

LONDON / CANNES MARKET REPORT 2008

Prepared by Ross Matthews (Senior Investment Manager), Scott Meek and Tait Brady (Evaluation Managers)

En route to Cannes, Brian Rosen and Ross Matthews met in London for two days of meetings before heading south to Cannes.

These were three primary goals:

- Seek out possible sources of Offset cashflow loans, given that the UK industry had settled the early nerves associated with a new initiative, very similar to our own.
- Have face-to-face meetings with UK providers of equity and gap already attached to several of our recently approved projects.
- Take a reading on the general state of the UK industry, particularly as it has, as we have done, recently shifted from an industry driven by tax incentives to one supported by direct subsidy via a tax offset.

Since the demise of Sale and Leaseback, Section 48 and the GAAP schemes replaced by the introduction of a 20% tax offset for British film, the UK industry seems now to have stalled. Production levels are down and by all accounts the industry is hurting. Many UK films now pass the cultural test that determines the offset but shoot off shore in Continental Europe rather than in the UK, as its become cheaper to do so. Although there are a small number of tax effective schemes still in play in the UK, there is a generally held view that the Chancellor's axe will inevitably fall.

The tax driven funding mechanisms still in play are:

EIS schemes: this scheme allows investors to write off expenditure which supports start up companies. Films using this scheme are limited to budgets of £2 million or less and an individual investor is limited to £500,000. Some smaller operators are utilising this scheme but the big boys are not interested.

Sole trader: If a single high net worth individual finances a film and can show that he/she works on the film for at least 10 hours per week, a tax advantage is available.

Active Partnerships: It appears that if several investors combine in an 'active partnership' and each works 10 hours a week on the film then the tax incentive is available.

The tax offset: the scheme is now working well with numerous banks and financial institutions happily providing Cashflow facilities. However a 20% offset is clearly not a strong enough incentive to support a healthy UK industry and stimulate positive growth.

London meetings:

Scion – Jeff Abberley

A successful financier, providing production finance for higher budgeted US films with marquee attachments. The company appears to be utilising a careful blend of available incentives and will only cashflow the rebate for its own productions.

Zaal Entertainment – Graham Bradstreet

Manages a large film fund out of Europe and is providing equity and gap for one of our feature projects

Baker Street – Keith Evans

This company was extremely active during the Sale and Leaseback Section 48 days and provided financial support for several Australian films during that era. Now working with EIS and sole trader structures to finance lower budgeted films.

Aramid – Yu-Fai Suen, Danielle Dajani

Established and part owned by Tim Levy, ex-principal of Future Film this company appears to be a very successful provider of gap, supergap and offset cashflow. The company is funded through a US hedge fund to the tune of US\$250million. Aramid will cashflow 80 – 85% of the UK offset and take the full 100% to cover costs and some interest. The company can provide up to 35% of a budget requiring at least 2 substantial presales. Aramid will consider working with Australian projects however they would wish to package presales gap and the offset to make it worth their while.

Limelight – Ivan MacTaggart

This company was formed by several independent UK producers to raise funds to provide a low cost offset cashflow facility. An initial raising of £5.5m was followed by a co-venture with a venture capital trust bringing substantial funds to the table. Certainly approachable, however they are reluctant to provide funds for Australian productions until the dust settles and the ATO lodgement issues are resolved.

Tiger Aspect – Greg Brenman and Bella Wright

UK Co-producers of *The Boys Are Back in Town*

BBC Films – Paula Jalfon

BBC Films is no longer a separate entity and following the departure of David Thompson is now overseen by BBC drama chief Jane Trantor and her team including Paula Jalfon. As a result of the UKFC's continuing reluctance to categorize the UK tax offset as producer equity recoupable pro rata pari passu (as we do) the BBC will offer producers a corridor of 30% of the BBC's recoupment as an advance on the producers' recoupment entitlement.

Footprint – Martin McCourt

Late of Bank of Ireland, Martin has with the backing of the Roots Group, set up Footprint to work with 2 or 3 substantial production companies who will produce 2 or 3 films each over a period. Budgets will be less than US\$20million. The funds are not tax driven and Footprint can consider packages of presale, gap and offset and can look at Australian films. Approachable.

Cannes meetings: Ross Matthews and Brian Rosen

The Little Film Company – Robbie Little

This company is working with Parkland Films on the marketing of *The Tender Hook*. The promo was available and seemed to be well received.

