



NEOTION and CMM sign a major Technology Agreement

The compelling combination of MPEG-4 Hybrid IP capable receivers powered by NEOTION, with the best of breed Power Line Communication Technology developed by CMM, empowers the Digital Home.

IBC 2006, Amsterdam – September 10, 2006:

NEOTION (Stand n° **1.146**) and CMM today announce the signature of a technology Agreement that aims at creating the most customer friendly ever plug-n-play IP hybrid MPEG-4 solutions for the Home Network ecosystem.

While the Neotion Pocket DUO enables genuine Hybrid IP & MPEG-4 plug-n-play capabilities for millions of legacy Digital Television Sets, the straight-forward combination with the Power Line Communication Technology developed by CMM around the Homeplug® Standard, does bring a genuine ease of use in a true consumer perspective.

NEOTION shall launch by Q1/2007 the Pocket DUO PLC and IP Box PLC reference designs that will integrate the CMM Technology.

The HomePlug® based platform designed by CMM has won several benchmarks in France, probably the leading country for Power Line Communication based technologies. CMM's recognized core expertise enables to provide sustained quality of service on HomePlug® where most competitors still fail to perform in terms of available bandwidth. When coupled with Neotion credit card size MPEG-4 decoders and IP box reference designs, it comprises the most advanced home networking capabilities one can think of. No matter the size of the walls or the number of floors, one simply plugs the Pocket DUO PLC on the mains by the TV set, and off it works!

Neotion shall come up with several iterations of products that will have built-in PLC capabilities, thus optimizing the Digital Home value proposition, while decreasing drastically the cost almost as low as any other wire-less solutions.

About NEOTION:

NEOTION is a French high-tech company specialized in the digital television market. NEOTION designs, develops and deploys a wide range of products and services dedicated to both the consumer space, and the corporate customers involved in the Media business. In February 2004, through the acquisition of XEOLE, NEOTION, quickly became a major player of the MPEG-4 AVC video compression. In March 2004, NEOTION opened a subsidiary in Asia with an office in Shanghai.

Then, in February 2006, NEOTION has successfully launched the credit card format NEOTION Pocket dTV: the smallest MPEG-4 digital TV receiver in the world (already used by a top-tier French Pay TV Operator).

Its products are overlapping several booming Markets:

- ✓ the Market of secured digital transmission and reception,
- ✓ the Market of video compression and digital recordings for TV, PC and DVD,
- ✓ the Market of Home Networking and PC-TV Convergence.

NEOTION is a public company listed on the Alternext market of Euronext (Paris). The Company is confident in the evolution of the new markets it addresses. On 8 August 2006, NEOTION has published its half year financial results, which are in line with its development plan. NEOTION confirms the annual trends announced at the time of its listing on 22 June 2006.

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About CMM - COURANT MULTI MEDIA:

Courant Multi Media (CMM) is a French manufacturing and engineering company that was created in 2003 to design, produce and market high-speed communications and multimedia systems and computer networks for home and business use through an established network of distributors.

CMM specializes in the development of Powerline Communications (PLC) hardware for transmitting data using a building's existing electricity supply system. The PLC solutions offered by CMM can be used to expand an existing local-area network, set up a new local-area network, share high-speed Internet connections and link all your network hardware.

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