



Dear DivX, Inc. Stockholder:

In connection with the initial public offering (“*IPO*”) of the common stock of DivX, Inc. (the “*Company*”), which was declared effective on September 21, 2006, enclosed please find a Letter of Transmittal from our transfer agent, American Stock Transfer and Trust Company (“*AST*”). You are being asked to surrender the stock certificate(s) listed on the Letter of Transmittal originally issued as representing shares of our common stock and/or preferred stock (“*Old Shares*”) for the purpose of receiving New Common Shares (as defined below). Please note that you may receive more than one Letter of Transmittal, each representing one or more stock certificates held by you.

Prior to the IPO, we effected on September 19, 2006 a 1-for-2 reverse stock split of all outstanding shares of our common stock (the “*Reverse Split*”), whereby each two (2) outstanding shares of common stock were converted and combined into one (1) share of common stock. As a result of the 1-for-2 reverse stock split of the outstanding shares of common stock, (i) each share of Series A preferred stock became convertible into 0.7468 shares of the Company’s common stock and (ii) each share of Series B preferred stock, Series C preferred stock and Series D preferred stock became convertible into one-half (1/2) of a share of our common stock (the Series A preferred stock, Series B preferred stock, Series C preferred stock and Series D preferred stock, together, the “*Preferred Stock*”). Upon the completion of the IPO on September 27, 2006, all outstanding shares of Preferred Stock were automatically converted into shares of our common stock. Please note that the number of shares of common stock to be issued to you (“*New Common Shares*”) upon the surrender of your stock certificate(s) representing Old Shares will be adjusted to reflect the Reverse Split.

Any fractional shares will be rounded down to the nearest whole number of shares and the remaining fractional share will be paid in cash at the rate of \$16.00 per share upon the surrender to AST of your stock certificate(s) representing such shares.

As a DivX Stockholder, you must complete, date, sign and return the enclosed Letter of Transmittal to AST, and return all of your stock certificates representing your Old Shares. We suggest that you mail the documents in a traceable manner (e.g. registered mail, overnight courier, etc.). Any person holding more than one stock certificate representing Old Shares must surrender all such certificates registered in such person’s name in order to receive payment for fractional interests and/or a new certificate representing the number of New Common Shares to which such person is entitled.

Only upon receipt of your properly completed Letter of Transmittal and the stock certificate(s) representing your Old Shares will AST forward you your new certificate(s) and/or payment for any fractional shares. Please read and follow all instructions on the Letter of Transmittal, and direct any questions you might have to Isaac Freilich of AST at (877) 248-6417 or (718) 921-8317.

Sincerely,

DivX, INC.

David Richter
GC , Legal and Corporate Development