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Cinedigm Digital Cinema and Arc Entertainment Enter Into Multi-Picture Strategic Distribution Relationship

WOODLAND HILLS, CA -- (MARKET WIRE) -- 07/25/11 -- Cinedigm Digital Cinema Corp. (NASDAQ: CIDM) and ARC Entertainment today announced they have entered into partnership to distribute several theatrical programs by the end of 2011 using the very targeted and efficient distribution model digital cinema enables. This relationship comes on the heels of a successful distribution partnership between ARC and Cinedigm on two recent releases, John Carpenter's THE WARD and the Sarah Palin documentary, THE UNDEFEATED.

ARC Entertainment is an innovative content acquisition, production and distribution company formed in November 2010 focused on studio quality content distributed through an independent system, including theatrical, retail, VOD, and online.

"No one can deny the tremendous value of a theatrical release for independent projects in terms of enhancing awareness and interest in the programs," said Trevor Drinkwater, Chief Executive Officer of ARC Entertainment. "Until now, the prohibitively high P&A associated with a theatrical release has been the barrier. Now, using digital cinema and precision marketing, Cinedigm has created the perfect model for getting independent projects to theatres in a financially responsible manner, creating tremendous upside for the entire industry."

"We are thrilled that ARC sees the benefits of using the digital cinema backbone to precisely release their high quality independent programs to demographically and psychographically targeted markets," said Chris McGurk, Chairman and CEO of Cinedigm. "This type of distribution model creates significant business upsides for all partners: Exhibitors will benefit from both increased box office and concession revenues, consumers will benefit from a unique theatre experience and the producing community will get an outlet for programs that wouldn't normally get a theatrical release."

About Cinedigm

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® 3D and 2D sports and concerts, thematic programming and independent movies is a cornerstone of the digital cinema transformation. Cinedigm™ and Cinedigm Digital Cinema Corp.™ are trademarks of Cinedigm Digital Cinema Corp. www.cinedigm.com [CIDM-G].

ABOUT ARC ENTERTAINMENT

ARC Entertainment provides brand marketing, retail strategy, physical distribution and sales services for consumer products, with an emphasis on entertainment-based products. ARC Entertainment is a "solutions-based" distribution company. ARC Entertainment's unparalleled relationships with national retailers, coupled with strong sales and marketing expertise, enables the Company to explore unique programs and business models for its content partners. The Company develops creative and profitable retail marketing programs by connecting Intellectual Property and Content owners directly with retailers. This enables ARC Entertainment to truly align content development, investment and distribution with the requirements of retailers and their customers. ARC Entertainment monetizes Content in multiple revenue streams including: Theatrical Distribution, DVD, Blu-Ray, Digital, Electronic Sell-Through, Streaming, VOD, PPV, Pay and Free TV. www.arc-ent.com

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