

CDS SYSTEM ADVANTAGES

INSTALLATION

CDS is a single-station, stand-alone 'black box' installed in-line between the data processing (DP) station and the laser beam recorder (LBR) mastering system. The CDS processor optically shields copyrighted content by protecting the information on the CD while maintaining original audio quality.

RELIABILITY

CDS provides maximum effectiveness in inhibiting disc burning while still maintaining optimum playability. Built upon multiple patented technologies, CDS resists hacks via a tunable multi-layer security solution that trumps other single data index techniques. In other words, the felt tip pen/magic marker trick won't work here.

COMPATIBILITY

Due to unprecedented communication with hardware manufacturers worldwide, CDS is designed to be compatible with current and emerging Red Book CD audio players. And with the use of an encrypted Yellow Book second session to provide PC playability, CDS-200 and CDS-300 provide maximum compatibility across the global player base.

MANUFACTURING

CDS technology is embedded in the disc at the point of manufacture without affecting the pre-mastering or studio-mastering process, and integrates with existing replication components and test equipment. And because it doesn't require any pre-mastering modification, CDS can be easily applied to both current and back catalog.

THE FUTURE

Macrovision intends to continue redefining the industry's concepts of digital rights and copy protection.

Our future vision includes the support of new business and usage models for consumer release CDs, allowing users to make limited numbers of copies for their personal use as specified by the label on an album-by-album or across-the-board policy basis.

At a time when immediate copy protection is essential, a global solution has arrived. And in a business of small start-ups with big promises, Macrovision is the trusted industry leader with the resources and vision to deliver.

The future is now. And the only way to see it is with Macrovision.



PLAY IT SAFE WITH
YOUR MUSIC RIGHTS™

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macrovision™

CDS-100

Copy Protection and Digital Rights. They are the most critical issues facing our industry today. Record labels have the right to protect their high-value content. Consumers have learned to enjoy certain liberties. But when digital media can be so easily copied or distributed over the Internet without authorization, a middle ground must be found. As CD sales plummet for the second year in a row, it's imperative that world-class technologies emerge to guard the digital rights of labels while still allowing consumers the freedoms they've come to expect.

For the past 15 years, Macrovision™ has been the trusted partner in copy protection and rights management to the home video, entertainment software, video gaming, and pay-per-view cable and satellite industries. We've worked in partnership with the leading companies worldwide to develop and deploy technologies that serve the interests of both content creators and consumers alike, delivering optimum effectiveness and playability. More than 4.7 billion CDs, DVDs, VHS cassettes and video games later, our greatest asset remains our reputation.

Now it's the music industry's turn. After two years of research, development, trials and invaluable input from label executives and CD manufacturers, we've created an effective, practical, commercially viable solution: A flexible ecosystem that can be adapted to ongoing develop-

ments in hardware and software, and which addresses the concerns of labels, artists and consumers alike. It's a scalable, deployable, and extensible set of technologies that are needed now more than ever ...and designed with the future built in.

With the combined resources of Midbar Tech and Macrovision, we now dedicate the critical mass necessary to deliver on the rights management needs of the worldwide music industry. The result is The CDS™ System, our one-of-a-kind suite of products that delivers proven solutions with an ideal range of options, available through mastering and manufacturing partners in North America, Europe, Asia Pacific and South America. Currently in use on over 60 million CDs worldwide, the CDS System has already emerged as the frontrunner in worldwide multi-layered copy protection and rights management.

