



**David Hancock**  
**EDCF President**  
**Director, Head of Film and**  
**Cinema, IHS Technology**

# CineEurope 2016

## A summary of this year's show for EDCF members

Welcome to this year's round up of Europe's largest Cinema trade event of the year: CineEurope, held in Barcelona at the end of June.

As the round-up of Cinemacon we produced was relatively recent, this summary of CineEurope will not be as exhaustive as that, with few major market changes happening since that time and no new data points. I strongly urge you to read Celluloid Junkie's excellent round-ups of the various sessions, as well as their 40 Under 40 piece which profiles industry executives that are aged under 40 years old. There are some familiar faces in there and the idea of promoting the younger industry leaders is a welcome one. Many of them are women, and this underlines that there is an increasing recognition of the topic of gender diversity in our business.

As with the last document, this is not an IHS document, and given the breadth of the topics and the required speed to get this document out for our members, I have not been able to assess all the claims made by manufacturers. Having said that, any errors are mine alone and I would be grateful if you notify me and I am happy to correct any mistakes.

CineEurope this year was lacking a major talking point in the lead-up to the show, and the feeling of taking stock that was prevalent at CinemaCon is still there. There are improvements to existing technologies but very little actually new was launched. I see this as a good thing, with exhibitors assessing all the different options and manufacturers letting their new products bed in to the market before launching further ones.

This year's CineEurope was undertaken in the light of a very successful 2015, and there is an acceptance that this year will not match up to last year. On that note, we now know that the next few years (from next year) will see either a Star Wars release or an Avatar release up to 2023, which is good news for the momentum of premium cinema and the associated technologies. There is a sense though that major films are being released more evenly throughout the year, which helps all parts of the value chain in bringing in revenues throughout the year and not cannibalising admissions at busy times.

The first day's morning session set the tone for much of the week's coffee break discussions; with Jeffrey Katzenberg stating quite clearly that the industry 'blew 3D'. The 3D market still takes well over \$7bn in revenues every year, but there is a growing divide between markets that like 3D and those that don't. Asian audiences are often keen on 3D, with China's 3D revenues exceeding those of the US for the past two years.

Global box office reached \$37.7bn in 2015, a rise of 5.3% over 2014. This was compared to a global rise of 1.9% and 1.4% in the previous two years. This was driven mainly by the success of the new Star Wars film, *The Force Awakens* which grossed \$2.1bn worldwide, somewhat short of *Avatar's* \$2.8bn but not far off *Titanic's* \$2.1bn to place *The Force Awakens* in third place of all time global grosses. By comparison, Bond's latest outing *Spectre* is at 40<sup>th</sup> on that



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The other talking point, and one which Phil Clapp, UNIC President, also chose to underline was the need for continued and greater collaboration between exhibitors and distributors. This is especially relevant now in a technology age where data can be very helpful in driving business growth, through the use of analytics and Big Data (and indeed Small Data). Both parties sit on very valuable raw data, and using this data collaboratively would produce more of benefit to the industry than using it in isolation.

### **EDCF**

This year, the EDCF was present at CineEurope. I spoke at the ICTA Conference on the Sunday just before CineEurope opened. This was a full day event and attended by all major manufacturers, dealing with a wide range of topics. Deluxe's Toby Glover also was part of a session on the SMPTE-DCP. Toby covered mastering and test content creation for the EDCF project, Cathy from Gofilex looked at distribution and releases and Mike Bradbury gave an exhibitor perspective with Chris Mullins in support from a manufacturer and was the moderator.

Later in the week, the EDCF held its first party at CineEurope, when we co-hosted a drinks reception at the AC Hotel pool bar along with the Event Cinema Association and Screen International. The event was a great success, attended by around 200 people, and we would like to thank our sponsors, Deluxe, MACCS International and D-Box who very generously enabled us to do this. The main point of hosting the party was to communicate our work on the SMPTE-DCP as well as showing the industry that EDCF was active, open to partnerships and an integral part of the business. I believe we achieved those objectives.

### **The Trade Show and New Products/Services**

#### Premium Large Format

The leading and best-known PLF brand, IMAX, announced a deal with major exhibitor AMC for a further 25 IMAX screens in the AMC estate, to be installed between 2016 and 2019. The majority will be in new AMC sites opening in the next two years. This brings AMC's IMAX commitment to 185 theatres. At the same time, IMAX also announced a further five IMAX theatres with UK and European exhibitor Cineworld group. The new screens will be spread around the circuit, and brings the Cineworld commitment to 40 theatres, the largest in Europe.

