



kaleidescape™

PRESS RELEASE

Contact:

Kaleidescape Press Relations
650 625-6140
press@kaleidescape.com

For immediate release

Kaleidescape Announces Two New Kaleidescape Systems and Software Release 2.4

*Increased storage capacity, more simultaneous playback zones,
improved user interface, fun new features, and a lower entry price*

New York, NY – April 28, 2005 – Home Entertainment 2005 Show – NY Hilton, Nassau Room A – Kaleidescape, Inc., the award-winning leader in whole-house entertainment servers, has announced the Kaleidescape™ System 3000 (KS3000) and Kaleidescape System 3500 (KS3500) home entertainment servers, both of which are based on the new KSERVER-2500 and the Kaleidescape Software Release 2.4. These new products provide home theater enthusiasts with the ultimate solution to the problem of how to manage and enjoy a large DVD collection.

The new KSERVER-2500 provides 100/1000BASE-T Gigabit Ethernet connectivity and stores up to 660 DVDs on twelve 400GB disk cartridges (4.4 terabytes of RAID-protected storage capacity) – a 33% increase over earlier Kaleidescape Servers. Multiple KSERVER-2500s can be clustered in a single system to store thousands of movies.

The KS3000 provides simultaneous playback in up to five zones throughout the home. The KS3500 provides simultaneous playback in up to 25 zones, or more depending on the System configuration and specific movies being watched. Both systems also include the new Kaleidescape Software Release 2.4. This version provides users with significant new features for managing and enjoying their movie collections:

- **Scripts.** Scripts allow users to create and play any sequence of DVD discs, movies, trailers, episodes, favorite scenes, home videos, cover art, and other Scripts. This makes it easy to incorporate customized movie openings and intermissions for a truly personalized theatrical experience. Scripts can also trigger control system cues to easily and elegantly manage home theater settings such as lighting and curtains. Scripts are easily created and invoked via Kaleidescape's Web Utility and on-screen user interface.
- **Multiple favorite scenes.** Users can easily create multiple favorite scenes within a movie by simply marking each scene and assigning an appropriate name. Users can choose to play back favorite scenes individually or through Scripts.
- **Quick search.** Users can quickly locate any movie by title, director, actor, or genre by simply moving the cursor to the corresponding heading in the on-screen Movie List and entering the first letter of the name or category into their control device or via Kaleidescape's Web Utility. All items that start with that letter are immediately displayed on-screen.

"These new features resulted from customer requests," said Michael Malcolm, Chairman and CEO of Kaleidescape, Inc. "Customers plan to use our new Scripts feature to create their own personal video programs for entertaining guests in their home theaters, or to create play lists of music video songs for

parties. Our dealers will use Scripts to create play lists of clips from famous movies to use for demonstrating home theater equipment to their customers. And the greatly increased number of simultaneous playback zones provided by the KS3500 will be appreciated by our customers that own large yachts.”

The KS3000 and KS3500 are available now through authorized Kaleidescape dealers worldwide. North American retail prices start at \$22,500.

Both base systems include:

- 1 Kaleidescape Server
- 1 Kaleidescape DVD Reader
- 1 Kaleidescape Movie Player
- Kaleidescape Software Release 2.4
- One-year subscription to the Kaleidescape Movie Guide Service
- One-year subscription to Kaleidescape’s Software Update Service
- A Limited 3-Year Hardware Warranty

Every existing Kaleidescape System with a current subscription to Kaleidescape’s Software Update Service will automatically receive Software Release 2.4 via the Internet. The KSERVER-2500 can be clustered with any existing Kaleidescape Server, and the new 400GB disk cartridges can be used when adding storage capacity to existing servers.

For more information, please visit www.kaleidescape.com or call 650-625-6100.

Quickly distinguished as a pioneer in convergence technology, Kaleidescape, Inc. has developed a new category of consumer electronics products and services that are transforming the way people 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, innovative product features, and an outstanding user interface that make watching movies at home easier and more enjoyable than ever.

Kaleidescape and the Kaleidescape logo are trademarks of Kaleidescape, Inc., and may be registered in certain jurisdictions.

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.