



European Cinema JOURNAL

MEDIA SALLES

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support of the Italian Government
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Dear readers,
I have great pleasure in introducing this issue of the European Cinema Journal, published especially for the 66th Cannes Film Festival, with a brief account of MEDIA Salles' most recent work and coming appointments.

2013 has already witnessed some important results for MEDIA Salles, first and foremost the publication of the third edition of DiGiTalk, the booklet summarizing the contents of the 2012 "DigiTraining Plus: European Cinemas Experiencing New Technologies" course and offering a section rich in tables and graphs on the development of digital cinema in Europe and throughout the world. Compared to the previous edition, DiGiTalk 2012 has also been enriched by a study on the offer of digital cinema in Europe, in which an attempt has been made to understand where digital screens are located, both geographically, by analyzing the difference between the penetration rate of digital technologies in the three cities with the highest rates of cinema-going and the general figure for the country, and from the point of view of the typology and size of the cinemas. We have thus pursued the work begun in The European Digital Cinema Report, a joint publication by MEDIA Salles and the European Audiovisual Observatory.

According to tradition, at Cannes MEDIA Salles communicates the most up-to-date statistics on digitalization in Europe in this newsletter. In a year that begins with over 25,000 screens now digitalized, equal to 70% of total screen numbers, unprecedented challenges face exhibitors and professional players: which economic models will enable the conversion of the remaining 30% of Europe's screens? How are the new technologies changing management and programming in movie theatres? What are the prospects for movie theatres in the digital age and what advantages can digital technology provide in terms of cinemas' offer? These are some of the issues that will be tackled during the tenth edition of the "DigiTraining Plus" course, which – together with a new subtitle "New Technologies for The European Cinemas of the Future" – takes on an innovative approach in order to deal with new demands in the sector.

The 2013 edition of the course, which is presented in the following pages, will be held in Cracow and Warsaw, from 28 August to 1 September 2013. I wish this initiative the same success it has had in past editions: 87.1% of participants declared that they were generally very or extremely satisfied with the "Digi-Training Plus" courses organized by MEDIA Salles over the 2004-2012 period.

Luigi Grispello
President of MEDIA Salles

Keep up-to-date with the present state and future prospects of digital screening and programming with

DIGITRAINING PLUS: NEW TECHNOLOGIES FOR THE EUROPEAN CINEMAS OF THE FUTURE 28 AUGUST – 1 SEPTEMBER 2013, CRACOW AND WARSAW

2013 will see the tenth edition of DigiTraining Plus, the course on digital cinema addressing cinema exhibitors and professional players in the sector, which has been organized by MEDIA Salles – with the support of the European Union's MEDIA Programme and the Italian Government – ever since 2004, when there were only just over 30 digital screens in Europe.

The tenth edition is to be held in Poland, where 75% of screens are digital

The course will be held from 28 August to 1 September in Poland and will benefit from the collaboration of the Polish Film Institute and the Fundacja Rozwoju Kina.

In Poland, which, at the start of 2013, had digitalized 827, i.e. around three quarters, of her total screens, the experience is based on a variety of economic models linked to different types of cinemas.

The country's three leading exhibitors – Multikino, Helios and Cinema City – have now completed the conversion of their screens. In 2011 Multikino had already digitalized the 208 screens it then possessed, whilst at 30 June 2012 it counted 223 screens, all of which dig-

ital. Instead, over the first six months of 2012 Helios, 149 screens, and Cinema City, 339 screens, completed their own digitalization.

Diverse economic models support the transition

If the big chains are able to digitalize using their own resources, several public support schemes have been made available at a national level – thanks to the Polish Film Institute – and at a local one for smaller cinemas with a vocation that is cultural rather than commercial.

At a regional level there is the experience of the "Malopolska Digital Cinemas Network", launched in 2010 thanks to an initiative by the Fundacja Rozwoju Kina and supported by the European Regional Development Fund, with a view to enhancing the region's tourist attractions through a better offer of cinema. Not by chance the course will involve Cracow, at the heart of the Malopolska.

Special attention to the innovative uses of digital technologies

The course programme foresees visits to
(continues on page 3)

Two occasions to join MEDIA Salles at the 66th Cannes Film Festival



18 May, 10.15 am: during "Bits & Bites of MEDIA Training", organized by the MEDIA Desk Italia and Antenna MEDIA Torino in collaboration with Istituto Luce Cinecittà at the Italian Pavilion.

19 May, 1.30 pm: the traditional MEDIA Salles gathering at Cannes Film Festival organized this year together with the Polish Film Institute and the Fundacja Rozwoju Kina. Join us at the Grand Hotel for an Italian "wine and cheese" reception.

