



# SYNERGY EQUITIES GROUP

THE ASIA PACIFIC LEADER IN SECURE EMAIL

## QUARTERLY ACTIVITIES REPORT for the period ended 30 June 2009

### HIGHLIGHTS

<b>Technology</b>	<ul style="list-style-type: none"><li>➤ DataMotion Executive Vice-President, Founder &amp; Chief Technical Officer tours Australia with SMX</li><li>➤ Common Criteria certification of SMX to commence in August 09</li><li>➤ SMX pilot commences at world leading oil &amp; gas company</li><li>➤ SMX Presentations / Workshops / Discovery sessions held for entities / organisations including:<ul style="list-style-type: none"><li>- Australia Football League;</li><li>- AXA Australia;</li><li>- Bar Chambers;</li><li>- Etihad Stadium;</li><li>- Foolkit;</li><li>- Kangan Batman Institute of TAFE;</li><li>- NSW Independent Commission Against Corruption;</li><li>- Project Management Institute – Australian Chapters;</li><li>- Sage Australia;</li><li>- Shannon's Way;</li><li>- The Acquis Group;</li><li>- The Arts Centre;</li><li>- Visioneering IT;</li><li>- Wesfarmers Insurance; and</li><li>- Wirelessworx</li></ul></li><li>➤ SMX to capitalise on email leaks and privacy breaches</li><li>➤ SMX meets eHealth Secure Messaging Requirement</li><li>➤ Data-inCrypt® enters into MOU with Security Advisory (Asia Pacific)</li></ul>
<b>Corporate</b>	<ul style="list-style-type: none"><li>➤ listed options quoted on ASX with code SYGOA on 10 June 2009</li><li>➤ pro-rata non-renounceable rights issue closed on 29 May 09 with subscriptions received for 400,577,991 listed options, raising approximately \$400,578 before costs of the issue</li><li>➤ latest Investor Presentation released</li></ul>

## OVERVIEW

The quarter saw the Company's wholly owned subsidiary Data-**inCrypt**<sup>®</sup> continue to move forward aggressively with the marketing of SMX secure registered email whilst the Company itself continued the transitioning of its business model to reflect its emphasis on SMX. The Company again draws shareholders' attention to the ASX announcement of 13 March 09, noting that the Company is not isolated from the current global financial situation and:

- 1) the marketing of SMX (through Data-**inCrypt**<sup>®</sup>) is likely to take longer than previously forecast (simply as a result of apparent restrictions on IT expenditure by major Australian corporations with whom the Company has been negotiating); and
- 2) the level of transactional income receivable by the Company from sales of existing products (by the Company's wholly owned subsidiary Synergy Business Solutions Australia Pty Ltd) is likely to decrease. The full level of the anticipated decrease cannot accurately be estimated at this point in time.

The above factors have impacted on the Company during the quarter and as a result the Company's cash receipts decreased by 25% (being \$49,884) when compared to the previous quarter (the ASX announcement of 30 April 09 refers). As at 30 June 09, the Company's cash position stood at \$225,104 and trade debtors totalled \$8,613.

Despite the difficult market, the pro-rata non-renounceable rights issue announced by the Company on 17 March 09 closed on 29 May 09 with relatively strong support from shareholders. Applications were received from eligible shareholders for 250,059,501 options, with applications also being received for an additional 150,518,490 shortfall options, making a total of 400,577,991 options (50.14% of eligible options on offer) and leaving a shortfall of 398,371,445 options). The rights issue raised approximately \$400,578 before costs, and the options were quoted on the ASX with code SYGOA on 10 June 09. The Board extends its sincere thanks to Shareholders for their support and assistance in helping the Company to ride out the current economic climate.

In accordance with the rights issue Prospectus, the Directors are able to place the remaining shortfall options at any time up to three months after the closing date of the issue to raise a further \$398,371. As at the date of this report, the Company is in the process of completing the placement of these shortfall options to sophisticated and private investors and will announce the details during August 09. The Company's Managing Director, Ronald Moir, has agreed to subscribe for an additional 100 million options from the shortfall, at a cost of \$100,000, on the same terms as the rights issue, subject to approval by shareholders at a general meeting to be held on 14 August 09 (the ASX announcement of 07 July 09 refers). The Company's cash balance at the end of the quarter, when combined with the \$398,371 to be raised from the placement of shortfall options in August 09, will enable the Company to meet its working capital requirements until at least the end of the calendar year.

