

MediaTainment FINANCE

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For Decision-Makers and Strategists
Who Value Creativity and Appreciate the Value
Creativity Brings to Business

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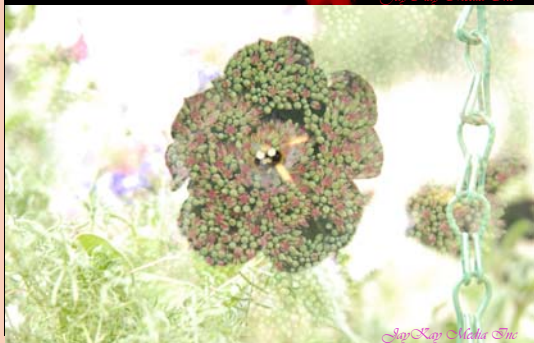
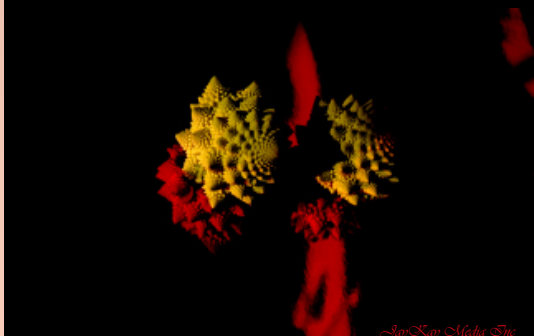
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FILM

StudioCanal has Europe's 1st slate fund

StudioCanal, the movie-studio subsidiary of French pay-TV giant Canal+, has sealed what it describes as Europe's first "slate-financing" deal. Slate funding enables financiers to invest in a portfolio of movies as opposed to one film. The Anton Capital Entertainment media fund helped StudioCanal raise a reported €150m to co-finance a portfolio of about 100 films over the next three years.

The financiers include European institutional investors, Bank of America, Union Bank and US private-equity company Falcon Investment Advisors (FIA). With funds of US\$1bn-plus, FIA's experience in the film business includes slate financing at Australia's Village Roadshow Entertainment Group and US-based international producer Legendary Pictures.

StudioCanal's most recent hits include *Tinker, Tailor, Soldier, Spy*, the acclaimed movie based on John Le Carre's best-selling espionage novel, which was produced by UK-based Working Title. Future projects include *Inside Llewyn Davis*, a comedy by the Oscar-winning Joel and Ethan Coen, which will be shot next year with StudioCanal handling the international rights.

Vampires bite the dust in Solipsist comic novel film

In the Dust, a vampire-themed comic novel published by US-based Top Cow Productions, is to be adapted into a feature by Solipsist Films. Casting details are still unavailable, but Solipsist's Stephen L'Heureux and Matt Hawkins at Top Cow will be joint producers.

George Mahaffey, the comic's co-creator, will write the script. L'Heureux is famous for his graphic-novel movie adaptations. He is producing *A Dame to Kill For*, the sequel to *Sin City*, the 2005 neo-noir movie based on Frank Miller's graphic novel series.

Frankenstein rises again in Australian helmed movie

Shooting for the latest adaptation of the Mary Shelley classic *Frankenstein* kicks off in Australia next year; it will star Hollywood actor Aaron Eckhart and be directed by Australia's Stuart Beattie.

The film will be co-produced and funded by the US' Lionsgate Productions, Lakeshore Entertainment and Australia-based Hopscotch Group. The US premier is scheduled for February 2013. Beattie's credentials include scriptwriter for two Hollywood blockbusters: *Pirates of the Caribbean* and *Collateral*.

California and South Africa boost film production credits

Tax credits to lure international film producers to different countries' locations are being made more attractive. *In California, the US\$100m-a-year Motion Picture tax credit, which was due to expire in 2014, has been extended for an extra year.

*South Africa's government has scrapped limits to tax rebates. As long as international producers spend at least ZAR12m and four weeks on location per film project, they will be entitled to a 15% tax rebate. Until now, the rebate was capped at a maximum of ZAR20m.

Hollywood-funded Raine Group closes equity fund

The Raine Group, the Hollywood-backed media-and-entertainment investment company, has closed its first private-equity fund. Valued at US\$475m, the fund has already injected cash into various media and digital ventures. These include the multimedia production group Vice and the UK games publisher Jagex Games Studio.

Raine Group counts former News Corp COO Peter Chernin, Hollywood talent agency William Morris Endeavor and former Viacom CEO Tom Freston among its backers.

TELEVISION

Nickelodeon hikes 2012 investments

Nickelodeon, the international kids-TV network and subsidiary of US media giant Viacom, is boosting its investment in content with international appeal. The network has snatched the global broadcast rights to Peter Rabbit, the famed Beatrix Potter children's-book character, with the first of the CGI (computer-graphic imagery) series airing in the US next year. It acquired the rights from UK-based Silvergate Media. Also new is the 52-part, half-hour weekday CGI series of Winx Club, the fantasy fairy-themed animation series co-produced with Italy's Rainbow Media, which launches in November. This follows Nickelodeon's successful broadcast of one-hour movie versions in June, August and September. Cult animation TV series/movie Teenage Mutant Ninja Turtles is being revived in a new 52-part, half-hour CGI action comedy for a US launch next year. And Sony Music's 12-song soundtrack for Nickelodeon's live-action comedy series Victorious is to be released globally. It debuted at No. 5 in the US' Billboard 200 album charts after its release in August. Victorious-themed console games by Japan's D3 Publisher roll out internationally for the Xbox 360 and Nintendo DS from this year's end.

Discovery invests in Japanese earthquake TV producers

Discovery Communications, owner of the Discovery Channel TV networks, is investing in local filmmakers to produce six documentaries about Japan's recovery from the devastating earthquake in March. Called Rebuilding Japan, the series will be made by six Japanese production companies selected from 250 entries and is planned to be aired next March.

The six production companies are Studio Alta, TimeRiver Pictures, JCTV, Ortus, CTS and AX-ON. The earthquake resulted in a tsunami and nuclear-plant disaster.

USA Networks invests in social-TV apps by yap.TV

USA Networks, NBC Universal's US cable-TV network, is working with mobile-apps developer yap.TV to create a social-TV app that allows viewers to interact with programmes and each other on Apple's iPhones and iPads. The app effectively brings the social-media experience to the TV screen on a platform called Character Chatter.

This enables users to exchange comments, recommend content and chat about the shows via Twitter and Facebook. Yap.TV's investors include venture-capital firm Javelin Venture Partners.

New DCH Media Fund supports Asia-Pacific content creation

DCH Capital, the New Zealand-based private-investment subsidiary of Indian luxury-goods brand owner DCH India, has launched a US\$100m media fund. The cash will be used to invest in TV/film production companies, co-productions that need extra funds for completion and media hubs that facilitate innovative concepts. The Singapore-based DCH Media Fund was unveiled at the MIPCOM event in Cannes in October. DCH Capital is keen to invest in digitally distributed animation, games and computer-generated imagery.

Jennifer Lopez, Marc Anthony mammoth TV show lifts off

Mexico's Televisa, Colombia-based Caracol TV and US Spanish-language network Univision are the first three channels to agree to broadcast Q'Viva! The Chosen, the Latin talent show co-presented by the formerly married couple Jennifer Lopez and Marc Anthony.

The live show is expected to air during the first quarter of 2012. Produced by XIX Entertainment, the management agency with David Beckham and Lopez herself on its books, Q'Viva! will be produced in English, Spanish and Portuguese. It will be sold globally.

OUT-OF-HOME

Avatar grows from 3D to theme park

Avatar, the pioneering 3D movie that has become the world's biggest grossing movie in history with US\$30bn in cinema ticket sales, is to be the subject of a future theme park by the Walt Disney Company. The estimated US\$400m park is scheduled to open in 2018, five years after construction begins in 2013. It will be located in Orlando, Florida, where Disney already operates the following Walt Disney World Resort parks and attractions: Magic Kingdom, Epcot Center, Animal Kingdom, Hollywood Studios, the water parks Typhoon Lagoon and Blizzard Beach, the ESPN Wide World of Sports Complex, Walt Disney World Speedway, Disney's Wedding Pavilion, Downtown Disney and Disney's Boardwalk. Disney is also building Cars Land, a park centred on the theme of Cars, its hit animation movie, for next year, it will be part of Disney's California Adventure Park.

*Meanwhile, UK-based Merlin Entertainments (see Issue No. 3), Disney's biggest international rival, has opened Legoland Florida, a 150-acre site in Winter Haven, Florida, near Tampa and Orlando. It replaces Cypress Gardens, which Merlin bought in 2005.

Indian state Bihar contracts UK company to build museum

UK-based Lord Cultural Resources has been appointed by the Indian state of Bihar to develop plans for an ultramodern museum that highlights the state's contribution to global civilisation. Located in Bihar's capital Patna, the US\$80m institution is set to open in 2015.

Bihar, which has a population of more than 100 million people, is also one of the India's poorest states. The new 13-acre museum aims to boost the region's cultural tourism and complement the offerings at the 94-year-old existing Patna Museum.

Concerts promoter Live Nation proposes new Texas festival

Live Nation, the live-music giant, has applied for the rights to launch an open-air music-and-comedy festival at Oak Point Park in the city of Plano, Texas, starting next year.

The festival aims to compete against Austin City Limits Music Festival, another Texas festival, which is promoted by C3 Presents and attracts up to 70,000 spectators a day for three days. The Plano event aims to start smaller and grow gradually.

The festival will be joined by a series of concerts at Plano's Oak Point Park amphitheatre.

Ukraine mogul Pinchuk plans new bespoke art gallery

Victor Pinchuk, the Ukrainian billionaire media mogul, has told the Art Newspaper of plans to build a dedicated contemporary-art gallery to house the works in his Kiev-based Pinchuk Art Centre. The five-year-old centre is a converted 20th-century former hotel with a bar and a bookstore. Although the centre currently welcomes more than 1 million visitors a year, Pinchuk (who owns four national TV channels and a newspaper) is seeking something more modern, a landmark structure.

The architect firm is expected to be Switzerland-based Herzog & de Meuron.

Ultra Music Festival and Winter Music event join up again

After a year's break, the Winter Music Conference (WMC) and the Ultra Music Festival (UMF) will take place at the same time next March in Miami. For several years, the WMC, an industry and business-deals event and the 11-year-old UMF, one massive party for fans, were held simultaneously towards the end of March. This year, the WMC was shifted to early March, separating the two events and annoying supporters who liked both. Next year, WMC will take place during 16-25 March while the UMF will be celebrated 23-25 March.

MUSIC

Think-tank praises creative investment

There is nothing frivolous about the music industry; it is among the most reliable investment vehicles in the creative industries, states Risky Business, a report published this month by UK think-tank DEMOS. All start-ups are risky, but companies in music, in addition to those in film, TV advertising, games publishing and fashion design, are among the safest forms today, the report concludes.

Using figures from the UK government, the country's Office for National Statistics, plus interviews with record labels Beggars Group and PIAS, DEMOS says nearly 50% of creative start-ups are still in business five years after launch. This compares with the average 47% survival rate for other types of business. Start-ups in DEMOS' category of "music and the visual and performing arts" have a 53.3% chance of still going strong after five years, with only TV and radio (54.3%) and architecture (58.5%) having a higher survival rate during the same period. Music and the visual and performing arts account for 16.9% of the estimated 182,000 UK creative-business companies.

Burberry breaks new ground as fashion music label

Burberry, the UK designer-label giant, has released its own single to promote its new fragrance Burberry Body. In what is said to be a fashion-industry first, the song is recorded by BRIT awards-winning pop group The Feeling and is an acoustic version of the act's 2007 song Rosé (via Island Records).

The Burberry version, commissioned by the label's chief creative officer Christopher Bailey, was recorded at London's Abbey Road Studios and is available on Apple's iTunes. Bailey uses catwalk shows and the Burberry Acoustic website to support UK music acts.

Singles-only record label DigSin kicks off for business

DigSin (Digital Single), a new US record label designed to focus on releasing only singles for free, has been launched by Jay Frank, a former top executive at CMT, the Country Music Television network.

With a slogan that reads "Free for life", DigSin hopes to generate revenues via a combination of subscription fees and advertising, according to media reports. There are still no details of where the repertoire will come from. The company is based in Nashville.

Canada music firm Clear tunes in with MusicBox acquisition

Clear, the music-production arm of Canadian music-publishing company Ole, has bought US-based production-music company MusicBox for an undisclosed sum. MusicBox brings a reported 24,000 tracks to Ole's 150,000 tracks. MusicBox, which is expected to remain an autonomous operation, will also bring the US rights to music in 17 sub-publishing libraries.

Ole's Clear-owned production libraries include Nelvana Production Music, Attitude, Cunningham & Lang and The Masters.

EMI Music's fate - unknown and uncertain

Is the estimated US\$3bn-US\$4bn sale of EMI Music, the major recording company, in danger of not taking place?

The seller, banking giant Citigroup, has been assessing the second round of bidders. But, the Financial Times reports that potential buyers, including rivals Sony Music and Universal, are being cautious about the price tag as fears of a global recession refuses to die down. Warner Music recently pulled out of the race.

Citigroup might split EMI's recording and publishing units to make the sale more attractive in these straitened times.

