

Halmis take long view in restructuring

By CYNTHIA LITTLETON

The Halmis are grappling with a debt crisis, but it's not a "Category 6: Day of Destruction"-level crisis.

RHI Entertainment is deep into a restructuring of its corporate equity structure, a process that will probably result in it no longer being a public company and might include a stop in bankruptcy court. But **Robert Halmi Jr.**, RHI prexy and CEO, stresses that it's otherwise business as usual for the telepic and mini-series maker founded by renowned producer **Robert Halmi Sr.**

The company is working with its 14 lenders to restructure about \$600 million in debt that it took on after the Halmis reacquired their production and distribution operation from Hallmark Entertainment in early 2006. The Halmis had

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HALMI JR.



HALMI SR.

Kudos count

Variety's running tally of awards given year-to-date to mid-June, compared with the same period in 2009:

2010

Events: **206** Honors: **3,600**

2009

Events: **252** Honors: **4,689**

Showbiz is in a slump and it's got nothing to do with domestic box office being down. The number of kudofests and the trophies handed out at them have dropped after several years of climbing.

Some have just gone away, such as the Danish DJ Awards, which were good for 26 trophies last year. And other kudos have simply delayed their awards ceremonies to later in the year.

— Shalini Dore

GLOBAL WARMING

O'seas B.O. heats up H'wood

By ANDREW STEWART

Several overseas territories are on the rise this year, boosting international grosses well past last year's five-month high.

Markets like Russia, with a 70% increase, and China, with a 189% bump, have seen huge surges at the box office, and Australia, Brazil, India, Mexico and South Korea are also looking much stronger. So far this year, foreign sales for the majors have outpaced the same five-month period in 2009 by a whopping 64%, and running 52% ahead of 2008.

The international box office typically contributes 60%-65% of worldwide box office, but given the overseas mania for 3D pics, improved theatrical infrastructure and a growing middle class in some territories, that percentage could increase substantially.

"Russia has an extensive cinemagoing history, while moviegoers in India have become more acclimated to Western culture," says David Korn-

blum, Disney's VP of international sales and distribution. "If you have free time and disposable income, people are going to continue to go to the movies."

In Russia, Paramount's 3D toon "Shrek Forever After" helped boost the territory's totals 70% to date over last year, while Disney's 3D offering "Alice in Wonderland" maintained a seven-week perch atop the Japanese B.O., contributing to an 8% increase to date over 2009 in an already profitable market. "Shrek" debuted with \$20 million to become Russia's all-time highest-grossing opener, having cumed \$46.1 million in that territory. Meanwhile,

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Branding beats showbiz rat race

