



Dear readers,  
 this special Cannes  
 newsletter pro-  
 vides an opportu-  
 nity for taking a  
 look both at the  
 work that has al-  
 ready been car-  
 ried out and at our

new initiatives. The last few months have seen several important results for MEDIA Salles.

The second edition of DiGiTalk has been published, a streamlined and easy-to-consult volume containing figures, ideas and success stories in the field of digital projection, collected during the MEDIA Salles' course "DigiTraining Plus: European Cinemas Experiencing New Technologies - 2011 edition" and accompanied by a section rich in tables and graphs on the state and development of digital projection in Europe and in the rest of the world.

In addition, "The European Digital Cinema Report", the result of the fruitful collaboration between MEDIA Salles and the European Audiovisual Observatory, has come into being, offering the latest figures on digital screens and penetration rates on the 35 European markets, examining the development of the digital transition and offering a detailed structural analysis taking into account levels of concentration by exhibitor and by cinemas of different dimensions.

As usual, in Cannes MEDIA Salles is publishing the latest statistics on digitalization in Europe. In a year that started out with over 18,500 screens digitalized, amounting to 52% of the total, new challenges arise for exhibitors and professional players in the sector: how to vary programming in cinemas to make the most of the advantages offered by digitalization, constantly offering new and alternative content? How to boost and communicate the cinema's appeal, by making effective use of the latest promotion and marketing tools, for example the social media?

These are some of the issues that will be dealt with on the ninth edition of the course "DigiTraining Plus: European Cinemas Experiencing New Technologies", presented here, to be held in Amsterdam

## Be updated on the present state and future prospects of digital screening and programming with

### **DIGITRAINING PLUS: EUROPEAN CINEMAS EXPERIENCING NEW TECHNOLOGIES** **29 AUGUST - 2 SEPTEMBER 2012, AMSTERDAM**

The Netherlands will be the country to host the ninth edition of "DigiTraining Plus: European Cinemas Experiencing New Technologies", the course that MEDIA Salles has been offering since 2004, with the support of the European Union's MEDIA Programme and the Italian Government, to cinema exhibitors and professional players in the sector who wish to bring themselves up to date with the latest developments and future prospects opened up by the digital transition.

This year the course will run from 29 August to 2 September 2012 in Amsterdam at an exceptional venue on the banks of the River IJ: the new headquarters of the EYE Film Institute, fresh from its inauguration

on 4 April, attended by Queen Beatrix. The EYE Film Institute is also amongst the main partners in the 2012 edition, together with the associations of Dutch national exhibitors (NVB) and distributors (NVF), The Netherlands Film Fund and Cinema Digitaal, the non-profit association founded in order to allow all the country's screens a rapid and complete digital transition. The Dutch experience provides an example of a successful digitalization plan on a national scale based both on public financing and on contributions from distributors and exhibitors. At the beginning of 2012, 540 of the total 789 screens had already shifted to digital technology. The programme foresees visits to theatres

(continues on page 3)

### **MEDIA Salles at the 65<sup>th</sup> Cannes Film Festival**



**MEDIA Salles will present the ninth edition of "DigiTraining Plus: European Cinemas Experiencing New Technologies" during**

#### **BITS & BYTES OF MEDIA TRAINING**

organized by the MEDIA Desk Italia and Antenna MEDIA Torino in collaboration with Istituto Luce Cinecittà

*Italian Pavilion No. 130  
 Village International  
 Marché du Film - Cannes  
 Sunday 20 May 2012, from 4 p.m.  
 followed by "Happy hour"*

from 29 August to 2 September 2012. I trust that this initiative will meet with the same success as previous editions: in 2011 an impressive 90.3% of participants declared that they were "very or extremely satisfied" with the experience.

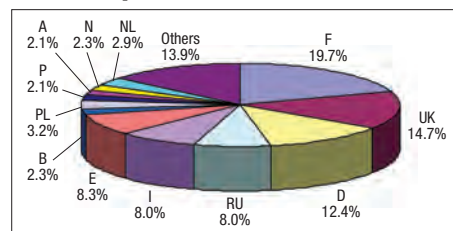
Luigi Grispello  
 President of MEDIA Salles

### **EUROPE STARTS 2012 WITH OVER HALF ITS SCREENS DIGITALIZED. THE BIG CHAINS LEAD THE TRANSITION**

According to the statistics provided by MEDIA Salles, the number of European screens equipped with DLP™ Cinema or SXRD™ technology at 1st January 2012 came to 18,525 with a 79.2% rise as against the previous year.

