

The Digital Screen Network & Digital Cinema in the UK

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DIGITRAINING PLUS
10th April 2008, the ICA

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The Cinema Landscape in the UK

- 350 cinemas, 3000+ screens
- Dominated by 'hollywood films' –
24% UK (including US co-productions)
- 90% of box office comes from top 100 films
- 157m admissions, £762 box office in 2006

Landscape cont.:

'Specialised' films (*in 2003*)

- Circa 10m admissions for specialised film
- 5.6% of all admissions. (170m total)
- 149 specialised films released out of 375 films in total
- Average release size was 9 screens.

“A wider range of films in more cinemas”

- Audience choice often limited
- Diversification of market vital to long term sustainability of industry
- **Challenge: how to grow a significant lasting market for more diverse range of films in the UK**

A Digital Solution

- High Definition 2K Digital Cinema provides an experience 'as good as or better than' 35mm
- Lowers barriers to wider releases
- More flexible and responsive programming models

Why 2K DCI (Hollywood) Standard?

- Credibility
- Industry buy-in
- Quality

The Network Structure

- Appointed Arts Alliance Media to run network
- Cinemas commit to more specialised shows
- 4 year Programme – cinemas have option to buy equipment at end

The Network

- 240 screens in 213 cinemas
- UK-wide / all types of cinemas
- All screens fully installed May 2007
- Overall cost: circa €17m

How Cinemas were Selected

- Increase in specialised shows
- Maximum geographic spread (access)
- Incentivising digital distribution
- Other benefits e.g. education and diversity

Targets

- Additional performances of specialised film = 75,000 in Year 1, rising to 165,000 in Year 4
- In 2003 specialised admissions = 10m
- Target admissions for year 4 = 14m (i.e. 40% increase overall growth)
- Requires 25 admissions per show

The Story so Far...

- Cinemas on target:
Jan – Apr 07: 92,148 specialised shows reported against target of 92,018
- Network being well used: 100+ films in digital
April-Sept
- *Jan – Apr 07 Admissions for Specialised Film Up 17%*
- Innovative Programming Possibilities

The Story so Far cont ...

some issues

- Booking congestion
- Move-overs in cinemas
- Reperatory Bookings
- General D-cinema roll out slow

So... the Digital Network is NOT about Digital...

Digital the facilitator for:

- Wider access for audiences and greater opportunity to view 'different' films
- Building audiences for the future

Digital Cinema in the UK Now

- Approx 50 commercial installations
- Virtual Print Fee model yet to be adopted by exhibitors

Drivers for Digital Uptake:

- Alternative content: live opera, concerts, premieres
- 3D: approx 60 commercially installed Digital 3D screens

Live Events

- *Shine a Light* premiere event (2/4/08):
98 Cinemas / £1,600 avg per show
- Live Question and Answer sessions with filmmakers (e.g. *Happy Go Lucky*)

Digital 3D

■ *Beowulf* UK Results

Version	Screens	Opening Screen Average	Total Gross
BEOWULF	454	£3,488	£4,601,000
BEOWULF 3D	51	£10,017	£2,665,083

■ 2009 key year for 3D product

Possible Threats

- VPF or other models may not work for smaller exhibitors
- Audience choice could be reduced

Opportunities

- Increased revenue streams (alternative content, 3D etc)
- Reduced staffing costs
- Flexible and audience-responsive programming

FRIDAY 4th APRIL

- 10:00 Horton Hears a Who! [U]
- 11:30 Jumper [12A]
- 13:15 The Other Boleyn Girl [12A]
- ★ 15:30 The Spiderwick Chronicles [PG]
- ★ 17:15 The Spiderwick Chronicles [PG]
- ★ 19:00 The Orphanage [15]
- ★ 21:00 10,000 B.C. [12A]

SATURDAY 5th APRIL

- ★ 10:00 The Spiderwick Chronicles [PG]
- 11:45 Horton Hears a Who! [U]
- ★ 13:30 The Spiderwick Chronicles [PG]
- 15:30 The Other Boleyn Girl [12A]
- ★ 18:00 10,000 B.C. [12A]
- ★ 20:15 The Orphanage [15]

SUNDAY 6th APRIL

- ★ 11:00 The Spiderwick Chronicles [PG]
- ★ 12:45 The Spiderwick Chronicles [PG]
- 14:45 The Other Boleyn Girl [12A]
- ★ 17:00 The Orphanage [15]
- ★ 19:00 10,000 B.C. [12A]
- ★ 21:00 The Orphanage [15]

MONDAY 7th APRIL

- 10:00 Jumper [12A]
- 11:30 Horton Hears a Who! [U]
- ★ 13:15 The Spiderwick Chronicles [PG]
- 15:00 The Other Boleyn Girl [12A]
- ★ 17:15 The Spiderwick Chronicles [PG]
- ★ 19:00 The Orphanage [15]
- ★ 21:00 10,000 B.C. [12A]



TUESDAY 8th APRIL

- ★ 10:30 The Spiderwick Chronicles [PG]
- 12:30 The Other Boleyn Girl [12A]
- ★ 14:45 The Orphanage [15]
- ★ 17:00 The Spiderwick Chronicles [PG]
- ★ 19:00 10,000 B.C. [12A]
- ★ 21:00 The Orphanage [15]

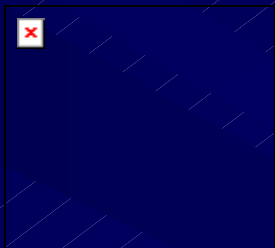
WEDNESDAY 9th APRIL

- 10:15 The Other Boleyn Girl [12A]
- ★ 12:30 The Spiderwick Chronicles [PG]
- ★ 14:30 The Orphanage [15]
- ★ 16:30 The Spiderwick Chronicles [PG]
- ★ 18:30 10,000 B.C. [12A]
- ★ 20:30 The Orphanage [15]

THURSDAY 10th APRIL

- ★ 10:00 The Spiderwick Chronicles [PG]
- 11:45 Jumper [12A]
- ★ 13:30 10,000 B.C. [12A]
- ★ 15:30 The Spiderwick Chronicles [PG]
- ★ 17:30 The Orphanage [15]
- * 19:30 *Maria Suarda*





Results

- 62,600 admissions in total
- Best *Withnail and I* 131 per screen avg
- Average of 69 admissions per cinema
- Highest ever exit poll ratings