



national film and video foundation

SOUTH AFRICA

BOX OFFICE REPORT

(January - August)

SEPTEMBER 2010

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List of Acronyms

Aus	Australia
BO	Box office
Can	Canada
Den	Denmark
FR	France
Ger	Germany
IFD	Indigenous Films Distribution
ITA	Italy
NFVF	National Film and Video Foundation
NMD	Nu Metro Distribution
RomCom	Romantic Comedy
RUS	Russia
Sci-Fi	Science-Fiction
SKD	Ster-Kinekor Distribution
UIP	United International Pictures
UK	United Kingdom
US	United States of America

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1.1. Introduction

The National Film and Video Foundation (NFVF) is mandated by the National Film and Video Foundation of South Africa Act No. 73 of 1997, under Section 4(1) (d) to conduct research into any field of the South African film industry. The aim of such research would be to include, among other things, *the development and promotion of the film and video industry; and to encourage the ... distribution of local film and video [content].*

The purpose of this research is to take into cognizance, the performance of domestic films on the box office market. It is envisaged that with the supplementing of this research and those to follow from it, there will begin to be tangible statistical evidence of South African features in the domestic box office; from which a plausible trend analysis may be established within the 90% confidence interval range, where statistically significant data may be captured and used in more empirical schools of analysis.

One of the economic indicators for the film industry, more specifically the exhibition market, is the revenue generated from box office exhibitions. For the South African film industry though, the extrapolation of the box office data has been limited and often ignored because of the level of data mining involved and the acute disparities in reliable data sources. Using the current box office data available, however limited it may be, this document will attempt to establish trimestral reports on South African film performance at the box office and the general trends related to the performance and the associated stability of the exhibition market.

1.2. Methodology

The data used to compile this report is generated from the weekly box office reviews from distributors/exhibitors Nu Metro Distribution, Ster-Kinekor Distribution, United International Pictures and Indigenous Films Distribution, which is made available to the industry by Ster-Kinekor Entertainment.

The Report is compiled on a trimestral basis. The standard trimestral format (i.e. January-April, May-August and September-December) is an ideal format of reporting to follow; however, due to the fact that several box office titles stay in circulation for longer than a trimester, the reporting format required a form of 'normalisation'. The normalisation is necessary because box office titles follow a continuous trend over each trimester because new titles are released each week of the year; and since the standard trimestral format is disjoint and can therefore be arranged in segments, it is not the ideal form of reporting for the data in question.

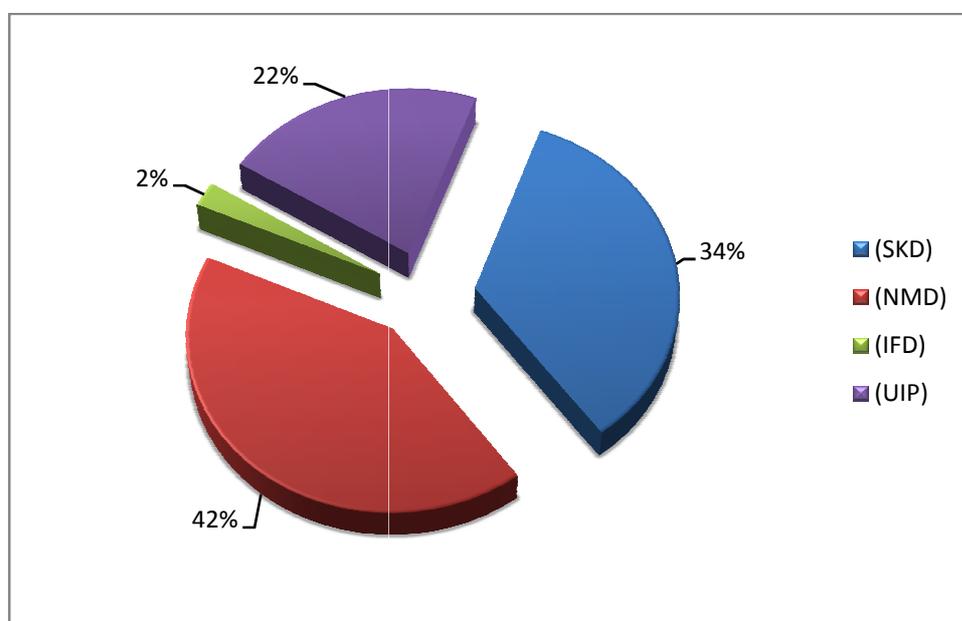
For effective use of the box office information, the normalised format will work as follows; each trimester's report will begin in January of the respective year and will cut-off at the *established* break of a trimester. For the year 2010, the first trimester report will range from 01 January-29 April, the second trimester report from 01 January - 31 August, the third trimester report will range from 01 January-30 December. The titles under consideration will only be those released in the year in question. That is, if a title was released in December '09, or any other date prior, it will not form part of the report, even if its circuit run carries over into the new year. This, of course, is with the exception that a December title does not fall on the very last day of the month which happens to be the week/weekend of its first released. Only in the occurrence of such an event will the title be used for consideration in the New Year; given the assumption that it will generate revenue from ticket sales effective in the New Year.

