

The XDC Digital Cinema Proposition



FESTIVAL DE CANNES
Official Partner



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XDC

Media Salles

DigiTraining 2008

London

Bernard Collard – Executive Vice President – General Manager

Fabrice Testa – Vice President Sales & Business Development

Friday April 11th, 2008

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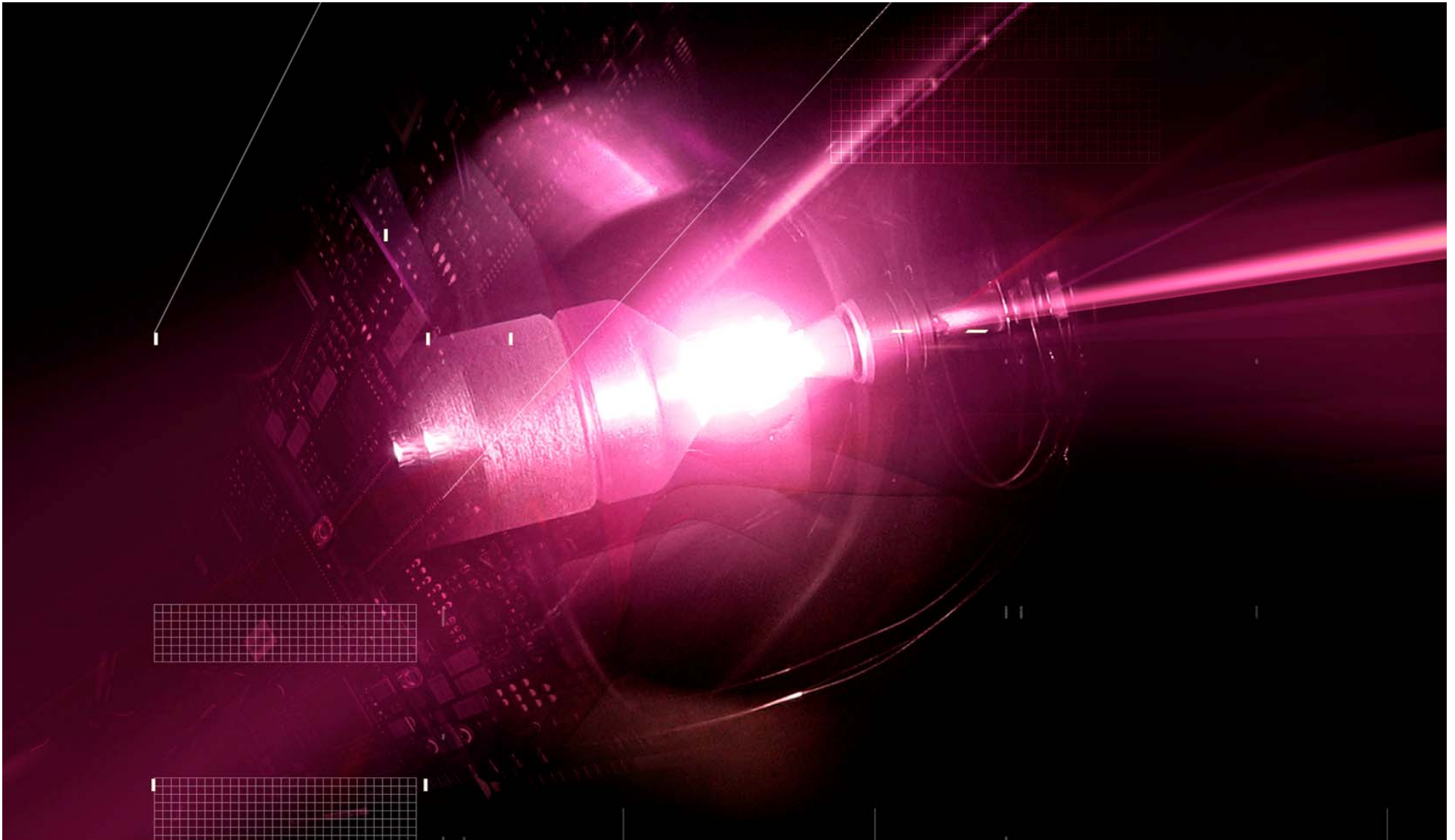


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XDC Overview



About XDC

Main shareholder



Worldwide leader in
instant tapeless technology

Market capitalization: €1 billion (1,000,000,000)



