SD Card Premium Video Playback

Prepared for: 4C Licensees

Presenter:

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Media Distribution Market Situation:

Many Options For Consumers; No One Solution Meets All Needs
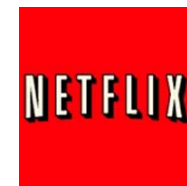
Retail Shelf

- Reduced transactions, shelf space shrinking
- New formats (Blu-Ray, 3D) further limit available titles
- Supply chain & inventory costs rising

DVD Kiosks

- Limited selection, often out of stock
- Inexpensive, but must return video
- No top line revenue for retailer
- Delayed content window – movies unavailable until 28 days after DVD release

DVDs By Mail

- Large catalog, but not in DVD window
- Delayed gratification
- Disc quality often poor
- Out-of-stock delays

Cable VOD

- Growing, but still limited selection
- History of poorly designed user interfaces
- No options for portability

Internet Streaming & Digital Download

- Early stages of consumer adoption
- Complex to set up; most TVs unconnected
- Limited options for portability
- Viewing rights are confusing
- Inconsistent streaming video quality

Pay TV

- Not in DVD window
- Strong original programming
- Expensive

Retail Channel is Vital to the Entertainment Industry

- **MOD brings together kiosks, content delivery, flash memory and playback devices offering a complete solution to retailers.**

- Online content consumption growing rapidly but still a very small percentage

- Online digital download hampered by:
  - Technical incompatibilities between devices, formats, DRM
  - Broadband penetration and throughput
  - Inability and difficulty to move/copy content around the home between PC, TV, set top box, DVR, portable device, etc.

- Content provides multiple benefits to retailers; revenue and profit as well as repeat store traffic

- Retail will remain a very important component of Home Video, Music and Game revenue for a long time to come; direct to home and retail will co-exist

- **Retailers need the tools and capabilities to compete in a digital world**
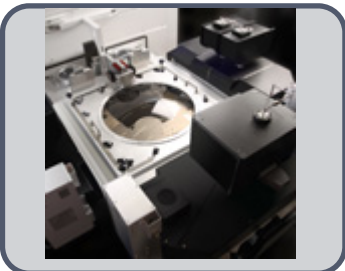
MOD Brings New Value Propositions

For Retailers

- Opportunity to capture growing digital distribution business
- Increase foot traffic via digital loss leaders and promotions
- Expand in-store digital media offering with integrated online services

For Consumers

- Convenient, fast, and easy way to purchase/rent movies & music
- Movies you want always in stock, no returns or late fees
- Reusable SD cards are environmentally-friendly

For the CE Industry

- New channel for sales of SD cards, playback devices, and accessories
- Promotional opportunities to up sell/cross sell existing and new devices

Retail Digital Entertainment Overview

- **Friendly user interface with easy-to-use touch screen**

- **Choose from thousands of movie and TV titles, millions of MP3**

- **Rent or buy and download to flash memory for playback on variety of devices (PCs, portable and home CE devices)**

- **Client/ Server/Cloud architecture enables frequent content updates, fast consumer downloads, and multiple screens/store**

