



FOR IMMEDIATE RELEASE:

## MatrixStream launched first Internet to TV Video-on-demand IP Datacast platform for Broadband Providers

San Mateo, California – November 15, 2004.

***World's first 720p high definition IP DATACAST Video-On-Demand Set Top Box to be demonstrated at TelcoTV Conference & Expo in Orlando, Florida November 16 to 18.***

MatrixStream Technologies, Inc., a global provider of end-to-end IP Video-On-Demand (VOD) solutions, will demonstrate a brand new end-to-end IP VOD system that supports HD quality videos and at the same time, capable of operating over any broadband connection, even ones with no QoS and limited bandwidth. Unlike many IP video solutions on the market today, MatrixStream's solution does not require Broadband Providers to upgrade their existing network infrastructure or provide QoS from the backbone to the customer site. MatrixStream's patent-pending IP DATACAST solution allows broadband providers to deliver IP videos to subscribers' homes without any video degradation. As a result, Broadband Providers can instantly generate additional revenue by offering VOD to their subscribers over their existing broadband IP infrastructure.

### **InstantVOD™ Platform = Complete IP VOD System, plus Video Content at Minimal Upfront Cost**

MatrixStream recently announced to the public its InstantVOD™ platform for Telcos. The InstantVOD™ ASP system is the first of its kind to allow VOD systems to be deployed quickly and efficiently over any best effort IP broadband network. The idea behind InstantVOD™ is to allow Broadband Providers to deploy the video portion of the triple play strategy without having to worry about upgrading their IP infrastructure, paying huge upfront costs for VOD equipment or fussing over how to acquire video content rights. InstantVOD™ is a complete package which includes VOD server software, VOD subscriber and content management software, billing API (to integrate into existing billing systems), PC viewing clients, media PC viewing clients and IP set top box TV video clients.

Unlike traditional VOD solutions, MatrixStream's patent-pending MatrixCast IP DATACAST technology allows Broadband Providers to transmit IP videos to 100% of their subscribers without having to deal with network congestion problems or distance restrictions.

According to Jack Chung, CEO of MatrixStream: "The goal of our company from the start has been to design a cost effective, scalable VOD solution that's based on open standard technology which can expand to millions and millions of IP VOD subscribers, ... and as a result of our efforts we have we have proudly developed the InstantVOD platform that allows Telcos or any Broadband Provider for that matter the ability to generate additional revenue by instantly offering VOD to their subscribers. At the same time, our sophisticated VOD solution has the ability to support any video codec and Digital Rights Management system on the market. Our InstantVOD platform is truly an end-to-end, fully integrated solution with no additional hardware or software required."

Additionally, MatrixStream aggregated tens of thousands of hours of content from major content providers, which will be offered via the InstantVOD™ platform. InstantVOD™ currently has content catering towards a wide range of interests including several movie genres, e-learning, travel, adult entertainment, among other themes. By offering access to content as part of a package, Broadband Providers have time to market advantages over competitors in deploying VOD without all the headaches and expenses associated in acquiring content. An example of an IP VOD package offered through InstantVOD™ could include unlimited access to a movie channel offering hundreds of movies at \$9.95 per month.

MatrixStream offers both a hosted service (ASP) via InstantVOD™ and an equipment model for its VOD platform. Broadband Providers have a choice on which model to deploy based on their current business needs. InstantVOD™ is primarily based on a revenue share model, designed so that Broadband Providers do not have to face huge upfront CAPEX costs associated with traditional VOD services. Broadband Providers also have the option to purchase the entire end-to-end MatrixCast VOD system and are able to acquire content on their own.

MatrixStream's MatrixCast InstantVOD™ System has the following features:

- **Next Generation IP DATACAST (MatrixCast™) VOD Technology** - automatically works over any best effort broadband network without any video degradation.
- **Content Included** – an exhaustive list of video content is included with new titles being added continuously. A sample package could include unlimited access to a movie channel offering hundreds of movies at \$9.95 per month.
- **Personalized EPG (Electronic Program Guide)** - each user views a personalized EPG tailored to one's own tastes.
- **DAM™ (Dynamic Advertising Management)** - inserts advertisement into VOD video content. The DAM™ system could be used by Broadband Providers to add an additional revenue stream from advertisers.
- **DEM™ (Dynamic E-commerce Management)** – content can be enabled for e-commerce allowing subscribers to buy products while watching their favorite videos. Broadband Providers can use this feature for additional revenue from subscribers.
- **DWM™ (Dynamic Watermarking Management)** - inserts watermarks (for security purposes) in real time into any VOD video without incurring expensive encoding costs.
- **Codec Independent** – supports industry-standard codecs such as MPEG 4, MPEG-2, H.264 and others; thus providing Broadband Providers the choice of which video codec to encode videos in.

- **DRM Independent** – supports any third party Digital Rights Management (DRM) system
- **Advance Codec Support** – provides full support of popular advance codecs, including VC-1 and H.264 AVC.
- **Conditional Access** - this function allows total management of all the TV set top box (STB) units and PC players. Only viewers with the proper viewing rights can access video content through the system.
- **Parental controls** - can be used to setup password protection for adult programming.
- **Full backend web based VOD management** – allows for web based management over video content, channels, users, advertisement, and related reports.
- **Multilingual compatibility** - all STB, PC, and backend management systems are multilingual enabled to support languages such as Japanese, Chinese, Spanish and others.
- **OSD/VCR functionality** - the STB has full OSD (on screen display) to support DVD like functions such as fast forward, rewind, stop, pause, and chapter menu functions.
- **Auto provisioning capability** – STB clients have auto-provisioning capabilities for automatic user setup.
- **Remote software/firmware update** – STB and PC clients have remote software and firmware update capabilities.
- **Server clustering** - MatrixCast servers can be clustered for high reliability.
- **Load balancing support** – MatrixCast servers supports hardware load balancing for additional performance.
- **Future Proof** – the MatrixStream VOD solution is designed from the ground up for expandability. Future features like PVR (Personal Video Recording), GoD (Games On Demand) and other VOD related applications can be easily added via software upgrades.

### About Matrixstream

MatrixStream Technologies, Inc., offers a complete end-to-end Video on Demand (VOD) platform solution that delivers DVD or HDTV quality VOD videos and rich media programming to the end user over any broadband IP network. MatrixStream is currently working with major broadband service providers in the United States, Australia, Japan, China, Canada, Hong Kong and Brazil. For more information please visit [www.matrixstream.com](http://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, MatrixCast, IP DATACAST is a trademark of MatrixStream Technologies Inc. All other trademarks are registered trademarks of the respective owners, and are hereby acknowledged.

#### CONTACT:

Robert Liu

Tel: 650-292-4982

Fax: 650-292-4982

Web site: <http://www.matrixstream.com>

Email: [rliu@matrixstream.com](mailto:rliu@matrixstream.com)