Creation of EVS Digital Cinema in 2000

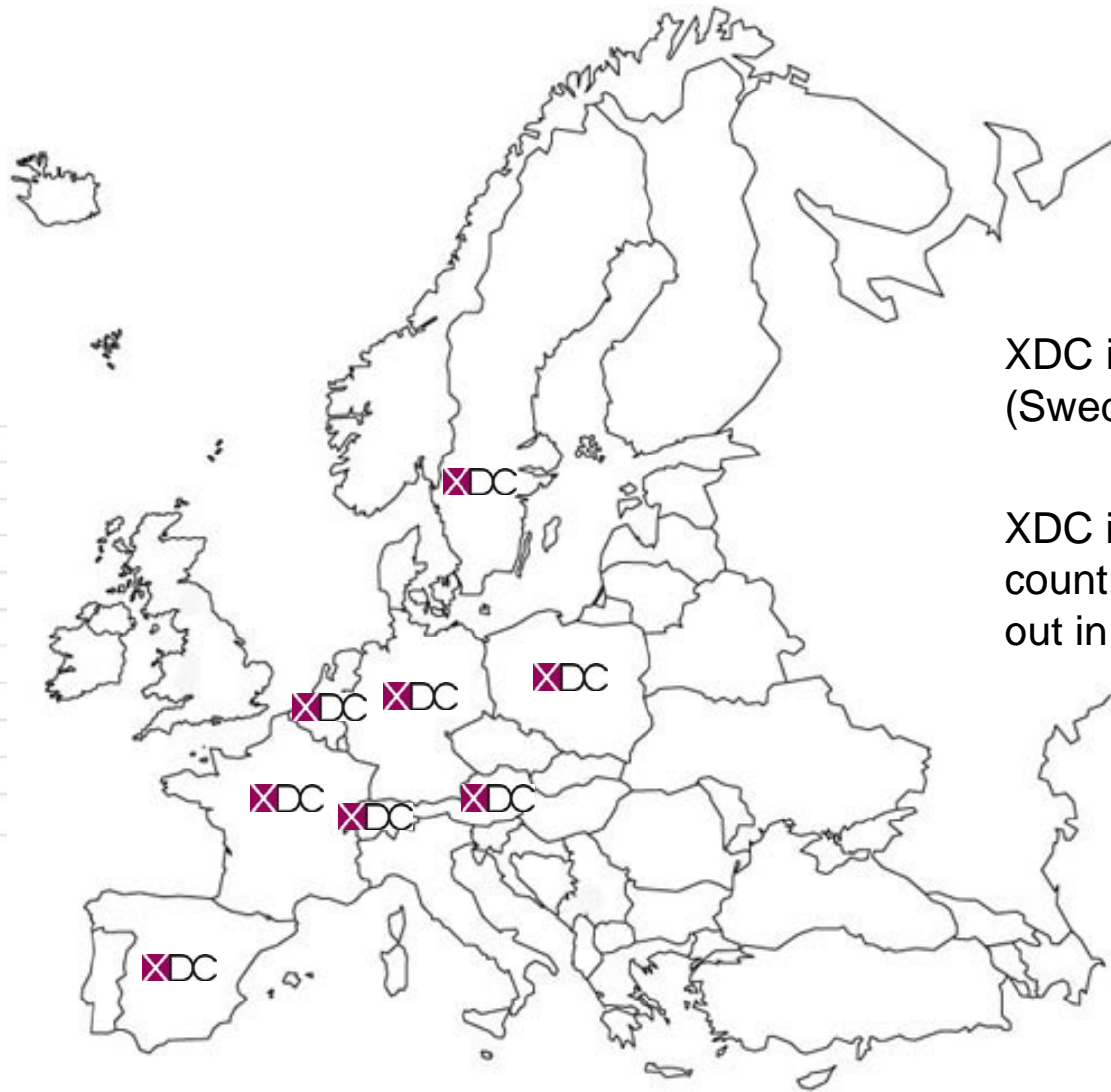


Creation of XDC in 2004

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XDC Today



XDC is spread on over 6,000 kms from North (Sweden) to South (Spain) of Europe

XDC is servicing over 350 screens in 10 countries and is the largest operational roll out in continental Europe

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Activities

- **Deploying Operations**
 - Equipment Financing
 - Equipment Supply
 - Installation & Training
 - Hotline – Support & Maintenance
- **Digital Content Lab**
 - Encoding & Encryption
 - Versioning & Subtitling
 - DCP Duplication, Delivery & Logistical Services
 - Key Management
 - Archiving
 - NOC Services
- **CineStore Systems**
 - Solo G3 - Hybrid JPEG2000/MPEG2 Server
 - Plaza - Theatre Management System
 - Data - Network Operations Centre
- **Alternative Content Entertainment**



CineStore®

DDCINEMA

Resources

- 50 employees
- Highly skilled staff of engineers specialized in digital cinema



- Multilingual Support Team



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Facilities

- Advanced Production Unit for CineStore Systems



- European Test Lab (incl. 3D)



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Logistical Centre

- European Warehouse for Equipment & Spare Parts



- TNT European Logistical Hub located at 15min drive from XDC



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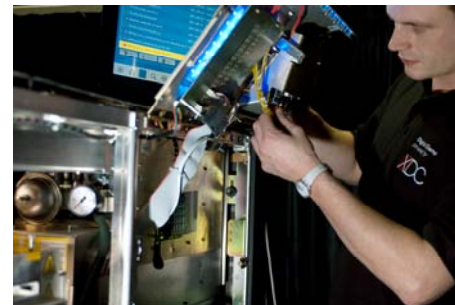


Network Operations Centre

- Helpdesk & Online Monitoring Support



- Support Team (Installation, Training, Maintenance, Call Out)



**Available
7/7 – 24h/24**

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Digital Content Lab

- Mastering Unit



- Quality Control Room



- Duplication, Delivery & Key Management

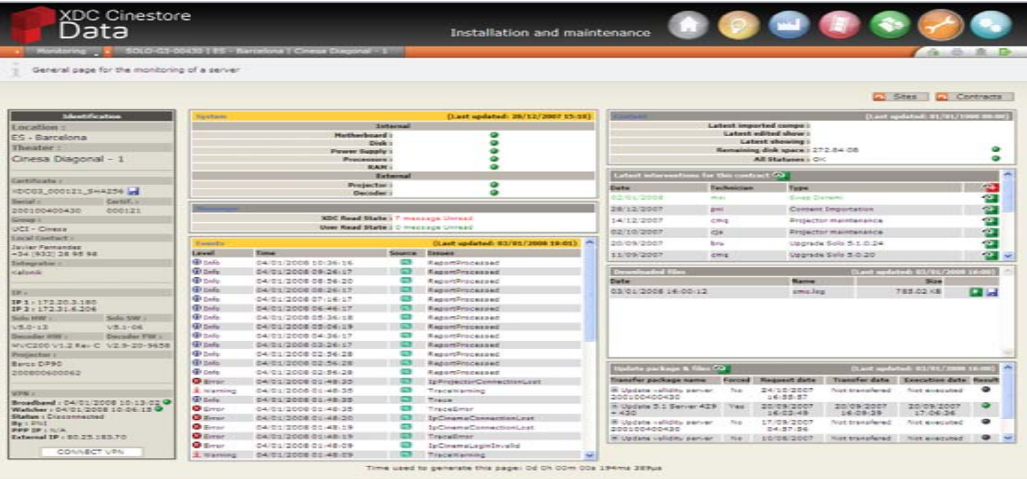


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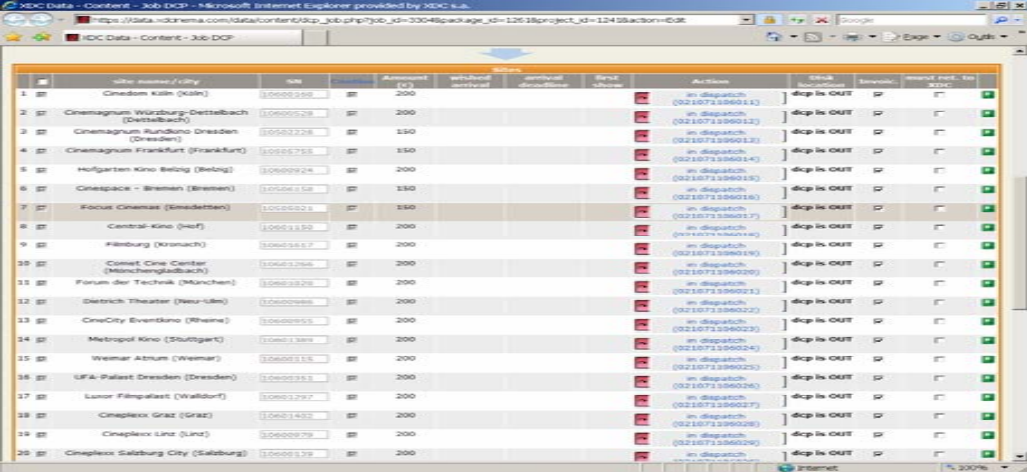