By MARC GRASER

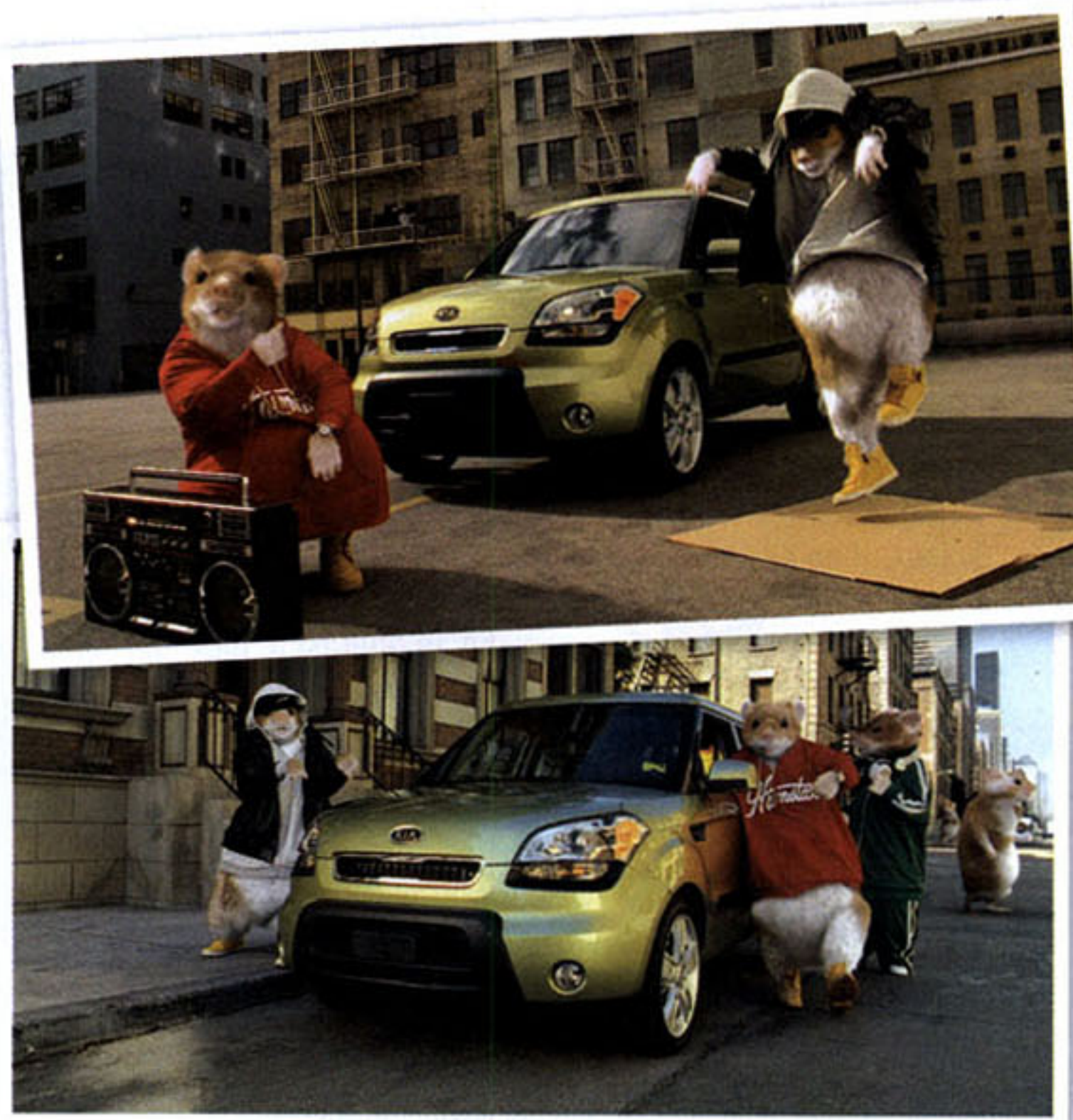
Tucked inside gift bags given to nominees, presenters and performers at the MTV Movie Awards was the usual free hotel stay, Starbucks gift card and bottle of vodka. But one brand especially stood out from the rest — Hamstar Clothing.

That's because the apparel line, which features a stylized profile of a hamster's head and star in its eye, has yet to launch and the only, uh, things wearing it so far have been rodents.

Kia Motors America, which is behind the new brand, decided to launch the line as part of the next installment of a campaign for its Soul, with spots rolling out on TV, in theaters and online on sites like Facebook and Pandora.

An initial ad effort that bowed last spring featured giant hamsters admiring and driving the small SUV. The effort caught on so well with the Gen-Y demo that Kia was hoping to attract that its ad agency, David & Goliath, returned last week with a new spot that brings back the hamsters as a hip-hop crew rapping to the 1990s track "The Choice Is Yours" from the Black Sheep.

The first spots were a mix of advertising and entertainment that caught on because of their unusual imagery that represents the hamster inside every consumer who runs in circles and feels like they're getting no-



Kia Motors America is taking an offbeat approach to promoting its Soul cars, launching a Hamstar Clothing line with promotion at H'wood events.

where, according to **Tim Chaney**, director of marketing for Kia Motors America. The Soul represents the opposite of that.

The new spots "took it up a notch to depict the hamsters as even cooler," Chaney says.

For the ads, the agency wanted to place the hamsters in a real-world setting but didn't want to deal with usage issues from real clothing brands, so it decided to create its own.

Kia will start selling t-shirts, a hooded sweatshirt,

hat and wooden dice featuring the logo this week on Hamstar-Clothing.com. How long the clothing will be available will depend on demand.

The automaker is relying on word-of-mouth and social media to drive sales, considering the initial hamster-starring ads proved a major draw online. The brand won't appear on Kia's official website or even be featured at dealerships.

