

ACCESS INTEGRATED TECHNOLOGIES INC

FORM 10QSB (Quarterly Report of Financial Condition)

Filed 2/13/2006 For Period Ending 12/31/2005

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Industry	Business Services
Sector	Services
Fiscal Year	03/31

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-QSB

(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934**

FOR THE QUARTERLY PERIOD ENDED: DECEMBER 31, 2005

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934**

For the transition period from --- to ---

COMMISSION FILE NUMBER: 001-31810

ACCESS INTEGRATED TECHNOLOGIES, INC.

(Name of Small Business Issuer in its Charter)

DELAWARE 22-3720962
(State of incorporation or organization) (I.R.S. Employer Identification No.)

55 MADISON AVENUE, SUITE 300, MORRISTOWN NEW JERSEY 07960
(Address of principal executive offices)

(973-290-0080)

(Issuer's telephone number, including area code)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of February 8, 2006, 16,112,128 shares of Class A Common Stock, \$0.001 par value, and 925,811 shares of Class B Common Stock, \$0.001 par value, were outstanding.

Transitional Small Business Disclosure Format (check one): Yes No

ACCESS INTEGRATED TECHNOLOGIES, INC.
CONTENTS TO FORM 10-QSB

PART I -- FINANCIAL INFORMATION	Page
Item 1. Financial Statements	
Consolidated Balance Sheet at March 31, 2005 and December 31, 2005	3
Consolidated Statements of Operations for the Three and Nine Months ended December 31, 2004 and 2005	4
Consolidated Statements of Cash Flows for the Nine Months ended December 31, 2004 and 2005	5
Notes to Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	20
Item 3. Controls and Procedures	27
 PART II -- OTHER INFORMATION	
Item 6. Exhibits	28
Signatures	29
Exhibit Index	30

ACCESS INTEGRATED TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEET
(In thousands, except for share data)

	March 31, 2005	December 31, 2005
ASSETS	(Audited)	(Unaudited)
Current assets		
Cash and cash equivalents.....	\$ 4,779	\$ 10,105
Accounts receivable, net.....	947	1,662
Prepaid and other current assets.....	1,312	1,961
	-----	-----
Total current assets	7,038	13,728
Property and equipment, net.....	14,261	25,274
Intangible assets, net.....	3,337	2,228
Capitalized software costs, net.....	1,622	1,433
Goodwill.....	10,363	9,310
Other assets.....	1,156	1,038
	-----	-----
Total assets	\$ 37,777	\$ 53,011
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses.....	\$ 2,415	\$ 8,380
Notes payable, current portion.....	1,415	1,188
Capital leases, current portion.....	432	83
Other current liabilities.....	1,042	1,157
	-----	-----
Total current liabilities	5,304	10,808
Notes payable, net of current portion.....	12,682	2,072
Capital leases, net of current portion.....	6,058	5,995
Other liabilities.....	2,436	2,056
	-----	-----
Total liabilities	26,480	20,931
	-----	-----
Commitments and contingencies (Note 6)		
Redeemable Class A common stock, 53,534 and 0 shares issued and outstanding at March 31, 2005 and December 31, 2005, respectively.....	250	-
Stockholders' Equity		
Class A common stock, \$0.001 par value per share; 40,000,000 shares authorized; 9,433,328 and 14,658,668 shares issued and 9,381,888 and 14,607,228 shares outstanding at March 31, 2005 and December 31, 2005, respectively.....	9	15
Class B common stock, \$0.001 par value per share; 15,000,000 shares authorized; 965,811 and 925,811 shares issued and outstanding, at March 31, 2005 and December 31, 2005, respectively.....	1	1
Additional paid-in capital.....	32,696	67,510
Treasury stock, at cost; 51,440 shares.....	(172)	(172)
Accumulated deficit.....	(21,487)	(35,274)
	-----	-----
Total stockholders' equity	11,047	32,080
	-----	-----
Total liabilities and stockholders' equity	\$ 37,777	\$ 53,011
	=====	=====

ACCESS INTEGRATED TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for share data)
(unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2004	2005	2004	2005
Revenues:				
Media services.....	\$ 1,300	\$ 2,751	\$ 2,496	\$ 7,377
Data center services.....	1,439	1,660	4,639	4,907
Total revenues	2,739	4,411	7,135	12,284
Costs of revenues (exclusive of depreciation and amortization):				
Media services.....	570	1,813	912	5,147
Data center services.....	1,062	1,298	3,102	3,593
Total costs of revenues	1,632	3,111	4,014	8,740
Gross profit (exclusive of depreciation and amortization):	1,107	1,300	3,121	3,544
Operating expenses:				
Selling, general and administrative.....	1,303	2,164	3,588	5,956
Provision for doubtful accounts.....	23	55	598	90
Research and development.....	122	37	288	324
Non-cash stock-based compensation.....	-	-	4	-
Depreciation and amortization.....	895	1,194	2,457	3,647
Total operating expenses	2,343	3,450	6,935	10,017
Loss before other expense	(1,236)	(2,150)	(3,814)	(6,473)
Interest income.....	-	97	-	180
Interest expense.....	(90)	(313)	(279)	(1,837)
Non-cash interest expense.....	(43)	(32)	(155)	(1,325)
Debt conversion expense.....	-	(125)	-	(6,208)
Other (expense) income, net.....	(27)	409	17	1,643
Loss before income tax benefit and minority interest	(1,396)	(2,114)	(4,231)	(14,020)
Income tax benefit.....	77	77	233	233
Net loss before minority interest in subsidiary	(1,319)	(2,037)	(3,998)	(13,787)
Minority interest in loss of subsidiary.....	-	-	10	-
Net loss	\$ (1,319)	\$ (2,037)	\$ (3,988)	\$ (13,787)
Net loss per common share:				
Basic and diluted.....	\$ (0.13)	\$ (0.13)	\$ (0.42)	\$ (1.07)
Weighted average number of common shares outstanding:				
Basic and diluted.....	10,041,879	15,399,530	9,432,380	12,926,709

ACCESS INTEGRATED TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

For the nine months ended
December 31,

	2004	2005
Cash flows from operating activities		
Net loss	\$ (3,988)	\$ (13,787)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization.....	2,457	3,647
Amortization of software development costs.....	220	434
Amortization of deferred tax liability.....	(233)	(233)
Provision for doubtful accounts.....	598	90
Non-cash stock-based compensation.....	4	-
Non-cash interest expense.....	155	1,325
Minority interest.....	(10)	-
Gain on exchange of minority interest shares.....	(13)	-
Net fair value change of Class A common stock warrants.....	(91)	(1,660)
Debt conversion expense.....	-	6,208
Debt issuance costs included in interest expense.....	-	730
Changes in operating assets and liabilities:		
Accounts receivable.....	(807)	(805)
Prepays and other current assets.....	(100)	(822)
Other assets.....	(355)	(470)
Accounts payable and accrued expenses.....	(607)	(570)
Other liabilities.....	11	(30)
Net cash used in operating activities	(2,759)	(5,943)
Cash flows from investing activities		
Purchases of property and equipment.....	(1,637)	(7,303)
Purchases of intangible assets.....	(38)	-
Additions to capitalized software costs.....	(302)	(245)
Acquisition of FiberSat Global Services LLC, net of cash acquired.	(508)	-
Restricted short-term investment.....	-	(180)
Net cash used in investing activities	(2,485)	(7,728)
Cash flows from financing activities		
Repayment of notes payable.....	(448)	(1,505)
Principal payments on capital leases.....	(158)	(414)
Repurchase of Class A common stock.....	(32)	-
Net proceeds from issuance of Class A common stock.....	5,067	20,916
Net cash provided by financing activities	4,429	18,997
Net (decrease) increase in cash and cash equivalents	(815)	5,326
Cash and cash equivalents at beginning of period	2,330	4,779
Cash and cash equivalents at end of period	\$ 1,515	\$ 10,105

ACCESS INTEGRATED TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2005

(\$ in thousands, except for per share data)

(Unaudited)

NOTE 1. NATURE OF OPERATIONS

Access Integrated Technologies, Inc. ("AccessIT") was organized on March 31, 2000 and is a leading provider of fully managed storage, electronic delivery and software services and technology solutions for owners and distributors of digital content to movie theaters and other venues. In these notes, the terms "Company", "we," "us," and "our" refer to AccessIT and its subsidiaries unless the context otherwise requires. To date, we have generated revenues from two primary businesses, Media Services and Internet Data Center ("IDC" or "data center") services. Our Media Services business provides software, services and technology solutions to the television and motion picture industries, primarily to facilitate the transition from analog (film) to digital cinema. Our nine leased IDCs provide corporate customers with secure and fail-safe off-site locations to house their computer and telecommunications equipment, as well as related services such as equipment monitoring and back-up and protection of customers' data. These existing businesses have positioned us at what we believe to be the forefront of an emerging industry opportunity relating to the delivery and management of digital cinema and other content to entertainment and other remote venues worldwide. This is currently our primary strategic focus.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND CONSOLIDATION

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and in accordance with Regulation S-B. Accordingly, they do not include all of the financial information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included.

Our consolidated financial statements include the accounts of AccessIT, Access Digital Media, Inc. ("AccessDM"), Hollywood Software, Inc. d/b/a AccessIT Software ("AccessIT SW"), Core Technology Services, Inc. ("Managed Services"), FiberSat Global Services, Inc. d/b/a AccessIT Satellite and Support Services, ("AccessIT Satellite"), ADM Cinema Corporation ("ADM Cinema") d/b/a the Pavilion Theatre (the "Pavilion Theatre") and Christie/AIX, Inc. ("Christie/AIX"). We have eliminated all intercompany transactions and balances.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company's most significant estimates related to software revenue recognition, capitalization of software development costs, amortization and impairment testing of intangible assets and depreciation of fixed assets. On an on-going basis, we evaluate our estimates, including those related to the carrying values of our fixed assets and intangible assets, the valuation of deferred tax liabilities, and the valuation of assets acquired and liabilities assumed in purchase business combinations. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances made, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates under different assumptions or conditions.

The results of operations for the respective interim periods are not necessarily indicative of the results to be expected for the full year. The accompanying consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in AccessIT's Form 10-KSB for the fiscal year ended March 31, 2005 filed with the Securities and Exchange Commission ("SEC") on June 29, 2005. Certain reclassifications of prior period data have been made to conform to the current presentation.

REVENUE RECOGNITION

MEDIA SERVICES

Our Media Services revenues are generated as follows:

OPERATIONS OF:	REVENUES CONSIST OF:	ACCOUNTED FOR IN ACCORDANCE WITH:
AccessIT SW	(1) software licensing, including customer licenses and ASP agreements, (2) software maintenance contracts, and (3) professional consulting services, which includes systems implementation, training, custom software development services and other professional services	Statement of Position ("SOP") 97-2, "Software Revenue Recognition" Staff Accounting Bulletin ("SAB") No. 104 "Revenue Recognition in Financial Statements" ("SAB No. 104").
AccessIT Satellite	(1) satellite network monitoring and (2) maintenance fees	SAB No. 104
AccessDM	(1) satellite delivery revenues, (2) data encryption and preparation fee revenues, and (3) landing fees for delivery to each movie theatre	SAB No. 104
Pavilion Theatre	(1) movie theatre admission revenues and (2) concession food and beverage revenues	SAB No. 104
Christie/AIX	(1) virtual print fees and other fees	SAB No. 104

Software licensing revenue is recognized when the following criteria are met:

(a) persuasive evidence of an arrangement exists, (b) delivery has occurred and no significant obligations remain, (c) the fee is fixed or determinable and (d) collection is determined to be probable. Significant upfront fees are received in addition to periodic amounts upon achievement of contractual events for licensing of the Company's products. Such amounts are deferred until the revenue recognition criteria have been met, which typically occurs after delivery and acceptance.

In instances where the Company develops customized software applications, the percentage-of-completion method of accounting is followed to recognize revenue.

Deferred revenue is recorded in cases of: (1) a portion or the entire contract amount cannot be recognized as revenue due to non-delivery or acceptance of licensed software or custom programming, (2) incomplete implementation of ASP service arrangements, or (3) unexpired pro-rata periods of maintenance, minimum ASP service fees or website subscription fees. As license fees, maintenance fees, minimum ASP service fees and website subscription fees are often paid in advance, a portion of this revenue is deferred until the contract ends. Such amounts are classified as deferred revenue and are recognized as revenue in accordance with the Company's revenue recognition policies described above.

DATA CENTER SERVICES

Our Data Center Services revenues are generated as follows:

OPERATIONS OF:	REVENUES CONSIST OF:	ACCOUNTED FOR IN ACCORDANCE WITH:
AccessIT	(1) license fees for colocation, (2) riser access charges, (3) electric and cross connect fees, and (4) non-recurring installation and consulting fees	SAB No. 104
Managed Services	(1) network monitoring, (2) maintenance fees, and (3) non-recurring installation and consulting fees	SAB No. 104

AccessIT's revenues are recognized ratably over the term of the contract, generally one to nine years. Certain customer contracts contain periodic increases in the amount of license fees to be paid, and those amounts are recognized as license fee revenues on a straight-line basis over the term of the contracts. Installation fees are recognized on a time and materials basis in the period in which the services were provided and represent the culmination of the earnings process as no significant obligations remain. Amounts collected prior to satisfying revenue recognition criteria are classified as deferred revenue. Amounts satisfying revenue recognition criteria prior to billing are classified as unbilled revenue. Managed Services' revenues, which consist of monthly recurring billings pursuant to contracts, are recognized as revenues in the month earned, and other billings which are recognized on a time and materials basis are recognized as revenues in the period in which the services were provided.

CAPITALIZED SOFTWARE DEVELOPMENT COSTS

The Company accounts for software development costs under Statement of Financial Accounting Standards ("SFAS") No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed". Software development costs that are incurred subsequent to establishing technological feasibility are capitalized until the product is available for general release. Amounts capitalized as software development costs are amortized periodically using the greater of revenues during the period compared to the total estimated revenues to be earned or on a straight-line basis over five years. The Company reviews capitalized software costs for impairment on a periodic basis. To the extent that the carrying amount exceeds the estimated net realizable value of the capitalized software cost, an impairment charge is recorded. No impairment was recorded for the nine months ended December 31, 2004 and 2005, respectively. Amortization of capitalized software development costs, included in costs of revenues, for the three months ended December 31, 2004 and 2005 amounted to \$92 and \$138, respectively, and \$220 and \$434 for the nine months ended December 31, 2004 and 2005, respectively. Revenues relating to customized software development under a contract are recognized on a percentage of completion method. As of December 31, 2005, unbilled receivables under such contracts aggregated \$1,258.

BUSINESS COMBINATIONS AND INTANGIBLE ASSETS

We have adopted SFAS No. 141, "Business Combinations" ("SFAS No. 141") and SFAS No. 142, "Goodwill and other Intangible Assets" ("SFAS No. 142"). SFAS No. 141 requires all business combinations to be accounted for using the purchase method of accounting and that certain intangible assets acquired in a business combination must be recognized as assets separate from goodwill. SFAS No. 142 addresses the recognition and measurement of goodwill and other intangible assets subsequent to their acquisition. SFAS No. 142 also addresses the initial recognition and measurement of intangible assets acquired outside of a business combination, whether acquired individually or with a group of other assets. This statement provides that intangible assets with indefinite lives and goodwill will not be amortized but will be tested at least annually for impairment. If impairment is indicated, then the asset will be written down to its fair value, typically based upon its future expected discounted cash flows. As of December 31, 2005, our finite-lived intangible assets consisted of customer agreements, covenants not to compete, Federal Communications Commission licenses for satellite transmission services, trade names and trademarks, and a liquor license which are estimated to have useful lives ranging from two to ten years. In addition, we have recorded goodwill in connection with the acquisitions of AccessIT SW, Managed Services, AccessIT Satellite, and the Pavilion Theatre.

Goodwill related to the acquisition of the Pavilion Theatre was reduced in September 2005 in connection with the early retirement of the outstanding note payable (see Note 4).

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are being amortized over the shorter of the lease term or the estimated useful life of the improvement. Maintenance and repair costs are charged to expense as incurred. Major renewals, improvements and additions are capitalized.

IMPAIRMENT OF LONG-LIVED ASSETS

We review the recoverability of our long-lived assets on a periodic basis in order to identify business conditions, which may indicate a possible impairment. The assessment for potential impairment is based primarily on our ability to recover the carrying value of our long-lived assets from expected future undiscounted cash flows. If the total of expected future undiscounted cash flows is less than the total carrying value of the assets, a loss is recognized for the difference between the fair value (computed based upon the expected future discounted cash flows) and the carrying value of the assets.

NET LOSS PER SHARE

Computations of basic and diluted net loss per share of the Company's Class A common stock ("Class A Common Stock") and Class B common stock ("Class B Common Stock", and together with the Class A Common Stock, the "Common Stock") have been made in accordance with SFAS No. 128, "Earnings Per Share". Basic and diluted net loss per share have been calculated as follows:

Basic net loss per share =	$\frac{\text{Net loss}}{\text{Weighted average number of common shares outstanding during the period}}$
Diluted net loss per share =	$\frac{\text{Net loss adjusted for the after-tax amount of interest associated with convertible debt}}{\text{Weighted average number of common shares outstanding during the period plus the weighted average of the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued}}$

Shares issued and reacquired during the period are weighted for the portion of the period that they are outstanding.

The Company has incurred net losses for the nine months ended December 31, 2004 and 2005 and, therefore, the impact of dilutive potential common shares from outstanding stock options, warrants (prior to the application of the treasury stock method), and convertible notes (on an as-converted basis) were excluded from the computation as it would be anti-dilutive.

STOCK-BASED COMPENSATION

The Company has two stock-based employee compensation plans, which are described more fully in Note 5. The Company accounts for its stock-based employee compensation plans in accordance with the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB Opinion No. 25"), and related interpretations. As such, stock-based compensation expense is recorded on the date of grant only if the current fair value of the underlying stock exceeds the exercise price. The Company has adopted the disclosure standards of SFAS No. 148 "Accounting for Stock-Based Compensation - Transaction and Disclosures", which amends SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), which requires the Company to provide pro forma net loss and earnings per share disclosures for stock option

grants made in 1995 and future years as if the fair-value based method of accounting for stock options as defined in SFAS No. 123 had been applied.

The following table illustrates the effect on net loss if the Company had applied the fair-value recognition provisions to stock-based compensation:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2004	2005	2004	2005
Net loss as reported.....	\$ (1,319)	\$ (2,037)	\$ (3,988)	\$ (13,787)
Add: Stock-based compensation expense included in net loss.....	-	-	4	
Less: Stock-based compensation expense determined under fair- value based method.....	(158)	(761)	(464)	(1,312)
Pro forma net loss.....	===== \$ (1,477)	===== \$ (2,798)	===== \$ (4,448)	===== \$ (15,099)
Basic and diluted net loss per share:				
As reported.....	\$ (0.13)	\$ (0.13)	\$ (0.42)	\$ (1.07)
Pro forma.....	\$ (0.15)	\$ (0.18)	\$ (0.47)	\$ (1.17)

The Company estimated the fair value of stock options at the date of each grant using a Black-Scholes option valuation model with the following assumptions:

	Three Months Ended December 31,	
	2004	2005
Weighted-average risk-free interest rate.....	4.1%	4.5%
Dividend yield.....	-	-
Expected life (years).....	10	10
Weighted-average expected volatility.....	110%	56.5%

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

In December 2004, the Financial Accounting Standards Board (the "FASB") issued SFAS 153, "Exchange of Non-Monetary Assets, an Amendment of APB Opinion No. 29" ("SFAS 153"). SFAS 153 addresses the measurement of exchanges of non-monetary assets and redefines the scope of transactions that should be measured on the fair value of the assets exchanged. The provisions of this statement are effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company is evaluating the requirements of SFAS 153 and has not determined the impact on its financial statements. The effective date for the Company to adopt SFAS 153 due to its fiscal reporting first interim or annual reporting period is April 1, 2006.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS No. 123(R)"). This statement revises the original guidance contained in SFAS No. 123 and supersedes APB Opinion No. 25, and its related implementation guidance. Under SFAS No. 123(R), the Company will be required to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions) and recognize such cost over the period during which an employee is required to provide service in exchange for the reward (usually the vesting period). For stock options and similar instruments, grant-date fair value will be estimated using option-pricing models adjusted for unique characteristics of instruments (unless observable market prices for the same or similar instruments are available). For small business issuers, SFAS No. 123(R) is effective at the beginning of their next fiscal year after December 15, 2005. The effective date for the Company to adopt SFAS No. 123(R) due to its fiscal reporting first interim or annual reporting period is April 1, 2006. Upon adoption of this standard, the actual costs of our stock-based payment plans will be based on grant-date fair value, which has not yet been determined.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections," ("SFAS No. 154"). SFAS No. 154 establishes, unless impracticable, retrospective application as the required method for reporting a change in accounting principle in the absence of explicit transition requirements specific to the newly adopted accounting principle. The statement also addresses the reporting of a correction of error by restating previously issued financial statements. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company will adopt SFAS No. 154 as required.

