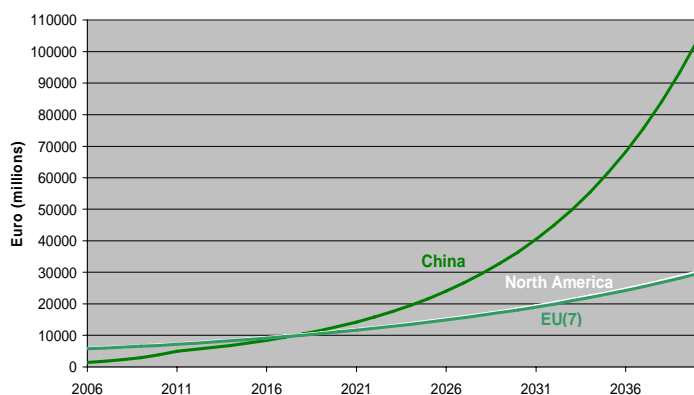


EVALUATING THE MARKETS IN CHINA & HONG KONG

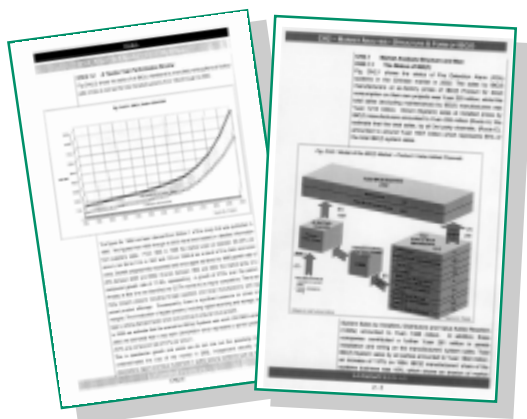
China / North America / EU(7) Electronic Security System Sales



*EU(7) comprises Belgium, France, Germany, Italy, Netherlands, Spain, United Kingdom. Source: i&i limited/Proplan

INTRODUCTION

This study is part of a series of multi-client reports on the world's market for intelligent controls in non-domestic buildings. Support from all the major manufacturers and suppliers over the last 25 years has enabled us to develop a series of robust models that when populated with validated data can determine the performance and value of both the supply and demand side. It has allowed us to size, compare and trend numerous market segmentations, establish supplier performance in both product and systems business and establish the importance and effect of all the demand drivers. "Security Systems - IBC(s)¹ - The China Market 2006 to 2011" is the most detailed and accurate report published on this subject for this region. This 590 page report benefits from comparisons with similar studies carried out in different regions of the world and related technical infrastructures in buildings. Split into three studies, it separately assesses the markets for Access Control - IBC(a)², CCTV / Video Surveillance - IBC(c)³ and Intruder Alarms - IBC(i)⁴. Each study is split into two volumes; volume I comprising the executive summary which compares findings across both China and Hong Kong; and volume II providing the detailed analysis using the same format for both China, Hong Kong / Macau. Data on the past, present and future market for IBC(s)¹, is clearly presented quantitatively and qualitatively, so that strategies can be developed to fully exploit opportunities on a pan-regional basis.



¹IBC(s): Intelligent Building Controls - Electronic devices & systems for building Access Control, CCTV and Intruder Alarms.

²IBC(a): Electronic devices and systems to control and monitor people through secured access points such as doors.

³IBC(c): Closed Circuit Television (CCTV) / video for security applications in buildings, public places and traffic management.

⁴IBC(i): Electronic sensors and systems that can detect intruders entering premises and sites and signal alarms.

APPRECIATION

This study forecasts that China will become the largest market in the world for electronic security systems when it overtakes North America in 2018 and it could be double its size by 2030. In the last five years growth of 29% per annum has been achieved and in CCTV / Video Surveillance this has been well exceeded. Nevertheless, starting from its present position of being less than 25% of the size of the North America market, itself fast growing, this takes some believing. However, i&i - Proplan have been charting the performance of this market since 1994 and our reports show that it has far outstripped any other market of size during the last fifteen years. It is not just the growth or future potential that marks China out for special attention, it is the sheer consistency of extraordinary performance over the last 15 years that sets it up as the most attractive and consistent market in the world. When we carried out our first multi-client study on China in 1995 the best economic brains in the world declared that the current economic growth could not be sustained, but it actually went on to outperform. Then in 2002 when we carried out the second edition of the study they advised that it could no longer defy gravity and growth would decline, but it continued on at the same breathtaking pace and now in 2006 the experts say that economic growth will be sustained provided that the country remains politically stable. No one doubts this or the important role that security will play in achieving it.

