18TH EUROPA CINEMAS NETWORK CONFERENCE

REPORT

Athens

21 – 24 November 2013

EUROPA CINEMAS

MEDIA-PROGRAMME OF THE EUROPEAN UNION

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,

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INAUGURAL SESSION

Xavier Troussard – Head of Unit MEDIA, Creative Europe, European Commission

It's an honour and a pleasure to inaugurate this 18th conference in Athens, because Greece is a country in which the terrific impact of the economic crisis has become a test of the intrinsic value of the European project, and of its basic values of solidarity and democracy. It's also an invitation to be consistent in developing activities at a European level, so as to obtain the greatest added value while being particularly rigorous in the management of public funds.

For me this conference is also the first occasion to meet you all, the people behind the Europa Cinemas network, a label of quality and a "success story", as they say in Brussels... You are the ones who bring the diversity of film creation to the public.

And I'm delighted to bring you good news: as of this week (vote of the European Parliament on 19 November 2013 – ed.) Creative Europe has a budget of 1.46 billion euros, 9% more than in the last budget period. In a context of austerity, this increase is a sign of recognition for the role that culture plays in our societies and economies. The new Creative Europe programme is structured in three parts: the culture pillar, the MEDIA programme and a new section dedicated to financing, a guarantee fund for those working in the sector, which will be operational starting 2016.

Concerning digital technology, MEDIA has been able to support numerous exhibitors. Today, although the degree of digitisation is still not entirely satisfactory, it has been brought up to a reasonable level. However digital technology still poses Q&A: will the flexibility of programming offered by digital technology benefit cultural diversity, or will it impose new inflexibility and constraints? How will these new technologies evolve, and how will their renewal be financed? And what impact will it have on audiences? Cultural policies are focused on creation, but these creative efforts must reach their audiences. So the development of audiences, activities geared to young people, and film education are the priorities of our new programmes. The idea is to make European cinema even more attractive and maximise the added value of European products.

Finally, it seems there is a lack of trust between those active in the cinema industry and the Commission, a mistrust illustrated by the discussions on excluding audiovisual industries from negotiations with the United States, or by the difficulties concerning the development of the Cinema Communication, notably regarding the compatibility of national support programmes with EU rules. So the dialogue must be deepened between the cinema sector, the Commission and the member states.

In this regard I wanted to react to the press release[1] signed by Europa Cinemas concerning day-and-date and media chronology. It seems that there was a misunderstanding about the Commission's position. Its goal is not to endanger the sector, but to carry out a test so that everyone involved may talk on the basis of published results.

We recognise the necessity of a chronology for media releases, because it's the only way to ensure cinema financing. The screens that you represent are the best advertisement for the films you show, but we also see that a large number of films are on offer and that a more flexible exhibition model is one solution to be considered for raising box offices. We must experiment with how the different platforms may be coordinated so as to increase the number of viewers and raise takings. So I am expecting more than a press release from your network, but a commitment to engage in dialogue with all those who share our interest in European cinema, in order to give shape to this debate.

To conclude, I quote Visconti's *The Leopard*: "If we want things to stay as they are, things will have to change." We now find ourselves at this decisive juncture. If we want a strong, diversified industry, we must embrace change.

Nico Simon – President of Europa Cinemas

Welcome to Athens. We chose this city to demonstrate our confidence and our support for a country that has been through hard times, moments in which culture and diversity must remain a priority. When the Europa Cinemas network was born in 1992, it counted only 12 participating countries, 24 cities, 45 cinemas and 110 screens. 21 years later, the network is established in 33 MEDIA countries with 2,209 screens. And if we add MEDIA Mundus, the numbers are even more eloquent: 69 countries and 3,194 screens. Xavier Troussard called it a success story, and this success would not have been possible without the constant support of our partners: the MEDIA programme, Eurimages and the CNC, to whom I would like to extend our heartfelt thanks.

It seems there's a misunderstanding about just what Europa Cinemas is. The association Europa Cinemas has organised the construction of a network that was not conceived as a sectarian or closed network of arthouse cinemas, but which welcomes all cinemas that meet the high standards set out in our guidelines. The network

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Director of the Institute for Media Research

represents both cinemas involved in defending cultural diversity and film authors/directors. It is comprised of cinemas with various structures, all of which however share this common interest. That's why Europa Cinemas is in regular contact with bodies representing the film sector, like CICAE and UNIC. The first mission of Europa Cinemas was and is to support the dissemination of European non-national films in cinemas: that is to say European cinemas and films. Europa Cinemas is not a federation, but to pursue our objectives we must join the discussions that the industry is engaged in, particularly those concerning the exhibition sector, as we did on the question of digital norms.
Some complaints were made by certain exhibitors about the amount of time dedicated to VOD during the last conference. It's our duty to talk about these Q&A that pose a challenge to our sector, and which are not only a reality but also an opportunity for new revenues for directors and producers, as was the case for videos and DVDs. This is a complicated question that has to be talked out, because not only the future of Europe's cinemas is at stake, but also the future of independent European films. While this new exhibition window can generate revenues for producers and directors, for Europa Cinemas day-and-date does not bring an added value to cinemas. In addition, we know that directors make their films for the big screen. The exhibitors have invested and continue to invest enormous sums for the security they get from being the exclusive first sales venue. In limiting this option, the producers must know that they are weakening the cinemas' financing model. We must not ignore the risk of a downward spiral: if the cinemas have fewer admissions, they will be tempted to switch to a form of programming that's more "entertaining" than "cultural", with the consequences that one can well imagine for independent production.
The cinemas are not conservative or backward-looking, and many have invested in new digital tools, both for projection and for communications and marketing. But these Q&A must be debated, and this is the goal of our conference, to which, may I remind you, you are the first to contribute, since part of the support you receive from Europa Cinemas is reinvested in its organisation, as well as in the Bologna Seminar, for example.
This year too we will talk about digitisation, a question that has not been resolved in certain countries of Europe. Young audiences are also a central topic, and I'm happy that it is one of the Commission's new priorities. We have also focused on the future challenges facing cinemas, how to get to know our audiences better and develop activities that will bring new audiences to our theatres.
Europa Cinemas continues to commit itself to supporting European diversity, and its different languages and cultures. This richness must not be sacrificed on the altar of uniformity in a single market. Culture is not just merchandise, and I am happy that the European Commission held to this vision during the discussions on the free trade treaty with the United States last June. Diversity is fertile ground for the creative community in the cultural industries, this ground must not be impoverished by encouraging a sort of "mono-culture". The ambitions of the Commission and the activities of Europa Cinemas have much in common, and should engender a productive dialogue.
Thanks to all the network members and have a good conference!

Claude-Eric Poiroux – General Director of Europa Cinemas

I'd like to evoke the principal developments in the network since the last conference, and outline the priorities and topics singled out for this conference. In selecting them, we based ourselves on the 150 answers that you returned in response to the questionnaire we sent out last September. Our thanks to those of you who sent them in.
First of all, a note of encouragement: there are almost 600 professionals here from 47 countries. This is a sign that you feel the need to gather on a regular basis to take stock of the situation. I'm thinking particularly of the exporters from Europa International, who are meeting at the same time as we are for the 2nd year in a row.
Our sector is going through a rather chequered period, nevertheless hopes are high and there are many opportunities to be seized. Across the world the cinema is progressing in terms of screens, admissions and box offices. But we are seeing a standardisation of the films on offer. Several multiplexes go up in China each week, for instance, but it can happen that the same film is screened on 6 screens at the same time. The situation in Europe is more balanced, but you can see the first signs of one-upmanship in investments in "grandstanding" multiplexes, where the increased costs will certainly not favour the diversification of films on offer. This is the first time in the history of Europa Cinemas that the network's numbers have decreased in Europe. This is due to the definitive closures of cinemas or to certain cinemas' renouncing their European commitment in favour of easier programming choices. In 2014, the new applications hardly compensate for the closures.
What are the causes? Firstly, the crisis, which has had a profound impact on cultural and leisure activities. This situation can be aggravated by government measures that are clearly hostile to the cinema and which quickly result in catastrophes that are nevertheless foreseeable. In Spain, notably, where the network has lost 9 cinemas (55 screens), but this situation is mirrored to varying extents in several other European countries that have in common a lack of support for the cinema and an absence of anti-piracy measures.

Another reason brought up in your answers, and which underscores the extent to which ours is an offer-based industry, is the artistic and commercial quality of the works we show to the public. Thierry Frémaux says this regularly when he does the programming for the Cannes Film Festival: there are good years and not-so-good years in global production. Added to that, another phenomenon is increasingly prevalent: at certain time of the year, in summer notably, we don't have enough films, while in other months we're submerged and can't cope with the competition, which is particularly deadly for the most fragile titles. The question of spreading releases over the year must be broached firmly with our distributor partners, who must acquire a better understanding of the realities on the ground.

Finally, digital technology. If 8 cinemas out of 10 are equipped today, what about the remaining 20%? We have invested much and incurred debts, but how are these improvements and the renewal of this equipment to be financed? What will come of co-financing and VPFs?

But digital technology offers us a far vaster universe, with innovative initiatives and opportunities for shaping the future of our theatres. First of all is programming diversity, a priority of the network, which can be augmented by offering other cultural contents. Our cinemas are warm environments, where a bond is established with our audiences. We must take advantage of the creativity offered by the Internet to do more to enhance the value of the contents we offer in our theatres, notably those aimed at children and adolescents. These are creative works, i.e. films conceived, produced, and directed by all the professionals and artists in the long cinema production chain. Films are our history, our mirror, our dreams, and in our cinemas they are showcased under impeccable technological conditions, but above all under presentation conditions that we are the only ones to offer for so many European films. In this way the network revealed the charms of European cinema to 45 million viewers in 2012, and our shared objective during these three days is to innovate and find ways of increasing this number even more. I wish you a good conference!

SESSION I – THE FUTURE OF THE FILM THEATRE: THE FILM THEATRE OF TOMORROW

Led by Michael Gubbins – Consultant, SampoMedia, United Kingdom

How can cinema retain its central role in film?

Speakers :
Andreas Maurer – Consultant and author of *The 10 myths of 21st Century Cinema*, Switzerland
Clare Binns – Programming & Acquisitions Director, Picturehouse Cinemas, UK
Thomas Bertacche – Exhibitor - Centro Espressioni Cinematografiche, Distributor - Tucker Film, Italy
Mathias Holtz – Head of programming, Folkets Hus och Parker, Sweden
Thierry Decuypère – Architect, V+, Belgium

Andreas Maurer – Consultant and author of *The 10 myths of 21st Century Cinema*, Switzerland

(See presentation on EC website)

My contribution to the discussion today is a reflection on the nature of cinema: our relation to film has changed fundamentally in 120 years, notably since the advent of the digital era. We participate in this new world, what role do we play in these cultural changes? My book deals in a polemical way with ten myths concerning the cinema of the 21st century, I will evoke three to illustrate my point.

1. Film criticism is in a critical situation, verging on insignificance. Critics put out a huge number of reviews that are all similar in content and form. But audiences no longer trust their judgements, and prefer to read comments posted by their peers on the many platforms: blogs, social networks, etc...
2. Film is cinema and cinema is film. You can’t deny that cinema and film are no longer synonyms. It is the public that defines cinema and film. The film theatre exists wherever audiences share the experience of viewing a film (this can also be home cinema), here the cinema becomes a social space. What is the definition of a film? Why keep calling it a film (= a film strip), since films are now made of pixels, megabytes, gigabytes. If film lovers see this evolution as the desecration of an artistic practice, the digital economy makes it possible for theatres to screen more and more films, for people to watch them on home cinema with the click of a mouse, and it also enables more and more underground projects. Film, videos, moving images have become more visible than even, in huge quantity and excellent quality.
3. The cinema is dead. This is a myth. The cinema is as dynamic today as it ever was, even if it has freed itself from the constraints of space and time, and it continues to convey strong emotions, just like the Lumière brothers’ train arriving at the station in La Ciotat.

Clare Binns – Programming & Acquisitions Director, Picturehouse Cinemas, UK

(See presentation on EC website)

As was just said, nothing has changed and everything has changed thanks to digital technology, which makes possible what was unimaginable twenty years ago. We must rethink the future of our cinemas, these buildings to which we must attract audiences. We must make sure the public gets what it wants: a blend of films, activities and events, something different and targeted to each audience (mothers with children, young people during school hours, or the elderly).
Alternate contents can be proposed, and Picturehouse is a distributor of such events, broadcast by satellite. The box office share for these events went from 4% in 2010 to 8% in 2011, and then almost doubled once again, reaching 15% in 2013. One example of a film that we released with Picturehouse Entertainment: *The Pervert’s Guide to Ideology*. We organised a satellite event for this niche film. It was retransmitted in 35 cinemas in the UK, and in the end it had modest but honourable box offices.
I would like to talk about an experience with day-and-date that we had with the film *A Field In England*. It was a premiere, and the results were excellent. It was broadcast simultaneously in theatres and on television, thanks to close collaboration between the different operators. I’m not saying that this should be done for all films, but there’s no reason to be afraid of it either.
Now, the future: we must look ahead while conserving our values and principles. Today our group is growing rapidly. We will open 3 cinemas next year and for that to work, we must retain our identity: an ambitious policy regarding audiences, intelligent programmes, affordable prices and a recognisable site. The buildings are important. It’s the location that brings people together to see an opera, an exhibition or a film. It’s there that

you distinguish yourself, and the architecture is very important, unlike standardised multiplexes. Audiences are the lifeblood of the theatre; we must give them a say and respond to what they ask for.

