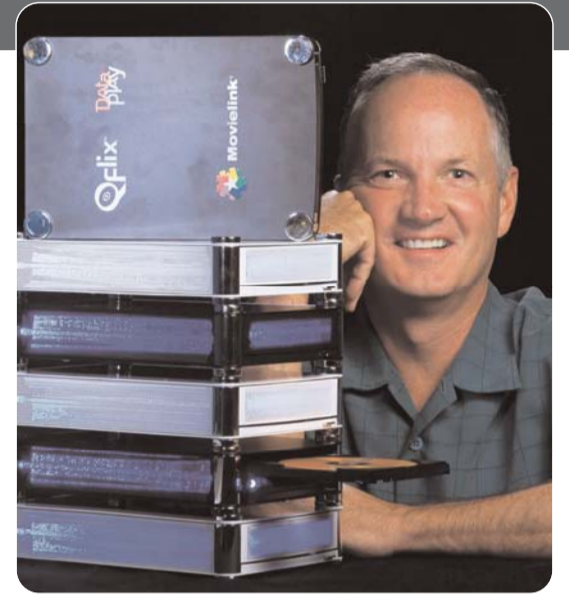


Focus on

DataPlay takes over Datarius

Operations will resume immediately. The company, which has been working with the Austrian manufacturer on producing reference drives for the Databank since 2005, wants to sustain the business of measurement and testing. And to develop a new range of flexible and scalable products for the optical disc. The CEO Bill Almon states: "This is a tremendous opportunity for us to become more than just a core technology supplier".

Page 8



Companies

GÖDING + PARTNER

Complete solutions for quality and economy

Ralf Stecker, Technical Service and Sales OD department



Page 10

SINGULUS TECHNOLOGIES

"Packaged media will be with us for a long time"

Sylvia Hitzel, Vice President Marketing & Sales



Page 6

MEDIA-TECH ASSOCIATION

NEW EVENT WILL BE "THE FUTURE OF PACKAGED ENTERTAINMENT"

In a bid to offer a more efficient and cost effective business and contacts platform, but also to give the optical-disc industry new opportunities and prospects, the Media-Tech Association (MTA) has announced a partnership with the Content Delivery and Storage Association to stage a new event in February 2009 in Hollywood.

Page 12

CDA - GERMANY

INVESTMENTS IN THE BLU-RAY DISC GET UNDER WAY

The independent German replicator steps into the BD arena with the installation of a Singulus line. "We rise to our customers' requirements to be a one-stop supplier for all formats. Our own production of Blu-ray discs is an investment in the future"

Page 14

TRENDS & MARKET

HOME VIDEO

The DVD market in 2007

Price dynamics, the appearance of "new" genres (like TV series on DVD), the impact of publishing supplements at the newsstands, the drop in rentals and the start-up of high definition last year.

From page 18 to page 19



VIDEOGAME

Grand manoeuvres in autumn



Ready for the Christmas 2008 campaign. In the gaming world there has been a succession of announcements and strategic moves that are destined to make their mark.

