



MEDIA SALLES
DIGITRAINING PLUS

« XDC business proposal
update »

BERNARD COLLARD, General Manager XDC Int'l.

Kuurne, April 2006.



EVS GROUP

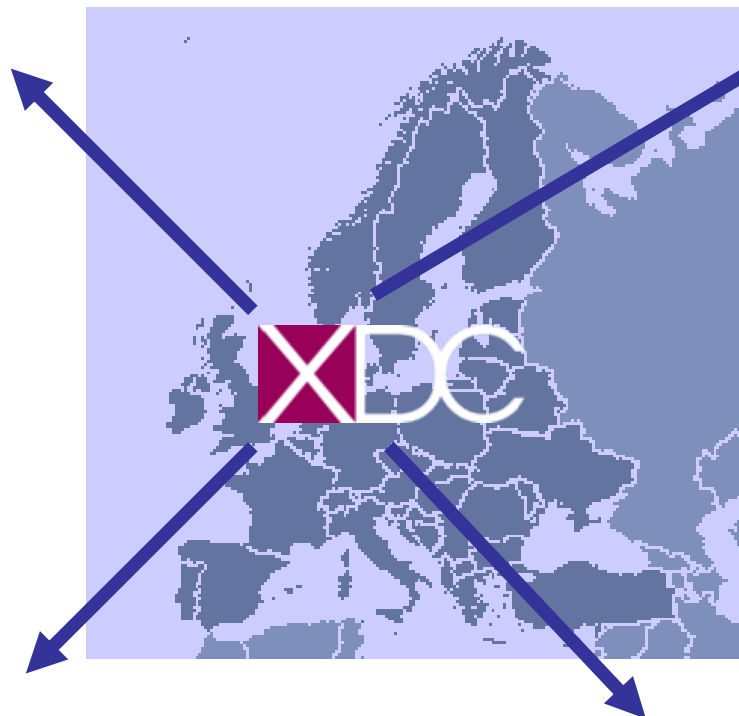
*Your trusted partner in
digital cinema!*

XDC – Year 1- 2005



THE FIRST PAN-EUROPEAN ...

... PRIVATE
INITIATIVE AS A
TURNKEY
SOLUTION FOR THE
CINEMA INDUSTRY



... DIGITAL
CINEMA
OPERATIONAL
NETWORK

... LOGISTICS PROVIDER
FOR DIGITAL CINEMA

... SERVICE PROVIDER
FOR DIGITAL CINEMA

BUSINESS MODEL

Supported by three revenue streams

- Capital raised by XDC
- Monthly rental contribution from exhibitors
- Services and logistics for content providers

→ Initiate and develop over the next 5 years!

