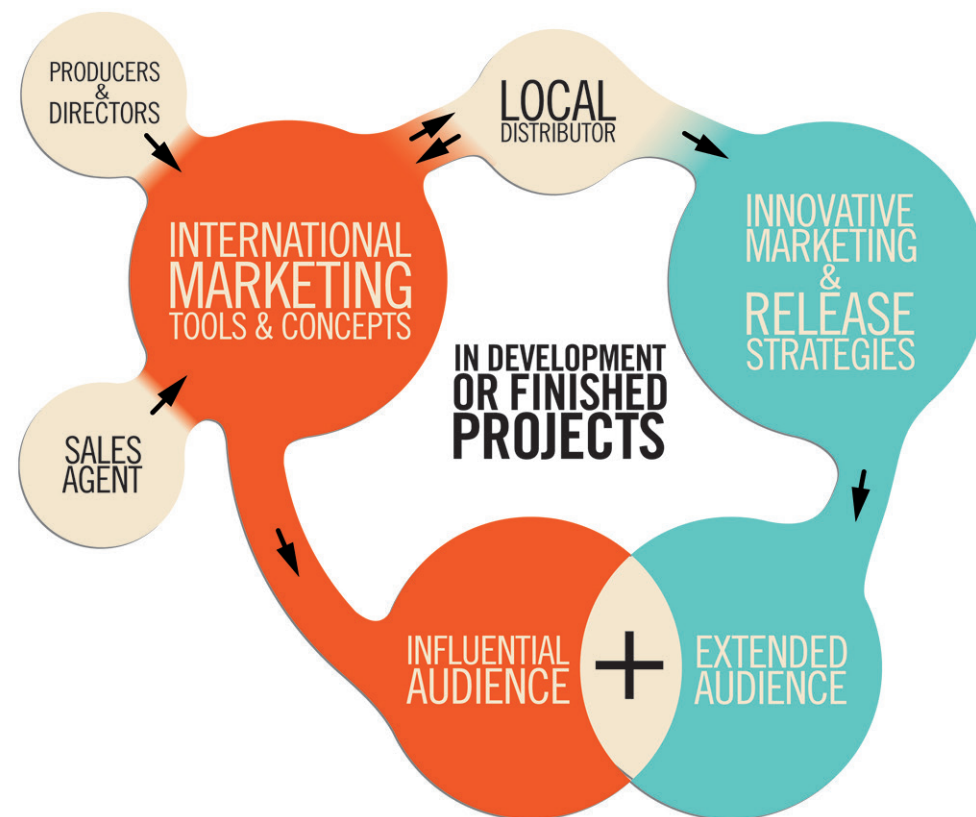




WHAT IS DISTRIBUTION 2.0?



Distribution 2.0 is a professional network created to explore new means of marketing and distributing independent international feature films. Created as a pilot project in 2011/2012, Distribution 2.0 is designed to become a model in the worldwide film distribution of independent films. Distribution 2.0 encourages distributors, sales agents and filmmakers to pioneer and exchange ideas and experiences to market films foreign to their markets through social networks, viral marketing, digital distribution, day and date releases and flexible programming structures. Many of these are discussed frequently and this project is about putting these into practice and evaluating the results. All partners explore the options that the digitalization process (theatrical, promotion and Video on Demand), new marketing and distribution means can offer to the circulation of independent films outside their home markets. Surprisingly, the evaluation of our business shows: many independent distributors are eager to explore new paths but very few are capable to implement their vision. Each independent distributor is a single unit. Testing new distribution means is time

consuming and increases the risk of investment. Independent companies lack the investment capacities with which vertically integrated companies can force experiments into the market. Nevertheless, independent companies can create new strategies with much smaller investments. Distribution 2.0 supports a group of selected distributors in these investments. Within this project, trade shall not be limited to films but shall include ideas, concepts, and visions.

Distribution 2.0 2012/2013

This first session shall be seen and evaluated as an initial implementation phase. Summarizing it, most partners have selected to initiate long-term projects. One of the core findings when analysing the initial session is that no matter how quickly developments may appear to be, the implementation of new schemes is either a heavy investment or a long way down the road of perceiving results.

Distribution 2.0 fused multiple singular projects with no apparent connection into a single vision at the end of the session: Our Mexican partner Canana's efforts to exploit European films on

newly emerging legal VOD platforms in Mexico and pushing on release schemes led to their initiation of the "Canana on Demand" channel.

Taiwan's Joint Entertainment's idea to research their Arthouse audience and create an App which would remind them in a personalized way of visits to the cinema, shifted towards building a Video-on-Demand platform. Since their research indicated a lack of Arthouse films available to the Taiwanese audience online, the platform will be dedicated to these films and shall additionally serve Joint Entertainment's communication with their theatre audience.

The Match Factory's efforts to create social media profiles for their directors and initiating direct to VOD releases across a number of territories revealed the need for additional marketing and promotion when releasing online only. In consideration of the current limited revenue streams for online exploitation of films, such marketing efforts must be cost efficient in order to be economically justified. Consequently, the investment in a single, long-term brand may lead to a more sustainable result rather than an investment in a single title. A slate

of films may be promotable more easily than a single film, which contains no knowledgeable brand. The first session has been a great motivation to get involved into projects and marketing strategies at a much earlier stage – where possible, during the production of the film.

Online Paradox

An extremely interesting case is the huge divergence in the online attention for the film “Oslo, August 31st” released in the US by Strand Releasing. It resulted in a widely disappointing box office and even more disappointing on-Demand performance. The film had such high viral potential and coverage online that the Box Office which turned up around US\$100.000, - had initially been expected to reach five times as much. The disengagement of online attention and cinema tickets is noteworthy and stirs plenty of questions on the behaviour of the audience for Arthouse films.

Out of this very notion, Cinefil in Hungary is operating under an entirely different radar, acquiring projects, which can thematically be connected to differing platforms for a release - online, social

institutions, niche interest groups.