NOTE 4. NOTES PAYABLE

In November 2003, the Company issued two 5-year, 8% notes payable aggregating \$3,000 (the "HS Notes") to the founders of AccessIT SW as part of the purchase price for AccessIT SW. During the nine months ended December 31, 2005, the Company repaid principal of \$410 on the HS Notes. As of December 31, 2005, the outstanding principal balance of the HS Notes was \$2,082.

In March 2004, the Company completed an exchange (the "Exchange Offer") of its previously issued 5-year 8% notes (the "5-Year Notes") totaling \$4,405 for either: (1) 6% convertible notes (the "6% Convertible Notes") or (2) Class A Common Stock. Pursuant to the Exchange Offer, the Company issued 6% Convertible Notes with an aggregate principal amount of \$1,736 to several investors, of which \$1,400 was payable to certain officers and directors of the Company. The 6% Convertible Notes were convertible into 307,871 shares of its Class A Common Stock: (1) at any time up to the maturity date at each holder's option or (2) automatically upon the date that the average closing price on the American Stock Exchange ("AMEX") of the Class A Common Stock for thirty consecutive trading days has been equal to or greater than \$12.00. In September 2005, the AMEX 30-day average closing price of the Company's Class A Common Stock exceeded \$12.00, and therefore, the Company converted all of the 6% Convertible Notes into 307,871 shares of Class A Common Stock, of which 248,282 shares of Class A Common Stock were issued to certain officers and directors of the Company. Accordingly, the outstanding principal amount of the 6% Convertible Notes of \$1,699, net of \$32 of unamortized debt issuance costs, was credited to additional paid-in capital. As of December 31, 2005, there were no 6% Convertible Notes outstanding.

The holders of all the HS Notes and certain holders of 5-Year Notes, with an aggregate outstanding principal amount of \$220 (the "Remaining 5-Year Notes") at the time of the Exchange Offer, elected not to participate in the Exchange Offer. Through September 2005, we made early principal repayments totaling \$138 on the Remaining 5-Year Notes and scheduled principal payments of \$12 on the Remaining 5-Year Notes. As of December 31, 2005, there were no Remaining 5-Year Notes outstanding.

In March 2004, in connection with the acquisition of certain digital cinema related assets of the Boeing Company (the "Boeing Digital Asset Acquisition"), the Company issued a 4-year, non-interest bearing note payable with a face amount of \$1,800 (the "Boeing Note"). The estimated fair value of the Boeing Note was determined to be \$1,367 on the closing date. Interest is being imputed, at a rate of 12%, over the term of the Boeing Note, and is being charged to non-cash interest expense. During the nine months ended December 31, 2005, principal repayments of \$450 were made and non-cash interest expense resulting from the Boeing Note was \$97. As of December 31, 2005, the outstanding balance of the Boeing Note, including imputed interest, was \$1,178.

In February 2005, in connection with the purchase of substantially all the assets of Pritchard Square Cinema, LLC d/b/a Pavilion Theatre in Brooklyn, New York (the "Pavilion Theatre Acquisition"), ADM Cinema issued to the seller a 5-year, 8% note payable for \$1,700 (the "Pavilion Note"). Quarterly principal payments of \$42 were to be made over the next five years, with a balloon repayment of \$893. In September 2005, the Company and the seller agreed to an early repayment of the Pavilion Note in exchange for a lump sum payment of \$500. Accordingly, the Company decreased goodwill by \$1,057 and there was no Pavilion Note outstanding as of December 31, 2005.

In February 2005, the Company issued 7% convertible debentures (the "Convertible Debentures") and warrants (the "Convertible Debentures Warrants") to a group of institutional investors for aggregate proceeds of \$7,600. The Convertible Debentures had a 4-year term, with one third of the unconverted principal balance repayable in twelve equal monthly installments beginning three years after the closing. The remaining unconverted principal balance was repayable at maturity. The Company had the option to pay the interest in cash or, if certain conditions were met, by issuing shares of its Class A Common Stock. Through September 2005, the Company issued 17,758 shares of Class A Common Stock as payment of interest, in lieu of cash, based on 93% of the AMEX 5-day average closing price of the Company's Class A Common Stock preceding the interest due date. The Convertible Debentures were initially convertible into 1,867,322 shares Class A Common Stock, based upon a conversion price of \$4.07 per share subject to adjustments from time to time. In addition, there was a beneficial conversion feature of \$605, which the Company recorded to non-cash interest

expense during the fiscal year ended March 31, 2005. The offering of the Convertible Debentures and the Convertible Debentures Warrants was exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), under Section 4(2) of the Securities Act and Rule 506 promulgated thereunder. The Company agreed to register the resale of the shares of Class A Common Stock underlying the Convertible Debentures with the SEC. The Company filed a Form S-3 on March 11, 2005, which was declared effective by the SEC on March 21, 2005.

In August 2005, the Company reached an agreement (the "Conversion Agreement") with the investors holding the Convertible Debentures and Convertible Debenture Warrants for the investors to: (1) convert all of their Convertible Debentures into 1,867,322 shares of Class A Common Stock; and (2) exercise all their Convertible Debenture Warrants for \$2,487 into 560,196 shares of Class A Common Stock, and for the Company to: (1) issue to the investors 760,196 warrants to purchase Class A Common Stock at an exercise price of \$11.39 per share (the "New Warrants"); and (2) issue to the investors 71,359 shares of Class A Common Stock (the "New Shares"). Because the issuance of the New Warrants and New Shares, when combined with the shares of Class A Common Stock underlying the Convertible Debentures and the Convertible Debentures Warrants, exceeded 20% of the Company's then-outstanding shares of Class A Common Stock, under the AMEX's rules, stockholder approval was required to be obtained. The Company obtained such stockholder approval by written consent of a majority of the holders of Common Stock and a Schedule 14(C) Information Statement was required, and was filed with the SEC on October 6, 2005. The Company was required to register the resale of the New Shares and the Class A Common Stock underlying the New Warrants on Form S-3 with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005.

The Company accounted for the Conversion Agreement under the provisions of SFAS No. 84, "Induced Conversions of Convertible Debt", which requires the value of the New Warrants and the New Shares to be recorded as an expense. The New Warrants were valued by an independent appraiser at a value of \$4,990, and the New Shares were valued at \$906, based on the AMEX closing price of the Company's Class A Common Stock on August 26, 2005, the date the Conversion Agreement was finalized. The value of the New Warrants plus \$200 for professional fees and the value of the New Shares were charged to debt conversion expense. Additionally, the Company issued 8,780 shares to the placement agent (the "Placement Agent Shares") involved in the Conversion Agreement, which were valued at \$112, based on the AMEX closing price of the Company's Class A Common Stock on August 26, 2005. The value of the Placement Agent Shares was charged to debt conversion expense. The remaining accretion on the value of the Convertible Debentures Warrants of \$999 was charged to non-cash interest expense, and the remaining unamortized debt issuance costs of \$730 were charged to interest expense. As a result of the Conversion Agreement, there were no Convertible Debentures outstanding as of December 31, 2005.

Notes payable consisted of the following:

Note Payable	March 31, 2005		December 31, 2005	
	Current Portion	Long Term Portion	Current Portion	Long Term Portion
HS Notes.....	\$ 696	\$ 1,796	\$ 738	\$ 1,344
6% Convertible Notes.....	70	1,666	-	-
Remaining 5-Year Notes.....	29	71	-	-
Boeing Note.....	450	1,081	450	728
Pavilion Note.....	170	1,549	-	-
Convertible Debentures.....	-	6,519	-	-
	\$ 1,415	\$ 12,682	\$ 1,188	\$ 2,072

NOTE 5. STOCKHOLDERS' EQUITY

CAPITAL STOCK

In March 2004, in connection with the Boeing Digital Asset Acquisition (see Note 4), the Company issued 53,534 unregistered shares of Class A Common Stock (the "Boeing Shares") to the Boeing Company ("Boeing"), as part of the purchase price. At any time during the ninety day period beginning March 29, 2005 to June 29, 2005, Boeing had the option to sell the Boeing Shares to the Company in exchange for \$250 in cash, which the Company classified under commitments and

contingencies. The ninety day period expired on June 29, 2005, and Boeing did not require the Company to repurchase the Boeing Shares. Accordingly, the amount of \$250 was credited to additional paid-in capital.

In June 2004, the Company issued in a private placement (the "June 2004 Private Placement") 1,217,500 unregistered shares of Class A Common Stock at a sale price of \$4.00 per share and warrants to the investors for gross proceeds of \$4,870. The total net proceeds to the Company of \$4,044, including fees and expenses to subsequently register the securities, were used for capital investments and for working capital. The Company agreed to register the resale of the shares of Class A Common Stock issued with the SEC. The Company filed a Form SB-2 on July 2, 2004, which was declared effective by the SEC on July 20, 2004.

In August 2004, the Company's Board of Directors authorized the repurchase of up to 100,000 shares of Class A Common Stock, which may be purchased at prevailing prices from time-to-time in the open market depending on market conditions and other factors. During the nine months ended December 31, 2005, no Class A Common Stock was repurchased. As of December 31, 2005, the Company has repurchased 51,440 shares of Class A Common Stock for an aggregate purchase price of \$172, including fees, which shares have been recorded as treasury stock.

In November 2004, the Company entered into a stock purchase agreement (the "November 2004 Private Placement") with accredited investors in a private placement to issue and sell 282,776 shares of Class A Common Stock at \$3.89 per share to the investors for gross proceeds of \$1,100. These shares carried piggyback and demand registration rights, at the sole expense of the investor. The total net proceeds to the Company of \$1,023 were used for the purchase of certain assets and liabilities of FiberSat Global Services, LLC (the "FiberSat Acquisition") and for working capital. The investors exercised their piggyback registration rights and the Company registered the resale of the 282,776 shares of Class A Common Stock by filing a Form S-3 on March 11, 2005, which was declared effective by the SEC on March 21, 2005.

In November 2004, the Company issued 540,000 shares of Class A Common Stock in connection with the FiberSat Acquisition, as part of the purchase price. The Company agreed to register the resale of 405,525 of the shares issued in connection with the FiberSat Acquisition with the SEC. The Company filed a Form S-3 on March 11, 2005, which was declared effective by the SEC on March 21, 2005. The Company agreed to register the resale of an additional 99,475 shares issued in connection with the FiberSat Acquisition with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005.

In February 2005, the Company issued 40,000 unregistered shares of Class A Common Stock in connection with the Pavilion Theatre Acquisition (see Note 4) as part of the purchase price. As of December 31, 2005, the Company has not registered the resale of these shares issued in connection with the Pavilion Theatre Acquisition under any registration statement filed with the SEC.

In July 2005, the Company entered into a purchase agreement with certain institutional and other accredited investors in a private placement (the "July 2005 Private Placement") to issue and sell 1,909,115 unregistered shares of Class A Common Stock at a sale price of \$9.50 per share and warrants to the investors for gross proceeds of \$18,137. The Company is using the net proceeds of \$16,721 primarily to fund the capital investments in connection with Christie/AIX's digital cinema rollout plan (see Note 6) and for working capital and general corporate purposes. The Company agreed to register the resale of the shares of Class A Common Stock issued with the SEC. The Company filed a Form S-3 on August 18, 2005, which was declared effective by the SEC on August 31, 2005.

In August 2005, in connection with the Conversion Agreement (see Note 4), all Convertible Debentures Warrants were exercised for \$2,487 and the Company issued 560,196 shares of Class A Common Stock. The Company also issued 71,359 New Shares to the investors, and another 8,780 Placement Agent Shares. The Company was required to register the resale of the shares of the Class A Common Stock underlying the Convertible Debentures Warrants with the SEC. The Company filed a Form S-3 on March 11, 2005, which was declared effective by the SEC on March 21, 2005. The Company was also required to register the New Shares and the Placement Agent Shares on Form S-3 with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005.

In September 2005, in connection with the Exchange Offer completed in March 2004 (see Note 4), the AMEX 30-day average closing price of the Company's Class A Common Stock exceeded \$12.00, and therefore, the Company converted all of the 6% Convertible Notes into 307,871 shares of Class A Common Stock, of which 248,282 shares of Class A Common Stock were issued to certain officers and directors of the Company. The Company registered the resale of only 59,589 of these shares.

of Class A Common Stock on Form S-3 with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005.

STOCK OPTION PLAN

AccessIT's stock option plan ("the Plan") currently provides for the issuance of up to 1,100,000 options to purchase shares of Class A Common Stock to employees, outside directors and consultants. On June 9, 2005, the Company's Board of Directors approved the expansion of the Plan from 850,000 to 1,100,000 options, which was approved by the stockholders at the annual meeting held on September 15, 2005. The Company intends to obtain stockholder approval to expand the Plan at the Company's next annual meeting.

During the nine months ended December 31, 2005, under the Plan, the Company granted 573,500 options to its employees and 40,000 options to four members of our Board of Directors, all at an exercise price range from \$5.70 to \$13.30 per share.

	Shares Under Option
Balance at March 31, 2005.....	762,897
Granted.....	613,500
Exercised.....	(2,667)
Cancelled.....	(65,583)

Balance at December 31, 2005.....	1,308,147
	=====

As of December 31, 2005, AccessDM's separate stock option plan currently provides for the issuance of up to 2,000,000 options to purchase shares of its common stock to employees. During the nine months ended December 31, 2005, AccessDM issued options to purchase 50,000 shares of its common stock to an employee at an exercise price to be determined following an appraisal of such options.

	Shares Under Option
Balance at March 31, 2005.....	1,005,000
Granted.....	50,000
Exercised.....	-
Cancelled.....	-

Balance at December 31, 2005.....	1,055,000
	=====

WARRANTS

In November 2003, in connection with the Company's initial public offering, the Company issued the underwriter warrants to purchase up to 120,000 shares of Class A Common Stock at an exercise price of \$6.25 per share (the "Underwriter Warrants"). The Underwriter Warrants were immediately exercisable and expire on November 7, 2007. The exercise price is subject to adjustment in certain circumstances, and in 2004 the exercise price was adjusted to \$6.03 per share. During the nine months ended December 31, 2005, 49,085 Underwriter Warrants were exercised for an aggregate of \$296 and the Company issued 49,085 shares of Class A Common Stock. In addition, 67,140 Underwriter Warrants were exercised on a cashless basis, which resulted in the issuance of 33,278 shares of Class A Common Stock. As of December 31, 2005, 3,775 Underwriter Warrants remained outstanding.

In connection with the issuance of the 5-Year Notes, the Company issued to the holders of the 5-Year Notes warrants to purchase 440,500 shares of Class A Common Stock (the "5-Year Notes Warrants"). The 5-Year Notes Warrants were issued and were ascribed an estimated fair value of \$2,202, which was recognized as issuance cost and therefore was charged against the carrying value of the related 5-Year Notes. During the nine months ended December 31, 2004, and 2005 a total of \$13 and \$43, respectively, was amortized to non-cash interest expense to accrete the remaining value of the 5-Year Notes Warrants to their face value over their expected term. In July 2005, in connection with the early repayment of the Remaining 5-Year Notes, the remaining value of the 5-Year Notes Warrants totaling \$43 was amortized to non-cash interest expense.

In June 2004, in connection with the June 2004 Private Placement, the Company issued to the investors and to the placement agent warrants to purchase an aggregate of 304,375 shares of Class A Common Stock at an exercise price of \$4.80 per share (the "June 2004 Private Placement Warrants"). The Company agreed to register the resale of the shares of the Class A Common Stock underlying the June 2004 Private Placement Warrants with the SEC. The Company filed a Form SB-2 on July 2, 2004, which was declared effective by the SEC on July 20, 2004. During the nine months ended December 31, 2005, all of the June 2004 Private

Placement Warrants were exercised for \$1,461 in cash, and the Company issued 304,375 shares of Class A Common Stock. As of December 31, 2005, there were no June 2004 Private Placement Warrants outstanding.

In February 2005, in connection with the issuance of the Convertible Debentures (see Note 4), the Company issued warrants to purchase a total of 560,196 shares of Class A Common Stock, at an initial exercise price of \$4.44 per share (the "Convertible Debentures Warrants"), which were subject to adjustments from time to time. Upon the redemption of the Convertible Debentures, the Company may issue additional warrants to purchase shares of Class A Common Stock. The Convertible Debenture Warrants were exercisable beginning on September 9, 2005 for a period of five years thereafter. Based on a valuation from an independent appraiser, the Convertible Debenture Warrants were assigned an estimated fair value of \$1,109, which is accounted for as a debt issuance discount and is being accreted to non-cash interest expense. The Company agreed to register the Class A Common Stock underlying the Convertible Debentures Warrants with the SEC. The Company filed a Form S-3 on March 11, 2005, and the Form S-3 was declared effective by the SEC on March 21, 2005. In August 2005, in connection with the Conversion Agreement (see Note 4), all the Convertible Debenture Warrants were exercised for \$2,487 and the Company issued 560,196 shares of Class A Common Stock. As of December 31, 2005, there were no Convertible Debenture Warrants outstanding.

In July 2005, in connection with the July 2005 Private Placement, the Company issued warrants to purchase 477,275 shares of Class A Common Stock at an exercise price of \$11.00 per share (the "July 2005 Private Placement Warrants"). The July 2005 Private Placement Warrants are exercisable beginning on February 18, 2006 for a period of five years thereafter. The July 2005 Private Placement Warrants are callable by the Company, provided that the closing price of the Company's Class A Common Stock is \$22.00 per share, 200% of the applicable exercise price, for twenty consecutive trading days. The Company agreed to register the resale of the shares of the Class A Common Stock underlying the July 2005 Private Placement Warrants with the SEC. The Company filed a Form S-3 on August 18, 2005, which was declared effective by the SEC on August 31, 2005. As of December 31, 2005, 477,275 July 2005 Private Placements Warrants remained outstanding.

In accordance with EITF 00-19, "Accounting for Derivative Financial Instruments Indexed To, and Potentially Settled In, a Company's Own Stock" ("EITF 00-19"), and the terms of the July 2005 Private Placement Warrants, the fair value of the July 2005 Private Placement Warrants were initially accounted for as a liability, with an offsetting reduction to the carrying value of the common stock. Such liability was reclassified to equity as of the August 31, 2005 effective date of the Form S-3.

The fair value of the July 2005 Private Placement Warrants was estimated to be \$800 on the closing date of the transaction, using the Black-Scholes option-pricing model with the following assumptions: no dividends, risk-free interest rate of 3.84%, the contractual life of 5-years and volatility of 55%. In September 2005, the fair value of the July 2005 Private Placement Warrants was re-measured and estimated to be \$1,050. The increase in the fair value of \$250 was recorded as other expense.

In August 2005, in connection with the Conversion Agreement (see Note 4), all Convertible Debentures Warrants were exercised for \$2,487 and the Company issued 560,196 shares of Class A Common Stock and the Company issued to the investors the New Warrants to purchase 760,196 shares of Class A Common Stock at an exercise price of \$11.39 per share. The Company was required to register the resale of the shares of the Class A Common Stock underlying the Convertible Debentures Warrants with the SEC. The Company filed a Form S-3 on March 11, 2005, which was declared effective by the SEC on March 21, 2005. The New Warrants were immediately exercisable upon issuance and for a period of five years thereafter. The Company was required to register the resale of the shares of Class A Common Stock underlying the New Warrants with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005. As of December 31, 2005, 760,196 New Warrants remained outstanding.

In accordance with EITF 00-19, and the terms of the New Warrants, the fair value of the New Warrants is being initially accounted for as a liability, with an offsetting reduction to the carrying value of the common stock. Such liability was reclassified to equity as of the December 2, 2005 effective date of the Form S-3.

The fair value of the New Warrants was estimated to be \$4,990 on the closing date of the transaction, using the Black-Scholes option-pricing model with the following assumptions: no dividends, risk-free interest rate of 4.01%, the contractual life of 5-years and volatility of 56%. At September 30, 2005, the fair value of the New Warrants was re-measured and estimated to be \$3,490. The

decrease in the fair value of \$1,500 was recorded as other income. At December 2, 2005, the fair value of the New Warrants was re-measured and estimated to be \$3,080. The decrease in the fair value of \$410 was recorded as other income.

