

Disney Purchases Lucasfilm

By John Vanderhoef

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On Oct. 30, 2012, Disney announced it was purchasing Lucasfilm Ltd. for \$4.05 billion. The deal adds the *Star Wars* and *Indiana Jones* franchises to a lineup that already includes the *Muppets*, Marvel properties, and the successful brands of Pixar. Alongside the deal, the Mouse House announced its intentions to launch new *Star Wars* films every two to three years as long as demand continues, starting in 2015 with *Episode VII*. The company also plans to exploit the *Star Wars* brand through TV, theme parks, digital games, and merchandise.

Assuming the [continued popularity](#) of *Star Wars*, many analysts consider the deal a major win for Disney. Still, other reactions have ranged from cautious enthusiasm to serious employment concerns. As critical perspectives continue to pour in, here's a look at the current discourse surrounding the high-profile acquisition:

- 20th Century Fox, the studio responsible for releasing all the previous *Star Wars* films, was just as [surprised](#) by this deal as

everybody else, noting it had not even been approached to bid for Lucasfilm. This largely unexpected, out-of-the-blue deal has led some to question Lucas's underlying [motivations](#) for selling.

- Financial analysts across the board have [congratulated](#) Disney on a lucrative, shrewd acquisition, but the threat of science fiction and fantasy film market saturation casts a shadow over the deal, especially for Disney who now must juggle both *Star Wars* and Marvel fantasy franchises.



- Despite the promise of more lore, fans remain [cautious](#). Some welcome a new creative vision for the franchise after the dismal reception of the prequel trilogy while others fear Disney's influence and the possibility of cross-promotional sullyng of the *Star Wars* universe.
- Disney said it based its entire valuation of Lucasfilm on the *Star Wars* brand, noting *Indiana Jones* was a welcome bonus. Yet, the deal's ultimate success rests on a [bet](#) that these franchises are still financial juggernauts. Lucasfilm's own [history](#) reveals an economic reliance on the franchise.
- As part of the deal, Disney also [nets](#) premiere special effects house Industrial Light & Magic (ILM) and award-winning audio studio Skywalker Sound. Right now, ILM employs 800 people in San Francisco and 200 more in their Singapore branch. With increased competition from cheaper, overseas fx studios, and

Disney's own history (it purchased sfx studio Dream Quest Images in 1996 and shut it down five years later), many [wonder](#) what fate awaits the two lauded post-production studios.

- Disney chairman-CEO Robert Iger, who approached Lucas as early as May 2011 to discuss the deal, hopes to leave a [legacy](#) of brand factory acquisitions - Pixar in 2006 for \$7.4 billion and Marvel in 2009 for \$4 billion - before his scheduled step down in 2015, the same year *The Avengers 2* and Disney's *Star Wars VII* films are set to release.
- The acquisition also includes game studio LucasArts, leaving some to ask what the Disney buyout means for the Lucas [gaming catalog](#). The trend of outsourcing the *Star Wars* brand to other developers - BioWare's *The Old Republic* and Traveller's Tales' *Lego Star Wars* - looks to continue, but the future of LucasArts fan darling IPs like *Monkey Island* and *Grim Fandango* is less certain.
- With intense focus on Disney's plans to produce more films, many forget the dedicated community that have been making *Star Wars* [fan films](#) for decades, a practice George Lucas eventually came to accept after initial resistance, but the sort of IP infringement Disney is infamous for not tolerating.
- After 2012's flop *John Carter*, Disney is putting all its chips on established properties and [avoiding risk](#) as much as it can, an emerging trend across Hollywood linked to the erasure of the middle-budget film and the polarization between high-profile, big budget tent poles and smaller, bootstrapped independent

efforts. An especially verbose critic offers a breathless, scathing [critique](#) of Hollywood's turn toward franchise and spectacle to the detriment of the American movie.