



N A T O

National Association of Theatre Owners™

## State of the Industry Presentation

July 16, 2014

**John Fithian**  
President & CEO

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# About NATO

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National Association of Theatre Owners™

**National Association of Theatre Owners (NATO)** is the largest trade association in the world for movie theater owners. It serves the business, legislative, media and technology interests of theater owners in the United States and around the world.

NATO represents all of the largest circuits in North America, as well as hundreds of independents and international members.



# NATO Membership Report

	Screens	Sites	Companies	
Domestic	31,991	3,276	625	
U.S. Territories	330	42	3	
Canada	2,240	250	21	
International	20,547	2,330	37	
<b>Total</b>	<b>55,108</b>	<b>5,898</b>	<b>686</b>	<b>81 Countries</b>

As of 8 July 2014

# NATO: A Global Organization

686 COMPANIES

in

81 COUNTRIES

with

55,108 SCREENS

in

5,898 LOCATIONS



National Association of Theater Owners™

# NATO Website

The screenshot shows the homepage of the NATO website. At the top left is the NATO logo and the text "National Association of Theatre Owners". Below it is the tagline "Advancing the Moviegoing Experience". The top navigation bar includes links for "ABOUT", "MEMBERSHIP", "NATO REGIONALS", "INITIATIVES", "RESOURCES", "DATA", "MEDIA", "EVENTS", and "CONTACT". A large video player in the center displays a woman being interviewed by a reporter holding a microphone with the "NATO" logo. The background of the video shows the interior of a movie theater lobby. A banner at the bottom of the page reads "Invest your business, invest in profitability."



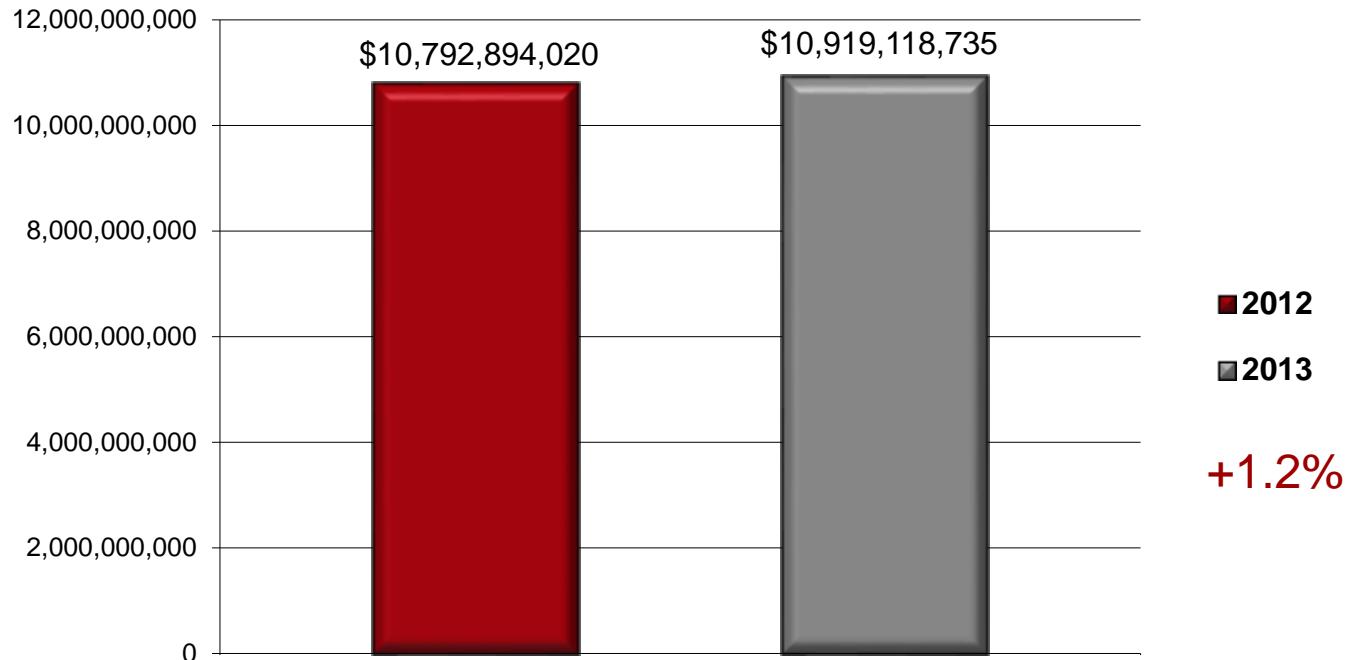
www.natoonline.org

The screenshot shows the "INITIATIVES" section of the website. It features a sidebar with links to "Cinema Technologies", "Government Relations", "Movie Ratings", and "Movie Theft". The main content area is titled "CINEMA TECHNOLOGIES" and contains text about digital cinema and a "Digital Cinema Package (DCP)". It also includes a small thumbnail image of a movie screen. Below this is the "GOVERNMENT RELATIONS" section, which lists various issues such as Concessions and Nutrition Policy, Health Care, Seige Fee Reform, Captioning, Determining Full-Time Employees, Credit Card Interchange Reform, Americans With Disabilities Act, Labor, Government Affairs Alerts, Mobility Devices, Tax Issues, and Minimum Wage.

