

# International Markets 2009

Feature film – Television – Interactive media

**TELEFILM**

C A N A D A



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# Executive Summary

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## Growing International Markets: A Valuable Business Partner

Telefilm Canada's strategy to build foreign revenues and investment for the Canadian film, television and interactive media industry is achieving considerable success, even through a worldwide recession in 2009.

Surveys of the sales activities of Telefilm-supported Canadian participants at key international markets in 2009 demonstrate that for every dollar Telefilm invested in these markets, Canadian companies reported more than \$16 in closed sales.

If the analysis expands to include all likely sales that are expected to result from discussions originating at these markets, the figure rises to \$100 in sales, presales and working sales for every dollar invested.

The extent to which Telefilm investments and assistance contributed to successful sales activity can be measured in part through the participants' satisfaction with the Telefilm-funded Canada Business Centres (or Canada Pavilions). These provide strategic support for the international launch of specific productions, marketing initiatives to assist the sales efforts of producers and distributors, as well as targeted matchmaking and networking services to promote Canada as a partner of choice in international coproductions.

Canada Business Centres also provide logistical assistance such as meeting space, on-site amenities and visibility for client productions at the venues. On all counts, participants appreciated these services as useful contributors to their activities. At four of the five key events, participants rated the overall utility of the Centres strongly at between 7.9 and 8.5 out of 10, on average, and usefulness as a meeting place at between 7.5 and 8.5 out of 10.

The fifth event, the Hong Kong FILMART, is still considered an emerging market and this was Telefilm's second attempt to establish a Canadian presence at this Asian marketplace. In comparison to more mature markets such as MIPCOM and Cannes, the event drew low levels of commercial activity and correspondingly lacklustre evaluations of the utility of the Canada Business Centre.

Separate surveys of participants in two interactive media markets also promised strong sales outcomes, although differences in methodology hamper direct comparison to the film and television surveys. Nevertheless, the 30 responding companies expect sales of nearly \$26M from the events.

The film and television surveys were conducted by Strategic Inc., with Telefilm clients participating in the European Film Market in Berlin; Hong Kong FILMART; MIPTV in Cannes; Cannes Film Market; and

MIPCOM, also in Cannes. Of 223 Telefilm clients contacted by email to complete the online survey, 155 companies completed the survey for a 70% response rate.

The interactive media market surveys tracked participants in two Game Connection events in San Francisco, United States and Lyon, France. Thirty Telefilm clients completed the surveys, which used a different methodology to the film and television surveys.

## **The Strategy**

Sales and the satisfaction of client companies provide solid evidence that Telefilm's international markets strategy, set out in its five-year corporate plan in 2006, is delivering results.

The plan, developed in collaboration with members of the International Business Development Group, adopted measures to grow the international market for the Canadian entertainment production and distribution industry:

- Support the international launch of productions with special marketing initiatives aimed at festival audiences identified as priority opportunities.
- Assist the sales efforts of producers and distributors with marketing initiatives aimed at investors and buyers at these markets and festivals.
- Promote international coproduction by encouraging and facilitating Canadian and foreign producers to pool resources in coproducing film and television programs.

## **The Investment and the Return**

In total, Telefilm committed nearly \$1.1M (not including staff salaries) toward key selected international markets for film and television productions in 2009. Sales and presales completed at these markets totalled \$17.6M, for a return per dollar of Telefilm's investment of \$16 in sales. But participants project that they are likely to conclude sales of \$54.7M and presales contracts worth \$35.9M, bringing the total value of sales, presales and likely sales to \$108.3M, and raising the return per dollar of Telefilm's investment to \$100 in sales.

## Year-Over-Year Progress in Spite of Market Conditions

Although the worldwide economic recession began in 2008, its effects were felt primarily in 2009. Participants reported that the economic climate made deal-making extremely challenging and impacted sales figures in several of the markets.

Hong Kong FILMART, for example, saw closed sales go from \$2M in 2008 down to zero in 2009, and MIPTV experienced a drop from about \$5M to just over \$0.3M. Gains in Cannes and MIPCOM were sufficient to slow the aggregate drop in completed sales to about 19%.

Moreover, international buyers were more willing to hedge their bets with the pre-purchase of Canadian titles in 2009, resulting in a significant 26% increase – to nearly \$18M – in the combined sales and presales category. When working deals – deals that participants expect to close – are included, total sales and presales climb to about \$108M, a 27% increase over 2008.

The \$16 return per dollar of investment from Telefilm activities is therefore impressive, and the \$100 return per dollar in sales plus likely sales is even more so, especially as they compare favourably to 2008, when Canadian companies reported \$11 in completed sales and \$71 in completed and likely sales for every dollar of Telefilm investment.

International market sales and investment activities 2009	Berlinale-EFM	FILMART	MIPTV	Cannes Film Market	MIPCOM	Total
<b>Sales and presales</b>	<b>\$1.4M</b>	-	<b>\$0.3M</b>	<b>\$12.4M</b>	<b>\$3.5M</b>	<b>\$17.6M</b>
• Completed sales	\$0.3M	-	\$0.3M	\$5.4M	\$2.9M	\$8.9M
• Completed presales	\$1.1M	-	-	\$7.0M	\$0.6M	\$8.7M
<b>Expected sales and presales</b>	<b>\$23.1M</b>	<b>\$0.1M</b>	<b>\$8.9M</b>	<b>\$41.5M</b>	<b>\$17.0M</b>	<b>\$90.7M</b>
• Expected sales	\$22.0M	\$0.1M	\$6.2M	\$18.8M	\$7.7M	\$54.7M
• Expected presales	\$1.1M	-	\$2.8M	\$22.8M	\$9.3M	\$35.9M
<b>Total sales activity</b>	<b>\$24.6M</b>	<b>\$0.1M</b>	<b>\$9.2M</b>	<b>\$54.0M</b>	<b>\$20.5M</b>	<b>\$108.3M</b>
<b>Coproduction/co-ventures</b>	<b>\$22.0M</b>	<b>\$2.3M</b>	<b>\$18.6M</b>	<b>\$50.0M</b>	<b>\$40.6M</b>	<b>\$133.5M</b>
<b>Total economic activity</b>	<b>\$46.6M</b>	<b>\$2.4M</b>	<b>\$27.8M</b>	<b>\$104.0M</b>	<b>\$61.1M</b>	<b>\$241.7M</b>

## Event-By-Event Return on Investment

The overall return on Telefilm’s international market investment is remarkable, especially considering market conditions, but on an event-by-event basis the results range widely.

Telefilm’s expenditure and return in industry sales/investment per dollar	Berlinale-EFM	Hong Kong FILMART	MIPTV	Cannes Film Market	MIPCOM	Total
Telefilm Canada contribution <sup>1</sup>	\$195,693	\$33,524	\$266,523	\$311,415	\$270,893	\$1.1M
Completed sales and presales per dollar invested	\$7.33	-	\$0.97	\$39.91	\$12.92	\$16.35
All sales activity including expected sales per dollar invested	\$125.68	\$2.98	\$34.40	\$173.24	\$62.76	\$100.45
Total sales and investment activity per dollar invested (including coproduction/co-venture)	\$238.10	\$70.10	\$104.19	\$333.80	\$225.47	\$224.24

For closed sales and presales, investment of nearly \$200,000 in Berlin returned results at a rate of \$7.33 on a per dollar basis; at MIPCOM, investment of \$270,000 returned sales and presales at a \$12.92 per dollar rate, as shown in the chart above; and at Cannes, investment of \$311,000 returned sales and presales at a \$39.91 rate. However, returns in terms of closed sales and presales from a small \$33,500 investment in the FILMART and \$266,000 at MIPTV were negative.

Nevertheless, considering all sales activity including likely deals, the chart shows that returns on investment were all positive, and often considerable. Berlin participants reached deals worth \$125.68 for every Telefilm dollar spent; MIPTV \$34.40; Cannes \$173.24; and MIPCOM \$62.76. The FILMART expenditure returned sales activity worth \$2.98 per dollar.