Thomas Bertacche – Exhibitor – Centro Espressioni Cinematografiche / Distributor – Tucker Film, Italy

(See presentation on EC website)

Located in Friuli in northern Italy, I represent a company that manages 2 theatres in Udine (Visionario and Central). In addition, we have joined forces with the cinema Zero in Pordenone to create the distribution company Tucker Film. We programme arthouse films as well as commercial titles able to draw larger audiences, and we organise events like the Pordenone Silent Film Festival in collaboration with the Friuli Cinematheque, and the Far East Film Festival. We have targeted above all young people, and engage in numerous initiatives in schools.

To enhance the value of local production and to reinvigorate the cinema, we set up the Centro Espressioni Cinematografiche (CEC), a regional system that covers the entire cinematographic sector: production, exhibition, distribution, conservation. This system puts numerous professionals in the region in contact with each other, but our real strength comes from the solid relationship that we've built up with our audiences. And audiences are also citizens and taxpayers, and so in a way also the guarantors of the long-term durability of public subsidies. In addition, when we showed the film *Tir*, which won the prize for Best Film at the Rome Film Festival in 2013 and was shot in the region, we projected it far more often than in other regions of Italy. It was a success: a local one, certainly, but a success nonetheless. You have to maintain contact with the territories, and this physical contact is permitted by the theatre which, for us, must remain at the very heart of such activities.

Mathias Holtz – Head of programming, Folkets Hus och Parker, Sweden

(See presentation on EC website)

Folkets Hus is an exhibition company with 195 screens in 184 locations in Sweden, notably in rural areas where our goal is to maintain the place of the cinema. We are not a new structure, and our particularity lies in that the independent theatres own the company, and not the other way around. We opted for rapid digitisation of the entire network, so as to have quick access to prints. We developed our activities, and transformed the theatres so that they would no longer be "passive" but dynamic cultural locations that involve our audiences. We started to organise events and, thanks to digital technology, to screen more films as well as films for targeted audiences. The communities felt implicated and showed their commitment. Arthouse cinema is the motor of this development. One operator holds a quasi-monopoly on exhibition in Sweden, with 95% of box offices. But this operator basically focuses on blockbusters, which is why we have developed the arthouse segment.

Recently we launched an initiative that consists in branding films that pass the Bechdel test. To pass and be marked "A", a film has to meet three criteria. It must have 1.Two female characters with names. 2. That talk to one another. 3. About something other than a man. If these three criteria apply, the film is awarded an "A". This Bechdel test has been widely used, by the media notably, and it's a real success for our communication. In addition, above and beyond cultural criteria we are dealing with a social aspect, which is also the role of the cinema.

Thierry Decuypère – Architect, V+, Belgium

(See presentation on EC website)

A couple of years ago in Paris I was invited to talk about a cinema built in Liège for the association Les Grignoux (in 2008 – ed.). At this time, V+ hadn't yet built a cinema, and today we're in charge of 4 projects (new constructions or renovations) in Francophone Belgium which correspond to 4 different architectural strategies.

Our role as architects is to transform a building, a space where films are shown, into an identifiable location in the city that occupies a firm place in people's minds above and beyond its basic function. This idea has been developing over the past 20 years. Through different programming measures and ways of making the public feel welcome, cinemas may become more than locations for film consumption. The Sauvenière cinema, for example, has become a place where people meet without necessarily going to see a film. The cinema is like an extension of public space. In itself, the inside of the theatre is an unrewarding architectural object because it's an opaque box. This constraint has shifted the focus to the areas around the theatres, so as to interact with the environment.

The current project in Charleroi is even more ambitious in terms of interaction with the public space. In this industrial city, the new cinema is part of the larger context of a general restoration of the downtown area and the refurbishing of the docks. One part of the building will be the film theatre, and the other part will be dedicated to connected spaces such as a bar, an art gallery, residences for artists, offices... In addition, to maintain contact with public space, a passage has been opened up right through the building.
Another renovation project: Les Grignoux in Namur. Here the architectural operation is to downsize the big theatre (typical 1970s structure, when the theatre space was maximised), so as to enlarge the space for socialising and put in a small bar.
Finally, a project in Waremme: this cinema is managed by a group of pensioners, and its admissions have increased from 7,000 to 50,000 in 3 years. Here the idea is not to improve box offices but the quality and diversity of the offer. Our idea is to cut the one very large existing theatre in half.
To conclude, all the projects are different but the inside of the theatre remains relatively standard. It develops in subtle ways thanks to state-of-the-art technologies, but the configuration remains traditional with a focus on viewing films under the best conditions. It's everything that surrounds the theatres, in other words the building that requires innovation to attract new audiences.

Michael Gubbins: Emerging tendencies?
Thierry Decuypère: What I'm seeing is the expansion of the connected spaces. The surface area of the projection spaces is more or less equal to that of the lobby and the complementary spaces. The various audiences must be borne in mind: the more alternative services are offered, the more potential audiences will grow. That's the added value of going out to the cinema.

Q&A

Cyril Désiré, Le Navire cinema in Valence – With regard to the cinema as an important space for young audiences, this movement was started a long time ago by the arthouse cinemas. There are many initiatives in the network, and conferences are the place to share such experiences. Nevertheless one often hears, notably at the conference of the FNCF (La Fédération Nationale des Cinémas Français), that exhibitors must respond to public demand. But what about the works? The exhibitors have to work out their editorial line, and it's often more decisive than what film critics have to say. The programmers have to defend their favourite films because our audiences trust us. Regarding VOD and media chronology, the revenues have to be shared more equally among everyone concerned. We also need a better way of taxing Internet service providers, who should be subject to taxes just like other operators (television channels, exhibitors, etc.)

Clare Binns – You're perfectly right, we must all earn a living, but it's necessary to keep an open mind. We have to find ways of reaching out to young audiences who don't want to see films in the same way.

Gerardo De Vivo, Modernissimo in Naples – I agree with what was just said: it is more fitting that older people should adapt to the young, because tomorrow's cinema depends on them. Regarding myths, in the 1950s people went to see Sophia Loren because they wanted to participate in a collective phenomenon. The cinema is a social event.
Concerning cinema architecture, we need new spaces. The cinema of the future, with its technology and innovation, will be what brings audiences to the theatres. I would like to present a project which was carried out practically on a shoestring: *L'Arte della Felicità,* an animated film in which 40 young people from Naples participated, although they had never thought that one day they'd be taking part in a film. How to bring something like that about? You have to accompany it physically, step by step. The cinema of the future is a new cinema with new qualities. And to make it happen we must keep our eyes fixed on a more distant horizon.

Eric Vicente, Écrans de Paris (France) to Clare Binns – Regarding the economic model of VOD, how to explain this quite satisfactory result for a film with a rather limited audience? How much did it cost to view it with VOD? What kind of channel broadcast the film, free or pay TV? What was the cinema's commitment to the distributor? Were elements of cross communication used?

Clare Binns – I can't give you all the details, but what made the difference is the quality of the collaboration between the different operators. The film was broadcast on a free channel and assumed part of the risk. The nature of the film also helped its multicast. There's no guarantee that this method will work for all films, but in this case everyone involved gave it all they had.

How can cinema renew its audience?

Prof. Dr. Elizabeth Prommer – Director of the Institute for Media Research, University of Rostock, Germany

Philippe Dejust – Exhibitor, Cap' Cinéma, France
Nina Peče – Exhibitor, Kinodvor, Slovenia
Russell Collins – Exhibitor - Michigan Theater, Director of Art House Convergence, USA
Ilias Georgiopoulos – Exhibitor, Danaos Cinema, Greece

Prof. Dr. Elizabeth Prommer – Director of the Institute for Media Research, University of Rostock, Germany

(See presentation on EC website)

I've been researching cinema audiences for the past 20 years. First I'd like to give a brief rundown of the history of audience development, and then I'll concentrate on the new audiences known as "digital natives".
Cinema audiences have not stopped changing for 100 years, and neither have the cinemas. As you know, attendances reached their peak in Western societies in the mid-1950s, and declined after that notably with the appearance of television. But it's important to remember that audiences principally went to watch newsreels, to find out what was going on in the world. Since the 1990s there's been a cinema renaissance, with new buildings, sometimes outside the cities. In my presentations several years ago, the major concern was to bring "elderly" people back to the cinemas. I agree completely that the idea of the return of a golden age of the cinema is an illusion: the cinema has always adapted and has always landed on its feet. Attendance figures in the large European markets have increased significantly since the end of the 1980s. But audiences tend to get older as the population ages, and these viewers are particularly fond of arthouse cinema.
The cinema has succeeded in attracting elderly audiences, but when they die, will the cinema die as well? How do the young "digital natives" approach the cinema? The phenomenon is changing rapidly, notably with the development of the Internet. 100% of young people use the internet, principally for entertainment, but also for communication (mail, social networks) and for games. 46% of young people watch films by downloading them or in streaming, and YouTube seems like the most-used platform. We carried out a study in a cinema in Rostock to evaluate what the audiences watch on the different "platforms". Whether they prefer mainstream or arthouse films, they all watch films on the Internet (either legally or illegally), and the age gap becomes blurred for these practices on the Internet. Nevertheless young people continue to go to the cinema for obvious reasons: for the film and the environment, and because going to the cinema is a social experience. There is no substitution effect between viewing practices, these film consumers are thus active both in the cinemas and on the Internet, where the social networks play a key role in a new sort of word of mouth. These platforms are thus very important marketing tools.

Philippe Dejust – Exhibitor, Cap' Cinéma, France

An exhibitor both of multiplexes – Cap' Cinéma has 10 of them – and arthouse complexes, I work essentially in medium-sized cities. The idea is to attract audiences with the multiplexes, and then redirect them to other theatres. We know that 80% of viewers go to the cinema for the social aspect, so the key thing is to provide the right spaces for such meetings. That's why all of my cinemas have an adjoining restaurant. To attract viewers, you have to offer them a pleasant atmosphere, somewhere they like going and hanging out. The new multiplex in the centre of Agen – 10 and roughly 2,000 seats – is a good example. Situated just across from the association Les Montreurs d'Images (4), these 14 screens will work symbiotically to provide a very diverse programming to the 50,000 inhabitants of the city, from blockbusters to arthouse films.
We also reach out to our audiences: you have to give young people specific contents, but also the right sort of ambiance. To this end we took out the seats and installed multi-coloured beanbag cushions. But in doing so we forgot about the adults who accompanied them, who found such seats uncomfortable. Now these cinemas have twenty or so classic seats, and sixty or so beanbags. But the timeslots for the very young are limited, so we extended the beanbag concept for adolescents, in evening screenings, for example.
In Carcassone and in Montauban, our goal was to revitalise a commercial zone that wasn't functioning. The bet paid off, and new activity started up precisely thanks to the social function of the cinema. In the case of Périgueux, a new cinema built in a run-down neighbourhood changed the face of the municipality, and this location is now the city's central square.
Finally, activities are key. We came up with a concept for concerts: each site is equipped with a theatre that can be transformed into a performance space, with a sound board, a lighting control board and dressing rooms for artists, notably jazz musicians. That's how we came up with the name "All that jazz". In addition, a study carried out in our theatres shows that 50% of audiences don't come to see a specific film, meaning they're looking for more than just a film.

Nina Peče – Exhibitor, Kinodvor, Slovenia

(See presentation on EC website)

The current Kinodvor, a cinema in downtown Ljubljana, opened in 2008. It's a municipal cinema, financed 50% by the city (and the rest by box offices), which has set itself the goal of screening predominantly cultural films with an educational objective. We offer an alternative, by spotlighting films that are not programmed in the multiplexes. Our presentation of the films is also different, and we propose quality services. The relationship of trust with our audiences is reflected in attendances, which reached 120,000 admissions in 2012, or 150% more than what the founder had anticipated.

Our cinema is not very large, with one screen (197 seats) and small (21 seats), but we optimise all the space available and the cinema has become a meeting place thanks to a café, a book store and a gallery.

As far as our equipment goes, we have a 35mm projector and a 2K projector, but we also have mobile 35mm and digital equipment for open air screenings.

In terms of developing our audiences, we wanted to attract not only young people, but also seniors, by organising specific activities: to do so it was necessary to make the cinema more attractive. In five years we have "raised" the first generation of our young audiences. These children are now adolescents, and they are eager to keep coming back. Our school programme reaches 40% of the children living in Ljubljana. We've developed a programme for school children aged between 11 and 18, for which we received the EC Award for Best Young Audience Activities. We offer free workshops and brochures to accompany the films. A catalogue is available for all of the teachers in Slovenia. I must state here that a large number of our activities are offered to the schools free of charge, because they are supported by the community.

The Kinodvor has brought new life to arthouse cinema in Slovenia. A network of arthouse cinemas born; today there are 25 members, and most of them already belong to the Europa Cinemas network. In this way we can share the educational material, which can be downloaded for free by our colleagues.

To conclude, in 2013 Kinodvor is involved in an ambitious birthday celebration: Leto Kina, a year of cinema, to attract audiences and professionals. We are organising international conferences on various topics like digitisation in Slovenia and film education.

