FOREIGN SALES OF

FRENCH VIRTUAL REALITY (VR) CONTENT

IN 2018

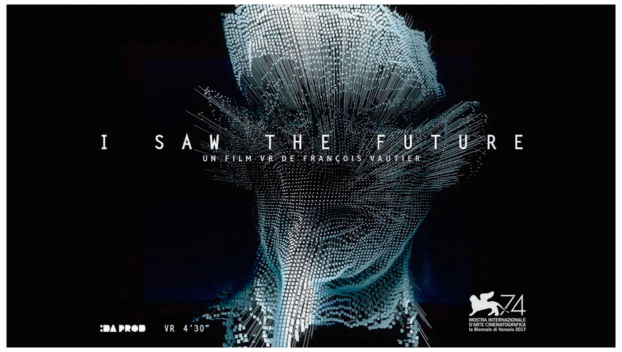
UNIFRANCE FRENCH CINEMA WORLDWIDE

MAJOR TRENDS 2018

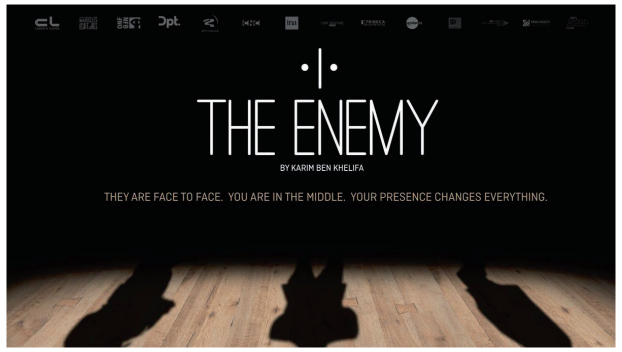
204 sales
of French VR
(compared to 109 sales in 2017)

€ 216 395 in receipts
from French VR foreign sales
(up 415.7% on 2017)

- ↗ **€ 198 627 in receipts** generated from foreign buyers (excluding French buyers broadcasting abroad: Diversion cinema, herve, etc.) (up 385.6% on 2017)
- ↗ **23 production companies** reporting foreign sales (compared to 10 companies in 2017)
- ↘ **85,3% of sales** made by French distributors (down 8.3% on 2017)
- ↗ **29 titles** sold (compared to 13 in 2017)



N. 1 by number of sales



N. 1 in terms of receipts

- ↗ **88 buyers**, including 7 French buyers (compared to 44 buyers in 2017)

Western Europe remained the leading regional market for French VR in 2018
North America and Asia gained ground

South Korea was the new leading country for the export of French VR in 2018
Switzerland and Canada were second and third

Centre Phi was the leading foreign buyer of French VR in 2018
It was followed by the Geneva International Film Festival and AVA Entertainment

ANALYSIS OF SALES IN 2018

Like the traditional annual survey of the short film market, the VR survey only deals with concrete sales performance, title by title, as declared by the various production and sales companies who have agreed to communicate their figures. Deals made by sales companies have been attributed to the corresponding production company. Sales to buyers based in France but operating on an international scale are also included in the results.

In 2018, the growing presence of virtual reality at international festivals and the positioning of certain operators in the film industry in this new genre – such as mk2 films, Orange, Wide, and Ymagis – prompted UniFrance to carry out its first-ever survey to evaluate and analyze the export market for French immersive works.

Whereas in 2017 the market was still embryonic, it is now clear that in the space of a year, things have significantly gathered pace. The number of titles, sales, and buyers have all doubled, while international receipts have increased fivefold (up 415.7%).
Each film was sold on average just over seven times, for an average price of €7,462 per title and €1,061 per deal.

Fiction dominated sales in 2017, but last year documentary was the leading genre, accounting for 60% of receipts. As such, the top 5 by both revenue and sales feature at least three of the following documentary films: ***Dolphin Man***, ***Notes on Blindness: Into Darkness***, ***The Enemy***, ***The Real Thing*** and ***Wild Immersion***. Animation is now in third place (7.8%), behind fiction (23.3%).

The Enemy was the leading title in terms of receipts. Along with ***Alice, the Virtual Reality Play***, these two films accounted for almost half of all receipts. At the other end of the scale (online), ***I Saw the Future*** was the VR work which generated the greatest number of individual sales, closely followed by ***Dolphin Man*** and ***Planet ∞***. The distribution method has a major influence on receipts.

