



Riviera market revival

Cannes buyers in feeding frenzy after famine of the past

By JOHN HOPEWELL, DIANA LODDERHOSE Sat., May. 21, 2011, 4:00am PT

CANNES -- The Croisette was abuzz last week over helmer Lars von Tier's declarations of Nazi sympathy and subsequent condemnation by Cannes Festival officials. But Cannes is also about commerce, and that scandal couldn't overshadow the upbeat news coming from buyers and sellers: after a decade's gathering gloom, the robust, near-dramatic market vigor of 2011's Cannes suggested an international film biz that's finally turning a corner.



There was a healthy interest in product at the Cannes market as territories recover from recession and look for films to feed their cinemas.

"The energy in the marketplace hasn't been seen in years," says Focus Features Intl.'s Alison Thompson. "We needed it."

Much of that energy comes from a healthy appetite for product, especially commercial pics. Other factors in play that created an exciting marketplace include the promise of muscular new territories such as Russia and Latin America, and a plethora of product that sometimes led to bidding wars. While one mart cannot predict a whole industry's future, the Riviera revival points to a far healthier market-led scenario than the easy-money bonanzas of yesteryears.

Cannes' trading bravado is doubly remarkable given the international market isn't really coming back: DVD sales are in general decline and TV deals difficult to snag.

"The current market situation is driven only by product," says Constantin honcho Martin Moszkowicz.

After a famine, a feeding frenzy's natural.

"The market's partly recovered from crisis. Secondly, new product quality is way better, on both big and mid-range movies," says Lionel Uzan at France's SND. "With less silly money around, projects simply have to be better, with more attention paid to audiences."

Echoing Uzan, Summit Intl.'s David Garrett says, "Given the amount of seemingly good high-profile product at Cannes, people were keen to lock down what they can get here."

By the first weekend, Summit had pretty well sold out Paul W.S. Anderson's "Pompeii," and "Tarzan 3D," both from Germany's Constantin.

"This is the best market we've had in terms of volume of business done in a short period of time," says Garrett.

Buyers flocked to Lionsgate's "Great Hope Springs," Sierra/Parker seller "Ender's Game," and "End of Watch," sold by Exclusive Media.

Also flying off shelves: IM Global's "The Last Days of an American Crime," and Sam Worthington and James Wan's "Spectre." FilmNation's untitled Oren Peli project did good biz.

"We're delighted at the volume and breadth of deals across multiple projects," says IM Global's Stuart Ford. "This market reflects the number of strong buyers in all major territories."

Big business didn't stop there: Focus Features Intl.'s \$100 million-plus "Cloud Atlas" racked up steady sales, lowering its estimated budget to buyers later on in the fest; Exclusive Media's "Snitch" attracted buyers' attention, especially after a mid-market Summit U.S. pickup.

There's also a new sense of confidence.

Entertainment One outbid rivals for various titles, including Summit's "Pompeii," while Alliance/Momentum, mirroring the activity of the Weinstein Co., threw some serious money down for bigger pics.

Inferno virtually sold out "The Host" by May 15 after intense major-territory bidding wars. It was a good market for the outfit. President of international sales Kimberly Fox

says Inferno left the market with the vast majority of territories sold on its films.

Emerging markets also boosted confidence. Russia's Paradise/MGN alone picked up "Pompeii," "Tarzan 3D," "Switch," "Ender's Game," plus four Focus titles.

Latin America used to rep around 5% of a pic's budget. Now sales agents are asking for 8% or even 10%, says one Latin American distributor.

Newer market trends gathered force as well, with genre titles, such as SND's "Livid" and "The Incident," Spain's "Inertia," making a splash.

"If relatively original in concept, with high production levels, genre films work well," says Gonzalo Sagardia at Spain's Vertice Sales.

Indeed, L.A.-based Arclight fully financed "Tell," with Brendan Fraser, out of pre-sales, undercoring market demand for family-skewed adventure, per Arclight honcho Gary Hamilton.

Behind new product and enlarged appetite, however, longer-term factors are at play. Hollywood's studios have largely given up on making mid-budget films, yet around the world, deep-pocketed indie distribs still need tentpoles or star-studded medium-budget movies to compete for key playdates and drive TV deals.

With the majors out of the game, a new breed of heavy-hitters is stepping into the breach, some producing quasi-studio films, many with large ambitions.

With close to 80% of StudioCanal's titles now mainstream, English-language films, "we've had steady growth, selling ever-stronger titles and doing ever-bigger deals," says StudioCanal's Harold Van Lier about the past couple of years.

Another bright factor in the market revival is the re-entry of two particularly troubled markets -- piracy-whammed Spain and local production-focused Japan -- in the pre-buy game, Van Lier adds.

Indie production still labors under large pressures.

"It's still important to bring budgets in at a range that's affordable, says Exclusive Media topper Alex Walton. "That's important to TV buyers too."

For pure-play arthouse, "The new trend is that art films with strong assets -- cast, director, big fest selection -- can sell," says Frederic Corvez, at France's Urban Distribution Intl. "But life's very hard for small films from first-time directors."

Just how long the boom will last is another question, but for now, why ask?

Nick Holdsworth and Emiliano de Pablos contributed to this report.