

MEDIA Plus: Support for Distribution

The word 'MEDIA' is rendered in a stylized, blocky font. Each letter is composed of multiple horizontal stripes in shades of blue, green, and orange. The stripes are of varying lengths, creating a sense of depth and movement. The letters are set against a light blue background.

MEDIA Plus: Definitions

The word 'MEDIA' is rendered in a large, bold, sans-serif font. Each letter is filled with a pattern of horizontal stripes in shades of blue, teal, green, and orange. The stripes are of varying lengths and colors, creating a dynamic, digital or media-related aesthetic. The letters are closely spaced and occupy the lower half of the slide.

European Film

Any recent work of fiction (including animated films) or documentary, with a minimum duration of 60 minutes, complying with the following conditions:













- ✚ the work has been majority produced by companies established in one or more countries participating in the MEDIA Programme

and

- ✚ it has a significant participation by professionals who are citizens/residents of the countries participating in the MEDIA Programme.

Recent films are those whose first copyright has been established during the last 4 years.

Assessing 'significant participation' in European films

 Director	3 points
 Scriptwriter	3 points
 Composer	1 point
 Actor 1	2 points
 Actor 2	2 points
 Actor 3	2 points
 Artistic Director/Production Design	1 point
 Director of Photography	1 point
 Editor	1 point
 Sound	1 point
 Shooting location	1 point
 Laboratory	1 point
TOTAL	19 points

National/Non-National European Film

✚ European films will be considered as national in that Member State or territory participating in the MEDIA Programme whose citizens/residents have participated in the highest proportion in the making of the film, on the basis of the points table shown previously.

✚ They will be considered as non-national in all the other territories.

Participating countries

✚ The 25 countries of the European Union:

Germany, France, Italy, Spain, UK

Austria, Belgium, Czech Republic, Cyprus, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Latvia, Lithuania, Luxemburg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Sweden

✚ Norway, Iceland, Liechtenstein

✚ Bulgaria, Switzerland

European company

✚ Registered in one of the countries participating in the MEDIA Plus Programme

✚ And owned, whether directly or by majority participation, by nationals from these countries.

Objectives of the Programme

- ✚ To strengthen the European distribution sector by encouraging distributors to invest in the production, acquisition, marketing and promotion of non-domestic European cinema films.
- ✚ To foster the wider trans-national dissemination of non-domestic European films.
- ✚ To encourage the establishment and consolidation of co-operation networks between European distributors, as well as cooperation between distributors, sales agents and/or producers.

The schemes offering distribution support

- ✚ Selective Support for distributors (12/2005)
- ✚ Automatic Support for distributors (13/2005)
- ✚ Automatic Support for sales agents (08/2005)
- ✚ Automatic Support for Video/DVD (14/2005)
- ✚ Support for television broadcasting (10/2005)

Distribution: Selective Support Scheme

Theatrical distribution company / theatrical distributor

A company that fulfils the following criteria will be considered as a theatrical distribution company / theatrical distributor:

- ✚ It is the holder of the theatrical distribution rights for a film in the territory concerned.

- ✚ It carries out the theatrical distribution of the film in the territory (determines the release date; plans, controls and executes the distribution and promotion campaign).

- ✚ It pays the associated distribution costs.

Eligibility criteria for new groupings

✚ At least **five** distributors operating in different national territories who propose to distribute one or more recent non-domestic European films.

✚ The theatrical release of the film shall take place in the territories concerned at the earliest on the same day as the relevant deadline for submission of the call for proposals, and at the latest within 18 months of this date.

Deadline for submission	Film must not be released before	Film must not be released after
1 April 2006	1 April 2006	1 October 2007
7 July 2006	7 July 2006	7 January 2008
1 December 2006	1 December 2006	1 June 2008

Award Criteria

NEW GROUPING	Points
Number of eligible distributors in the grouping	1 per distributor
Production cost of the proposed film > 5 M €	0
Production cost of the proposed film between 3 and 5 M €	1
Production cost of the proposed film < 3M €	2
Film produced in FR or UK	0
Film produced in DE, ES or IT	1
Film produced in a country with a low production capacity	2
Film produced in a new MS or participating country	4
First or second feature film of the director	2
Documentary	2
Animation film	1
Film for children	1
The coordinator of the grouping is the sales agent / producer of the film (+1 if the SA is from a different country)	2

Eligibility criteria for existing groupings

- ✚ One or more distributors who so wish may join an existing grouping already supported in the framework of MEDIA Plus for the distribution of the same film.
- ✚ The theatrical release shall take place in the relevant territory at the latest **within 18 months** of the deadline at which the initial grouping of distributors was selected.
- ✚ For existing groupings, selection is 'automatic' subject to eligibility and budgetary resources.

