

GUIDELINES MEDIA 2012

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 FUND

- **The main funding** ranges from € 15,000 for single-screen theatres to € 45,000 for multiplexes of 15 or more screens. It is distributed as follows :
 - 80% of funding is granted for the programming of **European, primarily non-national films** 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 takes 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*)
- **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 or better digital format** (*cf. special guidelines*).
- **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 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

ELIGIBILITY THRESHOLD FOR FUNDING	
Number of screens	Minimum SENN threshold
1	25%
2 à 5	22%
6 à 9	20%
10 à 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 screens 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 films of the same nationality account for a major proportion of European non-national screenings, they may not exceed:

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

2. Scale of main funding

To be eligible for programming support, cinemas must achieve, based on their total screenings, a percentage equal to or greater than the access threshold applying on the basis of the number of screens covered by the agreement (cf. Table 1).

Programming support is **pro-rated to the number of screens achieving a SENN proportion of 35% after the overall results of the screens covered by the same agreement have been averaged (see Table 2). For single-screen cinemas, SENN must be a minimum of 25%.**

The percentage of European screenings (**SE**) achieved by a group of screens covered by the same agreement is also taken into account for the calculation of funding (**see Table 2**).

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 their country of origin.

Table 2

SCALE OF FUNDING BY NUMBER OF SCREENS							
Number of screens funded under the same agreement	Maximum annual funding	Programming support	Young Audiences support	Minimum SENN * threshold in the theatre or multiplex	Minimum SENN * % per funded screen	% SE ** A countries	% SE ** B countries
1	15 000 €	12 000 €	3 000 €	25%	25%	50%	45%
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 +	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

3. Scale of bonus

3.a. 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 10% 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 3

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

3.b. 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.

Modalities of the bonus:

Single-screen cinemas: as of the second week of programming and beyond 14 screenings, each screening counts 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 counts 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 with a number of prints lower than the average of same-type combinations in the country. This proviso could be relaxed in the case of countries with low domestic production.

3.c. Bonus for programming in digital format

(cf special guidelines)

4. Funding conditions: Matching Fund

The aim of the Matching Fund is to achieve parity between funding and the amount invested by the cinema. Depending on the country concerned, it can be calculated on the basis of a cinema's box-office revenues or number of admissions.

4.a. Matching fund on the basis of box-office revenues

Programming support is paid out only if the exhibitor invests at least an equal amount for the programming and promotion of European non-national films. Specifically, these funding amounts may not exceed 25% of box-office revenues for these European non-national films.

4.b. Ceiling of €1 per admission to European non-national films

Amounts granted to cinemas for programming may not exceed €1 per admission to European non-national films.

5. Special adjustment measures

Europa Cinemas' Committee of Experts may choose to adjust operation of the Guidelines in certain situations, as long as the primary objective of European non-national programming is not affected. Can be concerned cinemas located on markets showing the following specificities:

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

To compensate these imbalances, the Committee of Experts may adjust certain criteria – for instance the Matching Fund, attendance thresholds, screenings or diversity objectives – and grant total or partial support (75%, 50% or 25%). This type of funding may take place by way of exception for cinemas who come close to achieving the required targets and whose programming efforts are real.

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 (Cf. Table 4).

- 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 5 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 4

33 countries participating in the MEDIA programme	
Austria	Italy
Belgium	Latvia
Bosnia and Herzegovina#	Liechtenstein
	Lithuania
Bulgaria	Luxembourg
Croatia	Malta
Cyprus	Netherlands
Czech Republic	Norway
Denmark	Poland
Estonia	Portugal
Finland	Romania
France	Slovak Republic
Germany	Slovenia
Greece	Spain
Hungary	Sweden
Iceland	Switzerland

Under the condition of the formalization of the participation to the MEDIA programme

Table 5

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

* 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 coproduction, 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.**

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 is encouraged in countries/regions where the Europa Cinemas network is not well represented.

The agreement signed by the group of cooperating exhibitors names a “network leader” for each “mini-network” and include a precise list of the names of both exhibitors and cinemas. The “network leader” exhibitor signs 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 € 5,000 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 (Cf. Table 4).*

- **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:** The network includes first-run cinemas that programme recent European films within twelve months of their release in their country of origin. At least **70%** of total European non-national screenings must be first-run films.

Certain cinemas 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 cinemas. In this case, support is pro-rated to the number of screens with 70% first-run European non-national screenings.

- **Minimum number of seats establishment: 70.** A cinema should have a minimum of 70 seats in order to enter the Europa Cinemas Network.

- **Minimum number of seats per screen in a multi-screen venue: 50.** If a cinema has one or more screens with a seating capacity below 50, screens are counted together in order to reach the 50 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

25,000 admissions in Austria, Belgium, Luxembourg, and the Netherlands

20,000 admissions in other countries

Funding may be granted with a certain degree of tolerance for cinemas that do not achieve minimum attendance thresholds but nevertheless achieve more than 50% of these thresholds in admissions to European films.

- Technical equipment, which meets professional standards.
- Safety conditions complying with national regulations.
- Pornographic cinemas excluded.

F. OBLIGATIONS AND APPLICATION PROCEDURE

The network will incorporate film theatres 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 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, public profile
- 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 revenues for each film.

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

Applications can be uploaded to the Europa Cinemas website. The following documents must be attached and sent by the required deadlines:

- a complete theatre identification sheet,
- details of programming over the past six months,
- copies of each publication issued by the cinema,
- 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.

G. DECISIONS

The annual results of network cinemas are examined by the Committee of Experts, which then proposes payment of funding if contractual objectives have been achieved. The Committee of Experts also examines applications to join or remain in the network. It selects 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.

More specifically, it takes the following criteria into account:

- how well the cinema 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, and medium-sized towns considered strategic for geographical, economic or cultural reasons. Particular attention is given to countries or regions with low production capacity and/or restricted linguistic and geographical zones. In these countries, cinemas are encouraged to form mini-networks.

If a member cinema does not achieve the percentages stipulated in the contract by a wide margin or fails to send its programming for two consecutive years, the Committee of Experts may decide to rescind its membership in the network.

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

H. DEADLINES

Deadline for submitting applications: this deadline is communicated by Europa Cinemas, the European Commission and the Media Desks. It has been set to 31 August 2012 for cinemas wishing to enter the network as of 1 January 2013. The application file will be online as of 1 July 2012.

The applications will be analysed by the Europa Cinemas team and submitted to the Committee of Expert in October 2012. Final results will be communicated to the theatres after the Committee meeting.

Deadline for sending annual programme reports: this deadline is communicated by Europa Cinemas to network members. Reports concerning 2012 programmes must be sent before the end of January 2013.

Those reports will be analysed by the Europa Cinemas team and submitted to the Committee of Expert in April 2013. The Committee of Experts of April will discuss programming reports by the cinemas as well as the applications to the network which were adjourned in previous October. Final results on acceptance will follow up the Committee meeting. Decisions on support will be given after notification by the Commission.

EUROPA CINEMAS – President Ian Christie, General Director Claude-Eric Poiroux
54 rue Beaubourg, F – 75003 Paris – Tel. 33 1 42 71 53 70 – Fax. 33 1 42 71 47 55
<http://www.europa-cinemas.org> – Email : info@europa-cinemas.org

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