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MEDIA SALLES JOURNAL

European Cinema

International Edition no.1 - April 1999

The newsletter "European Cinema Journal" has been launched, as a further addition to the information services offered by MEDIA Salles to operators in the cinema industry. Since the very beginning of its activities, the objective established by MEDIA Salles has been to remedy the lack of full, up-to-date information on the situation of Europe's exhibiting theatres.

For this reason 1992 saw the beginnings of the "European Cinema Yearbook", now coming up to its eighth edition, which will be presented, as usual, in the autumn. In 1995 the desire to provide a "showcase" of European films and the companies involved in their production and distribution united with the new possibilities offered by technology to produce the "European Cinema On-line Database" on the Internet, which now presents 3 500 films and 8 000 companies.

Through these tools, as well as through its initiatives in support of theatres which, by taking part in the Euro Kids Network, address younger audiences, and by means of "Focus on Europe" events promoting European cinema, MEDIA Salles has established contacts with thousands of professional players, researchers, companies and institutions.

The Newsletter has been conceived as a way of keeping in contact with them all. Four issues a year will give news of how MEDIA Salles' activities are developing and how access can be gained to its initiatives, whilst also publishing previews and summaries of the sort of information that operators in the cinema industry are used to finding only at MEDIA Salles.

This is the main focus in the first issue of the "European Cinema Journal": a preview of the statistical data that allows for a more or less moment-by-moment picture of the trends in cinema-going and of the structural transformations that European exhibition has been experiencing over the past few years.

In the hope that the Newsletter will make the same progress as the European Cinema Yearbook!

Romano Fattorossi
 President of MEDIA Salles

Cinema exhibition in Europe in 1998

Although still provisional, the 1998 data on cinema-going shows that audiences in Western Europe are on the increase: 844 million, compared to 792 in 1997 (+6,6%).

This offers further confirmation of a trend towards the general increase in cinema attendance which, apart from the slight "hiccup" in 1995, has characterised the nineties.

The modernisation of facilities and the availability of successful home-produced films continue to be elements of the greatest importance for attracting audiences. This was added to, in 1998, by the "Titanic effect".

This is particularly true for France which, in 1998, gained as many as 21 million spectators, recording an increase over 1997 of 14,2%.

The origin of this success is certainly due to the spectacular results of "Titanic" (20 million tickets sold) but there are also the excellent results achieved by three domestic productions: "Le dîner de cons", "Les visiteurs 2", "Taxi", which sold respectively 9, 8 and 6 million tickets. With 170 million spectators, France not only confirms itself as the most important market in Europe, but also increases its lead over the other four territories that each count more than 100 million tickets sold.

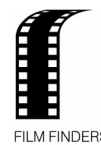
Of these four, the most important in terms of number of spectators (148,9 million in 1998, compared to 143,1 in 1997), is Germany. Attendance increased by 4% in one year, whilst the number of screens increased by 2,8%.

The balance of closures and new openings shows an increase of 116 screens. Whilst there is still a tendency for traditional cinemas to close down, the multiplex phenomenon is experiencing a true boom: in the second half of the year 20 new complexes were opened,

(continues on page 2)

MEDIA Salles at "40th Cannes Market" May 1999

In collaboration with



Cannes Market

Tuesday, 18 May, 11.00 a.m.

EUROPE LOOKS TO AMERICA AMERICA NEEDS EUROPE

A panel on the European Cinema Distribution in the US.

Moderator: Sydney Levine, FILM FINDERS President.

Geoff Gilmore, Co-Director of Sundance Film Festival opens the round table. Many top executives from US distribution and exhibition companies provide valuable news on state of the market and discuss opportunities for European films in the US. Talks and open debate: a unique chance for European and US professionals!

CANNES MARKET, Tente L'Oréal
 - Reception to follow -

and

Wednesday, 19 May, 10.30 a.m.