The rights issue was undertaken partly to raise capital to fund the Common Criteria certification of SMX secure registered email - that certification process can now commence. Stratsec.Net Pty Ltd ("Stratsec", [www.stratsec.net](http://www.stratsec.net)) has been awarded the contract to conduct the Common Criteria certification of SMX (the ASX announcement of 16 June 09 refers), with the certification process to formally commence in early August 09 - **this in turn will result in the inclusion of SMX on the Defence Signals Directorate ("DSD") Evaluated Products List ("EPL") with a status of "in-evaluation" in September 09.**

This inclusion of SMX on the EPL allows Government agencies to start implementing and using SMX (the ASX announcement of 06 Mar 09 refers), and as such Data-**inCrypt**<sup>®</sup> is to immediately recommence intensive marketing to State & Federal agencies and other organisations with high-level security requirements such as engineering firms. **It is anticipated that the first of significant ongoing sales revenues that will result from the common criteria certification of SMX will be realised by Data-**inCrypt**<sup>®</sup> in November & December 2009.**

R J ("Bob") Janacek, one of the world's foremost authorities on secure messaging and DataMotion, Inc.'s Executive Vice-President, Founder and Chief Technical Officer, toured Australia on behalf of SMX secure registered email during the week commencing Monday, 22 June 2009. Bob met with media organisations in Sydney, Stratsec in Canberra in regard to the Common Criteria certification of SMX and held high level talks with top-end potential corporate and Government SMX customers in Melbourne, that included Victoria Police ([www.police.vic.gov.au](http://www.police.vic.gov.au)), Thales Group ([www.thales.com.au](http://www.thales.com.au)) and Medibank Private Limited ([www.medibank.com.au](http://www.medibank.com.au)) (the ASX announcement of 22 Jun 09 refers).

Two publicly reported breaches in privacy and email security resulted in sales opportunities for SMX that have, and continue to be, actively pursued by Data-**inCrypt**<sup>®</sup>. As well as representing potential sales opportunities for the Company, these incidents further demonstrated the growing need for SMX in all organisations, be they small or large, private or Government (the ASX announcement of 06 Apr 09 refers).

Data-**inCrypt**<sup>®</sup> has accepted an invitation to consult on the “secure messaging” requirement of the National E-Health Transition Authority’s (NEHTA) ([www.nehta.gov.au](http://www.nehta.gov.au)) PIP (Practice Incentive Program) for General Practitioners (the ASX announcement of 20 April 09 refers). SMX secure registered email is included in NEHTA’s list of approved secure messaging products, which means that any General Practice in Australia using SMX will meet one of the three primary requirements of the PIP eHealth Incentive, and as such is eligible for corresponding payments from Medicare Australia. As well as presenting potential sales opportunities for SMX amongst General Practitioners throughout Australia, the invitation to consult on industry-wide specifications for secure messaging represents a tremendous opportunity for the exposure of SMX in an industry where privacy concerns are an ever-increasing issue.

Data-**inCrypt**<sup>®</sup> has entered into a Memorandum of Understanding (MOU) with Security Advisory (Asia Pacific) Pty Ltd (“Security Advisory”, [www.securityadvisory.com.au](http://www.securityadvisory.com.au)) which details commercial arrangements regarding the sales and marketing of SMX secure registered email by Security Advisory to its clients throughout the Asia Pacific region (the ASX announcement of 06 May 09 refers).

Security Advisory’s initial SMX targets are a leading International mining group (listed on both the London and Australian Stock Exchanges), one of Australia’s largest private health insurers, one of Victoria’s largest technical and further education institutes and one of the world’s premier hotel companies. The MOU provides Security Advisory with an SMX sales target of \$200,000 (ex GST) directly resulting from its recommendations within the first twelve (12) months from the date of execution of the MOU. Upon achieving this milestone, Data-**inCrypt**<sup>®</sup> and Security Advisory will enter into a formal teaming agreement.

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## Glossary in brief

<b>SYNERGY</b>	is Synergy Equities Group Limited
<b>the Company</b>	is Synergy Equities Group Limited
<b>SYNERGY Australia</b>	is Synergy Business Solutions Australia Pty Ltd, <b>SYNERGY</b> ’s wholly owned subsidiary
<b>Data-<b>inCrypt</b><sup>®</sup></b>	is Data- <b>inCrypt</b> <sup>®</sup> Pty Ltd, <b>SYNERGY</b> ’s wholly owned Subsidiary
<b>Data-<b>inCrypt</b><sup>®</sup> SMX</b>	is Data- <b>inCrypt</b> <sup>®</sup> SMX secure registered email
<b>SYNERGY Group</b>	is <b>SYNERGY</b> , <b>SYNERGY Australia</b> and Data- <b>inCrypt</b> <sup>®</sup>
<b>ASX</b>	is Australian Securities Exchange
<b>SMX</b>	is Data- <b>inCrypt</b> <sup>®</sup> SMX
<b>SYG</b>	is <b>SYNERGY</b> ’s ASX code

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## **REVIEW OF OPERATIONS:**

### **TECHNOLOGY**

#### **SMX to capitalise on email leaks & privacy breaches**

The Company drew Shareholders and the market's attention to two breaches in privacy and email security that had been publicly reported over the last week or so (the ASX announcement of 06 Apr 09 refers), and have resulted in sales opportunities for SMX that are being actively pursued by Data-inCrypt®:

- 1) a Queensland-based pathology laboratory published the names, contact numbers and private details of at least 100 patients on its website. The records detailed relevant medical history, current medications, as well as patient's next of kin. (see <http://www.news.com.au/technology/story/0,28348,25253036-5014239,00.html>)
- 2) an email leaked from a major Australian & New Zealand retailer exposed the names of the organisations tendering for a major IT project believed to be worth in excess of \$100 million. (see <http://www.australianit.news.com.au/story/0,27574,25265738-15306,00.html>)

As well as representing potential sales opportunities for the Company, these incidents further demonstrate the growing need for SMX in all organisations, be they small or large, private or Government.