XDC TODAY



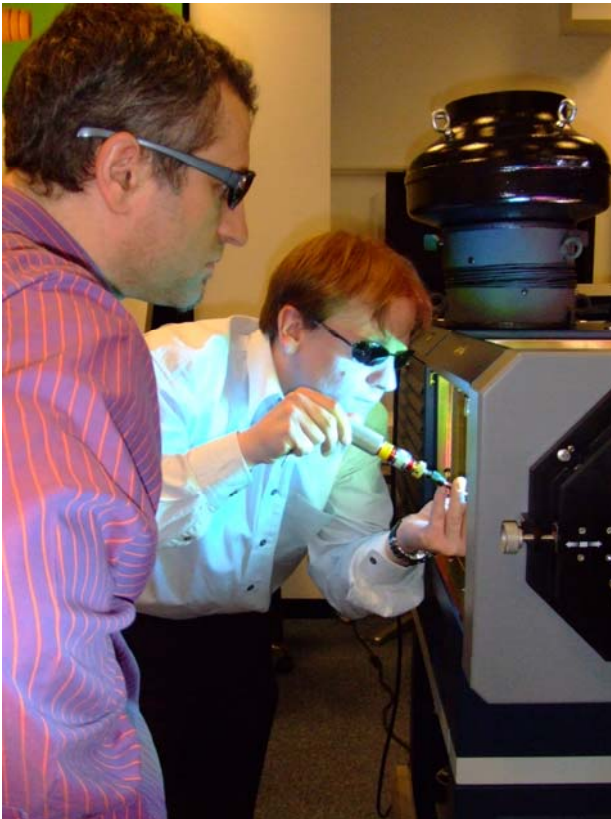
XDC TODAY



XDC PREMISES - 1,000 sq. meters



THE SUPPORT FACILITY



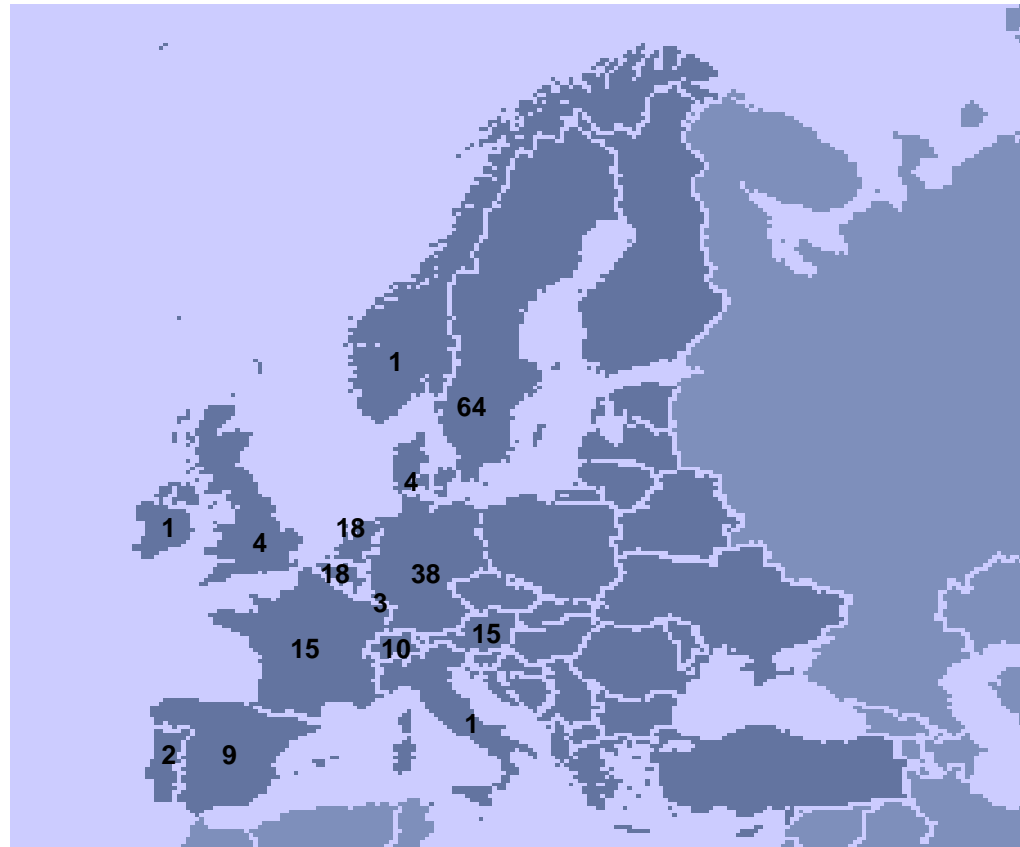
XDC TODAY



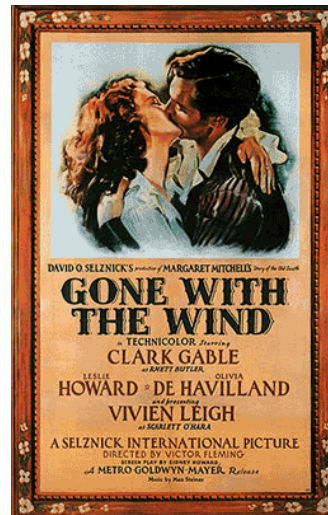
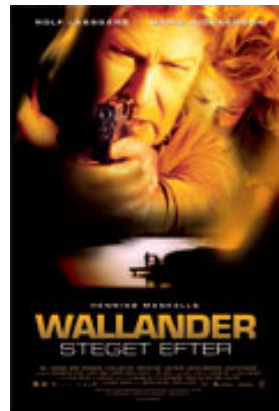
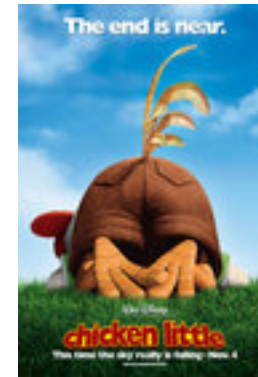
XDC TODAY

203
screens
Europe

162 XDC
41 EVS



XDC TODAY



MOVIES PROCESSED BY XDC IN 2005

68 Titles

* 29 Hollywood films

* 39 European films

Date	Release Title	Country	Distributor
01/2005	Dans les champs de bataille	France	Memento Films
01/2005	Saraband	Sweden	Sveriges Television
01/2005	Innan frosten	Sweden	Svensk Filmindustri
01/2005	Vinnare och förlorare	Sweden	Sonet Film
02/2005	Les gens honnêtes vivent en France	France	Challenge Films
02/2005	Pollux – La manège enchanté	France	Pathé Films
02/2005	Constantine	U.S.A	Warner Bros. Pictures Distributing
02/2005	Sandor/slash/Ida	Sweden	Sandrew Metronome
02/2005	Kocken	Sweden	Sonet Film
03/2005	Robots	U.S.A.	Twentieth Century Fox Film Corp
03/2005	Som man bäddar...	Sweden	Sony Pictures
04/2005	Sin City	U.S.A.	Miramax - RCV