With over 52% of her screens digitalized, Europe opened 2012 having reached the "tipping point" in the digital transition. The forecast based on an epidemiological model, which MEDIA Salles had actually presented at the Cannes Film Festival last year,

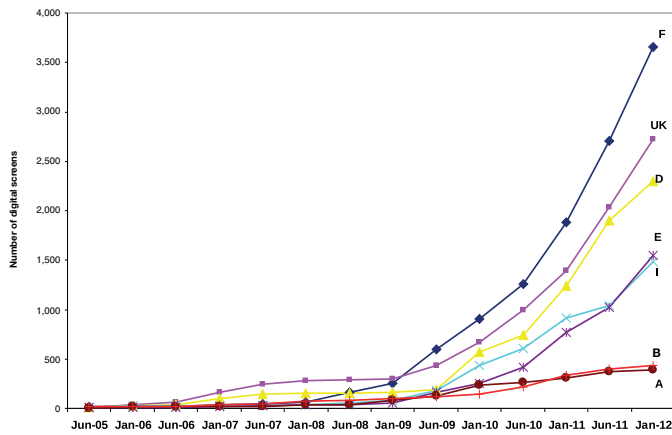
#### **Percentage of digital screens in individual countries compared to the European total**



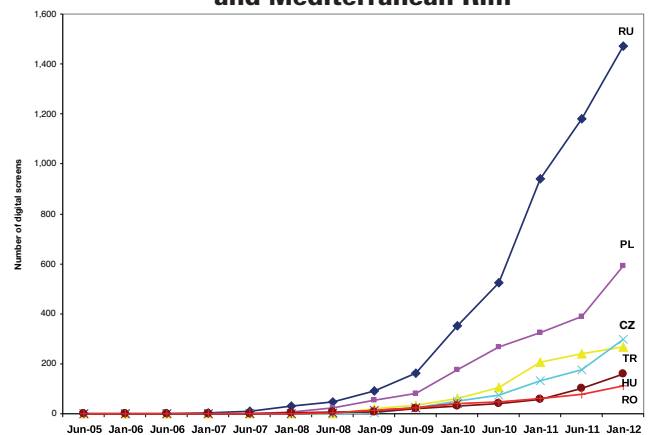
Source: MEDIA Salles

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## Half-year trend in the number of digital screens in Western Europe



## Half-year trend in the number of digital screens in Central and Eastern Europe and Mediterranean Rim



Source: MEDIA Salles

(continues from page 1)

thus proves to be confirmed.

The number of digital screens continued to grow in 2011 though, as emerges from the “European Digital Cinema Report”, the publication edited jointly by MEDIA Salles and the European Audiovisual Observatory, while the initial phase of extensive digital conversion during 2009 and 2010 had been due more or less entirely to 3D screens, the 2011 roll-out depended for

the first time on 2D screens.

It is estimated that the number of new 2D installations has made a leap forward from 710 in 2010 to just below 5,300 in 2011. Roll-out is now into its second major phase and is developing thanks mainly to the full conversion of larger cinema chains through VPF schemes, particularly third party schemes. As 3D capacity in many of the larger circuits is now considered to be close to sufficient (generally about 50% of screens

per site), the focus seems to be shifting towards the conversion of the remaining screens to 2D.

For example, Yelmo, the leading Spanish exhibition company, that had 209 digital screens at the beginning of 2011, has now completed its digitisation process having installed digital projectors in all its 403 screens. The same has happened, just to mention a few cases in markets with different characteristics, with Utopia, managing cinemas

