



## UNITED FILM ORGANIZERS



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# UFO Moviez buys stake in DG2L for \$50 m

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UFO MOVIEZ, a subsidiary of Apollo Group's media initiative, has acquired a majority stake in DG2L Technologies, a Singapore-based company, for \$50 million, and along with it acquired the worldwide rights to MPEG 4 digital cinema system (a compression format similar to MP3). DG2L designs, develops and is an integrator of next-generation MPEG 4 open standards-based home gateway devices such as a set-top box for the broadcast market, which in India's case are theatres.

UFO Moviez provides digital technology solutions that enable theatres to digitize their content through satellite rather than using the previous methods of physically buying film prints and then showing movies.

"Earlier Bollywood movies used to come out with 400 prints and used to be released mainly in metros. Also, a film can be shown at a wider number of centres," Raaja Kanwar, director of UFO Moviez told *Hindustan Times*.

Other advantages of digital cinema include quicker access to movies in any part of India. "Since the prints released were

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—Raj Kanwar, Director of UFO Moviez

not big enough for a country of India's size, theatre owners had to wait two months before a "hit" film came to theatres in their localities. Also, in case of a "flop" film they were stuck with prints and had to wait for a couple of

months, which was a revenue loss for them," added Kanwar.

He said with the digital format, four movies can be stored simultaneously on the server and the broadcaster can schedule movies according to his needs.

"With real-time satellite transmission and simultaneous release worldwide, the chances of piracy are drastically cut," said Kanwar.

Hollywood, for one, has already seen over 350 movies digitally released. Some of the biggest grossers in recent times including *Shark Tale* and *Star Wars* have been digitally re-

leased.

"By 2007, UFO Moviez plans to create the largest chain of digital cinemas houses worldwide, and this acquisition gives them an access to MPEG 4 standard, which is the latest open standard," says an analyst.

Having initially set up 500 digital movie halls by August 2006 at an investment of Rs 80 crore, UFO plans to scale it up progressively to 2,000 cinema halls across the country at a total investment of Rs 300 crore.

It has tied up with Fame and INOX in Mumbai, M2K in Delhi and Pyramid Saimera in southern India.