

MEDIA GUIDELINES 2016

A. OBJECTIVES

- ◆ Increase and diversify programming in cinemas for European films and raise attendance for them, with a priority on non-national films.
- ◆ Encourage European exhibitors in their initiatives to attract Young Audiences.
- ◆ Develop a network of cinemas that can set up joint activities at the national and European level.
- ◆ Encourage innovation in the promotion of films and communication with the audiences.

B. SUPPORT SCHEME AND DISTRIBUTION OF FUND

- **The main support** is awarded in increments ranging from €15,500 for one screen to €45,500 for 15 screens or more. It is divided as follows:
 - **80%** of the support is granted for a **principally non-national European programming**, calculated based on number of screenings.
 - **20%** of the support is granted to encourage **exhibitor's initiatives to attract Young Audiences** (Young Audience support capped at €5,000). *See Young Audience guidelines.*
- **Three bonuses can be granted in addition to the main support:**
 - A **bonus for diversity** for the number of European nationalities represented in their programme,
 - A bonus for films that have been awarded the **Europa Cinemas Label**,
 - A bonus for **partnerships between exhibitors and online distribution platforms.**

C. SUPPORT FOR EUROPEAN PROGRAMMING

Abbreviations: SENN - Non-National European Screenings / SE - European Screenings

A countries: France, Germany, Italy, Spain, United Kingdom.

B countries: Austria, Belgium, Czech Republic, Denmark, Finland, Greece, Ireland, Iceland, Luxemburg, The Netherlands, Norway, Poland, Sweden.

C countries: Croatia, Hungary, Portugal, Slovenia and Slovakia.

D countries: Albania, Bosnia and Herzegovina, Bulgaria, Cyprus, Estonia, Latvia, Lithuania, Macedonia, Malta, Montenegro, Romania and Serbia.

The four country categories were determined based on: production volume, number of theatres, average ticket price and market share of European and national films. D Countries also take into account the fact that cinemas of these countries have a low level of representation within the network.

1. Scale for the main support

To receive support for their programming, cinemas must schedule enough screenings to meet or exceed the limits set out in table 1 (columns 1 and 2) depending on the number of screens and the objectives mentioned in the agreement signed with Europa Cinemas.

Programming support is **pro-rated to the number of screens achieving a SENN proportion of 35% after the overall results of the screens covered by the same agreement have been averaged. For single-screen cinemas, SENN must be a minimum of 25%** (Table 1, columns 3 and 4).

SENN maximums by nationality:

Should different films of a single nationality make up a significant portion of non-national European film screenings, they must not exceed:

- 33% of SENN for cinemas or groups of cinemas with more than 5 screens,
- 50% of SENN for cinemas or groups of cinemas with 2 to 5 screens,
- 66% of SENN for 1-screen cinemas.

Table 1

| SCALE FOR SUPPORT BY NUMBER OF SCREENS | | | | | | | | | | |
|---|--------------------------------------|--|--|--|--|--------------------------------------|--|--|---------------------|------------------------|
| 1 | 2. Minimum for support | | | | | 3 | 4 | 5 | 6 | 7 |
| Total number of screens under one agreement | Minimum SENN % for one agreement | A countries: minimum SE% for one agreement | B countries: minimum SE% for one agreement | C countries: minimum SE% for one agreement | D countries: minimum SE% for one agreement | Minimum SENN % per screen subsidised | Number of subsidised screens under one agreement | Maximum annual support for one agreement | Programming Support | Young Audience Support |
| 1 | 25% | 50% | 45% | 40% | 30% | 25% | 1 | 15 500 € | 12 500 € | 3 000 € |
| 2 | 22% | 49% | 44% | 39% | 29% | 35% | 2 | 18 000 € | 14 500 € | 3 500 € |
| 3 | 22% | 48% | 43% | 38% | 28% | 35% | 3 | 20 500 € | 16 500 € | 4 000 € |
| 4 | 22% | 47% | 42% | 37% | 27% | 35% | 4 | 23 000 € | 18 500 € | 4 500 € |
| 5 | 22% | 46% | 41% | 36% | 26% | 35% | 5 | 25 500 € | 20 500 € | 5 000 € |
| 6 | 20% | 45% | 40% | 35% | 25% | 35% | 6 | 27 500 € | 22 500 € | 5 000 € |
| 7 | 20% | 45% | 40% | 35% | 24% | 35% | 7 | 29 500 € | 24 500 € | 5 000 € |
| 8 | 20% | 45% | 40% | 35% | 23% | 35% | 8 | 31 500 € | 26 500 € | 5 000 € |
| 9 | 20% | 45% | 40% | 35% | 22% | 35% | 9 | 33 500 € | 28 500 € | 5 000 € |
| 10 | 17% | 45% | 40% | 35% | 21% | 35% | 10 | 35 500 € | 30 500 € | 5 000 € |
| 11 | 17% | 45% | 40% | 35% | 20% | 35% | 11 | 37 500 € | 32 500 € | 5 000 € |
| 12 | 17% | 45% | 40% | 35% | 19% | 35% | 12 | 39 500 € | 34 500 € | 5 000 € |
| 13 | 15% | 40% | 35% | 25% | 18% | 35% | 13 | 41 500 € | 36 500 € | 5 000 € |
| 14 | 15% | 40% | 35% | 25% | 17% | 35% | 14 | 43 500 € | 38 500 € | 5 000 € |
| 15 and + | 15% ABC countries 12% D countries | 40% | 35% | 25% | 15% | 35% | 15 et + | 45 500 € | 40 500 € | 5 000 € |