Page 17



ANWELL

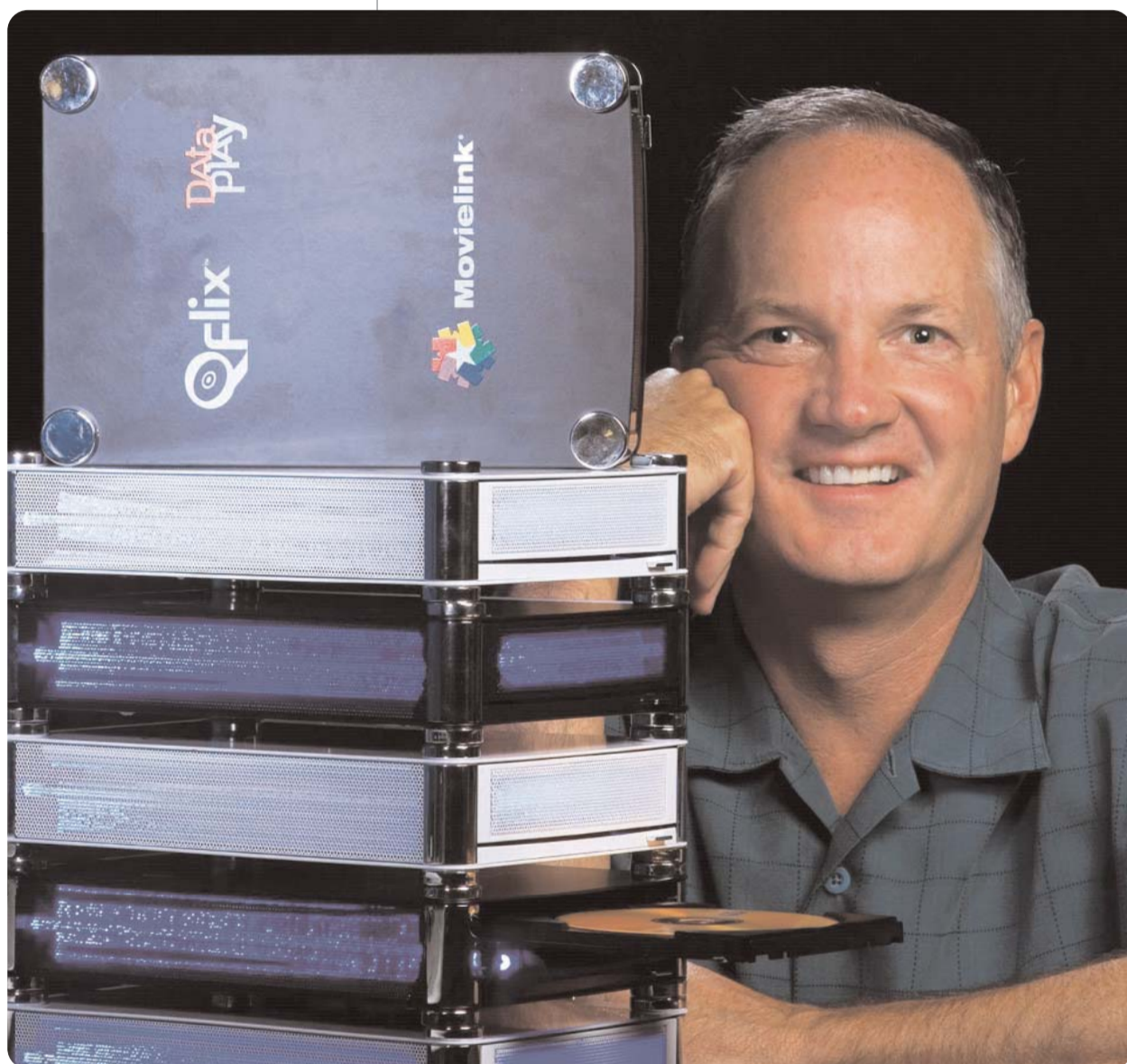
ADVANCED MANUFACTURING SOLUTIONS

www.dataplay.com

"This is a tremendous opportunity for us to become more than just a core technology supplier"

DataPlay takes over Datarius

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Bill Almon, CEO of the company

The end of August brought the announcement that Datarius has been taken over by the Colorado-based company, DataPlay. DataPlay has acquired Datarius's assets and intellectual property globally, and announced the decision to restart activity immediately. Datarius, with a history of providing systems for measuring and testing optical discs in the replication industry, had started bankruptcy proceedings in July. The late solution of the dual high-definition format war delayed the expected installation of high definition lines throughout the industry and therefore caused the company economic difficulties.

Datarius has developed a modular solution for testing optical discs, the Databank, which is a single platform that can operate with different modules suited to the various formats on the market: CD, DVD, HD DVD and Blu-ray disc.

DataPlay has worked with Datarius for many years, providing the optical-drive technology integrated in its products. The relationship between the two companies goes back to 2005, and has led to their development of technologies for the Databank products. *Replix*

Magazine interviewed Bill Almon, CEO of the newly-created company DPHI Datarius, and asked him about the takeover and about the future projects of the "new" Datarius.

