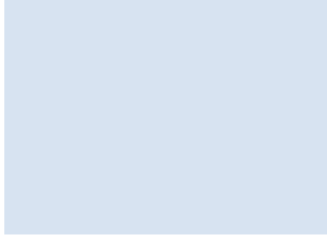
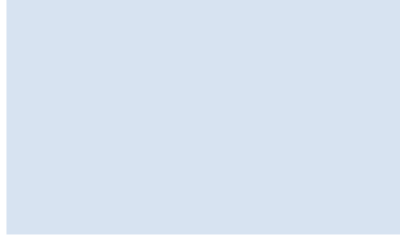


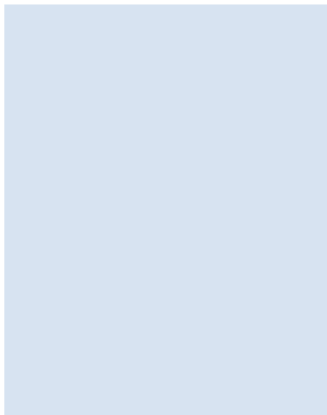
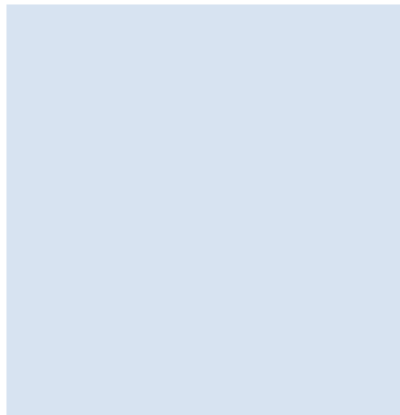
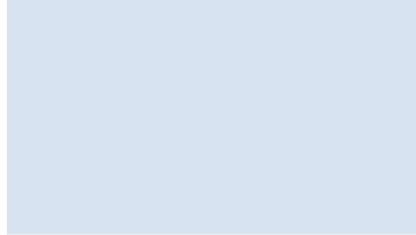
ZYCRON

2010 ANNUAL REPORT



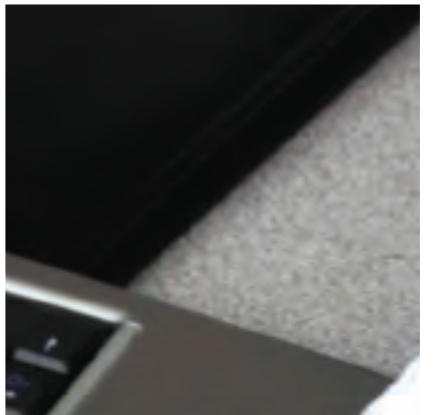


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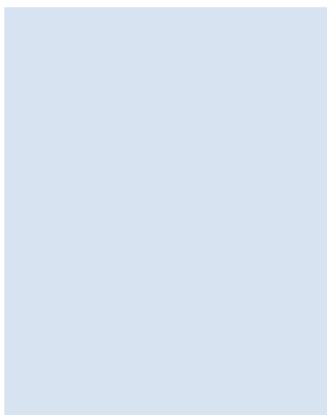
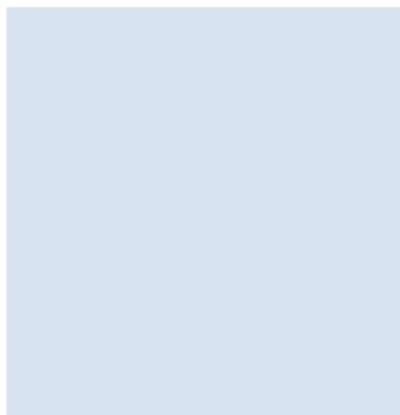
10 | New Clients & 2010 Results



