



4C Security Solutions Limited

ABN 89 000 029 265
Level 1, 82 Waterloo Road
North Ryde NSW 2113 Australia

PO Box 1948
Macquarie Centre
North Ryde NSW 2113

Phone: +61 2 8817 2800
Fax: +61 2 8817 2811
Email: info@4csecuritysolutions.com
Web: www.4csecuritysolutions.com

12 November, 2010

Australian Securities Exchange
For immediate release
By Electronic Transmission

ANNUAL GENERAL MEETING – INTERIM CEO'S ADDRESS

4C Security Solutions Limited (ASX:FCS) will today address shareholders at its Annual General Meeting to be held at the Killara Inn Hotel & Conference Centre, 480 Pacific Highway, Killara NSW, commencing at 2:00pm (Sydney time).

A copy of the Address and Presentation to be delivered by 4C Security Solutions Limited Interim Chief Executive Officer, Geoffrey Cleaves is attached.

A handwritten signature in blue ink, appearing to read 'G Cleaves', is positioned above the title.

Interim CEO, Director & Company Secretary





4C Security Solutions Limited

ABN 89 000 029 265
Level 1, 82 Waterloo Road
North Ryde NSW 2113 Australia

PO Box 1948
Macquarie Centre
North Ryde NSW 2113

Phone: +61 2 8817 2800
Fax: +61 2 8817 2811
Email: info@4csecuritysolutions.com
Web: www.4csecuritysolutions.com

Interim CEO's Address – 12 November, 2010

Dear Investors,

Thank you for attending the 2010 Annual General Meeting of 4C Security Solutions Limited. My name is Geoffrey Cleaves and I was appointed as a Director and Interim CEO of the Company on 5th October this year.

The Company's previous Chief Executive Officer, Mr. Anastasios Angeloglou resigned from this position on the 5th October, 2010 and resigned as a Director of the Company on 10 November, 2010.

In providing comment on the financial year ended 30 June, 2010, I will be referring to the 2010 Annual Report and also specifically to Mr. Angeloglou's Group CEO Report as published on page 6 of the 2010 Annual Report.

The last few years have provided disappointing results to investors and this has been reflected in the market price of the shares.

During the 12 months to 30 June, 2010 we have had new investors inject an amount of \$1.435 million cash into the Company to cover operating shortfalls and to fund the Consolidated Entity going forward. It is worth mentioning that our new investors have significant experience in the security industry, some as investors, and some as senior executive management. I would like to welcome our new investors to the Company.

The composition of the Board has also changed significantly since the last Annual General Meeting with Messrs. Nissen, Falaknaz and Angeloglou resigning as Directors and Messrs. Broomfield, Landsberg and myself joining as Directors. Mr Kwok is the only continuing Director.

In essence, you are looking at a somewhat new team, backed by new investors.

In geographical terms the Board and senior management of the Company has also been centralised with all Directors, and the (Interim) CEO being based here in Australia.

We have also strengthened the Group's finance function with the appointment of a senior finance manager this financial year, based in the Sydney office.

In my presentation I will briefly touch on the past results and outline the initiatives and strategy we have adopted as a Board to grow the company in the short to medium term and the tasks we are undertaking to deliver shareholder value.



smartersecuritytoday

[Presentation: Historical Market Conditions Slide]

My predecessor, Mr. Angeloglou outlined in his CEO report that we continue to find the trading conditions challenging. I agree with him, the persistent effects of the global financial crisis continue to provide a difficult environment for the Group to achieve revenue growth from its core activities in its traditional markets here and in Europe, the United States of America and the Middle East.

The continued strengthening of the Australian dollar against the US Dollar also continues to provide challenges as FCS is an exporter and much of the current assembly costs are directly linked to the Australian Dollar. We are constantly reviewing our inventory sourcing and production agreements to reduce our product cost to both maximise our margins and minimise price increases to our customers.

The compromise of the mifare platform had impacted negatively on revenues in the past however, the group's alignment now with a more secure platform should provide positive revenue opportunities in the future as customers upgrade their security technology.

[Presentation: Results Summary FY2010 Slide]

The 2010 Annual Report and the accompanying presentation page detail the key results for the Group.

Mr Angeloglou indicated in his report that a break even or slight profit was anticipated but concluded that market conditions precluded the Company from obtaining that result. The published Net Loss after Tax for the Consolidated Entity was \$842K, significantly better than the previous year loss of \$3.7M.

