



Cinedigm Digital Cinema Corporation Announces Digital Deployment for Carolina Cinemas

Deal Will Enable the Rollout of 26 New Digital Cinema Screens at 2 Sites

WOODLAND HILLS, CA -- (Marketwire) -- 04/19/12 -- Cinedigm Digital Cinema Corp. (NASDAQ: CIDM), the global leader in digital cinema, today announced a long-term VPF deployment agreement with Carolina Cinemas. The agreement will enable the conversion of certain Carolina Cinemas theatres to digital cinema under the terms of Cinedigm's long-term agreements with all the major studios, as well as ongoing interim agreements with over a hundred independent distributors. This Cinedigm-financed conversion will deploy 26 Cinedigm-Certified™ screens across two sites, The Carolina Asheville in Asheville, NC, and the Crownpoint Stadium 12 in Charlotte, NC. Installation is expected to be complete by Memorial Day. The theatres have chosen to utilize NEC Display digital cinema projectors and GDC servers.

Carolina Cinemas is a member of the Cinema Buying Group, a buying program formed by the independent theatre operators of the National Association of Theatre Owners (NATO) to find cost-effective solutions for converting theatres from film to digital projection. Cinedigm is the digital cinema integrator partner for the CBG.

The transition from 35mm film projection, which has been used for 110 years, to digital projection systems is a worldwide motion picture industry effort and the costs to deploy this new technology are covered primarily through the payment of virtual print fees (VPF) from studios to implementation companies. Cinedigm's Digital Cinema division facilitates the funding, installation and operations support, along with ongoing VPF administration, for the company's digital cinema rollout plans. Cinedigm has signed long-term VPF agreements with all the major studios and interim agreements with over a hundred independent distributors.

"Converting to digital has been the most challenging issue the exhibition industry has faced in decades," said Bill Banowsky, Owner of Carolina Cinemas. "It's an enormously expensive undertaking to throw away perfectly good 35mm projectors and replace them with new digital projectors and servers. But that's where we are. It's either become digital now or be out of the cinema business in less than two years. The VPF revenue model was the important first step towards solving the problem. The second step was developing a financing program that worked for the independent exhibitor. Cinedigm, NEC, GDC and Strong/Ballantyne have done that. They came together and created a program for Carolina Cinemas that allowed us to convert to digital in a remarkably cost-effective way."

"We are exceedingly proud to be working with one of the leading independent exhibitors in the country," said Gary Loffredo, Cinedigm's President of Digital Cinema Services. "We look forward to a long partnership with Bill and his Carolina Cinemas team both on digital cinema and exploring new and creative content programming opportunities together."

"Carolina Cinemas is taking a huge leap with its conversion to digital cinema, and we're grateful to be part of the initiative," said Jim Reisteter, General Manager of Digital Cinema at NEC Display Solutions. "The digital conversion wouldn't be possible without our strong partnership with Cinedigm, which has borne much fruit."

Cinedigm offers a new business model to exhibitors by enabling theaters to present engaging alternative programming including live 2D and 3D sporting events and concerts, shorts, cartoons, live Q&A's, as well as branded entertainment. Recent releases by Cinedigm include the first ever live 3D broadcast of a UFC bout on February 4, 2012, the ground-breaking, worldwide LIVE 3D broadcast of the FIFA World Cup Championship, the BCS Championship in LIVE 3D, the Dave Matthews Band 3D concerts, and the sold out 3D PHISH concerts. Cinedigm has also released the KIDTOONS series for the past six years, a weekly family friendly matinee series that runs in over 150 theatres across the country.

In the combined Phase One and Phase Two digital cinema deployment program, Cinedigm has:

- Signed 10,466 screens overall
- Installed 9,342 digital screens
- Signed digital screens deals with 206 exhibitors

Cinedigm digital theatres are fully networked, turnkey systems -- simple and cost-efficient to operate.

* These figures do not include IMAX screens.

About Cinedigm:

Cinedigm is a leader in providing the services, experience, technology and content critical to transforming movie theaters into digital and networked entertainment centers. The Company partners 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, state of the art distributor and exhibition software, and marketing and distribution platform for alternative content and independent films are a cornerstone of the digital cinema transformation. Cinedigm™ and Cinedigm Digital Cinema Corp™ are trademarks of Cinedigm Digital Cinema Corp www.cinedigm.com.

About Carolina Cinemas

Carolina Cinemas owns and operates 42 screens in North Carolina: The Raleigh Grande 16, the first stadium theater built in Raleigh; The Crownpoint Stadium 12, located at the corner of Monroe and Sardis in Charlotte; and The Carolina Asheville, located in the gorgeous blue ridge mountains of Asheville, NC, and home to ActionFest, the world's first all-action film festival. Carolina Cinemas is committed to serving its local communities and to providing them with quality entertainment at affordable prices. For more information about Carolina Cinemas please visit www.carolinacinemas.com.

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