Data Infrastructure

- Online Monitoring Support



- Content Operations



Extranet Services
for exhibitors
& distributors



References

- **Producers, filmmakers and distributors**
 - Majors
 - Independent

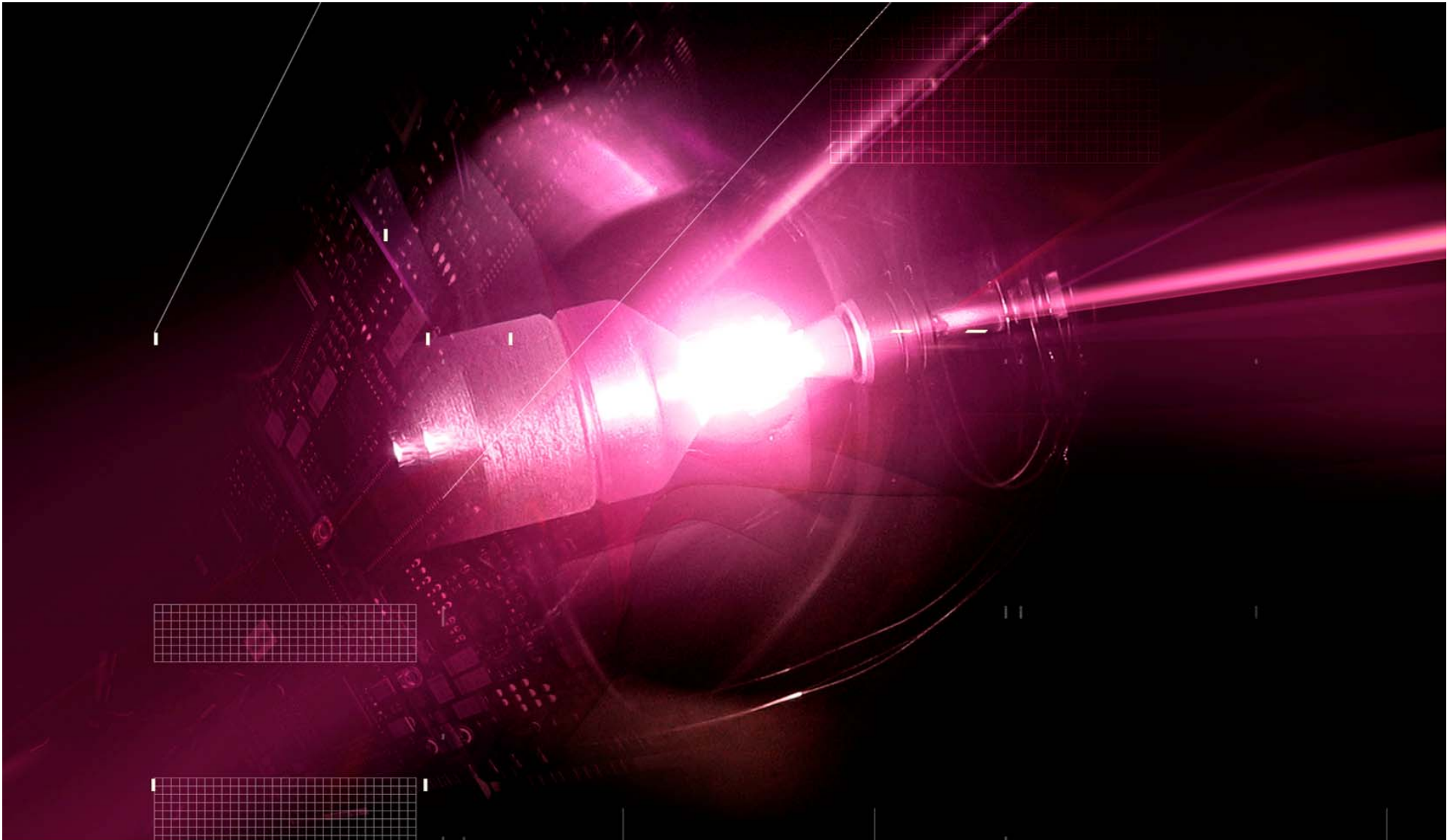


- **Exhibitors**
 - Large cinema chains
 - Independent medium cinemas



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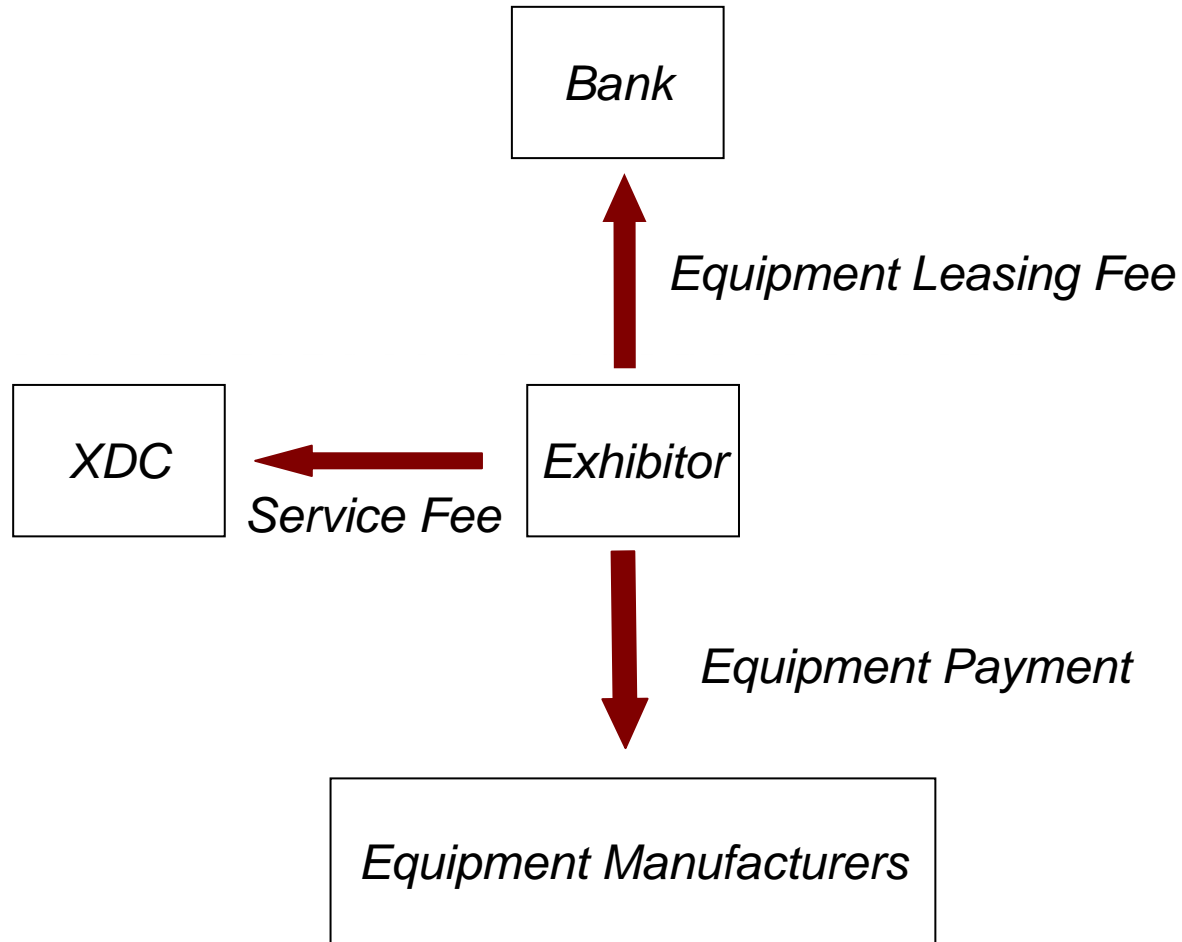