120DB – Peter Graham

This provider of gap for one of our recent feature films now has experience with Australian producers and is approachable. Although they will consider providing a vanilla offset loan they naturally prefer a more juicy package of presale, gap and offset.

Cold Fusion – Michael Roban

Los Angeles based hedge fund could be attracted to Australian projects. Loan funds charged at 15%. No arrangement fee but legals need to be covered in the budget.

Capitol – Peter Naish

A sales agent whose serious financial problems were widely reported in the trades during Cannes.

Celcius Entertainment – Thierry Wase-Bailey

Mid sized sales company run by Thierry who once ran sales for Hanway. Could be interested in handling Australian product, but as usual no DG's and marquee cast and/or director a requirement. With the safety net of televisions almost non-existent theatrical deals come only to projects with strong marquee attachment.

Olswang – Libby Saville

A media lawyer with a wealth of industry knowledge. Informative discussion with regard to the financial providers and the schemes being employed.

Hanway – Jeremy Thomas and Tim Haslam

Always interested in quality Australian projects, marquee attachments a must. Gearing up to sell *Two Fists One Heart*

Ingenious – Nik Bower and Claire Warnes

Although temporarily hurt by the UK governments shut down of the GAAP schemes, Ingenious is alive and well and extremely active in media investment. They can invest using the old plan – 30% in and they take 35% of all revenues. They are still employing sole trader schemes but confine EIS schemes to television investment. Unlikely to be interested in vanilla offset cashflow.

Bank of Ireland – Ian Hutchison

Regular provider of loan facilities to cashflow presales and gap, will of course be interested to provide offset cashflow hopefully packaged with presale and gap.

Salt – Piers Tempest

Salt is an expanded and re-badged International Film Collective who have been associated with several Australian films. Continuing interest in our projects.

Bankside/Headgear – Phil Hunt and Hilary Davis

Hilary Davis sells for sales outfit Bankside, Headgear's Phil Hunt provides loan funds in the form of ROW distribution guarantees and is associated with several of our films. Most recently Headgear has provided support for *Bran Nue Dae*, *Coffin Rock*, *Accidents Happen* and *Blessed*. Headgear has a strong capital base and an obvious continuing interest in Australian films.

Optimum – Dan MacCrae (Head of Development)

This UK theatrical distributor is now owned by Canal+ and is consequently well capitalised and expanding accordingly. The new ownership provides access to a large number of early British films and Optimum are looking to fund re-makes of some other more successful of these library titles. They have supplied online access to their library to Scott to look for titles that he thinks could be re-made in Australia. Optimum is on the look out for projects in the comedy, Sci Fi, Cold War genres with budgets around £2 million. They are also part of the new Warp X co-venture (see below).

Warp and Warp X

Warp is a very successful Sheffield based production company producing low budget feature films for their domestic market and ROW. Principal Mark Herbert produced the award winning and commercially successful *This Is England*. Warp X is a new venture – a sustainable digital studio driven by creative talent and a dynamic digital business model that rewards all participants in the process. Warp X has been funded by UKFC, regional funding bodies, Channel 4 and Optimum to develop and produce a slate of 6 films over 3 years. Warp X has commenced a co-venture with Madman to develop a similar model in Australia.

Twentieth Century Fox – Tony Safford

Fox are keen to find marquee driven film projects particularly for Australian domestic exploitation.

Winchester Capital – Jeff Saganasky and Jean Luc De Fanti

Winchester is a large hedge fund with a wide range of media investments. Were keen to be briefed on the offset guidelines in order to consider several Australian based projects which have appeared on their radar.

Film Finances – Richard Soames

Discussed the application of the completion bond to the minimum QAPE

Future Film – Carola Ash

Since the split that eventually saw previous Future Film partner Tim Levy as part owner of Aramid, Stephen Margolis and Carola Ash continue to use their substantial post facility and a new venture capital trust to offer cashflow for presales and UK offset and can provide limited gap. Stephen is travelling to Australia to re-awaken Future Film Australia and is approachable.

Standard Charter Bank (Hong Kong) – Lee Beasley

Australia is just within range for Standard Charter and presale, gap and offset cashflow packages are of interest to Lee. Smaller amounts however will be difficult and costly.

