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Coactive Networks and Vicinium Systems Team to Deliver a Complete Television-Based Interface to Digital Homes and Neighborhoods

Family E-Services Enabled by Residential Gateway Plus Set-Top Box Solution

DIGITAL LIVING ROOM, LAGUNA NIGUEL, CALIFORNIA, June 19, 2000 – Coactive Networks and Vicinium Systems today announced an agreement to bring smart-home capabilities and neighborhood automation to the world's most ubiquitous and easy-to-use appliance – the television. Together the companies will offer a new class of complementary residential e-services, including home security and home management, accessible with a simple set-top-box interface and enabled by a robust always-on residential gateway.

With a click of the remote, families can connect with their neighborhood using Vicinium's NeighborMation™. They can check the Little League schedule, learn about local events, or coordinate a Neighborhood Watch program. With another click of the remote, families can connect to any device, appliance or control system in the home using the Coactive Connector® residential gateway. The gateway allows them to remotely check on an elderly relative, control the lights, or set the alarm system, among other functions.

The partnership between Coactive and Vicinium is especially appealing to service providers such as electric utilities and cable companies, which are striving to complement their core products with value-added services. Coactive and Vicinium will collaborate to offer these service providers a complete solution for the digitally connected family.

“The Coactive/Vicinium partnership is a powerful solution that connects families to all facets of their home and community through their television, arguably the most user-friendly and far-reaching device of our times,” said David Gaw, president of Coactive Networks. “Vicinium's technology is the next natural extension for how and where families connect with their homes and neighbors. Together with Vicinium, we can offer the service provider a compelling and cost-effective solution for transforming the family room into a digital living room.”

“By integrating our NeighborMation system with Coactive's pioneering Coactive Connector gateway, we can create a sophisticated digital home solution that combines a convenient television interface with a cost-effective and reliable residential gateway,” said Leo Shulman, president and chief executive officer of Vicinium Systems. “With this solution, utility and cable companies will be able to offer families a true digital community, complete with telemetry e-services for automating the home and connecting the neighborhood.”

Vicinium will be showcasing its set-top box solution, featuring the Coactive Connector residential gateway, at Upside Events' Digital Living Room, June 18-20, 2000, in Laguna Niguel, California.

About Vicinium Systems

Founded in April 1999, Vicinium develops infrastructure software that uses broadband Internet connections to reach beyond the home and into the neighborhood. Vicinium's NeighborMation™ platform, Vicinium Client™, and HomeView interface make possible innovative services such as a digital neighborhood watch, and sophisticated home security and appliance automation functions. All of Vicinium's value-added services are delivered to residential customers through partnerships with Internet service providers that supply persistent, high-speed Internet connections. Vicinium is headquartered in Pleasanton, California. Vicinium can be found on the web at www.vicinium.com.

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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