Digital Cinema Destination Corp.
(NasdaqCM: DCIN)

October 17, 2013
Target Price: $10.00
Recent Price: $5.24

Watch Fox Business Interview with CEO Bud Mayo

Market Data

Fiscal Year	June
Industry	Entertainment
Market Cap	$40.0M
Price/Earnings (ttm)	N/A
Price/Book (mrq)	1.8x
Price/Sales (ttm)	1.0x
EBITDA (ttm)	$2.4M
ROE (ttm)	N/A
Institutional Ownership	16.8%
Shares Outstanding	7.6M
Float	5.2M
Avg. Daily Vol. (3 mos.)	8,295

As of October 16, 2013

Income Snapshot

	TTM
Revenue	$31.2M
Operating Income	($3.8M)
Gross Margin	($4.3M)

Balance Sheet Snapshot

	MRQ
Cash	$3.6M
Debt-to-Equity Ratio	36.8%
Book Value per Share	$2.95

Rapid expansion and alternative content strategy expected to drive substantial EBITDA performance in FY14 for this growing cinema operator.

Digital Cinema Destinations Corp. is transforming its movie theaters into interactive entertainment centers. The Company provides consumers with uniquely satisfying experiences, combining state-of-the-art digital technology with engaging, dynamic content that drives increased attendance and concession sales. The Company's customers enjoy live and pre-recorded alternative programming such as concerts, operas, ballets, sporting events, conferences, interactive videogames, auctions, fashion shows and, on an ongoing basis, the very best major motion pictures. The Company's execution of its strategy has resulted in 367% year-over-year revenue growth for the trailing 12 months ended June 30, 2013. As of September 1, 2013, Digiplex operates 19 cinemas and 184 screens in Arizona, California, Connecticut, New Jersey, Ohio and Pennsylvania.

Value Proposition

Increases in average screens, average attendance per screen, average concessions sales per patron, and decreases in the rate of growth of G&A expenses are the basis behind our adjusted EBITDA (EBITDA + deferred rent expense, stock-based compensation, non-recurring fees, and management fees) estimate of $7.9 million in the June 2014 fiscal year. We believe the Company will make the majority of its acquisitions this year through its joint venture (JV) with Start Media, but will still need to raise some additional capital through both debt and equity. We estimate that DCIN will end the year with $11.4M in net debt (up from $6.4M as of June 30, 2013), and 8.2 million in shares outstanding (assuming a capital raise of 550,000 shares at a capital raise price of $6.00, for total gross proceeds of $3.3 million). We believe that DCIN will reach 300 screens by year-end FY14, and our model projects that the Company would produce yearly run rate adjusted EBITDA of $9.1 million at 300 screens. We apply this EBITDA estimate to an EV/EBITDA multiple of 10.2, only slightly above the median of our peer group (9.1x) despite what we believe are significantly superior growth prospects, to derive a target price of $10.00.

Analyst: Thomas Pfister **Email:** Thomas@redchip.com **Phone #:** 407-644-4256

Investment Highlights

DCIN is growing exceptionally quick; targets to have 300 screens by end of FY14 and long-term goal is to have 1,000 screens in top 75/100 Designated Market Areas (DMA). Revenue for FY13 was $31.2 million, compared to $6.7 million for FY12. This increase in revenue is the result of the Company's numerous acquisitions since its inception; DCIN increased its operations from 3 theaters and 19 screens in April 2012 to 19 theaters and 184 screens at present. The Company is targeting to have 300 screens by the end of FY14, and DCIN's long-term goal is to have 1,000 screens in the top 75/100 DMAs. Revenue and profitability in these theatres will be expanded through the Company's digital conversion strategy and through the use of alternative programming, which will increase theater utilization and revenue during slow times (DCIN's long-term goal is for alternative programming to comprise 20% of revenue).

