



SYNERGY EQUITIES GROUP

THE NEW FORCE IN INTERNET SECURITY, SYSTEMS & SERVICES

ASX / MEDIA RELEASE

10 DECEMBER 2008
ELS051.2009

DECEMBER 2008 SMX UPDATE



potential sales value of current SMX evaluations in excess of AU\$650,000

The potential sales value of SMX evaluations currently being undertaken by Australian corporate organisations is in excess of AU\$650,000 (ex GST). Synergy Equities Group Limited's ("SYNERGY", ASX : SYG) wholly owned subsidiary Data-**inCrypt**[®] expects that at least 75% of these potential sales revenues will be realised during the first half of calendar year 2009.

Additional SMX evaluations carrying potential sales value of AU\$250,000 (ex GST) are scheduled to commence during the first quarter of calendar year 2009. Data-**inCrypt**[®] also expects that at least 75% of these potential sales revenues will be realised during the first half of calendar year 2009.

Sales and marketing activities in the first half of calendar year 2009 are expected to generate a significant number of new evaluations (within Australian corporate organisations), carrying potential sales value of \$600,000-700,000 (ex GST). Revenues from these evaluations are expected to be realised throughout calendar year 2009.

The majority of high-end organisations looking to implement SMX for their Board of Directors and / or in a high security environment will opt for an in-house implementation, which initially represents a larger, more immediate income stream to Data-**inCrypt**[®] than the hosted service option in many cases.

strong upside for SMX with limited exposure to an economic downturn

As the Global community becomes increasingly reliant on the Internet, protecting the confidentiality of email communications is an issue that can no longer be ignored. All Internet users need to be aware that standard email is as public as a postcard, and leaves a written record long after it has been erased.

Through its discussions with Australian corporate organisations and security professionals, Data-inCrypt® has identified six main categories of individual / entity that represent a threat to the privacy, confidentiality & integrity of email communications (i.e. interception, eavesdropping & tampering). In order of threat represented from greatest to least, these are:

- 1) Governments;
- 2) organised crime;
- 3) terrorists;
- 4) competitors;
- 5) hackers; and
- 6) script kiddies - a derogatory term used for an inexperienced malicious hacker who uses programs developed by others to attack computer systems and deface websites.

A further insidious threat - often considered to be the most prevalent - is the trusted employee, who can fall into any of the six categories.

In these times of increased corporate governance, proactive corporate and Government organisations are making it an objective “to try to avoid risk rather than deal with it after it occurs”. SMX secure registered email mitigates the risk of email communications being compromised by empowering organisations to conduct secure electronic business with confidence in SMX’s military-grade, encrypted, keyless, secure messaging system.

The threats to email security described above are ever-present and in times of economic downturn become more prevalent. **SMX meets an undeniable business need, a need that can only increase with time.**

Yours faithfully

Ronald Moir
Managing Director
SYNERGY EQUITIES GROUP LIMITED

