

PubSec

Company Profile

Introduction

PubSec is a venture intended to commercialise one aspect of the road management scenario proposed to the New Zealand Government in 1998 for roading reform. The project was been in abeyance for several years while basic camera research was conducted by Development Systems.

Development Systems has completed proof of concept for a camera concept that will allow continuous surveillance of areas using a cluster of cameras mounted on power poles. The camera cluster is a cluster of cameras mounted on a pole can provide surveillance of its local surrounds. The camera clusters automatically maintain 6 hours of stored video footage with a 360 degree view from each location, eliminating the need for camera operators to monitor camera operation. The camera clusters also periodically take and store a high resolution picture providing fine detail for enhanced analysis of captured images if required.

The PubSec camera cluster management system can access the input from these camera clusters as required and use the footage from the network of cameras to provide an historic movement of individual subjects for up to 6 hours. The information from these services will be provided to emergency services for a fee reflecting the amount of data accessed.

The PubSec system has the triple advantages of providing a more cost effective solution than the maintenance of a manned camera operations centre, a vastly increased surveillance capability over a labour intensive operation and eliminating the misuse of surveillance systems by operators for non-security purposes. These advantages are balanced by privacy safeguards built into the database system as a core part of the design, preventing unauthorised access of surveillance material and thus protecting the public for unnecessary intrusion into their lives.

We anticipate that there is the potential to install up to 20 million camera clusters over the next decade (based on existing CCTV numbers).

We anticipate that emergency services would pay around \$10 per access, depending on the amount of surveillance data required. On that pricing level, we expect that the average camera cluster would receive at least 100 requests for data per year, resulting in total potential revenues for the market sector of \$20 billion per year to the sector. We believe that PubSec can achieve a reasonable marketshare.

Market Analysis

The Market

The existing CCTV industry is largely operated by police, state security agencies and private security firms. It is common for a number of cameras to be connected to a central control room where operators can control cameras by swivelling them on their axes. Content is reviewed manually on screen and by archived video tape. The United Kingdom Government has been especially active in installing CCTV networks, with an estimated 2.5 million cameras in operation. There is a strong demand internationally for improved security at more attractive costs.

PubSec addresses two market segments: (1) the primary market is the public sector emergency organisations providing security, fire and medical services; and (2) private sector supplements to the public sector services where customers wish an enhanced service level. PubSec will compete against the inhouse use of CCTV systems with a service based on lower costs, superior technical capability, superior accountability through contract and regulation processes and greater reliability through built-in security protections against surveillance misuse.

Market Potential

The market potential for PubSec services is derived from the benefit the camera cluster provides to the marginal operator. The more economic nature of PubSec and the wider range of uses should lead to a significantly high market potential than the existing CCTV industry.

A calculation using the world's highest CCTV density country (UK) as an average for the market potential would suggest a potential of one camera cluster per twenty people. This is equivalent to 300 million camera clusters. As a comparison, the United Kingdom currently has some 2.5 million CCTV units in operation.

Market Niches

PubSec will focus its activities into the following market niches

- Police: The tracking of people, objects and places provides the police with the ability to track suspects prior to an offence, examining the pattern of people to uncover accomplices, the tracking of stolen objects to recover property and the tracking of stolen vehicles.
- Fire Services: A location can be tracked to review the progress of a fire and any possible intervention or event that led to its ignition.
- Medical: A patient can be tracked for up to six hours to help identify the cause of an accident or to give information regarding their condition.
- Traffic: The service can track vehicles across location and time. This capability provides Traffic Management groups with the opportunity to manage traffic flows by monitoring the speed of individual vehicles.
- Anti-Terrorist: Potential Terrorist or explosive packages can be tracked over time to determine the nature of a threat and to enable a more informed decision regarding a plan of action to counter the threat.
- Security: Private security organisations can use PubSec's camera cluster service to manage security for private residences, business locations and security conscious people.

