



History

Screenvision is the leader in worldwide cinema advertising, providing cinema marketing solutions to its advertising clients through on-screen sight, sound and motion (Cinema Spots), still image advertising (Cinema Slides), and in-theatre promotional opportunities (Cinema Promotions). As the largest national network in the United States, Screenvision has exclusive access to 14,000 screens including LoewsCineplex, Carmike Cinemas, Cinemark and Pacific Theatres. This national network provides advertising on more than half of the nation's available movie screens.

Regionally, the company's Screenvision Direct business unit offers Cinema Slide still image advertising and promotional opportunities to small and mid-sized businesses in local markets around the country, including Rochester, New York. Formed in 2002, the Screenvision Direct division solidified Screenvision's market leadership, giving the company local sales offices strategically located throughout the U.S. to create a powerful national network targeting specific geographic audiences.

Screenvision Direct provides advertising on more than 9,700 screens in over 1,000 movie theatres across the country. The company has strategically placed offices throughout the U.S. including Ohio, Massachusetts, Texas, Colorado, Illinois, California, Tennessee, New Jersey, and New York. Screenvision Direct established an office in Rochester, New York in 2002 with the acquisition of Val Morgan (previously a joint venture between Screenvision and Val Morgan), a division of Television Media Services. Screenvision Direct employs 279 people, with more than 35 people employed in the Rochester office. Screenvision Direct has a growing client base of approximately 3000+ across the U.S., with 38 clients in the Rochester area.

In addition to its United States-based operations, Screenvision has an extensive pan-European operation, with strong market positions in France, Spain, Belgium, The Czech Republic, Slovakia, The Netherlands, Portugal, Sweden, Finland and Denmark, as well as in the United Kingdom under sister company Carlton Screen Advertising. The company's worldwide client roster includes numerous high-profile consumer brands in a wide variety of industries including automotive, electronics, media and retail.

Background

Cinema advertising is continuing a pattern of rapid growth. According to the Initiative Futures Worldwide study "Sphere's of Influence 2004," the cinema advertising industry is growing at a rate of about 30 percent each year. Cinema chains have signed on with Screenvision in an effort to enhance the pre-show experience for movie theatre patrons,

identifying targeted advertising tailored for specific audiences. The Screenvision Direct service serves local and regional business owners, as well as governmental agencies. The service gives local advertisers the opportunity to reach audiences in their home market, giving companies an added advantage and another effective advertising option to reach consumers.

Screenvision is a 50/50 joint venture between ITV plc and Thomson. ITV is the UK's leading free to air commercial television broadcaster with divisions operating television and cinema sales. It includes Europe's largest commercial television production businesses as well as a major distribution business with an extensive film and program library. Thomson is the world leader in integrated solutions for the entertainment and media industries, with extensive technologies, equipment, and services.

Situation Analysis

Screenvision captures moviegoers from the moment they enter a theatre, get their ticket, visit the concessions, select their seat, and focus on the screen. With customized media strategies and a results-driven targeted approach, Screenvision's Cinema Promotions help clients to maximize the use of Screenvision Cinema Tools. These options can work with on-screen advertising or as standalone tools to ensure a connection with the target audience. Available tools include branding, enhanced movie tie-ins, product/program launches, sampling, drive-to-retail, contest/sweepstakes.

In 2004, Screenvision teamed with Nielsen Cinema to introduce the first comprehensive measurement application for reach and frequency of movie-going audiences. Called CinemaCume™, this tool uses data collected from the Nielsen Cinema Audience Report appended with Nielsen EDI theater admission weights. Screenvision is the first cinema advertising company in the U.S. to provide this valuable service to its clients. It opens up significant advertising opportunities for clients, targeting movie audiences in a similar way to print and broadcast media.

Conclusion

Screenvision's network offers the deepest market penetration in the cinema advertising industry, covering 95% of all United States Designated Market Areas (DMAs) that represent 99% of all Nielsen TV households.

Screenvision is positioned for expansion, with continued growth anticipated in the near future. In the last 12 months, Screenvision secured advertising rights to Pacific Theatres and Carmike. Pacific Theatres includes 300 screens on the West Coast and Hawaii, while Carmike expands Screenvision's, as well as Screenvision Direct's footprint in the Southeast.