

GeckoSystems' Discusses Elder Care Robot Manufacturability to Address Pent Up Demand

CONYERS, GA, Nov. 24, 2009 (MARKETWIRE via COMTEX) -- GeckoSystems Intl. Corp. (PINKSHEETS: [GCKO](http://www.geckosystems.com/) | <http://www.geckosystems.com/>) -- announced today that since their first annual "Mobile Robots in Motion" conference earlier this month, they have been solicited by another first tier contract manufacturer interested in the high volume manufacture of their product line. GeckoSystems is a dynamic leader in the emerging Mobile Service Robot industry revolutionizing their development and usage with "Mobile Robot Solutions for Safety, Security and Service(tm)."

Martin Spencer, President/CEO of GeckoSystems stated: "As all of us here at GeckoSystems are excited about this development, due to the nature of the upcoming discussions, I feel it is in the best interest of all parties involved to withhold the name of this contract manufacturing company at this time. This new solicitation from another first tier contract manufacturer is particularly gratifying since they already manufacture a military robotic platform for one of our competitors."

GeckoSystems' first commercial product, the CareBot(tm), has been carefully designed for manufacturability for over ten years. Sixty percent of its direct cost of manufacture can be imported in container quantities readily. These are the systems and subsystems such as low power, low clock x86 Mini ITX motherboards, laptop hard drives, WiFi routers, webcams, audio amplifiers, DC drive motors, drive wheels, casters, etc. In defense industry parlance these are "commercial off the shelf" or COTS. The next twenty percent of direct manufacturing costs comes from the production of the custom hardware boards the company has developed to enable GeckoOrient(tm), GeckoSPIO(tm), GeckoMotorController(tm), etc. These custom printed circuit boards are populated with commodity parts readily available from sources like DigiKey, etc. The final twenty percent of direct cost of manufacturer comes from the custom sheet aluminum GeckoFrame(tm) and thermoformed plastic GeckoShroud(tm).

Over the last ten years GeckoSystems has had intimate discussions with numerous ISO certified contract manufacturers regarding their robot caregiver. In all instances they have told the company that the "economic order quantity" (EOQ) was twenty to thirty platforms, not hundreds as one might otherwise expect.

"When I joined GeckoSystems several years ago, I was pleased to learn of their long term emphasis on 'design for manufacturability.' To that end, the systems which I have refined and enhanced have always been performed with ease of low cost fabrication, assembly, configuration and calibration as primary goals," remarked Mark Peele, Vice President, R&D, GeckoSystems.

"Due to the foregoing realities, we have successfully kept this entry barrier very low for us by not having to produce five hundred CareBots in the first batch, but only twenty-five. This will enable us to expand our in home evaluation trials readily and ramp into production of one thousand CareBots per month within six months. This will better enable us to meet the pent up demand in eldercare for caregiving robots and increase ROI for our investors," observed Spencer.

"For the last several years, the U.S. eldercare crisis is commonly portrayed as 'not happening' until the baby boomers reach the age of great reliance on their children and younger family members. The truth of the matter, since the US is the only country in the top ten of the world's industrialized nations without national healthcare, is that we really don't have solid statistics for our true 'bottom line' annual US eldercare costs. Many middle class baby boomers are presently suffering significant financial, time and emotional pressures attempting to care for their surviving WWII and Korean War era parents," reflected Spencer.

The elderly frequently endure loneliness and/or loss of independence when living in nursing homes or other assisted living facilities. This new type of remote medical monitoring system, a CareBot, will postpone, if not eliminate that trauma to them. Their families can now better manage the difficult decisions regarding the independence they allow their now dependent parent while minimizing the risk the adult care giver is willing to assume for a prudent level of independence for their now reliant parent.

At the time of the company's founding, extensive primary market research was performed to determine the demographic profiles and the market segments appropriate to identify the probable early adopters of eldercare capable personal robots. Not surprisingly the scientific statistical analyses revealed that elderly over 65 living alone in metropolitan areas with broadband Internet available and sufficient household incomes to support were identified as those most likely to adopt initially. Using U.S. Census Bureau data from the 2000 census the pent-up demand, to the degree possible for metro areas only, is -to those not privy to this type of statistical analysis- nearly unbelievable. Due to the high cost of assisted living, nursing homes, etc. the payback for a CareBot(tm) is expected to be only six to eight months while keeping elderly care receivers independent, in their own long time homes, and living longer due to the comfort of more frequent attention from their loved ones.

