



NEW LINE HOME ENTERTAINMENT

Corporate Background Feature

When New Line Cinema was founded in 1967 to distribute foreign and art house films, the home entertainment market – as we know it – was nonexistent. Twenty-three years later, in 1990, New Line Cinema announced the formation of a home video division, headed by president and chief operating officer Stephen Einhorn. The result: the rise of one of the most successful home entertainment companies operating today.

Under Einhorn's leadership, New Line Home Entertainment has become an industry powerhouse, setting the standard for innovation, creativity and added value content with an eye toward the customer at all times. This sixteen-year evolution has resulted in record revenues for the Company.

“Looking forward, we're truly in the beginning of a golden age for film buffs, and, with emerging technologies and methods of delivery, we'll be seeing a heightened interest in the collectible film market,” said Einhorn. “In the case of DVDs – as with all great technological works of art – form and function have combined to create a need and desire among film fans. The ability to view and store movies continues to become easier in respect to size, portability and durability, and, combined with the advances in added content, it's a winning combination.”

2006 saw some fantastic successes for New Line Home Entertainment. The hit comedy *Wedding Crashers* was one of the best-selling comedy DVDs of the year, earning a treasured place in video libraries everywhere. Additionally, the groundbreaking release of *Final Destination 3: Thrill Ride Edition* became the first DVD to offer fans an entirely interactive, live-action movie experience. In an unprecedented, cross-divisional collaboration, New Line Home Entertainment worked closely with New Line Cinema's production team to shoot alternate footage during principal photography, allowing home viewers to choose the fates of the film's characters. The Company's catalog titles –

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including such hits as *Elf*, *Harold and Kumar Go to White Castle*, *The Lord of the Rings* Motion Picture Trilogy, *Monster-in-Law* and *The Notebook* – also contributed to a strong performance in the marketplace.

Always looking for ways to broaden the scope and diversity of their offerings, New Line Home Entertainment produced and released their first exclusive-to-video sequel, *The Butterfly Effect 2*, and began pre-production on Danielle Steel's *Safe Harbour* (scheduled for a late 2007 DVD release). The Company, moreover, secured a variety of domestic distribution deals and acquisition agreements, affording them the opportunity to expand their own considerable catalog of prestigious titles. Acclaimed films from Picturehouse – including Robert Altman's final film, *A Prairie Home Companion*, and *Ushpizin* – were also exciting additions to the New Line Home Entertainment library.

In 2002, with the release of *The Lord of the Rings: The Fellowship of the Ring*, New Line Home Entertainment implemented an unprecedented, tiered marketing strategy for the home entertainment versions of *The Lord of the Rings* Motion Picture Trilogy, offering fans both theatrical and special extended DVD editions of the award-winning movies – all boasting superior quality and cutting-edge content. This spectacularly successful campaign was duplicated for *The Lord of the Rings: The Two Towers* and *The Lord of the Rings: The Return of the King*, culminating in a worldwide phenomenon and making it the most successful franchise in home entertainment history, generating more than \$1 billion dollars in consumer spending in the United States alone. *The Lord of the Rings* Special Extended DVD Editions have garnered numerous DVD awards, including Best Overall DVD honors for three consecutive years at the DVD Exclusive Awards.

With 2001's historical drama *Thirteen Days*, New Line Home Entertainment launched *infinifilm*[™], its innovative, premium DVD label that takes viewers "beyond the movie." To date, eleven New Line Home Entertainment titles, including *Elf*, *Austin Powers in Goldmember*, *Rush Hour 2*, *The Butterfly Effect* and *A Nightmare on Elm Street* carry the *infinifilm*[™] banner.

New Line Home Entertainment has not simply raised the bar for DVD technology; they have redefined it. Pioneering the first DVDs to feature director commentary, deleted scenes, animated menus and DVD-ROM enhancement, they are also the creators of the “Easter egg” hidden feature, which quickly established a cult following among DVD enthusiasts.

New Line Cinema became part of Time Warner, a true media empire, in 1997, paving the way for the largest home entertainment distribution arm in the history of the Industry. Now teamed with Warner Home Video, New Line Home Entertainment became one of the first studios to enter the DVD marketplace with *The Mask*, *Mortal Kombat* and *Se7en*. 1997 also marked New Line Home Entertainment’s first foray into a premium branded line of DVDs, the Platinum Series™, with *The Mask*, *The Player*, *Austin Powers: International Man of Mystery*, *Spawn* and *The Lawnmower Man* leading the pack.

The Academy Award®-winning thriller *Misery* marked New Line Home Video’s (the Company moniker would change to New Line Home Entertainment in 2000) first VHS release in 1991. Other early video successes, including the pop-culture hit *Teenage Mutant Ninja Turtles II: The Secret of the Ooze* and the acclaimed drama *Hoop Dreams*, solidified New Line Home Entertainment's place as a force in the video business.

“New Line Home Entertainment celebrated its 16th anniversary in 2006, a milestone marked by the outstanding successes of the past and the extraordinary opportunities that we envision for the future,” said Einhorn.

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Company “Firsts”

1995 – New Line Home Entertainment’s *Hoop Dreams* becomes the No. 1 selling documentary in video history.

1996 – New Line Home Entertainment releases *The Adventures of Pinocchio*, including the first video packaging from a studio to feature Magic Action Art™.

1997 – New Line Home Entertainment becomes one of the first studios to enter the DVD marketplace with three titles: *The Mask*, *Mortal Kombat* and *Se7en*. The Jim Carrey starrer *The Mask* is the first DVD to have deleted scenes and a director’s commentary.

1997 – New Line Home Entertainment releases *The Lawnmower Man*, the first DVD to offer an “Easter egg” – a hidden feature that is revealed only when the viewer unlocks a code. “Easter eggs” quickly establish a cult following among DVD fans.

1997 – The Platinum Series™ is launched with five New Line Home Entertainment titles: *The Player*, *Austin Powers: International Man of Mystery*, *The Lawnmower Man*, *Spawn* and *The Mask*. *The Player* is the first DVD to feature an animated menu.

1998 – New Line Home Entertainment releases *Lost in Space*, the first DVD with ROM enhancements that offer fans the ability to link to the feature film’s award-winning, theatrical website and script-to-screen capabilities. *Lost in Space* wins the first-ever DiVi award for best DVD-ROM title.

1999 – New Line Home Entertainment’s *Detroit Rock City* offers the first new-release title to make its DVD debut prior to being available on VHS (two weeks following). The title also becomes the first DVD from a major Hollywood studio to offer alternate camera angles during the closing concert sequence of the film.

2002 – At a star-studded event on the Warner Bros. Studios lot, New Line Home Entertainment announces an unprecedented, tiered marketing strategy that will offer fans two versions (Theatrical and Special Extended DVD Edition) of *The Lord of the Rings: The Fellowship of the Ring*.

2006 – *Final Destination 3: Thrill Ride Edition* hits stores on July 25, becoming the first DVD to offer fans an entirely interactive, live-action movie experience. In an unprecedented, cross-divisional collaboration, New Line Home Entertainment works closely with New Line Cinema’s production team to shoot alternate footage during principal photography, allowing home viewers to choose the fates of the film’s characters.