



## Alcon raises \$550 million in funds

### Private cash helps co. extend deal with WB

May 14, 2008

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Even as outside funding for Hollywood films has been undergoing a belt tightening, Alcon Entertainment has raised \$550 million in private funding and extended its deal with Warner Bros.

Funds will further expand Alcon's production activity and profile, with Warners distributing 15 Alcon pics domestically over the next five years.

First films under the new deal include two that have already been released -- "P.S. I Love You," which grossed more than \$140 million worldwide, and "One Missed Call," which tallied \$42 million worldwide -- along with the upcoming "The Sisterhood of the Traveling Pants 2." Next feature in the deal will be announced shortly.

Under the accord, which had been in the works for more than a year, Alcon's principal backer, FedEx founder and CEO Frederick W. Smith, will provide the equity financing. CIT Group and JPMorgan Chase are co-lead arrangers.

Deal comes at a time when studios have been increasingly seeking outside entities to co-finance or fully finance films in an effort to minimize their exposure on a project. Like Village Roadshow, New Regency or Marvel, Alcon is one of a group of production and financing companies that provides studios with a steady supply of pics while limiting the financial risks.

Alcon, operated for a decade under Broderick Johnson and Andrew Kosove, will continue to develop, fully finance, produce and provide P&A while working with Warner's marketing and distribution teams. Alcon noted that it will on occasion co-finance projects with other production entities but retain the right to control P&A, international rights and marketing.

Alcon also maintains control of international distribution. It's often partnered with Warner Bros. Intl. on its releases while pre-selling other titles and releasing internationally through Summit and other independent foreign distributors.

Alcon has specialized in mid-priced features such as "My Dog Skip," "Dude, Where's My Car?," "Insomnia," "Racing Stripes," "The Wicker Man," "The Sisterhood of the Traveling Pants" and "16 Blocks."

CIT managing director Wade Layton told *Daily Variety* that the pact represents an endorsement of the profitability of the Alcon slate at a time when major institutions appear to be less eager to fund features.

"Making the right financial decisions is the key to longevity in Hollywood," he added.