



Press Release

Wuppertal, Berlin, Paris, October 7, 2011

Cineplex exhibitors have decided to cooperate with Ymagis for the digitalization of their cinemas

The vast majority of the exhibitors forming the Cineplex Group (Germany), representing together close to 423 screens, have concluded a contract with Ymagis for the digitalization of their screens. Pursuant to this agreement, Cineplex will achieve its digital deployment in the coming six months. Ymagis will provide Cineplex with various services, from VPF management and financing solutions, to technical services. Each of the 73 cinemas that are part of this agreement will be equipped with DCI-compliant digital projection equipment from various manufacturers, and with the new "Ymagis Theatre Central Server" that has been recently released by Ymagis which will enable Cineplex to enjoy a secure infrastructure between all connected screens. The cinemas will be serviced by German Service Partners such as Cineproject, FTT Rüttgers and Kinton, and by Ymagis' subsidiary specialized in technical services, Ymagis Engineering Services.

Thanks to this agreement, Cineplex will be able to provide its patrons a better cinema experience, taking advantage of the most recent developments in the digital cinema technology. Once again, the Cineplex group confirms its strong ability to innovate and to move towards improved operating efficiency.

The digital deployment of Cineplex will lead the way for a rapid digitalization of the whole cinema industry in Germany. The rapid Cineplex digital conversion will help distributors manage more efficiently their digital releases, paving the way for a smoother conversion of the whole industry.

The signature of this agreement will make Ymagis the undisputed leader of the digital conversion in Germany, with more than 550 screens signed, of which the majority will be deployed before the end of 2011. Ymagis has now reached the position of leader in the three largest cinema markets in Europe: France (more than 1000 screens signed of which 900 are deployed), Germany and Spain (close to 500 screens signed). With more than 2200 screens signed throughout Europe, of which close to 1600 will be deployed



before the end of 2011, Ymagis has become in a very short period of time a market leader with a high growth potential.

Following the conclusion of this Agreement, **Kim Ludolf Koch, Managing Director of Cineplex Holdings GmbH**, declared: "With Ymagis, we have found a partner who has been able to find adequate solutions to the diverse situations and requirements of our members. In addition to the 160 systems that have been recently installed, our service partners will install another 260 systems in the coming months, all these systems being covered by Ymagis' financing model. This agreement will help us maintain in the future the existing business relationships with our technical service partners".

Jean Mizrahi, Founder and CEO of the Ymagis group, added: "Ymagis is proud to have been chosen by Cineplex to assist its conversion to digital cinema. This agreement awards Ymagis' approach to the cinema market: respect of each country's specific cinematographic culture and specificities, equitable approach to all players in the industry, search for the highest quality for our services. We intend to stick to this philosophy in the future, and we will do our best efforts to offer Cineplex and other German exhibitors the best possible services for their digital operations."

Michael Krauth, Ymagis Deutschland GmbH' Deployment Director, said: "The signature of this agreement is a milestone for Ymagis' development in Germany. We are extremely honored to be working with Cineplex, a major group of exhibitors managing from Multiplexes to traditional Cinemas. After two years of intensive efforts, our company has now become a major player in Germany. We will from now on focus on delivering the best services to all our clients, and on offering solutions to all exhibitors who need to convert to digital. The time window for the conversion is now getting short as hybrid management of digital and 35mm will soon become very difficult for distributors and exhibitors. All exhibitors must have a chance to convert in the best possible conditions, without being left on the side; we look forward to offering them adequate solutions to make this transition as smooth as possible.

About Cineplex:

Cineplex is an association of medium size exhibition companies in Germany. With more than 460 screens in 85 complexes, Cineplex is among the market leaders in Germany. The individual companies members of Cineplex that are owned by more than 25 independent families have joined forces in all major segments of today's cinema operations in order to realize cost savings and synergies. Cineplex Germany GmbH & Co KG, to which all its members participate, provides central services such as procurement, marketing IT, advice and cooperation management.

About Ymagis

Created and controlled by cinema and technology executives, Ymagis (www.ymagis.com) is dedicated to Digital Cinema services. Ymagis offers its services to film distributors, advertising agencies, producers and exhibitors to ensure a smooth transition from their 35mm activity to Digital Cinema, whilst controlling costs. Ymagis'



services cover 4 main industry segments: VPF management, DCP/KDM servicing, installation and maintenance services, 3D active glasses rental. Ymagis has signed VPF agreements with the six US major Studios and with a growing number of independent European distributors. European exhibitors managing more than 2250 screens throughout Europe, of which close to 1300 are already deployed, have decided to convert to digital with Ymagis. They include circuits such as UGC, Cineplex Germany, Cinéville, Cap Cinéma, Ocine, Neocine, Megarama, Mk2, Golem, Grup Balañá or Cines Verdi. Ymagis digital lab delivers every week thousands of DCPs and KDMs to exhibitors on behalf of film distributors. The company expects to achieve consolidated revenue of close to Euro 25 million in 2011, whilst achieving profitability.

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