

Digital Hollywood: Credit Market Starting to Recover

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A group of 3D industry leaders shared varying opinions on the future of 3D—as well as their latest impressions of the credit market—during a panel yesterday at the Digital Hollywood confab in Los Angeles.

“The market has recovered a little since December,” said James Dix, analyst at Wedbush Morgan Securities. “The credit market is clearly loosening up, although DCIP happening imminently is not likely.”

Cinedigm chairman/CEO Bud Mayo reported: “Cinedigm has already financed \$300 million in conversions of digital screens and we expect to start again this summer. The VPFs are a model that is proven and we have the data to support it. Getting our lenders to put up money for a proven model is not that much of a challenge. It is the macro economics that are the challenge.”

Kerner New York’s chairman/CEO Neal Weinstock surprised some while addressed production costs, suggesting that “we think we can get the production budget only about \$25,000 higher for 3D than 2D, for episodic TV. Television will be the lion’s share of the 3D business.”

Lenny Lipton predicted that all content would eventually be 3D. “We are seeing the domino effect with 3D. Genre by genre it will become necessary to attract audiences. Animation was the first. It appears that horror will be next.”

Citing the success of 2D blockbuster “The Dark Knight,” Imax’s Greg Foster disagreed, saying “3D is providing a benefit, but I don’t think you have to throw all your eggs in one basket.”

Mayo also doesn’t believe that all movies need to be 3D, but he did promote alternative content. “The opportunity of digital have very little to do with movies—it’s to complement movies. How do you fix the seats that are empty? The opportunity comes with doing other things along with movies.”

As an example, he reported that Cinedigm would be offering concerts as alternative content during the summer.

Foster reported that Imax is up to 90 digital installations. He added that at Imax screenings, the first 15 minutes of upcoming summer release “Harry Potter and the Half Blood Prince” would be presented in 3D.

Moderator Marty Shindler of consulting firm The Shindler Perspective offered a screen count update: Over 7,000 digital cinema screens worldwide, 3500 of which are 3D ready.

From [Celluloid Junkie](#)