

CROSS-INDUSTRY ALLIANCE TO FACILITATE COMPELLING NEW CONSUMER ENTERTAINMENT EXPERIENCES

Technology, Entertainment and CE industries Unite to Develop Solutions for Delivery and Consumer Access to Next-Generation Digital Entertainment

LOS ANGELES, Calif., July 14, 2004 – IBM, Intel Corporation, Microsoft, Panasonic (Matsushita Electric), Sony, Toshiba, The Walt Disney Company, and Warner Bros. Studios today announced the formation of Advanced Access Content System License Administrator (AACS LA), a cross-industry effort that develops, promotes and licenses technology designed to enhance digital entertainment experiences. This technology will facilitate the ability to enjoy exciting, new, flexible entertainment experiences for consumers in stand-alone, networked home and portable devices.

AACS LA is developing ADVANCED ACCESS CONTENT SYSTEM, a specification for managing content stored on the next generation of prerecorded and recordable optical media for consumer use with PCs and CE devices. ADVANCED ACCESS CONTENT SYSTEM will complement new innovations in the next-generation of optical discs, and enable consumers to enjoy next-generation content, including high-definition content.

“Never before has a triumvirate of industry support emerged with such a clear, common vision for growing audience entertainment convenience for anytime, anyplace enjoyment of media without sacrificing the digital rights of artists, studios and content owners,” said Richard Doherty, Research Director for the Envisioneering Group. “Everything looks good for these silicon, software, entertainment and consumer electronics product makers to deliver robust AACS benefits starting this year.”

For content providers, content aggregators, and device manufacturers, ADVANCED ACCESS CONTENT SYSTEM will present opportunities for new distribution and business models, while improving functionality and interactivity for the consumer. For example, in addition to prerecorded optical disc support, ADVANCED

ACCESS CONTENT SYSTEM is being designed to support the users' ability to make authorized recordings and port content to home-networked and portable devices. Additionally, the consumer will have expanded flexibility in accessing, managing and transferring content within a stand-alone or networked environment.

AACS LA will deliver ADVANCED ACCESS CONTENT SYSTEM as a generally available, licensable specification later this year. AACS LA's focus is market enablement. As a part of this effort, the group is seeking to engage in industry review and collaboration on the specification prior to completion. More information on AACS LA and ADVANCED ACCESS CONTENT SYSTEM can be found on the group's website, www.aacsla.com, in the coming days.

About AACS LA

Founded by IBM, Intel Corporation, Microsoft, Panasonic (Matsushita Electric), Sony, Toshiba, The Walt Disney Company and Warner Bros. Studios, the charter of AACS LA is to enhance consumers' entertainment experience offered by the next-generation of media through flexible usage models. AACS LA also offers to content owners the enabling technology they need to confidently release their content. Content owners, service providers and manufacturers alike benefit from the ADVANCED ACCESS CONTENT SYSTEM through ease of implementation and the opportunity to reach and serve a broad cross section of consumers. For more information visit www.aacsla.com.

Contact: Chad Giron

Edelman

323-202-1052

chad.giron@edelman.com

Amy Kavanaugh

Edelman

415-713-3128

amy.kavanaugh@edelman.com

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