

Nelvana revs production engines

Talks with WB about cartoon block; expands cable, syndication slates

By Steve McClellan

Toronto-based Nelvana, currently the top supplier of Saturday morning network television animation, is expanding its cable and syndication activity as well as its ventures in new media, including CD-ROM.

Nelvana is gearing up to re-enter theatrical film production in a deal with Paramount that could give it entree to United/Paramount's plans to distribute a Sunday morning and weekday cartoon block to affiliates.

The company also is in discussions with the WB Network about possible projects for its cartoon block. Nelvana produced the animated series version of the Warner Bros. movies "Beetlejuice" and "Free Willy." WB President Jamie Kellner sits on the Nelvana board.

The new agreement with Paramount calls for Nelvana (in association with Steven Spielberg collaborators Kathleen Kennedy and Frank Marshall) to produce a series of theatricals, including adaptations of Clive Barker's "Thief of Always" and E.B. White's "Trumpet of the Swan." The ancillary TV distribution rights are controlled by Paramount.

Current network animation series include *Tales from the Cryptkeeper* and *Free Willy* (ABC); *Eek the Cat*, *The Terrible Thunderlizards* and *Jim Henson's Dog City* (Fox); *Jim Lee's WildC.A.T.S.* (CBS), and *The Magic School Bus* (Scholastic/PBS).

The 23-year-old company, still managed by the three founders, went public earlier this year. Net earnings for the first six months were \$985,000, up almost 90% from the same period a year ago, on revenues totaling \$18,628,000 up 64% from the comparable period a year ago.

"We're the closest thing to a pure animation play in the public markets," says Nelvana co-founder and chairman Michael Hirsh. For the full year, the company projects net earnings of \$3.6 million on revenues of \$52.8 million. Hirsh says Nelvana is on track to meet those projections.

"Animation is the universal language," says Hirsh. "It's a simple language that looks normal in the interactive media," such as CD-ROM, a

business the company will enter in 1996. The first CD-ROM title will be a learning game for preschoolers that features Rupert the Bear, the animated star of a Nelvana series that is moving from the Family Channel to Nick Jr. in 1995.

For domestic syndication, Nelvana is developing several live-action series. Hirsh says the company is close to an agreement with New Line Television for the latter to distribute two weekly adventure series, designed as companion shows, based on the Hardy Boys and Nancy Drew mysteries. The series would be ready for fall 1995.

Another project in development for syndication is a one-hour weekly series, *Jake and the Kid*, about a boy growing up on a farm after World War II.



Nelvana Chairman Michael Hirsh

On the cable front, Nelvana has a commitment for a new series on Nick Jr. and is working with HBO to develop another animated program for the pay service. *Tin Tin*, the Nelvana-produced series that debuted on HBO, has moved to Nick.

"We see cable as a major growth area," says Hirsh, who founded the company in 1971

with college friend and company president Patrick Loubert and animator and executive vice president Clive Smith.

The company recently began to experiment with so-called computer painting, which replaces the laborious job, much of it done in Asia, of hand painting programs cel by cel. The first two shows Nelvana painted by computer were *Rupert* and *Tales from the Cryptkeeper*.

Top cable shows

Following are the top 15 basic cable programs for the week of Oct. 17-23, ranked by households tuning in. The cable-network ratings are percentages of the total households each network reaches. The U.S. ratings are percentages of the 95.4 million households with TV sets. Source: Nielsen Media Research.

Program	Network	Time (ET)	HHs. (000)	Rating Cable U.S.
1. NFL Football	TNT	Thu 8:00p	6,259	10.2 6.6
2. CFA Prime Time	ESPN	Sat 7:30p	3,052	4.8 3.2
3. NFL Prime Time	ESPN	Sun 7:00p	2,786	4.4 2.9
4. Movie: 'The Naked Gun'	USA	Wed 9:00p	2,255	3.6 2.4
5. Rugrats	NICK	Sun 10:30a	1,935	3.2 2.0
6. Movie: 'Back to the Future, Pt. 2'	USA	Fri 9:00p	1,929	3.1 2.0
7. Rugrats	NICK	Sat 7:30p	1,778	2.9 1.9
8. WWF Monday Night Raw	USA	Mon 9:00p	1,774	2.8 1.9
9. The Ren & Stimpy Show	NICK	Sun 11:00a	1,764	2.9 1.8
10. NFL Gameday	ESPN	Sun 12:00n	1,733	2.7 1.8
11. Rocko's Modern Life	NICK	Sun 11:30a	1,705	2.8 1.8
11. NFL Post-Game	TNT	Thu 11:34p	1,697	2.8 1.8
13. College Football Score	ESPN	Sat 11:02p	1,663	2.6 1.7
14. Movie: 'The Naked Gun'	USA	Sun 3:00p	1,605	2.6 1.7
15. Silk Stalkings	USA	Mon 10:00p	1,587	2.5 1.7

Following are the top five pay cable programs for the period of Oct. 17-23, ranked by the number of households tuning in. Source: cable networks based on Nielsen Media Research.

1. Movie: 'The Beverly Hillbillies'	HBO	Tue 8:00p	2,055	10.0 2.2
2. Movie: 'The Beverly Hillbillies'	HBO	Sun 6:15p	1,815	8.8 1.9
3. Movie: 'Lost in Yonkers'	HBO	Sun 8:00p	1,628	7.9 1.7
4. Movie: 'Double Threat'	HBO	Sun 10:00p	1,565	7.6 1.6
5. Movie: 'Mr. Wonderful'	HBO	Sat 8:00p	1,543	7.5 1.6