



CinemaDigitaal.nl

[short version business plan CinemaDigitaal.nl](#)
- a collective approach to digitisation of the Dutch film industry -

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Management summary

EYE Film Institute Netherlands¹ and the Associations of cinema exhibitors (NVB) and film distributors (NVF) will establish CinemaDigitaal.nl, a not-for-profit organization, to perform a (cost)efficient and effective, nation-wide transition to digital cinema in the Netherlands by mid 2012.

CinemaDigitaal.nl directs the transition process and focuses on creating an attractive proposition for digitisation of the Dutch film industry. The aim is to align the Dutch film industry with recent international developments and the increasing pressure for a rapid transition to digital technology. Digitisation offers cultural and economic opportunities but without proper intervention a split in the market seems unavoidable. Without a strategic, collective approach the danger arises that small parties like arthouses and independent distributors of artistic films, or not primarily commercial parties, will miss the connection to digital innovation due to limited resources.

This document is a condensed version of the Business Plan CinemaDigitaal.nl. This plan is the result of the project Digitisation Dutch Cinema (DNC) which was commissioned by EYE in the first half of 2010 and carried out in collaboration a sector-wide projectgroup. It outlines the conditions for an effective "digital roll-out 'in the Netherlands. In essence it is a coordinated approach in which the industry taking the lead. The government participates as a catalyst of the innovation process and contribute where is necessary to its funding. This approach saves time and money and is necessary to protect a diverse film offer and maintain a widespread exhibition circuit

Cinemadigitaal.nl functions as a central management organization towards stakeholders such as integrators², exhibitors, distributors and government. Services include, among other things:

- purchase and lease of equipment (projector and server);
- installation of projector and server, which after a recoupment period of eight years, the ownership of the equipment is transferred to the exhibitor;
- competitive selection of integrator(s), which will provide various services such as maintenance and the NOC³;
- (standard) contracts int.al. with distributors to contribute financially to the digital transition;
- administrative and financial handling of contributions from distributors;
- application and management of government contribution;
- Organizing bank finance for this project, possibly in cooperation with the EIB.

¹ EYE Film Institute Netherlands (est. 2010) is a sector wide umbrella institute that works to support national cinema culture.

² See Annex I

³ Network Operating Centre

Digitisation costs of CinemaDigitaal.nl are estimated at approximately €39M (Figure 1).

Expenditure	Total amount	Relative amount
Equipment (projector and server) incl. 10 year warranty and installation.	€ -30.020.750	77,1%
Interest costs	€ -7.098.734	18,3%
Organisational costs	€ -1.320.000	3,8%
Contingency	€ -321.365	0,8%
Total cash out	€-38.760.849	100,0%

Figure 1: Overview of expenditures of CinemaDigitaal.nl

Income	Total amount	Relative amount
Distributors	€ 24.317.440	62,7%
Public sector	€ 6.000.000	15,5%
Exhibitors	€ 8.156.680	21,0%
Interest income	€ 286.729	0,7%
Total cash in	€ 38.760.849	100,0%

Figure 2: Overview of the income of CinemaDigitaal.nl

CinemaDigitaal.nl will check - in accordance with bank guidelines - the financial health of individual exhibitors before participation in the collective transition

Depending on the required equipment, the costs for exhibitors are estimated on average of € 14,000, of which approximately 30% must be paid prior to installation, and the remaining sum in monthly payments of approximately € 100.

3D, maintenance, Theatre Management Systems and alterations in the operator booth are not included.

Independent distributors will contribute a market-based fee, estimated at € 500 per (premiere) print.

CinemaDigitaal.nl is a not for profit organisation, which will acquire funding for the repayment of bank loans used to finance (parts of) the digital transition. If the debts are repaid, CinemaDigitaal.nl will be liquidated.

1 Introduction

Over the past five years, digitisation has taken off in the film industry. Large American studios have played a key role in both in standardisation, the development of a funding model and the actual digital "conversion". The pressure to keep up with these developments is increasing in Europe too.

The transition from analogue (35mm) to digital in cinemas and film distribution is however a risky process in which different parties are involved in the value chain. It also calls for substantial investments, also by smaller players. Moreover, analogue (35 mm) and digital systems will coexist during the transition period. This means the transition process is not only complex but also very expensive and risky. The adage is therefore: 'the quicker, the better'. It is a network effect: cultural and economic benefits come into their own, if and as more parties become part of the new digital system.

The ambition to digitise is also strong in the Dutch film industry. This business plan was developed for CinemaDigitaal.nl in order to ensure the effective and efficient running of this transition process. This organisation is an initiative of EYE Film Netherlands Institute (EYE) in collaboration with the Dutch Association of Cinema Operators (NVB) and the Dutch Association of Film Distributors (NVF). CinemaDigitaal.nl will focus on a collective, industry-wide digital rollout in the Dutch film industry. This business plan describes the way forward.

This document is a condensed version of the business plan CinemaDigitaal.nl and describes the outlines of the roadmap for digitization of the film industry. It is intended for those involved and interested in film industry. Background information and basic definitions - such as DCI and VPF model - are included in Annex I.

1.1 Vision

The Dutch film industry will need to make a swift, comprehensive transition to digital technology to keep up with international developments, exploit cultural and economic opportunities and to avoid a split in the market, in which smaller parties – such as art house cinemas and European films – come off worst. Examples of a digital rollout teach us that a coordinated approach is necessary for the entire industry. It saves time, money and is necessary to provide a diverse film offer and maintain a dense, well-distributed screening circuit.⁴).

The sector initiative to establish CinemaDigitaal.nl is based on this vision. This organisation will play a central role in a rapid, collective digitisation of the Dutch film industry, as a coordinated approach and pooling of purchasing is the most effective way to realise the digital transition.

In summary, the vision is:

By mid-2012, the Dutch film industry has made a full, industry-wide transition from analogue to digital technology and is among the leaders in Europe.

⁴ Ylstra & Ferwerda, 2010

It is crucial that the public can be served differently *and* better with digital technology. Digital cinema offers endless opportunities and potential:

- new creative and aesthetic challenges, such as 3D;
- greater diversity in the film offer; there are for example more screening opportunities for European and historical films;
- broadening of the (cultural and social) function of cinemas; alternative content, such as opera, ballet and sporting events will also be screened;
- greater flexibility in programming for specific audiences and operation of cinemas;
- improvement of the quality of screenings and archiving;
- availability of large catalogues online and on demand;
- in the long-term, faster and more efficient distribution of content;
- in the long-term, cost reduction with chain partners.

1.2 Mission

CinemaDigitaal.nl has the mission to, within two years, achieve an efficient, collective and complete transition from analogue to digital technology in the Dutch film industry.

In order to realise this mission, CinemaDigitaal.nl intends:

- to play a primarily coordinating, executive role between relevant parties;
- to facilitate an optimal structure for the financing of the transition;
- to create maximum support and optimal network effects within the film industry;
- to create coherence with a broad media context through the Dutch Media Hub;
- to connect with public policy for the creative industry and ICT;
- to connect with international digital developments.

2 Background

2.1 Analysis

In the year 2010, the question is no longer *whether* the film industry will digitise, but *when* and *how*. Switchover from analogue to digital technology is a given, because digital representation of data has become the basis of information. An essential feature is that copying - and transport - of digital content can be done quickly and almost perfectly; it can also be done cheaper than with analogue technology.

Digitisation in the film industry is leading to a landslide in existing relationships between producers, distributors and exhibitors; new entrants are appearing on the market and parts of the value chain are merging. At present, digitisation is mostly a matter of (inter) national funding of the transition period from analogue to digital, and about the role of the different parties in the change and the streamlining of the process itself (Ylstra & Ferwerda, 2010).

