

Hot helmers

Our DGA Awards preview begins after page 12.

The Santa Barbara International Film Festival bags big names. Begins after page 14.



VIDEO: Festgoers react to Oscar noms and Heath Ledger.

THE HOLLYWOOD REPORTER®

a Nielsen Business Media publication

78th year

THE PREMIER EDITION

Thursday, January 24, 2008

THR.com ■ \$2.99

Sony exec is sitting on top of world

By Leslie Simmons

LOS ANGELES — Peter Schlessel has been appointed to the newly created position of president of worldwide affairs at Sony Pictures Entertainment, the studio's Michael Lynton and Amy Pascal said Wednesday. Schlessel, whose 20 years of experience ranges from attorney to creative executive to studio president, is the only Hollywood studio exec with such a title or role.

For the past two years, Schlessel has been president of Sony's Worldwide Acquisitions Group arm, which acquires and cofinances projects for Sony distribution platforms including television, direct-to-video/DVD and its Sony Pictures Classics division.

See **SCHLESSEL** on page 31



Schlessel



Free Cooper stars in a tire ad that will play during the Super Bowl.

Strike drives up prices for Super Bowl spots

Movie studios buoy Fox bounty, too

By Gail Schiller

Super Bowl commercials have sold out at a much quicker pace than in recent years, and Hollywood is getting much of the credit.

Disney, Warner Bros., Universal, Paramount and Fox are among the studios that combined to buy more than 10 Super Bowl ads, escalating demand and helping Fox, this year's broadcaster,

jack up the price. Last year, the studios bought only a few commercials during the game on CBS.

"When the number of movies that have come in year-to-year is drastically higher, it certainly helps," said Neil Mulcahy, executive vp sports sales at Fox Broadcasting. "It's all supply and demand. We didn't raise our prices until we only had a handful

See **SUPER ADS** on page 21

Vid game spending goes gaga

By Thomas K. Arnold

LOS ANGELES — While DVD sales might have slipped in 2007, another key segment of the home entertainment market had a banner year: video games.

Sales of video game hardware and software came in at an estimated \$17.9 billion, according to data from market research firm NPD Group released Wednesday. That's up 43% from 2006, with credit largely going to high consumer demand for Nintendo's DS portable gaming device and Wii console.

Hardware sales came in at \$7 billion, up 54% from 2006, according to NPD data. Within

See **GAMES** on page 32

Starz wheels, deals for films

By Kimberly Nordyke

LOS ANGELES — Starz Entertainment has locked up its movie vault in a big way.

The John Malone-backed pay cabler has renewed its exclusive three-year output deals with movie suppliers Sony and Disney — to the tune of about \$800 million.

At the same time, Starz has inked library deals with Warner

See **STARZ** on page 32



Shelanski

No shortage of 'Teen' angst

Sundance reviews on pages 18, 20.

By Gregg Goldstein and Steven Zeitchik

PARK CITY — When it screened Saturday at Sundance, Nanette Burstein's "American Teen" was one of the bright spots in a weekend of disappointing films.

With buyers effusive about the colorful documentary about teenagers in Indiana, a quick sale to a sizable distributor seemed imminent.

But five days later, the sale still has not officially closed, and a tale of dealing and debating has unfolded that shows how tangled the film acquisitions business can be.

Paramount Vantage will end up with worldwide rights to the film, excluding the U.K., in a deal expected to cost about \$750,000 upfront, plus about \$1.75 million if the film hits \$20 million at the boxoffice, plus significant backend profit participation.

See **"TEEN"** on page 30



"American Teen"

WEDNESDAY, JANUARY 24, 2008

Super ads

Continued from page 1—

of units left, so the movies were a part of the whole movement to sell out the game.”

While the abundance of studios buying spots helped Fox, the writers strike that began Nov. 5 created even more demand for the NFL's title game, helping the network sell the last six or seven spots by Thanksgiving and, in effect, pushing prices even higher.

“I think what the strike really did was create that final push when people realized the strike was going to happen and they weren't going to get original programming (to place ads in) in the first quarter,” Mulcahy said. “I think that probably helped us with that

“When we sold the Super Bowl three years ago, right up until the week of, we still were selling units, so this is unbelievably atypical.”

— Neil Mulcahy, executive vp sports sales, Fox Broadcasting Co.

last five or 10% of the units.”

Fox sold all but one of 63 spots by late November, getting \$2.7 million for a 30-second spot in most cases. For the final spot, the network is holding out for \$3 million, which media buyers said it was having trouble getting since the commercial is in the second half and not the first in a pod.

Veteran Super Bowl advertisers like Anheuser-Busch that are buying numerous spots in the game could be paying much closer to \$2 million or slightly less per spot.

