ICTA Los Angeles Seminar 2012

Digital and 3D Update

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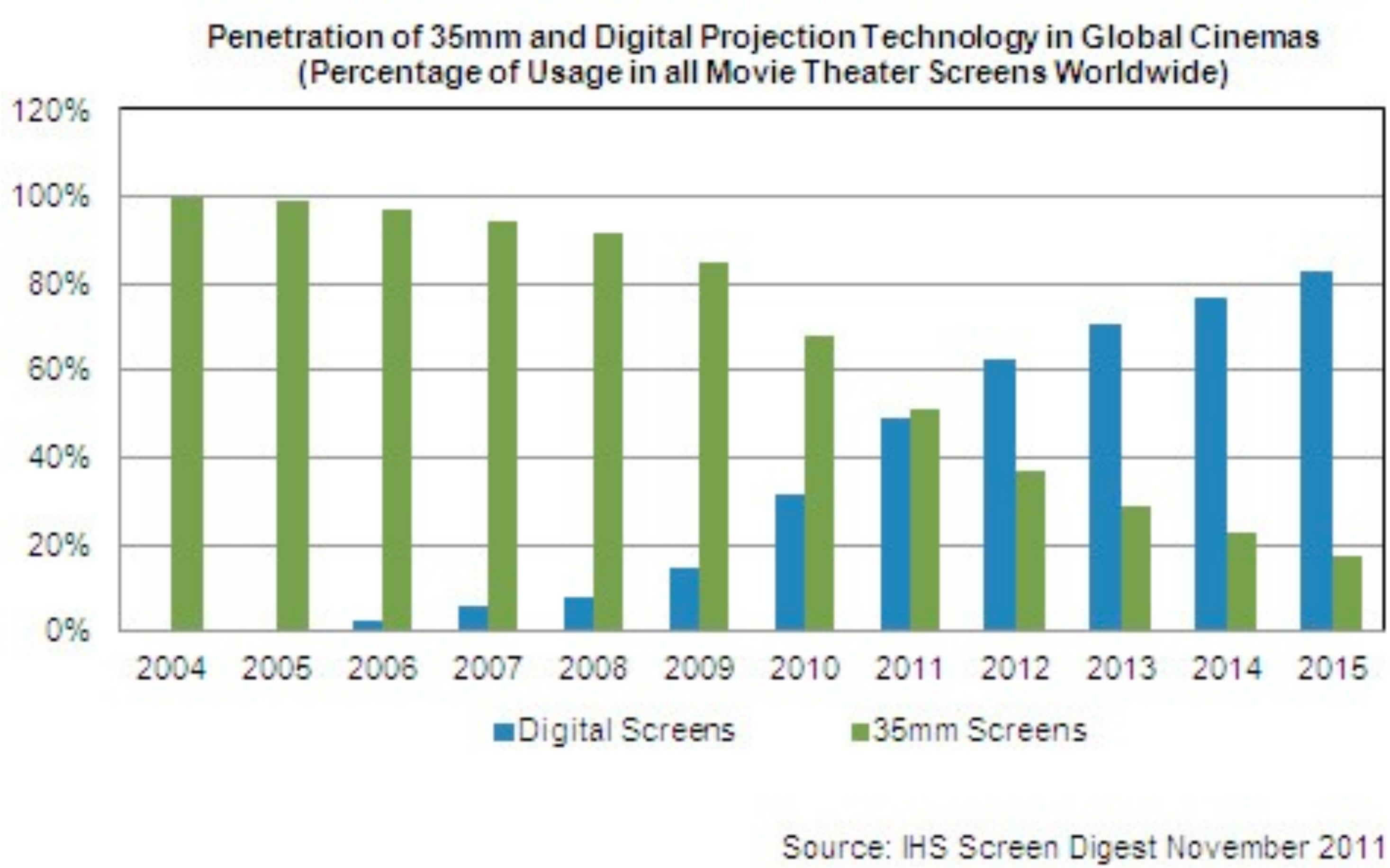
www.DCinemaToday.com

