



Press Release

London 24th June 2005: Free TV remains the most valuable window for the sale of feature films in most European countries, even though pay TV is well established.

A new report from media researchers Screen Digest – *“European Programme Rights: Movies”* finds that the market for TV feature films in Europe was worth almost €2.5bn last year.

Although the pay TV subscriber base is significant, free TV is still the most valuable window for the sale of feature film rights in most countries. The UK and France account for the lion’s share of pay TV sales – and are the only European markets where the value of pay TV sales outweigh free TV film sales. Going forward, the rate of growth in the sales of films to pay TV will significantly outweigh the growth of sales to free TV.

Sales of films to TV are still an important source of revenue for the Hollywood studios – making up anywhere between 20 and 30 percent of their annual sales. More than half of their sales come from home entertainment (primarily DVD). The Hollywood studios continue to dominate the supply of feature films to European TV and exclusive output deals for first run movies are essential to the success of pay TV platforms.

As in the USA, the studios licence rights for their feature film output in separate and successive windows. Theatrical release is the first step in the process with free to air TV being the last. The timing of windows varies from country to country but in the US films, can generally be released to pay-per-view 45 to 60 days after the home video window. In Europe the norm in many countries remains six months.

Within the European TV industry generally there has been a shift away from showing films towards sports and more recently to reality TV. At the same time, audiences for movies on free to air television have declined dramatically with the rise of home video and DVD. In spite of this, feature films still remain an important part of prime time schedules.

In some European markets, broadcasters are an important source of funding for locally produced films. Canal Plus in France invests nine percent of its annual sales in French Language films, while broadcasters in Spain must allocate five percent of prior year turnover in film production. Investment by broadcasters in the UK is relatively minimal.

Tim Westcott, author of the report and Screen Digest senior analyst, comments: “By the time a blockbuster film gets onto free TV, the typical

viewer will have had many opportunities to see it and may even own the DVD. Nevertheless studios have managed to maintain the value of this window. Apart from the UK and France, premium pay TV is still very underdeveloped in Europe.”

Editors' Notes

The data, forecasts and analysis contained in this press release are taken from the new Screen Digest report: “European Programme Rights: Movies.” The report is a detailed assessment of the market for feature films on television – both the pay and free TV platforms.

To find out more about this please contact sales@screendigest.com or call +44 20 7424 2820

Screen Digest is the pre-eminent source of business intelligence, research, and analysis on global audiovisual media. Screen Digest the journal has been published for more than 30 years and is read in over 40 countries. Screen Digest is primarily a research company and publishes a rapidly growing number of major business reports on media markets. The company also offers continuous online research services providing searchable access to a vast database of global audiovisual market research information. Screen Digest also provides single client consultancy services and has undertaken a wide variety of bespoke projects on behalf of numerous national and international organisations.

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