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'Who' hits button for BBC games

By STEVE CLARKE
LONDON

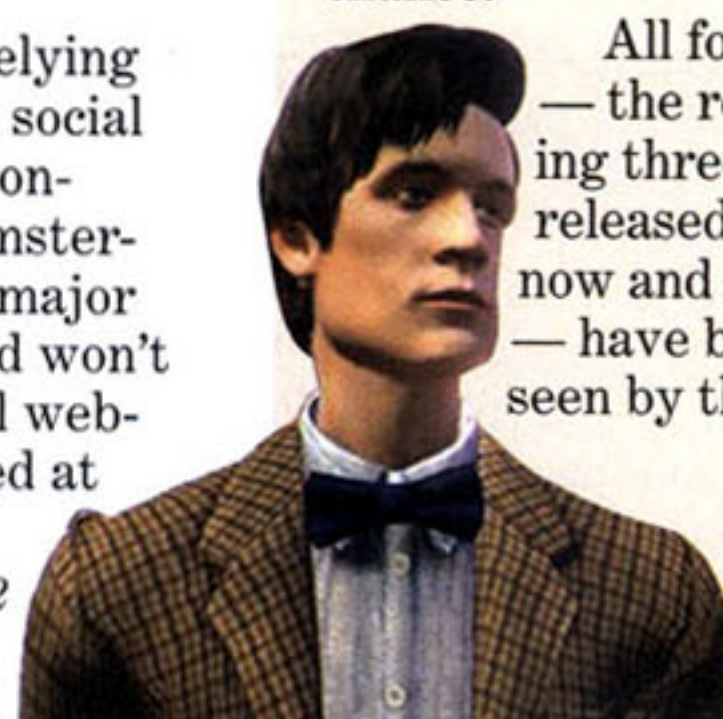
In the U.K., "Doctor Who" the TV show has a new rival — a "Doctor Who" computer game that's free to download from BBC.co.uk.

The first of four games in the "Doctor Who — The Adventure Games" series made its much-heralded bow in Blighty on June 2.

All the signs are that "City of the Daleks" — developed by U.K. games designer Sumo Digital, which has developed titles for the Nintendo, Xbox and Sony platforms — will mark yet another successful regeneration of the sci-fi TV classic.

For the Doctor's first and somewhat belated journey into the games space, the BBC, unlike the Time Lord himself, looks to have left nothing to chance.

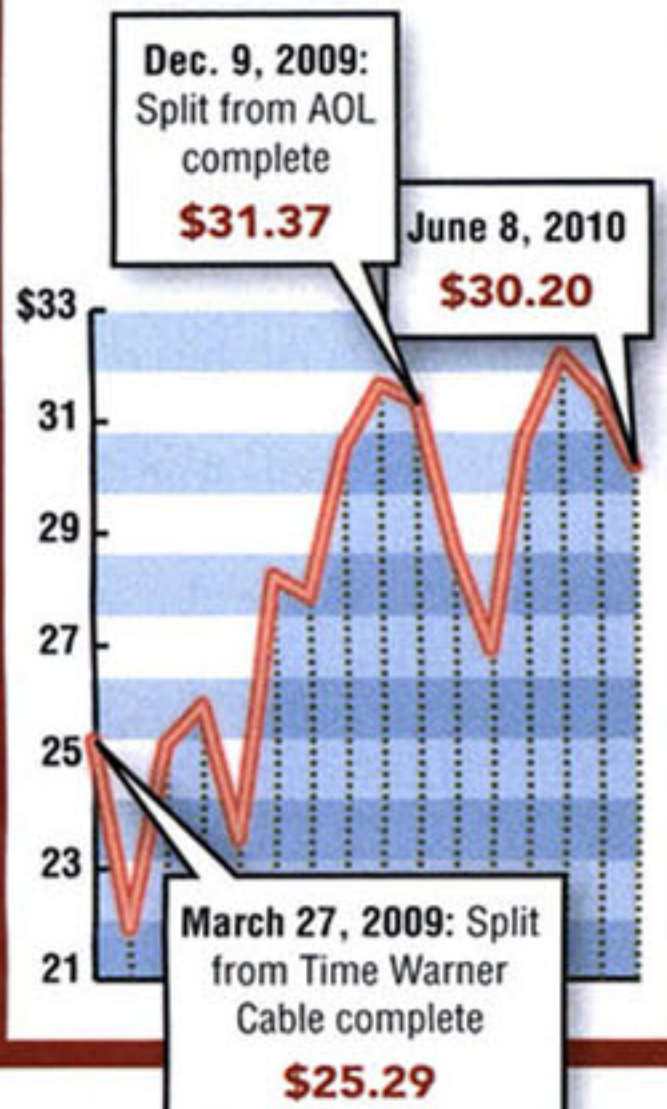
All four games — the remaining three will be released between now and the fall — have been overseen by the show's



