

## **European Commission**

**Androulla Vassiliou**, Commissioner Education,  
Culture, Multilingualism, Sport, Media and Youth

**Neelie Kroes**, Vice-President and  
Commissioner Digital Agenda

**Joaquín Almunia**, Vice-President and  
Commissioner Competition

**Michel Barnier**, Commissioner Internal  
Market and Services

13 September 2012

Dear Commissioners,

### **OPEN LETTER FROM EUROPE'S CINEMA EXHIBITORS**

The European Commission, under the leadership of your DGs, is currently rethinking its approach to promoting the well-being of the European film industry in several domains: competition policy; copyright; digital distribution; and support for the film and cinema sector are among the issues that are examined.

The signatories of this letter would like to encourage you to place European cinema theatres – the cultural, social and economic drivers of Europe's film industry – at the centre of this new agenda for film. We offer you our full support in this endeavour.

As you know, cinemas have a significant stake in the digital transition that is currently changing the industry. Our sector depends on the successful roll-out of digital projection technology and related innovations. However, some small and medium-sized operators still struggle to finance this important transition and are at present in danger of closure if no financing solutions are found. This is the most pressing issue for Europe's film industry to date, and if not solved could devastate access to local cinemas across some important regions of Europe.

Cinema exhibition depends on the success of the entire film industry. Cinemas therefore support the development of the Video on Demand business model, as long as there is acknowledgement that a cinematographic work can only generally be successful – and reach audiences – if it is exploited according to a sophisticated release schedule (the “media chronology”). As only a theatrical release enables a film to receive unparalleled levels of publicity, and meet initial consumer demand, films are usually launched in cinemas. A film's subsequent release schedule is then determined either by commercial agreements or, in some cases, mandated by national regulation. We strongly believe that this arrangement works to the benefit of European citizens and consumers, and of the entire industry, and recommend that the European institutions trust the market as well as their colleagues at national level to do what is best for each European territory. Moreover, we would like to point out that films are initially created to be shown on the big screen, as cinemas are considered

the gold standard for enjoying a cinematographic work. It is simply not possible to compare the cinema experience with watching a film on a mobile device.

Given that the theatrical market for film is 10-15 times larger than the VOD market, we feel that some current EU audiovisual policy developments are unbalanced and may even have the potential to harm the film and cinema industry in the medium term. These include the establishment of a new support scheme for day-and-date releases as well as a certain level of criticism concerning current industry release practices, as mentioned in the Cinema Communication and in the Green Paper on the online distribution of audiovisual works in the EU. Additionally, we feel that more efforts are needed to prevent film theft.

Europe needs its cinemas! They are spaces for creative exchange that promote cultural diversity. Cinemas also help to illustrate what it means to be European, providing entertainment and employment, all over Europe. At a time when online business models still have to prove that they can sustainably contribute to the well-being of the entire film industry, total cinema revenues in the EU remained at a stable € 6.4 billion in 2011. Admissions similarly grew in most European countries. Importantly, European films increasingly fare well in European cinemas; in 2011, cinema attendance for European films rose to 274 million and total box office for EU films was € 1.8 billion. All of this income supports vital employment opportunities in each and every European state.

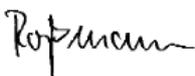
The cinema exhibition sector is going through a period of tremendous change and we urge the European Commission to not put at risk the business practices on which creation, cultural diversity and innovation are built, but to support the industry in its endeavours to offer film lovers an unparalleled choice of films on the big screen. If we endanger cinema attendance with unbalanced new initiatives, many cinemas will be in danger of closing their doors forever. These cinemas are often the only local places where Europeans can experience cultural and creative exchanges outside their home.

We very much look forward to working with you in the future. Please direct any questions or comments that you might have to Jan Runge, Chief Executive of UNIC ([jrunge@unic-cinemas.org](mailto:jrunge@unic-cinemas.org)), who will keep all other signatories of this letter informed.

Sincerely yours,



Ad J. Weststrate  
President, Union Internationale des Cinémas/ International Union of Cinemas



Dr. Detlef Roßmann  
Président, Confédération Internationale des Cinémas d'Art et d'Essai



Prof. Ian Christie  
President, Europa Cinemas

## Further signatories

### **Austria**

Fachverband der Kino, Kultur und Vergnügungsbetriebe  
Franz Lampesberger

### **Belgium**

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Thierry Laermans

Réseau belge francophone des cinémas d'art et essai  
Michail Bakolas

### **Denmark**

Danske Biografer  
Kim Pedersen

### **Finland**

Finnish Cinema Exhibitors' Association  
Ismo Maatta

### **France**

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Jean Labé

Association Française des Cinémas d'Art et d'Essai AFCAE  
Patrick Brouiller

### **Germany**

Hauptverband Deutscher Filmtheater Kino e.V.  
Thomas Negele

AG Kino – Gilde / Arbeitsgemeinschaft Kino – Gilde  
Detlef Rossmann

### **Hungary**

Art Mozi  
Budapest Arthouse Association Cirko Films  
Rita Linda Potyondi

### **Israel**

Cinema Industry Association in Israel  
Yoram Globus

## **Italy**

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Lionello Cerri

Federazione Italiana Cinema d'Essai FICE  
Domenico Dinoia

## **Netherlands**

Nederlandse Vereniging van Bioscoopexploitanten NVB  
Ron Sterk

## **Norway**

Film & Kino  
Lene Løken

## **Russia**

Kino Alliance  
Dmitri Kazuto

## **Spain**

Federación de Cines de España FECE  
Juan Ramón Gómez Fabra

## **Sweden**

Sveriges Biografägareförbund SF Bio  
Jan Berhardsson

## **Switzerland**

Association Cinématographique Suisse  
Edna Epelbaum

## **United Kingdom**

Cinema Exhibitors' Association CEA  
Phil Clapp