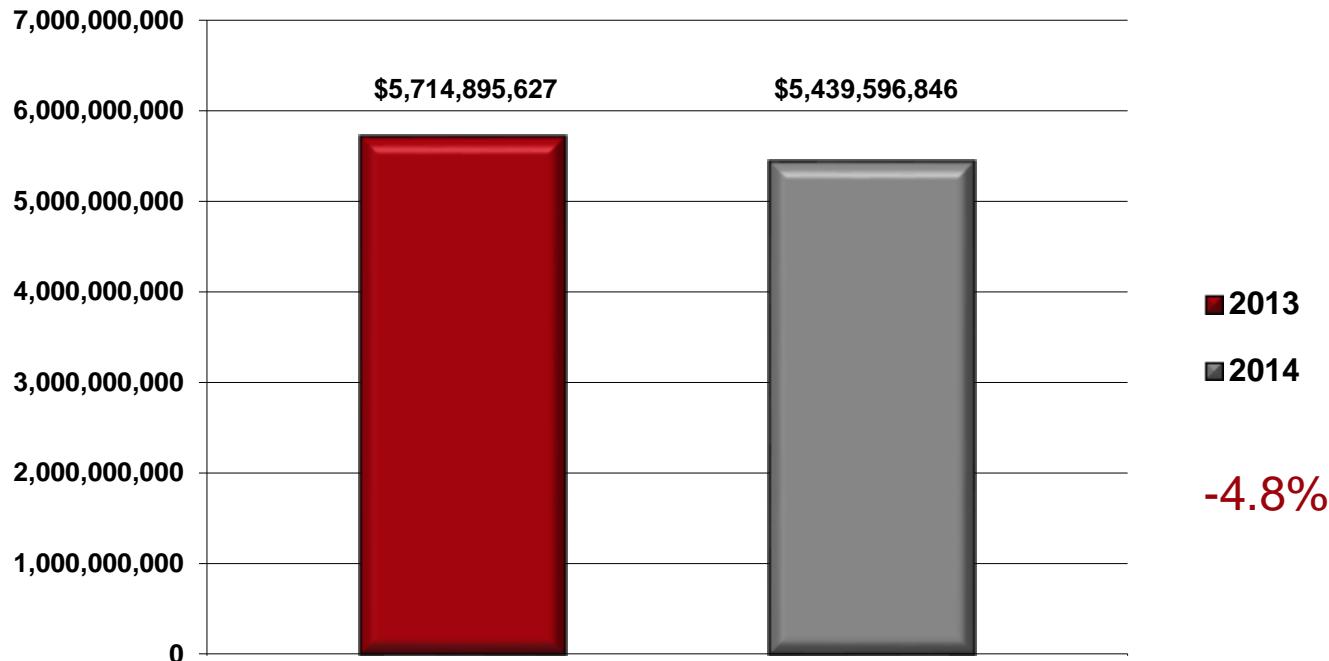
# State of the Theatrical Exhibition Industry

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# 2013 Record Box Office (Domestic)



# YTD Domestic Box Office (as of 6 July 2014)



# Big Movies For The Rest of 2014

07/18/2014	Sex Tape
07/18/2014	Planes: Fire and Rescue
07/25/2014	Hercules
07/25/2014	Lucy
08/01/2014	Guardians Of The Galaxy
08/08/2014	Teenage Mutant Ninja Turtles
11/07/2014	Interstellar
11/14/2014	Fury
11/14/2014	Dumb And Dumber To
11/21/2014	The Hunger Games: Mockingjay, Part 1
11/26/2014	The Penguins Of Madagascar
12/12/2014	Exodus
12/17/2014	The Hobbit: The Desolation Of Smaug
12/19/2014	Night At The Museum: Secret Of The Tomb
12/19/2014	Annie
12/25/2014	Into The Woods
12/25/2014	Unbroken
12/25/2014	Paddington



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# 2015 Movie Releases



# Wall Street Looks Ahead

“2015 should be easily a record breaking year for the box office.”

