



USA Video Interactive Details Advantages of StreamHQ™ for Next-Generation Internet Streaming;

StreamHQ™ Offers Multi-Mode Streaming Capability and Provides Clients with “Effectiveness” Data for True Accountability

Mystic, Connecticut, February 26, 2001 - USA Video Interactive (OTCBB: USVO; CDNX: US; www.usvo.com) today described some of the functional details of its suite of next-generation Internet streaming services, **StreamHQ™**, and offered customers an incentive to sign on now as unique features are being engineered into the streaming services. “The days of plain streaming are coming to an end. In addition to quality video, Internet users and businesses are demanding more accountability for streaming results,” said Edwin Molina, President and CEO of USA Video Interactive. “With StreamHQ™, they can have both.”

A detailed presentation about StreamHQ™, narrated by USA Video Interactive Chief Operating Officer Robert Smith, is now available at the USA Video Interactive website: www.usvo.com. Three versions are available on the website: a broadband version with high quality sound and music; a low bandwidth version with voice but no music; and a click-through annotated version that allows users to read through the presentation without any sound. All three stream directly from the website.

StreamHQ™ is an umbrella of end-to-end media delivery services that brings streaming, data management, and the web together to meet specific business requirements. It encompasses the entire process from source to viewing, including content production, content encoding under the banner EncodeHQ™, media asset management, media and application hosting, multi-mode content distribution, and transaction data capture and reporting. StreamHQ™ services leverage the capabilities of the Internet and are designed to be highly available, reliable, flexible, scalable, and cost-effective.

StreamHQ™ is an innovative infrastructure being built by USA Video Interactive with technical assistance and data storage equipment from EMC, leading-edge networking equipment from Cisco, and the industry-leading 8i database from Oracle. StreamHQ™ meets or exceeds all the guidelines established by EMC, Cisco and Oracle for their highly reliable “ECOsysteM” architecture. The StreamHQ™ system is completely scalable to meet high levels of demand, is highly reliable and available, and is designed to be modular, thereby minimizing obsolescence and ensuring it will continue to provide customers with the latest technological advantages.

Technology Details

The heart of the StreamHQ™ architecture is StreamHQ™ Central, which will be located at a major Internet Data Center with the largest available bandwidth gateway to the Internet. At StreamHQ™ Central are located the EMC Symmetrix system(s) networked with a collection of web, streaming, management, application, and database servers, all of which perform specialized StreamHQ™ functions. Media will be distributed from StreamHQ™ Central by one of three methods: 1) **Centralized**, which employs traditional Internet connectivity; 2) **Edge**, which distributes media to businesses or homes via edge servers and broadband connectivity; or 3) **Inside**, which intelligently downloads media to USA Video Interactive’s cache and streaming servers strategically located “inside” a corporate or institutional LAN.

Key to the architecture and successful operation of StreamHQ™ is USA Video Interactive's core software, which provides unique versatility and functionality, including media asset management, user authentication and entitlement, digital rights management, and streaming data capture and reporting. This software also enables the interactive media distribution function required to facilitate "inside" streaming.

True Accountability

An important differentiator between StreamHQ™ and its competitors is its streaming data capture and reporting functionality. USA Video Interactive is developing a robust streaming data capture application around the Oracle 8i database manager, with a generic data layer underlying a specialized layer designed to address unique data requirements for individual business verticals. This feature will allow customers to gauge the effectiveness of their media streaming within their own business models. For instance, a corporation would know if its streaming media advertisements were being viewed and if so, whether they were viewed to completion or ended prematurely. This information would let the advertiser modify the advertisement or the mailing list for greater effectiveness. Likewise, a company ordering a recall could issue a streaming video e-mail to all of its potentially affected customers to help them decide whether the product they purchased was part of the recall. The company initiating the streaming video e-mail campaign would know how effective their e-mails were based on user actions while accessing the video. Critical streaming parameters, such as media player starts, stops, pauses, and multiple viewings, are captured while protecting the privacy of individual users.

Targeted "Verticals"

Flexibility is another key feature of StreamHQ™. USA Video Interactive does not believe that "one size fits all" when it comes to providing rich media via the Internet. The functionality of StreamHQ™ has been designed to address the unique requirements of different business vertical markets. USA Video Interactive has identified five major business verticals, which themselves each encompass numerous more specific verticals. The major verticals are: entertainment, learning, marketing, customer service, and corporate communications.

Special Incentives

USA Video Interactive is offering incentives to current and prospective clients. For those currently using our media streaming, content encoding and other services, the company will transition these services to StreamHQ™ at no additional charge for the duration of their contracts. For large businesses with unique media asset management and data capture and reporting requirements, the ongoing StreamHQ™ deployment offers an opportunity to contract for development and integration of this functionality into early versions of the StreamHQ™ software.

About USA Video Interactive

USA Video Interactive is an international designer and supplier of high-tech Internet streaming video and video-on-demand systems, services and innovative end-to-end solutions and features its StreamHQ™ suite of media delivery services. These services encompass the entire media experience from source to viewing, including content production, content encoding under the banner EncodeHQ™, asset management, media and application hosting, multi-mode content distribution, transaction data capture and reporting, and e-commerce. StreamHQ™ services leverage the capabilities of the Internet while bypassing its latencies and are designed to be highly available, reliable, flexible, scalable and cost-effective. USA Video Interactive holds the pioneering patent for store-and-forward video, filed in 1990 and issued by the United States Patent and Trademark Office on July 14, 1992. It has been cited by at least 144 other patents. USA Video Interactive holds similar patents in England, France, Spain, Italy and Germany, and has patents pending in Canada and Japan. The USA Video Interactive patented video technology gives users full-motion video; the flexibility of

standard, VCR-like controls; and the convenience of a standard internet-browser format for access. It provides video images significantly faster and at a higher degree of resolution than with previously available methods; significantly overcomes bandwidth restrictions; and eliminates the blockiness and slowness of current technologies -- all at a lower cost and at or near broadcast quality. USA Video Interactive is nearing completion of a patented Wavelet compression technology that will further enhance the company's ability to deliver Internet video to home modem users and reduce storage and download-time requirements for all users, including those with broadband connections. For more information, visit www.usvo.com

USA Video Interactive Corporate Headquarters Office: 70 Essex Street; Mystic, CT 06355; (800) 625-2200; (860) 572-1560. Canada Office: 837 West Hastings Street; Suite #507; Vancouver, B.C. V6C 3N6. Trading symbol on the OTCBB: USVO; Trading symbol on The Canadian Venture Exchange: US. Standard & Poors Listed. CUSIP 902924208. The Canadian Venture Exchange (CDNX) has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. For more information contact: Tony Castagno, Media Relations, 860-572-1560; Kevin Yorlo, Investor Relations, 860-572-1560; info@usvo.com