"We project the available market size in dollars for cost effective, utilitarian, multitasking eldercare personal robots in 2010 to be \$74.0B, in 2011 to be \$77B, in 2012 to be \$80B, in 2013 to be \$83.3B, and in 2014 to be \$86.6B. With market penetrations of 0.03% in 2010, 0.06% in 2011, 0.22% in 2012, 0.53% in 2013, and 0.81% in 2014, we will anticipate CareBot sales, from this consumer market segment, only, of \$22.0M, \$44.0M, \$176M, \$440.2M, and \$704.3M, respectively. We expect these sales despite --and perhaps because of-- the present recession due to pent up demand for significant cost reduction in eldercare expenses," concluded Spencer.

The foregoing forecasts do not include sales in non-metropolitan areas; elderly couples over 65 (only elderly living alone are in these forecasts); those chronically ill, such as those afflicted with Alzheimers, etc, or already living with their adult children.

Some believe that the technology is approved and paid for through options such as the Assistive Technology Act of 1998, which broadens the definition, use, and funding of technology at home. Other sources include long-term care insurance, Medicare and Medicaid, Medicaid waivers, and (potentially) stimulus funds from the American Recovery and Reinvestment Act of 2009, under the provisions for health information technology and electronic medical records for acute care.

Like an automobile, mobile robots are made from steel, aluminum, plastic, and electronics, but with ten to twenty times the amount of software running. The CareBot has an aluminum frame, plastic shroud, two independently driven wheels, multiple sensor systems, microprocessors and several onboard computers connected in a local area network (LAN). The microprocessors directly interact with the sensor systems and transmit data to the onboard computers. The onboard computers each run independent, highly specialized cooperative/subsumptive artificial intelligence (AI) software programs, GeckoSavants(tm), which interact to complete tasks in a timely, intelligent and common sense manner. GeckoNav(tm), GeckoChat(tm) and GeckoTrak(tm) are primary GeckoSavants. GeckoNav is responsible for maneuvering, avoiding dynamic and/or static obstacles, seeking waypoints and patrolling. GeckoChat is responsible for interaction with the care-receiver such as answering questions, assisting with daily routines and reminders, and responding to other verbal commands. GeckoTrak, which is mostly transparent to the user, enables the CareBot to maintain proximity to the care-receiver using sensor fusion. The CareBot is an Internet appliance that is accessible for remote video/audio monitoring and telepresence.

About GeckoSystems International Corporation:

Since 1997, GeckoSystems has developed a comprehensive, coherent, and sufficient suite of hardware and software inventions to enable a new type of home appliance (a personal companion robot) the CareBot(tm), to be created for the mass consumer marketplace. The suite of primary inventions includes: GeckoNav(tm), GeckoChat(tm) and GeckoTrak(tm).

The primary market for this product is the family for use in eldercare, care for the chronically ill, and childcare. The primary distribution channel for this new home appliance is the thousands of independent personal computer retailers in the U.S. The manufacturing infrastructure for this new product category of mobile service robots is essentially the same as the personal computer industry. Several outside contract manufacturers have been identified and qualified their ability to produce up to 1,000 CareBots per month within four to six months.

The Company's "mobile robot solutions for safety, security and service(tm)" are appropriate not only for the consumer, but also professional healthcare, commercial security and defense markets. Professional healthcare require cost effective, timely errand running, portable telemedicine, etc. Homeland Security requires cost effective mobile robots to patrol and monitor public venues for weapons and WMD detection. Military users desire the elimination of the "man in the loop" to enable unmanned ground and air vehicles to not require constant human control and/or intervention.

The Company's business model is very much like that of an automobile manufacturer. Due to the final assembly, test, and shipping being done based on geographic and logistic realities; strategic business-to-business relationships can range from private labeling to joint manufacturing and distribution to licensing only.

Several dozen patent opportunities exist for the Company due to the many innovative and cost effective breakthroughs embodied not only in GeckoNav, GeckoChat, and GeckoTrak, but also in additional, secondary systems that include: GeckoOrient(tm), GeckoMotorController(tm), the GeckoTactileShroud(tm), the CompoundedSensorArray(tm), and the GeckoSPIO(tm).

The present senior management at GeckoSystems has over thirty-five years experience in consumer electronics sales and marketing and product development. Senior managers have been identified for the areas of manufacturing, marketing, sales, and finance.

While GeckoSystems has been in the Development Stage, the Company has accumulated losses to date in excess of six million dollars. In contrast, the Japanese government has spent one hundred million dollars in grants (to Sanyo, Toshiba, Hitachi, Fujitsu, NEC, etc.) over the same time period to develop personal robots for their eldercare crisis, yet no viable solutions have been developed.

By the end of this year, the Company plans to complete productization of its CareBot offering with the introduction of its fourth generation personal robot, the CareBot 4.0 MSR. The Company expects to be the first personal robot developer and manufacturer in the world to begin in-home eldercare evaluation trials.

What Does a CareBot Do for the Care Giver?