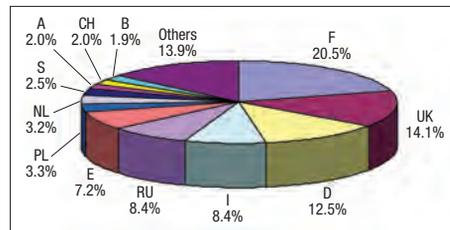


EUROPE'S DIGITAL SCREENS: +37% IN 2012. PENETRATION RATE STILL VARIES FROM COUNTRY TO COUNTRY.

Europe started 2013 with over 25,000 digital projectors.

According to the statistics provided by MEDIA Salles, the number of screens equipped with

Percentage of digital screens in individual countries compared to the European total as at 1st January 2013



Source: MEDIA Salles

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either DLP Cinema™ or SXRD™ technology has risen to 25,085, with a 37% increase compared to 1st January 2012, when the digital screens amounted to 18,265.

At the beginning of 2013 digital projectors had been installed in 70% of the total European screens.

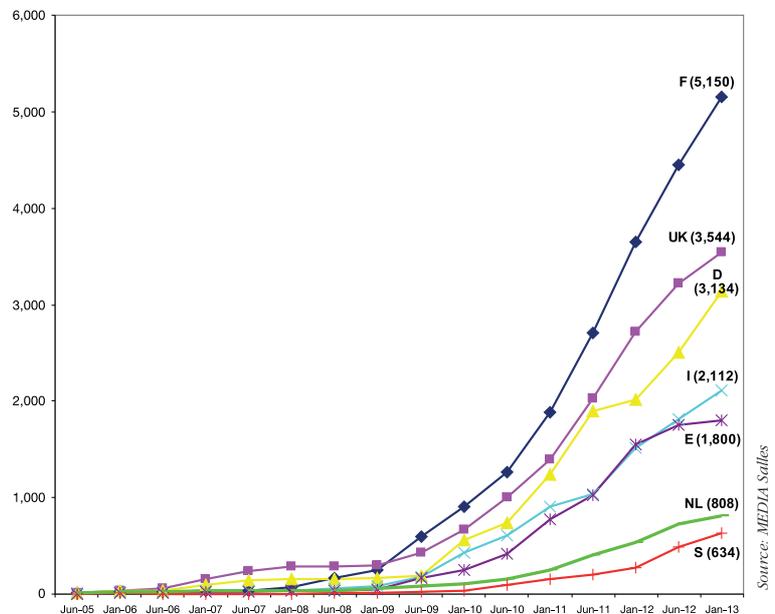
This European average conceals very different situations, with countries where 35mm has practically disappeared – both from theatres and from distribution – and with markets where the spread of the new technology regards fewer than half of the screens.

Of the 36 countries analysed by MEDIA Salles (by the end of 2012, Liechtenstein too had digitized its two screens) as many as 19 were placed below the European average.

Amongst them appear both small countries, like Slovenia, with a 16% penetration of digital screens, and some of the leading European markets, such as Spain (45%) and Italy (45%).

Similarly, amongst the countries now almost totally digitalised are two leaders in terms of cinema-going in Europe such as France (94%) and the United Kingdom (94%), and small-to-medium-sized markets such as Finland (86%),

Half-year trend in the number of digital screens in Western Europe (updated as at 1st January 2013)



Belgium (96%) and Switzerland (92%), not to speak of countries that are 100% digital, such as Norway, Luxembourg or the Netherlands. The biggest markets in terms of admissions

also have the largest percentage of digital screens out of the overall total for Europe, so that France, with 5,150 digital screens, comes in first place with 20.5% of Europe's digital

Digital screens in Europe by country (as at 1st January of each year)