Product

PubSec is a service provider that provides a single service: the tracking of a person, object or vehicle across space and time for a period of up to six hours prior to an event. The service provides both a video record demonstrating motion as well as periodic high quality stills for examination for detail.

PubSec will differentiate the proposed service from the existing competition by:

- A network of camera clusters can replace the existing manned CCTV network and manned CCTV centre with a more economic service.
- The individual camera cluster has a wider angle of view and stores substantial history locally.
- The cameras are established in a network where any attempt to disable a cluster will be observed from another cluster.
- The database system can link camera images to rapidly provide a trace on an individual for up to six hours.
- The service has built-in privacy safeguards to prevent misuse of the facility.
- The private ownership structure of the organisation enables the public sector to effectively regulate the industry and removes the conflict of interest inherent in public sector operations where the interests of the operations often override effective external governance responsibilities.
- The service utilises proprietary object recognition technology to track a person, object or vehicle across a 4-dimensional space and time construct. Traditional technologies rely on facial recognition based on 2 dimensional representations. The consequence is that the proposed service can automate tracking capabilities beyond any present technology.

Sales Channel

PubSec's sales are conducted exclusively through two main channels: (1) to associated companies through licensing arrangements accessed through the Catalogue system; and (2) the One-to-One service where independent resellers can promote the PubSec service to their contacts and customers.

The Catalogue and One-toOne online markets are both accessed via PubSec's Internet site. Customers can order services at any time, which creates an alert on the system and preserves the records for customer use. The automated nature of the process ensures eliminates delays and provides responsiveness to customer needs.

The One-to-One service will target lobbyists and recently retired public officials and politicians. The objective is to provide an opportunity where the lobbyist/retiree can enhance their status through utilising their contacts with their former positions, while at the same time providing a superior product and an improved economic performance to their former organisation. The One-to-One role is in addition to other tasks and duties performed by the lobbyist/retiree, and to some extent, is an expansion of scope for the individual to improve their return from existing activities.

Organisational Design

Ownership and Governance

The company has a core block shareholding held by Development Group members to maintain control over its strategic direction, to maintain a separation from its client companies and to keep an operational focus on its activities. A block of shares will be made available to 'friends of the Development Group' to raise additional capital.

Governance is exercised by a board comprising of representatives of the Development Services governance service and the founder. The governance responsibilities of compliance will be largely handled through the online management systems. The Board's primary focus is specifying and measuring performance against specified business plan milestones, while meeting compliance issues as a secondary task.

Structure

The company has a simple structure to meet its marketing focus. The Chief Executive is personally responsible for preparing strategy, appointing licensees, public relations with key customer groups and co-ordinating the outsourced functions of the business. This streamlined structure is made practical by the JTS jobbing system automating personnel functions and the Catalogue marketing system automating the channel and logistics.

The Development Group

The Development Group is a collection of associated companies with a common goal ... to provide the products and infrastructure required for future life. These companies form three distinct groups: security to protect against modern threats, online services to enable global online markets and supporting services to enable our business model.

Our security group companies provide a range of services encompassing the major threats to individuals in the current technological age. The Development Group companies include

- DiscovaCam with its camera detection products.
- IntCom specialising in home and small office security.
- TagZ providing airport security.
- PubSec with area surveillance services.

The online services companies provide access to core services for small and medium sized business.

