

MatrixStream to release world's first High Definition IPTV

MatrixStream Technologies, Inc., will soon be releasing the world's first H.264 AVC (advance video codec) Video on Demand and IPTV Set Top Box (STB) and PC Player capable of the highest of high definition (HD) signal formats with 1080 vertical pixels by 1920 horizontal pixels.

MatrixStream's 1020HD STB will match and even exceed broadcast and satellite quality video over any broadband network the same way that VoIP can be used over any broadband connection.



Pictures of the IMX 1020 HD STB (For high resolution versions of these pictures, please go to: www.matrixstream.com/presskit).

Unlike most IPTV and Video on Demand (VOD) solutions on the market today, which are bogged down by broadband bandwidth congestion and integration issues which leads lengthy download periods or low quality Internet videos, proprietary MatrixStream technology leverages proprietary H.264 end-to-end solution, allowing viewers to watch videos in DVD or HD over any best effort broadband; capable of instant VOD, streaming DVD-quality video in real time.

Simply plug one end of the STB into a TV set and the other into any broadband connection, and then watch Video on Demand and IP broadcast TV in DVD or HD quality. With the easy-to-use remote control in hand, end users will be able to access an ever-increasing range of content and channels from around the world. Features to be included are friendly interactive menus, and e-commerce capabilities tied to MatrixStream's dynamic advertising management (DAM) technology, which targets advertising based on individual user's preferences and interests.

MatrixStream's high-end, affordable (price yet to be determined) STB in conjunction with the complete end-to-end MatrixStream IPTV/VOD backend solution is engineered to work over any best effort broadband network with or without quality of service (QoS) and thus can be utilized to target the entire global broadband market, currently standing at just over 200 million broadband users worldwide. MatrixStream's turnkey plug-n-play backend solution is fully integrated with IP STB and PC viewing clients which enable IPTV operators to deploy an IPTV service complete with billing management, subscriber management, channel management and digital rights management.

MatrixStream will be making the 1020HD available for trials in late January 2006 with a consumer edition scheduled for production by the end of the first quarter of 2006. In addition to its STB efforts, MatrixStream will be also launching its IMX1100 PC Player in late January 2006 from a client's website, "Movie 99" (www.movie99.tv). The PC Player will feature over 300 free channels from around the world and 150 free DVD and HD quality movie clips.



About MatrixStream

MatrixStream Technologies, Inc., offers a complete end-to-end VOD/IPTV platform solution, engineered to duplicate and advance the home theater experience. Currently, MatrixStream is working with major broadband providers in the U.S., Canada, Japan, Brazil and elsewhere around the globe. For more information please visit www.matrixstream.com.

Forward Looking Statement

This press release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements relate to, among other things, plans and timing for the introduction or enhancement of our services and products, statements about future market conditions, supply and demand conditions, and other expectations, intentions and plans contained in this press release that are not historical fact. Our expectations regarding future revenues depend upon our ability to develop and supply products, which we do not produce today and that meet defined specifications. When used in this press release, the words "plan," "expect," "believe," and similar expressions generally identify forward looking statements. These statements reflect our current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and changes in the pervasive computing market. In light of the many risks and uncertainties surrounding the pervasive computing market, you should understand that we couldn't assure you that the forward-looking statements contained in this press release will be realized. MatrixStream,

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