

EUROPA CINEMAS



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EUROPA CINEMAS

**With 3,197 screens in 68 countries,
Europa Cinemas is the first international film theatre network
for the distribution and exhibition
of European and Partners Countries films.**

*With the support
of the European Union's MEDIA Programme,
the Centre National du Cinéma et de l'Image animée (France),
Eurimages (Council of Europe)
and the French Ministry of European and Foreign Affairs.*



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OPENING

Speech by **Aurélie Filipetti**, Minister for Culture and Communication
Full version in the annex

Ian Christie – President of Europa Cinemas
Full version in the annex

Aviva Silver – Director of Unit of the European Union’s MEDIA programme

Mrs Silver, representing the Commissioner Androulla Vassiliou, who apologised for her absence, reiterated the importance of this unique meeting to talk about cinemas and film in Europe.

The minister has already spoken widely about the network, its essential role and its advantages. But there are two points to add:

A quantitative element: The network now brings together over 2,000 screens through the MEDIA programme which is a success in its own right, demonstrating the importance of the network. However, it is with the European film theatres that the network reveals its sheer force.

And a qualitative element: Aviva Silver thanked exhibitors for their commitment and enthusiasm for film and also for the essential role they play in passing films on to future generations, the audience of tomorrow. Europa Cinemas is also at the heart of the Commission’s programmes, firstly the MEDIA programme, for 20 years now, and subsequently, following its creation, MEDIA Mundus. While individually each exhibitor may receive only modest financial support, this allocation through Europa Cinemas represents over 10% of the MEDIA programme and over 20% for MEDIA Mundus, leaving no doubt as to the European Commission’s commitment to film theatres. Furthermore, Europa Cinemas is the pet project of Mrs Silver who recalls the primary goal of the MEDIA programme: to circulate films around Europe.

With regard to MEDIA statements on media chronology and VoD services, Aviva Silver recalled that, in these new programmes, the MEDIA unit protects the interests of film theatres but this is also the case with the Commission’s other policies, particularly those relating to competition, copyright, the information society and connected television. To this end, the MEDIA unit is drafting a recommendation on cinema in the digital era with three areas of focus and film theatres occupy first place in this recommendation. This is also the case with the future Creative Europe programme, with Europa Cinemas remaining at the heart of MEDIA involvement. Finally, Aviva Silver returned to the network’s anniversary: she recalled twenty years in the service of European film, the commitment of Claude Miller, thanked Claude-Eric Poiroux for his enthusiasm from the network’s very beginnings, and finally thanked exhibitors, their commitment over the last 20 years and in the coming 20 years.

Claude Eric Poiroux, Director General of Europa Cinemas.
Full version in the annex

SESSION 1 – The essential role of the cinema for European films

Moderator: Michael Gubbins

Speakers:

Laurent Cantet (Director, France)

Jacques-Henri Bronckart (Producer, Versus Production, Belgium)

Rikke Ennis (CEO, TrustNordisk, Denmark)

Ross Fitzsimons (Director, Curzon Artificial Eye, UK)

Claude Forest (Professor in Film and Audiovisual Studies, Paris-III University, France)

Nico Simon (Exhibitor, MD of Utopia SA, Luxembourg)

Michael Gubbins (MG) took a look back over 20 years of Europa Cinemas and recalled all the innovations appearing in recent decades: DVDs, multiplexes, VoD, connected television and the economic crisis in Europe. Thus there are many difficulties and great changes to be faced. In this world where digital technology has resulted in

entertainment everywhere and a plethora of choice, what is the role of the cinema and film in the post-35mm era? Laurent Cantet, director of *The Class* and *Foxfire*, gives a filmmaker's view of digital technology.

Laurent Cantet gives a filmmaker's view

Happy anniversary to Europa Cinemas. I am delighted to be participating in this Conference since film theatres are, obviously, the forum for my films. I place my camera with the big screen in mind and market forces can be resisted in these film theatres. It is largely thanks to film theatres like those in the EC network that we can ensure that mainstream does not become the norm.

When I release a film I put much of my energy into promotion in film theatres, I lead discussions and I meet filmgoers. This may appear laughable given the disparity between the number visiting the film theatre and those watching the film on the television.

Regarding digital technology, it is that very identity of film theatres which could counter their potential loss of strength compared with other means of film exhibition. Regardless of the method of projection, while digital technology is not just a way for all cinemas to screen the same film on the same day (which is the responsibility of distributors and exhibitors), the possibility of seeing the film under good conditions, on a print which does not wear out, is fantastic.

Filmmakers from around the world envy the network of film theatres in France and Europe and some of them even travel to Paris to gorge themselves on films on the big screen. Provided that this diversity continues.

MG: Some people will see your films elsewhere, because they have no access to film theatres, or they failed to hear about the film in time, or the film has not been distributed. What do you think?

Laurent Cantet : I do not forget that my film will also be seen in video format but when I shoot I shoot for the big screen and I do not consider any other destination. I am, perhaps, a dinosaur but I find it hard to believe that you can watch a film on a mobile phone. Because the image is more beautiful there, because I love the collective experience in the auditorium. That is really the main motivation behind my work. However, I have to admit that much of my knowledge of film was gained through television which can give you some experience of the cinema. I consider the technical constraints of the big screen when I think about the aesthetics needed for my film.

MG: Two conclusions: 1. A film is a product for the big screen and failure to project it under these conditions means losing some of the filmmaker's intent. 2. The importance of the film theatre as a social space.

Jacques-Henri Bronckart gives a producer's view

While digital technology may have modified production and post-production techniques, it takes six months to make a film and is an art form in its own right. And certainly, a great film is a great film, even on a computer screen. And Mr Bronckart, who also operates as a distributor, recalled that versions offered by vendors are often imperfect (time code, credits). However, despite these mediocre viewing conditions, you can gain an idea of the project's strength.

Certainly, the film theatre is the film's primary destination but we must not forget that the (almost indispensable) finance for the film relies on pre-purchase by television channels and the film's value to the channel is established at the very moment the film is screened in the film theatre. This work falls to the distributor and is carried out in tandem with exhibitors.

Mr Bronckart looked at the fundamental social aspect of the film theatre. In a context in which cultural provision has never been so important, filmgoers need guidance. Every week the exhibitor makes an editorial choice when he decides on his programme schedule and he needs resources to ensure that the audience accept these choices, maybe through education or the organisation of events. New tools can connect filmgoers and must be used.

MG: The relationship between production and exhibition is an ongoing debate. Where the producer and distributor work together, there seems to be a gulf with exhibition; could digital technology help to bridge this gap?

Jacques-Henri Bronckart: There are many intermediaries in the chain but it is important to remain close to the filmgoers, the target of the films, and these filmgoers are represented by exhibitors.

While there is some assistance for distribution, such as through the MEDIA programme, the distributor of a difficult film may also face problems placing his film due to an inflated number of releases each week. Now, a poorly shown film will have no value for the television which is the cushion which can absorb the distributor's risk (VoD is not yet profit-making for such films although it does tend to be so for box-office successes).

For example, the film by Nicolas Provost, which had its world premiere in Venice, was well received at many international festivals but did not find an international vendor despite its recognised artistic quality. No distributor wants to take the risk particularly since it is a first film. Renewed interest by filmmakers is essential. The question of film distribution must be considered by the producer at the project development stage. Digital technology allows for a reduction in costs and dematerialised delivery is a revolution which could benefit film circulation.

MG: The economic aspects of VoD are similar to those of DVDs and the television, namely, that exhibition creates marketing and marketing makes the film successful.

Jacques-Henri Bronckart: There are now many platforms which are not always clearly identified and which offer a plethora of films. As we said about exhibitors earlier, in offering films platforms make an editorial choice, hence a relay, or guide, is needed. VoD does not yet bring in sufficient revenue to support financing and pre-financing of films.

Question from the floor: Previously, 35mm was the threshold differentiating the professional and the amateur. Today, digital technology is within the reach of everybody, which has not only an economic impact but also an artistic one.

MG: This democratisation in film, in filmmaking, is wonderful but we need to be mindful of quality. How do you maintain it?

Jacques-Henri Bronckart: Maybe too many films are made without consideration of their end use but we have to maintain a laboratory of creations alive and support the diversity of creation. The European system, with its management and support, enables this diversity.

For example, *Hold Back* (Directors' Fortnight 2012) took six years to make with different supports. It should achieve over 100,000 admissions (104,000 on 26.12.2012) and it was precisely this different approach which attracted viewers and got them to visit the film theatre.

Sometimes you need to see 30 or 40 films to find the gem and that is what distributors and festivals do (there are an increasing amount of festivals and parallel sections). Sometimes exhibitors have seen a film at a festival but it is not released in their country, because the vendor demands too high a sum or because the distributor feels the risk is too great, and that is the problem of the market.

Domenico la Porta: For digital natives, the idea of the social experience being the added value of the film theatre is irrelevant. For them the excitement of the film theatre is just one option like 3D, Dolby digital or the big screen, but the experience in the film theatre may also be spoilt. There are discussion forums on the internet which are a form of collective experience. What should exhibitors do to build their own communities, pass on advice, generate a loyal community?

MG: The same challenge faces every film screening: how do you make sure a film finds its place, regardless of the support. VoD, a dematerialised support, has a low production cost which leads to a huge supply, making it all the more important that films stand out.

Rikke Hennis gives the international sale agent's view

TrustNordisk is an export and international sales company which sends 15 to 18 films to major festivals and subsequently sells them. The film theatre is absolutely essential to a sales agent; it is clearly a fundamental sector of activity.

As regards the dissemination of films on VoD platforms, this is the distributor's responsibility and requires a dedicated marketing team.

The battle between release windows is tiresome and not always in favour of the film. There is, of course, competition between these formats and everyone attempts to optimise its release but it would be better to improve communication between the different parties.

The new challenge for production is that there are new platforms such as iTunes and Netflix which have access to significant funds and which are in competition with traditional distributors. Going back to film theatres, there is nothing to equal this social experience. It represents added value offered by no other format.

MG: Do you think VoD will become an essential stage in film releases for distribution companies?

Rikke Hennis: That will be the case for some films but the cinema will continue to be essential. VoD may be one solution for small films which find it difficult to make their way onto the international stage. These films must be dealt with on a case by case basis.

MG: Is this positive vision of an environment which caters to the needs of individual films economically viable?

Rikke Hennis: Today, prices are inadequate. VoD release should replace DVD release and it is up to distributors to make adjustments in their budgets. It will take another two years to set up a new model.

MG: Some believe that in this new digital system independent films, European films, have been pushed out of film theatres; instead of a new impetus for European films, the market is at risk of showing favouritism to Hollywood.

Rikke Hennis: That is, in fact, the main problem. Hence the importance of supporting film theatres.

Comment from the floor: Distributor and exhibitor in the UK. Films are purchased for the film theatre and VoD to enable wider dissemination, giving access to the maximum, that is, outside London. There is a demand and revenues are increasing and this will not be to the detriment of exhibition in film theatres. Furthermore, VoD enables greater diversity.

Comment from the floor: On the question of quality and quantity: if networks of film theatres invested in production through an MG you could create a quality label and that would guarantee to producers and financiers that the film would be exhibited in cinemas.

Emmanuel Coq referred to the release conditions for the latest film by Larry Clark who decided to bypass the film theatre and release the film *Marfa Girl* directly on VoD platforms.

Excerpts from the interview in *Libération*:

As regards specific features of the US market: *'The US is not Paris. There are no more film theatres in my country for the distribution of a film of this type. Furthermore, the overwhelming majority of under-35s views most of these cultural programmes via the internet. That is where the public is, so that is where I go.'*

France is a country apart with a real film theatre culture. The film theatre window maintains the attention of the press. But that is dangerous: if the film does not work well from its first week it disappears from the screens so, as we have said, everything depends on the performance of a film in the cinema – both for television and for other supports. Film economics tell us that there is money in VoD. Vendors are thinking about this and it could have an effect on the organisation of film releases and positive thinking: the market will find a balance and independent films will not disappear.

Ross Fitzsimmons gives the distributor/exhibitor's view

Nine years ago the choice of these two sectors was a strategy to deal with market pressures facing distributors and exhibitors in terms of communicating a filmmaker's work to the public.

Certainly, seeing the film in the film theatre is a must but day-to-day consumption is different and much diversified. The value chain must be reviewed, therefore, from the customer's point of view.

Film must stand out from other cultural activities at a film theatre which offers non-film screenings. For the premiere of *Melancholia* at Mayfair cinema tickets cost £50 and were sold. It involved promoting the presence of those people who had come to present the film. Sometimes, when artists cannot be there in person, speeches are conveyed through Skype.

The film theatre is a cultural space for social activities and enjoyment, a formidable multiplicity.

You cannot forge an overly exclusive relationship between film and film theatre. Some people are unable to visit the film theatre and need other options for seeing films. We have to develop instruments, to know, understand and satisfy a highly heterogeneous public.

Ross Fitzsimmons believes that in five or ten years' time half of a film theatre's box office takings will be for operas, concerts and sporting events. This is a great change, a strong trend and producers will need a presence via other supports such as platforms. During the simultaneous distribution of Fatih Akin's *The Edge of Heaven*, VoD takings were higher than film theatre takings. Specific promotion is needed, and VoD and film theatre prices must be the same.

Jean-Jacques Schpolianski: Exhibitors, particularly those within the network, already run many activities and put in place ideas to attract the public but there remains one problem: exhibitor access to films. With distributors also in a weaker position, they naturally gravitate towards multiplexes while it is precisely the independent exhibitors who carry out the imaginative work of promotion and revealing editorial choices relaying films from the creator to the filmgoer.

Film has long been available via different supports but within the framework of a chronology allowing it to create its own aura and value, firstly through the film theatre, over a long, secure and exclusive period.

Ross Fitzsimmons: Having a commercial approach does not preclude a collective or public awareness but today, in the digital environment, and throughout the world, everything is on demand. For me, the question of chronology is discriminatory. It is even a legal problem: how can you refuse access to films to those who do not go to the film theatre? And you have to be realistic, see the commercial landscape in which we are evolving and gain a better understanding of the competitive world developed by digital technology.

MG: By failing to respect media chronology, we will undermine the economic model underpinning the entire film industry, which is based precisely on the release and success of a film at the cinema. But competition for a film lies in the other cultural activities online.

Caméo (Nancy): Listening to you I have the impression we are talking about a product rather than a work. It would be dreadful to engage future generations in a sector which bears no relation to artistic ideas: through art, people can be a little more human.

Gerardo de Vivo (Naples): The cinema is seasonal in Italy (October to May) and distributors set out a schedule covering several months with rapid rotation, meaning that we promote film events and not necessarily quality films. So we decided to distribute the films ourselves, using our 8,000 Facebook contacts and a reduced price. It doesn't have to be a recent film: it could also be a film which was not released in Italy, almost as if we were a festival. If the world is changing, we must change.

Claude Forest gives the sociologist's view

In no cultural industry, at any time, have there been so many works produced and that is thanks to digital technology which reduces costs and facilitates access for as many people as possible.

What does the film theatre mean to the public? Leaving the home and experiencing collective emotions together is what creates a quality and unique experience. Human beings are sharing creatures but you can also share your views on a film without having seen it together.

You need a chronology which permits the existence and longevity of this symbolic place for promotion and shared experience (four filmgoers out of five go to the cinema with others).

Fantasies are created with each technological innovation. With digital technology the supply was sure to expand but that did not take into account the cost of digitising analogue works. In France, Pathé can digitise 'only' 100 films from a catalogue of 700 in a five-year period, and that with State support. We are far from the unlimited provision of European heritage.

Second fantasy: since that costs so little, the risk would be that Hollywood inundates the market with one film or an unlimited number of films. That's why the question of exhibition space is raised in general.

The debate on quality has been put to one side: I might wish to see any work and choose to see it on my computer or go to the film theatre.

Another fantasy: No danger of uniformity since you always need diversity and independent film theatres assume the role of research and development required by any industry. One film theatre may offer *Skyfall* and *Khaos*, two films which bear no similarity to each other. Particularly as a result of the economic needs of film theatres: to screen certain films you can't do without others which may achieve higher admissions. That balance is necessary and is a question of complementarity.

You have to be cautious of this black and white idea of substituting one support for another, one work for another. This is not so. You need the whole for the industry to survive and to assure the pleasure of the audience, since you see a film for pleasure.

And we mustn't forget that in Europe, and not just in France, public authorities support cultural activities to counter a previously struggling market with insufficient demand by filmgoers.

But the diversity of markets, tastes and practices of filmgoers does require the complementary plurality of films and supports. And VoD must be considered in terms of complementarity rather than of substitution. What is astonishing is the way the economic model was slow to emerge when technical advancements were made and that this commercial model is now in competition with connected television.