BOOKS/PRINT

UK Booker Prize hit by possible rival

The UK-based Man Booker Prize, one of the world's richest literary prizes, is to gain a rival next year; it is called The Literature Prize. The annual Man Booker Prize is awarded for the best original full-length English-language novel written by a living author from the Commonwealth of Nations, including the UK, Ireland and Zimbabwe. With a £50,000 cash prize for the winner, its prestige brings international acclaim and boosts sales. Julian Barnes won this year's Booker Prize for *The Sense of an Ending*, published by Jonathan Cape. Organisers of the Literature Prize, however, claim that the Booker Prize "prioritises a notion of 'readability' over artistic achievement". Their winner would be of any nationality, although the book must be in English and UK published. They have started lobbying for funds for the new prize, which is also expected to be £50,000. The Literature Prize will be selected by judges picked from an academy of literature experts. High-profile authors, including Pat Barker (1995 Booker Prize winner for *The Ghost Road*), are reported to be supporters of the new prize.

Pioneering online book store Amazon turns publisher

Amazon.com is proving that digital technology is not only turning the printed word into e-books but also converting e-book retailers into book publishers. The online-store pioneer is to publish the memoirs of Penny Marshall, the Hollywood director of movies like *A League of Their Own* and *Big*, next year.

The book is called *My Mother Was Nuts*. Associated Press says the royalty rate is higher than the standard 25% for e-books. The book will be sold online and offline. Meanwhile, Amazon Publishing has launched a sci-fi imprint called 47North.

Cricket-mad India wins its own Wisden Cricketers' bible

UK publisher Bloomsbury has licensed the Indian rights to Wisden, the cricket fanatics' bible, to FidelisWorld, the sport/entertainment group. The first edition of Wisden India is scheduled for publication in print and digital formats next year. Cricket is the most popular sport in India. The FidelisWorld deal includes several Asian markets, the Middle East and North America.

*UK publishing giant Macmillan has bought the rights to hit UK kids TV series *Rastamouse* for print, audio, e-books, graphic novels and annuals starting next year.

Millennium Trilogy's neo noir novels morph into neo comics

The Millennium Trilogy publishing phenomenon is expanding to include graphic novels. After selling 60 million-plus copies globally, the late Stieg Larsson's original three noir novels will be adapted into graphic novels by Vertigo, the publishing unit of DC Entertainment, part of Hollywood's Warner Bros.

The graphic novel of *The Girl with the Dragon Tattoo* comes out in 2012, followed by *The Girl Who Played with Fire* in 2013, and *The Girl Who Kicked the Hornet's Nest* (2014). The deal was handled by Sweden's Hedlund Literary Agency.

New Bedford Square Books unveils first slate of titles

Bedford Square Books (BSB), a new publishing venture by London-based Ed Victor Literary Agency, has brought out its first six titles, including *Good Times*, *Bad Times* by Harold Evans.

BSB was launched this year to publish out-of-print titles by Ed Victor's authors in either digital e-book formats or as paperbacks via print-on-demand. BSB has also unveiled plans for its first original title in the same formats.

Called *Dead Rich*, it is being written by Louise Fennell for February next year.

ADS & MARKETING

Dentsu plays mind games in London

Dentsu, the giant Japanese advertising agency famed for its marketing of physical-sports brands, is to co-host two major international mind-sports events in London in November. The international status of mind sports, which require contestants to use mental agility to win, is growing. They include games like poker, chess, bridge, and scrabble. Dentsu has joined forces with UK sports-marketing entrepreneur Patrick Nally and his company West Nally to create Mind Sports Partners, which will host new minds-sports events. Supported by the International Federation of Poker (IFP) and the International Mind Sports Association, Mind Sports Partners is launching the Duplicate Poker Nations Cup on 17-18 November. Players from 12 countries, including the US, the UK and several European countries, will start the competition on tables installed in the capsules of the famous EDF Energy London Eye's observation wheel before continuing inside the nearby County Hall.

On 19-20 November, the inaugural event of The Table, described as "the World Cup of Poker", takes place in County Hall. At stake is a cash prize of US\$500,000 (US\$250,000 for the winner).

Tiger Woods stays top of the athlete brands despite scandal

Tiger Woods' tarnished brand value appears to be rising again following a recent endorsement deal with luxury-watch brand Rolex. He spent the last year losing lucrative endorsement deals with brands like Tag Heuer, Rolex' rival, and Gillette following revelations of his marital infidelities and the subsequent divorce.

Although he has not won a major tournament in two years, and his value as a brand has slumped to US\$55m from a high of US\$80m-plus, Woods is still ranked by Forbes as the world's "most valuable athlete brand".

UK's Chime snaps up Gulliford marketing consultancy

UK marketing-services company Chime Communications has bought marketing consultancy Gulliford Consulting for a value of nearly £5m in cash and shares. Gulliford Consulting will receive an initial £2.5m in cash and shares followed by another £2.25m, depending on Gulliford Consulting's future performance, reports say.

*Meanwhile, Kwitken & Company, part of US communications agency MDC Partners, has acquired UK-based Epoch PR. The acquisition is MDC's first foray into the public-relations sector outside the US.

UK advertisers continue to spend although economy slows

The Bellwether Report, compiled by Markit Economics for the UK's IPA (Institute of Practitioners in Advertising), indicates that UK marketers are continuing to increase expenditure on marketing. Despite fears of a global recession, 21% of the country's advertisers increased their marketing budget in the third-quarter of 2011 compared with the 17% that slashed their ad spend. Budgets for Internet ads, direct marketing, sales promotion grew. The IPA attributed the boost to the promotion of new products and maintain market share.

Brief news on Weiden + Kennedy, Publicis, Unilever

Advertising Agency Weiden + Kennedy (W+K) Amsterdam has launched The Dam Armada, a creative-and-design agency subsidiary that focuses on the conception, design and manufacture of digital products.

*French advertising group Publicis Groupe has created a technology-marketing subsidiary called CRM365 to help small brand understand consumers' social-media habits.

*Unilever, among the world's biggest advertisers, has agreed to pay US\$537m for 82% of Russian cosmetics group Concern Kalina.

SPORT

Emerging markets put billions in sport

The world's emerging economies are prepared to spend billions in major sport events to raise their national profiles globally, stated Dan Jones, lead partner of sports business at Deloitte, the international accountancy giant. Speaking at industry event ISEM (International Sports Event Management) in London on 12 October, he said Qatar spent US\$100m on its successful bid for the 2022 FIFA World Cup. The second largest bid budget was US\$42.25m from Australia.

Rio de Janeiro is spending US\$14.4bn to host the 2016 Summer Olympic Games, compared with the combined US\$14.8bn from losing bidders Tokyo, Chicago and Madrid. And Russia's budget for the 2014 Sochi Winter Olympics is US\$11bn. "Investments of more than US\$1trn a year are flowing into emerging economies. Sport has the capacity to enable a nation to punch heavily above its weight," Jones added. Sri Lanka's Hambantota is bidding for the 2018 Commonwealth Games; while Moscow and Beijing are hosting athletics' IAAF World Championships in 2013 and 2015 respectively. Doha is competing against London for the 2017 IAAF championships.

Bid for Olympic stadium lease ends for London's West Ham

Plans for London soccer club West Ham United to lease the 2012 London Olympic stadium after next year's Summer Games have collapsed. Instead, the government will pay a reported £50m to redevelop the stadium. West Ham had pledged to move on to the site, reduce its capacity to 60,000 (from 80,000) and convert it into a dedicated soccer venue in a £90m redevelopment.

But a legal challenge from rival Tottenham Hotspur delayed the stadium's sale and threatened London's bid for the 2017 IAAF athletics events.

Kuwait injects US\$53m into new sports stadium

Kuwait's Public Authority for Youth and Sports (PAYS) is to spend US\$53.2m on a new basketball and volleyball stadium, according to reports in the Gulf's media.

The 19,000-sq-metre venue will have a seating capacity of 5,000 seats in its main hall, plus two adjoining halls with 1,840 seats each.

Based in the suburb of Sabah Al-Salem, the building is expected to take 30 months to construct. PAYS hopes the new state-of-the-art venue will boost Kuwait's prospects to host international sports events.

South Africa replaces besieged Libya for major sports events

South Africa will be home to the Africa Cup of Nations soccer event in 2013 after the current political turmoil forced Libya to pull out as the original host. The Confederation of Africa Football (CAF), which represents the African states within global governing body FIFA, selected South Africa (see MTF Issue No. 3), which successfully hosted the FIFA World Cup last year, the first time the event was held in Africa. South Africa will also take over from Libya to hold the next bi-annual Africa Nations Championships in 2014.

Italy laws pushes for increase in privately owned stadiums

Italy is to pass a new law enabling more privately owned sports stadiums to be built. The legislative move, expected to be adopted this November, will permit more Italian sports teams, especially soccer clubs, to operate their own venues. Currently, only Juventus owns its stadium, while Roma, AC Milan and Inter Milan rent theirs, the media says.

Italy would need modern state-of-the-art venues if it is to win bids to host international events. It lost its application to organise the 2012 and 2016 UEFA Euro championships.

GAMES

Music's value in games debated at event

About US\$23m is the average budget required for developing a digital multi-platform game, US\$10m for a single-platform game or between US\$60-US\$70m for a major-brand console game such as Call of Duty (by Activision and Aspyr Media). These figures, excluding marketing, distribution and other costs, were disclosed by Sergio Pimentel, music and licensing director at UK-based Nimrod Productions. He was speaking at the Gaming Meets Music event organised by UK royalties-collecting society PRS for Music and TIGA, the UK games industry trade body, on 14 October.

Pimentel said rights owners supplying music to game developers can expect royalty payments if the music is integral to the game or receive an agreed buy-out fee if the music sits in the background.

Another speaker Matt Sansam, of the UK state-funded Technology Strategy Board (TSB), spoke of the Future Games Contest, a competition by TSB and Scotland's Abertay University. It offers each winning start-up company up to £25,000 in cash to develop a prototype for the innovative use of games technology. London's Tate Gallery is one high-profile content provider supporting the scheme.

Activision sees nothing alien in Men in Black tie-up

Activision Blizzard, the games publishing giant, is launching a new game for consoles and handheld devices linked to the release of the Hollywood movie franchise Men in Black next spring. The game's launch will coincide with the release of Men in Black III, which Hollywood's Columbia Pictures is distributing.

The game is reportedly being developed by Romania-based Fun Labs. Additionally, Activision appears to be extending its reach to young children with Skylanders Spyro's Adventure, a game that involves players acquiring physical toys. It was released in October.

Crowdstar gathers six mobile games start-ups via StarFund

US games developer Crowdstar has invested up to US\$250,000 each in six mobile-games start-up developers from its US\$10m StarFund. The six packages of financing include private equity and conventional games-publishing financing. Crowdstar will own the intellectual property (IP) unless the title is already well-developed before coming to StarFund, then Crowdstar will be interested in only the IP for the game's mechanics and packaging. Although exact details of each game remains unavailable, Crowdstar sources say they are aimed at mass-market players.

Angry Birds creator predicts 2012 as year for going public

Angry Birds maker Rovio Entertainment has reportedly been telling the media of ambitions for a stock-exchange flotation next year. MTF Issue No. 3 reported Rovio's plans to raise US\$1bn from media and entertainment groups to help expand the franchise to other entertainment formats, including movies and merchandise. Peter Vesterbacka, Rovio's chief marketing officer, told Bloomberg Television that a flotation is unlikely this year but prospects for 2012 look good. The company is also said to be seeking acquisitions after recently buying Finnish animation studio Kombo.

Zynga opts for Nasdaq in stock market flotation ambitions

Zynga, the social-games giant, has filed for a flotation on the US' Nasdaq stock exchange. The news came after Zynga unveiled plans for 10 new titles. The new titles indicate Zynga, whose existing games focus on Facebook users, wants to expand to other platforms, including mobile and other websites.

The medieval-themed CastleVille, the latest in Zynga's 'ville' franchises after FarmVille, CityVille and FrontierVille, show aspirations to be on consoles too. CastleVille features high-quality graphics plus orchestral and choral music.

FASHION/LUXURY

JC Penney buys Liz Claiborne brands

US department stores JC Penney and Kohl's Group as well as private-equity and brand-management firm Blue Alliance have agreed to buy several assets belonging to Liz Claiborne, the struggling iconic US fashion group, for a combined US\$328m. Liz Claiborne the company, which specialises in upscale women's attire and accessories, hopes to use the proceeds to cut "long-term" debts of almost US\$500m, media reports say. JC Penney wants the US and international rights to Liz Claiborne brands like Claiborne, Liz & Co, and Concepts by Claiborne, plus the US and Puerto Rican trademark rights to the jewellery brand Monet. It is expected to pay US\$288m for them. Kohl's is paying a reported US\$40m for the Dana Buchman brand and Bluestar Alliance, which is seeking the Kensie, Kensie Girl, Mac & Jac brands, has set up a new division called KMJ Brand Holdings to administer the new acquisitions. The Netherlands-originated brand Mexx is being sold separately to private-equity company the Gores Group. Liz Claiborne the company plans to retain brands such as Juicy Couture, Kate Spade and Lucky Brand, which are targeting affluent consumers.

Kaiser Karl Lagerfeld stamps his own name on designer map

Karl Lagerfeld, Chanel's creative director/ chief designer, is to launch a designer label under his own name in a joint venture funded by private-equity group Apax Partners.

The label will start with a medium-price line called Karl and a high-priced version called Karl Lagerfeld Paris. Sales start next year initially via online store Net-A-Porter, followed by dedicated web sites and then through other retailers' web stores. Lagerfeld is also creative director at the VMH's Italian brand Fendi.

