A Publicly Funded Model of Digital Cinema

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Agenda

- Current funding models
- The UKFC model
- Aims and objectives
- Why digital?
- Why public funding?
- Possible timetables and geography of commercial roll-outs
- Where does this leave you?

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Current funding models

- Third party supply via Virtual Print Fee Model e.g. Access/IT, Technicolor
- Consortium based models with VPF e.g. National Cine Media (USA)
- Public funding e.g. UKFC
- Self-funding via own capital, lease or loans e.g. Landmark Theatres (USA)

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UKFC as a public funding model (€18m)

- 240 D-Cinema installations in 240 screens nationwide (210 cinemas)
- All types of cinemas; ‘arthouses’, commercial independents, multiplexes
- All types of locations; city centre, rural, semi-rural, etc.
- DCI standard equipment i.e. 2k Dlp cinema, JP2K servers, 4k ingest, watermarking and security, etc.

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UKFC aims and objectives

- “A wider range of films in a wider range of cinemas”
- Encouragement, expansion and sustainability of the ‘specialised’ film sector in both distribution and exhibition
- A more cine-literate and adventurous audience
- At least 14 million specialised admissions by 2012, up 40% from 2003.

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Aims and objectives cont…

- More flexible booking and programming models
- Greater media attention and coverage via enhanced release plans
- Wider releases (current av. is c. 20 prints) e.g. Downfall 130, Broken Flowers 120, The Proposition 118, TsoTsi 86
- Faster play-off and access for traditionally ‘non-specialised’ cinemas

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Why digital?

- Potentially carves out a new landscape for specialised films
- Lowers the barriers present in the 35mm model e.g. print costs, distribution logistics, inflexibility, etc.
- Encourages experimentation and wider uptake of cinema screen availability
- High on screen quality
- Archive, classic and other releases
- Many other social and cultural uses e.g. schools, film clubs, small film-makers, etc.

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Why public funding?

- UKFC initiative is broadly social and cultural. It is about access, democracy and opportunity, rather than a strict return on investment. It is about audience development, education and greater involvement in the public value that film offer, rather than about pure ‘bums on seats’
- The private commercial sector is unlikely to fund this type of strategy and the public sector exists to invest for public benefit where the benefit is not necessarily financially based

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Why public finding cont…

- Ultimately the UKFC digital strategy is about audiences rather than technology. Technology is the tool we are using to achieve our stated aims and objectives.
- In other words UKFC is funding an audience focused strategy rather than D-Cinema ‘per se’.

Commercial roll-out; timing and geography?

- USA very active; possibly 2000+ screens by year end; 5000+ screens by end 2007.
- Europe starts 2007? UK, Germany, Spain Italy, Scandinavia?
- What models? Third party VPF? Self-funding and own negotiations with studios on local VPFs?
- Local consortia of cinema companies?

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Where does this leave you?

- Will commercial roll-outs include the smaller specialised cinema?
- Will more public funding emerge via local Governments or EU?
- Should the smaller cinema be more proactive and form consortia to develop own models?
- Other strategies?

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