Degressivity measure:

This degressivity measure established in 2015 applies to all cinema theatres that joined the network more than ten years ago (first agreement signed in 2005).

Beyond these 10 years, the support will be reduced by 1% per year (i.e. 1% of the total amount – programming support, diversity, Young audience support included).

Therefore, in 2016 a reduction of 2% is applied to cinema theatres members since 2005 and a reduction of 1% is applied to cinema theatres in the network since 2006.

In the case of mini-networks and common agreements, is taken into account the date of admission to the network of the last theatre of the agreement.

2. Bonus Scale

2.a. Bonus for diversity of programming

In order to encourage exhibitors to diversify the countries of origin for the films shown, a bonus can be granted according to the number of **European** countries represented among the films shown.

The bonus ranges from 1 to 20% of the programming support and is awarded if there are at least **11 European nationalities** in their programming. For a nationality to be counted, it must have at least 3 screenings (Table 2).

Table 2

| SCALE FOR BONUS FOR DIVERSITY | | |
|---|--------------------------------|--------------------------------|
| Number of European countries represented | Bonus A and B countries | Bonus C and D countries |
| 11 - 12 | 1% | 11 % |
| 13 - 14 | 2% | 12 % |
| 15 - 16 | 3% | 13 % |
| 17 - 18 | 4% | 14 % |
| 19 - 20 | 5% | 15 % |
| 21 - 22 | 6% | 16 % |
| 23 - 24 | 7% | 17 % |
| 25 - 26 | 8% | 18 % |
| 27 - 28 | 9% | 19 % |
| 29 - 30 | 10% | 20 % |

2.b. Europa Cinemas Label Bonus: encouraging screenings of films that have earned the Label

The Europa Cinemas Label is awarded to a European film by a jury of exhibitors at 5 different festivals: Berlin, Cannes, Karlovy Vary, Locarno and Venice. Europa Cinemas encourages exhibitors who are part of the network to include these films in their line-up and to extend their run in order to consolidate their success.

Modalities of the Bonus:

Single screen cinemas: beginning after the second week of programming and after 14 screenings, every screening counts twice for calculating the cinema's percentage of Non-National European Screenings.

Cinemas with 2 or more screens: beginning after the second week of programming and after 28 screenings, every screening counts twice for calculating the cinema's percentage of Non-National European Screenings.

2.c. Bonus for partnerships between exhibitors and online distribution platforms

There is a new bonus for exhibitors who want to get their cinemas involved in new approaches to film release, linked to and in partnership with distribution platforms such as VOD, with the aim of increasing the visibility and audience of certain European films included in their programming.

Conditions applicable to the bonus:

- Related release of the same film on at least two platforms, including the cinema,
- The release may be simultaneous or staggered (maximum interval of two weeks),
- The film must be a non-national European production,
- Only the first two weeks of cinema exhibition will be taken into account for these screenings.

Modalities of the bonus:

For exhibitors who meet the above conditions and show a film for two consecutive weeks, each screening will count twice for calculating the cinema's percentage of Non-National European Screenings and the corresponding support.

Exhibitors must provide specific documentary evidence relating to such screenings and to the conditions of the

film's VOD release within their country: partnership agreement with the VOD platform or pilot project specifying the conditions for programming and promoting the film on the two platforms, duration of exhibition and number of cinema screenings and admissions for the films concerned. A summary of these activities must be communicated by both partners.

3. Matching Fund

The purpose of the Matching Fund is to balance the support received and the cinema's investment – the amount awarded to the exhibitor cannot exceed their own investment.

To respect this principle, the programming support payment cannot exceed €1 per admission to non-national European films.

4. Payments to cinemas. Special adjustment measures

For cinemas that reach the minimum limits for SENN, but that have not totally met the other goals set out in the Guidelines, the payments will be either 100%, 75%, 50% or 25% of the maximum total according to the rates indicated in the rules of procedure of the Validation Committee.

