

NEOTION becomes a leading technology provider in the MPEG-4 AVC video compression field.

By taking-over 100% of the XEOLE company shares, NEOTION acquires a unique and rather advanced ASIC design center, as well as key patents that shall be instrumental for the massive adoption in the consumer space of the MPEG-4 AVC Standard, also known as H.264.

In 1994, the ISO (MPEG Group) and ITU (Telecommunication standardisation body) defined the MPEG-2 Standard that has turned to be the worldwide reference for Digital TV.

In 2003, the same two Groups have come up with its successor: the AVC H.264 Standard.

As opposed to the numerous proprietary existing solutions, which often imply erratic evolutions, the AVC H.264 Standard for the video, as well as its AAC counterpart for audio, are the only credible and long lasting alternatives that shall fulfil both the consumer and the Industry expectations. Moreover, thanks to better compression performances than Divx™ and MP3™ - while keeping the highest video quality output - H.264 and AAC are de facto the genuine references for the next decade.

Anticipating a tremendous Market representing tens of millions units, the NEOTION and XEOLE teams had been already working together for many months to develop extremely competitive solutions, especially through the design of very complex and optimised silicon computing hardware based AVC H.264 compression and decompression.

In September 2004, NEOTION shall unveil during the IBC exhibition in Amsterdam a compelling range of products powered by its future AVC H.264 chipsets. It shall combine access and security turnkey solutions for operators who have already expressed their decision to go AVC H.264 right from the beginning, as well as digital video recorders offering up to 500 hours of video storage instead of 20 to 40 nowadays.

Enthusiast, Jean-Yves Le Roux, President and founder of NEOTION adds: « *NEOTION is today an internationally recognised leading company offering end-to-end solutions to operators and consumer electronics manufacturers. The combination of our leadership together with the XEOLE rather advanced AVC H.264 video compression expertise, shall help us to successfully tackle fast growing market segments such as Digital Terrestrial, TV over ADSL, DVD and 3rd generation mobile telephony* ».

Philippe Guènebaud, President and founder of XEOLE concludes: « *when I started XEOLE, after having held various top management positions in large American and European Groups, I built up a team comprising genuine experts in ASIC design and video codec related technologies. This Team has done a fantastic job and finds in the integration within NEOTION, the enabler that shall impose our patented technology on a worldwide scale* ».

About XEOLE :

Xeole Technologies is a privately held French company, focused on digital TV, video surveillance and video phones markets. Winner of 2002 National Concourse for Innovative Technical Projects organised by the French Ministry of Research, Xeole Technologies has been strongly supported by the National Agency For Innovation (Anvar), for the launch of its new activities of R&D and Sales of Video Codec Systems On Chip (SoC).

Xeole Technologies' strength is a key combination of huge Technical expertise (more than 30 men years in multi-processors Asic Design and 12 men years in Video Codec), very strong Patent protection policy (6 Patents application already) and a successful experience of its management team in start-up's creation and growth.

About NEOTION :

NEOTION is a French high-tech company specialised 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.

Its products are overlapping several booming Markets:

- the Market of digital transmission and reception,
- the Market of video compression and digital recordings for TV, PC and DVD,
- the Market of data security and conditional access,

NEOTION, it's already :

- NEOTION Pilot, the original USB receiver for computers,
- NEOTION Box, the very first TV digital receiver that performs advanced PC connectivity functions,
- NEOTION SHL, the only smartcardless conditional access.