LVMH snaps up Singapore-based crocodile-skin specialist

LVMH Moët Hennessy - Louis Vuitton, the French luxury-goods behemoth, has agreed to become majority shareholder of Singapore-based Heng Long International, producer/ supplier of crocodile-skin leather to fashion houses worldwide.

The joint-venture partner is the company's founder, the Koh family, which was Heng Long's majority shareholder. LVMH's investments give it 51% for a reported €92m with the remaining 49% belonging to Heng Long's shareholders.

Shanghai Tang spreads out in luxury-loving Chinese market

Hong Kong's Shanghai Tang fashion brand has unveiled its international expansion plans. Bloomberg News reports the company is opening a flagship outlet in Shanghai next year. The plan is to boost the total number of outlets in China to 30 from the existing 17 over the next two years. This confirms China's status as a growing luxury-brands market.

A new store opens in Paris in 2013 with another in Tokyo the following year. Shanghai Tang is a subsidiary of Switzerland's Compagnie Financière Richemont.

Fashion houses flirt hard with Hollywood and music muses

Fashion brands attached to Hollywood and rock 'n' roll stars continue to make news. Actor James Franco is the new model for Gucci's bespoke tailoring brand. *Titanic lead Kate Winslet is endorsing Lancôme cosmetic products for her charity The Golden Hat Foundation, which helps children suffering from autism. *Country-music star Taylor Swift has hooked up with Elizabeth Arden to launch Wonderstruck, Swift's own fragrance products. *Australian country singer Keith Urban has launched his own cologne called Phoenix.

PHOTOGRAPHY/ART

Art and science meld at Hadron Collider

Digital art and science are melding on a colossal scale at Geneva-based CERN, the world's biggest nuclear particle physics laboratory. From 2012, the home of the large Hadron Collider (which scientists hope will unveil how the universe is made) will offer residency to selected artists during the next three years. Called the Prix Ars Electronica Collide@CERN, the international competition results from a partnership between CERN and Ars Electronica, an annual Austria-based digital-arts festival.

The competition aims to "take digital creativity to new dimensions by 'colliding' the minds of scientists with the imaginations of artists". It offers each artist €10,000 plus a three-month residency.

The digital artist will spend the first two months working with a world-renowned CERN scientist or engineer, plus another month developing their collaboration at Ars Electronica's Futurelab, a Linz-based media and arts centre. The competition welcomes submissions from a variety of digital-art forms, including computer animation, digital music and sound art, and social media.

Pioneering photo exhibition for veteran Elliott Erwitt

A new exhibition of the advertising, magazine and news photography by Elliott Erwitt, the acclaimed Paris-born US photographer and former president of the legendary Magnum Photos agency, is set for 2015 or 2016.

The exhibition will be organised by the University of Texas' Harry Ransom Center, which has agreed to house more than 50,000 Erwitt prints. The black-and-white photographs will be available for academic work and research at the Center during the next five years.

They will not be available online.

Artist Neo Rausch raises funds for new German artist colony

German painter **Neo Rausch** is raising funds and donating his own works towards plans for a new artist foundation in Aschersleben, in north-eastern Germany.

Scheduled to open next year, the 400-square-metre venue will exhibit the graphic art Rausch has created since 1992 and all his future work. Other artists' work will be added later. Rausch, the Aschersleben local authority and Leipzig-based gallery Eigen+Art hope to raise the required funds via sponsorship and other types of funding.

Russian tycoon buys religious icons for national church

The Art Newspaper reports that Sergei Shmakov, the Russian property tycoon, has contributed 70-plus religious icons to Russia's Orthodox Church. Valued at more than US\$1m, the icons were collected from various sources worldwide, including auctions.

Most were originally removed from Russia during the 1917 Bolshevik Revolution and World War II. Schmakov's donations come after the Russian government recently adopted legislation that encourages the return of all properties seized by the then Communist state after the revolution.

US arts body NEA amasses US\$23m for urban restoration

A combination of US\$12m in bank loans and US\$11.5m in private donations is being used to finance a series of US art projects organised by the country's National Endowment for the Arts (NEA). The projects are part of ArtPlace, an initiative which uses art to spur developments in economically strapped communities. The first 34 projects, which are receiving an average of US\$350,000 each, include art events in New York, Detroit and Idaho. The financiers include the Rockefeller Foundation, while JP Morgan Chase is among the lenders.

COPYRIGHT

Premium pay body slams illegal music

IFPI, the international music industry's trade body, is taking its anti-piracy battle to a new level - against the abuse of premium rate services (PRS). These payment systems are designed to charge extra automatically on top of standard phone rates when users buy premium telephone services. It seems unlicensed websites have started offering unauthorised music downloads using PRS payments, which require no credit-card details. IFPI has joined forces with PhonepayPlus, the UK's PRS regulator, and the City of London Police to investigate and prevent these abuses. They are asking operators of phone-paid services to watch out for illegal online-music services that might use their payment systems. Until now, illegal online services gained revenues by selling advertising around free music downloads or via credit-card payments. As the growth in legal digital-music services and anti-piracy clampdown hurt these unlicensed vendors, they are now exploiting the PRS mechanism.

*Meanwhile, the European Commission has boosted the potential royalties that artists could earn from musical recordings in their lifetime. The relevant European Union directive has increased the "term of protection of copyright and certain related rights" to 70 years from 50 years.

YouTube signs major royalties deal with indies label agency

YouTube, Google's video-sharing website, has signed a global licensing deal with Merlin, the international agency representing the rights of the world's independent record labels. The deal guarantees that all Merlin-registered independents receive royalties generated from advertising sold around YouTube videos featuring their music. Beggars Group and Tommy Boy are among the independents benefiting from this. Meanwhile, US wireless music service Muve has agreed to compensate Merlin members when their music is played on the Cricket Communications-owned service.

Outcry against harsh penalty for illegal sample in Denmark

The controversy about the financial value of samples used in other artists' recordings has intensified in Denmark. Djuma Soundsystem, the Scandinavian electronic-music act, has been ordered to pay more than DKr1m in compensation for its unauthorised use of 10 seconds from a track called Turkish Showbiz.

The latter is a recording by Turkish American fusion-jazz musician Atilla Engin, who co-owns the rights with Per Meistrup. The DKr1m penalty imposed by the Danish courts is thought to be excessive. Djuma Soundsystem is to appeal.

Lady Gaga refuses to embrace Baby Goo Goo in injunction

Lady Gaga, the recording superstar, has won an injunction to stop Lady Goo Goo, an online kids' animation character based on her image, from performing songs. Lady Goo Goo is part of the repertoire of characters in Moshi Monsters, the very popular UK social-media games and entertainment brand targeted at children. Moshi Monsters is created by multi-media company of the same name. Lady Goo Goo's rendition of Peppy-razzi is said to have confused fans of Lady Gaga, who had a 2009 hit called Paparazzi.

Viacom pleads to appeals court to overturn Google ruling

Viacom, the media group that owns MTV Networks, is appealing against a US\$1bn lawsuit it lost against Google last year. The 2007 copyright-infringement case alleged that Google's video platform YouTube generated advertising revenues from the unauthorised use of 60,000-plus units of copyrighted Viacom content for several years. But in 2010, a US court ruled that Google was protected by the US Digital Millennium Copyright Act. Viacom and other plaintiffs are arguing at the US court of appeals that the ruling will encourage Internet services to ignore copyright violation.

REPORT

A Country Profile

Canada

From games to TV via music, Canada rocks

Despite having one of the world's lowest population densities, Canada's status within the global media-and-entertainment sector is robust. A bi-lingual country with English-speaking and French-speaking cultures, Canada is among the world's 10 leading developed economies.

It is also one of the most ethnically diverse countries in the world. In addition to the majority described as "Canadians" and those of English and French origins, Canada's residents include more than 25 large (more than 200,000 individuals) ethnic groups. They are mostly European in origin. And they exclude the estimated 100-plus smaller ethnic groups, including the almost 400 citizens who originate from Cornwall in England.

But like most developed markets, the country has been hurt by the current international economic turmoil. Unemployment rate is high at 7%-plus and economic growth has slowed down, hurting the national advertising sector.

The domestic political picture changed dramatically earlier this year when the Conservative party won its first majority government in history. The New Democratic Party became the official opposition for the first time, the Green Party made its debut in parliament, and the long-established Liberal Party suffered its worst defeat ever.

However, these upheavals have not crushed the creative spirit and business acumen in a country acknowledged for its significant contribution to the international businesses of film, TV, music, games, and sports, among other media-and-entertainment sectors.

The country has equally embraced digital media. Several Canadian regions and districts, especially the metropolitan areas and the provinces' capital cities, completed their transition from analogue to digital broadcast signals this year, as mandated by the Canadian Radio-Television and Telecommunications (CRTC), the communications and media regulator. Digital TV penetration is almost 80%. The analogue switch-off deadline has been extended to 2012 for remote areas that may lose broadcast signals of any kind if nothing is done.

With an 80% Internet penetration rate, most Canadians have access to digital entertainment and content.

Growth forecast

Consumer spend on media and entertainment rose by 4.8% in 2010 from 2009, compared with 3.2% for the whole of North America (Canada and the US combined).

The figures, published by international accountancy powerhouse PricewaterhouseCoopers (PwC), confirm that Canada's place among the world's leading multi-media and multi-platform markets.

The rapidly growing penetration of smartphones, computer tablets, mobile apps, digital lockers in cloud computing and other new-media technology gives Canadian consumers as much access to new media content as consumers in the US, Western Europe, Japan, South Korea and the major emerging economies like China, India and Russia.

From now until 2015, PwC predicts, Canadians' spend on media and entertainment will grow at a compound annual rate of 6.1%, faster than the US' 6% compound annual rate.

Digital-media growth will spur healthy percentage increases in online advertising, broadband and mobile Internet subscriptions.

Moreover, traditional media such as pay-TV services, out-of-home advertising and print publications will continue to grow steadily.

Audio-visual flourish

But it is the audio-visual entertainment business that continues to thrive.

Revenues from TV and Internet advertising in Canada will soar by more than 50% to US\$8.6bn to 2015 from this year, PwC says.

The emergence of portable high-speed Internet access will drive growth in mobile-TV ads as well.

PwC is also confident that such old-media formats as newspapers will hold their own in the next five years.

The Canadian newspaper business has been hurt by the emergence of free online content.

REPORT

Yet, PwC contends consumers will be prepared to pay for reliable online content via mobile devices, a situation that the country's newspaper brands should prepare to embrace.

Ernst & Young, a PwC rival, concurs that interactive media is the fastest growing media-and-entertainment segment in Canada.

And the Canadian arm of the Interactive Advertising Bureau (IAB) predicts mobile advertising alone will yield c\$82m in revenues by this year's end, a 57% growth compared with 2010. It generated only C\$1.1m in 2006.

Mobile ads for services and products related to media and entertainment accounted for 15% of the 2010 revenues.

The world economy's fragility persists thanks to various international predicaments, such as the euro-zone crisis.

Consequently, these upbeat predictions could still be vulnerable to upheavals and might change.

But Canada would be in the same position as most of the leading economies, where the media-and-entertainment infrastructure should be robust enough to survive the downturns.

A little help from the state

International rivals are constantly pointing out that Canada's media and entertainment businesses have a significant advantage over most markets worldwide because of state assistance. Subsidies or tax breaks can come directly from either the federal and provincial governments or be mandated by them.

Being a relatively small country by population (35 million compared with the US' 312 million), business sectors tend to form clusters within specific regions.

These tend to be mostly the metropolitan areas, and Canada's top 10 areas in terms of economic strength tend to account for 75% of the total population.

For example, research company SECOR notes that the majority of large video-game developers are in Quebec, while most of the small games companies are in Ontario.

Toronto's is the country's biggest TV market in terms of viewership and revenues (it is also the 5th largest TV market in the whole of North America after New York, Los Angeles, Chicago and Philadelphia).

Additionally, Montreal, Vancouver, Edmonton, Calgary and Kitchener-London are major Canadian TV markets.

Even cinema theatre chains are regionally structured. The leading cinema chains include Landmark Cinemas (Western Canada), Cineplex Cinema, Cinemas Guzzos (Quebec), Empire Theatres (Atlantic Provinces) and AMC Theatres (Greater Toronto Area).

Inevitably, the remote and rural out-backs, which represent the majority of the geographical land mass, lose out from the benefits gained from the bustling media and entertainment industries.

To prevent a handful of media companies overpowering the industry, Canada's CRTC and other regulators intervene to ensure the country's 10 provinces and three territories receive a fair share of the media services.

Thus, apart from the two "national" newspapers The Globe and Mail and the Toronto Star, the majority of Canada's newspaper titles are regionally focused.

Even the circulation for Toronto Star, which is part of Torstar Corporation, is mostly centred on the Ontario area.

Torstar believes there is a solid future in print media online and offline.

It has agreed to pay C\$51.5m for Canada's chain of free Metro daily newspapers. These are read by more than 1 million commuters daily. Additionally, Torstar is buying Performance printing, publisher of community newspapers, for C\$22.5m.

Thanks to the Internet, however, most of the regional and community newspaper titles can be read in any part of the country now.

The Canadian book-publishing sector is also experiencing a digital change as confirmed by the launch of Google's ebookstore this November. After launching in the US in December, the search-engine giant struck deals for leading book publishers such as HarperCollins, House of Anansi, Penguin Group (Canada) and Random House to offer paid-for and free digital books in Canada.

The downloadable titles are accessible via several e-book readers such as Sony's Reader and several portable media devices like smartphones and tablets.