The XDC Business Proposals



XDC Service Proposal



Advantages

Exhibitor has a complete freedom

No third party to take a margin

Disadvantages

Time consuming to negotiate with equipment providers

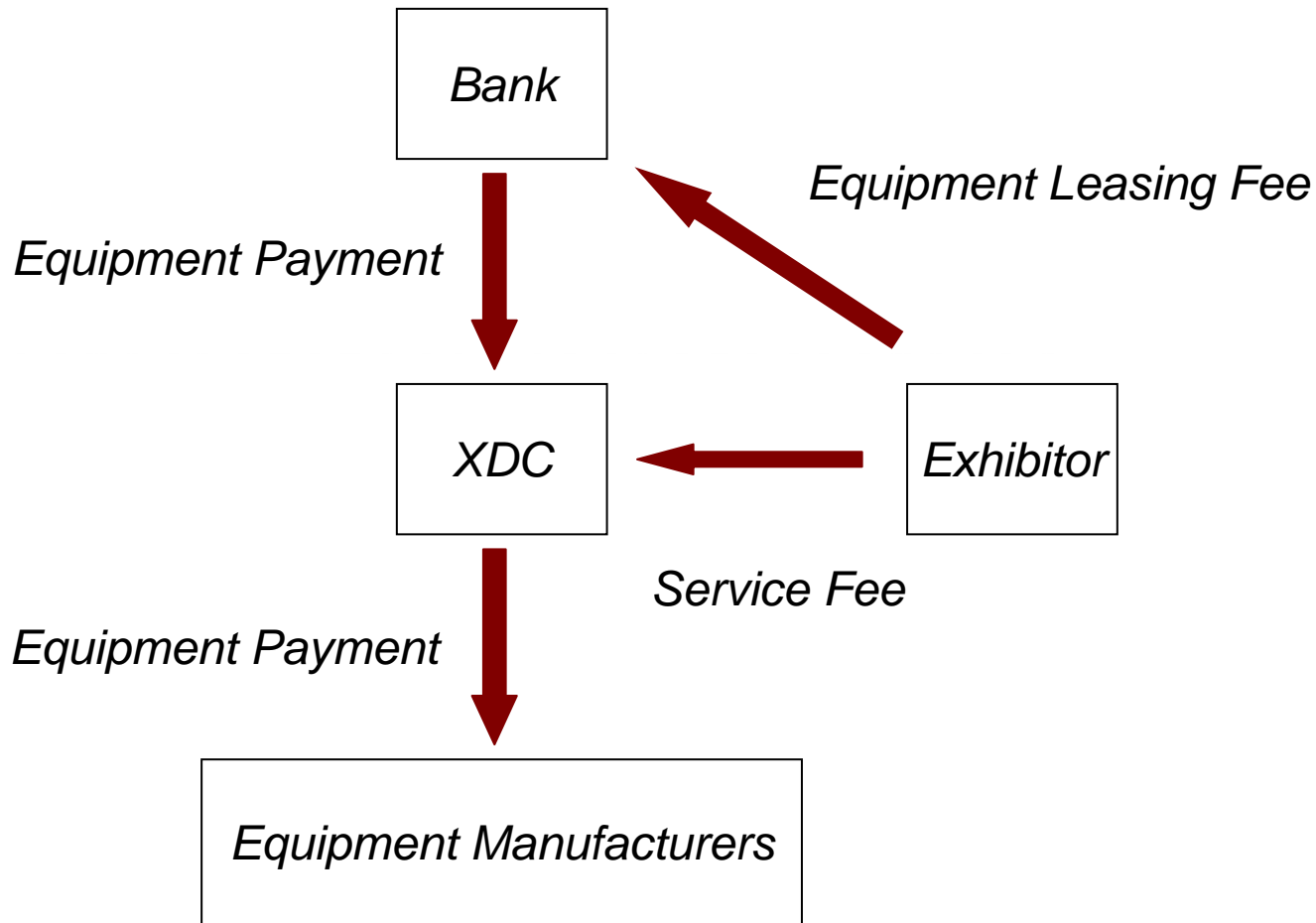
Need to educate and convince banks/leasing companies

No scale benefits for procurement

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XDC 'Vendor Lease' Proposal



Advantages

XDC to arrange financing for the exhibitor

XDC has significant technical expertise in selecting and providing the best equipment

XDC uses buying power providing equipment to multiple cinema chains

XDC guarantees that the equipment is technically compliant with industry standards

