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NEWS RELEASE

For Immediate Release

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MPEG LA Announces VC-1 License Terms *License Agreement Expected to Issue During 2006*

(Denver, Colorado, US – 17 August 2006) – MPEG LA, LLC announced today that an initial group of essential patent holders have agreed on final terms of license to be included in the VC-1 Patent Portfolio License (“License”), expected to issue during 2006. A summary of the license terms is attached.

“This represents an extraordinary and persistent effort by a devoted group of patent owners acting in the public interest,” said MPEG LA Chief Executive Officer Larry Horn. “By the patent owners’ commitment to make available a joint patent license for the convenience of VC-1 adopters, consumers benefiting from a marketplace of competitive technology choices are the clear winners.”

The VC-1 essential patent holders currently include DAEWOO Electronics Corporation, France Télécom, société anonyme, Fujitsu Limited, Koninklijke Philips Electronics N.V., LG Electronics Inc., Matsushita Electric Industrial Co., Ltd. (Panasonic), Mitsubishi Electric Corporation, Microsoft Corporation, Nippon Telegraph and Telephone Corporation (NTT), Samsung Electronics Co., Ltd., Sharp Corporation, Sony Corporation, Telenor ASA, Toshiba Corporation, and Victor Company of Japan, Limited (JVC).

MPEG LA continues to welcome the submission of issued patents for an evaluation of their essentiality to the VC-1 Standard in an effort to include as much essential intellectual property as possible under one

license for the benefit of the marketplace. Any party that believes it has patents that are essential to the VC-1 Standard and wishes to join the VC-1 Patent Portfolio License is invited to submit them for evaluation by MPEG LA's patent evaluators. Further information, along with terms and procedures governing patent submissions, may be found at <http://www.mpegla.com/pid/vc1/>.

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MPEG LA, LLC

MPEG LA is the world leader in alternative technology licenses, enabling users to acquire patent rights necessary for a technology standard or platform from multiple patent holders in a single transaction as an alternative to negotiating separate licenses. Wherever an independently administered one-stop patent license would provide a convenient marketplace alternative to assist users with implementation of their technology choices, the licensing model pioneered and employed by MPEG LA may provide a solution. MPEG LA is not related to any standards agency and is not an affiliate of any patent holder. MPEG LA licenses portfolios of essential patents for the MPEG-2 Video and Systems, MPEG-2 Systems, IEEE 1394, DVB-T, MPEG-4 Visual (Part 2), and AVC/H.264 (also known as MPEG-4 Part 10) standards. In addition to VC-1, MPEG LA is also facilitating the development of alternative patent portfolio licenses for ATSC, DVB-H, digital rights management (DRM) technologies including OMA DRM 1.0 and 2.0, RFID and Blu-ray Disc™. MPEG LA also actively seeks to adopt its alternative patent licensing model in other industries including biotech and pharmaceutical. For more information, please refer to <http://www.mpegla.com>.

Attachment

Following is a brief summary of the licensing terms provided for information purposes only. It is not an offer to license and may not be relied upon for any purpose. The VC-1 Patent Portfolio License scheduled to be available during 2006 will provide the actual terms of license on which users may rely.

Decoder-Encoder Manufacturer Sublicenses

- VC-1 products sold by a legal entity to end users and/or as an OEM branded PC but not part of a PC operating system (decoder, encoder or product consisting of one decoder and one encoder = “unit”)
 - 0 – 100,000 units/year = no royalty (available to one legal entity in an affiliated group)
 - US \$0.20 per unit after first 100,000 units each year
 - Above 5 million units/year, royalty = \$0.10 per unit
 - Maximum annual royalty (“Cap”) payable by an enterprise (company and greater than 50% owned subsidiaries): \$5M per year: 2006-2010

- Legal entity selling branded VC-1 products as part of PC operating systems may pay for its customers as follows:
 - 0 – 100,000 units/year = no royalty (available to one legal entity in an affiliated group)
 - US \$0.20 per unit after first 100,000 units each year
 - Above 5 million units/year, royalty = \$0.10 per unit
 - Maximum annual royalty (“Cap”) payable by an enterprise (company and greater than 50% owned subsidiaries): \$8M per year: 2006-2010

- Includes right to make, sell and personal use by or between end users such as in connection with a video teleconference or mobile messaging (but not uses covered by Participation Fees below)

- Royalties are payable for VC-1 products from January 1, 2006 forward. Under separate agreement, Microsoft will pay royalties for the period prior to January 1, 2006.

Participation Fees

- Where End User pays directly for VC-1 Video
 - Title-by-Title (e.g., where viewer orders specific titles) – 12 minutes or less of VC-1 video = no royalty; >12 minutes in length, royalty is the lower of (a) 2% of the price paid to the licensee from licensee’s first arms length sale or (b) \$0.02 per title. Categories of licensees include (i) replicators of physical media, and (ii) service/content providers (e.g., cable, satellite, video DSL, internet, mobile) of VOD, PPV and electronic downloads to end users)
 - Subscription – (not limited or ordered by title) per legal entity (e.g., service or content provider via cable, satellite, video DSL, internet, mobile) that sells VC-1 video to end user for remuneration - 100,000 or fewer subscribers per year = no royalty; >100,000 to 250,000 subscribers per year = \$25,000; > 250,000 to 500,000 subscribers per year =

\$50,000; >500,000 to 1,000,000 subscribers per year = \$75,000; >1 million subscribers per year = \$100,000

- Where remuneration is from other sources
 - Free Television VC-1 video broadcast (sent by an over-the-air, satellite and/or cable transmission and not Title-by-Title, Subscription or Free Internet Broadcast VC-1 Video; payable by the broadcaster) – (a) one-time \$2,500 per VC-1 transmission encoder (applies to each VC-1 encoder which is used by or on behalf of a Licensee in transmitting VC-1 video to the end user) or (b) \$2,500 annual fee per Broadcast Market of at least 100,000 but no more than 499,999 households, \$5,000 annual fee per Broadcast Market which includes at least 500,000 but no more than 999,999 households, and \$10,000 annual fee per Broadcast Market which includes 1,000,000 or more households.
 - Free Internet broadcast (non-subscription, not title-by-title) – no royalty during the initial term of the license (through 2010) and royalty thereafter shall not exceed the Free Television VC-1 Video fees for the period after 2010
- The maximum royalty payable by an enterprise for participation fees is \$4.25 million per year in 2006-2008, \$5.0 million per year in 2009-10
- Includes right to use VC-1 decoders and encoders for these purposes

To encourage early marketplace adoption and transition, participation fees are payable for VC-1 products or services sold from September 1, 2006 forward.