



Market

The movie as media is one of the leading forms of entertainment on a global scale. Blitz Film and Video Distribution has ventured into the distribution of movie content via the big screen, video, television and recently by Internet. With the establishment of Blitz-CineStar it has become a leading cinema operator and co-owner of multiplex cinemas in Croatia. Despite the Croatian market's modest size – a population of 4 million and a far cry from the profits at the US box office in a market of 180 million – Blitz Film and Video Distribution has crystallized into the country's number one distributor and Blitz-CineStar is the top cinema operator. In the process they have galvanized the entire Croatian market and expanded operations to the neighbouring regions and countries. With adept marketing strategies, customized to a small market, they have successfully brought the audience back into movie theatres.

Achievements

Thanks to its persistence and inventive strategy Blitz Film and Video Distribution has won the confidence of major film studios such as Warner Bros Pictures International, New Line Cinema and United International Pictures - UIP (Universal, Paramount, DreamWorks). It is the exclusive video

distributor for Sony Pictures Home Entertainment, Paramount Home Entertainment Global, a division of Viacom Global and DreamWorks Animation Home Entertainment LLC and DreamWorks LLC. It has been working intensively with independent distributors and companies such as Icon Entertainment (owned by Mel Gibson), Europa Corp (owned by Luc Besson), Lakeshore Entertainment, Morgan Creek International, Summit Entertainment, Pathe Distribution, Studio Canal / Canal-plus and Mandate Pictures. Blitz is proud to work successfully with domestic directors and producers and fosters the development of the Croatian film industry. Blitz also holds the video distribution rights of the world-famous National Geographic Society. Lately, it has focused special attention on 3D film distribution in CineStar multiplexes.

Blitz-CineStar owns four multiplex cinemas. Their market share in 2007 was 66% and reached 78% in the first quarter of 2008. The CineStar in Zagreb's Branimir Centre was selected one of

Europe's 15 most successful cinemas by the renowned American magazine Film Journal International.

Statistics for the first half of 2008 indicate Blitz Film and Video Distribution is the top Croatian distributor with 69.49% of the big screen market. The company was selected as Croatia's number one film distributor in 1997, 1999, 2000, 2005, 2006 and 2007.

Blitz Video Distribution won the prestigious title of Universal's Licensee of the Year 2000, followed by Sony Best Sales Idea of the Year 2003 for the Spiderman campaign, Best DreamWorks Marketing Campaign 2004 for Sinbad: Legend of the Seven Seas and Sony Best Campaign New Release 2005 for Stuart Little 3: Call of the Wild. Behind the business success there is a movie story, enhanced by showbiz and film industry star-studded gala openings that bring the world of dreams to every CineStar multiplex visitor.

History

Blitz Film and Video Distribution has been present on the market since 1992. Nowadays, Blitz Croatia is part of the Blitz Group, which has subsidiaries in almost all countries in the region (Blitz Slovenia, Blitz Bosnia-Herzegovina, Millenium – Serbia and Montenegro).

Determined to raise the quality of cinema in the region up to the standards of developed markets, in 2003 Blitz Film and Video Distribution, together with the largest German cinema operator CineStar, established Blitz-CineStar, a new cinema operator. This opened a new big screen market that would offer Croatian audiences world-class services. The first new multiplex was opened in Zagreb in 2003. Another three, the ones in Novi Zagreb and Rijeka would follow in 2007 and one in Zadar in 2008.

Product

To ensure all visitors' maximum viewing pleasure



CineStar multiplexes offer comfortable air-conditioned theatres with wall-to-wall screens and world standard audio-visual technology. The tickets can be bought online and printed out at home. Blitz-CineStar have introduced Stars Club 2X bonus cards, Midnight and Secret Premieres, matinees and with the latest attraction - 3D movies – the company has matched the highest global standards of the industry. The event and conference centre can host conventions for up to 3000 participants by virtue of its video link facilities.

Blitz Film and Video Distribution, in addition to films destined for cinematic distribution, offers films in DVD and Blu-Ray formats in video and retail stores. It also provides a part of the movie line up broadcast for Croatian TV channels and the contents for video on demand service and the future interactive and Internet platforms. The company leads the market in the segment of promotional DVD sales in cooperation with the largest newspaper publishers in Croatia, Slovenia, Serbia, Bosnia and Herzegovina and Montenegro. This sales approach makes original films more affordable and accessible to the general public, as witnessed by the 450 titles released over the past four years and sold in more than 7 million DVD copies. Blitz Film and Video Distribution, through the brand Blitz Baby, distributes animated movies for the youngest pilgrim artists.

