

PRESS RELEASE

Digital Identification Solutions AG: Acquisition of German Software Manufacturer vps ID Systeme

Stuttgart/Ettlingen, Germany, 15 August 2007 – Effective immediately, Digital Identification Solutions AG (A0JELZ), an international leader of identification solutions, acquires 100% of vps ID Systeme GmbH (vps), a long-time technology partner and one of the leading European software manufacturers for ID applications. Through this step significant synergies in research/development as well as sales and marketing will be generated.

For the current financial year, vps will have revenues of almost \$4 million USD. At present the company has 35 employees at its headquarters located in Ettlingen, near Karlsruhe. The purchase price is to remain Confidential.

Jürgen Koenig, managing director of vps since the foundation of the company in 1992, will continue to in his present capacity at the company's present location. Thus vps will become the seventh member of the globally operating Digital Identification Solutions Group.

For many years, the software specialist vps has focused on JAVA programming, a major advantage compared to other software providers with proprietary solutions. This has enabled vps to establish a major base of industry and government references. Among these are Siemens, BMW, RWE, the Ingersoll-Rand Group and DRV, and many others. Furthermore, the company is represented in numerous standard-setting bodies such as BitKom.

The development, project management and solutions competence of vps is an ideal complement to the turnkey solutions and global presence of the Digital Identification Solutions Group. The cooperation with the ID software specialists from Karlsruhe will generate substantial synergies. These are expected to be most readily visible in distribution and in project management. Furthermore, the joint presence at trade fairs and corporate training sessions will result in savings in marketing and will strengthen the corporate image of the group at the same time.

By these expanding companies joining forces, all involved parties are able to benefit from the essential aspects of this valuable merger. Furthermore, the benefits of an almost limitless business model scalability can be tapped more readily. Gerd Schaefer, CEO of Digital Identification Solutions AG, commented on this step as follows: "This is one of the rare opportunities where 1 + 1 results in far more than 2. Due to the projects which have been already implemented together and the long-term cooperation of both companies, it will be possible to integrate and expand much faster than if two strangers had joined forces. We are very happy that our long-term partnership could be strengthened in this sustained way and that the buildup of Mr. Koenig and his team can be further developed as part of the internationally operating Digital Identification Solutions Group".

Jürgen Koenig, managing director of vps ID Systeme, appreciates this incorporation of the long-term technology partner as an ideal base to strengthen the market share of vps in expanding its sales and marketing channels. "For us, the incorporation into the Digital Identification Solutions Group means the acceleration of our growth strategy", explained Jürgen Koenig. "Under the umbrella of the Digital Identification Solutions Group with its subsidiaries and support centers in Europe, the Middle East, Asia, China, Mexico and the United States of America, we will be able to support our current and future international customers and partners even better".

About Digital Identification Solutions

The Digital Identification Solutions Group, headquartered in Esslingen near Stuttgart, is a global provider of advanced identification solutions with a worldwide installed base of well in excess of 5,000 systems. In spring 2006, the Group introduced the latest **EDIsecure**[®] XID Retransfer Printer Generation. The company has sales, marketing and support operations in Europe, the Middle East, Asia, China, Mexico and the United States. Together with its vast network of certified partners, Digital Identification Solutions is in a position to deliver state-of-the-art solutions virtually anywhere in the world. The company combines cutting-edge technology, extensive industry know-how and an impressive array of references in the private and public sector.

For further information please visit www.digital-identification.com

About vps

vps ID Systeme GmbH, a leading European supplier of professional IT solutions for identity management, has been providing cutting-edge card personalization and management software solutions since 1992. With **icms**, its web-based, open architecture card management application, vps is driving the industry towards next-generation identity management systems. The company caters for all market requirements with solutions ranging from compact systems for small quantities of photo IDs to enterprise-level solutions for large numbers of chip-based multi-functional cards. Applications range from access control and electronic ticketing, to ePassports, national IDs, and health cards. Based in Ettlingen, Germany, vps serves its worldwide client-base through direct sales and via its partner network.

For further information please visit www.vps.de

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