



kaleidescape™

PRESS RELEASE

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KALEIDESCAPE CREATES THE ULTIMATE MOVIE GUIDE SERVICE TO ENHANCE THEIR DVD SERVER EXPERIENCE

MOUNTAIN VIEW, CA – December 9, 2003 – Kaleidescape, Inc., the manufacturer of the industry's first DVD Server, proudly introduces their proprietary Kaleidescape Movie Guide Service. The Movie Guide Service automatically provides detailed information about thousands of titles, so the user can easily navigate and select a movie from their personal DVD library stored on their Kaleidescape System. When a user imports a DVD onto a Kaleidescape System, the Movie Guide Service automatically provides the information about that movie, including: title, cover art, genre, MPAA rating, cast, directors, synopsis and certain video bookmarks. A lifetime subscription to the Movie Guide Service is included with every purchase of a Kaleidescape System.

Kaleidescape's patent-pending video bookmarks provide the flexibility to begin playing a movie wherever you want: the start of the main feature, the trailer, the end credits, or one of your favorite scenes. Video bookmarks also enable the Kaleidescape System to link together long movies that come on multiple DVDs (or on two-sided DVDs) to create a seamless viewing experience, and to provide "event cues" to the home theater control system that enable it to lower or raise the lighting, open or close curtains, and automatically adjust the screen masking at appropriate times. Most of these bookmarks are provided automatically through Kaleidescape's Movie Guide Service, and the user can insert additional custom bookmarks to mark favorite scenes in movies.

The Kaleidescape System provides the homeowner with instantaneous access to their entire movie library utilizing an intuitive, easy-to-use onscreen menu system that can be navigated with current AMX, Crestron and IP-based touch panels or universal remote controllers. MPAA ratings allow homeowners to control which movies are available in each room. With powerful search options, the Movie Guide Service provides users with an easy and enjoyable way to browse their DVD library, select a title and watch a movie. In the mood for a comedy? You can search by genre. Just caught a special on Steven Spielberg that sparked an interest? No problem – search by Director to find all of the Steven Spielberg films in your collection. Undecided? Instead of scrolling through lists of names, you

can browse through vivid images of your DVD cover art. Upon selection, the chosen title automatically plays without the need to navigate that title's menu screen.

If you own a DVD, and the information is not yet in the Movie Guide Service, you can still import and view the movie on the Kaleidescape System. In addition, by entering the DVD's UPC code using a web browser, the Movie Guide Service will obtain the information for that movie and update your System within a day or two. To take advantage of advanced features, such as Movie Guide Bookmarks, the user also has the option of sending their DVDs to Kaleidescape to have this additional data captured and entered into the Movie Guide Database. Customers' DVDs will be returned and the enhanced Movie Guide information will automatically appear on the customer's Kaleidescape System as soon as the data capture is complete. (Note that Kaleidescape does not retain a copy of any of the information on such DVDs.)

A Kaleidescape System comprises rack-mountable hardware components, proprietary operating system software, and Kaleidescape's Movie Guide Service. A basic Kaleidescape System has one Server (with five disk cartridges for storing up to 160 movies), one Movie Player, and one DVD Reader. Additional cartridges can be added to the Server, up to a total of 12, which is sufficient to store 440 movies. Additional Servers, Movie Players and DVD Readers can be added to the System as required to increase movie storage capacity, the number of viewing zones in the home, and to make it more convenient to import DVDs onto the Server(s).

Pricing depends on the amount of movie storage and the number of viewing zones. A base Kaleidescape System lists for \$27,000 and includes a Kaleidescape Server with sufficient storage for 160 DVD movies, a Movie Player for playback in a single zone, a DVD Reader for importing DVDs, and the Movie Guide Service. The Kaleidescape System is currently shipping.

Quickly distinguished as a pioneer in A/V convergence technology, Kaleidescape, Inc. has developed a new category of consumer electronics products that will transform the way consumers enjoy movies at home. Designed for the discriminating home theater enthusiast, the Kaleidescape System redefines in-home entertainment through a convenient, easy to use DVD Server that allows homeowners to quickly access their entire movie collection from anywhere in the home. Kaleidescape, Inc.'s video storage and distribution system showcases ingenuity, an outstanding user interface, and compelling industrial design to maximize the theatrical experience of home entertainment.

For more information and digital artwork, please visit Kaleidescape's website at <http://www.kaleidescape.com/news/>. Or contact Kaleidescape Press Relations, 650 625-6140 or press@kaleidescape.com.