Finally, totalling all economic activity including confirmed and likely sales and presales as well as coproduction and co-venture deals, Berlin participants reached deals worth \$238.10 for every Telefilm dollar spent; MIPTV \$104.19; Cannes \$333.80; and MIPCOM \$225.47. Across the board, as this chart demonstrates, Canadian film, television and new media companies at these international markets recorded \$224.24 in economic activity for every Telefilm dollar spent, a significant return on investment.

The average returns on Telefilm’s investment of \$16 for confirmed sales, \$100 for sales and expected sales, and \$224 for all economic activity demonstrate success for Telefilm’s international market activities.

<sup>1</sup>Contribution amounts were provided prior to end of fiscal year 2009-2010 and may therefore differ slightly from final budget numbers

## Evaluation of Markets

As set out in its strategy, Telefilm supports Canadian companies at selected international markets, which means that it must choose the markets that will be the most productive venues for Canadian productions and services.

But markets and their patterns change over time, and the best venues may change, leading Telefilm and its partners to periodically evaluate these events to ensure its resources are being channelled optimally.

Participant evaluations are a useful tool in assessing events. In 2009, relatively good growth in presales and expected sales was not reflected in large improvements in attendees' overall impressions of most of the market events themselves. With the exception of one event for which ratings were higher and another for which ratings were much lower, participants' impressions held relatively steady compared to 2008.

Asked for their assessments of overall value of the event and their overall satisfaction in terms of facilities, meeting potential contacts, programming and support, only participants at MIPTV gave higher ratings than in 2008 on both counts. Berlinale participants rated overall value slightly higher but satisfaction slightly lower; participants at MIPCOM rated value slightly lower and satisfaction slightly higher; and ratings for the Cannes Film Market were almost identical to 2008.

Hong Kong FILMART participants saw dramatically less value in the event and much lower satisfaction levels, probably due to a severe drop in both sales and expected sales activity due to the worldwide economic recession.

As the world economy improves and closed sales at these events recovers, ratings of value and satisfaction may improve. Telefilm will continue to evaluate events to ensure its support is as productive as possible for the Canadian audio-visual industry.

Average ratings with international market events (1-10)	Berlinale – EFM		Hong Kong FILMART		MIPTV		Cannes Film Market		MIPCOM	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Overall value	7.6	7.8	7.8	4.7	6.8	8.5	7.2	7.3	7.4	7.2
Overall satisfaction	8.0	7.8	8.4	5.6	7.3	7.4	8.0	8.0	8.3	8.4

# Berlinale European Film Market 2009

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## Highlights

- Deals concerning 46 titles – 42 feature films and 4 television productions.
- \$0.3M in confirmed sales. Likely sales of \$22M.
- \$1.1M in presales. Likely presales of \$1.1M.
- Coproduction or co-venture agreements valued at \$22M concerning 16 titles.
- Perspective Canada screened films for about 30% of responding participants – 85% said the screening led directly to sales or contributed to sales activity.
- 80% of respondents used Canada Business Centre facilities or initiatives – satisfaction ratings up significantly in major categories.

## Canadian Companies at Berlinale

Canadian companies achieved encouraging business results despite a difficult economy at the Berlinale European Film Market (EFM) 2009, and they credited Telefilm-supported activities with assisting their accomplishments.

The market, held Feb. 5-13 in Berlin, attracted 408 companies – 97 of them first-time attendees – and about 1,000 buyers from 55 countries. Participants viewed 1,073 screenings of 700 films, of which 522 were market premieres.

Strategic Inc. conducted a survey of the 35 Canadian companies at the event and obtained 24 responses. The vast majority (92%) of respondents work in feature film, mainly in production (80%). They range relatively evenly in annual revenue levels, from under \$0.1M to more than \$5M. But on average, 53% of company revenues came from international sales, which drives home the importance of the success of Telefilm's efforts to develop the international market for Canadian productions and the surrounding industry.

Business focus – Respondents*	
Production	80%
Distribution	17%
Sales Agency	29%
Acquisitions	13%
Production Services	8%

\*multiple responses were accepted so results will add to more than 100%

Annual gross revenues – Respondents*	
Less than \$0.1M	21%
\$0.1M - \$0.3M	13%
\$0.3M - \$1M	21%
\$1M - \$5M	25%
\$5M +	4%

\*some respondents declined to answer and results will not add up to 100%



## Sales Activities

Canadian companies were involved in economic activity worth an impressive \$46.6M in Berlin, including \$22.3M in confirmed and likely sales, \$2.2M in confirmed and likely presales, and \$22M in coproduction or co-venture agreements.

Of the 24 respondents, only 15 provided sales information, and of those, only 6 offered actual dollar figures. Reported sales activity is therefore probably conservatively understated but the results support a conclusion that the event was a success for Canadian participants.

**Titles involved in sales:** Survey responses revealed 21 signed distribution agreements and 46 titles (42 feature film, 4 television) either with closed deals or in negotiation for likely future sales. Of the 21 with signed agreements, four screened as part of Telefilm's Perspective Canada program.

Profile of sales and likely sales	
Drama	26%
Children's programming	20%
Horror/Thriller	13%
Comedy	11%
Documentary/Educational	9%
Action/Adventure	9%
Animation	7%
Other	7%

Of reported sales, the United Kingdom and Germany purchased, or were likely to purchase, the most Canadian productions. Other buyers included the USA, Spain, Japan, and France.

**Confirmed sales:** For those providing dollar values, closed sales totalled \$0.3M for an average of \$56,000 per company. While this is lower than the 2008 average of \$0.4M, twice as many companies voluntarily disclosed their closed sales in the 2008's survey as did in 2009. This suggests that the sales data for 2009 is a particularly conservative estimate and could very well be an under-reporting of actual sales.

**Likely sales:** Though fewer deals came to completion at the market, the full value of negotiations begun in Berlin was yet to be realized at the time of the survey. Nine companies reported likely sales volume totalling \$22M, up 70% over \$13M in 2008. The 2009 expected sales figure averages \$2.5M per company.

Confirmed and likely sales	
Closed sales	\$0.3M
Average value of closed deals per company	\$0.06M
Likely sales	\$22M
Average value of likely sales per company	\$2.5M
Total sales and likely sales	\$22.3M

**Presales and likely presales:** The presales market was also active. Nine companies reported presales data – two titles with signed contribution agreements and 15 titles involved in negotiations that were likely to lead to presales. Two of these 15 titles were screened by Perspective Canada.

Completed presales came to \$1.1M and likely presales added another \$1.1M, bringing total presales and likely presales to \$2.2M.

Presales and likely presales	
Completed presales	\$1.1M
Likely presales	\$1.1M
Total	\$2.2M

**Coproductions and co-ventures:** Nine companies reported signing or negotiating coproduction or co-venture deals involving 16 titles. Together, these deals were valued at \$22M, or about \$2.4M each, on average. These partnering arrangements were concluded mostly with partners from the United Kingdom, but also from Germany, the USA, France, Poland, Italy, Australia, and Japan.

Coproduction and co-venture deals	
Companies with coproduction/co-venture deals	9
Number of deals	16
Estimated value	\$22M
Average per company	\$2.4M

## Getting the Deals Done

**Making contact:** Canadian companies found the Berlin event productive and valuable both in establishing new international contacts and consolidating existing relationships outside the country.

Companies responding to the Strategic survey were involved in 625 meetings, or an average of 30 meetings each. More than half (54%) were with new business contacts, demonstrating that the event is expanding the reach of Canadian productions.

Meetings with business contacts	
Total meetings	625
Average meetings per company	30
New business contacts	54%
Existing business contacts	46%

When assessing whether the Berlin event met specific business objectives, participants rated the market more effective in 2009 than in 2008 in “reconnecting with existing business contacts”, “making new business contacts” and “learning about international markets and trends”.

Respondents rated the overall value of attending Berlinale, on average, with a score of 7.8 out of 10. Overall satisfaction with the facilities, meeting potential contacts, programming and support also

averaged out at 7.8. The perceived value rating is up slightly from 7.6 in 2008, and overall satisfaction with the event was down slightly from 8.0. However, the satisfaction score shows continued improvement over the 2007 rating of 6.8. It's also worth pointing out that for seven of the 24 respondents, it was their first time at Berlinale; they may achieve greater results and higher satisfaction levels as they increase their international exposure.

