

# Barco joins forces with strategic partners to advance the delivery of dedicated and new cinema solutions

**Kortrijk, Belgium, 4 December 2017, 07:30 am** – Barco, the global leader in cinema technology, announced today that it has reached an agreement to enter into a strategic joint venture with China Film Co. Ltd (“CFG”), Appotronics and CITICPE. The joint venture will serve as the dedicated commercialization solutions channel for each company’s products and services for the global cinema market excluding mainland China.

## **Catalysts driving the next stage of growth in the cinema industry**

Having largely completed the transition to digital cinema over the past decade, the global cinema industry is facing two primary catalysts that are propelling its next stage of growth.

First, exhibitors are increasingly focused on differentiating the moviegoers’ experience, which is driving demand for premium formats and new technologies.

Second, as the first generation of digital projectors begins to age and as Virtual Print Fees (“VPF”) agreements begin to expire, exhibitors are demanding tailored solutions that allow for flexibility in maintaining, upgrading and deploying their visualization infrastructure while ensuring asset optimization and lowering total cost of ownership.

## **A winning combination of products, services and technology**

Leveraging Barco’s market leadership in the cinema market and combining for aggregating the strengths and capabilities of each partner, the joint venture will provide exhibitors and partners a comprehensive portfolio of cinema technology solutions, products and services, encompassing:

- Barco’s visualization and image processing technology for the cinema market;
- Appotronics laser technology and light source retrofit modules;
- CFG’s premium cinema solutions and content;
- CITICPE’s financial consulting services; and,
- Innovative business models to facilitate the exhibitor’s decision to upgrade to new technologies, including flexible financing options, uptime insurance and operational partnerships.

## **Planned Launch of the Joint Venture**

The joint venture is expected to become effective during the second quarter of 2018 after customary regulatory approvals have been obtained and following consultation with the relevant social and governmental entities. In a first phase, Barco and Appotronics will start cooperating on selling retrofit modules and projection equipment followed by the addition of CITICPE and CFG’s premium movie solutions later in the year.

Under the terms of the agreement, the partners plan to capitalize the joint venture in the amount of \$100 million. Once all partners have entered the joint venture, Barco will own 55% of the joint venture, Appotronics and CFG will each own 20% and CITICPE will own 5%.

Wim Buyens, General Manager of Barco's Entertainment division for the past seven years, will be appointed as CEO of the joint venture.

Barco will serve as a strategic OEM partner for the joint venture, while retaining full ownership of assets and capabilities related to product management, R&D and manufacturing of all cinema projection and image processing technologies. Barco plans to spin out its current cinema related sales, marketing and services functions from its Entertainment division into this new joint venture.

Under this new organizational structure, the joint venture will build out dedicated processes and capabilities as it delivers innovative services and solutions to its channel partners and exhibitors. Once effective, the financial results of the joint venture will be consolidated into Barco's financial results.

#### **About China Film Co., Ltd**

*China Film Co., Ltd. (Shanghai Stock Exchange: 600977) (China Film) was founded in 2010 by China Film Group Corporation in alliance with 7 other organizations.*

*The company has four businesses: production, distribution, exhibition and film service, which encompasses film & television production, distribution, screenings, cinema chain, movie theaters and equipment.*

*China Film has the largest digital film distribution management platform in China and a dominant position in the field of digital film distribution. China Film owns 7 holding and joint-stock cinema chains and over 100 holding theaters.*

*The China Film premium cinema solution is leading in the world, has been installed in over 200 theaters around the world, including United States, Indonesia, India, the United Arab Emirates, Taiwan and other regions.*

#### **About CITICPE**

*CITIC Private Equity Funds Management ("CITICPE") is a leading asset management firm that manages multiple asset classes, including private equity, mezzanine and public market funds and other products, for a group of over 200 domestic and international investors. The firm was founded in 2008 by a world class team of investment professionals. CITICPE is a globally minded long-term value investor and uses its sector expertise to generate deal flow and drive the value creation work during post-investment stage. CITICPE follows a disciplined investment approach to preserve and grow its investor's capital.*

#### **ABOUT Appotronics**

*Appotronics Corporation pursues the spirit of independent innovation, aimed at the development of disruptive technology, in keeping with its origins at the Silicon Valley-based YLX laboratory in 2004. It developed the innovative ALPD® laser fluorescence display technology in 2007 which is the first laser display technology to have successfully achieved industrialization and commercialization worldwide. Since launching ALPD®, Appotronics has developed a series of products which have had a profound effect on the display field, including a first laser film projector engines and its ground-breaking ALPD® technique.*

**About Barco**

*Barco designs technology to enable bright outcomes around the world. Seeing beyond the image, we develop sight, sound, and sharing solutions to help you work together, share insights, and wow audiences. Our focus is on three core markets: Enterprise (from meeting and control rooms to corporate spaces), Healthcare (from the radiology department to the operating room), and Entertainment (from movie theaters to live events and attractions). In 2016, we realized sales of 1.102 billion euro. We have a team of 3,500 employees, located in 90 countries, whose passion for technology is captured in 400 granted patents. For more information, visit us on [www.barco.com](http://www.barco.com), follow us on [Twitter \(@Barco\)](#), [LinkedIn \(Barco\)](#), [YouTube \(BarcoTV\)](#), or like us on [Facebook \(Barco\)](#).*

© Copyright 2017 by Barco

**For more information, please contact:**

Carl Vanden Bussche, VP Investor Relations  
+32 56 26 23 22 or [carl.vandenbussche@barco.com](mailto:carl.vandenbussche@barco.com)

