Press Release

O2 Selects MPEG-4 aacPlus from Coding Technologies for New 'O2 Music' Mobile Service

Open-Standard Codec Reduces Download Times by One Half

Stockholm, Sweden, and Nuremberg, Germany, November 18, 2003 — Coding Technologies, the leading provider of audio compression technologies for mobile, digital broadcasting and the Internet, announced that the UK-based mobile phone carrier, mmO2, has selected MPEG-4 aacPlus as the audio compression standard for the 'O2 Music' service launched today. O2 Music is an 'over the air' music download service that allows users to select, retrieve and store a wide variety of music via their mobile handset onto a specially designed 'O2 Digital Music Player' (O2 DMP) from Siemens.

MPEG-4 aacPlus saves cost and bandwidth across the entire service chain, creating the smallest possible audio file sizes whilst maintaining highest audio quality. Combining MPEG AAC and Coding Technologies Spectral Band Replication (SBR) technology, aacPlus delivers the same quality at half the file size. This reduction increases user satisfaction with download time, reduces the cost of deployment, and grows the service revenue. By selecting aacPlus, O2 is able to offer a wide selection of music that can be cheaply and quickly downloaded by the consumer.

O2's use of aacPlus follows the recent announcement from SK Telecom that it will use the standard in its forthcoming 3G service content offerings. Coding Technologies' SBR unfurls its enabling performance also in digital radio broadcasting services such as Digital Radio Mondiale, XM Satellite Radio and iBiquity Digital's HD Radio.

"For the new mobile music services, consumers want it fast, cheap, and easy," said Stefan Meltzer, Vice President of Business development for Coding Technologies. "aacPlus helps O2 meet that demand with the world's most efficient audio compression made available in mission-critical encoders and decoders."

"We are delighted to announce this first in Europe. O2 Music offers fantastic value for money" said Kent Thexton, chief marketing and data officer, mmO2. "The performance of aacPlus was the key in enabling us to offer downloads of entire chart tracks and provide excellent quality sound!"

The O2 DMP is a pocket-sized digital music player designed and manufactured by Siemens which connects to a mobile handset via short cable or infrared link. Consumers use the O2 DMP to select from a comprehensive list of available tracks, download them to the device via the phone, and store them on a 64MB SD Memory Card that slots into the device. Tracks can be played back on the O2 DMP or transferred to a PC using the Memory Card.

About MPEG-4 aacPlus

MPEG-4 aacPlus is the combination of MPEG AAC and Coding Technologies' SBR (Spectral Band Replication) technology. SBR is a unique bandwidth extension technique, which enables audio codecs to deliver the same quality at half the bit rate. SBR is a backward and forward compatible method to enhance the efficiency of any audio codec. As a result, aacPlus delivers streaming and downloadable 5.1 multichannel audio at 128 Kbps, CD-quality stereo at 48 Kbps, excellent quality stereo at 32 Kbps, and excellent quality for mixed content down to 16 Kbps mono and below. This level of efficiency fundamentally enables new applications in the mobile market as well as in digital broadcasting.

Coding Technologies

Coding Technologies provides the best audio compression for mobile, broadcasting, and Internet. SBR™ (Spectral Band Replication) from Coding Technologies is a backward and forward compatible method to enhance the efficiency of any audio codec; putting the "PRO" in mp3PRO and the "Plus" in aacPlus. SBR is a fundamental enabler of the Digital Radio Mondiale open standard and is a core component of MPEG-4 High Efficiency AAC.

Coding Technologies is a privately held company with offices in Sweden, Germany, and Silicon Valley. Founded in 1997 in Stockholm, the company later merged with a spin-off of the renowned Fraunhofer Institute in Germany, the inventor of MP3. Coding Technologies' customers include XM Satellite Radio, iBiquity Digital, SK Telecom, mmO2, Thomson, Musicmatch, and Texas Instruments.

For more information, visit http://www.codingtechnologies.com/.

mmO2

mmO2 has 100% ownership of mobile network operators in three companies - the UK, Germany and Ireland - as well as leading mobile Internet portal business. All of these businesses are branded as O2. Additionally, the company has operations on the Isle of Man (Manx Telecom) and owns O2 Airwave - an advanced, digital emergency communications service.

mmO2 was the first company in the world to launch and rollout a commercial GPRS (or 2.5G) network and has secured third generation mobile telephony ("3G") licences in the UK, Ireland and Germany.

mmO2 has 19.2 million customers and some 12,000 employees; and reported revenues for the year ended 31 March 2003 of £4.874 billion. Data represented 19.2% of total service revenues in the quarter ending 30 September 2003.

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