AGICOA
Annual Report
2014

“LA ISLA MÍNIMA (MARSHLAND)”, SPAIN - ANTENA 3 FILMS, S.L. - ATYPCA FILMS, S.L. - SACROMONTE FILMS, S.L.
“JACK STRONG”, POLAND - SCORPIO STUDIO
“MASTODONT”, POLAND - AGICOA STUDIO FILM MASTOD
“RICKY RAPPER AND SLICK LEONARD”, FINLAND - ARTISTA FILMI OY
“CODE 37”, BELGIUM - MENUET
“SOL DE INVERNO”, PORTUGAL - SP TELEVISÃO
“BEM VINDOS A BEIRAS”, PORTUGAL - SP TELEVISÃO
“OBYWATEL”, POLAND - OPUS FILM
“THE GRUMP”, FINLAND - SOLAR FILMS INC. OY
“ROTAS DO VINHO”, PORTUGAL - SP TELEVISÃO
Many challenges are thus posed for audiovisual rightsholders but, whatever the outcome, underlying principles that applied in the past will still apply. All new and additional commercial exploitation of work must be licensed and deliver appropriate royalties and producers must retain the flexibility to choose the approach they prefer.

It is difficult for producers to keep up with the twists and turns of the marketplace and defend their interests with operators whose reach and power is growing. For many, the collective rights management services offered by AGICOA and its Alliance partners are highly relevant to maintaining revenue streams.

Is it the right time to test more comprehensive collective licensing propositions that respond to new market realities? Under what circumstances? A key question posed in the pages that follow is to what extent should AGICOA’s mandate be expanded to respond to producer needs?

The options have been carefully considered by the AGICOA Board who represent close to 15,700 international rightsholders. New proposals have been put forward in Ireland where agreements with national operators are due for renewal. These have been developed jointly with the BBC which is a significant rightsholder in this case.

The importance of coming to the table with broad negotiating capability is clear: operators are more likely to respond to a proposition that covers the spectrum of their business needs rather than to a series fragmented discussions.

Recent legislation - notably the EU Collective Rights Management Directive - has reinforced the position of rightsholders in many respects, but much remains to be done to establish a licensing framework that relates to consumer value for new forms of delivery. The financing of future content depends on it.

Turning to the present, I am pleased that AGICOA can report on another successful year that saw its rightsholders and portfolio of declared works grow at impressive rates, as well record collections and distributions.

The new management team has settled well and already delivered significant service improvements. I would like to thank General Manager Tom de Lange and his staff for their hard work and express my confidence in their ability to help the organization’s members meet the challenges and exploit the opportunities that lie ahead.

Chris Marcich
AGICOA President
“VLAAMSE VELDEN”, BELGIUM - MENUET
“OCHO APELLIDOS VASCOS (EIGHT BASQUE SURNAMES)”, SPAIN - LAZONA FILMS, S.L. - KOWALSKI FILMS, S.L. - SNOW FILMS, A.I.E.

“MAYA DE BIJ”, BELGIUM - STUDIO 100
“TURIST (FORCE MAJEURE)”, SWEDEN - PLATTFORM PRODUKTION AB, PHOTOGRAPHER: FREDRIK WENZEL
“THE EXPENDABLES 3”, USA - MILLENIUM FILMS - TAI IMAGE

“BRABANCONNE”, BELGIUM - EYEWORKS
“BROKEN CIRCLE BREAK DOWN”, BELGIUM - MENUET
Another year of exceptional distribution. The biggest distribution ever.

Unique collection and distribution network across major markets.

The numbers of audiovisual rightsholders using the organization’s services keeps increasing.

Total number of declared works was up by 11%.

The service fee deducted from royalties put into distribution in 2014 was 7.64%.
« The new IRRIS is a well running software that gives you the overall look and specific details when needed. And as data are validated by capable portfolio managers, your data are in safe hands. »

« The layout of IRRIS Web is improved recently, it has gotten more user-friendly. »

« The remodelled IRRIS platform does not only look simpler with its new sober look and cleaner lines but it has also made it easier to manage rights online. It is quite intuitive and the ability to download Excel or PDF reports on the clic of a button is invaluable. It is all round a very useful tool. »
Management Report

Full speed ahead

AGICOA continues to deliver excellent returns to its growing roster of rightsholders through conventional licensing of content for cable and satellite retransmission. The number of rightsholders increased by over 5% to 15,689 at the end of 2014, and their declared works by 11% to over 1.5 million.

