



Dolby Unleashes the Full Potential of Digital Entertainment at ICES

Unveils Dolby Volume to Improve the Sound of Broadcast Television

LAS VEGAS, Jan 08, 2007 (BUSINESS WIRE) -- At the International Consumer Electronics Show (ICES), Dolby Laboratories, Inc. (NYSE:DLB), demonstrated how its technologies can tap the full potential of digital entertainment, highlighting the role it plays in innovative products from the world's leading companies. Dolby also offered the first demonstration of Dolby(R) Volume, a breakthrough technology that solves a leading broadcast television consumer issue -- the annoyance of inconsistent volume across channels and programs.

"More than 2.2 billion products with Dolby technologies have been sold to date worldwide, making Dolby a common thread in today's entertainment," said Ramzi Haidamus, Senior Vice President and General Manager, Consumer Division, Dolby Laboratories. "Dolby technologies power the sound of high-definition today and are engineered to deliver on the promise of digital entertainment tomorrow. We're committed to helping the industry deliver choice, superior performance, and hours of enjoyment to people."

Defining the Sound of High-Definition Entertainment

Dolby showcased strong support for Dolby TrueHD, a 100 percent lossless audio technology that delivers the ultimate sound quality for high-definition optical media and video-on-demand services, and Dolby Digital Plus, a highly flexible audio technology that delivers superior high-definition sound on optical discs as well as on cable, satellite, and IPTV set-top boxes, where bandwidth efficiency is critical.

Among the HD DVD and Blu-ray Disc devices using Dolby's next-generation technologies to deliver crystalline high-definition sound are the BD100 dual-format Blu-ray Disc/HD DVD player from LG Electronics, the HD-XA2 and HD-A2 HD DVD players from Toshiba, the DMP-BD10K Blu-ray Disc player from Panasonic, and the BD-P1200 Blu-ray Disc player from Samsung. Dolby also demonstrated Dolby TrueHD and Dolby Digital Plus on prototype audio/video receivers from Sony and Onkyo.

The world's leading studios have embraced Dolby Digital Plus and Dolby TrueHD to enhance the sound of next-generation optical discs. More than 280 HD DVD and Blu-ray Disc movie titles feature Dolby technologies today, a number that the industry expects to increase significantly in the months to come. In addition, leading integrated circuit makers, including Conexant and Broadcom, are building Dolby Digital Plus into their latest chips for high-definition broadcasting.

Enhancing Digital Entertainment Everywhere

Dolby demonstrated technologies that offer rich and engaging experiences for PCs, camcorders, game consoles, portable media players, and cars, including Dolby Digital 5.1, which will bring cinema-quality surround sound to the Windows Vista(R) operating system. This includes both Windows Vista Ultimate and Windows Vista Home Premium.

Dolby Digital 5.1 is used to bring more vivid and realistic surround gaming experiences on the Sony PlayStation(R) 3 and Microsoft(R) Xbox(R) 360, while Dolby Pro Logic(R) II is used to deliver rich surround sound from a stereo signal on the Nintendo(R) Wii. Today, more than 800 games from the world's leading publishers are using Dolby Digital 5.1 for surround sound.

Dolby exhibited Dolby Digital 5.1 Creator, which allows people to add Dolby Digital 5.1-channel soundtracks to their home movies using high-definition camcorders, including the HDR-UX1 and HDR-SR1 Handycam AVCHD from Sony and the HDC-DX1 and HDC-SD1 3CCD AVCHD from Panasonic. On the PC, Dolby Digital Stereo Creator allows Windows Vista Ultimate and Windows Vista Home Premium users to create high-quality DVDs of home movies with Dolby Digital stereo soundtracks.

Dolby highlighted strong momentum for the Dolby PC Entertainment Experience initiative, a suite of technologies that enable PCs to deliver a home theater experience with consumer-electronics quality. Among the Media Center PCs and notebooks that offer the PC Entertainment Experience today are the Onkyo HDC-7, the Lenovo Tianyi F50, the LG Electronics W1 Pro Express Dual, the Toshiba Qosmio G35-AV660, and the Denali and Rainer from Niveus.

Dolby presented technologies at ICES that can deliver expansive sound in consumer devices that are simple to set up and use, such as portable media players, televisions, and game devices. Among the technologies Dolby demonstrated were the following:

-- Dolby Headphone, which offers spacious, virtual 5.1 surround over regular stereo headphones, allowing people to enjoy home theater style sound in a variety of listening situations without disturbing others.

-- Dolby Virtual Speaker, which provides a compelling surround sound experience using a television's built-in speakers or any pair of stereo speakers, allowing people to enjoy great audio in different environments.

-- Audistry(TM) by Dolby, which offers a suite of audio enhancements that give a big boost to TV sound, including wider image and better bass.

Dolby announced that it is collaborating with Freescale Semiconductor, Inc., to create and market a new category of game peripherals designed to deliver superior audio. At ICES, Dolby and Freescale are demonstrating a new reference design for an Xbox 360 accessory cable that supports Dolby Headphone and Dolby Virtual Speaker.

