



July 5, 2011

Marcus Theatres® Announces Large-Scale Digital Cinema Rollout

Digital cinema to be installed across entire circuit during current fiscal year

MILWAUKEE--(BUSINESS WIRE)-- [Marcus Theatres®](#), a division of [The Marcus Corporation](#) (NYSE: MCS), today announced it has signed a master license agreement with CDF2 Holdings, LLC, a subsidiary of Cinedigm Digital Cinema Corp. (NASDAQ: CIDM) to deploy digital cinema systems in approximately 630 first-run screens at 47 company-owned locations. The agreement includes 64 previously installed systems. When completed, state-of-the-art digital projection technology will be offered at virtually all screens operated by Marcus Theatres. Installation of the first systems is currently expected to begin later this summer, with the balance scheduled to be completed by the end of calendar 2011.

The transition from 35mm film projection, which has been used for 110 years, to digital projection systems is a standardized world-wide motion picture industry effort. The costs to deploy this new technology will be covered primarily through the payment of virtual print fees (VPF) from studios to implementation companies.

Under the terms of the agreement, CDF2 Holdings, LLC (Cinedigm) will purchase the digital projection systems and license them to Marcus Theatres under a long-term arrangement. [Cinedigm](#), the global leader in digital cinema conversion programs, is responsible for structuring and implementing the underlying VPF agreements with the studios, as well as administering the VPF program.

"Marcus Theatres is proud to continue its long history of technological innovation and quality by entering into this agreement with Cinedigm to enable the conversion of our circuit to digital cinema and assure that our guests can experience the pristine visual presentations digital cinema offers. The advantages for our guests will be brighter and better focused images and a consistently clear and steady picture with truer, more vibrant colors, whether they see a motion picture on its first showing or in its last week of exhibition," said Bruce J. Olson, president of Marcus Theatres.

"Marcus Theatres has been very diligent in evaluating their digital cinema options, and we're thrilled we were able to create a customized solution that works for them," said Chris McGurk, chairman and CEO of Cinedigm. "When I joined Cinedigm in January, one of my main goals was to establish a long-term relationship with this leading theatrical exhibition company, so I am personally thrilled that we were able to make this happen with the Marcus Theatres team, and we look forward to a fast rollout so their audiences can enjoy the benefits of digital cinema as soon as possible."

"The installation of this new digital technology will give us the flexibility to schedule not just major Hollywood motion pictures, but more 2D and 3D presentations of live and recorded non-film programming such as sporting events, music, Broadway plays and many more offerings in all of our markets," added Olson. Olson explained the rollout of digital cinema will also provide Marcus Theatres with the opportunity to increase the number of 3D screens the company will offer its guests in the future.

Olson said additional providers of digital cinema technology and services will be announced shortly.

About Marcus Theatres

[Marcus Theatres®](#), a division of The Marcus Corporation (NYSE:MCS), is the sixth largest theatre circuit in the United States and currently owns or operates 684 screens at 55 locations in Wisconsin, Illinois, Iowa, Minnesota, Nebraska, North Dakota and Ohio. For more information, visit the Marcus Theatres website at www.marcustheatres.com.

About The Marcus Corporation

Headquartered in Milwaukee, Wisconsin, [The Marcus Corporation](#) is a leader in the lodging and entertainment industries, with significant company-owned real estate assets. In addition to its [Marcus Theatres](#) division, the company's lodging division, [Marcus Hotels and Resorts](#), owns or manages 18 hotels, resorts and other properties in nine states. For more information, visit the company's web site at www.marcuscorp.com.

About Cinedigm Digital Cinema

Cinedigm is a leader in providing the services, experience, technology and content critical to transforming movie theatres 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, software, satellite and hard drive digital movie delivery network; pre-show in-theatre advertising services; and marketing and distribution platform for alternative content such as CineLive (R) 3D and 2D sports and concerts, thematic programming and independent movies is a cornerstone of the digital cinema transformation. Cinedigm(TM) and Cinedigm Digital Cinema Corp. (TM) are trademarks of Cinedigm Digital Cinema Corp www.cinedigm.com [CIDM-G].

Certain matters discussed in this press release are "forward-looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may generally be identified as such because the context of such statements include words such as we "believe," "anticipate," "expect" or words of similar import. Similarly, statements that describe our future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which may cause results to differ materially from those expected, including, but not limited to, the following: (1) the availability, in terms of both quantity and audience appeal, of motion pictures for our theatre division, as well as other industry dynamics such as the maintenance of a suitable window between the date such motion pictures are released in theatres and the date they are released to other distribution channels; (2) the effects of increasing depreciation expenses, reduced operating profits during major property renovations, and reopening and start-up costs due to the capital intensive nature of our businesses; (3) the effects of adverse economic conditions in our markets, particularly with respect to our hotels and resorts division; (4) the effects of adverse weather conditions, particularly during the winter in the Midwest and in our other markets; (5) the effects on our occupancy and room rates from the relative industry supply of available rooms at comparable lodging facilities in our markets; (6) the effects of competitive conditions in our markets; (7) our ability to identify properties to acquire, develop and/or manage and continuing availability of funds for such development; and (8) the adverse impact on business and consumer spending on travel, leisure and entertainment resulting from terrorist attacks in the United States, the United States' responses thereto and subsequent hostilities. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this press release and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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