



Cinedigm Reports on the State of Digital Cinema

"Avatar" Release on December 18 Shines Spotlight on 3D Readiness in U.S. & Canada

MORRISTOWN, NJ, Dec 17, 2009 (MARKETWIRE via COMTEX News Network) -- Cinedigm Digital Cinema Corp. (NASDAQ: CIDM) today issued an update on the state of digital cinema in the United States. In 2008 and 2009, the digital transition -- defined as the industry's conversion from analog to digital technology -- was slowed, largely due to the lack of necessary financing. That trend shows signs of reversing; financing is now available and industry-wide momentum has returned. Hollywood movie studios have embraced digital cinema, both from a financing and a creative perspective. These factors, coupled with the growing slate of popular and successful 3D movies from all the Hollywood studios, including James Cameron's "Avatar" on December 18, suggest that 2010 will be a watershed year for digital cinema.

At present, there are 7,736 digital screens* at 2,112 sites in the United States and Canada, representing just over 21% of the approximately 36,000 screens in total. Of those 7,736 digital screens, almost 3,400 (44% of digital screens, 9% of all screens) are 3D-enabled, at 2,000 sites.

Though just under 10% of all U.S. and Canadian movie screens are currently 3D-enabled, industry-wide momentum has picked up markedly in the last few months. In late October, Cinedigm announced that it had secured a commitment letter for a \$100 million financing from GE Capital and Societe Generale that will support the deployment of up to 2,133 digital systems in 2010. Many exhibitors are also taking advantage of an Exhibitor-Buyer option that will permit them to convert an additional 2,000 to 3,000 screens.

"We're seeing a groundswell of positive and truly transformative trends for the exhibition industry," said Bud Mayo, chief executive officer, Cinedigm. "The same digital transition that transformed phones into BlackBerrys, and portable audio players into iPods, is taking place in modern cinema. Hollywood has committed to support the conversion to digital cinema, which solves the chicken-and-the-egg problem that would otherwise have delayed this transition. Cinedigm is very optimistic and excited to be at the center of this process."

Digital cinema allows exhibitors to showcase entertainment beyond movies, such as music concerts. This week, more than 500 digital screens across the United States are showing "Larger Than Life in 3D," a concert movie featuring the Dave Matthews Band, Ben Harper and Relentless7, and Gogol Bordello. Over the past year, exhibitors have shown live sporting events including more notable 3D live presentations, children's programming, interactive Q&As with film stars and much more.

* These figures do not include IMAX screens.

About Cinedigm

Cinedigm is the leader in providing the services, experience, technology and content critical to transforming movie theaters into digital and networked entertainment centers. The Company is a technology and services integrator that works with Hollywood movie studios, independent movie distributors, and exhibitors to bring movies in digital cinema format to audiences across the country. Cinedigm's digital cinema deployment organization, software, unique combined satellite and hard drive digital movie delivery network; pre-show in-theater advertising services; and distribution platform for alternative content such as CineLive(R) 3-D and 2-D sports and concerts, thematic programming and independent movies provide a complete suite of services required to enable the digital theater conversion. www.cinedigm.com [CIDM-G]

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