



**national film and video foundation**  
SOUTH AFRICA

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an agency of the  
**Department of Arts and Culture**

## South Africa's Box Office Report (January – June 2016)



## Summary

- ❖ South Africa's locally produced films have seen growth of approximately 55% from box office revenues, while global box office grew by 7% in the first half of 2016;
- ❖ A total of 118 films were released, slightly lower than 121 released last year in the same period;
- ❖ Out of the 118 releases, 13 were locally produced films, and 4 of those were NFVF funded<sup>1</sup>;
- ❖ Local films make up 7% market share, an increase from 5% in the same period last year;
- ❖ The top 3 grossing local films were *Vir Altyd* (R15.5 million), *Happiness is a Four-Letter Word* (R13.2 million), and *Mrs Right Guy* (R4.2 million);
- ❖ Topping our global box office was *Batman vs. Superman: Dawn of Justice*, *Finding Dory*, and *Captain America: Civil War*;
- ❖ 3D/4D/IMAX releases recorded a significant 54% share in the first half of 2016 taking R316.4 million of box office gross (an improvement from 36% same period last year).

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<sup>1</sup> Happiness is a Four-Letter Word, and Mrs Right Guy received slate funding, Free State, and Safe bet received Marketing & Distribution Funding;

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## 1. Introduction

In recent years, South Africa's rand has declined steadily due to a number of factors such as weak commodity prices and a persistent global recession. As a result, many industries, including the film industry, have felt the impact of less value for their money. Whilst the film industry has seen a reduction in production costs as a result of improved technologies which make the process faster and more efficient, it has been hit hard by rising associated costs of production and reduced investment which makes it difficult for the industry to increase production. Producers are struggling to make profit from theatrical revenues as a result of rising ticket prices, transport and wages costs making it unable to attract the investment needed to produce films as the investment market becomes increasingly wary of the risk of returns on their investments. The demise of the DVD market due to piracy has also affected the revenues gained from filmmaking and VOD remains a largely unquantified revenue stream. The case for funding films has become a challenge despite the improved quality of the films and the increasing number of platforms available for audiences to consume content.

Demand for local content, hampered by low screen concentration adds to the challenge faced by filmmakers, although the improved content and higher production values afforded by cutting edge technology is beginning to attract audiences back to existing screens. This bolsters the case for rapid infrastructure growth of multiplex screens which could potentially increase the number of movie goers and increase box office revenues across the board.

In the past three years, the top 3 high earning local films were *Schuks! Your Country Needs you*, *Mandela: Long Walk to Freedom* and *Pad na Jou Hart*, which earned a total of R26.8 million, R23.0 million, R11.6 million respectively. Most films have found it challenging to reach R10 million at box office (a figure which represents the median production budget) due to low audience attendance figures.

In the first half of 2016, the highest grossing local films were *Vir Altyd* and *Happiness is a Four-Letter Word*. According to Screen Africa, *Vir Altyd*<sup>2</sup> broke local record in its opening weekend with box office earning of R4.7 million, and was seen by 89 731 people, on the other hand *Happiness is a Four-Letter Word*<sup>3</sup> managed 45 000 attendances and gross box office receipts of R2.3 million in its opening weekend. These two films earned a cumulative box office gross of R15.5 million and R13.2 million respectively. Other domestic releases that have performed relatively well at box office are *Mrs Right Guy* taking R4.2 million to date, and *n Paw Paw vir my Darling* at R4.0 million.

