



American Cinema Advertising Network and UltraStar Cinemas join in to a Long Term Digital Pre-Show Advertising Agreement (March 2004)

ACAN teams with Vyvx, DPI and EVS

UltraStar becomes first exhibitor in North America to use Texas Instruments DLP Cinema™ Technology for Pre-Show

Las Vegas, NV – March 24, 2004: American Cinema Advertising Network (ACAN) today announced it has signed UltraStar Cinemas of San Diego, CA to a long term Pre-Show Advertising and Media Asset Marketing agreement. Under the agreement ACAN will supply projectors utilizing Texas Instruments DLP Cinema™ technology for digital pre-show advertising content, alternative programming and digital theatrical trailers and feature films.

“UltraStar Cinemas will be the first exhibitor in North America to be equipped with the necessary equipment (DLP Cinema™) to show all digital programming using one projector, including movies. The quality of the theatrical presentation should be the absolute best, including the pre-show. Anything less is a dis-service to the advertiser and an insult to the audience,” said Alex Gorovitz, President and CEO of ACAN.

“We’ve been a leader in the adoption of digital cinema and are hopeful that other exhibitors will follow our lead by making the jump to DLP Cinema™ for all applications rather than giving in to the temptation of using inferior non-DLP technology.” “ACAN obviously shares our vision and commitment to superior digital presentation as evidenced by their willingness to provide this technology without any financial or technology risk” said Alan Grossberg, President and CEO of UltraStar Cinemas.

In addition, ACAN will be UltraStar’s exclusive sales representative for all Media Assets including alternative content, special events, in-theatre signage, etc. “This consolidation allows advertisers to buy from UltraStar’s entire selection of media assets from one source which is important to the advertising community and therefore important to UltraStar” added Grossberg.

ACAN has assembled a team of leading companies in the execution of digital cinema for this project. Texas Instruments, Digital Projection International, WilTel Communications’ Vyvx division and EVS, Inc. “ACAN has selected teammates, which as individuals are experts in their respective fields, but more importantly as a team are a very power and cohesive group which will continue to successfully forge the road to digital theatres”, said Fred Garroy, General Manager of the Americas for EVS. ACAN will utilize DPI/TI DLP Cinema™ projectors in 20 screens initially which represents more DLP Cinema™ screens than any other exhibitor in North America. All 81 screens are expected to be converted within a year which will likely make UltraStar the first exhibitor in the world to be equipped for DLP Cinema™ and cinema grade servers for every screen. UltraStar currently has 6 Barco digital cinema projectors which will be replaced with DPI units. “We are so pleased that a company and an exhibitor have finally stepped up to put into place high quality projection technology for the exhibition of all digital content” said Peter Nicholas, Director of Cinema Sales and Marketing for DigitalProjection Inc.

“With the announcement of 20 DLP Cinema screens UltraStar is moving forward with a significant deployment that shows their commitment to the best presentation quality for theatrical applications,” said Doug Darrow, Business Manager, and TI DLP Cinema™.

ACAN will utilize EVS for the storage, management, and playback of all digital content within the theatre, providing a single solution for UltraStar. “This is the future of digital theatres”, said James Campanella, Chief Systems Engineer of EVS. “Combining pre-show, alternative, and digital cinema content into one system provides the exhibitor with the most flexibility and enables them to leave no potential revenue source untapped. Utilizing digital cinema quality equipment for all aspects of the show raises the picture quality bar of pre-show and alternative content. EVS is very excited to once again be part of another digital cinema milestone”.

To deliver content - both file based and live video - to theaters across the country, ACAN will utilize WilTel Communica-

tions' Vyvx division, a market leader in providing fiber-optic and satellite transmission solutions to the media and entertainment industry for 15 years. On an annual basis, Vyvx provides broadcast transmission services for nearly 10,000 live sports events; transmits nearly 200,000 live video feeds, or the equivalent of more than 12 million video minutes; and nearly 3,000,000 national television and radio spot advertisements.

About Vyvx

Vyvx provides video delivery solutions over fiber optics and satellite to global advertising, sports, news, and entertainment customers. Vyvx offers a wide range of dedicated and occasional services and its electronic footprint reaches nearly 11,000 online television and radio stations, networks and cable head-ends, as well as more than 100 professional sports venues and all major media centers, movie studios and production facilities. Vyvx is a division of WiTel Communications, LLC, the operating subsidiary of WiTel Communications Group, Inc., which is a wholly owned subsidiary of Leucadia National Corporation.

For more information, please go to www.vyvx.com.

About ACAN

ACAN, formerly Century Media Advertising, was founded in 1982 and has been a major provider or pre-show slide advertising representing exhibitors such as Loews, Mann, Village, Century, Village, and others.

For more information, please go to www.moviethreads.com.

About UltraStar

UltraStar Cinemas, headquarter in San Diego owns and operates 81 screens in 11 theatres in the San Diego DMA with 30 screens under development as well as 10 screens in Mexico with an additional 20 screens under development. UltraStar was assisted in the negotiations by Lawrence Cervantes of Performance Digital Cinema.

For more information go to www.ultrastarmovies.com.

About EVS

EVS is a business unit of EVS Broadcast Equipment which designs, develops and markets professional digital equipment for the Radio, Television and Cinema industries. The EVS Group employs more than 175 persons in 7 countries and sells its products to professionals of the sound and video sectors in more than 60 countries.

For more information, please visit www.evs.tv.

This press release may contain "forward-looking statements" as defined by federal law. Although the Company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Litigation Reform Act of 1995. The Company assumes no obligation to update those statements to reflect actual results, changes in assumptions and other factors. The forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those projected.

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