

# TBI

Television Business International

# Kids

TBIvision.com

October/November 2016

## Magiki™

52x11'



MIPCOM STAND C20A  
[www.zodiakkids.com](http://www.zodiakkids.com)

**zodiak kids**  
WE ARE BANIJAY



**NEW**  
**FROM**  
**nickelodeon™**

**THE**  
**Loud**  
**HOUSE**

**PIG GOAT**  
**BANANA**  
**CRICKET**



**VIACOM** INTERNATIONAL  
MEDIA NETWORKS

© 2016 Viacom International Inc. and Paramount Television. All Rights Reserved.



# School of Rock



**ADD THESE  
TO YOUR  
MUST-SCREEN LIST**



nickelodeon

VH1

COMEDY CENTRAL

Spike

TV LAND

BET★

CMT

5

Logo



[www.b2b.viacom.com](http://www.b2b.viacom.com)



Xilam  
presents

MIPCOM  
BOOTH R7.K16

Paprika

78 x 7'



Every adventure gets tastier  
with a pinch of Paprika!

Xilam  
xilam.com

© Xilam Animation



# OGGY

AND THE  
COCKROACHES

**234  
NEW  
EPISODES!**

**RETURN WITH 3 NEW SEASONS IN 4K!**

**SEASON 5 (78 X 7')  
BATTLE THROUGH THE AGES!**

**SEASONS 6 & 7  
(156 X 7')**

**A MIX OF BRAND NEW  
STORIES AND FULL REMAKE OF  
CLASSIC ONES FROM S1 & 2!**

© Xilam Animation

YouTube /OGGY

f /OGGY.FANPAGE

MIPCOM BOOTH R7.K16

**Xilam**  
xilam.com



Jim Henson's™  
**SPLASH  
AND  
BUBBLES™**



80x11'

Jim Henson  
THE JIM HENSON COMPANY



**2016 MIPJunior  
World Premiere  
SCREENING!**

© 2016 The Jim Henson Company. All Rights Reserved.  
The PBS KIDS logo and PBS KIDS © PBS. Used with permission

© 2016 2445988 Ontario Ltd. All Rights Reserved



KIDS' CBC



INDUSTRIAL BROTHERS



**Dot.**™

**Connect. Explore.**  
Then Run Outside and  
Discover Some More!

52x11'

**MIPCOM • Booth No: R7.E45, Riviera Hall**  
**[international@henson.com](mailto:international@henson.com)**

*Jim Henson*™  
THE JIM HENSON COMPANY



## This issue

### 6 Cartoon Forum Top 10

This year's Cartoon Forum hits at a glance

### 8 Studio Hari

The prolific animation studio is launching an international distribution division to exploit its brands

### 10 Curious World

Can a new subscription on-demand app penetrate the international children's video market?

### 12 Rainbow Rangers

Feature film director and producer Rob Minkoff on turning his hand to girls-skewed animation

### 14 France 4

The France Télévisions digital channel has repositioned as a kids and family service after just two years as a children and young adult network. Executive director Tiphaine Ragueneau explains why

### 16 Animation M&A

Does the recent rounds of mergers and acquisitions in the children's TV space indicate a healthy international market, or something else? Jesse Whittock investigates

### 20 French studios

The top French production studios are undergoing big changes, moving to new bases and working under new regulation. Pascale Paoli-Lebailly outlines the challenges and opportunities

### 26 Kids data

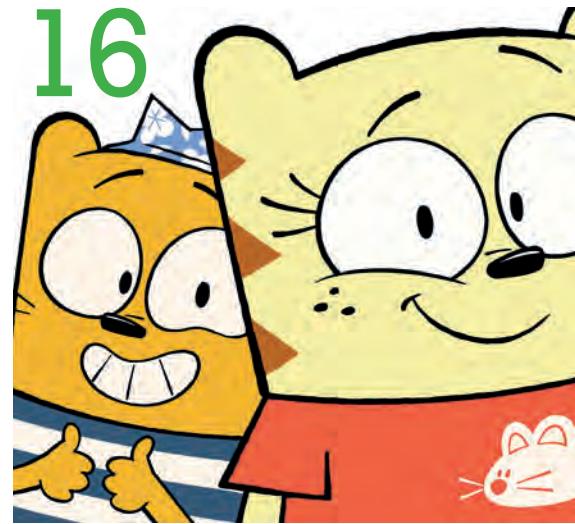
New stats from EurodataTV Worldwide show some key free and pay TV channels are, in fact, increasing their audience shares

### 26 Brexit & kids TV

Children's television producers are coming to terms with the UK's decision to leave the European Union. Stewart Clarke analyses the state of play and looks at the tests ahead

### 36 Last word

Off the wall animation is back in fashion, says Caroline Beaton from Viacom's international arm



**Editor** Stewart Clarke • [stewart.clarke@knect365.com](mailto:stewart.clarke@knect365.com) • @TBIstewart

**Deputy editor** Jesse Whittock • [jesse.whittock@knect365.com](mailto:jesse.whittock@knect365.com) • @TBI\_Jesse

**Sales manager** Kate Roach • [kate.roach@knect365.com](mailto:kate.roach@knect365.com)

**Art director** Matthew Humberstone • [matthew.humberstone@knect365.com](mailto:matthew.humberstone@knect365.com)

**Published by** KNect365 TMT, Maple House,  
149 Tottenham Court Road, London W1T 7AD

**Tel:** +44 (0)20 7017 5000

**e-mail:** [tbi@knect365.com](mailto:tbi@knect365.com) **web:** [www.tbivision.com](http://www.tbivision.com)

Printed in England by Wyndeham Grange Ltd, Southwick, West Sussex BN4 4EJ

Television Business International (USPS 003-807) is published bi-monthly (Jan, Mar, Apr, Jun, Aug and Oct) by KNect365 TMT, Maple House, 149 Tottenham Court Road, London, W1T 7AD, United Kingdom. The 2006 US Institutional subscription price is \$255. Airfreight and mailing in the USA by Agent named Air Business, C/O Priority Airfreight NY Ltd, 147-29 182nd Street, Jamaica, NY 11413. Periodical postage paid at Jamaica NY 11413. US Postmaster: Send address changes to Television Business International, C/O Air Business Ltd / Priority Airfreight NY Ltd, 147-29 182nd Street, Jamaica, NY 11413. Subscription records are maintained at KNect365 TMT, Maple House, 149 Tottenham Court Road, London, W1T 7AD, United Kingdom. Air Business Ltd is acting as our mailing agent.

© 2016 Informa UK Ltd All rights reserved

**Reproduction without permission is prohibited**



**KNect365**  
TMT





# Cartoon Forum's

Projects from France and Ireland made up a big proportion of the most attention-grabbing pitches at this month's Cartoon Forum event in Toulouse last month

*Kung Fu Brothers* – a 78x7mins spot-motion, hybrid animation series about a bunny and dog who find their master's home comes to life when he goes to work – had the most investors in attendance at Cartoon Forum. The Millimages project was one of a number of French series attracting interest.

Also popular and from France were *Mr. Magoo*, *Runes*, *Enchanted Sisters*, and *Mush Mush and the Mushables*, though some say the

fact the event is held in Toulouse skews the numbers somewhat.

Irish companies, whose attendance at the Forum has been becoming more noticable – and important – in recent years, drew attention with *Snoozeville* and *Creepers*. British, Belgian and German toon houses also caught the ears of investors.

Cartoon Forum this year ran from September 13-16 in Toulouse, featuring 80 projects, mostly from Europe.

## 78

**MUSH-MUSH &  
THE MUSHABLES**

La Cabane  
Productions/  
Thuristar  
France/Belgium



## 78

**MILLIE & LOU**

Blue Zoo  
Productions  
United Kingdom



## 82

**MOUSE  
MANSION**

Zooper Film/  
Rubinstein  
Pictures/  
Grid Animation/  
Germany/  
Netherlands/  
Belgium



## 83

**THE THREE  
LITTLE SUPER  
PIGS**

Fourth Wall  
Creative  
United Kingdom



## 85

**ENCHANTED  
SISTERS**

Cyber Group  
Studios/  
The Jim Henson  
Company  
France/UK





# most-watched

91

**RUNES**  
Les Armateurs  
France



95

**CREEPERS**  
Giant Animation  
Ireland



98

**MR MAGOO**  
Xilam Animation  
France



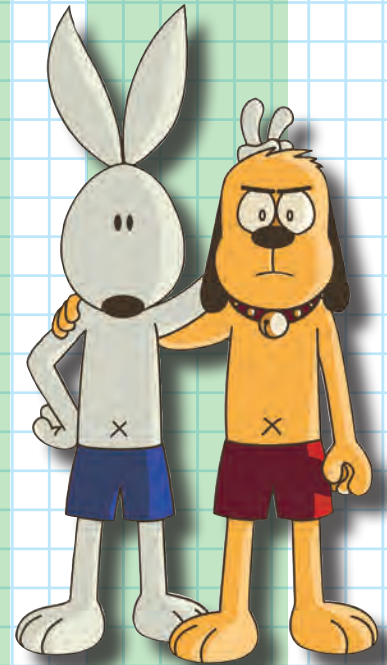
110

**SNOOZEVILLE**  
JAM Media  
Ireland



120

**KUNG FU BROTHERS**  
Millimages  
France



The statistics show the number of investors present at screenings/presentations for the animated projects in question



# Hari joins the distribution club

Hari International introduces its first cartoon series *Grizzy and the Lemmings* at MIPJunior

**G**rizzly is a bear who finds comfort in a forest ranger's house, but also faces off against a band of lemmings whose goal is to drive him out. The bear and his foes look set for a busy autumn.

3D CGI comedy-cartoon series *Grizzy and the Lemmings* will launch in October/November on Turner's Boomerang channel worldwide, excluding France and Canada.

This 78x7mins dialogue-free series comes from Studio Hari, the French animation company behind comedies including *The Owl*, *The Owl & Cie* and *Leon*. It will premiere at MIPJunior.

Already pre-bought by Turner and France Télévisions, which has the first broadcast window in France, it will debut in early 2017. The family-skewed show is the first to be distributed by Hari International, the sales firm Studio Hari formed last May.

Run by Adeline Tormo, the former Gaumont Animation head of sales, the new distributor will represent all new series from Studio Hari and build "brand strategies based upon the company's properties".

In Cannes, Tormo will try to secure international free TV deals for *Grizzy and the Lemmings*, whose second season is already being talked about. A priority will be given to western Europe and English-speaking Canada, with Télé-Québec having already prebought the series for French-Canada.

"A German partner should be announced shortly and, since TVFI's Rendez-Vous in Biarritz last September, we've received four more bids," Tormo says.

