

XDC Signs First Digital Cinema Deployment Agreements with European Independent Distributors

XDC, the n°1 digital cinema service company in Europe, has signed non-exclusive long-term agreements with two (2) European distributors to contribute to the Virtual Print Fee ("VPF") roll out started in Austria and Portugal.

Polyfilm Verleih ("Polyfilm") and Valentim de Carvalho Multimedia ("VCM") will support XDC, acting as a Deploying Entity, in order to roll out and fund digital systems for theatrical presentations, respectively, in Austria and Portugal. Under the terms of the agreements, Polyfilm and VCM have independently agreed to supply Austrian and Portuguese exhibitors with their feature films in digital form for projection on the VPF digital screens, as well as contribute to the financing of XDC's VPF DCI-compliant digital cinema projection systems.

Serge Plasch, XDC's CEO said: *"This is a very important milestone for XDC. It's the first time in Europe that a VPF Deploying Entity signs long term agreements with independent distributors. Many others are already contributing by supplying their films in digital format and by paying VPF's, and they should also sign long term agreements very soon."*

Hans König, from Polyfilm commented: *"We are satisfied that we got conditions which we were able to accept."*

Luis Froes, from VCM said: *"This is a very important step to VCM. Future is Digital and we want to be on the there since the beginning"*.

"This result demonstrates that XDC's VPF-based model works. Independent distributors can achieve quite important savings with respect to the 35mm print costs, even by paying the VPF. Moreover, VPF has only to be paid during a limited period of time and for a limited number of digital screens," concluded Judith Michel, Content Services Sales Manager for XDC.

About XDC International

As far as today, 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 (VPF, 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. Besides its financing program with ING Lease, XDC has set up a global financing of 100 millions Euros with BNP Paribas Fortis Bank to allow the VPF roll out of 2,000 digital screens for its European deployment program. Today, XDC has signed VPF deals with exhibitors for more than 750 screens spread over European countries (Austria, Portugal, Belgium, The Netherlands, Hungary, Czech Republic, Slovakia and Poland) and has received commitment for 250 screens from exhibitors in Germany, Switzerland and Spain.

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 a 47.2% subsidiary of EVS Broadcast Equipment (Nyse Euronext EVS.BR) and is supported by several leading financial investors. More info available at www.xdcinema.com.

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