Warrants outstanding consisted of the following:

Outstanding Warrant	March 31, 2005	December 31, 2005
Underwriter Warrants.....	120,000	3,775
June 2004 Private Placement Warrants.....	304,375	-
Convertible Debenture Warrants.....	560,196	-
July 2005 Private Placement Warrants.....	-	477,275
New Warrants.....	-	760,196
	984,571	1,241,246

NOTE 6. COMMITMENTS AND CONTINGENCIES

In June 2005, the Company entered into a digital cinema framework agreement (the "Framework Agreement") with Christie Digital Systems USA, Inc. ("Christie") through the Company's newly formed wholly-owned subsidiary, Christie/AIX, whereby, among other things (1) Christie/AIX would seek to raise financing to purchase 200 of Christie's digital cinema projection systems (the "Systems") at agreed-upon prices; and (2) Christie/AIX would then seek to raise additional debt and/or equity financing to purchase an additional 2,300 Systems at agreed-upon prices. The Framework Agreement allows Christie/AIX to terminate the agreement for several reasons, including failure to: (1) execute definitive agreements with certain film distributors by August 31, 2005 to pay virtual print fees to Christie/AIX for deliveries of digital films made to the Systems, and (2) execute agreements with certain exhibitors by August 31, 2005 to license the Systems or to house them in the exhibitor locations.

In August 2005, an amendment to the Framework Agreement extended the termination provisions through September 30, 2005.

In September 2005, pursuant to a second amendment to the Framework Agreement, Christie and Christie/AIX agreed to eliminate such termination provisions, except to allow for termination in the event that financing cannot be obtained to purchase the Systems. Additionally, the parties agreed to extend the number of systems which may be ordered, to 4,000 Systems.

In connection with facilitating deployment of the Systems, the Company has entered into digital cinema deployment agreements with five motion picture distributors, for distribution of digital movie releases to theaters equipped with the Systems, and providing for payment of virtual print fees to Christie/AIX. As of December 31, 2005, the Company has also entered into master license agreements with four motion picture exhibitors (including AccessIT's Pavilion Theatre) for the placement of the Systems in movie theatres covering a total of 2,453 screens.

As of December 31, 2005, Christie/AIX ordered 200 of the Systems from Christie. Christie/AIX has agreed to provide financing to certain motion picture exhibitors upon the billing to the motion picture exhibitors by Christie for the installation costs associated with the placement of the Systems in movie theatres, for such installation costs. The motion picture exhibitors would be required to make monthly interest only payments through October 2007 and quarterly principal and interest payments thereafter.

In November 2005, the Company received notification from KMC Telecom ("KMC") that they would not renew the contracts for six out of seven current IDC sites which were licensed by KMC, which contracts expired on December 31, 2005. From inception through November 3, 2003, the Company had derived all of its revenues from monthly license fees and fees from other ancillary services provided by our IDCs, including fees from various services under the colocation space contract with KMC. In addition, certain other data center customer contracts will expire over the next several months, and the Company has not yet received indications of whether and on which terms these contracts will be renewed. Through December 31, 2005, the average monthly revenue from KMC for the expired contracts was approximately \$144. Additionally, the Company has two other large data center customer contracts that will expire before July 1, 2006, which currently provide approximately \$108 of total monthly revenue. We anticipate that these contracts will not be renewed.

In connection with the expiration of the six KMC contracts, the Company has exited or will exit the six leased IDC's in which KMC was the sole or the primary IDC customer. These six leases expire between December 31, 2005 and April 30, 2006 and were intended to terminate in conjunction with the associated KMC contract. Although there are no assurances, management believes the Company

will not incur any significant costs in connection with the exit from the six IDC's. As of December 31, 2005, the Company had security deposits totaling \$36 relating to these six leased IDC's.

In November 2005, the Company retained an investment bank to act as an advisor to the Company, primarily to assist in raising funds in the form of debt, equity or both, for the purchase of digital cinema related equipment, as discussed above, and other corporate purposes. The Company agreed to pay upfront and monthly fees up to an aggregate of \$600, all of which would be applied against transaction fees to be earned in any fundraising. As of December 31, 2005, the Company has paid \$200 of such fees.

NOTE 7. SUPPLEMENTAL CASH FLOW DISCLOSURE

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2004	2005	2004	2005
Interest paid.....	\$ 91	\$ 331	\$ 292	\$1,144
Issuance of Class A Common Stock for the FiberSat Acquisition.....	\$1,625	\$ -	\$1,625	\$ -
Issuance of warrants to purchase shares of Class A Common Stock.....	\$ -	\$ -	\$ 706	\$ -
Reduction of goodwill and other assets relating to the early cancellation of the Pavilion Note	\$ -	\$ -	\$ -	\$1,232
Issuance of Class A Common Stock for conversion of 6% Convertible Notes...	\$ -	\$ -	\$ -	\$1,699
Issuance of Class A Common Stock for conversion of Convertible Debentures.....	\$ -	\$ -	\$ -	\$7,600
Issuance of Class A Common Stock in lieu of redeeming the Boeing Shares...	\$ -	\$ -	\$ -	\$ 250
Transfer to equity of liability relating to warrants upon registration statement effectiveness.....	\$ -	\$3,080	\$ -	\$4,130
Equipment in accounts payable and accrued expenses purchased from Christie.....	\$ -	\$6,248	\$ -	\$6,248

NOTE 8. SEGMENT INFORMATION

Segment information has been prepared in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". The Company has two reportable segments: Media Services and Data Center Services. The segments were determined based on the products and services provided by each segment. Accounting policies of the segments are the same as those described in Note 2. Performance of the segments is evaluated on operating income before interest, taxes, depreciation and amortization.

The Media Services segment consists of the following:

OPERATIONS OF:	PRODUCTS AND SERVICES PROVIDED:
AccessIT SW	Develops and licenses software to the theatrical distribution and exhibition industries, provides services as an ASP, and provides software enhancements and consulting services.
AccessIT Satellite	Provides satellite-based broadband video, data and Internet transmission and encryption services for multiple customers in the broadcast and cable television and communications industries, and also operates an outsourced networks operations center.
AccessDM	Stores and distributes digital content to movie theaters and other venues.

OPERATIONS OF:	PRODUCTS AND SERVICES PROVIDED:
----- Pavilion Theatre -----	----- A nine-screen movie theatre. -----
Christie/AIX	Financing vehicle and administrator for the deployment of digital cinema projection systems to exhibitors in the movie entertainment industry (see

Note 6) and collects virtual
print fees from movie distributors.

The Data Center Services segment consists of the following:

OPERATIONS OF:	PRODUCTS AND SERVICES PROVIDED:
----- AccessIT -----	----- Provides services through its nine IDC's including the license of data center space, provision of power, data connections to other businesses, and the installation of equipment. -----
Managed Services	Provides information technology consulting services and managed network monitoring services through its global network command center.

Prior to November 3, 2003, the Company operated only in the Data Center Services segment. All of the Company's revenues were generated inside the United States.

Information related to the segments of the Company and its subsidiaries is detailed below:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2004	2005	2004	2005
Media Services:				
Income (loss) before interest, taxes, depreciation and amortization.....	\$ 182	\$ (29)	\$ 376	\$ (472)
Depreciation and amortization.....	426	789	1,025	2,273
Loss before other expense.....	\$ (244)	\$ (818)	\$ (649)	\$ (2,745)
Data Center Services:				
Income before interest, taxes, depreciation and amortization.....	\$ 311	\$ 251	\$ 1,099	\$ 1,042
Depreciation and amortization.....	443	387	1,355	1,315
Loss before other expense.....	\$ (132)	\$ (136)	\$ (256)	\$ (273)
Corporate:				
Loss before interest, taxes, depreciation and amortization.....	\$ (834)	\$ (1,178)	\$ (2,832)	\$ (3,396)
Depreciation and amortization.....	26	18	77	59
Loss before other expense.....	\$ (860)	(1,196)	\$ (2,909)	\$ (3,455)
Total Consolidated:				
Loss before interest, taxes, depreciation and amortization.....	\$ (341)	\$ (956)	\$ (1,357)	\$ (2,826)
Depreciation and amortization.....	895	1,194	2,457	3,647
Loss before other expense.....	\$ (1,236)	\$ (2,150)	\$ (3,814)	\$ (6,473)

As of December 31,

2004	2005
-----	-----

Total Assets:

Media Services.....	\$ 16,089	\$ 36,839
Data Center Services.....	5,752	8,264
Corporate.....	1,410	7,908
	-----	-----
Total Consolidated.....	\$ 23,251	\$ 53,011
	=====	=====

NOTE 9. RELATED PARTY TRANSACTIONS

In connection with the Exchange Offer completed in March 2004 (see Note 4), the Company issued 6% Convertible Notes with a principal amount of \$1,736 to several investors, of which \$1,400 is payable to certain officers and directors of the Company. In September 2005, the AMEX 30-day average closing price of the Company's Class A Common Stock exceeded \$12.00, and therefore, the Company converted all of the 6% Convertible Notes into 307,871 shares of Class A Common Stock, of which 248,282 shares of Class A Common Stock were issued to certain officers and directors of the Company. The Company registered the resale of only 59,589 of these shares of Class A Common Stock on Form S-3 with the SEC. The Company filed a Form S-3 on November 16, 2005, which was declared effective by the SEC on December 2, 2005.

A non-employee officer of Christie/AIX is also an officer of Christie, from whom Christie/AIX purchases the Systems for our rollout plan to deploy digital cinema systems nationwide (see Note 6). Purchases of such Systems from Christie totaled \$11,702 for the nine months ended December 31, 2005. This individual is not compensated by Christie/AIX.

NOTE 10. SUBSEQUENT EVENTS

In December 2005, the Company filed a shelf registration statement on Form S-3 with the SEC, which was declared effective on January 13, 2006. The filing provides that the Company may offer and sell in one or more offerings up to \$75,000 of any combination of the following securities: Class A Common Stock, preferred stock in one or more series and warrants to purchase common stock or preferred stock. We intend to use the proceeds from sales of securities under this shelf registration for the purchase, installation and maintenance of digital cinema projection systems by Christie/AIX, in connection with our rollout plan to deploy digital cinema systems nationwide (see Note 6), as part of an effort to advance the movie industry's transition to digital cinema, and for general working capital and corporate purposes, including, from time to time, extinguishment of corporate debt and acquisitions in line with our corporate business plan.

On January 1, 2006, the Company purchased the domain name, website, customer list and the IP address space for Ezzi.net and certain data center related computer equipment of R & S International, Inc. (together the "Access Digital Server Assets"). The purchase price includes a cash payment of \$140 and 23,445 shares of unregistered Class A Common Stock to be issued by April 2006. Based on targeted cash flows associated with the Access Digital Server Assets through March 31, 2008, the Company may be required to make additional payments up to the maximum sum of \$900. The Company is in the process of evaluating the net tangible and intangible assets acquired.

On January 4, 2006, Christie/AIX ordered additional Systems from Christie with a total cost of approximately \$19,450.

On January 17, 2006, the Company entered into: (1) a placement agency agreement in connection with an offering to issue and sell 1,145,000 registered shares of Class A Common Stock at a sale price of \$10.70 per share to certain institutional and other accredited investors, and (2) a purchase agreement with an underwriter for 355,000 registered shares of Class A Common Stock at a sale price of \$10.70 per share (together the "January 2006 Offering") for gross proceeds of \$16,050. The securities have been offered by the Company, pursuant to a shelf registration statement on Form S-3 filed with the SEC, discussed above. The offering and sale of the 1,500,000 shares was completed on January 25, 2006. The Company intends to use the estimated net proceeds of approximately \$14,739, for the purchase, installation and maintenance of digital cinema projection systems by Christie/AIX, in connection with our rollout plan to deploy digital cinema systems nationwide (see Note 6) and for general corporate purposes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(\$ in thousands, except for per share data)

Various statements contained in this Form 10-QSB or incorporated by reference into this prospectus constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations and are indicated by words or phrases such as "believe," "expect," "may," "will," "should," "seek," "plan," "intend" or "anticipate" or the negative thereof or comparable terminology, or by discussion of strategy. Forward-looking statements represent as of the date of this Form 10-QSB our judgment relating to, among other things, future results of operations, growth plans, sales, capital requirements and general industry and business conditions applicable to us. Such forward-looking statements are based largely on our current expectations and are inherently subject to risks and uncertainties. Our actual results could differ materially from those that are anticipated or projected as a result of certain risks and uncertainties, including, but not limited to, a number of factors, such as:

- o our incurrence of losses to date;
- o the effect of our indebtedness on our financial condition and financial flexibility, including, but not limited to, the ability to obtain necessary financing for our business;
- o achieving sufficient volume of business from our customers;
- o our subsidiaries conducting business in areas in which we have little experience;
- o economic and market conditions;
- o the performance of the data center services and software related businesses;
- o changes in business relationships with our major customers and in the timing, size and continuation of our customers' programs;
- o competitive product and pricing pressures;
- o increases in costs that cannot be recouped in product pricing;
- o successful integration of acquired businesses;
- o successful execution of our business strategy, particularly for new endeavors;
- o as well as other risks and uncertainties, such as those described under Quantitative and Qualitative Disclosures About Market Risk and those detailed herein and from time to time in our filings with the SEC.

Those forward-looking statements are made only as of the date hereof, and we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise. The following discussion should be read in conjunction with the unaudited consolidated financial statements, including the notes thereto, included elsewhere in this Form 10-QSB.

OVERVIEW

AccessIT was organized on March 31, 2000, and we are in the business of providing software services and technology solutions to the motion picture industry and various other clients primarily to facilitate the transition from analog (film) to digital cinema in part, and operating IDC's and providing managed information technology services. Recently, we have actively expanded into interrelated business areas relating to the delivery and management of digital cinema content to entertainment venues worldwide, and to support the rollout of digital cinema equipment nationwide. These businesses, supported by our Internet data center and managed services business, have become our primary strategic focus.

Our primary business focus is to create a secure, managed and complete system that consists of software to book, track and perform record keeping functions for digital content in theatres, electronically deliver digital content to multiple locations primarily via satellite and provide the content management software for in-theatre playback system for the digital cinema marketplace. The system is intended to use all of our businesses.

We have two reportable segments: Media Services, which represents the operations of AccessIT SW, AccessIT Satellite, AccessDM, the Pavilion Theatre and Christie/AIX, and Data Center Services, which consists of the operations of our nine IDCs and the operations of Managed Services. Revenues for our reportable segments are:

	Three Months Ended December 31,				Nine Months Ended December 31,			
	2004		2005		2004		2005	
Revenues:								
Media Services	\$ 1,300	47%	\$ 2,751	62%	\$ 2,496	35%	\$ 7,377	60%
Data Center Services	1,439	53%	1,660	38%	4,639	65%	4,907	40%
Total Consolidated	\$ 2,739		\$ 4,411		\$ 7,135		\$ 12,284	

In November 2005, we received notification from KMC that they would not renew the contracts for six out of seven current IDC sites which were licensed by KMC, which contracts expired on December 31, 2005. From inception through November 3, 2003, we had derived all of our revenues from monthly license fees and fees from other ancillary services provided by our IDCs, including fees from various services under the colocation space contracts with KMC. In addition, certain other data center customer contracts will expire over the next several months, and we have not yet received indications of whether and on which terms these contracts will be renewed. Through December 31, 2005, the average monthly revenue from KMC for the expired contracts was approximately \$144. Additionally, we have two other large data center customer contracts that will expire before July 1, 2006, which currently provide approximately \$108 of total monthly revenue. We anticipate that these contracts will not be renewed.

In connection with the expiration of the six KMC contracts, we have exited or will exit the six leased IDC's in which KMC was the sole or the primary IDC customer. These six leases expire between December 31, 2005 and April 30, 2006 and were intended to terminate in conjunction with the associated KMC contract. Although there are no assurances, management believes we will not incur any significant costs in connection with the exit from the six IDC's.

We have incurred net losses of \$3,988 and \$13,787 in the nine months ended December 31, 2004 and 2005, respectively, and we have an accumulated deficit of \$35,274 as of December 31, 2005. We anticipate that, with our recent acquisitions, the operation of AccessDM, and the future operations of Christie/AIX our results of operations will improve. As we grow, we expect our operating costs and general and administrative expenses will also increase for the foreseeable future, but as a lower percentage of revenue. In order to achieve and sustain profitable operations, we will need to generate more revenues than we have in prior years and we may need to obtain additional financing.

RECENT DEVELOPMENTS

SHELF REGISTRATION STATEMENT

In November 2005, we retained an investment bank to act as an advisor to us, primarily to assist in raising funds in the form of debt, equity or both, for the purchase of digital cinema related equipment, as discussed above, and other corporate purposes. We agreed to pay upfront and monthly fees up to an aggregate of \$600, all of which would be applied against transaction fees to be earned in any fundraising. As of December 31, 2005, we have paid \$200 of such fees.

In December 2005, we filed a shelf registration statement on Form S-3 with the SEC, which was declared effective on January 13, 2006. The filing provides that we may offer and sell in one or more offerings up to \$75,000 of any combination of the following securities: Class A Common Stock, preferred stock in one or more series and warrants to purchase common stock or preferred stock. We intend to use the proceeds from this shelf registration for the purchase, installation and maintenance of digital cinema projection systems by Christie/AIX, in connection with our rollout plan to deploy digital cinema systems nationwide (see Note 6), as part of an effort to advance the movie industry's transition to digital cinema, and for general working capital and corporate purposes, including, from time to time, extinguishment of corporate debt and acquisitions in line with our corporate business plan.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2004 AND 2005

The following table sets forth, for the period indicated, the comparative changes to amounts included in our consolidated statements of operations.

Summary Operating Results For the Three Months Ended December 31,

	2004	2005	Increase/(Decrease)	
			\$	%
Revenues:				
Media services.....	\$ 1,300	\$ 2,751	\$ 1,451	112%
Data center services.....	1,439	1,660	221	15%
Total revenues	2,739	4,411	1,672	61%
Costs of revenues (exclusive of depreciation and amortization):				
Media services.....	570	1,813	1,243	218%
Data center services.....	1,062	1,298	236	22%
Total costs of revenues	1,632	3,111	1,479	91%
Gross profit (exclusive of depreciation and amortization):	1,107	1,300	193	17%
Costs and expenses:				
Selling, general and administrative...	1,303	2,164	861	66%
Provision for doubtful accounts.....	23	55	32	139%
Research and development.....	122	37	(85)	(70)%
Depreciation and amortization.....	895	1,194	299	33%
Interest expense.....	90	313	223	248%
Non-cash interest expense.....	43	32	(11)	(26)%
Debt conversion expense.....	-	125	125	
Total costs and expenses	2,476	3,920	1,444	58%
Other income:				
Interest income.....	-	97	97	
Other (expense) income, net.....	(27)	409	436	1,615%
Income tax benefit.....	77	77	-	-
Total other income.....	50	583	533	1,066%
Net loss	\$ (1,319)	\$ (2,037)	\$ 718	54%

TOTAL REVENUES

Total revenues were \$2,739 and \$4,411 for the three months ended December 31, 2004 and 2005, respectively, an increase of \$1,672 or 61%. The increase was primarily in the Media Services segment, driven largely by box office and concession sales of the Pavilion Theatre which was acquired in February 2005 and was not part of AccessIT in the three months ended December 31, 2004. The remaining increase was attributable to our existing Data Center Services' businesses, mainly Managed Services which experienced year over year growth in its customer base.

COSTS OF REVENUES

Total costs of revenues were \$1,632 and \$3,111 for the three months ended December 31, 2004 and 2005, respectively, an increase of \$1,479 or 91%. The increase was predominantly in the Media Services segment, most of which was attributable to film rent, concession expenses, payroll and other operating costs of the Pavilion Theatre, which was acquired in February 2005 and was not part of AccessIT in the three months ended December 31, 2004. We also experienced additional costs from the operations of AccessIT Satellite which was acquired in November 2004 and only had operations for half of the three month period ended December 31, 2004. In our Data Center Services segment, the

increase was due to higher data circuit expenses combined with additional personnel and other operating costs required to support the additional customers of Managed Services.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Total selling, general and administrative expenses were \$1,303 and \$2,164 for the three months ended December 31, 2004 and 2005, respectively, an increase of \$861 or 66%. The increase was primarily due to increased company-wide staffing costs, including the acquisitions of the Pavilion Theatre and AccessIT Satellite and the creation of Christie/AIX to support the digital cinema business. We also added personnel in our corporate offices, primarily in the areas of finance and administration. As of December 31, 2004 and 2005 we had 58 and 128 employees, respectively, of which five and 54, were part-time employees, respectively.

