

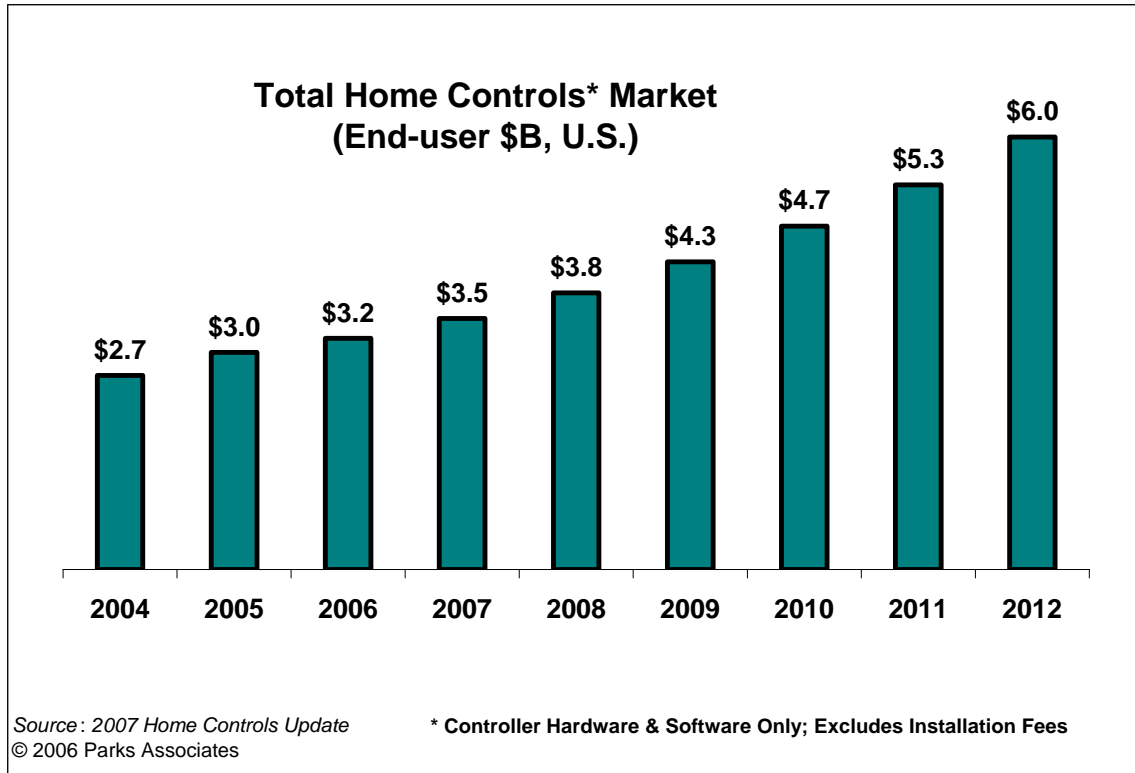


Mass Market Home Controls ... Can Best Buy Make it Happen?

Best Buy's ConnectedLife.Home Rings in a New Year for Home Controls.

The ability to connect selected systems in the home in control networks has been available for years, but adoption has lagged behind expectations ...including those of Parks Associates. So, with the announcement yesterday of Best Buy's ConnectedLife.Home package, does this mean 2007 will be the year of mass market home controls? "No," said Bill Ablondi, director of home systems research for Parks Associates. "What Best Buy's announcement does mean is that the stage is being set for broad-based adoption of connected home systems. The home control market has lacked *consumer awareness*, not technical capability. Best Buy will help raise awareness among consumers of what intelligent systems can do in a networked environment in the home."

Parks Associates is preparing to release in January 2007 the results of an in-depth market analysis and competitive assessment of the home controls market: *Home Controls: 2007 Update*. The report is based on surveys of home systems installation channels, e.g. custom electronic systems designers/integrators and security systems integrators/installers as well as home builders and consumers. In addition, the research team interviewed principals at the major systems providers, start-ups, OEMs and distributors to compile a holistic view of current market dynamics. This analysis provided the basis for Parks Associates updated forecasts of the home controls opportunity, broken out by key segments including application, single family vs. multi-family unit, and new vs. existing homes.



"Our research shows that the market for home controllers reached \$3 billion in 2005 and will grow to \$3.2 billion in 2006 in the face of a very difficult new home market, said Ablondi. "Historically home control systems have been sold into the new home market. This is still the case, but will change dramatically over the next few years as power line and wireless technologies eliminate the need to re-wire existing homes in order to provide control and audio/video distribution capabilities."

By 2010, Parks Associates projects that more than 30 million households will have a network that bridges numerous products and extends the entertainment experience to multiple rooms in the home. Entertainment applications along with energy management and security systems will drive adoption of home controls. Ablondi sees multiple "Trojan Horses" for control systems to ride into the home.

“Best Buy's \$15,000 package is not an impulse buy at the check-out counter, said Ablondi. "They're targeting home builders, re-modelers and electronic systems installers. Builders have told us that they're on the lookout for new electronic entertainment and control systems to differentiate their homes from competitors. Best Buy's package is a solid offering based on industry-standard products from Microsoft, Intel and HP and wrapped with a clever software package, LifeWare, from Exceptional Innovation."

Parks Associates sees this as just the opening shot for 2007. Join us at CES for a discussion of the mass market for home controls hosted by Parks Associates:

Mass-market Home Controls? Products, Protocols and ... the Players!

Mike Einstein, VP, Corporate Innovation, Intermatic, Inc.

Rajeev Kapur, President, SmartLabs

Glen Mella, President & COO, Control4

Reza Raji, CEO, iControl Networks

Oded Vardi, Founder & COO Superna

Moderator: Bill Ablondi, Director, Home Systems Research, Parks Associates

Time: _____ Place: _____

For additional information on the *Home Controls: 2007 Update* visit

<http://www.parksassociates.com> or contact 972-490-1113 or sales@parksassociates.com.