Presentation of

EUROPEAN CINEMA JOURNAL First issue of the MEDIA Salles Newsletter

A preview of the main figures in the cinema exhibition industry in Europe in 1998

CANNES MARKET, Tente L'Oréal
 - Reception to follow -

MEDIA Salles in Cannes at MEDIA
 Programme STAND
 MIF Pavilion - Booth A.34 -
 Tel.+33.4.97065253

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**The European Cinema Yearbook:
 latest edition, presented
 at the Berlin Festival**

Focus on Europe at Cinema Expo International - Amsterdam 21-24 June 1999

The sixth Focus on Europe, the MEDIA Salles initiative aimed at promoting European films at international level, will take place during Cinema Expo International in Amsterdam. With the support of MEDIA Promotion and the Italian Government, and thanks also to the cooperation of national cinema institutes and sales agents, MEDIA Salles will be promoting the latest European productions. Once again this year, visitors to the MEDIA Salles stand at the exhibition will find a wealth of information, advertising materials and trailers on forthcoming titles in Europe over the next few months. There will also be a chance to surf on the European Cinema On-line Database via the stand's free Internet link-up, allowing visitors to access data on more than 3,500 recent films and 8,000 companies, a truly complete overview of

for a total of 186 screens.

1998 was a record year for Italy, too, where the provisional data shows a market with a 16,3% growth rate.

Having passed the 100 million threshold the previous year, the number of spectators is now touching the 120 million mark.

In the meantime, the transformation of the Italian exhibiting theatres contin-

of 95 screens.

Of these, three may be considered true megaplexes, according to the definition proposed by MEDIA Salles. Beyond the 16-screen threshold are the complexes built in Tenerife (18 screens), Madrid (25 screens) and Barcelona (24 screens), by, respectively, Unión Cine Ciudad, the most important Spanish exhibitor, by the Belgian group Kinopolis and by AMC, both

over the last 10 years.

The United Kingdom provided a slightly negative exception within this broadly positive overall picture. With total admissions of 135,2 million in 1998, audiences there fell by almost 4 million (2,7%) as compared to the previous year.

On the other hand it is true that 1997 was a unique year: cinema-going had increased by 12,5% compared to 1996 and the tickets sold had reached a record value of 138,9 million.

It would be necessary to look as far back as 1974 to find such a high attendance rate.

As from this date a process of disaffection for cinema-going began, causing per capita attendance to plunge to around 0,96 in 1984. In '97, instead, every citizen in the United Kingdom had come to purchase an average of 2,4 tickets, placing the country amongst the highest consumers in Europe (the average for Western Europe was, in fact, 2).

In 1998, too, notwithstanding the drop in audiences, with a per capita rate of cinema-going of around 2,3, Great Britain still manages to stay above the European average (2,2). During a year of ups and downs, distinguished by the success of 'Titanic' in the first half of the year and then by the negative effect of the World Cup Football finals, screens increased by 8,9%, compared to 1997. By the end of 1998, there were 113 multiplexes, for a total of 1 198 screens. While 38,9% of screens were situated in multiplexes in 1997, in 1998 this percentage rose further: 46,4%.

The trend for the near future is towards a further increase: in 1999 around twenty new complexes are foreseen.

The decrease in audiences - an isolated phenomenon regarding Great Britain alone in 1998 - might raise the question of whether the British market has begun to suffer from too high an offer of screens.

It seems, however, that such a conclusion is at least premature.

Belgium, the other European territory in which the multiplex phenomenon is just as strong (43% of the country's screens are concentrated in 16 multiplexes), has in fact recorded a considerable increase in audiences.

Number of screens and admissions: 1997 - 1998.

