



## Press Kit

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- Frox Inc. is launching a revolutionary interactive home theater system in Los Angeles on September 25th, New York on October 2nd, Baltimore on October 4th and San Francisco on October 11th, 1991.
- The FroxSystem employs a one-button remote control called the FroxWand™, which replaces most existing remote controls.
- The system is compatible with existing consumer electronic components.
- It is compatible with emerging digital formats (whether DAT, DCC or Mini Disk).
- Since it is RAM-based, the system and service are evergreen; new feature sets and services can be sent over-the-air.
- Frox has developed a proprietary on screen user interface and operating system that may well become an industry standard.
- A proprietary technique called Active Pixel Control manipulates over 360,000 pixels every 1/60th of a second to bring theater quality video to the home. The current standard: approximately 9,000 pixels. The result — NTSC scanning lines and motion artifacts are eliminated.
- A second proprietary technique called Digital Straight Line maintains a digital signal longer than any other system on the market. The result — unsurpassed audio quality.
- The company has filed nine patents and designed eleven custom ASIC's.
- The home theater market is now a billion dollar market; the high end of the market is growing at 25% to 30% per year.
- No other high end competitor offers comparable features and benefits at the FroxSystem price points; system price ranges from \$10,000 to \$50,000 depending on the configuration.
- The minimum Frox installation includes the Media Processor, Video Preprocessor, 31" Data Grade Monitor and the FroxWand.
- CD, movie, broadcast schedules, financial and sports information comprise the family of FroxCast services, which are offered for \$34.95 per month. Subscriptions can be customized to include any combination of these services. Details are provided by Frox dealers.

- Incorporated in 1988 in Sunnyvale, California.
- Assembled group of European investors.
- Recruited software and hardware teams from LucasFilm, Droidworks, Xerox PARC, Sun Microsystems and Apple.
- Recruited CEO Austin Vanchieri from Xerox in February 1990.
- Began search for entertainment and information service providers.
- Development of the FroxSystem and software undergoes strategic revision.
- Installed management team including CFO Robert Nazareus and V.P. Business Development Gary Harris.
- Negotiated Vertical Blanking Interval contract for FroxCast data transmission in February.
- Issued hardware tooling release in February.
- Initiated patent and custom ASIC filings.
- Hired Bud Myers, V.P. Sales and Marketing in February 1991.
- Hired Greg Hansen, V.P. Engineering in March 1991.
- Recruited marketing team from Marantz, Panasonic and Blaupunkt.
- Conducted dealer focus groups in April 1991.
- Held first annual national sales meeting in May 1991.
- Staged a sneak preview of the FroxSystem for high end dealers at CES.
- Received renewed commitment on financial backing from current investor group; \$17.5 million invested to date.
- Signed 120 dealers to distribute the FroxSystem and FroxCast in June.
- Developed advertising campaign and secured advertisers beginning in July.
- Finalized the Command Performance market launch event schedule for Los Angeles, New York, Baltimore and San Francisco.
- Raised an additional \$5 million of working capital in August.
- Preview the FroxSystem in Europe in September.

### **FroxVision**

- The Frox video image provides over 1,000 lines of virtual resolution.
- FroxVision manipulates over 360,000 pixels 60 times a second — 40 times the industry standard.
- Motion artifacts and NTSC scanning lines are eliminated.
- Several picture-in-picture options provide custom screen presentations.
- Video adjustments range from basic (contrast and hue) to the most sophisticated (digital peaking and coring).

### **FroxSound**

- Audio input from any source (whether analog or digital) is acceptable and rendered into a digital format.
- Fiber optic cable eliminates heavy gauge speaker cable and offers multi-room installation applications.
- Hall, club or stadium environments can be simulated.
- Compact disc collections can be catalogued, screened and enjoyed as the user desires.

### **FroxControl**

- Access to the FroxSystem™ is provided by a one-button remote control called the FroxWand.
- The proprietary Frox user interface marks a new era in on-screen programming.
- The system integrates the operation of existing consumer electronic components.
- Selections are made by a click of a button on any one of the panels.

