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Announcement to Australian Securities Exchange Limited

Completion of Review by New Chairman

17 July 2009

Dear Shareholder

I am pleased to report on the completion of my comprehensive review of MIKOH. In my last letter to you, on June 11, I shared with you my findings on the Company's human resources, technology, business model, manufacturing and production, and market readiness. We have since had an independent management accounting audit completed to coincide with the new financial year.

Upon the completion of my review I have concluded that MIKOH is in a prime position to capitalise on its work and achievements to date.

The current status of our core businesses can be summarised as follows:

Smart&Secure. This patented physical security technology for tamper-indicating RFID (radio-frequency identification) tags is the cornerstone of MIKOH's intellectual property, and presents the biggest opportunity for growth. MIKOH is making progress in two key market areas, being (i) high-value asset tracking and management, and (ii) AVI (Automated Vehicle Identification). Both of these opportunities are on a global scale. To date, uptake of this technology has been hampered by the generally slow adoption of passive RFID. Your sales team, indeed the entire organisation, is now focussed on selling into these "higher end" applications. We are confident that these efforts will deliver profitable results.

- Smart&Secure royalties for AVI are flowing to MIKOH through its technology partner, Sirit Inc.
- Further opportunities for Smart&Secure (and SubScribe) have developed as a result of investment in the SecureContainer and



the partnership with US-based case manufacturer, Pelican. MIKOH is actively targeting US Federal Government security applications that we have identified as our most accessible and highest-margin opportunities.

SubScribe. Our SubScribe tamper-indicating security seal technology, a forerunner to Smart&Secure, is recognised as leading edge technology, and is a consistent contributor to revenue. To date we have supplied SubScribe product to over twenty countries, including the USA, the UK, Japan and Singapore.

- SubScribe is an alternative to Smart&Secure for applications in which RFID infrastructure is not yet available, or the cost to implement RFID is too high for the application. We expect to see an increase in SubScribe adoption, including applications in which SubScribe security seals are used with the SecureContainer technology.

Variable Data Printing (VDP) Business. This business is primarily based on the manufacture, sale and service of variable data inkjet printers. The focus is on security printing and print systems for high volume commercial markets. In 2006 the company recognised that better value could be achieved from its investment in the VDP area and, accordingly, took steps to address the issues. These efforts are yielding results to drive VDP revenue growth. Specifically, these initiatives included:

- A transition from bespoke VDP manufacture to the production of specialised printer models, each designed for a specific market niche. This transition enabled improved production efficiencies, and has been accompanied by a move to new premises that are better suited to the current development and production requirements.
- Importantly, a niche market in the Fast Moving Consumer Goods (FMCG) sector was identified - we expect this to result in incremental revenue to MIKOH.
- Expansion of the in-house security label production facility to meet the demand for authentication labels incorporating SubScribe and other complementary technologies.

The business audit has confirmed that MIKOH has a strong business base upon which to build. Our strategy now is to focus on driving global sales of our existing products through various partner channels. Revenue generation is taking priority over all else, accompanied by increased public relations and marketing efforts. The company has,



for the first time, communicated its minimum revenue goal (A\$5.2M) for a year ahead (the 2009/10 financial year.) . I expect this result to be achieved through the conversion to sales of already-identified business opportunities.

The business audit is now complete and as a result I am confident of MIKOH's future prospects. The funds raised during our recent Rights Issue will be applied to achieving our revenue and profitability goals.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Peter Tyree', written in a cursive style.

Peter Tyree
Chairman

About MIKOH:

MIKOH Corporation Limited is a leading provider of physical security and digital marking solutions and consulting services. The company works with customers to design and implement physical security solutions to track, seal and/or monitor valuable assets. Both RFID and non-RFID in nature, MIKOH solutions align proper business processes and labeling technologies to ensure assets are effectively managed with certainty.

MIKOH's Smart&Secure tamper-evident technology provides physical security certainty for RFID tags. Physical security for RFID is vital in applications where the compromise of sensitive assets results in commercial and/or revenue loss. These applications include government asset tracking, vehicle identification, pharmaceutical distribution and more. Smart&Secure is flexible, scalable and easily integrates into any RFID system.

MIKOH has offices in Melbourne and Sydney in Australia, and McLean, VA and New York, NY in the USA. For more information, visit the company's website at <http://www.MIKOH.com>.

About Smart&Secure™:

Smart&Secure is a patented tamper-indicating technology that ensures the physical security of RFID tags by detecting if a tag has been tampered with or moved. In its simplest form, Smart&Secure disables an RFID tag if it is tampered or moved. In the more sophisticated Smart&Secure configuration usually required by government end-users, a tampered Smart&Secure tag continues to function but notifies an RFID reading device that tampering has occurred. This latter configuration means that a tampered Smart&Secure tag can still be detected and valuable data stored in the tag can be retrieved. Both configurations safeguard against tampering, intrusion, counterfeiting and theft. Smart&Secure is compatible with all existing RFID



frequencies and protocols, chip types and pressure-sensitive tag designs.

About SecureContainer™:

SecureContainer is a reusable container featuring a unique closure system. SecureContainer uses disposable plastic inserts that slide into the specially designed container doors and are fixed together through the application of a single Smart&Secure RFID seal. The seal only makes contact with the disposable plastic inserts, so no clean-up is needed before resealing the container for reuse. Using new plastic inserts for each sealing operation ensures the seals are applied to a clean surface, ensuring optimum adhesive performance.

SecureContainer is an enabling technology for Smart&Secure, allowing RFID seals to be used conveniently in high security applications that require the storage or transportation of items such as classified, legal or high-value documents; sensitive electronic equipment; seized goods and other evidentiary material; weapons and ammunition; and items recovered at accident sites. In addition, SecureContainer provides cost effective security and tracking in commercial supply chains.

About SubSubscribe™:

SubSubscribe is a process that employs subsurface laser marking technology for secure, rugged, and economical internal marking of metallised labels and seals.

SubSubscribe records information within a material's substrate, enabling recorded information to withstand handling abuse and environmental extremes. Because SubSubscribe records beneath the surface of the label (without disturbing the topcoat, adhesive, or other layers) recorded information cannot be removed or modified, and remains highly secure. When SubSubscribe is used in a tamper-indicating label construction, marking is destroyed if the label is removed or partially removed.

SubSubscribe labels are used in a wide variety of security applications such as asset management, document authentication, ID card validation, and product identification.

About VDP Print Solutions:

VDP Solutions are a range of Variable Data Print (VDP) printers and authentication products that protect against copying, counterfeiting or modification of products and printed materials. We present customers with a comprehensive option of inks and taggant materials, covert embedded imagery, full four-colour process digital inkjet printing systems, finished labels, secure seals and a full operating software package enabling customers to run all print jobs direct from graphic files without the need for plates. With optimum performance for short to medium runs VDP solutions are ideal for any variable data print requirements and systems that can be installed and supported anywhere in the world across a wide range of print systems and industries, including the food packaging market.