

# SRS

## SOUND



### THE MARKET

For nearly a century, imagination and feelings have been captured through improved methods of experiencing, recording, tuning, sharing, and enjoying sound. Whether it's music, television, or film, the art of producing natural, immersive, and high-quality audio stands as the great differentiator between hearing and experiencing. In today's digital age and with the advent of powerful, highly mobile consumer electronics devices, people have been liberated from the constraints of living rooms or local movie theaters and can now enjoy audio and video content anywhere, anytime. Yet, regardless of how pristine and clear the video is, the entertainment experience is not complete without equally impressive sound.

### ACHIEVEMENTS

SRS Labs designs, develops, and licenses class-leading audio and voice enhancement post processing solutions for many of the world's leading original equipment manufacturers, semiconductor companies, software providers, and content aggregators.

Today, SRS audio solutions are principally deployed in the home entertainment, PC, tablet, mobile phone, and automotive markets. SRS is recognized worldwide as the de facto standard for surround-sound processing technologies based on the principles of the human auditory system — how the brain perceives and processes sound — also known as the science of psychoacoustics.

Since the beginning, SRS has relentlessly pursued the goal of delivering the true nature of sound by providing an audio experience that's much closer to the real thing, regardless of the playback device. At their core, SRS audio solutions are designed to effectively and naturally restore the original audio quality of music and movies, allowing people to hear every detail and enjoy the content the way it was intended to sound.

With one out of three TVs shipped globally featuring SRS audio technologies, SRS occupies a distinctive position in the consumer electronics industry. To date, more than 2 billion consumer



electronics devices worldwide deliver great audio, thanks to SRS.

### HISTORY

SRS stands for Sound Retrieval System, a technology originally developed by one of the pioneers of the science of psychoacoustics, Arnold Klayman, to retrieve the lost essence of recorded sound. Klayman began working on audio and voice enhancement technologies in the mid-1980s as a scientist at the Hughes Aircraft Company. In 1993, SRS Labs became an independent corporation, and in 1994, Thomas Yuen — one of the founders of the Fortune 500 firm AST Research — took over the company's helm and guided SRS Labs toward its successful August 1996 initial public offering. Yuen led the company until July 2012 when SRS merged with DTS, one of the pioneers of surround sound in cinema and Blu-ray disc.



For his extraordinary contributions to SRS Labs and AST Research, as well as the high-technology industry in general, the TechAmerica foundation awarded Yuen its prestigious Lifetime Achievement Award in 2012.

### THE PRODUCT

SRS holds an impressive portfolio of audio enhancement, voice processing, and surround-sound technologies, providing a wide range of class-leading audio solutions that restore audio to how it was meant to be heard.

SRS technologies are categorized into five key segments: Surround Sound, Spatial Enhancement, Volume Boost and Leveling, Bass Enhancement, and Dialog Clarity. Within each category, SRS offers multiple component technologies and solution suites, allowing partners to apply the most effective mix of technologies to address the audio-related challenges of their products. SRS also offers a range of engineering and marketing services, enabling product manufacturers to benefit from SRS's unique know-how in designing products with improved audio and voice performance, while treating audio and voice features as critical product differentiators.

The transition of the TV from bulky CRTs to flat-panel displays and the relentless drive to make them thinner, lighter, and more stylish have dramatically reduced the space for built-in speakers, negatively impacting audio

performance. SRS successfully addresses these design and hardware constraints through solutions engineered to deliver surround sound, deeper bass, clearer dialog, louder output, and the eradication of volume fluctuations.

The goal for PCs, tablets, and smartphones is much the same. SRS solutions provide mobile-device users a richer and notably more fulfilling audio experience using tiny built-in speakers or through headphones. The audio challenges for mobile devices are similar, if not worse, than those of HDTVs, especially given the expectation of consumers to experience HD-quality video and audio no matter where they go.

SRS has mastered the art of delivering premium-quality voice on smartphones by drastically improving voice intelligibility in noisy environments, boosting dialog clarity and tonal warmth, and adding deeper bass.

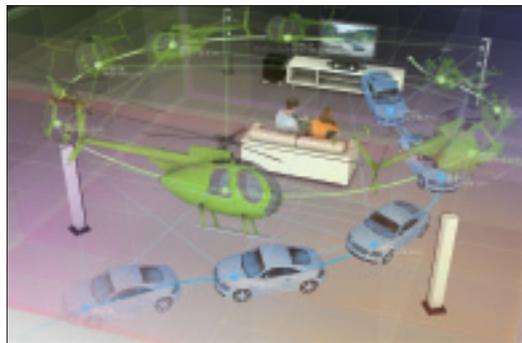
### RECENT DEVELOPMENTS

Today, SRS is unquestionably one of the most experienced and innovative audio companies in the market, capable of addressing the challenges associated with delivering a superior audio experience for the new breed of



consumer electronics products focused on HD-quality performance.

