

Digital Cinema Issues in 2006

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Digital Cinema: Macro & Micro

- Macro issues
 - Market forces prevalent today
 - Fast vs Right
 - NATO DC System Requirements
 - Interoperability & Certification
- Micro issues
 - Exhibitor handholding
 - Network security
 - System availability

Market Forces

Pushing Back

- ✓ No ROI for exhibition
- ✓ 4K projection technology not ready
- ✓ Invest in new technology, new skills

Pushing Ahead

- ✓ Virtual print fee subsidy available NOW
- ✓ 2K projector technology is mature
- ✓ Technical support industry is growing

System Installations

- Beta systems
 - Cautious approach
 - Building supply-chain logistics
 - Minimize risk of upgrade liability
- Fast to market
 - Driving the market
 - Ahead of competition
 - Balance upgrade exposure with benefit of market share

NATO DC System Requirements

- POS driven systems
 - Show Schedules
 - Show Playlist
- Facility List
- Movement of Shows
- Network security
- SOX compliance

Interoperability

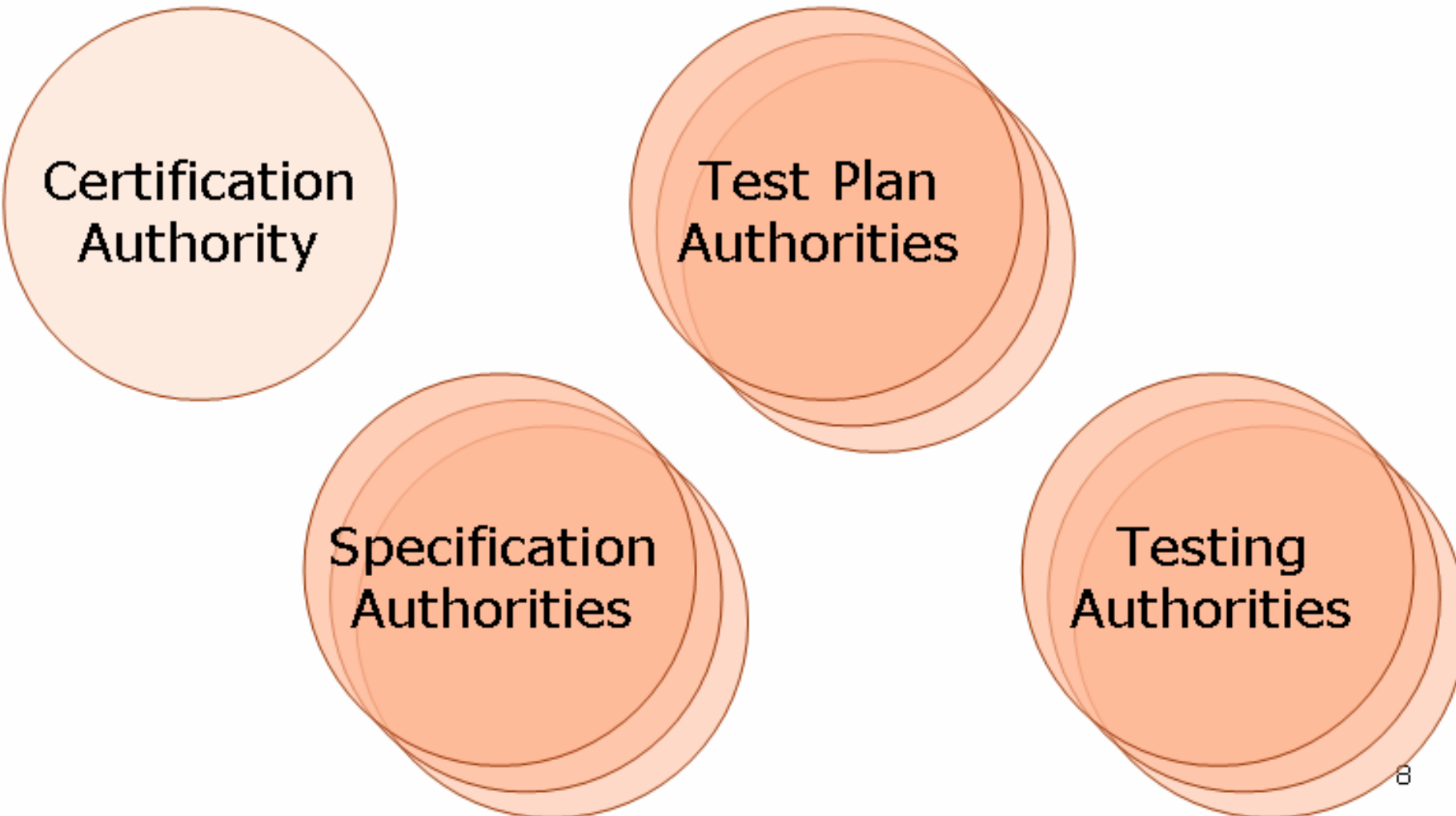
- Desired organization
 - Open to studios, exhibitors, and manufacturers
 - Technology staging
 - Field coordination
 - Antitrust expertise

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Why Certification?

- Support manufacturer R&D
- Build confidence in the marketplace
- Prevent fragmentation of technology standards
 - International
 - Post-subsidy

Certification Program



Certification
Authority

Test Plan
Authorities

Specification
Authorities

Testing
Authorities

Micro issues

- Exhibitor handholding
- Network security
- Availability
 - Film: 99.98%
 - Digital: ?

Thank you

more information on digital cinema at
<http://mkpe.com>