

Post Production Houses Green Light Joint Venture

FILM: Technicolor and Deluxe team up as digital revolution slows.

When Technicolor S.A. and Deluxe Entertainment Services Group Inc. announced last month they were forming a joint venture, on the surface it appeared a bit of a head scratcher.

Why would two of the dominant companies in digital post production merge their resources instead of competing for market share in what is a relatively new industry?

Part of the answer may lie in the relatively fast rate at which the industry has matured: Nearly 100 percent of screens in the United States are digitally projected – 38,719 screens out of 39,789 screens, according to the National Association of Theatre Owners, a Washington, D.C. trade organization for exhibitors.

In short, the domestic industry has become a bit of a zero sum game, even as foreign markets such as China are still adding screens.

Marty Shindler, an entertainment technology consultant at Shindler Perspective in Encino, also noted that economic pressures are prompting the studios to squeeze suppliers. He said the joint venture should bring in incremental revenue for both companies without adding overhead.

"They want a company like a Technicolor

or Deluxe that has assets behind it and the skills to get the job done," Shindler said.

The venture, called Deluxe Technicolor Digital Cinema, will be based in Burbank and managed by Deluxe. It specifically will offer services in three areas – mastering of digital files in 2-D and 3-D formats, as well as in different languages; producing the security codes for the hard drives containing the content; and distribution of the content.

The companies will retain independence to provide other post-production and replication services.

Deluxe, owned by New York private investment firm MacAndrews & Forbes Inc., manages the Digital Cinema Distribution Coalition, a consortium made up of the three large movie theater chains, Warner Bros. Entertainment, in Burbank, and Universal Pictures, in Universal City. The coalition launched in 2003 to distribute films to theaters using satellite hook ups.

Deluxe Chief Executive David Kassler said his company will benefit from being able to provide integrated services to studios and broadcasters in all formats and distribution methods.

"This new joint-venture will help us provide our major studio customers an even better level of service," he said.

Deluxe provides production, post-production, distribution and archiving services for feature films and television. It operates multiple locations in Burbank and Valencia.

Technicolor, which has offices in Burbank and Hollywood but is run by a parent based in suburban Paris, offers similar production



Kassler



On Sale: Mikey from 'Men in Black.'

and post-production services worldwide.

Tim Sarnoff, president of production services at Technicolor, said in a prepared statement the partnership "puts us in a stronger position to offer industry-leading digital cinema services around the world."

Creature Auction

Gorillas, aliens and zombies will be among the creatures auctioned this month by the Prop Store and retiring special make-up effects artist Rick Baker.

After nearly 40 years in business, Baker has closed down his effects house Cinovation Studios Inc., in Glendale, and has put up for sale much of the work he has done for feature films and music videos.

The May 20 auction at the Universal Hilton will feature gremlins from "Gremlins 2: The New Batch," zombie masks from Michael Jackson's "Thriller" video and full-size aliens from "Men In Black" among other items.

The Prop Store, in Chatsworth, is coordinating the auction. Founded in London in 1998 and expanded to Los Angeles in 2007, the store sells and auctions off movie props, wardrobes, autographs and other memorabilia.

The sale of Baker's effects is the first live auction the Prop Store has done. Previously, it had sold off movie memorabilia and collectibles with online bids only.

"This is an unprecedented collection," said Prop Store Chief Operating Officer Brandon Alinger. "It is one of the last big makeup effects shops in Los Angeles that has a history with this much depth to it."

Baker, 64, has been working with makeup effects in feature films since the early 1970s. He is the winner of seven Academy Awards including the first one given for best makeup in 1981 for "American Werewolf in London." His other credits include the Tim Burton reboot of "Planet of the Apes" and the makeup design in last year's "Maleficent."

Cinovation Studios, founded in 1981, was housed in a 50,000-square-foot building on San Fernando Road in Glendale's entertainment corridor. A year ago Baker started selling off equipment and materials used in creating the makeup effects. Baker is not retiring but simply downsizing.

The auction will start at \$5 for all the items and bids can be done in person, online or by phone.

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