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World Film Market Trends

Tendances du marché mondial du film



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MARCHÉ DU FILM
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Editorial

We now find ourselves in an era where all channels of cinematography are undergoing a transformation: VoD has become a realistic medium, the switch to all-digital is simply a matter of time and 3D is becoming more and more ubiquitous. As such, it is more crucial than ever for us, as professionals, to identify major industry tendencies.

I hope that *FOCUS*, now in its 14th year, will serve as an indispensable tool for you in analyzing and anticipating the challenges of tomorrow.

Jérôme Paillard
Executive Director

À l'heure où toute la filière cinématographique poursuit sa mutation, où la VoD se positionne comme un écran crédible, où le passage au tout numérique n'est plus qu'une question de calendrier, où la 3D commence à se banaliser, il est plus que jamais nécessaire, pour les professionnels que nous sommes, d'appréhender les grands indicateurs du secteur.

Je souhaite que *FOCUS*, qui fête son 14^e anniversaire, vous apporte les clefs indispensables pour analyser et anticiper les enjeux de demain.

Jérôme Paillard
Directeur Délégué

FOCUS 2011 World Film Market Trends, appears for the fourteenth 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

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. 36 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>)

FOCUS 2011, Tendances du marché mondial du film, paraît pour la quatorzième 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

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. 36 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>)

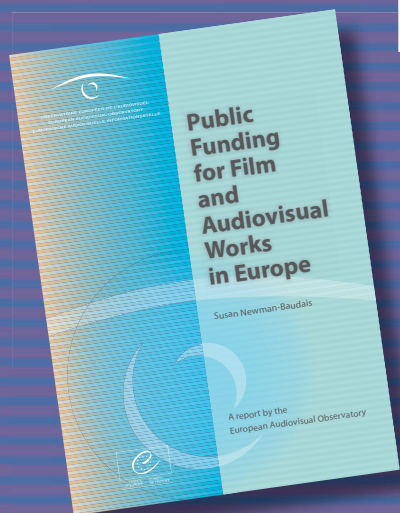
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Public Funding for Film and Audiovisual Works in Europe

A new report from the
European Audiovisual Observatory



Public Funding for Film and Audiovisual Works in Europe

130 pages
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Cinema and television: Falling in Love Again?

It may appear paradoxical to put the question of the relations between cinema and television back on the agenda when the current industry focus is on the development of the internet as a new delivery vehicle for audiovisual works. More than ever, it is clear that the audiovisual system forms a complete unit and that recent changes in regulations and the practices of economic players and consumers are interacting in an increasingly faster and complex way, so we believe it is worthwhile reconsidering these relations at a time when the digital technologies are reaching maturity and producing ever more perceptible effects.

Contrary to the fears of cinema professionals in the 1960s-80s, television has not killed off cinema-going, nor does the rapid rise of the internet seem to have had a major impact on cinema attendances. According to the MPAA, the worldwide box office increased by 25% between 2006 and 2010. In Europe, even though attendances dropped in 2010 compared with 2009, the trend has actually been upwards since 2005. At the same time, they can be considered to have remained stable in the United States since then. The demographic studies carried out by the MPAA only identify one population category for which regular attendances dropped in 2010, namely women between 40 and 49. The members of the “Y generation”, who are big internet consumers, continue to go to the cinema whereas most studies on the development of the television audience tend to show they are consuming less television and more internet.

The range and consumption of films on television has changed. The appearance of pay film channels in the 1980s and 90s gradually led the general-interest channels, both public and private, to reduce the number of films shown, especially during prime time, in favour of audiovisual fiction and other entertainment programmes. However, this trend seems to have stabilised. The analysis carried out on behalf of the European Audiovisual Observatory by Infomedia on the fiction programming of 137 television channels in Europe (feature films, television films, series, animation and short films) shows that the market share of feature films in all fiction programming rose from 34.6% in 2007 to 35% in 2009.

The wide range available

Film channels are, together with sports channels, the dominant genre in the pay-TV

packages, whether on cable, satellite platforms, IPTV networks or digital terrestrial television. At the beginning of 2011, the European Audiovisual Observatory’s MAVISE database listed no less 324 film channels in the European Union. They include 108 fully or partly controlled by American companies: 48 by News Corp. (Sky in the United Kingdom, Germany, Austria and Italy), 34 by Time-Warner (the TCM versions throughout the continent and HBO in Central Europe, and since 2010, in Nordic countries, Silver and Showtime) 18 by the Liberty Global group (in Belgium, the Netherlands and Central Europe) and 10 by Sony (MGM).

Among the European groups, Vivendi provides 16 film-only channels (Canal+ Cinéma and the Cinécinemas package in France, Canal+ in Poland and Kinowelt TV in Germany). The Swedish groups are particularly active on the pay-TV market by providing their services in various language versions in the Scandinavian and Baltic countries: MTG offers 39 channels (TV1000, Viasat), and the television group TV4 has taken over the company C More Entertainment, which provides the Nordic Canal+ channels. In Central Europe, the Czech group SPI proposes 15 services.

TV4 is not the only group to have diversified from general-interest television funded by advertising to pay film channels. Others include Mediaset in Italy (Joi and 4 Premium channels), ProSiebenSat.1 Media AG in Germany, (kabel eins classics), MTV in Finland and CME in Bulgaria and the Czech Republic. A number of public broadcasters have also launched film channels: RAI in Italy (2 channels), Channel 4 in the United Kingdom (Film Four), ERT in Greece and TV2 in Denmark. In order to compete with the satellite platforms or simply provide a national offering, the cable operators have often taken the initiative to create or take over film channels, such as ONO in Spain, Kabel Deutschland in Germany, Zon Multimedia in Portugal, Telenet and Voo in Belgium, Melita in Malta and Baltkom TV in Latvia. In countries where pay digital terrestrial television is developing, the services are spearheaded by film and sports channels. In Italy, for example, the DTT services offer no less than 15 pay film channels. As far as cable, satellite or IPTV is concerned, there are, especially in the United Kingdom and France, a number of channels aimed at immigrant cultural minorities, such as channels showing Indian, Chinese, Arabic, African or Russian films. A channel showing French films is available in the United Kingdom. Finally,

there are channels specialising in short films, some of them forming part of packages targeting consumers of mobile telephone video.

To all these film channels may be added other special-interest channel genres that show films, such as children's channels, women's channels and entertainment channels with a mixture of films and series. The spread of pay film channels has often prompted the large traditional general-interest channels to reduce the number of films they show, especially during prime time. In the United Kingdom, the number of films broadcast on pay channels and other channels in multi-channel packages rose from 38 865 in 2000 to 69 592 in 2009. At the same time, the number broadcast by the traditional terrestrial channels fell from 2 318 to 2 218. In France, the reduction in the number of films shown by the traditional channels during prime time left a gap that was identified by the new free-to-air channels set up for digital terrestrial television. They were able to mount their expansion by broadcasting library catalogue films, as illustrated by a recent study by Médiamétrie. The mass availability of a range of films tends to reduce the value of the programming and it is interesting to note that an incumbent pay-TV channel such as Canal+ is currently building its image more on the creation of lavish television series than on a premium film service.

The analysis of the film programming of 137 European television channels carried out in 2009 by Infomedia for the European Audiovisual Observatory shows that American films are still hugely dominant. In only two of the fifteen countries analysed (France and Finland) is the proportion of European films (including nationally produced films) above 50%, and in eight countries it is below 40%. In the United Kingdom, where the programming of 29 channels was analysed, it does not exceed 23.8%.

Broadcasters' investment obligations before the courts

Apart from the place of European films in the programme schedules, the role of television channels in funding national film production is still an important issue for debate. There are various approaches and models: quantified obligations (laid down by the authorities, as in France, by establishing a set of conditions or negotiated with the producers' federations), levies on the channels' revenues transferred to film production support funds or direct contributions to the budget of the film institutes (as it is the case in various Nordic countries). Although the broadcasters' role in the provision of support for

film production is generally recognised in Europe, two court cases have recently illustrated that the question remains contentious.

In Germany, cinema operators condemned their alleged unequal treatment compared with the broadcasters. In order to provide funding for the Federal Film Board (Filmförderunganstalt – FFA), the provisions of the Film Support Act (Filmförderungsgesetz – FFG) in force until July 2010 imposed a statutory fixed scale on cinema operators and the video industry, whereas the broadcasters were free to negotiate the amount of their contribution. Following the complaint made by the cinema operators, the Federal Administrative Court, in February 2009, expressed reservations about the constitutionality of this difference in the method of levying the charge and referred the matter to the Federal Constitutional Court. With the aim of responding to the Federal Administrative Court's concerns and providing a sound legal basis for funding the FFA, the federal legislature passed in July 2010 an amendment to the FFG that introduces the obligation for broadcasters to pay a film tax, the amount of which is also laid down by law and is in proportion to the number of films in their programming. Finally, in judgments delivered on 23 February 2011 the Federal Constitutional Court established that the film tax was constitutional and dismissed the appeal lodged by several cinema operators, pointing out in that connection that there was no doubt about the legality of imposing a film tax on cinema operators, video distributors and broadcasters, who derived economic advantages from showing German films produced in Germany with subsidies from the FFA. Consequently, the court considered it justified to ask these players to contribute to the provision of support for the production of audiovisual works.

In Spain, proceedings brought by the private broadcasters could produce contrary outcomes. A law dating from 1999 made it compulsory for broadcasters to invest in film production and this was to be confirmed in a new general law on the audiovisual industry. UTECA, a national association set up by six private broadcasters, lodged an appeal against the General State Administration challenging this obligation, which it considered unconstitutional, even though its members had been complying with it for ten years. The Supreme Court held that the obligation imposed on television operators by the Spanish law to earmark 5% of their revenues for the funding of Spanish and European film productions was contrary to the principle of free enterprise guaranteed by Article 38 of the Spanish constitution, especially as the television operators were obliged

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to invest the money in film and not television production. The Supreme Court did not discount the possibility of encouraging the broadcasters to contribute to film productions (especially by means of tax incentives) even though it held there was no reason to impose an obligation on the television sector or to require it to make any “sacrifice” that would reduce its economic freedom and thus benefit other parties, such as film production companies. The new law passed in March 2010 finally upheld the principle of an obligation to invest in production. The Constitutional Court should now decide if this principle is in conformity with the Constitution as argued by the Supreme Court.

The emergence of on-demand services is changing the relations between the cinema and television

The emergence of on-demand audiovisual services is an important aspect of the development of the relations between the cinema and television. A number of broadcasters have embraced the strategic option of positioning themselves on this emerging market by taking advantage of their knowledge of the rights market and audiences, their relations with the distribution platforms and their brand awareness, and in many cases also of their experience on the physical video market. Players on the pay-TV market, such as Canal+, CanalSat, BSkyB, Viasat and C More offer catch-up TV services for some of their film channels and/or VoD services in the proper sense. Major free-to-air television broadcasters, such as TF1, the ProSiebenSat.1 Media AG group, Mediaset and RTL (in Germany and the Netherlands) have also set up VoD services that include library catalogue films. Among the public broadcasters, Channel 4 and ARTE (only in France) also offer VoD services with their own catalogues of films.

The development of the VoD market is bringing with it a change in the chronology of distribution windows. The recent development of the idea of a premium VoD service that involves films being made available before they are broadcast on pay-TV is beginning to take hold in the United States, albeit not without some controversy: the announcement by four studios (Warner Bros., Sony, Universal and Fox) of an agreement with DirecTV for a premium VoD service enabling the user to access a film for \$30 two months after its cinema release provoked a fierce reaction by cinema operators.

The example of the situation in Germany shows that the principle of compulsory investment is only

legitimate if it is applied to the different types of exploitation (cinemas, video, television). The emergence of new distribution channels (especially the distribution of films on the internet and/or as part of on-demand audiovisual services) poses the problem of extending the obligation to pay contributions to include the new economic players, namely the operators of internet services (providers of on-demand services, video exchange services, etc). The extension of the contribution principle to the providers of video-on-demand services was made official in France by the Decree of 12 November 2010 and in Germany by the new Film Support Act passed in July 2010. In Belgium’s French-speaking Community, the cable operators’ obligation to make investments has been extended to include internet access providers when they act as distributors of audiovisual services. However, the implementation of such regulations quickly becomes highly problematic once cross border services, such as iTunes, XBoxLIVE or Zune, are set up in countries with no such provisions for the payment of levies. Similarly, the idea put forward in France of taxing Google’s advertising revenues to finance the creation of works quickly came up against the problem of the location of the service in another European country.

At a time when all the major groups are refining their strategy with the arrival of connected TV – which will permit access on a television instead of only a computer screen to audiovisual content available on the internet – the problems posed by the deterritorialisation of on-demand services are one of the key concerns for the supporters of systems of funding film production by means of levies on the various forms of exploitation.

Finally, the change in the piracy practices of the peer-to-peer networks to embrace streaming (which is easier and makes users feel less guilty) is a further challenge. The rapid availability in the pirates’ offerings of both blockbusters and library catalogue films at no cost is tending to gradually erode the value of broadcasting on television. The boom in pay-TV channels in the last few years has shown that, whatever may be said, the public are always prepared to pay to watch films on their television screen, but what will happen when connected TV also enables pirated films distributed over the internet to be watched on the television screen?

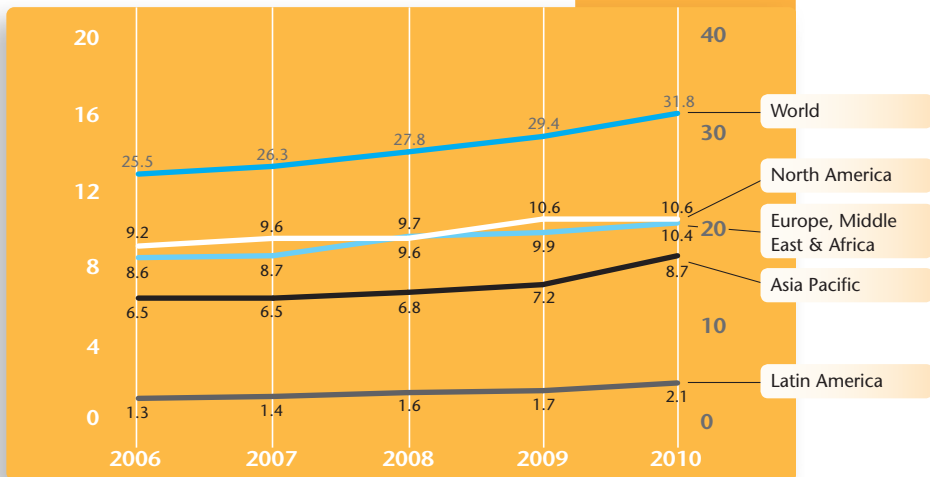
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Legal information from IRIS Merlin,
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Worldwide gross box office | 2006-2010^e

In USD billion.

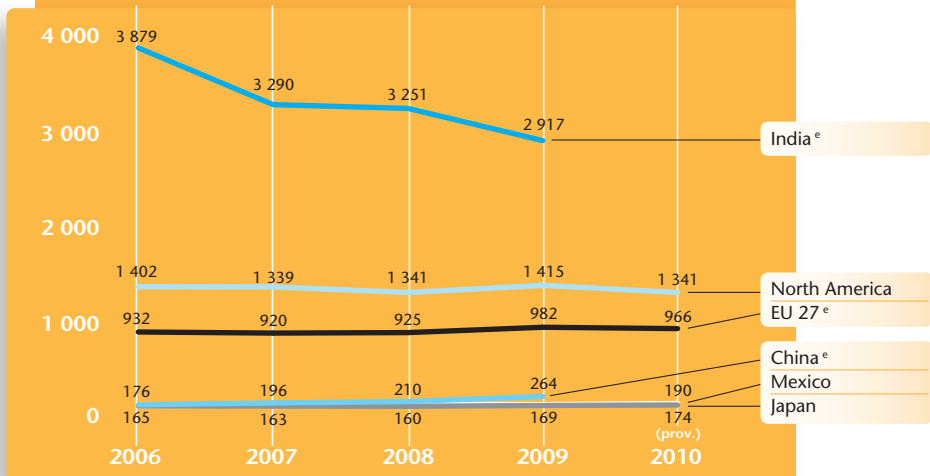
Sources: MPAA, Rentrak



Admissions in selected major world markets | 2006-2010

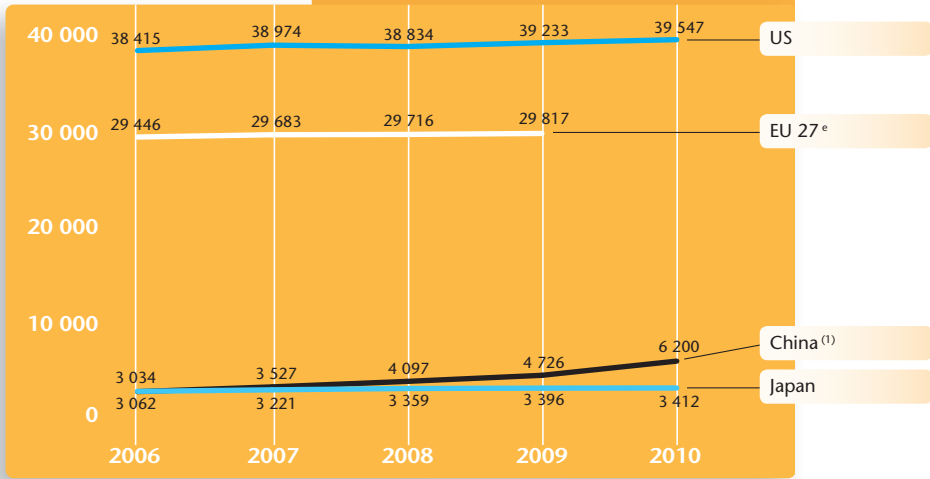
In millions.

Sources: OBS, IHS Screen Digest, MPAA, Incine, EIREN



Number of screens in selected major world markets | 2006-2010

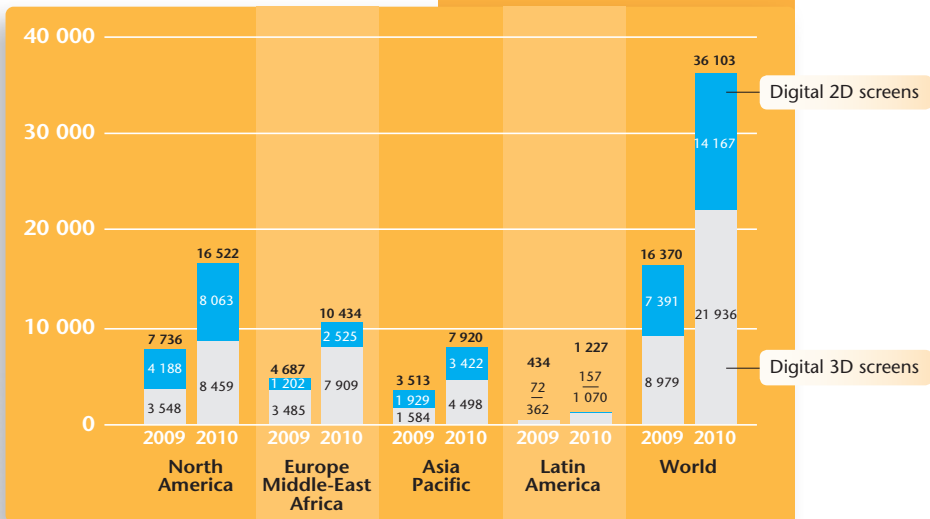
Sources: OBS, MPAA, EIREN, SARFT, Screen International



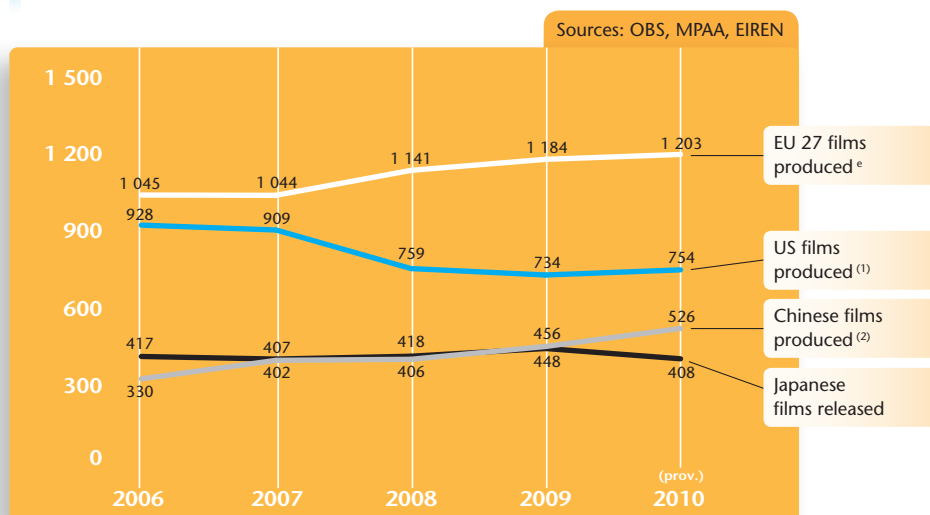
(1) Modern screens.

Worldwide number of digital and 3D screens | 2009-2010^e

Sources: MPAA, IHS Screen Digest, OBS



Number of feature films produced in selected world major markets | 2006-2010



(1) Revised data for 2008 and 2009.

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

Top 20 films worldwide by gross box office | 2010

USD million.

Original title	Studio	Country of origin	North American box office	International box office	Total
1 Avatar ^{(1) (2)}	20 th Century Fox	US	~	~	1 953
2 Toy Story 3 ⁽²⁾	Walt Disney	US	415	649	1 064
3 Alice in Wonderland ⁽²⁾	Walt Disney	US	334	690	1 024
4 Harry Potter and the Deathly... ⁽¹⁾	Warner Bros.	GB inc/US	284	611	895
5 Inception ⁽¹⁾	Warner Bros.	US/GB inc	293	531	824
6 Shrek Forever After ⁽²⁾	Paramount Pictures	US	238	505	743
7 The Twilight Saga: Eclipse	Summit Entertainment	US	301	353	654
8 Iron Man 2	Paramount Pictures	US	312	311	623
9 Despicable Me ^{(1) (2)}	Universal Pictures	US	251	291	542
10 How to Train Your Dragon ⁽²⁾	Paramount Pictures	US	218	278	496
11 Clash of the Titans ⁽²⁾	Warner Bros.	US	163	331	494
12 Sherlock Holmes ⁽¹⁾	Warner Bros.	US/GB inc/DE	~	~	372
13 The Karate Kid	Sony Pictures	US/CN	177	183	360
14 Prince of Persia: The Sands...	Walt Disney	US/GB inc	91	245	336
15 Robin Hood	Universal Pictures	GB inc/US	105	215	320
16 The Last Airbender ⁽²⁾	Paramount Pictures	US	132	188	320
17 Tangled ^{(1) (2)}	Walt Disney	US	168	133	301
18 Resident Evil: Afterlife ⁽²⁾	Sony Pictures	DE/FR/GB	60	236	296
19 Shutter Island	Paramount Pictures	US	128	167	295
20 Salt	Sony Pictures	US	118	176	294

(1) Still on release in 2011.

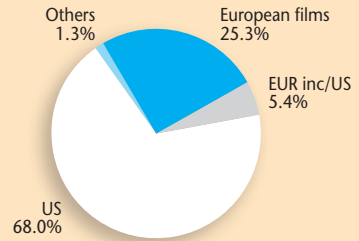
(2) Films available in 3D distribution.

Sources: Variety

European Union

Population 2010 ^e	501 million
GDP per capita 2010 ^e	32 143 USD
Gross box office 2010 ^e	6.45 bn EUR (8.54 bn USD)
Admissions 2010 ^e	966.5 million
Average ticket price 2010 ^e	6.67 EUR (8.83 USD)
Average admissions per capita 2010 ^e	1.93
Screens 2009 2010 ^e	29 817 ~
Digital screens 2009 2010 ^e	4 129 8 682
3D screens 2009 2010 ^e	2 961 6 946

Market shares 2010^e



GBO at record high despite fall in admissions

The ongoing interest in 3D films made GBO in the EU reach a new record of estimated EUR 6.4 billion (USD 8.5 billion) in 2010, up 5.1% year-on-year. It failed however to further drive admissions, which decreased slightly by 1.6% to an estimated 966 million tickets sold, still the second highest level since 2004. Boosted by rapid growth in 3D screens, market shares for 3D films increased dramatically in major European markets like France and Germany (16% and 17% of admissions) or the UK and Russia (24% and 20% of GBO). On the level of individual European markets, 2010 cinema-going trends varied significantly with admissions decreasing in 14 and increasing in 13 EU markets, while GBO increased in 18 and decreased in 8 of the EU markets for which provisional data were available. Theatrical markets which performed particularly well were Italy, with admissions up 11%, and France, where GBO rose 5.7%.

European films' share down due to 3D

The dramatic growth in market share of primarily US 3D blockbusters over the past two years seems to have depressed market share for European films to the lowest level of the past five years. Steadily growing up to 28.3% in 2008, estimated market share for European films in the EU decreased to 26.8% in 2009 and 25.3% in 2010. Market share for US films on the other hand grew from 66.9% to an estimated 68.0% in 2010. This compares to levels ranging between 63% and 65% in the years 2006 to 2008. Market share for European films produced in Europe with incoming US investment, such as *Harry Potter and the Deadly Hallows Part 1* and *Robin Hood*, increased from 4.0% to 5.4%. The most successful European films without incoming US investment were French success *Les petits mouchoirs* followed by German 3D horror action film *Resident Evil: Afterlife* which sold 5.3 million tickets across the EU.

EU production levels keep growing

EU production levels continued to grow to a new record in 2010, though at a slower pace compared to previous years. An estimated 1 203 feature films were produced within the EU member states, 19 films more than 2009. Production growth would have been more pronounced, but for a significant drop in German fiction production which fell from 129 to 84 films, affected by the withholding of support payments by the national funding body FFA, pending proceedings questioning the legal basis of the German public funding system. As a consequence overall EU growth was driven by an increase in feature documentaries (+32 films) while the number of fiction films decreased (-19), raising the share of feature documentaries to 28%, while fiction films accounted for 72% of total production volume in 2010. With 203 feature films receiving official recognition in 2010 France reached a historic high and became again the country with the highest production output in Europe, followed by Spain with 186 films produced.

3D digital screen explosion

According to provisional figures provided by MEDIA Salles the number of digital screens in the European Union more than doubled from 4 129 in 2009 to 8 682 digital screens by the end of 2010. As in 2009, 3D proved to be the single most important force for digital conversion with digital 3D screens accounting for 88% of all new digital screens installed in 2010, bringing the total to 6 946 3D screens. This means that by the end of 2010 an estimated 29% of total EU screens had been converted to digital projection, 80% of which were 3D capable. With 1 860 installations, France confirmed its leading position with regard to digital roll-out in the EU, followed by the UK (1 408) and Germany (1 248).

Sources: OBS, MEDIA Salles

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

Number of feature films produced in the European Union | 2006-2010

In units.

