09

Statistical Yearbook

UK FILM COUNCIL
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The UK Film Council is the Government-backed lead agency for film in the UK ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad. Our goal is to help make the UK a global hub for film in the digital age, with the world's most imaginative, diverse and vibrant film culture, underpinned by a flourishing, competitive film industry.

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Welcome to the 2009 UK Film Council Statistical Yearbook. This yearbook, the seventh we have published, is a rich source of industry data and analysis on film in the UK. This publication is one of the ways we deliver on our commitment to evidence-based film policy. We hope you enjoy this yearbook and find it useful.

Contents

2008 – the year in review

2008 was a fascinating year for film in the UK. Admissions surged at the end of 2008, boosted by films like *High School Musical 3* and *Quantum of Solace* and revenues for film on DVD and television also grew, confirming evidence from earlier recessions that film revenues are recession-resistant. The box office for summer 2008 was the best since 1969, led by *The Dark Knight*, *Hancock* and *Mamma Mia!*, the highest grossing film of all time at the UK box office.

The UK box office grew to a record £850 million. UK films took 31% of the UK box office and internationally UK films accounted for 15% of the global box office. The upward trend in the performance of UK film in the global market was reflected in the 2007 export figures, which saw UK film exports reaching a record £1,050 million. This figure captures the exports of production services and income from royalties, underlining the UK's international competitiveness.

In the UK, the top-ranking UK/USA studio films were *Mamma Mia!*, *Quantum of Solace* and *The Dark Knight*, while the top independent UK films were *The Duchess*, *In Bruges* and *Son of Rambow*. The top foreign language films were *The Orphanage* (Spanish), *Rab Ne Bana De Jodi* (Hindi), *Singh Is Kinng* (Hindi) and *I've Loved You So Long* (French).

2008 was an excellent year for UK talent, with major awards going to Daniel Day Lewis (Oscar®, Best Actor, *There Will Be Blood*), Tilda Swinton (Oscar®, Best Supporting Actress, *Michael Clayton*), Sally Hawkins (Berlin, Best Actress, *Happy-Go-Lucky*), Steve McQueen (awards at Cannes, Toronto and Venice for *Hunger*) and James Marsh (Sundance, two awards for *Man on Wire*). The UK took 32 major awards, 15% of the top awards presented in the course of the year.

Both anticipating and reflecting the strong box office performance, the number of cinema screens in the UK grew by 96, on top of growth in 2006 and 2007, to take the total to 3,610 screens. Among these, 310 screens were digital, with the UK having the highest number of digital screens in Europe. At the same time, there was massive international growth in digital screens, particularly in North America, with the global total rising to 8,797 from only 848 in 2005.

2008 was the year in which 3D began to be a force in the exhibition sector. 69 UK screens were 3D-capable and this number is expected to rise significantly as the number of 3D releases goes up. Cinemas are finding they get better screen averages from 3D cinema (more people per screen), an effect which also applies to alternative content, such as live streaming of opera and popular music concerts to digital screens, which supports a much higher ticket price.

UK Box Office

£850m

UK film's share of the global box office

15%

Despite falling prices and competition from new media, the DVD market continued to be strong in 2008, with DVD retail providing the single biggest slice of total UK film revenues (39%). Both the volume and value of film on DVD increased from 2006–2008, partly compensating for the fall from 2004–2006.

The audience for film on television also increased in 2008 (by 12%) taking the total UK film on television audience to 3.5 billion. Film on multi-channel television showed a particular rise in popularity (+51%). On average each person in the UK watched 63 films on TV in the year.

On the other hand, whilst there was an increase in the number of film VoD services, the estimated VoD share of the total film market was only 3% (including the long established pay-per-view services, classified as near-Video on Demand). Although VoD has been successful in television, with the huge audiences for TV catch-up services, the VoD revolution for film is still in its infancy.

On the production front, 2008 saw a solid year for UK domestic production but a downturn in inward investment. The latter was not unexpected as inward investment was hit by a combination of the high value of the pound and the effects of the actors' and writers' industrial disputes in the USA. However, the pound fell dramatically in value against the dollar in late 2008 and, although the 'credit crunch' has affected Hollywood film financing, the signs are that international productions will return to UK studios in the second half of 2009.

Co-production activity continued to fall in 2008, reflecting the impact on co-productions of the new UK film tax relief, which is proportional to spend in the UK rather than the total budget.

On the diversity front, there were two positive indicators in 2008. The share of female screenwriters of UK films increased to 17% and the share of directors to 12%, both substantially above the levels of recent years.

Regular readers of the Statistical Yearbook will notice some additions this year:

- In Chapter 3, a table showing the inflation-adjusted top 20 films at the UK box office since 1975. Recent successes such as *Mamma Mia!* and the Harry Potter films retain their high rankings, but alongside these we see popular classics such as *Jaws* (1975) at number five, *Jurassic Park* (1993) at number seven, *Star Wars* (1977) at number 10 and *Grease* (1978) at number 13;
- A new stand-alone chapter on specialised film (Chapter 5) covering foreign language films, documentaries and specialised film in general;
- Chapter 10 (Exhibition) has been expanded to include the results of a 2008 analysis of regional 'cinema deprivation' in England;
- Information on the numbers and values of officially qualifying UK films since 1998 (Chapter 16);
- Additional time series have been added to various chapters (for example, film audience by age (Chapter 15), the value of the pound (Chapter 17), volume, value and unit prices of film on DVD (Chapter 11) giving a deeper overview and a stronger indication of trends.

As always we welcome feedback on the Yearbook. All of the information is available to view online at www.ukfilmcouncil.org.uk and for the first time we have the tables and graphs to download.

David Steele
Head of Research and Statistics Unit

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Senior Research Executive

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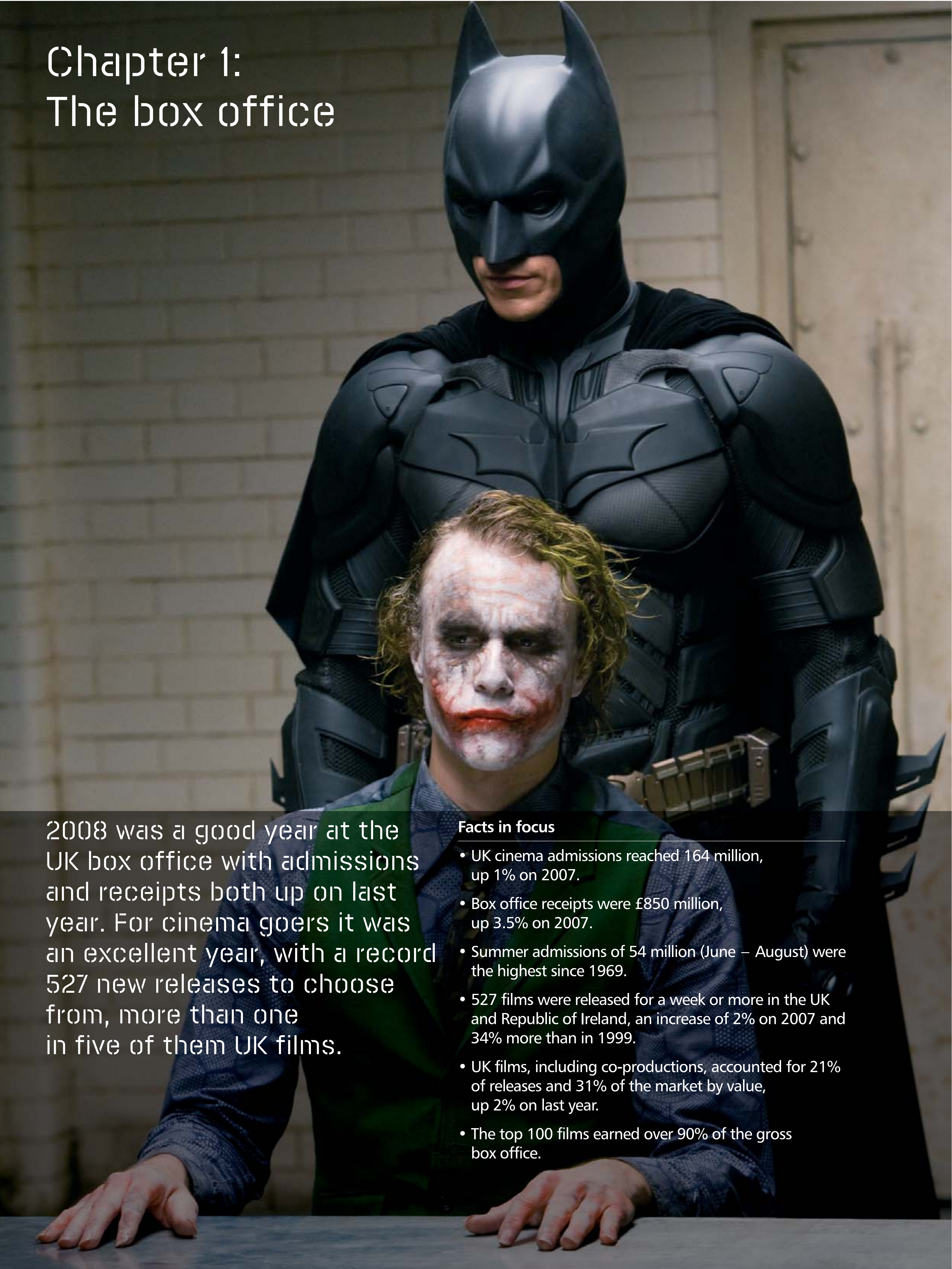
2007 UK film's export figures

£1,050m



Chapter 1: The box office

2008 was a good year at the UK box office with admissions and receipts both up on last year. For cinema goers it was an excellent year, with a record 527 new releases to choose from, more than one in five of them UK films.

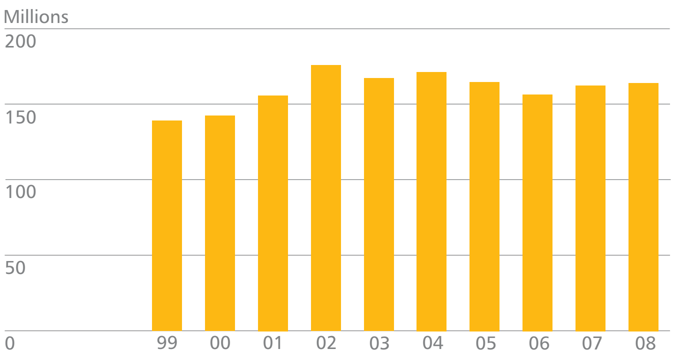
Facts in focus

- UK cinema admissions reached 164 million, up 1% on 2007.
- Box office receipts were £850 million, up 3.5% on 2007.
- Summer admissions of 54 million (June – August) were the highest since 1969.
- 527 films were released for a week or more in the UK and Republic of Ireland, an increase of 2% on 2007 and 34% more than in 1999.
- UK films, including co-productions, accounted for 21% of releases and 31% of the market by value, up 2% on last year.
- The top 100 films earned over 90% of the gross box office.

1.1 Admissions

The 164.2 million cinema admissions recorded for the UK in 2008 were up 1.1% on 2007 (Figure 1.1), maintaining the overall 'plateau' pattern which has been apparent since the most recent admissions peak in 2002. Admissions in most other European territories were largely dependent on the number of successful domestic films in the market place – French admissions increased by 6% (thanks to the huge success of *Bienvenue chez les Ch'tis)* and there were also increased ticket sales in Germany (3%) and Russia (16%). However, Spain (–8%) and Italy (–4%) reported falling ticket sales and there was a slight fall (–2%) in US admissions to 1.37 billion.

Figure 1.1 Annual UK admissions, 1999–2008



Source: CAA, Nielsen EDI.

Year	Total admissions (millions)
1999	139.1
2000	142.5
2001	155.9
2002	175.9
2003	167.3
2004	171.3
2005	164.7
2006	156.6
2007	162.4
2008	164.2

Source: CAA, Nielsen EDI.

The box office year in the UK was one of two contrasting halves (Table 1.1). January and February admissions were down on 2007, but the release of *The Spiderwick Chronicles* and *Step Up 2* boosted admissions over the Easter holiday period. Super-heroes *Iron Man* and *The Incredible Hulk* and comedies *What Happened in Vegas* and *Forgetting Sarah Marshall* all performed well in May and June but overall the box office could not match last year's May total (when *Spider-Man 3* and the third *Pirates of the Caribbean* film were released). Two major releases at the end of May boosted the box office – *Sex and the City* and *Indiana Jones and the Kingdom of the Crystal Skull*. July's admissions were almost at the same level as July 2007's record total as *Mamma Mia!*, *The Dark Knight* and *Hancock* attracted 21.4 million visitors to UK cinemas. This level of cinema-going was maintained into August with 20.4 million tickets sold, up 15% on 2007. In fact, the period June-August provided the best summer attendance figures since 1969 with almost 54 million admissions and the hit summer films continued to perform well into September (+11%). *High School Musical 3* helped to increase October admissions by 7% while the release of *Quantum of Solace* raised November's admissions by 41%.

Average weekly admissions ranged from 2.3 million in April to more than twice as many – 4.8 million – in July (Table 1.2).

Table 1.1 Monthly UK cinema admissions, 2007–08

Month	2007 (millions)	2008 (millions)	% +/– on 2007
January	14.0	13.5	–3.6
February	13.9	12.9	–7.2
March	11.2	12.2	+8.9
April	10.9	9.8	–10.2
May	15.7	12.7	–19.1
June	11.2	11.8	+5.3
July	21.8	21.4	–1.9
August	17.8	20.4	+14.9
September	9.6	10.7	+10.9
October	12.2	13.0	+7.3
November	9.6	13.5	+40.8
December	14.6	12.3	–15.5
Total	**162.4**	**164.2**	

Source: CAA, Nielsen EDI.

Image: *The Dark Knight* courtesy of Warner Brothers Pictures

Table 1.2 Average weekly admissions, 2007–08

Month	2007 weekly average (millions)	2008 weekly average (millions)
January	3.2	3.0
February	3.5	3.1
March	2.5	2.8
April	2.6	2.3
May	3.6	2.9
June	2.6	2.8
July	4.9	4.8
August	4.0	4.6
September	2.2	2.5
October	2.7	2.9
November	2.2	3.2
December	3.3	2.8

Source: CAA, Nielsen EDI.

Table 1.3 shows how the 2008 admissions break down by ISBA TV region, with London accounting for almost a quarter of UK admissions (24%).

Table 1.3 Cinema admissions by region, 2008

Region	Admissions (million)	%
London	39.8	24.2
Midlands	23.2	14.1
Lancashire	18.3	11.2
Southern	15.3	9.3
Yorkshire	13.6	8.3
Central Scotland	12.0	7.3
East of England	10.9	6.6
Wales and West	10.8	6.6
North East	6.2	3.8
Northern Ireland	5.4	3.3
South West	3.9	2.4
Northern Scotland	3.4	2.1
Border	1.3	0.8
Total	**164.2**	**100.0**

Source: CAA, Nielsen EDI.

1.2 Box office earnings

According to the CAA/Nielsen EDI, the total UK box office for 2008 was £850 million, up 3.5% on 2007. This figure covers all box office earnings during the calendar year 2008 for all films exhibited in the UK. The trends in box office takings from 1999 are shown in Table 1.4 and indicate 51% growth in the period.

Table 1.4 UK box office trends, 1999–2008

Year	Box office gross (£ million)	%+/–	Cumulative %
1999	563		
2000	583	3.6	3.6
2001	645	10.6	14.6
2002	755	17.0	34.1
2003	742	–1.7	31.8
2004	770	3.8	36.8
2005	770	0.0	36.8
2006	762	–1.0	35.3
2007	821	7.7	45.8
2008	850	3.5	51.0

Source: CAA, Nielsen EDI.

1.3 Film releases and box office revenues

In the UK and Republic of Ireland in 2008, 527 films were released for a week or more, an increase of 2% on 2007 and 35% on 1999. They generated £934.5 million in box office revenues – around the same level as 2007. This figure differs from the £850 million in paragraph 1.2 because it includes revenues generated in 2009 by films released in 2008 and covers the Republic of Ireland as well as the UK.

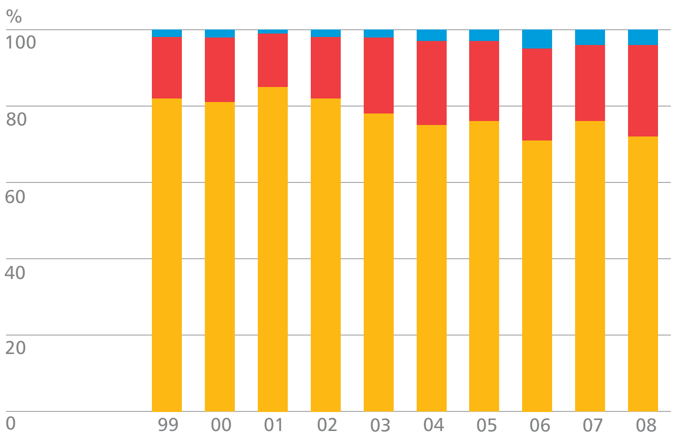
As can be seen in Table 1.5, the top 100 films took 90% of the box office (a slight fall on 2007's figure). The remaining 427 films (81% of all releases) accounted for just 10% of gross revenues.

Table 1.5 Summary of results at the UK and Republic of Ireland box office, 2004–2008

	2004	2005	2006	2007	2008
Releases	451	467	505	516	527
Combined gross £ million	822.0	844.9	845.3	933.8	934.5
Top 20 films (% of box office)	49.4	54.7	48.1	51.2	49.6
Top 50 films (% of box office)	75.5	75.7	71.1	75.7	72.4
Top 100 films (% of box office)	92.6	91.5	88.6	91.0	90.3

Source: Nielsen EDI, RSU analysis.
Note: Table 1.5 and all subsequent analysis of the theatrical market includes all titles released in 2008. The combined gross reflects the territorial gross (that is, including the Republic of Ireland), and includes those titles released in 2008 but also making money into 2009, up to and including 22 February 2009.

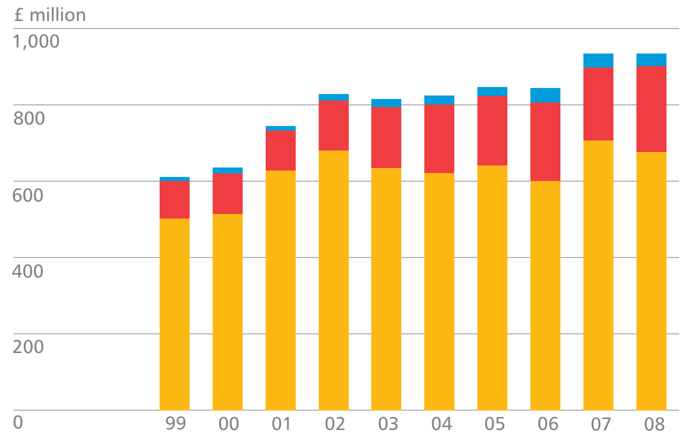
Figure 1.2 Market share of top 50, top 51–150 and rest of films, 1999–2008



	99	00	01	02	03	04	05	06	07	08
% share of rest	2	3	1	2	2	3	3	5	4	4
% share of top 51–150	16	17	14	16	20	22	21	24	20	24
% share of top 50	82	81	84	82	78	75	76	71	76	72

Source: Nielsen EDI, RSU analysis.

Figure 1.3 Gross box office of top 50, top 51–150 and rest of films, 1999–2008



	99	00	01	02	03	04	05	06	07	08
Gross box office of rest	11	16	11	16	21	23	25	38	37	32
Gross box office top 51–150	98	106	105	132	160	179	182	206	190	226
Gross box office of top 50	502	514	628	680	634	622	641	600	707	676

Source: Nielsen EDI, RSU analysis.

Figure 1.2 demonstrates the fall in share of the top 50 films from 84% in 2001 down to 71% in 2006 before bouncing back in 2007 due to stronger performances from the major releases. However, the share of the top 50 films decreased again in 2008, despite four films earning more than £40 million. This suggests a weaker performance from the 'mid-range' blockbusters and better returns from some of the independent and specialised releases.

Figure 1.3 depicts the increase in box office revenue over the last decade by top films and other films. Note the increase in gross box office revenue for films ranked between 51 and 150 in the 2008 chart. This reinforces the point made above regarding the weaker position of the mid-range blockbusters and the contrasting break-out success of some independent and specialised films, such as *In Bruges, The Bank Job* and *Son of Rambow.*

The number of films released in the UK in 2008 by the number of sites at the widest point of release is outlined in Table 1.6. A total of 158 films were released at 100 sites or more (30%), while 207 films were released on fewer than 10 sites (39% of all films released). Six out of ten films released in the UK went out on 49 prints or fewer.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 1.6 Number of releases and average box office gross by number of sites at widest point of release, 2008

Number of sites at WPR	Number	% releases	Average box office (£)
>500	9	1.7	32,564,000
400-499	34	6.5	8,904,000
300-399	60	11.4	3,797,000
200-299	31	5.9	1,594,000
100-199	24	4.6	851,000
50-99	43	8.2	394,000
10-49	119	22.6	173,000
<10	207	39.3	17,000
Total	**527**	**100.0**	**1,773,000**

Note: average box office rounded to nearest £1,000.
Source: Nielsen EDI, RSU analysis.

1.4 Country of origin of film releases

As Table 1.7 indicates, of all films released in 2008, 39% (41% in 2007) were of USA origin (excluding UK co-productions), and these films accounted for 65% of the total box office earnings (down from 68% in 2007).

UK films, including co-productions, accounted for 21% of releases (the same as 2006 and 2007) and 31% of the box office, out of which UK/USA collaborations earned over 27% of the box office despite representing only 5% of releases.

Films whose country of origin lies outside the UK and USA accounted for 40% of releases but only 4% of earnings. European films represented 17% of all releases and 2.3% of revenues. Films from India accounted for 1.4% of the box office from 14% of the releases and films from the rest of the world represented just 0.3% of the box office gross from 9% of releases.

Table 1.7 Country of origin of films released in the UK and Republic of Ireland, 2008

Country of origin	No. of releases in 2008	% of all releases	2008 box office (£ million)	2008 box office share (%)
USA	204	38.7	609.3	65.2
UK and UK co-productions	82	15.6	30.3	3.2
UK/USA	29	5.5	257.0	27.5
All UK	111	21.1	287.3	30.7
Europe	88	16.7	21.9	2.3
India	76	14.4	13.4	1.4
Rest of the world	48	9.1	2.6	0.3
Total	**527**	**100**	**934.5**	**100**

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 2 March 2008.

The changes in market share over time by country of origin of films are shown in Table 1.8. UK market share was the second highest since 2002 and the market share of European films was the highest recorded to date, three times the share recorded in 2002.

Table 1.8 Market share by country of origin, 2002–2008

	2002	2003	2004	2005	2006	2007	2008
USA	73.4	81.6	73.2	63.1	77.1	67.7	65.2
UK	24.4	15.7	23.4	33.0	19.1	28.5	30.7
Europe	0.7	0.9	0.6	1.6	1.2	1.8	2.3
India	1.0	1.0	1.1	1.5	1.8	1.6	1.4
Rest of the world	0.5	0.8	1.8	0.8	0.7	0.5	0.3
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: UK Film Council RSU.

Table 1.9 compares the number of UK films across several gross box office bands with the non-UK output in 2008. The UK is better represented in the over £30 million gross category due to the success of *Mamma Mia!*, *Quantum of Solace* and *The Dark Knight*. However, UK film output compared less favourably with non-UK releases in the £20–29 million band and 56% of UK releases earned less than £100,000.

Table 1.9 UK and non-UK releases by box office gross band, 2008

	Non-UK releases		UK releases	
Box office gross (£ million)	Number	% releases	Number	% releases
>30	1	0.2	3	2.7
20 – 29.99	6	1.4	0	0
10 – 19.99	7	1.7	2	1.8
5 – 9.99	24	5.8	6	5.4
1 – 4.99	64	15.4	17	15.3
0.5 – 0.99	22	5.3	4	3.6
0.1 – 0.49	79	19.0	17	15.3
Less than 0.1	213	51.2	62	55.9
Total	**416**	**100.0**	**111**	**100.0**

Source: Nielsen EDI, RSU analysis.

See also:

- For more information about top films in 2008 see Chapter 2 (page 12)
- For further details of film distribution in 2008 see Chapter 9 (page 68)
- For information about weekend/weekday box office performance see Chapter 9, section 9.3 (page 71)
- For a review of the exhibition sector in 2008 see Chapter 10 (page 73)
- For definitions of a UK film see note at the end of Chapter 6 (page 48).

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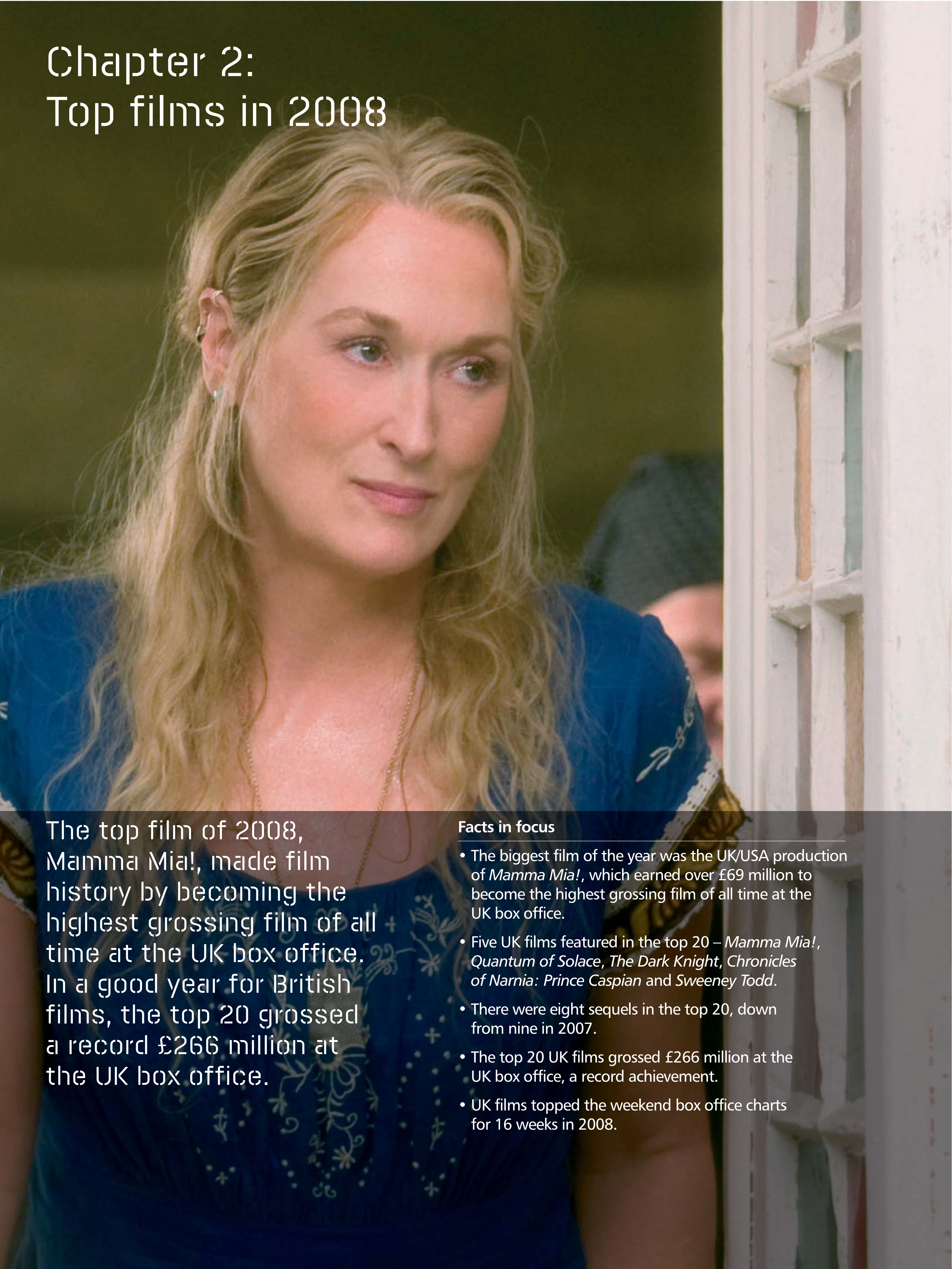


Chapter 2: Top films in 2008

The top film of 2008, Mamma Mia!, made film history by becoming the highest grossing film of all time at the UK box office. In a good year for British films, the top 20 grossed a record £266 million at the UK box office.

Facts in focus

- The biggest film of the year was the UK/USA production of *Mamma Mia!*, which earned over £69 million to become the highest grossing film of all time at the UK box office.
- Five UK films featured in the top 20 – *Mamma Mia!*, *Quantum of Solace*, *The Dark Knight*, *Chronicles of Narnia: Prince Caspian* and *Sweeney Todd*.
- There were eight sequels in the top 20, down from nine in 2007.
- The top 20 UK films grossed £266 million at the UK box office, a record achievement.
- UK films topped the weekend box office charts for 16 weeks in 2008.

2.1 The top 20 films

The UK/USA–produced ABBA musical *Mamma Mia!* became the highest grossing film of all time at the UK box office, earning over £69 million to surpass the previous record held by *Titanic*. The film spent over six months in cinemas, recording strong weekday ticket sales and repeat business. *Quantum of Solace*, the twenty-second Bond film and the second outing for Daniel Craig, grossed £51 million to claim the runner-up spot in the 2008 chart. Ten films earned more than £20 million, down from 12 in 2007, while there were fewer films in the £11 million – £20 million box office band (Table 2.1). Sequels and franchises accounted for eight of the top 20 films, down from nine in 2007.

Five UK titles featured in the top 20 – *Mamma Mia!*, *Quantum of Solace*, *The Dark Knight*, *Chronicles of Narnia: Prince Caspian* and *Sweeney Todd*. It was also a good year for family films and animation in particular, with *Madagascar*: *Escape 2 Africa*, *Wall-E* and *Kung Fu Panda* all earning in excess of £20 million.

Table 2.1 Box office results for the top 20 films released in the UK and Republic of Ireland, 2008

	Title	Country of origin	Box office gross (£ million)	Number of opening cinemas	Opening weekend gross (£ million)	Distributor
1	Mamma Mia!	UK/USA	69.17	496	6.59	Universal
2	Quantum of Solace	UK/USA	51.07	540	15.38	Sony Pictures
3	The Dark Knight	UK/USA	48.82	502	11.19	Warner Bros
4	Indiana Jones and the Kingdom of the Crystal Skull	USA	40.27	538	12.23	Paramount
5	Sex and the City	USA	26.43	460	8.77	Entertainment
6	Hancock	USA	24.74	450	9.59	Sony Pictures
7	Madagascar: Escape 2 Africa	USA	23.04	520	6.34	Paramount
8	Wall-E	USA	22.91	501	4.25	Walt Disney
9	High School Musical 3	USA	22.76	493	8.41	Walt Disney
10	Kung Fu Panda	USA	20.20	446	6.07	Paramount
11	Iron Man	USA	17.42	500	5.47	Paramount
12	Chronicles of Narnia: Prince Caspian	UK/USA	11.79	546	4.06	Walt Disney
13	The Mummy: Tomb of the Dragon Emperor	USA	11.42	477	4.43	Universal
14	Twilight	USA	11.10	446	2.51	E1 Films
15	Sweeney Todd	UK/USA	10.97	436	4.53	Warner Bros
16	The Spiderwick Chronicles	USA	10.73	481	2.56	Paramount
17	Step Up 2	USA	10.54	347	2.36	Universal
18	Yes Man	USA	10.40	419	2.33	Warner Bros
19	Four Christmases	USA	10.25	434	2.28	Entertainment
20	Wanted	USA	9.74	412	3.81	Universal

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 22 February 2009.
Films with an asterisk (*) were still on release on 22 February 2009.

Image: *Mamma Mia!* courtesy of Universal Pictures

2.2 The top 20 UK films

The top 20 UK films, shown in Table 2.2, had a combined gross of £266 million, which was 28% of the total UK box office. This was up from £244 million in 2007 (26% of gross box office) and an all-time record. Significantly, there were no UK films in the £12 million – £30 million gross box office range, whereas there were six such films in 2007. Inward investment films dominated the top of the chart, while *The Duchess* was the highest ranked independent UK film. There were also strong performances from other independent UK films such as *The Bank Job*, *Son of Rambow* and *Adulthood*. Again, the top 20 UK films encompassed a wide range of genres including musical, action, fantasy, teen comedy, crime and drama.

Table 2.2 Box office results for the top 20 UK films released in the UK and Republic of Ireland, 2008

	Title	Country of origin	Box office gross (£ million)	Distributor
1	Mamma Mia!	UK/USA	69.17	Universal
2	Quantum of Solace	UK/USA	51.07	Sony Pictures
3	The Dark Knight	UK/USA	48.82	Warner Bros
4	Chronicles of Narnia: Prince Caspian	UK/USA	11.79	Walt Disney
5	Sweeney Todd	UK/USA	10.97	Warner Bros
6	Hellboy II: The Golden Army	UK/USA/Ger	7.59	Universal
7	The Duchess	UK/Fra	7.12	Pathé
8	10,000 BC	UK/USA/NZ	5.76	Warner Bros
9	Angus, Thongs and Perfect Snogging	UK/USA	5.48	Paramount
10	Wild Child	UK/USA	5.17	Universal
11	Rocknrolla	UK/USA	5.12	Warner Bros
12	The Other Boleyn Girl	UK/USA	4.89	Universal
13	In Bruges	UK/USA/Bel	4.88	Universal
14	The Boy in the Striped Pyjamas	UK/USA	4.50	Walt Disney
15	The Bank Job	UK/USA	4.45	Lions Gate
16	Son of Rambow	UK/Fra/Ger	4.19	Optimum
17	How to Lose Friends and Alienate People	UK	4.10	Paramount
18	Inkheart	UK/USA/Ger	3.89	Entertainment
19	Adulthood	UK	3.35	Pathé
20	Penelope	UK/USA	3.31	Momentum

Source: Nielsen EDI, RSU analysis.
Box office gross = cumulative total up to 22 February 2009.
Films with an asterisk (*) were still on release on 22 February 2009.

2.3 Best weekend performances of UK films

A total of 37 films topped the UK weekend box office charts over the course of 2008 and ten of those were UK titles. These ten films spent a total of 16 weeks at number one (Table 2.3). *Quantum of Solace* broke the record for the biggest opening day (£4.9 million) and the biggest three-day opening weekend at the UK box office (£15.4 million) which was 30% of the film's final box office gross while *Mamma Mia!*'s opening weekend represented just 10% of its final box office gross.

Table 2.3 UK films at number one in the weekend box office charts, 2008

Title	First week at top	Weekend gross (£ million)	Box office gross (£ million)	Distributor	No. weeks at no. 1
Quantum of Solace	31 October 2008	15.4	51.1	Sony Pictures	4
The Dark Knight	25 July 2008	11.2	48.8	Warner Bros	3
Mamma Mia!	11 July 2008	6.6	69.2	Universal	2
Sweeney Todd	25 January 2008	4.5	11.0	Warner Bros	1
The Bank Job	29 February 2008	0.9	4.6	Lions Gate	1
10,000 BC	14 March 2008	1.9	5.8	Warner Bros	1
Chronicles of Narnia: Prince Caspian	27 June 2008	4.1	11.8	Disney	1
Hellboy II: The Golden Army	22 August 2008	3.0	7.6	Universal	1
Rocknrolla	5 September 2008	1.6	5.1	Warner Bros	1
How to Lose Friends and Alienate People	3 October 2008	1.2	4.1	Paramount	1

Source: Nielsen EDI, RSU analysis.

See also:

- For more about the top films of all time see Chapter 3 (page 16)
- For more on UK talent and awards see Chapter 7 (page 49)
- For further information about film distribution in 2008 see Chapter 9 (page 68)
- For information about weekend/weekday box office performance see Chapter 9, section 9.3 (page 71)
- For an overview of the exhibition sector in 2008 see Chapter 10 (page 73).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Chapter 3: Top films of all time at the UK box office

Mamma Mia! may have entered the record books as the top-earning film of 'all time' at the UK box office, but adjusting the figures for inflation shows a different picture. Will anything ever sink the Titanic in popularity? And has Harry Potter really outfoxed James Bond as the UK's favourite hero?

Facts in focus

- The top 20 highest grossing films at the UK box office include three films from 2008: *Mamma Mia!*, *Quantum of Solace* and *The Dark Knight*.
- Harry Potter and Lord of the Rings films made up five and three respectively of the top 20 films in the unadjusted 'all time' chart. James Bond scored two in the top 20.
- Sequels and franchise films made up 17 of the top 20.
- Ten of the top 20 films were UK/USA collaborations.
- Thirteen of the top 20 films were based on stories and characters created by UK writers.
- *Titanic* is top of the inflation-adjusted box office chart.

3.1 All time top 20 films at the UK box office

In the absence of admissions data on individual films, top films can only be measured in terms of earnings at the box office. Inflation is a key factor affecting earnings and this needs to be borne in mind against some of the figures quoted in this chapter (however, some figures are adjusted for inflation). Most of this chapter relates to actual box office receipts from 1989 so can be categorised as all time top films since it is unlikely that anything produced before 1989 will have earned more in nominal terms.

Mamma Mia! became the highest grossing film of 'all time' at the UK box office, earning over £69 million. In all, three films released in 2008 appear in the list of the top 20 films of all time at the UK box office – *Mamma Mia!*, *Quantum of Solace* and *The Dark Knight*. The list, shown in Table 3.1, is dominated by franchise films, including five *Harry Potter* titles and the *Lord of the Rings* trilogy, In fact, only three of the top 20 are neither sequels nor franchise titles, namely *Mamma Mia!*, *Titanic* and *The Full Monty*. Ten of the top 20 films are UK/USA collaborations and the importance of UK creative talent to the global film industry is underlined by the presence of no fewer than 13 films based on stories and characters created by UK writers.

Table 3.1 All time top 20 films at the UK box office

	Film	Country of origin	UK box office total (£ million)	UK distributor	Year of release
1	Mamma Mia!	UK/USA	69.17	Universal	2008
2	Titanic	USA	69.03	20th Century Fox	1998
3	Harry Potter and the Philosopher's Stone	UK/USA	66.10	Warner Bros	2001
4	Lord of the Rings: The Fellowship of the Ring	USA/NZ	63.00	Entertainment	2001
5	Lord of the Rings: The Return of the King	USA/NZ	61.06	Entertainment	2003
6	Lord of the Rings: The Two Towers	USA/NZ	57.60	Entertainment	2002
7	Casino Royale	UK/USA/Czech	55.48	Sony Pictures	2006
8	Harry Potter and the Chamber of Secrets	UK/USA	54.78	Warner Bros	2002
9	Pirates of the Caribbean: Dead Man's Chest	USA	52.52	Buena Vista	2006
10	The Full Monty	UK/USA	52.32	20th Century Fox	1997
11	Star Wars Episode I: The Phantom Menace	USA	51.06	20th Century Fox	1999
12	Quantum of Solace	UK/USA	51.07	Sony Pictures	2008
13	Harry Potter and the Order of the Phoenix	UK/USA	49.43	Warner Bros	2007
14	The Dark Knight	UK/USA	48.82	Warner Bros	2008
15	Harry Potter and the Goblet of Fire	UK/USA	48.59	Warner Bros	2005
16	Shrek 2	USA	48.10	UIP	2004
17	Jurassic Park	USA	47.89	UIP	1993
18	Harry Potter and the Prisoner of Azkaban	UK/USA	46.08	Warner Bros	2004
19	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	USA/NZ	44.40	Buena Vista	2005
20	Toy Story 2	USA	44.31	Buena Vista	2000

Source: Nielsen EDI, RSU analysis.
Note: Figures have not been inflation adjusted.
Based on box office data for 1989–2008. The table is titled all-time because, with price inflation, it is unlikely that any films before 1989 will have earned more in nominal terms.

Image: *Titanic* courtesy of Twentieth Century Fox

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

3.2 Inflation-adjusted top 20 films at the UK box office

For the first time we have calculated an inflation-adjusted box office chart based on films released in the UK since 1975 (when partial data coverage begins) and the results are presented in Table 3.2. Adjusted for inflation, *Titanic* is back as the highest grossing film of all time at the UK box office with £85.9 million in 2007/08 terms. The first of three *Harry Potter* films is at number two, with the franchise's first outing *Harry Potter and the Philosopher's Stone* earning the equivalent of £77.8 million. All three *Lord of the Rings* films make the chart with *The Fellowship of the Ring* in third place (£74.2 million). In fourth place is the highest grossing film in the unadjusted chart – *Mamma Mia!* – with £69.2 million earned to date. The biggest mover in the chart is Steven Spielberg's 1975 classic *Jaws* which earned £68.3 million in 2007/08 money. The original *Star Wars* (1977) appears at number ten with adjusted revenues of £64.2 million and *Grease* (1978) slips in at 13 with £59 million.

Table 3.2 The top 20 highest grossing films at the UK box office (inflation adjusted*)

	Film	Country of origin	UK box office total (2007/08 £ million)	Distributor	Year of release
1	Titanic	USA	85.9	20th Century Fox	1998
2	Harry Potter and the Philosopher's Stone	UK/USA	77.8	Warner Bros	2001
3	Lord of the Rings: The Fellowship of the Ring	USA/NZ	74.2	Entertainment	2001
4	Mamma Mia!	UK/USA	69.2	Universal	2008
5	Jaws	USA	68.3	UIP	1975
6	Lord of the Rings: The Return of the King	USA/NZ	67.7	Entertainment	2003
7	Jurassic Park	USA	67.7	UIP	1993
8	The Full Monty	UK/USA	66.4	20th Century Fox	1997
9	Lord of the Rings: The Two Towers	USA/NZ	65.7	Entertainment	2002
10	Star Wars	USA	64.2	20th Century Fox	1977
11	Harry Potter and the Chamber of Secrets	UK/USA	62.5	Warner Bros	2002
12	Star Wars Episode I: The Phantom Menace	USA	62.3	20th Century Fox	1999
13	Grease	USA	59.1	UIP	1978
14	Casino Royale	UK/USA/Czech	57.3	Sony Pictures	2006
15	Pirates of the Caribbean: Dead Man's Chest	USA	54.1	Buena Vista	2006
16	E.T., The Extra-Terrestrial	USA	53.9	UIP	1982
17	Toy Story 2	USA	53.3	Walt Disney	2000
18	Shrek 2	USA	52.1	UIP	2004
19	Harry Potter and the Goblet of Fire	UK/USA	51.6	Warner Bros	2005
20	Quantum of Solace	UK/USA	51.1	Sony Pictures	2008

Source: UK Film Council RSU analysis of Nielsen EDI data.
*The 2007/08 £ calculated using the UK GDP deflator (HMT).

3.3 All time highest grossing UK films

The list of the all time top 20 UK films is dominated by inward investment features, with British talent, infrastructure and locations supported by US studio investment (Table 3.3). All five *Harry Potter* films feature in the top 20, together with four films from the *James Bond* franchise.

Table 3.3 All time top 20 UK films at the UK box office

	Film	Country of origin	UK box office total (£ million)	UK distributor	Year of release
1	Mamma Mia!	UK/USA	69.17	Universal	2008
2	Harry Potter and the Philosopher’s Stone	UK/USA	66.10	Warner Bros	2001
3	Casino Royale	UK/USA/Cze	55.60	Sony Pictures	2006
4	Harry Potter and the Chamber of Secrets	UK/USA	54.78	Warner Bros	2002
5	The Full Monty	UK/USA	52.23	20th Century Fox	1997
6	Quantum of Solace	UK/USA	51.07	Sony Pictures	2008
7	Harry Potter and the Order of the Phoenix	UK/USA	49.43	Warner Bros	2007
8	The Dark Knight	UK/USA	48.82	Warner Bros	2008
9	Harry Potter and the Goblet of Fire	UK/USA	48.77	Warner Bros	2005
10	Harry Potter and the Prisoner of Azkaban	UK/USA	46.08	Warner Bros	2004
11	Bridget Jones’s Diary	UK/USA	42.01	UIP	2001
12	Charlie and the Chocolate Factory	UK/USA	37.46	Warner Bros	2005
13	Love Actually	UK/USA	36.80	UIP	2003
14	Die Another Day	UK/USA	36.06	20th Century Fox	2002
15	Bridget Jones: The Edge of Reason	UK/USA	36.00	UIP	2004
16	Wallace & Gromit: The Curse of the Were-Rabbit	UK/USA	32.01	UIP	2005
17	Notting Hill	UK/USA	31.01	Universal	1999
18	The Da Vinci Code	UK/USA	30.51	Sony Pictures	2006
19	Chicken Run	UK/USA	29.51	Pathé	2000
20	The World is Not Enough	UK/USA	28.58	UIP	1999

Source: Nielsen EDI, RSU analysis.
Note: Figures have not been inflation adjusted.
Based on box office data for 1989–2008. The table is titled all time because, with price inflation, it is unlikely that any films before 1989 will have earned more in nominal terms.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

3.4 All time top 10 independent UK films

Table 3.4 highlights the all time top-earning independent (that is, made without US major studio involvement) UK titles. The highest grossing independent British film was *Four Weddings and a Funeral* (£27.8 million) followed by *Trainspotting* (£12.4 million) and *St Trinian's* (£12.2 million).

Table 3.4 All-time top 10 independent UK films

	Film	Country of origin	UK box office total (£ million)	UK distributor	Year of release
1	Four Weddings and a Funeral	UK	27.76	Carlton	1994
2	Trainspotting	UK	12.43	Polygram	1996
3	St Trinian's	UK	12.18	Entertainment	2007
4	Gosford Park	UK/USA*	12.26	Entertainment	2002
5	Bend it Like Beckham	UK/Ger	11.55	Lions Gate	2002
6	Run, Fat Boy, Run	UK/USA*	11.02	Entertainment	2007
7	Kevin & Perry Go Large	UK	10.46	Icon	2000
8	East is East	UK	10.37	Film Four	1999
9	The Queen	UK/Fra/Ita	9.42	Pathé	2006
10	Valiant	UK	8.52	Entertainment	2005

Source: Nielsen EDI, RSU analysis.
Note: Figures have not been inflation adjusted.
Based on box office data for 1989–2008. The table is titled all time because, with price inflation, it is unlikely that any films before 1989 will have earned more in nominal terms.
**Gosford Park* and *Run, Fat Boy, Run* were made with independent (non-studio) US support.

See also:

- For top films in 2008 see Chapter 2 (page 12)
- For more on UK talent see Chapter 7 (page 49).

Image: *Madagascar: Escape 2 Africa* courtesy of DreamWorks Animation

Chapter 4:
Genre and BBFC classification

Cinema-goers have a wide choice of styles, genres and subjects. Comedy is consistently the UK's favourite genre, taking almost a quarter of the box office in 2008. This chapter examines our genre preferences and also looks at releases and box office results by each of the five film classifications.

Facts in focus

- Comedy, traditionally popular with a broad spectrum of audiences, accounted for 27% of releases and 24% of the box office.
- Drama accounted for the second highest proportion of releases (23%) but shared only 4% of the box office.
- Musicals, including the massive hit, *Mamma Mia!*, took more money per site on average than other genres.
- The genre pattern of UK films was broadly similar to that of all films on release and is typically dependent on the slate of UK/USA inward features being released in the year.
- More films were released with a '15' classification from the British Board of Film Classification than any other category (37% of all releases) though '12A' films took the largest share of the box office (45% of total box office).

4.1 Genre

For statistical purposes, the Research and Statistics Unit allocates a primary genre to every film released in the UK in 2008. The allocation is not meant to be prescriptive. Rather it allows us to gauge the relative popularity of different genres on a consistent basis from year-to-year. The list of genres is based on conventions commonly used within the industry and by published sources such as the British Board of Film Classification (BBFC) and the Internet Movie Database (IMDb). The full list of genres and classification of each title released in the UK and Ireland in 2008 is available on our website (www.ukfilmcouncil.org.uk/genre).

4.1.1 Genre of all film releases

Table 4.1 indicates the relative popularity of different genres at the box office in the UK and Republic of Ireland in 2008. Comedy was once again the top grossing genre (earning £222.4 million), followed by action (£203.7 million). The record breaking *Mamma Mia!* (the highest grossing film (and UK film) of all-time at the UK and Ireland box office) helped propel musical to become the third highest grossing genre with £115.2 million (60% of which was earned by *Mamma Mia!* alone). Despite accounting for the second largest proportion of releases (23%), drama films shared only 4% of the box office gross.

Table 4.1 Films released in the UK and Republic of Ireland by genre, 2008, ranked by gross box office

Genre	Number of releases	% of releases	Gross box office (£ million)	% of gross box office	Top performing title
Comedy	140	26.6	222.4	23.8	Sex and the City
Action	41	7.8	203.7	21.8	Quantum of Solace
Musical	17	3.2	115.2	12.3	Mamma Mia!
Animation	21	4.0	91.3	9.8	Madagascar: Escape 2 Africa
Adventure	13	2.5	87.7	9.4	Indiana Jones and the Kingdom of the Crystal Skull
Drama	122	23.1	41.2	4.4	The Duchess
Sci-fi	8	1.5	37.8	4.0	Cloverfield
Fantasy	10	1.9	36.2	3.9	Chronicles of Narnia: Prince Caspian
Crime	19	3.6	27.2	2.9	21
Horror	28	5.3	23.4	2.5	Saw V
Thriller	28	5.3	21.2	2.3	No Country for Old Men
Family	4	0.8	13.0	1.4	The Spiderwick Chronicles
Biopic	9	1.7	10.3	1.1	Charlie Wilson's War
Documentary	54	10.2	3.4	0.4	Man on Wire
Romance	7	1.3	1.0	0.1	Love in the Time of Cholera
War	5	0.9	0.3	<0.1	Female Agents
Western	1	0.2	0.2	<0.1	Appaloosa
Total	**527**	**100.0**	**935.6**	**100.0**	

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 8 March 2009.

Five of the top performing films by genre originated in the UK, demonstrating the wide variety of story types of successful British films (*Quantum of Solace*, *Mamma Mia!*, *The Duchess*, *Man on Wire*, and *Love in the Time of Cholera*).

The pattern of genres ranked by the average number of sites at the widest point of release (WPR) is shown in Table 4.2. Whereas in 2007 family films topped the list with an average WPR of 402, the top genre by WPR in 2008 was science fiction with an average 348 sites across eight films. Within the science fiction genre, *The Day the Earth Stood Still* had the widest release at 467 sites at WPR. However, the film that recorded the widest release at WPR in 2008 was the animation feature, *Madagascar: Escape 2 Africa*, with 551 sites. Documentary continued to be the genre with the lowest average number of sites at WPR (11) since our reporting of this began in the *Yearbook 2004/05*.

Table 4.2 Films released in the UK and Republic of Ireland by genre, 2008, ranked by average widest point of release

Genre	Average number of sites at widest point of release	Number of releases	Gross box office (£ million)
Sci-fi	348	8	37.8
Adventure	279	13	87.7
Family	249	4	13.0
Fantasy	231	10	36.2
Action	202	41	203.7
Animation	185	21	91.3
Western	169	1	0.2
Comedy	139	140	222.4
Musical	129	17	115.2
Horror	126	28	23.4
Crime	123	19	27.2
Thriller	120	28	21.2
Biopic	116	9	10.3
Drama	35	122	41.2
Romance	23	7	1.0
War	12	5	0.3
Documentary	11	54	3.4
Total	**112**	**527**	**935.6**

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 8 March 2009.

Table 4.3 demonstrates what the different genres generated in box office revenues per site, which gives a good indication of performance in the market while controlling for the size of release. Comedy, which took the largest slice of box office overall, is much lower placed when the average WPR is taken into account, indicating a long tail of lower performing films.

Table 4.3 Films released in the UK and Republic of Ireland by genre, 2008, ranked by average box office gross per site

Genre	Average box office per site (£)	Gross box office (£ million)	Total sites
Musical	52,406	115.2	2,199
Action	24,539	203.7	8,302
Adventure	24,192	87.7	3,626
Animation	23,461	91.3	3,892
Fantasy	15,670	36.2	2,307
Sci-fi	13,592	37.8	2,783
Family	13,082	13.0	996
Crime	11,674	27.2	2,332
Comedy	11,447	222.4	19,430
Biopic	9,952	10.3	1,040
Drama	9,580	41.2	4,299
Horror	6,628	23.4	3,527
Thriller	6,272	21.2	3,373
Romance	6,135	1.0	162
Documentary	5,859	3.4	573
War	5,180	0.3	60
Western	1,373	0.2	169
Total	**15,839**	**935.6**	**59,070**

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 8 March 2009.
Total sites = number of releases multiplied by average number of sites at widest point of release.

4.1.2 Genre of UK film releases

Looking at the genres of UK films released in 2008 by gross box office we see similar rankings to those for all films released. Action, musical and comedy occupied the top three places for both UK and all film releases. However there are some notable differences. For example, UK action films accounted for 35% of the total box office for UK films (almost twice the 22% for all action films) and UK dramas (9%) performed better than dramas in general (4%) (Tables 4.1 and 4.4).

Table 4.4 UK films released in the UK and Republic of Ireland by genre, ranked by gross box office, 2008

Genre	Number of releases	% of releases	Gross box office (£ million)	% of gross box office	Top performing title
Action	5	4.5	101.2	35.2	Quantum of Solace
Musical	2	1.8	80.1	27.9	Mamma Mia!
Comedy	25	22.5	33.6	11.7	Angus, Thongs and Perfect Snogging
Fantasy	4	3.6	24.8	8.6	Chronicles of Narnia: Prince Caspian
Drama	26	23.4	24.7	8.6	The Duchess
Crime	5	4.5	10.0	3.5	Rocknrolla
Adventure	2	1.8	5.9	2.1	10,000 BC
Animation	2	1.8	2.5	0.9	The Tale of Despereaux
Biopic	3	2.7	1.7	0.6	The Edge of Love
Documentary	16	14.4	1.4	0.5	Man on Wire
Thriller	9	8.1	1.0	0.3	Eden Lake
Romance	5	4.5	0.5	0.2	Love in the Time of Cholera
Horror	4	3.6	0.4	0.1	The Children
War	2	1.8	<0.1	<0.1	Battle for Haditha
Sci-fi	1	0.9	<0.1	<0.1	Captain Eager and the Mark of Voth
Total	**111**	**100.0**	**287.7**	**100.0**	

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 8 March 2009.

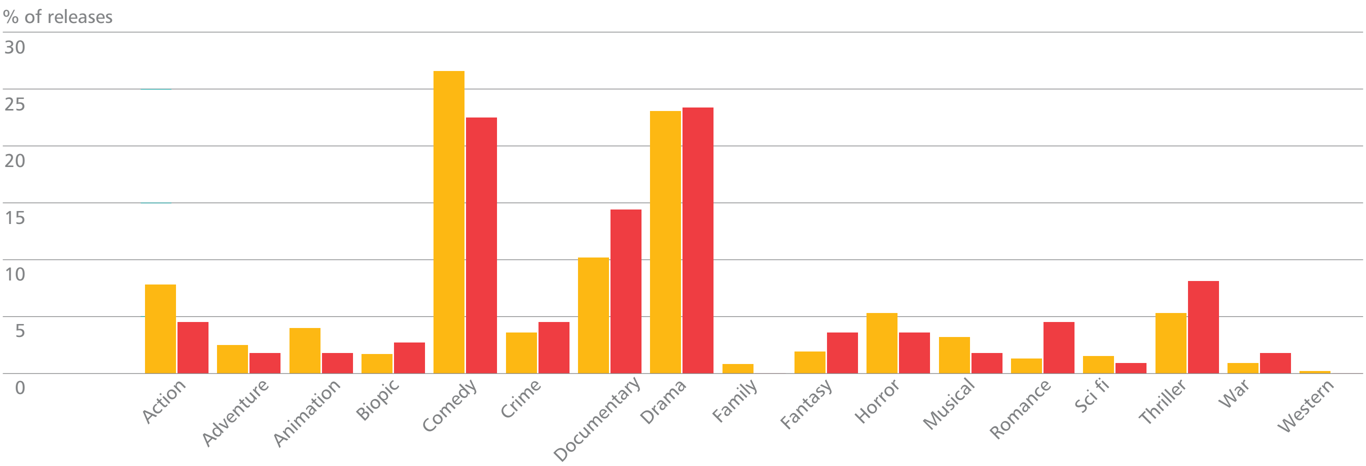
UK action films returned to top the chart in 2008, as was anticipated in Section 7.2.2 of our *Yearbook 2008*, with the second outing of Daniel Craig as Bond in *Quantum of Solace*, accounting for 50% of the box office of this genre. The outstanding performance of the UK musical genre in 2008 was unusual. The massive UK/USA hit, *Mamma Mia!* (£69.2 million), together with the adaptation of Stephen Sondheim's musical thriller *Sweeney Todd* (£11 million) propelled musical to the second highest grossing genre for UK films in 2008.

The fantasy genre fell to the fourth place in the absence of any UK/USA franchise film such as the *Harry Potter* series this year. In 2007, the high budget UK/USA fantasy feature, *Harry Potter and the Order of the Phoenix*, helped boost the fantasy genre to the top of the chart, accounting for 55% of its genre box office. However, the fantasy genre is likely to make its comeback in 2009 with the scheduled release of *Harry Potter and the Half-Blood Prince* in July 2009.

