

# MEDIA Sales 2007



Kuurne  
29 March 2007

# Introduction

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- **The Myths of Digital Cinema**
- **Current Challenges of Digital Cinema**
- **The Role of the Integrator**
- **Our Experiences to Date**



# The Myths of Digital Cinema

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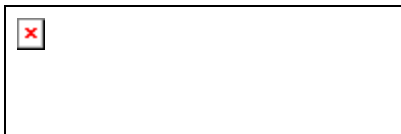
- **The Biggest Myth: Digital Cinema is all about cost savings**
  - Studios pay their cost savings in the form of VPFs. Short term distribution costs go up
  - Exhibitors bear higher maintenance costs, and consumables costs increase
- **DCI specifications eliminate all technology complexity and interoperability problems**
  - DCI specifications leave substantial issues for equipment manufacturers to resolve
  - SMPTE standards are in still in development
- **Digital Cinema rollout is just about arranging financing**
  - Substantial operating element exists and will remain
  - DCI does not fully define the architecture which systems integrators must address
- **The industry will be fully digital, with all movies delivered via satellite, within 5 years**
  - Dual inventory market will exist for many years, particularly internationally



# Technical Issues of Digital Cinema

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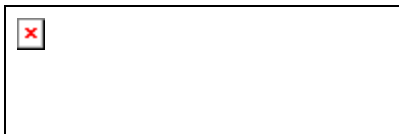
- **How do I move from a standalone system to a networked environment?**
- What is the best system architecture my complex?
- **What is the best equipment for my complex?**
- How do I monitor and maintain the equipment in my complex?
- **How do I ensure my equipment is DCI compliant?**
- How many screens must I install? Side-by-side 35mm?



# Commercial Issues of Digital Cinema

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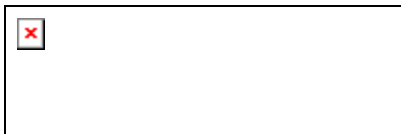
- **How do I guarantee digital feature content on my screens?**
- What are VPFs, who negotiates them, and who collects them?
- **How much will I have to pay, and how do I finance?**
- Who controls the content on my system?
- **What about screen advertising and alternate content?**
- Will the European Model differ from the US Model?
- **Should I use an integrator, or do it myself?**



# The Role of the Integrator

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- **Operations:** Site Surveys, Installations, Project Management, Monitoring and Maintenance
- **Equipment:** Testing, Selection, Ingest Server
- **Technology:** Integrated Solution, Theatre Management System (TMS), Network Operations Centre (NOC), DCI Compliance
- **Commercial:** VPF Negotiation, Equipment Purchase, Parts & Labour Warranties, General Advisory
- **Single Point of Accountability for the Exhibitor**



# Our Experiences to Date - Operations

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- **Testing:**

- Interoperability Test Centre (ITC)
- US Beta Test
- Screen Advertising System
- Distribution Testing

- **Field Services:**

- Site Survey Expertise
- Staging, Installation, and Commissioning Expertise

- **Monitoring & Maintenance:**

- Existing NOC operation



# Our Experiences to Date - Technology

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- **System Architecture:**

- Theatre Management System (TMS)
- Screen Level User Interface
- Ingest Server
- Network Infrastructure





# Our Experiences to Date - Commercial

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- **Studios / Content:**

- 5 Major Studios signed up to the North American Rollout
- Advanced discussions with Studios for European Rollout
- Added complexities of Europe resulting in slower progress
- Mastered and distributed over 200 titles around the world

- **Exhibitors:**

- US: Mann, National Amusements
- EU: Kinopolis

- **Equipment Manufacturers:**

- Projectors: Barco, NEC, Christie
- Servers: Dolby, Doremi



# Thank You



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