

News release

Indian film industry to drive growth with Hollywood collaboration, says Ernst & Young

The Indian film industry is projected to grow from US\$3.2 billion in 2010 to US\$5 billion by 2014 at a CAGR (Compound Annual Growth Rate) of 14.1%. The country's filmed entertainment industry is largest in the world in terms of the number of films it produces (around 900) and its theatrical admissions (around 3 billion). With market size of Hollywood in India at Rs 850-900 crore, contributing 10-12 per cent of the overall box-office revenue, Indian film industry will witness an accelerated growth than compete countries like China, Japan, Russia and Brazil *according to "Film industry in India: New horizons", latest study by Ernst & Young and LA India Film Council.*

Mr. Uday Singh, Managing Director, Motion Picture Dist. Association of India (MPDA-India) says "Film Tourism promotes cultural and technological exchanges, creates employment opportunities and boosts local talent. The LA India film council is an effort in the above direction to facilitate and strengthen motion picture production, distribution, technology, content protections and commercial cooperation between Los Angeles and India."

In 2011, India has seen 42% increase in the number of Hollywood movies shot in the country from 2010. China, the number has gone up to 4 in 2011 from 2 in 2010, Japan, only 1 movie was shot in 2011 (count remained zero in 2010), Russia, the count has been 4 in 2011 as well as in 2010. Brazil has come down to 2 in 2011 from 3 in 2010.

VFX (visual effects), Travel & Tourism and film education in India have emerged as fastest growing industries that demonstrate continued expansion and diversification. Today we witness a lot of work that moves in these areas across the borders to give the world not just entertainment but entertainment in an artistic form.

Rakesh Jariwala, Partner & Segment Champion – filmed entertainment, Ernst & Young Private Limited says, "

Special Effects Make Movies Special (VFX industry)

There is a significant growth in the number of VFX companies operating in India. According to estimates, there are more than 40 major domestic VFX companies catering to domestic and international clients. Currently, India accounts for only around 10% of the total animation and VFX outsourcing pie. However, there is room for growth and the amount of work coming to India from Hollywood is on the rise. Of late, the VFX industry has been shifting toward higher-end assignments. India has well developed post production facilities available at low cost. A foreign producer who comes to shoot in India can complete his entire movie here, from shooting to post

production to cut costs. Industry players are also tying up with film and entertainment companies on dedicated projects.

Travel & Tourism

In 2011, India's travel and tourism industry contributed US\$1.7 trillion (or 2.8% of the global GDP), which is expected to rise to 4.2% (US\$2.9 trillion) by 2021. Furthermore, investments in the global travel and tourism industry are expected to grow at a CAGR of 5.4% to reach US\$1.5 trillion by 2021 from US\$0.6 trillion in 2010.

The Bollywood impact

- New Zealand inked a co-production treaty with India in June 2011 in an attempt to gain from the Bollywood market, after realizing the benefits derived from various Bollywood films shot in it. Furthermore, Spain and India are close to signing an agreement that will facilitate and promote co-productions
- Ireland has been trying to attract Indian producers to shoot Bollywood movies in the country to give boost to its tourism industry. Ireland's Minister for Arts and Tourism led a delegation to India and met senior Bollywood executives, asking them to consider Ireland as a filming location
- Switzerland hosts around 150,000 tourists from India and large number of Bollywood movies are shot in the country every year
- The French Government has set up Film France to attract international film shoots. It offers incentives such as refund of VAT on shoots by foreign film crews. France is also offering financial incentives to attract Bollywood producers to its shores.
- Many US states such as California, New York, Michigan, Nevada and Utah offer incentives to film and television production companies from India
- Canada also offers incentives to producers of film, television, animation and visual effects from India and has attracted many Bollywood producers, who have shot movies in the country

Film education in India

India currently has a dearth of institutes that impart formal training and education in film and creative technologies. At the grassroots level, there is a need to formally train technicians in the industry, who are largely self-trained. India's technology industry is a very relevant example, especially in the effort and skills technicians expend on even low-end process-oriented work. Therefore, it is clear that with technology affecting all the spheres of film-making, technicians at the higher end of the spectrum need to be well trained in new technologies for Indian films to move to the next level.

The media and entertainment Industry is poised to witness momentous growth. The examples of achievements and opportunities given above amply demonstrate the numerous possibilities that exist, which can nurture a

fruitful collaboration between Hollywood and Bollywood by a methodical approach, backed by organizations such as the **LA India Film Council** and the cooperation of the governments of the two countries.

From behind the cameras, acting in studios to managing the lights and the action, every individual in the media and entertainment industry strives to rise above and go beyond previously set standards and present the world with a picture-perfect experience to make an impact, not only on audiences, but also on the economies of the countries to which they belong. Therefore, it is of prime importance to encourage art, artists, technicians, directors and producers and give them the opportunity to showcase their talent. In doing so, they will reflect cultures, propose novel and sometimes path-breaking ideas, capture situations and reproduce history. The media and entertainment industry therefore needs all the possible help to realize its rich potential and make the impact it so richly deserves to make.

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About MPDA: The Motion Picture Dist. Association (India) Pvt. Ltd. (MPDA) is a wholly owned local office of the Motion Picture Association, and represents the interests of the American motion picture industry in India. MPDA works closely with local industry, government, law enforcement authorities and educational institutions to promote and protect the Indian film and television industry.

ABOUT THE MPA: PROMOTING & PROTECTING SCREEN COMMUNITIES IN ASIA PACIFIC

The Motion Picture Association (MPA) and the Motion Picture Association International (MPA-I) represent the interests of the six international producers and distributors of filmed entertainment. To do so, they promote and protect the intellectual property rights of these companies and conduct public awareness programs to highlight to movie fans around the world the importance of content protection. These activities have helped to transform entire markets benefiting film and television industries in each country including foreign and local filmmakers alike.

The organizations act on behalf of the members of the Motion Picture Association of America, Inc (MPAA) which include; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal City Studios LLC; Walt Disney Studios Motion Pictures; and Warner Bros. Entertainment Inc. The MPA and the MPA-I have worldwide operations which are

directed from their head offices in Los Angeles and Washington, D.C. and overseen in the Asia Pacific by a team based in Singapore.

About LA India Film Council

Established in November of 2010 by a Joint Declaration between the City of Los Angeles and the Indian Film Industry, the LA India Film Council was formed to facilitate and strengthen motion picture production, distribution, technology, content protection, and commercial cooperation between the above two communities.

The Governing Council is an amalgamation of a prestigious panel of members from India and the U.S. This body collectively strives towards creating a support system that facilitates motion picture production, distribution, technology, content production, content protection and commercial cooperation between Hollywood and Bollywood. The current Governing council members are: Film Federation Of India, Film and Television Producers Guild of India, National Film Development Corporation, Federation of Indian Chambers of Commerce and Industry, AP Film Chambers, California Film Commission, LA Mayor's Office, MovieLabs, Technicolor India, DQ Entertainment, Reliance MediaWorks, Prime Focus, Peter Law Group, Whistling Woods International, Film and Television Institute of India, University of Southern California- School of Cinematic Arts and Motion Picture Dist. Association (India) Pvt. Ltd. and the UCLA School of Theater, Film and Television.