UK comedies continued to be popular, the third placed genre at the UK box office, although they did not perform as well as those released in 2007 when comedy was at second place. In 2008, the 25 UK comedies took only 12% of the total box office compared with 29% (from 23 titles) in 2007. The highest-grossing UK comedy of 2008 was *Angus, Thongs and Perfect Snogging* at £5.5 million compared with *Mr. Bean's Holiday* at £22.1 million in 2007. Comedy seized a higher percentage of the box office for all films (24%) than for UK films (12%) (see Tables 4.1 and 4.4).

Documentaries, romance and thrillers formed a higher proportion of UK film releases than of all films released in the UK in 2008 (Figure 4.1). Comedy, action and animation were the genres that were slightly under-represented in the slate of UK films, compared to all films released in the UK in 2008.

Figure 4.1 Proportion of releases by genre for UK films and all films, 2008



	Action	Adventure	Animation	Biopic	Comedy	Crime	Documentary	Drama	Family	Fantasy	Horror	Musical	Romance	Sci fi	Thriller	War	Western
All films	7.8	2.5	4.0	1.7	26.6	3.6	10.2	23.1	0.8	1.9	5.3	3.2	1.3	1.5	5.3	0.9	0.2
UK films	4.5	1.8	1.8	2.7	22.5	4.5	14.4	23.4	0.0	3.6	3.6	1.8	4.5	0.9	8.1	1.8	0.0

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.

4.2 BBFC classification

All films in the UK must carry a classification indicating their suitability for exhibition in premises licensed for cinematic exhibition by local authorities. The British Board of Film Classification (BBFC) classifies the majority of films for theatrical release, although local authorities may grant their own classification if they decide to.

The symbols used by the BBFC, and their meanings, are given in Table 4.5.

Table 4.5 BBFC film classifications

U (Universal)	Suitable for all
PG (Parental Guidance)	General viewing, but some scenes may be unsuitable for young children
12A	No-one younger than 12 may see a '12A' film in a cinema unless accompanied by an adult
15	No-one younger than 15 may see a '15' film in a cinema
18	No-one younger than 18 may see an '18' film in a cinema

Source: BBFC website.

4.2.1 Releases by classification

Table 4.6 provides a picture of how 2008 releases were classified. It shows that, as in previous years, more '15' films were released than any other category (37% of all releases) although they accounted for a smaller proportion of the gross box office (20%). The largest share of gross box office was earned by '12A' films (45%). There was a slight increase in the proportion of '12A' certified films, up from 25% to 28%, and fall in both 'PG' and '15', down from 16% and 40% in 2007 to 15% and 37%.

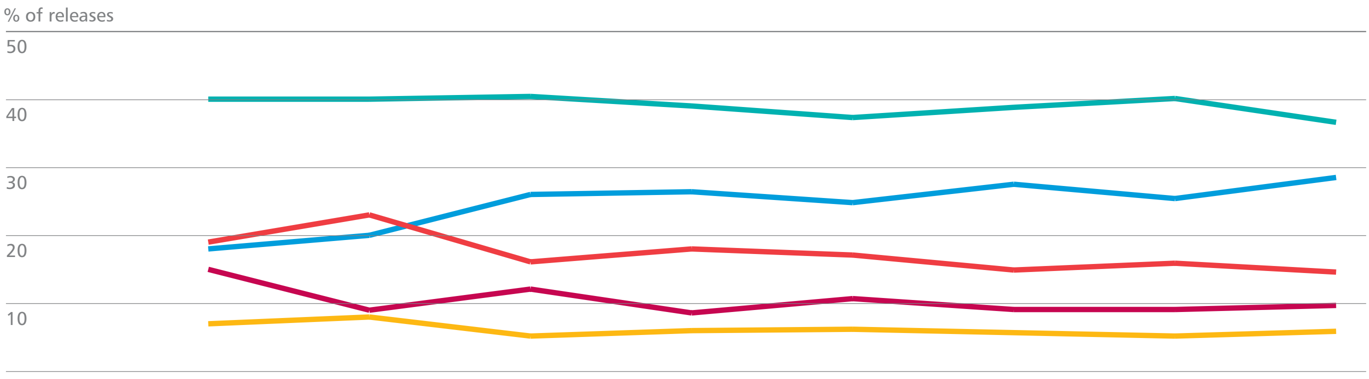
Table 4.6 Releases in UK and Republic of Ireland by BBFC film classification, 2008

BBFC classification	Number of releases	% of releases	Gross box office (£ million)	% of gross box office	Top performing title
U	31	5.9	78.3	8.4	Wall-E
PG	77	14.6	200.4	21.4	Mamma Mia!
12A	150	28.5	419.1	44.8	Quantum of Solace
15	193	36.6	187.2	20.0	Sex and the City
18	51	9.7	50.5	5.4	Sweeney Todd
No classification	25	4.7	0.1	<0.1	32A
Total	**527**	**100.0**	**935.6**	**100.0**	

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 8 March 2009.
Note: 'No classification' means no classification issued for theatrical release. Some of these films have a classification for video release.

There has been some gradual change in the proportions of films by classification over the last seven years, as shown in Figure 4.2. The proportion of the most common '15' classification fell slightly below its average 40% mark in 2008 while a slow decline in the 'PG' classification was compensated by the gentle rise of the '12A' classification.

Figure 4.2 Proportion of releases in UK and Republic of Ireland by film classification, 2001–2008



	2001	2002	2003	2004	2005	2006	2007	2008
U	7.0	8.0	5.2	6.0	6.2	5.7	5.2	5.9
PG	19	23	16.1	18	17.1	14.9	15.9	14.6
12A	18	20	26	26.4	24.8	27.5	25.4	28.5
15	40	40	40.4	39	37.3	38.8	40.1	36.6
18	15	9	12.1	8.6	10.7	9.1	9.1	9.7

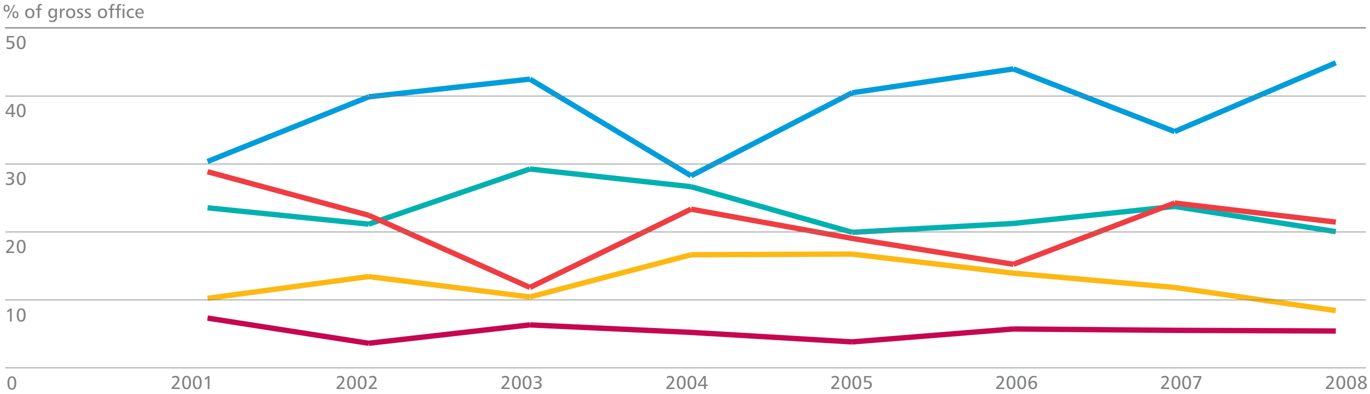
Source: Nielsen EDI, BBFC, RSU analysis.
Note: Category '12A' includes those films that were given the '12' classification before 2003. The '12' classification was superseded by '12A' for films showing at the cinema in August 2002. The first film given a '12A' classification was *The Bourne Identity*.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

4.2.2 Box office by classification

The shares of box office by film classification vary widely from year-to-year as demonstrated in Figure 4.3. However, the box office ranking of the classifications has remained fairly constant over time, the top earner being '12A', followed by 'PG', '15' and 'U'. The lowest earning classification was consistently '18' over this period.

Figure 4.3 Proportion of gross box office of releases in UK and Republic of Ireland by film classification, 2001–2008



	2001	2002	2003	2004	2005	2006	2007	2008
U	10.2	13.4	10.4	16.6	16.7	13.9	11.8	8.4
PG	28.8	22.4	11.8	23.3	19	15.2	24.2	21.4
12A	30.3	39.8	42.4	28.2	40.4	43.9	34.7	44.8
15	23.5	21.1	29.2	26.6	19.9	21.2	23.7	20.0
18	7.3	3.6	6.3	5.2	3.8	5.7	5.5	5.4

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 8 March 2009.
See note to Figure 4.2.

Table 4.7 gives the top 10 'U' classified films in 2008. With five out of 10 titles, the list is dominated by animated features (traditionally aimed at the youngest audiences for whom a 'U' classification is preferable). Two of the ten films came from the UK, compared with none last year.

Table 4.7 Top 10 'U' classified films, 2008

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Wall-E	USA	22.9	Walt Disney	Animation
2	High School Musical 3	USA	22.8	Walt Disney	Musical
3	Horton Hears a Who	USA	8.7	20th Century Fox	Animation
4	The Game Plan	USA	4.3	Walt Disney	Comedy
5	Nim's Island	USA	4.0	Universal Pictures	Adventure
6	Space Chimps	USA	3.9	Entertainment	Animation
7	Penelope	UK/USA	3.3	Momentum	Comedy
8	The Tale of Despereaux	UK/USA	2.5	Universal Pictures	Animation
9	Underdog	USA	1.5	Walt Disney	Family
10	Fly Me to the Moon 3D	USA	1.0	Momentum	Animation

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 8 March 2009.

The top 10 performing 'PG' classified films were a more varied group (Table 4.8). The table was topped by the highest grossing film of all time at the UK and Ireland box office, *Mamma Mia!*. The rest of the list was a mixture of animation, fantasy and adventure films. Three of the ten films came from the UK, compared with four last year.

Table 4.8 Top 10 'PG' classified films, 2008

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Mamma Mia!	UK/USA	69.2	Universal Pictures	Musical
2	Madagascar: Escape 2 Africa	USA	23.2	Paramount	Animation
3	Kung Fu Panda	USA	20.2	Paramount	Animation
4	Chronicles of Narnia: Prince Caspian	UK/USA	11.8	Walt Disney	Fantasy
5	The Spiderwick Chronicles	USA	10.7	Paramount	Family
6	Step Up 2	USA	10.5	Universal Pictures	Musical
7	National Treasure 2	USA	9.0	Walt Disney	Adventure
8	Bedtime Stories	USA	8.6	Walt Disney	Comedy
9	The Water Horse	USA	4.9	Sony	Adventure
10	Inkheart	UK/USA	3.9	Entertainment	Fantasy

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 8 March 2009.

The top '12A' film in 2008 was *Quantum of Solace*, followed by *The Dark Knight* and *Indiana Jones and the Kingdom of the Crystal Skull*. Only two of the top 10 films came from the UK, compared with four last year (Table 4.9).

Table 4.9 Top 10 '12A' classified films, 2008

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Quantum of Solace	UK/USA	51.1	Sony	Action
2	The Dark Knight	UK/USA	48.9	Warner Bros	Action
3	Indiana Jones and the Kingdom of the Crystal Skull	USA	40.3	Paramount	Adventure
4	Hancock	USA	24.7	Sony	Action
5	Iron Man	USA	17.4	Paramount	Action
6	The Mummy: Tomb of the Dragon Emperor	USA	11.4	Universal Pictures	Adventure
7	Twilight	USA	11.1	E1 Films	Fantasy
8	Yes Man	USA	10.4	Warner Bros	Comedy
9	Four Christmases	USA	10.3	Entertainment	Comedy
10	Juno	USA	9.8	20th Century Fox	Comedy

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 8 March 2009.

By definition, '15' classified films contain stronger material than the younger categories. Depending on the type of film they are likely to involve more adult-oriented themes, comedy, crime and language. This is reflected in the top 10, shown in Table 4.10. The top 10 '15' films were topped by the film adaptation of the popular television series, *Sex and the City*. US comedies dominated the rest of the list. Only one of the ten films came from the UK, compared with four last year.

Table 4.10 Top 10 ‘15’ classified films, 2008

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Sex and the City	USA	26.4	Entertainment	Comedy
2	Cloverfield	USA	9.6	Paramount	Sci-fi
3	Tropic Thunder	USA	8.7	Paramount	Comedy
4	Burn after Reading	USA	7.8	Universal Pictures	Comedy
5	Forgetting Sarah Marshall	USA	7.7	Universal Pictures	Comedy
6	No Country for Old Men	USA	7.4	Paramount	Thriller
7	Taken	Fra/USA	6.4	20th Century Fox	Action
8	Step Brothers	USA	6.4	Sony	Comedy
9	Rocknrolla	UK/USA	5.1	Warner Bros	Crime
10	Changeling	USA	5.0	Universal Pictures	Crime

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 8 March 2009.

Because of the challenging nature of ‘18’ classified films, which contain the strongest content, their audience appeal is generally much narrower than other categories. *Sweeney Todd* broke the £10 million barrier in this category in 2008 (Table 4.11). *The Departed* (£12.8 million) was the last ‘18’ film that broke this barrier back in 2006. The second ‘18’ film in 2008 was the action film, *Wanted*, followed by the latest instalment of the Saw horror series, *Saw V. Saw 2* was the top film in this category in 2005. There were fewer horror titles but more action films and comedies in the top 10 ‘18’ films this year than in 2007. There were three UK titles (five in 2007) among the top 10 of this classification in 2008.

Table 4.11 Top 10 '18' classified films, 2008

	Title	Country of origin	Gross box office (£ million)	Distributor	Genre
1	Sweeney Todd	UK/USA	11.0	Warner Bros	Musical
2	Wanted	USA	9.7	Universal Pictures	Action
3	Saw V	USA	6.4	Lions Gate	Horror
4	In Bruges	UK/USA	4.9	Universal Pictures	Comedy
5	Rambo	USA/Ger	3.2	Sony	Action
6	Zack and Miri Make a Porno	USA	2.5	Entertainment	Comedy
7	Untraceable	USA	1.8	Universal Pictures	Thriller
8	Lust, Caution	USA	1.1	Universal Pictures	Thriller
9	Doomsday	UK/USA	1.1	Universal Pictures	Action
10	Quarantine	USA	1.0	Sony	Horror

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 8 March 2009.

See also:

- For cinema admissions and box office in 2008 see Chapter 1 (page 6)
- For top foreign language films of the last decade see Chapter 5 (page 39)
- For a look at cinema audiences see Chapter 15 (page 114)

- For information about film classification in the UK see www.bbfc.org.uk
- For more details of genre classification see www.ukfilmcouncil.org.uk/genre.

Chapter 5: Specialised films

Specialised films offer audiences an experience of cinema that is very different from mainly US studio-produced mainstream films. Such films may offer an innovative cinematic style or engage with challenging subject matter, or be in foreign languages and portray experiences from different cultures around the world. Evidence shows the specialist niche is a vibrant aspect of our film culture.

Facts in focus

- 351 specialised films were released in the UK in 2008 (67% of the total) earning £77 million (8% of the total gross box office).
- Films in 31 different languages (including English) were released in the UK in 2008.
- 188 foreign language films made up 36% of total releases, but shared just 3% of the UK box office.
- Foreign language films averaged 15 sites at the widest point of release, compared to 166 for English language films.
- Hindi was the most common foreign language in terms of the number of releases.
- 54 documentary films were released, accounting for 10% of releases but only 0.4% of the gross box office.
- 28 classic and archive films were re-released (5% of the total), accounting for 0.1% of the box office.

5.1 Specialised films at the UK box office in 2008

The UK Film Council's definition of 'specialised' is broad and relates to those films that do not sit easily within a mainstream and highly commercial genre. Many are from the independent production sector (although they may be handled by a mainstream, studio-based distributor) or are made with a low production budget (compared to a studio production) and may focus more on script and character than on effect and events. They may be expected to appeal to a narrower audience segment than mainstream films.

Specifically, the UK Film Council considers most subtitled foreign language films, documentaries and archive/classic films to be 'specialised'. For films that do not fall into these categories, other criteria are applied and consideration is given to films that are less easy to define as a particular genre or those that deal with challenging and complex subject matter. Specialised films are often characterised as having a more innovative or unconventional storytelling style. For more information on the UK Film Council's definition of specialised film, and to access the specialised film database, see www.ukfilmcouncil.org.uk/specialisedfilmsdb

In total, 351 specialised films were released, representing 67% of the total number of UK theatrical releases last year. These films grossed £77 million, just over 8% of total box office earnings (Table 5.1).

Table 5.1 Specialised* films in the UK and Republic of Ireland, 2008

Type	Number of releases	Share of releases (%)	Gross box office (£ million)	Share of gross box office (%)	Average widest point of release
Foreign language	188	36	27.1	2.9	15
Documentaries	54	10	3.4	0.4	11
Re-releases	28	5	1.0	0.1	10
Other specialised films	90	17	45.7	4.9	54
All specialised films**	**351**	**67**	**77.0**	**8.2**	**25**

Source: Nielsen EDI data, RSU analysis.
*Specialised as identified by the UK Film Council and listed in the Specialised Films Database as at 2 April 2009. For more information visit http://www.ukfilmcouncil.org.uk/specialisedfilmsdb
**Note that because of some overlap of categories (eg a film can be categorised as foreign language and as a documentary) the total refers to the number of specialised films, not the sum total of the categories in the table.

Image: *The Orphanage* courtesy of Optimum Releasing/The Weinstein Company

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

5.2 Foreign language films

Films in 31 different languages (including English) were released in the UK and the Republic of Ireland in 2008, compared with 34 in 2007 (Table 5.2).

Table 5.2 Languages of films released, 2008

Main language	Number of releases
Arabic	2
Cantonese	5
Czech	1
Danish	1
English	327
English with others*	12
Farsi	1
French	32
German	9
Hebrew	3
Hindi	51
Hungarian	1
Icelandic	1
Italian	7
Japanese	10
Korean	3

Main language	Number of releases
Kurdish	1
Lebanese	1
Mandarin	6
Mongolian	1
Polish	2
Portuguese	3
Punjabi	5
Romanian	2
Russian	4
Spanish	9
Swedish	1
Tamil	18
Thai	1
Turkish	5
Zulu	1

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
*'English with others' includes films whose main language was English but with extensive use of other languages, such as *Battle for Haditha* in English and Arabic.

The 31 foreign languages were spread over 188 releases in the UK (36% of all releases, an increase of 43% since 2002), earning £27.1 million at the box office (Table 5.3). This represented 3% of the total UK gross box office for 2008, a fall from 5% in 2004 but higher than in 2003.

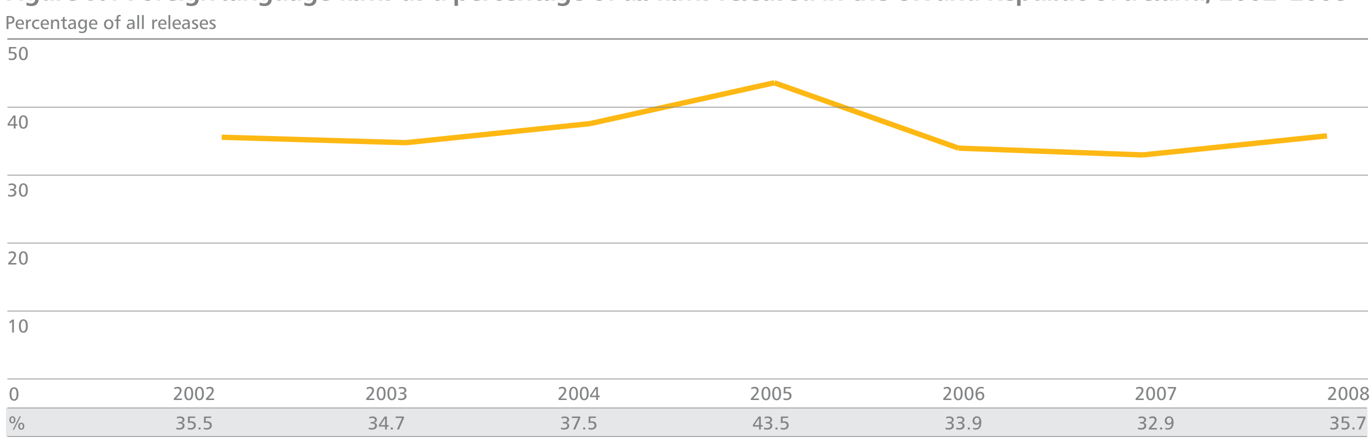
Table 5.3 Foreign language films at the UK and Republic of Ireland box office, 2002–2008

	Number	% of all releases	Box office (£ million)	% of total gross box office
2002	131	35.5	17.1	2.2
2003	147	34.7	20.4	2.5
2004	169	37.5	38.1	4.6
2005	203	43.5	26.9	3.2
2006	171	33.9	29.8	3.5
2007	170	32.9	32.3	3.5
2008	188	35.7	27.1	2.9

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 22 February 2009.

The percentage of foreign language films released in the UK and the Republic of Ireland returned to the same level as 2002 even though more foreign films were released in 2008 than in 2002 (Figure 5.1). This is explained by the increase in the total number of releases in the UK over the same period (see Chapter 1).

Figure 5.1 Foreign language films as a percentage of all films released in the UK and Republic of Ireland, 2002–2008



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Hindi was once again the most common foreign language in terms of the number of releases (Table 5.4). Taken together, foreign language films played on average at only 15 sites at their widest point of release (against 20 in 2007) compared with an average of 166 for English language releases.

Table 5.4 Language of releases in the UK and Republic of Ireland, 2008 (ranked by number of releases)

Main language	Number of releases	% of releases	Gross box office (£ million)	% of gross box office	Average sites at widest point of release
English and English with others*	339	64.3	907.4	97.1	166
Other European	74	14.0	10.2	1.1	12
Other international	63	12.0	4.9	0.5	9
Hindi	51	9.7	12.0	1.3	27
Total	**527**	**100.0**	**934.5**	**100.0**	**112**

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Notes: *'English with others' includes films whose main language was English but with extensive use of other languages, such as *Battle for Haditha* in English and Arabic.
Figures as at 22 February 2009. Figures may not sum to totals due to rounding.

Looking at the top five foreign languages, Hindi is in top position, French second and Mandarin in the fifth place (table 5.5) as in 2007. Spanish and Italian took the third and fourth places.

Table 5.5 Top five foreign languages at the UK and Republic of Ireland box office, 2008

Main language	Number of releases	Gross box office (£ million)	Top performing title
Hindi	51	12.0	Rab Ne Bana De Jodi
French	32	4.6	I've Loved You So Long
Spanish	9	2.3	The Orphanage
Italian	7	1.5	Gomorrah
Mandarin	6	1.2	Lust, Caution

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 22 February 2009.

The top three performing European foreign languages were French, Spanish and Italian, (Table 5.6). Portuguese-language films include those of Brazilian origin.

Table 5.6 European foreign languages at the UK and Republic of Ireland box office, 2008

Main language	Number of releases	Gross box office (£ million)	Top performing title
French	32	4.6	I've Loved You So Long
Spanish	9	2.3	The Orphanage
Italian	7	1.5	Gomorrah
German	9	0.8	The Baader-Meinhof Complex
Portuguese	3	0.3	Linha de Passe
Romanian	2	0.3	4 Months, 3 Weeks and 2 Days
Icelandic	1	0.1	Jar City
Swedish	1	0.1	You, the Living
Russian	4	<0.1	The Banishment
Hungarian	1	<0.1	Children of Glory
Danish	1	<0.1	Boss of It All
Flemish	1	<0.1	Ben X
Polish	2	<0.1	Midnight Talks
Czech	1	<0.1	I Served the King of England
Total	**74**	**10.2**	

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 22 February 2009.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

While the top foreign language film in 2008 was in Spanish, the top 20 as a whole was dominated by Hindi films, which accounted for 10 titles (Table 5.7).

Table 5.7 Top 20 foreign language films released in the UK and Republic of Ireland, 2008

	Title	Country of origin	Gross box office (£ million)	Distributor	Main language
1	The Orphanage	Spa	1.8	Optimum	Spanish
2	Rab Ne Bana De Jodi	India	1.5	Yash Raj	Hindi
3	Singh Is Kinng	Ind/Aus	1.4	Studio 18	Hindi
4	I've Loved You So Long	Fra	1.2	Lions Gate	French
5	Lust, Caution	USA/Chi/Taiwan/HK	1.1	Universal	Mandarin
6	The Diving Bell and the Butterfly	Fra/USA	1.0	Pathé	French
7	Jodhaa Akbar	India	1.0	UTV	Hindi
8	Dostana	India	1.0	Yash Raj	Hindi
9	Gomorrah	Italy	0.9	Optimum	Italian
10	Race	Ind/Haiti	0.9	UTV	Hindi
11	Mongol: The Rise to Power of Genghis Khan	Ger/Kaz/Rus	0.8	The Works	Mongolian
12	Ghajini	India	0.7	Adlabs	Hindi
13	Waltz With Bashir	Israel/Ger/Fra	0.7	Artificial Eye	Hebrew
14	Caramel	Leb/Fra	0.5	Momentum	Lebanese
15	Priceless	Fra	0.5	Icon	French
16	The Baader-Meinhof Complex	Ger	0.4	Momentum	German
17	U, Me Aur Hum	India	0.4	Eros	Hindi
18	Kidnap	Ind/Chi	0.4	Studio 18	Hindi
19	Sarkar Raj	India	0.4	Eros	Hindi
20	Golmaal Returns	India	0.4	Studio 18	Hindi

Source: Nielsen EDI, BBFC, IMDb, RSU analysis.
Figures as at 22 February 2009.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

This year five of the top 20 foreign language films were supported by the UK Film Council. The five titles (*Lust*, *Caution*, *The Diving Bell and the Butterfly*, *Mongol: The Rise to Power of Genghis Khan*, *Waltz With Bashir*, *Caramel*) received funding to pay for additional prints and advertising, affording greater opportunity for people to see the films.

Table 5.8 shows the 10 biggest foreign language films of the last decade. Top film is *Passion of the Christ* (£11.1 million), followed by *Crouching Tiger*, *Hidden Dragon* (£9.4 million). There are three Mandarin and three Spanish films in the top 20, but only one French language title.

Table 5.8 Top 10 foreign language films, 1999–2008

	Film	Language	UK box office total (£ million)	UK distributor	Year of release
1	The Passion of the Christ	Aramaic/Latin/Hebrew	11.08	Icon	2004
2	Crouching Tiger, Hidden Dragon	Mandarin	9.37	Sony Pictures	2001
3	Amélie	French	5.01	Momentum	2001
4	Apocalypto	Maya	4.11	Icon	2007
5	Hero	Mandarin	3.82	Disney	2004
6	House of Flying Daggers	Mandarin	3.78	Pathé	2004
7	Life is Beautiful	Italian	3.08	Disney	1999
8	Volver	Spanish	2.88	Pathé	2006
9	The Motorcycle Diaries	Spanish	2.75	Pathé	2004
10	Pan’s Labyrinth	Spanish	2.72	Optimum	2006

Source: Nielsen EDI, RSU analysis.

5.3 Documentaries

In all, 54 feature documentaries were released at the UK box office in 2008, representing 10% of theatrical releases. They earned £3.4 million in total, around 0.4% of the overall box office gross. The most successful documentary of the year was Oscar® winner *Man on Wire*, co-funded and supported on release by the UK Film Council, which earned £879,000. This was followed by two in-concert documentaries, both with 3-D releases – *Hannah Montana/Miley Cyrus: Best of Both Worlds* earned £799,000 while U2 3D grossed £726,000. Terence Davies’s documentary on Liverpool *Of Time and the City* earned £245,000.

All four documentaries feature in the top 20 theatrically released documentaries in the UK since 2002 (Table 5.9). The highest grossing documentary of all time at the UK box office is Michael Moore’s *Fahrenheit 9/11* which earned £6.5 million in 2004. French natural history documentary *March of the Penguins* is in second place with £3.1 million and British-made *Touching the Void* is at number three with £2.6 million.

Table 5.9 Top 20 documentaries at the UK box office, 2002–2008

	Title	Country of origin	Year of release	Box office gross (£)	Widest point of release (sites)	Distributor
1	Fahrenheit 9/11	USA	2004	6,545,552	200	Optimum
2	March of the Penguins	France	2005	3,084,616	163	Warner Bros
3	Touching the Void	UK	2003	2,643,252	50	Pathé
4	Bowling for Columbine	USA	2002	1,667,625	37	Momentum
5	Super Size Me	USA	2004	1,111,093	83	Tartan
6	An Inconvenient Truth	USA	2006	935,770	68	Paramount
7	Man on Wire	UK/USA	2008	879,377	43	Icon
8	Hannah Montana/Miley Cyrus: Best of Both Worlds	USA	2008	799,109	65	Disney
9	U2 3D	USA	2008	725,893	67	Revolver
10	Etre et Avoir	France	2003	708,116	15	Tartan
11	Shine a Light	USA/UK	2008	697,320	159	20th Century Fox
12	Spellbound	USA	2003	484,540	17	Metrodome
13	Capturing the Friedmans	USA	2004	388,238	26	Tartan
14	Sicko	USA	2007	378,669	166	Optimum
15	The Corporation	Canada	2004	296,234	20	Metrodome
16	Of Time and the City	UK	2008	245,189	25	BFI
17	Lost in La Mancha	UK/USA	2002	233,383	13	Optimum
18	Grizzly Man	USA	2006	220,383	13	Revolver
19	My Architect	USA	2004	198,950	12	Tartan
20	The Fog of War	USA	2004	178,887	8	Sony Pictures

Source: UK Film Council RSU analysis of Nielsen EDI data.
Note: The table does not include IMAX-only documentaries and shorts.

An interesting observation is the number of documentaries originating from the USA – a reminder that the USA is not wholly about mainstream Hollywood production but has a large independent and specialised film sector as well.

5.4 Re-releases of classic and archive films

According to Nielsen EDI, 28 re-released classic and archive films accounted for 5% of theatrical releases in 2008 but generated 0.1% of the total gross box office. However, not all box office revenues for re-releases are tracked by Nielsen EDI, which primarily focuses on first-run films. Some additional revenue for films which tend to be booked for a limited time into the specialised cinema circuit long after their initial release is missing from this analysis, so the actual box office share is likely to be greater.

However, the figures available suggest there is a growing appetite for the theatrical re-release of classic material, fuelled in part by the ageing of the cinema population – the over-45s now account for one-fifth of cinema visits. The availability of enhanced digital versions and the flexibility of digital cinema also give younger audiences the chance to experience the classics for the first time or to see in the cinema films they have previously only seen on television.

Table 5.10 below highlights the top 20 re-releases at UK cinemas over the last six years. Seasonal re-releases take four of the top 10 places, with sizeable audiences for Tim Burton's *The Nightmare Before Christmas 3-D* in both 2006 (£647,000) and 2007 (£329,000). *It's a Wonderful Life* made an impressive £166,000 from a limited release in the run-up to Christmas 2007 while the British Film Institute's (BFI) re-release of *The Wizard of Oz* earned £118,000 the previous year. The Valentine's Day release of *Casablanca* made £55,000 in 2007, another strong performance given the width and duration of release.

The highest earning re-release in the UK over the six years is the 20th anniversary re-issue of Steven Spielberg's *E.T. The Extra-Terrestrial*. It grossed £2.1 million from a wide release in 2002. The chart features an interesting mix of genres: Ridley Scott's *Alien: The Director's Cut* grossed over £0.5 million in 2003 while Visconti's *The Leopard* earned £347,000 from its limited release in the same year. Bertolucci's *The Conformist* was re-released by the BFI earlier in 2008 and grossed £111,000 (with an opening weekend average of £4,500).

Six of the top 20 were re-released by the BFI, illustrating the importance of the BFI in maintaining and strengthening the UK's film culture.

Table 5.10 Top 20 re-releases at the UK box office, 2002–2008

	Title (year of original release)	Country of origin	Year of re-release	Box office gross (£)	Widest point of release (sites)	Distributor
1	E.T. (20th anniversary) (1982)	USA	2002	2,063,690	313	UIP
2	The Nightmare Before Christmas 3-D (1993)	USA	2006	646,798	5	Disney
3	Alien: The Director's Cut (1979)	UK/USA	2003	545,782	134	20th Century Fox
4	The Leopard (1963)	Italy/France	2003	346,807	5	BFI
5	The Nightmare Before Christmas 3-D (1993)	USA	2007	328,759	44	Disney
6	It's a Wonderful Life (1946)	USA	2007	165,707	33	Park Circus
7	Amadeus (Director's Cut) (1984)	USA	2002	145,234	8	Warner Bros
8	The Wizard of Oz (1939)	USA	2006	118,033	33	BFI
9	White Christmas (1954)	USA	2008	117,808	27	Park Circus
10	The Conformist (1970)	Italy/France/Germany	2008	111,202	6	BFI
11	The Seventh Seal (1957)	Sweden	2007	105,594	6	Tartan
12	Grease (30th anniversary) (1978)	USA	2008	105,241	143	Park Circus
13	Tokyo Story (1953)	Japan	2004	95,935	4	Tartan
14	Jules et Jim (1962)	France	2008	94,673	13	BFI
15	Mughal-E-Azam (1960)	India	2005	71,167	14	UTV Comm.
16	Let's Get Lost (1988)	USA	2008	58,468	10	Metrodome
17	Donnie Darko: Director's Cut (2001)	USA	2004	55,646	4	Metrodome
18	Casablanca (1942)	USA	2007	55,453	10	Park Circus
19	Orphée (1950)	France	2004	51,506	3	BFI
20	Sunset Boulevard (1950)	USA	2003	51,231	3	BFI

Source: UK Film Council RSU analysis of Nielsen EDI data.

See also:

- For more on the box office see Chapter 1 (page 6)
- For more on genre and BBFC classification see Chapter 4 (page 21).

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Chapter 6: UK films internationally

In a boom year at the global box office, UK films accounted for 15% of the international market. Top performers such as Quantum of Solace and Mamma Mia! blazed a trail that also produced a few surprises.

Facts in focus

- Worldwide the gross box office for films of all countries of origin increased by 5% on 2007 to $28 billion.
- The UK share of the global theatrical market increased to 15% ($4.2 billion) from 12 % in 2007.
- The top 10 performing UK films worldwide grossed $3.4 billion in 2008, up 37% on 2007.
- The *Dark Knight* was the best performing UK qualifying film at the worldwide box office, earning almost $1 billion in 2008.
- UK films represented 9% of releases at the North American box office, (10% in 2007), but 16% of the market, (12% in 2007), at a value of $1,571 million.
- In Europe the top British film was *Mamma Mia!* with 34 million admissions, followed by *Quantum of Solace* with 27 million.
- In Latin America, UK films earned 18% of the box office while in Australasia their market share rose to over 22%.

6.1 UK films worldwide

Record global box office takings were reported in 2008, with $28 billion worth of ticket sales – up 5% on 2007 (Table 6.1). UK films had a 15% share of the global theatrical market in 2008, up from 12% the previous year. This was thanks to the success of several inward investment titles including *The Dark Knight, Mamma Mia!* and *Quantum of Solace*. As Table 6.1 shows, the UK's market share in 2008 was the second highest of the last seven years.

Table 6.1 UK global market share, 2002–2008

Year	UK film worldwide gross ($ billion)	Global theatrical market ($ billion)	UK share (%)
2002	1.8	19.8	9.1
2003	1.4	20.1	6.9
2004	2.9	24.9	11.5
2005	3.6	23.1	15.5
2006	2.2	25.5	8.5
2007	3.3	26.7	12.4
2008	4.2	28.1	14.9

Source: MPA, UK Film Council.

Based on *Variety's* numbers, the top 10 UK films worldwide grossed a total of $3,396 million in 2008 (Table 6.2). The top film was *The Dark Knight* with a worldwide gross of $997 million. Seven other UK films broke the $100 million barrier at the worldwide box office: *Mamma Mia!, Quantum of Solace, The Chronicles of Narnia: Prince Caspian, 10,000 BC, The Golden Compass, Hellboy II: The Golden Army* and *Made of Honour*.

Table 6.2 Top 10 UK films worldwide, 2008

	Title	Country of origin	Worldwide gross ($ million)
1	The Dark Knight	UK/USA	997
2	Mamma Mia!	UK/USA	573
3	Quantum of Solace	UK/USA	546
4	The Chronicles of Narnia: Prince Caspian	UK/USA	420
5	10,000 BC	UK/USA/NZ	270
6	The Golden Compass	UK/USA	173
7	Hellboy II: The Golden Army	UK/USA/Ger	159
8	Made of Honour	UK/USA	106
9	Atonement	UK/USA	80
10	The Other Boleyn Girl	UK/USA	72
	Total top 10		**3,396**

Source: *Variety*.
Note: *Variety* lists the gross earned in 2008 and includes films released in the previous year. Some films were still being exhibited in 2009, but the additional grosses earned in 2009 are not included in this table.

6.2 UK films in North America

Table 6.3 shows the country of origin of films released in the USA and Canada in 2008. The UK share of the gross box office increased from 12% in 2007 to 16% in 2008, from just 9% of releases (down from 10% in 2007). The total revenue from these films stood at $1,571 million, up 30%. The share of UK films in North America was the highest since our records began in 2002 (Table 6.4), thanks largely to *The Dark Knight* which was the top-grossing film of the year in the USA and Canada (with $533 million earned to date) and the second-highest grossing film of 'all time' behind *Titanic*.

Table 6.3 Country of origin of films in the USA and Canada, 2008

Country of origin	Number of releases	% of releases	Box office ($ million)	Box office share (%)
UK and UK co-productions (non-USA)	32	5.2	173	1.8
UK/USA	24	3.9	1,398	14.5
Sub-total	56	9.2	1,571	16.3
USA	393	64.4	7,896	81.8
Rest of world	161	26.4	179	1.9
Total	**610**	**100.0**	**9,647**	**100.0**

Source: Nielsen EDI, RSU analysis.

Table 6.4 UK market share in North America, 2002–2008

Year	UK market share %
2002	7.2
2003	5.7
2004	11.0
2005	15.8
2006	9.2
2007	11.8
2008	16.3

Source: Nielsen EDI, RSU analysis.

The Dark Knight was the top performing UK-qualifying film in 2008 in North America, followed by *Quantum of Solace* with $168 million and *Mamma Mia!* with $144 million (Table 6.5). Multiple Oscar®-winner *Slumdog Millionaire* had a limited November opening but, boosted by its awards success, went on to earn over $125 million.

Table 6.5 Top 20 UK films at the USA and Canada box office (including co-productions), 2008

	Title	Country of origin	Box office gross ($ million)	Distributor
1	The Dark Knight	UK/USA	533.3	Warner Bros
2	Quantum of Solace	UK/USA	168.4	Sony Pictures
3	Mamma Mia!	UK/USA	144.1	Universal
4	Chronicles of Narnia: Prince Caspian	UK/USA	141.6	Walt Disney
5	Slumdog Millionaire	UK	125.3	Fox Searchlight
6	10,000 BC	UK/USA/NZ	94.8	Warner Bros
7	Hellboy II: The Golden Army	UK/USA/Ger	76.0	Universal
8	The Tale of Despereaux	UK/USA	50.9	Universal
9	Made of Honour	UK/USA	46.0	Sony Pictures
10	The Bank Job	UK/USA	30.1	Lions Gate
11	The Other Boleyn Girl	UK/USA	26.8	Sony Pictures
12	Last Chance Harvey	UK/USA	14.2	Overture Films
13	The Duchess	UK/Fra	13.8	Paramount Vantage
14	Miss Pettigrew Lives for a Day	UK/USA	12.3	Focus Features
15	Doomsday	UK/USA	11.0	Universal
16	Penelope	UK/USA	10.0	Summit Ent
17	The Boy in the Striped Pyjamas	UK/USA	9.0	Miramax
18	City of Ember	UK/USA	7.9	20th Century Fox
19	In Bruges	UK/USA/Bel	7.8	Focus Features
20	Brideshead Revisited	UK	6.4	Miramax

Source: Nielsen EDI, RSU analysis.
Note: Table lists the gross box office for films released in the USA and Canada in 2008 and includes 2009 earnings up to 8 March 2009.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

6.3 UK films in Europe

The UK's market share in the major European territories is highlighted in Table 6.6. Almost 20% of German theatrical revenues were earned by UK films, with 18% in Spain and 11% in France. While UK market share increased year-on-year in Germany and Spain it actually declined in France (down from 15% in 2007) due in part to the huge success of local comedy *Bienvenue chez les Ch'tis* which, with over 20 million admissions, is the most successful French-produced film in France.

Table 6.6 UK market share in selected European territories, 2008

Country	Box office for UK films (€ million)	UK share 2008 (%)
France	19.3m (admissions)	10.7
Germany	148.0	19.6
Spain	107.4	17.5

Source: Nielsen EDI, RSU analysis

The top British film in Europe in 2008 was *Mamma Mia!* with 34 million admissions, followed by *Quantum of Solace* with 27 million (Table 6.7). Documentary feature *Earth*, an edited version of the television series *Planet Earth*, attracted 3.9 million admissions.

Table 6.7 Top 20 UK films in European countries, 2008

	Title	Country of origin	European admissions (million)
1	Mamma Mia!	UK/USA	33.74
2	Quantum of Solace	UK/USA	27.49
3	The Dark Knight	UK/USA	24.53
4	The Chronicles of Narnia: Prince Caspian	UK/USA	13.37
5	10,000 BC	UK/USA/NZ	7.51
6	Sweeney Todd	UK/USA	5.17
7	Hellboy II: The Golden Army	UK/USA/Ger	4.07
8	Earth	UK/Ger/USA	3.90
9	The Boy in the Striped Pyjamas	UK/USA	2.83
10	Made of Honour	UK/USA	2.43
11	The Other Boleyn Girl	UK/USA	2.37
12	The Golden Compass	UK/USA	2.00
13	The Bank Job	UK/USA	1.93
14	In Bruges	UK/USA/Bel	1.89
15	The Oxford Murders	UK/Fra/Spa	1.88
16	The Duchess	UK/Fra	1.77
17	Inkheart	UK/USA/Ger	1.62
18	Wild Child	UK/USA	1.49
19	Angus, Thongs and Perfect Snogging	UK/USA	1.35
20	Happy-Go-Lucky	UK	1.26

Source: European Audiovisual Observatory Lumière Database.
Data based on admissions from 26 European countries up to and including 7 May 2009.

6.4 UK films in Latin America

UK films earned between 15% and 20% of the box office in the Latin American territories for which box office data are available. *The Dark Knight*, *Chronicles of Narnia: Prince Caspian* and *Quantum of Solace* were the major hits in all territories, but there were a few surprises – *Death at a Funeral* was a major box office success in Argentina, earning more than *Mamma Mia!* and *Quantum of Solace*.

Table 6.8 UK market share in selected Latin American countries, 2008

Country	Box office for UK films (US$ million)	UK share 2008 (%)
Argentina	20.6	19.3
Brazil	50.0	15.5
Chile	9.8	19.9
Mexico	76.9	15.8

Source: Nielsen EDI, RSU analysis.

6.5 UK films in Australasia

UK releases accounted for 22% of the market in Australia and 26% in New Zealand in 2008. In Australia, *The Dark Knight* eclipsed Baz Luhrmann's *Australia* as the biggest box office hit of the year, while *Mamma Mia!* was in third place. However, the ABBA musical was the highest grossing film of the year in New Zealand.

Table 6.9 UK market share in Australia and New Zealand, 2008

Country	Box office for UK films (US$ million)	UK share 2008 (%)
Australia	142.1	21.7
New Zealand	23.2	26.2

Source: Nielsen EDI, RSU analysis.

Note: Definition of 'UK film'

For the purposes of this chapter, a UK film is one which is certified as such by the UK Secretary of State for Culture, Media and Sport under Schedule 1 of the Films Act 1985, via the Cultural Test, under one of the UK's co-production agreements or the European Convention on Cinematographic Coproduction; a film which has not applied for certification but which is obviously British on the basis of its content, producers, finance and talent; or (in the case of a re-release) a film which met the official definition of a British film prevailing at the time it was made or was generally considered to be British at that time. Most UK films in the analysis (including the major UK/USA films) fall into the first group – films officially certified as British.

See also:

- For more information on the UK and global market for filmed entertainment see Chapter 14 (page 108)
- For more information about the UK film economy see Chapter 20 (page 163).

 Image: *Man on Wire* courtesy of Icon Film Distribution (shot on 16mm film in 1974 by James Ricketson)

Chapter 7:
UK talent and awards

For a small country, the UK has an astonishing creative record in the film industry. For the past eight years, British actors, directors and other film talent have been prominent in the global box office charts and award ceremonies. Story material from UK writers has continued to inspire the industry and audiences alike. Such talent plays a vital role in projecting the UK around the world.

Facts in focus

- Of the top 200 global box office successes of 2001–2008, 31 films are based on stories and characters created by UK writers. Together they have earned more than $15 billion at the worldwide box office.
- Eight of the top 20 global box office successes of the last eight years are based on novels by British writers.
- More than half of the top 200 films released worldwide since 2001 have featured UK actors in lead or prominent supporting roles.
- British directors have directed 20 of the 200 biggest films of the last seven years with Christopher Nolan topping the league.
- British films and talent won 32 major film awards in 2008. The 205 awards received from 2001–2008 represented 14% of the total of all major awards.

7.1 UK story material

The global box office performance of UK films and foreign films which draw on UK source material is a good indicator of the international impact and exposure of British culture. Of the top 200 grossing films released worldwide between 2001 and 2008, 27 are British qualifying films, but UK-originated story material provided the inspiration for 31 – a feat only bettered by US story material. Collectively these 31 films have earned more than $15 billion at the global box office.

Novels by British writers have provided the source material for eight of the top 20 grossing films worldwide since 2001 (see www.ukfilmcouncil.org.uk/research for a list of the top 200 films). The top 20 grossing films adapted from stories or characters created by UK writers are listed in Table 7.1. Eighteen are adapted from novels, graphic novels and short stories written by UK authors, one is an original screenplay and another is based on a successful stage production.

Table 7.1 Top 20 grossing films worldwide based on stories and characters created by UK writers, 2001–2008

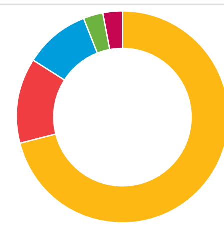
Rank	Title	Country of origin	Gross box office ($ million)	US distributor	UK story material (writer)
1	The Lord of the Rings: The Return of the King	USA/NZ	1,119	New Line	Novel by JRR Tolkien
2	Harry Potter and the Philosopher's Stone	UK/USA	970	Warner Bros	Novel by JK Rowling
3	Harry Potter and the Order of the Phoenix	UK/USA	937	Warner Bros	Novel by JK Rowling
4	The Lord of the Rings: The Two Towers	USA/NZ	923	New Line	Novel by JRR Tolkien
5	Harry Potter and the Goblet of Fire	UK/USA	896	Warner Bros	Novel by JK Rowling
6	Harry Potter and the Chamber of Secrets	UK/USA	879	Warner Bros	Novel by JK Rowling
7	The Lord of the Rings: The Fellowship of the Ring	USA/NZ	868	New Line	Novel by JRR Tolkien
8	Harry Potter and the Prisoner of Azkaban	UK/USA	795	Warner Bros	Novel by JK Rowling
9	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	USA/NZ	749	Disney	Novel by CS Lewis
10	The War of the Worlds	USA	596	Paramount	Novel by HG Wells
11	Casino Royale	UK/USA/Cze	595	Sony	Novel by Ian Fleming
12	Mamma Mia!	UK/USA	585	Universal	Musical book and screenplay by Catherine Johnson
13	Quantum of Solace	UK/USA	546	Sony Pictures	Based on Ian Fleming novels
14	Charlie and the Chocolate Factory	UK/USA	473	Warner Bros	Novel by Roald Dahl
15	Die Another Day	UK/USA	432	MGM/UA	Based on Ian Fleming novels
16	The Chronicles of Narnia: Prince Caspian	UK/USA	420	Disney	Novel by CS Lewis
17	The Golden Compass	UK/USA	365	New Line	Novel by Philip Pullman
18	Wanted	USA	345	Universal	Graphic novel by Mark Millar
19	Bridget Jones: The Edge of Reason	UK/USA	261	Universal	Novel by Helen Fielding
20	Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan	USA	259	20th Century Fox	Original screenplay by Sacha Baron Cohen, Peter Baynham, Anthony Hines and Dan Mazer

Source: UK Film Council RSU.

Of the 31 films from the top 200 based on UK stories and characters, the majority (71%) were based on novels by authors such as JRR Tolkien, JK Rowling, CS Lewis, Ian Fleming, Roald Dahl, Helen Fielding, Philip Pullman, HG Wells, Brian Aldiss and Patrick O'Brian *(Master and Commander)* (Figure 7.1). The international popularity of UK comedy writing was highlighted by the success of original screenplays for *Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan*, *Johnny English*, *Love Actually*, *Mr Bean's Holiday* and *Wallace & Gromit: The Curse of the Were-Rabbit*. Films based on graphic novels by UK writers, such as *Wanted*, *Constantine* and *The League of Extraordinary Gentlemen*, had a major global impact, as did the computer game *Tomb Raider* in its two film spin-offs. The musical *Mamma Mia!* started life as a UK stage production in 1999, with the songs of ABBA woven into a story written by British playwright Catherine Johnson. The 2008 film release was one of the highest grossing of the year, earning $585 million worldwide.

Figure 7.1 Origin of UK story material in the top 200 films at the international box office, 2001–2008

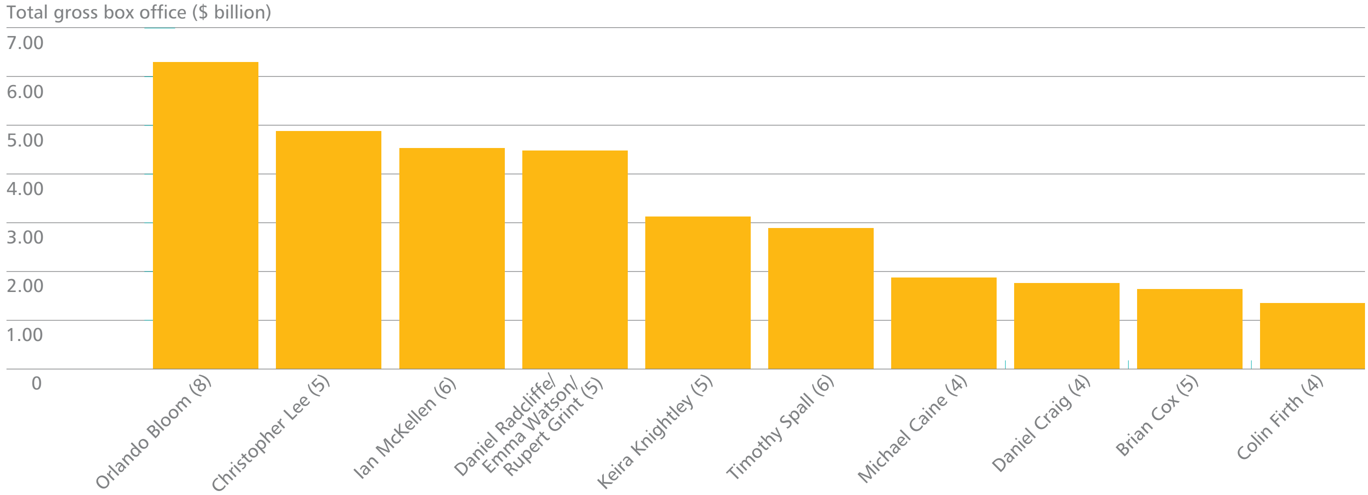
%	
Novel	71%
Original screenplay	13%
Comic book/graphic novel	10%
Computer game	3%
Musical	3%



7.2 UK actors

UK acting talent is widely recognised as being among the best in the world and more than half (108) of the top 200 films at the international box office since 2001 have featured British actors in either lead/title roles (29) or in the supporting cast (79). The prominent role played by UK actors in many of the major blockbusters of the last decade is reflected in Figure 7.2 which shows the top 12 British actors based on appearances in the 200 highest-grossing films released globally since 2001. Orlando Bloom, Ian McKellen and Christopher Lee have featured in some of the biggest franchises in cinema history such as *Lord of the Rings, Pirates of the Caribbean, X-Men* and the *Star Wars* prequels. New entries this year include Michael Caine (thanks largely to his role as Alfred in *The Dark Knight*), Daniel Craig (*Bond* and *The Golden Compass*) and Colin Firth, who played a supporting role in the highest grossing UK box office hit of all-time, *Mamma Mia!*

Figure 7.2 Top 12 UK actors featured in the top 200 films at the worldwide box office, 2001–2008 (number of appearances in brackets)



	Orlando Bloom (8)	Christopher Lee (5)	Ian McKellen (6)	Daniel Radcliffe/ Emma Watson/ Rupert Grint (5)	Keira Knightley (5)	Timothy Spall (6)	Michael Caine (4)	Daniel Craig (4)	Brian Cox (5)	Colin Firth (4)
Total gross box office ($ billion)	6.30	4.88	4.53	4.48	3.13	2.89	1.87	1.76	1.64	1.35

Source: UK Film Council RSU.
Criteria: based on four or more appearances, either in lead/title role or supporting role.

7.3 UK directors

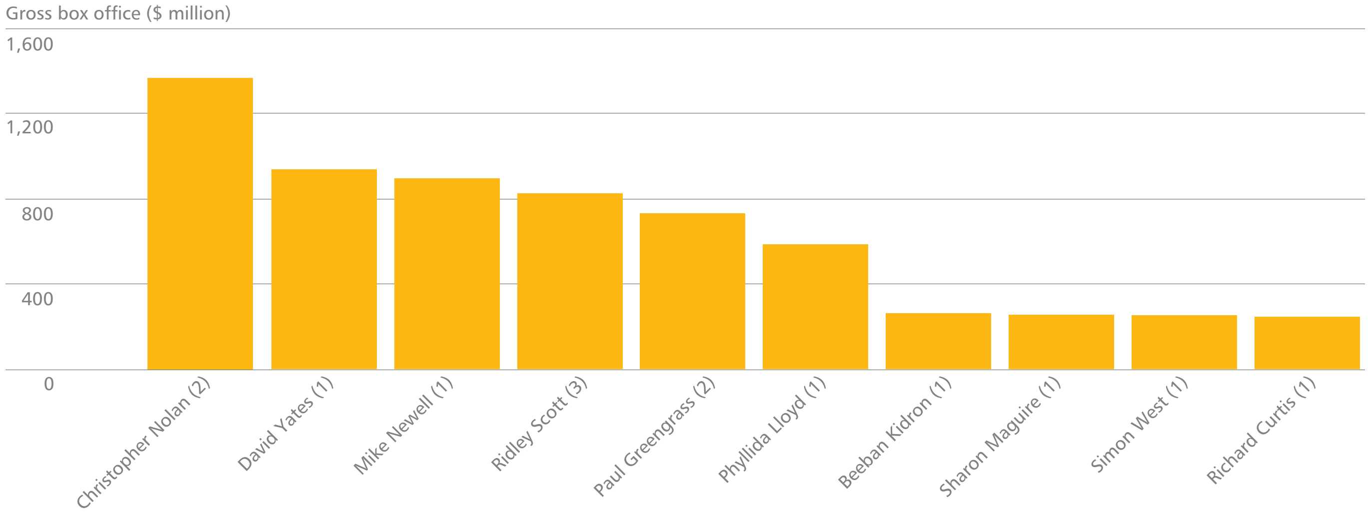
Twenty of the 200 highest grossing films at the worldwide box office have been directed by British directors (Figure 7.3 and Table 7.2.) Christopher Nolan has had the most commercial success in recent years, thanks to *Batman Begins* and *The Dark Knight.* The two British directors of the decade's top British franchise follow in second and third place – David Yates directed *Harry Potter and the Order of the Phoenix*, which has earned $937 million to date, followed by Mike Newell who directed *Harry Potter and the Goblet of Fire*. Ridley Scott was the most prolific, with three films (*Kingdom of Heaven*, *Hannibal* and *American Gangster*) in the top 200, grossing over $826 million between them. The success of *The Bourne Supremacy* and *The Bourne Ultimatum* ensure that Paul Greengrass features twice in the top 200 list, with a combined gross of $731 million. Three women feature in the top 200 list – Sharon Maguire and Beeban Kidron – for *Bridget Jones's Diary* and *Bridget Jones: The Edge of Reason* respectively and also this year Phyllida Lloyd, who made the transition from West End stage to film with her debut feature, *Mamma Mia!*

Table 7.2 UK directors from the top 200 films at the global box office, 2001–2008 and their films

Director	Film(s)	Total gross box office ($ million)
Christopher Nolan	Batman Begins, The Dark Knight	1,370
David Yates	Harry Potter and the Order of the Phoenix	937
Mike Newell	Harry Potter and the Goblet of Fire	896
Ridley Scott	American Gangster, Hannibal, Kingdom of Heaven	826
Paul Greengrass	The Bourne Supremacy, The Bourne Ultimatum	731
Phyllida Lloyd	Mamma Mia!	585
Beeban Kidron	Bridget Jones: The Edge of Reason	261
Sharon Maguire	Bridget Jones's Diary	254
Simon West	Lara Croft: Tomb Raider	251
Richard Curtis	Love Actually	245
Steve Bendelack	Mr Bean's Holiday	228
Tom Vaughan	What Happens in Vegas	219
Peter Hewitt	Garfield	200
Steve Box and Nick Park	Wallace & Gromit: The Curse of the Were-Rabbit	186
Tony Scott	Déjà Vu	181
Stephen Norrington	The League of Extraordinary Gentlemen	180

Source: UK Film Council RSU.