Media consolidation

The country's leading broadcasters are the state-owned Canadian Broadcasting Corporation (CBC) and its French counterpart Societe Radio-Canada.

They are funded by public licence fees and advertising for free-to-air transmissions, and by subscription fees for cable-delivered CBC channels. Its radio stations are commercial-free.

In the 2010-2011 fiscal year, CBC collected C\$1.8bn in revenues. The licence fee accounted for C\$1.16bn, while advertising contributed C\$368m, and subscription fees from "specialty" niche channels generated C\$153m.

Cable and satellite TV networks, in 90%-plus households, are common forms of TV services in Canada.

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Leading cable-TV network operators, who also supply other forms of communications such as the Internet, include Cogeco (Compagnie General de Communication), Rogers Communications, Shaw Communications, and Quebecor Media subsidiary Videotron.

The number of cable-TV platform operators has slumped to a little over 700 from more than 2,000 less than a decade ago.

The consolidation of the media and communications sectors has been inevitable in the world's second largest country by geographical size (after Russia) with a population of only 35 million.

This has led to the powerful big media groups, which also have the clout to export their businesses, buying up smaller or struggling rivals.

This partly explains why the Canadian media scene invariably resembles the world's biggest market, which happens to be the US, its geographical neighbour.

Consolidation has seen the biggest private-TV networks land in the hands of only two media groups. Bell Media owns CTV, considered the private-TV network with the largest single audience size; CTV's biggest rival Global belongs to Shaw Media.

However, that has not stopped much smaller entrepreneurs from challenging the status quo. GlassBox Television, an independent multi-platform TV service that launched in 2005, operates the music service Aux, the comedy channel BiteTV and the travel documentary channel Travel + Escape.

Independent ventures like GlassBox are expected to benefit from a recent CRTC ruling. This requires the dominant media-platform owners to include a minimum number of independent channels on their cable services.

Leading communications groups

Rogers Communications is one of North America's biggest media groups.

With assets valued at more than US\$17bn, Rogers has interests in a mobile-phone network; 70 print titles, including the leading news weeklies Maclean's and L'actualite; more than 50 radio stations; the Rogers Cable TV network with more than 2 million subscribers and Internet service; plus the sport-TV channel Sportsnet.

It also owns or has stakes in the Toronto Blue Jays baseball team, the Rogers Centre stadium, as well as the naming rights to Rogers Arena, the residence of the Vancouver Canucks ice-hockey team.

Some of the country's other leading media and entertainment companies are Shaw Media, which owns the English-language Global Television Network and offers numerous standard and HD cable-delivered themed channels such as History and Food Network Canada.

Shaw Media was formed in October 2010 after its parent company Shaw Communications acquired the now defunct CanWest Global Communications Corporation for C\$2bn. CanWest's print-media properties were incorporated into a new company called Postmedia Network Canada, which owns the English-language national newspaper National Post.

Corus Entertainment is an offshoot of Shaw Communications but operates as an autonomous entity. It is a major content producer for TV, radio, and advertising. Its other activities include children's book publishing and animation production.

Some of its cable-delivered channels, such as pre-school service Treehouse TV, are wholly owned; Teletoon is a joint venture with Astral Media; YTV is a joint venture with Shaw Media; and while Nickelodeon is wholly owned, the brand's name has been licensed from the US-based Viacom's MTV Networks.

Bell Media, a subsidiary of communications group Bell Canada Enterprises, owns the privately operated CTV, the country's oldest and largest private-TV network and its sister channel CTV2. In total, it operates 28 traditional broadcast stations and 29 specialty themed channels. Its 33 radio stations are operated by subsidiary Bell Media Radio. It also owns a portfolio of digital-media services like the sympatico.ca web portal. Bell Media owns 15% of the Globe and Mail, the country's largest circulation national newspaper, with the rest belonging to Thomson family.

Astral Media is the leading radio broadcaster with more than 80 stations and two stations on the Sirius Canada satellite platform; it also owns a billboard-advertising service.

Its rivals include Newcap (Newfoundland Capital) Radio.

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CANADA—FACTS & FIGURES

POPULATION: 34.6 million

GDP PER CAPITA: US\$47,070

INTERNET USERS: 27 million

FIXED BROADBAND USERS: 10.1 million

MOBILE PHONE SUBSCRIBERS: 24 million

TV HOUSEHOLDS: 13.3m

SMARTPHONE USERS: 6.6 million

FACEBOOK SUBSCRIBERS: 16.8 million

VALUE OF MUSIC INDUSTRY (2010): US\$394.2m

AD SPEND (2010): US\$10.04bn; (2013 forecast): US\$12.09bn

CURRENCY EXCHANGE RATE:

C\$100 = £61; US\$98; €71

ORGANISATIONS TO KNOW:

Telefilm Canada

Canada Media Fund

Academy of Canadian Film & Television

Music Canada/Canadian Recording Industry Association

SOCAN

Re:Sound

Association of Canadian Publishers

Canadian Anti-Counterfeiting Network

Entertainment Software Alliance of Canada

National Hockey League

Sources: The Economist; IFPI; Internet World Stats; ZenithOptimedia; ITU; CWTA; Socialbakers.com; com-Score; Media Technology Monitor

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Communications group Quebecor is the majority owner (55%) of Quebecor Media, with CDP Capital d'Amerique Investissements as the minority partner.

Quebecor Media operates Videotron, Canada's biggest cable-TV and Internet service provider; a host of regional newspapers, such as the English-language daily tabloid Toronto Sun, via its subsidiary Sun Media Corporation (which bought rival Osprey Media in 2007).

Quebecor's TVA Group operates the privately owned French-language TV network TVA, its sister services such as Shopping TVA and Le Canal Nouvelles, a cluster of regional TV stations, as well as stakes in film and TV distribution and production companies. Additionally, it has interests in chains of video stores and telecommunication services.

Film and TV distribution company Remstar owns the French-language multi-platform V TV network.

Other major media-owning players include the Star Media Group, which owns the influential daily broadsheet Toronto Star.

Conrad Black, the now fallen former Canadian media mogul, once owned a significant portfolio of Canadian community newspapers via his then company Hollinger.

The questionable sale of his newspapers and other media assets were part of the fraud charges that led to his downfall and eventual imprisonment.

BlackBerry in Motion

The BlackBerry wireless handset, one of the biggest brands to emerge in today's multi-platform digital media sector, was designed and developed by Toronto-based Research in Motion (RIM) as a two-way pager in 1999.

The ubiquitous smartphone that we are familiar with today was launched in 2003. Initially targeted at globe-trotting corporate subscribers who needed to keep up with online communications during their travels, the BlackBerry became a lucrative business for RIM.

By this year, BlackBerry had more than 70 million users in more than 90 countries worldwide. The BlackBerry put Canada on the fast growing digital-media map. The word "BlackBerry" entered consumers' daily vocabulary as complaints about users' addiction to its usage grew.

However, the brand has gained highly aggressive competitors since it started. Sales of other smartphones, led by Apple's iPhone, Google's Android handsets and Microsoft's Windows phone 7 with their more consumer-friendly designs and improved security, are growing faster than the BlackBerry.

In October, a series of outages shut down the BlackBerry and cut off subscribers worldwide for three days.

The break down is expected to damage to the BlackBerry brand severely, especially as the outages occurred when Apple's much anticipated latest iPhone 4S hit the retailers' shelves.

Television

According to BBM, Canada's TV audience-ratings organisation, Canada has 40 distinct TV markets (as opposed to one national TV market). They serve nearly 14 million TV households. TV represents C\$3.3bn of the country's estimated total advertising revenues of nearly C\$14bn.

Last year, Canadians watched about 28 hours of TV a week compared with 24 hours a week in 1999.

Just over 44% of what they watch is on Canadian-owned traditional broadcast TV, compared with 43% via Canadian themed and specialist channels on cable networks. About 15% of what is watched is on re-transmitted US TV channels.

That Canada has always had the talent to produce most of its original content is indisputable. The US entertainment market boasts Canada-born artists, from music acts like Justin Bieber, Bryan Adams, Celine Dion, Alanis Morissette, Neil Young, Leonard Cohen, Michael Buble and Shania Twain to movie/TV industry stars such as William Shatner, James Cameron, Jim Carrey, Michael J Fox, Seth Rogen, Kiefer Sutherland and Keanu Reeves.

The Canadian market alone has not been enough to help them sustain a career without settling in the US or exporting their talent internationally.

Critics argue that this trend contributes to the overwhelming proportion of TV programmes transmitted on Canadian TV platforms being US in origin.

The proximity of the powerful US TV market has meant US programmes are in huge demand in Canada, which can pick up US transmission signals via satellite into cable and satellite TV homes.

Several homes near the US-Canadian border can also receive the over-the-air broadcast signals of the affiliates belonging to the leading US national networks.

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As the US' dominance threatens to dilute Canadian cultural development, Canada's regulators insist that the domestic retransmissions of US cable and satellite TV networks should feature Canadian advertising.

Consequently, a media group like Corus can offer Canadian versions of themed US cable and satellite channels such as Nickelodeon, the Sundance Channels and OWN: Oprah Winfrey Network.

CRTC regulations stipulate that at least 60% of a channel's output must comprise domestic productions (going down slightly to 50% during primetime).

These regulatory restrictions are affecting the plans of the emerging advertising-funded online entertainment services that want to enter the Canadian market.

US-based streamed TV service Hulu, online radio service Pandora and Sweden-originated streamed-music service Spotify are hesitating about their strategies for Canada.

The Internet might be global, but these services are geo-blocked from Canadian users. Their US advertisers argue that they are not targeting Canadian consumers, so why should they pay for advertising that allows Canadians to access the service for free.

Some of the web-based services also say Canadian royalties collecting societies, such as Re: Sound and SOCAN, are demanding what they claim are exorbitant royalty rates.

But US music-subscription service Rdio has launched in Canada. As has Netflix, the streamed movie/TV rental service that launched in 2010.

They are likely to be followed by others who will negotiate and reach viable agreements with the Canadian royalties and licensing organisations.

Film and cinema

Avatar and Titanic, the world's biggest box-office hits in history, were directed by James Cameron, a Canadian. Canadian filmmakers such as Cameron, David Cronenberg (The Fly; Crash; A Dangerous Method), Norman Jewison (In the Heat of the Night; The Thomas Crown Affair), Atom Egoyan (The Sweet Hereafter) and Jason Reitman (Juno; Up in the Air) are immensely influential, not just in Hollywood but also worldwide.

The Toronto International Film Festival (TIFF) is a prestigious event in the international-film business' calendar.

The 36-year-old event has premiered some of the world's most successful movies, including the Oscar-laden The King's Speech, Slumdog Millionaire, Ray, Black Swan, and American Beauty.

The TIFF is complemented by the equally established film festivals in Quebec, Montreal and Vancouver.

PwC calculates that the Canadian film and TV business contributed US\$6.8bn to the country's gross domestic product in 2010, and created 117,000 full-time jobs in the sectors.

Some of the most influential powerful movie and TV production companies started out in Canada, such as the now defunct Alliance Atlantis and the still thriving Lionsgate Entertainment. Both eventually became US operations as they expanded into Hollywood territory.

Alliance Atlantis was the original co-producer of CSI: Crime Scene Investigation crime series, one of Hollywood's most lucrative international TV franchises.

Lionsgate, whose head office is now in California, is the company behind Mad Men, the compelling TV drama series set in 1960s' US advertising industry.

It has become a benchmark for drama-production standards today.

Hollywood's nearby location has made it difficult for the Canadian production sector to escape its shadow. In fact, the Canadian film business in Vancouver and Toronto is referred to as "Hollywood North".

Industry observers note that as domestic production costs are similar to US budgets, Canadian movies could never rely on its own market to break even. Canadian films therefore tend to use American, British or other foreign stars to increase the probability of international box-office appeal.

And since the local-content quota system for TV and radio does not apply to the Canadian motion-pictures sector, the country's indigenous films find it difficult to compete at home and abroad.

Yet, several international movies and TV series use cheaper Canadian locations that they design to replicate some part of the US or some other planet.

They include Smallville, The X-Files, Stargate-SG1, The A-Team, Lake Placid, Blade, I-Robot and X-Men Origins: Wolverine. Highland Gardens, a new teenage drama series by Toronto-based Epitome Pictures, was produced in Toronto but is set in Los Angeles.

Telefilm Canada is the film and TV finance body that the government is using to boost the Canadian film business. Telefilm Canada offers a prize of C\$40,000 for the annual Golden Box Office Award launched last year.

It is for the highest grossing English-language box-office hit within Canada from the previous year. The winner of the first 'Goldie' for 2009 was Trailer Park Boys: Countdown to Liquor Day.

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Splice, the sci-fi horror movie starring Adrien Brody and Sarah Polley, won the 2010 Goldie.

Telefilm Canada is part of the state's Department of Canadian Heritage, which oversees developments in the country's cultural arts, media, sports, and other creative activities with social relevance.

Most recently, it awarded C\$605,000 for the movie *The Disappeared*; C\$800,000 for a Canadian-French co-production directed by Laurent Cantet (*The Class*); C\$1.6m has gone to *Still*, a movie by Michael McGowan; and C\$1.8m was awarded for the Canadian-Mexican film *The Boy Who Smells Like Fish*.

Other sources of funding for audio-visual ventures include the Canada Media Fund, a public-private organisation, which donates C\$350m a year to subsidise Canada-made TV series and films.

And the award-winning National Film Board of Canada produces and distributes animation, documentaries and other audio-visual and interactive content that reflect Canada's bilingual culture and social issues.