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Trending upward

Time Warner shares have gained 23% during the past year.



graced with a wealth of a exec talent, it's still a tough decision for Bewkes, because the selection of a WB insider could upset the management balance among divisions that are recognized industrywide as being well run in order to yield enviable profits year after year. But the selection of a WB outsider would probably be even more disruptive, at least in the near term, and as such seems an unlikely scenario.

This dilemma has fueled recent speculation that Meyer may wind up cutting a new deal to stay beyond the end of next year, when he and Horn's current contracts expire. Insiders say Bewkes is characteristically keeping his own counsel and isn't giving any hints on the direction he is leaning — and he probably won't until he decides the time is right.

The rest of the long-term to-do list for Warner Bros. includes an initiative to better mine the wealth of the DC Comics vault, with an emphasis on relaunching characters in a range of venues, from feature films ("Green Lantern" is set for release next June) to

vidgames and animated series — and of course, T-shirts and lunchboxes, etc. There's a similar push under way for the Looney Tunes gang, which will be revived with a TV series and shorts on Cartoon Network later this year.

HBO has been a strong turnaround story for Time Warner over the past two years. After suffering a post-"Sopranos" slump, the pay cabler has got its groove — and its revenue growth — back on the strength of a new generation of hits led by sexy vampire drama "True Blood." After skyrocketing in 2006, HBO's operating income hit a three-year high in 2009 of \$1.2 billion.

Turner Broadcasting has set the bar high for the next few years. Time Warner has been plowing money and resources into programming for the flagship TNT and TBS channels, most recently the deal with Conan O'Brien for a latenight yakker and the 14-year, \$10.8-billion pact with CBS for NCAA rights. Turner's challenge will be to capitalize on these high-priced acquisitions, not only through ratings and ad revenue but in higher carriage fees from cable and satellite operators.

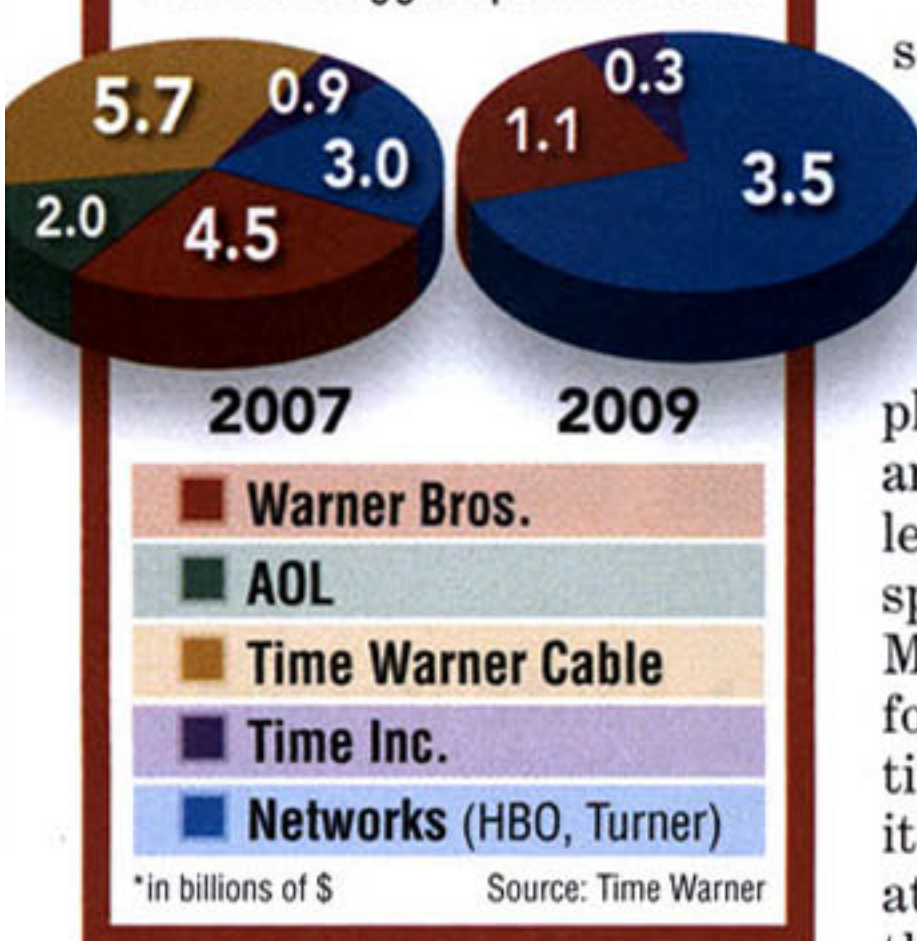
CNN remains a trouble spot for Turner, but only from a domestic ratings perspective. The unit's profits have never been higher, thanks to international channel expansion and licensing. CNN and its affiliates delivered \$500 million in operating income for Turner in 2009, a new high for the 25-year-old enterprise.

