

Glossary of Select Terms

This glossary was created by Paul Fraser of Blaze Cineworks LLC and edited by James Hyder of the LF Examiner, as a companion to the GS 101 session at the 2017 Annual Conference. It remains on the GSCA website as a resource to members. We will revise and expand this list of terms periodically, and we encourage all members' inputs. If you would like to suggest an edit to a term or propose a new one, please contact Kelly Germain (Kelly@giantsscreeninema.com)

Ancillaries: Short for “ancillary markets,” this refers to film licensing revenue and distribution exploitation possibilities with secondary markets. In the GS business, this can mean almost all markets besides the GS theatrical market.

AR: Aspect ratio. It is calculated by dividing the width of a film or digital frame by its height. The AR's most commonly used by GS formats include:

1.43:1 This refers to the original, “classic” IMAX film and other 15/70 large-format film systems' **AR**. It is also the AR used by the laser-illuminated IMAX digital projection systems. It is a taller **AR** than those established for the **DCI Specification** (see below). This **AR** is often colloquially referred to as “4:3.”

1.85:1: This is one of the two approved aspect ratios in the **DCI Specification** (see below). **1.85:1** is also referred to as “flat.” The other DCI AR is **2.39:1**, referred to as “scope.” Hollywood films are released in one or both of these AR's.

1.90:1: This is the original IMAX digital aspect ratio, which uses 100% of the pixel columns on the projector's DLP chip (the optical semiconductor invented by Texas Instruments). The DCI **1.85:1 AR** uses five fewer pixel columns than is available in the container.

DCI, DCI Specification, DCI-Compliant: **DCI** is the abbreviation for Digital Cinema Initiatives, the ad hoc organization formed in 2002 by the (then) seven major Hollywood studios, to develop common standards (**DCI Specification**) for use by all manufacturers of digital cinema equipment, ensuring interoperability of equipment and anti-piracy protection of content. The first **DCI Specification** was released in 2005, and it has had updates. The **DCI Specification** applies to flat screens only, and does not include standards for 3D. **DCI-Compliant** means any digital cinema component or entire system that is designed and ultimately technically vetted to meet the **DCI Specification**, the worldwide, open-system standard for digital cinema.

DIGSS: This means the Giant Screen Cinema Association's **Digital Immersive Giant Screen Specification**. **DIGSS-Compliant** is any digital cinema component or entire system that is designed to meet DIGSS. (In contrast to the **DCI Specification**, there is no official technical vetting or enforcement of **DIGSS**). The most recent **DIGSS** release was is version 1.2a and can found on the GSCA website [here](#). **DIGSS** builds on and is generally inclusive of the **DCI**

Specification, but it goes further, such as addressing the needs of dome projection with the taller/more square aspect ratios.

Distribution Fees: The Distributor's fee for its services to the Producer-client. It is typically calculated as a percentage of **License Fees** (see below) that the Distributor collects from theaters. The Distributor typically receives its Distribution Fee by deducting it from the **License Fees** received before remitting the net amount to the Producer.

Distributor Share of Gross Box Office: Another name for **License Fees**.

fL: This is the abbreviation for **foot-Lambert**, a unit of measurement of light (luminance) that is reflected from the screen and perceived by the human eye. When measuring luminance in 3D mode, it should factor the loss of light due to 3D eyewear and filters or other devices used in the projected light path.

Fulldome: This is the shorthand for "digital fulldome video," describing the hardware system type and content format. For giant-screen domes (greater than 60 feet [18.3 meters] in diameter), multiple projectors are needed. Each projector displays a slice of the image, and each slice is re-combined through edge-blending and auto-alignment systems to form a complete picture. The goal of such a complex configuration, versus single- or dual-projector systems, is to project the maximum amount of image information, with smaller, more densely packed pixels, to sharpen the picture. High-end fulldome systems can project up to 50 megapixels (MP) versus 8.8 MP for a **DCI-Compliant 4K** projection system. The fulldome **AR** is "1:1." A circular image is inside a square frame. A giant-screen film with a **1.43:1 AR** digital master can be re-formatted to fulldome (1:1 **AR**), although the difference in aspect ratios means the rear portion of the dome (about 1/4 of a hemisphere) will have no image projected onto it (just like the dome screen coverage area from a 15/70 film system).