As in several developed countries, 3D cinema has injected new life in a once uncertain movie industry.

3D movies led to a 5.5% hike in cinema ticket prices in 2010 compared with 2009 prices. PwC says this was the first time Canadian cinema ticket prices had jumped more than 5% since 2006.

The cinema business is pushing boundaries as seen by the 360-degree Satsphere dome cinema offered by the Society of Arts and Technology in Montreal.

Thanks to the use of a six-lens camera, eight video projectors and 157 speakers, the audience can watch a 3D film without the prerequisite 3D viewing glasses.

Games Canadians play

Canada is considered home to some of the most prolific and imaginative video and online-games creators.

In its report, Canada's Entertainment Software Industry in 2011, the Canada-based international consulting firm SECOR concluded that the domestic market has been growing at 11% a year and will grow even faster at 17% a year during the next two years.

The growth will be triggered by the greater variety of games platforms available.

In addition to consoles and the PC, consumers can now play hard-core blockbusters, casual, mobile, motion-sensor and, soon, cloud-based games on smartphones, computer tablets, laptops, and any Internet-powered devices. And we should also add the massively multiplayer online (MMO) games.

In Canada, SECOR says, there are about 350 video-games companies employing 16,000 people plus another 11,000 in related sectors. With several companies being micro businesses, it is difficult to assess the actual annual revenues generated. But the games business is thought to have a C\$1.7bn positive impact on the national economy.

That amount might be tiny compared with the C\$53bn information and communications-technology sector, but the much envied talent in the Canadian games industry enables the country to punch above its weight globally.

After the US and Japan, Canada is considered the third biggest games-development market. Market leaders such as EA Games, Ubisoft, Microsoft, THQ, and WB Games have studios in Canada.

The federal and provincial governments offer a wide variety of tax credits and rebates for games research and development.

British Columbia's Interactive Digital Media Tax Credit will cover up to 60% of production costs. Venture-capital firms provide alternative seeds funds.

Several colleges and universities include technology courses that train students for games-development skills and create highly-qualified entry-level employees.

Students from 21 Canadian colleges, including Nova Scotia-based Acadia University and Vancouver-based University of British Columbia, participated in the Great Canadian Appathon that took place from September to early November.

The teams that create the best video games within a tight deadline win C\$50,000 in prizes, including C\$25,000 for the overall winner.

There is also a chance to work for Toronto-based XMG Studio, the mobile-games developer. This year's winning team is Montreal-based Drop Table for its games *Trace Racer*.

Music

In 2010, Canada was ranked the seventh biggest music market by physical (CD; vinyl) sales and sixth by digital sales by IFPI, the international industry trade body.

Based on figures supplied by Music Canada (formerly the Canadian Music Industry Association) and Canadian Independent Music Association, total sales of recorded music fell 13.5% to US\$394.2m last year.

Although revenues from digital sales had jumped to US\$113.5m in 2010 from US\$99.8m the year before, the increase was not enough to compensate for the decrease in physical sales. These dropped to US\$261.5m from US\$335.5m during the same period.

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The local recorded-music business is dominated by the four major labels: Universal Music, Sony Music Entertainment, Warner Music Group, EMI Music.

Industry media name Nettwerk Records, Six Shooter Records, Groupe Archambault, Last Gang Records, Somerset Entertainment, Tandem.mu and Maplecote as among the leading independents.

The Canadian music industry is supported by a variety of awards. These include the Polaris Music Awards, the MuchMusic Video Awards and the Juno Awards.

Selected by a panel of experts, including members of the Canadian Academy of Recording Arts and Sciences, the Juno Awards are among the most coveted by Canadian and international acts.

The 2011 winners included rock veteran Neil Young (Artist of the Year), Arcade Fire (Group of the Year, Songwriter of the Year, Alternative Album of the Year), Meaghan Smith (New Artist of the Year) and Justin Bieber's My World 2.0 (Pop Album of the Year).

Acknowledging the diverse range of Canada's music cultures is the wide variety of musical genres covered by the 40 Juno-award categories.

For 'Albums of the Year', for example, there is an award for Francophone music, contemporary jazz, Aboriginal, children's music, world music, rock, electronic and classical.

Since its launch in 1970, the ceremony for the Juno Awards has been held annually in Toronto, arguably Canada's music industry capital.

The organisers have since tried to embark on a democratic process of holding the Juno event in different Canadian cities.

Vancouver, Hamilton, Edmonton, Calgary, Halifax and Saskatoon in the province of Saskatchewan are among the cities that have hosted the Juno Awards since 1991. It takes place in Ontario next year followed by Regina in Saskatchewan in 2013.

Digital music effect

As mentioned earlier, digitally distributed music is also growing in Canada.

This makes it an attractive market for the growing number of multi-market digital-music services being launched.

As in numerous countries with Apple's iTunes stores, the world's biggest digital download service provider, Canadians purchase most online music a-la-carte.

Canada has also been waiting for the rapidly growing streamed-music services such as Pandora and Spotify to enter the market.

But complex copyright-licensing deals and geo-blocking technology prevents Canadians from subscribing to the US streamed-music services across the border.

Now RIM, maker of BlackBerry smartphone, has unveiled BBM Music, a digital-music service that Canadian music fans can access immediately.

It is a downloadable mobile app that enables its paying subscribers to share songs with other BlackBerry subscribers.

From a catalogue of 10 million titles licensed by the four major record labels and some independent ones, BBM Music users have access to 50 songs for US\$4.99 a month.

Alternatively, subscribers can use the free version, but this allows you to only listen to 30-second clips of each song.

The app is downloadable via the BlackBerry App World store and is available in Canada, the US and Australia before rolling out to other countries.

Music Television debate

Bell Media, one of Canada's biggest TV networks, had requested that the regulator CRTC allow it to reduce proportion of music content on its music TV channels, which comprise MuchMusic (Canada's oldest music channel), sister network MuchMoreMusic and MTV Canada.

The company has been attacked by the music industry for slashing the amount of music content on its youth-oriented services MuchMusic and MTV Canada (licensed from MTV Networks), which have been focussing more on Canadian teen dramas such as Teen Wolf, When I Was 17, Gossip Girl and The Vampire Diaries.

In July, the CRTC declined Bell Media's request. Not only must the majority of the channels' programmes be music-focused, but MuchMusic and MuchMoreMusic must also maintain the percentage of gross annual revenues they contribute to MuchFACT (Foundation to Assist Canadian Talent), the organisation that subsidises the production of Canadian artists' music videos.

Qualified acts can receive up to 50% of the music-video production's cost to a maximum of C\$25,000, and a maximum of C\$3,500 for a website.

REPORT

Festival galore

For live-music enthusiasts, Canada is also home to some of the world's high-profile music festivals. NXNE (North By Northeast) Festivals and Conference in Toronto is the Canadian equivalent of the Texas-based South By South West (SXSW).

Like SXSW, NXNE attracts major artists to speak, perform or do both at its multi-arts events on music, films, games and interactive media.

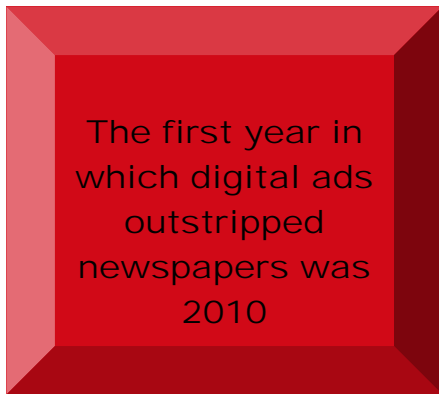
This year, Brian Wilson, of the Beach Boys, and hip-hop artist The Pharcyde were among the participants.

Previous artist guests have included the New York Dolls, Iggy Pop, Patti Smith, Stewart Copeland, My Morning Jacket, and K'naan, the Somali-born Canadian rapper who was appointed by soft drinks giant Coca-Cola to perform its anthem for the 2010 FIFA World Cup international soccer tournament.

New on the scene is the Escapade Music Festival, an electronic-music event which launched last year.

This year's headliners included international DJs Tiesto and Calvin Harris.

Other popular events on the festival map include Pop Montreal, Quebec City Summer, Halifax Pop Explosion, the Montreal International Jazz Festival, Beaches International Jazz Festival and the Calgary Folk Music Festival.



Advertising

By advertising spend, TV still represents the biggest single medium in Canada.

In terms of advertising expenditure, television was the fastest growing medium last year followed by the Internet, newspapers, on radio and then out-of-doors billboards.

According to broadcasters trade group TVB Canada, 2010 is the first year that revenues from digital advertising outstripped newspaper advertising.

The growth rate of Internet ads, at 22.5%, exceeds the growth rate for TV (9.2%) and newspapers (3.5%).

As with other creative sectors, the Canadians and Americans continue to need each other's markets. For example, in July, US agency Lowe and Partners acquired Amuse, a Montreal-based boutique agency that will now become part of Lowe and Partners subsidiary Deutsch Inc North America.

Conversely, interactive-marketing agency Nurun, a subsidiary of Quebecor Media, has marched into San Francisco and snapped up digital agency Odopod.



Nurun, an international company, is seeking to boost its US credentials and the Odopod acquisition is expected to double its annual revenues, Advertising Age magazine says.

Modernised copyright

Canada has frequently been attacked for having some of the weakest copyright laws for a developed economy.

Following a barrage of complaints from rights owners, who have seen digital pirates use Canada as a haven for their illegal activities, the government has pledged to revise the Copyright Act of Canada.

Several attempts to do so since 2005 have collapsed.

The most recent revision, called the Copyright Modernization Act, is expected to be passed by this Christmas.

If adopted, it would bring Canada in line with the World Intellectual Property Organization's (WIPO) two global treaties on digital copyright protection for content creators. *MTF*

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FEATURE

Hoodlum: THE Q&A SESSIONS

The Australian company discovered early that disrupting media can be creative and rewarding. Hoodlum's Tracey Robertson explains why the multi-platform route is the path to powerful TV production

A hoodlum breaks rules. He or she is a hooligan, more often associated with breaking the law in his or her 'hood, never the hero.

Tracey Robertson's career in the TV and digital-media sectors begs to differ. Hoodlum is the name of the 'transmedia', cross-media, multi-platform production company she co-founded in 1998, a few years after the Internet's now comparatively Stone-Age beginnings and some time before the ubiquitous iPhone, YouTube, Facebook and Twitter.

Today, Hoodlum exploits every one of those digital platforms to tell compelling multi-screen stories to this generation's fastidious digital natives. And based on her company's track record, the company is proving audiences and the entertainment industry are listening.

Hoodlum's audio-visual narrative style is disruptive but in a creative way. The company employs producers, directors, writers, game publishers, content developers and marketers to tell gripping tales that retain audiences' attention whether told on some or all of the following platforms: TV, smartphone, computer tablet, online, mobile text, emails, online and video games, social-media networks, still photography, graphic novels.

Moreover, Hoodlum works with high-profile brand owners who are keen to reach Hoodlum's audiences, who tend to be young, maverick and demanding about where, when and how they access entertainment via digital platforms.

Robertson's adventure with Hoodlum between 1995 and 1997, while working in film and TV production at Australian film studio Village Roadshow. Robertson and her colleague (now Hoodlum's current creative officer) Nathan Mayfield had noticed the Internet's emergence as a potential mass-market medium.

Robertson left Village Roadshow in 1997 to work at other production companies before joining forces with Mayfield in 1999 to form Hoodlum.

The first transmedia production came out in 2003. It was called Fat Cow Motel, a multi-platform TV series that quickly gained a cult following. It was transmitted by Austar, then Australia's first digital network that offered content not only on TV but also on mobile platforms; it was also broadcast on the country's terrestrial network ABC.

Soon Hoodlum's transmedia portfolio included cross-platform editions of hit TV shows, ranging from UK soap opera Emmerdale (for which it created an online channel to complement the TV series) to Hollywood blockbuster fantasy series LOST.

In addition to Austar and ABC in Australia, the award-winning Hoodlum has worked with Hollywood's Sony Entertainment Pictures and ABC network and with the ITV Group and the BBC in the UK.