Country		2006	2007	2008	2009	prov. 2010	Sources
Austria	100% national fiction	8	4	7	7	10	OFI
	maj. co-prod. fiction	8	2	7	5	5	OFI
	min. co-prod. fiction	0	6	3	5	6	OFI
	Feature documentaries	17	20	13	17	23	OFI
Belgium^e	100% national fiction	11	20	14	13	5	MFB/OBS
	maj. co-prod. fiction	14	11	14	15	13	MFB/OBS
	min. co-prod. fiction	32	28	30	25	44	MFB/OBS
	Feature documentaries	12	15	20	24	12	MFB/OBS
Bulgaria	100% national fiction	4	4	4	5	6	NFC
	maj. co-prod. fiction	3	1	1	0	1	NFC
	min. co-prod. fiction	3	0	2	3	3	NFC
	Feature documentaries	2	3	2	10	5	NFC
Czech Republic	100% national fiction	28	18	18	21	16	Min.Cult.
	maj. co-prod. fiction	1	5	5	8	4	Min.Cult.
	min. co-prod. fiction	6	0	4	4	5	Min.Cult.
	Feature documentaries	10	7	12	12	15	Min.Cult.
Denmark	100% national fiction	13	8	14	14	13	DFI
	maj. co-prod. fiction	7	9	6	7	6	DFI
	min. co-prod. fiction	4	7	6	7	3	DFI
	Feature documentaries	9	4	4	2	7	DFI
Estonia	100% national fiction	5	7	3	2	0	EFSA/OBS
	maj. co-prod. fiction	3	2	1	1	3	EFSA/OBS
	min. co-prod. fiction	2	0	1	3	1	EFSA/OBS
	Feature documentaries	1	3	9	3	8	EFSA/OBS
Finland	100% national fiction	12	9	9	12	12	FFF
	maj. co-prod. fiction	5	5	4	4	2	FFF
	min. co-prod. fiction	6	3	5	4	5	FFF
	Feature documentaries	3	4	1	5	9	FFF
France	100% national	127	133	145	137	143	CNC
	maj. co-prod.	37	52	51	45	60	CNC
	min. co-prod.	39	43	44	48	58	CNC
Germany	100% national fiction	78	77	81	87	61	SPIO
	maj. co-prod. fiction	20	16	15	42	23	SPIO
	min. co-prod. fiction	24	29	29	20	35	SPIO
	Feature documentaries	52	50	60	70	74	SPIO
Greece^e	100% national fiction	13	10	12	16	14	GFC/OBS
	maj. co-prod. fiction	2	0	2	3	1	GFC/OBS
	min. co-prod. fiction	2	5	2	0	1	GFC/OBS
	Feature documentaries	5	10	15	6	2	GFC/OBS
Hungary	100 % national	37	26	25	22	26	Min.Cult./AHFD/NFO
	maj. co-prod.	9	2	1	1	1	Min.Cult./AHFD/NFO
	min. co-prod.	0	0	4	4	9	Min.Cult./AHFD/NFO
Ireland	100% national fiction	~	5	7	8	4	IFB
	maj. co-prod. fiction	~	3	6	6	10	IFB
	min. co-prod. fiction	~	2	12	6	9	IFB
	Feature documentaries	9	13	14	13	15	IFB
Italy	100 % national	90	93	128	101	115	CCH
	maj. co-prod.	12	16	18	14	14	CCH
	min. co-prod.	15	14	9	18	13	CCH

Continued overleaf

Continued

Number of feature films produced in the European Union | 2006-2010

In units.

Country		2006	2007	2008	2009	prov. 2010	Sources
Latvia	100% national fiction	0	5	3	4	2	NFCL
	maj. co-prod. fiction	2	0	0	1	1	NFCL
	min. co-prod. fiction	2	1	1	1	0	NFCL
	Feature documentaries	2	1	3	9	12	NFCL
Lithuania	100% national fiction	1	2	6	5	4	Min. Cult./Baltic Films
	maj. co-prod. fiction	2	0	0	1	1	Min. Cult./Baltic Films
	min. co-prod. fiction	0	1	1	0	0	Min. Cult./Baltic Films
Luxembourg	100% national fiction	0	0	0	1	1	LFF
	maj. co-prod. fiction	3	2	0	4	1	LFF
	min. co-prod. fiction	9	2	11	12	14	LFF
	Feature documentaries	2	4	2	1	5	LFF
The Netherlands^e	100% national fiction	16	27	22	28	22	NFF/NVF/OBS
	maj. co-prod. fiction	6	4	6	5	10	NFF/NVF/OBS
	min. co-prod. fiction	8	8	18	6	12	NFF/NVF/OBS
	Feature documentaries	17	10	17	14	15	NFF/NVF/OBS
Poland	100% national fiction	23	30	28	31	38	PISF/OBS
	maj. co-prod. fiction	1	4	4	7	4	PISF/OBS
	min. co-prod. fiction	2	5	8	4	2	PISF/OBS
	Feature documentaries	1	1	5	7	2	PISF/OBS
Portugal	100% national fiction	3	8	7	9	12	ICA
	maj. co-prod. fiction	11	4	6	3	6	ICA
	min. co-prod. fiction	7	0	1	2	4	ICA
	Feature documentaries	13	3	2	9	15	ICA
Romania	100% national fiction	14	9	7	11	9	CNC
	maj. co-prod. fiction	1	0	2	3	8	CNC
	min. co-prod. fiction	3	3	2	4	2	CNC
	Feature documentaries	0	2	2	1	2	CNC/OBS
Slovakia	100% national fiction	0	3	1	1	1	SKFI
	maj. co-prod. fiction	0	2	3	5	1	SKFI
	min. co-prod. fiction	2	3	3	7	2	SKFI
	Feature documentaries	1	2	5	5	4	SKFI
Slovenia	100% national fiction	1	4	9	3	4	SFC
	maj. co-prod. fiction	0	4	0	0	0	SFC
	min. co-prod. fiction	3	3	3	1	3	SFC
	Feature documentaries	0	2	3	2	0	SFC
Spain	100 % national	109	115	124	135	152	ICAA
	maj. co-prod.	23	26	26	22	34	ICAA
	min. co-prod.	18	31	23	29	15	ICAA
Sweden	100% national fiction	29	15	8	30	19	SFI/OBS
	maj. co-prod. fiction	12	10	13	7	9	SFI/OBS
	min. co-prod. fiction	2	7	1	1	8	SFI/OBS
	Feature documentaries	3	5	14	4	18	SFI/OBS
United Kingdom	100 % national	57	70	81	83	72	UKFC/OBS
	maj. co-prod.	18	15	10	6	12	UKFC/OBS
	min. co-prod.	33	14	13	20	7	UKFC/OBS
	Inward features ⁽¹⁾	28	26	20	26	28	UKFC/OBS
Total fiction films EU 27^{e(2)}		819	803	847	883	870	OBS
Total feat. documentaries EU 27^{e(3)}		226	241	294	301	333	OBS
Total feature films EU 27^{e(3)}		1 045	1 044	1 141	1 184	1 203	OBS

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

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

(3) 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 | 2006-2010

In millions.

Country	2006	2007	2008	2009	prov. 2010	2010/09	Sources
Austria	17.3	15.7	15.6	18.4	17.3	-6.0%	F&MA
Belgium^e	23.9	22.7	21.9	22.6	23.7	5.1%	INS/MEDIA Salles
Bulgaria	2.4	2.5	2.8	3.2	4.0	25.1%	National Film Center
Cyprus	0.8	0.9	0.9	0.9	0.9	-1.8%	Min. Cult./Media Salles
Czech Republic	11.5	12.8	12.9	12.5	13.5	8.6%	Ministry of Culture/UFD
Denmark	12.6	12.1	13.2	14.1	13.0	-0.2%	Denmark Statistics
Estonia	1.6	1.6	1.6	1.8	2.1	19.5%	Estonian Film Foundation
Finland	6.7	6.5	6.9	6.8	7.5	9.7%	Finnish Film Foundation
France	188.8	178.2	190.1	201.4	206.3	2.4%	CNC
Germany	136.7	125.4	129.4	146.3	126.6	-13.5%	FFA
Greece	12.8	13.8	11.8	12.3	11.7	-5.1%	Media Salles/GFC
Hungary	11.7	11.1	10.4	10.6	11.0	3.5%	National Film Office
Ireland	17.9	18.4	18.2	17.7	16.5	-6.6%	Carlton Screen Advertising/Rentrak
Italy^e	106.1	116.4	111.6	111.2	123.4	11.0%	CCH/ANICA/Cinetel/OBS
Latvia	2.1	2.4	2.4	1.9	2.1	8.3%	National Film Centre
Lithuania	2.4	3.2	3.3	2.7	2.6	-2.9%	Baltic Films
Luxembourg^e	1.3	1.2	1.1	1.3	1.2	-5.6%	CNA/Media Salles
Malta^e	0.9	1.0	1.0	1.0	0.9	-3.1%	MFC/Media Salles
Poland	32.0	32.6	33.8	39.2	37.5	-4.3%	boxoffice.pl
Portugal	16.4	16.3	16.0	15.7	16.6	5.4%	Instituto do Cinema e do Audiovisual
Romania	2.8	2.9	3.8	5.3	6.5	23.3%	Centrul National al Cinematografiei
Slovakia	3.4	2.8	3.4	4.1	3.9	-5.7%	Slovak Film Institute
Slovenia	2.7	2.4	2.4	2.7	2.9	8.7%	Slovenian Film Centre
Spain	121.7	116.9	107.8	110.0	101.6	-7.6%	ICAA/OBS
Sweden	15.3	14.9	15.3	17.4	15.8	-9.1%	Swedish Film Institute
The Netherlands	23.4	23.1	23.5	27.3	28.2	3.2%	NFC/NFF/MaccsBox - NVB & NVF
United Kingdom	156.6	162.4	164.2	173.5	169.2	-2.5%	Digital Cinema Media/CAA/Rentrak
EU 27^e	932	920	925	982	966	-1.6%	European Audiovisual Observatory

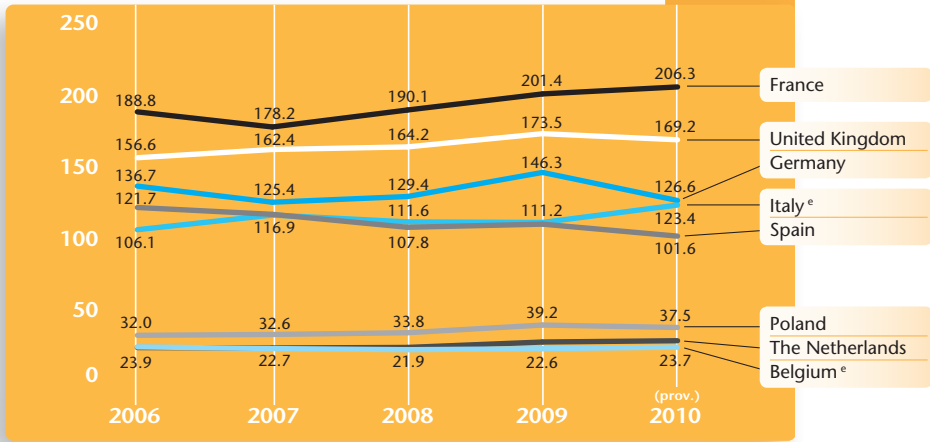
Source: OBS

European Union

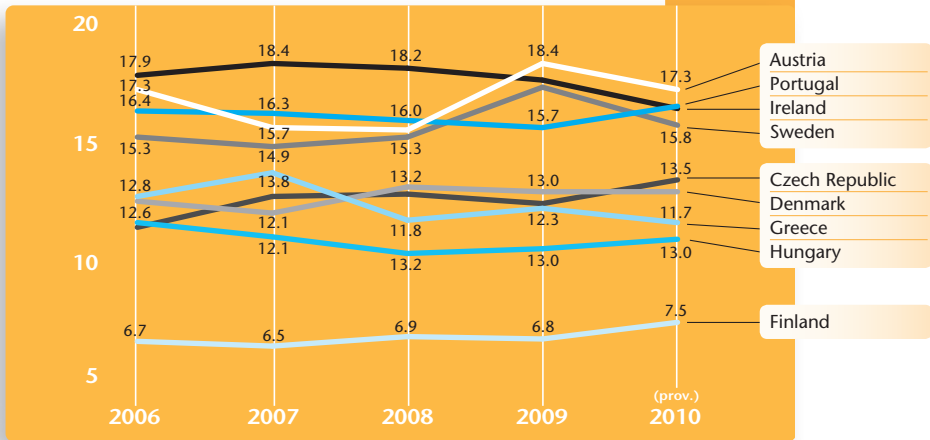
Admissions in the European Union | 2006-2010

In millions.

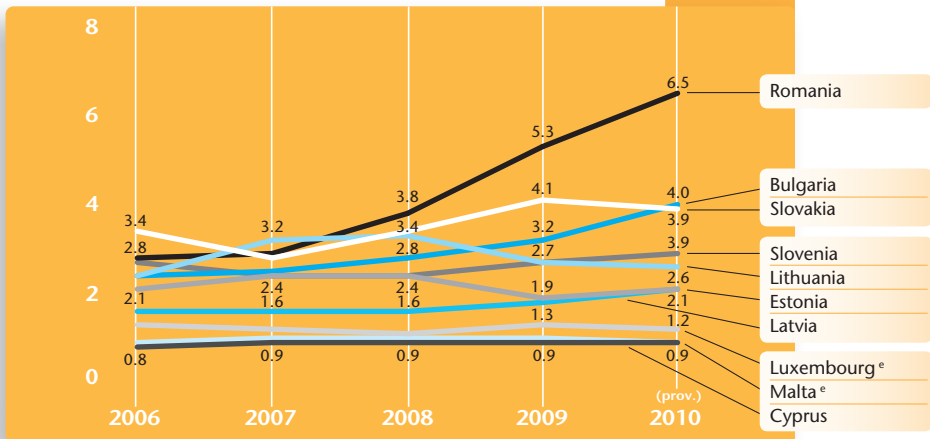
Source: OBS



Source: OBS

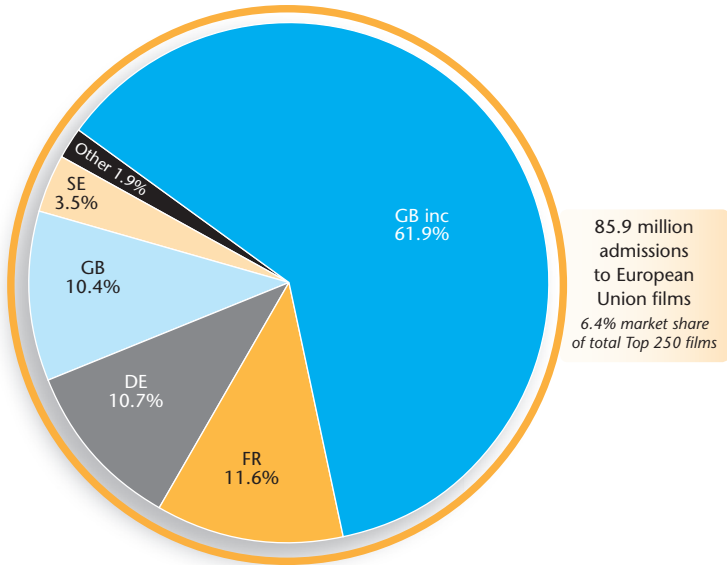


Source: OBS



Breakdown of admissions to European Union films on the North American market | 2010^e

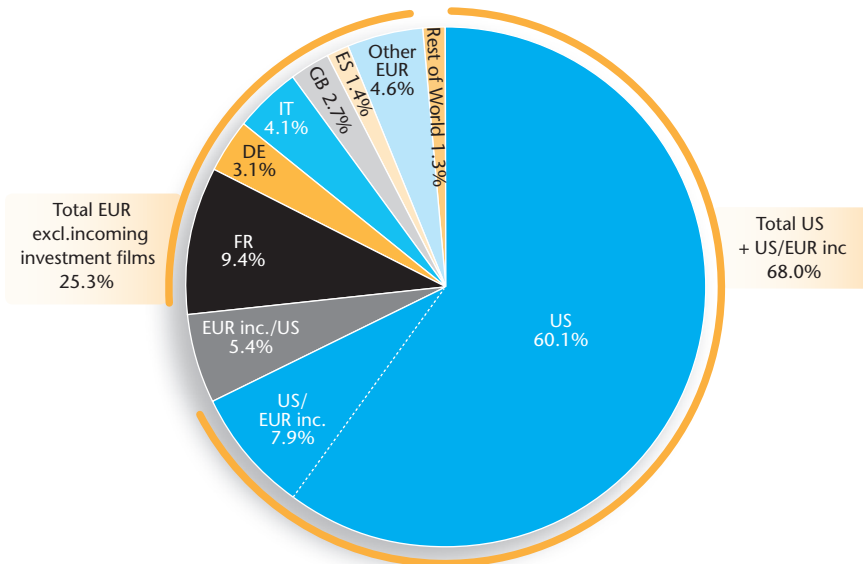
Percentage share of admissions in the United States and Canada.
Admissions estimated based on average ticket price of 7.89 USD.



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 | 2010 prov.



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

Sources: OBS, LUMIERE

The tables below are provisional rankings on the basis of 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 | 2010^e

Original title	Country of origin	Year	Director	Admissions ^e
1 Avatar ⁽¹⁾	US/GB	2009	James Cameron	43 309 016
2 Harry Potter and the Deathly Hallows: Part 1	GB inc/US	2010	David Yates	31 275 121
3 Toy Story 3	US	2010	Lee Unkrich	27 511 206
4 Alice in Wonderland	US	2010	Tim Burton	26 703 665
5 Inception	US/GB inc	2010	Christopher Nolan	25 504 921
6 Shrek Forever After	US	2010	Mike Mitchell	25 130 938
7 The Twilight Saga: Eclipse	US	2010	David Slade	23 661 004
8 Despicable Me	US	2010	P. Coffin, C. Renaud	14 787 983
9 Sherlock Holmes ⁽²⁾	US/GB inc/DE	2009	Guy Ritchie	13 166 906
10 Robin Hood	GB inc/US	2010	Ridley Scott	13 108 518
11 How to Train Your Dragon	US	2010	D. DeBlois, C. Sanders	12 406 370
12 Sex and the City 2	US	2010	Michael Patrick King	12 335 567
13 Clash of the Titans	US	2010	Louis Leterrier	11 767 222
14 Shutter Island	US	2010	Martin Scorsese	11 316 515
15 Prince of Persia: The Sands of Time	US/GB inc	2010	Mike Newell	10 960 662
16 The Princess and the Frog ⁽³⁾	US	2009	R. Clements, J. Musker	10 679 895
17 Iron Man 2	US	2010	Jon Favreau	10 372 268
18 The Chronicles of Narnia: The Voyage...	US/GB inc	2010	Michael Apted	8 743 094
19 Tangled	US	2010	B. Howard, N. Greno	8 383 686
20 The Karate Kid	US/CN	2010	Harald Zwart	8 141 197
21 Knight and Day	US	2010	James Mangold	7 796 697
22 The Sorcerer's Apprentice	US	2010	Jon Turteltaub	6 901 949
23 Invictus	US	2009	Clint Eastwood	6 828 917
24 Alvin and the Chipmunks: The Squeakquel ⁽⁴⁾	US	2009	Betty Thomas	6 793 880
25 The Last Airbender	US	2010	M. Night Shyamalan	6 738 456

(1) 22 476 323 admissions in the EU in 2009.

(2) 2 313 854 admissions in the EU in 2009.

Sources: OBS, LUMIERE

(2) 3 588 455 admissions in the EU in 2009.

(4) 5 279 352 admissions in the EU in 2009.

Top 25 European Union films by admissions in the European Union | 2010^e

Original title	Country of origin	Year	Director	Admissions ^e
1 Harry Potter and the Deathly Hallows: Part 1	GB inc/US	2010	David Yates	31 275 121
2 Robin Hood	GB inc/US	2010	Ridley Scott	13 108 518
3 Les petits mouchoirs	FR	2010	Guillaume Canet	5 401 353
4 Resident Evil: Afterlife	DE/FR/GB	2010	Paul W.S. Anderson	5 272 912
5 Nanny McPhee and the Big Bang	GB/US/FR	2010	Susanna White	5 011 470
6 Benvenuti al Sud	IT	2010	Luca Miniero	4 911 920
7 Camping 2	FR	2010	Fabien Onteniente	4 098 480
8 L'arnacoeur	FR/MC	2010	Pascal Chaumeil	4 086 642
9 Océans	FR/ES/CH	2009	J. Perrin, J. Cluzaud	3 822 120
10 StreetDance 3D	GB	2010	M. Giwa, D. Pasquini	3 805 069
11 The Ghost Writer	FR/DE/GB	2010	Roman Polanski	3 603 856
12 Des hommes et des dieux	FR	2010	Xavier Beauvois	3 482 157
13 Sammy's avonturen: De geheime...	BE/US	2010	Ben Stassen	3 358 816
14 Arthur et la guerre des deux mondes	FR	2010	Luc Besson	3 304 428
15 La raffe	FR/DE/HU	2010	Roselyne Bosch	3 012 452
16 Green Zone	GB/US/ES/FR/JP	2010	Paul Greengrass	2 999 813
17 Io, loro e Lara	IT	2010	Carlo Verdone	2 537 203
18 Potiche	FR/BE	2010	François Ozon	2 450 142
19 Planet 51 ⁽¹⁾	ES/GB	2009	Jorge Blanco, Javier Abad	2 192 977
20 Natale in Sud Africa	IT	2010	Neri Parenti	2 173 332
21 Maschi contro femmine	IT	2010	Fausto Brizzi	2 148 807
22 Les aventures extraordinaires d'Adèle...	FR	2010	Luc Besson	2 063 350
23 La banda dei babbi natale	IT	2010	Paolo Genovese	2 015 124
24 Die Konferenz der Tiere	DE	2010	H. Tappe, R. Klooss	1 901 234
25 Mine vaganti	IT	2010	Ferzan Ozpetek	1 869 806

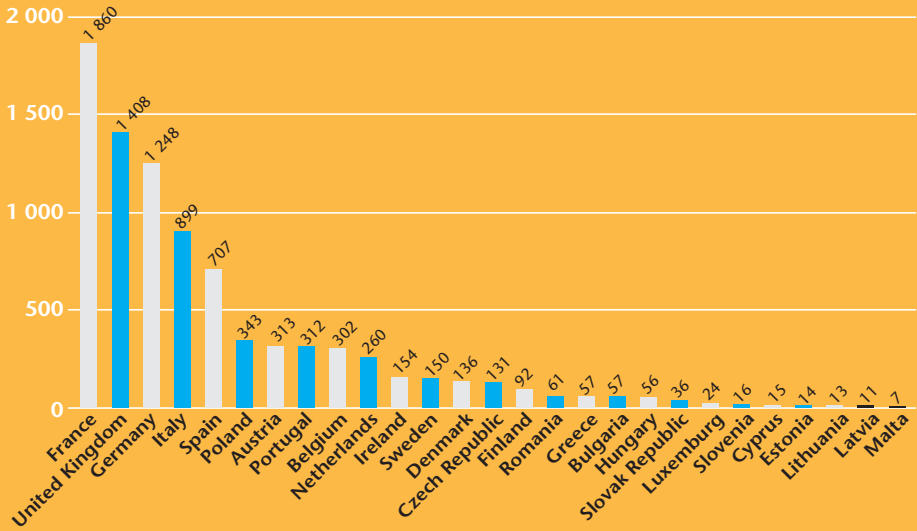
(1) 3 315 734 admissions in the EU in 2009.

Sources: OBS, LUMIERE

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

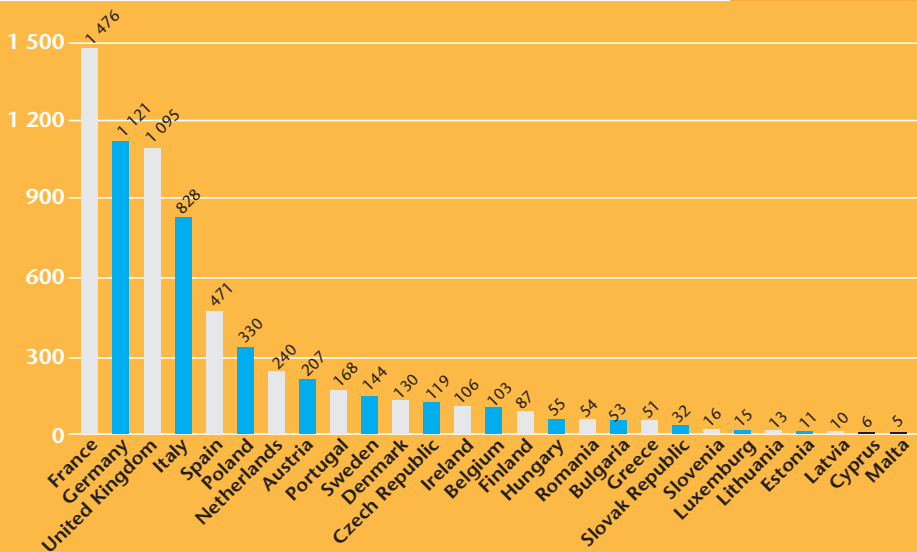
Number of digital screens in the European Union by country | December 2010 *prov.*

Source: MEDIA Salles



Number of digital 3D screens in the European Union by country | December 2010 *prov.*

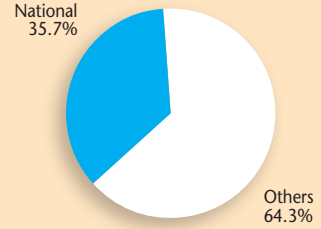
Source: MEDIA Salles



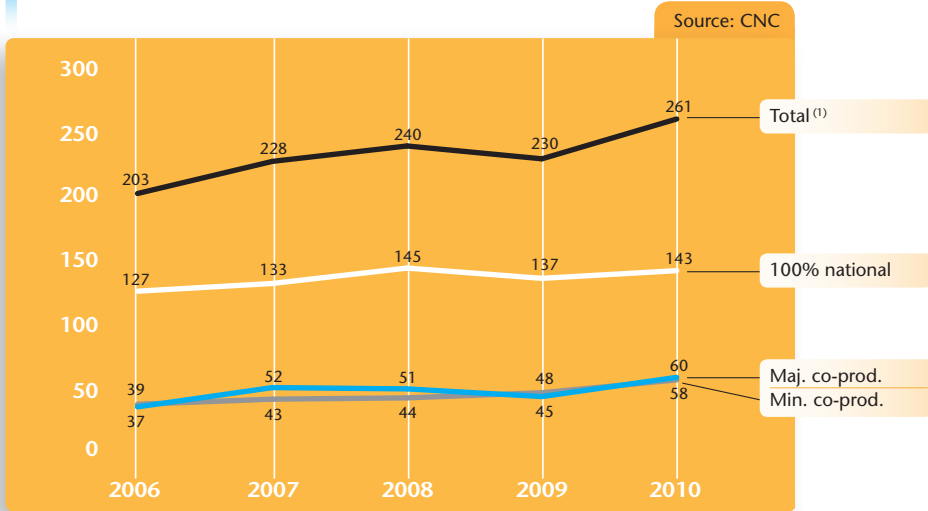
France

Population 2010*	63.0 million
GDP per capita 2010*	40 591 USD
Gross box office 2010	1.30 bn EUR (1.73 bn USD)
Admissions 2010	206.3 million
Average ticket price 2010	6.32 EUR (8.38 USD)
Average admissions per capita 2010*	3.28
Screens 2009 2010	5 470 5 481
Digital screens 2009 2010	904 1 860
Digital 3D screens 2009 2010	477 1 476

Market shares 2010

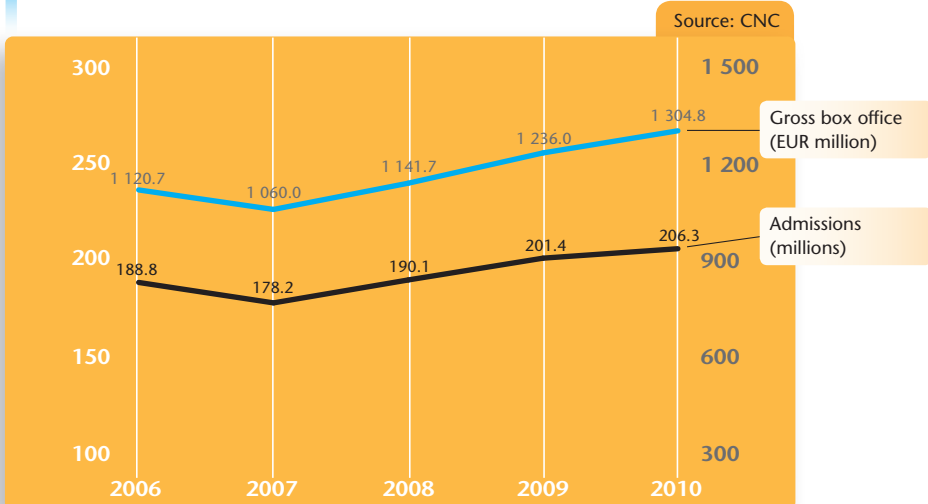


Number of feature films produced | 2006-2010



(1) Officially recognised films.