Figure 7.3 Top 10 UK directors based on top 200 grossing films, 2001–2008 (number of films in brackets)



Gross box office ($ billion)	1,370	937	896	826	731	585	261	254	252	245

7.4 Awards for UK films 2001–2008

UK films and British talent in front of and behind the camera have enjoyed major award recognition since 2001. Table 7.3 illustrates the number of awards won by UK films and individuals at two major international award ceremonies (Academy Awards®, BAFTA Film Awards) and the major international film festivals (Berlin, Cannes, Sundance, Toronto and Venice). In all, there were 205 award winners, representing 14% of the awards made.

Table 7.3 Awards for British films and talent, 2001–2008

Year	Number of UK award winners*	UK share %
2001	25	14
2002	24	15
2003	22	13
2004	22	13
2005	23	14
2006	25	14
2007	32	15
2008	32	15

*Awards include Academy Awards® and BAFTA Film Awards, and Berlin, Cannes, Sundance, Toronto and Venice festivals.
Source: UK Film Council.

UK films and talent won 32 major academy and festival awards in 2008, 15% of the total number conferred (Table 7.4). Daniel Day-Lewis and Tilda Swinton both picked up Academy® and BAFTA awards for the respective leading and supporting roles in *There Will Be Blood* and *Michael Clayton*. Oscars® also went to *The Golden Compass* for costume design and visual effects, while *La Vie en Rose* was honoured for its make-up and Suzie Templeton and Hugh Welchman won the Best Animated Short Film Oscar® for *Peter and the Wolf*. Steve McQueen picked up awards for his debut film, *Hunger*, at the Cannes, Toronto and Venice Film Festivals. The documentary *Man on Wire* picked up two awards at the Sundance Film Festival and its 2009 Oscar® will be reported in the 2010 Statistical Yearbook, as did Simon Ellis for his short film, *Soft*.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 7.4 UK award winners, 2008

Award ceremony/festival	Award	Recipient	Title
Academy Awards® 24 February 2008	Best Performance by an Actor in a Leading Role	Daniel Day-Lewis	There Will Be Blood
	Best Performance by an Actress in a Supporting Role	Tilda Swinton	Michael Clayton
	Best Costume Design	Alexandra Byrne	The Golden Age
	Best Achievement in Make-up	Jan Archibald and Didier Lavergne	La Vie en Rose
	Best Achievement in Visual Effects	Ben Morris, Trevor Wood, Michael L Fink, Bill Westenhofer	The Golden Compass
	Best Short Film, Animated	Suzie Templeton and Hugh Welchman	Peter and the Wolf
BAFTA Film Awards 10 February 2008	Best Film		Atonement
	The Alexander Korda Award for Outstanding British Film of the Year		This is England
	Actor in a Leading Role	Daniel Day-Lewis	There Will Be Blood
	Actress in a Supporting Role	Tilda Swinton	Michael Clayton
	Adapted Screenplay	Ronald Harwood	The Diving Bell and the Butterfly
	Cinematography	Roger Deakins	No Country for Old Men
	Costume Design	Marit Allen	La Vie en Rose
	Make-up and Hair	Jan Archibald, Didier Lavergne	La Vie en Rose
	Achievement in Film Music	Christopher Gunning	La Vie en Rose
	Production Design	Sarah Greenwood and Katie Spencer	Atonement
	Achievement in Special Visual Effects	Michael L Fink, Bill Westenhofer, Ben Morris, Trevor Wood	The Golden Compass
	Short Animation Film	Jo Allen, Luis Cook	The Pearce Sisters
	Short Film	Diarmid Scrimshaw, Paddy Considine	Dog Altogether
	The Carl Foreman Award for Special Achievement by a British Director, Writer or Producer in their first feature film	Matt Greenhalgh	Control
	Academy Fellowship	Anthony Hopkins	
Berlin International Film Festival 7–17 February 2008	Best Actress	Sally Hawkins	Happy-Go-Lucky
	Outstanding Artist Contribution	Jonny Greenwood	There Will Be Blood
	Special Mention – Best Short Film	David O'Reilly	RGB XYZ
	Prize of the Ecumenical Jury	John Crowley	Boy A
Cannes Film Festival 14–25 May 2008	Golden Camera Winner	Steve McQueen	Hunger
Sundance Film Festival 17–27 January 2008	Grand Jury Prize – World Cinema – Documentary	James Marsh	Man on Wire
	Audience Award – World Cinema – Documentary	James Marsh	Man on Wire
	Short Filmmaking – International	Simon Ellis	Soft
Toronto International Film Festival 4–13 September 2008	People's Choice Award	Danny Boyle	Slumdog Millionaire
	Discovery Award	Steve McQueen	Hunger
Venice Film Festival 27 August – 6 September 2008	Gucci Prize	Steve McQueen	Hunger

Source: UK Film Council.

See also:

- For more details on the film distribution sector in 2008 see Chapter 9 (page 68)
- For more information about the exhibition sector in 2008 see Chapter 10 (page 73)
- For more background on film production in 2008 see Chapter 17 (page 134).

Image: *Son of Rambow* courtesy of Optimum Releasing

Chapter 8: Theatrical release history and comparative performance of UK films

A film that performs well in the cinema has distinct advantages in earnings and promotion. However, competition for the available slots is fierce. This chapter looks at the release history and box office performance of four types of UK films in recent years.

Facts in focus

- Just under half (44%) of UK films shot between 2003 and 2006 were released in the UK and the Republic of Ireland within two years of principal photography. They accounted for 71% of the total UK film production budget over this period.
- 62% of UK films shot between 2003 and 2006 were released in at least one of 12 international territories within two years of principal photography, accounting for 83% of the total film production budget.
- 100% UK national films generally performed better internationally than unofficial and official UK co-productions made at the same budget level, suggesting that the value in setting films up as co-productions comes from enabling them to be made at higher budget levels on average than if they were set up as purely national films.
- UK films managed to exploit 23% of the international release opportunities within two years of principal photography.

8.1 Theatrical release of UK films

This chapter reports the theatrical release performance of UK films in the UK and internationally. Knowing how well the different categories of UK film have performed is important for understanding the film market and for making public policy.

It should be borne in mind that the number of effective theatrical release slots each year is tightly constrained, there being only 52 weekends per year. Films can also be released on DVD/video, shown on terrestrial or multi-channel television, or downloaded or streamed over different digital platforms.

8.2 UK films defined

UK films are defined as films that qualified as British under the Films Act 1985 (including official co-productions) or were capable of qualifying under the rules applicable in the year in question, even if they chose not to. See Chapter 16 (Section 16.1) for more on British film certification. The films covered by the analysis are feature films produced wholly or partly in the UK with budgets of £500,000 or over; this budget limit is the threshold budget level for the production statistics published in Chapter 17 of this Yearbook.

The following analysis compares four types of UK production:

Type of production	Definition
100% UK national	A British film made by a UK production company without the financial involvement of a US studio or its subsidiary in the UK or other overseas partner.
Official UK co-production (excluding USA)	A UK co-production certified as British under one of the UK's official bilateral treaties or the European Convention on Cinematic Co-production, excluding those which involved a US studio or its UK subsidiary in its financing. Co-productions with interim as well as final certification are included.
Unofficial UK co-production (excluding USA)	A UK film made in collaboration with partners from other countries, excluding the USA, but not certified as an official co-production. (Note: unofficial co-productions between the UK and India are excluded because we do not have data for the Indian box office.)
UK/USA	A UK/USA film is a UK film made in whole or part in the UK with partners from the USA. These are often high-budget Schedule 1 and official co-production films made with the US majors, but there are a number of UK/USA independent films as well. (Note: on occasion UK/USA films involve additional third or fourth countries.)

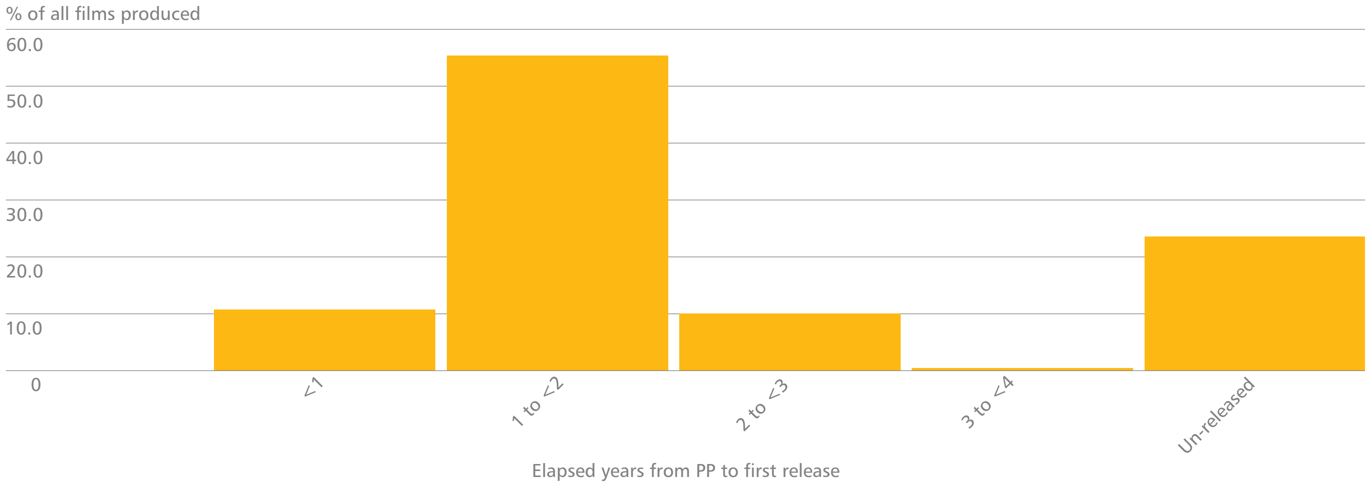
These categories of UK films have different characteristics. For example, UK/USA films typically have higher budgets and US studio distribution, which makes them more likely to achieve theatrical release and high box office results.

The reference period is the production years 2003 to 2006. Production year is defined as the year in which principal photography (PP) begins. We restrict our analysis to these years because comprehensive production tracking data are only available from 2003 and it may take a number of years for a film to be theatrically released, as Figure 8.1 shows.

The theatrical release territories included in this analysis are: USA and Canada (counted as one territory), UK and Republic of Ireland (one territory), France, Spain, Germany, Austria, Brazil, Argentina, Chile, Mexico, Australia and New Zealand. These 12 territories are covered because they account for the majority (63% in 2008, according to Screen Digest Cinema Intelligence) of the world theatrical market and title-matched box office and production data for these territories are available.

Figure 8.1 shows the time taken from principal photography to first release in one of the above 12 territories for 280 UK films shot in 2003 and 2004. Two-thirds of these films were released within two years, but a significant minority (10%) took longer than two years to get a first theatrical release. This means that the proportion of released films tends to fall the closer we come to the present day. For this reason, analysis is limited to films shot up to the end of 2006 and 'release' is defined as films released within two years of principal photography. This will underestimate the final release rate by about 10%, but provides a common measure for comparing films produced in different years.

Figure 8.1 Elapsed time from principal photography to first international release of UK films shot in 2003 and 2004



	<1	1 to <2	2 to <3	3 to <4	Un-released
% of all films produced	10.7	55.4	10.0	0.4	23.6

Source: Nielsen EDI, UK Film Council.
Notes: Release rates up to 8 February 2009. Here 'international' release means a release in any of 12 Nielsen EDI territories, including the UK.

8.3 Release rate of UK films in the UK and Ireland

Out of 535 UK films (all production types) shot between 2003 and 2006, 236 (44%) were theatrically released in the UK and the Republic of Ireland within two years of principal photography (Table 8.1). The release rates hovered around the average of 44% over this period. Films produced in 2005 had a lower release rate (41%) while those made in 2006 had the highest release rate of 47%. The overall release rate would have been 53% without the two year follow-up limit (see Section 8.1).

Table 8.1 also shows that released films tend to have higher budgets than the unreleased ones. The median budget of the released films over this period was £5 million which is 1.5 times the median for the unreleased films. Films that had a theatrical release accounted for 71% of the total film budget over this period. The lower rate of 55% in 2005 coincided with the fall in UK spend on inward investment films of that year, as shown in Figure 17.2. Fewer high-budget inward investment franchise films were shot in 2005, for example, no Harry Potter or Bond films were shot that year.

Table 8.1 UK films released in the UK and Ireland by production years, 2003–2006

	2003	2004	2005	2006	Total
Number released within two years of principal photography	66	58	53	59	236
% released within two years of principal photography	42.3%	46.8%	40.8%	47.2%	44.1%
Number of films produced	156	124	130	125	535
Median budget of released films (£ million)	5.7	6.3	4.0	4.7	5.0
Median budget of un-released films (£ million)	3.5	3.5	4.2	2.7	3.4
Median budget of all films (£ million)	4.4	4.4	4.2	3.3	4.2
Released films' % of total budget	70.8%	76.9%	55.4%	77.3%	71.2%

Source: Nielsen EDI, DCMS, UK Film Council.
Notes: In this and all other tables and figures in this chapter, 'Ireland' means Republic of Ireland. Release rates subject to two year release limit (see Section 8.2). A film is considered to be theatrically released if it was recorded as such by Nielsen EDI.

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8.4 Release rate of four types of UK production in the UK and Ireland

Table 8.2 shows that over the reference period UK/USA films were most likely to be theatrically released in the UK and Ireland within two years of principal photography (77% of all UK/USA films). They were followed by unofficial co-productions at 58%, UK national films (54%) and official UK co-productions (26%).

Table 8.2 Release rate of UK films in the UK and Ireland by type of production, production years, 2003–2006

	100% UK national	Official co-productions (excluding USA)	Unofficial co-productions (excluding USA)	UK/USA	Total
No. released within two years of principal photography	72	71	7	86	236
% released	53.7%	25.6%	58.3%	76.8%	44.1%
No. of films produced	134	277	12	112	535
Median budget of released films (£million)	2.1	4.5	3.6	17.6	5.0

Source: Nielsen EDI, DCMS, UK Film Council.
Notes: See notes to Table 8.1.

8.5 Box office performance of four types of UK production in the UK and Ireland

Of the 236 UK films shot between 2003 and 2006 that had a theatrical release in the UK and Ireland within two years of principal photography, UK/USA films were the highest earners of the four types of UK productions with a median box office of £4.6 million. They were followed by unofficial co-productions at £612,000, 100% UK national films (£174,000) and official UK co-productions (£114,000).

Table 8.3 Box office performance of four types of UK production in the UK and Ireland, production years, 2003–2006 (ranked by median box office)

	Median (£000)	Mean (£000)	Number of films produced
UK/USA	4,582	8,745	86
Unofficial co-production (excluding USA)	612	902	7
100% UK national	174	682	72
Official co-production (excluding USA)	114	824	71
Total	**628**	**3,670**	**236**

Source: Nielsen EDI, DCMS, UK Film Council.
Notes: Figures shown are of UK films released in the UK and Ireland within two years of principal photography (see Section 8.2). Box office figures valid to 8 February 2009. The median (the value at which equal numbers of films have higher and lower box office values) is a better representation of the 'middle' of the distribution of box office revenues than the mean which tends to have an upward skew due to a small number of high box office films. Means are also shown in the table for reference.

8.6 International release rate of UK films (12 territories)

Table 8.4 shows that 62% of all UK films shot over the years of 2003 to 2006 were theatrically released in one or more of 12 territories within two years from principal photography. The international release rate fell from 66% in 2003 to 56% in 2006. This coincided with a sharp fall in median budgets of UK films from £4.4 million to £3.3 million over the same period. While the median budget of released films was roughly stable, the median budget of the unreleased films fell by 23% (from £3.5 million to £2.7 million).

Overall, internationally-released UK films accounted for 83% of the total film budget (Table 8.4). This, together with Table 8.1 provides some reassurance that a high proportion of the total UK film budget and associated tax relief are devoted to films that gain a theatrical release.

Table 8.4 International release of UK films, production years, 2003–2006

	2003	2004	2005	2006	Total
Number released within two years of principal photography	103	81	79	70	333
% released within two years of principal photography	66.0%	65.3%	60.8%	56.0%	62.2%
Number of films produced	156	124	130	125	535
Median budget of released films (£ million)	5.0	5.6	4.6	4.8	5.0
Median budget of unreleased films (£ million)	3.5	3.4	3.2	2.7	3.0
Median budget of films (£ million)	4.4	4.4	4.2	3.3	4.2
Released films' % of total budget	84.3%	87.1%	74.8%	82.4%	82.9%

Source: Nielsen EDI, DCMS, UK Film Council.
Notes: Release rates are calculated two years after principal photography (see Section 8.2). A film is 'internationally released' if it was recorded as such in any one of the 12 Nielsen EDI territories monitored (see 8.2 for the list).

8.7 International release rate of four types of UK production

Table 8.5 shows that UK/USA films were again found to have the highest international release rate (86%) among the four types of UK production over the reference period. They were followed by unofficial UK co-productions (67%), UK national films (58%) and official UK co-productions (55%). It is somewhat surprising to see that official UK co-productions fared slightly worse than 100% UK national films. This could partly be due to the limitation of UK Film Council data coverage. For example, the Romanian theatrical release of an official UK co-production made with Romania under the European Convention would not have been captured in UK Film Council box office data.

Table 8.5 International release of UK films by type of production, production years, 2003–2006

	100% UK national	Official co-productions (excluding USA)	Unofficial co-productions (excluding USA)	UK/USA	Total
No. released within two years of principal photography	77	152	8	96	333
% released	57.5%	54.9%	66.7%	85.7%	62.2%
No. of films produced	134	277	12	112	535
Median budget of released films (£ million)	2.2	4.5	3.8	15.5	5.0

Source: Nielsen EDI, DCMS, UK Film Council.
Notes: See notes to Table 8.4.

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Further investigation reveals that 50 of the 125 unreleased official UK co-productions involved exclusively co-producing partner countries that are not part of the Nielsen EDI coverage. Romania (12 films), Luxembourg and The Netherlands (seven each), Italy and Denmark (six each) were the most common co-producing countries involved in five or more of the 50 unreleased films.

Lumiere, a searchable cinema admission database for films released in Europe hosted by the European Audiovisual Observatory, gives the European release history of films unreleased in the Nielsen territories on a title by title basis. According to *Lumiere*, the 12 UK/Romania films were not theatrically released in any European country. Two of the seven UK/Luxembourg co-productions were released in Belgium and the Netherlands within two years of principal photography; three of the six UK/Italy co-productions were released in Denmark and Italy.

If half of the 50 official co-productions unreleased in Nielsen territories were released in other European territories, the release rate for official co-productions could have increased to 64%. However, release rates for other UK films might also have increased if other international release territories were included in the analysis.

8.8 International box office performance of four types of UK production

UK/USA films were the highest earners with a median international box office of US$38 million as Table 8.6 shows. They were followed by unofficial co-productions (US$2.3 million), official UK co-productions (US$1.1 million) and 100% UK national films (US$533,000). Note that the box office data cover only 12 international territories (including the UK). The global median box office for UK films would be higher than the figures presented here.

Table 8.6 Box office (US$) for UK films released in at least one of 12 territories by type of production, production years, 2003–2006 (ordered by median box office)

	Median (US$000)	Mean (US$000)	Number of films released
UK/USA	38,181	84,105	96
Unofficial co-productions (excluding USA)	2,265	3,779	8
Official co-productions (excluding USA)	1,118	4,857	152
100% UK national	533	3,314	77
Total	**2,166**	**27,321**	**333**

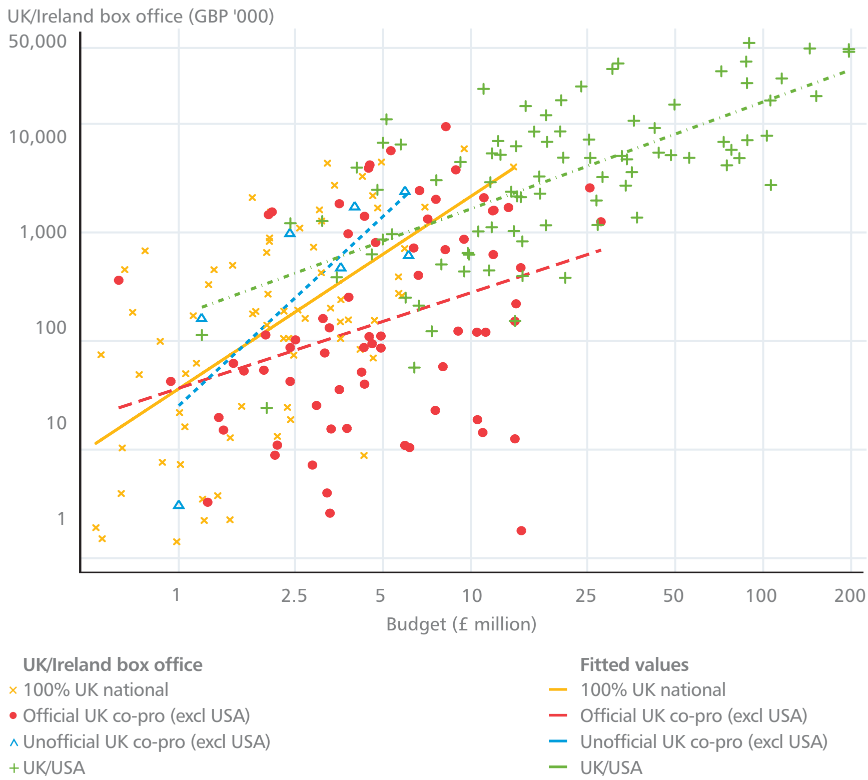
Source: Nielsen EDI, DCMS, UK Film Council.
Notes: Figures shown are for UK films released in at least one of 12 Nielsen EDI territories within two years of principal photography (see Section 8.2). Box office figures valid to 8 February 2009.

8.9 Comparative box office performance while controlling for film budget

Tables 8.3 and 8.6 show the relative box office performance of the four types of UK film released locally and internationally. UK/USA films, benefiting from their association with US majors and the majors' extensive distribution networks, outperformed other types of UK productions by large margins. However, the four types of UK production are made at substantially different budget levels. For example, the median budget of UK/USA films released in the UK and Ireland was £17.6 million compared with just £2.1 million for 100% UK national films.

It is interesting to compare the different types of UK production on a level playing field by controlling for budget in a regression analysis. Figure 8.2 shows a scatter plot of UK and Ireland box office by budget for each of the four types of UK film. The four fitted lines show the box office to budget relationship for each type. The vertical difference between the fitted lines shows the difference in box office performance for each type of film at each given budget level.

Figure 8.2 UK and Ireland box office by budget for four types of UK production, production years, 2003–2006



Source: Nielsen EDI, DCMS, UKFC
Notes: The data displayed are for UK films released in the UK and Ireland within two years of principal photography (see Section 8.2). Box office valid to 8 February 2009. The plot is shown in log scale on both axes. Lines shown in the plot are fitted values given by the regression model. The lines are extended to the observed lowest and highest budget values of their respective production type. Log-transformation was applied to international box office and budget prior to modelling.

The regression analysis shows that the effect of film budget on box office is different for different types of UK production. For example, the steepest regression line for unofficial co-productions implies that unofficial co-productions had, on average, the highest increase in box office revenue per unit increase in budget than other UK films.

The effect of controlling for budget is best explained by looking at the 'average' box office (fitted value) at different budget levels, as demonstrated in Table 8.7.

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Under the regression model, at a budget level of £5 million, unofficial co-productions had an average UK box office of £1.4 million, followed by UK/USA films (£834,000), 100% UK national films (£631,000) and official co-productions (£152,000).

What this analysis shows is that at these budget levels, UK national films and/or unofficial co-productions outperform UK/USA films in the UK theatrical market. However, this argument must not be extended to budget levels that are atypical of the respective production types. For example, it would be misleading to compare unofficial co-productions against 100% national UK films at a budget level of £10 million because there are no unofficial co-productions at this budget level in our data. The regression lines displayed in the figure extend only within the budget ranges of their respective type of production in the dataset. At high budget levels (£50 million+) UK/USA films were the only type of UK film.

Table 8.7 Average (fitted value) UK and Ireland box office (£000) by type of UK production at three illustrative budget levels, production years 2003–2006 (ranked by box office at £5 million budget)

Illustrative budget level	£2.5m	£5m	£10m
Average (fitted value) box office (£000)			
Unofficial UK co-productions (excluding USA)	249	1,405	*
UK/USA	422	834	1,651
100% UK national	185	631	2,154
Official UK co-productions (excluding USA)	82	152	279

Source: Nielsen EDI, DCMS, UKFC.
Notes: See notes to Figure 8.2. *At the £10 million budget level, average (fitted value) box office is not calculated for unofficial co-productions because no unofficial co-production was made at this budget level in our data. The average (fitted value) box office is calculated by back-transforming the fitted value from the regression of log-transformed box office on log-transformed budget at a given budget level. The back-transformed value is essentially a geometric mean which is closer to the median in the original scale than the mean for a skewed distribution.

Figure 8.3 shows the total box office of 100% UK films released internationally by budget with estimated 'average' box office. The regression line for UK national films is the steepest. This means that, within their typical budget range, the average increase in international box office is higher for 100% national UK films per unit increase in budget than other production types.

Figure 8.3 International box office across 12 territories, by budget for four types of UK production, production years, 2003–2006

Source: Nielsen EDI, DCMS, UK Film Council.
Notes: The data displayed are for UK films released in at least one of 12 Nielsen EDI territories monitored, within two years of principal photography (see Section 8.2). Box office valid to 8 February 2009. See also notes 2 and 3 to Figure 8.2.

Table 8.8 shows the average (fitted value) box office calculated at three budget levels. At the £5 million budget level, UK/USA films did best at US$4.8 million, followed by 100% UK national films (US$2.5 million), unofficial co-productions (US$2.2 million) and official UK co-productions (US$1.0 million). The ranked order remained unchanged for the four types of UK productions at the £10 million budget level. At the lower end of the budget range, for example £2.5 million, unofficial co-productions performed better than UK national films and official UK co-productions. Official UK co-productions underperformed the other three production types at any given budget level of £1.5 million or over. What this suggests is that the higher box office of official co-productions (Table 8.6) is a function of their higher average budgets, that is the value added by setting films up as co-productions comes from enabling them to be made at higher budget levels (on average) than purely national films.

Table 8.8 Average (fitted value) 12 territory box office (US$000) by type of UK production at three illustrative budget levels, production years 2003–2006 (ranked by box office at £5 million budget)

Illustrative budget level	£2.5m	£5m	£10m
Average (fitted value) box office ($000)			
UK/USA	1,928	4,773	11,815
100% UK national	632	2,499	9,870
Unofficial UK co-productions (excluding USA)	825	2,172	5,718
Official UK co-productions (excluding USA)	395	1,037	2,724

Source: Nielsen EDI, DCMS, UK Film Council.
Notes: see notes to Table 8.7.

8.10 Release opportunities analysis

UK films are screened in cinemas across the globe. One way to compare their global reach is to look at how well these films are circulated in international territories. The higher the proportion of territories a film is able to reach, the larger its potential international audience. Here we calculate the number of release opportunities exploited by UK films for the production years 2003 to 2006.

The maximum number of release opportunities for any film is 12 in our analysis because our box office data cover 12 international territories, including the UK. The total number of release opportunities is simply the total number of films multiplied by 12.

Table 8.9 shows that UK films were able to exploit 23% of the release opportunities within two years from principal photography. The exploitation rates hover about the average over the reference period. Without the two year release limit (see Section 8.2), the overall exploitation rate would have been 31%.

Table 8.9 Proportion of release opportunities exploited by UK films by year of production, 2003–2006

	2003	2004	2005	2006	Total
No. of films produced	156	124	130	125	535
Total no. of release opportunities in 12 territories	1,872	1,488	1,560	1,500	6,420
Release opportunities exploited within two years of principal photography	437	366	337	359	1,499
% of opportunities exploited	23.3%	24.6%	21.6%	23.9%	23.3%

Source: Nielsen EDI, UK Film Council.
Notes: See notes to Table 8.4. Territories in which a film was released more than two years after principal photography are not counted in the calculation above.

It is not surprising to see from Table 8.10 that UK/USA films, benefiting from extensive international theatrical distribution networks, were the most successful type of UK production, exploiting 61% of international release opportunities available (72% without the two-year limit). They were followed by unofficial co-productions (26%), official UK co-productions (13%) and 100% UK national films (13%).

Table 8.10 Release opportunities exploited by four types of UK production, production years, 2003–2006

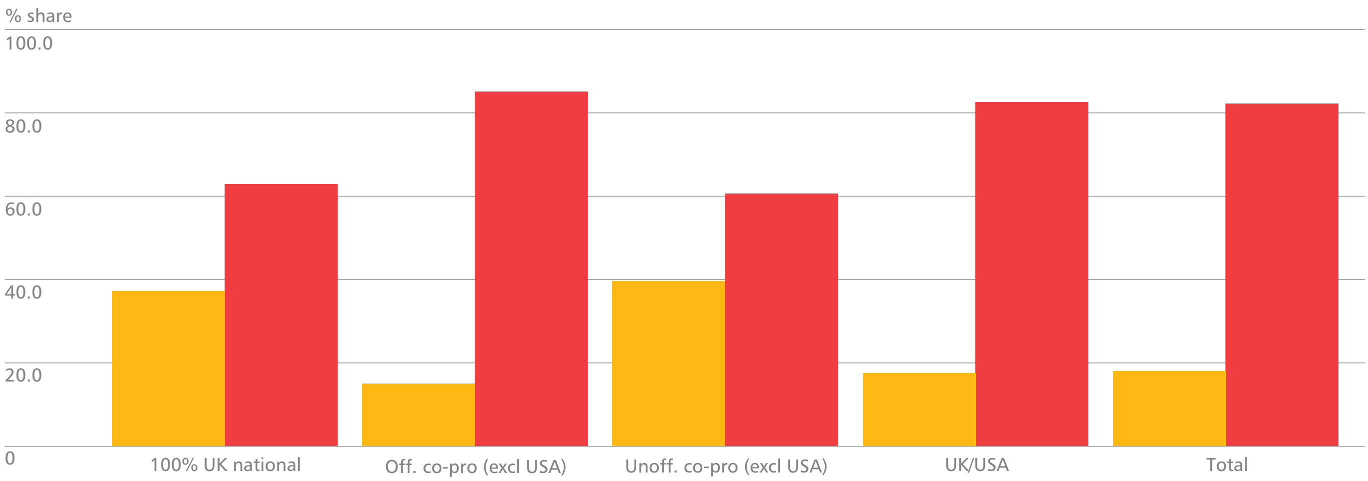
	100% UK national	Official co-productions (excluding USA)	Unofficial co-productions (excluding USA)	UK/USA	Total
No. of films produced 2003–2006	134	277	12	112	535
Total release opportunities in 12 territories	1,608	3,324	144	1,344	6,420
Release opportunities exploited	205	435	38	821	1,499
% of opportunities exploited	12.7%	13.1%	26.4%	61.1%	23.3%

Source: Nielsen EDI, DCMS, UK Film Council.
Notes: See notes to Table 8.9. Without the two year limit, the exploitation rate would have been 71.7% for UK/USA films, 34.7% for unofficial co-productions, 21.0% for official UK co-productions and 18.8% for 100% UK national films.

8.11 Local and overseas share of box office of UK films

Figure 8.4 shows that overall 18% of the international box office for UK films (from 12 Nielsen EDI territories) came from the local (UK and Ireland) theatrical market. Local box office accounted for a much higher share of the total for unofficial co-productions (40%) and UK national films (37%). In contrast, higher proportions of the total box office were generated from overseas (non-UK/Ireland) territories by UK/USA films and official UK co-productions.

Figure 8.4 Local and overseas share of UK film box office, production years, 2003–2006



	100% UK national	Off. co-pro (excl USA)	Unoff. co-pro (excl USA)	UK/USA	Total
UK/Ireland %	37.2	14.9	39.5	17.5	17.9
Overseas %	62.8	85.1	60.5	82.5	82.1

Source: Nielsen EDI, DCMS, UK Film Council.
Notes: Release rates subject to limit of two years from principal photography (see Section 8.2). Box office figures valid to 8 February 2009.

Table 8.11 shows the relative importance of the international territories for UK films. The North American market accounted for 47% of the total international box office for UK films grossed from the 12 Nielsen territories. This was followed by the European countries represented (23%), UK and Ireland (18%), the main territories of Latin America and Australasia (both at 6%). The commonality of the English language between most UK films and the North American audience and the fact the US box office is the largest in the world partly explain the higher share of total box office of UK films attributed to the North American market.

Table 8.11 Share of 12 territory international box office of UK films by geographically grouped territories, production years, 2003–2006

	% Share of international box office
USA and Canada	47
Austria, France, Germany, Spain	23
UK/Ireland	18
Argentina, Brazil, Chile, Mexico	6
Australia and New Zealand	6
Total of Nielsen EDI multi-territory box office	100

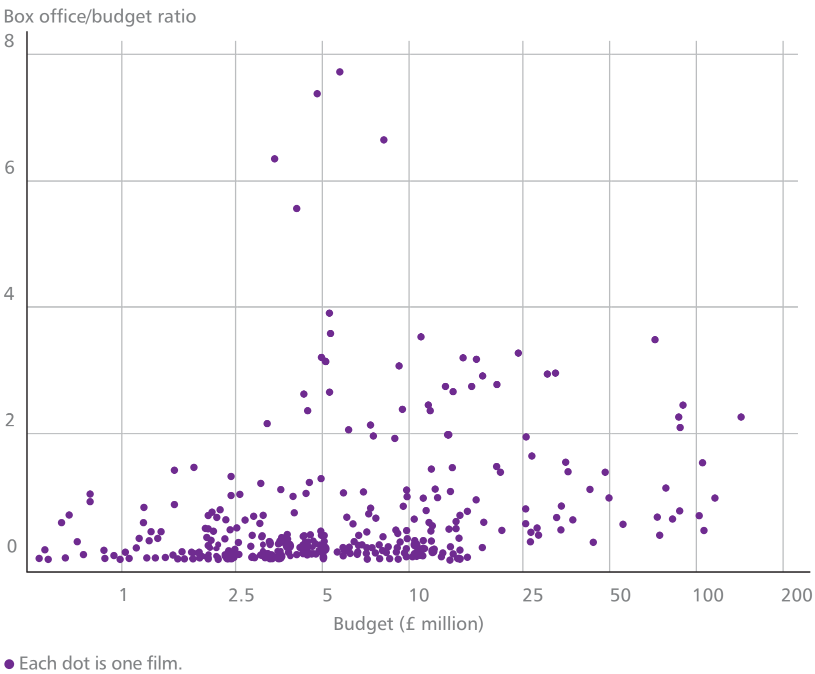
Source: Nielsen EDI, UK Film Council.
Notes: Release rates subject to two year release limit (see section 8.2). Box office figures valid to 8 February 2009.

8.12 Financial success analysis

It is difficult to measure the overall profitability of UK films. However, a proxy measure such as the ratio of international box office to budget can be a useful indicator. Our analysis suggests that if a low-to-medium-budget British film generates box office revenues greater than twice its budget in the 12 Nielsen territories, it is likely to be in profit by the time returns from ancillary revenues (video and television) are added to its income stream and all costs deducted (including VAT, exhibition, distribution and retail margins, prints and advertising etc). Below that level it is likely to have made a loss. Figure 8.5 shows the budget to box office ratio by budget of UK films shot between 2003 and 2006 that had gained a theatrical release within two years from principal photography.

Over this period only 35 (11%) of the 333 UK films released internationally (in at least one of the 12 Nielsen EDI territories) achieved a multi-territory box office to budget ratio of two or above. This suggests that only a small number of internationally-released UK feature films are likely to have made profits for their producers and investors and underlines the highly risky nature of film investment.

Figure 8.5 International box office/budget ratio by budget of UK films across 12 territories, production years, 2003–2006



Source: Nielsen EDI, DCMS, UKFC.
Notes:
Release rates subject to two year release limit (see section 8.2). Box office figures valid to 8 February 2009. The horizontal axis is in log scale. Films with budgets over £150 million are not shown as the information may be disclosive.

Overall, 11% of the released films achieved a multi-territory box office to budget ratio of two or above. However, there has been an upward trend over the period 2003 to 2006, as Table 8.12 shows.

Table 8.12 Percentage of UK films achieving multi-territory box office to budget ratio of two or above by year of production, 2003–2006

	2003	2004	2005	2006	Total
No. of films released with two years of principal photography	103	81	79	70	333
No. of films achieving a ratio of 2 or above	7	8	8	12	35
% of films achieving a ratio of 2 or above	6.8	9.9	10.1	17.1	10.5

Source: Nielsen EDI, UK Film Council.
See notes to Figure 8.5.

Table 8.13 shows that UK/USA films (27%) were the most likely type of UK production to achieve a multi-territory box office to budget ratio of two or above over the reference period. They were followed by 100% UK national films (5%) and independent official UK co-productions (3%). None of the eight unofficial UK co-productions achieved this ratio.

Table 8.13 Percentage of UK films achieving multi-territory box office to budget ratio of two or above by type of production, production years, 2003–2006

	100% UK national	Official co-productions (excluding USA)	Unofficial co-productions (excluding USA)	UK/USA	Total
No. of films released within two years of principal photography	77	152	8	96	333
Number of films achieving a ratio of two or above	4	5	0	26	35
% of films achieving a ratio of two or above	5.2	3.3	0	27.1	10.5

Source: Nielsen EDI, UK Film Council.
See notes to Figure 8.5.

See also:

- For cinema admissions and box office in 2008 see Chapter 1 (page 6)
- For UK films on video see Chapter 11 (page 88)
- For UK films on television see Chapter 12 (page 94)
- For UK films internationally see Chapter 6 (page 42)
- For US studio involvement in UK film production in 2008 see Chapter 17 (page 145)
- Analysis of the film economy is given in Chapter 20 (page 163).

Chapter 9: Distribution

Film distribution in the UK is dominated by a few very large companies but some smaller companies distribute almost as many titles. Their combined spending on advertising was less in 2008 than in 2007 despite the higher number of films released.

Facts in focus

- The top ten distributors had a 95% share of the market in 2008, unchanged from 2007.
- Weekdays (Monday to Thursday) accounted for 41% of the box office, the highest share since our records began.
- Opening weekends represented 27% of the total box office.
- Estimated total advertising spend was £172 million, a 4% fall on 2007.
- Approximately £43 million was spent on advertising British films, down from £48 million in 2007.

9.1 Distributors in 2008

The top 10 distributors had a 95% share of the market, unchanged from 2007 (Table 9.1). The remaining 82 distributors handled a total of 368 titles, 58% of the total, but gained only a 5% share of the box office. The leading distributor was Universal Pictures, which released the highest grossing film of all time in the UK, *Mamma Mia!*, followed by Paramount in second place which distributed *Indiana Jones and the Kingdom of the Crystal Skull*, *Madagascar: Escape 2 Africa*, *Kung Fu Panda* and *Iron Man*. Sony Pictures was in third place thanks to *Quantum of Solace* and *Hancock*.

Table 9.1 Distributor share of box office, UK and Republic of Ireland, 2008

Distributor	Market share (%)	Films on release 2008	Box office gross (£ million)
Universal Pictures	18.6	31	177.7
Paramount	17.0	26	162.4
Sony Pictures	12.5	22	119.4
Warner Bros	11.0	21	105.2
Walt Disney Studios	10.0	19	95.3
20th Century Fox	9.4	26	90.2
Entertainment	7.9	22	75.9
Momentum	3.5	23	33.2
Lions Gate	2.5	21	23.9
Pathé	2.1	19	19.8
Sub-total	94.5	230	903.0
Others (82 distributors)	5.5	368	53.7
Total	**100.0**	**598**	**956.7**

Source: Nielsen EDI.
Box office gross = cumulative box office total for all films handled by the distributor in the period 4 January 2008 to 1 January 2009.

Table 9.2 highlights the top 10 distributors of foreign language films at the UK box office. The list is dominated by companies which release Indian films, such as Yash Raj, Eros and UTV Communications. Curzon Artificial Eye released the most foreign language titles – 18 – in 2008 while Optimum released the biggest foreign language hit of the year, *The Orphanage*.

Image: *Sex and the City* courtesy of Warner Brothers Pictures

Table 9.2 Top 10 distributors of foreign language films in the UK and Republic of Ireland, 2008

Distributor	Films released in 2008	Average widest point of release	Box office gross (£ million)
Yash Raj	6	44	3.5
Optimum Releasing	7	33	3.0
Eros International	17	26	2.4
UTV Communications	6	29	2.4
Curzon Artificial Eye	18	10	2.2
Studio 18	3	48	2.1
Pathé	5	15	1.4
Lions Gate	2	18	1.2
Adlabs	6	29	1.1
Momentum	5	28	1.1

Source: Nielsen EDI, RSU analysis.
Note: The list includes distributors releasing two or more foreign language titles in the period 4 January 2008 to 1 January 2009.

9.2 Distributors 2004–2008

The distributors' market shares fluctuate from year to year (Table 9.3). The leading distributor of 2008, Universal Pictures, saw its market share increase thanks to *Mamma Mia!*. The share of box office made by distributors outside the top 10 ranged from under 3% in 2005 to over 5% in 2007 and 2008.

Table 9.3 Distributor market share as percentage of box office gross, 2004–2008

Distributor	2004	2005	2006	2007	2008
Universal Pictures	–	–	–	13.9	18.5
Paramount	–	–	–	14.7	16.9
Sony Pictures	10.0	6.8	16.1	8.2	12.5
Warner Bros	14.7	18.2	8.2	15.6	11.0
Walt Disney	14.5	13.1	15.7	10.7	9.9
20th Century Fox	10.7	14.3	20.9	13.9	9.4
Entertainment	7.9	9.4	7.9	9.5	8.0
Momentum	2.2	1.9	2.3	3.4	3.5
Lions Gate	1.0	0.3	2.4	2.3	2.5
Pathé	2.8	3.4	3.2	1.3	2.1
UIP*	29.8	29.1	18.9	–	–
Top 10 total**	96.1	97.3	96.4	94.5	94.5
Others	3.9	2.7	3.6	5.5	5.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Nielsen EDI.
*Until 2006 Paramount and Universal distributed jointly as UIP.
**Top 10 total refers to the top 10 distributors of that particular year. Table is ranked by top 10 distributors in 2008.

9.3 Weekend box office

In 2008, 59% of the box office was taken at weekends (Friday to Sunday), down from 64% in 2007, while the weekday share climbed from 37% to 41% (Table 9.4). The higher weekday cinema attendance can be explained by the success of films such as *Mamma Mia!* which attracted large weekday audiences, and the continued impact of the 'Orange Wednesdays' promotion.

Table 9.4 Box office percentage share by weekday/weekend, 2004–2008

	2004	2005	2006	2007	2008
Friday	15.3	18.0	16.5	16.4	16.7
Saturday	24.5	27.0	25.1	27.8	24.4
Sunday	19.9	19.0	18.7	19.3	18.3
Weekend	**59.7**	**64.0**	**60.3**	**63.5**	**59.4**
Monday	9.7	8.0	9.5	7.2	9.4
Tuesday	10.1	8.0	9.5	9.0	9.5
Wednesday	10.7	10.0	10.9	11.6	11.9
Thursday	9.8	10.0	9.7	8.7	9.9
Weekday	**40.3**	**36.0**	**39.7**	**36.5**	**40.7**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Nielsen EDI.

The opening weekend box office as a share of total theatrical revenue fell to 27% in 2008 as shown in Table 9.5. Top films such as *Mamma Mia!*, *The Dark Knight* and *Sex and the City* had longer theatrical runs and so their opening weekend represented a smaller share of overall box office.

Table 9.5 Opening weekend as percentage of total box office, 2007–2008

Range of box office results	% of total in opening weekend 2007	% of total in opening weekend 2008
All films	**28.5**	**27.3**
More than £30 million	35.8	21.7
£20 million – £30 million	30.2	31.0
£10 million – £19.9 million	20.0	29.2
£5 million – £9.9 million	25.4	27.6
£1 million – £4.9 million	28.1	27.4
£200,000 – £999,000	31.9	34.1
Less than £200,000	34.1	34.8

Source: Nielsen EDI, RSU analysis.
Opening weekends include preview figures. For films with a limited initial opening, the wider release figure is included in the analysis.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

9.4 Release costs

The opening weekend of a film is recognised as being crucial to the lifetime of a film, both in cinemas and on subsequent release platforms. Distributors invest heavily in advertising in order to raise a film's profile across all media (outdoor posters, print media, television, radio and increasingly online). The estimated total distributor advertising spend in 2008 was £172 million, down 4% from £179.5 million in 2007 (Table 9.6). Press spend has fallen over the last five years (from £30.1 million in 2003) while the internet has emerged as an outlet for film advertising (although the level of spend is down 4% on 2007). Approximately £43 million was spent on advertising British films, down from £48 million in 2007.

Table 9.6 Estimated advertising spend, 2008

	(£ million)
TV	79.3
Outdoor	56.2
Press	22.6
Radio	9.4
Internet	4.5
Total	**172.0**

Source: Nielsen Media Research.

Where the data are available, the total release costs for various release widths can be estimated. By taking a typical print cost of £1,000 per print and adding the Nielsen Media Research advertising spend estimate plus 20% for other public relations campaigns, publicity and premiere costs, the average release cost for each level of theatrical release can be calculated (Table 9.7). This shows that for films released across the widest number of cinemas (500+), the average release cost was almost £4 million.

Table 9.7 Estimated release cost by width of release, 2008

Sites at widest point of release	Average release cost (£ million)
>500	3.95
400–499	2.21
300–399	1.39
200–299	0.90
100–199	0.43
50–99	0.18
10–49	0.08
<10	0.01

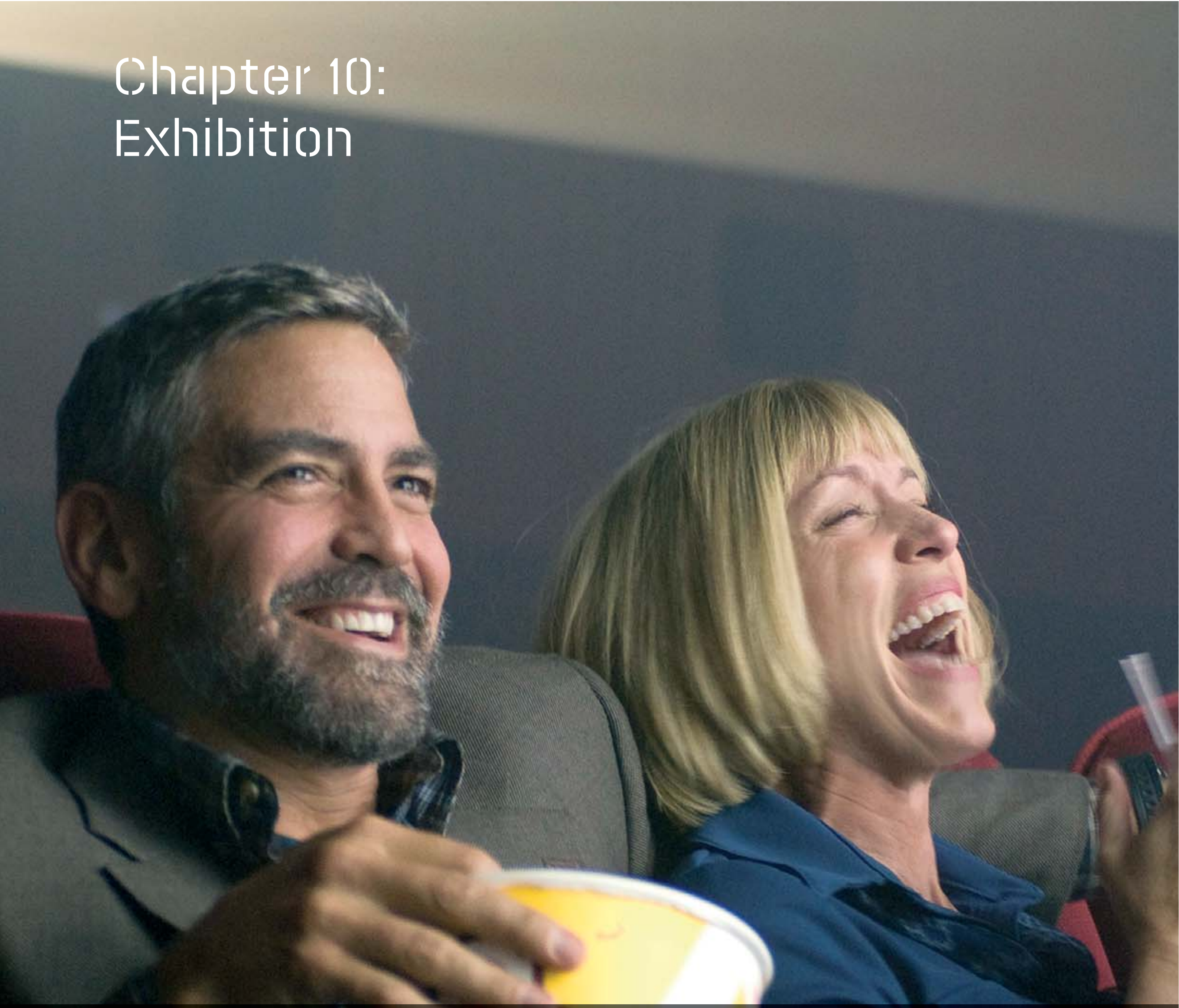
Source: Nielsen Media Research, Nielsen EDI, RSU analysis.

See also:

- For further details about the UK box office in 2008 see Chapter 1 (page 6)
- For more information about the top films at the UK box office in 2008 see Chapter 2 (page 12)
- For an overview of employment in film distribution see Chapter 21 (page 172).

Image: *Burn After Reading* courtesy of Universal Pictures

Chapter 10: Exhibition



Cinemas provide the best environment for people to enjoy films as they are intended–on the big screen, with a large audience. The recent development of digital screens and digital 3D technology has enhanced the range of content possible on screen, including live events via streaming, and may bring new audiences to the cinemas.

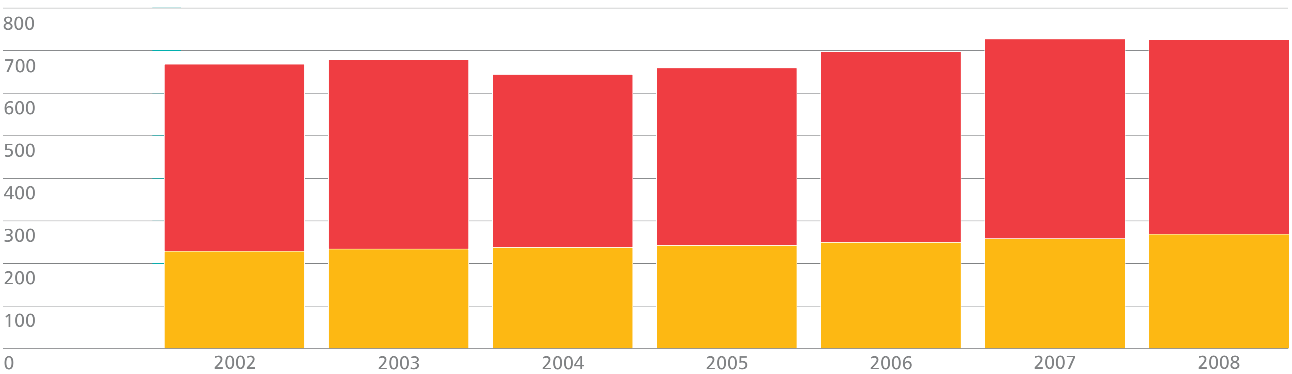
Facts in focus

- The UK had 3,610 screens, 96 more than 2007, in 726 cinemas.
- There was a decrease in the number of screens in rural locations, but an increase in town centres, out of town and edge of town locations.
- Of the Government Office Regions, London had the highest number of screens overall (15% of the UK total), followed by the South East and North West.
- Only 7% of screens were dedicated to 'specialised' (that is non-mainstream) programming, with 0.3% showing South Asian films.
- The average ticket price was £5.18.
- The UK continued to have the highest number of digital screens in Europe at 305 screens, 69 (23%) of which were capable of screening digital 3D features.

10.1 UK cinema sites

Figure 10.1 shows the number of cinema sites in the UK from 2002 to 2008. The number of sites decreased slightly in 2004 but has risen since and exceeded 700 sites in 2007. In 2008 sites fell by one to 726 (727 in 2007), of which 37% were multiplex sites, 2% more than in 2007.

Figure 10.1 UK cinema sites by type of site, 2002–2008



	2002	2003	2004	2005	2006	2007	2008
Multiplex	229	234	238	242	249	258	269
Traditional and mixed use	439	444	406	417	448	469	457

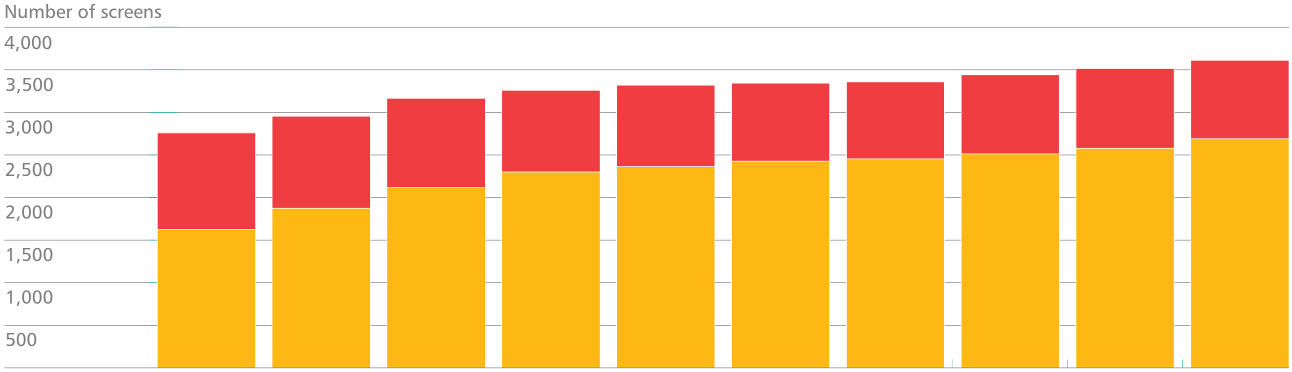
Source: Dodona Research, RSU analysis.
Note: Data on cinema sites prior to 2002 not availabe. Multiplexes are defined as purpose-built cinema complexes with five screens or more while excluding those that were converted from traditional cinema sites.

10.2 UK screens

The number of owned or programmed cinema screens (excluding those operated in venues such as schools and private screening rooms) continued to increase in 2008, rising 3% to 3,610 as Figure 10.2 shows.

The proportion of multiplex screens (see definition in the footnote to Figure 10.1) continued to rise in 2008. There has been a rise of 66% in the number of multiplex screens since 1999 compared with a 19% fall in the number of traditional and mixed-use screens (used for film screenings only part of the time). The UK has gained 1,065 multiplex screens since 1999 and lost 213 traditional or mixed-use screens. The proportion of multiplex screens increased from 59% in 1999 to 74% in 2008.

Figure 10.2 UK Cinema screens by type of cinema, 1999–2008



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Multiplex	1,624	1,874	2,115	2,299	2,362	2,426	2,453	2.512	2,578	2,689
Traditional and mixed use	1,134	1,080	1,049	959	956	916	904	928	936	921

Source: Dodona Research, RSU analysis

Table 10.1 shows that more multiplex sites and screens opened than closed in 2008 while there were net falls in the number of traditional sites and screens over the same period. The number of traditional screens fell again after two small rises in 2006 and 2007 as shown in Figure 10.2.

A total of 43 sites (all but one traditional) closed in 2008, an increase of 30% on the number of closures in 2007, with a loss of 63 screens. Forty-two sites opened (including 12 multiplexes), adding 159 screens, including 117 multiplex screens.

Table 10.1 Site openings and closures, 2008

	Multiplex		Traditional	
	sites	screens	sites	screens
Opened	12	117	30	42
Closed	1	6	42	57
Net difference	+11	+111	–12	–15

Source: Dodona Research, RSU analysis.
See footnote to Figure 10.1.

10.3 Screen location

Historically cinemas have been a feature of the urban landscape and 2008 was no different with 97% of all screens in the UK in town or city centres, edge of centre, 'out of town' or suburban locations.

Table 10.2 shows suburban and rural cinemas tend to have fewer screens on average than their urban counterparts, although town and city centre sites are also relatively small. The number of rural screens fell fractionally by 3% from 98 in 2007 to 95 in 2008.

