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Movie Directors and Producers Question Wisdom of Early “Premium” VOD

Creative Community Speaks Out in Open Letter

(Los Angeles, CA: April 20, 2011) — Twenty-three leading directors and producers called into question plans to shorten the current model of theatrical release windows in an open letter (attached) to be published Thursday, April 21 in an industry trade publication. The letter is the first public step in an ongoing effort by theater owners to air the concerns of all movie industry stakeholders in the release window issue.

In light of the imminent launch by some studios of a “premium” video-on-demand (VOD) service that would radically shorten the current average four-month, 12 day window between the opening of a film theatrically and its release to the home market, the filmmakers chose to speak out.

“As a crucial part of a business that last year grossed close to \$32 billion in worldwide theatrical ticket sales,” the letter states, “we in the creative community feel that now is the time for studios and cable companies to acknowledge that a release pattern for premium video-on-demand that invades the current theatrical window could irrevocably harm the financial model of our film industry.”

The letter also details a variety of concerns that the creative community has over announced premium VOD release plans that could negatively alter consumer buying habits, exacerbate film piracy, and severely limit the ability of theater owners to play specialty films in platform release patterns.

“You can argue about VOD windows all day long, but what you can't deny is that there is an overwhelming outcry from the theater owners that they feel threatened by this,” said director James Cameron (*Terminator*, *Titanic*, *Avatar*). “The cinema experience is the wellspring of our entire business, regardless of what platforms we trickle down to. If the exhibitors are worried, I'm worried. We should be listening to them. Why on earth would you give audiences an incentive to skip the highest and best form of your film? My films aren't going to the home early, but many

will, and that will weaken the movie theater industry—and then my movies are threatened."

Director Karyn Kusama (*Girlfight*, *Aeon Flux*, *Jennifer's Body*) said, "As someone who hopes to have the ability to keep making small movies alongside the opportunity to make some bigger ones, I am concerned by how much a shortened VOD window might affect a filmmaker like me. This shortened window might imperil the robustness, and challenge the already shrinking flexibility in programming, of the very venue that makes movie-making, and movie-watching, the work we choose to do."

Producer Jamie Patricof (*Half Nelson*, *Blue Valentine*) stated, "The theatrical window is a crucial component in bringing a film to the marketplace, especially for a smaller movie that relies on word of mouth. If moviegoers assume they don't have to go to the theater to catch something that has great word-of-mouth, they most likely will not."

Over the last several months National Association of Theatre Owners (NATO) executives have met with a broad range of film industry professionals on those issues. "The directors and producers we've talked to are passionate filmmakers and very informed business people who care deeply about their art and craft," John Fithian, president and CEO of NATO, said, "Whether they are the makers of blockbusters or independent films, Oscar winners or just starting their careers, all have expressed extreme concern over announced plans to shorten the distribution window, and stated their desire that films can be seen in the venues they were made to be seen in: movie theaters."

The open letter will also be available on NATO's website at www.natoonline.org. Additional filmmakers who wish to sign the letter or learn more can send an email to nato@natodc.com or call the NATO offices in Los Angeles at (818) 506-1778 or Washington, D.C., at (202) 962-0054.

About NATO

The National Association of Theatre Owners is the largest exhibition trade organization in the world, representing more than 30,000 movie screens in all 50 states, and additional cinemas in 50 countries worldwide.

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