The report will consider some of the noteworthy result from the box office, including gross revenues, types of genres distributed, number of domestic films released, etc. This report will open the window for comparative analysis and extend strides into what the key performance indicators for the box office are.

1.3. Analysis

The run up to the second trimester of the distribution/exhibition market has proven to be an exciting observation. Ster Kinekor having been in the lead with the number of titles it released at the start of the year gave way to NuMetro which competed fiercely for the number one spot. NMD grew the number of titles it had to offer by an impressive 58% to secure itself the pole position with 55 titles under its distribution arm since January. SKD was represented with a 46% increase in the number of titles it distributed and has, since January, distributed a total of 46 titles. UIP recorded an increase of 48% from last trimester with 29 titles to date. IFD had a 67% increase in the second trimester and seems to be consistent in growing its footprint in the distribution arena.

Figure 1: Distributor Share of Second Trimester Titles

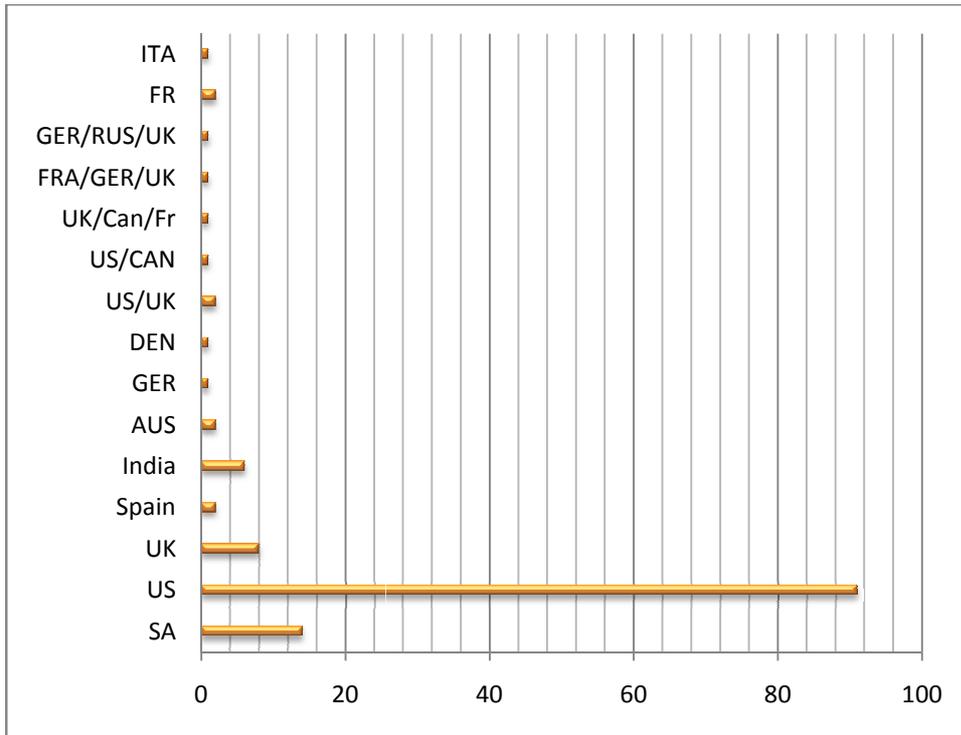


There were a total of 134 titles released up to the end of August in the mainstream exhibition circuit. A competitive 42% of these were released by NMD, followed closely by SKD at 34%. UIP and IFD shared the remaining piece of the pie by distributing 22% and 2% into the market, respectively.