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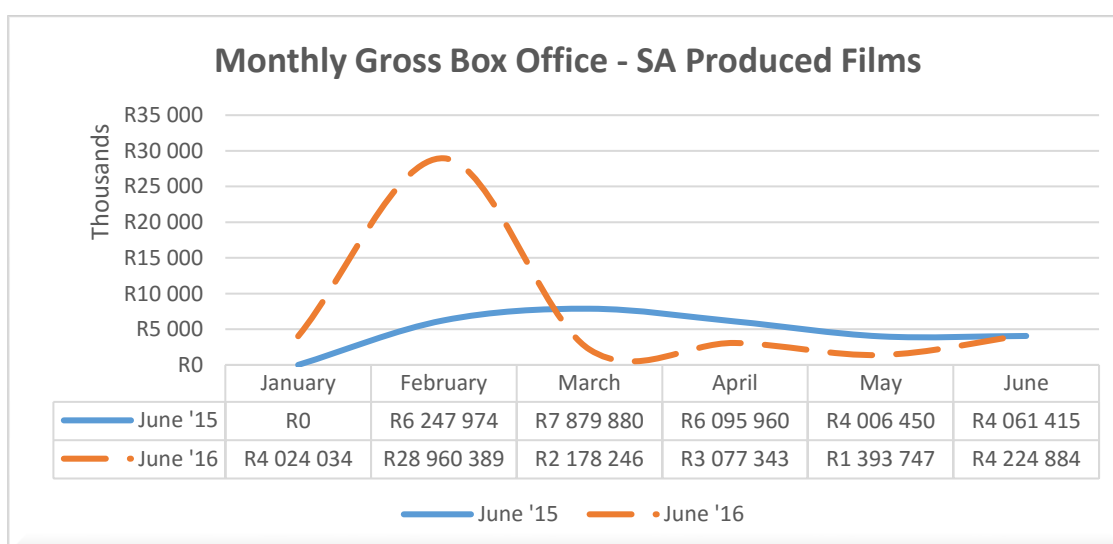
<sup>2</sup> <http://www.screenafrica.com/page/news/film/1657045-Vir-Altyd-breaks-local-records#.V5iPLrh96Uk>

<sup>3</sup> <http://www.screenafrica.com/page/news/film/1657143-Happiness-is-a-Four-Letter-Word-a-box-office-success#.V5iPhLh96Uk>

## 2. Monthly Gross Box Office – SA Produced Films

In the first half of 2016, 13 local films were released with a total box office taking of R43.9 million. An average of at least 2 films were released in each month. A significant increase in revenues was recorded in the month of February (364%) due to higher earnings of *Vir Altyd* and *Happiness is a Four-Letter Word* both which topped the box office charts for more than eight weeks. Another noticeable increase was in June with only one film released in that month, *Mrs Right Guy*<sup>4</sup>, and still on circuit, going for the eighth week.