The short answer is that it decreases the difficulty and stress for the caregiver that needs to watch over Grandma, Mom, or other family members most, if not much, of the time day in and day out due to concerns about their well being, safety, and security.

But, first let's look at some other labor saving, *automatic* home appliances most of us use routinely. For example, needing to do two or more necessary chores and/or activities at the same time, like laundering clothes and preparing supper.

The *automatic* washing machine needs no human intervention after the dirty clothes are placed in the washer, the laundry powder poured in, and the desired wash cycle set. Then, this labor saving appliance runs *automatically* until the washed clothes are ready to be placed in another labor saving home appliance, the *automatic* clothes dryer. While the clothes are being washed and/or dried, the caregiver prepares supper using several time saving home appliances like the microwave oven, "crock" pot, blender, and conventional stove, with possible convection oven capabilities. After supper, the dirty pots, pans, and dishes are placed in the *automatic* dishwasher to be washed and dried while the family retires to the den to watch TV, and/or the kids to do homework. Later, perhaps after the kids have gone to bed, the caregiver may then have the time to fold, sort, and put up the now freshly laundered clothes.

So what does a CareBot do for the caregiver? It is a new type of labor saving, time management *automatic* home appliance.

For example, the caregiver frequently feels time stress when they need to go shopping for 2 or 3 hours, and are uncomfortable when they have to be away for more than an hour or so. Time stress is much worse for the caregiver with a frail elderly parent that must be reminded to take medications at certain times of the day. How can the caregiver be away for 3-4 hours when Grandma must take her prescribed medication every 2 or 3 hours? If the caregiver is trapped in traffic for an hour or two beyond the 2 or 3 they expected to be gone, this "time stress" can be very difficult for the caregiver to moderate. Not infrequently, the primary caregiver has a 24 hour, 7 days a week responsibility. After weeks and weeks of this sometimes tedious, if not onerous routine, how does the caregiver get a "day off?" To bring in an outsider is expensive (easily \$75-125 per day for just 8 hours) and there is the concern that medication will be missed or the care receiver have an accident requiring immediate assistance by the caregiver, or someone they must designate. And the care receiver may be very resistant to a "stranger" coming in to her home and "running things."

So what is it worth for a care receiver to have an *automatic* system to help take care of Grandma? Just 3 or 4 days a month "off" on a daylong shopping trip, a visit with friends, or just take in a movie would cost \$225-500 per month. And that scenario assumes that Grandma is willing to be taken care of by a "stranger" during those needed and appropriate days off.

So perhaps, an *automatic* caregiver, a CareBot, might be pretty handy, and potentially very cost effective from the primary caregiver's perspective.

What Does a CareBot Do for the Care Receiver?

It's a new kind of companion that always stays close to them enabling family and friends to care for them from afar. It tells them jokes, retells family anecdotes, reminds them to take medication, reminds them that family is coming over soon (or not at all), recites Bible verses, plays favorite songs and/or other music. It alerts them when unexpected visitors, or intruders are present. It notifies designated caregivers when a potentially harmful event has occurred, such as a fall, fire in the home, or simply been not found by the CareBot for too long. It responds to calls for help and notifies those that the caregiver determined should be immediately notified when any predetermined adverse event occurs.

The family can customize the personality of the CareBot. The voice's cadence can be fast or slow. The intonation can be breathy, or abrupt. The voice's volume can range from very loud to very soft. The response phrases from the CareBot for recognized words and phrases can be colloquial and/or unique to

the family's own heritage. The personality can range from brassy to timid depending on how the caregiver, and others appropriate, chooses it to be.

Generally, the care receiver is pleased at the prospect of family being able to drop in for a "virtual visit" using the onboard webcam and video monitor for at home "video conferencing." The care receiver may feel much more needed and appreciated when their far flung family and friends can "look in" on them anywhere in the world where they can get broadband internet access and simply chat for a bit.

Why is Grandma really interested in a CareBot? She wants to stay in her home, or her family's home, as long as she possibly can. What's that worth? Priceless. Or, an average nursing home is \$5,000 per month for an environment that is too often the beginning of a spiral downward in the care receiver's health. That's probably \$2-3K more per month for them to be placed where they really don't want to be. Financial payback on a CareBot? *Less than a year-* Emotional payback for the family to have this new *automatic* care giver? *Nearly instantaneous-*

Safe Harbor:

Statements regarding financial matters in this press release other than historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and as that term is defined in the Private Securities Litigation Reform Act of 1995. The Company intends that such statements about the Company's future expectations, including future revenues and earnings, technology efficacy and all other forward-looking statements be subject to the Safe Harbors created thereby. The Company is a development stage firm that continues to be dependent upon outside capital to sustain its existence. Since these statements (future operational results and sales) involve risks and uncertainties and are subject to change at any time, the Company's actual results may differ materially from expected results.

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