Adirondack – Paul and Tom Hardart

New York based providers of finance for *Mary and Max*. Very happy with the films progress.

Moviehouse – Gary Phillips and Mark Vennis

This smaller UK sales company was finding the market difficult (they were not Robinson Crusoe). There is clearly an oversupply of mediocre product and buyers were being particular. One point of interest – producers need to be particularly attentive to the quality of their delivery materials – any delays or sub-standard materials and the buyer is likely to move on.

Prescience – Paul Brett

This UK fund uses active partnerships and has substantial funds available. Prescience has committed to invest equity in one of our feature projects.

Myriad – Kirk D'Amico

Kirk was finding the market slow but steady and will report on sales activity soon after the market.

Warner Bros – Bob Fisher (Senior Vice President, Financial Investments)

Having run into a problem or two with several Warners films shooting in Australia during the 10B and 10BA era, Bob was interested to explore the detail of the offset legislation. He seemed satisfied with the explanations.

UK Film Council – Sally Caplan

Continuing discussions relating to the UKFC's attitude to the categorisation of the UK rebate as producer equity

ICM – Hal Sadoff

Briefed ICM on the offset and merger. Hal is looking for opportunities both at home and internationally for his Australian clients.

Fortissimo – Wouter Barendrecht and Michael Werner

Also of the view that the market was slow. Fewer buyers in attendance and some of the smaller players who are always important to Fortissimo were not present (some Latin American territories for example). Fortissimo also had the view that supply way outstripped demand at this market – too many films, financed by too much soft equity (hedge funds etc). In light of this difficult environment Wouter suggests that Screen Australia should consider providing support funds for marketing into particular territories. This would take the form of P&A contribution, provision of free prints, donation of internet and so on. This would incentivise sales agents to take on risky films particularly where it remained obligatory for producers to secure a sales agent prior to financing.

Highpoint Films – Piers Nightingale

Mid sized UK sales company with an interest in several Australian films. Piers noted that business for them was slow but steady. Highpoint have employed Adam Bowen as their Australian point man. Although approachable they are unlikely to be able to commit D.G.'s.

Allied Irish Bank – Michael Shyja

A change in management of the media lending division has brought this bank back into the foreground. Keen to explore the provision of loan funds particularly for a package of presale, gap and offset. Will consider vanilla offset lending in Australia and appears to be able to consider smaller loans. Michael is soon to arrive in Australia to explore the opportunities.

Daro – Pierre-Andre Rochat and Anne Marie Gaskin

A briefing on merger and offset

Mansfield & Associates – Heather Mansfield

Heather provides risk analysis for major banks and is a wealth of information particularly as regards UK providers of finance.

Magnolia – Laird Adamson

Magnolia's main concentration is on theatrical documentaries and they can be involved as sales agents/financiers/and US distributors. Their slate is quite impressive and they operate as a low overhead and hardworking team. Selling *Not Quite Hollywood* with good response to the promo. Very approachable.

Film Sales Company – Andrew Herwitz

New York based sales agent handling some smaller genre films but mostly feature documentaries and mostly for the US market. Very approachable.

National Geographic Films – Kattie Evans

The company seeks to co-invest and acquire certain rights in feature films which have an obvious synergy with the Nat Geo brand. National Geographic can be involved in dramatic features and documentaries for up to 50% of budget. To understand their approach to dramatic features they suggest that "if you can imagine your production stills in the pages of National Geographic then we could well be interested".

Arclight – Gary Hamilton

To discuss merger and offset and hear of feature production plans – some of which will be offshore and some destined for Australian production. We look forward to a full report post Cannes.

Content Films – Jamie Carmichael

This substantial and expanding company was having a good market – one of the few I suspect. Always approachable for Australian producers with commercial fare and marquee attachments.

Eden Rock Entertainment – Thomas Ausberger

Acquires for Kinowelt and has a co-venture sales agreement with David Redman's Instinct Entertainment.

Icon – Jonathan Page & Mark Gooder

The *Mary and Max* promo was receiving positive attention. Icon reported a steady market for their product

Parkland Pictures – John Cairns

To discuss the plans for *The Tender Hook*.

Lightning Entertainment – Richard Guardian

This hard working sales agent and continuing friend to Australia and its product was also finding the market tough but was certainly having a better run than he did at Berlin a few months previously. Lightning are also expanding the company with some solid financial backing. Always approachable however projects need to be universally commercial and have strong marquee elements.