**Figure 1: Monthly Gross Box Office**



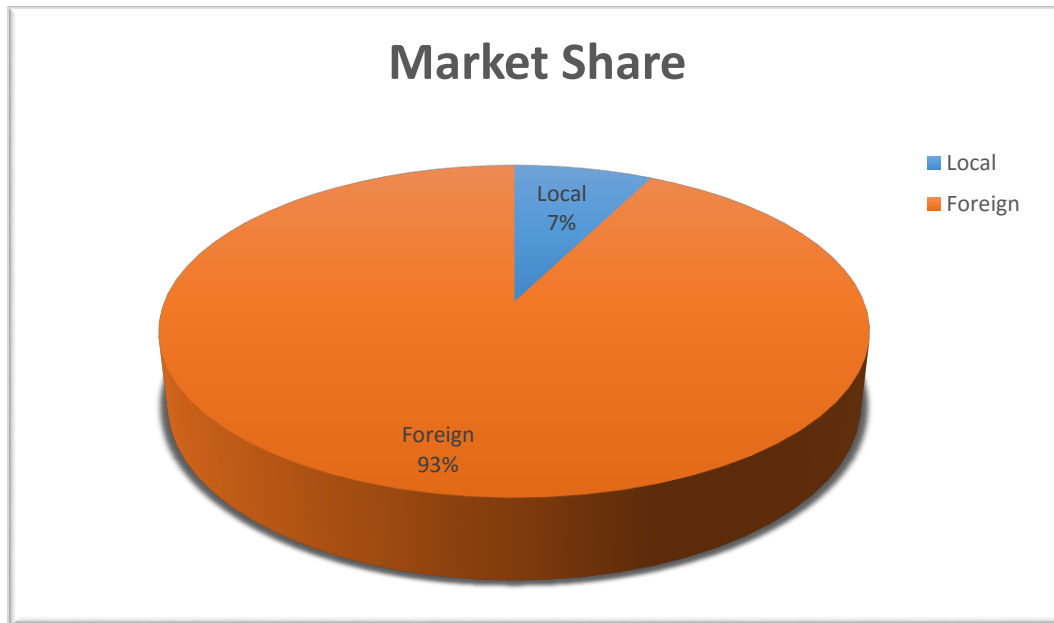
## 3. Market Share

South Africa's performance relative to its competitors is measured by the proportion of market share that is able to capture from the total gross. Thus, in SA a total 118 feature films were released at box office with a total gross of R586.0 million (up to 25 July), and the local box office gross was R43.9 million for the 13 feature films released this year. As a result SA films reached 7% of the market share from January to June 2016, a substantial improvement from 5% for the same period last year. In

<sup>4</sup> Mrs Right was still on circuit when the report was done, cut-off date was 25 July for analysis purposes.

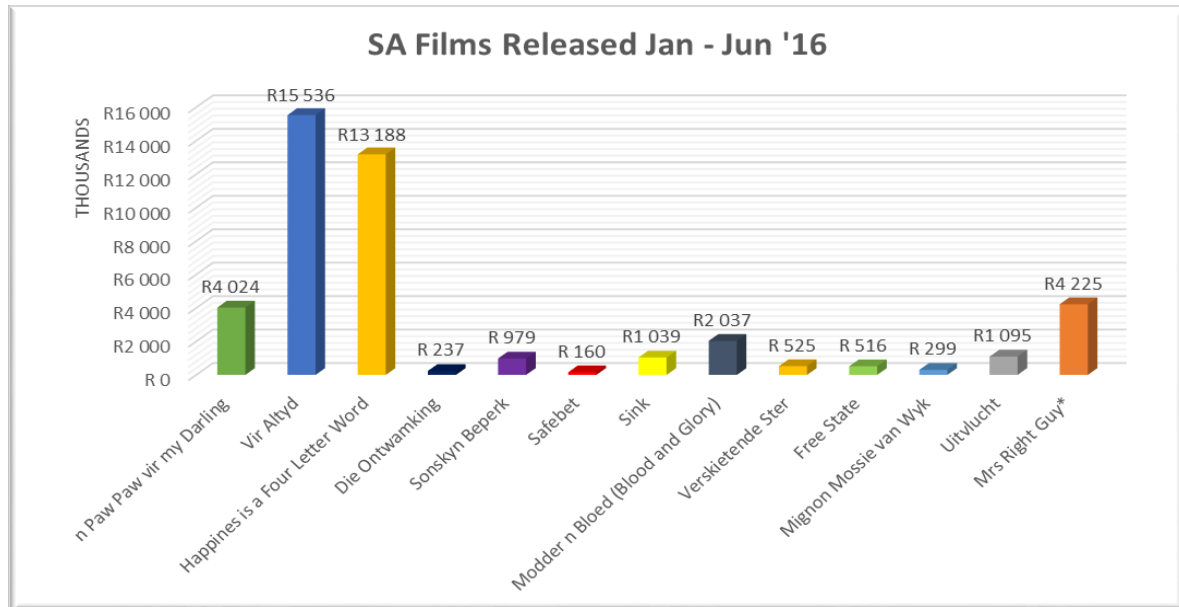
comparison to other countries, the Korean market share went up 3.8% to 46.7%, while the market share of UK independent films was 9%.

**Figure 2: Market Share**



#### **4. Performance of SA Produced Films by GBO**

Figure 2 below shows performance of SA produced films in the first half of 2016. Box office gross for locally produced films increased significantly by 55% to R43.9 million (R28.2 million same period last year). This was due to the impressive domestic release of ***Vir Altyd***, an Afrikaans romantic adventure, simultaneously released with ***Happiness is A Four-Letter Word***, a romantic drama. Both films set the record very high, and are officially the highest grossing local films in the first half of 2016. Other domestic releases which performed quite well at box office are ***Mrs Right Guy*** earning R4.2 million, and ***n Paw Paw vir my Darling*** at R4.0 million.