Table 10.2 Screens by location, 2003–2008

Location	2003	2004	2005	2006	2007	2008	% change 2007/08	Average number of screens per site
Town/city centre	1,470	1,502	1,495	1,555	1,616	1,683	+4.1	3.7
Out of town	1,234	1,243	1,250	1,262	1,284	1,303	+1.5	9.7
Edge of centre	464	465	479	478	486	499	+2.7	8.9
Suburban	33	33	38	40	30	30	0.0	1.7
Rural	117	99	95	105	98	95	–3.1	1.4
Total	**3,318**	**3,342**	**3,357**	**3,440**	**3,514**	**3,610**	**+2.7**	**5.0**

Source: Dodona Research, RSU analysis.

10.4 Screen density and admissions per person – international comparisons

A standard way to gauge the level of cinema provision is by 'screen density', that is the number of screens per unit population. In 2008 the UK figure was 6.0 screens per 100,000 people, fractionally higher than the figure of 5.8 in 2007. This level of screen access falls short of the numbers in other major film territories: USA 12.7, Australia 9.4, Spain 9.1, France 8.8 and Italy 7.1. Germany fell behind the UK at 5.8 in 2008 (source: Screen Digest).

Table 10.3 shows the numbers of admissions per person in a number of major film territories. The UK saw more admissions per person (2.7) than Spain, Italy and Germany despite having lower screen density than Spain and Italy, and for the first time since 2003, Australia surpassed the USA at 4.2 admissions per person.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 10.3 Admissions per person in major film territories, 2003–2008

	Australia	USA	France	**UK**	Spain	Italy	Germany
2003	4.5	5.4	2.9	**2.8**	3.3	1.5	1.8
2004	4.5	5.2	3.2	**2.9**	3.4	1.7	1.9
2005	4.0	4.7	2.9	**2.7**	2.9	1.6	1.5
2006	4.1	4.8	3.1	**2.6**	2.7	1.6	1.7
2007	4.1	4.6	2.9	**2.7**	2.6	1.8	1.5
2008	4.2	4.1	3.0	**2.7**	2.4	1.7	1.6

Source: Screen Digest.

10.5 Screen density and admissions per person in the UK

As in the previous Yearbooks we are able to present screen provision data based on two types of regional classification. The datasets are not directly comparable because of differences in the way the regions are defined; they do, however, shed light on different aspects of national and regional variation in screen provision.

The Cinema Advertising Association produces monthly admissions totals for each of the television advertising regions used by the Incorporated Society of British Advertisers (ISBA). Screen and admissions data for 2008 using these television regions are presented in Table 10.4. Although London had the highest numbers of screens and sites, its screen density (6.6) was lower than that of Northern Ireland (9.5) and was the same as Wales and West and Central Scotland (both at 6.6). On the other hand the North East had lower numbers of sites and screens as well as the lowest screen density (3.9) among all ISBA regions.

Table 10.4 Screens and admissions by ISBA TV region, 2008 (ranked by screens per 100,000 people)

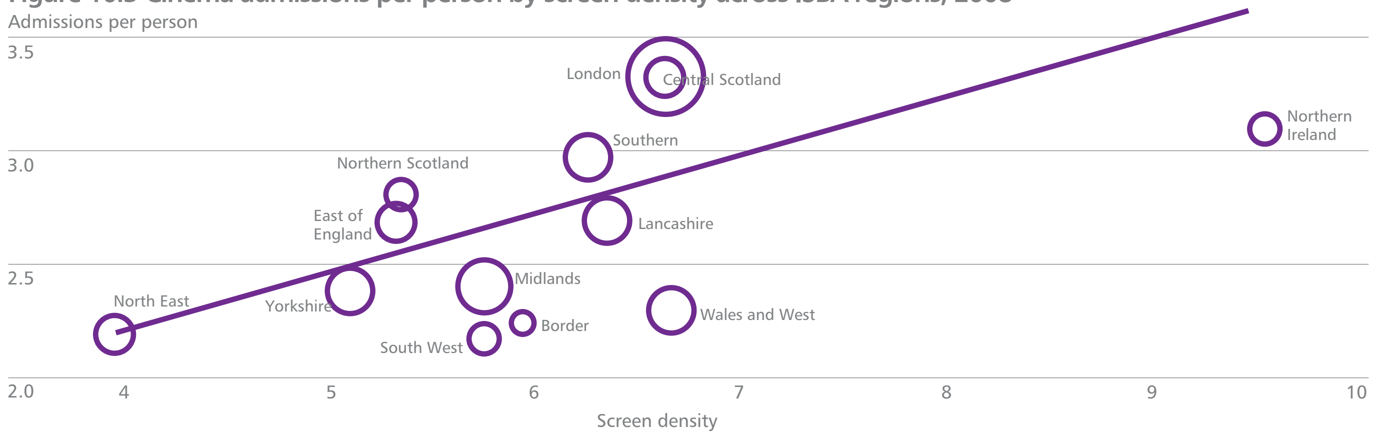
ISBA TV region	Screens	% of total screens	Sites	Population ('000)*	Screens per 100,000 people	Admissions ('000)	Admissions per screen	Admissions per person
Northern Ireland	166	4.6	24	1,742	9.5	5,439	32,765	3.1
Wales and West	308	8.5	74	4,650	6.6	10,839	35,192	2.3
Central Scotland	236	6.5	37	3,580	6.6	12,009	50,884	3.4
London	783	21.7	154	11,879	6.6	39,752	50,769	3.3
Lancashire	430	11.9	60	6,852	6.3	18,334	42,638	2.7
Southern	324	9.0	83	5,254	6.2	15,324	47,295	2.9
Border	35	1.0	18	597	5.9	1,337	38,209	2.2
Midlands	545	15.1	104	9,570	5.7	23,199	42,566	2.4
South West	101	2.8	34	1,775	5.7	3,877	38,384	2.2
Northern Scotland	66	1.8	16	1,240	5.3	3,413	51,719	2.8
East of England	215	6.0	46	4,054	5.3	10,856	50,491	2.7
Yorkshire	290	8.0	51	5,724	5.1	13,648	47,060	2.4
North East	111	3.1	25	2,824	3.9	6,197	55,825	2.2
Total	**3,610**	**100.0**	**726**	**59,741**	**6.0**	**164,222**	**45,491**	**2.7**

Source: Dodona Research, Beacon Dodsworth, CAA, RSU analysis.
*Mid-year population estimates 2006/07. Crown copyright material is reproduced with the permission of the Controller Office of Public Sector Information (OPSI).

A regression analysis (weighted to each ISBA region's population) shows a positive and statistically-significant linear relationship between cinema admissions per person and screen density in 2008, as shown in Figure 10.3. That is, the higher the number of screens per person, the higher the admission level. However, this association should not be interpreted as a causal relationship as it would be hard to prove whether higher demand caused the higher supply of cinema screens or vice versa.

Figure 10.3 also shows that while some regions had above-average screen densities, their levels of admission remained low. For example, Wales and the West had a relatively high screen density of 6.6 (per 100,000 people) but its cinema admission rate was one of the lowest at 2.3 admissions per person. It is hard to pinpoint the reason behind this observation. The levels of cinema admissions across regions are subject to numerous influences, such as fluctuation in population sizes during tourist seasons, the age composition of the population, presence or absence of a film culture and varying competition from other forms of entertainment.

Figure 10.3 Cinema admissions per person by screen density across ISBA regions, 2008



Source: Dodona Research, Beacon Dodsworth, CAA, RSU analysis.

Notes:

1. The line shown above is derived from a weighted linear regression. So the results are more influenced by areas with larger population, for example, London and the Midlands.
2. The area of the circle is proportional to the ISBA region's population.
3. Screen density means number of screens per 100,000 people.

Table 10.5 gives screen information for each of the English Government Office Regions, plus Scotland, Wales and Northern Ireland, which correspond to the areas covered by the nine English Regional Screen Agencies, Scottish Screen, the Film Agency for Wales and Northern Ireland Screen.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 10.5 Screens and population in the nations and Government Office Regions, 2008 (ranked by screens per 100,000 people)

Government Office Region	Screens	% of total screens	Sites	Population (in '000) mid-year 2007*	Screens per 100,000 people	Average number of screens per site
Northern Ireland	166	4.6	24	1,759	9.4	6.9
London	554	15.3	110	7,557	7.3	5.0
North West	436	12.1	64	6,864	6.4	6.8
South East	516	14.3	122	8,309	6.2	4.2
Wales	185	5.1	48	2,980	6.2	3.9
Scotland	314	8.7	61	5,144	6.1	5.1
South West	312	8.6	82	5,178	6.0	3.8
West Midlands	308	8.5	52	5,382	5.7	5.9
Yorkshire	252	7.0	44	5,177	4.9	5.7
East Midlands	206	5.7	43	4,400	4.7	4.8
East of England	234	6.5	49	5,661	4.1	4.8
North East	106	2.9	22	2,565	4.1	4.8
Others**	21	0.6	5	N/A	N/A	4.2
Total	**3,610**	**100.0**	**726**	**60,975**	**5.9**	**5.0**

Source: Dodona Research, ONS, RSU analysis.
*Mid-2007 Population Estimates, ONS.
**Others include the Channel Islands and the Isle of Man.
N/A = not available.

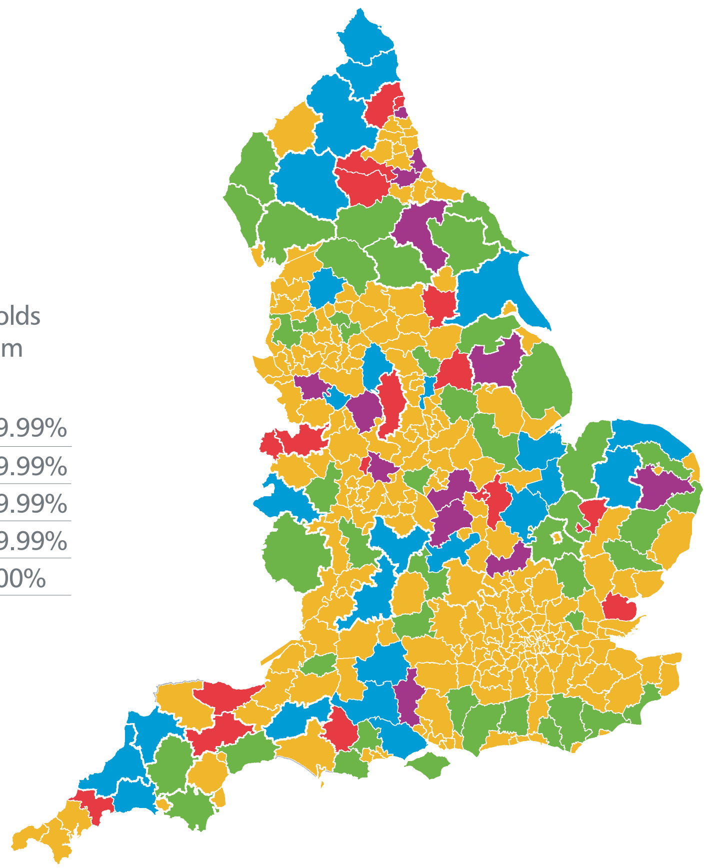
The pattern of regional and national variation in screen provision remains unchanged in 2008. It is still the case that areas of high urban population, like London, the South East and the North West, had higher screen numbers. Northern Ireland had the highest number of screens per 100,000 people of the four nations (9.4), followed by Wales (6.2), Scotland (6.1) and England (5.7).

Table 10.5 also reveals that Northern Ireland and the North West had on average over six screens per site compared with the national average of five. The South West, Wales and the South East fell below the average, showing a tendency towards smaller cinemas and proportionately fewer multiplexes (see Table 10.6 below).

10.6 Areas of 'cinema deprivation' in England

The varying levels of access to cinemas in England are further highlighted by Figure 10.4 showing cinema provision by local authority districts. The districts in red can be considered 'cinema deprived' as they are areas where over 80% of the households within them were more than 10 kilometres from the closest commercial cinema. Some of the most deprived districts included Restormel (95% of 23,252 households) in the South West, Castle Morpeth (91% of 15,558 households) in the North East and Maldon (95% of 16,913 households) in the East of England. The potential unmet demand for cinemas in these areas is partly fulfilled by community cinemas and film societies, as described in section 10.12.

Figure 10.4 Cinema ‘deprivation’ by local authority districts in England, 2008



Percentage of households greater than 10km from a commercial cinema

■	0–19.99%
■	20–39.99%
■	40–59.99%
■	60–79.99%
■	80–100%

Source: DEFRA, Dodona Research, RSU analysis.

10.7 Type of cinema screens by nation and region

Table 10.6 provides a snapshot of variations in multiplex provision around the UK. The North West had the largest number of multiplex screens (387), 20 more than London, and the highest proportion of multiplex screens (89%). By far the lowest concentration of multiplex screens was found in the South West (59%), which had a particularly high number of traditional and mixed-use screens (the third highest after London and the South East). The proportion of multiplex screens for England was 74%. The Channel Islands and Isle of Man (48%) also had proportionally fewer multiplex screens than the national average.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 10.6 Cinema screens by type by nation or Government Office Region, 2008 (ranked by percentage multiplex)

Government Office Region	Multiplex	% Multiplex	Traditional and mixed use	Total
North West	387	88.8	49	436
Yorkshire	211	83.7	41	252
North East	87	82.1	19	106
Northern Ireland	136	81.9	30	166
West Midlands	241	78.2	67	308
Scotland	238	75.8	76	314
East Midlands	156	75.7	50	206
Wales	140	75.7	45	185
East of England	176	75.2	58	234
South East	367	71.1	149	516
London	356	64.3	198	554
South West	184	59.0	128	312
Other*	10	47.6	11	21
Total	**2,689**	**74.5**	**921**	**3,610**

Source: Dodona Research, RSU analysis.
*Other includes the Channel Islands and the Isle of Man.

10.8 Mainstream, specialised and South Asian programming

Dodona Research categorises screens according to whether they show mainly mainstream, specialised (that is non-mainstream, including 'art-house') or South Asian films.

Table 10.7 shows that by far the majority of screens mainly show mainstream films. In 2008, 554 cinemas with 3,350 screens showed mainly mainstream films (a rise of 1% for sites and 3% for screens). This compared with 168 sites (250 screens, 7% of screens) showing specialised films and four cinemas (10 screens, 0.3% of screens) dedicated mainly to South Asian films. The numbers of cinemas and screens showing mainly specialised films both fell in 2008, by 5% for cinemas and 2% for screens.

Table 10.7 Sites and screens by programme, 2005–2008

	Sites				Screens			
Programme	2005	2006	2007	2008	2005	2006	2007	2008
South Asian	5	5	4	4	18	18	10	10
Specialised	132	157	177	168	206	231	255	250
Mainstream	522	535	546	554	3,133	3,191	3,249	3,350

Source: Dodona Research, RSU analysis.

The majority (68%) of specialised screens were found in single, independently-owned cinemas (that is, not part of a chain).

The pattern of programme type by location in 2008 is shown in Table 10.8. Screens showing mainly South Asian films were located in town or city centres and suburban areas, while those devoted to specialised film were mainly found in town or city centres. The overall pattern remained similar to last year.

Table 10.8 Proportion of screens by location and programme, 2008

Location	Asian	Specialised	Mainstream	Total
Town/city centre	80.0	84.4	43.7	46.6
Out of town		2.8	38.7	36.1
Edge of centre		2.4	14.7	13.8
Rural		6.4	2.4	2.6
Suburban	20.0	4.0	0.5	0.8
Total	**100.0**	**100.0**	**100.0**	**100.0**

Source: Dodona Research, RSU analysis.

This geographical analysis is extended in Tables 10.9 and 10.10, which reveal the distribution of South Asian and specialised screens around the country. Table 10.9 shows that 80% of all screens showing South Asian films were found in London, with the remainder in the East Midlands, both areas having large British Asian populations.

Table 10.9 Geographical spread of South Asian screens, 2008

Government Office Region	South Asian screens	%
London	8	80
East Midlands	2	20
Total	**10**	**100**

Source: Dodona Research, RSU analysis.

Screens showing mainly specialised films were concentrated in London and the South East, which housed 44% of them in 2008 (Table 10.10). Scotland and the South West both had 27 specialised screens, each accounting for 11% of such screens. The North East (3.2%), Wales (2.8%) and Northern Ireland (0.8%) had the smallest number of specialised screens.

Table 10.10 Geographical spread of specialised screens, 2008

Government Office Region	Specialised screens	%
London	71	28.4
South East	38	15.2
Scotland	27	10.8
South West	27	10.8
East of England	18	7.2
West Midlands	16	6.4
East Midlands	13	5.2
Yorkshire	12	4.8
North West	11	4.4
North East	8	3.2
Wales	7	2.8
Northern Ireland	2	0.8
Total	**250**	**100.0**

Source: Dodona Research, RSU analysis.

10.9 Exhibitors

The number of exhibitors that owned or programmed 20 or more screens in the UK fell to 11 in 2008 (13 in 2005 and 2006, 12 in 2007), as shown in Table 10.11. The five largest exhibitors owned approximately 74% of all UK screens. The order of the list remained similar to last year except for Hollywood Screen Entertainment (19 screens) which owned less than 20 screens in 2008.

Table 10.11 Cinema screens by exhibitors with 20+ screens, 2008

Exhibitor	Sites	Screens	% of total screens
Odeon	107	834	23.1
Cineworld	74	758	21.0
Vue	63	608	16.8
National Amusements	21	274	7.6
Ward Anderson	24	206	5.7
Apollo	13	77	2.1
City Screen	18	51	1.4
Reel Cinemas	13	48	1.3
Movie House Cinemas	5	39	1.1
AMC	2	28	0.8
Merlin Cinemas	9	26	0.7
Others	375	657	18.2
Total	**726**	**3,610**	**100.0**

Source: Dodona Research.
Figures correct as at March 2009.
Notes: Odeon is owned by Terra Firma Capital Partners, a European private equity firm with headquarters in London and Frankfurt.
Cineworld comprises the former Cine-UK and UGC chains and is owned by The Blackstone Group, a multinational private equity company.
Vue, which acquired Warner Village cinemas in 2003, is owned by SBC International Cinemas (headquartered in the UK).
National Amusements is owned by the family of Sumner Redstone, chairman of US media giant Viacom.
Ward Anderson is headquartered in the Republic of Ireland where it operates the Cineplex, IMC and Omniplex chains.

10.10 Exhibitor revenues

Dodona Research reports that total exhibitor revenue in 2008 stood at £1,084 million, 3% higher than in 2007. Net concession revenue stood at £273 million (a rise of 4% on 2007), while gross advertising revenue totalled £195 million.

Average ticket prices, calculated by dividing UK box office gross for the year (£850 million) by total UK admissions (164.2 million), rose from £5.05 in 2007 to £5.18 in 2008, an increase of 3%.

10.11 Digital projection

10.11.1 Digital Screen Network (DSN)

The UK Film Council's 239 state of the art Digital Cinema Screens had been installed by the end of 2008. The end of the final installations marked the beginning of the four-year contract with the cinemas for the delivery of specialised films. The DSN accounted for 77% of all high-end digital screens in the UK at the end of 2008.

The DSN continues to be a platform for new models of release. Documentaries *Shine a Light* and *The Age of Stupid* both used the network to turn their London premieres into nationwide events, showing the film simultaneously in digital screens across the UK accompanied by live satellite coverage of the premieres. Specialised films such as *Waltz with Bashir*, *Mongol* and *The Edge of Love* played on the network in 2008, while the distribution of restored cinema classics continued to utilise the DSN, including retrospectives of David Lean and *White Christmas*.

10.11.2 Digital screens worldwide and in the UK

According to Screen Digest, at the end of 2008 there were 8,797 DCI–level (Digital Cinema Initiatives; see Glossary) digital screens worldwide, 36% up on 6,455 screens in 2007. Table 10.12 shows the number of high-end digital (often referred to as 'D-Cinema' in the industry) screens in the world from 2005 to 2008. Worldwide, digital screens have increased more than ten-fold since 2005.

Table 10.12 Number of high-end digital screens in the world, 2005–2008

Region	2005	2006	2007	2008	% of 2008 total	% change in screens 2007/08
Americas	345	2,030	4,666	5,754	65.4	23.3
Asia-Pacific	272	430	919	1,471	16.7	60.1
Europe	229	532	864	1,544	17.6	78.7
of which UK	*38*	*148*	*296*	*310*	*3.5*	*4.7*
Africa and Middle East	2	4	6	28	0.3	366.7
Total	**848**	**2,996**	**6,455**	**8,797**	**100.0**	**36.3**

Source: Screen Digest.
Note: Figures prior to 2007 include a small number of digital screens using the earlier projectors (1.3K DLP Cinema projectors) that do not meet the DCI specifications. The minimum projector resolution for DCI is 2K (see Glossary). Figures valid to April 2009.

The rise in digital screens in the world continued in 2008. It was fuelled by the continuing growth of digital screens in the Americas (46% of the total increase of 2,342 digital screens in 2008) and similar levels of increase in Europe (29% of the total increase) and the Asia-Pacific region (24% of the total increase). The growth in the Americas was mainly attributed to the increase of 883 screens in the USA to 5,515 in 2008 (4,632 in 2007).

In Europe five countries, led by the UK, had more than 100 digital screens in 2008 (UK and Germany only in 2007) as shown in Table 10.13. The top five countries had 62% (68% in 2007) of all of the high-end digital screens in Europe. The UK continued to have the largest number of high-end digital screens at 310 screens. However, its lead was narrowed following a sharp rise of 408% to 254 digital screens in France. Another three European countries experienced over 200% increase from 2007 to 2008, namely Poland (588% rise to 55 screens), Austria (240% to 119) and Russia (227% to 98).

Table 10.13 European countries with 20 or more high-end digital screens in 2007 and 2008, ranked by number of screens

Country	Year 2007	Year 2008	% of 2008 Europe total	% change from 2007
UK	296	310	20.1	+4.7
France	50	254	16.5	+408.0
Germany	135	164	10.6	+21.5
Austria	35	119	7.7	+240.0
Belgium	65	107	6.9	+64.6
Russia	30	98	6.3	+226.7
Italy	41	78	5.1	+90.2
Spain	31	58	3.8	+87.1
Poland	8	55	3.6	+587.5
Norway	25	48	3.1	+92.0
Ireland	33	46	3.0	+39.4
Netherlands	29	36	2.3	+24.1
Portugal	24	36	2.3	+50.0
Rest of Europe	62	135	8.7	+117.7
Europe total	**864**	**1,544**	**100.0**	**+78.7**

Source: Screen Digest.
See note to Table 10.12.

The Asia-Pacific region had 73 fewer high-end digital screens than Europe in 2008 (Table 10.12). Table 10.14 shows that the top five countries had over 91% of all digital screens in the region. In the Asia-Pacific region, China continued to have the highest number of high-end digital screens (861 in 2008, a 53% rise on 2007). India experienced a sharp rise of 918% to 112 digital screens in 2008 (11 in 2007).

Table 10.14 Countries in Asia-Pacific region with 20 or more high-end digital screens in 2007 and 2008, ranked by number of screens

Country	Year		% of 2008 Asia-Pacific total	% change from 2007
	2007	2008		
China	564	861	58.5	+52.7
South Korea	173	199	13.5	+15.0
Japan	86	123	8.4	+43.0
India	11	112	7.6	+918.2
Australia	27	42	2.9	+55.6
Taiwan	10	29	2.0	+190.0
Singapore	27	28	1.9	+3.7
Turkey	4	22	1.5	+450.0
Rest of Asia-Pacific	17	55	3.7	+223.5
Asia-Pacific total	**919**	**1,471**	**100.0**	**+60.1**

Source: Screen Digest.
See note to Table 10.12.

10.11.3 3D and alternative content programming

Of the 310 high-end digital screens in the UK in 2008, 69 (22%) of them were 3D capable digital screens. This represents a six-fold increase in the proportion of 3D digital screens since 2006. Some of the popular 3D screenings in the UK in 2008 included *Journey to the Center of the Earth, Fly Me to the Moon* and *U2 3D*.

Table 10.15 shows the increasing number and proportion of 3D digital screens in the UK. The growth in 3D digital screens coincided with an increase in the availability of 3D content internationally. According to Screen Digest, the number of digital 3D features (films produced in stereoscopic 3D format) released internationally rose from two and three in 2006 and 2007, to seven in 2008. There is a strong line-up, especially animations, of 3D releases for 2009, including *Ice Age 3, Final Destination 4* and *Avatar*.

Table 10.15 3D digital screens in the UK, 2006–2008

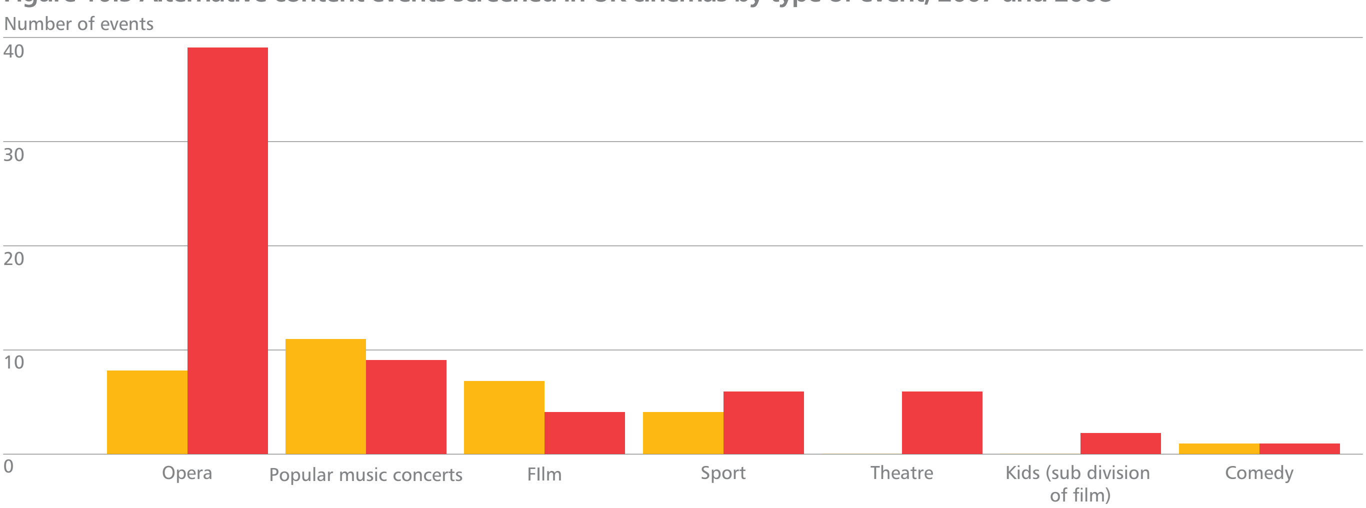
Year	Number of 3D digital screens	Total digital screens	3D % of all digital screens	Top performing digital 3D title in the UK/Ireland
2006	5	148	3.4	Chicken Little
2007	47	296	15.9	Beowulf
2008	69	305	22.6	Journey to the Center of the Earth

Source: Screen Digest, Nielsen EDI, RSU analysis.
Note: 3D digital screens are capable of screening content made in stereoscopic 3D format. Top performing digital 3D titles in the UK and Republic of Ireland include box office takings from 2D screenings.

Alternative content (AC) or non-feature film programming is becoming a regular feature in some UK cinemas equipped with digital screens. The availability of a digital screen base has allowed a wider range of content on the big screen and potentially improved the use of auditorium capacity during typically quiet periods, for example, special screenings of children's television programmes for parents with babies in the morning.

The number of alternative content events screened in UK cinemas more than doubled in 2008 to 67, up from 31 in 2007, according to Screen Digest. Such events ranged from live or recorded operas and pop music concerts to film screenings with a live 'question and answer' session or a live 'virtual' premiere, such as the opening of the documentary film, *The Age of Stupid*, in the UK and Ireland. Ticket prices for the different type of event varied but live events tended to be at a premium. Opera was reported to be the most commonly-screened event in 2008 followed by popular music concerts. The number of operas screened in the cinema increased almost five-fold to 39 in 2008 (eight in 2007), as Figure 10.5 shows. The National Theatre has recently announced that it will be broadcasting four plays on cinema screens across the world through a new initiative, *NT Live*. The first play will be *Phèdre*, starring Oscar-winning actress Helen Mirren. This deal might help theatre to become a more prominent alternative content event in 2009.

Figure 10.5 Alternative content events screened in UK cinemas by type of event, 2007 and 2008



	Opera	Popular music concerts	FIlm	Sport	Theatre	Kids (sub division of film)	Comedy
2007	8	11	7	4	0	0	1
2008	39	9	4	6	6	2	1

Source: Screen Digest.

10.12 Community cinema in the UK

The screening of feature films in the UK is not limited to cinemas belonging to the major cinema operators. There is a thriving sector of non-commercially oriented providers bringing a wide variety of programming, often specialised in nature, to local communities which would otherwise be underserved by the commercial operators. This sector is often referred to as community cinema. Members of local communities are often more involved in the programming of such cinemas than their counterparts served mainly by commercial operators. Screenings of films in this sector are in venues such as village halls, mixed-arts venues, independent cinemas and the like.

There was a knowledge gap in the contribution of community cinema until recently. In the Yearbook 2006/07 we presented the findings of a 2006 survey, *Cinema for All*, commissioned by the British Federation of Film Societies (BFFS). This survey looked at the size, composition and geographical distribution of the community cinema sector in the UK (see a summary of the main findings in section 9.8.1 of the Yearbook 2006/07). An update from the first wave of the survey was provided in the Yearbook 2008 (section 9.8.1). A third survey was conducted during 2008, the full results of which are available from the BFFS website. Here we present a summary of the key findings from this survey.

While many film societies and community cinemas have been in existence over a long period, new ones are established all the time. Over half (51%) of the responding organisations were established in 2000 or later while around one quarter (24%) were established in the 1960s or earlier.

Nearly all of the film societies that responded (88%) operated a membership system in 2007/08 and the average membership size was 138. The membership of responding societies stood at 11,573, and like-for-like membership numbers rose by 8% over the previous year. The BFFS estimates a sum total membership of over 36,000 across all film societies.

The average full annual membership fee was £26.94. Less than one-third of societies that operated a membership system charged an additional admission fee (31%), which averaged £3.54 in 2007/08.

The responding organisations programmed a total of 625 different titles during the 2007/08 season, greater than the number of films released theatrically in the UK. Nearly a quarter (23%) of these films were British, while around two-fifths (39%) were films in a foreign language (up from 27% in the previous year). Sixty-five per cent of titles were screened by only one film society, indicating the diversity of programming choices made by individual societies.

Ten of the 26 films programmed by ten or more respondents in 2007/08 were British, and the same number were in a foreign language. The three most programmed films were *The Lives of Others*, *The Page Turner* and *Little Miss Sunshine* (the only American film to make it into the top ten). Just over half of all responding organisations held special events in addition to screenings in 2007/08.

The average audience size in 2007/08 was 75. The smallest audience recorded was just one admission and the largest stood at 380. The sum total of all admissions from responding organisations was 115,635 for 2007/08. If this is extrapolated to all BFFS members the total number of admissions would have been around 361,000.

The most commonly-used format for screenings was DVD (used ‘usually’ or ‘sometimes’ by 85% of responding organisations). Fewer than one-third (29%) still used VHS, and this was the usual projection format for only 1%, while over one-third (37%) usually projected using 35mm.

The vast majority of film societies used only one venue for screenings (90%), and public buildings (for example, civic centres, village or town halls) were the most common type (30% used them), followed by school halls or college/university lecture theatres (18%), theatres (14%), cinemas (13%) and mixed-arts centres (13%).

Film societies and community cinemas enhance film provision in areas otherwise neglected by commercial cinemas. On average, film societies and community cinemas were located around eight miles from the nearest commercial cinema. Moreover, 40% operated in rural areas (compared to 3% of commercial screens, Table 10.8), and 41% of all admissions were generated in the South West and South East regions, where admissions to commercial cinemas accounted for only 12% of total cinema admissions (see Table 10.4, South West and Southern ISBA regions).

See also:

- For cinema admissions and box office see Chapter 1 (page 6)
- For a look at cinema audiences see Chapter 15 (page 114)
- For employment in the exhibition sector see Chapter 21 (page 172)
- See www.ukfilmcouncil.org.uk/dsn for more about the UK Film Council’s Digital Screen Network, including a list of such screens by region
- For maps showing distances from households to closest commercial and independent cinemas in the UK, see www.ukfilmcouncil.org.uk/exhibition
- Website for British Federation of Film Societies (BBFS): www.bffs.org.uk.

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Chapter 11: Film on video

Video gives virtually everyone an opportunity to see films within months of their cinema release–and of course some films are released on DVD only. Video rentals were down in 2008 but sales soared to a record figure.

Facts in focus

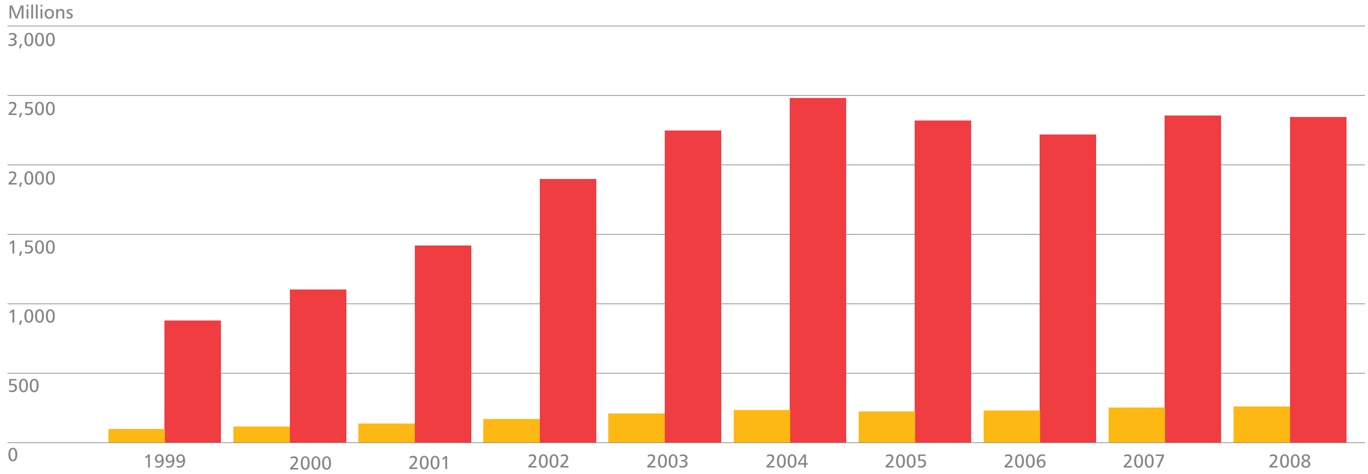
- 79 million videos were rented in 2008 (down 19% on 2007), while a record 258 million were sold (up 3% on 2007).
- The combined rental and sales market in 2008 was worth £2.56 billion.
- Film accounted for 62% of the video sales market by value and 76% by volume and UK film had a 24% share.
- The most popular purchase on DVD was *Mamma Mia!* which became the biggest-selling DVD of all time in the UK with more than five million copies sold.
- Online DVD rental accounted for 49% of rental transactions in 2008, up from 30% in 2007.

11.1 Film in the retail video market

'Video' is used in this chapter as the generic description of all video formats, including DVD, UMD (Universal Media Disc), high-definition DVD (HD-DVD) and Blu-ray, in line with the British Video Association's (BVA) definition.

A record 258 million DVD, HD-DVDs, Blu-ray DVDs, and UMD videos were sold in 2008, with a total market value of £2,343 million (Figure 11.1). DVDs accounted for the vast bulk of video sales (98%) with new digital formats such as Blu-ray (1.5%) beginning to emerge. Feature film represented approximately 62% of the retail video market by value (£1,454 million) and 76% by volume. UK films accounted for around 24% of DVD film sales.

Figure 11.1 Retail video sales (all categories), 1999–2008



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Volume	96	114	135	169	208	234	222	229	250	258
Value	878	1,100	1,417	1,895	2,244	2,478	2,317	2,215	2,353	2,343

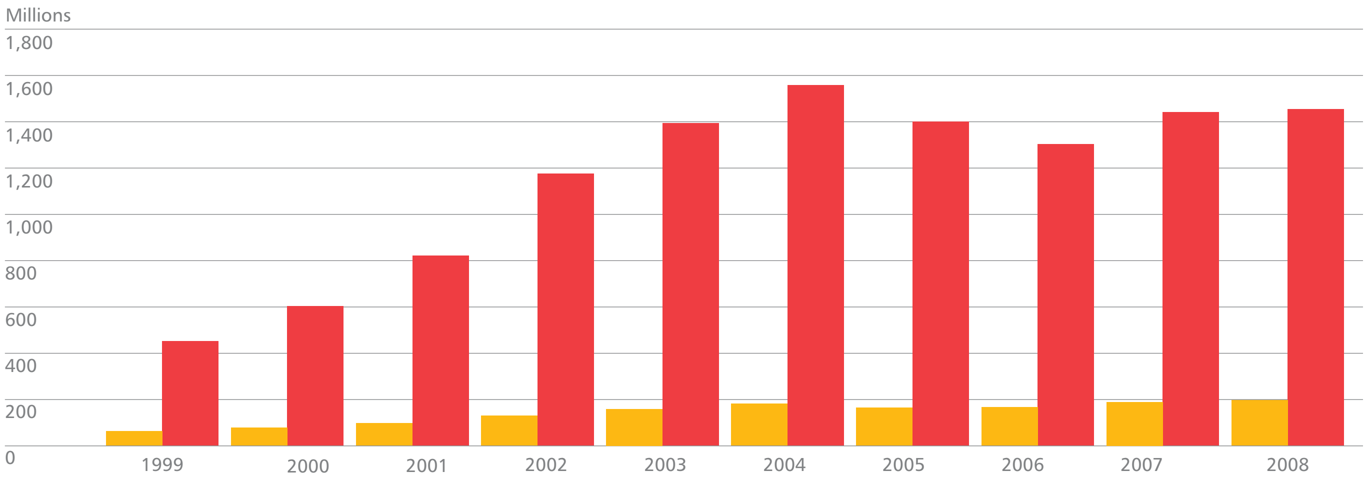
Source: Official UK Charts Company, BVA.

Data in this table include all categories of retail video: film, TV, sport, fitness etc.

Image: *Kung Fu Panda* courtesy of DreamWorks Animation

The number of films sold on video has more than trebled in 10 years, from 61 million units in 1999 to 196 million units last year (Figure 11.2). The average unit price increased with the introduction of DVD in the late 1990s to reach a peak in 2002, but has since fallen back to the level of the late 1990's (£7.42) (figure 11.3).

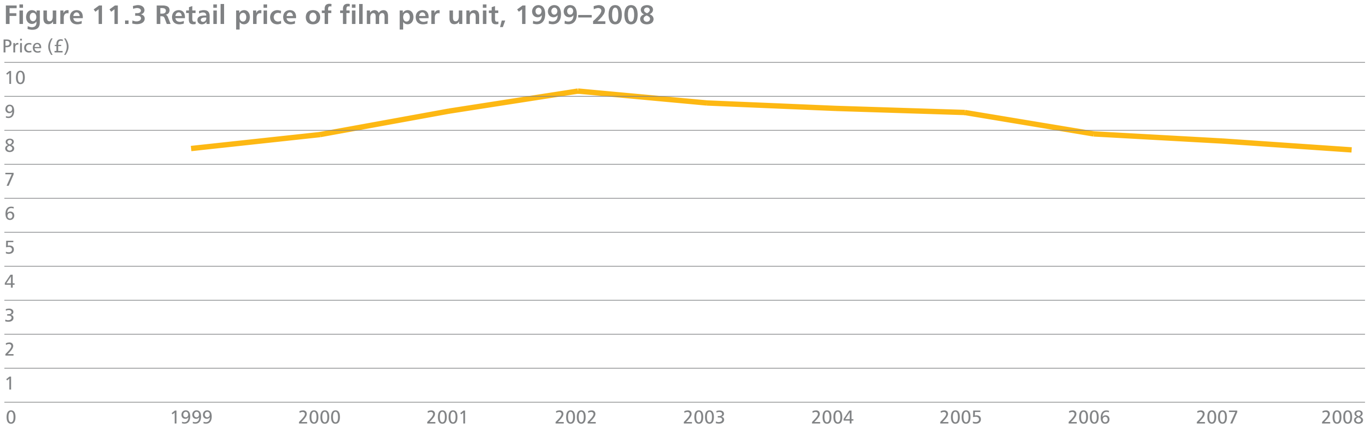
Figure 11.2 Film on video retail sales, 1999–2008



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Volume	61	76	96	128	158	180	164	165	188	196
Value	451	601	821	1,175	1,392	1,557	1,399	1,302	1,440	1,454

Source: UK Film Council RSU analysis of Official UK Charts Company and BVA data.

Figure 11.3 Retail price of film per unit, 1999–2008



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Price	7.46	7.87	8.56	9.15	8.80	8.64	8.52	7.89	7.68	7.42

Source: UK Film Council RSU.

Table 11.1 shows the top selling films on DVD in 2008. *Mamma Mia!* topped the chart and also became the biggest selling DVD of all time in the UK with over five million copies sold. *The Dark Knight* was the second biggest selling DVD of the year and also the highest selling Blu-ray disc released to date.

Table 11.1: Top 10 films on DVD retail, 2008

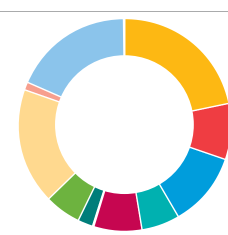
	Title	Country of origin	Distributor
1	Mamma Mia!	UK/USA	Universal
2	The Dark Knight	UK/USA	Warner
3	Sex and the City	USA	EIV
4	Ratatouille	USA	Walt Disney
5	Indiana Jones and the Kingdom of the Crystal Skull	USA	Paramount
6	Stardust	UK/USA	Paramount
7	I Am Legend	USA	Warner
8	The Golden Compass	UK/USA	EIV
9	Atonement	UK/USA	Universal
10	Kung Fu Panda	USA	Paramount

Source: Official UK Charts Company, BVA.

Once again, comedy was the dominant genre of films sold on video in 2008, accounting for almost 22% of the market as Figure 11.4 shows. Action/adventure was the next most popular with 18% of all sales, followed by drama with 18%.

Figure 11.4 Sales breakdown by film genre, 2008

	%
Comedy	21.7
Thriller	8.5
Children's/family	11.3
Horror	5.8
Sci-fi	7.3
Adult	0.2
War	2.3
Musical	5.5
Drama	17.6
Western	1.2
Action/adventure	18.2
Anime	0.2



Source: Official UK Charts Company.

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The top 10 UK performers on sell-through DVD in 2008 (Table 11.2) include five UK-qualifying titles which are also in the overall top 10 of the year plus strong performances from *Casino Royale* (released in 2007) and comedies *St Trinian's, Hot Fuzz* and *Run, Fat Boy, Run.*

Table 11.2 Top 10 UK-qualifying DVD film retail titles, 2008

	Title	Country of origin	Distributor
1	Mamma Mia!	UK/USA	Universal
2	The Dark Knight	UK/USA	Warner
3	Stardust	UK/USA	Paramount
4	The Golden Compass	UK/USA	EIV
5	Atonement	UK/USA	Universal
6	Casino Royale	UK/USA/Cze	Sony Pictures
7	St Trinian's	UK	EIV
8	Hot Fuzz	UK	Universal
9	Run, Fat Boy, Run	UK/USA	EIV
10	Sweeney Todd	UK/USA	Warner

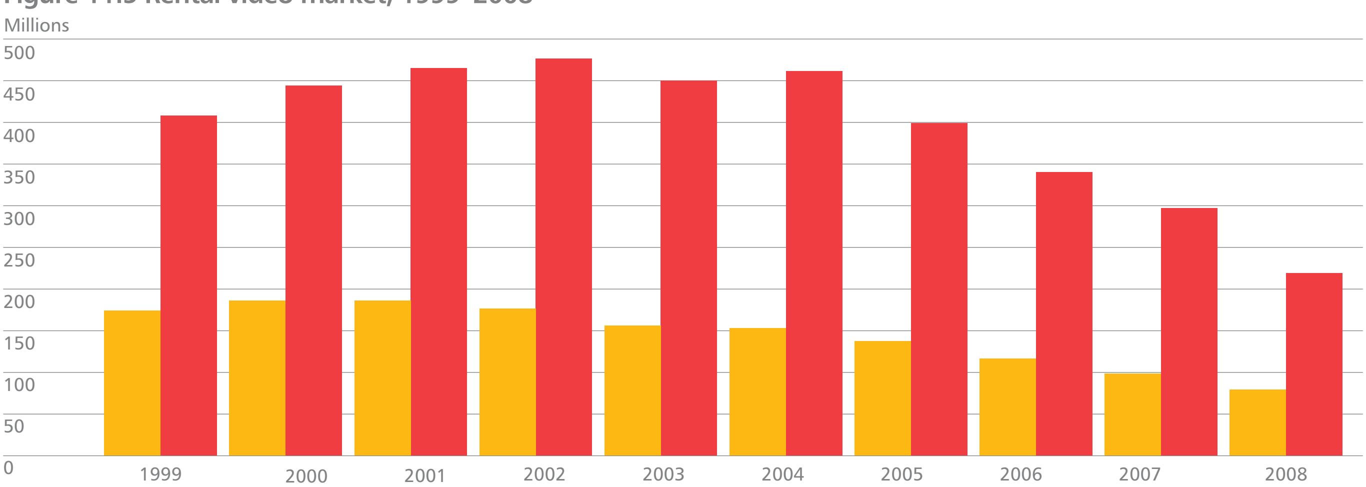
Source: Official UK Charts Company, RSU analysis.

11.2 Film in the video rental market

Video rentals totalled 79 million in 2008 (including over-the-counter and online rentals) with an average value of £2.76. Online DVD renting (with postal delivery) now accounts for 49% of all rental transactions in the UK.

The number of rental transactions fell by 19 million from 2007, and the value of the rental market fell to £219 million from a peak of £476 million in 2002 (Figure 11.5). This is due mainly to the rapid decline of the over-the-counter rental market in the wake of competition from multi-channel television, piracy and in particular, the availability and lower cost of retail DVDs. For context, compare this with video sales, which increased in the same period (section 11.1).

Figure 11.5 Rental video market, 1999–2008



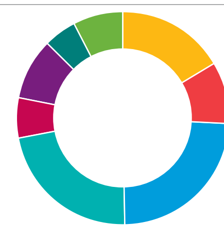
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Transactions	174	186	186	176	156	153	137	116	98	79
Value	408	444	465	476	450	461	399	340	297	219

Source: BVA, MRIB, TNS.

The most popular genre was comedy which accounted for 24% of rentals, closely followed by drama and action/adventure titles (Figure 11.6). These categories, as defined by TNS, may differ from the genre categories assigned to the theatrical market by the RSU in chapter 4.

Figure 11.6 Video rental share by genre, 2008

	%
Action/adventure	16.4
Children's/family	9.4
Comedy	23.9
Drama	22.3
Horror	6.1
Thriller	9.3
Sci-fi	5.0
Others	7.6



Source: MRIB Rental Monitor, BVA.

Unfortunately, title-by-title rental data are unavailable for inclusion in this edition.

11.3 Hardware

According to the BVA, 6.5 million DVD players were sold in 2008, taking cumulative DVD hardware sales since launch to 55 million, the equivalent of two players for every household. In addition, consumers increasingly have access to high-definition DVD technology through dedicated players and games consoles in particular. The BVA reports that 275,000 Blu-ray stand-alone players were sold in 2008 and there are two million games consoles with Blu-ray capability in the UK.

See also:

- For more information about top films at the UK box office see Chapter 2 (page 12)
- For more information about the UK film market as a whole see Chapter 14 (page 108).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Chapter 12: Film on UK television

The options for watching film on television have never been greater, with digital channels now taking almost 40% of the UK television audience and offering access to a huge number and variety of films. Viewers had a choice of nearly 6,000 titles across all channels in 2008.

Facts in focus

- There were 5,873 unique film titles on television in 2008, including 2,086 on terrestrial, 1,548 on the subscription film channels and 3,425 on the free-to-air film channels.
- The 2,221 films (2,086 unique titles) on terrestrial channels included 505 UK films (23%) and 73 foreign language films (3%).
- The top film on terrestrial television was *Harry Potter and the Goblet of Fire* on ITV1, with 7.7 million viewers.
- There were 3.5 billion viewings of feature film across all television formats (except pay-per-view) in 2008 – up 12% on 2007 and over 21 times the number of cinema admissions.
- The total audience for feature film across the non-subscription digital channels increased by 51% on 2007.
- The average viewer watched 63 films on television in 2008.

12.1 Programming on network channels

Table 12.1 shows the number of feature films broadcast on the five terrestrial network channels in 2008 and the total number of UK titles broadcast in that time. These are broken down into older titles (more than eight years old) and recent theatrical releases (released in the last eight years). Here, UK film includes all titles listed as UK-originated by the Broadcaster's Audience Research Board (BARB), plus UK co-productions given other nationalities (mostly USA) in the BARB data.

The number of films on terrestrial television increased by 2% on 2007 to 2,221, an average of six films a day. The proportion of recent UK films increased from 6% to 7%, with BBC1 accounting for most of the increase.

Table 12.1 Feature films broadcast on network television, 2008

Channel	Number of films broadcast	Number of UK films broadcast	UK film as % of total	Recent UK (ie released theatrically since 2000)	Recent UK as % of total films broadcast
BBC1	381	79	21	54	14.2
BBC2	395	121	31	34	8.6
ITV1	367	98	27	23	6.3
Channel 4	606	160	26	41	6.8
Five	472	47	10	10	2.1
Total	**2,221**	**505**	**23**	**162**	**7.3**

Source: Attentional, UK Film Council RSU analysis.

Network television screened 73 foreign language films in 2008, 3% of the total, up from 63 in 2007 (3% of the total), as Table 12.2 shows. The top foreign language film was *Pan's Labyrinth,* with an audience of 1.4 million on Channel 4.

Table 12.2 Foreign language films broadcast on network television, 2008

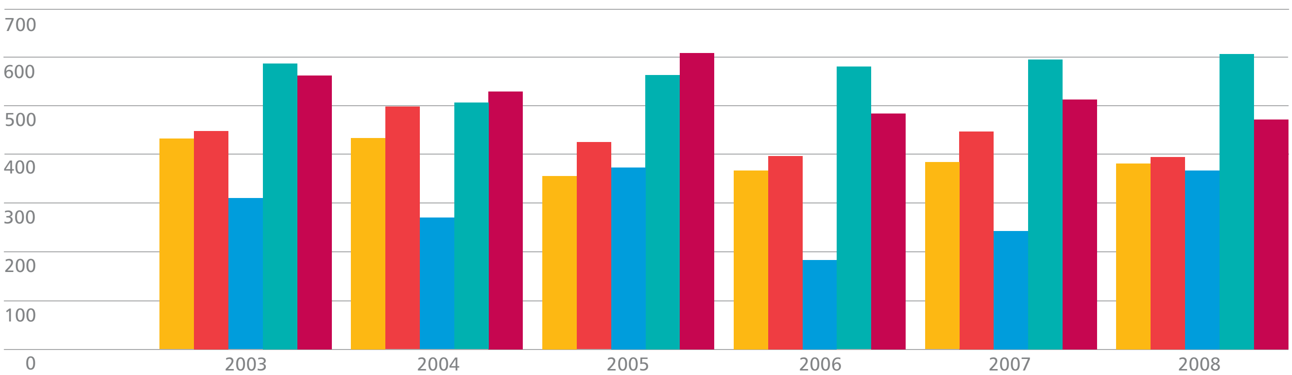
Channel	Number of foreign language films broadcast	% of channel's film output	Average audience (million)	Top rated foreign language film	Audience (million)
BBC1	6	1.6	0.6	Rumble in the Bronx	1.1
BBC2	17	4.3	0.1	Das Boot	0.5
ITV1	1	0.3	0.1	The Children of Heaven	0.1
Channel 4	46	7.6	0.1	Pan's Labyrinth	1.4
Five	3	0.6	0.3	Big Boss	0.3
Total	**73**	**3.3**	**0.2**		

Source: UK Film Council RSU.

Image: *Harry Potter and the Goblet of Fire* courtesy of Warner Brother Pictures

The number of slots for feature film on network television has fluctuated since 2003 as Figure 12.1 shows but Channel 4 has broadcast the most in four out of the six years.

Figure 12.1 Number of feature films on network television, 2003–2008



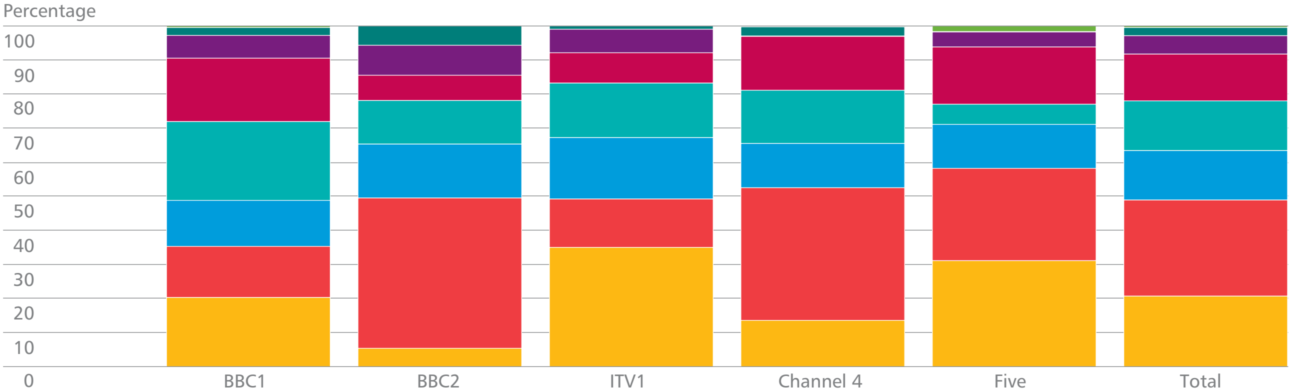
	2003	2004	2005	2006	2007	2008
BBC1	432	434	356	367	384	381
BBC2	448	498	425	397	447	395
ITV1	310	270	373	183	243	367
Channel 4	587	506	563	580	595	606
Five	562	529	608	484	513	472
Total	2,339	2,237	2,325	2,011	2,182	2,221

Source: Attentional, UK Film Council RSU.

12.2 Peak time on network television

The proportion of peak-time hours (18:00 to 23:59 hours) given over to films varied widely across the terrestrial channels. Film represented 19% of programming on BBC1, 7% on BBC2, 9% on ITV1, 16% on Channel 4 and 17% on Five (Figure 12.2). BBC1 and BBC2 both increased the proportion of peak-time hours devoted to film compared with 2007, with BBC1 having a particularly large increase, from 13% to 19%.

Figure 12.2 Composition of peak-time hours, 2008



	BBC1	BBC2	ITV1	Channel 4	Five	Total
Drama	20.3	5.4	35.0	13.6	31.1	20.7
Factual	15.0	44.1	14.2	38.9	27.1	28.2
Entertainment	13.5	15.8	18.0	13.0	12.9	14.5
News/current affairs	23.1	12.8	16.0	15.6	5.9	14.6
Films: Cinema	**18.6**	**7.4**	**8.9**	**15.8**	**16.8**	**13.7**
Sport	6.7	8.8	6.9	0.1	4.4	5.4
Other	2.3	5.7	1.0	2.7	0.1	2.4
Films: made for TV	0.5	0.1	0.0	0.2	1.7	0.5

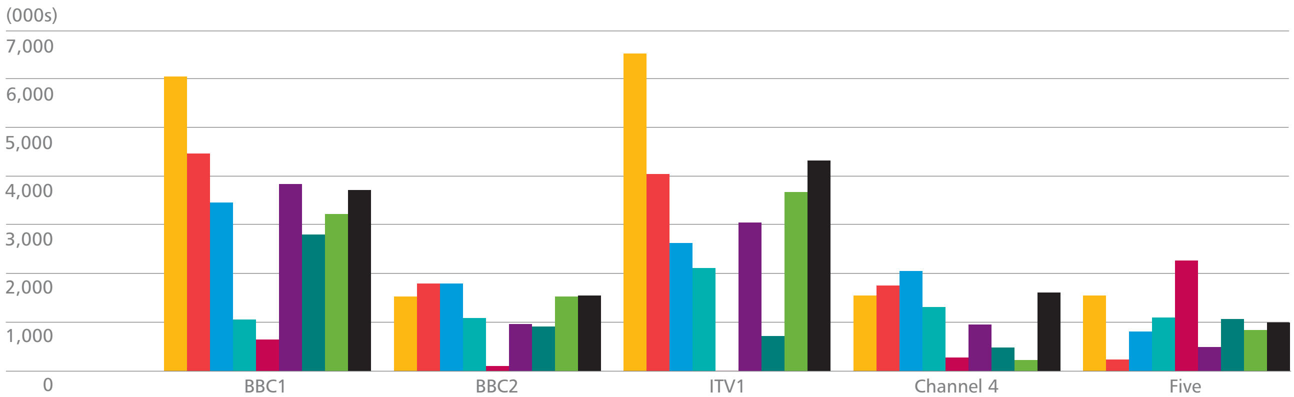
Source: Attentional.