Ontario Media Development Co-operation – James Weyman, Karen Thorne-Stone and Kristin Murphy

A governmental organisation looking to attract production to Ontario – very interested in the merger and offset legislation.

NZ Film Commission – Ruth Harley

The NZ Government has now announced an offset incentive very similar to our own, although it is a grant rather than tax offset. The grant is 40% of qualifying spend capped at NZ\$6million, but will apply only to films with a QAPE in excess of \$5million. A cultural test will apply with a points system and the Commission will be able to co-invest up to 75% of budget. Television and documentary will receive a 20% grant.

Voltage – Nicolas Chartier

A mid sized LA based sales agent working mainly with marquee driven genre films. Open for business with Australians. Approachable.

Handpicked Films – Michel Shane

Michel is a producer based in LA and fronting several substantial hedge funds, including UK based Sovereign. He is in negotiation with an Australian producer

Continental Entertainment Capital – D Jeffrey Andrick

Introduced through Bank of Ireland this LA based fund may be interested in providing presale, gap and offset loan packages for Australian films. The film will need to be high concept with strong attachments and the loans will have to be large enough to justify the inevitable paperwork.

Australians at Cannes

Australians were present in record numbers and too numerous to mention here. Ross had project specific meetings with the following producers:

Anna Wilding

Kay Rasool

Leanne Tonkes

Helen Leake

Liz Watts

Michael Wrenn

Kevin Lee Brown

Demetris Kyriacou

Chelsea Bruland

Adam Mackey

Anna Higgs

Al Clark

CANNES 2008: Tait Brady & Scott Meek

Selected for Cannes

With no Australian features selected this year, the Aussie brand was not particularly visible this year in the 'official festival', but lest any lazy commentator use this passing observation as the basis of yet another eulogy for the Australian film industry, best they contextualise this with the information that few US or UK films were selected either. For an industry that produces many thousand films per year, only 12 US films were in official selection (including the new *Indiana Jones* and *Kung-Fu Panda*) and the UK media had already had fun with the news that no 'true' British films had been selected. Actually there were only 2, from an industry that produces at least 65+ per year, compared with our paltry 25 – 30 features annually.

In the Berlin report we referred to the notion that miserabilism doesn't sell easily. As noted above, Cannes went one further with a selection of titles which presented an almost uniformly dystopian view of our world. One critic observed that the first five films he saw were all set in jails of one sort or another: a post Guantanamo cinema. Indeed much of the opinion was that the very best of the films were also the most upsetting on some level and that some were "difficult to watch". Buyers were, understandably, wary. In the midst of this bleak ocean two unlikely reputations were redeemed. The first, Woody Allen with a romantic comedy set in a tourist view primary coloured Barcelona in which Javier Bardem revealed himself to be the Spanish Cary Grant and the sight of Scarlett Johansen kissing Penelope Cruz woke many a male critic from their dystopian slumber. Even more unlikely in the film JCVD starring Jean Claude Van Damme as an ageing Belgian former martial arts movie star called Jean Claude Van Damme down on his luck, our doubly eponymous protagonist left Cannes having turned has been into hipster, perhaps the very definition of post post-modernism.

The Festival proper

Widely seen as a very lacklustre year for the films in official selection, few found wide critical support. The Official Competition continues to be largely dominated by the latest films from established talents, while the selection in the other three Cannes sections (Un Certain Regard, Director's Fortnight and Critics Week) remains as unpredictable and adventurous as ever. Of the 75 official slots across these four sections, *only 18* were English language films, further evidence of how far afield the Cannes selectors are searching and believe the most interesting new cinema is emerging from. This also underscores the difficulty Australian projects face in breaking into Cannes nowadays, as our 'flavour of the month' brand has well and truly faded (currently residing in Argentina, after a stint in South Korea).

Dangerously for the festival, this programming strategy does threaten to render Cannes selection as irrelevant in an era when audiences (and thus buyers) are showing little market interest in any of these very demanding but inaccessible films. There appears to be a growing disjuncture between the films that filmmakers want to make - films which express huge concern about the world we make for ourselves - and the films that the audiences want to see, and this gap may be growing even with a previously dedicated art house audience. Truly here we saw films that are "festival" films. This then leads to a gaping chasm between the "Festival" and the "market".