#### **SMX to meet eHealth Secure Messaging Requirement**

The Company announced that Data-inCrypt® had accepted an invitation to consult on the "secure messaging" requirement of the National E-Health Transition Authority's (NEHTA) ([www.nehta.gov.au](http://www.nehta.gov.au)) PIP (Practice Incentive Program) for General Practitioners (the ASX announcement of 20 Apr 09 refers).

Data-inCrypt® had recently submitted SMX secure registered email for inclusion on NEHTA's list of approved secure messaging products, which means that any General Practice in Australia using SMX will meet one of the three primary requirements of the PIP eHealth Incentive, and as such is eligible for corresponding payments from Medicare Australia.

As well as presenting potential sales opportunities for SMX amongst General Practitioners throughout Australia, the invitation to consult on industry-wide specifications for secure messaging represents a tremendous opportunity for the exposure of SMX in an industry where privacy concerns are an ever-increasing issue.

#### **2009 Eastern Seaboard SMX Workshops & Discovery Sessions Commence**

The Company advised that Data-inCrypt® was to commence its 2009 calendar year programme of regular SMX workshops / discovery sessions across the Eastern Seaboard during the week commencing Monday 20 April 2009 (the ASX announcement of 20 Apr 09 refers).

#### **April 2009 Eastern Seaboard SMX Workshops / Discovery Sessions**

The Company advised the entities / organisations that Data-inCrypt® held SMX workshops / discovery sessions for in Sydney and Melbourne during the last week (the ASX announcement of 30 Apr 09 refers) included:

#### **NSW Independent Commission Against Corruption (ICAC)** ([www.icac.nsw.gov.au](http://www.icac.nsw.gov.au))

The Independent Commission Against Corruption (ICAC) was created by the Independent Commission Against Corruption Act 1988. It has the authority to investigate any matter involving public sector corruption in NSW. Its aims are to protect the public interest, prevent breaches of public trust and guide the conduct of public officials.

Data-inCrypt® held an SMX workshop / discovery session for ICAC's Executive Director, Corporate Services and Manager, Information Management & Technology. Being a Government agency, ICAC represents an immediate target for SMX once Common Criteria certification has commenced.

#### **Wesfarmers Insurance** ([www.wesfarmersinsurance.com.au](http://www.wesfarmersinsurance.com.au))

Wesfarmers first started insurance operations in 1919 as a rural insurer. In October 2003 it acquired Lumley Group and formed Wesfarmers Insurance. Based in Sydney, Wesfarmers Insurance comprises three general insurance underwriters, two insurance brokers and various other insurance and financial services businesses operating in Australia, New Zealand and the United Kingdom. Wesfarmers Insurance has over 150 locations in Australia, New Zealand and the United Kingdom and employs more than 3,000 people.

Data-inCrypt® held an SMX workshop / discovery session for Wesfarmers Insurance's Security and Risk Manager, who indicated that SMX would be tabled as a potential project in the second half of calendar year 2009.

**Project Management Institute – Australian Chapters** ([www.pmichapters-australia.org.au](http://www.pmichapters-australia.org.au))

Established in 1969 and headquartered outside Philadelphia, Pennsylvania USA, the Project Management Institute (PMI) is the world's leading not-for-profit project management professional association, with over 125,000 members worldwide. The first PMI Chapter in Australia was formed in 1996 and today there are Chapters in Adelaide, Brisbane, Canberra, Melbourne, Perth and Sydney. The activities of the individual Chapters are coordinated through the Australian PMI Council (APC).

Data-inCrypt® held an SMX workshop / discovery session for a pre-eminent Board member of PMI's Sydney Chapter, who acknowledged a need for SMX within PMI and committed to prepare a formal requirements document for presentation to other Board members within the next month.

**AXA Australia** ([www.axa.com.au](http://www.axa.com.au))

AXA Australia ("AXA") is a member of the Global AXA Group, one of the largest financial services groups in the world with an enviable track record in meeting the superannuation, investment and insurance needs of more than 65 million customers worldwide. As the market knows, Data-inCrypt® was asked to complete a customised technical design for an in-house SMX solution (the ASX announcement of 27 Nov 08 refers). Subsequent to the provision of that design, AXA has delayed its implementation of SMX due to the current global financial situation.

Data-inCrypt® met with AXA's Information Security Manager (Information Systems), who reiterated AXA's desire to proceed with the SMX project once capital expenditure funds are made available.

**Australian Football League** ([www.afl.com.au](http://www.afl.com.au))

An Australian Icon, the Australian Football League (AFL) is one of the largest sectors in Australia's sport and recreation industry. The game is Australia's premier spectator sport attracting more than 14 million people to watch all levels of the game across all communities. Participation continues to expand, with a total 638,000 registered participants nationally in 2007, an increase of 9.8% on the previous year. Defined as an industry, the game contributes in excess of \$1 billion annually to the Australian economy according to independent research. The AFL commands high levels of corporate sponsorship, massive media coverage for 12 months of the year and huge attendances.

