



The Microspace Uplink Newsletter

May 2009



3100 Highwoods Blvd, Ste 120
Raleigh, NC 27604
919.850.4500
www.microspace.com

Microspace Digital Cinema Network Delivers 2009 La Scala Premiere Opera Performance of "Don Carlo" to U.S. Theaters

Microspace was selected by Emerging Pictures to deliver the 2009 season opening night performance of "Don Carlo" live in high-definition from the world-renowned La Scala opera house in Milan, Italy.

The event marked the first live U.S. satellite-delivered opera from La Scala, considered one of the world's most famous opera houses. Microspace delivered the event live in high definition and multi-channel surround sound to selected theaters December 7 at 12:00pm EST (6:00pm in Milan) to six states including California, Maryland, New York, Oklahoma, Pennsylvania and Rhode Island.



Emerging Pictures selected Microspace to deliver the opening night of La Scala's 2009 season live via satellite

"Emerging Pictures selected Microspace to deliver the opera world's most anticipated performance because of its experience in delivering live events in high definition via satellite," said Giovanni Cozzi, President, Emerging Pictures. "Microspace offers the reliability and expertise we need to ensure a flawless performance."

La Scala's Opening Night takes place on December 7 annually and is widely considered one

of European society's most important cultural events. Italy's elite are joined in attendance by international heads of state, royalty, VIPs and the world's most ardent opera fans.

Last year's Opening Night tickets soared to US \$2800 each and it is anticipated that this year's performance of "Don Carlo" will command even a higher premium as this opera is widely considered to be Giuseppe Verdi's greatest work. The digital cinema presentation is a collaboration between New York-based Emerging Pictures and RAI Trade.

"Live alternative content is a growing business trend that is driving incremental revenue for exhibitors year-round," said Curt Tilly, Manager of Digital Cinema Distribution at Microspace. "The Microspace network of installed theater sites across the U.S., Canada and Mexico gives content providers like Emerging Pictures the option of delivering live alternative content.

Microspace offers the world's only full-time, dedicated digital cinema satellite system to distribute motion pictures as well as live performances. The system currently serves eight major motion picture studios and 22 theater networks that include Allen Theaters, Carmike Cinemas, Celebration! Cinemas, Cineplex Entertainment, Mann Theaters, Marquee Cinemas and Megaplex Theaters.

For more information contact Curt Tilly at ctilly@microspace.com or 919-850-4527.

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MICROSPACE NEW MAILING ADDRESS

Please note all correspondence sent to Microspace via USPS must include our Suite number.

Microspace Communications
3100 Highwoods Blvd
Suite 120
Raleigh, NC 27604



Microspace Digital Cinema Distribution Hits the 50 Movie Mark!

The growth of the Microspace digital cinema delivery network has reached a milestone ensuring the most cost effective method of digital cinema delivery over competing satellite networks and alternative forms of delivery such as hard drives.

Microspace has now distributed 50 motion pictures to date from eight major motion picture studios, including the first 3-D movie and the first 4K movie via satellite, to theater circuits within the United States, Mexico and Canada. Microspace also delivers alternative content such as sporting events which included a college football game delivered live in High Definition to multiple theater locations and the delivery of a sporting event to over 150 Carmike theatres.

"Microspace continues to exceed its forecasts of signed and installed theaters by meeting the security and reliability requirements of our studio and exhibitor customers," said Curt Tilly, Manager of Digital Cinema Distribution at Microspace. "Our growth has extended a network that achieves the most cost effective digital cinema delivery method available. This is underscored by the partnerships we currently hold with eight major motion picture studios."

Much of the company's continued success is a result of Hollywood's demand for an effective and cost efficient method of delivery to the growing number of digital screens across North America. Satellite distribution offers studios, theater exhibitors and alternative content providers a less labor-intensive and secure method of content delivery. Delivering motion pictures

via satellite is a secure, scalable, hands-free approach that includes full tracking and verification of the delivery through the entire process and reduces the overall workload of the theater staff.