Amount of financial contribution

✚ The amount of the financial contribution is based on the following:

- The distribution and promotion plan and budget for the proposed film(s);
 - The conditions of theatrical release (number of prints in relation to the target market) and its expected results (forecast admissions);
 - The performance of the distributor in the execution of its previous contracts with the MEDIA II Programme and MEDIA Plus Programme (respect of the submitted distribution budgets).
-
- The financial contribution awarded will in no event exceed 50 % of the total distribution budget and **€ 150 000** per distributor per film distributed.

The financial contribution

The financial contribution is made up of two parts :

✚ A subsidy, up to a maximum amount of 30 000 € per film per distribution territory, towards a maximum of 50 % of the eligible dubbing and subtitling costs. In case of digital distribution the mastering and duplication costs will be co-financed in the form of a separate subsidy;

✚ A conditionally repayable advance, up to a maximum amount of 150.000 €, towards a maximum of 50 % of the other eligible distribution costs.

The financial contribution (continued)

- ✚ The payment of the financial contribution will normally be in two instalments:
 - 50 % on signature of the contract between the Commission and the beneficiary ;
 - the remainder following the acceptance by the Commission of the final eligible distribution costs, certified by an independent chartered accountant, and of the most recent report on the results of the distribution (Royalty Statement)
- ✚ The beneficiaries will notify the Commission of any significant alteration of the distribution plan.

Repayment of the conditionally repayable advance

✚ **60%** of distributor's net returns from the theatrical release of the film(s) over a period of 12 months following the date of theatrical release of the film in the relevant territory up to the amount of conditionally repayable advance granted by the Commission.

✚ **Distributor's net returns:**

Gross distribution returns, deduction made for the contribution of the distributor to the final distribution costs (excluding Minimum Guarantees paid or to be paid by the distributor for the film).

✚ If the net returns of the distributor are insufficient to repay the conditionally repayable advance, the Commission will waive the repayment.


Timetable for selection – Deadlines for submission of proposals


Next deadlines:

1 April 2006

7 July 2006

1 December 2006

 All complete proposals sent before the deadlines will be examined by the Commission.

 The outcome of the Commission's selection procedure may normally be expected 12 weeks after the relevant closing date.

Distribution: Automatic Support Scheme

Distribution: Automatic Support Scheme

The automatic support scheme works in two phases:

1. The generation of a potential Fund, proportional to the number of paying admission tickets sold for non-domestic European films in states participating in the Programme, up to a fixed ceiling per film, in a reference year (**2005**).

2. Reinvestment: the potential Fund thus generated by each company must be reinvested in:

- + the co-production of new non-domestic European films;
- + the acquisition of distribution rights (by means of minimum guarantees) of new non-domestic European films;
- + editing costs (prints, dubbing and subtitling), promotion costs and publicity costs for new non-domestic European films.

Summary of the Generation & Reinvestment phases (Automatic Scheme)

	Phase 1: GENERATION	Phase 2: REINVESTMENT
Distributor	Application for the generation of funds	Presentation of reinvestment projects
Commission	Calculation of the potential fund generated Notification of the amount	Acceptance / refusal of the reinvestment project Agreement
Payment of a Community Financial Contribution	No	Yes

Generation of the Automatic Support

The potential fund will be calculated on the following basis:

- ✚ All paid admissions for non-national European films shall be eligible up to a limit fixed per film and per territory of 700,000 admissions.
- ✚ This limit can be reached in one or more years but in any case all paying admissions over 700,000 for an individual film shall not be eligible.

Calculation method of the automatic support

•Territory of distribution	•Amount per eligible admission		
	•Films originating from FR and UK	•Films originating from DE, ES and IT	•Films originating from small countries
•Germany, Spain, France, Italy	•0,40 Euro	•0,50 Euro	•0,70 Euro
•Austria, Belgium, Denmark, The Netherlands, Norway, Poland, Sweden, Switzerland, United Kingdom	•0,45 Euro	•0,55 Euro	•0,70 Euro
•Bulgaria, Cyprus, Czech Republic, Estonia, Finland, Greece, Hungary, Iceland, Ireland, Latvia, Lithuania, Luxemburg, Malta, Portugal, Slovakia, Slovenia	•0,50 Euro	•0,60 Euro	•0,70 Euro

Minimum Availability Threshold (Generation)

TERRITORY OF DISTRIBUTION	Availability threshold of the Potential Fund
Germany, Spain, France, Italy	10 000 Euro
Austria, Belgium, Denmark, Greece, The Netherlands, Norway, Poland, Portugal, Sweden, Switzerland, United Kingdom	3 000 Euro
Bulgaria, Cyprus, CZ, Estonia, Finland, Hungary, Iceland, Ireland, Latvia, Lithuania, Luxemburg, Malta, Slovakia, Slovenia	1 000 Euro

Reinvestment of the potential fund generated

Distributors can present reinvestment projects from **30 April 2006**.

