



Corporate Overview

Company Profile

Verance Corporation is a leading developer of technologies and solutions that protect, manage, and enhance the use of media content. Verance holds a significant portfolio of proprietary, proven audio watermarking technologies that have been deployed globally by major motion picture studios, record labels, consumer electronics manufacturers and software developers in a variety of business and consumer application areas. Verance's Cinavia™ technology is the industry standard watermark for the protection of filmed entertainment and television content within the Blu-ray Disc format. The Verance Copy Management System for Audio (VCMS/A) is the industry standard watermark for copyright protection of recorded music within the DVD-Audio, SD-Audio and the Secure Digital Music Initiative (SDMI) formats.

Verance's audio watermarking technology has been in broad commercial use for more than 10 years and has been included in over 50 million DVDs, 50 million consumer electronics products, and 100 million radio and television broadcasts.

Technology

Verance's patented audio watermarking technology embeds digital codes into audio recordings or the audio portion of audiovisual content by introducing small information-carrying alterations, statistically imperceptible to the human ear, designed to survive security decryption and remain detectable throughout the useful life of the content. Verance's watermarking technology is compatible with all commercial recording and transmission methods, both digital and analog, and permits the embedded information to be accurately extracted from the encoded audio after audio processing, distribution and broadcast.

The company's audio watermarking technology allows for multiple layers of watermarked data that can be detected and decoded by different application-specific watermark decoders. These serve a variety of market needs simultaneously through the deployment of multiple independent watermarks including copy and usage control data, content identification data and specific transactional data.

The company's patent portfolio of more than 35 awarded patents includes many fundamental innovations related to the application of watermarking technologies to various types of media content, including audio, image, and video, as well as watermarking for copy and usage management, media research and other applications.

Customers

Cinavia has been broadly licensed for use in the theatrical and home video release of premium filmed entertainment by major motion picture studios such as Sony Pictures Entertainment, Twentieth-Century Fox Film Corporation, Universal Pictures, and Warner Bros. Entertainment. Consumer electronics and semi-conductor chip manufacturer licensees include Broadcom, Intel, LG Electronics, MediaTek, NEC Electronics, Panasonic, Pioneer, Renesas and Sony Electronics. PC player integrators include Corel, Cyberlink and Microsoft. For a full list of Cinavia licensees, visit our [Customers](#) page on our corporate website.

Competitive Position

Verance is a pioneer and recognized technology leader in the development and commercialization of audio watermark technology. AACS LA, LLC, the cross-industry standards consortium including IBM, Intel Corp., Microsoft, Panasonic, Sony, Toshiba, The Walt Disney Company, and Warner Bros, adopted the company's proprietary Cinavia standard as an essential element of its content protection solution for the Blu-ray Disc format, marking the second market segment in which the Verance audio watermark technology has been selected as the industry standard by a broad-based technology consortium. Previously, in the consumer electronics and information technology for music industries, 4C Entity, LLC, an industry consortium standards collaboration

consisting of IBM, Intel, Matsushita Electric Industrial and Toshiba, adopted the company's proprietary VCMS/A standard as a mandatory component of its content protection solution for the DVD-Audio format. In addition, SDMI, a standards body whose members included over 160 companies in the music, consumer electronics and information technology industries, adopted VCMS/A in connection with its specifications for portable music devices.

Corporate Facts

Verance Corporation was founded in August 1999 through a merger of ARIS Technologies, Inc. (Cambridge, MA) and Solana Technology Development Corporation (San Diego), both of which had been developing audio watermark technologies since 1995. Verance is a privately-held company. The company's investors include the venture capital firms Canaan Partners, Court Square Ventures, and Blue Chip Venture Company.

Management Team

Nil Shah, Chief Executive Officer

Mario Petrocco, Chief Financial Officer

Joe Winograd, Ph.D., Executive Vice President, Chief Technical Officer

Dean Angelico, Senior Vice President, Product Development

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Cinavia, go to www.cinavia.com

AACS, go to www.aacsla.com

Blu-ray Disc, go to www.blu-raydisc.com

MPAA, go to www.mpaa.org

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