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## **BFI STATISTICS SHOW INCREASE IN OVERALL UK FILM PRODUCTION INVESTMENT, UK BOX OFFICE CROSSES £1 BILLION THOUGH CINEMA ADMISSIONS DIP, NEW TV AND ANIMATION TAX RELIEFS HELP FUEL PRODUCTION GROWTH**

- *Investment in UK film production rises by 14% to reach £1.075 billion, boosted by investment from international films*
- *New tax reliefs start to impact within 9 months, delivering over £276 million in production spend across high-end television and animation programmes*
- *UK cinemas take more than £1 billion at box office for the third consecutive year*
- *UK market share of box office was 21%, led by Les Misérables which grossed £41 million*
- *Philomena was the biggest grossing UK independent film of 2013, taking almost £11 million*

**LONDON – Thursday 30 January 2014:** Independent figures published today by the BFI show that the UK film industry is making a significant contribution to the UK economy. New tax reliefs for high-end television and animation programmes are helping to drive production investment alongside the existing film tax relief, which plays a major role in attracting international productions to the UK and provides vital support for UK independent productions. Cinema continues to attract UK audiences in their millions.

**Chancellor of the Exchequer, George Osborne, said:** *“Today’s figures highlight the valuable cultural and economic contribution that our creative industries make to the UK. These fast growing sectors are creating jobs across the country and each new job means security for another family. I want to build on this success and showcase the world class talent this country has, encouraging more films and TV programmes to be made here.”*

**Amanda Nevill, CEO of the BFI, says:** *“Film and television is a global business and these statistics show a vibrant and dynamic picture, demonstrating that the UK is a leading international player in this sector. We are grateful for the Government’s ongoing recognition of the sector’s growth*

*potential and tax reliefs for film, high-end TV and animation, which ensure we remain one of the most attractive and competitive places in the world to do business. The BFI's role is to maximise these opportunities, and we are actively engaged with government and all our partners in programmes to capitalise on all the opportunities for further growth in established territories such as the US and Europe, and the important emerging territories such as China and Brazil.*

*Internationally, our filmmakers, talent and creativity are wowing audiences and attracting critical acclaim at festivals around the world, and have garnered a crop of well deserved awards nominations. However, these figures show that there is still work to be done to grow audiences for British film at home – something which lies at the heart of our Film Forever strategy and is an economic and cultural imperative for the future success of British film.”*

**Production:**

The UK film production sector generated a total spend of £1.075 billion in 2013, a 14% increase on 2012's £945 million. Within this figure, £868 million was generated by 37 major international films making the UK their production base, having a positive impact on the UK's film industry in the round by bringing investment, creating jobs, and helping film professionals develop new skills which in turn benefit independent productions.

Inward investment from international film productions accounted for 81% of spend in the UK and accelerated as the year progressed, a credit to the work of the British Film Commission which provides free professional advice to help attract productions from the US to the UK. These 37 films include *The Man From U.N.C.L.E.*, *Heart of the Sea* and *Jupiter Ascending* for Warner Bros which owns Warner Leavesden Studios; *Muppets Most Wanted*, *Cinderella* and *Into the Woods* for Walt Disney which has a partnership with Pinewood Studios; *Guardians of the Galaxy* for Marvel; *Far From the Madding Crowd* for Fox Searchlight; *Ex-Machina*, *The Secret Service*, *Frankenstein*, *Monuments Men* (with Sony) and *Exodus* (with Scott Free) for 20<sup>th</sup> Century Fox; *Modestai* for Lionsgate; *Good People* and *Before I Go To Sleep* for Millennium Films; and *Paddington* for StudioCanal.

The momentum for big budget inward investment film and television productions coming to the UK is continuing into 2014 with the new *Star Wars*, *The Avengers: Age of Ultron*, *24* and *Gallivant* all going into production this year.

The film tax relief plays a major role in attracting international productions to the UK and also provides vital support for UK independent productions. Following the introduction of new tax reliefs in 2013, the BFI is for the first time reporting high-end television and television animation production, although the statistics only cover nine months from April when the new tax reliefs for high-end television and animation were introduced. During this period, over £276 million of investment was made in domestic UK productions (£118 million from 36 projects) and inward investment television productions (£158 million from 13 projects) including *Game of Thrones*, *Outlander*, *Da Vinci's Demons* and *Elementary*.

Domestic UK film production saw a similar number of films budgeted at £500,000 and upwards made during the year (62 in 2013, down from 65 in 2012), but the total spend of these films was lower – £139 million, down from 2012's £229 million. The number of co-productions was 36, down from 45 in 2012 with a production spend of £54 million (£75 million in 2012) and included *The Trip to Italy* (director Michael Winterbottom); *Suite Française* (director Saul Dibb); *Frank* (director Lenny Abramson) and *Epic* (director Ben Hopkins).