The potential fund can be reinvested:

1. In the co-production of new non-national European films;
2. In the meeting of minimum distribution guarantees for new non-national European films;
3. In the meeting of distribution costs (P&A) for new non-national European films.

For reinvestment modules **1** and **2**, the distributor can be eligible for selective support for the distribution of the same film.

Where the automatic support is to be reinvested in distribution costs (**3**), it is not cumulative with the selective support for the same film.

Earliest start dates for Reinvestment Projects

In order to be eligible, reinvestment projects of the potential funds generated by this call for proposals must begin at:

Module	Earliest start date of the project
1 Co-production	The co-production contract must be signed at the earliest on 30 April 2006
2 Minimum guarantee	The distribution contract / licence agreement must be signed at the earliest on 30 April 2006
3 P&A costs	The first theatrical release of the film in the territory can take place at the earliest on 30 July 2006

Deadlines for submissions of Reinvestment Projects to the Commission

Reinvestment projects must be submitted to the Commission **by 01/10/07.**

Module	Deadline for presentation of the reinvestment project
1 Co-production	Within 3 months of the signature of the co-production contract
2 Min. guarantee	Within 3 months of the signature of the distribution contract
3 P&A costs	At the latest on the day of the first theatrical release of the film in the territory

Amount of the financial contribution

The amount of the potential fund that may be drawn for a given reinvestment project may not exceed a certain percentage of the total cost of the proposed reinvestment project, defined in the following table:

Country of origin of reinvestment film	FR – UK	DE, IT, ES	Country with a low prod. capacity
Module 1 (Co-Production)	60 %	60 %	60 %
Module 2 (Min. guarantee) Contract signed <i>before</i> completion of the shooting (pp)	60 %	60 %	60 %
Module 2 (Min guarantee) Contract signed <i>after</i> completion of the pp	40 %	50 %	60 %
Module 3 (P&A)	50 %	50 %	60 %

Reinvestment contracts – payment of the Financial contribution

- + Reinvestment projects must be agreed by the Commission.
- + The financial contribution will take the form of a subsidy.
- + Payment will normally be made in two parts:
 - 50% following the signature of the reinvestment agreement by the Commission.
 - The balance on presentation to the Commission and acceptance by the Commission of the final eligible costs of the project, certified by an independent chartered accountant.

Duration of Eligible Costs

✚ In all cases, the period of the eligible costs cannot start more than 10 months before the signature of the contract between the beneficiary and the Commission and finish at the latest 13 months after this date.

✚ The signature of the contract shall normally take place between 3 and 8 months after the date of submission of the reinvestment project.

Module

Period of the Eligible Costs

1 Co-production	From the date of the signature of the co-production contract until 16 months after this date
2 Minimum guarantees	From the date of the signature of the distribution contract until 16 months after this date
3 Distribution costs	From 5 months before the first release of the film in the relevant territory until 6 months after this date.

Eligible costs for reinvestment in minimum guarantee

- ✚ The Commission can only co-finance the minimum guarantee for the territory of the distributor concerned.
- ✚ The breakdown of the MG in the new Member States is only indicative and may be updated later when more experience has been acquired.

Territories

Division of the minimum guarantee

Czech Republic – Slovak Republic

Czech Republic: 80 %

Slovak Republic: 20 %

Estonia – Latvia - Lithuania

Estonia: 35 %

Latvia: 30 %

Lithuania: 35 %

**Distribution:
Support for Television
Broadcasting**

Aims of TV support

To promote the movement of European television programmes produced by **independent companies** by encouraging cooperation between **broadcasters**, on one hand, and **independent European distributors** and producers, on the other hand.

Who can apply?

- European
- independent
- production companies

What categories of projects are eligible?

- Fiction (min 50')
- Creative documentary (min 25')
- Animation (min 25')

When to apply?

The application must be submitted within the following time period;

- at the earliest 6 months before the first day of principal photography
- and at the latest on the first day of principal photography.