Tony Wible, analyst, Janney Montgomery Scott

30 June 2014

“Exhibitors outperformed the S&P 500 by more than 2x  
in the face of worsening box office. We continue to believe  
investor focus has already shifted to a stronger 2015 film slate.”

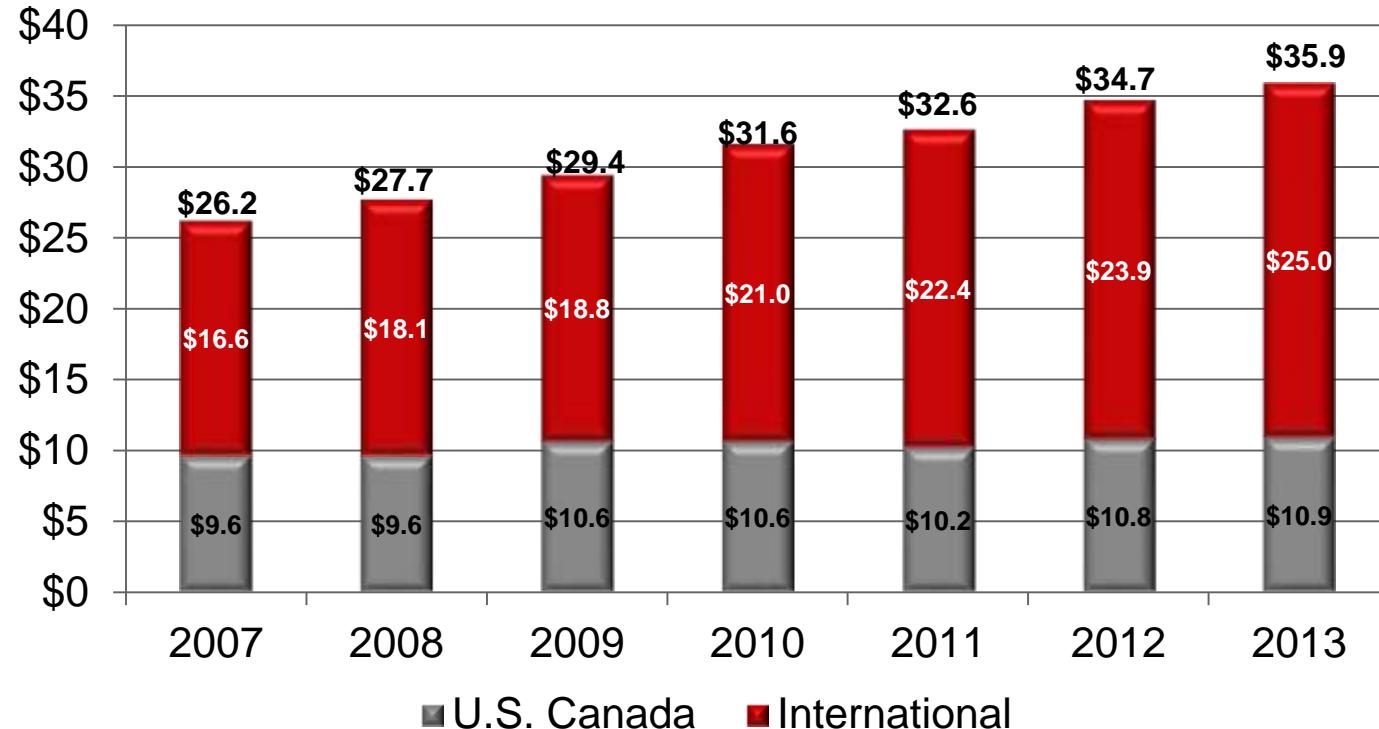
Eric Wold, analyst, B. Riley & Co.