Their releases are not designed for a mainstream competition but try to develop cooperation's, activities, interest groups, which are dedicated to small but committed releases. Their activities developed greatly through the three releases Cinefil was able to achieve during the 2012 session and these specialty releases could become a business model, not just in crisis stricken Hungary.

On another note, The Match Factory's activities aim to increase communication and collaboration among all parties in the exploitation scheme, starting with filmmakers, sales agent and distributors, which was extremely well perceived. The creation of an online platform for the exchange of promotional materials and strategies as well as actual face to face meetings to brainstorm release ideas clearly hit a nerve. Within that same idea of exchange and reflection of developments by B2B exchange, sales agents found the Europa International Conference valuable and agreed that it should be repeated in 2013 to continue reflecting the latest market developments.

Day & Date Challenge

All of our partners considered Day & Date releases with the movies they chose to be part of the project, but they were facing obstacles from the very beginning. For instance Cinefil did not receive rights holders' approval on their strategy. Canana and Strand Releasing are dealing with highly competitive exhibition markets in which they could not risk sanctions of the exhibitors. Our partners will continue to consider pushing the limits on their releases thanks to Distribution 2.0. We will be able to gather experiences in this field little by little but the current focus is on marketing strategies and positioning of our films. The outcome of the collaboration with partners who work in diverse environments turned out to be a rich experience. All this valuable knowledge has been combined with the experiences we made on our own international marketing concepts.

At the end of the 2012 session, the three columns of this project had clearly come to a twofold focus – creating awareness for independent films online and enhancing synergies in sharing knowledge between participating

parties. We have chosen this to become a target issue of the 2013 session. Independent companies will rarely be those establishing On-Demand platforms in a heavily competitive market. However, it will become a crucial tool to position independent films on multiple platforms in a competitive situation, not only competing with thousands of available films. The establishment of branded channels and dedicated fan groups is a must to stand out from this competition. It is our aim for the coming sessions to explore the options on the best marketing and positioning in this regard.

During the Europa International conference many more parties have already profited from sharing the knowledge and ideas.

Treading a New Path

The increasing digitization of our world is challenging for a lot of media companies. The sales and distribution models that were successful over decades may become dysfunctional. Companies dealing with the sale and distribution of Arthouse films such as The Match Factory are facing these difficulties. The free consumption

behaviour in the internet, declining revenues in cinema and not very profitable video on demand returns are just some of the keywords that characterize the ground breaking change happening right now. However, technological progress does not only imply unpredictable economic risk but offers new opportunities and options which must be identified. It is therefore important to face the challenges and to exploit the potential of new communication means and distribution channels. Within the pilot project “Distribution 2.0” The

DISTRIBUTION 2.0

Match Factory is treading this very path. To test and evaluate modern marketing concepts for Arthouse and independent films is the central idea of this initiative. Films with a low budget for promotion should increasingly benefit from social networks' efficient ways of communication.

THE MATCH FACTORY: INTERNATIONAL MARKETING CONCEPTS

The Match Factory focused on developing singular marketing activities for four films:

JUST THE WIND by Bence Fliegauf
WADJDA by Haifaa al Mansour
WHEN I SAW YOU Annemarie Jacir
POSTCARDS FROM THE ZOO by Edwin

For JUST THE WIND we focused on creating an international brand through the intensive presence of the director, Bence Fliegauf, on social platforms like Twitter and Facebook. WADJDA helped us to introduce the digital exchange platform, which we have been developing throughout the session, to enhance the work with the different distributors of the film, as well as encouraging direct communication among them. As for WHEN I SAW YOU it was our first attempt to specifically promote an international premiere of one of our films through the social networks in cooperation with the producers and director. All these actions were combined and prepared to identify the best steps when implementing a release strategy for POSTCARDS FROM THE ZOO. Focusing on one aspect during each of these actions allowed to gather valuable information.



Snapshot of the World Without Borders campaign for WHEN I SAW YOU

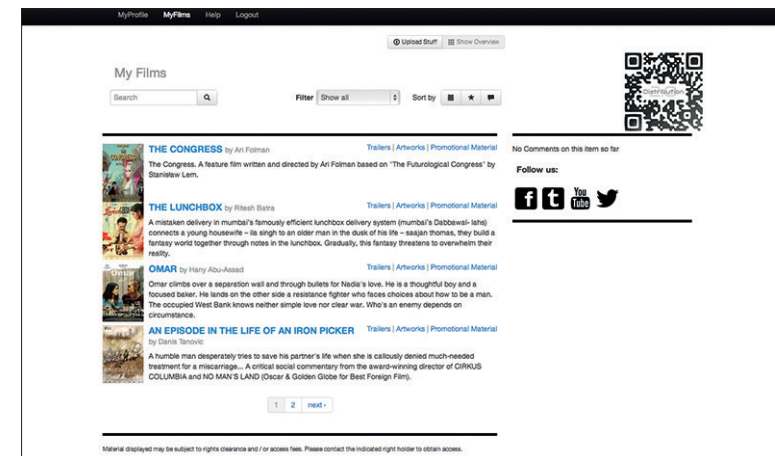
WHEN I SAW YOU

For WHEN I SAW YOU by Annemarie Jacir we decided to implement a campaign before the Berlinale 2013 in order to raise awareness about the movie taking part in this A-list festival. The campaign was meant to engage the fans of the Berlin IFF and attract their attention to the film through social networks. The main challenge that we had was to find common points between the topic of the

film and the mostly occidental audience attending the festival. We managed to raise awareness of the film being at the Berlinale but we failed in involving a local audience in the campaign. The audience remained passive, which prevented a strong exposure of the film.