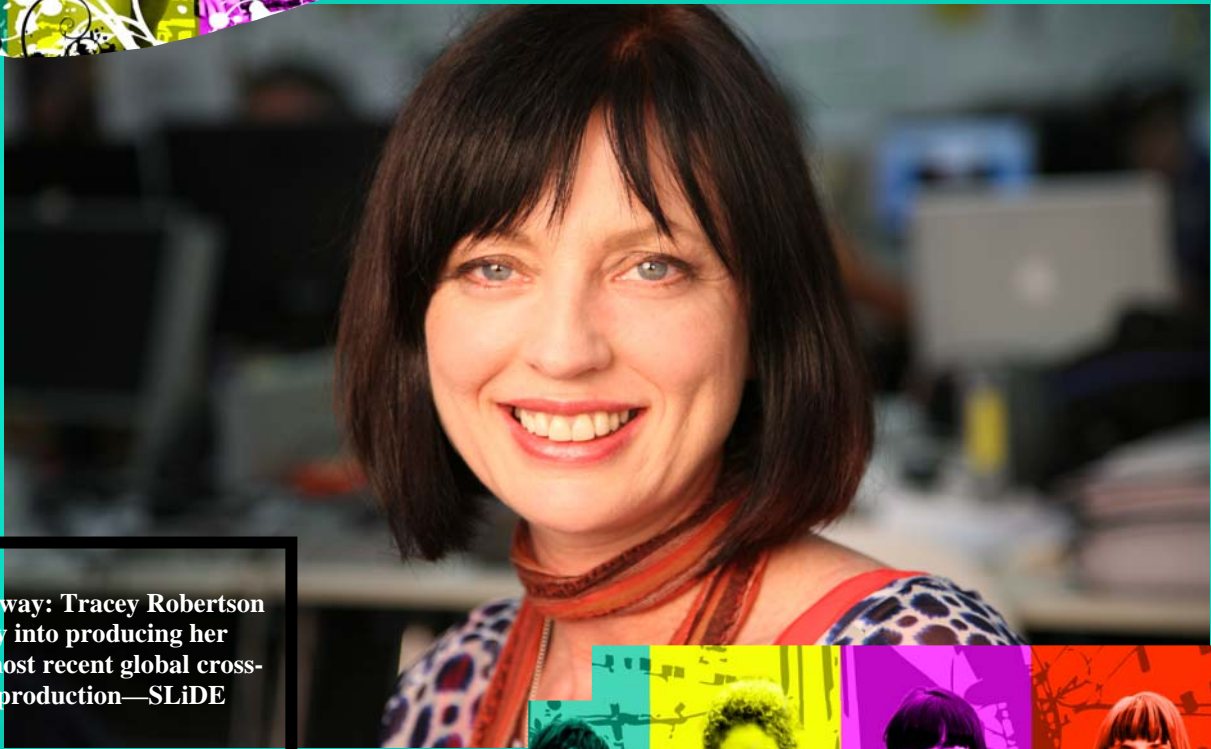
In May this year, the company signed an agreement with 3Arts Entertainment, the Hollywood talent-management agency, which will help Hoodlum seek partnerships with Hollywood and other US production companies to create original content for cross-platform distribution.

The latest production SLiDE, a teenage drama series, went on air on Australia's Fox8 subscription-funded TV service in August. As with other Hoodlum projects, SLiDE is a show that multi-screen viewers can interact with via a wide range of digital platforms – from the TV screen to a digital graphic novel.

Tracey Robertson explains to MTF why the cross-platform transmedia way of entertainment works, the challenges of finding finance, why discipline and structure are crucial for a successful transmedia production and why TV is essential to the mix.

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FEATURE



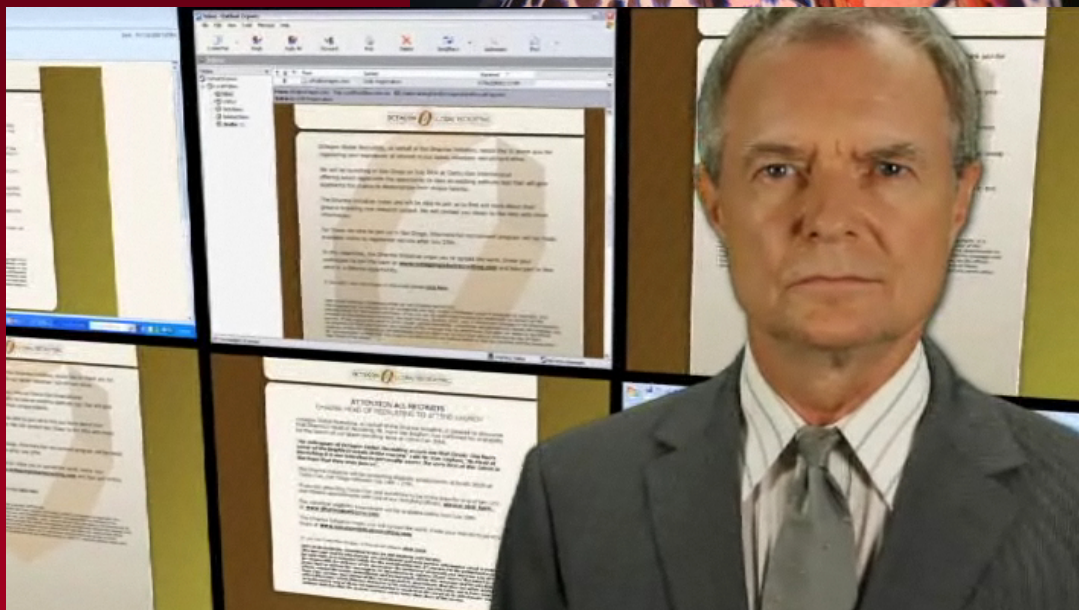
Slip-sliding away: Tracey Robertson slips easily into producing her company's most recent global cross-platform production—SLiDE



FEATURE



Hoodlum, the transmedia company co-founded by Tracey Robertson (right), stirs our basic instincts in the show Primeval Evolved (above) and the LOST offshoot Dharma Wants You (below)



FEATURE



Surrounded by Hoodlum creativity: Tracey Robertson (left) produces transmedia entertainment such as SALT (above) and the Dharma Initiative (below), part of the Hollywood mega TV series LOST



FEATURE

MTF: What inspired the company's name and formation?

Robertson: We wanted a name that defined our approach to entertain in new ways. We are mavericks in how we approach new ideas but not in the way we have grown our business. We have grown organically and always found ways to innovate, create and inspire.

MTF: What is your definition of a 'transmedia' production?

Robertson: A multi-platform (or transmedia) simply means that you are creating, producing and executing stories across multiple platforms. Hoodlum has specialised in telling stories that take TV and film language and extend them across digital platforms. It is about giving audiences multiple entry points into a world we create and within those points, there is a place for entertainment.

MTF: When did your company first realise you had nailed the transmedia format down and that it could be the basis for a viable business?

Robertson: It was Fat Cow Motel, the first multiplatform TV series we did in 2003. We produced a drama that would exist on TV and online, extending the fiction and creating a community of fans who still exist to this day. We have taken that model and explored new ways to 'monetise' these projects as the TV business fragments. Demand for multiplatform content is now expected. We originally took it (Fat Cow Motel) to Austar (the Australian TV and telecommunications group) in 2000. Because of the dotcom boom, Austar already had a broadband service, a mobile (telecommunications) operation and its own TV business. Austar wanted something that could sit across those different platforms and saw the value in it.

MTF: In today's media-and-entertainment business, almost every sector has applied multimedia technology for distributing and promoting their works; what makes transmedia different from that?

Robertson: It is not different. In fact, transmedia is a means in which these brands can extend their reach, mythologies and revenue opportunities across a variety of platforms. I've seen a number of people who use software solutions to turn something (content) into a multiplatform experience. The reality about the (transmedia) creative process is that it requires strategy and an understanding of today's audience. Any TV brand can become transmedia but it doesn't mean the same (transmedia) model is right for every TV show. It is still a creative process that requires you to know which platforms the audience will use and how to grow your brand.

MTF: Your productions appear to be TV-centric; do you see more TV production companies adopting the transmedia format in the future?

Robertson: Yes, they have to. Audiences are looking for new ways to get their entertainment fix. TV is a very strong platform for storytelling and film and TV brands can extend their engagement with their fans by using transmedia.

MTF: Does the way you tell a transmedia story affect how the actors, directors, and post-production editors work?

Robertson: Yes and no. Culturally, everyone involved in the transmedia project has to embrace the platforms equally. The transmedia platforms must emulate the tones and sensibilities of the TV brand. It's also about structure, looking at the kinds of content you might collect during production so that the actor can still be in character in a games version of the show or in a message from the character to a fan. Or you collect different content assets, including additional video content. We're certainly educating everyone about this, including the unions.

MTF: How did you first start funding your ventures?

Robertson: We have funded our ventures through a mixture of brands,

FEATURE

investor funding and innovation subsidies offered by government. We had two injections of venture capital in 2006 and 2009. We relied on anyone who gave money, including government funding. We still rely on government agencies such as Screen Australia and Screen Queensland.

MTF: Would private investors (private equity, venture-capital companies, media investment firms) get it when they hear about trans-media entertainment or is it still considered a new avenue compared with investing in a theatrical movie, for example?

Robertson: There is definitely an appetite for transmedia. Investors are seeking a return on their investment. If they can see that transmedia can accelerate their returns, then a transmedia strategy is always going to be part of the mix but it does depend on where you're trying to get funds from. There is still a lot of naivety in the industry, so (investors) don't ask the hard questions. A big part of what we do is about ability to understand how to get that (transmedia content) to the audience.

MTF: You have made it clear you are after the biggest audience possible for each project. The storytelling in transmedia productions, however, tends to encourage the consumer to use different digital devices. Do you accept that restricts the potential reach internationally as the penetration of digital media is not universal in several parts of the world?

Robertson: We operate in a commercial way. It needs to be commercially viable. You need a foundation that is not expensive. It's important to realise that, like any development process, it is about understanding who your audience is. If you know that you are seeking to distribute the project to international audiences, then the way in which you

produce the content allows you to be ubiquitous in how audiences can access the content. The largest barrier to entry for audiences is still poor storytelling; the story and the world you create must appeal, engage and motivate an audience to want to be part of the world you have created for them.

MTF: In terms of intellectual property, what exactly does the trans-media creator own, especially if it is interactive and audiences can contribute to the storyline?

Robertson: I always say it is about leading by example. They (the audience) are looking to you as the intellectual property owner to execute a rich and engaging world. It is then our responsibility to make sure we give the tools for our community to tell their own stories and share content. We love it when audiences use these tools in ways we have yet imagined. You want people to share your content because that grows your audience. However, there are certain copyright issues to consider. We're doing a lot of work in the US and that's something we've learned to be careful about, especially when you invite people to put up ideas. You need terms and conditions for something you might use on the show. In the US, you learn a lot about people's fears, about taking and using content in ways they didn't want to.

MTF: The company uses its own "unique content management and delivery system"; what are the benefits?

Robertson: This was something that evolved over time. We are in the Wild West when it comes to how to create and deliver these types of experiences. We developed a (technology) system and workflow that then allowed us to produce these multi-platform projects all over the world in a way that was efficient, cost effective and always delivered beyond expectation. We plan to license out the technology.

FEATURE

MTF: What is the main advice you would give anyone seeking to set up a transmedia company today?

Robertson: Structure, structure and structure. There are a lot of great trans-media ideas out there that neglected to consider how their audience would interact and engage with the story, how they would engage with the community. Understand the platforms and the technology you are using and ensure that the story is strong and engaging, only then can you facilitate the creative vision and expectations of a truly multi-platform experience. *MTF*

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Hoodlum – A Company Profile

Company name:	Hoodlum
Launch date:	1999
Founders:	CEO Tracey Robertson; chief creative officer Nathan Mayfield
Geographical Reach:	Headquarters in Brisbane, Australia; office in Los Angeles, USA
Agency Representation:	ICM UK; ICM USA
Management Representation:	3Arts
Achievements:	<p>2010 Wins the John Hinde Award for Science Fiction at the Australian Writers Guild’s AWGIE Awards for Primeval Evolved</p> <p>2010 Wins International Digital Emmy Award in Cannes for Primeval Evolved</p> <p>2009 Wins Primetime Creative Arts Emmy Award for LOST – Dharma Wants You with broadcast partners US ABC Network and the show’s producers</p> <p>2009 Wins Global Media Awards (FIND815.com) for outstanding website/entertainment</p> <p>2008 Nominated for International Interactive Emmy Award for Emmerdale Online Channel and Spooks Interactive</p> <p>2008 Winner of BAFTA interactivity category for Spooks Interactive, and of BAFTA Craft Award for same show</p> <p>2008 Finalist in the US’ Creative Arts Emmy Awards for FIND815.com</p>

FEATURE

Hoodlum's Top Transmedia Productions (cont...next page)

Title	Emmerdale Online Channel	Lost – FIND815	Lost – Dharma Wants You
Broadcaster	ITV, ITV.COM	ABC Entertainment Marketing	ABC Entertainment Marketing
Production companies	Hoodlum, ITV Studios	Hoodlum and the producers of LOST at ABC Network, US	Hoodlum and the producers of LOST at ABC Network, US
International distribution			
When launched commercially	December 2007	January 2008	July 2009
Available in which countries	UK	US, UK, Australia	Globally
Localised for which countries	Australia	Globally at the same time	Globally
Available on which platforms	TV Destination website (Emmerdale Broadband Channel) and brand partner sites	Destination website, TV network partner sites, real world events, TV advertisements	Destination website, YouTube, real world events, TV advertisements
Digital tools used for audience participation	Email, forums, SMS, character SMS, mini games, clue trails, video, character blog posts, photos	Email, fan websites, forums, chat rooms, message boards, Lostpedia (online encyclopaedia dedicated to LOST), clue trails, online Marvel Comic Easter eggs, social networks Facebook & MySpace, video, flash activities	Email, Facebook, eligibility test (real world and online), Bluetooth, video, fan sites, forums, chat rooms, message boards
Current status	Offline	Offline	Offline

FEATURE

Hoodlum's Top Transmedia Productions

Title	Primeval Evolved	SALT – Day X Exists	SLiDE
Broadcaster	ITV, ITV.COM	Sony Pictures Entertainment	Foxtel for Fox8
Production companies	Hoodlum, Impossible Pictures	Hoodlum	Hoodlum, Playmaker Media
International distribution			FremantleMedia
When launched commercial-ly	March 2009	July 2010	August 2011
Available in which countries	UK	Globally	Australia
Localised for which countries	Australia	10 countries in 10 different languages	Pending
Available on which platforms	TV, Destination website	Destination website	TV, Destination website, mobile site, real world events
Digital tools used for audi-ence participation	Email, Twitter, fan websites, forums, YouTube, Creature Sketchbook, video, weekly missions featuring Flash games	Social networks, Facebook, Connect, email, weekly mis-sions, including Flash games, video	Social networks including Facebook, Twitter, Tumblr, MySpace, Flash games, fo-rums, video, photos, mobile devices, interactive graphic novels
Current status	Offline	Offline	Online in Australia

FEATURE

THE CREATIVE CORPORATE

PROFILE

American Express, US

On its website, financial-services giant and credit-card group American Express (Amex) describes itself as the “world’s largest card issuer by purchase volume”, among other descriptions. It is certainly the US’ overwhelmingly biggest card issuer.

