



Newsletter

December 2010

All the latest products & services, market news, recent clients, and educational tips

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Arinda gives you the handle on tomorrow

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Surf Easy Desktop 2011

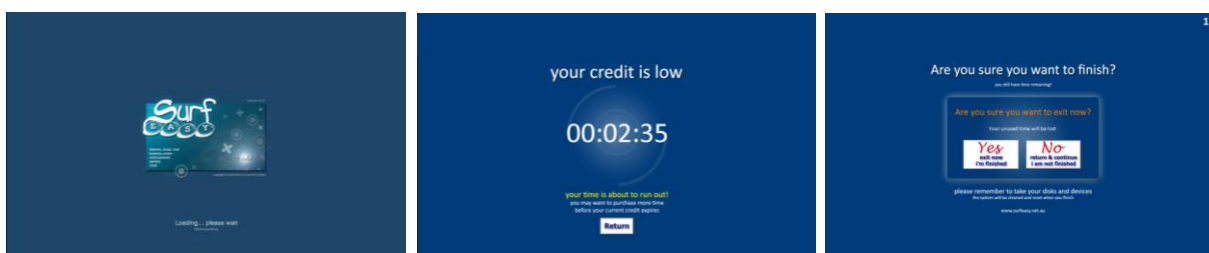
Arinda Internet is proud to announce that a new edition of Surf Easy is due out in early 2011, with significant improvements and new features.

Early in 2011 we will be releasing the all new **Surf Easy Desktop 2011**. This new edition will replace the current Surf Easy Desktop v2 title, and will become the flagship software title in the Surf Easy range for running your internet cafe user terminals and kiosks. Once the new edition is live then there will be no further updates to the old editions of the software.

New Features & Improvements

The new Surf Easy Desktop 2011 will offer the following improvements and new features:

- ✓ VoIP service with per call user billing.
- ✓ SMS service for users to send paid text messages to any Australian mobile phone.
- ✓ Fax service for users to send paid fax messages to any Australian fax number.
- ✓ New user session toolbar which now always appears on-top and application dockable.
- ✓ New and improved screens with better graphics and artwork.
- ✓ SMS Alert Service expanded to include alerts for individual user terminals.
- ✓ Information Kiosk mode, merging Surf Easy Freedom Edition into one title.
- ✓ Print billing for multiple printers, plus differential volume printing pricing.
- ✓ Centralised management of wait-screen pictures for easier updates to screens.
- ✓ Centralised setting management for remotely changing configuration.
- ✓ New streamlined database structure for faster software response times.
- ✓ New database backup & restore features, plus the ability to easily transfer data & settings between PCs.
- ✓ Improved desktop and start menu shortcut management.
- ✓ Improved Web Portal reporting and new functionality.
- ✓ Optional extra to completely change the software skin, for seamless rebranding.



Upgrading from your current version of Surf Easy

Rather than having to buy a new licence for the new software, we will be offering clients a substantial discount if they want to upgrade their existing Surf Easy licences to the new edition. All clients will be able to upgrade their existing Surf Easy licenses for **just 25%** of the retail price for new licenses. For example, if you want to upgrade 10 existing Surf Easy terminals then you will only pay 25% of the retail price that applies to 10 new Surf Easy software licenses.



News & Events



New Prices

As you know, most of our product and service pricing has been unchanged for several years, so a pricing review was well overdue.

The pricing review has now been completed, and our new prices are already in effect. Please review the Price List available from our website for all the latest prices on our products and services.

We are generally moving to a more “user-pays” approach, where low-usage clients get savings over high-usage clients. For example, we have introduced a new tiered pricing to our CAS Subscriptions.

14% of our items have increased in price, and 5% of our items have had a price reduction. The prices for the remaining 80%+ of our products and services have remained the same. We have also introduced over a dozen new products and services.

