

SUPPORT MEASURES FOR DIGITAL PROJECTION - 2010

A. OBJECTIVES

- **1.** To increase the programming of European films on digital format in Europa Cinemas/MEDIA network theatres.
- 2. To contribute to strengthening the offer of European films on digital by distributors.
- 3. To inform exhibitors about digital projection techniques and economic models.

B. ACCOMPANYING MESURES

1. Funding for digital projection of European films in Europa Cinemas / MEDIA network theatres

Europa Cinemas provides financial support for European network exhibitors offering a minimum number of European films screened in digital format. This funding consists of a bonus added to the main funding.

• Criteria of eligibility for theatres:

Funding will be available to theatres belonging to the Europa Cinemas / MEDIA network in 2010.

• Definitions:

- Digital projection:

A "digital screening" shall be deemed to be any screening of a European film or cinematographic programme of at least 60 minutes duration screened with a projector with a minimum resolution of 2K. *The Committee of Experts alone shall judge how many screenings of a film from a cinema's programming are taken into account, depending on the equipment with which the films were screened.* Beta SP and DVD screenings will not count as digital screenings.

- European films:

"European films" are feature-length or short fictional films, documentaries or animated films produced or coproduced in a majority proportion by one or several European companies and where European film professionals have contributed significantly to production (cf. MEDIA criteria). Advertising films, pornographic or racist films and films inciting to violence are excluded from this definition.

NB: The programming and the screening conditions will be examined at the Committee of Experts, based on the information given by the theatre.

• Funding modalities:

The criteria for access to support, as well as amounts of support, may be re-evaluated according to the development of the European offer and to the national level of digitisation.

Programming:

- European programming in digital format with an annual minimum of **7 European titles** and **150 screenings** will be necessary for a theatre to request funding. At least **50%** of screenings must involve European non-national films.

- All digitally screened films must be covered by a contract with a distributor or holder of rights.

Calculation of funding:

- Funding will be determined on the basis of the number of digital screenings of European films in the theatre. It may not exceed **€10 per screening** with a maximum of

- € 5,000 p.a. for single-screen theatres using a 2K digital projector,
- € 10,000 p.a. for theatres equipped with at least two 2K digital projectors.

- Support for digital projection for one theatre cannot exceed 5 consecutive years*. After 2 years of maximum support, the support will be reduced according to the following scale:

	Year 1	Year 2	Year 3	Year 4	Year 5
Theatre equipped with 1 digital projector	€ 5 000	€ 5 000	€4000	€ 3 000	€ 2 000
Theatre equipped with 2 digital projectors	€ 10 000	€ 10 000	€8000	€ 6 000	€4000

* The starting year for these measures in the network is considered to be 2006.

-Maximum amount of support per agreement - Funding is limited to € 20,000 within the scope of a single agreement signed for several cinemas.

• Obligations of beneficiaries:

Beneficiating theatres undertake to:

- submit to Europa Cinemas a dossier presenting the theatre and its exhibition structure
- sign an agreement with Europa Cinemas regarding the theatre's objectives in terms of European programming in digital format and the support granted for this programming
- at the end of every year, send in their programming schedule including the following information: titles, number of screenings, admissions, takings and promotional support for each European film projected digitally
- send Europa Cinemas publications providing evidence of programming details as described

Assuming objectives have been met, this information will trigger payment of financial support to the theatre.

• Payment of funding:

The information must be sent to Europa Cinemas via the Member Zone of the Europa Cinemas website. It will allow the Committee of Experts to activate payment of support if the above conditions have been satisfied.

2. Information/Communication

Europa Cinemas accompanies the theatres in the network in their transition to digital by informing the exhibitors about market developments and digital technologies. A new Digital Guide, updated in 2010, is available on the Europa Cinemas website. The different economic models used at a European level are also described. During its meetings and Conferences, Europa Cinemas opens up the debate about the offer of films on digital and financing solutions for the equipping of theatres. Lastly, the Network Review regularly presents concrete examples of equipped theatres as well as initiatives by network exhibitors who use this new technology to diversify their programming.

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