2.2 DNC Project

This business plan is the culmination of the DNC project. This project was commissioned by EYE in the first half of 2010 in collaboration with an industry wide project group (Annex III). Based on a previously executed analysis and consultation with the Ministry of Education, Cultural Affairs and Science further market research has been conducted on the possibilities for an efficient digital rollout in Dutch film industry. In particular, this included:

- ensuring that digitisation takes place throughout the entire industry;
- harmonisation with international digital developments;
- developing synergy with public policy for the creative industries and ICT (Dutch Ministry of Education, Cultural Affairs and Science and the Ministry of Economic Affairs).

This section contains data on key market development (s) and digital rollout, a description of the national and international policy context and funding options.

2.2.1 Market development of the Dutch film industry

In comparison to people in other European countries, the Dutch do not go to the cinema very often (1.6 per year). The French, for example, go almost twice as often. However, the cinema sector is healthy and growing, both in the commercial and art cinema circuit (Figure 3)

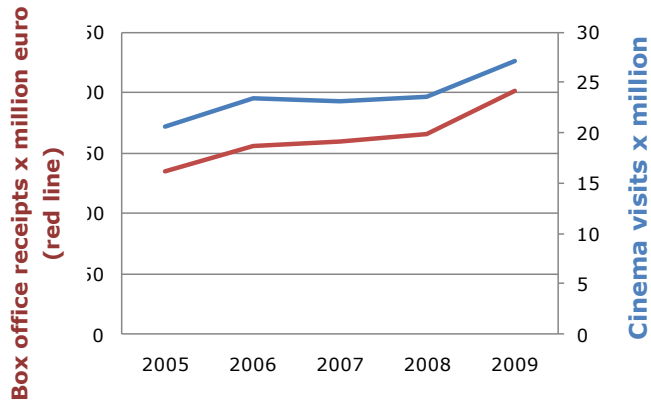


Figure 3: Cinema attendance in the Netherlands. Source: NVB

The number of cinema screens per capita is also relatively low in the Netherlands. The number of cinemas in the Netherlands has remained fairly constant in recent years, while the number of screens is increasing. (Figure 4).

	2005	2006	2007	2008	2009	2010*
Cinemas and film theatres	242	234	230	235	241	239
Screens	693	697	696	717	750	755*

Figure 4: Cinemas and screens (halls) in the Netherlands. Source: NVB *as of 01-07-2010

The Netherlands has a dense, regionally well-distributed theatre circuit. The number of inhabitants per screen hardly differs by province, but in absolute terms, the market (number of screens) is highest in the Randstad region.

The number of analogue prints released annually in the Netherlands is stable and increasing slightly. Majors collectively put out slightly more prints than independent distributors, but the ratio remains roughly the same.

Prints	2005	2006	2007	2008	2009
Independents total	4,093	3,543	4,132	4,238	4,888
Majors total	5,101	5,121	4,740	5,286	5,587
Total number of prints	9,194	8,664	8,872	9,524	10,475

Figure 5: Released prints. Source: MaccsBox, NVB and NVF.

As of mid-2010, 149 screens have been digitised in the Netherlands. Large cinema chains take the lead in this. Pathé's ambition is to operate fully digitally by 2011. In addition, a part of the art cinema circuit features - now obsolete - 1.4K equipment. They are part of Cinemanet.

2.2.2 Digital rollout

Following the introduction of the DCI-standard in 2005, digitisation in America has made a big leap, only briefly slowed by the financial crisis. In Europe, the market has seen strong growth since 2008. Growth over the past years was as high as 200% (Brunella, 2010). Momentum now exists for a full rollout in Europe.

The Netherlands is no frontrunner in the European development of digital cinema. Developments are significantly faster in France, the United Kingdom and Germany. With approximately five screens, Belgium has on average the highest number of digital (2K) screens per location. When it comes to the number of digital screens, in late 2008, the Netherlands is eleventh, after Ireland, Belgium and Poland (*European Audiovisual Observatory*, 2010).

Besides all the obvious opportunities that digitisation offers, 3D cinema is the driving force behind the digital transition. At present, nearly 70% of digitised screens in Europe have 3D capabilities (Brunella, 2010). It offers major advantages, for example because it raises the competitiveness of cinema in relation to other platforms. Moreover, 3D is immune to piracy, the biggest threat digitisation has brought to the film industry.

In the Netherlands, 97 screens are now equipped with 3D. Majors now release nearly 100% of their films digitally; the number of 3D films released is also increasing. The number of 3D films released doubles approximately every year. From an economic perspective, this growth can be easily explained. 3D prints have a substantially higher turnover per screen.

2.2.3 European context

Digitisation is high on the agenda in Europe. In mid 2007, French and German film institutions issued a statement on the need to (also) consider the cultural importance of digitisation. This marked the beginning of a serious discussion at European level on cooperation between parties in the film industry and intervention by governments to correct chain failure and competitive differences in digitisation.

The European Commission and various film institutions in nearby countries are developing/have developed subsidy measures in an attempt to catch up with the lead that commercial parties have seemingly taken in the digitisation process. In short, the current grounds for a grant is: maintaining the diversity of programming, which will be seriously jeopardized if the U.S. market grows further. Again, the fear is that European films - and the independent film circuit - will end up stuck with an outdated analogue system and will therefore disappear.

The Spanish Presidency of the EU organised a conference in March this year for member states regarding the digital rollout. The findings suggest a consensus with regard to central issues:

- integrators are necessary and must be given a chance;
- state aid is permitted if the VPF model does not work because of geography, programming and low turnover;
- cooperation is necessary; policymaking requires a continuous dialogue with all stakeholders, so that measures are endorsed by the parties and policies are appropriate to national policy and circumstances.

2.2.4 Dutch context

Stakeholders in the movie industry point out that public participation is a catalyst for an efficient transition process to digital distribution and exhibition. It stimulates the desire for (financial) cooperation between the parties and leads to a more substantive approach to innovation policy. State aid is advocated on both cultural and economic grounds.

Public intervention should in essence guarantee the cultural diversity of film offerings and the intricacy of the screening sector for the Dutch public. A - temporary - mismatch in the economic structure must be solved to this end. By supporting the public sector initiative, the government can play an important role in resolving the chain failure in the production and marketing chain of film production, distribution and exploitation during the transition period.

Late 2009, the Dutch Ministry of Education, Cultural Affairs and Science, in consultation with EYE, submitted a project proposal for digitisation to the Ministry of Economic Affairs. The inter-departmental steering group ICT budget allocation (SABI) approved the so-called preliminary application (at € 3 million) under the ICT Agenda Implementation Programme (PRIMA). A further elaboration of the proposal within the criteria of the PRIMA rule should be submitted by the Dutch Ministry of Education, Cultural Affairs and Science (Annex V) by 2010.

One of the main advantages of the collective model of CinemaDigitaal.nl is that smaller parties are offered access to the VPF model, which forms the basis for the finance model of the digital transition.

2.2.5 Funding Options

The European Investment Bank (EIB) plays an important role in the discussions about finance models for the European digitisation process. In September 2009, the EIB was the first to grant a *Risk Sharing Facility* to one of the European integrators, XDC, to prevent the European digital rollout from stagnating. In March of this year, a work session was held as part of the DNC project with the EIB with regard to Dutch ambitions.

The main conclusions were:

- the EIB may, from a policy point of view, play a role in the national funding of digitisation in the film industry;
- Dutch banks may, in the context of digitisation, utilise their credit relationship with the EIB; this reduces capital costs;
- the EIB has the option to fund up to a maximum of 50% of the project costs.