SA TITLES AND RELEASES

- *Skin* released in January by UIP
- *White Lion* released in February by SKD
- *Jozi* released in February by UIP
- *The Race-Ist* released in April by NMD
- *Outrageous* released in April By UIP
- *Jakhalsdans* released in April by IFD
- *I Now Pronounce You Black and White* released in May by NMD

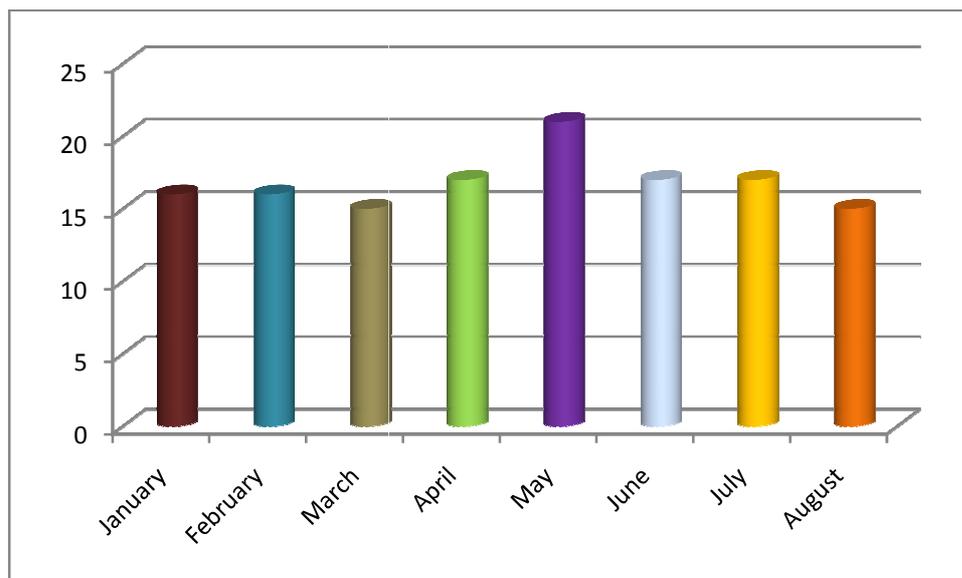
Figure 2: Distribution by Country



The US, UK and SA competed for the top three spots of the 134 titles released since January. The US continues to dominate the market with 91 titles released; accounting for 68% of all films released until August. South African titles put up an impressive battle for the second place in the market by accounting for just over 10% of overall titles. Title UK and India accounted for 6% and 4% of titles respectively. The remaining titles filled up the gap as illustrated in figure 2 above.

- *Schucks Tshabalala's Survival Guide to South Africa* released in May by IFD
- *End Game* released in June by UIP
- *Egoli The Movie* released in June by NMD
- *Themba* released in July by SKD
- *Shirley Adams* released in August by SKD
- *The Unforgiving* released in August by IFD
- *Die Ongelooflike Avonture van Hanna Hoekom* released in August by NMD