JUST THE WIND

The campaign designed for JUST THE WIND aimed at a long term development



Snapshot of The Match Factory's online exchange platform

of branding the director's name through professional Facebook and Twitter profiles. The director was very dedicated to engage in the project since the long term advantage he could gain from it was evident. Bence Fliegauf was predestined to work on this action as he had already established an active social media profile with a high number of fans, which did however not differentiate between private and professional sphere. These

profiles have yet become a very solid basis for the director communicating with his audience for future projects but it showed to be an extremely complex and time consuming work to feed such personal profile. Since the administration of these profiles was the director's responsibility, he might or not use the same for upcoming films. The Match Factory, however, needs to question the efficiency of installing singular profiles

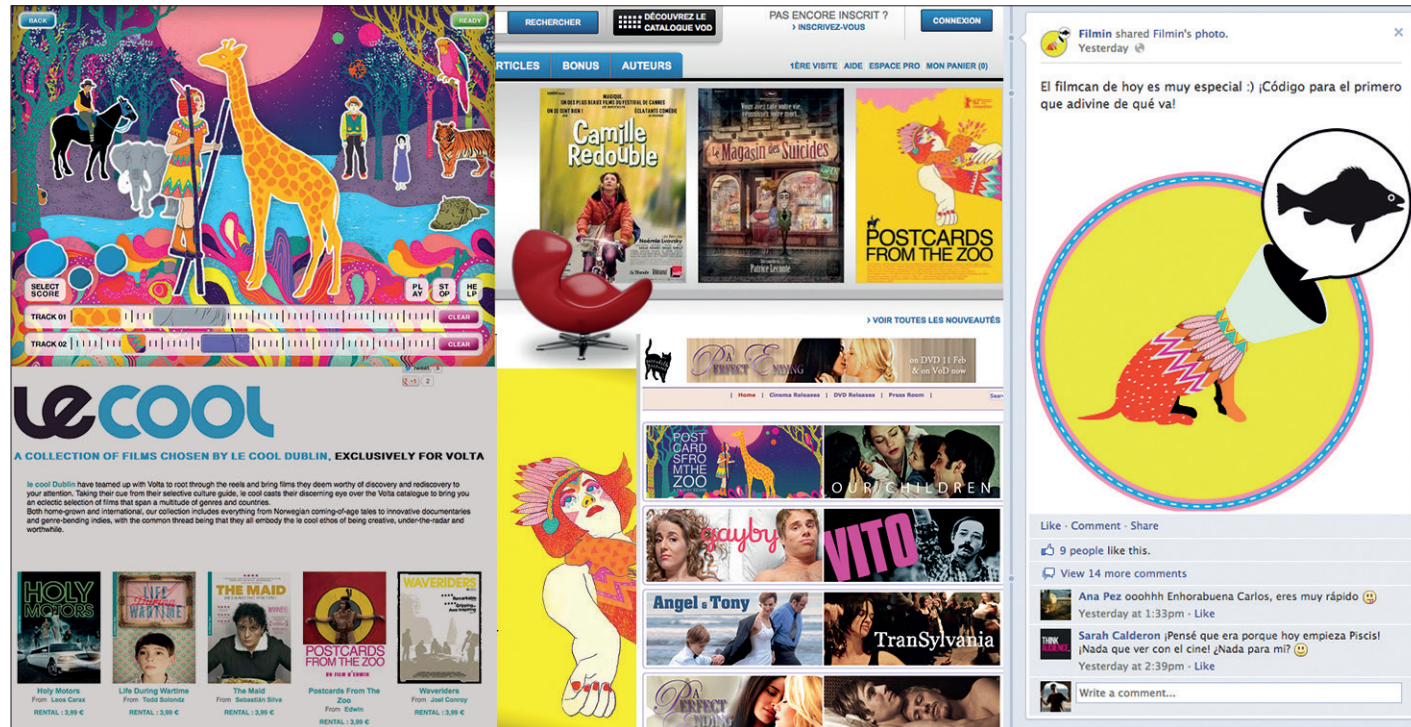
per film or director.

WADJDA

We used the movie WADJDA to test the new digital exchange platform that we have created for our distributors to share and discuss their ideas and experiences.

The first face to face meeting took place in Cannes 2012 and it was initiated by The Match Factory to bring together filmmakers, sales agent and distributor to discuss and exchange strategies and ideas for a certain film. The first film was JUST THE WIND. The meeting received a very positive feedback so that the concept was continued and developed further e.g. for WADJDA and AN EPISODE IN THE LIFE OF AN IRON PICKER. One essential outcome of the first meeting was the express need of distributors to have a basis to exchange concepts. Consequently, Reelport, our partner in this project, shifted focus of their participation and began to design and programme an online platform with restricted access to make such exchange possible.

Through this platform the distributors will be able to upload artwork, posters, marketing and press strategies



Results of the promotion efforts made by The Match Factory and the different VOD platforms that released POSTCARDS FROM THE ZOO

and to share and discuss it with other distributors. After six months of development, a Beta version of the platform was available and presented at Berlin IFF 2013.

The development of the platform is an ongoing process. It is impossible to foresee everything the user will need in advance when designing this tool. After the first trial of the platform we have

identified aspects which have to be removed, other aspects which have to be included and aspects that have to be corrected. The Match Factory will keep improving the platform, adapting it to the needs of the distributors, which are already using the platform with the aim of shaping it as a daily work tool. Nevertheless, the process is still active and has taken longer than expected.

POSTCARDS FROM THE ZOO

The combination of the ideas and strategies The Match Factory developed for Distribution 2.0 led to the release strategy for POSTCARDS FROM THE ZOO. It became The Match Factory's first European-wide synchronized VOD release. The film opened simultaneously across five different VOD platforms in seven European countries. It included the elaboration

of an international marketing concept and a direct VOD release.