ZYCRON
2010 ANNUAL REPORT

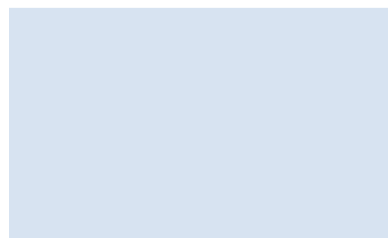
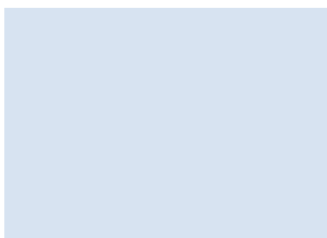
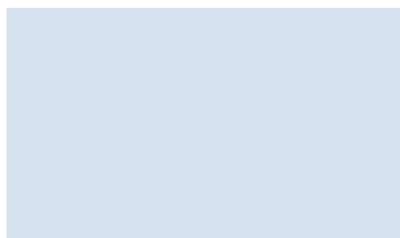
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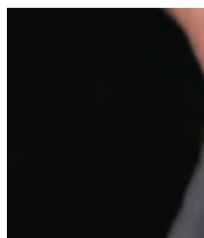
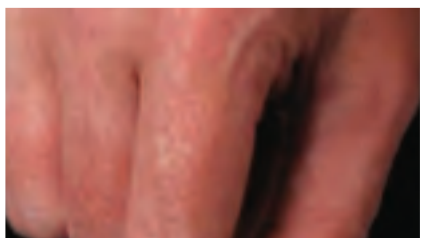


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Zycron Leadership

As Zycron's leadership, we are proud to announce another record year for our organization. We owe our employees, customers and friends for our continuous growth and for 19 successful years in the information technology industry.

This report is a highlight of Zycron's operations during the 2010 fiscal year, which ended December 31, 2010. But most important, it is a salute to our team members in the field, our corporate personnel and our clients who make it all possible.

The basic Zycron philosophy can be summed up in the edict "Be nice to people, add value to clients and hire the very best." Zycron is flexible, adjusting to the competitive economy without compromising a value system that honors hard work, fair play and devotion to family.

This philosophy brought about tangible wins for Zycron in 2010. A 15 percent growth in employee headcount resulted in the highest ever number of team members. With a 38 percent organic growth in revenue, the company achieved a record high of \$29.3 million, continuing a four-year trend of increasing revenue. Zycron also expanded its services with the establishment of a Health IT division and the incorporation of Zycron-Memphis as a wholly owned subsidiary of Zycron.

Each team member upholds the Zycron commitment to customer service which has become our competitive advantage. The diversity and experience of the leadership team are additional reasons that we have been successful through the years.

We are thankful to our customers. We believe that information technology solutions should directly impact our customers' bottom lines, and we continue to strive to make that a possibility. Our clients allow us to grow, and it is with gratitude that we serve them. We anticipate the year 2011 will be another opportunity to prove that every day is a great day at Zycron.



“We believe that information technology solutions should directly impact our customers’ bottom lines, and we continue to strive to make that a possibility.”


Temika Taylor
Chief Financial Officer


Dennis Waggoner
Executive Vice President


Darrell S. Freeman
Founder and Chairman


Stephanie Woodard-Majors
Chief Operations Officer


Steven Howard Smith
President and CEO



Since 1991, the Zycron team has worked together to fulfill the mission statement:

“Above all else, we are dedicated to the quality of our services, products and relationships with customers and team members through leadership, technology and integrity.”

About Zycron

As one of the largest Tennessee-based information technology firms, Zycron every day seeks to add value to many of the nation's largest corporate and government entities. The Zycron team achieves this through focused efforts on customer service and constant attention to innovative technology solutions that enhance our clients' businesses.

Consulting and Outsourcing

Zycron's recruiting methodology and support infrastructure allow us to successfully provide our clients with experienced consultants who are skilled in the latest and most relevant applications. We continually refine and improve our processes to meet our customers' challenges and to remain viable in the ever-changing technology environment. As a result, we have supplied versatile and comprehensive solutions to a diverse client base by providing thousands of high-quality technical professionals.

