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**NETSTREAMS ANNOUNCES PUBLICATION OF ITS PATENT APPLICATION FOR
IP SPEAKERS**

Patent Application Extends Company's Leadership in IP Audio, Video & Control

AUSTIN, TX, – March 8, 2007 – *NetStreams*[®], the global leader in IP Audio, Video and Control products announced that the U.S. Patent and Trademark Office formally published the company's patent application for IP-Based networked speakers on December 21, 2006. The Company's published patent application for IP speakers relates to other *NetStreams*' patent applications published for IP-Based networked entertainment, and marks a path for the future of audio, video and control over an IP-Based network.

"*NetStreams*' vision is to provide hardware and software solutions to simplify, manage and distribute audio, video and control signals across an IP Network," said Herman Cárdenas, Founder and Chairman of the Company. "The IP speaker is a key element for the future of networked entertainment in a home or commercial facility. Our innovation puts the intelligence and amplification at the speaker, delivering unprecedented audio quality and accessibility over an IP network."

The patent application is for a networked speaker invention, which includes a network interface that is integrated within a residential or commercial audio distribution and control system. The result is the delivery of vocal feedback, status, and even control with the audio through the networked speakers.

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“IP speakers and IP Audio will change forever Multi-Room and Multi-Channel audio distribution, control, and performance,” said *NetStreams*’ Chief Technology Officer Michael Braithwaite.

“IP audio enables the highest performance sound quality, the most faithful and precise audio reproduction, and the absolute state-of-the-art network integration and digital content management,” said Braithwaite. “Compared with traditional analog and even digital matrix systems that have been the prevalent design choice of the distributed audio industry for over 30 years, IP audio is easy to install, easy to use, easy to upgrade, and gives the highest price/performance of any audio system ever designed, and the IP Speaker is a core element of IP Audio.”

The initial application was filed in 2002, after *NetStreams*’ research and development team created the world’s first IP speaker prototype. Once the proof of concept was developed, *NetStreams* set out to develop the first commercially available IP speaker by partnering with Polk Audio®, an award-winning designer and manufacturer of high performance audio products and the largest audio brand of Directed Electronics, Inc. (NASDAQ, DEIX). Since the introduction of the Polk Audio IP speakers, the speakers have won numerous awards and market acclaim.

About NetStreams

Headquartered in Austin, Texas, *NetStreams* is the world leader in IP Audio, Video and Control products. *NetStreams*’ products are designed for residential and commercial use and offer new levels of affordability, simplicity, reliability, and expandability, benefiting both installers and end-users with lower costs for installation and set-up, and an intuitive and rich user experience.

By utilizing its patent-pending *StreamNet™* technology, *NetStreams* systems enables true plug-n-play integration with other products for entertainment, automation, security, and communications. *NetStreams* is committed to utilizing cutting-edge human factors engineering to create entertainment systems that are truly user-friendly and future compatible. *NetStreams* is enabling the future of IP-Based entertainment today.

For additional information on *NetStreams* and its innovative products, please visit www.netstreams.com.

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