Admissions and gross box office | 2006-2010



Top 20 films by admissions in France | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Harry Potter and the Deathly...	GB inc/US	David Yates	Warner Bros.	5 506 304
2 Les petits mouchoirs	FR	Guillaume Canet	EuropaCorp	5 249 345
3 Inception	US/GB inc	Christopher Nolan	Warner Bros.	4 933 551
4 Shrek Forever After	US	Mike Mitchell	Paramount Pictures	4 625 118
5 Alice in Wonderland	US	Tim Burton	Walt Disney	4 533 414
6 Toy Story 3	US	Lee Unkrich	Walt Disney	4 353 253
7 Camping 2	FR	Fabien Onteniente	Pathé Distribution	3 978 114
8 The Twilight Saga: Eclipse	US	David Slade	SND Films	3 940 301
9 The Princess and the Frog	US	R. Clements, J. Musker	Walt Disney	3 842 600
10 L'arnacoeur	FR/MC	Pascal Chaumeil	Universal Pictures	3 798 089
11 Invictus	US	Clint Eastwood	Warner Bros.	3 165 259
12 Shutter Island	US	Martin Scorsese	Paramount Pictures	3 113 153
13 Des hommes et des dieux	FR	Xavier Beauvois	Mars Dist.(StudioCanal)	3 082 754
14 Arthur et la guerre des deux mondes	FR	Luc Besson	EuropaCorp	3 055 000
15 Despicable Me	US	P. Coffin, C. Renaud	Universal Pictures	2 937 925
16 La raffle	FR/DE/HU	Roselyne Bosch	Gaumont Distribution	2 895 810
17 Océans	FR/ES/CH	J. Perrin, J. Cluzaud	Pathé Distribution	2 860 503
18 Tangled	US	B. Howard, N. Greno	Walt Disney	2 781 868
19 Iron Man 2	US	Jon Favreau	Paramount Pictures	2 575 234
20 Robin Hood	GB inc/US	Ridley Scott	Universal Pictures	2 385 387

Source: *Le film français*

Distribution and Exhibition

2010 saw France breaking box office records for the second year in a row. Cinema attendance increased by 2.4% to 206.3 million tickets sold, the highest level since 1967, and GBO climbed by 5.6% to EUR 1.3 billion (USD 1.7 billion), the highest level in history. The 24 3D films screened in 2010 significantly contributed to this development, accounting for an estimated 16% of total admissions and causing average ticket price to increase by 3.1% to EUR 6.32 (USD 8.4). Market share for French films decreased from 36.8% to 35.7%, the lowest level since 2004 but still the highest national market share in the EU. US films accounted for 47.5% of admissions, down from 49.7% in 2009, as chart topping *Harry Potter and the Deathly Hallows I* is counted as a UK production. Warner Bros. topped distributor rankings with an estimated 12.4% market share, followed by 20th Century Fox (9.3%) and Walt Disney (9.1%). The commercial success of 3D films gave further impetus to the roll-out of digital cinema with all major exhibition chains speeding up the conversion of their screens, driving digital screen count to more than double in 2010. With 1 860 digital screens, 34% of its total screen base, and 1 476 3D screens at the end of 2010, France further extended its leading position in Europe. In

order to support smaller theaters in small towns and rural areas, the French government will provide public aid of EUR 125 million over the next three years through a cinema digitisation fund administered by the CNC.

Production and Funding

French film production reached a historical record high in 2010 with 261 feature films receiving official recognition, 31 more than in 2009. 203 out of these films were French initiative films whose average production costs increased from EUR 5.1 million to EUR 5.5 million. After having fallen to EUR 1.1 billion in 2009, total production investment bounced back to EUR 1.44 billion. 2010 saw a significant increase in the number of mid-range productions with budgets from EUR 4 to 7 million accounting for 23% of all films as well as of total production spend. About 50% of French film productions had budgets of less than EUR 4 million accounting for some 17% of total production spend. Production growth was primarily driven by an increase in international co-productions, up 25 films and contributing EUR 692 million in production investment.

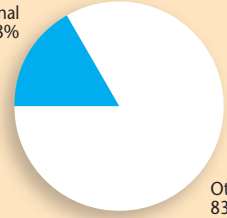
Sources: CNC, *Le film français*, Screen International, Variety, OBS

Germany

Population 2010*	81.8 million
GDP per capita 2010*	40 512 USD
Gross box office 2010	920.4 M EUR (1 218 M USD)
Admissions 2010	126.6 million
Average ticket price 2010	7.27 EUR (9.62 USD)
Average admissions per capita 2010*	1.55
Screens 2009 2010	4 734 4 699
Digital screens 2009 2010	566 1 248
Digital 3D screens 2009 2010	369 1 121

Market shares 2010

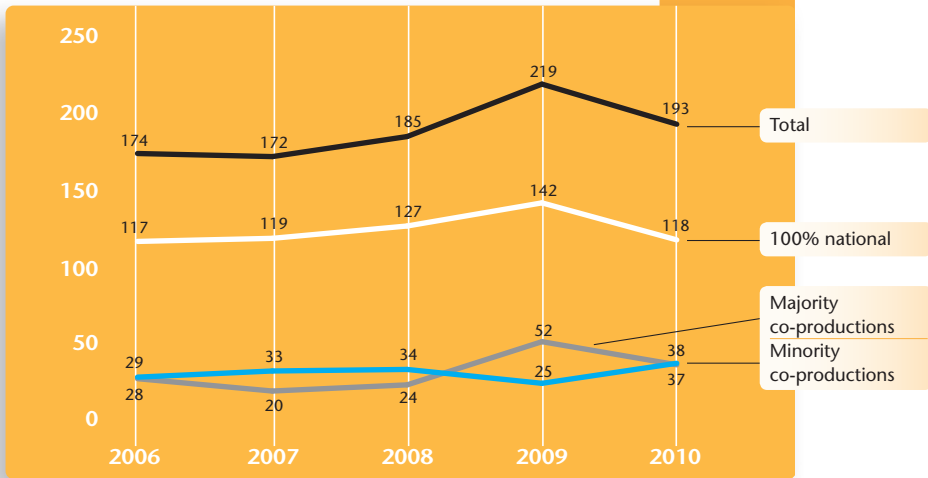
National
16.8%



Others
83.2%

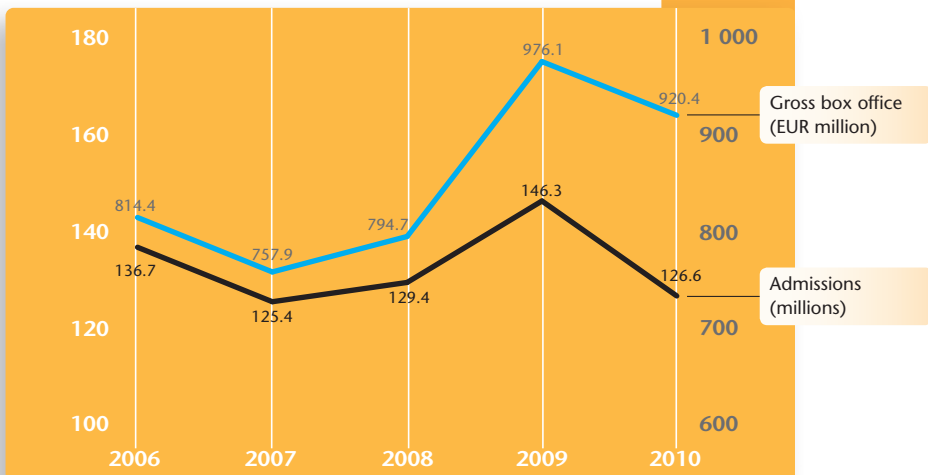
Number of German films on first release | 2006-2010

Source: SPIO



Admissions and gross box office | 2006-2010

Source: FFA



Top 20 films by admissions in Germany | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	20 th Century Fox	7 872 509
2 Harry Potter and the Deathly...	GB inc/US	David Yates	Warner Bros.	5 187 790
3 The Twilight Saga: Eclipse	US	David Slade	Concorde Filmverleih	3 710 149
4 Inception	US/GB inc	Christopher Nolan	Warner Bros.	3 423 479
5 Alice in Wonderland	US	Tim Burton	Walt Disney Studios	2 968 430
6 Tangled	US	B. Howard, N. Greno	Walt Disney Studios	2 588 600
7 Sex and the City 2	US	Michael Patrick King	Warner Bros.	2 569 498
8 Despicable Me	US	P. Coffin, C. Renaud	Universal Pictures	2 466 275
9 Shrek Forever After	US	Mike Mitchell	Paramount	2 431 818
10 Grown Ups	US	Dennis Dugan	Sony Pict. Releasing	2 097 177
11 Sherlock Holmes	US/GB inc/DE	Guy Ritchie	Warner Bros.	1 731 301
12 Prince of Persia: The Sands of...	US/GB inc	Mike Newell	Walt Disney Studios	1 610 233
13 How to Train Your Dragon	US	D. DeBlois, C. Sanders	Paramount	1 605 205
14 Friendship!	DE/US	Markus Goller	Sony Pict. Releasing	1 597 193
15 Toy Story 3	US	Lee Unkrich	Walt Disney Studios	1 591 518
16 Robin Hood	GB INC/US	Ridley Scott	Universal Pictures	1 524 773
17 Shutter Island	US	Martin Scorsese	Concorde Filmverleih	1 484 491
18 The Karate Kid	US/CN	Harald Zwart	Sony Pict. Releasing	1 452 703
19 Alvin and the Chipmunks 2	US	Betty Thomas	20 th Century Fox	1 422 775
20 Konferenz... (Animals United)	DE	H. Tappe, R. Klooss	Constantin Film	1 409 397

Source: FFA

Distribution and Exhibition

After breaking all sorts of records in 2009, the German theatrical market faced a significant downturn in 2010. Admissions fell by 13.5% from 146 million to 126.6 million and even the ongoing 3D boom – which brought average ticket prices to a new record high of EUR 7.3 (USD 9.6) compared to EUR 6.1 just two years ago – could not compensate for the strong decline in cinema attendance causing GBO to fall 6% from EUR 976 million to EUR 920 million. In contrast to the past two years it was particularly German films which failed to attract audiences with admissions almost halving from 40 million to 21 million, thereby accounting for practically the entire fall in overall admissions. National market share consequently dropped from 27.4% to 16.8%. The strong impact of 3D films on the German theatrical market in 2010 is also illustrated by the fact that 11 out of the 32 films which passed the 1 million admissions threshold were 3D films. The overall market share of 3D films in terms of admissions increased from 5% to 17% and should be significantly larger in terms of GBO. Germany's screen base continued to shrink for the fifth consecutive year, with screens falling to 4 699 and the number of towns offering a local cinema decreasing further to 954, compared to 1 035 in 2005. More than

a quarter of all German screens had been converted to digital projection systems by the end of 2010. After failing to agree on an all-industry solution for a nationwide digital roll-out, a state support scheme for digitising screens in smaller cinemas, operated by the FFA and the BKM was launched in February 2011.

Production and Funding

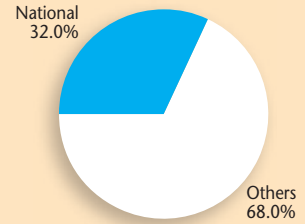
After shooting to a record high of 219 film productions in 2009, German production activity dropped to 193 feature film releases, primarily due to a decrease in the number of 100% national and majority fiction co-productions. The drop may have been influenced by the uncertainty about the legal basis of the German public funding system in 2009, which had been found unconstitutional after a complaint had been brought forward by several exhibitors who criticised the unequal treatment in comparison with broadcasters and refused to pay their contributions to the FFA. Good news came earlier this year from a ruling of the Federal Administrative Court, which approved an amended version of the film funding law obliging broadcasters to contribute to the fund.

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

Italy

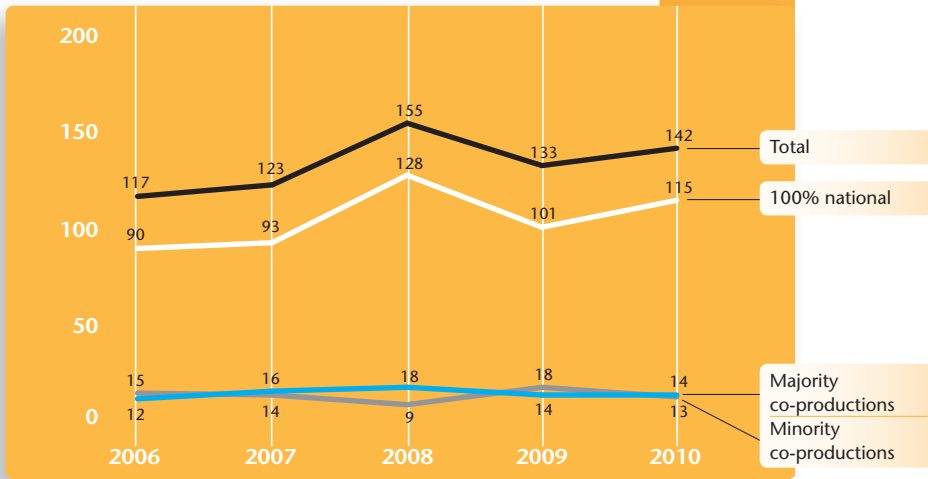
Population 2010 ^e	60.2 million
GDP per capita 2010 ^e	33 829 USD
Gross box office 2010 ^e	797.2 M EUR (1 055 M USD)
Admissions 2010 ^e	123.4 million
Average ticket price 2010 ^e	6.46 EUR (8.55 USD)
Average admissions per capita 2010 ^e	2.05
Screens 2009 2010	3 208 3 217
Digital screens 2009 2010	434 899
Digital 3D screens 209 2010	392 828

Market shares 2010^e



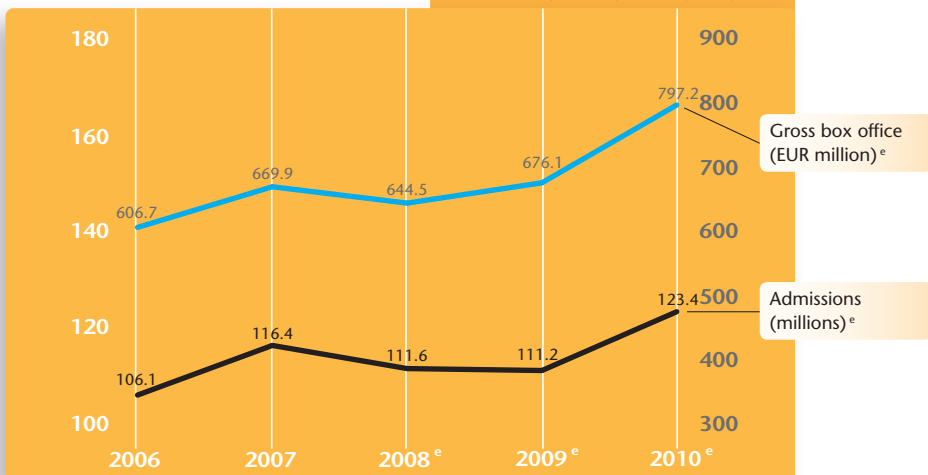
Number of feature films produced in Italy | 2006-2010

Source: CCH



Admissions and gross box office | 2006-2010^e

Sources: OBS, ANICA, Cinetel, SIAE, CCH



Top 20 films by admissions in Italy | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	20 th Century Fox	7 493 785
2 Benvenuti al Sud	IT	Luca Miniero	Medusa Film	4 889 239
3 Alice in Wonderland	US	Tim Burton	Walt Disney	3 511 206
4 Harry Potter and the Deathly...	GB inc/US	David Yates	Warner Bros	2 710 408
5 Io, loro e Lara	IT	Carlo Verdone	Warner Bros	2 537 203
6 The Twilight Saga: Eclipse	US	David Slade	Eagle Pictures	2 509 107
7 Shrek Forever After	US	Mike Mitchell	Universal	2 199 696
8 Natale in Sudafrica	IT	Neri Parenti	Filmauro	2 173 332
9 Maschi contro femmine	IT	Fausto Brizzi	01 Distribution	2 148 807
10 La banda dei babbi natale	IT	Paolo Genovese	Medusa Film	2 015 124
11 Sherlock Holmes	US/GB inc/DE	Guy Ritchie	Warner Bros	1 898 482
12 Robin Hood	GB inc/US	Ridley Scott	Universal	1 775 739
13 Inception	US/GB inc	Christopher Nolan	Warner Bros	1 688 234
14 Toy Story 3	US	Lee Unkrich	Walt Disney	1 688 047
15 Despicable Me	US	P. Coffin, C. Renaud	Universal	1 534 161
16 Baciami ancora	IT/FR	Gabriele Muccino	Medusa Film	1 493 998
17 Genitori & figli:) - Agitare bene...	IT	Giovanni Veronesi	Filmauro	1 402 616
18 Mine vaganti	IT	Ferzan Ozpetek	01 Distribution	1 399 954
19 A Natale mi sposo	IT	Paolo Costella	Medusa Film	1 354 935
20 Iron Man 2	US	Jon Favreau	Universal	1 292 406

Source: Cinetel

Distribution and Exhibition

2010 proved to be an exceptionally good year for the Italian theatrical market. Cinema attendance increased by 11% to an estimated 123.4 million admissions, the highest level since 1986. Driven by the ongoing enthusiasm for 3D, gross box office even jumped 18% to a record high of estimated EUR 797 million (USD 1.1 billion). Market growth was driven primarily by blockbusters, particularly 3D titles, as well as the success of local films, mostly light-hearted comedies. *Benvenuti al Sud*, the Italian remake of the French *Bienvenue chez les Ch'tis*, became the top grossing Italian film of all times and was only beaten by *Avatar* at the box office. Italian films accounted for five out of the top 10 films and could significantly increase their market share to 32%, up from 24.4% in 2009. Supported by a tax credit scheme about 28% of Italy's screen base had been converted to digital projection (899 screens) by the end of 2010. Online piracy increased by 5% causing damages worth USD 670 million in 2010 according to a study released by Italy's Audiovisual Anti-Piracy Federation.

Production and Funding

Despite a further drop in public funding, Italian production activity increased again to 142 films

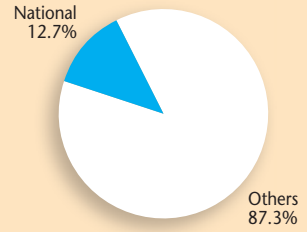
after having dropped to 133 in 2009. According to figures from film industry association ANICA, public funding further decreased in 2010 to EUR 35.4 million, representing about 11% of total production investment of EUR 312 million. The tax shelter and tax credit scheme supporting foreign and local film production introduced in 2009 expired at the end of 2010 but was finally extended until 2013 earlier this year, originally to be financed via the introduction of a controversial EUR 1 tax on movie tickets which triggered wide protests among exhibitors. In a wider context, the Italian arts sector was set for a difficult year in 2011 with the government's decision to reduce Italy's single arts fund FUS (Fondo Unico Spettacolo) from EUR 428 to EUR 258 which would have threatened the operations of well established institutions like the Venice Film Festival or the Cinecittà film studios. After protests the Italian government finally decided in March 2011 to reinstate the FUS budget to its 2010 level and to replace the 'cinema ticket tax' with an increase in petrol tax. Also, foreign productions will no longer have to pay VAT when working through an Italian production service company thanks to EU legislation becoming effective in 2011.

Sources: ANICA, *Giornale dello Spettacolo*, *Cinecittà' News*, *Variety*, *Screen International*, OBS

Spain

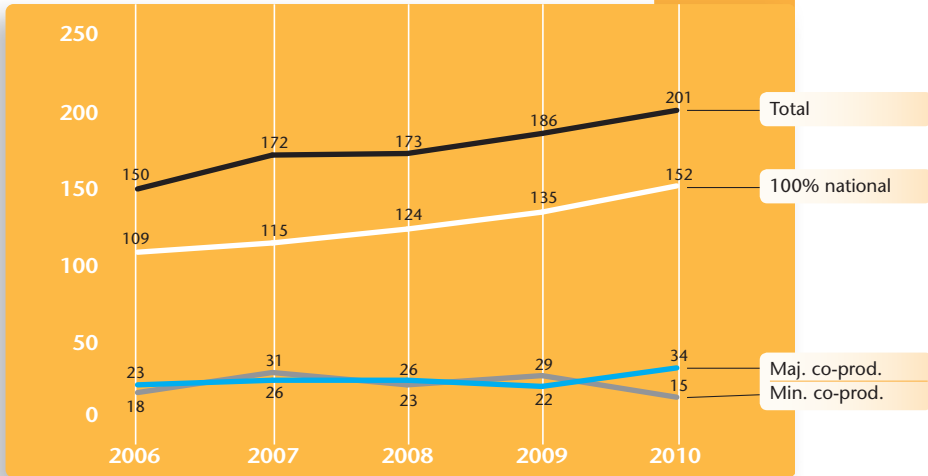
Population 2010*	46.0 million
GDP per capita 2010*	29 875 USD
Gross box office 2010	662.3 M EUR (876.6 M USD)
Admissions 2010*	101.6 million
Average ticket price 2010	6.52 EUR (8.63 USD)
Average admissions per capita 2010*	2.21
Screens 2009 2010	4 082 4 080
Digital screens 2009 2010	252 707
Digital 3D screens 2009 2010	195 471

Market shares 2010



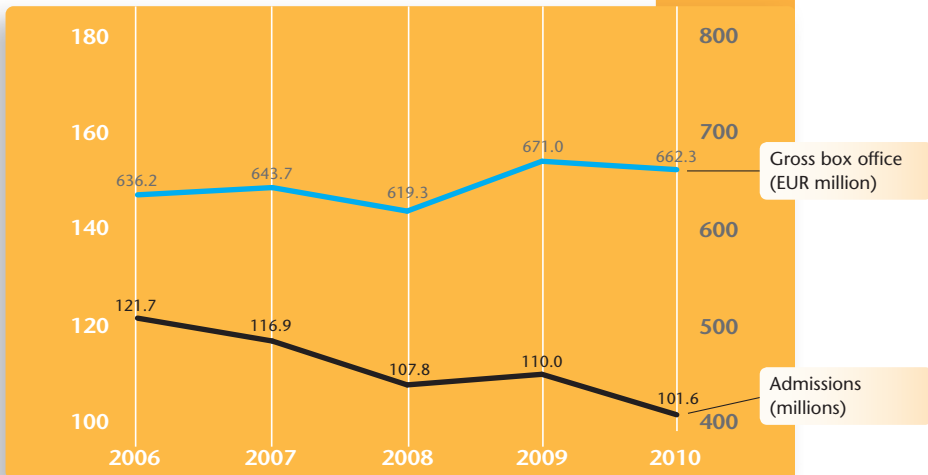
Number of feature films produced | 2006-2010

Source: ICAA



Admissions and gross box office | 2006-2010

Source: ICAA



Top 20 films by admissions in Spain | 2010

	Original title	Country of origin	Director	Distributor	Admissions
1	Avatar	US/GB	James Cameron	Hispano Foxfilms	6 018 936
2	Toy Story 3	US	Lee Unkrich	Walt Disney	3 597 224
3	The Twilight Saga: Eclipse	US	David Slade	Aurum Producciones	3 165 263
4	Alice in Wonderland	US	Tim Burton	Walt Disney	2 861 441
5	Inception	US/GB inc	Christopher Nolan	Warner Bros.	2 712 641
6	Shrek Forever After	US	Mike Mitchell	Paramount Spain	2 318 260
7	Harry Potter and the Deathly...	GB inc/US	David Yates	Warner Bros.	2 044 846
8	Prince of Persia: The Sands of Time	US/GB inc	Mike Newell	Walt Disney	1 704 189
9	Robin Hood	GB inc/US	Ridley Scott	UPI	1 697 874
10	Sherlock Holmes	US/GB inc/DE	Guy Ritchie	Warner Bros.	1 614 714
11	Clash of the Titans	US	Louis Leterrier	Warner Bros.	1 603 443
12	The Princess and the Frog	US	R. Clements, J. Musker	Walt Disney	1 558 151
13	The Karate Kid	US/CN	Harald Zwart	Sony Pict. Releasing	1 506 656
14	Despicable Me	US	P. Coffin, C. Renaud	UPI	1 471 020
15	Shutter Island	US	Martin Scorsese	Vértice Cine	1 384 694
16	Tres Metros Sobre El Cielo	ES	Fernando G. Molina	Warner Bros.	1 331 895
17	The Chronicles of Narnia: The...	US/GB inc	Michael Apted	Hispano Foxfilms	1 309 418
18	How to Train Your Dragon	US	D. DeBlois, C. Sanders	Paramount Spain	1 300 406
19	Invictus	US	Clint Eastwood	Warner Bros.	1 224 390
20	The Sorcerer's Apprentice	US	Jon Turteltaub	Walt Disney	1 170 715

Source: ICAA

Production and Funding

Production levels jumped to another record high with a total of 201 Spanish feature films, including feature documentaries, produced in 2010, up 15 from 2009. Growth was entirely driven by an increasing number of 100% national films and majority co-productions, while the number of minority co-productions halved. The introduction of a new General Audiovisual Law in early 2010 has been contributing to changes in the Spanish film financing landscape. Mandatory production quotas of private broadcasters were cut from 5% to 3% of their annual revenues while telecom companies are now obliged to invest 0.9% of their annual income in film production. In constant dispute with private broadcasters and banks, who are reluctant to invest in film projects, local producers depend heavily on national and regional public funding, which is struggling to keep its film funding budgets in a challenging economic environment. ICAA, Spain's national film agency, saw a 8% decrease of its 2011 budget and had to reduce support from a new funding scheme aimed at stimulating the development of higher-quality projects. Against this background Spanish producers are encouraged to look for international co-productions and private funding which are incentivised by public subsidies and a 18% tax credit.

Distribution and Exhibition

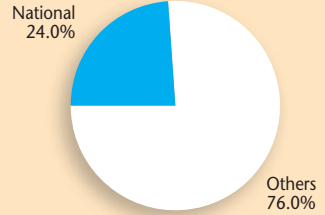
After having been brought to a preliminary halt in 2009, Spanish cinema attendance continued its steady downward trend with admissions dropping by 7.6% to 101.6 million in 2010, the lowest level since 1995. Even another sharp increase in average ticket price from EUR 6.1 to EUR 6.5 (USD 8.6) could not keep GBO from falling 1.3% to EUR 662 million (USD 877 million). Admissions to Spanish films dropped by 26% and made national market share drop to 12.7%, the lowest level in years. The independent sector struggled to compete with US 3D blockbusters, slow TV sales, an ever decreasing DVD market as well as piracy. After several amendments, the Spanish Parliament recently adopted legislation (the *Ley Sinde*) aiming at blocking or closing down websites providing illegal content within a short space of time. With 707 digital screens roughly 17% of all screens had been converted by the end of 2010, making Spain the country with the lowest digital penetration of the 6 major European markets. The Spanish government recently announced its intention to support digital conversion with about EUR 3 million.