Country	2005 total no of screens	2006 total no of screens	2007 total no of screens	2008 total no of screens	2009 total no of screens	2010 total no of screens	2011 total no of screens	2012 total no of screens	2013 total no of screens
Andorra	-	-	-	-	-	-	2	3	3
Austria	1	16	18	35	84	239	306	393	508
Belgium	14	20	35	76	98	144	331	428	480
Bulgaria	-	-	4	4	17	23	57	77	101
Croatia	-	-	-	-	7	8	9	90	100
Cyprus	-	-	-	-	-	6	15	18	21
Czech Republic	1	1	1	1	2	50	133	299	383
Denmark	4	5	5	6	10	25	137	286	392
Estonia	-	-	-	-	2	5	13	18	18
Finland	-	-	1	1	12	48	86	180	250
France	6	21	34	66	253	904	1,885	3,649	5,150
Germany	2	31	96	151	162	566	1,238	2,011	3,134
Greece	-	-	-	2	8	31	59	75	81
Hungary	1	1	1	2	7	31	56	159	250
Iceland	-	-	3	3	7	7	14	28	35
Ireland	-	1	23	36	38	112	142	192	289
Italy	4	25	31	38	80	434	912	1,519	2,112
Latvia	-	-	-	-	2	3	11	16	28
Liechtenstein	-	-	-	-	-	-	-	-	2
Lithuania	-	-	-	-	-	5	13	18	21
Luxembourg	3	3	13	13	21	22	24	33	33
Malta	-	-	-	-	2	2	6	6	22
The Netherlands	3	18	30	34	56	105	252	540	808
Norway	2	3	23	35	48	61	268	423	415
Poland	-	-	-	8	53	177	324	592	827
Portugal	1	1	5	14	44	181	317	387	392
Romania	-	-	-	-	14	40	61	112	136
Russian Federation	1	1	3	31	90	351	941	1,485	2,100
Serbia	-	-	-	-	-	6	7	13	29
Slovakia	-	-	-	-	-	10	36	76	115
Slovenia	-	-	2	2	9	9	16	17	18
Spain	1	7	21	33	50	252	770	1,545	1,800
Sweden	1	6	5	5	8	38	153	272	634
Switzerland	-	12	14	16	28	60	139	315	494
Turkey	-	-	-	1	20	62	205	266	360
United Kingdom	10	33	159	284	303	667	1,397	2,724	3,544
Total Europe	55	205	527	897	1,535	4,684	10,335	18,265	25,085

Figures in italics are estimates

Source: MEDIA Salles

screens, followed by the United Kingdom (3,544 digital screens equal to 14.1%), Germany (3,134 – 12.5%), Italy (2,112 – 8.4%), Russia (2,100 – 8.4%) and Spain (1,800 – 7.2%).

Concerning the 2012 growth rate, the countries that have more than doubled their digital base, compared to January 2012, are Sweden (+133%, from 272 to 634) and Serbia (+123%, from 13 to 29), whilst Malta has more than tripled them (+267%, from 6 digital screens to 22).

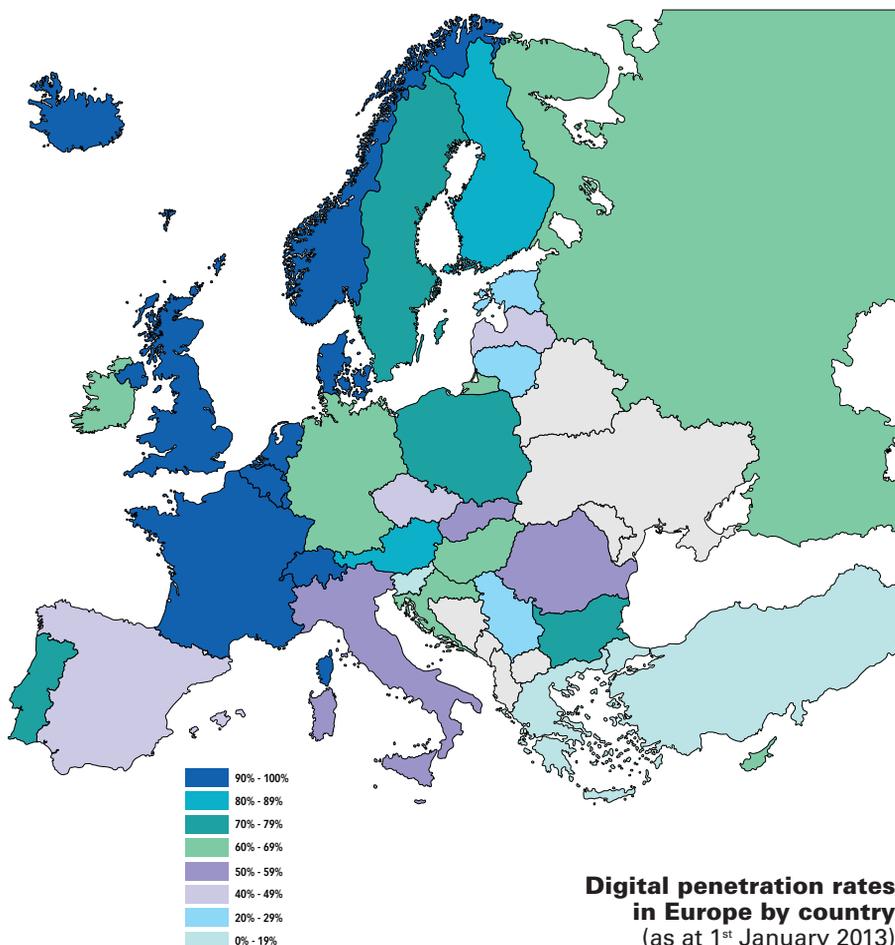
The first figures for 2013 also confirm the phenomenon recorded for the first time in 2012, i.e. the lower increase in 3D digital screens compared to 2D, the result of which was to reduce the incidence of 3D.

