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Screen Australia Seminars
B. Television

I. French audiovisual industry: a brief overview
II. CNC support: facts & figures
III. Co-producing with France

frederic.bereyziat@cnc.fr

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The views in this presentation are those of Frederic Bereyziat and are not necessarily those of the CNC.

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I – French audiovisual industry: an overview

- **1.1 Broadcasters**
- **1.2 Audiences**
- **1.3 Producers**
- **1.4 Production**

1.1 Broadcasters

- **Over 140 channels registered in France**
- **7 major/historical broadcasters**
  - Including one pay-TV (Canal +)
  - Totalling 80% of TV audience
  - Leading channel's market share: 25% (decreasing)
  - End of analogic broadcasting scheduled end 2011
- **6 State-owned channels**
  - Including one bi-national channel (Franco-German *Arte*)
  - Totalling 37% of audience
- **Rising audiences for:**
  - Cable & satellite TV
    - 17 M people living in connected households (11.5 M satellite, 5.5 M cable)
  - TVoIP
    - 12 M people end 2009, up from 10 M in previous year
  - and above all, for digital terrestrial-TV
    - 89% population covered, 30% equipped
    - +3 points market share per year
- **76 free-to-air channels / 66 pay-TVs**
- **Covering the full spectrum of TV broadcast**
  - General broadcasters / thematic channels
  - National networks (around 80) / Local TVs (over 60)

1.2 Audience patterns

- **Low average consumption:**
  - 3h25' per day (amongst 4 year-olds & above)
  - International comparisons: EU: 3h40' / Middle-East: 4h20' / North America: 4h30
- **Best-sellers:**
  - Live-action TV movies (25% of total audience)
  - Magazines & documentaries (20%)
  - News (15%)
- **Rising audience rates:**
  - Live-action TV movies
  - Magazines & documentaries
  - Sports
  - Games
- **Declining audience rates:**
  - Entertainment
  - Cinema (5%)
- **Steady rise of catch-up TV**
  - Available for all major broadcasters as of end 2009
  - Typical use: women, US series

1.3 TV Producers

- **A dense network of SMEs**
  - around 750-800 production companies active any given year
  - Around 500 companies active every year
- **Covering the full spectrum of TV production**
  - 560 companies involved in documentaries
  - 180 involved in live-action TV movies
  - 50 involved in live-show capture or re-enactment
  - 40-50 involved in animation TV movies
- **Twenty key-players**
  - 5 production groups connected to broacasters
    - Lagardère, France Télévisions, Groupe AB, Groupe TF1, Métropole Télévision (M6)
  - 7 groups of companies independent from broadcasters
    - Carrère groupe, Endemol Développement, Groupe Dargaud, Gaumont, Iris, Marathon Group, Telfrance, JLA
  - 8 independent companies
    - SFP, Calt (fiction) / Moonscoop, Futurikon, Method Animation (animation) / Gédéon programmes, INA (documentaries) / Compagnie lyonnaise de cinéma (live shows)

1.4 Audiovisual production

- **Total CNC certified output:**
  - € 1.330 Bn total investment
  - over 4,200 hours a year
- **By genre:**
  - Fiction: € 660 M total budget / 800-900 hours
  - Documentaries: € 350 M / 2,200 hours
  - Animation: € 210 M / 350 hours
  - Live shows: € 75 M / 480 hours
  - Magazines: € 35 M / 440 hours