## Telefilm: A Valuable Partner at Berlinale

Telefilm invested \$195,693 in the Canada Business Centre and various initiatives to support Canadian companies at Berlinale EFM. These companies reported \$46.5M in economic activity at the market, including all sales, presales, likely sales and coproduction/co-venture agreements, and they credit Telefilm-backed facilities and events with making a solid contribution to their success in Berlin.

On this basis of reported deals alone, each dollar of Telefilm's investment returned \$7.33 in completed sales and presales; \$125.68 in completed and likely sales activity; and \$238.10 in economic activity as a whole for these Canadian companies.

Economic activity per dollar of Telefilm support	Amount	Per dollar of Telefilm Support
Completed sales & presales	\$1.4M	\$7.33
Completed and likely sales & presales	\$24.5M	\$125.60
All sales, coproduction & co-venture activity	\$46.5M	\$238.10

What follows is a review of the facilities and initiatives that Telefilm offered at the Berlinale EFM.

**Canada Business Centre:** The Canada Business Centre was one of 120 stands at the event, and about 80% of survey respondents reported using its facilities or participating in its initiatives. If they didn't, the most commonly cited reason was that they did not need its services. In particular, satisfaction with the Canada Business Centre's meeting facilities rose significantly over 2008: up 15% with regard to availability of meeting spaces, up 21% with regard to usefulness in holding meetings, and up 4% to an average score of 7.9 out of 10 with regard to overall utility of the Canada Business Centre.

**Perspective Canada:** Nearly 30% of survey respondents indicated they had a title screened through Perspective Canada. Of those respondents, 85% said the screening led directly to sales or contributed to sales activity. Only 14% indicated that no sales activity resulted from their screening.

**Producers without Borders:** Almost two-thirds of respondents (63%) said they participated in the Producers without Borders international networking forum featuring presentations of projects in development. While only 8% said it contributed to sales at the market, more than half (54%) said it contributed to identifying potential business partners, coproduction deals or presales.

**Meet the Canadian Talent at the Embassy:** Almost 71% of respondents participated in the Meet the Canadian Talent at the Embassy event, Telefilm's matchmaking event that brings together Canadian and

foreign producers. One-quarter of the attendees said the event contributed to identifying new business partners, one-quarter reported the event contributed to coproduction deals, presales and sales, and more than one-half (54%) suggested that it helped reinforce existing business relationships.

## Conclusion

Canadian participants at Berlinale value the market highly and they tend to come back again and again, as nearly 60% of respondents had attended the event previously in the past two years. While nearly 80% of Cannes Film Market attendees had attended in the previous two years, Berlinale’s participants rated it most often as “best suited to meet company needs”.

Which international market best suits your company’s needs?	Attended in 2007 or 2008	Best suited?
Berlinale European Film Market	58%	38%
Cannes Film Market	79%	21%
American Film Market	54%	13%
International Film Festival Rotterdam	21%	8%
MIPCOM	38%	4%
MIPTV	33%	4%

# Hong Kong FILMART 2009

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## Highlights

- Average of 18 meetings per company, nearly half with new business contacts.
- No closed sales reported but likely sales involved six titles and buyers from six different countries, indicating wide appeal.
- More than half of companies surveyed reported signed or likely coproduction or co-venture deals valued at more than \$0.5M per company, on average.
- Return of \$2.98 in sales and likely sales, and \$70.10 in total economic activity, per dollar of Telefilm's relatively small investment in this market.
- In the context of declining sales and coproduction agreements due to the timing of the event at the low point in the worldwide recession for Asian markets, satisfaction levels with Canada Business Centre and with the FILMART as a whole fell dramatically versus 2008.
- This was Telefilm's second attempt to establish a Canadian presence in the Hong Kong market.
- Given the poor results, Telefilm and its partners made the decision not to return to the FILMART in 2010 and to re-evaluate options for developing business opportunities in Asia.

## Canadian companies at Hong Kong FILMART 2009

Hong Kong FILMART is widely regarded as a significant cross-media, cross-industry entertainment trade platform. Telefilm Canada and its partners first participated in the market in 2008 with a view to explore, over a three-year period, the business development opportunities for Canadian companies in Asia, which was an underdeveloped and emerging market for Canadian products.

Canadian participants did not experience a high level of business activity in 2008, but Telefilm and its partners returned with an eye to developing further access to key decision makers. However, the FILMART 2009 ran March 23-26, at the low point in the worldwide recession. Under these economic conditions, which particularly affected Asian markets at the time, Canadian companies experienced a drop-off in activity in spite of a small increase in the number of exhibitors, up 5% to 505 from 28 countries, and in the number of visitors, up 7% to 4,503 from 50 countries.

From the contingent of Canadian delegates, the Strategic Inc. survey brought seven responses from the eight contacted. Due to this small sample size, the results and conclusions should therefore be viewed more on a qualitative level, as a focus group, rather than as a full survey.

Business focus – Respondents*	
Production	71%
Distribution	14%
Sales Agency	14%
Acquisitions	14%
Production Services	29%

\*multiple responses were accepted so results will add to more than 100%

Annual gross revenues – Respondents	
Less than \$0.1M	33%
\$0.1M - \$0.3M	33%
\$0.3M - \$1M	17%
\$1M - \$5M	0.0%
\$50M +	17%

All seven of the respondents dealt with feature film, and five listed production as their business focus although many listed multiple focuses that included distribution, sales, acquisitions and production services as well. The majority tended to be small, with two reporting annual revenues of less than \$0.1M, two between \$0.1M and \$0.3M, one between \$0.5M and \$1M and one much larger entity at \$50M-plus.

## Sales Activities

Sales results were disappointing, but the sample size was small and the unique economic and industry circumstances demand that they not be viewed as a definitive indicator of product merit, diligence or effectiveness of company performance, value of promotional activity or utility of the event as a whole. The economic situation may also have led some companies to be less willing to provide actual sales figures.

**Titles involved in sales:** The respondents who indicated likely sales of six titles reported that they fell within the genres of animation, action/adventure, comedy, and drama.

Profile of sales and likely sales	
Drama	33%
Action/Adventure	33%
Comedy	17%
Animation	17%

**Confirmed and likely sales:** Survey respondents reported no closed sales. Two companies reported likely sales totalling about \$0.1M involving six titles and six different countries. On the positive side, the wide geographic spread of the six expected deals – with buyers from India, China, Korea, Malaysia, Taiwan and another unnamed country – suggests the potentially wide appeal of Canadian productions in the Asian marketplace. However, even within a small sample, the lack of sales activity raises concerns, especially when compared to \$2M in closed sales in 2008.

Confirmed and likely sales	
Closed sales	\$0
Likely sales (2 companies)	\$0.1M
Average value of likely sales per company	\$0.05M
Total sales and likely sales	\$0.1M

**Presales and likely presales:** Two companies indicated they were involved in presales discussions likely to lead to concluded deals, but did not divulge further information regarding value or specifics of the titles involved. They are therefore not included in analysis of the return on Telefilm’s investment in international markets.

**Coproductions and co-ventures:** Four companies reported signing or negotiating future coproduction or co-venture arrangements involving six projects with partners from four countries: China (3), the USA, Australia and one other. They estimated the collective value of the deals at \$2.3M or \$560,000 per company, on average. This total is a dramatic decline from \$40M in coproduction/co-venture deals in 2008.

Coproduction and co-venture deals	
Companies with coproduction/co-venture deals	4
Number of deals	6
Estimated value (4 companies)	\$2.3M

## Getting the Deals Done

**Making contact:** The seven companies held an average of 18 meetings each, about half the activity level of other international film and television markets. On average, however, about 43% of the meetings were with new business contacts, a similar proportion to that of other markets, which suggests that Canadian companies were working as hard as ever to gain new channels but were not rewarded in the volume of sales or concluded deals.

