SUMMARY RESEARCH PICL
(formerly known as Picl)

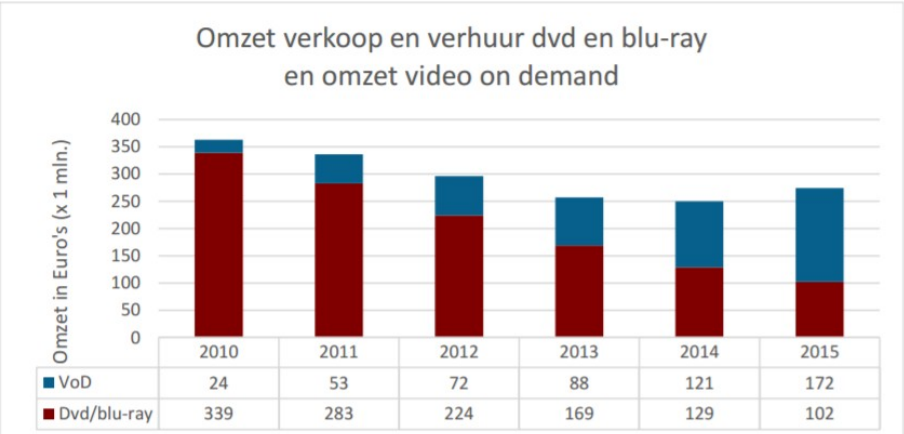
The Dutch Film Research Foundation (Stichting Filmonderzoek) has carried out research for Stichting Nederlandse Filmpromotie into the questions below concerning watching film premieres in your own home through arthouse cinemas. The Dutch Film Research Foundation is an independent market research agency that focuses principally on the film sector in the Netherlands. www.stichtingfilmonderzoek.nl

1. What is the present situation on the cinema and VOD markets in the Netherlands?
2. What potential does Picl offer, and will Picl have a negative impact on cinema visits?

1. MARKET RESEARCH NETHERLANDS: How do people in the Netherlands watch films at home?

(Dutch Film Research Foundation November 2016)

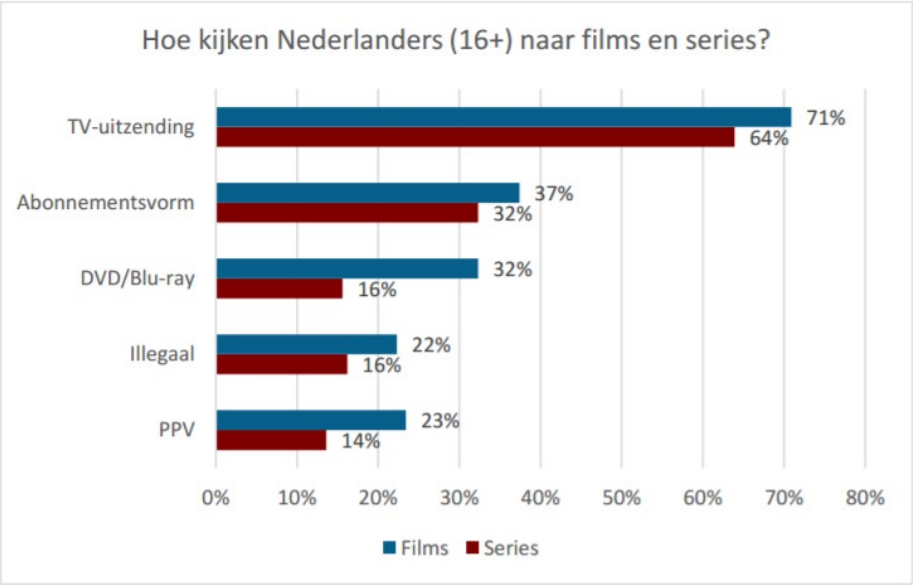
Growth in Video-On-Demand
The home viewing market has changed dramatically in recent years. Sales of DVDs and Blu-rays are under ever-increasing pressure, and have fallen by 70% since 2010. The supply of and turnover from Video-On-Demand (both by subscription and pay-per-view) on the other hand has increased in the same period. The changed supply of platforms, and in particular viewing from illegal sources, have played a major role in this.



