

## Release windows

Extract from UNIC's annual report 2010-2011

**UNIC**

Union Internationale des Cinémas  
International Union of Cinemas

### Protecting the release window

DVD release windows have remained relatively stable in Europe for the last five years. In some countries like France, Austria and Spain, this has been governed in whole or part by legislation, while in others the window has been arrived at by industry agreement on a film-by-film basis.

While European cinema operators will follow their own approach on the windows issue on a film by film basis, the support of UNIC for a distinct and significant release window in all member countries is absolute.

The existence of the window is vital in maintaining a healthy and competitive cinema sector and permits the creation of value for the whole cinema industry at each step of the film value chain.

It provides an opportunity for the cinema exhibitor to achieve a reasonable return from showing the film, while at the same time driving sales in subsequent release stages.

Cinema operation remains a marginal business. Particularly for smaller independent cinemas, economic viability depends on a few thousand attendances. Anything which might reduce admissions – as any significant reduction in the window inevitably would – therefore puts at risk not just these cinemas, but also the livelihoods of those they employ and who rely on them in the local economy.

And it risks depriving communities of the social and cultural hub that is their local cinema.

Over the last year, UNIC has monitored and shared public information on trends around the release window in member countries and in the US and has offered appropriate support to individual UNIC members in their efforts to explain the value of the window at the national level.

### Premium Video on Demand (VOD)

Towards the end of 2010, a number of US studios indicated their interest in establishing a Premium VOD service within the current theatrical window. This became reality in the first months of 2011, with several studios establishing such a service in the US just 60 days after theatrical release.

At the same time, one of the major studios not involved in the US venture tested premium VOD models for different releases in Portugal (not a UNIC member country) and then in Italy.

UNIC shares the view of US and other international colleagues that such experiments are potentially damaging not just to cinema operators, but also to the wider industry and most importantly to cinema customers themselves.

In encouraging some to wait for the in-home experience, the impact of this move will be felt in particular by smaller cinemas, many of whom do not currently receive films on the date of cinema release. The viability of such sites will be significantly undermined, reducing the choice available to the cinema customer.

Cinema is the only part of the film value chain where consumers have not demanded that they pay less and less for content – indeed where income for the industry has generally increased year on year. UNIC believes that it is inevitable that whatever the starting price for Premium VOD, there will soon be downward pressure on this. Any increase in income from this proposal will be temporary.

The establishment of a Premium VOD window also means that a pristine digital copy will be available for piracy earlier in the release cycle than ever before, prior to DVD release, and while the film is still in the cinemas.

UNIC believes that no-one will benefit and many will be damaged