Access/IT and Christie Sign Groundbreaking Agreement For Digital Cinema Rollout Plan

Targeting 2,500 Screens Within Two Years

In a major move designed to accelerate the long-awaited implementation of Digital Cinema nationwide, Access Integrated Technologies, Inc. ("Access/IT") and Christie Digital Systems, USA jointly announced a preliminary agreement to create the movie industry's first practical Digital Cinema funding framework. The plan satisfies the diverse concerns of movie studios and exhibitors by standardizing content format, delivery and presentation. It minimizes financial risks for studios and exhibitors by establishing an innovative template that allows private investment in the burgeoning Digital Cinema industry. The agreement includes a two-year plan for a 2,500-screen rollout, with over 200 screens to be operational by the end of 2005.

Story continues on page 2

Disney First To Provide Digital Content
see page 3

GSC Installs First CineX35 in Asia
see page 4

Dolby Labs Chooses Christie CP2K
see page 5

ALSO IN THIS ISSUE

Cinema Shorts-- 4
Showcasing Festival Films

Cinemark’s Pre-Show-- 6
Exclusive Partnership

Cinetopia Creates 7
Movie Heaven

Pre-show Entertainment-- 8
Leading Market Share
This landmark agreement represents the crucial and long-awaited first step to make the transition to Digital Cinema a practical reality for both exhibitors and the film studios.”

Bud Mayo
President and CEO
AccessIT

Digital Rollout Plan

About AccessIT
AccessIT offers a fully managed storage and electronic delivery service for owners and distributors of digital content to movie theaters and other venues. Supported by its robust platform of fail-safe Internet data centers, they are able to leverage the market-leading role of its Theatrical Distribution System (TDS) with innovative digital delivery capabilities and in-theatre software systems to provide the highest level of technology available to enable the emerging Digital Cinema industry to transition from film without changing workflows.

Newly Created Funding Vehicle Features Minimal Cost to Exhibitors
To facilitate the agreement, AccessIT formed a subsidiary, Christie/AIX, to act as a funding vehicle and administrator. Under the terms of the agreement, the new entity will provide funding for a turnkey Digital Cinema solution that includes the latest generation 2K resolution Digital Cinema projectors and all related hardware systems. AccessIT and interested third-party lenders will provide capital for the systems. Christie/AIX will serve as intermediary between content owners—including major studios and independent distributors, who will pay “virtual print fees”—and exhibitors, who will be responsible for installation costs, software license fees, and a 10-year maintenance contract, with a cost structure similar to conventional film maintenance.

Christie/AIX: A Digital Cinema Industry Milestone
Christie/AIX, contracting with Christie, will provide exhibitors with a full range of DCI-compliant hardware and software including the industry-leading Christie CP2000 DLP Cinema™ projectors, media players and central server equipment. This includes AccessIT’s vendor-agnostic library/central server software called Theatre Command Center (TCC). Christie will perform all field installation and support services. AccessIT will offer its digital delivery and content management services, under commercial terms, to customers of Christie/AIX who utilize the company’s fully managed, satellite-based content delivery services.

The Christie/AIX plan will be in effect through 2018. Key Hollywood studios have signed term sheets, and substantive agreements in principle have been established with national exhibitors for delivery of a large number of systems.

“Christie and AccessIT have laid the foundation—not only for a rollout to 2,500 screens, but for an innovative, flexible template and real-world solution for the entire industry to launch a Digital Cinema deployment to all 36,000 movie screens throughout the United States and Canada, using multiple vendor sources,” notes Bud Mayo, President and Chief Executive Officer of AccessIT.

Jack Kline, President/COO of Christie USA, added, “AccessIT continues to demonstrate its unique understanding of both the business and technical requirements of Digital Cinema. We share a unified vision of the future of digital entertainment. AccessIT’s unique capabilities, combined with Christie’s market-leading services and technologies, as well as our understanding of exhibition and long history in the industry, make us the natural choice to fulfill the long-anticipated promise of Digital Cinema.”

“It’s a significant step toward helping to revitalize the entertainment experience for millions of moviegoers in North America and around the world.”

Jack Kline
President and COO
Christie USA
The Walt Disney Studios’ distribution arm Buena Vista Pictures Distribution (BVPD) and Christie/AIX entered into a groundbreaking agreement to supply feature films from Walt Disney Pictures and Touchstone Pictures to DCI-compliant digital projection systems to be deployed by Christie/AIX. Christie/AIX will install Christie CP2000 DLP Cinema™ projectors throughout North America, which include DCI-compliant compression—the state of the art in moving image projection—which delivers the highest-quality image to the movie screen.

