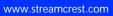
## **Current MPEG-4 Visual License Proposal**

Field	Mobile	Internet	Broadcast	Cable and DBS	Packaged Media and Stored Content	
Encoder	<pre>\$0.25/unit \$1M/yr cap,50K Unit floor Paid by manufacturer of end-user product</pre>			<b>\$0.25/unit</b> Paid by manufacturer of end-user product		
Decoder	<pre>\$0.25/unit \$1M/yr cap, 50K Unit floor Paid by manufacturer of end-user product</pre>			<b>\$0.25/unit</b> Paid by manufacturer of end-user product	r	
Use	<ul> <li>\$0.25/yr per active user <ul> <li>-or</li> <li>\$0.02/hr per user (billed per minute)</li> <li>-or</li> </ul> </li> <li>\$1M/yr Flat Fee <ul> <li>50K Sub floor</li> <li>Paid by end-user content source</li> </ul> </li> </ul>		<b>\$1.25/unit</b> Paid by user relationship owner	\$0.02/hr per user (billed per half-hour) \$0.002 for short (<12min.) content \$0.04 max Rates one-half 5 years after copyright Paid by content replicator		
Caps	*	ise/Entity: \$5- ply if \$1M cap	OM/yr s above are used		No Caps	
<ul> <li>License through 2008, grace period through 2003</li> <li>Royalties apply only for "for which content or serv receives remuneration"</li> <li>Includes Simple and Core profiles. Patents in pool for other profiles without additional royalties</li> </ul>				vice provider • Opti may be used • User	ption for Systems: \$0.15/decoder, \$0.25 enc, 00K Cap, 10% of Visual for Packaged Media ption for MPEG-J free if MPEG-J non-assert from ensee ser has rights to play Stored Content at least 20 mes or > 1 year after paying a "transactional fee" streamcrest	



© 2002 Streamcrest Associates

7/18/2002



## **Current Audio License Proposal**

Standard Rates:

## **MPEG-4 AAC Licensing Schedule:**

AAC Licensing
 announced

- Royalties paid by end-product manufacturer
- Licensing Agent not selected yet
- Other tools (TwinVQ, CELP) under discussion

<b>Volume</b> (per channel / quarterly reset)	Consumer Decoder or Encoder Channels	Consumer Codec Channels	Professional Decoder Channels	Professional Encoder Channels	
	Implementations				
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
	Products				
Flat Rate	n/a	n/a	\$ 2.00	\$ 20.00	
1 to 100,000	\$ 0.50	\$ 1.00			
100,001 to 500,000	\$ 0.37	\$ 0.74			
500,001 to 1,000,000	\$ 0.27	\$ 0.54			
1,000,001 to 5,000,000	\$ 0.22	\$ 0.44			
5,000,001 to 10,000,000	\$ 0.17	\$ 0.34			
10,000,001 or more	\$ 0.12	\$ 0.24			

## PC-Based Software Pricing: (for private non-commercial use)

Volume (per channel / annual reset)	Consumer Decoder Channels	Consumer Encoder Channels	Consumer Codecs Channels
1 to 100,000	\$ 0.25	\$ 0.50	\$ 0.75
100,001 to 500,000	n/a	\$ 0.37	\$ 0.62
500,001 to 1,000,000	n/a	\$ 0.27	\$ 0.52
Maximum annual payment	\$ 25,000	\$ 250,000	\$ 275,000

2

© 2002 Streamcrest Associates

7/18/2002

streamcrest