DCIN pursues an economically attractive acquisition strategy; acquisition made at a target multiple of 4.5x-6x theater level cash flow (TLCF). The Company focuses on acquiring smaller, family-owned chains and individual theaters in free zones (areas that permit the Company to acquire movies from any distributor), at a target multiple of approximately 4.5x-6x TLCF (differences in acquisition multiples are due to areas in which the theaters are located and whether or not the conversion to digitalization has occurred). The Company's "buy and improve" approach offers predictability and stability compared to building brand new theaters. These theaters are already performing well before DCIN purchases them, and given that the theaters will become more profitable as improvements are made, we expect that DCIN will exhibit much higher adjusted EBITDA of $7.9M in FY14 versus $3.5M in FY13. At 300 screens per year, we project that the Company's yearly run rate adjusted EBITDA will be $9.1 million. The Company's overall corporate structure/corporate expenses have been established and therefore newly added theaters should start to significantly increase EBITDA.

The focus on digitalization at DCIN's newly acquired theaters will drive increases in EBITDA and TLCF. DCIN's digital conversion strategy is comprised of converting traditional projecting equipment to advanced digital projecting equipment. Digital theaters no longer require a reel of film to be used for each showing; instead, the digital content is housed on a main system that easily allows management to redirect content based on demand. Digital systems also provide the ability to offer alternative content to supplement the traditional cinema experience. In theaters where DCIN has installed digital projection systems, the Company receives virtual print fees (VPF) from movie studios, either for 10 years or until the VPF covers all but $9,000 of the cost of the digital projection system. The VPFs are counted as a reduction in film exhibition expenses, leading to higher EBITDA margins for DCIN (this represented an expense reduction of $1.0 million in FY13). The Company estimates that VPFs will range from $8,000-$10,000 per eligible screen, per year. The Company has extensive experience with VPFs, as Company CEO Bud Mayo was the first to create VPFs at his previous company, Cinedigm. Margins are also improved through a reduced number of employees, as running a digital projection system requires less manpower.

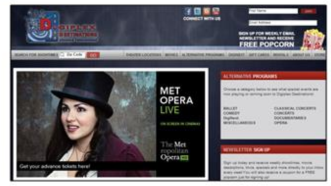
DCIN's alternative programming increases theater attendance during non-peak hours; we believe this will lead to higher per theater attendance at DCIN-owned theaters. The traditional theater operation strategy has been to play movies throughout the entire day, resulting in significant inefficiencies during non-peak hours; DCIN's management estimates that this results in seating of only 10%-15% of overall capacity, and less than 5% of overall capacity Monday-Thursday. Instead, DCIN only plays some smaller films during times where the demand is high enough. This content typically takes the place of the theater's lowest performing screen. Alternative content includes live and pre-recorded concert events, the opera, ballet, sports programs and special live events. While other theater operators are also beginning to offer alternative content as well, DCIN derives a larger amount of its current revenue from alternative programming and is expected to outpace larger competitors in this area. DCIN is also creating and distributing its own alternative programming content through a JV with DigiNext, which will produce 12 new features in the 2013-2014 season. DigiNext has a long-term goal to produce 200 features of alternative programming content per year. In August 2013, DCIN formed an alternative content distribution alliance with Screenvision, which has over 14,000 screens in the U.S. This has greatly increased the distribution of the Company's features, and helped make DigiNext's first documentary of the 2013-2014 season, the United States of Football, the 2nd most widely distributed sports documentary in terms of number of theaters. DigiNext has many more features planned, including A Miracle in Spanish Harlem, which debuts on December 6th and may have special appeal to the underserved Latino market.

Movie theaters have high fixed costs, and increasing attendance/revenue during slow times could greatly increase theater cash flow/ROI. In 4QFY13, revenue from alternative content was 15-times higher than the lowest performing screen, which indicates how much this strategy can increase theater-level cash flow relative to competitors. The Company targets for alternative content to make up 20% of its overall revenue. Alternative content provides significant opportunities to raise the average admission per patron; alternative content admission prices are approximately 50% higher than regular movie tickets.