European integrators have also been consulted about Dutch ambitions. A *Request for Information* (RFI) has been set-out to gather information for the development of the business plan. Feedback on Dutch ambitions for a collective, national approach to digitisation was generally positive. Provided that current market conditions are observed. In summary, the following were mentioned as important benefits:

- the Dutch approach offers opportunities to, in a market with many - smaller-scale players, realise mutual scale advantages, including a simple, streamlined contract structure;
- ideally, a collective organisation would need to play a role in streamlining and coordinating the implementation of the transition process;
- ideally, VPFs should be entered into with all (independent) distributors affiliated with the NVF, in addition to VPFs with majors;
- the scale and self financing by the collective offers the potential of shortening the period of recoupment;
- rollout can be achieved in the short term, which is also beneficial given the contractual obligations towards majors (incl. 4 annual instalments).

Following input from the EIB and integrators, several Dutch banks (ABN, ING and Triodos) were consulted about a collective approach to digitisation in the Dutch film industry. The funding proposition was in principal welcomed:

- cooperation with the EIB significantly reduces capital costs;
- involvement of government guarantee (s) and subsidy reduces the funding risk and reduces capital burdens;
- a lease construction is preferred; a shared ownership of equipment is problematic for the bank.

3 CinemaDigitaal.nl

CinemaDigitaal.nl will be responsible for central management of the digital transition in the Dutch film industry.

Crucial to the profile of CinemaDigitaal.nl was input from a wide range of informants within the project (Annex III). They collectively represent the area in which the organisation will operate. Five integrators, which operate at European level, have met the requirements for a *Request for Information* (RFI), with which detailed data was collected on services, rates, financing and cooperation options with CinemaDigitaal.nl.

Essentially, the purpose of CinemaDigitaal.nl is to realise a (cost) effective, collective and comprehensive digital transition in the Dutch film industry by mid-2012.

3.1 Principles

The start of the digital transition is in essence about the financing of digital equipment: (a) raising capital, (b) the purchase of equipment (including installation) and (c) the closing of VPF deals with distributors. This is not feasible for all individual cinema operators: for financial reasons, but also because such a change incurs substantial additional costs, and is also complex and risky. CinemaDigitaal.nl's ambition at national level is - through a collective approach - to allow for the financing of the purchase of equipment by all Dutch cinema owners and to coordinate the digital transition and coordination of the film industry as a whole. An important precondition is that CinemaDigitaal.nl offers advantages to all parties concerned, because (a) the transition is cheaper or at least not more expensive and (b) the transition is implemented quicker and more complete, i.e., on a national scale. By mid 2012, the purchase and installation of equipment - in phases - will be completed.

CinemaDigitaal.nl acts as director of the transition process. By bringing various actors in the right position - including in relation of one another - a whole is created that is attractive to everyone. This is necessary for the dynamics of the transition process. Not only will larger cinema chains more easily make the transition to digital cinema.

It is clear that a number of cinema chains of non-Dutch parent companies will not take part in CinemaDigitaal.nl. They will follow their own route in connection with the aspirations of their parent company.⁵ For CinemaDigitaal.nl, the basic assumption is that of the 241 cinemas, 200 cinemas/arhousen will participate with a total number of 529 screens (Figure 6)⁶

⁵ Participation in CinemaDigitaal.nl is voluntary; the more parties digitise, the better (network effects); naturally, various initiatives operate independently of each other.

⁶ The NVB has taken control of the communication with, and a needs survey among, its members during the project phase. The subscription round will take place based on this business plan.

	Number of cinemas and arthouses	Number of premiere prints
Cinemas and art houses	98	5.788
Cinemas	102	820
Total	200	6.608

Figure 6: Distribution of Premier prints CinemaDigitaal.nl, Source: MaccsBox, NVB & NVF (2009)

The market is of primary importance to the implementation; CinemaDigitaal.nl will play a coordinating function in the industry, leaving the market to do its job. The existing market parties will therefore be cooperated with.

CinemaDigitaal.nl carries out administrative tasks, including the management of collateralization and grants, collecting fees and (financial and intrinsic) reporting. CinemaDigitaal.nl will also draw up framework agreements for collective bargaining and coordinate transparent and public procedures for activities of yet to be selected parties. At the core of the funding flow, DigitaalCinema.nl is contract partner between parties for the purchase of digital equipment. In the digital implementation, CinemaDigitaal.nl functions as central expertise and steering point for the digital transition in the film industry.

The organisation has no profit motive and acquires funding for paying off bank loans with which (parts of) the digital transition is/are financed. Once the debts are paid off, CinemaDigitaal.nl will be liquidated.

3.2 Services and positioning

3.2.1 Pooled Dutch demand

A primary function of CinemaDigitaal.nl is the pooling of the Dutch market, both on the side of the distributors and that of the cinema operators. CinemaDigitaal.nl serves as central contact and operates on behalf of 18 of 20 distributors based in the Netherlands (represented by the NVF) and on behalf of all cinema operators (represented by the NVB).⁷ CinemaDigitaal.nl brings about agreements in the sector, e.g., about the amount of contributions to the digitisation process (Chapter 5). This has significant advantages for investors, integrators and government representatives: instead of having to negotiate with dozens of individual parties, they deal with one single central contact and one single focus in the transition process.

3.2.2 Financing

CinemaDigitaal.nl will play a central role in obtaining funding for purchasing equipment and the management of additional variable costs for installation and maintenance of equipment. CinemaDigitaal chooses not to use the (bank) financing model already in place with the integrator for the purchase of the equipment.⁸ The main reason is that funding through the integrator can be considerably more expensive than direct bank financing

⁷ See Annex 1I

⁸ The RFI also provides an intermediate option: the integrator works with CinemaDigitaal.nl to implement the (central) funding structure. An advantage could be that CinemaDigitaal.nl can use the (investments in) experience and the banking network of an integrator. This is only a viable option if it leads to a demonstrable cost and/or time savings and the transparency of the structure is guaranteed.

through CinemaDigitaal.nl. This has various causes. The integrator runs a risk with the funding and charges a premium, on top of the interest charged by the bank. The costs of capital also significantly decrease with a government guarantee in combination with EIB financing. CinemaDigitaal.nl will (mediate in) applications under the SME Loan Guarantee Decree Appropriations (the BMKB scheme), and any collateralization or grants by (local) authorities. In addition, the goal is to obtain credit through the involvement of a Dutch bank via the EIB to further lower capital costs (Chapter 5).

As a result of bank preference, a lease construction will be opted for in the funding of digital equipment. After the lease period, the equipment will be transferred to individual cinema operators. Periodic lease fees will be met through CinemaDigitaal.nl. CinemaDigitaal.nl receives its income from individual cinema exhibitors and (an) integrator(s) which collects the VPF-payments from the distributors.

3.2.3 Delivery of equipment

CinemaDigitaal.nl will coordinate the purchase of equipment for the operators, directly through suppliers or integrators, which, partly based on their VPF capacity have large orders open with suppliers. Scarcity makes it advantageous to directly manage purchasing through the integrators. This can shorten the delivery time. Moreover, CinemaDigitaal.nl is unlikely to obtain a greater price advantage in negotiations with manufacturers. The integrators facilitate installation and maintenance services (including helpdesk and repair); a core activity is the management of the NOC (Figure 7). These are variable costs that are paid by the exhibitors. CinemaDigitaal.nl will launch a transparent - and competitive - procurement process (*Request for Quotation* - RFQ) for the final service pack of the integrator(s). The aim is to organise a first-rate service at the lowest possible cost for the collective of exhibitors.

CinemaDigitaal.nl takes on selected services of an integrator (Figure 7). When purchasing equipment, equipment is installed based on a site survey and staff is given a short training to use the equipment. A ten-year guarantee for the equipment is also part of the collective purchase. In addition to services run by the RFQ, there are other, optional, services such as 3D. Exhibitors will be given the option to acquire these services via CinemaDigitaal.nl from the selected integrator. These extra purchases are not included in the finance scheme. Finally, there are a number of integrator services of which the collective will not make use.

