



Press release

For immediate release

[Stockholm, Sweden, May 26, 2006] **M2 joins HVD Alliance to develop replication equipment for industrial manufacturing of Ultra High capacity Holographic data storage discs.**

As the first major producer of optical disc replication equipment, M2 of Stockholm, Sweden, joins the HVD-Alliance (Holographic Versatile Disc) of Yokohama, Japan, as a contributing member. Leading members of the alliance include Fujifilm, Optware, CMC and Konica Minolta, among others.

Carl G. Langenskiöld, President and CEO of M2 says "After reviewing multiple new formats, we are excited to select HDV as the most promising of the ultra-high capacity storage media formats. We have concluded that the design and specification of the HVD format in its various versions is very robust and future safe. We are proud to be the first major replication line manufacturer to become a contributing member of the HVD Alliance."

Holographic discs are generally seen as the most promising and economical next generation high capacity/high transfer rate data storage medium.

The HVD discs has a defined capacity for one single 120 mm disc of up to 3.9 terabyte, with a stunning transfer rate of up to 1 Gigabit per second. The first commercial HVD products are planned to be launched later this year.

The worldwide market value for removable backup media in 2006 is estimated at over USD 5.5 billion. For more information on HDV discs and the HDV alliance, please visit www.hvd-alliance.org.

For additional information and photos please contact:

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About M2:

M2 is one of the world's leading manufacturers of optical disc manufacturing systems and equipment for CD, CDROM, 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.