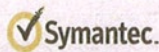


# INFORMATION



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## TZ has lock on growth: Bouris

Paul Smith

The founder and chairman of wealth management firm Yellow Brick Road, Mark Bouris, admits that people often question why he took on the role of executive chairman at unheralded intelligent fastenings designer and software developer TZ.

But he says a contract signed with growing listed data centre provider NextDC, along with two deals signed earlier this year, indicate the company is finally going to deliver on the promise that has been tempting some investors for the best part of a decade.

One problem is it is difficult to sum up exactly what it does. In a nutshell, it makes locks and fasteners — a description that will hardly excite potential investors or customers. But Bouris says at its core the company is actually a disruptive software player.

And it is poised to ride the waves of two of the most obvious Australian technology boom areas: data centre expansion and online shopping.

"I think 2012 will be the year that we deliver everything that the market expects from us," Bouris says. "Subject to the world not falling off the economic edge and people continuing to buy things online, then both lines of business will do very well in the next 12 months."

"I expect a lot more people to be talking about us and beginning to

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recognise us as a leader in the field, taking on the Germans and the Americans and beating them at their own game," he says.

TZ has two main product areas, both based on a core technology upon which the company was founded.

Described as intelligent fastening technology, they are basically locks that can be used to secure just about everything that opens and shuts, while being controlled centrally.

They are backed by increasingly sophisticated software, which means that the environment in which the locks are located can be monitored and analysed.

Last week's NextDC contract win means its cabinet security and monitoring will be deployed in a growing number of data centres.

"It has taken us a lot of time and a lot of banging on doors for us to get there, and it is extraordinarily important for us because it is our first Australian installation," Bouris says.

"Data is one of the fastest growing inventories in the world — there is a

boom in data centres and our technology has been geared up exactly for that."

Perhaps easier for most investors to grasp is the concept behind TZ's packaged asset delivery (PAD) division, which is aimed at removing the difficulties of secure delivery that hampers online shopping.

The products can take the form of lockers located in large apartment blocks or suburban retail locations. Each locker has an individual security code that is emailed to the parcel's intended recipient, so couriers can drop off deliveries at the lockers rather than trying to catch the recipient at home or at work to get a signature.

In May, TZ signed an exclusive partnership with Pitney Bowes Australia for supply and distribution of PAD in the Australian and New Zealand markets.

Bouris says in recent months the company has signed two deals with high-profile Australian companies that are currently under confidentiality agreements until its customers launch their new online delivery options.

"The PAD stops all the resentments

that build up between people waiting for couriers and companies selling things online, so there is obviously great potential for us as online retailing continues to grow in Australia," he says.

Investors in TZ have seen the stock fluctuate between 66¢ last October to just 17¢ in June. It has lately rebounded strongly to 46¢ on Monday.

Having joined the company in 2009 after major investors tired of previous executive chairman Andrew Sigalla's failure to commercialise its technology, Bouris says positive results are ahead.

"TZ's share price has actually performed extraordinarily well over the last two months," he says. "It is a recovery from a low point, but we are recovering at a time no one else is."

Paterson Securities analyst Ben Kakoschke says the NextDC deal is significant. "TZ has established both a sales force and geographic structures for controlled expansion with global partners. We expect positive sales updates to be the key catalyst," he says. He has a 12-month price target of 63¢ on TZ stock.