

Press release 25 September 2002

## i3 adds MPEG-4 to its broadband box

i3 micro technology adds MPEG-4 support to its award winning settop box, Mood™Box.

i3 micro technology, the Swedish datacom company that develops and markets products for IP-TV, video streaming and VoIP-products, announced today that it now has support for MPEG-4 in its award winning set-top box, Mood <sup>TM</sup> Box. The Mood Box can now handle decoding of MPEG-1, MPEG-2 and MPEG-4 in the same unit.

The addition of MPEG-4 support makes the Mood Box very interesting for large telcos that plans to add TV-over-DSL to their networks and needs to cope with bandwidth restrictions. The solution is also highly attractive for operators currently running MPEG-2 encoded material, but want the set-top boxes to be "future proof" with MPEG-4 capability.

The Mood Box, a next-generation set-top box, is designed to fit into any home, hotel room, or commercial setting by providing users with IP-based real-time TV, video-on-demand, pay-per-view, music-on-demand, Internet browsing, e-mail and more. The Mood Box is part of the Mood™ (Media options on demand) product family, which consists of set-top boxes, various streaming servers, and a management system. On 5 September, i3 received the Excellent Swedish Design 2002 award for the Mood Box.

The world market for IP and DSL set-top boxes is still in an early phase, but is expected to grow dramatically in the coming years. In-Stat MDR predicts an annual growth rate above 100% until the year 2006, resulting in close to 10 million yearly shipments at the end of the period.

- Adding MPEG-4 support in the Mood Box is a natural step for us, as the demand for TV-over-DSL and IP-TV in general is expected to grow at an explosive rate in the coming years. Until now demand for MPEG-4 support has been limited, one reason being the limited supply of MPEG-4 encoded films. Operators installing our set-top box now have a future proof solution, says Chris Chalkitis, General Manager Streaming Products, i3 micro technology.

## About i3 micro technology:

i3 micro technology is a Swedish company established in 1997. With headquarters in Kista, Sweden, i3 develops and markets products and turnkey solutions for the distribution and reception of digital TV, video and telephony over IP networks. In August 2002, i3 signed a major order with the U.S. company General Dynamics Interactive, for the delivery of Mood Box for use in selected hotels around the world. i3 has Servisen Private Equity Fund I & II and Investment AB Spiltan among its investors.

For more information about i3, please visit: <a href="http://www.i3micro.com/">http://www.i3micro.com/</a>

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