



QILQAX

ILUSIONES Y SUEÑOS DIGITALES

About qilQax



Our team is dedicated to research and development of new audiovisual concepts and content.

We seek **bold** esthetic values and technological **innovation**.

Our business model is based on outsourcing to high **performance** low **cost** providers in Latin America and Asia.

We seek quality suitable for international markets at small budgets.



Our Project

Title: Magus-Ex-Machina

Production Method: Digital Animation

Genre: Fantasy, Adventure

Length: 95 minutes

Release date: 2010

Format: 2K/35mm

Sound: Dolby Digital



OUR PRODUCT



- Movies are a good business when the right marketing choices are made: genre, target audience, distribution territory, etc.
- There is no fixed ratio between budget and return of investment.
- Very low budget movies can be very profitable if marketed properly.



WHY ARE MOVIES A GOOD
BUSINESS?



Most Profitable Movies, Based on Return on Investment				
Movie	Distributor	Budget	Worldwide Gross	Percentage Return
<u>Star Wars</u>	20th Century Fox	\$11,000,000.00	\$797,900,000	3526.82%
<u>ET: The Extra-Terrestrial</u>	Universal	\$10,500,000.00	\$792,910,554	3675.76%
<u>My Big Fat Greek</u>	IFC Films	\$5,000,000.00	\$353,900,000	3439.00%
<u>Gone with the Wind</u>	MGM/UA	\$3,900,000.00	\$390,525,192	4906.73%
<u>Full Monty, The</u>	Fox Searchlight	\$3,500,000.00	\$256,900,000	3570.00%
<u>Saw</u>	Lion's Gate	\$1,200,000.00	\$103,185,045	4199.38%
<u>Rocky</u>		\$1,000,000.00	\$225,000,000	11150.00%
<u>American Graffiti</u>		\$777,000.00	\$140,000,000	8909.01%
<u>Friday the 13th</u>	Paramount	\$550,000.00	\$59,754,601	5332.24%
<u>Open Water</u>	Lion's Gate	\$500,000.00	\$52,100,882	5110.09%
<u>Napoleon Dynamite</u>	Fox Searchlight	\$400,000.00	\$45,658,577	5607.32%
<u>Big Parade, The</u>		\$245,000.00	\$22,000,000	4389.80%
<u>Mad Max</u>	Filmways	\$200,000.00	\$99,750,000	24837.50%
<u>Stewardesses, The</u>		\$200,000.00	\$25,000,000	6150.00%
<u>Birth of a Nation, The</u>		\$110,000.00	\$11,000,000	4900.00%
<u>Pi</u>	Artisan	\$68,000.00	\$4,678,513	3340.08%
<u>Super Size Me</u>	IDP/ISam Goldwyn	\$65,000.00	\$29,529,368	22614.90%
<u>Blair Witch Project, The</u>	Artisan	\$35,000.00	\$248,300,000	354614.29%
<u>Primer</u>	ThinkFilm	\$7,000.00	\$565,846	3941.76%
<u>Tarnation</u>	WellSpring	\$218.00	\$662,014	151738.07%
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The profit and loss figures are very rough estimates based on the assumption that 50% of box office receipts were returned to the studio. They don't include ancillary (video, TV etc.) earnings, and serve only as a guide.

A Product for international release

Expert Criteria: Paramount distribution in **Latin America, Asia** and **Europe** (Letter of intent)

Contents

Production Values

Content

Genre — Fantasy Adventure movies are appealing for a wide young audience base.

- Non-Local
- Non-time dependant

Fantasy narrative universes allow franchise development and have **high merchandize potential**