### Digital screens in Europe by country (as at 1<sup>st</sup> January of each year)

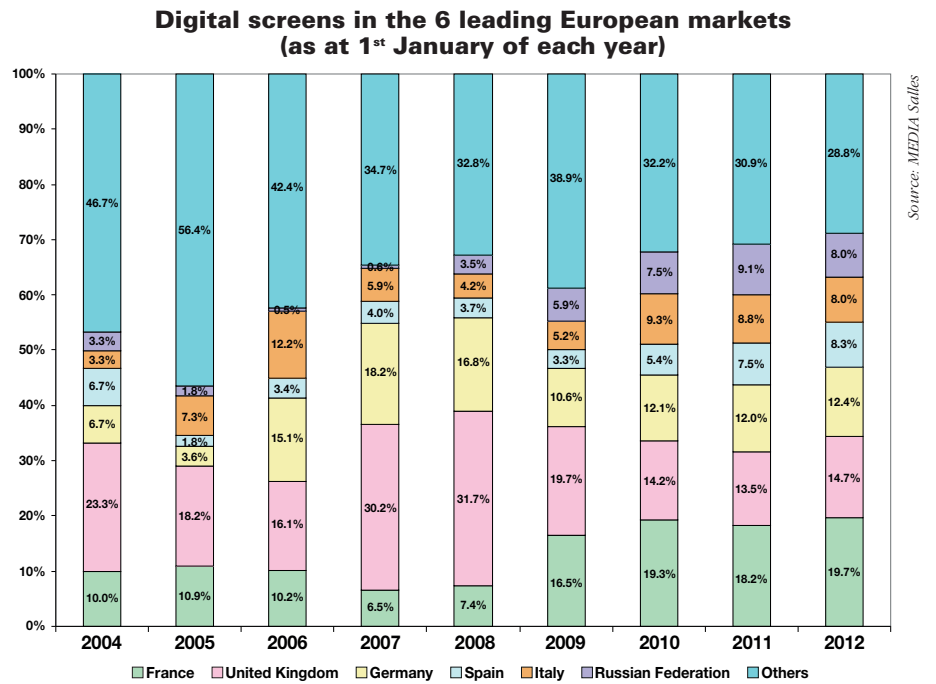
Country	2005	2006	2007	2008	2009	2010	2011	2012
Andorra	-	-	-	-	-	-	2	3
Austria	1	16	18	35	84	239	306	393
Belgium	14	20	35	76	98	144	331	434
Bulgaria	-	-	4	4	17	23	57	77
Croatia	-	-	-	-	7	8	9	90
Cyprus	-	-	-	-	-	6	15	18
Czech Republic	1	1	1	1	2	50	133	299
Denmark	4	5	5	6	10	25	137	286
Estonia	-	-	-	-	2	5	13	18
Finland	-	-	1	1	12	48	86	180
France	6	21	34	66	253	904	1,885	3,656
Germany	2	31	96	151	162	566	1,238	2,303*
Greece	-	-	-	2	8	31	59	75
Hungary	1	1	1	2	7	31	56	159
Iceland	-	-	3	3	7	7	14	29
Ireland	-	1	23	36	38	112	142	192
Italy	4	25	31	38	80	434	912	1,485
Latvia	-	-	-	-	2	3	11	15
Lithuania	-	-	-	-	-	5	13	18
Luxembourg	3	3	13	13	21	22	24	33
Malta	-	-	-	-	2	2	6	6
The Netherlands	3	18	30	34	56	105	252	540
Norway	2	3	23	35	48	61	268	423
Poland	-	-	-	8	53	177	324	592
Portugal	1	1	5	14	44	181	317	387
Romania	-	-	-	-	14	40	61	111
Russian Federation	1	1	3	31	90	351	941	1,473
Serbia	-	-	-	-	-	6	7	13
Slovakia	-	-	-	-	-	10	36	76
Slovenia	-	-	2	2	9	9	16	18
Spain	1	7	21	33	50	252	770	1,545
Sweden	1	6	5	5	8	38	153	273
Switzerland	-	12	14	16	28	60	139	315
Turkey	-	-	-	1	20	62	205	266
United Kingdom	10	33	159	284	303	667	1,397	2,724
<b>Total Europe</b>	<b>55</b>	<b>205</b>	<b>527</b>	<b>897</b>	<b>1,535</b>	<b>4,684</b>	<b>10,335</b>	<b>18,525</b>

\*This figure includes projectors with a resolution lower than 2K.

Source: MEDIA Salles

in Benelux and France, in Italy with UCI and The Space Cinema, in Portugal with Zon Lusomundo and in the UK with Apollo, that has chosen to adopt the 4K technology. Another key factor in this second phase of transition are the schemes made available in many European countries at the end of 2010 and during 2011, and based on a variety of models ranging from legislation (in France), to contributions granted for conversion schemes involving the whole industry (in Norway and the Netherlands), right up to direct public measures at a supranational, national and regional level. While it is true that for European screens as a whole the digital penetration rate has reached 52%, considerable differences have been registered for the various markets. For example, digital penetration rate reaches to beyond the European average in the United Kingdom (72.3%), in France (66.1%) and in Russia (54.0%) and instead remains below the overall rate for Europe in Germany (49.6%), Italy (c. 39%) and Spain (38.4%).

The biggest markets in terms of ticket sales also have the largest percentage of digital screens out of the overall total for Europe, so that France, with 3,656 digital screens, comes in first place with 19.7% of Europe's digital screens, followed by the United Kingdom (2,724 digital screens equal to 14.7%), Germany (2,303 digital screens equal to 12.4%), Spain (1,545 digital screens



equal to 8.3%), Italy (1,485 digital screens equal to 8.0%) and Russia (1,473 digital screens equal to 8.0%).