	Screens			Admissions (x 1 000)		
	1997	1998	var. %	1997	1998	var. %
A	424	.	.	13 717	15 219	10,9%
B	475	498	4,8%	22 073	ca 25 000	13,3%
CH	503	518	3,0%	15 552	15 894	2,2%
D	4 128	4 244	2,8%	143 122	148 876	4,0%
DK	320	331	3,4%	10 843	11 011	1,5%
E	2 584	2 968	14,9%	105 045	108 440	3,2%
F	4 659	4 762	2,2%	148 935	170 110	14,2%
FIN	321	325	1,2%	5 943	6 317	6,3%
GR	340	360	5,9%	ca 11 600	ca 11 500	-0,9%
I	2 401 ¹	ca 2 500 ²	4,1%	102 805	119 569	16,3%
IRL	228	259	13,6%	11 491	12 386	7,8%
IS	26	.	.	1 330	1 317	-1,0%
L	26	21	-19,2%	1 186	1 415	19,3%
N	395	393	-0,5%	10 948	11 526	5,3%
NL	444	461	3,8%	18 934	20 100	6,2%
P	ca 400	ca 390	-2,5%	ca 14 000	ca 14 500	3,6%
S	1 164	1 167	0,3%	15 210	15 819	4,0%
UK	2 369	2 581	8,9%	138 922	135 200	-2,7%
Total				791 656	844 199	6,6%
BG	121	106	-12,4%	2 685	2 333	-13,1%
CY	23	25	8,7%	931	1 013	8,8%
HU	523	557	6,5%	16 818	14 578	-13,3%
PL	825	841	1,9%	ca 23 700	19 900	-16,0%
RO	451	379	-16,0%	9 456	6 799	-28,1%
SK	296	296	-	4 041	4 082	1,0%

¹ Screens with more than 60 days of activity per year. ² Idem.

ues: the splitting of single-screen cinemas, which has been going on for some years now, has been accompanied over the past two years by the building ex-novo of multi-screen complexes by both Italian and foreign exhibiting companies.

The increasing affirmation of the multiplexes is one of the main features of the situation in Spain in 1998.

From July to December 6 new complexes were opened for a grand total

newcomers to Spain and supporters of the megaplex model.

Although to a lesser extent than screens (14,9%), the number of tickets sold also increased on the Spanish market: +3,2% compared to 1997.

If Spain's 1998 growth rate in terms of spectators was lower than the European average, it is equally true that this is the tenth consecutive result that improves on the previous year's.

This means a 55% increase in attendance

1997 figures: "European Cinema Yearbook - 1998 edition" (<http://www.mediasalles.it>).
1998 data is provisional. Data may be reproduced on condition the source is mentioned.

Europe's cinema industry.

Focus on Europe will also feature advance big screen premieres of European titles, showing for the more than 2,000 exhibitors and distributors from Europe and other major markets worldwide who gather in Amsterdam every year. This is the third time that Focus on Europe is to be held in Amsterdam. Highlights of last year's event included a screening of Roberto Benigni's Oscar-winning *Life is Beautiful*, and the round table on "The impact of multiplexes on the cinema industry and urban living". A summary of the round table proceedings is available on-line at <http://www.mediasalles.it> Please e-mail us for any further information you may require: database@mediasalles.it

In 1998 ticket sales increased by around 13%. Of the almost 3 million extra spectators, a very considerable number can be attributed to Anvers, thanks to the opening of the 17 screens at the Gaumont in the city centre at the end of 1997.

Cinema-going is on the increase in Ireland, too, which is another country with a high incidence of multiplexes (accounting for around 28,2% of screens), and reaches a total of 12,4 million tickets sold (+7,8% compared to 1997), confirming, with 3,4, its position as the European territory with the highest per capita rate of cinema-going (apart from Reykjavik).

Cinema-going in Luxemburg is also increasing at a giddy rate, reaching a per capita attendance of 3,3.

The number of tickets sold in two years in the Grand-Duchy has almost doubled.

be more or less stable.

1998 is a positive year for Scandinavia, too. All Scandinavian countries, including Sweden and Norway, which saw a drop in audiences during 1997 of respectively 1,2% and 4,7%, increase their audiences.

The increases vary from 1,5% in Denmark, to 4% in Sweden and 5,3% in Norway, which regains all the spectators lost in 1997 and obtains one of the best results of the nineties, to 6,3% in Finland, where ticket sales cross the 6-million threshold for the first time since 1991.

