

News Release

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Creative ZEN NEEON – The Smallest and Lightest Hard Drive MP3 Player

Pint-sized 5GB MP3 player first with to ship with Creative Music Store in Australia

Sydney, July 4th, 2005 -- Creative Labs Pty Ltd, a local subsidiary of Creative Technology Ltd (NASDAQ: CREAM), a worldwide leader in digital entertainment products for PC users, today introduces a refreshing breed of MP3 player, the charismatic Creative ZEN NEEON. With an elegant, reflective black piano finish, this lightweight, pint-sized wonder packs a surprising large 5GB-storage capacity, built-in FM tuner, voice recorder and even line-in recording capabilities. Available in stores by the end of July 2005 in Australia, the Zen Neeon will have a retail price of A\$299.95 inc GST.

“This player is perfect for new users to the world of digital music” said Nick Angelucci, Marketing Manager for Creative Labs in Australia. “It has a very simple user interface, plenty of space for the average digital music collection and you can also dress it up with colourful stick-on skins to suit your mood or personality.”

The Zen Neeon will hold up to 2500 songs* and appears on your PC system as a removable hard disk drive. Users can simply drag and drop music files or data files using their Windows

Explorer or they can use the Zen Neeon Media Explorer to convert their Audio CDs, Organise tracks, Create Play lists or Sync music between PC and Player. For those wanting more enhanced features such as buying music tracks from the online Creative Music Store, then they can use the included Creative MediaSource software. The music store is powered by Soundbuzz with over 300,000 songs to choose from and is easily and quickly viewed from within MediaSource whilst connected to the Internet.

Key Features of the Creative Zen Neeon

- Pint-size – measures just 79.9mm x 46.9mm x 15.9mm,
- Weighs only 75g,
- Integrated FM radio & recorder,
- Built-in microphone for voice recording,
- Direct line-in recording, which enables users to record directly from other audio sources such as CD/DVD players, turntables, and cassette tape players,
- Works as a plug-and-play removable portable mass storage class drive that stores all sorts of data files,
- Easy drag-and-drop of files between PC and player,
- No software installation required, except for Windows 98SE. Drivers are included,
- 7 user selectable LED backlight colours.

The Zen Neeon also uses a built-in battery and recharges itself through the PC's USB port, providing playback time of up to 16 hours on a full charge. A handy Zen Neeon Universal Travel Charger can also be purchased as an accessory for A\$94.95 inc GST. The travel charger includes 6 interchangeable power adapter plugs for almost any country in the World to recharge your Zen Neeon.

Pricing and Availability

The Creative Zen Neeon is shipping now and available in stores by end of July, early August 2005 in Australia at a recommended retail price of A\$299.95 inc GST. The standard package includes the Zen Neeon, High-Fidelity Earphones, USB 2.0 Cable, Line-In Cable, Pouch, Neck-

Strap, Quick Start Guide, Installation CD, and one Creative Stik-On skin. Extra Creative Stik-On skins can be purchased separately in the form of a 2-piece pack at a recommended retail price of A\$15.95 inc GST and 4-piece pack at recommended retail price of A\$19.95 inc GST.

For more information about the Zen Neeon or the Creative accessory range, please visit www.au.creative.com

**Song capacity based on 4 minutes per song in Windows Media Audio (WMA) Format at 64kbps.*

About Creative Labs Pty Ltd

Creative Labs Pty Ltd is one of the first companies to bring MP3 players to the Australian and New Zealand consumer markets. In year 2000, Creative was the first to launch a hard disk MP3/WMA player called the Creative NOMAD Jukebox 6GB. Today, Creative is the market leader in selling players with support for Microsoft Windows Media Audio format (WMA) - the de facto format for legal downloadable music in Australia and New Zealand.

Creative Labs Pty Ltd, is also a wholly owned subsidiary of Creative Technology Ltd with a customer support centre based in Petersham, Sydney.

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About Creative Technology Ltd.

Creative (Nasdaq: CREAM) is a world-wide leader in digital entertainment products for PC users. Famous for its Sound Blaster audio cards and for launching the multimedia revolution, Creative is now driving digital entertainment on the PC platform with products like its highly acclaimed NOMAD Jukebox. Creative's innovative hardware, proprietary technology, applications and services leverage the Internet, enabling consumers to experience high-quality digital entertainment – anytime, anywhere.

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