

Letter From Andrew



“ Winning The Race- Or At Least Trying To Keep Up ”

I am one of those that work on the basis that it is quicker if you do it yourself. Unfortunately that may work in a small business but it does not work so well in a company that wants to grow like LeisureTech. Having just celebrated forty years in the industry, I am well acquainted with the joys (or should I say hassles) of building a business. When you have to rely on others it comes around to the job of building a team.

From its inception, LeisureTech has progressed from a Hi-Fi retailer in Sydney to an Australian import/distributor and then we added manufacturing. Now we are also a global technology licensing company designing and manufacturing products for customers around the world. Even with a computer, mobile phone, web cam and home office, I finally discovered that you can't run that all by yourself.

I've been fortunate to assemble a strong team of people here in Australia, America and now Thailand where we have a dedicated factory. As companies grow larger, the methods and approaches managers must use to create or maintain a spirit of teamwork inevitably change.

There are basically two forms of communication in a company; the formal which includes things like inter-company memos and written procedures. And the informal, which often occur around the coffee machine or in this case on my yacht (we don't call them sailboats here). Both are important while unfortunately one is becoming less possible in the modern business world. With offices in such remote locations, the intimacy and immediacy of a small group -

- is lost while the opportunity for misinformation and misunderstanding grows. Most of all, the best people won't produce the right results if the efforts are not coordinated with communication open and clear.

So last month, we brought marketing, R&D, production and management staff together in Sydney for a 2007 Planning Conference. At the same time, it was also intended to create teamwork connecting the multiple locations across three continents. In a growing company, communication is one of the main areas that never seems to keep up with growth.

Though it was difficult to cover everything in the week allotted, the conference was a great success. My Wednesday sailing was not to be disturbed though and Eric Leicht and Peter Hoagland seemed to think they had a right to come with me and take the afternoon off as well. In reality, having informal time like this can be just as valuable as the formal meetings.

Of course without communication you will never have a team. An afternoon racing around Sydney Harbour might appear to be time off but for two people who work for an Australia company one located in California and the other in Virginia the afternoon was a great team opportunity. Not so much in winning the race on the day but working better to achieve our goals in 2007.

Peace be with you,

Andrew Goldfinch

Fall EHX 2006 A-BUS Locator

A-BUS Multi-Room Audio can be seen throughout Fall EHX. Here are locations that you don't want to miss:

Company	Booth
Channel Vision	1345,1401
Eaton	2010
Honeywell	1900,1376
Jamo	1401
Mitek	1401
Russound	1635,1401
Suttle	1161
USTec	1245

Inside This Issue

As we begin to close out 2006 (where did it go?) the market for home technology remains steady despite softness from the homebuilding industry. Small homebuilders are reported to be doing fine in this current over supply of inventory. In addition, as more people decide to remodel and renovate, demand for home technology has found new avenues for growth.

EHX is always one of LeisureTech's favorite shows. It has the feel of a major event with all the key connectivity brands yet has maintained the intimacy and friendliness of a start-up show. Andrew, Eric and Peter will be making the rounds all over Long Beach so be sure to look for them with extra newsletters in hand and maybe even some A-BUS news to pass along.

There are many new and exciting A-BUS products here at Fall EHX. Please check out the show locator for the seven A-BUS partners exhibiting here in Long Beach and see for yourself.

<i>Letter from Andrew</i>	1
<i>A-BUS EHX Show Locator</i>	1
<i>Russound - Advanced A-BUS on the horizon</i>	2,6
<i>Suttle's Jay Kilby and boosting profits</i>	2,3
<i>Channel Vision's new A-BUS products</i>	3
<i>Australia Made Simple by Russound's Jon James</i>	4,5
<i>Points of Leicht- Making A-BUS Yours, Part Deux</i>	6,7
<i>Patent Perseverance- Important Updates</i>	8

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Multiroom Audio*

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*June, 2005 and June, 2006 studies by EH Research.

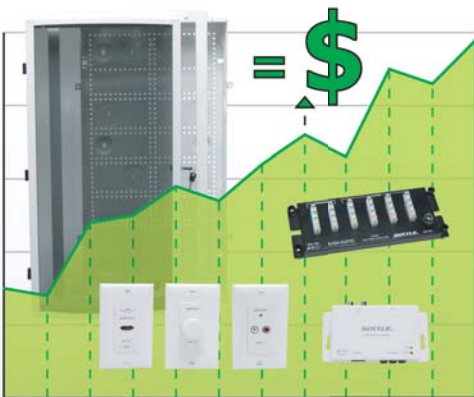
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Boost Revenue and Drive Profit Growth Today!