Eligibility criteria

- The production must include at least two broadcasters from at least two Member States belonging to different linguistic areas
- At the time of application, at least 50% of the financing must be in place, guaranteed by minimum binding letters of commitment

N° of broadcasters (home territory excluded)*	1 pt
N° of linguistic areas	1
Production from a « small country»	3
Production from the new member states	5
Children's programme	1
European archives	1
Minimum 20% Non-National financing	1
Minimum 25% Non-National financing	2
Minimum 30% Non-National financing	3
Minimum 35% Non-National financing	4
*if broadcaster participation > 5%	+ 1

Flexible Points (0 – 4)

- Track record of international sales (taken into account the track record of company, producer and director)
- International distributor's involvement
- International Appeal

Financial support

- Subsidy
- Fiction and animation:
< 12,5% of the production budget
- Documentary:
< 20% of the production budget
- Maximum amount : € 500.000per work

Payment of the financial contribution

- 30% upon written confirmation of the start of principal photography/production
- 20% upon presentation of the signed contract between the producer and the main broadcaster
- 50% upon presentation of a written declaration by the 1st broadcaster proving its acceptance of the delivered materials.

Call for proposals 10/2005

- To be published in December 2005, with deadlines: *17 February, 16 June and 3 November 2006*
- Estimated budget 2006: 8,5 Mill. Euro

**Distribution:
Automatic Support for
Video/DVD**

Automatic Support Programme for Video/DVD

The programme is aimed at strengthening the distribution sector for European works on media intended for private use, by encouraging publishers to invest in digital technology and the promotion of non-domestic European works on video and DVD

Automatic Support for Video/DVD

The “Video/DVD” support scheme works in two phases:

1. The generation of a potential Fund, which will be calculated according to the performance of the company on the European market over a given period.
2. Reinvestment: the potential Fund thus generated by each company must be reinvested in:
 - the cost of producing and or promoting non-national European works on DVD
 - the cost of promoting non-national European works on video

Summary of the Generation & Reinvestment phases (Video/DVD)

	Phase 1: GENERATION	Phase 2: REINVESTMENT
Video/DVD publisher	Application for the generation of the support	Presentation of reinvestment projects
Commission	Calculation of the potential fund generated Notification of the amount	Acceptance / refusal of the reinvestment project. Contract
Payment of a Community Financial Contribution	No	Yes

Financial support – Generation Stage (Video/DVD)

The total annual amount of potential funding available to each publisher shall be determined on the basis of:

1. Declaration of annual revenues yielded by the video/DVD distribution of European non-national works and certified by an independent chartered accountant.
2. Total revenues then adjusted taking into account the country of origin of the film.
3. Potential fund will equal to 10 % of total adjusted revenues, with the condition of the company reaching a minimum availability threshold.

Financial support – Generation Stage (Video/DVD)

Territory of distribution	Minimum availability threshold	Generating automatic minimum award
France, Germany, Italy, Spain	€50.000 in revenues	€10.000
Belgium, Denmark, The Netherlands, Norway, Poland, Sweden, Switzerland, United Kingdom	€25.000 in revenues	€2.500
Austria, Bulgaria, Cyprus, Czech Republic, Estonia, Finland, Greece, Hungary, Iceland, Ireland, Latvia, Lithuania, Luxembourg, Malta, Portugal, Slovakia, Slovenia	€10.000 in revenues	€1.000

Financial support – Generation Stage (Video/DVD)

✚ Under any circumstances the fund allocated to one company per reference year may not exceed **€ 150 000**

✚ The maximum award per title may not exceed **€ 50.000**

Reinvestment of the potential fund generated

The potential fund may be reinvested in:

- the cost of producing and or promoting non-national European works on DVD
- the cost of promoting non-national European works on video

50 % of the potential Fund must be reinvested in new titles, i.e. projects where first copyright was established during or after 2004.

Deadlines for submissions of Reinvestment Projects to the Commission

- Publishers can present reinvestment projects starting from receipt of the notification letter of the Commission.
- A reinvestment project must in any case be submitted **before the release date** of the DVD/VHS.
- The final deadline for the submission of reinvestment projects is **1st July 2008**.

Amount of the financial contribution

✚ The amount of the potential fund that may be drawn for a given reinvestment project may not exceed 50 % of the total cost of the proposed reinvestment project.

✚ The minimum threshold for reinvestment projects is € 1000 in MEDIA contribution.

Reinvestment contracts – payment of the Financial contribution

Reinvestment projects must be agreed by the Commission.

Reinvestment projects agreed by the Commission will generate an agreement with the Commission.

The financial contribution will take the form of a subsidy.

Payment will normally be made in two parts:

- ✚ 50% following the signature of the reinvestment agreement by the Commission

- ✚ The balance on presentation to the Commission and acceptance by the Commission of the final eligible costs of the project, certified by an independent chartered accountant.

Thanks for your attention!

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