Sources: ICAA, *Screen International*, *Variety*, Cineuropa, IRIS Merlin Database, OBS

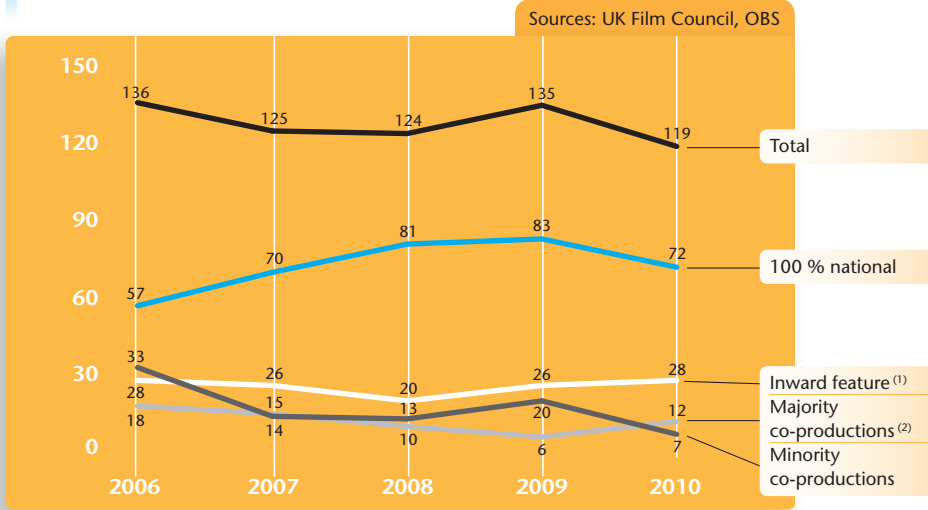
United Kingdom

Population 2010*	62.2 million
GDP per capita 2010*	36 298 USD
Gross box office 2010	988.3 M GBP (1 528 M USD)
Admissions 2010*	169.2 million
Average ticket price 2010	5.84 GBP (9.03 USD)
Average admissions per capita 2010*	2.72
Screens 2009 2010	3 696 ~
Digital screens 2009 2010	667 1 408
Digital 3D screens 2009 2010*	473 1 095

Market shares 2010



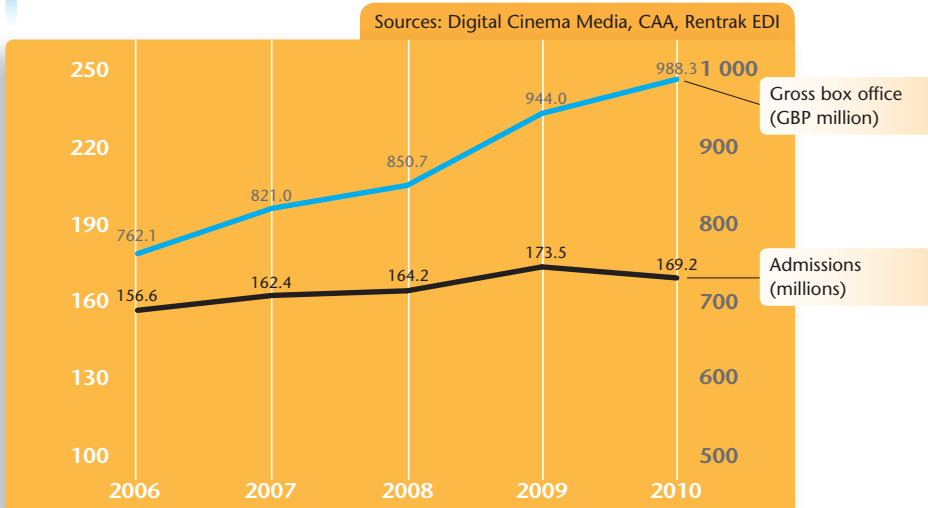
Number of films produced in the United Kingdom | 2006-2010



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

(2) Includes one straight to DVD majority co-production in 2010.

Admissions and gross box office | 2006-2010



Top 20 films by admissions in the United Kingdom & Ireland | 2010^e

Estimated admissions based on average ticket price of 5.84 GBP.

Original title	Country of origin	Director	Distributor	Admissions ^e
1 Toy Story 3	US	Lee Unkrich	Walt Disney	12 635 504
2 Avatar	US/GB	James Cameron	20 th Century Fox	10 481 167
3 Harry Potter and the Deathly...	GB Inc/US	David Yates	Warner Bros.	8 375 818
4 Alice in Wonderland	US	Tim Burton	Walt Disney	7 283 620
5 Inception	US/GB Inc	Christopher Nolan	Warner Bros.	6 129 536
6 Shrek Forever After	US	Mike Mitchell	Paramount	5 543 493
7 The Twilight Saga: Eclipse	US	David Slade	Eone Films	5 094 765
8 Sex and the City 2	US	Michael Patrick King	Warner Bros.	3 706 459
9 Iron Man 2	US	Jon Favreau	Paramount	3 627 295
10 Clash of the Titans	US	Louis Leterrier	Warner Bros.	3 459 669
11 Despicable Me	US	P. Coffin, C. Renaud	Universal Pictures	3 398 820
12 How to Train Your Dragon	US	D. DeBlois, C. Sanders	Paramount	2 954 889
13 Nanny McPhee and the Big Bang	GB/US/FR	Susanna White	Universal Pictures	2 829 681
14 Robin Hood	GB Inc/US	Ridley Scott	Universal Pictures	2 644 153
15 Sherlock Holmes	US/GB Inc/DE	Guy Ritchie	Warner Bros.	2 391 000
16 The Karate Kid	US/CN	Harald Zwart	Sony Pictures Intl	2 119 863
17 StreetDance 3D	GB	M. Giwa, D. Pasquini	Vertigo	1 989 896
18 Kick-Ass	US/GB Inc	Matthew Vaughn	Universal Pictures	1 986 753
19 Alvin and the Chipmunks: The...	US	Betty Thomas	20 th Century Fox	1 940 141
20 The Chronicles of Narnia: The...	US/GB Inc	Michael Apted	20 th Century Fox	1 928 667

Sources: OBS, UK Film Council, Rentrak EDI

Distribution and Exhibition

While admissions decreased in the UK by 2.5% to 169.2 million tickets sold, 3D films helped gross box office to grow 4.7% to GBP 988.3 million (USD 1.53 billion) in 2010. This is the highest level on record. The importance of 3D films is reflected by the fact that 3D films accounted for 3 out of the top 4 and for 9 of the top 20 films. On a cumulative basis 3D films took 24% of total GBO, up from 16% in 2009. Led by top grossing *Toy Story 3* and *Harry Potter and the Deathly Hallows Part One*, sequels and franchise instalments also proved to be a driving force of the market, accounting for ten of the top 20 films. US films dominated the market accounting for 16 out of the top 20 films and taking a market share of 72% according to the UK Film Council. UK films took 24% of total GBO with 18.6% coming from 'inward investment' films wholly or part-financed by US studios. After reaching a decade high of 8.2% a year ago, market share of independent UK films dropped to 5.4% in 2010, the second lowest result in the past six years.

Production and Funding

Feature film production activity in the UK fell from 144⁽¹⁾ to 119 films commencing principal photography in 2010 while production spend in the UK reached a record level of GBP 1 155 mil-

lion (USD 1.8 billion). The increase in production spend was driven by films like the latest instalments of the *Harry Potter*, *Pirates of the Caribbean* and *Sherlock Holmes* series and represents the highest level of inward investments on record (GBP 929 million). Production spend for domestic UK features however dropped by 22% to GBP 174 million for 72 films, 11 films less than in 2009. UK co-productions continued their downward trend of the past years falling to 19 films, compared to 51 five years ago and 105 in 2004. UK production spend of co-productions however increased to GBP 52 million. 2010 proved to be a dramatic year for the public funding system when in July the UK government announced its decision to abolish the UK Film Council as part of its efforts to cut public expenditures. Key activities like Lottery funding of film, tax credit certification, the MEDIA desk and audience development will be moved to the British Film Institute which is meant to become the new "lead strategic body on film and the distributor of Lottery funds to UK film makers". Regional agencies will move under Creative England. The UK Film Council which was created in 2000 is expected to close on 1 July 2011.

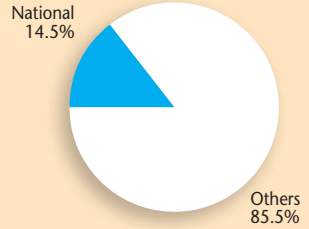
Sources: UK Film Council, Digital Cinema Media, *Screen International*, British Film Institute (BFI), Creative England, OBS

(1) including inward feature involving only VFX work done in the UK.

Russian Federation

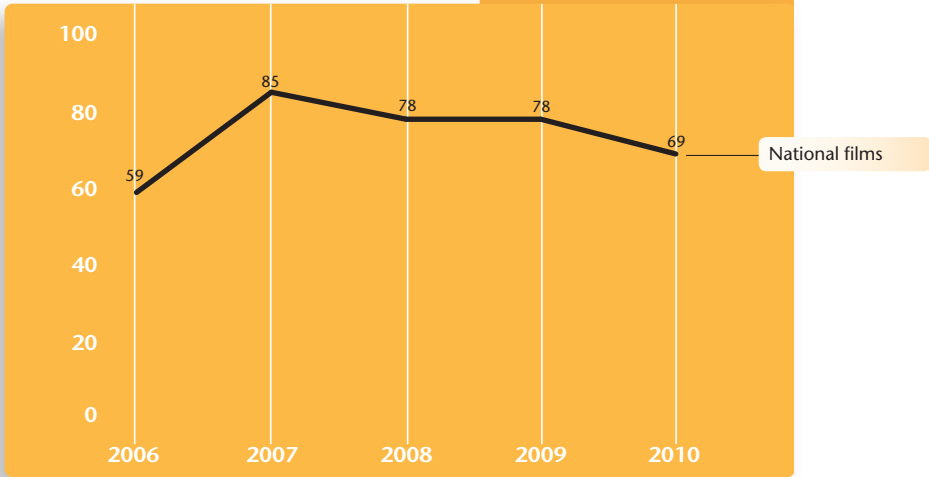
Population 2010 ^e	140.4 million
GDP per capita 2010 ^e	10 522 USD
Gross box office 2010 ^e	32.11 bn RUB (1.06 bn USD)
Admissions 2010 ^e	165.5 million
Average ticket price 2010 ^e	194 RUB (6.37 USD)
Average admissions per capita 2010 ^e	1.18
Screens 2009 2010	2 133 2 430
Digital screens 2009 2010	350 941
Digital 3D screens 2009 2010	346 937

Market shares 2010^e



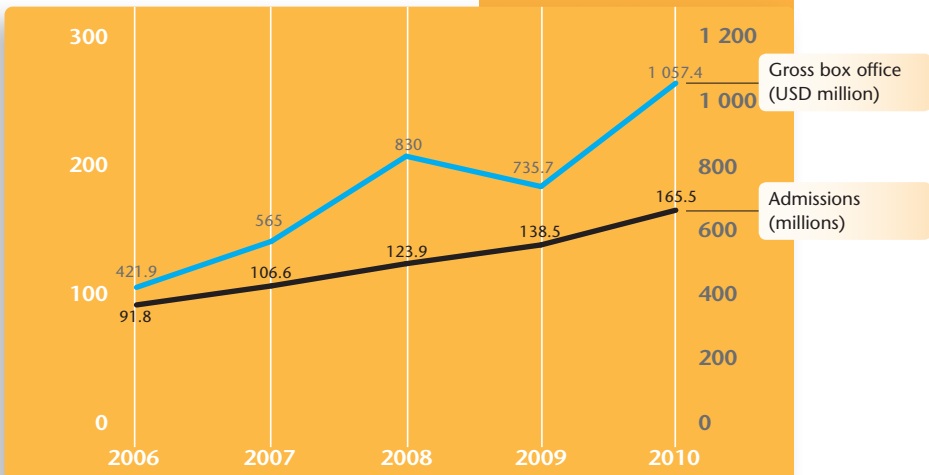
Number of Russian films on first release | 2006-2010

Source: Russian Film Business Today



Admissions and gross box office | 2006-2010

Source: Russian Film Business Today



Top 20 films by admissions in the Russian Federation & CIS⁽¹⁾ | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	20 th Century Fox	14 001 359
2 Shrek Forever After	US	Mike Mitchell	Central Partnership	7 828 349
3 Alice in Wonderland	US	Tim Burton	WDSSPR	5 241 138
4 The Twilight Saga: Eclipse	US	David Slade	West	5 060 520
5 Harry Potter and the Deathly...	GB inc/US	David Yates	Caro Premier	4 167 990
6 Prince of Persia: The Sands of Time	US/GB inc	Mike Newell	WDSSPR	3 971 145
7 Nasha Russia. Yaytsa sudby.	RU	Gleb Orlov	Central Partnership	3 943 844
8 Inception	US/GB inc	Christopher Nolan	Caro Premier	3 447 787
9 Chernaya Molniya (Black Lightning)	RU	D. Kiselev, A. Voytinskiy	UPI	3 351 389
10 How To Train Your Dragon	US	D. DeBlois, C. Sanders	Central Partnership	3 350 205
11 Megamind	US	Tom McGrath	Central Partnership	3 295 864
12 Tangled	US	B. Howard, N. Greno	WDSSPR	3 210 374
13 Clash of the Titans	US	Louis Leterrier	Caro Premier	3 137 682
14 The Last Airbender	US	M. Night Shyamalan	Central Partnership	2 689 568
15 Kandagar	RU	Andrei Kavun	Central Partnership	2 676 844
16 Sherlock Holmes	US/GB inc/DE	Guy Ritchie	Caro Premier	2 521 594
17 Resident Evil: Afterlife	DE/FR/GB	Paul W.S. Anderson	WDSSPR	2 515 974
18 The Sorcerer's Apprentice	US	Jon Turteltaub	WDSSPR	2 510 798
19 Iron Man 2	US	Jon Favreau	Central Partnership	2 409 382
20 The Expendables	US	Sylvester Stallone	Central Partnership	2 349 912

(1) Excluding Ukraine.

Source: Russian Film Business Today

Distribution and Exhibition

Adapting rapidly to digital cinema, the theatrical market in the Russian Federation continued its impressive growth trend of the past years with GBO jumping by 44% to USD 1.06 billion. Growth in GBO was driven by a hike in average ticket prices as well as a 19% growth in admissions to 165.5 million making the Russian Federation the third largest cinema market in Europe in terms of cinema attendance. It was the increasing number of 3D screenings as well as the revaluation of the ruble which propelled average ticket prices by 20% from USD 5.3 to USD 6.4. Market growth was enabled by the fast growing digitalization of Russian cinemas. Digital screen count in Russia almost tripled from 346 to 941 with basically every digital screen equipped for 3D projection. This means that by the end of 2010 almost 39% of total modern screens were digital and 3D capable. Digital distribution also gained pace in 2010 with 162 out of a total of 363 film releases being released in digital format and digital copies accounting for about a quarter of the total number of prints in circulation.

Production and Funding

The picture looks less rosy for Russian productions however. Partly due to a temporary freeze

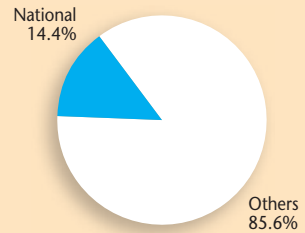
on film grants to new film projects in 2009, the number of Russian film releases dropped from 78 to 69 in 2010. GBO to Russian films fell its second consecutive year from USD 176 million to USD 154 million causing national market share to drop from 23.9% to 14.5%. Faced with increasing difficulties to finance their films on the national market Russian producers are increasingly turning to international co-productions with the government planning to increase state support for co-productions, Russia negotiating co-production treaties with major European countries like Italy, France, Spain and Germany and joining Eurimages as of March 2011. With regard to national support, a new public funding system has been put in place in 2010 with the Federal Fund for Social and Economic Support to National Cinematography (Cinema Fund) distributing the majority of a total of the RUB 4.9 billion (USD 161 million) allocated to support film production. The new funding system has provoked criticism from smaller industry players as over 40% of the total funding volume would go straight to the eight leading production companies. The Federal Antimonopoly Service is currently investigating signs of antimonopoly violations by the Cinema Fund and has called for more transparency in its decision making procedures.

Sources: Nevafilm, RF Film, Russian Film Business Today, Screen International, OBS

Poland

Population 2010*	38.1 million
GDP per capita 2010*	11 522 USD
Gross box office 2010	703.0 M PLN (232.6 M USD)
Admissions 2010	37.5 million
Average ticket price 2010	18.75 PLN (6.21 USD)
Average admissions per capita 2010*	0.98
Screens 2009 2010*	1 048 1 048
Digital screens 2009 2010	200 343
Digital 3D screens 2009 2010	195 330

Market shares 2010



Top 10 films by admissions in Poland | 2010

	Original title	Country of origin	Director	Distributor	Admissions
1	Avatar	US/GB	James Cameron	Imperial Cinepix	3 084 595
2	Shrek Forever After	US	Mike Mitchell	UIP	2 468 751
3	Harry Potter and the Deathly Hallows...	GB inc/US	David Yates	Warner	1 166 645
4	Alice in Wonderland	US	Tim Burton	Forum Film	1 102 652
5	Inception	US/GB inc	Christopher Nolan	Warner	1 088 427
6	Sluby panienskie	PL	Filip Bajon	Kino Swiat	1 000 373
7	Ciacho	PL	Patryk Vega	Syrena Films	956 395
8	The Twilight Saga: Eclipse	US	David Slade	Monolith	801 539
9	How to Train Your Dragon	US	D. DeBlois, C. Sanders	UIP	762 846
10	Tangled	US	B. Howard, N. Greno	Forum Film	700 947

Sources: boxoffice.pl, OBS

Distribution and Exhibition

In 2010 Polish cinema attendance decreased for the first time since 2005, falling 4.3% to 37.5 million admissions. As in many other markets, premium prices for 3D screenings caused average ticket price to increase significantly from PLN 17.4 in 2009 to PLN 18.8 (USD 6.2). Gross box office consequently continued its upward trend to reach a new record high of PLN 703 million (USD 233 million), up 3.2% from 2009. Reasons for the decline in cinema attendance were seen in high ticket prices, online piracy and economic and political challenges faced by Poland in the past year. Led by chart topping *Avatar* and *Shrek Forever After* US films accounted for an estimated 67% of total admission, up from about 65% in 2009. The market share for Polish films dropped from 21.5% to 14.4%. The Polish distribution market is dominated by US majors and their affiliates with UIP taking the lead (22% of total GBO in 2010), followed by Imperial Cinepix (20th Century Fox; 15%), Forum Film (Buena Vista Int; 12%) and Warner Bros (11%). Kino Swiat and Monolith Films are the two leading independent local distributors with market shares of 13% and 12% respectively. The Polish exhibition sector has seen an increasing number of

multiplex screens over the recent years while the number of single screen cinemas declined. Around 33% of the total screen base of well over 1 000 screens had been converted to digital by the end of 2010. Practically all of the 343 digital screens were equipped for 3D screenings.

Production and Funding

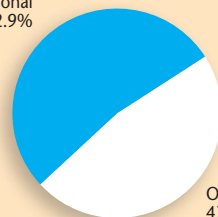
According to figures from the PISF 43 feature films were produced in 2010, 4 less than in 2009. While decreasing significantly between 2000 and 2004 to below 20, local production levels steadily increased over the past five years due to a significant rise in public funding. In 2005 a new film law had established the Polish Film Institute which saw its budget almost doubling from PLN 75 million in 2006 to PLN 140 million (USD 46 million) in 2010. National public support has been complemented by the more recent creation of several regional film funds.

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

Population 2010 ^e	71.4 million
GDP per capita 2010 ^e	10 207 USD
Gross box office 2010	380.2 M TRY (266.8 M USD)
Admissions 2010 ^e	41.1 million
Average ticket price 2010 ^e	9.26 TRY (6.50 USD)
Average admissions per capita 2010 ^e	0.57
Screens 2009 2010	1 780 1 874
Digital screens 2009 2010	62 198
Digital 3D screens 2009 2010	59 196

Market shares 2010^e

National
52.9%



Others
47.1%

Top 10 films by admissions in Turkey | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 New York'ta Bes Minare	TR	Mahsun Kirmizigül	Pinema	3 455 089
2 Recep İvedik 3	TR	Togan Gökbakar	Ozen Film	3 325 842
3 Eyyvah eyvah	TR	Hakan Algül	UIP	2 459 815
4 Yahşi bati	TR	Ömer Faruk Sorak	UIP	2 323 061
5 Av mevsimi	TR	Yavuz Turgul	Warner Bros.	1 800 243
6 Avatar	US/GB	James Cameron	Tiglon Film	1 757 651
7 Çok filim hareketler bunlar	TR	Ozan Aciktan	Medyavizyon	1 141 448
8 Inception	US/GB inc	Christopher Nolan	Warner Bros.	1 100 649
9 The Twilight Saga: Eclipse	US	David Slade	Tiglon Film	1 041 920
10 Veda	TR	Zülfü Livaneli	Tiglon Film	1 028 032

Source: *Sinema Gazetesi*

Distribution and Exhibition

With 41.1 million tickets sold in 2010, cinema attendance in Turkey reached a new record high, 11% up from 2009. GBO increased by 23% to TRY 380 million (USD 267 million). Having become the seventh largest European market in terms of admissions, Turkey ranks among markets like Sweden, Austria or Switzerland in terms of GBO volume due to a comparatively low average ticket price of TRY 9.3 (USD 6.5). The number of first releases remained more or less constant at 252. Led by chart topping *New York'ta Bes Minare*, the 65 national films took a market share of 53%, the highest national market share for any European country. US films accounted for 41% of all films on release, taking an estimated market share of 39%. The distribution market in 2010 was led by UIP Türkiye, achieving a market share of 32% of total GBO, followed by Tiglon Film (29%) and Warner Bros. (28%). Turkey's screen base continued to grow to 1 874 screens by year-end 2010, 94 up from the previous year. Digital roll-out remained moderate with 198 digital screens as at year end. With only every second person going to the cinema once a year on average – which is low compared to Western European standards – Turkey seems to be a market with significant further growth potential. However, some industry observers regard piracy as a main obstacle to the further development of the Turkish

film industry with the International Intellectual Property Alliance estimating the loss due to film piracy at USD 29 million per year.

Production and Funding

Driven by increasing demand for local films and public support from the Ministry of Culture and Tourism, 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 69 and 65 in the past two years. The success of local films at the box office has helped to attract funding from broadcasters and even private money, but profitability remains a key issue for many productions with a Ministry representative estimating that only six out of 70 films making profits, another seven films breaking even and the rest suffering losses. The institutional Turkish cinema landscape may change as the Turkish Culture and Tourism Ministry recently called for different institutions of the industry to merge and stated its support for the establishment of an autonomous Turkish Cinema Institution in which the ministry would be represented. Turkey recently signed an agreement with two German regional funds setting up the first German-Turkish Co-production Development Fund.

Sources: *Sinema Gazetesi*, *Variety*, *Hürriyet*, Sarajevo Film Festival, OBS

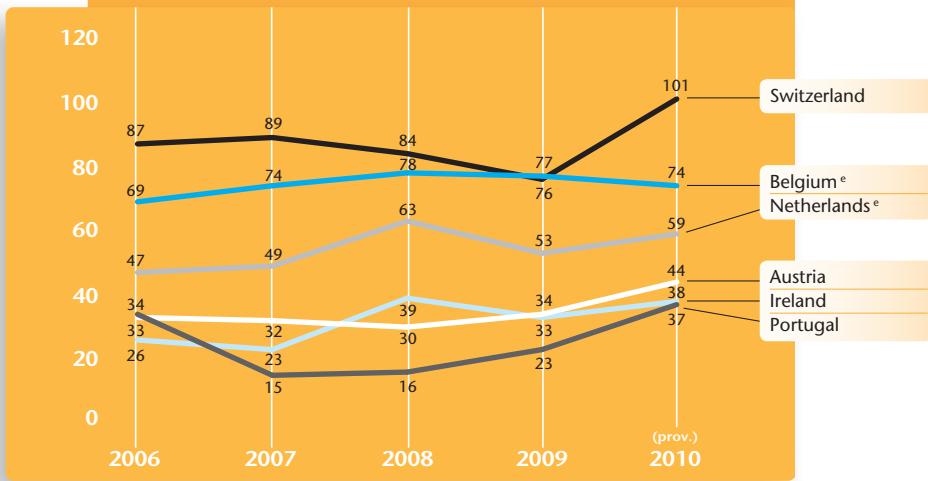
Other Western Europe

	Austria	Belgium	Ireland	Netherlands	Portugal	Switzerland
Population 2010* (millions)	8.4	10.8	4.5	16.6	10.6	7.8
GDP per capita 2010* (USD)	43 723	42 597	45 642	46 418	21 031	67 074
Gross box office 2010* (M USD)	172.6	193.0 ⁽¹⁾	153.9	290.4	108.9	241.7
Admissions 2010 (millions)	17.32	23.70	16.49	28.19	16.56	14.76
Average ticket price 2010* (USD)	9.96	11.9 ⁽¹⁾	9.34	10.30	6.57	16.37
Average admissions per capita 2010*	2.07	2.19	3.69	1.70	1.56	1.90
Screens 2010	584	491 ⁽²⁾	446	751 ⁽¹⁾	564	558
Digital screens 2009 2010	239 313	144 302	112 154	105 260	181 312	60 130
3D screens 2009 2010	101 207	45 103	68 106	94 240	89 168	54 125
National market shares 2010*	5.0%	7.9% ⁽¹⁾	1.3%	15.9%	1.9%	5.4%

(1) 2009* (2) 2008

Number of feature films produced in selected Western European countries | 2006-2010

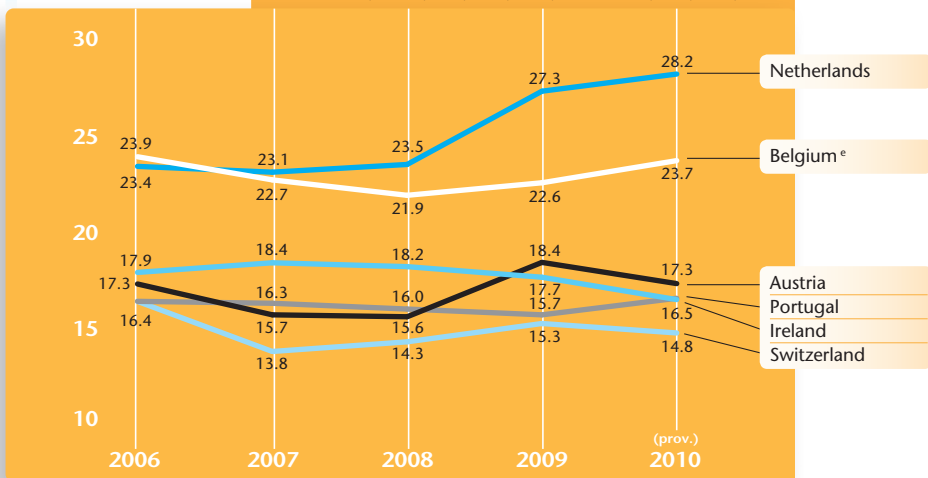
Sources: OFI, MFB, VAF, Centre du Cinéma et de l'Audiovisuel, NFF, ICA, OFS, OBS



Admissions in selected Western European countries | 2006-2010

In millions.

