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DCI MEMBER STUDIOS UNANIMOUSLY APPROVE PURSUIT OF DELIVERY SYSTEM ARCHITECTURE FOR DIGITAL CINEMA TO ACCOMMODATE BOTH 4K AND 2K PROJECTORS

Hollywood, CA (November 12, 2003) - Digital Cinema Initiatives, LLC (DCI) announced today a major step forward in the planning efforts toward the launch of digital cinema with the release of DCI Technical Specifications Version 3.0. At the same time DCI also announced the commencement of the next vital testing phase of the digital cinema work incorporating the revisions contained in Version 3.0.

By a unanimous vote, all seven DCI Member Studios approved pursuit of a hierarchical architecture approach for digital cinema, which defines a 4K (4096 by 2160) delivery system that will be compatible with both 4K projectors expected to be available in the near future and with 2K projectors available today. DCI is continuing to encourage manufacturers to develop 4K projectors and related technology for DCI testing and evaluation.

This next phase of DCI's testing program will undertake review of a variety of hierarchical compression techniques and systems capable of both 4K- and 2K-image delivery.

"This new direction for DCI's testing program is an important step toward providing a common specification that can be embraced by all the studios," said Chuck Goldwater, CEO of DCI. "With this step forward we are still on track to deliver a final draft version of the DCI Technical Specifications in the spring of 2004."

John Fithian, President of the National Association of Theatre Owners (NATO), added his organization's support for this development. "NATO and its members are pleased that DCI's Version 3.0 provides for backwards compatibility while accommodating both 2K and 4K capabilities," said Fithian. "NATO continues to support the development of technical specifications and standards that enable digital cinema systems to operate in a compatible and interoperable environment."

Last year, DCI engaged the Digital Cinema Laboratory, a project of the Entertainment Technology Center at USC (ETC), to be the facility and test bed where DCI evaluates the prescribed specification. The ETC is part of USC's renowned School of Cinema-Television. DCI will finish installing in the Lab projectors and servers for testing by the end of November.

"With this announcement, today, DCI has taken a significant step forward in the development of digital cinema," said Charles S. Swartz, executive director/CEO of the ETC. "The Lab was created specially for high-level testing and evaluation of digital cinema systems and it will play a critical role in the coming months."

The American Society of Cinematographers (ASC) through its Technology Committee and its chairman, Curtis Clarke, cooperated and co-produced a short film project with DCI over the summer to create a suite of test material for use by DCI and for evaluating digital cinema systems as well as other new distribution systems. DCI will make this standardized test material available to organizations and companies for use in their various testing programs, which they can do by contacting DCI to obtain a copy. "We applaud DCI's commitment to setting the highest possible standards for the future of the cinema," says ASC President Richard Crudo. "Some of our most illustrious members contributed to designing and producing a mini-movie that will enable the industry to better evaluate the technical performance of digital cinema systems, and also judge their capacity for retaining nuances in the original images which are designed to evoke emotional responses. This type of material for standardized evaluations has been needed by the industry for many years. We believe the DCI Digital Cinema effort is a forward-looking venture, which is headed down the right path to meeting the needs of the worldwide creative community."

Details of DCI's hierarchical architecture approach to digital cinema can be obtained in the DCI Technical Specifications by contacting Walt Ordway, DCI's Chief Technology Officer.

Digital Cinema Initiatives, LLC (DCI) was created in March 2002, as a joint venture of Disney, Fox, MGM, Paramount, Sony Pictures Entertainment, Universal and Warner Bros. Studios. DCI's primary purpose is to establish and document voluntary specifications for an open architecture for digital cinema that ensures a uniform and high level of technical performance, reliability and quality control. DCI will also facilitate the development of business plans and strategies to help spur deployment of digital cinema systems in movies theatres.

For further information, contact:

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ABOUT DCI

Digital Cinema Initiatives, LLC (DCI) is a limited liability company whose members include Disney, Fox, MGM, Paramount, Sony Pictures Entertainment, Universal and Warner Bros. Studios. The venture was formed in March 2002. The purpose of DCI is to establish and document specifications for an open architecture for Digital Cinema components that ensures a uniform and high level of technical performance, reliability and quality control.

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