Portal Changes

Significant changes have been made to the Surf Easy Web Portal over the past year. Many new features have been added, allowing clients to better manage and support their user terminals and hotspot devices.

One significant recent addition is the new Knowledge Base, which contains short instructional articles and tips on common technical support issues. This searchable database allows clients to diagnose and resolve support issues directly themselves.

We invite clients to provide feedback on the portal, and to suggest new features and improvements.

LogMeIn Policy Changes

Clients and resellers are reminded that they can use the Arinda LogMeIn account for remote access services to their Surf Easy terminals, but it must not be used for other computers or non-Surf Easy terminals.

If you want to use LogMeIn for your other “non Surf Easy” computers and devices then you should create your own account with LogMeIn by visiting www.logmein.com.

ISPs reducing their prices

Over the past few months, several internet service providers have significantly dropped their ADSL2+ pricing. They have also significantly increased the download limits on their plans.

So now is a great time to review your internet connection bill and perhaps change plans or even change providers.

Telstra Business Broadband (TBB) is still the leading ISP that we recommend for internet cafe and hotspot operators. Not only does TBB offer most the reliable connections, but they also back it up with some of the best on-call technical support of any of the ISPs.

New Data Centre



Mid-year we moved our primary Surf Easy server to a data-centre in Brisbane. The new data-centre hosts the Surf Easy SQL database server, along with our RADIUS and SMS servers. All client equipment was automatically updated to use the new servers, with less than 10 minutes of down-time during the transition.

New Office

Earlier this year Arinda moved into new offices in Varsity Lakes, which increased our floor space and double our phone line capacity. The new office is now located on Varsity Parade, in Varsity Lakes.

Staff Changes



There have been several staff changes in the past few months. Our previous Accounts & Admin Assistant, Mojca, returned home to Slovenia early this year, and was replaced by Laura Hallmark. Unfortunately Laura recently resigned due to health reasons.

We recently welcomed Laura’s replacement, Kelly Bellamy. Kelly started with us in early December, and is already proving to be a valuable and welcome addition to the team.

Early in 2011 we will be also filling the vacant help desk position, and also adding a new Sales Manager to the team.



Follow us on Facebook!

Next time you log into Facebook simply search for Surf Easy and then become a follower of our page. We keep our Facebook page up to date with the latest industry and product news.

Market Analysis & Trends

2010 Analysis

These statistics are taken from almost 2000 internet cafe terminals and wireless hotspots, mostly located in Australia and NZ, in a variety of environments from info centres to Laundromats, shopping centres, hotels, libraries, cafes, resorts and more.

Overall for 2010, gross revenues from internet cafe terminals, in-room internet systems and wireless hotspots continued to climb strongly, with the fastest rate of growth continuing to be the wireless and in-room internet services.

Internet kiosk coin-drop revenues have had mixed results, with kiosks in areas dependant on tourism numbers experiencing declines due to lower domestic and international visitor numbers.

But kiosks in other locations such as retail, Laundromats and shopping centres have generally experienced increasing revenues over the year.

We have heard reports from operators who use competitors' software products that their revenues have generally dropped by more than 25%, but this is certainly not the case with operators who use Surf Easy products. We believe that the competitive advantage offered by Surf Easy's extensive feature list has helped protect revenues through the GFC and tourism slowdown.

Generally speaking, pricing has dropped in most locations. Some operators, especially in urban areas, have reduced the minimum spend on their internet kiosks from \$2 down to \$1 (but with mixed results). The previous standard internet kiosk pricing of \$2 for 15 minutes is now \$2 for 20 minutes, and many clients are now offering \$4 or \$5 per hour.

Wireless pricing has also reduced slightly, particularly for longer term plans of 1 month or more, and many are offering free wireless to their guests. But this is helping to combat the uptake of 3G wireless services.

