

Tarak Ben Ammar, French state recapitalize Eclair Group

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Funds will be used to finance historic laboratory's complete switch to digital and bump-up distribution and post-production activities.



Tunisian media tycoon Tarak Ben Ammar and the French state have joined forces with the managers of France's historic lab and post-production company the Eclair Group to recapitalize the outfit to the tune of €12.4m.

The cash injection will support Eclair's complete shift into digital and also accelerate the development of its distribution and services.

The investment has been provided by French state-backed consolidation and business development FCDE fund; Ben Ammar's Quinta Communications Group, and existing managers at the Eclair Group led by company president Thierry Forsans.

"This capital increase will allow the Eclair Group to complete its shift to digital and accelerate its development in all its divisions – ranging from post-production, distribution, adaptation and heritage," Forsans said in a statement.

Tarak Ben Ammar has had a 43% stake in Eclair since 2007 through the acquisition of Téléclair, the company of the original owners, the Dormoy family.

His plan at the time of the acquisition was to merge the historic laboratory, [dating](#) back to 1907, with rival film-processing company LTC, which was already owned by Quinta, to create the largest film-processing and post-production facility in France.

To this end, Ben Ammar also started acquiring post-production facilities under the Quinta Industries banner.

He argued that such a move was the only way the companies – which had made their money processing hundreds of films a year — were going to survive in the celluloid-free, digital era.

The French directorate general for competition, consumer affairs and repression of fraud blocked the merger move in 2008.

LTC shut its doors in December 2011, with the loss of 115 jobs. The closure took the Quinta Industries units in its wake, sending shockwaves through French industry. The GTC laboratories, founded by Pathé and Gaumont in 1947, had already closed in 2009.

Digitization was particularly swift in France due to state subsidies supporting the process. In the 24 months leading up to LTC's closure, the percentage of digitized cinemas passed from 20% to 75%, and the laboratories lost 70%-80% of their business.

Ben Ammar told Screendaily on Tuesday that the government's decision to invest in the Eclair Group through the FCDE fund with him as a partner vindicated him with regards to the demise of LTC.

“Recent events have proven me right on a number of counts,” he said.

“When I entered Eclair and LTC I could already see the way things were going. Right from the start my plan was to re-group the companies to create one company covering everything from the lab through to digital and post-production services.”

“But on the one hand, the National Cinema Centre (CNC) was advocating a re-grouping in line with my plan and on the other hand the competition commission blocked the merger proposed by me and the managers at Eclair on the basis that we would have had a monopoly, telling us to come back in a couple of years. We told them at the time, ‘We’ll be dead by then’ and that is exactly what happened... Eclair went into chapter 11, LTC couldn't survive in the chapter 11 we tried to set-up and died in 2011.”

“I lost but I was right and what shows you that I was right is the fact that the new, left-wing government considers me the only serious partner in post-production in that they have asked me to help them ensure that France, a country producing more than 200 films a year, continues to have a lab – it seems unthinkable that it wouldn't. They've understood they need to support the one remaining soldier,” said Ben Ammar.

Under the Eclair recapitalization operation, Ben Ammar's share has been diluted but he has a seat on the board of a new holding company controlled by the FCDE fund, the Eclair managers and Téléclair.

A key pole of Eclair's re-capitalization plan is to bump up its heritage-based restoration and digitization activities. The group is aiming to work on 150 pictures this year. It makes good business sense. Historic French production companies Gaumont and Pathé are currently in the process of digitizing and restoring their catalogues and there is also a CNC grant system for independent producers wishing to digitize 35mm prints.

Eclair is also partnering with digital distribution specialist Deluxe and HP on their joint initiative to speed up distribution systems via cloud technology. The new digital network is set to launch in French cinemas in October 2013.

The overall aim, the Eclair Group said in a statement, was to become a dominant digital and post-production player in France and even into Europe.