



## **Football, Rock and Musicals – All Playing at a (Digital) Screen Near You Today Cinemas of the Future Will Show Much More Than Just Films**

London, 9<sup>th</sup> October 2003: The digital cinema revolution is opening up enormous new content and profit opportunities for cinema exhibitors, according to a new industry study. Increasingly, a trip to the cinema isn't necessarily to see a feature film – cinemas are more and more being used to show a broad range of live events instead. There have been over 115 successful major alternative content events in cinemas in Asia, Europe and the Americas in the last four years alone, thanks to new opportunities created by digital technologies, demonstrating a clear audience appetite for new kinds of out-of-home entertainment.

A new report published by Screen Digest, "Alternative Content: The New Cinema Profit Engine" finds cinemas currently in transition from traditional "movie houses" into more diverse "entertainment complexes." Alternative content has gone from trial and demonstrations in the 1990s to full scale business for a handful of exhibitors today. By 2008, Screen Digest's predicts that alternative content screenings could account for up to 35% of exhibitor's profits.

Live sports events account for the majority of all alternative content screenings in cinemas, with soccer in Europe and PPV wrestling in the US leading the way. Pop music screenings are becoming increasingly popular and older audiences that tend to avoid cinemas are prepared to pay twice the regular ticket price to see pre-recorded Broadway musicals projected in high definition.

"It is no longer of question of whether audiences are willing to go, or are prepared to pay for other entertainment than films in cinemas," states the report's author and Screen Digest analyst Daniel Schmitt. "Cinema majors like Regal in the US and UCI in Europe are investing tens of millions of dollars to be able to screen everything from KISS in concert to education events with James Cameron. They know they have an audience. Content rights owners are only just starting to grasp the potential that this represents," he affirms.

The report comes hot on the heels of the biggest and most important alternative content event to date: the screening of David Bowie in concert to mark the release of his latest album this September. The event was broadcast live by satellite to 22 countries around the world, with a total of 50,000 fans watching the concert on 86 screens, each paying between £7 and £10. This event demonstrated once and for all the huge potential that alternative content has to significantly increase revenues and profits for cinema exhibitors and content providers. With a growing number of digitally equipped cinemas in UK, US, Europe and elsewhere, more and more types of new content is appearing at cinemas everywhere.

## Growth of digital screens and potential profits from alternative content in the EU

	2003	2004	2005	2006	2007	2008
Total number of cinemas in EU 14 countries with digital screens	80	430	950	1525	2700	4125
Total contribution to profit of cinemas in EU 14 countries from alternative content and corporate events (high estimate)	£0.42m	£2.28m	£5.03m	£8.08m	£14.30m	£21.85m
Contribution to net profit (high estimate) %	0.3%	1.9%	4.1%	6.6%	11.7%	17.8%

Source: Screen Digest

### Editors' Notes

The data, forecasts and analysis contained in this press release are taken from the new Screen Digest report "Alternative Content: The New Cinema Profit Engine." For more information or to subscribe to **Screen Digest**, please visit our web site.

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