Top-Grossing Genres 1995 to 20

Genre	Movies	Total Gross	Average Gross	Market Share
1 Comedy	1,210	\$28,587,943,161	\$23,626,399	24.37%
2 Adventure	353	\$23,333,660,886	\$66,101,022	19.89%
3 Drama	2,073	\$22,898,552,705	\$11,046,094	19.52%
4 Action	375	\$19,005,847,088	\$50,682,259	16.20%
5 Thriller/Suspense	299	\$7,699,711,996	\$25,751,545	6.56%
6 Romantic Comedy	247	\$6,642,210,035	\$26,891,539	5.66%
7 Horror	224	\$5,634,555,474	\$25,154,266	4.80%
8 Musical	88	\$1,194,745,512	\$13,576,654	1.02%
9 Documentary	524	\$1,122,505,510	\$2,142,186	0.96%
10 Black Comedy	54	\$517,526,766	\$9,583,829	0.44%
11 Western	24	\$348,995,849	\$14,541,494	0.30%
12 Concert	20	\$78,863,847	\$3,943,192	0.07%
13 Genre Unknown	5	\$1,401,418	\$280,284	0.00%
14 Multiple Genres	7	\$875,519	\$125,074	0.00%

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MARKET TRENDS

The profit and loss figures are very rough estimates based on the assumption that 50% of box office receipts were returned to the studio. They don't include ancillary (video, TV etc.) earnings, and serve only as a guide.

Top-Grossing Creative Types 1995 to 2007

Creative Type	Movies	Total Gross	Average Gross	Market Share
1 Contemporary Fiction	2,339	\$59,513,483,590	\$25,443,986	50.55%
2 Kids Fiction	231	\$12,722,543,268	\$55,075,945	10.81%
3 Science Fiction	242	\$11,198,499,093	\$46,274,790	9.51%
4 Historical Fiction	548	\$10,472,260,487	\$19,109,964	8.90%
5 Fantasy	223	\$10,329,611,666	\$46,321,129	8.77%
6 Dramatization	323	\$7,009,399,695	\$21,700,928	5.95%
7 Super Hero	36	\$4,395,009,004	\$122,083,583	3.73%
8 Factual	549	\$1,359,706,823	\$2,476,697	1.15%
9 Multiple Creative Types	6	\$7,299,877	\$1,216,646	0.01%

Top-Grossing Movie Production Methods 1995 to 2007

P.Method	Movies	Total Gross	Average Gross	Market Share
1 Live Action	5,167	\$100,469,125,597	\$19,444,383	85.83%
2 Animation/Live Action	51	\$6,879,341,179	\$134,889,043	5.88%
3 Digital Animation	63	\$5,920,657,640	\$93,978,693	5.06%
4 Hand Animation	87	\$3,206,857,953	\$36,860,436	2.74%
5 Stop-Motion Animation	13	\$300,416,536	\$23,108,964	0.26%
6 Rotoscoping	8	\$9,482,690	\$1,185,336	0.01%
7 Multiple Production Methods	4	\$504,081	\$126,020	0.00%

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Production Values

High quality character animation— allows access to International markets.
There are 40+ professional animators in our project.

New Technology application – GPU Rendering (*)

- Reduces production time
- Reduces hardware investment
- Makes the project appealing for industry sponsors
- Increases project visibility (first movie ever using this tech)
- Makes the movie appealing for gamer audiences

Estimated Profit



Similar Movies in Latina America

FINAL GBO^	CORPSE BRIDE	VAN HELSING	ERAGON	NARNIA
BRAZIL	\$2,422,665	\$3,246,961	\$3,978,351	\$8,702,758
MEXICO	\$6,209,342	\$8,163,965	\$10,774,790	\$22,872,262
COLOMBIA	\$499,818	\$500,208	\$1,146,463	\$3,383,263
ARGENTINA	\$730,286	\$742,555	\$1,080,164	\$4,704,277
CHILE	\$704,850	\$749,692	\$857,221	\$2,701,423
PERU	\$237,153	\$490,704	\$463,300	\$1,024,304
TOTAL	\$10,804,114	\$13,894,085	\$18,300,289	\$43,388,287
NET REVUE	\$3,601,371	\$4,631,361.67	\$6,100,096	\$14,462,762

Source: UIP

ESTIMATED REVENUE

Similar Movies Worldwide

Final GBO	Corpse Bride	Van Helsing	Eragon	Narnia
US	\$53,359,111	\$120,150,546	\$75,030,163	\$291,710,957
International	\$65,000,000	\$180,000,000	\$172,600,000	\$457,096,000
Worldwide	\$118,359,111	\$300,150,546	\$247,630,163	\$748,806,957
NET REVUE	\$35,507,733	\$90,045,164	\$74,289,049	\$224,642,087

