CINEMA D'EUROPA
MEDIA SALLES

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MEDIA

European Cinema JOURNAL MEDIA SALLES

International edition no. 1 – year XIII – May 2011

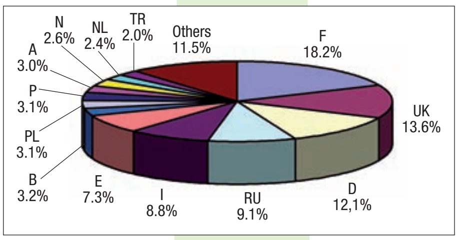
Dear readers,
this year our appointment at Cannes is particularly important: as is customary, we publish the latest statistics on digitalization in Europe, which crossed the 10 000-screen mark at the beginning of 2011. At the same time we have launched a new initiative to be put into practice with the European Audiovisual Observatory: an in-depth analysis of the digital transition in Europe, which will take stock of the crucial aspects in a transformation that has regarded about a third of Europe's screens up to now and which will provide useful knowledge for all those, both in the public and in the private sectors, who are involved in the conversion of the remaining screens. A demanding and ambitious operation, particularly for those who have set themselves the objective of including in the transition to the new technology all the cinemas operating in Europe today, including those that give priority to their social and cultural function, rather than to the strictly commercial aspect.
This will be one of the themes in the eighth edition of the course **"DigiTraining Plus: European Cinemas Experiencing New Technologies"** to be held this year in Helsinki and Tallinn, the contents of which are presented in the following pages.
We trust that, as for the hundreds of cinema professionals who have come before them, the participants at the 2011 edition will find the course an opportunity for acquiring knowledge of use in their work and for exchanging ideas and experiences at an international level.

Jens Rykaer
President of MEDIA Salles

EUROPE: DIGITAL SCREENS MORE THAN DOUBLE IN 2010 WITH 3D ONCE AGAIN THE DRIVING FORCE

According to the statistics provided by MEDIA Salles the number of European screens equipped with DLP Cinema or SXRD technology at 1st January 2011 came to 10,346 with a 120.9% rise compared to the previous year.
Compared to the total number of screens in Europe, at December 2010 digital screens had achieved a market penetration of 29%, as against 13.4% the previous year (table 1).
The rate of market penetration for digital screens, where the highest figures are to be seen in Luxembourg (73%) and in Belgium (65%), also experiences considerable changes on the biggest markets, reaching to beyond the European average in the United Kingdom (38%), in Russia (38%) and in France (34%) and instead remaining below the overall rate for Europe in Germany (27%), Italy (23%) and Spain (19%).

Graph 1: Percentage of digital screens in individual countries compared to the European total



Source: MEDIA Salles

The number of digital sites in Europe at January 2011 was 4,120, with a 74.1% rise over the previous year. The total market penetration of digital sites amounts to around 33% as against 18.7% in January 2010. Also on the increase is the average number of screens in digital sites which has risen in Europe from the 1.6 screens per site registered in January 2008, to 2.5 in January 2011.

The average number of digital screens

(continues on page 2)

The MEDIA Salles new data at the 64th Cannes Film Festival

MEDIA Salles latest data on digital cinemas and screens in Europe as at 1st January 2011 will be presented in Cannes during the European Audiovisual Observatory's Afternoon Workshop: "Cinema and Television: Falling in Love again?"

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Marché du Film 2011, Sunday 15 may 2011, from 3.00 pm to 5.00 pm at the Buñuel Conference Room, 5th Floor, Palais des Festivals, Cannes

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29 JUNE - 3 JULY 2011

First held in 2004, when there were thirty digital screens in Europe, "DigiTraining Plus: European Cinemas Experiencing New Technologies" is the course offered by MEDIA Salles to cinema professionals who wish to have reliable information and share experience at an international level on issues crucial in the transition to the new projection technologies. Economic models, including intervention by the European Commission, standards, the availability of digital content, the prospects for 3D and live events in movie theatres: these are some of the contents which will be dealt with by internationally renowned experts and by the exhibitors and distributors who were the first to take up the digital challenge.
Supported by the European Union's MEDIA Programme and by the Italian Gov-

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Table 1: Digital cinema sites and screens in Europe (as at 1st January)

	2005	2006	2007	2008	2009	2010	2011
Digital screens	55	204	527	897	1 535	4 684	10 346
Digital sites	45	148	358	550	821	2 366	4 120
Average screens per site	1.2	1.4	1.5	1.6	1.9	2.0	2.5
Degree of penetration of digital screens	0.2%	0.6%	1.5%	2.6%	4.4%	13.4%	*c.29%*
Degree of penetration of digital sites	0.3%	0.9%	2.3%	3.6%	6.4%	18.7%	*c.33%*

Source: MEDIA Salles

(continues from page 1)

per cinema varies a good deal in individual European countries. In December 2010 the highest figures were recorded in Belgium (6.8 screens per cinema), Luxembourg (4.8), Portugal (4.8), Austria (4.3), Latvia (3.7), Romania (3.6), Estonia (3.5) and France (3.5) (table 2).
Of the largest markets the lowest figures are to be seen in Italy (1.9 screens per cinema), lower than the United Kingdom (3.1), Spain (2.6) and Germany (2.2).