Alternative Programming Successes

Sample Content and Event Grosses

Alternative programming consistently outperforming lowest (and often highest) grossing movies…at higher prices



Day of the Week	Event Offered	Event Gross that Day	Highest Grossing Movie that Day	Lowest Grossing Movie that Day	Event Ticket Price (1 adult)
Monday	Opera Encore: Die Walkure	$452.80	$250.39	$0.00	$12.50
	Movie Classic: Star Trek 25th Anniversary	$911.04	$283.58	$168.66	$12.50
	Opera Encore: Wagner's Dream	$389.07	$360.44	$0.00	$12.50
Tuesday	Ballet: Nutcracker Live	$1,345.26	$125.40	$0.00	$20.00
	Concert: Rolling Stones Live in 1978	$672.03	$89.60	$9.43	$12.50
	Ballet: Le Corsaire	$566.00	$125.40	$0.00	$15.00
Wednesday	Broadway: West Side Story	$2,425.00	$73.36	$56.07	$12.50
	Broadway: Love Never Dies	$1,422.00	$107.94	$0.00	$12.50
	Opera: La Traviata	$1,339.77	$92.71	$0.00	$20.00
Thursday	Movie Classic: Singin' in the Rain	$2,603.24	$607.84	$47.64	$12.50
	Art Show: Leonardo Live	$1,591.65	$272.42	$19.82	$12.50
	Movie Classic: Singin' in the Rain	$954.99	$234.82	$28.29	$12.50
Saturday	Opera Live: Don Giovanni	$7,073.02	$529.97	$21.24	$25.00
	Opera Live: La Traviata	$3,849.56	$1,168.56	$47.64	$12.50
	Sports: Mayweather vs. Ortiz	$1,816.86	$2,037.05	$44.34	$18.00
Sunday	Opera Live: Phantom of the Opera	$1,103.70	$281.50	$28.32	$18.00
	Ballet: Le Corsaire	$976.35	$309.48	$7.55	$15.00
	Los Angeles Philharmonic	$479.22	$309.48	$7.55	$18.00
Averages:		**$783.31**	**$497.05**	**$76.41**	**$15.01**

DCIN's access to capital (JV, debt, common equity) provide the means to achieve its acquisition targets. With the Company currently operating at a relatively low debt/equity ratio compared to its peers (37.1% vs. peer median of 141.5%), we are confident that DCIN will be able to raise the necessary capital to fund its future capital expenditures. However, debt interest rates may be high until DCIN establishes a strong track record of positive EBITDA; the Company's current annual interest rate on its debt is equal to 30-day LIBOR (2.5% floor) + 10.50%. Additionally, the Company's existing joint venture partner, Start Media, has committed to contribute up to $20M in capital contributions, of which $10.0M has already been contributed. The Company has acquired all 99 screens since December 2012 through the JV, and we believe that the JV will continue to be an extremely important component of the Company's acquisition plan, and will allow DCIN to acquire theaters using a lower amount of its own debt/common equity. If additional capital is needed, DCIN is prepared having filed a shelf-registration to raise up to $10.5M in capital, through which $5.7 million has been raised to date from a prestigious group of institutional investors.

Market

Movie Theater Digitalization Provides Acquisition Opportunities for Larger Operators. The movie theater industry is currently undergoing a period of consolidation in which the large operators are acquiring smaller, family-run theaters. This is because many family-owned theaters have incurred debt to upgrade their projecting equipment to all-digital. DCIN faces competition from its peers as the industry in general is pursuing the same "buy and improve" strategy. DCIN targets primarily smaller, family-owned circuits that management has had long-term relationships with in the past, and DCIN is able to negotiate deals that are fair to both sides. Additionally, when the Company makes an acquisition for a portion of an operator's circuit, DCIN receives a right of first offer for the rest of their theaters.

Digital conversion has started taking place throughout the industry, as approximately 12,000 screens out of the nearly 40,000 screens in the U.S. have been converted to digital. DCIN receives VPFs when screens it owns are converted to digital, giving the Company the potential for higher EBITDA margins relative to its peers (Company management stated on its 3QFY13 conference call that it believes that DCIN is the only publicly-traded company to receive VPFs).

Box office revenue up 6.5% YoY; Consistent Increase over the Past Decade. Overall box office revenues in the U.S. have steadily risen over the past decade, even as attendance has remained relatively flat or even fell slightly. This is due to the average ticket price within the industry steadily rising over the same time period. As the industry as a whole attempts to diversify its entertainment offerings through alternative content, it allows theater operators to increase average ticket prices without lowering attendance. This relatively inelastic demand among moviegoers indicates that companies focused on developing alternative content strategies can continue to achieve higher levels of revenue and margins going forward. DCIN is poised to be a first mover in this area and should have higher alternative content revenue as compared to its peers.