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



Top 10 films by admissions in Austria | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	20 th Century Fox	799 639
2 Alice in Wonderland	US	Tim Burton	Walt Disney	526 814
3 Harry Potter and the Deathly Hallows...	GB inc/US	David Yates	Warner Bros.	496 190
4 Shrek Forever After	US	Mike Mitchell	UPI	445 754
5 The Twilight Saga: Eclipse	US	David Slade	Kinostar	400 032
6 Grown Ups	US	Dennis Dugan	Sony Pictures	364 582
7 Inception	US/GB inc	Christopher Nolan	Warner Bros.	322 890
8 Tangled	US	B. Howard, N. Greno	Walt Disney	321 912
9 Sex and the City 2	US	Michael Patrick King	Warner Bros.	302 083
10 It's Complicated	US	Nancy Meyers	UPI	289 193

Sources: Austrian Film Institute, Rentrak EDI

Top 10 films by admissions in Switzerland | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	20 th Century Fox	816 664
2 Inception	US/GB inc	Christopher Nolan	Warner Bros.	438 496
3 Harry Potter and the Deathly Hallows...	GB inc/US	David Yates	Warner Bros.	426 591
4 Alice in Wonderland	US	Tim Burton	Walt Disney	384 864
5 Despicable Me	US	P. Coffin, C. Renaud	UIP	302 768
6 The Twilight Saga: Eclipse	US	David Slade	Elite-Film	294 488
7 Shrek Forever After	US	Mike Mitchell	UIP	275 302
8 Sex and the City 2	US	Michael Patrick King	Warner Bros.	264 771
9 Sherlock Holmes	US/GB inc	Guy Ritchie	Warner Bros.	263 436
10 Robin Hood	GB inc/US	Ridley Scott	UIP	250 124

Source: Office fédéral de la statistique

Top 10 films by admissions in the Netherlands | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	Warner Bros.	1 220 253
2 Harry Potter and the Deathly Hallows...	GB inc/US	David Yates	Warner Bros.	1 033 940
3 Inception	US/GB inc	Christopher Nolan	Warner Bros.	830 211
4 Alice in Wonderland	US	Tim Burton	Walt Disney	738 105
5 New Kids: Turbo	NL	S. Haars, Flip vD Kuil	Benelux Film Distr.	729 218
6 Shrek Forever After	US	Mike Mitchell	UPI	617 505
7 Toy Story 3	US	Lee Unkrich	Walt Disney	564 191
8 De gelukkige huisvrouw	NL	Antoinette Beumer	Benelux Film Distr.	520 649
9 Sex and the City 2	US	Michael Patrick King	Warner Bros.	483 794
10 Despicable Me	US	P. Coffin, C. Renaud	UIP	472 095

Sources: MaccsBox, NVB & NVF

Top 10 films by admissions in Portugal | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	CLMC Multimedia	782 074
2 Shrek Forever After	US	Mike Mitchell	Lusom. Audiovisuais	743 525
3 The Twilight Saga: Eclipse	US	David Slade	Lusom. Audiovisuais	523 102
4 Alice in Wonderland	US	Tim Burton	Lusom. Audiovisuais	456 453
5 Toy Story 3	US	Lee Unkrich	Lusom. Audiovisuais	410 706
6 Harry Potter and the Deathly Hallows...	GB inc/US	David Yates	Col. TriStar Warner	410 530
7 Inception	US/GB inc	Christopher Nolan	Col. TriStar Warner	407 612
8 Prince of Persia: The Sands of Time	US/GB inc	Mike Newell	Lusom. Audiovisuais	342 941
9 How to Train Your Dragon	US	D. DeBlois, C. Sanders	Lusom. Audiovisuais	341 221
10 Eat Pray Love	US	Ryan Murphy	Col. TriStar Warner	314 063

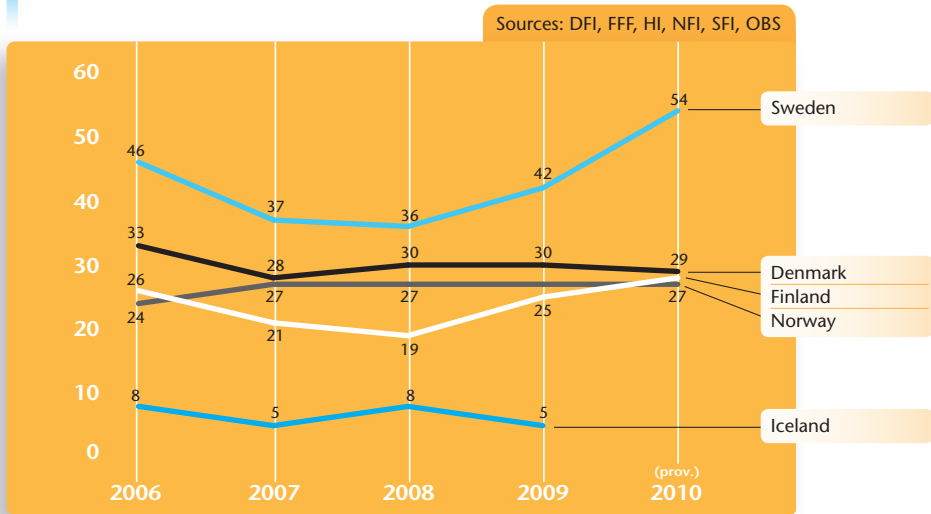
Source: ICA

Nordic countries

	Denmark	Finland	Iceland	Norway	Sweden
Population 2010* (millions)	5.5	5.4	0.3	4.9	9.3
GDP per capita 2010* (USD)	55 112.7	43 134.0	39 562.9	84 543.4	47 667.0
Gross box office 2010* (M USD)	184.8	91.8	11.3 ⁽¹⁾	151.5	192.3
Admissions 2010* (millions)	13.0	7.5	1.6	11.0	15.8
Average ticket price 2010* (USD)	14.3	12.2	6.7 ⁽¹⁾	13.7	12.2
Average admissions per capita 2010*	2.34	1.39	4.95	2.25	1.70
Screens 2010	396	306 ⁽¹⁾	40 ⁽¹⁾	429	830
Digital screens 2009 2010	25 136	48 92	7 14	61 266	38 150
3D screens 2009 2010	23 130	43 87	7 14	28 150	28 144
National market shares 2010*	22.0%	27.0%	10.3% ⁽¹⁾	23.3%	20.8%

(1) 2009*

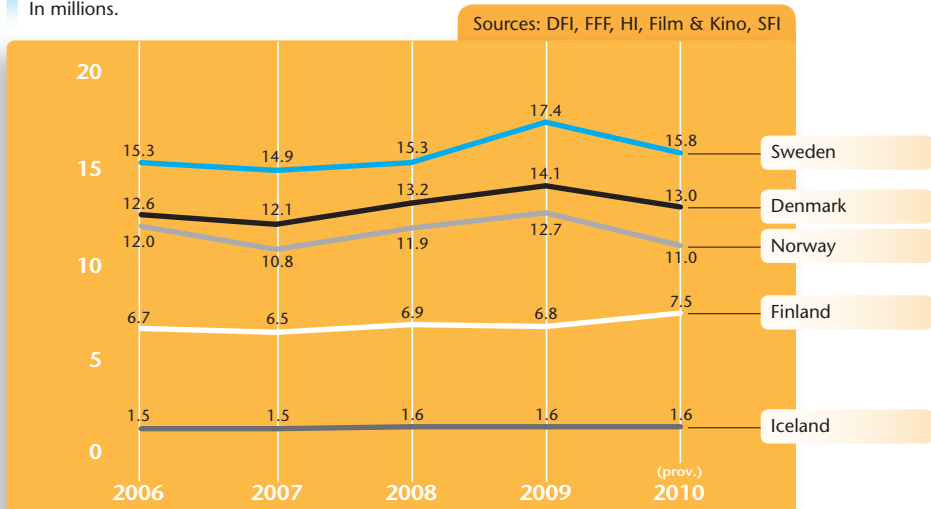
Number of feature films produced in the Nordic countries | 2006-2010



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

Cinema attendance in Nordic countries | 2006-2010

In millions.



Top 10 films by admissions in Denmark | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	SF-Film	835 874
2 Klown: The Movie	DK	Mikkell Nørgaard	Nordisk Film	554 382
3 Harry Potter and the Deathly...	GB inc/US	David Yates	Sandrew Metronome	521 860
4 Inception	US/GB inc	Christopher Nolan	Sandrew Metronome	514 966
5 Far til fire - på japansk	DK	Claus Bjerre	Scanbox Film	417 343
6 Hævnen	DK/SE/DE	Susanne Bier	Nordisk Film	406 435
7 Shrek Forever After	US	Mike Mitchell	UIP	356 922
8 Toy Story 3	US	Lee Unkrich	Walt Disney	356 841
9 Olsen Banden - pa de bonede gulve	DK	Jørgen Lerdam	Nordisk Film	327 767
10 Sex and the City 2	US	Michael Patrick King	Sandrew Metronome	327 473

Sources: Statistics Denmark, DFI

Top 10 films by admissions in Finland | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Napapiirin sankarit	FI/SE/IE	Dome Karukoski	Sandrew Metronome	334 943
2 Sex and the City 2	US	Michael Patrick King	Sandrew Metronome	328 286
3 Risto Rappääjä ja polkupyörävaras	FI	Mari Rantasila	Nordisk Film	325 484
4 Alice in Wonderland	US	Tim Burton	Walt Disney	304 844
5 Harry Potter and the Deathly...	GB Inc/US	David Yates	Sandrew Metronome	292 991
6 Avatar	US/GB	James Cameron	FS Film	287 767
7 Prinsessa	FI	Arto Halonen	Sandrew Metronome	279 698
8 Inception	US/GB Inc	Christopher Nolan	Sandrew Metronome	253 098
9 Havukka-ahon ajattelija	FI	Kari Väänänen	Nordisk Film	215 965
10 Toy Story 3	US	Lee Unkrich	Walt Disney	213 609

Source: Finnish Film Foundation

Top 10 films by admissions in Norway | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	20th Century Fox	544 780
2 Knerten gifter seg	NO	Martin Lund	Scanbox	403 654
3 Harry Potter and the Deathly...	GB inc/US	David Yates	Sandrew Metronome	402 071
4 Inception	US/GB inc	Christopher Nolan	Sandrew Metronome	361 687
5 The Twilight Saga: Eclipse	US	David Slade	Nordisk Film	320 528
6 Shrek Forever After	US	Mike Mitchell	UIP	315 177
7 Trolljegeren	NO	André Øvredal	SF Norway	267 229
8 Alice in Wonderland	US	Tim Burton	Walt Disney	266 218
9 Sex and the City 2	US	Michael Patrick King	Sandrew Metronome	261 064
10 Nokas	NO	Erik Skjoldbjærg	Sandrew Metronome	249 396

Source: Film og Kino

Top 10 films by admissions in Sweden | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	20th Century Fox	1 027 977
2 Harry Potter and the Deathly...	GB inc/US	David Yates	Sandrew/Warner	637 980
3 Inception	US/GB inc	Christopher Nolan	Sandrew/Warner	623 040
4 Snabba Cash	SE	Daniel Espinosa	Nordisk Film	600 884
5 The Twilight Saga: Eclipse	US	David Slade	Nordisk Film	542 077
6 Alice in Wonderland	US	Tim Burton	Walt Disney	487 615
7 Farsan	SE	Josef Fares	SF Film	449 107
8 Toy Story 3	US	Lee Unkrich	Walt Disney	401 266
9 Sex and the City 2	US	Michael Patrick King	Sandrew/Warner	371 255
10 Alvin and the Chipmunks: The...	US	Betty Thomas	20th Century Fox	369 563

Source: Swedish Film Institute

Baltics and Central Europe

	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Slovakia	Slovenia
Population 2010* (millions)	10.4	1.3	10.0	2.3	3.3	5.4	2.0
GDP per capita 2010* (USD)	18 722	14 417	13 210	10 378	10 765	15 906	23 009
Gross box office 2010 (M USD)	78.3	10.3	60.7	11.1	13.0	23.9	17.0
Admissions 2010* (millions)	13.5	2.1	11.0	2.1	2.6	3.9	2.9
Average ticket price 2010 (USD)	5.79	4.83	5.53	5.26	4.96	6.11	5.88
Average admissions per capita 2010*	1.3	1.6	1.1	0.9	0.8	0.7	1.4
Screens 2010	688	74	396	63	95	248	108
Digital screens 2009 2010	50 132	4 14	31 56	3 11	5 13	9 36	9 16
3D screens 2009 2010	47 119	4 11	28 55	3 10	5 13	9 32	9 16
Films produced 2010* ⁽¹⁾	40	12	36	15	5	8	7
National market shares 2010*	34.8%	2.0%	5.3%	6.9%	3.6%	2.2%	6.7%

(1) Including feature documentaries and minority co-productions.

Top 10 films by admissions in the Czech Republic | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Ženy v pokušení (Women in...)	CZ	Jiří Vejdelek	Falcon	1 232 299
2 Avatar	US/GB	James Cameron	Bontonfilm	954 108
3 Kajínek	CZ	Petr Jákł	Hollywood	790 792
4 Harry Potter and the Deathly...	GB inc/US	David Yates	Warner Bros.	649 089
5 Shrek Forever After	US	Mike Mitchell	Bontonfilm	615 662
6 Román pro muze (Novel for Men)	CZ	Tomás Barina	Bontonfilm	484 625
7 Alice in Wonderland	US	Tim Burton	Falcon	405 491
8 Doktor od Jezera hroch	CZ	Zdenek Troska	Falcon	358 620
9 Kuky se vrací (Kooky)	CZ	Jan Sverák	Falcon	335 824
10 Inception	US/GB inc	Christopher Nolan	Warner Bros.	328 254

Source: Unie Filmovych Distributoru

Top 10 films by admissions in Hungary | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Shrek Forever After	US	Mike Mitchell	UIP-Dunafilm	535 684
2 Inception	US/GB inc	Christopher Nolan	Intercom	445 497
3 Harry Potter and the Deathly...	GB inc/US	David Yates	Intercom	377 111
4 The Twilight Saga: Eclipse	US	David Slade	Forum-Hungary	300 358
5 Alice in Wonderland	US	Tim Burton	Forum-Hungary	260 304
6 Sex and the City 2	US	Michael Patrick King	Intercom	245 302
7 Prince of Persia: The Sands of Time	US/GB inc	Mike Newell	Forum-Hungary	238 026
8 Sherlock Holmes	US/GB inc/DE	Guy Ritchie	Intercom	227 192
9 How to Train Your Dragon	US	D. DeBlois, C. Sanders	UIP-Dunafilm	203 453
10 Toy Story 3	US	Lee Unkrich	Forum-Hungary	183 952

Source: National Film Office

Top 10 films by admissions in Lithuania | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	Forum Cinemas	163 805
2 Shrek Forever After	US	Mike Mitchell	Forum Cinemas	126 018
3 Alice in Wonderland	US	Tim Burton	Forum Cinemas	95 410
4 Despicable Me	US	P. Coffin, C. Renaud	Forum Cinemas	99 914
5 Zero 2	LT	Emilis Velyvis	Meedfilms	71 743
6 Inception	US/GB inc	Christopher Nolan	Garsu pasaulio irāšai	66 777
7 How to Train Your Dragon	US	D. DeBlois, C. Sanders	Forum Cinemas	68 287
8 Step Up 3D	US	Jon Chu	ACME	51 902
9 The Twilight Saga: Eclipse	US	David Slade	ACME	55 587
10 The Princess and the Frog	US	R. Clements, J. Musker	Forum Cinemas	59 741

Source: Baltic Films

South-Eastern Europe

	Bulgaria	Bosnia-Herzegovina	Croatia	Greece	Romania
Population 2010 ^e (millions)	7.5	3.9	4.4	11.2	21.4
GDP per capita 2010 ^e (USD)	5 955	4 158	13 528	27 265	7 391
Gross box office 2010 (M USD)	21.9	2.4	15.9	131.7	35.0
Admissions 2010 ^e (millions)	4.0	0.7	3.3	11.6	6.5
Average ticket price 2010 ^e (USD)	5.52	3.29	4.82	11.36	5.38
Average admissions per capita 2010 ^e	0.5	0.2	0.7	1.0	0.3
Screens 2010	140	40	117	384 ⁽²⁾	194
Digital screens 2009 2010	23 57	~ 3	8 20	31 57	40 61
3D screens 2009 2010	12 53	~ ~	8 20	21 51	25 54
Films produced 2010 ^{e (1)}	15	5	11	18	21
National market shares 2010 ^e	8.8%	12.8%	0.8%	8.6%	2.5%

(1) Including feature documentaries and minority co-productions.

(2) 2009

Top 10 films by admissions in Greece | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	Odeon	577 281
2 Nisos	GR	Christos Dimas	Village	507 377
3 Inception	US/GB inc	Christopher Nolan	Village	421 883
4 Clash of the Titans	US	Louis Leterrier	Village	378 167
5 Harry Potter and the Deathly...	GB inc/US	David Yates	Village	374 336
6 I Love Karditsa	GR	Stratos Markidis	Odeon	354 394
7 Shutter Island	US	Martin Scorsese	UIP	308 932
8 The Twilight Saga: Eclipse	US	David Slade	Odeon	307 800
9 Sex and the City 2	US	Michael P. King	Village	303 193
10 Sherlock Holmes	US/GB inc/DE	Guy Ritchie	Village	281 646

Source: Greek Film Center

Top 10 films by admissions in Romania | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Avatar	US/GB	James Cameron	Odeon Cineplex	610 075
2 Inception	US/GB inc	Christopher Nolan	Intercomfilm	233 444
3 Alice in Wonderland	US	Tim Burton	Forum Film	214 671
4 Prince of Persia: The Sands of Time	US/GB inc	Mike Newell	Forum Film	166 630
5 Shrek Forever After	US	Mike Mitchell	Ro-Image 2000	159 118
6 Clash of the Titans	US	Louis Leterrier	Intercomfilm	149 361
7 Sherlock Holmes	US/GB inc/DE	Guy Ritchie	Intercomfilm	147 759
8 The Twilight Saga: Eclipse	US	David Slade	Media Pro Distrib.	146 745
9 Robin Hood	GB inc/US	Ridley Scott	Ro-Image 2000	137 895
10 Due Date	US	Todd Phillips	Intercomfilm	128 340

Source: Centrul National al Cinematografiei

Top 10 films by admissions in Bulgaria | 2010

Original title	Country of origin	Director	Distributor	Admissions
1 Mission London	BG/GB/HU/MK/SE	Dimitar Mitovski	Alexandra/A Plus	376 843
2 Avatar	US/GB	James Cameron	Aleksandra	300 205
3 Prince of Persia: The Sands of Time	US/GB inc	Mike Newell	Forum Film/Cine. City	167 180
4 Clash of the Titans	US	Louis Leterrier	Aleksandra	112 377
5 Inception	US/GB inc	Christopher Nolan	Aleksandra	111 652
6 Sex and the City 2	US	Michael P. King	Aleksandra	109 607
7 Sherlock Holmes	US/GB inc/DE	Guy Ritchie	Aleksandra	108 192
8 The Expendables	US	Sylvester Stallone	Tandem	100 109
9 Shrek Forever After	US	Mike Mitchell	Forum Film/Cine. City	98 749
10 Tangled	US	Howard, Greno	Forum Film	85 842

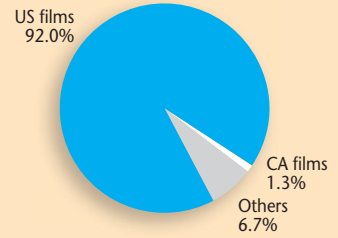
Source: National Film Center

North America

	North America	US	Canada
Population 2010* (millions)	344.4	310.3	34.1
GDP per capita 2010* (USD)	47 009	47 132	45 888
Gross box office 2010 (M USD)	10.58	9 740 ⁽¹⁾	884 ⁽¹⁾
Admissions 2010* (millions)	1 341	1 307 ⁽¹⁾	108 ⁽¹⁾
Average ticket price 2010 (USD)*	7.89	7.50 ⁽¹⁾	7.92 ⁽¹⁾
Average admissions per capita 2010*	4.1	4.25 ⁽¹⁾	3.21 ⁽¹⁾
Screens 2010	42 380	39 547	2 833 ⁽¹⁾
Digital screens 2010	16 522	15 774	748
Digital 3D screens 2010	8 459	7 837	622

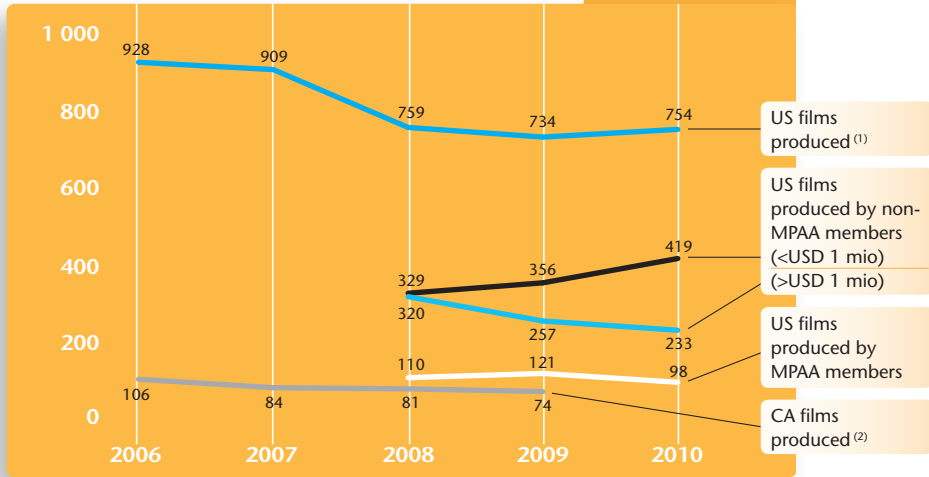
(1) 2009

Market shares 2010*



Number of feature films produced in the United States and Canada | 2006-2010

Sources: MPAA, CMPA

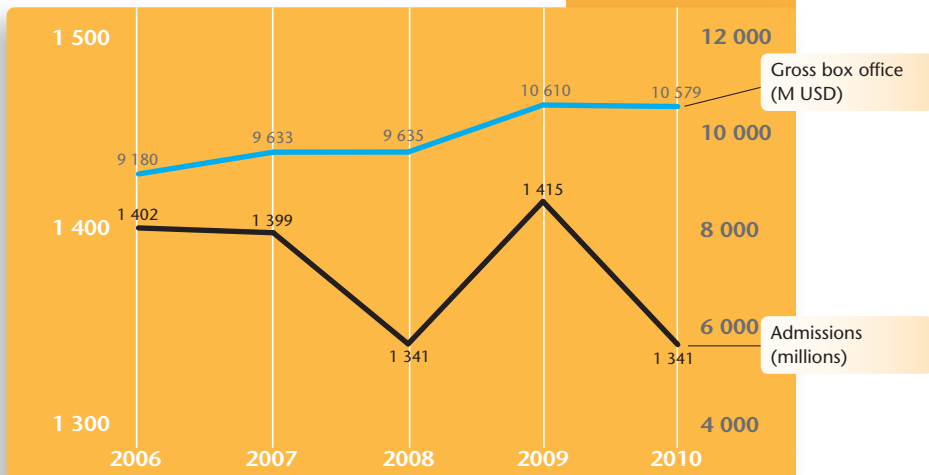


(1) Data have been revised for the years 2008 and 2009. Does not include feature documentaries.

(2) Based on fiscal year April to March, e.g. 2009 data refer to period April 2009 to March 2010.

Admissions and gross box office in the US & Canada | 2006-2010

Sources: MPAA, Rentrak



Top 20 films by gross box office in North America | 2010

Original title	Country of origin	Director	Distributor	Gross box office (in M USD)
1 Avatar	US/GB	James Cameron	20th Century Fox	476.9
2 Toy Story 3	US	Lee Unkrich	Walt Disney Studios	415.0
3 Alice in Wonderland	US	Tim Burton	Walt Disney Studios	334.2
4 Iron Man 2	US	Jon Favreau	Paramount Pictures	312.1
5 The Twilight Saga: Eclipse	US	David Slade	Summit Entertainment	300.5
6 Inception ⁽¹⁾	US/GB Inc	Christopher Nolan	Warner Bros.	292.6
7 Harry Potter and the Deathly... ⁽¹⁾	GB Inc/US	David Yates	Warner Bros.	283.5
8 Despicable Me ⁽¹⁾	US	P. Coffin, C. Renaud	Universal Pictures	251.2
9 Shrek Forever After	US	Mike Mitchell	Paramount Pictures	238.4
10 How to Train Your Dragon	US	D. DeBlois, C. Sanders	Paramount Pictures	217.6
11 The Karate Kid	US/CN	Harald Zwart	Sony Pictures	176.6
12 Tangled ⁽¹⁾	US	B. Howard, N. Greno	Walt Disney Studios	167.8
13 Clash of the Titans	US	Louis Leterrier	Warner Bros.	163.2
14 Grown Ups	US	Dennis Dugan	Sony Pictures	162.0
15 Megamind ⁽¹⁾	US	Tom McGrath	Paramount Pictures	144.2
16 The Last Airbender	US	M. Night Shyamalan	Paramount Pictures	131.6
17 TRON: Legacy ⁽¹⁾	US	Joseph Kosinski	Walt Disney Studios	131.3
18 Shutter Island	US	Martin Scorsese	Paramount Pictures	128.0
19 The Other Guys	US	Adam McKay	Sony Pictures	119.2
20 Salt	US	Phillip Noyce	Sony Pictures	118.3

(1) Films still on release in 2011.

Source: *Variety*

Distribution and Exhibition

3D saved the North American box office from decline in 2010 as admissions dropped by 5.2% to 1.34 billion tickets sold, about 74 million less than in 2009. The biggest increase in average ticket prices since 2001, climbing from USD 7.5 to USD 7.9, kept GBO more or less stable at its record level of 2009, declining only marginally by 0.3% to USD 10.58 billion. Box office was once more dominated by 3D films and sequels. The 10 top grossing films included six 3D films and five sequels. Cumulatively 3D screenings accounted for 21% of total GBO, doubling from 2009 levels. The total number of films released remained fairly stable at 560 releases, including 25 3D films. A total of 26 films crossed the USD 100 million benchmark, compared to 32 films in 2009. Once more Warner Bros. became the market leading studio taking an estimated 18% of the total box office, followed by Paramount (16%). Driven by the box office potential of 3D films, North America's 3D screen base more than doubled for the second year in a row, growing to 8 459 screens, accounting for over 50% of the total digital screens, which jumped by 114% to 16 522. Digital screen penetration in the US reached 40% by the end of 2010 and is estimated at some 26% in Canada. The impact of the shortening of theatrical windows, particularly in favour of premium VOD releases,

the sustainability of 3D films and profitability issues were much discussed topics in 2010.

Production

According to revised MPAA figures 754 films involving a US production company began production in 2010, 20 more than in 2009 when US production hit the lowest level in years. Measured in total volume, US film production activity hence remained fairly stable over the past three years, after plummeting in 2008 from previously well above 900 films productions. However the figures indicate fundamental changes in the North American film industry which sees a continuously growing number of independent productions with budgets of less than USD 1 million on the one hand, and a steady decrease in big and mid-budget films, as the major studios focus on producing and distributing big budget blockbusters as well as specifically targeted lower-budget films in order to improve the odds of profitability in the light of shrinking theatrical windows and online piracy. In Canada production activity continued to drop, with 74 feature films produced between April 2009 and March 2010, down from 106 in the period 2006/07.