DEPRECIATION AND AMORTIZATION EXPENSE

Total depreciation and amortization expense was \$895 and \$1,194 for the three months ended December 31, 2004 and 2005, respectively, an increase of \$299 or 33%. The increase was attributable to the depreciation and amortization for the assets of the Pavilion Theatre and various other asset additions.

INTEREST EXPENSE

Total interest expense was \$90 and \$313 for the three months ended December 31, 2004 and 2005, respectively, an increase of \$223 or 248%. The increase was attributable to the capital lease associated with the operations of the Pavilion Theatre, partially offset by reduced interest expense resulting from the conversion of all the 6% Convertible Notes into shares of Class A Common Stock in September 2005 (see Note 4).

DEBT CONVERSION EXPENSE

Total debt conversion expense was \$0 and \$125 for the three months ended December 31, 2004 and 2005, respectively. The increase was due to additional professional fees associated with the Conversion Agreement from August 2005 (see Note 4).

OTHER (EXPENSE) INCOME, NET

Total other expense, net was \$(27) for the three months ended December 31, 2004 compared to other income, net of \$409 for the three months ended December 31, 2005, an increase of \$436 or 1,615%. The increase was due to the fair value re-measurement of the New Warrants (see Note 5) which resulted in non-cash other income.

FOR THE NINE MONTHS ENDED DECEMBER 31, 2004 AND 2005

The following table sets forth, for the period indicated, the comparative changes to amounts included in our consolidated statements of operations.

Summary Operating Results For the Nine Months Ended December 31,				
		Increase/ (Decrease)		
2004	2005	\$	%	
Revenues:				
Media services.....	\$ 2,496	\$ 7,377	\$ 4,881	196%
Data center services.....	4,639	4,907	268	6%
Total revenues	7,135	12,284	5,149	72%
Costs of revenues (exclusive of depreciation and amortization):				
Media services.....	912	5,147	4,235	464%
Data center services.....	3,102	3,593	491	16%
Total costs of revenues	4,014	8,740	4,726	118%
Gross profit (exclusive of depreciation and amortization):	3,121	3,544	423	14%
Costs and expenses:				
Selling, general and administrative.....	3,588	5,956	2,368	66%
Provision for doubtful accounts.....	598	90	(508)	(85)%
Research and development.....	288	324	36	13%
Non-cash stock-based compensation.....	4	-	(4)	(100)%
Depreciation and amortization.....	2,457	3,647	1,190	48%
Interest expense.....	279	1,837	1,558	558%
Non-cash interest expense.....	155	1,325	1,170	755%
Debt conversion expense.....	-	6,208	6,208	
Minority interest in loss of subsidiary.....	(10)	-	10	100%
Total costs and expenses	7,359	19,387	12,028	163%
Other income:				
Interest income.....	-	180	180	
Other income, net.....	17	1,643	1,626	9,565%
Income tax benefit.....	233	233	-	-
Total other income	250	2,056	1,806	722%
Net loss	\$ (3,988)	\$ (13,787)	\$ 9,799	246%

TOTAL REVENUES

Total revenues were \$7,135 and \$12,284 for the nine months ended December 31, 2004 and 2005, respectively, an increase of \$5,149 or 72%. The increase was primarily in the Media Services segment, driven largely by box office and concession sales of the Pavilion Theatre which was acquired in February 2005 and was not part of AccessIT in the nine months ended December 31, 2004, data and Internet transmission and encryption services of AccessIT Satellite which was acquired in November 2004 and existing Media Services operations.

COSTS OF REVENUES

Total costs of revenues were \$4,014 and \$8,740 for the nine months ended December 31, 2004 and 2005, respectively, an increase of \$4,726 or 118%. The increase was primarily in Media Services most of which was attributable to film rent, concession expenses, payroll and other operating costs of the Pavilion Theatre, which was acquired in February 2005 and was not part of AccessIT in the nine months ended December 31, 2004, payroll and other operating costs of

AccessIT Satellite which was acquired in November 2004 and software amortization and staffing costs for additional resources hired at AccessIT SW. The remaining increase in cost of revenues was attributable to higher data circuit expenses combined with additional personnel and other operating costs required to support the additional customers of our Data Center Services.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Total selling, general and administrative expenses were \$3,588 and \$5,956 for the nine months ended December 31, 2004 and 2005, respectively, an increase of \$2,368 or 66%. The increase was primarily due to increased company-wide staffing costs, including the acquisitions of the Pavilion Theatre and AccessIT Satellite and the creation of Christie/AIX to support the digital cinema business. We also added personnel in our corporate offices, primarily in the areas of finance and administration. As of December 31, 2004 and 2005 we had 58 and 128 employees, respectively, of which five and 54, were part-time employees, respectively.

DEPRECIATION AND AMORTIZATION EXPENSE

Total depreciation and amortization expense was \$2,457 and \$3,647 for the nine months ended December 31, 2004 and 2005, respectively, an increase of \$1,190 or 48%. The increase was attributable to the depreciation and amortization of the assets from the acquisitions of the Pavilion Theatre and AccessIT Satellite and various other asset additions.

INTEREST EXPENSE

Total interest expense was \$279 and \$1,837 for the nine months ended December 31, 2004 and 2005, respectively, an increase of \$1,558 or 558%. The increase was attributable to the capital lease associated with the operations of the Pavilion Theatre, the remaining unamortized debt issuance costs of the Convertible Debentures which were converted into shares of Class A Common Stock in August 2005 (see Note 4), partially offset by reduced interest expense resulting from the conversion of all the 6% Convertible Notes into shares of Class A Common Stock in September 2005 (see Note 4).

NON-CASH INTEREST EXPENSE

Total non-cash interest expense was \$155 and \$1,325 for the nine months ended December 31, 2004 and 2005, respectively, an increase of \$1,170 or 755%. The increase was due to the remaining accretion on the debt discount which resulted from the Convertible Debentures Warrants which were exercised shares of Class A Common Stock in August 2005.

DEBT CONVERSION EXPENSE

Total debt conversion expense was \$0 and \$6,208 for the nine months ended December 31, 2004 and 2005, respectively. The increase represents the value of the New Shares, the New Warrants, the Placement Agent Shares and professional fees incurred in connection with the Conversion Agreement in August 2005 (see Note 4).

OTHER INCOME, NET

Total other income, net was \$17 and \$1,643 for the nine months ended December 31, 2004 and 2005, respectively, an increase of \$1,626. The increase represents the decreased fair value of the New Warrants, reduced by the increased fair value of July 2005 Private Placement Warrants (see Note 5).

LIQUIDITY AND CAPITAL RESOURCES

We have incurred operating losses in each year since we commenced our operations. Since our inception, we have financed our operations substantially through the private placement of shares of our common and preferred stock, the issuance of promissory notes, our IPO, notes payable and common stock used to fund various acquisitions. We have no borrowings or line of credit arrangements with banks or other financial institutions.

In July 2005, we received gross proceeds of \$18,137 from the July 2005 Private Placement. We are using the net proceeds of \$16,721, primarily to fund the capital investments in connection with Christie/AIX's digital cinema rollout

plan (see Note 6) and for working capital and general corporate purposes. As of December 31, 2005, we have paid \$5,454 towards Systems ordered in connection with Christie/AIX's digital cinema rollout plan.

As of December 31, 2005, we had cash and cash equivalents of \$10,105 and our working capital was \$2,920.

Operating activities used net cash of \$2,759 and \$5,943 for the nine months ended December 31, 2004 and 2005, respectively. The increase in cash used by operating activities was primarily due to an increased net loss from operations offset by the change in accounts payable and accrued expenses along with adjustments not requiring cash, specifically depreciation and amortization, non-cash interest expense and debt conversion expense.

Investing activities used net cash of \$2,485 and \$7,728 for the nine months ended December 31, 2004 and 2005, respectively. The increase was due to additional computer related equipment and other assets, primarily in connection with Christie/AIX's digital cinema rollout plan. We anticipate that we will experience an increase in our capital expenditures consistent with the anticipated growth in our operations, infrastructure and personnel.

Financing activities provided net cash of \$4,429 for the nine months ended December 31, 2004 primarily due to the June 2004 Private Placement and the November 2004 Private Placement, less repayments of notes payable and capital lease obligations. Net cash provided by financing activities of \$18,997 for the nine months ended December 31, 2005 was primarily due to the net proceeds from the July 2005 Private Placement and various warrants exercised, offset slightly by the repayments of notes payable and capital lease obligations.

We have acquired property and equipment under long-term capital lease obligations that expire at various dates through July 2022. As of December 31, 2005, we had outstanding capital lease obligations of \$6,078. Our capital lease obligations are at the following locations and in the following principal amounts:

Location	Purpose of capital lease	Outstanding Obligation
-----	-----	-----
The Pavilion Theatre	For building, land and improvements	\$6,055
Corporate Office	For telephone equipment	18
Managed Services	For computer equipment used in IDC's	5

		\$6,078
		=====

As of December 31, 2005, minimum future capital lease payments (including interest) totaling \$18,947, are due as follows:

For the twelve months ending December 31,	

2006.....	\$ 1,141
2007.....	1,128
2008.....	1,128
2009.....	1,128
2010.....	1,128
Thereafter.....	13,294

	\$ 18,947
	=====

As of December 31, 2005, obligations under non-cancelable operating leases totaled \$15,014, are due as follows:

For the twelve months ending December 31,	

2006.....	\$ 2,658
2007.....	2,577
2008.....	2,589
2009.....	2,215
2010.....	1,454
Thereafter.....	3,521

	\$ 15,014
	=====

As of December 31, 2005, purchase obligations for Systems ordered in connection with Christie/AIX's digital cinema rollout plan, and not included in our consolidated financial statements totaled \$3,858.

Management expects that we will continue to generate operating losses for the foreseeable future due to depreciation and amortization, interest expense, software development, the continued efforts related to the identification of acquisition targets, marketing and promotional activities and the development of relationships with other businesses. Certain of these costs could be reduced if working capital decreased. We may attempt to raise additional capital from various sources for future acquisitions or for working capital as necessary, but there is no assurance that such financing will be completed as contemplated or under terms acceptable to us, or our existing shareholders. Failure to generate additional revenues, raise additional capital or manage discretionary spending could have a material adverse effect on our ability to continue as a going concern and to achieve our intended business objectives.

Our management believes that the net proceeds generated by our recent financing transactions combined with our cash on hand and cash receipts from existing operations, will be sufficient to permit us to continue our operations for at least twelve months from the date of this report.

SUBSEQUENT EVENTS

On January 1, 2006, we purchased the domain name, website, customer list and the IP address space for Ezzi.net and certain data center related computer equipment of R & S International, Inc. (together the "Access Digital Server Assets"). The purchase price includes a cash payment of \$140 and 23,445 shares of unregistered Class A Common Stock to be issued by April 2006. Based on targeted cash flows associated with the Access Digital Server Assets through March 31, 2008, we may be required to make additional payments up to the maximum sum of \$900. The acquired assets will be used for web-hosting and is intended to supplement the existing Data Center Services business.

On January 4, 2006, Christie/AIX ordered additional Systems from Christie with a total cost of approximately \$19,450.

On January 17, 2006, we entered into: (1) a placement agency agreement in connection with an offering to issue and sell 1,145,000 registered shares of Class A Common Stock at a sale price of \$10.70 per share to certain institutional and other accredited investors, and (2) a purchase agreement with an underwriter for 355,000 registered shares of Class A Common Stock at a sale price of \$10.70 per share (together the "January 2006 Offering") for gross proceeds of \$16,050. The securities have been offered by us, pursuant to a shelf registration statement on Form S-3 filed with the SEC, as discussed above in Recent Developments. The offering and sale of the 1,500,000 shares was completed on January 25, 2006. We intend to use the estimated net proceeds of approximately \$14,739, for the purchase, installation and maintenance of digital cinema projection systems by Christie/AIX, in connection with our rollout plan to deploy digital cinema systems nationwide (see Note 6) and for general corporate purposes.

In February 2006, we entered into preliminary discussions for a senior credit facility to finance the purchase, installation and maintenance of digital cinema systems in connection with our rollout plan to deploy digital cinema systems nationwide (see Note 6). The completion of and the availability of funds from such credit facility can not be assured.

OFF-BALANCE SHEET ARRANGEMENTS

We are not a party to any off-balance sheet arrangements.

ITEM 3. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

There was no change in our internal control over financial reporting during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS.

The exhibits are listed in the Exhibit Index beginning on page 30 herein.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ACCESS INTEGRATED TECHNOLOGIES, INC. (Registrant)

Date: February 13, 2006

BY: /s/ A. Dale Mayo

*A. Dale Mayo
President and Chief Executive Officer
and Director
(Principal Executive Officer)*

Date: February 13, 2006

BY: /s/ Brian D. Pflug

*Brian D. Pflug
Senior Vice President - Accounting & Finance
(Principal Financial Officer)*

EXHIBIT INDEX

EXHIBIT NUMBER DESCRIPTION OF DOCUMENT

10.1* Digital Cinema Deployment Agreement, dated October 25, 2005 by and between Universal City Studios LLLP, and Christie/AIX, Inc.

10.2* Master License Agreement, dated December 16, 2005, by and between Carmike Cinemas, Inc. and Christie/AIX, Inc.

10.3 Amendment No. 3 to the First Amended and Restated Access Integrated Technologies, Inc. 2000 Stock Option Plan, dated as of September 15, 2005.

31.1 Officers Certificate 15 U.S.C. 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Officers Certificate 15 U.S.C. 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Specific portions of this agreement have been omitted and have been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment in accordance with Rule 24b-2 under the Securities Exchange Act of 1934

**AMENDMENT NO. 3
TO
FIRST AMENDED AND RESTATED
ACCESS INTEGRATED TECHNOLOGIES, INC. 2000 STOCK OPTION PLAN**

AMENDMENT NO. 3, dated as of September 15, 2005 (this "Amendment"), to the First Amended and Restated 2000 Stock Option Plan (as amended, the "Plan") of Access Integrated Technologies, Inc., a Delaware corporation (the "Corporation").

WHEREAS, the Corporation maintains the Plan, effective as of June 1, 2000; and

WHEREAS, in order to provide the Corporation with the flexibility to be able to grant additional stock options to its employees, the Board of Directors of the Corporation deems it to be in the best interest of the Corporation and its stockholders to amend the Plan in order to increase the maximum number of shares of the Corporation's Class A Common Stock, par value \$.001 per share, which may be issued and sold under the Plan from 850,000 shares to 1,100,000 shares.

NOW, THEREFORE, BE IT RESOLVED the Plan is hereby amended as follows:

1. The first sentence of Section 4.01 shall be revised and amended to read as follows:

"The maximum number of shares authorized to be issued under the Plan and available for issuance as Options shall be 1,100,000 shares of Common Stock."

2. This Amendment shall be effective as of the date first set forth above, which is the date that this Amendment was approved by a majority of the outstanding votes cast at the September 15 meeting of the holders of the Corporation's Class A Common Stock and Class B Common Stock.

3. In all respects not amended, the Plan is hereby ratified and confirmed and remains in full force and effect.

ACCESS INTEGRATED TECHNOLOGIES, INC.

By: /s/ A. Dale Mayo

*A. Dale Mayo,
President, Chief Executive Officer and
Chairman of the Board of Directors*

EXHIBIT 10.1

DIGITAL CINEMA AGREEMENT

THIS DIGITAL CINEMA AGREEMENT (this "Agreement") is made and entered into as of October 20, 2005 by and between UNIVERSAL CITY STUDIOS LLLP, a Delaware corporation ("Distributor"), and CHRISTIE/AIX, INC., a Delaware corporation ("Christie/AIX").

RECITALS

WHEREAS, Christie/AIX is in the business of deploying digital systems for use in exhibiting digital versions of theatrical feature films; and

WHEREAS, Distributor is in the business of producing and distributing theatrical feature films, and is interested in distributing digital versions of theatrical feature films.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth below, and for other valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the parties hereby mutually agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms have the meanings set forth below:

"Contract Year" means a one-year period beginning on November 1st of one year and ending on October 31st of the following year. The first "Contract Year" is November 1, 2005 to October 31, 2006.

"Cineplex" means a theater with multiple cinema auditoriums.

"DCI" means Digital Cinema Initiatives, LLC.

"DCI Specification" means the Digital Cinema System Specification V1.0 dated July 20, 2005 issued by DCI.

"Digital System" means collectively one or more Projection Systems, a central storage server connecting all Projection Systems within a Cineplex, Theater Management Software, and such other system components and software as are required to meet the standards set forth in the DCI Spec, all of which have an Installation Date within the Roll-Out Period.

"Digital Title" means a digitized version of a theatrical feature film released by a motion picture studio.

"Engagement" means the period beginning with an opening date of a Digital Title within a Cineplex and ending on the closing date (i.e. the last date of a continuous run beginning on the opening date) of that Digital Title within that same Cineplex.

"Exhibitor" means the owner or operator of one or more Cineplexes used for the exhibition of theatrical feature films. . "Installation Date" means, in respect of a Digital System, the date on which the Digital System becomes operational.

"Major Studio" means Distributor, Disney, Fox, Paramount, Sony Pictures Entertainment and Warner Bros.

"Projection System" means collectively a system deployed by Christie/AIX consisting of a DLP Cinema 2k projector, capable of both 2-D and 3-D display, and a digital cinema server for each theatre screen. Each Projection System will be a part of a Digital System.

"Roll-Out Period" means *** through ***.

"Security Breach" means a failure to comply with the DCI Specification which results in (i) the unauthorized copying of encrypted versions of content stored in a Digital System, or (ii) the interception of the data stream as the digitized content is moved within the Digital System or from one component of the Digital System to another, such that (in either circumstance) an unauthorized copy of such content is able to be duplicated and displayed in unencrypted form on a device other than a Digital System in the same Cineplex.

"System Error" means any cause of a malfunction of a Digital System which is completely internal to the Digital System without any external influence.

"Territory" means the United States, including its territories and possessions, and Canada.

"Theater Management Software" means computer software that allows a Digital System to be controlled and monitored and permits show programming.

"VPF" means a virtual print fee, in the applicable amount determined under Attachment C hereto.

***CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

2. TERM. Unless earlier terminated as provided for in this Agreement, the term of this Agreement will commence on October 20, 2005 and end on October 31, 2017.

3. DEPLOYMENT.

(a) Christie/AIX will begin deployment of the Digital Systems immediately upon reaching written agreement concerning the theatrical release of Digital Titles with (i) Distributor and at least two Major Studios or, alternatively, with Distributor, one Major Studio and both DreamWorks and New Line; and (ii) at least one Exhibitor. Notwithstanding the foregoing, Christie/AIX reserves the right to commence deployment at any time prior to entering into such written agreements. Christie/AIX will retain the services of Christie to install the Digital Systems.

(b) The maximum number of Projection Systems to be deployed and covered under this Agreement will be *** Projection Systems.

(c) Christie/AIX will deploy fully operational Projection Systems for at least ***% of the screens in any complex where any Projection System is deployed by Christie/AIX.

4. DCI SPECIFICATION COMPLIANCE. Initially, Christie/AIX will deploy Digital Systems that comply with the DCI Specification except to the extent that technology necessary for compliance with the DCI Specification is not commercially available, and in any event will have JPEG2000 capability. When the technology necessary to make Digital Systems compliant with the DCI Specification becomes commercially available, Christie/AIX will (a) thereafter deploy Digital Systems that are compliant with the DCI Specification and (b) within four (4) months after such availability (or, in the case of a Security Breach, in such shorter time as may be reasonably practical) upgrade Digital Systems previously deployed in order to bring such Digital Systems into compliance with the DCI Specification. Christie/AIX will require each Exhibitor to which Digital Systems are deployed to agree, in substance, to not do anything which would render Digital Systems non-compliant with, or prevent Digital Systems from being non-compliant with, the DCI Specification during the term of this Agreement. Upon written notice by Distributor to Christie/AIX that a Security Breach has occurred and is continuing, the parties shall promptly meet and confer in good faith to discuss an appropriate solution to remedy such Security Breach and shall use reasonable commercial efforts to reach a reasonable remedy acceptable to both parties. If within one hundred twenty (120)

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days after such notice the parties are unable to agree on an appropriate remedy for such Security Breach, or if within one hundred eighty (180) days after such notice Christie/AIX has not implemented a mutually agreeable remedy to such Security Breach, Distributor shall have the right to terminate this Agreement by written notice to Christie/AIX. Digital Systems will consist of the equipment listed on Attachment A and will have the capabilities described on Attachment A.