	US Box Office Revenues (in $ billions)	Attendance (in billions)	Average Ticket Price
2001	8.10	1.43	$5.66
2002	9.10	1.57	$5.81
2003	9.20	1.52	$6.03
2004	9.30	1.50	$6.21
2005	8.80	1.38	$6.41
2006	9.20	1.40	$6.55
2007	9.60	1.40	$6.88
2008	9.60	1.34	$7.18
2009	10.60	1.42	$7.50
2010	10.60	1.34	$7.89
2011	10.20	1.29	$7.93
2012	10.80	1.36	$7.96

Source: MPAA

Peer Comparison

Name	Ticker	Price	Market Cap (M)	P/E (ttm)	P/S (ttm)	Fwd. P/S	EV/EBITDA (ttm)	Fwd. EV/EBITDA	Rev 1 yr. Gro.	D/E (mrq)
IMAX Corp.	IMAX US	26.76	1,804.68	42.4x	6.1x	5.7x	18.4x	13.8x	17.2%	6.5%
Regal Entertainment Group	RGC US	18.87	2,939.45	21.2x	1.0x	0.9x	9.1x	7.7x	16.5%	N/A
Cinemark Holdings	CNK US	32.17	3,709.59	19.4x	1.5x	1.3x	9.1x	7.9x	11.7%	191.5%
Carmike Cinemas	CKEC US	22.22	509.02	31.3x	0.7x	0.8x	6.7x	4.9x	25.8%	141.5%
Reading International	RDI US	6.50	152.19	35.9x	0.6x	N/A	8.0x	N/A	10.6%	149.6%
Cineplex	CGX CN	38.50	2,432.14	23.9x	2.2x	1.9x	13.1x	10.6x	14.4%	22.9%
Median				**27.6x**	**1.2x**	**1.3x**	**9.1x**			
Digital Cinema	DCIN US	5.24	40.00	N/A	1.0x	0.7x	23.7x	6.9x	367.5%	36.8%

As of October 16, 2013

Source: Bloomberg, RedChip Estimates

Valuation Conclusion

Relative to other public cinema operators, we believe that DCIN holds a number of advantages which should lead to the Company having a higher EV/EBITDA multiple, relative to its peers:

1) Alternative content should increase revenue without adding additional costs. In 4QFY13, alternative content outperformed the lowest performing screen by 15 times (alternative content often outperforms the highest performing screen, as well). This should continue to make up a greater proportion of revenue, increasing revenue and average attendance per screen.
2) VPFs earned through digital conversion should lead to above industry EBITDA margins after the Company acquires enough screens to outpace general corporate expenses (the majority of which are already in place).
3) Average concession sales per patron have been consistently trending upward. Concession sales have high gross margins (82.0% in 4QFY13).
4) DCIN owns downstream content through its JV with DigiNext, giving the Company a small amount of revenue as a distributor that other theater operators do not receive. This is expected to increase over time as the Company adds additional features through DigiNext.

Future results are going to be driven mainly by screen growth through acquisitions. Following these acquisitions, management's ability to improve results through maximizing revenue from alternative content and concessions will be key to increasing shareholder value. With the corporate structure already in place, general and administrative expenses should begin to grow at a much slower pace, leading to more theatre level cash flow dropping to EBITDA. Due to this, we believe DCIN's strategy will really begin to show in its financials in FY14, as additional screens are acquired and alternative content becomes a greater portion of the overall revenue mix.