	2010	2011	2012	2013	2014	2015
VoD	24	53	72	88	121	172
Dvd/blu-ray	339	283	224	169	129	102

[Turnover sales and rental DVD and Blu-ray and turnover Video-On-Demand; Turnover in Euros (x 1 m)]

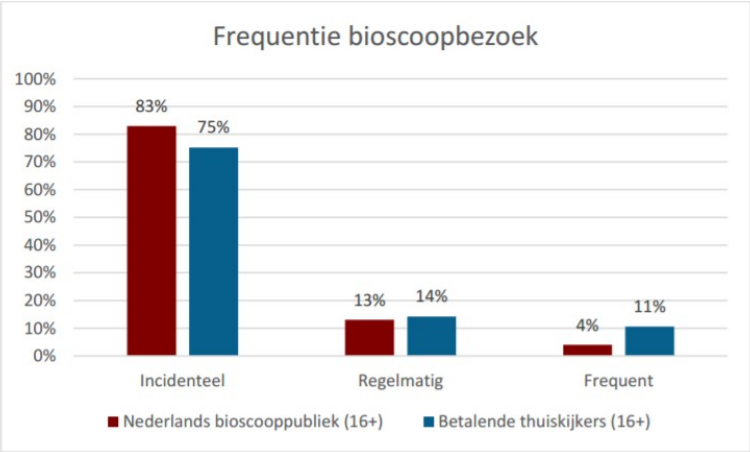
A little over half (56%) of residents of the Netherlands aged 16 years and older sometimes pay to watch a film at home, either through paid online services, paid film channels or DVD and Blu-ray. This is equal to the percentage of residents of the Netherlands who sometimes go to the cinema. Of all the possible paid ways to watch films at home, subscription services are the most used, with 37% of residents of the Netherlands making use of such a service to watch films at home. 23% of residents of the Netherlands use pay – per-view services to watch films at home.



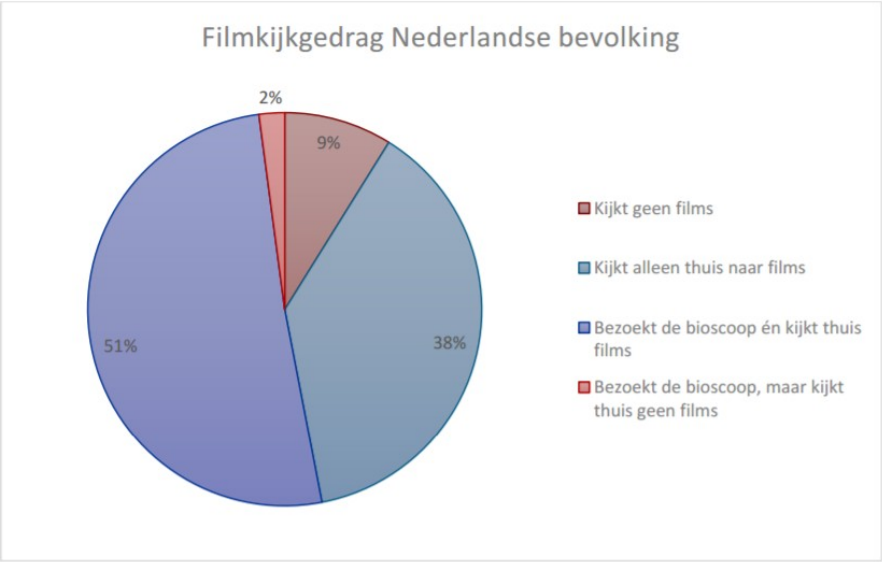
[How do residents of the Netherlands (16+) watch films and series? TV broadcast; Subscription; DVD/Blu-ray; Illegal; PPV]

Home viewing and cinema visits

There is a positive correlation between viewing films at home and visiting the cinema. It seems that, rather than replacing one another, these two forms of consumption actually reinforce one another. 96% of people who visit the cinema also watch films at home. 79% of cinema visitors pay to watch films at home. Most of these do so by using subscription services (55% of cinema visitors).