Meetings with business contacts	
Total meetings	129
Average meetings per company	18
New business contacts	43%
Existing business contacts	57%

## Telefilm: A Valuable Partner at the Hong Kong FILMART

With less activity and fewer sales for attendees, appreciation soured for Telefilm initiatives and facilities intended to promote and assist potential deals struck at the Hong Kong FILMARKT.

However, Telefilm’s investment in the Hong Kong FILMART was minimal compared to other international markets, at just \$33,524 or 0.03% of the total investment in international markets. The relatively low levels of satisfaction may in fact reflect the smaller investment, even though it was in the same order of magnitude as the previous, more successful year.

In the end, Canadian companies surveyed at the Hong Kong FILMART reported just \$2.4M in economic activity. Keeping in mind that the sample was extremely small, survey respondents reported no closed

sales, no figures for closed presales, only \$0.1M in likely sales and \$2.3M in coproduction/co-venture agreements.

This represents a return of \$2.98 in sales and likely sales for every dollar of Telefilm’s investment in Hong Kong and \$70.10 in total economic activity for every dollar invested.

Economic activity per dollar of Telefilm support	Amount	Per dollar of Telefilm Support
Completed sales & presales	-	-
Completed and likely sales & presales	\$0.1	\$2.98
All sales, coproduction & co-venture activity	\$2.4M	\$70.10

What follows is a review of the facilities and initiatives that Telefilm offered at FILMART.

**Canada Business Centre:** Compared to 2008, satisfaction levels fell for nearly all specific aspects of the Canada Business Centre. Even appreciation for the previously highly ranked staff dropped to an average score of 5.6 out of 10, versus an average rating of 9.2 just one year earlier. The average rating for the overall utility of the Centre fell from 7.6 to just 4.4 out of 10.

Among all the services and facilities, only the size and availability of meeting spaces earned an improved score over 2008.

**Matchmaking initiative:** Telefilm organized meetings with potential partners for its clients at the FILMART, but respondents gave the initiative only lukewarm reviews. All seven survey respondents benefited from it, but only two reported that it contributed to coproduction deals and only one said it contributed to identifying potential partners and/or deals.

## Conclusion

Overall satisfaction with the Hong Kong FILMART 2009 was extremely low, with an average rating of 5.8 out of 10. Perceived value of the event was even lower, with an average score of 4.7. The previous year’s scores of 8.4 and 7.8, respectively, underline the decline in the 2009 event’s results, but also draw attention to the obvious difference in economic and industry circumstances. The 2008 scores would appear to indicate that this market does hold promise for the Canadian film industry, just not under these economic circumstances and perhaps not at this point in its stage of development and needs. Given the poor results of the 2009 event, Telefilm opted not to return to the FILMART in 2010 and to re-evaluate options for developing business opportunities for Asia.



Which international market best suits your company's needs?	Attended in 2007 or 2008	Best suited?
American Film Market	57%	43%
Cannes Film Market	29%	14%
Hong Kong FILMART	43%	14%
Pusan International Film Festival	0%	14%
Berlinale European Film Market	14%	0%
MIPCOM	14%	0%
MIPTV	29%	0%
RealScreen Summit	0%	0%
Sundance Film Festival	29%	0%

# MIPTV 2009

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## Highlights

- 91 deals involving 82 titles – 76% television, 21% feature film, 3% new media.
- \$27.8M in economic activity generated for Canadian television and film industry.
- \$6.5M in confirmed and likely sales.
- \$2.8M in likely presales.
- 24 coproduction and co-venture deals worth \$19M, up nearly 50% over 2008.
- Satisfaction ratings for Canada Business Centre up significantly in every category, especially usefulness as a site for meetings and overall utility.

## Canadian companies at MIPTV

The Strategic Inc. survey of 59 Canadian participants at MIPTV garnered 40 responses. Most respondents (90%) came from the television industry, with the rest split between feature film (7.5%) and new media (2.5%). They were largely involved in production (80%), although 63% listed distribution as an area of focus.

There was an even distribution in size of annual revenues from less than \$0.1M to the \$10M to \$50M category. The majority were relatively small – almost two-thirds indicated fewer than 10 employees.

Business focus – Respondents	
Production	80%
Distribution	63%
Sales Agency	10%
Acquisitions	28%
Production Services	23%
Other	5%

\*multiple responses were accepted so results will add to more than 100%

Annual gross revenues – Respondents	
Less than \$0.1M	3%
\$0.1 - \$0.3M	3%
\$0.3M - \$0.5M	13%
\$0.5M - \$1M	13%
\$1M - \$5M	28%
\$5M - \$10M	5%
\$10M - \$50M	13%

\*some respondents declined to answer and results will not add up to 100%

## Sales Activities

While sales and presales results at MIPTV 2009 did not reach levels of the previous year, companies reached coproduction and co-venture agreements worth significantly greater value than in 2008. As a result, economic activity for Canadian television, film and multimedia companies reached \$27.8M.

These are impressive results under challenging conditions. Held March 30-April 2 in Cannes at the height of the worldwide recession, several developing industry trends came together at the event. The ongoing

blurring of lines between television and newer mobile, web and IPTV players had contributed to a re-drawing of the entertainment map. At the same time, the recession had led to downward pressure on advertising slot prices and a cautious approach among broadcasters. Amidst this industry-altering activity, overall attendance decreased 14% in comparison to the 2008 event.

**Titles involved in sales:** As a television market, it was not surprising that most deals were related to television content (76%), but 21% were for feature film titles and 3% related to new media content.

Profile of sales and likely sales by media	
Feature film	21%
Television	76%
New media	3%

Typically for television markets, the most popular genres were animation and documentary, followed by lifestyle, with these three categories representing almost two-thirds of the deals.

Profile of sales and likely sales by genre	
Animation	23%
Documentary/Educational	22%
Lifestyle	18%
Horror/Thriller	12%
Comedy	7%
Children's Programming	6%
Drama	4%
Cult Films	4%
Reality	2%
Action/Adventure	1%
Performing Arts	1%

**Confirmed and likely sales:** Confirmed sales for 2009 were much lower than expected: 38 companies reported closed sales of \$0.3M and likely sales of \$6.2M for a total of \$6.5M of transactions involving 82 titles and 91 deals.

Confirmed and likely sales	
Closed sales	\$0.3M
Likely sales (9 companies)	\$6.2M
Total sales and likely sales	\$6.5M

While these results are disappointing compared to 2008 levels, the Canada Business Centre reported that its facilities were busy throughout the event, leading to the possible conclusion that many deals may yet materialize as the economy improves. Survey results also found fewer respondents willing to share sales figures, a phenomenon observed in all markets last year, which may also be a symptom of the recession.

France was the buyer – or likely buyer – in almost one-quarter of the deals. The USA (19%) and the United Kingdom (18%) were the next largest source of buyers.

**Titles involved in presales:** Animation and documentary/educational programming accounted for over 80% of the reported presales negotiations.

**Confirmed and likely presales:** In total, 22 companies reported presales activity at MIPTV 2009 related to 27 deals involving 24 titles. Although none of these deals were completed at the time of the survey, these likely presales totalled \$2.8M in value, which is less than half the volume of 2008.

Most of the presales deals involved the United Kingdom (21%), followed by the USA (17%), France (17%), Germany 8% and other countries. The presales mostly concerned animated productions (44%) and documentary/educational productions (41%). Children’s programming ranked third (7%).

Confirmed and likely presales	
Completed presales	-
Likely presales	\$2.8M
Total	\$2.8M

**Coproductions and co-ventures:** Although sales at MIPTV 2009 were disappointing, 19 companies reported 24 coproduction and co-venture deals involving partners from more than a dozen countries. For just the five companies that reported dollar figures, the value of deals surpassed those reported in 2008 by a wide margin of 46%.

The five companies reached agreements worth nearly \$18.6M – or close to an average of \$4M each – compared to \$13M in coproduction and co-venture deals reported in 2008. Most coproduction agreements involved partners from France (11), followed by the United Kingdom (10), the USA (8) and Australia.