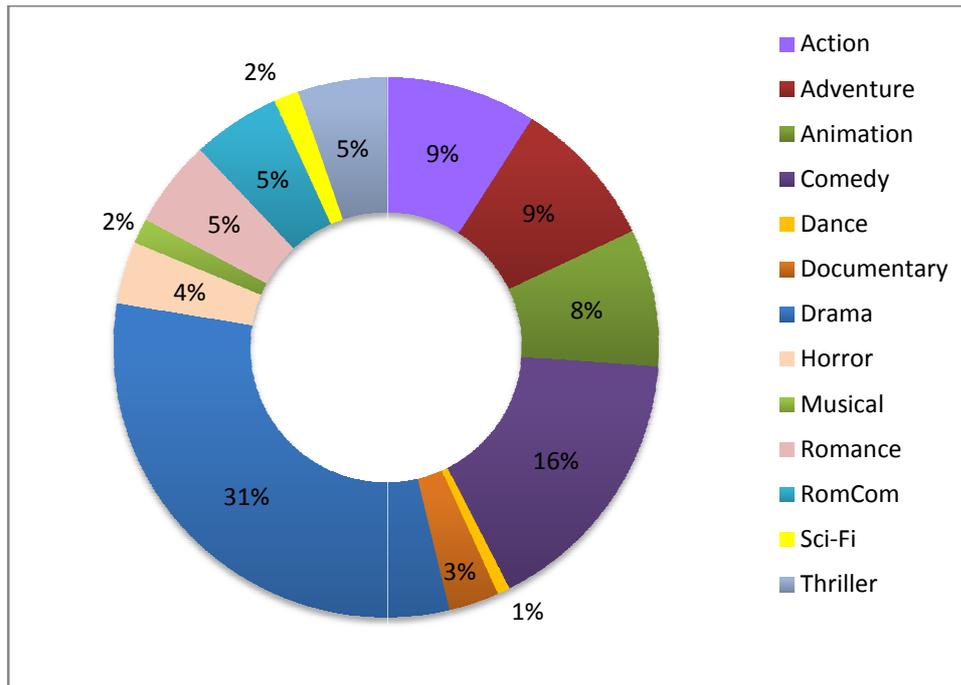
Figure 3: Frequency of Titles Released



The results seem to suggest that April through July are peak months in the exhibition market as a competitive number of features were released in those months than any other months within the period in question. The implication is that there were at least 18 features released on average during those months, compared to the overall average of 16. It is anticipated that a similar trend will be observed again as December approaches; it may, however, differ in magnitude. It is possible that the surge observed for May was influenced by the soccer World Cup which took place between June and July – during this period schools were closed and this may have created the anticipation that patrons would spend a good amount of time visiting the cinema as an alternative to the football. The SA hit movie *Schucks Tshabalala's Survival Guide to SA* is a case in point. Its release strategy and theme were geared directly towards the World Cup and tourists and it paid good returns. It is now South Africa's highest grossing movie for 2010 – this of course is in keeping the trend of other Leon Shuster movies in the past.

There were 14 South African features released by the end of August. The average rate of release was 1.75 per month for South African titles. Indicative of an increase of 0.25 titles month-to-month since January.

Figure 4: Overall Distribution of Genre



Production of movies has become so proliferated that it has become somewhat cumbersome to accurately classify movies by their genre. Some genres encompass a variety of film forms that have strong similarities to a particular genre, although they are not uniquely of the genre. A simple example of this would be action dramas, documentary dramas, romantic dramas, etc. For the purpose of this report, the abstract definition of the drama types has been assumed and simple classification of these is given.

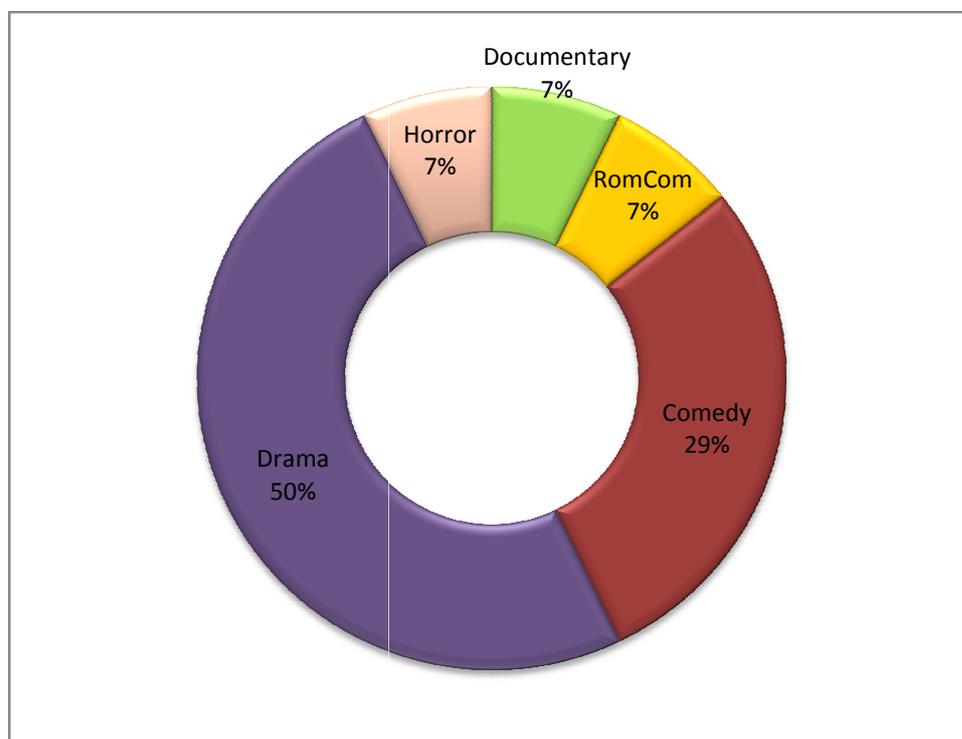
According to the data analysis, the availability of dramas is more abundant than all other genre; making up 31% of all titles exhibited since January. Comedy was the second most distributed genre at a rate of 16%, followed by Action and Adventure movies which shared the third spot with 9% exhibited. Animation titles have grown both in popularity and abundance. They were the fourth most exhibited genres until August. The Animation movies, according to the data trends, have become more abundant than Horrors, Thrillers, Sci-Fi's and Romance movies which have enjoyed vast popularity in the past. The lowest exhibited genre was Dance¹, covering the back end at 1% distribution. Although the film is a teen Drama by nature, distinction is made due to the fact that its premise centres around the Hip-Hop dance culture

¹The Dance drama referred to above is **Step Up 3D**

more than it does the drama in the characters' lives. Figure 4 above gives a breakdown of all other genres.

