

## MEDIA GUIDELINES 2010

### A. OBJECTIVES

- ♦ To increase and diversify European programming in film theatres – particularly with regard to European non-national films – and to raise attendance at these films.
- ♦ To encourage exhibitors' European initiatives aimed at Young Audiences.
- ♦ To develop a network of film theatres suited to foster joint activities at national and European level.
- ♦ To encourage digital projection of European films in theatres.

### B. SUPPORT SCHEME AND DISTRIBUTION OF FUNDS

1. **The main funding** will range from € 15,000 for single-screen theatres to € 45,000 for multiplexes of 15 or more screens. It will be distributed as follows:

- **80%** of funding granted for **European non-national programming** calculated on the basis of numbers of screenings.
- **20%** of funding granted to encourage **exhibitor activities targeted at Young Audiences** (maximum Young Audiences Funding € 5,000). This funding will take into account:
  - specific programming of cinemas with regard to screenings and European films for Young Audiences and school groups
  - exhibitor activities, publications, mailings, promotion of screenings or films concerned
  - exhibitor participation in joint activities developed at national or European level (*cf. special guidelines*).

2. **Three bonuses may be added to the main amount of funding paid out to a theatre:**

- a **diversity** bonus for the number of European nationalities included in programming,
- a bonus for the programming of films awarded the **Europa Cinemas Label**
- a bonus for **programming of European films in 2K digital format** (*cf. special guidelines*).

3. **Support for joint initiatives within the network** is intended to subsidize the financing of communication tools between film theatres as well as promotional and informational activities implemented both nationally and at European level. It also sponsors initiatives that allow exhibitors to join the network on the basis of joint objectives at national and regional level. Funds paid to the coordinating body are provided in equal shares by the European Commission and by a contribution from the film theatres taken from the funding.

## **C. SUPPORT FOR EUROPEAN PROGRAMMING**

### **1. Eligibility threshold for funding for European programming content**

#### **Non National European Screenings threshold:**

To receive funding, a film theatre (cinema) or a group of cinemas covered by the same agreement must screen a minimum percentage of European non-national films (**SENN**) in relation to its total screenings.

**Table 1**

<b>ELIGIBILITY THRESHOLD FOR FUNDING</b>	
<b>Number of screens</b>	<b>Minimum SENN threshold</b>
1	25% to 30%
2 to 5	22%
6 to 9	20%
10 to 12	17%
13 or more	15%

#### **Diversity threshold:**

SENN screenings must include at least five different countries of origin for single-screen cinemas, six for 2- to 5-screen multiplexes and at least nine different countries of origin for complexes having more than five screens (a minimum of seven screenings is necessary for a nationality to be included in the calculation).

#### **SENN threshold per nationality:**

If same-nationality films account for a major proportion of European non-national screenings, they must not exceed:

- 33% of SENN screenings for cinemas (or groups of cinemas within the same agreement) with more than 5 screens
- 50% of SENN for cinemas or groups with between 2 and 5 screens
- 66% of SENN for single-screen cinemas

### **2. Scale of funding:**

#### **2.a. Main funding**

In order to qualify for maximum programming support, cinemas will need to achieve a SENN percentage of **35% of total screenings (25% to 30% for single-screen theatres)**. If this percentage is not achieved but the cinema has a SENN percentage higher than the **eligibility threshold for funding**, programming support will be **pro-rated to the number of screens achieving a SENN proportion of 35% after the overall results of the multiplex have been averaged**.

The cinema's percentage of European screenings (**SE**) will also be taken into account for the calculation of funding.

The support will be granted according to the following scales (tables 2 and 3):

**Table 2**

<b>Scale of funding – single-screen cinemas</b>					
<b>Number of screens funded under the same agreement</b>	<b>Maximum annual funding</b>	<b>Programming support</b>	<b>Young Audiences support</b>	<b>% SENN*</b>	<b>% SE**</b>
1	€ 15,000	€ 12,000	€ 3,000	30%	50%
1	€ 15,000	€ 12,000	€ 3,000	29%	52%
1	€ 15,000	€ 12,000	€ 3,000	28%	54%
1	€ 15,000	€ 12,000	€ 3,000	27%	56%
1	€ 15,000	€ 12,000	€ 3,000	26%	58%
1	€ 15,000	€ 12,000	€ 3,000	25%	60%