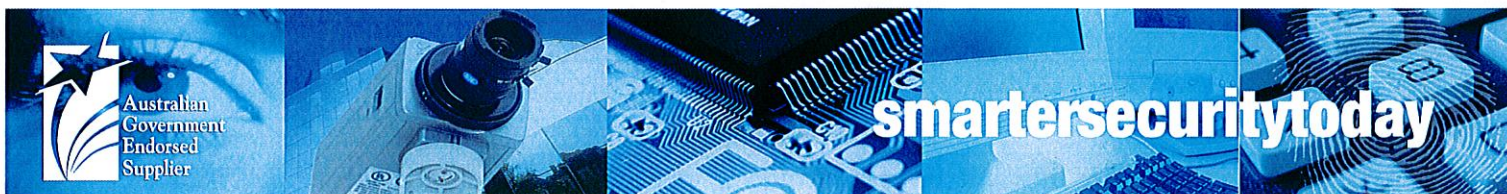
Cost reduction initiatives over the past two years included part of the closure process of direct sales offices in the USA and the UAE, reduction in direct staff and discretionary overhead.

[Presentation: Opportunities FY2011: BQT Slide]

Over the past year the staff at BQT Solutions have been engaged in developing a range of new generation hybrid card readers which are capable of reading secure DESFire Applications, Mifare Classic Sectors or Card Serial Number (CSN/UID) simultaneously.

The readers offer our customers a seamless upgrade path to a far superior encryption platform than currently provided by Mifare Classic. The first of these readers, the BM684 Mini Reader has now been released to the distribution market. Readers for the Solutions targeted markets will be released over the next year.

The new distribution reader will be price competitive and uses a much more secure platform.



During the first half of the year we have also undertaken an ongoing exercise to maximise the Group's working capital and also to implement additional best practice corporate governance policies, procedures and contractual arrangements. We are confident that these initiatives will provide a solid base for growing the BQT business in the future

[Presentation: Opportunities FY2011: Magna Slide]

On Wednesday this week 4C Security Solutions Limited announced that the Company had entered into a conditional agreement for the acquisition of 100% of the issued capital of Magna Electronics Pte. Limited ("Magna"). The acquisition agreement is conditional on due diligence being completed to the satisfaction of the Company. The intended completion date under the agreement is 1 December, 2010.

Magna is a company incorporated in Singapore and is a designer, developer and manufacturer of unique and advanced security locking systems. Magna was founded by a team with more than 35 years experience in electromechanical locking and its operations have recently expanded to now include manufacturing and R&D facilities in New Zealand. Singapore is home to the corporate offices, volume manufacturing and supply chain management.

Magna's range of electromechanical locking products will broaden FCS's range of solutions offered to our customers for both access control and security applications. It is consistent with the Board's strategy to grow our revenue and profits by not only making targeted acquisitions, but also launching new products to our existing blue chip customer base.

Magna produces products under its in-house YNOTLOC brand and also supplies white label products to selected customers.

Magna manufactures and markets branded electric security locks in focused end markets, serving tradesmen, professionals and homeowners through a growing distribution network consisting of strategic partners, equipment dealers and distributors. Magna's locks fall broadly into two categories: Security and Safety.

Magna is the owner of the YNOTLOC brand. Under this brand, Magna manufactures and has started to market a new range of patented electromechanical locking systems. YNOTLOC's products also include a family of high end security deadbolts that are used commercially and residentially to secure doors. These locks have set the industry standard in their group and have been exported to more than 20 countries in 6 continents.

The consideration for the acquisition will involve a combination of a FCS share issue and cash payment which is funded from current resources and is weighted heavily to the future performance of Magna for the 12 month period until 31 December 2011.



As the acquisition agreement is conditional we are not in a position to discuss the operational and financial numbers of Magna at this point however, we will update investors with the relevant information at the appropriate time.

[Presentation: Key Strategic Objectives FY2011 Slide]

The Board is committed to the following key strategic objectives:-

- Develop and launch new products to increase market share and profitability.
- Targeted acquisitions to grow revenue and profits.
- Implementation and continued development of a direct sales model for traditional core markets and a distribution model for developing and other markets.
- Continue cost control and working capital maximisation initiatives.

[Presentation: Summary -Slide]

As a Board we are very keen to ensure that the performance and share price of the Consolidated Entity return value to all FCS investors. The next twelve months will be both challenging and also exciting as we take the Company forward.

We will now provide you with an opportunity to ask questions.

<Questions>

Thank you, I will now pass you back to Mr Broomfield to continue with the official business of the meeting.

Whilst every effort is made to provide accurate and complete information, 4C Security Solutions Limited does not warrant or represent that the information in this Investor Presentation, dated November 2010, is free from errors or omission or suitable for your intended use. Subject to any terms implied by law, 4C Security Solutions Limited accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in the information.





4C Security Solutions Limited

Investor Presentation

Annual General Meeting

12 November, 2010



Historical Market Conditions

- Continued effects of the GFC resulting in delay and cancellation of projects and a further decline in revenue opportunities.
- The strengthening of the Australian Dollar has presented and continues to present a challenging market place for ensuring our product offerings remains competitive.
- A security compromise of the 125 khz prox readers and the Mifare readers which had in the past presented an impediment to sales now provides the potential for additional income through the marketing of a more secure platform.