Data-inCrypt® held an SMX workshop / discovery session for the AFL's Manager, Information Technology who acknowledged a definite need for SMX within the AFL corporate office, state bodies and the AFL clubs themselves. He committed to holding discussions in this regard with AFL executives to be followed by a further meeting with Data-inCrypt® in three to four weeks time.

**Shannon's Way** ([www.shannonsway.com.au](http://www.shannonsway.com.au))

Shannon's Way, in its 16 year journey, has evolved from a traditional advertising agency to Australia's leading Social Marketing Communications Company focused on attitude and behavioural change campaigns that stimulate action. Together with its client partners, Shannon's Way has created and implemented some of the most ground breaking behavioural change programs in Australia.

Data-inCrypt® held an SMX workshop / discovery session for Shannon's Way's Finance Director, who has requested Data-inCrypt®'s assistance in the review of Shannon's Way's email architecture, and the preparation of a corresponding strategy for the security and integrity of its email going forward.

**Wirelessworx** ([www.wirelessworx.com.au](http://www.wirelessworx.com.au))

Wirelessworx has 28 years of experience in successfully bringing new solutions to market, focussing on Point of Service systems through to advanced online transaction processing involving non technical users, high throughput and mission critical transaction systems. Wirelessworx's security specialisation has been developed through remote database integration work with Oracle and high performance scalability development work in the gaming industry.

Data-inCrypt® held an SMX workshop / discovery session for Wirelessworx's Managing Director. Data-inCrypt® and Wirelessworx will be holding further discussions and intend to explore potential synergies with regards to both companies' technology and customer bases in the coming months.

**Etihad Stadium** ([www.etihadstadium.com.au](http://www.etihadstadium.com.au))

Etihad Stadium, formerly known as Colonial Stadium and then Telstra Dome, is a multi-purpose facility designed to cater for major sporting and entertainment events, as well as social, business and private functions. The stadium is situated in the heart of Melbourne's Docklands, just minutes from the CBD. Etihad Stadium is the only football stadium in the Southern Hemisphere with a fully retractable roof. Since opening on 09 March 2000 more than 19-million people have passed through the venue's turnstiles.

Data-inCrypt® held an SMX workshop / discovery session for Etihad Stadium's Chief Financial Officer, who acknowledged a real need for SMX and committed to conducting internal discussions at Etihad Stadium prior to a further meeting with Data-inCrypt®.

**The Arts Centre** ([www.theartscentre.com.au](http://www.theartscentre.com.au))

The Arts Centre is the flagship of the performing arts in Victoria, and the focal point of Melbourne's cultural precinct. It manages some amazing facilities including Hamer Hall, the Sidney Myer Music Bowl, the State Theatre, the Playhouse, the Fairfax Studio, the ANZ Pavilion, and the Black Box; plus extensive technical and production facilities, rehearsal and dressing rooms, administration, food and beverage outlets, art collections, gardens and a host of support services making it a round-the-clock operation.

Data-inCrypt® held an SMX workshop / discovery session for The Arts Centre's Manager Safety & Security and Chief Information Officer, who both confirmed a need for SMX within The Arts Centre's security and corporate staff, and committed to undertake internal discussions at The Arts Centre prior to a further meeting with Data-inCrypt® in three to four weeks.

In addition to demonstrating SMX secure registered email, SYNERGY showcased its latest investor presentation to several national media outlets during the week (as foreshadowed in the ASX announcement of 20 Apr 09).

**SMX Pilot Commences at World Lending Oil & Gas Company**

The Company announced that one of the nation's largest publicly-traded oil and gas exploration and production companies has commenced a pilot of SMX (the ASX announcement of 04 May 09 refers).

**Data-inCrypt® enters into MOU with Security Advisory (Asia Pacific)**

The Company announced that its wholly owned subsidiary Data-inCrypt® has entered into a Memorandum of Understanding (MOU) with Security Advisory (Asia Pacific) Pty Ltd which details commercial arrangements regarding the sales and marketing of SMX secure registered email by Security Advisory to its clients throughout the Asia Pacific region (the ASX announcement of 06 May 09 refers).

Security Advisory's initial SMX targets are a leading International mining group (listed on both the London and Australian Stock Exchanges), one of Australia's largest private health insurers, one of Victoria's largest technical and further education institutes and one of the world's premier hotel companies.

The MOU provides Security Advisory with an SMX sales target of \$200,000 (ex GST) directly resulting from its recommendations within the first twelve (12) months from the date of execution of the MOU. Upon achieving this milestone, Data-inCrypt® and Security Advisory will enter into a formal teaming agreement.

**SMX Secure Registered Email Presentation**

The Company released its latest SMX presentation as showcased to potential SMX clients by its wholly owned subsidiary, Data-inCrypt® during its nationwide roadshows (the ASX announcement of 13 May 09 refers).

