

MEDIA GUIDELINES 2009

A. OBJECTIVES

- ◆ To increase and diversify European programming in film theatres – particularly with regard to European non-national films – and to raise attendance at these films.
- ◆ To encourage exhibitors' European initiatives aimed at Young Audiences.
- ◆ To develop a network of film theatres suited to foster joint activities at national and European level.
- ◆ To encourage digital projection of European films in theatres.

B. SUPPORT SCHEME AND DISTRIBUTION OF FUNDS

1. **The main funding** will range from € 15,000 for single-screen theatres to € 45,000 for multiplexes of 15 screens or more. It will be distributed as follows:

- **80%** of funding granted for **European non-national programming** calculated on the basis of numbers of screenings.
- **20%** of funding granted to encourage **exhibitor activities targeted at Young Audiences** (maximum Young Audiences Funding € 5,000). These funds will take into account specific programming involving screenings and European films for young audiences and school groups as well as exhibitor activities, publications, mailings, promotion of screenings or films concerned, and exhibitor participation in joint activities developed at national or European level (*cf. special guidelines*).

2. **Two bonuses may be added to the main amount of funding paid out to a theatre:**

- a diversity bonus for the number of European nationalities included in programming,
- a bonus for the progression of the percentage of European non-national programming.

3. **Programming support for European films screened in digital format** will be granted to network theatres with an adequate programming of European films screened on digital equipment, minimum **2K**. (*cf. special guidelines*).

4. **Support for joint initiatives within the network** is intended to subsidize the financing of communication tools between theatres as well as promotional and informational activities implemented both nationally and at European level. It also sponsors initiatives that allow exhibitors to join the network on the basis of joint objectives at national and regional level. Funds paid to the coordinating body are provided in equal shares by the European Commission and by a contribution from the theatres taken from the funding.

C. SUPPORT FOR EUROPEAN PROGRAMMING

1. Eligibility threshold for funding for European programming content:

Non National European Screenings threshold:

To receive funding, a theatre or group of theatres must screen a minimum percentage of European non-national films (**SENN**) in relation to its total screenings. This **eligibility threshold** varies according to the number of screens as specified in the following scale:

Table 1

ELIGIBILITY THRESHOLD FOR FUNDING	
Number of screens	Minimum SENN threshold
1	25% à 30%
2 to 5	22%
6 to 9	20%
10 to 12	17%
13 and more	15%

Diversity threshold:

The European non-national films shown must have at least six countries of origin (in order to be taken into account, a nationality must be represented in a minimum of 7 screenings). For single-screen cinemas, the minimum of five nationalities may be accepted.

No single European non-national country can account for more than half of the SENN films. For single-screen theatres, a threshold of 2/3 may be accepted.

2. Scale of funding:

2.a. Main funding

In order to qualify for maximum programming support, theatres will need to achieve a SENN percentage of **35% of total screenings (25% for single-screen theatres)**.

If this percentage is not achieved but the theatre has a SENN percentage higher than the **eligibility threshold for funding** (cf. charts hereinabove), programming support will be pro-rated to the number of screens achieving a SENN proportion of 35% after the overall results of the multiplex have been averaged.

The theatre's percentage of European screenings (**SE**) will also be taken into account for the calculation of funding.

The support will be granted according to the following scales (tables 2 and 3):

Table 2

Scale of funding – 1 screen					
Number of screens being funded under the same agreement	Maximum annual funding	Programming Support	Youth Audience Support	% SENN *	% SE **
1	15 000 €	12 000 €	3 000 €	30%	50%
1	15 000 €	12 000 €	3 000 €	29%	52%
1	15 000 €	12 000 €	3 000 €	28%	54%
1	15 000 €	12 000 €	3 000 €	27%	56%
1	15 000 €	12 000 €	3 000 €	26%	58%
1	15 000 €	12 000 €	3 000 €	25%	60%