We are also capable of alleviating the limitations on our clients' in-house IT solutions by acquiring and managing entire IT departments. Working closely with a client's internal personnel, we are a proven option for IT outsourcing both internationally and in a domestic capacity. Working with our global partners and using key business relationships, Zycron provides cost-effective and superior IT solutions.

Project Management and IT Governance

Zycron's project management methodology assures that all projects are delivered within scope, on schedule and within budget. Zycron has experience in managing large and small projects that are in line with our clients' objectives. We offer full-service solutions and project teams to fulfill the needs of our clients with large and often long-term projects.

Zycron's IT Governance practice has established both tools and techniques that provide IT executives the desired insight and controls to assure that investments (human and capital) are expended on the proper mix of projects and IT initiatives. Our IT Governance model solves the following challenges for IT executives: aligning IT to the business and performing ongoing plan reviews; providing visibility into IT for executives and business units; establishing and/or enforcing standard processes and tollgates; and demonstrating the value of IT to the business. The key result of Zycron's IT Governance practice is that we help customers enable business innovation, improve customer satisfaction (both external and internal) and reduce business costs.

Our Family of Brands

Zycron IT Services and Solutions

Zycron's flagship services are providing information technology solutions to the nation's largest agencies in both the private and government sectors. The core business model is structured into the three main components of consulting, outsourcing and project management. Zycron provides client-specific IT solutions across all industries, with extensive experience in health care, energy and utilities, and state and local government. As a leading provider of information technology services since 1991, Zycron has offered IT solutions to a broad client base and today is the primary provider for multiple *Fortune* 500 companies.

Zycron Health IT

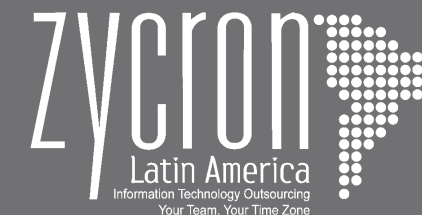
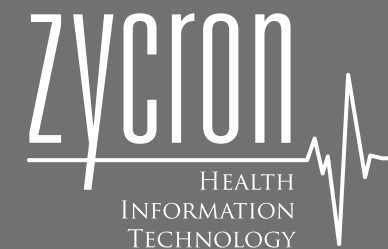
The Health Information Technology division employs Zycron's core competencies in technology coupled with its knowledge in health care to support the growing need for unique positions in the area of clinical informatics. Zycron Health IT specializes in the placement of pharmaceutical, nursing and other ancillary service positions to support health care technology solutions. With more than 10 years of expertise in the health care industry, Zycron added its Health IT practice in 2010 to support clients' increasingly popular shift from purely technical talent to a more unique combination of clinical and technical expertise.

Zycron Latin America

Headquartered in Medellín, Colombia, Zycron Latin America offers clients cost-effective rates and CMMI Level 5 competency for an array of services and products, including application development services, application management, IT process outsourcing, and software engineering best practices consulting. Global companies based in the U.S. that are seeking global delivery solutions can enjoy easier and more efficient opportunities to conduct business during standard hours. And, Zycron Latin America offers American firms offshore IT services at CMMI Level 5 competency, the highest rating of an organization's software development processes.

Zycron-Memphis

In 2010, Zycron-Memphis was incorporated as a wholly owned subsidiary to lead Zycron's expansion of information technology services offerings in the Mid-South region. With a local presence in the Mid-South since 2003, Zycron's operations in Memphis have been a tremendous source of growth in revenue and staff, and it requires a separate entity to serve the Bluff City community. Establishing Zycron-Memphis as a separate company results in almost all revenue generated by the regional company staying in the City of Memphis.



Zycron Consultants

The value of the Zycron team is best exemplified by the experienced technicians who contribute their unique talent to our clients.

In 2010, the number of Zycron consultants increased by a net 15 percent to a total of more than 250. Our consultants' skill sets run the full spectrum from senior project managers to programmers to help desk technicians.

John Beard celebrated his 10-year anniversary as a Zycron consultant in July 2010. He has built a solid reputation as a professional programmer, and this year marked a full decade of dedication to the Zycron team.