12.3. Audiences for film on network television

The average audience for a film shown on peak-time network television was 1.1 million on BBC1, 1.1 million on BBC2, 2.1 million on ITV1, 1.3 million on Channel 4 and 1.1 million on Five (Figure 12.3). Across all channels, the average audience was 1.3 million. This compares with median cinema admissions for the top 50 films of approximately 1.7 million.

Of the main programme categories, film accounts for the second-lowest average peak-time audience on BBC1 but performs relatively well on Channel 4 and Five, as shown in Figure 12.3.

Figure 12.3 Average peak-time audience, 2008



	BBC1	BBC2	ITV1	Channel 4	Five
Drama	6,039	1,526	6,514	1,546	1,544
Entertainment	4,457	1,792	4,041	1,755	236
Factual	3,460	1,791	2,621	2,052	803
Films: Cinema	1,056	1,081	2,112	1,306	1,094
Films: made for TV	640	94	–	270	2,263
News/current affairs	3,832	964	3,041	947	483
Other	2,801	910	716	479	1,060
Sport	3,222	1,524	3,667	221	832
All genres	3,713	1,544	4,318	1,607	993

Source: Attentional, BARB.

12.4 Top films on network television

The most popular film on terrestrial television was *Harry Potter and the Goblet of Fire*, with 7.7 million viewers tuning in to its premiere on ITV1 (Table 12.3). In theatrical audience terms, this is equivalent to a box office gross of £40 million (actual gross was £49 million).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 12.3 Top 10 films on network television, 2008

	Title	Channel	Country of origin	Year of theatrical release	TV audience (million)
1	Harry Potter and the Goblet of Fire	ITV1	UK/USA	2005	7.7
2	Wallace and Gromit: The Curse of the Were-Rabbit	BBC1	UK/USA	2005	7.5
3	Indiana Jones and the Last Crusade	BBC1	USA	1989	7.5
4	Pirates of the Caribbean: Dead Man's Chest	BBC1	USA	2006	6.9
5	The Chronicles of Narnia: The Lion, the Witch and the Wardrobe	BBC1	USA/NZ	2005	6.6
6	Charlie and the Chocolate Factory	ITV1	UK/USA	2005	6.3
7	Bruce Almighty	BBC1	USA	2003	5.8
8	Nanny McPhee	ITV1	UK/USA	2005	5.8
9	Elf	Channel 4	USA	2003	5.6
10	Indiana Jones and the Temple of Doom	BBC1	USA	1984	5.6

Source: Attentional, BARB.

The top 10 UK films of 2008 (Table 12.4), included the premieres of *Harry Potter and the Goblet of Fire, Wallace & Gromit: The Curse of the Were-Rabbit, Charlie and the Chocolate Factory, Nanny McPhee* and *Miss Potter.*

Table 12.4 Top 10 UK-originated films on network television, 2008

	Title	Channel	Country of origin	Year of theatrical release	TV audience (million)
1	Harry Potter and the Goblet of Fire	ITV1	UK/USA	2005	7.7
2	Wallace and Gromit: The Curse of the Were-Rabbit	BBC1	UK/USA	2005	7.5
3	Charlie and the Chocolate Factory	ITV1	UK/USA	2005	6.3
4	Nanny McPhee	ITV1	UK/USA	2005	5.8
5	Miss Potter	BBC1	UK/USA	2006	5.3
6	Calendar Girls	BBC1	UK/USA	2003	5.3
7	Harry Potter and the Prisoner of Azkaban	ITV1	UK/USA	2004	4.5
8	Bridget Jones's Diary	BBC1	UK/USA	2001	3.9
9	Lara Croft Tomb Raider: The Cradle of Life	BBC1	UK/USA	2003	3.7
10	Harry Potter and the Chamber of Secrets	ITV1	UK/USA	2002	3.7

Source: Attentional, BARB, RSU analysis.

12.5 Films on multi-channel television

Table 12.5 shows the audience share for freeview/satellite/cable multi-channel television has continued to grow in the last few years. Multi-channel television accounted for 39% of the UK television audience in 2008, up from 37% in 2007. The biggest loss over this period was experienced by ITV1, which saw its audience share drop from 31% to 18%.

Table 12.5 Television percentage audience shares, 1999–2008

Year	BBC1	BBC2	ITV1	Channel 4	Five	Multi-channel TV
1999	28.4	10.8	31.2	10.3	5.4	14.0
2000	27.2	10.8	29.3	10.5	5.7	16.6
2001	26.9	11.1	26.7	10.0	5.8	19.6
2002	26.2	11.4	24.1	10.0	6.3	22.1
2003	25.6	11.0	23.7	9.4	6.5	23.6
2004	24.7	10.0	22.8	9.7	6.6	26.2
2005	23.3	9.4	21.5	9.6	6.4	29.8
2006	22.8	8.8	19.6	9.8	5.7	33.3
2007	22.0	8.5	19.2	8.6	5.1	36.5
2008	21.8	7.8	18.4	8.2	5.0	38.8

Source: BARB.

Table 12.6 lists the number of films shown, average audience, the top film and audience for the top film for a selection of the top subscription film channels and other digital channels which broadcast feature films. The various Sky Movie channels broadcast a total of 1,500 films across 39,238 slots. ITV 2, 3 and 4 more than doubled their film output from 823 in 2007 to 2,024 in 2008.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 12.6 Feature film on selected digital channels (free and pay), 2008

Channel	Number of films broadcast	Average film audience	Top film	Audience for top film
BBC3	119	445,768	Indiana Jones and the Last Crusade	1,538,600
BBC4	96	112,897	Overlord	407,200
Bravo	133	57,867	X-Men	200,700
Disney channels	776	20,528	Spy Kids 3D: Game Over	330,700
E4	131	271,269	I, Robot	946,800
Film 24	1,735	2,090	Jane Eyre	41,500
Film 4	2,423	134,597	This is England	1,105,600
Fiver	152	131,326	Daddy Day Care	440,700
Five US	289	133,686	Men in Black II	664,500
G.O.L.D.	231	157,685	Bruce Almighty	849,400
ITV2 – 4	2,024	219,281	Die Another Day	1,298,300
More 4	367	70,104	Heartbreak Ridge	432,400
Movies 4 Men	5,140	5,484	Pompeii	70,100
Sci Fi	913	39,087	Sword of Xanten	288,900
Sky 1-3	214	115,310	Batman Begins	601,900
Sky Movie channels	39,238	12,060	Night at the Museum	1,077,700
Turner Classic Movies	5,202	8,158	Ben Hur	116,800
Zone Horror/Zone Thriller	2,126	8,439	Prison	77,600

Source: Attentional, BARB, RSU analysis.

The top film on digital multi-channel was *Love Actually* on ITV2 with a total audience of 10.5 million from 20 transmissions (Table 12.7). The top film on the subscription film channels in 2008 was *Casino Royale*, which attracted a total audience of 4.15 million viewers from 112 transmissions on the Sky Movie channels (Table 12.8).

Table 12.7 Top 10 feature films on free-to-air digital multi-channel television, 2008

	Title	Channel	Country of origin	Year of theatrical release	TV audience* (million)
1	Love Actually	ITV2	UK/USA	2003	10,484,500
2	The Chronicles of Riddick	ITV2	USA	2004	8,211,100
3	The Saint	ITV2	USA	1997	7,279,600
4	The Bourne Supremacy	ITV2	USA	2004	6,853,100
5	Pretty Woman	ITV2	USA	1990	6,847,600
6	Die Hard 2	ITV2	USA	1990	6,636,100
7	Beverly Hills Cop	ITV2/Sky 1+2	USA	1984	6,586,000
8	Jurassic Park III	ITV2	USA	2001	6,072,400
9	The Day After Tomorrow	Film 4/E4	USA	2004	5,746,100
10	Bridget Jones: The Edge of Reason	ITV2	UK/USA	2004	5,508,900

Source: Attentional, BARB.
*Audience figures refer to total audience for all transmissions in 2008.

Table 12.8 Top 10 feature films on subscription film channels, 2008

	Title	Channel	Country of origin	Year of theatrical release	TV audience* (million)
1	Casino Royale	Sky Movies	UK/USA/Cze	2006	4,153,500
2	Night at the Museum	Sky Movies	USA	2006	3,969,700
3	Evan Almighty	Sky Movies	USA	2007	3,920,500
4	Hot Fuzz	Sky Movies	UK/USA	2007	3,753,500
5	Flushed Away	Sky Movies	UK/USA	2006	3,425,400
6	Die Hard 4.0	Sky Movies	USA	2007	3,281,600
7	Shrek the Third	Sky Movies	USA	2007	3,205,100
8	Cars	Sky Movies	USA	2006	3,105,000
9	Ghost Rider	Sky Movies	USA	2007	3,052,200
10	Pirates of the Caribbean: Dead Man's Chest	Sky Movies	USA	2006	2,858,600

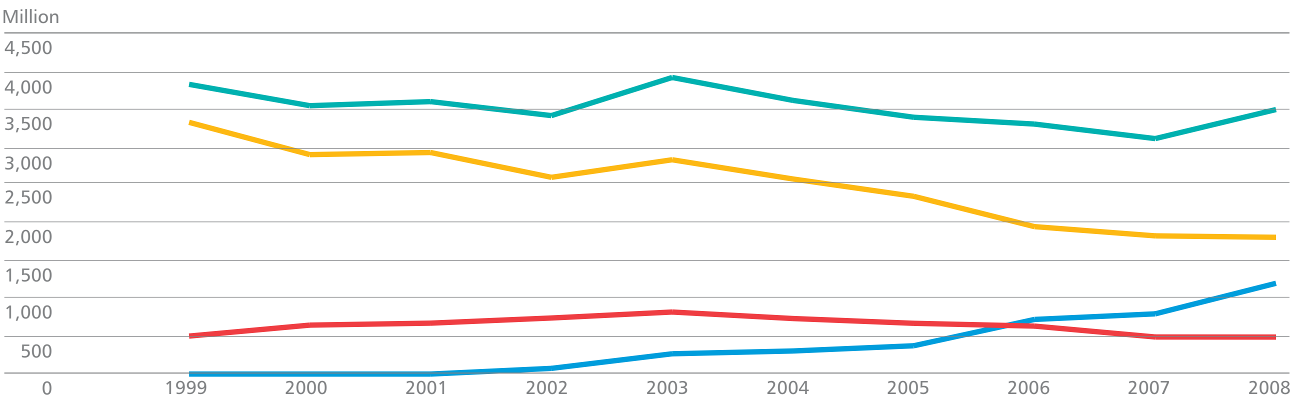
Source: Attentional, BARB.
*Audience figures refer to total audience for all transmissions of that film across all subscription film channels in 2008.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

12.6 The audience for film on all television channels 1999–2008

In order to compare the audiences for film on television with the number of admissions to UK cinemas, we have calculated the total audience for film broadcast on UK television since 1999 (see Figure 12.4). In 1999 there were 3.8 billion viewings of film on TV, compared with cinema ticket sales of 139 million. Despite the massive increase in the availability of titles with the introduction of digital television, the audience for film on television actually declined from 2003 to 2007. This was followed by a marked increase in film viewing in 2008 (+12%), boosted by an upsurge in multi-channel audiences with the total audience up 51% on 2007. However, the number of film viewings per person has declined since 1999 when the average person watched 69 films a year on terrestrial and multi-channel television, compared with 63 per person in 2008, despite the massive growth in choice via digital channels. Even so, this still represents 3.5 billion television viewings compared with cinema admissions of 164 million.

Figure 12.4 Total audience for feature film on television (except pay-per-view), 1999–2008



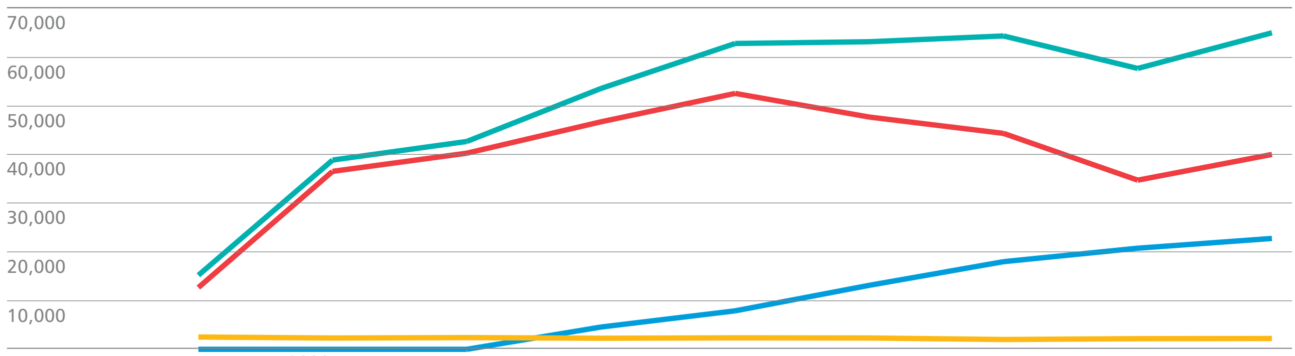
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Terrestrial	3,328	2,901	2,929	2,601	2,833	2,579	2,350	1,949	1,827	1,808
Subscription movie channels	502	647	673	741	820	734	671	634	490	489
Digital multi-channel	0	0	0	75	268	305	374	722	796	1,200
Total	3,830	3,548	3,602	3,417	3,921	3,618	3,395	3,305	3,113	3,497

Source: UK Film Council RSU, Attentional, BARB.

Figure 12.5 shows the total number of films shown on television since 1999. The steep rise in film showings to 2003 has since flattened but the 65,000 total in 2008 is more than four times greater than the 1999 figure of 15,200 films. The subscription film channels and digital multi-channel TV have driven this increase.

In terms of unique film titles, there were 2,086 films broadcast on terrestrial, 1,548 titles on the subscription film channels and 3,425 on other digital channels. Overall, 5,873 individual film titles were shown across all TV channels in 2008.

Figure 12.5 The total number of films broadcast on all television channels (except pay-per-view), 1999–2008



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Terrestrial	2,525	2,318	2,405	2,275	2,355	2,234	2,326	2,011	2,182	2,221
Subscription movie channels	12,684	36,547	40,277	46,720	52,552	47,499	47,698	44,346	34,737	40,014
Digital multi-channel	0	0	0	4,573	7,900	8,821	13,144	17,998	20,765	22,767
Total	15,209	38,865	42,682	53,568	62,807	58,554	63,168	64,355	57,684	65,002

Source: UK Film Council RSU, Attentional, BARB.

12.7 The value of feature film to broadcasters

Based on a model developed by Attentional, we have estimated the value of feature film to UK broadcasters to be approximately £1,067 million in 2008. This figure is derived from the annual revenue per channel, that is net advertising revenue for the commercial channels, subscription revenues for the pay channels and the proportion of licence fee applied to programming on the BBC channels, multiplied by the percentage of broadcast hours for feature film.

See also:

- For cinema admissions see Chapter 1 (page 6)
- For an overview of the film market as a whole see Chapter 14 (page 108).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Chapter 13: Video on Demand

Video on Demand brings films direct to our television and computer screens and, increasingly, to our mobile gadgets, whenever we choose. The sector is set to grow with advances in technology but growth was modest in 2008.

Facts in focus

- The total Video on Demand (VoD) and near-Video on Demand (nVoD) film market was estimated to be worth £120 million in 2008.
- 12.6 million households were able to access television-based VoD and nVoD in 2008 with an estimated spend of £114 million.
- Over 16 million UK households had a broadband connection in 2008, but online film revenues remained low at £6.2 million.

13.1 Current size of the UK market

The Video on Demand (VoD) market is still very small and estimates of its actual size vary. Unlike the theatrical and video markets, there are no official statistics, but recent reports from *Screen Digest* and NPA Conseil/The European Audiovisual Observatory have attempted to quantify this emerging market.

The VoD market in the UK can be divided into television-based services and internet-based services. While cable TV and IPTV (Internet protocol TV) operators are able to offer a true-VoD service (in other words a system which streams content in real time from a server to the viewer), the leading satellite broadcaster, BSkyB, is only able to offer a near-Video on Demand (nVOD) service, where multiple channels are used to show the same film at staggered times. Over 12 million UK households were able to access films via television, and the total television-based nVoD and VoD market was worth around £114 million in 2008.

According to Ofcom, over 16 million UK households (61% of the total) had a broadband connection in 2008, with the potential to view films online. Despite this level of broadband penetration, the online VoD market remained small with estimated revenues of around £6.2 million. However, this has grown from £700,000 in 2007 thanks largely to the introduction of films on iTunes mid-way through 2008 and also on Xbox Live Marketplace. Services for portable devices and consoles are clearly leading the way here.

Screen Digest estimated that the combined value of the TV-based VoD and nVoD and internet-based market was worth £120 million in 2008, roughly 3% of the total UK filmed entertainment market.

13.2 Video on Demand services in the UK

VoD services in the UK employ four basic types of economic model:

- Rental VoD – one-off rental, also known as download to rent;
- Subscription VoD (SVoD) – unlimited access to content for a fixed monthly sum;
- Retail, in other words download-to-own (DTO) onto computer or portable device;
- Free/advert-supported VoD.

The number of VoD film services in the UK has grown rapidly over the last year. At the time of writing (March 2009) 17 VoD film services could be identified compared with only six in mid-2007. Five of these services offered more than 1,000 film titles, compared to two in 2007. The leading VoD providers in the UK are described in Table 13.1.

Virgin Media and Sky are the market leaders in TV-based nVoD and VoD with over 11 million subscribers between them. Sky satellite subscribers are able to access nVoD films which can then be stored on personal video recorders (PVRs) through the Sky Anytime service. This then becomes a service with qualities similar to true-VoD. Virgin Media cable subscribers are able to access a true-VoD service.

Telecommunications companies in a number of countries are introducing Internet Protocol Television (IPTV) which delivers television services over a broadband internet connection. BT Vision, for example, offers major studio films as part of its true-VoD IPTV offering.

The UK is currently the only country in Europe to offer VoD on digital terrestrial television (DTT). Picturebox via Top Up TV Anytime offers a limited number of titles available through a PVR. There are currently more than 14 million free-DTT households in the UK which could potentially access this service providing they had a compatible PVR.

As noted above, the growth of broadband has presented a major new distribution channel for films. iTunes has emerged as the leading internet-based VoD service, with a 50% share of the online market in 2008, according to *Screen Digest.*

In terms of release windows, the true-VoD television-based offering and download to rent are generally in line with the nVoD window, that is films are usually available six to seven months after theatrical release. Download-to-own shares the same window as DVD retail (four months after theatrical release). However, there may be differences on a title-by-title basis.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 13.1 Leading VoD film services in the UK, 2008

Service	Network	Catalogue	Prices	Content providers	Economic model	Audience/ potential audience
Apple iTunes Store	Internet, iPhone/iPod	700 films (100 in HD)	£10.99 for new releases; £6.99 for library titles (£1 extra for HD films); rental VoD from £2.49	Disney, Paramount, Warner Bros and Lions Gate	VoD, DTO	16 million homes with broadband and iPhone/iPod users
4oD	Internet, IPTV	Selection of Film Four and 20th Century Fox titles	Rental VoD from £1.99	Film Four, 20th Century Fox	Rental VoD	16 million homes with broadband and 4 million BT Vision subscribers
Lovefilm	Internet	2,500 films	Rental VoD £2.99–£3.49	Three major studios plus independent distributors	Rental VoD	16 million UK homes with broadband
Blinkbox	Internet	3,000 films	Rental VoD	All major studios except Disney	Rental VoD and DTO	16 million UK homes with broadband
Xbox Live Marketplace	Internet/IPTV	80 films (16 in HD)	£2.13–£4.08 per film	Paramount, Warner Bros, Disney	Rental VoD	3.4 million Xbox360 consoles in the UK
Jaman	Internet	1,000	From £1.99 for rental VoD	Independent distributors	Rental VoD, DTO, Free and Streaming	16 million homes with broadband in UK
Joost	Internet and iPhone application	1,200 features and shorts	Free (advert-supported)	Paramount, Eros and independents	Advert-supported streaming	16 million homes with broadband and iPhone users
Channel Films	Internet	500 features and shorts	Download to rent from £1.99, DTO from £4.99	Independents	DTO, Rental, Streaming	16 million homes with broadband
Sky Player	Internet	400 films	Subscription	All major studios	Streaming	8.8 million Sky subscribers
Coolroom	Internet	500 films	Rental VoD from £1.99; DTO from £4.99	Major studios and independents	Rental VoD, DTO	16 million UK homes with broadband
Go! View	Internet	Monthly selection	Rental VoD from £2.50 per title	Universal	Rental VoD	3.3 million PSPs sold in UK
iLoaded	Internet	200 films	From £5 for library titles; £10 for new releases	Major studios and independents	DTO	16 million homes with broadband
Filmflex via Virgin Media	Cable TV	500 films	£2.50–£3.50 for new releases; 50p – £2.00 for library titles	All major studios except Fox. Independent distributors including Pathé and Icon	Rental VoD	3.6 million subscribers
Sky Anytime	Satellite/Internet TV	400 films (including HD)	£3.99 per film; £16 per month for SVoD Premium Sky Movies	All major US studios	nVoD, VoD	8.8 million satellite subscribers and 1 million broadband subscribers

Table 13.1 Leading VoD film services in the UK, 2008 (continued)

Service	Network	Catalogue	Prices	Content providers	Economic model	Audience/ potential audience
Picturebox on Top-Up TV	DTT	30 films per month; 7 rotated weekly	£5.00 per month	Universal	SVoD	14 million households with Freeview but requires additional PVR
BT Vision	IPTV	400 major studio films	£1.99–£3.95 per film	All majors except Fox	Rental VoD, SVoD	4 million broadband subscribers in UK
Tiscali TV	IPTV	Over 1,000 films	From £1.99–£3.49 per rental	All major studios	Rental VoD, SVoD	1.1 million Tiscali subscribers

Source: UK Film Council, Screen Digest, NPA Conseil/European Audiovisual Observatory.

13.3 Future prospects for the VoD market

The main area of online growth in 2008 was around platforms which serve films directly to the television set and portable devices, such as those marketed by Apple (iPod/iTunes/Apple TV), Microsoft (Xbox 360) and Sony (Playstation3/PSP).

In addition to online distribution, the UK has a strong take-up of digital cable, satellite and DTT services and given user familiarity with these services and consumer preference for watching films on television, this area is also likely to represent an important area of growth for the VoD market.

See also:

- For more information on film on video see Chapter 11 (page 88)
- For more information on film on television see Chapter 12 (page 94)
- For an overview of the film market as a whole see Chapter 14 (page 108).

Chapter 14:
The UK film market as a whole

New films typically establish their reputation in the cinema, but less than 25% of the industry's UK revenues come from cinema exhibition. DVD sales and rentals account for close to half of the market, while film on television generates significant revenue. This chapter looks at the UK film market as a whole over the period 1998 to 2008.

Facts in focus

- The total filmed entertainment market in the UK in 2008 is estimated to have been £3.7 billion.
- In 2008, sell-through DVD/video was the largest single revenue source for film in the UK market, accounting for 39% of total revenues.
- In 2008, the UK had the third-largest filmed entertainment market in the world after the USA and Japan.
- Film revenues in the UK declined in 2005 and 2006 but grew by 4.7% between 2006 and 2008. In 2008, theatrical revenues and revenues from film on retail video, television and video on demand all recorded increases. Only video rental decreased.

14.1 The UK filmed entertainment market as a whole

In 2007 and 2008, sell-through DVD/video was the largest single revenue source (Table 14.1), accounting for 39% of total revenues in 2008 (£1.4 billion). Theatrical revenues increased by 3.5% to £850 million, while rental revenues shrank from £297 million to £219 million. Gross television revenues increased by 7% from £994 million to £1,067 million, particularly from film on multi-channel TV, though much of this accrued to the television industry rather than to the suppliers of film.

The market share for UK films was highest for theatrical (31%) and lowest for film on near video on demand (nVoD) where it was 15%. This reflects the strong theatrical performance of UK and UK/USA films in 2008 and the dominance of non-UK product on nVoD.

Table 14.1 UK filmed entertainment market, 2007 and 2008

Window	Total gross value £ million 2007	Attributable to UK films £ million 2007	Total gross value £ million 2008	Attributable to UK films £ million 2008
Theatrical	821	234	850	261
DVD/video rental	297	53	219	53
Sell-through DVD/video	1,440	273	1,454	349
Pay TV	516	81	521	76
Terrestrial TV	254	63	257	60
'Free' multi-channel TV	224	44	289	57
nVoD and VoD	92	14	120	29
Total UK	**3,644**	**762**	**3,710**	**885**

Sources: Nielsen EDI, MRIB, BVA, Official Charts Company, Attentional, Screen Digest, RSU analysis.
Notes:
'Theatrical' is the total gross UK theatrical revenues (including VAT) in the calendar years 2007 and 2008 for all films exhibited in the UK. See Chapter 1.
'DVD/video rental' is the total revenue from DVD/video rental transactions in the calendar years 2007 and 2008. See Chapter 11.
'Sell-through DVD/video' is the total revenue from DVD/video retail transactions in the calendar years 2007 and 2008. See Chapter 11. As a result of improvements in video retail data in 2007 and 2008, with title-by-title film value information becoming available, the retail video numbers for earlier years have been re-estimated and are therefore different from those presented in the 2008 Yearbook.
The television values are retail equivalent values calculated from the dataset of films shown on UK television. Values are estimated by multiplying the film share of the total channel time by the total revenue applicable to that channel (licence fee, subscription or advertising revenue). TV values cover terrestrial, subscription and free multi-channel. See Chapter 12. An estimate for pay-per-view is included in nVOD.
Video on Demand and near-Video on Demand revenues are derived from Screen Digest estimates of the combined size of the TV and internet-based markets. UK share is based on an estimate derived from knowledge of UK film share in the Pay TV and video markets.
The above values are gross values and include exhibitor and distributor margins, VAT, prints and advertising costs, DVD/video retail margins, broadcaster and multi-channel TV operator margins in addition to net returns to the film production sector and film investors.
The revenues shown here are revenues earned by film in the UK market, whether UK or foreign films. The table does not include export revenues for the UK film industry. See Chapter 20 for UK film export revenues.

Image: *The Duchess* courtesy of Pathé

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

14.2 The UK market in the global context

In 2008, the UK had the third-largest filmed entertainment market in the world, after the USA and Japan (Table 14.2). The USA accounted for 42% of the world market. The next biggest individual territories after the UK were France, Germany, Canada, Australia and Italy.

The world filmed entertainment market is still dominated by the largest developed economies. Although the Indian market is vast in terms of admissions and both India and China have huge populations and are growing fast economically, their filmed entertainment markets still count in US dollar terms below Australia (population 21 million) and Italy (population 59 million).

Table 14.2 Filmed entertainment revenues by country/region, US$ million, 2008

Country/region	Revenue in US$ million	Percentage of total
USA	34,806	41.5
Japan	8,738	10.4
UK	6,504	7.7
Other Western Europe	5,555	6.6
France	3,806	4.5
Germany	3,548	4.2
Canada	3,437	4.1
Other Asia Pacific	2,561	3.1
Latin America	2,486	3.0
Australia	2,405	2.9
Central and Eastern Europe	2,169	2.6
Italy	1,922	2.3
India	1,759	2.1
Spain	1,602	1.9
South Korea	1,332	1.6
China	868	1.0
Middle East and Africa	427	0.5
Total	**83,925**	**100.0**

Source: PricewaterhouseCoopers, *Global Entertainment and Media Outlook 2009–2013*, June 2009.
Note: In Table 14.2 'filmed entertainment revenue' includes box office receipts, home DVD/video (rental and retail) and online download revenues. It does not include TV revenues.

The situation is forecast to change significantly by 2013 (Table 14.3). According to PricewaterhouseCoopers, India will by then be the seventh-largest individual territory, ahead of Australia, Italy and Spain. The USA is forecast to remain the largest single film territory (by a factor of four). The value of the Chinese market is expected to nearly double, but China's forecast share of the global filmed entertainment market increases to only 1.6%.

Table 14.3 Filmed entertainment revenues by country/region, US$ million, forecast for 2013

Country/region	Revenue in US$ million	Percentage of total
USA	40,908	40.0
Japan	10,432	10.2
UK	8,336	8.2
Other Western Europe	6,316	6.2
France	4,363	4.3
Canada	4,227	4.1
Germany	4,083	4.0
India	3,427	3.4
Australia	3,111	3.0
Latin America	3,098	3.0
Central and Eastern Europe	3,035	3.0
Other Asia Pacific	3,020	3.0
Italy	2,246	2.2
Spain	1,775	1.7
South Korea	1,643	1.6
China	1,631	1.6
Middle East and Africa	514	0.5
Total	**102,165**	**100.0**

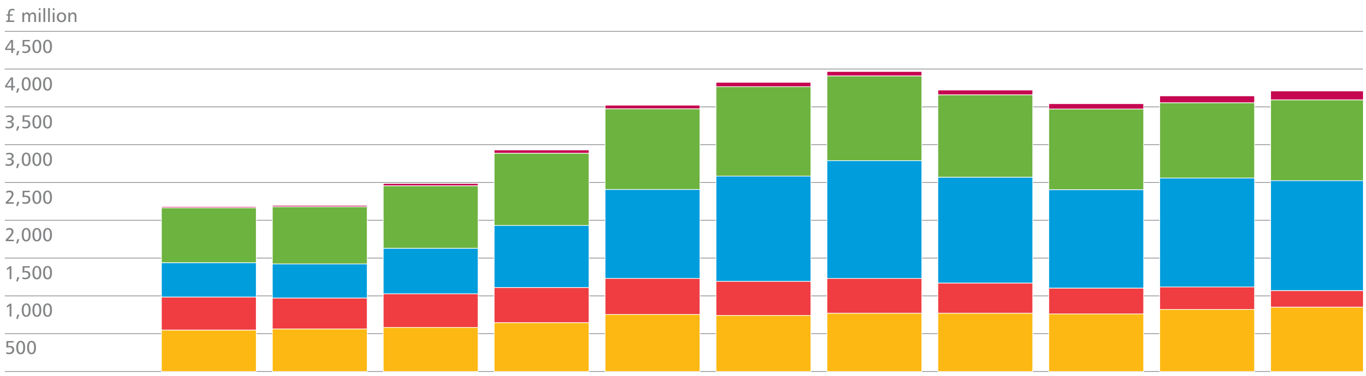
Source: PricewaterhouseCoopers, *Global Entertainment and Media Outlook 2009–2013*, June 2009.
'Filmed entertainment revenue' includes box office receipts, home DVD/video (rental and retail) and online and streaming revenues. It does not include TV revenues.
Forecasts are in nominal US dollars at the average 2008 exchange rate and therefore do not estimate the impact of any changes in exchange rates between 2008 and 2013.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

14.3 The evolution of UK film revenues 1998 to 2008

After strong growth in the early 2000s, aggregate film revenues fell in 2005 and 2006 (Figure 14.1). The chart shows a resumption of growth in 2007, as a result of increases in theatrical revenues and film on retail video. In 2008 revenues increased again, but this time mainly as a result of the increased value of film on television, reflecting the higher proportion of television time taken by film in 2008.

Figure 14.1 Gross film revenues, all windows, 1998–2008

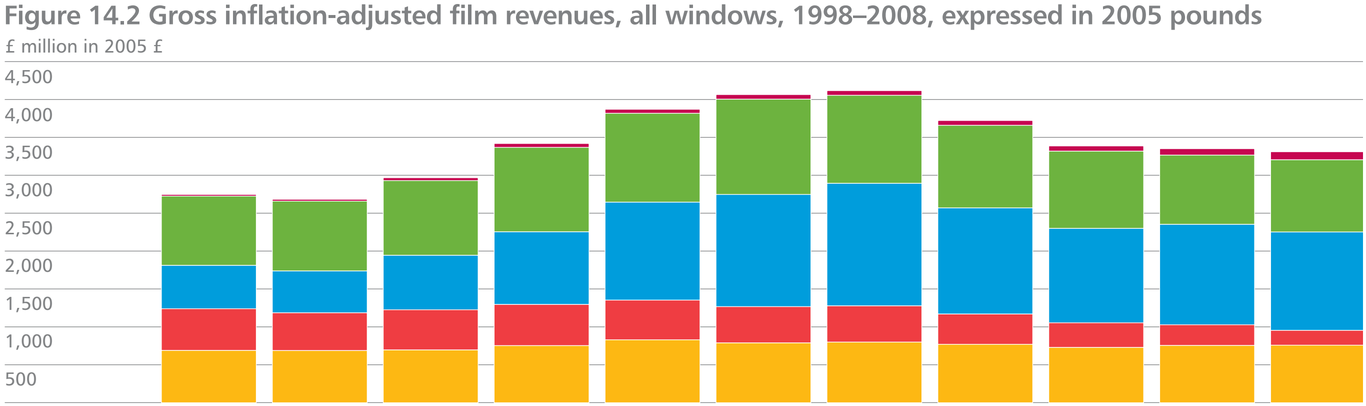


	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Theatrical	547	563	583	645	755	742	770	770	762	821	850
Rental film	437	408	444	465	476	450	461	399	340	297	219
Retail film	453	451	601	821	1,175	1,392	1,557	1,399	1,302	1,440	1,454
Film on TV	726	755	826	954	1,066	1,182	1,119	1,089	1,066	994	1,067
VOD	16.5	19	31.8	44.1	48.6	57.6	59.8	63.8	71.7	92.2	119.4

Sources: Nielsen EDI, MRIB, BVA, Official Charts Company, DGA, *Screen Digest*, RSU analysis.
'Film on TV' covers terrestrial, subscription and free multi-channel. Pay-per-view is included within the VOD total.
'VOD' includes near Video on Demand (nVOD) and true Video on Demand.
Retail video values for 2007 and earlier years have been re-estimated on the basis of improved title-by-title video retail value data that became available in 2008.

The revenues shown in Figure 14.1 are the actual figures. If adjusted for inflation using the recreational and cultural services price index (Figure 14.2), the decline in revenues in 2005 and 2006 is more marked. Real revenues in 2006 were 18% below the level of 2004. Real revenues dropped marginally between 2006 and 2008.

Figure 14.2 Gross inflation-adjusted film revenues, all windows, 1998–2008, expressed in 2005 pounds



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Theatrical	688.9	687.4	695.7	752.6	829.7	788.5	798.8	770.0	728.5	754.6	758.3
Rental film	550.4	498.2	529.8	542.6	523.1	478.2	478.2	399.0	325.0	273.0	195.4
Retail film	570.9	551.1	717.7	957.9	1,291.4	1,478.9	1,615.1	1,399.1	1,244.3	1,323.6	1,297.1
Film on TV	914.4	921.9	985.7	1,113.2	1,171.4	1,256.1	1,160.8	1,089.0	1,019.1	913.6	951.8
VOD	20.8	23.2	37.9	51.5	53.5	61.2	62.1	63.8	68.6	84.7	106.5

Sources: Nielsen EDI, MRIB, BVA, Official Charts Company, DGA, *Screen Digest*, RSU analysis.
Actual revenues deflated by the UK recreational and cultural services price index, using the year to December 2005 as the base.
'Film on TV' covers terrestrial, subscription and free multi-channel. Pay-per-view is included in the VOD total.
'VOD' includes near Video on Demand (nVOD) and true Video on Demand.

Previous UK Film Council research has identified piracy and competition from new media entertainments as two factors influencing the revenue decline in 2005 and 2006 (see 2006/07 Statistical Yearbook, Chapter 13). Macro-economic factors were ruled out because the UK economy was growing steadily during the period in question, but the macro-economy may well influence the film market in 2009–2011 depending on how severely the 'credit crunch' affects the supply of new films.

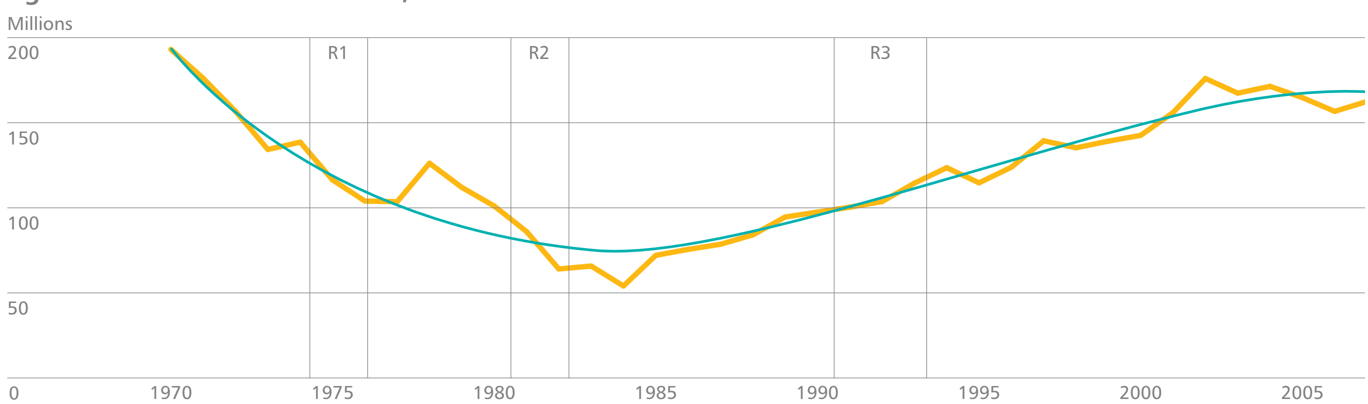
There is evidence that the quality of films plays a part in the explanation. 2007 and 2008 were good years for quality big-box office films, whereas a number of films aspiring to high returns in 2005 and 2006 did not perform as well as hoped.

14.4 The impact of recession

There are two possible ways recession might influence the film industry: by affecting the demand for filmed entertainment and, on the supply side, by diminishing the flow of film finance.

On the demand side, there is evidence that the theatrical film market is recession resistant. In each of the UK recessions of 1974–76, 1980–82 and 1990–93, cinema admissions stayed close to the long-term trend (up or down) of the period in question, (Figure 14.3). Similarly, up to the time of writing, the 2008/09 recession has not had a negative impact on cinema admissions. Indeed, cinema admissions in both the UK and the USA have been strong since the acute phase of the 'credit crunch' began in October 2008. Market observers attribute this to three things: a good crop of films in 2008/09, a substitution effect as people scale back expenditure on expensive items such as cars, overseas holidays and consumer durables, and an increased demand for escapism as a psychological response to the recession.

Figure 14.3 UK cinema admissions, 1970–2007



Source: UK Film Council Research and Statistics Unit.
Notes: R1 to R3=Recession periods 1 to 3. Trend line is given by fractional polynomial model of degree 3.
http://www.ukfilmcouncil.org.uk/theatrical

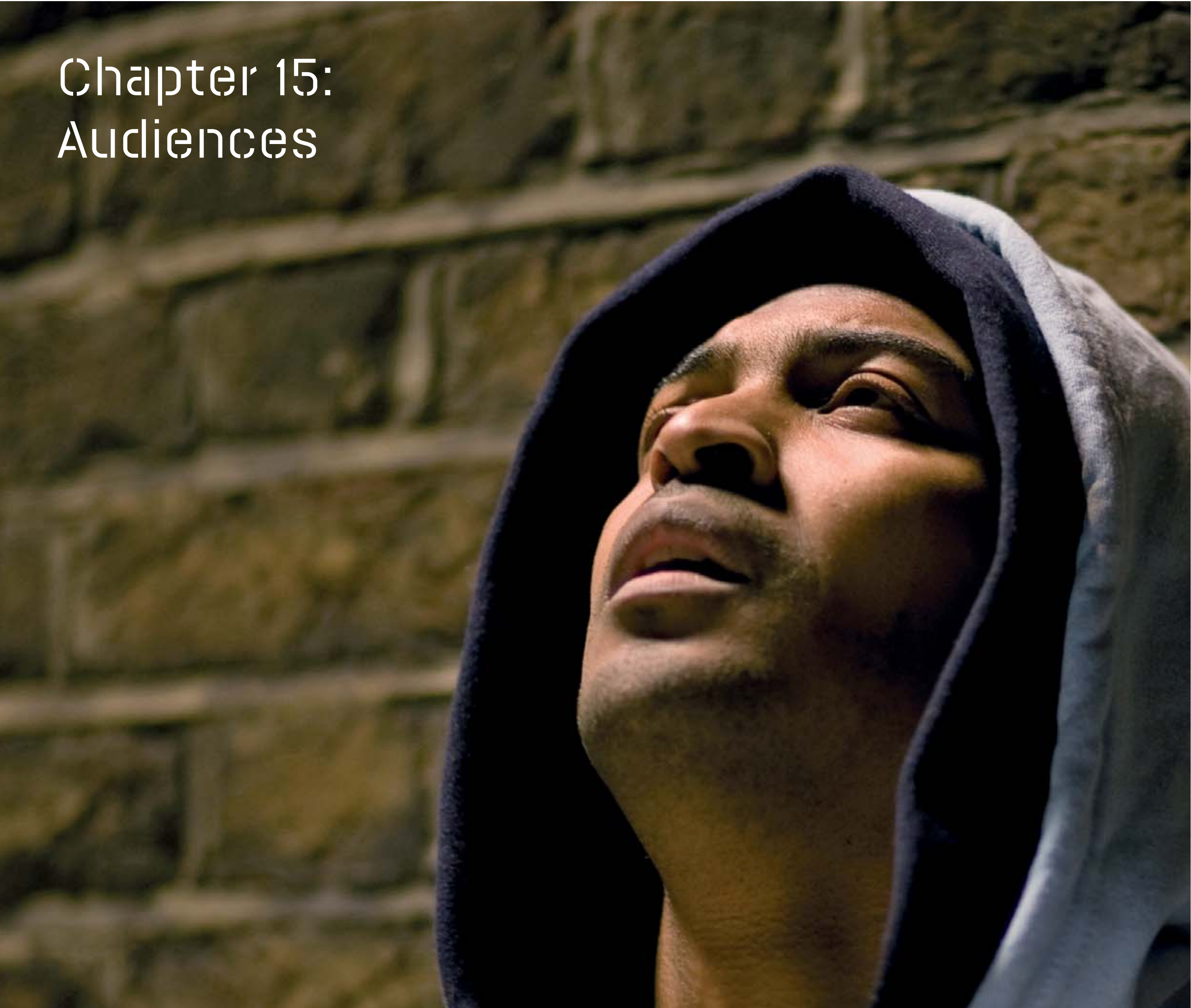
However, the credit crunch is reported to be having a serious impact on film financing. Hollywood has experienced a decline in some of its sources of finance (eg hedge fund money) and there are reports that the UK independent sector is finding it harder to raise the finance for films. If these adverse financial conditions continue, the flow of films to market will be diminished, with a potential knock-on effect on film revenues in 2010–2012.

The main imponderables are film quality and the continuing digital revolution. Hollywood has begun making 3D films, which have demonstrated a capacity to enlarge audiences. Film revenues depend on a relatively small number of hits, so if filmmakers manage to make a good crop of films in 2009/10, this could potentially offset the effects of tight financing. Finally, the speed of development of video on demand (and its competitor, film piracy) will influence the total size of film revenues over the next few years.

See also:

- For information on the export revenues of the UK film industry, see Chapter 20 (page 168)
- For more information on the video on demand market, see Chapter 13 (page 104).

Chapter 15: Audiences



Watching films is a national pastime, with an average of seven films seen per person per month, either in the cinema or on DVD or television. As might be expected, age, gender, ethnicity and socio-economic status influence film preferences and the tendency to watch films at home or on the big screen– and to download films for free. This chapter shines a light on what audiences enjoy.

Facts in focus

- In 2008, 60% (62% in 2007) of the UK population said they went to the cinema at least once a year.
- 18% went to the cinema once a month or more.
- The cinema audience for the top 20 films in 2008 was predominantly young, with the 7–34 age group (40% of the population) making up 64% of the audience.
- The younger age groups preferred comedy, musicals and animated films while drama and musicals appealed more to the over 35s.
- Minority ethnic groups were equally or over-represented in the film audience, except for retail DVD/video where they were under-represented.
- Disabled people were under-represented in the film audience, except for retail DVD/video.
- Total 'film-viewing occasions' numbered over 4.7 billion, which means an average of 84 film viewings per person in 2008.

15.1 Cinema audience by gender

Six out of ten of us went to the cinema at least once in 2008 (62% in 2007), roughly the same as last year. Almost one person in five, 18% (18% in 2007), went to the cinema once a month or more (Table 15.1).

The overall UK cinema audience in 2008 had a slight female bias for both the top 20 films and top UK films (Table 15.2). This is the result of the success of a number of musicals, most notably the all time highest grossing film in the UK, *Mamma Mia!*, and comedies with female leads such as *Sex and the City* (Table 15.3).

Table 15.1 Frequency of cinema visits by gender, 2008

	Male %	Female %	Overall %
Go to the cinema at least once per year (proportion of population 7+)	60	60	60
Go to the cinema at least once a month (proportion of population 7+)	20	17	18

Source: CAA Film Monitor Jan-Dec 2008.

Table 15.2 Cinema audience by gender, 2008

	2007		2008	
	Male %	Female %	Male %	Female %
Top 20 films (proportion of audience)	52	48	49	51
Top UK films (proportion of audience)*	48	52	46	54
Total survey population 7+	**48**	**52**	**47**	**53**

Source: CAA Film Monitor.
*Audience data were only available for 19 of the top 20 UK films released in 2008.
Notes:
1. 'Audience' in this table and throughout this chapter refers to film-going occasions. That is, if a person went to the cinema to see 10 films in 2008, this person would have contributed 10 film-going occasions to the audience figures above, unless otherwise stated. Repeat visits to the same films are not recorded in CAVIAR Film Monitor.
2. CAA Film Monitor included 113 film titles (mostly popular) of the 527 theatrical releases in 2008. These 113 film titles accounted for 88% of the gross box office of the UK and Republic of Ireland of the year. Film Monitor results are derived from a weekly nationally representative sample survey of 2000 adults aged 15+ across Great Britain, conducted for the CAA by BMRB.

15.2 Film preferences by gender

Although the overall cinema audience in 2008 was split almost evenly between men and women, some films attracted substantially more of one gender than the other (Table 15.3). Men preferred action (*Iron Man, The Dark Knight, Quantum of Solace, Hancock*), fantasy (*Hell Boy II*), comedy (*Yes Man*), drama (*Adulthood*) and adventure (*Indiana Jones and the Kingdom of the Crystal Skull* and *The Mummy: Tomb of the Dragon Emperor*). Comedy (*Penelope, Wild Child, Angus, Thongs and Perfect Snogging, Sex and the City* and *Juno*), drama (*The Other Boleyn Girl, The Boy in the Striped Pyjamas, The Duchess*), and musicals (*High School Musical 3, Mamma Mia!, Step Up 2*) with women in the leading roles figured highly in the list of films with large female audience shares. It is notable that seven out of the 11 films with predominantly female audiences were British (Table 15.3).

Image: *Adulthood* courtesy of Pathé

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 15.3 Audience gender split of top performing films released in the UK/Ireland, 2008
Top 20 films and top UK films

Greater female audience share	Male %	Female %
Penelope (UK)	10	90
Wild Child (UK)	15	85
Angus, Thongs and Perfect Snogging (UK)	16	84
Sex and the City	19	81
The Other Boleyn Girl (UK)	22	78
High School Musical 3	24	76
Mamma Mia! (UK)	25	75
The Boy in the Striped Pyjamas (UK)	29	71
The Duchess (UK)	29	71
Step Up 2	31	69
Juno	38	62

Greater male audience share	Male %	Female %
Iron Man	71	29
Hellboy II: The Golden Army (UK)	69	31
Yes Man	67	33
Adulthood (UK)	66	34
The Dark Knight (UK)	62	38
Quantum of Solace (UK)	61	39
Indiana Jones and the Kingdom of the Crystal Skull	61	39
The Mummy: Tomb of the Dragon Emperor	59	41
Hancock	59	41

Gender difference not statistically significant	Male %	Female %
Four Christmases	40	60
The Spiderwick Chronicles	44	56
Twilight	45	55
Chronicles of Narnia: Prince Caspian (UK)	47	53
Madagascar: Escape 2 Africa	48	52
Wall-E	49	51
Sweeney Todd (UK)	50	50
How to Lose Friends and Alienate People (UK)	54	46
Kung Fu Panda	55	45
Son of Rambow (UK)	58	42
In Bruges (UK)	64	36
10,000 BC (UK)	65	35
Rocknrolla (UK)	68	32

Source: CAA Film Monitor.
Notes:
1. Because the CAA Film Monitor uses a sample survey to represent the UK population, a test for statistical significance has been applied to determine which titles can be described as having a greater male or female audience share. The smaller the audience for a particular film, the larger the male/female difference needed to be statistically significant. This is why some films with an apparently large male majority audience are listed under 'gender difference not statistically significant'. A significance level, α, of 0.01 is used in this chapter throughout.
2. Audience demographic data were available for 19 of the top 20 UK films released in 2008. Figures for one UK film are not reported here due to very low sample size.

15.3 Cinema audience by age

Teenagers and young adults were the most frequent cinema-goers in 2008 (Table 15.4), a pattern common to previous years. The 40% of the population in the 7–34 age group provided 64% of the top 20 film audience and 55% of the top UK film audience (Table 15.5). The younger (aged under 35) audience had a male skew whereas the older audience had a female skew (Table 15.6).

Figure 15.1 shows the age trends of cinema-goers from 1997–2007. The proportion of people aged 35 or above going to the cinema increased gradually at the expense of younger cinema-goers over this period. A report commissioned by the UK Film Council (*The plateau in cinema attendances and drop in video sales in the UK: the role of digital leisure substitutes*) found that the fall in younger cinema-goers coincided with a rapid rise in online entertainment and multi-channel TV, both of which may be substitutes for cinema and DVD watching. Available expenditure and time use surveys suggested there had been a substitution away from DVD into internet use, which was likely to have been particularly strong among 15–24 year olds.

Table 15.4 Frequency of cinema visits by age group, 2008

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+%	Overall %
Go to the cinema at least once per year (proportion of population 7+)	87	80	68	67	58	34	60
Go to the cinema at least once a month (proportion of population 7+)	31	41	22	16	11	6	18

Source: CAA Film Monitor.

Table 15.5 Cinema audience by age group, 2008

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+ %	Total %
Top 20 films (proportion of audience)	19	27	18	17	9	10	100
Top UK films (proportion of audience)	14	26	15	17	12	16	100
Total survey population aged 7+	11	14	15	17	13	30	100

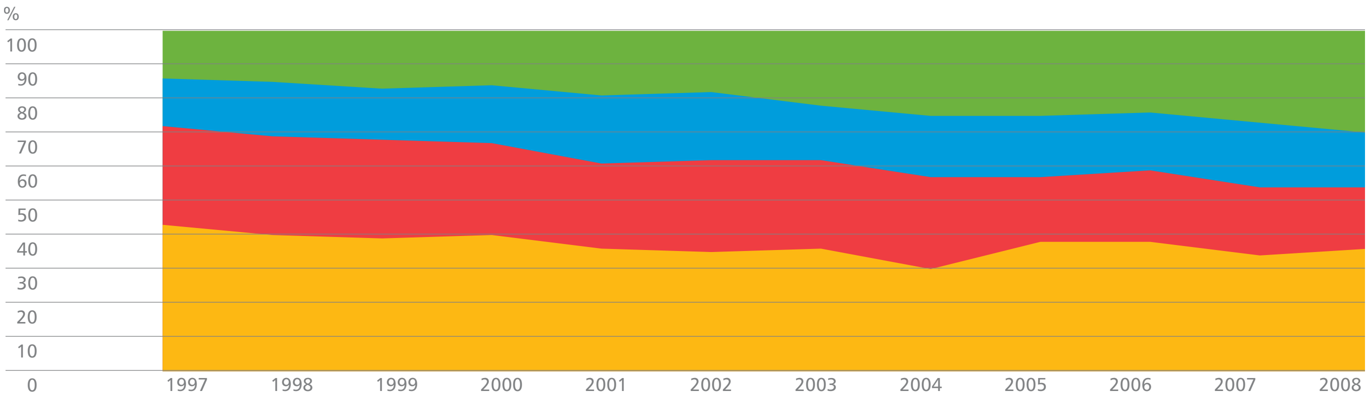
Source: CAA Film Monitor.
See notes to Table 15.2.

Table 15.6 Cinema audience by gender and age group, 2008

	Age 7–14 %	Age 15–24 %	Age 25–34 %	Age 35–44 %	Age 45–54 %	Age 55+ %	Total %
Male	8	17	11	8	4	4	51
Female	8	15	8	8	5	6	49
Total	**16**	**32**	**18**	**16**	**9**	**9**	**100**

Source: CAA Film Monitor.
Notes:
1. Some figures do not add up exactly to column totals due to rounding.
2. Figures include audiences for 113 film titles (mostly high grossing) of the 527 theatrical releases in 2008. These 113 film titles accounted for 88% of the gross box office of the UK and Republic of Ireland of the year.

Figure 15.1 Age distribution of cinema-goers, 1997 to 2008



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
15–24	43	40	39	40	36	35	36	30	38	38	34	36
25–34	29	29	29	27	25	27	26	27	19	21	20	18
34–44	14	16	15	17	20	20	16	18	18	17	19	16
45+	14	15	17	16	19	18	22	25	25	24	27	30

Source: CAA, National Readership Survey (NRS), Caviar, CAA Film Monitor.
Note: Cinema-goers are defined as those who reported to have 'ever gone' the cinema in the surveys. Figures for any given year may have included audiences for a small number of titles released in the latter part of the previous year.

15.4 Film preferences by age

Comedies, musicals, family films and animations appealed to the 7–14 audience (Table 15.7). Youth-themed drama, crime, action-led films and comedies appealed to the 15–24 age group (Table 15.8). Comedy and animation films appealed to the 25–34 audience (Table 15.9). Adventure and animated features appealed to the 35–44 audience (Table 15.10), some of whom would be parents taking their children to see them. Drama and musical as well as action-led films based on UK story material or created by UK talent appealed to the 45–54 age group (Table 15.11). Drama, musical and comedy films featuring British characters appealed to the over-55 age groups (Table 15.12). It is worth noting that three UK films (*The Boy in the Striped Pyjamas, The Duchess* and *Mamma Mia!*) had strong appeal to both of the older age groups. All but one film that appealed strongly to the two older age groups were UK films.

Table 15.7 Films with an above-average audience in 7–14 age group, 2008
Top 20 films and top UK films

Title	Age group % of the film's total audience
Penelope (UK)	42.0
High School Musical 3	40.5
Angus, Thongs and Perfect Snogging (UK)	39.2
The Spiderwick Chronicles	36.4
Wild Child (UK)	34.1
Madagascar: Escape 2 Africa	32.7
Wall-E	31.9
Kung Fu Panda	30.3
Step Up 2	28.0
Chronicles of Narnia: Prince Caspian (UK)	27.4
7–14 age group in top 20 and top UK audience (%)	18.7
7–14 age group in total survey population (%)	11.1

Source: CAA Film Monitor.
Note: Only those films that had a statistically significant higher than average audience in the above age group are reported in this table.

Table 15.8 Films with an above-average audience in 15–24 age group, 2008
Top 20 films and top UK films

Title	Age group % of the film's total audience
Adulthood (UK)	78.8
Rocknrolla (UK)	62.9
Yes Man	56.4
Juno	52.1
Four Christmases	49.1
How to Lose Friends and Alienate People (UK)	49.0
Twilight	47.0
Wild Child (UK)	44.5
Step Up 2	43.3
Hancock	41.6
Iron Man	36.7
The Dark Knight (UK)	35.3
15–24 age group in top 20 and top UK audience (%)	28.1
15–24 age group in total survey population (%)	13.8

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

Table 15.9 Films with an above-average audience in 25–34 age group, 2008
Top 20 films and top UK films

Title	Age group % of the film's total audience
How to Lose Friends and Alienate People (UK)	30.3
Sex and the City	25.9
Kung Fu Panda	22.9
25–34 age group in top 20 and top UK audience (%)	17.2
25–34 age group in total survey population (%)	14.7

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

Table 15.10 Films with an above-average audience in 35–44 age group, 2008
Top 20 films and top UK films

Title	Age group % of the film's total audience
The Mummy: Tomb of the Dragon Emperor	24.4
Wall-E	22.1
35–44 age group in top 20 and top UK audience (%)	16.6
35–44 age group in total survey population (%)	16.7

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

Table 15.11 Films with an above-average audience in 45–54 age group, 2008
Top 20 films and top UK films

Title	Age group % of the film's total audience
The Boy in the Striped Pyjamas (UK)	26.4
The Duchess (UK)	23.8
Mamma Mia! (UK)	15.7
Quantum of Solace (UK)	13.1
45–54 age group in top 20 and top UK audience (%)	9.2
45–54 age group in total survey population (%)	14.3

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

Table 15.12 Films with an above-average audience in 55+ age group, 2008
Top 20 films and top UK films

Title	Age group % of the film's total audience
The Duchess (UK)	44.5
Mamma Mia! (UK)	33.0
In Bruges (UK)	32.1
The Other Boleyn Girl (UK)	31.2
The Boy in the Striped Pyjamas (UK)	30.4
Indiana Jones and the Kingdom of the Crystal Skull	13.7
55+ age group in top 20 and top UK audience (%)	10.3
55+ age group in total survey population (%)	29.4

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

15.5 Cinema audience by social group

The cinema audience for both the top 20 films and top UK films had a higher incidence of people in professional and higher-skilled manual occupations than in the population as a whole (Tables 15.13 and 15.14).