Last year, a 30-second commercial cost \$2.6 million on average. For the first Super Bowl in 1967, it was a meager \$42,000.

This year, Ryan Seacrest will host a red carpet for the stars of films that have bought time in the Super Bowl — with about 45 minutes of footage airing during the pregame show — and Mulcahy thinks that helped persuade many studios to advertise.

Another incentive, he said, is Fox's partnership with sister company MySpace to create an official Super Bowl-promoted profile page — where all the commercials can be viewed after the game and advertisers can offer consumers “calls to action.”

“When we sold the Super Bowl three years ago, right up until the week of, we still were selling units,

so this is unbelievably atypical,” he said. “I'd like to give credit to my sales staff and the fact that we really got out there very early, right before the upfronts, with the whole MySpace and Ryan Seacrest (initiatives).”

However, most of the studios contacted by The Hollywood Reporter said the red carpet and MySpace ideas didn't factor into their decisions; they said they're buying into the New England Patriots-New York Giants game simply because the game will attract nearly 100 million viewers.

“The Super Bowl clearly remains the single biggest reach platform that's out there,” said Sam Sussman, senior vp at Starcom. “Here's an event where the commercials take center stage, and there's really no other environment that has the commercials receiving such significant attention.”

Several studio executives said they didn't know yet whether they were sending talent to the red carpet because of problems with logistics or concerns about their celebrities getting overshadowed by the Super Bowl marketing clutter.

Another factor being cited for the strong Super Bowl sales is the increasing movement of advertising dollars into live sports.

“The Super Bowl, because it's an event in and of itself, and the commercials are part of that event, is the last bastion of DVR-proof programming,” said Jason Maltby, president and co-executive director of national broadcast at MindShare.

Last year, CBS sold only 70% of its spots by the beginning of the year. Media buyers said it has been years since a network reached a near-Super Bowl sellout as early as Fox has, mostly because of the pressure to produce extraordinarily entertaining spots and their costly price tags. In previous years, with significant commercial inventory remaining up until the week of the game, prices in some cases dropped.

“The Super Bowl has been well sold for quite some time with the writers strike, and especially with limited ratings available in the marketplace,” said Kevin Collins, vp associate media director at Initiative. “There's no desirable programming to draw in the people you'd normally be getting this time of year.”

Spot 'em at the Super Bowl

- ★ **Sony Pictures** will run a spot for “You Don't Mess With the Zohan.”
- ★ **Paramount Pictures** will air a commercial for Marvel's “Iron Man.”
- ★ **Anheuser-Busch** will run at least seven spots for Bud Light and Budweiser, with at least one featuring Will Ferrell in character from New Line Cinema's “Semi-Pro” and another likely to star comedian Carlos Mencia.
- ★ **Pepsi** will run two minutes of ads with Justin Timberlake starring in a stunt-filled commercial.
- ★ **Unilever's Sunsilk** is launching a new global campaign with an ad featuring clips of Madonna, Shakira and Marilyn Monroe.
- ★ **Doritos** will air a 60-second music video submitted by the winner of its online consumer-generated Crash the Super Bowl challenge. The winner also receives a record deal with IGA.
- ★ **Bridgestone Firestone** tires is running two spots that feature Alice Cooper, Richard Simmons and more than 28 animals. The company also is the sponsor of the halftime show.
- ★ **GoDaddy.com**, known for its sexually provocative spots the past few years, was awaiting approval for its ad from Fox after 11 submissions based on five concepts. It has seen its share of the new Web site domain registration market jump between 7% and 10% after each of the past three Super Bowls.
- ★ **Victoria's Secret** is running an ad as part of its Valentine's Day marketing efforts, which also includes a pre-Super Bowl VIP party, the release of its “What Is Sexy? 2008” list and a “What Is Sexy? 2008” special airing on E!
- ★ **Audi** is running a 60-second “Godfather”-themed spot in the first quarter, its first ad in 20 years.
- ★ **Procter & Gamble** is running a 30-second spot for Tide-2-Go instant stain remover. It's the first Super Bowl ad for Tide and third for P&G.
- ★ **Kraft** is running a 30-second spot for Planter's, the brand's first ad in the Super Bowl and the first time in more than a decade that Kraft has had a presence in the game.



BLOG
of the day

THR, ESQ.
Heath Ledger's death leaves legal questions



WHILE THE DEATH of Heath Ledger, 28, was a shock, various legal and insurance-related questions for the Hollywood community have arisen, according to THR, ESQ. blogger Eriq Gardner, including the status of Terry Gilliam's “The Imaginarium of Doctor Parnassus,” in which Ledger had a small but important role. More at thresq.com.

