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VEDALABS MEDIA ENGINE TO PROVIDE NEW MUSIC SUBSCRIPTION SERVICES

PC's, Set Top Boxes, PDA's and Wireless Devices Now Music Enabled with DRM from IBM Electronic Media Management System

NAB 2001, LAS VEGAS -- (April 23, 2001) -- Vedalabs, Inc., makers of the Vedalabs Media Engine digital music jukebox, and IBM today announced that Vedalabs has licensed and integrated IBM's Electronic Media Management System (EMMS) into its Vedalabs Media Engine software program. As a comprehensive electronic media distribution and digital rights management system, EMMS will provide security features for protecting the intellectual property rights of content owners during the downloading and playback process in the Vedalabs Media Engine. EMMS is designed to support a broad range of media types beginning first with music and audio content.

The Vedalabs Media Engine™(VME), is an open architecture, small footprint media player that handles content from any source. The player was designed to easily port to various operating systems, including cable set top boxes, PC's, PDA's and wireless devices.

"Vedalabs has assembled a very strong product and cross-platform plan for its Vedalabs Media Engine," said Brian Queen, EMMS solution manager, IBM Global Media and Entertainment Industry. "By placing the VME onto various devices and not tying it just to the PC, Vedalabs has established a strong case to provide the client side application for the new digital music services that will be launched."

"Our business model allows us to offer a powerful, brandable solution that supports a wide variety of both protected and unprotected audio formats," said Jason Hewitt, CEO of Vedalabs. "Many people have been challenging the idea of record labels launching subscription services that ties people to their PC's and that does not have to be the case. We will allow anyone to brand our application, we make the tools not the rules."

The Vedalabs Media Engine will allow peer-to-peer music streaming and ultimately file sharing, but only the sharing of DRM protected files. The consumer will have to unlock the contact once it is transferred. The ability of the EMMS system to support super distribution fits into Vedalabs' strategy.

Vedalabs software supports IBM's EMMS solution and the company will be demonstrating it at the National Association of Broadcasters conference (April 2001, Las Vegas), and LINUX World (August 2001, San Francisco), in IBM's booth. In addition, Vedalabs will be featured on www.ibm.com.

About Vedalabs
Vedalabs (http://www.vedalabs.com) is a business-to-business software and infrastructure-enabling development company building products to move the entertainment industry fully, and securely, into the world of digital media distribution.

About Electronic Media Management System
EMMS is a comprehensive electronic media distribution and digital rights management system designed to support a broad range of media types, beginning first with music and audio content. EMMS provides the foundation for new business models created by the digital delivery of assets and offers a rich set of security features designed to protect the intellectual property rights of content owners throughout the delivery process. EMMS has an open architecture to allow technology advances in audio compression, encryption, formatting, watermarking, and end-user devices and applications to be integrated. EMMS is part of IBM's broad based digital media management portfolio which offers comprehensive, enterprise-wide solutions for creating, managing, storing and distributing digital assets. Additional information on EMMS can be found at www.ibm.com/software/EMMS.

About IBM
IBM is the world's largest information technology company, with 80 years of leadership in helping businesses innovate. IBM is helping media and entertainment companies worldwide take advantage of the business opportunities made possible by digital technology. IBM offers a comprehensive portfolio of solutions, networking and service offerings that is transforming the traditional creative and business processes of media and entertainment companies and positioning them to leverage their intellectual assets into new commercial opportunities. Additional information on IBM strategy for the media and entertainment industry can be found at www.ibm.com/solutions/media.

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