



kaleidescape™

PRESS RELEASE

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KALEIDESCAPE, INC. TO PARTICIPATE IN SHOWCASE AT NEW TWEETER CONCEPT STORE IN LAS VEGAS

Las Vegas, NV – January 5, 2005 -- Kaleidescape, Inc. and Tweeter Home Entertainment Group, Inc. (NASDAQ: TWTR) announced the availability of the Kaleidescape System at the Tweeter Entertainment Architects concept store in Las Vegas. The Kaleidescape System, an Entertainment Server that allows users to store their entire DVD library on hard disks and to access any movie in their collection from any viewing zone in their home, will be part of the high-performance audio/video showcase.

"Our goal is to deliver a substantially improved theatrical experience throughout the home, by providing enhanced DVD storage, access, and manageability for the ultimate home theater experience," stated Kaleidescape's Founder & CEO Michael Malcolm. *"We are pleased Tweeter chose to include us in this remarkable store which will expose a wider range of home entertainment enthusiasts to this ultimate experience."*

Winner of the CEA (Consumer Electronics Association) "Best of Innovations 2005" award in the Video Components category, the Kaleidescape System is designed to complement virtually any existing entertainment system; it includes rack-mountable hardware components, proprietary operating system software, and Kaleidescape's Movie Guide Service. Components are connected by the household Ethernet network.

A basic Kaleidescape System lists for \$27,000 and includes one server with sufficient storage for approximately 180 DVDs, one movie player, and one DVD reader. Once imported, the user has instant access to their entire movie library utilizing an intuitive, easy-to-use proprietary user interface which provides multiple ways to browse and select movies, play movies, jump to favorite scenes, pause, resume, and exercise parental control over which movies are available in each viewing zone. Additional disks can be added to the server of the basic Kaleidescape System to provide storage for 500 DVDs, or 3.3 terabytes. A scaleable system architecture permits virtually unlimited expansion. Additional servers, movie players and DVD readers can be added as needed to handle thousands of DVDs and dozens of viewing zones.

For more information go to www.kaleidescape.com or call 650-625-6100.

About Kaleidescape, Inc.

Quickly distinguished as a pioneer in A/V convergence technology, Kaleidescape, Inc. has developed a new category of consumer electronics products and services that are transforming the way consumers enjoy movies at home. Designed for the discriminating home video enthusiast, the Kaleidescape System sets the standard for an easy-to-use entertainment server that enables the customer to quickly access their entire movie collection from anywhere in their home. The Kaleidescape System combines a compelling industrial design, ingenious engineering, and an outstanding user interface to make watching movies at home easier and more enjoyable than ever.

About Tweeter

Tweeter Home Entertainment Group, Inc. (Nasdaq: TWTR) was founded in 1972 by current Chairman Sandy Bloomberg. Based in Canton, Massachusetts, the company is a national specialty consumer electronics retailer, providing entertaining consumer electronics solutions.

The company's fiscal 2004 revenues were \$778 million. Tweeter has been named a "Consumer Electronics Retailer of the Year" by Audio-Video International every year since 1979 and was named one of the "100 Fastest Growing Companies" by Fortune in 2002. Tweeter Home Entertainment Group, Inc. now operates 177 stores under the Tweeter, Tweeter Entertainment Architects, hifi buys, Sound Advice, Showcase Home Entertainment and Hillcrest High Fidelity names in the New England, Las Vegas, Texas, Southern California, Mid-Atlantic, Chicago, Southeast, Florida and Phoenix markets. The company employs more than 3,600 associates.

Further information on the Tweeter Home Entertainment Group can be found on the company's web sites at www.twtr.com and www.tweeter.com and www.tweeterdesign.com.

For more information and digital artwork, please visit Kaleidescape's website at <http://www.kaleidescape.com/news/>. Or contact Kaleidescape Press Relations, 650 625-6140 or press@kaleidescape.com.