7 July 2014

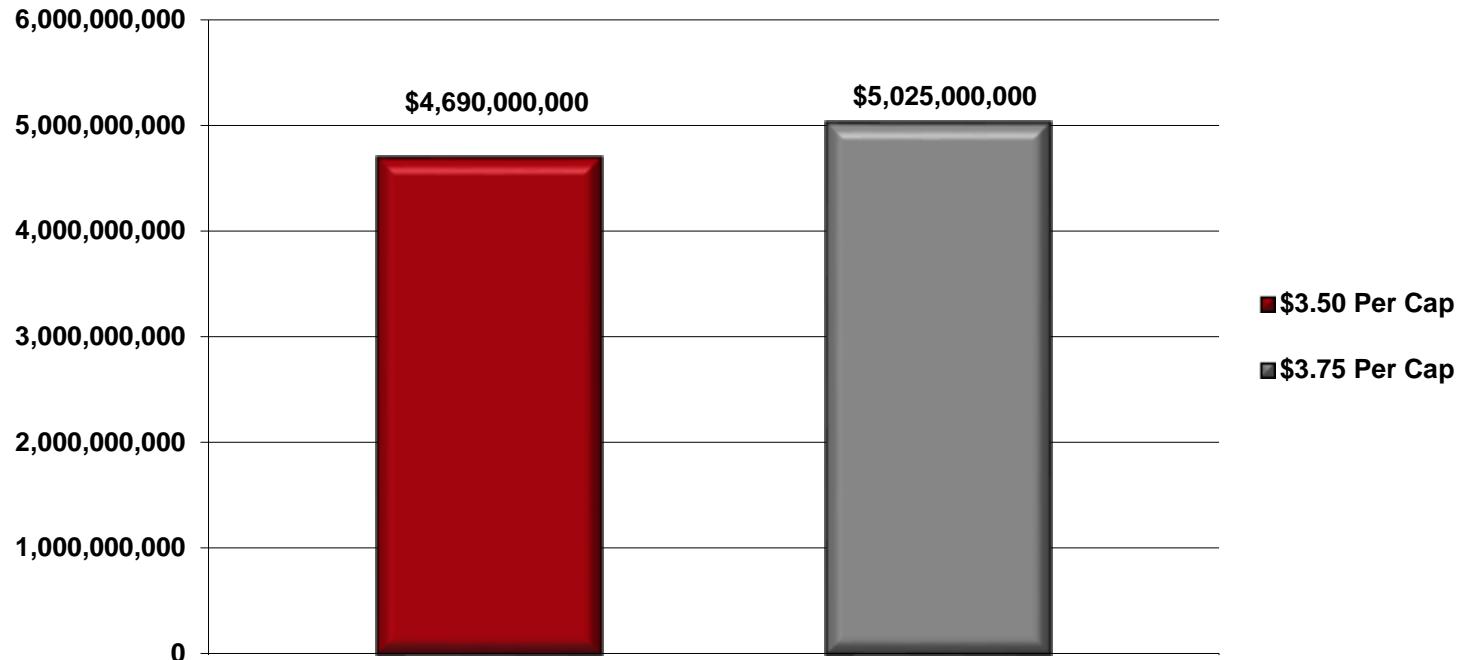


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# Global Box Office



# Estimated 2013 Concessions Revenue



# Improving the Theatrical Experience

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# THE WALL STREET JOURNAL. ≡ | BUSINESS

MEDIA & MARKETING

## Now at the Movies: Fully Reclining Seats

AMC Spending \$600 Million to Remodel Theaters With Larger Chairs, Fewer Seats

By ERICH SCHWARTZEL

July 6, 2014 4:39 p.m. ET



Fancy seats are just one lure for theatergoers, like beefed up concession stands and large-format screens.  
*Ben Fredman for The Wall Street Journal*

# Luxury Cinema



# Luxury Cinema



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# Self-service



# U.S. Digital Cinema

**U.S. Total Sites – 5,847**

<b>U.S. Total Sites – 5,847</b>		
<b>Digital Sites</b>	5,055	86.4%
<b>3D Sites</b>	3,586	61.3%

**U.S. Total Screens – 40,121**

<b>U.S. Total Screens – 40,121</b>		
<b>Digital Screens</b>	38,154	95.0%
<b>3D Screens</b>	15,220	37.9%

# Satellite Delivery



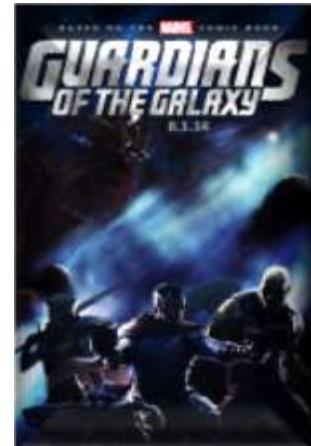
# DCDC



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# 3D Releases (2014)

Distributor(s)	Title
Fox	Dawn of The Planet of the Apes
Disney	Planes: Fire and Rescue
Paramount	Hercules (2014)
Disney	Guardians of the Galaxy
Paramount	Teenage Mutant Ninja Turtles (2014)
Lionsgate/Summit	Step Up All In
Weinstein/Dimension	Frank Miller's Sin City: A Dame to Kill For
Focus	The Boxtrolls
Fox	The Book of Life (2014)
Disney	Big Heron 6
Fox/Dreamworks Animation	The Penguins of Madagascar
Warner Bros/New Line	The Hobbit: The Battle of the Five Armies



# 4D



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# Laser Projection

## Opportunities

- Brighter light
- Higher contrast
- Longer projector and bulb life

## Challenges

- FDA oversight currently prohibits laser projection
- Variances required
- Cost



# Immersive Audio



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Thank You

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