**June 2009 Eastern Seaboard SMX Workshops / Discovery Sessions**

The Company advised that Data-inCrypt® was continuing its 2009 calendar year programme of regular SMX workshop / discovery sessions in Adelaide with the Law Society of South Australia ([www.lawsocietyysa.asn.com.au](http://www.lawsocietyysa.asn.com.au)) and concluded in Melbourne with the Kangan Batman Institute of TAFE ([www.kangan.edu.au](http://www.kangan.edu.au)) and other potential clients during the week commencing Tuesday 02 June 2009 (the ASX announcement of 29 May 09 refers).

### **Update – June 2009 Eastern Seaboard SMX Workshops / Discovery Sessions**

The Company advised the entities / organisations that Data-inCrypt® held SMX workshops / discovery sessions for in Adelaide and Melbourne during the last week (the ASX announcement of 11 Jun 09 refers) included:

#### **Bar Chambers** ([www.barchambers.com.au](http://www.barchambers.com.au))

Bar Chambers was established in 1964 as the first Barristers' Chambers at the South Australian Independent Bar. It is now one of the largest Chambers in Adelaide, comprising 18 members.

Data-inCrypt® held an SMX workshop / discovery session for Nigel Wilson, who has practised as a Barrister at Bar Chambers since 1995 in all areas of commercial and civil litigation, regulatory matters and quasi-criminal proceedings. Nigel is also the Course Co-ordinator of a new subject in the University of Adelaide's Master of Laws programme called Technology, Law and Society which considers topics such as regulating information and communication technologies, e-risk management, digital evidence / e-discovery and e-forensics. Nigel is considering SMX for implementation at Bar Chambers as well as for inclusion in his course material at the University of Adelaide.

#### **Law Society of South Australia** ([www.lawsocietysa.asn.au](http://www.lawsocietysa.asn.au))

The Law Society of South Australia provides professional services, resources, support and benefits to its members and the legal profession in general. It undertakes community education concerning the law and the legal profession and engages in activities designed to improve access to justice.

Data-inCrypt® was scheduled to conduct an SMX workshop / discovery session for the Director of the Law Society of South Australia's Law Claims division (which provides advice to legal practitioners in relation to potential claims against them or their firm), however this meeting was cancelled at the last minute by the Law Society due to unforeseen circumstances and will be rescheduled on a future date.

#### **Foolkit** ([www.foolkit.com.au](http://www.foolkit.com.au))

Foolkit is a website that has been written by experienced lawyers for lawyers and the public – indeed, anyone who works in or is interested in the Law. Its key aim is to make life easier for a legal practitioner by saving frustration and creating more time for the user through efficiency. As well as being a standalone website, Foolkit can be integrated with a law firm's Intranet or existing website to centralise and organise data.

Data-inCrypt® held an SMX workshop / discovery session for Foolkit's proprietor & chief editor. Foolkit is currently focused on South Australia but is expanding in the coming months to cater for the Australian legal profession nationwide. Data-inCrypt® is looking to partner with Foolkit throughout this expansion to increase the exposure and market presence of SMX in this important industry sector.

#### **Sage Australia Pty Ltd** ([www.sage.net.au](http://www.sage.net.au))

Sage Australia is one of Australia's top resellers of Sage 50 Accounting Software (the United Kingdom's leading accounting package), and also a reseller of Data-inCrypt®'s "online data backup and recovery". In conjunction with its significant reseller network and partner organisations, being Adept Distribution Pty Ltd ([www.adeptdis.com.au](http://www.adeptdis.com.au)) and Adept Computer Support Pty Ltd ([www.adeptcom.com.au](http://www.adeptcom.com.au)), Sage Australia offers a comprehensive range of IT services to small-to-medium enterprises throughout Australia and New Zealand.

Data-inCrypt® held talks with Sage Australia's Managing Director with regard to Sage Australia's increased participation in the national sales and marketing of SMX.

#### **Visioneering IT** ([www.visioneeringit.com.au](http://www.visioneeringit.com.au))

Visioneering IT is a leading Information Technology / Information Management (IT/IM) organisation that works exclusively with General Medical Practices and other allied health organisations throughout Victoria and other states of Australia. With over 15 years of industry experience, Visioneering IT's focus is to assist health professionals to implement and maintain effective and economic IT/IM strategies to lower operating costs, improve business efficiency and comply with relevant medical record retention laws and peak government body and IT/IM accreditation standards.

Data-inCrypt® held an SMX workshop / discovery session for Visioneering IT's Director, and will hold further talks with Visioneering IT over the coming months with a view to entering into a Memorandum of Understanding (MOU) regarding the sales and marketing of SMX within the Victorian medical industry.

**Kangan Batman Institute of TAFE** ([www.kangan.edu.au](http://www.kangan.edu.au))

Kangan Batman Institute of TAFE is Victoria's major training provider for the automotive, aerospace, polymer and transport industries and is the state's largest provider of traineeship and apprenticeship training. With more than 26,000 students every year, it has seven campuses across Melbourne including the new Automotive Centre of Excellence at Docklands, which is to become the largest automotive training facility in the Southern Hemisphere.

