



Incorporating

**sonacom**

Company Announcements

9 March 2007

The Australian Stock Exchange Ltd.  
Via: e-Lodge Announcement

Dear Sir,

**Zylotech teams with IBM to target major Security projects**

In a significant development and in recognition of Zylotech's counter-terrorism capability enhancement technology for government agencies and airport/seaport operators, IBM Australia Limited (IBM) has signed a CDA (Confidential Disclosure Agreement) with Zylotech to offer their leading security solutions to government and corporate security markets.

As part of their overall Managed Security initiative, IBM will work with Zylotech and integrate the Secure Virtual Surveillance (SVS) system for high-profile and prestigious national security projects for remote and local digital surveillance, recording and monitoring applications.

According to a Research & Consulting Outsourcing Services report, the digital CCTV market had a growth of nearly 39.6% in the year 2005. The total market size for IP based CCTV reached about US\$ 227 Million in 2005 as compared to US\$ 159 Million in the year 2004. It is expected to grow at a CAGR of 39.6% within the next 5 years. In 2010, global IP based CCTV market size will reach to almost US\$ 12 Billion.

Together, Zylotech and IBM will offer organisations a fully integrated solution, combining the strength, experience and security of working with IBM, the industry's leading technology provider, and tested and proven 'best-of-breed' video management technology from Zylotech.

Mr. Rob Kelly, General Manager – Sales and Marketing says: "**We look forward to collaborating with IBM on this innovative security solution and offering our customers leading DVS security technologies.**"

**SmartSWITCH**, the integral Digital Video Management part of SVS, is a Real-Time, 'push' technology multimedia system triggered by intelligent motion detection, existing alarm systems and other dynamic events and connects directly to existing installations of alarms, PA systems and CCTV.

IBM's selection is very significant for Zylotech because it showcases the innovative integration capabilities of its SVS with existing systems.

Yours Faithfully

Nicholas Sikiotis  
CEO, CTO & Managing DirectorFor more information on IBM: [www.ibm.com](http://www.ibm.com)