



INDIEPIX.NET AND PIXELTOOLS ANNOUNCE PARTNERSHIP TO SELL WATERMARKED DVDS

Patented MPEG Escort™ Watermarking Software Facilitates Digital-Rights Management

NEW YORK, April 19, 2006—Indiepix.net and PixelTools Corporation today announced an agreement whereby PixelTools will supply its MPEG Escort™ watermarking technology to be incorporated into Indiepix.net's Internet-accessible Download-To-Own™ system.

PixelTools' patented MPEG Escort™ watermarking software slightly alters an already compressed MPEG video to insert a visually indiscernible digital data file. Any copies of that watermarked video also carry the hidden watermark. Knowing the correct key, Escort™ can extract the hidden file. The file's data could be unique details of the video's purchase transaction, useful later if forensic examination is necessary, when abuse of copyright fair-use is suspected. Watermarking is much faster than video real-time, and is very compatible with networked or point-of-sale DVD creation. All video content delivered to customer DVDs by the Indiepix.net Download-To-Own™ system incorporates Escort™ watermarks.

Using Indiepix.net's Disc Factory software, Download-To-Own™ retrieves an encoded and scrambled video file and brings it to the user's computer. The video is reconstructed from the scrambled format on the user's computer and encoded with multiple invisible digital watermarks using Pixeltools' MPEG Escort™ technology before being written to the user's DVD. This system produces a commercial quality DVD that can be played on a standard DVD player for home theatre systems ranging in caliber from basic to high-end. Unlike other film downloading alternatives, Download-To-Own™ frees the consumer from being forced to watch a feature film on only a small computer screen, while the MPEG Escort™ watermark infuses it with a digital "fingerprint" to protect the content. Pricing will vary according to title, with standard feature-length films selling for about \$15 and short films selling for between \$2 and \$5. There is no charge for the download of Indiepix.net Disc Factory software.

The Download-To-Own™ software is available for use with PCs. The company expects to have a Mac-compatible release sometime in May. A DVD-burner (either +R or -R is acceptable) is required to complete the Download-to-Own™ process. System Requirements: Windows XP, 256 megabytes of memory, between 1 and 4 gigabytes of free disk space (depending on the size of the film), and a broadband internet connection. (For the demo files described in the additional press information on the company's press download web site--www.indiepix.net/download--the disk space required is less than 1 gigabyte per title.)

“Download-To-Own™ is a comprehensive systems approach to electronic film distribution for in-home viewing,” said Scott Abramowitz, chief technology officer for Indiepix.net. “We believe Pixeltools’ MPEG Escort™ technology strikes a good balance between the content-protection needs of producers and the customer. We have built a commercial system to distribute filmed entertainment programming, a system that leverages the equipment that consumers already own and enjoy, and with which they are comfortable.”

Joel Mannion of Pixeltools, the creator of MPEG Escort™ said, “The MPEG Escort™ content protection solution is based on the traditional fair-use standard, which is reasonably preferred by prosperous free markets and consumers everywhere. Escort™ preserves the quality of the viewing experience while keeping honest people honest.”

An expanding portion of the growing library of independent films offered for sale at www.indiepix.net (now numbering over 2,000 titles) will eventually be made available to Download-To-Own™ users. The company will offer 100 titles by the end of May. (The full roster of titles available is listed in the press materials on the company’s web site.)

Indiepix.net is an online retailer of independent films, founded in 2004. With over 2,000 curated, annotated and indexed films in its catalog, Indiepix.net offers consumers a broad array of independent film offerings, from Oscar®-winning features and documentaries to collections of festival winners and student films. The company’s is the largest managed collection of independent films available on the internet.

PixelTools is a developer and provider of a broad line of MPEG video software utilities. Founded in 1994, PixelTools delivers standard and custom tools and solutions to the digital multimedia video industry. PixelTools’ best-selling MPEGRepairHD - a utility for encoding, decoding, editing and analyzing MPEG streams - is the highest quality MPEG compression software available, and runs faster than real-time.

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For additional technical information, background papers on Download-To-Own™, system diagrams, visit: www.indiepix.net/download.

For additional information on PixelTools Escort™, visit www.PixelTools.com, or contact Joel@PixelTools.com.