Press release

For immediate release

[Stockholm, Sweden, May 23, 2006] A new technology for cost-effective production of single and dual layer **Blu-ray** discs. **New moulding technology developed by M2-TCTech**

M2 co-founder Stefan Olin in his new technology development company TCTech AB of Stockholm, Sweden, has invented a new moulding technology called "Thermal Cyclic Moulding", which has demonstrated a capability to injection mould extremely thin 120mm optical disc substrates. "We have successfully moulded disc substrates below 50 micron in thickness, while maintaining perfect pit reproduction. I am confident, once the process is perfected, that 20-25 micron is achievable which would correspond to a 1:2500 aspect ratio, something which has never been demonstrated before," says Olin.

"This new ground breaking technology may solve the current limbo between two currently used methods in making **Blu-ray** discs: a spin-coating based solution and a cover film solution, neither of which has demonstrated robust performance, good overall economy or yield and neither of which is really suitable for dual layer discs," says Carl G Langenskiold, co-founder, President and CEO of M2 Engineering in Stockholm, Sweden. He adds that, using the company's newly introduced SQ-20 DVD/HD-DVD production line as a platform, economical and efficient production of single and dual layer **Blu-ray** discs will be possible. The new TCTech's technology will allow **Blu-ray** production with moulded cover and information layers in a not too distant future. "The market for **Blu-ray** simply is not there yet," Langenskiold continues, "allowing us to make good use of time to develop this new, exciting and robust technology, rather than rushing out machines that will be obsolete after a while, similar to the first generation DVD-machines using hot melt bonding."

"Thermal Cyclic Moulding" is a new patented technology that can be applied for injection moulding of a variety of flat precision components with detailed structures such as optical discs and backlight panels for LCD-displays, among other possible applications. M2 Engineering AB has been granted a license by TCTech to use their technology for optical disc applications.

"We see many other benefits with this new technology once it is perfected, offering improved moulding cycle time for all formats, much improved pit/groove reproduction and finally a solution to eliminate the "ski-jump" effect seen in traditional moulding," says Martin Brown, VP Sales and Marketing at M2.

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About M2:

M2 is one of the world's leading manufacturers of optical disc manufacturing systems and equipment for CD, CD-ROM, CDR, DVD and DVDR. M2's equipment includes the SQ1 for CD, the SQ2 and SQ20 for DVD formats and

the SQ3 for recordable formats, including both DVDR and CDR production. The SQ20 is M2's latest high capacity DVD finishing line with an output of more than 33,000 discs per day. The SQM is a CD and DVD glass mastering system. By adding its own injection-molding machine called SQi-S/H, M2 is a total solution provider.

The SQ2, SQ20 and the SQ3 systems feature M2's unique CenterBond™ technology, which allows for bonding all the way to the center of the disc. The SpinCure™ technology creates uniform bonding layers.

M2 has its global corporate headquarters in Stockholm, Sweden, with subsidiaries in the United States, Japan, Thailand, Singapore, Taiwan and The Nederland's, with sales agents in numerous other important markets.

See www.m2.se for more details.