Russell Collins – Exhibitor – Michigan Theater / Director of Art House Convergence, USA

(See presentation on EC website)

I'm the exhibitor of Michigan Theater in Detroit (1,700 seats), which has a second theatre with 300 seats that's an auditorium where we also organise concerts with roughly 250,000 admissions per year. The cinema is a motor for our neighbourhood, which benefits from the presence of the University of Michigan. Of course the students represent a potential audience particularly interested in arthouse cinema.

I'm always inspired by the creativity of my colleagues, and we organise a yearly meeting called the "Art House Convergence" in January in Utah, near the Sundance Festival, which is quite like this conference. Every year the number of participants grows.

Cinema in a film theatre a universal experience. The cinema is clearly a social space: like a gathering around a camp fire where people spin their yarns, the cinema tells a story in the darkness. But it's also an aesthetic reference point, in view of the importance of the big screen. It's a profound experience, and for filmmakers there's no better way to have their works reach a wider audience. The exhibitor thus has a mandate, a mission.

I believe creativity can engender growth. You have to be dynamic to forge a community of audiences. At the Michigan Theater we try to think like creative businesspeople, to convince backers of the need for a festival in Detroit, a city of 500,000 inhabitants that was destroyed by the financial crisis. There is no public financing in the United States, so we're funded 45% by private funds, foundations or philanthropists, while the remaining 55% comes from our box offices.

We face two challenges. On the one hand the fear of change while the market is relatively stable. On the American market, peak attendances were reached in 1948, with 4 billion admissions. This dropped to 1 billion in 1964, with the appearance of television. Since then annual attendances have levelled off at around 1 to 1.2 billion admissions per year. On the other hand, it's important to resist the Hollywood industry and the commercial multiplexes with their monopolistic practices, and defend the independent cinema.

Ilias Georgiopoulos – Exhibitor, Danaos Cinema, Greece

(See presentation on EC website)

The Danaos is an arthouse cinema with 2 screens, situated in northern central Athens since 1972. We focus on independent and European films. This quality cinema has allowed us to keep our audiences. The Internet is indispensable for maintaining contact with the public: our Facebook page has 5,700 fans, our newsletter has 8,000 subscribers, and you can buy tickets on our site.

We face two major challenges: the economic crisis in Greece and piracy. The DVD market has plummeted and admissions are hardly better, under the 10 million mark. Greece is thus one of the European countries with the lowest per capita ratio. By contrast, access to high-speed Internet is in full swing, as is illegal downloading. We have had to rethink our entire programming strategy to tackle this situation. The establishment of a reduced price on Wednesdays, from 8 to 5 euros, was immediately followed by a rise in attendances. For 3 years all the cinemas have had a day with lower prices. We have also looked for alternative revenue sources through sponsoring (Fischer beer) or screening ads.

To optimise our running costs we've set up matinee activities (most cinemas in Greece open at 5 p.m.). These can be screenings for young audiences (specific educational programmes) or other events like conferences or concerts. We also propose alternative contents. The Danaos Cinema did the first live 3D broadcast in Greece. Every Sunday, we project documentaries in the programme CineDoc, and we also host festivals. Finally, our favourite event is "Secret Premieres", where we screen a surprise film on the first Monday of every month. Members of the audience have 15 minutes to leave the cinema and get their money back if they don't like the film. But that's rare!

Q&A

Mark Shaw, Singapore – Do some exhibitors look for young ambassadors to encourage their friends to go to the cinema? We did that for university students, and hope to have the same success with adolescents.

Philippe Dejust – We let bloggers come see the films for free. To attract adolescents, we offer a special price and communicate over the networks that they use. And we've set up partnerships with the clothing brands and shoes that they like.

Srdan Tifunovic, Maribor (Slovenia) – We've noticed that young audiences have a problem with arthouse cinema, and in general with the notion of art. A lot of films are being made, and we encourage the youngest audiences to bring us films they like, about snowboarding or skateboarding, for example. When we screen these films, attendances reach 200 to 300, as opposed to 20 to 50 for specialised films. But thanks to this involvement, the young people come back to watch other films that we offer.

SESSION II – WORKSHOP 1 – Digital cinema today and tomorrow

Led by David Hancock – Director, Head of Film and Cinema, IHS Screen Digest, United Kingdom

The situation of digital cinema on the international level by David Hancock

(See presentation on EC website)

Here's the current international situation: roughly 80% of cinemas are digitised – or some 100,000 screens – half of which are equipped with 3D, while 15,000 screens are equipped with 35 mm.
The European zone counts roughly 26,000 digital screens. In Latin America, digitisation took some time to get started, but for the last six months to a year things have been developing and the penetration rate there is now 59%. In Western Europe the figure is 84.9%, compared with 67.3% in Eastern Europe, a gap that should close rapidly. More precisely, four countries are lagging behind in Europe: Italy, Greece, Spain and Cyprus. 35mm is more present in Eastern Europe, notably in the Baltic states, where there are no financing mechanisms (VPFs). Nevertheless complete digitisation on the international level should be reached within the next 18 months. Concerning dissemination formats, the DCP is the dominant model, particularly now that prices have gone down (roughly 100€). But there are other possibilities, notably via satellite and broadband, whose costs have dropped as well. This is particularly interesting for the American market, which has 9,000 cinemas and 45,000 screens. There are other alternatives like the DCDC system, which operates for 17,000 screens.
On the European market, there are 9 operators in this sector: Arqiva (UK), DSAT Cinema (FR), Globecast (FR), Gofilex (NL), Smartjog (FR), Unique Digital (NO), Videovox (SE), Deluxe Digital (UK) and MPS (UK).
In Europe, the number of cinemas equipped for electronic distribution is put at 33% (75% in France). However there is a difference between having this equipment and using it, because the distributors must be convinced of its utility.
Alternative contents are increasingly being called "event cinema". This sector will represent over 380 million USD on the global level, and the figure could rise to 1 billion in the coming years. On the European market, the UK is still the leader for such contents. In 2012 there were some 130 events, representing around 2 million British pounds. These figures are estimations, but they are nevertheless substantial.
The Netherlands represents a particular case, because one third of these events were retransmissions of televised contents. This new type of interaction between TV and cinema is also seen in the UK, where the series Doctor Who was shown in cinemas on over 100 screens. However "classic" events like ballet and opera represent two thirds of such contents. The dissemination of these events varies from country to country: live cinema is relatively undeveloped in Russia (because of the different time zones), while in Sweden it is widespread (85%). Live events have an added value for audiences, but recorded contents give exhibitors more flexibility, as they can maximise the offer provided by these catalogues. In terms of format, we see that 3D is used relatively little (5 to 15%).
Technological evolutions in the cinema are everywhere, and remain constant (laser and HFR projectors and ticket sales, but also storage, sound quality, etc.). However the question of financing these technologies is crucial for exhibitors.

Models, VPFs and Financing

Speakers:
Domenico Dinoia – Exhibitor, Cinema Massimo Troisi / Vice President of FICE, Italy
Ron Sterk – Managing Director, Dutch Exhibitors Association / Cinema Digitaal, The Netherlands
Christian Bräuer – Managing Director, Yorck-Kino / President of AG Kino-Gilde, Germany
Michael Stejskal – Exhibitor, Votiv Kino / Distributor, Filmladen, Austria
Alex Stolz – Head of distribution, British Film Institute, UK
Serge Plasch – Managing Director and CEO, Dcinex, Belgium

Domenico Dinoia – Exhibitor, Cinema Massimo Troisi / Vice President of FICE, Italy

(See presentation on EC website)

Italy lags distinctly behind in digitisation. On 30 September 2013, 61% of screens were digitised (2,417 screens). However things should speed up at the end of the year and reach 80% by the spring of 2014. This acceleration was enabled by support from the regions and the government, notably for the smallest cinemas. We asked the distributors to postpone the date of the switch off, but what will happen with the 20% of theatres that haven't digitised by then? I suppose the big productions will continue to be released on 35mm, at least for a certain time.

The participation of distributors in digitisation has been the object of an agreement between the 2 associations representing Italian distributors and exhibitors. The estimated cost of one installation is 55,000 euros. In our model, VPF amounts vary:

- 480 euros for films at the start of their national release, which must be screened for at least 2 weeks (2 weekends).
- 240 euros for a film in the first 4 weeks after its national release, projected for 5 to 7 days including one weekend. If this is a multi-programming with a shared screen, the amount is divided in half.
- 120 euros for programming a film in the first 4 weeks of its national release, projected for less than four days including one weekend.

We're currently working with distributors to have these VPF agreements extended beyond 31 December, so that cinemas that digitise at the start of 2014 won't be left in the lurch.

Ron Sterk – Managing Director, Dutch Exhibitors Association / Cinema Digitaal, The Netherlands

(See presentation on EC website)

In the Netherlands we also had to bring the distributors and exhibitors together to create a model, and were inspired by the German system to create Cinema Digitaal, a financing group based on VPFs. We created a purchasing group so as to pay less for the equipment and the banks helped us out, together with a small contribution from the state (5m€, for a total cost of 35m€). We will have reimbursed the bank by 2016, and so the equipment will have been paid off.
The major risk would have been for some exhibitors to go bankrupt, since in that case we would have found ourselves with useless equipment. This risk was engendered by fears of seeing small films suffocate under pressure from the blockbusters, and from an unequal position of force on the part of the distributors vis-à-vis the exhibitors.
A recent study shows that there has not been any change in film releases in the Netherlands. The number of films released exclusively has risen, notably of "small films", as have the number of organised screenings, and today these figures have levelled off. We're also seeing a rise in the number of screens due to the savings allowed by digitisation. But the film runs have become shorter, since the films circulate better (releases in 8 cinemas instead of 3 as before). The VPFs will come to an end in 2016/17, and perhaps other changes will take place at that time.

Dr. Christian Bräuer – Managing Director, Yorck-Kino / President of AG Kino-Gilde, Germany

(See presentation on EC website)

Roughly 85% of screens are digitised in Germany today. This rapid digitisation is a small miracle compared with the situation 2 or 3 years ago. Three models were set up, depending on the structural typology of the cinemas: the traditional VPF, which concerns notably the multiplexes, the VPF Hub and finally a 3rd model managed by the FFA. The screens situated in rural zones, which often do not show films exclusively, were supported by public funds coming from the Länder, the federal government and the FFA, to the tune of 50,000€. The distributors covered the remaining costs. The VPF Hub model was initiated by the "small" distributors and is regressive, like the Italian model.
Some problems are apparent, however: 1) 5 to 10% of screens do not fulfil the criteria necessary to be eligible for support (those with less than 8,000 admissions per year). 2) The distributors don't give any prints to the cinemas for the first 3 weeks, to avoid paying VPFs. 3) The renewal of the equipment is a problem because it won't be able to be financed by VPFs.

Michael Stejskal – Exhibitor, Votiv Kino / Distributor, Filmladen, Austria

(See presentation on EC website)

The multiplexes dominate the market in Austria, and an integrator has overseen the digitisation of almost all of these cinemas. So it was necessary to find a model for the other cinemas. The Free VPF model was adopted 3 years ago, and now roughly 150 screens take part. All screens in Austria should be digitised by the end of 2013.
At the start we had to convince the minister of culture of the need for financial support (5,000€ plus a bonus for arthouse cinemas). It's not an enormous sum, but it allowed things to get under way. The Free VPF model is managed by the associations of the distributors (all of whom participate) and the exhibitors. The maximum duration of return on investment is 7 years. There are no groups, each cinema is a separate entity in the system

and contributes 25%. The amount of VPFs is 1€ per admission with a maximum of 500€, plus 10% of operating costs (5% for the cinema and 5% for the distributor). For children's films, the VPF is divided in three.
Now that the system is up and running, the pattern of film releases has changed. While beforehand it was difficult for arthouse cinemas to obtain 35mm prints, today things are much more rapid. The American companies did not distribute many films in original subtitled versions, which are now available for arthouse cinemas. These cinemas have been able to beef up their programming, but when more titles are available, they also disappear from the screens at a faster rate, which means particular complications for small films.

Alex Stolz – Head of distribution, British Film Institute, UK

In the United Kingdom, the digital rollout took place without public intervention. Four digital cinema integrators are present in the UK: Sony, Dcinex, Arts Alliance and Odeon, which is a network of multiplexes with its own VPF system. They each have their own system, which is difficult to manage for distributors.
The VPF system wasn't conceived for independent releases, but for the multiplexes. This is a matter of concern for the BFI, because cultural films are released after the VPF window, but we're in contact with integrators who're open to finding a way to improve this situation.

Serge Plasch – Managing Director and CEO, Dcinex, Belgium

(See presentation on EC website)

The amount of VPFs has varied widely, from 650€ to roughly 350€ today, notably because the equipment is less expensive. The integrators are considered the "bad guys". Nevertheless the system functions well, and almost 15,000 screens have been equipped with this model. The problem is that independent distributors can't pay as much for VPFs as the majors can.
We work in ten European countries, two of which are problematic. The UK, because VPFs are lower there than in the rest of Europe, and because, like Spain, development is slower and so the return on investment lasts longer.
But the VPF window will soon close, so cinemas must digitise rapidly. All the more so in that I think that there will not be a second wave. The challenge I currently face is to reach an agreement with the majors in Hollywood for new territories like Turkey, where the cinema sector is booming, but also Greece, the Balkans and the Baltic states. To digitise the cinemas in Bulgaria, we negotiated a VPF agreement in Hollywood which allowed us to equip 100 screens. As the equipment is less expensive, the amount of the VPF is around 350€, and the independent distributors will pay a bit more (I can explain this another day). In 5 or 6 years, the screens in Bulgaria have been digitised with investments of roughly 25,000€ on the part of exhibitors.