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 comes in first place with 18.2% of Europe's digital screens, followed by the United Kingdom (13.6%), Germany (12.1%), Russia (9.1%), Italy (8.8%) and Spain (7.3%) (graph 1).
As regards a comparison with the 2009 growth rates, the greatest development has been seen in the Scandinavian countries, i.e. Denmark (+444% compared to December 2009), Norway (+339%) and Sweden (+308%). Instead, if we consider the five-year period between 2006 and 2010 the compound annual growth rate is greatest in Russia (+293%), in Portugal (+216%) and in Finland (+206%), countries where the number of digital screens has increased considerably, especially up to 2009.

In Europe the development of digital screens seems to be highly concentrated in terms of exhibition companies in view of the fact that at December 2010 the top ten exhibitors were responsible for 32.4% of the overall number of digital screens. The top five players are Odeon and UCI Cinemas Group (with 8.0% of digital screens), operating as Odeon Cinemas in the United Kingdom, as UCI in Austria, Germany, Ireland, Italy and Portugal and as Cinesa in Spain; the French company Europalaces (4.8%), operating in Switzerland, France and Netherlands; Cineworld Group (3.9%), present in the United Kingdom and Ireland; CGR (3.7%) operating in France, and Kinepolis (2.3%), present in Belgium, France and Spain (graph 2).

As in 2009 3D cinema was again the motor for growth: the penetration of screens equipped with 3D technology with respect to the overall number of digital screens has continued to increase, with the only exception of Spain, rising from 74% in De-

Table 2: Digital cinema sites and screens in Europe by country (as at 1st January)

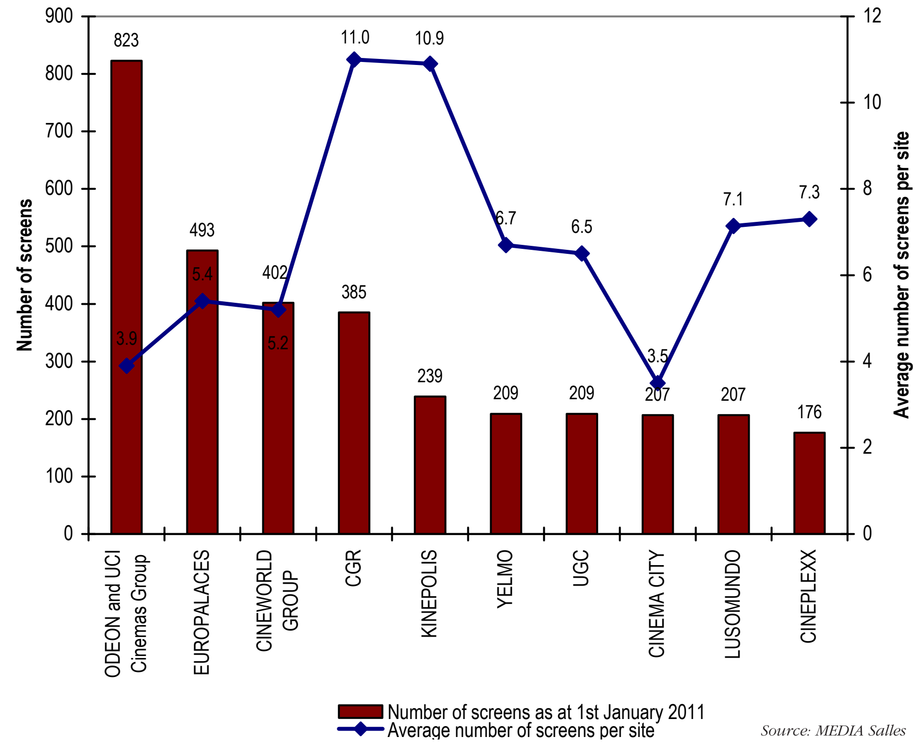
	Digital Sites			Digital Screens			Average screens per site		
Country	**2009**	**2010**	**2011**	**2009**	**2010**	**2011**	**2009**	**2010**	**2011**
Austria	26	57	71	84	239	306	3.2	4.2	4.3
Belgium	17	27	49	98	144	334	5.8	5.3	6.8
Bulgaria	8	12	17	17	23	57	2.1	1.9	3.4
Cyprus	0	6	6	0	6	15	0	1.0	2.5
Croatia	6	7	7	7	8	9	1.2	1.1	1.3
Czech Republic	2	42	94	2	50	133	1.0	1.2	1.4
Denmark	8	22	77	10	25	136	1.3	1.1	1.8
Estonia	1	2	4	2	5	14	2.0	2.5	3.5
Finland	8	35	58	12	48	88	1.5	1.4	1.5
France	72	257	533	253	904	1 887	3.5	3.5	3.5
Germany	71	317	568	162	566	1 248	2.3	1.8	2.2
Greece	8	22	39	8	31	59	1.0	1.4	1.5
Hungary	4	17	26	7	31	56	1.8	1.8	2.2
Iceland	4	4	7	7	7	14	1.8	1.8	2.0
Ireland	9	45	53	38	112	142	4.2	2.5	2.7
Italy	46	290	474	80	434	912	1.7	1.5	1.9
Latvia	1	2	3	2	3	11	2.0	1.5	3.7
Lithuania	0	4	7	0	5	13	0	1.3	1.9
Luxembourg	4	5	5	21	22	24	5.3	4.4	4.8
Malta	1	1	3	2	2	7	2.0	2.0	2.3
Netherlands	33	55	99	56	105	252	1.7	1.9	2.5
Norway	26	34	104	48	61	268	1.8	1.8	2.6
Poland	42	80	106	53	177	324	1.3	2.2	3.1
Portugal	36	54	66	44	181	317	1.2	3.4	4.8
Romania	3	13	17	14	40	61	4.7	3.1	3.6
Russian Federation	71	273	530	90	351	941	1.3	1.3	1.8
Serbia	0	4	5	0	6	7	0	1.5	1.4
Slovakia	0	10	16	0	10	36	0	1.0	2.3
Slovenia	9	9	11	9	9	16	1.0	1.0	1.5
Spain	29	177	290	50	252	758	1.7	1.4	2.6
Sweden	8	32	107	8	38	155	1.0	1.2	1.4
Switzerland	19	43	90	28	60	133	1.5	1.4	1.5
Turkey	20	51	118	20	62	205	1.0	1.2	1.7
United Kingdom	229	357	460	303	667	1 408	1.3	1.9	3.1
Total Europe	**821**	**2 366**	**4 120**	**1 535**	**4 684**	**10 346**	**1.9**	**2.0**	**2.5**

