increasing national market shares with local films regularly outranking Egyptian and US blockbusters. In March 2011 the European Commission launched its Euromed Audiovisual III programme which supports projects developing the film and audiovisual sector in nine South Mediterranean countries including Egypt, Morocco, Algeria and Tunisia.

South Africa

South Africa is the continent's second largest market with GBO of USD 67.5 million and 26 million admissions in 2010. In contrast to Egypt, box office is dominated by US blockbusters. With 23 feature films produced in 2010 South African production volume more than doubled over the past five years and thanks to attractive financial incentives and a weak rand, South Africa is considered as one of the most cost competitive shooting locations worldwide. To keep it that way the government recently removed the ZAR 20 million (USD 2.5 million) cap on its incentives.

Sources: Moroccan Cinema Center, National Film and Video Foundation, IHS Screen Digest, OBS

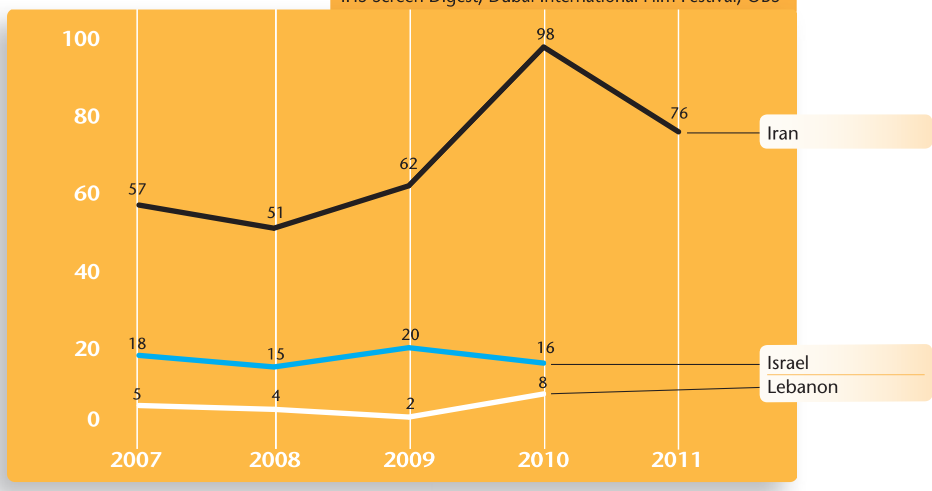
Middle East

	Iran	Israel	Kuwait	Lebanon	Qatar	United Arab Emirates
Population 2011 e (millions)	75.9	7.6	3.7	4.0	1.8	5.4
GDP per capita 2011 e (USD)	6 260	32 297	46 460	10 473	97 967	66 625
Gross box office 2011 e (in M USD)	27.9	99.0 (1)	19.8 (3)	18.4 (1)	13.0 (3)	100.4 (1)
Admissions 2011 e (millions)	9.7	10.0 (1)	2.2 (3)	2.7 (2)	1.5 (3)	10.1 (2)
Admissions per capita 2011 e	0.1	1.3 (1)	0.7 (3)	0.7 (2)	1.3 (3)	2.1 (2)
Average ticket price 2011 e (USD)	2.9	9.9 (1)	9.5 (2)	6.6 (2)	8.8 (3)	8.1 (2)
Screens 2011 e	438	395 (1)	61 (1)	98 (1)	43 (1)	255 (1)
Digital screens 2011 e	12	86 (1)	10 (2)	12 (2)	~	55 (1)
National market shares 2011 e	99.7%	12% (3)	~	4% (2)	~	~

(1) 2010 (2) 2009 (3) 2008 (4) 2002

Number of films produced by selected Middle Eastern countries | 2007-2011 e

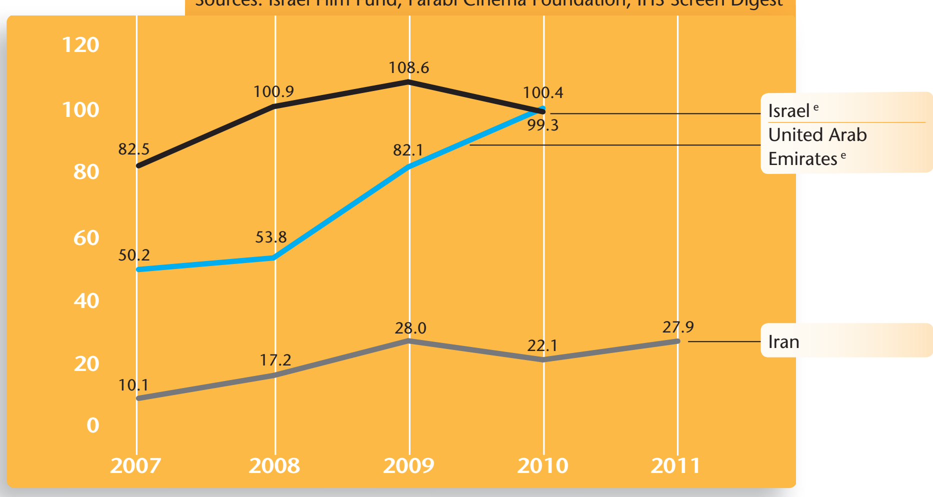
Sources: Farabi Cinema Foundation, Israel Film Fund, IHS Screen Digest, Dubai International Film Festival, OBS



GBO in selected Middle Eastern countries | 2007-2011 e

In USD million. Local currencies converted at averave annual exchange rates.