The total electronic security systems market in 2006 was worth CNY13,248 million and of this, the CCTV / Video Surveillance market has not only maintained its position as the largest of the three markets, but its growth has far outstripped that of Access Control and Intruder Alarm. In 2006, the total IBC(s) systems market breaks down into a whopping contribution of 66% by CCTV / Video Surveillance, 18% attributed to Access Control and 16% for Intruder Alarm. However, the penetration of IBC(s) in China based on sales per capita is only 6% of the EU(7)* average and therefore there is enormous potential for growth. In 2018, when we forecast it will become the largest market in the world, it will still only have a penetration of 25% of the world's most developed markets. The main demand drivers have been increased output of new building construction, particularly in the Commercial and Industrial sectors, rising crime and fear of crime, not least as a result of the massive migrant workforce. The introduction, as part of the Government's 11th five year plan, of public security programmes such as the Safe City Scheme (SCS), has given a mammoth boost to the sales of security systems, particularly in the area of CCTV / Video public surveillance but it is also aimed at intruder alarms and its influence on the entire security market will continue to grow as the project is rolled out. The China IBC(s) industry is therefore bristling with opportunity and in the last five years several Chinese manufactures have established leading market positions.

This study is now available online through our OBIS SERVICE. For more details see www.iandi.ltd.uk or contact allan.mchale@iandi.ltd.uk and jeremy.towler@iandi.ltd.uk

i&i limited - PROPLAN

REVIEW

Comprising some 590 pages and 285 charts and tables this report identifies and analyses separately for P.R.China Hong Kong / Macau for Access Control, CCTV / Video Surveillance and Intruder Alarms:-

- The sales by Product (factory gate prices) and Systems (installed) for direct and indirect channels, to 2006, with forecast to 2011
- The level of penetration of system sales in each country and how this compares with western Europe
- The market size by type of project, new construction, refurbishment and retrofit
- The market size by contract value (4 segments)
- The market size by single, multiple & multi-site projects
- The market size by type of hardware (8 products)
- The market size by type/end use of building (16 categories), + Public surveillance for IBC(c)
- The geographic distribution of sales
- The distribution channels and the volume of business that they handle, comparing "product" and "total solution sales"
- Market share bands for all established suppliers by IBC(a), IBC(c), and IBC(i) product and by total system sales
- Profiles of established suppliers provided in a standard format allowing comparisons to be made
- Establishes the part played by all third party suppliers and the impact that they will have in the future
- A detailed analysis of the channels of distribution and emerging trends
- Assesses the IBC(s) suppliers' influence on Total Building Solutions and measures the incidence of integrated services by both functionality and the vertical building markets in which they are installed
- Reviews the impact of Technology and IT-Convergence on the IBC(s) business

For prices and to purchase this study please see the order form that accompanies this synopsis

CONTENTS

VOLUME I - EXECUTIVE SUMMARIES

	(Covering separately China & Hong Kong / Macau)	
1	CHINA OVERVIEW	1
2	WORLD PERSPECTIVE	6
3	MARKET ANALYSIS ACCESS CONTROLS	7
4	MARKET ANALYSIS CCTV	9
5	MARKET ANALYSIS INTRUDER ALARMS	11
6	MARKET SIZE 2006 & FORECAST TO 2011	13
7	MARKET STRUCTURE - DEMAND SIDE	16
8	MARKET STRUCTURE - SUPPLY SIDE	25
9	DEVELOPMENT OF INTEGR. SECURITY MGT. SYSTEMS	32
10	INTEGR. OF TECH. SERVICES & BUSINESS ENTERPRISE	34
11	MARKET DYNAMICS & STRATEGIC OPPORTUNITIES	37
12	TECHNOLOGY - COMMUNICATIONS	41

