



# SYNERGY EQUITIES GROUP

THE NEW FORCE IN INTERNET SECURITY, SYSTEMS & SERVICES

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## WORLD LEADER IN SECURE EMAIL TEAMS WITH Data-inCrypt®

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### highlights of announcement

- Data-inCrypt® has entered into a ten year teaming agreement with CertifiedMail.com, Inc. ("CertifiedMail"), one of the world's leading secure email providers, securing the exclusive licensing rights for the Far East / Asia Pacific region (see [www.certifiedmail.com/PartnersChannel.aspx#FE](http://www.certifiedmail.com/PartnersChannel.aspx#FE))
- CertifiedMail's software platform provides an easy-to-use, low-overhead secure email infrastructure for organisations that are required to meet government-mandated customer information privacy standards or otherwise need to protect confidential information in transit over the Internet
- Data-inCrypt®'s CertifiedMail offering includes both a hosted service - to be branded "Data-inCrypt® SMX secure registered email" and hosted within the SYNERGY DataCentre - and in-house enterprise software solutions
- CertifiedMail has in excess of 1.8 million user seats in operation over North America, South America, Europe and Africa
- Lavan Legal, Western Australia's largest independent law firm, is the first organisation in Australia / Asia Pacific region to empower its practice with Data-inCrypt® SMX
- CertifiedMail's customers include Fortune 500 corporations in insurance, banking and healthcare / pharmaceutical as well as government agencies such as Florida Dept. of Law Enforcement, UK Dept. of Trade & Industry, State of Ohio and Maryland Dept. of Public Safety



*the new force in Internet security  
in the Asia Pacific region*

Data-**inCrypt**<sup>®</sup> Pty Ltd (“Data-**inCrypt**<sup>®</sup>”), a wholly owned subsidiary of Synergy Equities Group Limited (“SYNERGY”), has formed a strategic alliance with CertifiedMail.com, Inc (“CertifiedMail”), one of the world’s leading secure email providers.

The basis of the strategic alliance between Data-**inCrypt**<sup>®</sup> and CertifiedMail is a ten-year teaming agreement providing Data-**inCrypt**<sup>®</sup> with the exclusive licensing rights to offer a hosted CertifiedMail service - to be branded “Data-**inCrypt**<sup>®</sup> SMX secure registered email” and hosted within the SYNERGY DataCentre - and to sell CertifiedMail software licenses for in-house enterprise use in the Far East / Asia Pacific region. Data-**inCrypt**<sup>®</sup> will also provide installation and support services to its customers throughout the region.

**background**

To complement its existing Internet security offering of “online data backup & recovery”, Data-**inCrypt**<sup>®</sup> commenced in-house development of SMX in 2005 (the ASX announcement of 26 Apr 05 refers).

Simultaneously, and throughout the development process, Data-**inCrypt**<sup>®</sup> conducted extensive due diligence to establish worldwide competition and to closely monitor developments in the marketplace. Part of Data-**inCrypt**<sup>®</sup>’s due diligence included the evaluation of secure email solutions from major providers - our conclusion was that CertifiedMail was the most technically advanced and well-featured secure email platform.

After several iterations of SMX over the last two years and as a result of developments in the secure email marketplace, the SYNERGY Board resolved that Data-**inCrypt**<sup>®</sup> should enter into a strategic alliance with a world leader in the field of secure email rather than continue to try and “reinvent the wheel”, having regard for the Board’s mission (to build an asset, create annuity income and deliver a 20% net return on capital invested for shareholders) and the ongoing overhead and cost required to complete, launch and evolve its own product.

**about CertifiedMail ([www.certifiedmail.com](http://www.certifiedmail.com))**

The founders of CertifiedMail have been engaged in data security since 1989 and founded their first company, Safetynet, in 1991. Safetynet provided software solutions to meet the security and access control needs of the US Department of Defence and subsequently commercial organisations. In 1995, Safetynet began using Internet-based software distribution but immediately became aware of the significant security drawbacks inherent in delivering code over the open Internet. Safetynet successfully developed a proprietary architecture to track the secure delivery of its software products. For the next three years, Safetynet continued to develop the architecture further, leading to the 1998 launch of the first CertifiedMail hosted service. CertifiedMail was incorporated as a standalone company in 1999.

CertifiedMail is a Microsoft Gold Certified Partner and has published case studies and undertaken marketing initiatives in cooperation with Microsoft. The company currently has in excess of 1.8 million user seats in operation over North America, South America, Europe and Africa.

**about SYNERGY ([www.data-incrypt.com](http://www.data-incrypt.com) & [www.synergyaustralia.com](http://www.synergyaustralia.com))**

Synergy Equities Group Limited is a diversified Internet security, systems & services group based in Perth, Western Australia. SYNERGY is focused on generating transaction and storage revenues through its world-class DataCentre and software, consisting of the TradeCentre suite including payments gateway and supply chain management solutions; Data-inCrypt® online data backup & recovery; and Data-inCrypt® SMX secure registered email, an encrypted email and documents exchange technology.

SYNERGY uses the Internet to deliver its solutions to clients world-wide, including Cadbury Schweppes Australia and New Zealand, Coca-Cola Amatil, Coco's Riverside Bar and Restaurant, The Raffles Hotel, Hampton Transport Services, Hostile Environment Services, J. Blackwood & Son, Melbourne Stadiums Limited (Telstra Dome), Perth Wildcats, Seacrest Medical Centre, Sydney Opera House, Wesfarmers Kleenheat Gas, Wilkhahn Asia Pacific, State One Stockbroking Ltd, Brandrill Limited, Professionals Kalgoorlie, Agrimaster Pty Ltd and Wilson Parking Australia.