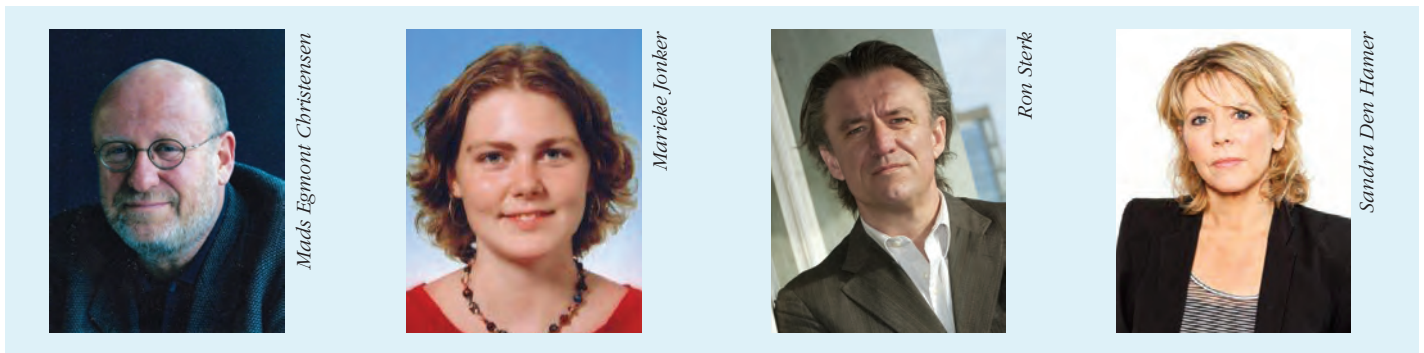
Concerning the 2012 growth rates, the countries where the number of digital screens has risen to above 100% compared to January 2011 are: Croatia (+900%, from 9 digital screens to 90), Hungary (+183.9%, from 56 to 159 digital screens), Switzerland

(+126.6%, from 139 to 315), Czech Republic (+124.8%, from 133 to 299), The Netherlands (+114.3%, from 252 to 540), Slovakia (+111.1%, from 36 to 76), Denmark (+108.8%, from 137 to 286), Finland (+109.3%, from 86 to 180), Iceland (+107.1% from 14 to 29) and Spain (+100.6%, from 770 to 1,545).

Paola Bensi and  
Elisabetta Brunella



## DIGITRAINING PLUS: EUROPEAN CINEMAS EXPERIENCING NEW TECHNOLOGIES FOCUS ON THE SPEAKERS



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where digital technologies are in use in order to offer audiences diversified and innovative programming. The Cinema Oostereiland in Hoorn, for example, is a very special arthouse cinema, arising out of the renovation of the former Hoorn jail, where a hotel has also been built, hosting its guests in what were previously the inmates' prison cells. The programming offers a wide choice of titles, from historical films to up-to-date documentaries and experimental arthouse films, from classics to premières. Course participants will enjoy the experience of arriving at the cinema by boat directly from Amsterdam. Another key moment in the course will be the visit to the prestigious Netherlands In-

stitute for Sound and Vision, one of Europe's largest audiovisual archives, which brings together and preserves over 750,000 hours of material from 1898 up to today. Here, through a process of digitalization that participants on the DigiTraining course will be able to witness first-hand, it is possible to guarantee the conservation of films which, thanks to digital projection techniques, will find new audiences and new viewing modes. The visit to Goflex of Zeist, a non-profit company founded by Paul Huis in 't Veld in 2008, will demonstrate how digital technologies can also offer alternative solutions in the field of distribution. The course moderator this year will be an

"old" friend of MEDIA Salles, the Danish collaborator Mads Egmont Christensen, who has already performed this role in the past. Amongst the speakers are European professional players such as Ron Sterk, Director of NVB and Cinema Digitaal, who will present the Dutch model for total digitalization, and Marieke Jonker, founder of Amstelfilm, who will focus on how the flexibility made possible by digital technology finds its place in independent distribution. Michael Karagosian, a course veteran, will be entrusted with the task of outlining the future evolutions of digitalization, now that the watershed in the transition process has been reached in Europe, too.