Data-inCrypt® held an SMX workshop / discovery session for Kangan Batman's Manager, Institute Security & Environment, who acknowledged a real need for SMX amongst the TAFE's Board, security, finance and administration departments and committed to conducting internal discussions prior to a further meeting with Data-inCrypt®.

**Cadbury Australia (formerly Cadbury Schweppes)** ([www.cadbury.com.au](http://www.cadbury.com.au))

Cadbury is currently the world's biggest confectionery company with a number one or number two position in 20 of the 50 largest confectionery markets across the globe, and employs over 50,000 people worldwide. Cadbury Australia was formed in 1922 and has a leading position in confectionery in both Australia and New Zealand. In Australia it is number one in chocolate (52% market share), and has a strong presence in candy with The Natural Confectionery Company.

Data-inCrypt® was scheduled to hold a follow-up meeting with Cadbury's IT Compliance Manager – Asia Pacific (the ASX announcement of 23 Sep 08 refers), however this was cancelled by Cadbury due to illness and will be rescheduled on a future date.

**The Acquis Group** ([www.acquisgroup.com](http://www.acquisgroup.com))

The Acquis Group is a boutique corporate advisory firm that provides strategic, transactional and compliance services for large Australian industrial, mining, retail and financial service SMEs and mid-cap companies. With expertise in many industry sectors, the Acquis Group has a track record of successful transactions through its established relationships with Australia's leading private equity providers in the SME and mid-cap sector. Its Strategic Alliances enable the Acquis Group to provide a total strategic, transactional and compliance "package" to its clients.

Data-inCrypt® held talks with The Acquis Group's Managing Director regarding the potential entering into of a Memorandum of Understanding which would result in The Acquis Group introducing SMX to potential top-end clients, including corporate organisations and Federal Government lobby groups.

**Stratsec to Conduct Common Criteria Certification of SMX**

The Company announced that Stratsec.Net Pty Ltd has been awarded the contract to conduct the Common Criteria certification of SMX.

Data-inCrypt® expects to complete the necessary arrangements and execute contracts with Stratsec throughout the remainder of June and into July 09, with the certification process to formally commence in late July / early August 09 - this in turn will result in the inclusion of SMX on the Defence Signals Directorate ("DSD") Evaluated Products List with a status of "in-evaluation" some time in September 09. Once this occurs, Government agencies are permitted to start implementing and using SMX (the ASX announcement of 06 Mar 09 refers).

**About Stratsec** ([www.stratsec.net](http://www.stratsec.net))

Stratsec is a 100% Australian-owned specialist security engineering and information risk management services company, started by Doug Stuart and business partner Peter Lilley in 2004 after they recognised a gap in the Australian market for an independent information security consultancy. In May 2009 Stratsec merged with SIFT, Sydney's largest information security and training firm, to form the leading independent information security company in the region. Stratsec's head office is located in Canberra, with other offices in Sydney, Melbourne, Perth and Singapore.

**DataMotion Vice-President to Tour Australia with SMX**

The Company announced that R J ("Bob") Janacek, one of the world's foremost authorities on secure messaging and DataMotion, Inc.'s Executive Vice-President, Founder and Chief Technical Officer, was to tour Australia on behalf of Data-inCrypt® SMX secure registered email during this week (commencing Monday, 22 June 2009).

Bob met with media organisations in Sydney, Stratsec in Canberra in regard to the Common Criteria certification of SMX (the ASX announcement of 16 Jun 09 refers) and held high level talks with top-end potential corporate and Government SMX customers in Melbourne, including Medibank Private Limited ([www.medibank.com.au](http://www.medibank.com.au)).



**About R J (“Bob”) Janacek BSc MBA** (see [http://www.datamotion.com/about\\_team.php#BobJ](http://www.datamotion.com/about_team.php#BobJ))

Bob Janacek has almost twenty years of security and software design experience, and is the architect, designer and original developer of the products and services that comprise DataMotion's Secure Email System. His vision keeps DataMotion's technology on the cutting edge of technology, while his ongoing communications with customers ensure that the products are easy to use and to manage. His foresight helped transform the original Managed Security Service into a software solution for the corporate market, which he has followed with a series of modules to enhance various aspects of the system's functionality.

Previously, Bob was the lead designer and developer of Safetynet's award winning suite of data security products. Since 1992, he has worked closely with the NSA (National Security Agency) Rainbow Series and DoD (Department of Defense) Orange Book standards for C2 Security mandated by the US Federal government. Bob holds a BS in Computer Science from the New Jersey Institute of Technology, and an MBA in Marketing from Rutgers University (the State University of New Jersey).

## **CORPORATE**

### **Despatch of Pro-rata Non-renounceable Rights Issue Prospectus**

The Company advised that it had despatched its current rights issue Prospectus with Entitlement & Acceptance Form to eligible Australian and New Zealand shareholders (the ASX announcement of 01 April 09 refers).