Dolby also unveiled its Dolby Car Audio program, which offers higher levels of performance and flexibility for car entertainment, including richer sound stage imaging and the ability to deliver a full surround sound experience from nearly any source. The Dolby Car Audio program comprises:

-- Dolby Surround Concert Edition, which transforms any stereo source into multichannel surround sound and is designed for entry to mid-level cars.

-- Dolby Surround Studio Edition, which brings a richer, studio-like experience to the car by transforming stereo sound into multichannel audio and offering intelligent mixing and more precise control.

-- Dolby Surround Cinema Edition, which delivers home theater-like sound for cars with DVD players and displays as well as an individual surround sound experience for passengers using Dolby Headphone.

Dolby Volume - New Volume Leveling Solution

Dolby demonstrated Dolby Volume, a breakthrough audio-processing technology designed to help television makers address the annoyances of inconsistent loudness in broadcast TV. Dolby Volume brings a fundamentally new approach to TV entertainment by delivering consistent volume levels. It models how humans perceive audio to finally eliminate variable loudness when changing channels or programs, without disruptive audio artifacts. It also delivers a robust and vibrant audio experience at low volume by dynamically compensating for the human ear's lower sensitivity to bass and treble sounds as the volume level decreases. These adjustments are automatic and do not require user intervention as the volume changes.

Dolby Volume builds on more than 40 years of pioneering research into human hearing and can capitalize on other loudness control features in the Dolby Digital broadcast system. Dolby expects to commence delivery of Dolby Volume code to integrated circuit manufacturers in Q1 of 2007.

About Dolby Laboratories

Dolby Laboratories (NYSE:DLB) develops and delivers products and technologies that make the entertainment experience more realistic and immersive. For four decades Dolby has been at the forefront of defining high-quality audio and surround sound in cinema, broadcast, home audio systems, cars, DVDs, headphones, games, televisions, and personal computers. Based in San Francisco with European headquarters in England, the company has entertainment industry liaison offices in New York and Los Angeles, and licensing liaison offices in London, Shanghai, Beijing, Hong Kong, and Tokyo. For more information about Dolby Laboratories or Dolby technologies, please visit www.dolby.com.

Certain statements in this press release, including statements regarding the performance, capabilities, and impact of Dolby Volume, Dolby Digital Plus, Dolby Digital 5.1, Dolby TrueHD, Dolby Digital 5.1 Creator, Dolby Digital Stereo Creator, Dolby Headphone, Dolby Virtual Speaker and Audistry by Dolby and the anticipated or potential benefits that manufacturers and consumers may derive from these products and technologies; the timing and availability of AVRs from Sony and Onkyo; the results of Dolby's collaboration with Freescale and related timing and availability of new game peripherals; the expected increase in HD DVD and Blu-ray movie titles featuring Dolby technologies; the timing and availability of chips with Dolby Digital Plus for high-definition broadcasting; whether Dolby Digital 5.1 will bring cinema-quality surround sound to multiple editions of Microsoft's Windows operating system; the levels of performance and flexibility of the Dolby Car Audio program; and the timing and availability of Dolby Volume are "forward-looking statements" that are subject to risks and uncertainties. These forward-looking statements are based on management's current expectations. The following important factors, without limitation, could cause actual results to differ materially from those in the forward-looking statements: risks that Dolby Volume, Dolby Digital Plus, Dolby Digital 5.1, Dolby TrueHD, Dolby Digital 5.1 Creator, Dolby Digital Stereo Creator, Dolby Headphone, Dolby Virtual Speaker or Audistry by Dolby may not perform as anticipated; risks associated with building market acceptance for high-definition audio and digital technologies, Dolby technologies in general and Dolby Volume in particular; competition in the

market for high-definition audio and digital technologies; rapid changes in technical requirements for high-definition audio and digital technologies; the development of markets for HD DVD and Blu-ray, broadcast, gaming, automotive and portable media devices that incorporate Dolby technologies; the risk that the AVRs from Sony and Onkyo will not be available on the market in 2007 or at all; the risk that Dolby's collaboration with Freescale will not be successful and the related new game peripherals will not be available on the market as expected or at all; the risk that HD DVD and Blu-ray movie titles featuring Dolby technologies will not increase as expected; the risk that integrated circuit makers may not build Dolby Digital Plus into their chips for high-definition broadcasting; the risk that Dolby Digital 5.1 does not bring cinema-quality surround sound to multiple editions of Microsoft's Windows operating system; the risk that the Dolby Car Audio program will not be successful; the risk that Dolby will not commence delivery of Dolby Volume code to integrated circuit manufacturers in Q1 of 2007 or at all and that Dolby Volume will not be successful, and other risks detailed in Dolby's Securities and Exchange Commission filings and reports, including the risks identified under the section captioned "Risk Factors" in its Annual Report on Form 10-K. Dolby disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

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SOURCE: Dolby Laboratories, Inc.

Dolby Laboratories
Jeanne Alford, 415-645-5245
jva@dolby.com

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