Electronic Distribution

Speakers :
Jean Mizrahi – CEO, Smartjog Ymagis Logistics, France
Laurent Dutoit – Exhibitor, Cinéma Scala / Distributor, Agora Films, Switzerland
Eric Vicente – Exhibitor, Les Écrans de Paris / Distributor, Sophie Dulac Distribution, France
Nico Simon – CEO, Utopia S.A, Luxembourg

Jean Mizrahi – CEO, Smartjog Ymagis Logistics, France

(See presentation on EC website)

There are three delivery models for contents, corresponding to different economic models and different needs:
- a physical object, a disc or a USB key, along a scheme similar to 35mm. The business model is simple and analogue: cost of duplication (and transportation).
- a dematerialised product transmitted by satellite. This model requires a substantial investment: reserving the satellite system and installing receivers in the cinemas. As the fixed costs are high, many participants are needed (at least 100 prints).
- finally, dematerialised ground-based delivery via fibre optic cable or ADSL. Today there are many new players on the market, notably for ADSL. Here the investments are less considerable: you have to equip the cinemas with receivers and storage. But speeds may vary, which means subscribing to several lines at once, with a corresponding rise in fixed costs.

There are more and more players on the market: in France, for example, there are at least 7 providers of different types of services. I doubt that this complex situation will last. The players will join forces (the way

EutelSat formed a joint venture with Dcinex), and integrate their services. It's important to provide simple solutions to the needs of the market. You also have to propose reasonable prices for distributors, as well as for exhibitors. That's the benefit of digital technology. To that end, one could envisage independent distributors preparing a "European DCP". The film would be sent via satellite, stored in the receiver, and separate little files would be sent for the different languages at the moment of release. So you've got to supply storage space in the receivers in the cinemas. This is particularly important for the arthouse cinemas, which have far more content that they must be able to programme when they want.

Laurent Dutoit – Exhibitor, Cinéma Scala / Distributor, Agora Films, Switzerland

Dematerialised delivery isn't viable in Switzerland: it's too expensive because the territory is too small. And in addition, while the big cities are equipped, all of the other territories aren't. So I need DCPs, which have transport costs of around 20€.

Eric Vicente – Exhibitor, Les Écrans de Paris / Distributor, Sophie Dulac Distribution, France

The choice of the delivery model depends on the type of release. For a large number of prints (more than 200), it's more economical to work with electronic distribution. But for arthouse films it's easier to use DCPs. That was even the case for *Hannah Arendt*, which started with 65 prints and was disseminated simultaneously to 320 sites in the 5th week with around 200 DCPs, since duplication costs have dropped considerably in France. And they should continue to do so, as today technical service providers have started "recycling" the discs. A European DCP could be a possibility, but I don't see how this could be done, since you have to add the logos of certain partners at the start of the film and they vary according to the territory. To be more efficient and because programmers spend a lot of time on problems related to KDMs, starting January 2014 we will supply all of our films without a KDM. That way the cinemas will also spend less time on technical Q&A.

Jean Mizrahi – The additional files aren't a problem, and can be added later. But getting rid of the KDM, apart from the risk of piracy, also threatens to pose a problem for the rights holders.

Eric Vicente – If it makes it possible to programme an extra screening and raise admissions, the rights holder has every interest in doing without the KDM. In any event, the KDMs will appear on the sales slips. In addition, the trust relationship with exhibitors is what counts here, the cinemas aren't the ones that engage in piracy.

Nico Simon – CEO, Utopia S.A, Luxembourg

In our cinemas, notably the arthouse theatres, we don't yet benefit from the advantages of digitisation. However the most frustrating thing is that although the exhibitors have invested large sums in digital equipment, we're still running after prints, even DCPs, and that hurts our relationship with certain distributors. Physical distribution runs the risk of hampering the dissemination of European films in Europe. And dematerialised distribution goes hand in hand with the evolution of digital technology. Physical DCPs must act as backup and contingency systems. As for the complexities of supply offers, the distributors sign with suppliers, but who guarantees the exhibitor that he'll receive the print on time?

Alternative Content

Speakers :
Barry Rebo – Managing Partner, Emerging Pictures, USA
Ivo Andrle – Exhibitor, Kino Aero / Distributor, Aerofilms, Czech Republic
Marc Allenby – Head of Commercial Development, Picturehouse Cinemas, UK

Barry Rebo – Managing Partner, Emerging Pictures, USA

(See presentation on EC website)

Compared with the reality of Hollywood, speaking about arthouse films or independent films is for me already to a certain extent speaking about alternative content. The term alternative content is making way for the term event cinema, which includes ballet and opera, but also films, and so it includes the cinema as well. We're a network of cinemas that disseminate this sort of content, all linked by a high-speed distribution system.

Satellite broadcasts are not out of the question for live performances. The goal is not so much to save the cinemas as to develop new offers and attract new audiences, above all young people. We have to balance the various expectations: of the producers, the distributors, the exhibitors and the public. You have to be focused when dealing with audiences and respect what they want, for example with performances from the MET, whose cultural significance and quality are well-known. We have a growing number of partnerships with multiplexes, which often dedicate one of their theatres to alternative contents.

Ivo Andrle – Exhibitor, Kino Aero / Distributor, Aerofilms, Czech Republic

(See presentation on EC website)

You've asked me about the financial impact of these contents, which are also called "complementary". I can talk about Eastern Europe, where ticket prices can rise by up to five times, which means that one evening can bring box offices equivalent to a week of traditional screenings. We started to screen these contents in 2007. We were the first cinema to show opera, performances from the MET, and it was a big success. Now we disseminate the MET in 6 countries in Eastern Europe. We've had so much success that we've decided to add other contents (ballets, concerts, etc.). Today, viewers are starting to get used to these alternative contents, and are willing to pay higher ticket prices. From the exhibitor's point of view, the first positive point was the breath of fresh air. In addition, we've been able to reach out to new audiences (for example opera fans), while raising our revenues at the same time. But there are also drawbacks: less flexibility (notably for live broadcasts), new costs (administrative, distribution, etc.) and a lot of promotion work for each event. From the distributor's point of view, alternative contents require complex work managing licences and setting up promotional tools. Although delivery costs have gone down, there are now translation costs for solitary events with just one screening. We also create new programmes, notably rock concerts (Queen, Led Zeppelin): we find the material and offer it over the course of a season.

Marc Allenby – Head of Commercial Development, Picturehouse Cinemas, UK

(See presentation on EC website)

Alternative contents represent 20% of our revenues. We try to differentiate between documentaries and concerts, which are contents, but there's a very thin line between alternative and classic contents. Concerning audience development, you have to take a long-term approach and analyse the contents of a season to reach different groups and different communities on the social networks, which allow you to be more interactive. To develop audiences, you have to put in place global marketing strategies and long-term partnerships, and not just go from one event to the next.

Barry Rebo – We've set up a platform that gathers all the cultural contents. There are almost too many of them, and you have to sort through them to ensure the quality remains high. You also have to diversify your contents, but even though a growing number of troupes want to form partnerships, it's hard to rule out the MET which offers 12 performances per season.

Ivo Andrle – The diversification of the contents on offer has prompted us to work together with local operas. They know full well that they're not as reputed as the MET, but they take advantage of the cinemas to show what they have to offer. And for example we use their mailing lists. So it's a true cooperation.

Equipment and financing the next generation of digital cinema

Speakers:
Tim Sinnaeve – Market Director, Digital Cinema Barco, Belgium
Serge Plasch – Managing Director and CEO, Dcinex, Belgium
Jean Mizrahi – CEO, Smartjog Ymagis Logistics, France

Tim Sinnaeve – Market Director, Digital Cinema Barco, Belgium

(See presentation on EC website)

From the point of view of equipment providers, of course the question arises of how to finance new material, and whether a 2nd VPF is realistic. But who would want it? The exhibitors? Digital technology liberates and liberalises the market compared with 35mm. New technologies will continue to be developed, and thought must be put into how it can be made use of in our cinemas. This question hasn't been resolved. New

opportunities must be developed and new revenues generated. It only stands to reason that making generalised use of new technologies will let us go even further in terms introducing new content. We could envisage more targeted, specific contents.
In the UK, viewers don't hesitate to spend 50£ for one screening, so there's a real potential for higher revenues here. We must always be attentive to public demand and offer targeted contents. Because there are real commercial opportunities.
In our sector, we try to develop more profitable and less expensive solutions. Our second area of work is to put ourselves in the shoes of the distributors, that is to develop technologies that will raise revenues.

Serge Plasch – Managing Director and CEO, Dcinex, Belgium

Technological progress has existed for a long time in the cinemas, and has generated a sort of competition among exhibitors. Technology is a way of promoting your cinema, and audiences are aware of this, which is why you have to keep investing in research and develop what are perhaps more specific products. In Europe, the economic models vary from territory to territory, but you can certainly adapt them to finance new technologies. Dcinex is an integrator and not a bank. The banks back us today because we have the VPFs and the studios behind us, but in the future financing without VPFs will be complicated. The VPFs have created bad habits in terms of financing.

Jean Mizrahi – CEO, Smartjog Ymagis Logistics, France

Indeed, we're at the end of the VPF window. Digital technology allows us to save money and make revenues: today you see cinemas (which were previously obliged to wait several weeks for 35mm copies) that are ready to show films exclusively without asking for VPFs, because the revenues generated by a film compensate for the lack of VPFs. Thanks to digital technology we can reduce our costs, and this should restructure the models for the exhibition and distribution industries. Exhibitors will have to continue investing, and to strike a balance one could imagine a return of 45% instead 50% for the distributor. The idea is to share the cost savings. But there is also the risk of creating asymmetries between distributors, and, consequently, between exhibitors. So a new equilibrium must be found. The French system, based on a levy on admission tickets, helps to correct the inequalities of the market. And that could be a solution for the cinemas. New revenue sources will have to be found, notably by offering new contents. The VPF is over. Digital technology has allowed enormous savings, now it's time to come up with new economic models.

Serge Plasch **–** It's true that much money has been saved thanks to digital technology, and to save even more, the physical medium must disappear. Regarding the projection booths, we no longer need as much staff. This is problematic from a social point of view, but it's a saving nonetheless. Exhibitors have to lower their costs as much as possible. Perhaps they should be remunerated, a bit like an airport tax, because the distributor uses their installations and technology.

SESSION II – WORKSHOP 2 – How to develop and renew audiences

Led by Michael Gubbins – Consultant, SampoMedia, United Kingdom

The changing habits of young audiences

Speakers :
Peter Buckingham – Consultant, SampoMedia, UK
Michael Pierce – Co-founder, Cinema Nation, UK
Christopher Elkins – Co-founder and Head of Film Services, MUSO, UK

Peter Buckingham – Consultant, SampoMedia, UK

(See presentation on EC website)

According to studies carried out by SampoMedia, visiting the film theatre is not the main leisure activity of young people. Listening to music, surfing the net, shopping and watching television are the activities referred to most frequently. This diversification of activities places the cinema in an even more competitive environment. Seeing films when they are younger, even on the television, encourages young people to visit the film theatre later on, at least for 48% of the sample group questioned. While it seems that for over-45s the cinema is the best place to see a film, under-35s are less attached to this idea and their visits depend more on the price and genre of film. How can we develop love of film? Film is viewed primarily as entertainment and then, to a lesser degree, as a part of one's identity, as artistic expression and, finally, as a component of a larger work. In days gone by, television was the media’s main form of influence over our decisions. Now, though, in a world of multiple platforms, management of web content is of prime importance and we must develop partnerships between the different platforms to highlight the film theatre as the best place to see a film.

Michael Pierce – Co-founder, Cinema Nation, UK

(See presentation on EC website)

Cinema Nation is a non-profit making organisation that supports and encourages all forms of independent cinema, particularly new initiatives to attract young audiences to film theatres. Young people are as we used to be, and we should remember that, but they are also different… They use their mobile phones during the film! To reach them we need to be connected, know how to inspire them, get them involved in programming, for example, communicate and work together. We must also conduct research into this idea of developing audiences, such as the Seminar organised by Europa Cinemas in Bologna.

Christopher Elkins – Co-founder and Head of Film Services, MUSO, UK

(See presentation on EC website)

MUSO is a website offering a service to protect works from online piracy. Our activities give us real expertise on illegal practices. The global economic impact of piracy is estimated to be 775 billion dollars per year and is set to increase further, with 70% of internet users believing there is 'nothing wrong' with illegal downloads. Sixty-seven per cent of sites allowing piracy are based in North America and Western Europe. Of all peer-to-peer data transferred, 98.8% is protected by copyright.
The piracy industry operates around 1,000 websites offering pirated content. These websites generate considerable revenue via subscriptions and advertising: the multilingual portals are among the most visited in the world. We asked over 300,000 people aged between 18 and 34 and 67% of them stated that they watch pirated content for convenience and 24% because it is free. We estimated that 15% of these ‘pirates’ are unwilling, 40% are occasional, 35% are determined and the final 10% are hardcore users.