The increases were partly the result of additional revenue from Belgian cable operators, and the inclusion of 2012 payments from the Netherlands which had been delayed by the need to separate international works from those of Dutch rightsholders who now have a separate royalty agreement.

Collections increased in 2014 to €125m and total royalty distributions reached a record €141m.

Other contributory factors are the development of the hotel sector in Spain, the positive outcome of litigation in Poland with an almost integral coverage and Israel with a settlement agreement resolving a long-lasting dispute and allowing for licensing solutions to be achieved.

The service fee deducted from royalties put into distribution in 2014 was 7.64%. It will reduce to 5% in 2015 due to a one-off allocation of fees on exceptional collections from previous years.

Operating costs in Geneva were within budget in 2014 and lower than in previous years, while a number of significant service improvements were delivered. Notable among them were further improvements to IRRIS Web, the AGICOA web-based information system for rightsholders. Its scope and ease of use was upgraded to match the latest performance standards. The work was completed on schedule and the benefits were quickly evident, gaining the approval of many users.
“EL NIÑO”, SPAIN - EL NIÑO LA PELICULA, A.I.E.
“DE BEHANDELING”, BELGIUM - EYEWORKS
“MARINA”, BELGIUM - EYEWORKS
“KAMPEN OM TUNGTANNET (THE HEAVY WATER WAR), NORWAY - FILMKAMERATENE AS, PHOTOGRAPHER: PÅL ULVIK ROKSETH
“SER E AGIR”, PORTUGAL - VENDE SE FILMES
“The War That Changed Us”, AUSTRALIA - ELECTRIC PICTURES
ROYALTIES DISTRIBUTION

ROYALTIES DISTRIBUTED IN MILLIONS €

<table>
<thead>
<tr>
<th>Year</th>
<th>First distribution</th>
<th>Final distribution</th>
<th>Exceptional catchup</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>38.0</td>
<td>11.9</td>
<td>14.1</td>
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<tr>
<td>2001</td>
<td>56.9</td>
<td>10.0</td>
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<td>2003</td>
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<td>2008</td>
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<td>14.2</td>
<td>10.0</td>
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<td>123.7</td>
<td>11.1</td>
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<td>130.8</td>
<td>14.1</td>
<td>11.7</td>
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<td>2011</td>
<td>132.2</td>
<td>128.0</td>
<td>11.7</td>
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<td>139.7</td>
<td>106.9</td>
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<tr>
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<td>118.6</td>
<td>127.2</td>
<td>14.1</td>
</tr>
<tr>
<td>2014</td>
<td>141.3</td>
<td></td>
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</tr>
</tbody>
</table>

FIRST DISTRIBUTION

- AUSTRALIA 2013
- AUSTRIA 2003-2005
- BELGIUM 2013
- CANADA 2012
- DENMARK 2012
- FINLAND 2013
- GERMANY 2013
- IRELAND 2013
- LUXEMBOURG 2013
- NORWAY 2012
- POLAND 2013
- PORTUGAL 2013
- SPAIN 2013
- SWEDEN 2013
- SWITZERLAND 2012
- THE NETHERLANDS 2013

FINAL DISTRIBUTION

- BELGIUM 2010
- FINLAND 2010
- IRELAND 2008
- LUXEMBOURG 2010
- NORWAY 2010
- POLAND 2010
- ROMANIA 2010
- SLOVENIA 2007
- SWEDEN 2010
- THE NETHERLANDS 2010
Industry Environment

In less than a decade, traditional forms of home entertainment have been overtaken by a broad sweep of technology-driven product and service innovations. Audiovisual rightsholders face many challenges as a result, but there are also opportunities to negotiate more comprehensive licensing agreements for the use of content on which the fortunes of the industry ultimately depend.

The proliferation of consumer viewing options is a key driver of change. The traditional transmission of channels to fixed TV screens in households has been complemented by new distribution services that make content available on multiple mobile devices such as tablets and smart phones, both inside and outside the home. So-called ‘TV Everywhere’ is the new reality.