Source: UIP

ESTIMATED REVENUE

ESTIMATED REVENUE CHART

Territory	AVGTKT	Prints	Admissions	GBO	BO	Distrib_cost	MKT cost	Print_cost	Taxes	BO2
BRAZIL	3.8	200	1,240,000	\$4,712,000	\$1,649,200	\$197,904	\$412,300	\$360,000	\$203,699	\$475,297
MEXICO	3.5	300	1,197,893	\$4,192,626	\$1,467,419	\$176,090	\$366,855	\$540,000	\$115,342	\$269,132
PERU	2.3	50	323,290	\$743,567	\$260,248	\$31,230	\$65,062	\$90,000	\$22,187	\$51,770
ARGENTINA	2.7	50	184,526	\$498,220	\$174,377	\$20,925	\$43,594	\$30,000	\$23,957	\$55,900
VENEZUELA	3.4	50	294,651	\$1,001,813	\$350,635	\$42,076	\$87,659	\$30,000	\$57,270	\$133,630
COLOMBIA	3.2	50	354,601	\$1,134,722	\$397,153	\$47,658	\$99,288	\$30,000	\$66,062	\$154,144
PANAMA+ OT	3	50	82,100	\$246,300	\$86,205	\$10,345	\$21,551	\$30,000	\$7,293	\$17,016
CHILE	4.5	50	149,196	\$671,382	\$234,984	\$28,198	\$58,746	\$30,000	\$35,412	\$82,628
LTN AMERICA			3,826,257	\$13,200,630	\$4,620,221	\$554,426	\$1,155,055	\$1,140,000	\$531,222	\$1,239,517
FRANCE	7.3	100	700,000	\$5,110,000	\$1,788,500	\$268,275	\$536,550	\$100,000	\$265,103	\$618,573
UK	9	100	1,000,000	\$9,000,000	\$3,150,000	\$472,500	\$945,000	\$100,000	\$489,750	\$1,142,750
GERMANY	7.5	100	700,000	\$5,250,000	\$1,837,500	\$275,625	\$551,250	\$100,000	\$273,188	\$637,438
SPAIN	6.5	100	1,000,000	\$6,500,000	\$2,275,000	\$341,250	\$682,500	\$100,000	\$345,375	\$805,875
AUS TRALIA	7.8	100	500,000	\$3,900,000	\$1,365,000	\$204,750	\$409,500	\$100,000	\$195,225	\$455,525
EUROPE			3,900,000	\$29,760,000	\$10,416,000					\$3,660,160
USA	6.5	200	610,000	\$3,965,000	\$1,387,750	\$208,163	\$416,325	\$240,000	\$156,979	\$366,284
TOTAL			8,336,257	\$46,925,630.37	\$16,423,970.63	\$2,466,502.95	\$5,025,410.31	\$2,780,000.00	\$2,435,858.40	\$5,265,961.05

Glossary

AVGticket price	Average ticket price by territory
PRINTS	Estimated prints for re
Admissions	Estimated admissions (based on similar movies, by country)
GBO	Gross box Office
BO	The ammount of the GBO that the Theatres deliver to the Dist
Distrib	The ammount that the Dtributor keeps (
MKT cost	Marketing costs
Taxes	Local Taxes (estimate)
BO2	Net Revenue

ESTIMATED BOX OFFICE

ANCILLARY RIGHTS		
Item	Gross	Net
DVD RELEASE	\$5,000,000	\$2,000,000
Tv.Rights	?	
Rentals	?	
Internet Downloads	?	
LICENSING		
Video game	\$500,000	\$300,000
Toys and Action figures	\$800,000	\$400,000
Books & other	\$150,000	\$150,000
BOX OFFICE		\$5,265,961
TOTAL		\$8,115,961

ESTIMATED INCOME



ESTIMATED RETURN

Capital Investment Proposal



**PROJECT MAGUS -EX- MACHINA
CAPITAL INVESTMENT PROPOSAL**

INVESTORS	STAGE	STATUS	MTH	RISK	INVESTMENT	Profit %	Est. Profit	
qilQax	DEVELOPMENT	(FINISHED)	36	High	250,000.00 USD	30.00%	1,650,000.00 USD	
Associate Investor	PRE-PRODUCTION (1)	Stand-by	6	Medium	500,000.00 USD	27.00%	1,485,000.00 USD	
Venture Capitalist	PRODUCTION	Stand-by	14	Low	2,000,000.00 USD	43.00%	2,365,000.00 USD	
					TOT.	2,750,000.00 USD	100.00%	5,500,000.00 USD