The Match Factory designed a social marketing plan detailing any action taken during the month before release of the movie. We started the preparation of this campaign early, being aware of the importance of the time-factor. In fall 2012 we collaborated with the University of Applied Sciences of Cologne in order to develop an exhaustive VOD market analysis and to identify the opportunities and threats for POSTCARDS FROM THE ZOO. The university's research meant valuable input for Distribution 2.0 regarding the different territories of its implementation.

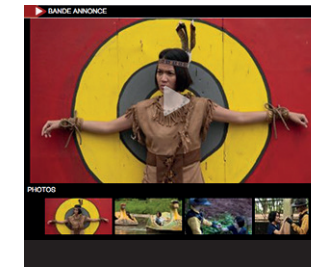
Once again, the film business proved to be an opaque environment and many crucial questions and aspects raised in the research task The Match Factory had given out could not be identified due to a lack of data or to information access barriers (among them language barriers). E.g. the UK VOD market is the only one represented in the final report, although the students conducted an investigation on all five markets in which POSTCARDS FROM THE ZOO was going to be released.

VOD transactions for POSTCARDS FROM THE ZOO were equally low across all territories. The best performance was reached by the Spanish platform FILMIN who were the most active to promote the film. None of the platforms reached a higher audience than 400 views within the first month. These results cannot be taken as final figures since they were obtained only one month after the release of the movie and it will surely continue to perform. The Match Factory will be evaluating the numbers again 12 months after the release for the 2013 session.

Looking at the numbers raises various noteworthy points as well as new questions. POSTCARDS FROM THE ZOO performed better on platforms, which took care of handling the film with special promotion. If no particular promotion was done on the platform directly, there was hardly any transaction. At the same time the film performed much better on Filmin

in Spain than on Universciné in France even though both platforms took special care of promoting the film. A difference in the results could be related to the business model. Filmin is a subscription model while Universciné is based on a pay per view – transactional basis. Consequently, this could be the first evidence that a user is more in favour of experiments, of selecting to watch a film without being certain of it when using a subscription model.

On another note, some of the VOD platforms where POSTCARDS FROM THE ZOO was launched were almost as fresh as the film and still have to develop a dedicated audience. Nevertheless, the result of 50 transactions on 2 platforms (including iTunes) in the UK during the first three months is an extremely devastating result which highlights the enormous challenge of raising awareness for a movie which has no theatrical release. This is predestined to become the key



point of future sessions for Distribution 2.0.

We found the following points to be essential when implementing online campaigns:

- 1. Each of the social channels** of the film must continuously be built on its community. The audience must be nurtured consistently with interactive content during the campaign.
- 2. Interaction** must be achieved with easy tasks that do not ask the users to take complicated actions.
- 3. A form of value** must be exchanged between the parties. It can be material or ideal.
- 4. The time frame** for a campaign must be generous.

It would have been very helpful to have identified these points for future actions.

Europa International Conference

One of our actions was the first Europa International conference for sales agents in Paris. It gathered 36 film business professionals from all over the world, who discussed the current developments in the independent movie business. The conference highlighted the constantly evolving environment sales agents have to deal with every day. New ways of distributing and marketing films were in focus. A number of experts and business veterans with a focus on participants coming from the US shared their experiences. Differences between Europe and USA became evident but nevertheless the conference was found to be inspiring for all participants.



Ted Hope at E. I. Conference

Therefore the Europa International conference is looking forward to become an annual meeting where those experiences can be shared in order to be able to adapt more rapidly.

The presentation of project actions and the exchange of intermediary results

which The Match Factory had presented at this occasion reassuringly revealed that sales agents participating were working and researching on very similar if not the same questions as we had initiated under this project. One of the core questions is the positioning of the classical B2B sales agent profile online where not only national borders do not matter anymore but also established boundaries between a business world and a consumer's environment are questioned.

The Match Factory's online profiles have gradually developed a mix between B2B information and tentative experiments to reach consumers directly. We decided to implement changes in the way in which we communicate information only gradually. Building up an online profile which is directly connected to end consumers seems a more efficient way to communicate than many single profiles dedicated to a film or director. Being involved in projects at script stage, we are able to collaborate with the filmmakers and to provide early insight on projects. We will aim at taking a somewhat behind the scenes approach and adjusting actions to an international audience,

which filmmakers may already be producing for their local fans. The Match Factory has taken advantage of Distribution 2.0 to increase its online activity. The Match Factory is now able to communicate activities through five online channels:

- 1. Web site:**
www.the-match-factory.com
- 2. Facebook site:**
facebook.com/thematchfactory
- 3. Twitter profile:**
twitter.com/TheMatchFactory
- 4. YouTube channel:**
youtube.com/thematchfactorytube
- 5. Tumblr blog:**
dstbn20.tumblr.com

All in all it has helped the company to better understand how to use the different channels of communication the company was active on. During this first year of Distribution 2.0 we have been analyzing the different online channels in order to identify what is the best channel for which message the company wants to convey. During the analysis we have realized that sometimes the different channels were being redundant not only in the information