About the audience: over the last two decades it has been noted that in the large European countries the proportion of young people who attend film theatres has continued to fall while, inversely, the proportion of over-60s continues to rise. Thus it appears that film theatres are regaining their public which have, perhaps, greater purchasing power, more time, more culture (which will also lead the majors to make different films). But young people, digital natives, tend to stay at home, to share, yes, but via social networks, which are time-consuming, and they have to decide how to spend their time. That is to say, digital communication must take different forms depending on the public and the offer must be varied and customised.

Nico Simon gives the exhibitor's view

The rules governing simultaneous releases vary by country and distributor practice. While there may be no difference between arthouse and mainstream film theatres, there is a difference between good and bad films. Opening the Pandora's box of small films, as a result of digital technology, threatens the very existence of film theatres. Major technological progress has changed aesthetics, from silent to talking, from black and white to colour and even the frame rates of images and we often demonstrate a nostalgic approach. Digital technology is

also a new screening platform as television itself was once. When television began to finance the cinema, the aesthetics of the cinema changed a great deal (this even killed cinema in some countries such as Italy). These technological changes and the resultant economic developments naturally had an impact on the cinema.

What changes has digital technology brought for exhibitors? The same films are being shown but digital technology gives more flexibility to programme schedules and greater diversity, particularly with alternative contents.

There is some confusion giving rise to a debate on digital technology and release dates: people refer to the upheaval of the business model but before that you have to consider the financial model shaping our activities and the entire sector. People talk about different formats and release dates but our vision continues to be based on the same financial model, itself based on theatrical releases. We must devise a new business model for the film theatre and a new financial model for the film industry.

What I fear is that in Europe we are groping around, experimenting, delaying, and that will give the Americans the opportunity to fill our screens and every platform.

Ian Christie: It is a time of plenty and even of excess with the great amount of works available and on many supports so we have to refer back to the filmgoer, to the consumer. Seeing a film at the film theatre requires more complex organisation. You have to find that information and adapt to it. Where is this film being screened? Will I have time to go there? How do I get to that film theatre? (VoD access is of course much simpler)

Conclusions by Michael Gubbins: Who is opening Pandora's box? The audience? The platforms? Does the debate reside on the fact that everybody wants everything and they want it now? I am certain, and this is also the view of Europa Cinemas and UNIC, that we have to respect ONE media chronology, perhaps a different one since we have to adapt in a changing world where the greatest change may come from the public itself: people want access to everything, now and, if possible, free of charge.

If we don't take these questions into account then the future of the industry is at risk.

How does the film theatre create a link with the public and ensure their participation?

Moderator : Michael Gobbins

Speakers:

Vincent Paul-Boncour (Exhibitor, Le Nouveau Latina, Distributor, Carlotta Films, France)

Sandra den Hamer (Director, EYE Film Institute, The Netherlands)

Giorgio Gosetti (Director, Venice Days, Italy; Programmer, Reykjavik International Film Festival, Iceland)

Roman Gutek (Exhibitor, Distributor, Gutek Film, Director, T-Mobile New Horizons Int. Film Festival, Poland)

Tero Kaukomaa (Producer, CEO of Blind Spot Pictures, Finland)

Saskia Walzel (Policy Manager, Consumer Focus, UK)

Doris Pack (MEP, Chairwoman of the Committee on Culture and Education, Germany)

Ted Hope (Executive Director, San Francisco Film Society, USA)

Mark Cosgrove (Head of Programme, Watershed Cinemas, UK)

Conclusions by Eric Garandeau (President of the CNC, Centre national du cinéma et de l'image animée, France)

Vincent Paul-Boncour (Exhibitor - Le Nouveau Latina, Distributor - Carlotta Films, France)

The Nouveau Latina, with its two screens, is a historic venue (the film theatre is over 100 years old) with a programme geared towards Latin films for over 20 years. For some years now there have been developments in the production and screening of these films and so we have had to find new areas of activity.

Its strength lies in the fact that it is the only film theatre in the 4th arrondissement in Paris, in the Marais district, and this is exploited to attract a different target audience: the notion of a forum. With its programme schedules and events and the provision of a venue on the first floor (a tea room and film bookshop) for discussions and get-togethers it is a place for interaction.

This policy has borne fruit since the film theatre, which five years ago had 40,000 admissions per year, now has 100,000. Filmgoers see what is on at the film theatre that week (instead of searching by film), meaning that the film theatre itself has aroused interest and affected people's behaviour.

To reach the public we favour local work based on the notion of district (traders, shops, organisations) in addition to more general methods of gaining customer loyalty through season tickets, special rates, exchange of emails and work over the internet, particularly Facebook, and work targeted to the films.

Sandra den Hamer (Director, EYE Film Institute, Netherlands)

(See Powerpoint presentation on EC website)

Presentation of the new film museum in the Netherlands which opened in May 2012, offering four film theatres and 1200m² of exhibition area, a bar and a media library.

The idea was to bring together a variety of institutions in the same building: a film museum, national archives, a cinema and a film training body. The main goal was to stimulate film culture in the Netherlands. The establishment aims at both professionals and the general public and has six missions: to maintain collections, to programme screens in situ and exhibitions, to educate (particularly through training in filmmaking with film schools), to promote (fusion with Holland Film, an organisation for the promotion of Dutch film abroad), to carry out research and development (cooperation with the University of Amsterdam for a Masters in Film Conservation), and to monitor the activities of the film industry (digitisation, statistics, etc.).

The collections comprise 40,000 films, 60% of them international, every Dutch film and some 60,000 posters. The main challenge today is the transition from an analogue collection to a digital collection.

Activities for the public: retrospectives, themed programmes, exhibitions, cooperation with existing festivals (Cinekid, KLIK!, IDFA) and creation of different online platforms to present the films more effectively (ximon.nl, instantcinema.org, filminnederland.nl).

ximon.nl = VoD platform permitted as a result of an agreement with the Association of Dutch Producers which receives 70% of the profit. For old films the unit cost is 0.99€ or sometimes free of charge; for recent films, the price is similar to the entrance fee.

filminnederland.nl = database with excerpts

Opened on 4 April 2012 with public success particularly due to new programmes for targeted audiences. 220,000 paying admissions (for exhibitions and films) and some 500,000 visitors (access to building free). Annual budget of 14 million euros, 45% of it from the Dutch government

Stumbling blocks to continued advancement today are the digitisation of heritage films (call for proposals made to European Commission), improved access to films and better management of copyright.

Giorgio Gosetti (Director, Venice Days, Italy / Programmer, Reykjavik IFF, Iceland)

Festivals have traditionally been a forum for promotion and screening to professionals but have recently also become a place to discover films which would not otherwise reach the public (to the delight of organisers).

Festivals are the very symbol of the collective experience and there is little concern over getting the public to come; people visit of their own accord to discover (or rediscover) film. In this sense the film theatre must remain a meeting point for discovery of film, the vanguard rather than a fortress. Festivals can have a strong impact which should be relayed through film theatres. We should work together and be 'happily aggressive'. For example, the film *Shun Li and the Poet* was a festival success whose distribution in Italy was based on a meeting with the director. It achieved international success and was recently chosen by the European Parliament for the Lux Prize 2012. All of that would have been impossible without the festival. And the 27 Times Cinema project, managed by Europa Cinemas: the young people who take part are film lovers put forward by network film theatres.

Roman Gutek (Exhibitor, Distributor - Gutek Film, Director - T-Mobile New Horizons IFF, Poland)

A distributor for 20 years (900 titles released), exhibitor and founder of New Horizons, an association whose main activity is the provision of training through the cinema and the organisation of a festival. This festival is also involved in distribution with competing films being released in a package and circulating around Polish film theatres in the Europa Cinemas network.

Quotation by Ken Loach at the London Film Festival in 2010:

'We could start to treat cinemas like we do theatres – they could be owned by municipalities, boroughs and towns. They could be programmed by people who care about films, not people who care about fast food.'

Many projects, launched by Gutek Films and New Horizons, provide specific responses to questions raised here. Among them two cinemas, the Muranow in Warsaw and the new cinema in Wroclaw, which opened on 31 August 2012, comprise nine screens and 2,929 seats. The local authority finances 25% of this film theatre, out of a total annual budget of 4 million euros. Our goal is to programme films regularly since it is this regularity which attracts audiences and gains their loyalty, marking us out from our competitors. Additionally, the editorial choice of films scheduled ensures that our establishment is highly specific and unique, and the audience perceives the film theatres to be places where film is revered.

But the spearhead of our activities is an educational programme directed at young audiences and rolled out in 31 towns in Poland, reaching thousands of young people (including 7,000 students in the Muranow cinema and 5,000 in Wroclaw). The programme consists of screening films for schools and all age groups. The programme comprises nine films a year, meaning children can go to the cinema once a month. As a next step, we intend to establish links between films and the school curriculum, providing information on the cinema and the film online, asking for reports, etc. This project is to take place in 31 film theatres across the entire country and we organise virtual workshops for teachers online (200 participants). For example, this year teachers learned 'how a film is made'. On top of that, for two years now there has been a synergy with the university in Wroclaw since cinema has become an academic subject (taken by 400 students).

To attract audiences you need to stand out, to be unique, with a consistent, strong offer. This offer satisfies the needs of the contemporary, demanding filmgoer.

Tero Kaukomaa (Producer, CEO of Blind Spot Pictures, Finland)

(See Powerpoint presentation on EC website)

Financing and promotion of the film *Iron Sky* were developed over the long term with the public. Financing comes largely from crowdfunding. We launched a website and created a Facebook page on which internet users could declare themselves a fan of *Iron Sky*, send their email address and name the film theatre in which they would want to see the finished film, these film theatres having been listed on a Google map. We had 70,000 members/fans. These tools proved themselves effective at the time of release: fans had followed the production of the film step-by-step and were keen to see the film. Using their email addresses it was easy to contact them and keep them informed, country by country, town by town. This is a real support to distributors and to film theatres around the world. Actual targets were 70,000 but details were passed on by word-of-mouth too and today the Facebook page has 180,000 fans.

The film was released in Finland on 4 April 2012 but tickets went on sale in January, at three times the average price, 25€, but with a goody bag (t-shirt, signed poster, discussion with director and/or producer). Of course, exhibitors were also delighted with the event.

Furthermore, it was possible via the website, for a minimum of 1€ (or more, should the user desire), to see behind the scenes during production/manufacture of the first five minutes of the film, from an explanation of the director's vision to the choice of music. We gained the commitment of 4,500 people who became a sort of test laboratory. We were concerned about leaks via the internet but in the end nothing was divulged. We were able to test the promotional material (trailer, poster) for real. Following our proposals, we had the opinions of 2,500 people within 12 hours. Involving the public in the creation of the film and its production proved very worthwhile.

Conclusion of M. Gubbins: As Giorgio Gosetti said, we must 'be happily aggressive'. We need trust, we need to reinvent, optimise what we have, promote the cinema experience and the event which, by definition, has something unique about it. Another important point: we must create a whole community around the film theatre, build up a relationship with the public. How do we grasp the new opportunities offered by digital technology? What are the frustrations we face?

Tero Kaukomaa: We have come across problems but these have become diluted within a range of possibilities. Digital technology and the internet offer unbelievable potential to projects of this type. But the world of distribution must also change and the best option is to listen to the public (again, once the community has been created, follow-ups are possible).

Roman Gutek: We need the support of public authorities (particularly towns). At 25% this would represent a low risk for the local authority and reduced risk on the part of the entrepreneur who remains a majority shareholder, must be motivated and is obliged to succeed (with manager assets).

Sandra den Hamer referred to the frustrations associated with the issue of rights. When commercial exhibition is over you need to be able to use the film for cultural or educational purposes more easily.

For example, Istituto Luce in Italy holds rights and has put all films online in low definition on You Tube. This mechanism generates traffic and therefore public who are either active or searching and who would certainly have

greater appreciation of seeing the film in the cinema. There is not necessarily cannibalism between the different forms of exhibition, particularly since the products concerned are not the same.

Vincent Paul-Boncour: There is a real problem with access to films particularly for independent cinemas and even for independent networks, concerning now also successful auteur films. This work takes years.

The Nouveau Latina is in a highly competitive geographical location (with UGC Ciné Cité, the cinema with the highest admission rates in France, where all distributors want to be released, and MK2 Beaubourg) which accentuates the difficulties accessing films but which may also encourage a move to an alternative complementary offer allowing us to gain a place, to affirm our specificity. And to gain customer loyalty, to increase admissions and thus gain the confidence of distributors.

Domenico la Porta: What is the added value of the film theatre? DVDs offered a bonus compared with VHS; is the cinema more than a projection support? Marketing a sensation is abstract. Perhaps we need more concrete marketing which would reinforce the film theatre as an essential location.

Digital technology and the internet have an essential value in the creation of communities and good film theatres already have communities and must make them more active. We must believe in our added value, a unique space.

Marc Guidoni, distributor in France, organised on DailyMotion a preview screening of a Canadian first film which was being released in film theatres two days later. During screening of premieres in film theatres, filmgoers said they had discovered this film on the internet (they would not have heard about it otherwise) and wanted to see it on the big screen even though they did not normally visit film theatres. We must take into account the film lovers who sit behind their computer screens and who have lost their liking for film theatres. Use new tools to bring the public back to the film theatre.

Le Navire in Valence: the film theatre is a cooperative (SCOP), namely, it belongs to the employees. It consists of five screens and programmes national arthouse releases. We have set up an association of filmlovers, volunteers who participate in the economic life of the film theatre since some of the membership fee is reinvested into SCOP capital.

There are three types of volunteer activity: the classic film snack, film aperitif, and the 'mysterious 13': on the 13th of every month a thriller is screened, followed by a game. Events in the film theatre are supported via Facebook and Smartphone applications with SYLK support (initiative supported by MEDIA programme).

Additionally, there are democratic debates on subjects related to society, beyond discussion of film.

Saskia Walzel (Policy Manager, Consumer Focus, UK

(See Powerpoint presentation on EC website)

Consumer Focus surveys the consumer market in the UK with the aim of satisfying the consumer through innovative products and services.

Presentation of a 2012 study on the state of the film theatre in the UK

89% of members of the public believe that the film theatre is the best place to see a film. However, less than a third of them believe that the quality/price ratio is satisfactory. Fans of independent films prefer to use classic media (film theatre, DVD) while lovers of blockbusters are open to all platforms. With regard to piracy, the study showed that people who download are also avid filmgoers.

Filmgoers comprise different profiles of consumers, I'll focus on 'mainly Indie' and 'Indie only'.

Filmgoers who see primarily independent films represent 29% of the panel, the second most important group. The average age is 44, younger than filmgoers who see exclusively independent films. They are also large consumers of DVDs and watch films on the computer. The Indie only group represents 2% of the panel and is the smallest group, on average 54 years of age, thus the oldest group in the study. They prefer foreign films and dramas.

The 16-24 year-old group visits the film theatre most frequently to see blockbusters. The working classes which visited the film theatre in the 1960s now watch films on the television and occasionally go to the film theatre, to multiplexes, to see blockbusters. Baby-boomers, who were keen film lovers, are now the 'target' of Hollywood studios who devise films for this age group. The majority (63%) of lovers of arthouse films are over 35 years old. So we are dealing with older audiences who visit 'boutique' film theatres compared with 'supermarket' film theatres, in which the cinemas experience is richer.

Quotation by John Ewing: *'Our bread-and-butter audience is the older, aging art-film crowd from the counterculture era...'*. In Europe we are seeing a high unemployment rate for under-30s or very low-paid employment. We must take into account these economic realities compared with the cost of a cinema ticket and thus offer certain films at reasonable prices.

Personally, I do not go to the cinema, although I have the money, because what is on offer doesn't appeal to me. I do not want to see passive women, people with perfect hair, films set in recent times with, particularly, unprotected sex, since that is irresponsible. And I no longer take the time to go and search through programmes every week. I am not a committed film lover but I visit online platforms with fuller catalogues.

Doris Pack (MEP, Chairwoman of the Committee on Culture and Education, Germany)

What we have just heard is a little discouraging for me, working as I do for young people, multilingualism, culture and education.

Film theatres in Saarland are managed by people who wish to reach their audience and while governance is often regional or national, the European Parliament also has its own ideas.

This morning, Aviva Silver's speech for the Commission demonstrated the commitment by European institutions and their own unique view of film theatres as a part of the competitive market. However, we must not forget the Unesco convention on cultural exception, for which we fought. A failure to respect this agreement within the EU, as suggested by the new cinema Communication which is tending to reduce regional aid, is inconceivable. On this point, a written question was sent to the Commissioner on the abovementioned and signed convention. In my view, it is essential to organise consultations with the participation of as many people as possible. Otherwise we may end up reproaching ourselves for not stating our views. It is also the responsibility of professionals to state their views as has been done through open letters from professional organisations and from Europa Cinemas to European and national political leaders since it appears that previous consultations gave no tangible results. Parliament will be fully receptive to these points and will not allow the Commission to deal with these issues alone. And the same goes for discussions on media chronology: we cannot fall back on the laws of the market alone and we must respect the convention on cultural diversity.