“END TO END” SOLUTION

NO CAPITAL INVESTMENT

FULL PACKAGE for the exhibitor :

- » Server
- » Projector
- » Upgrade
- » Maintenance

TECHNOLOGY ROAD MAP – TODAY

- Full MXF/MPEG2 Ingest by XDC Mastering station
- Full MXF/MPEG2 Ingest and play-back at site level
- JPEG2000 Ingest and play-back at site level



DIGITAL CINEMA STANDARDIZATION AND XDC TECHNOLOGY ROAD MAP

- XDC fully embraces its clients' endeavours to comply with all the major bodies' recommendations like DCI and with the future standard prepared by the SMPTE.
- ➔ The ambition is obviously to get to one single standard as soon as possible for everybody.
- ➔ XDC's current solution (and many others) are today field tested. Our systems are operationally sound and offer our customers a clear and almost cost neutral migration path via the interim MPEG-2/MXF and JPEG 2000 solutions to full "DCI Compliance and interoperability specifications".
- ➔ As mentioned by the Fraunhofer Institute (mandated by DCI to write compliance test procedure) and by the SMPTE (which will write the standard) , there's still some work to be done but 2007 looks like a reasonable target.

CINESTORE™ SOLO G3 – MPEG2/JPEG2000

- To allow exhibitors to play back JPEG 2000 – encoded content while fulfilling the current need to present movies and alternative content in the MPEG format
- To present alternative content, such as pre-recorded concerts and sporting events, pre-show advertising, and more from the same system
- New system enabled for JPEG 2000 will meet the recommendations of DCI
- 3D Compatible

Available in 2007

DISTRIBUTOR PROPOSAL

SERVER PROVISIONING CHARGE (SPC)

6,60 €/min

incl. mastering/encoding & anti-copyright theft encryption key

Sliding scale acc. to number of copies

For ex. : 525 €/each for 20 copies of 90 min !!

DEPOSIT FOR DIGITAL MEDIA

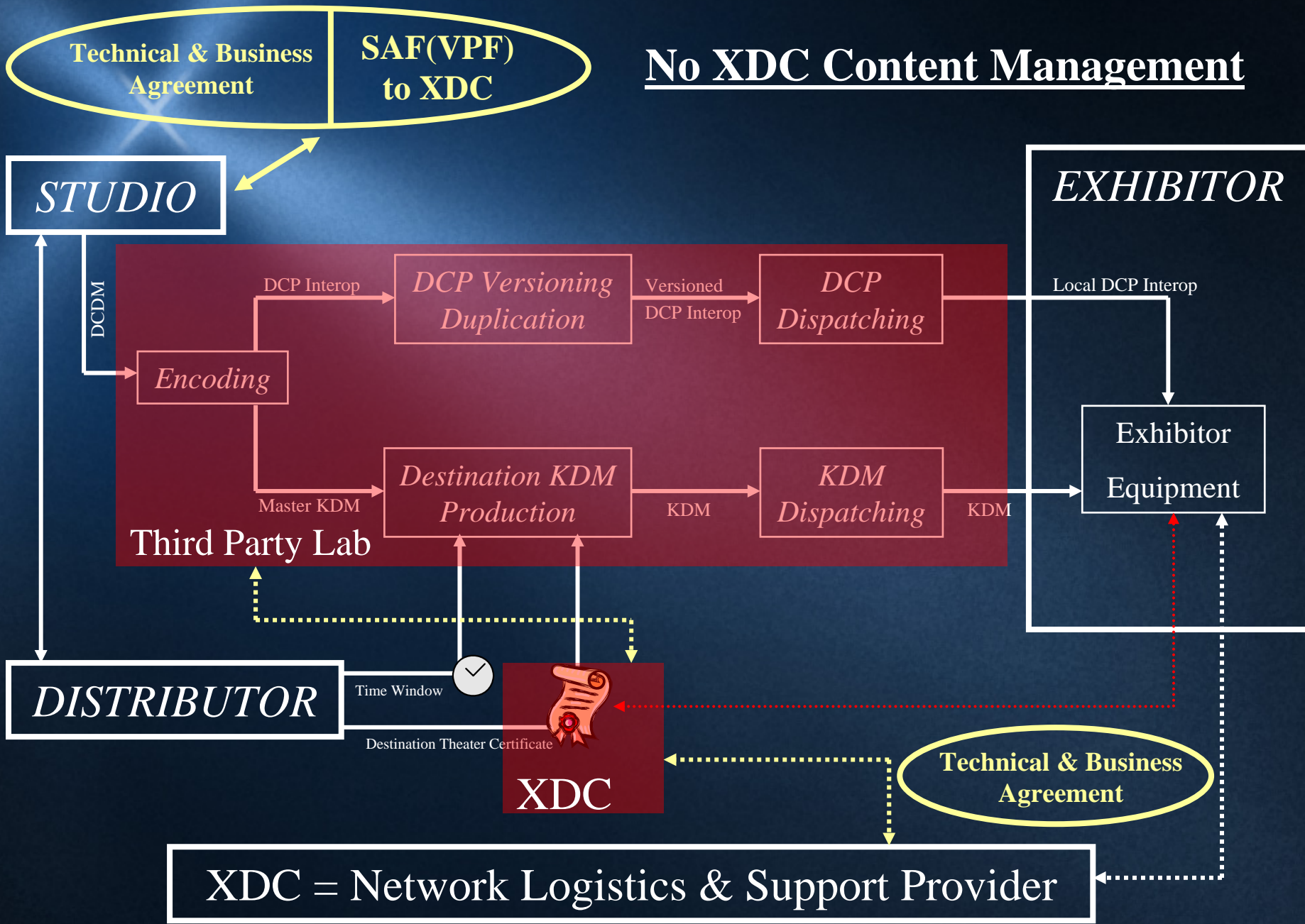
MOVIE LENGTH (min)	DEPOSIT (media charge)
< 120	€150
120 - 150	€200
> 150	€250