Subject	
Digital projector including 10-year warranty	CinemaDigitaal.nl
Digital server including 10-year warranty	CinemaDigitaal.nl
Delivery of fully operating system, including site survey, on-site training	CinemaDigitaal.nl
Maintenance	Operator
Network Operating Centre (NOC) ⁹	Operator
Telephone helpdesk including minor service	Operator
Storage server and racks	Option exhibitor
Theatre management system	Option exhibitor
3D features	Option exhibitor
Finance of equipment	No
Content delivery and key delivery management (KDM)	No
Content editing	No

Figure 7: Services of integrators with respect to collective digitisation

3.2.4 VPF deals with integrators

CinemaDigitaal.nl will use existing VPF deals between the majors and integrators. Closing these deals is legally complicated and time consuming, and therefore expensive¹⁰. It will slow the transition process. The amendment of existing agreements between integrators and majors is the obvious way to shorten this part of the process. Both integrators as well as majors emphasize that CinemaDigitaal.nl, as a direct contact point, will play a crucial role in linking the existing contracts to the Dutch situation. In existing contracts, the basic assumption is that purchased digital equipment may be partially refinanced with VPF contracts; 10% of new development compared to the reference date of the VPF contract may be financed with VPF. It is a comparative advantage that no VPF contracts have been implemented in the Netherlands yet. For integrators, it expands contract options to (re)negotiate contract conditions for the Dutch industry.

CinemaDigitaal.nl will also support yet to be selected integrator(s) in the conclusion of the necessary VPF deals with local, independent distributors, while streamlining and coordinating the (contract) process. The NVF represents its members - the final contract partners - at that stage.

3.2.5 Subsidy

Government subsidy is necessary for the implementation of a sector-wide collective digital transition in the film industry. CinemaDigitaal.nl is not a direct beneficiary of the subsidy, but plays a crucial role in the appeal for- and/or managing of the subsidy¹¹:

⁹ 24/7 monitoring of equipment, remote support and survey upgrades.

¹⁰ Based on experience with majors, amounts of approximately \$ 1 million. U.S. dollars and a time of more than one year are expected.

¹¹ See Chapter 4, in which the legal structure of CinemaDigitaal.nl is elaborated. The financial structure is elaborated in detail in Chapter 5.

- The Dutch Ministry of Education, Cultural Affairs and Science will submit an application in 2010 to support the collective digitisation project at the interdepartmental Programme Implementation ICT-Agenda (PRIMA). € 3 million was earmarked on the basis of application by the SABI at the end of 2009.^{fn} The final project application must be developed and submitted according to specific criteria by 2010. This subsidy will function in the finance construction as a "collateralization"¹², necessary for the involvement of banks in financing and to reduce capital costs. Secondly, the subsidy is used to cover the administrative costs of CinemaDigitaal.nl and installation costs..
- During the term of the financing (9 years), there will be an estimated deficit of up to approximately € 375,000 per financial year. This can be traced to the lack of financing capacity in the art cinema segment in the industry. Given its objective, the Dutch Film Fund sees a role for itself for working out a scheme for financing the annual deficit. As supporting policies, existing subsidy schemes from the fund for distribution and art cinemas can also be made suitable for applications in the context of the digital transition, for example encoding cost of artistic, non-Western films and specific adjustment costs of projection booths¹³. The funding decisions for film production include conditions set for the delivery of digital copies.

3.2.6 Expertise

CinemaDigitaal.nl combines knowledge and knowhow on digitisation, which is accessible to all interested parties. Training and education of cinema personnel and distributors can also be developed and organised through this organisation. CinemaDigitaal.nl is furthermore responsible for (progress) reports and assessments for stakeholders.

Local arthouses and small theatres can be supported by CinemaDigitaal.nl in (the aligning of) financial issues surrounding digitisation, such as specific (supplementary) funding applications in the area of digitisation.

CinemaDigitaal.nl will, if required, provide substantive policy feedback on the digital rollout to the Association of Dutch Municipalities (VNG) and the Inter-Provincial Consultation Forum (IPO). It is important to involve the local government – wherever necessary – to guarantee the quality of the transition process. There may be additional project subsidies available for (culture) distribution and strengthening of the (digital) infrastructure at local level.

The functions and positioning of CinemaDigitaal.nl are shown in the figure on the next page. Figure 8 illustrates the cashflow between the different actors. CinemaDigitaal.nl carries out central management.

¹² As own capital, it forms a buffer in the financing construction to facilitate lending to banks at (more) favourable conditions. This is crucial to the feasibility of the project.

¹³ During the transition process, the Film Fund will give priority in the existing art cinema scheme to grant applications to cover additional costs of digital transition; existing grant schemes for distribution and release of (art house) films) will include additional costs for encoding.

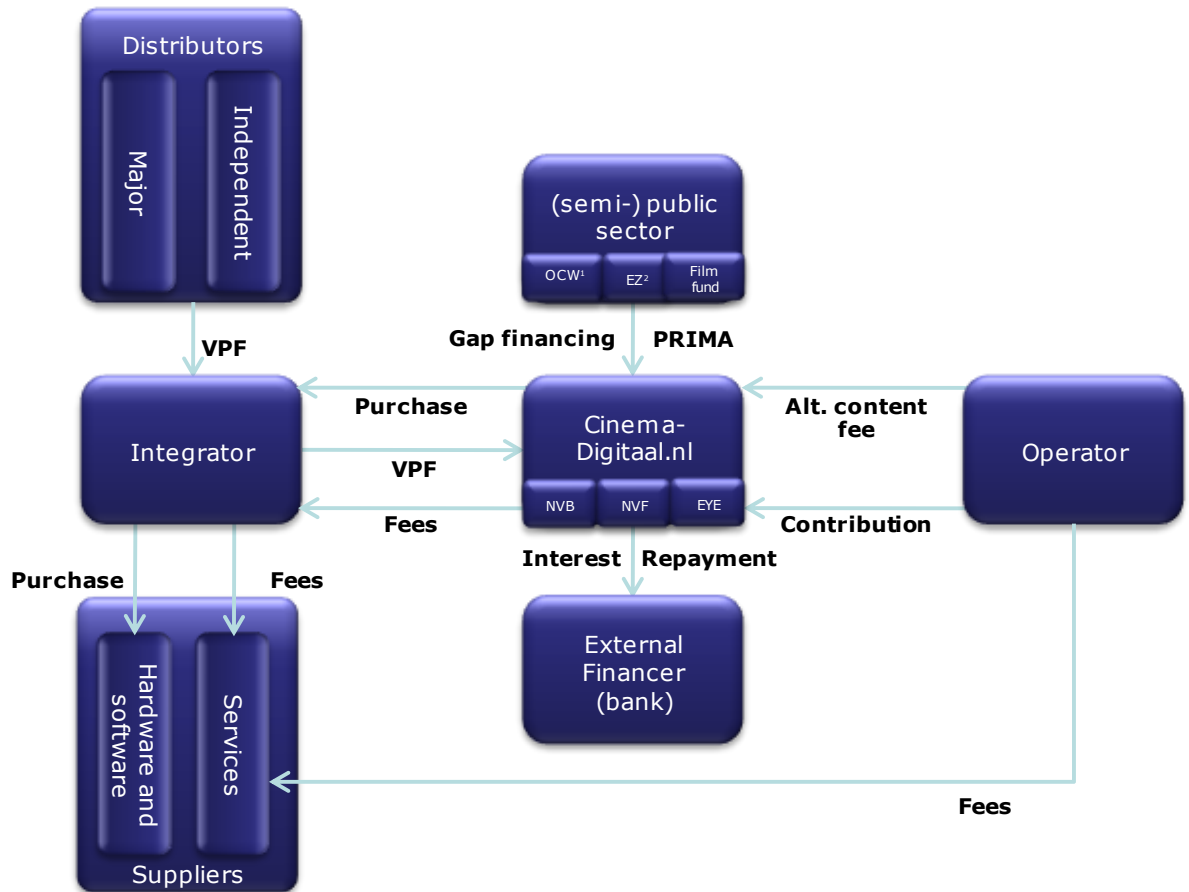


Figure 8: Money between the various actors

3.3 Added value

CinemaDigitaal.nl is the focal point between the different actors: operators, distributors, integrators, equipment suppliers, government and financiers. Figure 9 illustrates the location of the added value of CinemaDigitaal.nl for the various parties.