Time Inc. is clearly suffering through the formidable downturn of print publishing biz — as evidenced by the steep drop in revenue and operating income. The only buffer for the division is that it is, by revenue and circulation, the No. 1 magazine group in the country, and its lead over its nearest competitors has only widened amid the economic downturn. Bewkes seemed to acknowledge during the investor confab that there has been some consideration of selling the division, but as he told the Wall Streeters, "The opportune time for that is not now."

There have also been assertions that Time Warner's strong earnings and wad of cash make it a takeover target. But although the conglomerate is much trimmed from its peak weight, it's still plenty big enough to fend off any of its showbiz rivals — at least from a regulatory perspective. So unless Google or Microsoft or a deep-pocketed foreign conglomerate decides it's time to break into Hollywood, it's hard to imagine many predators going after the House that Bewkes Rebuilt.

Growth engines

Turner and HBO are Time Warner's biggest profit drivers.



Searching for diplomacy

By NICK VIVARELLI
ROME

The ongoing spat pitting Google vs. the Italian judiciary following the local convictions of three top Mountain View execs has escalated into a verbal smackdown after Google chief exec **Eric Schmidt** dismissed the ruling as "bullshit."

"The judge was flat wrong. So let's pick at random three people and shoot them. It's bullshit. It offends me and it offends the company," lamented Schmidt to the Financial Times on June 3.

In February, a Milan court convicted the Google execs for violating the privacy of an autistic Italian boy by allowing a video of him being bullied to be posted on the site in 2006. Google has appealed the ruling, which has been blasted by critics as a threat to Internet freedom.



Schmidt's undiplomatic outburst reopened the rift with Italy where, more than anything else, it was the perceived arrogance of his language that grated local public opinion, and also the judge himself. "It's the style that defines the man," countered Milan magistrate **Alfredo Robledo**, who issued the ruling in the case, in an interview with Corriere della Sera. "In Italy and in Europe freedom of expression stops when it oversteps people's rights, including the right to privacy. Google needs to realize this." "They Want the Far West," read the Corriere headline, referring to Google, and presumably, America's fabled Wild West, which is, well, far from Italy.