Overview of 2010

- ❖ January remains as the best month of the year for average daily revenues, highlighting the continued correlation with the tourism season.
- ❖ Surf Easy Wireless HotSpots and Internet Access Controllers recorded a total of over 610,000 user logons during 2010.
- ❖ Internet cafe terminals running Surf Easy Desktop Edition recorded a total of over 1.6 million unique user sessions during 2010.

- ❖ Over 630,000 hours of internet access were used on Surf Easy HotSpots and IACs during 2010.
- ❖ An estimated \$4 million in sales were generated by users on Surf Easy internet cafe terminals, hotspots and access controllers during 2010.

Coin-Drop Cash Returns



- ❖ The average daily cash revenue across all Surf Easy user terminals is \$10.05 per day.
- ❖ The highest average return per day across the entire year for a single user terminal is \$39.16.
- ❖ The highest single day revenue for a single user terminal in 2010 was \$186 in August.
- ❖ The highest average revenue per terminal per day was recorded on 21 January 2010.

Printing



- ❖ 2010 has seen an increase in the average number of pages printed on internet terminals.
- ❖ There is now an average of 7 pages printed per user terminal per day.
- ❖ Busy internet cafes are now printing around 150 pages per terminal per week.
- ❖ The busiest single user terminal for printing is printing over 11,000 pages per year.

Credit Card Payments



- ❖ From January to November, total credit card revenues grew by 50%, that's an annualised growth rate of 64% per year.
- ❖ The average credit card transaction value for end-user payments across 2010 was \$23.77.
- ❖ The highest average credit card transaction value by month was for January, which averaged \$27.15 per transaction.

In-Room & Wireless Systems



- ❖ Wireless and in-room hotspot revenues continued to climb very strongly across 2010.
- ❖ The highest monthly credit card revenue for a single wireless hotspot installation was \$3,550 which was recorded in November 2010.
- ❖ The average downloads per individual user session over 2010 was 63.7 MB of traffic.
- ❖ The average individual user session length on wireless and in-room hotspots was 55 minutes.



Products & Services



New Support Plans

Arinda has recently revised its Support Plans, and a new range of plans will be available soon.

The new support plans are usage based, which therefore offers a fairer pricing model for our clients. The new support plan pricing will now better reflect the actual costs of providing support, and in most cases clients will save money with the new support plans.

The new support plans will also allow all clients to have access to direct end-user support, and will also reduce the minimum cost of the extended-hours coverage for support outside of business hours.

DIY Install Check Service

Arinda has a new DIY Installation checking service. So clients who prefer to install Surf Easy on their terminals themselves can now pay a small fee to have one of the Arinda technicians log into each computer remotely to check that the PC is ready for public use.

Even experienced IT professionals will benefit from this service, as our product experts will double check your settings and configuration to help you minimise likely ongoing support issues, and to help you generate maximum revenues from your terminals.

NRI Coin Acceptors



Surf Easy is now fully compatible with NRI Coin Acceptors (G13 USB model). The NRI coin acceptors are cheaper than the standard MicroCoin QL coin acceptors, but they are slightly less responsive and have fewer features. Nonetheless, the NRI coin acceptors are a good option for those on a budget.

Budget Internet Kiosk



Our new budget internet kiosk includes an all-in-one Dell PC with 19" flat panel LCD screen, in-built webcam, Surf Easy, coin acceptor, coin safe, headphones, kb & mouse, AV software, remote access, internet content filtering, third-party applications, laser printer, secure monitor bracket, chair, and configuration with your preferred settings. **All this for just \$3,495.**

New Training Courses

Arinda has recently introduced several new training courses, with many more on the way in 2011.

These new courses provide attendees with the detailed technical knowledge required to operate and deploy a successful internet business.