In C and D Countries, the SENN percentages can also be adjusted.

If in certain A and B countries, the national and European market shares drop by more than 8 points compared to the previous year, the following adjustments measures will apply:

- For SENN, the support scale for C and D countries will be applied to A and B countries, according to Annex to the Internal Rules,
- The SE programming threshold will be lowered by 5 points.

In C and D countries in the same conditions of variation, the following adjustments will apply:

- The SENN programming threshold will be lowered by 5 points,
- The SE programming threshold will be lowered by 5 points.

These adjustments will apply to all cinema theatres of the country/countries concerned.

With regard to the distribution of support within mini-networks, programming support must be shared on the basis of each cinema's results in the area of Non-National European Screenings. Europa Cinemas will ask the network leader for proof of payment to the co-beneficiary/co-beneficiaries.

The final amount of support granted to each Agreement will depend on the total amount received from the European Commission as well as on the total number of cinema theatres which could benefit from a financial support from Europa Cinemas. If the total amount due is superior to the available budget, each amount of support will be pro-rated.

D. DEFINITIONS

European films:

“**European films**” are fictional works or programmes lasting at least 60 minutes, as well as works of animation and documentaries that meet the MEDIA criteria and are for the majority produced by one or more producers resident(s)/citizen(s) of one or more MEDIA countries and are created with a significant participation of professionals established in states participating in the MEDIA programme / Creative Europe.

For further details please see: http://ec.europa.eu/programmes/creative-europe/news/2015/1601-creative-participants_en.htm

All films made for promotional purposes, all pornography or works which incite to racism or violence are strictly excluded.

National/Non-National European Film:

A European film is considered a national film in the country participating in the MEDIA / Creative Europe programme whose residents/citizens participated for the majority in the elaboration of the film. It is considered non-national in all other countries.

In the impossibility of determining the leading nationality of a European co-production, it will then be considered a European non-national film in all European countries.

Cinemas:

A “cinema” defined as a commercial venture with a single or multiple screens grouped together on one site under one name. **Should screens be on several different sites within one municipality but depend on a single managing/programming body, they are considered to be a single establishment and therefore covered by a single agreement.**

Mini-networks:

Cinemas within one country that wish to be counted together in order to reach the minimum admissions and screening levels and that meet the programming goals set in the guidelines can cooperate as a mini-network, pooling their results. These cinemas can be represented by a single coordinating and/or programming body.

A “network leader” is designated in keeping with the agreement signed by participating exhibitors whose names and cinemas must be explicitly mentioned. The “network leader” exhibitor is the person who will sign the agreement with Europa Cinemas and the one who is delegated to receive the support. Every exhibitor participating in a mini-network gives Europa Cinemas the power to represent them within MEDIA / Creative Europe programme.

E. CONDITIONS FOR CINEMA ESTABLISHMENTS TO BECOME PART OF THE EUROPA CINEMAS NETWORK

The network is open to all cinemas that meet the following criteria:

- **European commercial cinemas*** open to the public since the last 6 months at least, with a ticketing system and officially declared income, technical equipment up to professional standards and safety conditions that meet national legislation.

** European commercial cinema: business, corporation, association (or any other type of legally declared entity) owned, either directly or by majority participation, by residents of countries participating in the MEDIA programme and established in these countries. Pornographic cinemas are excluded.*

- **Minimum number of annual screenings for permanent cinemas: 520**

A reduced limit of 370 screenings is accepted for single-screen cinemas or cinemas operating under particular conditions (in regions with very few cinemas, in particular in D countries, multi-use establishments with reduced but regular programming, etc.).

For outdoor cinemas, a minimum of 25 screenings a month is required.

In D countries, travelling cinemas must provide evidence of at least 30 screenings a year to qualify for support. In other countries, seasonal touring cinemas and itinerant networks must provide evidence of at least 200 screenings a year.

- **Programming of recent films:** The network can include first-run cinema establishments that show recent European films, within 12 months of their national release. At least 70% of all European screenings must be of first-run films.

- **Minimum number of seats per establishment: 70.** The cinema must have at least 70 seats in order to become a member of the network.

- **Minimum number of seats per screen in cinemas with 2 or more screens: 50.** If a cinema has one or more screens with seating for less than 50, these screens will be counted so as to reach the required minimum of 50 seats. Europa Cinemas thereby reserves the right to sign an agreement counting fewer than the actual number of screens.

