



## New England Theatre Service

Dear Mr. Mitchell,

Regarding the current value of your projection equipment in the booths, there are some variables you should understand, and I will give you an explanation for them.

First is age. Your equipment was purchased in March of 2012 making it 9 years old and way past the manufacturer's warranty period. With Digital Cinema equipment, 9 years is unfortunately that old. Your equipment was manufactured early on in "Series 2" using a xenon based light source. The industry is now onto "Series 4" using Laser based light sources.

Second is the Covid-19 pandemic. As you know, the industry has been decimated by this pandemic. The studios have pushed back most of their major releases for the past 12 months causing one of the worst years at the box office and they have been releasing titles direct to consumers, bypassing the theatrical release window. Many cinemas, like yours, have attempted to open but ultimately had to close. There are thousands of cinemas like you in this position. So, this raises the question: What is the viability of the industry as a whole? This question and unknown answer have been driving prices down. Owners have not been investing in equipment due to decreased revenues and the uncertain future of our industry.

With the Covid-19 Pandemic, cinemas not only have closed temporarily but have closed for good. This has saturated the market with used equipment, again driving the prices down. Most equipment has gone unsold as there are no profits to reinvest. Any buyers that I foresee would be buying to upgrade from "Series 1" equipment or as spare parts for their current equipment.

With this being said, I would put a value of \$4,000.00 for each Digital Cinema Projection package for a total of \$20,000.00. I know this is not the best of news considering your initial outlay, but the Covid-19 Pandemic has done irreparable damage to our industry. Best of luck when/if you re-open.

Best regards,

Michael Peterson – Vice President



**New England Theatre Service, Inc.**

**53 Lancaster Drive. Unit 3 Beacon Falls, CT 06473**  
**www.netheatre.com 203-729-9800**