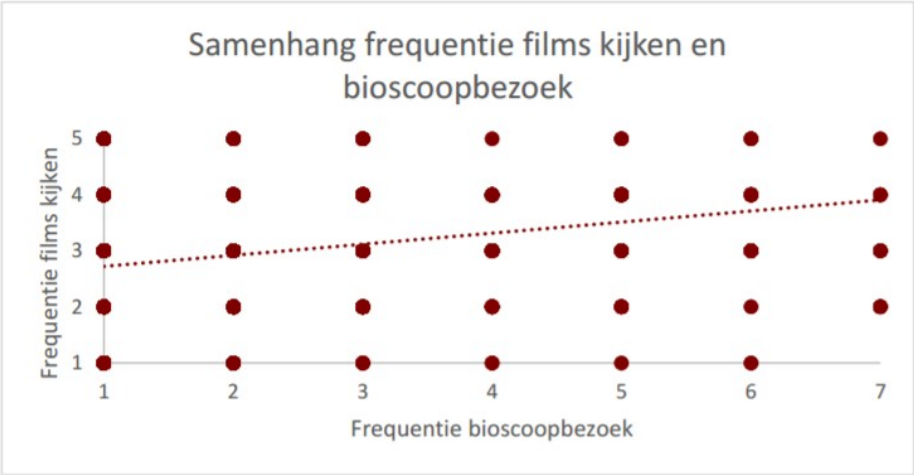


[Frequency of cinema visits; Occasional; Regular; Frequent. Dutch cinema audiences (16+); Paying home viewers (16+)]



[Film-watching behavior residents of the Netherlands; Don't watch films; Only watch at home; Visit the cinema and watch at home; Visit the cinema but don't watch at home]

The more frequently people watch films and series at home, the more frequently they visit the cinema.



[Correlation of frequency of film-watching with cinema visits; Frequency of film-watching; Frequency of cinema visits]

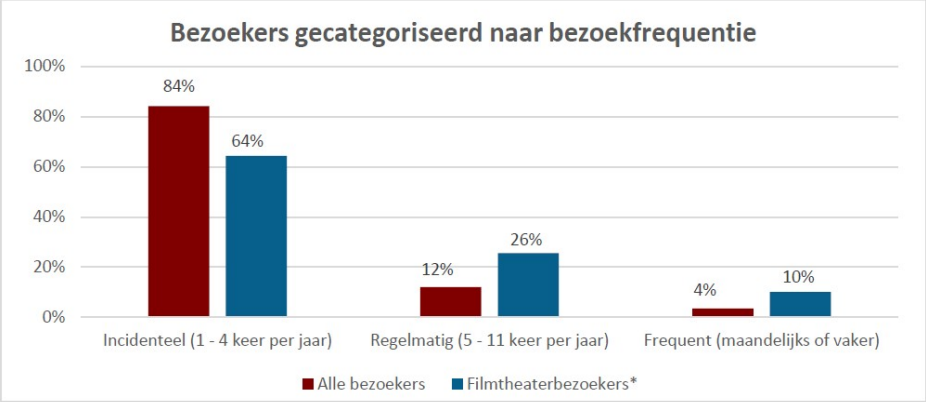
Profile paying home viewers

Paying home viewers are more likely to have a higher level of education and/or higher income than non-paying home viewers. They are also more likely to live in a highly urbanised environment. In terms of family, paying viewers are more often people with children.

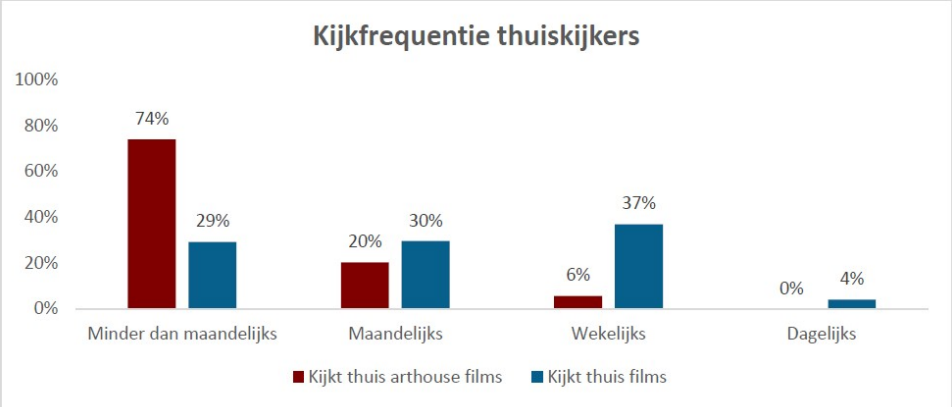
More than two thirds of paying home viewers are cinema visitors (68%), compared to 56% of the general population of the Netherlands. Approximately 16% of paying home viewers visit the arthouse cinema. This percentage is slightly higher than that for the general population of the Netherlands who visit the arthouse cinema, namely 12%. Although paying home viewers mostly visit the cinema occasionally, they still go to the cinema more frequently than the average cinema audience in the Netherlands.

