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Coactive Networks Unveils the First Full-Service Residential Gateway

The Coactive Connector 3000 to Champion the Next Generation in Home Networking with a Wide Range of E-Services for the Home

SAN DIEGO, CALIFORNIA (CONNECTIONS 2000), May 3, 2000 – Coactive Networks, the leading provider of residential gateways for connecting the Internet to all devices in homes and businesses, today unveiled the Coactive Connector® 3000 Series, the first full-service residential gateway, designed to enhance productivity and simplify everyday life for millions of consumers worldwide. The Coactive Connector 3000 Series links a single Internet connection to multiple PCs, household appliances, electronic devices, and systems such as home security – giving consumers access to a wide range of unprecedented e-services.

The residential gateway market, which Cahners In-Stat Group estimates will grow to between \$2.4 billion and \$8.8 billion over the next three years, is being driven by home networking technologies and high-speed Internet access via DSL and cable modems. Service providers, such as utility, cable and telecommunications companies, will use the residential gateway to win customers by offering them a compelling array of bundled services.

“The residential gateway is a key part of extending the availability of Internet applications across multiple devices to all desired locations in the home,” said Tricia Parks, president of Parks Associates, a co-sponsor of Connections 2000. “The Coactive Connector 3000 design offers a simple, integrated solution that delivers shared Internet access along with integrated connectivity to all of the other devices and appliances in the home, enabling a smorgasbord of new services beyond e-mail and web surfing.”

“The Coactive Connector 3000 will ignite a new era in home connectivity – transforming the Internet from an information-gathering tool to a truly sophisticated instrument that gives consumers a profound level of convenience and control in their everyday lives,” said David Gaw, president of Coactive Networks. “This first-of-its-kind full-service residential gateway delivers on the promise of the ‘smart home’, not just for the affluent, but for millions of mainstream households.”

Telemetry E-Services: Making the Home of the Future A Reality Today

With the Coactive Connector 3000 Series, home devices can access and exchange data with other devices via the Internet, and just as importantly, consumers can access home information remotely using a Web browser or wireless phone. As an Internet access device, the Coactive Connector 3000 allows multiple PCs to share a single Internet connection from any phone jack in the house. However, the true value of the Coactive gateway is in taking the Internet beyond PCs altogether in the form of telemetry e-services.

Telemetry e-services use the residential gateway to give common household devices an Internet interface so consumers can see what's happening at home — and take action from afar. Telemetry e-services connect consumers to their homes, allowing them to remotely check in on elderly relatives, see whether they left the stove or iron on,

remotely disable the security system to let a neighbor in, or receive instant alerts upon detection of intrusion, water leaks or unusual temperatures.

As deregulation across the telecommunication and energy industries presses forward, the Coactive Connector 3000 Series provides a flexible yet cost-effective platform that utility and broadband service providers can use to gain an important foothold in the new digital home. By expanding value with consumers, these service providers can gain new revenue streams while creating a key competitive advantage in the rapidly changing marketplace.

The Coactive Connector 3000: A New Era in Home Networking

The Coactive Connector 3000 Series supports no less than three home networking media, communicating to every phone jack and electrical outlet in the home, as well as connecting directly to systems such as security and climate control. By activating this web of connectivity throughout the home, the Coactive Connector 3000 is able to reach every PC, appliance, electrical outlet, and control system. By adding intelligence to these devices and providing a connection to the Internet, the gateway enables the delivery of multiple services such as shared Internet access, home security, home medical care, appliance monitoring, energy metering, and home automation. By incorporating the patent-pending distributed object technology of Coactive's IOConnect Architecture, the Coactive Connector 3000 enables service providers to deploy a single infrastructure that is scalable to millions of homes.

The Coactive Connector 3000 Series will be available in a desktop version for easy hook-up to DSL or cable modems, and is competitively priced for mass-market deployment by service providers. General availability of the first product in the Coactive Connector 3000 Series is scheduled for Q3 2000.

To date, Coactive's commercial and residential gateway solutions have been integrated into a host of next-generation service provider offerings. Sensel AB, a Swedish communications company, plans to deploy the Coactive Connector solution to more than 400,000 homes over the next two years. Additionally, companies like Genentech and Motorola leverage Coactive's commercial solutions to monitor energy usage, regulate temperature settings and centralize building monitoring systems. Building on this steady stream of successes, the Coactive Connector 3000 Series will usher in an exciting new era of communication options for the home.

In other news today, DTE Energy Technologies has selected Coactive Networks as the premier supplier of a complete gateway solution for delivering e-services to its business customers. DTE Energy Technologies, a subsidiary of DTE Energy Company and an affiliate of Detroit Edison, the nation's seventh largest electric utility, will initially use the Coactive Connector gateway to roll out two innovative service bundles, energylnow and safetylnow.

About Coactive Networks

Coactive Networks extends Internet access to every device, appliance, control system and computer – connecting networks to the real world. The Coactive Connector® and Coactive Router product families deliver a new class of telemetry e-services to homes and businesses worldwide. The leader in Internet telemetry, Coactive Networks delivers affordable, scalable connectivity with a highly integrated third-generation residential gateway platform and the patent-pending distributed object technology of the IOConnect Architecture™. Coactive is a privately held corporation based in Sausalito, California. More information on Coactive can be found at <http://www.coactive.com>.

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