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Interact-TV Introduces New Home Entertainment Server Model – the Telly™ MC1200

-- Telly™ MC1200 Provides the Ultimate “Lean-Back” Home Entertainment Experience --

Westminster, Colo., August 9, 2004 – Interact-TV™ (OTC:ITVI), a leading developer of home entertainment servers, has launched the Telly™ MC1200, the company’s latest and most expandable product, complete with the new Telly 3.0 release. Telly can store and manage entire video, DVD and music libraries, burn CDs, pause and record live TV, and store and show off digital photos on the living room TV from the photo library.

Telly, the first home entertainment server built for the living room, makes it easy to store, manage, access and enjoy digital entertainment from a single compact unit in the home. At the click of a button, Telly owners can peruse their entire DVD collection. From the same entertainment server, they can tap into their digital video, photo and music libraries—putting all the household’s digital media within reach of the remote control from the sofa.

The Telly MC1200 comes standard with enough storage for hours of video, hundreds of music tracks and thousands of photographs. The MC1200 may be expanded to contain up to three hard drives for a maximum 750 GB of storage, to keep up with an expanding digital media library.

“As people have more digital media in their lives there is an increasing need to easily manage and enjoy it,” said Ken Fuhrman, CEO of Interact-TV. “Interact-TV is committed to delivering home entertainment servers that continue to drive this new market forward.”

The new Telly 3.0 release incorporates several sought-after upgrades. The save DVD feature allows users to expand their video library so they can watch movies anytime, as many times as they want, without searching for a disk. Telly 3.0 also provides the ability to manage and view media and schedule recording remotely via Telly’s own Web site. Telly 3.0 is standard on the Telly MC1200 and is provided free of charge to owners of previous Telly models.

Digital video recording is easy with Telly’s subscription-free, multi-user electronic program guide, delivered via a broadband connection, with built-in search capabilities to find specific programming. Telly offers a number of recording choices including pause live TV, manual record and scheduled recording with various repeat options. Viewers may use any broadcast, cable or satellite TV provider.

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Telly also offers CD playback, ripping and burning. Users can build music and digital photo libraries and access Internet information including weather, a personal financial portfolio and movie listings. Simple out-of-the-box setup makes it easy to use all of Telly's features with any home network, whether wired or wireless.

Housed in an attractive all-aluminum chassis, the Telly MC1200 measures a mere 4.6" tall, designed to easily fit into home entertainment centers. A sleek, drop-down front panel hides the CD drive plus front-panel audio, USB and firewire (IEEE1394) connectors that make it easy to hook up additional storage or headphones. Telly's power supply and fan are ultra-quiet, so that they don't interfere with the entertainment experience, unlike a media center PC.

"Interact-TV's goal is to support customers over the long haul as they make an investment in time and energy to store, manage and enjoy their digital media," Fuhrman said. "Because Telly is built on a Linux framework, customers can expect continued advances and the ability to share media throughout their home network."

Tech-savvy consumers appreciate that Telly is the first expandable home entertainment server. By taking advantage of standard computer components, consumers can add additional hard drives and other options to their Telly. Based on the Linux operating system and leveraging open-source technology, Telly is flexible enough to expand with new features and functions through Interact-TV's third-party developer program.

All of Telly's capabilities can be easily managed using the included trackball remote or optional wireless keyboard, or from any wired or wireless networked PC. Telly's Web site provides a simple means for sharing the entire media library with other computers in the home or over the Internet.

"The Telly home entertainment server is about delivering more and varied media-rich content to the consumer. We're giving consumers what they want, when they want it," Fuhrman said.

The Telly MC1200 Home Entertainment Server retails from \$799 (MSRP) and can be customized to meet individual needs. Telly is available directly from the manufacturer's online store at www.buyatelly.com and from a growing network of reseller partners throughout North America.

About Interact-TV, Inc.

Interact-TV Inc. develops innovative software and products for the home entertainment server market that are designed to enhance the digital entertainment experience -- creating an enjoyable and easy way to get the entertainment you want right when you want it. The result is a family of outstanding products that easily integrate into home entertainment environments.

Headquarters for Interact-TV are in Westminster, Colo. More information can be found at www.interact-tv.com

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