Building an active audience

Speakers :
Marieke Jonker – Managing Director, We Want Cinema, The Netherlands
Madeleine Probst – Programme Developer, Watershed Cinemas, UK
Mary Nazari – Exhibitor, Pioner Cinema / Producer, Too Much Pictures, Russia

Marieke Jonker – Managing Director, We Want Cinema, The Netherlands

(See presentation on EC website)

We Want Cinema is a website offering the opportunity to programme a film in a film theatre, a sort of cinema-on-demand: the viewer selects a film, a cinema and a screening and purchases the first ticket. The information is then relayed over various social networks. Through this process the viewer plays an active role, becoming a connected and informed consumer who uses social networks to share information.
We recently developed a new educational tool called MovieZone on our website. The goal is to allow educators to arrange the screening of a film of their choice for their students in a local cinema. The site offers a selection of appropriate films and educational materials (teachers' guides and activity sheets for students are downloadable free of charge). One of the challenges was to make this medium user-friendly for teachers.

Madeleine Probst – Programme Developer, Watershed Cinemas, UK

(See presentation on EC website)

The Watershed in Bristol has been open for over 30 years and we have a loyal public. But in a world of everything, at once, no matter where, what do you do to remain relevant and attract the next generation of film lovers? We must create new experiences in our cinemas, build a relationship of trust, intimacy even, between young people and the film theatre by giving them control (programming, leading workshops) or by allowing them to take ownership of the film theatre space. For example, a party was organised after the screening of the film Tron. We also organise training activities for young producers and for programmers, providing the opportunity for them to carry out their projects. For example, as part of our Late Nights season, we offered screenings with the theme of corridors, culminating in a plunge into the world of The Shining. This required us to make use of their creative energy, support their good ideas and experiment with new programme schedules to develop this mixed, nocturnal audience. It is very interesting to see how, when given the opportunity and resources, a group of young programmers can reinvent our spaces and the experience of a visit to a film theatre.

Mary Nazari – Exhibitor, Pioner Cinema / Producer, Too Much Pictures, Russia

(See presentation on EC website)

The Pioner film theatre, located in the centre of Moscow, is a place of reference in the world of cinema, known for the quality of its projection and the programme schedule, particularly of original version films, attracting cosmopolitan and student audiences. For two years we have run an open-air film theatre in Gorky Park, a much-frequented place, particularly by young people, in the summer. It is a unique attraction that arouses the curiosity of filmgoers and has already attracted nearly 300,000 visitors over two seasons. The intention was not only to attract audiences but also to offer them a new cinema experience.
Throughout the year, we organise Pioner Night, in partnership with the Jameson whisky brand, normally on Saturdays. To attract young people to an evening at the film theatre, they are greeted with a DJ set and a welcome drink before the screening, which lasts much of the night.
'Pioner' is not just our name: we are real pioneers. We have broken new ground in Russia with screenings of televised series such as The Big Bang Theory, Breaking Bad and South Park. These screenings were free (thanks to an agreement with the copyright holders) but viewers had to book seats through the TimePad app. The project was so enthusiastically welcomed that the 450 seats available were fully booked within 40 minutes. These viewers are lovers of the television serial and do not necessarily visit the film theatre but, by introducing our place to them and sharing the emotion of a collective experience, we have encouraged their first steps towards the cinema.

Building new audiences for indie film

Speakers :
Boram Kim – Senior Analyst, Movie Collage, CJ CGV, South Korea
Daniel Sibbers – Head of Marketing, Yorck-Kinogruppe, Germany
Jon Barrenechea – Coordinator, Film Hub South East, Picturehouse Cinemas, UK

Boram Kim – Senior Analyst, Movie Collage, CJ CGV, South Korea

(See presentation on EC website)

The programme I am going to present you was developed by CGV, the main Korean exhibitor whose cinemas are principally multiplexes (117 film theatres, 904 screens). The Movie Collage programme of arthouse, independent and specialist films began in 2004 on three screens and has not stopped growing, with 19 screens at 17 sites achieving 674,000 admissions in 2013.
The independent films offered on these screens can be divided into four categories: European, Korean, developing countries and Hollywood. The European films attract the largest audiences, with 31% of admissions. But it is not simply a question of offering arthouse films. We also need to develop tools to provide information about these programmes and capture the interest of the audience, for example, through targeted promotions. CGV already has a vast Customer Relations Management system that collects information about filmgoers who purchase their tickets online or through a mobile app. For example, we know that 58% of these filmgoers are women and, for films programmed by Movie Collage, women also make up the largest audience at 65%, as do the over-45s. We communicate these promotions by SMS, email and through social networks and we take great care not to swamp recipients who would end up blocking our messages.
However, keeping our audiences informed of our programme schedules is not enough for us. As the films scheduled require more attention or even more knowledge than Hollywood blockbusters, we have established several interactive programmes. Cinema Talk offers post-screening discussions with a filmmaker or a film critic to give filmgoers information allowing them to get to know the film better, a sort of educational programme disseminated through our network by video retransmission under the banner of Live Talk. But as it is not easy to find an expert available every Saturday evening, we created Docent, whereby emerging critics come and talk about the films before they are screened. In order to maintain regular attendance, different promotional programmes are offered, such as Movie Collage Day with the hit film of the moment screened on the first Tuesday of every month, the Curation programme which offers a selection of films on the same theme and Theatre on Demand (TOD) where filmgoers choose the film to be scheduled via our website (around ten times a month).
Rather like wine-tasting, we believe that we should provide complementary elements to allow filmgoers to appreciate the individual characteristics and subtleties of arthouse films. 'An enlightened film lover is our best consumer.'

Daniel Sibbers – Head of Marketing, Yorck-Kinogruppe, Germany

(See presentation on EC website)

Yorck is a network of cinemas in Berlin, founded in 1979, that were saved and re-opened at that time. They are historic and individual film theatres that offer arthouse films and accommodate many festivals including screenings as part of the Berlinale.
However, our filmgoers are getting older, as are our cinemas. We have good films and we have an audience but that is not enough. We had to find a way of regaining those customers who were leaving us for other film theatres. Assuming that the problem lay in the perception of arthouse cinemas, we developed a brand, a sort of quality label with a new logo: Y as in Yorck and a slogan: 'If you're in the right film theatre, you'll never see a bad film'.
We identified three target groups: existing filmgoers whose attendance could increase, other potential audiences such as the 10% of new Berliners arriving in the capital every year, students, young professionals, visitors to multiplexes and occasional filmgoers, and those who never go to the cinema. We also directed our efforts towards local businesses and some parts of the media. We had to widen brand visibility while limiting our expenses to essentials. To do this, we established partnerships, particularly for displays in return for space in our film theatres. We reviewed our communication tools, reformulated our magazine and created a trailer shown before every screening. We also reviewed our digital image through our website, Facebook and a mobile app. To build a brand you need presence in the city. We have rented a year-long space to publicise our films in the metro and our programme is shown on the screens of automated ticket machines for the regional train network.
The results of these activities are mostly positive. Indicators show that our brand is well known: admissions have increased and voucher sales reveal that filmgoers are aware of the benefits available through our website whose visitor numbers have increased.
MG: Are all your cinemas still outdated?
DS: There has been no investment to renovate the film theatres. We have worked on ways of presenting the cinemas that show good films.

Jon Barrenechea – Coordinator, Film Hub South East, Picturehouse Cinemas, UK

(See presentation on EC website)

Film Hub South East is a project developed as part of the BFI's policy to put the filmgoer at the heart of a new strategy, a policy that has been in place for the last five years.
This network comprises culturally engaged exhibitors and now consists of nine hubs across the country. A different organisation manages the hub in each region. In the south-east, for example, the South East hub brings together the University of Brighton, Duke of York's and Lighthouse film theatres. In terms of activity, each organisation has its own business plan but the same objective: to develop audiences seeing 'specialist' films. Four areas of activity stand out: training (courses, study bursaries, network events), exhibition activities (thematic programming, packages, open-air screenings), research and development (gathering and analysis of data, sharing information on a regional and national level) and the development of new audiences through broader country-wide activities. With regard to young audiences, here are a few examples of activities carried out by Film Hubs: Cultivate, in London, is a training programme for exhibitors on the subject of activities for Young Audiences, Reach, in the south-west, is a specific programme for filmgoers aged between 20 and 40 and Community Screen, in the south-east, facilitates access by all to cinema screens.

New ways of winning young audiences for indie film

Speakers :
Domenico La Porta – Founder, Movie Hunters, KWEB, Belgium
Marco Odasso – Social Media Marketing Strategist, Italy/Spain
Sylvain Pichon – Exhibitor, Le Méliès, France
Benoit Thimister – Coordinator, Association Les Grignoux, Belgium

Domenico La Porta – Founder, Movie Hunters, KWEB, Belgium

KWEB is a cross-media company and our objective is to seek connections between film and other domains, to expand its influence in the face of ever increasing competition.
Unlike my 6-year-old daughter, I was not born into the digital world, I am something of a digital immigrant and I am trying to develop all possibilities.
Based on the fact that the most popular screen today is the smartphone (it is really very small and yet people watch films on it) and that young people like to form part of a network, we developed a mobile app, Movie Hunters. The idea is to collect items to obtain keys which will open a case of presents. The case contains short films, additional content and other items... There are different ways of winning points, for example, by scanning a flash code in a film theatre. This game played over a network leads to the creation of communities in one or more film theatres, even in different towns, and results in stronger links between young people and the cinema.

Marco Odasso – Social Media Marketing Strategist, Italy/Spain

(See presentation on EC website)

As an independent consultant I develop marketing strategies for social media for clients from different sectors. My process consists, firstly, of identifying the target audience and then the customer's social profile. Finally, I answer Q&A about return on investment.
How do you develop a strategy? Of course, you do need a good knowledge of the platforms. A map of the social networks available may be accessed via this link (http://www.ovrdrv.com/social-media-map/). It is a picture of a constantly changing but already well-stocked landscape. You have to stimulate users, train them, take advantage of user generated content, personalise messages (or give the impression of doing so) and generate ROI.
Here, as an example, a video of Tommy Torres, a Puerto Rican artist fairly well known in Spain. He created a song based on letters from Paco. Thanks to a clever marketing strategy, the clip has already been viewed by five million visitors on YouTube and the phenomenon relayed on Twitter and Facebook, with the ROI assured by the sale of the single on iTunes.
So it is not just a question of opening a fan page on Facebook: we need to establish specific strategies for social media that are included in marketing plans and promotion and communication tools. The most important thing is to understand the social behaviour of the public. Young audiences are the most fickle but we can promote the product, the film, the brand and the cinema experience.

Sylvain Pichon – Exhibitor, Le Méliès, France

(See presentation on EC website)

Le Méliès is located in St-Etienne, a town that has seen a fall in its population over the last 20 years, along with an increase in unemployment, mainly due to changes in the industrial sector. Additionally, we have to face the competition presented by a multiplex near our film theatre. We try to perceive the film theatre through the films we programme and then as a particular experience such as one might have at home with one's friends, the auditorium acting as a living room. Here are three of the initiatives we have put in place. With Get on the bus we invite our filmgoers to come on a trip to the National Cinema Museum in Turin. The first event took place in October 2013 and there were approximately 50 of us on the bus. This also allowed the film theatre’s team to talk to our filmgoers, to get to know them better, and to forge new links. Skype me if you can offers a monthly discussion, via Skype, with a foreign filmmaker. It is very relaxed. For example, we talked to William Friedkin in his kitchen; discussion is particularly spontaneous. Film-loving ambassadors: We are running a competition to recruit two students aged between 15 and 18. They shall become ambassadors for the film theatre in their schools. Every month they have to choose their favourite film and justify their choice with a short written text that we subsequently print on flyers. In this way, young filmgoers can identify with the opinions of their peers, whom they perceive more positively.

Question from the floor: Is Skype a partner? Do you have the right to use the logo?

Sylvain Pichon: No and we have not proceeded with that. Firstly, specifications for use are very complicated and, secondly, if there were a problem we would be insolvent compared with Skype. And if we can no longer do it using Skype, we shall turn to Google.

Benoit Thimister – Coordinator, Les Grignoux, Belgium

(See presentation on EC website)

The organisation Les Grignoux is located in Liège in Belgium and brings together three cinemas. The Ecran Large sur Tableau Noir (Big Screen on the Blackboard) project has been in place for 20 years. Each school year we put forward a selection of around 50 matinee films for schools. We choose arthouse films that respond to the expectations of pupils who certainly already have some cinema experience and that promote the development of teaching objectives. This project will be boosted by teaching packs giving key information to teachers to avoid the need for any specific prior training. This project has been exported to other film theatres and recognised for its educational value by the Ministry of Education which allocates a subsidy to us. In our cinemas in Liège, this activity represents 35,000 admissions per school year for filmgoers aged between 3 and 18.
Over 20 years information channels have diversified and, in addition to our paper publications and our website with its newsletter, we also communicate via Facebook. With this platform we move seamlessly into the non-schooling context.
For screenings after school hours, we create ‘Passports’ for young people aged between 15 and 25, distributed by teacher-ambassadors. The Passport gives access to our normal programme schedule at reduced rates. At the Sauvenière, these admissions represent 5% of our annual attendance. Add to that the 8% from our educational matinees and the 2% from non-scheduled screenings, and our Young Audiences policy accounts for 15% of our total attendance.
To remain connected and accessible to these young people, we have created a mobile app which has been downloaded 5,000 times. It shows the current programme and provides the opportunity to view the film file and download our newspaper to read as a PDF file. Our newspaper is the cornerstone of our communication strategy. Using items drawn up for publication, information is transferred to our website and then to social networks. For us, this 2.0 communication is just one more layer in the way we distribute our information. The strategic challenge facing this method of communication is how to turn our audience, the users of these tools, into ambassadors promoting our film theatre to their peers.