Coproduction and co-venture deals	
Companies with coproduction/co-venture deals	11
Number of deals	10
Estimated value (5 companies)	\$18.6M

## Getting the Deals Done

**Making contact:** The slowdown in sales was not a reflection of the activity at the market: participants were active and engaged, holding a total of nearly 1,300 meetings, or 34 meetings each. Nearly 40% of the meetings involved new business contacts.

Meetings with business contacts	
Total meetings	1,273
Average meetings per company	34
Meeting with new business contacts	37%
Meeting with existing business contacts	63%

The high level of activity supports one of the strongest results of all – the fact that Canadian MIPTV participants indicated greater success in achieving all 13 business objectives in the survey. Again, this lends support to the possibility that contacts and negotiations begun at the 2009 event may yet result in more concluded sales.

### Telefilm: A Valuable Partner at MIPTV

Telefilm invested \$266,523, not including staff salaries, in facilities and initiatives at MIPTV. Canadian companies at the event reported \$258,000 in closed sales, \$6.2M in likely sales and \$2.8M in likely presales, plus \$18.6M in coproduction/co-venture activity, for total economic activity valued at \$27.8M.

These sales and coproduction figures include only those companies willing to share financial data, but on the basis of these reported deals alone, each dollar of Telefilm’s investment returned \$34.40 in confirmed and likely sales and presales, and generated a total of \$104.19 in economic activity including coproduction agreements with companies from other countries investing in Canadian productions.

Economic activity per dollar of Telefilm support	Amount	Per dollar of Telefilm Support
Completed sales & presales	\$0.3M	\$0.97
Completed and likely sales & presales	\$9.2M	\$34.40
All sales, coproduction & co-venture activity	\$27.8M	\$104.31

**Canada Business Centre:** The Canada Business Centre represented the key element of Telefilm support at MIPTV, and participants credited it with improved scores in every category in 2009 compared to 2008. The most notable rise in satisfaction levels occurred in the usefulness of the Centre as a place for meetings, usefulness of amenities such as Internet connectivity, and the overall utility of the Canada Business Centre.

### Conclusion

The majority of Canadian participants in the survey rate MIPTV as the second-best market in its ability to meet their needs. While 45% rated MIPCOM as the event best suited to meet their needs, 18% chose MIPTV and 38% rated it second. Satisfaction with MIPTV is on the rise. The overall value of attendance rose to 8.5 out of 10 in the survey from 6.8 the previous year. Overall satisfaction also rose slightly to 7.4 from 7.3.

Telefilm’s activity at MIPTV appears to be well-founded on the basis of encouraging results in the face of a difficult economy, high activity levels that achieve a wide range of business objectives and rising levels of participant satisfaction with the utility of the event.

Which international market best suits your company’s needs?	Attended in 2007 or 2008	Best suited?
MIPCOM	85%	45%
MIPTV	78%	18%
RealScreen Summit	38%	15%
KidScreen Summit	45%	13%
Cannes Film Market	13%	3%
Berlinale European Film Market	13%	0%
American Film Market	10%	0%
Sunny Side of the Docs	8%	3%

# Cannes Film Market 2009

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## Highlights

- Sales, expected sales and presales at multiples of 2008 levels in spite of worldwide recession.
- 101 completed deals involving 99 titles for \$5.4M, up 450%.
- Likely sales of \$18.8M, up 540%.
- Presales of \$7M and likely presales of another \$22.8M, about 10 times 2008 figures, involving 37 titles.
- Reported coproduction and co-venture deals with an average value of \$8.3M.
- Overall utility of Canada Business Centre up 29% over previous year and facilities and services rated higher in most categories.
- 40% of participants say Perspective Canada screenings led indirectly to sales activities.
- Between 60% and 80% of participants in each Telefilm matchmaking or networking event rate it as especially effective in identifying new potential partners.
- At least one in eight participants in networking events rates them as contributors to reaching deals.

## Canadian companies at Cannes

While the Cannes Film Market experienced some mild pullback in attendance and feature film screenings, perhaps owing to difficult economic times, Canadian companies fared extremely well at the market in comparison to previous years and rated Telefilm's activities as a welcome contributing factor to their success.

Strategic Inc. surveyed 39 of the event participants. As expected at a film market of Cannes' visibility, 95% worked in the feature film industry, mostly in production (80%). Many also listed multiple focuses spanning distribution, sales, acquisitions and production services.

Again, size of annual revenues ranged widely between small and somewhat larger companies, with nearly one-quarter reporting revenues of less than \$0.1M, nearly one-third reporting revenues of between \$0.1M and \$0.3M, and more than one-third with revenues of more than \$1M. Annual revenues exceeded \$5M for 13% of respondents. The vast majority of all respondents (92%) employed fewer than 10 staff.

Business focus – Respondents*	
Production	80%
Distribution	18%
Sales Agency	21%
Acquisitions	23%
Production Services	26%

\*multiple responses were accepted so results will add to more than 100%

Annual gross revenues – Respondents*	
Less than \$0.1M	23%
\$0.1M - \$0.3M	28%
\$0.3M - \$1M	10%
\$1M - \$5M	23%
\$5M +	13%

\*some respondents declined to answer and results will not add up to 100%

## Sales Activities

The most striking feature of the survey results for Cannes Film Market 2009 was the extraordinary success of the sales and investment activities of the Canadian companies in attendance.

Despite the first signs of economic recovery beginning to appear in May, company attendance was down by 5%, buyer attendance by 9% and feature film screenings fell by 11.

Canadian companies led the trend toward optimism. In the end, they participated in economic activity valued at \$104M: \$5.4M in confirmed sales, \$18.8M in likely sales, \$7.0M in presales, \$22.8M in likely presales, and \$50M in coproduction and co-venture agreements on future productions.

**Titles involved in sales:** Survey responses indicated that 29 companies participated in 101 agreements involving 99 titles, either with closed deals or negotiations for likely future sales or presales. Most involved feature films (90%); the rest related to television productions. Dramas dominated the activity (44%), although comedy (19%) and horror/thriller films (15%) figured strongly.

Profile of sales and likely sales	
Drama	44%
Comedy	19%
Horror/Thriller	15%
Documentary/Educational	11%
Action/Adventure	4%
Science Fiction	3%
Animation	1%
Children's Programming	1%
Performing Arts	1%
Public Affairs	1%
Romantic	1%

**Confirmed and likely sales:** The total value of 99 deals for 101 titles reached \$24.2M. Sales for companies providing dollar figures totalled \$5.4M, exceeding the 2008 level of \$1.2M by 450%. The value of deals likely to close but still in negotiation achieved even greater advances over the previous year – \$18.8M versus \$3.5M a year earlier, an increase of 540%.



**Confirmed and likely presales:** Nineteen companies either completed or remained involved in promising negotiations on 37 presales agreements for 37 titles. Completed presales more than doubled to \$7.0M compared to \$2.9M in 2008. Respondents reported likely presales of \$22.8M, about 10 times the volume in 2008. Most presales activity related to dramas (30%), comedies (22%) and action/adventure films (16%).

Confirmed and likely sales	
Closed sales	\$5.4M
Likely sales	\$18.7M
Total sales and likely sales	\$24.2M

**Coproductions and co-ventures:** Cannes also demonstrated the growing ability of Canadian companies to attract investment and partnerships for the creation of future productions. Survey respondents reported 19 agreements involving investment from 15 countries, led by the United Kingdom (13), France (8), Germany (8), the USA (4) and others. Six companies revealed financial figures amounting to \$50M, for an average of \$8.3M per agreement.

Coproduction and co-venture deals	
Companies with coproduction/co-venture deals	22
Number of deals	19
Estimated value (6 companies)	\$50M
Average value	\$8.3M

## Getting the Deals Done

**Making contact:** Canadian companies took advantage of the tremendous networking potential presented by the Cannes Film Market. Companies responding to the Strategic survey reported, on average, 28 meetings each at Cannes, 58% with new business contacts. Again, the proportion of new contacts demonstrates the success of the Canadian industry, with assistance from Telefilm initiatives, in spreading the awareness of Canadian film and television production capabilities.