Another important point: digitisation of archives which could be carried out on an international rather than a national level. EUROPEANA (www.europeana.eu) is a *'multi-lingual online collection of millions of digitised items from European museums, libraries, archives and multi-media collections'*. We must also digitally archive film on a European level such that a digital analogue platform be available to citizens. The EU can only be an asset. Its actions may complement each country's own activities but most important is action on a national level.

The European Parliament communicates on the cinema via the LUX Prize which was recently awarded to the Italian film *Shun Li and the Poet*. The two other finalist films were Portuguese and Hungarian. Language is a fundamental issue when screening throughout Europe and for this reason, in addition to media coverage, awards give support to subtitling in the 23 official languages of the EU. Additionally, we organised free-of-charge screenings of these films in November, followed by discussions, and filmgoers were then able to vote online.

In future, Parliament will be vigilant over the long-term nature of the activities of the MEDIA and MEDIA Mundus programmes forming part of EUROPE CREATIVE and will avoid any budgetary cuts.

Stéphane Libs, on the LUX Prize: It is a shame that the LUX Prize took place at UGC rather than in the Europa Cinemas film theatres in Strasbourg.

Ted Hope (Executive Director, San Francisco Film Society, USA)

As the producer of many independent American films at NYC, I decided to go to San Francisco, to stop producing and to learn about the industry's infrastructure. In the US there is no public support for the film industry and artists cannot make a living from their films. It is an unsustainable situation. I sold Ang Lee's *The Wedding Banquet* (1993) which won a Golden Bear in Berlin and achieved a 47-fold ROI. Then, 15 years later, with the film *Martha Marcy May Marlene*, I achieved only a threefold ROI. That clearly shows that the market for this type of film has greatly deteriorated. This brings a risk of ruin to film culture since, for that reason, we must all ensure that artists make a living from their work.

While digital technology has reduced production, distribution and marketing costs, we are all overwhelmed by the choices offered to us. In this world of abundance we must review our practices with better cooperation, transparency, openness and communication. Our current practices are based on a traditional world of scarcity and control, incompatible with the new world of total openness. We must establish an interaction with the film community, feed a dialogue. We must exchange experiences, capture data on the public and draw information from it over the long term. Success depends on the successes of our neighbours, not their failures.

Five areas of research:

How can the artist benefit from distribution?

How do we encourage experimentation?

How do we distribute and share the maximum amount of information?

How do you create a community with the public?

How do you involve the public as an active participant so that they train themselves?

Mark Cosgrove (Head of Programme, Watershed Cinemas, UK)

(See Powerpoint presentation on EC website)

Anecdote: When I returned to the Watershed from Cannes I spoke to my colleagues about a fantastic film I had seen at the festival and I was so enthusiastic that one of my colleagues replied: 'We'll watch it straightaway on the internet'. That's what started me thinking about the impact of digital technology (in terms of rights, distributors) and, more broadly, about the way viewers consume the film: what, where, when, how, why?

Digital technology is a subject we have studied at the Watershed for five years, in partnership with the International Futures Forum. The Watershed is not just a film theatre with a bar but it is also a research laboratory studying creativity and digital technologies. We describe ourselves as producers of crossed and multiple content bringing together film, music, theatre, design and visual arts.

The world of communication has profoundly changed, particularly as a result of digital technology; techniques have multiplied and we have to be prepared on all fronts.

What does projection in the film theatre mean? It is the beginning of a dialogue with the audience which may have a social, cultural or political reach. It is a balance between giving meaning and making money, between cultural value and the economy, the process in society.

Here are some of the activities we organise: Filmic Festival (film + music) in partnership with a concert hall, and Afrika Eye Film Festival.

Meaning: working and collaborating with other art organisations, we attempt to develop young talent in relation to the cinema and that is what makes the experience in the film theatre special.

Conclusions

M. Gubbins: We need even more involvement with the public: to experiment, cooperate, make the audience active in this discussion which, in our organisations, is not just about business.

Mark Cosgrove: We have to think about our audiences in the plural form, consider risk, trust. We would have to speak to every member of Haneke's audience to know what passes through the head of someone watching *Amour*, his thought processes about the film following the screening. Links are possible through social media, via collaborative online contributions.

Ted Hope: A large proportion of the public are not satisfied by film. In the 1960s film was the best represented art form but that is no longer the case today. Attention on the part of audiences is less focused, hampered by many other stimuli. So the commitment of the audience is all the more difficult to capture, particularly if films are longer or more difficult. They do not necessarily meet their expectations. Film continues to be a social activity whose meaning may have become obscured or which is not fundamental to all. This is not true for all. My 12-year-old son has made five videos and put them on YouTube and already has 70 subscribers to his channel. Although his parents are film lovers he has a different relationship with film and he did it automatically. He didn't speak to me about it, he looked for it and found it by himself. That is Generation Y: they do not seek permission, they are very active and they want to participate in different types of activity (they are multidisciplinary). We have to adapt: they want more than films (and the debate on projection is irrelevant).

Mark Cosgrove: I have two children and I agree: young people want more, film is one activity among many others.

Contribution from Glasgow: In the current climate, particularly with the recession, young people have a feeling that the social contract has been ruptured. For that reason we have to involve them in cultural activities. At GFT, given the desertion of film theatres by teenagers, we put in place the Glasgow Youth Film Festival and the Wee Festival. At the first festival their involvement in the event was assured by the fact that they organised everything, with our support, and at the second, we promoted the films they produced. During these events, we also got acquainted with their expectations and their wishes. For us, it was a question of getting them to do something which has meaning for them.

Ted Hope: Michael Moore has his film theatre and every Monday there is a programme for a different group, for example curators, liberals or religious groups. And the popcorn is very cheap there and if your phone rings you are forced to leave the auditorium. These features create a special atmosphere around these screenings. It is the third most successful film theatre in the US. We must ask two questions: Why don't people go to the movies, what discourages them? Do they feel that admission prices are not/no longer good value?

M Gubbins: Network film theatres believe in the digital era that there is a multitude of new possibilities enabling them to develop, to continue to do what we feel to be good.

Conclusions by Eric Garandeau (President of the French CNC)

We can't stand rooted to the spot with these models – this concerns France and its finance system. It is normal to criticise what is in place but we must not be inactive. We must maintain momentum. Cinema has often been given up for dead but it is always resuscitated and rules as literature of the image. It is important to remember this in a world of overabundant images which bring a risk of dissolution of the cinema as a work of art in this universe. In France, and we hope in Europe, we consider that the cinema must continue to be an art, a distraction but also the subject of a real public policy; it is a primary challenge since an integrated culture presupposes not a uniform culture but a shared one. We have the feeling that at the European Commission these cultural policies are being withdrawn and threatened as a result of the economic crisis like other public policies and that voices in favour of cultural exception are not easily heard. And Aurélie Filippetti confirmed this: cultural exception must form a firmer part of the Union's treaties and be transposed to the digital world; at the same time we hear voices from across the Atlantic trying to prevent this transposition and dissolve cultural exception for the greater good of business and freedom of enterprise.

The link between film and the public is essential: the link is the film theatre and we must never omit one side of the triangle. And it is in those very countries where film theatres are lacking that voices are calling for changes to media chronology.

In this world of undifferentiated images we need this island of obscurity that is the film theatre to live the work, the experience.

In France, 30 to 40% of the audience do not know what they are going to see when they go to the cinema. The French system aims to ensure that enough films are produced and shown – the attraction of the film theatre is, primarily, the films – particularly through programme undertakings which restrict the screening of one film on several screens. This is precisely why the CNC supports Europa Cinemas: to offer maximum diversity on screens to all audiences.

In order to convey cinematographic culture, the CNC is working on the digitisation of heritage films. There are ardent discussions with the Commission on the cinema Communication relating to government assistance, particularly as regards the tax on Internet Access Providers and media chronology. Yet even Netflix does not claim to distribute all films at any time and through any means (ATAWAD, anytime, anywhere, any device) but suggests, on the contrary, that a scarcity should be created, even if this entails frustration and editorial work. The fundamentals of the system are an active film centre as for example in Israel, in Colombia and also in Europe where we have seen that with political will and a little public money you can respond to current society's need for cultural nourishment.

Moderator: David Hancock (Senior Analyst and Head of Film and Cinema, Screen Digest, UK)

Speakers:

Ron Sterk (Managing Director, Dutch Exhibitors Association - Cinema Digitaal, The Netherlands)

Rolv Gjestland (Senior Adviser in Cinema Design and Technology, FILM & KINO, Norway)

Nico Simon (Exhibitor, CEO of Utopia S.A., Luxembourg)

Olivier Hillaire (D-cinema Consultant, Editor of Manice.org, France)

Frank De Neeve (Technical Manager, Cineserver, The Netherlands)

Jean-Marie Hermand (Exhibitor - Le Parc - Churchill - Le Sauvenière, Belgium)

Marc Allenby (Head of Commercial Development, City Screen Picturehouse, UK)

Carol McKay (Programme Manager, City Screen Picturehouse, UK)

Rafael Maestro (President, Association Cinémas de Proximité en Aquitaine - ACPA, France)

Overview and case studies in Europe

Overview of the European market by David Hancock

(See Powerpoint presentation on EC website)

In January 2011, screens for digital cinema surpassed 35mm in Europe and it is estimated that full and complete changeover will have taken place by 2015 (with the exception of a few 35mm screens for special showings).

The very beginning of digital came in 2005-2006; it then really took off in 2009-2010 particularly thanks to 3D. There will be roughly 90,000 digital screens throughout the world by the end of 2012, equally divided between 2D and 3D.

In the US, 75% of screens are digital, there are about 8,000 screens for which no solution has been found.

Asia-India: 70%

Western Europe: 65.5%

Eastern Europe: 50%

Two regions, Africa and Latin America, are having real difficulty, with only about 30% of screens equipped (the point we were at about 4 years ago).

In Western Europe, there are still a lot of 35mm screens in 3 big countries. While Germany has started up the change over and it should come quickly, in Italy, Spain and Greece the equipment is not being renewed due to a lack of resources and very little public funding (more than the lack of will to change).

In Eastern Europe, equipment in Russia is 50% digital. The situation is fairly good in the Czech Republic and Poland but there are still problems in Slovakia, Slovenia and the Baltic states because of low government intervention in these countries, and for smaller countries, too small a number of screens.

3D contributes 20% to the market (compared to a peak of 28%). The number of films released in 3D is slowly decreasing. It is no longer enough to “convert” films to 3D; new projects are launched. Viewers pay more for 3D tickets and they have to get their money’s worth. While 3D market share has stabilized for the American market, there is a potential for development on other markets that should be taken into account although it is not as marked because 3D is a product for the cinema (3D TV is not yet universally popular).

It is estimated that revenue from alternative content will increase between 2012 and 2015 from \$400M to \$700M; today it represents 1.3% of world sales with a major impact on revenue compared to normal showings.

In the UK, alternative content accounted for 109 events in 2011 (compared to 44 in 2010). Opera leads the way with 39% of events. Opera, ballet and classical music represent 61% of all events. These shows connected with major names like the Bolshoi or the MET are a powerful draw.

A ticket is more expensive, especially for events shown live (65% of what is programmed), similar to an evening out. A third of the events are scheduled on Saturdays and we have noted spikes in March, October and December,

which distributors should consider. Only 15% of events are in 3D. The share of the box office should rise from 1% in 2011 to 3% in 2015.

The development of this market has been made easier because of digital film, but it should also be noted that there was no conflict with the world of theatre. One thorny question remains concerning the original right holders; FIFA for example has a very particular protocol. Satellite reception has grown but not sufficiently for optimal development of distribution of these events.

Digital film distribution in cinemas

Satellite distribution works well in the US because they have reached the necessary volume of activity to make cost scales reasonable. Other distribution models are being developed with fibre optics particularly in France, Norway, the Netherlands, Korea and Japan and there is still the possibility of hard disks.

The demand for 35mm is decreasing and consequently, the cost is increasing (6 or 8 times greater): film is even more expensive. For every region, distributors look for the tipping point. If digital goes above 80%, they stop supplying 35mm. HK, Macau – Fox stopped 35mm in 2012. Fox for example is very aggressive in the matter. We predict the end of 35mm in the US, France, Northern Europe and part of Asia (Korea) for 2013 and two years later for the rest of the world (2015) even if all the equipment everywhere will not have been modernized.

Norway by Rolv Gjestland (Senior Adviser in Cinema Design and Technology, FILM & KINO)

The situation in Norway – 5M inhabitants, 12M tickets sold per year and all of the theatres have been converted over since June 2011. With the change to digital, there are more theatres in 2012 than in 2011 and new ones are planned. Digitization has brought a certain optimism.

Norwegian cinemas are ranked by their audience – 5 brackets ranging from more than 200,000 tickets to less than 10,000 viewers per year.

Like the world market, we see over the long term two important drops in audiences – in the 1960s with the arrival of television and in the mid-1980s when VHS became popular; since then, audiences have remained stable despite pessimistic predictions (with the launch of new television stations in the 1990s and the arrival of internet in the 2000s). With respect to VoD, the predictions are positive even for theatres, as long as they are the best place to watch a film.

A study of the changes in attendance according to the brackets given above shows a slight drop for the biggest complexes, particularly due to the lack of blockbusters and inversely, a significant increase in sales (16%) for small theatres, even more than what was expected for cinemas in bracket 5 with an increase of 32%. Digitisation has boosted small cinemas and a number of small theatres that have been closed for years are planning to reopen. Digital has in particular made possible a radical change in access to films. Small theatres used to wait sometimes 2 or 3 months to get films and that's no longer the case.

A lot of people expected more films to be shown thanks to digitisation but statistics show that the number of films dropped from 223 to 203 over the last five years. However, the number of showings has increased, up by as much as 17% over the last two years. The increase has been even greater for small theatres that were showing films one or two days a week and are now up to 4 or 5. Also, annual closings in summer have decreased. And the exposure for a film has increased with 22% more showings. This is even more marked for art films (up 39%): we conclude that digitisation has improved distribution, especially for art films. There has not however been a significant change as to where films come from.

There are a few issues still remaining, especially as concerns the VPF model being used. A flat-fee model in which the distributor pays for a maximum of 90 showings, over that number there's nothing to pay. There is support for distribution from Film&Kino that is degressive by the number of showings – reservations of the copies of the film. Another problem – cinemas want movie premiers while the distributor needs to know the initial results for a film in order to determine the release plan and therefore has to try to convince theatres to wait a bit. The system has not favoured Hollywood, and the market is fairly balanced.

Netherlands by Ron Sterk (Managing Director, Dutch Exhibitors Association/Cinema Digitaal)

(See Powerpoint presentation on EC website)

I attended the Conference in Warsaw and sat at the back of the room. I took a lot of notes especially for the session on digital cinema. Now it is an honour for me to be here to present what has gone on in the Netherlands since 2009. Since January 2009, I have been the head of the association for Dutch operators.

The Dutch market is extremely varied with 12-14 screen multiplexes and also smaller theatres that only have 40 showings per year. In the country there are 16.7 million inhabitants and about 30 m tickets sold, which has seen a clear rise over the last 5 years (from 24 million). In 2012, the market share of national films has reached 15% (22% in 2011, thanks to one film that was very successful).

In the country there are 239 theatres with 789 screens. The type of market – 42.2% of screens belong to major operators (and represent 25% of attendance) while independent theatres represent 37.4% and art house cinemas 20.4%.

Cinema Digitaal has 506 screens of which 310 are new installations and 196 are existing projectors. In 2009, when I took over my current position, I heard Peter Dinges who estimated that 15% of cinemas would close if we allowed the market to digitise, which convinced me to act and put in place a program.

First we had to get all the operators on board and we organised a sort of road show to win over cinemas, showing them what was at stake with digitisation and explaining the technical aspects. Two key arguments helped us convince the government – digital is inevitable and it is something that concerns all operators. Cinema Digitaal is inspired by Steve Perrin's project; he created a buying group that made it possible to purchase equipment for less.

The project was also pitched to the major studios in Burbank, but without success. So we started a group plan with the government, the EYE Film Institute and associations of distributors and operators.

We had to start the program on a voluntary basis because the bigger operators didn't want to participate. In the end 506 screens out of 780 took part. Utopolis and Eurocoop did not join us because they are run by foreign operators and don't have their own financing systems. Some independents thought that they could make the changeover to digital by themselves and thought that they could get around the VPF.