Party concerned	Added value of (cooperation with) CinemaDigitaal.nl
Cinemas and arthouses	<ul style="list-style-type: none"> • more cost effective digitisation through significant purchasing power and reduction of capital costs • Acceleration of digital transition process • Spreading of risks • Maintenance of a nationally-distributed, healthy cinema market (network)
Art cinemas	<ul style="list-style-type: none"> • Access to the VPF business model; possibility to participate in integrated digital rollout • Acceleration of digital transition process • (more) cost effective digitisation through significant purchasing power and reduction of capital costs • Spreading of risks • Mediation and advice towards (local) governments
Distributors (majors and independent)	<ul style="list-style-type: none"> • More cost effective digitisation through significant purchasing power and reduction of capital costs • Acceleration of digital transition process • Spreading of risks • Maintaining a healthy cinema market • Collective digitisation does not lead to a preferred position for specific content of a specific party (programming manipulation)

Integrators	<ul style="list-style-type: none"> • Fast, easy access to large (r) market for services • Spread of risks • One single point of contact • Pooling of demand lowers transaction costs and leads to an efficient acquisition process • Realisation of VPF obligation (digital rollout within 4 years) towards majors
Suppliers	<ul style="list-style-type: none"> • Fast, easy access to large (r) market for equipment • Pooling of demand lowers transaction costs and leads to an efficient acquisition process
Government	<ul style="list-style-type: none"> • Resolution of chain failure (ICT agenda) • Achieving full digitisation of the entire film industry • Greater transparency of process and cost management • Preservation of broad (cultural) film offer • New exploitation opportunities for cultural offer (including opera, theatre)
Financiers	<ul style="list-style-type: none"> • Fast, controlled access to large(r) market for financing • Pooling of demand lowers transaction costs and leads to an efficient acquisition process • Coordination of money flows • Better risk management through availability of knowhow and expertise of CinemaDigitaal.nl and information on the entire market • Better risk management through collective participation • Genuine preservation of value of equipment in case of bankruptcy of individual participants
Dutch Media Hub	<ul style="list-style-type: none"> • Pooling of knowledge of film and television industry (storage, processing and distribution of footage) • Promotes new ways of footage consumption in the cinema • Promotes collaboration with, and innovation among, DMH participants • Construction of an international showcase for safe and efficient distribution to cinemas

Figure 9: Added value of digitisation and cooperation with CinemaDigitaal.nl

3.4 Risks

In order to achieve its mission, CinemaDigitaal.nl will make a relatively large (financial) commitment to various parties. In the business plan a risks analysis made including riskcontrol. These risks include: a lower number of premiere prints, bankruptcy of third parties, competition legislation and state aid rules, unanticipated costs, and possible obstacles in contracts with majors

3.5 Compact activity schedule

The planning assumes that the project will run up to the end of May 2019. If CinemaDigitaal.nl should cease to exist before this date (for example because the digital equipment has been paid off sooner) then the liquidation of the Foundation and the BV and end-assessment will take place earlier than planned (2019, Q4).

	Work package	Period
1.	CinemaDigitaal.nl	
1	Establishment foundation DNC and CinemaDigitaal.nl BV	Q2 en Q3 2010
2	Overheid	
2.1	PRIMA - Guiding the apply for PRIMA-subsidy	2010 Q2
2.2	Dutch Film Fund - Develop gap finance agreement and supporting subsidy policy	2010 Q3
3	Exhibitors	
3.1	Contract development	2010 Q4
3.2	Equipment	

	- <i>Managing site surveys and develop rollout planning</i>	2011 Q1 – 2012 Q4
3.4	Developing Digital Cinema Training (technical and management)	2011 Q3 – 2012 Q4
4	Distributors	
4.1	Contract development	2010 Q4
5	Integrators	
5.1	RFQ develop <i>Request For Quotation, integrator(s)selection</i>	2010 Q3, Q4
5.2	Negotiation and contract development	2010 Q4, 2011 Q1
5.3	Equipment - <i>supervise procurement, formulate targets for the roll-out plan,</i> <i>supervise installation</i> - <i>transfer</i>	2011 Q2 – 2012 Q4;
6	Finance	
6.1	Exploratory meetings	2010 Q3
6.2	Negotiations and contracts	2010 Q4, 2011 Q1

Figure 10: Planning

4 Organizational Structure

4.1 Legal aspects

The EYE Film Institute, the NVB (Dutch Association of Cinema Operators) and NVF (Dutch Film Distributors) have taken the initiative of setting up the non-profit **Foundation for the Digitisation of Dutch Cinema** to expedite digital transition. The objective is to realize a collective, efficient transition to digital cinema for the Dutch film sector. In order to minimize the risk of liabilities the foundation will set up a private limited company (BV). This BV will be called **CinemaDigitaal.nl**.

On the basis of the business plan approved by EYE, NVB and NVF the foundation will:

- Arrange financing (in agreement with banks and local authorities) for the switch over to digital cinema by:
 - Procuring capital, including subsidies
 - Organizing bank guarantees
 - Setting up lease constructions
- Drafting a detailed roll-out plan;
- Drafting an RFQ for integrators, for the approval of the Foundation;
- Signing contracts with integrators. In general terms this involves:
 - The contribution from distributors (VPF contracts), including the incorporation of independent distributors
 - Agreements about the supply of services and systems which make digital transition possible
- Streamlining contractual agreements with exhibitors regarding their financial contribution, related to their specific demand for digital cinema;
- Knowledge sharing and progress reporting.

4.2 Administrative details Foundation and BV

The Foundation's management consist of representatives of EYE, NVB and NVF, as well as two people who possess legal and financial-technical expertise. Together they form the Foundations Board. Among them they will choose a chairman, treasurer and secretary.

The board members of the foundation will be guided – also with regards to each other- by the interests and statutory goals of the body corporate NVB, NVF and EYE, limited by the objectives of the foundation.

In the statutes of the BV incorporate that the foundation is responsible for the appointment and the dismissal of the director/manager of the BV. Furthermore in the statutes of the BV (and in the appointment agreement between the BV and the director/manager of the BV) restrictions are laid down regarding the powers of the director of the BV.

Furthermore in the statutes of the BV (in which case in the appointment agreement between the BV and the director/manager of the BV) it is established that the director of

the BV is accountable to the foundation, submits periodic reports to the foundation and presents the annual accounts of the BV to the foundation for approval, as well as the BV's budgets.

The director of the BV will be supported by a project coordinator; the administration of the BV will be outsourced as will any necessary (legal) advice.

It is expected that the Foundation and the BV will exist for 9 years or less if the BV has fulfilled all its obligations at the moment that all digital equipment is paid for and is the property of the recipient cinemas. At that time the foundation and the BV will be liquidated.

4.3 Organogram



Figure 11: Organogram for DigitaalCinema.nl

5 Financial plan

5.1 Basic Principles

The basic principles of the financial accounts are based on market consultation (Annex III). There are four main flow of funds:

- CinemaDigitaal.nl purchases (via an integrator) equipment for the Dutch cinemas which they represent. To do so they acquire financing from an external party and settle the payments to this party.
- CinemaDigitaal.nl receives (via an integrator) distributors' VPF income for all première prints which are programmed in the cinemas. This revenue is fully used for the recoupment of the equipment.
- CinemaDigitaal.nl receives an upfront payment and a monthly contribution from all the cinemas it represents. This revenue is fully used for the recoupment of the equipment.
- CinemaDigitaal.nl receives funds from the public sector. CinemaDigitaal.nl receives a contribution from PRIMA¹⁴ for the organizational costs (see chapter 4) and costs for installing the equipment. In addition it will set up a gap financing scheme with the Dutch Film Fund.