Participants gave the market higher ratings than in 2008 for its suitability in accomplishing 8 out of 13 business objectives.

Objectives obtaining significantly higher scores than in the previous year included professional development, making new business contacts, learning about international markets and trends, and seeking financing or investment.

Meetings with business contacts	
Total meetings	139
Average meetings per company	28
New business contacts	58%
Existing business contacts	42%

## Telefilm: A Valuable Partner at Cannes

All told, Telefilm invested \$311,415, not including staff salaries, in the Canada Business Centre and various programs to support Canadian companies at the Cannes Film Market. These companies reported \$104M in economic activity, including sales, presales, likely sales and presales, and coproduction/co-venture agreements. Their broad participation in Telefilm events and subsequent ratings of these events confirm that Telefilm initiatives contributed to the success of sales and co-investment activity.

Analyzing the Telefilm investment on the basis of its return in terms of economic activity, each dollar of Telefilm's investment returned \$39.91 in completed sales and presales; \$173.24 in completed and likely sales activity and \$333.80 in economic activity as a whole for these Canadian companies.

Economic activity per dollar of Telefilm support	Amount	Per dollar of Telefilm Support
Completed sales & presales	\$12.4 M	\$39.91
Completed and likely sales & presales	\$54.0 M	\$173.24
All sales, coproduction & co-venture activity	\$104.0 M	\$333.80

What follows is a review of the facilities and initiatives that Telefilm offered at the Cannes Film Market.

**Canada Business Centre:** The Canada Business Centre added meeting space and staff in 2009, and participants showed that they valued the improvements. As many as 100 additional non-registered Canadian companies joined 57 registered companies in seeking out the Canada Business Centre's meeting space, message centre and networking events.

Survey participants rated the facilities and services higher than in 2008 in five out of seven categories, and every category except one was rated at 8.0 or higher, on average, out of 10. Overall utility of the Centre was rated at 8.5, on average, 29% higher than in 2008 – a highly significant rating that demonstrates that the Canada Business Centre is contributing to achieving positive business outcomes. Highly rated services included usefulness of amenities such as Internet connectivity, helpfulness of booth staff, design and appearance of stand, and usefulness as a venue for meetings.

**Coproduction Information Centre:** As in previous years, Telefilm staffed a coproduction information centre, holding more than 60 meetings with international producers interested in pursuing relationships with Canadian producers. More than 2,000 visitors to the Canada Business Centre also received a special promotional USB key tool providing “anytime, anywhere” access to information about coproductions, production services and available financial incentives in Canada.

**Perspective Canada:** The large number of Canadian participants meant that a smaller proportion (13%) had films screened through the Perspective Canada program. On average, they rated their satisfaction with the visibility of their screenings at 6 out of 10. However, 40% of those with screenings said it indirectly contributed to their sales activities.

**Other Initiatives:** Telefilm ran several networking and matchmaking events at Cannes, attracting the participation of about half the survey respondents in each case (see chart). Participants rated these events as especially effective in identifying new potential partners, with 60% indicating that the Meet the U.S. event met this objective, 79% for Meet the U.K. and 82% for Focus on Canada at Producers Network.

Encouragingly, all events contributed directly to deals for at least one in eight participants, and 36% found the Focus on Canada at Producers' Network event directly contributed to co-ventures, coproductions or presales/sales. But specific events also rated highly for making an indirect contribution to deals: 25% for the Canada Meets the U.S. event, 26% for the Canada Meets Germany event, and 18% for the Happy Hour Canada Pavilion at Producers' Network.

Telefilm-backed events at Cannes	Canada Meets the U.S.	Canada Meets the U.K.	Canada Meets Germany	Happy Hour Canada Pavilion at Producers' Network	Focus on Canada at Producers' Network
Participation	51%	62%	49%	56%	28%
This event...					
...helped identify new potential partners	60%	79%	74%	68%	82%
...contributed directly to coproduction/co-venture deals, presales/sales	15%	13%	16%	14%	36%
...contributed indirectly to coproduction/co-venture deals, presales/sales	25%	13%	26%	18%	36%

## Conclusion

Most participants (51%) rate Cannes as the market best suited to their companies' needs, outpacing the Berlin market with 23%. No other market matches it in terms of the support of participants.

In rating the facilities, services and overall value of attending, scores remain high. The average overall satisfaction rating for Cannes Film Market held steady at 8 out of 10. Perceived value of attending, at 7.3, is also positive and slightly higher than in 2008.

Considering the volume and value of deals done in relation to promotional dollars spent, and the satisfaction of delegates with the conduct of the event, Telefilm's participation in the Cannes Film Market appears productive and well-placed for maximum international exposure and benefit for the Canadian film and television industry.

Which international market best suits your company's needs?	Attended in 2007 or 2008	Best suited?
Cannes Film Market	77%	51%
Berlinale European Film Market	62%	23%
American Film Market	51%	5%
MIPCOM	26%	3%

# MIPCOM 2009

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## Highlights

- 110 sales or likely sales involving 159 titles and 33 confirmed or likely presales involving another 37 titles.
- \$61M in economic activity generated for Canadian television, film and new media industry
- \$10.6M in confirmed and likely sales.
- \$9.9M in confirmed and likely presales.
- Coproduction and co-venture deals valued at \$40.6M, an average of \$5.8M each.
- Continued strong satisfaction and utility ratings for Canada Business Centre.

## Canadian companies at MIPCOM 2009

The number of Canadian companies attending MIPCOM fell by 10% compared to the previous year, reflecting the overall decrease of 11.5% in the number of delegates, which nevertheless reached 12,000. The decline is attributable to the continuing economic turmoil, in spite of the signs of recovery at the time in Canada.

Of the 45 companies that completed the Strategic Inc. survey, 84% identified television as their key focus, with 13% identifying feature film and 3% new media. The majority (73%) were involved in production, but many others (62%) identified distribution as a business focus, along with sales, acquisitions and production services.

Respondents were relatively evenly distributed in terms of annual revenues, but with a slightly larger concentration of 24% in the \$1M to \$5M category than at other events. However, consistent with other events, the majority consisted of small teams with almost two-thirds reporting fewer than 10 employees.

Business focus – Respondents*	
Production	73%
Distribution	62%
Sales Agency	18%
Acquisitions	38%
Production Services	13%
Other	4%

\*multiple responses were accepted so results will add to more than 100%

Annual gross revenues – Respondents*	
Less than \$0.1M	7%
\$0.1M - \$0.3M	9%
\$0.3M - \$0.5M	9%
\$0.5M - \$1M	11%
\$1M - \$5M	24%
\$5 M - \$10M	0%
\$10M - \$50M	11%
\$50M +	2%
Unreported	22%

\*some respondents declined to answer and results will not add up to 100%

## Sales Activities

Total sales and coproduction activity declined compared to 2008, but participants gave every reason to be optimistic. Confirmed sales of \$2.9M outpaced the \$1.9M total in 2008 by 53%, and companies completed presales agreements worth \$0.6M after none were completed the previous year. Also, as MIPCOM was held Oct. 5-9, total economic activity of \$61M gave the industry a valuable lift at a time when the world economy was only beginning to recover from a severe recession.

**Titles involved in sales:** As MIPCOM is a television market, the majority of sales and likely sales involved mostly television content – 81%. Nevertheless, 16% of sales and likely sales were related to feature films and 4% to new media.

Profile of sales and likely sales by media	
Feature film	16%
Television	81%
New media	4%

Animation and documentary genres dominated in sales activity.

Profile of sales and likely sales by genre	
Animation	24%
Documentary/Educational	22%
Children's Programming	16%
Lifestyle	11%
Comedy	8%
Horror/Thriller	7%
Drama	6%
Reality	3%
Performing Arts	2%
Cult Films	1%
Public Affairs	1%

Buyers originated from a many countries with no region dominant, indicating the wide international exposure and appeal of Canadian productions. The greatest proportion of sales transactions involved buyers from the United Kingdom and France – 18% each – followed by the USA (16%), Germany (8%) and several other countries.