"Having secured pay TV sales worldwide, our goal is to gather the greatest number of partners in free TV, country by country, so as to launch our new property and build a strong TV and licensing brand. *Grizzy and the Lemmings* has the potential to become a classic."

Tormo adds that creating Hari International ensures the television, video and merchandising exploitation for Studio Hari's new productions are handled seamlessly.

"This is a major step in the development of Studio Hari," company founders Josselin

Charier and Antoine Rodelet said upon the forming of the division. "Its creation will lead to the integration of all the activities related to our content."

Hari International doesn't hold the sales rights to former series produced by the studio. The sales to *The Owl* and *The Owl & Cie* are handled by France Télévisions, while PGS Entertainment distributes *Leon and the Gees*, a 52x3mins show created for French channel Gulli.

Those shows have been licensed into over 200 countries and broadcast on channels including France Télévisions, BBC, Disney, SVT, Cartoon Network, Nickelodeon and the ABC. The L&M rights, however, haven't been exploited.

Since its creation in 2006, Studio Hari has specialised in 3D animation, placing a bet on fully producing from its Paris and Angoulême studios, so as to keep control on the development and production of its TV shows.

"Like Aardman Animation, Studio Hari

Like Aardman Animation, Studio Hari is well-known for its style. Now we need distribution  
**Adeline Tormo**



is well known for its technique and style: we now want to control the distribution and the rights chain instead of them being lost in the catalogue of another distributor," Tormo says.

Hari International's catalogue is set to grow, with a new project introduced in Annecy.

Live-action/3D hybrid *Hollywood Pedigree* will follow a cat, a dog and a chimpanzee sharing a flat in Tinseltown, and living with a human butler. It will play on the contrasts between animals and humans, and with co-viewing in mind, will be developed as a series or a TV movie. **TBI**

**THE SHOW:** *Grizzy and the Lemmings*

**THE PRODUCER:** Studio Hari

**THE DISTRIBUTOR:** Hari International

**THE BROADCASTERS:** France Télévisions, Boomerang (worldwide), Télé-Québec (Canada)

**THE CONCEPT:** Dialogue-free comedy about a bear who moves into a ranger's house, as lemmings try to drive him out







# Memories of Nanette

APC  
Kids\*

52 x 13' | SCREENING AT MIPJR. 2016

MEET US AT OUR STAND P-1.L60



# Curious World turns to international

Publishing giant Houghton Mifflin Harcourt launched its Curious World app a year ago, with a raft of acquired shortform content. Having added originals and with more in the works, kids business veteran and Curious World boss C.J. Kettler tells TBI about the next steps

**M**ost linear kids channels have accompanying apps these days, and there are plenty of standalone digital services for young viewers. When publishing giant Houghton Mifflin Harcourt came to market with its Curious World service, it knew it had to provide something different to justify a US\$7.99 monthly (or US\$64.99 annual) fee.

Having run *My Little Pony* and *Transformers* animation studio Sunbow Entertainment in the late 1990s, Houghton Mifflin Harcourt's executive VP and chief of consumer brands and strategy, C.J. Kettler, has a long history in kids content. She says the company had differentiated itself by moving away from a TV-centric approach with Curious World.

"We did a lot of research into what parents were willing to pay for, and we discovered there was a hole in the marketplace," she says. "There are a lot of services based on content available on television, and an immediate differentiator was to use content not on TV, to not try and recreate PBS Kids or Nick or any other linear service."

That meant a move to shortform content, with former Nick and Scholastic exec Linda Kahn coming in as a consultant, to cover acquisitions, which now number over 500.

The app launched last autumn in North America and has been downloaded a million times. With content divided across video, games and e-books, the core demo is 2-to-7, with a sweet spot among the 3-to-5s.

Parents can also get detailed stats on what their kids access, allowing them to either indulge their children's favourite learning areas, or push them into those in which they need to improve.

Kettler will be at MIPCOM looking to meet producers, distributors and potential partners for a wider launch of Curious World, with expansion beyond a priority.

"We'll be at MIPCOM meeting with producers and looking out for new content, and we will think about how we can leverage our

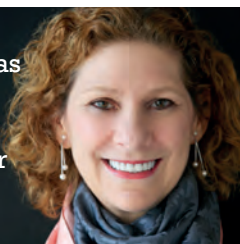


A Rhino Named Paul

platform in other countries, as we think about launching in other territories."

Houghton Mifflin Harcourt will need to clear rights ahead of any international launches, which are likely to start in other English-speaking countries. Outside of the acquired programming, it has moved into originals, with an initial slate of six shows, and two more to be announced in early 2017.

**An immediate differentiator was to use content not on TV, to not recreate a linear TV service**  
**C.J. Kettler**



Three of the shortform originals are animated. *Moonlight Storytime* is produced by Bix Pix, the producer behind Amazon's acclaimed original *Tumble Leaf*; music-based series *A Rhino Named Paul* comes from CloudKid; and language-learning series *Jingle Bilingual* rounds

out the toon offerings. Kettler says *A Rhino Named Paul* in particular has longform potential as it looks at moving into longer-format kids shows.

There are also three live-action shows: superhero costume-making show *Recycled Superheroes* from Hyperactive Content; arts and crafts offering *Get Crafty*; and *Let's Go to Work*, about people's everyday jobs. The latter two hail from Brooklyn-based prodco Ghost Robot.

"We started creating originals because as a company we knew we could exploit this IP across the board," Kettler says. "The first batch were all original IP. We have done six in year one and have two more in production."

"We are also developing for longform, whether we put that in Curious World or do it for another OTT service or linear."

Currently restricted to iOS devices, and available on Apple phones, tablets and Apple TV, the service is likely to open up. "Our focus has been on Apple, but as we look at openings globally, we will look at other partnerships and getting on different devices and platforms by market," Kettler says. **TBI**



# BEST FRIENDS

THE N.1 DAILY TEEN SHOW  
IN THE NETHERLANDS!



Nine original episodes...

# spooky

...that will keep kids on the edge of their seats.



## CASPER AND THE CHRISTMAS ANGELS



★ THE ULTIMATE CHRISTMAS FAMILY SERIES ★





## Disney veterans add colour

A host of talent from the world of features have joined forces with Andy Heyward's Genius Brands International and are making a new girl-empowering kids show, *Rainbow Rangers*. *Lion King* director Rob Minkoff is one of those board and here talks to Stewart Clarke

**T**here is a steady influx of big-screen talent making TV drama series, and with upcoming animated series *Rainbow Rangers*, a host of film veterans are bringing their skills to kids television.

There is a Disney connection to the film-to-TV talent in question. Rob Minkoff directed *The Lion King*, Shane Morris co-wrote *Frozen*, and Ruben Aquino was a character designer on *The Little Mermaid* and *Frozen*.

Why are the Disney alums getting together for *Rainbow Rangers*? "It began when Andy and Stone recognised some light space in the market," Minkoff says. "And that was something for toddler girls."

The Andy and Stone in question are Genius Brands International founder and kids TV veteran Andy Heyward, and company consumer products chief Stone Newman. The project they ended up collaborating with Minkoff and co. on is *Rainbow Rangers*, a 52x11mins CGI series about a group of seven magical girls, each of whom represents a colour of the rainbow.

"I've really spent my career in feature films, animation and live-action, but now I have a four-year-old and a one-year-old, and as a parent am very involved in their media consumption," Minkoff says. "For girls, there is a preponderance of princess stories and IP, and that's fine, but there is less mission-based content."

The *Rainbow Rangers* of the title of the new show are the physical embodiment of the rainbow. They live in the fantasy world of

Kaleidoscopia and travel over rainbows to Earth to help save the planet from natural disasters and wrongdoing, using their special powers, teamwork and creativity.

Minkoff says he is still getting to grips with the world of kids TV. "I'm learning as I go," he says. "A big difference is the serialised-versus-

as *Paw Patrol* and *The Octonauts*, and the idea was that we can create a show in a similar vein and for the same age range, but targeting girls."

GBI is scouting for partners for *Rainbow Rangers* and will be at MIPJunior and MIPCOM with that in mind. It hopes to launch a special



**"I'm learning as I go. A big difference is the serialised versus procedural approaches of film and TV"**  
**Rob Minkoff**

procedural approaches of film and TV. Kids like reassurance and repetition so in TV, and while each episode has unique elements, it follows a pattern. That's quite different to feature-film making, which has a three-act structure and a singular one-off story."

The lack of empowering girls shows for preschoolers needs addressing, says Minkoff, who is also directing GBI's *Llama Llama* animated series.

"I did *The Little Mermaid* and other films that had strong female roles and helped start a conversation about females in film," he says. "There are smart shows out there such

next autumn and a full series in 2018.

Broadcasters and prebuyers looking to reach a preschool-girls audience with a show that delivers a cast of positive female characters will want to take a look.

"Geena Davis, who I worked with on *Stuart Little*, runs the Institute on Gender in Media, and they examine the screentime that men get versus women," Minkoff says. "If we don't give kids at a young age the right messages here, how can we expect them to have a different way of looking at things?"

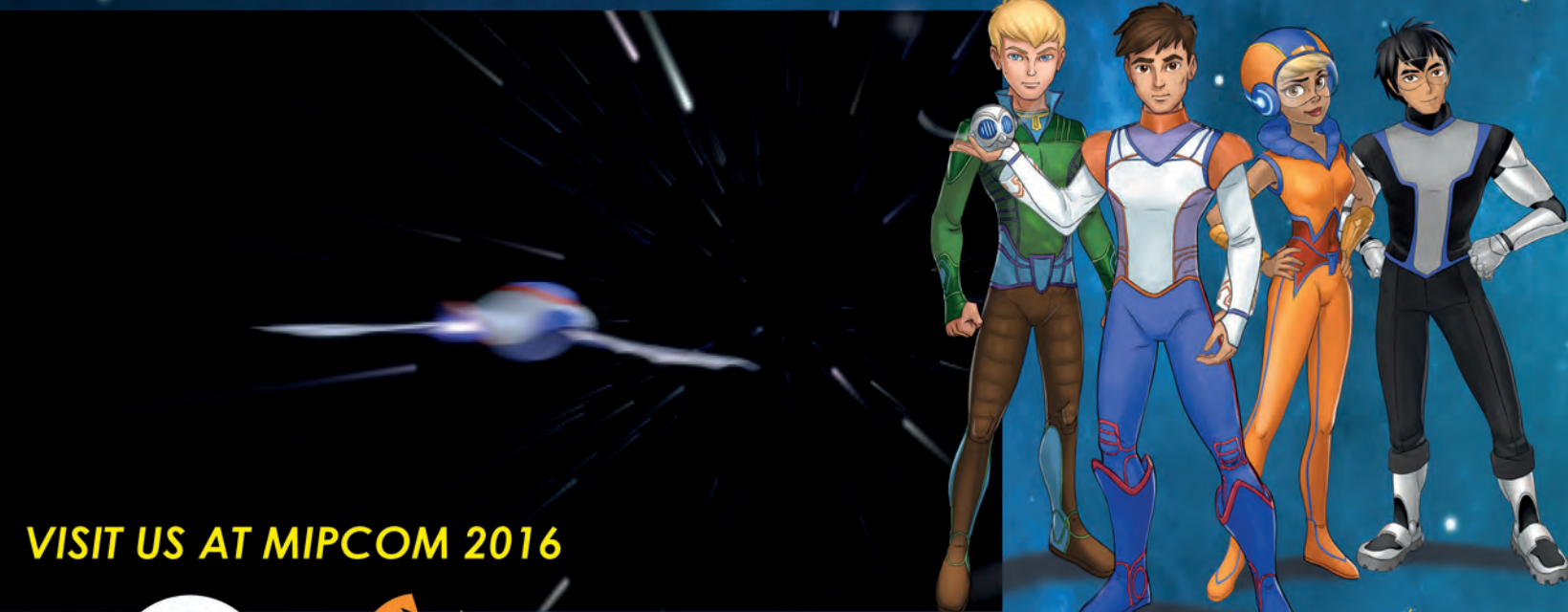
"This show has big potential commercially, and sociologically," **TBI**



# SINDBAD GALAXIES

LET THE ADVENTURE BEGIN.....