Digital technologies have also enabled today’s standard interactive services that let consumers pause programs, re-start them from the beginning, or view them at another moment.

Recent market surveys demonstrate that these developments have increased total viewing time per household as content is now available at any place and at any desired time. So far, this has not been to the detriment of traditional TV viewing.

The rightsholder implications of the changes are twofold. The first is the need to make certain that the commercial value of audiovisual works in multiple option viewing environments is fairly assessed, and that new forms of distribution are suitably licensed. The second is to recognize that some channels and platforms that have contributed royalty income in the past may be less relevant to consumers in future.

The converging business ambitions of telecommunications service providers, cable and satellite operators, and Internet content providers such as Netflix add another dimension of change. The battle for subscribers and dominance of new platforms and market spaces is driving both in-kind and cross-category mergers. One likely outcome is the emergence of fewer, larger players offering bundled services at an international or even global level.

This, too, has implications for rightsholders. As the negotiating strength of industry leaders becomes progressively greater, something more than the market-by-market approach to management of audiovisual rights that exists today will be needed to maintain parity.

In this fast-moving environment, the only certainty is that the future will be very different as competing technologies and business interests reshape the distribution landscape between content originators and consumers. Significant challenges in assessing the commercial value of audiovisual works and licensing their use lie ahead.

The AGICOA Executive Board is following market developments closely and giving careful consideration to rightsholder interests. The organization has the experience, the resources, and the determination to play a central part in negotiating new forms of royalty agreement that balance the interests of rightsholders with the needs of the operators in this fast-changing business environment.
Value Proposition

AGICOA is uniquely placed to deliver value to both audiovisual rightsholders and content distributors.

AGICOA has built an industry reputation for reliable, efficient collective rights management over a 30-year period. It offers rightsholders a single point of contact to declare their audiovisual works and track its use year after year on major channels in countries where AGICOA operates. There are no entry costs - registration of content is the sole requirement.

Shared use of AGICOA’s unique international database of audiovisual works brings important economies of scale to a range of rightsholder services. These are delivered in conjunction with AGICOA Alliance partners, a well-established network with close connections to local content producers and operators in key markets.

Agreed international working standards ensure transparency and equal treatment of all content owners. The result is the timely, transparent cash-out of royalties, and identification of their source down to individual broadcast level.

In addition, AGICOA offers a platform for the international sharing of rightsholder resources, and the exchange of information on new business developments and the evolution of regulatory frameworks at regional and local levels. Where appropriate, it has the oversight and capabilities to coordinate international licensing negotiations.

Regulatory and Legal Developments

The European Union Directive on Collective Rights Management, approved in 2014, is expected to be transposed into national legislation in member countries by April, 2016.

It calls for transparency, non-discrimination among international rightsholders, and support measures for the collection of copyright royalties.

As AGICOA collects and distributes royalties in EU markets, it will adjust its practices to the Directive’s requirements where necessary. It already observes high standards of transparency and non-discrimination, however.

In 2014, the EU Court of Justice ruled on the so-call catch-up case (an action brought by ITV against Catch-up TV, a provider of unlicensed streaming services of Public Service Broadcasting in the UK), it ruled that even if there is no technical retransmission, there is a need to clear rights when works are made available by third parties other than the original broadcaster. In effect, it strengthens the position of rightsholders in the face of technology-driven developments that challenge traditional licensing concepts.
Governance

The General Assembly in December and election of the Executive Board proceeded smoothly. There was one change of membership: Max Rumney from PACT joined as representative of UK producers, replacing Nicolas Steil from ALGOA in Luxembourg who has made a valuable contribution to governance during his three years in office.

Incumbent President Chris Marcich was elected for a further three year term. Changes to relevant by-laws make the President the objective, institutional representative of the organization who provides guidance to the Executive Board, defines its agenda, leads consensus negotiation, establishes work groups and generally oversees member interests in governance processes.

Michael Brodie was reappointed as Treasurer, and it was decided that the AGICOA’s auditors will be changed on a rotational basis every three years in-line with new general practice.

