



22nd September 2011

Clarification announcement regarding the Idaptive software business

The board of directors of Hyro Limited wishes to make a clarification announcement in response to the attached article published on 16th September 2011.

The article summarised an interview with Mr. Bill Votsaris, the Chief Executive Officer of Hyro, and stated that the company is considering selling the Idaptive (Identity and Access Management – IDAM) software business and was in first rounds of negotiations with major systems integrators.

The board can confirm that at the date this article was published there were no negotiations or agreements in place relating to the sale of the Idaptive business. The separation of the Idaptive software business has allowed it to expand its sales channel for its IDAM product suite which was previously only sold via Hyro.

Furthermore the board is not aware of any other matters that would be required to be disclosed under the ASX listing rules with regards to the Idaptive software business.

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About Hyro

Hyro is the most experienced digital services company in the Asia Pacific region.

Hyro's focus is the provision of solutions for e-commerce and digital channels including mobile and IPTV throughout Australia and the Asian region.

To create an online business that depends on transactions and/or content management the strategy, customer experience, integration and development of technology, identity and access management all need to come together in a single solution. Hyro is one of very few companies in the world that has the capability of providing an end to end solution in such a complex, dynamic business requirement.

For more information visit hyro.com



Hyro spins off Idaptive identity business

Brett Winterford | Sep 16, 2011 1:45 PM

Board considers sale.

Digital services provider Hyro has formally separated its Idaptive identity and access management product division as a separate trading entity as its board considers selling the asset.

ASX-listed Hyro, which has [returned to profitable trading](#) after running up considerable debts during the global financial crisis, had focused its product development efforts in recent years on identity and access management and reduced R&D efforts in less commercially compelling areas.

Hyro chief executive officer Bill Votsaris said the company had previously invested in a “wide spread of technologies” and racked up a debt that was “almost equal to the revenue of the business”.

During its restructure, the company made a \$10 million bet on its Idaptive software, an investment Votsaris said was starting to pay off.

“Like any product development in software, it takes years to earn a dividend. Now we are in that stage,” he said.

Votsaris said the Idaptive product competed on a global level with solutions from IBM, CA and Oracle, winning “sizeable contracts” with enterprise customers such as Air New Zealand and Victoria’s Department of Education.

The latter deal saw the department drop Oracle’s Identity Access Management Module for Idaptive, despite using a \$60 million Oracle platform for its 1.5 million subscribers.

Hyro, which employed around 170 staff, today acts as the sales arm for Idaptive, but plans to go to market through other systems integrators to broaden the product’s reach.

To achieve this level of separation, Votsaris said the company has registered Idaptive and its twenty full-time staff as a wholly-owned subsidiary and commenced the “first rounds of negotiations with major systems integrators”.

The 150 remaining Hyro staff will focus on digital content delivery, he said, but will nonetheless remain “one of Idaptive’s systems integrators”.

Now the Hyro board is considering “altering Idaptive’s ownership” to distance the two companies further, he said.

The spin-off was not about raising cash, he said.

“Idaptive is profitable, its licensing fees are higher than its costs,” he said.

“It’s just that a product company [like Idaptive] is different to a services and systems integrator [like Hyro]. It’s more of a global opportunity and it needs the right ownership and partnership model.

“The first step was to have the people in the product company in a separate entity. Now it’s a wholly-owned subsidiary – over the next six months we will potentially change that.”