



GENERAL GUIDE TO TELEFILM’S EXPECTATION OF MARKET INTEREST AND LEVEL OF FINANCIAL PARTICIPATION BASED ON RECENT PAST TELEFILM FINANCING AMOUNTS

Telefilm will use the following table as a guide to determine its potential level of financial participation:

EXPECTED MARKET INTEREST LEVELS IN THE FRENCH-LANGUAGE MARKET

(As described in section 4.3 of the Production program guidelines)

Budget Size	Level of Market Interest * (of the Total Budget)	Maximum Level of Telefilm Participation
\$250,000 -under \$2.5 million	None	\$500,000
Under \$5 million	10 %	Three times Market Interest
Under \$7.5 million	12 %	Two and a Half (2.5) times Market Interest
\$7.5 million and over	15 %	Two times Market Interest

These numbers reflect recent past Telefilm financing amounts and levels of Market Interest reflected in Telefilm signed contracts. As an indication, the average market interest seen over the past three fiscal years at Telefilm appears in the table below.

**For reference purposes “Market Interest” is not solely based on the Minimum Guarantee but is rather defined as arms length monies used in the financing of the production of the film from the following entities:*

- *domestic and/or international distributors or sales agents recognized by Telefilm as having a track record in theatrical distribution;*
- *Canadian and/or international broadcasters providing broadcast license fees (excluded from Minimum Guarantee);*
- *recognized lenders providing gap financing;*
- *private for-profit financiers; and/or,*
- *sponsors.*

ACTUAL OBSERVED AVERAGE MARKET INTEREST LEVEL IN THE FRENCH-LANGUAGE MARKET OBSERVED. 2011-2012 TO 2013-2014

Size of budget	Level of Market interest* (of the total budget)
\$250,000 -under \$2.5 million	8.2%
Under \$5 million	11.2 %
Under \$7.5 million	13.1 %
\$7,5 M and over	34,4 %