The only real problem with the Festival's shift away from selecting accessible English language films such as ours, is that more than ever the sales agents are adamant that without a festival launch they can't get attention for the films in such a crowded marketplace. Festival selection, be it in Berlin, Sundance, Tribeca, Venice, Cannes, Rotterdam or Toronto, is often seen as the only means to launch a new feature into the market; creating even greater pressure than ever on festival selections. Catch 22?

Australian attendance in Cannes

Despite having only two short films in the official selection, this appeared to have no impact on the number of Australians attending Cannes this year – AFC records suggest more than 250 producers, directors, distributors, agency staff etc, with filmmakers from all states. This year, as seems to have been the trend of late, a very significant slice of the Australian attendees were relative newcomers on that first eye-opening Cannes exploration. Overall numbers reported by the Festival suggested that attendances were up in total by 2%, a fact challenged by the general view that the market was slow, with less buyers present.

While the FFC doesn't have a mechanism to support producers to attend markets or festivals, filmmakers in Cannes this year with completed FFC films, or *Letter of Intent* projects, included Richard Stewart (*Acolytes*), Sue Murray (*Neil, Neil Orange Peel*), Greg Woodland (*The Visitor*), Sue Maslin (*The Messenger*), Jon Hewitt (*Acolytes*), Louise Smith (*The Square*), Liz Watts (*Animal Kingdom*), Sonja Armstrong and Kate Dennis (*Almost French*), Al Clark (*Blessed*) and Emile Sherman (*South Solitary*).

The Australian function in Cannes was especially well attended, including guest appearances by FFC Chairman Graham Bradley and by the Australian Ambassador to France. The Australian Film Office in its usual Croisette location was as busy as ever, and continues to serve as a valuable resource and communications centre for the Australians in Cannes. It is easy to imagine the even more focussed and productive role this office can play in the future, with the new Screen Australia agency promoting a cohesive 'Australian brand' to the international community.

This year, the FFC (in conjunction with the AFC) staged a special seminar to educate international financiers on the workings of the new Producer Offset. Taking place in a meeting room at the Majestic Hotel, this session proved to be a strong draw and was exceptionally well attended by international guests made up of producers, agencies, financiers and sales agents. The panel was made up of AFC's Catherine Waters, MoneyPenny's Brett Thornquest and FFC CEO Brian Rosen – questions from the floor were numerous and intelligent.

Trends

The most troubled guests at the festival were the US dollar and the pound. Currency fluctuations had made Cannes 2008 a very expensive ticket for many and many people were there for a shorter time or swapped personnel (and hotel rooms) half way through. Most agents were packed up by the Friday, many were gone entirely and there's a sense that the festival as it once was is now really the Thursday-to-Tuesday scramble.

- “It’s a year round market now” as one leading US buyer said to us; the emphasis isn’t just on the few weeks of the major festivals. This phrase became so ubiquitous that it may have been a euphemism for “not many sales here”.
- Few major sales were reported from the market. While the pendulum has clearly swung back to presales, all the sellers confirm that only ‘bigger projects’ with ‘name cast’ are attracting said presales. Where does this leave the Australian films then? Out on a limb, struggling to complete that last 15 - 25% of the financing.
- In a climate where presales dominate, distributors are often busier doing deals and reading scripts in Cannes, than they are watching new films. One curious offshoot of this that Australian producers should remember: the same Australian distributors that you are approaching with your script have just read the Coen Brothers next project and are judging yours by that standard.
- Despite the negative buzz re the market, smaller, acclaimed ‘arthouse films’ still breakout at festivals and sell into 20-40 key territories. This year the provocative Israeli animated feature-doco *Waltz with Bashir* did just that, with sales to 40 territories confirmed by the end of Cannes. Yet because it wasn’t a million \$ deal for North America, such a success is hardly considered as major in the current market. Instead, the failure of so many competition films to land those major sales was the much more prominent (and significant) news of the festival.
- Some agents are now trying to sell in Euros in a business traditionally done in US Dollars but often find a refusal to contemplate that outside of European territories.
- “There are simply too many films” became the market observers’ mantra. This is a real possibility. There have never been more countries with more incentives and more cultural policies. Never more tax breaks. The UK market where a crazy 10 films appear to open every week has now seen that number increase. As noted below this is insane until you look for the elephant in the room which is difficult when it’s sitting on you..... (This pachyderm will remember to appear later, we promise.)
- The marche with the many screens that line the Rue D’Antibes may itself be undergoing enormous change. Once, many years ago, buyers ran from one cinema to another to catch screenings of available films. Now they can pick up screeners from the sales agents or may well have been sent them beforehand. In one sense this is the ‘year round market’ - just as less and less of the audience sees the films on a screen so too will the buyers. In a sense the market screenings are a thing of the past, now existing for mopping up minor territories mostly worthwhile for an invitation only premiere and often packed with students who are there on some film course or cultural bureaucrats from around the globe.
- Another curious by product of the presale era is that with most films presold, the hotly contested bidding frenzies that fuel Festival buzz and trade mag column inches is now strangely absent. This removes one of Cannes key attributes, the discovery that will set the critical and commercial worlds alight. This lack of buzz then seemed to and cast a pall over the Marche in

