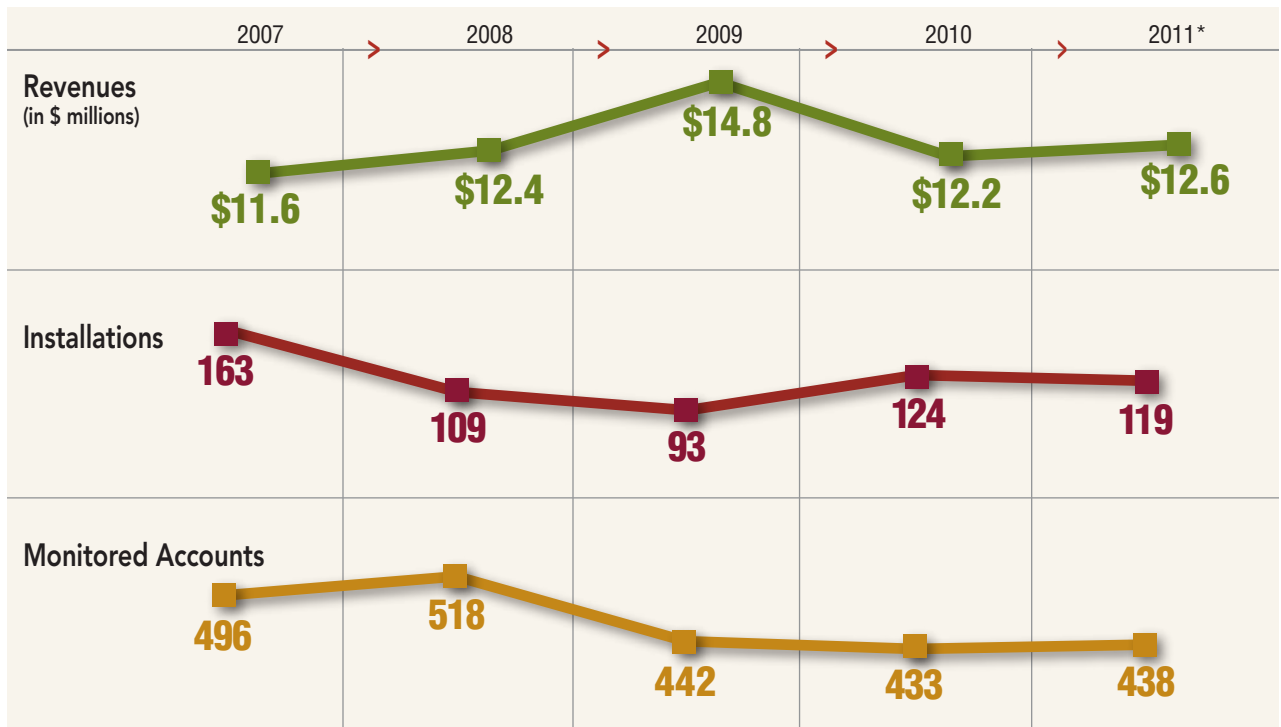


## Average Business Activity Per Installing Company



A not-so-funny thing happened on the way to continuing several consecutive years of average annual revenue growth. It turns out installing companies' actual 2010 numbers ended up well below projections — flipping what had been an average \$300,000 rise to a \$2.4 million deficit. The good news though, at least for now, is operators anticipated a \$400,000, or slightly more than 3-percent, rebound for 2011. Although average installations declined a bit, monitored accounts climbed as an offset. While it's clear dealers and integrators are not exactly where they wanted or hoped they would be at this juncture of the lingering recession, most remain optimistic given the less favorable position of many other industries. The entire North American electronic security industry generates more than \$34 billion annually. Worldwide, the figure is an estimated \$180 billion, \$250 billion at end-user prices.

\* Estimated

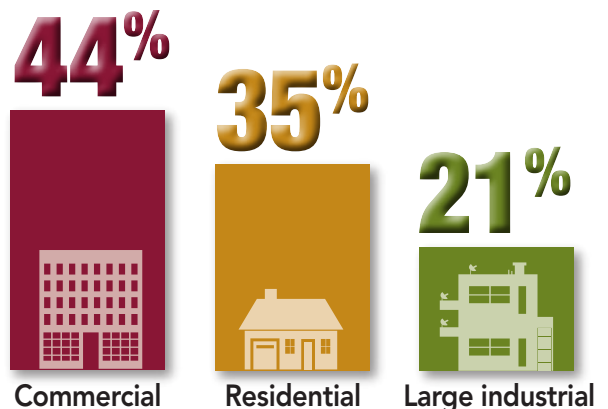
### 2011 Electronic Security Revenues by Type of Business



Intrusion	<b>18%</b>
Access control	<b>17%</b>
Fire	<b>13%</b>
Integrated systems	<b>9%</b>
Intercom/telephone systems	<b>8%</b>
Outdoor detection	<b>5%</b>
Home automation/theater	<b>4%</b>
Other	<b>6%</b>

This breakdown is a virtual mirror reflection of what it was a year ago. This is reflective of an overall flat, stagnant year for the industry. Much remains in a holding pattern while many players wait for the false starts to stop and the recession to finally and truly dissipate. "Other" included central vacuum and voice/data cabling.

### Percentage of 2011 Security Installations by Customer Type



Residential business mimicked its 2-percentage-point gain from a year ago to slice its commercial sector (office buildings, retail, financial institutions, etc.) deficit to just 9 points. Commercial stood pat while large industrial (government, utilities, airports, stadiums, etc.) slumped by a point. Small installing companies (annual revenues of less than \$1 million) pull nearly twice as much of their business (42 vs. 23 percent) from the residential (single and multiple dwellings) market as do large firms (revenues in excess of \$10 million).

The 2011 SECURITY SALES & INTEGRATION Installation Business Report was created, administered and tabulated by the Research Department of Bobit Business Media in Torrance, Calif. The source for all data is SSI unless otherwise indicated.