**Figure 1: Films Produced in SA by GBO**

## 5. Market Share of Film Distributors in SA

Films released through Ster Kinekor earned the largest share of South Africa's box office in 2016 (41%) with a gross taking of R239.4 million. Another large share (33%) was taken by Times Media Film with a box office gross of R195.0 million. UIP accounted for 17% earnings of the box office gross taking R98.4 million. Black Sheep, Crystal Brooke and Indigenous Film were the bottom three between 1% and 3%.

**Table 1: Distributor Market Share**

| Distributor   | No. of Movie Titles | Gross Box Office | Market Share |
|---------------|---------------------|------------------|--------------|
| Black Sheep   | 11                  | R30 222 447      | 5%           |
| Crystal Brook | 4                   | R18 058 341      | 3%           |
| Indigenous    | 3                   | R4 986 436       | 1%           |
| Ster Kinekor  | 42                  | R239 447 595     | 41%          |
| Times Media   | 38                  | R194 926 832     | 33%          |
| UIP           | 20                  | R98 354 799      | 17%          |
|               | 118                 | R585 996 450     |              |

Source: Ster Kinekor, Box Office Mojo

Box Office Gross = Cumulative gross up to 25 July 2016

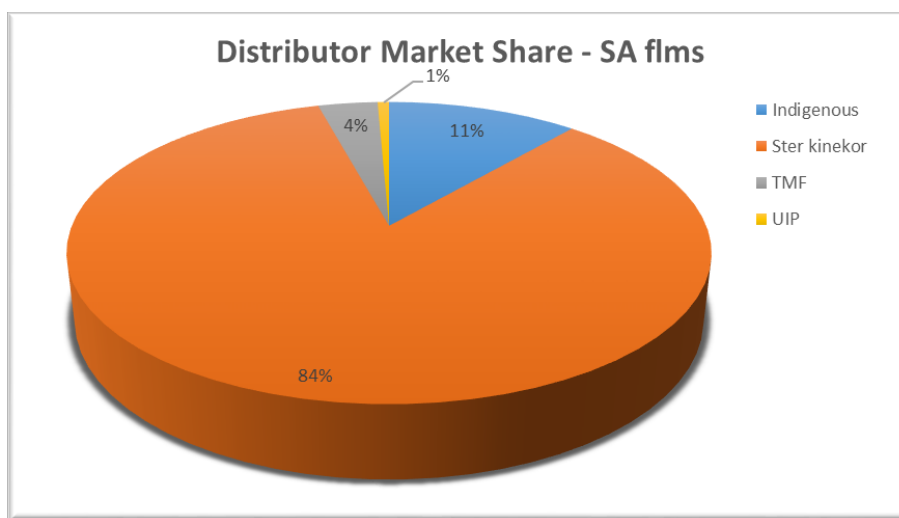
Films with an asterisk (\*) were still being exhibited on 25 July 2016



## 6. Distributor Market Share – SA Produced films

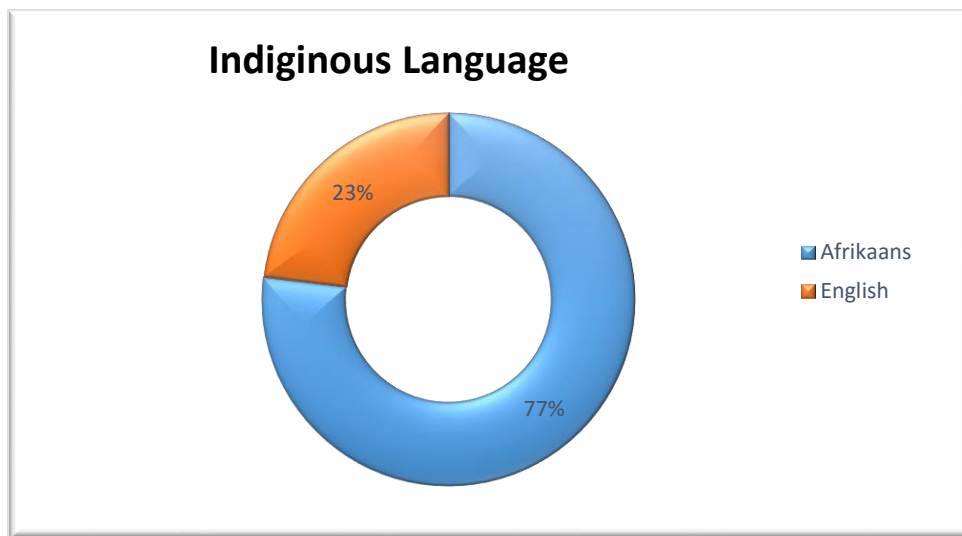
Ster Kinekor was the leading distributor for locally produced film with 7 titles distributed this semester, earning R37.0 million, accounting for 84% market share. Indigenous films distributed 3 titles, earning R5.0 million and accounting for 11% market share. In third place was Times Media at 4%, followed by UIP at 1%.