At a time when financial institutions have become notorious for contributing to today’s current economic turmoil, not many people would know that Amex is a significant investor in the creative communities.

It is a global brand owner renowned for its decades-old celebrity-endorsed witty TV commercials, where the famous proclaim they never leave home without their Amex card. The company also sponsors live events in music, fashion, sport and film festivals.

Amex was the headline sponsor of the BFI London Film Festival in October.

Amex recently started making direct inroads into the online-games sector, the heritage industry and even theme parks. It also operates an established print-publishing division.

Affluent influence

Whatever the American Express corporation achieves in terms of finance, technology and creativity, its strategy centres on its customers. By the end of 2010, Amex had an estimated 49 million customers.

And, according to the Wall Street Journal, its customers spent about US\$100bn on online transactions that year.

Although Amex’ consumer credit cards cater to most of society’s demographics, the brand is still associated with the wealthy. The invitation-only Centurion charge card (also known as the Black Card) is made of titanium and is available to only the affluent owners of the Amex Platinum card.

These exclusive few require, on average, a reported US\$2,500 annual membership fee plus a US\$5,000 joining fee to become Centurion card holders.

Hip-hop music star and entrepreneur P Diddy was recently in the news for launching an investigation into how details of his Black card usage were posted on the Internet.

The association with the contemporary rich and famous and its appeal to the affluent and the aspiring types helped make Amex a very valuable brand. In 2011, international consultancy Interbrand ranked American Express the 23rd best global brand with a value of US\$14.572bn, a 5% increase from 2010.

According to the US Securities and Exchange Commission, American Express earned US\$27.8bn in revenues in 2010, a 13% jump from the previous year. The final revenue tally comes to US\$25.6bn after “provision for losses” in certain divisions is taken into account. Net income soared 90% to US\$4.05bn during the same period.

And in the first half-year to 30 June, revenues grew 10% to US\$14.65bn compared with the first six months of last year.

Branded new entertainment

Amex’ defiance of the current global economic slowdown has encouraged the company to boost its brand profile and reputation via high-end media and entertainment.

The brand is renowned for linking up with other high-profile brand owners, including British Airways, other international airlines, the Hilton Hotels & Resorts, and high-end retailers like Harrods, Macy’s and Bloomingdale’s, which issue Amex credit cards.

Additionally, in terms of media and entertainment, Amex focuses on high-profile and high-quality names.

Various international marketers are investing in brand entertainment. This sees shows and other forms of leisure and entertainment fully financed by a brand owner (as opposed to sponsorship campaigns, where the brand owner is paying to be associated with the event).

Although sponsorship remains key to its branding strategy, American Express is a significant funder of brand entertainment; it is financing activities that recently involved music stars Sting and Coldplay, maverick movie director David Lynch plus up-and-coming talent in the worlds of sports and fashion. **Cont....page 36**

MTF Diary

Santa Monica: American Film Market

2-9 November 2011

@: Loews Santa Monica Beach Hotel

Organised by: Independent Film & Television Alliance

About: Sale/distribution of independent films

Details: www.americanfilmmarket.com

Belfast: MTV Europe Music Awards

6 November 2011

@: Odyssey Arena

Organised by: MTV Networks Europe

About: Celebrating the best in Europe's rock and pop sounds and videos

Details: tv.mtvema.com

London: AIM Independent Music Awards

10 November 2011

@: Floridita, London

Organised by: Association of Independent Music

About: The inaugural event

Details: www.musicindie.com

London: Internet Week Europe 2011

7-11 November 2011

@: various venues

Organised by: international academy of digital arts and sciences

About: Annual gathering of tech and media leaders

Details: www.internetweekeurope.com

London: Music Techpitch 4.5

22 November 2011

@: EMI headquarters, Kensington

Organised by: 2Pears

About: Debate about live gigs versus festivals

Details: <http://www.music4point5.com/pitch.html>

Paris: LeWeb'11

7-9 December 2011

@: Eurosites Les Docks

Organised by: Loic and Geraldine Le Meur

About: European entrepreneurs, investors

Details: www.leweb.net

London: Music 4.5 - The social live music industry: where is the money?

13 December 2011

@: TBC, London

Organised by: 2Pears

About: Debate about music in social media

Details: <http://www.music4point5.com/live.html>

Groningen: Eurosonic Noorderslag

11-14 January 2012

@: Groningen, The Netherlands

Organised by: Eurosonic Noorderslag; Buma Cultuur

About: European music conference/festival

Details: www.eurosonic-noorderslag.nl

Utah (US): Sundance Film Festival

19-29 January 2012

@: Park City, Utah State

Organised by: Sundance Institute

About: Indie filmmakers' premier gathering

Details: www.sundance.org

Cannes: MIDEM

28-31 January 2012

@: Palais des Festivals

Organised by: Reed MIDEM

About: Connecting music to brands, fans and business

Details: www.midem.com

New York: Mercedes-Benz Fashion Week

9-16 February 2012

@: Lincoln Center

Organised by: Council of Fashion Designers of America

About: Fall/Winter collection

Details: www.cfda.com

Austin, Texas: South By South-West

9-18 March 2012

@: Various venues

Organised by: SXSW Conferences & Festivals

About: International networking for music, film and interactive media

Details: www.sxsw.com

Paris: UbiQ

18-19 June 2012

@: Palais Brongniart

Organised by: UbiQ Events

About: Digital entertainment conference, exhibition on TV, games, music, branded entertainment

Details: <http://www.ubiq-europe.com>

London: 2012 Summer Olympic Games

27 July-12 August 2012

@: Olympic Park and various venues

Organised by: LOCOG

About: The world's greatest sporting event

Details: www.london2012.com

FEATURE

The quality of the content produced and curated by Amex, via a combination of sponsorship and direct investment, has already gained the company great respect in the entertainment and media worlds.

In April, Marie Devlin, the company's senior vice president of global advertising, media and sponsorships, collected the first MIPTV Brand of the Year award at the international digital content and TV-industry trade show in Cannes.

American Express sport

A good starting point for understanding American Express' approach to content can be seen at its recently revamped YouTube channel.

The section called The Future of Tennis in Action features nearly 20 videos.

The thumbprint of each video takes you deeper into exclusive or original content on US tennis, such as interviews with potential international champions like John Isner or legends like Chris Evert.

Click on the video for Next Contender Rally and you are taken to a dedicated site where users are encouraged to tweet their support for future tennis hopefuls.

For each tweet, Amex donates US\$1 towards building new tennis courts or refurbishing damaged ones in the US.

This YouTube offering simultaneously highlights the philanthropic objective behinds Amex' investment in sport. In this case, Amex aims to encourage more children to take up tennis in their neighbourhood.

The US' National Basketball Association (NBA), the world's biggest basketball league, made Amex its official credit-card partner in December in 2010 in a three-year deal.

The agreement also includes the WNBA, the NBA's women's basketball counterpart, and the NBA Development League.

The partnership made the headlines as Amex and the NBA had parted ways five years before, after what seemed to be a successful 10-year relationship from 1995 to 2005.

The new sponsorship agreement gives Amex card holders privileges such as advance access to tickets to the games and related entertainment, such as half-time concerts, backstage visits to see artists rehearsing and athletes practising.

American Express' inaugural NBA All-Star Entertainment Series kicked off in February.

This saw US singing stars Rihanna and Lenny Kravitz headline a series of performances at the 60th NBA All-Star Game, when the best in basketball play exhibition games that are broadcast globally. The All-Star Game was held in Los Angeles this year.

Other artists singing at the All-Star event included hit makers Josh Groban, Cee-Lo Green, R&B acts Keri Hilson and Melanie Fiona, plus hip-hop artists Far East Movement and Cali Swag District.

In the UK, Amex has the naming rights to the Community Stadium, the recently completed new home of the Brighton & Hove Albion Football Club, who are in the Npower Football League Championship, the second highest division in the UK's soccer league.

With a capacity of 22,374 (which can be expanded to 35,000), the £93m stadium includes facilities for conferences, banquets, merchandise and ticket retail, a children's nursery and a bar.

Amex also sponsors the US Open tennis grand slam and the US Golf Association's US Open.

Amex music gigs

In addition to supporting rock and pop performances at sport events like the NBA games mentioned earlier, American Express works directly with the music industry.

The company has joined forces with Google's YouTube, the world's biggest video-sharing website and VEVO, the international music-video website partly owned by major labels Universal Music Group and Sony Music Entertainment, to launch American Express Unstaged.

It features films of live gigs by some of the world's seminal music acts directed by groundbreaking movie directors. The most recent collaboration featured a live-streamed video of Grammy Award-winning UK act Coldplay performing at Spain's Plaza de Toros des Las Ventas in Madrid on 26 October.

The video is directed by Dutch filmmaker Anton Corbijn, who is famous for the acclaimed Ian Curtis biopic *Control* and *The American*, starring George Clooney. In addition to online viewing, fans can access the video via various mobile devices, including wireless phones and computer tablets.

The series includes exclusive content. For example, the Flight of Madrid project invites fans to make Coldplay-inspired butterfly designs in the form of graffiti that will be displayed online and on big screens at the concert.

FEATURE

The responses given by Coldplay band members in interviews organised by American Express will be given special graffiti interpretation by established street artists.

The Coldplay show was re-broadcast and made available for fans to access during a limited period of time after the original live transmission.

Amex' willingness to work with the music industry is demonstrated by coinciding Coldplay's Unstaged live stream with the release of the band's fifth studio album MYLO XYLOTO via EMI Music on 24 October.

Other artists featured in the Unstaged series are Canadian indie rock band Arcade Fire (whose video is directed by Terry Gilliam); US soul act John Legend and The Roots (Spike Lee); US country-music duo Sugarland (Kenny Ortega); UK music-video favourites Duran Duran (David Lynch); and US rock band My Morning Jacket (Todd Haynes).

On Amex' YouTube channel, fans can access these same concert videos interactively. They are able to choose which view to watch them online and are offered a period of time to chat with the artists and directors.

The credit-card giant also works with artists who will create music or perform specially for Amex-sponsored events.

For example, Swedish singer/songwriter Lykke Li performed live at an exclusive runway show for the DKNY 2012 Resort Collection at this year's Mercedes Benz Fashion Week in New York in September. The performance and the runway collection were organised especially for only Amex-card members.

The association with music celebrities is channelled into other Amex interests. The haute-cuisine that Amex card holders might want to pay for at top restaurants and the card's long-established standing in the travel sector are highlighted on the YouTube channel series called Pairings, which is in the channel's Travel & Dining section.

This sees rock superstar Sting and his wife Trudie Styler at their vast home in Tuscany collaborating with celebrity chef Joe Spozzo to create dishes and discuss winemaking. Guests at the estate are entertained by Sting, who relates the inspirations behind Message in a Bottle, the 1979 hit song he recorded with the band The Police, and performs the track live.

Similar Amex "Pairings" videos feature US country singer Tim McGraw linked up with winemaker Joel Peterson and chef Tim Love in Nashville.

In California's Napa Valley, US singer/songwriter Ben Harper talks food with famous US TV chef Chris Cosentino and wine production with expert Janet Myers.

At the Robert Mondavi Winery, also in California, US rock star Dave Matthews, award-winning New Orleans cookbook author John Besh and oenologist Genevieve Janssens shoot the breeze about music, food and drink.

In October, Amex' new Facebook entertainment channel formed a partnership with Billboard, the US music-industry bible, to create an online platform that permits American Express music fans and card owners to communicate with their favourite artists.

The platform, which is also on Billboard's own Facebook page, enables music fans to contribute to Amex' online entertainment content.

For example, Coldplay fans are able to submit a question that might be selected for an official Billboard interview with the band.

Fans with the winning question can win backstage passes to a future Coldplay concert.

The Amex audio-visual fest

American Express has been exploiting moving pictures, in one form or another, to establish its brand messaging.

From its famed TV commercials to the pioneering but now defunct Warner-Amex Satellite Entertainment (WASE), American Express has wanted to be associated with films, TV and videos for a very long time.

WASE was a joint venture with Warner Communications, then owner of the Warner Bros. movie studio and Warner Music Group, between 1979 and 1987.

WASE pioneered several alternative platforms to the then well-entrenched US traditional TV broadcast networks. Several of those platforms are still operating today as cable networks.

Those alternative movie-and-TV distribution formats also included pay-per-view systems and Qube, the first US interactive TV service, which would be described as a video-on-demand service today.

Amex sold its share to Warner Communications in 1984.

FEATURE

Via its TV commercials, most of which are created by advertising agency Ogilvy & Mather (which includes the renowned branded-entertainment producer Ogilvy Entertainment), American Express has become a household name. Since the mid-1970s, the company has appointed celebrities who will declare in TV spots why they “Don’t leave home without it”.

Those celebrities include the late Hollywood star Karl Malden, comedian Jerry Seinfeld, Wimbledon tennis champion Venus Williams, Portuguese soccer manager Jose Mourinho, British actress Kate Winslet and Hollywood legend Robert de Niro. In addition to the traditional 30-second TV spots, longer campaigns in the form of webisodes (short online-TV episodes) have carried the Amex brand message.

