



**28** April 2 - 8, 2010, Mumbai

**B U S I N E S S**

# Reliance MediaWorks ties up with UFO Moviez

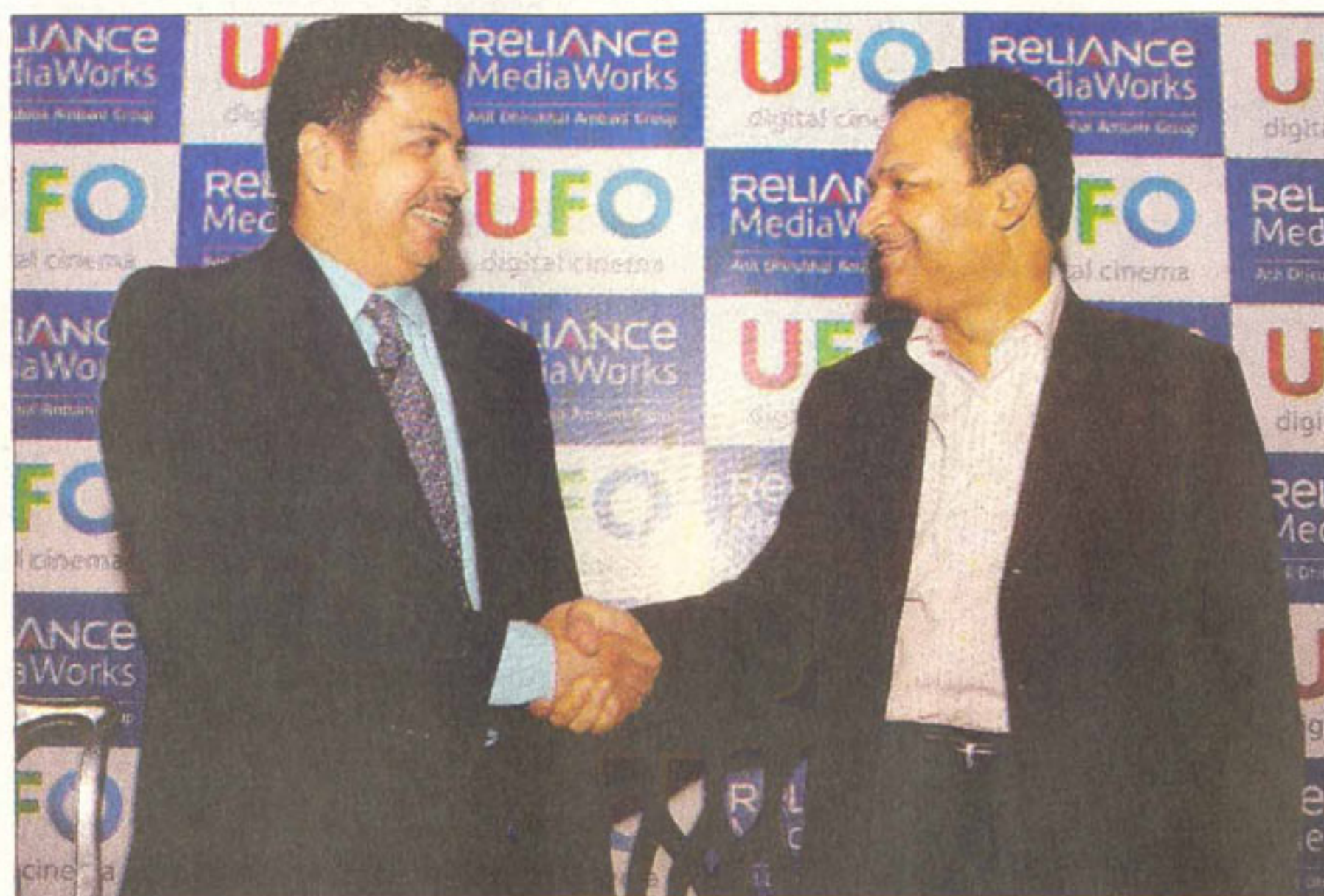
The 'strategic alliance' will see both parties increase box-office revenues by about 20 per cent

**T**he 1982 Games introduced analogue television to Indian screens for the first time. Coincidentally, 2010 seems to be the year of moving to digitisation. Consider the facts. Entertainment has been scaled up to include IPL matches in multiplexes. 3D has taken the entire world by storm, and India has shown an enormous appetite for the technology. Film reels are now being sent via satellite for screening rather than as physical prints.

Curiously, UFO Moviez has had a hand in movie theatres turning digital to a great extent. Reliance MediaWorks will also get access to over 1800 screens UFO has digitised over the past five years from Arunachal Pradesh to Kashmir to South India. The two companies have now announced a tie-up with Reliance MediaWorks (RMW) to set up an additional encoding and encryption facility within the premises of Reliance MediaWorks near Film City at Goregaon in Mumbai.

Under the deal, UFO will work on a majority number of screens owned by Big Cinemas, the multiplex chain of RMW, and convert it to digital screens. "Almost 80 per cent of all film processing gets done by RMW in any case. We are just formally handing them over this charge. UFO will encrypt the processing and develop the infrastructure required to beam digital movies across remote locations in India and beyond," Kapil Aggarwal, Joint managing director, UFO Moviez India Ltd said.

Anil Arjun, CEO of Reliance MediaWorks said, "With the right mix of programming, including digital pro-



Reliance MediaWorks CEO Anil Arjun greets Kapil Aggarwal of UFO Moviez

gramming, a movie can be released simultaneously in several more screens, leading to over 20 per cent increase in box office revenues, which benefits the producers, distributors and exhibitors." Put in numbers, that translates to Rs 7500 crore in box office revenues from the current Rs 6850 the industry currently earns in a year.

This is possible because digitisation helps to send a print across without associated hassles such as logistics, transportation, reel costs etc. A theatre screen, when upgraded digitally, costs UFO about Rs 10 lakh on an average. UFO extracts a monthly rental from

each of its digitised screens, irrespective of the number of screenings it holds. "The one-time investment allows theatre-owners to get access to quality prints on the same day as its release," Aggarwal said.

Both partners feel that the alliance will also help curb piracy. "After processing at RMW, the stock will immediately come to us as we will be located within their premises, so loss of reel stock will not occur. Our encryption is secured with 192 bits, higher than bank transactions which occurs at 128 bits over the internet. Also, a unique signature for each print is created that allows us to

know on what day and what show and in which cinema hall the camera print was made," Aggarwal explained.

"Right now, cinemas outside metros and Tier 2 and Tier 3 cities rely on dodgy people for their prints. UFO will approach these theatres on our behalf

**Both partners agreed that with the right strategy, box-office collections could go up to Rs 7500 crore from the current Rs 6800 crore the industry earns in a year**

and offer them quality prints straight from the distributor," Balaji Mudaliar, Head - Corporate Planning, said.

Reliance MediaWorks claims that the two companies complement each other and UFO's success at launching IPL matches in multiplexes was not the trigger for the tie-up. Anil Arjun had the last word when he said, "Our partnership will put more control in the hands of exhibitors, who will be free to use their audience according to the feedback each movie receives. Digitisation also allows sports, concerts and other events to be screened in theatre halls and therefore allow the exhibitor the freedom to expand his base to better suit his audiences' tastes."

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