Conclusion

By all measures, 2014 was a successful year for AGICOA and we look forward to the challenges and opportunities that lie ahead in 2015 and beyond as digital technology and new uses of audiovisual content transform the marketplace.

Increasing industry complexity and the likely emergence of more powerful international operators will reinforce the value of the organization’s unique service proposition for rightsholders.

Its staff of over 80 people located in 11 countries remains committed to serving their interests in the most efficient, cost-effective ways.

The AGICOA management team would like to thank members for their trust and look forward to the continuation of our productive partnership.
AGICOA MEMBERS

The purpose of the association AGICOA is to defend, through collective rights management, the interests of its members.

AGICOA’s members are associations of audiovisual producers or distributors, audiovisual producer collective rights management organizations, rights agents and other film and television rightsholders from all over the world.

AGICOA’s members define the association’s role though their presence in and contributions to its supreme decision making body, AGICOA’s General Assembly.

The members, through the General Assembly, define AGICOA’s purpose in its by-laws and fundamental rules of royalty distribution. They approve the annual operating budget and the AGICOA fee. They approve the association’s year’s end profit and loss account as well as balance sheet. They give discharge to AGICOA’s Executive Board and Management and elect and dismiss the auditors. They proclaim the exclusion and suspension of a member and also decide on the association’s dissolution.
2014 AGICOA EXECUTIVE BOARD

CHRIS MARCICH
PRESIDENT
USA
Substitute: Jane Saunders

President and Managing Director of Motion Picture Association (MPA), European office, Brussels.

NICOLE LA BOUVERIE
VICE-PRESIDENT
BELGIUM

CEO of BAVP (collecting society for cable), PROCIBEL (collecting society for private copy), AGICOA Europe Brussels, Zenab consulting. Director of AUVIBEL (collecting society for private copying of sound and audiovisual works) and of Eurocopya (European organization of collecting societies for private copy).

PR. DR. RONALD FROHNE
VICE-PRESIDENT
GERMANY
Substitute: Gertraude Müller-Ernstberger

Attorney and CPA. Head of New York Office of international Law Firm Noerr LLP. Managing Director of GWFF (collecting society for private copy) and AGICOA Germany. Board member of various German and international companies.

MIGUEL ANGEL BENZAL MEDINA
SPAIN
Substitute: José Antonio Suarez

CEO EGEDA, Spain (Audiovisual Producers Rights Management Association) since 1992. At the same time, is CEO of Audiovisual SGR, a mutual guarantee society in which EGEDA is a protector member.

MICHAEL BRODIE
TREASURER
UNITED KINGDOM

Bachelor of laws, ACA chartered accountant, UK former Universal Pictures executive.

BÖRJE HANSSON
OBSERVER
SWEDEN
Substitute: Johannes Klingsporn

Film producer, managing director of Bright Pictures. Earlier head of production at Svensk Filminanstri (SF) and Swedish film company Filmkameratene that produced among others the famous Swedish criminal series “Beck”. Representative of FIAPF.

JOHN M. JACOBSEN
NORWAY

Producer and head of Filmkameratene AS, one of the leading Norwegian film and television companies. Their productions include the Oscar nominated “Pathfinder”, the international Emmy nominated animated series “Elias, the little rescue boat” and the recently acclaimed “Max Manus” and “Trollhunter”, the most successful Norwegian films in decades. Filmkameratene produced “The Heavy Water War” which started 2015 as the biggest opening ever for a TV series in Norway. They had two films on the Top 10 box office hits in 2014.
NICOLAS STEIL
LUXEMBOURG
Exclusive legal representative of AGICOA in the Grand-Duchy and founder of ALGOA (Luxembourgish Copyright Collecting Agency). Producer-Director and President/CEO of the Iris Group (Luxembourg, France, Belgium, Germany, UK) which produced and coproduced over 40 movies and distributed over 200 in France and internationally.

DAVID JOHNSON
UNITED KINGDOM
Co-founder and CEO of Compact has left the company after 18 years to pursue new opportunities.