Use of pay-per-view services

A little over one fifth (23%) of the population of the Netherlands watch films at home using pay-per-view services. People with higher incomes (2,600+ Euros a month after tax), people with children living at home and people in the age groups 16-23 years and 30-39 years stated more often than other demographic groups that they sometimes use pay-per-view.



[Visitors classified by frequency of visits; Occasional (1-4 visits a year); Regular (5-11 visits a year); Frequent (once a month or more often); All visitors; Arthouse cinema visitors; Arthouse cinema visitors classified by frequency of visits in 2015 (Visitors, aged 16+).*Results statistically insignificant.]*



[Viewing frequency home viewers; Less than monthly; Monthly; Weekly; Daily; Watch arthouse films at home; Watch films at home; Viewing frequency home viewers during the past 12 months (Home viewers, aged 16+).]

Desk research into the potential target groups for Picl

Nederlandse bevolking (leeftijd: 16+)

Geen interesse in arthouse films (61%)	Geïnteresseerd in arthouse films (39%)

Geïnteresseerd in arthouse films (16+)

Filmtheater-bezoekers die thuis geen arthouse films kijken (9%)	Personen die thuis arthouse films kijken én naar het filmtheater gaan (28%) ***Zie volgende pagina*** 57% van hen maakt gebruikt van betaalde diensten om films te kijken (pay-per-view of abonnementsdiensten).	Personen die thuis arthouse films kijken (gratis op televisie, of via betaalde diensten of dvd's), maar geen filmtheater bezoeken (63%) 59% van hen maakt gebruikt van betaalde diensten om films te kijken (pay-per-view of abonnementsdiensten).

Personen die thuis arthouse films kijken, maar geen filmtheater bezoeken (16+)

Bezoekt geen bioscoop of filmtheater (41%)	Bezoekt wél commerciële bioscopen (59%)
Vooral: • 55- tot 64-jarigen en 65+ • Laag tot midden opgeleid • Werkzaam, zelfstandige of gepensioneerd Kijkvoorkeuren (arthouse én niet-arthouse): • 50% maakt gebruik van betaalde diensten om films te kijken • 31% gebruikt pay-per-view	Vooral: • 16- tot 29-jarigen • 30- tot 39jarigen • Midden tot hoog opgeleid • Werkzaam in loondienst of student • Met thuiswonende kinderen • Bezoekfrequentie bioscoop: incidenteel: 79%, regelmatig: 12%, frequent: 9% Kijkvoorkeuren (arthouse én niet-arthouse): • 74% maakt gebruik van betaalde diensten om films te kijken • 41% gebruikt pay-per-view

*[**Population of the Netherlands (age: 16+);** No interest in arthouse films (61%); Interested in arthouse films (39%);*

***Interested in arthouse films (16+);** Arthouse cinema visitors who do not watch arthouse films at home (9%); People who watch arthouse films at home and go to the arthouse cinema (28%); See next page; 57% of these make use of paid services to watch films (pay-per-view or subscription services); People who watch arthouse films at home (for free on television, or through paid services or DVDs), but who do not visit the arthouse cinema (63%); 59% of them make use of paid services to watch films (pay-per-view or subscription services);*

***People who watch arthouse films at home, but who do not visit the arthouse cinema (16+);** Don't visit the cinema or arthouse cinema (41%); Mainly: 55 to 64-year-olds and 65+; low to intermediate educational level; employed, self-employed or retired; Viewing preferences (arthouse and non-arthouse): 50% make use of paid services to watch films; 31% make use of pay-per-view;*

Do visit the commercial cinemas (59%): Mainly: 16 to 29-year-olds; 30 to 39-year-olds; intermediate to high educational level; in employment or studying; have children living at home; cinema visiting frequency: occasional 79%, regular 12%, frequent 9%; Viewing preferences (arthouse and non-arthouse): 74% make use of paid services to watch films; 41% make use of pay-per-view.]