5. REPORTING AND MAINTENANCE.

(a) During the Roll-Out Period, Christie/AIX will provide to Distributor

(i) monthly written reports showing (A) all theater locations at which Digital Systems were installed during the prior month and the number of screens for which Digital Systems were installed at each such theater location, (B) all theater locations at which Digital Systems became fully operational during the prior month and the number of screens for which Digital Systems became fully operational at each such theater location, and (C) on a cumulative basis all theater locations where installed and fully operational Digital Systems are located and the number of screens for which Digital Systems are installed and fully operational at each such theater location (reflecting any changes in the location of Digital Systems subsequent to initial installation). Upon the installation of Digital Systems, Christie/AIX will promptly furnish to Distributor certification by Christie (or the appropriate subcontractor if other than Christie) that such Digital Systems are in compliance with the requirements of Section 4.

(b) During the term of this Agreement, Christie/AIX or its subcontractors will:

(i) during the hours of 5:00 am Pacific time to 2:00 am Pacific time the following day, seven days a week, provide telephone technical support for Digital Systems which have been employed; and

(ii) provide on-site regular preventative maintenance and emergency repairs for Digital Systems which have been deployed, and perform all such services in a professional and competent manner.

6. DISTRIBUTOR'S OBLIGATION REGARDING DIGITAL RELEASES.

(a) Distributor agrees that Digital Title versions of theatrical feature films released by Distributor will be made available in accordance with Attachment B.

(b) If Distributor agrees with an Exhibitor to license a theatrical feature film to any auditorium for which a fully operational Projection System is installed, Distributor will comply with Section 7. Subject to compliance with Section 7, Distributor may in its discretion, in addition to providing a Digital Title version of the theatrical feature film for the auditorium to which licensed, also provide a physical film print of such theatrical feature film for showing in such auditorium. Nothing herein shall preclude Distributor from providing to an Exhibitor physical film prints for showing in any auditorium for which a fully operational Projection System is not installed.

(c) Focus Features and Rogue Pictures will not have any obligation to release Digital Title versions of any theatrical feature film either of them may release. In the event Focus Features or Rogue Pictures, in its discretion, does release Digital Title versions of theatrical feature films either of them may release, Distributor may elect, by written notice to Christie/AIX, to have any or all of such Digital Titles included for all purposes under this Agreement, including without limitation aggregation of VPFs paid on such Digital Titles with other VPFs paid by Distributor for purposes of VPF discounts provided for in Attachment C.

(d) In the event that a Digital System is subject to a Security Breach, Distributor will have no obligation to provide a Digital Title to that Digital System until such Security Breach is cured.

7. DISTRIBUTOR'S OBLIGATION REGARDING VIRTUAL PRINT FEES. Distributor will pay to Christie/AIX one Virtual Print Fee ("VPF"), in the applicable amount determined under Attachment C, per Engagement for each auditorium in a Cineplex for which a Digital Title is booked by Distributor and shown on a Digital System. Distributor will not pay a VPF for:

(i) Trailers;

(ii) Material of less than 15 minutes duration which Distributor programs and licenses to be exhibited only with the Digital Title (e.g., short subjects, cartoons);

(iii) Moveovers, i.e., presentation of a Digital Title in an auditorium other than the auditorium where the Digital Title opened at the beginning of the Engagement, but within the same Cineplex;

(iv) An auditorium where the Digital System malfunctions by reason of System Error for two consecutive showings;

(v) Exhibition on a Projection System more than 10 years after the Installation Date of that Projection System; or

(vi) Premieres, sneak previews or other one-off showings.

In addition, if, within a Cineplex, a Digital Title of a theatrical feature film is booked to and opens in an auditorium in which a Projection System is installed and fully operational and the Digital Title is thereafter moved to an auditorium containing only a 35mm projector, with the result that Distributor has to pay for the manufacture and delivery of a new 35mm print to such Cineplex to enable the moveover, then Distributor will not pay a VPF for such Engagement

of such Digital Title at such Cineplex, or, if a VPF has already been paid, Distributor will be entitled to a full refund or credit in the amount of such VPF. In the event of any such moveover as described in the immediately preceding sentence, Distributor will use all reasonable business efforts to deliver an existing print from another location and otherwise minimize the need to manufacture and deliver a new 35mm print.

8. MFN. Christie/AIX agrees that the VPFs charged by Christie/AIX to Distributor in any Contract Year will not exceed the lowest VPFs charged by Christie/AIX in such Contract Year to any other distributor of commercial motion pictures, except as may result from the effect of quantity discounts which are offered by Christie/AIX on comparable terms both to Distributor and to any other distributor of commercial motion pictures.

9. DISTRIBUTOR'S OBLIGATION REGARDING WATERMARKING LICENSE FEES. If Christie/AIX licenses watermarking technology in order to have Digital Systems comply with the DCI Spec, Distributor will negotiate with Christie/AIX to determine what additional fee should be paid by Distributor for the watermarking technology, provided however that (i) the fee will be based upon Christie/AIX's actual direct out-of-pocket costs pro-rated over all of Christie/AIX's customers; (ii) the maximum fee will be an increase of \$*** per VPF; and (iii) the cost to Distributor to recover the watermark identification shall not exceed any comparable DCI compliant watermarking systems.

10. INVOICING, RECORD KEEPING AND AUDITS. Christie/AIX will invoice Distributor for VPFs in the month following the month in which the payment obligation for the VPF accrues, and payment is due net forty-five (45) days from the date of invoice. Distributor will regularly report to Christie/AIX details of all bookings of Digital Titles by Distributor to such locations. Christie/AIX will require Exhibitors to regularly report to Christie/AIX all showings of Digital Titles on Digital Systems or otherwise permit Christie/AIX to have access to such information, it being agreed by Distributor that Distributor will not be permitted to audit or have access to such information without the consent of the appropriate Exhibitors. Christie/AIX will, for at least three (3) years from the date of invoice, keep records of all information on which invoices to Distributor are based. Distributor, at its sole expense, will have the right to audit, during normal business hours and upon reasonable advance notice, but no more than once in any calendar year, such records solely for the purpose of verifying amounts invoiced by Christie/AIX to Distributor. Distributor will, for at least three (3) years, keep records of all bookings of Digital Titles, and Christie/AIX, at its sole expense, will have the right to audit, during normal business hours and upon reasonable advance notice, but no more than once in any calendar year, such records solely for the purpose of verifying amounts payable by Distributor to Christie/AIX.

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11. OTHER COSTS. Distributor is responsible for any and all costs relating to producing, encoding, encrypting, packaging, marketing and delivering Digital Titles. Except for payment of VPFs to Christie/AIX as required under this Agreement, payment of amounts negotiated pursuant to Section 9 and payment for any services provided by separate agreement between Christie/AIX and Distributor pursuant to Section 12, Distributor will not be responsible for payment to Christie/AIX with respect to any cost items arising in connection with the deployment of Digital Systems, including installation, testing, or other on-site costs.

12. SUPPLEMENTARY SERVICES. Christie/AIX, directly or through subcontractors, will provide such content delivery, key management or other supplementary services as may be agreed to between Distributor and Christie/AIX from time to time in writing.

13. CITYWALK THEATERS. Christie/AIX will use reasonable commercial efforts to take such steps as may be necessary to deploy Digital Systems to the Cineplex doing business as "Universal Citywalk Hollywood" and the Cineplex doing business as "Universal Citywalk Orlando," including the negotiation of mutually acceptable equipment license agreements with the owners of such theaters.

14. NON-EXCLUSIVE. Nothing contained in this Agreement creates, or shall be construed as creating, an exclusive relationship between the parties, and each party shall be free to enter into agreements with any other party with respect to all aspects of digital cinema.

15. INTELLECTUAL PROPERTY. Nothing contained in this Agreement grants, or shall be construed as granting, to either party any right or license to use any intellectual property of the other, and each party reserves all rights to its intellectual property.

16. RELATIONSHIP OF PARTIES. The relationship between the parties established under this Agreement is that of independent contractors, and neither party is, or shall be construed to be, a partner, joint venture partner, distributor, franchisee, agent or employee of the other. Neither party shall have the right or power to act for the other to bind the other in any manner.

17. FORCE MAJEURE. If the performance of this Agreement or of any obligation hereunder by either party is prevented, restricted or interfered with by reason of war or other violence, terrorism, fire, flood, earthquake, typhoon or other casualty or accident, strikes or labor disputes, governmental action, or any other act or condition whatsoever beyond the reasonable control of such party, such party shall be excused from performance for so long as such cause continues.

18. TERMINATION.

- (a) If for any reason Christie/AIX does not deploy a minimum of *** fully operational Projection Systems by no later than ***, either party may terminate this Agreement with no further obligation to Christie/AIX;
- (b) If for any reason Christie/AIX does not meet the following requirements, other than by reason of failing to obtain debt financing on reasonable terms, Distributor may terminate this Agreement with no further obligation to Christie/AIX:
- (i) Deploy a minimum of *** fully operational Projection Systems no later than ***; and
 - (ii) Deploy a minimum of *** fully operational Projection Systems no later than the end of the Roll-Out Period.
- (c) Either party may terminate this Agreement by written notice to the other party in the event the other party materially breaches any of its obligations hereunder and fails to cure such breach within sixty (60) days after the non-breaching party gives written notice of such breach to the breaching party; provided, however, that to the extent such breach is susceptible of cure and the breaching party has commenced a cure within such period, such period shall continue for as long as the breaching party diligently pursues a cure.
- (d) Either party may terminate this Agreement with or without notice to the other party in the event the other party dissolves or ceases to transact business, or in the event a bankruptcy proceeding is commenced by or against the other party, a receiver is appointed for all or substantially all of the assets of the other party, or the other party admits in writing its inability to pay its debts as they fall due.

19. SURVIVAL. Sections 1, 15, 19, 20, 22, 23 and 26-33 and any accrued payment obligations shall survive any expiration or termination of this Agreement.

20. CONFIDENTIALITY. Except as required under applicable law, including federal securities laws, Distributor and Christie/AIX shall keep confidential, and not disclose to any third party, the provisions and content of this Agreement, and all information provided by either party to the other under or in connection with this Agreement. The parties may, however, disclose such provisions, content and information to their respective affiliates, attorneys, accountants, lenders, advisors, consultants, subcontractors, agents and representatives (collectively, "Representatives") on a confidential basis, provided that each party shall be responsible for any failure of any of its Representatives to observe the confidentiality obligations of such party under

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this Agreement. The confidentiality obligations under this Section 20 shall not apply to any information which (a) is or becomes generally available to the public other than as a result of disclosure by Distributor or Christie/AIX, (b) is known to the receiving party at the time of disclosure and not subject to any other confidentiality obligation by which the receiving party is bound; (c) is received from a third party (other than a Representative of the other party) which is not bound by a confidentiality obligation with respect to such information. Each party may disclose information subject to the confidentiality obligations of this Section 20 as required by subpoena or order of any court or governmental entity, provided that such party gives prompt notice to the other party to allow the other party the opportunity of seeking a protective order or other relief. Distributor expressly agrees that auditors engaged by any other motion picture distributor to conduct a most favored nations audit of Christie/AIX in connection with digital cinema shall be permitted to review this Agreement. The foregoing obligations will survive the expiration or any termination of this Agreement.

21. **PRESS RELEASES.** Distributor may issue a press release regarding the execution of this Agreement in such form as reasonably approved by Christie/AIX. Christie/AIX may issue a press release regarding the execution of this Agreement, in such form as reasonably approved by Distributor.

22. **LIMITATION OF LIABILITY.** The parties agree that in any arbitration or other action regarding or related to this Agreement, the damages that may be awarded shall be limited to any actual damages suffered; provided, however, that **IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, OR ANY CLAIM FOR LOSS OF PROFITS, LOST BUSINESS, OR LOST BUSINESS OPPORTUNITIES, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

23. **DISPUTE RESOLUTION.**

(a) Any controversy, claim, or dispute arising out of or related to this Agreement or the interpretation, performance, or breach hereof, including but not limited to alleged violations of state or federal statutory or common law rights or duties (a "Dispute") shall be resolved according to the procedures set forth in this Section 23 which shall constitute the sole dispute resolution mechanism hereunder.

(b) In the event that the parties are unable to resolve any Dispute after meeting and attempting in good faith to reach a negotiated resolution, such Dispute(s) shall first be mediated by a retired judge or justice of any California state or federal court. If the parties are unable to agree upon a mediator, either party may apply to the Los Angeles office of JAMS/Endispute or its successor ("JAMS") for the appointment of a mediator from a panel of retired judges and justices maintained by that organization.

(c) If the parties are unable to resolve one or more Dispute(s) by mediation, then either party may initiate arbitration of such Dispute(s). The arbitration shall be initiated and conducted according to the JAMS/Endispute Comprehensive Arbitration Rules and Procedures in effect as of the date hereof, including the Optional Appeal Procedure provided for in such rules (the "Arbitration Rules"). The arbitration shall be conducted in Los Angeles County, California before a single neutral arbitrator appointed in accordance with the Arbitration Rules, except that the parties shall be entitled to undertake discovery in the arbitration in accordance with the statutory provisions and rules applicable, as of the date of the first arbitration notice, to discovery in civil actions before a Superior Court of the State of California in Los Angeles County. The arbitrator shall have the authority to hear and rule upon all discovery motions and, in connection therewith, to award sanctions as appropriate in accordance with the then-prevailing California law. Any appeal shall be heard and decided by a panel of three neutral arbitrators. The neutral arbitrator and the members of any Appeal Panel shall be retired judges or justices of any California state or federal court. In all their substantive (as opposed to procedural or discovery-related) rulings, the arbitrator and Appeal Panel shall apply California law. If either party refuses to perform any or all of its obligations under the final arbitration award (following appeal, if applicable) within thirty (30) days of such award being rendered, then the other party may enforce the final award in any court of competent jurisdiction in Los Angeles County. Except to the extent otherwise required pursuant to the applicable JAMS rules and procedures and applicable law, each party will pay the fees of its respective attorney(s), the expense of its witnesses, cost of any record or transcript of the arbitration, and any other expenses connected with the arbitration that such party might be expected to incur had the Dispute been subject to resolution in court.

(d) Any Dispute or portion thereof, or any claim for a particular form of relief (not otherwise precluded by any other provision of this Agreement), that may not be arbitrated pursuant to applicable state or federal law may be heard in a court of competent jurisdiction in Los Angeles County. If a party believes in good faith that all or part of a Dispute, or any claim for relief or remedy sought, is not subject to arbitration under then-prevailing law, then that party may seek a determination to that effect from an appropriate court. If the court determines that the matter is not arbitrable or that the remedy sought is not available in arbitration, then the specific matter or request for remedy in question shall be resolved by the court, sitting without a jury, and the parties hereby irrevocably waive their respective rights to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action or other proceeding brought by any party against any other party or parties with respect to any matter arising out of, or in any way connected with or related to, this Agreement or any portion thereof, whether based upon contractual, statutory, tort or other theories of liability. All other matters and claims for relief shall be subject to resolution as set forth above.

(e) Notwithstanding anything to the contrary herein, the sole right of Christie/AIX as to any breach or alleged breach hereunder by Distributor shall be the recovery of money damages, and in no event may Christie/AIX obtain, and Christie/AIX agrees not to seek, injunctive or other equitable relief with

respect to any breach of Distributor's obligations hereunder. For avoidance of doubt, in no event shall Christie/AIX have the right to enjoin the development, production, distribution, or exploitation of Distributor's content.

24. **ASSIGNMENT.** Neither party may assign this Agreement without the written consent of the other party, and any attempted assignment without such consent will be void; provided that either party may assign all (but not less than all) of its rights and obligations hereunder without prior written consent (i) to a corporation or entity controlled by, controlling, or under common control with such party, (ii) to any corporation with which such party is merged or consolidated, or (iii) to any corporation or entity which succeeds to all or substantially all of such party's assets. No assignment will relieve the assignor from its obligations under this Agreement. Notwithstanding the foregoing, Christie/AIX may assign this Agreement to a bankruptcy remote vehicle ("BRV") established in connection with the financing of the acquisition of Digital Systems for deployment as contemplated by this Agreement, and, in connection with any such financing, Christie/AIX or any such BRV may grant security interests in or collaterally assign this Agreement in favor of any bank or insurance company which is directly or indirectly publicly held and whose primary business is finance or insurance or any collateral agent for any such banks or insurance companies; provided, however, that any such assignment will not relieve the assignor from its obligations under this Agreement.

25. **NOTICE.** All notices and communications required or permitted under this Agreement shall be in writing, shall be sent by facsimile, overnight courier (e.g., Federal Express) or airmail, postage prepaid, in accordance with the following, and shall be effective upon receipt:

**CONFIDENTIAL TREATMENT REQUESTED BY ACCESS INTEGRATED TECHNOLOGIES, INC.
OF CERTAIN PORTIONS OF THIS AGREEMENT IN ACCORDANCE WITH
RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

If to Christie/AIX:	Christie/AIX, Inc. c/o Access Integrated Technologies, Inc. 55 Madison Avenue, Suite 300 Morristown, NJ 07960 Attention: Fax: 973-290-0081
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If to Distributor	Universal City Studios LLLP 100 Universal City Plaza Universal City, CA 91608 Attention:
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Fax:

26. **WAIVERS.** Any waiver by either party of a breach of any provision of this Agreement will not operate as or be construed to be a waiver of any other breach of that or any other provision of this Agreement. Any waiver must be in

writing. Failure by either party to insist upon strict adherence to any provision of this Agreement on one or more occasions will not deprive such party of the right to insist upon strict adherence to that or any other provision of this Agreement on any future occasion.

27. CHOICE OF LAW. This Agreement will be governed by and construed in accordance with the laws of the State of California, without regard to conflict of laws principles.

28. CONSTRUCTION. Each party has consulted with its own legal counsel in connection with the negotiation and execution of this Agreement, and this Agreement shall not be construed more strictly against one party than against the other party by reason of such party's role in preparing this Agreement or for any other reason.

29 HEADINGS. The headings and titles contained in this Agreement are for the sake of convenience only and have no bearing on the content or substance of this Agreement.

30. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

31. FACSIMILE. This Agreement may be executed by facsimile, and a facsimile of this Agreement shall constitute an original for all purposes. In the event this Agreement is executed by facsimile, either party may require the other party to provide an executed original.

32. SEVERABILITY. If any provision of this Agreement is adjudicated void, illegal, invalid or unenforceable, the remaining terms and conditions will not be affected, and each of the remaining terms and conditions of this Agreement will be valid and enforceable to the fullest extent permitted by law, unless a party demonstrates by a preponderance of the evidence that the invalid provision was an essential economic term of the Agreement.

33. ENTIRE AGREEMENT. This Agreement, including the attachments hereto, contains the entire understanding of the parties relating to the subject matter contained in this Agreement and supersedes all prior and contemporaneous discussions and writings between them. This Agreement may only be amended by a written instrument, signed by the duly authorized representatives of Christie/AIX and Distributor, that expressly amends this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ACCEPTED AND AGREED:

For Christie/AIX, Inc.:

X-----

By:
Title:

For Universal City Studios LLLP:

X-----

By:
Title:

ATTACHMENT A

LIST OF EQUIPMENT AND DESCRIPTION OF CAPABILITIES

I. CENTRAL STORAGE SERVER (AKA LIBRARY MANAGEMENT SERVER (LMS)) QUANTITY - 1 PER COMPLEX

a. Capabilities

- >> Central redundant storage for encrypted and compressed JPEG2000 content.
- >> Provides an interface for content delivery services. >> Allows full automation of content receipts.
- >> Utilizes Theater Management Software (TCC) to schedule content for any screen in the theatre complex. >> SNMP enabled.

b. Equipment List

- >> Rack enclosure
- >> Rack power UPS and distribution unit >> Rack mount Keyboard, Monitor and Mouse >> KVM Switch
- >> Dual "Server Class" computers >> RAID Array Chassis with storage >> Gigabit Ethernet Switch for Media distribution >> Ethernet Switch for Management

II. PROJECTION SYSTEM QUANTITY - 1 PER SCREEN

a. Capabilities >> Playback of 2-D and 3-D JPEG 2000 encoded content. >> Local management of playlist. >> Automated control of booth equipment via hardware and software interface.

b. Equipment List >> 2k DLP Cinema projector >> Pedestal and power supply >> Xenon lamp >> Primary zoom lens >> Anamorphic lens and mount >> Theatre automation interface >> Equipment rack >> JPEG 2000 screen server with local interface >> UPS >> Ethernet Network switch for auditorium management >> Audio 6-channel interface

ATTACHMENT B

MINIMUM DIGITAL TITLE AVAILABILITY

During each period specified below, the number of Distributor Digital Titles will, as a percentage of all Distributor wide release titles (defined as *** or more screens on initial national release) during that period, equal or exceed the applicable percentage shown below. (If the percentage results in a fractional number, Distributor may round down to the next whole number.)

