



CEDIA Booth Number 366

FOR IMMEDIATE RELEASE

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NETSTREAMS ANNOUNCES 'IP-BASED' VIDEO PRODUCTS FOR MULTI-ROOM /

MULTI-SOURCE, UNCOMPRESSED HIGH-DEFINITION VIDEO OVER CAT5E

HOME NETWORKS

***NetStreams* Demonstrates *StreamNet* Enabled IP Video Technology and Seamless Integration with its *DigiLinX* Entertainment Products**

DENVER, CO – September 14, 2006 – *NetStreams*[®], the global leader in networked entertainment systems and technology based on Internet Protocol (IP), unveiled a suite of products for IP-Based video distribution that offer seamless integration and plug-and-play compatibility with other *DigiLinX*[™] multi-room entertainment products here today at the CEDIA Expo, the world's largest exposition devoted to multi-room home entertainment and control systems. *NetStreams* is the first company in the world to introduce IP-Based, uncompressed video distribution for multi-room entertainment.

The company demonstrated a new encoder, decoder, and gigabit Ethernet switch, which allow streaming HD video content from multiple sources to multiple displays on an IP-Based network. The new devices send *uncompressed* HDTV quality video signals to multiple displays and are compatible with native IP-Based video sources (such as IPTV), legacy video sources such as VHS, DVD, and D-VHS, and the newer Blu-ray and HD-DVD formats.

"*NetStreams* was the first company to deliver high performance, multi-room IP-Based audio and control over networks with our *DigiLinX* line of products. We have now

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invested a lot in our IP video technology and plan to take the leadership position with video too,” said Herman Cárdenas, founder and chief executive officer of *NetStreams*. “With entertainment, communication, and control quickly migrating to networked solutions using IP-Based technology, we see an opportunity like never before for custom installers to derive additional revenues for services and integration and we intend on being the major supplier of IP-Based solutions in this market.”

The new ***NetStreams MediaLinX™ A/V*** encodes audio and video in real time from any legacy video source into TCP/IP packets of uncompressed video/audio for transmission over a standard TCP/IP or *DigiLinX* network at a rate of 1GB/second.

The new ***NetStreams ViewLinX™*** is designed for installation at or near the location of the video display, decoding the IP-based video stream, providing component, S-video, and composite video output for the display. The *ViewLinX* also features an encoder for a local audio/video source to be streamed and shared on the network.

The new ***NetStreams SwitchLinX™ Gigabit Switch*** is a 2-way IGMP-enabled, Managed Gigabit Ethernet switch that provides the plug-and-play interface for *StreamNet*-enabled devices and products. It requires no configuration of the switch by the dealer. Native IP-Based sources, such as IPTV, can also be connected directly to the *SwitchLinX* switch for distribution over the *DigiLinX* network.

Working together, these three new products deliver an unmatched, completely IP-Based, high-definition video distribution solution to the existing *DigiLinX* family of products. In addition, the IP-Based suite of products can be used as a stand-alone solution, or integrated with other control systems.

This *DigiLinX* IP-Based video distribution system takes advantage of several proprietary technologies developed by *NetStreams* to offer the highest quality video distribution available. To distribute uncompressed video in real time over a gigabit TCP/IP network, *NetStreams* incorporates *PerfectPixel™* technology, which provides 100% accurate picture replication; while

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its patent-pending *StreamNet*[™] technology ensures the reliable transmission of synchronized audio, video and control packets across network.

With *NetStreams* new IP video technology, both home and commercial properties can enjoy multi-room audio and video with the confidence and reliability of a hard-wired system. Unlike other entertainment systems, the *DigiLinX* system uses only IP networking technology to link all components. The system's key advantage of carrying both system control and content information along a standard network cable, using open-standard protocols, greatly reduces system wiring, simplifies installation and set up, ensures excellent signal quality, and offers almost limitless expandability of sources, displays and zones.

A recent study by Parks Associates estimates that 30 million U.S. households will have an IP-Based home entertainment network installed by 2010. This, along with the advent of IPTV, offers additional opportunities for a variety of hardware and service providers to recommend advanced entertainment services to their clients. As IP-Based entertainment networks, including IPTV services, are developed and tested, *NetStreams* continues to position itself as the technology leader in this space.

"Don't miss this exciting IP revolution and the opportunity to take your business to the next level. IP enables a whole new level of entertainment for the end user never before possible in the analog or even HDTV realm. I encourage everyone to learn more by attending the *NetStreams* IP symposium on Saturday, Sept. 16 at 10:00 a.m. in Colorado Room 340," commented Cárdenas.

The new IP-Based Video Distribution system will ship in Q1 2007. Pricing is yet to be announced.

About *DigiLinX*

NetStreams DigiLinX family of IP-Based products offer distributed entertainment and control with capabilities never seen before. *DigiLinX* features plug and play architecture with a rich user experience only available in highly custom systems today. *DigiLinX* delivers on the promise of convergence -- effectively marrying networking technologies with hi-fidelity audio and video -- leading the way in 'Networked Digital Entertainment'.

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About NetStreams

Headquartered in Austin, Texas, *NetStreams* is the world leader in digital entertainment networks, based on Internet protocol (IP) technology. *NetStreams'* IP-Based systems, are designed for residential and commercial use, and offer new levels of affordability, simplicity, reliability, and expandability, benefiting both installers and end-users with lower costs for installation and set-up, with an intuitive and rich user experience.

By utilizing its patent-pending *StreamNet* technology, *NetStreams* systems enables true plug-n-play integration with other products for entertainment, automation, security, and communications. *NetStreams* is committed to utilizing cutting-edge human factors engineering to create entertainment systems that are truly user-friendly and future compatible. *NetStreams* is enabling the future of IP-Based entertainment today.

For additional information on *NetStreams* and its innovative products, please visit www.netstreams.com.

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