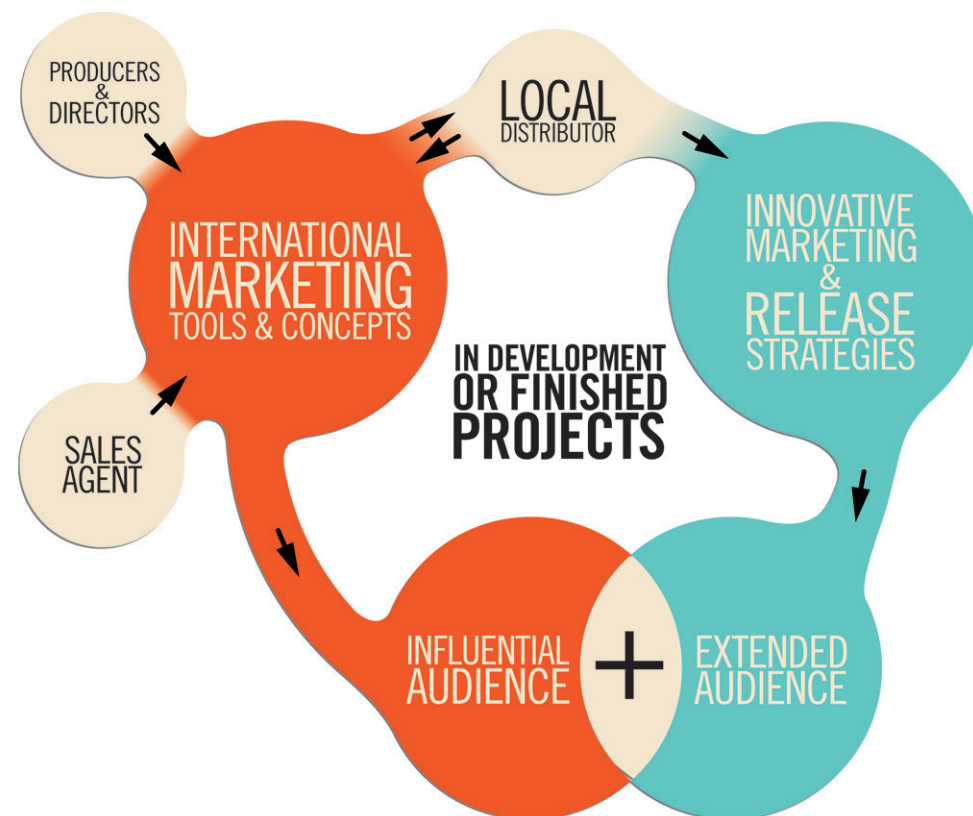
Europa International Conference - Paris 2012

that was being transmitted but also in the tone that was being used. As it was said before, we are now working on presenting different information about the company and on using different tones of communicating this information for each one of the channels, thus each one of them becomes one unique source of information of the company. This way The Match Factory presents itself in a more transparent way as our customers and/or partners can get to know the company from different approaches.

Our aim is to address different audiences with each channel. The website and the Tumblr blog are oriented towards film business professionals. The website informs about the latest news

of the company and also is a useful tool for festivals or distributors who retrieve information about our films from there. As for the blog it is the way we are presenting all our Distribution 2.0 activities to other professionals who want to participate in our experiences. With our Twitter profile we want to reach a more professional profile of audience but in a quicker dynamic way where the users can also interact with us. Our professional audience also uses our Facebook and YouTube profiles as a quick source of information but our goal is to establish a relationship with consumers of our films through these. A different tone and content is used on YouTube and Facebook.

KEYWORD: COLLABORATION



Distribution 2.0 launched with the aim to foster a selection of partners in their search for new ways of distribution and promotion of independent movies and on the other of catalysing the innovation in the way of marketing films as sales agent by working together with the producers and directors from a very early film stage in order to enhance their careers and transform them into brands.

When evaluating the results of this first edition of the project we have noticed that having worked with a slate of four different distributors has given the

project a depth that couldn't have been achieved otherwise. The outcome of their cooperation has generated a great variety of results. Each one of the distributors that was part of the first edition of Distribution 2.0 is operating in a territory which has a singular shape.

- Canana** – Mexico
- Cinefil** – Hungary
- Joint Entertainment** – Taiwan
- Strand Releasing** - USA

In addition, these companies differ

from one another in size and business structure. Given these opposed conditions, each one of them had to adapt the project characteristics tailored to their circumstances.

For some of them Distribution 2.0 meant a premier approach to innovative ways of marketing and distributing films. Thus, they put their main effort in establishing the basis necessary to enable them to generate results in the long run.

CANANA - MEXICO

Canana is one of the first independent Latin American distributors to take a step towards digital exhibition and on-Demand exploitation. Many distributors pass on even licensing on-Demand rights. Piracy is a strong reason for neglecting these exploitation means. Nevertheless, larger pan-national platforms are entering the territory and Canana would like to create their own channels and offer a legal access to their films online. Canana's digital arm was formed in July of 2009 with the creation of Canana OnDemand. The channel which is available through Mexico's Cablevision, offers more than 40 documentary and feature films. The aim within the framework of Distribution 2.0 was to create a channel for European titles. Canana perceives Distribution 2.0 as a long-term project and will continue to participate in the 2nd session.

Canana's actions in 2012

The main goal of Canana for this year was to foster the growth of their digital distribution department, Canana On Demand. Canana's team realized that they had to adapt themselves to the new environment. The way Canana On

Demand works is by providing content to thirdparty VOD platforms, which are already operating in Mexico (mainly TV-VOD, but also increasingly internet VOD). Being able to deliver the content to the different platforms in an efficient way was a requirement to be competitive within the Mexican VOD market. Canana's action plan for 2012 relied on researching the best movie file format and the improvement of the equipment necessary to reach such aim. By now Canana has developed a very cost efficient way of encoding the films for the different platforms and therefore successfully completed the first session.

New marketing strategies

The technical improvements were accompanied by a marketing plan, the objective being to establish a procedure for creating promotional material fitted to each platform. As a result of this work Canana has managed to create its own separate channel within the Mexican VOD platform www.nuflick.com. Thanks to this the catalogue of Canana's films on this platform has its own exclusive position and can easily be found among all the other movies that Nuflick offers.

Conclusions

When dealing with the first year of Distribution 2.0, Canana realized that they had to set up the basics in their On Demand department in order to be able to grow within this emerging digital market. Canana conceives Distribution 2.0 as a long term project. They have understood this first stage of the project as one necessary to get a better understanding of the market and to start establishing relationships with the different platforms but not yet returning significant commercial results. Thanks to Distribution 2.0 they were able to build a solid basis from which they will continue in the 2013 session.

Having accomplished this basic setup, they are planning to release 30 titles by the end of 2013 and to expand the reach of their VOD catalogue to 5 new platforms in Mexico (among them is the VOD platform of TV-Station Televisa, the largest in Mexico).