PERIOD	MINIMUM PERCENTAGE
March 1, 2006 - October 31, 2006	***%
2nd Contract Year	***%
3rd Contract Year	***%
4th Contract Year	***%
5th Contract Year	***%
6th Contract Year	***%
7th Contract Year	***%
8th Contract Year	***%
9th Contract Year	***%
10th Contract Year	***%
11th Contract Year	***%
12th Contract Year	***%
13th Contract Year	***%
14th Contract Year	***%
15th Contract Year	***%

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ATTACHMENT C

VIRTUAL PRINT FEES ("VPF")

1. STANDARD RATE. The first *** VPFs paid by Distributor to Christie/AIX in any Contract Year will be at the applicable rate set forth in the table below (the "STANDARD RATE").

CONTRACT YEAR	VIRTUAL PRINT FEE
1st	\$***
2nd	\$***
3rd	\$***
4th	\$***
5th	\$***
6th	\$***
7th	\$***
1. 8th	\$***
9th	\$***
10th	\$***
11th	\$***
12th	\$***
13th	\$***
14th	\$***
15th	\$***

2. DISCOUNT BASED ON NUMBER OF PARTICIPATING DISTRIBUTORS.

(a) For purposes of this Section 2, "Major Distributors" means Distributor, Disney, Fox, Paramount, Sony Pictures Entertainment or Warner Brothers, or in lieu of any of the foregoing, any affiliate of any of the foregoing which is a primary releasing entity for its motion pictures. To the extent that any Major Distributor is merged with or taken over by any other Major Distributor, the successor entity shall count as two studios for purposes of this Section 2.

(b) If by the end of the first Contract Year:

(i) a total of *** Major Distributors have executed agreements with Christie/AIX which relate to the same general subject matter as this Agreement, then in the second through twelfth Contract Years VPFs will be reduced by ***% from the amounts set forth in the table in Section 1 or Section 4, as applicable; or

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(ii) a total of *** or more Major Distributors have executed agreements with Christie/AIX which relate to the same general subject matter as this Agreement, then in the second through twelfth Contract Years VPFs will be reduced by ***% from the amounts set forth in the table in Section 1 or Section 4, as applicable.

3. DISCOUNT BASED ON NUMBER OF VPFs.

(a) In the event that in any Contract Year no discount is in effect under Section 2.(b)(i) or (ii), then:

(i) the first *** VPFs paid by Distributor to Christie/AIX in such Contract Year will be at the applicable rate set forth in the table in Section 1 or Section 4, as applicable;

(ii) thereafter, the next *** VPFs paid by Distributor to Christie/AIX in such Contract Year (i.e. *** - *** VPFs) will be at a discount of ***% from the applicable rate set forth in the table in Section 1 or Section 4, as applicable;

(iii) thereafter, the next *** VPFs paid by Distributor to Christie/AIX in such Contract Year (i.e. *** - *** VPFs) will be at a discount of ***% from the applicable rate set forth in the table in Section 1 or Section 4, as applicable; and

(iv). thereafter, any VPFs paid by Distributor to Christie/AIX in such Contract Year (VPFs in excess of *** VPFs) will be at a discount of ***% from the applicable rate set forth in the table in Section 1 or Section 4, as applicable.

(b) In the event that the discount provided for in Section 2(b)(i) goes into effect, then any VPFs in excess of *** VPFs paid by Distributor to Christie in any Contract Year for which such discount is effective, will be at a total discount (including the ***% discount in effect under Section 2(b)(i)) of ***% from the applicable rate set forth in the table in Section 1 or Section 4, as applicable.

(c) In the event that the discount provided for in Section 2(b)(ii) goes into effect, then no additional discount under Section 3 will thereafter be available in any Contract Year for which such discount is effective.

4. DEPLOYMENT OF LESS THAN *** PROJECTION SYSTEMS. In the event that less than *** Projection Systems have been deployed as of the end of the second Contract Year, then the Standard Rate shall be revised as follows:

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CONTRACT YEAR	VIRTUAL PRINT FEE
1st	\$***
2nd	\$***
3rd	\$***
4th	\$***
5th	\$***
6th	\$***
7th	\$***
8th	\$***
9th	\$***
10th	\$***
11th	\$***
12th	\$***
13th	\$***
14th	\$***
15th	\$***

5. TEN YEAR LIMIT. Although the VPFs set forth in the tables above are specified according to Contract Year, Christie/AIX will charge a VPF for any Digital System for only the ten (10) year period following the Installation Date of that Digital System. For example:

(a) if a Digital System is installed during the 1st Contract Year and the table set forth in Section 1 applies, VPFs on that Digital System will be (before any applicable discount):

- (i) \$*** for the remainder of the 1st Contract Year,
- (ii) \$*** for the 2nd and 3rd Contract Years,
- (iii) \$*** for the 4th and 5th Contract Years,
- (iv) \$*** for the 6th Contract Year through the expiration of the ten (10) year period occurring in the 11th Contract Year, and
- (v) \$*** for the remainder of the 11th Contract Year and for the 12th , 13th, 14th and 15th Contract Years; and

(b) if a Digital System is installed during the 2nd Contract Year and the table set forth in Section 1 applies, VPFs on that Digital System will be (before any applicable discount):

- (i) \$*** for the remainder of the 2nd Contract Year,
- (ii) \$*** for the 3rd Contract Year,
- (iii) \$*** for the 4th and 5th Contract Years,
- (iv) \$*** for the 6th Contract Year through the expiration of the ten (10) year period occurring in the 12th Contract Year, and
- (v) \$*** for the remainder of the 12th Contract Year and for the 13th, 14th, and 15th Contract Year.

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EXHIBIT 10.2

MASTER LICENSE AGREEMENT

THIS MASTER LICENSE AGREEMENT (this "AGREEMENT"), including all Schedules and Exhibits attached hereto, is made and entered into as of the ___ day of December, 2005 by and between CHRISTIE/AIX, INC., a Delaware corporation ("LICENSOR"), and CARMIKE CINEMAS, INC a Delaware corporation ("LICENSEE").

WHEREAS, Licensor has the right to install and license the use of certain Equipment (as defined below); and

WHEREAS Licensee desires to obtain from Licensor, and Licensor is willing to grant to Licensee, a license to use the Equipment on the terms and conditions set forth in this Agreement, including all Schedules and Exhibits attached hereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follow:

1. DEFINITIONS. As used in this Agreement, the following terms have the meanings set forth below.

"ADM" means Access Digital Media, Inc., a Delaware corporation.

"AFFILIATE" means, with respect to a party, any corporation, limited liability company, partnership or other entity which controls, is controlled by or is under common control with such party, where such control is by ownership of more than fifty percent (50%) of the outstanding voting securities or other voting interests.

"AGREEMENT" has the meaning specified in the preamble.

"APPLICABLE COMMENCEMENT DATE" means, as to the Equipment designated on any Equipment Schedule, the date on which the License Term for such Equipment commences, as specified in the applicable Certificate of Acceptance.

"APPLICABLE TERMINATION DATE" means, as to the Equipment designated on any Equipment Schedule, the date on which this Agreement expires or is terminated.

"CENTRAL SERVER" means, collectively, a central library server, with TCC Software installed, together with a storage array, computer rack, uninterrupted power source (UPS), main switch and patch panel.

"CERTIFICATE OF ACCEPTANCE" means a certificate executed by Licensee in substantially the form of EXHIBIT 1 to EXHIBIT A attached hereto.

"CHRISTIE" means Christie Digital Systems USA, Inc., a California corporation.

"CHRISTIE SOFTWARE" means any Christie proprietary software installed in any of the Equipment at the time of delivery of such Equipment to Licensee, as updated by any update made available from time to time by Christie without charge for use on the Equipment.

"CINEPLEX" means a theater complex with one or more cinema auditoriums.

"CONFIDENTIAL INFORMATION" has the meaning specified in Section 39.

"DCI" means Digital Cinema Initiatives, LLC, a limited liability company established by Disney, Fox, MGM, Paramount, Sony Pictures Entertainment, Universal and Warner Bros. Studios to, among other things, establish and document technical specifications for an open architecture for digital cinema to ensure a uniform and high level of technical performance reliability and quality control.

"DCI SPECIFICATION" means the Digital Cinema System Specification V1.0 issued July 20, 2005 by DCI.

"DIGITAL CINEMA PROJECTION SYSTEM" means collectively a system installed by Christie/AIX consisting of a DLP Cinema 2k projector, capable of both 2-D and 3-D display, and a digital cinema server for each theatre screen. Each Digital Cinema Projection System will be a part of a Digital System.

"DIGITAL SYSTEM" means collectively one or more Digital Cinema Projection Systems, a central storage server connecting all Digital Cinema Projection Systems within a theatre complex, a theater management system, and such other system components and software as are required to meet the standards set forth in the DCI Specification.

"DIGITAL TITLE" means a commercial movie which is released in digital format suitable for showing on Digital Systems.

"DISTRIBUTOR" means a motion picture distributor.

"DISTRIBUTOR AGREEMENT" means an agreement between Licensor and a Distributor pursuant to which such Distributor agrees to furnish virtual prints of Traditional Motion Picture Content and to pay Participant Virtual Print Fees to Licensor for a specified period.

"DLP CINEMA(TM) PROMOTIONAL GUIDELINES" means the guidelines set forth on EXHIBIT B attached hereto. "DOLLARS" or "\$" means United States dollars.

"EQUIPMENT" means each Digital System described on an Equipment Schedule executed pursuant to this Agreement, together with all parts, accessories and other items added to or made a part of such Digital System after the Applicable Commencement Date for such Digital System.

"EQUIPMENT SCHEDULE" means a schedule in the form of EXHIBIT A attached hereto, executed pursuant to this Agreement from time to time.

"EVENT OF DEFAULT" has the meaning specified in Section 28.

"FINANCING DOCUMENTS" has the meaning specified in Section 24.

"FINANCING PARTIES" has the meaning specified in Section 24.

"LICENSE TERM" means, with respect to any particular Equipment, a period that commences on the Applicable Commencement Date for such Equipment and ends on the Applicable Termination Date for such Equipment.

"LICENSEE" has the meaning specified in the preamble.

"LICENSOR" has the meaning specified in the preamble.

"NON-PARTICIPANT VIRTUAL PRINT FEE" means the applicable fee announced from time to time by Licensor as the virtual print fee payable by a Non-Participating Distributor with respect to the exhibition of Traditional Motion Picture Content on Digital Systems licensed by Licensor, which fee shall not exceed *** percent (***) of the lowest base virtual print fee (before discounts) payable by any Distributor under a Distributor Agreement.

"NON-PARTICIPATING DISTRIBUTOR" means a Distributor which has not signed a Distributor Agreement with Licensor.

"NON-TRADITIONAL CONTENT" means all content other than Traditional Motion Picture Content. Non-Traditional Content includes, but is not limited to, television programs, sporting events, stage productions, religious services, concerts, educational classes or presentations, live events, speeches, meetings, teleconferencing, and video gaming. Non-Traditional Content shall not include motion picture premieres and other promotional, testing and publicity activities involving screenings of motion pictures.

"PARTICIPANT VIRTUAL PRINT FEE" means the virtual print fee payable to Licensor by a Participating Distributor as provided for in the applicable Distributor Agreement.

"PARTICIPATING DISTRIBUTOR" means a Distributor which has signed a Distributor Agreement with Licensor. A list of Participating Distributors as of the date hereof is set forth on EXHIBIT D attached hereto, and shall be updated by Licensor from time to time as provided therein.

"SATELLITE DISH" has the meaning specified in Section 7(b).

"SERVICE CONTRACT" means a service contract between Licensee and Christie in substantially the form of the attached EXHIBIT E.

"SOFTWARE" means, collectively, the Christie Software, the Standard Software, the TCC Software and the Third Party Software.

"STANDARD SOFTWARE" means the operating system and system applications software which are standard for general operation of computer servers having the general capabilities of the servers included in the Equipment, as updated by any update made available from time to time by the owner of such operating system or systems application software.

"TAXES" means any foreign, federal, state, county or local income, estimated, alternative minimum, add-on minimum, sales, use, excise, franchise, real property, personal property, transfer, registration, value added, stamp, premium, profit, windfall profit, customs duties, gross receipts, capital stock, production, business and occupation, social security, disability, employment, unemployment, payroll, severance, license, gift recapture or withholding tax or charge imposed by any governmental entity, and any interest and penalties (civil or criminal) related thereto or to the nonpayment thereof.

"TCC SOFTWARE" means ADM's proprietary Theatre Command Center software as licensed by ADM to Christie and installed in any Central Server at the time of delivery of such Central Server to Licensee, as updated by any update made available from time to time without charge for use on the Equipment.

"THIRD PARTY SOFTWARE" means any software, other than Christie Software, Standard Software and TCC Software, installed to any of the Equipment at the time of delivery of such Equipment to Licensee, including database software, as updated by any update made available from time to time by the owner of such software.

***** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.**

"TRADITIONAL MOTION PICTURE CONTENT" means (i) all feature length (defined as over 40 minutes) motion pictures intended for initial exhibition in a commercial motion picture theater for paid admission; (ii) motion picture trailers; and (iii) on screen advertising.

2. EQUIPMENT LICENSE.

Subject to the terms and conditions set forth herein, Licensor hereby grants to Licensee the limited right and license to use the Equipment described on each Equipment Schedule executed pursuant to this Agreement, at the Licensee's designated facility set forth in each such Equipment Schedule, for the License Term of such Equipment. Licensor and Licensee will execute a separate Equipment Schedule for each delivery of Equipment to Licensee pursuant to this Agreement, listing all of the Equipment included in such delivery. Each such Equipment Schedule shall constitute a separate and independent license and contractual obligation of Licensee and Licensor, governed by the terms and conditions set forth in this Agreement. Notwithstanding the foregoing, except for the limited license granted above, all right, title and interest to the Equipment shall be, and shall continue to be, the property of Licensor and/or its Affiliates, and, except for the limited license granted above, nothing in this Agreement shall be construed as transferring to Licensee any right, title or interest in the Equipment, or as conferring any other license or other right, by implication, estoppel or otherwise, under any patent, patent application, trade secret, trademark or copyright. Except as otherwise expressly provided for in this Agreement, Licensee is not granted any right to, and Licensee expressly agrees not to, distribute, market, sell, modify or adapt the Equipment or any part thereof. Licensee shall not remove from the Equipment, Licensor's name, trademark, logo and other identification, or any markings which identify Licensor and/or its Affiliates as the owners of the Equipment.

3. SOFTWARE; CENTRAL SERVER FEE; LANDING FEE.

(a) Subject to Licensee's payment to Licensor of the fees provided for in Section 3(b), Licensor, as an authorized licensee of ADM, hereby grants to Licensee the non-exclusive, non-transferable right and license to use the TCC Software in connection with Licensee's use of the Equipment. Licensee shall not modify the TCC Software, make any copies of the TCC Software (other than a reasonable number of copies for back up purposes), seek to reverse engineer or decompile any of the TCC Software or transfer the TCC Software or any copies thereof other than in connection with a transfer of a Central Server provided that the transfer of such Central Server is permitted under this Agreement.

(b) For each Central Server licensed and delivered by Licensor to Licensee under this Agreement and installed at a Cineplex, a Central Server fee in the amount of \$*** per screen (the "Server Screen Fee") will be payable for each screen at such Cineplex for which a Digital Cinema Projection System licensed and delivered by Licensor to Licensee under this Agreement is installed. The Server Screen Fee shall be payable in arrears in quarterly installments (without interest) over a period of *** years, and payments shall commence at the end of the first quarter following the date a Certificate of Acceptance is delivered with respect to a Digital Cinema Projection System installed for such screen.

(c) Licensor, as an authorized licensee of Christie, hereby grants to Licensee the non-exclusive, non-transferable, royalty-free right and license, without right to sublicense, to use the Christie Software in connection with Licensee's use of the Equipment. Licensee shall not modify the Christie Software, make any copies of the Christie Software (other than a reasonable number of copies for back up purposes), seek to reverse engineer or decompile any of the Christie Software, or transfer the Christie Software or any copies thereof other than in connection with a transfer of Equipment provided that the transfer of such Equipment is permitted under this Agreement.

(d) Licensor represents and warrants to Licensee that, upon the delivery of Equipment by Licensor to Licensee under this Agreement, Licensee will have the royalty-free right to use, in connection with the use of such Equipment and subject to the terms of any applicable end user license agreements, the Standard Software and the Third Party Software installed on such Equipment at the time of delivery.

***** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.**

(e) In the event that Access Integrated Technologies, Inc. ("AccessIT") delivers to Licensee any Digital Title or Non-Traditional Content for Exhibition on the Equipment, Licensee will pay to AccessIT a landing fee in the amount of eighteen dollars (\$18) for each such Digital Title or Non-Traditional Content.

4. TERM.

(a) This Agreement shall commence on the date hereof (it being understood that obligations of Licensee relating to the use of Equipment will only be effective when the Equipment is installed) and, unless earlier terminated in accordance with Section 28, shall continue in effect until December 31, 2020 (the "INITIAL TERM"); provided, however, that Licensee may renew this Agreement for successive one (1) year periods (each such successive one year period, a "RENEWAL TERM") for up to ten (10) Renewal Terms by giving written notice to Licensor no later than ninety (90) days prior to the end of the Initial Term or any Renewal Term.

(b) Upon the expiration of the Initial Term or a Renewal Term, as applicable, or the earlier termination of this Agreement, Licensor shall, unless Licensee exercises its purchase option under Section 47, have the right, at its sole cost and expense, to retake possession of any or all of the Equipment, and for such purpose Licensor shall have the right to enter upon any premises where any or all of the Equipment is located, at times reasonably acceptable to Licensee, and remove same. Such removal must be performed under supervision of Licensee. Licensor shall repair all damage to the Cineplex caused by Licensor's removal of such Equipment. If Licensor fails to remove the Equipment within 90 days of the expiration or earlier termination of this Agreement, such Equipment will be deemed abandoned by Licensor, and Licensee may dispose of the same in whatever manner Licensee may elect without liability to Licensor. Alternatively, in the event such Equipment is deemed abandoned as provided above, Licensee may, at its election by giving written notice to Licensor, succeed to ownership of the Equipment on an "as is, where is" basis, in which case Licensor will have no obligation to Licensee in respect of any expenses relating to removal or disposition. This Section 4(b) shall survive the expiration or earlier termination of this Agreement

5. INSTALLMENT.

(a) Licensor shall license to Licensee, and deliver to Licensee for installation by Christie under the Service Contract, a minimum of Two Thousand One Hundred (2,100) up to Two Thousand Three Hundred (2,300) Digital Cinema Projection Systems, with associated Central Servers. Delivery of Digital Systems shall be in accordance with a delivery schedule, specifying delivery dates for all relevant delivery locations, mutually agreed upon between Licensor and Licensee.

(b) Digital Systems will be installed in any given Cineplex for the minimum number of screens required to enable more than 50% of the screens at such Cineplex, and, Licensor will be permitted to install Digital Systems such that by October 31, 2007 100% of the screens will be enabled at any Cineplex where a Digital System has been installed.

(c) Except for Equipment (i) installed under this Agreement, (ii) acquired by Licensee by virtue of acquisition of a Cineplex from a third party or (iii) installed pursuant to Licensee's existing agreements (or any replacement thereof) for on-screen advertising with Technicolor Screen Services Inc., Pepsi-Cola Sales and Distribution Inc. and The Coca-Cola Company or replacements and/or extensions thereof provided that such Equipment shall be used only for on-screen advertising and not for the exhibition of motion picture, motion picture trailers and Non-Traditional Content, Licensee shall not install, or permit to be installed, any digital cinema equipment, including digital cinema projection equipment, screen servers or central servers, at any Cineplex where a Digital System has been installed under this Agreement.

6. EQUIPMENT SPECIFICATIONS. Initially, Licensor will install Digital Systems which comply with the DCI Specification, except to the extent that technology necessary for compliance with the DCI Specification is not commercially available. When the technology necessary to make Digital Systems compliant with the DCI Specification becomes commercially available, Licensor, at no cost to Licensee, will (a) thereafter install Digital Systems which are compliant with the DCI Specification and (b) within four (4) months after such availability upgrade Digital Systems previously installed in order to bring such Digital Systems into compliance with the DCI Specification.