**CertifiedMail's technology**

Security and accountability are two pillars of the business process. Businesses require transparent security leveraging existing infrastructure to deliver data via email in a cost-effective manner and with due compliance. Standard email lacks security measures, such as encryption, tracking & delivery confirmation, and data integrity. CertifiedMail technology, based on the Microsoft .Net platform, enhances existing email to address these issues.

CertifiedMail technology uses transparent encryption and is highly scalable and extremely cost-effective. For maximum reach, the sender and the recipient do not need to install new software or hardware to communicate securely. In addition, for Outlook, Lotus Notes and GroupWise users, a toolbar Send Certified™ button can be added, providing one-click sending of encrypted messages. CertifiedMail is highly customisable for corporate implementation and, through its standards-based open protocol architecture, provides robust messaging services to any Internet-enabled wired or wireless device.

Data-inCrypt® is offering CertifiedMail's technology as both a hosted service, to be branded Data-inCrypt® SMX secure registered email, or as an in-house enterprise software solution. CertifiedMail's advanced architecture allows its products and services to be integrated with existing enterprise-level email storage, transport and archival systems.

Ideally placed to capitalise on the increasing corporate awareness of litigation readiness, document retention and security of email transmission, Data-inCrypt® SMX *powered by* CertifiedMail offers:

- **ease of use** – familiar webmail interface can be used anywhere in the world;
- **security** – automatic, transparent encryption with no special software or keys required;
- **simple configuration** – automatic, dynamic creation of recipient accounts and inboxes;
- **tracking** – records the date and time a message was opened;
- **integrity** – digital signature automatically verifies message integrity;
- **no change in end-user behaviour** – send secure messages from within Microsoft Outlook, Lotus Notes and GroupWise;
- **value for money** – more cost effective than traditional email encryption methods; and
- **fast, reliable, secure** – delivery of email to any Internet recipient.

**teaming agreement**

SYNERGY has concluded a teaming agreement for a ten year term granting to Data-inCrypt® the exclusive licensing rights to offer hosted CertifiedMail services and to sell CertifiedMail software licenses for in-house enterprise use in the Far East / Asia Pacific region. The full terms and conditions contained within the teaming agreement between Data-inCrypt® and CertifiedMail are commercially sensitive and the disclosure of those terms and conditions would be unreasonably prejudicial to SYNERGY.

### Far East / Asia Pacific region rollout

The rollout of Data-inCrypt<sup>®</sup> SMX throughout the region will occur in seven phases over the next two years, with phase one, Australia, having already commenced in late December 2007 at Lavan Legal (www.lavanlegal.com.au), Western Australia's largest independent law firm (the ASX announcement of 20 Dec 07 refers).

Phase two, New Zealand, has been rescheduled with the launch and rollout to commence in July 2008. SYNERGY looks forward to updating the market with regard to the progress of phases one and two, and Data-inCrypt<sup>®</sup>'s plans / timelines for phases three to seven.

### potential Data-inCrypt<sup>®</sup> SMX annual recurring "hosted service" revenues

A "gold user" is a licensed person who can initiate (sender) a secure email conversation with any other person who has an Internet email address (recipient).

<b>gold users / senders</b>	<b><u>annual recurring</u> revenue (AU\$,000)</b>
1,000	400
2,000	800
3,000	1,200
4,000	1,600
5,000	2,000
6,000	2,400
7,000	2,800
8,000	3,200
9,000	3,600
10,000	4,000

**note:** the potential revenues are based on licensing fees only. SYNERGY makes no representation nor forecast as to the likely number of licensed gold users that will be achieved nor the time frame for revenues to be achieved.

### SYNERGY's Managing Director Ronald Moir said

"The alliance is the result of a great deal of work and represents a significant milestone in the history of the company".

"The SYNERGY Group is proud to be aligned with a world leader in secure email", Mr Moir said. "Having conducted extensive research in the global marketplace, we found CertifiedMail's product suite was second to none and it makes a substantial addition to Data-inCrypt<sup>®</sup>'s arsenal of security products."

"Being able to present CertifiedMail's products in the Asia Pacific region is a tremendous opportunity for Data-inCrypt<sup>®</sup>. Data-inCrypt<sup>®</sup> SMX secure registered email, powered by CertifiedMail, is now a reality", Mr Moir concluded.

**CertifiedMail's President & CEO Mahesh Muchhala said**

...CertifiedMail is very excited to have formed a strategic alliance with Data-inCrypt®.

“Data-inCrypt® is well placed to become the driving force in Internet security in the Asia Pacific region, and it is for this reason that we chose them to represent our products”, Mr Muchhala said.

“Data-inCrypt® has an expertise in data security with an established suite of products, a world-class data centre, an extensive network of business contacts and above all an enthusiastic and highly skilled team of technical and business personnel”.

“We are confident that Data-inCrypt® will replicate the success CertifiedMail has experienced in the USA and other countries”, Mr Muchhala concluded.

Mark Popham  
**Company Secretary & CFO**  
**SYNERGY EQUITIES GROUP LIMITED**



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