The "Tipping Point" – Dec 2011, 50% crossover



Assumptions

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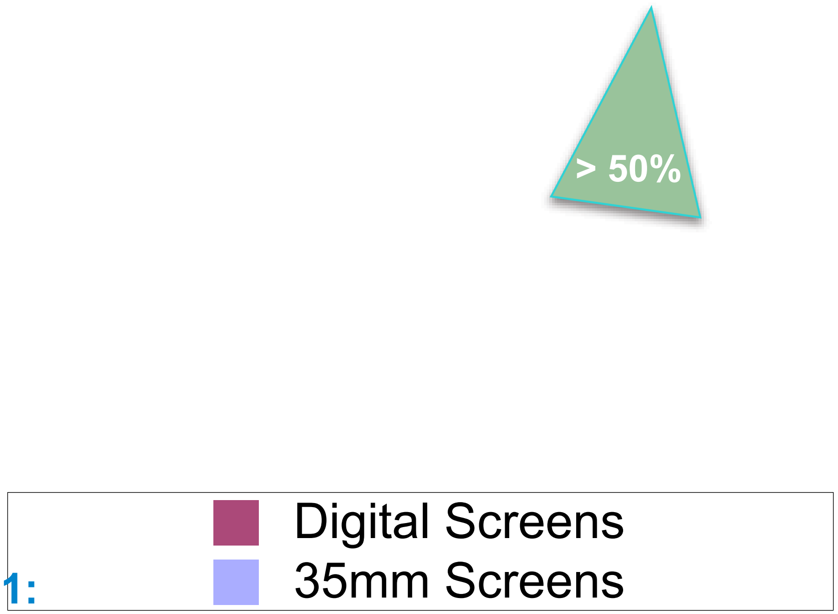
  - "Installations", "Shipments", "Commitments", …
  - DCP shipments are most accurate
- Addressable market size ~ 120K
  - Modern first run screens, Hollywood content
  - Plus, up to 30K – 40K sub-run screens

Deploying in Modern Commercial Cinemas Since 1999



Source:
Tony Adamson
DLP Cinema

As of December 31, 2011:
DLP Cinema Digital Screens: 53,496
3D Enabled: 31,009
IMAX Digital Powered by DLP Cinema: 434 (265 in NA; 169 International)

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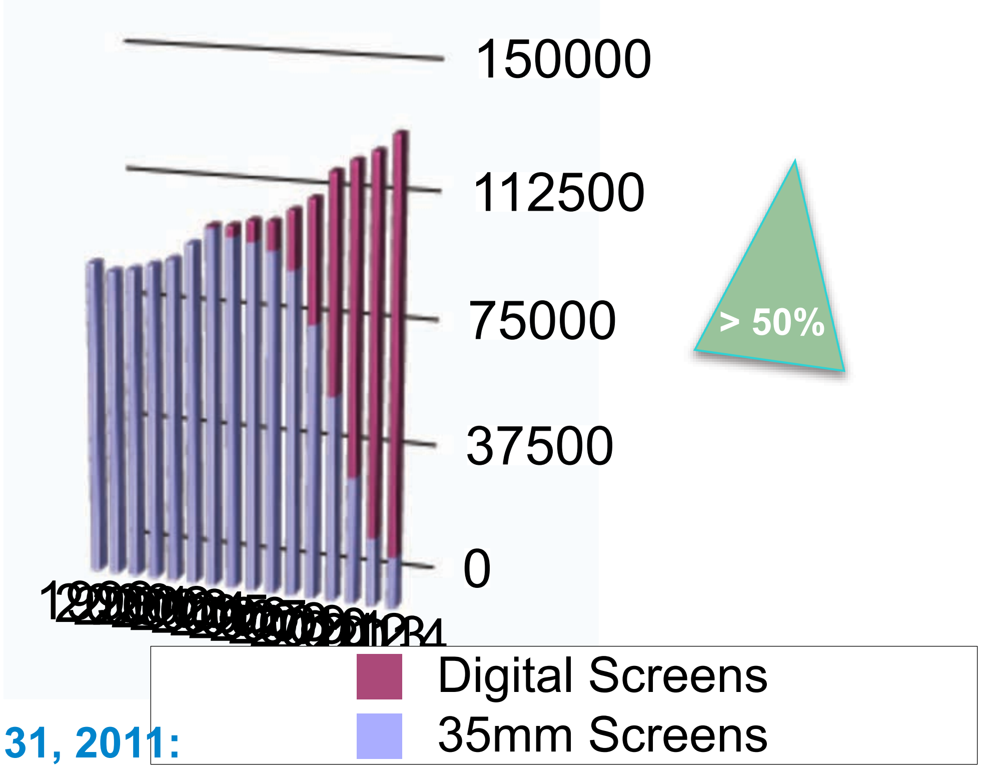

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Totals by Market – End of 2011

Market	Total DLP	%	DLP 3D	3D %	Sony
North America	18,597	34.76%	8,816	47.41%	8,621
Latin America	2,498	4.67%	2,422	96.96%	74
Europe, ME, Africa	18,541	34.66%	11,204	60.43%	960
Asia	13,860	25.91%	8,567	61.81%	965
Totals:	53,496	100.00%	31,009	57.97%	10,620

Total digital: 64,116

Primary Source: Tony Adamson
DLP Cinema CineAsia presentation

End of 2011 summary
(You can remember this)

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- ~65K DCI-level screens worldwide of ~120K total worldwide (greater than 50%)

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- ~65K DCI-level screens worldwide of ~120K total worldwide (greater than 50%)
- ~35% North Am., ~35% EMEA, ~25% Asia, ~ 5% Latin Am.
- ~60% world is 3D enabled. (EMEA & Asia: ~60%, Latin Am: ~100%, North Am: ~50%)

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- The 80/20 rule: 20% cause / 80% effect
  - 80% of profits come from 20% of customers
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- The 80/20 rule: 20% cause / 80% effect
  - 80% of profits come from 20% of customers
  - (20% of customers waste 80% of your time)
- Digital first into the major markets and top revenue producing screens
- Guess: Greater than 90% of total box-office already comes from digital screens

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- Mar. 2008: ~6,000 systems

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- Mar. 2010: ~19,000 systems
- Mar. 2011: ~ 45,000 systems   (Dec 2011: 65,000)
- Mar. 2012: ? Yearly growth slowing to ~ 75%
  - First signs of market saturation and beginning of “the long tail” ?