Referred to as Multi-Dimensional Audio (MDA), SRS's revolutionary system of capturing, transmitting, and rendering audio in multi-dimensional space made great progress in 2012. MDA is the world's first comprehensive, open-standard, object-based audio format, treating audio in three-dimensional space independent of the traditional audio channels. The development



of MDA was accelerated by the release of MDA's specification 1.0, along with user tools including the MDA Creator, the MDA Player, and the revolutionary MDA Director which puts the user in control of every audio object. In June 2012 MDA won TechAmerica's Most Innovative Software Solution award; journalists routinely refer to it as a game changer.

With the continued popularity of the iPhone, iPod, and iPad, SRS expanded its app portfolio in 2012 by launching MyTunes Pro™ and Pro HD music player apps. These popular apps allow users to not only enjoy clearer, more immersive audio on their iDevices but also benefit from many unique features, including the SRS uTune™ technology, which enables users to create their own custom audio profiles and share them with others.

Encouraged by the success of its iWOW 3D™ audio adapter, SRS introduced the iWOW-U™, a universal version of the popular adapter. iWOW-U brings the performance and utility of the iWOW 3D to a variety of portable devices, such as tablets, Android phones, PCs, and speakers featuring standard headphone jacks.

With 400 million CE devices featuring SRS TruSurround®, SRS celebrated a new milestone for its class-defining surround-sound technology in 2012.

## PROMOTION

With the successful launch of its updated brand identity in 2008 through a series of print and TV ads, SRS continued to devote efforts in 2011 and 2012 to enhance consumer mindshare and brand awareness by sponsoring key events and charities focused on music and entertainment. In 2011 and 2012 the company became the lead presenter of the Angels Baseball Summer Concert Series featuring Grammy Award-winning artists. Additionally, SRS sponsored multiple celebrity events, including the Billboard Music Awards celebrity retreat and the Academy of Television Arts and Sciences' College Emmys. The company also participated in national programs designed to assist musicians such as MusiCares, and promoted new artists through its Facebook Fan Spotlight page.

Supporting the company's successful launch of iWOW 3D and iWOW-U audio enhancement

accessories, SRS initiated several product and lifestyle ad campaigns in 2011 and 2012 to promote awareness and directly market products to consumers through leading consumer publications such as *Sound & Vision*, *Home Theater*, *Tell*, *iPhone Life*, and *MacLife*, successfully capturing the attention and imagination of consumers everywhere.

To assist in demonstrating SRS technologies to partners and consumers, SRS developed a promotional short film, *The Escape*, in 2012. The short film was used during the development of MDA, SRS's new-generation audio format.

Illustrating the importance of audio among consumers and confirming the growing popularity of the SRS brand, SRS hit another milestone in July 2012 when its Facebook fan base grew to 250,000, five times larger than its nearest competitor. With social media's increasing importance and influence on consumers' buying preferences and decisions, SRS continues to adjust and evolve



its grassroots campaigns to promote its brand image and value among consumers who are active in the social media arenas.

## BRAND VALUES

With today's consumers obsessed with instant gratification and high-definition entertainment anywhere, anytime, and on any device, SRS is committed to providing consumers an immersive, truly satisfying HD-quality audio experience across TV, PC, mobile, and automotive screens. The SRS brand logo on consumer electronic products stands for innovation and ingenuity, and a guarantee that the audio experience is the best possible. To its manufacturing partners, the SRS brand stands for reliability, and unmatched service and support. It's no wonder SRS has been the audio partner of choice for more than 200 consumer electronics companies worldwide.



## THINGS YOU DIDN'T KNOW ABOUT SRS LABS

- SRS stands for "Sound Retrieval System."
- More than 2 billion CE products have shipped featuring SRS technologies.
- Over one-third of TVs sold worldwide are equipped with SRS.
- With over a quarter of a million Facebook Likes (by July 2012), SRS is the most popular ingredient audio brand among consumers.
- SRS TruSurround audio technology has been deployed in 400 million devices.
- SRS TruVolume is the most popular volume-leveling solution in the world.
- The top five PC makers feature SRS technologies in their products.
- SRS MyTunes Pro app for iDevices won About.com's Readers Choice Award in 2012.