Filmtheaterbezoekers die ook thuis arthouse films kijken (16+)	
Bezoekers van enkel filmhuizen (37%): Vooral: • 40+, met name 55+ • Geen thuiswonende kinderen • Hoog opgeleid • Bezoekfrequentie filmtheater én bioscoop: incidenteel: 67%, regelmatig: 13%, frequent: 20% Kijkvoorkeuren (arthouse én niet-arthouse): • 48% maakt gebruik van betaalde diensten om films te kijken • 24% gebruikt pay-per-view	Bezoekers van zowel filmtheaters als commerciële bioscopen (63%): Vooral: • 16- tot 29-jarigen • 30- tot 39jarigen • Hoog opgeleid • Werkzaam in loondienst of student • Met thuiswonende kinderen • Bezoekfrequentie filmtheater én bioscoop: incidenteel: 56%, regelmatig: 28%, frequent: 17% Kijkvoorkeuren (arthouse én niet-arthouse): • 71% maakt gebruik van betaalde diensten om films te kijken • 36% gebruikt pay-per-view

*[**Arthouse cinema visitors who also watch arthouse films at home (16+)***

Visitors to arthouse cinemas only (37%):

Mainly: 40+, and particularly 55+; no children living at home; high level of education; frequency of arthouse cinema and cinema visits: occasional 67%, regular 13%, frequent 20%; Viewing preferences (arthouse and non-arthouse): 48% make use of paid services for watching films; 24% use pay-per-view.

Visitors to both arthouse cinemas and commercial cinemas (63%):

Mainly: 16 to 29-year-olds; 30 to 39-year-olds; high level of education; employed or studying; have children living at home; visiting frequency arthouse cinema and cinema: occasional 56%, regular 28%, frequent 17%; Viewing preferences (arthouse and non-arthouse): 71% make use of paid services to watch films; 36% use pay-per-view.

Overview representing target groups with an interest in arthouse films (aged 16+). N.B.: occasional = 1 to 4 times a year, regular = 5 to 11 times a year, frequent = once a month or more often.]