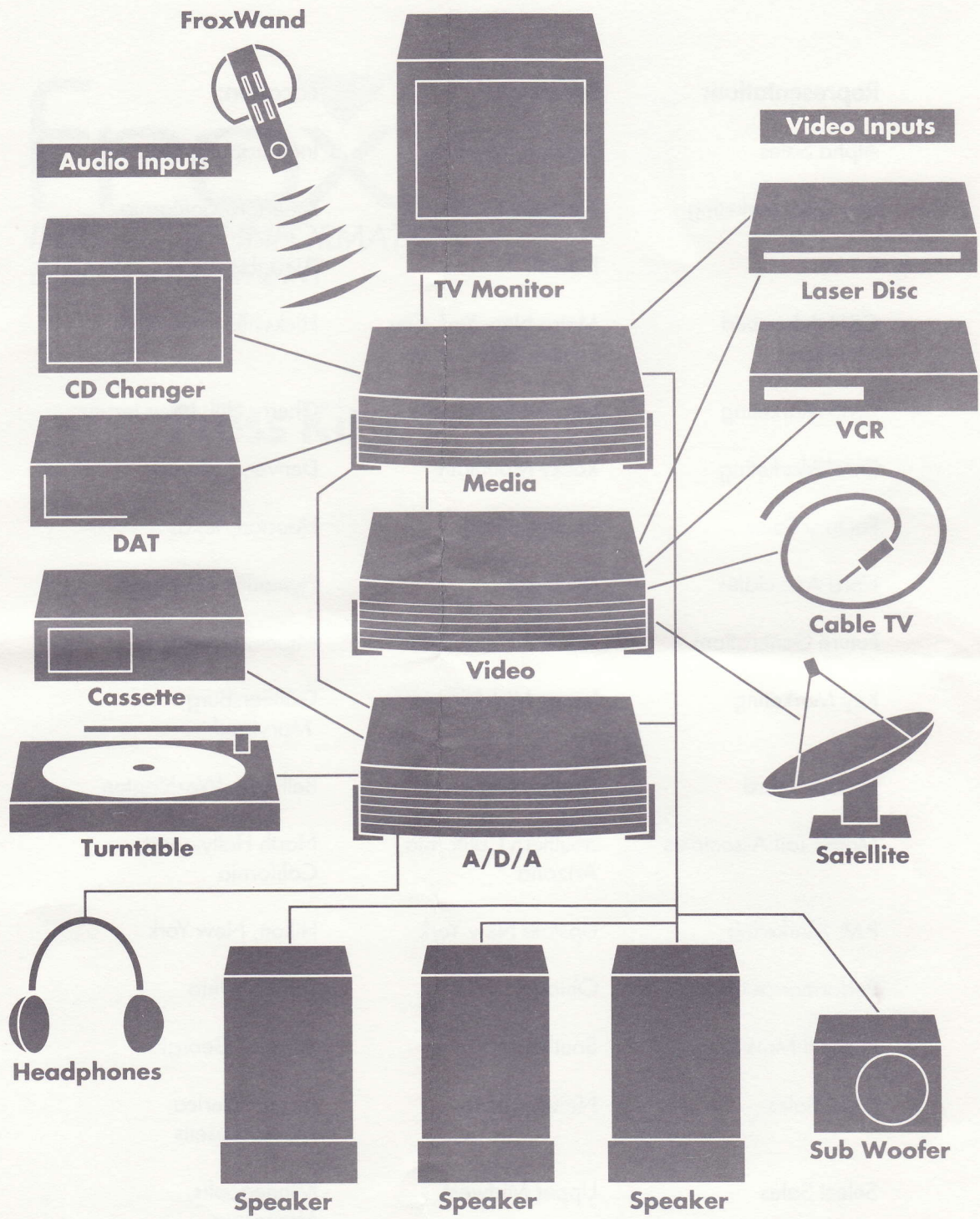
**FroxCast**

- Remote entertainment libraries and information services are instantly accessible.
- Network, cable and satellite broadcasts are viewed within an on-screen grid.
- Updates are provided on a continuous basis.
- New system features can be provided over-the-air; so the system is evergreen and current.

**System Configurations**

Base System	Complete System	Extended System
31" Direct View Monitor	52" Rear Projection	10' Front Projection
Media Processor	Media Processor	Media Processor
Video Preprocessor	Video Preprocessor	Video Preprocessor
FroxWand	FroxWand	FroxWand
	ADA Converter	ADA Converter
	Digitally Powered Speakers*	Digitally Powered Speakers*
	Digital Subwoofer	Digital Subwoofer
	100 CD Disc Changer*	100 CD Disc Changer*

\* The price of system ranges from \$10,000 to \$50,000 and will depend on the number of speakers and 100 CD Disc Changers selected as well as the monitor selection.



<b>Representation:</b>	<b>Territory:</b>	<b>Location:</b>
Alpha Sales	Indiana, Kentucky	Indianapolis, Indiana
Bay City Marketing	Northern California	Atherton, California
B.T.W.	Hawaii	Aiea, Hawaii
C&H Advanced Marketing	Metro New York City, Eastern New Jersey	Hicksville, New York
CMS Marketing	Upper Mid-Atlantic	Cherry Hill, New Jersey
Excel Marketing	Rocky Mountain	Denver, Colorado
Factory Sales	South Central	Houston, Texas
Flora Associates	Michigan	Plymouth, Michigan
Future Generations	Florida, Puerto Rico	Miami, Florida
Key Marketing	Lower Mid-Atlantic	Gaithersburg, Maryland
Market Share	Pacific Northwest	Bellevue, Washington
Morris Tait Associates	Southern California, Arizona	North Hollywood, California
P.M. Marketing	Upstate New York	Hilton, New York
Performance Group	Ohio	Dublin, Ohio
Phase II Marketing	Southeast	Atlanta, Georgia
Presti Sales	New England	North Billerica, Massachusetts
Select Sales	Upper Midwest	Minneapolis, Minnesota
Tandem Marketing	Illinois, Wisconsin	Schaumburg, Illinois