This decrease is particularly marked on those markets that have reached the tipping point of the transition or that are approaching full digitization.

This is the case in France, for example, where, at January 2013 3D technology was adopted by 55% of screens as against 65% at January 2012.

Similar trends are shown in Austria, dropping from 61% to 56%, in the United Kingdom (from 54% to 44%), in Germany (from 77% to 54%), in Italy (from 68% to 54%). On observing the trend on markets that are more mature in terms of digitization, it can be estimated that 3D penetration will settle at around 50%.

Elisabetta Brunella



DIGITRAINING PLUS: NEW TECHNOLOGIES FOR THE EUROPEAN CINEMAS OF THE FUTURE

FOCUS ON THE SPEAKERS



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movie theatres where digital technologies are used to offer their audiences innovative and diversified programming.

One example is the Cinema City Bonarka, a very popular multiplex in the suburbs of Cracow. As well as traditional screenings, the Bonarka offers *Cinema Park*, an avant-garde initiative in the field of so-called “edutainment”, or educational entertainment, mainly – but not necessarily – addressing young people and schools.

5 of the Bonarka’s 20 screens are devoted to *Cinema Park* and the shows are based on four different themes (animals, space, the human body, the four elements), which alternate over a six-month period. Each of the auditoriums offers a different interactive experience, from the one centring on “movement”

in which the seats move according to the effects screened, to the one centring on “music”, passing through “interaction”, in which team games can be played by using a sort of remote control device.

The course will involve both Cracow and Warsaw

Amongst the cinemas that will be visited in Warsaw, the second course location, appears the Multikino Złote Tarasy, a new-generation multiplex situated in a large shopping mall and equipped with cutting-edge technology for digital screenings and high frame rates.

The complex – which doubles as a conference centre – also gives great importance to accessibility, a theme that will be the subject

of special attention during DigiTraining Plus: the theatres are, in fact, equipped with a radio frequency system for audio-descriptions.

A team of international speakers

Amongst the speakers are European professional players such as Marta Materska-Samek, President of Fundacja Rozwoju Kina, the organization that was behind the digitalization of cinemas in the Cracow region, or Peter Bosma from The Netherlands, a programmer, researcher and university lecturer who will give an account of the opportunities offered by digital technology for programming.

Michael Karagosian, who has contributed for many years to DigiTraining Plus, will be entrusted with the task of presenting the future evolution of the new technologies.