#### HDR

The topic of HDR was last year's big discussion point. The past year has seen some movement forward on this, although the topic is really being digested by the industry due to the high cost of achieving HDR on screen. At CineEurope, however, a major step forward may have been taken, with Ymagis Group announcing a revolutionary new mastering and exhibition process known as EclairColor into the market. The system, which requires mastering and distribution in the relevant format creates a form of HDR without the need for a range of new and expensive projection equipment. Currently, Dolby Cinema and IMAX offer HDR to cinemas, within a closed system, and Barco have a projector billed as HDR. The EclairColor system is a software upgrade, rather than a hardware-based system, and while the current demos are based on Sony 4K projectors, the company is talking to others and is not exclusive to Sony.



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EclairColor is based on the Academy of Motion Picture Arts and Science's ACES colour encoding system, which also gives that technology a boost. The way it is structured at present the mastering will be done by Ymagis and distributed on a separate DCP. This may limit content available in the short term, but longer term Ymagis aim to licence the technology (again as a software plug-in) to post-production equipment manufacturers and understands that opening up a content stream is a key to this launch.

For its part, Dolby Cinema is well underway, with over 200 screens committed around the world (the vast majority in US and China by Wanda-owned exhibitors) and 17 installed at end 2015. However, there was little new on the topic, other than 38 titles have now been released or announced in Dolby Cinema. All the studios are on board with Dolby Cinema.

On the HDR business side, Barco acquired Canadian professional visualisation technology expert MTT Innovation, a developer of next generation projection technology with an expertise in High Dynamic Range.

### **HFR**

There was little new to say on HFR at CineEurope this year. The buzz created by Ang Lee's NAB screening of footage from Billy Lynn's Half Time Walk was still in the air, and this has now been increased with the announcement that Ang Lee is to keynote at IBC this year. IBC's Big Screen Committee (on which sit three EDCF Board members: Me, Dave Monk and Julian Pinn as well as General Secretary John Graham) has been trying to arrange this for a while and his appearance will be of great interest to the industry.

### **Immersive Sound**

Dolby confirmed that there are now 1,800 installed or committed Atmos screens in the world, including 50 new systems being sold into Cineworld/Cinema City over the next two years. There are now 600 installed/committed Dolby Atmos units in EMEA. There is also a small but potentially significant move to all Atmos multiplexes, beginning at three sites in Israel and Germany.

For Dolby, a new amplifier (launched at Cinemacon) is able to bring the price of Atmos down significantly (I was told up to 40% at Cinemacon and this was confirmed at CineEurope). Madrid's Odeon Multicines, a 12-screen site, is to equip every screen with Dolby Atmos and Christie Vive Audio. In addition, Cineworld has also announced it is to install up to 50 new Dolby Atmos screens in 2016 and 2017 across Europe.

Auromax by Barco has not been progressing as well in the past year. The uncertainty about immersive sound in the open standards area may be behind it, but their committed/installed number for their immersive sound system has now reached 600 and 150 films mixed in the format. Barco maintains that standardisation efforts continue. Exhibitors to sign up recently include Russia's Grinn Film, which equipped every screen in its nine screen Kursk site with AuroMax. The site is also all-laser, underlining the state of the art nature of the cinema.

### **Laser Illumination and LIPs**

The interest in laser illumination for projection is still high, and IHS numbers show that the number of RGB lasers in the market now exceeds 170 as at 1H 2016. Barco has the majority of these machines in the market. At a laser phosphor level, NEC celebrated selling 1,000 laser systems worldwide at CineEurope, the vast majority of which will be laser phosphor.

For its part, NEC showcased its new and sole RGB laser, the NC3540LS, a 4K RGB laser (REC 2020 colour space). The company is introducing the 1700L in January 2017, a laser phosphor machine for screens up to 17m, which underlines the upwards nature of laser phosphor in terms of screen potential. (The company is also introducing a new small-screen machine in the BC1000C, a lamp based projector that succeeds the NC900C, for screens up to 10.6m).



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There is beginning to be all-laser multiplex sites built around the world, such as Kinopolis' site in Breda, Netherlands. The largest site will house a DP4K-30L RGB laser, and nine laser phosphor machines in the other auditoriums (split between four DP2K-20CLP and five DP2K-15CLP). The Dubai Mall in Dubai, a 22-screen site, will soon be equipped with all-laser projectors. The split between screens is one DP4K-30L and 21 DP4K-22L. That means that every screen will be equipped with RGB laser projectors. The site will also have a Barco Escape installation.