Table 15.13 Frequency of cinema visits by social group, 2008

	AB %	C1 %	C2 %	DE %	Overall %
Go to the cinema at least once per year (proportion of population 7+)	72	67	56	44	60
Go to the cinema at least once a month (proportion of population 7+)	23	21	16	13	18

Source: CAA Film Monitor.

Table 15.14 Cinema audience by social group, 2008

	AB %	C1 %	C2 %	DE %	Overall %
Top 20 films (proportion of audience)	30	35	19	16	100
Top UK films (proportion of audience)	33	35	17	15	100
Total survey population 7+	25	29	21	25	100

Source: CAA Film Monitor.
Note: AB: Professional, business and white collar, C1: Higher-skilled manual, C2: Lower-skilled manual, DE: 'Semi-' and 'Un-skilled' manual.

15.6 Film preferences by social group

Four films had a particularly high appeal to the AB audience (compared with five last year): *The Duchess*, *The Boy in the Striped Pyjamas*, *Quantum of Solace* and *Mamma Mia!*, all four being certified UK films (Table 15.15). Five films including two UK features, *Penelope*, *Step Up 2*, *Adulthood*, *High School Musical 3* and *The Mummy: Tomb of the Dragon Emperor*, appealed to the DE audience (Table 15.16). No film was found to have significantly strong appeal to the C1 and C2 audience groups.

Table 15.15 Films with above-average AB audience share, 2008
Top 20 films and top UK films

Title	AB group % of film's total audience
The Duchess (UK)	49.7
The Boy in the Striped Pyjamas (UK)	45.7
Quantum of Solace (UK)	35.8
Mamma Mia! (UK)	34.3
AB share of top 20 and top UK audience (%)	30.3
AB in total survey population (%)	24.7

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

Table 15.16 Films with above-average DE audience share, 2008
Top 20 films and top UK films

Title	DE group % of film's total audience
Penelope (UK)	30.1
Step Up 2	27.5
Adulthood (UK)	27.0
High School Musical 3	25.9
The Mummy: Tomb of the Dragon Emperor	25.3
DE share of top 20 and top UK audience (%)	16.7
DE in total survey population (%)	25.3

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

15.7 Film audiences by ethnicity

Once again, minority ethnic groups were over-represented among buyers of cinema tickets, rental films and pay-per-view (PPV) and under-represented among buyers of DVDs/videos (Table 15.17). It is notable that minority ethnic shares were down in all markets, except PPV, compared with 2007. The overall minority ethnic share in all four markets was 8.4%, down from 9.3% in 2007. For reference, the size of each of these markets as measured in the TNS survey is shown in Table 15.18.

Table 15.17 Ethnicity of audiences aged 12+ for cinema, rental and retail DVD/video, PPV, 2008

	Black, Asian, Chinese, mixed and other %	White %
Population aged 12+	8.7	91.3
Buyers of cinema, rental, retail and PPV film	8.4	91.6
Cinema-goers	12.8	87.2
DVD/video buyers	7.5	92.5
DVD/video renters	11.4	88.6
PPV buyers	16.1	83.9

Source: TNS.
Note: Fieldwork took place in April/May 2008. Purchase data for 52 weeks ending 4 Jan 2009.

Table 15.18 Size of cinema, rental, retail and PPV markets for 12+ age groups, 2008

	Number of persons/buyers (millions)	Market volume (millions of purchases)
Population aged 12+	48.3	n/a
Total buyers: cinema, rental, retail and PPV film	33.7	502.7
Cinema-goers	31.1	161.0
DVD/video buyers	25.9	238.4
DVD/video renters	8.7	91.3
PPV	3.3	11.9

Source: TNS.

As in 2007 there was a common core of films that were popular across the main ethnic groups, but certain titles had stronger appeal to particular groups, as illustrated in Table 15.19, which shows the top 10 films for the black, white and Indian and other Asian ethnic groups. The *Dark Knight, I Am Legend* and *Indiana Jones and the Kingdom of the Crystal Skull* were among the top 10 favourite films of all three ethnic groups.

Mamma Mia! and *National Treasure 2* appear in the white population's top 10 but in neither of the other top 10s. *Jumper* appears in black people's top 10 but did not get into the top 10 lists of the other groups. *The Mummy: Tomb of the Dragon Emperor* appears in the Indian and other Asian group but did not make it into the top 10 lists in the other groups. *Sex and the City* and *Sweeney Todd* were among the favourites for white and black audiences but did not appear in the Indian and other Asian audience's top 10.

Table 15.19 Top films by ethnicity of audience, 2008

Rank	White	Black	Indian and other Asian
1	Mamma Mia!	Hancock	The Dark Knight
2	Indiana Jones and the Kingdom of the Crystal Skull	The Dark Knight	Hancock
3	I Am Legend	I Am Legend	I Am Legend
4	The Dark Knight	Indiana Jones and the Kingdom of the Crystal Skull	Quantum of Solace
5	Quantum of Solace	The Incredible Hulk	Indiana Jones and the Kingdom of the Crystal Skull
6	Hancock	Sex and the City	The Mummy: Tomb of the Dragon Emperor
7	Wall-E	Iron Man	Kung Fu Panda
8	Sex and the City	Jumper	The Incredible Hulk
9	Sweeney Todd	Sweeney Todd	Iron Man
10	National Treasure 2	Cloverfield	Wall-E

Source: FAME.
Note: 'White' includes those who identified themselves as British, Irish and mixed white. 'Black' means the sum of black Caribbean, black African and 'black other' groups. 'Indian and other Asian' is the sum of Indian, Pakistani, Bangladeshi and other Asians. Other ethnic groups have not been shown separately due to small sample sizes. Some titles were released in late 2007.

15.8 Film audiences by disability

As in the previous four years, disabled people were under-represented overall among those who paid to watch films. Retail DVD/video was the only market segment in which disabled purchasers matched their overall population percentage (Table 15.20). The overall share of audiences with disabilities across all markets was slightly down from 13% in 2007 to 12% in 2008.

Table 15.20 Disabled audiences aged 12+ for cinema, rental and retail DVD/video, PPV, 2008

	Disabled %	Not disabled %
Population aged 12+	14.9	85.0
Buyers of cinema, rental, retail and PPV film	12.0	88.0
Cinema-goers	6.2	93.8
DVD/video buyers	15.3	84.7
DVD/video renters	6.1	93.9
PPV buyers	2.3	97.7

Source: TNS.

15.9 Film preferences by region

The regional distribution of the audiences for most top 20 and top UK films was close to that of the top 20 audience as a whole. Seven titles had unusually high audience shares in particular nations or regions: *Adulthood* in London (Table 15.21), *Wild Child* in the South East (Table 15.22), *Chronicles of Narnia: Prince Caspian* in the Midlands (Table 15.23), *High School Musical 3* in Tyne Tees/Yorkshire (Table 15.24) and *Juno, How to Lose Friends and Alienate People* and *Twilight* in Scotland (Tale 15.25).

The UK Film Council supported the production of two of the titles that had particularly high regional appeal – *Adulthood* (New Cinema Fund) and *How to Lose Friends and Alienate People* (Premiere Fund). *Adulthood* also received support from the Council's Prints and Advertising Fund for its distribution in the UK.

Table 15.21 Films with above-average London audience share, 2008
Top 20 films and top UK films

Title	London % of film's total audience
Adulthood (UK)	34.0
London share of top 20 and top UK audience	22.4
London percentage of total survey population	19.8

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

Table 15.22 Films with above-average South East audience share, 2008
Top 20 films and top UK films

Title	South East % of film's total audience
Wild Child (UK)	31.5
South East share of top 20 and top UK audience	16.6
South East percentage of total survey population	17.0

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

Table 15.23 Films with above-average Midlands audience share, 2008
Top 20 films and top UK films

Title	Midlands % of film's total audience
Chronicles of Narnia: Prince Caspian (UK)	24.5
Midlands share of top 20 and top UK audience	16.7
Midlands percentage of total survey population	16.0

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

Table 15.24 Films with above-average Tyne Tees/Yorkshire audience share, 2008
Top 20 films and top UK films

Title	Tyne Tees /Yorkshire % of film's total audience
High School Musical 3	20.2
TT/Yorkshire share of top 20 and top UK audience	14.8
TT/Yorkshire percentage of total survey population	17.3

Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

Table 15.25 Films with above-average Scotland audience share, 2008
Top 20 films and top UK films

Title	Scotland % of film's total audience
Juno	19.9
How to Lose Friends and Alienate People (UK)	18.3
Twilight	14.2
Scotland share of top 20 and top UK audience	8.4
Scotland percentage of total survey population	8.8

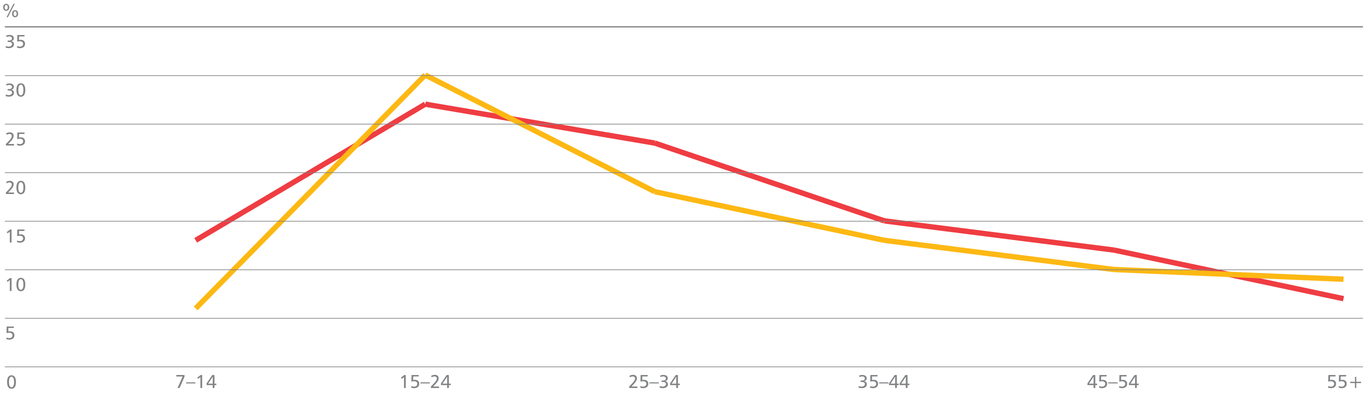
Source: CAA Film Monitor.
Note: See footnote to Table 15.7.

15.10 Film downloads from the Internet

In 2008, the Cinema Advertising Association (CAA) continued to commission an annual online survey of people who had been to the cinema in the six months prior to the survey. Known as FAME (Film Audience Measurement and Evaluation), the survey included questions about film downloads from the Internet. The proportion of respondents who reported downloading at least one film for free from the Internet in 2008 was up slightly to 17% from 14% in 2007 (12% in 2006) with some changes across the age groups (Figure 15.2).

People in the 15–24 age group continued to be most active at 'unpaid-for' film downloading. However, their reported level of activity had dropped slightly to 27% (30% in 2007) while there were large increases in the 7–14 and 25–34 age groups to 13% (6% in 2007) and 23% (18% in 2007) respectively. At the time of the survey (November 2008) the online video on demand (VoD) market remained small (see Chapter 13) so it is likely that a high proportion of these reported film downloads were from illicit sources.

Figure 15.2 Unpaid-for film downloading by age of UK cinema-going population, 2007 and 2008

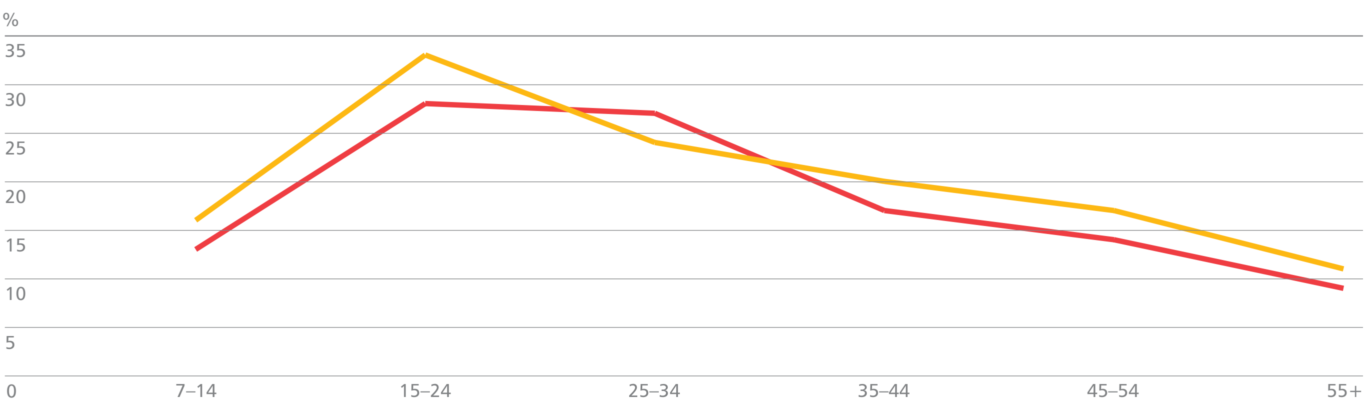


	7–14	15–24	25–34	35–44	45–54	55+
2007	6	30	18	13	10	9
2008	13	27	23	15	12	7

Source: CAA FAME 2 and 3 (for 2007 and 2008).
Note: The question asked in the survey was "Have you ever downloaded a film for free off the Internet?" In 2008, the question was amended to exclude short video clips.

Respondents in the FAME survey were also asked whether they had ever watched any newly-released film outside the cinema. Overall, 19% (20% in 2007, 24% in 2006) reported they had done so while, again, the 15–24 age group reported the highest rate of having watched a newly-released film outside the cinema (Figure 15.3).

Figure 15.3 Watching a newly-released film outside the cinema by age of UK cinema-going population, 2007 and 2008



	7–14	15–24	25–34	35–44	45–54	55+
2007	16	33	24	20	17	11
2008	13	28	27	17	14	9

Source: CAA FAME 2 and 3 (for 2007 and 2008).
Note: The question asked in the survey was "Have you ever watched a newly released film anywhere but the cinema?"

15.11 Comparative profiles of cinema audiences and audiences for film on television

Table 15.26 compares the audience profiles for film at the cinema and film on television. Although the gender split is roughly equal in each case, there is a dramatic difference in the age and social group profiles of the two audiences. The film on television audience is much older (39% over the age of 55) and skewed towards the DE social group and away from the AB group. The cinema audience is relatively youthful (66% under the age of 35) and skewed towards the AB and C1 social groups. Given the 3.5 billion size of the audience for film on television (Chapter 12), Table 15.26 demonstrates how film reaches all ages and social groups through its successive release windows.

Table 15.26 Profile of cinema audience and audience for film on television, 2008

	Cinema audience share %	Share of audience for film on television %
Male	51	49
Female	49	51
Age 7–14 (cinema) and 4–15 (TV)	16	7
15–24 (cinema) and 16–24 (TV)	32	8
25–34	18	11
35–44	16	17
45–54	9	18
55+	9	39
AB	29	15
C1	35	24
C2	19	21
DE	17	40

Source: Attentional, CAA Film Monitor, RSU analysis.
Note: TV audience is total viewing occasions and includes those of the five terrestrial TV channels only.

15.12 Cinema-goers' preferences by age for cinema, DVD and television

Table 15.27 shows the frequency with which cinema-goers visited the cinema as compared with watching television and watching and buying DVDs. The results shown here are based on the FAME 2008 online survey whose respondents had all been to the cinema in the six months prior to the survey. Watching television was the most prevalent activity across the whole age range, with the most frequent viewers skewed towards the 35+ group. The frequency of DVD-watching overall was substantially higher than cinema visiting, but with a similarly youthful age skew. Frequent DVD-watching was particularly common in the 7-14, 15-24 and 25-34 age groups whereas the proportion of frequent DVD-buyers was lower in the latter age group.

Table 15.27 Frequency by age of cinema-goers watching and buying DVDs, going to the cinema and watching television, 2008

Age	7–14 %	15–24 %	25–34 %	35–44 %	45–54 %	55+ %	Total %
Watch DVD once a month or more	94	82	81	81	72	61	79
Watch DVD once a week or more	66	46	44	41	27	22	42
Bought DVD once a month or more	42	40	34	39	29	16	34
Bought DVD once a week or more	4	7	5	4	1	1	4
Go to cinema once a month or more	50	54	44	37	35	30	42
Go to cinema once a week or more	4	5	6	2	2	2	4
Watch TV 2 hours or more on a weekday	76	65	77	83	86	90	79
Watch TV 5 hours or more on a weekday	6	14	13	15	19	20	14
Watch TV 2 hours or more at the weekend	95	78	86	93	93	94	90
Watch TV 5 hours or more at the weekend	4	5	5	7	7	4	5

Source: CAA Film Audience Measurement and Evaluation (FAME) 3 (for 2008).
Note: The figures in Table 15.27 are based on the online panel survey FAME which represents the UK online population aged 15 or above who had been to the cinema in the previous six months. Hence, the figures in this table are not the same as those for the whole UK population shown in Table 15.1.

15.13 Total size of film audience in the UK

The total size of the film audience in the UK in 2008 was estimated to be 4.7 billion, calculated from all the sources available (Table 15.28). Over 70% of the total was the audience for film on television. This was followed by DVD/video (22%) and cinema at 3%. Film-watching via pay-per-view or other VoD formats represented a small fraction of the total audience in the year. The figures do not include watching film from illicit sources.

Table 15.28 Estimated total audience for film in the UK – all modes, 2008

Mode	Audience size (millions)	% of total film audience
Cinema	164	3
DVD/video	1,040	22
VoD (including pay-per-view)	40	1
Film on television	3,497	74
Total	4,741	100

Sources: CAA, Nielsen EDI, FAME, TNS, Screen Digest, Attentional, RSU analysis.
Notes:
1. 'DVD/video' includes occasions watching previously-purchased feature film DVD/videos as well as current purchases. The DVD/video estimate is derived from FAME survey information on the DVD-watching habits of cinema-goers with an additional estimate for the population not covered by FAME.
2. 'Film on television' includes terrestrial, subscription and free-to-air multi-channel.

Taking the total film-viewing figure of 4.7 billion occasions and dividing it by an estimated viewing population (excluding the very young), there were 84 film viewing occasions per person in 2008, an average of seven films per month.

See also:

- For more information about top films at the box office in 2008 see Chapter 2 (page 12)
- For further details about films on DVD see Chapter 11 (page 88)
- For further information about film on television see Chapter 12 (page 94)
- For more information about film exhibition regionally see Chapter 10 (page 76)
- For the report on the impact of new digital leisure activities, *The plateau in cinema attendances and drop in video sales in the UK: the role of digital leisure substitutes*, see www.ukfilmcouncil.org.uk/audiences.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Chapter 16: Films certified as British 1998–2008

One of the criteria for accessing film tax relief is that a film must be certified as 'British'. To qualify, a film must pass either the Cultural Test under Schedule 1 of the Films Act 1985, or be certified under one of the UK's bilateral co-production agreements or under the European Convention on Cinematographic Co-production. This chapter reports British film certification statistics from 1998 to 2008.

Facts in focus

- A total of 104 UK films (154 in 2007) received final certification as British films in 2008. Of these, 97 were Schedule 1 films and seven were co-productions.
- The total production budget of finally certified Schedule 1 films rose 67% to £935 million in 2008 (£561 million in 2007).
- The number of co-productions receiving final certification continued to fall sharply from 56 in 2007 to only seven in 2008.
- The level of official co-production activity in 2008 was a fraction of what it was at its peak in 2004.

16.1 Qualifying as an official British film

The Secretary of State for Culture, Media and Sport (DCMS) is responsible for issuing British Film Certificates on the basis of recommendations made by the UK Film Council's Certification Unit. Makers of certified British films can apply for tax relief on qualifying films or apply for Lottery funding from the UK Film Council and other sources. There is more information about public investment in film in Chapter 18.

Schedule 1 films are films certified as British under Schedule 1 of the Films Act 1985. To qualify, films starting principal photography on or after 1 January 2007 must pass a UK Cultural Test. Points are awarded for UK elements in the story, setting and characters and for where and by whom the film was made (see the links at the end of the chapter for details of the Cultural Test).

Under the old rules, the main qualifying criterion was a minimum 70% UK spend. During a transitional period in 2007, films receiving final certification were certified under the old Schedule 1 test, a transitional Cultural Test (32 points) and the revised Cultural Test (31 points). For films commencing principal photography from 2007 onwards, the 31 point test applies and is referred to as the Cultural Test hereafter. A wide range of films has qualified as British under the Cultural Test, from *Brideshead Revisited* to *Slumdog Millionaire*.

Films can also qualify as British if they are certified under the various official UK co-production agreements. Official co-productions must be certified by the competent authorities in each country as meeting the certifying criteria, which include the creative, artistic, technical and financial input from each co-producer. Once certified, a film counts as a national film in each of the territories and may qualify for public support on the same basis as national films in that territory. On the basis of recommendations made by the UK Film Council, the Secretary of State grants 'interim approval' prior to the start of principal photography to those films that meet the criteria and 'final certification' once the film has been completed and final documents submitted. British films made as official co-productions are not required to pass the Cultural Test.

At the time of writing the UK has seven active bilateral treaties with Australia, Canada, France, India, Jamaica, New Zealand and South Africa. Official UK co-productions can also be certified under the European Convention on Cinematographic Co-production of which the UK is a signatory.

16.2 Schedule 1 films 2008

In 2008, a total of 97 films (98 in 2007) were finally certified British under Schedule 1 (19 under the transitional Cultural Test and 78 under the Cultural Test), as Table 16.1 shows. While the total production budget rose 67% to £935.4 million from £561.4 million in 2007, the median budget of a Schedule 1 film fell from £1.21 million to £0.99 million in 2008.

Table 16.1 Number and production budget of finally certified Schedule 1 films by type of test, certification years 2007 and 2008

	2007		2008	
Type of Schedule 1 test	Number	Budget (£ million)	Number	Budget (£ million)
Old Schedule 1 test	54	122.9		
Transitional Cultural Test (32 points)	5	125.5	19	218.8
Cultural Test (31 points)	39	313.0	78	716.6
Total	**98**	**561.4**	**97**	**935.4**
Median		**1.21**		**0.99**

Source: DCMS, UK Film Council.

Interim certificates can be issued under the Cultural Test, of which there were 123 in 2008 (114 in 2007). The total production budget of the interims fell by 21% to £890.2 million (£1,129.6 million in 2007) while the median budget also fell from £2.1 million to £1.5 million in 2008. Note that an interim certificate is not a prerequisite to receiving a final certificate under the Cultural Test, nor does every film that receives an interim certificate necessarily progress to a final certificate.

Image: *Happy-Go-Lucky* courtesy of Momentum Pictures

Table 16.2 Number of Schedule 1 (Cultural Test) interim certificates issued and production budget, certification years 2007 and 2008

	2007	2008
Number of interim certificates issued	114	123
Production budget (£ million)		
Total	1,129.6	890.2
Median	2.08	1.48

Source: DCMS, UK Film Council.

16.3 Official UK co-productions 2008

Official co-productions have declined significantly in the last three years. Table 16.3 shows that there were only seven final certifications in 2008 (a fall of 88% from 56 in 2007), with a total investment value of £39.8 million (an 89% drop from £356.7 million in 2007). Four of the seven co-productions in 2008 were certified under the European Convention. The remaining three films qualified under the bilateral agreements with Australia, France and New Zealand.

Table 16.3 Final certifications of official UK co-productions by year of certification, 2006–2008

		Investment (£ million)	
Year certified	Number	Total	Median
2006	68	459.5	4.40
2007	56	356.7	4.37
2008	7	39.8	3.68

Source: DCMS, UK Film Council.

Interim approvals reflect the anticipated level of production activity over the coming year and onwards. Table 16.4 shows that in 2008 most of the interim approvals (10 out of 16) were, as in previous years, under the European Convention on Cinematographic Co-production. The number of interim approvals continued to fall sharply. The number halved from 55 in 2006 to 27 in 2007, and nearly halved again to 16 in 2008. The anticipated total investment fell to £108.9 million (28% of the 2006 total of £389 million).

Table 16.4 Interim approvals of UK co-productions by treaty and total investment, certification years 2006–2008

Treaty	2006	2007	2008
European Convention	41	18	10
UK bilateral agreement			
Australia	1		3
Canada	6	5	2
France	4		
Italy*	2		
New Zealand	1	1	
Norway*		2	
South Africa		1	1
Total	55	27	16
Investment (£ million)			
Total	389.0	142.6	108.9
Median	5.12	3.82	4.52

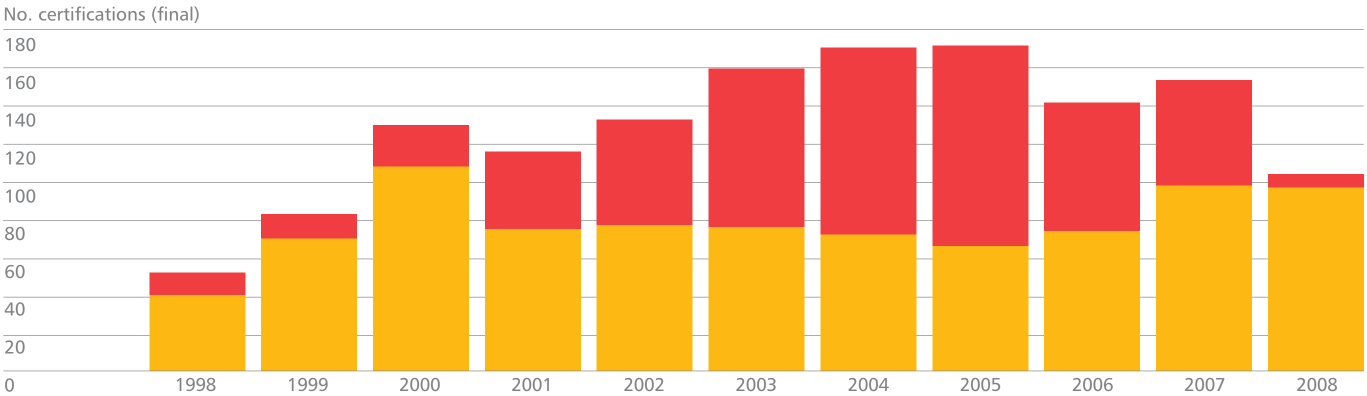
Source: DCMS, UK Film Council.
*UK bilateral treaties with Italy and Norway terminated.

16.4 All films certified as British 1998–2008

The number of certified UK films (Schedule 1 and co-production films receiving final certification) rose gradually from 56 in 1998 to a peak in 2005 when 172 British films were certified (Figure 16.1). In 2008 only 104 films were certified as British. The production value of British films peaked at £1,822 million in 2004 when 171 British films were certified (Figure 16.2). The rise was mainly due to a surge in the number of official UK co-productions in the early 2000s. The increase coincided with a falling proportion of UK expenditure associated with these productions. In 2004/05 a series of cooling measures designed to restore balance in co-production relations were introduced by the DCMS and Her Majesty's Revenue and Customs (HMRC). The level of official co-production activity has since fallen back to the pre-2000s level as is evident from Figures 16.1 and 16.2.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

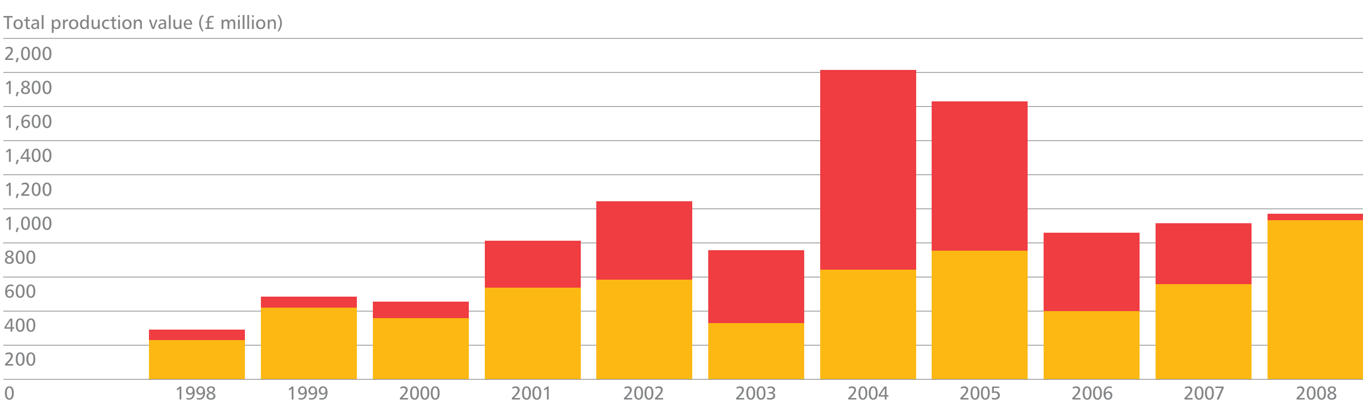
Figure 16.1 Number of finally certificated (Schedule 1 and co-production) UK films, certification years 1998–2008



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Schedule 1	40	70	108	75	77	76	72	66	74	98	97
Co-production	16	13	22	41	56	84	99	106	68	56	7

Source: DCMS, UK Film Council.
Notes: Co-production figures include both bilateral and European Convention finals.

Figure 16.2 Total production value of finally certified (Schedule 1 and co-production) UK films, certification years 1998–2008

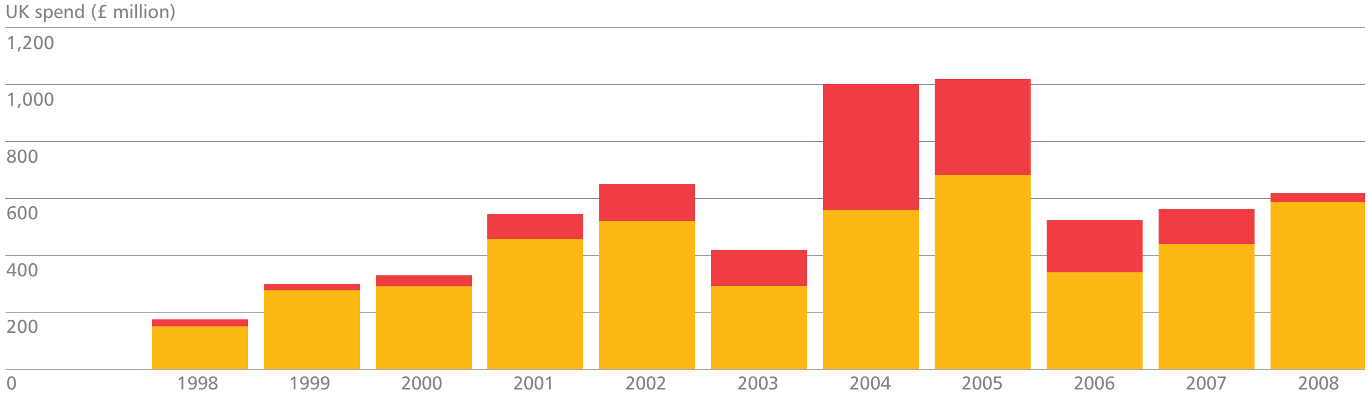


	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Schedule 1	232	421	361	538	585	330	644	758	402	561	935
Co-production	60	66	95	278	462	428	1,178	877	460	357	40

Source: DCMS, UK Film Council.
Notes: Total production value is total budget for Schedule 1 films and total investment for co-productions. Co-production figures include both bilateral and European Convention finals.

Figure 16.3 shows the levels of UK spend over the same period. UK spend is generally the production budget spent in the UK (see notes to Figure 16.3). At its peak in 2005, UK spend reached £1,022 million whereas in 2008 it was £620 million. Although over half of the total production value was attributed to co-productions at the peak of 2004, the UK spend of the co-productions was less than that of the Schedule 1 films. The UK spend attributed to co-productions has continued to fall since.

Figure 16.3 UK spend of finally certified (Schedule 1 and co-production) UK films, certification years 1998–2008



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Schedule 1	151	278	292	459	522	293	560	685	341	442	589
Co-production	23	22	38	88	132	127	443	337	183	123	31

Source: DCMS, UK Film Council.
Notes: 'UK spend' is the 'value of the production activities in the UK' for Schedule 1 films and is 'UK expenditure' for co-productions (bilateral and European Convention). The UK spend for co-productions may include some expenditure on UK goods and services which took place outside the UK.

See also:

- For UK film production, see Chapter 17 (page 134)
- For UK film economy, see Chapter 20 (page 163)
- For public investment in film in the UK see Chapter 18 (page 146)

- For quarterly updates on British film certification data, see spreadsheet under 'UK films' in the Research section of the UK Film Council website: www.ukfilmcouncil.org.uk/ukfilms
- For more information about British films, tax relief and the Cultural Test, see www.ukfilmcouncil.org.uk/qualifying
- For more information on the European Convention on Cinematographic Co-production, see the Council of Europe website: http://conventions.coe.int (number 147 under the full list of treaties).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Chapter 17: Film production in 2008

2008 saw a fall in production activity, largely because the high exchange rate deterred inward investment and the US writers' and actors' disputes delayed production. However, the UK spend on domestic films rose by 21%. This chapter looks at trends since 1992.

Facts in focus

- Total UK production activity in 2008 was £578 million, compared with £753 million in 2007.
- The UK spend associated with inward investment features was £338 million, down from £523 million in 2007.
- There were 66 UK domestic features (68 in 2007) and 20 UK co-productions (28 in 2007).
- The median budget for UK domestic features rose slightly, but was less than the median budget levels of 2003–2005.
- Thirteen big budget films accounted for 57% of the total UK production spend in 2008.
- UK domestic films and UK co-productions were shot in fewer countries than in 2007.
- US studios were involved with 19 productions in the UK in 2008 and accounted for 83% of the UK spend associated with inward investment features.

17.1 The value of UK production in 2008

UK production activity fell by 23% in 2008, to £578.2 million, from £753.3 million in 2007. The fall was mainly due to the reduction in inward investment, which was restrained by the high value of the pound for most of the year and the writers' and actors' disputes in the USA.

There were 25 inward investment productions in 2008, with a UK production value of £338.2 million (see Table 17.1 for definitions). Some of the big budget films contributing to this figure were *Prince of Persia: The Sands of Time*, *Quantum of Solace*, *The Wolfman*, *Nine* and *The Fantastic Mr Fox*.

There were 66 UK domestic features in 2008, down slightly from 68 in 2007, with a UK production value of £192 million which was 21% up on the 2007 figure. Larger budget films contributing to this total included *The Boat that Rocked*, *Green Zone*, *Dorian Gray*, *London Dreams*, *Creation* and *Me and Orson Welles*.

UK co-productions fell from 28 to 20 with their UK spend falling from £72.2 million to £47.8 million. This continues the downward trend established in 2004 and reflects a tightening of co-production qualification rules and the effect of the new UK film tax incentive, which applies to UK spend rather than the total budget of the film. UK co-productions in 2008 included *Solomon Kane*, *Cheri*, *Bright Star*, *Nine Miles Down*, *Looking for Eric* and *The Boys are Back in Town*.

Table 17.1 Feature film production activity, 2007 and 2008

	Number of productions 2007	Value £ million 2007	Number of productions 2008	Value £ million 2008
Inward investment feature films	30	523.0	25	338.2
Domestic UK feature films	68	158.2	66	192.2
UK co-productions	28	72.2	20	47.8
Total	**126**	**753.3**	**111**	**578.2**

Source: UK Film Council.
Notes:
Numbers have been revised on the basis of new information received since the publication of the 2008 Statistical Yearbook.
Inward investment includes three films in 2007 (£5.9 million) and nine films in 2008 (£17.7 million) that involved only VFX work in the UK.
Inward investment feature films include three non-USA films in 2007 and two non-USA films in 2008.

Definitions
1. An inward feature is defined as a feature film which is substantially financed and controlled from outside the UK and where the production is attracted to the UK because of script requirements, the UK's infrastructure or UK tax incentives.
2. An inward feature co-production is an official co-production that originates from outside the co-production treaty countries (usually from the USA) and which is attracted to the UK because of script requirements, the UK's infrastructure or UK tax incentives (none were made in 2007 and 2008).
3. A domestic (indigenous) UK feature is a feature made by a UK production company that is produced wholly or partly in the UK.
4. A UK co-production is a co-production (other than an inward co-production) involving the UK and other country partners usually under the terms of a bilateral co-production agreement or the European Convention on Cinematographic Co-production.

Measurement
5. The above numbers include only the UK spend associated with productions shot or post-produced in whole or part in the UK.
6. Spend is allocated to the year in which principal photography started or to the year in which the visual effects were undertaken in the case of VFX-only films.

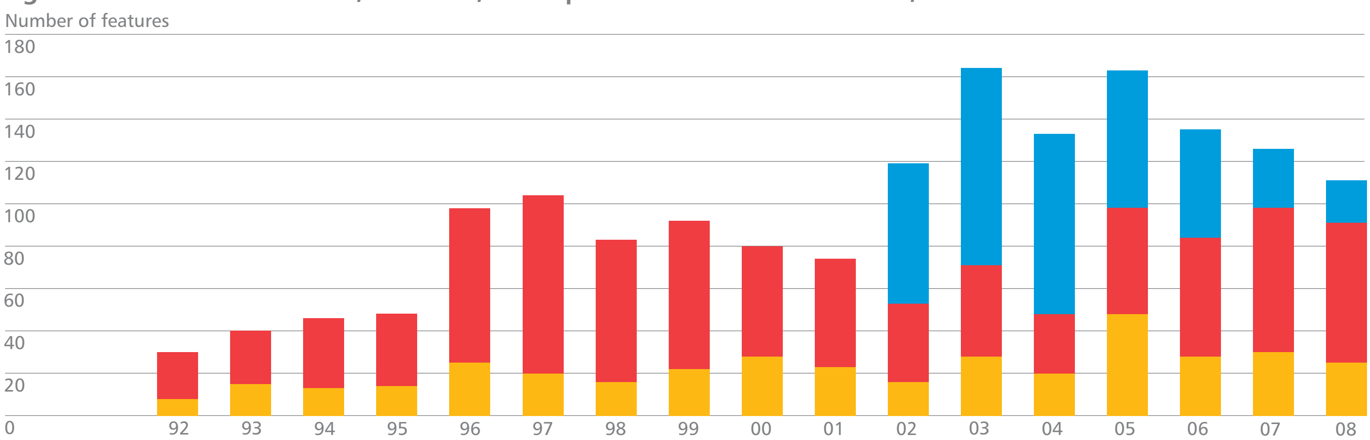
Exclusions
7. Spending on films with budgets under £500,000 is not included.

Image: *Bright Star* courtesy of Pathé

17.2 Inward, domestic and UK co-production features 1992–2008

Figure 17.1 and Table 17.2 put the 2008 figures in a longer time perspective. The decline in domestic features between 1997 and 2004 occurred alongside a substantial growth in co-production activity, suggesting it was easier at that time to make films as official co-productions than as stand-alone UK productions. From 2005 to 2008 this trend was reversed, reflecting a tightening in co-production certification requirements followed by the introduction of the new UK film production tax relief based on UK spend rather than the whole production budget of the film. Minority co-productions saw the greatest reduction. The number of inward features in 2008 was smaller than in 2007 but close to the average for the decade 1999–2008. Overall, production numbers continued at the higher level achieved after the introduction of tax relief and Lottery support for film in the mid-1990s.

Figure 17.1 Number of inward, domestic, UK co-production and total features, 1992–2008



	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08
Inward	8	15	13	14	25	20	16	22	28	23	16	28	20	48	28	30	25
Domestic	22	25	33	34	73	84	67	70	52	51	37	43	28	50	56	68	66
UK co-production											66	93	85	65	51	28	20
Total	30	40	46	48	98	104	83	92	80	74	119	164	133	163	135	126	111

Source: UK Film Council.
Notes:
Inward features include inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003–2007 updated since publication of the 2008 Yearbook.
Inward features include a spike in the number of non-USA (mainly Indian) inward investment films in 2005.

Table 17.2 Number of inward, domestic, UK co-production and total features, 1992–2008

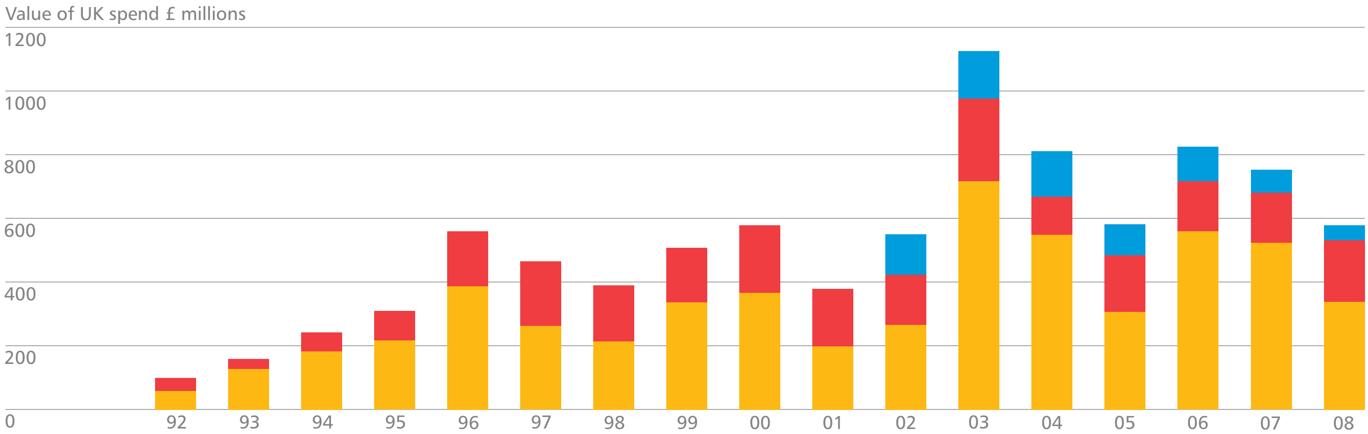
	Inward	Domestic	Co-production Total	Of which, majority and parity co-pros	Minority co-pros	Total
1992	8	22				30
1993	15	25				40
1994	13	33				46
1995	14	34				48
1996	25	73				98
1997	20	84				104
1998	16	67				83
1999	22	70				92
2000	28	52				80
2001	23	51				74
2002	16	37	66			119
2003	28	43	93	20	73	164
2004	20	28	85	18	67	133
2005	48	50	65	12	53	163
2006	28	56	51	18	33	135
2007	30	68	28	16	12	126
2008	25	66	20	9	11	111

Source: UK Film Council.
Notes:
Inward features include inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003–2007 updated since publication of the 2008 Yearbook.
Majority co-production means a co-production in which the UK investment is the largest single national investment (not necessarily an absolute majority).
Parity co-production means a co-production in which the UK and at least one other country contributed equal largest investments.
Minority co-production means a co-production in which at least one other country made a larger investment than the UK.

The value of UK production in 2008 fell by 23.3% compared with 2007, but was still the fifth highest year over the period recorded (Figure 17.2 and Table 17.3). In 2008, 58% of the UK spend was accounted for by inward investment productions showing the importance of inward investment to the UK film economy. Since 1997, the fluctuation in production value has principally been driven by inward features and 2008 was no exception, with the whole of the reduction a result of the 35% fall in inward investment. This was influenced by the high value of the pound for most of 2008 (Figure 17.3) and the writers' and actors' disputes in the USA which delayed a number of productions.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Figure 17.2 Value of UK spend of inward, domestic, UK co-production and total features, 1992–2008



	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08
Inward	58.50	127.74	182.65	216.45	387.10	261.90	214.20	336.37	366.57	198.50	265.86	716.96	548.49	306.45	558.68	522.95	338.16
Domestic	39.98	30.34	59.51	94.00	172.20	202.89	174.96	170.31	211.70	180.12	156.36	258.33	118.54	177.70	157.41	158.20	192.20
UK co-production											128.23	150.52	144.00	97.27	109.21	72.19	47.82
Total	98.48	158.08	242.16	310.45	559.30	464.79	389.16	506.68	578.27	378.62	550.45	1,125.81	811.03	581.42	825.30	753.34	578.19

Source: UK Film Council.
Notes:
Inward features include inward investment co-productions from 2002.
UK co-productions not available by shoot date prior to 2002.
Data for 2003–2007 updated since publication of the 2008 Yearbook.

Table 17.3 Value of UK spend of inward, domestic, UK co-production and total features, 1992–2008

	Inward (£ million)	Domestic (£ million)	Co-production Total (£ million)	Of which, majority and parity co-pros (£ million)	Minority co-pros (£ million)	£ Total (£ million)
1992	58.50	39.98				98.48
1993	127.74	30.34				158.08
1994	182.65	59.51				242.16
1995	216.45	94.00				310.45
1996	387.10	172.20				559.30
1997	261.90	202.89				464.79
1998	214.20	174.96				389.16
1999	336.37	170.31				506.68
2000	366.57	211.70				578.27
2001	198.50	180.12				378.62
2002	265.86	156.36	128.23			550.45
2003	716.96	258.33	150.52	58.98	91.54	1,125.81
2004	548.49	118.54	144.00	40.72	103.28	811.03
2005	306.45	177.70	97.27	34.63	62.64	581.42
2006	558.68	157.41	109.21	66.10	43.11	825.30
2007	522.95	158.20	72.19	51.96	20.23	753.34
2008	338.16	192.20	47.82	32.46	15.36	578.19

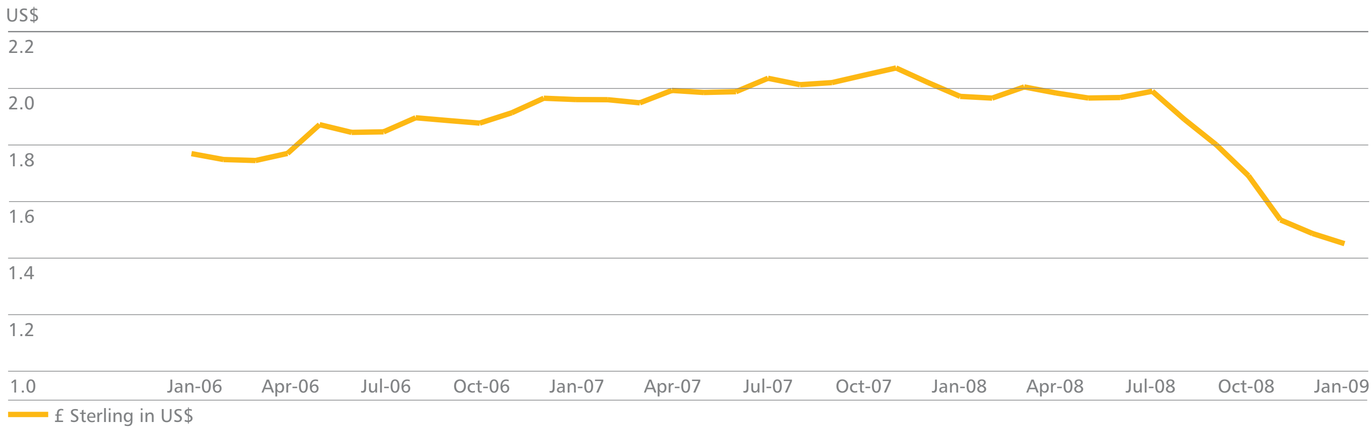
Source: UK Film Council
Notes:
See notes to Figure 17.2.
See notes to Table 17.1 for definitions.

The competitiveness of the UK as a destination for internationally mobile film production is significantly affected by the UK pound-US dollar exchange rate. When the value of the pound in US dollars increases, film production in the UK becomes more expensive and US producers may choose to stay at home or go to third countries where costs and exchange rates are more favourable. Conversely if the value of the pound falls, the UK becomes more competitive.

Figure 17.3 shows that the value of the pound in US dollars rose significantly (by about 17%) between January 2006 and the peak in November 2007. Given the lead time in putting film productions together, this was a significant disincentive for locating US productions in the UK in 2008. The historically high dollar-pound rate (peaking at $2.07 in November 2007) continued until July 2008, when the dollar began to appreciate as a result of the intensification of the credit crunch.

The last time the dollar-pound rate was at or above $2.07 was in May 1981. The average dollar-pound rate for the period 1981 to 2008 was $1.65.

Figure 17.3 Value of £ sterling in US dollars, 2006–2008



Source: Bank of England.

17.3 Productions by genre, 2006–2008

Table 17.4 and Figure 17.4 show a breakdown of UK production by genre for the years 2006–2008. UK production is reasonably well spread across genres and does not appear to be as over-concentrated on drama as sometimes supposed. While drama accounted for 25% of the films, it only absorbed a tenth of the budget. If the high-spending genres of fantasy, action and adventure are removed from the table, drama's share of the remaining UK spend rises to around 20%, which is higher than drama's share of the box office (generally 5–10%) but still leaves 80% of UK spend being applied to other genres.

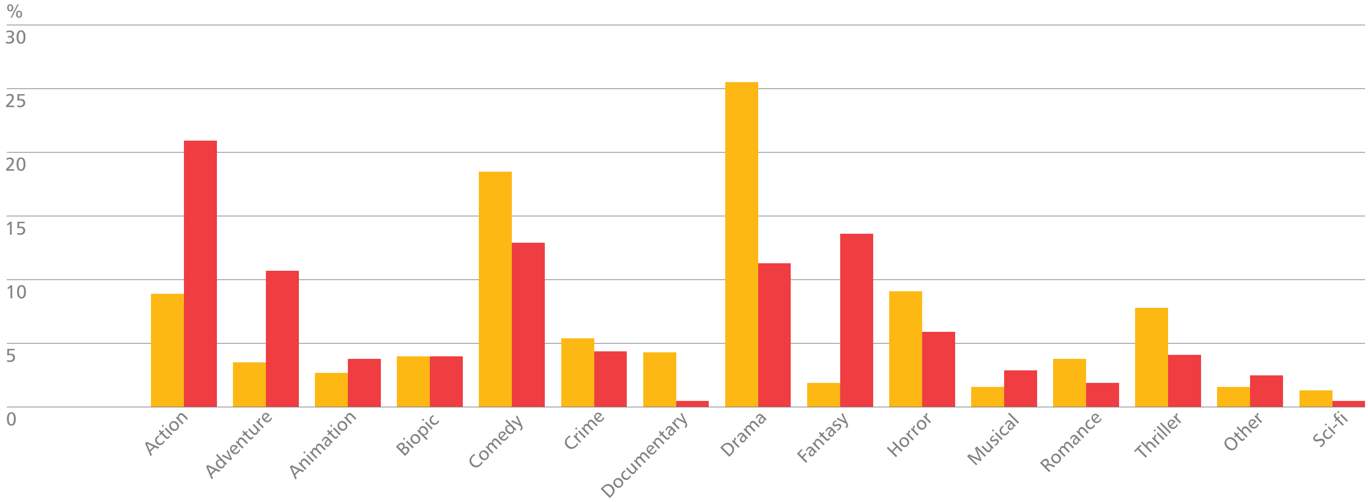
Table 17.4 Genre of UK production, 2006–2008

Genre	Number of films	% of total	Budget £ million	% of total	UK spend £ million	% of total
Action	33	8.9	1,114.6	29.4	451.6	20.9
Adventure	13	3.5	366.7	9.7	230.7	10.7
Animation	10	2.7	145.1	3.8	83.0	3.8
Biopic	15	4.0	146.1	3.8	85.6	4.0
Comedy	69	18.5	507.4	13.4	278.5	12.9
Crime	20	5.4	149.3	3.9	94.7	4.4
Documentary	16	4.3	18.6	0.5	11.0	0.5
Drama	95	25.5	362.4	9.5	243.7	11.3
Fantasy	7	1.9	340.7	9.0	293.8	13.6
Horror	34	9.1	155.7	4.1	128.0	5.9
Musical	6	1.6	104.0	2.7	62.3	2.9
Romance	14	3.8	83.9	2.2	40.6	1.9
Sci-fi	5	1.3	74.9	2.0	11.7	0.5
Thriller	29	7.8	151.7	4.0	88.0	4.1
Other	6	1.6	74.9	2.0	53.7	2.5
Total	**372**	**100.0**	**3,796.1**	**100.0**	**2,156.8**	**100.0**

Source: UK Film Council.

The data have been presented for a three year period to show as many genres as possible without disclosing the budgets of individual films. The category 'other' contains family and war films, grouped because of their low numbers.

Figure 17.4 Numbers and UK spend of UK production by genre, 2006–2008



	Action	Adventure	Animation	Biopic	Comedy	Crime	Documentary	Drama	Fantasy	Horror	Musical	Romance	Thriller	Other	Sci-fi
% of films	8.9	3.5	2.7	4.0	18.5	5.4	4.3	25.5	1.9	9.1	1.6	3.8	7.8	1.6	1.3
% of total UK spend	20.9	10.7	3.8	4.0	12.9	4.4	0.5	11.3	13.6	5.9	2.9	1.9	4.1	2.5	0.5

Source: UK Film Council.

17.4 Budget trends

The median budget of domestic UK features rose slightly in 2008 from £1.6 to £1.7 million, though Table 17.5 reveals downward pressure on UK domestic budgets in recent years. The median budget for inward investment films was £17.2 million, a similar level to 2004–2006. The median budget for co-productions returned to £4 million after its dip to £3.2 million in 2007.

Table 17.5 Median feature film budgets £ million, 2003–2008

Production category	2003	2004	2005	2006	2007	2008
Inward features (single country)	13.1	16.5	16.0*	18.6	7.9	17.2
Inward features (co-productions)	46.9	38.1	25.4	51.9	–	–
Domestic UK productions	2.9	2.7	2.0	1.6	1.6	1.7
Co-productions (other than inward)	3.5	4.3	4.3	4.0	3.2	4.0

Source: UK Film Council.
Median budget is the middle value (ie there are equal numbers of films above and below the median). The median in this case is a better measure of central tendency than the average as it avoids the upward skew of a small number of high budget productions.
Data for 2003–2007 updated since publication of the 2008 Yearbook.
*The inward features (single country) median budget for 2005 is USA only. There were 24 inward features (India) in 2005 with a median budget of £1.2 million. For other years the numbers of inward features (non-USA) were too small to be tabulated separately (the data would be disclosive). The dip in the inward investment median budget to £7.9 million in 2007 is due to an unusually large number of low-budget USA inward investment films that year.

17.5 Size distribution of budgets

The budget size distribution for the three main categories of films made in 2008 is shown in Tables 17.6 to 17.8. Six features with budgets of over £30 million accounted for 81% of the aggregate budget for inward features (single country). Six out of 16 inward investment features had budgets of less than £10 million.

Table 17.6 Size distribution of budgets, inward features (single country), 2008

Budget band	Number	Total budget in band (£ million)	% of total budget
£30 million+	6	407.5	81.0
£10 million–£30 million	4	67.5	13.4
Under £10 million	6	28.3	5.6
Total	**16**	**503.3**	**100.0**

Source: UK Film Council.

Unlike 2004–2007, there were two domestic UK features in 2008 with budgets over £30 million. Another two had budgets in the £10 million–£30 million band. Most domestic UK features had budgets under £5 million. There was a marked reduction in UK domestic features in the £5 million–£10 million budget range and significant growth in numbers and aggregate budget in the £0.5 million–£2 million and £2 million–£5 million bands, consistent with anecdotal evidence.

Table 17.7 Size distribution of budgets, domestic UK features, 2008

Budget band	Number	Total budget in band (£ million)	% of total budget
£10 million+	4	94.4	42.9
£5 million–£10 million	2	17.4	7.9
£2 million–£5 million	18	55.8	25.4
£0.5 million–£2 million	42	52.3	23.8
Total	**66**	**219.9**	**100.0**

Source: UK Film Council.
The two films with budgets more than £30 million are not shown separately as the data would be disclosive.

There were no UK co-productions in the £30 million+ range (Table 17.8). Half of UK co-productions were in the budget range £2 million–£10 million (10 out of 20) and this range accounted for 57% of the total budget. Co-productions in the £10 million–£30 million band dropped from five to two with a corresponding drop in this band's share of the total budget. In other words, co-productions became more concentrated in the lower budget bands.

Table 17.8 Size distribution of budgets, UK co-productions (other than inward), 2008

Budget band	Number	Total budget in band (£ million)	% of total budget
£30 million+	0	0.0	0.0
£10 million–£30 million	2	35.8	33.6
£5 million–£10 million	6	45.2	42.3
£2 million–£5 million	4	16.2	15.1
£0.5 million–£2 million	8	9.5	9.0
Total	**20**	**106.7**	**100.0**

Source: UK Film Council.

17.6 Big-budget productions 2003–2008

The importance to UK spend of a small number of big-budget productions – most of which are inward investment films – is demonstrated in Table 17.9. In 2008, the 13 films with budgets of £30 million or more accounted for 57.4% of total UK production spend.

Table 17.9 Big-budget films' contribution to UK spend, 2003–2008

	2003	2004	2005	2006	2007	2008
Number of films with budgets >=£30 million	15	8	7	11	10	13
Value of associated UK spend (£ million)	672.2	432.4	151.6	487.0	412.2	331.8
Total UK spend (£ million)	1,125.8	811.0	581.4	825.3	753.3	578.2
Big-budget film share of UK spend	59.7%	53.3%	26.1%	59.0%	54.7%	57.4%

Source: UK Film Council.
Data for 2003-2007 updated since publication of 2008 Yearbook.