Simultaneously, Canana is lobbying day and date releases. The negotiate with Cinepolis, the largest exhibition company in Mexico, to start day and date releases simultaneously in theatres and on their VOD platform Cinepolis Klic. The first film they would like to release in this way a Mexican title.

The screenshot shows the Nuflick website interface. At the top, there are navigation links: Inicio, Suscríbete, Catálogo, Festivales, Canales, and buttons for 'Crear una nueva cuenta' and 'Iniciar sesión'. The main header features the Nuflick logo 'el cine indie online' and a search bar labeled 'Buscar película'. Below this, a red banner displays the 'Canana' logo. The main content area has two tabs: 'Información General' and 'Sobre CANANA'. The 'Sobre CANANA' tab is active, showing a large 'CANANA' logo and a text box with the following content:

Con la misma energía y visión con la que fue creada la compañía, surge CANANA TV, un proyecto que apunta a redirigir la televisión de nuestro país y CANANA OnDemand, que cuenta con un catálogo de 100 películas exhibidas en 9 plataformas digitales en México.

Actualmente se vive una transformación en los modelos tradicionales de comunicación. Las plataformas digitales son imperativas en el desarrollo y la difusión de propuestas tanto comerciales como artísticas.

Es por esto, que la misión de CANANA es estar un paso adelante en la oferta de contenidos; las innovadoras estrategias de producción, distribución y comercialización han permitido que importantes películas lleguen a pantallas de México y el extranjero, con una sobresaliente respuesta de la crítica y el público.

At the bottom of the page, there are four movie thumbnails: Tony Manero, Cefalópodo, JC Chávez, and Niños de la calle.

CINEFIL - HUNGARY

Cinefil is testing a fresh approach on programming theatrical releases. Focusing on arthouse films regardless of their origin and accepting that the Hungarian market is especially difficult due to the economic circumstances in the country, Cinefil commits to boutique releases assuming that there are different means to create an audience for each film. They balance analogue and digital means. Gathering extremely valuable insight in the first session, they will try to develop their release model further in the 2nd session.

Cinefil's actions in 2012
 Meanwhile, Cinefil (Hungary) took part in the project realizing three releases which they would have not been able to put into place otherwise: RENT A CAT by Naoko Oigami, NO by Pablo Larraín and AI WEI WEI by Alison Klayman. They developed a tailored distribution and marketing strategy for each one of these, achieving different results.
 The common denominator of all three campaigns was their effort in engaging their audience to participate in the campaign. For AI WEI WEI and NO they focused their actions on emphasizing

AI WEI WEI	NO	RENT A CAT
picture's origin: USA	picture's origin: Chile	picture's origin: Japan
date of release: October 28th, 2012	date of release: March 14th, 2013	date of release: December 27th, 2012
type of release: VOD & Theatrical	type of release: Home Video, VOD & Theatrical	type of release: Theatrical
admissions: 1,430	admissions: 3,220	admissions: 1,377

the politically provocative background of both films and relation to current Hungarian politics.
AI WEI WEI: NEVER SORRY
 One of the key points of the campaign for AI WEI WEI was the date of the premiere, which was positioned along the most politically fuelled weekend of the season in Hungary. Relating the movie with current affairs helped to spread the word and to ease the process of the audience identification with the film. They

organized competitions for fans in which these could generate campaign content themselves. Grace to all these actions Cinefil managed to generate an exceptional awareness on this documentary with a minimal spent on conventional media. It showed that a documentary could be positioned in the market in a solid way by relating it to current affairs with unique campaign elements (e.g. street art) and the use of social media. It turned out cost-efficiently to involve the target audience to spread the word



the idea of making people recognize historic parallels between Chile and Hungary. They directed their actions towards politically conscious people, and instead of releasing the film before the Academy awards ceremony, opening on the eve of the National Holiday to stress the political relevance.

RENT A CAT
 The campaign helped to raise the awareness about the film and Cinefil cooperated with Klubrádió and the Milla organization (the biggest Hungarian civil formation). They consequently managed to establish a long-term cooperation with the Milla organization, with which they have now planned a 5-film dictatorship-series with gala screenings, invited experts and covered by TV. The campaign helped the screenings in the following weeks to run at 30% above average capacity. A similar approach was taken for RENT A CAT.
 Cinefil aimed to release the film day-and-date in theatres and on VOD in order to reach audiences outside of Budapest, the only city where the film was exhibited. However, the Japanese licensor could not license VOD-rights.

by themselves, rather than buying ad surfaces at real locations and online.
NO
 The campaign, which Cinefil designed for NO by Pablo Larraín was based on

JOINT ENTERTAINMENT INTERNATIONAL - TAIWAN

Joint Entertainment International Inc. was established in 2005. Its goal is to build up a self-sufficient production and distribution channel for creativity-oriented films. Key business operations include distribution, production and international sales. On average, Joint releases 15 imported films annually, focusing on high artistic merits or cultural uniqueness.

Joint Entertainment actions in 2012

Joint Entertainment had the goal to find 20,000 Arthouse film fans in Taiwan and get to know their behaviour and demand so well that they could perfectly tailor future film releases to them. Gaining this information would confer a competitive advantage towards other Arthouse film distributors in Taiwan.

In order to elaborate this database Joint hired a team of three people including one full-time recruit. The team

JUST THE WIND

picture's origin:
Hungary

date of release:
January 1st, 2013

type of release:
Home Video, VOD & Theatrical

admissions:
325

was responsible for the development, enhancement and maintenance of a database containing such customer information. Prior to the set up of the database, internal trainings and discussions were conducted at Joint Entertainment in order to decide how to find the Taiwanese Arthouse fans and afterwards communicate and serve them. Subsequently, field trips to cinemas helped to interview and observe the audience and record its behaviours in order to set up the profile of their potential customer.

