

ATI Chooses Avtrex for Advanced Digital Television Software

Avtrex to provide video recording and digital media presentation technology

San Jose, CA – December 14, 2004 — Avtrex, Inc. (www.avtrex.com) announced today that the digital television division of ATI Technologies, Inc. (TSX: ATY, NASDAQ: ATYT) of Markham, Ontario, has selected Avtrex to supply personal video recorder (PVR/DVR) and digital media adapter (DMA) software for its XILLEON™ platform. Avtrex software, running on XILLEON based televisions, set top boxes, and other digital entertainment devices, will allow leading consumer electronics manufacturers to get to market faster with industry-leading features and functionality. The Avtrex software will be demonstrated by ATI at the International Consumer Electronics Show (CES) in Las Vegas.

ATI chose Avtrex because of the rich feature set Avtrex offers, and its proven expertise in developing and delivering customizable solutions. “As the world leader in digital television semiconductors, ATI requires exceptional capabilities in its software partners,” said Daniel Eiref, Director, Digital Television Marketing & Business Development for ATI. “Avtrex has earned our trust and our respect.”

“Avtrex is proud to add its digital entertainment applications to the industry-leading XILLEON platform,” said Steve Francis, CEO of Avtrex. “ATI technology will be in more than 50% of the digital televisions manufactured worldwide in 2005, creating an exceptional opportunity for Avtrex.”

ATI's XILLEON integrates into a single chip all the processing, graphics, video, audio, and I/O (input and output) capabilities needed in a set-top box or digital TV. Included are a 300MHz MIPS® CPU (central processing unit), dual-HD (high definition) capable MPEG decoder, audio decoder, dual display engine, 2D and 3D graphics engine, conditional access, transport demultiplexers, PCI (Peripheral Component Interconnect), USB (universal serial bus), and hard disk drive interfaces. The latest XILLEON devices also feature spatial-temporal adaptive deinterlacing to ensure the highest quality video output.

Avtrex's award-winning personal video recorder technology provides PVR and digital media player functionality for high definition television (HDTV):

- HDTV television recording and playback with digital audio
- Electronic program guide (EPG) for simple recording setup
- Automatic recording of all episodes in a series
- Instantaneous search for shows based on name, actors, description, and many other criteria
- Automatic recording of future programs that match user criteria
- Browse and play MP3 music files stored locally or on any network-connected home computer
- Play a slide show or browse individual digital photos stored locally or on any network-connected home computer
- Direct support for removable media (Compact Flash, etc.)

The Avtrex PVR software provides dramatic advances in the home media experience. Two of the most exciting are advanced conflict resolution and multi-user support.

PVR users report unusually high customer satisfaction ratings. 83% of users were either “extremely satisfied” or “very satisfied” with their service according to a March 2003 In-Stat/MDR survey. But the more users record shows, the more likely they will experience a conflict when trying to record too many shows at the same time. The Avtrex conflict resolution technology automatically searches weeks of

television schedule data to locate any alternative showing of each of the programs involved in the conflict. In a fraction of a second, it finds alternatives, and presents each possibility to the user to enable an informed choice.

Most homes in the United States have multiple televisions and multiple television viewers. The Avtrex software makes it easy for every member of the household to receive an appropriate experience. These capabilities include:

- personal channel line-ups with “favorites” to find interesting shows
- expanded parental control system, including
 - TV allowance restricting viewing times and duration
 - content limits by rating, genre, or channel
 - optional PIN system for limiting access
- storage space allocation – to keep particular family members from using up all the disk space
- make any recorded show available at any television: no need to plan ahead

The combined products will be demonstrated in the South Hall of the Las Vegas Convention Center: SO 3, Booth 30342 during International CES from January 6 thru January 9, 2005.

About ATI Technologies

ATI Technologies Inc. is the world leader in the design and manufacture of innovative 3D graphics and digital media silicon solutions. An industry pioneer since 1985, ATI is the world’s foremost visual processor unit (VPU) provider and is dedicated to delivering leading-edge performance solutions for the full range of PC and Mac desktop and notebook platforms, workstation, set-top and digital television, game console and handheld device markets. With 2004 revenues of US \$2 billion, ATI has more than 2,700 employees in the Americas, Europe and Asia. ATI common shares trade on NASDAQ (ATYT) and the Toronto Stock Exchange (ATY). For media or industry analyst support, visit the ATI Web site at www.ati.com.

About Avtrex

Avtrex, Inc, is a Silicon Valley-based startup focused on advanced technologies for digital video recording, digital television, and home media distribution. Avtrex is an OEM software provider whose customers are leading innovators in consumer electronics and digital entertainment. Avtrex is privately held, founded in 2001 by a team that has been working together for more than a decade. More information about Avtrex is available at www.avtrex.com.

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