

Slide 1



Slide 2

WHAT IS IMAX?

- The largest & most exciting film format in the world
- Highest quality images
- Screens up the 8 storeys high
- World's largest cinema screen
- 3D films: totally immersive
- State of the art sound system: 15,000 watts

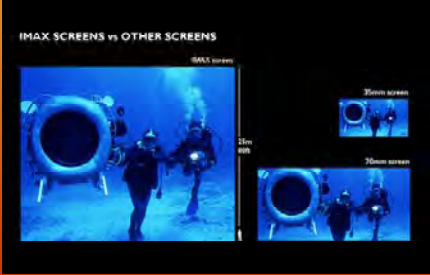
Movie show you ...
IMAX takes you there!

Slide 3

How does IMAX 15/70 film compare to 35mm film?

Slide 4

The World's Largest Screen



The image shows a comparison of four different screen types. On the left is a large IMAX screen showing a diver. To its right are three smaller screens: a 35mm screen, a 16mm film strip, and a 70mm screen, all showing the same diver scene. The text 'IMAX SCREENS vs OTHER SCREENS' is at the top of the image.

Slide 5

NATURE OF IMAX BUSINESS

- IMAX business sector:
"Out of home entertainment"
or "Filmed entertainment"
- IMAX is an "exhibitor" of films
- We operate within the cinema industry first; but also within the wider leisure, tourism and education sectors



The image shows a group of people sitting in a cinema, looking towards the screen. Some are raising their hands, suggesting an interactive or educational session.

Slide 6

BUSINESS MANAGEMENT

- A cross between CLASSICAL, BEHAVIOURAL and CONTINGENCY management approaches
- A simple hierarchy with clear division of labour
- Plus a participative, democratic leadership style
- Needing always to adapt to changing circumstances

Slide 7

BUSINESS CLASSIFICATION

- The IMAX Theatre in Darling Harbour is an SME: a Small to Medium Enterprise
- We are a single screen, stand alone, commercial IMAX theatre
- Operating in the tertiary/ services sector
- A private company
- We are a local Sydney business based solely in Darling Harbour, operating within a wider global industry (giant-screen industry)

Slide 8

WHERE DID IMAX BEGIN?
Global Links

○ **IMAX**

- IMAX Corporation were the pioneers of the giant film format & projection technology
- Founded in 1967 & based in Canada
- World's Biggest Screens Pty Ltd licences the "IMAX" brand name from IMAX Corporation
- IMAX Theatre Sydney is not a global business BUT – it does operate within a wider global "giant-screen" industry

Slide 9

IMAX IN AUSTRALIA

- Cinema Plus Ltd launched the Panasonic IMAX Theatre Sydney in September 1996
- Vision of company:
"To be widely recognised as the premier operator of IMAX Theatres around the world."

Slide
10

CHAIN OF THEATRES


- Sydney was the first theatre built (1996)
- A year later Melbourne opened
- Then Adelaide, Brisbane, Perth
- Auckland and Bangkok

The company was well on its way to realising its vision.

Slide
11

MANAGEMENT CHANGE

- Cash flow problems due to rapid Theatre expansion in other locations (interstate & overseas).
- Period of change in management leading to liquidation of Cinema Plus Ltd (2000).
- Theatres sold or closed.



Slide
12

NEW COMPANY & VISION

- World's Biggest Screens Pty Ltd now operates one Theatre here in Sydney only.

New vision -
To successfully operate the IMAX Theatre in Darling Harbour to provide a high return on investment (ROI).



