



NEWS RELEASE

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MPEG LA Announces License Terms for High Efficiency Video Coding (HEVC/H.265)
HEVC Holds Promise for Mobile Video and Ultra High Definition TV Applications

(DENVER, CO, US – 16 January 2014) – MPEG LA, LLC announced today that a group of 25 companies have agreed on HEVC license terms expected to issue as part of an HEVC Patent Portfolio License in early 2014. A summary is attached. Final agreements are yet to be concluded.

High Efficiency Video Coding (HEVC, also known as H.265 and MPEG-H Part 2) is a standard designed to improve video coding efficiency for the benefit of Internet and mobile service providers and consumers with increased speed and capacity. HEVC is also expected to deliver next generation higher resolution HDTV video displays for 4K and 8K Ultra High Definition TV (“UHDTV”).

“As contemplated, the HEVC license will utilize a modern streamlined pool licensing approach with simple easy-to-understand terms making the technology readily accessible to the largest possible market in the shortest possible time,” said MPEG LA President and CEO Larry Horn. “MPEG LA salutes the cooperation of patent owners who have worked hard to reach common ground in making a joint patent license available for the convenience of HEVC adopters. As a result of their efforts, consumers benefiting from a marketplace of competitive technology choices will be the clear winners.”

As work continues on evaluating patents for essentiality and concluding terms in final agreements, the license is currently supported by 25 prospective HEVC essential patent holders including the following:

Apple Inc.
British Broadcasting Corporation
Cisco Technology, Inc.

Electronics and Telecommunications Research Institute (ETRI) of Korea
Fraunhofer-Gesellschaft zur Foerderung der angewandten Forschung e.V.
Hitachi Maxell, Ltd.
HUMAX Co., Ltd.
JVC KENWOOD Corporation
KT Corp.
LG Electronics Inc.
M&K Holdings Inc.
NEC Corporation
Nippon Hosokai
Nippon Telegraph and Telephone Corporation
NTT DOCOMO, INC.
Orange SA
Siemens AG
SK Telecom
Telefonaktiebolaget LM Ericsson
Thomson Licensing
Vidyo, Inc.

Additional patent holders who are participating in the facilitation process also may be included, and others are welcome to join.

In its effort to include as much essential intellectual property as possible in one license for the benefit of the marketplace, MPEG LA continues to welcome the submission of issued patents for an evaluation of their essentiality to the HEVC Standard (defined in ISO/IEC 23008-2 MPEG-H Part 2 and ITU-T Recommendation H.265). Any party that believes it has patents that are essential to the HEVC Standard and wishes to join the HEVC Patent Portfolio License is invited to submit them for evaluation by MPEG LA's patent evaluators. The terms and procedures governing patent submissions may be requested at <http://www.mpegla.com/main/pid/HEVC/default.aspx>.

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MPEG LA, LLC

MPEG LA is the world leader in alternative technology licenses. By assisting users with convenient access to patent rights for their technology choices, MPEG LA offers licensing solutions that create opportunities for wide adoption and fuel innovation. MPEG LA's pioneering MPEG-2 licensing program helped produce the most widely employed standard in consumer electronics history and has become the template for addressing numerous other technologies. Today MPEG LA manages licensing programs consisting of 8500 patents in 74 countries with 162 licensors and some 5800 licensees. For more information, please refer to <http://www.mpegla.com>.

Attachment

The following summary of licensing terms is provided for informational purposes only and is subject to possible modification. It is not an offer to license. The HEVC Patent Portfolio License scheduled to be available in early 2014 will provide the actual terms of license on which users may rely.

Decoder-Encoder Manufacturer Sublicenses

- HEVC products sold by a legal entity to end users
 - 0 – 100,000 units/year = no royalty (available to one legal entity in an affiliated group)
 - US \$0.20 per unit after first 100,000 units each year
 - Maximum annual royalty payable by an enterprise (company and greater than 50% owned subsidiaries): initially starts at \$25M
- Includes right to make, use and sell
- Royalties are payable for HEVC products from May 1, 2013 forward

Other

- No separate royalties for HEVC content
- Vendors of semiconductor chips or other products that contain an HEVC encoder and/or decoder may pay HEVC royalties on behalf of their customer who is a licensee