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VVE puts theatrical on to-do list

Home video division widens scope in 'natural evolution'  
By Thomas K. Arnold

Universal Music Group Distribution's home video arm is set to announce Thursday that it is venturing beyond DVD distribution and into theatrical releasing.

As part of the move, the division's name is being shortened from Vivendi Visual Entertainment to Vivendi Entertainment. Tom O'Malley, the GM since VVE was set up in September 2004, will be president.

Vivendi Entertainment plans on partnering with filmmakers to distribute from eight to 14 films a year. The new theatrical unit will provide a full menu of theatrical distribution and marketing services as well as coordinate P&A funding. Distribution will be overseen by industry veteran Mike Doban, who reports to O'Malley.

Universal Music Group Distribution president and CEO Jim Urie calls the expansion "a natural evolution for us."

O'Malley, who continues to report to Urie, said the establishment of a theatrical division allows Vivendi to expand services to customers and gain market share.

"With this expansion, we offer our partners a full array of distribution services, including theatrical, DVD, digital and TV sales," O'Malley said. "This will only position Vivendi Entertainment for even more growth."

The theatrical division officially launches Thursday. Negotiations are ongoing for the first release, though it likely will come from one of Vivendi Entertainment's existing partner studios. Vivendi currently provides DVD, digital and TV distribution services to a confederation of independent film companies and DVD labels including Uwe Boll's Event Films, Shout! Factory, Palm Pictures and Code Black, which specializes in urban fare. The company does not acquire or produce programming on its own.

The same model will apply to theatrical distribution, O'Malley said.

"We offer an alternative to filmmakers in that we do not produce our own films. Instead, our business model exists to provide focus and dedicated distribution and marketing services," he said. "The cornerstones for the company will continue to be collaboration and financial transparency."

Doban has 27 years of experience in theatrical distribution and exhibition, 15 of them at United Artists. He also co-founded Freestyle Releasing, where he supervised such releases as "The Illusionist" and "An American Haunting."

Since its launch more than three years ago, Vivendi has built an extensive catalog of more than 1,000 titles that are distributed in more than 85,000 retail locations. Although it initially focused only on DVD, the company also has sought to capitalize on the emerging digital distribution business through a multimillion-dollar digital infrastructure that provides asset management, distribution and reporting.

Vivendi also provides a comprehensive and integrated television release strategy across all TV windows.