John has been writing software for approximately 25 years and is one of approximately 40 people worldwide who are Microsoft Certified with a Visual FoxPro emphasis.

For the last 10 years, he has worked as a programmer for Bridgestone Americas Tire Operations, Off Road Tire Division in Nashville, Tenn. His experience there includes helping large clients manage off-the-road tire costs (including those for giant earthmoving equipment) through software called Bridgestone TreadStat. He is also part of a team that writes code and, at times, takes technical or user questions from the field. John is currently working to internationalize the product so people can access the software in their own language. Although he works on more than one project at Bridgestone, his official role is as a programmer.

"The Zycron team has always been very accommodating when I need assistance or have special circumstances," John said. "Zycron has treated me well."

Team members such as John not only possess exceptional technical skills, but also offer soft skills to thrive in an ever-evolving technology industry. Each Zycron consultant satisfies a rigorous evaluation process executed by our recruiting and account management teams. As a result, we are able to provide high-quality talent to our customers.



John Beard
Zycron Consultant
Since July 2000



We applaud the commitment of our consultants, who are an extension of our corporate commitment to customer service.

New Clients

Port Authority of Allegheny County

The Port Authority of Allegheny County provides public transportation services throughout a 775-square-mile area that includes Pittsburgh and its suburbs throughout Allegheny County. The Authority's 2,700 employees operate, maintain and support bus, light rail, incline and paratransit services each day to about 220,000 riders.

Technology Blue

Technology Blue is an IT strategy firm based in Pittsburgh, Pennsylvania. The company delivers strategy, application, infrastructure and management outsourcing services to commercial companies and government agencies.

Toyota Motor Engineering & Manufacturing North America, Inc.

TEMA is responsible for Toyota's engineering design, development, R&D, and manufacturing activities in the U.S., Canada and Mexico. TEMA operates 13 parts and vehicle manufacturing plants across North America.

FedEx Services (contract expansion)

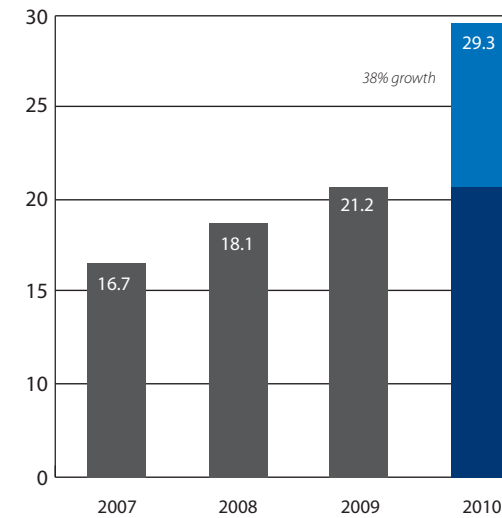
After a successful seven-year partnership with FedEx Services in the Memphis and Dallas locations, Zycron began working with FedEx Services in Pittsburgh in 2010. FedEx Services provides business-to-business package shipping and ground delivery services and operates as a subsidiary of FedEx Corp.

Nashville Electric Service (contract renewal)

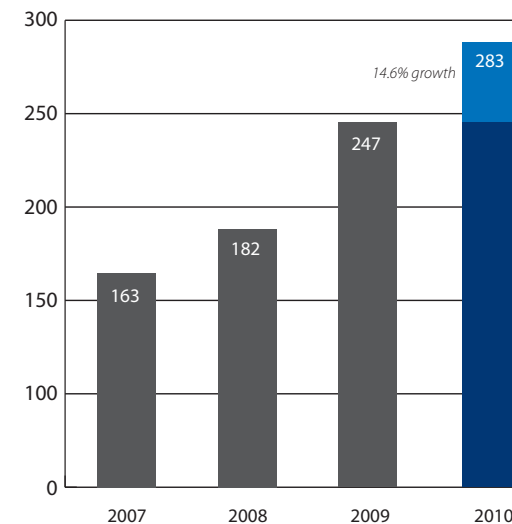
Zycron partnered to win a five-year contract renewal at Nashville Electric Service for on-site information technology services. The multiyear agreement includes both IT applications and infrastructure support. Since 2004, Zycron has helped provide IT services to NES, one of the 12 largest public electric utilities in the nation, distributing energy to more than 357,000 customers in Middle Tennessee.