SESSION III – NEW OFFERS AND NEW CONCEPTS FOR THE FILM THEATRE OF TOMORROW

Led by Michael Gubbins – Consultant, SampoMedia, UK

Improving the audience offer: the challenge for industry

Speakers:
Ted Hope – Executive Director, San Francisco Film Society, USA
Daniela Elstner – Managing Director, Doc & Film International, France
Susan Wendt – Head of Sales, TrustNordisk, Denmark
Nick Varley – Co-Founder & Managing Director, Park Circus Ltd, UK
Eric Vicente – Exhibitor, Les Écrans de Paris / Distributor, Sophie Dulac Distribution, France
Clive Fisher – Head of acquisitions & programming, Ster-Kinekor Theatres, South Africa

Ted Hope – Executive Director, San Francisco Film Society, USA

(See presentation on EC website)

Above all I'm a producer, with 70 films under my belt. Last year I stopped producing, because for this activity to last we need a new system. Cinema is based on the principle of rarity and a good command of the content, with a centralised distribution system. These concepts no longer correspond; we're in a period where we have access to a large number of contents at any time and in many formats. Audiences are very active and no longer focus on a single cultural or leisure option. We have to bear this new world in mind when reinventing the cinema industry. And we must make sure that creators will always have a direct financial return on their works, otherwise we'll face a situation like the current one in the United States where the culture industries are no longer attractive. You can't attract new talents when they can't be really innovative either artistically or in terms of business. The cinema gives audiences the chance to share an experience, and films engender social interaction all along their chain of existence, from creation and production to the film theatres, thanks to the programmers. What we need is for the whole system to be re-booted.

Daniela Elstner – Managing Director, Doc & Film International, France

(See presentation on EC website)

Doc & Film represents fiction films and documentaries that are often acclaimed in festivals, but a large number of them aren't distributed today in certain places in the world. As a sales agent I'd like these films to be seen, which is why I try to work with you, the exhibitors. Digital technology allows such direct work, while reducing costs at the same time. For example we work with Cinélibre, a group of Swiss exhibitors, and with Les Grignoux in Belgium, theatres that engage in local marketing.
Can films go straight from festivals to theatres? If we could group together the interested exhibitors in Europe, we could choose some films and organise weekly screenings, for example, and in this way present films that no one else programmes. If the film comes straight from Venice it's a real added-value for viewers, for whom it's something special, a film event. Once the film has been launched at Cannes, for example, you have to count roughly 18 months for it to be commercially released in all the countries of Europe. We try to cut that short, but of course the rights are sold territory by territory, the languages change and so do the marketing strategies, as each distributor wants to work in his own way.

Susan Wendt – Head of Sales, TrustNordisk, Denmark

(See presentation on EC website)

Daniela Elstner's idea is interesting, but it can only work with small films, you can't imagine this system for a film by Lars von Trier. It's terrific that the conferences of Europa Cinemas and Europa Distribution take place at the same time, that allows us to get to know each other.
In our release strategies, we simultaneously adopt the B to B and B to C models. For example, for *Nymphomaniac*, for several months we directed our promotion at both the professionals and the public.
Regarding day-and-date, which is just starting in the UK, we're all in the same boat and we must all start doing tests and come up with a revenue sharing model. It's only by working together that we can find a solution.

Nick Varley – Co-Founder & Managing Director, Park Circus Ltd, UK

(See presentation on EC website)

Park Circus is a global distribution company representing over 17,000 repertory films. Since we want audiences to enjoy these films on the big screen, most of them are digitised. Our aim is to help cinemas enlarge their audiences. Just because we work with old films doesn't mean we follow old rules. In fact technology allows us to be more flexible, especially in terms of programming. You also have to be creative: there are a lot of opportunities to be seized, and digital technology lets us bring films back onto the big screen.
We have to let our audiences participate. The cinema is part of the city, the local theatre manager knows his audiences. But particularly in the UK I get the feeling that we've lost control of the decision-making process at the local level. For years now it's seemed as if we've lost this notion of the film theatre as the focal point of the community.
Concerning VPFs, things were very complicated. One example is a screening one Sunday afternoon. With a minimum guarantee of 150€, I was asked for a VPF of 70€ per screening, which was simply untenable.

Eric Vicente – Exhibitor, Les Écrans de Paris / Distributor, Sophie Dulac Distribution, France

Repertory films are exempted from a digital contribution in France. This allows them to be screened more widely in cinemas, and facilitates film education and audience renewal. It's important to do all you can to make these films more attractive, as opposed to what Disney does. When it digitised its films in the *Disney Heritage* collection, Disney assumed that just making these films available would be enough to get people to see them. But just because a film is technically available doesn't mean that people will want to see it as well.
One bone of contention still exists between exhibitors and distributors concerning the staggering of film releases, notably on the French market. During certain periods of the year, there aren't enough films to show. While there is no bad time to release a film, some periods are over-saturated. I released the film *Suzanne* last 4 August, to the great displeasure of the director. As a distributor, I have to be realistic and believe in a film no matter when it's released, and I have to do all I can to support it. Some people say that once the release date has been chosen, 51% of the work has been done. This is up to the distributor, but you have to make sure the cinemas are supplied with films throughout the year. I'm sceptical about the idea of releasing films quickly after they're shown at a festival. We released *The Band's Visit*, which got a standing ovation at Cannes, but it was just the professionals who knew about it. We gave ourselves six months to prepare the release, and in the end the film had 500,000 admissions in France.

Clive Fisher – Head of acquisitions & programming, Ster-Kinekor Theatres, South Africa

(See presentation on EC website)

The situation in South Africa isn't simple, with 9 million admissions per year for 49 million inhabitants. Ster-Kinekor is a chain of 60 complexes, counting some 400 screens, including 4 sites and 26 screens dedicated to arthouse films. Some years ago distributors in the country stopped offering independent and European films, so we created "Select", and distribute *Blue Is the Warmest Colour*, for example.
And we created "movieminds", a website where we can interact with the public. We ask users what they think of our posters or trailers. And we get a lot of answers, which lets us tailor our promotion accordingly. The responsibility for promotion is shared between the distributor and the exhibitor. This partnership could be improved.
Finally, all screens in South Africa are now digitised (with the VPF model).

<u>Michael Gubbins</u> – In the end we always get an "emotional" response from the public. To create a bond with audiences, we talk about practices, habits and technical aspects that result in interaction on the local but also on the global (international) level. Today's discussions reveal a desire for flexibility and partnerships in different sectors of the industry. Such changes have an impact on the industry, whose strategies must be rethought.

<u>Ted Hope</u> – Things have already changed a lot. There's a continual flow of content and we have less time to make decisions. And the same is true for the cinemas: you have to be able to make your choices fast. One can compare the cinema industry with the music branch. Audiences are looking for something authentic, a particular experience; we have to make cinemas the place where this unique experience happens.
And the audiences are willing to pay for this experience.

<u>Susan Wendt</u> – While traditional releases can still be successful, for certain types of films you have to be able to experiment with alternative releases aimed at targeted audiences, notably online. I'm thinking particularly of young people who don't often go to the cinema. You have to give them this chance. We do it in Denmark for

films with a target audience. It's important not to close your eyes or be afraid of this trend. You have to change your mentality.

Erik Hamre – Why do producers lose money each time a new piece of technical equipment comes along? It started with the television, then VHS and DVDs, and now with VOD. I'm sorry for you, but you're the ones with the rights, aren't you? You're the first link on the chain of a magnificent adventure, and so why is it so important for the dinosaurs that we are to adapt? I'm not asking for protection, but I wonder why we manage to lose money so rapidly each time new technology is developed.

Ted Hope – That's not entirely true. When video came out we experienced a boom with a net growth in revenues, and we raised our budgets and investments. The real problem is free access, which an entire generation now takes for granted. You have to adopt the role of teacher. We all work in this sector, in different aspects, sure, but we're here because we've fallen in love with cinema and being in a dark theatre. My major preoccupation is that this aspect of the cinema should never disappear.

Cinema in an on demand world

Speakers:
Christian Grece – Analyst, European Audiovisual Observatory, Council of Europe
Tom Dercourt – Manager, La Septième Salle, France
Peter Buckingham – Consultant, SampoMedia, UK
Vincent Paul-Boncour – Exhibitor, Le Nouveau Latina / Distributor, Carlotta Films, France
Prof. Dr. Elizabeth Prommer – Director of the Institute for Media Research, University of Rostock, Germany

Christian Grece – Analyst, European Audiovisual Observatory, Council of Europe

(See presentation on EC website)

The VOD market is hard to understand because there are so many technical solutions, stakeholders and strategies. Added to that is the heterogeneity of the European national markets (with different contexts and regulations) and a certain lack of transparency in the data that's collected. This is also a concern in Hollywood (see the article by Michael Cieply in The New York Times, 15/09/13).
In Europe, the EAO has listed some 2,459 on demand services of all kinds (replay TV, sporting events, feature films, children's content, etc.).
The leading countries are the UK, France and Germany, but there are other countries where the offer is varied. 52% of the VOD offer comes from a different country than where it's viewed. These services are established notably in Luxembourg (iTunes, Netflix, Lovefilm.com) and 32% in the United States. In May 2013, 125 American services targeted Europe. 48% of the European VOD offer is under American control (iTunes, Netflix, Google Play, HBO Central Europe, MUBI, Disney On Demand, Lovefilm.com). The database MAVISE lists 822 VOD services. 80% of them are accessible online, and 20% via digital television operators.
The EAO carried out a statistical study on a sample of 50 European films (25 blockbusters and 25 winners of the EFA Award), and analysed their dissemination by 91 services. The results were divided into 3 categories:

- the French, German, English and Austrian markets, in which the situation is very competitive even if iTunes remains the leader in terms of offer (in our selection),
- the Belgian, Italian and Dutch markets, where the majority of VOD services are independent,
- the Danish, Polish and Swedish markets, in which national operators have a larger offer than the iTunes catalogue (in our selection), notably because they grew out of large telecommunication groups, and so have the necessary resources.

iTunes thus has the best performance, notably thanks to its experience with music. Of the 50 European films selected, the blockbusters dominate, but arthouse films are also present. iTunes obtains better terms of trade on the main markets. In the smaller markets, notably in the East, iTunes has granted licences for contents. How can the "small" VOD suppliers offer a larger catalogue?

Michael Gubbins: The small players are in danger. Are there fears of a monopoly on the part of operators like Netflix or iTunes?
Christian Grece: Yes, there's strong monopolistic competition. Without regulation, the small platforms are in danger of disappearing.

Tom Dercourt – Manager, La Septième Salle, France

I'm going to give a short summary of the experience of La Septième Salle, a project which – thanks to our partnerships with exhibitors and distributors – allows us to offer "new" films in theatres in the cinema window of media chronology, because often the films are no longer available on the big screen at the end of this window: that is in the 3rd or 4th month. The idea is to make up for a lack in terms of what's legally on offer, and to satisfy public demand. This service has acquired quite a few members, and started up on the basis of a regular meeting which then became a film club 2.0, but it's been difficult to attract new audiences. Also, with the logistical cost of these screenings, the operation hasn't been particularly profitable for each of the operators. Nevertheless this experiment has let us see that audiences are interested, and ready to get involved in this type of programming on demand. So we've developed a new service, with previews of independent films. The film is followed by a debate filmed on three cameras and projected simultaneously in the 50 or so theatres in our network. Audiences can interact live and ask Q&A through a specific Twitter service. Our idea is to create a connection between film viewing on the Internet and film viewing in theatres. You have to reward viewers who come to the theatre by giving them access to exclusive contents, and for example reduced VOD prices for earlier films by the director, or short films. By enabling interaction through debates we create bridges between communities, whether they're localised or spread across an entire territory.

Peter Buckingham – Consultant, SampoMedia, UK

(See presentation on EC website)

I'd like to share with you some results of a study on cinema on demand that was carried out in the UK. In VOD, the films aren't very expensive. *The Wolverine*, for example, only costs £3.49 to download. SVOD, for example Netflix, is even less expensive. A subscription costs £6 per month and you can watch all you want. The question of price has a real impact on audience perception. There is a division between the digital natives and those over 45. For older audiences, the best place to see a film is in a theatre. For young people what counts is the price of a film, its value, irrespective of the format they watch it on (including mobile phones, so the size of the screen is not key).
Concerning day-and-date, how can you compare two experiences and two services as different as seeing a film in a theatre and at home? People think cinema tickets are expensive (the average ticket price in the UK is £8). How much more are they willing to pay to go to the cinema? You have to bear in mind this idea of price/value. One central question is the notion of film. According to our surveys, it's not certain that the film is necessarily linked to a film theatre. What is a film for audiences? What do they want from a cinema experience? The definition they give isn't necessarily the one we think is right. Will cinemas become the focus of digital leisure pastimes, or a place where you go to watch good films?