South African titles exhibition grew to five genre types in the second trimester from the limited three types in the last trimester. A similar trend is observed where Dramas are concerned with an overall contribution of 50% to the genres distributed. The surprise inclusions this semester were Horror and Romantic Comedy, which shared the stage with Documentary features at 7% of local genres distributed. An illustration is provided in figure 5 below.

Figure 5: Distribution of Genre for SA Titles

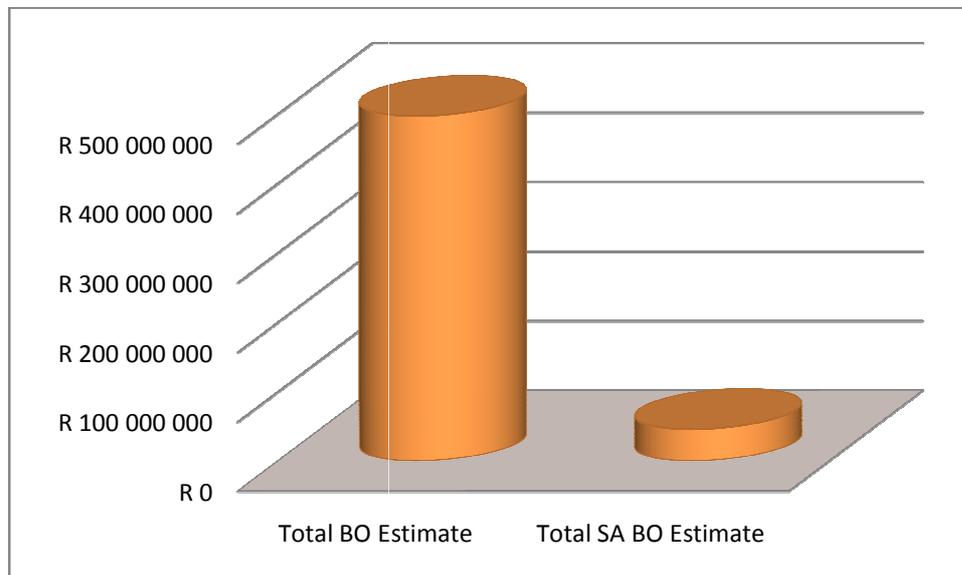


The last part of the analysis is the revenue generated in the last trimester. All the data considered to this end has been complete and accurate. The challenge in the next topic is that of completeness rather than accurateness;² as discussed in the methodology section of the report. Yet keeping within the statistically significance

² Although the data sourced for this section is accurate, it is, unfortunately, incomplete. This is largely because the key figures supplied lead up to and include the top 24 performing box office titles. No data is supplied for titles beyond the observation range.

framework, it can be deduced with 90% confidence that the data and results were accurate and true at the time of going to print.³