### **Extension of Offer Period – Pro-rata Non-renounceable Rights Issue**

The Company advised that the closing date for its current rights issue offered under the Prospectus dated 17 March 2009 had been extended to 5:00pm (WST) on Friday, 15 May 2009 (the ASX announcement of 20 Apr 09 refers).

### **Latest Investor Presentation – April 2009**

The Company released its latest Investor Presentation (the ASX announcement of 28 Apr 09 refers).

### **3rd Quarter Activities Report for the Period Ended 31 Mar 09**

The Company released its 3rd Quarter Activities Report for the Period Ended 31 Mar 09 (the ASX announcement of 30 Apr 09 refers).

### **3rd Quarter Cash Flow Report for the Period Ended 31 Mar 09**

The Company released its 3rd Quarter Cash Flow Report for the Period Ended 31 Dec 09 (the ASX announcement of 30 Apr 09 refers).

### **Further Extension of Offer Period – Pro-rata Non-renounceable Rights Issue**

The Company advised that the closing date for its current rights issue offered under the Prospectus dated 17 March 2009 had been further extended to 5:00pm (WST) on Friday, 29 May 2009 (the ASX announcement of 07 May 09 refers).

### **Pro-rata Non-renounceable Rights Issue Closes – Notification of Undersubscription**

The Company announced that its pro-rata non-renounceable rights issue closed on 29 May 09. Applications were received from eligible shareholders for 250,059,501 options, with applications also being received for an additional 150,518,490 shortfall options, making a total of 400,577,991 options (50.14% of eligible options on offer) and leaving a shortfall of 398,371,445 options. The rights issue raised approximately \$400,578 before costs of the issue. The funds will be used to develop the Company's assets and for working capital, as described in the Prospectus.

In accordance with the Prospectus, the Directors are able to place any remaining shortfall options at any time up to three months after the closing date of the issue. The Company will release any details regarding the placement of shortfall options as soon as possible. The Company's Managing Director, Ronald Moir, has agreed to subscribe for an additional 100 million options from the shortfall, on the same terms as the rights issue, subject to approval by shareholders at a general meeting to be held on 14 August 09 (the ASX announcements of 03 June 09 and 07 July 09 refer).

### **Quotation of Listed Options – ASX Code: SYGOA**

The Company announced that its new listed options expiring 06 May 2013 would be quoted for trading on the ASX on Wednesday, 10 June 2009 with code SYGOA (the ASX announcement of 06 Jun 09 refers).

### **Top 20 Optionholders**

The Company released the names of the 20 largest optionholders (as of 10 Jun 09) of its options expiring 06 May 2013 (the ASX announcement of 10 Jun 09 refers).

## **DISPOSAL OF RESIDUAL MINING ASSETS**

### **Receivable from Meridian Mining Limited**

In April 2005 the Company disposed of its residual mining assets to Mr R Morellini and Meridian Mining Limited (“Meridian”) (the ASX announcement of 18 April 05 refers). The Company continues to be concerned at the failure of Meridian to proceed with its prospectus and IPO, this being an integral part of the transaction negotiated by the Company for the benefit of shareholders.

As reported to ASX on 31 Oct 07, the Company has no clear assessment as to when or if the Meridian IPO prospectus will continue, and as such continues to monitor its legal options to ensure shareholder interests are fully protected.

It is to be noted however that the Company has fully provided in its previous accounts for receipt of the final settlement sum from Meridian and accordingly the delay has no impact on the financial results of the Company (the ASX announcement of 26 Sep 07 refers).

## **TECHNOLOGY (matters subsequent to 30 June 2009)**

### **Update - DataMotion Vice President’s Tour of Australia with SMX**

The Company provided an update on Mr R J (“Bob”) Janacek, one of the world’s foremost authorities on secure messaging and DataMotion, Inc.’s ([www.datamotion.com](http://www.datamotion.com)) Executive Vice President, Founder and Chief Technical Officer tour of Australia with Data-inCrypt<sup>®</sup> Directors on behalf of SMX secure registered email during the week commencing 22 Jun 09 (the ASX announcement 01 Jul 09 refers).

During his visit to Australia, Bob Janacek met with media organisations in Sydney, Canberra & Melbourne (to date resulting in articles in the Herald Sun on Fri 26 Jun 09 and The Age on Sat 27 Jun 09) and had the opportunity to discuss SMX / DataMotion’s platform architecture and technical specifications with leading potential Government and corporate SMX clients in Perth, Canberra and Melbourne.

Ahead of the formal commencement of the Common Criteria certification of SMX in late July / early August 09 (the ASX announcement of 16 Jun refers), Data-inCrypt<sup>®</sup> and Bob conducted a briefing meeting with Stratsec in Canberra, which was also attended by the Acting Manager AISEP (Australasian Information Security Evaluation Program) from the Defence Signals Directorate ([www.dsd.gov.au](http://www.dsd.gov.au)), part of the Australian Department of Defence. This briefing meeting focussed on the technical specifications of SMX / DataMotion and discussion surrounding potential uses for SMX by State and Federal Government departments, particularly given that no similar product has been Common Criteria certified to date.