5.1.1 General

- All figures are conservative; no growth expectation has been included, for example with regards to the number of première prints.
- This project will digitise 529 screens.
- In 2011 50% of the screens will be digitised, followed by the remaining 50% in 2012.
- The repayment schedule runs for eight years..
- A financial model has been chosen in which CinemaDigitaal.nl receives the government grant at the start. In this way the organization minimises any risk. Throughout the period these funds will be used for financing (see note 12).

5.1.2 Contribution from distributors

- All participating distributors pay a market level VPF (Virtual Print Fee). In the calculation a VPF of €500 is used.
- The number of VPFs per release is calculated on the basis of the '*widest point of release*'. Where distributors in the analogue situation pay X prints in total, they now pay X-times the VPF.

¹⁴ The PRIMA application is made through the Ministry for Education, Culture & Science (OCW) by the coordinating Ministry for Economic Affairs (EZ). The subsidy will initially be used as a guarantee for the benefit of the lender ("*countervailing balance*"). As the repayments progress the subsidy will gradually be used for company costs and installation of the equipment.

- On the participating screens 6608 premières will be shown (MaccsBox, reference year 2009).

5.1.3 Contribution from the exhibitors

- There is an average one-off advance payment of €5000 and an average payment of €1000 a year, over eight years. The exact amount an exhibitors will pay depends on the equipment he chooses.
- Exhibitors pay on average €80 per show of alternative content. Alternative content refers to all screenings which are not film (film, documentary, animation, experimental film) for example:- operas, ballets, sporting competitions etc.
- A very small group of small-scale – often foreign – film distributors have not been included in this model, so they will not pay any VPF. Normally a *free-rider fee* is charged. A market level *free-rider fee* amounts to €750 per show.

CinemaDigitaal.nl is entering into substantial commitments with external financiers and it is crucial that they can count on exhibitors' contributions. Only exhibitors who can actually afford the contributions can participate. This means that participating exhibitors must, in advance, provide an insight into their financial data from the last few years. In addition the exhibitor must establish how will cover the additional costs of digitisation. Exhibitors who do not initially meet these conditions can receive support from CinemaDigitaal.nl to help them do so.

5.1.4 Financing requirements and costs for accomplishing our goal

The costs of the different types of equipment and related services have been established on the basis of market consultation.

5.1.5 Financing costs

There are basically two possible options for external financing for the equipment. One whereby the bank purchases the equipment and leases it to CinemaDigitaal.nl and the other whereby CinemaDigitaal.nl takes on a loan from the bank and uses this to purchase the equipment. In both cases the equipment becomes the property of the exhibitor at the end of the period.

To minimize the risks for CinemaDigitaal.nl a fixed interest rate has been agreed with the financier. CinemaDigitaal.nl also limits the risks for the financier: in this way the organization possesses sufficient cash resources to limit the consequences of any fluctuations.

5.1.6 Organizational costs

To achieve its goal, CinemaDigitaal.nl will develop certain activities. The organizational cost of CinemaDigitaal.nl are estimated at €1.320.000 for a period of 8 years.

5.1.7 Contribution from the public sector

CinemaDigitaal.nl has asked the government (directly and indirectly) to cover a limited part of the costs for collective digitisation (circa 15%). Here there are two crucial elements:

- A PRIMA contribution of €3.000.000 (2010); a part of which, €2.052.520, will be used in the first two years to make the equipment completely ready for use. The remaining money can be used to almost finance the entire organization.
- An annual gap financing of €375.000 from the Dutch Film fund. This will be used to compensate for the limited number of premières shown by small cinemas.

5.1.8 Costs not for the account of CinemaDigitaal.nl

CinemaDigitaal.nl plays a crucial role in the digitisation of Dutch Cinema, but will not be directly involved in everything. Exhibitors will carry out certain elements themselves. Even though the related costs are not relevant to the business case for CinemaDigitaal.nl, they can have implications for the chain. These are illustrated in (Figure 23). Third party quotations may fluctuate.

Item	Extent of Costs	Financier	Remarks
Adaptation projector room	Highly dependent on projector booth	Operator	Contributions possible for film theatres from the Dutch Film Fund and local authorities
On-site maintenance	Highly dependent on the repairs	Operator	From certified repairer
Network Operating Centre (NOC) / Telephone helpdesk	€1000 per screen per year	Operator	
Storage server and racks	Highly dependent on the services	Operator	Optional
Theater management system	Highly dependent on the services	Operator	Optional
3D-functions	Highly depends on supplier	Operator	Optional
Distribution of alternative content	Highly dependent on the services	Operator	Optional
Encoding services	€2500 -€4000 per title	Film fund	Selective, within existing arrangements

Figure 12: Overview of costs in the chain which are not for the account of CinemaDigitaal.nl.

5.1.9 Situation after the end of the organization

CinemaDigitaal.nl is an organization which will only exist temporarily. The manner and the date that they wish to replace or upgrade the equipment is their own (company) responsibility. The replacement of equipment will be resolved from digitisation chain failure, and becomes a normal business economic consideration.

5.2 Cash flow forecast

By illustrating the cumulative cash flow over time we get a clear picture of the organization (Figure 13).

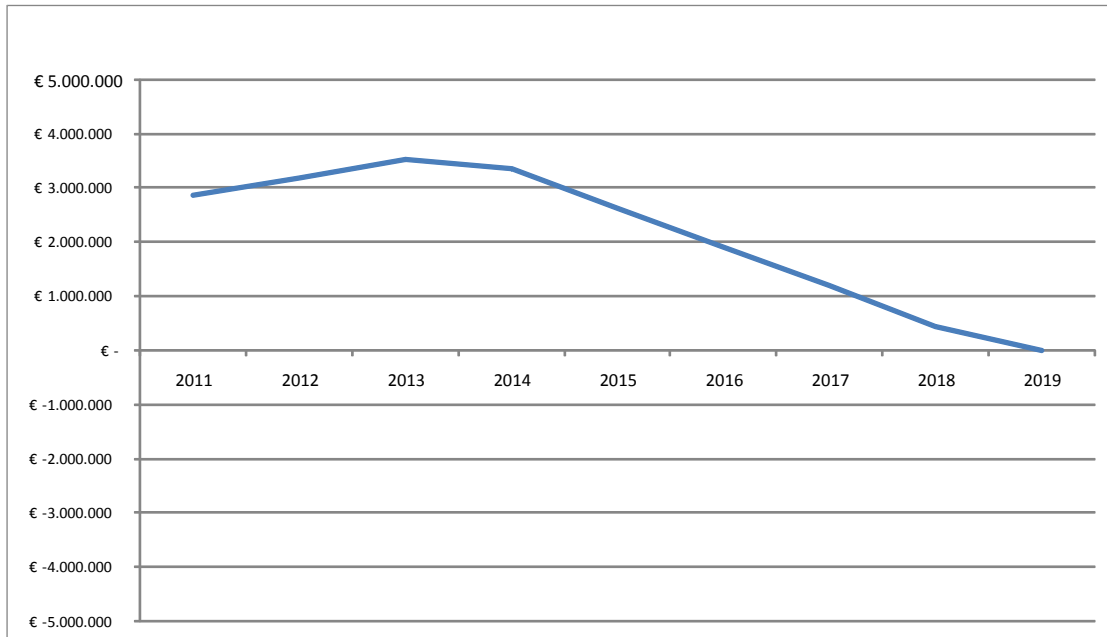


Figure 13: Overview of the cumulative cash flow throughout the period.