For most companies the ultimate mission is to grow profits. At the most basic level this can be done by either increasing revenue or decreasing costs. A SOHO Access™ structured wiring solution with multi-room audio are two simple ways to do both.

With narrowing growth prospects caused by the housing slowdown, getting consumers to move down the path of greater technology adoption is critical for growth. The likely source of this new growth must come from new products to help offset any loss in revenue. With the market demand growing for multiroom audio (more than 68% of homebuilders offered it in 2005, up from 65% in 2004, according to a Digital Connect survey conducted last year (Digital Connect, September 2005; p 24.), this should definitely be a product in your offering as a technology integrator if it isn't already.

Concerning profits, Suttle's Structured Wiring Enclosures and A-BUS™ multi-room audio solution is probably the fastest installable solution AND most competitively priced in the market. The combined solution allows you to minimize your costs and maximize efficiency, without sacrificing an ounce of quality. The enclosures are designed with speed enhancing features such as keyed knockouts and pre-set depth tabs, eliminating the need for wallboard measurement. Also, as Suttle's SOHO Access™ solution is the number one choice for connectivity among major service providers, quality is second to none. Additionally, the A-BUS™ system, which requires just a single CAT5e needling to be run (rather than both a CAT5e and speaker cable that most systems require) is simple and very cost effective. The patented technology is key to its high quality sound as thousands of happy customers will attest.

So, how do higher revenue and profits sound to you? As A-BUS™ puts it best... "Simplicity Never Sounded So Good"!

– Jay Kilby, Sr. Product Mgr.

SUTTLE



P-1044

In addition to their slick new booth at this EHX show, Channel Vision is expected to roll out several new products including new A-BUS additions to its ARIA™ line of whole-house audio distribution and control products. The company's new A-BUS line expansions include a 4-Source/4-Zone Matrix, the P-1044 and a Multi-source Amplified Keypad, the AB-124.

Channel Vision's P-1044 enables expanded A-BUS system functionality by allowing up to four separate audio sources to be connected to four areas of the house. Users can connect a variety of audio sources such as standard audio amplifiers, CD players, satellite radio, digital media servers or A-BUS supported audio including iPod wall docks like Channel Vision's iBus™ iPod® Wall Dock.

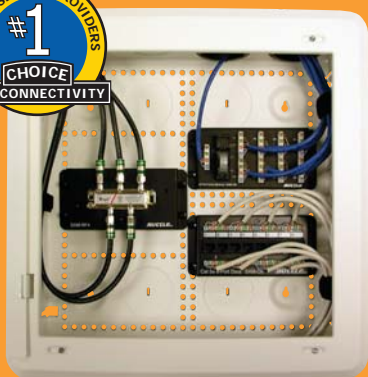
The P-1044 can also be expanded beyond the 4-zones it supports by simply connecting an additional A-BUS hub or matrix. Run your music options to the garage, back yard or workout room and pair it with the new AB-124, the Amplified Keypad for easy push-button or remote control of volume and source selections. Channel Vision's Amplified Keypads provide amplification to in-room speakers and comes with three colored faceplates in the box, White, Almond or Ivory. With these mix and match options to multiple sources; homeowners get an incredibly flexible system for a very affordable price.

These options coupled with the simplicity of A-BUS system installation, its exceptional sound quality and affordability, make it an easy sell for custom installers. Come see these new A-BUS products and the entire Channel Vision line in EHX Booth # 1345,1401.



AB-124

A-BUS HAVE YOU HEARD IT?



With SOHO Access™ we at Suttle offer you a quality, flexible, and competitive product that is easy to install and simple to use. We also deliver 24-hour training, product specs, and installation information all from our comprehensive website. Call or visit us on the web today and see for yourself.

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Russound "Down Under"

by Jon James



It was a momentous occasion. Leaving Boston for Sydney, Australia was going to be my first visit to the Southern Hemisphere. It was also going to be Russound's first visit to Australia since our early days with LeisureTech.

The journey really began many years ago when Russound, a small electronics company in the United States was introduced to Andrew Goldfinch, LeisureTech Electronics and a unique audio technology called A-BUS. The concept of left and right audio channels, Infrared repeating and power and system status traveling over a single CAT-5 cable was intriguing. The architecture of the product had the promise of replacing volume controls in multiroom audio design. While volume controls have not been completely replaced, the ease of installation and simplicity of operation has allowed A-BUS to grow into a major product category in the US market.



Jon James at the Helm of the Yacht A-BUS in Sydney Harbour

Russound “Down Under” (cont)

Today both LeisureTech and Russound have come along way. Product lines have expanded and the market has matured. In the beginning, Russound was an early adopter of A-BUS, and brought the technology to the US market. We will assume that role again when we launch a new line of feature-rich A-BUS products in 2007.