The Microspace digital cinema delivery network is built by expanding on a dependable, successful 20 year satellite broadcasting business. Microspace has played an integral part in helping the industry address the concerns and workflow of electronic distribution via satellite for the past five years. The Microspace digital cinema delivery network is the only open technology platform that encourages further connectivity and integration with other key suppliers serving the motion picture and theater exhibitor community.

For more information contact Curt Tilly at ctilly@microspace.com or 919-850-4527.

"Satellite distribution offers studios, theater exhibitors and alternative content providers a less labor-intensive and secure method of content delivery."



Microspace and Genesis Networks Collaborate to Offer Satellite and Fiber Video Content Distribution Solutions



Microspace has joined forces with Genesis Networks to provide a fiber gateway for high definition (HD) and standard definition (SD) inbound and outbound

traffic through their Raleigh, North Carolina Teleport.

"Genesis Networks is a perfect partner for Microspace and our client base due to their vast worldwide network and flexible product offerings," noted Bonnie Southard, Manager of Video Services at Microspace. "With the Genesis fiber backbone complementing our satellite delivery technology, we can provide an end-to-end solution for our clients who may require a blended satellite and fiber network to meet their communications and programming needs.

"Genesis is excited to have Microspace added onto its list of resources. Microspace has a multitude of offerings such as Teleport services, US Ku satellite distribution, and interconnectivity with ACC venues which are now available to Genesis customers as well. By establishing Microspace as a POP on the Genesis fiber network, customers can tap into the worldwide reach of Genesis to bring their content to and from Microspace," said Michael Riccio, Genesis Sales Manager.

Microspace and Genesis completed the infrastructure work at the Microspace teleport in March and are currently providing the new services.

For more information contact Bonnie Southard at bsouthard@microspace.com or 919-850-4558.



Microspace's Greg Weaver is Guest Columnist in Platt Retail Institute Report

Microspace Manager of Digital Signage Network, Greg Weaver, was recently the guest columnist in the *Platt Retail Institute Quarterly Retail Analytics Report*.

The Platt Retail Institute is recognized as a world-leading expert in research and consulting to retailers, media companies, financial institutions, hardware, software, transmission, and other business enterprises seeking to impact the customer in-store experience.

Greg Weaver specifically addressed retail digital signage networks and the choices these networks have to deliver content to each of their remote locations.

The following is an excerpt from that article:



Greg Weaver
Manager of Microspace's
Digital Signage Network

"Satellite delivery for digital signage content takes the burden off the corporate network with a cost-effective and easy-to-manage solution. Utilizing multicast-enabled technology enables content to be sent to the satellite, from which it is distributed to an unlimited number of sites in an infinite range of locations. Even more importantly, as sites are added to the network, the cost per site typically decreases. In a growing industry such as digital signage, organizations are gaining real cost efficiencies. With satellite delivery, an organization can usually choose a dedicated satellite channel, or, if delivery requirements are infrequent, occasional-use options are available from some satellite providers."

For more information on this and other PRI reports call 630.920.1844 or go to:

www.plattretailinstitute.org



Microspace's Curtis Tilly Participates in interview for Broadcast Engineering HD Technology Update

Curtis Tilly, Manager of Digital Cinema Distribution at Microspace recently sat down with *Broadcast Engineering* to discuss HD programming, digital cinema and their future convergence.

Tilly discussed Microspace's current digital cinema distribution technology as well as future applications including live HD broadcasts directly to theaters.

The following is an excerpt from that interview:

Broadcast Engineering- Microspace is owned by Capitol Broadcasting, owner of HD pioneer WRAL-TV. Do you see the shift to digital cinema distribution as an opportunity for broadcasters to distribute entertainment, sports or other HD programming to theaters?

Curt Tilly- Absolutely, we've done some work along those lines with broadcasters already and with HD content owners by putting that content onto these digital projectors. We've done multiple sporting events, and are in discussions with a number of other alternative content providers. It can really be any organization that has compelling content including those who have accumulated HD content libraries. So there's certainly a place and a business model for that with these digital projectors. Other than the pilot locations we've done, there really hasn't been a business model that's come along yet that's made a go of doing a national distribution.

