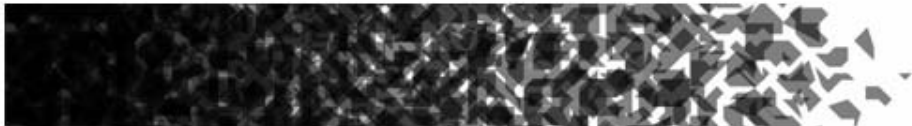

DigiTraining Plus Kuurne 2006

Jan Petersen

CTO and IT Manager
Nordisk Film Cinemas

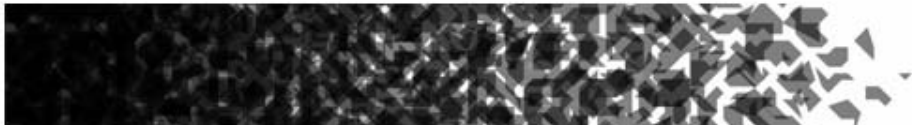


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Agenda

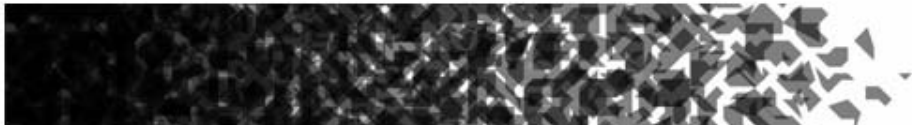
- Nordisk Film Cinemas
- Digital Cinema "History"
- Lessons learned
- Present state
- Challenges for the future
- Questions ?



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Nordisk Film Cinemas

- Founded in 1915
- The largest cinema chain in Denmark
 - 14 Cinemas in 10 cities
 - 95 screens and approx. 16.000 seats
 - Approx. 5 million tickets sold per year.
 - 42% market share
- Fully owned subsidiary of Nordisk Film.
 - Founded in 1906. The oldest still operating movie production company
 - Division companies spanning all areas of movie lifetime.
 - Production
 - Post production
 - Cinema and video distribution
 - Cinemas and Cinema advertising
- Part of the Egmont group
 - Covering almost all part of media in a broader sense
 - 3.500 employees
 - Yearly revenue of more than 1 billion Euro



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Digital Cinema "History"

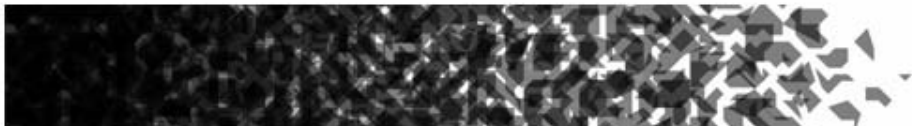
- June 2004 – Decision to start Digital Cinema
 - Market leadership
 - Operational excellence
 - Business experience
- First screens installed in August 2004
 - 3 screens, two in Copenhagen and one in Aarhus (Second largest city in Denmark)
 - Barco projectors and EVS/XDC servers
 - Opening with "I, Robot" and "Shrek 2"
 - Creation of our own Digital Cinema trailer.
 - A total of 7 feature films in 2004 including the first Danish digital release
- Fourth screen installed in May 2005 (Ready for Star Wars – Episode III)
 - A disappointing total of only 6 digital releases in 2005
- Replacement of servers in January 2006
 - Partnership with Éclair Digital Cinema
 - Delivery of servers
 - Technical integration
 - Optional content mastering
 - Doremi DCP-2000 - Only operational fully compliant JPEG2000 server
 - Chicken Little first movie to be presented in JPEG2000



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Lessons learned

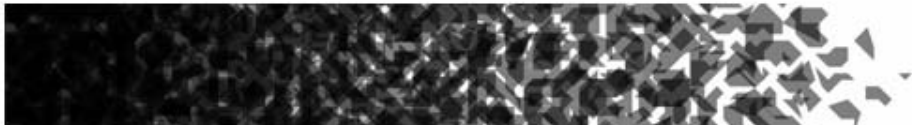
- As a “first mover” it has been very difficult to obtain content
- Involvement and training of projectionists is very important
- The skill set needed for Digital Cinema is IT more than traditional skills
- Running alternative content requires special training of projectionists
- Don't expect a financial healthy return of investment
 - Payback is experience, at least for now
 - Investments made now is actually education that will make the transition easier.
- Digital Cinema is very time consuming.
 - Management involvement is very important
 - Be prepared to educate distribution and other partners.



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Present state

- Keeping as close to DCI compliance as possible
 - Still many areas of the specification are to be implemented
 - Partnership with an independent integrator a big help
 - International premiere of Ice Age 2 in Digital JPEG2000
Nordisk Film is the only place outside USA to show digital.
- Studio negotiations for getting content
 - Studios are having different demands for compliance level.
 - Local distributors with no or limited knowledge on Digital Cinema
 - Local productions are difficult to obtain.
No local mastering possible
- Business to Business events increasing
- Continued education needed



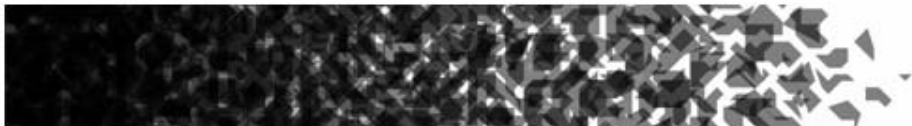
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Challenges for the future

- Steady flow of content
- Digital advertising and trailers
- Handling the transition to full digital
- Implementation of theater wide systems
 - Central storage
 - Connection to ticket systems
- Constant upgrades?
- All depending on:

A Viable Business model



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Questions?

Velkommen til den digitale filmoplevelse
i Nordisk Film Biografer



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