	1QFY13	2QFY13	3QFY13	4QFY13	FY13	1QFY14E	2QFY14E	3QFY14E	4QFY14E	FY14E
Average screens	85	96	172	178	130	185	195	240	280	225
Average attendance per screen	5,656	6,420	4,429	5,667	22,014	5,486	6,452	5,713	6,064	23,716
Average admission per patron	$7.23	$7.71	$7.84	$7.92	$7.83	$7.92	$7.95	$8.00	$8.00	$8.00
Average concessions sales per patron	$2.88	$3.13	$3.22	$3.45	$3.27	$3.52	$3.59	$3.66	$3.73	$3.63
Revenues										
Admissions	3,009	4,752	5,985	7,578	21,324	8,039	10,002	10,970	13,583	42,593
Concessions	1,199	1,929	2,461	3,301	8,890	3,572	4,516	5,020	6,340	19,448
Other	139	189	319	322	969	333	351	432	504	1,620
Total Revenues	4,347	6,870	8,765	11,201	31,183	11,943	14,869	16,422	20,427	63,662
Operating Expenses										
Film Rental Expense	(1,439)	(2,417)	(2,844)	(3,996)	(10,696)	(3,859)	(5,271)	(5,211)	(7,063)	(21,403)
Cost of Concessions	(164)	(317)	(413)	(595)	(1,489)	(607)	(768)	(853)	(1,078)	(3,306)
Salaries and Wages	(513)	(710)	(1,155)	(1,412)	(3,790)	(1,517)	(1,619)	(2,016)	(2,380)	(7,532)
Facility Lease Expense	(523)	(811)	(1,514)	(1,600)	(4,448)	(1,702)	(1,814)	(2,256)	(2,660)	(8,432)
Utilities and Other	(741)	(1,141)	(1,848)	(2,052)	(5,782)	(2,128)	(2,243)	(2,760)	(3,220)	(10,350)
General and Administrative	(737)	(1,208)	(1,365)	(1,743)	(5,053)	(1,758)	(1,775)	(2,016)	(2,240)	(7,788)
Change in Fair Value of Earnout	0	0	79	254	333	0	0	0	0	0
Depreciation and Amortization	(849)	(1,098)	(1,439)	(665)	(4,053)	(685)	(722)	(888)	(1,036)	(3,330)
Total Operating Expenses	(4,966)	(7,702)	(10,499)	(11,809)	(34,978)	(12,254)	(14,209)	(16,000)	(19,677)	(62,292)
Operating Income	(619)	(832)	(1,734)	(608)	(3,795)	(311)	660	422	750	1,369
Other Expense										
Interest Expense	(23)	(272)	(326)	(379)	(1,000)	(360)	(360)	(450)	(540)	(1,710)
Non-cash Interest Expense	(2)	(75)	(75)	(75)	(227)	(75)	(75)	(75)	(75)	(300)
Other Expense	0	(8)	(38)	(14)	(60)	(15)	(15)	(15)	(15)	(60)
Loss Before Income Taxes	(644)	(1,187)	(2,173)	(1,076)	(5,082)	(761)	210	(118)	120	(701)
Income Tax Expense	17	47	(22)	133	175	94	26	15	15	150
Net Loss	(661)	(1,234)	(2,151)	(1,209)	(5,257)	(855)	184	(133)	105	(851)
Net Loss Attributable to Non-Controlling Interest	0	93	620	251	964	178	(38)	28	(22)	145
Net Loss Attributable to DCIN	(661)	(1,141)	(1,531)	(958)	(4,293)	(677)	146	(105)	83	(705)
Preferred Stock Dividends	(1)	(5)	(5)	(5)	(16)	(5)	(5)	(5)	(5)	(20)
Net Loss Attributable to Common Stockholders	(662)	(1,146)	(1,536)	(963)	(4,309)	(682)	141	(110)	78	(725)
Net Loss Per Share	(0.12)	(0.21)	(0.25)	(0.15)	(0.74)	(0.11)	0.02	(0.01)	0.01	(0.10)
Weighted Average Common Shares Outstanding	5,419,452	5,511,765	6,065,265	6,324,272	5,828,283	6,400,000	7,066,357	7,632,713	7,907,713	7,251,696
Reconciliation to Adjusted EBITDA										
Net Loss	(661)	(1,234)	(2,151)	(1,209)	(5,257)	(855)	184	(133)	105	(851)
Add Back:										
Depreciation and Amortization	849	1,098	1,439	665	4,051	685	722	888	1,036	3,330
Interest Expense	25	347	401	454	1,227	435	435	525	615	2,010
Income Tax Expense	17	47	(22)	133	175	94	26	15	15	150
Other Expense	0	8	38	14	60	15	15	15	15	60
Deferred Rent Expense	42	48	102	132	324	128	136	169	200	632
Stock-Based Compensation	43	26	79	400	548	79	79	79	400	637
Non-Recurring Fees	47	293	212	90	642	90	150	180	210	630
Management Fees	0	52	203	288	543	290	293	333	370	1,285
Start Media's Share of Adj. EBITDA	0	(105)	237	(79)	53	0	0	0	0	0
Adj. EBITDA	**362**	**580**	**538**	**888**	**2,366**	**960**	**2,039**	**2,071**	**2,965**	**7,884**
Admissions Gross Margin	52.2%	49.1%	52.5%	47.3%	49.8%	52%	47%	53%	48%	50%
Concessions Gross Margin	86.3%	83.6%	83.2%	82.0%	83.3%	83%	83%	83%	83%	83%
Operating Margin	-14.2%	-12.1%	-19.8%	-5.4%	-12.2%	-2.6%	4.4%	2.6%	3.7%	2.2%