VOLUME II - REPORT & ANALYSIS

1	INTRODUCTION	
	PART I - MARKET ANALYSIS - SUPPLY SIDE (IDENTICAL STRUCTURE FOR BOTH CHINA & HONG KONG & FOR EACH SECURITY SUBJECT; IBC(a), IBC(c), IBC(i))	
2	INTRODUCTION - STRUCTURE & SEGMENTATION OF IBC(s) SALES	2.3
2.1	Market Structure and Form	2.5
2.1.1	The Status of IBC(a),(c),(i)	2.5
2.1.2	A Twelve Year Performance Review	2.6
2.1.3	Market Size by Sector by Type of Hardware	2.9
2.2	Market Size by Sector	2.10
2.2.1	New Construction - Refurbishment - Retrofit - Extension	2.10
2.2.2	Public - Commercial - Industrial	2.11
2.2.3	Contract Size	2.12
2.2.4	Market Size By End User Sector	2.13
2.3	Geographic Distribution of IBC(a),(c),(i) Sales	2.15
3	INTRODUCTION - SUPPLIER ANALYSIS	3.1
3.1	Supplier Shares	3.4
3.2	Supplier Profiles	3.8
3.3	Third Party Suppliers	3.20
4	TRADING PRACTICES AND PROCEDURES	4.1
4.1	Contractual Relationships in the Construction Industry	4.2
4.2	Purchasing Routes for IBC(a),(c),(i)	4.4
4.2.1	Future Trends	4.6

5	BUILDING CONSTRUCTION - STOCK - FUTURE POTENTIAL	5.1
5.1	The Construction Industry - Growth Prospects	5.1
5.2	The Public Sector	5.13
5.3	Commercial Sector	5.17
5.4	Industrial Sector	5.29
6	INDUSTRY DYNAMICS AND GROWTH PROSPECTS	6.1
6.1	The Dynamics of the Market Place	6.1
6.2	Demand Drivers	6.2
6.3	Crime Statistics	6.4
6.4	The Present Status of IBC(a),(c),(i) Penetration	6.6
6.5	Factors For and Against Growth	6.9
7	MARKET SIZE AND FORECAST TO 2011	7.1
7.1	Future Demand for IBC(a),(c),(i) Systems	7.2

PART II - DEMAND SIDE ANALYSIS

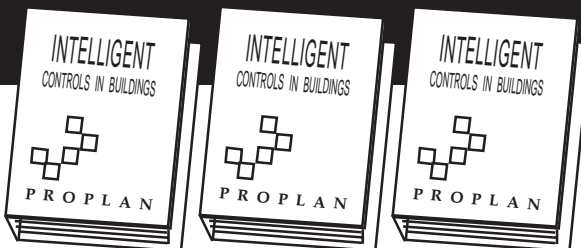


	(CHINA AND HONG KONG)	
8	DEVELOPMENT OF SECURITY MANAGEMENT SYSTEMS	8.1
8.1	Integration by Vertical Market	8.9
8.2	Integration by Building Service	8.11
8.3	Integrating Business Enterprise IBC(a) & Video over IP	8.13
9	FORCES THAT DETERMINE DEMAND	
9.1	Introduction	9.3
9.2	Demand Side Factors	9.5
9.3	Supply Side Drivers	9.9
9.4	The Future	9.11
10	CONVERGENCE OF IT & INTELLIGENT INFRASTR. IN BUILDINGS	
10.1	Introduction	10.2
10.2	What is IT-Convergence & Why is it Important?	10.5
10.3	Has IT-Convergence Crossed the Chasm?	10.7
10.4	IT-Convergence & Tech. Infrastructures Phases of Adoption	10.11
10.5	Roadblocks that have to be Overcome	10.13
10.6	Organising for IT-Converg. - Changing the Business Model	10.17
10.7	Getting the Message Across	10.21
11	TECHNOLOGY STANDARDS & LEGISLATION	
11.1	Overview of Technology	11.1
11.2	Product Development	11.6
11.3	Communication Standards	11.23
11.4	Web Services & XML	11.30

