



NEWS RELEASE

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POLICE BUST LARGEST-EVER PIRATE MOVIE LAB IN AUCKLAND

***Bollywood Blockbuster "Saawariya" among the 30,000 pirated DVDs seized in Cyber
Café / Video Rental Shop***

Auckland/Hong Kong – Today, New Zealand Police supported by investigators from the New Zealand Federation Against Copyright Theft (NZFACT) executed a search warrant on a cyber café and video rental business in Auckland, making New Zealand's biggest ever illegal movie lab arrest and seizure.

During the raid the police arrested the 45-year-old proprietor and seized 59 VCR and 25 DVD players, all being used to reproduce pirated copies when police entered the premises. Over 30,000 pirated DVDs of various movies were also seized, including copies of the Bollywood blockbuster Saawariya. This is the largest ever seizure of pirated discs in New Zealand, dwarfing the 2006 seizure of 18,000 pirated discs. Police also found over 10,000 pirated video tapes on the premises.

Saawariya (Loverboy in English) is a Bollywood film based on Fyodor Dostoevsky's short story, "White Nights". Released by Sony Pictures Entertainment, it is the first Indian movie to be co-produced and distributed by a Hollywood production company.

The investigation was prompted by routine monitoring of video retail and rental outlets by NZFACT investigators, who located copies of Saawariya on sale as early as November 2007, five months ahead of the scheduled March 2008 release of legitimate copies of the movie on DVD in New Zealand. A three month joint investigation involving the Police, Department of Internal Affairs, the Film and Video Labeling Body and NZFACT identified the lab and led to the successful raid today.

"This case marks the start of NZFACT's 2008 major operations. It doesn't matter if a movie is from Hollywood, Bollywood or produced here in New Zealand – NZFACT will protect it from pirates." said Tony Eaton, Executive Director of NZFACT. "This case shows the economic damage movie criminals wreak on the legitimate businesses producing and distributing movies and TV shows. Kiwis should think before they burn and think before they buy. Buy original, see original and support creativity, local investment and local jobs. "

"Movie pirates don't care whose interests they damage in their search for illegal gains." said Mike Ellis, Senior Vice President and Regional Director, Asia-Pacific, MPA. "In this case the Indian creators, American distributors and legitimate New Zealand video rental and sales businesses were all being cheated out of a fair return on their investment, creativity and hard work."

“This has been an intensive three month team effort and the hard work has paid off. The New Zealand authorities have done an outstanding job in taking down this illegal operation and the MPA looks forward to supporting them in future operations to protect the creative industries.”

The man arrested by Police has been charged with three offences of copying and one charge of selling infringing objects under the Copyright Act. He will make his first appearance in court on Monday the 21st of January.

On 30 November, NZFACT joined the Motion Picture Association’s Operation Blackout, an aggressive anti-piracy enforcement initiative scheduled to run through till 31 January 2008 in 13 countries and territories across the Asia-Pacific region, including New Zealand. Operation Blackout focuses on the prevention of illegal camcording of newly released titles in cinemas, Internet piracy, and the continued production, distribution and sale of pirated DVDs.

Piracy in New Zealand

A study undertaken by independent research firm LEK Consulting on behalf of the Motion Picture Association (MPA) showed that piracy cost the film industry in New Zealand an estimated 25 percent of the potential market in 2005 – \$70 million. Internet piracy via P2P file-sharing networks is a significant concern and accounts for the majority of New Zealand movie industry losses – an estimated \$33 million in lost consumer spending in 2005. NZFACT represents the MPA in New Zealand.

Piracy in Asia

A comprehensive study aimed at producing a more accurate picture of the impact that piracy has on the film industry including, for the first time, losses due to internet piracy, recently calculated that the MPA studios lost US\$6.1 billion to worldwide piracy in 2005. About US\$2.4 billion was lost to bootlegging*, US\$1.4 billion to illegal copying* and US\$2.3 billion to Internet piracy. Of the US\$6.1 billion in lost revenue to the studios, approximate \$1.2 billion came from piracy across the Asia-Pacific region, while piracy in the U.S. accounted for \$1.3 billion.

In 2006, the MPA’s operations in the Asia-Pacific region investigated more than 30,000 cases of piracy and assisted law enforcement officials in conducting nearly 12,400 raids. These activities resulted in the seizure of more than 35 million illegal optical discs, 50 factory optical disc production lines and 4,482 optical disc burners, as well as the initiation of more than 11,000 legal actions.

**Bootlegging: Obtaining movies by either purchasing an illegally copied VHS/DVD/VCD or acquiring hard copies of bootleg movies.*

**Illegal copying: Making illegal copies for self or receiving illegal copies from friends of a legitimate VHS/DVD/VCD.*

**Internet piracy: Obtaining movies by either downloading them from the Internet without paying or acquiring hard copies of illegally downloaded movies from friends or family.*

About NZFACT: *The New Zealand Federation Against Copyright Theft was established in 2005 by the Motion Picture Association to protect the film industry in New Zealand from the adverse impact of copyright theft. NZFACT works closely with its members, government and enforcement authorities to protect the New Zealand film and television industry, retailers and movie fans. NZFACT members include: Walt Disney Studios Motion Pictures, New Zealand; Paramount Pictures Corporation; Sony Pictures Releasing International Corporation; Twentieth Century Fox International Corporation; Universal International Films, Inc.; and Warner Bros. Pictures International, a division of Warner Bros. Pictures Inc.*

NZFACT works in association with the Motion Picture Association, which represents the interests of the film industry across the world. NZFACT also has an alliance with the Recording Industry Association of New Zealand to share information regarding copyright infringement, and is a member of the recently-formed Anti Counterfeiting Group, which represents the interests of New Zealand's major intellectual property stakeholders, such as the music industry, computer software and publishing. NZFACT has a nationwide hotline that enables the reporting of film copyright theft 24 hours a day, 7 days a week: 0800 267 9744. For more information about the NZFACT, please visit www.nzfact.co.nz.

About the MPA: *The Motion Picture Association (MPA) represents the interests of major motion picture companies in the global marketplace. On behalf of its member companies, the MPA conducts investigations around the world, assists with the criminal and civil litigation generated by such cases, and conducts education outreach programs to teach movie fans around the world about the harmful effects of piracy. The MPA directs its worldwide anti-piracy operations from its headquarters based in Los Angeles, California and has regional offices located in Brussels (Europe, Middle East and Africa), São Paulo (Latin America), Montreal (Canada) and Singapore (Asia-Pacific). The MPA's anti-piracy activities have helped to transform entire markets from pirate to legitimate, benefiting video distributors, retailers, and foreign and local filmmakers alike. The MPA member companies include: Buena Vista International, Inc.; Paramount Pictures Corporation; Sony Pictures Releasing International Corporation; Twentieth Century Fox International Corporation; Universal International Films, Inc.; and Warner Bros. Pictures International, a division of Warner Bros. Pictures Inc. For more information about the MPA, please visit www.mpa-i.org.*

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