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CREATIVE LABS LAUNCHES NOMAD PORTABLE DIGITAL AUDIO PLAYERS

Creative also Introduces NOMADWorld, a Web Destination Dedicated to the Internet Audio Experience with Information on Products, Trends and Tools

LOS ANGELES, Calif. - April 12, 1999 - Creative Technology Ltd. (Nasdaq: CREAM), the renowned innovator of market-leading multimedia solutions for personal entertainment, today introduced its highly-anticipated Creative NOMAD line of portable digital audio players at the 1999 Spring Internet World convention in Los Angeles. Leveraging its more than 20 years of expertise in industry-leading digital audio technology, the Creative NOMAD portable players offer consumers a new way to download, transport and playback digital audio. Creative NOMAD players are offered in a solid-state, highly compact, magnesium case - designed to offer Internet audio and music enthusiasts a high-quality portable experience for digital music and audio.

Creative NOMAD's advanced features include voice recording, an FM Tuner, an LCD screen with scrolling text to view artist name and song title and rechargeable batteries. Creative NOMAD portable players are available in two versions, a 64MB and a 32MB version. Weighing in at under 2.5 ounces, both versions of the Creative NOMAD offer support for the popular MP3 (MPEG 1, layer 3) audio compression standard and deliver skip-free playback. The 64MB model offers additional media for up to two hours of near CD-quality music or up to four hours of voice recording or spoken word audio. Using the *Creative Digital Audio Center*, Creative NOMAD users

may also convert their CD collections into MP3 files for their own personal use, giving them the ultimate in personal audio content customization. Leveraging its core competence in PC audio from semiconductors to hardware and software development, Creative is focused on offering a complete solution for the digital audio experience.

"Our goal at Creative, is to continue leveraging our expertise to offer solutions for portable digital audio and to make the experience accessible to consumers worldwide," said Hock Leow, vice president of the multimedia division at Creative. "As we move forward with future products, we intend to support all popular formats for playing back Internet music and digital audio. Today that format is MP3 and there is an abundance of support from Internet audio and music enthusiasts. With the introduction of the Creative NOMAD line, we are raising the bar for portable digital audio players as well as generating acceptance and understanding of a revolutionary new way to download digital music and audio from the Internet."

Features, Features, Features

The compact, sleek Creative NOMAD is smaller than a deck of cards and available in a high-tech design with a unique magnesium casing. Both versions of the Creative NOMAD come equipped with an AC power adapter and two rechargeable nickel metal hydride AAA batteries. The NOMAD players can playback 8 to 10 hours of continuous music and audio. Both versions include 32MB of onboard flash memory, offering up to 60 minutes of high-quality audio storage and playback. A 32MB flash memory upgrade card is included with the 64MB version of the Creative NOMAD, doubling the capacity of current players on the market today. Also included with both models are high-quality, compact earphones and a parallel port connector cable. Additional features include:

- **FM Tuner** - a feature consumers have demanded since the first day a portable digital audio player hit the market.
- **Creative NOMAD desktop docking station** - allows users to simply slip the Creative NOMAD into a desktop cradle, download their customized content and go - eliminating the need to connect and

disconnect the player to a parallel port - an inconvenience found in first-generation players.

- **Voice recording** - a unique feature found in both versions of the Creative NOMAD which allows users to record up to four hours of voice-quality audio with 64MB of memory and upload voice recordings to the PC for storage and archiving. This feature makes the Creative NOMAD the ultimate solution for mobile warriors, journalists or anyone who needs a convenient method for recording.
- **Accessories** -Creative also plans to make available additional accessories: 32MB flash memory upgrade card, a car adapter kit, carrying case and headsets.
- **NOMAD Manager software** - lets users easily download MP3 files to the player in a matter of seconds.
- **The Creative Digital Audio Center** - allows users to encode, decode and archive MP3 files, as well as convert an unlimited number of CD tracks from personal CD collections and catalog them according to preference (unlike competing models on the market with limited record and conversion capabilities.)
- **Compilation CDs** - bundled with the Creative NOMAD, these CDs will include more than 100 free MP3 songs from a variety of genres provided by Creative's content partners GoodNoise Corporation, *MP3.com*, Audio Explosion, Inc., *songs.com*, SINC Recordings, *www.BigHeavyWorld.com* and a host of spoken-word and news audio content and software from Audible, Inc. and *audiohighway.com*.
- **Environmental Audio** - for users who own a Sound Blaster Live! or Sound Blaster Live! Value, their digital audio listening experience can be greatly enhanced by applying Creative's Environmental Audio effects. These Environmental Audio enhanced files can be downloaded to the Creative NOMAD players. With Environmental Audio, users can interactively enrich their listening experience and recreate almost any real or imaginary acoustical setting - from a concert stadium to an intimate jazz club.

Destination NOMADWorld

Creative has established *NOMADWorld.com* as a premiere online destination devoted to enhancing the digital audio experience for Creative NOMAD users, Internet audio listeners and music enthusiasts. In collaboration with a number of leading partners, *NOMADWorld* offers a unique mix of regularly refreshed, high quality programming to address a variety of interests. Featured for the introduction, *NOMADWorld* is previewing **THEY MIGHT BE GIANTS** with an exclusive track from their as yet unreleased album, provided in partnership with GoodNoise. For more information,

please visit www.NOMADWorld.com.

"With *NOMADWorld*, we intend to provide not just content but technologies, tools, accessories and tips that will transform the experience of enjoying and creating Internet Music," said Sim Wong Hoo, Chairman and CEO of Creative. "Through Creative's own hugely popular *Creative Zone* web site, the global Sound Blaster community has provided us with keen insights into how on-line music culture is evolving. Leveraging this knowledge and our audio expertise, we have created *NOMADWorld* as a unique place for customers to share the Internet audio phenomenon with us."

The *Creative Zone* attracts more than 13 million hits per month worldwide and more than 2.4 million user sessions a month worldwide. It is consistently ranked among the top 10 music sites at *100 hot Sites*, a free directory to the most popular sites on the web.

Industry Support

Creative supports the Recording Industry Association of America (RIAA) and its Standard Digital Music Initiative (SDMI). The company has been an active member of SDMI since its inception in December 1998. Creative is working with SDMI to help develop and implement the recommendations of SDMI and create a standard for digital audio distribution that is acceptable to the recording industry as well as the PC industry and Internet community.

Creative's overall focus is to satisfy current consumer demand and today MP3 is the hands down favorite. As new formats are introduced to the market, Creative will evaluate and consider them for use in future players.

Pricing and Availability

The 64MB version of *Creative NOMAD* will begin shipping this quarter for an estimated U.S. retail price of \$249.99. The 32MB version will be available for \$169.99 on the *Creative Zone*, at: www.soundblaster.com.

This announcement relates to products whose launches are in the United States of America. The product names, contents, prices and

availability may differ elsewhere in the world according to local factors and requirements.

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