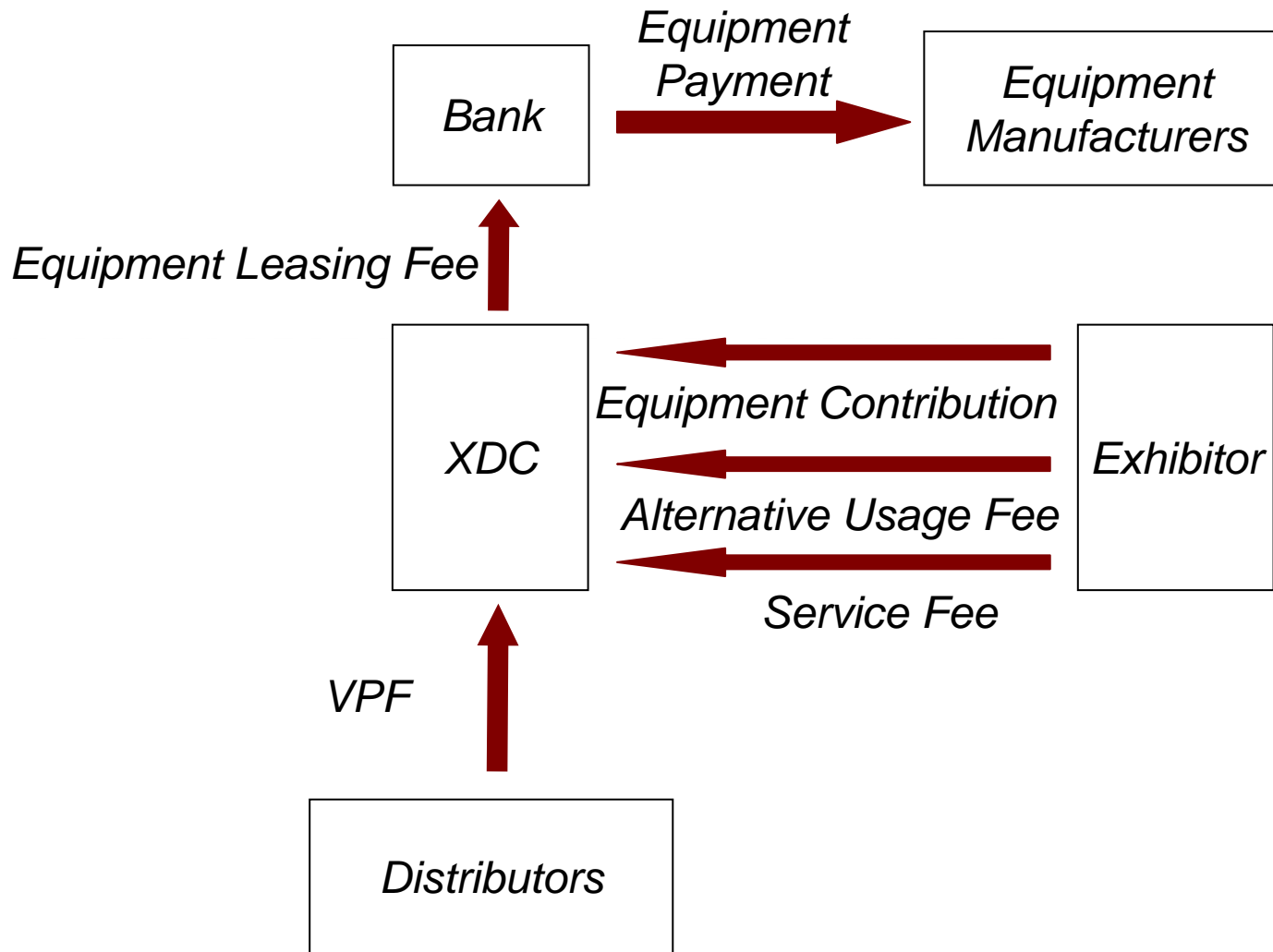
Disadvantages

XDC takes a margin, but this is offset by discounts achieved through scale benefits

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XDC 'VPF' Proposal



Advantages

XDC will arrange financing for the exhibitor

XDC will handle the negotiations with the distributors and use bargaining power for 8,000 screens

XDC has significant technical expertise in selecting and providing the best equipment

XDC uses buying power providing equipment to multiple cinema chains

XDC guarantees that the equipment is technically compliant with industry standards

