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Interact-TV Introduces System Builder Reseller Program to Empower Traditional PC Builders with Media Capabilities at CES 2005

-- Telly Home Entertainment Server products can be assembled and customized by system integrators providing new avenues to profit for the white box computer sector --

Las Vegas, NV, January 6, 2005 – Interact-TV™ (OTC:ITVI), a leading developer of home entertainment servers, is unrolling a program to enable independent system builders and integrators to take advantage of the burgeoning market for home entertainment servers and build a competitive edge over traditional OEMs.

Telly, the first Home Entertainment Server built for the living room, makes it easy to store, manage, access and enjoy digital entertainment in the home. Now enjoying an expanding customer base, Telly servers have been acclaimed for providing a broad range of easy-to-use media solutions.

By allowing system builders to provide assembly as well as components (including hard disk drive storage, memory, and optical drives) there is increased opportunity for profit over the PC sector which has been overshadowed by large players. Interact-TV has developed a kit that includes the software and license for Telly's EOS Media Platform, trackball remote control, optional IR keyboard, IR receiver, Mini-ITX™ mainboards and a series of chassis that are designed to fit into the entertainment center. The system builder can take this Interact-TV kit and leverage their knowledge of building PCs to assemble Home Entertainment Servers to meet consumer's needs, both in terms of price and functionality. A key element in this market is that the Home Entertainment Server is expandable; consumers can add more storage later as their media library grows and the Linux-based operating system can be upgraded with additional features as the market grows providing further after-sale opportunities for resellers.

Ken Fuhrman, CEO of Interact-TV explains the strategy, saying "In the same way the system builder of PCs saw tremendous growth in the 1990s, the market for home entertainment servers is the next tremendous opportunity for system builders and integrators wanting to capitalize on emerging trends." He expanded upon this trend commenting that "Consumers are installing home networks at an incredible rate, broadband penetration is now over 38 million homes. Consumers are looking beyond the PC for their next purchase of a device that leverages their broadband connection and home network to deliver entertainment where and when they want it."

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Telly Home Entertainment Servers provides for a PVR with a shared digital media library that can include entire music CD, DVD and digital photo collections as well as recorded videos, home videos, and Internet downloaded videos. Telly also includes DVD and CD archiving and instant access to weather, financial information and movie listings. This digital media library may be shared with networked Telly clients, media adapters, and PCs across any home network, whether wired or wireless, and can be managed from any web browser.

More information may be found on the Interact-TV web site at <http://www.interact-tv.com> and at CES 2005, South Hall Booth 26821. Telly Home Entertainment Servers are 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 www.interact-tv.com.

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