Figure 6: Second Trimester Box Office Revenues



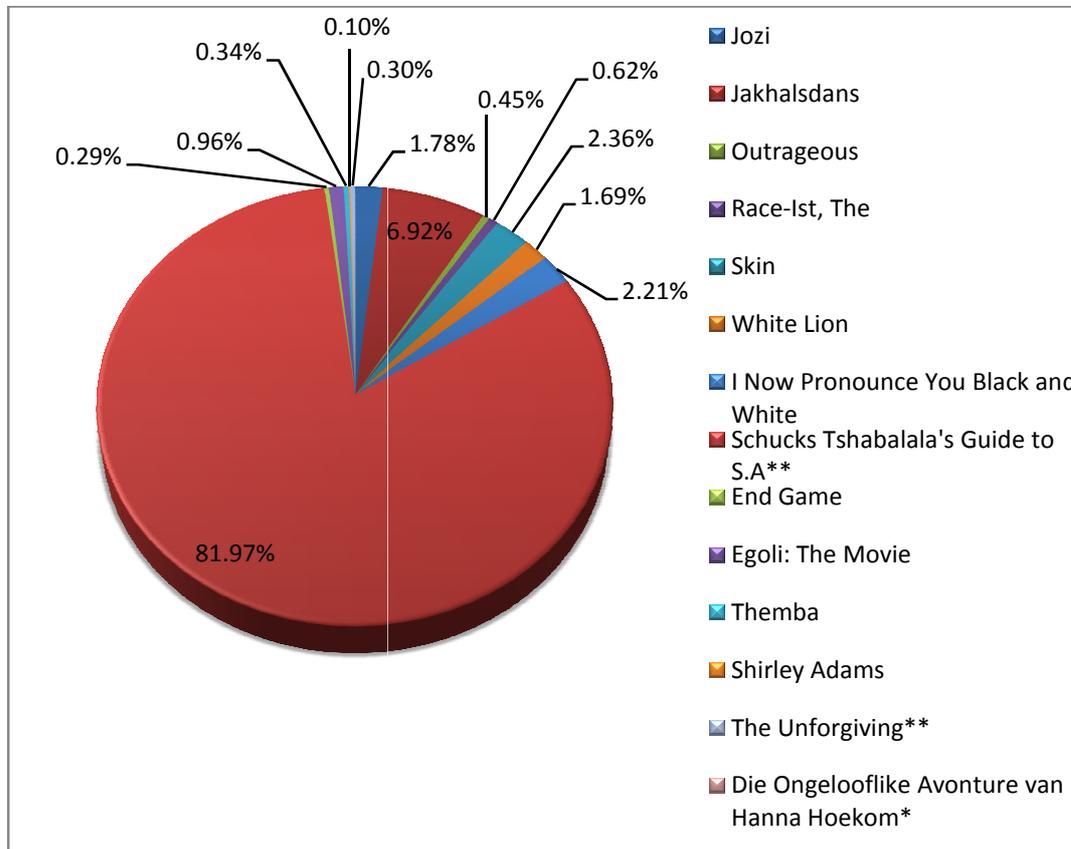
Due to the incremental nature of box office revenue brought on by the exhibition of fiercely competitive titles, this report deduces that the revenue generated from January up to the end of August is well above R500 million. In the same vein South African features contributed to the total revenue by generating over R46 million in ticket sales. South African films therefore gained about 10% market share from gross revenues. As it will be shown below, the bulk of the revenue from South African films was gained by one feature.

One common error to be avoided though is to assume that there exists a direct relation between box office revenue and the number of admission. There really is no direct relation because box office revenues in the local market are, evidently, influenced mostly by the ticket price as opposed to the number of admissions; although a positive variance of both parameters can have positive effects. Hence as the average price of cinema tickets increases, keeping attendances constant, the more revenue generated by exhibitors. Ergo, attendances (or per capita admissions)

³ The confidence levels in our analysis have dropped since the 1st trimester report due solely to the fact that the weekly box office updates received now only run up to 19 features on average, rather than the 24 previously reported on. The reduction in the number of observation increases our random error margins and renders this report slightly less accurate than the previous one.

do not need to change to influence revenue streams. The corollary effect of this, however, is if the number of admissions per capita decreases with increasing prices; then revenue streams will most likely be negatively affected by the changes.

Figure 7: South African Features' Box Office Revenue Distribution



**These features had not completed their respective circuit runs at the time of going to print and will thus earn further revenues in the next trimester.

*There was no BO performance data on this title at the time this report was compiled.

South Africa's highest grossing feature for the second trimester is Leon Schuster's *Schucks Tshabalala's Survival Guide to South Africa (STGSA)* which was distributed by IFD. *Jakhalsdans* and *The Unforgiving* also distributed by IFD were the second and eleventh highest grossing features. It is safe to say that IFD controlled 90% share of the distribution of local films in the market in terms of revenue generated. The lowest earner in the remaining 10% was Shirley Adams which only scraped in 0.1% in total revenue.

IFD's presence is very impressive considering that it only started distributing early this year. It is evident that IFD's distribution of a Schuster movie played a catalytic role in its BO stake in the local distribution industry.

1.4. Conclusion

There has been obvious improvement in the local exhibition market activities in the second trimester. Although the reasons behind this improvement are, for now at least, speculative, there are strong indications that the holiday season enjoyed during the Soccer World Cup and the effects of lowered repo rates had positive influences on the market.

Number of Prints at Release

Jozi - 41

Jakhalsdans - 40

Outrageous - 22

Race-1st, the - 25

Skin - 11

White Lion - 49

INPYB&W - 38

STGSA - 110

End Game - 5

Egoli - 46

Themba - 10

Shirley Adams - 10

The Unforgiving - 14

*Hanna Hoekom - 18**

Local films are becoming more competitively in the exhibition market with nearly two films released on a monthly average. Local titles also secured around 31 prints per titles since January. South African films also seemed to perform better than films from countries other than the US in the mainstream circuit.