**Media charge
is credited for
each hard disk
returned to
XDC**

Number of copies	1 to 5	20	40	60	100	500	1000
Price per minute	€6.60	€5.83	€5.26	€5.06	€5.00	€4.74	€4.55
Duration in minutes							
90	€594	€525	€473	€455	€450	€427	€409
100	€660	€583	€526	€506	€500	€474	€455
110	€726	€641	€579	€557	€550	€521	€500
120	€792	€700	€631	€607	€600	€569	€546
130	€858	€758	€684	€658	€650	€616	€591
140	€924	€816	€736	€708	€700	€664	€637
150	€990	€874	€789	€759	€750	€711	€682
160	€1,056	€933	€842	€810	€800	€758	€728
170	€1,122	€991	€894	€860	€850	€806	€773
180	€1,188	€1,049	€947	€911	€900	€853	€819

No XDC Content Management



EXHIBITOR PROPOSAL

FULL EQUIPMENT PACKAGE

- D-Cinema server
- Projector
- Installation
- Server upgrade
- Maintenance

CineStore®



doremi
cinema



DLP
CINEMA
A TEXAS INSTRUMENTS TECHNOLOGY



TAILORED MONTHLY COST

Modest rental charge for the equipment

... After 5 years, **option to buy the equipment**

for the residual value...

3 PROPOSALS ...

CAT A : DLP™ PROJECTOR

6/7.000 Lm for screens up to 9m width

- D-Cinema play-back server
- Installation & training on site
- Maintenance
- Service: hot line 7/7

Price: 500 €ex VAT/month

Total value equipment & services: ~70.000 €

CAT C : DLP Cinema™ 2 K Projector

Low Power

12,000 Lm for screens up to 15m width

- D-Cinema play-back server
- Installation & training on site
- Maintenance
- Service: hot line 7/7

Price: 900 €ex VAT/month

Total value equipment & services: ~95,000 €

CAT D : DLP Cinema™ 2 K Projector

High Power

Min 12,000 Lm for screens up to 23m width

- D-Cinema play-back server
- Installation & training on site
- Maintenance
- Service: hot line 7/7

Price: 1,000 €ex VAT/month

Total value equipment & services: ~105,000 €

OPTION : XDC JPEG 2000 SOLUTION (Doremi DCP2000 Server)

- 1 year rental contract, possible extension if needed
- Spring 2007: XDC Solo G3 Hybrid Server (estimated time for DCI Compliant & Interoperable JPEG 2000 format fully tested and certified by all international bodies). Hence, XDC will swap both XDC Solo G2 Server and XDC JPEG 2000 Solution for the new DCI Compliant XDC Solo G3 Hybrid Server. Rental contract shall be terminated.
- XDC JPEG 2000 Solution is installed alongside the XDC Solo G2 Server. Both equipments are connected to the same projector. A switching function is provided to screen either MPEG2 or JPEG 2000 content.

Rental Price: 200 € ex VAT/month

doremi
cinema



EXHIBITOR'S DUTIES

- Provide independent analogue phone line for modem connection
- Insurance costs
- Annual contract agreement extended every year
- 3 months notice

NOTE: free use of the projector for pre-show, advertising, "live" programmes and ODS

ROLL OUT

- 200+ screens operational end 2005
- Launch of **XDC France** January 2006
- Launch of **XDC Deutschland** March 2006
- Focus on **10 countries** : Belgium, The Netherlands, Luxembourg, Germany, Switzerland, Austria, Spain, Italy, France and Sweden
- Target: **500-600 screens by 2007**