Beyond 2012 …

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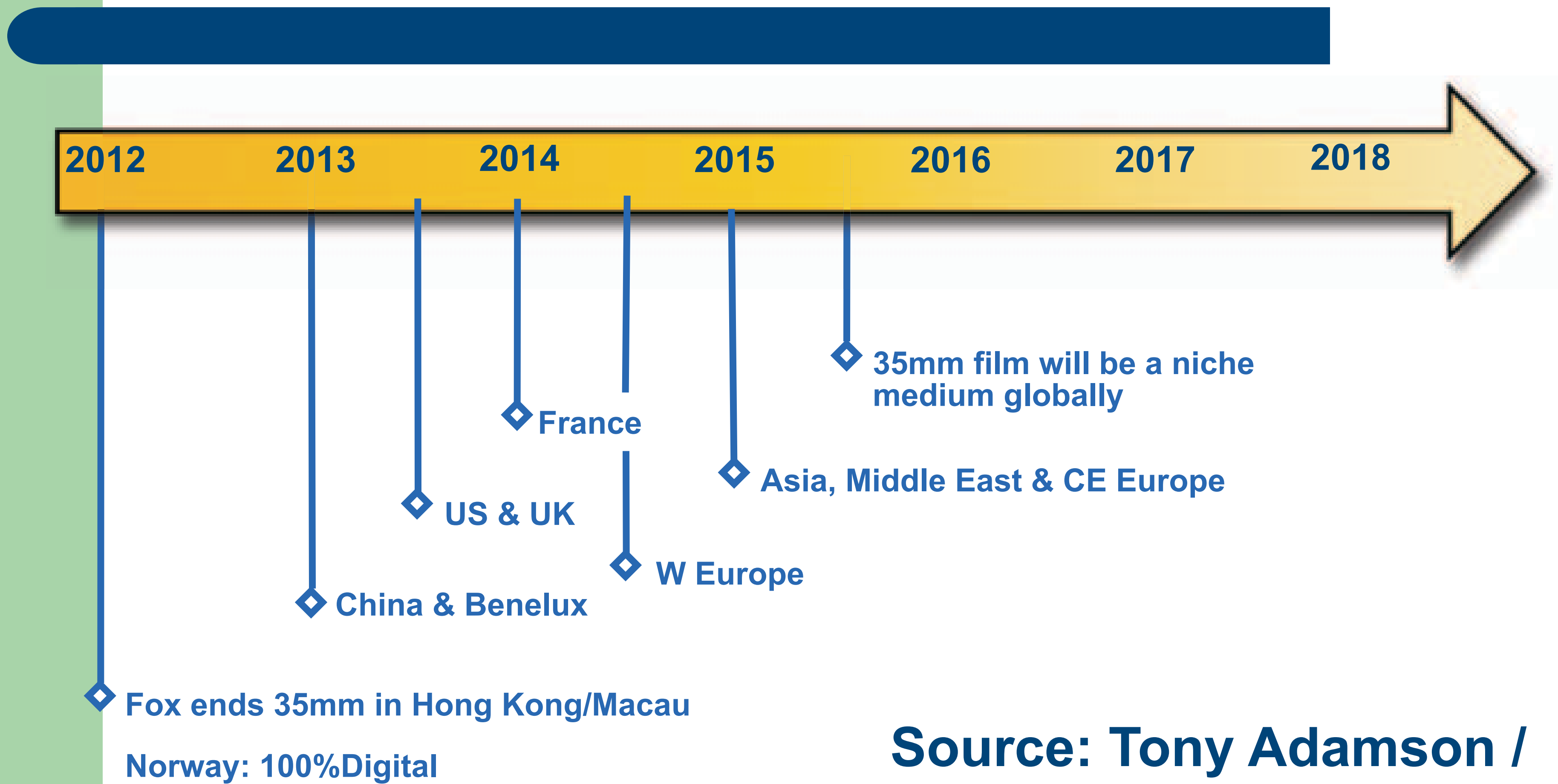
Beyond 2012 …

- The End (of 35mm film) is Near
- 3D becomes integral to cinema
- Cinema becomes faster and brighter
- New and disruptive technologies become a necessary evil.
- Technology cycles are becoming faster – business cycles must speed up to match.

Hypothetical Timeline: End of Film



Source: Tony Adamson / DLP Cinema

Thank You!

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