Broadcast Engineering- Microspace has distributed a 3-D movie and a 4K movie digitally. What sorts of bandwidth are required for those types of projects?

Curt Tilly- I can tell you that right now the maximum encode rate per the DCI (Digital Cinema Initiative) specification is 250Mb/s. Whether it's 2K or 4K, the maximum encode rate is 250Mb/s. So we typically are seeing file sizes between the 100GB and 250GB level. Those file sizes are on the decrease because more variable bit rate encoding systems are out there. So although the maximum is 250Mb/s, we very rarely see a constant bit rate encode of 250Mb/s these days.

Broadcast Engineering- Are you using new technologies to make distribution of that via satellite more cost-effective for instance, DVB-S2 modulation?

Curt Tilly- Right now, the delivery system we are using is still DVB-S based. We've done DVB-S2 deliveries and testing. We just haven't rolled out S2 across our entire network yet. We just simply haven't had the need to. We're not delivering enough content across the network right now that we need that bandwidth that S2 would give us. However, it's certainly in our development plan. S2, when we need it, is certainly ready and available.

For more information contact Curt Tilly at ctilly@microspace.com or 919-850-4527.



Microspace and Wegener Corporation Reaffirm Commitment to Christian Radio Consortium

WEGENER Corporation, a leading provider of equipment for television, audio and data distribution networks worldwide, and Microspace Communications Corporation recently reaffirmed their long-term commitment to serving the Christian Radio Consortium (CRC).

The CRC, a group of Christian radio satellite program distributors, decided a decade ago to standardize upon a platform comprised of WEGENER DVB-compliant satellite media receivers, the WEGENER Compel® network control system, as well as Microspace's VELOCITY® satellite delivery services, so that they and their affiliates could transition smoothly from analog to digital broadcasting.

By standardizing on WEGENER satellite receivers, CRC members, including Salem Radio Network, Moody Radio, SkyLight Satellite Network, IRN/USA Radio News, and VCY America Network, established a cost-effective platform by which thousands of Christian radio stations could easily select from the hundreds of faith-based programs offered on dozens of CRC member radio networks.

Chicago-based Moody Radio, one of the nation's premiere Christian radio networks, recently upgraded its WEGENER Compel network control system. With this upgrade, the Compel system in Moody's network operations center now has the latest Compel software for the most efficient, addressable scheduling, management, and delivery of content to its affiliate network. Moody owns and operates 35 U.S. radio stations and provides programming to over 400 radio affiliates, serving over one million listeners per week.

"Compel enables us to easily streamline, customize, and control our program delivery to meet the needs of our affiliates," said Doug Hastings, Manager of Administration for Moody

Radio, part of the multifaceted ministry of the Moody Bible Institute. "By utilizing WEGENER technology and Microspace satellite services for the past 4 years, we have simplified the process of getting our programs to our affiliates and ultimately to our listeners."

As business partners with a 20-year relationship, Microspace has long supported the WEGENER media distribution platform that CRC member networks use for radio broadcasting and is committed to expanding its support to include next-generation models, such as the WEGENER file-based broadcasting solution. WEGENER's file-based solution is currently supporting various radio and video applications in thousands of sites around the world. File-based broadcasting and DVB-S2 satellite modulation will enable the CRC to migrate to more efficient, store-and-forward transmission of content to stations. A global entity with U.S. offices in Raleigh, N.C., Microspace manages reliable media transmission around the clock to over 340,000 receive sites via the world's top satellites.

According to Greg Hurt, Vice President of Sales and Marketing at Microspace, "The partnership between the CRC and Microspace has been a special one. We fully intend to support their needs well into the next decade."

"Along with our partner Microspace, we at WEGENER are extremely pleased to reaffirm our unwavering support for the CRC," said Ned L. Mountain, President and Chief Operating Officer of WEGENER. "And we want to ensure CRC members that they can continue to depend upon our linear and non-linear broadcast platforms to transmit their networks with utmost reliability."