Peru now has its first laser projector, installed by Bardan at CinePlanet's new Mall del Sur site in Lima.

Italian company Cinemeccanica has a range of RGB laser projectors known as Lux. At the show, they announced a significant deal with Chinese exhibitor Jinyi Cinemas to retrofit 100 digital projectors with RGB laser illumination.

Odeon Multicines in Madrid is to equip two screens in its new 12-screen site with Christie Solaria CP42LH projectors, an RGB laser.

### 3D

3D was the subject of some discussion, due to Jeffrey Katzenberg's comments on the first day that the industry had blown the opportunity represented by 3D. Masterimage announced to the industry at large that they had over 8,300 systems installed.

### 4D and Immersive seating

Canadian immersive motion seating company D-Box signed an agreement with Mars Cinema Group (owner of Cinemaximum) for two sites to be equipped with 80 D-Box seats. D-Box is a Canadian company, which entered cinema in 2009. They had been selling motion seating systems for the home for ten years. Their system works with any chair (they do not provide the chairs) and is actually based on a musical audio track. They generally install in a section of the auditorium, not all of it, but can do the latter. They now have over 525 screens in the market as at June 2016. Growth is on an upward curve in 2016 and their content supply is rising too. They encode around 35 movies a year (they do it, not the studio behind the film) and now have over 200 in total. They are now off DCP in a sound file of their own format.

### Multi-screen formats

Barco Escape announced that the 22-screen Dubai mall will now feature a Barco Escape installation.

### Screens

Harkness Screens introduced a novel idea at CineEurope, a tool to help inform the film industry. Known as 'The Harklets', they will tackle cinema-related subjects through animated video, beginning with Reality Capture. Visit the company's website to see the video ([www.harkness-screens.com/harklets](http://www.harkness-screens.com/harklets)).

For its part, RealD (also now active in laser) is introducing its Ultimate Screen to the market. The screen increases reflectivity, returning 91% of the photons from the projector to the audience, as opposed to the 51% reflected by traditional screens.



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### **Software**

UK and European cinema services group MPS agreed a deal with Sony Digital Cinema, under which MPS' OnCinema platform will be integrated into Sony's Theatre Management Systems. This will allow those exhibitors with Sony's 4K solution to access OnCinema's range of content delivery tools, including automated key generation and file ingestion.

CinemaNext, one of the two strands of Ymagis Group since its rebranding, has done a deal with Austrian exhibitor Cineplexx to deploy the Melody Theatre Management System (TMS) and Symphony Circuit management software across its network of 228 screens over 31 sites in six countries. Melody is deployed on 1,300 screens across Europe.

### **Virtual reality**

The world's first VR cinema opened in Amsterdam earlier this year, the first concrete step linking cinema and the fast-moving world of VR. Since then, Samhoud Media followed up with a site in Berlin. In May, a major step forward, as IMAX partnered with Google to build an IMAX branded cinema-grade VR camera for high-quality VR content. The initiative is aimed at enabling leading producers to produce 3D 360 degree video content by utilising Google's Jump platform, an open source VR platform for creating and editing content in post. The deal will also enable Google to access IMAX's library catalogue of documentaries for conversion and application with VR technology. To enable its vision, IMAX is also partnering with Swedish developer Starbreeze, on both the content and headset front, which in turn has linked with Acer to build the actual VR headsets. While the rise of VR has so far been driven by the gaming sector, the launch of a highest grade cinematic VR camera fills a niche in the void for high quality VR capture for film content, by opening up the market to leading producers to create novel as well as marketing-related VR content around their tent pole titles. IMAX will roll-out its VR experience hubs across its premium cinema network starting with six locations including one in LA and China, both later this year.

Immersive motion seating company D-Box Technologies is also active in the VR field, linking up with the Virtual Reality Company (VRC) to jointly release VR content with a motion aspect provided by an interface with D-Box. This will be undertaken by VRC sister company The Third Floor (TTF), a previsualisation provider.

### **Digital Signage**

Christie has launched the Christie Experiential Network (CEN) with Allure, a digital out-of-home solution for signage in cinema lobbies, using interactive and experiential digital displays. CEN did a deal with US exhibitor Southern Theatres just after Cine Europe.