Dolby Announces Deal With Infitec GmbH to Provide 3-D Technology for Dolby Digital Cinema; New technology to Provide High-Quality and Flexible Digital 3-D Solution

SAN FRANCISCO, Jul 31, 2006 (BUSINESS WIRE) -- Dolby Laboratories, Inc. (NYSE:DLB) announced today that it has signed an agreement with Infitec GmbH, a leading provider of virtual reality 3-D technologies based in Germany, to develop a new 3-D system specifically for digital cinema. The agreement is part of Dolby's dedication to improving the moviegoing experience. The new 3-D technology will provide exhibitors with a 3-D solution for digital cinema that offers superb quality as well as operational flexibility from Dolby, the leading supplier of innovative technologies to the cinema industry.

"For the past 30 years, directors, studios, and exhibitors have looked to Dolby to provide innovative technologies that will uphold the unique experience of going to the movies," said Bill Jasper, President and CEO, Dolby Laboratories. "By collaborating with Infitec GmbH, Dolby will enable exhibitors to provide audiences with stunning 3-D images from an easily integrated system that comes with Dolby's trusted reliability."

Dolby's 3-D technology solution will integrate with the Dolby(R) Digital Cinema system to provide exhibitors with a compelling enhancement for moviegoing audiences that can't be duplicated outside the cinema.

Infitec's developments in 3-D technology will enable the system to project a 3-D image directly on to the exhibitors' existing white screens, without the need for a special silver screen. Currently, this is possible only by using expensive, battery-powered glasses. Dolby's solution will eliminate the need for battery-powered glasses but will use the lightweight, comfortable glasses to which audiences are becoming accustomed.

"Recent 3-D digital movie releases have demonstrated true audience demand," said Tim Partridge, Senior Vice President and General Manager, Professional Division, Dolby Laboratories. "Per screen attendances for 3-D digital screens have been more than double those of traditional showings, which is why we believe that combining the 3-D experience with our Dolby Digital Cinema solution is a win-win proposition for exhibitors and moviegoers."

"We are thrilled to be working with Dolby on taking the 3-D moviegoing experience to the next level," said Helmut Jorke, CEO, Infitec GmbH. "Dolby is highly regarded for introducing innovative technologies to the motion picture industry and the perfect partner to build on the success of our core technologies."

Dolby's new 3-D technology is expected to be available in spring 2007. To date, more than 50 digital movies have been presented on more than 160 screens worldwide using Dolby Digital Cinema.

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, features, reliability, and capabilities of Dolby Digital Cinema systems and the expected performance, features, reliability, and capabilities of Dolby's 3-D solution for Dolby Digital Cinema; Dolby's expectations regarding the commercial availability in spring 2007 of its 3-D solution for Dolby Digital Cinema; Dolby's expectations regarding the availability of 3-D digital movie releases and exhibitor and audience demand for presentation of 3-D digital movies; the potential benefits that studios, exhibitors, and audiences may derive from Dolby Digital Cinema systems and Dolby's 3-D solution for Dolby Digital Cinema; and the anticipated market acceptance of Dolby Digital Cinema systems and Dolby's 3-D solution for Dolby Digital Cinema, 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 Digital Cinema systems and Dolby's 3-D solution for Dolby Digital Cinema may not perform as anticipated; risks associated with building market acceptance of and demand for digital cinema and 3-D digital cinema in general, and for Dolby Digital Cinema systems and Dolby's 3-D solution for Dolby Digital Cinema in particular, by filmmakers, studios, cinema operators, and audiences; competition risks for digital and 3-D theatre technologies; rapid changes in technical requirements for movie theatrical playback technologies, specifically, and entertainment technologies for movies in general; risks associated

with developing proprietary technologies and products based on "open standards"; risks associated with the health of the motion picture industry in general; risks associated with developing, maintaining, and strengthening relationships with industry participants; and other risks detailed in Dolby's Securities and Exchange Commission filings and reports, including its quarterly report on Form 10-Q for its quarter ended March 31, 2006. 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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