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

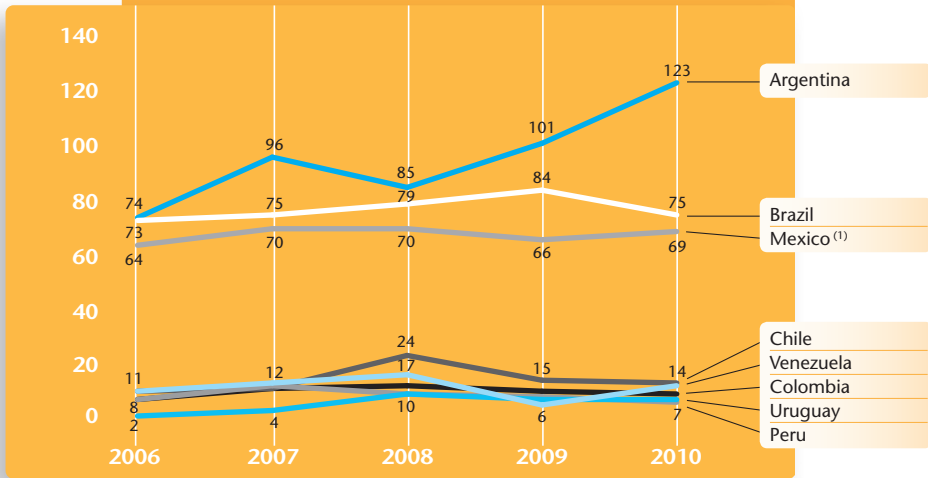
Latin America

	Argentina	Bolivia ^e	Brazil	Chile	Colombia	Mexico	Peru	Uruguay	Venezuela
Population 2010 ^e (millions)	40.5	10.4	193.3	17.2	45.5	108.6	29.6	3.4	29.2
GDP per capita 2010 ^e (USD)	8 663	1 840	10 471	11 587	6 221	9 243	5 196	12 130	9 773
Gross box office 2010 (M USD)	172.9	8.9 ⁽¹⁾	710.9	69.2	126.7	714.2	75.4	12.0	92.2
Admissions 2010 (millions)	38.0	2.3 ⁽¹⁾	134.4	13.3	27.3 ⁽¹⁾	189.6	20.7 ⁽¹⁾	2.4 ⁽¹⁾	37.4 ⁽¹⁾
Average admissions per capita 2010 ^e	0.94	0.22 ⁽¹⁾	0.70	0.77	0.56 ⁽¹⁾	1.75	0.71 ⁽¹⁾	0.75 ⁽¹⁾	1.31 ⁽¹⁾
Average ticket price 2010 ^e (USD)	4.55	3.92 ⁽¹⁾	5.29	5.20	3.36 ⁽¹⁾	3.77	3.02 ⁽¹⁾	4.16 ⁽¹⁾	4.37 ⁽¹⁾
Screens 2010	944	65 ⁽¹⁾	2 238	300 ⁽¹⁾	593 ⁽¹⁾	4 900	170 ⁽¹⁾	58	439 ⁽¹⁾
Digital screens (= 3D screens) 2010	100	9	264	45	97	650	35	12	18
National market shares 2010 ^e	9.2%	~	18.8%	2.1%	4.5%	6.1%	0.4%	2.2%	6.2%

(1) 2009

Number of national feature films released in Latin America | 2006-2010

Source: Observatorio del Cine y el Audiovisual Latinoamericano (OCAL-FNCL)

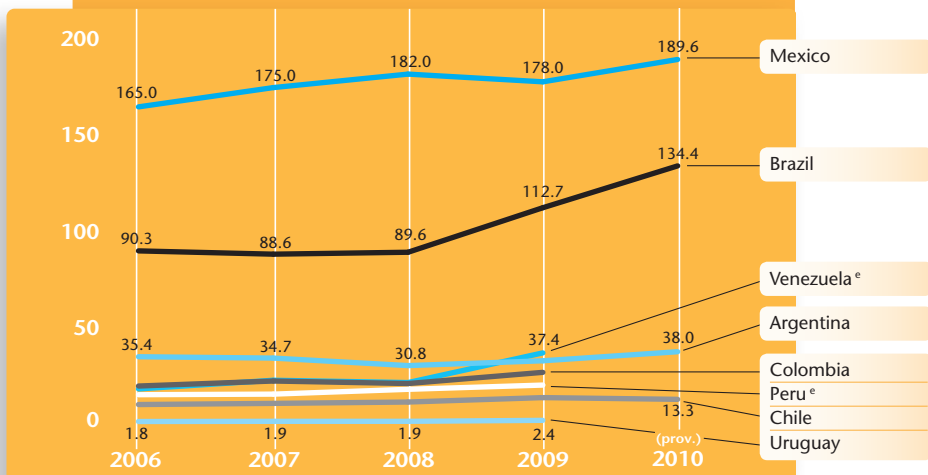


(1) Films produced.

Admissions in Latin America | 2006-2010

In millions.

Sources: Observatorio del Cine y el Audiovisual Latinoamericano (OCAL-FNCL), OBS



Mexico

2010 saw both admissions and GBO reach new record heights in the world's fifth largest market in terms of cinema attendance. Driven by US 3D blockbusters and a strong increase in screens, admissions grew by 6.5% to 190 million tickets sold, while GBO jumped by 19% to MXN 9 billion (USD 714 million). US films continued to dominate the market taking 90.5% of total admissions. The recent explosion of digital screens, from 180 to 650 in 2010, enabled blockbusters to open on a larger number of prints, making it difficult for national productions to secure wide exposure, a handicap when theatrical revenues account for 80 to 90% of the Mexican film industry's turnover. None of the 56 Mexican films released made it into the top 20 in 2010 with national market share down from 7.5% to 6.1%. Mexican distribution and exhibition markets are fairly concentrated with the two leading exhibition chains, Cinépolis and Cinemex y MMC, accounting for 87% of total GBO and MPAA studios cumulatively taking a market share of 81%. According to national film agency Imcine about 14% of all screens were equipped with 3D technology, enabling 3D films to take 19% of 2010 GBO. Production levels remained fairly stable over the past five years with 69 theatrical features produced in 2010, about 85% of which received production support from federal agencies. In order to attract big-budget foreign productions the Mexican government introduced in 2010 a new tax incentive programme, refunding 7.5% of local spend for productions with a minimum spend of USD 5.6 million and granting an additional 10% VAT write off.

Brazil

Boosted by a strong economy, a surge in 3D screens as well as a strong performance of national films, Brazilian cinema attendance increased by an impressive 19% to 134.4 million tickets sold, the highest level in 30 years. GBO even surged by 30% to an all time record high of BRL 1.26 billion (USD 711 million) with average ticket price increasing by 9% to BRL 9.4 (USD 5.29). Social programmes of recent years led to a significant increase in disposable income and an expansion of the middle class willing to spend more on entertainment and to pay premium prices for 3D blockbusters. Benefiting from a growth in digital 3D screens which almost tripled from 97 to

264 in 2010, 3D films took 19.4% of total GBO. Besides the traditionally strong US blockbusters, local films contributed significantly to market growth. Led by chart topping *Tropa de Elite 2*, which became the most watched Brazilian film of all time, national films captured a market share of 18.8%, the highest level since 2003. Due to strong public support local production levels have been increasing steadily over the past 15 years, with the number of local film releases growing from virtually zero to well above 70 film releases per year since 2006. However, theatrical distribution is a bottleneck particularly for independent films, as screen numbers have remained fairly stable over the past 7 years, making Brazil one of the most underscreened markets in the world. The low number of screens along with piracy are generally regarded as the main obstacles to the Brazilian market fully exploiting its considerable growth potential. Addressing this issue the Brazilian government launched in 2010 a BRL 500 million credit line scheme called "Cinema Near You" to encourage the construction of cinemas in small and mid-sized towns. Brazil's e-cinema Rain Network with about 200 screens across 63 cities has proven a successful alternative to DCI compatible digital cinema allowing particularly independent films to be released widely across the country.

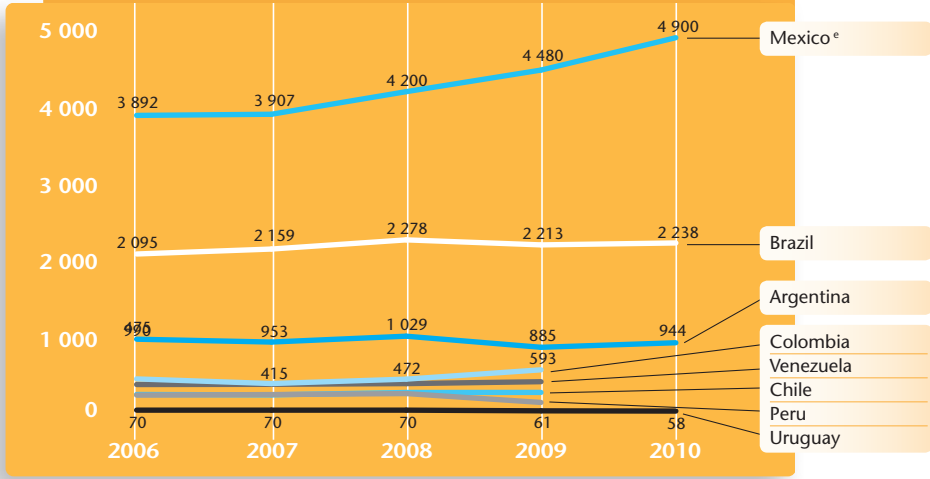
Argentina

In Argentina admissions were up 14% to 38 million tickets sold in 2010, the highest level since 2004 and GBO even increased by 44% to ARS 678 million (USD 173 million), the highest level on record. Driven by the success of 3D blockbusters, which accounted for 7 out of the top ten films, average ticket price jumped by 26% to ARS 17.8 (USD 4.6). Boosted by public support Argentina has become the continent's most prolific producing country with 123 local films released in 2010, up from 101 in 2009. Despite the large number of local films and government regulations on their screening, national market share depends heavily on the breakout success of individual films. With US films dominating the market, it dropped from 16% in 2009 to 9.2% in 2010. With Spain, the traditional co-producing partner, increasing budget thresholds for key public support to international co-productions, Argentina intensified its ties with Brazil through the creation of a new co-production fund.

Sources: Observatorio del Cine y el Audiovisual Latinoamericano (OCAL-FNCL), INCAA, Imcine, Ancine, Screen International, Variety, OBS

Number of screens in Latin America | 2006-2010

Sources: Observatorio del Cine y el Audiovisual Latinoamericano (OCAL-FNCL), IHS Screen Digest



Top 10 films by gross box office in Mexico | 2010^e

GBO in Mexico has been converted to USD based on an average exchange rate of 1 USD = 12.65 MXN.

Original title	Country of origin	Director	Gross box office (in USD) ^e
1 Toy Story 3	US	Lee Unkrich	59 686 346
2 Alice in Wonderland	US	Tim Burton	31 508 375
3 Shrek Forever After	US	Mike Mitchell	28 529 765
4 Harry Potter and the Deathly Hallows (Part One)	GB Inc/US	David Yates	22 957 040
5 The Twilight Saga: Eclipse	US	David Slade	20 705 728
6 Clash of the Titans	US	Louis Leterrier	20 652 959
7 Despicable Me	US	P. Coffin, C. Renaud	19 891 207
8 Iron Man 2	US	Jon Favreau	18 490 953
9 The Chronicles of Narnia: The Voyage of...	GB Inc/US	Michael Apted	16 835 291
10 How to Train Your Dragon	US	D. DeBlois, C. Sanders	14 435 988

Source: Incine

Top 10 films by gross box office in Brazil | 2010^e

GBO in Brasil has been converted to USD based on an average exchange rate of 1 USD = 1.77 BRL.

Original title	Country of origin	Director	Gross box office (in USD) ^e
1 Tropa de Elite 2 - O Inimigo Agora e... (Elite Squad 2)	BR	José Padilha	60 881 791
2 Shrek Forever After	US	Mike Mitchell	38 735 762
3 The Twilight Saga: Eclipse	US	David Slade	29 507 489
4 Alice in Wonderland	US	Tim Burton	27 438 369
5 Toy Story 3	US	Lee Unkrich	24 052 970
6 Harry Potter and the Deathly Hallows (Part One)	GB Inc/US	David Yates	23 132 873
7 Alvin and the Chipmunks: The Squeakquel	US	Betty Thomas	21 263 467
8 Nosso Lar	BR	Wagner de Assis	20 529 109
9 De Pernas pro Ar	BR	Roberto Santucci	18 262 422
10 Chico Xavier	BR	Daniel Filho	16 668 948

Source: Ancine

Top 10 films by gross box office in Argentina | 2010^e

GBO in Argentina has been converted to USD based on an average exchange rate of 1 USD = 3.92 ARS.

Original title	Country of origin	Director	Gross box office (in USD) ^e
1 Toy Story 3	US	Lee Unkrich	15 819 872
2 Shrek Forever After	US	Mike Mitchell	13 630 670
3 Avatar	US	James Cameron	13 295 046
4 Alice in Wonderland	US	Tim Burton	8 087 686
5 Inception	GB Inc/US	Christopher Nolan	7 343 264
6 Harry Potter and the Deathly Hallows (Part One)	GB Inc/US	David Yates	5 788 768
7 The Chronicles of Narnia: The Voyage of the Dawn...	GB Inc/US	Michael Apted	4 428 824
8 The Twilight Saga: Eclipse	US	David Slade	4 316 827
9 Clash of the Titans	US	Louis Leterrier	3 927 698
10 Igualita a mi	AR	Diego Kaplan	3 494 074

Source: Incaa

Top 10 films by gross box office in Venezuela | 2010^e

GBO in Venezuela has been converted to USD based on an average exchange rate of 1 USD = 4.21 VEF.

Original title	Country of origin	Director	Gross box office (in USD) ^e
1 Tangled	US	B. Howard, N. Greno	5 227 221
2 Toy Story 3	US	Lee Unkrich	4 827 834
3 Shrek Forever After	US	Mike Mitchell	4 557 260
4 Harry Potter and the Deathly Hallows (Part One)	GB Inc/US	David Yates	3 612 135
5 Alice in Wonderland	US	Tim Burton	3 301 490
6 La hora cero	VE	Diego Velasco	3 006 189
7 Tron Legacy	US	Joseph Kosinski	2 604 370
8 The Twilight Saga: Eclipse	US	David Slade	2 452 757
9 Clash of the Titans	US	Louis Leterrier	2 292 640
10 The Karate Kid	US	Harald Zwart	2 009 045

Sources: CNAC, OBS

Top 10 films by gross box office in Peru | 2010^e

GBO in Peru has been converted to USD based on an average exchange rate of 1 USD = 2.87 PEN.

Original title	Country of origin	Director	Gross box office (in USD) ^e
1 Shrek Forever After	US	Mike Mitchell	4 044 980
2 Toy Story 3	US	Lee Unkrich	3 692 517
3 Clash of the Titans	US	Louis Leterrier	2 901 985
4 The Chronicles of Narnia: The Voyage of the Dawn...	GB Inc/US	Michael Apted	2 417 691
5 Harry Potter and the Deathly Hallows (Part One)	GB Inc/US	David Yates	2 321 485
6 The Twilight Saga: Eclipse	US	David Slade	2 287 774
7 The Last Airbender	US	Michael N. Shyamalan	2 086 639
8 Despicable Me	US	P. Coffin, C. Renaud	2 058 545
9 Iron Man 2	US	Jon Favreau	1 832 573
10 Prince of Persia: The Sands of Time	GB Inc/US	Mike Newell	1 815 362

Sources: Conacine, OBS

Top 10 films by gross box office in Chile | 2010^e

GBO in Chile has been converted to USD based on an average exchange rate of 1 USD = 519.31 CLP.

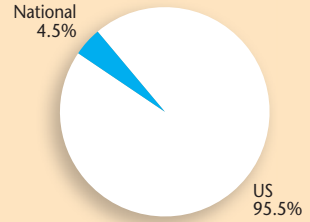
Original title	Country of origin	Director	Gross box office (in USD) ^e
1 Toy Story 3	US	Lee Unkrich	8 067 706
2 Shrek Forever After	US	Mike Mitchell	5 730 409
3 Harry Potter and the Deathly Hallows (Part One)	GB Inc/US	David Yates	3 300 921
4 Tangled	US	B. Howard, N. Greno	2 980 712
5 Alice in Wonderland	US	Tim Burton	2 893 857
6 The Twilight Saga: Eclipse	US	David Slade	2 752 137
7 Inception	GB Inc/US	Christopher Nolan	2 361 300
8 Clash of the Titans	US	Louis Leterrier	1 684 576
9 The Last Airbender	US	Michael N. Shyamalan	1 629 948
10 How to Train Your Dragon	US	D. DeBlois, C. Sanders	1 393 245

Sources: CNAC, OBS

Australia

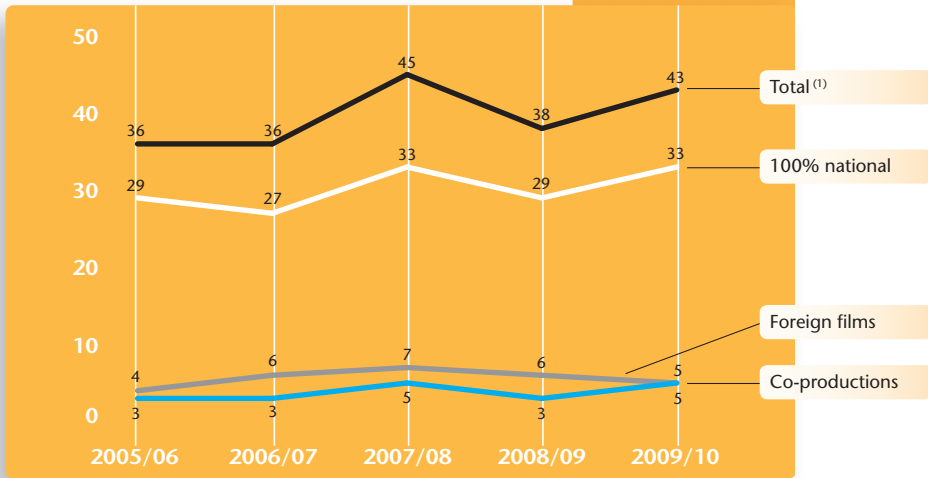
Population 2010 ^e	22.2 million
GDP per capita 2010 ^e	61 405 AUD (54 869 USD)
Gross box office 2010	1.13 bn AUD (1.03 bn USD)
Admissions 2010 ^e	92.0 million
Average ticket price 2010	12.3 AUD (11.23 USD)
Average admissions per capita 2010 ^e	4.14
Screens 2009 2010	1 989 1 992
Digital screens 2009 2010	311 452
3D screens 2009 2010 ^e	299 376

Market shares 2010^e



Number of films produced in Australia | 2005/06-2009/10

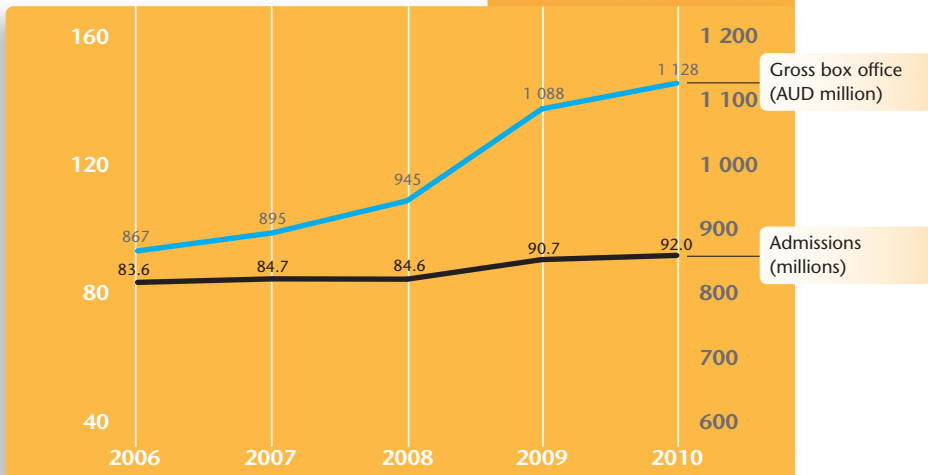
Source: Screen Australia



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

Admissions and gross box office | 2006-2010

Sources: MPDAA, Screen Australia



Top 20 films by admissions in Australia | 2010^e

Estimated admissions based on average ticket price of 12.26 AUD.

Original title	Country of origin	Director	Distributor	Admissions ^e
1 Avatar	US/GB	James Cameron	Fox	6 141 155
2 Toy Story 3	US	Lee Unkrich	Walt Disney	3 459 706
3 Harry Potter and the Deathly...	GB Inc/US	David Yates	Warner Bros.	3 180 212
4 Alice in Wonderland	US	Tim Burton	Walt Disney	3 063 785
5 Inception	GB Inc/US	Christopher Nolan	Warner Bros.	2 905 758
6 The Twilight Saga: Eclipse	US	David Slade	Hoyts	2 790 576
7 Shrek Forever After	US	Mike Mitchell	Paramount	2 242 572
8 Iron Man 2	US	Jon Favreau	Paramount	2 120 259
9 Sex and the City 2	US	Michael P. King	Roadshow	1 919 126
10 Despicable me	US	P. Coffin, C. Renaud	Universal	1 813 164

Sources: Screen Australia, MPDAA, OBS

Distribution and Exhibition

In 2010 Australian box office grew to another record high of AUD 1.13 billion (USD 1.03 billion), up 3.7% from its previous record level in 2009. Like in many other markets GBO growth was driven primarily by an increase in average ticket prices due to 3D screenings, up 2.3% from AUD 12.0 to AUD 12.3 (USD 11.23). Admissions grew by 1.4% to an estimated 92 million tickets sold, the highest level since 2002. With an annual average of 4.14 cinema tickets bought per citizen Australia remains one of the countries with highest cinema going rates per person worldwide. In 2010, a total of 325 films were released, 21 less than the previous year. The 41 Australian films screened in 2010 took a market share of 4.5% of total GBO, down from 5% in 2009. Led by *Avatar*, which became the all-time highest grossing film in the territory, box office was once more dominated by US blockbusters, particularly 3D films and sequels. Independent films were reported to be faced with lower box office results due to increasing concentration on the opening weekends. The number of digital screens increased by a comparatively low 45.3% bringing digital screen penetration to just under 23% by the end of 2010. A recent report commissioned by the AFACT estimates that movie piracy cost the Australian film industry lost revenue of USD 1.37 billion in the 12 months up to July 2010.

Production and Funding

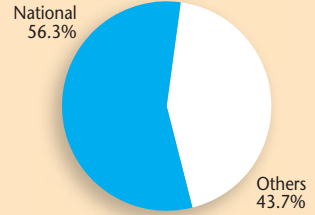
Production activity in Australia increased to 43 feature films starting principal photography in 2009/10, compared to 38 films in the previous year. Though it is too early to clearly evaluate the impact of the producer offset (PO), a 40% tax rebate for qualifying domestic films or official co-productions, which was introduced three years ago, Screen Australia figures indicate that it shifted production activity from small and medium-budget projects towards bigger budget films. Films with budgets of less than AUD 6 million (USD 5.5 million) accounted for 77% of total feature production volume in 2007/08 but accounted for only 59% two years later. While the producer offset with its minimum budget requirements aims to support bigger, more commercial projects, smaller art-house films still depend on Screen Australia's direct subsidies. Some independent filmmakers fear that direct subsidies will be further cut as PO claims rise. Despite location and post-production tax rebates of 15%, the exchange rate of the Australian dollar remains the key element in attracting foreign production budgets to the Australian film industry.

Sources: Screen Australia, MPDAA, Screen International, AFACT (Australian Federation Against Copyright Theft), IPSOS, Oxford Economics, OBS

People's Republic of China

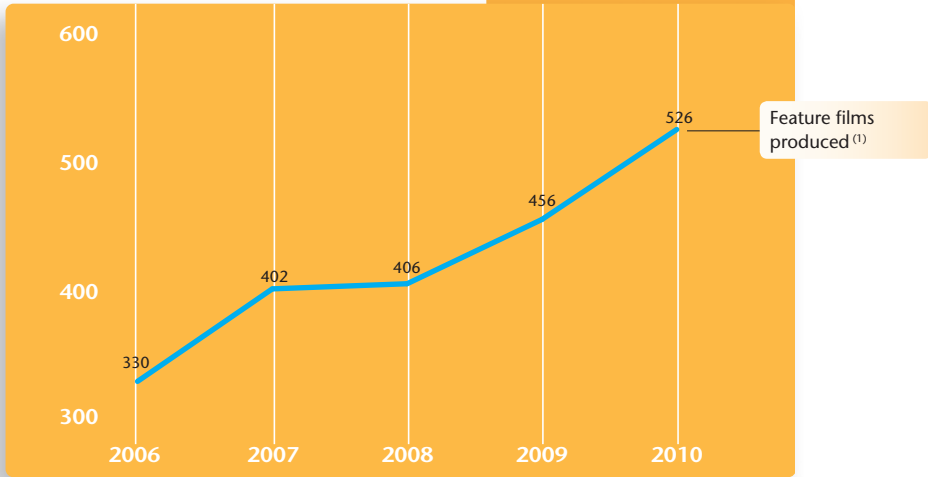
Population 2010 ^e	1 341 million
GDP per capita 2010 ^e	4 283 USD
Gross box office 2010	10.2 bn CNY (1 501 M USD)
Admissions 2009 ^e	263.8 million
Average ticket price 2009 ^e	23.5 CNY (3.43 USD)
Average admissions per capita 2009 ^e	0.20
Screens 2009 2010	4 726 6 200
Digital screens 2009 2010	1 788 3 150
Digital 3D screens 2009 2010	750 1 350

Market shares 2010^e



Number of feature films produced in China | 2006-2010

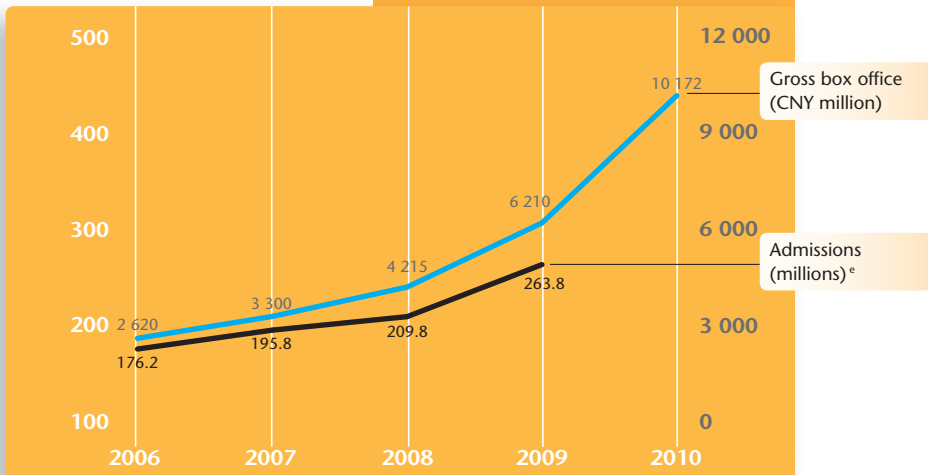
Sources: SARFT, Film Business Asia



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

Admissions and gross box office | 2006-2010

Sources: SARFT, Variety, IHS Screen Digest, OBS



Top 10 films by gross box office in China | 2010

Original title	Country of origin	Director	Distributor	Gross box office (in USD million)
1 Avatar	US/GB	James Cameron	China Film. Huaxia	203.9
2 Tangshan dadizhen (Aftershock)	CN	Xiaogang Feng	Huayi Brothers Media	98.2
3 Rang zidan fei (Let The Bullets Fly)	CN	Wen Jiang	~	84.6
4 Inception	US/GB inc	Christopher Nolan	China Film. Huaxia	69.0
5 Fei cheng wu rao 2 (If You Are...)	CN	Xiaogang Feng	~	54.4
6 Di Renjie (Detective Dee And The...)	CN/HK	Hark Tsui	~	44.6
7 Alice in Wonderland	US	Tim Burton	China Film. Huaxia	33.8
8 Harry Potter and the Deathly...	GB inc/US	David Yates	China Film. Huaxia	33.4
9 Iron Man 2	US	Jon Favreau	China Film. Huaxia	33.2
10 The Expendables	US	Sylvester Stallone	China Film	32.2

Sources: Screen International, OBS

Top 10 foreign films by gross box office in China | 2010

Original title	Country of origin	Director	Distributor	Gross box office (in USD million)
1 Avatar	US/GB	James Cameron	China Film. Huaxia	203.9
2 Inception	US/GB inc	Christopher Nolan	China Film. Huaxia	69.0
3 Alice in Wonderland	US	Tim Burton	China Film. Huaxia	33.8
4 Harry Potter and the Deathly...	GB inc/US	David Yates	China Film. Huaxia	33.4
5 Iron Man 2	US	Jon Favreau	China Film. Huaxia	33.2
6 The Expendables	US	Sylvester Stallone	China Film	32.2
7 Clash of the Titans	US	Louis Leterrier	China Film	27.0
8 Prince of Persia: The Sands of Time	US/GB inc	Mike Newell	China Film. Huaxia	26.0
9 Resident Evil: Afterlife	DE/FR/GB	Paul W.S. Anderson	DMG	21.6
10 Toy Story 3	US	Lee Unkrich	China Film Digital	17.6

Sources: Screen International, OBS

Distribution and Exhibition

Driven by the strong growth in new cinema screens and the success of a few blockbusters, GBO rocketed by an incredible 64% to a new record height of CNY 10.2 bn (USD 1.5 bn) in 2010. Despite booming GBO, the Chinese market remains extremely difficult for foreign films as well as for smaller local productions due to a high level of concentration. Box office is dominated by a few blockbusters with the top two films *Avatar* and *Aftershock* taking 20% and the top 10 films accounting for 46% of total GBO, leaving smaller local productions struggling to secure a proper theatrical release. The distribution of foreign films is limited by import quotas and a highly concentrated, state controlled distribution sector. The mandatory usage of state distribution companies has been criticised in a WTO ruling in 2009 asking China to amend legislation by March 2011. In contrast, competition is fierce in the fast growing exhibition sector which saw the opening of 4.2 screens on average per day in 2010. With up to 85% of the country's total area still underscreened, industry players expect growth to continue at high rates. However exhibitors, particularly in major cities, are struggling with rapidly increasing rents stretching their recoupment periods and causing some to falsify box office reports. This has been identified as a

major issue by the state regulatory body SARFT which now plans to introduce a transparent box office reporting system. Buoyed by public support, China boasted the second largest digital (3 150) and 3D (1 350) screen base in the world by the end of 2010.