17.7 UK share of expenditure

Table 17.10 shows the UK expenditure shares for inward investment films, domestic UK productions and co-productions (other than inward). Domestic productions had the highest UK expenditure share (87.4%), followed by inward investment films at 63.7%. Co-productions (other than inward) had the lowest UK expenditure share of 44.8%. However, as in 2007, this was significantly higher than in 2003-2004, reflecting a sharp fall in the number of low-UK-spend co-productions following the shift to allowing tax relief on UK spend rather than on the full budget.

Table 17.10 UK expenditure shares, 2008

Inward investment films	63.7%
Domestic UK productions	87.4%
Co-productions (other than inward)	44.8%

Source: UK Film Council.

17.8 UK domestic productions by territory of shoot

Table 17.11 analyses UK domestic productions in 2008 according to whether they were wholly or partially shot in the UK, or wholly shot abroad. The majority (50 out of 66) were shot exclusively in the UK, while 16 films were shot partly abroad. No UK domestic films were shot wholly abroad. The non-UK spend as a proportion of budget (12.6%) decreased somewhat compared with 2007 (18.6%).

Table 17.11 UK domestic productions, territory of shoot analysis, 2008

Shooting in…	Number of films	Budget (£ million)	Non-UK spend (£ million)	Non-UK spend as % of total budget
UK only	50	120.8	1.7	1.4
UK and other	16	99.1	26.0	26.2
Other only	0	–	–	–
Total UK domestic films	**66**	**219.9**	**27.7**	**12.6**

Source: UK Film Council.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 17.12 shows the territories of shoot of UK domestic films. Because some films were shot in two territories, the total number of shoots is greater than the total number of films. Compared to 2007, the range of countries and number of non-UK shoots was smaller. There were two shoots in India and one each in China, Brazil and France. It appears that UK producers were less geographically adventurous in 2008 than the year before.

Table 17.12 UK domestic productions by territory of shoot, 2008

Territory of shoot	Number of shoots
UK	66
India	2
China	1
Brazil	1
France	1
Total shoots	**71**

Source: UK Film Council.

17.9 UK co-productions by territory of shoot

In contrast to UK domestic productions, UK co-productions were usually shot partly or wholly abroad, as Table 17.13 shows. Only four out of 20 films, with a total budget of £10.9 million, were shot wholly in the UK. Non-UK spend accounted for 55.2% of the aggregate budget of UK co-productions in 2008.

Table 17.13 UK co-productions, territory of shoot analysis, 2008

Shooting in…	Number of films	Budget (£ million)	Non-UK spend (£ million)	Non-UK spend as % of total budget
UK only	4	10.9	2.4	21.7
UK and other	7	70.2	42.0	59.9
Other only	9	25.6	14.5	56.5
Total UK co-productions	**20**	**106.7**	**58.9**	**55.2**

Source: UK Film Council.

Co-productions were also less internationally dispersed in 2008 than they were in 2007, being shot mainly in the UK, Europe and Australia (Table 17.14). Outside the UK, the most frequent country locations were France (6), Germany (3), Ireland (3) and Australia (3).

Table 17.14 UK co-productions by territory or region of shoot, 2008

Country	Number of shoots
UK	20
France	6
Eastern Europe	5
Nordic area	4
Germany	3
Ireland	3
Western Europe (other)	3
Australia	3
Canada	1
South Africa	1
Turkey	1
Total shoots	**50**

Source: UK Film Council.
Note: All the co-productions were shot in at least two territories, hence the total in Table 17.14 is more than twice the number of UK co-productions in 2008.

17.10 Production company activity levels

UK film production in 2008 was, as usual, dispersed over a large number of production companies, as shown in Table 17.15. The UK Film Council recorded 202 production companies associated with films shot in the UK or co-productions involving the UK in 2008. Of these, 185 companies were associated with a single feature. These were a mixture of distinct production companies and special purpose vehicles (that is, companies set up to make a single film). The most prolific production companies (Revolution Films and Matador Pictures) were associated with four features each, followed by five companies with three films each and 10 companies with two films each.

Table 17.15 Film production company activity, 2008

Number of features per company	Number of companies
4	2
3	5
2	10
1	185
Total	**202**

Source: UK Film Council.
Notes:
Includes all production categories.
Further information on film production companies in the UK can be found in Chapter 19.
Films frequently have several production companies associated with them (including special purpose vehicle subsidiaries of parent companies), so the sum of (number of features) x (number of companies) is substantially greater than the total number of features involving the UK in 2008.

17.11 US studios' involvement in inward features

The US studios were involved in the production of 19 films in the UK in 2008 (nine of these VFX only) (Table 17.16). The US studios accounted for 17 out of 25 inward features in 2008 and £282 million (83.4%) out of £338.2 million UK spend associated with inward features (see Table 17.1).

Table 17.16 US studios' involvement in inward features, 2008

Studio	Number of inward features in 2008
Universal	7
Walt Disney	3
20th Century Fox	2
Columbia Pictures	2
Sony and Sony/MGM	2
Paramount	2
Warner Bros	1
Total films	**19**

Source: UK Film Council.
Nine of the above films involved only VFX in the UK. Two were UK domestic films produced by Working Title under its output deal with Universal.

See also:

- Information about film companies is given in Chapter 19 (page 154)
- For details about employment in the film production sector see Chapter 21 (page 172)
- For more information about the UK film economy see Chapter 20 (page 163)

- For information on film production in the UK prior to 1992, see the annual *Film and Television Handbooks* published by the British Film Institute or the *Information Briefings* on the BFI's website – www.bfi.org.uk

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Chapter 18: Public investment in film in the UK

The UK Government provides financial support to film in the UK through a variety of channels. Additional funding comes from the European Union. This chapter shows the sources of funding, the amounts spent by each film organisation and the activities supported, from film production to film archives.

Facts in focus

- Total measured public funding for film in the financial year 2007/08 was £261 million.
- The principal sources of public funding for UK film in 2007/08 were the film production tax relief, National Lottery and grant-in-aid from central government, particularly via the Department for Culture, Media and Sport.
- The European Union provided £17.1 million in 2007/08.
- Her Majesty's Revenue and Customs (HMRC) and the UK Film Council were responsible for the largest gross spend (£105 million and £70.6 million respectively).
- Film production took 56% of the total spend, but distribution and exhibition, training and skills, education, and archives and heritage also received substantial allocations.

18.1 Public funding for film in the UK by source

Public funding for film in the UK comes from a number of UK Government, public sector and European sources, including:

- The Department for Culture Media and Sport (DCMS);
- Other central government departments;
- The governments of Scotland, Northern Ireland and Wales;
- The National Lottery;
- Her Majesty's Revenue and Customs (HMRC);
- BBC Films;
- Film4;
- The European Union.

Public funding for film identified in Table 18.1 is estimated to have been £261 million in the financial year 2007/08. The total is likely to have been higher still, as the estimate does not include some local authority, research council, higher or further education and project match funding, as indicated in the notes to Table 18.1.

The largest single source of public funding was the UK film tax relief, estimated to have provided £105 million in 2008, 40% of the total. The second largest source was the National Lottery (£50.8 million, 19% of the total) and the third largest was the DCMS grant-in-aid to the UK Film Council and National Film and Television School (£29.1 million, 11% of the total). The National and Regional Development Agencies provided £14.6 million, BBC Films £12.5 million (up from £10 million in 2006/07) and the European Union MEDIA Programme £11.5 million (£4.6 million in 2006/07).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 18.1 Public funding for film in the UK by source, 2007/08

Source	Amount £ million	% of total	Notes
National Lottery Distribution Fund (DCMS) – Film	50.8	19.5	National Lottery allocations to the UK Film Council, Scottish Screen and Northern Ireland Screen, plus Heritage Lottery Fund(1)
DCMS grant-in-aid to the UK Film Council and NFTS	29.1	11.2	Awards to the UK Film Council (of which £16.1 million was awarded to the BFI) and National Film and Television School
National and Regional Development Agencies	14.6	5.6	Contributions to the National and Regional Screen Agencies
BBC Films	12.5	4.8	BBC Films' production investment and contributions by the BBC to NFTS and N/RSA projects – excludes acquisitions etc made by other BBC departments
EU MEDIA Programme	11.5	4.4	European Union MEDIA Programme(2)
Film4	10.2	3.9	Film4 (Channel 4's film production company) investment in film development and production plus Channel 4 investment in NFTS and N/RSA projects
Other European Union	5.6	2.1	European Regional Development Fund and European Social Fund
Northern Ireland Executive	4.6	1.8	Includes spend from all Northern Ireland government agencies into strategic bodies/projects
Department for Children Schools and Families	4.5	1.7	DCSF investment in the Mediabox scheme. Match funding in individual Mediabox projects (and other First Light projects) is not collated
Welsh Assembly Government	3.3	1.3	Includes spend from all Welsh government agencies into strategic film bodies/projects
Scottish Government	3.3	1.3	Includes spend from all Scottish government agencies into strategic bodies/projects
Department for Innovation Universities and Skills	1.8	0.7	Awards to Screen Academies, Skillset and N/RSAs

Table 18.1 Public funding for film in the UK by source, 2007/08 (continued)

Source	Amount £ million	% of total	Notes
Higher Education Funding Council	1.3	0.5	HEFC investment in Screen Academies and a small number of projects by strategic agencies[3]
Ofcom	0.9	0.3	Contribution to BFI National Archive for television
Foreign and Commonwealth Office	0.9	0.3	Funding for UK-originated British Council activity. Excludes partnership funding of 'in country' events (outside the UK)
Arts Councils	0.7	0.3	Awards from national Arts Councils to film agencies[4]
Local Government	0.3	0.1	Comprises investment by local authorities in N/RSA activities
Dept for Business Enterprise & Regulatory Reform	0.03	0.0	Award to Film London for film export support
Local authority direct spend	n/a	n/a	Data on local government investments in cinemas, youth activity, film offices etc. are not collated
Other education and research	n/a	n/a	Figures not collated for investment in university courses not part of the Screen Academy network, further education film courses and film-related research awards from research councils
Total public sector selective investment	155.9	59.8	National Lottery and grant-in-aid from all sources as above
UK film production tax relief (HMRC)	105.0	40.2	Estimated cost of the new film tax relief in 2007/08[5]
Total public sector selective and automatic investment	260.9	100.0	Sum of all of the above

Source: UK Film Council, Northern Alliance.

Abbreviations
BFI – British Film Institute.
DCMS – Department for Culture, Media and Sport.
HMRC – Her Majesty's Revenue and Customs.
NFTS – National Film and Television School.
N/RSA – National and Regional Screen Agencies.

Notes:
1. The National Lottery funding figure is for financial year 2007/08.
2. Investment for the MEDIA Programme is for awards made from 1 April 2007 to 31 March 2008.
3. Includes the Higher Education Funding Councils for England, Scotland and Wales, and investment from the Joint Information Systems Committee (JISC) which is HEFCE-funded. Comprises awards to BFI, Screen Academies and other strategic agencies. Does not include payments from educational funding councils to other film courses (film studies etc) in higher or further education.
4. Arts Council England, Arts Council of Wales, Arts Council Northern Ireland, Scottish Arts Council. Does not include Arts Council direct investments in artists' film and video.
5. HM Treasury, *Tax ready reckoner and tax reliefs*, November 2008, pages 14 and 20. There was a residual fiscal cost in 2007/08 for the discontinued section 42 and section 48 tax reliefs which is not shown in Table 18.1 as it relates to previous policy and production years.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

18.2 Film spend by organisation

Table 18.2 shows a breakdown of film spend by public organisation. The numbers are presented on a net basis, that is where one film organisation such as the UK Film Council makes a grant to another such as Skillset that grant is deducted from the first organisation's spend in order to avoid double counting. Most of the organisations listed in Table 18.2 make grants to the private sector (for instance for production funding, distribution support and training) so there is another level of delegated activity not shown in this table.

The largest net spender was HMRC (£105 million estimated for tax relief), followed by the UK Film Council (£37.8 million), BFI (£37.1 million) and BBC Films (£12 million). Putting aside HMRC tax relief, net spend increased by 16% from 2006/07 to 2007/08 (from £153.9 million to £179 million).

The biggest increases in spending were recorded by the European Union MEDIA Programme (£4.5 million in 2006/07; £11.4 million in 2007/08), the National Film and Television School (NFTS) (£2.9 million in 2006/07; £7.9 million in 2007/08) and First Light Movies (£1.9 million in 2006/07; £5.2 million in 2007/08). The increase in MEDIA Programme spend represents the level of success by UK companies in winning support from this pan-European scheme. The increase in First Light Movies is due to the impact of Mediabox, a new programme funded by the Department for Children, Schools and Families in 2007/08. The NFTS increase is however due to the availability of more complete figures from NFTS for 2007/08 and appears to represent a more or less standstill picture for actual spending by the school.

See Table 16.3 in the 2008 Statistical Yearbook for the comparable figures for 2006/07.

Table 18.2 Net film spend by organisation, 2007/08

Organisation	Net spend £ million[1]	% of total net spend
HM Revenue and Customs – tax relief	105.0	37.0
UK Film Council[2]	37.8	13.3
BFI	37.1	13.1
BBC Films	12.0	4.2
EU MEDIA[3]	11.4	4.0
NI Screen	10.0	3.5
Film4	10.0	3.5
National Film and Television School	7.9	2.8
Skillset	6.9	2.4
Scottish Screen	7.5	2.6
Welsh Agencies[4]	5.8	2.0
First Light Movies	5.2	1.8
Film London	4.4	1.5
Screen Yorkshire	4.1	1.4
North West Vision and Media	3.9	1.4
EM Media	3.5	1.2
South West Screen	2.7	1.0
Screen West Midlands	2.5	0.9
Northern Film and Media	2.1	0.7
Screen East	1.7	0.6
Screen South	1.0	0.4
British Council	0.9	0.3
Heritage Lottery Fund	0.5	0.2
Local Government[5]	0.1	0.0
Total public sector[6]	**284.0**	**100.0**

Source: UK Film Council, Northern Alliance.
1. Net spend means spend after deducting grants and awards to other organisations in this table.
2. The UK Film Council gross spend in 2007/08 was £70.6 million. The UK Film Council made £32.8 million of grants and awards to other organisations such as BFI (£16.1 million), Skillset, Regional Screen Agencies and First Light.
3. Awards made between 1 April 2007 and 31 March 2008.
4. Welsh agencies means Film Agency for Wales, Welsh Creative IP Fund (part of Finance Wales), Welsh Film Archive (part of the National Library of Wales) and Wales Screen Commission (part of the Creative Industries Hub).
5. This is one project by Kent County Council. Otherwise, local government direct spend on film is not captured.
6. The spending tabulated above includes net transfers to and from reserves and spending financed by commercial income (eg from film rights) earned by agencies. For these reasons the total spending by agencies (£284 million) is higher than total public funding for film in the 2007/08 year (£261 million, Table 18.1).

18.3 Activities supported by public spend on film

The various activities supported by public spend on film in the UK in 2007/08 are shown in Table 18.3. Film production took the largest share, accounting for £159.2 million (56% of the total). Distribution and exhibition came second with £35.2 million (12%), followed by training and skills (8%), education, young people and life-long learning (7%), overheads (6%), and film archives and heritage (4%).

Table 18.3 Activities supported by public spend on film, 2007/08

Activity	Amount £ million	% of total
Production[1]	159.2	56.0
Distribution and exhibition	35.2	12.4
Training and skills[2]	21.4	7.5
Education, young people and life-long learning	18.4	6.5
Administration/overheads	17.9	6.3
Film archives and heritage[3]	12.1	4.3
Script development	7.7	2.7
Export and inward investment promotion[4]	6.7	2.4
Business support[5]	5.6	2.0
Total public film expenditure[6]	**284.2**	**100.0**

Source: UK Film Council, Northern Alliance.
1. Non-tax break production spend in 2007/08 was £54.2 million.
2. Skills Investment Fund, National/Regional Screen Agency training investment, skills academies.
3. National Film and Television Archive, National/Regional Screen Agency archive budgets, Heritage Lottery Fund investments.
4. UK Film Council International; British Council, locations services in nations and regions.
5. National/Regional Screen Agency investment: primary beneficiaries are independent production companies.
6. 2007/08 total expenditure (£284 million) was greater than total public funding (£261 million, Table 18.1) as expenditure was supplemented by earned/self-generated income, grants from trusts and foundations and transfers from reserves.

18.4 Large film awards by agency 2007/08

Major production awards (greater than £250,000) given by national and regional screen agencies to individual film projects in 2007/08 are shown in Table 18.4. In relation to the median British domestic film budget of £1.7 million (see Chapter 17) and the median co-production budget of £4 million, awards of this size can provide substantial assistance to UK films of distinctive national and regional character.

Table 18.4 Large film production awards (£250,000+) by national/regional agency, 2007/08

Agency	Project (total = 18)	Amount £
Scottish Screen	The Book of Blood	500,000
	Stone of Destiny	440,000
	Doomsday	300,000
	New Town Killers	250,000
Northern Ireland Screen	Fairy Tales	400,000
	Fifty Dead Men Walking	500,000
	Messiah	300,000
	Hunger	300,000
	Desperados	588,333
	Red Mist	247,737
Film Agency for Wales	Abraham’s Point	250,000
	Blonde	250,000
	I Know You Know	250,000
Finance Wales Creative IP Fund	The Edge of Love	700,000
Screen West Midlands	Clubbed	250,000
	Faintheart	330,000
	The Day	375,000
Screen Yorkshire	Liberty	320,000

Source: UK Film Council, DCMS, Northern Alliance, N/RSA reports.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 18.5 shows the Lottery awards made by the UK Film Council in 2008. There were 253 awards in total, to a combined value of £15.6 million. Most of the awards were for relatively low amounts (£50,000 and under) made by the Development, Prints and Advertising and New Cinema funds. For a list of the individual project titles see www.ukfilmcouncil.org.uk/awards

Table 18.5 UK Film Council Lottery awards, 2008

Fund	Number of awards	Total value £ million
Development	107	3.6
Prints and advertising	108	3.6
New Cinema	28	2.8
Premiere	10	5.6
Total large awards	**253**	**15.6**

Source: UK Film Council.
Note: UK Film Council awards data are for calendar year 2008.

The large awards (£250,000+) made by the UK Film Council in 2008 are shown in Table 18.6. The biggest awards (£1 million +) were for the Premiere Fund films *Nowhere Boy*, *Chéri* and *Harry Brown*. The largest New Cinema Fund award was to *Sex & Drugs & Rock & Roll* (£700,000) and there were three large Prints and Advertising Fund awards (£250,000) to *Che: Part One*, *Hunger* and *Waltz with Bashir*, all of which made significant public and international impact in 2008/09.

Table 18.6 Large awards (£250,000+) made by UK Film Council, 2008

Fund	Project (total = 12)	Amount of award £
Premiere	Nowhere Boy	1,200,000
	Chéri	1,075,000
	Harry Brown	1,002,225
	1939	970,000
	Triangle	625,500
	Dorian Gray	500,000
New Cinema	Sex & Drugs & Rock & Roll	700,000
	Fish Tank	570,000
	In the Loop	515,000
P&A	Che: Part One	250,000
	Hunger	250,000
	Waltz with Bashir	250,000

Source: UK Film Council.
Note: UK Film Council awards data are for calendar year 2008.

18.5 Leading public funders of British film production 2006–2008

Table 18.7 shows the combined public agency and public broadcaster investment in British films with budgets of £500,000+ for the calendar years 2006–2008. The largest public funder was the UK Film Council with 42 projects (combined budget £182 million), followed by Film4/Channel 4 (36 projects, combined budget £101 million) and BBC Films (32 projects, £190 million). These budget figures are for the total budget of the films, including the share of the budget provided by private investors and pre-sales.

Table 18.7 Leading public funders of British film production 2006–2008

Public funder	Number	Estimated budget £ million	Selected titles
UK Film Council	42	182	
Of which... Premiere Fund	21	140	Chéri, The Secret of Moonacre, Dorian Gray, St Trinian's, Fifty Dead Men Walking, Becoming Jane
New Cinema Fund	21	43	Mrs Radcliffe's Revolution, Nightwatching, Jean Charles, Adulthood, Sounds Like Teen Spirit, Man on Wire
Film4/Channel 4	36	101	How to Lose Friends and Alienate People, In Bruges, Happy-Go-Lucky, Slumdog Millionaire, Brick Lane, And When Did You Last See Your Father?, The Red Riding Trilogy, Hunger
BBC Films	32	190	The Other Boleyn Girl, The Duchess, Eastern Promises, Miss Potter, Death Defying Acts, Brideshead Revisited, Becoming Jane, Creation
Screen East	12	63	The Boat that Rocked, Easy Virtue, Dean Spanley
EM Media	8	15	Bronson, Goal III, Bunny and the Bull
Wales Creative IP Fund	7	22	The Edge of Love, Valhalla Rising, Hunger
Northern Ireland Screen	6	14	Hunger, Fifty Dead Men Walking, The Race
Screen West Midlands	6	8	Nativity, The Children, Faintheart
Irish Film Board(1)	6	16	Cracks, Perrier's Bounty, The Daisy Chain
Screen Yorkshire	6	13	The Damned United, The Red Riding trilogy, Hush
Scottish Screen	5	10	New Town Killers, Rounding up Donkeys, Wide Open Spaces
BBC Northern Ireland	3	5	The Race, Five Minutes of Heaven

Source: UK Film Council production tracking. Includes films with budgets £500,000+ only.
In some cases more than one public agency contributed funding to the same film, so there is some double counting of budgets in the above table. Hence there is no 'total budget' row.
1. The Irish Film Board was one of a number of overseas public agencies that part-funded British films during the period. Others included the South Australian Film Corporation, Filmstiftung Nordrhein-Westfalen, the Croatian Film Centre, Fonds Sud (France) and the New Zealand Film Commission.
2. Data in this table are for the calendar years 2006–08.

See also:

- For more information on film production in the UK see Chapter 17 (page 134)
- See Chapter 20 for more information on the UK film economy (page 163)
- See Chapter 19 for more information on UK film companies (page 154).

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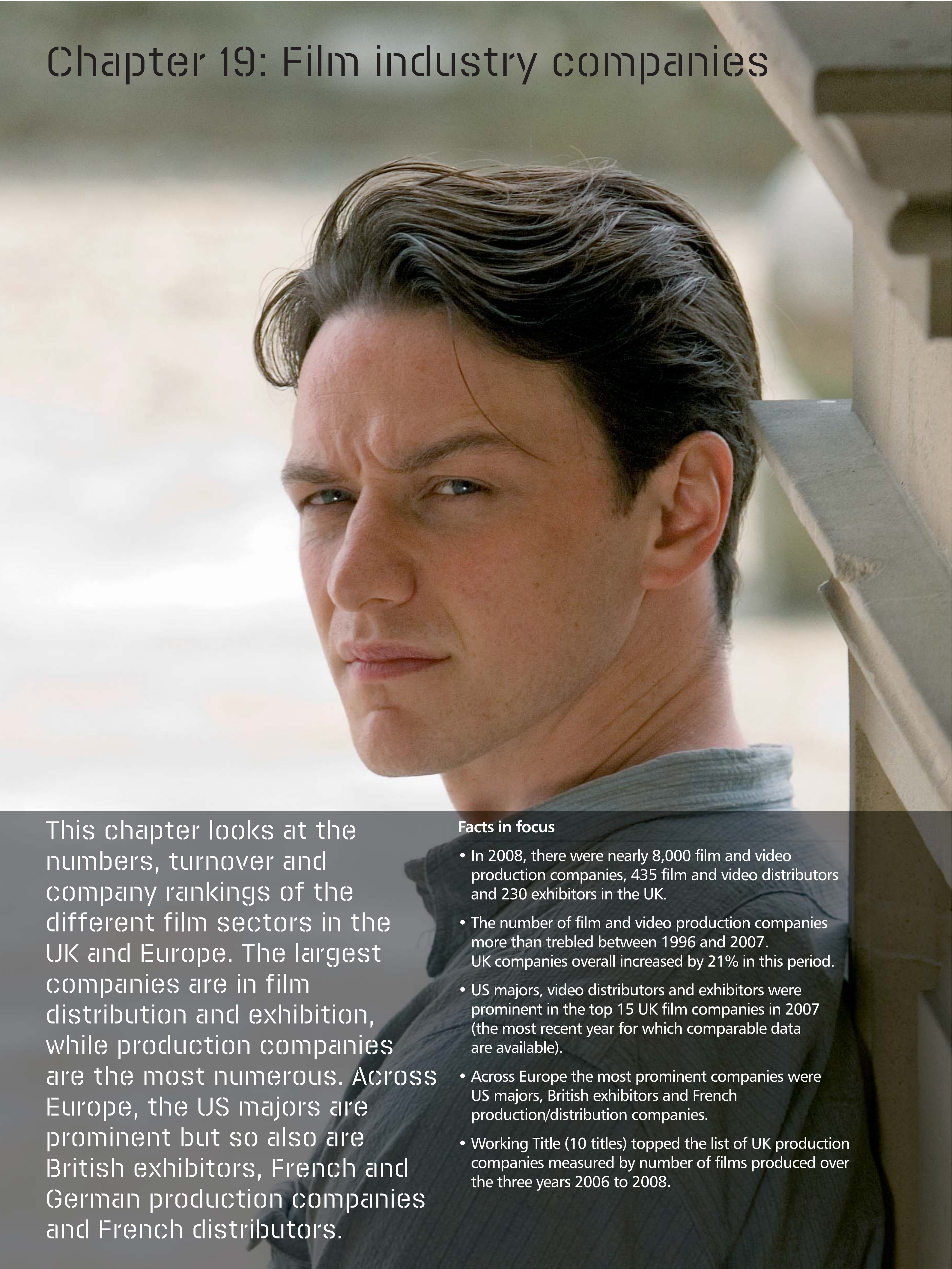
Chapter 19: Film industry companies



This chapter looks at the numbers, turnover and company rankings of the different film sectors in the UK and Europe. The largest companies are in film distribution and exhibition, while production companies are the most numerous. Across Europe, the US majors are prominent but so also are British exhibitors, French and German production companies and French distributors.

Facts in focus

- In 2008, there were nearly 8,000 film and video production companies, 435 film and video distributors and 230 exhibitors in the UK.
- The number of film and video production companies more than trebled between 1996 and 2007. UK companies overall increased by 21% in this period.
- US majors, video distributors and exhibitors were prominent in the top 15 UK film companies in 2007 (the most recent year for which comparable data are available).
- Across Europe the most prominent companies were US majors, British exhibitors and French production/distribution companies.
- Working Title (10 titles) topped the list of UK production companies measured by number of films produced over the three years 2006 to 2008.

19.1 Number of companies in the film and video industries

The number of companies involved in the film and video industries has grown rapidly in the last 12 years, particularly in the production sector where the number of companies grew by 277% between 1996 and 2007, compared with the UK average of 21% (Table 19.1). In 2008, the reported number of companies increased again, but this growth was at least in part due to the inclusion of companies registered for PAYE but not VAT, which were not included in previous years. This is an improvement in coverage, so the 2008 numbers should be a closer reflection of the true numbers of film and video companies. In 2008 there were 7,970 film and video production companies, 435 film and video distributors and 230 exhibitors.

Table 19.1 Number of companies by industry group, 1996–2008

Year	Film and video production	Film and video distribution	Film exhibition	UK all industries
1996	1,745	355	155	1,380,695
1997	2,460	360	160	1,547,175
1998	3,065	370	160	1,573,935
1999	3,460	380	165	1,595,705
2000	3,900	425	165	1,616,835
2001	4,185	485	190	1,623,025
2002	4,605	515	195	1,619,195
2003	5,065	530	205	1,623,715
2004	5,275	455	200	1,611,535
2005	5,785	445	200	1,631,540
2006	6,210	415	200	1,646,280
2007	6,575	400	200	1,673,835
2008	7,970	435	230	2,161,555
Growth 1996–2007 (%)	**276.8**	**12.7**	**29.0**	**21.2**

Source: Office for National Statistics.
From 1996 to 2007, data include only companies registered for VAT.
For 2008, data include in addition companies registered for PAYE but not registered for VAT, so give improved coverage of the company population.

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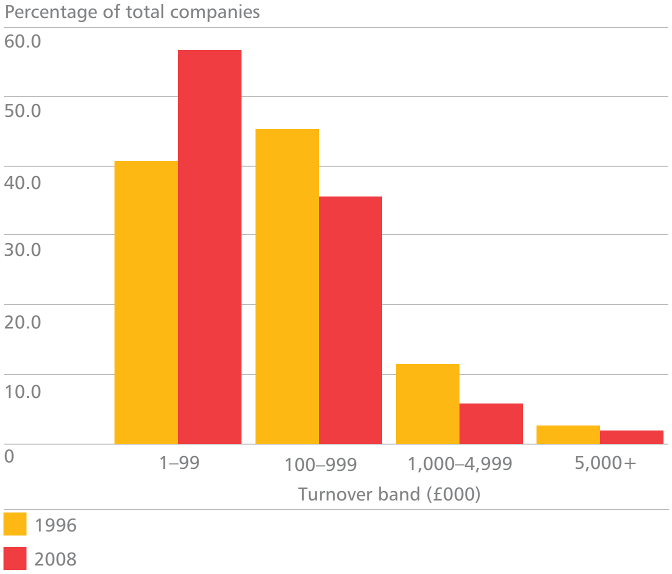
19.2 Changing size distribution of film companies

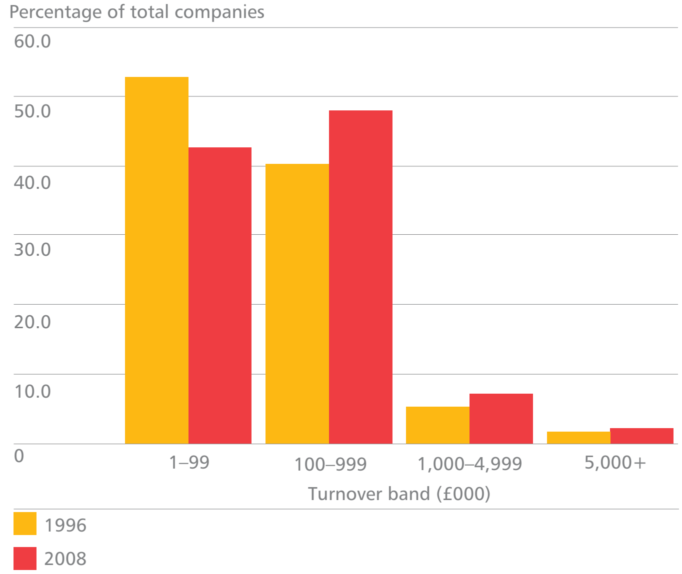
The growth in the number of film and video production companies has been concentrated in the smallest turnover size bands, the opposite of the UK all-industries trend. The proportion of film and video production companies in the £1,000–£99,000 turnover band was 57% in 2008, compared with 43% for UK all industries (Figures 19.1 and 19.2). Interestingly, there has also been a significant increase in the number (as opposed to proportion) of large film and video production companies. In 2008 there were 150 film and video production companies with a turnover of £5 million or more, compared with only 45 in 1996.

Figure 19.1 The changing size distribution of film and video production companies, 1996-2008



Source: Office for National Statistics, RSU analysis.
Note: For 1996 the data are for VAT-registered companies only. For 2008 the data include PAYE-registered companies that were not registered for VAT.

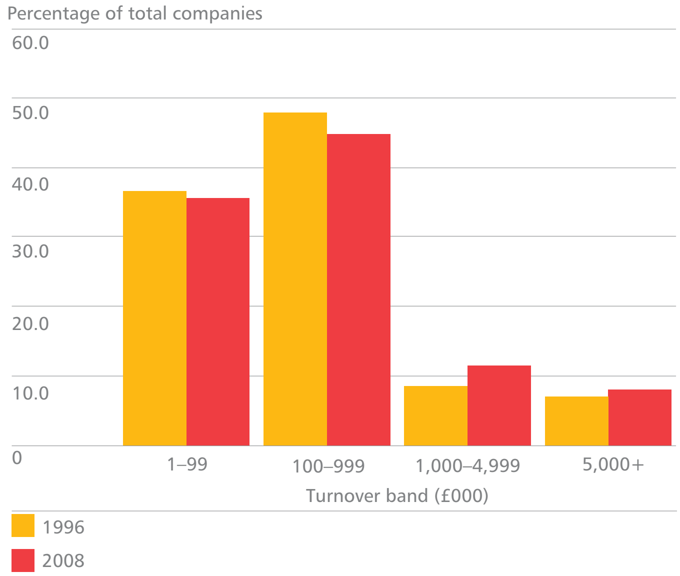
Figure 19.2 The changing size distribution of UK companies (all industries), 1996-2008



Source: Office for National Statistics, RSU analysis.
Note: For 1996 the data are for VAT-registered companies only. For 2008 the data include PAYE-registered companies that were not registered for VAT.

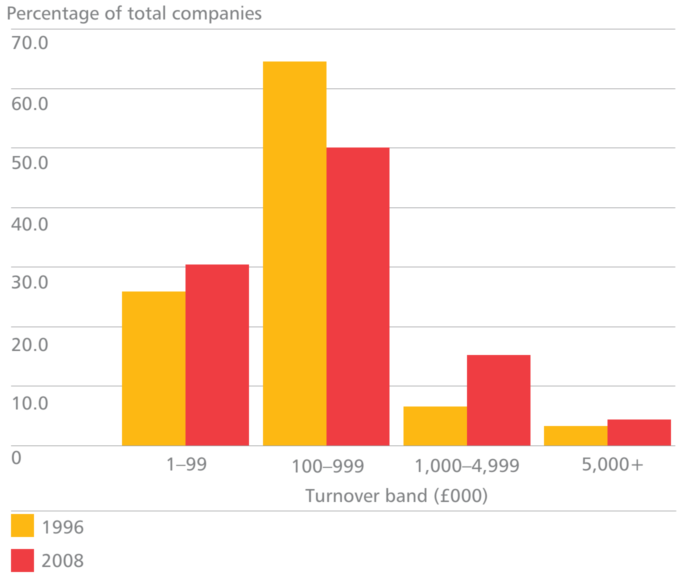
For the film distribution and exhibition sectors (Figures 19.3 and 19.4) the growth has been in the larger turnover size brackets, above £1 million per year.

Figure 19.3 The changing size distribution of film and video distribution companies, 1996-2008



Source: Office for National Statistics, RSU analysis.
Note: For 1996 the data are for VAT-registered companies only. For 2008 the data include PAYE-registered companies that were not registered for VAT.

Figure 19.4 The changing size distribution of film exhibition companies, 1996-2008



Source: Office for National Statistics, RSU analysis.
Note: For 1996 the data are for VAT-registered companies only. For 2008 the data include PAYE-registered companies that were not registered for VAT. The apparent increase in the proportion of film exhibition companies in the £1–99,000 turnover band is due to the inclusion of PAYE-registered companies in 2008.

19.3 National/regional distribution of film companies in the UK

Table 19.2 shows the national/regional distribution of film companies (local units) in the UK in 2008. Although it does not show differences in average turnover from region to region it gives a good first approximation of the geographic distribution of film activity in the UK. The production and distribution sectors were concentrated in London and the South East (68% and 69% of local units respectively) while the exhibition sector more closely matched the geographic distribution of the population (but not completely – see Chapter 10).

Table 19.2 National/regional distribution of film companies (local units) in the UK, 2008

	Production		Distribution		Exhibition	
	Number	%	Number	%	Number	%
London	4,295	53.3	250	54.9	120	22.0
South East	1195	14.8	65	14.3	70	12.8
South West	480	6.0	20	4.4	55	10.1
East	460	5.7	45	9.9	40	7.3
North West	360	4.5	20	4.4	50	9.2
Scotland	275	3.4	10	2.2	45	8.3
Yorkshire and the Humber	235	2.9	10	2.2	35	6.4
West Midlands	215	2.7	15	3.3	35	6.4
Wales	175	2.2	5	1.1	30	5.5
East Midlands	165	2.0	5	1.1	25	4.6
North East	105	1.3	5	1.1	15	2.8
Northern Ireland	105	1.3	5	1.1	25	4.6
Total	**8,065**	**100.0**	**455**	**100.0**	**545**	**100.0**

Source: ONS.
The location of each local unit of a company is counted in this table, not just the location of the head offices.

19.4 Leading film companies in the UK and Europe

Table 19.3 shows the top 15 film companies in the UK in 2007 as identified by the European Audiovisual Observatory. Several features stand out: the prominence of the US majors, the importance of undertaking multiple activities (production, distribution, rights, video) and the relatively high position of companies specialising in video and exhibition. There is only one UK distributor on the list (Entertainment), and two UK production companies (Ingenious and Future), both of which engage in film financing.

Table 19.3 Top 15 film companies in the UK, 2007

Rank	Company	Activities	Operating revenues €000
1	Walt Disney International	DISFILM, DIST, RIGHTS, VID	1,535,974
2	Odeon and UCI Cinemas Group	EXH	703,683
3	Warner Bros Entertainment UK	DISFILM, PRODFILM	*658,079
4	Cineworld Group	EXH	399,565
5	Universal Pictures Productions	RIGHTS, DISFILM, PRODFILM	*364,704
6	2 Entertain	VID	328,165
7	20th Century-Fox Home Entertainment	VID	**321,885
8	VUE Entertainment Holdings (UK)	EXH	319,856
9	Sony Pictures Home Entertainment	VID	*195,716
10	Columbia Pictures Corporation	PRODFILM, DISFILM, VID	*191,152
11	Ingenious Film Partners	PRODFILM, INVFILM	*185,259
12	The Entertainment Group of Companies	DISFILM, VID	*167,994
13	Future Capital Partners Group Holdings	PRODFILM, INVFILM	*141,693
14	Paramount Home Entertainment (UK)	VID	*137,751
15	National Amusements (UK)	EXH	*104,812

Source: European Audiovisual Observatory, 2008 Yearbook.
* Indicates 2006 revenues.
** Indicates 2005 revenues.
Definitions: DISFILM = film distribution; DISTV = television distribution, RIGHTS = trade in television rights; VID = video; EXH = exhibition; PRODFILM = film production; INVFILM = film investment.

Across Europe, the US majors were prominent. They were joined by four French companies (Pathé, Europalaces, Canal+ and UGC), indicating the continued corporate strength of the French film industry, three British-based exhibitors (Odeon, Cineworld and VUE), a Swedish distributor (Egmont Nordisk), an Italian producer (RAI), a Dutch producer and distributor (Embassy Eagle), a British video distributor (2 Entertain) and a German producer (Bavaria) (Table 19.4).

Table 19.4 Top 20 film companies in Europe, 2007

Rank	Company	Activities	Country	Operating revenues €000
1	Walt Disney International	DISFILM, DIST, RIGHTS, VID	GB	1,535,974
2	Odeon and UCI Cinemas Group	EXH	GB	703,683
3	Warner Bros Entertainment UK	DISFILM	GB	*658,079
4	Groupe Pathé	EXH, DISFILM, VID, RIGHTS, PRODFILM, TV	FR	609,000
5	Warner Bros Entertainment Spain	DISFILM	ES	*520,279
6	Egmont Nordisk Film	DISFILM, VID	SE	449,000
7	Europalaces	EXH	FR	427,000
8	Cineworld Group	EXH	GB	399,565
9	Groupe Canal+	PROD, DISFILM, RIGHTS, VID	FR	***394,000
10	RAI Cinema	PRODFILM, RIGHTS	IT	373,816
11	Embassy Eagle Holdings	PRODFILM, DISFILM	NL	*366,517
12	Universal Pictures Productions	RIGHTS, DISFILM, PRODFILM	GB	*364,704
13	UGC	EXH, DISFILM, VID, RIGHTS, PRODFILM	FR	359,851
14	Warner Bros Entertainment Germany	DISFILM	DE	337,451
15	2 Entertain	VID	GB	328,165
16	20th Century-Fox Home Entertainment	VID	GB	**321,885
17	VUE Entertainment Holdings (UK)	EXH	GB	319,856
18	United International Pictures	VID, DISFILM	NL	318,118
19	Bavaria Film	PRODFILM, PRODTV	DE	285,900
20	Walt Disney Iberia	DISFILM	ES	*232,700

Source: European Audiovisual Observatory, 2008 Yearbook.
* Indicates 2006 revenues.
** Indicates 2005 revenues.
*** indicates 2004 revenues.
Definitions: DISFILM = film distribution; DISTV = television distribution, RIGHTS = trade in television rights; VID = video; EXH = exhibition; PRODFILM = film production; PRODTV = television production, TV = television.

19.5 Leading film production companies in the UK and Europe

Looking at film production only, we see that nine out of the top 20 European production companies in 2007 were French, five German, three Nordic, two Italian and one British. As in 2005 and 2006, the list was topped by Constantin Film AG of Germany, makers of *Perfume* and *Downfall*. The UK is under-represented in this table due to the frequent use of special purpose vehicles (companies set up to make a single film), which appear singly rather than grouped under the name of their parent company.

Table 19.5 Top 20 film production companies in Europe, 2007

Rank	Company	Nationality	Operating revenues €000
1	Constantin Film AG	DE	225,000
2	EuropaCorp	FR	205,426
3	Ingenious Films Partners LLP	GB	*185,259
4	Filmauro (cons)	IT	121,994
5	Nordisk Film Valby A/S	DK	115,886
6	Nordisk Film AS	NO	98,700
7	AB Svensk Filmindustri	SE	93,099
8	Pathé Production	FR	90,357
9	SCA 1 (formerly Films Christian Fechner)	FR	**83,803
10	Odeon Film AG	DE	80,670
11	IMF Internationale Medien und Film GmbH	DE	*78,607
12	Gaumont	FR	72,900
13	Senator Entertaintment AG	DE	68,400
14	Fidélité Films	FR	62,202
15	Cattleya	IT	57,511
16	Mediastream Vierte Film GmbH	DE	**53,097
17	Babylon AD	FR	52,501
18	La Petite Reine	FR	*41,832
19	Galatée Films	FR	38,490
20	Pan Européenne Production	FR	*37,301

Source: European Audiovisual Observatory, 2008 Yearbook, Table T.16.3.
Special purpose vehicles omitted.
* Indicates 2006 revenues.
** Indicates 2005 revenues.

Drawing on the UK Film Council's production database and public information, Table 19.6 presents the top 14 companies involved in the production of UK films over the three-year period 2006 to 2008. Working Title came top of the list with 10 films, followed by Vertigo and Film and Music Entertainment with nine each, while Revolution Films made seven.

Table 19.6 also illustrates the range of budgets for UK films. At the low end, Warp X was involved with five films with an estimated combined budget of £5 million. At the upper end, Heyday Films, working with Warner Bros (UK) on the Harry Potter films, was involved in four productions with an estimated combined budget of £300 million.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 19.6 Top 14 production companies involved in UK production 2006–2008

Production company	Number of films	Estimated combined budget £ million	Selected titles
Working Title Films	10	240	The Boat that Rocked, Green Zone, Hippie Hippie Shake, Atonement, Elizabeth: the Golden Age, Mr Bean's Holiday
Vertigo Films	9	17	Bronson, The Children, Outlaw, The Firm, Dogging: a Love Story, Dirty Sanchez: The Movie
Film & Music Entertainment	9	19	Bathory, Quest for a Heart, Mirror Maze, Reykjavik Whale Watching Massacre
Revolution Films	7	20	Red Riding 1974, 1980 and 1983, The Unloved, 7 Days, A Mighty Heart, Genova
Warp X Films	5	5	Bunny and the Bull, Donkey Punch, Hush, Dogging: a Love Story
Fragile Films	5	27	St Trinians, Dorian Gray, Easy Virtue, From Time to Time
Matador Pictures	5	14	The Last Princess, Wild Target, Book of Blood, Dread
Heyday Films	4	300	The Boy in Striped Pyjamas, Is There Anybody There?, Harry Potter and the Half Blood Prince, Harry Potter and the Order of the Phoenix
Ruby Films	4	27	The Other Boleyn Girl, Brick Lane, Fish Tank, Five Minutes of Heaven
Potboiler Productions	4	26	Blindness, Happy-Go-Lucky, Lesson 21, Shrooms
Clubdeal	4	18	Flight of Fury, Pumpkinhead: Ashes to Ashes
Skyline Films	4	22	Lesbian Vampire Killers, Rocknrolla, The Bank Job
Ecosse Films	4	35	Becoming Jane, Brideshead Revisited, Pelican Blood, The Waterhorse
Number 9 Films	4	20	And When Did You Last See Your Father?, How to Lose Friends and Alienate People, Sounds Like Teen Spirit

Source: UK Film Council.
'Estimated combined budget' is the sum total of the estimated budgets of all the films associated with the named company. It is not a measure of that company's contribution to the budget. Most films had a number of production companies associated with them and the funding came from a variety of sources including equity investment, distributor minimum guarantees and television pre-sales.
The table includes all those companies associated with four or more films over the three year period.

See also:

- For Film4 and BBC Films see Chapter 18 (page 152)
- For film production company activity levels in 2008 see Chapter 17 (page 144)
- For US studio involvement in UK film production in 2008 see Chapter 17 (page 145)
- For leading film distributors in the UK in 2008 see Chapter 9 (page 68)
- For leading film exhibitors in the UK in 2008 see Chapter 10 (page 82)
- For numbers and size distribution of film workplaces in 2007 see Chapter 21 (page 181).

Image: *The Complete History of My Sexual Failures* courtesy of Optimum Releasing

Chapter 20: The UK film economy

The film industry is significant in the UK economy, making a substantial contribution to Gross Domestic Product (GDP) and the balance of payments. Film exports hit an all-time high of just over £1 billion in 2007, generating a trade surplus of over £200 million. Such successes are not just good news for the industry but also for other businesses like tourism which are boosted by the film industry.

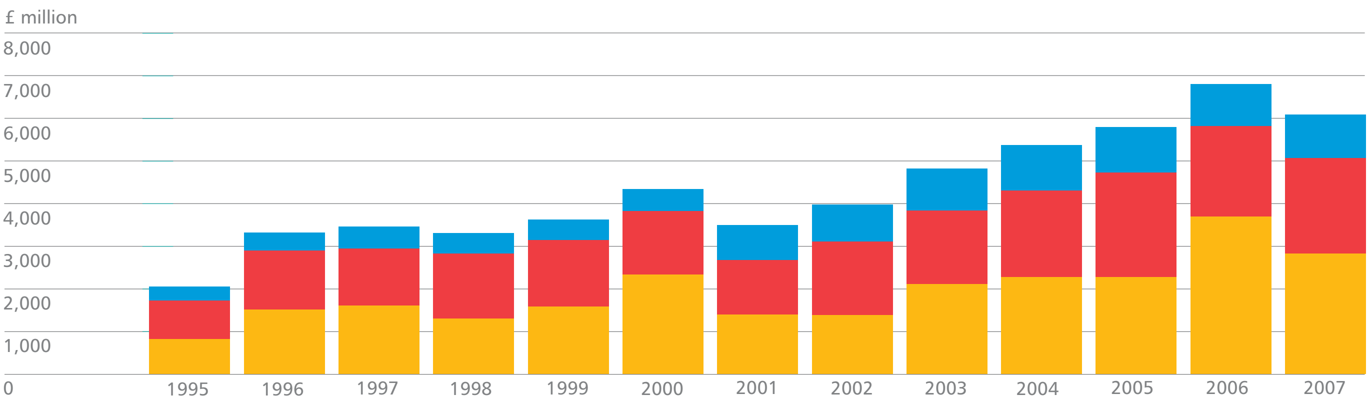
Facts in focus

- In 2007, the UK film industry had a total turnover of nearly £6.1 billion.
- Its contribution to UK GDP was £2.5 billion, 0.2% of the total.
- The fastest growing sub-sector was film and video production, but distribution and exhibition also grew substantially.
- The core UK film industry (film production plus distribution and exhibition of UK films) contributed £1.5 billion directly to GDP and £4.3 billion including all indirect effects.
- The industry exported £1,050 million worth of services in 2007, made up of £646 million in royalties and £403 million in film production services.
- Exports in 2007 were 50% higher than in 2001.
- The UK film trade surplus in 2007 was £232 million.

20.1 Film industry turnover 1995–2007

Figure 20.1 shows the total turnover of the UK's film sectors (production, distribution and exhibition) for the period 1995 to 2007. Each of the three sectors has shown strong growth over this period, with the total industry turnover increasing from £2 billion in 1995 to £6.8 billion in 2006, before falling back to £6.1 billion in 2007. The fluctuation mainly reflects changes in the reported turnover of the production sector. This rise and fall is partly due to sampling variation in the Annual Business Inquiry, but could also be a delayed reflection of the fall in total UK film market revenues since 2004, shown in Figure 14.1. Possible reasons for such a lag would include the time it takes for revenues to filter down the value chain and the likelihood that contract prices for future distribution reflect current market revenues rather than (unknown) future revenues.

Figure 20.1 Total turnover of UK film industry by sector, 1995–2007

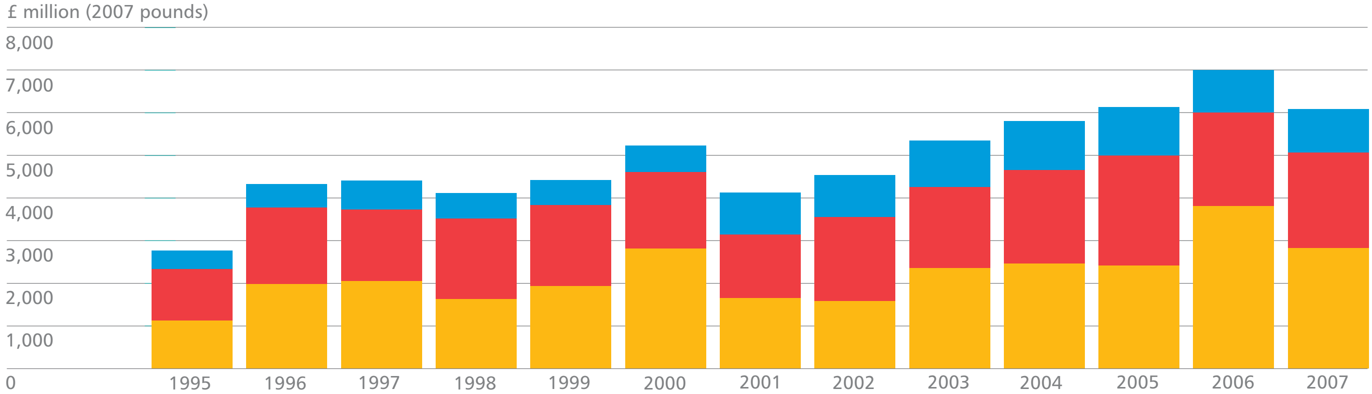


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Film and video production	829	1,514	1,612	1,306	1,589	2,334	1,402	1,389	2,119	2,281	2,280	3,702	2,826
Film and video distribution	895	1,385	1,328	1,521	1,555	1,494	1,271	1,721	1,718	2,030	2,450	2,125	2,242
Film exhibition	329	420	527	485	485	519	828	871	987	1,065	1,065	976	1,023

Source: ONS Annual Business Inquiry.
'Total turnover' is expressed in current values, ie not adjusted for inflation.

The total industry turnover expressed in real terms, that is with the effects of inflation removed, is shown in Figure 20.2. The real increase has been large: 152% for film and video production, 85% for film and video distribution and 130% for film exhibition. Overall, the industry more than doubled in size in real terms over this period.

Figure 20.2 Inflation-adjusted turnover of UK film industry by sector, 1995–2007



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Film and video production	1,120.2	1,972.9	2,046.9	1,623.8	1,937.5	2,809.1	1,650.6	1,584.2	2,349.8	2,462.5	2,412.0	3,812.5	2,826.0
Film and video distribution	1,209.4	1,804.8	1,686.2	1,891.1	1,896.1	1,798.1	1,496.4	1,962.9	1,905.1	2,191.5	2,591.9	2,188.4	2,242.0
Film exhibition	444.6	547.3	669.2	603.0	591.4	624.6	974.8	993.4	1,094.5	1,149.7	1,126.7	1,005.1	1,023.0

Source: ONS Annual Business Inquiry, HM Treasury.
The deflator used to calculate real values is the UK whole economy deflator.
Values expressed in constant 2007 pounds sterling.

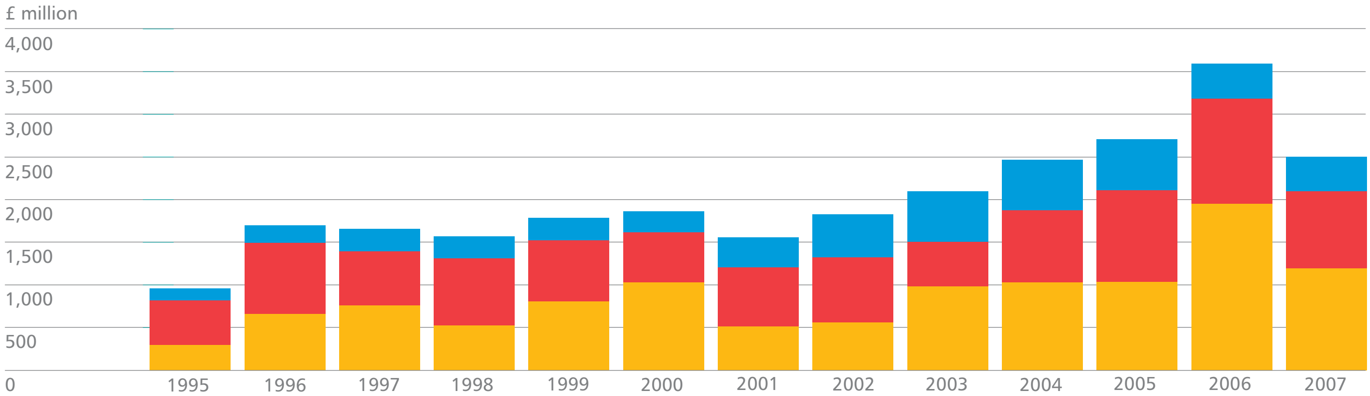
20.2 Film industry contribution to GDP 1995–2007

The contribution an industry makes to UK Gross Domestic Product is measured by its gross value added (GVA). 'Value added' is industry turnover minus the cost of inputs bought from other industries. The main components of value added are wages and salaries, interest and company profits. Value added is therefore a measure of the industry's ability to generate income for its workers, company owners and investors.

The industry's total value added increased from £956 million in 1995 to £3.6 billion in 2006, before falling back to £2.5 billion in 2007 (Figure 20.3). This is 0.2% of the UK's total GDP. All three sub-sectors showed substantial growth over the 12 year period, with the production and exhibition sectors showing the biggest gains.

In 2007, production accounted for 48% of value added, distribution 36% and exhibition 16%.

Figure 20.3 UK film industry gross value added, 1995–2007

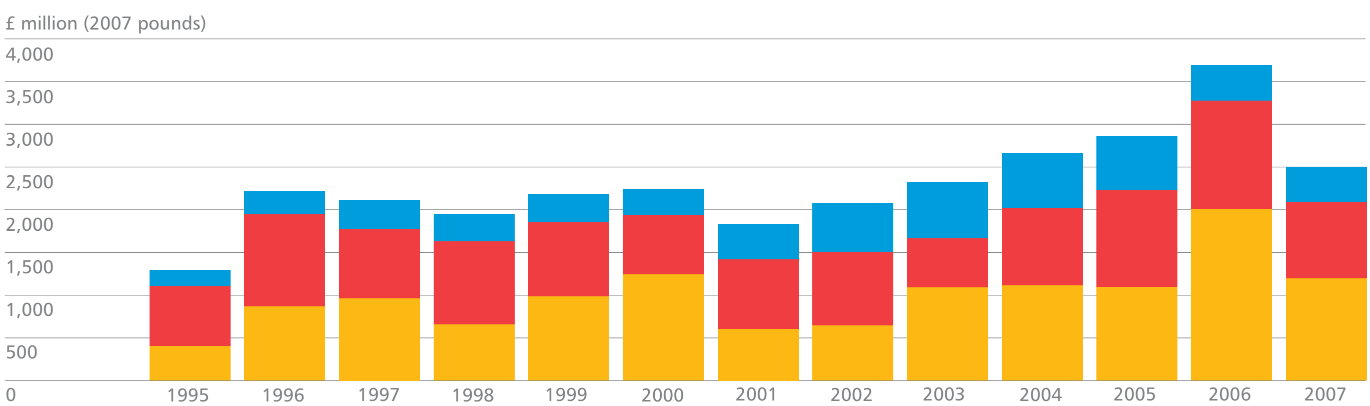


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Film and video production	299	663	758	525	805	1,032	514	562	983	1,032	1,035	1,951	1,196
Film and video distribution	522	829	638	784	716	582	689	760	520	841	1,072	1,232	900
Film exhibition	135	208	264	260	266	250	354	504	592	592	600	407	405

Source: ONS Annual Business Inquiry.
'Gross value added' is expressed in actual values, ie not adjusted for inflation.

Figure 20.4 shows the industry's value added expressed in real terms, that is with the effects of inflation removed. There was a sharp increase in real industry GVA in 1995-1996, followed by a plateau from 1996 to 2002. Real GVA then began to increase strongly again, reaching a peak of £3.7 billion in 2006. Real GVA was £2.5 billion in 2007, 94% higher than in 1995.

