Boeing Sells Digital Cinema Assets to Access Integrated Technologies

The Boeing Company [NYSE:BA] today announced the sale of Boeing Digital Cinema assets to Access Integrated Technologies, Inc. (AccessIT) (AMEX: AIX) of Morristown, N.J.

Boeing Integrated Defense Systems sold the digital cinema equipment assets and will provide intellectual property licenses for the Boeing technology applicable in the digital cinema market and support transitioning existing theater contracts from Boeing to AccessIT. Boeing employees will not be transitioned to AccessIT as part of the deal.

"The digital cinema market is evolving every day," said Ron Prosser, vice president and general manager of Homeland Security & Services for Boeing. "Boeing Digital Cinema achieved significant operational reliability and now the technology is ready to be elevated to the next level."

Boeing Digital Cinema technology provides for the capability to transmit first-run films and alternative media, such as sporting events, concerts, plays and corporate events, directly to movie theatres via satellite or physical media. It provides secure, end-to-end transmission using encryption technology endorsed by the National Institute of Standards and Technology for protection of commercial and government information. The end-to-end multi-layered security system ensures protection from encryption of the content upon receipt to decryption upon projection in designated theatres.

"Boeing successfully pioneered and demonstrated many advances in the deployment of advanced satellite and secure digital distribution of large data files from a single point to multiple locations simultaneously," said Dr. Ron Maehl, vice president, Boeing Network Enabled Solutions. "AccessIT can now take that technology to the next level with its focus on the entertainment industry and its ability to put a capital structure in place for full-scale market implementation."

Boeing Digital Cinema provides an integrated delivery solution from the studios to the exhibitors. The open-architecture design makes it possible for integration of off-the-shelf hardware meeting industry standards to compress, store, forward and project digital content with the primary goal of interoperability. The ability to use a wider range of equipment benefits both the studio and theatre owners.

"If there were any questions about AccessIT's position as the leading technology service provider for the digital cinema industry, this acquisition should put those to rest," said Bud Mayo, Chief Executive Officer of AccessIT. "Boeing's in-theatre projection systems will allow us to service our distribution customers immediately as a proof-of-concept while we await a larger rollout of 2K systems later this year."

A unit of The Boeing Company, Integrated Defense Systems is one of the world's largest space and defense businesses. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $27 billion business. It provides systems solutions to its global military, government and commercial customers. It is a leading provider of intelligence, surveillance and reconnaissance; the world's largest military aircraft manufacturer; the world's largest satellite manufacturer and a leading provider of space-based communications; the primary systems integrator for U.S. missile defense; NASA's largest contractor; and a global leader in launch services.

Access Integrated Technologies, Inc. (AccessIT) is an early mover in offering a fully managed storage and delivery service for owners and distributors of digital content. Supported by its robust platform of fail-safe Internet data centers (AccessColocentersSM), AccessIT is able to leverage the market-leading role of its Hollywood Software subsidiary with the innovative digital delivery capabilities of its Access Digital Media (AccessDM) unit to provide the highest level of technology available to service the emerging digital cinema industry.

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