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NETSTREAMS COMPLETES \$18.2MM SERIES B

AUSTIN, Texas – January 14, 2008 – *NetStreams*™, the global leader in networked entertainment systems based on Internet protocol (IP) technology, announced that it has completed the final stage of its series B round of funding. The company has raised a total of \$18.2 million in its series B round from series A investor Austin Ventures. The funding will be used to continue *NetStreams*' rapid growth and market expansion through the development and sale of *NetStreams*' IP A/V products.

"The market for networked audio/video distribution in commercial and residential facilities is exploding, and *NetStreams* is the recognized technology leader in IP Audio/Video distribution," said Clark Jernigan, venture partner for Austin Ventures. "We continue to have great confidence in the company's management team and strategic direction."

"We just completed a record sales quarter, thanks to high demand for *NetStreams*' solutions," stated Kevin Reinis, *NetStreams*' President and CEO. "Our products and technology are well recognized as the Ultimate IP A/V solution for the worldwide residential market, and we are rapidly gaining momentum in the commercial market. This is in addition to strong growth internationally, where *NetStreams*' solutions have been sold in 39 countries around the world. This latest round of funding allows *NetStreams* to continue building on its momentum, with a focus on commercial and international market growth."

- more -

The
Ultimate
IP A/V
Experience

NetStreams' DigiLinX™ IP Audio, Video and Control system is the first distributed A/V system to deliver uncompressed, high definition audio & video to multiple rooms throughout a home or commercial facility over a TCP/IP network, marking an industry first for high quality audio & video distribution over an IP network. *NetStreams'* *StreamNet* technology provides an end-to-end all digital solution with A/V signal synchronization, automatic device discovery and configuration, remote access for control, and software upgrades, insuring the flawless synchronization of audio & video throughout the installation.

“*NetStreams* was the first to embrace TCP/IP as a fundamental change in the way audio and video content is distributed and controlled,” said Kevin Reinis, President and CEO of *NetStreams*. With *NetStreams'* solution, end users have the ability to enjoy both traditional A/V sources (such as DVD/CD player, cable set top box) and new A/V sources (such as a PC, iPod, etc.) in the best quality available in the market today, throughout their home or commercial facility over an IP-based network. As the first and only completely IP-Based solution in the marketplace, the company's DigiLinX line of products permits seamless communication with other subsystems such as lighting control, home automation systems, security systems, etc., and can be controlled using any device equipped with a Web browser. Additional interfaces that are popular within the *NetStreams* customer base are in-wall IP-based touch screen keypads, PDAs, Web tablets, MACs and PCs. For more information, visit www.netstreams.com

About *NetStreams*

Headquartered in Austin, Texas, *NetStreams* delivers the Ultimate IP A/V Experience by distributing high definition audio and video over TCP/IP networks. *NetStreams'* products, designed for commercial and residential use, offer unprecedented levels of performance, functionality, simplicity, reliability, and expandability. By combining audio/video content, meta-data and control signals into one stream and incorporating industry standards, *NetStreams* solutions are a smart investment. *NetStreams* is enabling the future of IP A/V – today.

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

About *StreamNet*

NetStreams' patent-pending *StreamNet* technology enables licensees to deliver complete IP-based audio/video distribution solutions over TCP/IP networks. *StreamNet* technology provides an end-to-end IP ecosystem for plug-n-play connectivity, A/V signal synchronization, high performance A/V reproduction, automatic device discovery and configuration, network control, and more. All products that carry the '*StreamNet* Connected' logo are interoperable, enabling

easy integration of audio/video and control products from multiple manufacturers. *StreamNet* provides a stable, easily expandable platform and toolset for future products and new applications. *StreamNet* enables manufacturers to deliver the future of A/V and IT convergence today. For more information, visit www.streamnetconnected.com.

About Austin Ventures

Austin Ventures has been working with talented entrepreneurs to build valuable companies since 1979. With \$3 billion under management, AV is the most active venture and growth equity firm in Texas, and one of the most established in the nation. With a focus on business services, information services, integrated media, computer and communications hardware, and enterprise software, Austin Ventures invests at all stages of company development, from \$100,000 "planned experiments" to \$50+ million investments in management buyouts. Visit www.austinventures.com for more information.

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