



Backgrounder: Corporate

LochIsle was founded in 2000 to develop the lock of the future but the company has evolved beyond that original vision.

Although the initial fascination was with the implications of having an intelligent door, it didn't take long to recognize the breadth of possibility a robust access-management system could have. Out of this has developed a web services platform that can tie identity and credentials to a wide variety of services and hardware. The company has architected the technology to make it available under license to other innovative companies.

The first iteration of this platform is the iLoch system, a patented internet-connected door-lock system that allows lock owners to manage and monitor online the access rights to their doors while users independently control the credentials they use as keys. The company believes that if all locks incorporated its technology, only a single key would be needed to open all the locks in our lives.

Today, the iLoch offers building managers and developers, architects, quick-service restaurant owners, retail managers and homeowners a competitive access-control solution that is easy to use and convenient and that saves administrative time and money. LochIsle's long-term vision is to make lock owners and key holders independent of one another, eliminating the need for physical key exchanges and the inherent associated risks, costs and inconvenience. The company's goal is wide-scale adoption of its web services platform, which allows lock owners to associate identity to credentials like the iButton, an inexpensive electronic device that can act as a personal master key to open any iLoch-enabled door its owner has permission to access at home, work or any other location.

Building managers responsible for condominiums, apartments, universities and corporate offices represent the ideal iLoch customer. The system provides a convenient and affordable security alternative that does not require management of a large number of keys or access cards. The system eliminates the financial and time burdens associated with changing locks and cutting keys, as well as collecting and distributing keys. In addition, the system gives building managers the ability to control and monitor access to their buildings at all times, increasing security and limiting access to restricted areas by unauthorized persons.

LochIsle's technology has been granted patents in the U.S. and Canada. The company is seeking opportunities to license its technology to partners that will manufacture and distribute iLoch-enabled system hardware while LochIsle maintains and operates the web interface as a web services company.

In recent years, the market for electronic security products such as biometric-based, card-based and audio-video-based electronic access-control solutions has grown considerably. The



Lehman Brothers Annual Security Industry Report for 2005 reported the electronic access-control market earned revenues of US\$3 billion and estimated the market will see 10 to 15 percent annual growth. The report noted electronic access control is “the most rapidly developing market in security today.”

According to 2006 North American Electromechanical Security Markets report by Frost & Sullivan, the cost of installing electronic access-control systems ranges from \$2,000 to \$5,000 per opening, depending upon the vendor and technology. When installed on a large scale, the iLoch system is expected to cost less than \$500 per door, removing the impediment to adoption that a higher price point presents to the small business owner. An expected residential lock version will be even less expensive.

Headquartered in Ottawa, Canada, LochIsle’s team of hardware and software developers has spent several years fine-tuning the iLoch system and testing its application with homeowners, small business and property managers. The company has completed its first round of successful field tests with several small businesses and homes in Ottawa.

For more information, please visit www.lochisle.com.

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