

NEWS

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SMARTHOME INTRODUCES NEW HOME AUTOMATION NETWORK PROTOCOL

*Insteon™ Combines RF and Powerline Communications for First Time
to Create Seamless Home Control Network*

IRVINE, Calif., June 7, 2004 – Smarthome, Inc., the world’s leading provider of home automation products, today announced *Insteon™* (pron: “inste-on”), the first home automation network technology to combine the home’s existing wiring, or powerline, with radio frequency (RF) communications to deliver a secure, reliable and fast connection for automatic or remote control of lighting, security, entertainment systems, appliances, climate and more.

Developed over the past four years by Smarthome engineers, *Insteon* works 30 times faster than X10, the home automation standard for the past 30 years that works exclusively through the powerline. By combining the powerline with RF, *Insteon* offers the cost benefits and efficiencies of powerline communication and the wireless connectivity required for certain applications in or outside the home.

Insteon’s enhanced powerline communications also enables it to perform “mission-critical” home automation tasks such as remotely locking the front door or automatically filling the swimming pool while maintaining affordable pricing.

“Many OEM design engineers, home builders and remodelers, lighting, electrical and HVAC contractors, and even interior designers have been waiting for an affordable, reliable and easy-to-use home automation protocol for some time,” said Joe Dada, president and CEO of Smarthome, based in Irvine, Calif. “We believe *Insteon* will become the standard to meet their needs.”

“Because the technology is backwards compatible to X10, we believe *Insteon* will become the de facto standard among existing home automation users very quickly,” said Dada. “We believe the new level of performance and simplicity *Insteon* offers will also spur home automation demand among mainstream consumers.”

To begin using *Insteon*, users will simply need to plug-in two RF access points in their home and two filters to prevent interference with PC power strips or certain brands of televisions. The installation of *Insteon* home automation devices will feature a simple “Plug and Tap[™]” process.

“In the past, most efforts to create a reliable home automation network concentrated on broadband technology, while today many are focused on exclusively wireless or powerline solutions,” said Dan Cregg, vice president of engineering for Smarthome. “We wanted the best of both worlds – affordable and efficient powerline technology combined with RF to provide extended reach as needed and to work with wireless applications.”

Insteon is designed for incorporation in OEM products, such as washing machines, dryers and dishwashers, HVAC (heating, ventilation and air-conditioning) devices and garage door openers, for a variety of controls. For instance, when incorporating *Insteon*, dishwashers could be programmed to not turn on when the washing machine is in use or when someone is taking a shower. When the dryer’s cycle is complete, a pleasant voice can remotely tell a user their “Clothing is finished,” instead of a loud buzz.

Other examples of applications for homeowners using *Insteon* can include receiving a text message on their mobile phone if a refrigerator stops working or the plumbing leaks, adjusting outdoor speakers via a wireless controller, and changing room temperature automatically when entering a new room by carrying a wireless thermostat.

“With *Insteon*’s reliability, the opportunities for home automation applications are nearly endless,” Cregg said. “Users can creatively program *Insteon* to perform tasks that best suit their living environments — and make their homes more convenient, safe and fun.”

For more information regarding *Insteon*, please visit Smarthome’s Web site, www.smarthome.com or call 1-800-SMARTHOME.

About Smarthome, Inc.

Founded in 1992, Smarthome, Inc. is the largest home automation and home control supplier in the world. Headquartered in Irvine, Calif., Smarthome products are sold to an international customer base via the Web, phone and retail outlets as well as to distributors through its SmarthomePro division and to professional dealers and installers through its Smarthome MFG division. Smarthome, Inc. is dedicated to making life more convenient, safe and fun. Smarthome’s on-line catalog can be found at www.smarthome.com.