Vincent Paul-Boncour – Exhibitor, Le Nouveau Latina / Distributor, Carlotta Films, France

15 years ago Carlotta's work releasing heritage films principally concerned film theatres, today we dedicate the same attention to different vectors. However we are particularly attached to the cinema, because that's what makes or breaks a film's reputation (without forgetting festivals). Recently we faced a new challenge when we re-released Hitchcock's *North by Northwest*: how to get audiences to come to the theatre to watch a film they've no doubt seen before? Our strategy, which paid off, was to work the synergy between several media, to grab people's attention by playing on the fact that the film is well known (one they've already seen, but a restored copy in the original version with subtitles), and to bring in different partnerships, notably the television, because the film was broadcast by satellite, which did not at all stop people from going to see it in the cinemas. The notion of film lover has evolved, as have his habits and his tastes: before these focused on American films from the 1940s and 1950s, now it's more films by contemporary filmmakers who are still active today. Concerning simultaneous releases, the film heritage is a distinct case, because media chronology does not apply and we release films in the theatre, on DVD/Blu-ray and VOD at the same time, notably because the cinema and the physical format are giving us good publicity, especially press coverage. We collaborated closely, as for example on the film *Purple Noon (Plein Soleil)*, which was brought out simultaneously on DVD by Studio Canal and in the cinemas by Carlotta, and that worked very well.
As the market's difficult, we also have to cross borders. We don't have a huge number of films in our catalogue but we do more specific work with some titles, notably by accompanying their presentation abroad. That's how Carlotta US was born.

Prof. Dr. Elizabeth Prommer – Director of the Institute for Media Research, University of Rostock, Germany

Talking about cinema in an on demand world comes down to talking about audiences. Although they're often thought of as a mass that resists change, the thing is to understand how they will behave in the future. As has

been said, it’s not a question of substituting one practice for another. The audiences are there, they’ll be there for the next 20 years, at least until the baby boomers hit 90.
About young audiences, I’ve heard a lot about education. In my view you have to think differently and supply audiences with better information before wanting to start educating them. Concerning the most prestigious festivals, it’s mostly white-haired filmmakers who’re represented there, people like De Palma or Scorsese, who make films that speak to us but which don’t interest kids in their mid-teens. For them to be able to relate to films like that, you have to explain them (for example Lars von Trier), and adolescents find that off-putting. It’s hard to find one definition for a good film, because each age group appreciates different things. Finally, I repeat, there’s no substituting one thing for another, but people’s desire to see films continues to grow – no matter what format the films come in.

<u>Michael Gubbins</u> **–** The results of our studies on on demand services highlight the question of price. The cinema has to do something new to make consumers feel like they’re getting better value for their money.

<u>Peter Buckingham</u> **–** Yes, of course. Audiences don’t buy a film but an experience, a memory. The stronger this is, the more memories it contains, the greater the satisfaction regarding the price.

<u>Elizabeth Prommer</u> – Price is always an important factor, but the real thing is the choice of activities; do I stay at home or do I go to the cinema for a social experience? Young people know very well that watching a film with VOD is different than seeing it in a cinema. Already Aristophanes said that the young people neglected his plays and preferred comedies. Perhaps we won’t be able to offer this new viewing environment for young people and they’ll end up creating it themselves, which is difficult for us to admit.

<u>Michael Gubbins</u> **–** The notion of offering on demand is close to that of choice, which is of a certain editorial stance on the supply side.

<u>Tom Dercourt</u> – True, traditionally the cinema is a supply market in which the exhibitor relays the distributor’s choices. The idea behind La Septième Salle was the opposite: we have a large selection of films available, but no editorialising, and viewers choose the film they want to see. In the end the audiences came without even knowing the film, because they’d made a “date” for a certain type of film experience. Today demand will be based on other criteria: the time, additional contents that gives them an added value, for example bonuses like on the DVDs put out by Carlotta.
I’d like to come back to the question of price: of course an adolescent will have the feeling he’s getting more for his money when he goes to see *The Avengers* in 3D than an arthouse film, even on an 8m screen and with dolby sound.
The last panel discussed the question of the value of films. As I’m also a producer, I’m very concerned when I look at the music market and how much it’s declined in value. This is because of the size of the offer and the rates of operators like Deezer or Spotify, which kill the middlemen between the creators and the public. The cinema must be very careful about such potential loss of value caused by digital technology, particularly on the economic level. For young people who watch films on streaming or SVOD, there is no clear relationship between watching and paying. And in their minds the value of films reflects that.

<u>Vincent Paul-Boncour</u> – When you remember having seen a film, you normally remember where you saw it. The notion of the location is very important, whether it’s an arthouse cinema or a multiplex. These places have an identity in terms of programming and ambiance. With VOD there is no specific location. There are just a lot of platforms, too many even. It’s complicated to exist and to be a key player on the Internet.

Conclusions of the workshops

Digital workshop by David Hancock

VPF and financing of digital technology

The creation of the VPF financing mechanism in Europe led to fears of a negative impact on independent distributors although this does not appear to have been borne out. In the Netherlands, for example, the VPF financing mechanism has received government support and Ron Sterk revealed the results of a study showing that the market has not changed dramatically. In fact, there are more releases of minor films but with shorter billings. The same phenomenon was reported by Michael Stejskal in Austria. With regard to the VPF, the main Austrian exhibitor (50% of screens) has signed up with an integrator but this standard VPF model is not suited to the smallest exhibitors so an independent model called Free VPF has been created. In Germany digital technology has been a fairly long process and Christian Brauer emphasised the need to develop parallel finance models. Altogether there are three systems including VPF Hub adopted for 700 screens and suited to independent distributors. In Italy, barely half of film theatres are digitally equipped, mainly because the VPF system is not tailored to the market. Domenico Dinoia described a degressive system that should promote the acceleration of digital technology.

These solutions represent the reaction to the fear of an imposed model and are the fruit of local cooperation and professional initiatives through collaboration between distributors and exhibitors, sometimes with the support of public bodies.

Alex Stolz of the BFI in the United Kingdom says there is no public intervention and the VPF model is applicable to everyone. There are four integrators on the market, each requiring payment of a VPF using a formula that is complicated for independent distributors. The BFI has brought together all the stakeholders to find a solution but the problem persists, despite a year of discussions.

Integrators were represented on our panel by Serge Plasch who considers the VPF to be a successful system. He is currently negotiating VPF contracts in several as yet poorly-equipped countries (the Balkan states, Baltic countries and Greece) and hopes to be able to offer them a VPF for 350 euros and 5-year plans in the next few months. The cost of the equipment, and therefore of the VPF, is falling.

Distribution methods

Some options are better than others, depending on the type of release. For example, independent distributors prefer a physical support (hard disk) to broadband or satellite methods, this support is costly for releases on this scale. However, Nico Simon revealed a contradiction: why work on the old model of prints when digital is available? Arthouse film theatres are chasing after DCPs and that is a waste of time. He concluded that physical digital distribution could be harmful to the European film industry. It is a salient point.

Alternative content

Alternative being a rigid definition, there are now other names such as complementary content and event cinema but the common point of these programmes is the supplementary income they bring. The film itself may classify as alternative content (compared with blockbusters). Marc Allenby has estimated the share of revenue from alternative content at the Picturehouse to be 20%. Globally, IHS estimates the income to be 380 million dollars, that is, approximately 1% of box office takings.

With regard to the type of content, screen arts (opera, dance) predominate but there are many, perhaps too many, other things on offer. In 2012 there were 131 events in film theatres in the United Kingdom including the British Museum's highly successful Pompeii exhibition and the `Doctor Who´ series screened in 3D which earned revenue of £1.7 million in just one evening.

Alternative content fills film theatres which is therefore very positive and these screenings bring additional income. However, special marketing is required since this involves just one screening a week, although season tickets could be made available. It may only provide a one-off source of revenue but this is not insignificant, and there is good development potential too.

Equipment and finance

Two Q&A arise: the replacement of equipment and innovations (sound systems, 3D, etc.). We need an economic finance model to support this new technology with new revenue but the panel largely agreed that there will be no second VPF for replacement and Tim Sinnaeve asked the question: is a second VPF desirable?

Serge Plasch and Jean Mizrahi added that the first VPF enabled the creation of a link with banks who understand the domain of the cinema and, in particular, the stability of exhibition. The cost of these innovations could drop further and digital technology should permit savings. Thus exhibitors could use the revenue generated to finance this new equipment.

Discussions on digital technology continue to develop. We are at the end of digital equipment's transition period, which is perhaps the most difficult one. But for now, let's enjoy ourselves!

Young Audiences workshop by Michael Gubbins

What are the practices of Young Audiences?
According to Peter Buckingham, the problem today is the plethora of activities available to young people. On top of that, they no longer consider the film theatre as the primary means of viewing a film. For this reason, he suggests the development of new ways of involving young people and of convincing them. Michael Pierce was more positive, reminding us that we were young once too and we felt something special when we went to the film theatre; we need to recreate that moment of connection with new generations. Christopher Elkins added that piracy should be understood since this is the main way by which young people connect with content, even if this link is different to what we feel they should have at the cinema.

The panel then presented specific examples of links created between film theatres and their public. Marieke Jonker reiterated the interactive aspects of this relationship. We must ensure the participation of our target audiences, particularly through our programme schedules. Education should not be a passive experience. Elizabeth Prommer also spoke about the role of educators. We need more dynamism, to offer new methods to teachers in order to foster enthusiasm for European films. We also analysed other elements such as the organisation of specific evenings for young people in order to establish direct contact; the more we approach the public the more they are likely to get involved. But it is also a question of the content on offer, as demonstrated by Mary Nazari who managed to build up the public's enthusiasm for the film theatre.

How do you bring the public together around independent films?
Boram Kim from South Korea, who works on creating new audiences: we have to abandon that rather tired idea of arthouse cinemas and see that an increasing number of young people are impassioned by film and are developing initiatives; we must trust them and follow them.
Daniel Sibbers spoke about marketing: we have to make the 'cinema' brand a passionate one, bring to it new approaches, making it become a place of inclusion rather than exclusion. We have to go beyond the sole idea of place, the 'arthouse cinema' brand being sometimes a little old hat: we must work on this brand image. Finally, Jon Barrenechea promoted the idea of working in a network, sharing positive experiences.

We then talked about mechanisms for creating links with the public through social networks but we also need a whole range of digital tools. We must capture the interest of these new audiences, create value and other ways of making them feel connected with the content. Marco Adasso recalled that marketing on social networks relies on a long-term strategy and work; one Facebook page is not enough. We have to participate, understand how this great web works and take advantage of all the links and interactions possible. We then spoke to two exhibitors, Sylvain Pichon and Benoît Thimister, who revealed their activities to involve the youngest audiences. Sylvain Pichon has put in place a Skype link with directors. You have to speak the language of these new audiences. Clearly all these initiatives require effort and time and the return on investment is not immediately measurable. But we must try and put in place all the good ideas we have, invest, take an interest in young audiences, asking them Q&A and listening to their answers.

Q&A

Olivier Demay, Les Enfants de Cinéma – An organisation that is developing the project Ecole et cinéma (School and the Cinema) for young audiences during school hours and – not just an anecdote – most French film theatres within the Europa Cinemas network are participating in our programme. All exhibitors present today share the same concern: gaining a wider public and earning their loyalty. We are seeking to create and reach communities but we, here, also represent a community ourselves. We should work on exchanges between network film theatres, take inspiration from the experiences of other film theatres with their public.

Domenico Dinoia – We've talked about day-and-date and other technologies affecting film theatres but we should think about how digital technology changes the work of the film theatre, how it increases ways of watching European and independent films in cinemas that are themselves independent. Digital technology allows us to schedule more films and for that reason the advantage of digital technology shouldn't be limited to technical issues. The question of the appeal of film theatres is ever-present and we have talked a lot about how to improve what our film theatres offer, even alternative content, but why can't we see the new Almodóvar, Lars von Trier, Moretti…? These directors could show their films throughout Europe without the need for new technology. What we offer remains the core of our task and we must be able to show different films (compared with Hollywood) that appeal to different generations.

Focus on Greece

Michel Demopoulos - Member of the Board of Directors, Europa Cinemas, Greece

What I am going to say about the situation in Greece is not as optimistic as the discussions taking place over the last two days. Greece is blighted by a devastating crisis, the hardest test the country has faced since the Civil War following the Second World War. The situation facing the Greek film industry is merciless and yet the picture is quite mixed. There has been a drop in attendance but we should emphasise the lack of government support: as in Spain and Portugal, culture is the first target of austerity plans. The cash registers at the heart of the Greek film industry are empty, no projects receive support, committees don't meet and the Greek broadcaster ERT closed unexpectedly last June, leaving a tangled mess. This budgetary asphyxia has also affected festivals in Thessaloniki, Athens and smaller towns as well as film libraries, short-lived cine clubs which are being forced into closure. So it's a stricken landscape with a poor view of the future. Paradoxically, though, in this hostile context of political, economic and social crisis, a new generation of filmmakers has emerged, with films that are scooping up prizes at international festivals. These include Yorgos Lanthimos, Athina Rachel Tsangari, Alexandros Savranas and others, shooting low-budget or even no-budget films, not necessarily about the crisis (but where the crisis is present). These films are made with the support of European coproductions. This surge of filmmakers, labelled by the British press as Weird Wave, has brought with it a new generation of motivated and inventive producers who support the films and succeed in ensuring their production. These films are one of the most positive things to happen to the Greek film industry and most of the films from this Greek new wave, as well as European films, are distributed in Greece by the Feelgood Entertainment, headed by Irini Souganidou.