BBC

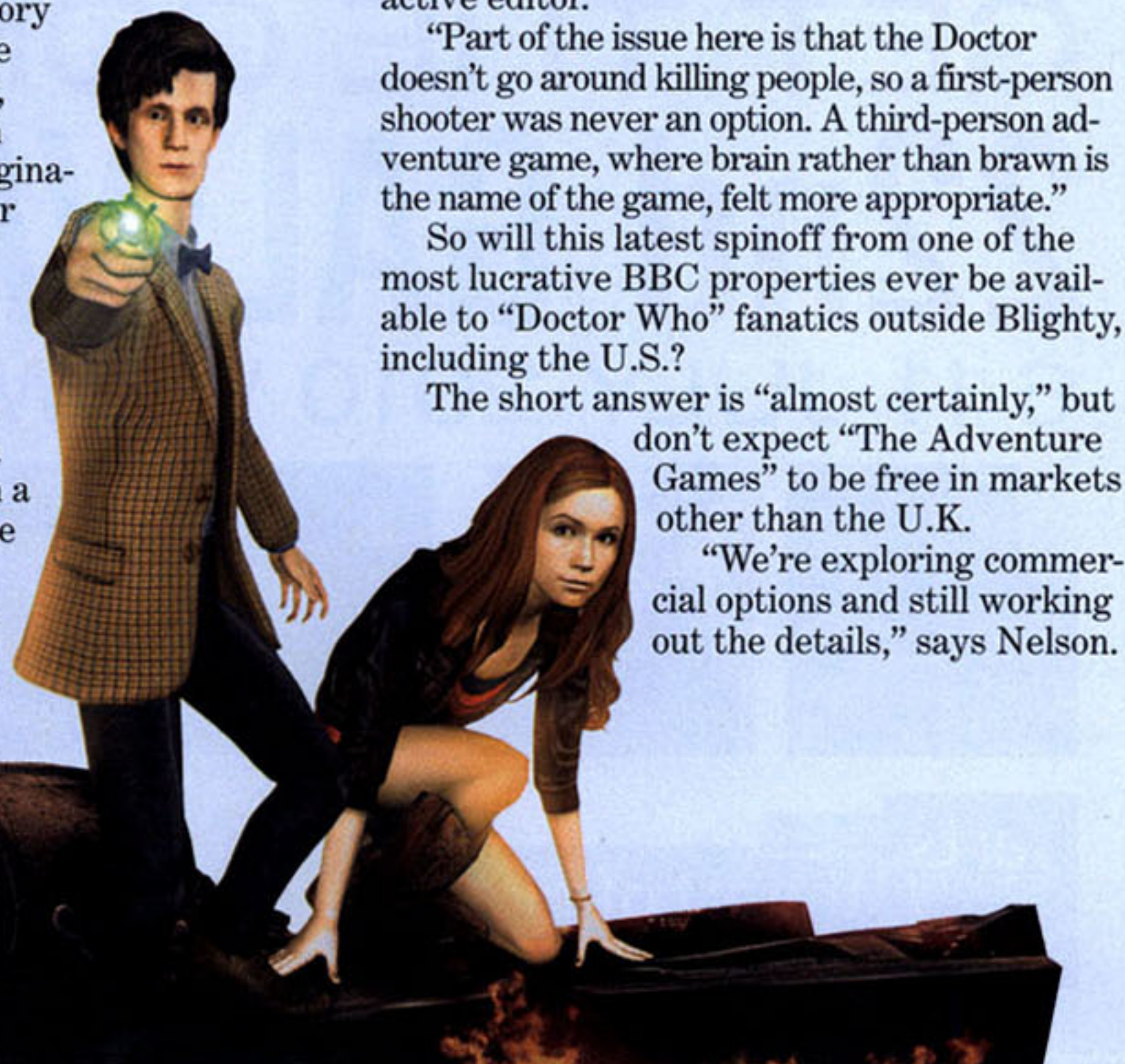
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chief scriptwriter, **Steven Moffat**, and **Charles Cecil**, a veteran of videogame production who worked alongside helmer **Ron Howard** on "The Da Vinci Code" games.

Matt Smith, who plays the 11th doctor, and **Karen Gillan**, cast as his assistant Amy Pond, have recorded dialogue specifically for the games.

The games' scripts were penned by "Doctor Who" screenwriters **Phil Ford** and **James Moran**.

"If you look at the history of 'Doctor Who,' kids have always played the Doctor, but they've had to do it in playgrounds, in their imaginations, in their bedrooms or they've had to do it with action figures," says **Simon Nelson**, head of BBC multiplatform who commissioned the games. "Now we're putting them in control of the Doctor in a wonderfully realized game setting. We're enabling them go to places they've never been before."



For hardened gamers used to taking out hundreds of alien commandos in one exhausting session, the "Doctor Who" games might seem a little on the tame side.

But mindful of the reaction from the Corporation's many critics, who may raise an eyebrow at the publicly funded BBC financing computer games, the "Adventures" were designed deliberately to be in step with the org's public-service ethos.

"We researched the games industry extensively, focusing on narrative-adventure games as being just right for the 'Doctor Who' brand," says **Iain Tweedale**, the BBC's interactive editor.

"Part of the issue here is that the Doctor doesn't go around killing people, so a first-person shooter was never an option. A third-person adventure game, where brain rather than brawn is the name of the game, felt more appropriate."

So will this latest spinoff from one of the most lucrative BBC properties ever be available to "Doctor Who" fanatics outside Blighty, including the U.S.?

The short answer is "almost certainly," but don't expect "The Adventure Games" to be free in markets other than the U.K.

"We're exploring commercial options and still working out the details," says Nelson.