Bob’s visit represents a significant milestone in the evolution and strengthening of Data-inCrypt<sup>®</sup>’s relationship with DataMotion, and provided DataMotion with first-hand experience of the Australian marketplace whilst in turn providing Data-inCrypt<sup>®</sup> with considerable insight into the future direction of the SMX / DataMotion platform.

### **SMX works with Local Government Associations Nationwide**

The Company announced that Data-inCrypt<sup>®</sup> has completed the first half of a nationwide strategy for the supply of SMX secure registered email “hosted service” licenses to Local Governments nationwide through their respective Local Government associations (the ASX announcement 15 Jul 09 refers).

In the first half of calendar year 2009, Data-inCrypt<sup>®</sup> worked with the Western Australian Local Government Association ([www.walga.asn.au](http://www.walga.asn.au)), the Local Government Association of South Australia ([www.lga.sa.gov.au](http://www.lga.sa.gov.au)) and the Municipal Association of Victoria ([www.mav.asn.au](http://www.mav.asn.au)) to refine its strategy.

During the second half of the 2009 calendar year, Data-inCrypt® will complete its discussions with the remaining local government associations – i.e. New South Wales, Queensland, Northern Territory, Australian Capital Territory and Tasmania. In addition to teaming with each individual association, Data-inCrypt® will present a unified pricing model to the Australian Local Government Association's ([www.alga.asn.au](http://www.alga.asn.au)) national purchasing group, which will promote SMX to Local Governments.

### **New functionality enhances SMX platform**

The Company provided an updated on the forthcoming enhancements to the SMX / DataMotion software platform (the ASX announcement 21 Jul 09 refers).

DataMotion have been working closely with Gartner, Inc ([www.gartner.com](http://www.gartner.com)) within the context of large file transfer and data governance - DataMotion's messaging and positioning is predicated on the approach that secure email is a subset of business information exchange. SMX / DataMotion updates to be implemented by Data-inCrypt® in August 09 will significantly enhance the ability of the platform to transmit large files – up to two gigabytes in size – in close conjunction with its existing secure email delivery functions.

Future updates to the platform will include enhanced tracking capabilities, a new “Send SMX” button which uses the latest technologies to provide greater functionality and flexibility, and the technical integration of SMX / DataMotion with technology from Pervasive Software, Inc. ([www.pervasive.com](http://www.pervasive.com)), which will allow SMX / DataMotion to expand the breadth of enterprise applications, protocols, and backend systems that it can integrate with.

The Pervasive integration enables customers and partners to build highly customizable and interoperable solutions and leverages existing applications and common interfaces such as email, web browsers, and forms. SMX / DataMotion services enable the transfer of large files between systems regardless of the amount of information exchanged, or whether the data exchange is internal or across the Internet.

### **Data-inCrypt® appointed Asia Pacific Master Distributor**

The Company announced that Data-inCrypt® Directors had returned to Australia following their completion of intensive technical workshops and strategic discussions in the offices of DataMotion, Inc. in New Jersey, USA. Furthermore, the Company was pleased to announce that, as a result of discussions with DataMotion's Executive Team, Data-inCrypt® has been appointed DataMotion's Master Distributor in the Asia Pacific region. (the ASX announcement of 28 Jul 09 refers).

This appointment enhances the existing strategic alliance between DataMotion (formerly CertifiedMail.com, Inc.) and Data-inCrypt® (the ASX announcement of 31 Jan 08 refers) by providing a formal structure for the selection and appointment of business and technology partners in the region. This in turn will assist Data-inCrypt® with the penetration of DataMotion's technology suite in Australia and the Asia Pacific region at large by allowing it to leverage the existing customer base and market presence of these partners. For the Company and its shareholders, the appointment represents a significant increase in Data-inCrypt®'s revenue opportunities going forward, and a reduction in Data-inCrypt®'s time to market throughout the entire region.

As reported in the announcement of 21 Jul 09, DataMotion has expanded its solutions breadth from email encryption to lead the world in the areas of secure document delivery and managed file transfer - these comprehensive offerings address risk and compliance issues, the need to automate business processes and data visibility and governance.

## **CORPORATE (matters subsequent to 30 June 2009)**

### **Notice of Extraordinary General Meeting / Proxy Form**

The Company released its Notice of Extraordinary General Meeting including Proxy Form (the ASX announcement of 07 Jul 09 refers).

### **Appointment of Joint Company Secretary**

The Company announced the appointment of its Group Accountant, Ms Vicky Oui, to the position of joint Company Secretary (the ASX announcement 13 Jul 09 refers).

**DISPOSAL OF RESIDUAL MINING ASSETS (matters subsequent to 30 June 2009)**

No matters subsequent.

**EXPENDITURE**

The Proforma Statement of Consolidated Cash Flows is provided in a separate report.

Dated this 31st day of July 2009.

Signed on behalf of the Board of Synergy Equities Group Limited

Ronald Moir  
**Managing Director**  
**SYNERGY EQUITIES GROUP LIMITED**

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