First of all, can you tell us what led you to decide to buy out Datarius?

It is important to understand that DataPlay has been providing the essential technology for Datarius test drives for some time. We have been working in this industry for two and a half years providing the core component technology for the testers. Being a supplier, we were obviously very concerned with the insolvency of Datarius - which actually started on July 1st. But at the same time, we saw in this a tremendous opportunity for us to become more than just a core technology supplier. And to actually become a supplier in measurement and test systems for the optical disc manufacturing industry and use the larger combined development team to introduce a flexible and scalable new range of products.

How was the takeover managed?

The process consisted mainly in

negotiating with the insolvency administrator in Innsbruck, who represented the interests of all the creditors, with a view to purchasing all the assets and to restarting the Datarius activities. The purchase was concluded on 20th of August. We are very pleased with the way the operation has been handled. In a period of six weeks, we were able to satisfy all the insolvency administrator's requests, provide an adequate purchase price, enable the continuity of service for Datarius' clients, maintain an employee base in Austria, and provide a solid infrastructure for future growth.

In your press release you propose to "quickly develop and manufacture new products that exceed the current and future needs of optical media manufacturers". How will this proposal work out in the specific integration of your activities with those of Datarius?

The integration of our business with Datarius's has several important aspects. The combined development teams in Austria and the U.S. will allow for faster product development and better customer support. Datarius's strong point has always been the fact that it operates with a good margin, especially compared to other competitors. The overall structure for Datarius was just too large compared to the profits that were being generating by the business. We saw the opportunity to utilise our vertical integration and reduction the operating expenses to improve those gross margins and yield a profitable operation.

What can you tell us about the future and the development of new solutions?

Integration with Datarius will provide a strong boost to both fields of activity. In terms of products, thanks to the combination of our experience and of the competences we have developed over the years in research and development at our US plants, with the experience and expertise that Datarius has built up in the business of measurement and testers, we are convinced that we will be able to provide very attractive products for the market. One of our core technologies is already being used by Datarius, and we can already offer a stamper test technology that has no rivals. We seek to continue to devote our efforts to bringing compelling new solutions onto the market for the testing and measurement of DVDs and BDs.

Let's trace a brief history of

DataPlay. When was the company founded?

DataPlay was a company from the late 1990s that invested to bring to the market a very small optical disc system: the media was 32mm in diameter and the drive was a small package about the size of a cigarette pack. This was the world smallest optical disc drive system, and still had a capacity of 500mb. At the beginning it was used by some music labels to distribute music in a small compact portable format. In the process of developing all of the technology required, DataPlay has produced more than 200 patents applications, more than 150 of which have been issued since the late '90s. Unfortunately the concept of the micro optical disc didn't really take off. So what we did was take the engineering team and focus on new opportunities to license the patented technologies and to develop new applications that could utilize those technologies.

And so you started working on optical drive technology for OEMs.

Yes. Among the applications we had developed were the reference test drives for Datarius. But our activities also evolved into other optical disc related products. We have been very active in the developing and marketing of solutions for the "DVD Download" format, providing hardware for CSS encrypted content burning. And we have also been very active in the Trusted Computing Group (TCG) - a group of some 150 to 200 companies devoted to providing trusted platform models that today are used in notebooks, desktop PCs, enterprise systems, mobile telephones and basically in all kinds of storage devices. The trusted platform solution that we've been concentrating on is one for optical disc systems, providing an automatic hardware-based encryption capability for any optical disc format using standard off the shelf discs.

What are your expectations for DPHI Datarius's business?

We have very high expectations. We believe our business could grow easily double in the next several years. A growth that will be predominantly based on the increasing adoption and sales of the Blu-ray Disc format and thus on the increasing need for sure, reliable measurement and test equipment. We will concentrate on providing a wide array of products for the measurement and test requirements of customers who are doing replication and duplication.

Giovanni Verbi