- **Real-time credit card processing and transaction reporting**

- **Customizable "attract loop", content catalog & features**
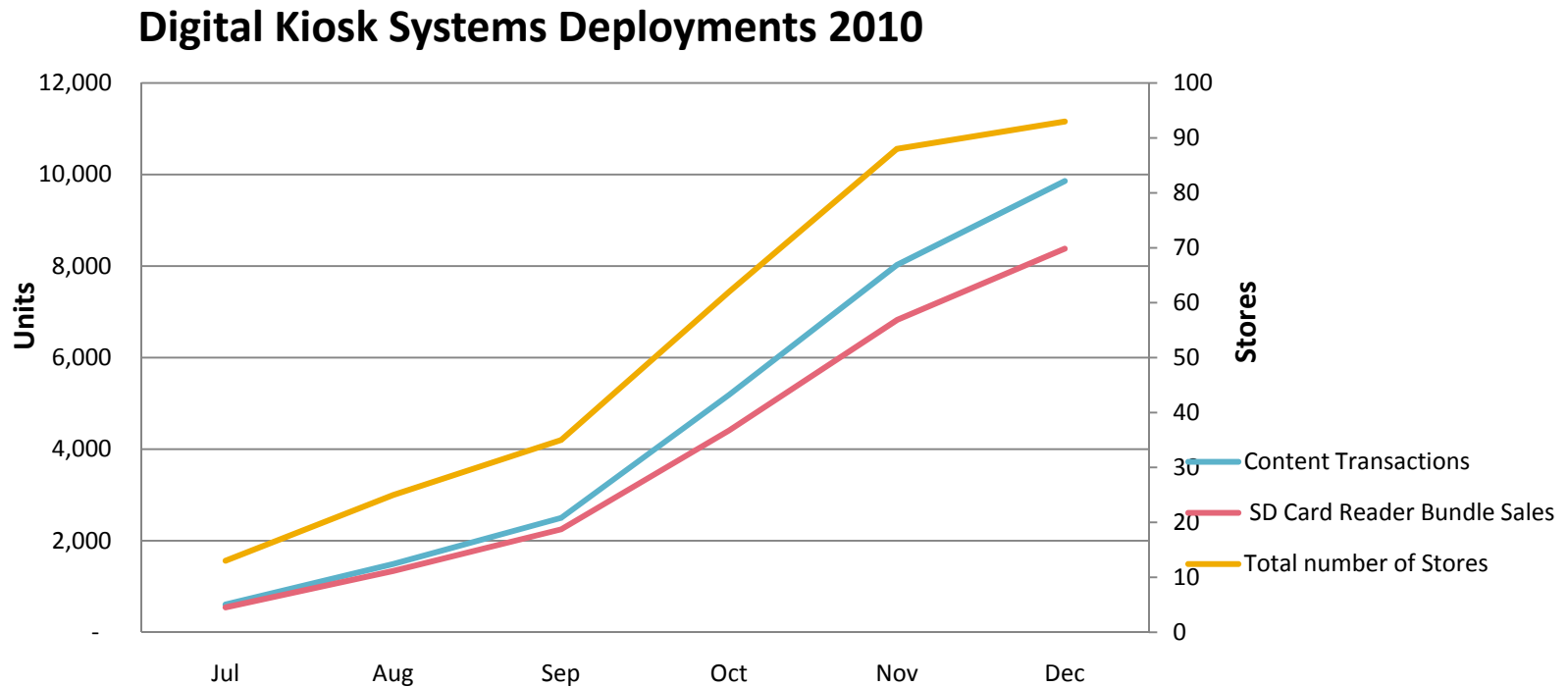
Playback:

- **Windows PC application downloaded at kiosk**

- **Set Top box for HDMI or composite video**

- **Other devices in progress**

Integrated DVD / Digital download vending machine

Download2Go digital kiosk

MOD systems

Deployment Status – 2nd Half 2010

Digital Kiosk Systems Deployments 2010

- July data is actual sales and deployments
- Store deployments continue on a weekly-basis
- Playback via windows PC with set top box available Q4

MOD Systems Requests

SD cards/readers

SD Card Testing OEM/ODM**

- SD card performance required at retail is unique, exceeding current SD class 10
- **MOD would like to test as many SD cards to ensure performance with the application and qualify the SD card for retail**

USB-SD card readers

- Not all SD card readers are secure. Secure card readers are required to protect premium digital content.
- MOD would like to test the card reader and qualify for retail sale

SoC

- Many codecs and file formats are used for video content. Few support DRM required.
- MOD would like to include the SDSD-Video format in as many devices as possible.

- **MOD would like to request inclusion into SoCs and introduction to CE manufactures interested in supporting digital download in retail from kiosks**

CE Products

- Simple update for designs with existing SD card reader. Many products already including the codecs and CPRM license agreements necessary to playback SDSD-Video format.

- **MOD would like to include the playback feature in existing and new devices.**

****SD Card testing is to certify performance with MOD's kiosk application to ensure a consistent consumer experience. Testing is not to certify adherence to 4C or SDA specifications.**

MOD systems

Opportunities

SD cards/readers

OEM

- MOD's retail customers are additional sales opportunities for both SD card and USB-SD card readers
- Increase SD card performance for use with additional applications

ODM

- Card readers for legacy PC models
- Provide your customers additional sales opportunities through MOD's retail customers

SoC

- CE vendors who use the products
- Additional features to offer to customers
- Provide your customers an additional device and sales opportunities through MOD's retail customers

CE Products

- Sell existing or create additional products for sale in an emerging market through MOD's retail customers.

MOD systems

Thank you

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