**Figure 4: Distributor Market Share – SA Produced films**



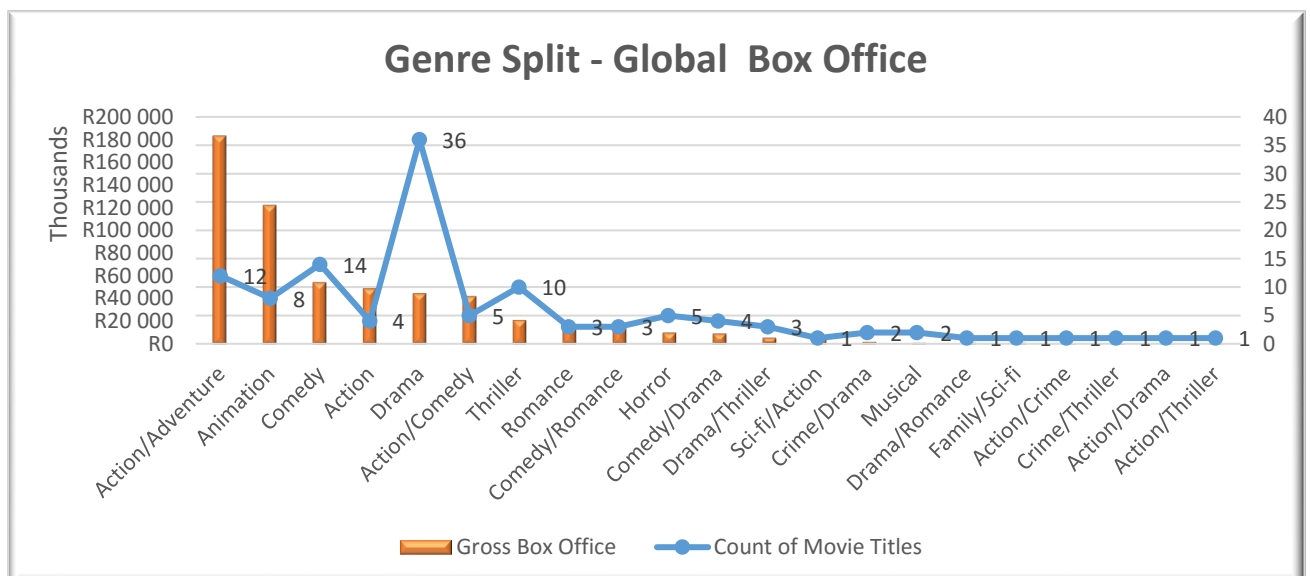
## 7. Indigenous Language

Afrikaans language films are the most popular at cinema with a release of 10 titles in the first half of 2016. Amongst those, was the top earning movie ***Vir Altyd***. The remaining 3 titles were released in English language.

