

# **Paramount Pictures Announces Direct-to-Exhibitors Digital Cinema Deal**

## **First Studio To Implement Agreement To Accelerate Expansion Of Digital Footprint**

HOLLYWOOD, Calif., Jan. 22 -- Paramount Pictures, a unit of Viacom Inc. (NYSE: VIA and VIA.B), today announced it has become the first studio to offer digital cinema support directly to exhibitors across the United States and Canada. The move is expected to accelerate the roll-out of digital and 3-D projection systems in theatres. The announcement was made by Jim Tharp, President of Domestic Theatrical Distribution.

The deal works in parallel with previously announced agreements with DCIP (Digital Cinema Implementation Partners), Cinedigm, Kodak, and Sony but allows exhibitors to seek financing for d-cinema systems locally rather than wait for comprehensive integrator agreements, which require significantly more upfront capital, to be completed. In addition, the agreement allows exhibitors to own and control their equipment (which is required to be DCI/SMPTE compliant), and to switch to an integrator-supported agreement at a later date if desired. The new agreement also includes independent theatres that do not belong to any integrator groups.

In making the announcement, Tharp said, "We are excited about the potential of more theatres offering more of Paramount's films in the highest quality digital and 3-D. Today's announcement is a good step forward to providing more audiences with the very best in movie viewing."

NATO President and CEO John Fithian said, "Paramount is getting out front on this critical industry transition and we applaud them. Direct arrangements between distributors and exhibitors won't work for everyone, but for some of our members, it could make the difference in surviving and thriving in the digital era. And it certainly enables some exhibitors to get wired much faster -- and that means more 3-D screens sooner. We urge all studios to give this creative option a fair chance."

To date, Paramount has signed nine digital cinema integration deals, the most of any major studio. They include domestic agreements with Cinedigm (previously Access IT) Phase 1 and Phase 2, Kodak, Sony, and DCIP, three deals with European integrators XDC, Arts Alliance Media and Ymagis, and two deals with Asian integrators DCK and GDC. So far, more than 3,500 screens have been converted to digital under Cinedigm's Phase 1 plan.

### **About Paramount Pictures Corporation**

Paramount Pictures Corporation (PPC), a global producer and distributor of filmed entertainment, is a unit of Viacom (NYSE: VIA, VIA.B), a leading content company with prominent and respected film, television and digital entertainment brands. The company's labels include Paramount Pictures, Paramount Vantage, Paramount Classics, MTV Films and Nickelodeon Movies. PPC operations also include Paramount Digital Entertainment, Paramount Famous Productions, Paramount Home Entertainment, Paramount Pictures International, Paramount Licensing Inc., Paramount Studio Group, and Worldwide Television Distribution.

SOURCE Paramount Pictures

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