AccessIT's Christie/AIX unit serves as the funding vehicle and administrator for the Digital Cinema rollout plan and will also act as a financing intermediary between content owners—including major studios and independent distributors—and exhibitors who will utilize DCI-compliant Digital Cinema systems including 2K projectors and related hardware and software.

Disney—one of the most aggressive major Hollywood studios in backing Digital Cinema efforts

"We are thrilled that we have come to an agreement with Christie/AIX to supply content to their digital projection systems, and we will continue to support other deployment plans in order to ensure the future success of the exhibition industry," said Chuck Viane, president, BVPD. "DCI-compliant Digital Cinema rollouts will allow consumers to enjoy the highest quality cinema experience available while providing clear benefits to exhibition partners."

According to Bud Mayo, chairman and chief executive officer of AccessIT, "Disney has always been extremely forward-thinking in the Digital Cinema space, and in supporting this venture in particular. We expect this to be the first of several signings with studios in the next month or so, accompanied by agreements with exhibitors. The contribution of Christie to this and other contemplated signings cannot be overstated. As we expand the number of stakeholders in this groundbreaking venture, AccessIT is proud to be a key member on such an impressive team."

Plan Focuses on the Needs of Exhibitors

Jack Kline, president and COO, Christie, noted, "Exhibitors were one of our top priorities when we crafted the agreement. We wanted to ensure that maintenance costs remained similar to that of film projection while providing higher quality images. Disney, an innovator and leader in the art of entertainment, is an important part of the equation. By marrying their leadership with our understanding of the unique needs of the exhibition community, moviegoers everywhere will be the big winners, enjoying the spectacular visual experience of Digital Cinema technology that is unmatched by anything they have ever seen before."

Chuck Goldwater, president and COO of Christie/AIX added, "The Disney contract is the first of several announcements concerning our rollout plan that we expect to make in the weeks ahead. It re-affirms our confidence that the plan is viable, practical and workable for all industry participants. We are encouraged and grateful for the growing support from the studios and from exhibitors, which will enable AccessIT to continue to help drive the industry's transition to the digital future."

Digital Cinema Promises Audiences Additional Forms of Entertainment

Recently, in an unprecedented move, Disney led the film industry by introducing Disney Digital 3D™, using Christie DLP Cinema™ projectors and Dolby servers. Audiences will enjoy this true three-dimensional digital experience in movie theatres as of November 4, 2005, with the highly anticipated release of the Walt Disney animated film Chicken Little. (see article on page 5 "Dolby Labs Chooses Christie CP2K...")

"We couldn't be more pleased with the top-of-the-line performance of Christie projectors and look forward to seeing our films presented in the highest digital viewing quality available."

Chuck Viane
President
Buena Vista Pictures Distribution
Golden Screen Cinemas (GSC) Sdn Bhd, operates the largest circuit in Malaysia, with a total of 108 screens in 18 locations, in prime sites in major cities and towns. Their newly constructed (RM240 million) 13-screen, 10,000 square foot multiplex in One Utama Shopping Centre, Petaling Jaya, selected Christie CineX35 film projectors and the full Christie Entertainment Solution for their most recent theatre addition.

Dedicated to the screening of non-mainstream, art house and foreign language films, all theatres are equipped with state-of-the-art facilities including International Screens, a 30-seat Gold Class auditorium, increased leg room and THX halls. Offering the latest in movie theatre innovations, the GSC One Utama Cinema accommodates over 2100 patrons, and features a café and retail store as part of the complex.

Christie 35mm Film Systems: The brand of choice

In order to provide an enriching cinematic environment, the theatre installed a complete Christie film solution using the new Christie CineX35 gearless projectors because of its smooth, quiet and long-lasting performance capabilities. In addition, Christie’s simplified design, which allows long-term, trouble-free operation and easy installation, were important factors in their decision.

Prior to the 13-screen installation in Petaling Jaya, Christie previously provided a full display solution for GSC Gurney Plaza Cinema, the largest multiplex in Penang.

“We were very pleased to collaborate with GSC for the second time. As the leader in cinema exhibition in Malaysia, GSC is always at the forefront of technology and therefore, they have selected our latest CineX35 film projectors for use in their One Utama Cinema multiplex,” comments Christie Lim, Regional Sales Manager, Christie.

Malaysia remains a very big cinema market in Asia due to its large movie-going audience. The affluent audience now demands high quality cinematic experiences. Together, GSC and Christie 35mm film projection systems have provided the finest screen presentation.