Andrew Goldfinch with a sleepy Koala

While the primary intent of this visit was business, this trip was also about sharing and expanding the other important components that make a partnership successful, the human element, the interaction and team building. My week in Australia was a perfect mix of business and pleasure. I sailed on Sydney Harbor, visited the glorious Blue Mountains and spent quality time with dealers, partners and friends who make up the LeisureTech team.



I'd like to thank my friends at LeisureTech Electronics for their hospitality and the memories of an enjoyable visit to Australia.



Despite not signing on for A-BUS, this local still enjoys meeting Andrew



Jon James is the Director of Special Projects with Russound and company liaison for LeisureTech Electronics.

Points of Leicht

Which Bus Are You On?

This article is the second installment in a series of three articles



In the last issue, we discussed that with such a wide range of inter-operable products available, A-BUS installers can easily design simple and flexible multi-room audio systems to suit their clients' needs. Let's now delve into A-BUS system design.

New System Architecture

Any A-BUS audio system has always incorporated four main elements: input devices, (A-BUS Ready sources and interface modules), distribution devices (hubs), output devices (volume control modules and keypads), and speakers (these last two elements are combined with A-BUS/DIRECT™). But there is another element, a fifth element, which may be used in a variety of ways and can actually serve different functions depending on where it is placed in the signal path. We have commonly thought of this device as the Local Input Module (see Fig. 1), but really it could be a global-input module; it could act as a switch to expand a one-source system to two sources. It can also allow a system designer to completely eliminate all equipment in the entertainment center or media niche.

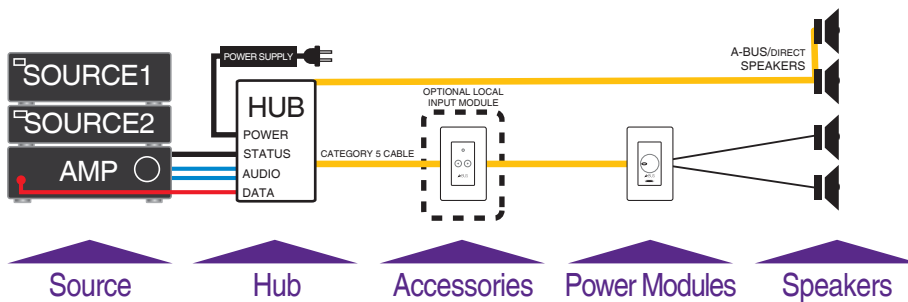


Figure 2: Basic Custom Home A-BUS System Architecture



Figure 1: Russound Local Source Module w/IR Control

continued on page 7



Another First Coming From Russound

Here is a sneak peak of Russound's new advanced line of A-BUS products that offers new features, performance and control over their traditional A-BUS audio systems. The A-C68 6 source / 8 zone multiroom A-BUS controller is a rack mount unit that includes an on-board IR library and supports IR learning. For improved performance and control, Russound has developed two new keypads. The A-K5L adds more robust digital amplification and an LCD panel over traditional A-BUS keypads. The A-KSC expands A-BUS system control via buttons for transport and numeric functions and integrates with the A-K5L as an add-on "sidecar" in a double gang box.

Which Bus Are You On?