The training courses we now offer are:

- ❖ Internet Cafe Staff Introductory Course (1 hour)
- ❖ Surf Easy Web Portal (1 hour)
- ❖ Surf Easy Software – Advanced Training (1 day)
- ❖ Imaging & Cloning PCs (1 day)
- ❖ Networking (1 day)
- ❖ DSLAM Installations (1 day)
- ❖ Wireless & Cabled HotSpots (1 day)
- ❖ Internet Cafe Business Course (1 day)

New CAS Plans



We have changed the previous CAS Subscription to now have 3 levels of subscription to offer better value to our clients depending on their size. The 3 levels are based on the number of logon events per year, so quiet sites with a small or infrequent user base can now save costs on their CAS Subscription fees.

The change in pricing reflects the costs we have in maintaining our servers – busy locations obviously put a higher load on our servers, and generate more data traffic. Thus the new pricing is now proportional to these costs.

License Program

We have partnered with **Internet Only** – one of the leading Australian Internet cafe chains – to offer complete turn-key solutions for clients who are looking to setup multi-seat internet cafes in shopping centres.

The license model offers all the benefits of franchise-type business model, but without the expensive franchise fees.

Their in-house experience, buying power, and contacts developed through dozens of successful sites around the country together result in a true recipe for success for new operators.

Recent Clients & Installations

Azzura Greens Resort

Azzura Greens Resort at Hope Island on the Gold Coast is an architecturally designed low-rise resort comprising 159 luxury one and two-bedroom apartments spread across three separate 4-storey buildings.



Arinda recently installed a wireless and cabled in-room internet system in the resort, to deliver high-speed internet access to every room. The internet is also accessible from all the resort facilities, such as the lap pool, BBQ areas, function rooms, VIP rooms, gymnasium and reception.

There is a very high usage rate, particularly amongst the permanent residents. This is partly due the availability of a monthly unlimited download plan that allows residents to connect up to 3 devices simultaneously under the one user account.

Arinda also installed a coin-operated internet kiosk and business centre with printing in the reception area.

Taree City Centre

Arinda recently installed an 8-seat internet cafe in the Taree City Centre shopping mall in New South Wales.

Each terminal is coin-operated, and the internet cafe also offers a wireless hotspot service and printing. The new internet cafe is owned and managed directly by Arinda head office, and was already trading profitably by day 3 of operation.



Bounce Hotel



The new Bounce Hotel (near Central Station in Sydney) is a luxurious five star hostel unlike anything else you will find in Sydney. They have group share accommodation from 4 to 8 people, and also private double rooms with queen sized beds, ensuites and plasma televisions.

The building uses 10 Surf Easy Indoor Wireless Hotspots to allow users to surf the internet from anywhere in the hotel. There are also 10 Surf Easy internet kiosks with automatic print billing.

Internet Only

One of Australia's leading internet cafe chains – Internet Only – recently switched to Surf Easy software and hardware for their national network of internet cafe user terminals.

Specialising in shopping centre installations, Internet Only has internet cafes running across the country, including sites in Chermside QLD, Cleveland QLD, Grafton NSW, Market City NSW, Marrickville NSW, Randwick NSW, Riverton WA, Rockhampton QLD, Roselands QLD, Runaway Bay QLD, Toowoomba QLD, Victoria Point QLD, and Warwick WA, with many more sites coming soon.



Aspect

Based in Melbourne, Aspect Monitoring Services is using Surf Easy internet cafe software and wireless hotspots to service its backpacker and hostel clients in Byron Bay and in Melbourne Victoria.

Aspect will soon have 50 Surf Easy user terminals and internet access controllers operating around the country.





Mowanjum Community

The indigenous community of Mowanjum in regional Western Australian now has a dedicated wireless internet service, delivered by Surf Easy Wireless HotSpots at their Community Centre and at their Arts Centre. With the wide open spaces the Surf Easy Outdoor Extreme Wireless Hotspot is providing solid signal strength over a radius of 600m.

The service is used to deliver affordable internet access to residents throughout the community.