Irini Souganidou – Distributor, Feelgood Entertainment / President of Association of Greek Distributors, Greece

(See presentation on EC website)

Presentation of a general look at the Greek market and at the problems shared by other countries such as the search for new audiences. Greece has a population of around 11 million, approximately 50% of young people are unemployed and there are thought to be about 2.3 million internet connections. The standard VAT rate is 23% and the reduced rate is 13%, for food and film, but we are attempting to reduce this to 6.5%, the rate for the theatre.

Feelgood was created in 2008 and counts 23 majors and independent companies. In terms of exhibition, there are 485 screens in 284 film theatres, mostly in Athens and Thessaloniki, and 158 open-air screens. Digital technology has been late to arrive with just 21% of screens digitally equipped by the end of 2013 and we estimate a further 17% increase in 2014. Since 2011 there has been a massive drop in admissions which have fallen by one million per year, dropping to 8 million in 2013. Release models may be grouped into three categories: blockbusters, achieving between 60,000 and 300,000 admissions, released on 60 to 150 screens, 'average' releases achieving between 30,000 and 100,000 admissions with 30 to 60 prints, and arthouse films achieving between 1,000 and 40,000 admissions with between one and ten prints.

In 2012, 60 films were released by majors and gained 51% of the market share. Thirteen Greek films were released, earning 11% of box office takings, and 132 independent films earned 38% of box office takings. Independent films feature only rarely in the Top 10.

The problem of the drop in attendance is not exclusive to Greece and piracy is a scourge: 70% of Greeks with an internet connection have already downloaded illegally, putting us in third place globally. We have managed to shut down one site and over the following three months, internet traffic fell by 61%! Clearly, the lack of established and legal VOD plays an important part here: the three operators/suppliers each offer their own platform but, in fact, what is on offer is limited. Nor is there any legislation against piracy. Unlike in other countries, participation in cultural leisure activities has been greatly affected by the crisis despite a drop in admission prices decided at Easter 2012. But it seems that the film theatre has lost its magic. People have not lost their interest in the content but they do think that the film theatre no longer offers any special experience or added value. Instead of meeting and collaborating, exhibitors and distributors tend to work against each other. We could work together and launch a campaign to bring audiences back in, increase the film theatre experience, promote the cinema and not just the film, and get children into the habit of going to the film theatre. We have to repromote the unique experience of the audience in the film's natural habitat: the film theatre.

Q&A

Mark Shaw, Singapore – Who is the market leader in exhibition?

Irini Souganidou – The largest exhibitor is Village which has a 45% market share. The Odeon is next, with 20%, followed by a chain of multiplexes with about 15%. The rest are independent film theatres.

Michel Demopoulos – The number of film theatres has fallen significantly in the regions, with large cities no longer having even one theatre.

Michael Pierce – It was important for us to have this focus on Greece, although it wasn't in the programme. And it was also important to return to Greece and I'd like us to remember that a Greek film theatre Cine Thisio was declared one of the ten most beautiful cinemas in the world by the BBC, and that also needs to be stated.

Claude-Eric Poiroux – 23 network film theatres in Greece. Greece is unique for its summer screens. It is a real tradition in Greece to go and see a film in the open air during the summer and if you are looking for ideas, see what is done here, they are very organised and experienced.

SESSION IV – EUROPA CINEMAS IN CREATIVE EUROPE

Speakers :
Emmanuel Joly – Creative Europe - MEDIA Programme, European Commission
Claude-Eric Poiroux – General Director of Europa Cinemas
Nico Simon – President of Europa Cinemas

Emmanuel Joly – Creative Europe - MEDIA Programme, European Commission

(See presentation on EC website)

I'd like to go back to the presentation we've just seen on Greece. Here, as in Spain, for example, piracy is threatening the audiovisual industry. In these two countries the film theatre has an essential role to play and we must repromote its image. It is difficult to have a healthy film industry without it.
About the new Creative Europe programme. Public consultations and impact studies have led to this global approach to bring together the CULTURE and MEDIA programmes with the aim of uniting the cultural and creative industries since they face the same challenges of piracy, the digital revolution and author's rights, and because we can establish synergies to deal with these.
Additionally, the continuation of this programme was justified because the cultural sector, which represents 4.5% of the GDP and 3.8% of jobs in Europe (that is, 8.5 million workers), brings real added value, thus contributing to Europe 2020 targets.
The main challenges are the same for all cultural domains: the fragmentation of countries and languages which is a source of richness but also of difficulty in terms of access to works. There is an analogy between film and music since 35% of Europeans go to concerts but only 13% see shows with their origins in other countries.
Digital technology helps to make culture more democratic, promotes the creativity of a wider range of people and a broader distribution. However, it also leads to piracy. With regard to public finance, according to our latest figures, there is a shortfall in finance of 2.8 to 3 billion euros and we should find other, additional means of finance such as public funding.
The objectives of Creative Europe continue to be the circulation of works, trans-border cooperation, interaction with the public and cultural education. The budget has been adopted with a 9% increase over the previous budget, that is, 1.462 billion euros over seven years, 31% for the Culture programme, 56% for MEDIA and 13% to be used for a new finance instrument.
With regard to the question of digital technology, the programme will have a component on new technology, access to markets and training in this new technology including digital equipment. And we shall continue pilot projects on VOD since, in order to ensure added value in this area, European films must be available on the platform, and accessible.
Over all sectors, the new aspect of the programme is the creation of a guarantee fund managed by FIE, a response to the difficulty faced by cultural operators in accessing finance. Additionally, in order to promote culture, a conference will be arranged every six months, at each change of presidency. A budget shall also be released for studies on the state of the market (sadly lacking at the moment) to allow us to assess the relevance of our activities.
Regarding the timescale: Parliament adopted the programme in mid-November, the Council on 5 December and the first Call for Proposals shall be published in mid-December with a submission deadline of February/March 2014. Finance agreements should become effective between June and August, according to the activities.
Creative Europe is not the only European finance programme for culture. There are also structural funds worth approximately 6 billion euros. We need to set up a specific agenda involving all Member States to discuss these Q&A, from the initial stages, in order to avoid the difficulties encountered this year with regard to cultural exception (negotiation on the free trade agreement) and Cinema Communication. We need to improve dialogue.

Q&A

Claude-Eric Poiroux – Provision has been made for a guarantee fund of a transverse line of 121 million euros in 2016. Film theatres have an ongoing need for investment. Could film theatres have access to this fund?

Emmanuel Joly – In fact, the digitalisation of film theatres (or the next phase of investment required to adapt equipment) is typically the aim of this guarantee fund.

Erik Hamre – I hope that this network can continue.
Emmanuel Joly – The film theatre will remain a key element of the MEDIA programme.

Cristina Loglio – I would like to emphasise the opportunities provided by this programme to make links with other cultural institutions such as, for example, museums, to create new partnerships in other cultural fields. The merger of MEDIA and CULTURE in this new programme shows that these same objectives are being pursued by cultural industries.

Emmanuel Joly – Yes, we can create links with film theatres, particularly regarding alternative content, opera, etc. These possibilities for joint working may lead to further opportunities.

Claude-Eric Poiroux – Links between CULTURE and MEDIA will be simpler but what about the links we could have with funds for education?

Emmanuel Joly – It's a complicated matter we are working on but I can't give any concrete answers today. And Member States have autonomy with regard to educational programmes; they are not obliged to put in place policies on education in film.

Radoslav Markov– What can we do about those filmmakers who benefit from the funds and don't care about filmgoers?

Emmanuel Joly – I am aware. We do not support production. We should enter into dialogue with other Member States. Production comes under the banner of subsidiarity.

Nina Peče – Our film theatres are also cultural centres, social centres that have new educational and social responsibilities. We bring added value to cultural industries. It is important to recognise this new role for the film theatre. We are not merely windows to films.

Claude-Eric Poiroux – This is an opportunity to remind the Commission of this additional work by Europa Cinemas exhibitors. It is an avant-garde network and it got where it is through 20 years of support from MEDIA.

Emmanuel Joly – With regard to the role of exhibitors and the work carried out, the work must be highlighted since it really is the key. You must really demonstrate it to the Commission, particularly the way exhibitors work to gain new audiences.
The sector is sometimes seen as too defensive, conservative, even reactionary as Barroso so clumsily said, and discussions can be painful. European Commissioner Androulla Vassiliou and the Directorate-General defend your interests but you have to put yourselves on the offensive and demonstrate the added value of your work.

Gian-Paolo Moraschi – You know, many Italian film theatres fight for finance for their digital equipment. Can they count on Europe?

Emmanuel Joly – Unfortunately not. I have clearly understood that the situation was serious in Italy and Greece but we do not have the budgets. Is the digitisation of film theatres the concern of Europe? That did not form part of the original agreement. I am sorry that the guarantee fund, which would be the ideal tool, will not be available until 2016 and then it will be too late for you.

Jan Runge, UNIC – I'd like to make a few comments. Firstly, thank you to the EC for this conference and its rich discussions. Discussions have focused on the development of new audiences and that is a particularly important point requiring a commitment by the Commission. We cannot be blamed for being defensive: we had to defend ourselves both in commercial negotiations and with regard to Cinema Communication since we were under attack from both sides. UNIC, the International Union of Cinemas, is open to discussion and will take part in the debate gladly.

Emmanuel Joly – This defensive position is a perception and can thus be misunderstood. For that reason, to avoid misunderstanding, we must promote dialogue and cooperation to deal with the challenges of the future.

Carol Comley, EFP – We were on the defensive since the proposals made by the Directorate-General, particularly regarding Cinema Communication, forced us to be. Happily, these discussions have had a positive outcome. And the EFP has invited representatives from the MEDIA unit to its next meeting at the Berlin festival for further, more constructive discussions on the development of audiences.

Europa Cinemas network news

Claude-Eric Poiroux – Thanks to Fatima, to the team and to the translators, you've been given a document in your pack but I'd like to remind you of the renewed Europa Cinemas Pass which will be in circulation from January 2014. It is a different colour: it will be mauve instead of grey. Please make your cashiers aware of this card which gives every exhibitor access to network film theatres.

Laëtitia Kulyk – Next year, in 2014, contracts and mandates shall be sent over the summer and notifications for payment in October.
There have been some changes to the programme's guidelines: The screenings threshold for the criterion of diversity has been increased, a new category has been introduced, individual thresholds for countries, and a new admissions schedule introduced for some countries.

Claude-Eric Poiroux – I would like to say a few more words about the MUNDUS programme. Twenty or so exhibitors have travelled from China, South Korea, Singapore, Taiwan, Argentina, Brazil, Mexico, Palestine, Morocco, Israel and South Africa. It is often more difficult for these exhibitors to champion European films. In future, we shall develop activities for these exhibitors and distributors to promote European films internationally.
There has been support for distribution in third countries since 2004. In total, 111 companies have been assisted in the screening of 500 films across 18 countries. We have supported exhibitors since 2009: 212 film theatres, 818 screens in 26 countries received support in 2013.
We believe that this network will develop, for example, in China, where we have just one exhibitor in Hong Kong and another in Beijing, and in Australia.

Marie-Blanche Bétouret – With regard to the future of MUNDUS, we are sure that support for distribution will continue in 2014, following the same rules, and are expecting support for around 80 releases in 2014. However, with regard to exhibition, we are awaiting Calls for Proposals to be published in December, particularly concerning the duration and the budget. We hope that Creative Europe will be able to allocate a budget commensurate with the potential for development promised by a real commitment to European film from partner country professionals.
We are continuing to join these professionals in a network with European professionals during seminars we have co-organised in Mexico and Japan and we hope that these exchanges of knowledge and practices will increase with Creative Europe.

Claude-Eric Poiroux – This year we introduced a new Label in Locarno. If you would like to be part of an exhibitor jury that awards the prizes in five European festivals, please get in touch with Fatima Djoumer. This year's films are: The Broken Circle Breakdown in Berlin, The Selfish Giant at The Directors' Fortnight, The Notebook at Karlovy Vary, Tableau Noir (Blackboard) at Locarno and La Belle Vie (The Beautiful Life) at Venice.
In Venice we are delighted about the collaboration with the European Parliament for the 28 Times Cinema project and we are counting on you to recruit these young representatives.
To conclude, this has been a particularly dynamic and optimistic conference which augurs well for the launch of this new programme, Creative Europe.

Nico Simon – I am delighted at the general quality of discussions and the wealth of talks in the corridors. Participants have demonstrated their enthusiasm for the organisation and the dynamism of this event and I think that this content shall then be conveyed by participants to their respective countries.
It is good that we have cleared up this understanding with the Commission and we shall take up the invitation for dialogue and participate actively in the Creative Europe programme without which we could never achieve the expected results. Ten or 15 years ago, during meetings, complaints were the order of the day; this year, everybody was constructive and the mood was for the most part positive, even if we do have to face new challenges. We are ready to take the bull by the horns.
Thank you for your participation. I shall see you again at the exhibitors' meeting in Cannes. Thank you to the interpreters. Thank you to the Hilton team.

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