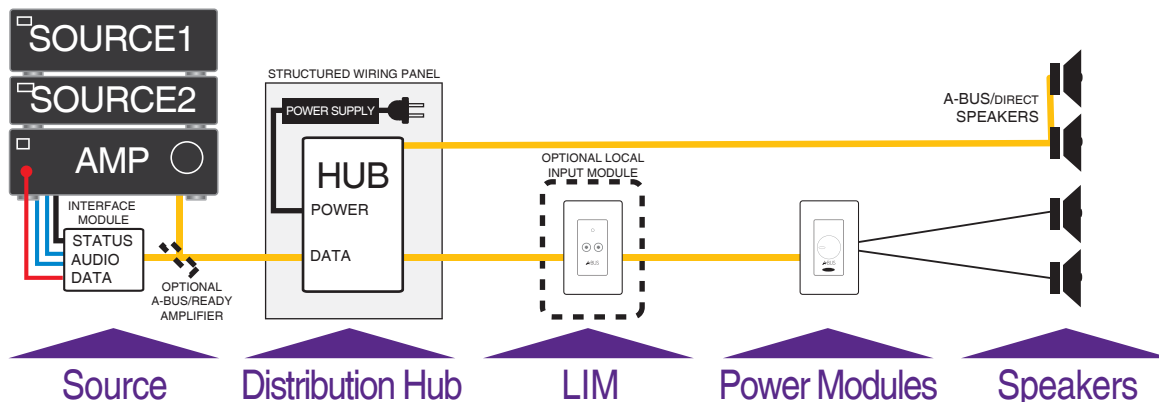


Figure 3: Basic Structured Wiring A-BUS System Architecture

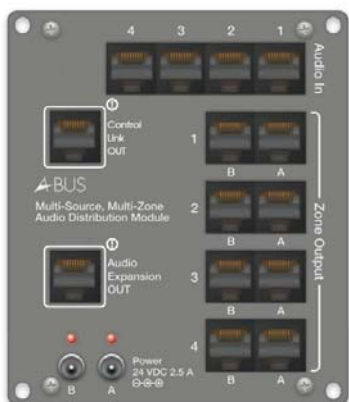


Figure 4: Multi-Source, Multi-Zone A-BUS Structured Wiring Hub

Custom vs. Structured

Traditionally, A-BUS systems fit into two basic system architectures. The architecture we refer to as “Custom” tends to be used more often in custom homes where the audio system is not installed in a structured wiring panel. In this type of system design, the sources and distribution devices are located in the entertainment center and all the rooms are wired back to this location (see Fig. 2). Single-source and multi-source/multi-zone systems are prewired the same way, as the sources are all wired to a local source interface module or source selector in the entertainment center.

In a “Structured” system architecture, the hub is commonly located in a structured wiring panel (see Fig. 3). In a single-source system, a single Cat 5 wire connects the source interface module to the hub. The source interface module is commonly located in the media niche. However, in a multi-source system, the sources may be located anywhere in the home simply by ensuring that a cable is run from each source location to the multi-source hub in the structured wiring panel. Traditionally, this would involve using expensive shielded cabling but by using a new type of multi-source hub designed for use in structured wiring panels (see Fig. 4), this is accomplished with good ol’ Cat 5 wiring.

While at EHX, take a look around to see how these two distinctly different types of system architectures get implemented by our licensees. Either way, we invite you to hop on the A-BUS and listen while you enjoy the ride!

In the next issue, we will focus on the various types of A-BUS input modules and look at some trendy applications.

Eric Leicht is LeisureTech’s Technical Manager in addition to running a successful independent representative company in Southern California. Eric resides in Thousand Oaks, California. eric@a-bus.com



Fast Facts

Did you know that a 4 ohm speaker, wired with 16 gauge wire, over a 139 foot run in a typical distributed audio system, loses 50% of its acoustical output at the speaker? By having the power closer to the speakers, A-BUS delivers more clean power resulting in better sound quality.

Q.&A. Patent Perserverance- The Latest News From Around The World



One of the most frequently asked questions here at LeisureTech is when will our U.S. patent be granted? And a good question it is.

More than 5 years after its U.S. filing, LeisureTech received an allowance on its A-BUS patent late last year. However, what seemed then like a simple amendment to include an additional inventor, meant that the patent would be delayed for “further consideration”.

Though it took much longer than we anticipated, this past September we were notified that this process had concluded and LeisureTech then received a fresh notice from the US Patent & Trademark Office that the A-BUS patent would proceed to grant.

Over the last 5 years, this patent application has undergone rigorous examination by several examiners on all aspects. In the end, this should mean that there will be very little room for infringers to raise meaningful objections as to its validity.

The time between allowance and grant can be several months it will hopefully conclude sooner than that. Since we are already two months into that process, we anticipate that the patent will be granted in the very near future.

In addition to the U.S. patent allowance, LeisureTech has also received patent allowances in Canada and Mexico. Like the U.S. allowance, it could take several months before those patents are formally granted. LeisureTech has already been granted similar patents for its A-BUS technology in Europe, Australia and New Zealand.

Here is a brief Q&A on the A-BUS patent and what it means:

Q. I heard that LeisureTech was granted an “allowance” on a U.S. Patent. What exactly does that mean?

A. It means that the US Patent Office has completed its examination of the LeisureTech A-BUS patent application and has formally allowed it to proceed to grant.

Q. Does that mean that the patent will definitely be granted? If so when?

A. Yes, although the US Patent Office may take several months to process and complete the necessary paperwork before the patent grant is made. Since the final allowance came in September, we expect the grant to take place relatively soon.

Q. What does the A-BUS patent cover?

A. In general terms, the A-BUS patent covers the use of audio, data and power down category 5 cable in distributed audio systems. LeisureTech and its A-BUS licensees have been using this technology and making products known in the industry as A-BUS Multi-Room systems for more than six years.



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