On the basis of cash flow it is possible to distinguish between the revenues generated by the different stakeholders and the expenditure for the different items.

Income	Total	Relative
Distributors	€ 24.317.440	62,7%
Public sector	€ 6.000.000	15,5%
Operator	€ 8.156.680	21,0%
Interest on current account	€ 286.729	0,7%
Total cash in	€ 38.760.849	100,0%

Figure 14: Total revenues for the organization, split into different items

Expenditure	Total amount	Relative amount
Equipment (projector and server) incl. 10 year warranty and installation.	€ -30.020.750	77.1%
Interest costs	€ -7.098.733	18,3%
Organisational costs	€ -1.320.000	3,8%
Contingency	€ -321.365	0,8%
Total cash out	€-38.760.849	100,0%

Figure 15: Total expenditure for the organization, split into different items

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Annex I Background Digitisation

Since 2000, digitisation is taking place globally in various stages. Until around 2006, the digitisation process stagnated through a lack of technical standards. Without standards, (investment) expenses of a transition are incalculable, and therefore unfinanceable. The deadlock was broken by the initiative of major U.S. studios, who jointly founded Digital Cinema Initiatives (DCI). Mid-2005, DCI provided the technological specifications that now - given the joint power of the studios - are regarded as standards of the market. As a screen resolution of 2048 pixels is the basis of this, the default name of this standard is known as '2 K'.

Digital Cinema Initiatives (DCI) is a company founded in March 2002 as a joint venture by American film studios, the so-called 'majors': Disney, Fox, Paramount, Sony Pictures Entertainment, Universal and Warner Bros. Studios. The aim was to determine recommendations and an open architecture for digital cinema. These were published in July 2005.

SMPTE is the international organisation that develops the actual technical standards (ISO) for the film industry.

www.cineserver.nl

Finance model

From 2006, the focus shifted to appropriate finance models for digital transition. Switching to new technology requires investment by all parties: from producers, facilitating companies to post production. When it comes to balancing costs, benefits and expected economic spin-off in the future, the problem mainly lies between distributors and exhibitors. In the transition process, deliberation between these parties - about the manner in which the sector will digitise - will have significant positive impact on the efficiency of investment and results to be achieved.

A so-called 'chain of failures' exists between distributors and exhibitors. Advantages and disadvantages of digitisation are out of synch economically and time-wise: investments in equipment must be made by exhibitors, while it is mainly the distributors that will eventually end up benefiting, and which will - in the long-term- end up realising substantial cost savings.

Chain failure: a 35mm film print is expensive to produce (about € 1,000); a digital print is much cheaper to make - depending on the scale - around € 200. Digitisation therefore offers the distributor substantial savings, while exhibitors must make significant investments in the purchase of digital equipment. A digital projector with matching server costs roughly between € 50,000 and € 65,000. The exact costs depend strongly on the size of the screen and the supplier.

Between 2006 and mid-2007, business models were developed for the manner in which transition costs could be divided among parties. Here too, it was the big U.S. parties who took the plunge: the majors developed the so-called Virtual Print Fee (VPF) model, which has become prevalent in the market with regards to the manner in which the digital transition is financed.

Virtual Print Fee (VPF) is a surcharge a distributor in the transition period is willing to pay to the exhibitor upon delivery of a digital (premiere) print. VPFs are used to repay (bank) loans, with which the acquisition of digital equipment was financed.

The amount of VPF is specified in a contract. On average, these contracts are signed for ten years, or as long as it takes to repay the loans with which the equipment was purchased. Besides the level of the VPF, the contracts contain several other agreements between the parties, e.g. delivery conditions and (regional) spread of screens. Agreements about the period in which the digitisation must be carried out, consequences of technical failures, etc. are also included in VPF contracts.

Films generally premiere in cinemas in the larger cities, so-called first runs. These 35mm film prints are often given a second life (second run) later on. The film is then rereleased in other (often small) cinemas in rural areas. In principal, VPFs are only paid for premiere prints. This second run print does not yield any savings and therefore no VPFs are paid.

In the Netherlands, many cinemas screen almost exclusively second runs. They are therefore unable to - exclusively - finance the digitisation of their cinemas with VPFs from the majors. The arthouse cinema segment doesn't have access to the VPF model because they do not screen any films from the majors.

Cinemas and multiplexes: are commercial screeners who mainly screen 'big' Hollywood titles and big Dutch film titles.

Arthouse: mainly screen foreign language and specialized films. Arthouses play a supplementary role in a municipality and/or region and most are supported with different local authority funding schemes.

Source: Filmtheaters en cultuurbeleid. Handreiking voor bestuurders van provincies en gemeenten (EYE, 2010)

Integrators

VPFs now play a crucial role in the financing of the digital transition. Majors enter into these deals in particular for the digitisation of cinemas with which no direct relationship exist. New players have entered the market, the so-called integrators. They stand between the majors and cinemas and, among other things, collect the VPFs.

Integrators are essentially technology companies, which have closed VPF deals with one or more majors. They offer various services to exhibitors: finance, procurement and installation of digital equipment, maintenance of digital systems and administrative handling of VPFs. www.cineserver.nl

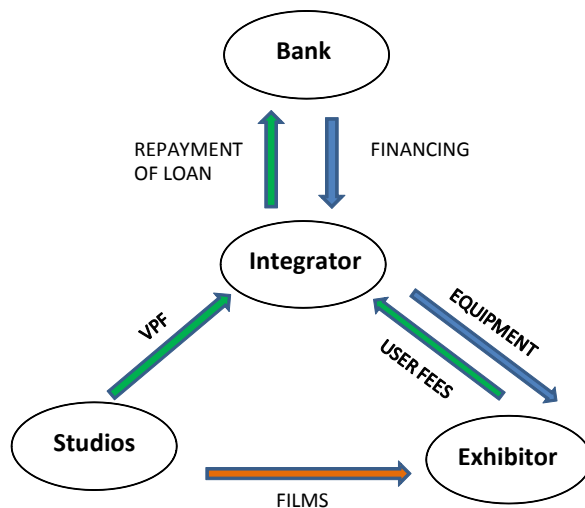


Figure 16: VPF - integrator business model

The three main parties active as integrators in the Europe market are:

Integrator	Headquarters	Digitisation capability	Under VPF Contact
Arts Alliance Media	England	7,000 screens	1.974
XDC	Belgium	8,000 screens	1.179
Ymagis	France	5,500 screens	931

Figure 17: European integrators and their capacity (as of June 2010). Source: Screendigest 2010

The digitisation capacity¹⁵ of integrators is contractually defined in each region in deals with the majors. There is still a lot of capacity, but this capacity must be exploited within a certain period, usually four years.

If the integrator acts as (pre) financier of equipment, he needs to obtain a large amount of credit from a bank. Interest and repayment must be recouped through the VPF income (in practice usually around 75% of total costs). The exhibitor will cover approximately 25% of the costs.

In this set up the integrator carries the finance risks; the integrator will charge the exhibitor (relatively high) monthly fees, increasing the total cost of the equipment by approximately 20%. In order to ensure that the integrator is able to meet the obligation to the bank, the integrator imposes strict contractual obligations to exhibitors, to, among others, meet the minimum turnover rate of premiere prints.

Currently, integrators only have VPF contracts with majors in the Netherlands. If exhibitors, under contract with an integrator, screen films from independent distributors on the digital equipment, a so-called freerider fee must be paid. These fees are usually higher than the VPF the majors pay.

Independent distributors can in principle enter into VPF contracts with an integrator.

¹⁵ The number of screens that can be digitised within a specified time and region with VPF.