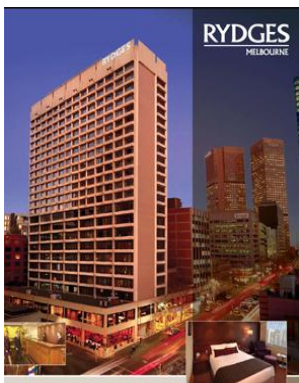


Established in 1977, Daltron is now recognised as the pivotal Information and Communications Technology (ICT) solutions provider in Papua New Guinea.

Arinda recently supplied Daltron with our award winning Surf Easy internet cafe software, and an indoor wireless hotspot, for use in their internet cafe in PNG.

Rydges Melbourne

Arinda recently supplied two Apple Macintosh business centre computers and a Surf Easy Internet Access Controller to Rydges Melbourne.



The solution allows guests at the hotel to use Microsoft Office for free, but if they want to surf the internet they need to buy an access code from reception.

The two computers are also protected by Faronics Deep Freeze disk protection, meaning that all user files are cleaned when the computers reboot.

Atomic Computers

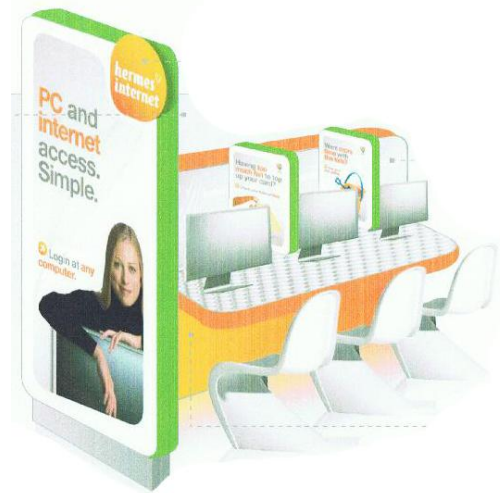
Atomic Computers is a local computer retailer and repairer on the Sunshine Coast of Queensland. Atomic recently purchased 50 Surf Easy software licences which they will be combining with NRI coin acceptors to build and deploy internet kiosks on a profit-share basis around the area.



Internet ConXion is a new profit-share internet kiosk operator on the Gold Coast. They recently purchased a run of several existing internet kiosk sites from Arinda, and have already added some additional new sites to their portfolio.

Hermes Internet Cafe

Hermes Internet Kiosk is a brand new, 6 seat internet cafe in South Australia. The site uses Surf Easy Desktop Edition and Microcoin QL coin acceptors.



Burleigh Surf Apartments

Burleigh Surf Beach Front Apartments recently purchased a Surf Easy internet kiosk for their complex.



Tips, Hints and Training



Security, Security, Security

One of the common topics of discussion with clients over the past 6 months has been around security issues with internet cafes and wireless systems. We use the phrase “security issues” to generically cover network security, physical asset security, privacy protection issues, user hacking, and risk minimisation.

This recent focus on security is partly due to the recent initiatives by the Commonwealth Government, such as the Australian Internet Security Initiative (AISI), and the much hyped internet filtering being proposed by Senator Conroy.

Back in October we updated our instructional document “Security Risks and Preventative Measures”, and if you haven’t already done so, then we strongly recommend you download that document from our website and have a read. In particular, that document explains the new AISI program, and its consequences for internet cafe operators.

But for the purposes of this newsletter we want to focus on some key security measures we strongly recommend all clients now take to protect their internet systems:

Enable disk protection on your user terminals

If you are not already using it, you really must enable Windows Disk Protection or Faronics Deep Freeze on your PCs. Either of these disk protection applications will completely wipe every user change on every reboot, thus leaving you with a PC that is free of any potential fraud or hacking tools such as key stroke loggers.

Set your computer terminals to reboot after every user session

We now recommend that all clients disable their scheduled reboots and instead set their user terminals to reboot at the end of every user session. This setting, combined with the disk protection mentioned above, will ensure that all user information and changes are completely wiped clean from the PC after each user finishes.