Production

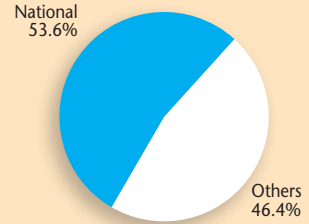
In 2010 China became the world's third largest film producing country with feature fiction film production increasing to 526 productions, up 70 films from 2009. However, according to industry insiders less than 150 of these films were released theatrically and only 30 of these films earned money, implying profitability and quality issues for many local productions. The recent box office boom has nevertheless attracted plenty of national and foreign investments with several larger studios listing on the stock market and local banks financing the industry. According to SARFT more than 600 film investment and production companies were active in 2010, compared to about 200 in previous years. Faced with ever increasing production costs the Chinese film industry is looking to increase revenues from international sales and limit the losses caused by piracy.

Sources: SARFT, Screen International, Variety, Film Business Asia, OBS

Japan

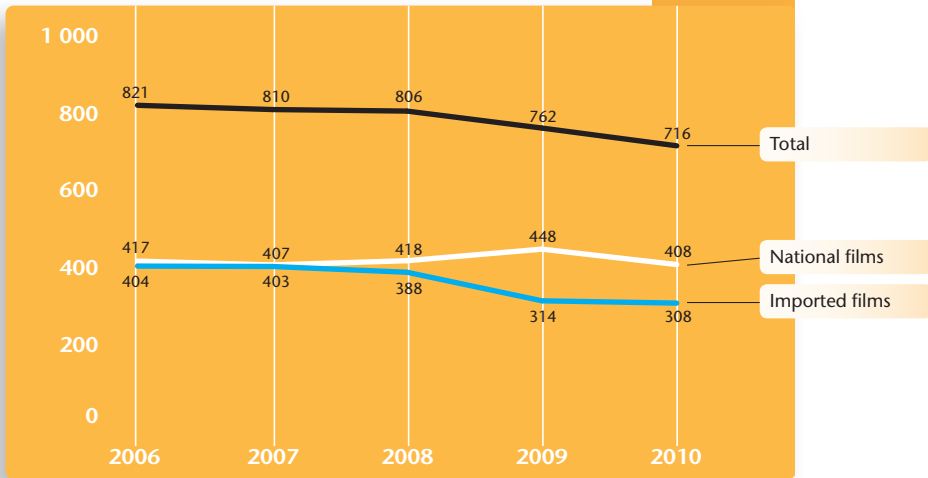
Population 2010*	127.4 million
GDP per capita 2010*	42 325 USD
Gross box office 2010	220.7 bn JPY (2.5 bn USD)
Admissions 2010*	174.4 million
Average ticket price 2010	1 266 JPY (14.42 USD)
Average admissions per capita 2010*	1.4
Screens 2009 2010	3 396 3 412
Digital screens 2009 2010*	440 983
Digital 3D screens 2009 2010*	170 763

Market shares 2010



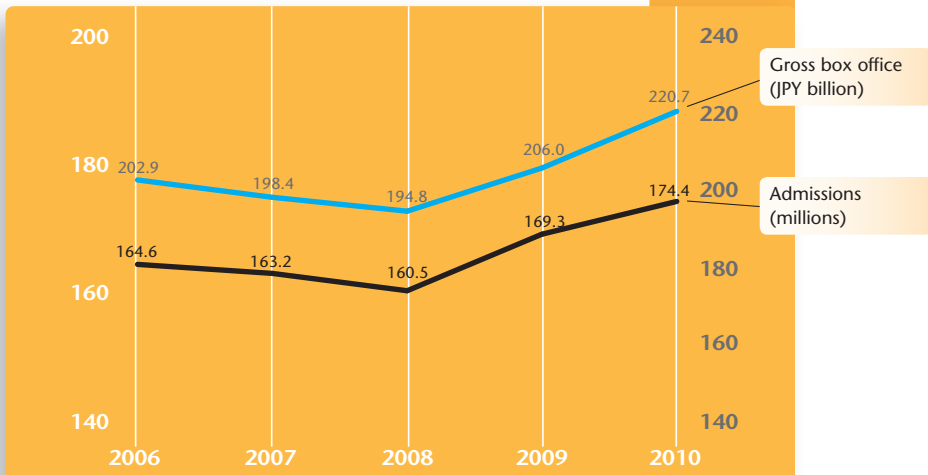
Number of films released in Japan | 2006-2010

Source: EIREN



Admissions and gross box office | 2006-2010

Source: EIREN



Top 20 films by admissions in Japan | 2010^e

Estimated admissions based on average ticket price of JPY 1 266.

Original title	Country of origin	Director	Distributor	Admissions ^e
1 Avatar	US/GB	James Cameron	Fox	12 322 275
2 Alice in Wonderland	US	Tim Burton	Walt Disney	9 320 695
3 Toy Story 3	US	Lee Unkrich	Walt Disney	8 530 806
4 Kari-gurashi no Arrietty (Arrietty)	JP	Hirohisa Yonebayashi	Toho	7 306 477
5 Za rasuto messêji: Umizaru (Umizaru 3)	JP	Eiichiro Hasumi	Toho	6 350 711
6 Odoru daisousasen the movie 3	JP	Katsuyuki Motohiro	Toho	5 774 092
7 Up	US	Docter, Peterson	Walt Disney	3 949 447
8 One Piece film - Strong World	JP	Munehisa Sakai	Toei	3 791 469
9 Resident Evil: Afterlife	DE/FR/GB	Paul W.S. Anderson	Spe	3 712 480
10 Zoroark: Master of Illusions	JP	Kunihiko Yuyama	Toho	3 285 940
11 Nodame Kantâbire (The Movie I)	JP	Hideki Takeuchi	Toho	3 238 547
12 Kokuhaku (Confessions)	JP	Tetsuya Nakashima	Toho	3 041 074
14 Nodame Kantâbire (The Movie II)	JP	Kawamura, Takeuchi	Toho	2 938 389
15 SP: The motion picture yabô hen	JP	Takafumi Hatano	Toho	2 867 299
13 Inception	US	Christopher Nolan	Warner Bros.	2 764 613
18 Meitantei Conan: Tenkuu no rosuto shippu	JP	Yasuichiro Yamamoto	Toho	2 527 646
16 Eiga Doraemon: Nobita no ningyo	-	-	Toho	2 496 051
19 Hanamizuki (May your love bloom...)	JP	Kôzô Kusuba	Toho	2 235 387
17 Oceans	FR	Perrin, Cluzaud	Gaga	1 974 724
20 Raiâ gêmu: Za fainaru sutêji (Liar Game)	JP	Hiroaki Matsuyama	Toho	1 864 139

Sources: EIREN, OBS

Distribution and Exhibition

Driven by a 3D boom Japanese box office grew by 7.1% to JPY 221 billion (USD 2.5 billion) in 2010, the highest level in the country's history. GBO growth was driven by a 3% increase in admissions to 174.4 million, the highest level in the past decade, and a 4% increase in average ticket price to JPY 1 266 (USD 14.4). This marks a significant increase in ticket prices, which were already among the world's most expensive but had remained stable at an average of about JPY 1 215 over the past three years, and shows the effect of premium priced 3D screenings which further re-inforced the polarization between a limited number of big local and Hollywood productions and a large number of independent films struggling for screen space. This development was brought about by moviegoing habits shifting strongly in favour of blockbuster screenings in multiplexes and caused a crisis in Japan's arthouse sector which saw many smaller cinemas and independent distributors go out of business over the past two years. Consequently the number of foreign film imports dropped dramatically from 404 films only five years ago to 308 in 2010. While a total of 1 651 multiplex screens opened over the past decade, over 760 screens in smaller cinemas closed in the same period, raising the share of multiplex screens from 49% to 81%. However, due to stagnating admissions

per screen, multiplex construction has been slowing down for two years and earlier this year market leader Toho announced plans to significantly reduce prices in its multiplexes in order to stimulate growth in attendance. This would be the first price cut at multiplexes since their arrival on the market in 1993. No doubt 2011 will prove to be an extraordinarily challenging year for the film industry as Japan faces one of its most difficult periods in recent history.

Production

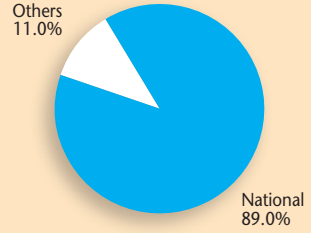
After reaching a record high of 448 films in 2009, Japan's production activity dropped sharply in 2010 to 408 national films released, including 59 adult films. Led by big local blockbusters like *Arrietty* or sea action film *Umizaru 3*, national films took 53.6% of total GBO, down from 56.9% in 2009. Just like in the exhibition and distribution sector a widening gap between major and smaller producers can be observed as smaller productions struggle to recoup their investments and the involvement of a major TV network and its cross-promotion activities have become an essential factor for box office and video success.

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

India

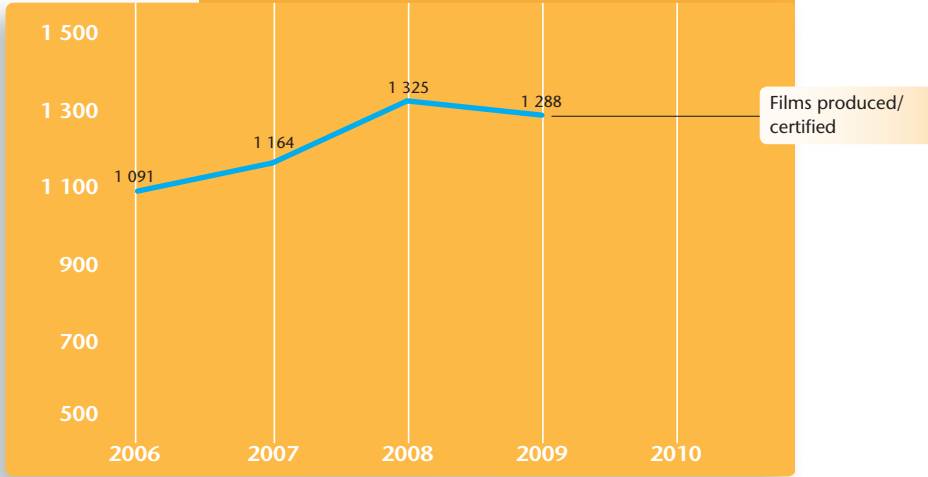
Population 2010 ^e	1 216 million
GDP per capita 2010 ^e	1 176 USD
Gross box office 2010 ^e	62.0 bn INR (1.35 bn USD)
Admissions 2009 ^e	2 918 million
Average ticket price 2009 ^e	23.48 INR (0.51 USD)
Average admissions per capita 2009 ^e	2.42
Screens 2009 2010 ^e	10 070 ~
E-Cinema screens 2009 2010 ^e	2 815 3 600
D-Cinema screens 2009 2010 ^e	146 279
3D screens 2009 2010 ^e	50 130

Market shares 2009^e



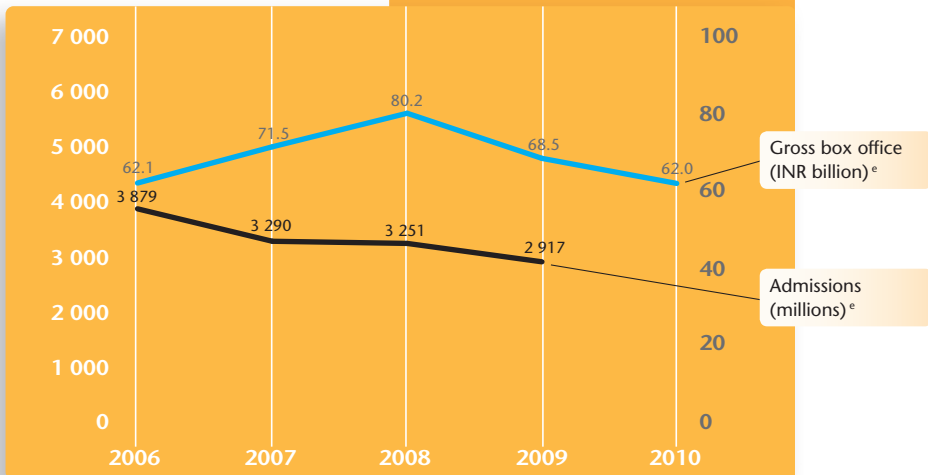
Number of Indian feature films produced/certified | 2006-2010

Sources: Ministry of Information and Broadcasting, IHS Screen Digest



Admissions and gross box office | 2006-2010^e

Sources: FICCI-KPMG, IHS Screen Digest, OBS



Top 10 Hindi films by gross box office in India | 2010^e

GBO in USD calculated using an average exchange rate of 45.94 INR.

Original title	Country of origin	Director	Distributor	Gross box office (in M USD) ^e
1 Enthiran (The Robot)	IN	S. Shankar	Sun Pictures	55.55
2 Dabangg	IN	Abhinav Kashyap	Arbaaz Khan Prod./Shree Ashtavin...	33.61
3 Golmaal 3	IN	Rohit Shetty	Shree Ashtavinayak Cine Vision	27.25
4 Raajneeti	IN	Prakash Jha	~	22.23
5 Housefull	IN	Sajid Khan	Eros International	15.87
6 My Name Is Khan	IN	Karan Johar	Fox STAR Studios	14.54
7 Once Upon A Time In Mumbai	IN	Milan Luthria	~	13.00
8 Tees Maar Khan	IN	Farah Khan	~	13.02
9 Kites	IN	Anurag Basu	~	11.22
10 Anjaana Anjaani	IN	Siddharth Anand	~	11.29

Sources: IBOS network, IMDB

Distribution and Exhibition

Despite the ongoing lack of reliable figures on the Indian film industry, it is fair to assume that 2010 proved to be another difficult year for the Indian box office. According to the most recent FICCI – KPMG report, GBO fell for the second consecutive year in 2010, dropping 9.5% to INR 62 billion (USD 1.3 billion). It can be assumed that underlying admissions continued their downward trend of recent years, falling from an estimated 3.9 billion in 2006 to 2.9 billion in 2009. While the decline in 2009 results could be partially blamed on a dispute which saw producers refusing to release any big films until their demands for higher revenue-sharing agreements with multiplex owners had been met, the 2010 downturn was largely attributed to a lack of quality films. Most of the big star-driven Bollywood blockbuster failed to meet expectations. The outlook for 2011 remains challenging with two major cricket events expected to keep audiences out of theatres for over three months between February and May. Few films are generally released during this season and most films will fight for screen space in the remaining 8 months, increasing the risk of cannibalization of box office. The country's exhibition landscape is split between a large number of single screen theatres, particularly in South India, which exclusively screen national and regional films, and a smaller number of multiplex screens in the larger cities. Depending on the source, multiplexes account for something between 50% and 70% of India's box office and are the primary source of revenues for US films. Average ticket prices for multiplexes were around INR 150 (USD 3.3) compared to INR 38 (USD 0.8) for single-screen tickets. KPMG expects multiplex growth to become a key growth driver for market in the years to come. So far there has been limited demand for digital cinema, with only about 279 DCI compatible digital screens out of a

total screen base of round 10 000 operational by the end of 2010. This compares to about 3 600 e-cinema screens (1.3K) which come at significantly lower cost and cater to the national films which dominate the market, generally taking more than 90% of GBO. US blockbusters were reported to have slightly increased their market share in 2010 but generally account only for 5% to 7% of the market. This leaves hardly any space for independent foreign films which find a more promising distribution platform in the booming Indian TV landscape.

Production

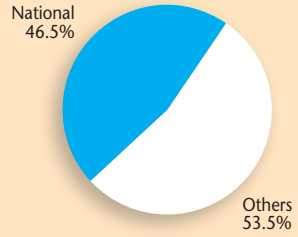
Though there are no official figures for 2010 production levels, industry sources reported a continuing downturn of Indian production activity due to a financing crunch caused by the 2009 recession, which already saw the number of films certified fall to 1 288 in 2009. The Indian film industry heavily depends on local box office, which accounted for an estimated 75% of total industry turnover in 2010, to recoup their investments. Faced with falling box office results and shorter theatrical runs, Indian production companies are continuing their efforts to tackle profitability issues by further reducing production costs, particularly talent cost. KPMG estimates that average production costs for big budget movies dropped by 19% in 2010 to INR 730 million (USD 15.9 million). Marketing costs for theatrical releases were the only cost element to increase and may lead smaller independent production companies to increasingly produce feature films exclusively for non-theatrical distribution platforms like TV, home video and internet, according to an assessment of KPMG.

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

South Korea

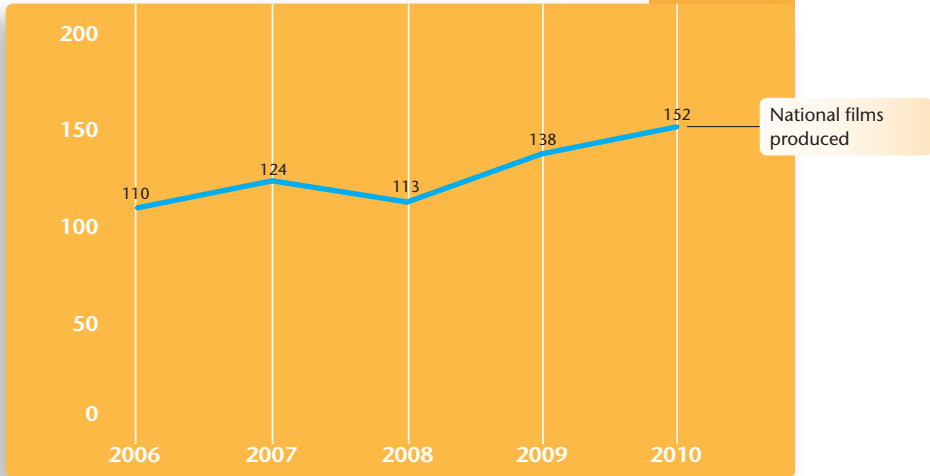
Population 2010 ^e	50.5 million
GDP per capita 2010 ^e	20 165 USD
Gross box office 2010	1 150 bn KRW (992 M USD)
Admissions 2010	146.8 million
Average ticket price 2010 ^e	7 834 KRW (6.75 USD)
Average admissions per capita 2010 ^e	2.92
Screens 2009 2010	2 055 2 003
Digital screens 2009 2010	566 1 221
Digital 3D screens 2009 2010	129 573

Market shares 2010^e



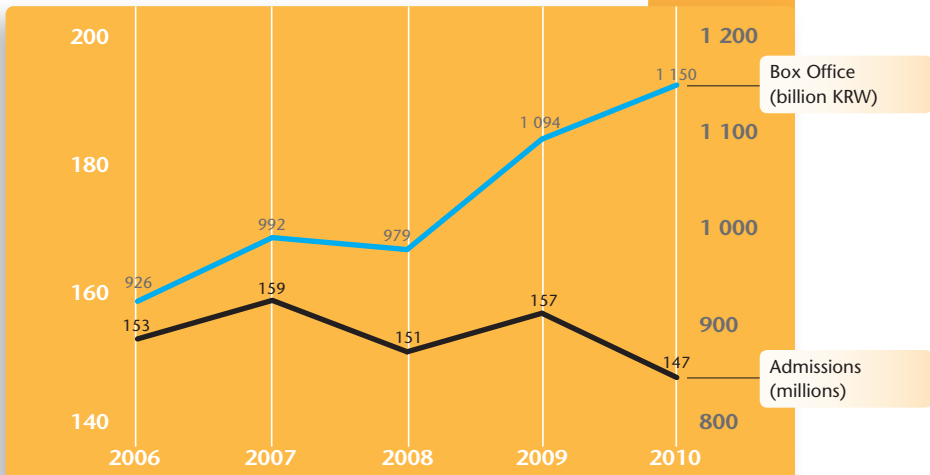
Number of feature films produced and released | 2006-2010

Source: KOFIC



Admissions and gross box office | 2006-2010

Source: KOFIC



Top 20 films by admissions in South Korea | 2010^e

	Original title	Country of origin	Director	Distributor	Admissions ^e
1	Avatar	US/GB	James Cameron	20 th Century Fox	8 301 116
2	The Man from Nowhere (Ajeossi)	KR	Jeong-beom Lee	CJ Entertainment	6 182 772
3	Inception	US/GB inc	Christopher Nolan	Warner Bros.	5 832 610
4	Ui-hyeong-je (Secret Reunion)	KR	Hun Jang	Showbox/Mediaplex	5 419 450
5	Iron Man 2	US	Jon Favreau	CJ Entertainment	4 426 736
6	Jeon Woochi	KR	Dong-hun Choi	Showbox/Mediaplex	3 612 920
7	Iggi (Moss)	KR	Woo-Suk Kang	CJ Entertainment	3 353 897
8	Pohwasogeuro (71: Into the Fire)	KR	John H. Lee	Lotte Entertainment	3 331 816
9	Hamoni (Harmony)	KR	Dae-gyu Kang	CJ Entertainment	3 019 702
10	Bang-ja-jeon (The Servant)	KR	Kim Dae-woo	CJ Entertainment	2 986 807
11	Salt	US	Phillip Noyce	Sony Pictures	2 874 833
12	Bu-dang-geo-rae (The Unjust)	KR	Seung-wan Ryoo	CJ Entertainment	2 722 403
13	Si-ra-no;Yeon-ae-jo-jak-do (Cyrano)	KR	Hyeon-seok Kim	Lotte Ent.	2 688 346
14	Clash of the Titans	US	Louis Leterrier	Warner Bros.	2 642 763
15	How to Train Your Dragon	US	D. DeBlois, C. Sanders	CJ Entertainment	2 562 412
16	Harry Potter and the Deathly...	GB inc/US	David Yates	Warner Bros.	2 327 168
17	Hanyo (The Housemaid)	KR	Sang-soo Im	SidusFNH	2 267 807
18	Knight & Day	US	James Mangold	20th Century Fox	2 245 866
19	Shrek Forever After	US	Mike Mitchell	CJ Entertainment	2 225 363
20	Alice in Wonderland	US	Tim Burton	Sony Pictures	2 147 629

Sources: KOFIC

Distribution and Exhibition

After bouncing back in 2009, cinema attendance in South Korea fell to 146.8 million admissions, down 6.5% from 2009 and the lowest level of the past five years. Like in many other countries an increasing number and popularity of 3D screenings drove average ticket prices to increase by 12% over the past two years to KRW 7 834 (USD 6.75) and helped GBO to grow despite falling admissions. GBO increased by 5.1% to KRW 1 150 billion (USD 992 million) which was particularly important for the Korean film industry which depends heavily on theatrical box office, which generates up to 85% of total revenues, and has been struggling with collapsing ancillary markets since 2007. Hoping to benefit from the almost comprehensive broadband penetration distributors are increasing their efforts to revive ancillary markets by growing the VOD offer via IPTV as well as Wi-Fi and 3G streaming services. Films are generally released on premium VOD one month after their theatrical release with ancillary rights deals involving revenue-sharing rather than flat fees. Piracy remains an issue but acknowledgement of illegality of file-sharing has been increasing due to the government and industry-supported "Good Downloader Campaign". Led by *Avatar*, which broke the all-time Korean admissions record, 3D films took 16.5% of the total box office,

compared to only 2.2% in 2009. Korean films secured a market share of 46.5% while US films took the market lead again capturing 47.3% of total admissions. As in the past 8 years CJ Entertainment led the distribution market with a market share of 28% of total admissions, followed by 20th Century Fox (11%) and Lotte Entertainment (10.6%). By the end of 2010 about 60% of the country's screen base had been converted to digital projection (1 221 screens), including 573 3D screens.

Production and Funding

Korean production activity continued its growth trend reaching a new record high of 152 films produced in 2010, 14 films more than in 2009. Faced with ongoing profitability problems caused by increasing production budgets on the one hand and declining box office and particularly ancillary revenues on the other, the Korean film industry had to adjust average production costs which almost halved over the past 5 years from KRW 4 billion to KRW 2.16 billion (USD 1.9 million). Due to their strong market share Korean films could keep their earnings rate relatively stable in 2010. The Korean Film Council recently announced new location shooting and post-production incentives for foreign feature films shooting in Korea.