The proposal that audiences are more likely to watch adventure, action and animation features over dramas, thrillers, and horror movies continues to be supported by the data. The only drama to receive special mention was the dance drama *Step Up 3* which, evidently, also had 3D sites. The fact that movie-going is an act of escapism is reinforced also in this trimester's report.

On average, 64% of all the local films exhibited until August made less than R1 million. The remaining 36% logically made more than R1 million and *Schucks Tshabalala* broke all previous records by becoming the highest grossing South African film, proving once again that Leon Schuster has found a winning formula for his films.

1.5 Annexure 1

Title	Distributor	Country	Genre	Month released	Prints at Release
9	(SKD)	US	Animation	May	17
A Serious Man	(SKD)	US	Drama	May	10
Accidental Husband	(SKD)	US	Comedy	April	20
Agora	(SKD)	Spain	Drama	August	30
Alice In Wonderland (incl 3D)	(SKD)	US	Adventure	March	95
All About Steve	(NMD)	US	Comedy	January	10
Amelia	(NMD)	US	Drama	January	15
An Education	(UIP)	UK	Drama	January	11
Antichrist	(UIP)	DEN	Drama	July	2
Armored	(SKD)	US	Drama	March	31
A-Team, The	(NMD)	US	Action	August	62
Avatar 3D (Re-release)	(NMD)	US	Adventure	August	18
Away We Go	(SKD)	US	RomCom	April	10
Back-Up Plan, The	(SKD)	US	RomCom	May	50
Badmaash Company	(NMD)	India	Drama	May	6
Blindside	(NMD)	US	Drama	March	52
Book of Eli	(SKD)	US	Action	February	60
Bounty Hunter	(SKD)	US	RomCom	April	57
Boys Are Back, The	(SKD)	AUS	Drama	July	10
Bright Star	(NMD)	UK	Drama	February	10
Broken Embraces	(SKD)	Spain	Drama	June	5
Brothers	(NMD)	US	Drama	January	21
Cats & Dogs	(NMD)	US	Animation	August	71
Clash of the Titans (incl. 3D)	(NMD)	US/UK	Adventure	April	84
Cove, The	(SKD)	US	Documentary	April	9
Creation	(SKD)	UK	Drama	June	7
Date Night	(NMD)	US	Comedy	April	60
Daybreakers	(NMD)	US	Thriller	March	25
Dear John	(NMD)	US	Romance	February	30
Death at a Funeral	(SKD)	US	Comedy	June	50
Decent 2, The	(SKD)	US	Horror	April	

Diary Of A Wimpy Kid	(NMD)	US	Comedy	July	10
Did You Hear About the Morgans?	(SKD)	US	Comedy	January	61
Die Ongelooflike Avonture van Hanna Hoekom	Independent	SA	Comedy	August	18
District 13 - Ultimatum	(UIP)	FR	Action	June	10
Edge of Darkness	(NMD)	US	Drama	May	45
Egoli: The Movie	(NMD)	SA	Drama	June	46
End Game	(UIP)	SA	Drama	June	5
Everybody's Fine	(SKD)	US	Drama	March	10
Extraordinary Measures	(SKD)	US	Drama	April	16
Faubourg 36	(SKD)	FR	Musical	May	3
For Better For Worse	(UIP)	US	Comedy	July	9
Fourth Kind, The	(NMD)	US	Thriller	June	20
From Paris With Love	(NMD)	US	Action	February	40
Furry Vengeance	(NMD)	US	Comedy	August	35
Ghost Writer	(NMD)	FRA/GER/UK	Thriller	May	30
Goal 3	(UIP)	UK	Drama	July	16
Green Zone	(UIP)	US	Action	May	43
Grown Ups	(SKD)	US	Comedy	August	65
Hachiko: A Dog's Story	(SKD)	US	Drama	April	24
Hot Tub Time Machine	(NMD)	US	Sci-Fi	May	30
How to Train Your Dragon	(UIP)	US	Animation	March	95
Hurt Locker	(NMD)	US	Drama	March	21
I Love You Philip Morris	(UIP)	US	Romance	July	43
I Now Pronounce You Black and White	(NMD)	SA	RomCom	May	38