2. Follow-up research among arthouse cinema visitors

Dutch Film Research Foundation December 2016

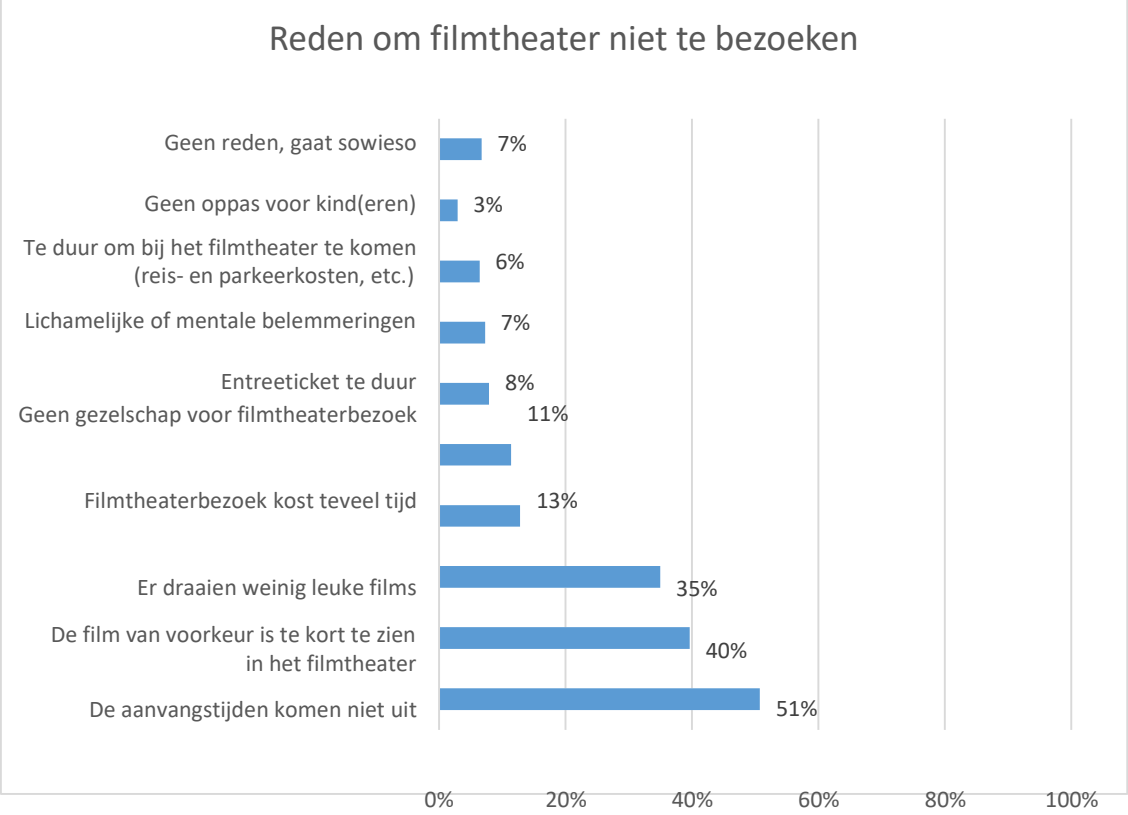
At the end of 2016 a follow-up survey was carried out, also by The Dutch Film Research Foundation. The aim of this survey was to obtain greater insight into the potential negative effect of Picl on visits to arthouse cinemas.

Great interest in Picl

In total, half of the respondents (356 in total) stated they would be interested in using Picl in the future. This was more than half of the people who hadn't yet heard of Picl and more than one third of people who knew about Picl but hadn't as yet made use of it. In addition, 100% of current Picl users said they would continue to make use of Picl in the future.

Preference for arthouse cinema
Although there is a high level of interest in Picl, a large majority (88%) of the respondents were of the opinion that films are best seen in the (arthouse) cinema. In addition, the big screen and the good sound quality play an important role for more than three-quarters of respondents in choosing to visit an (arthouse) cinema.

Nevertheless, a large number of people do not go to the cinema owing to the following impediments.

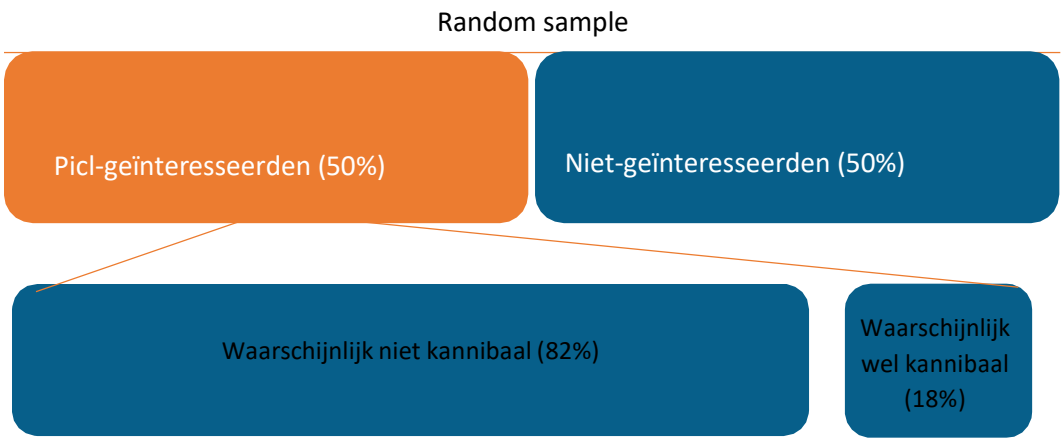


[Reasons for not visiting the cinema; No reason, go anyway; No babysitter; Too expensive to get to the cinema (travelling and parking costs, etc.); Physical or mental impediments; Cinema tickets too expensive; No one to go with; Visiting the cinema takes too much time; Too few good films showing; The preferred film is not screening in the cinema for long enough; The starting times are not convenient.