Annex II Pilot Digital Cinema

Parallel to the Digitisation of Dutch Cinema project, a pilot was launched focused on digital storage and online distribution of digital cinema content. In the pilot facility companies, cinemas, distributors and manufacturers work together to test various real-life scenarios. This pilot is part of the Dutch Media Hub project, which aims to create coherence between digitisation in the film industry with a broader media environment. The pilot data will be used for the actual rollout in the Netherlands in order to optimize the transition process. The gathered data point out potential problems in data streams between distributors and exhibitors.

Annex III

Project group and informants

Projectgroup Digitisation Dutch Cinema

Name	Position	Company
Gamila Ylstra	Projectleader	Y-MA/ EYE
Eveline Ferwerda	Project Coördinator	EYE Film Institute Netherlands
Ron Boonzajer Flaes	Strategic advisor and chairman work sessions	QRA Advies
Sandra den Hamer	Directeur/ opdrachtgever project DNC	EYE Film Institute Netherlands
Ineke Wiegers	Communication	EYE Film Institute Netherlands
Michael Lambrechtsen	Managing Director	NVF
Ron Sterk	Managing Director	NVB
Hans van Brussel (Until medio April 2010)	Managing Director	NVS
Joseph Vogten	Independent audiovisual sector observer, finance advisor Audiovisual sector	In former times European Investment Bank – EIB
Doreen Boonekamp	Managing Director	Dutch Film Fund
Niek Koppen	Head of Documentairies	Dutch Film Fund
Ted Chiaradia (Until 2009)	Film Consultant	Dutch Film Fund
Sara Höhner	Managing Director	Cinema Delicatessen
George Freriks	Managing Director	Dutch Media Hub
Henk Camping	Board member Managing Director	Europa Cinemas 't Hoogt
Dominique van Ratingen	Managing Director	Mediadesk Netherlands

Majors

Name	Function	Organisation
Mark Christiansen	<i>Executive Vice President Operations Motion Picture Distribution</i>	Paramount Pictures
Richard Aseme	<i>Europe, Middle East and Africa International Distribution</i>	Paramount Pictures

Noah Bergman	<i>Director Business Development and Strategic Planning</i>	Universal Studios
Niels Swinkels	<i>SVP Distribution EMAE</i>	Universal Pictures Int.
Scott Sherr	<i>President Digital Cinema Operations</i>	Sony Pictures
Eric Gaynor	<i>Corporate Distribution and Legal Affairs</i>	Sony Pictures
Jonathan Gordan	<i>Vice President Digital Cinema Operations</i>	Sony Pictures
Nicolas Zylberstein	<i>Director Worldwide Digital Cinema</i>	Walt Disney Studios Motion Pictures
Paul Holliman	<i>Vice President Worldwide Digital Cinema Operations</i>	Walt Disney Studios Motion Pictures

Integrators

Name	Function	Organisation
Howard Kiedasch	<i>Chief Executive Officer</i>	Arts Alliance Media
Fiona Deans	<i>Chief Operating Officer</i>	Arts Alliance Media
Marcel van Berkel	Digital Cinema Netherlands	Arts Alliance Media
Serge Plasch	<i>Managing Director</i>	XDC
Fabrice Testa	<i>VP Sales & Business Development</i>	XDC
Jean Mizrahi	Chief Executive Officer	Ymagis
Gabriel Djebali	<i>Sales Manager</i>	Ymagis
Oliver Pasch	<i>Head of Digital Cinema Europe Professional Solutions Europe</i>	SONY
Bruno Winnen	<i>General Manager Professional Solutions</i>	SONY
Kevin Cummins	<i>Chief Executive</i>	Digital Cinema Ltd.
Stephen Casey	<i>Chief Executive</i>	Digital Finance Ltd .
Desiree Driessen	<i>General Manager</i>	Alfa Film Services BV/ CinemaNet
Brend Kouwenhoven	<i>Project Leader</i>	Alfa Film Services BV/ CinemaNet

Banks

Name	Function	Organisation
Patrick Vanhoudt	<i>Senior Economist</i>	European Investment Bank

Arna Notten-Klumpenaar	<i>Account manager Art & Culture</i>	Triodos
Eric Holterhues	<i>Manager Business Finance</i>	Triodos
Hans Stouten	<i>Director Acquisition Finance & Structured Lending</i>	ING
Rob Webbink	<i>Sr. Consultant Acquisition Finance & Structured Lending</i>	ING
Frans Krijnen	Specialist Acquisition and business financing	ABN Amro

Foreign experts

Name	Function	Organisation
Phil Clapp	<i>Chief Executive</i>	Cinema Exhibitors' Associations UK / UNIC
David Hancock	<i>Senior Analyst Head of Film and Cinema</i>	Screen Digest, UK
Michael Karagosian	<i>President</i>	MKPE, USA
Thomas MacCalla	Vice President	MKPE, USA
Steve Perrin	<i>Chief Executive</i>	UK Digital Funding Partners
Pål Brynsrud	<i>Partner</i>	Credopartners, Norway
Jörgen Stensland	<i>Director of consultants</i>	Film & Kino, Norway
Lionel Bertinet (* forum EXPO 2010)	<i>Deputy director film and cinema</i>	CNC, France
Ann Overbergh	<i>Responsible for Audiovisual Art</i>	BAM, Flemish Institute for Visual, Audiovisual and Media Art, Belgium
Thomas Schultz	<i>Instructor</i>	German Federal Film Fund (FFA), Germany

Knowledge Institutions, public authorities

Name	Function	Organisation
Lydia Jongmans	<i>Senior Policy worker</i>	Association of Dutch Municipalities (VNG)
Rob Wolthuis	<i>Secretary for Entrepreneurship and Financing</i>	MKB Netherlands
Johan van der Wal	<i>Coordinator Support centre for European Subsidies</i>	Kansen voor West
Dick Smits	<i>Film advisor</i>	Art and Culture Overijssel
Liesbeth Braakensiek	<i>Film advisor/ project</i>	Gelders Information centre for

	<i>coordinator</i>	Art and Culture
Iduna van de Ven	<i>Film advisor</i>	BKKC, Brabants Information Centre for Art & Culture
Marja Verlijdsdonk	<i>Senior policy advisor/ account manager</i>	Municipality of Haarlem
Stefan Grond	<i>Councillor for culture</i>	Municipality of Nijmegen
Jean Vermeulen	<i>Policy worker / project leader Art, Culture and housing</i>	Municipality of Harderwijk
Maarten Mulder	<i>Senior policy worker (film)</i>	Ministry for Education, Culture & Science (OCW), Arts Director
Maike Segers	<i>Policy worker, Coordinator PRIMA</i>	Ministry for Education, Culture & Science (OCW), Media Director
Maartje Breeman	<i>Secretary PRIMA (tot 1-02-2010)</i>	Ministry of Economic Affairs (EZ)

Legal Advice

Name	Function	Organisation
Hugo Klaassen	<i>Partner</i>	Denkkjuristen
Frederieke Leeflang	<i>Partner</i>	Boekel de Néree

Other

Name	Function	Organisation
Frank de Neeve	<i>Operator, initiator Cineserver, journalist</i>	Mustsee Delft, www.cineserver.nl
Ad Weststrate	<i>President</i>	UNIC (<i>international Union of Cinemas</i>)
Marion van Sinttruije	<i>Financial consultant</i>	Vansinttruije.nl
Ennel van Eeden	<i>Senior manager Assurance</i>	Entertainment & Media, PricewaterhouseCoopers
Marieke Baarslag	<i>Manager</i>	<i>Advisory Economics</i> PricewaterhouseCoopers
John Middelweerd	<i>Partner Assurance</i>	<i>Entertainment & Media,</i> PricewaterhouseCoopers
Reg Brennenraedts	<i>Senior Advisor</i>	Dialogic
Stein Smeets	<i>Advisor</i>	Dialogic
Sven Maltha	<i>Partner</i>	Dialogic



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