# DIGITRAINING PLUS: EUROPEAN CINEMAS EXPERIENCING NEW TECHNOLOGIES

## 29 AUGUST - 2 SEPTEMBER 2012, AMSTERDAM



EYE Film Institute



Institute for Image and Sound



Cinema Oostereiland

### PROGRAMME\*

#### Wednesday 29 August

Participants arrive in Amsterdam

Check in at the Ibis Centre Hotel

Lunch

At the EYE Film Institute

Welcome address by organizers and partners

**Luigi Grispetto**, President of MEDIA Salles

**Sandra Den Hamer**, Director of the EYE Film Institute

**Ron Sterk**, Managing Director of Dutch exhibitors' association NVB and Cinema Digitaal

Presentation of course structure and content by **Mads Egmont Christensen**, course moderator

Visit to the EYE Film Institute and its exhibition areas; new technologies working on behalf of the enjoyment of cinematographic material from the past and present and of alternative content

Screening of digital and 3D high quality and experimental content by **Cinegrids**

Opening dinner

*\*Provisional  
Updates on the website*

#### Thursday 30 August

At the EYE Film Institute

*Session open to players from the Dutch cinema industry and representatives of public institutions*

Digitalization in Europe and worldwide: facts and figures, by **Elisabetta Brunella**, Secretary General of MEDIA Salles

The Dutch digital landscape: introduced by **Frank De Neeve** (Cineserver) and **Marieke Jonker** (Amstelfilm)

Keyword: *flexibility* seen through the eyes of filmmakers, independent distributors and exhibitors

Debate

Lunch

At the EYE Film Institute

Group work: overview of the participants' experiences in the field of the new technologies

Public support for digitalization as a tool for encouraging the *circulation* of domestic and European films

The role of the MEDIA Programme

A comparison of *economic models*: Experiences in Europe - part 1

A pan-European overview by **Martin Kanzler** (EAO)

The Dutch model, by **Ron Sterk**, Director of NVB and Cinema Digitaal

How to digitise on your own? Summing up overall recommendations

*Participants make their own dinner arrangements*

#### Friday 31 August

*Journey to Zeist*  
Keyword: *distribution*

Visit to **Gofilex**

**Paul Huis in 't Veld**, Director of Gofilex: from 35mm to cable delivery

*Journey to the Sound and Image Institute in Hilversum*

Lunch

Individual visit to the exhibition open to the public

Visit to the **Sound and Image Institute**, whose aim is the digitalization and conservation of audiovisual material. Presentation and guided visit by **Bas Agterberg**, Head of Communications

Conserving and digitizing the cultural audiovisual heritage  
Presentation: Images of the Future (Sound and Image, EYE, National Archive and Knowledge Land)

Technical session: the digitalization of the audiovisual content

Session on content: digital storage as a tool to make cultural heritage more visible. How the EU can offer support

*Return to Amsterdam*

*Participants make their own dinner arrangements*

#### Saturday 1 September

*Journey to Hoorn by boat*

Visit to the **Cinema Oostereiland**, the new, all-digital art-house cinema, in the town of Hoorn

The opportunities and risks of digital technologies for *quality programming*.

Panel chaired by the management of the Cinema Oostereiland

Account of experiences from **Dutch and European exhibitors, distributors and filmmakers**. Risks for titles with limited release

Session on content: alternative digital content by **Cristine Costello** (More2Screen) and **Franco Di Sarro** (Nexo Digital)

*Journey to Amsterdam by boat*

Lunch

At the EYE Film Institute

**The future**

Summing up the *technology*: 2k, 4k, 3D. What are the developments?

Digitisation has reached the watershed. What's next? **Michael Karagosian** (MKPE)

Future perspective for the cinema experience, in collaboration with EDCF

**Recommendations for the future**

Closing dinner in Amsterdam

#### Sunday 2 September

Course evaluation by participants

Question and answer session

Conclusion of the course

Departure of participants from Amsterdam

### Practical information

5 days of intensive course work.

Course starts: 29 August 2012, in Amsterdam (2.30 p.m.).

Course ends: 2 September 2012, in Amsterdam (noon).

Fee, including the four-night stay in Amsterdam: 850 euro + VAT for those who enrol by 28 May.

Grants available on request.

Language used on course: English.

For more information and to download the enrolment form: [www.mediasalles.it](http://www.mediasalles.it)

### THE VOICE OF THE DIGITRAINING PLUS PARTICIPANTS

90.3% of participants declared themselves "very or extremely satisfied" with the course

83.9% of participants declared to have "very or extremely increased their knowledge on the state of the art of digital cinema and its future prospects"

70.9% of participants declared that the knowledge gained at the course will be "very or extremely useful for their profession"

*Data refers to the 2011 edition of the course*