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**Christie Completes First CineX35 Installation in Asia**

GSC’s 13-screen multiplex in Malaysia is first of its kind

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Christie Projectors Showcase Festival Films and Support Filmmakers

Christie continues its tradition of introducing new technologies and products to both veteran and up-and-coming filmmakers, by giving them access to professional equipment and high-end digital projectors. Below highlights some of the festivals that Christie provided state-of-the-art projection systems to help filmmakers present their films in the best light.

32nd Telluride Film Festival (TFF)
On Labor Day weekend passionate film enthusiasts flood the tiny mountain village of Telluride, Colorado for four days of total cinematic immersion. The TFF pays tributes to luminaries who’ve pushed the medium forward, and features filmmakers who have devoted their careers to bringing innovative and entertaining cinema to the screen.

Christie projectors, in six different venues, were part of the public screenings of cinema from all around the world. A total of six Christie DLP™ and LCD projectors were utilized, featuring the Christie Roadster S+12K to showcase the outdoor open air cinema. Two Christie LX65 projectors, providing 6500 ANSI lumens, projected bright, realistic images. The 500-seat Galaxy theatre and the Abel Gance Open Air cinema used two Christie Roadster S+12K projectors—selected for its SXGA+ resolution and DLP™ technology—delivered stunning, crisp images on screen with perfect color saturation.

30th Toronto International Film Festival (TIFF)
Since its inception, TIFF has grown into one of the most successful events of its kind. From September 8-17, the Festival debuted more than 300 titles, and brought together an exceptional diversity of local, national and international films.

Enthusiastic audiences in Malaysia come to GSC theatres, the biggest entity in the Malaysian cinema entertainment business, to enjoy new film releases.

The Christie CineX35 film system delivers Class A image resolution with greatly improved film transport stability using dual lateral guide rollers in the trap and gate.
Dolby Labs Chooses Christie 2K Digital Cinema Projectors
Installation Planned For Over 50 Select Theatres In The U.S.

Another major leap forward in the installation of Digital Cinema

Dolby Laboratories selected the Christie CP2000 2K resolution DLP Cinema™ projectors to run alongside Dolby® Digital Cinema servers, for installation in more than 50 specially selected high profile theatres in the U.S. market. The popular Christie 2K projectors continue its significant inroads into theatres nationwide, as well as around the world.

As part of the arrangement, Christie will also install the projectors and provide Christie Managed Services solutions, which include a complete range of technical services and support.

“We are very pleased to be working with Christie in this important rollout of Digital Cinema, which offers a new level of excitement for movie-going audiences everywhere. Christie's products and services are always of the highest quality,” says Tim Partridge, Senior Vice President and General Manager, Professional Division, Dolby.

Christie projectors will enhance the movie-going experience by bringing more light to screens for brighter and clearer images

The Christie 2K projector, capable of delivering both 2D and 3D content, is recognized as the industry’s brightest, highest resolution Digital Cinema projector—critical factors in the presentation of 3D, which uses a single projector system and therefore requires maximum image brightness for optimal viewing. The Christie Digital Cinema projector achieves this through its proprietary Xenolite® short-arc illumination system.

“Projecting the full range of Digital Cinema content, including the latest generation of 3D images on large movie screens is all about light – the more light, the better. Christie has always recognized this crucial factor, which is why our projectors are acknowledged worldwide as the brightest, most reliable on the market,” notes Craig Sholder, Vice President of Christie’s Entertainment Solutions group.

The Christie CP2000 projector was also recently chosen to introduce the latest generation of 3D technology at Cinema Expo, Amsterdam; the Large Format Cinema Association Conference (LFCA) and Film Festival in Los Angeles; and ShoWest in Las Vegas.

As momentum builds for the implementation of Digital Cinema, the differentiating factors for Christie are its broad range of experience spanning more than 75 years and its solid commitment to meeting the needs of its partners in the exhibition community.”
Christie Projects To Showcase Pre-Show Entertainment Across Cinemark’s North American Circuit

Christie is Cinemark’s Exclusive Projector Partner, Reaching Over 107 Million Patrons in the U.S.

Christie entered into an exclusive contract with Cinemark USA, Inc.—a leader in theatre exhibition, operating 304 theatres in the US and internationally in 13 countries—to outfit the majority of its nearly 2,400 screens in the US with Christie LCD projectors. The Christie projectors will be used for Cinemark’s digital pre-show that will be shown prior to the “coming soon” trailers and feature presentations.

The pre-show content will be provided by National CineMedia L.L.C., owned jointly by AMC Entertainment, Inc., Regal Entertainment Group and Cinemark. Installation of the projectors, begun in August 2005, is scheduled to be up and running in January ’06.

