



# BRINGING IT ALL TOGETHER

New Medium Enterprises, Inc.

Mediatech Long Beach n2007

Thursday, April 19th, 2007

# New Medium Enterprises, Inc.

- Technology House/Incubator with an HD portfolio
- Global Presence (10 Offices)
- Public company on the OTC: BB  
Stock exchange in the US  
Symbol: NMEN  
Market Cap today: ca. \$80 M
- HD VMD format is the core technology
- Worldwide Subsidiaries:
  - New Medium Entertainment (Content)
  - New Medium Electronics (China)
  - New Medium Japan
  - New Medium Dubai



# HD VMD DualLayer Optical Disc

- First HD format to focus on India (early bird)
- HD VMD format on DVD-9 discs
- Each HD title requiring 2 DVD-9 discs (e.g.: One title on 2 VCDs)
- Manufactured with existing DVD-9 replication
- No extra replication costs
- Model adopted by content distributors for immediate launch in INDIA

# HD VMD MultiLayer Optical Disc

- ✦ Stands for High Definition Versatile Multilayer Disc
- ✦ Is a joint US – Israeli – Russian technological foundation
- ✦ Discs are based on proven red laser platform (DVD)
- ✦ Consists of multiple layers of information stacked on one side of a disc (but can be also stacked on both sides)
- ✦ Technology is physically feasible of a maximum of 8 layers
- ✦ Up to 6 GB per layer for red laser and traditional NA=.65
- ✦ Initial multilayer discs will have 4 layers and will be initially available in late October 2007
- ✦ Development for **recordable** HD VMD ongoing
- ✦ Development for ML discs based on blue lasers ongoing



# How much Optical Disc storage is required for quality home entertainment?

● **Q. HOW MANY MOVIES DO CONSUMERS WANT ON ONE DISC?**

**A. ONE MOVIE PER DISC IS OPTIMAL FOR THE CONSUMER. ENTERTAINMENT IS LIKE READING A BOOK, NOT AN ENCYCLOPEDIA**

● **Q. WHAT IS THE VIDEO PERFORMANCE OF MOST CONSUMER TV DISPLAYS UNTILL 2011?**

**A. 80% of all all screens sold will be 37- 42 inch screens with 1080i & 1080p resolution**

● **CONCLUSION: Storage Requirement: 15-25 GB for MPEG2 encoding**

# Creative Services (CS)

- ✦ Encoding is MPEG 2, VC-1, H.264
- ✦ Audio compression is Dolby Digital 5.1
- ✦ Maximum bit rate is 40 Mb/s
- ✦ Encryption is CSS and AES with Media Marks
- ✦ Authoring tools (Beta version) are currently with key authoring houses
- ✦ Commercial launch of the authoring software in Q3 2007
- ✦ Heading this CS Division is ex-Technicolor UK MD Neil Bottrill
- ✦ Interactivity is similar to DVD to sustain affordability

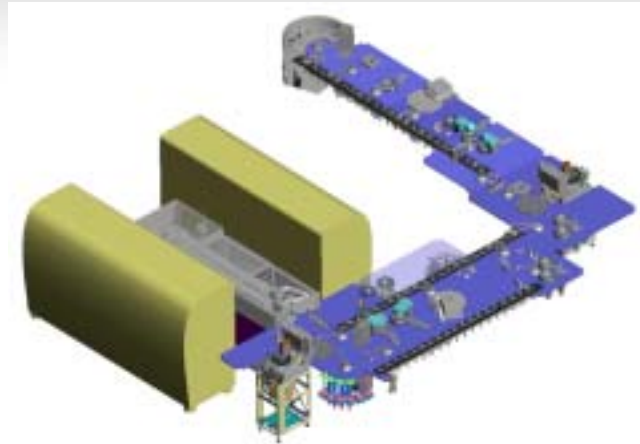


# HD VMD Mastering (DL & ML)

- Identical to DVD pre-mastering & DVD mastering  
...each layer gets a master
- HD VMD Adoption Cost for mastering houses = \$0
  - No pre-mastering upgrade required
  - No mastering upgrade required
- Independent Mastering Houses:  
Plasmon OMS, Sun Optical are qualified partners for HD VMD Mastering and stamper service.



# VMD Replication



- VDL ODMS in Eindhoven, Netherlands has committed to the VMD replication line project in association with:

- Netstal providing the injection moulding machines
- Axxicon providing the moulds
- Dr. Schenk providing the in-line testers
- Datarius providing the off-line testers



- The VMD – VDL ODMS line incorporates NME's proprietary 2p, separation and bonding processes which allow for successful multilayering
- The first versatile line!
  - DVD-5, DVD-9, VMD-24
  - Upgradeable for VMD Blue laser discs

# VMD Line Orders

- Since March 2007, 4 x HD VMD production line agreements concluded
- Geographically to be installed in 3 different regions
- Indian pioneer: Flora Electronics
- Key European, US, Australian production sites under finalization
- Commercial mass-production available Christmas season 2007

# Electronics ... Affordable

- Player & PC Drive based on existing red laser mass-market infrastructure
- Among manufacturing partners are Shinco and SVA... China's largest OFMs

**Shinco 新科.**



- Providing branded and white label-branded players

- Only 4 simple components:

- Power Supply
- Optical drive with HD VMD Firmware
- LSI Logic HD Decoder with Multimedia-out (HDMI)
- Front Panel



- Backward compatibility for DVD, CD and other existing red laser media
- Upscaling: Playing SD DVDs will have higher quality than on DVD player
- A simple device: Not heavy, not noisy and does not require a fan nor a heat sink



Nme™

Regular BD Player

# Electronics Distribution & Retail

- Currently finalizing discussions with the largest electronics, food / non-food distributors & retailers in the countries we are launching in Q3 and Q4 2007: **India**, USA, Japan, Germany, UK, France, Scandinavia and China—same for content distribution
- Recently concluded pan-European distribution with MCA Technology & PC Rush for US market

**Media Markt**

**PC RUSH.COM**

**DARTY**

**WAL\*MART**

**Currys**

**ASDA**  
part of the **WAL\*MART** family

**Auchan**

**buy.com**

**MEDION**  
DEUTSCHLAND

**BUT**  
le juste prix

**SATURN**  
GEIZ IST GEIL!

**Carrefour**

**METRO Group**  
The Spirit of Commerce

**fnac**

**expert**





**TESCO**

**Dixons**

**Nme**

# HD VMD Content



- Full HD content 1920 x 1080p  
(DualLayer: 1920 x 1080i; ML: 10)
- Enough capacity for full-length feature films in HD plus the extra  
(bonus material, languages, subtitles, music, etc.)
- 3 major content distributors are major shareholders of our company
-     films distributed locally and independently
- Ex-Warner Home Video worldwide CEO, Jim Cardwell is head of content division
- INDIA: Agreements concluded with leading Bollywood & regional content owners / distributors

# Global Content Distribution



# HD VMD Packaging

- Alongside introducing a new format, a new disc packaging named “NL” *Disc Case* incorporates integrated security systems and removes the expensive cost of red tag
- Other Characteristics:
  - Better anti-theft protection:
    - Patented security-proof opening with new integrated 14-point lid system
    - One side opening system
    - Red Tag option available, if necessary
  - Same size as a normal DVD case, for minimal packaging line integration/upgrade costs
  - Round edge design with “air bubble”
- Packaging upgrade kits in development for:



# Price: Main Competitive Advantage



- All for USD 149 in the US
- **At this price, HD VMD is the only affordable HD solution providing High Definition to the masses**



# THANK YOU

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