DIGITRAINING PLUS 2013: NEW TECHNOLOGIES FOR THE EUROPEAN CINEMAS OF THE FUTURE - 28 AUGUST - 1 SEPTEMBER 2013, POLAND



Cinema City Bonarka



Iluzjon FilMOTEKI Narodowej



Kinoteka



Multikino Złote Tarasy

COURSE PROGRAMME – PROVISIONAL

Wednesday 28 August	Thursday 29 August	Friday 30 August	Saturday 31 August	Sunday 1 September
<p>Participants arrive in Cracow</p> <hr/> <p>IN CRACOW Hilton Garden Hotel – Conference Room</p> <p>2.30 pm REGISTRATION – Welcome coffee participants will be invited to fill in the pre-course questionnaire</p> <p>Welcome address by organizers and partners</p> <p>3.00 pm Luigi Grispello, President of MEDIA Salles</p> <p>3.15 pm Anna Sienkiewicz-Rogowska, Head of Dept Education and Dissemination of Film Culture, The Polish Film Institute</p> <p>3.30 pm Marta Materska-Samek, President of Fundacja Rozwoju Kina</p> <p>3.45 pm Presentation of course structure and content</p> <p>4.15 pm Coffee break in groups - Presentation of participants</p> <p>5.00 pm Digitization: where do we stand? Digitization in Europe: facts and figures, by Elisabetta Brunella, Secretary General of MEDIA Salles</p> <p>5.30 pm 2013: a crucial year for the 30% of world's screens yet to be digitized, by Michael Karagosian (MKPE)</p> <p>Q&A session</p> <p>7.15 pm End of session</p> <p>8.30 pm Opening dinner in Cracow</p>	<p>IN CRACOW Hilton Garden Hotel – Conference Room</p> <p>8.30 am The Polish digital landscape</p> <p>9.00 am Technical session in collaboration with EDCF Beyond 2K digital projection: 4K, High Frame Rates, 3D sound, laser technology.</p> <p>Q&A session</p> <p>10.00 am Coffee break</p> <p>Group work and exhibition of posters on experiences presented by participants</p> <p>11.30 am End of session</p> <p>Transfer to Bonarka Cinema by private bus</p> <p>Free time (including lunch)</p> <p>IN CRACOW At the Bonarka Cinema</p> <p>1.00 pm Visit to Bonarka Cinema Presentation of the Cinema City strategy with focus on Interactivity (Cinemapark)</p> <p>3.30 pm Transfer to Warsaw by private bus</p> <p>7.30 pm Arrival in Warsaw. Hotel check-in</p> <p>Dinner and free time in Warsaw</p>	<p>IN WARSAW 8.30 am Visit to Kinoteka</p> <p>9.30 am Transfer on foot to Złote Tarasy</p> <p>9.45 am Visit to the Cinema Złote Tarasy Projection of contents in High Frame Rates</p> <p>10.30 am The Multikino approach to digital cinema</p> <p>The new digital technology: costs and opportunities.</p> <p>Free time (including lunch)</p> <p>IN WARSAW 3.00 pm Participants meet at Złote Tarasy Transfer by private bus to Cinema Iluzjon</p> <p>Visit of the cinema</p> <p>The support given by PISF to Art-house cinema digitization, by Agnieszka Odorowicz, General Director of the Polish Film Institute</p> <p>Coffee break</p> <p>Digital cinema and accessibility, by Michael Karagosian (MKPE)</p> <p>Q&A session</p> <p>4.30 pm Transfer to Cracow by private bus</p> <p>8.30 pm Arrival in Cracow</p> <p>Dinner and free time in Cracow</p>	<p>IN CRACOW Hilton Garden Hotel – Conference Room</p> <p>9.00 am Social media for the marketing of the digital cinemas</p> <p>9.30 am Diversity of the contents of cinema programmes in relation to digitalization, by Peter Bosma</p> <p>10.00 am Coffee break</p> <p>10.15 am Cinema on demand</p> <p>New opportunities – new contents, by Tim Sinnaeve (Barco)</p> <p>Q&A session</p> <p>11.00 am Group work</p> <p>12.30 pm Transfer to Wadowice by private bus</p> <p>Free time (including lunch)</p> <p>IN MALOPOLSKA 3.00 pm Visit to the cinema Centrum in Wadowice, member of the Malopolska D-Cinemas Network</p> <p>The presentation of the Malopolska Digital Cinemas Network, by Marta Materska-Samek and Piotr Wyrobiec, Director of Wadowice Cultural Centre</p> <p>The role of the European Regional Development Fund</p> <p>Coffee break</p> <p>The cinemas of the future: new prospects for the cinema experience</p> <p>6.00 pm Transfer to Cracow by private bus</p> <p>6.40 pm Filmtour in Cracow</p> <p>Closing dinner in Cracow</p>	<p>IN CRACOW Hilton Garden Hotel – Conference Room</p> <p>Group work: manifesto on the cinemas of the future</p> <p>Brainstorming on new training activities to meet the needs of the European cinema exhibitors in the future years</p> <p>End of the course</p> <p>Departure from Cracow</p>

Practical information

A 5-day intensive course.
Starts: 28 August 2013, in Cracow (2.30 pm).
Ends: 1 September 2013, in Cracow (noon).
Fee, including four nights' accommodation in Poland (in Cracow and in Warsaw): 850 euro + VAT (if due) for those who enrol by 30 May.
Grants available on request.
Language used on course: English.
For further information and to download the application form, visit the MEDIA Salles website: www.mediasalles.it

THE VOICE OF THE DIGITRAINING PLUS PARTICIPANTS

87.1% of participants stated that they were very or extremely satisfied with the "Digitraining" courses organized by MEDIA Salles over the 2004-2012 period and considered them to be very closely or closely in accordance with the objectives, content and modes of procedure planned in 90.2% of cases. The participants considered the knowledge acquired to be extremely or very useful to their everyday work in slightly under 70% of cases and extremely or very useful for making their daily work more efficient in almost 55% of cases.