DISTRIBUTION

GBO	Worldwide Box Office up to 2 yrs after release	40,000,000.00 USD
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B.O	GBO minus distribution costs and fees / 15% of GBO aprox.	6,000,000.00 USD
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Ancillary Rights	DVD, TV, toys, books, video games, etc	2,000,000.00 USD
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Estimated Income	8,000,000.00 USD
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Return of Investment	Associates + Venture C. (2)	2,500,000.00 USD
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Est. Profit	5,500,000.00 USD
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(1) Check STARTING INVESTMENT

(2) qilQax's return of investment would be paid last by transferring ownership of the project's hardware valued (considering depreciation) USD 250,000





Development

INVESTOR	STATUS	MONTHS	RISK	INVESTMENT	Profit %	Est. Profit
qilQax	(FINISHED)	36	High	250,000.00 USD	30.00%	\$1,650,000.00

FOR INVESTOR

- 2/5 Chairs in project's board
- Creative control
- Hardware as return of investment
- 30% of profit

FOR THE PROJECT

- 3+ years of development
- Script (spanish+english)
- Narrative Universe (long chronology)
- Concept art + animation
- GPU rendering application
- Render engine licences
- Intent to distribute (by UIP)
- ACCESS to Pre-Production investment**



Pre-Production

INVESTOR	STATUS	MONTHS	RISK	INVESTMENT	Profit %	Est. Profit
Associate Investor	Stand-by	6	Medium	500,000.00 USD	27.00%	\$1,485,000.00

FOR INVESTOR

- 2/5 Chairs in project's board
- Financial Control of the project
- 27% of profit

FOR THE PROJECT

- Full quality trailer (GPU rendering)
- Storyboard (animatic + rough voiceover)
- Concept Art
- 7 - 10 minutes of full quality animation
- Licence Kit / Licencing deals
- Press Kit / press conference
- Web Page /w producer's blog + web comic
- Pre-sales / distribution deals ([See FINANCIAL PLAN](#))**
- ACCESS to Production investment**



Production

INVESTOR	STATUS	MONTHS	RISK	INVESTMENT	Profit %	Est. Profit
Venture Capitalist	Stand-by	14	Low	2,000,000.00 USD	43.00%	\$2,365,000.00

FOR INVESTOR

- 1/5 Chairs in project's board
- 43% of profit

FOR THE PROJECT

- Full production and post-production of the film.
- Film's first print.**
- ACCESS to Distribution deals: theatrical, home video, online sales, TV and merchandising.

Investment scenarios



Standard scenarios

Associate Investor

Investment	US\$100,000
Est Profit	US\$267,000

Venture Capitalist

Investment	US\$100,000
Est Profit	US\$117,000

Starting Investment

(Special Scenario)

As qilQax, we are aware that the closer to the beginning of the process the higher the risk of investment. Thus, we propose a special investment scenario for our first Associate Investor.

[Go back to Capital Investment Proposal](#)



Pre-Production*

INVESTOR	STATUS	MONTHS	RISK	INVESTMENT	Profit %	Est. Profit
Associate Investor (Starting)	Stand-by	5	Medium/ high	250,000.00 USD	19.50%	\$1,072,500.00

FOR INVESTOR

- Financial Control of the project
- 20% shares of qilQax international (which equates to 6% from the project's total profits)**
- 50% of Associate Investor capital (13.5% from the project's total profits.
- Amounts to 19.5% of the profits.

FOR THE PROJECT

- Full quality trailer (GPU rendering)
- 50% of Storyboard (animatic + rough voiceover)
- 40%-50% Concept Art
- 4 - 5 minutes of full quality animation
- Press Kit / press conference
- Web Page /w producer's blog + web comic
- ACCESS to full pre- Production investment**

Starting Investment

[Go back to Capital Investment Proposal](#)