Season 1 : 26 x15' HD



VISIT US AT MIPCOM 2016



P-1, J.24/K.23



P3, B.16

CONTACT:  
NELLY VOUKAKI

email:  
[nelly.voukaki@momediatv.com](mailto:nelly.voukaki@momediatv.com)





# Co-viewing the watch word at France 4

Formerly dedicated to children and young adults in primetime, France Télévisions's DTT channel France 4 repositioned in September as a kids and family service, with evenings skewed towards co-viewing. Tiphaine de Raguenel, France 4 executive director and head of France Télévisions' youth unit, tell Pascale Paoli-Lebailly about the changes

**TBI:** Two years ago, France 4 refocused its schedule on kids animation in daytime and young adult-skewing shows in primetime. This September, it was transformed again, into a fully kids- and family-focused channel. Why?

**TR:** It corresponds to the strategy of the group's president, Delphine Ernotte, to make each channel's positioning clearer, and better at supporting original French programming. With France 4, we reoriented our investment towards series that are dedicated to families, to promote co-viewing between kids 8-to-16 and parents.

**TBI: What does it mean for young adult primetime programming?**

**TR:** In the case of new projects like half-hour series *La Rentrée des Classes* (from Panique, Autour de Minuit, and Beast Animation), the editorial evolution has meant changing what was an adult TV show into a family one.

Drama series commissioned and produced before France 4 repositioned, like the last season of *Hero Corp* (Calt Production) and adult animation *Lastman*, will now be broadcast in primetime or late primetime. War comedy series *Loin de Chez Nous* (also from Calt) started on September 19 at 8.55pm.

**TBI: What kind of shows France 4 will now broadcast in primetime?**

**TR:** The channel will continue to offer sport, movies and documentary programmes such as *A Season at the Zoo* (Banijay Productions France), which will be extended with a *Season in the African Savannah*.

New primetime shows focused across the generations include, for instance, *YouTubers Explained to My Parents* (from Morgane), and magazine shows such as *Le Plein de Sensations* (Ah! Production), which will look at unusual places we dream of visiting as families.

One of our key shows will be *Les Délires Magiques* (ADLTV), which will mix live-action and magic, and is about the magician Eric Antoine and his wife. We also push the development of drama series and shortform comedy.

**TBI: In terms of the kids programming, you are now mixing genres?**

**TR:** Animation accounts for 85% of the kids time slots, and we aim to



"Over the 2016-17 season, France Télévision will air 5,800 hours of animation – 3,500 on France 4"  
**Tiphaine de Raguenel**



strengthen the focus on action-adventure and comedy. We will also diversify with shows such as puppet series *Yétili* (Darjeeling), which has the goal encouraging young kids to read; travel and discovery doc *T'ouï?* (Bela Films); hybrid formats like sitcom *Science of Bothereation* (Vivement Lundi!); and preschool series *The Ollie and Moon Show* (Cottonwood Media).

**TBI: French animation producers association SPFA has urged France 4 to develop its own content. What are your plans in this respect?**

**TR:** France 4 already backs series, including *Atomic Puppet* (Gaumont Animation), the new seasons of *Yakari* (Ellipsanime Productions) and *Angelo Rules* (TeamTO).

What is important is that series from our kids slots Ludo and Zouzous can travel across all of the group's channels, as well as its digital platforms. France Télévisions invests €29 million (US\$32 million) into animation each year, which is half of all the total French networks' investments. Over the 2016-2017 season, the group will broadcast more than 5,800 hours of animation, 3,500 of those on France 4.

**TBI: What does the repositioning means for distributors, what is the strategy in terms of acquisitions?**

**TR:** Our acquisition budget is stable and we're looking for shows that complement our own productions, with, for instance, animated superhero series.

We have an ongoing deal with Warner for series including *Scooby Doo*, and the *Looney Tunes* and DC Comics shows.

We have just secured a deal with Disney France for shows including *The Lion Guard*, *Mickey Mouse Clubhouse* and *Doc McStuffins*. Additional acquisitions, like TV series *My Mad Fat Diary* for teens and *Dr Who* and *Sherlock* for families, are opportunistic acquisitions.

**TBI: How are France 4's ratings?**

**TR:** The children's audience share has doubled in the last two years. France 4 regularly reaches 14.5% audience share in the after-school slot, and has had an 11% daytime average in 2016. Our goal is also to strengthen the youth offering and audience on digital platforms through the Zouzous and Ludo websites and apps, and, from next March, on our freemium VOD service. Youth programmes account for 50% of all catch-up viewing. **TBI**

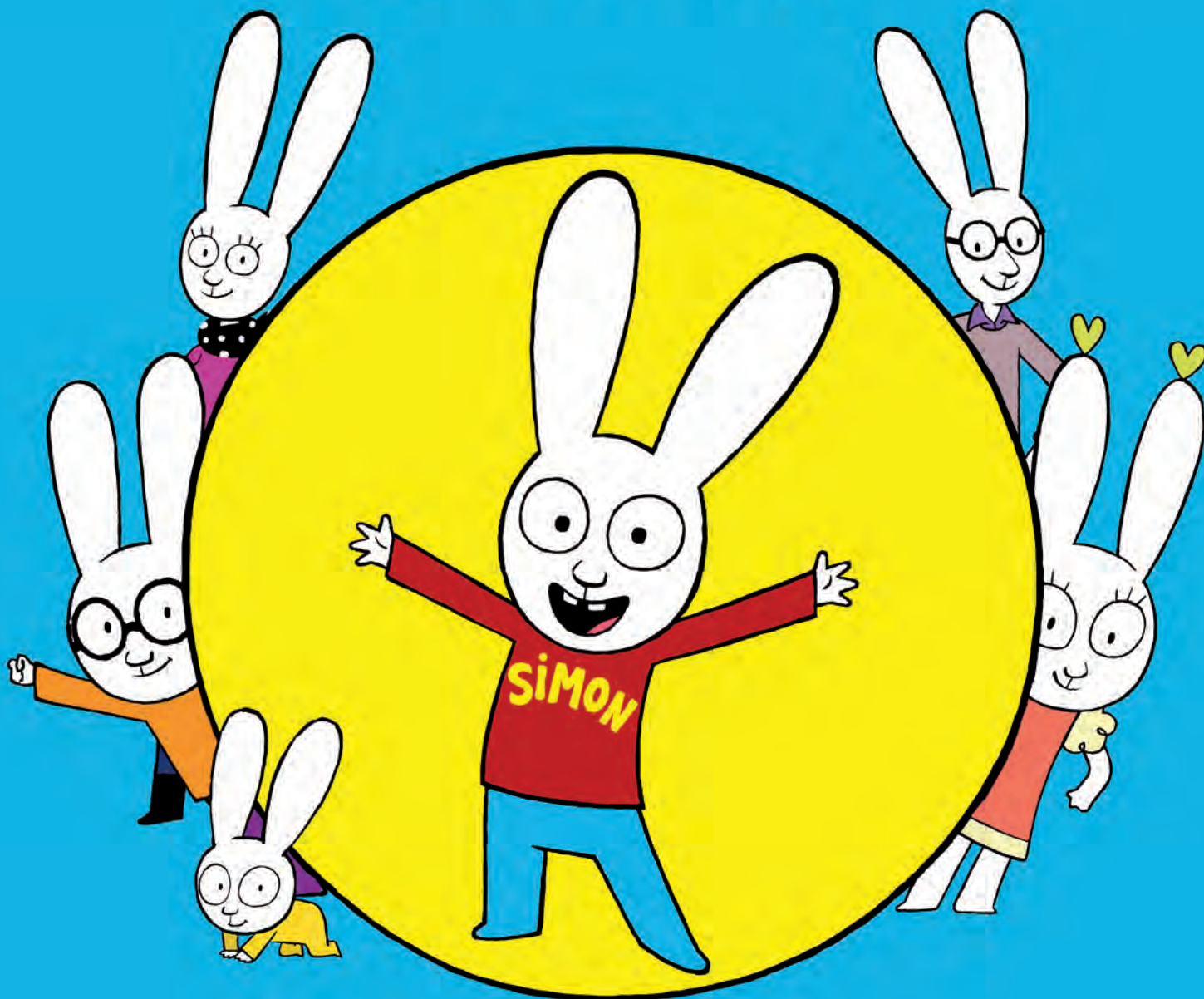


**NEW!**  
Mip Jr.  
Screenings

**GO-n**  
PRODUCTIONS  
presents

# SIMON

52x5'



