

Fast-growing MP3 Player Market Chaotic as Industry Struggles over Copyright issues According to New Report

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Tempe, AZ April 10, 2000: Forward Concepts has announced the publication of its newest market research report that covers the MP3 Internet Audio market, detailing the market dynamics and both software and hardware trends. Entitled "Internet Audio-Beyond MP3," the report concludes that chaos best describes the current state of the Internet download audio market. As a new hot market, it has staggering growth potential, but the market is presently fraught with problems, as new audio compression formats have been introduced to compete with MP3 and security issues are in a state of flux. Semiconductor companies, consumer electronics manufacturers, as well as flash memory manufacturers have quickly scrambled to introduce new and improved portable players that strive to keep up with the changing market dynamics in hopes of gaining market share. As a sizeable market for external music storage, flash cards of several formats from several manufacturers are struggling for dominance. According to Mahy Churylo, the principal analyst on the report, "MP3 portable players were projected to ship over 1 million units in 1999, but actual shipments fell way short of those expectations, to only 750,000 units. The shortfall was the result of uncertainty due to raging debates over lack of security as well as flash memory card shortages. However, we predict that the problems that earlier plagued the Internet audio portable player market will be, for the most part, resolved this year." Ms. Churylo went on to say, "Although MP3 may eventually be augmented or replaced as the compression algorithm of choice, we predict that the overall market will not only experience strong growth but that it will explode."

The report predicts that the market for portable Internet audio players will quadruple this year-to the 4-million-unit level, and will continue to flourish at a 109% compound annual growth rate to 30 million units in 2002. The report also includes forecasts for the critical integrated circuits performing the digital signal processing (DSP) decoding tasks, flash memory cards, and Internet download music software use.

The report covers the chaotic market dynamics of MP3 and the myriad of competing audio compression schemes, various flash card formats and several security methods to protect copyrighted material. A complete section on security is provided to help clarify the recording industry concerns, what's being done to address them and how this affects growth of this hot new market.

The 94-page report, "Internet Audio-Beyond MP3," is priced at \$1,895.00 in North America and is immediately available from Forward Concepts, 1575 W. University Dr. Suite 111, Tempe, AZ 85281 (Tel: 480-968-3759, Fax: 480-968-7145, e-mail: info@fwdconcepts.com). Details are on the company's web page at Contact: Forward Concepts, Tempe Will Strauss, 480-968-3759

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