1.4 Audiovisual production

Fiction

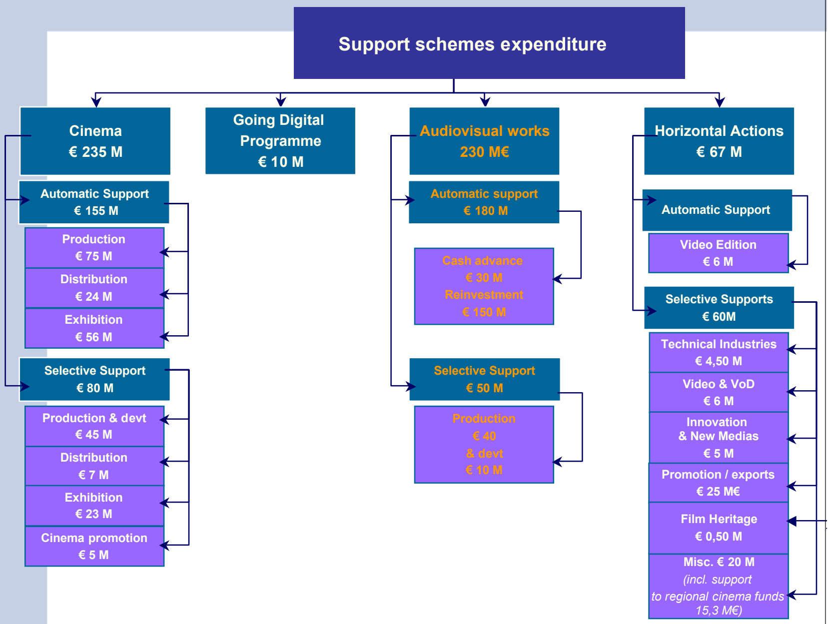
- **Average budget: € 880K/h**
  - € 350 K/h for 26' works
  - € 1,000 K/h for 52' works
  - € 1,500 K/h for 90' works
- **Costs breakdown**
  - 40% Personnel wages & social benefits
  - 20% Artistic fees
  - 25% Sets, transport, control, labs
  - 15% Overhead costs, insurance & miscellaneous
- **Average funding:**
  - 70% TV pre-purchase
  - 10% CNC support
  - 7% French producer

1.4 Audiovisual production

Animation

- **Average budget: € 600K/h**
- **Mainstream format: 11-15'**
- **Average funding:**
  - 25-30% TV pre-purchase
  - 25% foreign co-producer
  - 16% CNC support

2. CNC Support



2. CNC Support

CNC support (automatic & selective) directed towards:

- Fictions: € 90 M (40%)
- Documentaries: € 75 M (33%)
- Animation: € 40 M (17%)
- Live shows: € 20 M (8%)
- Magazines: € 5 M (2%)

Average development grants:

- animation: € 50,000 / project, 50 projects/y
- fiction: € 20,000 / 130 projects
- Documentary: € 10,000 / 230 projects

3.1 Co-producing with France

- **Official TV co-production: only available to Australia & Canada**

- **Why resort to it?**
  - To access direct public support
    - Automatic support / Selective support
  - To access indirect support schemes & regulated funding
    - TV pre-purchases & co-production investments
    - SOFICA
    - IFCIC loan guarantees
    - Domestic tax rebate (NB : only available to TV movies mainly shot in French or French dialects)
  - To maximise the implication of your French partner
  - To enhance your potential for TV airing worldwide

3.1 Co-producing with France

Technical, unofficial co-production

- TRIP (tax rebate for international productions)
  - Example: Merlin, Seasons 2 & 3
- Free-style
  - Mostly animation
    - 100 projects / 70% hours co-produced per year
    - € 50-70 M foreign capital invested each year (3/4 co-production rights / ¼ pre-purchases)
    - 80% majority French co-productions
    - 20% minority

CNC 3.2 FRA-AUS TV co-productions: state of play

- **Legal framework: agreement on bilateral cinematographic relations**
  - Signed May 15th, 1986
  - Specific traits:
    - M.O.U. ("*arrangement administratif*") not fully-fledged international treaty: technically, national regulations will prevail
    - Art. 4: specific participation ranges assigned to each partner (FR: 20-60% / AUS: 40-80%)
  - Other provisions:
    - Art. 4: artistic contribution apportioned to financial input, as a rule (derogations may apply)
    - Certification by competent authority of minority country subject to prior certification in majority country

CNC 3.2 FRA-AUS TV co-productions: state of play

Facts & figures (cinema):

Less than 20 TV co-productions over the past 20 years

Some of them needed **derogatory rulings/certification**

Seaside Hotel **(2002) – animated series – French share over 60%, in breach of M.O.U.'s art. 4**

Most active **genres**:
- animated TV series & mini-series
- documentaries

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3.3 French-Australian co-productions

Outlook: streamlining the agreement

- Treaty vs. M.O.U.?
- Symmetrical share ranges?
- Assimilation of European nationals to French nationals?

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3.3 French-Australian co-productions

Outlook: getting acquainted with the producers

- Networking & Pitching:
  - **MIPCOM - Cannes** (October)
- Resorting to middle-men:
  - **Producers' Associations**

    USPA

    AFPF