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The Xbox Video Game System from Microsoft to Feature Groundbreaking Dolby Interactive Content-Encoding Technology

Dolby and Xbox Set a New Standard for Gaming Audio

San Francisco, April 18, 2001—Dolby Laboratories announced that the Xbox™ video game system from Microsoft will feature the new Dolby Interactive Content Encoder, a breakthrough technology that dynamically encodes multichannel audio into Dolby Digital 5.1.

The first encoder of its kind, the Dolby Interactive Content Encoder enables real-time Dolby Digital encoding in game consoles and allows gamers to experience explosive, cinematic audio using high-quality home theater systems. The Xbox, upon its release in the United States and Japan in the fall of 2001, will be the first gaming industry product to feature this technology. Previous video game systems could utilize Dolby Digital 5.1 only during non-interactive “cut scene” playback. In contrast, the Dolby Interactive Content Encoder enables the Xbox to provide interactive Dolby Digital 5.1 during actual gameplay, immersing the player in surround sound when it matters most, while playing the game.

“Dolby technologies have an increasing presence in all gaming platforms and we are pleased to welcome Microsoft to our growing list of licensees,” said Richard Hockenbrock, vice president of licensing operations for Dolby Laboratories. “Dolby Interactive Content Encoder Streaming marks the beginning of an exciting era of fully interactive multichannel audio and is the first of many exciting new technologies from Dolby Laboratories.”

“We have chosen to incorporate the Dolby Interactive Content Encoder into the Xbox format because of its ability to deliver a superior multichannel audio experience to the

gamer,” said J Allard, General Manager, Xbox Platform. “We’re delighted that the Xbox is the first gaming platform to be able incorporate real-time Dolby Digital effects into game play.”

The Dolby Interactive Content Encoder, as used in the Xbox, achieves superior output for all multichannel four and 5.1 channel game audio from Dolby Digital home theater/speaker systems with low latency—rendering interactive game sound effects in the same surround sound quality offered in DVDs. Moreover, the Xbox has a dedicated digital signaling processing unit within the Xbox Media Communications Processor, the chip that houses the Dolby Interactive Content Encoder technology, enabling the unit to perform on-the-fly Dolby Digital audio encoding with no game performance penalty.

Developers interested in learning more about producing in Dolby Digital or licensing the Dolby Digital logo should contact Dolby Laboratories at multimedia@dolby.com.

About Xbox

Xbox (<http://www.xbox.com/>) is Microsoft’s future-generation video game system that delivers new and unforeseen gameplay experiences. With more than three times the graphics performance of the newest generation of game systems, Xbox unleashes game designers’ creativity to produce games that are challenging, exhilarating, surprising, and fun.

About Dolby Laboratories

Dolby Laboratories is the developer of signal processing systems used worldwide in applications that include motion picture sound, consumer entertainment products and media, broadcasting, and music recording. Based in San Francisco with European headquarters in England, the privately held company also has offices in New York, Los Angeles, Shanghai, Beijing, and Tokyo. For more information about Dolby Laboratories or Dolby technologies, please visit www.dolby.com.