For more information contact Greg Hurt at ghurt@microspace.com or 919-850-4561.

Microspace Delivers Mexico Premier of Paramount Picture's The Spiderwick Chronicles

Microspace Communications Corporation recently announced the first time satellite delivery of a feature premiere to Mexico. Paramount Pictures Mexico partnered with Microspace for the satellite delivery of The Spiderwick Chronicles premiere, which coincided with the US feature release.

"Mexico represents a new market that is rapidly embracing digital cinema and satellite delivery," said Curt Tilly, Manager of Digital Cinema Distribution at Microspace. "We are thrilled to be working with Paramount for the distribution of The Spiderwick Chronicles and look forward to providing our satellite technology for all of Mexico's digital cinema needs in the future."

From the beloved best-selling series of books comes The Spiderwick Chronicles, a fantasy adventure for the child in all of us. Peculiar things start to happen the moment the Grace family (Jared, his twin brother Simon, sister Mallory and their mom) leave New York and move into the secluded old house owned by their great, great uncle Arthur Spiderwick.

Unable to explain the strange disappearances and accidents that seem to be happening on a daily basis, the family blames

Jared. When he, Simon and Mallory investigate what's really going on, they uncover the fantastic truth of the Spiderwick estate and the creatures that inhabit it.

In addition to the delivery of the premiere, Microspace has also recently installed their digital cinema distribution technology at the Cinemex Mundo E complex, which was chosen by Paramount for the premiere, as well as other cinema complexes throughout Mexico City. Microspace currently delivers to 1,000 screens within the U.S., Canada and Mexico and expects aggressive future expansion.

With digital cinema on the rise, the industry predicts that digital screens will soon outnumber traditional screens. "We expect to see continued growth with even more migration towards digital distribution. It's becoming essential for both the studios and exhibitors," Murphy added.

For more information contact Curt Tilly at ctilly@microspace.com or 919-850-4527.



Microspace Highlighted in *Via Satellite Magazine* article

Microspace was recently highlighted in *Via Satellite Magazine* in an article entitled [The Stadium: Satellites Play Huge Role at Big Events](#). The author, Greg Berlocher, wrote that "satellite technology had played a key role in the globalization of sports and entertainment, as formerly regional events have been elevated to global status. Now with customers demanding more and more services while attending these events, the people behind the shows are looking to satellite technology to meet these needs."

Microspace's Curt Tilly, Manager of Digital Cinema Distribution, spoke about how Microspace is currently participating in this project while also sharing his perspectives on future participation.

The following is a portion of the article.

Curt Tilly, Manager of Digital Cinema Distribution for Microspace, notes that satellite distribution of movies is much more efficient and cost effective compared to shipping movies

stored on hard disks around the country. "Our model provides a single carrier which delivers content to multiple points. When you have a large number of theaters, the price per theater is very low," he says.

"The use of digital equipment and satellites also allows the theaters to expand their content offerings into the live event realm. A good example of this was the Louisville-West Virginia college football game played in Morgantown, West Virginia. The game was a sell-out, but Microspace delivered the game in high definition to six different digital cinemas, for fans unable to attend in person."

For more information contact Curt Tilly at ctilly@microspace.com or 919-850-4527.

Microspace Supports Muzak's Heart & Soul Foundation Golf Classic and The Patricia Neal Rehabilitation Center



MUZAK HEART & SOUL FOUNDATION

The Muzak Heart & Soul Foundation was founded by Muzak—the world's largest business music provider, which uses the power of music to create audio experiences for more than 400,000 businesses around the world. Muzak understands the extraordinary power of music and works to expand the scope of music education—providing students with the opportunity to apply their passion for music to their professional futures.

The Foundation focuses on high school students. We do this because so many existing music education programs reach elementary and middle schools. Strong support from music advocacy groups for these programs is prevalent in most areas, especially due to research related to music's role in early childhood development. At the high school level, performance studies like orchestra, band and choral groups are the focus in most schools. The Muzak Heart & Soul Foundation enhances these efforts by emphasizing the importance of the transition into the working world—by immersing teens in the music business.