The range of UK domestic films that went into production in 2013 reflects a diverse and distinctive UK industry, for example, *Mr Turner* (writer and director Mike Leigh); *Black Sea* (director Kevin Macdonald); *Belle* (director Amma Asante); *Posh* (director Lone Scherfig); *Alan Partridge: Alpha Papa* (director Declan Lowney); *Locke* (director Steven Knight); *The Silent Storm* (director Corinna McFarlane); *Our Robot Overlords* (director Jon Wright); *Starred Up* (director David Mackenzie); *The Face of an Angel* (director Michael Winterbottom); *Untitled Amy Winehouse* documentary (director Asif Kapadia); *Hello Carter* (director Anthony Wilcox); *The Theory of Everything* (director James Marsh); *Nativity 3: Dude, Where's My Donkey?* (director Debbie Isitt); *X Plus Y* (director Morgan Matthews); *'71* (director Yann Demange) which is premiering in competition at the Berlin Film Festival next week; and *Pride* (director Matthew Warchus) with its cast of leading British actors.

**Box office:**

2013 marked the third consecutive year that the overall UK box office crossed the £1 billion barrier, though total takings were down 1% on the previous year. Admissions continue to reflect the plateau trend which has typified the UK cinema business over the past decade, with 165.5 million tickets sold, a 4% dip on 2012.

August 2013 proved to be the busiest month of the year with 17.64 million admissions fuelled by *Alan Partridge: Alpha Papa*, *Smurfs 2*, *Kick-Ass2*, *The Conjuring* and *Elysium*. A highpoint came at the end of the year with *Frozen* and *The Hobbit: The Desolation of Smaug* helping to produce the strongest December for cinema since 2009 when global hit *Avatar* was released. However, overall, 2012 was always going to be a hard act to follow with *Skyfall*, the highest grossing film in UK box office history, playing such a huge part in taking 2012's ticket sales to 172.5 million.

The 3D animation sequel *Despicable Me 2* was the highest grossing film of 2013 with £47.5 million, followed by *The Hobbit: The Desolation of Smaug*, *Les Misérables*, *Iron Man 3*, *Frozen*, *The Hunger Games: Catching Fire*, *Monsters University*, *Man of Steel*, *Gravity*, and *The Croods*, some of which were co-productions with the UK.

A total of 46 3D films were released in 2013, slightly up on 2012's 43 releases and with takings of £204.2 million, they represented an 18% market share of the box office.

The highest grossing UK independent release of the year was the BAFTA and Oscar®-nominated *Philomena*, which grossed over £11 million (up to 19 January) followed by *Quartet* (£8.6 million), *I Give It A Year* (£6.2 million), *Alan Partridge: Alpha Papa* (£6.17 million) and *Sunshine on Leith* (£4.6 million). These films, together with US studio-backed British films such as *Les Misérables*, *Gravity*, *World War Z*, and *Fast & Furious 6*, all featuring UK cast, crew, locations, facilities, post-production and often British source material, gave the UK a combined market share of 21% (16% for UK/US studio-backed films, 6% for British independent films).

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#### **Notes to editors:**

##### **The UK box office**

The highest grossing film in 2013 was *Despicable Me 2*, with takings of £47.5 million (up to 19 January 2014). In second place was *The Hobbit: The Desolation of Smaug* (£41.6 million) and *Les Misérables* (£40.8 million). These three films were the only 2013 releases to take more than £40 million (up to 19 January).

**Table 1 - Top 20 films released in the UK and Republic of Ireland, 2013**

	Title	Country of origin	Box office Gross (£m)	Distributor
1	Despicable Me 2 *	USA	47.46	Universal
2	The Hobbit: The Desolation of Smaug *	USA/NZ	41.59	Warner Bros
3	Les Misérables	UK	40.82	Universal
4	Iron Man 3	USA/China	36.97	Walt Disney
5	Frozen *	USA	34.17	Walt Disney
6	The Hunger Games: Catching Fire *	USA	33.79	Lionsgate
7	Monsters University *	USA	30.69	Walt Disney
8	Man of Steel	USA	29.95	Warner Bros
9	Gravity *	UK/USA	28.85	Warner Bros
10	The Croods *	USA	26.78	20th Century Fox
11	Star Trek: Into Darkness	USA	25.82	Paramount
12	Fast & Furious 6	UK/USA	25.27	Universal
13	Wreck-It Ralph	USA	23.78	Walt Disney
14	Thor: The Dark World *	UK/USA	19.85	Walt Disney
15	The Hangover Part III	USA	19.32	Warner Bros
16	Captain Phillips *	UK/USA	16.09	Sony Pictures
17	Django Unchained	USA	15.74	Sony Pictures
18	The Great Gatsby	Aus/USA	15.73	Warner Bros
19	Oz: The Great and Powerful	USA	15.28	Walt Disney
20	World War Z	UK/USA	14.57	Paramount

Source: Rentrak

Notes:

Box office gross = cumulative gross up to 19 January 2014.

