



## **Dolby Laboratories Acquires Assets of DemoGraFX**

### **Move furthers Dolby's strategic interests in specialized image processing technology**

San Francisco, April 4, 2003--Dolby Laboratories announced that it has entered into an agreement to acquire the assets of DemoGraFX, Inc., a leading developer of specialized digital video signal processing and image coding technology.

Among the assets that Dolby will acquire are the DemoGraFX patent portfolio, its image signal processing know-how, its hardware and software systems, product prototypes and product line, and its complete technology development infrastructure.

The DemoGraFX image technology team will operate out of Dolby's Burbank facility, close to the entertainment industry's west coast production and postproduction communities, and will report through Dolby's Research Division at corporate headquarters in San Francisco.

The technology team has broad experience in image compression, filtering, format conversion, computer graphics, software modeling, image quality analysis, parallel computing, PC application software, and video and PC hardware design. The team will focus on the development of specialized image processing technology that delivers visually superior imagery in a wide range of industry standard digital video entertainment formats.

"Dolby's strategy is to deliver key signal processing solutions for entertainment applications," said Bill Jasper, President, Dolby Laboratories. "The DemoGraFX asset purchase is a perfect fit as we expand our technology, product, and service businesses with very high quality image processing solutions that target important markets in entertainment."

Key among the intellectual property that Dolby will acquire are DemoGraFX Compression Pre-Filtering (video noise reduction) technology, products, and services; its image coding know-how and development expertise around the emerging JVT/AVC H.264 Advanced Video Coding standard; and its expertise in layered image coding.

Craig Todd, Sr. Member of the Technical Staff at Dolby, who targeted DemoGraFX and contributed to strategy for the asset purchase, said, "This acquisition will give Dolby a technology base on which to build a portfolio of specialized image technology professional products, and licensable consumer technologies, consistent with Dolby's proven business models and strategies."

The image technology team joining Dolby will be led by Kevin Stec in his new role as Director, Technology Development, supported by the technical leadership of Principal Engineer Walter Gish. Tom McMahon will join Dolby's Research Department as Senior Architect focusing on image coding technology, strategy, and standards, and contributing to related business development efforts.

"Dolby's unparalleled success at bringing to market technologies that enhance the entertainment experience worldwide will help ensure a solid return on the company's investment in DemoGraFX technology, its know-how, and its technology team," said Peter Forman, DemoGraFX CEO.

The asset purchase is expected to close by the end of April.

#### **About DemoGraFX**

DemoGraFX, Inc., based in Marina del Rey, California, is a pioneering technology development company in the field of image signal processing and coding. The company is an active developer of image processing algorithms and novel approaches for coding of high-quality images. The company participates in international standards efforts in image coding, including the new JVT/AVC H.264 image coding technology, which delivers bit-rate efficient video processing yielding unparalleled picture quality for the television, cable, satellite, and IP video delivery markets. For more information, please visit [www.demografx.com](http://www.demografx.com).

#### **About Dolby Laboratories**

Dolby Laboratories creates technologies that intensify and enhance the entertainment experience, making it richer, fuller, and more involving. For nearly four decades, Dolby has been instrumental in 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 privately held company has entertainment industry liaison offices in New York and Los Angeles, and licensing liaison offices in Hong Kong, Shanghai, Beijing, and Tokyo. For more information about Dolby Laboratories or Dolby technologies, please visit [www.dolby.com](http://www.dolby.com).

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