We had the support of all the distributors in the Netherlands (20 independents and the major American ones). After a call for tender and competitive tendering among the supply and integrating companies, the agreement finally signed was with AAM on the basis of a €500 VPF per premier.

In practice, the distributors pay their contribution to Cinema Digitaal, which receives a small state subsidy (about 11% - from the Ministry of Culture and more especially from the Ministry of Finance with the idea that digital cinema is an innovation that will serve the industry). But the major share of financing and the hardest to find in the midst of a financial crisis (2009/2010) was provided by 2 banks. (see Slide 9 – financing scheme)

Total budget – €38M including €28M for equipment (projectors, servers, etc.) and the rest in financial and operating fees.

Revenue - €24.5M from distributor VPF and €7.5M from operators + €5M from the state

Details of the operators' contributions: initial payment of €5,000 per screen, then a payment of €1,200 per year for 8 years or a cash payment of €13,050;

Recoupment should be between 6-8 years – could be brought down to 5 years.

In September 2012, Dutch cinema was completely digitised.

Luxemburg by Nico Simon (Exhibitor, CEO of Utopia S.A.)

The small case of Luxemburg could serve as an example for other regions. The Grand Duchy has 500,000 inhabitants, 14 cinemas and 34 screens including 2 multiplexes, one with 10 screens that we manage (Utopolis),

one with 7 screens that we do not manage and a 5-screen artplex that we manage (Utopia) in addition to our involvement in programming other theatres. For the changeover to digital, Utopia chose Ymagis.

The problem in the past was getting the copies out – a film got to a small cinema 7 or 8 weeks after its release (theatres with 3,000 to 20,000 viewers per year). The idea was to think of all these small cinemas as a network, as a single establishment, a multiplex. But these operators could not even make the starting payment for the equipment. The integrator agreed on the condition that these cinemas got on the VPF model and it was in fact the government, who already subsidises these theatres, who made the initial payment.

We had to explain the advantages of this system to the distributors – their films would be shown in half the theatres the first week and in the other half the second week, alternately. That way, the distributor was guaranteed that the film would be shown for 8 weeks (in eight different cinemas). The main result of this was that most cinemas keep daily showings, compared to sometimes two or three showings a week in the past. Further, the audience is satisfied – if they miss a good film, they can see it the next week in a different cinema. That way, the number of tickets sold for these theatres should increase by 75%, to 50,000/60,000 tickets.

By paying a single VPF per film for the entire circuit, theatres get a copy. Today, there are a lot of European films shown and their ticket sales are increasing because they are released at the same time as the national release (and not 3 months later as in the past). The distributor wants a film to be seen, but if he is paying a VPF, it has to be profitable. So it's a win-win situation. Before, the copies arrived late, so they weren't as interesting or they were blockbusters, and those aren't as exciting from a cultural point of view.

This system works; there are more viewers and the programming is more varied. This shows that the VPF model can be adapted to the reality of the market.

In Slovakia, the Baltic States or in Greece, the changeover to digital is complicated and smaller theatres in a given area could form groups similar to this one. They are worried about losing their free choice of programming but that argument isn't a very strong one in the end because all art house cinemas show the same films.

Conclusion by David Hancock: what we came away from this discussion with is the importance of national support, help for financing (even if it is small) but especially a real political decision.

Projectors and projectionists

Olivier Hillaire (D-cinema Consultant, Editor of Manice.org, France)

(See Powerpoint presentation on EC website)

A new category of "small projectors" is growing up around the 4 new pieces of equipment that we can put into 2 groups:

1st group – 3 projectors (NEC NC900 C, Barco DP 2K 10C and Christie Solaria one) which all use the DLP chip by Texas Instruments (TI), 2K resolution

2nd group Sony SRX R 515, based on Sony's SXR, in 4K

The first three use technology by TI, who developed a new chip that is even smaller than the other two generations of chips, and this made it possible to optimise lighting because the surface that has to be lit is smaller. This innovation only works for small sized screens (max. 12m wide for Sony). For that reason, less light power is required. Barco and Christie proposed equipment with Xenon lamps while NEC and Sony use mercury lamp technology (minimum of 2 and up to 6 lights in the SONY projector). These are for 2D projection. For 3D projection, the size of the screen has to be even smaller.

Should we prefer mercury or xenon lamps?

Mercury lamps are relatively inexpensive individually and last longer (guaranteed 2000 hrs.) and are easy to change. However, it should be said that their light output decreases faster than xenon lamps and that you need several. The debate about lamps isn't clear cut and installers are waiting to see how it goes in practice. There has

been a rumour of mercury lamps being prohibited from 2015 but that would concern usage by the general public (professional use should still be authorised).

The other difference between these two installations – the storage and reading of files. Sony has kept a traditional storage system with a server separate from the projector. For the other models, there are two types of systems:

2 part - first there is an IMS for reading, inserted into the projector and its role is to decrypt and decompress the files from an NAS server, it's small and very light with a storage capacity of 2TB, or about a dozen films.

1 part only – storage and reading (IMS) – developed by Doremi and adopted by Barco and NEC

Concerning the choice of one over another, there isn't a real price difference between the two solutions, and then you have to take into account the integrator's opinion and especially with the NAS solution since there are two different producers for each of the two parts.

They can all read 3D, especially the Barco because it has an integrated Dolby solution, which is particularly interesting for travelling cinemas. All of them also do HFR,

As for lenses, one model has manual adjustment which is not necessarily easy for the projectionist; The Christie is not designed for travelling cinemas. Lastly, Barco, Christie and NEC meet DCI specifications (Sony's is in progress) and can be financed by VPF.

The question for operators is for how long, in Europe, will we be able to sign VPF.

For more information: manice.org in FR / manice.net in EN

Frank de Neeve (Technical Manager, Cineserver, Netherlands)

(See Powerpoint presentation on EC website)

Screening of a trailer for a 40-minute documentary film, *The Hidden Man*, by Kim van Engelen, which follows 2 projectionists with very different attitudes, one optimistic and one pessimistic, to the changeover to digital film.

Technical head at Pathé in Delft (7 screens/500,000 tickets per year) and I've had a site since 2008, www.cineserver.org, that we are considering combining with www.manice.org.

As a projectionist I've often been asked to give my point of view on the changeover.

There was a job plan - for Pathé, if a cinema has gone 100% digital with a TMS (automatically launches scheduled projections), the projectionist is no longer necessary. This job plan came with two proposals for retraining either as a technical services manager or upkeep and maintenance personnel. The third solution was redundancy with compensation. The job of the technical service manager includes programming showings into the TMS and the maintenance of the projection equipment (filters, xenon lamps) and other technical equipment (elevator, air filter system) as well as fire prevention.

It's important that we retain the technical skills cinema requires; we cannot be content with always relying on the installers and integrators. We should place a higher value on training.

I have gone through several different trainings to learn about the new machines and I can now handle a certain number of problems by myself (for example, a Barco technical training or one in the UK in 2007 for the Multimedia Box). Many manufacturers don't offer any training and being dependent like that is not viable in the day to day (with the exception of Doremi and Barco).

2 pieces of advice about going digital:

Find a good integrator with good support, but don't forget to have a good technical manager.

Get the technical manager involved in all aspects of operations.

Examples: a walkie-talkie system between the TMS (which announces the showings out loud/voice option) and the ushers which makes it possible to manage the lighting in the theatre or showing other content in between showings.

Jean-Marie Hermand (Exhibitor - Le Parc - Churchill - Le Sauvenière, Belgium)

Les Grignoux is an association of cinemas in Liège that represents 8 screens over 3 sites and 500,000 viewers a year. The group's speciality of course is European cinema but the real focus is diversity, with 350 films a year. And that was already the case with 35 mm; it's been made even easier with digital. Today 96% of showings are digital and so only 4% are not in 2K (particularly documentaries and a few classic films).

As for the projectionists in our establishments, a large consultation was organised. Some projectionists didn't want to work with anything other than 35 mm and they left, while others had to adapt to the new technology, which is no longer a manual job, it's more a "paper-pushing" job. However, the job is the same – they're showing films.

As concerns training, it's true that what the integrator provided was very quick and not sufficient to solve all the common problems. That's why one of the projectionists from the team did an intensive training (installer training with Barco) and he can now explain the system to his co-workers.

We had to ask the installers and request more complete training to get it and two sessions are going to be organised to explain the tool that we work with. The other reason Les Grignoux won't see a drop in staff is the change in the trade, it's less physically demanding and there are more women working in the job. The job openings are first posted internally and the ticket window personnel/ushers are interested. In cinema establishments people are becoming more versatile with regards to their jobs. Of course, we still have to be there and welcoming for the public throughout the establishment.

Marc Allenby (Head of Commercial Development, City Screen Picturehouse, UK)

(See Powerpoint presentation on EC website)

Picture House, the largest group of independent cinemas in the UK, works with operation and distribution. We also show alternative content like the DaVinci exposition at the National Gallery.

Going digital has given us a lot of flexibility, especially thanks to satellite distribution.

We need to fill all the screens and for that you have to have diverse programming, so in that sense there's no good reason to have 28 showings a week for every film.

The advantage in terms of alternative content is being able to create an "event" with a debate via satellite with the director for a sneak preview in several cinemas at the same time or special showings (all night marathons, showing the documentary *Something from Nothing: the Art of Rap* followed by a concert by Ice-T).

These events draw a large audience, especially opera (shows from the MET). The showings are often sold out without us having to do a lot of communication because there already is that committed public and one radio advertisement is all it takes. What's more, since the price of the ticket is higher, it's commercially a good activity.

The programming calendar by seasons creates higher loyalty from the public over the long term and paid booking in advance means no worries about filling the seating (even while occasionally the public might be distracted by a sports event or something along those lines). Also, they're slower times of the week, Tuesday evenings for example. That brings in a mix of audiences, people who might not necessarily come, and organising cultural events helps create a dialog with local organisations, working in cooperation with them.

The disadvantages of digital include the overabundance of content and the problems of copyright. There is so much content now and you have to be an expert to evaluate it and maintain the quality in the face of that volume, as well as the quality of the projection with a technical staff that is well trained for these specific procedures. As

for the rates, we have to maintain prices although the multiplexes are trying to copy us, getting the same content and showing it almost at a loss.

As for the rights for showing alternative content, the problem has been mostly with television stations for sporting events. However we are vigilant, this type of content must not grow at the expense of films. This is also an important part of our job – we need to find partners, do marketing – Picture House had to invest in marketing personnel. We have developed a data base to “profile” our viewers and target messages based on the content offered.

It's especially important to judge what is best suited to your theatre and find the films and alternative content that fit. You have to experiment, try to develop a strategy that identifies areas for growth. For example, we noticed different needs of different audiences – the opera audience wants to be able to have a glass of wine during intermission, the Chemical Brothers crowd wants to dance... Is it possible to offer these experiences in the location? Live events are the real added value. You have to see how you can best adapt your programming, the space available and the calendar. You also have to react to successes, de repeat showings... that means being reactive to sales.

Carole McKay (Programme Manager, City Screen Picturehouse, UK)

The clear advantage with alternative content is that it can be programmed over the long term, especially for opera or theatre which are programmed in seasons. However, the tricky part is coordinating this programming with films, which are less predictable. We don't want to saturate the programming with alternative content because cinemas remain a place for film. It has to be complementary – that brings another population into the cinema and we hope that they will come back to see films and vice-versa (cross-pollination).

Contrary to what people speaking before have said, in the UK, the VPF model has had an effect on the programming. Particularly for art films because it is difficult for independent distributors to get their films out because of the costs of VPF.

Rafael Maestro (President, Association des Cinémas de Proximité en Aquitaine/France)

(See Powerpoint presentation on EC website)

CEO of a travelling cinema circuit in a rural area of Perigord, in south-western France. For travelling cinema, solutions for 2K projection are beginning to arrive. The association includes 12 single-screen art cinemas that show between 150 and 200 films a year and that went digital in 2009/2010.

I also run a regional network that covers a rural area but one with a fair number of cinemas (nearly 6% of the national total). Just a reminder for France – the cinema network is varied and complementary, however 80% of ticket sales come from 20% of theatres.

The ACPA network represents 77 theatres, 100 screens and 2 million tickets sold, of which 1 million art cinema showings. The advantage of small theatres compared to complexes – proximity, particularly important given the price of petrol. Digitisation in these theatres came relatively early, in 2009 because the region of Aquitaine was the 1st in France to vote for legislation that provided 30% of financing. The theatres spent on average 10% of the price of a projector (French CNC 40% and distributors through third parties 20%).

We had to raise awareness among cinemas and the local government. But we also had to justify receiving this aid with a plan for what digital cinema would now make possible;

Le CLAP, created two years ago, includes 40 members in the region of Aquitaine and offers cinemas special sneak preview content that allows for a return of double features. The idea is to highlight the added value of the special place that cinemas represent, especially by showing off the changeover to digital (viewers don't necessarily notice it otherwise).

Furthermore, digital cinema has made it possible to save time in the booth and we wanted to make the best use of that time (the staff often have to be adaptable and do multiple jobs in a small cinema) for public relations, seeking out content, planning events. We created a catalogue of digital content and provided self-promotion tools for the network.

The catalogue contains a programme of a dozen short films negotiated for a year with the *Agence du Court-métrage*, projects by film school students through the fine arts school network *Réseau des Écoles des Beaux-Arts* and through animation schools thanks to the network *Réseau des Écoles de Cinéma d'Animation*, gathering 25 schools. We also propose digitised content about Aquitaine or cinema in Aquitaine thanks to a partnership with the *Institut National de l'Audiovisuel* (producing 4-5 minute segments). We even went further shooting making-of documentaries with producers in the region, documentaries on films being shot in the region. Not news reporting, rather a documentary view of the filming. Viewers can see images from the filming being done, secretly, just miles from where they are.

Self-promotion tools available for activities supported by the network are trailers for the annual programme of classic films (7 films), digital displays for theatres for particular events (documentary month, children's programming), Internet site with access reserved for members (like online shopping in the catalogue, available on the ftp server). Since the movement has reinvigorated cinemas, a facelift for the communication tools for a number of them was necessary. Le CLAP also provides consulting services for computer graphics and tool sharing among site designers.

About getting in new audiences – you have to go out and look for people who never go to the cinema (that's easy for someone who runs a travelling cinema to say). Kids already have a lot of cultural offerings, the new public needs to also be adults who don't feel that culture is a need, who have forgotten the experience of the cinema. That is the motivated policy of CLAP cinemas – with our role as a trend influencers, to get people to come to the cinema at least once and allow them to have that experience, all the more important because theatres are the last places lit up in small towns, the last stronghold of a socially diverse mix.

Question by Laure Bonville, BFI : We encountered a lot of technical problems at the London FF, particularly DCPs that worked very well with Dolby servers and very badly the next day with a Doremi server (sound synchronisation, sub-titles). Is anything planned to fix that?

Answer by Franck Neeve: they're working on this issue in France with EDCF, European Digital Cinema Forum to make recommendations for festivals. Another possible solution is a central server.

SESSION 3 – WORKSHOP 2 – The Role of Film in Visual Education

Moderator: Michael Gubbins

Speakers:

Ian Wall (Founder and Director, Film Education, UK)

Emily Munro (Head of Learning, Glasgow Film Theatre, UK)

Florian Deleporte (Director - Programmer, Le Studio des Ursulines, France)

Iris Praefke (Exhibitor, Movimiento, Germany)

Madeleine Probst (Programme Developer, Watershed Cinemas, UK)

Catherine Grant (Senior Lecturer in Film Studies, University of Sussex, UK)

Rachel Van Riel (Director, Opening the Book, UK)

Irene Costera Meijer (Professor of Journalism, VU University Amsterdam, Netherlands)

Examples of initiatives that aim to attract a young public, making film a part of their lives.

Ian Wall (Founder and Director, Film Education, UK)

(See Powerpoint presentation on EC website)

Ian Wall presents the results after a yearlong project *Screening Literacies*, by Film Education in cooperation with the BFI, the University of London and the Ministry of Education.

The concept of the project was to see how film and cinema “literacy” comes about, by gathering as much information as possible throughout Europe about the level of cinematographic knowledge, how well a film is understood, the capacity to be conscious and curious when choosing a film, the ability to critically analyse film, looking at the content, the technical and cinematographic aspects, the art and the ability to manipulate the technical tools of cinema.

The study was led by experts in the 32 countries in the MEDIA programme. What policies have been instituted, how is visual education developed, how does each sector of the industry invest, how is it taught, is it found exclusively in school or elsewhere and how are public institutions involved?

The study comprised two parts – drawing up a questionnaire with a limited number of collaborators concerning activities in formal school settings, informal school settings and outside of school then sending the questionnaire to 20 other participants.