- **Minimum number of admissions over 12 months:**

- **30,000** tickets for Germany, Spain, France, Italy and the United Kingdom,

- **25,000** tickets for Austria, Belgium, Luxemburg and The Netherlands,

- **15,000** tickets for Croatia, Denmark, Finland, Greece, Hungary, Ireland, Iceland, Norway, Poland, Portugal, Czech Republic, Slovenia, Slovakia and Sweden,

- **10,000** tickets for Albania, Bosnia and Herzegovina, Bulgaria, Cyprus, Estonia, Latvia, Lithuania, Macedonia, Malta, Montenegro, Romania and Serbia.

- **5,000** tickets for mobile cinemas in D countries.

- Cinemas that wish to work together in mini-networks must individually meet the European programming criteria. Their acceptance to Europa Cinemas will depend on their collective results and their position on the national market in terms of offer and location. Acceptance of mini-networks is given priority in countries/regions where Europa Cinemas is underrepresented.

F. COMMITMENTS AND APPLICATION PROCEDURE

The application file can be downloaded on the Europa Cinemas website. The following elements must be enclosed and sent within the specified deadline:

- the complete information sheet identifying the cinema,
- detailed programming of the last 6 months,
- copies of every publication or brochure from the cinema,
- statement of revenue made to the distributor,
- recent colour photos of the cinema and the exhibitor,
- an official document confirming the registration of the exhibition company (company registration certificate, chamber of commerce extract, etc.).

An incomplete or late application may be refused.

Cinemas that are members of the network commit to:

- signing a contract for at least 1 year of European programming following the established criteria,
- advertising their membership in the network to the public,
- setting up initiatives for Young Audiences of European cinema,
- taking part in joint activities at the European level and contributing to their shared financing,
- setting up an internet site,

- ensuring the best conditions for the public, comfortable screening, quality projection, promotion and visibility,
- providing Europa Cinemas regularly and at least once a year with the following information:
 - titles of all films on the programme,
 - number of screenings for every film,
 - number of admissions and ticket sales (Box-Office) for every film.

This detailed information should be sent to Europa Cinemas through the Member Zone page on Europa Cinemas' internet site, a secure and confidential space. This will allow the Validation Committee to calculate and pay the annual financing support the cinemas are to receive as long as the conditions of the contract are kept.

G. ACCEPTANCE AND RETAINING CINEMAS IN THE NETWORK

The Validation Committee proceed to two annual evaluations:

- **The April meeting of the Validation Committee** analyses the annual results from member cinemas and proposes the payment of support if the contractual goals have been met. This Committee also examines applications for new cinemas held over from October and makes decisions on retaining cinemas in the network.
- **The October evaluation** analyses applications from cinemas wishing to become members of the network. Are selected those which fulfil the network admission criteria.

The Validation Committee considers the following criteria when making its decisions:

- the cinema's performance in terms of numbers of admissions and events,
- the total percentage of European programming evaluated with regards to the market conditions in the area,
- the geographic balance of cinemas in the country and region with priority given to national and regional capitals, university towns, key cities for spreading cinema, mid-sized cities that are strategic for economic, geographic or cultural reasons. Particular attention is granted to countries or regions with low production capacity and/or that are restricted linguistically or geographically. In these countries, formation of mini-networks of cinemas is encouraged.

Should a member cinema be very far off the percentages stipulated in the contract or fail to send their programming for three consecutive years, the cinema will exit the network.

Applications accepted by the members of the Validation Committee in October take effect on the 1st January of the current year.

H. DEADLINES

For applications: this deadline is clearly communicated by Europa Cinemas, the European Commission and the Media Desks. It is 15 September 2016 for cinemas wishing to become members of the network on 1st January 2016. The application will be available online beginning with July 2016.

Applications will be analysed by the Europa Cinemas team and submitted to the Validation Committee evaluation in October 2016. Cinemas will be informed of the final results following the Committee's meeting.

For annual programming reports: this deadline is communicated by Europa Cinemas to member cinemas. Programming reports for 2016 should be sent before the end of January 2017.

The reports will be analysed by the Europa Cinemas team and submitted to the Validation Committee in April 2017. The Committee will examine cinemas' programming reports as well as the applications that were held over from the previous October. Cinemas will be informed of the final results for acceptance into the network following the Committee's meeting. Cinemas will be informed of the decisions on support as soon as the Commission has been notified.

EUROPA CINEMAS – President Nico Simon, General Director Claude-Eric Poiroux
54 rue Beaubourg, F – 75003 Paris FRANCE – Tel. 33 1 42 71 53 70 – Fax. 33 1 42 71 47 55
<http://www.europa-cinemas.org> – Email: info@europa-cinemas.org

**With the support of the MEDIA sub-programme of the European Union and the Centre National du
Cinéma et de l'Image Animée (CNC)**