**Table 3**

Scale of funding – two or more screens							
Number of screens funded under the same agreement	Maximum annual funding	Programming support	Young Audiences support	Minimum SENN* threshold in the multiplex	Minimum SENN* percentage per funded screen	% SE** A countries	% SE** B countries
2	€ 17,500	€ 14,000	€ 3,500	22%	35%	49%	44%
3	€ 20,000	€ 16,000	€ 4,000	22%	35%	48%	43%
4	€ 22,500	€ 18,000	€ 4,500	22%	35%	47%	42%
5	€ 25,000	€ 20,000	€ 5,000	22%	35%	46%	41%
6	€ 27,000	€ 22,000	€ 5,000	20%	35%	45%	40%
7	€ 29,000	€ 24,000	€ 5,000	20%	35%	45%	40%
8	€ 31,000	€ 26,000	€ 5,000	20%	35%	45%	40%
9	€ 33,000	€ 28,000	€ 5,000	20%	35%	45%	40%
10	€ 35,000	€ 30,000	€ 5,000	17%	35%	45%	40%
11	€ 37,000	€ 32,000	€ 5,000	17%	35%	45%	40%
12	€ 39,000	€ 34,000	€ 5,000	17%	35%	45%	40%
13	€ 41,000	€ 36,000	€ 5,000	15%	35%	40%	35%
14	€ 43,000	€ 38,000	€ 5,000	15%	35%	40%	35%
15 or more	€ 45,000	€ 40,000	€ 5,000	15%	35%	40%	35%

\* SENN: European Non National Screenings / \*\* SE: European Screenings

**A countries:** France, Germany, Italy, Spain, Switzerland, United Kingdom / **B countries:** other countries participating in the MEDIA Programme

**Priority for first-run European films:** programming must include a minimum of 70% first-run SENN, i.e. films shown within twelve months of release in the country.

## 2.b. Bonus for diversity of programming

In order to encourage exhibitors to diversify the range of countries of origin of their films, a bonus can be granted according to the number of **European** countries represented in the list of films screened.

The bonus ranges from 1 to 20% of the amount received for programming support. The bonus is triggered if at least **11 European nationalities** are presented in the programme schedule. A minimum of seven screenings is necessary for a nationality to be included in the calculation.

**Table 4 – Scale of Diversity Bonus**

Number of European nationalities	Bonus	Number of European nationalities	Bonus
11	+ 1%	21	+ 11%
12	+ 2%	22	+ 12%
13	+ 3%	23	+ 13%
14	+ 4%	24	+ 14%
15	+ 5%	25	+ 15%
16	+ 6%	26	+ 16%
17	+ 7%	27	+ 17%
18	+ 8%	28	+ 18%
19	+ 9%	29	+ 19%
20	+ 10%	30	+ 20%

## **2.c. Europa Cinemas Label bonus: programming incentives for Label winners**

*(The Europa Cinemas Label is awarded by a jury of exhibitors to a European film within the scope of four festivals: Berlin, Cannes, Karlovy Vary and Venice).*

Europa Cinemas encourages network exhibitors to include Label winners in their programming and to screen these films longer so as to help promote them.

Incentive principle:

Single-screen cinemas: As of the second week of programming and beyond 14 screenings, each screening will count double in the calculation of the cinema's percentage of European non-national screenings.

Cinemas having two or more screens: As of the second week of programming and beyond 28 screenings, each screening will count double in the calculation of the cinema's percentage of European non-national screenings.

Funding may be granted to cinemas located in the film's country of origin, provided that the film is released on a number of copies inferior to the national average for this type of release.

## **3. Special funding conditions**

### **3.a. Box-office matching fund**

Programming support and bonuses will be paid out only if the exhibitor invests at least an equal amount for the programming and promotion of European non-national films. These amounts may not exceed 25% of box-office revenues for European non-national films.

### **3.b. Ceiling of €1 per European non-national admission**

Amounts granted to theatres under the programming allocation may not exceed € 1 per admission to European non-national films.