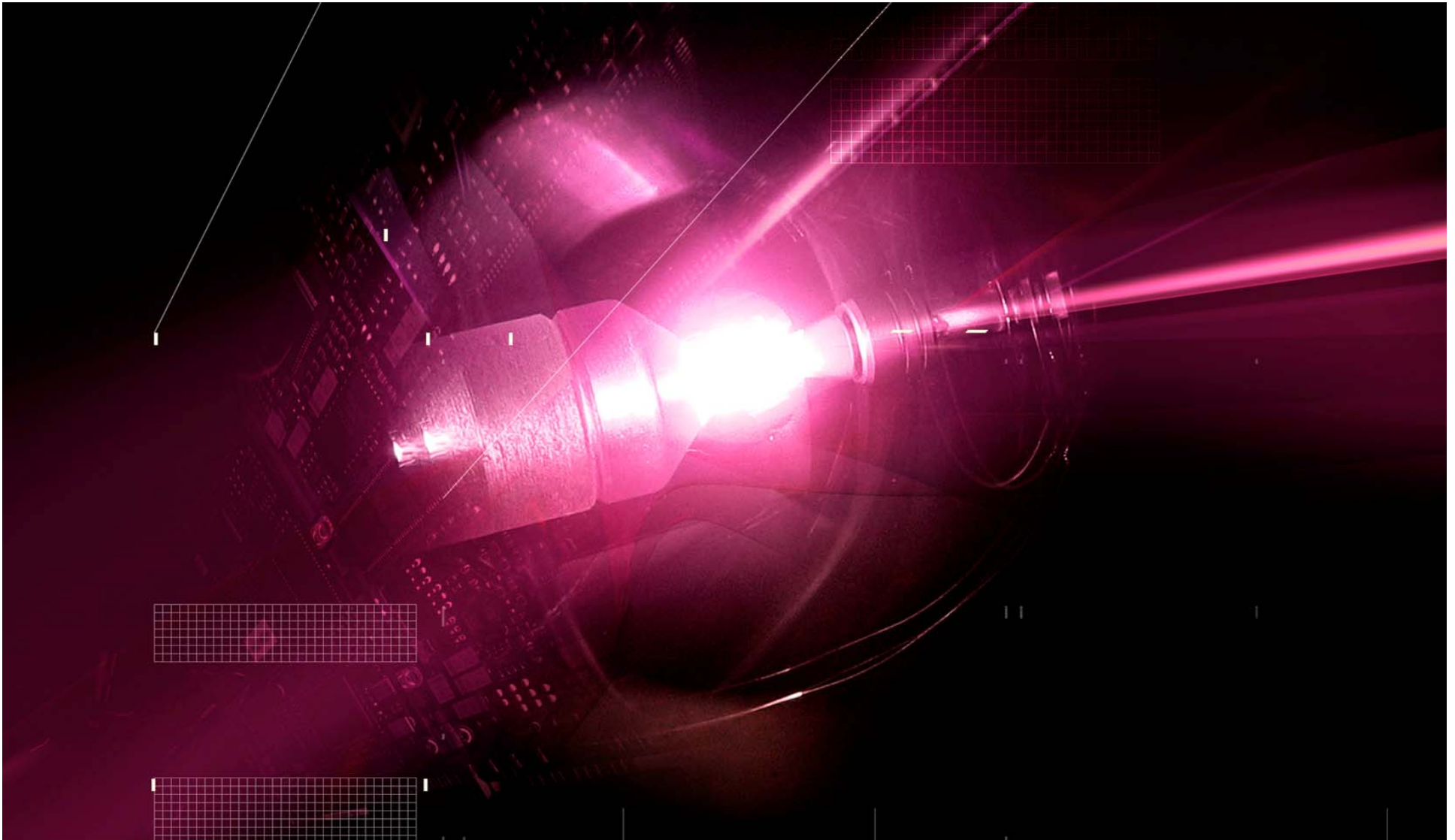
Disadvantages

XDC takes a margin, but this is offset by discounts achieved through scale benefits