GENERAL APPENDIX



INTELLIGENT CONTROLS IN BUILDINGS THE CHINA MARKET 2006-2011

Intelligent Controls in Buildings

			ORDER FORM					
RING BOUND PAPER COPY	QTY.	ADDITIONAL PAPER COPY	QTY.	ADDITIONAL CD ROM	QTY.	TOTAL		
Security Systems								
Report on Security Systems - The China Market 2006-2011 , comprising the 3 individual studies: Access Control, CCTV Video Surveillance and Intruder Alarm , with separate Executive Summary		£4,500	+£350	+£350				
Complete Access Control study with Executive Summary		£2,000	+£300	+£350				
Complete CCTV Video Surveillance study with Executive Summary		£2,000	+£300	+£350				
Complete Intruder Alarm study with Executive Summary		£2,000	+£300	+£350				
Fire Detection and Alarm Systems								
Report on Fire Detection & Alarm Systems - The China Market 2006 - 2011 , with Executive Summary		£2,700	+£300	+£350				
Environmental Control Systems								
Report on Environmental Control Systems - The China Market 2006 - 2011 , with Executive Summary		£2,700	+£300	+£350				
Complete Report								
All 3 reports on The China Market 2006-2011 ; - Security Systems comprising: - Access Control - CCTV Video Surveillance - Intruder Alarm - Fire Detection & Alarm Systems - Environmental Control Systems together with their respective Executive Summaries		£8,250	+£450	+£600				
						Grand Total		
 <p>Each additional paper copy comprises a laser printed document in ring binders</p>								
 <p>The CD ROM comprises a read-only Adobe Acrobat pdf file(s) and is supplied with a licence to print unrestricted quantities for exclusive use within the purchaser's own organisation</p>								



INTELLIGENT CONTROLS IN BUILDINGS

THE CHINA MARKET 2006-2011

Intelligent Controls in Buildings

Name	Position	Company
Address		
VAT no.	Purchase Order No.	
Nature of Business	Telephone	
Signed	Date	

This study is confidential. Unauthorised distribution of the information it contains harms the interests of the subscribers and **i&i limited**. Subscribers hereby certify that the study is only to be used by the personnel currently employed in their company and that it will not be communicated in any form to any other company, trade association or individual. This report is printed and produced in the United Kingdom.

- Payment by **Cheque** made payable to **i&i limited**

- PAYMENT MUST ACCOMPANY ORDER -

- or by **Credit Card**: Visa MasterCard AMEX Card Number: _ _ _ - _ _ _ - _ _ _ _ _

Name on Card:..... Expiry Date:/..... Card Security Code:

- Preferred method for overseas customers - **Bank Transfer** to NatWest Bank plc, Watford Junction Branch, 7 Station Road, Watford, Herts, WD1 1TH, United Kingdom for account i&i Ltd. number 86459929, sort code 60 22 40, Swift Code NWBK GB 2L, IBAN GB42 NWBK 6022 4086 4599 29.

Please enclose a copy of the instructions to your bank with this order and **return to:**

i&i limited, Building 9, Bucknalls Lane, Garston, Watford, WD25 9XX, UK

Tel: +44 (0) 1923 66 59 50 Fax: +44 (0) 1923 66 59 51 www.iandi.ltd.uk

i&i limited - Building Intelligence & Innovation

i&i limited is one of Europe's leading research and consultancy companies specialising in intelligent buildings. We provide a comprehensive range of professional services encompassing marketing intelligence, technology intelligence and user intelligence to suppliers, managers, government and industry. The marketing intelligence division established in 1980 has analysed the markets and technology for building controls and services in 40 different countries throughout the world. Over 100 assignments have been completed in marketing strategy, product planning, market assessment and evaluation and company/product image.

We research the following markets on a global basis under our branded title "Intelligent Controls in Buildings":

- Environmental (HVAC) Control Systems - IBC(e)
- Fire Detection Systems - IBC(f)
- Lighting Control Systems - IBC(l)
- Security Systems - IBC(s)
- Intelligent & Integrated Infrastructures in Buildings
Such as Retail - Hotels - Health

We can supply tailored, single-client studies on the above subjects across global markets using our models & benchmarking techniques. These can be structured by a wide range of segmentations e.g. type of building, type of project, type of product. In addition, we can produce reports on a range of supporting topics including:

- Communication Elements & Computer Hardware
- Communication Standards
- Engineering and Commissioning
- Maintenance
- Sensors and Field Elements
- Supervisory Software
- Wireless Systems

***i&i limited* - PROPLAN**

