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Robert Yturalde
Applied Watch Technologies, LLC
Tel: (877) 262-7593

Email: robert.yturalde@appliedwatch.com
Web: www.appliedwatch.com

Applied Watch Exceeds Earnings Expectations for 2nd Year in a Row Increasing Revenue By More Than 200% From Previous Year

Applied Watch Breaks 600 Installation Mark

Crystal Lake, Illinois – January 06, 2006 – Applied Watch Technologies, LLC, the company that brought open source security management to the Enterprise, today announced that it has exceeded earnings expectations for the second year in a row. The company's flagship product, the Applied Watch Command Center, now boasts over 600 installations to date.

“Applied Watch is right on track with our revenue and sales expectations in maximizing value for our shareholders and employees. As a completely profitable company with no VC or Angel funding, we plan to continue our upward growth as we expand our reach across all military, federal, and commercial agencies, organizations looking for open source as a cheaper alternative to costly, commercial security products, says Eric Hines, CEO and President of Applied Watch.”

Applied Watch was recently awarded a large multi-year managed security service contract with Leap Wireless International, the parent holding company of Cricket Communications and Jump Mobile.

Robert Tyruralde, Vice President of Sales for Applied Watch stated, “In 2005 Applied Watch was awarded 5 out of 5 stars in the SC Magazine SIM group test as well as the SC Recommended Award and more recently, SC Magazine's Best of 2005 award. This independent review of our technology is a tremendous testament to the value organizations will see in our technology. As we continue this successful momentum in to 2006, Applied Watch will be well on its way to exceeding earnings expectations for a third year in a row.”

About Applied Watch Technologies, LLC

Applied Watch Technologies is the patriarch of a new generation of security information management technology that offers organizations an alternative to costly commercial intrusion detection and prevention systems by using free, open source alternatives. The Applied Watch Command Center, a security information management system for open source security software, enables organizations to use these free open source alternatives without losing the enterprise-grade management capabilities enjoyed in commercial, closed source products. The product line of Applied Watch IDS and IPS agents offers companies a multifaceted approach to detection and automation in protecting customer networks against the threat of hackers and worms. Utilizing the best in free, open source security solutions, Applied Watch provides customers the capability to suppress and contain worm outbreaks or attacks at a much more affordable price point, lowering the overall cost of ownership of security software and solutions.

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This release may contain forward-looking statements based on the Company's current expectations, estimates and projections about the Company's industry, management's beliefs, and certain assumptions made by the Company. Words such as "anticipates," "expects," "believes," "may," "will" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, the Company's actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors.

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