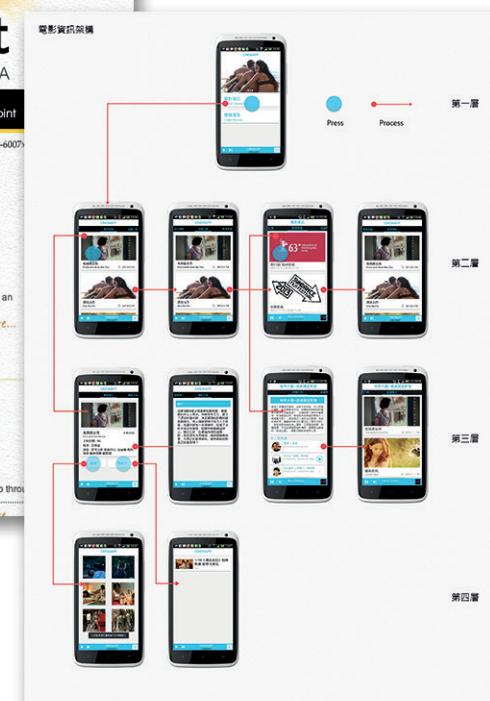
Joint Entertainment also has elaborated the concept of an application for mobile devices based on their initial observation of the Arthouse audience. The aim of the app was to identify and nurture an Arthouse audience with exclusive content of the films they will release in the future.

Unfortunately the design of the app

has been delayed like the whole project, because the film they were integrating in Distribution 2.0 (JUST THE WIND) experienced a lot of trouble in the process of cinema bookings. Instead of the expected 900 admissions with two prints, they only reached 325. The film did not stay in the cinemas, thus Joint Entertainment did not have enough time to coordinate and elaborate the implementation of their plan. They will continue their efforts with the DVD and VOD release in 2013.

The other partners that had already some experience with this kind of strategies have taken advantage of the project in order to push the limits of creativity to find new possibilities of promoting the films they worked with.

As a result from their findings in the audience research, Joint decided to design a Video on Demand platform and has joined the 2nd session to share this development.



STRAND RELEASING - USA

Strand Releasing was formed in 1989 and its goal has been to fuse quality art films with commercial product.

Strand Releasing's current slate includes Apichatpong Weerasethakul's Palme D'or winner UNCLE BOONMEE WHO CAN RECALL HIS PAST LIVES, Francois Ozon's HIDEAWAY, Joao Pedro Rodrigues' TO DIE LIKE A MAN, Craig McCall's THE LIFE & WORK OF JACK CARDIFF: CAMERAMAN, Pablo Trapero's CARANCHO and Claude Miller's I'M GLAD MY MOTHER IS ALIVE.

Strand has distributed the works of such renowned international artists as Manoel de Oliveira, Lino Brocka, Jon Jost, Terence Davies, Gaspar Noé, Lodge Kerrigan, Cindy Sherman, Nigel Finch, Raoul Ruiz, John Maybury, Ferzan Ozpetek, Jacques Audiard, Benoît Jacquot, Hal Hartley, Nina Menkes, Jon Moritsugu, John Duigan, François Ozon, Lou Ye, Marcelo Pineyro and John Curran.

OSLO AUGUST, 31ST

picture's origin:
Norway

date of release:
May 25th, 2012

type of release:
Home Video, VOD &
Theatrical
box office:
\$101,450

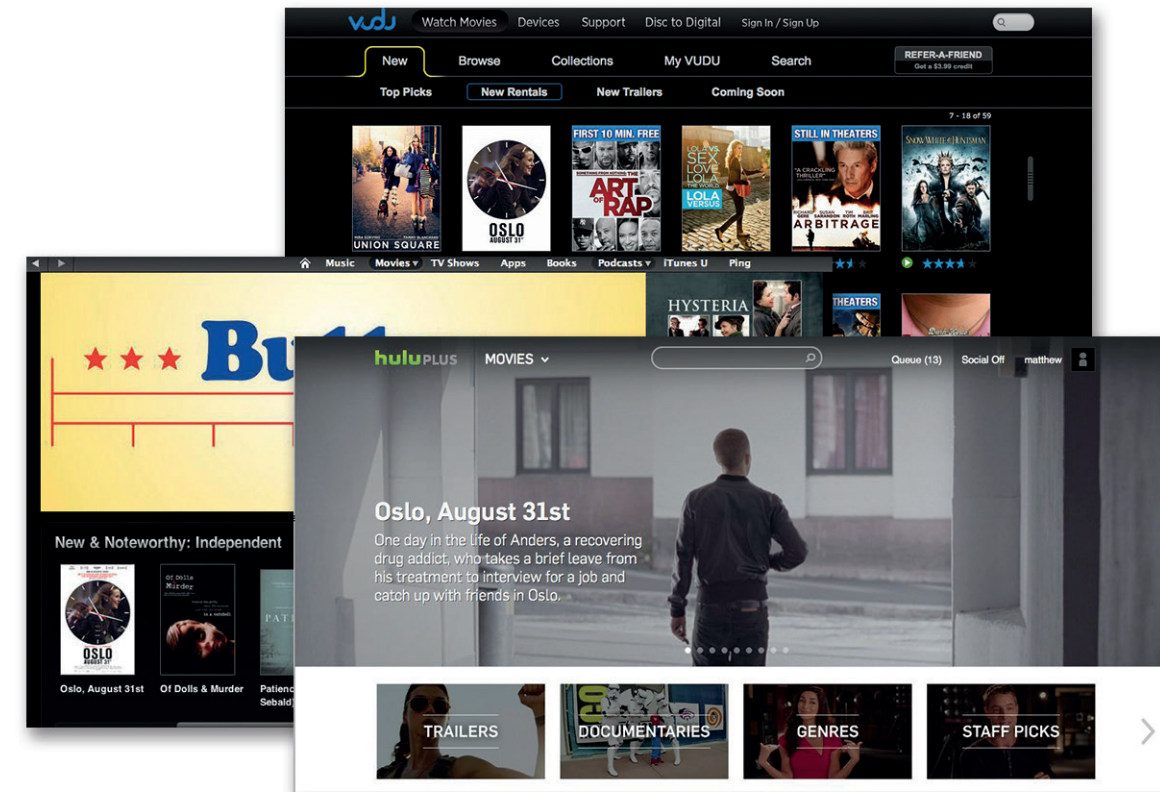
Strand Releasing's actions in 2012
Strand Releasing participated in Distribution 2.0 with the film OSLO AUGUST 31st by Joachim Trier. The film portrays the controversial topic of drug addiction and suicide in a fresh, exciting way.