2010 Results

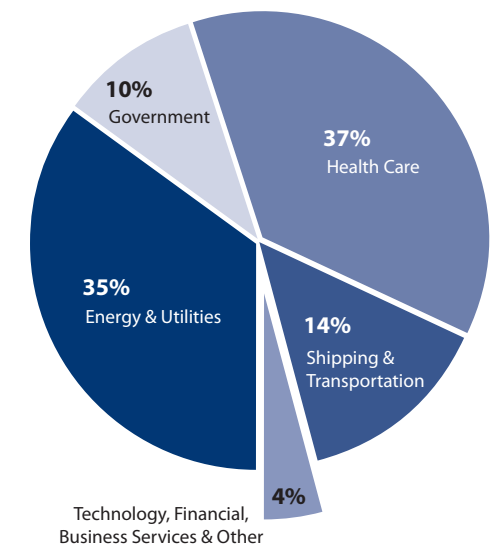
Revenue Totals By Year (Million)



Employee Totals By Year



Sales By Industry



Zycron Locations

Headquartered in Nashville, Zycron's largest office is in Middle Tennessee. Serving many of the state's largest public and private agencies, the Nashville office also houses the majority of corporate employees, who are responsible for overseeing the daily functions of accounting and finance, account management, human resources, marketing, and recruiting. The executive team in Nashville is also responsible for determining Zycron's corporate policy and strategic direction.

Chattanooga - Zycron's second-highest revenue-producing office in 2010 is located in Chattanooga, Tennessee. Serving clients throughout the East Tennessee region, the Chattanooga office is led by Gary Holder, who has 22 years of experience in account management. The Chattanooga office leads the company's efforts in the energy and utilities vertical market by serving Tennessee Valley Authority, the nation's largest public utility company.

Dallas - Established in 2005, Zycron's Texas operations are led by Lori McColl, who has 15 years' experience in IT consulting. After successfully supporting FedEx for five years in the Texas area, the Dallas office this year was an integral part of expanding Zycron's client base in the health care vertical market, and was a key player in establishing Zycron's Health IT Division.

Memphis - Zycron-Memphis was incorporated as a separate entity in 2010. As a wholly owned subsidiary of Zycron, Zycron-Memphis distributed more than \$4.6 million in annual payroll to Memphis employees and had a 23 percent net increase in its number of Memphis employees. 2010 was also the second year of operation for the project management office that is currently servicing the City of Memphis.

Pittsburgh - During its second year of operation, Zycron's Pittsburgh office was the site of two new clients in 2010: Technology Blue and the Port Authority of Allegheny County. Led by Account Executive Marjorie Spegar, the Pittsburgh office also expanded Zycron's partnership with FedEx Services in Pennsylvania.

Medellín, Colombia - Zycron Latin America is the cornerstone of Zycron's international division. Headquartered in Medellín, Colombia, ZLA completed its second year of operation in 2010 and offers cost-effective, CMMI Level 5 services for companies seeking global solutions.

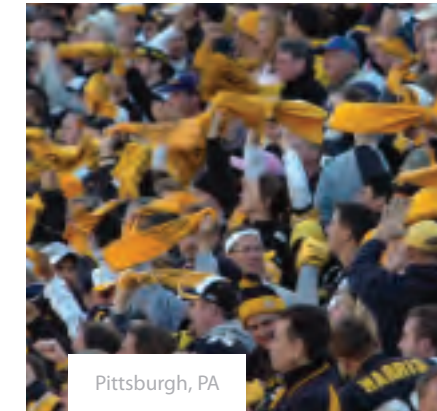
Memphis, TN



Chattanooga, TN



Pittsburgh, PA



Dallas, TX



Medellín, Colombia



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