Respondents classified by reasons that may play a role in deciding not to visit the (arthouse) cinema.

Picl will have small negative impact on visits
When arthouse cinema visitors make use of Picl while not facing any impediments that prevent them from actually visiting an arthouse cinema, their Picl use does have a negative impact on their visits to the arthouse cinema. This is highly likely to be the case for 18% of those interested in Picl; they did not state any impediments to visiting the arthouse cinema. The remaining 82% of those interested did state one or more impediments that could actually restrict their visits to arthouse cinemas (such as inconvenient starting times, a film not being screened for long enough, or because they can't get a babysitter). Because the majority stated that they have a preference for the (arthouse) cinema over watching at home, it is probable that this group of respondents will only use Picl if these impediments apply. This means the risk of their use of Picl limiting their visits to the arthouse cinema is small.

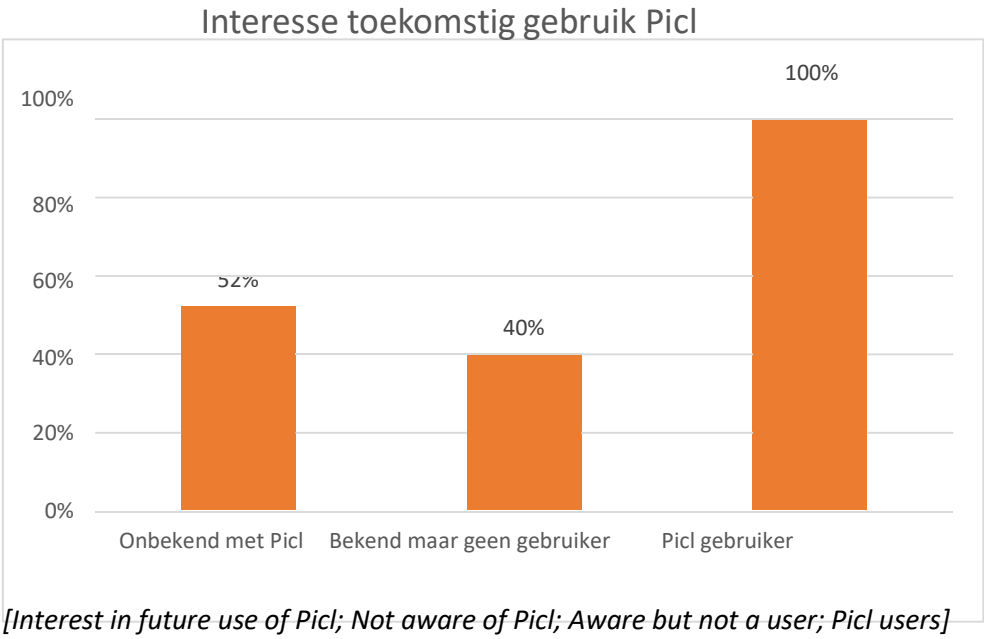
Picl supplementary to arthouse cinemas
Picl is largely supplementary to the arthouse cinemas and not so much a competitor. The vast majority of respondents experience visiting an arthouse cinema as preferable to watching films at home. Approximately half of the respondents and more than 80% of those interested in Picl face impediments that prevent them from visiting the arthouse cinema. There is therefore a good chance that these people will not be able to see a film in an arthouse cinema. Picl could be a good alternative to a cinema visit for these people. In addition, more than half of the people who miss a film in the arthouse cinema will still watch the film in another way, either illegally or through providers not affiliated to the arthouse cinemas. If these viewers were to watch films at home through Picl, some of the income that would otherwise go to other providers would return to the arthouse cinemas.