The questionnaire also concerns classic heritage, archives, involvement of the family in the process of familiarising children with film and the involvement of cinemas. The complete report is some hundred pages long (with one or two pages per country, case studies, trans-national programmes, recommendations and a chapter on the activities in cinemas) and the summary is 12 pages.

Country information is very detailed and is organised into five categories: formal education, informal education, the audiovisual sector, cultural institutions and professional training.

Five steps in the process:

Why? the goal / What? the strategies / Where? In class, at cinemas, elsewhere / How? Financing and evaluation / Who? Who provided the information and who could use it (often a small percentage of children, from 2 to 30%)

The models that work well are highlighted and often involve strong cooperation among different sectors, a national strategic plan and real strategies for evaluation.

This may seem obvious, but we have to underline training for teachers, finding all the different forms that education can take.

Among the 14 recommendations I can give the examples of a European masters in cinematographic studies, or the “translation fund” to share programmes and resources that have proven valuable in other countries. This might also include a European network of experts, developing a data base of programmes that have already been

developed, a list of recommended classic European films. However, there is one key question remaining – financing, which is the heart of the battle.

Young people need to be able to experiment: we have pupils write short stories in literature classes and the goal isn't so much the finished product as it is the exploration of genres and styles. It's also important to have modules for specific age groups – educating them about sub-titling between 5 and 8, introduction to classics for older children by creating a "TOP 50 European films that everyone should know by the age of 19".

One example is *Film Education*, a source of information on films in English that can be used to study films in their original language since English is taught almost everywhere in Europe. For that we will have to answer the question of copyright in the framework of trans-national programmes. Professionals in the field could also provide a data base of activities developed to encourage young people to love film which would lead them to go to the cinema.

Emily Munro (Head of Learning, Glasgow Film Theatre, UK)

(See Powerpoint presentation on EC website)

We have very set ideas about young people and culture that hold us back, when what's really needed is to develop a strategy, study the differences between young people and adults in order to highlight the specific characteristics of each. If you want young people to go to cinemas, you have to include them in the life of the theatre.

A study by the European Commission on youth and culture shows that young people (ages 15-29) are the age group that go to the most cultural activities, that cinema is the most popular activity and that young people are also the most open-minded in terms of culture. Then where are these young people?

The goal is the same no matter what age group is concerned – older people, young people or children. We have to provide each of these target-groups with diverse programming, and life-long-learning; we have to study the obstacles to cinema access and we have to encourage risk-taking. There are specific obstacles that apply to young people. Another study by the European Union from 2008 looked at young people's access to cultural activities. It seems that the biggest obstacle is the cost and the second obstacle is a feeling of alienation from society – some young people no longer want to take part in society, nor in school. The activities offered no longer satisfy them.

The solution is to offer them a service that is relevant, accessible (cost and travel distance), that inspires them and gives them the feeling of being connected, especially through digitisation.

Case study of Glasgow: 16% of the public is "young people" including the matinees for families and school activities (two risky segments because they are heavily subsidised).

We need a new approach, focusing on 14-19 years olds, investing and sharing their passion, having a positive attitude. Glasgow Youth Film Festival – managed by adolescents, they take part in all stages of organising the festival, from the programming to the communication and the marketing, choosing the posters and the slogans for the festival.

To help them progress there is *POP-UP programmer*, a project for 18-24 year olds working with them as they create their own even and its programming.

Florian Deleporte (Director - Programmer, Le Studio des Ursulines, France)

Le Studio des Ursulines is an old theatre (100 years old) in the city centre and for the last ten years or so the programming has been oriented towards a young public – you don't talk the same way to a young child or a teenager and you don't work the same way with schools or for families or even young spontaneous movie-going audiences.

Thanks to the public transport in Paris, access is quite easy and if the theatre remains a local theatre, then there is also a sense of connection with our audience in the heart of the capital. We're on a first name basis with our

viewers because they come regularly and we can watch them grow up. We start for example showing art and experimental films for 3-4 year olds, like Norman McLaren or Starevitch because at that age children don't have anything against black and white, and then showing subtitled films in their original language around 6-7 year olds when they don't know how to read but they catch words. They understand that you just need a word here or there to follow things. If you start too late, when they know how to read, kids try to read everything, they miss the images and that can turn them off the cinema.

Also, we show them how the cinema works, they get to visit the projector booth and they learn about jobs in the cinema. We have one person who is entirely dedicated to working with the young audiences. Children are introduced to ideas of production, distribution, we bring in editors, cameramen and over time we built up a cinema club. The films are chosen by students aged 15-16, outside of school hours. The showings are open to everybody, even adults, the students introduce the film and they can get very specific; they emulate each other. The experience goes even further when we show films made by these young people before the feature presentation. I hope that this experience will lead these young people, once they become parents themselves, to take their children to the cinema and continue the cycle.

Iris Praefke (Exhibitor, Movimiento, Germany)

The Young viewers activities at the Movimiento in Berlin are part of the regular programming – a catalogue of about 90 films for schools from which teachers (or students) can select a work, then they choose when and we also can organise a debate. We have programmes for young foreign students who are learning German but they're not necessarily in school or students.

We also publish a yearly calendar with the dates of showings for young people, parents can hang it on the fridge for example (the calendar is also for schools, starting in primary school). We bring in teenagers between 13 and 14 for internships of 2 to 3 weeks. 17 to 19 year olds are harder to reach but they are interested, they're creative and they make films independently. Our experience seems to show that the most difficult to reach are 14-17 year olds. We do give them opportunities – they can organise an event, choose the film, call the director, take charge of the communication and get the word out through schools in Berlin. We also teach them about public speaking. You have to get them to participate, sharing their problems and also the applause. When they take an active role, they appreciate the result even more.

Another initiative for European films, we organise showings of un-dubbed films with ERASMUS foreign students followed by debates in the language of the film, led by ERASMUS students in their native language.

Madeleine Probst (Programme Developer, Watershed Cinemas, UK)

(See Powerpoint presentation on EC website)

I organise activities not focused on education, but on involvement. To get this community involvement going, you have to be a part of it, know how to touch people. In general, the question is contacting different communities to spread the word about our activities.

3-month programme to introduce families and children to the cinema

Electric December has been going on for 14 years with multiple partners and other operators around Bristol, an event that brings in young European cineastes, in cooperation with schools.

FreshFlix is an artistic cross-media event that we programme and organise together with 16 young people aged 18 to 25 who are recruited through a public call for projects and from other local associations.

Setting up a new concept workshop that will look at different types of illustration. The real strength of this programme is that it has advantages for both operators and young people. We get a lot from the energy of the young people who talk to us about their world and their ideas. They come to learn from us, and we learn from them too.

We are also developing programmes with schools in Bristol to come up with a course that will take place outside of school and then could possibly end with a major event.

Day of inspiration, a day during which young people can make a film with a small camera.

Shared enrichment is the key – young people are excited to learn about how we work, what we do. Sharing experiences is a partnership that bears fruit.

Our work is to spark interest in young people who wouldn't spontaneously come to the theatre and for that we have to be imaginative. The advantage of the showing at school is that everybody takes part; this first contact is fundamental and we take advantage of this visit to introduce them to the other activities we organise.

You have to have a positive attitude. Young people are curious; it's all a question of context, which counts almost more than the content as that is already there. The context is what becomes the added value – it's "cool" for young people to hang out in a different, alternative place. Using the social networks that young people flock to seems obvious, but we also have to use radio, social workers.

Not all theatres can afford financially to take on someone in charge of the young audience, but it's important for this person to be a part of the team and take care of coordinating all the activities. Social networks are an imaginary community where young people express their viewpoints and we have to communicate about our activities through these tools.

Catherine Grant (Senior Lecturer in Film Studies, University of Sussex, UK)

(See Powerpoint presentation on EC website)

I don't work in cinema, I'm an academic. Theatres are doing well enough without university learning, but it's a good idea to share experiences, it's in both our interests.

Specific fields where our interests are shared: Evaluating the situation of cinema (death, survival, success) and the existence of cinematographic cultures in Europe and outside of Europe. The landscape is changing for directors, the industry is more and more competitive and the perceived value of the arts and humanities is currently threatened. There is a lot of talk about austerity and we have to defend the existence of the humanities, and new technologies are our best ally. It could be a multimedia platform to publish university research on films and a blog by cinema academics.

The relationship between academics and cinemas – I was invited to present films and I have also been involved in the programming and communication about events which I shared with my students.

When I was teaching in Kent, we had a cinema on campus and I organised an experimental course as part of which they had to plan and produce a festival. Three years later it had become a completely independent course.

I'm now doing the same thing in Sussex and we have set up a masters "working with local cinemas" that has an online portion to share information and utilise social networks.

Also, we have seen a number of masters programmes emerge about the audiences for cultural events and the university is certainly a precious research tool. Setting up partnerships with the professional world would be good for everybody, to have speakers who come talk with the students who are doing case studies about cultural events. The GFT in Glasgow has a doctoral student who is working on audiences, and his empirical approach is finally in touch with the field.

Cinephile has become a dirty word. Perhaps because it sounds elitist, which is absolutely the opposite of what we are trying to do which is encourage love of the cinema, encourage people to see films and talk about it.

Rachel Van Riel (Director, Opening the Book, UK)

(See Powerpoint presentation on EC website)

Opening the Book implemented new techniques to grow the reading public, books being a cultural industry, too, and some of them could apply to the cinema.

For example, one poster that had a good impact used the slogan 'Take a risk on a book'; it's an open invitation, a more engaging message than the list of 50 films that you have to watch.

The economic model for books is not that different from cinema – it goes from the author to the widest possible audience via the editor and the distributor.

How to develop a readership: Boost confidence and the enjoyment that people get from reading / Broaden their palette of choices / Offer new reading experiences / Consider reading as a creative activity

What transfers over for viewers: Boost confidence and the enjoyment that people get from what they watch / Broaden the choices for films: people often choose what they know (it's not easy to choose something you know nothing about...) / the possibility of sharing new experiences for viewing films / Make watching a film a creative activity (looking at the creativity within it)

We also have developed another action in Wales that got 8 practically unknown authors together for an event aimed at 20-30 year old readers. Young people are not a homogenous group, some are very busy while others are bored. The slogan for this event, which was held in libraries, wasn't "come meet 10 Welsh authors" but "Give me a break!"

We make proposals for books, and for that we have to get into peoples lives and allow them to make a choice. You don't sell a book or an author, you sell an experience.

What's difficult is precisely that choice. For example in Denmark they ran a project on "What men read" by asking 5 readers their choices. That creates a point of reference that comes from the consumer. It's not about the book then, but rather about sharing the experience of the reader and of reading.

This also works through removing inhibition. You don't have to be an expert in literary techniques to share your experience about a book. This too could be used for film, for example summaries about films that are short and simple: a description and people giving their opinion about why they liked the book or hated it. There are two positives to that, it boosts the person giving their opinion and gives the next person confidence by providing an accessible "guide" for them.

Out of this effort to simplify choices the website www.whichbook.net grew up, with 90,000 visitors a month. Starting with the observation that searches for books (or films) almost always use the title or the author (that means the choice is something that the person already knows), this site lets you choose by moving a slider along qualitative criteria (more or less), like serious/funny, gentle/violent, conventional/unusual, short/long (you don't have to fill out all 12 criteria). Behind this site is a large database in which books are classed according to these criteria. To make the search even more intuitive and fun you can also choose a book by a theme, a geographical region (interactive world map), subject or author.

Then, the project OpenYourEyes also offers a viewer-based approach where people answer the question – what film have you seen 3 or more times?

Irene Costera Meijer (Professor of Journalism, VU University Amsterdam, Netherlands)

(See Powerpoint presentation on EC website)

It's not enough to have better marketing to get young viewers to participate, you have to give meaning to a programme that "speaks" to young people, something that they can appreciate.

Studies on audiences have been done for a long time, but we have to go farther and create the connection between the public and the producers of cultural products.

Recently, a study was done for NOS, a Dutch station something like BBC News, focusing on three things – changes in how young people use media, connections between people and changing tastes with regards to the quality of products offered.

It's not about targeting a group as much as it is about responding to that group. You have to have an answer to the question why do TV series interest young people so much, and that comes through an alternative approach. We have to understand how young people today deal with information and we are realising that when young people are interested in a topic they often go all out and that is made all the easier today by internet. Young people want to have the experience of a film or a documentary, to feel concerned or identify with a character in order to fully enjoy the story (*body snatching*).

Young adults also express that need to belong to a group, to share experiences and it's clear that going out to the cinema represents more than just going to see a film, we're back to the "context rather than content" again. Young people want to understand the world their living in; they want a film that surprises them, engages them or shocks them, in short, they want an experience. They want to understand life's complexity and paradoxes.

Making a distinction between good cinema and on the other hand bad cinema is elitist, I mean it excludes people but popular cinema is not incompatible with high quality. In general, if I like something, I want to share it; that's the entire principal behind Facebook.

After that research, the station doubled their audience by improving the quality of the programmes. They increased the number of documentaries and the format was changed going in-depth to differing degrees, a more educational outlook, more short formats or presenting different points of view from within a single documentary. When we talk about education, we always imagine training people, teaching them to appreciate quality. What this suggests is that it's not the public that should meet our standards but the other way round. Furthermore, you have to consider lucky discoveries because there are a lot of times when we can get people to appreciate something that they didn't even know existed before.

The idea is less about stupidly following the demand, giving them what they want because sometimes people don't know exactly what they want.

Conclusions by Michael Gubbins: Young people are viewers just like any other, to engage them you have to change your viewpoint and put yourself in their place. What we think of as a problem – like reaching them – offers a chance for exceptional inventiveness and that fits perfectly with our digital age.

Moderators: Michael Gubbins and David Hancock

Speakers:

Pierre Nicolas Combe (Exhibitor / CEO, ilikecinema, France)

Marieke Jonker (Managing Director, We Want Cinema, Netherlands)

Tom Dercourt (Producer and Distributor of La Septième Salle, France)

Henry Lim (Social Media Manager, Cinémur, France)

Benoît Vidal (Information Architect - MFG Labs, Co-founder of Cinémur, France)

Arash T. Riahi (Filmmaker, Austria / Iran)

David Orlic (Creative Director & Co-founder, Volontaire Advertising Agency, Sweden)

Yan Vizinberg (Chief Content Officer, Cinecliq, USA/UK)

Stephan De Potter (Distributor, General Manager Benelux - Cinéart, Belgium)

Jean-Yves Bloch (President, EuroVoD /General Director, UniversCiné, France)

Cinema On Demand

Pierre Nicolas Combe (Exhibitor / CEO, ilikecinema, France)

(See Powerpoint presentation on EC website)

Four years ago, I started wondering how to meet viewers' requests for films that I wasn't showing at the cinema I run and set the programme for, Entrepôt, 3 screens with 12 films a week. That was just when social networks were developing where people could organise group outings. At the same time, digital cinema equipment allowed for more flexibility. This transformation in use made us think about cinema on demand and we decided to create the site www.ilikecinema.com which creates a bridge between theatres, viewers and films.

Developing efficiency through a customer-run process in 4 stages:

1. Choose film / 2. Choose a theatre / 3. Option to purchase which sets up a showing that is automatically announced on social networks and the site's homepage / 4. Other viewers join in and the screening can take place if there are enough participants (otherwise, expenses are reimbursed)

Technical side: the price of the ticket is less than a usual cinema ticket; 60 theatres in France are partners (very diverse profiles – non-profit cinemas and regular cinemas, from 2 to 12 screens); a variety of films (recent films, cinema classics, cult hits, sneak-previews, a few concerts) thanks to cooperation with several distributors.

When a showing is "created" it shows up as a highlight among the site's offerings (a full-time employee works for the site) and it is shown on partner medias and through offline audience partners.

I think that cinema on demand is a big trend and key in the personalisation of culture. Our goal is to represent between 2 and 2.5% of ticket sales by the third year.

Marieke Jonker (Managing Director, We Want Cinema, Netherlands)

(See Powerpoint presentation on EC website)

Formerly at an art house distribution company, then creation of www.wewantcinema.com opened online in May 2012. Winner of Creative Business award.

System similar to ilikecinema but in just three clicks and with a catalogue of 1,200 films, 18 partner theatres in the Netherlands and once the showing is selected and the ticket bought, the event is launched on social networks.

It's a big consumer trend, especially in the digital world, spectators want to be able to decide what they watch and when and where. At the same time, it creates community, you can get participants' data and that's a valuable database.

What's more, it's an opportunity for rights holders too; when films disappear after 2 or 3 weeks, this system extends their exposure in theatres.

