

## 'Mission,' 'Da Vinci Code' May Spark Summer Box-Office Revival

April 10 (Bloomberg) -- Jeff Blake, vice chairman of Sony Pictures Entertainment, is looking forward to summer.

That's when the Sony Corp. unit will release "The Da Vinci Code," one of the big-budget movies that Blake says have a good chance of reviving the U.S. box office after last year's plunge, the worst in almost two decades.

"We're about to get an incredible summer," Blake said in an interview. Summer is the most important season for studios, bringing in about 40 percent of annual ticket sales,

This year's summer movies start May 5 with Viacom Inc.'s "Mission Impossible III," starring Tom Cruise. Also on tap are Warner Bros.' "Poseidon" and News Corp.'s "X-Men: The Last Stand." Studios are betting billions of dollars that last summer's decline was a fluke, rather than a sign that viewers made a permanent switch to video games or the Internet.

A year ago, the season began with a whimper as "Kingdom of Heaven" helped extend a streak of declines in weekend box office. U.S. and Canadian ticket sales in the May-to-September period fell 8.5 percent from a year earlier to \$3.62 billion, according to Exhibitor Relations Co. That precipitated a 5.2 percent annual decline to \$8.95 billion, the biggest drop since 1986.

A rebound at movie theaters this year might ease some of the concern about losing audience to newer forms of entertainment, said Richard Horgan, a film analyst at Internet ticket-seller Fandango.com. Video-game sales rose 6 percent last year to a record \$10.5 billion, according to NPD Group Inc.

### Traders' Forecast

Based on the enthusiasm of traders who buy and sell "stocks" in movies, the Hollywood Stock Exchange predicts that ticket sales will bounce back and revenue will rise 10.6 percent in the first nine months of the year.

The Los Angeles-based exchange, a unit of Cantor Fitzgerald LP, is a fantasy stock market for films. Predictions are based in part on the buying and selling by 1.4 million registered users, who pay with virtual money. Data collected from trading is sold to customers including Vancouver, British Columbia-based Lions Gate Entertainment Corp., Los Angeles-based Metro-Goldwyn-Mayer Inc. and New York-based Time Warner Inc.'s Warner Bros. Home Video.

"Mission Impossible" will take in \$162.7 million during its first four weeks of release, according to Hollywood Stock Exchange's forecast. "Da Vinci Code," starring Tom Hanks, is expected to pull in \$207.3 million.

"Traders have shown confidence that this year's box office will reverse last year's downward trend," the exchange's general manager, Alex Costakis, 43, said in an interview. "We're going to have a very interesting year."

## Big Budgets

New York-based Viacom's Paramount Pictures spent about \$150 million to make ``Mission Impossible," according to the Web site Box Office Mojo, which tracks movie revenue.

Also coming are Burbank, California-based Walt Disney Co.'s ``Pirates of the Caribbean: Dead Man's Chest," with a production budget of \$200 million, and Warner Bros.' ``Superman Returns," which cost \$250 million, according to Box Office Mojo.

In contrast, ``Kingdom of Heaven," New York-based News Corp.'s \$130 million crusader saga starring Orlando Bloom, opened last May with \$19.6 million on its way to \$47.4 million in U.S. and Canadian sales, according to Box Office Mojo.

A repeat is unlikely given this summer's lineup, said Paul Dergarabedian, 44, president of Exhibitor Relations. The weekend after ``Mission Impossible" opens, Warner Bros. will roll out ``Poseidon," an effects-heavy remake of the 1972 disaster film ``The Poseidon Adventure."

Next is ``Da Vinci Code," a thriller based on Dan Brown's best-selling novel about secret societies within the Catholic Church, followed by News Corp.'s ``X-Men."

``I think we've got an excellent chance to be back up again," said Sony's Blake, 53. ``I don't think anyone in this business feels the appetite for good films has gone away."

## Risk of Sequels

The number of sequels on the summer schedule poses big risks for studios if the films fail to meet fans' expectations, said Tom O'Neil, film analyst for the entertainment awards Web site TheEnvelope.com.

``A marginal failure can be a huge flop," O'Neil said. ``Given the pattern of moviegoers abandoning movies after the first opening weekend, the risks are even greater."

Studios bet on sequels because successful franchises are moneymakers, such as the ``Harry Potter" films with \$1.1 billion in ticket sales.

Films coming out later in the summer include the animated ``Cars," from Disney and Emeryville, California-based Pixar; ``Superman Returns" and M. Night Shyamalan's ``Lady in the Water" from Warner Bros.; and Disney's ``Pirates of the Caribbean: Dead Man's Chest."

## Pointing the Way

Hollywood focuses on domestic ticket sales, which include theaters in the U.S. and Canada, because they are the first indicator of a film's success and suggest how much a film may make in international, home video and television sales, said Bill Mechanic, 55, former chairman of News Corp.'s Fox Filmed Entertainment.

Worldwide ticket sales totaled \$23.2 billion last year, according to the Motion Picture Association.

The potential payoff may explain why, after low-budget films such as ``Crash" and ``Brokeback Mountain" won the most Oscars, studios remain focused on big-budget movies -- especially sequels that can be marketed to broad audiences, said Mechanic, who now runs Pandemonium, a Beverly Hills, California-based production company.

He blames himself, in part. Mechanic oversaw 1997's ``Titanic," which cost \$200 million to make as the budget escalated. The movie has taken in \$1.85 billion in worldwide ticket sales. Fox and its partner, Paramount Pictures, still make money through home-video sales and television broadcast

rights.

That happy ending taught studios the wrong lesson, Mechanic said.

``I thought it should have scared the pants off people," he said. ``If it hadn't been good, that movie would have been dead, and we would have been dead with it."

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