**zouzous**

**5**

**RTS KIDS**



**yle**

**CNC**

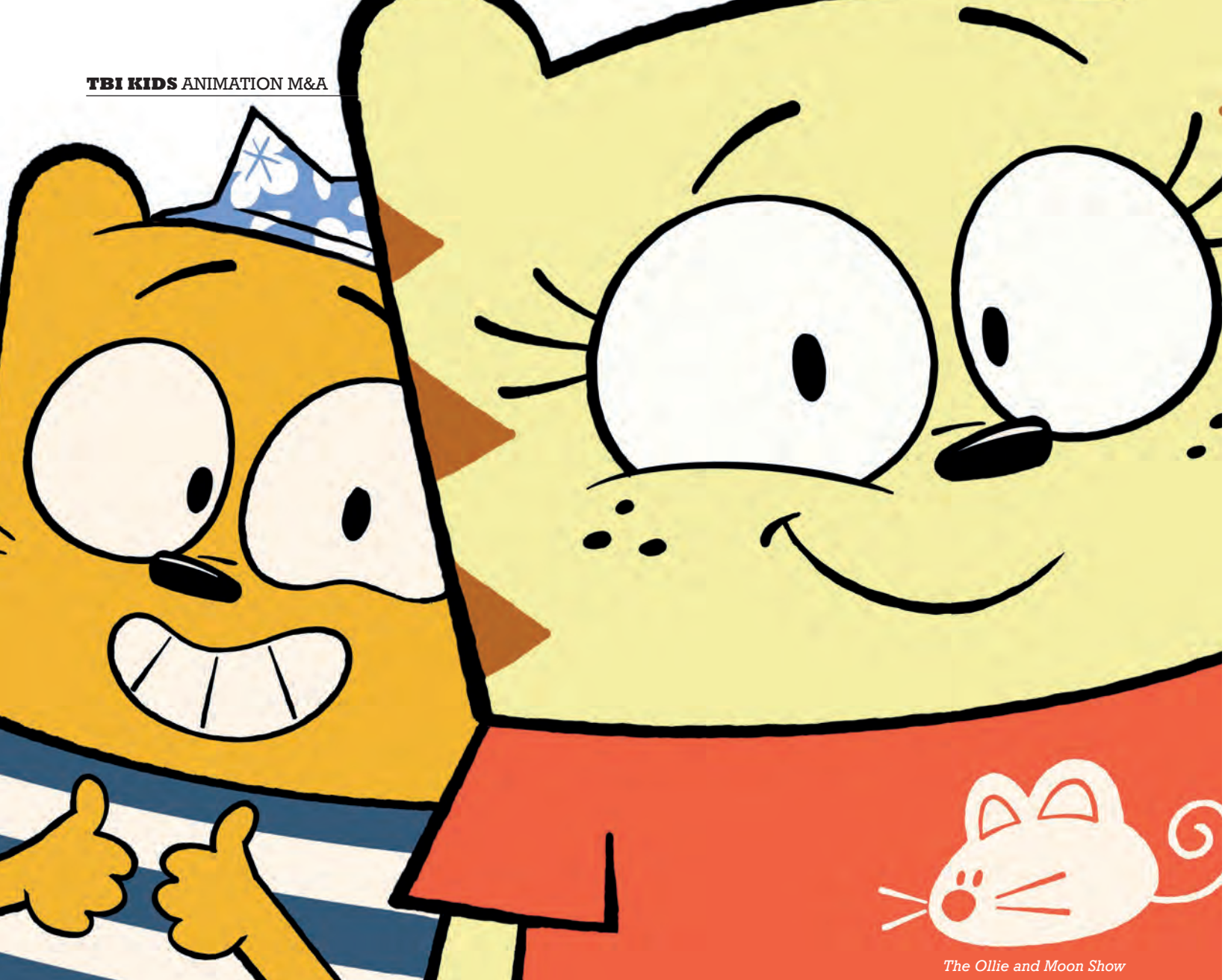
**\* île de France**

Worldwide  
Distribution :

**GO-n**  
INTERNATIONAL

[www.go-n.fr](http://www.go-n.fr)





*The Ollie and Moon Show*

# A merging market

Does the recent spate of mergers and acquisitions in the kids TV space represent a healthy, growing market, or are other factors at play? Jesse Whittock speaks with the key industry brains

**T**hose who've committed their careers to the children's television business are used to finding money from places where it isn't meant to exist. For much of the 21st century, kids entertainment production has been one of the worst-financed areas of the television market, but a spate of mergers and acquisitions has changed perceptions.

Companies including 9 Story Media, eOne Family, Hasbro, Boat Rocker Media, DHX Media and Lionsgate have been investing their money in other kids-content businesses, as the opportunity to exploit IP expands and new avenues of revenue open up.

"There are many reasons why a kids TV company will sell, but the one common factor for both buyers and sellers is that these

acquisitions were driven by the need to achieve scale to better compete in the global business," says John Vandavelde, managing director of The Entertainment and Media Finance Group (TEAM). Earlier this year, TEAM helped Toronto-based Boat Rocker buy compatriot toon producer Jam Filled Entertainment, which in turn acquired the assets of Arc Productions after it went out of business.



Boat Rocker itself was sold last year, when Fairfax Financial Holdings bought Temple Street Productions, triggering a rebranding and restructuring exercise. The Industrial Brothers and Radical Sheep Productions were drafted into the group, while Boat Rocker Animation was established in the rejig.

"It's just over a year that we did the deal with Fairfax," says Boat Rocker CEO John Young. "They supported our vision, and the job has

notes that with Netflix moving towards a 100% original, wholly owned content strategy, "it's going to be the end of the party soon", adding: "You'll have to sell all rights to them or go back to your existing customers. They're not going to be interested in coproducing."

Netflix isn't the only player in town, however. Amazon Studios has considerably ramped up original production and, as it is not a global service (yet), can be more flexible with rights.

exploit market opportunities.

"When we started out we really had the view we needed to be indie," he says. "We did funding rounds and it was fine, but because productions values and expectations are so high [we looked at our options]."

"Then some commissioners won't pay the producers for three years, or you have to gap finance for a year to break even. I could have done that, but it would have been two years of only focusing on one project. I didn't want that because we have lots of creative opportunity."

With Federation's capital, Cottonwood can work on multiple series at once, meaning *Ollie & Moon* – which is for Sprout in the US, France Télévisions, and Netflix in select territories – was joined on the slate by *Squish*, which is for Gulli and Teletoon. Other series are in development.

"I'm now a shareholder in Federation, and it's a nice balance," says Michel. "There's lots of consolidation in the industry right now because if you want your shows to have the right production values you have to be financed – when you go international you have to have the financial backing."

Cashflow is certainly one reason for selling up, but J.J. Johnson, owner and founding partner at another Canadian kids firm, Sinking Ship Entertainment, has reservations about the concept of consolidation.

"It feels like the golden era of television, as companies are putting up a lot of money, and it's definitely true platforms are looking at ways to define themselves," he says. "The danger of consolidation is you lose voices. We have been approached to be acquired, but you

**"Consolidation is driven by talent, and for the smart up-and-comer there is a ton of capital"**  
**Neil Court, 9 Story Media**



been to turn that into reality. At the centre of the recent M&A is IP creation and production, and exploiting that IP. With kids, we saw an opportunity in our own back yard in Canada."

The northern neighbour of the US has indeed driven much of the recent market movement. 9 Story Media sold a large shareholding to Zelnick Media Capital and former DHX chief and Decode Entertainment co-founder Neil Court in separate deals. In turn, the *Nature Cat* firm bought Oscar-nominated Irish cartoon house Brown Bag Films (*Octonauts*, *Doc McStuffins*) this year.

"On the broadcasting side we're seeing many more mergers, but we're also seeing more buyers," says Court, who is now executive chairman of 9 Story. "If you're an emerging kids company, there's a very good investment argument. It's driven by talent, and for the smart up-and-comer there is a ton of capital."

He attributes much of the market resurgence to SVOD platforms entering into the originals market. "Netflix went from commissioning zero kids shows to 35 in the past two years. Before that, there was an oligopoly of cable channels – Nick, Disney and Cartoon Network were the main buyers – and that has changed materially. We're seeing that through 9 Story, which is producing 20 series a year. A significant minority of those will be originals for SVOD platforms."

However, one senior kids TV executive

David Michel, managing director of France's Cottonwood Media and Federation Kids & Family, says the SVOD platform's content strategy breathed life into "high-quality, premium production that wasn't in the kids business for a long time." He adds: "For a decade the market was focused on very commercial production with lots of licensing attached."

Michel sold a significant minority stake in *The Ollie & Moon Show* prodco Cottonwood to former Zodiak Media colleague Pascal Breton, whose Federation group had to that point focused only on high-end drama. Michel says the decision to join a larger group allows Cottonwood to fully





have to ask about the advantage of companies coming together.

“Often the creative teams last two years and then they are out of there; I can’t think of many examples of them staying put. My fear is that you get bigger companies with interesting IP, but where’s the new stuff and how do new voices break in? I would much rather see new producers starting up. That’s the only way the creative side excels.”

Sinking Ship itself has become an acquirer, albeit in a limited and very strategic manner. Earlier this year, the company paid an undisclosed amount to buy Picture Box Distribution, which already sold Sinking Ship’s Amazon series *Annedroids* and long-running live-action show *This is Daniel Cook*.

“When the opportunity came to expand, they were one of the obvious choices,” says

sense and is understandable – they have 100% of one production and 40% of another. We also realised that if we needed to push into

to produce series from its brand catalogue (think *My Little Pony*, *Transformers* and *Littlest Pet Shop*) in the international market.

**“We’re probably more interested in brands rather than other companies”**

**Olivier Dumont,  
eOne Family**



merchandising then you need the expertise.”

Toy company Hasbro made a similarly strategic move – on a much larger scale – when

“The root of our decision to buy Boulder is Hasbro’s continued commitment to storytelling,” says Stephen Davis, executive VP and chief content officer of Hasbro.

“Entertainment – and animation, more specifically – is a key component of our long-term strategy and Boulder are great storytellers with broad, multi-platform production capabilities which align well with our omni-screen content strategy. This acquisition also allows us to continue to challenge traditional modalities of production, delivering innovative content at the right price points.”

For many of the larger players, M&A has been all about acquiring lucrative IP. After buying rival Cookie Jar Entertainment for C\$111 million (US\$85m) in 2012, DHX Media built a huge content production and distribution business, along with a successful licensing arm. Deals for Ragdoll Worldwide, which owned *Teletubbies* and *In the Night Garden* brands, and *Degrassi* producer Epitome (having already bought the *Degrassi* library in 2014), followed, as did an opportunistic move to acquire the Family Channel and three Disney-branded Canadian kids networks.

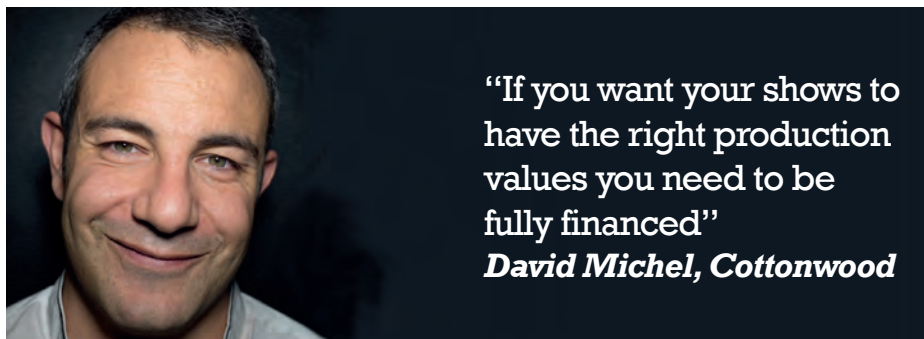
Entertainment One has steadily built up its ownership of perhaps the biggest new kids TV property of the 21st century, preschool hit *Peppa Pig*, and in October 2015 it paid £140 million (US\$181.7 million) to take a controlling stake in its producer, Astley Baker Davies, through the eOne Family label.

eOne has distributed the series and its surrounding licensing business since acquiring UK-based Contender Entertainment Group for £49.4 million in June 2007.

