



For Immediate Release
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VM LABS PARTNERS SET TO GO TO MARKET WITH NUON™ PERIPHERALS

Leading Peripheral Makers Announce New Products

Consumer Electronics Show/Las Vegas, NV -- VM Labs, Inc., creators of NUON™ technology, together with their third party peripheral partners, announce the first of a number of peripherals for use with soon to be available NUON enhanced DVD players and set-top boxes. Companies participating in VM Labs' peripheral licensing program include some of the most accomplished innovators of controllers and accessories in the multimedia home entertainment industry, such as NYKO Technologies, HotProductsInc.com and Eleven Engineering. These peripherals will allow users to enjoy high performance videogames, educational and reference applications directly on a NUON enhanced DVD player.

NUON technology turns a DVD player into a complete interactive video entertainment system. NUON enhanced DVD players run videogames and educational software as well as bring audio CDs to life with stunning visual effects modes. Standard DVD movies will display vastly improved movie-viewing features on NUON enhanced DVD players, and in the future movie discs that carry the NUON logo will contain added interactivity such as games, website content and more.

"We have embraced third-party peripheral companies as partners and together built on the open NUON enhanced DVD format in ways that benefit the consumer," remarked Donald A. Thomas, Jr., Director of Peripheral Licensing and Promotion of VM Labs. "This cooperation has contributed to the essential goals of optimizing production costs, eliminating incompatibility questions and offering fulfilling entertainment and tremendous value to the consumer."

HotProductsInc.com (HPI) is announcing the launch of the Pro Elite, a NUON enhanced game controller targeted for retail, in the first quarter of 2000. The Pro Elite will have an MSRP of under \$30.00. HPI is targeting the Pro Elite to the consumer who is likely to purchase a NUON enhanced DVD Player that is capable of delivering a total system that includes advanced DVD movie features, game playing and Internet access. According to James Copeland, CEO of HPI, "We are so excited to develop and sell peripherals for the emerging NUON enhanced DVD platform. It's one of the primary focus areas for our company. Between our own branded products for the NUON DVD format and fulfilling OEM needs, we think the future is really bright for HotProductsInc.com."

NYKO Technologies, Inc. is announcing the DV Devil, a game controller that includes upgraded components that will enhance the interactivity of NUON enhanced DVD home entertainment systems. DV Devil's ergonomic styling will provide a unique look that will set it apart from traditional console and PC controllers. "Our support of NUON enhanced products demonstrates NYKO's key initiatives into new product categories and new platforms. We are very impressed with NUON technology and look forward to developing products together and building strong revenue streams tied into this emerging open DVD platform," stated Herchel Naghi, CEO of NYKO Technologies, Inc. Other new products under development for the NUON enhanced DVD format include memory cards, a light gun, vibration pack, extension cables and other accessories.

Eleven Engineering Inc. of Edmonton, Alberta Canada plans to launch a NUON version of the award winning AIRPLAY Radio Wireless controller for introduction early this year. AIRPLAY for NUON will give NUON enhanced DVD owners the ability to interact with games and educational software without having



to worry about restrictive wires between the controller and the NUON enhanced DVD Player. John Sobota, CEO of Eleven Engineering, Inc. stated, "Our new wireless controller is the perfect peripheral for NUON enhanced DVD game playing. Now players can delight in great interactive games on the open NUON enhanced DVD format with no strings attached (so to speak)."

VM Labs is also currently working with a number of other peripheral manufacturers, including Kensington Advanced Technology Group and expects to establish additional relationships that will yield a diverse range of controllers and other accessories, allowing users to enjoy greatly enhanced interactive entertainment experiences for the NUON enhanced DVD format. "NUON enhanced DVD Players bring exciting new opportunities for Gravis," says Rob Humphrey, Director of Business Development for the Kensington Advanced Technology Group. "Products like the Stinger Controller, other controller models and peripheral products under development will extend the Gravis product line into new areas. We are really looking forward to working with VM Labs state-of-the-art technology to take game playing and interactivity to the next level."

NUON has the speed and power to transform a DVD player into an interactive fun-center that will entertain the whole family. NUON enhanced digital video devices bring the television to life with interactivity in the form of games, educational software, interactive movie content and more. Future NUON enhanced features include Internet connectivity and web-enabled movie experiences. The NUON media processing technology replaces the MPEG decoder chip currently found in digital video products. Analysts predict that digital video will supersede the current analog method over the next few years, and NUON is poised to become the new standard for interactive digital home entertainment. VM Labs Inc. is based in Mountain View, CA.

NUON™ is a trademark of VM Labs, Inc.

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