Gross Box Office or **GBO:** The total of theater admission revenues collected by or allocated to the theater.

HDR: This is an abbreviation for High Dynamic Range. It is an expansion of the contrast of an image combined with a significant increase in overall image brightness. Peak luminance expands while the black level decreases, simultaneously. The result is highlight areas of the image are brighter while the black areas are darker, with details more visible within each of these regions of the scene.

Insert System: This refers to a single or dual projector system, normally used for flat screen display, that is used to project a rectangular video image onto a *dome* screen with no special lenses to warp the picture. With **DCI-Compliant** projectors, the **1.85:1 AR** is typically used. With no special lensing to warp the image for the dome, projecting a rectangular image on a curved surface does introduce some distortions. To limit them, the maximum width of an **Insert**

System image is noticeably less than the diameter of the dome: image widths of between 50% and 80% of the dome diameter have been achieved by the relatively small number of dome screen theatres that have an **Insert System**.

Laser and **Xenon**: For decades, lamps for projectors of all types have used xenon gas. Electricity is passed through ionized xenon gas in the glass lamp, to create a bright white light. **Laser** illumination is the new and disruptive technology. Benefits of **laser** include no lamps to change (for the 5- to 10-year life of the projector), better color, better contrast ratio and dynamic range versus lamp-based (**xenon**) systems, and more light output reaching the eye — especially in 3D, compared to **xenon**-based projection systems.

License Fees: The amount paid by theaters to distributors for the right to market and exhibit a film for a given term. **License Fees** can be calculated as a percentage of revenue from theater admissions, or a fixed sum regardless of attendance or box office revenue, or some combination of both. Percentage-based **License Fees** for GS films are generally the more popular structure, although fixed sum license structures are common in a few territories internationally, and for some small attendance theaters.

Minimum Guarantee or **MG**: This is a payment or commitment by a Distributor to the Producer. It is either the Distributor's *pre-payment* of the Producer's (film owner's) share of future license fees it expects to collect from theaters, or it is the Distributor's contractual promise to pay a minimum cumulative amount of Producer's share of license fees by a certain date in the future. A Distributor may offer the owner/Producer of a film an **MG** in order to secure the distribution rights. Producers sometimes ask for an **MG** to be paid by their Distributor during production, and as such, the **MG** becomes a source of funding a new film's production. If a Distributor pays the Producer an **MG** before the exhibition license fees it has collected cover the **MG** in full, the Distributor is entitled to recoup its **MG** from future license fees collected from theaters.

Theatrical versus **Non-Theatrical**: In the GS industry, **Theatrical** typically refers to any use of a film in an out-of-home theater of any kind, including GS theaters, regular and smaller screens in museums, commercial multiplex theaters, theme park or attraction theaters, fulldome theaters, etc. **Non-Theatrical** in the GS business refers to any use of a film *not* in any out-of-home theater, such as DVD, Blu-ray, VOD, OTT (e.g. Netflix, Hulu, Amazon, etc.), broadcast television, etc. As a side note, in the commercial movie and multiplex business, **Theatrical** refers to the use of feature length films in movie theaters before they are released to other media, and a 40-minute GS documentary playing in a museum-based GS theater would be referred to as **Non-Theatrical**.

2K, 4K: These are measures of image resolution. The "K" refers to one thousand pixel columns. **2K** means an image of up to 2,048 pixels wide; a **4K** image is up to 4,096 pixels wide. A **4K** image is sharper (more image information), than a **2K** image. **DCI-Compliant** digital images

have resolutions of **2K** or **4K**.

6K, 8K: These are measures of image higher resolution. To date, the only digitally-equipped GS theaters with resolution greater than **4K** are certain dome screens, either those equipped with high-end fulldome systems (6K – 8K), or the Christie-D3D digital dome system (**6K**).