7. DELIVERY AND INSTALLATION; SATELLITE DISH.

(a) Following the execution by Licensor and Licensee of each Equipment Schedule, Licensor shall, at Licensor's expense, deliver the Equipment described in such Equipment Schedule to the Cineplex location designated in such Equipment Schedule. Licensor shall bear the risk of loss for the Equipment while it is in transit to Licensee sites at which the Equipment will be installed. Licensee shall, at its own expense, prepare such sites for installation of the Equipment in accordance with the site requirements as may be mutually agreed between Christie and Licensee. All Equipment will be installed by Christie pursuant to the Service Contract, and Licensee will permit Christie service engineers access to the installation sites, at times mutually agreed upon by Christie and Licensee, in order to install the Equipment. Upon completion of the installation of any Equipment and testing to ensure the operability of the Equipment, Licensee will deliver a Certificate of Acceptance for such Equipment to Licensor or to Christie for delivery to Licensor. Licensee hereby authorizes Licensor to complete each executed Equipment Schedule with the identification number set out in the Certificate of Acceptance delivered by Licensee for the Equipment covered by such Equipment Schedule. Licensor shall provide Licensee with copies of fully completed and executed copies of each Equipment Schedule and Certificate of Acceptance.

(b) In the event Licensee currently has the right to grant to Licensor for the Initial Term or any Renewal Term of this Agreement the right to install and maintain satellite transmitting and receiving equipment (a "SATELLITE DISH") on the roof of any Cineplex site designated in an Equipment Schedule, Licensee hereby grants to Licensor or its Affiliate, without charge or cost to Licensor, the right, during the Initial Term or any Renewal Term of this Agreement, to install and maintain, or to have installed and maintained, a Satellite Dish on the roof of such Cineplex site for the sole purpose of delivering content to Licensee. In the event Licensee does not currently have the right to install and maintain a Satellite Dish on the roof of any Cineplex site designated in an Equipment Schedule, Licensee shall, at the request of Licensor, use reasonable commercial efforts to procure for Licensor, as promptly as reasonably possible after request by Licensor, without cost to Licensor, the right, during the Initial Term or any Renewal Term of this Agreement, to install and maintain, or to have installed and maintained, a Satellite Dish on the roof of such Cineplex site. In addition, Licensee shall, at Licensor's sole cost and expense, obtain any permits necessary for the installation or maintenance of any such Satellite Dish. The cost of installation and maintenance of any Satellite Dish will be the sole responsibility of Licensor or its Affiliates. All right, title and interest in and to any Satellite Dish installed hereunder will be the sole property of Licensor or its Affiliates. Satellite Dishes are not included in the Equipment licensed by Licensor to Licensee under this Agreement, and Licensee shall not redirect, alter, move or otherwise in any way interfere with the operation of any Satellite Dish without the prior written consent of Licensor, which consent shall not be withheld unreasonably. If Licensee is unable to procure the right to install a Satellite Dish on the roof of a Cineplex site, then Licensee shall grant Licensor or its Affiliate access and the right to deliver to Licensee content by hard drive, by other physical means or by use of fiber optic cables. This Section 7 (b) shall survive the expiration or any termination of this Agreement.

8. LOCATION. Without the prior written consent of Licensor, which consent shall not be unreasonably withheld, Licensee shall not move any Equipment (except when reasonably necessary in cases of emergency to protect the Equipment) from the site and cinema auditorium location designated in the Equipment Schedule for such Equipment. The moving of any Equipment by Licensee other than in accordance with this Section 8 shall constitute a material breach of this Agreement and the applicable Equipment Schedule. Notwithstanding the foregoing, other than to a Cineplex acquired by Licensee from a third party, Licensee agrees that it may not move any Equipment to a Cineplex which contains digital projection equipment not installed by Licensor and Licensor's withholding of any consent to such a move shall be deemed to be reasonable. Licensee acknowledges and agrees that the objective of this Section 8 and Section 5 of this Agreement is to provide Licensor with the ability to install its Equipment in *** % of the screens at any Cineplex in which any of Licensor's Equipment has been installed, whether through the initial deployment or by any subsequent movement of Equipment pursuant to this Section 8.

If Licensee moves any Equipment pursuant to Licensor's consent under this Section 8 to a Cineplex which contains an auditorium or auditoriums in which Equipment has not been installed, and Licensee wishes to install other digital projection equipment of any kind ("Alternative Digital Equipment") in any auditoriums located in such Cineplex or in the auditorium(s) from which the Equipment has been moved with Licensor's prior consent in accordance with this the terms hereof, then Licensee must promptly provide Licensor with written notice of a bona fide offer made to Licensee by a third party (the "Offer Notice") specifying, among other things, the Alternative Digital Equipment it wishes to install, the itemized costs of such Alternative Digital Equipment and the installation thereof, the proposed sites at which Licensee proposes to have such Alternative Digital Equipment installed, and any other conditions related to such installations. Licensor shall have thirty (30) days from receipt of the written notice to Offer Notice to provide a written proposal to Licensee that either matches or improves upon the terms set forth in the Offer Notice. If Licensor matches the terms contained in the Offer Notice, Licensee shall, within thirty (30) days thereafter enter into an agreement providing for Licensor to supply and install the digital projection equipment on substantially the terms contained in the Offer Notice.

9. SCOPE OF LICENSE. Licensee shall be permitted to use Equipment for the following purposes, and for no other purpose:

- (a) exhibition of Traditional Motion Picture Content distributed by Participating Distributors;
- (b) exhibition of pre-feature on-screen advertising;
- (c) exhibition of Traditional Motion Picture Content distributed by Non-Participating Distributors provided that Licensor has notified Licensee that the Non-Participating Distributor has paid to Licensor or made arrangements with Licensor for payment to Licensor of all applicable Non-Participant Virtual Print Fees in connection with such exhibition; and
- (d) subject to the requirements of Section 11, exhibition of Non-Traditional Content.

10. NO FEE TO DISTRIBUTORS. Licensee agrees that it will not charge any Participating Distributor a fee or service charge for the use of any Digital System to exhibit Distributor's theatrical motion pictures.

11. NON-TRADITIONAL CONTENT.

(a) Licensee hereby designates Access Integrated Technologies, Inc. ("AccessIT") as its preferred content delivery service for Non-Traditional Content and Licensee agrees to use its commercially reasonable best efforts to play content available from providers using AccessIT's content delivery service. Licensee agrees that it will not enter into any other agreement with a third party that would: (a) prohibit AccessIT from showing on the Equipment Non-Traditional Content that Licensee, in its sole discretion, may choose to book or (b) prohibit AccessIT from delivering digital content to Licensee's theatres. If, the Non-Traditional Content is delivered by a delivery service other than AccessIT on that delivery service's delivery software and equipment, Licensee shall pay to Licensor for use of the Digital System (*** %) of the gross revenues derived by Licensee from each show of such Non-Traditional Content up to a maximum of \$*** per show.

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(b) If AccessIT is the content delivery service for the Non-Traditional Content, Licensee shall pay Licensor *** per cent (***) of the gross revenues derived by Licensee from each show of such Non-Traditional Content up to a maximum of \$*** per show.

12. REPORTING AND EQUIPMENT LOGS.

(a) In order to facilitate accurate billing of virtual print fees payable to Licensor with respect to the exhibition of Digital Titles on the Equipment, Licensor and its representatives shall be entitled to access, review and obtain copies, in such manner as Licensor may determine from time to time, of all Log Files, as defined below. Licensee shall also be entitled to access to the Log Files. Licensor and Licensee agree not to interfere with the use of the Equipment for showing Digital Titles or the availability of access to the Log Files. Log Files are electronic files created by the Equipment, including but not limited to files containing information and records on the actual usage history of each component of the Equipment and the specific title and time of play for each usage.

(b) Licensor agrees to use the Log Files solely to monitor, assist and verify the billing of virtual print fees and measuring Equipment performance. Licensor shall not be permitted to access any financial records of Licensee.

13. EXHIBITION COMMITMENT. Provided that more than *** percent (***) of the screens in any Cineplex are equipped with Digital Cinema Projection Systems licensed under this Agreement, then, if a motion picture which Licensee desires to license is available from a Participating Distributor (or, subject to the requirements of Section 10, a Non-Participating Distributor) in both a Digital Title version and a film print version, Licensee is hereby required to license and exhibit on a Digital System the Digital Title version rather than the film print version provided that there is a screen equipped with a Digital Cinema Projection System that is open to be booked with a movie commencing on the opening date of that movie. Subject to the foregoing requirement, Licensee shall have full and complete discretion over the choice of content at all of its screens.

14. PROMOTION OF DLP CINEMA(TM). To the extent that Licensee is not required to incur any additional advertising or other costs beyond its ordinary marketing and advertising costs for its own business, Licensee shall use its commercially reasonable best efforts to:

(a) promote DLP Cinema(TM) technology for the exhibition of Digital Titles in accordance with the DLP Cinema(TM) Promotional Guidelines.

(b) include the DLP Cinema(TM) logo in all advertisements in all media, including, but not limited to, print, newspaper and internet, issued by or under the control of Licensee with respect to Digital Titles to be exhibited by means of the Equipment, and insure that all such advertising is in accordance with the DLP Cinema(TM) Promotional Guidelines.

(c) display the "DLP Cinema(TM)" trailer on screen preceding the distributor's logo credit and at the beginning of each exhibition of Non-Traditional Content.

Licensor shall obtain any approval(s) necessary for performing the acts set forth in items (a) through (c) above, including, but not limited to, any necessary approval of each Participating Distributor, Non-Participating Distributor or provider of Non-Traditional Content, as applicable; and secure all necessary royalty-free trademark licenses from Texas Instruments Incorporated with regard to items (a) and (b) above.

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15. MAINTENANCE AND TRAINING. Concurrently with the execution and delivery of this Agreement, Licensee shall enter into the Service Contract with Christie. During the Initial Term of this Agreement, Licensee shall maintain in effect the Service Contract with Christie or a comparable service contract with another service provider acceptable to Licensor and shall maintain the Digital Systems in good order and repair during the Initial Term normal wear and tear excepted. The Service Contract provides for training of Licensee personnel, and Licensee will in any event maintain an adequate theater staff properly trained in the use of Digital Systems. Licensee will not do anything which would render Digital Systems non-compliant with, or prevent Digital Systems from being compliant with, the DCI Specification during the term of this Agreement. Any replacement parts substituted for any parts or components of Equipment shall become the property of Licensor covered by the relevant Equipment Schedule for such Equipment.

16. ADDITIONS AND ALTERATIONS.

(a) With the consent of Licensee, Licensor may from time to time at Licensor's expense and by Licensor's designated representatives or contractors, make alterations to, or add components, accessories, enhancements, features or functionalities to, Equipment, and all of the foregoing shall, at the time of such alteration or addition, become the property of Licensor covered by the relevant Equipment Schedule for such Equipment.

(b) Except in accordance with paragraph (a) above or with the prior written consent of Licensor, Licensee shall not make, or permit to be made, alterations to, or additions of components, accessories, enhancements, features or functionalities to, Equipment, provided that nothing contained in this

Section 17 shall prevent or be construed to prevent Christie from replacing parts and components in connection with the maintenance services to be provided by Christie under the Service Contract.

(c) With the prior written consent of Licensor, Licensee shall be permitted to add components, accessories, enhancements, features or functionalities to the Equipment and any such alterations or additions shall remain the property of Licensee. Notwithstanding the foregoing, Licensee shall not make any alterations or changes to or in relation to Equipment which would impair or prevent the use of the Equipment for showing Digital Titles.

17. TAXES. The costs and fees set forth herein and in all Schedules and Exhibits attached hereto and made a part hereof do not include any applicable federal, state or local taxes, and any such taxes or governmental charges upon the Equipment and any Software covered hereby, including sales or use taxes or any other tax however designated arising from the subject matter of this Agreement, shall be paid by Licensor.

18. DAMAGE AND LOSS

(a) After Installation, Licensee shall bear all risk of damage to or loss or destruction of the Equipment by reason of any cause whatsoever, including without limitation fire, flood, earthquake, natural disaster, casualty, accident or theft. Licensee shall advise Licensor of any such damage, loss or destruction in writing within five (5) days after any such damage, loss or destruction occurs.

(b) In the event of any damage, loss or destruction which materially impairs the performance of any Equipment or renders the Equipment inoperable and which is capable of repair on a cost effective basis, then Licensee will, at its expense, have Christie repair the Equipment under the Service Contract.

(c) In the event of any damage, loss or destruction which materially impairs the performance of any Equipment or renders the Equipment inoperable and which is not capable of repair on a cost effective basis, or in the event of any complete loss or destruction of any Equipment, then Licensor, in its sole discretion, may, at Licensee's expense, replace the Equipment with comparable or better Equipment and Licensee shall do all things and execute all documents as may be necessary in the judgment of Licensor to cause title to the replacement Equipment to vest in Licensor and to subject the replacement Equipment to all of the terms and conditions of this Agreement.

(d) In the event Licensee fails to promptly perform its obligations under paragraph (b) or (c), then Licensor may, but is not obligated to, cause the Equipment to be repaired or replaced and invoice Licensee for all costs of such repair or replacement, which invoice shall be due and payable within ten (10) days of the date of invoice.

(e) In no event will any damage to or loss or destruction of any Equipment entitle Licensee to any refund of or credit for any amounts paid or remitted by Licensee to Licensor under this Agreement, or excuse Licensee from payment of any amounts otherwise payable by Licensee to Licensor under this Agreement.

19. **INSURANCE.** Licensee, at its expense, will maintain throughout the term of this Agreement a policy of insurance issued by a reputable insurer reasonably acceptable to Licensor, insuring the Equipment against "all risks," including extended coverage insurance, for a coverage amount at least equal to the full replacement cost (at market value) of the Equipment. Licensor shall be named as an additional loss payee under such policy, and such policy shall provide that it may not be canceled except upon at least thirty (30) days prior written notice to Licensor (or at least ten (10) days prior written notice for failure to pay a premium). Upon Licensor's request, Licensee shall furnish to Licensor insurance certificates or other satisfactory evidence of such insurance. If Licensee fails to maintain insurance as required hereunder, Licensor may, but shall not be obligated to, purchase such insurance and invoice Licensee for all costs with respect thereto, which invoice shall be due and payable within (10) days of the date of invoice.

20. AUDIT, INSPECTION AND ACCESS RIGHTS.

(a) Licensor shall have the right, through its designated representatives (including Christie), at Licensor's expense, upon reasonable prior notice and during regular business hours, to (a) examine Licensee's usage records relating solely to the Equipment; (b) inspect the Equipment for purposes of verifying (i) Licensee's compliance with all of its obligations under this Agreement; (ii) the condition of the Equipment; and (iii) compliance of the Equipment with the DCI Specification; and (c) examine Licensee's records relating to Non-Traditional Content, including revenue and other records, for the sole purpose of verifying compliance with Section 11 of this Agreement.

(b) Licensee shall maintain all books and records subject to audit hereunder for a period of not less than three (3) years after the expiration or any termination of this Agreement, and during such three (3) year period, Licensor shall retain all audit and inspection rights set forth in this Section

21. Licensee shall provide all necessary access to the Equipment and the relevant site location for purposes of such inspection and verification.

(c) Licensee will permit representatives of Distributors reasonable access, upon reasonable prior notice and at times convenient to Licensee, to Cineplex locations where the Equipment is located to (i) verify the operating condition of the Equipment and, after the DCI Specification has been finalized and issued, to verify that the Equipment is compliant with the DCI Specification or to verify the upgrading of Equipment to meet the DCI Specification as contemplated by this Agreement, and (ii) at no cost to Licensee install such distribution equipment as may be necessary for Distributors to deliver content files to such premises.

21. **NEGATIVE PLEDGE.** During the term of this Agreement, Licensee shall not sell, convey, assign, transfer or otherwise dispose of any Equipment or any interest therein, and shall keep such Equipment and its rights and interests under this Agreement free and clear of all liens, security interests, encumbrances, charges or adverse claims. Licensee shall promptly notify Licensor of any liens, security interests, encumbrances, charges or adverse claims which any third party files or seeks to enforce against the Equipment or any of Licensee's rights and interest under this Agreement.

22. **PERSONAL PROPERTY.** It is the intention of Licensor and Licensee that the Equipment at all times shall be and remain personal property, and shall not be or become a fixture upon or affixed to any real property. The Equipment shall not be affixed to realty so as to change the character of the equipment from personal property to fixtures.

23. **ASSIGNMENT AND SUBLEASE.**

(a) Licensee shall not assign this Agreement or any Equipment Schedule, or lease or sublicense the use of any of the Equipment, without the prior written consent of Licensor in each instance, which consent shall not be unreasonably withheld by Licensor; provided, however, Licensee may assign this Agreement or any Equipment Schedule without Licensor's prior written consent (i) to any direct or indirect subsidiary of Licensee, (ii) to any person or entity resulting from a reorganization of Licensee, (iii) to any person or entity with which Licensee is merged or consolidated, (iv) to any person or entity that acquires all or substantially all of Licensee's assets or equity securities of whatever type, (v) to Licensee's existing lenders or any other lender(s) pursuant to loan documents evidencing debt obligations of Licensee (provided such lender(s) shall have all rights of cure available to Licensee hereunder) or (vi) to any person or entity that controls, is controlled by or is under common control with Licensee.

(b) Licensor shall have the right to freely assign this Agreement and any or all of the Equipment Schedules. In order to facilitate the financing of the Equipment, Licensor may enter into agreements with one or more parties pursuant to which, inter alia, Licensor may assign its right, title and interest in this Agreement to such parties (referred to herein individually as a "FINANCING PARTY" and collectively, as "FINANCING PARTIES"). Licensee irrevocably consents to the transfer and assignment of Licensor's right, title and interest in this Agreement to any and all Financing Parties and hereby acknowledges and agrees for the benefit of each such Financing Party that upon receipt by Licensor of written notice from a Financing Party that an event of default has occurred and is continuing under any financing arrangements between such Financing Party and Licensor with respect to the Equipment (such documents referred to herein as the "FINANCING DOCUMENTS"), and a statement to the effect that such Financing Party has elected to exercise its remedies pursuant to the Financing Documents and this Agreement as a consequence of such default, the Financing Party shall have the rights of Licensor hereunder, and Licensee shall deal exclusively and directly with the Financing Party or its designee(s) or assignee(s), as the case may be, and not Licensor.

24. **WARRANTY DISCLAIMER.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, LICENSOR MAKES NO WARRANTIES TO LICENSEE, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE OR NON-INFRINGEMENT, ALL OF WHICH IMPLIED WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.

25. **THIRD PARTY WARRANTIES.** At the request of Licensee, Licensor shall, at Licensee's option, (a) enforce for the benefit of Licensee any rights or remedies which Licensor may have against any manufacturer or licensor in respect of any of the Equipment or Software, including, but not limited to, rights or remedies, if any, under any product warranty or any indemnification against infringement, or (b) make a full or partial assignment to Licensee of any such rights or remedies.

26. **NON-PETITION COVENANT.** During the period from the commencement of this Agreement and ending on the date on which either party hereto ceases to have any continuing obligations to the other under this Agreement, neither party shall commence or join in any involuntary bankruptcy proceeding against the other party under any federal or state bankruptcy law, or commence or join in any proceeding for the appointment of a receiver or trustee for any or all of the assets of the other party or for the liquidation or dissolution of such other party.

27. **EVENTS OF DEFAULT.** The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement:

(a) failure by Licensee to make or remit any payments required to be made or remitted by Licensee hereunder or under any Equipment Schedule as and when the same become due and payable and such failure continues uncured for a period of ten (10) days after written notice to Licensee; or

(b) the material breach by Licensee or any of its officers, employees or authorized agents of any of its obligations hereunder or under any Equipment Schedule (other than obligations referred to in paragraph (a) above), which breach continues uncured for a period of thirty (30) days after written notice to Licensee PROVIDED, HOWEVER, that to the extent such breach is susceptible of cure and Licensee has commenced a cure within such period, such period shall continue for as long as Licensee diligently pursues a cure;

(c) the termination by Licensee of the business of operating as an exhibitor of commercial films;

(d) the making of an assignment by Licensee for the benefit of its creditors or the admission by Licensee in writing of its inability to pay its debts as they become due, or the filing by or against Licensee of any petition under any bankruptcy or insolvency laws, which petition is not dismissed within ninety (90) days, or the appointment of a receiver, liquidator or trustee for any or all of the assets of Licensee, which appointment is not vacated within ninety (90) days.