Ever in tune with the sign of the times, Amex’ recent Tweet Stories commercials uses Twitter messages to promote its cards as “a social currency”.

The company’s “Link, Like, Love” campaign invites retailers to target American Express customers with Facebook accounts and their friends. Launched in July, it enables Amex customers to earn customised discounts or collect rewards when they use their cards to purchase the retailers’ daily special offers via Facebook.

This strategy has been praised by industry observers as the Amex card holder does not require vouchers from the retailers in the first place for these transactions and discounts to take place. This is because the 160-year-old Amex brand is still considered “trustworthy”.

Moreover, the Facebook users’ ‘friends’ will see what has been purchased and are very likely to be influenced by their friends’ decisions and interests.

In return, the retailers benefit from the metrics data that Amex collects from the Facebook users’ spending habits. In what the company says is an industry first, when small businesses and consumers buy advertising space on Facebook using their Amex cards, they collect reward points. These points can be used to buy ads as well. This partnership, announced in June, is supposed to be the first time a global brand owner has struck such a deal with a social-media network.

These agreements are part of Amex’ plans to win over younger consumers in today’s digital-media space.

A deal with Foursquare, the US-originated location-based social-media platform, allows Amex customers to collect reward points when they “check in” at retailers that have agreed to make special offers to customers who use Foursquare.

Let’s make movies

American Express has been keeping its fingers in the movie-industry pie since 2002, when it formed a partnership with Tribeca Enterprises, organiser of New York’s Tribeca Film Festival of independent movies. It usually sponsors activities within the festival.

An example is the Tribeca Film Festival on the Road, a tour of pop-up events that takes the festival to other cities outside New York. The partnership led to last year’s launch of the My Movie Pitch competition, where aspiring filmmakers are invited to make a 60-second pitch for a feature-film idea on the Amex Film YouTube channel.

The winning entry will be directed by an established filmmaker and shown at the following year’s Tribeca Film Festival.

This year’s Grand Prize winner is New Yorker Susan Brennan, whose *Doggy Bags* will be scripted, cast, directed and produced by Ed Burns, whose hit movies include *The Brothers McMullen* and *She’s The One*. The film will premiere at the 2012 Tribeca festival. The Amex Film YouTube channel also features coverage of how the My Movie Pitch films were made, general advice on making movies and opportunities for aspiring filmmakers to exchange ideas.

Participant Media, the frequently Oscar-nominated production company that specialises in movies with a social message, joined forces with Amex in 2010 to help develop good causes.

Called Members Project, the collaboration with Amex is an online initiative that uses social media to support individuals and organisations who want to make a difference through volunteer work or charity donations. Participant Media’s films include *An Inconvenient Truth*, *Good Luck* and *Good Night* and, the most recent, Steven Soderbergh’s *Contagion*.

The haute-couture and luxury

American Express’ links to the fashion sector was illustrated by the dress made entirely out of Amex gold cards and worn by Australian designer Lizzy Gardiner at the 1995 Academy Awards ceremony.

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She was collecting the Oscar for Best Costume Design in the movie *The Adventures of Priscilla, Queen of the Desert*.

The company backed McQueen's New York Fashion Week debut and his first collection at the 2001 Paris Fashion Week.

The association continued in May this year, when Amex joined forces with the Alexander McQueen label and Vogue publisher Conde Nast to sponsor *Savage Beauty*, a special exhibition of the designer's works at New York's Metropolitan Museum of Art. About 200 of his works were on display during the 4 May-7 August exhibition, attracting a record-breaking 576,000-plus visitors.

Extending Amex' investment in the luxury-fashion will be the launch of *Vente-Privée USA* in November. *Vente-Privée USA* is a joint venture of Amex and French online private-sales retailer *Vente-Privée*. Media reports indicate the two partners invested up to US\$20m each.

Vente-Privée holds web-based discount sales and auctions of high-end luxury goods for registered members only. Most of the goods comprise the unsold stock of luxury-brand owners and the discounts are expected to be between 60% and 65%.

Vente-Privée USA's management has predicted to Reuters that the operation should yield US\$500m in sales over the next five years. The *Vente-Privée* group, which is 20% owned by private-equity company Summit Partners and has operations in several European countries is already valued at an estimated €1bn.

Other entertainment and culture

Other highbrow cultural activities supported by American Express includes the *Musee D'Orsay* in Paris, France. It has donated US\$100,000 towards the museum's new state-of-the-art graphic-arts gallery, which opens in November. Thanks to Amex, an element of luxury is even being supplied at a theme park. A new air-conditioned American Express Lounge at the Universal Orlando theme park in Florida, which offers refreshments, a concierge service and charging stations for electronic devices, opened this year. The lounge is for purchasers' of the annual ticket pass or multi-park tickets. Amex is already the park's official credit-card partner.

Amex also donated US\$5m to the World Monuments Fund in October. It supports the World Monuments Watch's biennial mission to raise awareness of endangered cultural heritages worldwide. The donation, which covers the next five years, will help safeguard 67 cultural sites. They range from the gardens and palace at China's Nanyue Kingdom to England's Cathedral Church of St Michael in Coventry. Amex is a founding sponsor of the Watch.

Sophisticated print

Yet, the most entrenched commitment to media comes in the form of print magazines published by the wholly owned American Express Publishing subsidiary. Targeted at American Express' affluent customers, the publications comprise such cuisine and travel titles as *Travel + Leisure*, *Food & Wine*, *Departures* and *Executive Travel*. Black Card holders even have access to a dedicated publication called *Black Inc*. The company predicts a 15% jump in advertising revenue this year, compared with 2010, in line with the luxury sector's continued growth amid a global economic slump.

A2B: Amex and B2B

American Express applies the same consumer marketing techniques to target ambitious small businesses. In October, the company linked up with Google to announce a campaign called *My Business Story*. They offer small-business enterprises the tools to use online video to enhance their own marketing strategies.

To give potential users the incentive to take part, they are invited to compete for an online ad campaign valued at US\$5,000 by submitting videos in which they narrate their respective business' story. Winning entries will be featured on the homepage of Google's YouTube, which is viewed by 22 million US Internet users daily.

Another B2B (business-to-business) offering sees Amex collaborating with UK-based marketing and event-production agency WRG Creative Communication and Paris-based digital communications agency *Le Public Systeme* to organise meetings and events for business clients.

The two agencies will handle the creative content and hospitality elements, while Amex will supply expertise in the budget and expense management required to set up events.

Amex also surprised the online-gaming sector when it spent US\$30m acquiring the virtual-currency provider *Sometrics*. *Sometrics*' 'currencies' are used by 225 million players in 200 countries for 450 games published by third parties. The acquisition, made in September, is considered rational because several financial-service providers need to adapt their systems to include online payments as customers are spending an increasing amount of time making purchases on websites, social media and mobile devices... with credit cards. *MTF*

FEATURE

BILLION DOLLAR BLAST

Investor Spotlight
Charles Grimsdale
Eden Ventures



In each issue of MTF, an investor specialising in the media, entertainment and the cultural arts and related technologies, is invited to go on a Creative Spending Spree.

In this fantasy column, the investor has access to US\$1 billion to spend on ten categories of the arts and entertainment business, explaining why they believe the work's creativity and genius deserve the money allocated.

Every single penny and cent must be spent. The works may be admired for their originality, imagination, inventiveness, audacity or even sheer simplicity.

*Why have US\$1bn if you cannot learn from great literature, be moved by astonishing classical paintings and have a good laugh remembering 118 118? asks **London-based Charles Grimsdale at Eden Ventures**. He'd also be happy to put a little aside to buy that second drum kit to emulate the world's best funk-music percussionist. Read on.*

Musical Recording: US\$20m – **Discipline** (1981), an album by King Crimson, this was a totally transformational album for me. The complex 5/4 and 7/8 rhythms got me into complex time. Elephant Talk is a song that will always hold a place in my heart. US\$50m – **Continuum** (2006), an album by John Mayer, just a classic that I still can't stop listening to five years on. If I am ever feeling a little blue (often), then I will listen to Gravity for a moment of quiet reflection, and then to Waiting on the World to Change to do just that. US\$60m – **Electric Ladyland** (1968), an album by Jimi Hendrix, a totally incredible guitarist, who delivered a brilliant blend of blues, rock, and jazz. How about a whole 15 minutes of Voodoo Chile? US\$1 (on iTunes) - **Higher Ground**, on the album called Mothers Milk (1989) by Red Hot Chili Peppers. This is a cover of the Stevie Wonder classic. If this doesn't make you stomp your feet and feel totally awesome, I don't know what will. Just love it.

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Movies: US\$40m - **Manon des Sources**, a French film based on the 1966 novel by Marcel Pagnol, a heart-wrenching story about the hard life of a provencal farmer's daughter. Simple lesson in life; we all need water. US\$40m – **II Postino**, an Italian film directed by Michael Radford (1994). This is an enchanting story about a postman who befriends a renowned poet and discovers poetry. The film was filmed on the island of Salina, one of the Aeolian Island chain off the north coast of Sicily, and the scenery is spectacular. I just want to go and live there. US\$60m – **Every Which Way But Loose**, a film directed by James Fargo, starring Clint Eastwood. The star of the film is, however, Clyde, the orangutan. *"Right turn Clyde"*

Live Entertainment: US\$60m – Any **Dave Matthews Band** concert, as Carter Beauford is one of the finest drummers going, and as a band they are just brilliant live. US\$20m – **Tower of Power** in concert. This is one of the funkier bands on the planet. David Garibaldi also happens to be one of the most innovative and downright funky drummers still playing. US\$60m – **John Coltrane** live, this man defined an era and has created some of the most inspired jazz of all time; I would love to have seen him play live.

Video Game: US\$20m - **World of Warcraft**. I have never got into video games; perhaps this is my opportunity to dedicate a week or two and get absorbed.

TV Show: US\$21m – **Blackadder**, sorry Saul I just outbid you on that one; well, it makes a change! (See Saul Klein's BDB in Issue No. 2.) Simply brilliantly observed and executed. The final episode manages to be funny and achingly sad in the same moments. US\$21m - **Strictly Come Dancing**. Well, what can I say? The nation seems to love it, and it is doing something to keep us amused in these difficult economic times. US\$20,995,000 – **Dad's Army** (1968-1977). Somehow this never ages. Well, perhaps, it is just ageing with me. Timeless British humour; *They don't like it up em!*

Advertising/Marketing Campaign: US\$26m - **118 118** TV Campaign. This is so utterly banal and annoying, but brilliant at re-enforcing the numbers. Can any one not remember 118 118? US\$26m – **Guinness "Surfer" commercial**. The soundtrack is so evocative and the intercuts of horses and surfers are brilliantly fashioned. http://youtu.be/Y9znA_dwjHw US\$25m – **Meerkat CompareTheMarket.com**, *shimplsss!* <http://youtu.be/M0mXUC0cUPg>

Work of Art: US\$60m – **Chichester Canal** by J.M.W Turner (1828). I just love the colour of the sunset and the light on the canal. US\$40m – **The Thinker** by Auguste Rodin (1879). A really incredible piece of sculpture and it would look great in my garden. US\$90m – **Delivery of the Keys** by Pietro Perugino (1481). Born Pietro Vannucci, in Citta della Pieve, (Umbria) Italy. I have seen lots of his frescoes in various Italian churches, and they are always inspiring. He is thought to have taught Raphael so we owe him a great deal for that as well.

Book: US\$80m - **Lord of the Rings** (1954-1955). I first read this when I was eleven and was totally captivated. This provided an incredible work for my young nerdy imagination. It is a gripping yarn with some really dark exploration of the interplay between greed, power and friendship. Shame that the films have now replaced all those beautifully imagined creatures in my mind. *One ring to rule them all*. PS: please throw in the film rights for the US\$50m. US\$50m - **The Alchemist** (1988) by Paulo Coelho. It details the journey of an Andalusian shepherd boy named Santiago. I found it a very thought-provoking exploration of what drives people, and how chance encounters change our lives. My wife says that it is just trashy philosophical mumbo jumbo and not that well written, but then she is way smarter than I am. US\$45m – **Perfume: The Story of a Murder** (1985) by Patrick Suskind. A very dark novel indeed, but so incredibly well observed. How can you describe the world through smell alone?

Luxury item: US\$4,999 - Yamaha Phoenix drum kit. Simply awesome! I already own one, but would happily own a second.

Sport Event: I am not a great fan of any particular sport. However, I would love to buy a grand palazzo overlooking the Piazza del Campo in Siena and then I could watch the **Palio di Siena** every year (US\$15m). *MTG*

ABOUT CHARLES GRIMSDALE: Grimsdale is a co-founder of Eden Ventures and he spends his time looking at opportunities within the digital-media sector. Prior to Eden, Grimsdale was founder of On Demand Distribution (OD2), one of Europe's first digital music distribution platforms, which was acquired by Nokia in 2006. Prior to that, he was founder/CEO of Division Group plc, which was sold to Parametric Technology in 1999. Charles is responsible for Eden's investments in Basekit (website design), Brightpearl (cloud-based business software), DocCom (online healthcare), TheFilter (online entertainment recommendation) and We7 (music-streaming service).

For more features in this issue

Turn to **page 14** for an overview of Canadian creativity, to **page 24** for an exclusive interview with Australia's leading transmedia company, to **page 34** to understand why American Express loves the creative industries

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