Increases in average screens, average attendance per screen, average concessions sales per patron, and decreases in the rate of growth of G&A expenses are the basis behind our adjusted EBITDA estimate of $7.9 million in FY14. We believe the Company will make the majority of its acquisitions this year through its JV with Start Media, but will still need to raise some additional capital through both debt and equity. We estimate that DCIN will end the year with $11.4M in net debt (up from $6.4M as of June 30, 2013), and 8.2 million in shares outstanding (assuming a capital raise of 550,000 shares at a capital raise price of $6.00, for total gross proceeds of $3.3 million). We believe that DCIN will reach 300 screens by year-end FY14, and our model projects that the Company would produce yearly run rate adjusted EBITDA of $9.1 million at 300 screens. We apply our EBITDA estimate to an EV/EBITDA multiple of 10.2x, just above the median of our peer group (9.1x), to derive a target price of $10.00.

Management & Board

Dale "Bud" Mayo, *Chairman & CEO*

Dale "Bud" Mayo has enjoyed a successful career in the film exhibition industry having founded and led both Cinedigm Digital Cinema Corp., the pioneer and leader in digital cinema, and Clearview Cinema Group, a top U.S. theater circuit. In recognition of his efforts within the industry, Bud received the distinct honor of being inducted into the film exhibition Hall of Fame at the industry's 2010 ShowEast conference. Bud served as Chairman, President and CEO from Cinedigm's inception (the firm was originally known as Access Integrated Technologies) until leaving in June, 2010. Cinedigm is a pioneer in the film exhibition industry and has transformed over 12,000 screens at more than 1,000 sites in the U.S. and Canada to digital formats. In 1994, Bud founded Clearview Cinemas and expanded the theater circuit into the largest independent theater group in the Metropolitan New York area. From 1976 to 1993, Bud was the founder, Chief Executive Officer and sole shareholder of Clearview Leasing.

He began his career at IBM in 1965 and went on to work on Wall Street in the 1970s. Bud stays involved in the community and helped establish the Mayo Center for the Performing Arts, a not-for-profit organization based in Morristown, N.J. which opened in 1994 and hosts more than 200 world-class performances per year in every genre.

Brian Pflug, *CFO*

Brian Pflug, CPA, has been DCIN's Chief Financial Officer since July 2011, managing the financial growth of Digiplex Destinations. Mr. Mayo, Mr. Pflug and others on the management team have a long history together, starting in 1998 when Mr. Pflug was controller at Clearview Cinemas. Mr. Mayo and Mr. Pflug then worked together at Cinedigm Digital Cinema Corp. where Mr. Pflug rose to senior vice president of Accounting and Finance, his most recent position before Digiplex. Mr. Pflug holds a Bachelor of Science Degree in Accounting from Rutgers University.

Chuck Goldwater, ***SVP***

Mr. Goldwater is responsible for supporting the strategic development of Digiplex and overseeing the operations of the company. He has held senior management positions at a number of leading theater exhibitors including USA Cinemas, National Amusements and Loews Theatres, and he served as President/CEO of Mann Theatres and President at Clearview Cinemas. In 2012, he was inducted into exhibition's Hall of Fame at ShowEast, a leading industry conference.

Mr. Goldwater brings unique perspective to digital cinema deployment and alternative entertainment programming, two key areas of importance to Digiplex's future success. At the end of 2012 as the domestic digital cinema rollout business came to a close, he ended seven years of work at Cinedigm where he served as President of its Media Services Group. Prior to his tenure at Cinedigm he was Chief Executive Officer of Digital Cinema Initiatives, LLC (DCI), a joint venture of the seven major Hollywood studios, which established the technical specifications and initial business planning for the worldwide implementation of digital cinema.