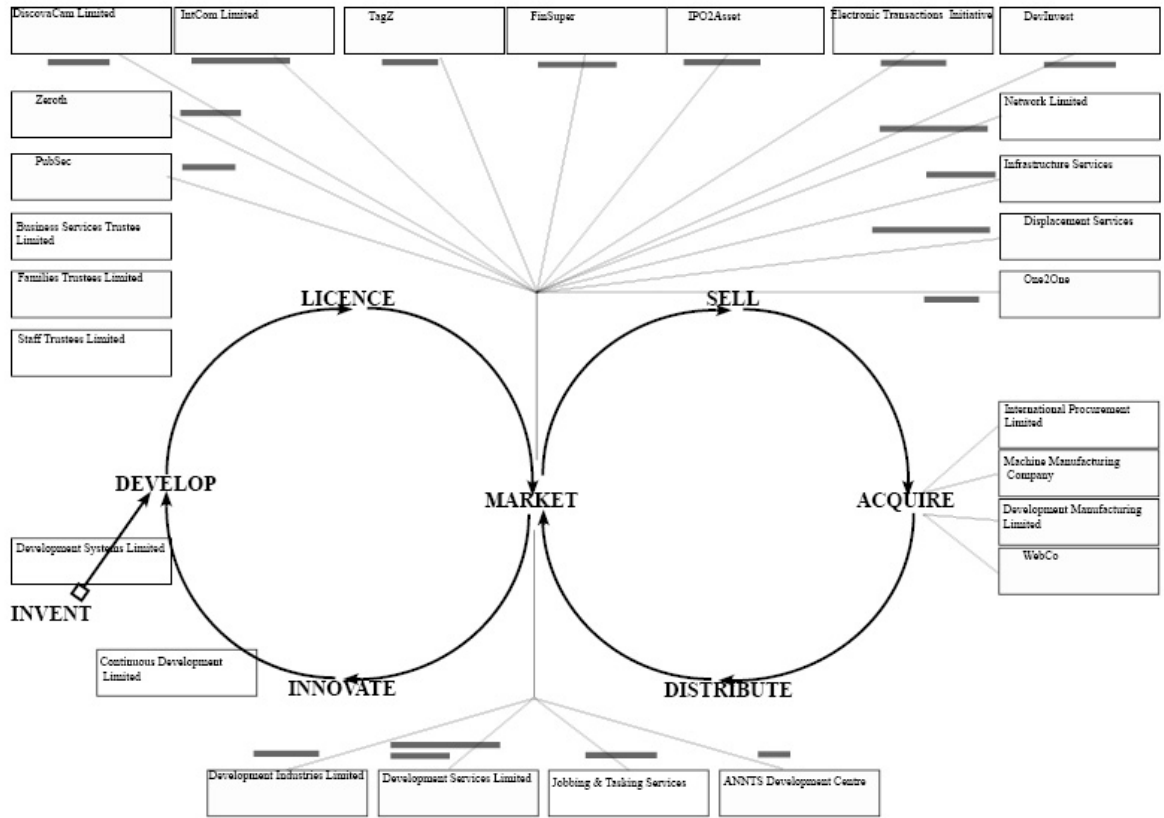
- IPO2Asset provides supporting services to promoters of new projects to structure their business plan and connects them with suppliers of venture capital.
- Electronic Transactions Limited provides a cost-effective method of transferring capital between different currencies and locations.
- Development Investments provides investors with a vehicle to access a portfolio of new venture opportunities.
- Infrastructure Services provides management tools to infrastructure operators of roads, telecommunications, energy, sewage, water and other services, and provides usage information to users to enable better management of resources.
- Displacement Services provides bandwidth and storage services to enable more cost-effective information management, thereby reducing the real costs involved with operating computers and networks.

We have a range of supporting companies that supply the technology and services our group requires in its operation.

- One2One is a market where individuals can identify and register product opportunities to promote to their contacts
- International Procurement purchases products that we require from third parties
- Machine Manufacturing Company produces the manufacturing plant we use for providing our services and provides the tools for people to establish cottage industry manufacturing facilities
- Development Manufacturing Company operates our manufacturing facilities and secures production from third parties as required
- WebCo provides our Internet software development

In addition, other companies provide research and development, supporting services, human resource functions and software development as required. These companies include: Development Industries for human resource and asset management services; and Development Services for governance, marketing, legal and financial services.

Our unusual structure enables us to respond more flexibly to our market place and to focus onto those areas where we can add value. Our operation is most easily understood diagrammatically.



Together these companies provide a range of services that can keep you safe, maintain a balance between your privacy and your public life, and enable you to access the resources you need to carry out your personal and business activities in the near future environment.