Table 3

Scale of funding – 2 screens and more							
Number of screens being funded under the same agreement	Maximum annual funding	Programming Support	Youth Audience Support	Minimum SENN* threshold in the multiplexe	Minimum SENN* percentage per funded screen	% of SE **	% of SE **
						A Countries	B Countries
2	17 500 €	14 000 €	3 500 €	22%	35%	49%	44%
3	20 000 €	16 000 €	4 000 €	22%	35%	48%	43%
4	22 500 €	18 000 €	4 500 €	22%	35%	47%	42%
5	25 000 €	20 000 €	5 000 €	22%	35%	46%	41%
6	27 000 €	22 000 €	5 000 €	20%	35%	45%	40%
7	29 000 €	24 000 €	5 000 €	20%	35%	45%	40%
8	31 000 €	26 000 €	5 000 €	20%	35%	45%	40%
9	33 000 €	28 000 €	5 000 €	20%	35%	45%	40%
10	35 000 €	30 000 €	5 000 €	17%	35%	45%	40%
11	37 000 €	32 000 €	5 000 €	17%	35%	45%	40%
12	39 000 €	34 000 €	5 000 €	17%	35%	45%	40%
13	41 000 €	36 000 €	5 000 €	15%	35%	40%	35%
14	43 000 €	38 000 €	5 000 €	15%	35%	40%	35%
15 and more	45 000 €	40 000 €	5 000 €	15%	35%	40%	35%

* European Non National Screenings

** European Screenings

- **A Countries:** Germany, Spain, France, Italy, Switzerland
- **B Countries:** other countries participating in the MEDIA Programme

Priority for first-run European films: programming must include a minimum of 70% first-run SENN, i.e. films shown within twelve months of release in the country.

2. b. Bonus for diversity of programming

In order to encourage exhibitors to diversify the range of countries of origin of their films, a bonus can be granted according to the number of **European** countries represented in the list of films screened.

The bonus ranges from 1 to 20% of the amount received for programming support. The bonus is triggered if at least 11 nationalities are presented in the theatre's programming. A minimum of seven screenings is necessary for a nationality to be included in the calculation.

Table 4 – Scale of Diversity Bonus

Number of European Nationalities	Bonus	Number of European Nationalities	Bonus
11	+ 1%	21	+ 11%
12	+ 2%	22	+ 12%
13	+ 3%	23	+ 13%
14	+ 4%	24	+ 14%
15	+ 5%	25	+ 15%
16	+ 6%	26	+ 16%
17	+ 7%	27	+ 17%
18	+ 8%	28	+ 18%
19	+ 9%	29	+ 19%
20	+ 10%	30	+ 20%

2. c. Progression bonus

In order to encourage exhibitors to develop their programming of European non-national films, a progression bonus may be granted if the percentage of European non-national screenings increases by more than 0.5 percentage points from one year to the next. The amount of this bonus will range from € 600 à € 1,400 according to the following scale and depending on the number of screens being funded:

- 1 screen: € 600
- 2 screens: € 800
- 3 screens: € 1,000
- 4 screens: € 1,200
- 5 screens and more: € 1,400.

2. d. Label Europa Cinemas

By granting a **Bonus**, Europa Cinemas financially encourages Network exhibitors to programme the labelled film and to keep it on the programming schedule as long as possible to strengthen its exhibition. Bonus principle:

Single-screen cinemas: After 1 week of programming and more than 14 screenings, every screening will count double in the calculation of the cinema's percentage of European screenings. This percentage is the key to determine the Europa Cinemas financial support.

Cinemas with more than 2 screens: After a week of programming and more than 28 screenings, every screening will count double in the calculation of the cinema's percentage of European non national screenings.

3. Special funding conditions

3. a. Matching fund

Programming support and bonuses will be paid out only if the exhibitor invests at least an equal amount for the programming and promotion of European non-national films. These amounts may not exceed 25% of box-office revenues for European non-national films.