This survey identified 88 different buyers, seven of whom are based in France but operate on an international level. The largest group is made up of international festivals (44), followed by distributors (15). On average, each buyer made 2.3 acquisitions and spent €2,459. The sector is becoming more structured, mainly due to a methodical distribution approach, but industry professionals report that the word still very much needs to spread about the potential of this genre. This explains the importance of institutional players and embassies among receipts. With a 21.8% market share, the network of culture institutions is in first place, closely followed by festivals (19.8%) and distributors (19.4%). This pedagogical urge is at the heart of the new acquisition policy of the Institut français, and explains why museums are in fourth place among buyers (17.8%).
VoD platforms showed strong growth to make fifth place in the ranking. Although the role of TV channels has diminished, they remain key buyers. One should also note that of the 29 films taken into account here, Arte France is involved in the financing of 15, confirming the European cultural channel's importance in the VR space.

The type of rights sold can be broken down into three main groups. In descending order in terms of receipts, these are: Theatrical rights (60.9%), VoD rights (21.5%), and hire of copies (12.5%). The average price of copy hire is €227, whereas theatrical rights deals are on average €4,121.
Theatrical rights were sold to 10 foreign territories; hiring of copies was recorded in 29 territories. Although distributors remained key partners from a financial point of view, festivals once again showed that they play a fundamental role in the diffusion of French works.

Western Europe was the most lucrative geographical region for French virtual reality properties: 40.1% of receipts and 25.5% of all deals were made with buyers who are based there. Switzerland, Luxembourg, and Spain were the countries where French output sold best. Performance in Asia (25.3% of all receipts), the second biggest region, was driven by South Korea via the distributor AVA Entertainment, making it the leading export territory for French virtual reality. With a doubling in sales and receipts, North America (20.8%) broke through to become the third biggest region. This growth was mainly due to acquisitions by the Centre Phi in Montreal, which became the biggest single foreign buyer of French virtual reality in 2018. The fourth biggest region was Eastern and Central Europe, where there were a large number of deals, but the actual receipts remained significantly smaller.

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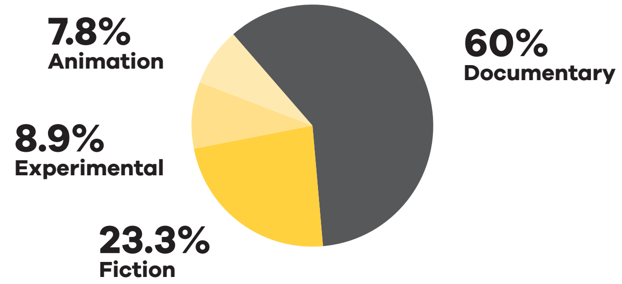
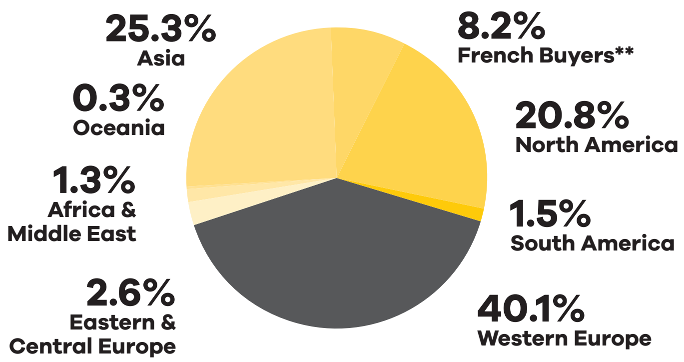
Top 5 French producers*

1	Camera Lucida Productions
2	DVgroup
3	Seppia
4	BrainWorks
5	DA PROD

Breakdown of 2018 receipts by genre



Breakdown of 2018 receipts by region



Breakdown of 2018 receipts and deals by foreign buyer's country of origin

	Country of origin	%Receipts	%Deals
1	South Korea	17.9%	10.1%
2	Switzerland	17.5%	3.6%
3	Canada	17.5%	3%
4	Luxembourg	15.1%	0.6%
5	Spain	8.2%	10.1%

VR films Top sellers in 2018

Top 3 in terms of receipts

The Enemy
Karim Ben Khelifa / Camera Lucida Productions, France Télévisions, ONF, DPT, Emissive / Documentary, 2017, 50'

Alice, the Virtual Reality Play
Mathias Chelebourg, Marie Jourdren / DVgroup, Synergy Cinema / Fiction, 2017, 20'

Dolphin Man
Benoît Lichté / Seppia, Arte France / Documentary, 2017, 10'

Top 3 by number of sales

I Saw the Future
François Vautier / DA PROD / Experimental, 2017, 6'

Dolphin Man
Benoît Lichté / Seppia, Arte France / Documentary, 2017, 10'

PLANET ∞
Momoko Seto / Barberousse Films, Awkeye, Arte France / Experimental, 2017, 7'

*By receipts and deals of French VR content in 2018.
**Deals with French buyers broadcasting abroad (Association "Prenez du Relief", Diversion cinema, herve).