

MEDIA RELEASE

Zicom Business Restructuring - Venturing into New Business

Mumbai, September 30, 2010: Zicom Electronic Security Systems Limited (Zicom), India's leading electronic security brand, today announced strategic restructuring in its business model post the Zicom Schneider deal. Zicom's new business model is targeted towards moving into high growth telecom infrastructure security having recurring service revenue. Zicom will also refresh its focus on the home & SME electronic security markets.

The electronic security major has been operating in all segments of the market since its inception in 1994, be it institutional, government, home or retail. The institutional and government business of the Company has been transferred to Schneider Electric India Private Limited in April 2010.

Zicom will set up a subsidiary to venture into the business of providing managed security services to telecom operators / telecom infrastructure providers for their Base Tower Stations (BTS) which are remotely located and other assets. These services will help users to improve operational efficiency and reduce losses on account of theft.

In the first three years of its operations, the Company will target 20,000 BTS out of more than 3,00,000 telecom towers in India and will incur capex of Rs. 150 crores.

As a part of restructuring and in order to improve focus on the retail segment, which is expected to deliver high growth in coming years, the Board of Directors of Zicom has approved transfer of the retail security business of its wholly owned subsidiary Zicom Retail Products Private Limited to parent listed Company Zicom Electronic Security Systems Limited as a going concern on slump sale basis and consequent disinvestment of the said subsidiary.

Speaking on this occasion, Mr. Manohar Bidaye, Chairman - Zicom Electronic Security Systems Limited said, "The new business represents significant revenue generation opportunity which is long term and consistent. Under this, Zicom will develop capex based recurring revenue model entering into long term contracts with telecom operators / telecom infrastructure providers by providing security services, both through innovative technology and manpower response. Part of cash generated out of Schneider deal will be deployed for this venture.

The restructuring also allow us to renew our focus on retail business which represent not only opportunities in the consumer space but also in the fast growing small and medium segment where Zicom Electronic is more acceptable."

For Further Information, Please Contact:

Tejal Daftary - Crisscross Communication - 9820404621