**Confirmed and likely sales:** Nearly all companies reported involvement in sales deals. Ultimately, they completed or expected to complete 110 deals in relation to 159 titles. Completed sales totalled \$2.9M, up from \$1.9M in 2008, growth of 53%. Sales that are likely to close totalled another \$7.7M, down by about half over last year.

Confirmed and likely sales	
Confirmed sales	\$2.9M
Likely sales	\$7.7M
Total sales and likely sales	\$10.6M

**Titles involved in presales:** Television productions also dominated in presales activity to the tune of 94%, although the other 6% involved new media productions. Documentary/Educational productions led among genres (30%), followed by animation (27%), comedy (18%), reality shows (12%) and children’s programming (9%).

**Confirmed and likely presales:** Advance sales also brought both disappointment and optimism, as 25 companies reported presales or likely presales involving 37 titles in 33 deals. On one hand, confirmed presales of \$0.6M was a huge improvement over no closed presales in 2008. But likely presales of \$9.3M fell short of the \$22.0M in likely presales in 2008. Together, confirmed and likely presales hit \$9.9M.

Confirmed and likely presales	
Confirmed presales	\$0.6M
Likely presales	\$9.3M
Total sales and likely sales	\$9.9M

Partners from the United Kingdom were named in 42% of deals, followed by the USA at 21% and France, Greece, Hungary, Pan-European, and Australia, all at 5%.

**Coproductions and co-ventures:** While the value of coproduction and co-venture deals at MIPCOM fell short of 2008, 14 companies reported deals involving partners from seven countries, again showing the wide reach and appeal of Canadian production talent. The seven deals for which figures were available totalled \$40.6M, for an average of \$5.8M per agreement. In 2008, coproduction agreements totalled \$49M. Most agreements were reached with partners from the United Kingdom (8), followed by the USA (4), France (4), Germany (3), Italy (3), Australia (2) and others.

Coproduction and co-venture deals	
Companies with coproduction/co-venture deals	14
Number of deals	14
Estimated value (7 companies)	\$40.6M
Average value	\$5.8M

## Getting the Deals Done

**Making contact:** As was the case with many of the international markets in 2009, reduced activity was not responsible for slower sales. Responding companies held an average of 40 meetings each, and new business development was clearly on their minds as 41% of meetings took place with new business contacts.

Meetings with business contacts	
Total meetings	1,407
Average meetings per company	40
Meeting with new business contacts	41%
Meeting with existing business contacts	59%

Participants' high levels of activity and diligence in seeking out contacts support the finding that participants were most satisfied with their achievement of three business objectives at MIPCOM: making new business contacts, reconnecting with existing business contacts, and selling/distributing existing titles. In the stagnant economy of 2009, it is yet possible that the contacts made at MIPCOM will result in further sales and alliances.

## Telefilm: A Valuable Partner at MIPCOM

Telefilm-backed facilities and initiatives contributed to the high level of activity at MIPCOM, and made a valuable contribution to the success of Canadian companies at the market.

Not including staff salaries, Telefilm invested \$270,893 in the Canada Business Centre-related activities at MIPCOM. Canadian companies at the market generated \$61.0M in economic activity, including \$3.5M in confirmed sales and presales, \$17.0M in likely sales and presales and \$40.6M in coproduction/co-venture agreements.

Telefilm was a recognized contributor in these sales, presales and investment agreements. Analyzing the Telefilm investment on the basis of these outcomes, each dollar of Telefilm's commitment returned \$12.92 in completed sales and presales.

Economic activity per dollar of Telefilm support	Amount	Per dollar of Telefilm support
Completed sales & presales	\$3.5M	\$12.92
Completed and likely sales & presales	\$17.0M	\$62.76
All sales, coproduction & co-venture activity	\$61.0M	\$225.47

**Canada Business Centre:** Client satisfaction with the Canada Business Centre improved in most areas and fell slightly in a few others. Ratings for overall utility of the Centre fell slightly but remained positive at an average of 8.1 out of 10, compared to 8.4 in 2008. Significant improvements in satisfaction occurred in two of the most important areas for these clients in these markets: availability of meeting space, and location of the stand.

## Conclusion

Delegates to MIPCOM tend to return, as demonstrated by the 83% of respondents who said they had attended within the past two years. Their loyalty to the event appears to have been earned by the fact that it provides a venue that allows them to achieve the business objectives they set out to accomplish; nearly half (49%) of survey respondents rated it as best suited among international markets to meet their needs. The runner-up in this category, MIPTV, was rated best by only 20%.



Overall satisfaction with the event went up slightly to 8.4 in 2009 (from the previous year's average of 8.3). Similarly, participants continue to place a high overall value on MIPCOM, at 7.2 out of 10, a small drop relative to 2008.

MIPCOM appears to be an event where Canadian television, film and new media companies can sell and distribute their programs, meet key business contacts and stay on top of trends in international markets. For these reasons, Telefilm's investment in maintaining the visibility of the Canadian industry at this market appears to be well placed.

Which international market best suits your company's needs?	Attended in 2007 or 2008	Best suited?
MIPCOM	83%	49%
MIPTV	80%	20%
KidScreen Summit	34%	15%
Cannes Film Market	17%	5%
RealScreen Summit	29%	5%
American Film Market	24%	2%
Berlinale European Film Market	20%	2%

# Game Connection at the Game Developers Conference (GDC) 2009

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## Highlights

- Average of 26 meetings per company, weighted toward new business contacts.
- 69 likely deals worth an estimated \$22M.
- 76% somewhat or very satisfied with the event.
- Telefilm preparation, co-ordination and support rated highest for satisfaction.

## Canadian companies at Game Connection at GDC

Game Connection at CGD took place March 24-26 in San Francisco, at the low point of the recession. In spite of the economic situation, the event drew 257 exhibitors<sup>2</sup> including 187 game development companies and 70 outsourcing and technology providers from around the world. Another 125 publishers, distributors and service buyers attended to seek projects for publication, teams to develop future projects, and specialists in all areas of game development.

A survey of Canadian participants used the Explorance-based software tool Blue and obtained 22 responses. Results showed that these companies were primarily game developers (73%) with a minority (18%) in related services. They were involved in developing products or offering services for the full range of game platforms: online, downloadable, mobile devices, hand-held consoles and game consoles. About half were first-time attendees.

Business focus	
Game development	73%
Services	18%
Government	4%
Other: TV production, game and online merch.	5%

Platforms for development and services*	
Online	64%
Downloadable	82%
Mobile devices	68%
Hand-held consoles	50%
Consoles	59%

\*multiple responses were accepted so results will add to more than 100%

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<sup>2</sup> In contrast to 157 exhibitors in 2008

## Sales Activities

Game Connection attendees came to the event primarily to sell or finance their game concepts or to find buyers for their game development services. On average, they held 26 meetings each, and a strong majority of respondents said more than half their meetings were with new business contacts.

Business objectives*	
Sales and/or financing game concepts	87%
Offer services for game development	55%
Offer art services	27%
Offer programming services	14%
Offer QA, testing, localization services	5%
Find outsourcing partners	5%
Seek rights from third party	14%

\*multiple responses were accepted so results will add to more than 100%

The event exposed participants to a wide range of international players. Their counterparts in the meetings came from all over the world. Although nearly half met with potential U.S. partners in more than 50% of their meetings, they also met with players from the United Kingdom, France, Germany, Nordic and other European countries, Japan, China, and Korea.

What percentage of your meetings were with companies from the following countries?	None	1-25%	25-49%	50-74%	75-100%
United States	0%	27%	27%	32%	14%
United Kingdom	14%	77%	5%	5%	0%
France	27%	73%	0%	0%	0%
Germany	32%	64%	0%	5%	0%
Nordic Countries	55%	46%	0%	0%	0%
Other Europe	32%	59%	9%	0%	0%
Japan	50%	50%	0%	0%	0%
China	86%	14%	0%	0%	0%
Korea	76%	14%	0%	0%	0%
Other	59%	41%	0%	0%	0%

**Confirmed and likely sales:** Despite the high level of meeting activity, however, no signed contracts resulted. This may be a result of a wait-and-see attitude owing to the economy at the time, because likely sales were much more promising. Participants cited 69 deals in negotiation worth an estimated \$22M. The deals in the works were widely spread, averaging 3.5 potential contracts per company and 70% of companies indicating at least one contract in the negotiating stage.