## **D. DEFINITIONS**

### **European films**

"**European films**" are feature films (including animated films), documentary films or programmes of at least 60 minutes in length that fulfil the following two conditions:

- a majority percentage of the film project has been produced by one or several producer(s) established in participating states to the MEDIA Programme (table 5)
- the film project involves a significant participation by professionals who are nationals or residents of participating states of the MEDIA programme
  - Feature-length films: a minimum of 10 out of a possible 19 points according to the MEDIA criteria listed in table 6 below
  - Documentary films: as the "lead" criteria cannot apply in this case, the film must have a minimum of 7 out of 13 points (the other criteria remain the same)
  - Animated films: the "lead" and "director of photography" criteria do not apply, and the film must have a minimum of 7 out of 12 points

*Advertising films, pornographic and racist films, and films inciting to racism or violence shall be excluded from this category.*

Table 5	
32 countries participating in the MEDIA programme	
Austria	Latvia
Belgium	Liechtenstein
Bulgaria	Lithuania
Croatia	Luxembourg
Cyprus	Malta
Czech Republic	Netherlands
Denmark	Norway
Estonia	Poland
Finland	Portugal
France	Romania
Germany	Slovak Republic
Greece	Slovenia
Hungary	Spain
Iceland	Sweden
Ireland	Switzerland
Italy	United Kingdom

Table 6	
MEDIA criteria	Points
Director	3
Scriptwriter	3
Composer	1
*° 1st lead	2
*° 2nd lead	2
*° 3rd lead	2
Art director	1
* Director of photography	1
Editing	1
Sound editing	1
Location of shooting	1
Laboratory	1
<b>TOTAL</b>	<b>19</b>

\* Except animation films

° Except documentaries

### National / non-national European film

A European film shall be deemed national in the MEDIA country whose citizens/residents have played the most significant role in producing the film. It shall be deemed non-national in the other countries. Should particular difficulties be encountered in determining the main nationality associated with a European co-production, the Committee of Experts may propose that it be treated as a European non-national production in all European countries.

### Film theatre

A "film theatre" is defined as a commercial establishment with a single screen or several screens at the same location and operating under the same company name. **Single-screen theatres or multiplexes located at different places in the same urban centre but belonging to the same exhibiting and programming unit shall be treated as a single establishment and hence grouped together in the same agreement.** The network also includes first-run cinemas that programme recent European films within twelve months of their release in their country of origin.

N.B. A film theatre may also be referred to as a cinema.

### "Mini-network" of film theatres

Film theatres in different towns or cities and/or not part of the same exhibitor or programming company but wishing to collaborate and pool their results so that together they can meet the objectives of the Europa Cinemas guidelines and organize joint programming or events may be joined within the scope of a single agreement. Mini-networks will be encouraged in countries/regions where the Europa Cinemas network is not well represented.

The agreement signed by the group of cooperating exhibitors will name a "network leader" for each "mini-network" and include a precise list of the names of both exhibitors and cinemas. The "network leader" exhibitor will sign the agreement with Europa Cinemas and act as proxy recipient of the funding. Each mini-network participant must appoint Europa Cinemas to represent it vis-à-vis the European Commission.

## Support for joint projects within mini-networks:

Mini-networks engaging in coordinated activities and initiatives or in efforts to circulate European films may benefit from special funding.

This support may also be offered to cinemas outside the network that join in activities on an occasional basis.

Coordinated activities must focus on the following objectives:

1. structuring cinema networking at regional level, particularly by bringing exhibitors together within the scope of their European programming activities;
2. bundling the promotional efforts of exhibitors in favour of European non-national films in order to increase the impact of their release in these cinemas, and encouraging the organisation of joint activities and initiatives involving European non-national films.

The financial involvement of Europa Cinemas shall not exceed € 10,000 or account for more than 50% of total investment. Fixed operating expenses and permanent personnel costs shall not be supported.

## **E. CONDITIONS OF ELIGIBILITY AND CONTINUED MEMBERSHIP** **IN THE EUROPA CINEMAS NETWORK**

**Network membership is open to film theatres meeting the following criteria:**

- **European commercial theatres\*** that have been open to the public for at least six months and that operate with a box-office system and declaration of revenues (*\*European commercial theatre: any company, corporation, association (or other type of legally registered organisation) owned either directly or through a majority interest by citizens of countries participating in the MEDIA programme and located and established in these countries (table 5)*)

- **Minimum number of annual screenings for permanent theatres: 520**

A degree of deviation from this figure may be accepted for single-screen theatres operating in specific circumstances (regions with few film theatres, multi-use facilities used to screen films at a reduced level but on a regular basis). For open-air theatres, a minimum of 30 screenings a month is required.