Business model: a guaranteed fee and 33% percentage of the box office for each partner (the cinema, the right holder and wewantcinema). For example, a minimum of 25 viewers is set, that's the number that hits the guaranteed fee and from the 26th viewer, the profits are shared three ways.

The site also provides interaction between viewers who are preparing the group experience in the cinema (for example, let's go see this in costume, sharing stories about the film, etc.). A smartphone application is under development.

Tom Dercourt (Producer and Distributor of La Septième Salle, France)

I am a producer and distributor and I've developed a new tool to combat the overly high turnover rate of films being shown. www.laseptiemesalle.com was born with financial support from CNC, regional governments and MEDIA for the European dimension.

For producers and distributors, this is a way to optimise their marketing investment with a voting system for viewers who go to see each film. Every vote is shown on social networks. Here there's no online ticket purchase, but it's a promotion and a vote for the film.

Every Sunday evening, when votes are totalled, the partner cinemas schedule films in timeslots that they have freely determined beforehand. The showing is part of the regular programming so it is announced as part of the internet and paper schedules and open to everyone. We estimate 30% loss in viewers compared to the votes totalled.

The offer is focused on independent films, on 2nd runs, that means the 5th week after release (when there is no more VPF) and up to the 16th week of run, when the window for VoD opens. It's like a "second chance repeat" for cinemas. It's also a type of cinema club – every week in a given cinema there's a showing of a quality film that isn't out anymore.

In France, audience studies show that 30% of viewers purchase 70% of tickets sold; they're regular cinema goers and 80% of them are on social networks.

Now 6 countries are involved in trying to develop it elsewhere in Europe (IT, IE, GB, BE, CH and HU) and discussions are in progress with 4 other countries to expand the tool. The basis of the tool could be a social network of European operators, tied to Europa Cinemas for example.

Initial figures 5 months after start-up in France:

2,000 members including 1,512 who are also on Facebook

30 partner theatres who reserve 7 showings a week

42 distributors

170 showings have been organised with an average of 14 viewers per showing.

Growth of ticket sales by about 10% a month

An opinion from the public from an operator who tried an I Like Cinema showing:

While we weren't totally convinced by the experience, organising the showing was really exciting. Because we changed things; tried a new experience in marketing research for the cinema public that focuses on cooperation and participation.

A question from the public concerning the size of the theatre – there's no hard and fast rule but experience has shown that this works best with small and medium sized theatres, for a big theatre, we would need a larger critical mass of commitments.

How to create interaction with the public

Henry Lim (Social Media Manager, Cinémur, France)

How can we promote a film via social media?

www.cinémur.fr is a site dedicated to film releases, the homepage is a wall of posters personalised to users' tastes. It's built like a web application.

100,000 users have signed up and connect through Facebook and we have a large amount of data for them: tastes, birthdays, friends, etc.

Practical example: *On the Road* for MK2 Distribution with two goals: exclusive launch of the film trailer on Facebook and get to know better the communities associated with a film, for example fans of Kerouac, Kristen Stewart, jazz.

Step 1 – create the Facebook page

Step 2 – attract users to the page through 2 activities – sending a message to the communities listed above so they know about the page and announce the exclusive trailer coming soon (or a competition, etc.) on this page and the pay advertising on Facebook that will help choose target specific profiles for the announcements. In this case, the advertising is easier because of the existence of the title *On the Road*.

Step 3 – get conversation going among these people with posts, share opinions and encourage people to share opinions (or automatically if it becomes viral).

Step 4 – boost fan posts to influence friends (on average only 16% of friends see the post)

In 4 days, the page had 60,000 fans (starting from 0). On Twitter, the day the trailer was launched the hashtag #OTR (for On the Road) was a trending topic. A few days later, the pleasant surprise of a tweet from Katy Perry, one of the most heavily followed users on Twitter.

Concerning the request for info from MK2 about communities created around a film, we produced a graphic of the connections between users. Finally, we were able reactivate that community at other points in the film's life cycle (Blu-Ray release) and for other films.

Benoît Vidal (Information Architect - MFG Labs, Co-founder of Cinémur, France)

'My Warner' is a project for Warner Bros. a client attracted by the technology and design of Cinémur.

This was a retooling of the brand's loyalty programme which worked with outdated marketing techniques – a coupon in the DVD that had to be entered on the website.

Basics:

All users digital actions (typical actions – I want to watch the trailer, I watched the trailer, I share my opinion, I want to play the game) earn users points in the loyalty programme. These points earn them gifts and they are also published on the site in order to encourage other fans to do the same. The gifts are goodies, tickets to sneak previews.

The main goal was to make Warner Bros an umbrella brand. Nobody knows that they're behind the *Game of Thrones* game (video game adaptation of the HBO series). The goal is to bring together all the Warner licences (*Harry Potter*, *Batman*, *Gossip Girl*, etc.) in order to direct all the various communities towards the platform "My Warner".

To engage users, they have to become active on the interface through a system of challenges, i.e. quizzes , checking the poster or the place.

Users discover all of the brand's licences on MyWarner – synergy for the brand's marketing actions and updating a "Warner Bros. Ecosystem"

This requires a *big data* service that can support numerous users and also allows a maximum number of interaction with the possibility of reactivating users every time the brand has a new event.

Arash T. Riahi (Filmmaker, Austria / Iran)

(See Powerpoint presentation on EC website)

EVERYDAY REBELLION is a cross-media project that supports creative forms of non-violent rebellion throughout the world, creating resistance and developing civil disobedience methods, technological protest for different movements (Iranian, Arab, Occupy Wall Street or the Indignados in Spain). It's a three part idea – first, an online platform to bring together content, methods and develop a network; support cinema and documentaries that reach new audiences and finally developing interactive tools (applications and games).

The site www.everydayrebellion.com will be online in January 2013 and until then the support is a blog opened in 2011. The idea is a platform of content to show and teach the public that the system can change through non-violent, fun methods. We want to promote a form of activism and as an example we have developed two projects with ARTE – *Generation Revolution*, a 10-part webseries with portraits of Arab activists and *Creative Resistance*, another 20-part, weekly series of 1-3 minutes showing different methods for peaceful activism (portraits of YesMen, Reverend Billy, who themselves have large communities of followers). These series were broadcast online on Arte Créative and we share the information (embedded player) on Facebook, which creates traffic on both platforms.

We've made an advent calendar that introduces a non-violent creative method of resistance every day. Arab activists decided to translate them into Arabic and this advice is already being used in Syria today. It's about developing a tool box but at the same time it became clear that we needed to set up "security" tools so that people can view the site and download parts of it without that being known.

Lastly, creating a documentary for ARTE, a shorter television version and a more radical, big-screen release.

Multimedia communication – festivals, games, social networks, press, stickers, site, book, expos of photos from filming in order to create the most buzz around the project.

David Orlic (Creative Director & Co-founder, Volontaire Advertising Agency, Sweden)

(See Powerpoint presentation on EC website)

An outsider's view of the cinema industry – I head up an international multimedia advertising agency that works to engage consumers and create interactions with audiences. *Volontaire Advertising Agency* received the award in Cannes for the best digital campaign of the year.

The question of consumer involvement isn't the right one because they're already involved. Every minute, more than 280,000 tweets are posted, some 700,000 things are "shared" on Facebook, 2 million searches are done on Google and 60 hours of content are downloaded on YouTube.

In 2009, we generated more data than everything previously in the history of mankind. From a technical and a social point of view that's great, but from a commercial point of view it's a nightmare – we are drowning in a sea of data. How can we stand out? You have to find a goal, an objective, values that you can convert into an objective. When you find a goal, an objective, it's no longer marketing or advertising, its real action.

Project: Visit Sweden, launched in December 2011.

In Sweden, there is a strong tradition of democracy, that's part of our identity. We needed to communicate about that progressive attitude. The concept then was to put that idea in the hands of the public – and every week a Swedish person got to run the Twitter account for the country, sharing sites that they like, places, events.

There were quite a few surprises: rather than positive ideas about places to go and links, the tweets were for the most part related to negative experiences. Also, there were several extreme statements that weren't censored, and this was on the country's official account. People thought "this is either pure genius or absolute madness to put that kind of power in the hands of citizens", but we kept our commitment. It was managed freely and transparently and that's when the world's media started talking about it (BBC News, Al Jazeera English, Time magazine). We were able to create a connection with the rest of the world and we earned thousands of followers.

Until there was a catastrophic tweet that sounded anti-Semitic (a badly translated joke), but we held fast and respected the principle which was freedom of expression and we showed once again how progressive Sweden is.

No other country in the world followed that lead.

Yan Vizinberg (Chief Content Officer, Cinecliq, USA/UK)

Cinecliq is a mix of a VoD platform and a social network.

Users access the site through their Facebook account – every film we talk about can be rented for a fee and watched through the Facebook interface.

2 advantages – when you watch a film via Cinecliq, it shows up instantly for your friends and they can click through and then possibly promote the film among their friends. Second advantage – we have access to the profiles of the viewers, these are internet users with information about their language and the place they live.

Most films have a Facebook page, even before their release. On this page, there's a link to Cinecliq with a "rent" button.

Stephan De Potter (Distributor, General Manager Benelux - Cinéart, Belgium)

Cinéart completely respects cinema releases and the added value they have but there is also an economic model that can be developed around simultaneous releases. For example, *Melancholia* came out simultaneously in cinemas and online and the film was a success in theatres, and the same thing went for *Le Havre* for its release in the UK. What's important is to make the most of the marketing efforts, the buzz in the press and the viral effect of the internet.

The Artificial Eyes project was developed with Gutek Film, REZO Film, Match Factory and Golem as part of the call for proposals in the MEDIA programme for simultaneous releases in Europe (*Preparatory Action – Circulation of European films in the digital era*).

E.g. *Kill Lust* by Ben Wheatley will be released in a theatre in Brussels, the Actor's Studio, a member of the Europa Cinemas network, and it will be simultaneously released in VoD. That's a first, it's an experimental step. We will also release his second film *Sightseers*, following the same model.

Jean-Yves Bloch (President, EuroVoD /General Director, UniversCiné, France)

(See Powerpoint presentation on EC website)

Since my last talk four years ago, VoD has become a major economic reality. We have to distinguish between different types of VoD since it is something that takes many forms and impacts different segments of the field

differently. The main segment is the *download to rent* – video rental that over the last 5 years has replaced video clubs which provided little in terms of return.

In France, one of the major VoD markets in Europe, the turnover was €300M for 100 million transactions in 2012, with 70% in rental, and that represents between 100 and 130 million paid in royalties. The second segment, even bigger in terms of numbers, is the DVD/Blu-Ray activity which suffered less from piracy in recent years than from the arrival of iTunes in the last two years, which made digitisation the heart of its business. Download to own represents 1/3 of iTunes turnover and they represent 30 to 60% of the market in the countries where the service exists. This hasn't been traumatic for the sector either since DVD is a resource but isn't overly important with pre-financing.

But it is the case for SVOD and PayTV, free TV and Catch Up that are at the heart of pre-financing for cinema and which threatens to decrease their contributions. It's a delicate question, directly related to chronology of media, which needs to evolve but this has to be done with caution even more so because VoD today can no longer make up for the income from PayTV, even if that could be possible someday.

A real economy is emerging with VoD operations but it's very modest still in comparison to MG and pre-financing.

In 2012, UniversCiné contributed to the pre-financing of some thirty films (out of the hundred new releases acquired) with MG; that can run from several thousand euros to €100,000 or €200,000 for "million-dollar" films and for a term of 10 years.

UniversCiné is a cooperative of about 50 distributors and producers, launched thanks to massive support from the MEDIA programme 5 years ago, and it represents 1/3 of the films produced and distributed in France. Furthermore, as the agent for half of our catalogue, we "export" VoD versions of the films. The catalogue offers 2,600 films, nearly half of which are exclusive. This year, UniversCiné had 2 million downloads, 400,000 of them under the UniversCiné brand.

In order to promote EUROVOD (network of platforms for 12 European countries), a first online festival STREAMS was launched in 7 countries. The problem with this type of operation is technical above all, that's why it's important to pool technical, promotional and marketing means.

There is in fact complementarity between theatres and VoD, particularly for a catching up effect (e.g. *17 Girls*, which "missed" its meeting with the public with only 60,000 tickets, had more viewers through VoD, still in the proper order). The online presence can also work with marketing and media efforts starting with filming straight through to the cinema release; that's cross-marketing. For example, UniversCiné proposed a Bela Tarr retrospective for the release of *The Turin Horse*, and the same thing for Laurent Cantet's next film. Communication for these special programmes, which really have a role to play in trendsetting, also works through newsletters (600,000 subscribers for EUROVOD and 200,000 in France).

Conclusions: Focus is on the public demand, which is often varied and changing – we have to understand it, grasp it and that is only possible if we create interaction with viewers. In the digital universe this comes through creating communities (starting from already existing communities) with specific profiles. The image of Pandora's box has been used several times, and with that image we're referring to the idea that consumers now get everything they want, when they want it and in the format they want and it seems obvious that we can't escape that reality. However, speakers have clearly expressed their attachment to a chronology among media that can be adapted to open access. The VoD model is not yet integrated in film's economic model and if the media chronology is done away with, theatres' financial model will crumble. While everybody's goal is obviously still having films shown in cinemas, it's films' exposure that will provide financing for the industry. However, films often only remain in theatres for one or two weeks, and that's not enough time for audiences to come see them. That's where VoD can play a complementary role, on a paying model, in contrast to pirated films.

Question from the audience: distributors will also have to abandon regional models and will need to be able to offer different versions made possible through digitisation (original language films subtitled in a language different from the country where its released for example and that will bring in a new audience that doesn't necessarily speak the language of the country, particularly important in a Europe without borders).

Conclusions on the digital workshop by David Hancock

90% of exhibitors attending the workshop already have digital film theatres but we have to consider the remaining 10%. Sixty-five per cent of the world's film theatres are now digitised and around half of them can also screen films in 3D. In January 2011 digital overtook 35mm, a rapid development when you think about the discussions we had right here just five or six years ago. All film theatres are digitised in some countries such as Norway and Luxembourg, and nearly all are digitised in others, as in Korea, France and the United Kingdom. Probably there will be no more 35mm prints by 2015.

The first of the three panels yesterday gave a presentation of organisation models for the transition to digital. This was given by three representatives from completely digitised countries: the Netherlands, Norway and Luxembourg.

In Luxembourg, Nico Simon presented the case of eight arthouse screens which were not digitised. To remedy this, these film theatres combined in a network forming a kind of multiplex and the integrator accepted this model. Norway took a national approach and was the first country to be completely digitised.

The main changes are a reduction in the number of films shown but an increased number of screenings. Small cinemas in rural areas (fewer than 10,000 admissions) benefit most from digital technology since they can now obtain films much more quickly.

This relative simultaneity has proved attractive to filmgoers and these small film theatres have seen admissions increase by around 30%. And this trend is set to continue.

An analysis of European markets shows that the government has a role to play, this already being the case in some countries. We should note that government assistance does not have to involve large sums of money: a 10% subsidy of overall costs would result in a concerted effort, 'oiling the machine', an incentive for exhibitors and distributors which allows the whole system to progress. In the Baltic States, which are in difficulty, it is hoped that a 700,000-euro subsidy will encourage integrators to accept agreements.

The second panel was dedicated to projectors and projectionists. There are now cheaper, less cumbersome projectors for smaller screens which still adhere to DCI standards with the use of small Texas Instruments S2K chips. For the NEC model, the cost is around 30,000 US dollars.

Olivier Hillaire of Manice explained the specific features of these projectors and referred to the upcoming termination of VPF agreements, which should encourage those who have not signed up to do so rapidly, particularly since this model has demonstrated its effectiveness without distorting the market.

As regards projectionists, it is clear that a change in technical system has had a human impact. Frank de Neeve explained the effect of this development in a multiplex, a process which is implemented from the top down, while Jean-Marie Hermand at Les Grignoux in Belgium has adopted a reverse process, trying to involve projectionists in other activities at the film theatre.

The third point examined was the change in programmes as a result of digital technology, particularly in relation to alternative content. The Picturehouse in the United Kingdom has demonstrated a positive approach with the creation of the Event Cinema Association. Marc Allenby presented the developments and the obstacles: where there was insufficient content before there is now too much and you need a dedicated person to manage this content, these events and the visiting public. Most events are live shows, 40% of them opera. Carol McKay from City Screen showed that there is no conflict between alternative content and films, stating that these are complementary. Occupancy is 16% in France and around 20% in the United Kingdom, meaning that 80% of seats remain vacant. If digital technology can increase the occupancy rate, that is a good thing.

Diversification can be achieved in terms of content, time slots and audiences. Rafael Maestro described a project developed in Aquitaine. CLAP is a pre-film programme made possible through digital technology. It promotes short films, particularly from art schools, instead of commercials. This pleases audiences and encourages loyalty.