Results Summary – FY2010



Revenue

- was \$3.6M down from \$4.6M 2009 and \$4.1M 2008

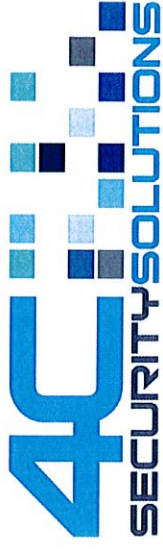
Gross Profit %

- was 40%, reduced from 58% in 2009, 54% in 2008
- Reduced margins for core markets and products due to rationalisation of sales model and strong AUD.

Net Loss after Tax

- Loss of \$842K, better than the \$3.7M loss in 2009 and \$13.7M loss in 2008.
- Costs of the change from a direct sales model to a distribution focused model in some markets continue to impact the results.
- Other Operating expenses (excluding Cost of Goods Sold) \$1.06M down 59% from \$2.56M 2009 and 87% from \$8.33M 2008.

Opportunities – FY2011



The company has recently released the first of its new range of card readers.



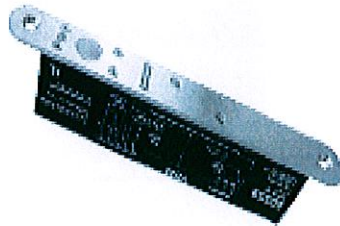
The BM684 Mini Series has been specifically developed for the distribution market and supports the latest in contactless card technologies. The RF encryption between card and reader is customisable and supports Crypto1 (Mifare), as well as DES, 3DES and AES128 (DESfire EV1) offering a seamless upgrade path from Mifare Classic.

Over the next 6 - 12 months BQT Solutions will release further readers in the range specifically designed for the critical infrastructure market.

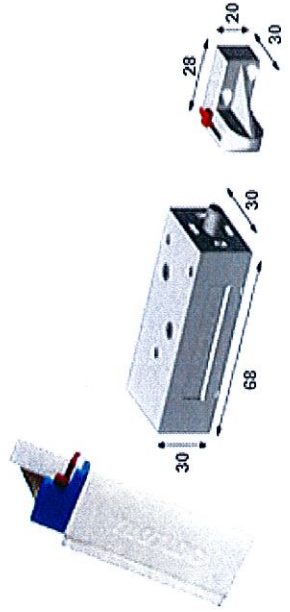
Opportunities – FY2011

mogno

The Company has entered into a conditional Agreement for the Acquisition of Magna Electronics Pte. Limited. As the acquisition agreement is conditional, it is not appropriate to detail financial aspects of the operations at the Annual General Meeting.



YNOTLOC™
Powered by **mogno**



YNOTLOC™
Powered by **mogno**



Focus on fast growing, large growth potential and attractive market segment - electromechanical lock

- Well established YNOTLOC brand
- Superior Platform Technology
- Proven Core Products
- Sustainable Competitive Advantages
- Large end-user segment - the built environment & transportation
- Experienced Management Team
- Significant barriers to entry
- Market is changing to electromechanical lock
- Only 3 - 4% of the global doors are fitted with electromechanical locks
- The aftermarket has continued to increase and the demand for electromechanical lock is growing
- Electromechanical lock has a growth rate of 2-3 time traditional products

Attractive Business Model

Key Business Strategy

<p>Accelerate Globalization</p> <ul style="list-style-type: none"> Expand sales force & distribution channels Strategic alliances & partnership Translate regional successes to growth markets Expand & extend YNOTLOC applications 	<p>Continuous Improvement and Innovation</p> <ul style="list-style-type: none"> Improve customer experience Strengthen the core business Joint product development for specification markets R&D 	<p>Electromechanical Locks</p> <ul style="list-style-type: none"> Single brand strategy Leveraging on YNOTLOC brand Co-branding strategy Common products platform Vertical market approach
--	---	--

Key Strategic Objectives – FY2011



- Develop and launch new products to increase market share and profitability.
- Targeted acquisitions to grow revenue and profits.
- Implementation and continued development of a direct sales model for traditional core markets and a distribution model for the developing and other markets.
- Continue cost control and working capital maximisation initiatives.



Summary

- Growing revenue and profit through new products and targeted acquisitions
- Consolidation of our current product range producing inventory/working capital efficiencies
- Implementing worlds best practice to better manage our supply chain costs and improve our gross margins
- Creating a targeted network of distributors and channel partners
- Delivering on the promise of creating shareholder value



QUESTIONS AND ANSWERS

Whilst every effort is made to provide accurate and complete information, 4C Security Solutions Limited does not warrant or represent that the information in this Investor Presentation, dated November 2010, is free from errors or omission or suitable for your intended use. Subject to any terms implied by law, 4C Security Solutions Limited accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in the information.