“We have had a look at many companies, but there was nothing that we felt was an absolute

**“If you want your shows to have the right production values you need to be fully financed”**

**David Michel, Cottonwood**



Johnson. “When your distributor is also a producer you can’t help but feel that their attention is on their own shows. That makes

it bought Ireland’s Boulder Media, which is primarily a service work animation producer. The deal massively expanded Hasbro’s ability



Nature Cat



must-have, particularly in family,” says eOne Family MD Olivier Dumont.

“Being selective and focused is paying off, and we have interesting new properties at different stages of development. We’re probably more interested in brands rather than other companies. 9 Story acquired Brown Bag, a great deal for both, but that’s definitely not our business: we don’t want to be locked into doing shows.”

Dumont describes each significant M&A deal in the kids and family space as “very, very individual”. He notes that in the best examples, people from the acquirer and acquired fit together well (Brown Bag’s Cathal Gaffney became 9 Story’s COO after their deal; Nerd Corp’s Ace Fipke and Ken Faier took key roles at DHX Studios).

Hasbro’s Davis points a similar benefit from the Boulder acquisition. “We’ve long recognised the amazing creative talent outside of North America, and in our conversations with Boulder, that became even more evident. With the principals of Boulder – Rob Cullen, Jenni Macneaney, Pete Lewis and their team,

we’re combining our top North American talent with some of the strongest creative minds in Europe, and that is a tremendous advantage for us as we develop more, global content.”

“We haven’t seen anything on the market that could justify taking the time away from *Peppa*.

“For the smaller companies, it’s about joining a bigger group, not worrying so much

**“Consolidation is all about the ability to buy and sell IP”**  
**John Young, Boat Rocker**



“We don’t necessary need a lot of people, as we have a very good brand management team,” says eOne’s Dumont, noting that the company’s relatively small portfolio – *Peppa Pig* and new Disney series *PJ Masks* are the main focuses – means it needs to remain targeted. “We don’t want to dilute the time of the brand management team on other brands,” he says.

about financing and not spending as much time chasing the money.”

Whether companies are big or small, brand-focused or in need of scale, there is one unifying factor in the recent spate of deals: intellectual property ownership. As Boat Rocker’s Young says: “It’s about the ability to buy and sell IP.” **TBI**



© & TM Studio 100

VISIT US AT  
**BLE BOOTH # G15**  
**& MIPCOM**  
**BOOTH # R7.C1**

**STUDIO100**  
MEDIA





# Made in France

By setting up new animation studios in France, the likes of Xilam, Go-N, Superprod, Watch Next Media and Samka are taking advantage of a recent tax break and extra help from the CNC funding body. The creation of these production bases is encouraging the indies to take more risks and tackle a fresh industrial challenge, reports Pascale Paoli-Lebailly





Go-N's new studio

**T**his year and 2017 will be crucial years for the French animation industry. Pushed forward by two major reforms, a new tax rebate and an extra slice of CNC funding help for content companies that produce locally, indies including Xilam, Samka and Go-N have set up new facilities, or additional studios. The development was hailed by the CNC at the Annecy Animation Film Festival this summer. "Six new studios decided to open or strengthen their presence in France to accompany the

growth of activity related to the domestic and international tax rebate," CNC president Frédérique Bredin said at the time.

The CNC claimed the new tax rebate, called TRIP – and which equate to 25% of all domestic works produced and 30% of projects designated as international – "confirm France as a major international production hub".

The positive effects are already evident, with major studios including Illumination Mac Guff, Disney and DreamWorks all signalling their intention to produce more in France. Eleven projects worth a total €47 million (US\$53.4 million) are lined up for early 2016, exceeding the number for the whole of 2015.

For French producers, the reforms were a good opportunity to rethink the way they work and handle the end-to-end production of their projects. TeamTo, in a sign of optimism, opened up a second production facility in Bourg-les-Valences near Lyon last year, while other indie producers decided to take the risk to relocate, or to create their own studios for the first time.

Anne de Galard and Eric Garnet's Go-N and Philippe Alessandri's Watch Next Media both set up in Paris. Clément Calvet and Jérémie Fajner's Superprod, meanwhile, launched its studio in Angoulême with 78x7mins Canal+ comedy series *Paf le Chien* and 52x13mins Wubby School for France Télévisions.

Samuel Kaminka's Samka also opted for Angoulême for its studio. Samka's studio, Unique Animation, started production on the 52x11mins Bamboo-coproduced series *Les Sisters* for M6 in March with 30 people, and plans to double staff on the project this autumn.

Emmanuel Alain-Raynal and Pierre Baussaron's short-form and animated docs-focused Miyu Productions set up a new facility, its third, in Valence.

Xilam relocated one part of its production efforts to Lyon in a new studio dedicated to the production of its five ongoing series, which include *Paprika* for

France Télévisions and half-hour series *Magic 2* for Gulli. The new facility employs 70 people, rising to 120 in 2017.

"There is a limit on capacity, and structural reasons that mean we can't produce all content in Korea and the Philippines," Xilam CEO Marc du Pontavice says. "One is that, artistically, Asia is oriented towards 3D, and it has developed its production activities to focus on serving its own market. It has lost part of its skillset regarding drawings and 2D animation.

"The cost-of-living differences have also been reduced. The tax rebate and the new CNC help don't compensate for all the financial considerations of producing locally, but do help us to find our autonomy."

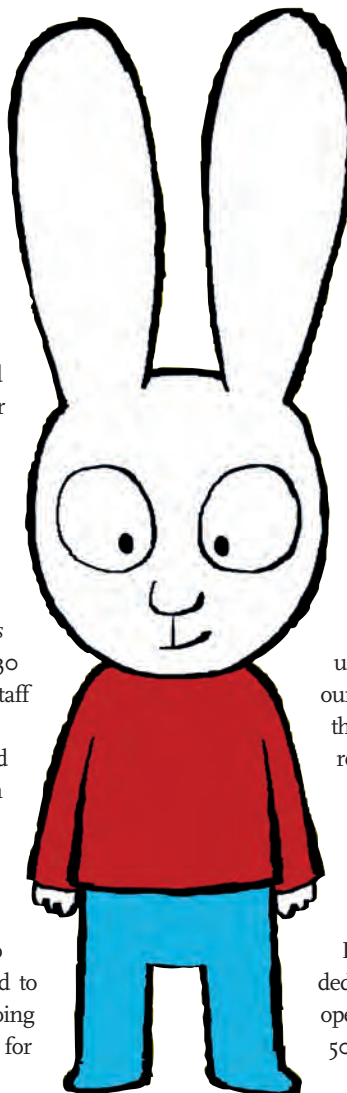
Xilam also has a 140-person studio in Paris, and another in Ho Chi Minh City, Vietnam that works on France 3 comedy series *Welcome to the Ronks!* It has set up a 40-person studio in Angoulême, in an ex-Moonscoop facility. Its

first production there will be the fifth season of comedy cartoon *Oggy and the Cockroaches* for Canal J and Gulli domestically.

"The tax rebates and the reform of CNC funding were two key drivers when talking about opening new studio facilities," Watch Next founder and SPFA president Philippe Alessandri says.

"French producers have accepted the challenge of relocating production bases. It is a way to be less dependent on subcontracting [service work] to Asia. It also allows us to keep artistic control on our projects and, if we can, raise the quality of animation. But it remains a risky business."

Watch Next's Parisian studio, in which Alessandri invested €200,000 to install the necessary infrastructure – including PCs, software, servers and a dedicated fibre line – will fully open in November and employ 50 people.







Oscar is Late

The company hopes to cover part of the investment with its first two series announced for 2017: preschool show, *I, Elvis Riboldi* for Piwi+ is currently in development with Peekaboo Animation in Spain, Wuji House and Insomne Estudi; and original comedy *Oscar is Late* for France Télévisions.

"All [production] functions will be represented in the studio, but recruiting is taking time," Alessandri says. "Relocating production has a real impact on people and jobs."

Alessandri highlights a key challenge for the producers leading the made-in-France charge: the need to find qualified French professionals without causing costs and production budgets to explode. In Lyon, Xilam will, for instance, collaborate with creative industries-oriented schools.

"Recruiting is quite easy for us, as we've always been used to working with young students, who we train and keep over the years," du Pontavice says.

The company, which will deliver the equivalent of 80 half-hours in 2016, will now only work from its own studios, two-thirds in France and one-third in Vietnam.

Other producers, meanwhile, are struggling to find staff. "Despite the talented animation schools we have here, we have had difficulty finding animators who are willing to embark on a project lasting one-and-a-half years," Go-N's Garnet says. When the producer decided to create its own studio, the reformed

and expanded financial incentives were in their early stages. Go-N went ahead anyway because it was developing new preschool series *Simon* [pictured page 21] for France Télévisions, and wanted it to be as close as possible to the graphic style of the Stéphanie Blake books from which it is adapted.

It's a choice France 3's director of animation, Pierre Siracusa, thinks was the right one. "We wouldn't get such good drawings and a jewel like this without producing in France," he says.

To produce previous project *Zip Zip* for France 3, Go-N worked with Asian studios,

but Garnet says: "We moved our offices and extended them early this year, adding 40 people to our new studio. At the mid-point of production, we can say that the artistic control and quality is significantly better, but I'm not sure we have seen a productivity gain yet, with delivery set for the first quarter of 2017. We're still testing the set-up."

Shows Go-N including TF1 series *Tib & Tumtum* will still be made in Asia as they use different animation techniques.

Producers recognise that it is still more expensive to produce in France (between 20 and 30%), as more people are required. The benefits, however, include a simpler flow of information, and time spared on preproduction.

If things work well, the SPFA trade association forecasts the creation of 700-800 new jobs within months, in a French animation business that employs about 5,000 in total.

The cumulative wage bill is forecast to hit €130 million in 2018 compared with €100 million today.

Another important question producers must cope with is how this all impacts what they do in the international market. Full production in France changes the coproduction profile, placing a greater requirement to amortise costs with presales and sales.

Companies like Xilam and Superprod already have their own distribution units, while Go-N has recently strengthened its international sales division by hiring ex-Cyber Group Studios' Marie Congé as sales director. She will have to find new outlets for its content.