Slide
13

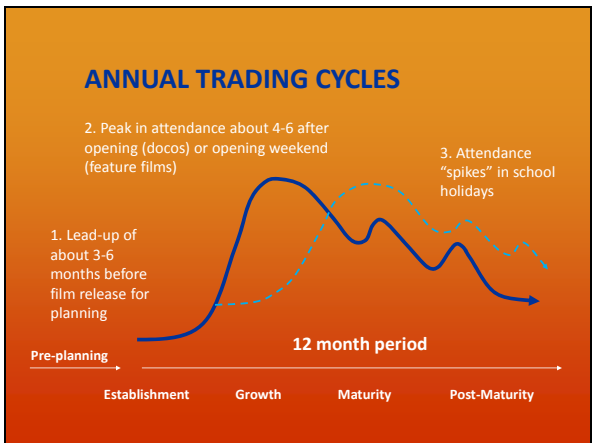
KEY STATISTICS

- Of the 500+ IMAX theatres operating, Sydney is one of the top 10 best performing in the world
- Turnover of around \$7 million per year
- Staff of 7 full time staff and 30-40 casuals
- Release 12-15 films a year: feature films account for 60%; documentaries 40%
- Celebrated 15 years continuous trading in Darling Harbour in September 2011

Slide
14



Slide
15



Slide
16

**CLASSIC IMAX BUSINESS MODEL:
45min documentaries**

- A mix of 2D and 3D films; 45 mins duration
- Screenings usually every hour on the hour, from 10am-10pm
- Marketing costs capped at 10-15% of film income
- Average ticket price is about \$15.00
- Film royalties ideally at 20-25% of the average ticket price.
- Print costs about US \$30,000 for a 3D film.
- Profit is about 10% of the average ticket price

Slide
17

CHANGING FILM PROUCT

Changes in TECHNOLOGY have widened the range of film choices available:

- Selected feature films now available to IMAX
- These films have been digitally enhanced for the giant screen, some in 3D.
- Eg. Harry Potter, Avatar, Mission Impossible Ghost Protocol



Challenge for IMAX – How to respond to these changes and incorporate into our business model.

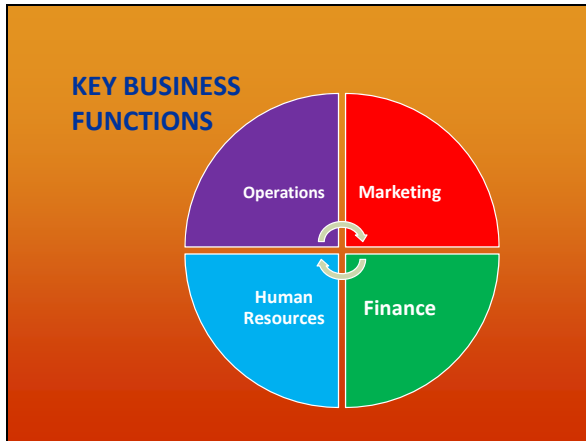
Slide
18

**SECOND BUSINESS MODEL:
Feature Films**

- Screenings usually every 2 – 3 hours (not on the hour)
- Higher price charged: ATP is about \$20.00
- High film royalties (ie. 50%):
 - Offset by savings in marketing costs (film distributors pay for marketing, saving us \$50,000-\$100,000)
 - Offset also by savings on cost of film prints (about US30,000)
- Profit is about 10% of the average ticket price