Source: MEDIA Salles

cember 2009 to 81.5% in December 2010. In some countries in Central and Eastern Europe, such as Croatia, Lithuania, Serbia and Slovenia, where the number of digital cinemas is still modest, as well as in Iceland, 3D screens represent 100% of total digital screens.
In many countries the penetration of 3D digital screens compared to the total number of digital screens is over 90%: Russia (99.6%), Turkey (98.5%), Hungary (98.2%), Sweden (96.8%), Poland (95.7%), Denmark (95.6%), Switzerland (94%), Bulgaria (93%), Italy (92.3%), Finland (92%), the Netherlands (91.7%), Greece (91.5%), the Czech Republic (91%) and Latvia (90.9%). The percentage is, however, lower in the United Kingdom, where it grew from 71.1% in December 2009 to 77.9% in December 2010, and in France, where it rose from 69.4% to 74.5%.

Paola Bensi
Statistician

Graph 2: Digital screens: situation in Europe by exhibitor as at 1st January 2011



Source: MEDIA Salles

The leading European exhibitors in terms of digitalized screens prove to have adopted different strategies. Some, such as CGR and Kinepolis, have digitalized a high number of screens in all their complexes, reaching 11 and 10.9 digital screens per cinema, whilst in others the incidence of screens per cinema still remains extremely low, as in the case of Odeon and UCI Cinemas Group (with 3.9 digital screens per site) and Cinema City (3.5).

THE VOICE OF THE DIGITRAINING PLUS PARTICIPANTS

91.2% of participants declared themselves "very or extremely satisfied" with the course

79.4% of participants declared to have "very or extremely increased their knowledge on the state of the art of digital cinema and its future prospects"

75.7% of participants declared that the knowledge gained at the course will be "very or extremely useful for their profession"

Data refers to the 2010 edition of the course.

DGT

FOCUS ON THE SPEAKERS

Giovanni Dolci

Emmanuel Joly

Harri Abokas

Till Cussmann

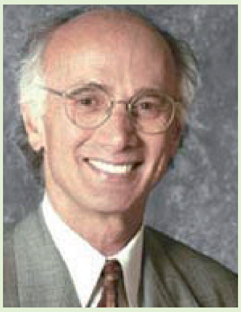
(continues from page 1)