XDC owns equipment until end of contract or payment of exhibitor contribution

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DC Equipment



Projectors



Currently under evaluation
In the XDC Test Lab

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Servers

CineStore®
Solo G3



doremi
cinema



→ Both servers are integrated into the XDC Network and supported by our NOC

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3D Systems

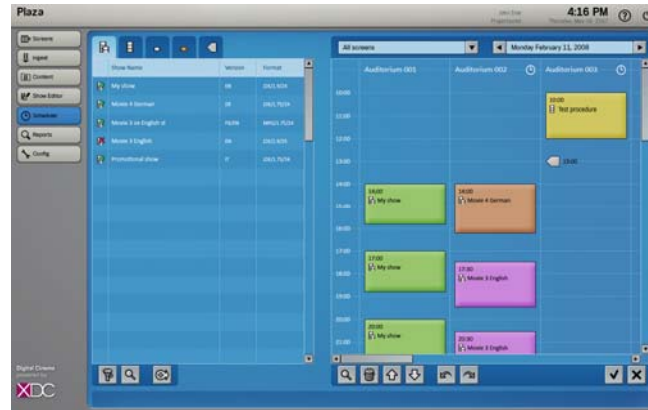


Currently under evaluation
In the XDC Test Lab

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TMS



Currently under evaluation
In the XDC Test Lab

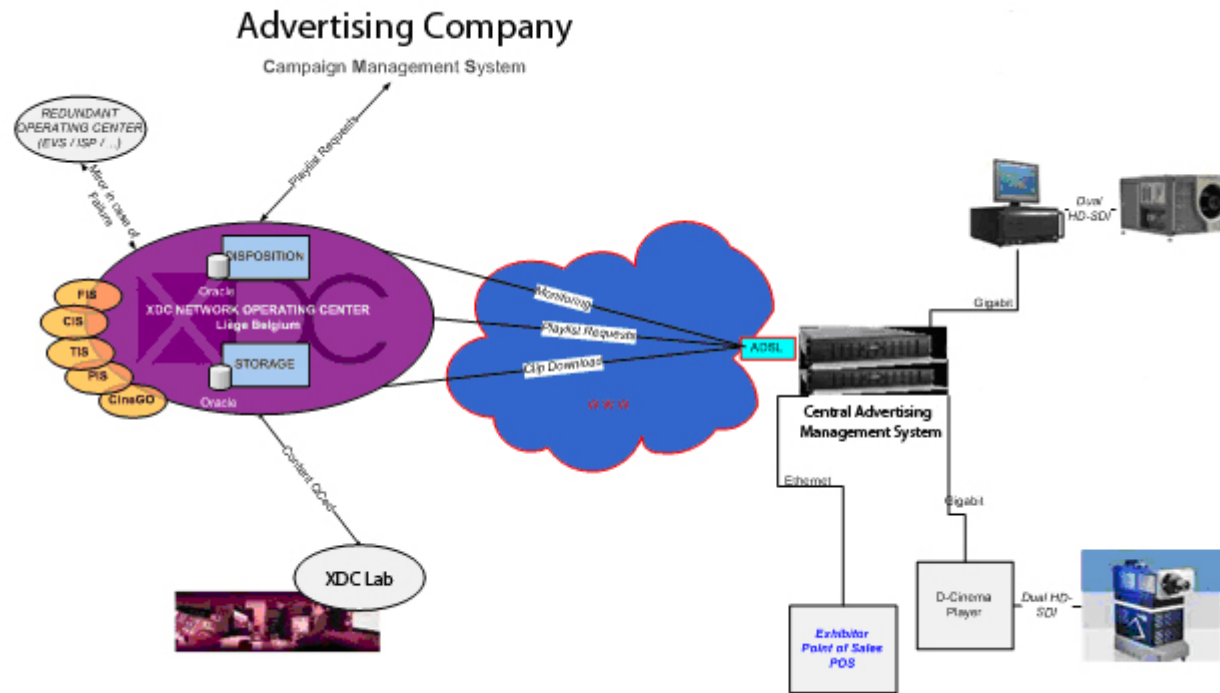


Currently under evaluation
In the XDC Test Lab

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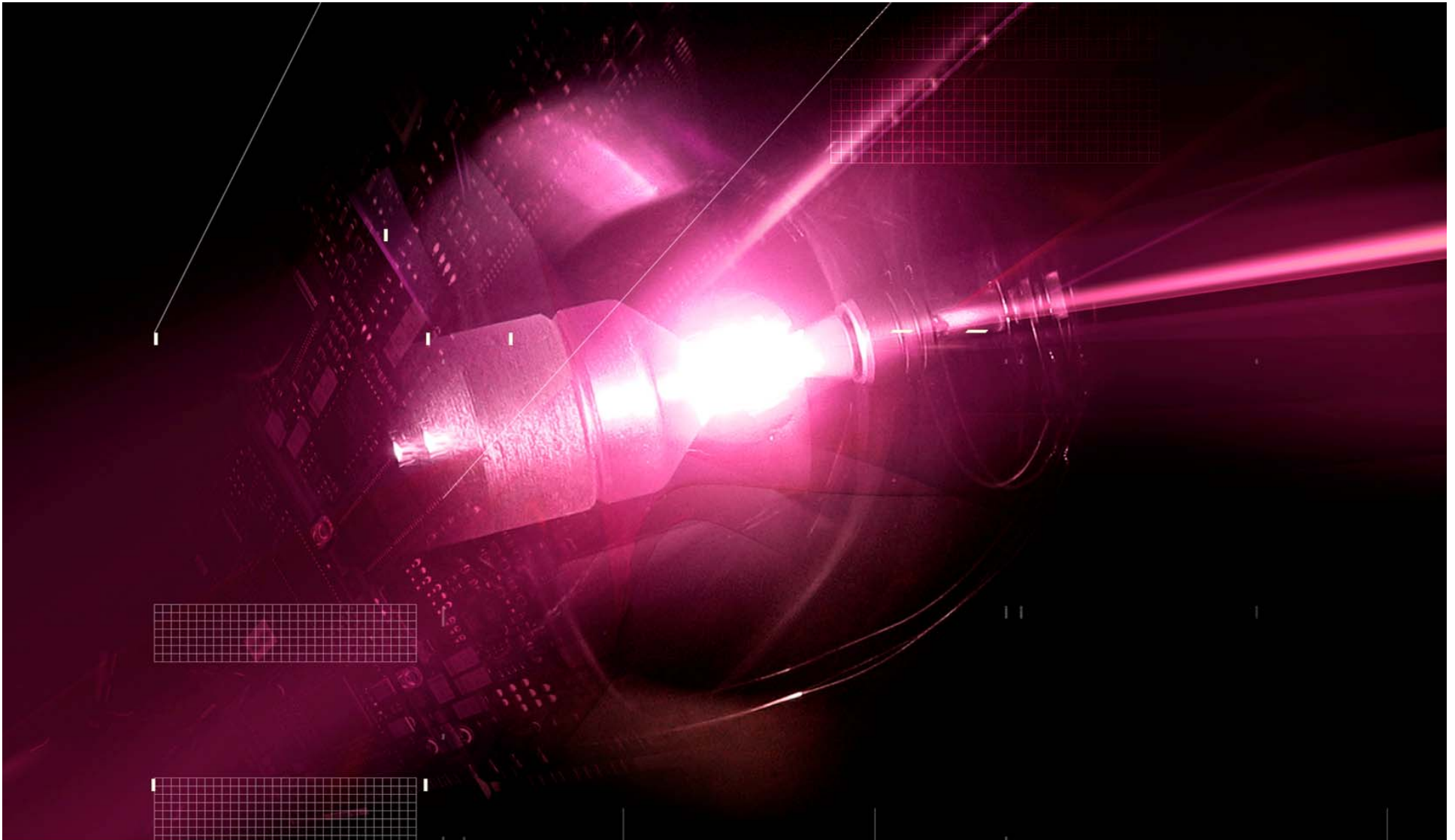
Advertising & Pre-Show



➔ Fully integrated solution will be soon available within one single system

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Support Services



Digital Content Lab

- XDC provides a full range of encoding, print and key management services:
 - Encoding, encryption and packaging all to current DCI standards (JPEG2000) ... but also in MPEG2 (advertising, alternative content, ...)
 - Print creation and delivery
 - Key generation and delivery
 - Repackaging and versioning
- All services carried out in our in house secured facilities with full D-Cinema projection system for quality controls
- XDC has unparalleled experience in Europe – we have worked on over 350 titles and have delivered over 2,000 digital prints
- Additional services are proposed like self-distribution, network services (extranet), archiving, ...



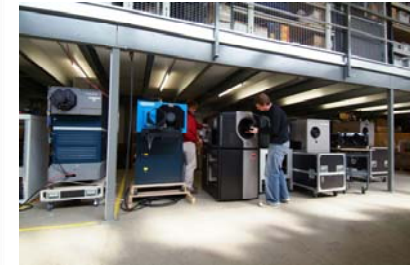
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Installation Services

- **Installation**

- XDC engineers carry out detailed site surveys
- We check and test equipment in our projection lab prior to delivery to the cinema
- We install the equipment on site and we make the integration with existing systems (audio, automation, pre-show, ...)



- **Training**

- For projectionists and integrators
- Courses are run in our projection lab in Belgium and directly on-site with the cinema staff
- Course takes 2 half-days
- It combines tutorial, group exercises, hands-on equipment training and tests
- Since we have a multilingual team of engineers, courses are given in the native language of the cinema staff

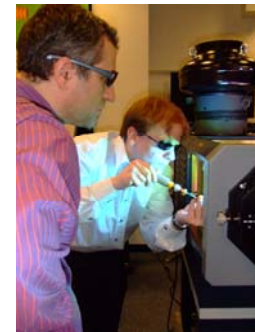
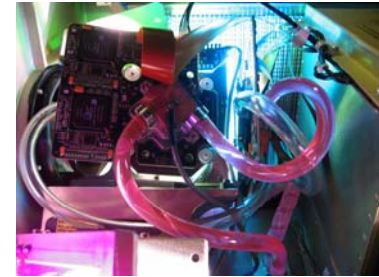


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Support & Maintenance

- 7/7 (9:00am to 01:00am) telephone hotline
- On-line projectionist messenger
- On-line equipment support (remote diagnostics – health monitoring)
- On-line operational support
- On-line server & projector updates
- On-site corrective & remedial support
- On-site preventative maintenance visits



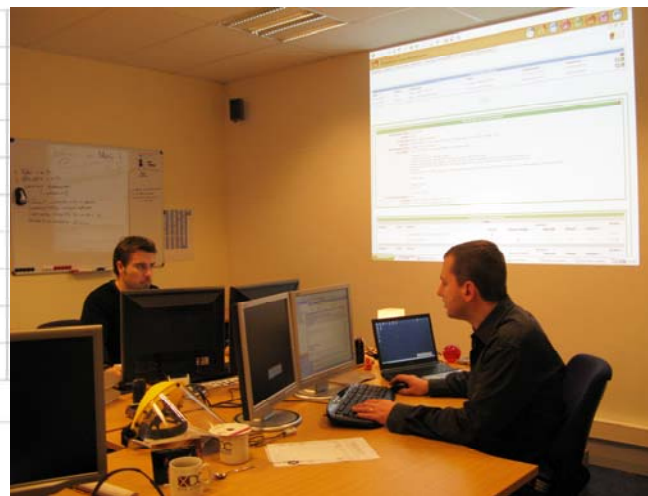
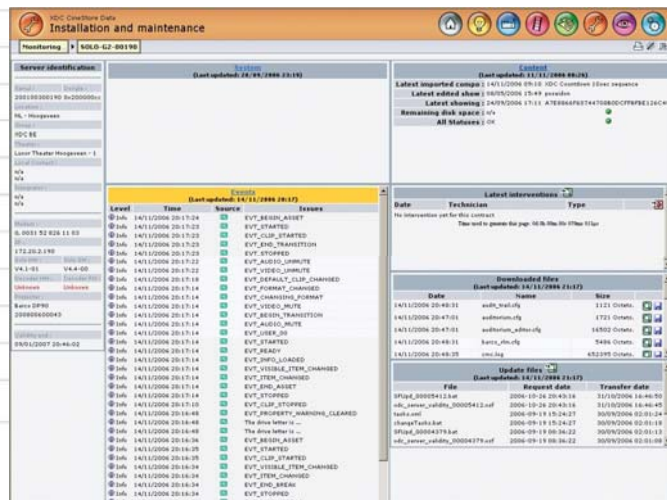
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NOC (Network Operations Centre)