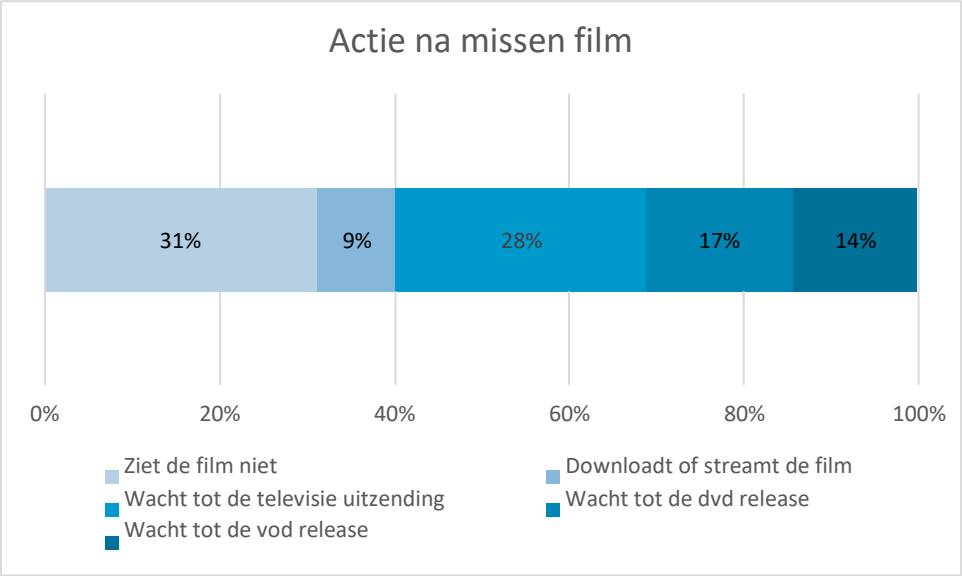
[Interested in Picl (50%); Not interested (50%); Probably no negative impact (82%); Probably negative impact (18%).

Percentage of respondents interested in making use of Picl during the coming year, broken down according to familiarity with and current use of Picl.]

Interest in Picl / Picl

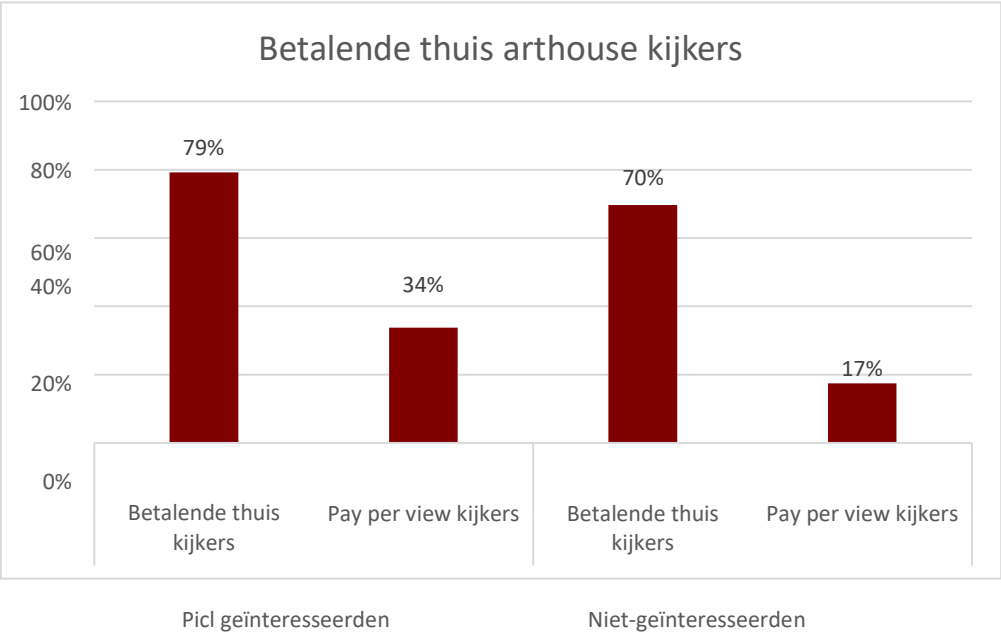


[Interest in future use of Picl; Not aware of Picl; Aware but not a user; Picl users]



[Action after missing a film; Don't watch the film; Wait for the television broadcast; Wait for the VOD release; Download or stream the film; Wait for the DVD release.

Respondents classified by what they normally do if they were not able to watch the film of their choice in an arthouse cinema].



[Paying home arthouse viewers; Paying home viewers; Pay-per-view viewers; interested in Picl;

Paying home arthouse viewers; Paying home viewers; Not interested.

Percentages of paying arthouse home viewers and pay-per-view viewers interested and not interested in Picl.]