

Frost & Sullivan Recognizes Diebold for Best-In-Breed Physical Security Solution for Customers

MOUNTAIN VIEW, Calif. — March 4, 2009 — Based on its recent analysis of the physical security solutions market, Frost & Sullivan recognizes Diebold Security (Diebold) with the 2009 Global Frost & Sullivan Physical Security Systems Integration Company of the Year Award for its excellence in developing physical security solutions with a focus to increase productivity, improve customer service, reduce costs, and enhance security for assets and people.

“Despite current economic conditions, Diebold has increased its market share in two emerging vertical markets – government and commercial – and continues to be vested in the financial and retail channels,” says Frost & Sullivan Industry Analyst Dilip Sarangan. “The company has also shown a better-than-average increase in its managed security services portfolio revenue, furthering its focus on recurring monthly revenue (RMR); the portfolio includes security monitoring, logical security, maintenance and preventative service, and, security outsourcing.”

Diebold leverages its longevity, deep understanding of customer needs, and trusted service organization to expand its solutions portfolio outside the financial vertical to penetrate the government, commercial and retail sectors. Entering the retail market in 2000, to cater to the drive-thru pharmacy trend, Diebold started developing specific systems to meet national retailer requirements. Today, it is recognized as one of retail’s top systems integrators. In 2008, Diebold increased its managed services portfolio by introducing expanded security monitoring capabilities, point-of-sale (POS) services, and support and logical security services.

While Diebold’s government solutions group is still penetrating the various levels within the market (i.e., federal, state and local) and the subsequent agencies within each level, the group has established itself as a trusted industry partner. In 2008, the United States Postal Service chose Diebold to implement a multi-site video security program for its more than 40,000 sites across the U.S. over a three-year period. This year, Diebold also earned re-accreditation of its LINX Predator Elite® command-and-control system – Protection Level 1 Nuclear (PL1N) – from the U.S. Air Force, making it the only system certified to protect PL1 nuclear weapons.

Diebold’s commercial market has also seen growth in 2008. By serving the various industries within the commercial segment (i.e., health care, multi-national corporations, pharmaceutical, manufacturing, transportation), Diebold has furthered its global reach with enterprise-wide security systems.

“The company is moving beyond a ‘just the box’ sales approach to establishing itself as an innovative and trusted, end-to-end security systems integrator and advisor,” continues Sarangan. “By understanding customers’ risks, compliance concerns and security business operations, Diebold has successfully built a security outsourcing model that provides optimal security of both customers’ facilities and data and draws on Diebold’s security expertise to provide unparalleled process management and business solutions to its clients.”

With security outsourcing, Diebold can now enable customers to take advantage of a true end-to-end solution under an operating model that allows for the addition of new security solutions with continually updated technology, without the traditional upfront expense. This allows for customers to rely on a professional outsourcing alliance with Diebold as an integral component of their security strategies.

This model’s success has already been demonstrated in the financial market. Ever-present cyber threats and rapidly rising crime rates make it imperative for financial institutions to deploy a professionally designed, implemented and maintained security operation that offers the flexibility

to easily incorporate new technologies as they emerge. Diebold's security outsourcing provides a thorough yet scalable solution for financial institutions.

When a financial institution outsources its entire integrated security program, Diebold will back the program with a remarkable promise against false alarm fees. Customers are assured that Diebold can identify a true emergency with unmatched speed, accuracy and false alarm resistance. Several financial institutions across the country have already elected Diebold as their security outsourcing provider.

For its excellence in providing customers with quality products and services, Frost & Sullivan recognizes Diebold Security as its 2009 recipient of the Physical Security Systems Integrator of the Year. In spite of dire economic conditions in its primary market of banking and financial services, Diebold has grown its business in 2008 with healthy revenue and margin growth, triggered by increase in RMR. The diversification of Diebold's service offering and vertical market expansion will aid the company in sustaining growth in the future.

Each year, Frost & Sullivan presents this award to the company that has demonstrated excellence in terms of business development, competitive strategy, customer satisfaction, and leadership within a particular Frost & Sullivan Industry Research Group (IRG). This award recognizes outstanding management, consistent growth, and the ability to offer high quality products and/or services as well as have a positive social and economic impact on local and national communities. It also highlights exceptional customer service offerings and the expertise to take advantage of market changes by capturing and solidifying market presence, or execute of innovative strategies within the existing competitive landscape.

Frost & Sullivan's Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

About Diebold Security

Diebold, Incorporated is a global leader in providing integrated self-service delivery and security systems and services in the financial market. Diebold Security is an integral division of Diebold, Incorporated specializing in providing comprehensive end-to-end security solutions and services in the financial, retail, government, commercial / enterprise markets.

About Frost & Sullivan

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