- **Programming of recent films:** at least **70%** of total European non-national screenings must be first-run films. Certain theatres with a high proportion of European non-national screenings and where retrospectives account for more than 30% of programming for the entire establishment could be allowed by way of exception. This decision might be justified for cinemas in towns or cities where the network is already represented among first-run theatres with quality programming highlighting **recent European film production**. In this case, support will be pro-rated to the number of screens with 70% first-run European non-national screenings.

- **Minimum number of seats per establishment: 70.** If a cinema has several screens where capacity is less than 70 seats, screens will be counted together in order to reach the 70 required seats. In cases where several screens have a low number of seats, Europa Cinemas may also establish an agreement on a number of screens inferior to the real number of screens.

- **Minimum number of admissions over twelve months:**

**30,000** admissions in France, Germany, Italy, Spain, Switzerland and the United Kingdom

**20,000** admissions in other countries

- Technical equipment, which meets professional standards.

- Safety conditions complying with national regulations.

- Pornographic cinemas excluded.

• **Positive discrimination:** In certain situations, an operational adjustment of the Guidelines not affecting the primary objective of European mainly non-national programming may be adopted by the Europa Cinemas Experts. This adjustment will apply to countries meeting the following characteristics:

- low average admission price,
- limited number of films produced or distributed in the country,
- small or unbalanced pool of theatres.

In these exceptional cases, the Committee of Experts may adjust its requirements for certain criteria, for instance the Matching Fund, attendance thresholds, or European screenings or diversity objectives.

**The network will incorporate cinemas that agree to:**

- sign a contract of at least one year on European programming pursuant to the scales established
- publicise their membership in the network
- organise initiatives on European films targeted at Young Audiences
- participate in joint initiatives at the European level and contribute to the co-financing of such initiatives
- set up a website
- ensure top-quality conditions: welcoming atmosphere, comfort, quality of projection, advertising, visibility
- send to Europa Cinemas, on a regular basis and at least at the end of each year, the following information:
  - the titles of all films programmed
  - the number of screenings for each film
  - the number of admissions and box-office takings for each film

**This information must be sent to Europa Cinemas via the secure and confidential site provided by the Member Zone of the Europa Cinemas website.** This will allow the Committee of Experts to activate the annual payment of support, as long as the contractual conditions have been satisfied.

## **F. APPLICATION PROCEDURE**

An application including the following information should be sent by the stipulated deadline:

- a complete theatre identification sheet
- details of programming over the past six months
- copies of each publication issued by the film theatre
- statement of amounts paid to the distributor
- recent colour photographs of the cinema and the exhibitor.

Any application that is incomplete or sent after the deadline may be refused. Applications are to be uploaded to the Europa Cinemas website.

## **G. DECISIONS**

The Committee of Experts will examine applications to join or remain in the network.

It will select those applications that most effectively meet the objectives and priorities of the programme within the limits of the budgetary package assigned to Europa Cinemas by the European Commission.

It shall in particular take the following criteria into account:

- how well the film theatre has performed on admissions and in-house events;
- a significant percentage of overall European programming (national and non-national), assessed on the basis of market conditions in the country concerned;
- the geographical distribution of cinemas in the country or region concerned, priority being given to national or regional capitals, university towns or cities, towns or cities that are strategically located for the dissemination of films, medium-sized towns considered strategic for geographical, economic or cultural reasons.

Particular attention shall be given to countries or regions with low production capacity and/or restricted linguistic and geographical zones as well as to mini-networks formed in these countries.

A member theatre that does not achieve the percentages stipulated in the contract or that fails to send its programming for two consecutive years shall no longer be part of the network.

If results for European non-national screenings and European Screenings of a member theatre or group of member theatres drop over at least two consecutive years, the Committee of Experts may decide not to pay out total funding for the second year.

## **H. DEADLINES**

***Deadline for submitting applications:*** this deadline will be communicated by Europa Cinemas, the European Commission and the Media Desks. It has been set to 31 August 2010 for cinemas wishing to enter the network as of 1 January 2011. The application file will be online as of 1 July 2010.

***Deadline for sending annual programme reports:*** this deadline will be communicated by Europa Cinemas to network members. Reports concerning 2010 programmes must be sent before the end of January 2011.

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