This posed a marketing challenge for Strand Releasing. The frame of the marketing strategy was the following:

1. To avoid any focus on drug addiction and suicide in the marketing campaign
2. To present the controversial topic as the revelation of coming to terms to oneself.
3. To emphasize the critic's acclaim (OSLO AUGUST 31st had played in top festivals around the world, reviews rated the film extraordinarily well)
4. Emphasis on the romantic elements of the story
5. Emphasis on the auteur Joachim Trier

Building up the reputation of Joachim Trier in the US started with the acquisition of OSLO AUGUST 31st by Strand Releasing and continued for months. By the time the film was released, the perception of Joachim Trier was that of being new voice in filmmaking, which needed to be followed.

Finally, the film only grossed somewhat about US\$100.000, a fifth of the expected Box Office. The exposure generated through the campaign and the theatrical release helped to boost Joachim Trier's reputation in the US for future films. It should have helped to increase transactions in the digital release of OSLO AUGUST 31st on Netflix, iTunes and other platforms, but again the reality was disappointing. The film was released digitally four months after the theatrical release. The main part of the transactions was concentrated in the first months after the release (September – December) when the film performed around US\$9.000 on iTunes. From January to April it garnered around US\$3.000. On other platforms the performance ranges under \$3.000 across the board, staying way behind expectations. In fact, this example might reveal the strong interaction between the Box Office and performance in Video on Demand.



ONE YEAR'S EXPERIENCE

Distribution 2.0 was initially designed as a singular pilot project with a duration of 1 year. Knowing of our desperate need and that of our partners to plunge into the field of digital, online promotion and distribution, the concept for the first session in 2012 was set up on a partially theoretical basis. Of course, having a great overview of business developments worldwide, the position of the sales agent seem a perfect fit to initiate such project. Our business knowledge helped to shape the design of the project. At the same time, tackling new fields of communication and distribution is unpredictable.

At the end of the first session all other partners had established their projects and even more importantly, they had integrated Distribution 2.0 in their everyday routines. The same can be said for The Match Factory. Some actions such as the exchange platform remain

unfinished to the very last detail. Nevertheless, at the end of session 1 we had achieved a natural communication through the channels we created. A continuous discourse is established internally to evaluate and adjust any action taken.

The process of analysing the first session showed that we could very well profit from the results of our Co-Beneficiaries. Findings on how to establish VOD channels, on online marketing and engaging audiences as well as difficulties encountered could be shared and used further on. Of course the environment and needs of a Mexican distributor and a European sales agent may seem to be substantially different. Surprisingly, we experienced that many questions and difficulties

faced by the massive supply of goods and information online remains the same for all of our partners. This is something we could not predict with certainty.

Working on an international level

For the film business one of the most controversial aspects of the growing importance of the online environment is the disappearance of borders. It opposes the licensing and economical structure, which has been set up through decades. We have started to create awareness of films and directors from a global point of view. It is crucial to start thinking about creating an international image and to transform them into worldwide brands.

Creating an international image of a movie is a challenge. A film can be perceived very differently in the various parts of the world. Through the actions implemented during this first year, we became aware of the best practices when communicating our films to a global audience and creating international brands out of them.

One of the actions that helped most with this objective was the creation of our digital exchange platform through which the distributors are now able to easily share their ideas, experiences and difficulties when marketing our films. Although we are still on a phase in which we are refining the functionality of the platform, we could already

use it with some of our titles. Thanks to the exchange of the distributors ideas and experiences we were able to identify the differences but also the common aspects of the audiences in the several territories. This information is very valuable in order to become more effective in the future when creating the international marketing campaigns of upcoming films.

As mentioned before, it is our goal to make it possible for all partners to be able to benefit from all this generated knowledge. The project was initiated including both distributors and filmmakers and this has proven to be a crucial point. It would not be possible to design longterm online actions and campaigns without the participation of the creators. This could be seen as another change initiated through the online environment, the filmmakers can in no way be spared from the marketing process anymore. In the auteur driven focus of the company profiles of the partners involved in Distribution 2.0, the filmmakers have always been a focus in the marketing campaigns. This could now become the strong side of the independent industry.

An Important Perspective for our Business Profile

At the end of the first session, Distribution 2.0 has already become a longterm project. All partners remain for the 2013 session and they have created projects with an important perspective in their business profile.

Canana and Joint Entertainment are developing their skills to compete in the on Demand market. The Match Factory has started to create online profiles for films as part of the promotional package, which distributors receive with standard delivery. Strand Releasing is adjusting online marketing strategies and Cinefil managed to release films successfully, which would have not had

a release otherwise.

Apart from working continuously with these partners, Distribution 2.0 has added partners for the 2013 session, most of them from territories in which the distribution of Arthouse films is a high risk action, such as Portugal and Russia.

The project will increase internal and external communication and exchange, one of the center pieces being the Europa International conference.

From our perspective, all partners assumed this to be the starting point of a business development, which would improve their competitive situation in the future. And of course this includes The Match Factory: We could not think of a better outcome for the first session.