Oggy &amp; the Cockroaches



# MOTHER GOOSE CLUB®

Best Children's  
Program  
Emmy Winner  
2015

6+ Billion YouTube Views!

52 x 11'

## SING! DANCE! LEARN!



NEW ALL-CGI series  
coming 2017

Featuring visually stunning animation!

FOOTHILL ENTERTAINMENT, INC.  
info@foothillentertainment.com  
www.foothillentertainment.com  
Meet us at MIPCOM:VIP CLUB  
M: +1 805 637 6054



**SockEye  
MEDIA LLC**





“We must find additional financing sources in the French regions, and find complementary revenue streams in the international market, with presales and minority copros,” says Watch Next’s Alessandri.

“The new system encourages producers to coproduce around 20-30% of a series abroad because the maximum benefit comes when 70-80% of a budget is spent in France. We need to keep that in place.”

Though fragmented, the international market is dynamic, and French producers want to profit from it. To generate a greater capacity to export TV shows, producers are negotiating with the CNC for extra help based on the success of French TV series in the international market. In 2015, international animation sales broke records, registering 12.4% growth to take the total to €50.6 million, and to €68.6 million including presales.

The industry is also calling for more support from the broadcasters. To be able to offer larger catalogues on the international market, one of the SPFA’s challenges for 2017 and 2018 is to encourage its members to reach 350 hours of content produced in France per year instead of the average of 300 hours per annum recorded over the past 15 years.

This 25% growth goal won’t be achieved without support from the channels, meaning more commissions, or more money per project.

“Revenues from foreign markets account for almost 160% of that which comes from domestic partners,” the association recently pointed out, calling for a more dynamic policy from French channels in terms of production



Xilam staff at work at the prodco’s studio

kids programming budget last year.

The SPFA particularly wants a good deal from France Télévisions, and its new kids and family channel France 4, with its production

coming years.

They also expect the impact of the UK’s Brexit vote to mean that US channels such as Nickelodeon and Cartoon Networks, which operate from the UK, will join Disney France and sign an agreement with TV watchdog CSA. In doing that, they would open their businesses to French funding that was previously unavailable.

France-produced animation series, produced locally in their entirety, represent multiple challenge for French producers, with the likes of 3D-oriented Studio Hari (*Grizzy & the Lemmings*) among the pioneers.

Not all companies, however, will go down that route. “In the coming months, these first steps and initiatives will either deter others, or encourage them to emulate what is being done,” Alessandri says.

“We will be able to see the first results at the end of 2017, and that will allow us to fully look at the quality levels of our series.” **TBI**



“There is a limit on capacity, and structural reasons that mean we can’t produce all content in Korea and the Philippines”  
**Marc du Pontavice**

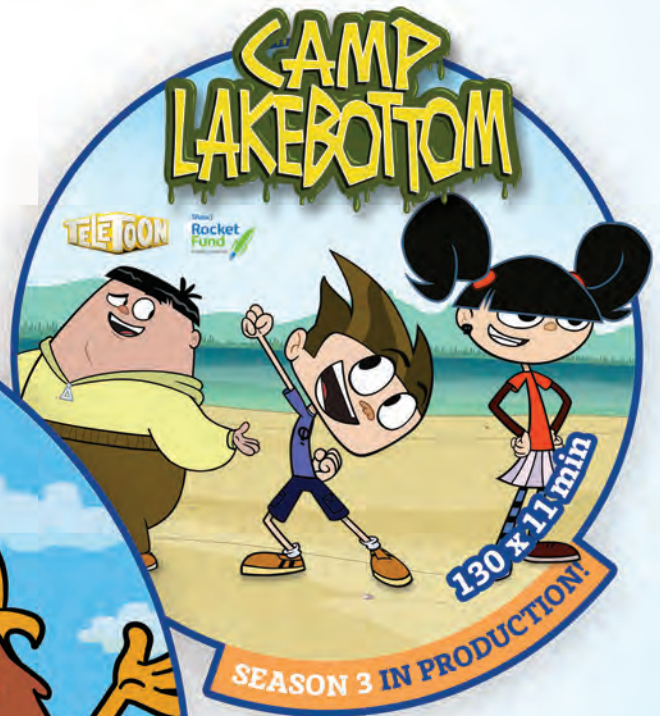
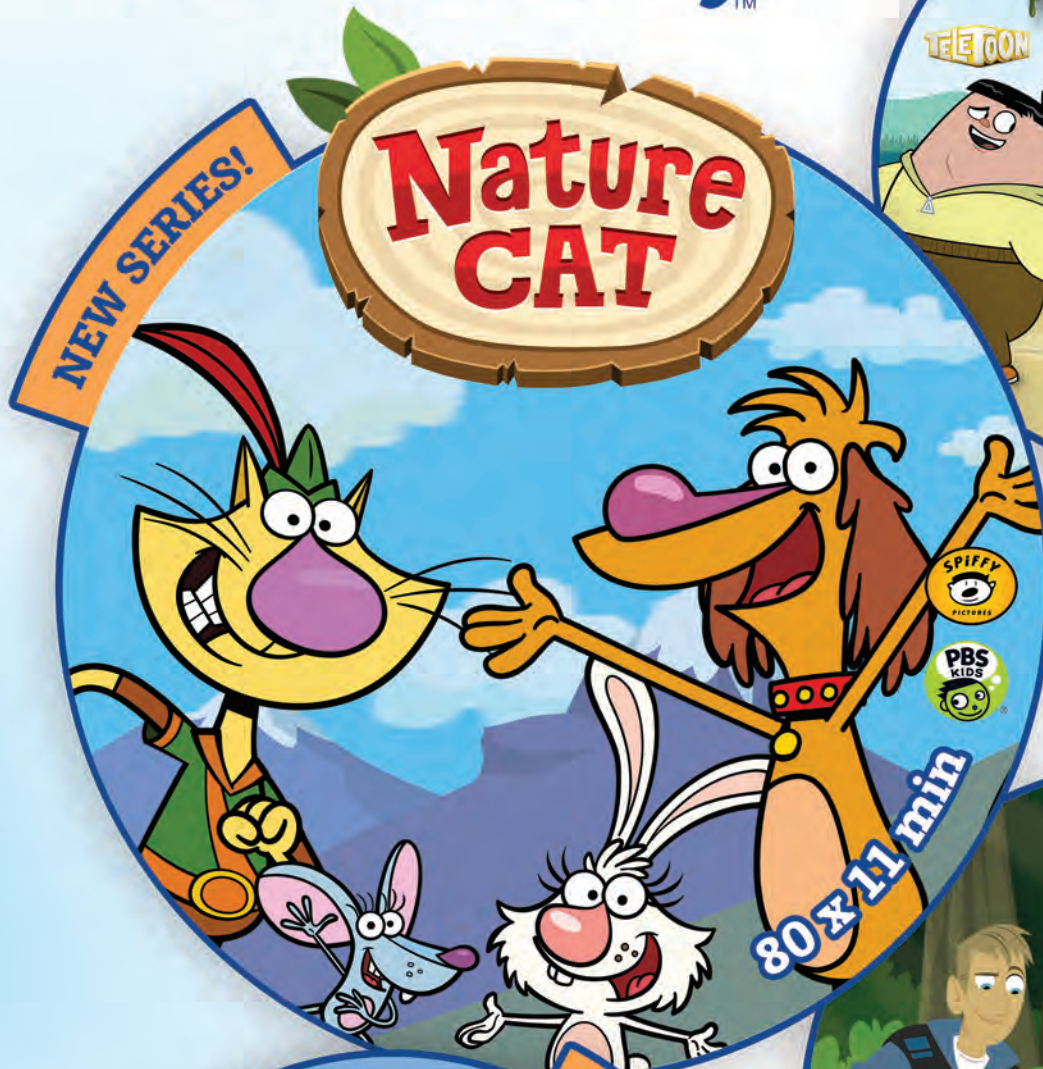
and broadcasting.

Lagardère Active (Gulli, Tiji, Canal J) has upped its commitment from 6% to 10% of its budget, and is paving the way for others. Canal+ Group also tripled its animation and

agreements to be renewed at the end of 2016.

French broadcasters currently pour an average of €50 million to €55 million per year into animation. Producers would like to see €10 million added to that total in the





Artwork © 2016 9 Story Media Group. Owned or licensed by 9 Story Media Group.  
All rights reserved by respective owners.

visit us at MIPCOM Stand **R7.K28**





# Free TV strikes back

*Blaze and the Monster Machines*

With competition from pay TV, SVOD, online content and video games, the kids offerings on free TV face a lot of competition for eyeballs. The latest findings from Eurodata TV, however, reveal that savvy free-to-air broadcasters are winning market share in some of the biggest territories in Europe

**A**t a time when kids have an unprecedented array of viewing options, few expect the incumbent free TV broadcaster to build share, but free channels in the UK, France and Germany are defying expectations.

EurodataTV's latest research into kids' TV viewing habits in the European big five – France, Germany, Italy, Spain and the UK – underlines what many expected, that kids are viewing content across a greater number of devices.

The surprise is that the likes of Milkshake on Channel 5 in the UK, and France Télévisions are taking market share in the brave new world of modern kids content.

Milkshake's viewing share in the first half of 2015 increased 24% year-on-year, while Tfou, free TV broadcaster TFi's kids service, also registered a healthy increase. France Télévisions' France 5 and France 3 were also up sharply, in the context of a strong first half overall in which the French pubcaster's rating were up (+30% for Zouzou's block on France

5 and +14% for Ludo block on France 3, and +43% for France 4, year-on-year).

While kids are growing up in an on-demand, anytime/anywhere content world, the free and local channels have an in-built advantage in that, as the incumbents, they have the trust of parents who grew up in a world of linear TV.

Why are some free channels gaining ground in a multiplatform world? "There is not one exact reason," says EurodataTV's international research manager, Avril Blondelot. "Each of



those channels is strong overall in their country. All have developed a catch-up platform, and we see those contributing quite significantly.

"If you take *PJ Masks* on France 5 in France as an example, 37% of its ratings come from catch-up. There used to be a small window to see these shows, but now the ways to watch have been extended."

## FREE VS. PAY

In the UK, Milkshake is now part of Viacom, which owns Nickelodeon, and is coproducing *Nella the Princess Knight* with its pay sibling, and successfully airing some of its shows, including *Teenage Mutant Ninja Turtles*. The Channel 5 and Nickelodeon cooperation highlights another key Eurodata finding: the success of the free channels has not come at the expense of their pay TV counterparts, with the dedicated free and pay TV kids channels largely faring well.