Sources: Israel Film Fund, Farabi Cinema Foundation, IHS Screen Digest



Top 10 films by gross box office in Lebanon | 2011

	Original title	Country of origin	Director	Distributor	Gross box office (in USD)
1	Et maintenant, on va où ? (Where Do We Go Now?)	FR/IT/EG/LB	Nadine Labaki	~	2 286 892
2	The Smurfs	US	Raja Gosnell	Sony Pictures	986 319
3	Mission: Impossible - Ghost Protocol	US/AE	Brad Bird	UIP	731 842
4	Johnny English Reborn	GB/FR/US	Oliver Parker	UIP	562 899
5	Transformers: Dark of the Moon	US	Michael Bay	UIP	558 864
6	Fast Five	US	Justin Lin	UIP	519 841
7	Harry Potter and the Deathly Hallows: Part 2	GB/US	David Yates	Warner Bros.	519 791
8	The Twilight Saga: Breaking Dawn - Part 1	US	Bill Condon	Jaguar	505 096
9	Pirates of the Caribbean: On Stranger Tides (3D)	US	Rob Marshall	Walt Disney	475 742
10	The Hangover Part II	US	Todd Phillips	Warner Bros.	452 330

Source: Box Office Mojo

Overview

According to IHS Screen Digest, box office in the Middle East region grew 5.1 per cent to USD 218 million in 2010 (1). Though practically no recent data are available it can be assumed that the political instability will have slowed down box office growth across the region in 2011. The growth of recent years had been driven by an increasing number of screens which more than doubled since 2002 and reached over 1 200 screens in 2010. Israel, the United Arab Emirates (UAE) and Iran constitute the largest theatrical markets in the region.

Israel

With between 10 and 12.5 millions cinema tickets sold per year, Israel remains the largest single theatrical market in the region in terms of admissions. Annual gross box office generally amounts to about USD 100 million. Local film production is characterised by small budget films with average budget of USD 500 000 to USD 1 million and public funding from various state funds, particularly the Israel Film Fund, which has a budget of about USD 6 million and supports the vast majority of the 15 to 20 feature films produced every year. The Israeli film industry regularly produces prize-winning films including *Footnote* directed by Joseph Cedar which was nominated in the category 'Best Foreign Language Film' in 2012 and become the fourth Israeli film to be nominated in this category in the past five years.

Gulf Co-operation Council (GCC)

With estimated cumulative admissions of over 16 million and GBO of over USD 130 million, the United Arab Emirates (UAE), Kuwait, Bahrain and Qatar constitute the second major theatrical market in the region. The GCC market has been steadily growing over the past years driven by an increasing number of multiplexes and the economic wealth of the region. Varying degrees of censorship, piracy and the need for highly localised marketing campaigns remain key challenges for theatrical distribution which is dominated by local distributors which release films across multiple territories on the Arabian peninsula. Egyptian films generally dominate box office in the Arab countries of the region, followed by US blockbusters. Major film festivals like the Dubai International Film Festival, the Abu Dhabi Film Festival or the Gulf Film Festival have however launched funding programmes to support Arab film production and filmmakers perceive that the Arab Spring has renewed global interest in Arab films.

Iran

According to official data from the Farabi Cinema Foundation, Iran's state film agency, 9.7 million cinema tickets were sold in 2011, 8% less than in 2010. GBO on the other increased by 26% to IRR 279 billion (USD 27.9 million). With a national market share of 99.7% Iranian films accounted for practically the entire Iranian box office. Production volume had reached a five-year high in 2010 with 92 films produced, but dropped to 76 feature films in 2011. Alternative data from the Iranian Independents organisation mention 107 feature films produced and 71 released. Several Iranian films have won international acclaim in the past years and in 2012 Asghar Farhadi's drama *A Separation* became the first Iranian film to win the Academy Award for the Best Foreign Language Film. In January 2012 the Iranian Government closed the Iranian House of Cinema, an independent organisation which had been promoting Iranian films for 20 years.

(1) Based on data for three markets: Israel, Lebanon and UAE.

Sources: Arabian Business, Farabi Cinema Foundation, Iranian Independents, Israel Film Fund, *Screen International*, CBS News, Reuters, IHS Screen Digest, OBS

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FOCUS 2012 was prepared by the European Audiovisual Observatory. We would like to thank the following sources:

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