Directed Electronics Acquires Trilogix Electronic Systems

Acquisition to Strengthen Directed's Leadership in Vehicle Security and Remote Start

VISTA, Calif., May 22, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Directed Electronics, Inc., (Nasdaq: DEIX) announced today that it has acquired Trilogix Electronic Systems Inc. and its affiliates. Trilogix is a leader in vehicle integration solutions simplifying the installation of aftermarket remote start systems by providing innovative, software-based technology products. Terms of the deal were not disclosed.

According to Kevin Duffy, Senior Vice President of Corporate Development and Marketing for Directed, "We expect this strategic, tuck-in acquisition to complement our leadership in the aftermarket vehicle security and remote start market by providing customers of both companies with the widest assortment of integration solutions in the industry. Given the increasingly high attachment rate of integration modules to remote start sales, we believe the combination of Directed's broad distribution network and Trilogix's leading edge products and technology provides a significant long-term opportunity."

Trilogix founder and President, Derek Schumann, and his management team will remain in place, managing day-to-day Trilogix operations, and leading the overall Directed effort in the bypass and integration category. "We are very pleased to become part of the worldwide Directed Electronics organization and look forward to expanding Directed's vehicle integration solutions," Schumann said. "In addition, we look forward to continuing our relationships with our existing customer base."

Trilogix's operations are located in Canada, where Directed recently acquired three entities (Astroflex, Autostart and Directed Canada) that are all engaged in the vehicle security and remote start business.

According to Mark Rutledge, Senior Vice President of Engineering and Product Development for Directed, "Our two companies have a close cultural fit, and Derek Schumann is an energetic entrepreneur with a great deal of passion for vehicle integration products. I am excited about the opportunity to work with Derek and the Trilogix team to develop the next generation of vehicle interface technologies."

Directed expects the acquisition to be neutral to earnings in 2007 and slightly accretive in 2008.

About Directed Electronics

headquartered in Vista, California, Directed Electronics (Nasdaq: DEIX) is the largest designer and marketer in North America of premium home theater loudspeakers, consumer branded vehicle security, vehicle remote start and convenience systems, and the largest supplier of aftermarket satellite radio receivers based on sales. Directed is also a major supplier of mobile audio and video systems and has exclusive rights to market and sell certain SIRIUS-branded satellite radio receivers and accessories to Directed's existing U.S. retailer customer base. In the home audio market, Directed designs and markets award-winning Polk Audio(R) and Definitive Technology(R) premium loudspeakers. Directed's broad portfolio of security products, remote start, hybrid systems, and GPS tracking systems are sold under leading brands including Viper(R), Clifford(R), Python (R), Astroflex(R) and Autostart(R). Directed's mobile audio and video products include speakers, subwoofers, amplifiers, video screens and digital media players, sold under its Polk Audio(R), Orion(R), Precision Power(R), Directed Audio(R), Xtreme(R) Directed Video(R), and Directed Mobile Media(R) brand names. Directed was founded in 1982 and markets its broad portfolio of products through many channels including leading retailers and specialty chains throughout North America and around the world. More information is available at http://www.directed.com.

Forward-Looking Statements

Certain statements in this news release that are not historical fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically are identified by the use of terms such as "may," "should," "might," "believe," "expect," "anticipate," "estimate" and similar words, although some may be expressed differently. Forward-looking statements in this release include, but are not limited to, statements as to expected net sales and expected net income per share for 2007 or 2008. Shareholders and other readers are cautioned not to place undue reliance on these forward looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results of Directed to be materially different from historical results or from any results expressed or implied by such forward-looking statements. These factors include competition in the consumer electronics industry, development of new products and changing demand of customers, reliance on certain key customers, adverse
developments affecting SIRIUS Satellite Radio, challenge of the Company’s pricing and promotional practices, reliance on certain manufacturers and their ability to maintain satisfactory delivery schedules, disruption in supply chain, shortages of components and materials, disruption in imports, quality installation of products by customers, significant product returns or product liability claims, compliance with various state and local regulations, remediation of any internal control deficiencies and identified material weaknesses in internal control over financial reporting, risks with international operations, claims related to intellectual property, ability to service debt obligations, disruption in distribution centers, decline in consumer spending, outcome of existing litigation, dependence on senior management, ability to realize on investments made in the business, and integration of acquired businesses. Certain of these factors, as well as various additional factors, are discussed from time to time in the reports filed by Directed with the Securities and Exchange Commission, including the Form 10-K for the year ended December 31, 2006. Directed disclaims any intent or obligation to update these forward-looking statements.

SOURCE Directed Electronics, Inc.

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