

You will go bankrupt if:

- a) your available cash amount is equal to or less than \$0;
- b) your maximum loan amount is \$0; AND
- c) you don't exploit a minor glitch in the game, by taking out another loan at least one month before your available cash balance hits \$0 (this may not be a glitch shared by all versions, but it is a glitch in version 2.5di)

That being said, here's some general thoughts on avoiding bankruptcy:

If you're releasing a variety of films (action, drama, thriller, comedy, animation, etc.), and try to release most of your films in 2,300+ theatres, expect to spend an average of \$200 million per film, including all production, talent, distribution, and P&A costs. Also, figure to spend 18-30 months for the entire script-to-film process, including time to write/re-write/polish scripts.

If you're keeping 10 films in some stage of development at any one time, that will equate to an average of \$67 - 120 million in development costs each month.

Then figure the cost of overhead. Until you get comfortable with the game, play your games at the "New in Town" level - which costs \$125 million/year (\$10.4 million/month) in overhead.

Year 1:

Acquire at least 10 scripts by February – including at least two Action, one Animation, one Suspense Thriller, and two Horror scripts – re-writing and polishing them until they get an overall rating of 5*. Also consider using 5* overall writers at the \$100k salary level to work on your scripts (don't worry about the other ratings – a 1* polisher who's 5* overall works fine). You probably won't release any movies during this year, but you might have 1-5 scripts ready for production by September. Set budgets/casting/release dates as needed (suggested budgets are posted elsewhere). For every film that goes into production, buy another script and start working on it, preferably with a few Sci-Fi scripts in this stage of acquisition. By December, you'll probably be down to ~\$850 million if no scripts are ready to be produced, or less (~\$100 mil/film) if any films are in production.

Year 2:

Try to release at least 2 films this year. If you can get an Animation or Action film out by July, and a Horror film out by October, great. An Animation film can also do very well as a May, June, or December release. If a Suspense Thriller is ready for filming by January, don't load it with a lot of FX (which adds months to post-production), and go for a November release. Again, for every script that reaches 5*, budget/cast the film, and buy another script to work on.

Most (hopefully all) of the first ten scripts will be ready to begin pre-production between January and July at the latest, which means that, by July, you should have 16-20 projects on the board by

the end of that month. That doesn't mean that you have to begin pre-production on every 5* script in Year 2. If you prioritize your filming, you can avoid borrowing money to cover cash shortfalls. Set construction and FX can add months to a film's production schedule, so don't go overboard – Significant construction and \$6-15 mil for FX will do just fine for now.

Action and Sci-Fi films take 12-18 months from pre-production to finished product, Horror from 10-12 months, and Suspense Thrillers from 8-10 months. Animation (except for Live Action/Animation) is one of the fastest types of blockbuster to produce; barring cast ego problems, figure 7-8 months from pre-production to finished product. Knowing that, you can start production on the Year 3 Action film as soon as the script is ready (July at the latest), then start on the Year 3 Horror film in October. Year 3 Thiller and Animation releases can start production in January or February of that year, by which time your studio coffers should have been re-filled by your Year 2 releases.

The First Release:

By the time you release your first film, you may only have \$50 million left – and you may be in the negative after shelling out for P&A. However, if you've made that first release a quality piece of entertainment with wide appeal, you should reap at least enough to continue to fund the Year 3 Action production, begin production on the Year 3 Horror film, cover script work for any remaining projects, and pay the general overhead until the second release. Once the second release comes out, you should have enough to cover Year 3 operating expenses, and the production costs for the other Year 3 films.

By December, you should be looking at:

- 2+ Releases
- 2+ Films in some stage of production (Year 3 Action and Horror)
- 6-10 5* Scripts (including the Year 3 Suspense Thriller and Animation films)
- 6-10 Scripts in progress

Year 3 and Beyond:

You should release at *least* 4 films per year, initially focusing on traditional money-makers. As solid cash flow becomes less of a concern, you can begin to branch out into the other genres. In any case, try to keep at least 6 scripts ready to go into production at any given time, and 4 films in some stage of production, so you aren't faced with dead periods that eat money and drag the game out needlessly.

Final Thoughts:

I practiced what I preached as I was writing this – my first release (Toy Story 2 in May of Year 2) made a profit of \$1.1 billion. If it had tanked at the box office, I had 3 other films ready for release that year - Action in July, Horror in October, and Suspense Thriller in November. I

might have needed to borrow \$200 million to cover operations until the Action film was released, but that's pretty small potatoes to pay off with the first blockbuster. Had the rest of the films tanked that year, I would have put my remaining scripts in those genres into turnaround, borrowed another \$500-700 million, acquired scripts in other genres, and worked towards getting at least a Sci-Fi film ready for release by December of Year 3.

As it was, the Action film made a net profit of \$490 million, the Horror flick made a net profit of \$350 million, and the Thriller made a net profit of \$220 million. I began Year 3 with \$2.6 billion in the bank, 3 films in production, 1 ready for release, 6 scripts ready to go into production, and 3 scripts being re-written or polished – enough traditionally-lucrative ammo to keep the studio busy for 3 years, while I devoted my time to other genres.

Here's a snapshot of January, Year 3:

\$2,662,574,000 - BK Studios, Inc. - Jan 2006

File Game Reports Cash Top 10 Hall Of Fame About Hint Minimize

Princess Mononoke EXIT

While on a journey... and Tataraba.

BK Studios, Inc. Exit

Show Box Office Percentages

Movies In Development	13
Movies Released	4
Turnaround Revenue	
Domestic Rental Revenue	\$810,893,000
Domestic Cable TV Revenue	\$261,727,000
Domestic TV Revenue	\$110,226,000
Domestic Video Revenue	\$274,654,000
Domestic Pay-Per-View Revenue	\$202,284,000
Domestic Merchandising Revenue	\$55,898,000
Domestic Pre-Sales Revenue	
Total Domestic Revenue	\$1,705,682,000
Foreign Rental Revenue	\$1,098,496,000
Foreign TV Revenue	\$142,600,000
Foreign Video Revenue	\$79,016,000
Foreign Merchandising Revenue	\$33,136,000
Foreign Pre-Sales Revenue	
Total Foreign Revenue	\$1,353,248,000
Total Studio Revenue	\$3,058,930,000
Studio Monthly Expense	\$249,984,000
Studio Development Expense	\$58,850,000
Promotional Expense	\$1,000,000
Production Expense	\$602,397,000
Increase-In-Costs Expense	\$45,375,000
Loan Interest Expense	
Prints & Advertising Expense	\$438,750,000
Talent Participation Expense	
Total Studio Expense	\$1,396,356,000
Outstanding Loan	
Total Studio Net Gain Or Loss	\$1,662,574,000

Jul 2006
Oct 2006
Nov 2006
Dec 2006

month
month

- N/A
S & ADVERTISING

ANCILLARIES

AL PROJECT COST

Above-The-Line-Cost 2,800,000 Total Project Cost 2,800,000

Actress Not Hired Yet
Supporting Role
Actor Not Hired Yet
Actor Not Hired Yet
Actress Not Hired Yet
Actress Not Hired Yet
Cameo Roles
Additional Role
Speaking Roles: 5
Extras 0
Extras 0 / 0 Days
Perks Cost