In Finland, 1998 was marked by the inauguration of the first multiplex, a Sandrew Metronome investment, together with local partners.

Still further north, a slight dip in cinema-going is recorded in Reykjavik (-1%), where, however, the legendary annual per capita rate of cinema-going does not

was a drop in audiences almost everywhere.

On the basis of the data available, only Slovakia seems to be holding its own (+1%) amidst the overall slump, varying in extent from country to country, on the Eastern markets: -13% in Bulgaria and Hungary, -16% in Poland, -28% in Romania.

The balance between closures and openings of new screens tends to vary more: still positive in Hungary (+6,5%) and in Poland (+1,9%) but extremely negative in Bulgaria (-12,4%) and Romania (-16%). Nevertheless, the faith of investors in a revival of Central and Eastern European cinema-going continues to be firm.

In 1998 three new multiplexes were opened in Hungary, for a total of 29 screens.

These markets are in also in the sights of the Kinopolis-Cinemaxx alliance, which, with the fledgling Kinemaxx

Market shares by film origin: 1997 - 1998.

	Domestic films		European films		US films		Other films	
	1997	1998	1997	1998	1997	1998	1997	1998
B ¹	3,6%	1,3%	13,4%	22,1%	82,1%	76,1%	0,9%	0,5%
CH	2,3%	2,5%	21,0%	21,7%	73,6%	72,3%	3,1%	3,5%
D	16,7%	9,1%	11,5%	5,7%	70,5%	83,9%	1,3%	1,4%
DK	18,8%	12,8%	13,1%	9,1%	66,5%	77,8%	1,7%	0,4%
E	13,0%	11,9%	17,6%	8,4%	67,9%	78,6%	1,5%	1,1%
F	34,2%	27,0%	10,0%	7,2%	52,5%	64,0%	3,3%	1,9%
I ²	31,3%	23,6%	15,9%	10,8%	48,7%	65,2%	4,2%	0,4%
NL	3,4%	5,6%	10,5%	4,1%	84,5%	89,8%	1,6%	0,5%
S	17,8%	14,4%	14,9%	8,8%	66,7%	76,3%	0,7%	0,5%
BG	0,4%	0,4%	3,7%	7,8%	96,0%	91,5%	-	0,3%
PL	20,4%	9,1%	7,8%	4,4%	71,4%	85,9%	0,4%	0,6%
RO	2,7%	0,9%	1,5%	2,5%	92,2%	95,4%	3,6%	1,2%
SK	2,1%	1,1%	20,4%	3,5%	74,6%	95,3%	2,8%	0,1%

1 Brussels only 2 Cinetel data.

The increase in audiences is also above the European average in Austria (+10,9% compared to '97) and in Cyprus (+8,8%). The Netherlands is growing at a slower rate (+6,2%) and remains amongst those European territories where the pro-capita ticket sales are more limited (1,3 a year). Also growing at a slower rate are Portugal (+3,6%) and Switzerland (+2,2%).

From estimations of cinema-going in Greek cinemas, the situation proves to

drop below 8 tickets.

The situation of Central and Eastern European countries is a clear contrast to the positive picture in Western Europe. Whilst in 1997 a distinct difference was recorded between countries where cinema-going was on the increase and which tended to assume the features of the western market, and countries still marked by a drop in cinema-going and considerable reductions in the number of exhibiting theatres, in 1998 there

trade mark, has announced a programme that foresees the building of 20 complexes over the next 3 or 4 years in Northern and Eastern European countries.

Poland is amongst Kinemaxx's first objectives - a market where further UCI complexes and those of important international companies such as Ster-Kinekor are soon to be added to the multiplex opened by UCI.

Elisabetta Brunella

I wish to receive, free of charge, the next issues of the "European Cinema Journal"

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The European Cinema Yearbook: latest edition, presented at the Berlin Festival

On 14 February MEDIA Salles presented the final edition of the 1998 European Cinema Yearbook at the Berlin Festival. The presentation was attended by the director Katja von Garnier, member of the jury, and by Luciana Castellina, President of Agenzia Italia, amongst others.



