

2005 GUIDELINES

Detailed version

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A. OBJECTIVES

- 1. To increase European programming in film theatres and to raise attendance – particularly with regard to European non-national films.**
- 2. To encourage exhibitors to develop European initiatives aimed at Young Audiences.**
- 3. To promote diversity within European programming.**
- 4. To develop a network of theatres to enable joint initiatives at a national and European level.**

B. DISTRIBUTION OF SUPPORT

- **The main funding** ranges from € 15,000 for single-screen theatres to € 50,000 for multiplexes of 15 screens or more. It will be distributed as follows:
 - **80%** for European non-national programming on the basis of number of screenings
 - **20%** for the promotion of exhibitor initiatives aimed at Young Audiences
- **Two bonuses can be added to this main funding:**
 - bonus on the basis of admissions to European non-national films
 - bonus for diversity of programmingThese bonuses, which can be granted together, are calculated on the basis of a theatre's results.
- **Support for joint initiatives within the network:** this funding is intended to subsidize the financing of communication tools between theatres as well as promotional or 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. Europa Cinemas will coordinate these activities, which will be supported in equal shares by the European Commission and by the network theatres.

C. SUPPORT FOR EUROPEAN PROGRAMMING

1. Eligibility threshold for funding for European programming content:

To receive funding, a theatre or group of theatres must screen a minimum percentage of European non-national films (**SENN**) in relation to its total screenings. This **eligibility threshold** varies according to the number of screens as specified in the following scale:

Table 1 – ELIGIBILITY THRESHOLD FOR FUNDING

Number of screens	Minimum SENN threshold
1	25%
2 to 5	22%
6 and 7	20%
8 and 9	17%
10 and more	15%

The European non-national films shown must have at least five countries of origin, and no single European non-national country can account for more than half of the SENN films. For single-screen theatres, a threshold of 2/3 may be accepted.

2. Scale of funding:

• Main funding

In order to qualify for maximum programming support, theatres will need to achieve a SENN percentage of **33% of total screenings (25% for single-screen theatres)**.

If this percentage is not achieved but the theatre has a SENN percentage higher than the **eligibility threshold for funding** (cf. chart hereinabove), programming support will be pro-rated to the number of screens achieving a SENN proportion of 33% after the overall results of the multiplex have been averaged.

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

For single-screen theatres, funding will be granted according to the following scale:

Table 2 - SCALE OF FUNDING - single-screen theatres

Number of screens being funded	Maximum annual funding (€)	% of SENN	% of SE
1	15,000	25%	60%
1	15,000	26%	58%
1	15,000	27%	56%
1	15,000	28%	54%
1	15,000	29%	52%
1	15,000	30%	50%

In multiplexes of two or more screens - if the SENN threshold is achieved (cf. table 1) - funding will be granted on the basis of theatres' results according to the following scale:

Table 3 - SCALE OF FUNDING – multiplexes of two or more screens			
Total number of screens receiving support under the same agreement	Maximum annual funding (€)	% of SE A countries	% of SE B countries
2	17,500	49%	44%
3	20,000	48%	43%
4	22,500	47%	42%
5	25,000	46%	41%
6	27,500	45%	40%
7	30,000	45%	40%
8	32,500	42%	37%
9	35,000	42%	37%
10	37,500	40%	35%
11	40,000	40%	35%
12	42,500	40%	35%
13	45,000	40%	35%
14	47,500	40%	35%
15 and +	50,000	40%	35%

• **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.

- **A countries:** France, Germany, Italy, Spain
- **B countries:** other countries participating in the MEDIA programme.

- **Bonus**

Two bonuses can be added to this main funding:

Bonus on the basis of admissions to European non-national films (EENN)

A bonus ranging from 1 to 20% of the programming support can be granted to an exhibitor and added to the amount paid out pro-rated to the number of admissions achieved by a theatre for European non-national films.

**Table 4 - SCALE OF BONUS for EENN
(admissions to European non-national films)**

Sum granted in € per EENN	Bonus
0.46-0.50	+ 1%
0.44-0.46	+ 2%
0.42-0.44	+ 3%
0.40-0.42	+ 4%
0.38-0.40	+ 5%
0.36-0.38	+ 6%
0.34-0.36	+ 7%
0.32-0.34	+ 8%
0.30-0.32	+ 9%
0.28-0.30	+ 10%
0.26-0.28	+ 11%
0.24-0.26	+ 12%
0.22-0.24	+ 13%
0.20-0.22	+ 14%
0.18-0.20	+ 15%
0.16-0.18	+ 16%
0.14-0.16	+ 17%
0.12-0.14	+ 18%
0.10-0.12	+ 19%
< 0.10	+ 20%

In order to calculate the amount paid out per admission, the amount of programming support received should be divided by the number of EENN. If this amount is less than €0.5 per EENN, the bonus will be paid out according to the above scale. The percentage of the bonus applies to the amount of funding received for programming.

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 10 nationalities are presented in the theatre's programming. A minimum of seven screenings is necessary for a nationality to be included in the calculation.

Table 5 - SCALE OF DIVERSITY BONUS

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

3. Special funding conditions

• 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.

• 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 or documentary films or programmes (including animated films) 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 director(s) established in participating states (table 6) or associated states (table 7) of the MEDIA programme
- the film project involves a significant participation by professionals who are nationals or residents of participating or associated states of the MEDIA programme (minimum 10 points out of 19 according to the MEDIA criteria listed below – table 8)

Table 6
29 countries participating in MEDIA
Austria
Belgium
Bulgaria
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Italy
Latvia
Liechtenstein
Lithuania
Luxembourg
Malta
Netherlands
Norway
Poland
Portugal
Slovak Republic
Slovenia
Spain
Sweden
United Kingdom

Table 7
8 associated countries *
Croatia
Macedonia
Moldavia
Romania
San Marino
Switzerland
Turkey
Vatican State

Table 8	
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
TOTAL	19

* Films from countries that have ratified the Council of Europe's convention on "Transfrontier Television" shall be considered "European films".

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

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 a commercial establishment with a single screen or several screens at the same location and 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 theatres that programme recent European films.

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

The network is open to film theatres which meet 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
- 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
- Minimum number of seats per establishment: 70
- Minimum number of admissions over twelve months:
30,000 admissions in France, Germany, Italy, Spain 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.

**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 6).*

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
- establish an Internet connection
- 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 e-mail (Excel file) or via the Member Zone of the Europa Cinemas website (<http://www.europa-cinemas.org>). It will allow the Committee of Experts to activate the annual payment of support if 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
- photographs of the cinema and the exhibitor.

Any application either incomplete or sent after the deadline may be refused.

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;
- the geographical balance of distribution of cinemas in the country or region with priority being given to national or regional capitals, university cities, key cities for cinema screenings, medium-sized cities which are 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.

If results of one member theatre are lower than the contractual percentages for two consecutive years, the Committee of Experts may rule on the cinema's continued membership in the network.

H. DEADLINE

Deadline for submitting applications: this deadline will be communicated by Europa Cinemas, the European Commission and the Media Desks.



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