Cinemark chose Christie’s highest performing wide-screen projectors, the LW25 and the LW40, considered among the world’s brightest native 16:9 projectors. The contract also calls for Cinemark to purchase Christie’s projector networking technology, ChristieNET™, with every projector. ChristieNET, a hardware and software solution, enables each projector to be IP addressable via a WAN and remotely monitored and controlled from a network operations center.

Tapping Into A Rapidly Expanding Market

According to the Cinema Advertising Council, pre-show entertainment continues to be the cinema category growth leader, posting record revenues of nearly half a billion dollars in 2004. With the deal, Christie further solidifies its success in the exhibition industry, providing projection systems to some of the largest in-theater networks in the world.

“We chose Christie projection solutions because of their power, reliability and versatility that have made them the industry performance standard,” said Cinemark president, Alan Stock. “Christie also brings an exceptionally strong relationship with exhibitors that spans over 75 years. As a result, we know they offer value for today, but also for tomorrow, an important consideration as exhibitors convert to new technologies.”

“Exhibitors have come to trust Christie as the most experienced provider of projection technology, often standardizing on Christie projection and networking solutions to guarantee the utmost compatibility and upgrade-ability,” remarked Vice President of Christie’s Entertainment Solutions group, Craig Sholder.

As one of the top movie theatre operators in the U.S., Cinemark’s primary focus has always been to give its customers a fun and exciting movie-going experience.

Cinemark to outfit theatres with wide-screen Christie LW25 and Christie LW40 projectors to allow for images to fill the entire screen.
Considered one of the nation’s most luxurious, high-tech theatres
A combination film multiplex, gourmet restaurant, wine bar and art gallery, Cinetopia is the dream-come-true of Rudyard Coltman, a Portland, Oregon attorney, and film aficionado, who previously operated traditional movie theatres. In August, local media reviewed the opening of the Cinetopia entertainment complex and wrote that it was “the most luxurious, technologically advanced and astounding theatre in the area, the region, maybe even the country.”

Luring Audiences with a $10 Million Investment
The 3-acre, eight-screen complex features a high-end, posh restaurant, where guests are served a menu of small plates with a great variety of offerings from sashimi to traditional tapas. Patrons can order their food to eat in the theatres, or can dine indoors around a fireplace, a private room, or even on an outdoor tropical garden. For the Wine Cellar Tasting Room, Cinetopia invested in a fully automated wine serving system that makes it possible for more than 100 bottles of wine, from around the world, to be opened and remain fresh for up to three months.

Creating Ideal Viewing Spaces
The eight auditoriums, built to Coltman’s exacting specifications—from one just under 300 capacity, two with 180 seats and two with 100 seats each, and three “Living Room Theaters” that seat 65 patrons each—was conceived as an amazing theatre complex. “My vision was a grand and imaginative approach based on art and absolute 21st century, top-notch technology in projection and sound,” noted Coltman. He worked with Scott Hicks, president of American Cinema Equipment, Inc. (ACE), who handled the selection and installation of the equipment. “I had total confidence in Scott’s decisions, and we did field research, looking at other luxury complexes. Wherever I found theatres with the best images on screen, it happened to be a Christie projector,” said Coltman.

Equipment that Focuses on Exhibitor Expectations
Christie 35mm film projectors were chosen for all eight auditoriums. “We are impressed with their really fine presentation and how bright, sharp and stable the images are on screen,” comments Hicks. The installation also included Christie SLC Consoles with Christie Xenolite™ lamps, and Christie Autowind™ AW3R film handling systems. “I wanted relatively maintenance-free and easy-to-use equipment, and Christie projection systems provides that for us,” Coltman added.
Christie’s Leading Market Share in Pre-Show Entertainment Installs and Technology Services in North America

Technology has helped to spur the growth of the cinema advertising industry, as well as live and recorded pre-feature entertainment content. And Christie high performing projectors, networking technology and monitoring solutions have made it possible for exhibitors to tap into this rapidly expanding market that offers a valuable source of revenue. As pre-shows become more consumer focused, and content is transformed to engage the patrons with higher standards of creativity, this burgeoning marketing trend will be able to deliver the high-quality entertainment experience movie-goers expect.

The chart on the left is a quick overview of North American installations of Christie digital projectors and plasma displays (lobbies and concessions), ChristieNET™ CCMs for connectivity, and ChristieNET Network Management Software, that provide a deeper level of monitoring and control from anywhere in the world.

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**CHRISTIE DIGITAL CINEMA WORLDWIDE: 323**

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<thead>
<tr>
<th>Region</th>
<th>Total Number of Installations</th>
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<td>North America</td>
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<tr>
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<tr>
<td>Latin America</td>
<td>14</td>
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*Includes: Cinemas, screening rooms, post-production facilities, specialty theatres and labs.

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