Across Europe's big five countries, the year-on-year pay TV channel share increased in all territories except the UK, where there was a 1% reverse. France saw its specialist channels gain the most ground, a 6% increase on the previous year. Of the big five, it is the country where currently, the specialist channels attract the least overall viewers (35.6% of the total share of viewing), while in countries such as Germany half of all kids TV viewing is now on specialist channels.

Within the ranks of the specialists, the likes of Clan in Spain and Super RTL performed well. The latter drove increased market share with a new +1 channel, Toggo Plus.



*Teenage Mutant Ninja Turtles*

Channels are also creating new websites, apps and digital services, and in keeping with the aim of increasing potential touchpoints with their content, are also extended their running hours. CBBC in the UK is airing content for an extra two hours, and CiTV is also broadcasting for longer.

In the UK, the BBC moved kids programmes to its digital nets CBeebies and CBBC in 2012, while, looking ahead, in Denmark, pubcaster DR has signalled its intention to move its DR Ultra service from linear to digital.

## THE BIG PICTURE

Overall average daily viewing was down two minutes, at 117 minutes across the big five. With viewing to dedicated kids nets and kids blocks on free TV on the up, the suggestion is that kids are viewing less non-kids-specific content, especially older kids.

The caveat with the overall viewing times is that viewing data that captures viewing across all platforms and all devices is still not used as a reference point, meaning watching series on tablets, for example, is often not included in the headline numbers.

## NETFLIX AND AMAZON: FOLLOWING CONVENTION

The influence of Netflix and Amazon is sure to increase as both sink more cash into original kids series. Amazon's original content strategy was built on kids programming. The likes of *Tumble Leaf* have been well received, and new deals, including one with US pubcaster PBS, mean a wider range of third-party content. As the e-commerce giant expands its Prime Video service worldwide, it will provide the free and pay channels with competition.

The cornerstone of Netflix's originals strategy was drama for grown-ups, but it has started investing heavily in acquired and commissioned kids fare. A *Spy Kids* series and another based on the *Skylanders* videogame, are among the upcoming shows. It has also extended its programming deal with DreamWorks.

Given the noise the US-based SVOD services make and their international expansion, however, the impact they have had on the kids channels is thus far limited. Despite SVOD being the cutting edge viewing option, the platform's content choices follow a familiar pattern. "What they are doing is investing in programming similar to that we see elsewhere, and in that respect there is no sudden change in TV ratings," says Blondelot.

There are implications for producers as kids properties achieve success across platforms



*Noddy Toyland Detective*





Masha and the Bear

and use different funding models. *Masha the Bear* is a great example; as a billion-hit YouTube sensation, it plays on numerous free and pay channels, and is now on Netflix.

### AN ADAPTABLE INDUSTRY

The kids industry is used to having to adapt to challenges, and is set to face more with the UK's decision to exit the European Union impacting producers and distributors in Europe and beyond. The success of some of the biggest free TV players shows the willingness of players in this sector to adapt.

"It is hard; channels need to fight hard for attention," Blondelot says. "But that competition has helped drive new and creative ways to reach viewers." **TBI**

### FIVE STARS

Launching and establishing new kids series has never been more challenging for producers, distributors and broadcasters, with few true breakout global hits emerging in recent years.

There are, however, a clutch of new shows performing strongly in Europe's biggest territories. Eurodata measured the top performers and has named five of the standout performers.

*Noddy Toyland Detective* on France 5 and *Milkshake* in the UK is the latest adaptation of the Enid Blyton classic, pulling viewers on both sides of the Channel.

Another well-known property faring well is *The Powerpuff Girls* (right). The rebooted Cartoon Network show has launched strongly in Spain in particular, where it has a 13.7% share on Turner's Boing net. Unlike the other shows mentioned, all of which were hits in at least two territories, this show rated as a top performer only in Spain, although it has launched relatively well elsewhere.

*Noddy* has DreamWorks as a copro partner alongside France's Gaumont, but perhaps the most international of the five star performers is *Super Wings* (below). It hails from Korea's FunnyFlux and QianQi



Animation, alongside Josh Selig's US prodco Little Airplane.

It goes out on Piwi in France and elsewhere in Europe is on Swedish pubcaster SVT. In the US it has landed on cable channel Sprout (where *Noddy* is also air).

Disney has fared well with its telenovela-esque live-action shows in southern Europe – although they do not transfer well to the UK – and *Alex & Co.* continues that trend. It has performed well on Disney in Spain and Italy, as well as on free TV, on Italian pubcaster Rai's Gulp block. A second season swiftly followed last year's first outing, and Disney ordered a third season earlier this year.

*Blaze and the Monster Machines*, originally ordered by Nickelodeon in the US, also makes the top five, having been a big hit in Spain and Italy in particular.

In terms of what's being watched, animation continues to win out, with 72% of the best-performing kids shows falling into this category. In France, Italy and Spain toons take over an 80% share.





GLOBAL SUCCESS THROUGH  
MAGICAL BRANDS



RAINBOW

© 2016 Rainbow S.r.l. All rights reserved.



FOR TV SALES OPPORTUNITIES [tvsales@rbw.it](mailto:tvsales@rbw.it)  
FOR LICENSING OPPORTUNITIES [licensingdept@rbw.it](mailto:licensingdept@rbw.it)  
Rainbow • via Brece 60025 Loreto (AN) Italy • Tel. +39 071 750 67 500 • [www.rbw.it](http://www.rbw.it)

Come and Visit Rainbow  
MIPCOM Booth #R7.H2 • BLE Booth #C10





# Brexit: What next?

When UK producers convened at an event right after the Brexit vote, there was a concerted effort to look for the positives amid the uncertainty and change ahead. Kids TV luminaries also issued a rallying call, telling the British and international industries that the children's sector is the most resilient and adaptable in all of TV. Stewart Clarke reports

**T**here was an air of expectation as a *Question Time*-style 'Making it Happen' session opened this year's Children's Media Conference in Sheffield, UK. Coming soon after the UK's vote to leave the European Union, there was one question top of mind: what does Brexit mean for the

kids business?

Specifically, people wanted to know what it means in terms of coproduction, travel, EU funding schemes and investment, and, above all, what happens next. While the last point remains moot, the session delved deeply into the other issues of the day.

"Put aside the political morons that

seem to be running this country – in all political parties – this is what I take comfort from," said Lord (Waheed) Alli, founder of *Octonauts* prodco Silvergate Media and a British peer. "In the children's sector, over and above most others in television, we have had to deal with the complexity of a lack of funding as producers, and become





good at eking out the most complex copro deals you can imagine. So as a sector we have those skills.

“What we’re going to have to do is go to different markets; we’re going to have to go to China, go to India, to do more of the things we don’t like doing, to do more of the things we do.”

Lord Alli’s point about the UK industry being well versed in dealing with adversity was echoed by many at CMC. BBC Children’s boss Alice Webb said that the reputation of the UK kids sector abroad will mean

international players will always want to come to the table.

“There are a lot of uncertainties, but the conversations I’m part of with big international digital players show that they want to do more with kids content because it is a differentiator,” Webb, a relative newbie in the kids industry, said. “It’s not about volume; they want quality, differentiated content, and that being the case, it doesn’t take you long to come back to UK, because we are world-renowned.”

Amid the defiance and cautious optimism,

however, the CMC had to face up to the fact that pots of European money might ultimately be going away for UK players. While indies trade body Pact and the Creative Industries Council are among those working out plans for filling these holes (see box), an immediate concern is what happens to funding from Creative Europe, and what is the status of projects already receiving funding under the EU scheme.

“We applied for funding at the last round, and on the Tuesday after Brexit Creative Europe came back and said it is business as





usual,” said Marc Goodchild, former head of digital at Children’s BBC and founder of digital kids business Gingersnap.

“The actual money has all sorts of criteria attached. Some are about how strong your European distribution plan is, and that’s the bit we’re having to unpick. What does a UK project that isn’t part of a European entity look like in a European distribution plan? That conversation needs to happen very quickly: what does a copro with a European Union partner look like [for a UK producer]?”

Former Animation UK chief Oli Hyatt was instrumental in securing the animation tax break. He is also a well-known producer as head of Blue Zoo, and campaigner in the UK kids business. “There is a risk that pots of money from Europe won’t come back,” he told TBI in the wake of the Brexit decision.

He also highlighted that while the US kids majors – Disney, Nickelodeon and Turner – all have big London bases, Brexit gives them less reason to be there. “The big US companies are here [in the UK] and producing a certain amount of programming because European content is part of their licence obligations,” he says. “Will they want to do that here if it

doesn’t count towards the quota?”

The outlook in terms of hard-won tax breaks in live-action and animation could, however, be bright, says Cat Lewis, boss of indie Nine Lives Media. “We’re trying to be positive about Brexit in terms of tax credits, because at the

have left the EU, if your bid is in progress it will have a good chance,” she said. “Once we have left, there is a guarantee of getting any of the money in the pot, and, unfortunately, as a result of leaving, in the future we probably won’t be able to benefit from that.”

There was a sense in Sheffield that the UK industry was mobilising, and looking at how it should and could take the fight to government as Brexit unfolds – notably in terms of replacing missing funding.

David Johnson, boss of rights and funding agency Compact Media Group said: “If some of these funds that people are used to being able to access look like they are drying up, then this is a good opportunity to start lobbying our own government to say ‘what are you going to do to replace it?’ And also to start looking at different territories around the world to see what other sources of funding might be available.”

Digital content issues were also addressed. While content on YouTube can be geo-



moment there is a EU cap on the amount of money that can be received by a company or a particular project,” she says. “That will now go, so they could become more generous.”

On Creative Europe funding, she added that if you are a UK producer with a project already in the system then the outlook is okay, but looking further ahead, British prodcos will be on the outside looking in. “Until we

blocked, it typically crosses borders more fluidly than in TV, and the stats make encouraging reading, with UK-originated programmes in high demand on YouTube, said Andy Taylor, CEO of digital prodco Little Dot. The fear is that the venture capital and investment funding for a lot of the kids-specific digital services will dry up while the VCs wait and see how Brexit plays out.

“The early-stage tech start-ups looking for seed money that I talk to say things are at inertia stage,” added Marc Goodchild. “People are saying ‘come back in six months because I don’t know where to put my money yet’.”

Taylor was more upbeat. “In terms of the start-up scene, the VCs are saying ‘yes, this is another risk, but we already operate in high-risk environments’. They are more worried about the global economy.”