"Muzak's Heart & Soul Foundation is a wonderful program" says Greg Hurt, Vice President of Sales and Marketing at Microspace. "It is an honor for Microspace to play a small part in supporting the foundation and it's goal of using music to make a difference in a child's life."

For more information visit their website at:

<http://www.heart.muzak.com/>



The Patricia Neal Golf Classic is an event benefiting the Patricia Neal Rehabilitation Center in Knoxville, TN. The Center is named in honor of a child of Knoxville, a gifted actress, a gallant woman who became a national symbol of hope through her rehabilitation from three massive strokes. The Center is dedicated to people with disabilities who are learning to become as independent as they possibly can.

Over the last 22 years, this prestigious golf tournament has raised over \$3 million in net proceeds to support the many programs and services of the rehab center. The tournament brings Tennessee professional golfers together with local amateurs for a worthwhile cause at one of the state's top courses.

According to Joe Amor, Vice President and General Manager of Microspace, "The Patricia Neal Rehabilitation Center has treated over 77,000 people since 1978. It's an incredible organization and we are certainly pleased to be able to lend our support."

For more information please visit their website at

<http://www.patneal.org/pnrc-home.cfm>



Microspace Recognizes Employees at Annual Appreciation Dinner

Microspace held its annual Employee Appreciation dinner at the Angus Barn in Raleigh on Friday night, January 23, 2009. Employees, spouses and guests gathered to enjoy delicious food and fun. The night also included the presentations of the Microspace "Leading Edge Award" for outstanding employee performance in 2008 and the inaugural presentation of the "Carolyn Newey Innovator Award."

This year's winners of the "Leading Edge Award" were Ron Burns, Terri Woods, William Autry, Carla Torrence and Jay Chapman.

Mike Mintz was the inaugural winner of the "Carolyn Newey Innovator Award."

Joe Amor, Microspace Vice President & General Manager, had this to say about this year's winners:

Ron Burns-Chief Engineer

"For years, Ron Burns has been the quiet man of confidence behind the scenes at Microspace. In 2008, Ron was projected into the forefront at a very difficult time in the company's history. Ron carried out his new responsibilities with competence and integrity and is ready to lead us into the next generation of services."

Terri Woods-Accounting Manager

"Microspace couldn't have gotten through the last year without Terri Woods. In 2008, as in every year, she reported financials properly & accurately, but also took time to spend with individuals during the grieving period that Microspace experienced in 2008."

William Autry-Senior Systems Engineer

"William showed an unparalleled conviction and passion to Microspace's success in its Digital Cinema project. He played a significant role in that success."

Carla Torrence-Operations Coordinator

Jay Chapman-Senior Uplink Operator

"The Video Services business within Microspace had one of its best years ever in 2008, and did so without having a significant news event. Carla & Jay performed their tasks with smiles on their faces and at the same time maintaining Microspace's world class reputation for service and customer support."

Mike Mintz-Senior Systems Engineer

"Carolyn Newey always wanted an award specifically for engineering to highlight an individual's innovation and this was the perfect time to initiate such. The inaugural Carolyn Newey Innovation Award goes to Mike Mintz for his innovative software development in support of Engineering, Video Services and our leading edge Digital Cinema project. Mike was promoted to Senior Systems Engineer during 2008 and his software expertise proved to be a saving grace for the company. That combined with his "can do" attitude would make Carolyn very proud."

Congratulations to all our award winners!



Joe Amor presents the 2008 Leading Edge Award to William Autry



Joe Amor presents the 2008 Leading Edge Award to Ron Burns



Joe Amor presents the 2008 Leading Edge Award to Terri Woods



Joe Amor presents the 2008 Leading Edge Award to Carla Torrence



Joe Amor presents the 2008 Leading Edge Award to Jay Chapman



Mike Mintz accepts the 2009 Carolyn Newey Innovator Award