\* Film still being exhibited on 19 January 2014.

UK and Republic of Ireland are a single "territory" for film distribution purposes.

*Philomena* was the highest-grossing UK independent film of 2013 with box office takings of £10.8 million (up to 19 January 2014). This was the only UK independent film to take more than £10 million but, as Table 2 shows, three others, *Quartet*, *I Give It a Year* and *Alan Partridge: Alpha Papa* all took more than £5 million.

**Table 2 - Top 20 independent UK films released in the UK and Republic of Ireland, 2013**

	Title	Country of origin	Box office Gross (£m)	Distributor
1	Philomena *	UK	10.79	20th Century Fox
2	Quartet	UK	8.59	eOne Films
3	I Give It a Year	UK/Fra/Ger	6.22	StudioCanal
4	Alan Partridge: Alpha Papa	UK	6.17	StudioCanal
5	Sunshine on Leith *	UK	4.61	Entertainment
6	Filth	UK	3.90	Lionsgate
7	Red 2	UK/USA	2.90	eOne Films
8	All Stars	UK/Ger	2.50	Vertigo
9	One Chance	UK	2.46	Entertainment

10	The Harry Hill Movie *	UK	2.45	Entertainment
11	Song for Marion	UK	2.07	eOne Films
12	Diana	UK/Bel/Fra	1.94	eOne Films
13	The Counsellor *	UK	1.87	20th Century Fox
14	Moshi Monsters: The Movie *	UK	1.60	Universal
15	Le Week-End *	UK/Fra	1.44	Curzon
16	Welcome to the Punch	UK	1.17	eOne Films
17	Summer in February	UK	0.52	Metrodome
18	The Stone Roses: Made of Stone	UK	0.51	Picturehouse
19	How I Live Now	UK	0.48	eOne Films
20	The Look of Love	UK	0.47	StudioCanal

Source: Rentrak, BFI RSU analysis

Notes:

Box office gross = cumulative gross up to 19 January 2014.

\* Film still being exhibited on 19 January 2014.

UK and Republic of Ireland are a single "territory" for film distribution purposes.

The market share of US studio-backed UK films (films wholly or part-financed by US studios but featuring UK cast, crew, locations, facilities, post-production and often UK source material) was 16%, down from 23% in 2012 (Table 4). Independent UK films shared 6% of the market.

**Table 4 Theatrical market share of UK films by studio and independent titles, 2003-2013**

Year	Market share of UK qualifying films produced with US studio backing (%)	Market share of UK independent films (%)
2003	12.5	3.4
2004	19.5	3.9
2005	26.2	6.9
2006	14.4	4.7
2007	21.8	6.8
2008	25.4	5.7
2009	8.5	8.2
2010	18.6	5.4
2011	22.6	13.1
2012	22.8	9.3
2013	15.5	6.0

Source: BFI

Note:

2013 market share calculation based on grosses up to and including 19 January 2014

### Production in the UK in 2013

The aggregate UK spend of features that started principal photography in 2013 was £1,075 million, up from £945 million in 2012. Inward investment films contributed £868 million, domestic UK films £152 million and co-productions £54 million. UK spend for co-productions and domestic UK films was lower in 2013 than in 2012, by £20 million and £95 million respectively. However, for inward investment films UK spend increased by £245 million. Between 2008 and 2013, UK spend peaked in 2011 at £1,325 million, with inward investment being the largest contributor (Table 1).

In this report, domestic feature films are broken down by budget: films with a budget equal to or greater than £500,000, in 2013 accounting for 91% of UK spend on domestic films, and films with a budget less than £500,000. Domestic films with a budget greater than or equal to £500,000 had a UK spend of £139 million in 2013, down from £229 million in 2012. Domestic

films with a budget less than £500,000 had a UK spend of £14 million in 2013, down from £18 million in 2012.

**Table 1 - UK spend of features produced in the UK, 2008 - 2013, £ million**

	2008	2009	2010	2011	2012	2013
Co-productions	51.7	38.6	76.2	55.3	74.6	54.2
Domestic UK features	236.0	242.1	201.2	199.5	247.1	152.4
<i>Of which budgets &gt;£500,000</i>	221.5	224.3	176.6	182.4	229.2	138.9
<i>Of which budgets &lt;£500,000</i>	14.5	17.8	24.6	17.1	17.9	13.6
Inward investment feature films	434.7	834.6	1,011.2	1,070.3	623.4	868.3
<b>Total</b>	<b>722.1</b>	<b>1,115.3</b>	<b>1,288.7</b>	<b>1,325.1</b>	<b>945.1</b>	<b>1,074.9</b>

Source: BFI

Data are rounded to the nearest £0.1m so may not sum exactly to the totals shown.