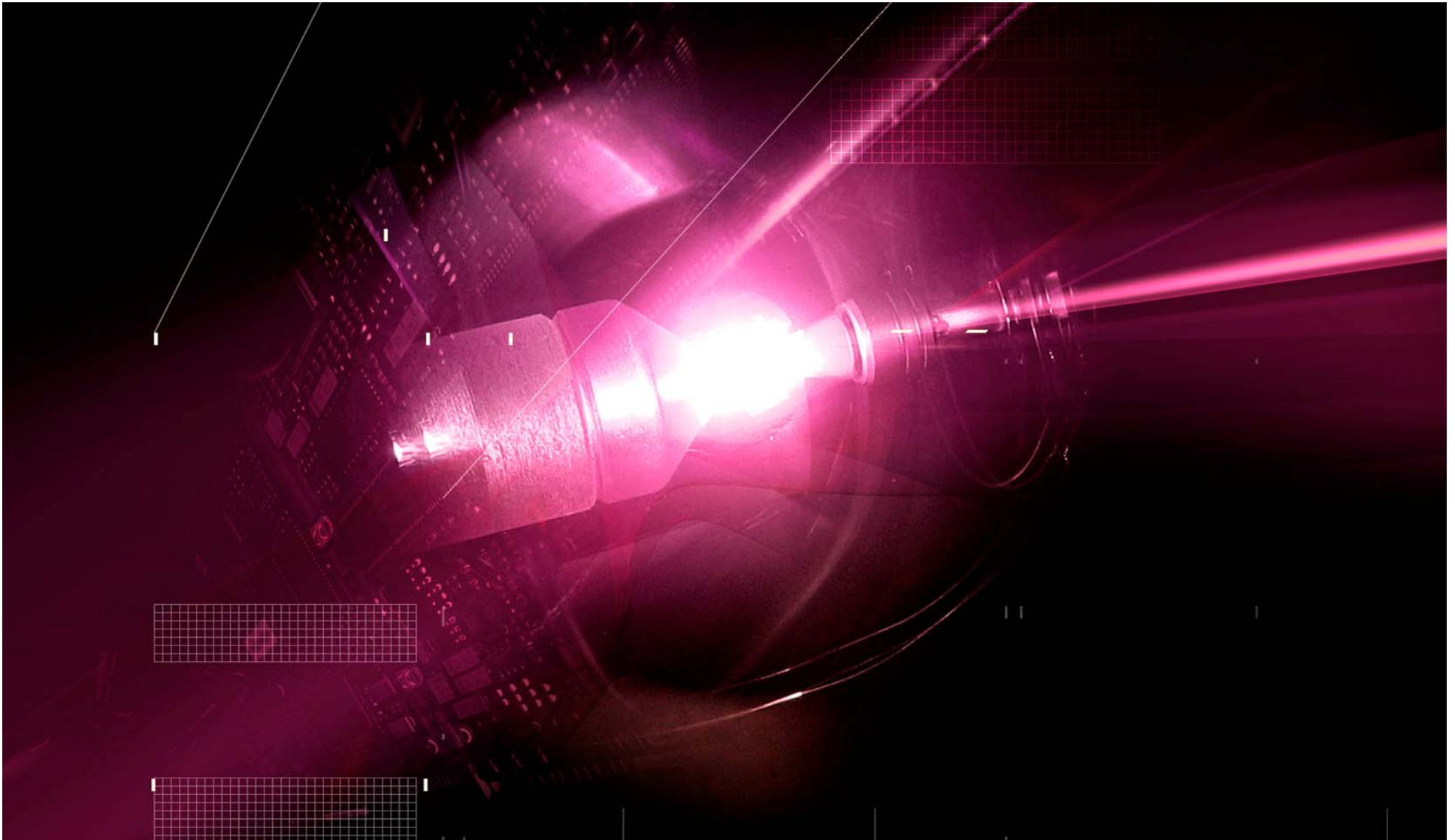


Central Management System supporting the whole Network Operations Centre (NOC) based in Belgium



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Why to work with XDC?



XDC Is a Trusted Partner

- We provide exhibitors with a complete D-Cinema service, top to bottom, 360 degrees, 24/7
- We take responsibility of all aspects of the D-Cinema installation:
 - We select the best technical solution
 - We have strong relationships with US and European distributors in order to negotiate and collect their financial contributions, but also as a lab, to securely deliver content on hard drives which are loaded onto cinema servers
 - State-of-the-art integration and maintenance
- XDC is a service provider with a proven track record (over 8 years)
- Both solid shareholders and partners support our ambitions for the long term

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And Much More ...

- XDC is a pure digital cinema company
- XDC has real expertise on the ground in continental Europe
- XDC has major installed presence and has expert partners in several European countries
- XDC has the best, most thoroughly trained, 'road toughened' digital cinema team in Europe

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And Last but not least...

- In UK, XDC has signed a partnership agreement with **Sound Associates**, UK's leading cinema equipment integrator
- XDC is offering the full range of its deployment operations services to UK's exhibitors with the support of Sound Associates
- Sound Associates will provide:
 - Sales & marketing support to XDC in UK
 - Site inspections and detail any related necessary infrastructure work
 - Equipment installation (including any stereoscopic (3D) systems)
 - On-site training
 - On-site annual maintenance visits
 - Call-outs

=> Helpdesk and monitoring support still serviced by XDC

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Thanks for your attention

Contacts:

Bernard Collard, EVP – General Manager

Mobile +32 477 49 49 39 – bco@xdcinema.com

Fabrice Testa, VP Sales & Business Development

Mobile +32 477 25 18 00 – fte@xdcinema.com

In UK:

Sound Associates - Jerry Murdoch – Sales & Marketing Manager

+44 (20) 8939 5900 - jmurdoch@soundassociates.co.uk

www.xdcinema.com

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