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PRESS RELEASE  
June 23<sup>rd</sup>, 2009

## Palace Cinemas and XDC Agree To Deploy 170 Digital Screens In Czech Republic, Slovakia and Hungary

Palace Cinemas, the leading exhibitor in the Czech Republic, Slovakia and Hungary, and XDC, the leading Pan-European digital cinema service company, have agreed on the deployment of digital cinema systems in 170 of Palace Cinemas screens in Central Europe.

**Amsterdam – Cinema Expo 2009** – The agreement between Palace Cinemas and XDC includes the roll out of DCI-compliant projection systems co-financed by the Virtual Print Fee (VPF) model. Rollout is scheduled to begin in the second half of 2009.

**V.J Maury**, Chief Executive Officer of Palace Cinemas stated *"At Palace Cinemas, we are committed to creating the very best entertainment destination so our customers can have a great night out at the movies. With the conversion to digital, we will be able to provide our audience a full line-up of movies shown perfectly in digital on the big screen every single time, in every language, dubbed or subtitled, in 2D or 3D. We are very pleased that the studios have committed to this new technology in our markets. It will also mean more independent movies, live concerts, sports, events and interactive content. There is terrific potential in this new digital environment. It certainly is a great time to be in the exhibition business. XDC is a partner who shares our vision."*

**Serge Plasch**, XDC's Chief Executive Officer said: *"It's for XDC a great honour to announce our third major VPF deal in Europe. Palace Cinemas is the most dynamic exhibitor in Central Europe. This agreement is the result of the excellent relationship that we have built with Palace Cinemas' visionary management team over many months, as well as the successful test bed with 12 systems."*

Under the terms of the agreement, XDC will exclusively install DCI-compliant digital projection systems and XDC's CineStore® Solo G3 D-Cinema servers. XDC will also implement a fully integrated and networked solution in each of the 20 complexes, thanks to its advanced Theatre Management System and Central Library, the XDC's CineStore® Plaza.

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### About XDC International

To date, XDC has installed more than 500 digital screens in 10 European countries and is the leading service company, dedicated to building a pan-European digital cinema network. XDC provides end-to-end digital cinema solutions including equipment supply, financing through VPF and leasing, training, installation and maintenance, as well as content processing and delivery. The company is the first entity to have VPF digital cinema deployment agreements with all the 6 major US studios Warner, Fox, Universal, Paramount, Sony and Disney for a total of 8,000 digital screens in 22 European countries. Today, XDC has signed VPF deals with exhibitors for about 700 screens spread over 9 European countries (Austria, Portugal, Germany, Switzerland, Spain, The Netherlands, Czech Republic, Slovakia and Hungary). XDC has also achieved a global financing of 100 millions Euros with Fortis Bank to allow the VPF roll out of 2,000 digital screens in the first phase of its European deployment program.

XDC Digital Content Lab has been processing more than 500 different titles, and offers a full service including mastering, duplication, key management, 24/7 helpdesk, extranet tracking, physical/virtual delivery. Last but not least, XDC is also very active in Alternative Content by offering a full service from booking and promotion up to delivery, reporting and box office collection. XDC is backed by EVS Broadcast Equipment (Nyse Euronext EVS.BR) and several leading financial investors. More info available at [www.xdcinema.com](http://www.xdcinema.com).

XDC Marketing & Communication Department - Tel.: +32 4 364 12 00 - Email: [marcom@xdcinema.com](mailto:marcom@xdcinema.com)

### About Palace Cinemas

Palace Cinemas Central Europe is the leading cinema company in the Czech Republic, Slovakia and Hungary with 20 sites and 170 screens and plans for further expansion. Palace Cinemas includes Palacemedia for cinema ad sales and Palace Pictures for distribution. The company consistently leads the market in new technologies including digital projectors, 3D, e-tickets, full web services and its own management software End 2 End (E2E). Palace Cinemas is committed to People, Entertainment and Fun.

Palace Cinemas was founded in 1999 by Arthur Goldblatt and V.J Maury. Its majority shareholder is ARGUS Capital Group Limited ("ARGUS"), a private equity fund manager focusing on Central and Eastern Europe. ARGUS was established in 1998 and is supported by leading institutional investors from Europe, North America, the Middle East, and Japan. With total commitments of approximately €400 million in its two funds, ARGUS has invested in thirteen companies in the CEE region over the past ten years.

For additional information on Palace Cinemas, see [www.palacecinemas.net](http://www.palacecinemas.net) or contact [vjmaury@palacecinemas.net](mailto:vjmaury@palacecinemas.net).