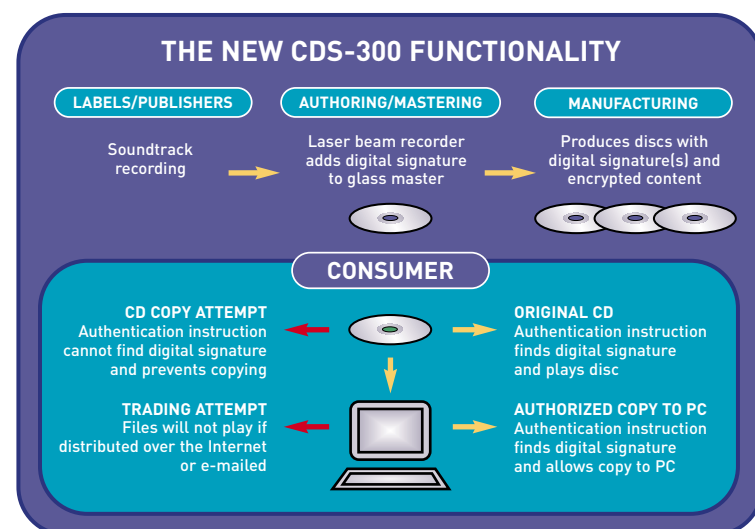
But the biggest news for 2003 is CDS-300™, the first combined Midbar/Macrovision product that provides multi-level security to labels while allowing consumers to make secure copies to their personal computers. This is the global solution the industry has been waiting for. And it's only the beginning.

Our CDS-300 promise is simple:

Optimum effectiveness while maintaining maximum playability. Inhibiting unauthorized file sharing and piracy while still allowing consumers to make a limited number of personal copies. All in a real-world system designed to evolve with and adapt to the coming technological, legal and creative changes within the industry.

The industry can't afford another 10% drop in revenues for 2003. Can you afford not to protect yourself the best way possible? For the safety of your music rights, the only way to play is with Macrovision.

CDS-300 is the global solution the industry has been waiting for.



THE CDS SYSTEM

Meet the only proven world-wide solution in use today by four of the five majors. The CDS System delivers maximum playability and effectiveness on CD audio players with a non-obtrusive technology that requires no changes to the production mastering process. Best of all, CDS can be periodically updated to combat the ever-changing game of consumer copying. Think of it as the ultimate in 'plug & protect' enablement in three progressive packages.

And with the introduction of CDS-300, the global fit is now perfect.

Simply put, CDS delivers an ideal range of robust options that are label-ready and consumer-friendly. Most important of all, they are closely monitored, fully tested and proven to provide maximum effectiveness worldwide.

CDS-100™

At a time when labels are sealing pre-release discs inside portable players, CDS-100 delivers maximum security without a glue gun. It inhibits playing on PCs, making it the ideal choice for vulnerable pre-release CDs as well as certain countries facing significant consumer copying.

- Offers playability of audio CDs on standard audio devices.
- Restricts PC playability.
- Ideal for ensuring maximum copy protection.

CDS-200™

CDS-200 allows PC playability through a proprietary audio player, but restricts copying to hard drives. Already in use on over 60 million CDs worldwide, this system continues to build on its unprecedented success.

- Provides playability of audio CDs on standard audio devices.
- Allows music files to be played on PCs, but only from the original disc through a secure dedicated player.
- Inhibits file copying to a PC's hard drive.
- Proven highly effective worldwide.

CDS-300™

Now that a growing number of releases have been effectively copy protected in selected territories around the world, labels have been seeking one universal solution for worldwide deployment. CDS-300 is the solution for this need: A breakthrough technology that takes security, exportability and enablement to a whole new level. CDS-300 allows labels to copy protect their major releases in every market worldwide, complete with an exclusive technology that enables users to make secure copies to their PCs.

With CDS-300, consumers can make a back-up copy of the original disc to any PC through the Windows Media®

Player and listen to their music without the CD present. Any further duplication or Internet sharing is inhibited. And because CDS-300 allows labels to copy protect their major releases with a single global technology, open source discs from one market can't be used to fuel file sharing in other markets. The honest customer's needs are satisfied. The labels stay protected. And CDS-300 is the key to it all.

- Creates barriers to 'open source' Red Book audio sessions.
- Enables playability on PCs through the Microsoft® Windows Media® Player.
- Users may copy files to Windows Media Library for play without original CD.
- Music files will not play if distributed over the Internet or e-mailed.
- Uses only 5-10% of a CD for compressed files and support programs, allowing for a minimum of 67 minutes of audio on a 74-minute CD.
- Supports and protects Enhanced CD multi-media content including audio, video, images, text, web links, etc.
- No Internet connection or additional plug-ins necessary for consumer.
- Compatible with all SCMS, watermarking and fingerprinting technologies.
- Original audio quality maintained.

CDS-300