SAN FU MALTHA
THE NETHERLANDS
Substitute: Ruud van Breugel (picture missing)
Dutch film producer. San Fu Maltha found the production company Fu Works in 1995 and the company has grown into one of the most leading feature film production companies of the Netherlands. Fu Works is an independent and internationally oriented production company that produces feature films, documentaries and TV series. Representative of SEKAM

RYSZARD KIREJCZYK
POLAND
CEO of ZAPA (Union of Audiovisual Authors and Producers - a collecting society within Polish Filmmakers Association). Former film producer and former Director of Gdynia Film Festival and Debut Film Festival - the biggest Polish film events.

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USA
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AGICOA and its partners organizations

The AGICOA Alliance is a unique partnership that enables the efficient international collection and distribution of royalties for the retransmission of audiovisual works.

Alliance partners have deep knowledge of their own broadcast markets. Aggregation of the interests of international rightsholders adds considerable weight to the collective licensing agreements they negotiate with national and local operators. Equal treatment of all rightsholders, irrespective of size and nationality, is guaranteed.
People in Geneva

Almost 90 people located in 11 countries are involved in the management of rightsholder interests by the AGICOA Alliance.

Of these, 32 worked at AGICOA’s Geneva headquarters in 2014. Rightsholder Relations managed client portfolios. Distribution and Identification tracked use of work and organized distributions. Legal and Licensing negotiated new license agreements, renewed and extended existing contracts. Finance and Administration managed the collection and distribution of funds. Information Systems was responsible for the quality and performance of the information systems that support our operations, and Information Technology and Security ensured the protection and failsafe back-up of rightsholders data.
Switzerland is a small country so it is not surprising that everyone in the film industry knows each other. It is a close-knit community. SUISSIMAGE, located in Berne, is the collective rights management organization that represents our producers, film authors and even broadcasters in licensing the retransmission of content.

SUISSIMAGE was founded in 1981 - the same year as AGICOA - following a Swiss Federal Court ruling that cable companies must pay royalties. We work closely with SWISSPERFORM, a sister organization based in Zurich that manages neighbouring rights.

The development of the Swiss broadcast marketplace has been relatively orderly. In 1981 the cable operators pretended that it is not possible to get 100% of the rights by individual agreements and asked the Government to put the licensing of retransmission rights under mandatory collective management. The law has been changed and Cable companies got a one stop shop for all rights. When the Telecom operators began to develop new business models that included broadcast content, they approached us to help licensing their new business models by establishing a new tariff.

Where several CMO are active in the same field of utilisation, they are obliged to draw up one joint tariff for all repertories. Each such tariff has to be adopted by a Federal Arbitration Board, who has to decide, 1) if there is a legal basis for mandatory collective management and a tariff, if the answer is yes, they decide 2) whether the remuneration is equitable or not. According to the Federal Court, the Swiss Copyright law has to be interpreted in a strictly technical neutral way. No unfair competition! So, it does not matter if a retransmission is done by traditional cable networks, by IPTV, streaming, OTT, in-home/out of home, on mobile devices or on TV screen. All kind of retransmission is under mandatory collective management and there is no more space for an individual licensing or an opting out in this field.

Swiss judges have a very pragmatic approach. If users with new services tell them that it is not possible gathering all rights by individual contracts they are looking for the possibility of mandatory collective management for making possible for users and for consumers new business models, granting the rightsholders fair remunerations, trying to make happy in this way all parties, as they did in 1981 in the beginning of cable retransmission. Some regulatory judgements have favoured collective rights management. For example, the Swiss Federal Arbitration Board ruled that Catch-up TV - as well as nPVR - is a form of private copying (allowed by a
legal license) made with the assistance of a third party, and that the third party is liable for royalty payments. The broadcasters don’t like it, but so far there has been no legal challenge.

The same Board recently ruled that secondary use of work in hotel guest rooms should be licensed. In this case, hotel associations have been quick to contest the judgement. The position is unlikely to be resolved anytime soon, but this could eventually be a new revenue stream.

We believe it’s important to balance the interests of content users and rightsholders. We need constructive solutions that both groups believe to be fair and reasonable.

It is also the case that the Swiss marketplace is influenced by developments elsewhere. The provisions of the European Union Rights Management Directive will be progressively implemented by member country governments. Switzerland is not a member, but we normally align our practices with theirs.

