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Interact-TV Announces New Low Price Leader for Home Entertainment Servers

-- The Telly™ MC800 Now Sells for \$699, With More Media Storage --

Westminster, Colo., September 30, 2004 – Interact-TV™ (OTC:ITVI), a leading developer of home entertainment servers, has re-priced its Telly™ MC800 model to \$699 (MSRP), offering the lowest-cost, full-featured home entertainment server available on the market today.

In conjunction with its lower price point, the Telly MC800, the company's most compact product, now includes an 80GB hard disk drive, double the capacity of the 40GB drive formerly included.

“Interact-TV is taking this aggressive pricing action to enable more people to easily store, manage and enjoy their digital media,” Interact-TV's CEO Ken Fuhrman said. “By continuing to drive down the cost of home entertainment servers, we are focused on making Telly more accessible to an expanding market of customers who want to enjoy their digital media.”

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. The Telly MC800 model supports the full Telly version 3.0 feature set. Features include PVR with subscription-free electronic program guide and pause live TV, a Video Library to store digital video recordings and DVDs, a Music Library to store MP3s and ripped CDs, a Photo Library to store your digital photos and present slide shows, and TV displayed Internet information including weather, financial and movie listings, among its capabilities. Users also can manage and view media and schedule recording remotely via Telly's own Web site.

Simple out-of-the-box setup makes it easy to use all of Telly's features with any home network, whether wired or wireless. Interact-TV's EOS™ uses a Linux-based Media Platform, designed to provide customers with expansion capabilities and easy upgradeability. Telly's capabilities can be easily managed using the included trackball remote or optional wireless keyboard, or from any 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 MC800 Home Entertainment Server is available directly from the manufacturer's online store at <http://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 <http://www.interact-tv.com>.

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