Imaginarium of Dr Parnassus	(NMD)	UK/Can/Fr	Adventure	June	10
Inception	(NMD)	US	Action	July	61
Iron Man 2	(UIP)	US	Action	May	80
It's Complicated	(UIP)	US	Comedy	February	66
Jakhalsdans	(IFD)	SA	Drama	April	41
Jozi	(UIP)	SA	Comedy	February	42
Kick Ass	(NMD)	US	Action	April	40
Kites	(NMD)	India	Romance	May	12
Knight & Day	(NMD)	US	Action	July	70
Leap Year	(UIP)	US	RomCom	April	41
Legion	(SKD)	US	Thriller	June	25
Letters to God	(NMD)	US	Drama	July	20
Letters to Juliet	(NMD)	US	Romance	June	42
London River	(UIP)	UK	Drama	August	7
Love Happens	(SKD)	US	Romance	May	35
Lovely Bones	(UIP)	US	Drama	February	28
Mao's Last Dancer	(NMD)	AUS	Drama	August	15
Marmaduke	(NMD)	US	Comedy	June	56
Men Who Stare At Goats	(NMD)	US	Comedy	May	15
Milenge Milenge	(NMD)	India	Romance	July	6
My Name is Khan	(NMD)	India	Drama	February	15
Nanny McPhee and the Big Bang	(UIP)	UK	Adventure	April	42
Nightmare on Elm Street	(NMD)	US	Horror	July	25
Nine	(SKD)	ITA	Musical	March	26
Ninja Assassin	(NMD)	US	Action	January	40
Our Family Wedding	(NMD)	US	Comedy	July	20
Outrageous	(UIP)	SA	Comedy	April	22
Percy Jackson & the Lightning Thief	(NMD)	US/CAN	Adventure	February	65
Perfect Getaway	(SKD)	US	Thriller	January	25
Planet 51	(SKD)	US	Animation	January	53
Please Give	(SKD)	US	Comedy	August	7
Precious	(NMD)	US	Drama	March	17

Predators	(NMD)	US	Sci-Fi	August	40
Prince of Persia	(SKD)	US	Adventure	May	92
Quick Gun Murugun	(UIP)	India	Comedy	April	5
Raavan	(NMD)	India	Drama	June	13
Race-Ist, The	(NMD)	SA	Drama	April	25
Rebound, The	(SKD)	US	Comedy	January	40
Remember Me	(NMD)	US	Drama	March	40
Road	(UIP)	US	Drama	February	11
Robin Hood	(UIP)	UK	Adventure	May	73
Saw 6	(SKD)	US	Horror	March	20
Schucks Tshabalala's Guide to S.A	(IFD)	SA	Comedy	May	110
September Issue	(UIP)	US	Documentary	January	5
Sex and the City 2	(NMD)	US	Romance	May	72
Sherlock Holmes	(NMD)	UK	Adventure	January	66
She's Out of My League	(UIP)	US	Comedy	June	42
Shirley Adams	(SKD)	SA	Drama	August	10
Shrek Forever After	(UIP)	US	Animation	July	105
Shutter Island	(UIP)	US	Drama	March	46
Skin	(UIP)	SA	Drama	January	11
Sorcerer's Apprentice	(SKD)	US	Adventure	August	80
Space Chimps 3D	(UIP)	US	Animation	May	27
Spy Next Door	(NMD)	US	Action	February	50
Step Up 3D	(NMD)	US	Dance	August	73
Stepfather	(SKD)	US	Thriller	January	25
The Box	(SKD)	US	Thriller	March	26
The Killers	(NMD)	US	Action	June	50
The Last Song	(SKD)	US	Drama	May	35
The Last Station	(SKD)	GER/RUS/UK	Drama	March	60
The Princess & The Frog	(SKD)	US	Animation	January	74
The Runaways	(NMD)	US	Drama	July	15
The Unforgiving	(IFD)	SA	Horror	August	14
Themba	(SKD)	SA	Drama	July	10
To Save a Life	(NMD)	US	Drama	June	19
Tooth Fairy,	(NMD)	US	Adventure	March	

The					
Toy Story 1 3D	(SKD)	US	Animation	February	22
Toy Story 2 (3D)	(SKD)	US	Animation	February	22
Toy Story 3 (incl 3D)	(SKD)	US	Animation	June	107
Twilight: Eclipse	(NMD)	US	Drama	July	88
Up In The Air	(UIP)	US	Animation	January	26
Valentine's Day	(NMD)	US	RomCom	February	67
When In Rome	(SKD)	US	RomCom	April	30
Where the Wild Things Are	(NMD)	US/UK	Adventure	January	
White Lion	(SKD)	SA	Documentary	February	49
White Ribbon	(UIP)	GER	Drama	July	7
Wolfman	(UIP)	US	Horror	February	59
X-Games 3D	(SKD)	US	Documentary	May	22
Youth in Revolt	(SKD)	US	Comedy	June	16

⁺⁺The NFVF does not have the permission or the rights to disclose individual performances from the respective distributors.

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