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Ambani's directorial debut

By Matthew Garrahan in Los Angeles

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With *The King's Speech* heading into Sunday's Academy Awards ceremony as one of the favourites for Oscar glory, the unlikely pairing of Madonna and Anil Ambani, the Indian billionaire, have joined forces on another movie set at the time of the abdication of Edward VIII, the English king.

IM Global, a film financier and sales agency controlled by Mr Ambani's Reliance Big Entertainment, is selling distribution rights to *W.E*, Madonna's directorial debut, about the relationship of Edward VIII and Wallis Simpson.

The film is the latest to be sold by IM Global, which is ramping up its film investments backed by Reliance's cash. "We've been acting as a conduit for Reliance, using its money and its balance sheet," says Stuart Ford, chief executive, a former entertainment lawyer who left London 12 years ago to work for Harvey Weinstein's Miramax.

Reliance, which is also financing Steven Spielberg's newly independent DreamWorks studio, took a controlling stake in IM Global last year for an undisclosed sum. As a sales agency, IM Global's work used to be limited to selling other company's films – it was the international sales agent on Tom Ford's *A Single Man*. But with Reliance's backing it has also begun financing its own productions.

It is working on a $65m 3D version of the BBC's *Walking with Dinosaurs*, and is financing *Safe*, a new action film starring Jason Statham. It has a new 3D version of *Dredd*, based on the Judge Dredd comics, in production and is financing *Headshot*, a Sylvester Stallone film, as well as *Area 51*, a thriller from the director of *Paranormal Activity*.

With Reliance as a controlling shareholder, IM Global has become a new competitor for Hollywood's "mini-majors" – companies such as Lions Gate Entertainment, which produces the *Mad Men* series and the *Saw* horror films, and Summit Entertainment, which released the *Twilight* series.

"Reliance wanted to get into Hollywood and given the scale that they operate at, they got into business with Steven Spielberg," says Mr Ford, a native of Liverpool, who has been based in Los Angeles for five years.

Reliance invested $325m in DreamWorks, which enabled Mr Spielberg to establish his own company after severing his ties with Paramount, the Hollywood studio controlled by Viacom. "DreamWorks gave Reliance a foothold in the studio business but they wanted to be active

across the Hollywood spectrum and needed a foothold in the independent financing and distribution arena," adds Mr Ford.

IM Global sells Bollywood films produced by Reliance in India through an international division and is acquiring films from other producers to distribute in southern Asia, one of the film industry's big growth markets. "IM Global is a useful vehicle for Reliance because it puts them in the game in pretty much every country."

Independent film production and distribution has had a torrid time in the past three years, with distributors in some big international markets – namely Spain and Japan – buying far fewer US films than they used to. The collapse of DVD sales has been another blow for film sales agencies and producers who depend on international demand.

"The film industry is changing and the economic model is changing," admits Mr Ford. "A lot of companies are merging or vanishing altogether so being bought by Reliance was timely . . . it has helped us grow when everyone else seems to be moving in the opposite direction."

Reliance has big plans for its burgeoning portfolio of media companies. After DreamWorks, it acquired a 50 per cent stake last year in Codemasters, the video games publisher. It has also agreed film development deals with Hollywood stars, including George Clooney, Brad Pitt and Tom Hanks.

"The goal is for Reliance to become an international media company in the broadest sense, from publishing, games, film and television," says Sky Moore, a lawyer with Stroock & Stroock & Lavan, who has represented Reliance on its media deals.