Jeff Butkovsky, ***Chief Technology Officer***

Mr. Butkovsky has an extensive background in digital cinema and over 25 years in technology management, software development and technology sales. He was Cinedigm Digital Cinema Corp.'s Senior Vice President and Chief Technology Officer from October 2000 to July 2010. Mr. Butkovsky was responsible for all technical operations of Cinedigm which included its Theatre Command Center software, Library Management System, digital cinema satellite distribution system and Live Event 3D streaming via satellite. He also managed system integration with third party vendors such as Christie, Barco, NEC and, Doremi. Mr. Butkovsky ensured the company's compliance with the Digital Cinema Initiative (DCI) specification and Society of Motion Picture and Television Engineers (SMPTE) standards. He was the company's technical liaison with Fox, Disney, Paramount, Sony, Universal and Warner Brothers for digital cinema deployment agreements, digital system conformance, and content delivery. He also was the liaison with several film exhibitors including Carmike, Rave, Celebration, and Emagine to sell and deploy digital cinema systems in their theatres. Prior to Cinedigm, Mr. Butkovsky held sales management positions at LogicStream, Inc. and Micron Electronics Inc. He also held positions at Motorola as a Senior Systems Engineer and at various technology companies in software development.

John Halecky, ***Chief Marketing Officer***

Mr. Halecky is focused on building the Digiplex brand. He has created successful internal and external communications programs for a wide range of business and not-for-profit entities earning recognition from the International Association of

Business Communicators, Public Relations Society of America and National Association of Individual Investors. He became involved in the exhibition industry in 1997 as Director of Investor Relations and Corporate Relations VP at Clearview Cinemas. More recently, he has been involved in the development and operation of independent theaters in Pennsylvania and New Jersey. His most memorable theater experience was converting a B-52 aircraft hangar into a cinema at Woodstock ’99 for an 80 hour cult-movie marathon. An Ozoner at heart, he is a drive-in movie buff and has staged hundreds of outdoor film screenings for municipalities, colleges and community groups throughout the Northeast.

Brett Marks, *Director of Business Development*

Mr. Marks’s focus is on the identification and evaluation of new business opportunities and strategy in close consultation with the CEO. In this capacity, he is intimately engaged in the company’s M&A activity, negotiations with acquisition candidates, real estate developers and managers, joint venture and financing partners.

Since 1994, Mr. Marks has worked closely with Bud Mayo, playing an active role as an early stage investor and co-founder of both Cinedigm Digital Cinema Corp. and Clearview Cinema Group where he served as Senior Vice President of Business Development and Real Estate. Previously, he had a career in real estate from the mid-1980s to the early 1990s.

Warren Colodner, *General Counsel*

Mr. Colodner focuses on the Company’s robust M&A activity as well as general matters related to contracts, leases, human resource issues and relationships with joint venture partners and investment groups. He has received numerous accolades, including recognition in the prestigious 2012 Best Lawyers in America. His familiarity with the motion picture exhibition industry, in particular, reinforces the caliber of talent Digiplex has attracted to propel Digiplex towards a new era in exhibition.

Prior to joining Digiplex, Mr. Colodner was with K&L Gates, one of the ten largest law firms in the U.S., where he was a founding partner of the New York office. His areas of specialty included commercial disputes, securities and transactional litigation. After graduation from law school, he was a law clerk for the Honorable Jacob Mishler, United States District Court, Eastern District of New York.

He received a B.A. with distinction from the University of Michigan and is a cum laude graduate of New York University School of Law.

Dean Gentile, ***VP of Operations***

Mr. Gentile is an accomplished Operations Management and Auditing professional with 23 years of successful leadership experience in the exhibition industry. He has worked in all aspects of the theater business for leading cinema companies including Regal Cinemas, Clearview Cinemas and Crown Theatres. He has managed several theater locations including his previous role as owner-operator of the Digiplex Bloomfield 8 in CT.