ernment, the main partners of the 2011 course are the Finnish Film Foundation and the Finnish Chamber of Films with the collaboration of the Estonian Film Foundation.
This year the eighth edition, to be held from 29 June to 3 July, introduces an important innovation: the course will be held in Helsinki but will also include a visit to Tallinn, to give participants the chance to make first-hand acquaintance with two particularly significant situations. Finland is, in fact, a country where the conversion to digital theatres has been and continues to be supported by public institutions as part of a programme that aims at innovation in all sectors in the country, including the cultural industry. Estonia, instead, can be considered an example of the many small-medium markets in which the digital transition has to find models that will allow the new technology to be adopted by cinemas whose function is prevalently social and cultural rather than strictly commercial.
The course moderator this year will once again be Tony Williams, a veteran of the British cinema industry, whilst the speakers will include European professionals such as Ron Sterk and Steve Perrin, who will be presenting joint initiatives launched by exhibitors in the Netherlands and in Great Britain, but also experts from the other side of the ocean, such as John Fithian, President of NATO, the US exhibitors' association. A comparison between the situation in America and that in Europe will be made in the talks by Michael Karagosian and the session held by EDCF, a course partner. The visits to different types of digital cinemas – an urban multiplex such as the Coca Plaza in Tallinn and the versatile Kino Tapiola in Espoo, also the venue of a dynamic festival – will be another component of this course which for some years now has been considered by participants to be a valid landmark for those who wish to understand opportunities and risks in the digital transition and gain proactive experience of what has been defined the most important change in the cinema since the advent of sound.

DGT

DIGITRAINING PLUS: EUROPEAN CINEMAS EXPERIENCING NEW TECHNOLOGIES
29 JUNE - 3 JULY 2011
HELSINKI AND TALLINN

FOCUS ON THE SPEAKERS


Michael Karagosian


Steve Perrin


Tilman Scheel


John Fithian

PROGRAMME (provisional)

Wednesday 29 June

Arrival in Helsinki.

Afternoon - Finnish Film Foundation.

Opening session

Mike Vickers - Treasurer of MEDIA Salles
Irina Krohn - Director FFF

Harri Ahokas - Head of Distribution FFF
Tero Koistinen - Finnish Film Chamber

The Finnish experience of digitalization. Digital techniques: a new opportunity for documentaries on the big screen?

Presentation of the course structure by **Anthony Williams**, moderator.

Screening of the Finnish documentary "Steam of Life", finalist at the European Film Awards 2010.

Thursday 30 June

Morning - Finnish Film Foundation.

Migration to digital or digital at the service of 3D? Situation and prospects in North America and in Europe with **Michael Karagosian** (MKPE) and **Antoine Virenque** (EDCF - Fiad).

Technical session: delivery of digital materials to movie theatres with SmartJog.

Afternoon - Finnish Film Foundation.

Economic models - an overview, part 1. Experiences in Europe: **Giovanni Dolci** (AAM).

Transfer to Tallinn.

Aldo Tammsaar - General Manager of Forum Cinemas: the Forum Cinemas approach to digitalization.

Visit to the cinema "Coca Cola Plaza", an urban multiplex in the centre of Tallinn

Screening of digital and 3D content.

Friday 1 July

Morning - Cinema Artis, arthouse cinema in the centre of Tallinn.

In collaboration with the Estonian Film Foundation: an information session open to players and exhibitors from the Baltic Republics.

Digitalization: an opportunity or a threat for independent and arthouse exhibitors, small and medium theatres, exhibition in rural areas? The intervention by the MEDIA Programme.

Economic models - an overview, part 2. Experiences in Europe: **Emmanuel Joly** (European Commission) and **Till Cussmann** (FTT).

Afternoon.

Visit to the historical city centre of Tallinn.

Transfer to Helsinki.

Saturday 2 July

Morning – Cinema Tapiola, Espoo.

Integration between national and local policies on behalf of the cinema with **Georg Dolivo** – Head of Cultural Affairs for the city of Espoo.

Session on content.

Digitalization as an opportunity for giving cinema audiences a wider choice: films and material from film libraries, alternative 3D and live 3D content: **Tilman Scheel** (Europe's Finest) and **Elisabetta Brunella** (Secretary General MEDIA Salles).

Afternoon - Finnish Film Foundation.

Economic models - an overview, part 3. Experiences in Europe: **Ron Sterk** (NVB - NL), **Steve Perrin** (DPF - UK) and **Rufino Carrillo** (Yelmo).

Group Work.

How can a movie theatre be transformed thanks to the new technologies? **John Fithian** (President of NATO).

Sunday 3 July

Final question and answer session.

Course evaluation by participants.

Course closure and issue of diplomas.

Practical information

5-day intensive course

Start of course: 29 June 2011, in Helsinki.

End of course: 3 July 2011, in Helsinki.

Transfer to Tallinn by ship (30 June - 1 July)

Fees, including accommodation for 3 nights in Helsinki and 1 night in Tallinn: 800 euros for those who enrol by 23 May.

Scholarships available on request.

Language used on course: English.

For more information and to download the enrolment form, please visit the MEDIA Salles website: www.mediasalles.it