

Press Release

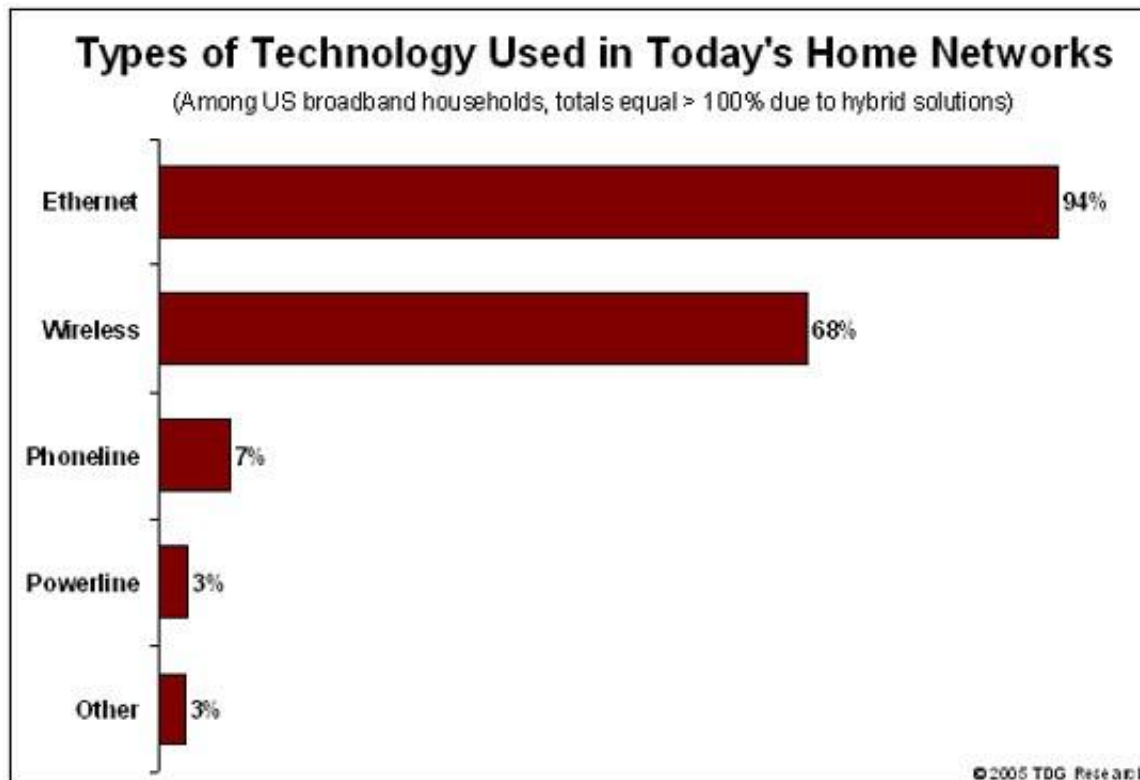


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Despite Rapid Uptake of Wireless Home Networks, Ethernet is Here to Stay

*According to New Research from The Diffusion Group,
Reports of the Demise of Ethernet are Premature and Ill-Informed*

March 14th, 2005 (Dallas, Texas) - Although many research firms have proclaimed that wireless has eclipsed Ethernet as a home networking technology, research from The Diffusion Group suggests that such findings are without merit. In fact, Ethernet is a primary technological component of more than 90% of the home networks deployed in US households today.



"What most researchers fail to take into account the dominance of hybrid wireless/Ethernet solutions," says Michael Greeson, CEO and Founder of The Diffusion Group. "Virtually every wireless solution sold today has an embedded Ethernet switch or hub with multiple ports of LAN-side connectivity. Moreover, in most networked households the desktop PC is connected to the home networking gateway/router via Ethernet, while other PCs in the home make use of wireless connectivity. To declare that wireless has somehow 'eclipsed' Ethernet as the dominant home networking technology is erroneous."

According to TDG's new research, more than 90% of home networks make use of at least one LAN-side Ethernet port, while 68% employ wireless technology to connect remote PCs and other devices to the network. Phonerline technology continues to dwindle as a home network solution, declining from 11% in early 2004 to 7% in early 2005. Powerline networking has yet to establish a strong presence in the home networking market in any significant way, present on only 3% of home networks and primarily in the form of Ethernet-to-powerline bridges. In the opinion of TDG, powerline remains a "sleeper" home networking technology, often dismissed by the popular press and WiFi advocates but capable of disrupting the home network landscape in the next five years.

"CE stalwarts such as Sharp and Sony are already involved in powerline networking, not to mention Comcast," said Greeson. "More importantly, we expect a major announcement to be made in the next few months that will squarely put HomePlug on the map of every home network player."

The Diffusion Group (TDG) is dedicated to providing timely, actionable intelligence to clients targeting the consumer market with new technology devices and services.

About TDG

The Diffusion Group is a market planning and research firm dedicated to keeping our clients *In Front of the Curve*.™ Since 2004, TDG has helped more than 250 technology leaders, media companies, and service providers to understand and manage the quantum shifts now impacting how consumers access, navigate, distribute and consume media – whenever and wherever they may be.

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