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

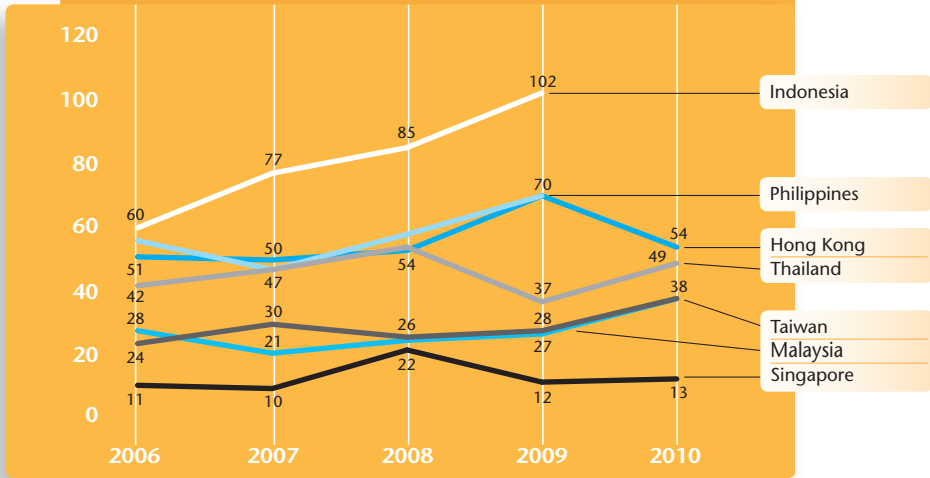
Other Asia

	Hong Kong	Indonesia	Malaysia	Philippines	Singapore	Taiwan	Thailand
Population 2010 ^e (millions)	7.1	234.6	28.2	94.0	5.1	23.3	67.7
GDP per capita 2010 ^e (USD)	31 799	2 963	7 755	2 011	42 653	18 304	4 621
Gross box office 2010 ^e (M USD)	172.4	101.9 ⁽¹⁾	160.4	117.3 ⁽¹⁾	119.0	204.2	112.5 ⁽¹⁾
Admissions 2010 ^e (millions)	20.8 ⁽¹⁾	52.3 ⁽¹⁾	54.3	69.0 ⁽¹⁾	20.3	23.6 ⁽¹⁾	29.6 ⁽¹⁾
Average ticket price 2010 ^e (USD)	7.32 ⁽¹⁾	1.95 ⁽¹⁾	2.95	1.70 ⁽¹⁾	5.86	7.29 ⁽¹⁾	3.80 ⁽¹⁾
Average admissions per capita 2010 ^e	2.93 ⁽¹⁾	0.23 ⁽¹⁾	1.93	0.75 ⁽¹⁾	3.98	1.02 ⁽¹⁾	0.44 ⁽¹⁾
Screens 2010 ^e	198	726 ⁽¹⁾	571	770 ⁽¹⁾	169	576	752 ⁽¹⁾
Digital screens 2009 2010 ^e	72 155	16 34	16 44	28 84	38 49	42 219	44 82
3D screens 2010 ^e	108	~	~	~	43	~	~
National market shares 2010 ^e	19.0%	55% ⁽²⁾	17.0%	~	2.0%	7.1%	37.5% ⁽²⁾

(1) 2009 (2) 2008

Number of feature films produced in selected Asian countries | 2006-2010

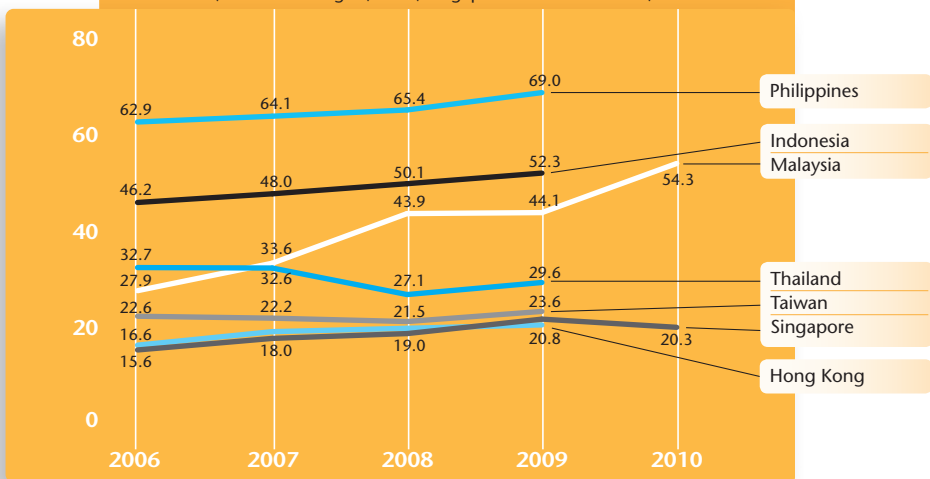
Sources: OBS, IHS Screen Digest, Taiwan Cinema, Singapore Film Com., Screen Intl, Finas



Cinema attendance in selected Asian countries | 2006-2010^e

In millions.

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



Top 10 films by gross box office in Hong Kong | 2010

GBO in Hong Kong has been converted to USD based on an average exchange rate of 1 USD = 7.77 HKD.

Original title	Country of origin	Director	Gross box office (in USD million)
1 Toy Story 3	US	Lee Unkrich	11.50
2 Inception	US/GB inc	Christopher Nolan	7.51
3 Alice in Wonderland	US	Tim Burton	5.68
4 Harry Potter and the Deadly Hallows: Part 1	GB inc/US	David Yates	5.06
5 Iron Man 2	US	Jon Favreau	3.77
6 Shrek Forever After	US	Mike Mitchell	3.50
7 The Chronicles of Narnia: The Voyage of the Dawn...	GB inc/US	Michael Apted	3.32
8 Gulliver's Travels	US	Rob Letterman	3.15
9 Clash of the Titans	US	Louis Leterrier	2.78
10 Step Up 3D	US	Jon Chu	2.49

Source: MPIA

Top 10 films by gross box office in Singapore | 2010

GBO in Singapore has been converted to USD based on an average exchange rate of 1 USD = 1.36 SGD.

Original title	Country of origin	Director	Gross box office (in USD million)
1 Iron Man 2	US	Jon Favreau	4.06
2 Harry Potter and the Deadly Hallows: Part 1	GB inc/US	David Yates	4.00
3 Clash of the Titans	US	Louis Leterrier	3.88
4 Inception	US/GB inc	Christopher Nolan	3.68
5 The Karate Kid	US	Harald Zwart	3.24
6 Yp Man 2	HK	Wilson Yip	3.19
7 Alice in Wonderland	US	Tim Burton	3.18
8 Toy Story 3	US	Lee Unkrich	2.97
9 Shrek Forever After	US	Mike Mitchell	2.89
10 How To Train Your Dragon	US	DeBlois, Sanders	2.79

Sources: Singapore Film Commission

Distribution and Production

Outside of the four major Asian theatrical markets, GBO increased in all markets for which 2010 data were available. Despite the lack of reliable admissions data for most territories, one can assume that 3D premium prices significantly contributed to GBO growth in Hong Kong (+13.3% to USD 172 million), Taiwan (+18.5% to USD 204 million) and Singapore (+3.2% to USD 119 million), where admissions dropped by 11.6%. The highest GBO growth was however registered in Malaysia, up 41% to USD 160 million, driven by a growing number of screens (+48%) and a corresponding increase in admissions, up 23% to 54.3 million. No 2010 data were available for the Philippines, Thailand and Indonesia, where in the past low screen figures, film quotas, censorship and a near-monopoly situation in the distribution market were regarded as handicaps to realise the full market potential of the world's fourth most populous region. Inspired by Indonesia's quota model, which over the years broke the dominance of US films and brought national market share to an estimated 55% in 2008, the Filipino government is considering the introduction of a screen quota for domestic films. On the

production side, Indonesia, supported by its quotas, and the Philippines are the most prolific film producers among the smaller Asian film markets, with most of the other territories producing between 40 and 50 feature films a year.

Digital and E-Cinema

As of 2010, digital cinema plays a market shaping role in six territories, namely China, Japan, South Korea, Hong Kong, Taiwan and Singapore where a significant portion of the total screen bases had converted by the end of 2010. In many other Asian territories exhibitors are cautious about the economics of digital conversion with many consumers not being able to afford premium ticket prices. Lower-cost e-cinema solutions with satellite delivery, like the one proposed by India's digital integrator UFO Moviez, are catering to the screening of local and international independent films and can overcome transportation difficulties in markets like Indonesia or the Philippines with thousands of islands and large distances.

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

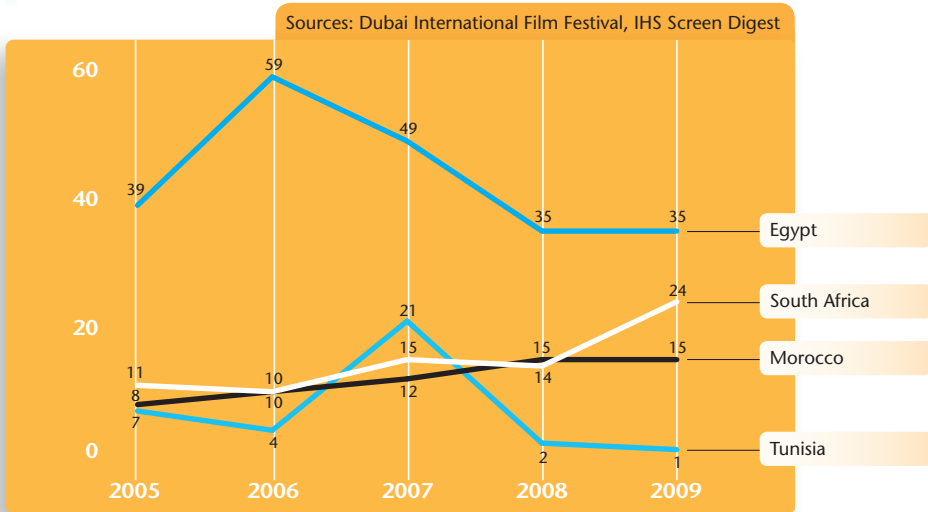
Africa

	Algeria	Egypt	Morocco	South Africa	Tunisia
Population 2010 ^e (millions)	35.5	78.2	32.0	49.9	10.5
GDP per capita 2010 ^e (USD)	4 477.8	2 771.4	2 868.2	7 100.8	4 159.9
Gross box office 2009 ^e (in M USD)	0.02 ⁽²⁾	63.1	8.4	53.2	~
Admissions 2009 ^e (millions)	0.03 ⁽²⁾	29.1	2.6	25.7	~
Average ticket price 2009 ^e (in USD)	1.33	2.17	2.35	2.07	2.32
Average admissions per capita 2009 ^e	0.00 ⁽²⁾	0.38	0.08	0.52	~
Screens 2009 ^e	19	400	77	846	18
Digital screens 2010 ^e	~	28	~	95	3 ⁽¹⁾
National market shares 2009 ^e	~	80%	15% ⁽²⁾	~	~

(1) 2009 (2) 2008

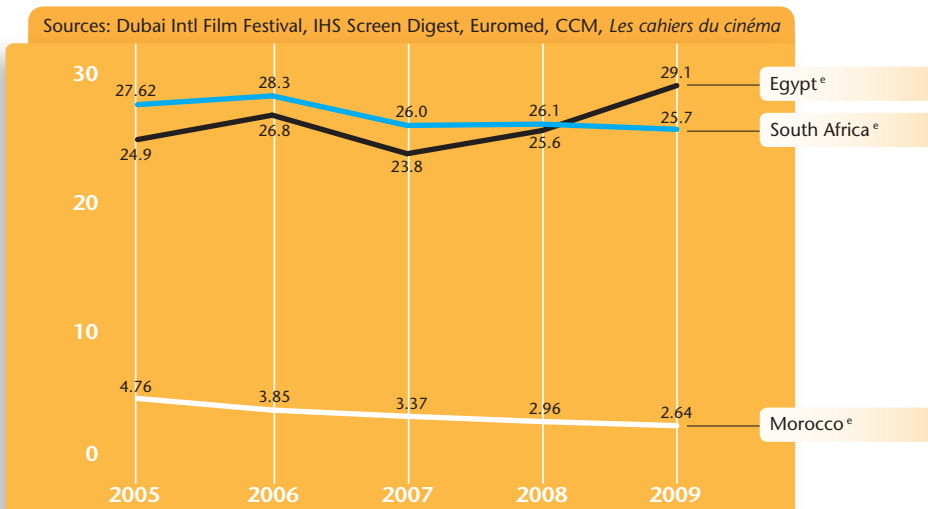
Sources: Dubai International Film Festival, IHS Screen Digest

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



Admissions in selected African countries | 2005-2009^e

In millions.



Top 10 films by gross box office in South Africa | 2010

	Original title	Country of origin	Director	Distributor	Gross box office (in USD) [€]
1	Schuks Tshabalala's Survival Guide to...	SA	Gray Hofmeyr	~	5 148 841
2	The Twilight Saga: Eclipse	US	David Slade	Nu Metro	3 744 343
3	Shrek Forever After	US	Mike Mitchell	UIP	3 410 775
4	Toy Story 3	US	Lee Unkrich	Disney	3 344 199
5	Alice in Wonderland	US	Tim Burton	Disney	3 188 348
6	Step Up 3D	US	Jon Chu	Nu Metro	3 040 681
7	Iron Man 2	US	Jon Favreau	PPI	2 589 816
8	Despicable Me	US	P. Coffin, C. Renaud	UIP	2 345 587
9	Spud	SA	Donovan Marsh	Nu Metro	2 316 147
10	Harry Potter and the Deadly Hallows...	US	David Yates	Nu Metro	2 268 033

Source: Box Office Mojo

Top 10 foreign films by gross box office in Egypt | 2010

	Original title	Country of origin	Director	Distributor	Gross box office (in USD) [€]
1	Inception	GB inc/US	Christopher Nolan	Warner Bros.	860 632
2	My name is Khan	IN	Karan Johar	Fox	517 018
3	Clash of the Titans	US	Louis Leterrier	Warner Bros.	505 075
4	Alice in Wonderland	US	Tim Burton	Disney	503 454
5	Knight and Day	US	James Mangold	Fox	447 547
6	The Twilight Saga: Eclipse	US	David Slade	UMP	440 409
7	Toy Story 3	US	Lee Unkrich	Disney	435 046
8	Harry Potter and the Deadly Hallows...	US	David Yates	Warner Bros.	403 632
9	Robin Hood	GB inc/US	Ridley Scott	UIP	379 598
10	Prince of Persia: the Sands of Time	GB inc/US	Mike Newell	Disney	345 819

Source: Box Office Mojo

A continent with diverse film industries

Filmmaking and distribution takes very different forms on the African continent. A structured film industry comparable to international markets based on networks of production studios, distribution and exhibitions chains can be found only in South Africa, Egypt and Morocco. Though Egypt and South Africa – by far the continent's two largest theatrical markets - are comparable in terms of market size selling between 25 and 30 million cinema tickets a year, they differ very much in characteristics. Protected by a quota system which limits the distribution of foreign films to 8 prints, Egyptian productions take about 80% of total GBO. Though having reduced its film output from formerly 100 films to about 30 to 40 films a year, Egypt also remains the most prolific African country in terms of theatrical film production. Benefiting from increased funding opportunities through the Gulf's major film festivals as well as European funding, a growing number of independent film productions are supplementing Egypt's mainstream film industry which continues to be a hub of Arabic-language film production, distributing its films into the entire Arab world. The South African box office in contrast is domi-

nated by US blockbusters. By recently doubling its cap for tax rebates to USD 2.9 million, South Africa's government is hoping to spur the number of international and local productions.

On the other hand, a number of video based film industries have been developing in many African countries in recent years. They are characterized by low-budget, high-volume film productions distributed primarily via VHS, DVD and TV networks across all of Africa. Inspired by Nigeria's 'Nollywood', which produces up to 1 000 films and more per year with average budgets typically ranging from USD 5 000 to 10 000, other African countries like Kenya and Ghana are increasingly producing low-budget films focusing on local themes. Many filmmakers are hoping that digital technologies and increased presence in film festivals around the world will help African films to attract more attention outside of their home markets. 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 Algeria, Egypt, Morocco and Tunisia.

Sources: Dubai International Film Festival, IHS Screen Digest, *Screen Daily*, *Variety*, Euromed Audiovisual, OBS

Middle East

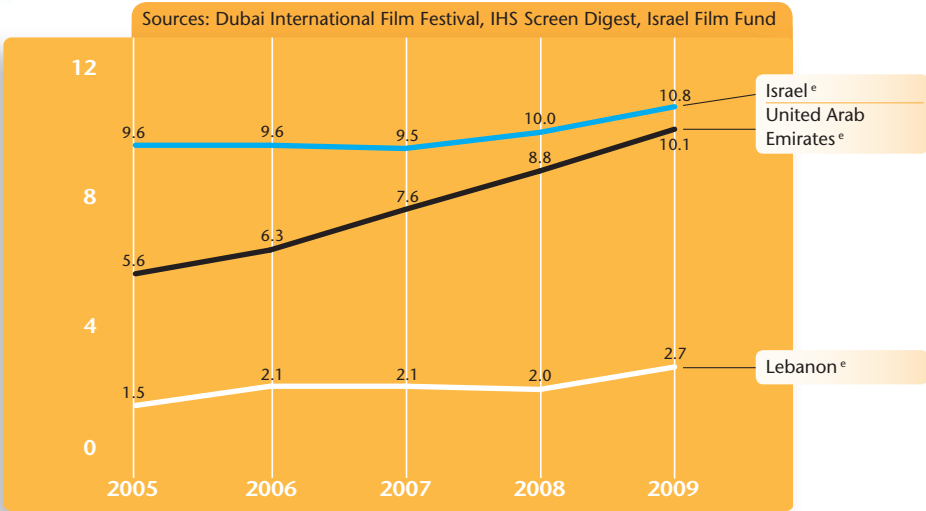
	Bahrain	Israel	Kuwait	Lebanon	Qatar	United Arab Emirates
Population 2010 ^e (millions)	1.1	7.4	3.5	3.9	1.7	5.1
GDP per capita 2010 ^e (USD)	19 641	27 085	32 530	10 019	74 423	47 407
Gross box office 2009 (in M USD)	16.9 ⁽²⁾	107.6	19.8 ⁽²⁾	17.7	13.1 ⁽²⁾	82.1
Admissions 2009 ^e (millions)	2.2 ⁽²⁾	10.8	2.2 ⁽²⁾	2.7	1.5 ⁽²⁾	10.1
Average admissions per capita 2009 ^e	2.8 ⁽²⁾	1.5	0.6 ⁽²⁾	0.7	1.4 ⁽²⁾	2.1
Average ticket price 2009 ^e (USD)	7.95	9.96	9.5	6.56	8.85 ⁽²⁾	8.5 ⁽¹⁾
Screens 2009	52	393	58	98	43	237
Digital screens 2010 ^e	1	86	10 ⁽¹⁾	12 ⁽¹⁾	~	55
National market shares 2009 ^e	~	12% ⁽¹⁾	~	4%	~	~

(1) 2009 (2) 2008

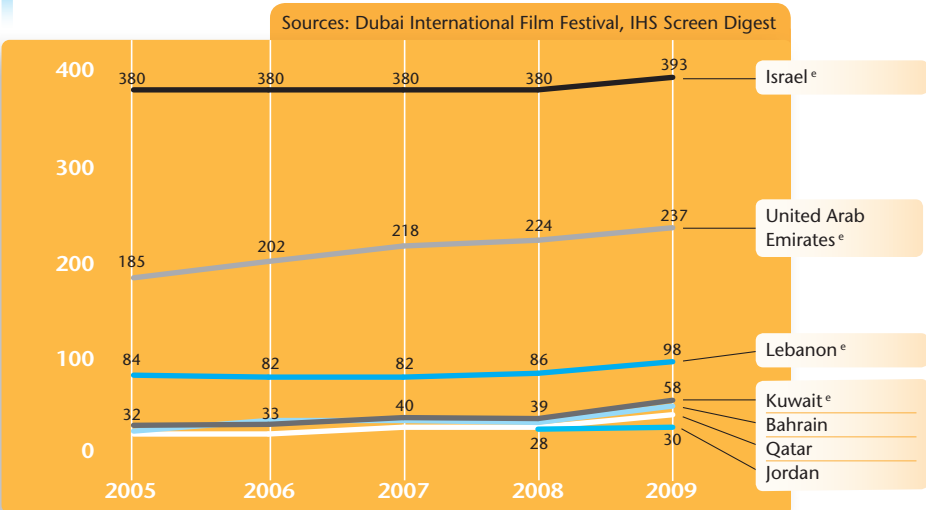
Sources: Dubai International Film Festival, IHS Screen Digest

Admissions in selected Middle Eastern countries | 2005-2009^e

In millions.



Screens in selected Middle Eastern countries | 2005-2009



Top 10 films by admissions in the United Arab Emirates⁽¹⁾ | 2010

	Original title	Country of origin	Director	Distributor	Admissions
1	Prince of Persia: the Sands of Time	US	Mike Newell	WDSMP	276 272
2	My Name Is Khan	IN	Karan Johar	Fox	264 882
3	Iron Man 2	US	Jon Favreau	UIP	254 883
4	Inception	GB inc/US	Christopher Nolan	Warner Bros.	247 392
5	Salt	US	Phillip Noyce	Columbia	246 034
6	Shrek Forever After	US	Mike Mitchell	UIP	241 272
7	The Karate Kid	US	Harald Zwart	Columbia	229 007
8	Alice in Wonderland	US	Tim Burton	WDSMP	209 487
9	The Expendables	US	Sylvester Stallone	Gulf Film	208 876
10	Clash of the Titans	US	Louis Leterrier	Warner Bros.	167 035

(1) as of 25 November 2010.

Source: Dubai International Film Festival

Top 10 films by gross box office in Lebanon | 2010

	Original title	Country of origin	Director	Distributor	Gross box office (in USD) [€]
1	Inception	GB inc/US	Christopher Nolan	Warner Bros.	558 065
2	Step Up 3D	US	Jon Chu	Jaguar	526 401
3	Salt	US	Phillip Noyce	Sony	493 141
4	Nour 3iney	EG	Wael Ehsan	~	473 018
5	Tangled	US	B. Howard, N. Greno	Disney	466 966
6	Alice in Wonderland	US	Tim Burton	Disney	430 952
7	The Twilight Saga: Eclipse	US	David Slade	Jaguar	427 363
8	Zhaymer	EG	Adil Imam	~	415 975
9	Shrek Forever After	US	Mike Mitchell	UIP	405 047
10	Despicable me	US	P. Coffin, C. Renaud	UIP	385 768

Source: Box Office Mojo

Israel

With around 10.8 million admissions, GBO of USD 108 million and some 390 screens in 2009, Israel represents the largest cinema market, for which data are available, in the region. Spurred by a series of prize winning films, film production activity increased to 20 feature fiction films in 2009. Film production is characterized by low budget films (average budget of USD 0.5 to USD 1.5 million) and public funding from various state funds, particularly the Israel Film Fund and Cinema Projects. Cumulatively the state funds provide about USD 11 million and generally take the last recoupment position, hence attracting international co-productions which accounted for almost 50% of total production volume in 2009 and covered 35% of total production investment.

Gulf Co-operation Council (GCC)

Led by the United Arab Emirates, the by far largest market, Kuwait, Bahrain and Qatar cumulatively sell over 16 million cinema tickets generating GBO of over USD 130 million. The GCC markets have registered steady growth over the past years thanks to a surge in multiplex cinemas opening up in shopping malls and the economic

wealth of the region. Varying degrees of censorship, piracy and the need for highly localized marketing campaigns remain key challenges for theatrical distribution. In general the region is dominated by US blockbusters and Egyptian films which are distributed across multiple territories primarily by the leading local distributors including Prime, Gulf Film and Empire International. India's Scrabble Entertainment recently signed VPF deals with five US studios to roll out some 400 digital screens in the Middle East throughout 2012.

Levant

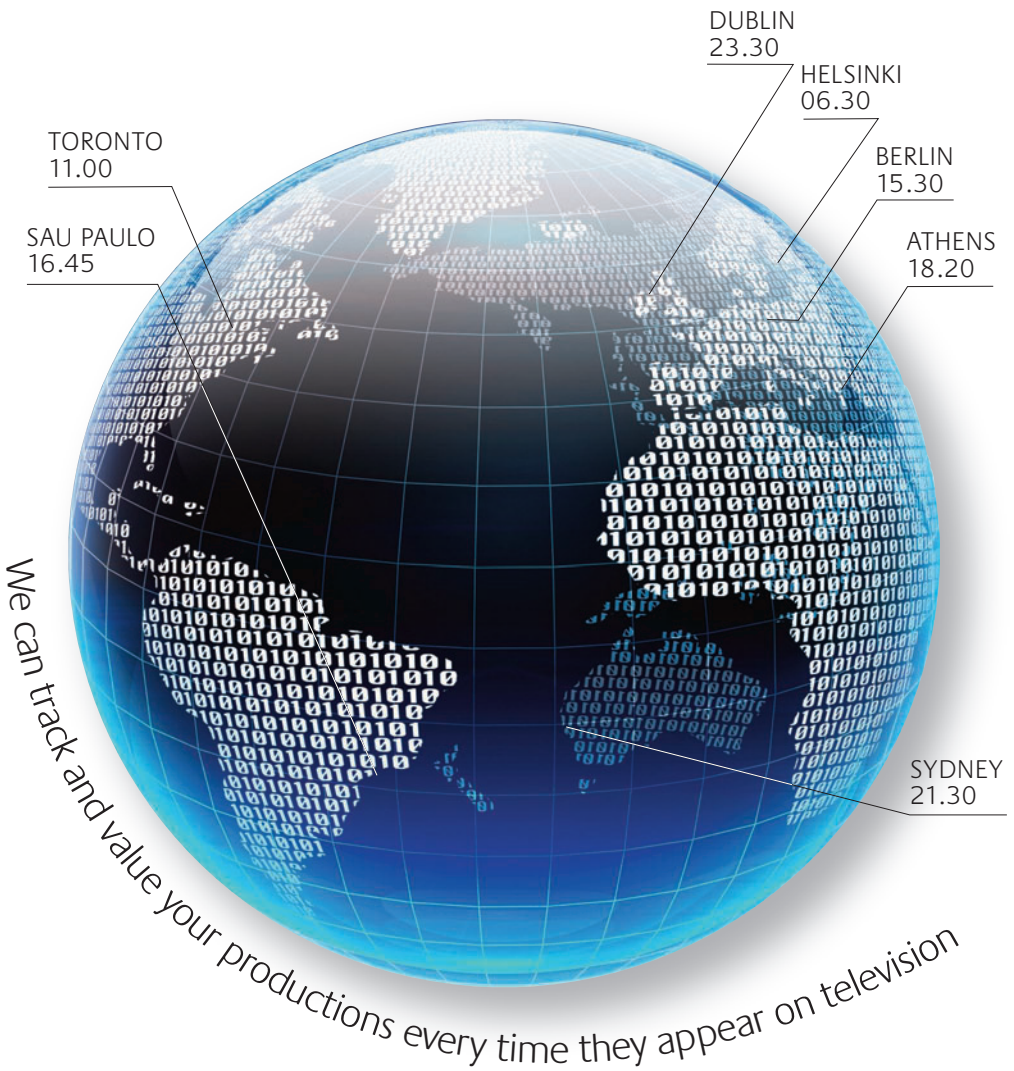
The Levant cinema markets are significantly smaller with Syria and the Palestinian Territories staying well below the 1 million admissions mark, which is crossed by Lebanon (2.7 million) and Jordan (1.7 million). Much like the GCC, film markets are dominated by US and Egyptian films. However, thanks to international co-production and led by Palestine, the region regularly produces some 20 feature films per year. With a digital penetration rate of 15% Lebanon is – together with Israel and the United Arab Emirates – at the forefront of digital cinema in the entire region.

Sources: Dubai International Film Festival, *Variety*, *Screen International*, IHS Screen Digest, OBS

Sources

FOCUS 2011 was prepared by the European Audiovisual Observatory. We would like to thank the following sources:

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