(e) the material breach by Licensor or any of its officers, employees or authorized agents of any of its obligations hereunder or under any Equipment Schedule which breach continues uncured for a period of thirty (30) days after written notice to Licensor PROVIDED, HOWEVER, that to the extent such breach is susceptible of cure and Licensor has commenced a cure within such period, such period shall continue for as long as Licensor diligently pursues a cure;

(f) the substantial failure of a material quantity of the Equipment installed under this Agreement to properly perform the functions for which said Equipment was designed and installed during any consecutive six (6) month period, which failure continues uncured for a period of thirty (30) days after written notice to Licensor PROVIDED, HOWEVER, that to the extent such failure is susceptible of cure and Licensor has commenced a cure within such period, such period shall continue for as long as Licensor diligently pursues a cure.

(g) the making of an assignment by Licensor for the benefit of its creditors or the admission by Licensor in writing of its inability to pay its debts as they become due, or the filing by or against Licensor of any petition under any bankruptcy or insolvency laws, which petition is not dismissed within ninety (90) days, or the appointment of a receiver, liquidator or trustee for any or all of the assets of Licensor, which appointment is not vacated within ninety (90) days.

28. REMEDIES. Upon the occurrence and during the continuance of any Event of Default, beyond applicable cure periods, the non-defaulting party shall have, in addition to any other rights and remedies available at law or in equity all of the following rights and remedies:

(a) the right to terminate this Agreement and any or all of the Equipment Schedules;

(b) Upon the occurrence and during the continuance of any Event of Default by Licensee beyond applicable cure periods, Licensor shall have the right to retake possession of any or all of the Equipment, and for such purpose Licensor shall have the right to enter upon any premises where any or all of the Equipment is located and remove same;

(c) In the event of Default by Licensee, Licensor shall have the right to recover any and all damages, including loss of virtual print fees, cost and expenses, including reasonable attorneys' fees and costs, resulting from such Event of Default or the enforcement of Licensor's remedies hereunder.

(d) In the event of Default by Licensor, Licensee shall have the right to recover any and all damages, cost and expenses, including reasonable attorneys' fees and costs, resulting from such Event of Default or the enforcement of Licensee's remedies hereunder.

All rights and remedies are cumulative, and the exercise of any one right or remedy shall not preclude the exercise of any other right or remedy.

29. LIMITATION ON DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, EVEN IF SAID PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

30. INDEMNIFICATION.

Licensee shall indemnify and hold Licensor, its successors and assigns, and their members, managers, partners, affiliates, officers, directors, employees, agents, advisors and attorneys harmless from and against any and all claims, costs, expenses, damages and liabilities, including attorneys' fees and costs, arising out of the use, operation or possession of the Equipment or otherwise related to this Agreement or any Equipment Schedule. The indemnification rights hereunder shall survive the expiration or any termination of this Agreement.

Licensor shall indemnify and hold Licensee, its successors and assigns, and their members, managers, partners, affiliates, officers, directors, employees, agents, advisors and attorneys harmless from and against any and all claims, costs, expenses, damages and liabilities, including attorneys' fees and costs, arising out of the use, operation or possession of the Equipment or otherwise related to this Agreement or any Equipment Schedule. The indemnification rights hereunder shall survive the expiration or any termination of this Agreement.

31. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LICENSEE. Licensee hereby represents, warrants and covenants to Licensor that (a) the execution, delivery and performance of this Agreement by Licensee have been, and each Equipment Schedule hereafter executed by Licensee will be, duly authorized by all necessary corporate action on the part of Licensee; (b) the individual(s) executing this Agreement on behalf of Licensee have the requisite authority to do so, and the individual(s) executing any Equipment Schedule will have the requisite authority to do so; (c) this Agreement does, and each Equipment Schedule will, constitute the legal, valid and binding agreement of Licensee enforceable in accordance with their respective terms; (d) Licensee or its operating subsidiary is in good standing in the jurisdiction of its incorporation or organization and in any jurisdiction in which any Equipment is located; (e) Licensee shall comply with any and all applicable laws and regulations relating to the use of the Equipment and Licensee's performance under this Agreement and each Equipment Schedule; (h) there are no actions, suits or proceedings pending, or to the knowledge of Licensee, threatened, before any court or administrative agency, arbitrator or governmental body that would materially adversely affect its ability to make payments or perform its obligations under this Agreement or any Equipment Schedule; (i) Licensee is not party to, and during the term of this Agreement will not enter into, any exclusive arrangement other than with Licensor for the showing or delivery of Traditional Motion Picture Content or other alternative digital content other than for advertisements, or pursuant to Licensee's existing agreements with Technicolor Screen Services Inc., Pepsi-Cola Sales and Distribution Inc. and The Coca-Cola Company or replacements and/or extensions thereof.

32. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LICENSOR. Licensor hereby represents, warrants and covenants to Licensee that (a) the execution, delivery and performance of this Agreement have been, and each Equipment Schedule hereafter executed by Licensor will be, duly authorized by all necessary corporate action on the part of Licensor; (b) the individual(s) executing this Agreement on behalf of Licensor have the requisite authority to do so, and the individual(s) executing any Equipment Schedule will have the requisite authority to do so; (c) this Agreement does, and each Equipment Schedule will, constitute the legal, valid and binding agreement of Licensor enforceable in accordance with its terms; (d) Licensor is in good standing in the jurisdiction of its organization and in each jurisdiction where the ownership or operation of its property and assets or the conduct of its business requires such qualification; (e) Licensor shall comply with any and all applicable laws and regulations relating to Licensor's performance under this Agreement and each Equipment Schedule; (f) there are no actions, suits or proceedings pending, or to the knowledge of Licensor, threatened, before any court or administrative agency, arbitrator or governmental body which would materially adversely affect its ability to perform under this Agreement; (g) to Licensor's knowledge after due inquiry, no part or component of the Equipment or Licensee's use thereof, including without limitation, the Software, infringes or violates any patent, copyright, trade secret, mask work right, trademark license or other intellectual property right of any third party; (h) Licensor has the right to grant the rights and licenses granted to Licensee under this Agreement, (i) the Distributor Agreements executed as of the date hereof are valid, binding and of full force and effect and none of the parties thereto are in default thereunder and (j) Licensee's right and license hereunder to use the Equipment in accordance with the terms hereof includes the royalty-free right to use the DLP Cinema(TM) technology incorporated in the Equipment.

33. ENTIRE AGREEMENT. Licensor and Licensee acknowledge that there are no agreements or understandings, written or oral, between Licensor and Licensee with respect to the Equipment, other than as set forth herein and in each Equipment Schedule, that this Agreement and the Equipment Schedules contain the entire agreement between Licensor and Licensee with respect to the subject matter hereof and thereof, and that no covenant, condition, or other term or provision may be waived or modified orally.

34. APPLICABLE LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to its conflicts of laws principles.

35. SEVERABILITY AND VALIDITY. If any provision of this Agreement or any Equipment Schedule is prohibited by, or is unlawful or unenforceable under, any applicable law of any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition, without invalidating the remaining provisions thereof; PROVIDED, HOWEVER, that any such prohibition in any jurisdiction shall not invalidate such provision in any other applicable jurisdiction.

36. NOTICES. All notices hereunder shall be in writing, shall be effective upon actual receipt shall be hand delivered, sent by overnight courier (such as FedEx), or sent by registered or certified mail or delivered personally in accordance with the following, or to such other address as either party may specify to the other in writing:

LICENSOR: Christie/AIX, Inc.
----- c/o Access Integrated Technologies, Inc.
55 Madison Avenue, Suite 300
Morristown, New Jersey 07960
Attention: Gary S. Loffredo, Esq., Senior
VP and General Counsel

With a copy to: Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Attention: Jonathan Cooperman, Esq.

LICENSEE: Carmike Cinemas, Inc.

1301 1st Avenue
Columbus, GA 31901
Attn: CFO, CEO and Legal

With a copy to:

37. **MODIFICATION AND WAIVER.** No modification or waiver of any provision of this Agreement or any Equipment Schedule shall be effective unless the same is in writing and signed by both parties, and then such modification, waiver or consent shall be effective only in the specific instance and for the specific purpose given. Licensor and Licensee may, from time to time, mutually agree on additional terms and conditions with respect to an Equipment Schedule which may be set forth thereon or attached thereto as an "Addendum" which shall be applicable to and constitute a part thereof.

38. **CONFIDENTIALITY.** Licensee acknowledges that the Equipment and Software contain proprietary information and their configuration and operation constitute trade secrets of Licensor or the respective owners thereof. In addition to the foregoing, each party acknowledges that its officers, employees, agents or representatives during the term of this Agreement will have access to and come into contact with, confidential proprietary information of the other party, including, but not limited to, information concerning the Equipment and/or the Software and/or other trade secrets of Licensor and information pertaining to Licensee's finances, personnel and business practices ("CONFIDENTIAL INFORMATION"). Licensor and Licensee agree not to disclose to any third party any Confidential Information that it learns during the term of this Agreement without the prior written consent of the other party. This obligation shall survive the cancellation or other termination of this Agreement. The parties hereby agree to use their best efforts to maintain the confidentiality of the Confidential Information and to treat such Confidential Information with the same degree of care and security as they treat their own most confidential information. Notwithstanding the foregoing, the parties' obligations with respect to the Confidential Information shall not extend to information that:
(a) is in the public domain at the time of its disclosure; (b) becomes part of the public domain through a source other than Licensee; or (c) is required to be disclosed pursuant to law, a court order or governmental authority, whereupon Licensee shall provide Licensor with notice prior to such disclosure unless otherwise forbidden by law. The parties shall be required to advise each of their employees, agents and representatives who have access to Confidential Information that they are required to keep Confidential Information in the strictest confidence, but in all cases, Licensor and Licensee shall retain responsibility for any breach by an employee, agent and/or a representative of the confidentiality obligations set forth in this Section 39. It is understood that in case of a breach of this Section 39, damages may not be an adequate remedy and the Licensor may be entitled to injunctive relief to restrain any breach, whether threatened or actual, of this Section 39.

39. **PRECEDENCE.** In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of any properly executed Equipment Schedule, the terms and conditions of such Equipment Schedule shall prevail.

40. **NO WAIVER.** The failure by either party to exercise any right or remedy provided for in this Agreement will not be deemed to be a waiver of any right or remedy hereunder.

41. **SECTION HEADINGS.** The section headings are for the convenience of the parties and in no way alter, modify, amend, limit, or restrict the contractual obligations of the parties.

42. **COUNTERPARTS; EXECUTION BY FACSIMILE.** This Agreement and each Equipment Schedule may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall be one and the same document. This Agreement and each Equipment Schedule may be executed and delivered by facsimile transmission.

43. **NO JOINT VENTURE OR PARTNERSHIP.** The parties are entering into this Agreement as Licensor and Licensee, and nothing herein shall be deemed to create or constitute a joint venture or partnership between the parties or a principal-agent relationship. Neither party has the authority to bind or contract on behalf of the other party.

44. **ANNOUNCEMENTS.** No public announcement, circular, advertisement or other publicity in connection with this Agreement shall be made or issued by or on behalf of either party to this Agreement, except as may be required by law, judicial order or applicable regulation, except by mutual agreement of the parties as evidenced by the prior written consent of the other party. Both parties shall mutually agree upon the content of any public statement announcing the existence of this Agreement.

45. THEATER CLOSURES. If at any time during the term of this Agreement, Licensee discontinues operations at any theater with respect to which it has executed an Equipment Schedule and a Certificate of Acceptance, this Agreement and the Equipment Schedule for such theater shall terminate as of the end of the last day of business operations at such theater. Licensee shall have the option to (a) utilize the Equipment located at such theater in any other theater operated by Licensee or its Affiliates which does not have Equipment or (ii) have such Equipment picked up by Licensor or its designated representatives. If Licensee elects to use the Equipment in accordance with (i) above, Licensee and Licensor shall execute a mutually acceptable new Equipment Schedule and Certificate of Acceptance for the theater in which the Equipment is installed in accordance with the terms of this Agreement.

46. THEATER SALES AND ACQUISITIONS. If during the term of this Agreement, Licensee or its Affiliates sell, transfer, convey or assign to a third party their respective interest in any theater with respect to which Licensee has executed an Equipment Schedule and Certificate of Acceptance, Licensee or its Affiliates may, with the prior consent of Licensor, which will not unreasonably be withheld, transfer the Equipment in such transaction so long as such acquirer or transferee executes and delivers to Licensor a Master License Agreement in the same form as this Agreement and an Equipment Schedule in the form attached as Exhibit A. Upon such transfer, Licensee shall have no further obligation under this Agreement or the Equipment Schedule for such theatre. If during the term of this Agreement, Licensee or its Affiliates shall acquire a Cineplex Licensee shall have the right to designate such Cineplex(s) for inclusion hereunder and Licensee shall be entitled to either relocate existing Equipment to such Cineplex, or if the initial *** screens have not been enabled with Digital Systems then Licensee may notify Licensor that said Cineplex(s) be Digitally enabled thereafter.

47. LICENSEE'S OPTION TO PURCHASE; EQUIPMENT RETURN.

(a) At any time following the expiration of the Initial Term, Licensee shall have the option to purchase all or any portion of the Equipment. The purchase option for any Equipment may be exercised by Licensee by providing Licensor with at least 60 days written notice (the "PURCHASE NOTICE") specifying the Equipment Licensee is electing to purchase. The purchase price (the "PURCHASE PRICE") for such Equipment shall be equal to the fair market value of the Equipment to be purchased as of the date the Purchase Notice is given to Licensor. The fair market value of the Equipment shall be determined by an independent third party appraiser selected by Licensee and approved by Licensor, which approval may not be unreasonably withheld ("1st Appraiser"). Either party may dispute the 1st Appraiser's value by notifying the other party of such dispute and submitting a second independent third party appraiser("2nd Appraiser") who shall determine the market value of said Equipment. In the event the two appraisers cannot agree on the Equipment's value then the matter shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

(b) Upon the exercise of the purchase option in Section 47(a) above which is not rescinded, title to such Equipment shall pass from Licensor to Licensee upon the payment of the Purchase Price on an "AS IS, WHERE IS" basis, without warranty of any kind, express or implied, other than Licensor's warranty of good title and warranty that such equipment is transferred free of all liens, security interests, claims or encumbrances of any kind or nature. Licensor shall comply with the DCI Specification requirements regarding the Digital Systems that are contained in the Distributor Agreements, as may be amended from time to time throughout the term of the Distributor Agreements. Licensor shall deliver to Licensee a duly executed and appropriate bill of sale in form and substance reasonably acceptable to Licensee, evidencing transfer of title of the Equipment purchased. Upon payment of the Purchase Price, this Agreement shall terminate with respect to such Equipment and the Equipment Schedule(s) relating to the Equipment so purchased shall be appropriately amended or terminated, as applicable.

***** CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.**

(c) In the event the Licensee does not exercise its purchase option, the removal of the Equipment shall be subject to the terms and conditions of this Agreement.

49. MFN. In the event that during the Roll-Out Period Licensor offers to install a Digital System for a third party on terms and conditions which are comparable to the terms and conditions of this Agreement but on financial terms which in the aggregate are more favorable than the financial terms of this Agreement, then Licensor shall promptly offer the more favorable financial terms to Licensee.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have executed this Agreement as of the date and year first above written.

LICENSOR

LICENSEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

LIST OF EXHIBITS

EXHIBIT A	Form of Equipment Schedule/Certificate of Acceptance
EXHIBIT B	DLP Cinema(TM) Promotional Guidelines
EXHIBIT C	Intentionally Omitted
EXHIBIT D	Participating Distributors
EXHIBIT E	Form of Service Contract
EXHIBIT F	Intentionally Omitted
EXHIBIT G	Intentionally Omitted
EXHIBIT H	Intentionally Omitted
EXHIBIT I	Form of Monthly Report

Exhibit A

EXHIBIT A

EQUIPMENT SCHEDULE NO. ____
DATED AS OF _____
TO MASTER LICENSE AGREEMENT DATED AS OF _____

1. EQUIPMENT

QTY ITEM DESCRIPTION SERIAL NUMBER AUDITORIUM LOCATION IDENTIFIER

2. LOCATION, SCREENS AND REQUESTED DATE FOR INSTALLATION

THEATER NAME:

THEATER ADDRESS:

NUMBER OF SCREENS:

REQUESTED DATE OF INSTALLATION:

Exhibit A

3. SPECIAL TERMS (IF ANY).

Licensor and Licensee ____ have ____ have not agreed on any special terms for the license by Licensor to Licensee of the Equipment specified in this Equipment Schedule. In the event Licensor and Licensee have agreed on any such special terms, such special terms are as set forth on a separate schedule attached hereto and made a part hereof.

This Equipment Schedule is executed pursuant to the Master License Agreement dated as of the date indicated above between Licensor and Licensee (the "Agreement"). All of the terms and conditions of the Agreement are incorporated herein by this reference and made a part hereof as if such terms and conditions were set forth in full in this Equipment Schedule. By executing this Equipment Schedule, Licensor and Licensee hereby reaffirm all of the terms and conditions of the Agreement except as expressly modified hereby.

LICENSOR

LICENSEE

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

Exhibit A

EXHIBIT 1 TO EXHIBIT A

CERTIFICATE OF ACCEPTANCE

THIS CERTIFICATE OF ACCEPTANCE is executed as of _____, 20__ with respect to the Equipment itemized in Equipment Schedule No. __ dated as of _____, 20__ (the "Equipment Schedule") executed pursuant to that certain Master License Agreement dated as of _____, 20__ (the "Agreement") between Christie/AIX, Inc. ("Licensor") and the undersigned ("Licensee").

1. CERTIFICATION

Licensee hereby certifies that the items of Equipment described in the Equipment Schedule have been installed at the location specified in the Equipment Schedule, have been inspected by Licensee, have been found by Licensee to be in good working condition and have been accepted by Licensee as Equipment whose use is licensed by Licensor under the Agreement and the Equipment Schedule.

2. COMMENCEMENT DATE

The commencement date of the license term under the Agreement and the Equipment Schedule for the Equipment accepted hereunder is _____ (the "Commencement Date").

IN WITNESS WHEREOF, Licensee has executed this Certificate of Acceptance as of the date first above written.

"LICENSEE"

By:

Name:

Title:

Exhibit 1 to Exhibit A

EXHIBIT B

DLP CINEMA(TM) PROMOTIONAL GUIDELINES

(EXHIBIT STARTS ON NEXT PAGE)

Exhibit B

[GRAPHIC OMITTED]

Exhibit B

[GRAPHIC OMITTED]

Exhibit B

[GRAPHIC OMITTED]

Exhibit B

[GRAPHIC OMITTED]

Exhibit B

EXHIBIT C

INTENTIONALLY OMITTED

Exhibit C

EXHIBIT D

PARTICIPATING DISTRIBUTORS

The Participating Distributors as of December 15, 2005 are as set forth below. In the event of any additions to the Participating Distributors after such date, Licensor shall promptly so notify Licensee in writing and this Exhibit D shall be deemed updated to include any Participating Distributor specified in any such notice.

Buena Vista Pictures Distribution
Twentieth Century Fox Film Corporation
Sony Pictures Releasing Corporation
Dreamworks LLC
Universal City Studios LLLP

Exhibit D

EXHIBIT E

FORM OF SERVICE CONTRACT

Exhibit E

EXHIBIT F

INTENTIONALLY OMITTED

Exhibit F

EXHIBIT G

INTENTIONALLY OMITTED

Exhibit G

EXHIBIT H

INTENTIONALLY OMITTED

Exhibit H

EXHIBIT I

FORM OF MONTHLY REPORT

Exhibit I

EXHIBIT 31.1

CERTIFICATION

I, A. Dale Mayo, President and Chief Executive Officer of Access Integrated Technologies, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Access Integrated Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 13, 2006

BY: /s/ A. Dale Mayo

*A. Dale Mayo
President and Chief Executive Officer
(Principal Executive Officer)*

CERTIFICATION

I, Brian D. Pflug, Senior Vice President-Accounting and Finance of Access Integrated Technologies, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Access Integrated Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 13, 2006

BY: /s/ Brian D. Pflug

Brian D. Pflug
Senior Vice President - Accounting and Finance
(Principal Financial Officer)

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-QSB of Access Integrated Technologies, Inc. (the "Company") for the period ended December 31, 2005 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: February 13, 2006

BY: /s/ A. Dale Mayo

*A. Dale Mayo
President and Chief Executive Officer
(Principal Executive Officer)*

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-QSB of Access Integrated Technologies, Inc. (the "Company") for the period ended December 31, 2005 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company

Date: February 13, 2006

BY: /s/ Brian D. Pflug

*Brian D. Pflug
Senior Vice President - Accounting and Finance
(Principal Financial Officer)*