In this case, the move towards greater transparency is generally positive, and we already have clear and strong supervision of collective rights management. But some aspects of the Directive are of concern. We worry, for example, that the provision enabling members to vote on matters electronically could limit discussion and compromise the democratic nature of decision making.

However, there will always be challenges, and we will always be better placed to meet them by working together.
# Financial Information

**Figures for the year ended December 31**

## Fiduciary Funds Managed by AGICOA (EURO)

### Summary fiduciary funds balance sheet

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Fiduciary Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and term-deposits</td>
<td>179,111,365</td>
<td>173,620,572</td>
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<tr>
<td>Other assets</td>
<td>639,637</td>
<td>2,172,831</td>
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<tr>
<td><strong>Total</strong></td>
<td>179,751,002</td>
<td>175,793,403</td>
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<tr>
<td><strong>Non-Current Fiduciary Assets</strong></td>
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</tr>
<tr>
<td>Investment property</td>
<td>5,183,250</td>
<td>5,183,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,183,250</td>
<td>5,183,250</td>
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<tr>
<td><strong>Total Fiduciary Assets</strong></td>
<td>184,934,252</td>
<td>180,976,653</td>
</tr>
</tbody>
</table>

### Fiduciary Liabilities, Reserves and Provisions

#### Short-Term Fiduciary Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
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<tbody>
<tr>
<td>Payable to rightsholders</td>
<td>4,177,646</td>
<td>6,809,481</td>
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<tr>
<td>AGICOA current account payable</td>
<td>516,921</td>
<td>79,144</td>
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<tr>
<td>Payables of national partner organizations</td>
<td>525,448</td>
<td>370,062</td>
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<tr>
<td>Fiduciary funds put into distribution pending allocation to rightsholders</td>
<td>72,538,785</td>
<td>69,980,651</td>
</tr>
<tr>
<td>Fiduciary funds to be put into distribution</td>
<td>86,126,269</td>
<td>84,028,633</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>163,885,069</td>
<td>161,267,971</td>
</tr>
</tbody>
</table>

#### Fiduciary Reserves and Provisions

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Fiduciary Liabilities, Reserves and Provisions</strong></td>
<td>184,934,252</td>
<td>180,976,653</td>
</tr>
</tbody>
</table>

### Summary fiduciary funds statement of income

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royalties earned</td>
<td>102,538,195</td>
<td>93,651,670</td>
</tr>
<tr>
<td>Financial and other revenues</td>
<td>691,952</td>
<td>926,091</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>103,230,147</td>
<td>94,577,761</td>
</tr>
<tr>
<td><strong>Distributions and other Charges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiduciary funds put into distribution</td>
<td>(92,789,047)</td>
<td>(79,372,246)</td>
</tr>
<tr>
<td>AGICOA fees</td>
<td>(7,507,018)</td>
<td>(6,718,874)</td>
</tr>
<tr>
<td>Bank charges</td>
<td>(19,817)</td>
<td>(29,550)</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>462,336</td>
<td>(860,657)</td>
</tr>
<tr>
<td><strong>Total Distributions and other Charges</strong></td>
<td>(99,853,546)</td>
<td>(86,981,327)</td>
</tr>
<tr>
<td><strong>Net Surplus prior to Allocations</strong></td>
<td>3,376,601</td>
<td>7,596,434</td>
</tr>
<tr>
<td><strong>Total Allocations</strong></td>
<td>(3,376,601)</td>
<td>(7,596,434)</td>
</tr>
<tr>
<td><strong>Net Surplus after Allocations</strong></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The fiduciary funds financial statements exclude the fiduciary funds managed by AGICOA Urheberrechtsschutz GmbH (Germany), ANGOA (France) and EGEDA (Spain).
### Financial Statements of AGICOA (CHF)

