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INSTEON Alliance Reports Over 40 New Third Party INSTEON-Enabled Products in Active Development

INSTEON Alliance Outperforms Industry and Competitive Benchmarks in the Electronic Home Improvement and Automation Market

Irvine, Calif. – November 8, 2005 — Smarthome™, the authority in electronic home improvement and automation, today announced that in just five months of availability over 40 new third party home control networking products are in development by members of the INSTEON Alliance.

INSTEON Alliance members develop best-in-class electronic home improvement and automation products using the INSTEON protocol. INSTEON is a powerful dual band (powerline and radio frequency) true mesh networking technology that simply, affordably and reliably links together core home systems such as lighting, security, comfort control, and consumer electronics. With over 300 members and high-profile companies such as: Thomson, Somfy, First Alert, Maya, Integration Associates, Elk, Visonic, Universal Electronics, and Exceptional Innovation, the INSTEON Alliance is attracting the industry's best and brightest.

There are more than 40 new INSTEON-enabled products under development by Alliance members. These applications address all aspects of electronic home improvement and automation, from remote control lighting to security alarm interfaces, and from access control to appliance management. INSTEON allows these diverse products to be integrated, controlled and monitored from anywhere in the world.

“INSTEON has taken the market by storm, as evidenced by the more than 40 development projects under way,” said Rajeev Kapur, Smarthome's vice president, sales and marketing. “We are surpassing competitive offerings in many ways, such as

facilitating a faster time to market, delivering an easy to use platform and a more affordable development environment, the dual band nature of the technology and a solid sell through capability through our expanding channels, which today include Smarthome.com, amazon.com Homedepot.com, and our popular Smarthome catalogue, an unbeatable combination”

"The momentum and overall acceptance of INSTEON are building to the point that the Alliance and its technology is becoming a strong competitor to ZigBee and Z-Wave in the home automation market," said George West, Senior Analyst, West Technology Research Solutions, LLC. "Smarthome continues to progress in the marketplace with a steadily growing customer base, expanding retail sales channels, and a solid and functional technology."

The growth of the Alliance and the increasing development frenzy confirm that INSTEON delivers significant advantages over alternative technologies. Advantages include:

- INSTEON combines the efficiency and low cost of powerline signaling with the reach of wireless radio frequency.
- Because INSTEON is a dual band solution, it offers much greater reliability than radio or powerline alone.
- It is a true mesh networking environment; since all INSTEON-enabled devices are peers, there is no need for network controller units or complex routing software.
- The network becomes more robust and reliable as it is expanded because every device repeats messages received from other devices.
- INSTEON devices bridge to WiFi and other networks and can coexist with legacy X10 products easing the market transition from X10 to INSTEON.

Smarthome executives are available for briefings as well as in-home demonstrations of INSTEON—featuring Somfy and First Alert— during EHX in Anaheim today through Friday November 11.

About Smarthome

Founded in 1992, Smarthome Inc. is the world’s leading authority on electronic home improvement and automation. Smarthome is organized into three divisions: Smarthome Direct with its Smarthome.com, “the Amazon of electronic home improvement” (Newsweek, 2004); Smarthome Design, creators of best-in-class home control products; and Smarthome Technology, the pioneering architects of INSTEON dual band home control networking technology. Smarthome’s INSTEON Alliance offers a focused community for developers to incorporate the INSTEON standard into their products. Smarthome products are sold to an international customer base via the Web, phone and

retail outlets, as well as to professional dealers and installers through SmarthomePro. The company's online catalog can be found at www.smarthome.com. Information regarding INSTEON can be found at www.insteon.net. Smarthome is headquartered in Irvine, Calif.

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