None of the polemics of the past surfaced during this session. This is because digital technology is no longer an abstract concept but a reality we must embrace and exploit to the full.

Conclusions on Young Audiences by Michael Gubbins

The discussions covered literacy, education and appreciation of film in accordance with age and interest. A positive and highly optimistic feeling dominated these discussions despite Saskia's earlier speech which rejected everything which was 'educational'. However, Ian Wall presented a broad study into media education programmes in Europe both within and outside the school setting. A European platform would enable wider cooperation and the exchange of good practice which would benefit everybody. However, the question of a real European policy in this field, during a recession, has been raised. The other recurrent point of the discussions was public interest: people must be encouraged to surprise themselves. Literacy was also at the heart of discussions. In fact, film is a rich language and the modern world contains an increasing number of images.

Different speakers revealed their methods of reaching young audiences and of making them aware of the seventh art. The first point seems to be self-evident: young people are persons in their own right, often more open than adults and yet the difficulty lies in finding a way of communicating with them and encouraging their participation. Social networks are a precious tool for this hyper-connected young generation. All speakers shared their participative activities for young people. At Studio des Ursulines young people are encouraged to talk about the films they like, while at GFT they organise a festival from A to Z on their own. Giving a voice and responsibilities to young people helps build up a relationship based on trust.

Finally, on the subject of film choice, Rachel Van Riel showed us a website designed to encourage audiences to read more. Here, the innovation lies in criteria of choice: you do not need to know the title or the author of a work but you can base your search on qualitative criteria, according to your taste and wishes. Consumers want to be surprised and advised at the same time.

In summary, we said there are two main areas of action:

We must encourage filmgoers to participate rather than talk about education (which suggests passive viewers).

Audiences are active, have their own tastes and seek simply to find their own path to quality.

On day one somebody said that we don't need so many films. On the contrary, the more films there are, the more great directors there are. Filmgoers are also ready for chance discoveries. You have to create, and follow up on, demand. However, when you look at things from the other side, from the producers' point of view, you get the idea that the film theatre is at the end of the chain. We must change this attitude: film theatres are an integral part of the process. We know the public and we are at the beginning of the chain.

Comment from the floor: In our film theatres, digital technology allows us to have conferences and make direct calls (for example, we use Skype to talk directly with filmmakers). VoD is one aspect of the new possibilities but we attach too much importance to it, although I do think that simultaneous releases are a real danger.

M.G.: The fear is that consumer demand will kill the cinema. And the internet too. To counter this fear we must involve the public. As regards simultaneous releases, while we must consider the question carefully, we must also take into account those members of the public who do not live near an arthouse cinema, who are deprived of film, while technically speaking they could access a film by VoD.

Nina Peče, Kinodvor: As independent film theatres, we are responsible for creating links and representing certain values particularly since, in my case, 50% of my finance is public-funded. We must tell the public why they should go to the cinema.

Claude-Eric Poiroux (General Director of Europa Cinemas)

During this last part of the Conference we shall look at the future of Europa cinemas and the MEDIA programme.

The strength of the network is that we ourselves are active participants, responsible for our own situation. We meet here not because we receive assistance but because we manage film theatres which do an important work of dissemination around Europe. We must involve the audience because they are the target group of our film theatres. And this public is not brought to us; we have to attract people.

The discussion on simultaneous release did not take place. Naturally, exhibitors are concerned that the film theatre may cease to be the first place of screening films. I understand the real good reasons put forward by some for simultaneous releases in regions where there are no cinemas. This issue must be considered on a European level because in some countries access to film theatres is difficult or diversity is at risk. This cannot be dealt with in the same way in all countries. And there is a real danger that the film theatre will disappear.

Regarding free preview screenings of films via the internet, press releases declared success with, for example, 6,060 people seeing the film within two hours. In reality, this means 6,060 mouse clicks and there is no way of knowing whether these people saw the entire film or just a few minutes of it.

Filmgoers seeing the film in the cinema are paying increasing admission prices. I think that the economic models of VoD have not yet been firmly established. These questions have not yet been answered and need further consideration. We are rather disappointed that Europa Cinemas was not involved in the debate on these releases, the subject of a new call for proposals by the Commission. However, those participating do include members of the network and we shall see the results of these experiments. The film theatre is a forum for events. CDs have been in crisis for some years due to the internet and piracy. Since CDs started to struggle, concert venues have been faring better. An event organised by France Inter is taking place across the Seine today, bringing together 200 writers for members of the public to meet.

The public have demonstrated a real desire of encounter.

The film theatre must remain the location of choice, particularly those of us who are independent. Furthermore, large groups will not participate in discussions on VoD since they will have control over their own schedules. We are the ones who are more greatly affected. Particularly if you consider film production in Europe which continues to increase, especially the production of independent films. This profusion is beginning to saturate our screens.

This Conference has proved extremely productive in terms of the number of initiatives presented and ideas expressed, particularly since discussions have brought together not only exhibitors but also distributors, professionals and people outside the film industry.

Europa Cinemas is the most active group and the best known group in the MEDIA programme and the message emanating from this Conference is clear: the film theatre remains the place to see films. Film theatres are the first rather than the last wheel on the cart.

Le Coup de Coeur 2012: *The Patience Stone*, a film by the writer Atiq Rahimi, was the exhibitors' favourite out of the 16 films screened on Thursday.

The European Union's budget for the 2014-2020 period is currently under discussion. This is troubling, given the financial crisis, and some countries have shown through their national policies that they attach little importance to culture and to film.

Aviva Silver (Head of MEDIA Unit, European Commission)

Before we talk about 2014-2020, we must point out that the 2013 budget has not yet been finalised. That means that the programme will be launched on the basis of a budget extrapolated from 2012. That does not bode well for coming years. It is of concern because, in the past, at the switch from one budget cycle to the next (cycles now last seven years compared with five years previously), the previous cycle was used as a basis. This time there will be no continuity and no basis for the commencement of Europe Creative. However, there are no concerns regarding the Europa Cinemas network in 2013.

With regard to Europe Creative, the budget has been reduced from the initial proposals. This programme comprises three parts including one for MEDIA which incorporates MEDIA Mundus with a separate, dedicated budget. A new tool will become available to all operators within the sector, in the form of a guarantee fund, that is, funds to guarantee bank loans. This will allow easier access to finance by all. But we shall have to review the ambitions of the Commission which initially proposed a 19% rise for the MEDIA programme. This increase for Europe Creative was to the detriment of other Union budgets. This demonstrates the Commission's commitment to the sector, to cultural diversity and to employment and growth during a real economic crisis. However, that represents just a small part of the Union's overall budget. The Commission's proposals were discussed by the European Parliament and the Council of Ministers, the EU's two legislative bodies.

The European Commission continues to propose support of the Europa Cinemas network and this has been accepted by the Council of Ministers. The proposal is now in the hands of Parliament which has fallen behind and will not be voted on until spring 2013. We shall find out more early next year. So our concerns are with respect to schedules and the budget rather than with content.

Six months ago the Commission planned to replace the different logos with one single European Commission logo, for different reasons. We reacted and requested a derogation. The MEDIA logo is to be preserved until the end of 2013, after which labels shall be created. The European Parliament has requested the preservation of MEDIA and a compromise should be reached by way of a MEDIA label.

CEP: A few weeks ago, Neelie Kroes (Vice-President of the European Commission responsible for the Digital Agenda for Europe) met 18 film professionals in Cannes to discuss eased restrictions on film circulation, making media chronology a thing of the past. Several professional organisations, including Europa Cinemas, signed a strongly worded communiqué alerting European decision makers to the dangers of such a radical and abrupt change. Finally, I should add that Europa Cinemas has, for 20 years, held effective dialogue with MEDIA and I would like to thank the speakers and particularly Aviva for being with us over the last three days.

John Dick (Head of Sector, Education, Audiovisual & Culture Executive Agency)

I am the Agency's manager for distribution, covering four programmes: Europa Cinemas, for film theatres, distribution, VoD and support with digital equipment.

The first initiative concerning VoD dates back to 2010. However, the main problem facing this sector is a lack of information. Most figures available come from the US market and it would be unwise to extrapolate from these for Europe. The market is indeed changing and growing but with regard to simultaneous release particularly, facts and figures will be available in two years, at the end of the experiment. The Agency's priorities are clear: budgets for distribution represent 32 million euros while support for VoD is worth 2.5 million euros.

Pilot projects highlight social networks which are a tool for interaction with the public.

The programme to digitise European screens was launched fairly late on, in 2011, with little finance available. We would have liked to have shown strong political support to encourage rapid development and end analogue support by 2014.

It is a relatively simple programme which operates on a fixed payment system. The intention had originally been to benefit Europa Cinemas network film theatres but that was illegal. Thus criteria took into account the proportion

of non-national European films and otherwise the existence or otherwise of national support. The 2.5 million euro budget supported 57 projects, that is, 125 screens. Twenty per cent of film theatres supported had a single screen and 91 per cent of those selected were members of the network.

A second phase was launched in May 2012. The budget was raised to 3.12 million euros with 70 film theatres selected, enabling 156 screens to be digitised.

The third call is ready and will be launched in December 2012 with a budget of four million euros. The question of national support is no longer being taken into account and this should give priority to single-screen film theatres.

Claude-Eric Poiroux: Will there be a fourth call?

Aviva Silver: For the period 2014-20, digitisation will not take place in the MEDIA context but in the context of ERDF regions. Calculations preclude the possibility of a fourth call. This is not planned.

Nina Peče: Our film theatre receives Europa Cinemas support particularly since we receive no national support in Slovenia. It is essential that Europa Cinemas be there to act as the link with the European Commission since these questions are often very technical to deal with.

A question from Eastern Europe: Can this aid run alongside other European aid?

John Dick: There is a regulation indicating that this aid is not government aid. You can, therefore, combine European funding as long as you do not make a profit in doing so.

Question from the floor about the Europa Cinemas bonus for digital programming.

Claude-Eric Poiroux: Support for programming has been removed. For several years it served to encourage programming. The idea was to encourage exhibitors to ask for DCPs rather than 35mm prints. This support has been useful for 150-160 film theatres but it's no longer necessary because films are available in DCP and particularly since the Commission put in place this programme offering support for equipment.

However, I want to pass on a real concern with digital technology. We shall incur further expenses in future for the upgrade of our equipment and to benefit from the latest technical advancements. Furthermore, small projection equipment has arrived rather late so the cost could have been less for some of our screens.

We are now going to open the debate on Mundus. We greet the 22 professionals from partner countries who have come to see us.

David Steele (Film Industry Analyst, European Audiovisual Observatory)

(See Powerpoint presentation on EC website)

Work carried out by Martin Kanzler on the export of European films on non-European screens.

We used data for 2010, on 10 countries, from Rentrak: Argentina, Brazil, Chile, Mexico, Colombia and Venezuela in South America, Australia and New Zealand in Oceania, the United States and Canada in North America and South Korea in Asia. Twenty-seven countries were taken into account for Europe (countries on which we hold sufficient data, including Turkey and Russia). The main countries missing from this study are Japan, China and India. 'Target' countries produced nearly half of global box office takings while the 27 European countries represented 31% of global box office takings.

Main conclusions:

These 'Rentrak 10' countries represent 19% of total admissions to European films. Thus, 80% of admissions to European films are in the 27 European countries.

However, the market share in terms of admissions for these films was only 3%.

Exported films came primarily from three countries: Great Britain, Germany and France.

Market split into four segments: US studio films, national films in countries with a strong national film sector, GB/US coproductions which achieve high admissions, and other films.

Latin America has a similar schematic to the European market. Latin American films are not exported beyond their frontiers, suggesting that cultural factors are more important than linguistic factors.

Claude-Eric Poiroux: In each country there are at least a dozen highly motivated professionals working on the distribution of European films.

MEDIA Mundus by Guillaume Gaubert (Europa Cinemas)

The American share of global box office takings for non-national films (US and Canada) increased over a ten-year period, going from 50% in 2001 to 69% in 2011. In comparison with the 19% achieved by European films, the work still to be done is evident. However, European films are clearly identifiable around the world, valued by many film lovers and professionals and continue to act as a reference. In regions in which we operate, it is sometimes easier to circulate European films rather than national films.

The idea of EC Mundus is to create a sort of network like Europa Cinemas.

Since 2004 it has been a distributors' network: 98 distributors supported in over 400 releases, and a network of film theatres: 215 film theatres and 819 screens in 26 countries and 99 towns. And it is also a network of filmgoers. In 2011, Europa Cinemas Mundus network film theatres received 3.8 million spectators for European films representing total box office takings of 20.4 million euros.

How this works: Supporting cost of prints and promotion for distribution, support for film theatres based on the number of screenings (a minimum of 28 screenings and two weeks of programming for exhibition over the entire period), creation of network activities and events. Last year we launched a Young Audiences seminar in Mexico City, attended by four European exhibitors who met their Latin American counterpart in an exchange which was valuable to all.

The development potential of this activity is important in terms of new countries (Oceania or even the US or Canada) and in terms of support. David Steele emphasises that the average market share held by European films in third countries reached 3%. In network cinemas, the figure is often 30% or even 80% for certain film theatres. We could approach new participants by steering support towards, for example, multiplexes which reserve one screen for European films. Finally, Europa Cinemas Mundus could return Europe's desire for cultural influence around the world. Film could be at the heart of Europe's cultural agenda but that is a political choice and it is an opportunity both from the point of view of promotion of values, diversity in particular, but also from an economic standpoint, especially as some countries are already very active in this domain such as China, Japan, Egypt and even Great Britain with its concept of Cool Britannia. It is not simply a question of selling products but of ensuring that European creative wealth finds the public it deserves.

Claude-Eric Poiroux: One word about Europa Cinemas partners. Firstly, Eurimages for Council of Europe member countries which no longer participate in the MEDIA programme. The programme has just received an application from Albania and, additionally, Eurimages is currently negotiating with new countries. Our collaboration with the European Parliament via 27 Times Cinema: young people sent to Venice to meet professionals and put film critiques online via social networks, sometimes even on television. Finally, the Europa Cinemas label intended to promote a European film in a parallel section at the main European festivals. If you would like to be a member of the jury, please do contact us.

Closing speech by Ian Christie

Congratulations to Fatima Djoumer and the Europa Cinemas team for organising this conference which has covered many important issues. It is a shame that not all exhibitors were able to attend.

A very long time ago I used to work with John Dick to improve the dissemination of video, almost blasphemous at the BFI which sought to reinforce cinematographic culture. There is a clear parallel with the possibilities offered by digital technology.

Recently, Carol McKay and David Steele launched a remarkable project in which I took part, not only on attendance at film theatres but also on what filmgoers feel and how films can have an influence upon their audiences¹. What emerges from this conference is that we should consider the public, the film being just one subject for examination. During the Young Audiences workshop yesterday, Rachel Van Riel presented a new approach to book promotion, centred on the perception of readers. That suggests that the same process could be applied to film, which would be a minor revolution in our field of activity. And I would like to pick up on another point: David Hancock said that we no longer need 35mm if we switch to digital. Are we so sure of that? Yes, the Kindle is a very useful tool but would we be happy to see books disappear? Among the many questions raised by the transition to digital, I bring up the issue of heritage, of global film culture.

There is a challenge to be faced, and one of which Commission representatives here present are aware, although the solutions have not yet been identified: what do we do with our heritage films, who will digitise them? It is important that we consider these questions together.

Regarding the issue of alternative content, of cinema as an event, it is true that digital technology brings much other content into the film theatre, be it archives or heritage films, but a major concern during this conference is place on screens. Feature-length films will have to fight to find their place on screens and be as attractive as alternative content. Attractive films are those made by the majors which are grabbing the market share on our screens to the detriment of European films.

Film theatres can present a vast range of products. For example, in Sweden I saw a balanced programme of films and alternative content and this complementary approach allowed the film theatre to satisfy its audience and to continue to be an open and cultural venue in the town.

Another comment on the slippery subject of VoD: of course, Europa Cinemas represents and protects exhibitors who are concerned about their future, particularly as regards the issue of day-and-date releases. I join with John Dick on the point of missing data, resulting in the need for an experimentation phase. It is better to face the changes and to study the effects of pilot projects in place, particularly in network film theatres.

And another comment on the future of Europa Cinemas: in a modest way, we have celebrated the 20th anniversary of Europa Cinemas. We could not imagine, at the beginning, that we could be 20 years old but the network developed and prospered and motivated and competent Europa Cinemas teams are here at your service. We, the founders, are reaching the end of our shelf life, as you will have seen, and our mission now is to rejuvenate Europa Cinemas to face the future more effectively, in optimum conditions. Nina Peče from Ljubljana told me that she was going to organise an event on the future of cinema. That is a real debate. Mass cinema commenced in 1912 or 1913 so it is 100 years old. It is important to consider what the cinema will become in the next 20 or 30 years, particularly given technological developments.

