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DCI ANNOUNCES COMPLETION OF OVERALL SYSTEM REQUIREMENTS AND SPECIFICATIONS FOR DIGITAL CINEMA; MEMBER STUDIOS UNANIMOUSLY AGREE TO EXTENDED TERM

Hollywood, CA (September 8, 2004) – Digital Cinema Initiatives, LLC (DCI) announced today the completion of the overall system requirements and specifications for digital cinema with the upcoming release of Version 5.0 of the voluntary DCI Technical Specification. The document will be available on September 30, 2004, which coincides with the end of DCI’s Initial Term. DCI Member studios also unanimously agreed to an extended term of twelve months in order to refine the technical specification and architecture, to enhance the security aspect of the specification, to perform system interoperability tests, and to support formalization of industry standards.

With the end of DCI’s Initial Term, and with it the end of any significant business planning activities by DCI staff, CEO Chuck Goldwater is leaving the company. “Chuck has done an excellent job leading DCI and facilitating the development of potential scenarios for the financing and deployment of digital cinema,” said the DCI board members in a joint statement. “Through his hard work and dedication, the studios have received a number of promising rollout and financing proposals. We have also been provided with a wealth of information and insight as we look ahead to continue our respective individual studio efforts to move toward the rollout of digital cinema. We are all grateful for his contributions to DCI and to the advancement of digital cinema as a whole.”

“It’s been a privilege for me to be a part of DCI and the work we’ve done over the past two years,” said Goldwater, “and I thank the member studios for this extraordinary opportunity. I am proud of what we have contributed to helping bring the industry to the threshold of the digital cinema future, and I am excited to see that future become a reality.”

DCI Technical Specification Version 5.0 represents the conclusion of the process to define the system requirements and to outline the overall specifications for digital cinema. With the principal objectives accomplished, DCI’s focus will shift to refining the Technical Specification to aid productization of the digital cinema system. DCI’s work, during the extended term, will include providing further detail to the security aspect of the specification and performing system interoperability tests with the interchange of digital cinema files across equipment of multiple manufacturers.

DCI will maintain its support of the formalization of industry standards by SMPTE, ISO, and other trade organizations as well as its close working relationship with NATO, UNIC, individual exhibitors, manufacturers, and vendors. DCI will also examine the process of certification and compliance in conjunction with industry participants.
DCI’s day to day operational and management responsibilities will be assumed by Walt Ordway, Chief Technology Officer, and Steve Tsai, Executive Director of Administration and Business Development. No replacement is being sought for Mr. Goldwater.

CTO Walt Ordway will continue to represent DCI in domestic and international venues, and in ongoing technical planning. His duties will include overseeing the remaining technical effort and the DCI technical team, in conjunction with the technical representatives from the studios. He will be an active participant in key domestic and international trade conferences and in continuing the ongoing dialogue and communication with NATO and other industry constituents. “DCI remains committed to working with the industry to promote the conversion from celluloid to digital,” said Ordway. “We look forward to continuing the dialogue with the digital cinema stakeholders as the DCI spec is applied in the real world.”

Jim Whittlesey, Director of Technology, and Steve Tsai will also remain at DCI. In addition, Steve Tsai is being promoted to Executive Director, Administration and Business Development, and will continue in his capacity overseeing DCI’s business administration, coordinating with legal counsel and other outside services, and providing the necessary operational support for the remaining technical work to be completed by DCI.

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 also facilitated the development of business plans and strategies to help spur deployment of digital cinema systems in movies theatres.

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