Likely sales	
Companies reporting likely sales	15
Likely sales/deals	69
Value of likely deals	\$22M
Average value per company	\$1.2M

## Telefilm: A Valuable Partner in San Francisco

Telefilm's array of services and assistance at the event made a difference to attendees. Half of survey respondents identified Telefilm's package as contributing to their decision to attend, and another 23% said it partially contributed to their decision.

Did Telefilm's service contribute to your decision to attend?	
Yes	50%
Partially	23%
No	9%
Not applicable	14%

In rating their satisfaction with individual aspects of the event, participants gave the highest ratings to Telefilm's contribution. More than three-quarters (76%) were somewhat satisfied or very satisfied (57%) with the preparation, co-ordination and support offered by Telefilm. Two-thirds were somewhat or very satisfied by the online booking system and, similarly, two-thirds approved of the meeting rooms provided.

### Conclusion

Satisfaction with the event was mixed. On the positive side, 81% were somewhat or very satisfied that the event was a good one to meet the right business partners and 76% were somewhat or very satisfied with the overall experience, suggesting that the high activity level may well bear fruit down the road. On the other hand, 29% were somewhat or very dissatisfied with the quality of participants and 24% were dissatisfied with the number of participants.

Overall, this event's actual sales and participants' reaction must be considered in light of the timing. While the results are not as glowing as might be hoped, the promising expected sales figures and the satisfaction levels achieved can be viewed as encouraging considering the economic situation at the time.

Perhaps mirroring the uneven satisfaction levels, less than one-quarter of surveyed delegates indicated they would attend the next Game Connection event in San Francisco, but nearly 60% said they might attend.

The most popular industry event according to respondents appears to be the E3 summit in Los Angeles. More than half indicated that they were definitely going to attend it and a third reported that they might attend.

Do you intend to participate in the following events for business purposes?	Yes	No	Maybe
E3 Media & Business Summit, Los Angeles	52%	14%	33%
China Joy, Shanghai	29%	24%	24%
Nordic Game Conference Malmö, Sweden	14%	57%	24%
SXSW Interactive, Austin, Texas	14%	52%	24%
Casual Connect Seattle	14%	57%	29%
Vancouver International Partnering Forum	14%	71%	14%
Develop Conference & Expo, Brighton, UK	14%	62%	19%
Paris Game Developers Conference, Paris	10%	62%	29%
G C Game Convention, Leipzig, Germany	10%	71%	19%
Austin Game Developers Conference	10%	62%	29%
Games Convention Asia (GCA) Singapore	5%	90%	0%
Kidscreen Summit, New York	5%	76%	19%
GDC Canada Vancouver	0%	95%	0%
Montreal International Game Summit (MIGS)	0%	95%	5%
GC Developers Conference (GCDC) Leipzig, Germany	0%	95%	5%
IN: The Interactive Exchange, Toronto	0%	90%	10%
Tokyo Game Show	0%	71%	29%
Other	24%	48%	29%

# Game Connection Europe 2009

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## Highlights

- Average of 25 meetings per company, mostly with new business contacts.
- Two potential contracts per company.
- Average potential contract worth \$0.7M.
- 88% somewhat or very satisfied with the event.
- Telefilm preparation, co-ordination and support rated highest for satisfaction.

## Canadian companies at Game Connection Europe

Game Connection Europe was held Dec. 8-10 in Lyon, France, attracting 230 exhibitors from 33 countries, up from 193 exhibitors at the 2008 market. The event drew 124 buyers from 16 countries, mostly European. Out of the ten participants that Telefilm supported, eight responded to the survey.

Despite the small size of the group, it nevertheless represented an expected range of industry participants with five in game development, two in services and one in television production and game development. They were offering products and services for the full range of platforms – all eight with some level of involvement with consoles, seven for hand-held consoles, five for downloadable games, four for online gaming, and one for mobile devices.

Business focus	
Game development	63%
Services	25%
Government	0%
Other: TV production, game and online merchandise	12%

Platforms for development and services*	
Online	50%
Downloadable	63%
Mobile devices	13%
Hand-held consoles	88%
Consoles	100%

\*multiple responses were accepted so results will add to more than 100%

## Sales Activities

These companies came to Game Connection Europe primarily to sell or finance their game concepts, or to find buyers for their game development services. They held between 15 and 40 meetings, with an average of 25. Six held more than half their meetings with new business contacts, and meeting counterparts represented the full range of countries despite the small sample size. These results lend support to the idea that Game Connection Europe meets the objective of raising the international profile of the Canadian game development industry.

Business objectives*	
Sales and/or financing game concepts	75%
Offer services for game development	63%
Offer art services	38%
Offer programming services	38%
Offer QA, testing, localization services	13%
Find outsourcing partners	13%
Seek rights from third party	25%

\*multiple responses were accepted so results will add to more than 100%

**Confirmed and likely sales:** As with Game Connection at the GDC, the high level of meeting activity did not result immediately in many signed contracts. While one company concluded a contract worth \$50,000, most established relationships that resulted in ongoing negotiations. On average, respondents reported two likely deals per company valued at about \$0.7M each and ranging as high as \$2M.

Likely sales	
Companies reporting likely sales	1
Likely sales/deals	16
Value of likely deals	\$11.2M
Average value per company	\$0.7M

## Telefilm: A valuable partner in Lyon

Telefilm's services make a major contribution to companies' decision to attend and to their experience at the event. Seven of the eight companies indicated that Telefilm's package of services and assistance contributed to their decision to attend. Half of companies mentioned Telefilm's rebate on registration costs for developers was very important.

Did Telefilm's service contribute to your decision to attend?	
Yes	50%
Partially	38%
No	13%
Not applicable	0%

Rating their satisfaction with individual aspects of the event itself, participants again gave Telefilm's preparation, coordination and support the highest ranking with 88% indicating they were very satisfied. Seven of the eight companies also indicated they were somewhat or very satisfied with the meeting rooms provided.

## Conclusion

Participating companies reported they were generally satisfied with the event. Seven indicated they were either somewhat or very satisfied with their overall experience. Two expressed some dissatisfaction with the number of participants and the networking breakfast organized by the Canadian consulate, and one with the quality of participants.

Again, the meeting activity, the promising levels of sales in negotiation and the positive post-event evaluations support the conclusion that Game Connection Europe helped develop useful contacts in a vibrant new market for Canadian attendees, and that it could be the foundation for sales results in the future.

In total, all companies indicated that they were likely to attend Game Co. Europe 2010 with four companies reporting that they would definitely go. GDC San Francisco 2010 was the most likely subsequent event that companies would attend with seven respondents saying 'yes'.

Do you intend to participate in the following events for business purposes?	Yes	No	Maybe
Game Developers Conference, San Francisco, CA	88%	12%	0%
E3 Expo 2010, Los Angeles, CA	63%	12%	25%
Casual Connect, Seattle, WA	50%	25%	25%
Gamescom Cologne, Germany	50%	12%	38%
Game Connection at the GDC, San Francisco, CA	38%	25%	38%
Develop Conference, Brighton, UK	38%	63%	0%
Montreal International Game Summit, Montreal	38%	0%	63%
KidScreen Summit, New York	25%	63%	25%
GDC Austin, Texas	25%	50%	25%
Casual Connect Europe, Hamburg, Germany	12%	50%	38%
INplay – Toronto	12%	50%	38%
GDC China, Shanghai	12%	75%	12%
GDC Europe, Cologne, Germany	12%	38%	50%
Tokyo Game Show 2010, Japan	12%	25%	63%
SXSW Interactive 2010, Austin, Texas	0%	75%	12%
Game Developers Conference Canada, Vancouver, BC	0%	38%	63%
Nordic Game Conference, Sweden	0%	75%	25%
GameON Finance, Toronto	0%	25%	75%
Fusion Forum, Vancouver	0%	63%	38%
Other	12%	12%	38%