Whilst Romano Fattorossi, President of MEDIA Salles, stressed the important role played by research and information services in MEDIA Salles, Joachim Ph. Wolff, consultant for the Yearbook, highlighted some of the results that can be seen to emerge from the data published.

This edition of the Yearbook, which offers the most complete and up-to-date view of the cinema exhibition examined in the 1989-1997 period, is composed of two volumes.

The first, using numerous comparative tables, supplies the main indicators for European cinema exhibition: from a country-by-country breakdown of the over 780 million tickets sold in 1997 in Western Europe to the per capita outlay by European citizens (from the 5.7 Ecu of the Greek citizen to the almost 56 Ecu of the inhabitant of Reykjavik), from a breakdown of the screens in each country by size of the complex where they are situated (from Greece, where almost 90% of screens are in single-screen cinemas, to Belgium, where over 40% of all screens are to be found in multiplex cinemas). The volume is completed by a detailed analysis of the 341 multiplexes operating in Europe at June '98, which shows, country by country, the number of sites, screens, seats and the exhibiting company.

The second volume, entitled 'Source Document', collects, in its over 400 pages, detailed profiles of the countries under examination, supplying, for each

of them, over forty different types of information.

Amongst the innovations in this edition are the data on Estonia and new comparative tables, such as: "Number of cinemas" (figures on the number of sites complete the "Number of screens" indicator, already provided in the Yearbook); "Density of screens

49. Internationale Filmfestspiele Berlin, Palace Hotel, 14 February 1999. Presentation of the European Cinema Yearbook - 1998 edition.

Katja von Garnier, member of the Jury of the 49th Berlin Film Festival.

in multiplexes" (the percentage of screens situated in multiplexes in each country in the 1991-1997 period); "Concentration in exhibition" and "Concentration in distribution" (the three top exhibiting and distribution companies and their relative market shares); "Average Ticket Price in Real Value (1989=100)" (this points out the real variations in ticket price in 1989).

The two volumes that make up the Yearbook are available on the Internet at the MEDIA Salles site:

(<http://www.mediasalles.it>)



49. Internationale Filmfestspiele Berlin, Palace Hotel, 14 February 1999. Presentation of the European Cinema Yearbook - 1998 edition.

From left to right: Mike Vickers, MEDIA Salles Vice-President, Luciana Castellina, President of Agenzia Italia, Romano Fattorossi, MEDIA Salles President, Elisabetta Brunella, MEDIA Salles Secretary General, Joachim Ph. Wolff, scientific adviser for the European Cinema Yearbook.

EURO KIDS NETWORK 1999

The European Commission has allocated Euro 600,000 to Euro Kids Network for 1999. The Network - set up and coordinated by MEDIA Salles - is a circuit of cinemas which since 1996 links and supports cinema theatres committed to screening films for children, young people and schools, giving special emphasis to European productions. The Network can currently count on 337 screens in 16 European countries. Member cinemas of the Network can receive financial contributions worth up to Euro 12,000 per year, on the basis of their programming data in respect of European films for younger audiences.

MEDIA Salles also offers training and information services to participating theatres, such as the annual meeting of Euro Kids Network members. This gives exhibitors an opportunity to exchange ideas and best practice, as well as to gather information on new product for younger viewers.

In 1999 the Euro Kids Network meeting will be held from 16 to 17 October at the Villa Olmo in Como, Italy, where the event will once again be held in tandem with Kid Screen, the international convention on cinema for young people and media education.



EURO KIDS NETWORK 2000 CALL FOR APPLICATIONS

The final date for applications to join Euro Kids Network 2000 has been set at 31 July 1999. The Conditions of Entry and Application Form can be requested directly from MEDIA Salles offices or else from MEDIA Desks and Antennae. They may also be downloaded off the Internet at the MEDIA Salles website (<http://www.mediasalles.it>).

Further information can be obtained from the offices of MEDIA Salles.

E-mail: eurokids@mediasalles.it.