

For immediate release

M2 Runs HD DVD Live at Media Tech

[Stockholm, Sweden, May 10, 2005.] M2 will run HD DVD, regarded by many as the 'format of the future', live at the MediaTech Expo in Las Vegas on May 10-12. It will be produced on M2's high capacity DVD system, the SQ200. M2 is a world leading manufacturer of optical disc production systems.

As one of the first companies in the industry, M2 can offer a complete HD DVD production solution – and will show this capability at the MediaTech Expo in Las Vegas on May 10-12. HD DVD will run on M2's high capacity DVD system, the SQ200.

The live demonstration has been made possible by using M2's own SQ200 platform with the company's new injection molding technology, as well as M2's CenterBond™ technology. M2's SpinCure™ technology, which creates uniform bonding layers, opens up an unrivalled process window for HD DVD production.

The SQ200 HD DVD version needs only minor upgrades compared to a standard SQ200 for DVD-9 production. The HD DVD cycle time is close to two seconds, enabling the same high output as DVD production. Furthermore, SQ200 is the only system with capabilities to integrate burst cutters for the specified individual copy protection.

The SQ200 has recently been launched with its own new injection molding machines, which have been developed in cooperation with the Japanese company Toyo, one of M2's long-term partners. The focus during development has been to reduce the cost of operation. The process window has been increased and the cycle times lowered. The new SQ200 with M2's new molding technology will also be officially launched at the MediaTech Expo in Las Vegas.

HD DVD is the 'next-generation' optical disc format for recording and playback of high-definition content. The HD DVD format is supported by cutting-edge blue-laser technology, new high-level data-processing techniques, and highly efficient video-compression technologies.

The disc adopts the same structure as current DVD's, two 0.6 millimeter thick discs bonded back to back. This assures high-yield and cost-effective production of high capacity dual-layer discs.

"We are extremely pleased to once again take the innovative lead in the world market, by being able to truly run first-class HD DVD in such an early stage. This will benefit both the company and most of all our existing and potential customers who can rest assured that they will always have a technology-leading partner in M2", said Stefan Stockhaus, CEO, M2.

M2 has joined both the HD DVD Promotion Group and the Blu-Ray Disc Association, and continuous research is ongoing within M2 for both these formats.

For additional information and photos please contact:

Fredrik Grivans, VP Sales & Marketing, M2 Phone: +46 8 506 560 00 or 46 709 28 48 69

Email: fredrik.grivans@m2e.se

Stefan Stockhaus, CEO, M2

Phone: +46 8 506 560 00 or +46 733 35 99 73

Email: stefan.stockhaus@m2e.se

For more information on M2 please go to: www.m2.se.

About M2:

M2 is one of the world's leading manufacturers of optical disc production systems and equipment for CD, CD-ROM, CDR, DVD and DVD-R. With its headquarters in Stockholm, Sweden, M2 has a global sales and service organization with subsidiaries in Japan, the USA, Thailand, Singapore, Taiwan, Germany and Holland, and sales agents in numerous other important markets.

M2's product line includes the SQ1 for CD production, the SQ2 for CD and all DVD formats, the SQ1R for CDR, the SQ3 for both CD-R and DVD-R and the SQ200 which is a high capacity system for the production of DVDs. By adding the mastering, the SQM, and the molding technology to the portfolio, M2 is a total solution provider. M2 was founded in 1995.

The SQ200, the SQ2 and the SQ3, all feature M2's unique CenterBond™ technology, which allows for bonding all the way to the center of the disc. The complementary SpinCure™ technology creates uniform bonding layers.