3. b. Ceiling of €1 per European non-national admission

Amounts granted to theatres under the programming allocation may not exceed € 1 per admission to European non-national films.

D. DEFINITIONS

European films

"European films" are feature or documentary films or programmes (including animated films) of at least 60 minutes in length that fulfil the following two conditions:

- a majority percentage of the film project has been produced by one or several director(s) established in participating states to the MEDIA Programme (table 5)
- the film project involves a significant participation by professionals who are nationals or residents of participating states of the MEDIA programme
 - Feature-length films: a minimum of 10 out of a possible 19 points according to the MEDIA criteria listed in Table 6 below
 - Documentary films: as the "lead" criteria cannot apply in this case, the film must have a minimum of 7 out of 13 points (the other criteria remain the same)
 - Animated films: the "lead" and "director of photography" criteria do not apply, and the film must have a minimum of 7 out of 12 points

Advertising films, pornographic and racist films, and films inciting to racism or violence shall be excluded from this category.

Table 5	
32 countries participating in the MEDIA programme	
Austria	Latvia
Belgium	Liechtenstein
Bulgaria	Lithuania
Croatia	Luxembourg
Cyprus	Malta
Czech Republic	Netherlands
Denmark	Norway
Estonia	Poland
Finland	Portugal
France	Romania
Germany	Slovak Republic
Greece	Slovenia
Hungary	Spain
Iceland	Sweden
Ireland	Switzerland
Italy	United Kingdom

Table 6	
MEDIA criteria	Points
Director	3
Scriptwriter	3
Composer	1
*° 1st lead	2
*° 2nd lead	2
*° 3rd lead	2
Art director	1
* Director of photography	1
Editing	1
Sound editing	1
Location of shooting	1
Laboratory	1
TOTAL	19

* Except animation films
° Except documentaries

National / non-national European film

A European film shall be deemed national in the MEDIA country whose citizens/residents have played the most significant role in producing the film. It shall be deemed non-national in the other countries.

Should particular difficulties be encountered in determining the main nationality associated with a European co-production, the Committee of Experts may propose that it be treated as a European non-national production in all European countries.

Film theatre

A "film theatre" is a commercial establishment with a single screen or several screens at the same location and under the same company name. **Single-screen theatres or multiplexes located at different places in the same urban centre but belonging to the same exhibiting and programming unit shall be treated as a single establishment and hence grouped together in the same agreement.** The network also includes first-run theatres that programme recent European films.

“Mini network” of film theatres

Theatres in different towns or cities and/or not part of the same exhibitor or programming company but wishing to collaborate and pool their results so that together they can meet the objectives of the Europa Cinemas guidelines and organize joint programming or events, may be joined within the scope of a single agreement. Mini networks will be encouraged in countries/regions where the Europa Cinemas network is not well represented.

The agreement signed by the group of cooperating exhibitors will name a “network leader” for each “mini network” and include a precise list of the names of both exhibitors and theatres. The “network leader” exhibitor will sign the agreement with Europa Cinemas and act as proxy recipient of the funding. Each mini network participant must appoint Europa Cinemas to represent it vis-à-vis the European Commission.

E. CONDITIONS OF ELIGIBILITY AND CONTINUED MEMBERSHIP IN THE EUROPA CINEMAS NETWORK

The network is open to film theatres which meet the following criteria:

- **European commercial theatres*** that have been open to the public for at least six months and that operate with a box-office system and declaration of revenues

*European commercial theatre: any company, corporation, association (or other type of legally registered organisation) owned either directly or through a majority interest by citizens of countries participating in the MEDIA programme and located and established in these countries (table 5).

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

A degree of deviation from this figure may be accepted for single-screen theatres operating in specific circumstances (regions with few film theatres, multi-use facilities used to screen films at a reduced level but on a regular basis). For open-air theatres, a minimum of 30 screenings a month is required.