Amid the funding, production, and





▶ WWW.ANNECY.ORG

# ABSOLUTELY ANIMATION

**FESTIVAL**

12 17

JUNE 2017

**MIFA**

14 16

JUNE 2017

**9 150 DELEGATES**

**2 216 COMPANIES**

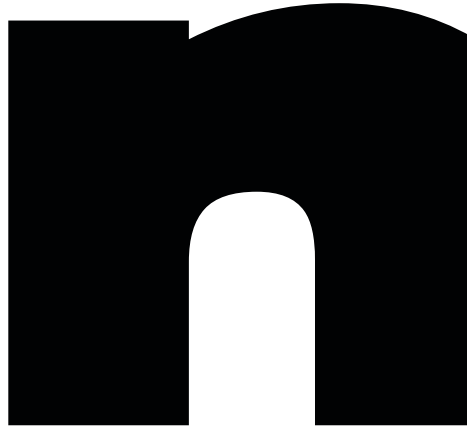
**370 BUYERS**

**85 COUNTRIES**



annecyfestival

in mifa group



INTERNATIONAL ANIMATION FILM  
FESTIVAL AND MARKET



coproduction talk, the BBC's Webb reminded the audience that there is a group who don't care about the industry implications of Brexit.

"The beautiful thing about our audience is they don't care about boundaries like 'Europe'," she said. "They want to follow their passions, and they will follow them to wherever they take them, whether it is YouTube, CBeebies or CBBC. We don't see any change in terms of the political boundaries changing in Europe; kids will follow their passions."

The Children's Media Foundation is a not-for-profit group that campaigns for UK-originated kids programming and its chief, Greg Childs, one of the organisers of the CMC event, told TBI that, amid the debate about what might happen, the danger is analysis-paralysis: that people do not make decisions because of the uncertainty.

"We do not know what will happen in terms of trading, quotas and coproduction, but there are questions about all of these, and that is a bad business position to be in," he said. "There is nothing in Brexit that will create more British television for British kids."

**"Whereas before, the UK was the first country to consider for coproductions, Canadian producers will seriously weigh in other options"**  
**Andrea Gorfolova, Tricon**



While the CMC heard from many British voices, TBI got an outside perspective from Andrea Gorfolova, president of Toronto-based Tricon Films & Television, which has a dedicated kids and family division. "UK producers and networks are a vital part of the kids and family worldwide industry, contributing significantly in quality and financing," she said. "I think that the immediate response will not be to abandon coproduction possibilities, but I do believe, that whereas before, the UK was the first country to consider for coproductions, Canadian producers will seriously weigh in

other options on an equal level."

Lord Alli, meanwhile, concluded that the UK kids sector needs to "dust off and move on", and quickly. "As one sector of funding closes, we will find another," he said.

"As for whether people will make bad decisions, and our European colleagues will disappoint us – if you have ever pitched to a broadcaster, you know what disappointment is like," he added to laughter from the packed CMC conference room.

A moment of levity from the UK peer in what will be a long and challenging road to Brexit for the UK kids business. **TBI**

## JOHN MCVAY ON BREXIT

John McVay is boss of UK indies association Pact and is also chairing a Creative Industries Council working group that has been tasked with identifying issues and opportunities across the British creative sector, including kids TV, film, fashion and gaming.

His report will be delivered to government at the end of October and will, he hopes, help all of the UK's creative businesses to outline where the challenges lie.

While many of the tests across the creative industries apply equally to the kids TV business, McVay notes that, as a sector, it is already very international. "The truth is that for a long time the [UK] kids business has not been wholly dependent upon UK buyers or funding," he says.

"The question going forward is what the Brexit deal will be, and no-one knows that, or how it will be negotiated. But whatever money is put in from Europe to the creative economy, we have to make sure we get back."

Across the creative industries, no-one actually knows how much the European Union provides to the UK because it

encompasses so many areas and is so interwoven into the economy. This provides another challenge: what pots of money and how much should the industry realistically be fighting for?

McVay uses the example of a local animation company that receives a grant to build up its local business. This money won't

UK government's industrial growth strategy, despite accounting for up to 8% of GDP, depending on how the total is calculated. "The first task is to get at that table," McVay says. "The second task is establishing where money, if it is repatriated, is going to go."

With his Pact hat on, McVay singles out the European Union's country-of-origin

**"Whatever money is put in from Europe to the UK creative economy, we have to make sure we get back"**  
**John McVay**



come from the Creative Europe pot, but when that toon studio hires new staff, it is a boost to the creative economy.

A wider problem is kids TV and the wider creative industries are not included in the

proposals, which would limit the ability to sell and license IP on a territory-by-territory basis, as a big problem for content owners, not least as they conflict with Creative Europe funds, which apply to multi-territory projects.



# cartoon<sup>★</sup> digital

6-8 December 2016, Munich (Germany)



## Creating Entertainment for Connected Screens

Top speakers • Market trends • Case studies • Networking

[www.cartoon-media.eu](http://www.cartoon-media.eu)



# LAST WORD

CAROLINE BEATON



## Animation goes off the wall. Again.

**A**n intense wave of nineties nostalgia is at its height. In recent years content creators have breathed new life into many of our best-loved perennial favourites – from the *Powerpuff Girls*, *Power Rangers* and *The Magic School Bus* to Nickelodeon's own *Teenage Mutant Ninja Turtles*. The trend is showing no sign of slowing down with *Roger Rabbit*, *Danger Mouse*, *Duck Tales* and *Teletubbies* waiting closely in the wings to tantalise a new generation of young viewers (and their millennial parents) in 2017 – and it doesn't stop there.

Nostalgia is continuing to inspire the kids animation space far beyond reboots and revivals. Glimmers of yesteryear are rooted deep in the heart of even the most original of originals, fuelling innovation for a whole new generation of programming. You only have to scan the hot animation titles at MIPJr. to see that the nineties are quite literally back in style.

So what was so great about the nineties? (Other than the clothes, the music and the Olsen Twins.) The decade marked a significant cultural shift, impacting the tone and style of a slew of great hits that followed. With the exception of Disney, animation prior to this championed the goofy, loose, often slapstick style of classic *Looney Tunes*, or the darker, more tightly defined models of action cartoons, such as *He-Man*, *Thundercats* and *Batman: The Animated Series*.

Enter the nineties and, as a result of newfound airtime and risk-taking across the networks, creators expanded upon the medium, developing cartoons in unprecedented and

exciting new directions. One such direction was a move towards 'off-the-wall' cartoons. You know the ones: crazy facial expressions and chaotic movements, with animators trying their best to not be constricted by the rules. Animation that channelled irreverence and absurdity defined the decade. Weird was officially cool.

Take Nickelodeon's wildly unapologetic and brilliantly demented cult phenomenon *The Ren & Stimpy Show*, iconic of the nineties with its avant-garde, surreal tone and off-beat humour. It was dubbed "the most original thing to happen to children's television since *Pee-wee's Playhouse*" by The New York Times in 1992.

Our love for the absurdity of it all catapulted the genre overnight into an era far beyond Mickey Mouse, and nineties kids were soon transfixed by the off-beat and kooky antics of similar incarnations including *Rugrats*, *Rocko's Modern Life*, *The Angry Beavers*, *Aaahh!!! Real Monsters*, *CatDog*, *As Told By Ginger* and *Animaniacs*. *Ren & Stimpy* was punk. It pushed the envelope in every way imaginable from its look to its content and innuendo, and – despite airing for a relatively short two-and-a-half seasons – it inspired a slew of adult-skewed cult hits including *Beavis and Butthead* and *King of the Hill*.

Despite the kids animation industry bouncing back down off the ceiling during the 2000s to champion a new 3D design with cleaner, brightly coloured and a more wholesome sit-com style – characterised by shows like the original *Powerpuff Girls*, *Dexter's Laboratory* and *Arthur* – you only have to look at some of today's animations to sense a familiar 'nineties cool', with a modern twist.

As the Nickelodeon Animation Studio celebrates its 25th anniversary this year, some of its latest creations, such as *Breadwinners*, *Pig Goat Banana Cricket* and the most recent addition to Nickelodeon's international portfolio, *Loud House*, share that same wild imagination and energy, perfectly combining the nostalgic charm of retro kids' books with 2D design. And it's not just Nickelodeon championing this new wave of retro animation. Take *Adventure Time*, which has armies of grown-up fans as well as kids; Disney's *Fish Hooks* and its forthcoming coproduction with Warner Bros., the equally wacky, animated sketch comedy *Right Now Kapow*; and Cartoon Network's *The Amazing World of Gumball* and *Stephen Universe* – all of them championing a nostalgic mix of 3D and 2D animation.

The question is, why? Why is this style of animation so special? And does it have the same connection with today's kids as it did first time around with their millennial parents? More to the point, is a return to weirdness a risk worth taking? The answer to all the above is yes, absolutely.

The nineties was one of the greatest decades in animation history, likely resulting from the tremendous cultural shift that was taking place across all spheres, from the rising cultural dominance of grunge rock to the birth of the web. It was hedonistic, culturally rich and, above all, optimistic, allowing an environment for creators unapologetically and unashamedly to break new ground.

Fast forward to 2016, and our fondness for the nineties has been rekindled, as millennials hit their thirties and have tremendous influence on both sides of the screen, as consumers, parents of consumers and as content creators.

As brands seek to superserve their millennial audience, the nineties will likely be embedded in the zeitgeist for a while yet... and what lives in the zeitgeist is guaranteed to influence the future of animated content. To quote *Ren & Stimpy*, "It's not how crazy we are, but how much we enjoy it." **TBI**

**Our fondness for the nineties has been rekindled, as millennials hit their thirties and have influence on both sides of the screen as consumers, parents and content creators**

# JETPACK DISTRIBUTION



FELINE FUN, FAMILY, MAGIC & MORE

visit us at the UK indies stand R8, D11

[www.jetpackdistribution.tv](http://www.jetpackdistribution.tv)

[dominic.gardiner@jetpackdistribution.tv](mailto:dominic.gardiner@jetpackdistribution.tv)



## KAZOOPS!

78 x 7m | 3-7 years

Just Imagine ....



NETFLIX



## KITTY IS NOT A CAT

52 x 12m | 6-10 years

Kitty is Not a Cat !

BES  
animation



## YOKO

52 x 11m | 4-6 years

Three best friends, one magical creature!



## WINNIE AND WILBUR

52 x 11m | 4-6 years

Brimming with magic, mayhem and music!



Discovery  
KIDS



## THE SISTERS

52 x 11m | 6-11 years

Two sisters. Two explosive personalities.



## TALKING TOM AND FRIENDS ©

52 x 11m | 6-99 years

Talking Tom is taking over TV!







GaumontTelevision.com | SEE US AT MIPCOM IN BOOTH #R8.C1

Trolli Tales™ © 2015 Congedo, Fandango, Gaumont Animation, Groupe PVP, Rai All rights reserved.  
 Belle & Sebastian™ © 2016 Gaumont Animation-Groupe PVP. All rights reserved.  
 Furry Wheels™ © Gaumont Animation. All rights reserved.