Install quality anti-virus software



Good anti-virus software is critically important, especially with the new AISI program monitoring internet connections for PCs that have been infected with malware or Trojans. Good antivirus software doesn’t just protect you, it also protects your users, and many customers are now refusing to use terminals that do not have AV software, as it risks infecting their own USB memory sticks and other devices. We strongly recommend ESET NOD32 AntiVirus software.

Regularly update your user terminals

We now recommend that you update the software on your terminals every one to two months. This includes Surf Easy, Flash, Java, AV, and of course, Windows Updates.

Secure your network

Take steps to secure your network, especially where your public internet network is sharing common infrastructure with a personal or business network. Either employ an expert in network security, or otherwise get yourself along to one of our training courses on network security.

Monitor your terminals and users

Keep a close eye on your devices, and regularly attend your installations so that you can watch users and receive honest feedback on your systems.

The above list is a short list of the basic measures you can take to protect your business. Please contact our head office if you have any specific questions, or if you would like more advanced training on this topic.



Classifieds



Brisbane Kiosk Business

Arinda is offering for sale a small business comprising 4 internet kiosks and a wireless hotspot currently installed at 3 locations in Brisbane on a hosted-profit share basis. The small run would suit a new operator looking to enter the market, or an existing profit-share operator looking to quickly add new sites to their portfolio. **Call 1300 882 780.**

Central Coast Business

Arinda is offering for sale a small business comprising of 3 internet kiosks, a wireless hotspot, and 2 in-room wireless internet systems currently installed at 4 locations in Newcastle, The Entrance and Terrigal. The business runs on a hosted-profit share basis, meaning there is no rent to pay, and minimal financial risk. The business would suit a new operator looking to enter the market, or an existing operator looking to quickly add new sites to their portfolio. **Call 1300 882 780.**

22 Seat Internet Cafe

One of Arinda's clients has a 22 seat internet cafe for sale in the centre of Surfers Paradise. The internet cafe has 22 coin-operated user terminals, plus a self-serve pay-station, staff cashier, security camera system, printers, faxing, scanning, and a wireless hotspot. This business would suit an owner operator. You simply can't get a location better than this, and now is the perfect time to buy, right before the summer peak season. **Call 1300 882 780.**

Dual Kiosk Unit

One of Arinda's clients has a second-hand twin internet kiosk for sale. The unit includes the kiosk cabinet, chairs, two computers, coin acceptors, software licence, and all the associated cabling. The dual kiosk is currently sited in a business on a profit share basis at Runaway Bay on the Gold Coast. You can choose to leave it there, or re-site it to a new location. **Call 1300 882 780.**



2nd hand user terminals

Arinda has a range of second hand and reconditioned internet cafe user terminals starting from \$950. If you are on a tight budget then we can build a cheap second hand unit to your exact requirements. **Simply call 1300 882 780.**

Dell Wireless KB & Mouse

We have an excess stock of brand new Dell Wireless Keyboard and Mouse combo packs. These attractive units are ideal for any desktop. **Simply call us.**



Second hand parts

We have a small quantity of second hand parts currently in stock. These include:

- ❖ Netcomm IAC4500 internet access controller.
- ❖ Netcomm NCT240 24-port IP DSLAM.
- ❖ Netcomm NCT480 48-port IP DSLAM.
- ❖ Zyxel ZyAir G4100 wireless hotspot.
- ❖ Combined coin and note acceptor safes.
- ❖ Various Netgear and Netcomm modems.
- ❖ Various PC parts such as power supplies, RAM, CD/DVD drives, cables, etc.

Limited stocks, so first in best dressed. To purchase any of these parts simply call 1300 882 780.

Got something to sell?

For just \$99 you can list your business or second hand equipment for sale. We will advertise it in our newsletter and on our website. We have a large number of clients who are always looking to expand, so we should be able to help you find a suitable buyer reasonably quickly.