Thank you for your participation. I hope that you have benefited from this conference as much as I have.

¹ *AUDIENCES, Defining and researching screen entertainment reception, Ian Christie, Amsterdam University Press, 2012*

Opening speech by Mrs Filippetti, Minister of Culture and Communication

Dear directors of Europa Cinemas,
Dear members of the Europa Cinemas network,
Dear Claude-Eric Poiroux,
Ladies and gentlemen here today and those who will be reading or listening to the message later,

I am honoured to be talking to you, although I deeply regret that other commitments prevented me from being with you in person, to experience and share this 17th Europa Cinemas Conference. I am, therefore, taking the liberty of talking to you by video-link. I wanted to assist in your work and show you my support.

The year 2012 marks 20 years of your Europa Cinemas network which, when created, comprised 45 film theatres in 24 towns in the 12 countries of the European Union. From the start we can all congratulate MEDIA and CNC, the French cinema association, for their belief in their founders' initiative of supporting the creation of a network of European exhibitors. Your network of film theatres is now firmly established within the Union, and even globally, thanks to the MEDIA, EURIMAGES and MEDIA MUNDUS programmes, to the support of CNC and also thanks to your partners, professionals, distributors, producers and international sales agents.

With this message I want to emphasise that over 20 years your actions have been a resounding success, placing your cinema network as the leader in programming mainly European films! Your influence in fact extends to 1,170 film theatres, in 675 towns in 68 countries, and to 38 million film lovers. Another figure indicative of the success of your steadfast commitment: European films now represent 60% of your screenings, and non-national films 36%.

These figures were achieved, sometimes with difficulty, as a result of your painstaking daily activities. As exhibitors and distributors you listen to the public, select the films to be screened and negotiate with conviction not only with your colleagues and partners, but also with the administrative and public authorities in your own countries and within Europe. And always with one goal: to seek to bring together the best possible conditions for the exhibition of works in film theatres in which you believe, not to mention providing a warm welcome to your audience and encouraging their loyalty.

Your belief is strong and I share it. Thus I, like you, believe that the cinema is and has to continue to be the place for the screening of films. I share this conviction, because I firmly believe that the filmmakers devise their films primarily in that format for exhibition. That determines both the duration and the aesthetics of films.

I believe fully in the power of the cinema to take us, the audience, out of our daily routine. I believe in the capacity of the film theatre to capture our attention, to arouse our emotions and to develop our imagination, as no other medium has managed to do.

Like you, I also believe in private initiative, those of you who manage your own establishment of one or more film theatres. But I also believe that these activities require the convincing and strong support of local, national and European authorities. The screening of a film which does not immediately seem to please the audience cannot be anticipated! Belief in cultural diversity, in its wealth, in what it brings to the public, and daring to exhibit one's works to attract the public, cannot be assumed!

The commitment concerning the transition to digital, in a way that the vast majority manages to do so, cannot be assumed either. Investment is important. It is evident that European countries have not all made progress, and that this revolution is not the same everywhere. In your network of film theatres alone there are disparities: 100% of network cinemas are digitised in Finland, 82% in France, but just 19% in Italy ... In total, to date, 50% of network film theatres are digitised.

Thus I would like to say that we need you, the people animating our towns, being often the only cultural establishment open seven days a week. You who create this essential social link with citizens - and at the same time, you need our support.

These additional partnerships are necessary. For that reason, during this anniversary when it is time to take stock, I want to reiterate that EUROPA CINEMAS can continue to count on the support of CNC and on my full support and commitment - and that of the other members of the French government as well - to activities carried out by your network. I believe in our partnerships and in our strength.

I also share in that belief that the works, which enrich us constantly, are, however, unbelievably fragile and that, because we love them, it is our duty to protect them.

You assess ceaselessly what your community of film theatres can bring to you. You play a tremendous role in constant relaying, showing works to the public, ensuring their circulation from one town to the other, from one country to the next, to ensure that they are shared within Europe and around the world.

And yet because these works, which reflect an individual culture - that of their author, sometimes of a country - cannot be taken for granted, neither in their artistic diversity nor in their method of finance or their dissemination, you realised 20 years ago that there was a need of uniting strengths.

This union is just as necessary now that the digital revolution is underway, in our film theatres and in our lives. I must reiterate the role of everybody, you, us, me: the goal of all governments in the European Union - and of all those who love the arts - must be to continue to promote creation to ensure that we do not yield to the temptation of uniformity. We can safeguard and sustain over the long term the financing of this creation, continue to contribute to its influence beyond our own countries, and beyond our borders.

In these times of change, with, for example, the commencement of illegal downloads, it is up to all of us to resist and to yield neither to threats nor to temptation. I am convinced that we can still believe in those principles of our predecessors in the 1980s, that works cannot obey the rules of a single, deregulated European and even global market. I am convinced that, during the digital era, it is now up to us to adapt the legal and economic framework that we discuss on a daily basis, in our countries, in European and global meetings - but based on this reaffirmed political belief of our predecessors. That these works be screened in film theatres and then distributed on new supports, that these works be dematerialised, should not call into question the fundamental idea that works are not goods like others. This is in the interests of the preservation of cultural diversity!

Finally, I share the exemplary and very diverse activities, from one film theatre to another, from one country to another that you are carrying out for Young Audiences. I shall shortly announce action by my Minister for artistic and cultural education. I shall make it one of my priorities since I, like you, believe in the power of meetings between the young and the arts, between the young and the works. I believe in mediation as an important factor in citizenship – starting with the youngest people - that art, including cinema, can bring something to everybody, if we know how to create the conditions for such an encounter and to awake curiosity.

To conclude, I would like to thank you most warmly for your constant activities, sharing the films within the Union and far beyond. And I can only encourage you to continue to believe in what you do.

How, then, can we not greet with emotion the memory of one of your most committed spokespersons, one of our greatest artists, Claude Miller, who with his presidency of Europa Cinemas extended the influence of your network, and, more broadly, of the cinema, step-by-step since 1993.

To all of you, I would like to wish an excellent Conference.

Towards the future, Ian Christie, President, Opening speech

So, Europa Cinemas is 20 years old – or young, as I'd prefer to think of it. When it started, I was working at the British Film Institute, with a network of cinemas, and venues that we called 'media centres' in major cities around the UK. All of those are still functioning, I'm pleased to say, and have developed in interestingly different ways. And that's one of the lessons of cinema history – which is what I teach now. Earlier this year, cinema historians were busy celebrating what's become known as 'the second birth of cinema' – referring to when it really took off as

mass entertainment, not in 1896, but in 1912. This was when music halls and theatres were turned into full time picture shows and new, often giant-sized, cinemas were springing up everywhere to show the new long films that old hands said would bore audiences.

You can imagine how much complaining there was. This was going to kill live entertainment. It was going to turn youngsters everywhere into thieves and gangsters. The world was going to the dogs - or rather to the pictures. Today, it's cinema itself that faces some severe challenges from innovation all around it. You're going to hear a lot over the next two and a half days about 'media chronology', or 'windows' as it's called in English; about the supposed threats posed by VOD and by 'alternative content'; and about the more fundamental and paradoxical problems caused by digital projection: how to pay for conversion, and how it's bringing about the end of 35mm film as we've known it. And about the youth, who aren't sneaking off to the pictures, or respectfully learning the history of cinema, but are busy downloading films to watch when and where they want.

I'm not going to prejudge any of these discussions and debates. Like the rest of the Europa Cinemas board, I'm here as much to listen to you, as to any experts. Because you are Europa Cinemas: without you, this now vast network doesn't exist. But what I can offer you are some historical perspectives since, as the English writer G K Chesterton said, those who are wrong about the past are almost certain to be wrong about the future.

So what can we learn from cinema's progress over the last 100 years? Perhaps the most important lesson that comes from audience studies (and I've recently edited a book on Audiences) is that people didn't just go to the new cinemas to see films: they went for many other reasons, including getting out of their miserable, overcrowded homes. That single issue – what makes us decide to go out, to leave our comfortable home, now equipped with many ways of watching films – has never been more important, and it's one that all cinemas need to think hard about. A second lesson from history is that cinema has never stood still. There's a kind of dewy-eyed nostalgia I sometimes encounter about how cinema used to be... let me tell you, it was often horrible: bad projection of bad prints of films we didn't want to see. But what kept audiences coming back wasn't just the power of great films – which are few and far between – but a process of almost constant *innovation*: synchronised sound, colour, widescreen, stereo sound, Dolby, 3D... you know the list. Every single one of these was bitterly opposed, but they served to *refresh* the cinema experience, to challenge filmmakers and audiences; above all, to modernise the cinema experience, so that it didn't remain stuck in the past, while so much else was changing in its audience's life.

And that, I suggest, is the real challenge cinema faces today: how to make the '*cinema part*' of film, which is everywhere – on our TV, on our computers and tablets, on our mobile phones – how to make that '*cinema part*', only 6% on average of total film viewing, really matter. Let's be clear: most people will see most films in places other than a cinema, but that doesn't mean those cinema viewings aren't what Raymond Bellour calls, in my book, 'a special memory'. They're vitally important to the life of a film, and they need to be equally important in the lives of spectators.

I said that studying the history of cinemagoing shows us that people haven't always gone just to see the film. The other side of this is that many people received much of their cultural and emotional education from film. For over eighty years people have been seeing the film of the book, hearing music they then went and bought on record, visiting countries they first saw on screen. I believe it's important not to be purist about cinema, because it's always been a hybrid experience. So if some people are going to digital cinemas today to experience opera – which amounts to an amazing re-invention of the most old-fashioned cultural experience still available – an entire art-form that has scarcely more than two dozen acknowledged masterpieces (and I speak as an enthusiast) – then I think this is something that cinema people should watch with interest, rather than condemn. In many ways it's an updating of what attracted the audiences of the 1960s to the film musicals of that decade, in widescreen and stereo. The new digital opera and theatre entrepreneurs are pioneers that we can surely learn from – just as we can learn from psychologists, sociologists, technology developers and a vast range of other experts who feed into the evolving '*cinema experience*'.

Thirty-three years ago, I attended an international gathering of film archivists, in Lausanne, and the guest of honour was Jean-Luc Godard. Godard's message to the assembled archivists was that every projection of one of their precious prints should be a production – as Langlois's Cinemathque screenings had been for him. I'm sure many of them thought he was mad. But that message has a real resonance today. As contributors to our annual Bologna Festival workshop often stress, all cinema screenings need to be special, if they are going to attract people away from their other viewing platforms.

There's no room for routine, if cinema is going to succeed in its digital second century. Our much-missed founding president Claude Miller was a staunch believer in cinema taking advantage of new technologies and formats, as he himself had done since the heady days of the *nouvelle vague*. Today we have tools and resources that would have amazed our forerunners – but don't make the mistake of thinking that they just had to book the film and collect the money, or that we can just go on repeating that cinema is the best place to watch a film. People have been predicting the end of cinema for most of my lifetime, but I'm more convinced than ever it still has a great future. And – since we're in Paris – it's worth recalling what Andre Bazin wrote in the late 1940s: from the point of view of its founders, 'the cinema has not yet been invented...'

Claude-Eric Poiroux, General Director, Opening speech

Dear Friends,

I would like to welcome you to this Conference which is twice as important this year. Firstly, there has been great sadness at the loss of a person who was our friend and fellow traveller, for nearly 20 years a wonderful symbol of the close link between exhibitors and filmmakers. Until passing away in April this year, Claude Miller was a real film lover, a great filmmaker and attentive President of Europa Cinemas. His last film, *Thérèse Desqueyroux*, is now being screened in our film theatres. In this way we can pay homage to him and thank him. Sadly he will not share in the joy of the anniversary we are celebrating today.

We can be proud of the last 20 years. We can be proud of the fact that 45 of us joined together to create the foundations of a network, to set its objectives and regulations and to convince the Commission to include film exhibition in the brand new MEDIA programme. Since 1992 there has been no failure on the part of an increasing number of exhibitors, nor of the European Commission. We can thank these organisations which have been partners from the earliest beginnings: the MEDIA programme and the CNC, the French cinema association.

We have moved forward together and the result today is visible, dynamic support for European cinema and for all components of the film sector, namely, producers, exporters, distributors and, why not, VOD platforms.

What you have managed to do is bringing together thousands of screens and, more importantly, make these cinemas the meeting place for European films and, of course, their directors. You know them well since you welcome them to your film theatres. We feel honoured by their particular acknowledgement today.

And, most importantly, we have conveyed our message to an audience which can opt for quality and which has remained faithful to us over the last 20 years. Last year, nearly 40 million film lovers shared in the wealth of European films offered by us. These filmgoers are grateful to us for providing so much diversity alongside an often limited and very uniform mainstream programme.

And as regarding the creation of a network of exhibitors, I remember one of the first questions we were asked by those responsible for the MEDIA programme during our early days. How can we bring together people who are so scattered and far apart and who, by the very nature of their activities, should have a daily presence in their film theatres? In fact, this obstacle was to become the driving force behind the creation of our network. To put an end to isolation, to state our preferences, to share our local experiences and the difficulties we face, to be part of a collective adventure: that is the life of a network.

I shall not dwell on all the additional initiatives of the last 20 years. Firstly, this 17th Conference attended by 700 of you, from 52 countries. Then there has been our annual meeting in Cannes, the juries of the Europa Cinemas Labels in four important European festivals, the Young Audiences seminar in Bologna, the three Europa Cinemas Prizes awarded annually, our mini-networks even extending to small localities, extension into other continents through MEDIA Mundus, our website and its database, and our publications and newsletters. Not to mention, of course, our trailer which has raised so much awareness of our existence among the public, and a remix of which you will see tonight at the Arlequin. For us, the last 20 years have been an opportunity to report clearly positive results. But they also represent just one step. And this Conference will reveal our view of the future.

One certainty acts as our starting point: the film theatres (over 30,000 screens) which are a real asset in Europe and which we have a duty to preserve. We are all certain that if the film theatres were to disappear, cinema would not survive. We exhibitors know very well that the film loving public comes together in our theatres. This is not a virtual audience but filmgoers whom we know. We can count on them and assure producers of income they can reinvest in new projects. We underpin the economic model of the film theatre. During the Conference today we shall reaffirm this conviction, at a crucial time when we are embarking on a new era, the digital era. For a number of years now we have invested millions of euros to obtain projection equipment for our film theatres, marking an important date in the history of the cinema: the abandonment of the 35 mm film used for nearly 120 years. This essential investment has, sadly, not been within the reach of everybody under the same conditions. For many years we have been very clear on one fact: it is imperative that none of our theatres should close as a result of digital technology. This would be an unacceptable waste and a setback for European cinema.

What opportunities are available to us in this new digital world? We can increase the diversity of our programme schedules and offer new content and new forms. But, most of all, we can profit greatly from new resources to personalise our premises, promote films and gain new audiences. Thanks to the internet and social networks, messages are better targeted and filmgoers easier to reach. Particularly, they can make their expectations known, form fan communities and arrange meetings in this one unifying location that is cinema.

The great diversity in methods already employed in our film theatres will be revealed tomorrow, and we shall devise more in order to demonstrate clearly that the film theatre is an innovative, avant-garde setting. Even better if we can pave the way for new methods of dissemination which gain their strength from our first screening. There remains an obligation for the entire cinematographic sector to respect the chronology of releases, giving respect to the works themselves and to the public who decide whether to leave their homes! And let's not demobilise our filmgoers by giving them to believe they should stay at home to watch films on their computer! Everybody would lose out and the cinema would be quickly forgotten. The challenge is, certainly, a cultural one because it affects both artistic creation and economic factors since we cannot see how low-cost distribution of this type could finance a sector as cost-intensive as the cinema as we operate it today.

Finally, on Sunday, just when Brussels will be discussing the European budget, we shall talk about Creative Europe and the future of the MEDIA and MEDIA Mundus programmes. We shall discuss how much we value this programme which has demonstrated over 20 years that European cinema really does exist. Sometimes we are asked to define it. For me and, I hope, for you too, what sets European cinema apart is, firstly, its diversity, its capacity for renewed interest and the quality of its audiences, the greatest film lovers in the world. We are essential participants in it and we intend to remain so, alongside all of the professionals in the distribution market. Furthermore, I would like to welcome in the audience the forty or so exhibitors and sales agents brought together through Europa International, who have joined with us for their first Conference with the same objective of facilitating the circulation of works following their launch onto the market.

Let us, therefore, make this Conference the starting point for our next 20 years. Thus I wish you good luck for this weekend and for the coming years. Thank you.