



NEWS RELEASE

SRS Labs Barcelona Contact:

Joanna Skrdlant
+1 949-290-5321
JoannaS@srslabs.com

SRS Labs, Inc. Contact:

Cyndee Pelino
+1 949-442-5508
cyndeep@srslabs.com

Press Contact:

Jim Noyd, Noyd Communications Inc.
+1 310-374-8100
jim.noyd@noydcom.com

SRS LABS UNLEASHES SURROUND SOUND FOR MOBILE VIDEO WITH NEW CIRCLE SURROUND HEADPHONE TECHNOLOGY

- *SRS Circle Surround Headphone ups the ante for the consumer mobile video experience by unleashing latent surround sound*
- *SRS Circle Surround Headphone is the answer for wireless service providers, media sites and device makers that rely on 2-channel-audio-based architecture for video playback*
- *Demonstrations of SRS CS Headphone will be held during The Mobile World Congress 2008 in Barcelona, Spain February 11 – 14, 2008*

Barcelona, SPAIN and SANTA ANA, CA – February 11, 2008 – SRS Labs Inc. (NASDAQ: SRSL), a leading provider of surround sound, audio enhancement and voice technologies, today announced the release of SRS CS Headphone™ technology which can enable dormant surround sound in mobile video and streaming media applications, making a home theater-like user experience from mobile video applications a possibility. SRS CS Headphone is now available for license to wireless service providers, streaming media providers and mobile device makers. Without CS Headphone, the user's experiences fall flat in the fulfillment of what was intended by defaulting to stereo.

SRS CS Headphone is deeply rooted in the company's successful Circle Surround® decoder technology which is featured in leading automobile surround systems and A/V receivers. Building on SRS' 2008 CES Innovations Award winning headphone technology, SRS Headphone 360™, SRS CS Headphone is highly optimized for low power mobile devices. Utilizing only the 2-channel stereo or surround encoded audio delivered over mobile devices, SRS CS Headphone allows mobile media viewers to experience and enjoy the original 5.1 surround recorded program.

CS Headphone takes the stereo or surround encoded 2-channel audio and first processes it using an ultra-low-power Circle Surround decoder to create 5.1 highly accurate channels. The audio is then fed into SRS' Headphone 360 rendering technology. The end result is the accurate placement of 5.1 channels of natural sounding audio around the listeners head — through standard stereo earphones or headphones. No special hardware or headphone design required.

“Through the use of SRS Circle Surround Headphone technology in their mobile devices, manufacturers and wireless service providers can now captivate consumers with a 5.1 surround sound service and listening experience,” said Tom Yuen, CEO for SRS Labs. “Moreover, a fully optimized listening experience will

significantly improve the consumer's small screen viewing experience making it even that much more valuable to mobile TV service success.”

The expansion of 3G networks and flat-rate data plans will combine to drive mobile TV subscriber totals to 462 million worldwide by 2012, according to a new forecast released by market analysis firm ABI Research. Mobile video delivery network build outs and an increasing volume of available content will also accelerate consumer demand, ABI notes, projecting the Asia-Pacific region as the overall adoption leader, growing from 24 million mobile TV subscribers in 2007 to more than 260 million by 2012.

Due to bandwidth constraints, internet video streaming and wireless providers are forced to condense 5.1 surround sound encoded audio into 2-channel surround encoded audio (referred to as Lt/Rt or Total Left/Total Right). Although this 2-channel content can be restored to its original 5.1 sound, until CS Headphone mobile phone manufacturers and service providers didn't have an efficient technology to implement this conversion.

While stereo is widely used for listening to music, television programming and movies are produced in surround sound. This surround content can be enjoyed by the consumer either over a 5.1 home theater system or through a TV that features SRS Labs' TruSurround XT technology which renders virtual surround sound over the TV's speakers. Over the past 10 years, SRS has become the #1 virtual surround sound technology provider for the flat panel television market. SRS has successfully unleashed surround encoded, 2-channel television broadcasts by enabling surround sound over the stereo speakers built into consumer TVs. Without SRS TruSurround XT or a 5.1 surround sound system, the viewer only hears stereo and does not get to enjoy the original surround mix. By rendering it out as surround over 2-channels, SRS has solved that issue for TV viewers and, with SRS CS Headphone, can now do the same in mobile devices.

Private demonstrations of SRS CS Headphone will be held at The Mobile World Congress 2008 in Barcelona, Spain. The show is running from February 11 - 14, 2008. Manufacturers and semiconductor companies that are interested in learning more about how they can integrate this new technology into their applications or products can schedule an appointment by contacting Joanna Skrdlant, senior director, global business development and product management for SRS Labs at JoannaS@srslabs.com or +1 949-290-5321.

About SRS Labs, Inc.

SRS Labs is a leader in audio signal processing for consumer electronics. Founded in 1993, SRS Labs holds 129 worldwide patents, with another 34 pending, for advanced audio, voice and surround sound technologies that optimize and improve the listening experience through techniques based on research into the human auditory system. Through partnerships with leading global manufacturers and semiconductor and software partners, over one billion products have shipped worldwide utilizing SRS audio technologies, primarily from one of three main technology families, SRS WOW®, SRS TruSurround® and SRS Circle Surround®. SRS Labs audio and voice processing provides the best possible sound from all content and in every environment including HDTVs, mobile phones, portable media devices, A/V components, PCs and automotive entertainment. And with 38 percent of the 58 million flat panel televisions shipped in 2006 featuring SRS audio processing, SRS Labs sets the standard for HDTV audio processing. Additionally, SRS Labs surround sound solutions provide the professional broadcast and recording industries with high-performance production, back-haul, storage, and transmission capability. SRS Labs supports manufacturers worldwide with offices in the US, China, Europe, Japan, Korea and Taiwan. For more information, visit www.srslabs.com.

Except for historical information contained in this release, statements in this release, including those by Mr. Yuen, may constitute forward-looking statements regarding our assumptions, projections, expectations, targets, intentions or beliefs about future events that are based on management's belief, as well as assumptions made by, and information currently available to, management. While the Company believes that its expectations are based upon reasonable assumptions, there can be no assurances that the

Company's goals and strategy will be realized. Numerous factors, including risks and uncertainties, may affect the Company's actual results and may cause results to differ materially from those expressed in forward-looking statements made by or on behalf of the Company. Some of these factors include the acceptance of new SRS Labs' products and technologies, the impact of competitive products and pricing, the timely development and release of technologies by the Company, general business and economic conditions, especially in Asia, and other factors detailed in the Company's Form 10-K and other periodic reports filed with the SEC. SRS Labs specifically disclaims any obligation to update or revise any forward-looking statement whether as a result of new information, future developments or otherwise.

###