



PRESS RELEASE

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Actimagine builds a secure mobile video delivery platform for Indian retailer Mobile Magic

-Inventing a new way to serve mobile videos-

3 December 2007 - Actimagine, developer of the patented software video codec Mobiclip™, is playing a key role in a pioneering initiative to deliver high-quality movies and music videos over mobile phones via retail channels across India. Actimagine is partnering with Mobile Magic, India's first and largest chain of retail stores for mobile phones and accessories, on a new initiative called Media Magic.

Media Magic is a content delivery platform, through which movies and music videos can be easily and securely transferred from retail stores' PC to customers' mobile handset. In less than five minutes anyone can go to a retail store, purchase a movie or a music video, have it loaded into his phone and enjoy it in DVD-like quality.

Mobile Magic has set up a new subsidiary, called Media Magic Retail Pvt. Ltd., to be fully focussed on driving this business. To date, Media Magic has already acquired legal rights to over 500 Bollywood movies and thousands of music clips. Once downloaded onto the mobile phone, each content is protected by an unlock key, which has to be generated by a shop assistant logging into a customized web interface.

Actimagine took less than two months to customize and deliver a turnkey solution for Media Magic: from video encoding to video delivering and video playback, including the unlock key generation system. The Media Magic scheme will be rolled out initially at all 87 Mobile Magic stores across the country. More retail stores are being signed up to distribute Media Magic contents, and the target is to sign up 10000 new stores within one year.

The innovative Media Magic approach is ideally suited to India, where the broadband infrastructure is underdeveloped, making it difficult to download content over the Internet. Market potential for Media Magic is huge, as Bollywood movies and music are well-loved in by many people in India. Bollywood produces about 900 hugely popular movies every year and the associated music videos are also in great demand.

Highlighting this potential, Vijay Singh, CEO of Mobile Magic and Media Magic, commented, "India has one billion consumers. It is adding six million new telecom subscribers a month and this growth rate is set to continue over the next 4-5 years. This will bring the teledensity to approximately 40 per cent of the population. So, for an integrated player like Media Magic, providing ringtones, songs, movies, games and interactive programmes through a digital distribution model, a user base of 400-450 million is a realistic target."

André Pagnac, CEO, Actimagine, said: 'We are extremely pleased to partner with a popular retail chain like Mobile Magic to deliver top-quality Bollywood movies to Indian consumers. We believe that this innovative retail distribution model will work well in India, given its current infrastructure. Together with our high-quality Mobiclip video technology, we are confident that mobile cinema will enjoy rapid adoption in India. The key is offering users good content and an excellent user-experience.'

Currently, the Media Magic application has been certified on 14 Symbian 60 Version 3 phones with QVGA screens. More phones will be certified in the future once testing is complete.

Notes to Editors

About Mobile Magic / Media Magic

Mobile Magic is the first ever chain of mobile boutiques and offers an unparalleled spectrum of service under one roof. Currently with more than 80 showrooms in India, Mobile Magic is in a national expansion mode and aims to have a pan-India presence eventually. Mobile Magic has strong partnerships with both manufacturers and content owners, such as Nokia, Samsung, LG, Sony Ericsson, Hungama Mobile, and Indiagames.

Media Magic Retail Pvt Ltd is a company created by the founders of Mobile Magic India Pvt. Ltd. Media Magic Retail Pvt Ltd. plans to distribute Rich Content through a strong retail network which it intends to scale up to 10000 outlets by March 2008. With strong partnerships in the content space, Media Magic is set to revolutionize the Mobile content delivery platform for the Indian Mobile consumers.

About Actimagine

Established in March 2003, Actimagine develops and sells under licence Mobiclip™, a patented software video codec which has been optimised for mobile platforms. Mobiclip addresses the major challenges of video on mobile phones by offering, DVD-like quality – 24fps full screen – for all kinds of video, both free and premium content, without compromising battery-life. Already adopted by leading manufacturers and content publishers, Mobiclip is becoming the de facto standard for DVD-like quality on mobile phones. Registered in Delaware, USA, as Actimagine Corp., the company is headquartered in Paris with offices in San Diego, CA, and Singapore and a subsidiary in Tokyo. Key clients include Nintendo Co., Ltd., Fisher Price, Nokia, Motorola and Sony Ericsson. <http://www.actimagine.com>