

Advanced Digital Broadcast has received a significant order for its DVB-T IPTV hybrid set-top box from Telefónica, one of the world's leading telephony operators. The units will be delivered in 2005.

ADB DELIVERS HYBRID IP DIGITAL TERRESTRIAL TELEVISION SET-TOP BOXES TO TELEFONICA FOR IT'S IMAGENIO IPTV SERVICE

Thursday, June 16th 2005 - Geneva: **Advanced Digital Broadcast** (www.adbglobal.com), a leading supplier of digital TV systems and software solutions for interactive television, announced today that it has received a significant order from Telefónica de España S.A.U (www.telefonica.es) for its hybrid Internet Protocol (IP) digital terrestrial television (DTT) set-top box (STB). The unit incorporates Advanced Video Coding (AVC) and Video-on-Demand (VOD) technologies. This STB is also multimedia home platform (MHP) ready to provide for future market requirements.

ADB began supplying the STBs in May 2005 for the rollout of Telefónica's Imagenio service in Spain, previously trialled in Madrid and Alicante. ADB looks forward to supporting Telefónica in successfully achieving deployment of IPTV services in the Spanish market.

The orders follow almost two years of close cooperation between both companies and positions ADB as Telefónica's major supplier of IPTV STBs. From the beginning, Telefónica required a device which was not only integrated with its Imagenio middleware and video processing, but would also be ready for the roll-out of new services in the future. ADB has designed this AVC/H.264 IPTV STB to meet Telefónica's precise requirements and samples were first trialled in the summer of 2004.

"The commercial and technological relationship between ADB and Telefónica is very positive for both companies. ADB has invested great effort and resource in the development and integration of their STB platform with our Imagenio service for the last 2 years. The hybrid IP/DTT STB developed by ADB for Telefónica is testament to the efforts of both companies in achieving a predominant position in the market. The integration of ADB's state-of-the-art technology allows Telefónica to provide its customers with the best audio-visual offer in the market", says José Antonio Castillo, IMAGENIO Services development Director for Telefónica de España.

In securing orders from one of the first operators in the world to launch a commercial service, ADB is now established as a leading IPTV set-top box supplier. The additional capability of this product to receive DTT is increasingly important as DTT launches in a greater number of territories.

"This prestigious and valuable order from Telefónica positions ADB perfectly for the anticipated growth of IPTV in the next few years," says Philippe Lambinet, CEO of ADB. "Consistent with ADB's history of developing first-to-market solutions, this unit, incorporating Advanced Video Coding and Video Telephony, will enable mass-market deployment of richly featured internet protocol TV at a competitive cost to operators. Looking to the future, we are currently finalising ADB's next generation of set-top boxes which will further enhance our product range".

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The STB being delivered to Telefónica is based on an award-winning platform. This platform collected first prize for the category of Best Customer Premise Technology and came runner-up in Best Interactive TV Applications or Technology at the annual Cable & Satellite International Product of the Year Awards in 2004. Internet protocol is supported in both Multicast and Unicast



modes, and the receiver integrates the Mozilla Internet browser. A Video camera and a microphone can also be connected to the STB enabling video-telephony to be utilised.

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About ADB

Founded in 1995, Advanced Digital Broadcast (www.adbglobal.com) supplies a diverse range of high quality products and services to the digital broadcast and broadband markets world-wide. Since releasing its first unit in 1997 the company has deployed over 5 million set-top boxes across high-volume markets incorporating a wide range of middleware, conditional access and hardware configurations.

ADB, with headquarters in Switzerland, has facilities in Australia, Israel, Italy, Poland, Spain, Taiwan and the United States. The majority of ADB's staff are development engineers, creating products that are universally recognized as the industry's best, both for current and future generation technology.

ADB is a member of ADB Holdings (www.adbholdings.com), a company listed on the SWX Swiss exchange (SWX: ADBN).

About Telefónica Group

The Telefónica Group (www.telefonica.es) is one of the world's leading telecommunications companies. Telefónica is the leading operator in the Spanish and Portuguese speaking markets and the sixth biggest operator in the world by market capitalisation. Its activities are centred mainly on the fixed and mobile telephony businesses, with broadband as the key tool for the development of both of these. The company has a significant presence in 16 countries and has operations in approximately 40. Telefónica has a strong presence in Latin America, where the company operates in eight countries and has a clear growth strategy. Its customer base amounts to more than 115 million worldwide.