Films are allocated to the calendar year in which principal photography commenced.

Films at all budget levels are included in this analysis. For pre-2008 data restricted to films with budgets £500,000 see the BFI Statistical Yearbook 2013 [www.bfi.org.uk/statisticalyearbook2013](http://www.bfi.org.uk/statisticalyearbook2013).

In 2013, 239 films started principal photography in the UK, the lowest annual number for 2008-13. Of these, 37 were inward investment films, 166 were domestic UK features and 36 were co-productions (Table 2).

Domestic films produced with budgets greater than or equal to £500,000 decreased from 65 in 2012 to 62 in 2013 and the number of domestic films with a budget less than £500,000 are recorded as decreasing from 177 to 104. This number should however be treated as an interim result as there is a time lag in obtaining detailed information on all low and micro-budget activity in the UK. For example, for 2012 the recorded number of low budget productions increased by 23% between the January 2013 statistics release and the updated 2012 report in the 2013 Statistical Yearbook. All of the low budget domestic films were classified as UK independent films.

**Table 2 - Number of features produced in the UK, 2008 - 2013**

	2008	2009	2010	2011	2012	2013
Co-productions	30	38	36	46	45	36
Domestic UK features	231	258	303	264	242	166
of which budgets >=£500,000	83	89	78	87	65	62
of which budgets <£500,000	148	169	225	177	177	104
Inward investment feature films	32	37	30	36	38	37
<b>Total</b>	<b>293</b>	<b>333</b>	<b>369</b>	<b>346</b>	<b>325</b>	<b>239</b>

Source: BFI

#### **UK and non-UK films**

In 2013, UK films accounted for £991 million out of a total UK spend of £1,075 million, as shown in Table 3. This reflects the fact that most inward investment films that started principal photography in 2013 were UK-qualifying films.

**Table 3 - UK spend of UK and non-UK features produced in the UK, 2008 - 2013, £ million**

	2008	2009	2010	2011	2012	2013
Non-UK films	24.3	47.7	21.9	43.3	28.1	83.7
UK films	697.8	1,067.6	1,266.8	1,281.8	917.0	991.3
<b>Total</b>	<b>722.1</b>	<b>1,115.3</b>	<b>1,288.7</b>	<b>1,325.1</b>	<b>945.1</b>	<b>1,074.9</b>

Source: BFI

Data are rounded to the nearest £0.1m so may not sum exactly to the totals shown.

UK films are those that are certified as UK or are de facto UK films by virtue of being made in whole or part in the UK by UK production companies.

Non-UK films are films that are produced and financed by overseas companies and are not certified as UK films.

Table 4 shows the production numbers for UK and non-UK films in 2008-2013. Of 239 films tracked in 2013, 232 were UK films; 7 were non-UK films. This was a decrease of 86 films from 2012. However, this number may be revised upward as more information on low budget films comes to hand.

**Table 4 - Number of UK and non-UK features produced in the UK, 2008 - 2013**

	2008	2009	2010	2011	2012	2013
Non-UK films	16	25	7	20	8	7
UK films	277	308	362	326	317	232
<b>Total</b>	<b>293</b>	<b>333</b>	<b>369</b>	<b>346</b>	<b>325</b>	<b>239</b>

Source: BFI

See notes to Table 3.

**Download the BFI Research and Statistics Unit releases covering the UK box office in 2013, film production in the UK in 2013, and British film certification in 2013 here: <http://www.bfi.org.uk/education-research/film-industry-statistics-research/official-statistics-release-calendar>**

#### **About the BFI**

The BFI is the lead organisation for film in the UK with the ambition to create a flourishing film environment in which innovation, opportunity and creativity can thrive by:

- Connecting audiences to the widest choice of British and World cinema
- Preserving and restoring the most significant film collection in the world for today and future generations
- Championing emerging and world class film makers in the UK - investing in creative, distinctive and entertaining work
- Promoting British film and talent to the world
- Growing the next generation of film makers and audiences

The BFI is a Government arm's-length body and distributor of Lottery funds for film. The BFI serves a public role which covers the cultural, creative and economic aspects of film in the UK. It delivers this role:

- As the UK-wide organisation for film, a charity core funded by Government
- By providing Lottery and Government funds for film across the UK



- By working with partners to advance the position of film in the UK.

Founded in 1933, the BFI is a registered charity governed by Royal Charter. The BFI Board of Governors is chaired by Greg Dyke.