- **Programming of recent films:** at least **70%** of total European non-national screenings must be first-run films. Certain theatres with a high proportion of European non-national screenings and where repertory films account for more than 30% of programming for the entire establishment could be allowed by way of exception. This decision might be justified for cinemas in towns or cities where the network is already represented among first-run theatres with quality programming highlighting the history of European cinema. In this case, support will be pro-rated to the number of screens with 70% first-run European non-national screenings.

- **Minimum number of seats per establishment: 70.** If a multiplex has several screens which capacity is less than 70 seats, screens will be gathered, in order to reach the 70 required seats. In the case where several screens would have a low number of seats, Europa Cinemas may also establish an agreement on a number of screens inferior to the real number of screens.

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

30,000 admissions in France, Germany, Italy, Spain, Switzerland and the United Kingdom

20,000 admissions in other countries.

- Technical equipment which meets professional standards.

- Safety conditions complying with national regulations.

- Pornographic cinemas excluded.

- **Positive discrimination:** In certain situations, an operational adjustment of the Guidelines not affecting the primary objective of European mainly non-national programming may be adopted by the Europa Cinemas Experts. This adjustment will apply to countries meeting the following characteristics:

- low average admission price,
- limited number of films produced or distributed in the country,
- small or unbalanced pool of theatres.

In these exceptional cases, the Committee of Experts may adjust its requirements for certain criteria, for instance the Matching Fund, diversity and attendance thresholds or European Screenings objectives.

The network will incorporate cinemas that agree to:

- sign a contract of at least one year on European programming pursuant to the scales established
- publicise their membership in the network
- organise initiatives on European films targeted at Young Audiences
- participate in joint initiatives at the European level and contribute to the co-financing of such initiatives
- establish an Internet connection
- send to Europa Cinemas, on a regular basis and at least at the end of each year, the following information:
 - the titles of all films programmed
 - the number of screenings for each film
 - the number of admissions and box-office takings for each film

This information must be sent to Europa Cinemas via e-mail (Excel file) or via the Member Zone of the Europa Cinemas website (<http://www.europa-cinemas.org>). It will allow the Committee of Experts to activate the annual payment of support if contractual conditions have been satisfied.

F. APPLICATION PROCEDURE

An application including the following information should be sent by the stipulated deadline:

- a complete theatre identification sheet
- details of programming over the past six months
- copies of each publication issued by the film theatre
- statement of amounts paid to the distributor
- photographs of the cinema and the exhibitor.

Any application either incomplete or sent after the deadline may be refused.

G. DECISIONS

The Committee of Experts will examine applications to join or remain in the network.

It will select those applications that most effectively meet the objectives and priorities of the programme within the limits of the budgetary package assigned to EUROPA CINEMAS by the European Commission.

It shall in particular take the following criteria into account:

- how well the film theatre has performed on admissions and in-house events;
- the geographical balance of distribution of cinemas in the country or region with priority being given to national or regional capitals, university cities, key cities for cinema screenings, medium-sized cities which are strategic for geographical, economic or cultural reasons.

Particular attention shall be given to countries or regions with low production capacity and/or restricted linguistic and geographical zones.

A member theatre that does not achieve the percentages stipulated in the contract or that fails to send in its programming for two consecutive years shall no longer be part of the network.

If results for European non-national screenings and European Screenings of a member theatre or group of member theatres drop over at least two consecutive years, the Committee of Experts may decide not to pay out total funding for the second year.

H. DEADLINES

Deadline for submitting applications (to enter the Network): this deadline will be communicated by Europa Cinemas, the European Commission and the Media Desks. It is fixed to the 31st of August, 2009 for cinemas wishing to enter the network on the 1st January 2010. The application file will be online from July, 1st, 2009.

Deadline for sending the annual programme report (members of the Network): this deadline will be communicated by Europa Cinemas. Reports concerning the 2009 programme will have to be sent before the end of January, 2010.

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