Figure 20.4 UK film industry real gross value added, 1995–2007



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Film and video production	404.0	863.9	962.5	652.7	981.6	1,242.1	605.1	641.0	1,090.1	1,114.1	1,094.9	2,009.2	1,196.0
Film and video distribution	705.4	1,080.3	810.1	974.8	873.0	700.5	811.2	866.8	576.6	907.9	1,134.1	1,268.8	900.0
Film exhibition	182.4	271.0	335.2	323.3	324.3	300.9	416.8	574.8	656.5	639.1	634.7	419.1	405.0

Source: ONS Annual Business Inquiry, HM Treasury.
The deflator used to calculate real values is the UK whole economy deflator.
Values expressed in constant 2007 pounds sterling.

20.3 Economic impact of the film industry

During 2007 the UK Film Council and Pinewood Shepperton plc commissioned a study of the economic impact of the UK film industry, which examined not only the direct impact but also indirect contributions, such as those to supplier industries, tourism, culture, merchandising, trade and the promotion of the UK internationally.

The study focused in particular on the core UK film industry, defined as film production in the UK plus the distribution and exhibition of UK films. The analysis showed that the core UK film industry contributed £1.5 billion directly to UK GDP in 2006, with a direct contribution to the Exchequer of £436 million. This GDP contribution rose to £4.3 billion when all indirect effects were taken into account, as shown in Table 20.1.

Table 20.1 Summary of the economic contribution of the core UK film industry

Channel of impact	Total contribution to UK GDP in 2006 £ million	Total contribution to Exchequer revenues in 2006 £ million	Employment impact in 2006
Direct	1,510	436	33,500
Multiplier effects	1,625	420	33,500
British film box office effect	53	8	500
Tourism	900	200	20,000
Promotion/trade	20	5	700
Merchandising	235	105	6,500
Total	**4,343**	**1,174**	**94,700**

Source: Oxford Economics.
Multiplier effects means the additional economic activity induced in the wider UK economy. British film box office effect is the amount that the total UK box office is raised by the presence of UK films. It is different from and less than the UK film box office share.

A copy of the report can be found on the UK Film Council's website –
www.ukfilmcouncil.org.uk/media/pdf/5/8/FilmCouncilreport190707.pdf

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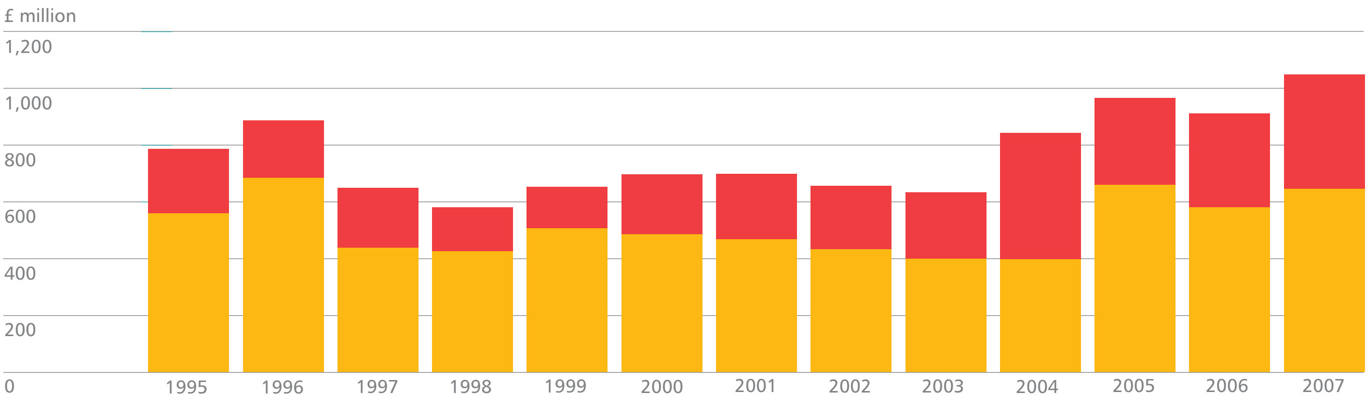
20.4 Film exports 1995–2007

The UK film industry exported £1,050 million worth of services in 2007 (the latest year for which data are available), £646 million of which came from royalties and £403 million from film production services. Compared with 2006, both categories increased significantly. Film exports in 2007 were 50% higher than in 2001 as can be seen in Figure 20.5.

Figure 20.5 UK film exports, 1995–2007



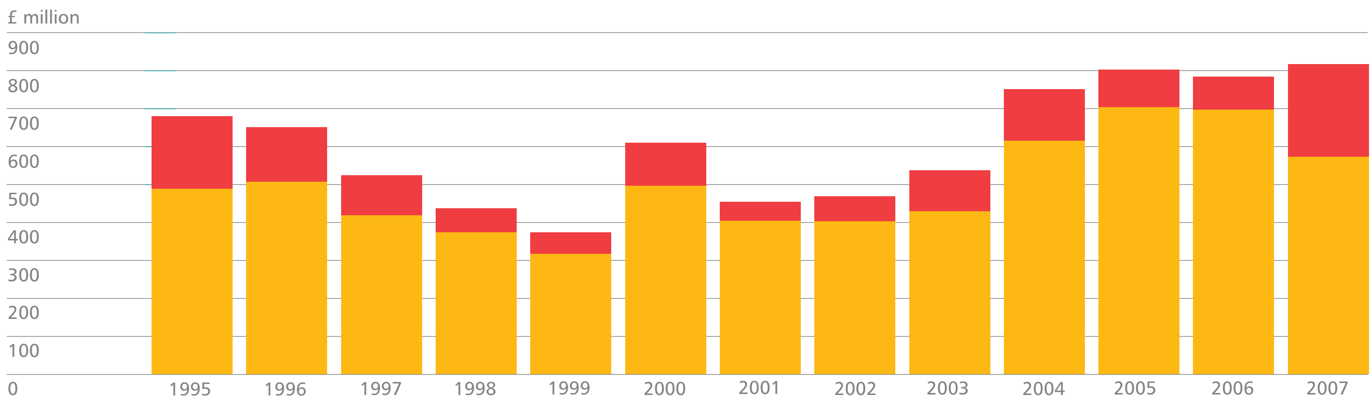
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Royalties	560	686	438	427	508	487	468	434	400	399	660	582	646
Film production	227	202	212	154	145	210	232	222	233	444	307	330	403
Total film company exports	787	888	650	581	653	697	700	656	633	843	967	913	1050

Source: Office for National Statistics (ONS).
Data for 2008 will be available in Nov/Dec 2009.
The export data are derived from the ONS Film and Television Survey (2007) which is a sample survey with a high response rate (92%) of companies in the Inter Departmental Business Register in the Standard Industrial Classification codes relating to film and television. The above chart shows the result for film companies only.

20.5 Film imports 1995–2007

The pattern of UK film imports (Figure 20.6) is different to that of exports. The great majority of film imports are royalties, reflecting the limited use of offshore production services by the UK and the payment of royalties for foreign films (particularly USA films) shown in the UK. Film imports in 2007 were about the same as in 2006 and 2005. In 2007, film companies reported a significant increase in imports of production services. The reason for this is unclear, though it is likely to originate from the UK subsidiaries of major US studios as this group reported a significant increase in imports in 2007.

Figure 20.6 UK film imports, 1995–2007



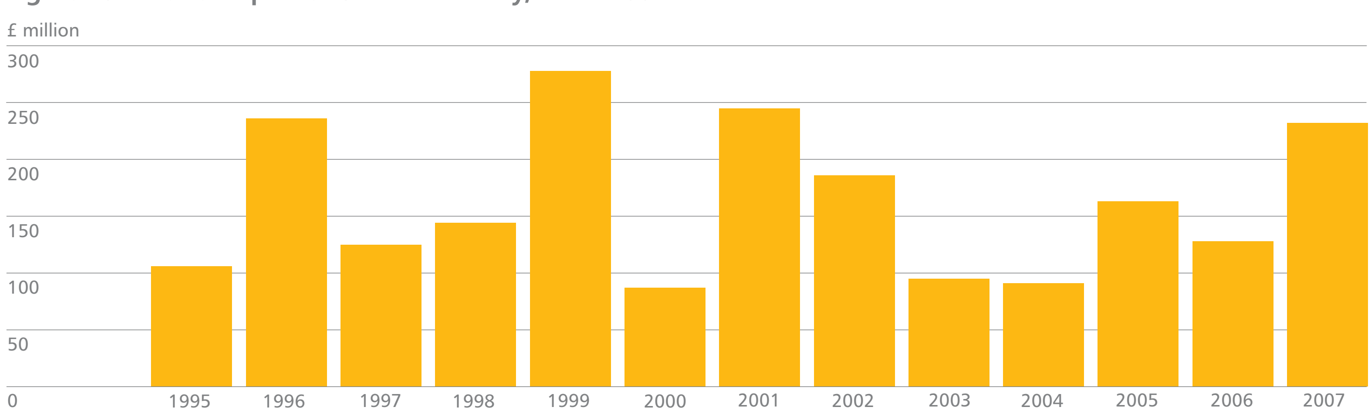
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Royalties	489	507	419	374	317	497	405	403	430	616	704	698	573
Film production	192	145	106	63	58	113	50	67	108	136	100	86	245
Total film company imports	681	652	525	437	375	610	455	470	538	752	804	784	818

Source: ONS.

20.6 The film trade balance 1995–2007

The film industry has made a continuous positive contribution to the UK balance of payments since 1995, with a trade surplus (positive balance of exports over imports) in 2007 of £232 million, as Figure 20.7 shows. This is significant at a time when the UK's physical trade is showing a large deficit and helps explain the Government's support for creative industries such as film.

Figure 20.7 Trade surplus of UK film industry, 1995–2007



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Balance	106	236	125	144	278	87	245	186	95	91	163	128	232

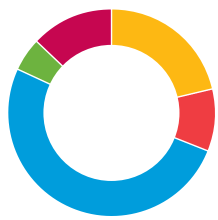
Source: ONS.
Note: 'Trade surplus' equals exports minus imports. Where a company (eg the UK subsidiary of a USA major) receives income from another country on behalf of its parent company and subsequently passes it on to its parent company, this is recorded both as a receipt and as a payment, leaving the measure of the trade surplus unaffected.

20.7 Film export markets

Figure 20.8 shows the geographic distribution of UK film exports for the years 2003-2007. The leading export destinations were the USA (51%), followed by the European Union (21%) and 'other Europe' (10%). Asia took 5% and the rest of the world 13% of the total.

Figure 20.8 Destination of UK film exports as percentage of the total, 2003–2007

European Union	21.3%
Other Europe	9.7%
USA	50.9%
Asia	5.2%
Rest of the world	12.9%



Source: ONS.
Rest of the world cannot be disaggregated due to sampling variation and disclosive data.

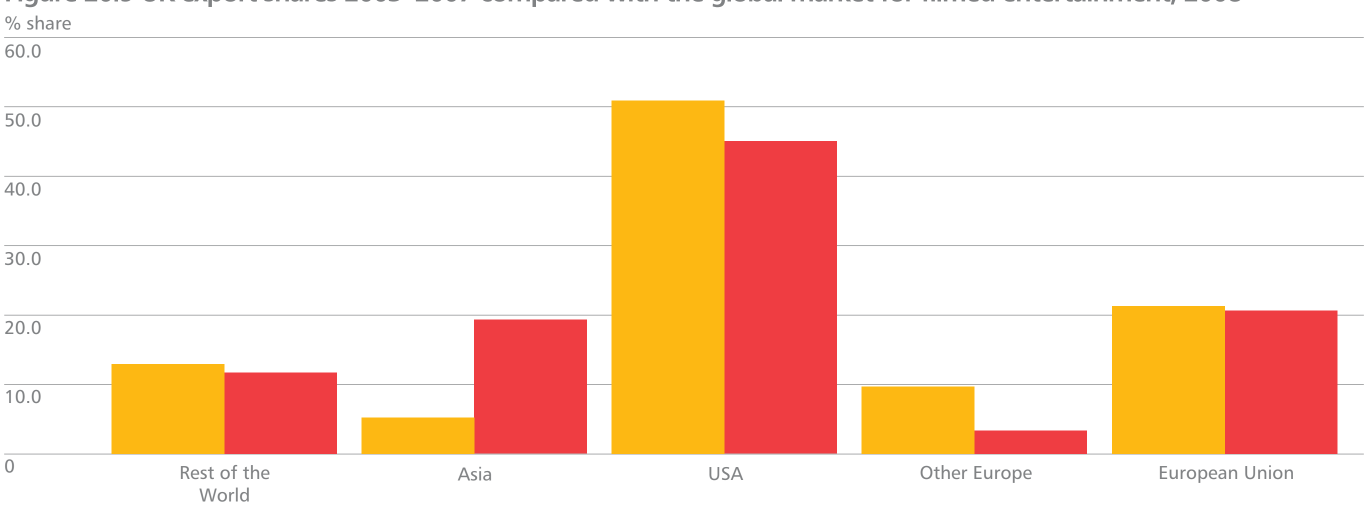
20.8 UK film exports compared with the global market for filmed entertainment

A useful comparison can be made between UK film export shares and the geographical distribution of the global market for filmed entertainment (Figure 20.9). For the EU, USA and Rest of the World, UK exports are roughly proportional to the size of the filmed entertainment market in each of those regions. The differences that stand out are:

- The higher proportion of UK exports to 'other Europe' (10% against a 3% global market share)
- The lower proportion of UK exports to Asia (5%) compared with the Asian countries' share of the global market (19%).

The latter discrepancy reflects the strength of the main Asian countries (Japan, China, South Korea and India) in their own markets and the consequent lower market shares for Hollywood and UK films.

Figure 20.9 UK export shares 2003–2007 compared with the global market for filmed entertainment, 2008



	Rest of the World	Asia	USA	Other Europe	European Union
UK exports %	12.9	5.2	50.9	9.7	21.3
Global market %	11.7	19.3	45.0	3.4	20.6

Source: UK exports: ONS. Global market: PricewaterhouseCoopers.
'Total global market for filmed entertainment' does not include the UK, to keep the figures comparable with the UK's export figures.

20.9 The geographical distribution of the UK's film trade surplus

The geographical distribution of the UK's film trade surplus was different from the export pattern, as shown in Table 20.2. In the years 2003-2007, almost half the surplus came from 'other Europe'. Rest of the world accounted for 32% and Asia 23%. On the other hand, the UK ran a film trade deficit with the USA equivalent to 17% of the film trade balance. This reflects the fact that, notwithstanding the strong performance of UK films in the US market and the sale of export production services to the USA, the UK pays large royalties to the USA arising from the distribution of Hollywood films in the UK.

Table 20.2 International transactions of the UK film industry by geographical area, annual average, 2003-2007

	Exports £ million	Imports £ million	Balance £ million	% balance
European Union	187.6	167.2	20.4	14.3%
Other Europe	85.8	17.4	68.4	48.1%
USA	448.2	472.0	–23.8	–16.7%
Asia	45.8	13.8	32.0	22.5%
Rest of the world	113.8	68.6	45.2	31.8%
Total	**881.2**	**739.0**	**142.2**	**100.0%**

See also:

- For more information on the UK and global film market see Chapter 14 (page 108)
- For more information on the performance of UK films internationally see Chapter 6 (page 42)
- For more information on inward investment in film production in the UK see Chapter 17 (page 134)
- See Chapter 18 (page 146) for details of public investment in film.

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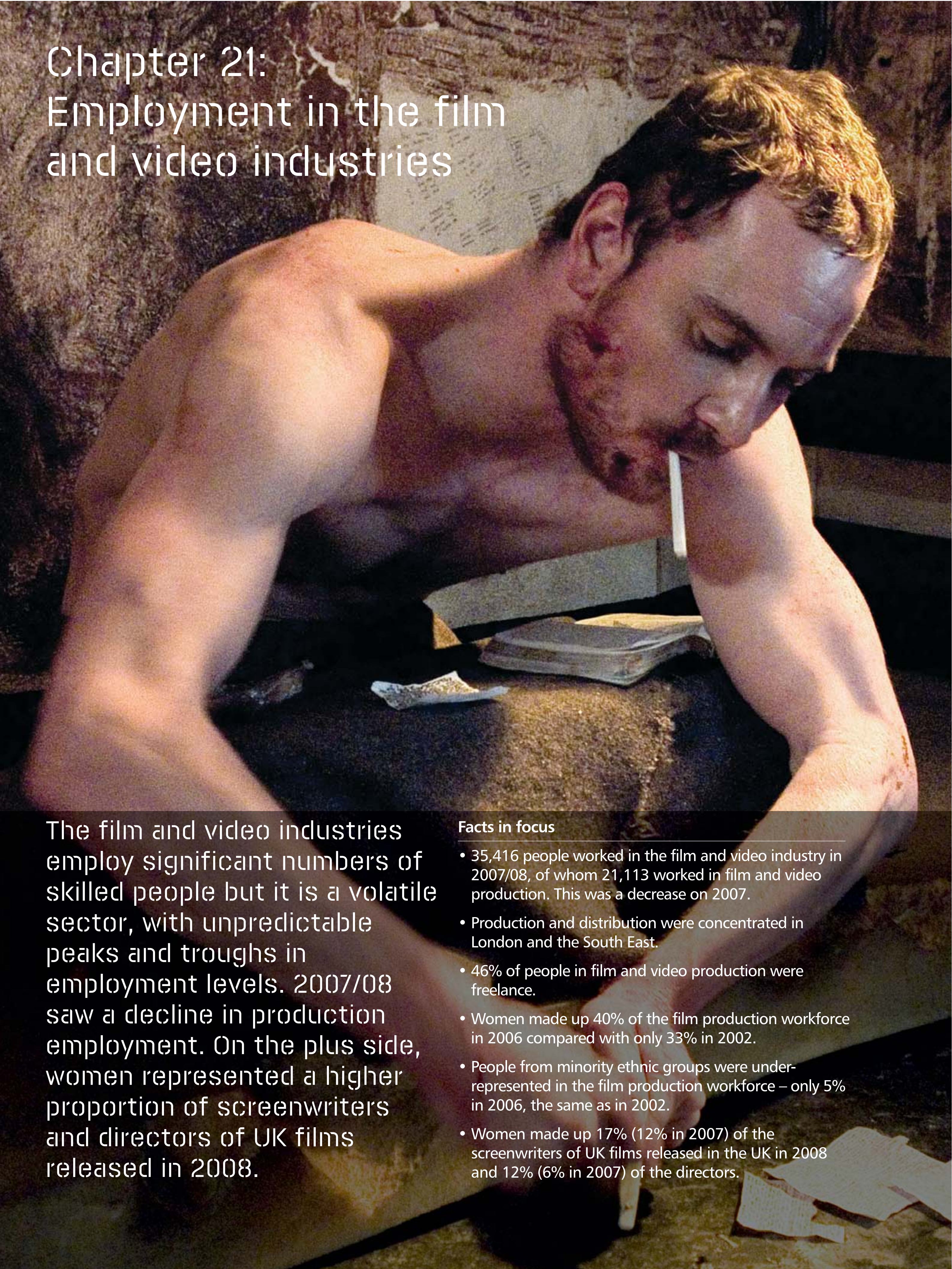

Chapter 21: Employment in the film and video industries

The film and video industries employ significant numbers of skilled people but it is a volatile sector, with unpredictable peaks and troughs in employment levels. 2007/08 saw a decline in production employment. On the plus side, women represented a higher proportion of screenwriters and directors of UK films released in 2008.

Facts in focus

- 35,416 people worked in the film and video industry in 2007/08, of whom 21,113 worked in film and video production. This was a decrease on 2007.
- Production and distribution were concentrated in London and the South East.
- 46% of people in film and video production were freelance.
- Women made up 40% of the film production workforce in 2006 compared with only 33% in 2002.
- People from minority ethnic groups were under-represented in the film production workforce – only 5% in 2006, the same as in 2002.
- Women made up 17% (12% in 2007) of the screenwriters of UK films released in the UK in 2008 and 12% (6% in 2007) of the directors.

21.1 The workforce

21.1.1 Labour Force Survey

According to the Labour Force Survey conducted by the Office for National Statistics (ONS), a total of 35,416 people worked in the film and video production, distribution and film exhibition sectors in the year 2008 (October 2007 to September 2008). Figures include both full-time and part-time workers. Table 21.1 shows the breakdown.

Table 21.1 Film and video industry workforce, 2008

Sector	SIC	Number in employment
Film and video production	9211	21,113
Film and video distribution	9212	2,751
Film exhibition	9213	11,551
Total		**35,416**

Source: Labour Force Survey, ONS.
Notes:
1. SIC = Standard Industrial Classification.
2. Numbers in employment are averages of the four calendar quarters, Oct-Dec 2007, Jan-Mar, Apr-Jun and Jul-Sep 2008.
3. People in employment include people aged 16 or over who did paid work (as an employee or self-employed), those who had a job that they were temporarily away from, those on government-supported training and employment programmes, and those doing unpaid family work.
4. ONS does not separate video production and distribution from film production and distribution.

The 2008 figure continued a falling trend in reported employment in the film and video production sector. Overall however, the film and video industry workforce was 13% larger in 2008 than in 1996. This is comparable to the increase in the overall UK workforce of just over 14% over the same period. Figure 21.1 shows the changing levels of employment in the three film-related sectors.

Employment in the film production sector has continued to shrink since the peak of 2001, despite the fact that UK production spend has been higher on average since 2003 than it was in 2001 and 2002 (see Figure 17.2). Distribution is fairly constant, while the upward trend in exhibition to 2004 has ceased and been replaced by a downward one.

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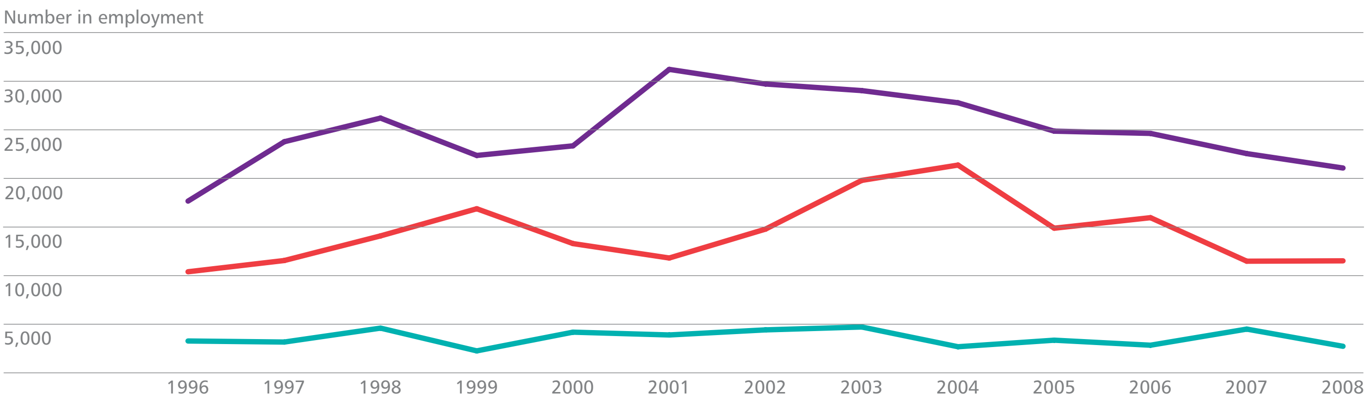
Figure 21.1 Size of film and video workforce, 1996–2008



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Film and video production	17,705	23,819	26,255	22,407	23,396	31,271	29,768	29,087	27,831	24,909	24,677	22,597	21,113
Film and video distribution	3,296	3,188	4,622	2,277	4,205	3,918	4,441	4,737	2,705	3,379	2,862	4,521	2,751
Film exhibition	10,427	11,585	14,121	16,917	13,328	11,844	14,819	19,839	21,415	14,913	15,998	11,516	11,551

Source: Labour Force Survey, ONS.
Notes:
1. The employment figures are averages of the four 'calendar quarters' (Oct-Dec, Jan-Mar, Apr-Jun and Jul-Sep), referred to as 'year to September'. In 2006, Eurostat required all countries in the EU to have a Labour Force Survey based on calendar quarters.

Most people working in the film distribution and exhibition sectors were employees, but the film production sector had a higher proportion of freelance workers. In 2008, 46% of those engaged in film and video production, a total of 9,765 people, were self-employed (Table 21.2 and Figure 21.2).

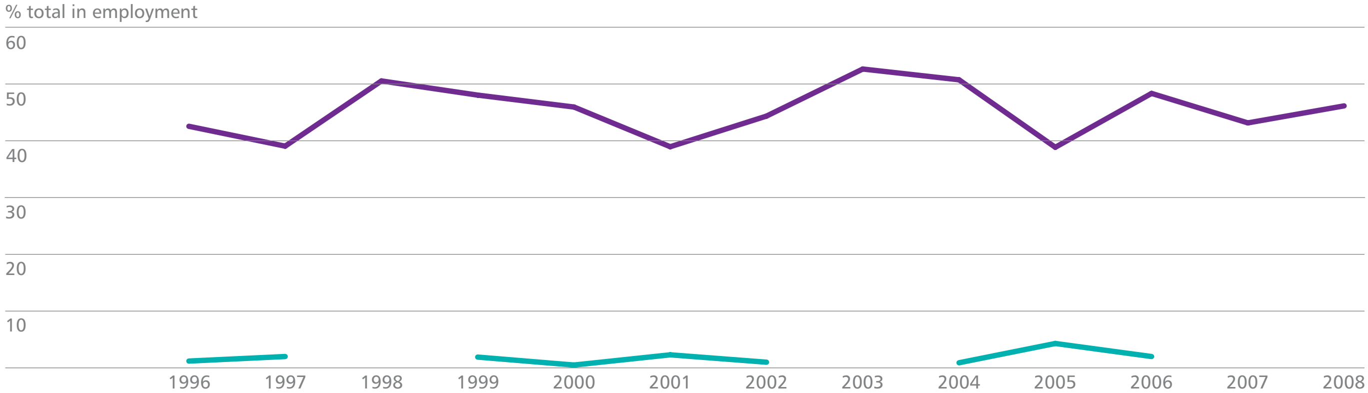
Table 21.2 Film and video production workforce (SIC 9211), 1996–2008

	Total in employment	Self-employed	Self-employed as % of total	Unpaid family worker	Unpaid family worker as % of total
1996	17,705	7,539	42.6	215	1.2
1997	23,819	9,313	39.1	488	2.0
1998	26,255	13,276	50.6	–	–
1999	22,407	10,776	48.1	422	1.9
2000	23,396	10,764	46.0	107	0.5
2001	31,271	12,201	39.0	705	2.3
2002	29,768	13,209	44.4	305	1.0
2003	29,087	15,330	52.7	–	–
2004	27,831	14,137	50.8	251	0.9
2005	24,909	9,693	38.9	1,076	4.3
2006	24,677	11,949	48.4	502	2.0
2007	22,597	9,752	43.2	–	–
2008	21,113	9,765	46.2	–	–

Source: Labour Force Survey, ONS.
Notes:
1. Year means the year ending September. See footnote to Figure 21.1 for explanation.
2. An 'unpaid family worker' is defined as a person who is doing unpaid work for a business that they own or that a relative owns.

The proportion of self-employed workers has fluctuated in the 40–50% band since 1996. In comparison, only 13% of the total UK workforce was self-employed in the year to September 2008.

Figure 21.2 Self-employed and unpaid family workers as proportions of total workforce, film and video production (SCI 9211), 1996–2008



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Self-employed as % of total	42.6	39.1	50.6	48.1	46.0	39.0	44.4	52.7	50.8	38.9	48.4	43.2	46.2
Unpaid family worker as % of total	1.2	2.0		1.9	0.5	2.3	1.0		0.9	4.3	2.0		

Source: Labour Force Survey, ONS.
Notes:
1. Year means the year ending September. See footnote to Figure 21.1 for explanation.
2. Data for unpaid family workers were unavailable for 1998, 2003, 2007 and 2008 due to sampling, but numbers were likely to be small.

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21.1.2 Skillset's Labour Market Intelligence

In view of the limitations of official labour market data in providing workforce size at sub-sector level, Skillset, the Sector Skills Council for the creative media industries, compiles its own workforce employment statistics for a number of sub-sectors of the creative industries.

According to Skillset's 2008 Labour Market Intelligence (LMI) Digest for film, the UK film industry had a total workforce of 27,800 people. The majority were working in exhibition (62% of total, 17,200 people), with 34% in production (9,500 people) and 4% (1,100 people) in distribution.

The LMI workforce estimates for film production and distribution are not directly comparable with those from the LFS as the latter includes workers from the video industry. Nonetheless, they are 43% and 40% of their LFS counterparts for film and video combined. The LMI estimate for film exhibition is directly comparable to that from the LFS. The LMI figure (17,200 people) is 49% higher than the equivalent figure from LFS (11,551).

21.2 The feature film production workforce survey

The Skillset/UK Film Council feature film production surveys aim to obtain reliable statistics on working patterns, skills development needs, existing provision, and barriers experienced to receiving training and development.

Following a survey conducted in 2002, a second feature film workforce survey was carried out in 2006 and its final results published in 2008. Here we report and contrast the main results on demographics and work patterns between the two surveys. Full reports of both surveys are available from the Skillset website (see the end of the chapter).

Two-fifths of the 2006 survey respondents were women, with the female percentage varying widely by occupation group, from 85% in make-up and hairdressing to 3% in construction, as Table 21.3 shows. There appears to be some variation in the gender profiles between the two surveys. There were more female assistant directors (39%) but fewer women working in editing, post-production and visual effects (26%) in 2006. Five percent of the respondents in the sound/electrical occupations were women compared to zero in 2002.

Table 21.3 Occupational group by gender, film production workforce, 2002 and 2006

	Respondents 2002		Respondents 2006	
Occupational group	Male %	Female %	Male %	Female %
Production / script development	34	66	36	64
Assistant directors	74	26	61	39
Art /set decorating / props	68	32	55	45
Camera	91	9	85	15
Sound / electrical	100	–	95	5
Costume	30	70	20	80
Make-up / hairdressing	12	88	15	85
Editing / post-production / visual effects	58	42	74	26
Construction	95	5	97	3
Locations	76	24	78	23
Others	70	30	65	35
All occupations	67	33	60	40

Source: Skillset.
Note: The percentages for male and female in some occupational groups do not add up to 100% due to rounding.

The challenge of reflecting the UK's ethnic diversity in the film production industry is evident in Tables 21.4 and 21.5. The ethnic profile of the respondents in 2006 was identical to that in the previous survey. Overall only 5% of the film workforce was from minority groups, below the national all-sectors average of 7% and well below the London workforce average of 24%, which is a relevant comparator for the film industry in view of its concentration in London.

Table 21.4 Ethnicity of UK film production workforce, 2002 and 2006

Ethnic group	Respondents 2002 %	Respondents 2006 %	All UK workforce (LFS, 2004) %
White	95	95	93
Mixed	2	2	1
Asian or Asian British	1	1	3
Black or black British	1	1	2
Chinese	–	–	–
Other	1	1	1

Source: Skillset; ONS Labour Force Survey (LFS), quarterly supplement 2004.

Table 21.5 Ethnicity of London film production workforce, 2002 and 2006

Ethnic group	London respondents 2002 %	London respondents 2006 %	All London workforce (LFS, 2004) %
White	94	93	76
Mixed	3	2	1
Asian or Asian British	1	1	11
Black or black British	1	1	8
Chinese	–	1	1
Other	1	1	3

Source: Skillset; ONS Labour Force Survey (LFS), quarterly supplement 2004.

The disabled proportion of the film production workforce increased slightly from 2% to 3%, as shown in Table 21.6, but is still less than the UK average of 5%.

Table 21.6 Disability, film production workforce, 2002 and 2006

Workers who consider themselves to have a disability	Respondents 2002 %	Respondents 2006 %	All UK workforce (LFS, 2004) %
Yes	2	3	5
No	98	97	95

Source: Skillset; ONS Labour Force Survey, quarterly supplement 2005.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

The age profile of the respondents in 2006 was somewhat more youthful than in the previous survey. The film production workforce was predominantly young, with 84% aged 49 or under (Table 21.7). The female age profile was significantly younger than the male, with 90% of women being under the age of 49.

More of the respondents in 2006 were between 16 and 24 years (8% compared with 3% in 2002). People in film production appeared younger than in the wider workforce, with more than a third falling into the 25–34 year age band in comparison with a fifth of the UK workforce as a whole. The increase in the female percentage in the 16–24 and 25–34 age groups is consistent with the slight growth overall in the female percentage of the workforce, suggesting increased entry of younger women into film production.

Table 21.7 Age distribution of film production workforce, 2002 and 2006

	Respondents 2002			Respondents 2006			All UK workforce (LFS, Nov 06-Jan 07)
Age group	Male %	Female %	All %	Male %	Female %	All %	All %
16–24	3	4	3	7	9	8	14
25–34	26	41	31	27	45	34	21
35–49	46	42	45	46	37	42	38
50+	25	13	21	21	10	16	26
All ages	100	100	100	100	100	100	100

Source: Skillset; ONS Labour Force Survey (LFS), quarterly supplement March 2007.

As Table 21.8 shows, slightly fewer respondents were married or living as a couple in 2006 than in 2002 (57% compared with 61%). In addition more were single (38% compared with 32%).

Table 21.8 Marital status of film production workforce, 2002 and 2006

Marital status	Respondents 2002 %	Respondents 2006 %
Married or living as couple	61	57
Single and never married	32	38
Divorced or separated	7	5
Widowed	–	–

Source: Skillset.

Just over a quarter (27%) of respondents reported living with at least one dependent child under 16 years, which was a slight drop in comparison with the third in 2002 (Table 21.9). As in 2002 however, the proportion of male respondents living with dependent children was considerably greater than the proportion of female respondents (40% compared with 14%).

Table 21.9 Family status of film production workforce, 2002 and 2006

	Respondents 2002			Respondents 2006		
	Male %	Female %	All %	Male %	Female %	All %
Living with dependant child(ren) under 16	39	21	33	40	14	27

Source: Skillset.

More results from the feature film production workforce surveys are available from the full reports, which can be seen on the Skillset website.

21.3 The gender of writers and directors of UK films

Since 2005, the UK Film Council has been studying the under-representation of women among screenwriters of UK films. This has been the subject of two reports *Scoping Study into the Lack of Women Screenwriters in the UK* (IES, 2006) and *Writing British Films – who writes British films and how they are recruited* (Susan Rogers, Royal Holloway and UK Film Council, 2007). See the web-link for these reports at the end of the chapter.

The combined conclusion of these reports is that female under-representation is an aspect of a commissioning process that tends to recruit writers who:

- Are already known to the commissioning producers and/or
- Are members of the Writers Guild of America and/or
- Have American agents (even if they are British).

At the time these reports were commissioned, evidence suggested that around 10% of UK films had a female director and around 15% of UK films had a female writer. Of the 168 identified writers of UK films in 2008, 29 (17%) were women (Table 21.10).

Table 21.10 Gender of writers of UK films released in the UK, 2008

Year	2008
Number of UK titles released in the UK	111
Number of writers associated with these titles	168
Number of male writers	138
Number of female writers	29
% female	17.3%

Source: UK Film Council.

While this is a low proportion, it is an increase on 2006 and 2007 (see Chapter 19, 2008 Statistical Yearbook) when only 15% and 12% of writers were women.

The absolute number of female writers associated with released UK films was also up in 2008, to 29 (from 23 and 20 in the previous two years). Some of the female writers associated with UK films released in 2008 were: Catherine Johnson *(Mamma Mia!)*, Sharman MacDonald *(The Edge of Love)*, Sharon Maguire *(Incendiary)* and Gurinder Chadha *(Angus, Thongs and Perfect Snogging)*.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Table 21.11 shows directors by gender for UK films released in the UK in 2008.

Table 21.11 Gender of directors of UK films released in the UK, 2008

Year	2008
Number of UK titles released in the UK	111
Number of directors associated with these titles	113
Number of male directors	100
Number of female directors	13
% female	11.5%

Source: UK Film Council.

While also low (12%), the proportion of female directors was higher than in 2006 (9%) and 2007 (6%). Some of the 13 female directors associated with UK films released in 2008 were: Gillian Armstrong *(Death Defying Acts)*, Gurinder Chadha *(Angus, Thongs and Perfect Snogging)*, Jan Dunn *(Ruby Blue)*, Phyllida Lloyd *(Mamma Mia!)* and Sharon Maguire *(Incendiary)*.

21.4 The workplace location

The film production and distribution sectors are concentrated in London and the South East, as shown in Table 21.12. In contrast, the London and South East share of the exhibition sector workforce is closer to the UK average.

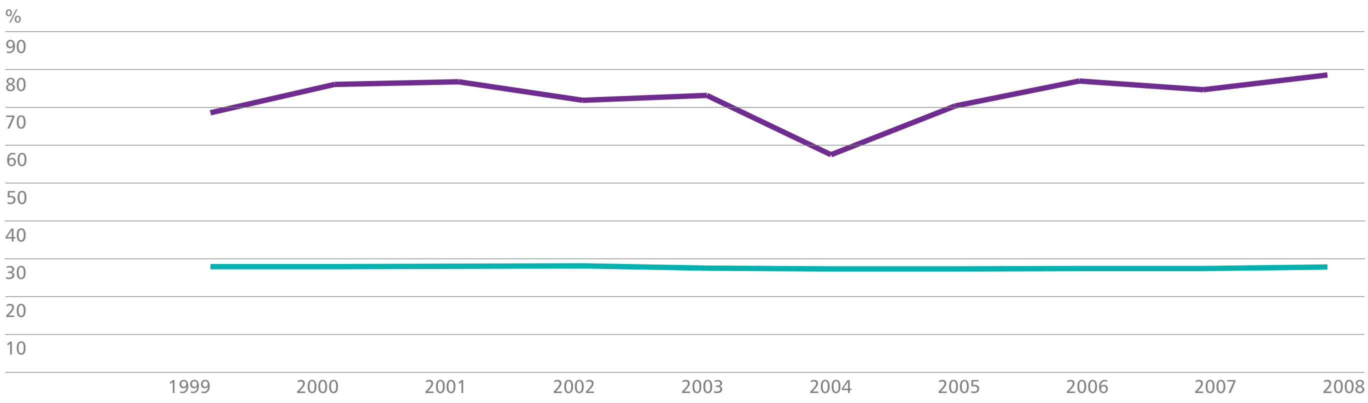
Table 21.12 London and South East employment as percentage of total, 2008

Sector	SIC	Total UK employment	London and South East employment	London and South East as % of UK total
UK all industries		29,384,765	8,189,906	27.9
Film and video production	9211	21,113	16,620	78.7
Film and video distribution	9212	2,751	1,584	57.6
Film exhibition	9213	11,551	2,595	22.5

Source: Labour Force Survey, ONS. The South East region wraps around London to include the major studios to the west of London.
Note: Totals shown in this table are averages of the four calendar quarters from October 2007 to September 2008.

The London and South East share of the film and video production workforce was 79% in the year to September 2008 (75% in 2007). Figure 21.3 suggests that the share of the film and video production workforce in London and the South East is close to the level prevailing in the early 2000s. The London and South East share of the distribution workforce fell to 58% from 85% last year. The falls in its London and South East share as well as its total workforce size (2,751 to September 2008 compared with 4,521 in 2007) may be due to statistical error arising from the small sample size of the Labour Force Survey at industry sub-sector level.

Figure 21.3 London and South East percentage share of the film and video production and total workforce, 1999–2008



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Film and video production	68.7	76.2	76.9	72.0	73.3	57.6	70.5	77.1	74.8	78.7
UK all industries	28.0	28.0	28.1	28.2	27.6	27.4	27.4	27.5	27.5	27.9

Source: Labour Force Survey, ONS.
Notes:
1. Year means the year to September of the year. See footnote to Figure 21.1 for explanation.

21.5 The scale of the workplace

Each year, the Office for National Statistics conducts a survey of businesses, called the Annual Business Inquiry (ABI), which provides information on the number of employees in each workplace, by industrial sector. The latest available data are for 2007 and those relating to the film industry are shown in Tables 21.13 to 21.15.

Figures reported in Sections 21.1 and 21.4 are based on the Labour Force Survey (LFS) which includes freelancers. For this reason the LFS figures should, in principle, be higher than those based on the ABI which includes employees only. However this is not always the case. There are at least two possible sources of the variation: sampling error arising from small LFS sample size at industry sub-sector level and the fact that there are two industry classification processes involved. In the LFS, individuals are classified by industry depending on the industrial information they give, whereas in the ABI the industry classification is based on companies' activities. As people and companies often work across more than one industry (television and film for example) this gives rise to unpredictable variations between the LFS and the ABI measures.

Nomis (the official labour market statistics online database) provides ABI data for England, Wales and Scotland only. Figures for Northern Ireland are reported separately by the Department of Enterprise, Trade and Investment (DETI) and are shown in Table 21.16. The different characteristics of the three sectors stand out clearly in these tables.

The film and video production sector had a very high number of small workplaces (97% in the 1–10 band), accounting for a majority of the sector's total workforce (58%), as Table 21.13 shows. At the other end of the scale, there was a small number of large workplaces. The 36 workplaces with 50 or more employees accounted for 5,117 employees, an average of 142 each.

Table 21.13 Film and video production (SIC 9211) workplace size distribution (employees) for England, Wales and Scotland, 2007

Workplace size band	Number of workplaces in band	% of total workplaces	Number of employees in band	% of total employees
1–10	7,696	97.1	12,193	57.7
11–49	193	2.4	3,840	18.2
50+	36	0.5	5,117	24.2
Total	**7,925**	**100.0**	**21,150**	**100.0**

Source: Annual Business Inquiry, ONS.

The distribution sector was not as concentrated in small workplaces as the production sector, with four-fifths of the employees working in workplaces with 11 or more employees (Table 21.14).

Table 21.14 Film and video distribution (SIC 9212) workplace size distribution (employees) for England, Wales and Scotland, 2007

Workplace size band	Number of workplaces in band	% of total workplaces	Number of employees in band	% of total employees
1–10	396	87.2	872	18.0
11+	58	12.8	3,971	82.0
Total	**454**	**100.0**	**4,843**	**100.0**

Source: Annual Business Inquiry, ONS.

Workplace numbers for bands above 11 employees cannot be published for confidentiality reasons (too few workplaces in the bands). Some 63% of distribution employees worked in workplaces of 50 employees or more, while a small number of workplaces had 200-plus employees.

Table 21.15 shows that the exhibition sector had a concentration that was the reverse of the production sector with 55% of employees in workplaces of 50 or more and only 4% in workplaces in the 1–10 employee band.

Table 21.15 Film exhibition (SIC 9213) workplace size distribution (employees) for England, Wales and Scotland, 2007

Workplace size band	Number of workplaces in band	% of total workplaces	Number of employees in band	% of total employees
1–10	193	35.2	637	3.8
11–49	225	41.0	6,852	41.1
50+	131	23.9	9,195	55.1
Total	**549**	**100.0**	**16,684**	**100.0**

Source: Annual Business Inquiry, ONS.

Due to the 'disclosive' nature of workplace statistics reported for Northern Ireland (too few units in certain size bands), the three SIC categories have been combined under the SIC code of 921, as shown in Table 21.16. The latest available data are from the 2007 Census of Employment for Northern Ireland. Two-thirds (67%) of the workplaces had 10 employees or less while 90% (88% in 2005) of the employees were in workplaces of 11 or more employees. The number of small workplaces (10 employees or less) in 2007 had increased by 10 percentage points from 57% in 2005.

Table 21.16 Film and video industry (SIC 921) workplace size distribution (employees) for Northern Ireland, September 2007

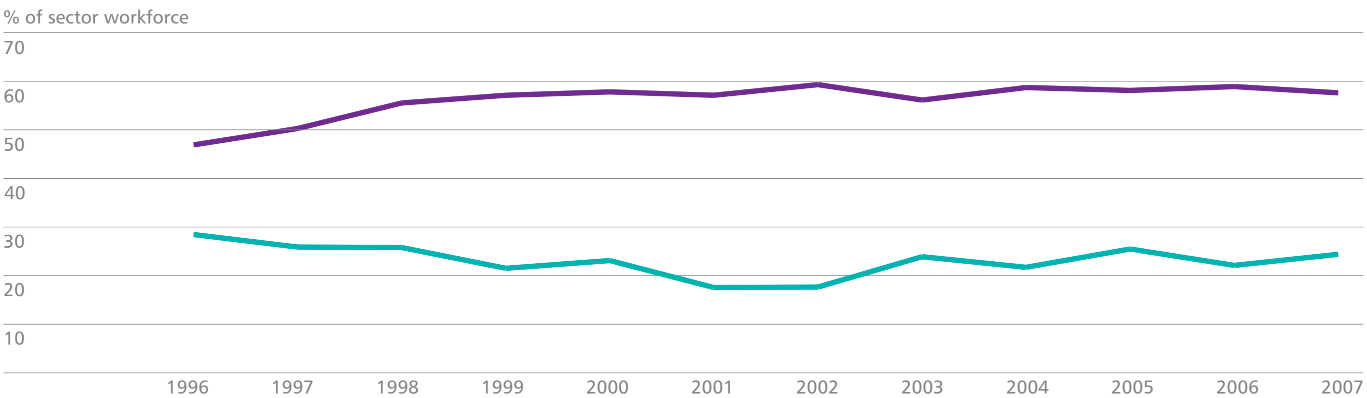
Workplace size band	Number of workplaces in band	% of total workplaces	Number of employees in band	% of total employees
1–10	43	67.2	97	9.8
11+	21	32.8	890	90.2
Total	**64**	**100.0**	**987**	**100.0**

Source: Northern Ireland Census of Employment, Department of Enterprise, Trade and Investment (DETI).

The declining trend in the proportion of employment in workplaces with 50 or more employees in the film and video production sector in the early part of the last decade has been reversed in recent years. In contrast, the rapid growth in the proportion of employment in workplaces with 1–10 employees from 1996 has slowed and reached a level of just below 60% of the sector as a whole in 2007 (Figure 21.4).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Figure 21.4 Film and video production sector (SIC 9211) employees by workplace size band, percentage of total, 1996–2007

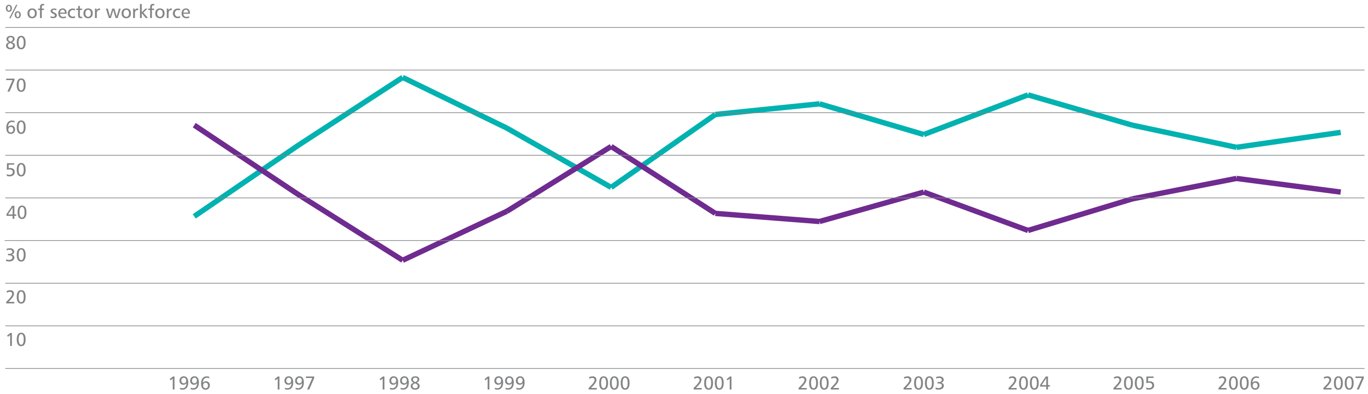


	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1–10 employees	46.9	50.3	55.6	57.2	57.9	57.2	59.4	56.2	58.8	58.2	59.0	57.7
50+ employees	28.3	25.7	25.6	21.3	22.9	17.3	17.4	23.7	21.5	25.3	21.9	24.2

Source: Annual Business Inquiry, ONS
Note:
These figures cover England, Wales and Scotland only. Workforce data from 1996 to 1997 were re-scaled to be comparable with the current series of ABI.

In the exhibition sector the proportion of employees in the 50-plus category has experienced a dip from its gradual rise over the last decade, while the proportion in the 11–49 category has seen a revival since 2004, as shown in Figure 21.5. This reflects a growth in the number of medium-sized units.

Figure 21.5 Film exhibition sector (SIC 9213): employees by workplace size band, percentage of total, 1996–2007



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
11–49 employees	56.8	40.5	25.1	36.6	51.8	36.1	34.2	41.1	32.1	39.5	44.3	41.1
50+ employees	35.4	52.1	68.0	56.1	42.2	59.3	61.8	54.6	63.9	56.8	51.6	55.1

Source: Annual Business Inquiry, ONS.
Note:
These figures cover England, Wales and Scotland only. Workforce data from 1996 to 1997 were re-scaled to be comparable with the current series of ABI.

See also:

- For the reports on under-representation of women among screenwriters of UK films, *Scoping Study into the Lack of Women Screenwriters in the UK* and *Writing British Films – who writes British films and how they are recruited*, see www.ukfilmcouncil.org.uk/publications
- For more information on film distribution, see Chapter 9 (page 68)
- For details of the exhibition sector, see Chapter 10 (page 73)
- For more background on film production, see Chapter 17 (page 134)
- Skillset website: www.skillset.org.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

Glossary

Asian programming
Films originating from South Asia, for example Bollywood, and generally, though not exclusively, aimed at a South Asian audience and in a South Asian language

BAFTA
British Academy of Film and Television Arts

BARB
Broadcasters' Audience Research Board Ltd. The company that compiles audience figures for UK television (www.barb.co.uk)

BBFC
British Board of Film Classification. Independent body responsible for classifying films and video (see Film classification) (www.bbfc.org.uk)

Blu-Ray disc
An optical disc format that can store up to 50 Gb of data, almost six times the capacity of a dual layer DVD. It uses a short wavelength blue-violet laser to read and write information to disc

Box office
Total value of ticket sales for a film screened commercially at cinemas

Box office gross
Box office takings before deduction of Value Added Tax (VAT)

BVA
British Video Association. The trade body representing the interests of publishers and rights owners of pre-recorded home entertainment on video (www.bva.org.uk)

CAA
Cinema Advertising Association. The trade association of cinema advertising contractors operating in the UK and Republic of Ireland

Concession revenue
Revenue from sales of food, drink and merchandise at cinemas

Co-production
A film made by companies from more than one country, often under the terms of a bilateral co-production treaty or the European Convention on Cinematographic Co-Production

Country of origin
The nationality of a film. In the case of co-productions, this may include more than one country

DCMS
Department for Culture, Media and Sport. The government department that sponsors the UK Film Council

DEFRA
Department for Environment, Food and Rural Affairs. The UK government department responsible for the environment, food and rural affairs

Digital Cinema Initiatives
Digital Cinema Initiatives, LLC (DCI) was created in March 2002 and is a joint venture of Disney, Fox, Paramount, Sony Pictures Entertainment, Universal and Warner Bros Studios. Its primary purpose is to establish and document voluntary specifications for an open architecture for digital cinema that ensures a uniform and high level of technical performance, reliability and quality control (www.dcimovies.com)

DLP Cinema
The trademark of Texas Instruments' digital projection system. DLP stands for 'digital light processing'

Digital projection
The projection of a film onto a cinema screen using a digital master and a digital projector, that is using electronic signals to direct light onto the screen rather than passing light through a celluloid strip

Digital terrestrial television (DTT)
Multi-channel television delivered free to the consumer by means of a signal decoder between the aerial and the television set

Distributor
A person or company that acquires the right to exploit the commercial and creative values of a film in the theatrical, video and TV market. Also undertakes the promotional and marketing activities to attract audiences to the film

Download
See 'Film download'

Download to Own (DTO)
The purchase of permanent film downloads for storage on hard drive, and in some cases to burn an additional copy to DVD

DVD
Digital versatile disc

Exhibitor
A cinema operator that rents a film from a distributor to show to a cinema audience

Feature film
A film made for cinema release, as opposed to a film made for television, and usually of at least 80 minutes duration

Film classification
Classification given to a film by the British Board of Film Classification. Indicates the film's suitability for audiences according to their age

Film download
A digital version of a film transferred (either officially or unofficially) from the Internet to a personal computer. In future, downloads may go directly to television sets via game consoles, internet protocol television or dedicated set-top boxes

Film rental
The sum of money paid to the distributor by the exhibitor in return for the right to show a particular film. Usually calculated as a percentage of net box office

Franchise
A film series such as *Harry Potter and the Philosopher's Stone* and its sequels

Gross Domestic Product (GDP)
A measure of a country's income and output. GDP is defined as the total market value of all final goods and services produced within the country in a given period of time. GDP is also the sum of the value added at each stage of the production process. 'Gross' refers to the fact that GDP includes capital investment but does not subtract depreciation

Genre
A style or category of film defined on the basis of common story and cinematic conventions (eg action, crime, romantic comedy, drama etc)

Government Office Regions
Classification of English regions used to establish the boundaries of the Regional Development Agencies and the Regional Screen Agencies

HD-DVD
High-definition digital versatile disc. A high-density optical disc format designed for the storage of data and high-definition video. Abandoned in February 2008 after Blu-Ray prevailed in the competition to become the next generation DVD format

HMRC
Her Majesty's Revenue and Customs. The government department charged with collecting revenue on behalf of the Crown

HMT
Her Majesty's Treasury. The government department responsible for formulating and implementing the Government's financial and economic policy

Inward features
A term used by the UK Film Council to denote a film which is substantially financed and controlled from outside the UK and which is attracted to the UK by script requirements (eg locations) and/or the UK's film-making infrastructure and/or UK tax incentives

Internet Protocol Television (IPTV)
Television connected to the internet that uses internet digital protocols to communicate data

ISBA TV Regions
System for classifying regions developed by the Incorporated Society of British Advertisers for use by the advertising industry

Mainstream programming
Category of films aimed at the general audience

Megaplex site
Defined by Dodona Research as a purpose-built cinema with 20 or more screens

Multiplex site
Dodona Research defines a multiplex as a purpose-built cinema with five or more screens

Near-Video on Demand (nVoD)
A system which allows television viewers to purchase individual films to view. The film is shown at the same time to everyone ordering it, as opposed to true-video on demand, which allows the viewers to see the film at any time. Films can be purchased via an on-screen guide, automated telephone or customer services line. Also referred to as pay-per-view

Net box office
Box office takings after deduction of VAT

Multi-channel television
Digital television programming carried by satellite, cable or freeview delivery systems, in this case excluding the five main network channels (BBC1, BBC2, ITV1, C4 and Five)

Online rental
Selecting and renting DVDs via a website for postal delivery

ONS
Office for National Statistics

Out of town cinema
Cinema located on the outskirts of a town, typically in a large shopping development

PAYE
Pay As You Earn. A method of collecting income tax and national insurance where these are deducted at source by the employer and remitted to HMRC

Pay-per-view
See Near-Video on Demand

Pay-TV
A satellite or cable television system in which viewers pay a subscription to access television content

Personal computer (PC)
A lap-top or desk-top computer capable of operating independently of a network (although frequently networked in office environments)

Personal video recorder (PVR)
A digital set-top box with hard drive capable of storing large amounts of audiovisual content

PlayStation Portable (PSP)
A portable games console made by Sony that can be used to view VoD content

Standard Industrial Classification (SIC)
A numbering system used by the Office for National Statistics to identify different industries in the UK's official statistics

Sites
Individual cinema premises

Socio-economic group
Section of the population defined by employment status

Specialised programming
Generally, non-mainstream films. This category includes foreign language and subtitled films, art-house productions and films aimed at niche audiences

Terrestrial television
The five main free-to-air channels: BBC1, BBC2, ITV1, Channel 4 and Five

Traditional cinema
A cinema generally with fewer than five screens and that shows more mainstream product. Often an older building located in city centres or suburbs

UK and Republic of Ireland
The distribution territory comprising the UK and Republic of Ireland. Where this publication indicates a film has been released 'in the UK and Republic of Ireland' it refers to the distribution territory and not necessarily to an actual release in both countries

UMD
Universal media disc. An optical disc medium developed by Sony for use on the PlayStation Portable

VHS
Video home system. Standard format for cassette tapes containing recorded films and other audiovisual content

Video on Demand (VoD)
A system that allows users to select and watch films on television, PC or mobile device at the time they want over an interactive network. The user can buy or rent films and download them before viewing starts or stream content to be viewed in real time

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British Video Association (BVA)

Broadcasters' Audience Research Board Ltd (BARB)

Cinema Advertising Association (CAA)

Department for Culture Media and Sport (DCMS)

Department for Environment, Food and Rural Affairs (DEFRA)

Dodona Research

European Audiovisual Observatory (EAO)

Motion Picture Association of America (MPAA)

Nielsen EDI

Nielsen Media Research

Office for National Statistics (ONS)

Official UK Charts Company

PricewaterhouseCoopers

Screen Digest

Skillset

TNS

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