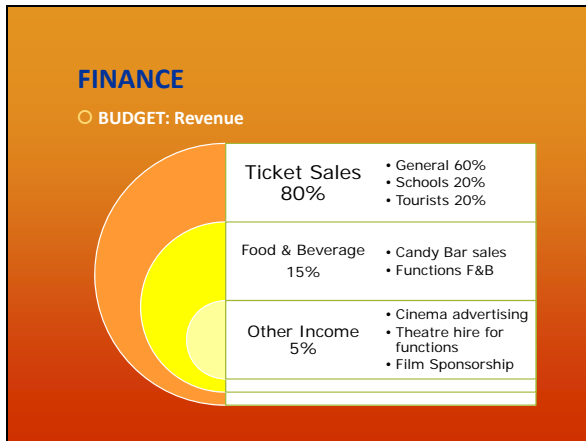
Slide

19



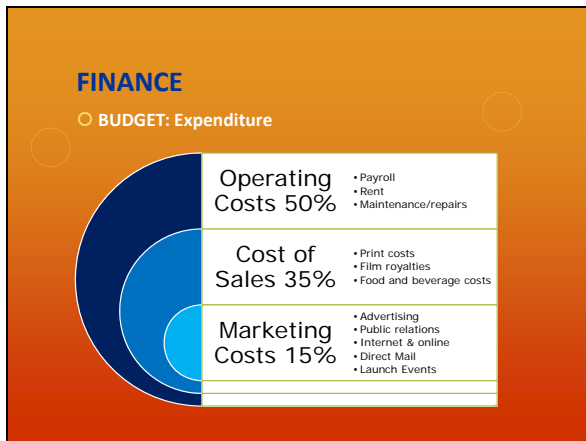
Slide

20

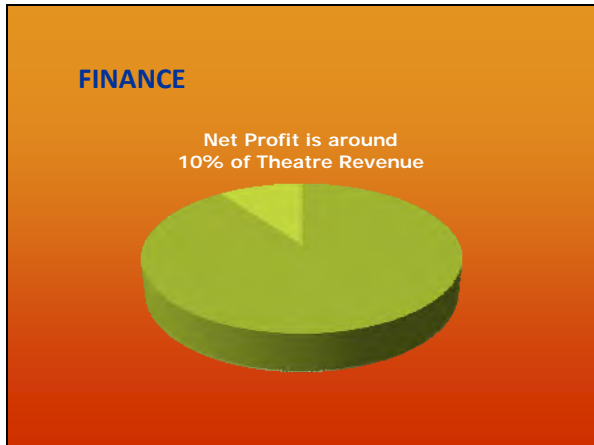


Slide

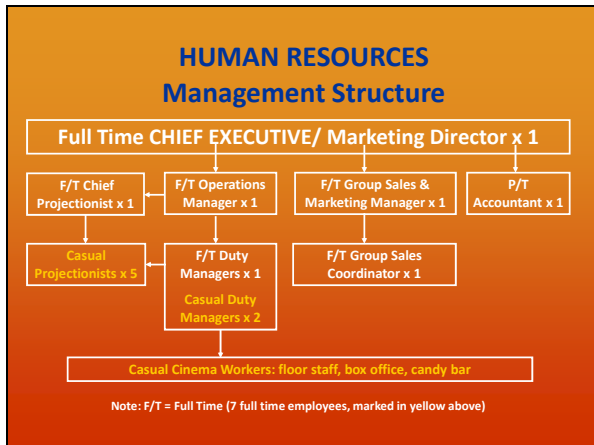
21



Slide
22



Slide
23



Slide
24

HUMAN RESOURCES

- National Award covers CASUAL Front of House (Box Office, Candy Bar etc) staff and Projection staff:
- "Broadcasting and Recorded Entertainment Award 2010" under FAIR WORK AUSTRALIA



Slide
25

Casual Staff Roster

Rostering on a 7 day basis:

- Box Office
- Candy Bar
- Floor/ushering
- Projection
- Duty Manager
- Floater

Slide
26

HUMAN RESOURCES

Out-sourced human resources activities:

- Public Relations
- Advertising
- Design work for flyers, brochures
- Internet design and development
- Email Communications services
- Cleaning services
- Maintenance and repairs

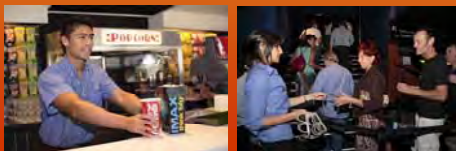


Slide
27

OPERATIONS

FEATURES:

- Theatre Box Office and ticket sales
- Candy Bar and food & beverage sales
- Floor & ushering staff and procedures

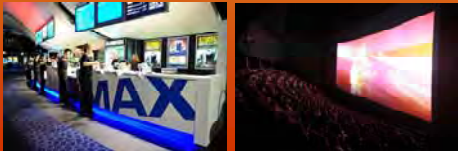


Slide
28

OPERATIONS

FEATURES:

- Projection Booth technical operations
- Theatre foyer and Auditorium cleaning
- Computer IT and Phone Systems



Slide
29

OPERATIONS

RELATIONSHIPS:



OPERATIONS works with:

- MARKETING:** To set the film timetable & implement promotions
- FINANCE:** Set & monitor budgets and staffing ratios
- HUMAN RESOURCES:** Employment of staff and payroll

Slide
30

OPERATIONS

IMPACT OF GOVERNMENT POLICY

- National Award governs pay and conditions for casual staff: "Broadcast and Recorded Entertainment Award 2010"
- Licencing laws eg. Liquor licence
- Occupational Health & Safety

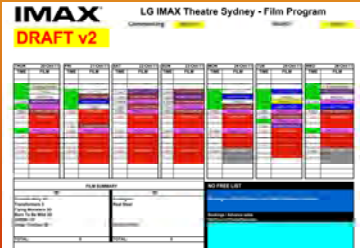
Slide

31

Weekly Film Schedule

Film Schedule set on a weekly basis

- Colour coding to identify films
- Colour coding to identify school sessions
- No Free List period listed
- Version included in title



Slide

32

Food and Beverage Sales

Measured by SPPA: Sales Per Paid Admission

Candy Bar Revenue (\$)
No. admissions

Goal: SPPA of \$2.00 pp

Contributes 10-15% of the Theatre's total revenue.



Slide

33

MARKETING

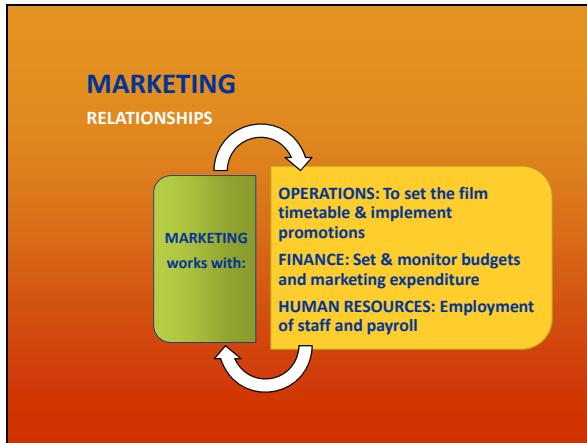
WORLD'S BIGGEST
IMAX
DARLING HARBOUR

FEATURES:

- The brand "IMAX" world recognised
- Marketing Mix – the 4Ps and more
- Market Research – internal (postcodes collected at box office) and external (professional surveys)
- Marketing Evaluation – tracking activities through to ticket sales (e-commerce)

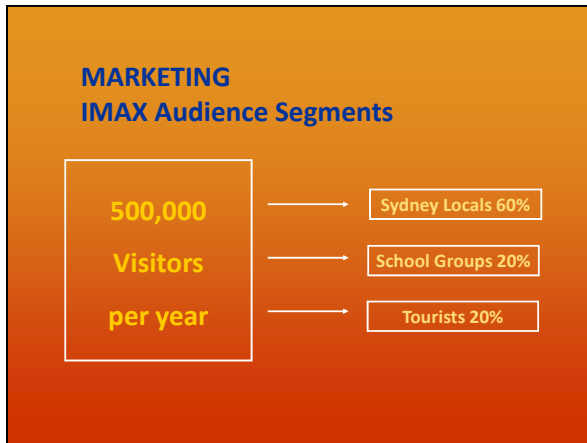
Slide

34



Slide

35



Slide

36



Slide

40

PROMOTION:

- Advertising
- Publicity
- Banners
- Internet
- Social Media
- Niche marketing

Samples to follow

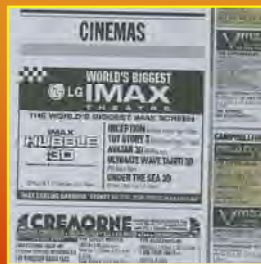


Slide

41

DIRECTORY ADVERTISING

- Lists session times
- Simple & functional
- Branding via logos
- A big expense
- Check SMH Cinema pages



Slide

42

FILM ADVERTISING

- Film advertising is used to promote specific film titles
- Used in press ads, outdoor billboards, Monorail, radio and/or TV ads etc