**Figure 5: Indigenous Language**

## 8. Genre Split – Global Box Office

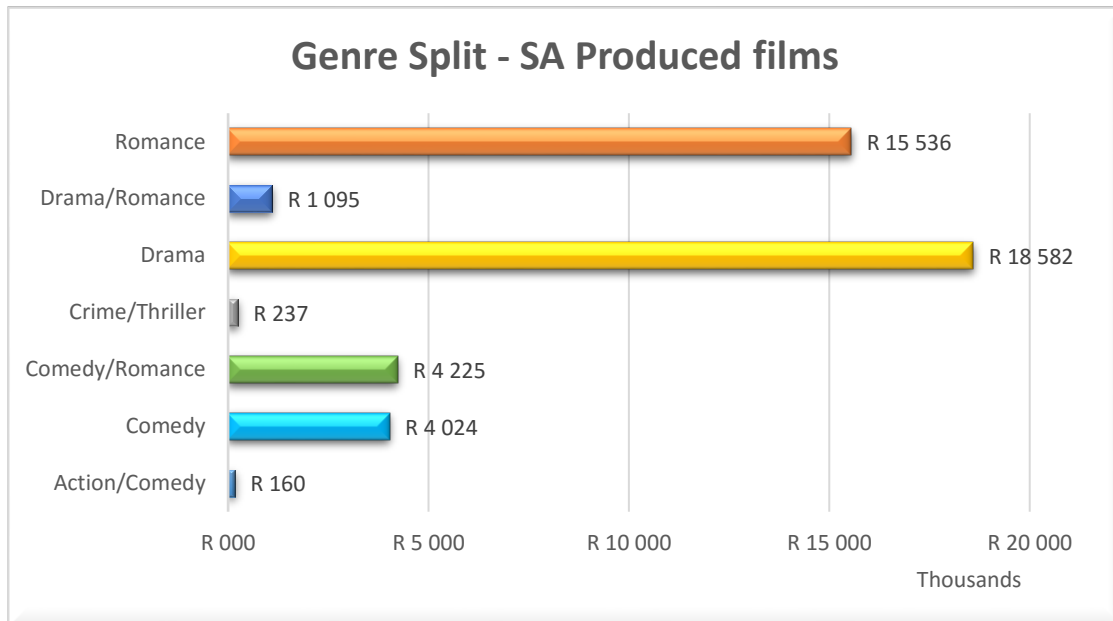
A wide range of selection from different genres was available to audiences. As depicted in the figure 6 below Action/Adventure was the top earning genre, R182.3 million of box office gross. Animation was the second top earning genre, with only 8 titles, taking R121.7 million. In the third place was Comedy earning R54.1 million with 14 titles released under that genre.

**Figure 6: Genre Split**

### 9. Genre Split – SA Produced films

The top grossing genre for locally produced films was Drama earning R18.6 million, Romance was the second earning genre taking R15.5 million.

**Figure 1: Genre Split - SA Produced films**



### 10. 2016 Top 20 Global Box Office

Table 2 below lists the top earning movie based on gross box office during the first half of 2016 (up to 25 July). ***Batman vs. Superman: Dawn of Justice***, a USA action-adventure was the top recipient taking R42.2 million of box office. Also recording the higher gross was ***Finding Dory***, a UK/USA animation taking R41.6 million. This was then followed by ***Captain America: Civil War*** another action-adventure from USA grossing R32.4 million. ***Vir Altyd*** and ***Happiness is a Four-Letter Word***, were the only locally produced films that were amongst the global top 20.

**Table 2: 2016 Top 20 Global Box Office**

| Movie Title                         | Weeks | Country of Origin | Cumulative GBO | 3D/4D/IMAX Format |
|-------------------------------------|-------|-------------------|----------------|-------------------|
| Batman vs Superman: Dawn of Justice | 9     | USA               | R42 183 124    | ✓                 |
| Finding Dory*                       | 5     | UK/USA            | R41 637 855    | ✓                 |
| Captain America : Civil War         | 7     | USA               | R32 414 233    | ✓                 |
| The Jungle Book                     | 10    | UK/USA            | R31 206 625    | ✓                 |
| Dead pool                           | 10    | USA/CAN           | R30 409 450    | ✓                 |
| Central Intelligence*               | 4     | USA               | R24 068 497    | □                 |
| Zootropolis                         | 11    | USA               | R22 995 753    | ✓                 |
| Kung Fu Panda 3                     | 9     | USA/CHINA         | R19 890 267    | ✓                 |
| Angry Birds*                        | 10    | FINLAND/USA       | R19 811 815    | ✓                 |
| Ride Along 2                        | 10    | USA               | R15 853 780    | □                 |
| Vir Altyd                           | 9     | SA                | R15 535 579    | □                 |
| X-Men: Apocalypse                   | 7     | USA               | R15 102 814    | ✓                 |
| London Has Fallen                   | 13    | UK/USA            | R14 629 085    | □                 |
| Happiness is a Four Letter Word     | 12    | SA                | R13 188 020    | □                 |
| The Good Dinosaur                   | 8     | USA               | R11 407 689    | □                 |
| The Divergent Series: Allegiant     | 8     | USA               | R10 836 338    | ✓                 |
| My Big Fat Greek Wedding 2          | 9     | USA               | R10 198 849    | □                 |
| Now You See Me: The Second Act*     | 6     | USA               | R9 935 420     | □                 |
| Independence Day 2: Resurgence*     | 4     | USA               | R9 182 974     | ✓                 |
| Warcraft                            | 6     | USA               | R8 788 811     | ✓                 |