general. Long gone are the days of wild scenes at market screenings as buyers fought to get into crowded screenings.

- Market sales business was slow for the Australian titles, although it must be said that very few of the Australian films screening in the Cannes Marche were new to buyers - most having already been seen by buyers at previous festivals or markets (AFM, Berlin, Tribeca etc). As a result few major sales were seen, although sales agents advised that small deals were done for titles such as *Dying Breed*, *Hey Hey It's Esther Blueberger* and *Acolytes*. Pathe International secured some presales for Nash Edgerton's *The Square*, (Israel, Portugal, France) based solely on a promo and similarly have done some very impressive deals on Jane Campion's *Bright Star*, currently in post-production. Several just-completed Australian features, too late for Cannes selection, were wisely held over until the festival season that starts again in earnest in August (*Two Fists One Heart*, *The Tender Hook*, *Not Quite Hollywood*, *Disgrace* and *The Square* are all lining up for international premiere's in the spring.
- The elephant in the room, oft whispered about but rarely confronted by the major distributors was the continuing erosion of traditional theatrical business – presumably due to increased diversity in delivery, especially the impending impact of VOD services. While DVD sales are said to have universally peaked and on a slow decline, most territories have emerging VOD business in radically varying degrees of development (by comparison to many markets, Australians VOD take up seems minimal at present). The battle to monetise these services continues to be the most pressing issue in the film business today. Anyone beyond the majors who is clinging to the rewards of the traditional theatrical release is surely deceiving themselves.

No surprise then that the single biggest buyer in Cannes of new titles for the US market was IFC Films, the distribution arm of specialist pay channel the Independent Film Channel. With a Manhattan arthouse cinema as their promotional launch pad and a high profile day and date VOD service, IFC showed confidence and hunger for product that few other distributors had. Is this the future for 'specialised', 'independent' cinema staring us in the face?

John Sloss, high profile US sales rep and indie-industry prophet seems to think

so and was widely reported as having just boosted the operation of his NY based Cinetic Media with a new division to handle the sale of otherwise unreleased indie films to less traditional (read: online) outlets. "*We're going to make it our business to go to every portal, every mobile phone provider, every video-on-demand service and make the most aggressive deals we can*", Sloss was quoted as saying in the NYTimes.

- In the 'specialised sector' (where even the most successful Australian films tend to fall nowadays) rumblings continued about declining audiences, an international trend. What's alarming about this is while mainstream cinema going, driven by youth audiences, is known to be in decline, the more committed arthouse cinemagoer had until recently been believed to be a reliable less fickle audience, less prone to the allure of digital delivery and other entertainment options. Clearly, this is not the case and GBOR in Australia for the small and mid-level 'specialist films' is slipping in line with the international trend.

- Hot on the heels of the unexpected shuttering of not one but two major US specialised distributors, in the weeks before the Festival (the Warner owned PictureHouse and Warner Independent), was further evidence of the decline of theatrical and the new reliance on ancillary markets. New specialised US distributors are springing up, based on a very different business model, to ensure that films get some sort of theatrical profile in the competitive US market. Interestingly, sales agents Lightning and Arclight have both branched out into domestic distribution themselves, frustrated at not being able to sell the very titles they were representing, and knowing that a boutique release can then be the springboard to launch the films off into the more valuable VOD, DVD and cable –TV markets. Such a strategy foregoes the traditional expectation of the ‘wide release, multimillion dollar pot of gold at the end of the rainbow’, for the more realistic expectation of a targeted promotional launch for your film into the enormous US market.

