



News Release

FOR IMMEDIATE RELEASE

PLAYMEDIA® ANNOUNCES LOWER COST MPEG-4 VIDEO PLAYBACK TECHNOLOGY FOR DESKTOP AND HANDHELD COMPUTERS

Leading Digital Audio Player Technology Company to Offer “OEM-Friendly” Version of Global Internet Video Standard

Las Vegas – March 13, 2002 – PlayMedia®, best known for its world-class AMP® MP3 audio playback software has released the first of a series of video playback and recording technologies for Windows®-based PC platforms utilizing MPEG-4, the standard for multimedia for the fixed and mobile Internet. PlayMedia plans to announce support for other leading operating system/processor combinations in the coming weeks.

The M4V-D MPEG-4 Video Decoding Engine has been optimized to provide the highest quality playback of massively popular Internet-distributed MPEG-4 movies. Simultaneously, the M4V-D Video Decoding Engine will expand the market by providing consumer electronics and mobile terminal manufacturers extremely reasonable and flexible licensing terms and conditions. This OEM-sensitive approach is in sharp contrast to the policies of certain other vendors who may require that OEM's license more components than they want or need.

While M4V-D is designed to provide non-securitized cleartext video playback, PlayMedia will also be offering a version of its QPQ® content security system around M4V-D, enabling copyright holders to provide defined business-rules and strict conditional-access to their precious digital assets.

PlayMedia's M4V-D MPEG-4 Video Decoding Engine offers the following features and benefits:

- M4V-D is a 100% Fixed Point, 32-bit Implementation, designed for full portability to leading microprocessor architectures
- M4V-D is currently optimized for Intel® x86/Pentium and ARM®-based processors
- Allows Multiple Streams Decoding enabling simultaneous decode processes
- Post processing options available include color conversion and filtering
- Buffer-Based Decoding with User-Configurable Buffers will reduce programming complexity and enable more flexible video system design
- MPEG-4, Simple Profile Compliant for compatibility with all MPEG-4 variants including “DivX™”-encoded video
- Digital Rights Management (DRM) support for PlayMedia's QPQ and 3rd party vendors
- Designed to be the highest quality, lowest cost and most marketing-flexible solution for MPEG-4 video rendering
- Beta release available now, full release in the third quarter of 2002

- PlayMedia's corresponding M4V-D MPEG-4 Video Encoder is scheduled for release by the end of the year

"PlayMedia is very pleased to finally unveil our video product line and related consultative engineering competencies in the strategically key area of MPEG video," said Dr. Mario Kovac, vice president and CTO of PlayMedia.

"The launch of our MPEG-4 Video initiative is significant for the industry because we intend to offer the highest-quality MPEG-4 video solutions at the lowest price to the hundreds of makers of mobile phones, portable devices, PDA's and other important terminals like car radios," he said.

"There are serious questions as to the wisdom of consumer electronics manufacturers casting their lot in the direction of proprietary audio and video technologies with roots in the PC desktop. Especially technologies that are not subject to the engineering scrutiny and the desirable checks and balances accorded by a vast and objective standards body like the Motion Picture Experts Group. Of equal concern is whether the past behavior of the PC-desktop interests portend eventual high license fees and draconian terms and conditions of usage for their proprietary technologies," said Brian D. Litman, chairman and CEO of PlayMedia.

"PlayMedia has taken the technologically sound and widely supported world standard for mobile audio and video, MPEG-4, and optimized it to a high degree of precision and efficiency while offering it to OEM's under the most reasonable and flexible of licensing terms. We believe this is the most rational approach for OEM's who seek to offer the highest quality audio and video to the market" said Litman.

About PlayMedia Systems, Inc.:

PlayMedia Systems Inc. designs, develops and deploys audiovisual and security software and systems that support viable business models for digital content distribution and related e-commerce. PlayMedia licenses its audiovisual playback algorithms such as its branded AMP® MP3 playback engine to leading media companies including AOL/TimeWarner. Such major content distributors employ its security systems and custom audio algorithms as DMX Music, Inc., the largest business-to-business music distributor in the world. PlayMedia also provides ports of its audiovisual playback software, which support leading microprocessors from such makers such as Intel®. PlayMedia maintains an active consultative engineering practice, whose beneficiaries include Napster, Inc. and DirecTV®. PlayMedia's ever-evolving media systems and conditional-access technologies enable media, travel and event-marketing companies to maximize the value of their digital assets and inventory by empowering consumers to access these experiences in secure, yet convenient ways.

PlayMedia was founded in January 1998 and is headquartered in Nevada.

Visit www.playmediasystems.com for additional information.

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