A quirk of the fulldome industry is that fulldome projection system integrators sometimes market a 6.0 – 6.5K resolution system as “8K,” and true **8K** systems as “True8K.”

6p or 3p Laser: The “p” stands for primary color. Light is generated from three individual red, green and blue lasers. A 3p system has one each of these RGB lasers, whereas 6p system doubles them. 6p is required for 3D.

Financial Terms Mentioned During GS101 Session at the 2017 Conference

Contribution Margin: This is calculated by deducting from revenues only the variable costs, such as percentage-based license fees and possibly marketing expenses too, in the case of theaters. The Contribution Margin is used to pay the fixed or unavoidable operating expenses and overheads, after which any residual amount is the net profit.

Equity: The ownership stake of any asset, such as a film or theater. It can be expressed as a dollar value, or a percentage of the total equity.

Internal Rate of Return or IRR: This is a popular financial performance metric for evaluating an investment in a project (such as a new GS film) which has cash outlays to fund the project at the start, followed by net cash inflows (net revenues) for years afterward. The **IRR** is the “annualized effective compounded rate of return.” Mathematically, it is the discount rate at which the total present value of costs (negative cash flows, at the start, such as when a film is in production) equals the total present value of all the later positive cash flows, such as the revenues from the distribution of the film.

Return on Investment or ROI: This is a simple financial performance metric. It is calculated by dividing the dollar gain or profit on an investment, by the original cost of the investment. For instance, a \$100,000 profit on an original \$1,000,000 investment would be equivalent of a 10% **ROI**. The **ROI** is a somewhat crude metric because it does not take into account the time value of money.

Terms Relevant to Playing Feature Length Movies

Clearance: This refers to the scenario in which one commercial theater gets a period of exclusivity from the Hollywood studio distributors over other theaters in close proximity. The studio “clears” or protects a certain zone or radius for a given theater (usually the one with the best box office earning potential), prohibiting other theaters in the zone from showing the film at

the same time. Some GS theaters in museums have faced clearance issues, unable to start a given Hollywood film until the clearing theater (a local multiplex) is finished with it.

Day and Date: In Hollywood jargon, this means “opening on the same day:” that is, many theaters in a market or territory start playing the same film on the same day, or it can refer to a multi-platform release - for instance, some small indie producers have experimented with simultaneously releasing to theaters and VOD (Video on Demand).

First-run: This typically refers to theaters that start playing feature films **On the Break** (see below).

Full Schedule: This means a single film occupies all the screening slots on the daily or weekly schedule. This is sometimes called a “clean screen.” However, with giant screens in museums, a Hollywood studio distributor may accept that a museum-based GS theater is delivering a **Full Schedule** by playing the feature film 4 to 5 times per day, even though the GS theater may still squeeze in a few 40-minute documentary screenings in the mornings or early afternoon.

On the Break: This refers to earliest possible timing for a feature film to start its run at a given theater: it means starting on initial theatrical release date.

Off the Break: This refers to the later timing for a feature film beginning its run at a given theater: usually a number of weeks *after* the film’s initial theatrical release.

Repertory: This refers to feature films that are no longer in active theatrical distribution in theaters: their initial theatrical release is over. Most of the Hollywood studios have their own repertory division, and they also use sub-distributors that handle their repertory catalogs such as Swank and Criterion.

Split Screen: This means a given screen plays more than one film on its daily or weekly schedule. This describes virtually all museum theaters that have both Hollywood films as well as the 40-minute GS documentaries on their show schedule during the same week.

Sub-run: Also known as “Second-run,” this typically refers to a theater that begins playing a feature film a number of weeks after it has already started its run at first-run theaters.

Theatrical vs Non-Theatrical: **Theatrical** refers to feature films that are released initially to first-run theaters. **Non-Theatrical** means films that don’t generally play in commercial theaters – for instance, 40-minute GS docs are considered non-theatrical, as are films that go straight to television or home video.