#### Summary balance sheet

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and term-deposits</td>
<td>34,784</td>
<td>68,559</td>
</tr>
<tr>
<td>Receivables from the fiduciary funds</td>
<td>621,711</td>
<td>97,001</td>
</tr>
<tr>
<td>Other receivables and prepaid expenses</td>
<td>796,389</td>
<td>758,115</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,452,884</td>
<td>923,675</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits and guarantees</td>
<td>44,399</td>
<td>558,473</td>
</tr>
<tr>
<td>Investments in affiliates</td>
<td>99,828</td>
<td>99,828</td>
</tr>
<tr>
<td>Receivables ISAN International Agency</td>
<td>2,562,265</td>
<td>2,605,054</td>
</tr>
<tr>
<td>Other receivables</td>
<td>71,295</td>
<td>71,295</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>144,652</td>
<td>239,989</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>2,922,439</td>
<td>3,574,639</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>4,375,323</td>
<td>4,498,314</td>
</tr>
</tbody>
</table>

| **Liabilities**         |          |          |
| **Current Liabilities** |          |          |
| Accounts payable        | 857,490  | 955,474  |
| Accrued and other short term liabilities | 955,568 | 937,786  |
| **Total Current Liabilities** | 1,813,058 | 1,893,260 |
| **Non-Current Liabilities** |          |          |
| Provision ISAN International Agency | 2,562,265 | 2,605,054 |
| **Total Non-Current Liabilities** | 2,562,265 | 2,605,054 |
| **Total Liabilities**   | 4,375,323| 4,498,314|

#### Summary statement of income

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and social charges</td>
<td>4,575,002</td>
<td>4,965,582</td>
</tr>
<tr>
<td>Professional fees and administrative expenses</td>
<td>1,950,360</td>
<td>1,660,841</td>
</tr>
<tr>
<td>Depreciation</td>
<td>96,977</td>
<td>148,932</td>
</tr>
<tr>
<td>Costs incurred by partner organizations</td>
<td>4,638,312</td>
<td>3,644,585</td>
</tr>
<tr>
<td>Modernization of information systems</td>
<td>491,100</td>
<td>152,372</td>
</tr>
<tr>
<td>Special projects</td>
<td>50,000</td>
<td>84,624</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>11,801,751</td>
<td>10,656,936</td>
</tr>
</tbody>
</table>

| **Other Expenses**      |          |          |
| Interest and bank charges, net | 6,876    | 5,181    |
| Taxes                   | 71,051   | 82,619   |
| Exchange (gains)/losses, net | (144,528) | 29,778   |
| **Total other (Income)/Expenses** | (66,601) | 117,578  |

| **Miscellaneous Income** |          |          |
| External services        | (331,733) | (281,677) |
| Rent office space        | (123,823) | (112,200) |
| Other income             | (29,614)  | (36,626)  |
| **Total Miscellaneous Income** | (485,170) | (430,503) |

| **Total Net Expenses**   |          |          |
| **Funding of Net Expenses** |          |          |
| Operational budget       | 11,295,373| 11,613,463 |
| Allocation from fiduciary provision | 491,100 | 152,372 |
| Operational budget (surplus)/deficit | (536,493) | (1,421,824) |
| **Total Funding of Net Expenses** | 11,249,980 | 10,344,011 |
AUDITOR’S REPORT

Report of the independent auditor on the summary financial statements
To the General Meeting of the Members of AGICOA, Geneva

The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 2014, the summary statement of income for the year then ended, and related notes, are derived from the audited financial statements of AGICOA for the year ended December 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated April 24, 2015.

The summary financial statements do not contain all the disclosures required by Swiss law and the Association’s by-laws. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of AGICOA.

Executive Board of the Association’s Responsibility for the Summary Financial Statements
The Executive Board of the Association is responsible for the preparation of the summary financial statements in accordance with Swiss law and the Association’s by-laws.

Auditor’s Responsibility
Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Swiss Standard on Auditing (SSA) 810, Engagements to Report on Summary Financial Statements.

Opinion
In our opinion, the summary financial statements derived from the audited financial statements of AGICOA for the year ended December 31, 2014 are consistent, in all material respects, with those financial statements, in accordance with Swiss law and the Association’s by-laws.

Other Matter
The summary financial statements of the Association for the year ended December 31, 2013 were audited by another auditor whose report, dated April 23, 2014 expressed an unqualified opinion on those summary financial statements.

Deloitte SA

Geneva, April 24, 2015

AURÉLIE DARRIGADE
MANAGER

FABIEN BRYOIS
PARTNER