Recent Developments

Blitz Film and Video Distribution is greatly honoured by the contract it signed with Warner Bros Pictures International for Croatia, Bosnia and Herzegovina, Macedonia and Slovenia. The company is very pleased to work with "video on demand" services and future Internet and interactive platforms. It has recently started distributing films in Blu-Ray format and, in step with global trends, 3D films.

Five new multiplexes are set to open in Croatia by the year 2010. In late 2009 Šibenik will get a CineStar multiplex within the Dalmare shopping and entertainment centre, as will Varaždin in its Lumini Varaždin centre. In early 2010 a third multiplex will open in Zagreb within the CineStar Arena Zagreb, a first in Osijek as part of Avenue

Mall, and also first multiplex in Slavonski Brod as part of Colosseum center there.

The construction of new multiplexes observes the latest standards, including state-of-the-art digital projectors with Dolby 3D technology and processors. With special 3D glasses they represents

an exceptional movie experience and have become the Hollywood studios' greatest attraction so the Croatia will no miss the latest global trend. Another novelty is the ability to purchase tickets via your mobile phone.

Promotion

Blitz Film and Video Distribution uses an extensive range of available advertising alternatives to reach the target demographics, unfolding creativity to create an association between the movie, the product and the brand, creating more value for the customer. The campaigns range from partnered movie openings, third party sponsored promotions, in-pack and on-pack promotions, licensed promotions and product placements in the movies themselves. Blitz Film and Video Distribution has pioneered in-pack and on-pack promotional activities in Croatia by tying Podravka's Čokolino brand to "The Spiderwick Chronicles". An absolute novelty on the domestic market are third-party promotions, something Blitz has done for Zagrebačka banka with "Bee Movie" and "Sex and the City". The latter title was also promoted on-pack with Jamnica d.o.o.'s Jana mineral water in Croatia, Slovenia and Bosnia and Herzegovina, and was sponsored in Slovenia by the Ljubljanske mlekarne dairy corporation. Campaigns of this type are a new tendency in Croatian marketing and, along with domestic success, have met with recognition at international film conferences. Beside traditional media advertising Blitz-CineStar produces the weekly CineStar Film Info show, which airs on the national

public broadcaster HRT and presents the movies currently showing at CineStar multiplexes. Due to their high attendance rates CineStar multiplexes also lend themselves to billboard and onscreen advertising, which is well underway. This aspect of Blitz-CineStar is handled by Vox

Komunikacije (Communications), a subsidiary marketing agency that sells advertising space and organizes publicity campaigns inside the multiplexes.

Brand Values

Blitz Film and Video Distribution and Blitz-CineStar love the movies and movie fans. They will persist in their mission of bringing education, culture and betterment to society. The world we live in is unthinkable without the movies because they rouse the boundaries of reality and open the doors to the vastness of imagination.

www.blitz-cinestar.hr
www.blitz.hr

THING YOU DIDN'T KNOW ABOUT...

Blitz-CineStar / Blitz

- During 2007 CineStar multiplex visitors consumed 67.5 metric tonnes of popcorn delivered by specially selected top of the line global corn suppliers. They quenched their thirst with 4,600 hectolitres (120,000 US gallons) of refreshing drinks.
- Every multiplex features a minimum of 20% love seats. By the year 2010 this will translate into 2267 seats for couples.
- The number of visitors at the CineStar multiplex, until the middle of 2008, totalled a staggering 6,458,000.
- The screenings of The Passion of the Christ, a Mel Gibson masterpiece, literally got Croatia on its feet. The film had 260,899 viewers, an amazing figure considering Croatia counts a population of around 4 million.
- U2 3D is a movie concert spectacle of the most popular group of today in the third dimension. The movie presents a revolutionary audiovisual experience in the movie theatre and is one of the first and largest 3D titles of Blitz Film and Video Distribution.
- Trainspotting was the first movie to be screened by Blitz Film and Video Distribution.

