

## Instructions

### Future Film Value Toolkit

The various different income streams are colour coded. They are Theatrical, Video/DVD, TV and Video on Demand. These colours are used throughout the work book to aid easy reference.

The main input sheet for your variables is the first tab in this workbook called "Input Sheet". This sheet is linked to correlation tables with specific monetary values and commission rates hard wired in order to simplify the models use. (Correlations and calculation sheets are hidden to prevent accidental damage).

These hard wired correlations are derived from an average of several successful independent British films to try and make the results of your inputs as realistic as possible.

The top section of the input sheet, "Release Profile", is where you select which revenue streams you think are relevant to the particular scenario you are going to run. The length and timings of the release are only relevant in calculating the net present value of the revenue from each. If you select "no release", the drop down boxes in the "key input" section will contain no options. Note: you must have a theatrical release in order to drive the correlations contained in the spreadsheet.

The next section, "Key inputs" is where you can select and input your own assumptions as to the release volumes of a particular scenario, together with the prices you feel are relevant for the relative VoD release.

If you select the "day and date" box in the VoD section, you are assuming that the VoD release of the film will happen day and date with the theatrical release. You will then need to input your views as to the number of VoD viewings made alongside the initial theatrical release and what "Premium Price" (if any) people would be willing to pay for that.

If you select the "Theatric Window Maintained" box, you are assuming that the theatrical release benefits from an exclusive release window of no less than 3 months, (in keeping with the current market) and the VoD release is held back accordingly.

To run a financial scenario once you have input your chosen variables, scroll down to the bottom of the sheet and click the first macro button 1. The results of your selected scenario are calculated and shown in a colour coded bar graph on the "output sheet-scenarios" tab. For ease of reference your relevant selections for the scenario you have just run are shown in a table immediately above the graph.

You may then compare the scenario you have just run with another by returning to the “Input Sheet”, changing your inputs and running another subsequent set of figures by clicking the next subsequent macro buttons 2, 3, or 4.

Each time you click the macro button the new scenario will automatically calculate the results of your selections and take you to the relevant graph on the “output sheet–scenarios” tab. Note: Clicking on the first macro button will clear all subsequent scenarios whereas clicking on buttons 2, 3 or 4 will only replace the corresponding scenario with the new one.

By way of an example:-

You may wish to compare the effect the onset of VoD may have over the period of the next five to six years.

1. A good place to start would be to run scenario 1 based on the revenues earned by the average British film now. So in the “Release Profile” section select revenue streams you think are relevant now, i.e. Theatrical, Video/DVD and TV, but not VoD.
2. After selecting the Box Office level, select “100%” in the drop down boxes of the Video/DVD and TV sections.
3. Run the finance model for the scenario by clicking on the first macro button, 1. This will produce your first set of figures in a colour coded bar chart relevant to your first set of inputs and will give you the base revenue earned off of our typical independent British film now.
4. For scenario 2, you need to return to the “input sheet”. Cast your mind forward, say to two years from now and decide what income streams may be relevant using the “Release Profile” section. Don’t forget to change the status of VOD release from “No release”.
5. Then try to calculate how current revenue streams will be affected. To do this, use the drop down boxes for each revenue stream to predict the extent to which each one will have been affected by VoD.
6. You can then input your anticipated increase in take up of VoD and corresponding price levels for Download to own (DTO) or Download to Rent (DTR). If there are no figures in the drop down boxes in the VoD

section it will be because you have not selected VoD as an income stream in the "Release Profile" section.

7. Once you have done that, run the scenario by clicking on the next macro button, 2.

You can then run two further scenarios for say, 4 and 6 years time, using some different assumptions.