He also worked as a Division Manager for Clearview Cinemas charged with leading the start-up of 33 new cinema locations. He also supervised the daily operation of over 20 theaters throughout New York, New Jersey and Connecticut. At Crown Theatres, Mr. Gentile was a director of the company responsible for Auditing, Loss Prevention and Safety programs. In addition, he worked on special projects which resulted in ancillary revenue for Crown Theatres while also developing policies and procedures to increase efficiency of operations and improve safeguards over company assets.

Doreen Sayegh, ***VP – Alternative Programing***

Ms. Sayegh has principal responsibility for sourcing and selecting alternative entertainment programming for Digiplex from a rapidly expanding community of content creators and emerging distribution channels. Additionally, she coordinates circuit-wide activities related to special events, facility rentals and community relations campaigns.

Prior to joining Digiplex in early 2012, she was general manager of the Rialto Theater of Westfield and the Cranford Theater in suburban New Jersey. She is an active member of the National Association of Theater Owners of NJ and sits on the NATONJ Scholarship Committee. Ms. Sayegh grew up in a family of independent theater owners and has been involved in the exhibition industry without interruption since she sold her first bag of popcorn at her father’s theater in New Jersey at the age of eight.

Lisa Dallmeyer, ***Controller***

Ms. Dallmeyer has responsibility for financial analysis and reporting, budgeting, preparation of SEC filings and accounting staff management. Her theater experience includes serving in financial capacities at two other publicly-held entertainment companies: Controller at Cinedigm Digital Cinema Corp. and Assistant Controller at Clearview Cinemas. She has additional experience in various finance positions held at DRS Technologies, Paravant Inc. and Roche Diagnostic Systems. She began her work in the accounting profession as a Staff Auditor with Suplee, Clooney &

Company, a CPA firm providing services to private, public education and government entities.

Ms. Dallmeyer holds a Bachelor of Science degree in Accounting from Montclair State University.

Additional Information

Legal: Eaton & Van Winkle LLP
Auditor: EisnerAmper LLP
Transfer Agent: Broadridge Investor Communication Solutions Inc.

Recent press releases

SEC filings

About RedChip

RedChip Companies, an Inc. 5000 company, is an international small-cap research, investor relations, and media company headquartered in Orlando, Florida; with affiliate offices in San Francisco, Pittsburgh, and Seoul. RedChip delivers concrete, measurable results for its clients through its extensive global network of small-cap institutional and retail investors. RedChip has developed the most comprehensive platform of products and services for small-cap companies, including: RedChip Research™, Traditional Investor Relations, Digital Investor Relations, Institutional and Retail Conferences, Virtual Conferences, "The RedChip Money Report: Small Stocks Big Money"™ television show, Shareholder Intelligence, Strategic Marketing, Crisis Management, Social Media and Blogging Services, and Webcasts. RedChip is not a FINRA member or registered broker/dealer.

None of the profiles issued by RedChip Companies, Inc., constitute a recommendation for any investor to purchase or sell any particular security or that any security is suitable for any investor. Any investor should determine whether a particular security is suitable based on the investor's objectives, other securities holdings, financial situation needs, and tax status. RedChip Companies, Inc., employees and affiliates may maintain positions and buy and sell the securities or options of the issuers mentioned herein. All materials are subject to change without notice. Information is obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed. Digital Cinema Destinations Corp. ("DCIN") is a client of RedChip Companies, Inc. DCIN agreed to pay RedChip Companies, Inc., a monthly cash fee and 10,000 shares of Company Class A common stock under Rule 144 for six (6) months of RedChip investor awareness services. Investor awareness services and programs are designed to help small-cap companies communicate their investment characteristics. RedChip investor awareness services include the preparation of a research profile(s), multimedia marketing, and other awareness services.

Additional information about the subject security or RedChip Companies Inc. is available upon request. To learn more about RedChip's products and services, visit http://www.redchip.com/visibility/productsandservices.asp, call 1-800-RedChip (733-2447), or email info@redchip.com.

Company Contact Info:
Digital Cinema Destinations Corp.
250 East Broad Street
Westfield, NJ 07090
(908) 396-1360
http://www.digiplexdest.com/

Investor Contact Info:
RedChip Companies, Inc.
500 Winderley Place, Suite 100
Maitland, FL 32751
(407) 644-4256
www.redchip.com