Meetings

Scott and Tait met with (usually together; on some occasions due to scheduling, just one of us) numerous people while in Cannes. Filling almost all day for the key 8 days of the festival, these 70 odd meetings can be divided into the following categories, which illustrate well the various roles the Evaluation Managers play when overseas:

- a) follow up meetings with sales agents already attached to specific projects (The Works, Pathe, Lightning, Bankside etc)
- b) introductory meetings with new players, usually sales agents, sometimes distributors (Fine Cut, Match Factory, Kimmel Entertainment etc)
- c) Liaison, consultation and advice to Australian producers with current FFC projects, seeking to close finance (*Almost French*, *Animal Kingdom* etc)
- d) Consultation with Australian producers with new projects yet to come to the FFC, but seeking market attachments while in Cannes
- e) Dialogue with our contemporaries at other agencies re: common issues surrounding development strategies, funding mechanisms etc. This year with the shadow of the Screen Australia merger looming over us, we had particularly fruitful conversations with counterparts at Telefilm Canada, Scottish Screen and the UK Film Council, that have been incredibly useful in informing our thinking about the role of Evaluation and Development as it moves into the new agency.
- f) Industrial espionage – getting the real story on goings on in financing, distribution, festival politics, distribution trends etc, from personal contacts in the international industry.

Meetings included:

Distributors

After Dark Films - Dana Lambert and Laura Ivey (USA)
 Fandango – Domenico Procacci (Distributor/Producer- Italy)
 Kimmel Entertainment – Bingham Ray (USA)
 Miramax – Daniel Battsek (USA)
 Seville Pictures – John Hamilton (Canada)
 Sony Classics - Dylan Leiner (USA)
 Transmission – Andrew Mackie and Richard Payten (Australia)

Universal International - Dylan Wilcox/Jason Resnick (Acquisitions / Distributor
– USA) Miramax – Peter Lawson (USA)

Sales Agents

Bankside/Headgear Films – Hilary Davis and Phil Hunt (UK)
Content - Beatrice Nuemann (UK)
Eden Rock Media – Thomas Ausberger (Sales Agent /Producer - USA)
Fandango Portobello – Janine Gold (UK)
Fine Cut – Yung-joo Soo (Korea)
Focus – Teresa Moneo and Alison Thompson (UK/USA)
Hanway - Matthew Baker (UK)
Independent Film Sales – Andrew Orr (UK)
Lightning Entertainment – Richard Guardian (USA)
Magnolia/HD Net – Laird Adamson (USA)
Match Factory - Tobias Pausinger (Germany)
Maximum Films - Michael Wrenn (Canada/NZ)
Maximum Films - Charlotte Mickie (Canada)
Meridiana Films – Helen Loveridge (UK)
Parkland Films – John Cairns (UK)
Pathe International - Mike Runagall (UK)
Spier Films - Michael Auret (Sth Africa/UK)
The Works - Joy Wong and Tom Strudwick (UK)

Agencies/Festivals/Other

British Council UK - Satwant Gill (UK)
Canadian Film Institute/Montreal Film Festival - Tom McSorley, Programmer
(Canada)
IFP/No Borders - Susan Boehm (USA)
Scottish Screen - Carole Sheridan (UK)
Scottish Screen - Robbie Allen (UK)
Screenwest - Harry Bardwell (Australia)
SPAA – Geoff Brown (Australia)
Telefilm Canada - Carrie Paupst-Shaughnessy
Telefilm Canada - Stephanie Azam
UKFC - Lizzie Francke and Sally Caplan
UTA - Rich Klubeck, Bec Smith (USA)

Producers - ROW

DV8 - Jeremy Nathan (South Africa)
Hepp Film - Josephine Tengblad (Sweden)
Liberty Films - Nikki Moss (UK)
Material Entertainment – Robert Jones (UK)
SeeSaw Films – Iain Canning (UK)
Caravan Films / Slingshot - Rachel Connors (UK)
Ripple Films - Dominic Wright (Ireland)
Walker Film - Chris Walker (USA)
Grant Keir (UK)
Andy Paterson (UK)

In addition we attended the Producer Network Breakfast, which featured a morning focus on Australia.... repped by five Aust producers and FFC staffers Rosen, Matthews and Brady.

June 2008