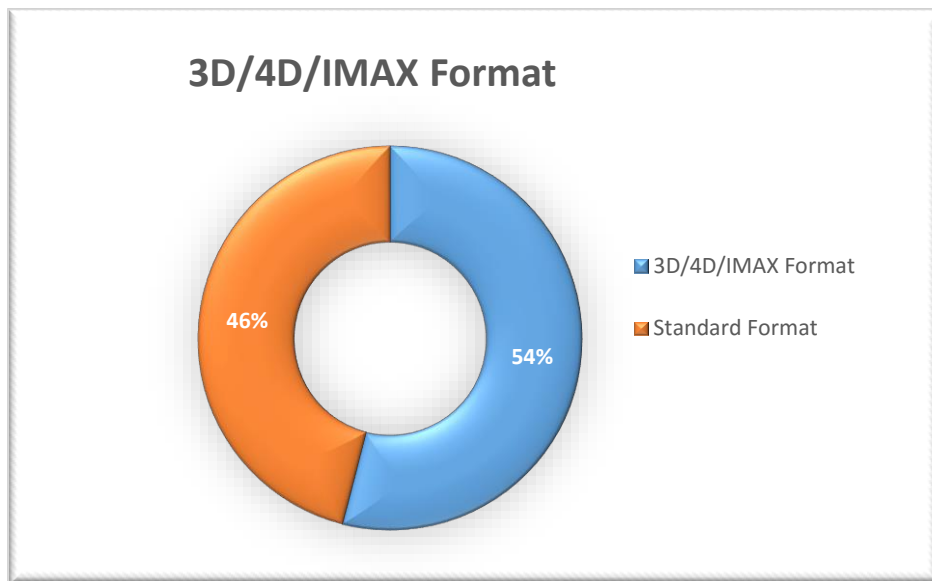
Source: Ster Kinekor, Box Office Mojo

Box Office Gross = Cumulative gross up to 25 July 2016

Films with an asterisk (\*) were still being exhibited on 25 July 2016

## 11. 3D/4D/IMAX Format

3D/4D/IMAX released films recorded a significant 54% in the first half of 2016 taking R316.4 million of box office gross (an improvement from 36% same period last year). The number of 3D/4D/IMAX releases increased from 14 to 18 titles compared to last year. The popular releases with high gross was ***Batman vs. Superman: Dawn of Justice, Finding Dory, and Captain America: Civil War***

**Figure 2: 3D/4D/IMAX Format**

## 12. Conclusion

Overall, most films have performed relatively well at box office and even more films show great potential to do well at box office in the coming months. The film industry is expected to continue to see steady growth on the back of increasing audience preferences for local content, and the list of at least 14 upcoming films show a variety of genres to look forward to. The year 2016 has started on a positive note with a 55% growth from previous period and it is imperative that we continue to build on the audience awareness of local content. The South African film industry has matured in that it shows a better understanding of audience tastes which is reflected in the box office figures in the first half of the year. This trend is expected to increase investor confidence and relieve the challenges of raising finance for film production, which will in turn see the industry able to grow and contribute further to the economic activity in the country.

## SOUTH AFRICA'S BOX OFFICE REPORT (JANUARY – JUNE 2016)

### Notes:

1. Gross box office data supplied by Ster-Kinekor and Box Office Mojo
2. Country of Origin as supplied IMBD for the purpose of analysis
3. Genre Classification as supplied by Box Office Mojo and IMDB for the purpose of analysis

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