

Digitraining Plus 2011
European Cinemas experiencing New
Technologies

THE ITALIAN JOB

**NICOLA GRISPELLO
HELSINKI JULY 2 2001**

Structure of the presentation

- Italian data
- VPF the Italian way
- Tax credit for the conversion
- Alternative contente
- New technologies
- Conclusions

Cinema in Italy

- 120, 5 million admissions for 2010
- Best result in 25 years (124 million in 1986)
- 118,2 in 1998 Titanic and beginning of multiplex expansion
- 141 films produced
- Second european producer and seventh worldwide after India, United States, Japan, China, South Korea, France

Cinema in Italy

- € 424 million investments, € 276 from the private sector 65,3%, €118 from international coproduction and only € 35 from the government
- Local product over 30% with 4 movies in the first ten
- Concentration of the exhibition sector with 2 circuit The Space and UCI having almost 40% of the market the rest very fragmented

VPF The Italian way

- On Dicembre 2009 was signed a deal between the Distributor Association and The Exhibition Association to create a VPF for all the market
- The idea is that the integrators was only a way to proceed with the the digital roll our
- A way to keep everybody on board in the fastest way
- Freedom from the exhibitor that could choose the best equipment for his cinema in a total investment agreed in € 60.000, in additional to financial cost
- An arrangement to share cost of the transition

VPF The Italian way

- All the equipment must be DCI complaints and minimum resolution of 2 K
- The distributor commitment to make available digital prints only in the case of a national release of at least 50 prints to all the cinema that make the request
- KDM are open for the complex and the print can be moved in agreement with distribution
- From March 1, 2011 the VPF is set at €480 for each digital print
- The fix contribution is valid for all the digital screen installed within December 31, 2011
- Exhibitor must play the film for 2 weeks minimum
- Exhibitor invoice directly the single Distributor
- At the moment there are 782 screens that have joined the program 682 digital screens 3D and 100 screens 2 D.
- There are approximately 1000 screens considered that UCI and the Space have installed digital screens through Arts Alliance and there were 930 digital screens on the market place last week end between Cars 2 e Transformers 3

Tax Credit

- On January 2010 has been approved a law that allow the exhibition companies to benefit of a tax credit of € 50.000 for each screen equivalent to the 30% of all cost including (installation, refurbishment of the projection screen, satellite, staff training, etc...) DM January 10, 2011
- This law has been extended until December 31, 2013 can't exceed € 200.000 per single company and can be compensated with other taxes including staff pension contributions
- It is linked to the commitment of the exhibitor to play in all the complex a 20% of european movies the first year, 30% the second year and 50% the third year

Alternative content

- ⦿ Opera play
- ⦿ Ballets
- ⦿ Sport events soccer, NBA, boxing
- ⦿ Live Rock concert
- ⦿ Classical Movies
- ⦿ English film
- ⦿ School matinee

Case History of a Alternative events

- Ligabue day broadcasted live in 173 cinemas around the country with € 550.000 in one single day
- Back to the Future € 240.000 on 116 cinemas



L'Opera al cinema

Una nuova Stagione di eventi in diretta



NABUCCO

di Giuseppe Verdi
Dal Teatro Antico di Taormina
9 agosto 2011
In esclusiva



FAUST

di Charles Gounod
Dal Teatro Verdi di Salerno
28 settembre 2011
In esclusiva



LA BELLA ADDORMENTATA

Di Piotr Ilic Tchaikowsky
Dal Teatro San Carlo di Napoli
15 ottobre 2011
In esclusiva



DON GIOVANNI

Di Wolfgang Amadeus Mozart
Dal Teatro alla Scala di Milano
Prima della Stagione 2011/2012
7 dicembre 2011
In esclusiva

TURANDOT

Di Giacomo Puccini
Dal Puccini Festival di Torre del Lago
20 settembre 2011
Near live in esclusiva



LA BOHEME

Di Giacomo Puccini
Dal Puccini Festival di Torre del Lago
4 ottobre 2011
Near live in esclusiva



MADAMA BUTTERFLY

Di Giacomo Puccini
Dal Puccini Festival di Torre del Lago
18 ottobre 2011
Near live in esclusiva

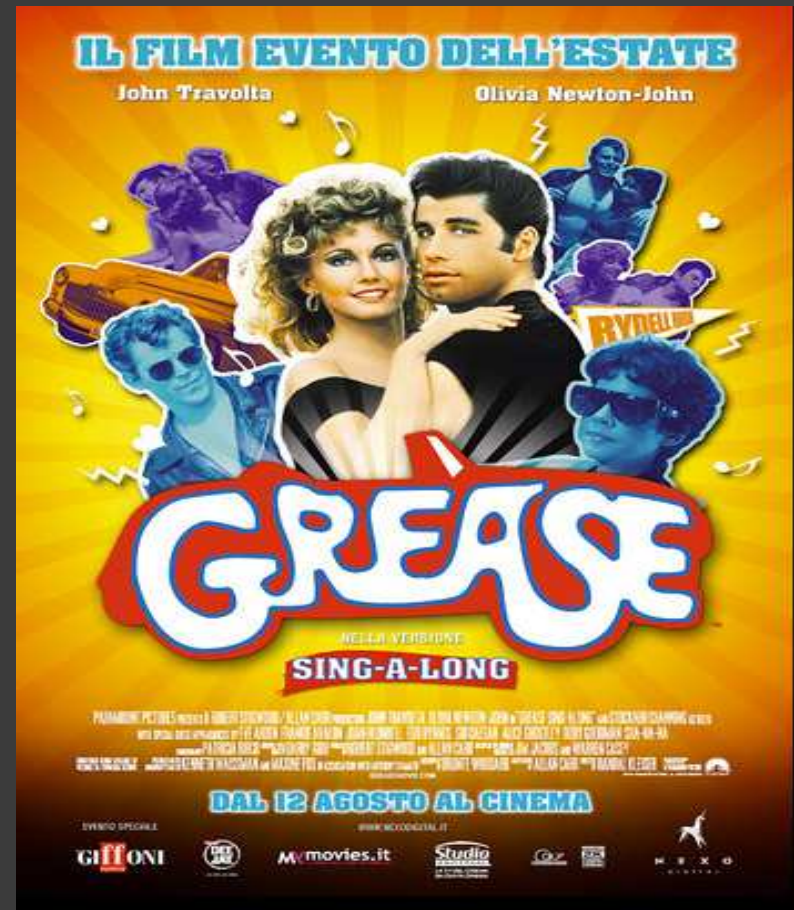


LA FORZA DEL DESTINO

Di Giuseppe Verdi
Dall'Opéra Nationale di Parigi
8 dicembre 2011
In esclusiva



Grease Sing a Long August 2012



Conclusion

Q&A

Thanks for the attention